





## 7.1.2 Human Resource Management Strategies and Structures

2-7 2-8

### Human Resource Strategies ▶▶

Taipower faces a wide range of business challenges. These include its energy transition, the need for low-carbon sustainability, and the impending development of a smart grid. Facing these issues will require the Company to develop a talent pool that can meet the needs of future developments while maintaining a stable power supply. Taipower is achieving this by reviewing the core technical skills of employees then filling talent gaps by recruiting the necessary electricity specialists through diversified pathways. The Company also employs various training systems and measures that allow it to pass on electrical technology knowledge and experience, and to enhance the professional and cross-disciplinary skills of its employees. As the green economy has risen to prominence in the digital era, Taipower has utilized both internal and external training resources to strengthen its renewable energy talent. The Company has now developed the talent necessary for business development and promotion to ensure that it can effectively achieve its goals for recruitment, training and development, along with the utilization and retention of human resources. This approach allows the Company to resolve a wide range of human resources challenges. The relevant strategies are as follows:

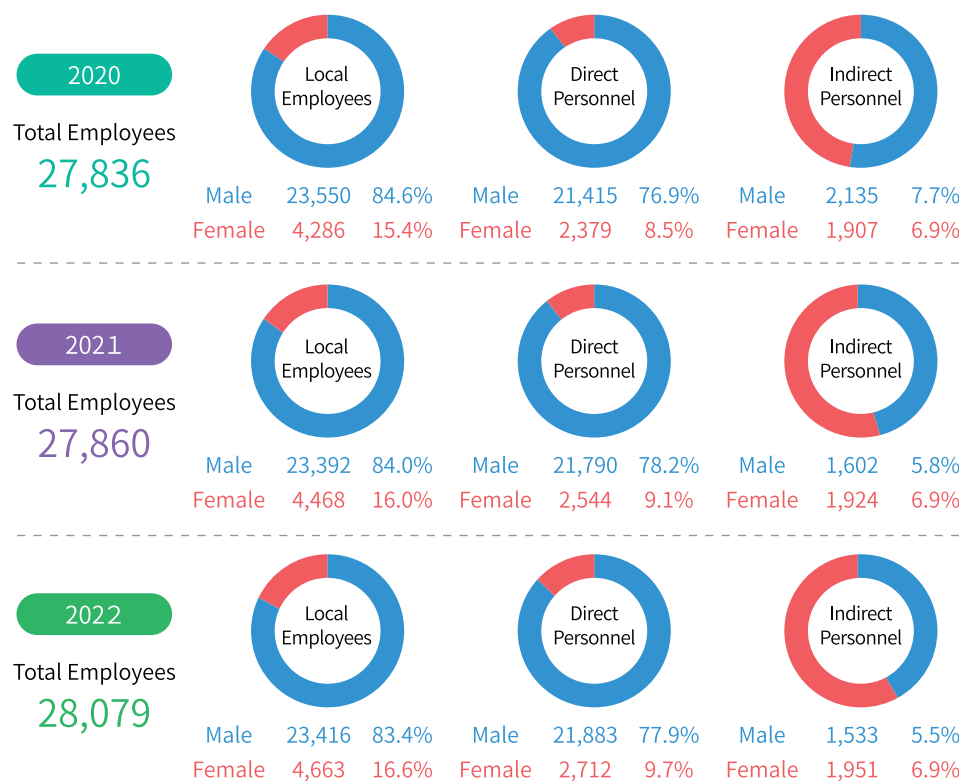
Taipower's Human Resources <b>Recruitment</b> , <b>Training and Development</b> , <b>Utilization</b> and <b>Retention</b> Strategies	
	<ul style="list-style-type: none"> <li>Balanced and rational human resource planning and systematic appointments.</li> <li>Diversified personnel recruitment to satisfy human resource demands; increased recruitment channels, including examinations for staff, contract staff, PhD-level employees; scholarships for undergraduate, graduate, vocational and high school students; vocational and industrial-school cooperation programs.</li> </ul>
	<ul style="list-style-type: none"> <li>Fortified essential techniques in each division and promoted core operations.</li> <li>Developed innovative cultivation modes to improve effectiveness in organizational learning.</li> <li>Promoted company-wide (all business divisions) succession plans for supervisors and to build up the talent pool.</li> <li>Utilized online resources to promote lifelong learning.</li> <li>Strengthened the rationality of allocation, development and application of human resources.</li> </ul>
	<ul style="list-style-type: none"> <li>Effective distribution and management of personnel appointment budgets.</li> <li>Improved the personnel system to make human resource deployment flexible and effective.</li> <li>Implemented job duty rotations and performance evaluations.</li> <li>Made good use of statistical analysis to provide a supervisory decision-making reference.</li> <li>Strengthened the effectiveness of the human resources departments of the business divisions.</li> <li>Conducted internal promotion interviews and provided internal promotion channels to promote outstanding employees.</li> </ul>
	<ul style="list-style-type: none"> <li>Provided employees with public health insurance, subsidies for medical expenses incurred for injuries incurred when executing job duties and health checkups through welfare policies.</li> <li>Established labor education courses and implemented recreational activities so that employees could adjust their lifestyles for the sake of their physical and mental wellbeing.</li> </ul>

### Structure of Human Resources ▶▶

#### Employment Categories

All Taipower employees are full-time. The Company has not hired any temporary, part-time or foreign employees and no employees receive non-guaranteed hours.

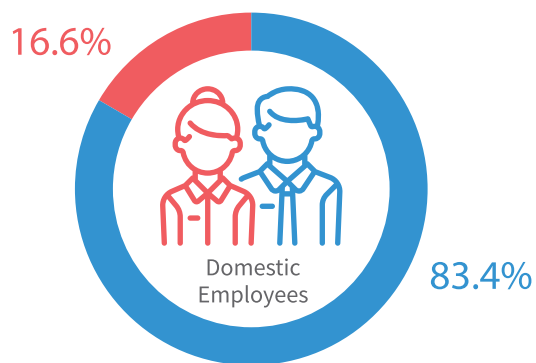
The Total Number of Employees and the Ratio of Male/Female Employees from 2020 to 2022



Note:

- Data acquisition is based on the payroll dated to December 2022.
- Direct employees are personnel who fall under the categories of technical, sales and marketing employees at onsite departments. Indirect employees are personnel responsible for administrative support, including document processing, business affairs, general affairs, and accounting, etc.
- Decimal points have been rounded.
- Total employees = direct personnel + indirect personnel
- Taipower employees are all located in Taiwan, and no employees are located abroad.

### Statistics by Employee Category in 2022

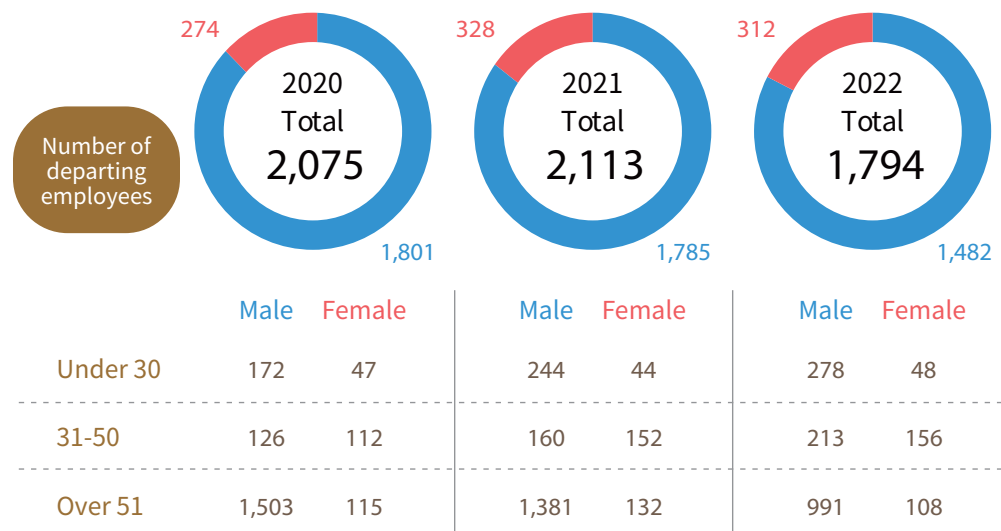
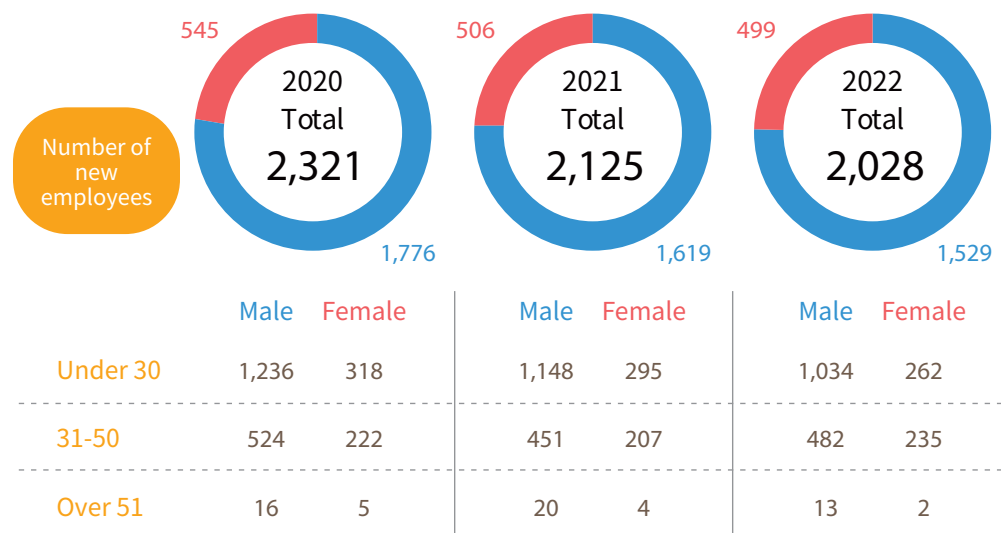


Employee Category	Male		Female		Total	
	Number of employees	Ratio (%)	Number of employees	Ratio (%)	Number of employees	Ratio (%)
Permanent Employees	23,416	83.4%	4,663	16.6%	28,079	100%
Temporary Employees	0	0%	0	0%	0	0%
Full-Time Employees	23,416	83.4%	4,663	16.6%	28,079	100%
Part-Time Employees	0	0%	0	0%	0	0%
Employees Without Guaranteed Hours	0	0%	0	0%	0	0%

Notes:

- Permanent employees do not sign fixed-term contracts. As long as the substance of their work is continuous, the employee may continue to work unless he or she is laid off or voluntarily resigns. Severance pay is available and the employer is required to contribute to labor pension funds.
- Temporary employees only sign fixed-term contracts in exceptional circumstances. Positions include temporary, short-term, seasonal, or specific work. Upon the expiration of the contract, the employee must leave and cannot continue to work unless the employer is willing to renew the contract. No severance pay is available, but the employer is required to contribute to labor pension funds.
- Full-time employees: According to Article 30, Paragraph 1 of Taiwan's Labor Standards Act, regular working hours must not exceed 40 hours a week and eight hours a day.
- Part-time employees: Employees whose working hours do not meet the conditions of full-time employees (40 hours a week and eight hours a day) are considered part-time employees. The legal rights of part-time employees are the same as those of full-time employees, except that basic wages and holidays can be reduced and are proportional to their working hours.
- Employees without guaranteed hours: Taiwan's Labor Standards Act has not yet defined non-guaranteed hours employees. Here, they are defined as contract-based workers for whom the employer does not guarantee minimum working hours. Elsewhere, these employees are said to be part of the "gig-economy." These workers were originally defined as free, part-time workers who performed work on a short-term basis and received a lump sum payment, such as the delivery personnel working through a sharing economy platform.
- Data is current as of December 2022.

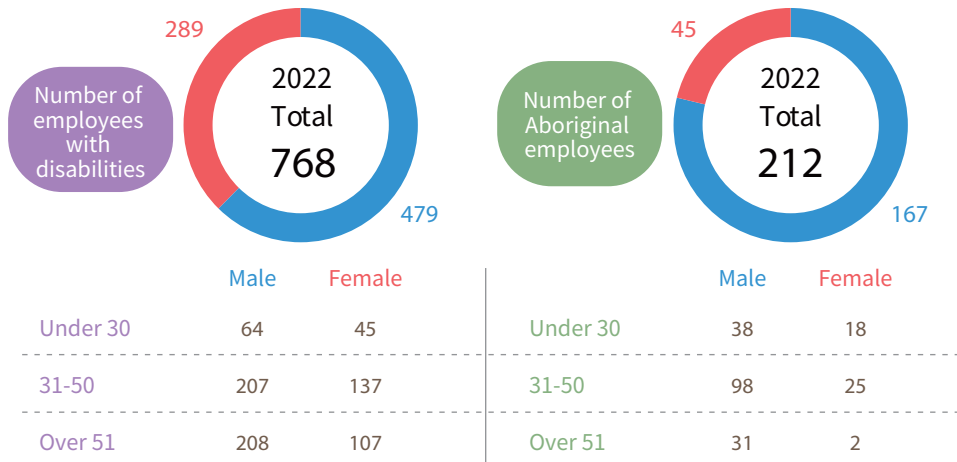
### Number, Age, and Gender Distribution of Employee Recruitments/Resignations



Note:

- The number of departing employees includes both those on extended leave without pay and retirees.
- The statistics for each year represent the number of recruits and employee resignations from January to December of the current year.

### Diversified employee numbers, age and gender distribution



### Outsourced Workforce

As of the end of December 2022, Taipower's outsourced workforce included both service and labor contractors. In 2022, there were 1,128 outsourced workers working in jobs connected to cleaning, document processing, telephone operations, driving and other services.

Note:

1. The number of outsourced workers does not include the workload package (where workload package refers to the outsourcing or procurement of labor work, technical services, equipment operation, and equipment maintenance or other services through means other than labor and service manpower outsourcing.)
2. The 2022 outsourced manpower data has been taken from the report "Labor Contracting Situation in the Fourth Quarter of 2022".

### Workers who are not employee

Non-employed employees	Number of people (persons)	Contractual relationship	Type of work
Volunteers	309	None, retired Taipower staff (in volunteer roles)	Sports advocacy volunteers (cheering for Taipower's sports teams) and offering guidance at branch office service counters.

## 7.1.3 Personnel Training and Assessment

### Human Resource Training >>

In order to ensure that personnel promotions in each department are conducted in accordance with principles of fairness, justice, and transparency, each unit should establish a Selection Review Committee as stipulated and follow the Notice for Personnel Promotion Selection Review in Each Department set by Taipower.

The professional nature of work at Taipower has made it necessary for the Company to respond to changes in the internal and external environment by effectively cultivating future talent. Therefore, Taipower has built a complete talent training system and continuously improves that system. The Company's human resources offer both technical and science-based training. The talent pool is continuously developed and strengthened as shown in the table below:

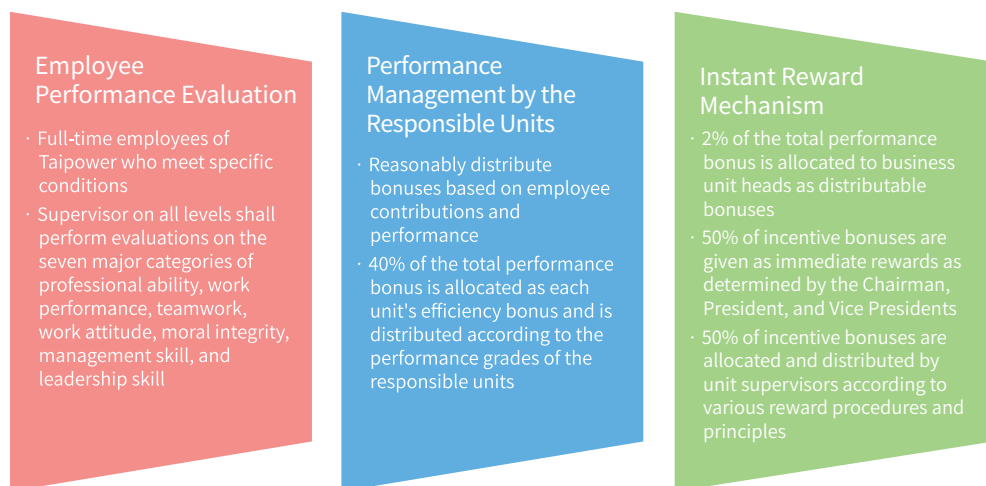
Taipower Training Statistics			
Training Type	Training Subject	Number of Participants (in 2022)	
Development Training	New dispatch personnel orientation training	0	
	Fundamental development training	408	
	<b>Total</b>	<b>408</b>	
On-the-Job Training	Professional training	Organized by the Training Institute	9,041
		Organized by other units	75,763
	External training	4,026	
<b>Total</b>		<b>88,830</b>	
Manager Training	On-the-job training for managers	904	
	Skill cultivation for managers	898	
	<b>Total</b>	<b>1,802</b>	
Cooperative Education	Recommendations for graduate school	3	
	<b>Total</b>	<b>3</b>	
<b>Total</b>		<b>91,043</b>	

Note: Due to the COVID-19 pandemic, the new dispatch personnel orientation training was cancelled to avoid the risk of cluster infection. It was replaced by a new personnel training session on the Taipower E-Learning platform.

## Employee Performance and Evaluation Policy ▶▶

Taipower follows the relevant regulations in conducting employee performance evaluations. Supervisors at each level evaluate the performance of their subordinates in seven major categories, determine the evaluation results and award performance bonuses within a prescribed period. Taipower will continue to use and establish performance-based reward mechanisms that reward units or employees for excellent performance or dedication to work. Taipower hopes to enhance employee commitment and performance while improving operational performance and a sense of honor within teams. The main implementation strategies for employee performance evaluations and performance-based reward mechanisms are as follows.

### Employee Performance Evaluation Policy



## Female and male employee pay ratio ▶▶ 202-1 405-2

Taipower's salary and bonus are determined based on the position level and are not differentiated by gender or other factors. In 2022, the salary ratio between males and females was 1.5:1.39:1 compared to the local average salary. The gender pay ratio is compared based on the same position and level, with a ratio of approximately 1:1 for general employees and 1:1 for management positions.

### Gender Salary Ratio Compared to Local Average Salary



Note: Since the Directorate-General of Budget, Accounting and Statistics releases the salary statistics for the previous year in December, the ratio of Taipower's salary to the local average salary in 2022 was calculated based on the 2021 statistics from the Directorate-General of Budget, Accounting and Statistics.

## Employee Compensation Policy ▶▶ 2-20 2-21

Taipower's salary and compensation system is based on the Personnel Expenses and Salary Management Guidelines for Enterprises under the Ministry of Economic Affairs. It determines salaries based on job position levels and provides allowances for factors such as region, job hazards, and scarcity, to encourage employees to actively engage in their work according to the company's business needs. The salary and benefits for internal employees of Taipower, as well as the work rules, are reported to and approved by the Board of Directors. Promotion, attendance-related regulations, and measures to protect employee personal information are determined by the General Manager and must be followed by employees at all levels. The bonus system follows the relevant regulations, such as the Implementation Guidelines for Performance Bonuses in Enterprises under the Ministry of Economic Affairs. The amount of the bonus is calculated based on policy factors reviewed by the Evaluation Council for Performance Bonuses in Enterprises under the Ministry of Economic Affairs and approved by the Board of Directors. The performance evaluation of the Taipower Board of Directors is conducted in accordance with the Operational Guidelines for Independent Directors in Enterprises under the Ministry of Economic Affairs and the Management Guidelines for the Appointment of Directors, Supervisors, and Other Important Positions in Citizen-Owned Enterprises and Foundations under the Ministry of Economic Affairs and Its Subordinate Agencies. At the end of year, individual directors conduct self-evaluations following the established procedures and provide them to the Ministry of Economic Affairs as a reference for assessment and nomination purposes.

Annual Total Compensation Ratio		
Year	2021	2022
Highest-level individual annual total compensation (in NTD)	3,054,035	2,680,014
Percentage increase in total compensation for the highest-level individual	-0.05%	-12.25%
Annual total compensation for all other employees (in NTD)	30,506,083,958	30,949,872,881
Median percentage increase in total compensation for all other employees	2.90%	5.96%

Note:

- The highest-level individual in 2021 was the Chairman, while the highest-level individual in 2022 was the General Manager. On March 8, 2022, Taipower underwent a transition of the Chairman and General Manager positions between the outgoing and incoming individuals. The incoming Chairman's position was temporarily filled by a Deputy Minister from the Ministry of Economic Affairs and was consequently unpaid. The incoming General Manager was promoted from the position of Deputy General Manager, resulting in a significant reduction in the total annual remuneration for the highest-paid employee.
- Compensation includes monthly salary, work-related benefits, and performance bonuses.