

FIT Holding Co., Ltd.'s 2022 Sustainability Report

About the report : [GRI 102-49](#)

In 2015, the United Nations set Sustainable Development Goals (SDGs), which guide global efforts towards sustainability. “Sustainable development” has become a key performance indicator for companies to plan and implement their operations in various aspects. The sustainability report is an important basis for stakeholders to evaluate the sustainability performance of each company. It is also used to disclose the performance and impact of companies in environmental, social and corporate governance aspects.

The report summarizes the activities and performance of major aspects such as corporate governance, manufacturing supply chain management, environmental protection, employee relations and social participation in 2022.

Report scope and disclosure boundaries : [GRI 2-2](#) [GRI 2-3](#)

The financial data in this report includes subsidiaries disclosed in the annual report; except for some related companies, Shin Fox Energy Co., Ltd. has published its own corporate sustainability report, and due to the appeal of the local tribe, the development project of Shih Fong Electric Power Co., Ltd. in Hualien County was suspended in 2022 and only basic administrative operations are currently available. Therefore, this report does not disclose.

The non-financial performance indicators mainly cover three investment entities, Power Quotient International Co., Ltd., Foxlink Image Technology Co., Ltd. and Glory Science Co., Ltd.

The scope includes Taiwan Tucheng head office, investment companies, Chinese factories (Dongguan Fu Wei Electronics Co., Ltd., Glorytek (Yancheng) Co., Ltd., Wei Hai Fu Kang Electric Co., Ltd., Dongguan Fu Zhang Precision Industry Co., Ltd., etc.). If there are any accidents, they will be explained in the text of the report.

Report time and issuance : [GRI 2-3](#)

The report period is from January 1, 2022 to December 31, 2022.

The company regularly uploads its sustainability report on its official website every year. Stakeholders can learn about the company's development and efforts in sustainable management through various channels.

This time of issuance: June 2023

Last time of issuance: June 2022

Next time of issuance: June 2024

Report writing principles and third-party verification : [GRI 2-5](#)

This report follows the latest version of the guidelines published by the Global Reporting Initiative (GRI), which is based on eight principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability. It also refers to international guidelines such as the United Nations Sustainable Development Goals, the Global Alliance for Reporting Progress and the Task Force on Climate-Related Financial Disclosure (TCFD) and the Sustainability Accounting Standards Board (SASB).

The GRI Standards is a modular system of interconnected standards. Three series of Standards support the reporting process: the GRI Universal Standards, which apply to all organizations; the GRI Sector Standards,

applicable to specific sectors; and the GRI Topic Standards, each listing disclosures relevant to a particular topic.

The main changes in information disclosure : [GRI 2-4](#)

1. Reorganize the report according to the GRI standard 2021 guidelines.
2. Stakeholder engagement: In 2022, refer to the AA 1000 standard, collect stakeholder concerns through questionnaires, and conduct dual evaluations according to the requirements of the standard.

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Words from the chairman : GRI 102-14

In the past year, we have faced multiple challenges such as global pandemics, climate change, war, and energy transition. With the joint efforts of all employees and stakeholders of the company, we achieved a total consolidated revenue of 12,069,249 thousand dollars, a year-on-year increase of 7.36%, and an operating net profit of 553,973 thousand dollars. The net profit after tax of the parent company reached 529,589 thousand dollars, and the earnings per share (EPS) after tax were 2.15 dollars, a year-on-year increase of 22.02%, and the net profit after tax reached a new high level in the company's history.

The company actively innovates and changes with the concept of sincerity, macroscopic view, and responsibility to continuously improve our competitiveness and influence in the optoelectronics industry and clean energy field. Sincerity is the foundation for us to establish long-term trust relationships with stakeholders. The company adheres to honest operation and strictly complies with laws and regulations and ethical norms. It also actively discloses relevant information such as corporate governance, risk management, financial reports, etc. Respect to the rights and opinions of every shareholder, customer, employee, and friend from all walks of life in society and respond to their expectations and needs in a timely manner. And continuously optimize our organizational structure and talent training mechanism to create an efficient, high-quality team.

A macroscopic view is the guiding ideology for formulating strategies and goals. The company pays attention to global market trends and technological development trends and continuously innovates products and services based on its own advantages and market demand. In the past year, we have successfully developed a variety of systems, computer peripheral products, 3C products with leading technology levels and market competitiveness; at the same time, we have also actively invested in solar photovoltaics, offshore wind power renewable energy investment development, engineering contracting and operation maintenance services. We also provide comprehensive services for selling electricity to create a diversified industrial layout.

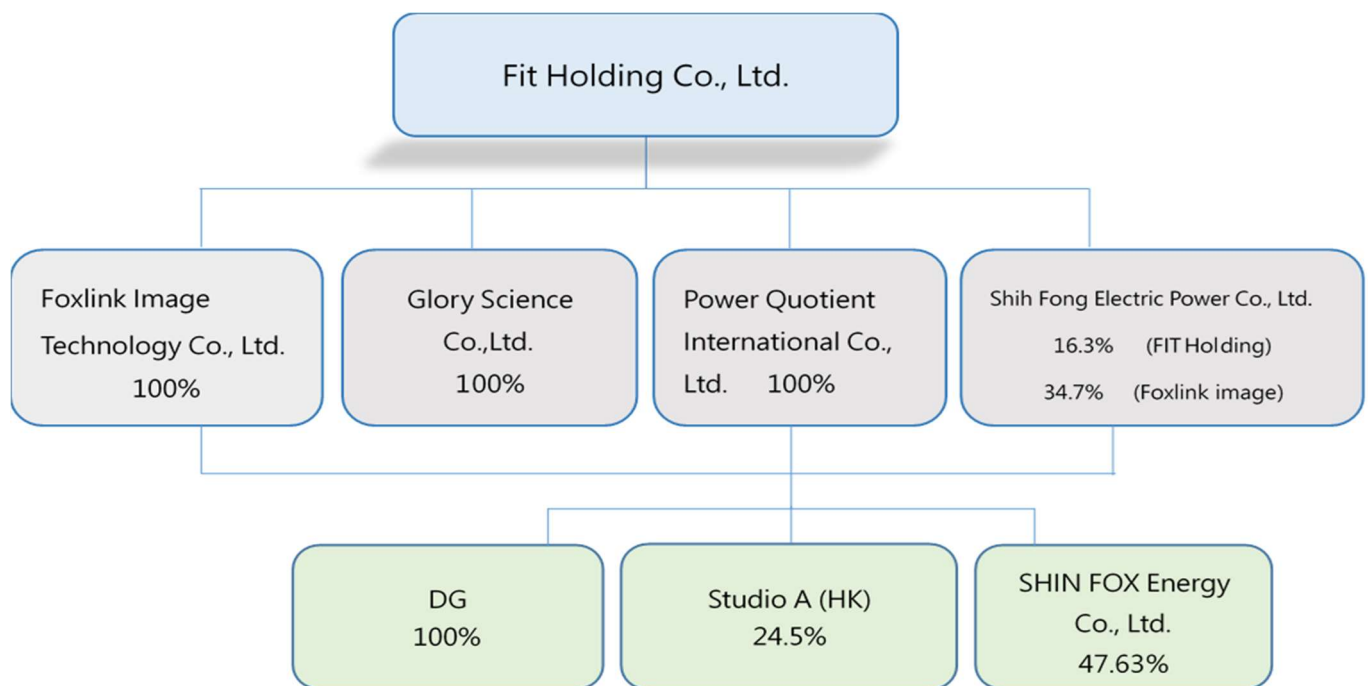
Accountability is the driving force for us to fulfill our social responsibilities and missions. It's not only to pursuing maximum profit, but also care about social welfare and environmental protection. Therefore, while promoting business development, we are actively involved in public welfare activities and environmental improvement plans. In the past year, we regularly organized beach cleaning activities to clean up coastal garbage and protect marine ecology; cooperated with the Department of Health to hold blood donation activities to call on employees and community residents to support public welfare undertakings; purchased small farmers' products as company welfare products and customer gifts to support rural development And fair trade; implement second-hand clothing recycling plans to reduce resource waste and pollution emissions; establish industry-university cooperation relationships with technical colleges to provide internship opportunities and employment guidance for students.

Looking forward to the future, we will continue to uphold the concept of sincerity, macroscopic view, and responsibility to pursue excellence and innovation and create greater value for shareholders, customers, employees, and society. We also look forward to maintaining close communication and cooperation with you to jointly face challenges and opportunities and achieve sustainable development.

Chairman
T.C Gou

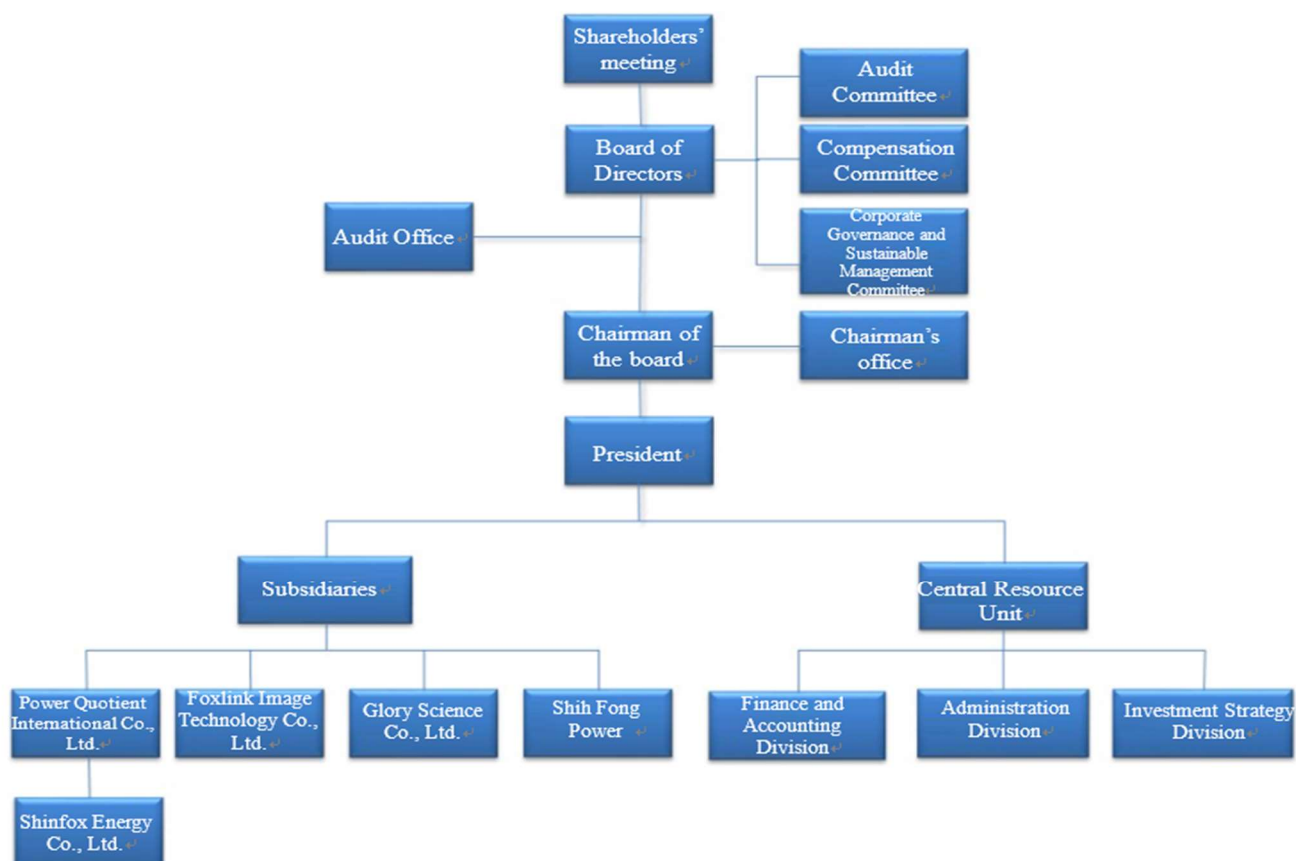
Overview : [GRI 2-1](#) [GRI 2-6](#)

Since 2018, Fit Holding Co., Ltd. has been promoting the integration of optoelectronic and digital imaging products and technologies. With existing channels and sales platforms, it has developed its own brand products by leveraging the advantages of key modules and components, established a complete supply and marketing system, improved operational efficiency and market competitiveness. Power Quotient International Co., Ltd., Foxlink Image Technology Co., Ltd. and Glory Science Co., Ltd. jointly established a newly established investment holding company by means of share conversion, which was approved by the shareholders' meeting of the three parties on June 19, 2018. The Fit Holding Co., Ltd. was established in accordance with relevant regulations and applied for stock listing. The headquarters is located in Tucheng District, New Taipei City, bringing together business, procurement, finance, accounting, management center and R&D base to provide customers with the most service.



Company basic information	
Company name	Fit Holding Co., Ltd.
Date of establishment	October 1 st , 2018
Company address	No. 49, Section 4, Zhongyang Road, Tucheng District, New Taipei City.
Chairman	T.C Gou
General Manager	Wilson Hu
Paid-in capital	2,462,421,460 dollars
Employee (End of the year 2022)	20
Main Products and Services	General Investment
Operating Locations	Head Office in Taipei
Revenue in 2022	Individual 551,836 Thousand dollars. Merge 12,069,249 Thousand dollars.

● Organization chart



● Department business introduction

Department	Business
Audit Office	<ul style="list-style-type: none"> Audit of the operation of the company's internal control cycle system. Checking and evaluation of the integrity and effectiveness of the company's internal control system.
Finance and Accounting Division	<ul style="list-style-type: none"> Planning of the company's overall finance and tax. Capital scheduling and risk management. Planning and drafting of the company's financial and accounting systems and operating procedures.
Administration Division	<ul style="list-style-type: none"> Planning and execution of human resources, administrative management, human development, personnel management, salary and benefits. Establishment and implementation of a customized talent cultivation system. Maintenance and planning of general affairs.
Investment Strategy Division	<ul style="list-style-type: none"> Strategic planning and investment management for reinvestment within the Group. Handling of relevant legal documents and litigation cases within the Group.
Subsidiaries	<ul style="list-style-type: none"> Developing customers and maintaining customer relationships. Preparing and implementing sales plans. Product development and manufacturing. Responsible for improving and enhancing manufacturing technology and efficiency management.

● Company history

- 2018 ·The company was jointly established by Glory Science Co., Ltd., Power Quotient International Co., Ltd. and Foxlink Image Technology Co., Ltd. on October 1, 2018, and is listed on the Taiwan Stock Exchange. After the share swap, Foxlink Image Technology Co., Ltd., Glory Science Co., Ltd. and Power Quotient International Co., Ltd. became wholly-owned subsidiaries of the company, and terminated their trading on the centralized (OTC) market on the same day.
- 2019 ·In compliance with the establishment of the Audit Committee, the directors were re-elected in advance, and 9 seats of directors were elected, Including 3 seats of independent directors.
·Established the Audit Committee to replace supervisors.
·Investing in hydropower-related businesses and acquiring 100% equity of Shih Fong Electric Power Co., Ltd.
·Subsidiary Foxwell Energy Corporation Ltd. swapped shares with Hsingwei Co., Ltd. and became a 100% subsidiary of Hsingwei Co., Ltd. Power Quotient International Co., Ltd. holds 76.56% of the shares of Hsingwei Co., Ltd.
- 2020 ·The subsidiary Shin Fox Energy Co., Ltd. has increased its capital, and this group holds 80% of the shares.
·The subsidiary Shin Fox Energy Co., Ltd. has increased its capital, and this group holds 58.74% of the shares.
·The subsidiary Shin Fox Energy Co., Ltd. was publicly issued on September 30, 2020; it was registered on the Taipei Exchange on December 7, 2020.
- 2021 ·The subsidiary Shin Fox Energy Co., Ltd. has increased its capital, and this group holds 50.18% of the shares.
·The subsidiary Shin Fox Energy Co., Ltd. was officially listed on the stock market in November of 2021.
·「The Corporate Governance and Sustainable Development Committee」 was established on November 12, 2021.
- 2022 ·The directors were re-elected upon the expiration of their terms of office; 9 directors were elected, 3 of whom were independent directors.
·The subsidiary Shin Fox Energy Co., Ltd. has increased its capital, and this group holds 47.63% of the shares.

- **Introduction to important subsidiaries**

PQI was established in Taiwan in 1997 and is now one of the world's leading brands in mobile peripheral storage media. It is a subsidiary of the global 4C product leader, Foxlink Group. PQI has strong manufacturing, R&D and technical capabilities. It has continued to expand its product range from producing memory modules to diversifying into other areas such as Apple-certified peripheral products, mobile power supplies, audio-visual entertainment equipment and recently into the field of biometric identification technology. Its main products include Apple peripherals, mobile power supplies, chargers, fingerprint recognition, USB flash drives and other storage products. PQI has always been committed to pursuing excellent smart mobile life and providing consumers with more exciting and rich user experiences by accurately grasping market demand with its keen insight. It has established branches in the United States, Japan, Hong Kong and mainland China and its market covers the world.

Company basic information	
Company name	Power Quotient International Co., Ltd.
Date of establishment	December 31 st , 1997
Company address	No. 49, Section 4, Zhongyang Road, Tucheng District, New Taipei City.
Chairman	T.C Gou
General Manager	Freddy Gou
Paid-in capital	4,446,905,290 dollars
Employee (End of the year 2022)	55
Main Products and Services	Manufacturing and selling of electronic components
Operating Locations	Head Office in Taipei
Revenue in 2022	Merge 2,214,276 Thousand dollars

Note: Excluding the revenue of Shin Fox Energy Co., Ltd.

Foxlink Image Technology Co., Ltd. was officially listed on the OTC in 2006. It is a world-class provider of overall image technology solutions and has long been committed to the application and development of image-related technologies. It has a rich R&D team with optical image technology and automatic transmission control as its core. It actively enhances the integration capabilities of optical, mechanical, and electronic technologies and invests in ASIC development. With the best integration capabilities and the most sensitive market judgment, it expands the OEM/ODM market and becomes a professional world-class production manufacturer with system integration and development capabilities. In addition, it currently has more than 100 patents in image scanning optical technology, thinning scanning module mechanism design, and high-speed automation mechanism design capabilities, making it a pioneer and market leader in related industries.

Company basic information	
Company name	Foxlink Image Technology Co., Ltd.
Date of establishment	March 25 st , 1997
Company address	No. 49, Section 4, Zhongyang Road, Tucheng District, New Taipei City.
Chairman	T.C Gou
General Manager	Hwee Kian Lim
Paid-in capital	1,649,939,740 dollars
Employee (End of the year 2022)	2,211
Main Products and Services	It develops and produces various wired and wireless cloud image scanners, image recognition devices, and automatic paper feeding scanning modules.
Operating Locations	Head Office in Taipei 、Fuwei Factory, Fuzhang Factory ,Fukang Factory , etc.
Revenue in 2022	Merge 5,306,253 Thousand dollars

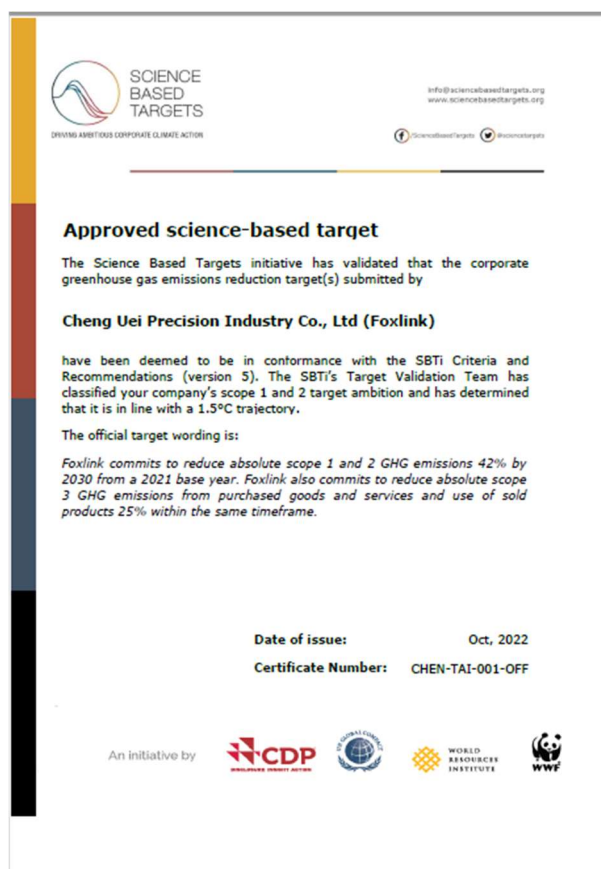
Glory Science Co., Ltd. was officially listed on the OTC in 2012. It is a company that focuses on the research and development and manufacturing of optical components. With ODM/OEM professional services and diversified products that meet customer needs, its main products are precision optical component lenses and lenses. Combining electronic and mechanical R&D technology, it has developed precision optical lenses for mobile phones, notebooks, desktop computers, projectors, and cars. In recent years, it has invested in the development of optical communication components and has accumulated fruitful results. Its marketing network covers Europe, America, Japan, and mainland China.

Company basic information	
Company name	Glory Science Co., Ltd.
Date of establishment	June 29 st , 2000
Company address	No. 22, Houke S. Rd., Houli Dist., Taichung City.
Chairman	T.C Gou
General Manager	James Li
Paid-in capital	600,000,010 dollars
Employee (End of the year 2022)	345
Main Products and Services	Production, processing and sales of optical lens components and other products.
Operating Locations	Head Office in Taichung , Glorytek (Yancheng) Co., Ltd. Co., Ltd., Glory Optics (Yancheng) Co., LTD.
Revenue in 2022	Merge 255,153 Thousand dollars

FIT Holding Co., Ltd. is laying out the clean energy industry. Currently, it covers the hydropower industry responsible for the Shih Fong Electric Power Co., Ltd. the land-based wind power and solar power plant engineering and operation business responsible for Shin Fox Energy Co., Ltd. the investment development and operation of offshore wind power and solar power plants focused on Foxwell Power Co., Ltd. and the acquisition of liquefied natural gas (LNG) import license for Shinfox Natural gas Co., Ltd. to provide cleaner alternative fuels to improve air pollution. It completed the first batch of foreign natural gas supply operations at the end of August 2021. Foxwell Power Co., Ltd. provides green electricity trading, combined with energy-saving services and energy storage systems and other power services, to connect all-round energy services into an e-commerce platform. Jiuwell Power Co., Ltd. was established in November 2021 and is mainly responsible for natural gas power plant development, construction, and operation Fox Forest company established in March 2023, mainly develops “carbon sequestration technology” and is a group’s early layout in response to climate change to achieve sustainable management goals.

- Join a public association GRI 2-28

The company did not participate in any domestic or foreign associations according to this report. The company participated in the Carbon Disclosure Project (CDP) and the Task Force on Climate-related Financial Disclosures (TCFD) and voluntarily supported and followed international human rights norms and principles recognized by the United Nations, such as the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), the United Nations Guiding Principles on Business and Human Rights (UNGPs), and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The company also complied with local laws and took actions consistent with the Responsible Business Alliance (RBA) Code of Conduct, treating all personnel with dignity and respect.



■ operating performance GRI 201-1 GRI 201-4

● Direct economic distribution in the past three years

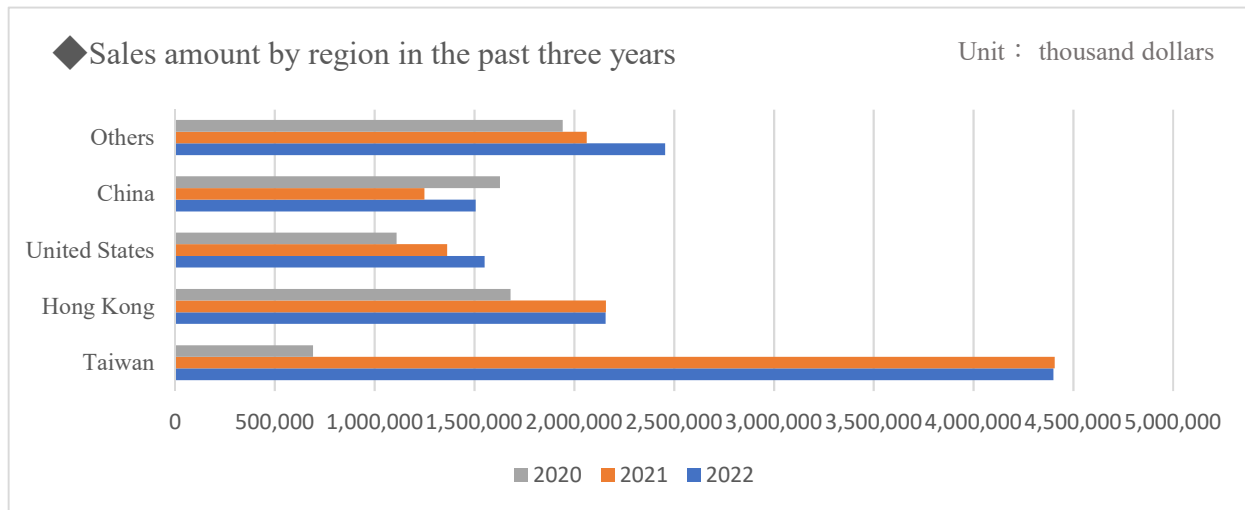
Unit : thousand dollars

Items	Description	2020	2021	2022
Direct economic value generated	operating revenue	7,441,895	11,397,997	12,276,496
Economic value of distribution	operating cost	7,274,015	10,614,087	11,515,276
	salaries and benefits of employee	1,402,680	1,587,172	1,550,323
	payment of capital contributions	0	301,639	472,271
	payment of government funds	15,995	25,861	259,435
	community investment	0	\$0	0
Economic value of retention		151,885	456,410	29,514

● Sales amount by region in the past three years

Unit : thousand dollars

Region	2022	2021	2020
Taiwan	4,400,353	4,407,090	692,078
Hong Kong	2,156,948	2,158,618	1,680,824
United States	1,550,918	1,363,783	1,109,838
China	1,505,847	1,249,200	1,627,720
Others	2,455,183	2,063,237	1,942,901
Summary	12,069,249	11,241,928	7,053,361



- Product output value in the past three years

Product output value in the past three years

Unit : thousand dollars

main products	2020	2021	2022
System and peripheral products	4,428,378	4,560,026	5,306,253
3C retail and peripherals	1,618,544	2,038,035	2,214,276
3C Components Division	484,943	309,535	255,153
Energy Service Management	521,496	4,334,332	4,293,567
Summary	7,053,361	11,241,928	12,069,249

- Government subsidies

In 2022, the subsidy amount was mainly used for the construction of the Yancheng factory building of Glory Science Co., Ltd. the purchase of new machinery and equipment, and the special funds for industrial transformation and upgrading of Fit holding Co., Ltd. subsidiary investment company, totaling NT\$5.956 billion.

■ Tax policy direction GRI 207-1

Perform corporate social responsibility, establish tax policies to reduce tax risks, truly present business results, and maintain shareholder rights.

1. Comply with the tax laws of the operating location and cooperate with the local tax authorities to establish good communication channels based on tax fairness.
2. Follow internationally recognized transfer pricing guidelines
3. Financial reporting information is transparent and tax disclosures are made in accordance with relevant regulations and standards.
4. Tax implications are considered in all important company decisions.
5. Analyze the operating environment and use management mechanisms to conduct tax risk assessments.
6. Cultivate tax professionals and strengthen corporate tax management.
7. Support the government's promotion of sustainable development policies such as promoting corporate innovation, research and development, and reinvestment.

■ Tax governance, control and risk management GRI 207-2

To cope with the tax risks and complex tax regulations brought about by global operating locations, a professional tax team is responsible for various tax planning and risk management of the company, and reports relevant tax execution to the CFO to ensure the effective operation of the tax management mechanism. We also timely appoint external professional tax consultants to provide us with advice and forward-looking guidance on major transactions to reduce potential tax risks.

The audit committee is also entrusted with supervising the quality and integrity of the company's accounting, auditing, financial reporting processes and financial controls. It regularly reviews major issues including accounting policies and procedures, internal control systems, legal compliance, enterprise risk management, etc., including tax compliance which is included in legal compliance.

■ Stakeholder negotiation on tax issues GRI 207-3

Establishing a whistleblower mechanism, reporting hotline and email box allows stakeholders to report illegal or unethical tax issues. The confidence of tax disclosure is based on the financial statements certified by accounting firms, and tax information is disclosed through official websites, shareholder meeting annual reports and other public channels.

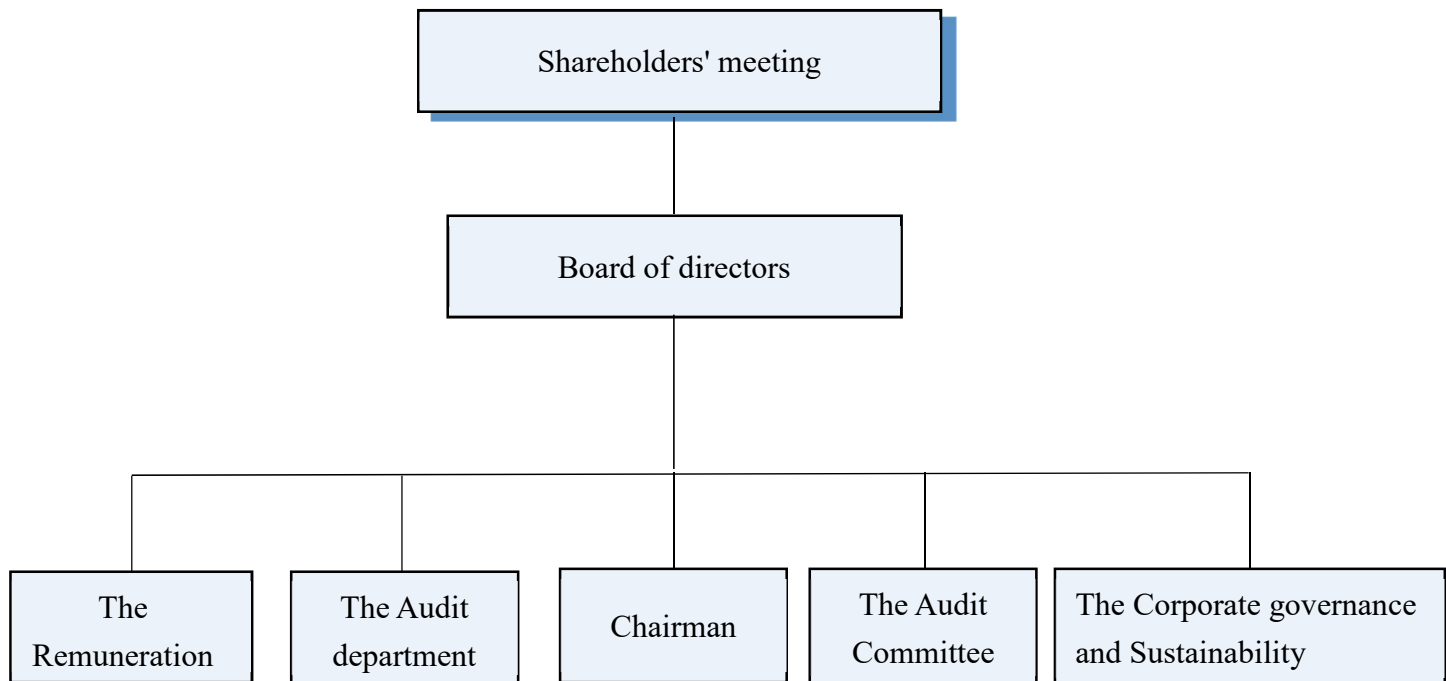
■ Country report GRI 207-4

The government participates in the country report system developed by the Organization for Economic Cooperation and Development (OECD), which mainly assists tax authorities in the audit selection process. According to the OECD agreement, this report information will be kept by institutions with tax expertise to understand and evaluate relevant sensitive information of this business. This group has completed the declaration of country reports in accordance with regulations and the content requirements of OECD Base Erosion and Profit Shifting ("BEPS") over the years.

Chapter 1 Corporate Governance

1-1 Governance structure [GRI 2-9](#) [GRI 2-17](#) [GRI 2-18](#)

Good corporate governance should be the board of directors and management to achieve operational goals in a way that meets the best interests of the company and all shareholders, assist in the operation of corporate management, and provide effective supervision mechanisms to encourage enterprises to make good use of resources and improve efficiency, thereby enhancing competitiveness and promoting social welfare for all.



The company follows regulations to establish an audit committee, a compensation committee, and a corporate governance and sustainability development committee to assist the board of directors in fulfilling its supervisory responsibilities and regularly report its activities and decisions to the board of directors. The operation of the board of directors, audit committee, compensation committee, and corporate governance and sustainability development committee is carried out in accordance with the “Rules of Procedure for the Board of Directors,” “Organizational Regulations for the Audit Committee,” “Organizational Regulations for the Compensation Committee,” and “Organizational Regulations for the Corporate Governance and Sustainability Development Committee.” In March 2021, the board of directors passed the appointment of a corporate governance officer, which was held by Kufu Lin, the chief financial officer.

To implement corporate governance and enhance the functions of the board of directors, the “Board of Directors Performance Evaluation Measures” was formulated on March 24, 2022

and disclosed on the company's website. It stipulates that the company should conduct at least one performance evaluation of the board of directors, individual directors, and functional committees each year. The evaluation criteria for the board of directors' performance evaluation include the following five aspects:

1. The degree of participation in the company's operations.
2. Enhance the quality of decision-making of the board of directors.
3. Composition and structure of the board of directors.
4. Selection and continuous education of directors.
5. Internal control.

The board of directors' performance evaluation report has been submitted to the board of directors and functional committees on March 13th, 2023. The evaluation results are as follows:

The average score of the board of directors' evaluation is 4.93 points (full score is 5 points), the average score of the directors' self-evaluation is 4.82 points (full score is 5 points), and the self-evaluation results of the functional committees - audit committee, remuneration committee, and 「The Corporate Governance and Sustainable Development Committee」 are 4.96 points, 4.95 points, and 4.95 points respectively (full score is 5 points). The performance evaluation results are between 4 "agree" and 5 "strongly agree". The directors agree with the operation of various evaluation indicators, and the overall operation of the board of directors and various functional committees is good, which meets the requirements of corporate governance and effectively strengthens the functions of the board of directors and safeguards shareholder rights.

■ Board of Directors and Functional Committees GRI 2-11 GRI 2-13 GRI 2-16

Items	Board of directors	Audit Committee 100% independent directors	Remuneration Committee 100% independent directors	Corporate governance and Sustainability development Committee 100% independent directors +2 directors
job title /name	<p>The highest governance department of the company, with 9 directors including 3 independent directors.</p> <p>Main responsibilities :</p> <ol style="list-style-type: none"> 1. Management Policy. 2. Review of development plans and annual business plans. 3. Capital increase and decrease plan formulation. 4. Proposal for profit distribution and amendment of the company's articles of association. 5. Appointment and dismissal of managers. 6. Approval of important credit cases and major matters. 	<p>The audit committee is designed to assist the board of directors in supervising the quality and integrity of the company's accounting, auditing, financial reporting processes and financial controls, as well as risk management.</p>	<p>The remuneration committee is designed to assist the board of directors in implementing and evaluating the company's overall compensation and benefits policies, as well as the compensation of directors and managers.</p>	<p>The corporate governance and sustainability committee is designed to assist the board of directors in continuously promoting corporate sustainable development and enhancing corporate governance to achieve the purpose of sustainable management.</p>
Chairman of the board T.C GOU	✓			
Director Kufn Lin	✓			✓
Director Jeffrey Cheng	✓			
Director Hwee Kian Lin	✓			
Director Wilson Hu	✓			✓
Director Semi Wang	✓			
Independent director Ralph Chen	✓	✓ (convener)	✓	✓
Independent director Cheng-Rong Chiang	✓	✓	✓	✓ (convener)
Independent director Wei-Lin Wang	✓	✓	✓ (convener)	✓

In addition to holding regular meetings, the company's management also regularly provides directors with important reports and information:

Accounting department: quarterly financial reports.

Internal audit department: quarterly internal audit reports.

Equity department: latest regulatory information summary, and provide directors and managers with regulatory information related to internal personnel avoidance that needs attention at any time.

In addition, board members and senior management maintain close contact and can communicate at any time in the event of a critical event.

■ Director nomination and election and member diversity GRI 2-10 GRI 2-17

The company has formulated the “Director Election Method” in accordance with Article 192-1 of the Company Law, which stipulates that the selection of directors should consider the overall configuration of the board of directors, and the composition of members should be diversified. Members pay attention to diversified elements and have different professional backgrounds in knowledge, skills and industries required for their positions. Professional backgrounds include mechanical engineering, law, marketing, accounting, management and other fields, and have the experience required by the company’s business to play a strategic guidance function.

The company’s board of directors is composed of 9 directors (including 3 independent directors and 1 female director).

Many of the directors also serve as chairman or director of listed companies. The rich knowledge, personal insight and business judgment of the directors are highly valued by the company.

The directors listen to the reports of the management team at the board of directors and provide guidance and suggestions. They maintain good communication with the management team to create maximum benefits for shareholders.

Strengthening the continuing education hours of board committees, the total hours in 2022 reached 69 hours. In addition, through regular corporate sustainability reports and management team reports, the overall knowledge of board members on economic, environmental and social issues is enhanced.

Diversified board members

Diversified items	Nationality or place of registration	Gender	Age			Professional competence							
Name of directors			41-50	51-60	61-70	Business manage	leadership decision-making	industry knowledge	finance accounting	marketing	technology	law	Sustainable development
Foxlink International Investment Co., Ltd. T.C. Gou	Republic of China	Male			✓	✓	✓	✓		✓		✓	✓
Foxlink International Investment Co., Ltd. Kufn Lin	Republic of China	Male		✓		✓	✓	✓	✓				✓
Hsin Hung International Investment Co., Ltd. Jeffrey Cheng	Republic of China	Male			✓	✓	✓	✓		✓			✓
Hsin Hung International Investment Co., Ltd. Hwee Kian Lim	Singapore	Female	✓			✓	✓	✓		✓	✓		✓
Foxlink Taiwan Investment Co., Ltd. Wilson Hu	Republic of China	Male		✓		✓	✓	✓		✓	✓		✓
Foxlink Taiwan Investment Co., Ltd. Semi Wang	Republic of China	Male			✓	✓	✓	✓			✓		✓
Ralph Chen	Republic of China	Male		✓		✓	✓		✓				✓
Cheng-Rong Chiang	Republic of China	Male			✓	✓	✓	✓		✓	✓		✓
Wei-Lin Wang	Republic of China	Male	✓			✓	✓					✓	✓

When the board of directors is convened, in addition to the audit supervisor attending to report on the execution of audit business, the responsible personnel of the case will be notified to attend to report and answer questions according to the content of the proposal. A total of 7 meetings were held in 2022, and the average attendance rate of directors was 96.82%.

■ The Remuneration Committee [GRI 2-19](#) [GRI 2-20](#)

The Remuneration committee is composed of 3 independent directors. Its responsibility is to assist the board of directors in evaluating and approving the salary level of directors and managers, so that the payment of salaries is combined with personal and company operating performance to achieve the rationality of salary payment and attract and retain outstanding talents.

To establish a sound salary and remuneration system for the directors and managers of the company, the “Remuneration Committee Organization Regulations” and the “Remuneration for Directors, Supervisors and Managers” are specifically designated. In order to regularly evaluate the salary and remuneration of directors and managers, the evaluation results executed by the “Board of Directors Performance Evaluation Method” of the Company and the “Performance Evaluation Method for Managers and Employees” applicable to managers are used as the basis. The items of director performance evaluation include: grasp of company goals and missions, recognition of director responsibilities, degree of

participation in company operations, internal relationship management and communication, director's professionalism and continuous learning, and internal control; The annual performance evaluation items for managers include performance indicators corresponding to their main job responsibilities, as well as assessments of management functions and core functions. The relevant performance evaluation and salary reasonableness are regularly evaluated and reviewed by the Remuneration Committee and the Board of Directors every year. In addition to referring to personal performance achievement rates and contributions to the company, it also takes into account the overall operating performance of the company, future risks and development trends of the industry, as well as timely review of remuneration systems based on actual operating conditions and relevant laws and regulations. After comprehensively considering the trend of corporate governance at present, reasonable compensation is given to seek a balance between sustainable operation and risk control.

Annual maximum salary income

	Taiwan area		Overseas area	
	Total income of the highest salary	Median total income of other employees	Total income of the highest salary	Median total income of other employees
Ratio of multiple to median	25	1	6	1

Note: The total salary amount is based on the calculation basis, including basic salary, overtime pay, various allowances and bonuses, employee compensation, etc., but does not include the estimated amount of expenses for stock-based payments.

■ The Audit Committee

The company's audit committee is composed of three independent directors. Its responsibilities are to improve the supervisory function and strengthen the management function, assist in the reasonable expression of the company's financial statements, select (dismiss) and evaluate the independence and performance of the certified public accountant, effectively implement the company's internal control, ensure that the company complies with relevant laws and regulations, and monitor the existence or potential risks of the company to ensure that the company's operations comply with the regulations of the competent authority and relevant laws and regulations.

■ The Corporate governance and Sustainability development Committee

The "Corporate Governance and Sustainable Development Committee" was established on November 12, 2021 to establish a good functional committee governance system for the company, strengthen management functions, and strive to implement corporate social responsibility and sustainable management. In accordance with Article 27 of the Corporate Governance Best Practice Principles, the organizational regulations have been formulated for compliance. In addition, it is committed to

implementing corporate social responsibility and sustainable management, so that the board of directors can fulfill its responsibilities of protecting the rights and interests of the company, employees and stakeholders.

■ The Audit Department

The company's audit department is under the board of directors and is responsible for managing the company's internal audit business, regularly or irregularly carrying out audits within the group and project audits. The audit department is independent of the company's management level and can objectively and fairly execute and evaluate the completeness, effectiveness and compliance of the internal system within the group.

The audit department colleagues also pay attention to changes in domestic laws and regulations at any time, establish rigorous accounting systems and internal control systems, and regularly update company regulations. They also carry out audits based on annual audit plans, track audit results and follow-up improvement plans to ensure that the internal control system can help the company achieve its operational goals and grasp the risks that need to be addressed in corporate operations. The existing internal control management system is used to prevent possible fraud and improper behavior risks, and effectively promote each unit to check the effectiveness of internal control operations, evaluate the deficiencies in the internal control system, measure operational efficiency, and respond to changes in the company's internal and external environment to ensure that the design and implementation of the system remain effective. The results of the audits conducted by the audit department will be reported to the chairman of the board regularly or when specific needs arise to assist the board of directors and management level in checking and evaluating the effectiveness of the internal control system.

■ Implementing the principle of conflict of interest avoidance [GRI 2-12](#) [GRI 2-15](#)

The company has formulated policies to prevent conflicts of interest, which are used to identify, supervise and manage the risks of dishonest behavior that may be caused by conflicts of interest. It also provides appropriate channels for directors, supervisors, managers and other stakeholders who attend or attend board meetings to proactively explain whether they have potential conflicts of interest with the company. Directors, supervisors, managers and other stakeholders who attend or attend board meetings should explain the important content of their interests in the agenda items listed by the board of directors and their representatives. If there is a risk of harm to the company's interests, they should not participate in discussions and voting, and should abstain from discussions and voting. They should not act as agents for other directors to exercise their voting rights. Directors should also exercise self-discipline and not improperly support each other.

Directors, supervisors, managers, employees, appointees and actual controllers of the company shall not use their positions or influence in the company to obtain undue benefits for themselves, spouses, parents, children or any other person.

1-2 Integrity management and compliance with regulations GRI 2-27 GRI 205-1 GRI 205-2 GRI 205-3

The company has established the “Integrity Management Guidelines” and passed them through the board of directors. The “Corporate Governance and Sustainable Development Committee” under the board of directors has set up a “Corporate Governance Team” responsible for promoting the integrity management, anti-bribery and compliance with laws and regulations of the group, and assisting the board of directors and management in formulating and supervising the implementation of integrity management policies and prevention plans to ensure the implementation of integrity management guidelines. In addition, it reports its implementation to the board of directors every year.

All employees of the group have signed the “Clean Commitment Letter” and are prevented from dishonest business activities, bribery, and bribery through the audit mechanism of the internal audit unit to prevent such incidents from occurring and are reviewed regularly.

The scope of preventive measures is as follows:

1. Bribery and bribery.
2. Provide illegal political donations.
3. Improper charitable donations or sponsorships.
4. Provide or accept unreasonable gifts, hospitality or other improper benefits.
5. Infringement of trade secrets, trademark rights, patent rights, copyright and other intellectual property rights.
6. Engage in unfair competition.
7. Products and services directly/indirectly harm the interests, health and safety of consumers or other stakeholders in R&D, procurement, manufacturing, provision and sales.

The legal department of the company is responsible for identifying the laws and regulations in each operating location to ensure that all global operations comply with local laws and regulations. Internally, employees are guided by the “Code of Conduct”, “Corporate Social Responsibility Manual”, and “Internal Major Information Processing and Prevention of Insider Trading Management Operations” as guidelines for compliance with legal norms, employee relations, operational procedures and behavioral guidelines, gift giving and entertainment, customer privacy, intellectual property rights, discriminatory behavior, bribery

behavior, conflicts of interest and other matters that should be complied with. The company has also passed the “Fraud Reporting Measures” through the board of directors. Complaints cases are handled by the group audit department according to the criteria and procedures. The reporting procedure is that if the reported matter involves general employees, it should be reported to the department head; if it involves directors or senior executives, it should be reported to the audit committee. In 2022, the company did not violate any ethical integrity or local legal issues.

● The Company's 2022 ethical management status is as follows:

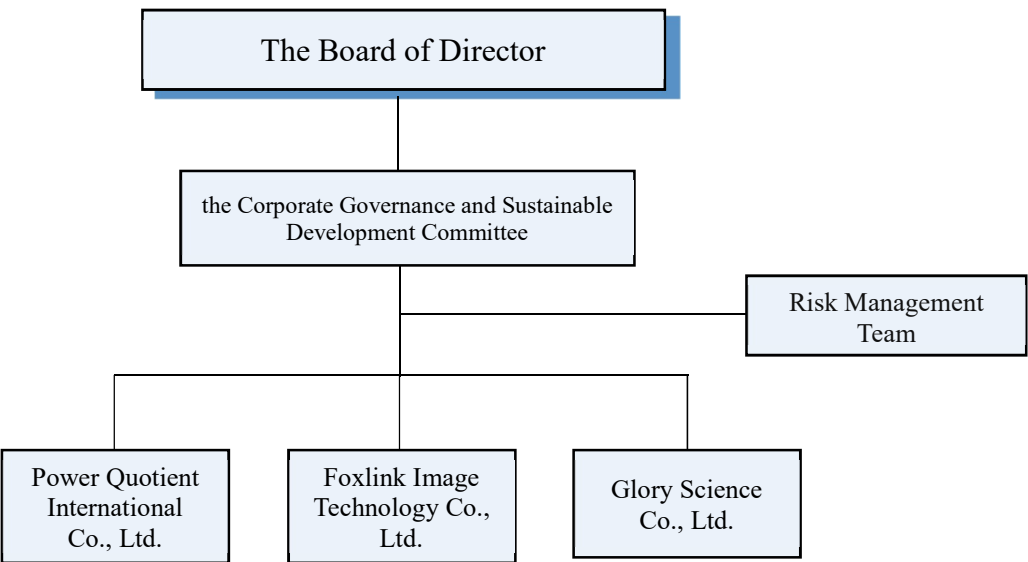
Supplier Commitment	<ul style="list-style-type: none"> All of the Company's suppliers shall sign the "Vendor Integrity Pledge" (100%).
Education and Training	<ul style="list-style-type: none"> At least once a year, we provide training sessions to our directors, managers and employees on the "Regulations for the Prevention of Insider Trading", "Procedures for Handling Material Inside Information" and related laws and regulations. We incorporate ethical management into training programs for new employees. In 2022, we held a training on the issue of ethical management, "Analysis of the Trade Secrets Law and Practical Cases and Promotion of Confidentiality Obligations," with 174 participants, totaling 195 hours.
Commitment	<ul style="list-style-type: none"> All employees shall sign the "Employee Integrity Pledge" upon joining the Group (100%). New directors shall sign material information confidentiality agreements upon assuming office.
Education	<ul style="list-style-type: none"> As new directors and managers take office, the Company educates them on various laws and regulations and promotes the concept of ethical management from time to time. Directors are reminded that they are prohibited from trading their shares during the closed period of 30 days prior to the publishing of the annual financial report and 15 days prior to the publishing of the quarterly financial report, in order to prevent unintentional violation of the rules. We communicate ethics and confidentiality responsibilities to employees through bulletin boards. Whistleblowing mechanism - email: FITH_3712@fit-holding.com

1-3 Risk management GRI 102-11

Risk management is an important part of business operations for enterprises. Modern enterprises manage risks by identifying, measuring (including predicting), monitoring, and reporting, taking effective measures to reduce costs; planning to deal with risks to ensure smooth business operations. In order to strengthen corporate governance and improve risk management operations, reasonable measures are taken to ensure that corporate goals are achieved and that enterprises operate sustainably and develop by formulating “Risk Management Policies and Procedures.

Risk management organization structure and responsibilities:

- 1. The board of directors is the highest decision-making unit for risk management, approves risk management policies and frameworks, and supervises the effective operation of risk management mechanisms.
- 2. The Corporate Governance and Sustainable Development Committee is responsible for planning, reviewing, and supervising the operation of risk management for the company and its subsidiaries. The “Risk Management Team” will submit the execution results to the board of directors for review every year.
- 3. The “Risk Management Team” executes the risk management policies and procedures approved by the board of directors, supervises the establishment of the risk management mechanism for this company and its subsidiaries, coordinates effective identification, measurement (including prediction), monitoring, and control of various risks at all levels, and reports regularly to the Corporate Governance and Sustainable Development Committee on the execution situation.



”Risk Management Team” identifies and evaluates key and emerging risks related to the company’s operations in various aspects such as environment, society, economy, corporate governance, and other dimensions based on major principles and considering variables such as the likelihood of risk occurrence and impact. At least one risk identification is conducted

annually and reported to the Corporate Governance and Sustainable Development Committee. The various aspects of risks include but are not limited to operational risks, market risks, financial risks, human resource risks, climate change risks, and other operation-related risks.

Items of risk		Financial risk	Information Security Risks	Climate risks	supply chain risks	Occupational safety and health risks	Innovative technology risks
Risk Scope	operating	•	•	•	•	•	•
	finance	•	•	•	•		•
	market	•	•	•	•	•	•
	goodwill	•	•	•	•	•	•
	supply chain		•	•	•		
	society	•	•	•	•	•	
	environment			•	•	•	
Risk management and control plan		The board of directors has passed the “Credit Guarantee Operation Procedure” and the “Acquisition and Disposal Operation Procedure” to cope with market exchange rate and interest rate fluctuations.	Information Security Organization” was established as the highest unit for information security risk management. Based on the three major principles of antivirus, anti-hacking, and anti-leakage, regular social engineering exercises, information security education and promotion, and information system penetration testing are conducted on employees.	The company has introduced ISO 14064-1 verification and participated in the SBTi international initiative to reduce carbon emissions, and disclosed climate change-related financial (TCFD) information.	The company has established the “Supplier Management Procedure” and incorporated environmental factors into the new supplier audit indicators. In 2022, a “Sustainable Business Environment Questionnaire” survey was conducted, and suppliers were asked to sign a “Supplier Social Responsibility Commitment Letter”.	The company has passed the ISO 45001 Occupational Safety and Health Management System certification, established the Occupational Safety and Health Committee (EHS), and held meetings every quarter to discuss occupational safety-related matters.	The company has established an intellectual property department responsible for managing and maintaining patents. It holds educational training to cultivate employees’ sensitivity to patents, sets up patent proposal and approval bonuses, and protects employees’ innovative achievements.

1-4 Information Security Management

The company has established a cybersecurity organization under the Business Secret Review Committee according to the chairman's instructions. The highest executives of each business group are invited to serve as members. The Legal Affairs Officer and the Information Officer jointly hold regular meetings of the Business Secret Review Committee to implement and formulate group cybersecurity control measures. They also review relevant cybersecurity procedures to effectively promote group cybersecurity management policies and ensure effective operation of group cybersecurity management.

To deepen the company's employees' understanding of cybersecurity, the company regularly conducts social engineering exercises, cybersecurity education and information system penetration testing for employees based on the three principles of antivirus, anti-hacking and anti-leakage. These measures can enable employees to adhere to cybersecurity principles in the use of information systems and jointly maintain information security. In terms of systems, the company conducts regular vulnerability scans, establishes a system alarm notification platform, and regularly performs certificate management. At the same time, it revises and formulates relevant management measures in accordance with the PDCA principle to make cybersecurity an employee's awareness.

The company has a cybersecurity policy that states "to maintain the integrity, availability, and confidentiality of the company and its affiliated investment companies' information, actively avoid damage caused by external forces such as human and natural factors, reduce the impact of risk operations on the company, and cause losses to the company's interests." Every year, the company's cybersecurity team conducts internal cybersecurity reviews, conducts information equipment asset inventory, vulnerability reinforcement measures, and antivirus system construction operations. The audit unit includes information circulation operations in the audit plan every year and checks them irregularly. The audit results are compiled into a report and submitted to the board of directors.

To maintain the information security and privacy of stakeholders, the company continues to introduce information technology management tools and continuously strengthen information security management mechanisms. In 2022, the company did not have any complaints related to infringement of customer privacy or loss of customer data.

■ Supplier evaluation and management

The importance of suppliers to a company lies in the fact that they are part of the company's supply chain, affecting the quality, cost, and delivery time of the company's products and services. The company has introduced the ISO 9001 quality management system and conducts monthly assessments and annual audits of its suppliers based on its "Supplier Management Procedure". For key suppliers, it conducts "Sustainable Environmental Questionnaire Surveys and Supplier Social Responsibility Commitment Letters" and implements "Responsible Mineral Due Diligence Investigations", which include aspects such as labor rights, environmental protection, integrity management, and occupational safety and health management. For those with lower scores in the survey results, guidance will also be provided to work with suppliers to jointly implement corporate social responsibility and promote sustainable management.

■ New supplier evaluation.

All suppliers of the group must sign a "clean declaration" to ensure that each cooperating supplier understands the company's requirements for business ethics. For new suppliers, in addition to requirements for delivery time, quality, cost, process capability and occupational safety system, the "New Supplier Evaluation Procedure" has been revised to add new supplier evaluation standards, including green products, environmental safety and social responsibility. Suppliers are also required to sign the "Supplier Social Responsibility Commitment Letter". According to the questionnaire feedback, if suppliers have potential risks, they will continue to be required to improve.

short-term target	
1.	The signing rate of the 'Supplier Social Responsibility Commitment Letter' of key suppliers in 2022 reached 100%.
2.	The signing rate of the 'Clean Commitment Letter' and 'Supplier Social Responsibility Commitment Letter' of new material suppliers reached 100%.
3.	100% annual quality audit of suppliers in 2022.
4.	100% RBA audit of key suppliers in 2023.
mid-term target	
1.	80% of all suppliers signed and returned the 'Supplier Social Responsibility Commitment Letter' in 2024.
2.	80% of environmental questionnaires were promoted in 2023.
3.	Annual quality audits of 100% of suppliers and RBA audits of 100% of key suppliers.
4.	10 suppliers were guided on ISO 14064-1 in 2023.

long-term target

1. All suppliers' "Supplier Social Responsibility Commitment" recycling ratio reaches 100%." °
2. Promote ISO14064-1 certification for suppliers with an annual increase of 2 companies

Four major execution policies for sustainable supply chain management

Follow the guidelines

Suppliers follow the company's "Supplier Management Procedure" and manage their upstream suppliers accordingly.

risk assessment

Suppliers self-assess compliance through the "Sustainable Environmental Survey Questionnaire" and the company team assesses sustainable risks.

Participate in audits

Key suppliers are regularly/irregularly audited, evaluated and supervised on site by the quality team.

Continuous improvement

Suppliers improve based on audit results and receive relevant counseling or review audits.

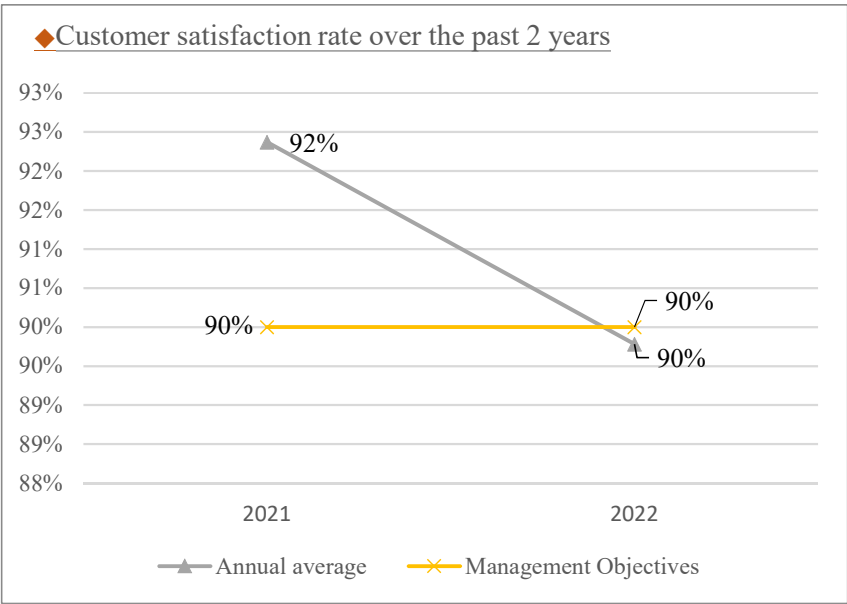
■ Localized procurement

Localized procurement can shorten transportation time and cost, reduce supply risk, reduce shipping footprint, and reduce environmental impact caused by air and sea transportation.

Localized procurement amount	Unit: Thousand dollars
	2022
Local supplier procurement expenditure	1,919,103
Total procurement amount	3,119,048
Local supplier procurement expenditure ratio	61.53%

1-6 The value of customer GRI 418-1

Customer relationship is not only built on high-quality products and innovative technology with customer needs as the center and the market as the starting point, but also on listening to customers’ voices, perfect interaction and communication, which is also the management policy of the group company. The company has established “Customer Service Management Procedures” and “Customer Satisfaction Survey Procedures”, and conducts regular questionnaire surveys every year. In 2022, the average score of customer satisfaction was 90 points, and there was no leakage of customer privacy or loss of customer data.



In response to customer complaints, the company will provide feedback within 24 hours of receiving the customer’s message, hold a meeting to collect relevant information and determine the responsible processing unit, formulate a processing strategy within 3 days, reply to the customer with the processing strategy within one week, and follow up on whether the processing strategy meets customer needs.

Chapter 2 Sustainable development

Practice sustainable commitments:

The company is committed to the application and development of photovoltaic, optical, imaging, and software-related technologies. It has a global vision and actively deploys the European and American markets. It is the first to invest in the clean energy industry of sustainability and has become a professional company with systematic integration and development capabilities. In order to practice the core values of “protecting the earth, sustainable development, green energy reduction, and clean energy,” while pursuing revenue and profit growth, it also actively responds to corporate social responsibility, pays attention to environmental issues, protects the earth’s environment, promotes energy-saving education, and reduces environmental impact. In terms of labor-management relations, employee care, providing a healthy work environment, diverse and inclusive human management; social welfare includes inclusive diversity of races, caring for communities, and actively participating in social public welfare services; sound corporate governance, compliance with government regulations, committed to promoting economic, environmental and social sustainable development while balancing the interests of stakeholders.

Environment

We have begun to establish the “Science-Based Carbon Reduction Target (SBT)” and carry out carbon reduction plans based on 2021. In accordance with the “Sustainable Development Pathway for Listed Companies” of the competent authority, we will complete the greenhouse gas inventory of merged subsidiaries in 2027 and supervise the upstream and downstream supply chains to jointly implement corporate sustainable development. We will improve resource utilization efficiency, implement measures to prevent environmental pollution, research and develop products and services that reduce resource consumption, reduce the impact of operations on the natural environment, improve warming conditions, and contribute to the earth.

Society

As a global corporate citizen, the company follows the “Responsible Business Alliance Code of Conduct” (RBA), and has established internal policies such as prohibiting discrimination, employing child labor, forced labor, legal treatment, gender equality, etc., implementing humanized management, organizing group activities, and caring for employees; following ISO 45001 occupational health and safety management system to provide a healthy work environment; providing labor law information of the employee’s operating location and establishing two-way communication channels.

Corporate governance

In 2021, the company established a board of directors directly under the Corporate Governance and

Sustainable Management Committee, with the group's business philosophy of "sincerity, macro, and responsibility" as the core, to strengthen the functions of the board of directors, improve information transparency, and promote sustainable management.

■ The Corporate governance and Sustainability development Committee [GRI 2-13](#) [GRI 2-14](#)

In November 2021, the company established the "Corporate Governance and Sustainable Management Committee" in accordance with the vision and mission of the company's ESG policy. The committee is composed of three independent directors and two directors to coordinate decision-making and operational organizations. The sustainable management team under its jurisdiction is chaired by Wilson Hu, general manager of Yongwei. The heads of each subsidiary and responsible personnel are members of the management team. At least one meeting is held every month. The members of each organization regularly report on sustainable and environmental issues and implementation results, and formulate medium- and long-term sustainable development plans based on international standards. After review, they report to the board of directors. The board of directors reviews and evaluates and provides appropriate recommendations to ensure that sustainable development strategies are fully implemented in the company's daily operations.

2-1 Stakeholder engagement [GRI 2-29](#)

Based on the AA1000 Stakeholder Engagement Standard SES (2015), the company gives 0-4 points to the main stakeholders according to the items of responsibility, influence, dependence, diversity of perspectives, tension and other items in the stakeholder engagement standard. The company identifies and evaluates the main stakeholders and experiences of each department and peer according to the degree of closeness of each standard. Through multiple meetings, it considers the significant sustainability development faced by its internal and external companies and the important correlation between corporate sustainability development. The sustainable development office identifies seven major categories of stakeholders, including shareholders/investors, customers, employees, suppliers, government agencies, communities, and non-profit organizations. Through questionnaires, the seven major stakeholders' concerns are collected. The working group of the Sustainable Development Committee summarizes and lists 19 sustainable-related issues.

Following domestic and foreign sustainability trends, relevant information is provided in a timely manner to ensure that corporate information is transparent and can accurately respond to all groups affected by the company's operations.

stakeholders	Concerned issues	Current implementation measures and plans	Communication channels and frequency		Corresponding section
Shareholders /investors	<ul style="list-style-type: none"> ●Business performance ●Risk management ●Corporate governance ●Customer relationship management ●Innovative technology ●Tax policy 	<ul style="list-style-type: none"> •Holding shareholder meetings and complying with legal announcements. •Corporate sustainability website and sustainability report. •Establishment of corporate governance and sustainable management committee. •Spokesperson mechanism and holding two domestic corporate briefings and online legal briefings every year. •Handling regular and irregular information reporting matters in accordance with laws and regulations to facilitate investors' inquiries on the Public Information Observation Station. •Irregularly updating the disclosure information of the investor area of the company's website. 	Regular	<ul style="list-style-type: none"> • Annual Shareholders' Meeting and Annual Report • Participate in Corporate Governance Evaluation • Issue Sustainability Report • Investor Conference four times a year 	Business Overview
			Un-regular	<ul style="list-style-type: none"> • Public Information Observation Station 	Chapter 1 Corporate Governance Chapter 2 Sustainable Development Chapter 3 Friendly Environment
Customer	<ul style="list-style-type: none"> ●Customer relationship management ●Innovative technology ●Information security ●Integrity management ●Climate change and energy management 	<ul style="list-style-type: none"> •Customer satisfaction survey. •Setting product quality goals and reviewing them regularly. •Corporate sustainability website and sustainability report. 	Regular	<ul style="list-style-type: none"> • Annual Customer Satisfaction Survey • Customer GP 	Business Overview
			Un-regular	<ul style="list-style-type: none"> • Accept customer audit and request 	Chapter 1 Corporate Governance Chapter 3 Friendly Environment
Employee	<ul style="list-style-type: none"> ●Compensation and benefits ●Talent recruitment and retention ●Occupational safety and health ●Labor relations ●Talent cultivation ●Human rights 	<ul style="list-style-type: none"> •Setting up a contact window and collecting employee opinions and complaints through a dedicated mailbox. •The company's internal network platform periodically announces various employee welfare matters. •Monthly meetings of senior executives. •Irregular communication meetings of various business units. •Regular company-wide sharing lectures and talks. •Regular health checkups, medical consultations, care and support. •Setting up an employee opinion platform and forming an employee welfare committee. •Diverse learning platforms, general education courses, professional skills training, 	Regular	<ul style="list-style-type: none"> • Establishment of Occupational Safety and Health Committee (EHS) • Hold Occupational Safety and Health Committee Meetings every quarter • Regular health check-ups 	Chapter 1 Corporate Governance Chapter 4 Happy workplace
			Un-regular	<ul style="list-style-type: none"> • Departmental work meetings • Various activity lectures • Periodic announcements on the 	

		<ul style="list-style-type: none"> management training courses. •Setting up a salary committee. •Setting up an occupational safety and health committee (EHS), holding meetings every quarter. •The factory has passed ISO45001 certification. 		company's internal network platform	
Supplier	<ul style="list-style-type: none"> •Integrity Management •Sustainable Supply Chain Management •Corporate Governance •Circular Economy 	<ul style="list-style-type: none"> •Assisting key suppliers in promoting environmental management concepts and sharing performance. •All suppliers sign a clean commitment letter. •Key suppliers sign a commitment letter to comply with the "Prohibition/Non-Support/Non-Use of Conflict Minerals" policy. •Annual supplier audits. 	Regular	<ul style="list-style-type: none"> • Regular audit • Conflict mineral investigation 	Chapter 2 Sustainable Development
			Un-regular	<ul style="list-style-type: none"> • Sustainable supplier survey • Supplier meeting • New evaluation criteria for selecting suppliers 	Chapter 3 Friendly Environment
Community /Non-profit organization	<ul style="list-style-type: none"> •Social Welfare •Circular Economy 	<ul style="list-style-type: none"> •Blood donation activities. •Purchasing and selling agricultural products in rural areas. •Establishing a charity club to care for social welfare. •Responding to public welfare fundraising activities, employees donate small amounts of money for charity, and donate invoices on the go. 	Un-regular	<ul style="list-style-type: none"> • Blood donation event held three times a year • Purchasing products from small farmers • Donation of second-hand clothing and shoes • Beach cleaning activity 	<p>Chapter 2 Sustainable Development</p> <p>Chapter 5 Inclusiveness</p>
Government and Competent Authority	<ul style="list-style-type: none"> •Corporate Governance •Compliance with Laws and Regulations •Risk Management •Climate Change and Energy Management 	<ul style="list-style-type: none"> •Irregular participation in policy discussion meetings and seminars of competent authorities. •Cooperating with competent authorities for supervision and inspection. •Establishing a contact window to maintain good interaction with competent authorities. •Official letters from competent authorities. •Accepting government evaluations (annually). 	Un-regular	<ul style="list-style-type: none"> • Participate in seminar • Responding to government policy guidelines 	Publicly uploading sustainability reports to disclose complete non-financial information of the company

2-2 Identification and analysis of significant topics GRI 3-1 GRI 3-2 GRI 3-3

According to the GRI Materiality Analysis, completed at the beginning of 2023, 59 executives and colleagues from 59 companies and 124 stakeholders participated in the identification, prioritization and validation of significant issues and analysis processes. Compared with the ESG issues of the previous year, four issues were added to the economic aspect: “operational performance”, “risk management”, “corporate governance” and “compliance with laws and regulations”. “Innovation research and development”, “corporate integrity and corruption” and “information system security management” were adjusted to “innovative technology”, “integrity management” and “information security”; the environmental aspect integrated the original “water resources”, “waste management” and “green products” into “circular economy”; the social aspect added “salary and benefits”, and adjusted the names of “talent attraction and retention”, “talent development” and “social participation” to “talent recruitment and retention”, “talent cultivation” and “social welfare”. Finally, 19 ESG issues were collected as a major investigation basis in order to better respond to the spirit and content of issue management. According to the results of the major investigation, combined with the company’s ESG policy, ESG promotion focus, and long-term sustainable goals, 14 issues were confirmed to have significant importance, which will be disclosed first and long-term goals will be formulated.

■ Materiality identification process

1. Identification: Collecting topics.

Method: From major international sustainability standards and norms (GRI Standards, RBA, SDGs, TCFD), internal development goals of the organization, domestic and foreign peers, industry benchmark reports and stakeholder communication. Through discussions with experts, colleagues from various departments and the organization’s top management, and after receiving impactful opinions from stakeholders, 19 issues related to the company’s operations and sustainability issues are summarized as the basis for materiality investigation.

2. Sorting: Analysis.

Method: The members of the company’s sustainability management committee conducted an online questionnaire survey, and finally collected 183 valid questionnaires (including 11 from senior executives of the company), measuring the impact of each issue on operations, integrating internal and external perspectives, and identifying the importance and impact of each ESG issue.

3. Confirm major issues:

Method: Through discussions among members of the Sustainable Development Committee and internal senior executives, analyze the impact of various sustainable issues on the company’s economic, environmental, and social aspects. Finally, after analyzing the major theme matrix chart, actual and potential internal and external positive and negative impact assessment analysis, and consulting stakeholders and internal and external experts, confirm the list of 14 major issues and summarize the major issue matrix chart.

4. Verification:

Method: The 14 major issues are approved by the “Corporate Governance and Sustainable Development Committee” and are governed after being submitted to the board of directors for approval; the Sustainable Management Team regularly reviews and evaluates the impact of major ESG issues on the upstream value of the company, company operations, and downstream boundaries. According to GRI reporting requirements, internal information, data, and management policies are collected and disclosed.

■ Impact of Material topics and corresponding GRI guidelines

Material topics	Description	Value chain impact boundary			Corresponding GRI Standards indicators	corresponding SDGs target	Corresponding section
		upstream	company	downstream			
Customer relationship management	Customer relationship management can improve customer satisfaction by enhancing product functionality and service quality, which can increase customer trust in quality.		●	○	GRI 416 : Customer Health and Safety GRI 418 : Customer Privacy	12 Responsible Economy and Production	Business Overview Chapter 1 Corporate Governance Chapter 2 Sustainable Development
Business performance	Ensuring the company's business performance can continue to grow steadily is a goal that the company's management team attaches great importance to.	○	●		GRI 201 : Economy	8 Employment and Economic Growth	Business Overview
Information security	Information is valuable to businesses or organizations and has a significant impact on their operations. Therefore, it needs to be protected appropriately to reduce risks and prevent customer privacy leaks or theft or destruction of company secrets. The group has begun planning information security strengthening control mechanisms to ensure that there are no blind spots in information security.		●	○	GRI 418 : Customer Privacy	-	Chapter 1 Corporate Governance
Ethical management	Integrity is the most important core value of a company and the cornerstone of its business. The company does indeed follow the law and implement integrity governance to establish a good reputation and enhance its competitive advantage.	○	●		GRI 205 : Anti-corruption	12 Responsible Economy and Production	Chapter 1 Corporate Governance
Innovative technology	Innovative technology can help companies improve efficiency, reduce costs, increase revenue, and provide better products and services to consumers.		●	○	No applicable GRI topic	-	Chapter 3 Friendly Environment
Circular economy	An economic model aimed at improving resource utilization, reducing environmental pollution and ecological damage, achieving maximum resource utilization, and thus achieving sustainable development of the economy, society and environment.	○	●		GRI 305 : Emission	6.Water purification and sanitation 7 Affordable Energy 12 Responsible Economy and Production 13 Climate Action	Chapter 3 Friendly Environment
Risk management	Through policies such as risk assessment, handling, and risk monitoring, help companies face market changes and uncertainties, and minimize losses.	○	●	○	GRI 305 : Emission	-	Chapter 1 Corporate Governance
Occupational Safety and Health	Comply with the Occupational Safety and Health Act to prevent occupational diseases and accidents, and improve the work efficiency and productivity of workers.		●		GRI 403 : Occupational Safety and Health	3.Health and well-being 8 Employment and Economic Growth	Chapter 3 Friendly Environment
Labor relations	Good labor-management relations are an important part of corporate social responsibility. Paying attention to the work environment and labor rights helps improve employee morale and corporate competitiveness.		●		GRI 401 : Labor relations	10 Reducing Inequality	Chapter 4 Happy workplace
Human rights	Human rights and morality are the foundation of corporate development. Protecting the rights and dignity of workers and managing diversity and inclusiveness.		●		GRI 412 : Human Rights Assessment	10 Reducing Inequality	Chapter 4 Happy workplace
Sustainable supply chain management	Achieving sustainable development of enterprises through improving the environmental and social impact of the supply chain. Sustainable supply chain management involves cooperation and coordination between companies and suppliers in various links from raw material procurement to product design, production, logistics, use and recycling.	○	●		GRI 308 : Supplier Environmental Assessment GRI 414 : Supplier Social Assessment	12 Responsible Economy and Production	Chapter 2 Sustainable Development

Climate change and energy management	Climate change adaptation is a major issue that all businesses will face in the future. Energy use is one of the main sources of greenhouse gas emissions and carbon management must be done well."	○	●		GRI 201 : Economic Performance	13 Climate action	Chapter 3 Friendly Environment
Compliance with laws and regulations	Compliance with laws and regulations means that in the process of business operation, companies comply with national laws, regulations, policies and other provisions to ensure the legitimacy and compliance of the company. This is part of corporate social responsibility and the foundation of corporate development.		●		GRI 2-27: Compliance with laws and regulations	-	Chapter 1 Corporate Governance
Talent recruitment and retention	Talent recruitment and retention refers to the various ways in which companies attract outstanding talent to join the company through various means when recruiting talent, and retain outstanding talent within the company through various means.		●		GRI 2 : General Disclosure	4 Training Quality	Chapter 4 Happy workplace

In order to help stakeholders better understand the impact of each major theme on the internal and overall value chain of the enterprise, as well as the impact on the environment and society, we present a matrix table showing the direct or indirect impact of each major theme. The meaning of the circle dots in the table is explained as follows:

- 【●】 Actual (direct) impact : Refers to the direct impact of the major topic on the boundary.
- 【○】 Potential (indirect) impact : Refers to the indirect impact of the major topic on the boundary or its association with the boundary due to business relationships.

■ Management of material topics

Management of material topics	Policy/Commitment	Risks and Opportunities	Purpose and Objective	2022Target	Implementing results in 2022	2023 Target
Customer relationship management	Developing customers, serving customers, and improving customer satisfaction become indispensable partners.	Risk: Unable to provide customers with the required products or services. Opportunity: Improve customer service satisfaction, deepen cooperation relationships, and extend product cooperation areas.	Improve customer experience, increase customer retention rate, increase revenue, and improve process efficiency.	Customer questionnaire satisfaction target is 90 points.	2022 customer questionnaire feedback: 1.The company quickly responds to customer questions. 2.Pay attention to the relationship with customers.	1. Provide innovative technology products. 2. High-quality service to improve customer satisfaction.
Business performance	Establishing operational management policies and processes, regularly managing and reviewing them, improving corporate efficiency, and meeting stakeholder expectations.	Risk: Operational-supply chain aspect (price). Market-financial aspect (interest rate/exchange rate). Opportunity: Develop (key) supplier resources and improve the quality and service level of suppliers.	Achieve the results of the company's production and operation plan.	Revenue and profit growth is 5%.	The total revenue of the merger was NT\$12,069,249 thousand, an increase of 7.36% per year. Operating profit was NT\$550,973 thousand; the net profit after tax of the parent company reached NT\$529,589 thousand, and the earnings per share (EPS) after tax was NT\$2.15, an increase of 22.02% per year.	Revenue and profits will grow by 5%
Information security	Strengthening the information security management system and implementing data and privacy protection.	Risk: Hackers invade and steal important company data, destroy the company's operating system database, and cause operational paralysis. Opportunity: The establishment of an information firewall and the integration of information from various offices of the company can not only properly preserve important business data but also serve as the basis for knowledge management and improve the completeness of internal important resource sharing.	Prevent and control hacker intrusion and destruction.	Strengthen information security management mechanism.	No major information security incidents occurred.	Strengthen information security management mechanisms.
Ethical management	There is a 'Code of Conduct on Integrity' and it has been approved by the board of directors.	Risk: An event that damages the company's reputation or image. Opportunity: The company has no negative news to the outside world, which will help establish a good corporate image.	An honest, fair, responsible and trustworthy corporate image, as well as maintaining the reputation and brand image of the company. This can be achieved through transparency, fair competition, compliance with laws and regulations, and protection of consumer rights.	Continuously maintain a clean environment in the department with zero corruption.	All new employees have signed the 'Clean Commitment Letter' and through the audit mechanism of the internal audit unit, prevent dishonest business activities, bribery and corruption.	Continuously maintain a clean environment in the department with zero corruption.
Innovative technology	Understanding technology trends and investing in innovative technologies.	Risk: The inability to anticipate changes in technology and the development of innovative technologies Opportunity: Take the lead in the high-tech technology field and increase deeper cooperation with customers.	Hold educational training to cultivate employees' sensitivity to patents, establish employee incentive systems, and protect employees' innovative achievements.	Increase in the number of patent and trademark applications.	Intellectual property education and promotion were conducted during new employee training, and relevant education and training were held on August 26, 2022, with a total of 5 person-times and a total of 15 hours.	The number of patent and trademark applications has increased.
Risk management	Establishing an effective risk management mechanism to reduce operational impact.	Risk: The company suffered significant operational losses due to the failure to execute proper risk prediction and assessment. Opportunity: Reducing the probability of major risks occurring can lead to better stability and create a competitive advantage.	Regularly discuss various operational risks and execute them according to the corresponding responses discussed.	No major risk incidents occurred.	All operations are within the scope of evaluation and there are no major risk incidents.	Keep the risk within an acceptable range.
Circular economy	Promoting the use of non-toxic and recyclable materials for new products, and formulating standards to promote resource economic efficiency, circular and non-toxic product design.	Risk: The company and supply chain's improper handling of waste can lead to environmental pollution. Opportunity: Establishing a supply chain cooperation relationship and improving the quality and service level of suppliers can be an opportunity.	Reduce waste of resources and reduce environmental impact.	Maintain a 90% recyclable material ratio for packaging materials.	Through ISO 14001 environmental management system certification, all products comply with various laws and regulations of the government. The raw materials used comply with the EU's RoHS halogen-free specifications, and packaging materials are recycled and used, and the manufacturing process reduces pollution to reduce environmental impact.	Maintain a 90% ratio of recyclable packaging materials.
Occupational Safety and Health	Providing employees with a healthy/safe working environment and verifying through the ISO 45001 occupational safety and health management system.	Risk: Occurrence of occupational accidents, occupational diseases, chemical hazards. Opportunity: Improving employee knowledge of occupational hazards can reduce the likelihood of accidents.	Zero occupational accidents.	Continue to maintain zero disasters.	There were 0 occupational accidents.	Continue to maintain zero accidents.
Labor relations	Complying with laws and regulations and implementing protection of employee rights.	Risk: Ignoring workers' rights can lead to high personnel turnover. Opportunity: Increasing employees' sense of job security can increase stability and centripetal force.	Set up diverse communication channels, maintain smooth two-way communication, listen to and respond to employees' voices.	No employee complaints occurred.	No employee complaints have occurred.	Increase the number of employee meetings to allow senior executives to communicate and exchange opinions directly with employees.
Human rights	Supporting and complying with the Universal Declaration of Human Rights and covenants, implementing human rights and gender equality, and protecting the rights of colleagues.	Risk: Inability to properly protect the human rights of employees and supplier employees. Opportunity: Creating a gender-equal and inclusive work environment.	No incidents of inequality or discrimination have occurred.	"Completed the ISO 14064-1	No complaints of sexual harassment or discrimination or other unfair workplace complaints have occurred.	No unfair workplace complaints such as sexual harassment and discrimination
Sustainable supply chain management	Establishing a quality management procedure for the supply of goods and adopting the Responsible Business Alliance (RBA) Code of Conduct for Suppliers.	Risk: Non-compliance with regulatory behavior or company-required quality standards. Opportunity: Helping companies establish a more stable and reliable supply chain, improve product quality and credibility, and reduce risks.	Effectively manage the quality of supplied goods and establish a supply chain with sustainable development as the goal.	Include RBA guidelines, conflict minerals, and greenhouse gas inventory in the audit items.	Integrate supplier audit items and include RBA guidelines, conflict minerals, and greenhouse gas inventory into audit items.	Increase the rate of suppliers signing the "Social Responsibility Pledge" and RBA audit of key suppliers.
Climate change and energy management	Complying with the government's 'Climate Response Act' and establishing a greenhouse gas inventory procedure.	Risk: Climate disasters cause operational impact. Opportunity: Accelerate carbon reduction to mitigate climate change and move towards sustainable development.	The parent company has introduced ISO14064 certification and joined the international SBTi initiative to reduce carbon.	Completed the ISO 14064-1 inventory and verification for Eve in 2022. Some subsidiaries have achieved a 4.2% reduction in carbon emissions for scope 1 and scope 2 emissions.	Completed the ISO 14064-1 inventory and verification. Achieved SBTi annual carbon reduction target.	Increase the number of subsidiaries to import ISO14064 inventory verification. Some subsidiaries have completed the annual carbon emission reduction of 4.2% for Scope 1 & 2 emissions.
Compliance with laws and regulations	Establishing a sound corporate governance structure in accordance with the Company Act, Securities and Exchange Act and other relevant laws and regulations.	Risk: Non-compliance incidents lead to damage to the company's reputation and property loss. Opportunity: Protect shareholders' rights and improve corporate social image.	Comply with local laws and regulations at each operating location.	No major illegal incidents occurred.	No major violations occurred.	Improve corporate governance evaluation scores.
Talent recruitment and retention	Providing competitive salary and benefits and a sound career development plan.	Risk: Unable to recruit or retain excellent talents in a timely manner. Opportunity: The company can recruit excellent talents in a timely manner and become a competitive enterprise.	The turnover rate is lower than the industry standard.	The turnover rate at the plant is lower than the industry standard.	The turnover rate at the plant is lower than the industry standard.	The turnover rate at the plant is less than 10%.

Chapter 3 Friendly environment

3-1 Environment management

Reducing the impact of operations and manufacturing processes on the environment and actively maintaining employee health and safety are the company's commitments to environmental management. The company has introduced management systems such as ISO 14001, ISO 14064-1 and customer GP to ensure that daily operations and products comply with environmental standards and regulations.

3-1-1 Management performance GRI 302-1 GRI 302-3~4 GRI 305-1~5

Energy consumption is the main cause of climate change because burning non-renewable fuels produces greenhouse gases (GHGs) and causes other environmental impacts. Efficient use of energy is crucial to mitigating climate change.

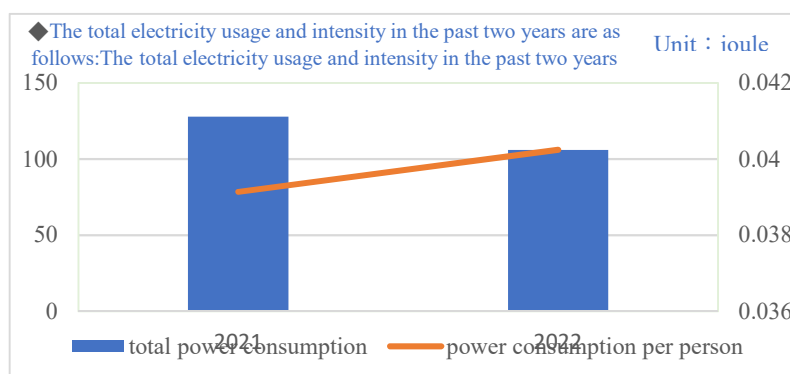
The energy used in the main production bases in Taiwan and mainland China includes fossil fuels (such as diesel and gasoline) and purchased electricity. Fossil fuels are mainly used for emergency power generators, forklifts, official car gasoline, and living areas (including employee dormitories and restaurants). According to the analysis of greenhouse gas inventory results, purchased electricity is the largest source of greenhouse gas emissions from major production bases (accounting for about 98%).

The company and some subsidiary factories have completed the inventory of Scope 1, 2, and 3 of ISO 14064-1 in 2022 and third-party verification. The following is an explanation of the energy and greenhouse gas emissions used in the past two years.

Unit : joule

classify	year \ item	2021	2022
energy	Purchased electricity	127.86	106
	diesel fuel	5,782	1,009
	gasoline	1,081	321
	natural gas	108	94

- The total electricity usage and intensity in the past two years are as follows:



In order to make the factory use energy more efficiently, experts have researched various energy-saving schemes to build low-energy-consumption equipment. By replacing old high-energy-consumption equipment, we are moving towards an energy-saving factory. Specific measures include replacing energy-saving motor electric machines, optimizing the use rate of air compressors, and replacing the lighting in offices, factories, warehouses, and street lights with LED lights. We have also replaced air compressors with frequency conversion types, installed automatic lighting sensors in public areas, and put a lot of effort into the factory every year, committed to equipment energy-saving transformation schemes, and invested in major power production equipment power electromechanical transformation. Through measures such as high-efficiency motors, replacement of air pressure machines, and replacement of old energy-saving lamps, we saved 225,437 MWH of energy in 2022, reducing 189.41 tons (equivalent to carbon dioxide).

Unit : tCO₂e

classify	year \ item	2021	2022
energy	Purchased electricity	27,201.08	21,737.27
	diesel fuel	387	85
	Gasoline	70	29
	natural gas	5	6

item	equipment	unit	quantity	conserve electrical energy (MWH)	reduced carbon emissions (tons)
1	replace with energy-saving air conditioning	units	1	148,410	124.69
2	replace with energy-saving light tubes	tubes	1,019	49,890	41.92
3	replace the INV pump in the cooling tower	units	15	27,137	22.8

category	2021	2022
Scope 1	1, 496. 04	557. 80
Scope 2	27, 342. 76	18, 115. 72
Scope 3	394. 22	117, 298. 22
Scope 1 & Scope 2	28, 838. 80	18, 673. 52
greenhouse gas emission intensity tCO ₂ e (note)	4. 17	2. 40

Note: tCO₂e /Per Million Revenue

Recent Two-Year Reduction Achievements:

1. In 2022, compared to the baseline year of 2021, there was a reduction of 938 metric tons of CO₂e in Scope 1, representing a decrease of 63% compared to the baseline year.

2. In 2022, compared to the baseline year of 2021, there was a reduction of 9,227 metric tons of CO₂e in Scope 2, representing a decrease of 34% compared to the baseline year.

In order to continue achieving the SBTi (Science-Based Targets initiative) reduction goals, our company has been tracking the reduction progress through the Sustainability Committee. As per the target of "Reducing absolute emissions by 42% in Scope 1 and 2 by the year 2030 compared to the baseline year of 2021," we have achieved an annual reduction of 4.2% by the year 2022.

These reduction achievements demonstrate our company's proactive efforts in decreasing greenhouse gas emissions and commitment to achieving sustainable development goals.

3-1-2 Water-saving production GRI 303-1~5

Having been dedicated to water resource conservation and environmental sustainability for many years, we have implemented water resource management based on the ISO 14001 environmental management system. We have consistently pursued measures to conserve water resources, including replacing old pipelines and flush valves, conducting inspections of water usage points and switches, recycling discharge from air conditioning cooling towers, and strengthening daily management through education and awareness campaigns across all facilities. These efforts aim to reduce water consumption in basic facility operations, such as air conditioning and compressed air, as well as staff water usage. Our water supply comes from municipal sources, and all wastewater is discharged in compliance with regulations, without significant ecological impact.

In 2022, our total water intake was 169.73 million liters, while the total wastewater discharge was estimated based on actual discharge volumes from the plant and the urban comprehensive domestic sewage discharge coefficient specified in mainland China's urban drainage engineering planning norms. The total wastewater discharge was 133.99 million liters, and it was lawfully discharged into the municipal sewage system for treatment. Through effective water resource management and the implementation of water-saving technologies, we achieved a water savings of approximately 74.315 million tons, surpassing a 30% reduction

Unit: Million liters

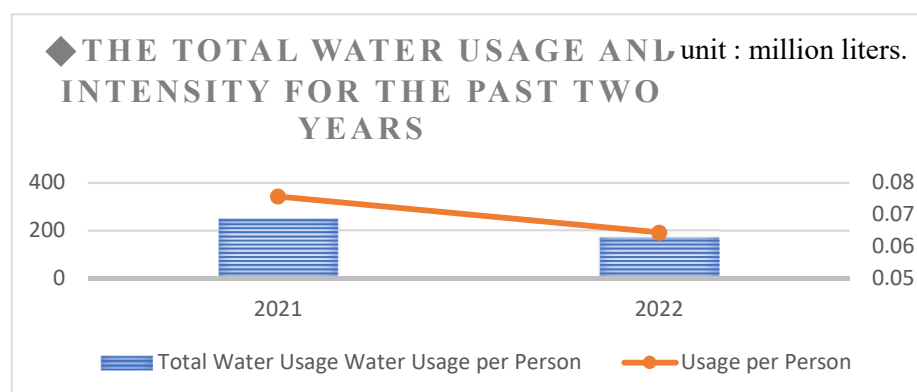
Water Source	Total Water Intake	Total Wastewater Discharge	Total Water Consumption
Tap Water	169.57	133.91	35.81
Groundwater	-	-	-
Surface Water (Rivers 、 Lakes 、 Streams)	-	-	-
Rainwater	0.16	-	-
Seawater	-	-	-
Differentiated by water quality			
Freshwater	169.73	133.91	35.81
Others	-	-	-

Note : Water Consumption = Total Water Intake - Total Wastewater Discharge.

Domestic Wastewater Volume = Tap Water Usage * 0.8-0.85 (Self-estimated).

and meeting the annual target of 5% water savings.

- The total water usage and intensity in the past two years are as follows:



3-1-3 Waste and Pollution Control Management GRI 306-1~5 GRI 2~27

The company manages and categorizes all generated waste in accordance with ISO 14001 management procedures. A dedicated administrative unit is responsible for waste management and engages qualified suppliers, who possess effective waste treatment capabilities, through a selection process based on classification. The suppliers are contracted for recycling and proper disposal to ensure that the waste generated by the company does not cause significant environmental impacts.

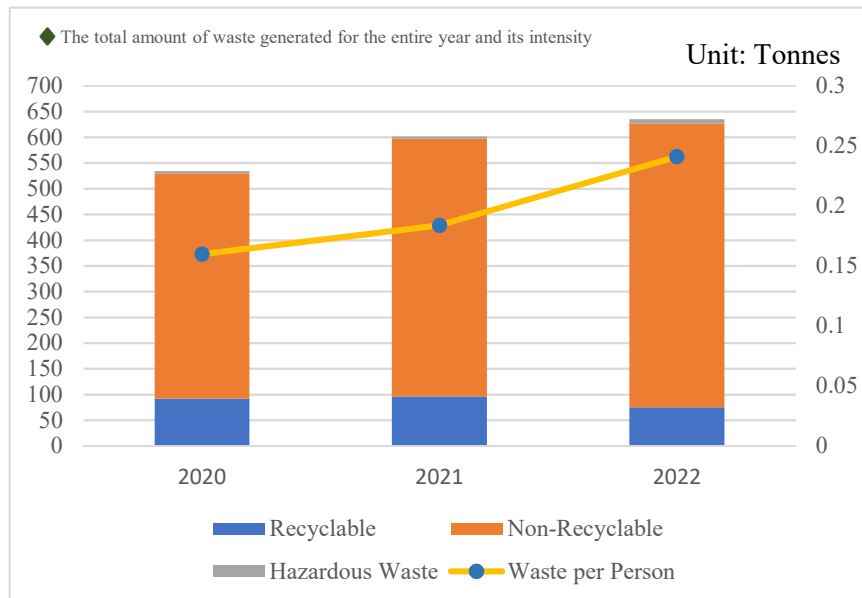
Hazardous waste accounts for approximately 0.01% of the total waste generated. All waste disposal is conducted by legally authorized local suppliers. In 2022, the company had no environmental violations or fines. The waste management processes comply with contractual and legal obligations.

The following table provides a breakdown of waste into domestic waste, originating from employee dormitories, and business waste, which includes general business waste and hazardous business waste generated from the manufacturing process.

Unit : Tonnes

Waste Category	Disposal Category	2020	2021	2022
Domestic Waste	Collection and Treatment	437	475	449
General Business	Waste Recycling	92	96	75
	Landfill	-	-	-
	Incineration	1	2	7
	Other Disposal Methods	-	24	96
Subtotal		530	597	628
Hazardous Business Waste	Collection and Treatment	2	1	3
	Waste Recycling	-	0	0
	Landfill	-	2	4
	Incineration	3	1	1
Subtotal		4	4	8
summary		534	601	636

In 2022, through the recycling of product packaging materials such as polystyrene and pallet resources, the warehouse logistics center reused polystyrene and pallets that met specific specifications, materials, and were in good condition for shipping or as turnover pallets. The overall recycling rate reached approximately 94%.



The estimated achievement of reduction targets for the next three years is as follows:

Year and Category	2023 年	2024 年	2025 年
Household Waste (Per Capita)	3%	3%	3%

In 2022, the per capita waste increased by approximately 31% compared to 2021. This increase can be attributed to the improved per capita productivity, resulting in the same waste output but with a reduced total population, leading to an increase in the per capita ratio. Currently, the group has implemented the following waste reduction measures:

1. The company provides an employee cafeteria and promotes the use of reusable dining utensils to reduce waste generation.
2. The company advocates for waste sorting and a reduced plastic lifestyle through awareness campaigns.
3. Energy recycling and reuse initiatives are implemented to minimize waste in energy consumption.

These measures are aimed at reducing waste generation and promoting sustainability practices within the company.

3-1-4 Air Pollution Control GRI 305-6~7

The company generated 0.023 tonnes of Volatile Organic Compounds (VOC) in 2021 and 0.068 tonnes of VOC in 2022 due to its operational manufacturing activities. Through management practices, engineering improvements, education and training, as well as regular third-party testing, the company has implemented emission control measures for VOC. Based on the inspection data from various plants, on-site conditions, and local environmental policies, the company has installed comprehensive exhaust gas treatment systems to achieve VOC pollutant removal and optimized control, ensuring safety and meeting various requirements. The maintenance department regularly inspects and maintains the exhaust equipment to ensure that all monitoring data comply with the local government's environmental protection standards.



3-2 Climate Change and Adaptation GRI 201-2

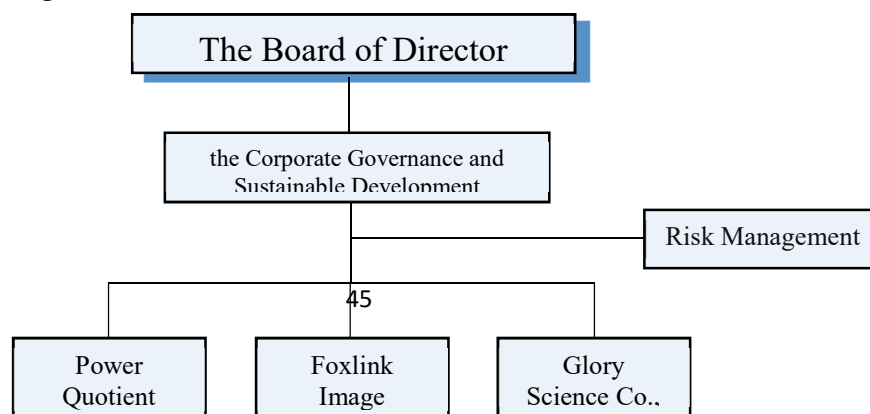
According to the 2022 Global Risks Report, climate change is one of the critical risk issues that the world needs to address. The beginning of the Russo-Ukrainian War in early 2022 and the resulting instability in international political and economic relations have led to potential risks, causing global free trade to decline and the prospects of reaching agreements, such as the COP26 Summit, to be uncertain. The company closely monitors global climate change trends and national climate change regulations. It considers climate change as a major issue and a key significant risk in its sustainable development agenda. The company conducts analysis and management to adapt and mitigate greenhouse gas emissions. Since 2021, the company has conducted an inventory of greenhouse gas emissions, obtained third-party certification, voluntarily joined the SBTi (Science-Based Targets initiative) for reduction plans, proactively disclosed greenhouse gas management information, and provided it for stakeholders' reference. The results of the inventory are also recorded on the national greenhouse gas registry platform.

In response to global warming, extreme weather events, environmental conservation, energy efficiency, and heightened awareness of safety and health, the company refers to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB). The company establishes a risk framework based on the four core elements of climate-related financial disclosures: governance, strategy, risk management, and metrics and targets. It identifies significant risks and opportunities that may impact its operations and develops corresponding strategies to address them.

3-2-1 Climate Management Organization GRI 2-12 GRI 2-13

The "Corporate Governance and Sustainable Business Committee" serves as the highest organization for climate change management within the company. It is convened by the CEO and assigns various functional units to establish risk assessment teams. Following the company's "Risk Management Policy and Procedures," the committee conducts climate change-related risk and opportunity identification, assessment, and management at least once a year. It evaluates their financial impact and develops response strategies and targets accordingly. The committee takes action to manage climate change risks and opportunities and reports the implementation results to the Board of Directors annually.

The Board of Directors is responsible for guiding and reviewing climate change risk and opportunity projects, assessment results, response strategies, and management performance. It oversees the implementation and continuous monitoring of measures for high-risk projects. The management of climate change risks, strategies, and goal setting was approved by the Board of Directors on August 12, 2022.



■ The Committee's strategy and plan GRI 2-22

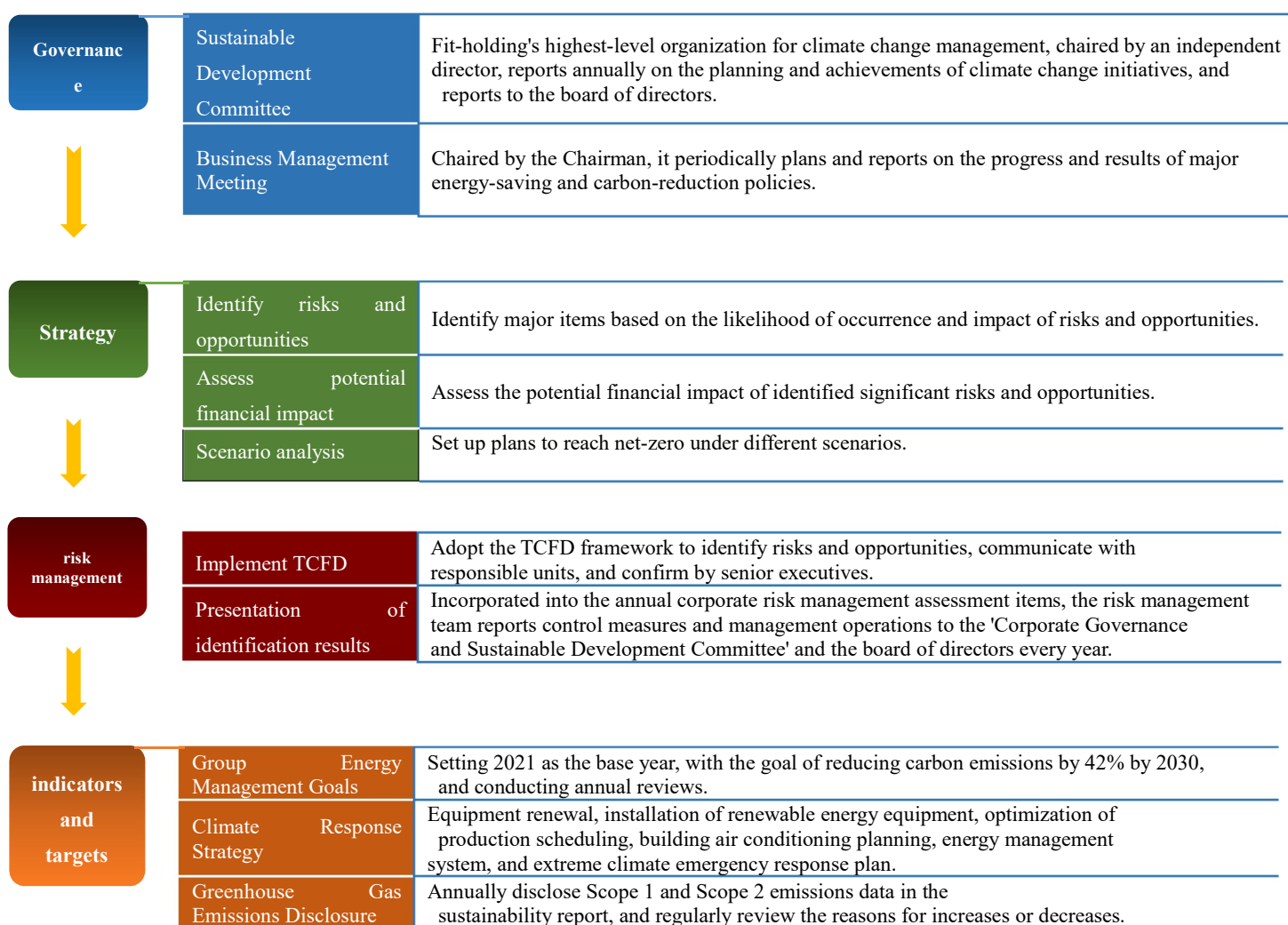
● Climate Governance Strategy:

1. Develop an environmental sustainability policy of Fit Holding Co., Ltd.: Investing in clean energy industries.
2. Develop response strategies based on climate change trends and national climate change laws and regulations.
3. Collect data on energy consumption and greenhouse gas emissions from various operational sites for analysis.
4. Disclose climate change adaptation plans.

Mitigation and Adaptation Plan:

1. Establish long-term, medium-term, and short-term carbon reduction targets.
2. Implement a greenhouse gas inventory plan using ISO 14064-1, and ensure verification by a third party.
3. Develop an internal product carbon footprint plan.

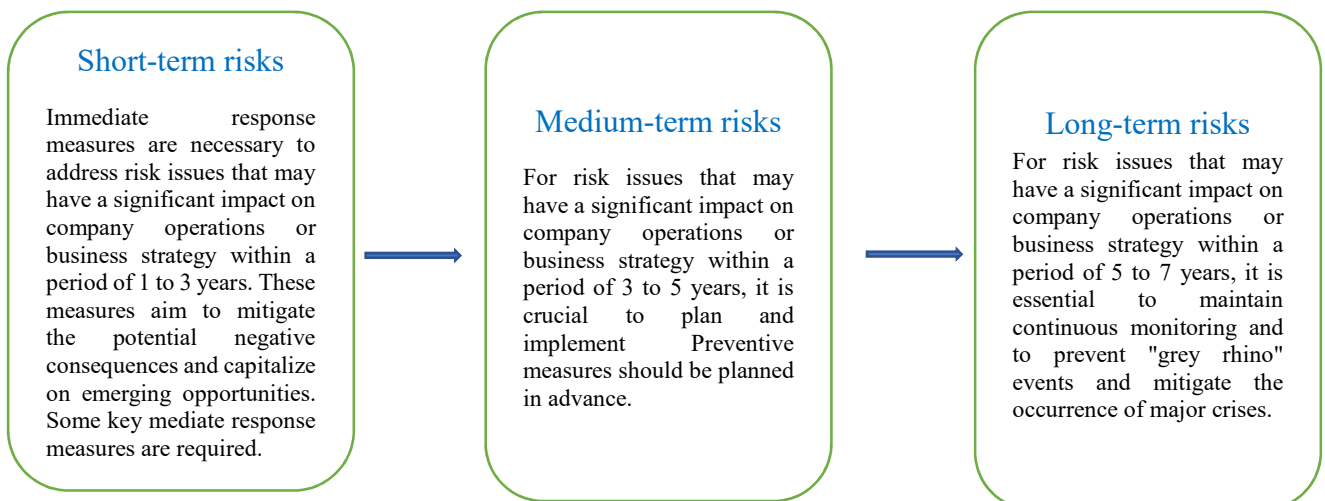
● Climate Change Management Framework



3-2-2 Climate Change Risk and Opportunity Management

Climate change has a significant impact on business operations and can create challenges and uncertainties for their future sustainability. To fully understand the effects of climate-related risks on a company's operations and potential opportunities that may arise, companies follow the framework outlined in the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, as published by the Financial Stability Board. This framework helps assess the risks and opportunities of climate change for the company, identifying short-term, medium-term, and long-term risks and opportunities. Companies then develop responsive strategies and management measures to address different risks and incorporate considerations of their financial implications, business model adaptations, and operational strategies. It is important to conduct comprehensive evaluations and review and update them annually when formulating climate change risk and opportunity management strategies.

The sources of climate risks can be categorized into physical risks and transition risks. Physical climate risks include events such as droughts, floods, and wildfires that have a severe impact on human lives and business operations. Transition risks encompass factors like regulatory changes, shifts in market dynamics, and emerging technology demands. Physical risks can further be classified based on their duration as acute risks (e.g., sudden floods) or chronic risks (e.g., prolonged droughts, rising temperatures). Climate opportunities may involve aspects such as resource efficiency and market prospects.



■ Climate-related risk identification process

● Phase 1: Risk Information Collection and Issue Identification and Categorization

References to international issues and potential climate-related risks faced by benchmark industries domestically and internationally:

- Extreme weather events and physical risks resulting from global warming.
- The risk of enterprises seeking transformation in response to climate change generally refers to the revision of public policies and regulations, which in turn brings certain risks to enterprises.

In summary, the description is as follows :

- A. Addressing International Trends.
- B. Addressing Policy and Regulatory Changes.
- C. Addressing Physical Risks.

● Phase 2: Financial Impact Assessment

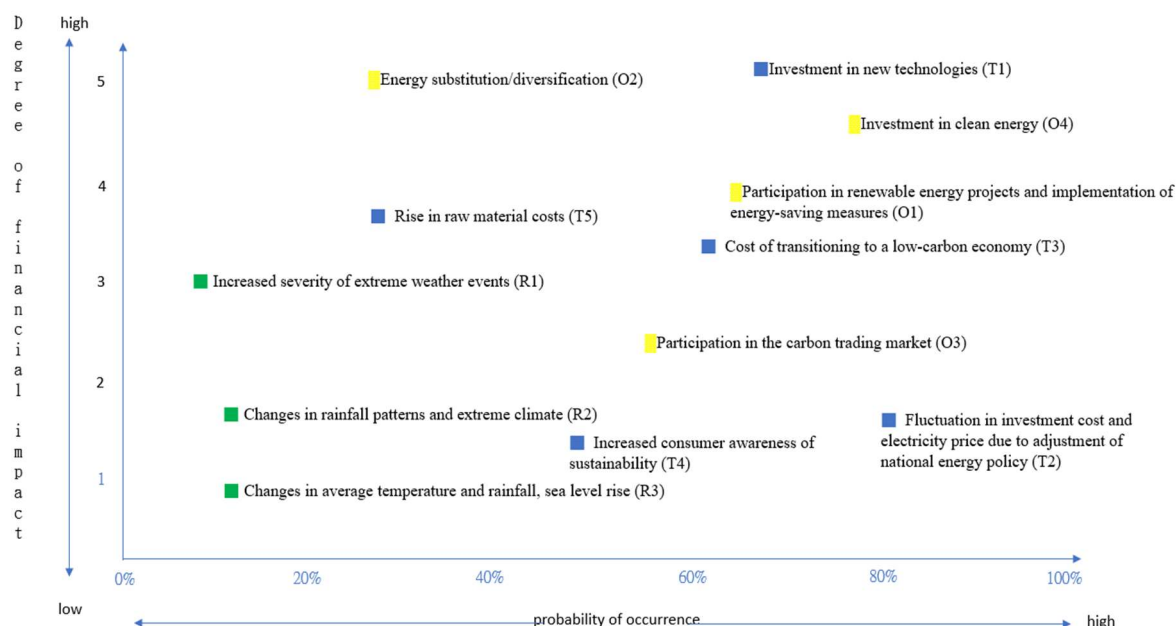
Assess the financial impact of the risks identified in Phase 1 on the organization's operations, such as direct damage to assets and indirect effects of disruptions to supply chains. The impact areas considered include increased labor costs, technological development and transformation costs.

● Phase 3: Draw a risk matrix

For the climate change related issues in the second phase of assessment, and then identify their importance according to the risk matrix analysis, the analysis mainly includes three risk indicators: risk impact orientation, risk frequency and risk impact degree, taking the possibility of risk occurrence as the horizontal axis, and the impact on the financial impact degree as the vertical axis, and identifying the priority of each risk issue that needs to be addressed.

The results of the climate change risk and opportunity projects by occurrence period are shown in the table :

Types	Short-term (<3 years)	Mid-term (3~5 years)	Long-term (>5 years)
Physical risk	---	<ul style="list-style-type: none"> Increased severity of extreme weather events (R1) Changes in rainfall patterns and extreme climate (R2) 	<ul style="list-style-type: none"> Changes in average temperature and rainfall, sea level rise (R3)
Transition risk	<ul style="list-style-type: none"> Investment in new technologies (T1) Fluctuation in investment cost and electricity price due to adjustment of national energy policy (T2) 	<ul style="list-style-type: none"> Cost of transitioning to a low-carbon economy (T3) Increased consumer awareness of sustainability (T4) 	<ul style="list-style-type: none"> Rise in raw material costs (T5)
Opportunity	<ul style="list-style-type: none"> Participation in renewable energy projects and implementation of energy-saving measures (O1) 	<ul style="list-style-type: none"> Energy substitution/diversification (O2) Participation in the carbon trading market (O3) 	<ul style="list-style-type: none"> Investment in clean energy (O4)



To mitigate the aforementioned risk factors, our company also identifies feasible opportunities and devises corresponding measures. In terms of climate change mitigation, we rely on energy management, responsible production, carbon information disclosure, and innovative technologies. Regarding climate change adaptation, some of our factories have already implemented the installation of photovoltaic equipment. Our company is committed to implementing energy conservation and carbon reduction measures, including innovation research and development, improving lighting equipment, digitalization of forms and documents, conserving energy, as well as resource and energy recycling, and we will continue to advocate for energy-saving policies.

3-2-3 Climate change-related risk financial impact and opportunity management

Risk Type		Risk Description	Potential Financial Impact	Management Processes and Measures	Derived Opportunities
Transition Risk	Policy and Regulation	The Climate Change Response Act stipulates that our country should achieve net-zero greenhouse gas emissions by 2050, promoting carbon fees and carbon trading.	The increased operating costs to comply with regulatory requirements.	Strategy: <ul style="list-style-type: none"> Implement energy-saving programs at all operating locations, replace outdated equipment and spare parts, and optimize processes. Set up a highest governance body for climate change, regularly assess and formulate countermeasures. 	Strategy: <ul style="list-style-type: none"> Deepen recyclable and low-energy consumption design capabilities to meet customer green product requirements. Assist key suppliers in reducing the environmental impact of the supply chain. Goal: <ul style="list-style-type: none"> Some subsidiaries achieve an annual reduction of 4.2% in Scope 1 & Scope 2 carbon emissions. Increase the number of subsidiaries introducing the ISO14064-1 inventory verification. Execution: <ul style="list-style-type: none"> Continue various energy-saving and recycling plans. Construct solar power generation equipment."
		The Carbon Border Adjustment Mechanism(CBAM) will be piloted in 2023, and is expected to be launched in January 2027.	The Carbon Border Tax has not yet been actually levied, and the group's companies are not part of the first batch of regulated raw material products. However, to avoid the impact of future expansion of the levy objects, or the requirements of the supply chain, we are planning relevant measures in advance: carry out energy-saving product design to reduce or avoid being levied the Carbon Border Tax.	Goal: <ul style="list-style-type: none"> Complete the audit of 2022 and verification of fit holding CO., Ltd. Increase the number of subsidiaries introducing ISO14064 audit verification. Execution: <ul style="list-style-type: none"> The 'Corporate Governance and Sustainability Development Committee' formulates sustainable development strategies and oversees the implementation of plans. Establish long, medium, and short-term carbon reduction goals. Implement a greenhouse gas inventory plan with ISO 14064-1, and undergo third-party assurance. Plan an internal product carbon footprint project. Invest in clean energy industries. 	
	Technology	In response to the international Science Based Targets initiative (SBTi), we will reduce the total emissions of Scope 1 & Scope 2 by 42% before 2030.	Investing in energy-saving and carbon reduction equipment, solar power infrastructure, and purchasing green electricity, etc., has led to an increase in operating costs.	Strategy: <ul style="list-style-type: none"> Deepen recyclable and low-energy consumption design capabilities to meet customer green product requirements. Assist key suppliers in reducing the environmental impact of the supply chain. Goals: <ul style="list-style-type: none"> Some subsidiaries achieve an annual reduction of 4.2% in Scope 1 & Scope 2 carbon emissions. Increase the number of subsidiaries introducing the ISO14064-1 inventory verification. 	
	Goodwill	As consumers' sustainability consciousness rises, changing consumption preferences, customers will continually adjust their products to meet consumer needs.	Failing to meet consumer preferences can lead to a decrease in product demand.	Execution: <ul style="list-style-type: none"> Continue various energy-saving and recycling plans. Construct solar power generation equipment. 	
	Market	Customers' carbon management requirements for the upstream supply chain are becoming increasingly stringent.	Supplier management and material costs increase, thereby transferring to the company's procurement costs.	Strategy: <ul style="list-style-type: none"> Strengthen the innovation of R&D technology to provide technology that meets market demand. Assist key suppliers in reducing the environmental impact of the supply chain. Goal: <ul style="list-style-type: none"> Achieve a 100% return signing rate for 'Integrity Commitment' and 'Supplier 	

				<p>Social Responsibility Commitment' from new material suppliers.</p> <ul style="list-style-type: none"> Achieve 100% annual quality audits of suppliers and 100% RBA audits of key suppliers. <p>Execution:</p> <ul style="list-style-type: none"> Continuously track various energy-saving and reduction plans. Implement the ISO 14064-1 management system as soon as possible and complete third-party assurance. 	
Substantive risk	Immediacy	In recent years, the frequency of extreme weather events has increased, including strong winds, heavy rain, and high waves, amplifying the risks of operational disruptions.	Property damage, operational interruptions, and unstable raw material supplies lead to increased transportation costs and decreased production capacity, impacting shipments and, in turn, affecting revenue.	<p>Strategy:</p> <ul style="list-style-type: none"> Establish a business continuity plan to ensure timely response to risks. <p>Goals:</p> <ul style="list-style-type: none"> Achieve a 100% return signing rate for the "Integrity Commitment" and "Supplier Social Responsibility Commitment" from new material suppliers. 100% annual quality audit of suppliers and RBA audits of key suppliers. Achieve a 4.2% annual reduction in Scope 1 & Scope 2 carbon emissions at some subsidiaries. <p>Execution:</p> <ul style="list-style-type: none"> Seek two suppliers for important materials to diversify supply chain risks and ensure a stable supply of raw materials. Replace with energy-saving air conditioning and cooling equipment, implement a paperless review system to enhance equipment efficiency. 	<p>Strategy:</p> <ul style="list-style-type: none"> Establish a business continuity plan to ensure timely response to risks. <p>Goal:</p> <ul style="list-style-type: none"> Achieve a 100% return signing rate for the "Integrity Commitment" and "Supplier Social Responsibility Commitment" from new material suppliers. 100% annual quality audit of suppliers and RBA audits of key suppliers. Achieve a 4.2% annual reduction in Scope 1 & Scope 2 carbon emissions at some subsidiaries. <p>Execution:</p> <ul style="list-style-type: none"> Seek two suppliers for important materials to diversify supply chain risks and ensure a stable supply of raw materials. Replace with energy-saving air conditioning and cooling equipment, implement a paperless review system to enhance equipment efficiency.
	long-term	Global warming leads to rising temperatures, causing sea levels to rise.	Capital expenditure increases while revenue decreases.		

3-2-4 Performance of climate change management goals GRI 302-2

■ Greenhouse Gas Management Goals

Starting from 2022, the company has begun conducting greenhouse gas inventories. Both the company and its subsidiaries have gradually introduced the ISO 14064-1 management system and have been verified by a third party. In response to the initiative of the international organization SBTi, we have set a goal to limit global warming to less than 1.5°C using scientific methods. Taking 2021 as the base year, we aim to achieve this goal by 2030 (which also aligns with the global Sustainable Development Goals, SDGs), and to reduce the absolute emissions of Scope 1 & 2 by 42% compared to the base year

■ Greenhouse Gas Inventory and Reduction Performance

Starting from 2022, the company has begun conducting greenhouse gas inventories. The scope of the inventory includes the operational headquarters, Power Quotient International Co., Ltd., Foxlink Image Technology Co., Ltd., Glory Science Co., Ltd., Dongguan Fu Wei Electronics Co., Ltd. in Mainland China, Dongguan Fu Zhang Precision Industry Co., Ltd., Wei Hai Fu Kang Electric Co., Ltd. and Glorytek (Yancheng) Co., Ltd.. Currently, the entities that have been third-party verified include: Fit holding Co., Ltd. Operational Headquarters, Dongguan Fu Wei Electronics Co., Ltd. in Mainland China, Dongguan Fu Zhang Precision Industry Co., Ltd. and Dongguan Fu Zhang Precision Industry Co., Ltd.. The results of the inventory are as follows in the table: (Note: as a text-based AI model, I cannot provide a visual table. Please provide the specific information or data you would like to include in the table format.)

◆ Greenhouse Gas Inventory Results.

Unit : tCO₂e

Emission Category		Verified Total Emissions	Self-Inspected Total Emissions
Category 1: Direct Greenhouse Gas Emissions		337.04	220.76
Category 2: Energy Indirect Greenhouse Gas Emissions		12,975.51	5,140.21
Category 3: Transportation-related Indirect Greenhouse Gas Emissions	Upstream Transportation and Distribution	304.44	-
	Downstream Transportation and Distribution	99.09	-
	Employee Commuting	13.71	-
	Customer Visits	-	-
	Business Travel	-	1.15
Category 4: Indirect Greenhouse Gas Emissions from Products Used by the Organization	Purchased Materials	54,071.46	-
	Purchased Capital Goods	-	-
	Fuel and Energy-related Activities (not included in Categories 1 and 2)	-	-
	Waste Generated in Operations	5.38	-
Category 5: Indirect Greenhouse Gas Emissions from the Use of Products by the Organization	Downstream Processing of Sold Products	-	-
	Use of Sold Products	62,797.53	-
	End-of-life Treatment of Sold Products	-	-
Category 6: Other Indirect Greenhouse Gas Emissions		5.55	-
Subtotal		130,609.71	5,362.12
Total		135,971.83	

3-3 Responsible Production

We commit to not only providing excellent products and services, but also to actively integrating environmental protection concepts throughout the entire lifecycle of our products, from the acquisition of raw materials, development, production, usage, to disposal. We strive to implement these concepts in our product design and management processes, complying with nationally and internationally recognized laws and regulations, as well as other applicable industry standards and international conventions. We endeavor to fulfill our corporate social responsibility, continuously improve working conditions, and contribute wholeheartedly to environmental protection with a proactive attitude.

3-3-1 Friendly Products [GRI 302-5](#) [GRI 416-1](#) [GRI 416-2](#)

Goals:

- No incidents of violation of health and safety regulations and voluntary codes for products and services.
- 100% of products provided to customers have passed health and safety assessments.
- Pass ISO 9001 certification annually.

Performance:

- Comply with ISO 9001 Quality Management System.
- All product designs must pass relevant quality verification tests, including functional verification, compatibility verification, reliability verification, XRF hazardous substance verification, etc., to ensure that products meet customer, relevant environmental and safety regulation specifications before mass production.
- In 2022, there were no violations of health and safety regulations and voluntary codes for products and services.

3-3-2 Low Energy Consumption Product Design [GRI 417-1](#) [GRI 417-2](#)

The company invests in subsidiaries whose main products are optoelectronic components and key components of electronic products. Some end system products are produced under Original Design Manufacturing (ODM) or Original Equipment Manufacturing (OEM) arrangements. In response to customer demands, we are committed to continually improving the energy efficiency of our products through technological innovation and actively developing renewable energy solutions. We incorporate green design into every stage of the product lifecycle, from raw material acquisition, manufacturing, packaging materials, to waste recycling. We strive to implement energy-saving, easy-to-dismantle, easy-to-assemble, and recycled materials usage, to reduce environmental impacts and realize product responsibility and consumption.

Achievements:

- Material Acquisition Stage: Materials meet the requirements of the European Union's Restriction of Hazardous Substances Directive (RoHS), and we do not use conflict minerals. The proportion of eco-friendly materials in different product parts varies from 12% to 33%.
- Design and Manufacturing Stage: We reduce material use, lower the complexity of the structure, optimize the process, and reduce working hours to achieve energy savings in the manufacturing process. We improved product idle energy consumption from 2 Watts to 1.7 Watts, reducing energy use by 10%. In 2022, we aim to reduce it further by 6% to 1.7 Watts.
- Packaging Material: We replaced the styrofoam buffering material in product packaging with cardboard, which consists of 90% eco-friendly material and can be recycled.
- Product Use: Our products comply with the environmental and energy-saving design requirements of various countries, including ErP Lot 6, the Energy Star for power supplies in the United States, and the EUP regulation of less than 2 Watts in Sleep mode in the European Union. They also meet the CE regulation for electrical safety in the European Union, the Eco Mark in Japan, and the Ten Rings label in mainland China (for scanners).

3-3-3 Low Energy Consumption Product Design GRI 417-1 GRI 417-2

The company's main markets are the United States, the European Union, and Japan. In addition to adhering to environmental regulations such as ErP LOT 6, Energy Star, Eco Mark, and WEEE, we ensure product safety and quality control at every stage of the product life cycle through our internal green procurement standards. We guarantee to continuously provide products and services that comply with laws, regulations, and customer requirements. We have established customer service hotlines and communication websites, and we actively conduct annual customer service satisfaction surveys to strengthen our cooperation with customers.

In terms of green manufacturing, we aim to reduce unnecessary waste of resources, seek waste reduction and reuse technology development; in the value chain upstream and downstream, we maximize economic benefits. Through process material recycling and waste reduction technology research and development, we create circular value. Currently, our waste recycling complies with the Waste Electrical and Electronic Equipment Directive (WEEE), with the Reuse and Recycling ratio required to reach above 70% (currently exceeding 96%), and the Recovery ratio above 80% (currently exceeding 99%). This significantly reduces waste generation after product disposal.

With the core goal of achieving net-zero sustainable operations, our company is committed to reducing environmental harm from green manufacturing design to product recycling, guided by our environmentally friendly policy. The policy is as follows:

- ※ Environmental protection and regulatory compliance.
- ※ Planning various energy-saving and emission reduction programs.
- ※ Use of renewable energy and development of automated production tools.
- ※ Research and development of environmentally friendly products.
- ※ Deepening corporate environmental sustainability education.

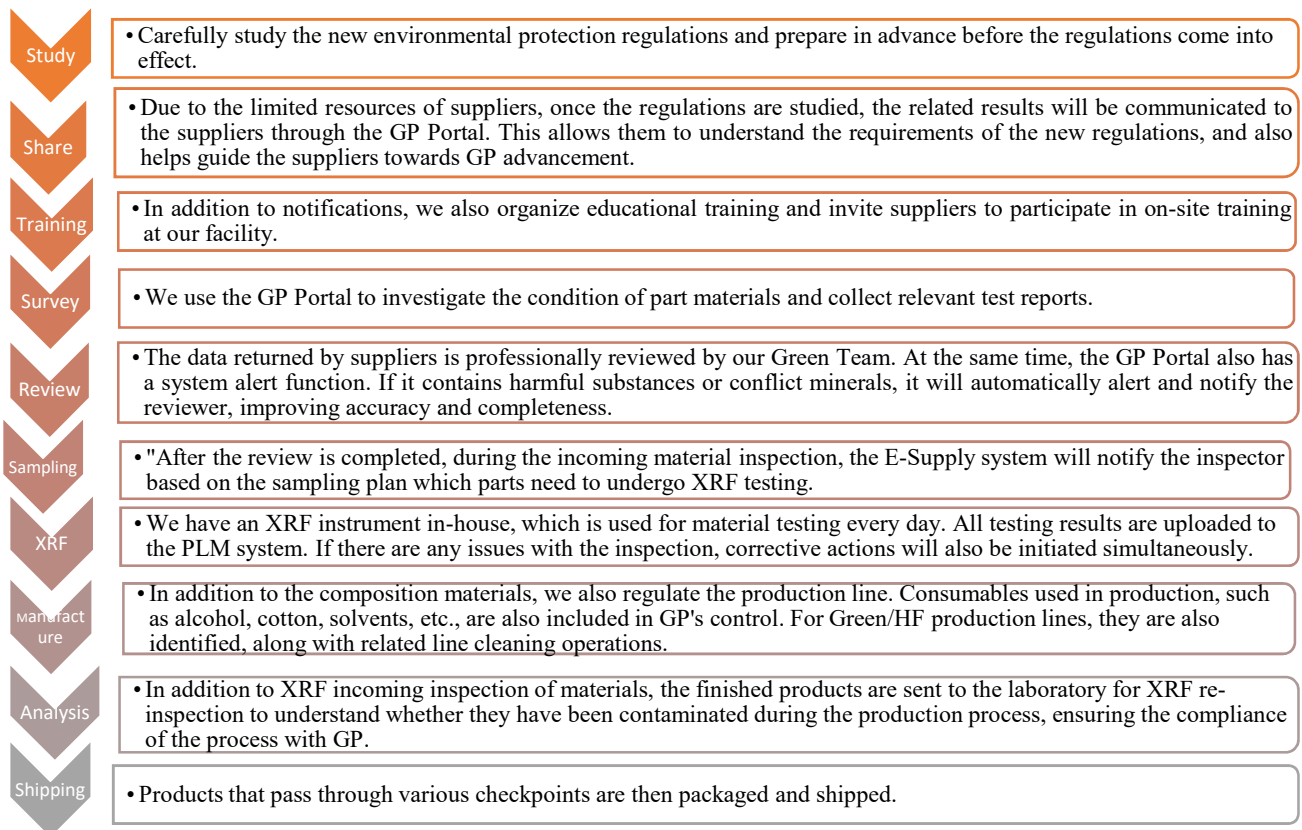
3-3-4 Hazardous Substance Management

Our subsidiary companies have established a green product management platform to implement the source management of supply chain raw materials. This platform integrates GP Portal, Oracle, and other information platforms to form a complete management information system, effectively reducing work costs and improving processing timeliness. The system integrates key workflows such as customer regulatory requirements, design, suppliers, procurement, production, and training to ensure proper execution.

Suppliers are required to upload the components' raw material compositions to the GP Portal system. We adhere to and adopt various international standards and regulations and update them in a timely manner as the best implementation guide for identifying product raw materials. This includes assessing various chemical substances in these components to help us understand their impacts on health and the environment. The information we disclose to customers includes 100% of products passing health and safety assessments, compliance statements, hazardous substance test reports,

Material Safety Data Sheets (MSDS), and Safety/EMC compliance reports. This information can be traced back to upstream suppliers.

● GP Porta System Management Flow Chart



Chapter 4 Happy Workplace

4-1 Human Resource Management and Development

Talent is a valuable asset that Yong Wei greatly treasures, and it is the cornerstone upon which we survive. We are dedicated to creating competitive salary levels through a profit-sharing system, adhering to international standards and relevant laws to provide a friendly, safe, and fair workplace. We strive to perfect the harmony between our colleagues' home, life, health, and the achievement of their life goals!

4-1-1 Human resource structure [GRI 2-7](#) [GRI2-8](#) [GRI202-2](#) [GRI405-1](#)

In 2022, the Yong Wei Group (including the Taipei operational headquarters, Power Quotient International Co., Ltd., Foxlink Image Technology Co., Ltd., Glory Science Co., Ltd., Dongguan Fu Wei Electronics Co., Ltd., Dongguan Fu Zhang Precision Industry Co., Ltd., Wei Hai Fu Kang Electric Co., Ltd. and Glorytek (Yancheng) Co., Ltd. in Mainland China.) had a total of 2,585 employees. Of these, 99% are full-time employees and 1% are temporary employees. The Taiwan headquarters, mainly engaged in administration and research and development, has a gender ratio of 63% men to 37% women. The mainland factories, primarily manufacturing production centers, also have a gender ratio of 63% men to 37% women. The company boasts a diverse workforce, including different age groups, overseas elites, various industries, and academic professional backgrounds. Notably, 25% of the management staff at the level of Assistant Manager and above are women. The company has injected many new, dynamic members, encouraging and providing development space for the younger workforce. It also employs individuals with physical and mental disabilities, respecting and realizing their right to work.

Gender and Position Level Ratio

As of 12/31/2022	Age	Gender	Number	Percentage
Management Level	30 years old and under	Male	1	0.04%
		Female	2	0.08%
		Subtotal	3	0.12%
	30 to 50 years old	Male	120	4.65%
		Female	56	2.17%
		Subtotal	176	6.82%
	Over 50 years old	Male	10	0.39%
		Female	4	0.15%
		Subtotal	14	0.54%
General Employees	30 years old and under	Male	919	35.61%
		Female	467	18.09%
		Subtotal	1386	53.70%
	30 to 50 years old	Male	554	21.46%
		Female	405	15.69%
		Subtotal	959	37.16%
	Over 50 years old	Male	19	0.74%
		Female	28	1.08%
		Subtotal	47	1.82%

As of 12/31/2022	Gender	Number
Employment of People with Disabilities	Male	2
	Female	1
	Subtotal	3
Employment of Foreign Personnel	Male	0
	Female	1
	Subtotal	1

The

company's workforce structure consists of formal employees and dispatched workers. Dispatched workers are primarily used to adjust manpower needs according to the production line demands at different times. The dispatching companies currently cooperating with us all comply with relevant legal requirements. If any illegal situations occur, we immediately terminate the cooperative relationship and seek compensation according to the contract.

● Distribution of Employee Types in 2022:

2022/12/31		Taiwan Region		Overseas Region	
		Male	Female	Male	Female
Employment Type	Full-time	162	94	1,477	858
	contract	-	-	9	34

Note: Contracted employees are due to administrative and seasonal project or event needs.

2022/12/31	Taiwan Region		Mainland China Region		Total Number of Employees	Dispatched Worker Ratio
	Male	Female	Male	Female		
Formal Employees	162	94	997	635	2,634	28.32%
Dispatched Workers	0	0	489	257		

Note:

The ratio of dispatched workers at each operation location = number of dispatched workers at each location / (total number of employees at each location + total number of dispatched workers at each location)

● Proportion of Local Residents Employed in Senior Management Positions

2022/12/31	2022
Percentage of Managers at Assistant Manager Level and Above	0.84%

Note:

1. This applies to factories set up overseas or foreign branches.
2. In important operational locations, it refers to the percentage of local residents employed in senior management positions.

■ Newly Hired Employees and Resigned Employees GRI 401-1

Number of Newly Hired and Resigned Employees			Foxlink Image Technology Co., Ltd.		Power Quotient International Co., Ltd.		Fu Wei Electronics Co., Ltd.		Fu Zhang Precision Industry Co., Ltd.		Wei Hai Fu Kang Electric Co., Ltd.		Glory Science Co., Ltd.		Glorytek (Yancheng) Co., Ltd.	
2022/12/31	Age	Gender	Number	rate of new entrants	Number	rate of new entrants	Number	rate of new entrants	Number	rate of new entrants	Number	rate of new entrants	Number	rate of new entrants	Number	rate of new entrants
Newly Hired Employees	30 years old and under	Male	0	0%	0	0%	2118	60%	294	66%	698	46%	3	3%	39	13%
		Female	4	3%	0	0%	1039	30%	78	17%	230	15%	2	2%	6	2%
		Subtotal	4	3%	0	0%	3157	90%	372	83%	928	61%	5	5%	45	16%
	30 to 50 years old	Male	0	0%	2	10%	211	6%	53	12%	145	9%	12	12%	24	8%
		Female	1	1%	1	5%	137	4%	23	5%	110	7%	6	6%	9	3%
		Subtotal	1	1%	3	14%	348	10%	76	17%	255	17%	18	18%	33	11%
	Over 50 years old	Male	0	0%	0	0%	0	0%	1	0%	0	0%	1	1%	1	0%
		Female	0	0%	0	0%	0	0%	0	0%	1	0%	0	0%	1	0%
		Subtotal	0	0%	0	0%	0	0%	0	0%	1	0%	1	1%	2	1%
2022/12/31	age	Gender	Number	turnover rate	Number	turnover rate	Number	turnover rate	Number	turnover rate	Number	turnover rate	Number	turnover rate	Number	turnover rate
Resigned Employees	30 years old and under	Male	0	0%	0	0%	2287	60%	360	64%	599	39%	2	2%	66	23%
		Female	3	2%	1	5%	1184	31%	101	18%	199	13%	2	2%	22	8%
		Subtotal	3	2%	1	5%	3471	91%	461	82%	798	52%	4	4%	88	30%
	30 to 50 years old	Male	10	8%	1	5%	216	6%	72	13%	112	7%	27	27%	25	9%
		Female	7	5%	2	10%	132	4%	32	6%	91	6%	11	11%	17	6%
		Subtotal	17	13%	3	14%	348	9%	104	18%	203	13%	38	38%	42	15%
	Over 50 years old	Male	5	4%	2	10%	0	0%	0	0%	0	0%	1	1%	1	0%
		Female	1	1%	1	5%	0	0%	0	0%	1	0%	0	0%	0	0%
		Subtotal	6	5%	3	14%	0	0%	0	0%	1	0%	1	1%	1	0%

The proportion of new hires and leaving employees is calculated using the total number of employees at the end of the reporting period.

[Note 1] The number of new hires includes both direct and indirect employees.

[Note 2] The primary reason for the high turnover rate in the China region is due to student workers leaving upon contract expiration, a large number of people quitting their jobs to return home before Chinese New Year, and a high number of leaves. At the same time, it's also caused by an increase in recruitment.

Employees have a strong sense of belonging and the benefits are generous. Therefore, apart from retirees and production line workers, the number of new hires and the turnover rate have remained stable, overall showing a downward trend.

4-1-2 Salary and benefits GRI 2-21 GRI202-1

We uphold the principle of equal opportunity, recruiting employees through an open selection process. We provide a healthy and safe working environment for our employees, set up professional assessments, offer suitable positions and reasonable compensation and benefits. To attract and retain the best talent and reward colleagues for their performance, we link employee salaries with the company's operational performance, designing a competitive compensation structure to attract talent. Employee salaries consist of three major parts: fixed salary, year-end and performance bonuses; in addition to irregular salary adjustments, to make the distribution of bonus more immediate and incentivizing, bonuses are distributed each year based on the operational performance of the business units. High-efficiency rewards are given to research and development, engineering, outstanding performance, and excellent talent.

Upon employment, a formal employment contract is signed, a reasonable salary is set, and insurance and retirement funds are paid in accordance with local government regulations at each location. We reward senior employees, expressing gratitude for their dedication, by issuing awards, providing honorary leaves for those who meet the criteria. In 2022, eight senior employee service awards were distributed.

Overall compensation policy:

Article 26 of the charter:

(1) If the company makes a profit in any given year, it should allocate no less than 6% as employee remuneration. However, if the company still has accumulated losses, an amount should be reserved in advance to offset the losses.

(2) The company participates in market salary surveys every year and adjusts salaries based on market salary levels, economic trends, and individual performance to maintain overall salary competitiveness. In 111th year (2022), the average annual salary adjustment for both supervisory and non-supervisory positions in the Mainland China area of our company was 4%. In terms of performance evaluation, feedback is given to employees through twice-yearly performance reviews, and employees' excellent performance is recognized. Employee bonuses and year-end bonuses are distributed based on the company's operating conditions and employee performance and contributions. In addition, a bonus is set up for patent proposals/approvals, with a total of 4 cases accepted in 2022.

The ratio of male to female salaries compared to the local basic salary in Taiwan in 2022. NT

2022/12/31	Male	Female
Minimum wage for entry-level employees	\$26,167	\$26,167
(Legal) minimum wage for entry-level employees	\$25,250	\$25,250
Multiplier over the legal minimum wage	1.04	1.04

The ratio of male to female salaries compared to the local basic salary in overseas regions in 2022 (RMB)

2022/12/31	Male	Female
Minimum wage for entry-level employees	\$2,093	\$2,093
(Legal) minimum wage for entry-level employees	\$1,993	\$1,993
Multiplier over the legal minimum wage	1.05	1.05

■ Average and median annual salary for non-supervisory positions GRI405-2

Taiwan region Unit : NT		
item	2021	2022
Total salary of full-time employees not holding managerial positions	284,870,308	289,640,638
Number of full-time employees not holding managerial positions	354	285
Average salary of full-time employees not holding managerial positions	858,525	1,013,750
Median salary of full-time employees not holding managerial positions	742,893	873,792

Note 1: "Non-managerial positions" refers to the number of employees employed in Taiwan (including both nationals and foreigners), after deducting managers, part-time employees, and those who have been salaried for less than six months. The calculation is based on the average number of employees.

Note 2: The total salary is calculated on an accrual basis, including base salary, overtime pay, various allowances and bonuses, employee remuneration, etc. However, it does not include the cost of share-based payments.

Overseas region Unit : RMB		
item	2021	2022
Total salary of full-time employees not holding managerial positions	89,045,891	88,043,084
Number of full-time employees not holding managerial positions	1,205	1,206
Average salary of full-time employees not holding managerial positions	73,182	69,213
Median salary of full-time employees not holding managerial positions	68,136	65,835

4-1-3 Employee benefits and retirement plans GRI201-3 GRI401-2

The company has established these benefits and systems for the welfare of employees, allowing employees to balance work and life, and feel the care and importance the company places on them. When employees feel cared for and valued by the company, they are more motivated to work hard for the company, thereby improving job satisfaction and sense of identity with the company. In addition, the company's benefits and systems allow employees to balance work and life, alleviate stress, and enhance relationships among employees.

The explanation of the company's benefits system and pension is as follows:

ITEMS	EXPLANATION
HEALTH CHECK-UPS	Employees are entitled to a fully paid general health check-up once every two years. Higher-ranked employees are provided with advanced health check-up programs.
HEALTHCARE	Labor insurance/health insurance, group insurance, accident insurance, travel insurance, overseas business trip insurance, regular health check-ups, and consultation services with contracted doctors.
BUSINESS TRAVEL INSURANCE	Employees are provided with business travel insurance during business trips, which includes travel accident insurance, travel inconvenience insurance, etc.
OTHER BENEFITS	We provide festival gifts, birthday gift vouchers, marriage/birth/funeral and hospitalization subsidies, company meal and parking fee subsidies, exquisite afternoon tea, and unlimited coffee supply.
RETIREMENT CONTRIBUTION SYSTEM	For our Taiwanese factories, we handle retirement applications and provide standards in accordance with the 'Labor Standards Act' and the 'Labor Pension Act'. Each year, we appoint an actuary to issue an actuarial report on the labor retirement reserve fund, and legally deposit the old retirement pension into a special account with the Trust Department of the Bank of Taiwan. After the implementation of the new retirement system, we legally allocate 6% monthly to individual new retirement pension accounts. Employees who meet the statutory retirement conditions can apply for retirement.
SALARY SYSTEM	<p>We comply with all salary-related laws, including those related to minimum wages, overtime, and statutory benefits.</p> <p>Year-end bonuses, employee dividends, and project incentive bonuses are provided.</p> <ul style="list-style-type: none"> • We do not use wage deductions as a means of disciplinary action. • Detailed salary information is provided each pay period. • Temporary workers, dispatched staff, and outsourced labor are employed in accordance with local laws.
RECREATIONAL ACTIVITIES	Year-end party, departmental dinners, contracted fitness centers, numerous club activities, hiking activities, family day events, annual cinema screenings, and several affiliated stores.
COMPANY ENVIRONMENT	Independent office building, self-service staff restaurant, la'day mixed-style cafe, and indoor flat parking lot.
EMPLOYEE VACATION	We provide measures in accordance with the law, such as 'family care leave, paternity leave, menstrual leave, prenatal check-up leave, maternity leave, and lactation rooms'. In 2022, under the impact of the pandemic, we also provided 'epidemic care leave' for employees to take care of their families with peace of mind.
OVERSEAS STATUTORY BENEFITS	We provide social insurance (pension, medical, work-related injury, unemployment, and maternity), housing provident fund, high temperature allowance, medical leave period, annual leave, marriage leave, funeral leave, parental leave, nursing leave, and paternity leave.
OVERSEAS COMPANY BENEFITS	We provide benefits for the three major festivals, Women's Day, monthly gifts, birthday gifts, year-end party raffles, reimbursement for round-trip travel expenses during the Spring Festival, and employer liability insurance.

■ Maternity Leave GRI401-3

In our company, once an employee has been employed for 6 months, they can apply for unpaid parental leave until each of their children reaches the age of 3 years old. However, the leave period should not exceed 2 years. For those who are raising more than one child, the duration of the parental leave is combined and limited to a maximum of 2 years, based on the youngest child. In the year 2022, a total

of 26 colleagues applied for parental leave.

In addition to pursuing a sense of achievement at work, we provide comfortable, warm, and diverse activity spaces to allow employees to relieve stress and achieve physical and mental balance. We regularly hold activities to foster a sense of belonging and cohesion among employees. Celebrating employee birthdays allows colleagues to feel the company's care, simultaneously enhancing job satisfaction and identification with the company, encouraging them to continue working hard for the company. Moreover, birthday celebrations are an excellent opportunity for employees to relax and alleviate stress, fostering stronger relationships among colleagues.

Item	Gender	Taiwan facilities			Overseas facilities		
		2020	2021	2022	2020	2021	2022
Number of employees eligible for parental leave	Male	0	0	2	0	6	3
	Female	5	3	2	31	27	20
Number of employees who actually applied for parental leave	Male	0	0	2	0	6	3
	Female	3	2	2	31	27	20
Number of employees expected to return to work	Male	0	0	2	0	6	3
	Female	3	1	2	21	21	14
Number of employees who actually returned to work	Male	0	0	1	0	6	3
	Female	2	0	1	19	14	7
Return to work rate	Male	N/A	N/A	50%	N/A	100%	100%
	Female	67%	0%	50%	90%	67%	50%
Number of employees who returned to work for at least one year in the previous year	Male	0	0	1	0	4	3
	Female	1	1	0	8	12	0
Retention rate	Male	N/A	N/A	100%	N/A	100%	50%
	Female	N/A	50%	N/A	N/A	63%	0%

● Statistics on employee family care leave types in 2022

item	Number of family care leave taken	Number of maternity (paternity) leave taken	Number of menstrual leave taken
Male	13	7	0
Female	20	29	25

- Employee and Community Activities
- Birthday Party



- Club activities

Company club activities provide a platform for employees to showcase their personal strengths and interests, allowing them to do what they love outside of work. This can enable employees to find joy and satisfaction outside of work, thereby enhancing their work enthusiasm and satisfaction. In addition, the existence of company clubs can establish communication channels outside of the working language of different departments and facilitate exchanges between different generations, stimulating the brand DNA in the hearts of work partners. It encourages every corporate employee who wants to find partners to develop interests or wants to lead enthusiasts personally to find the momentum for progress outside of work and open space within the company.

Currently, in addition to signing a contract with a golf practice field, we have also established a total of 10 clubs such as basketball, badminton, triathlon, mountaineering, aerobic exercise, yoga, handcraft, floral art, and charity clubs. Employees can participate according to their interests to relax and stretch their bodies and minds.



■ Retirement Plan

To ensure that our employees have a good quality of life after retirement and embark on another journey of life, all our operating locations have welfare plans set out in accordance with the "Labor Standards Act" and the pension plans stipulated in the "Labor Pension Act". In terms of the new labor pension system, in Taiwan, we contribute 6% of the monthly salary of employees to the pension. The amount of pension contributions recognized as expenses in 2022 and 2021 were NTD 11,964 thousand and NTD 13,397 thousand, respectively. For overseas subsidiaries, according to the regulations of the local government, various types of social security funds such as pension and medical care are paid monthly.

	2022	
New system	Handled in accordance with the government's Labor Pension Act.	96%
Old system	Handled in accordance with the government's Labor Pension Act.	18%

4-2 Human capital development

4-2-1 Talent training GRI404-1 GRI404-2

In terms of talent development, we have designed training programs based on job levels for new employees, professional staff, and management executives. These programs provide diverse channels and encourage employees to enhance their professional skills through external training and self-study. Additionally, we have established an "In-Service Education Management Policy" that not only emphasizes on-the-job training but also encourages colleagues to strengthen their management and professional capabilities. This includes short-term study programs and long-term degree and credit courses. We also provide educational subsidies for employees attending these courses to meet both company operational and individual developmental needs.

- Pre-employment training for new employees: We provide courses on company culture, business operations, work rules, employee benefits, disciplinary regulations, and other relevant topics to give new employees a basic understanding of the company. New employees undergo pre-employment education to familiarize themselves with the company's culture and operations.
- On-the-job training for current employees: We arrange various training programs, including internal and external training, based on job requirements.
- Professional skills training: We send colleagues to relevant institutions for training to acquire professional certifications and qualifications as needed.

Taiwan Region				
Job level	Male	Female	Total hours	Average hours
Managerial position	610	296.5	906.5	3.55
Non-managerial staff	1037	588	1625	6.37
Non-managerial staff	1647	884.5	2531.5	9.93

Overseas Region				
Job level	Male	Female	Total hours	Average hours
Senior executives	121	0	118	0.05
Middle-level executives	323	113.5	436.5	0.20
Frontline supervisors	1104	561.5	1665.5	0.76
Professional staff	2434	380	2814	1.28
General staff	12638.5	8623.5	21262	9.71
General staff	16620.5	9678.5	26296	12.01

■ Training hours statistics

		Taiwan Region			Overseas Region		
Category		2020	2021	2022	2020	2021	2022
Training for new employees	Number of participants	31	51	32	1284	905	1388
	Number of hours	4.06	5.59	5.41	52.68	38.94	42.38
	Subtotal	126	285	173	67644	35244.5	58818
Specialized training	Number of participants	323	270	852	12898	12481	10123
	Number of hours	1.91	2.00	2.53	2.47	2.75	3.37
	Subtotal	618	540	2157	31848.5	34356.5	34069.5
Regulatory compliance training	Number of participants	26	37	174	87	99	206
	Number of hours	9.46	5.14	2.01	4.21	3.16	2.00
	Subtotal	246	190.2	349	366	313.2	412
Promotion to managerial position training	Number of participants	0	7	44	21	21	21
	Number of hours	0.00	1.00	1.27	3.00	3.00	3.00
	Subtotal	0	7	56	63	63	63

Training for new employees: Training is provided on the factory's "Attendance Management Policy," "Resignation Management Policy," "Employment Management Policy," and other related policies, as well as labor ethics.

Specialized training: Each process unit provides training related to production processes.

Regulatory compliance training: Training is conducted on the latest labor laws and social insurance regulations, and other relevant regulations.

Training for promotion to managerial positions: Training is provided for employees who are being promoted to managerial positions.

Employee Training Expenditure and Hours Statistics	Taiwan Region (NT)			Overseas Region (RMB)		
Training Metrics	2020	2021	2022	2020	2021	2022
Total training expenditure (in million NT dollars)	0.02	0.0175	0.002	1.19	0.82	1.12
Total training hours (in hours)	900	690.2	2234.5	99681.50	69790.00	93076.50
Training expenditure per employee (in NT dollars per person)	38.67	38.67	5.33	301.97	175.68	257.92

Please note that the above data specifically refers to regular employees and does not include contract employees.

4-2-2 Performance appraisal GRI404-3

Through regular performance appraisal, the abilities and job performance of employees are assessed, enabling an understanding of their expectations of supervisors and the company. This information can be used to provide targeted training and development to enhance employees' job skills and qualities. Additionally, employees can gain insights into their strengths and weaknesses through performance appraisal, allowing them to better adjust their work direction and goals.

- Performance appraisal results for 2022.

item	Male			Female			Subtotal		
	Total number of employees	Number of employees reviewed	Percentage	Total number of employees	Number of employees reviewed	Percentage	Total number of employees	Number of employees reviewed	Percentage
Managerial positions	517	125	24%	277	59	21%	794	184	23%
Non-managerial positions		392	76%		218	79%		610	77%
Subtotal		517	100%		277	100%		794	100%

1. The headcount is based on the number of employees employed as of December 31, 2022.
2. Employees who have been with the company for less than three months and direct labor personnel are not included in the evaluation. Both managerial and non-managerial positions, as well as male and female employees, undergo performance appraisals on a regular basis, scheduled semi-annually.

4-3 Human Rights and Labor Relations GRI 2-23 GRI 2-24 GRI 2-25 GRI 2-26

■ Human Rights Policy GRI 406-1 GRI 407-1 GRI 408-1 GRI 409-1 GRI 4010-1 GRI 415-1

The company's human rights policy is to support and adhere to internationally recognized human rights norms and principles, including the United Nations Universal Declaration of Human Rights (UDHR), United Nations Global Compact (UNGC), United Nations Guiding Principles on Business and Human Rights (UNGPs), and International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The policy also complies with local laws and follows the Responsible Business Alliance (RBA) Code of Conduct, treating all individuals with dignity and respect.

The key implementation principles include:

1. Diversity, inclusion, and equal opportunities.
2. Prohibition of forced labor and child labor.
3. Fair wages and working conditions.
4. Establishment of a safe, healthy, and conducive work environment.
5. Creation of accessible grievance mechanisms to prevent employee rights violations.
6. Provision of channels for feedback, including an independent reporting system and open dialogue, for suppliers, business partners, and other stakeholders to provide input. Regular review and evaluation of relevant systems and actions are conducted.

The company adheres to the Responsible Business Alliance (RBA) Code of Conduct, and the Taiwan headquarters and manufacturing centers follow the Corporate Social Responsibility Manual. Employment decisions are made based on individual qualifications, abilities, and job fit, without discrimination based on race, ethnicity, social background, social status, lineage, religion, physical disabilities, gender, sexual orientation, family responsibilities, marital status, political beliefs, age, or any other forms of discrimination. The headquarters and each manufacturing center have established management procedures documents for "Non-Forced, Non-Discrimination, and Anti-Harassment" policies.

In the year 2022, human rights-related training was conducted for employees in Taiwan, with a total of 672 hours of training completed by 56 employees, accounting for 21.88% of the total number of employees in Taiwan. Moving forward, we will continue to focus on human rights protection issues, promote relevant education and training to enhance awareness of human rights protection, and reduce the potential occurrence of related risks.

Regarding child labor and underage workers, there were no violations or complaints related to the employment of child labor or violations of freedom of association in 2022. The company also maintains political neutrality and did not make any political donations during the reporting period.

Overseas locations also receive formal human rights policy and specific procedure training to create a safe working environment.

● 2022 Security Personnel Human Rights Education and Training Materials

2022	Number of personnel	Percentage
Number of security personnel who received formal human rights policy or specific procedure training	29	85.3%
Total number of security personnel in the company	34	

■ Labor-Management Relations GRI 402-1

Establishing a positive corporate culture, fostering open communication channels, assisting employees in their career development, respecting labor rights, and providing opportunities for employee growth are the foundations of good labor-management relations. By promoting diverse and accessible communication channels, employees are encouraged to freely express their suggestions in labor-management meetings and management meetings, with the company providing timely feedback and reaching consensus. Employees can also receive up-to-date information, participate in company activities, and provide feedback through the internal bulletin system, ensuring timely information dissemination and engagement.

In accordance with the Labor Standards Act, the company clearly defines the shortest notice period for labor changes in its work rules: (1) Employees with less than 1 year of service are provided with a 10-day in advance. (2) Employees with 1 to 3 years of service are provided with a 20-day in advance. (3) Employees with more than 3 years of service are provided with a 30-day in advance. Based on this, any major adjustments to the company's structure or employee job responsibilities are announced at least two weeks in advance and proper communication is conducted with the employees, strictly preventing any instances of forced labor, discrimination, or abuse.

In 2022, no employee complaints or disputes were reported.

4-4 Occupational Health and Safety GRI 403-1~10

We provide a healthy/safe working environment for our employees, verified by the ISO 45001 Occupational Health and Safety Management System, ensuring comprehensive working conditions, health, welfare, and a commitment to equality. We provide online document procedures for our employees so that they can access complete information online at any time. Regular disaster prevention and fire drills are held, and our mainland factories have established 'Emergency Preparedness and Response Measures' procedures, and set up an emergency response team. In the event of an accident, the relevant personnel and supervisors are notified.

We have an Occupational Safety Committee set up in our factories, and in accordance with the ISO 45001 Occupational Health and Safety Management System, meetings are held quarterly to discuss matters related to occupational safety, facilitating communication, consultation, and ensuring the safety of the working environment among internal departments, different levels, and external related organizations. In 2022, no occupational safety disasters occurred among our company's employees.

■ Occupational Health and Safety Management Policy



■ Health and Safety Accidents

To prevent occupational safety issues from causing significant losses and fulfill our corporate social responsibility, we adhere to the core principles of disaster prevention and mitigation. By utilizing appropriate management tools, mature technologies, and available resources, we integrate occupational safety and health issues within our facilities, propose effective measures, and continuously improve the promotion of a culture of occupational safety. We also enhance personnel protection management and allocate resources to strengthen occupational disease prevention, aiming to create a zero-accident environment.

In 2022, the total expenditure on occupational health and safety in our Chinese facilities amounted to approximately 1,855,825 Chinese Yuan. These funds were allocated for various protective measures, equipment, training, and workplace environment monitoring to enhance the health and safety working environment. In Taiwan, there were no cases of disabling injuries reported, while in mainland China, the frequency of disabling injuries was also zero. There were 0 cases of occupational accidents involving object impacts and 10 cases of minor injuries caused by machinery (accounting for 0.4% of the total number of employees as of the end of 2021). No significant accidents occurred.

	2021		2022	
Performance Indicators:	Taiwan	China	Taiwan	China
Disabling Losses (Number of Work-related Injuries)	0	23	0	10
Disabling Losses (Total Work Hours: Work-related Absence Hours)	0	1,018	0	904
Frequency Rate of Disabling Injuries (FR)	0	5.24	0	0.00
Severity Rate of Disabling Injuries (SR)	0	26.46	0	0.02

According to the classification standard for enterprise employees' death and injury accidents (GB6441-86), disabling injuries include fatalities, permanent total disabilities, permanent partial disabilities, and temporary total disabilities.

Non-disabling injuries: Injuries with a duration of less than one day.

FR (Frequency Rate of Disabling Injuries): The total number of disabling injuries per million total work hours = (Total number of disabling injuries × 10⁶) / Total work hours.

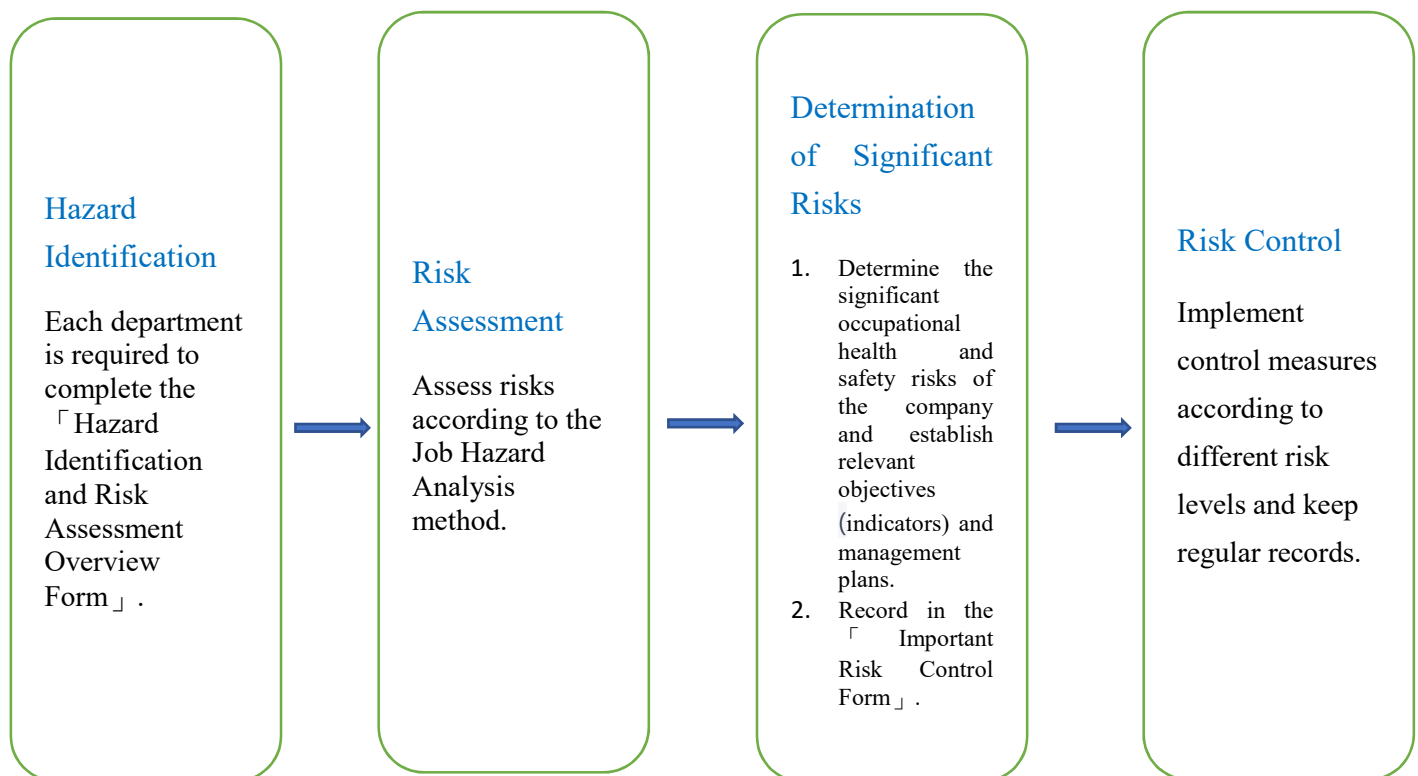
SR (Severity Rate of Disabling Injuries): The total number of days lost due to disabling injuries per million total work hours = (Total days lost due to work-related injuries × 10⁶) / Total work hours.

■ Occupational Safety and Health Risk Management

A comprehensive occupational safety and health risk assessment is instrumental in early identification of potential hazards. The factory follows the ISO 45001 management system's "Environmental Factors Risk Source Risk Assessment Procedure" to identify and assess risks. This includes recognizing and evaluating environmental factors and hazards in all company activities, products, and services. Significant environmental factors and occupational health and safety risks are determined, and control measures for these risks are established.

By avoiding significant losses resulting from occupational safety issues, the company fulfills its social responsibility. Disaster prevention and mitigation serve as core principles, utilizing appropriate management tools, mature technologies, and available resources. The integration of occupational safety and health issues within the factory leads to effective measures, continuous improvement, and the promotion of a culture of occupational safety. Emphasis is placed on enhancing personnel protection management and allocating resources to strengthen occupational disease prevention, ultimately striving for a zero-accident environment. In 2022, no occupational accidents occurred.

● The process of occupational safety and health risk assessment



■ Occupational Health Education and Services

The company has passed the 「ISO 45001 Occupational Health and Safety Management System」 certification, providing a safe and healthy working environment for employees and regularly implementing safety and health education for employees, with content as follows:

1. Access Control Safety: The company strictly controls access to all external entrances and key internal entrances with surveillance or access control equipment. A police team is stationed for day and night patrols, and 'Factory Access Management Regulations' and 'Building Access Management Regulations', etc., have been established. These regulations clearly stipulate the movements of personnel, vehicles, and goods entering and leaving the factory area, to maintain personnel safety.

2. Occupational Safety and Disaster Prevention Measures and Response:

(1) The company has established a 「Safety Production Committee」, chaired by the person in charge of the mainland factories. A safety production special meeting is held once a quarter to research and review major matters related to safety production.

(2) Newly hired employees must undergo labor safety and health training to increase their awareness of occupational safety.

(3) The company has established 「Occupational Health and Safety Management Procedures」, 「Emergency Response Procedures」, 「Accident Handling and Investigation Management Methods」, etc., which clearly regulate the timely handling and investigation of accidents that have occurred and exist, reducing the degree of harm to the minimum. After investigation and review of the cause and prevention methods, similar accidents are prevented from happening again.

3. Equipment Maintenance:

(1) According to fire regulations, fire safety equipment and evacuation facilities are inspected every month. In 2022, 12 safety inspections and maintenance operations have been completed.

(2) According to the Occupational Safety and Health Management Measures, regular maintenance checks are performed on all equipment in the working environment. The annual environmental inspection has been completed twice, and the results of all inspections comply with the regulations.

(3) The inspection of electrical equipment and wiring has been completed once this year, all of which comply with the relevant national safety regulations. The electrical equipment has fuses and leakage protection, good insulation performance, and reliable grounding or zero protection measures.

(4) The company legally registers and conducts thorough inspections of hazardous machinery and equipment to ensure safe operation. For the hazardous machinery part of the company, 「Operating Specifications for Each Machinery and Equipment」 are followed for regular inspections and maintenance, ensuring safety concerns of equipment use.

4. Health and Hygiene:

(1) Newly hired employees are required to undergo a physical examination before starting work. Current employees, with a frequency better than the regulations, receive regular health checks every two years, which the company helps arrange. The results of these examinations are analyzed and assessed by professionals for workers' physical conditions and health.

(2) Regular health and hygiene lectures are conducted to enhance colleagues' knowledge about health and wellness.

(3) Implementation of preventive measures and activities are carried out to address hazards to humans,

worker overload, protection of maternal health, and illegal infringements, etc.

(4) A friendly maternal working environment is provided, including the establishment of nursing rooms.

(5) To prevent workplace violence and sexual harassment, the company has established 「Sexual Harassment Prevention Management Measures」 which provides complaint channels and punishment methods.

(6) Medical (nursing) staff involved in workers' health services are assigned for on-site service.

(7) The company regularly carries out environmental disinfection in the factory area. The cleanliness of the environment is maintained by professional staff and deep cleaning is arranged regularly to ensure a healthy working environment. This year, 23 environmental disinfection cleanings have been completed.

5. Insurance: The company provides group insurance for employees, which includes term life insurance, critical illness insurance, accident insurance, accident medical insurance, hospitalization, cancer medical insurance, and preferential self-paid insurance for dependents.

Chapter 5 Social co-benefit

5-1 Social welfare GRI 203-1

■ Social Donation

We actively show our concern for social welfare through practical actions. Together with Mr. Lu Bi-Xian, the mayor of Zhuoxi Township, Hualien County, we assisted the tribes of Lishan Village in directly purchasing agricultural products from remote areas. We subscribed to 2,985 boxes of sweet and juicy pomelos, saving the farmers the trouble of transporting and selling them. We used technology and the internet to help the native village establish a marketing channel.



In response to the Hualien County Government's efforts to provide relief, raise funds, demonstrate the function of assistance, and improve the lives of the impoverished, Yongwei Company donated a total of 1.2 million yuan in March, June, and November 2022. The donations were used to provide living subsidies for low-income households and various emergency relief measures.

■ Community Education Cooperation and Humanitarian Care

Demonstrating the practical abilities and care of our colleagues, with the spirit of 「drawing from society and giving back to society」, we have cooperated with local vocational schools, focusing on technical development and employee training. We have donated disaster prevention supplies and practiced humanitarianism.



■ Love for the Earth, Environmentally Friendly

Plastic products, while convenient, also generate a massive amount of waste, burdening the environment. When exposed to heat or oil, they can release toxic substances that harm human health. Once discarded, plastics can take thousands of years to decompose in soil, and burning them in incinerators can produce highly toxic dioxins. Plastics that end up in the ocean can kill marine life, and plastic toxins can return to humans through the food and biological chains. To emphasize environmental sustainability and respond to joint advocacy, we have strengthened environmental education and advocated for waste reduction in daily life. On October 29, 2022, we participated in a beach clean-up event in Zhuwei, Taoyuan, hosted by the Pegatron Group. Approximately 150 people, including family members, participated in the event.



■ Charitable Blood Donation

We hold annual blood donation events, echoing the initiative "Donate a bag of blood, save a life." From 2014 to 2022, the group's charity blood donation event has entered its eighth year. Even though we have been impacted by the pandemic in the past two years, the enthusiasm for blood donation among our staff has not waned. On the contrary, once the pandemic situation eased, a single donation reached up to 330 bags of blood, creating a small peak for our blood donation activities.

Item	Date	Event Recipient Donation	Donation Amount
1	March 9	Group Blood Donation Activity - The 25th Time Taipei Blood Donation Center	Blood donation: 289 bags, 72,250 cc Total bags of blood donated: 7,010 bags / Total blood volume: 1,752,500 cc
2	July 13	Group Blood Donation Activity - The 26th Time Taipei Blood Donation Center	Blood donation: 308 bags, 77,000 cc Total bags of blood donated: 7,318 bags / Total blood volume: 1,829,500 cc
3	November 9	Group Blood Donation Activity - The 27th Time Taipei Blood Donation Center	Blood donation: 330 bags, 82,500 cc Total bags of blood donated: 7,648 bags / Total blood volume: 1,912,000 cc

Appendix One - GRI Standards Comparison Table

Statement of use	FIT Holding Co., Ltd. has reported the content from January 1, 2022 to December 31, 2022 in accordance with the GRI standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Industry Standards	None

GRI Standards Disclosure Items Comparison Table			
GRI STANDARD AND DISCLOSURE	LOCATION	PAGE	OMISSION EXPLANATION
GRI 2: General Disclosures 2021			
Organizational and Reporting Practices			
2-1 Organizational details	Overview	4	-
2-2 Entities included in the organization's sustainability reporting	About the report	1	-
2-3 Reporting period, frequency and contact point	About the report	1	-
2-4 Restatements of information	About the report	2	-
2-5 External assurance	About the report	1	-
Activities and Workers			
2-6 Activities, value chain and other business relationships	Overview	4	-
2-7 Employees	4-1-1 Human resource	56	-
2-8 Workers who are not employees	4-1-1 Human resource	56	-
Governance			
2-9 Governance structure and composition	1-1 Governance structure	14	-
2-10 Nomination and selection of the highest governance body	1-1 Governance structure	17	-
2-11 Chair of the highest governance body	1-1 Governance structure	16	-
2-12 Role of the highest governance body in overseeing the management of impacts	1-1 Governance structure	20&45	-

GRI STANDARD AND DISCLOSURE	LOCATION	PAGE	OMISSION EXPLANATION
2-13 Delegation of responsibility for managing impacts	1-1 Governance structure	16&30	-
2-14 Role of the highest governance body in sustainability reporting	2 Sustainable development	30	-
2-15 Conflicts of interest	1-1 Governance structure	20	-
2-16 Communication of critical concerns	1-1 Governance structure	16	-
2-17 Collective knowledge of the highest governance body	1-1 Governance structure	14	-
2-18 Evaluation of the performance of the highest governance body	1-1 Governance structure	14	-
2-19 Remuneration policies	1-1 Governance structure	18	-
2-20 Process to determine remuneration	1-1 Governance structure	18	-
2-21 Annual total compensation ratio	4-1-2 Salary and benefits	59	-
Strategy 、 Policy and Practice			
2-22 Statement on sustainable development strategy	2 Sustainable development	46	-
2-23 Policy commitments	4-3 Human Rights and	69	-
2-24 Embedding policy commitments	4-3 Human Rights and	69	-
2-25 Processes to remediate negative impacts	4-3 Human Rights and	69	-
2-26 Mechanisms for seeking advice and raising concerns	4-3 Human Rights and	69	-
2-27 Compliance with laws and regulations	1-2 Integrity management and compliance with regulations	21	-
2-28 Membership associations	Overview	10	-
Stakeholder Engagement			
2-29 Approach to stakeholder engagement	2-1 Stakeholder engagement	30	-
2-30 Collective bargaining agreements	-	-	The Taiwanese company has established a Welfare Committee.

GRI STANDARD AND DISCLOSURE	LOCATION	PAGE	OMISSION EXPLANATION
GRI 3 Material Topics 2021			
3-1 Process to determine material topics	2-2 Identification and analysis of	33	
3-2 List of material topics	2-2 Identification and analysis of	33	
3-3 Management of material topics	2-2 Identification and analysis of	33	
GRI 200 Economic			
GRI 3 Material Topics 2021			
201 : Economic Performance 2016(Material topics)			
201-1 Direct economic value generated and distributed	Overview	11	-
201-2 Financial implications and other risks and opportunities due to climate change	3-2 Climate Change and Adaptation	45	-
201-3 Defined benefit plan obligations and other retirement plans	4 Happy workplace	61	-
201-4 Financial assistance received from government	Overview operating performance	11	-
202 : Market Presence 2016			
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	4-1-2 Salary and benefits	59	-
202-2 Proportion of senior management hired from the local community	4-1-1 Human resource structure	56	-
203 : Indirect Economic Impacts 2016			
203-1 Infrastructure investments and services supported	5-1 Social welfare	76	-
204 : Procurement Practices 2016			
204-1 Proportion of spending on local suppliers	1-5 Sustainable supply chain	26	-
205 : Anti-corruption 2016			

GRI STANDARD AND DISCLOSURE	LOCATION	PAGE	OMISSION EXPLANATION
205-1 Operations assessed for risks related to corruption	1-2 Integrity management and compliance with regulations	21	-
205-2 Communication and training about anti-corruption policies and procedures	1-2 Integrity management and compliance with regulations	21	-
205-3 Confirmed incidents of corruption and actions taken	1-2 Integrity management and compliance with regulations	21	-
207 : Tax 2019			
207-1 Approach to tax	Overview	13	-
207-2 Tax governance, control, and risk management	Overview Tax governance, control and risk	13	-
207-3 Stakeholder engagement and management of concerns related to tax	Overview Stakeholder negotiation on	13	-
207-4 Country-by-country reporting	Overview Country report	13	-
GRI 300 Environment			
GRI 3 Material Topics 2021			
302 : Energy 2016(Material topics)			
302-1 Energy consumption within the organization	3-1-1 Management	38	-
302-2 Energy consumption outside of the organization	3-2-4 Performance of climate change	52	-
302-3 Energy intensity	3-1-1 Management	38	-
302-4 Reduction of energy consumption	3-1-1 Management	38	-
302-5 Reductions in energy requirements of products and services	3-3-1 Friendly Products	38	-
303 : Water and Effluents 2018			
303-1 Interactions with water as a shared resource	3-1-2 Water-saving	41	-
303-2 Management of water discharge-related impacts	3-1-2 Water-saving	41	-

GRI STANDARD AND DISCLOSURE	LOCATION	PAGE	OMISSION EXPLANATION
303-3 Water withdrawal	3-1-2 Water-saving	41	-
303-4 Water discharge	3-1-2 Water-saving	41	-
303-5 Water consumption	3-1-2 Water-saving	41	-
304 : Biodiversity 2016			
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	-	Not applicable. There are no protected areas or areas of high biodiversity value outside protected areas near the locations of operation that the company owns, leases, or manages.
304-2 Significant impacts of activities, products and services on biodiversity	-	-	Not applicable. There are no protected areas or areas of high biodiversity value outside protected areas near the locations of operation that the company owns, leases, or manages.
304-3 Habitats protected or restored	-	-	Not applicable. There are no protected areas or areas of high biodiversity value outside protected areas near the locations of operation that the company owns, leases, or manages.
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	-	Not applicable. There are no protected areas or areas of high biodiversity value outside protected areas near the locations of operation that the company owns, leases, or manages.
GRI 3 Material Topics 2021			
305 : Emissions 2016(Material topics)			
305-1 Direct (Scope 1) GHG emissions	3-1-1 Management	38	-
305-2 Energy indirect (Scope 2) GHG emissions	3-1-1 Management	38	-
305-3 Other indirect (Scope 3) GHG emissions	3-1-1 Management	38	-
305-4 GHG emissions intensity	3-1-1 Management	38	-
305-5 Reduction of GHG emissions	3-1-1 Management	38	-
305-6 Emissions of ozone-depleting substances	3-1-4 Air Pollution	44	-
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3-1-4 Air Pollution Control	44	-
306 : Waste 2020			

GRI STANDARD AND DISCLOSURE	LOCATION	PAGE	OMISSION EXPLANATION
306-1 Waste generation and significant waste-related impacts	3-1-3 Waste and Pollution Control Management	42	-
306-2 Management of significant waste-related impacts	3-1-3 Waste and Pollution Control Management	42	-
306-3 Waste generated	3-1-3 Waste and Pollution Control Management	42	-
306-4 Waste diverted from disposal	3-1-3 Waste and Pollution Control Management	42	-
306-5 Waste directed to disposal	3-1-3 Waste and Pollution Control Management	42	-
GRI 3 Material Topics 2021			
308 : Supplier Environmental Assessment 2016(Material topics)			
308-1 New suppliers that were screened using environmental criteria	1-5 Sustainable supply chain	26	-
308-2 Negative environmental impacts in the supply chain and actions taken	1-5 Sustainable supply chain	26	-
GRI 400 society			
GRI 3 Material Topics 2021			
401 : Employment 2016(Material topics)			
401-1 New employee hires and employee turnover	4-1-1 Human	58	-
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4-1-3 Employee benefits and retirement plans	61	-
401-3 Parental leave	4-1-3 Employee benefits and retirement plans	61	-
GRI 3 Material Topics 2021			
402 : Labor/Management Relations2016(Material topics)			
402-1 Hazard identification, risk assessment, and incident investigation	4-3 Human Rights and Labor Relations	-	In accordance with the law, 'labor-management meetings' are held quarterly, and ad-hoc labor-management meetings will also be convened when necessary for real-time communication. If it is necessary to terminate the employment relationship with some employees due to significant operational changes, advance notice will be given in accordance with the legal regulations at each operational location.

GRI STANDARD AND DISCLOSURE	LOCATION	PAGE	OMISSION EXPLANATION
GRI 3 Material Topics 2021			
403 : Occupational Health and Safety 2018 (Material topics)			
403-1 Occupational health and safety management system	4-4 Occupational Health and Safety	71~75	-
403-2 Hazard identification, risk assessment, and incident investigation	4-4 Occupational Health and Safety	71~75	-
403-3 Occupational health services	4-4 Occupational Health and Safety	71~75	-
403-4 Worker participation, consultation, and communication on occupational health and safety	4-4 Occupational Health and Safety	71~75	-
403-5 Worker training on occupational health and safety	4-4 Occupational Health and Safety	71~75	-
403-6 Promotion of worker health	4-4 Occupational Health and Safety	71~75	-
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4-4 Occupational Health and Safety	71~75	-
403-8 Workers covered by an occupational health and safety management system	4-4 Occupational Health and Safety	71~75	-
403-9 Work-related injuries	4-4 Occupational Health and Safety	71~75	-
403-10 Work-related ill health	4-4 Occupational Health and Safety	71~75	-
404 : Training and Education 2016			
404-1 Average hours of training per year per employee	4-2-1 Talent training	66	-
404-2 Programs for upgrading employee skills and transition assistance programs	4-2-1 Talent training	66	-

GRI STANDARD AND DISCLOSURE	LOCATION	PAGE	OMISSION EXPLANATION
404-3 Percentage of employees receiving regular performance and career development reviews	4-2-2 Performance appraisal	68	-
GRI 3 Material Topics 2021			
405 : Diversity and Equal Opportunity 2016(Material topics)			
405-1 Diversity of governance bodies and employees	4-1-1 Human resource	56	-
405-2 Ratio of basic salary and remuneration of women to men	4-1-2 Salary and benefits	60	-
GRI 3 Material Topics 2021			
406 : Non-discrimination 2016(Material topics)			
406-1 Incidents of discrimination and corrective actions taken	4-3 Human Rights and Labor Relations	69	-
GRI 3 Material Topics 2021			
407 : Freedom of Association and Collective Bargaining 2016(Material topics)			
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4-3 Human Rights and Labor Relations	69	-
GRI 3 Material Topics 2021			
408 : Child Labor 2016(Material topics)			
408-1 Operations and suppliers at significant risk for incidents of child labor	4-3 Human Rights and Labor Relations	69	-
GRI 3 Material Topics 2021			
409 : Forced or Compulsory Labor 2016(Material topics)			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	4-3 Human Rights and Labor Relations	69	-
410 : Security Practices 2016			
410-1 Security personnel trained in human rights policies or procedures	4-3 Human Rights and Labor Relations	69	-

GRI STANDARD AND DISCLOSURE	LOCATION	PAGE	OMISSION EXPLANATION
GRI 3 Material Topics 2021			
414 : Supplier Social Assessment 2016(Material topics)			
414-1 New suppliers that were screened using social criteria	1-5 Sustainable supply chain	26	-
414-2 Negative social impacts in the supply chain and actions taken	-	-	The information obtained is incomplete: the plan is disclosed in the 2023 report.
415 : Public Policy 2016			
415-1 Political contributions	-	-	Our company has not experienced this situation.
416 : Customer Health and Safety 2016			
416-1 Assessment of the health and safety impacts of product and service categories	3-3-1 Friendly Products	53	-
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	3-3-1 Friendly Products	53	-
417 : Marketing and Labeling 2016			
417-1 Requirements for product and service information and labeling	3-3-2 Low Energy Consumption Product Design	53	-
417-2 Incidents of non-compliance concerning product and service information and labeling	3-3-2 Low Energy Consumption Product Design	53	-
417-3 Incidents of non-compliance concerning marketing communications	-	-	Our company has not experienced this situation.
GRI 3 Material Topics 2021			
418 : Customer Privacy 2016(Material topics)			
418-1 : Substantiated complaints concerning breaches of customer privacy and losses of customer data	1-6 The value of customer	28	-

Appendix Two -SASB Sustainability Disclosure Topics & Metrics

TOPIC	Code	Metric	CATEGORY	Unit of measure	CATEGORY
Product Security	TC-HW 230a.1	Description of approach to identifying and addressing data security risks in products.	Qualitative	NA	1-4 Information Security Management.
Employee Diversity and Inclusion	TC-HW 330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees.	Quantitative	Percentage%	as noted
Product Lifecycle Management (PLM)	TC-HW 410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances.	Quantitative	Percentage%	The company conducts a GP survey to identify whether the composition of all components includes relevant items declared under IEC62474, and it has achieved a 100% pass rate in health and safety assessments, environmental compliance surveys, and other assessments related to the compliance of hazardous substances in environmental declarations.
	TC-HW 410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent.	Quantitative	Percentage%	EPEAT registration is carried out by customers, and if customers have application requirements, the company will provide the necessary information for customer registration.
	TC-HW 410a.3	The annual revenue percentage of products compliant with ENERGY STAR certification or equivalent requirements.	Quantitative	Percentage%	3-3-3 Circular Economy ENERGY STAR registration is performed by customers, and if customers have application requirements, the company will provide the necessary information for customer registration.
	TC-HW 410a.4	Total global recovered weight of waste products and percentage of recovered weight in relation to the total sales product weight	Quantitative	Metric tons (t), Percentage%	The group's products are not final consumer products, so end-of-life cycle reporting, recycling services, and recovered weights are planned by the customer side.
Supply Chain Management (SCM)	TC-HW 430a.1	The percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, categorized as (a) all facilities and (b) high-risk facilities.	Quantitative	Percentage%	Information is incomplete. It will disclosure in 2023 report.
	TC-HW 430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or	Quantitative	rate	Information is incomplete. It will disclosure in 2023 report.

		equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances			
Materials Sourcing	TC-HW 440a.1	Description of the management of risks associated with the use of critical materials.	Qualitative	NA	Establishing a GP Green Product Management Platform to implement source management of raw materials in the supply chain and require suppliers to commit to responsible mineral sourcing by signing the "Prohibition/Non-Support/Non-Use of Conflict Minerals Pledge.

Noted :

2022/12/31	Male		Female	
	Number	Percentage	Number	Percentage
Management	47	2%	20	1%
Technical personnel	385	15%	79	3%
Others	1,184	46%	868	34%
Total	1,616	63%	967	37%