



# Sustainable Environment

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## 4-1 Waste Management

Aspect	Waste Management
<b>Significance to the Company</b>	<ul style="list-style-type: none"> <li>▶ Procuring raw materials not only constitutes a cost for the company, but in the production process, it also generates waste, leading to significant disposal expenses and environmental pollution.</li> </ul>
<b>Policy / Commitment</b>	<ul style="list-style-type: none"> <li>▶ Waste and scrap recycling, solar and energy-saving device installations, rainwater collection, wastewater treatment, and other resource recovery and reuse initiatives are undertaken to conserve energy and protect the environment. We also prioritize personnel training in environmental regulations, rigorously implement environmental management practices, enhance employee environmental awareness, and strive for ongoing environmental improvement to safeguard our planet.</li> </ul>
<b>Short-Term Goals</b>	<ul style="list-style-type: none"> <li>▶ Waste sorting and recycling efforts reduce waste generation and involve implementing preliminary environmental assessments for new equipment entering the facility, identifying waste types, and adopting eco-friendly processes.</li> </ul>
<b>Medium to Long-Term Goals</b>	<ul style="list-style-type: none"> <li>▶ Purchase waste reduction equipment to categorize or compress materials, thereby reducing the volume of outsourced waste processing. The goal is to enhance the transformation of industrial waste to increase the proportion of reuse in disposal methods.</li> </ul>
<b>Resources Invested/ Specific Achievements for the Year</b>	<ul style="list-style-type: none"> <li>▶ (1) A high-concentration acid-alkali waste treatment facility utilizing low-temperature vacuum technology was implemented. After decomposition and distillation, sludge is compressed, resulting in an average reduction of 80-100 tons/ year in outsourced acid-alkali waste treatment. The actual digestion of high-concentration waste liquids was as follows: 77.6 tons/ year in 2022 and 87.4 tons/ year in 2023.</li> <li>▶ (2) Starting in July 2023, an oil-water waste pretreatment system was introduced, with an average monthly treatment capacity of 10 tons. In total, 47 tons were treated in 2023.</li> </ul>
<b>Responsible Department</b>	<ul style="list-style-type: none"> <li>▶ Environmental Engineering Department   ntchen@nafco.com.tw, jimmy.lin@nafco.com.tw</li> </ul>
<b>Assessment Mechanism/ Achievements</b>	<ul style="list-style-type: none"> <li>▶ Ceased outsourcing of waste oil and water treatment.</li> </ul>

At the NAFCO plant site, industrial waste generated on-site is sorted, collected, stored, removed, and treated. Hazardous industrial waste includes production-generated waste liquids, copper and its compounds, dust or mixtures thereof, waste lubricating oil, waste plastic mixtures, inorganic sludge, and more. General industrial waste, including household waste and general waste generated by employees or production processes, is managed in line with environmentally sustainable practices. All waste is handled through approved disposal and recycling methods by certified organizations, following the required declarations and approvals from regulatory authorities.

### Waste Statistics

Unit: ton	Hazardous Industrial Waste	General Industrial Waste	Total
2021	134.86	252.43	387.29
2022	127.32	284.71	412.03
2023	241.91	293.63	535.54





### Disposal Methods of NAFCO China




Disposal Methods	2023 Weight (metric tons)	2022 Weight (metric tons)	2021 Weight (metric tons)
Incineration	21.267	17.310	3.867
Harmless Treatment and Energy Regeneration	80.280	71.000	45.978

### Disposal Methods of NAFCO Taiwan Plant

Disposal Methods	Name of Hazardous and General Industrial Waste	2023 Weight(metric tons)	2022 Weight(metric tons)	2021 Weight(metric tons)
Chemical Treatment	Cyanide electroplating solution, copper and its compounds (total copper) (limited to waste catalysts, dust, waste liquid, sludge, filter material, incineration fly ash, or bottom slag) from electroplating waste.	63.910	51.860	33.940
Solidification Treatment	Inorganic sludge	12.780	0.000	0.000
Physical Treatment	Non-hazardous dust or its mixtures, waste lubricating oil.	151.660	161.530	138.650
Washing Treatment	Waste plastic mixture.	0.000	2.05	0.975
Bury	Inorganic sludge.	27.640	7.430	44.220
Incineration	General waste generated from business activities.	33.035	31.180	21.320
Heat Treatment (Excluding Incineration)	The treatment sludge from electroplating processes, excluding those generated by the following processes: (1) Aluminum sulfate electroplating, (2) Tin plating on carbon steel, (3) Aluminum plating on carbon steel, (4) Tin or aluminum plating on carbon steel, associated with cleaning or pickling, (5) Etching and grinding of aluminum.	196.090	108.860	16.120
Reuse	Waste lubricating oil, waste activated carbon, and treatment sludge from electroplating processes, excluding those generated by the following processes: (1) Aluminum sulfate electroplating, (2) Tin plating on carbon steel, (3) Aluminum plating on carbon steel, (4) Tin or aluminum plating on carbon steel, associated with cleaning or pickling, (5) Etching and grinding of aluminum.	66.360	49.120	132.370

◆ Record of Internal Self-Inspection and Audit Results for Business Waste Outsourced Removal and Disposal

Audit Items	Audit Contents	Current Situation
Registered Factory Address	Ensuring the factory address consistent with registered address.	
Storage Facility	Whether the storage facility is protected against rain, wind, and direct sunlight, and whether it is equipped with exhaust windows or necessary ventilation facilities, along with approved fire safety equipment.	
Incoming Inspection	Whether there is a designated inspection area and rigorous execution for each batch of testing.	
Collection and Disposal	Consistency with Registered Vehicles. vehicles	

Audit Items	Audit Contents	Current Situation
Processing Site	Whether the processing site is equipped with necessary protective devices, such as an air pollution scrubber.	
Wastewater Discharge	Whether the wastewater discharge complies with local standards.	
Ultimate Disposal	Whether the final treatment has been duly completed and appropriate documentation has been submitted.	

## 4-2 Supply Chain Management

Material Topic	Supply Chain Management
<b>Significance to the Company</b>	The company maintains long-term and mutually beneficial interactions with its supplier partners. Our products and services rely on a multitude of suppliers to consistently provide raw materials and components. Furthermore, we leverage the company's influence of the industry and commit to prevent environmental pollution and violations of labor rights along with our suppliers. Employees are the essential foundation of the company's operations.
<b>Policy/Commitment</b>	Sustainable supply chain (environmental protection & human rights), Green procurement, Energy conservation and Carbon reduction.
<b>Short-Term Goals</b>	<p>Established a 'Procurement Management Procedure' for sustainability guidelines. This procedure outlines criteria for supplier selection, emphasizing environmental protection, human rights, safety, health, and sustainable development. It also sets forth requirements and expectations for suppliers in areas such as environmental, health, and safety risks, ethical standards, and ethical business conduct. Our company has instituted a Supplier Guidance Project, which, based on cooperation, encompasses supplier selection, audit guidance, performance assessment, training, and supplier forums. Integrate sustainability requirements into the daily management of the supply chain.</p> <p>In accordance with RBA requirements, established procurement and supplier ranking management systems to effectively oversee supplier product quality. We extend our social responsibility principles and requirements to the supply chain, jointly managing operations with our suppliers. We require suppliers to adhere and commit to ensuring that all activities comply with various environmental, labor regulations, and international corporate social responsibility standards.</p>
<b>Medium to Long-Term Goals</b>	Promote and advance a green supply chain by collaborating with supply chain partners to collectively strive towards environmental friendliness, energy conservation, and carbon reduction goals.
<b>Resources Invested/ Specific Achievements for the Year</b>	<ol style="list-style-type: none"> <li>In accordance with the "Procurement Management Procedure," evaluations for new and existing suppliers were conducted. In 2023, a total of 74 evaluations for existing suppliers were completed.</li> <li>To maintain requirements related to quality, cost, delivery time, service, safety, and sustainability, and to enhance supply chain management towards achieving mutual benefits, the company selects high-quality suppliers based on material approval procedures, supplier selection mechanisms, and other relevant principles, including material assessment, professional team evaluations, and guidance.</li> </ol>
<b>Responsible Department/ Appeal Mechanism</b>	Procurement Department   vicki.chen@nafco.com.tw Quality System   glory@nafco.com.tw
<b>Assessment Mechanism/ Achievements</b>	All suppliers meet international standards, codes of conduct, and requirements of various quality management systems.

Quality first, customer satisfaction, on-time delivery, continuous improvement, adherence to government environmental regulations, and the avoidance of prohibited substances have consistently been the goals of NAFCO's Quality, Safety, and Green Product Management Policy. These principles guide our supplier management practices, as we strongly encourage our suppliers to prioritize issues related to quality, environmental responsibility, and safety management. We are committed to rigorous risk management and operational continuity plans with the aim of establishing a sustainable and green supply chain.

The selection of suppliers is based not solely on price but rather on a comparative assessment of supplier advantages and risk considerations. Maintaining good relationships with suppliers is crucial, ensuring that the quality, cost, delivery, service, management, and sustainability of the supplied goods all meet the requirements of NAFCO.



### Supply Chain Management

Our suppliers are long-term partners of NAFCO, and beyond competitive requirements such as quality, technology, delivery, and cost, we place significant emphasis on supplier governance, environmental responsibility, and social aspects. We collaborate closely with our suppliers to drive the sustainable development of our value chain. Effective supply chain management is built upon strong collaborative relationships with suppliers, ultimately leading to improved customer satisfaction and the delivery of the best product and service experiences. While pursuing business growth, NAFCO actively promotes sustainability policies to meet the expectations of various stakeholders. In addition to adhering sustainability standards ourselves, we leverage our influence to encourage our supply chain to collectively embrace and fulfill corporate social responsibility.

### Sustainable Management of Suppliers

NAFCO has established a 'Procurement Management Procedure' in accordance with sustainability guidelines. This procedure outlines criteria for supplier selection, emphasizing environmental protection, human rights, safety, health, and sustainable development. It also sets forth requirements and expectations for suppliers in areas such as environmental, health, and safety risks, ethical standards, and ethical business conduct. Our company has instituted a Supplier Guidance Project, which, based on cooperation, encompasses supplier selection, audit guidance, performance assessment, training, and supplier forums. Integrate sustainability requirements into the daily management of the supply chain.

### Supplier Evaluation

1. All suppliers must undergo supplier evaluation and adhere to the Supplier Code of Conduct.
2. Aerospace raw material suppliers related to processes must comply with AS9100 Quality Management System certification; industrial raw material suppliers must comply with ISO9001 Quality Management System certification; automotive raw material suppliers must comply with IATF16949 certification as per automotive industry standards.
3. Contractors' operational procedures must align with the ISO45001 Occupational Health and Safety Management System.

### Supplier Auditing

Our company has established an auditing team and a guidance team to track and improve supplier deficiencies, collaboratively enhancing quality and technology, strengthening environmental, health, and safety performance, and implementing automation to increase productivity.

### Supplier Training

Our company conducts periodic supplier meetings and employs various forms of guidance and communication, such as annual audit evaluations, to effectively enhance environmental and safety performance while complying with international standards. The training includes topics such as workplace hygiene, employee health, fire maintenance, carbon footprint assessment, climate change, regulatory risks, and professional ethics.

### Supplier Forum and Recognition

Our company periodically organizes supplier meetings where, in addition to conveying our company's sustainability principles and objectives, we specifically acknowledge outstanding suppliers who have demonstrated excellence and made significant contributions in the areas of quality improvement, cost reduction, on-time delivery, and sustainability performance.

## Supplier Selection

Due to industry- specific characteristics, the evaluation criteria for new and existing suppliers are determined based on different application contexts. These criteria reference aerospace standard AS9100, industrial standard ISO9001, and automotive industry standard IATF16949 as benchmarks.

To maintain the requirements for quality, safety, green products, delivery, service, and pricing of materials, as well as to assist in enhancing supplier management for the purpose of achieving mutual benefit and cooperation, NAFCO, in accordance with relevant material approval procedures and supplier selection mechanisms, selects suppliers based on principles such as material evaluation, professional team assessments, and guidance. In addition to considering the quality, delivery, and cost of supplier products, we also encourage them to prioritize social responsibility. We expect suppliers to jointly fulfill corporate social responsibilities and to effectively manage risks and maintain business continuity plans.

NAFCO has consistently regarded suppliers as strategic partners, firmly believing in mutual support and growth with our supplier allies. In accordance with RBA requirements, NAFCO has established procurement and supplier management systems to effectively oversee supplier product quality. We extend our social responsibility principles and requirements to the supply chain, jointly managing operations with our suppliers. We require suppliers to adhere and commit to ensuring that all activities comply with various environmental, labor regulations, and international corporate social responsibility standards.

NAFCO follows the "Procurement Management Procedures," the evaluation of new suppliers and existing suppliers is conducted as follows:

Year	2021	2022	2023
Existing Supplier Evaluation Data	71	71	74
New Supplier Evaluation Data	5	5	0 (none added)



## 4-3 Occupational Health and Safety

Material Topic	Occupational Health and Safety
<p><b>Significance to the Company</b></p>	<p>Both employees and contractors are essential human assets for the company. Ensuring a safe and healthy working environment for personnel can reduce operational costs and maintain process efficiency</p>
<p><b>Policy/ Commitment</b></p>	<p>Achieving zero workplace accidents for employees, zero incidents for contractors, zero accidents involving operating machinery, and zero incidents in punch press operations are the primary policies and objectives of the company.</p>
<p><b>Short-Term Goals</b></p>	<ol style="list-style-type: none"> <li>1. Completed ISO45001 Occupational Health and Safety Management System certification in 2024.</li> <li>2. Completed ISO14001 Environmental Management System certification in 2024.</li> <li>3. Completed ISO14064-1 Greenhouse Gas Inventory operations in 2024.</li> <li>4. Completed the 2024 ESG Sustainability Report.</li> <li>5. Conducted an average of 5 social case event awareness campaigns per year.</li> <li>6. Provided safety and health education and training for machinery and equipment at manufacturing sites.</li> <li>7. Delivered general education and training on chemicals at manufacturing sites.</li> <li>8. Provided safety and health education and training on protective equipment at manufacturing sites.</li> <li>9. Reduced the number of short-term work-related injuries to an average of fewer than 3 cases.</li> <li>10. Reduced the number of short-term false fire alarms to an average of fewer than 3 cases.</li> <li>11. Achieved the Health Workplace Health Promotion Mark certification from the Ministry of Health and Welfare National Health Agency in 2023 and will maintain the validity of the certification from 2024 to 2026.</li> <li>12. Installed AED emergency facilities (Plants #2 and #4) and provided related training in 2024.</li> </ol>
<p><b>Medium to Long-Term Goals</b></p>	<p>2021: (FR)2.48, (SR)2.48 2022: (FR)1.04, (SR)1.04 2023: (FR)4.28, (SR)12.84</p> <p><b>1. Number of workplace injuries</b> (excluding traffic accidents)</p> <p>2021 2 cases    2022 1 cases    2023 3 cases</p> <p>The long-term goal is to reduce in-plant work-related injuries to zero.</p> <p><b>2. Number of false fire alarm incidents</b></p> <p>2021 4 cases    2022 6 cases    2023 4 cases</p> <p>Long-term goal: Reduce the number of false fire alarms within the facility to zero.</p> <p>Continue applying for the Health Workplace Promotion Certification from the National Health Service of the Ministry of Health and Welfare until 2027.</p>





Material Topic

Occupational Health and Safety

1. Held 2 fire safety education and evacuation drill sessions.
2. Held 1 contractor agreement organization meeting.
3. Held 4 occupational health and safety committee meetings.
4. Held 4 in-house occupational health and safety education and training sessions.
5. Conducted a total of 53 training sessions for new employees.
6. Conducted a total of 5 social case awareness events.
7. Completed the ISO45001 Occupational Health and Safety Management System re-evaluation.
8. Completed the ISO14001 Environmental Management System re-evaluation.
9. Completed the ISO14064-1 Greenhouse Gas Inventory operations.
10. Completed the ESG Sustainability Report.
11. The total expenditure on occupational health and safety in 2023 amounted to NT\$1,365,051.
12. A total of 3 work-related injury incidents occurred, with no major hospitalization or fatalities.
13. A total of 4 false fire alarm incidents occurred.
14. In 2023, the total investment in employee health amounted to NT\$360,400.
15. In 2023, we achieved certification for the Health Workplace Promotion Mark from the National Health Service of the Ministry of Health and Welfare.
16. During 2023, we conducted annual health check-ups for 401 employees, with a 100% participation rate. Special occupational health check-ups were completed for 48 individuals.
17. Health check-up activities in 2023 included participation in cancer screening initiatives organized by the National Health Service of the Ministry of Health and Welfare, with 85 participants screened for oral cancer, 26 for colorectal cancer, and 385 for liver cancer.
18. In 2023, we hosted aerobic and yoga exercise classes led by professional trainers, with a total of 162 participants.
19. In 2023, labor health services were provided by occupational health physicians in 12 sessions. Over the past three years, no cases of occupational diseases have been diagnosed by occupational health specialists.
20. For employee health risk management and care: In 2023, a maternity health protection program was implemented for two employees during pregnancy and the postpartum period. This program included assessing health hazards, risk classification, job suitability evaluation, and hazard control to protect their reproductive health as well as the health of both mother and child. An abnormal workload-induced disease prevention program was also executed, which involved comprehensive assessments of work-related health risks, including cardiovascular disease and workload risks. For high-risk individuals (1 person) and moderate-risk individuals (13 people), measures such as one-on-one health consultations and guidance from on-site doctors and regular follow-ups by nursing staff were implemented. Additionally, suitability assessments were conducted for 67 new employees based on their health check reports, with health guidance and follow-ups provided for 13 individuals with health abnormalities. Health guidance and follow-ups were also provided for 8 individuals with abnormal findings in special operations health check reports. In total, 93 instances of health care and consultation services were provided by the medical and nursing office.



Resources Invested/  
Specific Achievements  
for the Year

Responsible Department/  
Appeal Mechanism

Work Safety Office | bing.feng@nafco.com.tw, cheng.wei@nafco.com.tw  
Medical Room | annie6.lee@nafco.com.tw

Assessment Mechanism/  
Achievements

1. Completed the annual ISO45001 Occupational Health and Safety Management System certification and recertification.
2. Completed the annual ISO14001 Environmental Management System certification and recertification.
3. Completed the annual ISO14064-1 Greenhouse Gas Inventory operations.
4. Completed the annual ESG Sustainability Report.
5. Obtained certification from the Ministry of Health and Welfare's National Health Agency for the Healthy Workplace Promotion Mark.

NAFCO is committed to providing customers with high-quality products and services that comply with regulations and standards. We prioritize occupational accident prevention, health promotion, and the creation of a friendly workplace as part of our corporate social responsibility. Currently, our company offers various training programs related to occupational safety and health, including contractor awareness, fire drills, hazard awareness, chemicals, machinery and equipment TS safety certification, machinery and equipment safety devices, prevention of pinch and caught hazards, noise in the workplace, fire prevention, and escape routes.

NAFCO is actively and dedicatedly committed to promoting labor safety and health, with a focus on reducing occupational accidents. We adhere to international social responsibility standards, continuously improve the working environment for our employees, prevent occupational injuries and illnesses, and reduce workplace hazards. Our aim is to comply with labor safety and health regulations and create a high-quality, safe, and healthy corporate workplace.

For a long time, NAFCO has been committed to employee care, health, and safety, fulfilling corporate social responsibility, and pursuing sustainable business operations. We firmly believe that the safety and health of our employees are invaluable assets to the company.

**Compliance with regulations**

Compliance with domestic occupational health and safety laws, regulations, and other customer requirements.

**Ensuring safety**

Emphasizing the involvement of all, we implement education, training, consultation, communication, and other means to enhance the environmental health and safety awareness of employees, suppliers, and contractors. Through the safety measures in the workplace environment, we aim to safeguard the safety of workers.

**Risk management**

Implement hazard identification, risk assessment, and opportunity management to achieve the goal of preventing accidents and reducing hazard risks.

**Continuous improvement**

Combining a rolling risk management approach with worker-driven health self-management to create a high-quality, healthy workplace.

A safe workplace can protect workers from harm



Do not tamper with safety devices



Follow required steps for operations and maintenance Carefully implement each step and avoid hasty action



Label machines with spinning blades No gloves while operating



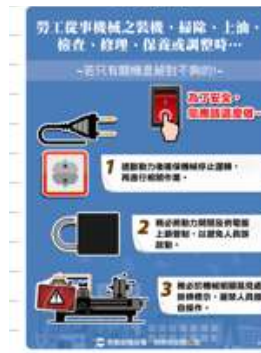
Keep clam if a machine



Hazards of mechanical equipment entanglement are significant



Shut off power before maintenance



Cuts and pinch injuries are serious Caution



Personal protection



### 4-3.1 Worker Engagement, Consultation, and Communication

NAFCO has established an Occupational Safety and Health Committee, which is composed of department heads, occupational safety and health personnel, engineering and technical staff, nursing personnel, and labor representatives. Labor representatives are selected from various units, and their proportion exceeds one third of the legal requirement.

The Occupational Safety and Health Committee meets quarterly to address various topics, including license retraining courses, contractor management, occupational accidents, corrective measures for hazard prevention, manufacturing site inspections, fire and firefighting, environmental monitoring at workplaces, labor health management, government agency inspections, and sharing of social occupational safety and health case studies. The committee comprises workers who actively express their opinions, exercise voting rights, and are responsible for reviewing, coordinating, and making recommendations on matters related to occupational safety and health. The committee also resolves the results of investigations into occupational accidents, examines environmental monitoring outcomes, and proposes measures for health management and promotion. Additionally, it evaluates the effectiveness of on-site safety and health management to prevent occupational hazards and ensure a safe and healthy work environment for employees.

### 4-3.2 Occupational Health and Safety Management Systems & Occupational Safety and Health Act

NAFCO complies with the ISO45001 Occupational Health and Safety Management System and local regulatory requirements. It has been verified by AFNOR and actively strives to improve the safety and health of its workers. The ISO45001 Occupational Health and Safety Management System and the Occupational Safety and Health Act cover all workers in the company, including both regular and contract employees. As of December 31, 2023, the total number of employees is 479.

### 4-3.3 Hazard Identification, Risk Assessment, and Incident Investigation

To promptly address and eliminate any abnormal incidents arising from the Occupational Health and Safety Management System, and to ensure that similar situations do not recur, NAFCO has established the 'Occupational Health and Safety Abnormal Correction and Prevention Procedure.' According to this procedure, significant abnormalities in the workplace are assessed, and if necessary, an 'Occupational Health and Safety Abnormal Handling Form' is filled out to facilitate the tracking and improvement of results by the Occupational Safety and Health Office. When a workplace safety incident occurs, an "Accident Investigation Form" is created to track the follow-up and understand the causes. This form is also used in the quarterly Occupational Safety meetings as part of the training curriculum to ensure effective hazard notification and dissemination.

To prevent harm to the safety and health of personnel or the financial well-being of the company resulting from operations, activities, services, and facilities, the company has established the 'Hazard Identification and Risk Assessment Procedure.' This procedure involves assessing hazard identification based on the nature of operations, identifying potential hazards within various departmental work environments and operational activities, and taking appropriate preventive measures or implementing necessary control methods to maintain risks within acceptable limits.



### 4-3.4 Occupational Hazard Statistics

According to the statistics and analysis of employee occupational injuries and occupational diseases, as shown in the table below, there were no significant occupational accidents or cases of occupational diseases (including recordable occupational diseases) in the year 2023. The types of work injuries are primarily categorized as crushing injuries, cutting injuries, and lacerations. Company can reduce occupational hazards through hazard identification, improvements in the workplace environment, and the implementation of occupational safety training.

#### Occupational Hazard and Occupational Disease Statistics

Statistics / Year		2021	2022	2023
<b>Total Work Hours</b>		806,512	958,680	951,304
<b>Fatal Occupational Hazard</b>	Number of People	0	0	0
	Percentage	0	0	0
<b>Serious Occupational Hazard</b>	Number of People	0	0	0
	Percentage	0	0	0
<b>Reportable Occupational Hazard (Note)</b>	Number of People	7	5	9
	Percentage	1.73587	1.04310	1.89213
<b>Occupational Illness</b>	Number of People	0	0	0
	Percentage	0	0	0
<b>Reportable Occupation Disease</b>	Number of People	0	0	0
	Percentage	0	0	0

Note: The rate of recordable occupational hazards is equal (the number of recordable occupational injuries x 200,000 working hours) / total exposure hours.

#### Statistics on Types of Occupational Hazards

Statistics / Year		2021	2022	2023	Description of Hazards and Improvement
<b>Types of Occupational Hazards</b>	Pinch and Crush Injuries	1	0	0	Rotating machinery, no gloves allowed
	Cut and Laceration Injuries	1	2	3	Do not remove safety guards
	Traffic Accidents	5	3	6	Traffic accident case dissemination



### 4-3.5 Workplace Health Promotion

As societal and economic changes unfold, the International Labour Organization (ILO) and the World Health Organization (WHO) advocate that workplace safety and health services are fundamental rights for laborers. NAFCO actively plans, promotes, and implements health initiatives, encompassing three major facets: health services, health education, and the health work environment. We provide our employees with access to a gym, walking activities, basketball games, and health seminars (focused on metabolism enhancement, weight management, and cardiovascular disease prevention). From the perspective of protecting employee health, we focus on health risk assessments, health management, health promotion, and workplace hazard evaluations and recommendations. We aim to provide employees with accurate health knowledge to ensure that work-related issues do not negatively impact their health and to implement effective occupational health care.

NAFCO is committed to implementing a system of labor health services and measures for physical and mental health protection. With a caring approach, we actively plan, promote, and advocate for the dissemination of correct health knowledge, aiming to create a workplace environment that is health-friendly and conducive to a balanced and joyful life. We aspire to help employees cultivate a positive and proactive approach to health, maintain a healthy body, mind, and spirit, and integrate workplace health into their daily lives. This way, they can achieve a harmonious and fulfilling balance between their family and work life.

Basketball Game



Taipei Medical University Hospital Nutritionists' Seminar on Enhancing Metabolism and Preventing Weight Gain



Linkou Chang Gung Memorial Hospital Doctor's Seminar on Preventing Cardiovascular Diseases



### 4-3.6 Health Management

NAFCO conducts special hazard operation preventive occupational health examinations annually, general health examinations for all employees every two years, and monthly on-site health services provided by labor health service physicians and occupational medicine specialists. Abnormal results from health check-ups are managed through a grading system, which includes providing health guidance to employees and tracking follow-up tests as part of the health management measures. Additionally, investigations into the correlation between employee health and work are conducted, continuous improvements are made to the occupational environment, safety, and health facilities, and ongoing management of employee health is ensured.

Physical Examination for 2023



On-site Health Services for Return-to-Work Evaluation by Physicians



On-site Health Services for Maternal Health Protection Evaluation by Physicians





# 05

## Social Care

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- 5-2 Appropriate Talent
  - 5-2.1 Compensation and Benefits
  - 5-2.2 Talent Development
- 5-3 Charity Engagement



NAFCO values the labor rights of its employees and is committed to creating a happy and safe workplace environment. The company provides equal and friendly job opportunities, implements gender equality policies, and fosters a culture of mutual respect. It offers competitive market-based salaries to enhance employee loyalty, reduce high turnover rates, and ensure stable company operations. NAFCO also has a comprehensive training system that includes various courses to develop employees' professional skills and enhance workplace competitiveness. Transparent promotion channels allow employees to anticipate future career development opportunities. The company maintains positive labor relations by encouraging open dialogue during labor-management meetings and responding constructively to feedback, achieving mutual consensus. Additionally, NAFCO adheres to the ISO45001 Occupational Health and Safety Management System, strengthening its management of occupational safety and health to effectively safeguard employees' physical and mental well-being. Beyond achieving impressive revenue performance, NAFCO is actively involved in public welfare activities and caring for disadvantaged groups, fulfilling its social responsibilities.

## 5-1 Employee Overview

NAFCO treats its employees equally, eliminating any potential labor conditions that could create workplace inequalities through various equal opportunity measures, safeguarding the labor rights and interests of our colleagues.

### 5-1.1 Employee Rights

NAFCO values employee rights and fosters a supportive environment for human rights protection. The company formulates human rights policies based on principles such as the United Nations' "Universal Declaration of Human Rights," "UN Global Compact," "UN Guiding Principles on Business and Human Rights," and the International Labour Organization's "Declaration on Fundamental Principles and Rights at Work." These policies acknowledge internationally recognized fundamental human rights, including respecting employees' freedom of association, caring for vulnerable groups, prohibiting child labor, eliminating all forms of forced labor, eradicating discrimination in employment and occupation, preventing any infringement and violation of human rights, ensuring gender equality, and treating all employees fairly. NAFCO's compensation policy also ensures that salary disbursement is not differentiated based on an individual's gender, age, race, religion, or political stance.

At the same time, NAFCO complies with labor human rights laws and regulations at its various operational locations. Group agreements cover all employees, and important messages regarding human rights protection and labor rights are communicated to new and existing employees. Furthermore, NAFCO provides a reporting channel for employees to use, which is handled by dedicated personnel who conduct responsible investigations. If the reports are verified as accurate, NAFCO commits not to treat the reporting individuals unfavorably. NAFCO did not have any records of human rights violations during the year.



## 5-1.2 Employee Statistics

In recent years, the improvement in factory production efficiency has not only driven the company's revenue growth but has also significantly increased the demand for human resources. Coupled with the company's competitive salary levels, this has attracted top talents to join the company and contribute to its success.

Specifically, all employees are on permanent employment contracts (i.e., full-time employees), offering a stable and long-term employment arrangement that allows employees to fully dedicate themselves to their work without concerns about job security, contributing to safeguarding their economic livelihood. Moreover, the number of female employees is the highest it has been in the past three years. Employees are primarily divided into direct and indirect staff. Due to the nature of production line work, direct staff are predominantly male, while the proportion of female employees among indirect staff has been increasing each year. Regarding age distribution, in recent years, for both direct and indirect employees, over ninety percent are under the age of 50. This indicates that NAFCO primarily consists of middle-aged employees at this stage. Experienced and practical managers lead young teams, ensuring a stable workforce structure and imminent labor shortages.

### Employee Statistics

Year		2021		2022		2023	
<b>Total Employees</b>		599		674		709	
<b>Labor/Management Contract</b>		Irregular	Regular	Irregular	Regular	Irregular	Regular
Gender	Male	463	0	515	0	540	0
	Female	136	0	159	0	169	0
Region	Taiwan	414	0	457	0	478	0
	Overseas	185	0	217	0	231	0
<b>Labor/Management Contract</b>		Full-Time Staff	Part-Time Staff	Full-Time Staff	Part-Time Staff	Full-Time Staff	Part-Time Staff
Gender	Male	463	0	515	0	540	0
	Female	136	0	159	0	169	0
Region	Taiwan	414	0	457	0	478	0
	Overseas	185	0	217	0	231	0

Note: The total number of employees is based on the figure as of the end of 2023 (December 31).

### Non-Employee Statistics

Year		2021		2022		2023	
<b>Total Workers</b>		3		4		4	
<b>Contract Type</b>		Dispatched	Other	Dispatched	Other	Dispatched	Other
Gender	Male	0	2	0	3	0	3
	Female	0	1	0	1	0	1
Region	Taiwan	0	0	0	0	0	0
	Overseas	0	3	0	4	0	4
<b>Job Type</b>		Sales Representative	Technical Consultant	Sales Representative	Technical Consultant	Sales Representative	Technical Consultant
Gender	Male	1	1	1	2	1	2
	Female	1	0	1	0	1	0
Region	Taiwan	0	0	0	0	0	0
	Overseas	2	1	2	2	2	2

Note: The total number of employees is based on the figure as of the end of 2023 (December 31).


### Statistics on Female Employees and Female Senior Executives

	2023	Total	Percentage
Female Employees	169		23.84%
Total Employees	709		100%
Female Senior Executives	12		27.27%
Total Senior Executives	44		100%

Note: Managers at the level of manager and above are defined as senior executives.



### Employee Diversity Statistics

Year	2021		2022		2023				
	Number of People	Percentage	Number of People	Percentage	Number of People	Percentage			
 Employees	Direct	Gender	Male	327	80.94%	373	79.36%	337	85.53%
			Female	77	19.06%	97	20.64%	57	14.47%
		Age	Under 30	74	18.32%	108	22.98%	77	19.54%
			30-50	306	75.74%	333	70.85%	284	72.08%
			50 above	24	5.94%	29	6.17%	33	8.38%
		Degree	Master's Degree	3	0.74%	2	0.43%	2	0.51%
			College/ University	196	48.51%	219	46.60%	167	42.39%
			Other	205	50.74%	249	52.98%	225	57.11%
		Indirect	Gender	Male	136	69.74%	142	69.61%	203
	Female			59	30.26%	62	30.39%	112	35.56%
	Age		Under 30	26	13.33%	22	10.78%	53	16.83%
			30-50	138	70.77%	148	72.55%	214	67.94%
			50 above	31	15.90%	34	16.67%	48	15.24%
	Degree		Master's Degree	41	21.03%	43	21.08%	42	13.33%
		College/ University	131	67.18%	138	67.65%	207	65.71%	
Other		23	11.79%	23	11.27%	66	20.95%		

### Employee Onboarding and Offboarding Statistics

Year		2021		2022		2023	
New Employees		Total	Percentage	Total	Percentage	Total	Percentage
Gender	Male	191	41.30%	242	47.00%	214	39.63%
	Female	44	32.40%	69	43.40%	54	31.95%
Age	Under 30	75	75.00%	115	88.50%	108	83.08%
	30 or above but less than 50	157	35.40%	189	39.30%	149	29.92%
	50 above	2	3.60%	7	11.10%	11	13.58%
Degree	Master's Degree	10	22.70%	8	17.80%	8	18.18%
	College/University	137	41.90%	146	40.90%	114	30.48%
	Other	88	38.60%	157	57.70%	146	50.17%
Region	Taiwan	102	24.60%	131	28.70%	120	25.10%
	Overseas	133	71.90%	180	82.90%	148	64.07%

Year		2021		2022		2023	
Departed Employees		Total	Percentage	Total	Percentage	Total	Percentage
Gender	Male	83	17.90%	194	37.70%	187	34.63%
	Female	98	72.10%	47	29.60%	45	26.63%
Age	Under 30	63	63.00%	74	56.90%	80	61.54%
	30 or above but less than 50	109	24.50%	160	33.30%	139	27.91%
	50 above	10	18.20%	7	11.10%	13	16.05%
Degree	Master's Degree	8	18.20%	7	15.60%	10	22.73%
	College/University	103	31.50%	122	34.20%	84	22.46%
	Other	71	31.10%	112	41.20%	138	47.42%
Region	Taiwan	87	21.00%	95	20.80%	96	20.08%
	Overseas	95	51.40%	146	67.30%	136	58.87%

Note: The total number of employees is based on the figure as of the end of 2022 (December 31).

## 5-2 Appropriate Talent

A strong human resources system is key to the sustainable operation of NAFCO. To attract outstanding talent, the company offers competitive compensation and benefits, rewards employees for their performance and long-term contributions, and upholds the principle of equal treatment. Transparent evaluation and reward systems are in place to foster a fair competitive environment among colleagues, further shaping NAFCO's corporate culture to retain talent and enhance employees' sense of belonging and active participation in company affairs. Additionally, promotion pathways are transparent, allowing high-performing employees to advance and encourage others to learn from their examples. The company continues to develop more talented individuals by offering educational training programs and encouraging further education, enabling employees to grow in their respective fields and realize their self-worth. Lastly, NAFCO provides various channels for open communication, allowing employees to express their opinions and ensuring that the company responds constructively, maintaining harmonious and trustworthy labor relations.

### 5-2.1 Compensation and Benefits

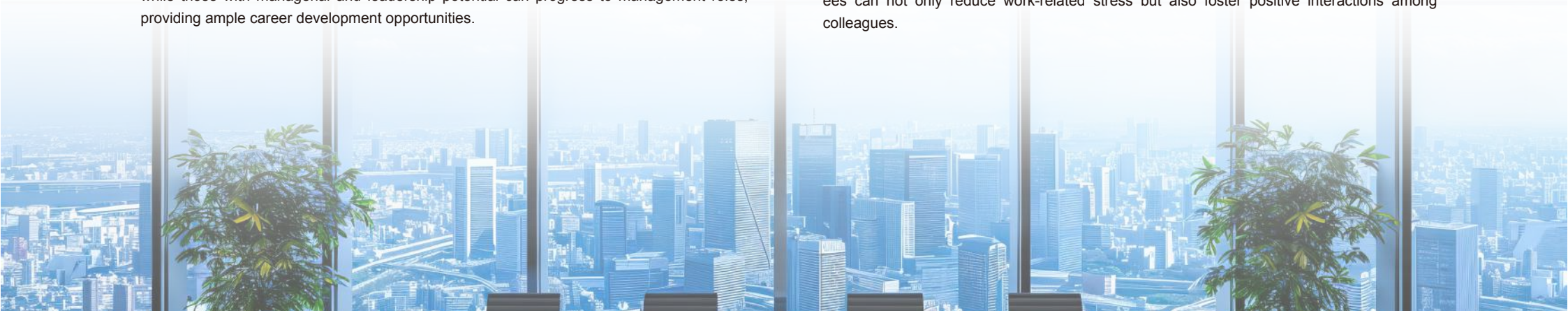
NAFCO determines employee compensation based on annual operational targets and company profitability. The company offers compensation packages that exceed local legal requirements and are competitive in the market. To ensure that employees' performance is accurately reflected in their compensation, all employees undergo regular performance and career development assessments. The performance evaluation methods are explained to employees, and the results are considered in career advancement decisions. Employees with specialized skills have the opportunity to become experts in their fields through their efforts, while those with managerial and leadership potential can progress to management roles, providing ample career development opportunities.

### Percentage of Employees Regularly Undergoing Performance and Career Development Reviews

	Reviewed Employees in 2023	Reviewed Employees	Total Employees	Percentage
Gender	Male	540	540	100%
	Female	169	169	100%
Employee Category	Direct	394	394	100%
	Indirect	315	315	100%

Overall, at NAFCO, employee compensation is primarily determined by individual service tenure, academic and professional background, and expertise, rather than by personal physiological or psychological differences. As employees accumulate years of service and gain industry knowledge and experience, the company, benefiting from their contributions, is happy to share its profits. This is reflected in the annual growth of both the average and median salaries for non-managerial employees. This approach ensures that employees can focus on their work without financial concerns, thereby enhancing their sense of loyalty and belonging to the company.

Furthermore, NAFCO provides various welfare measures and a comfortable working environment to enhance employee efficiency. Through periodic employee welfare activities, employees can not only reduce work-related stress but also foster positive interactions among colleagues.



## Employee Benefits

### Activity Details



- ▶ Group accident insurance
- ▶ Marriage/ funeral subsidies
- ▶ Festival bonuses, birthday gifts
- ▶ Quarterly bonuses
- ▶ Regular health check-ups
- ▶ Employee cafeteria
- ▶ employee trips, year-end parties



- ▶ Employee stock subscriptions (Method announced before each offering)

## Employee Parental Leave Statistics

Year	Gender	2021	2022	2023
Number of Employees Applying for Parental Leave	Male	2	0	2
	Female	0	3	1
Employees Expected to Return After Parental Leave (A)	Male	1	0	2
	Female	0	2	1
Employees Who Actually Returned After Parental Leave (B) (Including Early Returns)	Male	0	0	2
	Female	0	1	1
Return Rate (B/ A)	Male	0	0	100%
	Female	0	50%	100%
Employees Still Employed Twelve Months After Returning from Parental Leave (C)	Male	0	0	2
	Female	0	0	1
Retention Rate (C for the Current Year/ B for the Previous Year)	Male	0	0	100%
	Female	0	0	100%

Note: Return Rate = (Total Actual Returning Employees for the Year/ Total Employees Expected to Return for the Year) \* 100%.

Retention Rate = (Total Employees Still Employed Twelve Months After Returning/ Total Employees Who Actually Returned in the Previous Year) \* 100%.

Finally, NAFCO provides retirement counseling to employees who are about to retire, ensuring their financial planning for retirement. The retirement benefit system includes both defined benefit plans (old retirement pension) and defined contribution plans (new retirement pension).

### Defined benefit plan (old retirement pension)

NAFCO's retirement system is fully compliant with the Labor Standards Act. Employees with more than fifteen years of service and aged fifty-five or older, or those with more than twenty-five years of service, are eligible to apply for voluntary retirement. The retirement benefits are provided according to the employee's years of service, with two units of the base salary granted for each completed year of service. For employees with over fifteen years of service, one unit of the base salary is granted for each completed year, with a maximum total of forty-five units. NAFCO has established a supervisory committee and allocated funds to this plan.

### Defined contribution plan (new retirement pension)

Since July 1, 2005, NAFCO has been following the provisions of the Labor Retirement Pension Act. A monthly contribution less than 6% of the monthly salary is allocated towards the retirement pension, which is stored in a specialized account for labor retirement pensions.

Gym



Employee trips



Employee cafeteria



**lactation room**



## 5-2.2 Talent Development

Material Topic	Talent Development
<b>Significance to the Company</b>	<p>NAFCO firmly believes that sustainable talent is a crucial element of the company's future core competitiveness. We are committed to developing high-quality and diverse educational training to enhance the continuous growth of employees' professional capabilities. We adhere to an international perspective, integrating organizational strategic development, and have created a career development blueprint tailored to the needs of employees.</p>
<b>Policy/Commitment</b>	<p>Through education, training, and knowledge sharing, we enrich employees' knowledge and skills to improve work efficiency and quality. We design various training programs for different levels and positions, including physical training, online courses, on-the-job training, and external training. Simultaneously, to implement the concept of dual sustainable development between the company and society, we utilize internal and external teaching resources to enhance technical, leadership, and execution capabilities, promoting NAFCO Technology's corporate culture and employee career development.</p>
<b>Short-Term Goals</b>	<p>Enhance the development and nurturing of talent in "management," "technology," "AI," "manufacturing" and "engineering" to meet the continuous growth of the organization. Continuously allocate resources to enhance innovation capabilities and maintain a competitive advantage in the industry.</p>
<b>Medium to Long-Term Goals</b>	<p>Effectively utilize and develop human resources that align employee growth with corporate development goals. Through a systematic nurturing mechanism, sustainably cultivate future management talents, promote the development of middle and senior management reserve talents. In 2023, we trained 24 mid-to-senior level managers and expanded this effort to include at least 43 mid-to-senior level managers and at least 30 junior-level managers.</p>
<b>Resources Invested/ Specific Achievements for the Year</b>	<p>Team Collaboration and Talent Development Program: The budget is approximately NT\$800,000.                      English Courses: The budget is approximately NT\$150,000                      Lean Management Courses: The budget is approximately NT\$400,000</p>
<b>Responsible Department/ Appeal Mechanism</b>	<p>Human Resource Department   <a href="mailto:speakout@nafco.com.tw">speakout@nafco.com.tw</a></p>
<b>Assessment Mechanism/ Achievements</b>	<p>Optimization of Education and Training Platforms:                      Achieved optimization of cross-strait education and training with resource sharing capability.                      Team Collaboration and Talent Development Program:                      Successfully trained 43 managers at the senior level and above, as well as 30 front-line supervisors.</p>





For NAFCO Technology, the key to sustainable business lies in the continuous learning and growth of its employees. Education and training are vital pathways to ensure that human capital continues to appreciate. Therefore, NAFCO Technology has always placed a strong emphasis on employee training. The overall learning and development strategy is based on on-the-job training and supplemented by training for new recruits, specialized training, and managerial-level training as its core components. Functional education and training explanations are provided for middle and senior managers, in line with annual goals and the requirements of different business segments, creating a comprehensive education and training system.

To enhance the professional skills of its employees, NAFCO develops an annual training plan based on the company's development needs and ensures the achievement of training objectives. This approach allows employees to pursue long-term careers while enabling the company to enjoy the benefits of employee growth and progress. Through internal training, the transfer of skills and experience to relevant departments is continuously promoted, assisting employees in defining their learning and development directions and serving as the basis for personal career planning.

When new employees join the company, they are introduced to various internal regulations, policies, and occupational safety-related knowledge by dedicated personnel. Subsequently, their respective departments provide specialized training. NAFCO Technology actively encourages employees to pursue professional courses within the scope of their job responsibilities, with a focus on continuous employee growth. Multiple learning channels are provided to allow employees to harness their expertise and achieve personal success.

### Training Hours Statistics

Year		2021	2022	2023
<b>Average Training Hours per Employee</b>		39.05	37.17	43.22
Average Training Hours by Gender	Female	38.44	39.04	42.55
	Male	21.56	22.38	43.43
Average Training Hours by Category	Direct	23.66	24.33	40.96
	Indirect	45.28	47.52	46.07

Note: All overseas factory employees are classified as indirect personnel.

Note: The average training hours for each category of employees are calculated as (the total training hours for employees in that category during the year / the total number of employees in that category at the end of the year).



### 5-3 Charity Engagement

The NAFCO Fund continues its annual commitment to charitable donations. In the summer of 2023, as in previous years, a week-long summer camp was organized for children at the Huilong Quaker Church. Factory nurses were invited to teach the children about the prevention of summer infectious diseases, with the hope that they would grow up healthy and happy.

Support was also provided to the Taoyuan City Private Pingzhen Home for Children, funding the repair and replacement of outdated equipment and assisting in organizing outdoor parent-child activities. Company employees were invited to participate in these charitable events.



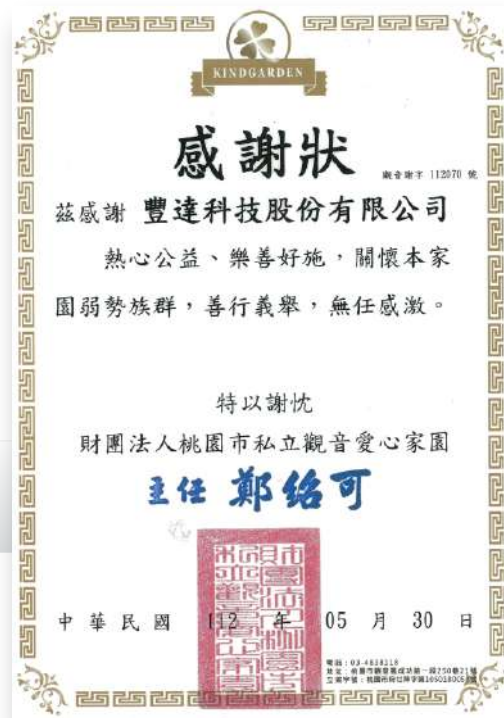


In 2023, total charitable donations amounted to NT\$1,110,000. Beneficiaries included:

- (1) Donations to the Taoyuan City Police Friendship Association;
- (2) Support for the Quaker Church's Center for Disadvantaged Families (approximately 80 children from low-income families)
- (3) Contributions to the Taoyuan City Private Pingzhen Educational and Care Institution;
- (4) Donations to National Yang Ming Chiao Tung University (Presidential Chair Program) to retain and develop high-level PhD talent in Taiwan

As a member of society, NAFCO recognizes its interdependence with investors, employees, local residents, and other stakeholders. By taking the initiative, NAFCO leverages its influence to fulfill its corporate social responsibility, collaborating with local organizations at its operational sites to ensure resources are directed to those genuinely in need. In addition to its direct charitable involvement, we also responded to the group's call by donating to its founding charitable foundation. Through collective goodwill, the foundation aims to make the most effective use of resources and contribute to a better society.





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### 感謝函

感謝 豐達科技股份有限公司 熱心社會公益，舉辦公益義賣活動邀請員工一起做愛心支持本會「失能家庭服務計畫」，共同散播愛與關懷，創造有愛無礙的社會，嘉惠弱勢族群，本會不勝感激，特此感謝。

敬祝

平安 喜樂

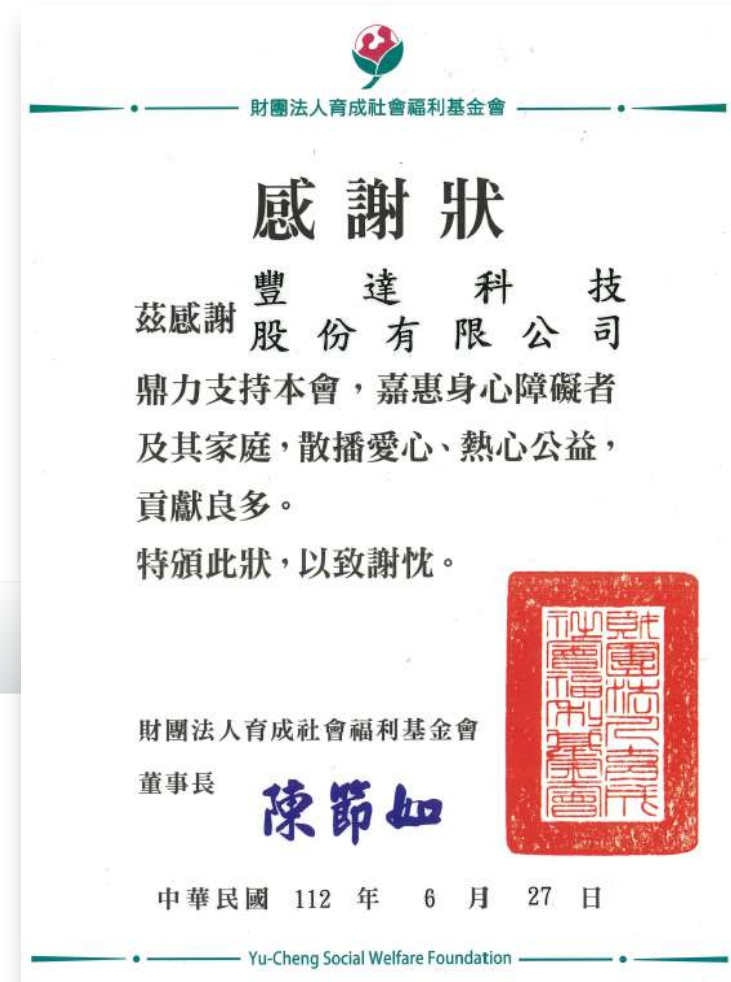
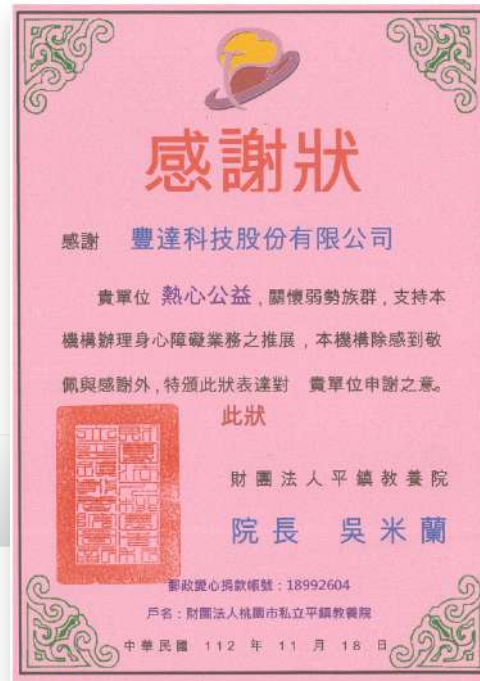
財團法人伊甸社會福利基金會

執行長 **鍾嘉林** 敬上

中華民國 一 一 二 年 七 月 七 日

「能夠付出是福氣，懂得付出是智慧」-志林子





## Appendix GRI Content Index

★ Represents a Material Topic

Declaration of use	NAFCO has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2023.
Utilization of GRI 1	GRI 1: Foundation 2021
Applicable GRI industry standards	None

Topic	Disclosure	Description	Corresponding Chapter	Page	Reasons for Omission/ Necessary Explanations	GRI Sector Standard reference numbers for the disclosures
<b>GRI 2: General Disclosure 2021</b>						
Organizational and Reporting Practices	2-1	Organizational Details	2.1 Company Profile	16		
	2-2	Entities Included in the Organization's Sustainability Reporting	Editorial Policy	04		
	2-3	Reporting Period, Frequency and Contact Point	Editorial Policy	04		
	2-4	Restatements of Information	Editorial Policy	04		
	2-5	External Assurance	Editorial Policy	04		
Activities and Workers	2-6	Activities, Value Chain and Other Business Relationships	2.1 Company Profile	16		
	2-7	Employees	5.1.2 Employee Statistics	56		
	2-8	Workers Who are not Employees	5.1.2 Employee Statistics	56		
Governance	2-9	Governance Structure and Composition	3.1 Board of Directors	25		
	2-10	Nomination and Selection of the Highest Governance Body	3.1 Board of Directors	25		
	2-11	Chair of the Highest Governance Body	3.1.1 Director's Continuing Education and Performance Evaluation	27		
	2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	-		Not Applicable/ No Relevant Circumstances	
	2-13	Delegation of Responsibility for Managing Impacts	1.1 Sustainable Development Committee	07		
	2-14	Role of The Highest Governance Body in Sustainability Reporting	1.1 Sustainable Development Committee	07		
	2-15	Conflicts of Interest	3.1.1 Director's Continuing Education and Performance Evaluation	27		
	2-16	Communication of Critical Concerns	3.1.1 Director's Continuing Education and Performance Evaluation	27		
	2-17	Collective Knowledge of the Highest Governance Body	3.1.1 Director's Continuing Education and Performance Evaluation	27		
	2-18	Evaluation of The Performance of The Highest Governance Body	3.1.1 Director's Continuing Education and Performance Evaluation	27		
	2-19	Remuneration Policies	3.1.2 Functional Committee	28		
	2-20	Process to Determine Remuneration	3.1.2 Functional Committee	28		
	2-21	Annual Total Compensation Ratio	-			Confidentiality Policy/ Salary Falls within the Scope of Company Confidentiality; Therefore, No Disclosure is Provided.

Topic	Disclosure	Description	Corresponding Chapter	Page	Reasons for Omission/ Necessary Explanations	GRI Sector Standard reference numbers for the disclosures
<b>GRI 2: General Disclosure 2021</b>						
Strategy, Policies, and Practices	2-22	Statement of Sustainable Development Strategy	Message from the Chairman	02-03		
	2-23	Policy Commitment	5.1.1 Employee Rights	55		
	2-24	Embedding Policy Commitments	5.1.1 Employee Rights	55		
	2-25	Processes to Remediate Negative Impacts	3.2 Risk Management	30		
	2-26	Mechanisms for Seeking Advice and Raising Concerns	1.3 Communication Channels & Concern Topics	09		
	2-27	Legal Compliance	3.4 Legal Compliance	33		
	2-28	Membership Associations	2.4 Participation in External Organizations	23		
Stakeholder Engagement	2-29	Approach to Stakeholder Engagement	1.2 Conformation of Stakeholders	08		
	2-30	Collective Bargaining Agreements	5.1.1 Employee Rights	55		
<b>GRI 3: Material Topics 2021</b>						
Material Topic	3-1	Process to Determine Material Topics	1.4 Identification of Material Topics	11		
	3-2	List of Material Topics	1.4 Identification of Material Topics	11		
<b>Economic Aspect</b>						
<b>Economic Performance</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	3.5 Operational Performance★	34		
GRI 201: Economic Performance 2016	201-1	Direct Economic Value Generated and Distributed	3.5 Operational Performance	34		
	201-2	Financial Implications and Other Risks and Opportunities Due to Climate Change	3.2 Risk management	30		
	201-3	Defined Benefit Plan Obligations and Other Retirement Plans	5.2.1 Compensation and Benefits	59		
	201-4	Financial Assistance Received from Government	-			Not Applicable/ No Relevant Circumstances
<b>Market Position</b>						
GRI 202: Market Position 2016	202-1	Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage	5.2.1 Compensation and Benefits	59		
	202-2	Proportion of Senior Management Hired from the Local Community	5.1.2 Employee Statistics	56-58		
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GRI 3: Material Topics 2021	3-3	Management of Material Topics	3.6 Customer Services ★	35		
Customized Topic: Customer Services		Customer Services	3.6 Customer Services	35		
GRI 3: Material Topics 2021	3-3	Management of Material Topics	3.7 Information Security Management ★	36		
Customized Topics: Information Security Management		Information Security Management	3.7 Information Security Management	36		

Topic	Disclosure	Description	Corresponding Chapter	Page	Reasons for Omission/ Necessary Explanations	GRI Sector Standard reference numbers for the disclosures
<b>Environmental Aspect</b>						
<b>Waste</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	4.1 Waste Management ★	41-43		
GRI 306: Waste 2020 Management Approach	306-1	Waste Generation and Significant Waste- Related Impacts	4.1 Waste Management	41-43		
	306-2	Management of Significant Waste-Related Impacts	4.1 Waste Management	41-43		
GRI 306: Waste 2020	306-3	Waste Generated	4.1 Waste Management	41-43		
	306-4	Waste Diverted from Disposal	4.1 Waste Management	41-43		
	306-5	Waste Directed to Disposal	4.1 Waste Management	41-43		
<b>Supply Chain Environmental Assessment</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	4.2 Supply Chain Management ★	44-46		
GRI 308: Supply Chain Environmental Assessment 2016	308-1	New Suppliers That Were Screened Using Environmental Criteria	4.2 Supply Chain Management	44-46		
	308-2	Negative Environmental Impacts in the Supply Chain and Actions Taken	4.2 Supply Chain Management	44-46		
<b>Social Aspect</b>						
<b>Employment</b>						
GRI 401: Employment Relationships 2016	401-1	New Employee Hires and Employee Turnover	5.1.2 Employee Statistics	56		
	401-2	Benefits Provided to Full-Time Employees That Are Not Provided to Temporary or Part-Time Employees	5.2.1 Compensation and Benefits	59		
	401-3	Parental Leave	5.1.2 Employee Statistics	56		
<b>Occupational Health and Safety</b>						
GRI 3: Material Topics 2021	3-3	Management of Material Topics	4.3 Occupational Health and Safety ★	47-53		
GRI 403: Occupational Health and Safety 2018 Management Approach	403-1	Occupational Health and Safety Management System	4.3 Occupational Health and Safety	47-53		
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	4.3 Occupational Health and Safety	47-53		
	403-3	Occupational Health Services	4.3 Occupational Health and Safety	47-53		
	403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	4.3 Occupational Health and Safety	47-53		
	403-5	Worker Training on Occupational Health and Safety	4.3 Occupational Health and Safety	47-53		
	403-6	Promotion of Worker Health	4.3 Occupational Health and Safety	47-53		
	403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	4.3 Occupational Health and Safety	47-53	Not Applicable/ No Relevant Circumstances	



Topic	Disclosure	Description	Corresponding Chapter	Page	Reasons for Omission/ Necessary Explanations	GRI Sector Standard reference numbers for the disclosures
<b>Training and Education</b>						
GRI 3: Material Topics 2021	3-3	Management of Material Topics	5.2.2 Talent Development ★	63-64		
GRI 404: Training and Education 2016	404-1	Average Hours of Training per Year per Employee	5.2.1 Compensation and Benefits	59		
	404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	5.2.1 Compensation and Benefits	59		
	404-3	Percentage of Employees Regularly Undergoing Performance and Career Development Reviews	5.2.1 Compensation and Benefits	59		
<b>Diversity and Equal Opportunity</b>						
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of Governance Bodies and Employees	5.1.2 Employee Statistics	56		
	405-2	The Ratio of Women's Base Salary to Men's Base Salary	5.2.1 Compensation and Benefits	59		
<b>Supplier Social Assessment</b>						
GRI 3: Material Topics 2021	3-3	Management of Material Topics	4.2 Supply Chain Management ★	44-46		
GRI 414: Supply Chain Social Assessment 2016	414-1	New Suppliers That Were Screened Using Social Criteria	4.2 Supply Chain Management	44-46		
	414-2	Negative Social Impacts in the Supply Chain and Actions Taken	4.2 Supply Chain Management	44-46		
<b>Customized Topic</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	3.8 Product Responsibility/ Product Safety ★	38-39		
Customized Topic: Product Liability and Safety		Product Responsibility/ Product Safety	3.8 Product Responsibility/ Product Safety	38-39		
Customized Topic: Charity Engagement		Charity Engagement	5.3 Charity Engagement	65-68		



2023

Sustainability  
Report



**NAFCO**

**National Aerospace Fasteners Corporation**