



# **LandMark Optoelectronics Corporation**

## **2021 Sustainability Report**



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## About this Report

LandMark Optoelectronics Corporation (hereinafter “LandMark” or “the Company”) has issued non-financial information reports since 2018. In June 2022, LandMark’s 2021 Sustainability Report (hereinafter “this Report”) has been issued to present the Company’s Environmental (E), Social (S) and Governance (G) performances in the year 2021, allowing all stakeholders caring for LandMark to, through this Report, understand the efforts we made on various issues, in addition, we continue to showcase commitment and determination on fulfillment of sustainable development to all stakeholders.

### ■ Report Scope

Data contained within this report are from the year 2021 (01/01/2021 to 12/31/2021). The data for disclosure information is obtained from the Company's own internal survey and statistics on the operation and management of each department, and the financial data is based on the financial reports certified by the accountants. The Company's production and operation are located in Taiwan; therefore, the scope of the report is Taiwan.

### ■ Guidelines and Principles

This Report follows GRI Standards published by Global Reporting Initiative for the preparation of core options as well as refers to Sustainable Development Goals (SDGs) as the principles for reporting. Through discussion, the team identified major substantive considerations related to the Company's operations and included the opinions of stakeholders so as to determine the boundary of each consideration and describe corresponding policies.

### ■ Release

Reporting period: The Report is published annually and an electronic version of the Report is available on LandMark’s website.

Current version: Issued in June, 2022

Previous version: Issued in June, 2021

Next version: To be issued in June, 2023

### ■ Contact Information

If you have any suggestions on this Report or LandMark’s sustainable development, please feel free to contact us.

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## **Letter from the Chairman**

The global epidemic, extreme climate disasters and the dynamic global political and economic situation in recent years have continued to have a significant impact on corporate sustainability. Shareholders and investors continue to raise concerns about ESG performance. LandMark is deeply aware that ESG management is the essential strategy for sustainable operation. We recognize ESG issues as a driving force for corporate development and continue to implement efforts to promote ESG in various aspects.

In terms of corporate governance, LandMark has continued to establish and improve its corporate governance policy in these years, focusing on shareholders' interests, board of directors' operations and information transparency, and to implement corporate social responsibility. From 2018 to 2021 (the 5th ~ 8th), we have been among the top 5% of TPEX-listed Companies with respect to Corporate Governance Evaluation for four consecutive years. We earned recognition for our efforts and this honor drives us to improve continuously.

In terms of environmental protection, LandMark has introduced the ISO 14001 environmental management system, setting annual management targets for water conservation, energy saving, waste and carbon emission reduction, and formulating management plans to address these targets, which are regularly reviewed and tracked. The total energy saving in 2021 was about 221,892 kWh, converted to a carbon reduction of about 111,390 kg CO<sub>2</sub>e, the water conservation was about 14,957 tons, and the total waste was reduced by about 15% compared to the previous year. We continue to take concrete actions to achieve our energy saving and carbon reduction targets. In the face of climate change, carbon management is a critical issue that must be taken seriously and implemented for sustainable corporate development. Therefore, from 2021 onwards, LandMark has started to implement a carbon reduction plan and set a target to achieve carbon neutrality by 2050.

In terms of corporate commitment, LandMark is committed to providing a safe and friendly working environment and we have obtained ISO 45001 occupational health and safety management system certification in 2021. We comply with government labor laws and regulations and have a comprehensive compensation and welfare

system. We value the career development of our employees and plan diversified training programs to enhance their knowledge and skills. We hope to create a happy and healthy workplace through various efforts. Our promotion achievements have been recognized by government units and the community. In 2021, we were awarded the "Sports Enterprise Certification" by Sports Administration of Ministry of Education, "Tainan City Five Hearts Workplace Certification Unit" by Tainan City Government, and the "Promoting Workplace Work Equal Rights" Outstanding Award by Southern Taiwan Science Park.

In terms of social participation, LandMark upholds the corporate culture of social co-prosperity and organizes the "LandMark ♥ Sharing" campaign every year, cooperating with social welfare organizations to take care of the disadvantaged groups and small farmers in rural areas. We hope to fulfill our corporate responsibility to take care of the community by passing on our love through physical actions and ongoing programs.

Looking ahead, we will continue to focus on our core business and sustainable growth, maintain smooth communication channels with our stakeholders, create a friendly and happy workplace for our employees, strive to reduce GHG emissions, and more efficiently utilize energy and manage resources. In addition, in the hope of becoming a benchmark company for sustainable development in the industry and society, we work together with our employees, customers, investors, suppliers, and other stakeholders to achieve common good.

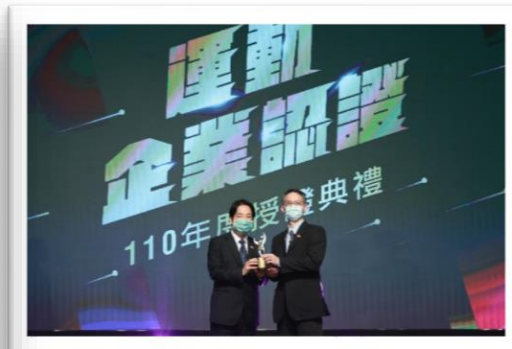
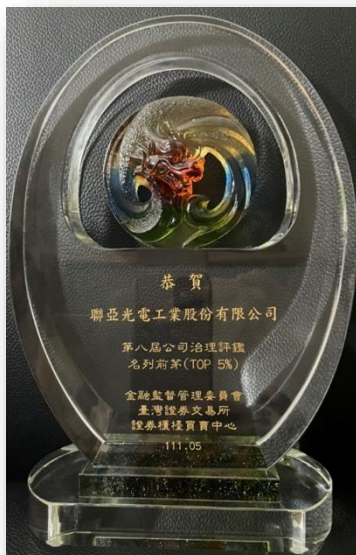


*Ching-Yi Chang*  
Chairman and Corporate  
Sustainability and Nomination  
Committee Chairperson

## Awards, Recognitions, and Ratings

For recognition related to the Company's efforts in the field of ESG in 2021, please refer to the following :

- Awarded the TOP 5% of TPEX-listed Companies in the 2021 (the 8th) Corporate Governance Evaluation.
- Awarded the 2021 "Sports Enterprise Certification "by the Sports Administration in cooperation with Global Views Monthly.
- Awarded the 2021 "Five Hearts Workplace Certification Unit" by Tainan City Government.
- Awarded the 2021 "Promoting Workplace Work Equal Rights" Outstanding Award by Southern Taiwan Science Park.
- Selected as a constituent of TPEX "Corporate Governance Index", "TPEX Compensation Index", and "TIP Customized TPEX ESG Growth Total Return Index".



## Implementation of the UN SDGs in 2021



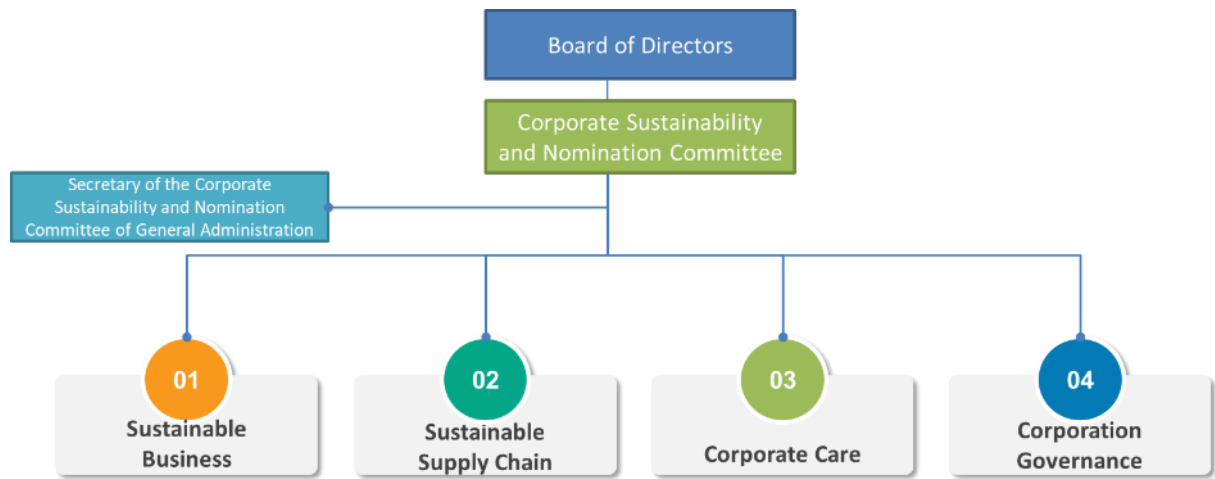
## Sustainability Vision Strategy and Goals

- Sustainability Policy and Commitment

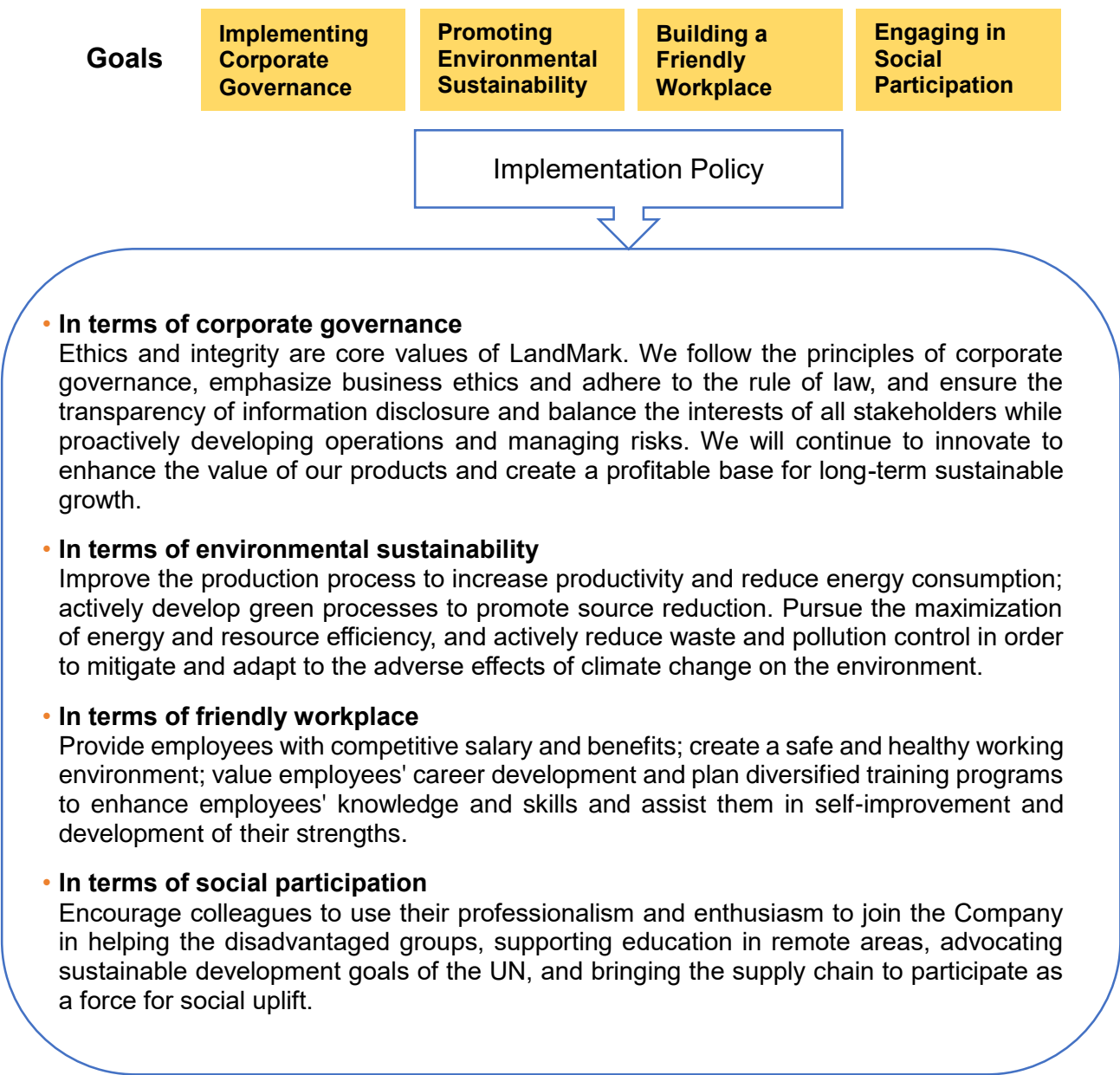
- To pursue corporate sustainability and emphasize management in economic, environmental, and social aspects.
- To consider risks while creating the best profits for customers, shareholders, employees, and relevant stakeholders.
- To observe relevant regulations and fulfill international criteria and standards.
- To strengthen partnership to realize value of the chain collaborative businesses.
- To reduce the impact on the environment, mitigate climate change, and maintain a balanced eco-system.
- To respect and protect human right by valuing equality, multiple development, and labor rights.
- To offer a friendly workplace by cultivating talents and creating a healthy and safe work environment.
- To participate in philanthropic activities and devote for social welfare.

- Corporate Sustainability Initiative

The Company has established a “Corporate Sustainability and Nomination Committee”, chaired by the Chairman and composed of all independent directors. The committee supervises several functional groups, including “sustainable business, sustainable supply chain, corporate care, and corporation governance.” Each of the units does their part in promoting and implementing relevant measures of environmental protection, society, supply chain management, ethical corporate management, risk management, and cyber security. The committee guided the Company to achieve short-term, medium-term and long-term goals as well as regularly report to the Board about the plan and outcome of implementation. For more information on the operation of the Corporate Sustainability and Nomination Committee in 2021, please refer to pages 41~43 of the Company's Annual Report of shareholders' Meeting.



• Goals for sustainable development and Implementation Policy



## Major Issues and Communication with the Stakeholders

- Stakeholder Identification and Communication

Effective communication with stakeholders is an important cornerstone for sustainable business development. We interact with stakeholders through various channels, including telephone communication, physical and online meetings/forums, event satisfaction surveys, customer satisfaction surveys, customer visits, supplier audits, etc., as well as the CSR mailbox (csr@lmoc.com.tw) and the stakeholder section of the Company's website, etc. Colleagues in each unit are responsible for responding to stakeholder requests. Through interdepartmental meetings, we identify the main stakeholders, including shareholders (investors), employees, customers, suppliers (contractors), and government agencies (the competent securities authority, Science Parks Bureau, Environmental Protection Bureau, Ministry of Labor, etc.).












- Major Issues

Due to the wide range of sustainability issues, we gather and identify sustainability issues relevant to the Company from both internal and external sources (e.g., SDGs, GRI Standards), understand the level of interest in these sustainability issues through the process of interacting with stakeholders, and discuss them through inter-departmental meetings to set major topics.

Environmental Issues (E)	Social Issues (S)	Governance Issues (G)
<ul style="list-style-type: none"> <li>• Risks and Opportunities of Climate Change</li> <li>• GHG Inventory and Carbon Reduction Targets</li> <li>• Energy Management</li> <li>• Water Resources Management</li> <li>• Wastewater Discharge</li> <li>• Waste Management</li> <li>• Environmental Regulations Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Labor Relations and Equality</li> <li>• Employee Welfare</li> <li>• Occupational Health and Safety</li> <li>• Talent Cultivation and Development</li> <li>• Customer Privacy</li> <li>• Supplier Assessment</li> <li>• Social and Economic Regulations Compliance</li> <li>• Public Welfare Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Operating Performance</li> <li>• Risk Management</li> <li>• Anti-corruption</li> <li>• Innovation and R&amp;D</li> </ul>

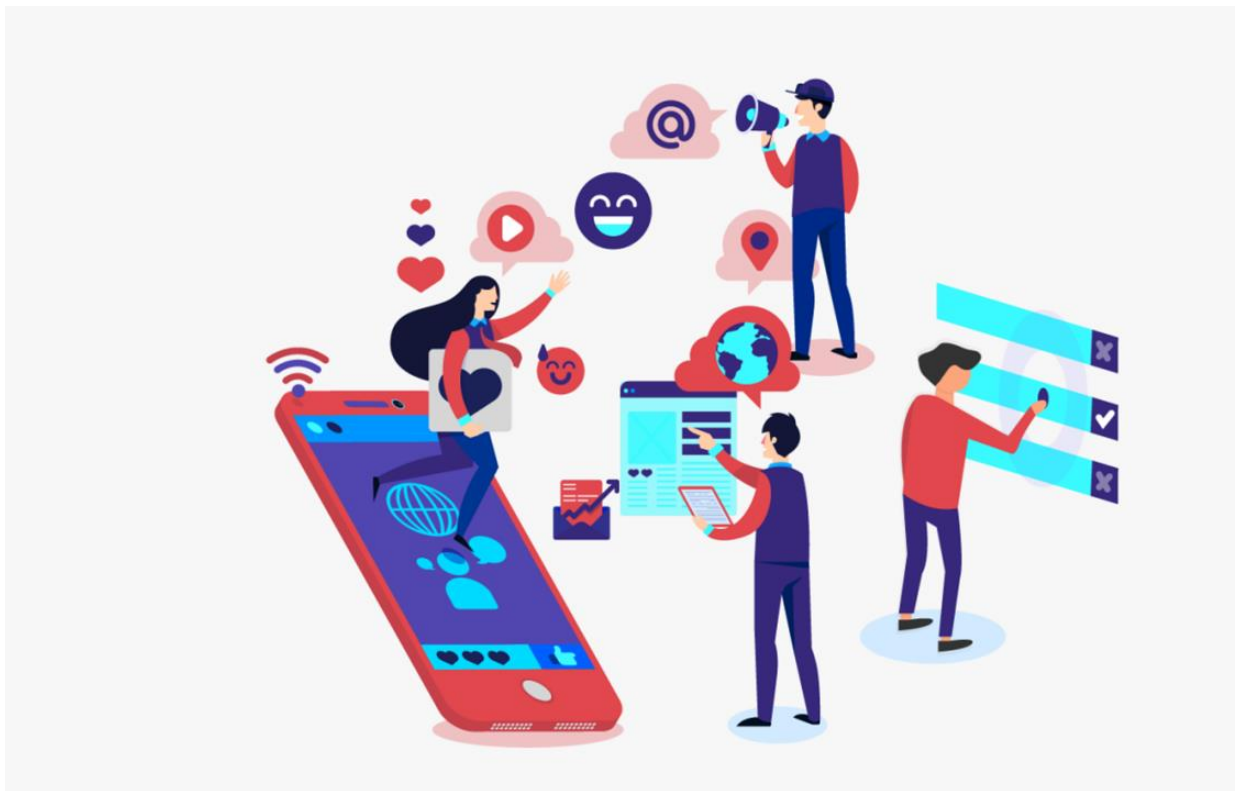
## • Identification of Major Topics and Communication

Aspect	Major Topics	GRI	SDGs Goals	Internal	External					Chapter to respond
				LandMark	Shareholders	Employees	Customers	Suppliers	Government	
Environmental	Risks and Opportunities of Climate Change	GRI 305	  	•	•	•	•		•	2.2 Climate Change
	GHG Inventory and Carbon Reduction Targets	GRI 305		•	•	•	•	•	•	2.2 Climate Change
	Energy Management Water Resources Management Wastewater Discharge Waste Management	GRI 303 GRI 305 GRI 306		•	•	•	•		•	2.3 Energy Management 2.4 Water Resources Management 2.5 Waste Management
Social	Labor Relations and Equality Employee Welfare Talent Cultivation and Development	GRI 401	    	•		•	•		•	3.1 Human Resource 3.2 Talent Development 3.3 Employee Welfare
	Occupational Health and Safety	GRI 403		•		•	•	•	•	3.4 Occupational Health and Safety
	Customer Privacy	GRI 418		•			•			1.1 Corporate Operation
	Supplier Assessment	GRI 414		•			•	•		1.1 Corporate Operation
	Social and Economic Regulations Compliance	GRI 419		•	•	•	•	•	•	1.1 Corporate Operation
Governance	Corporate Governance	GRI 103		•	•	•	•		•	1.2 Corporate Governance
	Operating Performance	GRI 201		•	•	•	•	•	•	1.1 Corporate Operation
	Risk Management	GRI 103		•	•	•	•		•	1.4 Risk Management
	Anti-corruption	GRI 205		•	•	•	•	•	•	1.1 Corporate Operation
	Innovation and R&D	GRI 103		•	•	•	•		•	1.3 Innovation and R&D

## • Communication with the stakeholders

Stakeholders	Focused Issues	Communication Channels and Frequency	Stakeholder Communication Performance in 2021
Shareholders/ Investors	Corporate governance Operating performance Shareholder participation Risk management	<ul style="list-style-type: none"> <li>● Shareholders' meeting (annually)</li> <li>● Investor conference (at least once a quarter)</li> <li>● Financial report (quarterly, annually)</li> <li>● Company website (irregularly)</li> <li>● Investors Relation Mailbox (irregularly)</li> <li>● Email: <a href="mailto:investor@lmoc.com.tw">investor@lmoc.com.tw</a></li> </ul>	<ul style="list-style-type: none"> <li>● Awarded the top 5% of TPEX-listed companies in corporate governance evaluation for four consecutive years (the 5th~8th)</li> <li>● Attendance rate of shareholders at regular shareholders' meetings was 75.96% (over 80% by electronic means), and the number of votes in favor of motions accounted for over 90% of the votes of shareholders present.</li> <li>● Organized domestic and foreign investors' conference calls/on-site meetings</li> <li>● Issued CSR report for the third consecutive year</li> </ul>
Employees	Employee welfare Labor-management relations Talent development Occupational safety and health Operating performance	<ul style="list-style-type: none"> <li>● Labor-management meeting (quarterly)</li> <li>● Staff welfare committee meeting (quarterly)</li> <li>● "HR Cares About You" system (irregularly)</li> <li>● Bulletin board / Suggestion box (irregularly)</li> <li>● Sexual harassment complaints direct line and email (irregularly)</li> <li>● Email: <a href="mailto:lmoc_hr@lmoc.com.tw">lmoc_hr@lmoc.com.tw</a></li> </ul>	<ul style="list-style-type: none"> <li>● Awarded the 2021 "Five Hearts Workplace Certification Unit" by Tainan City Government</li> <li>● Awarded the 2021 "Sports Enterprise Certification" by the Sports Administration in cooperation with Global Views Monthly</li> <li>● Distribute a monthly childcare allowance of NT\$3,000 to employees with children aged 0-6</li> <li>● The average salary for full-time employees not holding executive positions was NT\$910,000/per year.</li> <li>● Certified by ISO 45001 Occupational Health and Safety Management System</li> <li>● Awarded the 2021 "Promoting Workplace Work Equal Rights" Outstanding Award by Southern Taiwan Science Park</li> </ul>
Customers	Trade secrets Product quality management Supply chain management (RBA) Hazardous substances management Innovation and R&D	<ul style="list-style-type: none"> <li>● Video / Teleconferences (irregularly)</li> <li>● Visiting customers (irregularly)</li> <li>● On-site audit by customers (irregularly)</li> <li>● Customer satisfaction survey (annually)</li> <li>● Email: <a href="mailto:sales@lmoc.com.tw">sales@lmoc.com.tw</a></li> </ul>	<ul style="list-style-type: none"> <li>● Conduct annual customer satisfaction survey</li> <li>● Products comply with EU RoHS directive, REACH chemical regulations, PFOS/PFOA restrictions</li> </ul>
Suppliers/ Contractors	Supplier management Product quality Operational condition	<ul style="list-style-type: none"> <li>● Supplier Audit (irregularly)</li> <li>● Supplier education and trainings (irregularly)</li> <li>● Email: <a href="mailto:supply@lmoc.com.tw">supply@lmoc.com.tw</a></li> </ul>	<ul style="list-style-type: none"> <li>● Suppliers of raw materials and packaging materials signed the "Declaration of Hazardous Substance Free" with a 100% achievement rate.</li> </ul>
Government	Legal compliance Labor-management relations Environmental protection issues	<ul style="list-style-type: none"> <li>● Correspondences with the government (irregularly)</li> <li>● Corporate Governance Evaluation (annually)</li> <li>● Announcement on the Market Observation Post System (irregularly)</li> <li>● Seminars and public meetings held by the competent authorities (irregularly)</li> <li>● Supervision and audit by the competent authorities (irregularly)</li> </ul>	<ul style="list-style-type: none"> <li>● Awarded the top 5% of TPEX-listed companies in corporate governance evaluation for four consecutive years</li> <li>● Selected as a constituent of TPEX "Corporate Governance Index", "TPEX Compensation Index", and "TIP Customized TPEX ESG Growth Total Return Index"</li> <li>● There was no penalty from violation of laws and regulations.</li> </ul>

# Sustainability Governance



# 1. Sustainability Governance

## 1.1 Corporate Operation

### • Company Profile

The Company was established in 1997 and headquartered in the Southern Taiwan Science Park, which uses Metal Organic Chemical-Vapor Deposition (MOCVD) to manufacture and produce Epi-wafer, including InP, GaAs or other related materials. The Company provides clients with professional advices in component design, epitaxial growth, manufacturing procedure, testing, and application, helping the clients to cultivate new application fields and explore new market.

#### Basic Information

Company Name	LandMark Optoelectronics Corporation
Founding Date	June 2, 1997
Date of Listing	Listed on the Taipei Exchange on July 22, 2015
Main Products	R&D, design, production and sales of the following products: <ul style="list-style-type: none"> <li>• Epi-wafer for Laser Diode (LD)</li> <li>• Epi-wafer for Photo-detector (PD)</li> <li>• Engaged in the international trading business related to the above products</li> </ul>
Location	Factory No.1: No.12, Nanke 9th Rd., Shanhua Dist., Tainan City (Southern Taiwan Science Park) Factory No.2: No. 9, Xishan 1st Rd., Shanhua Dist., Tainan City (Southern Taiwan Science Park)
Chairman	Ching-Yi Chang
Capital	NT\$914 million



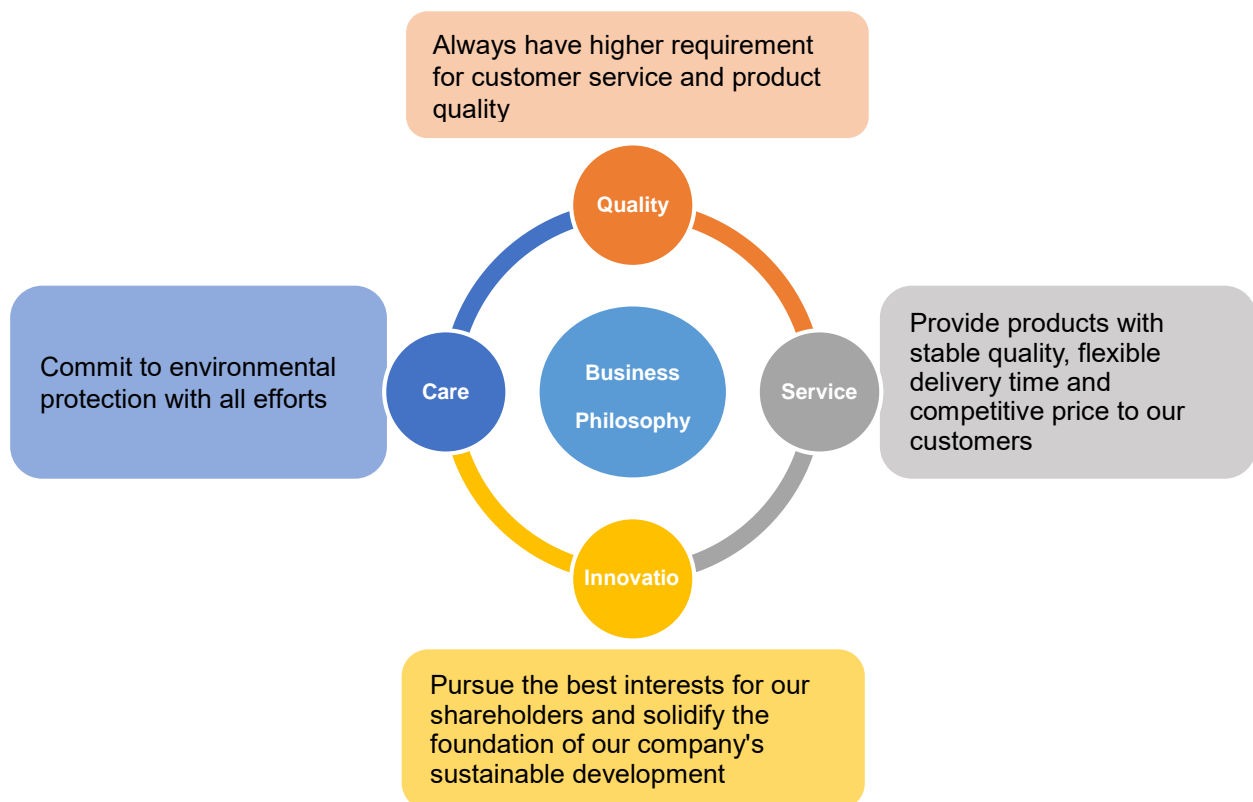
Factory No. 1



Factory No. 2

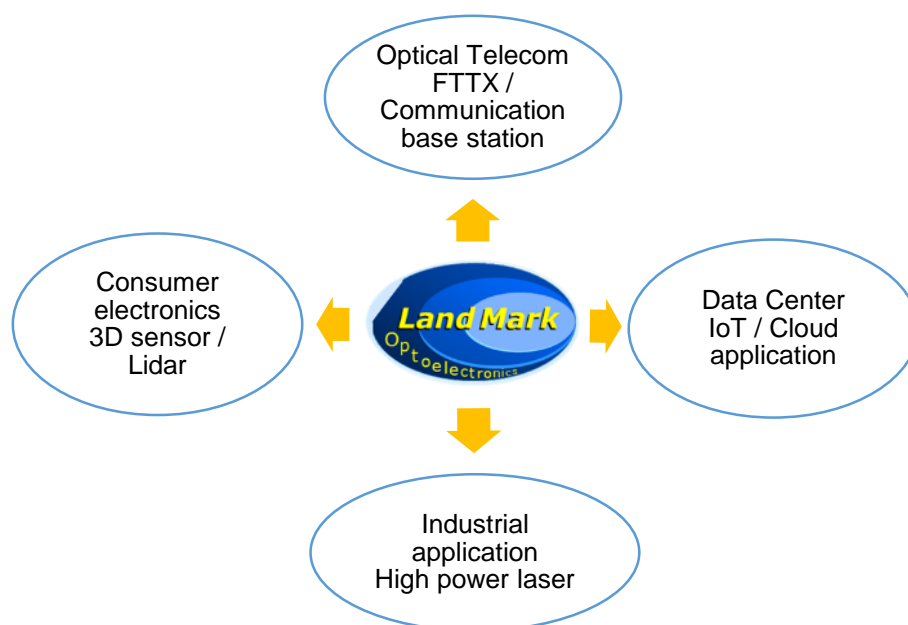
- Philosophy and Vision

In order to pursue sustainable development, a corporation must be committed to building a long-term business philosophy and a vision and mission that can be achieved. The Company's business philosophy of "Quality, Service, Innovation, and Care" is to pursue sustainable development of the enterprise, with the vision of "the top-notch Epitaxy House in the world".



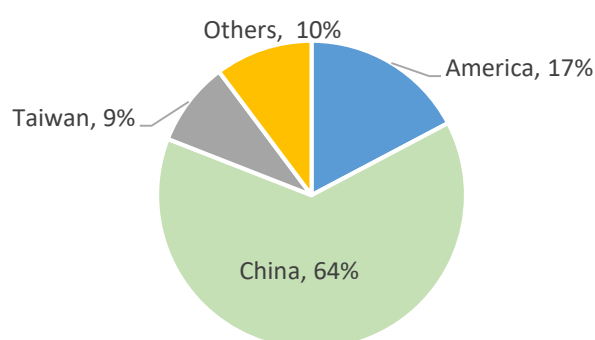
- Product Application

The Epi Wafer produced by the Company is a key component used in optical fiber communication (FTTx / communication base station), data center, etc., which has the technology and quality recognized and trusted by our customers and therefore has an excellent reputation internationally. Besides, in recent years, the Company has been actively developing suitable Epi Wafer in different application markets such as consumer electronics, industrial, material processing equipment, and to provide middle and downstream customers with Epi Wafer and technical support in different application markets, and so on.



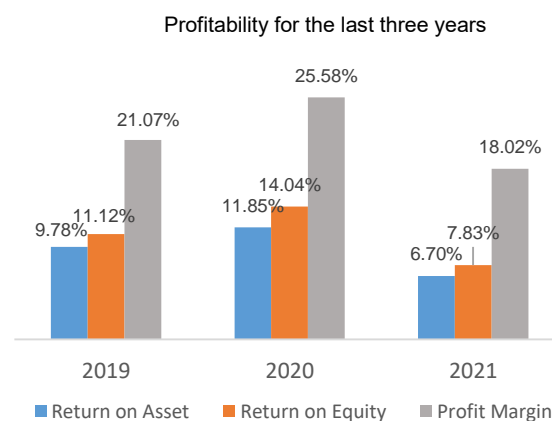
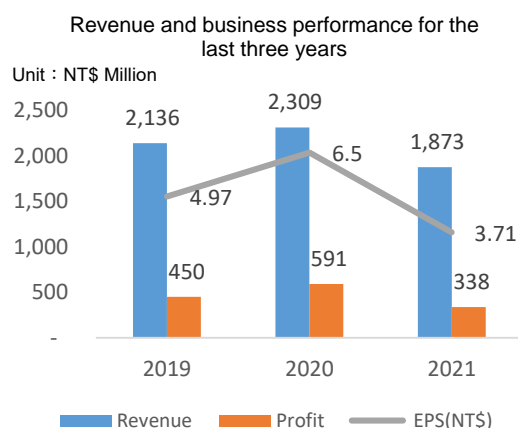
## • Sales regions and market share

Sales regions and market share in 2021



## • Financial Performance

The Company's net operating revenue for 2021 was NT\$1,873 million, a decrease of 19% compared to the previous year. Net operating income was NT\$412 million, net income after tax was NT\$340 million, and earnings per share after tax was NT\$3.71.



- Distribution of Surplus

Dividend distribution for the past three years is as follows :

Item	2019	2020	2021
The surplus for distribution (NT\$ Million)	364	456	320
Dividend per share (NT\$)	4	5	3.5(Note)
Dividend Payout Ratio	80.48%	76.92%	80.86%

Note: Cash dividends include the distribution of cash of NT\$ 0.5 per share from capital surplus.

- Government Subsidies

The information of the Company's investment in research and development expenses, application for government subsidies, credits for income tax and government grants revenue for the past three years is as follows:

Unit: NT\$ Thousands

Item	2019	2020	2021
R&D Deduction	12,643	11,209	8,273
Smart Machinery Investment tax credits	6,644	5,263	-
Government Grants Revenue	-	21,918	14,850
Total	19,287	38,390	23,123

- Economic value distributed to stakeholders

Unit: NT\$ Million

Item	Basic Factor	2019	2020	2021
Produced direct economic value	Revenue	2,136	2,309	1,873
Distributed economic value	Operating costs	713	718	686
	Employee salary and welfares *Note 1	396	427	418
	Payments to investors *Note 2(cash dividends)	455	364	457
	Payments to government *Note 3 (income tax)	206	5	118
Remaining economic value(Produced-Distributed)		367	795	194
Note 1: Including salary, labor and health insurance, pension, director's remuneration, benefits for other employees and other employment costs				
Note 2: Cash dividends paid for that year				
Note 3: Income tax paid for that year				

- Participation in External Associations

The Company has actively participated in industrial associations and guilds and through which obtained optical communications industry information so as to continue observing changes in the related industrial development and to collect relevant market information in order to grasp the market trends. The main associations and guilds in which the Company participated in 2021 are as follows:

Associations	Participation Status
Photonics Industry & Technology Development Association (PIDA)	Member
The Allied Association for Science Park Industries	Member
Academia-Industry Consortium For Southern Taiwan Science Park	Member

- Management System

The Company has implemented ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), ISO 45001 (Occupational Health and Safety Management System), and IEQC 080000 (Hazardous Substance Process Management), and obtained the Letter of Conformance (LOC) for IATF 16949 Automotive Quality Management System from a third-party certification.



- Customer Service

The Company is committed to providing the best service to our customers. Creating quality services is one of the core values of the Company, achieving customer needs is the most important goal of the Company, helping to enhance the competitiveness of customers is to enhance the competitiveness of the Company.

- Customer Satisfaction

The Company is committed to providing the best service to our customers and we believe that it is the only way to achieve sustainable operation by valuing customers' opinions, satisfying customers' needs, obtaining affirmation and long-term support of customers. Feedback from customers has always been the motivation for the Company to keep making improvement. And we have set up a customer service mailbox, and regularly take the initiative to conduct customer service satisfaction surveys every year to strengthen the cooperative relationship with customers. In 2021, the questionnaire return rate of "Customer Satisfaction Survey" was 71%, The customer service satisfaction rate has reached the target of "Customer Service Satisfaction Rate  $\geq$  90%" set by the Company.

- Protect and Respect Customers' Intellectual Property

The Company has established a confidentiality policy in the "Procedures for Ethical Management and Guidelines for Conduct", which requires employees strictly to comply with the relevant operating regulations on intellectual property, and refrain from revealing any trade secrets, trademarks, patents, publications, and other forms of intellectual properties to others and cannot collect any intellectual property such as trade secrets, trademarks, patents, publication, etc., of the Company not related to job duty. We have also established the "Customer's Confidential Information Protection Procedure " in 2021 to

protect the confidential and sensitive data of customers. The sensitive data of customers, including specifications, presentations, exchange information and machine information provided by customers, are protected by card control of access permission and data encryption. There was no intellectual property litigation or customer complaints about the Company's loss of customer data in 2021.

- Supply Chain Management

- Implementing the Responsible Business Alliance (RBA) Policy

Strategy and Medium to Long Term Vision	Project	Description
Responsible sourcing and cooperation with suppliers to build a friendly industrial environment	Abide by the guidelines and sign the documents	Sign social responsibility pledge/non-disclosure agreement/non-hazardous substance statement in compliance with guidelines
	Daily assessment of important suppliers	Important suppliers are assessed every six months
	Key supplier site audits	Key supplier site audits
	Continuous Improvement	Based on the daily assessment and on-site audit results of important suppliers, suppliers propose improvement plans and follow up to complete the improvement plans
	Sign the hazardous substances free declaration annually	Important suppliers and package material suppliers should re-sign the hazardous substances free declaration every year

- Supplier Management Policy

The Company follows the "Supply Chain Management" to evaluate its suppliers. Only those who passes the evaluation can become our cooperative partners. Besides, according to the RBA regulations set by the Company, all major suppliers have been gradually required to sign "Letter of Commitment of supplier of LandMark Optoelectronics Corporation for Corporate Social Responsibility". Suppliers who transact with the Company also need to follow relevant regulations of "Management Regulations of Contractor Safety and Health" and "Supplier CSR Code of Conduct" formulated by the Company to promote corporate social responsibility together.

### ➤ Supplier Audit

In order to effectively manage the stable quality, delivery time and price of the suppliers, the Company regularly conducts supplier assessment on the abnormal frequency (return rate), delivery time and service, and then determine the subsequent transaction extent with suppliers based on the rating from the assessment results. In 2021, the Company reached a 100% achievement rate in the daily assessment of important suppliers. In the future, we will keep improving the supply chain management system and through audits and assessments and other measures, we will work with suppliers to fulfill the corporate social responsibility together.

### ➤ Determination and Handling of Assessment Classification

Class	Scores	Handling for the assessment results
Class A	90 points or above	We will purchase first from those who have been assessed as Class A.
Class B	70~89 points	We keep normal transactions.
Class C	60~ 69 points	Those who are assessed as Class C will receive a Supplier Improvement Notice and will be required to propose a corrective plan within three weeks.
Class D	59 points or below	If the appraisal is D grade, the supplier will be removed from the qualified supplier; otherwise, unless the supplier is counseled as A, B grade supplier in special cases.

### ➤ Supplier Social Responsibility Commitment

The Company has established Supplier CSR Code of Conduct which regulates the code of conduct that its major suppliers must follow for their corporate social responsibility. Currently, we have obtained 100% of the "Letter of Commitment of supplier of LandMark for Corporate Social Responsibility" from our important suppliers, and in the future, we will continue to communicate with our suppliers and passing on the messages about corporate social responsibility.

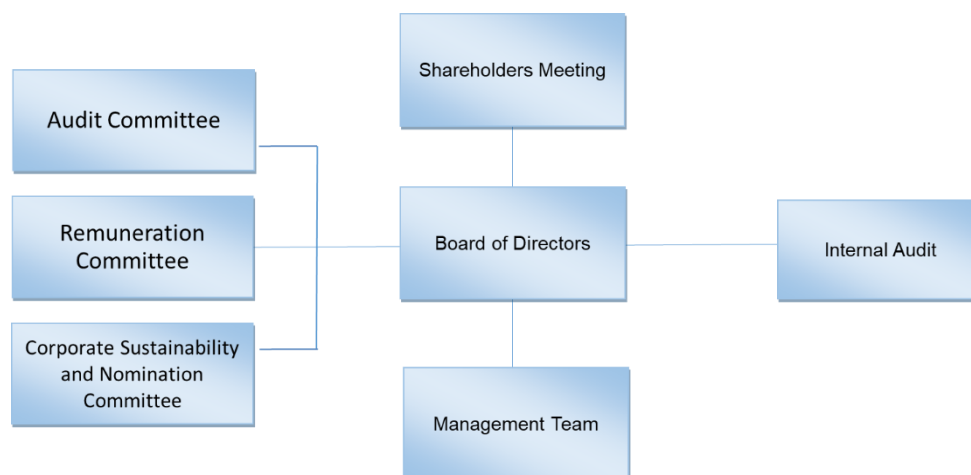
➤ Supplier Declaration of Hazardous substances free

For important suppliers and package material suppliers, we should re-sign the hazardous substances free declaration every year, and formulate the declaration of hazardous substances management requirements proposed by customers every year, and then require suppliers to sign the hazardous substances free declaration and attach the third-party test report every year. The important suppliers and packaging material suppliers have signed the “Declaration of Hazardous Substances Free”, with a 100% achievement rate.

## 1.2 Corporate Governance

- Corporate Governance Structure

The Company has established functional committees under the supervision of the Board, including Audit Committee, Remuneration Committee, Corporate Sustainability and Nomination Committee, so as to assist the Board in professional corporate governance affairs.



- Board of Directors

Being the highest unit of corporate governance and the major decision maker of the Company, the Board of directors are responsible for establishing appropriate system for governance, appointing and offering guidance for managerial personnel, monitoring operational performance, resolving important matters, observing the legal regulations as well as Articles of the Incorporate, or implementing its authorized rights in shareholders' meeting. The Company's Board of Directors is composed of members with appropriate abilities, knowledge and experience. The background information of the Board of Directors, education, age, the position in other company that the directors is concurrently taking, diversity of the Board of Directors and information on the operation of the Board of Directors and functional committees have been revealed in the Annual Report of the Company's Shareholders' Meeting and are available on the MOPS and the Company's website for latest information.

➤ **Composition and Operation of the Board of Directors**

Title	Name	Concurrently hold positions in the Company	Attendance in Person	By Proxy	Actual Attendance Rate (%)
Chairman	Ching-Yi Chang	CSO	6	—	100%
Director	Wei Lin	CTO	6	—	100%
Director	Jerry Yang	CFO	6	—	100%
Director	Yong Hong Lu	None	6	—	100%
Independent Director	Bob Tseng	None	6	—	100%
Independent Director	James Wang	None	6	—	100%
Independent Director	Yong Chang Chen	None	6	—	100%

According to the Company's "Rules and Procedures of the Board of Directors Meetings," the Board should convene at least a meeting each quarter. In 2021, the Board convened 6 meetings in total with an attendance rate of 100%. The important resolutions on Board of Directors Meetings in 2021 is available in the 2021 Annual Report of Shareholders' Meeting on page 66~67.

➤ **Continuing Education for Directors**

With corporate governance and CSR issues gaining more concerns in the international society, the Company would encourage the directors to continuously participate in continuing education courses; all the directors have attended courses of at least 6 hours, including accounting, laws, corporate governance, and ESG issues. Information on the Company's disclosure of directors' participation in training and continuing education is available on the MOPS and in the 2021 Annual Report of Shareholders' Meeting on page 38.

➤ Board of Directors and Functional Committee Performance Evaluation

The Company performed the performance evaluation of the Board of Directors and functional committees in accordance with the "Regulations for Board of Directors' Performance Evaluation" and the results of the 2021 evaluation were reported to the Board of Directors in the first quarter of 2022.

➤ Directors' Remuneration

Each director is paid based on how much the directors participated in the operating policies and on how high the Company profit was. Directors' emoluments consist of traffic allowance, business executive costs and remuneration. When the Company makes a profit in the current year, the Company's directors shall be awarded with 1% of the profit as remuneration to the directors in accordance with the Company's Articles of Incorporation. The results of the performance evaluation by the Board of Directors will be used as a reference for the selection or nomination of directors and as a reference for setting their individual remuneration. The related performance evaluation and the reasonableness of the remuneration are reviewed by the Remuneration Committee and the Board of Directors.

➤ Principles for Avoiding and Managing Conflicts of Interest

In order to avoid conflicts of interest and to effectively perform the functions of the Board of Directors, the Company has stipulated in the "Rules of Procedure for Board of Directors Meetings", "Audit Committee Charter" and "Remuneration Committee Charter " that if a director or member has an interest in a meeting, they should explain it at the current meeting of board of directors. If the

conflicts of interest may be harmful to the interests of the Company, the directors shall not vote on behalf of other directors but instead avoid joining the discussion and the vote. The interest conflict of directors is stated in the minutes of the meeting. Information on the implementation of the recusal of directors in relation to the interested parties can be found on page 21 of the Company's 2021 Annual Report of Shareholders' Meeting.

- Composition and Operation of The Functional Committees

Audit Committee	Remuneration Committee	Corporate Sustainability and Nomination Committee
Convener: James Wang Independent Director Members: Bob Tseng Independent Director Yong Chang Chen Independent Director	Convener: Bob Tseng Independent Director Members: James Wang Independent Director Yong Chang Chen Independent Director	Convener: Ching Yi Chang Chairman Members: James Wang Independent Director Bob Tseng Independent Director Yong Chang Chen Independent Director

Convene the Meetings			
Functional Committees	Convene meetings by Charter	Convened meetings in 2021	Attendance Rate (%)
Audit Committee	4	4	100%
Remuneration Committee	2	2	100%
Corporate Sustainability and Nomination Committee	1	4	100%

Relevant information of major resolutions by each committee of the Company in 2021 has been displayed in the Annual Report (on pages 18~20 and pages 32~35 of 2021 Annual Report). The obligations, operation, and other relevant information have been publicized on the Company's website: (<http://www.lmoc.com.tw/>).

- Set up the Company's Corporate Governance Officer

The Company has set up a Corporate Governance Officer, whose main duties are to handle matters related to the Board of Directors' and shareholders' meetings in accordance with the law, to prepare the minutes of the Board of Directors' and shareholders' meetings, to assist directors in their appointment and continuing education, to provide information necessary for directors to perform their business, and to assist directors in complying with laws and regulations.

- Business Integrity

The Company has established the "Ethical Corporate Management Best Practice Principles" and "Guidelines for the Codes of Ethical Conduct" to regulate the Company's directors, managers, employees, appointed personnel, or any person who has substantial power over the Company. The aim is to prevent unethical conducts and conflict of interest. Also, stakeholders of the Company shall be informed about the above-mentioned standards to enhance the implementation of the rules.

- Every year, the Company regularly reports the implementing condition of business integrity management to the Board of Directors. No related matters have been found that violate the business integrity on the current report to the Board of Directors on December 22, 2021.
- Training condition of business integrity: the Company conducts internal and external education and training about the issues of business integrity every year. The number of attendees of the education and training in 2021 was 317 (total 363 hours).
- Set up a whistleblower system
- The Company has established "Procedures for Handling Complaints and Reports" and set up internal complaint boxes, complaint telephone numbers and dedicated e-mail channels (published on the Company's website), and has not received any complaint letters or notifications in 2021. The Company has also established "Whistleblower Protection Management Procedures" to ensure the

confidentiality of the identity of the whistleblower and the contents of the report, and is committed to taking appropriate protection measures so that the whistleblower will not be subject to improper handling or retaliation for the report.

- **Social and Economic Regulations Follow**

The Company follows the standards of the relevant laws and regulations for listed companies to establish various internal procedures, and adjusts them at any time to keep pace with the amendment of laws and regulations by the competent authorities. We also regulate ourselves with management superior to laws and regulations, including the Labor Standards Act and the Occupational Safety and Health Act related to employees, the Patent Act/Intellectual Property and the Trade Secrets Act related to products, and the ethics of practice and corporate governance laws and regulations related to corporate governance. All employees are responsible for compliance with applicable laws and regulations. The Company continuously adjusts its internal compliance measures in response to changes in laws and regulations, and makes all employees aware of and comply with all laws related to operations by amending relevant documents, conducting education and training, issuing compliance notices, and providing a complaint channel on the Company's website. The Company also consults with consultants, lawyers, accountants and other related parties on important domestic and foreign policies and regulatory changes, and appoints them to assess, recommend and plan countermeasures when necessary in order to achieve compliance with laws and reduce the adverse impact on financial operations, to achieve the goal of no significant violations of socioeconomic-related laws and regulations.

### 1.3 Innovation in Product Development

- R&D Results in 2021

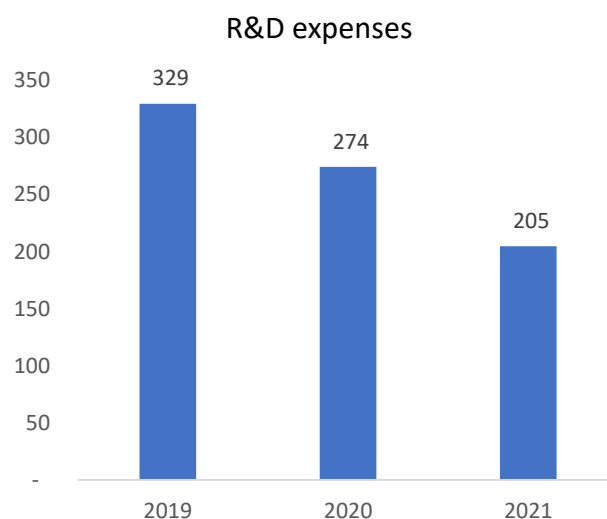
In 2021, the Company invested NT\$205 million in research and development. We primarily focused on 25G/50G above high-speed components, 400G and 800G related products for data centers, as well as working with customers to co-develop 3D sensing, Metaverse, and other consumer application products.

- The techniques and products developed in the most recent 3 years

Year	Type of product	Item
2019	Laser epi-wafer	10G CWDM C-DFB 、 25G MWDM/LWDM C-DFB 6"VCSEL
2020	Laser epi-wafer	28G CWDM C-DFB BH-DFB/FP 2μm infrared DFB
	Photodetector epi-wafer	As-grown type 10G APD
2021	Laser epi-wafer	10G, 25G Ultra High Reliability DFB
	Photodetector epi-wafer	Non-Diffusive 25G APD, 50G PD

- R&D expenses for the past three years

Unit: NT\$ million



- CIT Improvement Proposal

The Company has established the "Continuous Improvement Task Management Regulations" to encourage employees' creativity and suggestions in work and life to achieve efficiency improvement, work environment optimization, product quality improvement, defect rate reduction, cost reduction, etc., and to give appropriate rewards and recognition to employees or organizations.

- 2021 Continuous Improvement Competition



- 2021 Implementation Performance of Proposal Incentive Program

2021	No. of improvement proposals	Improvement proposals (persons)
Q1	38	49
Q2	77	122
Q3	68	147
Q4	66	129
Total	249	447



- Intelligent Property Management

In order to maintain our industry-leading technological capabilities and safeguard our advanced technological achievements, The Company has established an intellectual property management policy that integrates the Company's operational objectives and R&D resources. Employees are required not to disclose the Company's trade secrets, trademarks, patents, works and other intellectual property known to them to unrelated parties, and not to inquire about or collect non-duty-related Company trade secrets, trademarks, patents, works and other intellectual property. We have also established the "Customer's Confidential Information Protection Procedure" to protect customers' confidential and sensitive information and prevent data leakage.

- The Company's Intellectual Property Management Policy

- In the pursuit of performance improvement, innovation and development, continuous improvement, and introduction of technology, we should abide by the laws and regulations and not infringe on rights and protect intellectual property.
- The Company's confidential plans, documents, charts, etc., and all information of professional and economic value for which the Company has taken reasonable confidentiality measures are trade secrets of the Company and shall be protected by the Trade Secrets Act.
- Employees shall not disclose the Company's confidential information, documents or trade secrets to any third party after their employment or resignation, and shall not use such confidential information, documents or trade secrets illegally, and the Company shall have the right to take legal retroactive action in accordance with the law.

- The Company respects the trade secrets of others and signs a confidentiality agreement with external consultants, experts or technical personnel when hiring them.
  - Employees of the Company shall not cite or use trade secrets owned exclusively by their former employers in connection with the conduct of their duties at the Company unless authorized in writing by their former employers.
  - The use of illegal computer programs is prohibited and the legal restrictions set by the owner of the computer programs and databases shall be observed.
  - From time to time, we hold various training programs for employees on intellectual property protection and management.
- Major Implementation in Recent Years

In 2021, we promoted the general education course on the rule of law to promote the concept of intellectual property rights, the concept of trade secrets and the protection of trade secrets to strengthen the awareness and knowledge of intellectual property protection among our employees. 294 participants attended the course, totaling 186 hours.

## 1.4 Risk Management

The Company reviews its business and operation features. In the process of risk identification, the Company ensures that it includes various risk items at different levels and classifies risks into five major categories based on the materiality principle, including strategic risk, operational risk, financial risk, hazard event risk, and legal compliance risk. The Company's risk management policy is to define various types of risks in accordance with the Company's overall operating policy, to establish a risk management mechanism for early identification, accurate measurement, effective monitoring and strict control, to prevent possible losses within the tolerable risk range, and to continuously adjust and improve the best risk management practices in accordance with changes in the internal and external environment, in order to protect the interests of stakeholders, to increase the value of the Company, and to achieve the principle of optimal allocation of the Company's resources. We also minimize possible risks through risk transfer, mitigation and avoidance management strategies and countermeasures.

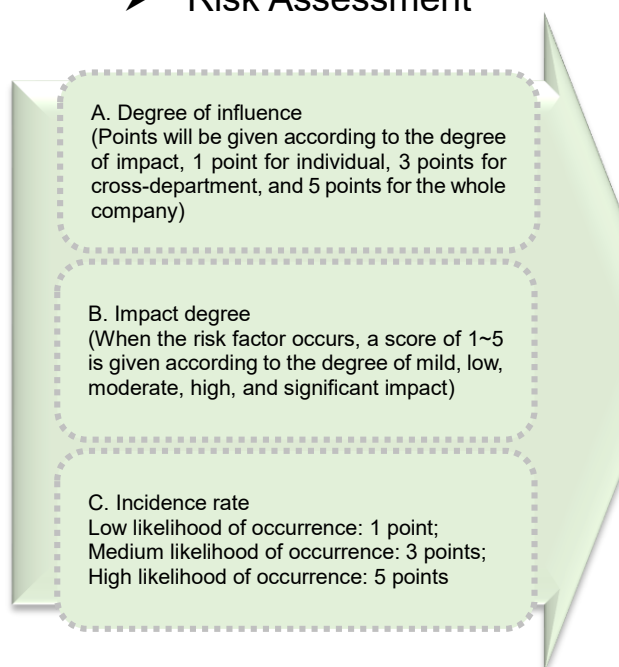
### ➤ Risk Management Structure and Procedure

Being the top administrative unit of risk management in the organization, the Board of Directors is responsible to ensure that the Company observes the laws as well as promotes and implements the risk management measures. It should also have clear understanding about the risks, assure effectiveness of risk management procedures, and take the ultimate responsibilities for such measures. The functional committee – Corporate Sustainability and Nomination Committee is subordinate to the Board of Directors. It supervises the corporate governance unit. The team is authorized to deal with risk management affairs and regularly report to the Corporate Sustainability and Nomination Committee about the outcome of risk management measures.

## ➤ Risk Management Process

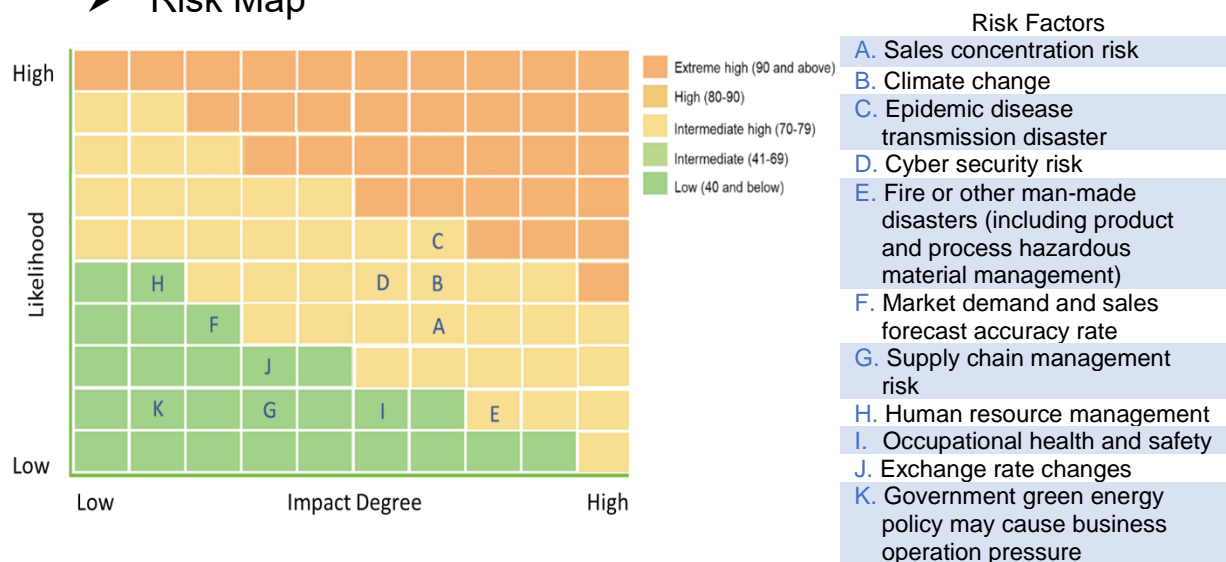


## ➤ Risk Assessment



Risk level					
Risk level	Extreme high	High	Intermediate high	Intermediate	Low
Risk score	90 and above	80~89	70~79	41~69	40 and below
Risk degree	Unacceptable risk		Bearable risk		Acceptable risk
Risk control plan	Required to take risk control measures within a certain period.		Required to ensure the effectiveness of the existing control measures and may gradually adopt risk reduction measures.		Temporarily acceptable; do not adopt risk reduction measures, however, it is required to ensure the effectiveness of the existing control measures.

## ➤ Risk Map



## ➤ Material Risks and Risk Control Measures

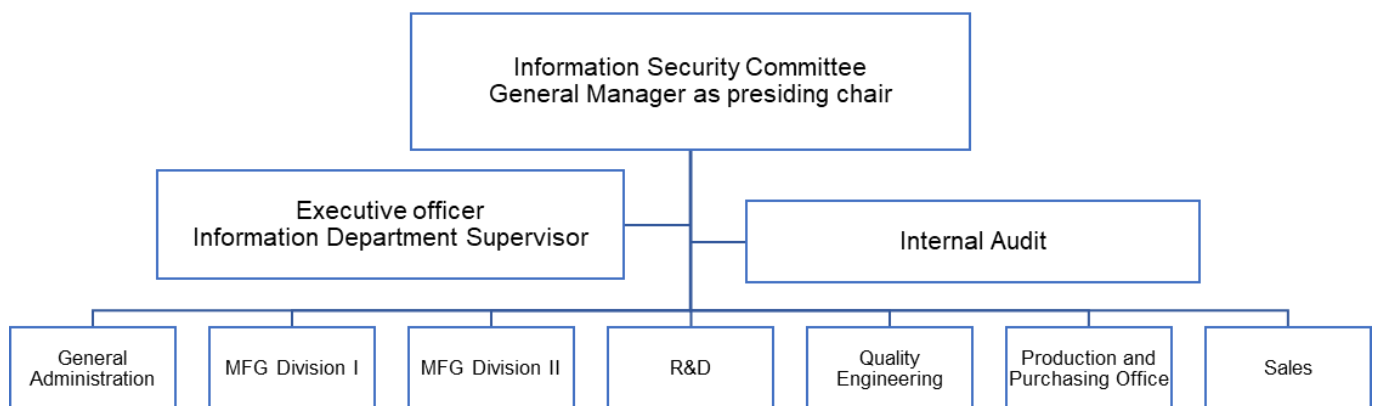
Risk Type	Risk Factor	Risk Control Measures
Operating aspect	Sales concentration	<ul style="list-style-type: none"> <li>In the past, the revenue percentage was concentrated in optoelectronics customers, but the Company is actively developing different applications such as data center and consumer product customer base, and has successfully entered into well-known customers of data center, in addition, the application of consumer sensing devices will soon be in volume, which helps to disperse the dramatic revenue impact caused by the change of a single market.</li> </ul>
Operating aspect	Market demand and sales forecast accuracy rate	<ul style="list-style-type: none"> <li>Communicate with the customers on a quarterly basis about market dynamics and demand, and ask them to provide a three-month Demand Forecast, which shall be updated monthly.</li> <li>For the products with more complex production process, we ask customers to make orders two months before the required date.</li> <li>Provide MOCVD capacity information on a regular basis for customers to evaluate whether to place orders in advance</li> </ul>
Operating aspect	Supply chain management	<ul style="list-style-type: none"> <li>Use the high volume of raw materials to verify the 2nd source, in order to decentralize the risk of raw materials suppliers.</li> <li>According to the characteristics of suppliers and risk classification management, we provide suppliers with 2~3 months of forecast, and suppliers can estimate the raw material stock.</li> <li>Establish safety stock of major raw materials, and review the safety stock and the age of raw material stock every six months.</li> <li>Raw materials and packaging materials suppliers sign a "Declaration of Hazardous Substances Free" once a year.</li> </ul>
Operating aspect	Information security risk	<ul style="list-style-type: none"> <li>Please refer to Information Security Management.</li> </ul>
Operating aspect	Human resource	<ul style="list-style-type: none"> <li>Conduct regular manpower inventories and audits.</li> <li>Continue to review and establish various manpower initiatives to enhance staff stability and attract external job seekers.</li> <li>Continue to develop recruitment channels to ensure a diversified way of talent pool. For example, in 2021, we cooperated with National Cheng Kung University to establish a master's degree program to retain talents in advance.</li> <li>Plan and implement employee education and training, talent development programs, and on-the-job training subsidies.</li> <li>Continue the compliance with labor laws and regulations.</li> </ul>
Operating aspect	Epidemic disease transmission disaster	<ul style="list-style-type: none"> <li>The "Regulations Governing the Emergency Response of Communicable Diseases" have been established, including epidemic situation control, epidemic prevention measures, and emergency response measures.</li> <li>In accordance with the management regulations, implement all phases of epidemic prevention measures. These measures include epidemic information control, temperature measurement at the factory, health education and promotion, working in separate factories, vaccination rate tracking, health management of employees returning from overseas, and health management of high-risk employees.</li> </ul>
Operating aspect	Government green energy policy may cause business operation pressure	<ul style="list-style-type: none"> <li>Continue to monitor the direction of the amendment of the "Greenhouse Gas Reduction and Management Act" which is expected to be renamed as the "Climate Change Response Act" and the government's proposed carbon pricing policy.</li> <li>To prevent Taipower Company's electric power supply from being unstable due to power outages or restrictions, we have added diesel generators and increased the proportion of UPS configuration, which is expected to be completed in July 2022 to enhance the operational resilience of the factory.</li> </ul>

Risk Type	Risk Factor	Risk Control Measures
Hazardous events aspect	Occupational health and safety	<ul style="list-style-type: none"> <li>• Adopt ISO 45001 occupational health and safety management system and implement various safety and health measures according to the requirements of the management system.</li> <li>• Comply with the "Regulations of Occupational Safety and Health Management" to hold quarterly Occupational Safety and Health Committee meetings, which regularly report on labor safety and health related indicators and scheduled labor safety and health related implementation work, and discuss potential safety issues and safety proposals reflected by colleagues and make improvement plans to prevent accidents in advance and ensure the safety of the work environment.</li> <li>• The equipment repair and maintenance operations require heavy lifting, which may cause muscle strain and pain due to repetitive labor or poor posture. Cooperate with the resident doctors to interview the operating colleagues and survey the operating conditions, and work together with the operating colleagues to draw up human factors engineering improvements, make auxiliary equipment and fixtures to reduce the load during operation, and reduce the human factors engineering hazards that may be caused by moving heavy objects.</li> </ul>
Hazardous events aspect	Climate change	<ul style="list-style-type: none"> <li>• Continuously promote the energy saving plan (annual energy saving 1%), and review its implementation performance in management review meetings.</li> <li>• Set climate-related performance indicators and quantitative targets, and regularly track achievement. The Sustainability Committee has set goals and targets for the Company's climate change management (2030 target: 100% renewable energy for non-manufacturing factories; 20% renewable energy for manufacturing factories; 2040 target: zero CO2 carbon emissions growth; 2050 targets: achieve carbon neutrality).</li> <li>• To assess the possible risks caused by climate change and take contingency measures, for example, 7.5M above sea level for Factory No. 1 and 9.5M above sea level for Factory No. 2.</li> </ul>
Hazardous events aspect	Fire or other man-made disasters (including product and process hazardous material management)	<ul style="list-style-type: none"> <li>• For raw materials used in the production process or waste generated from the production process, in accordance with the rules set by the Company's Environmental Safety and Health Department, separate by various categories, such as acid/alkali/organic, and set up storage/operation/collection areas respectively, related storage/operation/collection devices or equipment, and related operation/collection/cleaning procedures, in accordance with the precautions set forth in the Material Safety Data Sheet.</li> <li>• All raw materials or collected wastes shall be clearly labeled with their contents and hazard level on the outer packaging or storage and collection devices in accordance with environmental safety and health regulations.</li> <li>• Personnel are required to wear personal protective equipment (PPE) during operation, and each operation area is equipped with adequate amounts of applicable protective/first-aid equipment and medicine in accordance with the regulations, and is clearly marked for easy access.</li> <li>• All environmental safety and health requirements are included in the regular 6S audit inspections, and any deficiencies must be improved immediately. And in the regular meeting of environmental safety and health to review the deficiencies, and put forward improvement plans.</li> <li>• The emergency response team is set up and trained to respond to various occupational disasters, and the regular firefighting and disaster relief exercises are included.</li> </ul>
Financial aspect	Exchange rate changes risk	<ul style="list-style-type: none"> <li>• Monitor foreign exchange movements and information on a daily basis, forecast and manage foreign currency receipts and expenditures, and conduct hedging operations with relevant hedging instruments such as cash trading and forward rates.</li> </ul>

- Information Security Management

- The Operation of Information Security Organizations

In order to ensure the Company's cyber security management, the Company has established an Information Security Committee in 2021, of which the general manager is the committee chairperson and an interdepartmental group is formed, with the following organization chart.



- The functions of the Information Security Committee

- Review of information security policies and regulations
- Review and deliberate on information security management system
- Review of information security promotion plans
- Evaluation and approval of cyber security infrastructures

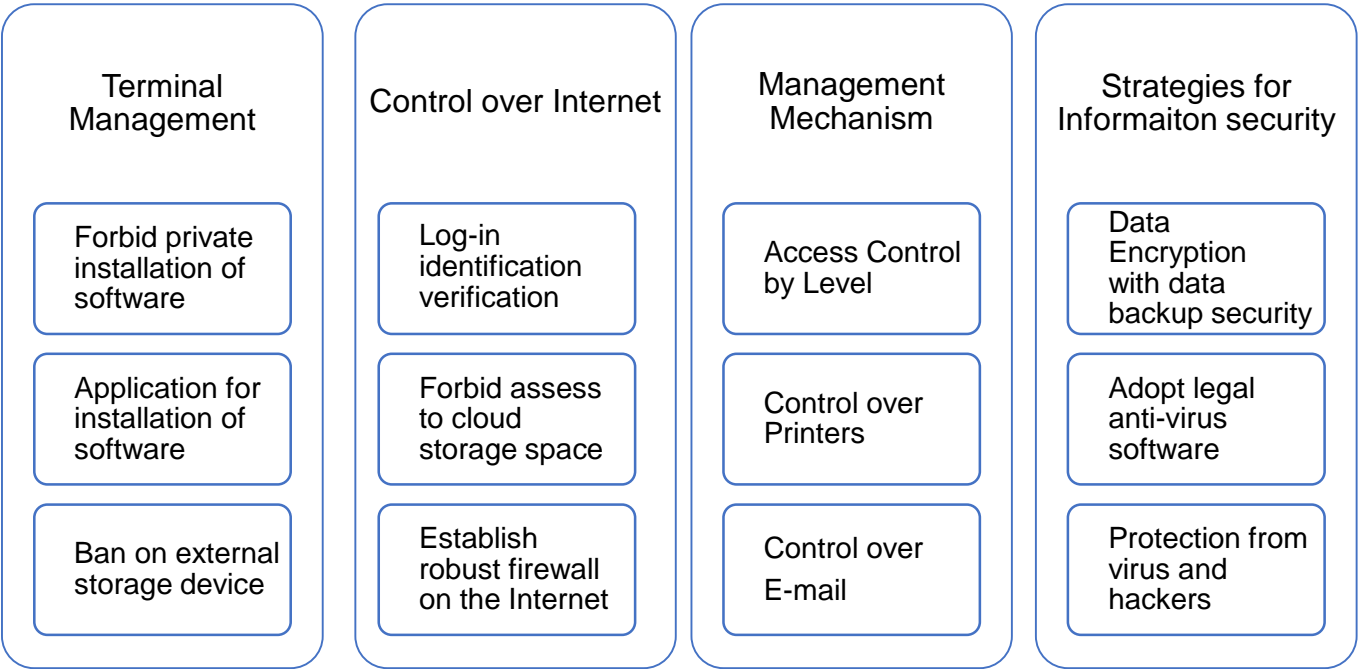
- The Company's information security policy

The Company has established operational procedures for treatment of information processing system on the computer and properly implement the policy for internal control and cyber security.

- To organize training session and propaganda for cyber security.
- To protect confidential information of the Company.
- To respect intellectual property and protect information of the client and the Company.
- To prevent computer virus attack.

- To ensure that all cyber security incidents or glitches can be reported to the supervisors, and such cases can be investigated and handled properly.
- To observe regulations in relevant laws or provisions to keep the Company operating.

➤ The Specific Management Plan for Cyber Security



➤ Operating Status

- The Company convened one information security committee meeting in 2021 to explain the implementation of the Company's cyber security-related operations and reported on the implementation status of cyber security risk management at the board of directors' meeting on December 22, 2021.
- The Company conducts cyber security promotion and posts the contents of the promotion presentation on the internal employee system for employees' reference.

# Environmental Sustainability



## 2. Environmental Sustainability

### 2.1 Environmental Management

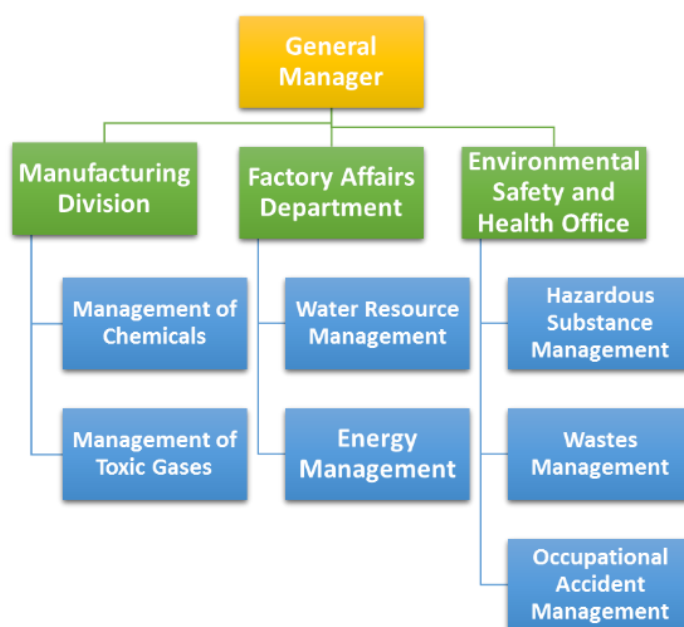
Environmental protection and pollution prevention are an important part of the Company's business management strategy. The Company's ISO 14001 environmental management system provides an environmental protection management framework for each plant to control and reduce environmental impacts, prevent accidents from causing environmental impacts, and ensure regulatory compliance. We have integrated our environmental management system with our occupational safety and health system, established environmental safety and health policies, and conducted regular environmental safety and health training to build a safe and healthy working environment. We evaluated the production process, including hazardous material management, pollution prevention, energy saving, water saving and low carbon system to achieve high safety and low pollution production. In addition, we set environmental goals and objectives, management programs or other improvement measures, and we continuously implement improvements and review and track them.

#### The Environmental Safety and Health Policy

- To make the best use of resources, save energy and decrease wastes in order to reduce the impact on the environment.
- To respect life and manage risk in order to avoid the impact of hazards on the employees.
- To improve system and performance continually by emphasizing consultation and participation of workers.
- To implement execution of management system by complying with laws and regulatory requirements and preventing pollutions.
- To cultivate a safe and healthy culture in workplace through applying sufficient training and enhancing the observation ability.
- To reach the multi-wins of environmental protection, safety and economic growth by encouraging full participation and sustainable operation.

- Structure of Environmental Management Organization

In order to effectively implement the environmental safety and health management system and to achieve the purpose of raising the awareness of environmental safety and health among the employees, an Environmental Safety and Health Management Committee was established with the General Manager as the committee chairperson. The Environmental Safety and Health Management Committee holds a management review meeting at least once a year, and the management team of each plant meets at least once every three months to discuss and review the risks of environmental safety and health on a regular basis.



- Environmental Protection Expenditures

The Company entrusts legal companies for transportation and treatment of the waste from manufacturing procedure. The waste gases from manufacturing procedure includes the organic and inorganic metallic gases. To effectively treat the hazardous gases, the Company adopts wet scrubber to clear the hazardous substances from the gas with chemical solutions and emit the clean air, and air so as to maintain the air quality standard in the surrounding areas.

## Environmental protection expenditure statistics for the past three years

Unit: NT\$ thousands

Category	Description	2019		2020		2021	
		Regular Expenditure	Capital Expenditure	Regular Expenditure	Capital Expenditure	Regular Expenditure	Capital Expenditure
Operational Cost	Pollution Prevention Cost	361	10,548	406	99,785	380	4,225
	Wastes Treatment Cost	4,458		3,656		3,336	
Administrative Cost	Administration Cost	222		212		202	
Total		5,041	10,548	4,274	99,785	3,918	4,225

## 2.2 Climate Change

The World Economic Forum (WEF) publishes the “The Global Risks Reports” every year. The overall trend has changed from economic risks to environmental risks, with the risk of climate action failure topping the list by 2021, indicating that the risk of climate change is an unavoidable key risk for businesses. The Company takes into account the framework of the Task Force on Climate-related Financial Disclosures (TCFD) for managing climate change risks and opportunities.

- LandMark’s TCFD Frame

### Governance

- The Corporate Sustainability and Nomination Committee (the Risk Governance Team under the Committee) is responsible for developing a climate change strategy and short-, medium- and long-term goals, promoting specific actions, and reporting to the Board of Directors on a quarterly basis.

### Strategy

- Mitigation: Continuously introduce energy-saving solutions/improve energy efficiency/use renewable energy.
- Adaptation: Strengthen climate resilience, develop climate change response and prevention measures, and reduce the impact of climate risks.
- Promote sustainable management of suppliers and construct a low-carbon supply chain.



### Metrics and Targets

- Set climate-related performance metrics and quantitative targets, and regularly track achievement.
- 2025 target: 6% reduction in GHG emission unit intensity compared to 2020.
- 2030 target: 100% renewable energy for non-manufacturing factories; 20% renewable energy for manufacturing factories.
- 2040 target: Zero CO2 emissions growth.
- 2050 target: Achieve carbon neutrality.

### Risk Management

- Integrate climate risk into the management process of corporate risk management.
- Collaborate interdepartmentally to perform climate related risk/opportunity identification, assess financial impacts and develop countermeasures.

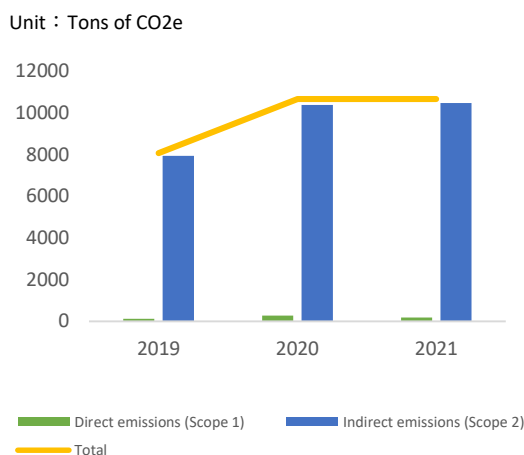
- Identified Major Risk and Opportunity of Climate Change

Risk aspect		Climate related risks	Potential financial impact
Transformation risk	Policies and regulations	<ul style="list-style-type: none"> <li>Increase in greenhouse gas emissions pricing</li> <li>The requirements of domestic and international environmental regulations are becoming increasingly stringent</li> </ul>	<ul style="list-style-type: none"> <li>Increased regulatory compliance costs and higher operating costs</li> <li>To reduce resource consumption, the cost of acquiring new equipment for regulations has increased</li> </ul>
	Reputation	<ul style="list-style-type: none"> <li>Stakeholder concerns about corporate ESG management</li> </ul>	<ul style="list-style-type: none"> <li>Failure to meet stakeholder expectations, resulting in damage to the Company's reputation or image</li> <li>Increase in management expenses and operating costs</li> </ul>
Entity risk	Immediate	<ul style="list-style-type: none"> <li>Increased severity of extreme climate events</li> </ul>	<ul style="list-style-type: none"> <li>Severity of weather events affects operations and asset impairment resulting in increased capital expenditures</li> <li>Extreme climate impacts supply chain disruptions resulting in reduced or disrupted production capacity</li> </ul>
	Long-term	<ul style="list-style-type: none"> <li>Changes in rainfall (water) patterns and extreme changes in climate patterns</li> <li>Average temperature increase</li> </ul>	<ul style="list-style-type: none"> <li>Changes in rainfall patterns cause unstable water supply and increase operating costs</li> <li>Higher average temperatures, higher electricity consumption, higher operating costs and higher carbon emissions</li> </ul>
Opportunity		Climate related opportunities	Potential financial impact
Opportunity	Resource Efficiency	<ul style="list-style-type: none"> <li>Improving energy use efficiency</li> <li>Resource recycling</li> </ul>	<ul style="list-style-type: none"> <li>Process and existing equipment adjustment and optimization to reduce operating costs</li> <li>Recycling of rainwater and cooling tower water to reduce operating costs</li> </ul>
	Markets	<ul style="list-style-type: none"> <li>Use of public-sector incentives</li> </ul>	<ul style="list-style-type: none"> <li>Participate in green energy-related policy incentive programs to increase revenue</li> </ul>
	Resilience	<ul style="list-style-type: none"> <li>Participation in renewable energy programs</li> </ul>	<ul style="list-style-type: none"> <li>Sublease the roof space of the factory to build a solar photovoltaic system to provide renewable energy and increase revenue</li> </ul>

- Greenhouse Gas Inspection

The Company has been inspecting its greenhouse gas emission since 2016. The Company inspected CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, and other substances announced by concerned authorities. Our main greenhouse gas emissions are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and perfluorocarbons (PFCs).

- GHG emissions for the past three years

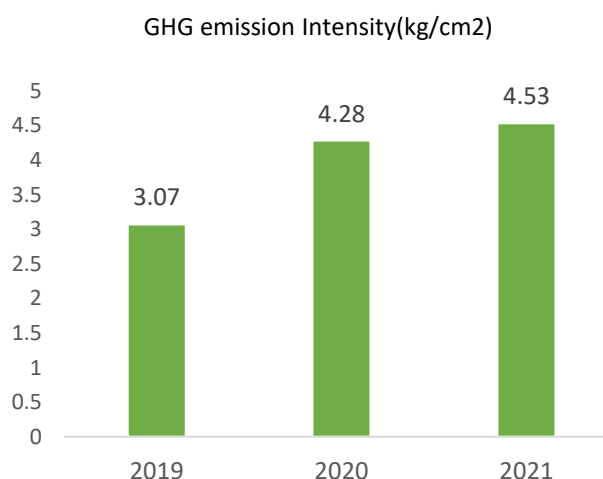


- Percentage of GHG emissions from direct emissions (Scope 1)

category	2019	2020	2021
CO <sub>2</sub>	7.36%	3.14%	4.11%
CH <sub>4</sub>	0.11%	0.05%	0.07%
N <sub>2</sub> O	0.11%	0.05%	0.05%
PFCs	92.42%	96.76%	95.77%

- Greenhouse Gas Emission Intensity

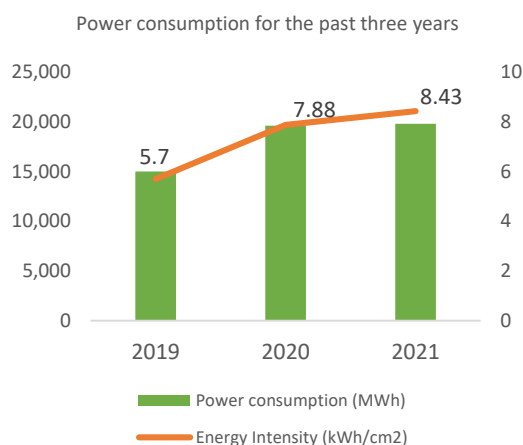
The increase in product output area emissions in 2021 compared to 2020 is mainly due to the increase in electricity consumption in 2021 as a result of the increased capacity expansion of the Company's production facilities, resulting in an increase in greenhouse gas emissions.



## 2.3 Energy Management

- Power Consumption

The Company's main source of energy use is purchased electricity (greenhouse gas emission scope 2), accounting for approximately 98% of the energy. Energy consumption in 2021 increased compared to 2020 mainly due to the increase in electricity consumption in 2021 as a result of the increased capacity expansion of the Company's production facilities.



- Energy saving results in the past three years

The Company implemented six energy-saving plans in 2021, with energy savings of 221,892 kWh, which is equivalent to 1.12% of the current year's electricity demand.

Item	2019	2020	2021
Power saving (kWh)	259,874	854,024	221,892
Carbon Reduction (kg CO <sub>2</sub> e)	130,457	428,720	111,389

Note: The calculation is based on the 2020 electricity emission factor announced by the Energy Bureau: approximately 0.502 kg CO<sub>2</sub> per kWh of electricity.

- Renewable Energy

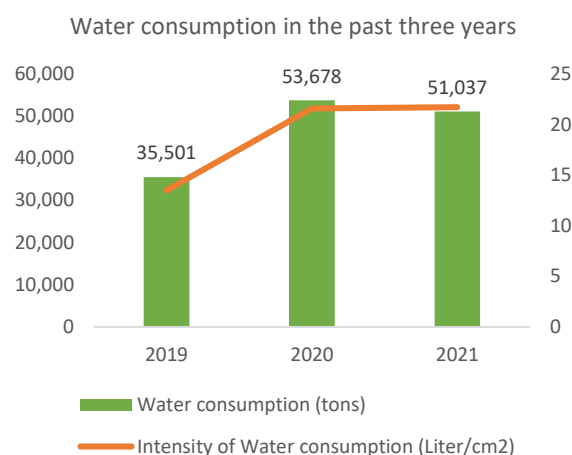
The Company subleased the roof of its factory in 2020 for green power plants to set up solar photovoltaic systems, conducted feasibility assessment and capacity planning for solar panel construction areas, and used solar energy equipment to convert solar energy into green power to provide electricity. We are expected to switch to electricity supply in 2022, and then we will evaluate buying back green power according to the Company's demand.



## 2.4 Water Resources Management

As global warming effect gets more severe in recent years, there have been higher risks of water shortage and floods. To lessen the impact of unstable water supply on the operation, the Company adopts the ISO 14001 management system as the foundation for water resource management and continues to promote measures for recycling, reusing, and conserving water resource.

Tap water is the major water source for the Company; the water is mainly used for cooling towers, manufacturing, and daily using.



- Water conservation plans and results in the past three years

The amount of water conserved in 2021 is about 14,957 tons, accounting for 29.31% of the total water consumption in that year.

Year	Item	Amount of conserved water (tons / per year)	Total amount of conserved water (tons/per year)
2021	Air-conditioning box cold coil condensate recovery	9,000	14,957
	Purified water RO-R recovery statistics	5,957	
2020	Sanitary equipment scheduled washing function off	455	5,168
	Air-conditioning box cold coil condensate recovery	4,454	
	Additional temperature control in cooling water tower to reduce evaporation	259	
2019	Heat flushing heat recovery water softener	80	1,160
	Improved air conditioning leakage rate, reduced evaporation loss from cooling water towers	1,080	

- Wastewater Treatment

To ensure proper treatment of the wastewater generated in the factory, normal operation of wastewater treatment and the quality of the water discharged sticks to national standard, the Company has dedicated personnel to monitor and analyze the quality of discharged water. Besides, certified institutions are entrusted to inspect the water quality every six months, and the Company should periodically submit reports to authorities concerned according to “Water Pollution Control Measures and Test Reporting Management Regulations” so as to ensure the discharged wastewater complies with the standards of relevant laws & regulations of Southern Taiwan Science Park Bureau.

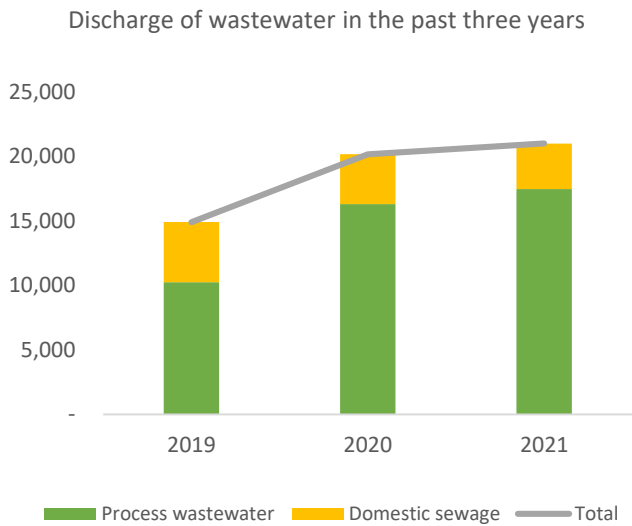
- Wastewater test result in 2021

Item	Ph value	Biochemical oxygen demand (mg/L)	NH <sub>4</sub> -N(mg/L)	Arsenic (mg/L)	Gallium (mg/L)	Indium (mg/L)
Permissible limit of hazardous substances	5~10	250	250 (Note 1)	0.35	0.1	0.1
Actual test result (Note 2)	8.7	130	132	0.212	ND<0.018	0.0269
Note 1: The permissible limit for wastewater of non-manufacturing process.						
Note 2: The highest value in the test is adapted as the actual test result.						

- Treatment and Discharge of Wastewater in 2021

Type	Explanation	Treatment
Process wastewater	Wastewater from production process, equipment cleanse, product measurement of equipment, or air conditioning system	<ul style="list-style-type: none"> <li>• Acid and alkaline wastewater: the hazardous substances are excluded in the treatment system, and the water undergoes acid-base neutralization procedure to meet the PH value standard before discharge</li> <li>• Arsenic-containing wastewater: the water undergoes an arsenic removal system (solidification)</li> </ul>
Domestic sewage	Domestic sewage	The sewage is collected at the sewage processing facility of the building and emitted to the effluent. The septic tank is cleared annually.

The discharge of wastewater in 2021 is increased compared to 2020 due to the improvement of product specifications and more production processes, which resulted in an increase in process wastewater generated from cleaning machines and equipment.



## 2.5 Wastes Management

The Company observes the ISO 14001 management procedure and established designated managing unit. It also established the “Regulations for Waste Management and Treatment” that aims to reduce the waste to create recycling protocols and control waste flows to prevent environmental pollution and fulfill the corporate social responsibility.

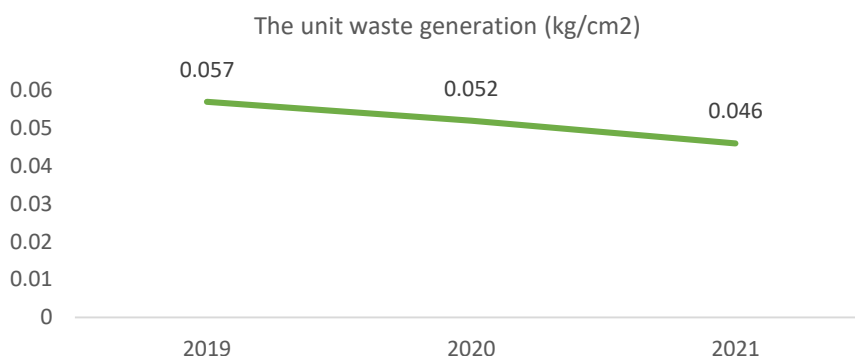
The wastes from manufacturing procedure of the Company include regular business waste and hazardous business waste.

- There are recycling depots for regular business waste to be collected and periodically removed by the Center of Recycling of the Southern Taiwan Science Park Bureau.
- There are recycling depots for hazardous business waste to be collected and periodically cleaned by qualified removal services, to qualified waste collection services for treatment.
- Generation and Treatment of Wastes

Unit: Tons

Category	2019	2020	2021	Treatment
Hazardous Business Waste				
Waste containers	1.86	2.37	2.28	Cleaning
Waste solutions (Aqua regia, Hydrofluoric acid)	6.32	7.79	6.64	Chemical treatment
Used organic solvent	3.37	5.39	5.76	Incineration
Arsenic-containing sludge	109.64	80.66	61.05	Solidification
Flammable waste	1.22	1.59	1.12	Incineration
Spent activated carbon	1.36	1.40	1.51	Incineration
Yellow phosphorous	1.14	0.73	0.99	Incineration
Waste SiC tray	4.11	0.52	0.15	Solidification
Sub-total	129.02	100.45	79.50	
Regular Business Waste				
Regular waste	22.2	28.10	30.34	Incineration
Sub-total	22.2	28.10	30.34	
<b>Total</b>	<b>151.22</b>	<b>128.55</b>	<b>109.84</b>	

- The Unit Waste Generation



- Waste Reduction

The amount of waste generated by the Company in 2021 was 109.84 tons, and the unit waste generation was 0.046 kg/cm<sup>2</sup>, a decrease of 9.80% from 2020. Due to the introduction of sludge drying equipment in June 2020, the water content of arsenic sludge was reduced, and the amount of hazardous business waste containing arsenic sludge was reduced by approximately 24% in 2021 and the total amount of waste was reduced by approximately 15% compared to 2020.

- Hazardous Substance Management

- Hazardous Substance Free (HSF) Policy

- Supply customer's satisfactory products that are in accordance with HSF regulation.
- Obey regulations and actively participate in pollution prevention.
- Continuous effort to reduce usage in hazardous substances to achieve environmental protection.
- Full participation from company staffs as well as the vendors to elevate awareness in HSF.

To fulfill the requirement of HSF hazardous substance management and avoid environmental pollution and damage on human health, the Company observes the international standard of IECQ QC080000 to establish a hazardous substance management system, which fulfills the restrictions of the EU RoHS, the ECHA REACH regulation on chemicals, PFOS/PFOA restrictions, and clients' norms. The Company requires suppliers of raw materials to provide EU RoHS and REACH Compliance test reports or declarations of non-hazardous substances.

# Inclusive Society



### **3. Inclusive Society**

#### **3.1 Human Resource**

- **Equal and Diverse Recruitment Policy**

The Company recruits employees in accordance with local laws and regulations and in compliance with the RBA's Responsible Business Alliance Code of Conduct, which prohibits child labor, forced labor, and hazardous works for underage employees, strictly enforces a non-discrimination policy, and provides equal employment opportunities regardless of race, gender, religion, color, nationality, age, political affiliation, sexual orientation, pregnancy status, physical or mental disability, or social background. We recruit through a variety of channels, including internal and external websites, campus recruiting, employee referrals, internship programs, and internal transfers.

- **Human Rights Management**

In order to protect and promote human rights, the Company supports The Universal Declaration of Human Rights of the UN, the first and second principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and local laws and regulations, and implements human rights protection in accordance with the Responsible Business Alliance. The Company also expects its suppliers and partners to meet the standards of this policy.

<b>In compliance with International Labor Standards</b>	The Company has established its standards based on the Universal Declaration of Human Rights of the UN, the United Nations Guiding Principles on Business and Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Labor Rights Standards of the Responsible Business Alliance (RBA), and local labor laws.
<b>Equal employment opportunities and non-discrimination</b>	Diversity and equal opportunity are taken into account without discrimination in hiring based on race, color, age, gender, sexual orientation, religion, race, disability, pregnancy, creed, political affiliation, association membership or marital status.
<b>Inhumane Treatment and Harassment</b>	Harsh and inhumane treatment of employees, including any form of sexual harassment, sexual assault, physical punishment, mental or physical oppression, or verbal abuse, is prohibited, and no threats of such conduct are made. The Company also provides internal complaint channels for employees to respond to human rights, labor, and sexual harassment issues, and in the case of sexual harassment, the Sexual Harassment Complaint Handling Committee will evaluate whether the case is substantiated and decide on the punishment for the employee concerned according to the severity of the case.

➤ Four Principles for Developing Labor Rights Policies

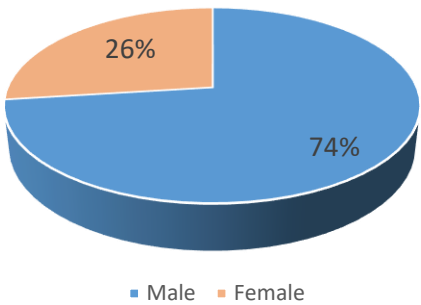


- Employee Structure

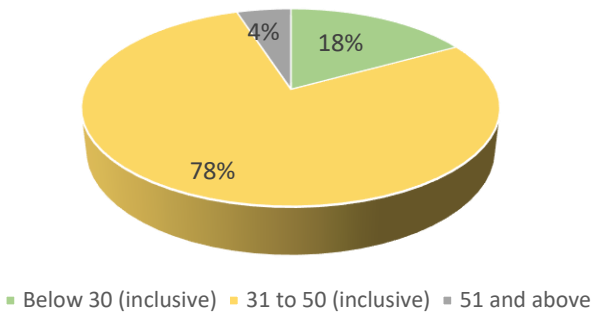
As of the end of 2021, the Company employs a staff of 330 with an average age of 37.5 years old, mainly aged 31 to 50 (78%). The proportion of the local staff employed is 77%, and the proportion of local colleagues for non-supervisory positions living in the south (Tainan, Kaohsiung, and Pingtung) is 82%, with 11% at the managerial level or above and 3% at the plant level or above. Based

on the " Child Labor Prohibition Policy", the Company does not employ child laborers under the age of 16.

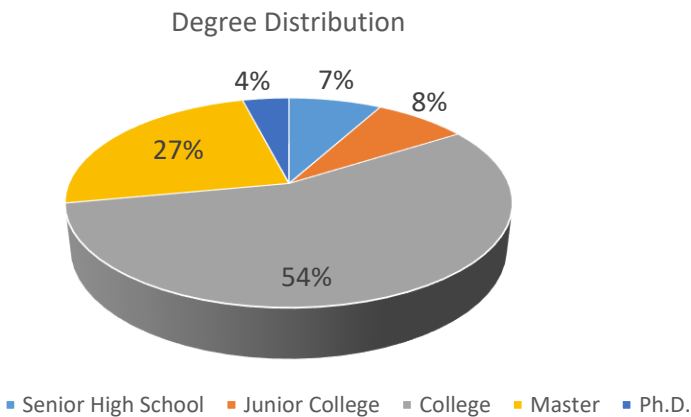
2021 Employee structure - Gender



2021 Employee structure - Age



➤ Education Distribution



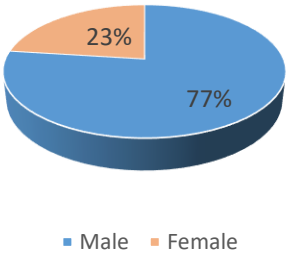
- Employee Retention

The Company continues to improve its talent retention measures. Through the training system, competitive compensation system and welfare system, we can enhance the employees' recognition and centripetal force to the Company, which in turn can promote employee retention. After the employees join the Company, there are unit supervisors and human resources specialists to understand the adjustment status of the employees, so as to reduce the newcomers' incompatibility. We assist new employees to adapt to the overall company environment through education and training after they join the Company. In the event of an employee's

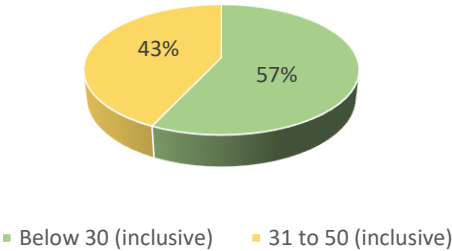
departure, the Company's human resources will conduct interviews and analyze the important factors for retention and departure in order to increase the retention rate.

➤ New Employees

2021 New Employees-Gender

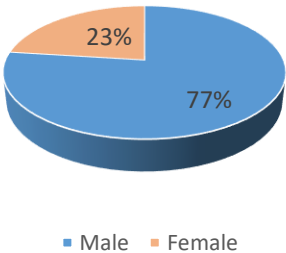


2021 New Employees - Age

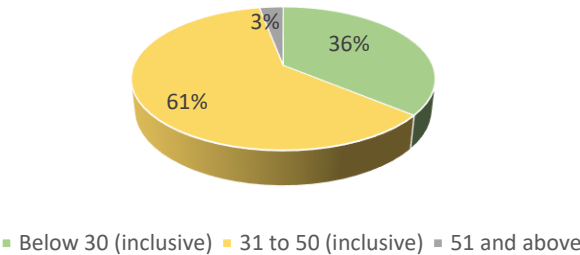


➤ Resigned Employee

2021 Resigned Employee - Gender



2021 Resigned Employee - Age



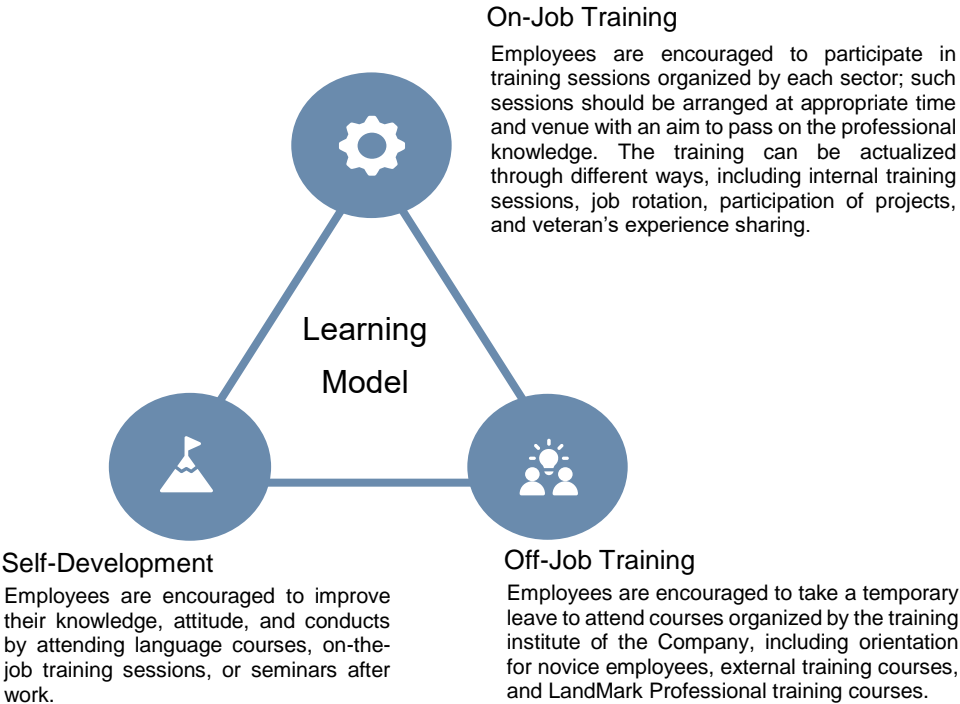
➤ Implementation of Unpaid Parental Leave

In response to the government's policy of "unpaid parental leave for raising children", employees can apply for unpaid parental leave for raising children according to their individual needs under the "Gender Equality Act". The Company is committed to promoting a caring and respectful workplace environment, providing concrete care and attention to employees with childcare needs, and providing a comprehensive employee care mechanism so that employees with childcare needs can take care of both family and work. Prior to the expiration of the leave of absence without pay, our HR will take the initiative to contact the employee to care for him/her and arrange for his/her reinstatement at the same time.

Item	Female	Male	Total
Actual number of people applying for Unpaid Parental Leave in 2021	3	1	4
Number of employees qualified for Unpaid Parental Leave in 2021	7	31	38
Number of employees who shall return to the job with job retained for Unpaid Parental Leave in 2021	3	4	7
Number of employees who actually returned to the job with job retained for Unpaid Parental Leave in 2021	3	3	6
Rate of return to job	100%	75%	86%

### 3.2 Talent Development

Talents are the most important asset and the foundation for corporate development. The devotion for on-the-job training is essential for the competitiveness of the Company. The Company is committed to cultivating human resources through the establishment of "Employee Education and Training Procedures" and the systematic integration of resources to ensure the enrichment of employee knowledge and skills, to improve work efficiency and quality, and to enable employees and the Company to grow together to achieve corporate development goals. The talent cultivation project includes three aspects: Off Job Training (Off-JT), On the Job Training (OJT), and Self Development (SD). Internal and external training resources are provided to encourage employees to pursue continuous education, professional knowledge and cross-discipline learning simultaneously. We are committed to providing a personalized and sustainable work environment and refining the professional skills of our colleagues so that each of them can be recognized for their hard work and contributions, and gain a sense of confidence and accomplishment from their work.

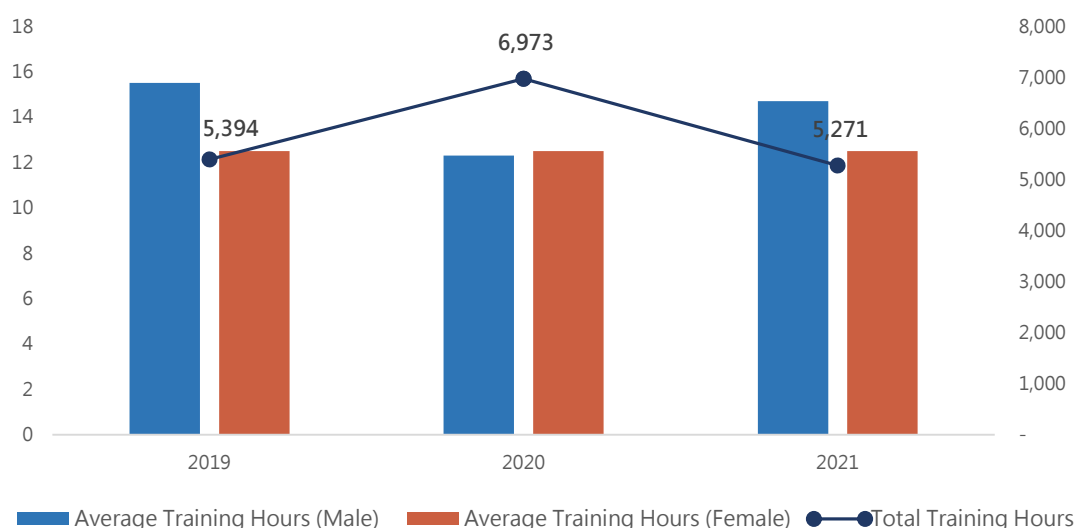


- Training Outcome in 2021

In 2021, the Company offered 5,271 hours of training courses in total, and 375 people joined the training course, with an average of 14.1 hours training received by each employee.

Type		Grouping	Total	Average Training hours/per person
Training hours	Gender	Male	3,986	14.7
		Female	1,286	12.5
Total			5,271	14.1

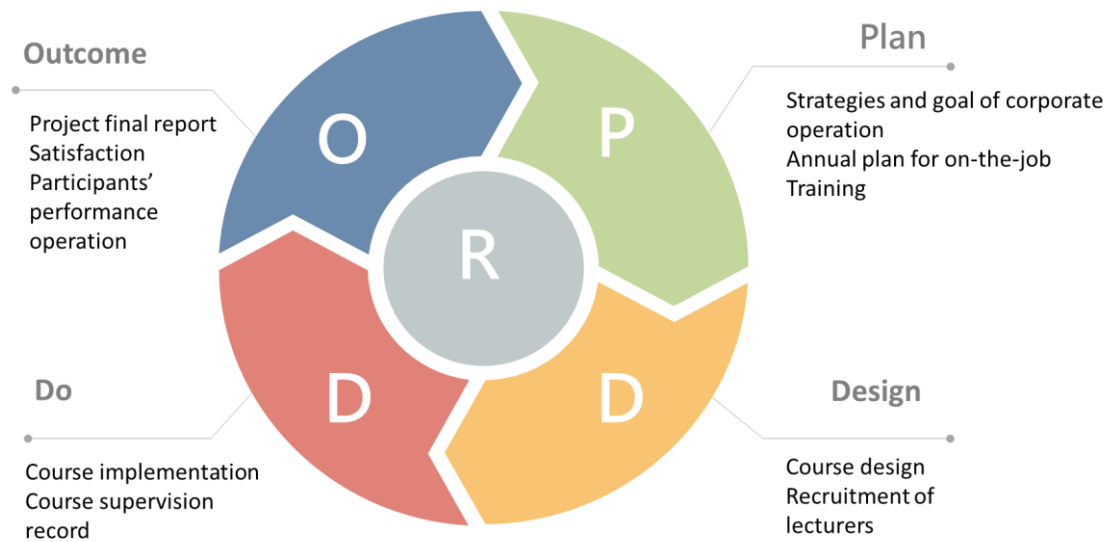
➤ Training Hours for the past three years



- Outcome of Training

Each year, the Company formulates a training plan for its employees, which includes professional courses (e.g. equipment engineering courses, process engineering courses, accounting courses, etc.), company-wide or general training activities (e.g. safety and health training courses, quality training courses, plant emergency response training courses, etc.), and LandMark Academy courses coordinated by the Human Resources Department. The Company periodically reflects on and reviews the training system through on-the-job training quality review system PDDRO. It generates a training input and outcome procedure of diversity training to review company' straining

effect so as to keep making continuous improvement. The course instructors will arrange for internal or external instructors to teach the courses according to the course requirements and the "Instructor Management Policy" process.



- Online Educational Platform

In order to provide every employee with the ability to absorb knowledge at any time, the Company has established the "Human Resource Development System" to provide employees with the opportunity to inquire and enroll in various courses, and to strengthen the mechanism for supervisor audit and internal transfer of external training, as well as the internal and external ISO audit system to review the implementation of training. For the learning of new employees, each newcomer can view the learning map of the professional courses for that position after reporting to work, which contains the course schedule of 3, 6, 9 and 12 months, and will be able to follow the progress of online courses.



## • Talent Development

Project	Project Content
On-the-job training subsidy mechanism	In response to the development of human resources, the cultivation of technological and managerial talents, and to encourage employees to pursue professional training in fields related to their job duties, in order to strengthen the Company's competitive edge in the industry and enhance the Company's overall competitiveness, the "Regulations for In-services Training Allowance" have been established to provide employees with on-the-job training subsidy scholarships, and those who meet the eligibility criteria can apply for 50% to 100% tuition subsidy each academic year.
Corporate mentors on campus	In order to help student, learn to integrate workplace practices with school theories before employment, Dr. Wei Lin has been appointed as an Adjunct Professor in the Department of Electrical Engineering at National Cheng Kung University from 2020 and an Adjunct Professor in the Department of Electrical Engineering at Tatung University from 2021 to offer special classes on "Introduction to Semiconductor Lasers". In addition to teaching the students the theoretical basis, we also share practical cases to help them understand more about the application of their knowledge.
Industrial Master Program	In order to enable students in related fields to get to know and experience the optoelectronic industry to which the Company belongs, and to help them link up with the practical aspects of their study life earlier, thus shortening the gap between learning and practice. In 2021, the Company collaborated with the Department of Electrical Engineering of National Cheng Kung University to open a master's degree program in the industry, so that students can not only complete theoretical and professional knowledge in school, but also provide students with internship in the Company under the supervision of the supervising professor and the founder of the Company, and combine the research thesis topic with the industry practice. We hope that through long-term training, students can become talents with both theoretical and practical skills and grow together with the Company.
Academia-industry cooperation	The Company conducts long-term industry-academia collaboration projects with specific departments and professors, not only to integrate academic-based research with applied research in enterprises, but also to provide graduate students with more practical experience in the industry and to achieve greater economic effectiveness.

### 3.3 Employee Welfare

- Remuneration policy

<b>Remuneration Policy</b>	Annual salary of 14 months.
<b>Annual salary adjustment</b>	Salaries will be adjusted according to the Company's profitability, the overall economic environment, the level of the industry and the results of the employees' personal performance evaluation.
<b>Employee compensation</b>	The employee bonus policy is stated in the Company's Articles of Incorporation, and no less than 8% of the annual profit shall be set aside for employee compensation. In 2021, we contributed 8% of the pre-tax net income to employee compensation in the amount of NT\$37,296,848.
<b>Bonus system</b>	Through various internal incentive programs, the Company encourages employees to actively pursue continuous growth. The incentive programs currently in place include: operational performance bonus, special incentive bonus, talent recommendation bonus, proposal bonus, and R&D bonus.

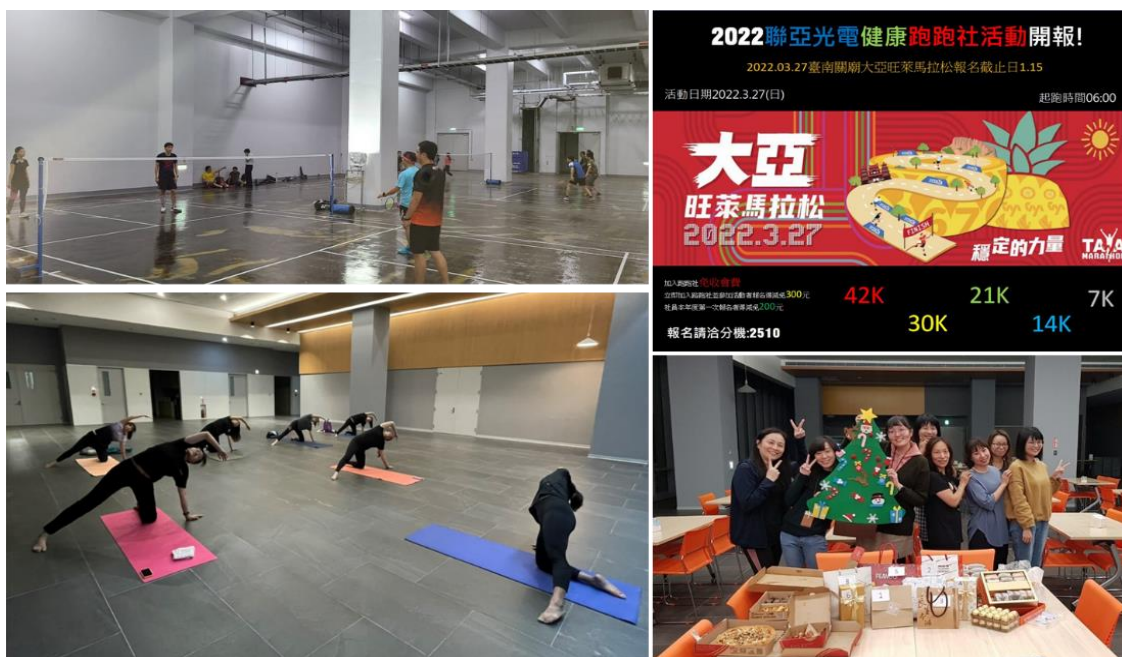
Year	Number of full-time employees in non-supervisory positions	Average full-time salaries for non-supervisory positions	Median full-time employee salary for non-supervisory positions
2021	314 employees	NT\$ 906,000	NT\$ 821,000
2020	306 employees	NT\$ 962,000	NT\$ 765,000
2019	304 employees	NT\$ 887,000	NT\$ 801,000

- Employee Welfare Committee

The Company has organized “LandMark Employee Welfare Committee” (hereinafter referred to as ‘LMOC welfare committee’) according to relevant laws to take care of the labors, remain harmonious labor-employer relation, enhance connection among colleagues, maintain their mental and physical health, as well as encourage appropriate recreations. Members of LMOC welfare committee are from different departments of the Company, with the number of representatives determined by the size of each department and are elected by employees. Regular meetings are convened every season and relevant welfare policies and company activities would be resolved on the meetings.

The main benefits of LMOC welfare committee include: three festivals (Labor Day, Dragon Boat Festival, Mid-Autumn Festival), birthday gift, annual travel subsidy, wedding subsidy, maternity subsidy, funeral subsidy, injury and illness subsidy, and tailgate raffle. In addition, in order to enhance the relationship between colleagues and their physical and mental health, and to encourage the establishment and participation in proper recreational and leisure activities, the "Regulations for Employee Welfare Club" were established, and each club can accumulate points according to its annual performance status and apply for a corresponding amount of club subsidy. The amount of club subsidy is NT\$2,000~NT\$5,000 per quarter; if the club participates in the competition in the name of the Company, it can apply for additional subsidy and incentive. Currently, we have a running club, a badminton club, a yoga club, and a basketball club to enhance the relationship between employees and their physical and mental health.

#### ➤ Club Activity Highlights



- Emergency Relief Fund

The Company has established an "Emergency Relief" program since 2020, to assist employees or their family members in the event of a major accident or injury, or in the event of other special circumstances that require special assistance due to the large costs involved, and to provide emergency relief as determined by the case. The Company treats its employees as family members and hopes to provide support in the first instance.

- Group Insurance and Retirement System

The Company provides each employee with labor insurance and National Health Insurance in accordance with the law, and also fully subsidizes group insurance (life insurance, accident insurance, medical insurance, etc.) for employees, which gives them automatic coverage from the day they arrive at work and provides them with complete job protection. Employees' family members can also take out group insurance at a more favorable premium, so that more complete insurance benefits can be extended to employees and family members.

To enhance retirement protection and strengthen labor-employer relationship, the Company makes monthly contributions to employees' pension fund in accordance with the Labor Standards Act and the Labor Pension Act. For the accumulated contributions as of the end of 2021, please refer to the Company's financial report for 2021.

- **Child Care Subsidy and School Opening Gift for Employees' Children**  
The Company provides a comprehensive employee care mechanism to enable employees with childcare needs to combine family and work. Since 2020, the Company has started a childcare allowance subsidy, which has been adjusted from the original subsidy for children aged 0-3 years old to children aged 0-6 years old from 2021, and the subsidy amount has been adjusted from NT\$2,000 to NT\$3,000 per month, benefiting a total of 102 employees and 121 children in 2021. A total of \$1,891,000 has been given out; in addition, starting in 2020, a school opening gift was given to new kindergarten and elementary school first graders to start school, and has continued uninterrupted in 2021.
- **Employee relations activities - emphasizing Work-Life Balance**  
In order to increase employees' sense of identification with the Company and to further strengthen the concept of mutual teamwork, and to uphold the corporate culture of a vibrant workplace and happy families, the Company has designed a variety of activities to allow employees to accumulate creativity and vitality in work and leisure activities, and also encourages employees to invite their family members to participate together to enhance their family members' sense of identification with the Company and to become the strongest support for employees. In 2021, due to the impact of the epidemic, the annual thematic activities (including Mid-Autumn Festival Dinner Event, LandMark Family Day, LandMark Action Sports Games, and the Annual Tailgate Dinner) have been suspended in order to reduce the risk of cluster gatherings.

## ➤ The Company's Annual Events

Event	Contents
Mid-Autumn Dinner Event	As the full moon makes people reunite, the Company has been organizing company-wide dinners on the eve of the Mid-Autumn Festival every year since 2018, so that employees can have a happy gathering during the Mid-Autumn Festival, and has continued to increase the participation rate and satisfaction of employees every year.
LandMark Family Day	To enable employees to enjoy the holiday with their families and friends and to achieve a work-life balance, the Company has held Family Day for three consecutive years and has continued to increase the participation rate and satisfaction of employees every year.
LandMark Action Sports Games	In 2020, the Company held its first sports tournament with the theme of "Vitality in the Workplace". Basketball, table tennis, badminton and challenge tournaments were held for employees to exchange with each other through sports tournaments and encourage them to use the sports platform to refresh their bodies and minds and continue to be energetic in their workplace. The first demonstration tournament led by the Chairman of the Board of Directors with senior management was held to heat up the atmosphere and has continued to increase the participation rate and satisfaction of employees each year.
Annual Tailgate Dinner	In order to thank our employees for their hard work throughout the year, the Company holds a company-wide year-end tailgate party at the end of each year, where not only everyone can receive participation prizes, but also various lucky draws. Although the annual tailgate party was suspended in 2021 due to the epidemic, the Company still follows the tradition of giving out participation prizes, live online lucky draws, and providing meal expenses for each department, and does not let the epidemic affect the Company's heartfelt gratitude to our employees.

### 3.4 Occupational Health and Safety

There is potential threat for safety and health in the work environment, so the Company periodically entrusts certified institutions to inspect operation environment. It also conducts regular examination on the fire prevention facilities, evacuation route, and equipment security and files report accordingly. The Company would improve, maintain and repair the operation areas with potential threat. Limited assess is applied to the highly dangerous areas to avoid entry of irrelevant people. The Company established guidelines for chemical usage and offers S.D.S for staff to make them have full understanding about features and hazards of the chemicals. In 2021, 0 cases of injuries from occupational accidents (traffic accidents are excluded) occurred in the Company, and the disabling injury severity rate was no higher than 0.

- Occupational Safety and Health Committee

The Company complies with the "Occupational Safety and Health Management Regulations" and holds quarterly meetings of the Occupational Safety and Health Committee. In the meetings, we regularly report on the various indicators of labor safety and health and the scheduled labor safety and health-related implementation work, and discuss potential safety issues and safety proposals reflected by employees and make improvement plans to prevent accidents and ensure the safety of the working environment in advance.

## ➤ Contents Discussed at the Occupational Safety and Health Committee Meeting

<p>◆ Worker Consultation</p> <ul style="list-style-type: none"> <li>• Determine stakeholder needs and expectations</li> <li>• Establish environmental safety and health policies</li> <li>• Assign organizational roles, responsibilities and authorities</li> <li>• Determine how to meet regulatory and other requirements</li> <li>• Establish occupational safety and health objectives and implementation plans</li> <li>• Determine applicable controls for outsourcing, procurement and contracting</li> <li>• Determine what needs to be monitored, measured, and evaluated</li> <li>• Plan, establish, implement, and maintain an audit program</li> <li>• Ensure continuous improvement</li> </ul>	<p>◆ Worker Engagement</p> <ul style="list-style-type: none"> <li>• Determine the mechanism for their consultation and participation</li> <li>• Hazard identification and assessment of risks and opportunities</li> <li>• Determine measures to eliminate hazards and reduce occupational safety and health risks</li> <li>• Determine competency requirements, training needs, training and training evaluation</li> <li>• Determine the communication content and how it should be accomplished</li> <li>• Determine control measures, their effective implementation and use</li> <li>• Investigate incidents and non-compliance and determine corrective action</li> </ul>
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- Regulations for Work Security

Item	Hazardous nature	Protective measures
Replacement of Gas Cylinder	Inhalation of hazardous gases	<ul style="list-style-type: none"> <li>The workers should wear oxygen respirators.</li> <li>Employees should work in pairs.</li> </ul>
Operation of X-Ray Equipment	Radiation hazards on human health	<ul style="list-style-type: none"> <li>The equipment passed the radiation safety test.</li> <li>The task should be performed by operators certified to deal with radioactive equipment.</li> <li>Operators should be equipped with dosimeter.</li> </ul>
Operation of dealing with chemicals	Skin exposure/ Inhalation of hazardous gases	<ul style="list-style-type: none"> <li>Operators should wear protective gears.</li> <li>The operation should be conducted in the fume hood.</li> <li>The Company should entrust professional institutions to conduct inspection of the operating environment.</li> </ul>
Cleansing operation of the equipment parts	Skin exposure/ Inhalation of hazardous gas	<ul style="list-style-type: none"> <li>The cleansing area is equipped with hazardous gas detector. The siren would go off when density of hazardous gas exceeds the standard.</li> <li>The cleansing task is operated in negative pressure room to keep the gas from spreading to the surrounding area.</li> <li>The operators should wear protective gloves, aprons, and oxygen respirator.</li> <li>The operation should be conducted in the fume hood.</li> </ul>

- Workplace Safety Measures

- The drinking water should undergo the E. Coli test every two months.
- Monthly inspection is conducted for firefighting equipment (for example: Fire extinguisher, emergency light, fire detector, fire alarm broadcasting systems, etc.)
- The Company entrusts certified inspecting institutions to conduct inspection of workplace environment (including the chemicals, noises, CO<sub>2</sub>, and illumination) every six months.
- The regular emergency evacuation drill is held every six months.
- The mosquito (vector) control and sterilization measures are conducted every six months.
- The Company conducts regular safety inspection on the firefighting equipment and evacuation of the building every year and submits reports to authorities concerned.
- The gases room, electrical control room, and cooling tower should have access control to keep irrelevant people out.

- Human Related Hazard Prevention

In accordance with the Occupational Safety and Health Act, the Company has established the "Regulations on Human Related Hazard Prevention", which require heavy lifting during equipment maintenance operations, which may cause muscle strain and pain due to repetitive labor or poor posture. Cooperate with the resident doctors to visit the workers and survey the operation condition, and work with the workers to draw up the improvement of ergonomic engineering, make auxiliary equipment and fixtures, reduce the load of the workers during the operation, reduce the ergonomic hazards that may be caused by lifting and transporting heavy objects, and ensure the health and safety of the workers.

- Maternal Health Management

In order to create a maternity-friendly workplace, the Company has established the "Maternal Health Protection Management Regulations", in which the female employees are engaged in work related to maternal health hazards, and take health protection measures such as safety and health hazard evaluation, hazard control, risk classification management measures, occupational physician and occupational nurse interview health guidance, and work suitability arrangements, and take health protection measures such as job adjustment or job content change according to the recommendations of occupational physician inspection and assessment, and provide continuous care and spiritual support to enhance the physical and mental health of maternal employees. In 2021, a total of 13 employees were targeted for maternal health protection. 6 of them were advised by doctors to coordinate with their supervisors to re-adjust their working hours or workplaces, such as switching from night to day shifts, avoiding exposure to ionizing

radiation and chemicals, etc. The consultation and improvement rate reached 100%. In addition, the Company has set up breastfeeding rooms in Factory No. 1 and No. 2, equipped with complete facilities such as refrigerators, reclining chairs, power outlets, desks, partition curtains in Factory No. 1 and partitions in Factory No. 2, telephones, covered trash cans and hand-washing facilities near the sinks or provide hand-washing facilities to provide a convenient and comfortable space for female employees.

- Health Workplace

The Company hires specialist doctors to offer on-site medical service, including health consultation, health care, analysis on dangerous operation, evaluation and consultation on health check items, and other work for health management and health promotion. In 2021, there was about 51 employees of occupational physicians and about 65 health check-up report consultation services.

- Covid-19 Epidemic Prevention

The Company takes strict health protection measures and has established measures for each stage of Severe Pneumonia with Novel Pathogens (COVID-19). During the epidemic prevention period, employees and vendors are requested to cooperate in implementing various epidemic prevention measures to maintain the safety of the operating environment and the health of employees. Starting from January 2020, the environmental safety unit has been paying attention to the global epidemic trend on a daily basis, and has formulated corresponding epidemic prevention measures for personal protection, attendance management, visitor, manufacturer and contractor management, epidemic prevention and hygiene education and promotion, and epidemic prevention materials, etc. Depending on the epidemic prevention needs, relevant departments will be

convened to discuss and revise and implement epidemic prevention policies.

➤ Core of the Countermeasures

1. Emergency Response:

- One should wear a mask, temperature measurement and hand disinfection when entering any factory.
- Manufacturers and visitors enter the factory to fill out the factory visitor disease prevention and control survey.
- Biweekly COVID-19 prevention and hygiene promotion.

2. Avoidance of Infection and Transmission:

- Those who have fever and cold symptoms are forbidden to enter the factory, and they should be isolated at home to prevent the disease.
- In the employee cafeteria, meals are served in the form of lunch boxes and changes the two-way seating to one-way to reduce face-to-face dining situations and avoid the risk of cross-infection in the factory.
- Employees in the same department work in separate groups to reduce operational impact.

3. Supported Life Impact:

- Provide employees with epidemic prevention materials (masks) and employee health protection equipment.
- Provide household goods for employees to use during home quarantine.

### 3.5 Social Welfare

With the spirit of social co-prosperity and encouraging the implementation of the corporate culture of LandMark, the company continues to cooperate with neighboring social welfare organizations to hold the annual "LandMark ♥ Sharing" event, dedicated to caring for the disadvantaged groups and small farmers in rural areas. In the 2021 event, a total of 106 colleagues participated in this spiritual feast where giving is more blessed than receiving.



#### **Adding Our Love to Completes Their Home**

In 2021, LandMark cooperated with Tainan "Love Child Care Foundation" and "Cham Tai Correctional Institution" to hold a fundraising event, mainly donating the supplies of the institution, food boxes for elementary school students in remote areas, and the No Bad Kids - School Aid Fund to ensure that the supplies of the institution and the basic living of the children can continue to be sufficient.



#### **Buy Directly from The Farmer**

Through the Buy Directly from the Farmer program, we help small farmers in Taiwan. In addition to buying fresh fruits and vegetables directly from the farmers, colleagues can also donate the fruits and vegetables to social welfare organizations, spreading the love to help more people in need.



#### **Recruiting Sending Love Angels - Christmas Wish Pledging Activity**

In order to satisfy the children's Christmas gift list, LandMark, together with the "Ma Er Jia Home" and Tainan "Love Child Care Foundation", organized a Christmas Wish Pledge Activity to help children have a joyful and warm holiday season.



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	401-3 Parental leave	3.1 Human Resource	56
GRI 403 : Occupational Health and Safety 2018			
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	403-3 Occupational health services	3.4 Occupational Health and Safety	70-71
	403-4 Worker participation, consultation, and communication on occupational health and safety	The Company has not established a labor union, and the Occupational Safety and Health Committee is responsible for this function.	67
	403-5 Worker training on occupational health and safety	3.4 Occupational Health and Safety	69
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