

2023 Sustainability Report





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Address from the Chairman



Dear shareholders and stakeholders,

When facing the turbulence and challenges in the electronics industry environment in 2023, Wendell Industrial shouldered its responsibilities as an industrial leader and strived to innovate and achieve the commitment to sustainable development. In the last year, we experienced the tests from global economic fluctuation, inventory adjustment, and geopolitical tension. In the face of these changes, we adjusted strategies, continually invested in automotive electronics, network communication, data center, and technical innovation of cloud computing, and strengthened cooperation with global partners, to improve our resilience and market competitiveness.

With respect to corporate governance, we firmly believe that transparency and responsibility are the cornerstones of corporate success. Wendell Industrial will further strengthen its corporate governance structure to ensure that all decision-making processes are open and transparent. Furthermore, the Company continues to maintain close communication with shareholders and other stakeholders, to facilitate a better understanding of their needs and expectations and actively respond to the requirements of social corporate responsibility.

As for commitment to a friendly environment, Wendell Industrial will give continual efforts to environmental protection and resource conservation. We realize that corporate development shall not be achieved at the expense of environment. Therefore, we will continually promote the improvement of energy efficiency, reduce the generation of waste, and try to use more renewable energy sources, to lower environmental impact.



Establishing and maintaining a green supply chain are crucial to realizing our sustainability goals. Wendell Industrial will continue to work closely with suppliers, jointly abide by the strict environmental standards, and promote the fulfillment of environmental and social responsibilities of the whole supply chain. Through these efforts, we hope to establish a more sustainable and responsible supply chain network.

Additionally, a diversified and inclusive workplace environment is the core of our corporate culture. It was a great honor for us to win 2023 Family Friendly Workplace Award by CommonWealth Parenting Magazine for the first time. In the future, we will continually dedicate to the creation of a work environment where all employees can give play to their potential, and obtain equal opportunities and respect at Wendell Industrial regardless of gender, age, ethnic group, or background. Through continual education and training, we encourage employees to develop comprehensive skills, promote innovative thinking, and realize the joint growth of individuals and the organization.

The core tenet and business of the Wendell are to create a safe, stable, and energy-saving electronic product application environment for mankind, which is fully and closely combined with the ESG sustainable development concept. Looking into the future, Wendell will continue to practice the concept of “Treating employees like family”, and keep improving its sustainable development on the basis of complete corporate governance. In addition to addressing issues like Net-Zero emissions, circular economy, environmental education, labor human rights, occupational safety and corporate governance, we will also expand the entire supply chain and become a sustainable company that cares for and pays back to society. We will continue to maintain favorable interaction with our stakeholders including colleagues, customers, suppliers, investors, government agencies and public welfare legal persons, and work together to pursue win-win and mutually prosperous sustainability goals and create a better future for the next generation.

Chairman:  Kao, Chih-Hung



About This Report

Scope and Principles

This Report discloses the operations of Wendell in Taiwan and involves specific practice and performance data regarding economy, governance, society, and environment. The data used in this Report was provided by each department of the headquarters, and then submitted to the Sustainability Report Preparation Group for summarization and edition. After being rechecked and revised by the supervisors of promotion centers at the Sustainable Development Committee, this Report was presented to the president and chairman for review in accordance with relevant administrative procedures before it was finalized for publication. This Report hasn't contained relevant information of subsidiaries listed in the consolidated financial statements. Nevertheless, such information will be successively disclosed in the subsequently published sustainability reports.

The information disclosure period in this Report started from January 1, 2023 and ended on December 31, 2023. However, to ensure the integrity of the performance of related projects and activities, some contents hereof will cover the information and data in 2022 and 2023.

The statistical data disclosed herein is sourced from the results of statistics and investigations performed by Wendell. Information published by PWC after auditing and certification has been adopted as the source of relevant financial data. Also, some of the data has been quoted from the data published on the websites of relevant government agencies, and presented in commonly used numerical formats. The financial statements of Wendell have been prepared in accordance with International Financial Reporting Standards (IFRSs) and relevant data has been calculated in New Taiwan Dollar (NT\$).

Principle of Preparation

This Report has been prepared with reference to the Universal Standards 2021 published by GRI in 2021 as a primary comprehensive disclosure structure, and in accordance with standards specified by the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB).

Overview of Publication

- First edition: Published in September 2023.
- Current edition: To be published in August 2024.

The Company regularly publishes its sustainability report every year, discloses it publicly on its website, and provides relevant electronic file. Stakeholders are welcome to check and download the report online. In case of any error corrections or data updates in the contents of this report, the contents of the electronic file announced on the corporate website shall prevail.

Contact Information

In case of any doubt, guidance or suggestion about this Report, please do not hesitate to contact us.

- Unit to contact: Wendell Industrial Co., Ltd./Sustainable Development Committee
- Contact person: Kao, Min-Hung
- Email: esg@wendell.com.tw
- Tel.: (02) 2917-5770 #200
- Address: 2F, No. 188, Baoqiao Rd., Xindian District, New Taipei City



Reporting Highlights

Winning of 2023 Family Friendly Workplace Award by Commonwealth Parenting Magazine

Through cooperation with “CommonWealth Sustainable Citizenship Award” which has boasted a history over a decade, 2023 Family Friendly Workplace Award by Commonwealth Parenting Magazine is expected to reward good enterprises that proactively cared about employees’ well-being and create a sense of happiness for talents, thus jointly promoting family friendly workplaces and laid a foundation for the development of sustainable talents in Taiwan. In the appraisal of this award, comprehensive scoring was implemented, focusing on 4 constructs, i.e., “Organizational Culture and Corporate Commitment”, “Measures Complying with Parents’ Needs”, “Features and Innovativeness”, and “Effectiveness Indicators”, in order to appraise and select the best family friendly enterprises in Taiwan. It is expected to find the models of family friendly enterprises given the impact of low childbirth on Taiwan’s industries and make families important support for corporate talents.

For the purpose of creating a happy workplace, promoting a family-friendly environment, and enabling employees to give equal consideration to families and work securely, the Company applied for participation in the selection of “2023 Family Friendly Workplace Award by Commonwealth Parenting Magazine” in 2023. A total of 209 enterprises registered for this event, and finally 26 winners were selected. Wendell Industrial become one of the award winners in Little Giant Group.

List of Winners of 2023 Family Friendly Workplace Award by Commonwealth Parenting Magazine

| List of Winners of 2023 Family Friendly Workplace Award by Commonwealth Parenting Magazine | |
|--|--|
| Large Enterprise Group It was originally determined for selecting 10 award winners for this group. However, two enterprises had the same ratings, the number of award winners was increased to 11. | China Motor Corporation |
| | Chunghwa Telecom Co., Ltd. |
| | CTCI Co., Ltd. |
| | ASE Technology Holding Co., Ltd |
| | Delta Electronics, Inc. |
| | E.SUN Financial Holding Co., Ltd. |
| | acer |
| | Cathay Financial Holdings Co., Ltd. |
| | Fubon Financial Holding Co., Ltd. |
| | Taiwan International Ports Corporation, Ltd. |
| | Far EasTone Telecommunications Co., Ltd. |
| Backbone Enterprise Group 5 winners selected | ATEN International Co., Ltd. |
| | Actron Technology Corporation |
| | PixArt Imaging Inc. |
| | PLANET Technology Corporation |
| | Taiwan Depository & Clearing Corporation |
| Foreign-funded Enterprise Group 5 winners selected | Micron Technology, Inc. |
| | Nestlé Taiwan |
| | L'Oréal Taiwan |
| | Merck Performance Materials Ltd. |
| | Unilever plc |
| Little Giant Group 5 winners selected | 104 Corporation |
| | MACHVISION Inc. |
| | MacroHI Co., Ltd. |
| | Chia Hsin Cement Corporation |
| | Wendell Industrial Co., Ltd. |

The list of award-winning enterprises is sorted according to the stroke number.

The grouping standards for the respondents of this survey are determined based on the annual operating revenue. Enterprises with annual operating revenue above NT\$ 10 billion are “large enterprises”; enterprises with annual operating revenue below NT\$ 10 billion are “backbone enterprises”; enterprises with annual operating revenue below NT\$ 5 billion are “Little Giants”; foreign-funded enterprises, branches, and subsidiaries in Taiwan are “Foreign-funded Enterprises”; enterprises in the Foreign-Funded Enterprise Group are not subject to the restriction of operating revenue. Foreign-funded enterprises in Taiwan with annual operating revenue below NT\$ 5 billion may freely choose to participate in the appraisal of foreign-funded enterprises or little giants.

1. Sustainable Development

1.1 About Wendell

Company Profile

| Profile of Wendell Industrial Co., Ltd. | |
|---|---|
| Name | Wendell Industrial Co., Ltd. |
| Time of incorporation | 1979 |
| Market | TPEX |
| Industry | Electronic component industry |
| Capital | NT\$ 301 million |
| Location of the headquarters | 6F/6F-1, No. 188, Baoqiao Rd., Xindian District, New Taipei City |
| Website | https://www.wendell.com.tw/ |



| Table of Shareholding Structure | | |
|--|-------------|-------------------------------|
| Shareholder | Shares held | Cut-off date: August 01, 2023 |
| | | Shareholding ratio (%) |
| Investment of corporate juridical persons in Taiwan | 11,640,207 | 48.68 |
| Investment by other corporate bodies in Taiwan | 1,071 | - |
| Investment by overseas securities investment trust funds | 212,000 | 0.89 |
| Investment by natural persons in Taiwan | 11,855,562 | 49.59 |
| Investment by overseas natural persons | 200,677 | 0.84 |

The Company is a provider of complete EMC (Electromagnetic Compatibility) and line protection solutions in the electronic component industry. Different from general electronic component suppliers and certification service vendors, Wendell provides complete one-stop services, integrates the sales of components, assigns engineers to assist debugging, and offers EMC, RF and safety certifications, so that our customers can greatly shorten the time needed for product certification and marketing. We sell products to approximately 20 countries and regions, including Taiwan, Central China, East China and North China in the Chinese mainland, Japan, South Korea, Singapore, Thailand, Vietnam, Australia, etc.

As of 2023, Wendell has cooperated with partners distributed in regions including the Chinese mainland, South Korea, Japan and Singapore, and it owns 8 reinvested enterprises in Taiwan and abroad. The Company mainly promotes EMC one-stop procurement services, and cultivates long-term partnership with customers based on the service spirit of “A Team of Customer Orientation”. Furthermore, Wendell expands the global layout of laboratory platform and continues to develop test items for laboratory certification, so as to improve the breadth and depth of customer services through cooperation with overseas laboratories.

The main customers of Company include local and foreign TWSE/TPEX listed companies and SMEs specialized in network communication, security monitoring, industrial computers, automotive electronics, and consumer electronics.

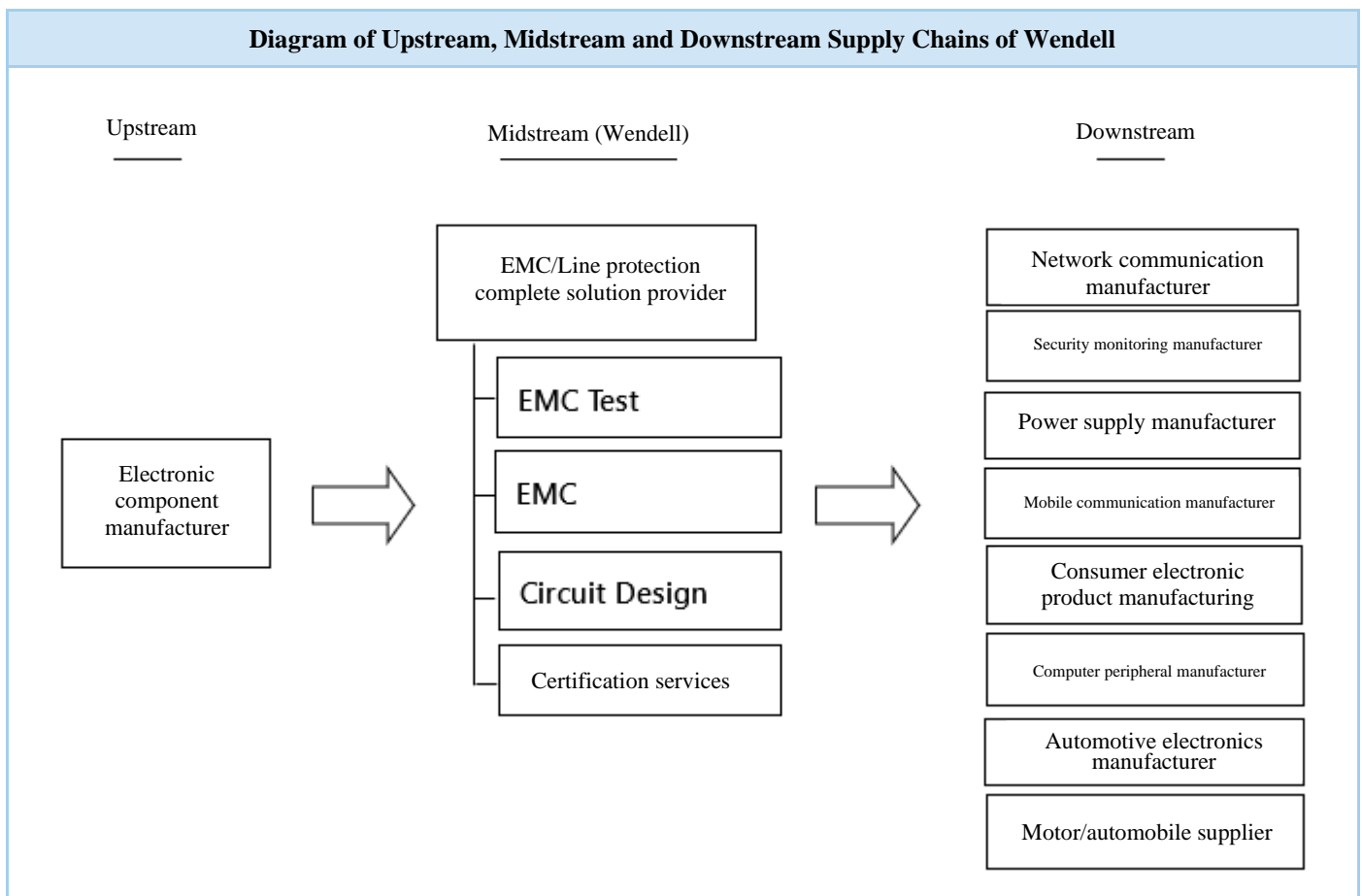
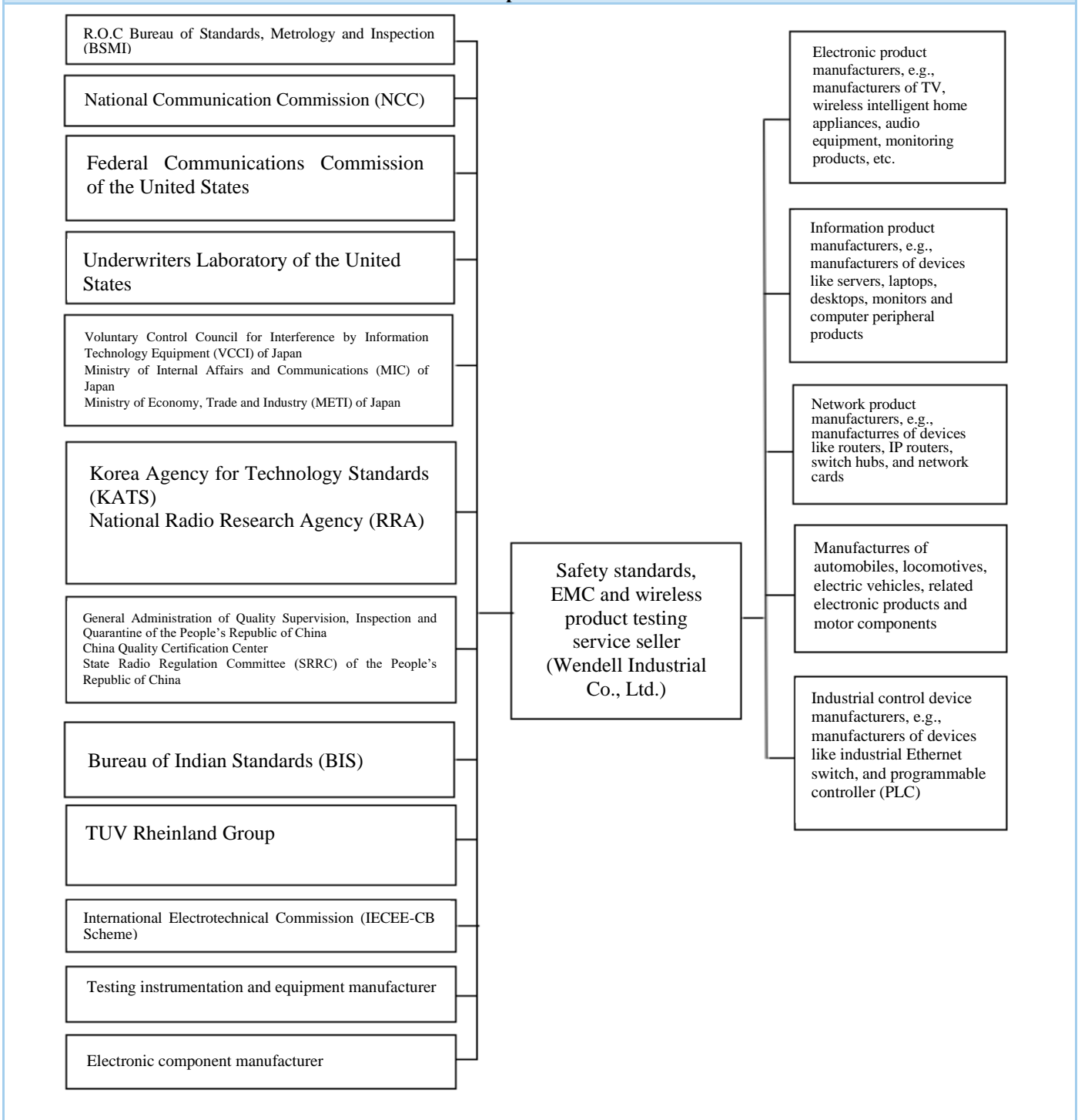


Diagram of Upstream, Midstream and Downstream Relations of Vendors of ECM, Safety and RF Testing Services and Component Sales



Products or services of the Company

| Product or service | Regions of sales | Type of customer | Sales volume (Unit: 1,000PCS) |
|-------------------------|------------------|---|-------------------------------|
| Protection Devices | Taiwan and Asia | Consumer electronics, network communication, industrial control, and automotive customer groups | 811,452 |
| Magnetics (EMI Devices) | | | 99,206 |
| Potentiometer | | | 45,873 |
| Modular products | | | 63 |



1.2 Sustainability Commitments

Since its establishment, Wendell has not only focused on the growth and development of its main business, but also stably created economic growth, implemented environmental protection, and cherished resources by sticking to the concept of “Taking from society and using for society”, in the hope that we can start from the traceability of raw materials to build a non-toxic environment and achieve sustainable management. In addition, we aspire to become an excellent corporate citizen and give back to those in need.

Following the standards of the Responsible Business Alliance (RBA) and local regulations, Wendell values employees’ interests, working hours, health and work environment, provides them with fair treatment without discrimination in gender and race, communicates with them, and builds a friendly workplace environment to treat employees sincerely as family.

We hope to bring more seeds of love and make our society better and more peaceful with the growth of our business in the future.





1.3 Stakeholder Engagement

In 2023, Wendell listed a total of 8 categories of stakeholders with priority, i.e., shareholders and other investors, customers, suppliers (or contractors/outsourcers), employees and other workers, financial institutions, government, social welfare organization, academic and industry-university cooperation units.

Communicating Channels for Stakeholders

| Stakeholder | Significance of stakeholder for the Company | Issues concerned | Communicating channels | Frequency | Communication effect |
|---|--|---|---|--|--|
| Shareholders and other investors/ Financial institutions | Shareholders and investors have recognized the management philosophy and guidelines of Wendell for a long term. Financial institutions are indispensable partners for the flexible application of working capital. Wendell promotes the exclusive EMC one-stop integration services in the market, endeavors to acquire stable profits and return on investment for shareholders and other investors, and implements corporate sustainable management. | <ul style="list-style-type: none"> ● Corporate Governance and Ethical Corporate Management ● Operating Performance ● Risk Management and Regulatory Compliance | <ul style="list-style-type: none"> ● Board of Directors and Audit Committee ● Remuneration Committee ● Regular Shareholders' Meeting ● Investor conference ● Dedicated line for investors/Mail box ● Spokesperson system ● MOPS ● Annual report ● Financial reports ● Bank credit ● Official website of the Company and dedicated zone for investors | <ul style="list-style-type: none"> ● At least once per quarter ● At least twice per year ● At least once per year ● At least once per year ● Immediate ● Immediate/Irregular ● Once per year ● Four times per year ● Once per year ● Immediate/Irregular | <ul style="list-style-type: none"> ● In 2023, 6 meetings of the Audit Committee, 7 meetings of the Board of Directors, 4 meetings of the Remuneration Committee, 1 regular Shareholders' Meeting, 1 extraordinary Shareholders' Meeting, and 1 investor conference were held. ● In 2023, the Company announced monthly revenue for 12 times, and released 39 major messages on MOPS. ● In 2023, the Company published 1 annual report and 4 financial reports. ● Reply to the questions raised by investors immediately. ● Update the official website and dedicated zone for investors at any time. ● Sign credit limit contracts with banks. |
| Customers | Customers are not only the source of the Company's main revenue but also the source of needs for product development and technical support. We will continue to | <ul style="list-style-type: none"> ● Environmental Sustainability ● Occupational Safety and Health Management ● Product Lifecycle | <ul style="list-style-type: none"> ● E-mail/Dedicated telephone line/Visit ● Communication software ● Meeting ● Seminar | <ul style="list-style-type: none"> ● Immediate/Irregular/Every 2-3 days or weekly ● Immediate/Irregular ● Irregular ● 1-2 times/year | <ul style="list-style-type: none"> ● The Company has established a full-time department to provide customer services. ● Learn about the score and deepen customers' |



| Stakeholder | Significance of stakeholder for the Company | Issues concerned | Communicating channels | Frequency | Communication effect |
|---|--|--|--|--|---|
| | <p>provide innovative product and high-quality platform services, dedicate to becoming a partner trusted by customers, and guarantee to join hands with customers in a definite path of sustainability that complies with the market demand.</p> | <ul style="list-style-type: none"> ● Management ● Social Participation ● Corporate Governance and Ethical Corporate Management ● Operating Performance ● Customer Privacy | <ul style="list-style-type: none"> ● Customer satisfaction survey | <ul style="list-style-type: none"> ● Once per half a year | <p>stickiness through customer satisfaction/supplier audit of customers/general meeting of suppliers of customers.</p> <ul style="list-style-type: none"> ● Enable customers to obtain the explanations for the questions raised within the short time through the quality system of Wendell. ● Conduct regular customer satisfaction survey every year. The result of customer satisfaction survey of the Company in 2023 was higher than the indicator of “Satisfied”. |
| <p>Suppliers (or contractors/outsourcers)</p> | <p>They are the business partners of the Company. We need to cooperate closely with suppliers in terms of product quality, production and technical management, and after-sales services, for the purpose of establishing a developing sustainable supply chain. Besides, the appraisal and review of suppliers are an important process that benefits the establishment of a mutually beneficial model.</p> | <ul style="list-style-type: none"> ● Environmental Sustainability ● Supply Chain Management ● Product Lifecycle Management ● Operating Performance ● Social Participation | <ul style="list-style-type: none"> ● E-mail/ Telephone/Visit ● Vendor appraisal form | <ul style="list-style-type: none"> ● Irregular/Every 2-3 days or weekly ● Once per half a year | <ul style="list-style-type: none"> ● Require the suppliers to abide by the Company’s quality code as well as requirements addressing the issues of hazardous environmental substances and sustainable development according to QMS Supplier Selection Measures of the Company. In 2023, the Company signed “Statement of Commitment to Sustainable Management” and “Supplier ESG Evaluation Questionnaire” with suppliers having transactions with Wendell, and the signing rate reached 94%. ● The Company immediately discusses and |



| Stakeholder | Significance of stakeholder for the Company | Issues concerned | Communicating channels | Frequency | Communication effect |
|------------------------------------|--|--|--|--|--|
| | | | | | <p>negotiates relevant solutions with suppliers who do not comply with the provisions, so as to properly manage and improve the problems.</p> <ul style="list-style-type: none"> ● The quantity of cooperative materials may be added if the score in the vendor appraisal form is high. ● Actively cooperate with suppliers and improve their development capabilities, and also create local jobs, to increase contributions to overall environment and society. |
| <p>Employees and other workers</p> | <p>Employees are the most important assets valued by Wendell as well as a key to our successful operation. Employees may be fully cared for and concerned and grow vigorously together with the Company only when we provide them with a friendly employment environment, improve our systems, abide by laws, regulations and rules, and care for employees physically and mentally as appropriate, so as to realize the goal of attracting more professional talents. In addition, talent cultivation is also a goal we are exerting continual efforts for.</p> | <ul style="list-style-type: none"> ● Talent Cultivation and Retention ● Employee Diversity and Equality ● Occupational Safety and Health Management ● Corporate Governance and Ethical Corporate Management ● Operating Performance | <ul style="list-style-type: none"> ● Welfare Committee meeting ● Labor-management/Occupational safety meetings ● Performance assessment and feedback of suggestions ● Onsite services ● Family Day/Employee tourism ● Employee health examination/Health consulting ● Appeal mailbox/Dedicated appeal line/Internal publicity channel | <ul style="list-style-type: none"> ● 1~2 times/quarter ● Once per quarter ● Once per half year ● Once per month ● Once per year ● Once per year/Irregular ● Immediate | <ul style="list-style-type: none"> ● In 2023, the Company held 4 labor-management meetings/Welfare Committee meetings, conducted 2 times of employee performance assessment, 1 time of employee health examination, 5 times of health consulting by physicians and nurse practitioners, and 24 times of onsite services, handled 33 cases of employees' suggestions in a real-time way, and organized Family Day and employee tourism once, and 30 times of internal real-time advocacy and announcement. |
| <p>Government</p> | <p>Wendell abides by the latest laws and regulations and</p> | <ul style="list-style-type: none"> ● Environmental Sustainability ● Climate | <ul style="list-style-type: none"> ● Telephone/E-mail/Letter | <ul style="list-style-type: none"> ● Immediate/Irregular | <ul style="list-style-type: none"> ● Wendell already learned about relevant |



| Stakeholder | Significance of stakeholder for the Company | Issues concerned | Communicating channels | Frequency | Communication effect |
|---|---|---|--|--|--|
| | <p>policy amendments of the competent authority, to comply with regulatory requirements. Wendell is employee-oriented. When any circumstance occurs, we guarantee to prioritize the compliance with laws and regulations and the safeguarding of employees' interests. If employees' interests are harmed, we will immediately manage to minimize the damages. In addition to the compliance with relevant regulations, the Company also conducts two-way communication with the competent authority.</p> | <p>Change</p> <ul style="list-style-type: none"> ● Occupational Safety and Health Management ● Corporate Governance and Ethical Corporate Management ● Operating Performance ● Risk Management and Regulatory Compliance ● Tax | | | <p>regulations in doubt after communicating with relevant units. No major deficiencies existed.</p> <ul style="list-style-type: none"> ● Wendell was not involved in any labor-management dispute as of 2023. |
| <p>Social welfare organizations</p> | <p>Since its establishment, Wendell has not only focused on the growth and development of its main business, but also adhered to the concept of "Taking from society and using for society", in the hope that we can become an excellent corporate citizen and give back to children and the elderly in need to spread the seeds of care.</p> | <ul style="list-style-type: none"> ● Social Participation | <ul style="list-style-type: none"> ● Telephone/E-mail ● Card writing | <ul style="list-style-type: none"> ● Irregular ● Twice per year | <ul style="list-style-type: none"> ● Encourage children adopted positively in their daily and academic lives every year, and the children will also share their recent conditions with us. |
| <p>Academic and industry-university cooperation units</p> | <p>People are the most important assets of Wendell. We hope that more young students can be recommended by schools to apply the knowledge they have learned in practice through industry-university cooperation. Besides, we will help them find their interest as early as possible and expect that they will</p> | <ul style="list-style-type: none"> ● Talent Cultivation and Retention ● Innovative R&D Patents | <ul style="list-style-type: none"> ● Telephone/E-mail ● Conversion | <ul style="list-style-type: none"> ● Real-time ● Once every 2 months | <ul style="list-style-type: none"> ● The Company has established full-time department and laboratory factories to provide teaching services. ● In the recent 8 years, the Company has hired a total of 17 interns from different universities, including 13 from Lunghwa |



| Stakeholder | Significance of stakeholder for the Company | Issues concerned | Communicating channels | Frequency | Communication effect |
|-------------|--|------------------|------------------------|-----------|--|
| | develop more creative ideas. Hopefully, these young students can get a stable job before graduation, and the employment rate of society can be improved. | | | | University of Science and Technology, 1 from Takming University of Science & Technology, 1 from Tungnan University, 1 from National Taiwan University of Science and Technology, and 1 from Ming Chi University of Technology respectively. After graduation, 12 of them stayed with us, presenting a retention rate of 71%. |



1.4 Identifying Material Topics

The material topics of the Company were selected with reference to GRI Standards and SASB Standards, and identified by the representatives of the Company, department supervisors, and external experts who gave scores in accordance with the actual or potential negative and positive impacts of each topic on economy, environment, and society (mankind and human rights).

The material topics were identified specifically in four stages:

| | |
|--|--|
| I. Understanding the organization | A total of 25 sustainability topics have been summarized with reference to GRI Standards and SASB Standards. |
| II. Identifying actual and potential impacts | The representatives of the Company, department supervisors, and external experts gave scores in accordance with the actual or potential negative and positive impacts of each topic on economy, environment, and society (mankind and human rights), and then added up and sorted the actual negative impact, potential negative impact, actual positive impact and potential positive impact of each topic on economy, environment, and society (mankind and human rights). |
| III. Assessing the significance of impacts | After engaging stakeholders, the representatives of the Company and department supervisors held meetings to discuss with external experts. The extent and possibility of significance of the impacts of the topics were explored. |
| IV. Determining the reporting priority of the most significant impact | According to the analysis results of material sustainability topics, the representatives of the Company and department supervisors conducted comprehensive assessment with external experts based on the nature of the topics, and finally concluded and determined a total of 12 material topics for ESG according to the material topic analysis matrix. The material topics have been successively arranged in each section of this Report for disclosure. |

Compared to 2022 Sustainability Report, the material topics and topic boundaries of this report have been readjusted to determine material topics in response to the new edition of GRI.

Add: 6 material topics, including climate change, employee diversity and equality, social participation, corporate governance and ethical corporate management, risk management and regulatory compliance, and supply chain management;

Delete: 2 material topics including water resource management and raw material traceability

Adjustment of reporting boundaries and names: 3 material topics including talent cultivation and retention, occupational safety and health management, and innovative R&D patents.

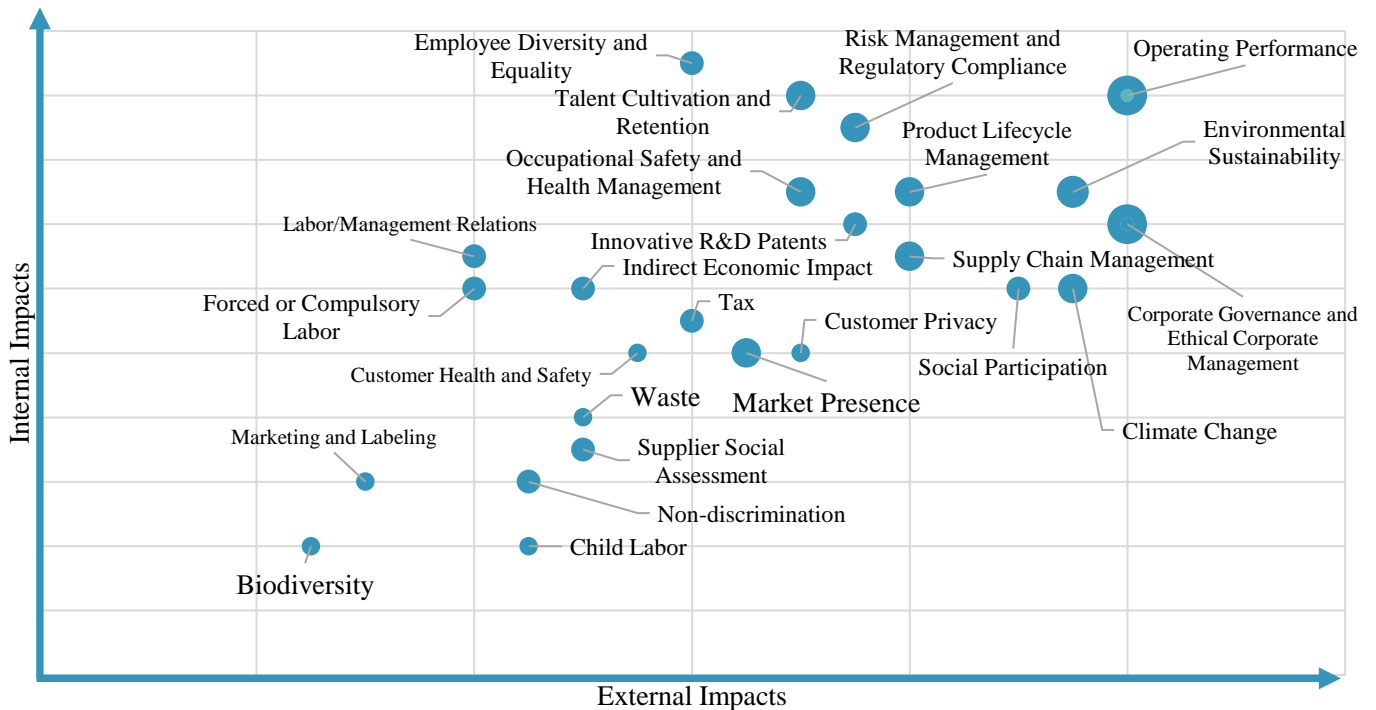


Identified Material Topics

| Identified material topics | | | | | |
|-----------------------------------|--|---------------------------------------|---|--|-----------------------------------|
| Material topics | | | | | |
| 1 Environmental Sustainability | 2 Climate Change | 3 Talent Cultivation and Retention | 4 Employee Diversity and Equality | 5 Occupational Safety and Health Management | 6 Product Lifecycle Management |
| 7 Social Participation | 8 Corporate Governance and Ethical Corporate Management | 9 Operating Performance | 10 Risk Management and Regulatory Compliance | 11 Innovative R&D Patents | 12 Supply Chain Management |
| Secondary topics | | | | | |
| 13 Market Presence | 14 Indirect Economic Impacts | 15 Tax | 16 Biodiversity | 17 Waste | 18 Employment |
| 19 Non-discrimination | 20 Child Labor | 21 Forced or Compulsory Labor | 22 Supplier Social Assessment | 23 Customer Health and Safety | 24 Marketing and Labeling |
| 25 Customer Privacy | | | | | |

Material Topic Analysis Matrix

Matrix



Note: The size of circles represents the degree of emphasis placed by stakeholders.



List of Material Topics

| Material topic | Description of impacts | | Main objects impacted | Corresponding section | |
|---|------------------------|---|--|---------------------------------|--|
| Environmental Sustainability (GRI 301, GRI 302, GRI 303, GRI 306) | Actual | Positive | Direct impact: Customers, suppliers, and employees | 2. Environmental Sustainability | |
| | | Negative | | | <p>[Environment] Shipments will be combined as much as possible during procurement of raw materials for production to lower products' carbon footprints; stable supply relations are established with procurement factories and planned backup supply is provided. Support international carbon reduction initiative and Net Zero policy of the government, identify opportunities and risks from climate change, improve preparations for climate mitigation resilience, improve energy utilization efficiency, and promote energy-saving measures to lower energy consumption. Save water through daily management to avoid water resource waste. Effectively control waste generated in the operation process, and carry out outsourcing in a proper manner to avoid environmental pollution.</p> |
| | | Negative | | | <p>[Economy] Due to the impact of energy transition policy and the government energy policy, power rationing will directly affect operating revenue. Also, the failure to properly respond to the physical and transition risks resulting from climate change will increase operating cost. Water insufficiency, water restriction, or rising water resource prices resulting from scarcity of water resources due to climate change will increase operating cost.</p> |
| | Potential | <p>[Environment] Raw materials rely on stable factory support. The uncertainty of operating environment (e.g., geopolitics) may affect production. The overall supply chain operation will be affected due to unstable water quality supply, increase of demand, and decrease of supply. Risks of health and exposure to hazardous substances may exist during the waste treatment or transportation process.</p> <p>[Economy] Climate change policy and market change may result in the rising energy prices. Relevant stakeholders may raise higher requirements for future sustainability.</p> | | | |



| Material topic | Description of impacts | | Main objects impacted | Corresponding section | |
|---|------------------------|----------|---|--|---------------------------------|
| Climate Change (GRI 305) | Actual | Positive | <p>[Environment] Implement environmental protection and carbon reduction policy, to reduce the negative impact on environment.</p> <p>[Economy] In response to global sustainability policy, each enterprise has attached increasing importance to the environmentally sustainable development, and executed surveys like energy-saving carbon emission survey, to improve product competitiveness in terms of sustainability issues.</p> <p>[People and Human Rights] Improve the Company's and employees' sense of social responsibility and contributions.</p> | Direct impact: Customers, suppliers, and employees | 2. Environmental Sustainability |
| | | Negative | <p>[Environment] Failure to implement environmental protection and carbon reduction policy would cause great harm to ecosystems, water and soil resources, human social and economic activities, life safety, etc.</p> <p>[Economy] In response to global sustainability policy, carbon pricing will be inevitably implemented in the future. Take (high carbon price scenario) as an example. If the Company does not continue to take carbon reduction management measures, the financial impact will account for a relatively high ratio in the operating revenue.</p> | | |
| Talent Cultivation and Retention (GRI 402, GRI 404) | Actual and potential | Positive | <p>[People and Human Rights] Talent is a key indicator for corporate competition. A complete talent cultivation system can bring stable cohesion, improve talents' professionalism, bring positive cycle to the Company, continually enhance competitiveness, and enhance talents' willingness to stay and develop with the Company, thus realizing healthy and stable development of corporate organization.</p> | Direct impact: Employees and external job seekers | 3. Happy Workplace |
| | | Negative | <p>[People and Human Rights] If the talent cultivation plan is not implemented, or does not comply with the development, talents may be limited, or the direction may become wrong, to affect corporate competitiveness; in case of talent loss, the Company needs to pay more labor cost. Furthermore, due to technical discontinuity of internal personnel and insufficiency of labor, employees' morale will be affected and customers</p> | | |



| Material topic | Description of impacts | | Main objects impacted | Corresponding section | |
|---|------------------------|---|---|--------------------------|--------------------|
| | | | will trust the Company less due to quality decline of its products or services. As a result, intangible costs will be incurred. | | |
| Employee Diversity and Equality (GRI 405) | Actual and potential | Positive | [People and Human Rights] Respect and care about each employee, establish a friendly work environment regardless of gender, ethnic group, religion, political stance, marital status, or physical and mental disabilities, establish and continually advocate regulations governing sexual harassment prevention and control, encourage departments to promote diverse employees, regularly check the contents of jobs, as well as fairness of salaries and bonuses between different ranks, and create a diversified and equal workplace environment. | Direct impact: Employees | 3. Happy Workplace |
| Negative | | [People and Human Rights] Differences in age and seniority exist inside the Company. If the existing culture cannot flip employees' thinking to fully accept and respect diversity and equity, exclusivity will arise, meaning that homogenous talents will be continually promoted inside and talent loss will be caused due to unequal treatment, thus hindering the enterprise's opportunities for innovation and development. | | | |
| Occupational Safety and Health Management (GRI 403) | Actual and potential | Positive | [People and Human Rights] Wendell believes that only with a safe work environment and physically and mentally healthy employees can a company realize stable growth. The Company promises to abide by all national labor and occupational safety provisions, create harmonious labor/management relations and unimpeded communication channels, continually care about employees, and establish a safe work environment. Wendell deems all employees as an important asset for corporate sustainable development and believe that their growth and innovation and integration with the corporate culture can inject vitality to the Company and promote its operational efficiency. | Direct impact: Employees | 3. Happy Workplace |
| Negative | | [People and Human Rights] Besides human errors, natural disasters are also negative potential impacts in occupational disasters. If occupational disasters occur in work and losses are caused due to personal injuries, consequences like insufficient manpower, compensation for occupational disasters, and | | | |



| Material topic | | | Description of impacts | Main objects impacted | Corresponding section |
|--|----------------------|----------|--|---|---------------------------|
| | | | medical compensation may be caused; if equipment damage is caused, operational risks like production interruption and impossibility of product shipments may arise; at the same time, the enterprise's reputation may be indirectly damaged, and other consequences like indirect salary compensation and low morale of employees will affect work efficiency, etc. | | |
| Social Participation (GRI 413) | Actual and potential | Positive | [People and Human Rights] In addition to the pursuit of economic benefits, the enterprise shall also effectively drive employees, customers, communities, etc. to participate in social feedback activities, which can substantially improve employees' satisfaction and loyalty, positively develop its production and innovation, create a positive corporate image, and attract more high-quality partners and customers. | Direct impact: Employees, communities, and social welfare organizations | 3. Happy Workplace |
| | | Negative | [People and Human Rights] Without continual and well-planned social participation, the Company is unable to respond to the needs from society and neighborhoods and make employees, customers, and communities develop a sense of distrust to affect corporate image. | | |
| Corporate Governance and Ethical Corporate Management (GRI 205, GRI 206) | Actual | Positive | [Economy and Population] Implement corporate governance, and require employees to abide by ethical corporate management, and comply with laws and regulations, which can improve corporate reputation and increase opportunities for investment and financing. | Direct impact: Shareholders and other investors, customers, and employees | 4. Sustainable Management |
| | | Negative | [Economy and Population] When dishonesty, corruption, deception or fraud incidents occur, operating risks will be caused to the Company, and the rights and interests of customers and other stakeholders will be infringed upon. Furthermore, the Company's credit ratings will be jeopardized, and reputation declined for outside world and stakeholders. | | |
| Operating Performance (GRI 201) | Actual | Positive | [Economy] The budget affects financial and economic performance and indirectly impacts stakeholders' rights and interests. | Direct impact: Shareholders and other investors and employees | 4. Sustainable Management |



| Material topic | Description of impacts | | Main objects impacted | Corresponding section | |
|---|------------------------|----------|--|---|---------------------------|
| Risk Management and Regulatory Compliance (Self-determined topic) | Potential | Positive | [Economy and Population] Through risk management, employees are able to learn about and prevent risks and reduce financial or goodwill impact and influence from internal and external risks. | Shareholders and other investors/financial institutions, customers, suppliers, employees, and other workers | 4. Sustainable Management |
| | | Negative | [Economy and Population] Factors like failure to abide by relevant regulations, poor regulation, omission of terms, etc. can result in the failure to restrict the counterparties to perform their obligations as agreed and then give rise to the risks of derivative financial or goodwill losses. | | |
| Innovative R&D Patents (Self-determined topic) | Actual | Positive | [Economy] The collective management of patent rights is achieved mainly through the establishment of relevant rules and regulations, so that patent rights, as private property, exist in a way similar to co-owned property. As a result, the patent licensing cost can be reduced, and the group interests can be maximized. At the same time, the diversity of product lines can also be increased to provide customers with diversified countermeasures. If viewed from the perspective of users, the Company needs to think continually and make innovative breakthroughs in product R&D, to improve product competitiveness and enable customers and final consumers to use high-quality products. | Direct impact: Shareholders and other investors, customers, suppliers, and employees | 5. Green Supply Chain |
| | | Negative | [Economy] The negative aspect of innovation lies in the emphasis on external appearance or functional features of products only, and the ignorance of deep understanding of and satisfaction with customer requirements. This kind of practice may result in the lack of market demand support for products development and finally lead to the failure to acquire market share. An enterprise may survive and succeed in a fiercely competitive market only through the deep understanding of and satisfaction with customers' true needs and the realization of real value creation in each aspect of products. | | |
| Supply Chain Management (GRI 308) | Actual | Positive | [Economy] Supply chain sustainable management is a key element influencing corporate success. The reliability and stability of the supply chain shall be assured through the establishment of long-term cooperation. Through supply chain sustainable development, the Company is dedicated to the | Direct impact: Suppliers | 5. Green Supply Chain |
| | | Negative | | | |



| Material topic | Description of impacts | | | Main objects impacted | Corresponding section |
|---|------------------------|----------|--|---|------------------------------|
| | | | <p>effective ESG implementation by suppliers. In addition to the positive impact, the Company’s reputation can be improved and customers’ trust in the Company enhanced; if ESG cannot be effectively implemented, the reputation of the Company will decline and the customers’ trust will be compromised, to affect order quantity.</p> | | |
| <p>Product Lifecycle Management (Self-determined topic)</p> | Actual | Positive | <p>[Economy] The products of Wendell comply with relevant regulations of various countries in the world regarding line protection components, electromagnetic compatibility, wireless RF, and safety certification testing; besides, Wendell boasts three major advantages, i.e., “Complete Product Lines”, “Professional Engineering Consultant-style Services”, and “High-quality Testing and Certification Laboratory”, and carries out advanced debugging and integration based on big data, to improve service quality.</p> | <p>Direct impact: Suppliers and customers</p> | <p>5. Green Supply Chain</p> |
| | Potential | Negative | <p>[Environment] In the product lifecycle from acquisition of raw materials, manufacturing, distribution and sales to waste and treatment, each input and output may impact the environment, i.e., global warming, ozone depletion, increase of carbon footprints, etc. Therefore, product lifecycle management and substance recycling shall be implemented to reduce resource consumption and lower environmental impact.</p> | | |

2. Environmental Sustainability

2.1 Environmental Sustainability Management

| Material topic: Climate Change | |
|---|---|
| Reporting requirements | Description of reporting requirements and examples |
| Reason for materiality of this topic | <ul style="list-style-type: none"> Through the communication with stakeholders regarding degree of concern and analysis of impact, the topic of Greenhouse Gas Emission is relatively important for the Company. In response to the environmental protection and energy conservation policies and carbon reduction trends in the international communities, the customers have also successively investigated greenhouse gas emissions, and required suppliers to follow up their sustainability policies. Therefore, the execution of relevant carbon inventory and energy management can also improve the competitiveness of the products regarding sustainability topics. |
| Policies/strategies | <ul style="list-style-type: none"> Adopt the sustainable environmental strategy of “Reduction of Waste and Assurance of Safety; Implementation of Environmental Protection and Cherishing of Resources”. |
| Targets and objects | <ul style="list-style-type: none"> The greenhouse gas emission of Wendell (parent company) in 2023 were included into the sites of the parent company, and the year 2023 was adopted as the base year instead. Short-term target (not changed in the base year): Reduce 3% of greenhouse gas emissions within 3 years. Also, the Company expects to pass ISO 14064-1 greenhouse gas inventory third-party certification in the fourth quarter of 2024. Mid- and long-term targets (not changed in the base year): Reduce 1% carbon emissions year by year after acquisition of third-party certification in 2024. |
| Management and evaluation mechanism | <ul style="list-style-type: none"> Conduct internal investigation of relevant environmental protection and energy conservation measures and carbon emissions in accordance with ISO14001, EF61-01 Wendell Carbon Inventory List and EF53-05 Target Management Table. |
| Performance and adjustment | <ul style="list-style-type: none"> Wendell (parent company) adopted the year 2023 as the base year instead. The short-term target is to reduce 3% of greenhouse gas emissions within 3 years. In the future, we will pay continual attention to the implementation effect of energy conservation and carbon reduction measures and make adjustments at any time. |
| Preventive or remedial measures | <ul style="list-style-type: none"> The year 2023 was also a base year of Wendell for carbon reduction. In the future, the Company will pay continual attention to the implementation effect of relevant energy-saving measures every year. If the effect of carbon reduction is not as expected, we will immediately convene relevant units to communicate, discuss and cooperate. |

2.2 Greenhouse Gas Inventory

In 2023, in accordance with ISO14064:2018 and the pathway released by the Financial Supervisory Commission, Wendell included other sites of the parent company into the inventory boundary in advance. Therefore, the inventory boundary was changed in 2023; the scope for calculation of total greenhouse gas emissions of the Company includes Scope 1 (direct greenhouse gas emissions) and Scope (indirect greenhouse gas emissions). The greenhouse gas emissions of 2023 are shown in the table below:



| Item | 2023 |
|--|----------|
| Scope 1: Direct Greenhouse Gas Emissions (tonCO ₂ e) | 26.5044 |
| Scope 2: Indirect Greenhouse Gas Emissions (tonCO ₂ e) | 281.0191 |
| Total emissions = Scope 1 + Scope 2 (tonCO ₂ e) | 307.524 |
| Total (tonCO ₂ e) | 307.524 |
| Intensity of greenhouse gas emissions (tonCO ₂ e/Number of employees) | 1.89829 |

Notes:

1. Scope 1 refers to emission sources directly owned or controlled by the Company, including fixed combustion sources, process emissions, mobile combustion sources of transportation, and dissipative emission sources. The emission coefficients are calculated according to the latest Greenhouse Gas Emission Coefficient Management Table 6.0.4 (IPCC Sixth Assessment Report) announced by the Bureau of Energy, the Ministry of Economic Affairs.
2. Scope 2 refers to direct energy emissions, including purchased electricity.
3. Types of greenhouse gas emissions: Seven greenhouse gases in total, i.e., carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).
4. The electricity emission coefficients announced by the Bureau of Energy, the Ministry of Economic Affairs are quoted for the purchased electricity. In 2019 and 2021, the electricity emission coefficient was 0.509 kgCO₂e/kWh; in 2022 and 2023, the electricity emission coefficient was 0.495 kgCO₂e/kWh.

In 2023, Wendell didn't emit substances that damaged the ozone or other major gases (e.g., Nox, Sox, TSP, VOC, etc.).

2.3 Energy Resource Management

| Material topic: Environmental Sustainability | |
|--|--|
| Reporting requirements | Description of reporting requirements and examples |
| Reason for materiality of this topic | <ul style="list-style-type: none"> • Climate is closely associated with the sustainable survival of life and humanity on Earth, indirectly affects enterprises' continual operational management strategies, and brings operational impacts. Based on environment-friendly and green-manufacturing corporate sustainable operational development, the Company continually supervises or improves reduction actions in terms of raw material management, energy management, water resource management, and waste management, and implements and dedicates to the reduction of environmental impacts generated in the operation. • As for reclamation and smelting of raw materials, massive child labor will be used to do the smelting work in the backward countries or regions if it is traced back to the origin. Wendell values much the human rights standards. Therefore, the part number of each product in any product line of Wendell is disclosed with MSDS. When the materials used contain several key minerals like gold, tungsten, tin, tantalum, cobalt and mica, we will investigate CMRT and EMRT, and require the manufacturers of these raw materials to mark the number of smelting areas clearly. |
| Policies/strategies | <ul style="list-style-type: none"> • Conduct management according to ISO 9001: QP85-04 Management Procedure for Hazardous Substances of Products. • Continually promote water and electricity saving to avoid resource waste. |
| Targets and objects | <ul style="list-style-type: none"> • When recognizing product P/N every time, we will not only require the provision of third- |



| Material topic: Environmental Sustainability | |
|--|--|
| Reporting requirements | Description of reporting requirements and examples |
| | <p>party test reports regarding hazardous substances, but also investigate data regarding hazardous substances in the products. For the Company, the objective is always to complete the investigation 100%.</p> <ul style="list-style-type: none"> As for water consumption, only domestic water is used in offices. Despite limited water consumption, we will still promote water-saving to avoid waste of water resources. |
| Management and evaluation mechanism | <ul style="list-style-type: none"> Conduct management according to ISO 9001: QP85-04 Management Procedure for Hazardous Substances of Products. When new suppliers are introduced, or relevant green regulations of EU, etc. are established, and customers raise new requirements, investigation will be conducted once again. Regularly review changes of water consumption and power consumption and monitor them on a monthly basis to confirm whether abnormalities occur. |
| Performance and adjustment | <ul style="list-style-type: none"> All raw material will be completely confirmed by the Company, and therefore no adjustment is needed. We will execute this policy objective continually in the future. In 2023, the temperature of the air-conditioning system was adjusted to 25.5°C. Check whether the temperature was abnormal every day; the main equipment related to energy conservation was lighting fixtures. Old light tubes are all replaced with LED energy-saving lamps, with replacement rate of approximately 40%; relevant schemes have already been implemented and continually maintained, including zoned control of power supply, disconnection of power supply in daily patrolling, installation of thermal-insulated curtains, sharing of taxi, and adjustment of hydraulic pressure. |
| Preventive or remedial measures | <ul style="list-style-type: none"> Conduct comparison regularly according to the information of qualified smelting plants released by RMI. In case of any inconformity, relevant materials will be returned to the factories for re-investigation. If the hazardous substances exceed the verification specification of PPM of the EU, it shall confirm whether the exemption clause is complied with; if the hazardous substances exceed REACH standards, SCIP substance declaration can be filled out as the case may be. Dedicated personnel shall be appointed to conduct patrolling and ensure whether the power supply is disconnected or not, and whether water resource waste and leakage exist. |

The energy consumption of the Company in the last two years is shown in the table below. In 2022, the inventory boundary covered some sites of the parent company. In 2023, the inventory boundary was extended to all the sites of the parent company:

| Quantitative indicator | Unit | 2022 | 2023 |
|--|----------|---------------------------|---------------------------|
| Power consumption | kWh/year | 517,931 | 565,821.9875 |
| | GJ | 1,864.55 | 2,036.9591 |
| Gasoline consumption | L/year | 1,284.75 | 4,338.852 |
| | GJ | 41.93 | 141.5993 |
| Diesel consumption | L/year | 3,710.98 | 0 |
| | GJ | 130.42 | 0 |
| Specific measurement of the organization | Unit | Total number of employees | Total number of employees |



| Quantitative indicator | Unit | 2022 | 2023 |
|--|-----------|----------|------------|
| Specific measurement value of the organization | | 150 | 162 |
| Total energy consumption | GJ | 2,036.90 | 2,178.5584 |
| Energy intensity | GJ/person | 13.5794 | 13.4479 |

Notes:

1. The calorific value of electricity is converted as 1kWh=0.0036GJ.
2. For the sources of conversion coefficients, the calorific value of fuels is calculated according to Greenhouse Gas Emission Coefficient Management Table 6.0.4 issued by the Environmental Protection Administration. The specific coefficients are shown as follows: 7,800 kcal/L for gasoline; 8,400 kcal/L for diesel; 8,000 kcal/m³ for natural gas; 1 kcal=4.184 KJ.
3. The Company investigated its energy consumption in 2023 according to relevant terms of ISO 14064-2018. Since the year 2023 was adopted as the base year, the actual fuel used by official cars was calculated.

Energy-saving Results

With the year 2023 as the base year, the Company established the following programs to reduce energy consumption and achieve energy-saving results:

1. Set up the temperature of air-conditioning system at 25.5°C.
2. Successively replace the lighting fixtures and emergency exit indicator light with LED energy-saving lamps.
3. Implement zoning control of lighting fixtures and power supply of air-conditioning system (cooling).
4. Reduce the quantity of lamps in places with relatively low demand for illuminance given that no safety risk exists.
5. Shut down unnecessary lighting equipment during the noon break. The Company provides table lamps for colleagues who need lighting during the noon break.
6. Gradually review and remove inefficient outdated equipment.
7. Purchase energy-saving equipment with high efficiency and products with “Green Label” with priority.
8. Regularly assign personnel to patrol and confirm whether the power of lighting, air-conditioning and projection equipment not used is shut down. Strengthen the colleagues’ awareness of shutting down power supply when leaving.
9. Require colleagues who get off duty at last to conduct patrolling of all the power supplies of the Company supposed to be shut down (lamps, air-conditioning, water dispenser, copying machine, coffee machine, etc.).
10. Install thermal-insulated curtains for cooling.
11. Give subsidies to colleagues for sharing taxis (Qizhang and Dapinglin Metro Station-Company) in order to encourage colleagues to use public transportation during commuting.
12. Lower approximately 50% of hydraulic pressure of faucets to avoid the waste of water resources.



Energy Consumption Reduction/Energy Conservation for Customers with Our Products

In response to the era of miniaturization of system products and emphasis on high-efficiency transmission, the issue of system heating becomes particularly important. In addition to the provision of products that comply with customers' applications, we are also dedicated to developing heat dissipation programs to customers for their systems regarding the issue of system heating, so as to lower the power consumption of the customers.

In 2022, the Material Business Department of the Company successfully developed a composite product with the performance of EMI shielding and high heat dissipation. When the customers perform tests using our composite heat dissipation material under same conditions and scenarios, the temperature of CPU can be reduced by 5.591°C, and the application of a system can be reduced by approximately 11,797J.

Raw Material Management

The consumption of materials used by Wendell is presented as follows:

| Name of raw material | Unit | Renewable or not | 2021 | 2022 | 2023 |
|----------------------|------|------------------|------------|------------|------------|
| Ambient Light Sensor | Gram | Non-renewable | 23,704 | 22,681 | 19,743 |
| Bead | Gram | Non-renewable | 203,124 | 111,777 | 79,857 |
| Bridge Diode | Gram | Non-renewable | 496,857 | 313,922 | 453,549 |
| Carbon nanotube | Gram | Non-renewable | 0 | 0 | 532 |
| Ceramic PTC | Gram | Non-renewable | 2,014,278 | 361,500 | 427,698 |
| CMF(CMF+ESD/EMI_ESD) | Gram | Non-renewable | 774,007 | 537,469 | 1,155,893 |
| CNT Master Batch | Gram | Non-renewable | 0 | 0 | 55,000 |
| Conductive Fiber | Gram | Non-renewable | 0 | 0 | 8,000 |
| DC/DC Converter | Gram | Non-renewable | 0 | 0 | 373 |
| Diode Arrays | Gram | Non-renewable | 0 | 31,243 | 0 |
| DIP Inductor | Gram | Non-renewable | 710,661 | 564,769 | 36,796 |
| Elastomer Gasket | Gram | Non-renewable | 0 | 0 | 900 |
| EMI Reduction IC | Gram | Non-renewable | 11556 | 7430 | 1,984 |
| ESD Diode | Gram | Non-renewable | 1,868,438 | 1,164,961 | 1,278,629 |
| ESD-OSAT | Gram | Non-renewable | 153 | 323 | 360,908 |
| Ferrite Inductor | Gram | Non-renewable | 7,051 | 1,312 | 1,322 |
| Fixed Resistors | Gram | Non-renewable | 1,250,028 | 1,732,353 | 2,599,611 |
| Form In Place Gasket | Gram | Non-renewable | 0 | 0 | 6,800 |
| Fuse | Gram | Non-renewable | 160,535 | 62,771 | 99,901 |
| GDT | Gram | Non-renewable | 5,285,078 | 5,274,770 | 2,294,026 |
| High freq Inductor | Gram | Non-renewable | 3,656 | 477 | 513 |
| Idea Diode | Gram | Non-renewable | 0 | 0 | 34 |
| Industrial S/C | Gram | Non-renewable | 7,400,090 | 4,709,666 | 2,725,926 |
| IR Filter Switch | Gram | Non-renewable | 16,728 | 8,568 | 5,865 |
| IR LED | Gram | Non-renewable | 272 | 77 | 34 |
| KOMATSULITE | Gram | Non-renewable | 59,499 | 2,987 | 38,562 |
| LAN Transformer | Gram | Non-renewable | 8,790,832 | 6,513,884 | 3,963,671 |
| LED | Gram | Non-renewable | 107,869 | 50,940 | 12,670 |
| Ligitek others | Gram | Non-renewable | 818,443 | 594,734 | 1,190,739 |
| Magnetics | Gram | Non-renewable | 20,606,426 | 26,461,120 | 22,936,308 |



| Name of raw material | Unit | Renewable or not | 2021 | 2022 | 2023 |
|----------------------|------|------------------|------------|------------|------------|
| Mosfet | Gram | Non-renewable | 422,346 | 262,265 | 127,333 |
| MOV | Gram | Non-renewable | 892,661 | 871,414 | 500,009 |
| Multifuse | Gram | Non-renewable | 13,729,125 | 8,655,888 | 5,436,023 |
| NTC | Gram | Non-renewable | 15,118 | 34,841 | 20 |
| Other | Gram | Non-renewable | 165,774 | 5,283 | 27,133 |
| Power | Gram | Non-renewable | 0 | 0 | 714,360 |
| Power Inductor | Gram | Non-renewable | 7,366,868 | 4,990,680 | 4,706,267 |
| Rectifier Diodes | Gram | Non-renewable | 870,657 | 574,074 | 425,879 |
| Regulator | Gram | Non-renewable | 0 | 0 | 28 |
| Resistor | Gram | Non-renewable | 21,996 | 77,444 | 48,924 |
| Rs Transceiver IC | Gram | Non-renewable | 0 | 0 | 815 |
| Resistor ICP | Gram | Non-renewable | 36 | 2,176 | 48,924 |
| Schottky Diode | Gram | Non-renewable | 472,007 | 502,181 | 864,107 |
| Schottky-OSAT | Gram | Non-renewable | 0 | 0 | 129,883 |
| Slurry | Gram | Non-renewable | 0 | 0 | 42,000 |
| STREAMSHIELD | Gram | Non-renewable | 0 | 0 | 491,542 |
| Surge LAN Trans | Gram | Non-renewable | 979,160 | 151,551 | 72,720 |
| Surge Varistor | Gram | Non-renewable | 1,041,586 | 590,129 | 1,188,319 |
| Switching Diode | Gram | Non-renewable | 33,094 | 37,529 | 18,782 |
| Thermal Gap Pad | Gram | Non-renewable | 0 | 0 | 781 |
| Thyristor | Gram | Non-renewable | 2,349,175 | 1,212,580 | 2,230,707 |
| Transformer | Gram | Non-renewable | 8,066 | 1,054 | 63,796 |
| Transient Block Unit | Gram | Non-renewable | 86,518 | 99,000 | 41,583 |
| Transistor | Gram | Non-renewable | 161,831 | 62,193 | 169,173 |
| Trimpot | Gram | Non-renewable | 41,872,148 | 34,824,216 | 15,588,090 |
| TSP | Gram | Non-renewable | 3,037,838 | 1,248,377 | 861,352 |
| TVS Diode | Gram | Non-renewable | 9,049,280 | 8,598,574 | 22,603,220 |
| Varistor | Gram | Non-renewable | 110,065 | 20,751.00 | 12,588 |
| VCSEL Emitter | Gram | Non-renewable | 0 | 0 | 990 |
| Wafer ESD | Gram | Non-renewable | 0 | 0 | 9,739 |
| Wafer Schottky | Gram | Non-renewable | 0 | 0 | 977,001 |
| Zener Diode | Gram | Non-renewable | 38,200 | 14,900 | 64,180 |

Remarks:

- Types of materials include: Primitive natural resources like ore, iron, wood, and plastic particles; lubricating oil, semi-finished components or parts used in machines; packaging materials.
- Non-renewable resources refer to resources that cannot be replenished within a short term, e.g., coal, natural gas, metals, minerals, and petroleum; renewable resources refer to resources that can grow again after being picked.

Water Resource Management

The business place of the Company is located in Xindian District, New Taipei City, and the main source of tap water supply is the Feicui Reservoir. In order to effectively manage water resources, the Company has employed water resource risk assessment tools. The assessment results indicate that the water resource risk of the Company is medium and low.

Compared to other industries, the Company is operated in an industry that does not consume much water. Also, we haven't established any factory, and therefore no production water is involved. Our water consumption is only limited to the offices with limited water usage. Therefore, we do not discharge



wastewater. With respect to water resource management, we mainly lower the hydraulic pressure of the faucets to avoid the waste of water resources. Besides, we regularly review the change of water consumption, and monitor whether the reading of the water meter is abnormal on a monthly basis; also, dedicated personnel have been assigned to check if waste of water resources or water leakage exists. The water resource data of the Company in the last two years is shown in the table below. In 2022, the inventory boundary covered some sites of the parent company. In 2023, the inventory boundary was extended to all sites of the parent company.

| Year | 2022 | 2023 |
|--|---------------------------|---------------------------|
| Water withdrawal (Unit: 1,000,000L) | 3.19 | 3.14 |
| Water discharge (Unit: 1,000,000L) | 3.19 | 3.14 |
| Water consumption (Unit: 1,000,000L) | 0.00 | 0.00 |
| Specific measurement of the organization (Unit) | Total number of employees | Total number of employees |
| Specific measurement value of the organization | 150 | 162 |
| Intensity of water consumption | 0.021 | 0.019 |

Notes:

1. Water consumption = Water withdrawal – Water discharge
2. Water recycling rate = Circulating water consumption in the plant/(Water withdrawal + Circulating water consumption in the plant) *100%
3. Calculation method of density of water consumption: Water withdrawal (Unit: 1,000,000L)/Specific measurement value of the organization
4. The organization complies with the regulations regarding units of measurement which are mainly not changed in each year in principle. The following units can be filled out:
 - (1) Product unit
 - (2) Output (e.g., ton, liter or watt)
 - (3) Size (e.g., square meter of floor area)
 - (4) Number of full-time employees
 - (5) Monetary unit (revenue or sales)

Waste Management

Adhering to the environmental spirit of resource cherishing, the Company continually promotes waste reduction and reutilization, e.g., recycling of cartons used as packaging materials, utilization of double sides of document paper, reduction of paper use by electronic forms, self-preparation of environment-friendly chopsticks, etc.

Since the Company hasn't set up any plants or relevant production equipment, no waste generated from manufacturing has existed. During the operating activities, the waste generated from testing of instruments mainly includes solder splashes and scrapped boards which mainly come from products tested by customers. Therefore, waste reduction is limited. The Company has also entrusted qualified third-party clearing and transportation companies to assist the treatment of waste generated after production. Untreated waste will be uniformly placed in safe places for keeping. However, due to insufficient weight, such waste was not cleared and transported in 2023, and it would be treated together with the waste generated in the next year.

License of Qualified Cleaning and Transportation Company

臺中市政府環境保護局廢棄物清除許可證

106臺中市廢甲清字第0121號

茲據大豐環保科技股份有限公司
申請廢棄物清除許可證，經核與公民營廢棄物清除處理機
構許可管理辦法之規定相符，核予此證。許可事項如下：

機構名稱：大豐環保科技股份有限公司

機構地址：臺中市北屯區崇德九路二八七號

負責人姓名：林■洲 身分證字號：■

負責人住址：彰化縣彰化市文化里九鄰永安街一七一號

清除技術人員：1. 劉■如 級別：甲

2. 劉■文 級別：甲

清除機構級別：甲級 許可期限：至民國111年08月10日止

許可清除項目：■一般廢棄物■一般事業廢棄物■有害事業廢棄物

許可清除廢棄物之種類、數量及清除車輛(詳附表，計 19 頁)

- 其他事項：
1. 清除相關工具清冊(詳附錄一，計 1 頁)
 2. 緊急應變處理方式(詳附錄二，計 1 頁)
 3. 貯存場或轉運站 (詳附錄三，計 1 頁)
 4. 其他



局長 白智榮

中華民國 106 年 8 月 11 日



2.4 Actions Responding to Climate Change

| Aspect | Disclosures recommended by TCFD | The Company's responsive actions |
|-------------------|--|--|
| Governance | The Board of Directors' supervision of climate-related risks and opportunities | The Chief Sustainability Officer serves as the chairperson of the Sustainable Development Committee. In board meetings regularly convened in each year, the Chief Sustainability Officer is responsible for reporting the evaluation of ESG and climate change related issues and the implementation progress of the sustainability goals. |
| | Role of the management in the evaluation and management of climate-related risks and opportunities | <ul style="list-style-type: none"> ▪Set up a cross-departmental climate change risk team to identify climate risks and evaluate and respond to climate impact within each scope of responsibility. ▪The top manager of climate issues in the management is the Chief Sustainability Officer who shall lead level-1 supervisors to implement management work related to climate change and directly report to the Board of Directors. ▪Set up a Sustainability Development Committee and assign the Chief Sustainability Officer to serve as the convener and promote environmental sustainability management. ▪Set up a risk management team to identify main risks, discuss relevant response measures with each business unit of the Company, and report to the Sustainable Development Committee. |
| Strategy | Short-term, medium-term, and long-term climate-related risks and opportunities identified | <p>Short-term</p> <ul style="list-style-type: none"> ▪Transition risks: In response to climate change, many countries are now implementing low-carbon economy. The Company will pay continual attention to relevant local and foreign laws and regulations, and complete relevant operations. ▪Physical risks: The severity of extreme weather events like typhoon, flood, drought, etc. is increased. ▪Market opportunities: Develop or expand low-carbon products and services, conduct R&D and innovation of new products and services, create low-carbon business opportunities, and develop green energy or energy storage related applications. <p>Medium-term</p> <ul style="list-style-type: none"> ▪Transition risks: Strengthening of emission reporting |



| Aspect | Disclosures recommended by TCFD | The Company's responsive actions |
|--------|--|---|
| | | <p>obligation and transformation to low-carbon and high-efficiency technologies to affect the cost, changes in customers' behaviors, increase of stakeholders' concerns and negative feedback, and requirements and supervision of products and services.</p> <ul style="list-style-type: none"> ▪Market opportunities: Currently, the Company is establishing a green building laboratory which is expected to provide diversified EMC, EMI, and battery tests. <p>Long-term</p> <ul style="list-style-type: none"> ▪Transition risks: Increase in the prices of greenhouse gas emissions (Total volume control/Carbon tax/Energy tax). ▪Physical risks: Rising average temperatures ▪Market opportunities: Use of more efficient production and distribution processes |
| | <p>Impact of climate-related risks and opportunities with respect to planning of business, strategies, and finance</p> | <p>The significant climate risks faced by the Company mainly come from the requirements of customers, investors and other important stakeholders regarding the greenhouse gas emission reductions of the enterprise and the compliance with product energy efficiency standards; the opportunities brought by climate change mainly exist in products and services. The Company provides one-stop purchasing services, from provision of products to product testing service certification and product lines that comply with sustainability trends, so that it can respond to market demand and develop new markets with energy-saving and carbon-reducing products and services.</p> <p>Main transition risks</p> <p>In response to the risks of regulatory compliance and changes in green standards, the Company actively aligns with relevant international standards to reduce the cost risk of renewable energy.</p> <p>The Company actively conducts research and development in green design, and offers product portfolios featuring high energy conversion rate and low carbon generation to assist customers in reducing cost and improving efficiency. The green design is based on the thinking of life cycle and the Company aims to provide environment-friendly products including non-hazardous products and products with</p> |

| Aspect | Disclosures recommended by TCFD | The Company's responsive actions |
|------------------------|---|--|
| | | <p>low energy consumption.</p> <p>Main physical risks</p> <p>To lower the impact of drought events, relevant offices have successively implemented water-saving policy to strengthen the water resource utilization. At the same time, they have studied and drafted emergency response plans to lower the operating losses resulting from the risks of disasters.</p> <p>Main climate opportunities</p> <p>The Company has already laid a profound foundation regarding long-term sustainability, maintained long-term, close trust relationship with customers, actively invested in research and development based on market demand. As a result, amidst the wave of sustainability, the Company will have the chance to win customer with priority and increase its operating revenue by relying on its innovative and optimized products and solutions.</p> |
| | Strategic resilience and consideration given to different climate-related scenarios | Simulate and analysis the future impact of climate change with reference to the 2°C-scenario published by the International Energy Agency (IEA), and establish science-based target (SBT) regarding greenhouse gas emission reduction and estimate the future carbon emission reduction volume as reference for the adjustment of operating strategies. |
| Risk management | Identification and evaluation processes of climate-related risks | Each unit searches information regarding external market, regulations, technology, and physical climate development trends, lists climate risks and opportunities possibly faced by the Company, and identifies material climate risks and opportunities in consideration of the degree of impact and possibility of occurrence. Then, in consideration of the influence of risks and opportunities, the Company sorts the risks and opportunities with priority in consideration of possibility and severity of risks, and establishes relevant countermeasures. As for higher risks indicated in the evaluation results, climate scenarios will be analyzed additionally, and the current operation layout is considered to calculate the potential financial impact. |



| Aspect | Disclosures recommended by TCFD | The Company's responsive actions |
|--------------------------------------|--|---|
| | <p>Management process of climate-related risks</p> | <p>Each business unit of the Company originally identified main risks, explored relevant response measures, and submitted relevant risk assessment to the Company's regular business meetings. The management was responsible for supervision. It is expected that a risk management team will be set up under the Sustainable Development Committee to join hands with each business unit in risk management in 2024. The Sustainable Development Committee establishes relevant policies and reports to the Board of Directors. Then, the Board of Directors is responsible for supervision and review.</p> |
| | <p>How the identification, evaluation and management processes of climate-related risks are integrated to the Company's overall risk management system</p> | <p>Include climate change into a material topic of corporate sustainable development and a key major risk item. All business units shall implement a risk management plan and plan response measures in terms of operation, products, and supply chain management.</p> |
| <p>Indicators and targets</p> | <p>Describe the indicators used by the Company to evaluate climate-related risks and opportunities according to strategies and risk management process</p> | <p>To mitigate climate change, the Company adopts the greenhouse gas emissions per unit of operating revenue as the main quantified key evaluation indicator. In 2023, the Company planned the construction of laboratories in Tucheng District and applied for LEED Gold green building certification. At the same time, solar panels are built on the roof of the laboratory to increase the proportion of renewable energy used in the future and become an important indicator equipment for the company to reduce greenhouse gas emissions.</p> |
| | <p>Greenhouse gas emissions in Scope 1, Scope 2, and Scope 3 and related risks</p> | <p>The Company continually executed the inventory verification of Scope 1 and Scope 2 greenhouse gases per EMS system since 2022, and plans to obtain ISO 14064 verification (inventory data of Wendell verified parent company in 2023) in the fourth quarter of 2024. The greenhouse gas emissions (tCO₂e) of Wendell parent company in 2023 are listed as follows: Scope 1: 26.5044 Scope 2: 281.0191</p> |
| | <p>Targets for management of climate-related risks and opportunities, and performance in the implementation of these targets</p> | <p>In the process of developing energy-saving products and services, the Company is dedicated to improving the quality of parts and lowering customer's energy</p> |



| Aspect | Disclosures recommended by TCFD | The Company's responsive actions |
|--------|---------------------------------|---|
| | | <p>consumption. In 2022, the Material Business Department of the Company successfully developed a composite product with the performance of EMI shielding and high heat dissipation. When the customers perform tests using our composite heat dissipation material under same conditions and scenarios, the temperature of CPU can be reduced by 5.591°C, and the application of a system can be reduced by approximately 11,797J.</p> <p>Target for carbon emission and energy management After determination of base year of Wendell, the short-term goal was to reduce 3% of carbon emissions in 3 years. In the future, the Company will pay continual attention to the implementation effect of energy-saving and carbon reduction measures and the making of adjustments at any time.</p> <p>Target for waste management The Company is not engaged in the manufacturing industry. During the Company's operating activities, the most waste produced by the testing instruments includes tin slag and waste plates. The Company has also entrusted a qualified third-party cleaning and transportation company to assist the disposal of waste produced. However, since the weight of the waste was not enough, it was not cleaned and transported in 2023. Therefore, the waste will be disposed together with that generated in the next year.</p> <p>Target for water resource management As for water consumption, only domestic water is used in offices, which is not material. Although the water consumption is insignificant, the Company will continually promote water saving; it reduces approximately 50% of the faucet pressure, to avoid the waste of water resources.</p> |



3. Happy Workplace

3.1 Talent Cultivation and Retention

| Material topic: Talent Cultivation and Retention | |
|--|---|
| Reporting requirements | Description of reporting requirements and examples |
| Reason for materiality of this topic | <ul style="list-style-type: none"> The turnover rate of employees is closely related to the Company’s stability. An excessive turnover rate will affect the organizational development. Therefore, we continue to take various measures to attract talents, listen to employees’ voice, increase new labor, and archive the suitable development and long-term retention of employees at the Company. |
| Policies/strategies | <ul style="list-style-type: none"> Wendell provides competitive compensation and encouraging bonus according to the market salary level, and dedicates to giving bigger development space to talents. The Company sets aside distributable earnings to employees every year, and continues to improve employees’ welfare and work environment, so as to increase high-quality and stable manpower. |
| Targets and objects | <ul style="list-style-type: none"> Short-term targets: <ol style="list-style-type: none"> Increase the designated number of interns in accordance with the number of schools, and actively participate in industry-university cooperation plans of these schools. Continue to maintain a balance of the ratio between male and female employees. Check the work contents of each position, plan the manpower demand of the Company in the next 5 years, and improve the technical abilities of key talents. Ensure that the Company is continually not involved in major labor-management disputes. Mid- and long-term targets: <ol style="list-style-type: none"> Develop online learning platforms and encourage employees to try and plan their learning blueprints. Continue to extend and improve the excellent talent structure, stabilize the manpower structure, pass on experience, and encourage innovation. The Company is not involved in major labor-management disputes. |
| Management and evaluation mechanism | <ul style="list-style-type: none"> Further listen to employees’ voice, and strengthen their functions and working ability through annual employee satisfaction survey, employee probation interview, and performance evaluation interview. Convene labor-management meetings regularly: The employees may reflect their problems and needs, and the management representatives shall give timely replies on the spot, and promise to handle such matters immediately. Convene meetings of the Welfare Committee irregularly: Each department shall elect and assign representatives to plan various activities and amend the welfare, and then report to the management of the Company to jointly safeguard and create a Welfare Committee that complies with employees’ expectations. Investigation of employees’ opinions: Employees will be asked to reflect matters to be improved by the Company based on the performance evaluation conducted twice a year, and such matters will be submitted to relevant departments for response. |
| Reason for materiality of | <ol style="list-style-type: none"> A remuneration system featuring equal pay for equal work: The ratio between remuneration of |

Material topic: Talent Cultivation and Retention

| Reporting requirements | Description of reporting requirements and examples |
|-----------------------------------|---|
| <p>this topic</p> | <p>basic-level male employees and remuneration of basic-level female employees was 1: 0.99.</p> <ol style="list-style-type: none"> 2. The employees' salaries and welfare expenses accounted for 11% of the operating revenue. 3. In 2023, the resignation rate reached 12.3%. Therefore, it is a must to increase recruitment and appraisal tools, strengthen employee care, and adjust their salaries, so as to lower the resignation rate. 4. In recent years, the Company hired a total of 17 interns, including 13 from Lunghwa University of Science and Technology, 1 from Takming University of Science and Technology, 1 from Tungnan University, 1 from National Taiwan University of Science and Technology, and 1 from Ming Chi University of Technology respectively. 12 of them stayed at the Company after graduation, with retention rate of 71%. Besides, it is required to increase more highlights to retain talents, in order to further increase the retention rate. 5. In 2023, 4 labor-management meetings were convened. The two sides communicated harmoniously, and no labor dispute happened (The labor representatives and the management representatives accounted for 50% respectively, superior to the ratio of 1/3 as stipulated in relevant regulation). 6. In 2023, 64 door-to-door massage service activities were held with attendance of 576 person-times. 7. The door-to-door influenza vaccination rate reached 73% and above. The vaccination rate will be increased in the future according to relevant policy. 8. With respect to the promotion rate of healthy bento, the average ratio of employees ordering bento on a daily basis reached 75%. 9. The hospital health examination rate reached 95%, which already achieved the improved target of 90% in the previous year. 10. In 2023, the Company didn't receive any punishment from the Labor Inspection Department. |
| <p>Policies/strategies</p> | <ul style="list-style-type: none"> ● A whistleblowing system has been established, and external or internal appeal mailbox has been set up so that employees may use it when their interests are infringed upon or improperly disposed and the problems cannot be reasonably resolved. ● The Company has established a sexual harassment prevention and control group to avoid the occurrence of sexual harassment incidents in the workplace. |



Workers who are not employees of Wendell are not the Company's employees, including dispatch personnel, entrusted manpower, etc. In 2022, there were 4 workers who were not employees of Wendell. This figure remained the same in 2023. The general information of number of employees in 2023 is shown in the table below:

| General Information of Number of Employees of Wendell in 2023 | | | | |
|---|-------------------------------|--------|------|--------------|
| Region | Type of contract | Female | Male | Total number |
| Taiwan | Number of employees | 93 | 65 | 158 |
| | Number of regular employees | 93 | 65 | 158 |
| | Number of full-time employees | 93 | 65 | 158 |

Note: The Company does not have employees without guaranteed hours.

| Information of Workers Who are not Workers of Wendell in 2023 | | |
|---|---|-------------------------|
| Type of worker | Contractual relationship with the Company | Total number of workers |
| Professional consultant | Appointed | 1 |
| Cleaning personnel | Appointed | 3 |

Those serve as the senior management of the Company are the managers of the Company and supervisors at the division level or above. 100% of them are residents in Taiwan. The distribution of ranks of employees in recent three years is as follows:

| Year | | 2021 | 2022 | 2023 |
|--------------------------------|--------|------------------|------------------|------------------|
| Item/Gender | Age | No. of employees | No. of employees | No. of employees |
| Supervisors | Male | Below 30 | 0 | 0 |
| | | 30-50 | 4 | 4 |
| | | Above 50 | 2 | 2 |
| | Female | Below 30 | 0 | 0 |
| | | 30-50 | 3 | 3 |
| | | Above 50 | 1 | 1 |
| Total supervisors | | 12 | 10 | 13 |
| Non-supervisor personnel | Male | Below 30 | 14 | 15 |
| | | 30-50 | 32 | 36 |
| | | Above 50 | 3 | 4 |
| | Female | Below 30 | 15 | 20 |
| | | 30-50 | 59 | 63 |
| | | Above 50 | 2 | 2 |
| Total non-supervisor personnel | | 125 | 140 | 145 |
| Total regular personnel | | 137 | 150 | 158 |



| New | | | | | | | | | | | | |
|---|------------------|-------------------------|------------------|-------------------------|------------------|-------------------------|------------------|-------------------------|------------------|-------------------------|------------------|-------------------------|
| Year | 2021 | | | | 2022 | | | | 2023 | | | |
| Gender | Male | | Female | | Male | | Female | | Male | | Female | |
| Age/Item | No. of employees | New employment rate (%) | No. of employees | New employment rate (%) | No. of employees | New employment rate (%) | No. of employees | New employment rate (%) | No. of employees | New employment rate (%) | No. of employees | New employment rate (%) |
| Below 30 | 6 | 4.38% | 12 | 8.76% | 6 | 4.00% | 10 | 6.67% | 8 | 5.06% | 6 | 3.80% |
| 30-50 | 6 | 4.38% | 8 | 5.84% | 5 | 3.33% | 15 | 10.00% | 3 | 1.90% | 10 | 6.33% |
| Above 51 | 1 | 0.73% | 0 | 0.00% | 0 | - | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Total number of employees at the end of the year | 137 | | | | 150 | | | | 158 | | | |
| Average monthly new employment rate (%) | 2.01% | | | | 2.00% | | | | 1.42% | | | |

Notes:

1. The number of new employees does not exclude those who resign in midway.
2. Employment rate of male (female) employees in this age group = Number of new male (female) employees in this age group in current year/Total number of employees in the operations at the end of the year.
3. Average monthly new employment rate =Number of new employees in current year/Total number of employees in the operations at the end of the year/12.

| Resign | | | | | | | | | | | | |
|---|------------------|---------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|
| Year | 2021 | | | | 2022 | | | | 2023 | | | |
| Gender | Male | | Female | | Male | | Female | | Male | | Female | |
| Age/Item | No. of employees | Separation rate (%) | No. of employees | Separation rate (%) | No. of employees | Separation rate (%) | No. of employees | Separation rate (%) | No. of employees | Separation rate (%) | No. of employees | Separation rate (%) |
| Below 30 | 3 | 2.19% | 5 | 3.65% | 3 | 2.00% | 5 | 3.33% | 5 | 3.16% | 6 | 3.80% |
| 30-50 | 5 | 3.65% | 10 | 7.30% | 7 | 4.67% | 12 | 8.00% | 2 | 1.27% | 6 | 3.80% |
| Above 51 | 1 | 0.73% | 0 | 0.00% | 1 | 0.67% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Total number of employees at the end of the year | 137 | | | | 150 | | | | 158 | | | |
| Average monthly separation employment rate (%) | 1.46% | | | | 1.56% | | | | 1.00% | | | |



Notes:





1. Types of separated employees of the Company are defined as resignation, dismissal, discharge from office, retirement, or death in line of duty.
2. Separation rate of male (female) employees in this age group = Number of separated male (female) employees in this age group in current year/Total number of employees in the operations at the end of the year.
3. Average monthly separation employment rate = Number of separated employees in current year/Total number of employees in the operations at the end of the year/12.

Complete Employee Welfare

Employees are the biggest asset of Wendell. We value our employees and establish favorable relations with them. In addition to the following benefits, we also regularly review our welfare system and listen to employees' voice.

The employee welfare measures adopted by the Company include:

| | |
|--|---|
| <p>Thoughtful work environment and measures</p>  | <ul style="list-style-type: none"> <p>•Healthy bento and massage</p> <p>To care for employees' health, we provide healthy bento for lunch every day and entrust massagists to provide massage service every month.</p> <p>•Sharing taxis, shuttle service for business trips, and subsidizing the purchasing of cold-proof equipment</p> <p>To make commuting easier, colleagues may share taxis at the Company's expense if two or more employees are headed to the same metro station. Also, shuttle service is provided for business trips, and subsidies are provided for colleagues who drive motorcycles in winter to purchase cold-proof equipment.</p> <p>•Supply of coffee and snacks</p> <p>During afternoon breaks, employees can enjoy unlimited coffee and half-price snacks to maintain their energy.</p> <p>•A comfortable maternity environment</p> <p>To keep pregnant employees comfortable, we offer nursing rooms with comfortable resting areas and deck chairs; also, we contracted with qualified childcare centers nearby so that new moms can work with peace of mind.</p> <p>•Provision of all-around new knowledge</p> <p>To provide colleagues with more new knowledge, many banks and insurance companies regularly hold lectures and provide onsite services.</p> |
| <p>Complete health care</p>  | <ul style="list-style-type: none"> <p>•10-week paid maternity leave</p> <p>We provide 10-week paid maternity leave so that new moms can enjoy more sufficient rest.</p> <p>•Advanced health checkup</p> <p>We cooperate with Cathy Examination and Diagnosis Center to provide advanced examination services, and employees may select various examination packages based on their individual conditions.</p> <p>•Health consulting</p> <p>We provide irregular health consultations with nurses and physicians on a monthly basis so that colleagues may pay attention to their health conditions.</p> <p>•Influenza vaccination</p> <p>Before the flu season, the Company pays all vaccination expenses and hires professional doctors to</p> |

| | |
|--|---|
| | <p>administer the vaccinations for the colleagues at the Company.</p> |
| <p>Complete insurance plans</p>  | <p>•All-around group insurance</p> <p>The Company is dedicated to planning complete insurance plans for employees. In addition to the basic social insurance required by the government, we also plan complete free group insurance for employees and their spouses and children, thus protecting not only employees but also their family members. The contents of group insurance include life insurance, accident insurance, and medical insurance.</p> |
| <p>Happy flexible holidays</p>  | <p>•Travel allowance and travel leave</p> <p>To help employee rest and regain energy appropriately, we provide travel allowance amounting to NT\$ 12,000-NT\$ 38,000 and travel leave for 2-3 days without requiring any receipts or following relevant regulations.</p> <p>•Birthday leave</p> <p>We provide employee with one-day birthday leave to celebrate with friends or family.</p> <p>•Paid family care leave</p> <p>We provide our employees with 3-day paid family care leave every year. This leave applies to family members of employees, including parents, spouses, children, close friends, and pets.</p> <p>•We also provided paid anti-epidemic isolation leave, paid anti-epidemic care leave, and paid vaccination leave during the pandemic.</p> |
| <p>Praise and appreciation</p>  | <p>•Perfect attendance bonus</p> <p>Additional perfect attendance bonus provided to employees on a monthly basis.</p> <p>•Seniority bonus</p> <p>Employees who have worked for one year may enjoy seniority bonus of NT\$ 10,000-NT\$ 32,000 at the year-end dinner.</p> <p>•Gold coin of honor</p> <p>The Chairman awards gold coins of honor to senior colleagues who worked for the Company for 5, 10, 15, and 20 years.</p> |
| <p>Employee recommendation reward</p>  | <p>•Recommendation bonus</p> <p>Employees may enjoy high-amount recommendation bonus for successfully recommending one friend.</p> |
| <p>Diversified welfare and activities by the Welfare Committee</p> | <p>•Various cash gifts and condolence payments</p> <p>Cash gifts for the Dragon Boat Festival, the Mid-Autumn Festival, birthday, wedding, and childbirth, addition bonuses for elderly parturient women, condolence payments for hospitalization and funeral, etc.</p> |



•Irregular activities held by the Welfare Committee

Domestic employee travel, year-end dinner, lottery drawing, employee sports events, employee clubs, department dinners, birthday celebration, Christmas activities, etc.

• In 2023, the budget of welfare benefits reached NT\$ 3,409,600. This amount was fully paid back to colleagues. A total of 458 person-times shared the benefits.

In April, a barbecue activity was held at Futian Village Eco-Educational Farm, and 100 person-times participated in the activity; in July and August, department dinners were organized to enhance the cohesion, and 140 person-times participated in the dinners; in October, employees traveled to Yilan. 113 person-times participated in the travel; in November, a puzzle-solving activity was held at Muzha Zoo, with 105 person-times' participation.



Yoga club



Dining together in July and August



Puzzle-solving activity at the zoon in November



BBQ



Employee Travel 1



Employee Travel 2



Gold coin of honor



Game at the year-end dinner



Year-end dinner



Daily healthy bento



Fire protection lecture



Finance and economy lecture



Environment lecture



Fire drill



Purchasing of cold-proof clothes for motorcyclists

Education and Training

The annual education and training programs of the Company are generally classified into education and training of new employees and in-service training.

1. Education and training of new employees: Through the planning of physical courses by each department, the lecturers will personally guide new employees to learn about the software and hardware needed for the work and regulations and safety specifications to follow. Also, teachers in the departments will offer one-on-one guidance aside. Therefore, the new employees can quickly blend in.
2. In-service training: The contents include management training (e.g., regulations and management) and professional training (e.g., professional skills). With reference to the needs for work execution and positions of each department, or in order to meet regulatory requirements, the supervisors shall select and assign colleagues to participate in various study and learning courses organized by professional training agencies.

| Item/Category | | Management positions | | Non-management positions | | Direct personnel | | Indirect personnel | |
|---------------------|---------------|----------------------|--------|--------------------------|--------|------------------|--------|--------------------|--------|
| | | Male | Female | Male | Female | Male | Female | Male | Female |
| Unit/Gender | | | | | | | | | |
| Total number | Person | 8 | 0 | 24 | 37 | 4 | 0 | 28 | 37 |



| Item/Category | | Management positions | | Non-management positions | | Direct personnel | | Indirect personnel | |
|-------------------------------|---------------------|----------------------|--------|--------------------------|--------|------------------|--------|--------------------|--------|
| | | Male | Female | Male | Female | Male | Female | Male | Female |
| Training hours | Hour | 42 | 0 | 96 | 121 | 20 | 0 | 118 | 121 |
| Average training hours | Hours/person | 5.25 | 0 | 4 | 3.27 | 5 | 0 | 4.21 | 3.27 |
| Training expenses | NT\$ | 36,300 | 0 | 53,619 | 35,200 | 25,714 | 0 | 64,205 | 35,200 |

Notes:

1. (Total number of employees in management position + Total number of employees of non-management employees) = Total number of employees in operations
2. (Total number of direct personnel + Total number of indirect personnel) = Total number of employees in operations
3. Since colleagues may voluntarily apply for participating in the in-service training programs, not all the personnel would participate in such programs.

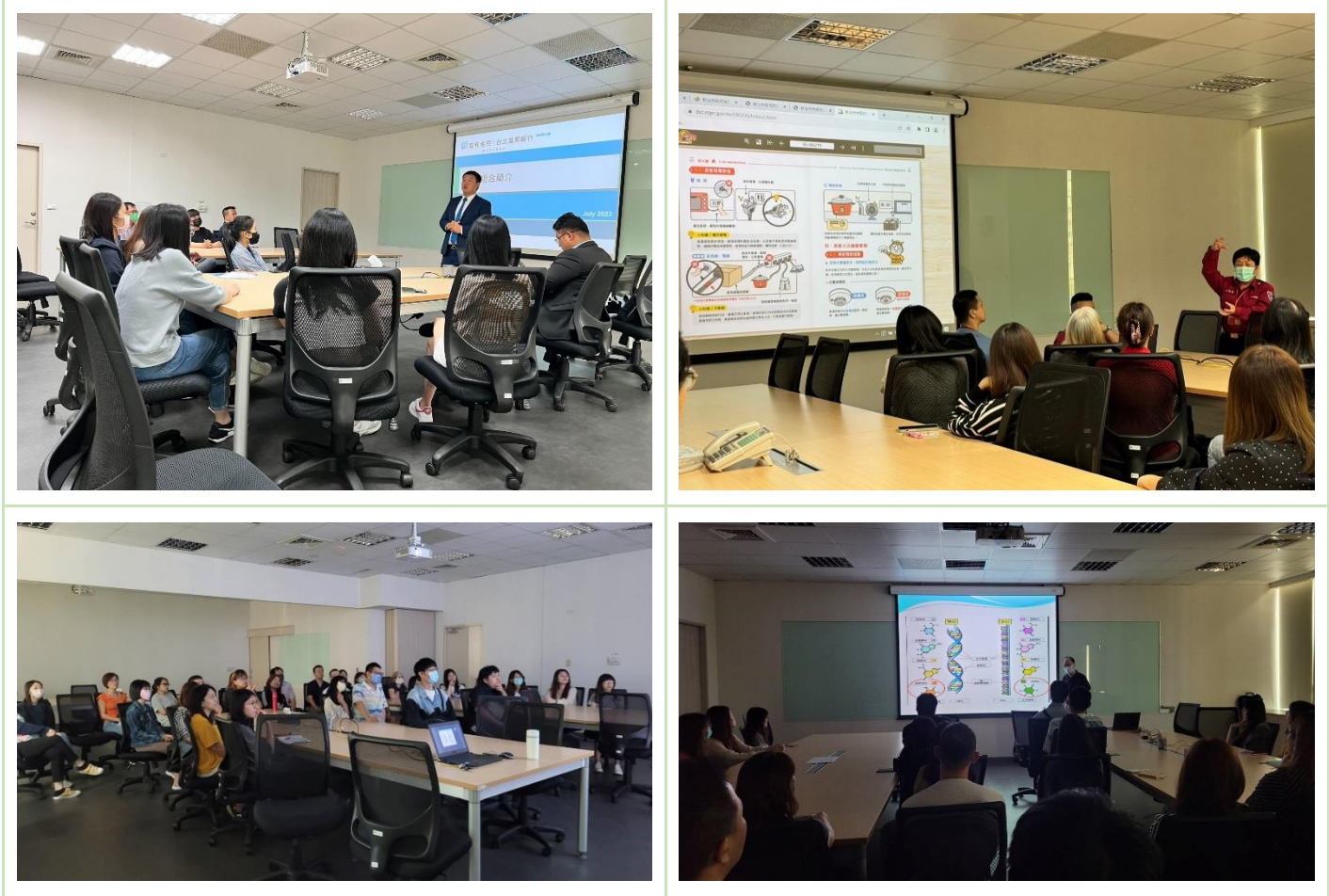
Overview of Planning of Education and Training of Wendell in 2023

| Department | Category of training (Technology/Management) | Internal training | External training | Training content | Budget (NT\$) | Trainees |
|---------------------------------|--|-------------------|-------------------|--|---------------|---|
| Each unit | Management | | ✓ | Safety and health education and training of first-aid personnel | 12,857 | Unit representatives (3 in total) |
| Auditing Department | Management | | ✓ | Practical auditing skills | 3,000 | Auditors |
| Auditing Department | Management | | ✓ | Essentials of internal audit of sales and receipts cycles and compliance with laws and regulations | 3,000 | Colleagues of Auditing Department |
| Production Management Division | Management | | ✓ | Training course for internal greenhouse gas verification personnel of the organization | 9,048 | Seed personnel |
| Finance & Accounting Department | Management | | ✓ | Annual plan and budget preparation control practice class | 8,100 | Finance & accounting personnel (3 in total) |
| Finance & Accounting Department | Management | | ✓ | Standardization of cashier operations and management of working capital | 2,900 | Cashiers (2 in total) |
| Finance & Accounting | Management | | ✓ | Workshop for practices of preparation of consolidated | 14,000 | Finance & accounting |



| Overview of Planning of Education and Training of Wendell in 2023 | | | | | | |
|---|---|-------------------|-------------------|--|------------------|---------------------------------|
| Department | Category of training (Technology/Management) | Internal training | External training | Training content | Budget (NT\$) | Trainees |
| Department | | | | financial statements | | personnel (4 in total) |
| Finance & Accounting Department | Management | | ✓ | New ESG sustainability trends, legal responsibilities for insider trading and unfaithful financial reporting, and strategies for overseas holding taxation | 28,000 | Finance & accounting personnel |
| Finance & Accounting Department | Management | | ✓ | Development of policies related to ESG sustainability and self-preparation of financial statements and internal control management practice | 7,000 | Statement preparation personnel |
| Finance & Accounting Department | Management | | ✓ | Legal liabilities related to management right disputes and case analysis | 2,000 | Finance & accounting personnel |
| Finance & Accounting Department | Management | | ✓ | Essentials of internal audit of regulatory compliance | 3,000 | Finance & accounting personnel |
| Finance Department | Management | | ✓ | Standardization of cashier operations and management of working capital | 8,000 | Finance & accounting personnel |
| All colleagues | Management | ✓ | | Fire protection lecture | 0 | All colleagues |
| All colleagues | Management | ✓ | | Course for new employees | 0 | All colleagues |
| Senior officers | Management | ✓ | | Offensive and defensive strategies and legal compliance in non-consensual acquisition | 23,600 | Senior managers |

Photos of Education and Training of Wendell in 2023



Fair Performance Management System

The ratios of employees of Wendell receiving assessment are shown as follows:

| Item | Management positions | Non-management positions | Direct personnel | Indirect personnel |
|--|----------------------|--------------------------|------------------|--------------------|
| Ratio of male employees receiving assessment (%) | 100 | 100 | 100 | 100 |
| Ratio of female employees receiving assessment (%) | 100 | 100 | 0 | 100 |

3.2 Employee Diversity and Equality

Material topic: Employee Diversity and Equality

| Reporting requirements | Description of reporting requirements and examples |
|--------------------------------------|---|
| Reason for materiality of this topic | Respect and care about each employee, establish a friendly work environment regardless of gender, ethnic group, religion, political stance, marital status, or physical and mental disabilities, establish and continually advocate regulations governing sexual harassment prevention and control, encourage departments to promote diverse employees, regularly check the contents of jobs, as well as fairness of salaries and bonuses between different ranks, and create a diversified |



| Material topic: Employee Diversity and Equality | |
|---|---|
| Reporting requirements | Description of reporting requirements and examples |
| | and equal workplace environment. |
| Policies/strategies | Respect international human rights standards and dedicate to implementing work equality and creating a diversified, inclusive, and friendly work environment. |
| Targets and objects | <ul style="list-style-type: none"> ● Short-term targets: <ol style="list-style-type: none"> 1. Enhance the advocacy of promotion of diverse talents in each department. 2. Improve the culture of mutual respect among colleagues in the workplace through continual advocacy and education. 3. Maintain the ratio of female supervisors. 4. Keep the reinstatement rate of employees returning from unpaid parental leave 80% or above. 5. Introduce EAPS and start internally, focusing on not only employees' work status but also their emotions. ● Mid- and long-term targets: <ol style="list-style-type: none"> 1. Establish sounder remuneration and bonus systems to achieve institutional fairness. 2. Keep the reinstatement rate of employees returning from unpaid parental leave 85% or above. 3. Continually develop various platforms and increase complete and multi-direction employee communication channels. 4. Introduce external resource EAPS so that employees have other communication channels to choose. <p>Increase benefits regarding gender equality and diversified cultures.</p> |
| Management and evaluation mechanism | <ul style="list-style-type: none"> ● Regular convening of labor/management meetings: Employees shall reflect problems and needs. The onsite management representative shall make timely response and immediately promise to handle the foregoing. ● Establish workplace sexual harassment prevention measures, measures for complaint and punishment, prevention and control windows, and ensure their confidentiality and fairness. |
| Performance and adjustment | <ul style="list-style-type: none"> ● In 2023, 4 labor/management meetings were held, with harmonious communication between labor and management. No labor disputes occurred (the labor representatives and the management representatives accounted for 50% respectively, superior to the ratio of 1/3 stipulated in regulations). ● In 2023, no sexual harassment appeal cases were received. ● In 2023, there were 2 employees with physical and mental disabilities and 2 foreign colleagues. In addition to the compliance with provisions of the People with Disabilities Rights Protection Act on quota employment, the Company hired 1 additional worker with disabilities above the quota. |
| Preventive or remedial measures | Besides the setting of a sexual harassment prevention and control team to avoid the occurrence of sexual harassment incidents in workplaces, we also conduct interviews regarding unlawful infringements indicated in the Occupational Safety and Health Act; also, a whistleblowing system |

Material topic: Employee Diversity and Equality

| Reporting requirements | Description of reporting requirements and examples |
|------------------------|---|
| | has been established, and external or internal appeal mailbox has been set up so that employees may use it when their interests are infringed upon or improperly disposed and the problems cannot be reasonably resolved. |

The remuneration system of Wendell does not differ based on gender. Employees’ remuneration is verified and determined based on their work contents and working ability, and unexperienced workers will not get paid differently based on gender. Their remuneration will be adjusted every year based on work performance. Besides, the Company would investigate the market salary level every year and then adjust employees’ salaries accordingly, to ensure that its salary level accords with the market. By doing this, the Company expects to attract and retain excellent employees, to improve the corporate competitiveness and overall operating performance.

As of the end of the report period, the ratios between the standard salaries of basic-level male and female employees of Wendell and the local minimum wage standard are shown in the following table:

| Country/Region | Ratio between the standard salary of basic-level male employees and the local minimum wage standard (%) | Ratio between the standard salary of basic-level female employees and the local minimum wage standard (%) |
|----------------|---|---|
| Taiwan | 1.21 | 1.17 |

The starting salaries offered by the Company comply with the basic salary standard stipulated in the Labor Standards Act regardless of gender. Since the salaries are paid based on seniority, work performance, etc., the pay ratios differ according to different positions. The annual pay ratios of the Company during the report period in 2023 are shown in the following table:

| Pay ratio of each position | Number | | Total annual pay (NT\$) | | Pay ratio (%) | |
|----------------------------|--------|------|-------------------------|------------|---------------|--------|
| | Female | Male | Female | Female | Male | Female |
| Management position | 5 | 8 | 9,565,126 | 24,524,190 | 0.62 | 1 |
| Non-management position | 88 | 57 | 68,723,399 | 46,544,846 | 0.96 | 1 |
| Direct personnel | 0 | 14 | 0 | 9,475,457 | 0 | 1 |
| Indirect personnel | 93 | 51 | 78,288,525 | 61,593,579 | 0.7 | 1 |

Remarks:

- Ratio of basic salary and remuneration of women to men (annual pay ratio): Refer to “Average annual pay of female employees of this category/Average annual pay of male employees of this category”.
- Since four people, including the Chairman (also the CEO), the President, and vice presidents, are all males, they had relatively higher annual pays due to their ranks. As a result, the pay ratio between male and female employees in the management positions was relatively high. Also, since these 4 people are indirect personnel, the pay ratio between male and female indirect personnel was also high.



| Country/Region | Ratio between the total annual remuneration of the individual with the highest remuneration in the Company and the median of the total annual remuneration of employees (not including this individual) (%) | Increased ratio between the total annual remuneration of the individual with the highest remuneration in the Company and the median of the total annual remuneration of employees (not including this individual) (%) |
|----------------|---|---|
| Taiwan | 5.81 | 1.8 |

Remarks:

- 1.The Chairman is not the individual with the highest remuneration unless otherwise the Chairman concurrently serves as President/CEO.
- 2.Calculation formula of ratio of median of annual remuneration: Annual pay of the individual with highest annual pay in the current year/Annual pay of an individual with the annual pay at the median in the current year.
- 3.Calculation formula of increased ratio of annual remuneration: Increased percentage of annual pay of the individual with highest annual pay in the current year/Increased percentage of annual pay of an individual with the annual pay at the median in the current year.

Recruitment of Employees from Diversified Ethnic Groups

The employment of of employees from diversified ethnic groups in the recent three years is detailed in the table below:

| Year | | 2021 | 2022 | 2023 | |
|----------------------------------|--------|----------|--------|--------|---|
| Item/Gender | Age | Number | Number | Number | |
| Minority or disadvantaged groups | Male | Below 30 | 1 | 1 | 0 |
| | | 30-50 | 0 | 0 | 1 |
| | | Above 51 | 0 | 0 | 0 |
| | Female | Below 30 | 0 | 0 | 0 |
| | | 30-50 | 1 | 1 | 1 |
| | | Above 51 | 0 | 0 | 0 |

Note: Minority or disadvantaged groups refer to groups with specific conditions or characteristics (e.g., economy, physiology, politics, and society). These groups may suffer greater negative impacts from organizational activities compared to other general social groups.

Employment Retirement System and Implementation Status

Wendell assists employees in handling retirement matters in accordance with the provisions of “Labor Standards Act”, “Labor Pension Act” and “Work Rules”.

- For employees who comply with pension provisions under the old system, relevant amount will be sufficiently drawn to the pension reserve account of Bank of Taiwan under the old system on a monthly basis.
- For employees who comply with pension provisions under the new system, 6% will be set aside to the employees’ personal pension accounts on a monthly basis. In addition to 6% of amount set aside by the employer as pension in a fixed manner, employees may choose pension with pension range from 0% to 6% based on their personal willingness, and then relevant amount will be drawn to their personal pension accounts.



Besides, in consideration of retired employees' abundant experience, we also encourage these employees to be reemployed through job accommodation of the Company, and also healthy bento is provided for lunch on a daily basis so that the retired employees may continue to pass on their experience to the younger generation without burden.

Implementation Status of Unpaid Parental Leave

In accordance with relevant provisions of “Labor Standards Act” and “Act of Gender Equality in Employment”, an unpaid parental leave system has been implemented for the employees. Female employees enjoy prenatal check-up leave and maternity leave during pregnancy and before and after delivery, while male employees enjoy paternity leave upon the delivery of their spouses. Besides, employees will be arranged to go back to the original units and positions upon expiry of their parental leave, so as to actively assist them in reintegrating into the workplace. In 2023, 4 employees (0 male and 4 females) applied for unpaid parental leave, and the number of employees actually reinstated in the current year reached 4 (0 male and 4 females), presenting a reinstatement rate of 80%.

| Year | 2021 | | | 2022 | | | 2023 | | |
|--|------|--------|-------|------|--------|-------|------|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Number of employees qualified to apply for unpaid parental leave A | 5 | 5 | 10 | 3 | 8 | 11 | 4 | 11 | 15 |
| Number of employees applying for unpaid parental leave in current year B | 0 | 0 | 0 | 1 | 6 | 7 | 0 | 4 | 4 |
| Number of employees who are supposed to be reinstated from unpaid parental leave in current year C | 0 | 0 | 0 | 1 | 4 | 5 | 0 | 5 | 5 |
| Number of employees reinstated from unpaid parental leave in current year D | 0 | 0 | 0 | 1 | 4 | 5 | 0 | 4 | 4 |
| Number of employees actually reinstated from unpaid parental leave in the previous year E | 0 | 5 | 5 | 0 | 0 | 0 | 1 | 3 | 4 |
| Number of employees working continually for one year after reinstatement from unpaid parental leave in the previous year F | 0 | 2 | 2 | 0 | 0 | 0 | 0 | 2 | 2 |



| Year | 2021 | | | 2022 | | | 2023 | | |
|---|------|--------|-------|------|--------|-------|------|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Reinstatement rate of employees returning from unpaid parental leave in current year % (D/C) | 0 | 0 | 0 | 100 | 100 | 100 | 0 | 80 | 80 |
| Retention rate of employees returning from unpaid parental leave in current year % (F/E) | 0 | 40 | 40 | 0 | 0 | 0 | 0 | 67 | 50 |

Calculation methods:

1. Number of employees supposed to be reinstated = Number of employees expected to be reinstated from unpaid parental leave in current year.
2. Number of employees staying in the Company for year N=Number of employees reinstated in year N-1 + Number of in-service employees as of December 31, year N.

Minimum Period of Advance Notice of Operational Change

When the employment relationship shall be terminated due to major operational changes of the Company, we will observe relevant statutory and regulatory regulations including “Labor Standards Act” and “Act for Worker Protection of Mass Redundancy”.

According to Article 16 of “Labor Standards Act”, the period of advance notice is stipulated as follows:

1. Where a worker has worked continuously for more than three months but less than one year, the notice shall be given ten days in advance.
2. Where a worker has worked continuously for more than one year but less than three years, the notice shall be given twenty days in advance.
3. Where a worker has worked continuously for more than three years, the notice shall be given thirty days in advance.
4. After receiving the advance notice referred to in the preceding paragraph, a worker may, during hours of work, ask for leave of absence for the purpose of finding a new job. Such leave of absence may not exceed two work days per week. Wages shall be paid during such leave of absence.
5. Where an employer terminates the contract without serving an advance notice within the time limit prescribed in the first paragraph of this article, he/she shall pay the worker wages for the advance notice period.

Before a colleague goes through a job change, his/her direct supervisor will negotiate with this colleague several weeks in advance. The job change may be announced only after the colleague agrees to accept his/her job change.

3.3 Occupational Safety and Health Management

| Material topic: Occupational Safety and Health Management | |
|---|--|
| Reporting requirements | Description of reporting requirements and examples |
| Reason for materiality of this topic | <ul style="list-style-type: none"> Wendell believes that a company can grow stably only when its employees are healthy, happy, and mentally and physically balanced. By creating harmonious labor-management relations and unimpeded communication channels, continually caring about the employees and establishing a safe and worry-free work environment, Wendell considers all its employees as the important asset for the Company’s sustainable development so that talent growth and innovation can be achieved and integrated to the corporate culture to inject vitality and promote operational efficiency for the Company. |
| Policies/strategies | <ul style="list-style-type: none"> Provide treatment that is superior to standards specified in the Labor Standards Act, to create a friendly and healthy workplace environment featuring balance between work and life. |
| Targets and objects | <ul style="list-style-type: none"> Short-term targets: <ol style="list-style-type: none"> Convene at least two related courses in a year. Convene occupational safety meetings to strengthen employee communication and enhance workplace safety. Increase the number of employees who make an appointment for onsite nursing. Improve the equipment in the breastfeeding and milk-collecting rooms. Mid- and long-term targets: <ol style="list-style-type: none"> Import ISO 45001 system to improve the occupational safety grade. |
| Management and evaluation mechanism | <ul style="list-style-type: none"> Onsite services: The onsite services are provided according to the provisions of the Occupational Safety and Health Act. 24 nurse practitioner interviews/year and 2 doctor interviews/year are arranged. |
| Performance and adjustment | <ul style="list-style-type: none"> 63 person-times participated in employee health management improvement and consulting, accounting for nearly 40% of the total number of employees of the Company. The appointment rate is expected to reach 45%. |
| Preventive or remedial measures | <ul style="list-style-type: none"> Relevant personnel involved in illegitimate infringements will be communicated with according to 4 major plans established based on the Occupational Safety and Health Act. Nursing staff care about colleagues with doubts physically and mentally in advance; also, a whistleblowing system has been established, and external or internal appeal mailbox has been set up so that employees may use it when their interests are infringed upon or improperly disposed and the problems cannot be reasonably resolved. |

Wendell attaches importance to the safety of each employee, establishes code of practice for safety and health according to the provisions of “Occupational Safety and Health Act”, provides healthy work and operating environments that comply with regulations, regularly analyzes potential dangers and possible hazards existing in the work, prevents possible hazards in the safety work activities, and avoids the occurrence of various occupational disasters.



Besides, in accordance with labor health protection rules, onsite nursing services are provided every month, and onsite doctor services are arranged every half a year, in order to promote the balance between work and health, care about employees physically and mentally, and establish a more comfortable workplace environment. Furthermore, Wendell attaches importance to the work safety of each employee. In order to adhere to the concept of advance prevention to achieve zero incidents, we regularly require departments with relatively significant risks to identify hazards and assess risks, as well as discuss and modify the timeliness of such practice at due time. All colleagues are required to abide by the code of safety and health established. In addition to the safety and health training provided for new employees, review by supervisors and employees, risk assessment, and advocacy of new regulations will be carried out every 3 months. The supervisors of each department shall regularly update new knowledge on machinery operations as well as health education for colleagues.

When an incident occurs, in addition to the implementation of first aid and rescue according to the provisions of the emergency response plan, those who discover the incident shall immediately notify the supervisor, nursing practitioner, and occupational safety and health personnel as soon as possible; when any casualty accident occurs, relevant personnel shall immediately dial the dedicated emergency case reporting line, and assist the hospitalization of the injured. Relevant units of the Company shall notify the accident to relevant government departments and fill out relevant report form within 24 hours. Besides, when all employees encounter with emergencies that endanger their safety during work, they may take responsive measures, leave the workplaces, and ensure their safety. In this case, the Company shall not give improper punishments to these employees, including pay cut and dismissal, due to any of the aforesaid self-preservation factors.

Occupational Safety and Labor-Management Meetings

The Company has arranged regular labor-management meetings although no occupational safety and health committee has been established yet. Issues regarding occupational safety can be brought up and discussed in labor-management meetings. The labor-management meetings are convened once every quarter, and there are 4 labor-management meetings in each year. The tenure of the committee members lasts for 2 years. There are 14 committee members, including 7 labor representatives and 7 management representatives who account for 50% of all committee members respectively. The employee representatives are elected and assigned by colleagues from each department. The committee members may put forward their suggestions on the safety of workplaces, propose disaster prevention, control and practice, and regularly update current regulations, launch advocacy and site inventory, and stick to zero occupational disaster by attending regular meetings on a quarterly basis. The committee members will communicate, participate and update the requirements of the Occupational Safety and Health Act and relevant matters,



review the occupational safety issues, discuss improvement plans, and strengthen the professional ability of personnel from each department regarding occupational safety and health. The personnel unit also contributes to the promotion of “Four Labor Health Protection Plans Established by the Ministry of Labor” through specially-appointed nursing practitioners and doctors. The personnel unit distributes questionnaires to colleagues for filling and submission every year. The nursing staff visits the Company every month from whom colleagues may make an appointment to inquire their problems.

The promotion of “Four Labor Health Protection Plans Established by the Ministry of Labor” is as follows:

1. Ergonomic Hazard Prevention Plan

Employees’ musculoskeletal problems can be found at an early stage through the musculoskeletal questionnaire survey. The medical team will evaluate whether employees’ work posture and workload would exacerbate their problems, and then take corresponding measures including the improvement of work site or work restrictions.

2. Abnormal Workload Induced Disease Prevention Plan

In accordance with physical examination reports of new employees, employee routine health examination reports and abnormal workload questionnaire survey, the medical team will calculate the risk of cardiovascular diseases among employees, consider employees’ workloads, learn about the risks of cardiovascular diseases possibly induced by their occupations, and make medical suggestions for them on this basis, or suggest the work deployment for these employees at the Company, so as to reduce the risk of cardiovascular diseases among employees.

3. Unlawful Infringement Prevention Plan for the Performance of Duties

Approaches like questionnaire survey, medical interview and each appeal channel are adopted to protect employees from workplace violence, including physical violence, mental violence, sexual harassment, and sexual assault. Measures that prevent language violence, mental violence and physical violence are taken to coordinate and deal with unlawful infringements as soon as possible. The medical staff will also continue to follow up and care about employees’ physical and mental health in the future.

4. Maternal Health Protection Plan

We provide health protection for female employees in their preparation for pregnancy, pregnancy, one year after delivery, and breastfeeding stage to avoid hazards in their work and environment. We check whether negative impacts and hazards will be caused to the babies in the workplace, and assist the improvement of work environment or adjustment of work contents.



Occupational Safety and Health Education and Training Activities

• Occupational Safety Education and Training

The colleagues of the Company shall receive education and training on occupational safety and health. The training programs in the report period are listed as follows:

| Name of training program | Trainees | Training expenses (NT\$) |
|---|----------|--------------------------|
| Safety and Health Education and Training for New Employees and In-service Employees | 27 | 0 |
| Safety and Health Education and Training for First-aid Personnel | 3 | 12,857 |
| Fire Protection Lecture and Study | 17 | 0 |

Remarks:

1. Including employees and workers who are not employees but have their work and/or workplaces controlled by the organization.
2. Workers who who are not employees but have their work and/or workplaces controlled by the organization, e.g., security, cleaning staff, construction personnel, and other relevant contractors and outsourcers.
3. Occupational safety and health related education and training include general training or training on specific occupational hazards and dangerous situations.

• Employee Health Examination

The Company has established code of work for safety and health according to the regulations. Since the operating environment of the Company is relatively safe, and no special work and special health examination have been arranged, we attach great importance to relevant factors that can easily lead to the damage of employees' health including incorrect work posture, "Three Highs" (high blood pressure, high blood glucose and high blood lipid), maternal protection and unlawful infringements. We plan annual all-around health examinations for our employees that are superior to the requirements raised in the regulations to stay updated with the employees' health condition and provide basis for self-health management. Onsite nursing practitioners will assist the colleagues' consulting every month, so that employees' work contents can be adjusted as appropriate, or their emotions can be cared for. Also, we irregularly advocate new knowledge on AED and CPR, in order to nip in the bud and create a safe and risk-free work environment.

General Statistics of Employees Participating in Health Examination and Examination Fees

General health examinations

| | |
|--|--|
| Examination item | General examinations, physical examination, lung examination, cardiovascular and metabolic system, digestive system, kidney urinary system, blood system, tumor markers, gynecology, andriatrics, ophthalmic examination, hearing examination, ultrasound, X-ray test, and bone density examination. |
| Number of examinees | 137 |
| Examination fees (NT\$ 1,000) | 1,168 |

服務特色

全方位照護

- 完善的照護服務，客製化的健康檢查內容與完整流程
- 協助客戶建立初級預防概念
- 報告異常時，提供即時電話報告解說與正確專業衛教觀念
- 提供國際綜合醫院門診(台灣除外)就醫相關建議並協助掛號
- 健康管理中心提供完善的後續追蹤建議，與醫師、營養師及體適能教練(台灣)，循序漸進將健康調整到最佳平衡狀態



優質安全的檢查環境

- 檢查環境舒適明亮
- 受檢過程中由專科醫師執行，如心臟科醫師判讀
- 腸胃科醫師執行無痛內視鏡檢查時，由專業麻醉醫師施打麻醉，確保準確與安全



完善設備與舒適設備

- 擁有多項高效全面量裝設備，更隨著設備進步更新儀器項目
- 專業醫療級檢驗室通過TAF認證，並引進最新型生化免疫整合分析設備
- 使用RFID系統，讓醫檢分離的健檢環境，保護客戶於檢查過程中的隱私，並瞭解檢查流程與動線，使健檢流程更加舒適與流暢



專業醫療團隊守護

- 擁有醫院專科醫師、國家健康管理專任健康管理師與營養師團隊
- 整合性專業團隊依據各別客戶的健康狀況與健檢需求，提供客製化健檢建議
- 健檢後由專科醫師提供報告解說，視狀況轉診掛號或營養諮詢，讓健檢後服務更完善



● Relevant Services and Measures for Employees' Health Promotion

In order to promote employee health, Wendell provides many health promotion activities that are superior to those required in relevant regulations to assist employees in bettering their health and physical fitness. Therefore, each employee is able to work healthily and obtain favorable health promotion services. The effect of relevant contents of the health promotion activities is as follows:

● Health Examination Superior to the Requirements Raised in Relevant Regulations

Through cooperation with Cathay Healthcare Management Center and Renyou Medical Clinic, we provide new employees and in-service employees with general health examinations. For general in-service employee health examinations, we have provided additional examination items in addition to those stipulated in relevant regulations. The examination rate reached 95%.

● Employee Health Management Improvement and Consulting

Based on the four major plans of the Ministry of Labor mentioned, we have adopted annual questionnaire survey and monthly initiative appointment and colleagues' registration for consulting to take care of colleagues' physical and mental health regarding ergonomic hazards, abnormal workload, maternal protection and unlawful infringements, and health guidance. Meanwhile, we actively care about the colleagues' physical and mental health through questionnaire survey and based on the results of



annual health examinations, as well as rely on external professional agencies to provide suggestions to colleagues. In 2023, we served 63 person-times in total.

1. Ergonomic hazard prevention plan: 2 employees were interviewed in total. The emphasis was mainly placed on the improvement of soreness in the work. This condition might be caused by incorrect work posture or incorrect height of desks and chairs.
2. Abnormal workload induced disease prevention plan: 3 employees were interviewed in total. These employees were under great work pressure, and therefore we suggested that the Company and their supervisors should care about these employees, or adjust their workload.
3. Maternal health protection plan: About 4 employees were interviewed in total. Health education and care were provided for employees who were about to deliver babies this year.
4. Health examination and guidance for dealing with “Three Highs”: 16 employees were interviewed in total. Information on correct diet and sports was provided for colleagues who were vulnerable to “Three Highs”.
5. Doctor health consulting: 22 employees were interviewed in total to help colleagues acquire consulting about their health issues in their daily lives.
6. Health guidance for health examination of new employees: About 16 employees were interviewed in total. We would care about colleagues with red words in their health examination reports and evaluate whether their positions suited them.

● Irregular Health Electronic Newspaper

We irregularly advocate new knowledge on health to colleagues.

| | | |
|--|---|---|
|  |  |  |
| <p>Health Examination</p> | <p>Onsite service</p> | <p>Irregular e-newsprinters</p> |



Operation Status of Occupational Safety and Health Management

In order to prevent the potential hazards, risks and negative impacts imposed by the suppliers on the Company regarding occupational safety and health, Wendell currently takes management and audit measures only over third parties who haven't filled out sustainability questionnaires and received appraisal management. Before renewing contracts, we will evaluate whether each vendor complies with relevant regulations every year, to replace doubted vendors with legal vendors. The occupational safety and health management rules and regulations formulated by the Company according to the Occupational Safety and Health Act cover all the employees and workers who are not employees of the Company (including 3 persons from the cleaning company), with coverage of 100%. No employees or workers who are not employees are excluded.

| Statistical Table of Employees' Occupational Injuries | | | | |
|---|---|---------|---------|---------|
| Category | Item | 2021 | 2022 | 2023 |
| Total working hours | Total working hours of female employees | 158,648 | 179,344 | 183,040 |
| | Total working hours of male employees | 114,224 | 123,472 | 127,120 |
| | Total working hours | 272,872 | 302,816 | 310,160 |
| Death toll caused by occupational injuries | Number of female deaths (person-times) | 0 | 0 | 0 |
| | Number of male deaths (person-times) | 0 | 0 | 0 |
| | Total deaths (person-times) | 0 | 0 | 0 |
| Number of employees suffering serious occupational injuries (exclusive of deaths) | Total number of female employees suffering serious occupational injuries (person-times) | 0 | 0 | 0 |
| | Total number of male employees suffering serious occupational injuries (person-times) | 0 | 0 | 0 |
| | Total number of employees suffering serious occupational injuries (person-times) | 0 | 0 | 0 |
| Number of recordable occupational injuries (including deaths and number of employees suffering serious occupational injuries) | Total number of female employees suffering occupational injuries (person-times) | 0 | 0 | 0 |
| | Total number of male employees suffering occupational injuries (person-times) | 0 | 0 | 0 |
| | Total number of employees suffering occupational injuries (person-times) | 0 | 0 | 0 |
| Mortality ratio caused by occupational injuries % | | 0.00 | 0.00 | 0.00 |
| Ratio of serious occupational injuries % | | 0.00 | 0.00 | 0.00 |
| Ratio of recordable occupational injuries % | | 0.00 | 0.00 | 0.00 |

Notes:

1. Mortality ratio of caused by occupational injuries = (Deaths caused by occupational injuries/Working hours) *1,000,000
2. Ratio of serious occupational injuries = (Number of serious occupational injuries (exclusive of deaths)/Working hours) *1,000,000
3. Ratio of recordable occupational injuries = (Number of recordable occupational injuries (including deaths and number of employees suffering serious occupational injuries/Working hours) *1,000,000
4. A serious occupational injury refers to an occupational injury resulting in the failure of the injured to restore health within 6 months.
5. Recordable occupational injuries do not include occupational injuries caused during commuting.



| Statistical Table of Occupational Injuries of Workers Who are not Employees | | | | |
|---|---|-------|-------|-------|
| Category | Item | 2021 | 2022 | 2023 |
| Total working hours | Total working hours of female workers | 5,060 | 5,240 | 4,980 |
| | Total working hours of male workers | 0 | 0 | 0 |
| | Total working hours | 5,060 | 5,240 | 4,980 |
| Death toll caused by occupational injuries | Number of female deaths (person-times) | 0 | 0 | 0 |
| | Number of male deaths (person-times) | 0 | 0 | 0 |
| | Total deaths (person-times) | 0 | 0 | 0 |
| Number of workers suffering serious occupational injuries (exclusive of deaths) | Total number of female workers suffering serious occupational injuries (person-times) | 0 | 0 | 0 |
| | Total number of male workers suffering serious occupational injuries (person-times) | 0 | 0 | 0 |
| | Total number of workers suffering serious occupational injuries (person-times) | 0 | 0 | 0 |
| Number of recordable occupational injuries (including deaths and number of workers suffering serious occupational injuries) | Total number of female workers suffering occupational injuries (person-times) | 0 | 0 | 0 |
| | Total number of male workers suffering occupational injuries (person-times) | 0 | 0 | 0 |
| | Total number of workers suffering occupational injuries (person-times) | 0 | 0 | 0 |
| Mortality ratio caused by occupational injuries % | | 0.00 | 0.00 | 0.00 |
| Ratio of serious occupational injuries % | | 0.00 | 0.00 | 0.00 |
| Ratio of recordable occupational injuries % | | 0.00 | 0.00 | 0.00 |

Notes:

1. Mortality ratio of caused by occupational injuries = (Deaths caused by occupational injuries/Working hours) *1,000,000
2. Ratio of serious occupational injuries = (Number of serious occupational injuries (exclusive of deaths)/Working hours) *1,000,000
3. Ratio of recordable occupational injuries = (Number of recordable occupational injuries (including deaths and number of workers suffering serious occupational injuries/Working hours) *1,000,000
4. A serious occupational injury refers to an occupational injury resulting in the failure of the injured to restore health within 6 months.
5. Recordable occupational injuries do not include occupational injuries caused during commuting.

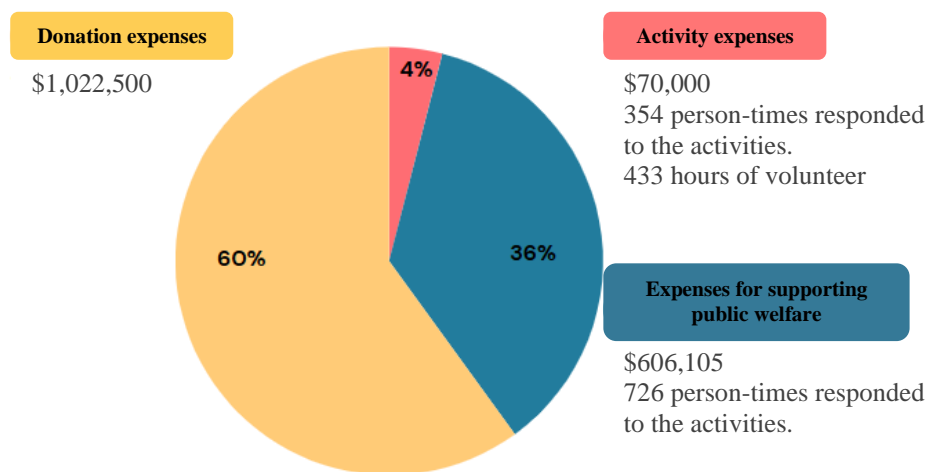
3.4 Social Participation

| Material topic: Social Participation | |
|--------------------------------------|--|
| Reporting requirements | Description of reporting requirements and examples |
| Reason for materiality of this topic | <ul style="list-style-type: none"> ● In addition to the pursuit of economic benefits, the enterprise shall also effectively drive employees, customers, communities, etc. to participate in social feedback activities, which can substantially improve employees' satisfaction and loyalty, positively develop its production and innovation, create a positive corporate image, and attract more high-quality partners and customers. |
| Policies/strategies | <ul style="list-style-type: none"> ● Adhere to the spirit of “paying back to society and preserving the environment”, continually promote and expand social participation activities, and leverage corporate influence. |
| Targets and objects | Short-term targets: <ol style="list-style-type: none"> 1. Continually donate to The Pearl S. Buck Foundation. 2. Continually promote activities involving environment and public welfare. |

| Material topic: Social Participation | |
|--------------------------------------|--|
| Reporting requirements | Description of reporting requirements and examples |
| | <p>3. Encourage employees to participate in more environmental public welfare activities.</p> <p>Mid- and long-term targets:</p> <ol style="list-style-type: none"> Learn about the needs of community neighborhoods and utilize corporate advantages to provide assistance. Continually promote environment and public welfare activities, establish corresponding organizations and regulations, provide assistance for institutions, and involve more colleagues in these activities. |
| Management and evaluation mechanism | <ul style="list-style-type: none"> The sustainability group provides assistance to organize and coordinate relevant activities. |
| Performance and adjustment | <p>2023</p> <ol style="list-style-type: none"> The Company co-organized two blood donation activities and acquired a total of 232 blood bags; two material donation activities were held to donate blankets to stray animals, and also donate shoes. A beach cleaning activity attended by 97 person-times was held. An environment lecture attended by 32 person times was held. A public welfare activity of The Pearl S. Buck Foundation attended by 5 person-times was held. |
| Preventive or remedial measures | <ul style="list-style-type: none"> Activities may become formalities that are not what the community needs, or what employees want to attended. Relevant guidelines shall be regularly reviewed to enable employees to help institutions or people in needed with their expertise, or integrate the corporate advantages in the public welfare activities to enhance corporate image. |

In 2023, adhering to the spirit of “Taking from society and using for society” and relying on its corporate resources and employees’ strength, Wendell actively promoted public welfare lectures, volunteer activities, environmental protection, and donation activities. It joined hands with employees to care about the local communities and people with their own strength, in the hope that positive social influence can be leveraged.

The expenditure in public welfare in 2023 reached NT\$1,698,605.





Charity Donations and Actions

Through active cooperation with The Pearl S. Buck Foundation, Wendell is dedicated to serving and supporting children of economically disadvantaged Taiwanese new immigrants and their families, and helping new immigrant families aspiring to start a business build their dreams and then work and live happily in Taiwan. In 2023, Wendell donated a total amount of NT\$ 1,020,000, benefiting 60 children.

For Wendell, it is the first choice to purchase gift boxes from public welfare groups during the Mid-Autumn Festival, for it cannot only stabilize the job opportunities of disadvantaged groups but also pass on its love to customers. In 2023, Wendell purchased a total of 1,403 gift boxes from Ruth Society for Disability Services, Simply ICR, Syin-Lu Workshop with Happiness, and ABRAZO.

Wendell also cooperates with Linger Meridian Massage and invites visually impaired massagists to provide massage service every month. 64 massage service activities were organized in the year, and 576 person-times responded to these activities.

At the same time, we also joined relevant customer's 2023 Taiwan Good Air for Blessed Field-Plan for Discontinuity of Rice Straw Burning.

| Name of activity | Content | Sessions | Budget invested | Responding person-times | Achievement |
|--|---|----------|-----------------|-------------------------|---|
| Adoption activity of The Pearl S. Buck Foundation | Sponsoring scholarships for children at The Pearl S. Buck Foundation | 12 | 1,020,000 | 150 | 60 children obtained scholarships every month. |
| Gift boxes during the Mid-Autumn Festival | Purchasing gift boxes from charity groups during the Mid-Autumn Festival | 1 | 401,305 | 150 | A total of 1,403 gift boxes were purchased. |
| Massage experience | Inviting visually impaired massagists to provide massage service for colleagues | 64 | 204,800 | 576 | The massagists served 256 hours in total, and 576 colleagues received the massage service. |
| PLANET ESG public welfare activities | Joining suppliers' environmental activities | 1 | 2,500 | - | Wendell adopted a hectare of land for implementing 2023 Taiwan Good Air for Blessed Field-Plan for Discontinuity of Rice Straw Burning. |

Blood Donation and Material Donation Activities

Since the mitigation of the pandemic, blood centers are facing a severe shortage of blood. To encourage colleagues and community members to roll up their sleeves and respond to this situation, Wendell joined hands with Lions Club to hold blood donation activities in May and August 2023. A total of 152 people attended the activities, and 232 blood bags were obtained.

Thanks to the participation of enthusiastic colleagues, Wendell collected 3 large boxes of old blankets to Xindian Animal Shelter this year, so that stray animals could live through the cold winter; also, at the entrance of the Company, we collected old shoes from employees from each company and donated them to Step30 in Linkou, thus spreading love to Africa.

| Name of activity | Content | Sessions | Budget invested | Responding person-times | Achievement |
|--|---------------------------------------|----------|-----------------|-------------------------|---|
| Blood donation activities | Injecting new blood to the blood bank | 2 | 10,000 | 152 | 232 blood bags were obtained. |
| Donation of old blankets and old shoes | Fundraising | 2 | 10,000 | 100 | 3 large boxes of blankets and more than 130 pairs of shoes were obtained. |



Waiting for blood donation



Mobile blood donation vehicle



Enthusiastic colleagues



Three large boxes of old blankets



Enthusiastic colleagues taking part in donation



More than 130 pairs of old shoes



Public Welfare and Environmental Activities

A volunteer team led by the Chief Sustainability Officer and comprising colleagues of Wendell and their family members has been established with nearly 100 members. This team went to Yong'an Fishing Harbor and took concrete actions to protect the marine ecology, practice SDGs, safeguard the sustainable utilization of oceans and marine resources, promote sustainable development, and fulfill corporate responsibility.

On the day of beach cleaning, nearly 90% of more than 80kg of waste removed was plastic marine waste, including polystyrene, tires, plastic bags, straws, bottle caps, PET bottles, and cigarette butts. In just 3 hours, the participants learned relevant knowledge on marine waste and made their contributions to the environmental protection. Also, this activity made us reflect on how to reduce waste from the source.

In the future, Wendell will continually promote environmental actions to pay back to society, and utilize its corporate influence to drive sustainable environmental development and involve more customers, colleagues and their family members to safeguard the beautiful island.

As society diversifies, new immigrants have also become an issue recently concerned by us. The Pearl S. Buck Foundation has long been involved in assisting new immigrants to integrate their homeland's characteristics and leverage their skills. This market is a charitable market organized regularly by the foundation, aiming to enable new immigrants to sell their own products. Our mission is to attract more people to get to know and support new immigrants and their children with love and care.

| Name of activity | Content | Sessions | Budget invested | Responding person-times | Achievement |
|---|-----------------------------------|----------|-----------------|-------------------------|--|
| New Immigrant Peach Heart Charity Market of The Pearl S. Buck Foundation | Public welfare volunteer activity | 1 | 10,000 | 5 | The Pearl S. Buck Foundation obtained increased IG and FB follows beyond expectations. |
| Beach cleaning activity at Taoyuan Yong'an Fishing Harbor | Public welfare volunteer activity | 1 | 40,000 | 97 | More than 80kg of waste was picked. |



Colleagues popularizing IG of The Pearl S. Buck Foundation



Volunteer team of The Pearl S. Buck Foundation



Beach cleaning activity led by the Chief Sustainability Officer



Group photo of beach cleaning activity



Colleagues cleaning the beach earnestly



Joining hands with colleagues' family members to clean the beach



All strange types of waste

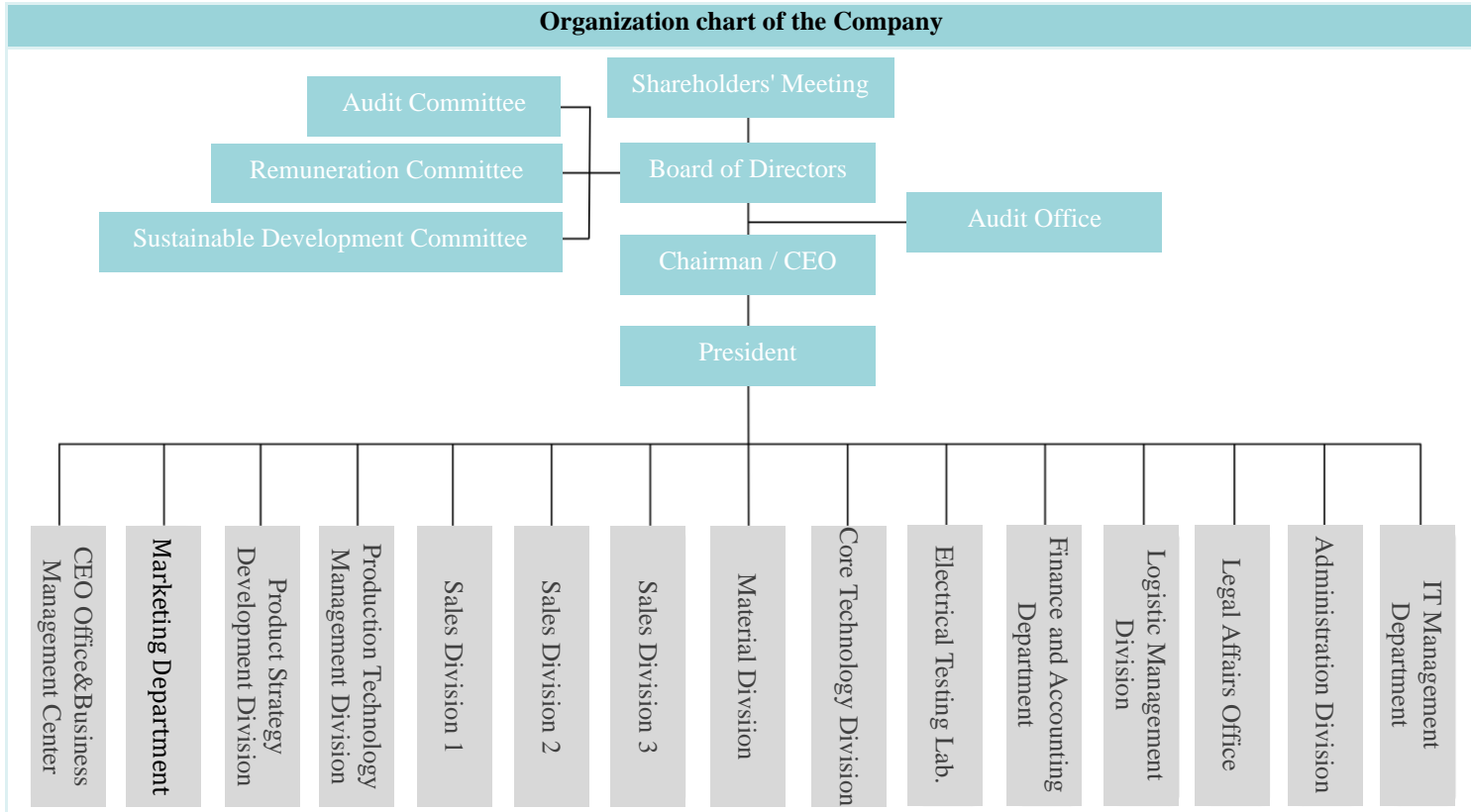


4. Sustainable Management

4.1 Corporate Governance and Ethical Corporate Management

| Material topic: Corporate Governance and Ethical Corporate Management | |
|---|--|
| Reporting requirements | Description of reporting requirements and examples |
| Reason for materiality of this topic | <ul style="list-style-type: none"> Ethical corporate management is not only the ethical principle of the Company, but also the foundation of stewardship. Wendell adopts a zero-tolerance policy to prohibit any form of corruption. The complete corporate governance benefits systematic development of the organization and protects the interests of major shareholders and other stakeholders, as well as prevents the impairment or loss of corporate interest and jointly safeguards reputation, to win respect and trust from customers, suppliers, and the industry. Such actions have a positive impact on the Company’s each business and operation. |
| Policies/strategies | <ul style="list-style-type: none"> The functional committees established under the Board of Directors per authorities and functions include Audit Committee, Remuneration Committee, and Sustainable Development Committee which regularly report to the Board of Directors. A complaint mailbox has been set up to provide whistleblowers with transparent and effectively communicated channels. |
| Targets and objects | <ul style="list-style-type: none"> Implement corporate governance policy to support further operational development. Ensure that the information on corporate operation is open and transparent, and ethical corporate management is conducted. |
| Management and evaluation mechanism | <ul style="list-style-type: none"> Performance evaluation is regularly executed for the Board of Directors and functional committees every year through self-evaluated questionnaires. External performance evaluation is conducted at least once every three years. |
| Performance and adjustment | <ul style="list-style-type: none"> In 2023, Wendell established a Sustainable Development Committee and assigned a professional external independent agency to execute performance evaluation of the Board of Directors, to continually improve the performance of corporate governance, safeguard the interests of shareholders and stakeholders, strengthen the functionality of the Board of Directors, and improve information transparency. In 2023, no reports regarding unlawful acts were received. |
| Preventive or remedial measures | <ul style="list-style-type: none"> The Company has established and legally and timely amended relevant regulations including “Ethical Corporate Management Best Practice Principles”, “Procedures and Behavioral Guidelines for Ethical Corporate Management Work”, and “Code of Ethics”. Directors, principals, managers, and employees sign “Statement of Ethical Management Policy” every year. |

Organization Chart of the Company



Functional Committees

To effectively leverage the functionality of the Board of Directors and better the decision-making quality of the Board of Directors, functional committees have been set up under the Board of Directors according to the authorities and functions, including Audit Committee, Remuneration Committee and Sustainable Development Committee.

The Company follows the requirements of RBA Code of Conduct and local regulations, values employees’ interests, working hours, health and work environment, offers fair treatment without discrimination in gender and race, continues to communicate with employees, and aims to build a friendly workplace environment. Also, we have established “Ethical Corporate Management Best Practice Principles”, “Procedures and Behavioral Guidelines for Ethical Corporate Management Work”, and “Code of Ethics”. In addition to the signing of “Statement of Ethical Corporate Management Policy” with directors, principals, managers and employees to abide by the aforesaid standards, we strictly standardized our behaviors in the business practices, and prohibit the direct or indirect provision, promising, requirement or acceptance of any illegitimate interests, or other behaviors against integrity, laws, or fiduciary duty. Besides, a whistleblowing mailbox has been set up on the official website of the Company to provide the whistleblowers with transparent and unimpeded channels. Also, we take responsibility for the confidentiality of the identity of whistleblowers, reported persons, and relevant personnel in charge of

the cases. Once relevant report is received, the President will immediately assign relevant project director to conduct an investigation. If it is found to be true through investigation, we will immediately require the accused person to stop relevant behaviors, and receive proper punishment. We will even request damage compensation through legal proceedings, to safeguard the reputation and interests of the Company. Also, relevant units of the Company will review the internal control system and operating procedures and propose improving measures to prevent the recurrence of same behaviors. The project director shall report the investigation results and subsequent improving measures to the President. If the accused person is a director, or a manager with rank equivalent to vice president or above, a report shall be submitted to the Audit Committee. In 2023, the Company didn't receive any illegal report.

Audit Committee

1. The annual work highlights of the Audit Committee and the matters deliberated by it mainly include:

- (1) Establishment or amendment of the internal control system according to the provisions of Article 14-1 of the Securities and Exchange Act.
- (2) Assessment of the effectiveness of the internal control system.
- (3) Establishment or amendment of procedures for major financial and business practices including the acquisition or disposal of assets, engaging in derivatives trading, lending of capital to others, endorsement for others, or provision of guarantee in accordance with the provisions of Article 36-1 of the Securities and Exchange Act.
- (4) Matters involving the directors' own interests.
- (5) Trading of major assets or derivatives.
- (6) Major capital lending, endorsement or provision of guarantee.
- (7) Raising, issuance or private placement of securities with equity nature.
- (8) Appointment, dismissal, or remuneration of CPAs.
- (9) Appointment or dismissal of finance, accounting, or internal audit officer.
- (10) Annual financial report signed or sealed by the Chairman, managers and accounting manager, and the financial report of the second quarter to be verified and certified by CPAs.
- (11) Other major matters stipulated by the Company or the competent authority.

2. Review of financial report

The Board of Directors prepared its business report, financial statements, proposal for earnings distribution for the year 2023. The financial statements were already been verified by PwC Taiwan upon entrustment, and an audit report was issued. The Audit Committee reviewed

the aforesaid business report, financial statements, proposal for earnings distribution and concluded that no inconformity was found.

3. Assessment of effectiveness of internal control system

The Company regularly handles independent evaluation of internal control system according to “Regulations Governing the Establishment of Internal Control Systems by Public Companies”. In accordance with the effectiveness criteria of internal control system released by the competent authority, the Company judges and concludes that the design and implementation of its internal control system are effective, and can reasonably assure the achievement of the objectives of the internal control system.

Operation of the Audit Committee

The Audit Committee comprises 3 independent directors, and the convener is director Lin, Chin-Feng.

In 2023, the committee held 6 meetings in total, with operation status as follows:

| Title | Name | Actual attendance | Attendance by proxy | Actual attendance ratio (%) | Remarks |
|----------|--------------------|-------------------|---------------------|-----------------------------|--|
| Convener | Lin, Chin-Feng | 6 | 0 | 100% | - |
| Member | Ho, Tsu-Shun | 6 | 0 | 100% | - |
| Member | Tseng, Hsiao-Chuan | 2 | 0 | 100% | This director was by-elected and newly appointed at the interim Shareholders' Meeting held on August 30, 2023. |
| Member | Su, Chun-Nien | 2 | 0 | 100% | This director resigned on May 29, 2023. |

Remuneration Committee

The Remuneration Committee shall faithfully perform the following functions and powers with duty of care as a good manager, and submit its proposals to the Board of Directors for discussion:

1. Regularly review this procedure and make suggestions on amendment.
2. Establish and regularly review the performance evaluation of directors and managers, annual and long-term performance objectives of the Company as well as remuneration policy, system, standards and structure, and disclose the contents of performance evaluation standards in the annual report.
3. Regularly evaluate the achievement of performance objectives of directors and managers of the Company, and determine the contents and amount of individual remuneration based on the evaluation results concluded per the performance evaluation standards.

The operation method of the Remuneration Committee of the Company shall be handled in accordance with the “Rules of Organization of Remuneration Committee”. The committee shall convene at least two meetings a year. During convening of a committee meeting, the cause for convening shall be specified, and the committee members shall be notified seven days in advance, except for emergencies.

Policy Objective of Remuneration Committee

In order to complete the remuneration system of directors and managers of the Company, the Rules of Organization of Remuneration Committee are hereby established for observation in accordance with the provisions of Article 3 of “Regulations Governing the Functions and Powers of Remuneration Committee”.

Members of Remuneration Committee and Operation Status

The Remuneration Committee comprises 3 independent directors with director Ho, Tsu-Shun serving as the convener. The performance evaluation and remuneration of directors and managers shall be handled with reference to the normal payment standards in the same trade and in consideration of the results of personal performance evaluation, time dedicated, responsibilities undertaken, personal objectives achieved, performance in other positions, and remuneration provided by the Company to those in equivalent positions in recent years. Also, the reasonableness of the linkage of personal performance with the Company’s operating performance and future risks shall be evaluated in accordance with the short-term and long-term business objectives of the Company achieved and the Company’s financial position.

In 2023, the Remuneration Committee convened 4 meetings in total with operation status as follows:

| Title | Name | Actual attendance | Attendance by proxy | Actual attendance ratio (%) | Remarks |
|----------|--------------------|-------------------|---------------------|-----------------------------|--|
| Convener | Ho, Tsu-Shun | 4 | 0 | 100% | - |
| Member | Lin, Chin-Feng | 4 | 0 | 100% | - |
| Member | Tseng, Hsiao-Chuan | 1 | 0 | 100% | This director was by-elected and newly appointed at the interim Shareholders’ Meeting held on August 30, 2023. |
| Member | Su, Chun-Nien | 2 | 0 | 100% | This director resigned on May 29, 2023. |

| Date of meeting | Contents of proposals | Resolution of the Remuneration Committee | Comment of the Board of Director on the meeting |
|-----------------|--|--|--|
| March 8, 2023 | 1. Proposal for the director reward and employee reward of the Company in 2022 2. Proposal for deliberation of remuneration of managers of the Company in coordination with the annual salary adjustment of the Company | All the members attended the meeting, and the proposals were passed without objection. | All the members attended the meeting, and the proposals were passed without objection. |
| May 11, 2023 | 1. Amendment to the list of managers discussed and approved by the Remuneration Committee of the Company | All the members attended the meeting, and the | All the members attended the meeting, and the proposals were |



| Date of meeting | Contents of proposals | Resolution of the Remuneration Committee | Comment of the Board of Director on the meeting |
|-------------------|--|--|--|
| | | proposals were passed without objection. | passed without objection. |
| August 9, 2023 | 1. Proposal for deliberation of granting of Mid-Autumn Festival bonus for the managers of the Company | All the members attended the meeting, and the proposals were passed without objection. | All the members attended the meeting, and the proposals were passed without objection. |
| December 15, 2023 | 1. Proposal for amendments to “Regulations Governing the Employee Share Subscription through Capital Increase in Cash” of the Company 2. Proposal for distribution of employee subscription amount of new shares issued by capital increase in cash to employees of managerial offices in 2023 3. Proposal for deliberation of yearend bonus of managers of the Company 4. Proposal for determination of “2024 Work Plan” of the Remuneration Committee | All the members attended the meeting, and the proposals were passed without objection. | All the members attended the meeting, and the proposals were passed without objection. |

Salary Structure

The Remuneration Committee assists the Board of Directors in evaluating the linkage of remuneration level of directors and managers with the Company’s operating performance, determining the appropriation ratio of dividends, and making suggestions on the remuneration of managers and the Company’s remuneration policy. In accordance with the provisions of Article 20 of the Articles of Association, if there is a balance after deduction of accumulated losses from the profits obtained in current year if any, the Board of Directors shall set aside at least 1.5% of the annual profits as employee reward and no more than 3% of the annual profits as director reward respectively. Besides, with respect to managers’ remuneration, in addition to fixed basic salary and welfare which are adjusted based on the industrial conditions and market salary status in the current year to remain competitive in the industry, their salary adjustment and performance bonus shall be adjusted in comprehensive consideration of personal performance, reviewed by the Remuneration Committee regularly and submitted to the Board of Directors for approval before execution.

(I) Director reward

The amount of director reward set aside shall comply with the provisions of Article 20 of the Articles of Association of the Company. If there a balance after deduction of accumulated losses from the profits obtained in current year if any (i.e., profit obtained before deduction of employee reward and director reward distributed from the before-tax profit), the Board of Directors shall set aside no more than 3% of the annual profits as director reward.

(II) Managers’ remuneration

(1) Salary (recurring): The managers’ salaries are jointly evaluated and determined with reference to the human resources market of Taiwan, category of industry of same nature, and the Company’s salary and welfare policies; upon employment, promotion or salary



adjustment of managers, their titles, ranks, education, work experience, professional abilities and work responsibilities shall be considered to facilitate the verification and determination of their salaries. The applications for such employment, promotion or salary adjustment shall be presented level by level to the Chairman for approval, then submitted to the Remuneration Committee for deliberation, and then implemented after being approved by the Board of Directors.

- (2) Mid-Autumn Festival bonus and yearend bonus (non-recurring): With reference to the annual profits of the Company and based on the results of annual performance evaluation of managers, the human resources unit will draft a suggestion on the payment of yearend bonus and present it to the Board of Directors for approval. After that, the suggestion will be submitted to the Remuneration Committee for deliberation, and then to the Board of Directors for approval before implementation.

Deliberation Process

Reasonable remuneration will be provided in accordance with the provisions of “Articles of Association” of the Company, with reference to the Company’s operating strategies, profitability, future development, industrial environment and other relevant factors, and based on individual directors’ participation in the Company’s operation and value contributed by them. The Remuneration Committee is responsible for making a proposal which will be approved by the Board of Directors first and then executed.

Risk Linkage

To ensure the close linkage of the managers’ performance with the corporate strategies and maintain competitive overall remuneration, the Company has established “Regulations Governing Performance Evaluation”. The managers’ remuneration includes salaries and bonuses. The salaries are determined with reference to the Company’s operating strategies and profitability and in consideration of managers’ personal speciality, scope of responsibility, market competitiveness, and other factors; the bonuses are determined in consideration of results of personal performance evaluation, the Company’s operating performance and reasonableness of linkage with future risks. The bonuses will be verified and reduced, or not paid if major risk incidents occur, including influence on the corporate goodwill, improper internal management, and personnel fraud.

Linkage of Remuneration with Performance

To ensure the close linkage of the managers’ performance with the corporate strategies and maintain competitive overall remuneration, the Company has established “Regulations Governing Performance Evaluation” as basis for manager’s performance evaluation and remuneration payment. The preceding



regulations include policy, system, standards and structure of managers' performance evaluation and remuneration. These regulations will be deliberated by the Remuneration Committee and then submitted to the Board of Directors for negotiation and determination. The structure of managers' performance evaluation includes "self-evaluation" and "mutual evaluation". The performance evaluation is conducted every half a year after relevant objectives are established in the beginning of the year. The aspects to evaluate and assess include the achievement of profiting objectives, organizational decision-making, and improvement of execution capability, cultivation of cadres, and implementation status of corporate governance. The Remuneration Committee is responsible for making a proposal which will be executed after being approved by the Board of Directors.

Board of Directors

Composition of Board of Directors

The highest governance unit of the Company is under the leadership of Chairman Kao, Chih-Hung. Since the Chairman of the Company concurrently serves as President or CEO, directors of Wendell shall adhere to a high degree of self-discipline and establish "Rules of Procedure of the Board of Directors" in order to avoid the conflict of interest. It has been expressly stipulated in "Rules of Procedure of the Board of Directors" that a director who has an interest relationship with the matters involved in the meeting as well as himself/herself or the legal person he/she represents shall explain the important contents of such relationship in the current board meeting. This director shall not participate in the discussion and voting if there is a risk of harming the corporate interests, and shall excuse himself/herself during discussion and voting. Also, this director shall not exercise his/her voting rights on behalf of other directors. If the blood relations of directors, including spouse and relatives within the second degree of kinship, or the companies with control-subordinate relationship with the directors have an interest relationship with the matters involved in the meeting, it will be deemed that the directors have an interest relationship with these matters, so as to ensure the due diligence of the directors and effectively benefit the operation of the Board of Directors and the operating performance of the Company.

The seventh Board of Directors of the Company comprises 7 directors, among whom 3 directors are served by the employees of the Company who are specialized in leadership, decision-making, operational judgment, operation and management ability and crisis management with industrial knowledge and international market view; director LIU, SHENG-CHANG currently serves as the director of Everest CPA & Co. and the vice president of CPA Associations R.O.C. (Taiwan), specialized in management, accounting, and finance analysis; 3 independent directors, i.e., HO, TZU-SHUN, LIN, CHIN-FENG, and TSENG, HSIAO-CHUAN, are specialized in law, finance and accounting, management, and financial



investments, which are important professional skills needed for the operation of the Company. The diversified and professional backgrounds of the directors facilitate the Company to make most timely and crucial decisions and improve its operational performance and management benefits.

The Company has a total of 7 directors, Iing 3 Independent directors. The directors served by employees of the Company account for 42.86%, and the independent directors account for 42.86%, and the female directors account for 28.57% of the total number of directors respectively. The seniority of 2 independent directors lasts for 4-5 years. The seniority of 1 independent director lasts for 0.6 years. There are 3 directors aged 41-50, 2 directors aged 51-60, and 2 directors aged above 61. The Company attaches importance to gender equality regarding the composition of Board members, and aims to make the ratio of female directors exceed 1/3 of total directors by 2025. Currently, there are two female Board members. In the future, the Company will try to balance the seats of directors of different genders, to implement the goal of Taiwan for gender equality. Relevant information of the Board of Directors and supervisor(s) is shown in the table below:

| Title | Name | Gender | Age | Date first elected | Main education and experience) | Concurrent position(s) currently held in the Company and other companies | Diversified professional and industrial experience | | | | | | |
|----------|----------------|--------|-------|--------------------|---|---|--|---------------------------------|----------------------------------|----------------------------|----------------------|---------------------------|------------|
| | | | | | | | Operational judgment | Accounting and financial skills | Operation and management ability | Crisis management capacity | Industrial knowledge | International market view | Leadership |
| Chairman | Kao, Chih-Hung | Male | 51~60 | Nov. 12, 2019 | <ul style="list-style-type: none"> Department of Advertising, National Chengchi University | <ul style="list-style-type: none"> Chairman & CEO of Wendell Industrial Co., Ltd. Chairman of Bo Hong Investment Chairman of Wei Hong Assets Chairman & President of Wendell Electrical Testing Co., Ltd. Director of Wendell Industrial Limited Director of Nichteck Industrial Co., Limited | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |



| Title | Name | Gender | Age | Date first elected | Main education and experience) | Concurrent position(s) currently held in the Company and other companies | Diversified professional and industrial experience | | | | | | |
|----------|------------------|--------|----------|--------------------|---|---|--|---------------------------------|----------------------------------|----------------------------|----------------------|---------------------------|------------|
| | | | | | | | Operational judgement | Accounting and financial skills | Operation and management ability | Crisis management capacity | Industrial knowledge | International market view | Leadership |
| Director | Kao, Min-Hung | Male | 41~50 | Nov. 12, 2019 | <ul style="list-style-type: none"> Department of Shipping and Transportation Management, National Taiwan Ocean University President of Wendell Industrial Co., Ltd. | <ul style="list-style-type: none"> Chief Sustainability Officer of Wendell Industrial Co., Ltd. Chairman of Hong Hui Co., Ltd. Chairman of Shenzhen Qianhong Electronics Co., Ltd. Chairman of Wendell Industrial Limited Chairman of Wendell Korea Co., Limited Chairman of Wendell Pte., Ltd Chairman of Nichtek Industrial Co., Limited Director of Wendell Electrical Testing Co., Ltd. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Director | Chan, Po-Hsiang | Male | 41~50 | Nov. 12, 2019 | <ul style="list-style-type: none"> York University Information technology Vice President of Wendell Industrial Co., Ltd. Product Manager of GIGABYTE | <ul style="list-style-type: none"> President of Wendell Industrial Co., Ltd. COO of Wendell Electrical Testing Co., Ltd. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Director | Liu, Sheng-Chang | Male | Above 61 | Jun. 16, 2022 | <ul style="list-style-type: none"> EMBA, National Chengchi University Bachelor of Commerce, National Taiwan University | <ul style="list-style-type: none"> Director of Everest CPA & Co. Vice President of CPA Associations R.O.C. (Taiwan) Resident Supervisor of Mega International Commercial Bank Executive Director of Accounting Research and Development Foundation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |



| Title | Name | Gender | Age | Date first elected | Main education and experience) | Concurrent position(s) currently held in the Company and other companies | Diversified professional and industrial experience | | | | | | |
|----------|--------------------|--------|----------|--------------------|--|---|--|---------------------------------|----------------------------------|----------------------------|----------------------|---------------------------|------------|
| | | | | | | | Operational judgement | Accounting and financial skills | Operation and management ability | Crisis management capacity | Industrial knowledge | International market view | Leadership |
| Director | Ho, Tsu-Shun | Male | 51~60 | Nov. 12, 2019 | <ul style="list-style-type: none"> ● Bachelor of Law, National Taiwan University ● Master of Law, Soochow University ● Procurator, Taiwan High Prosecutors Office ● Head Prosecutor, Taiwan Shilin District Prosecutors Office ● Procurator, Taiwan Taoyuan District Prosecutors Office | <ul style="list-style-type: none"> ● Lawyer of Shih Hsun Hsu Law Firm ● Supervisor of Dimei Biotechnology Co., Ltd. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Director | Lin, Chin-Feng | Female | 41~50 | Nov. 12, 2019 | <ul style="list-style-type: none"> ● Master, Department of Accounting, Soochow University ● Business Administration, National Taiwan University of Science and Technology ● Taiwan CPA ● China Certified Tax Agent ● Head of Auditing Department, Weizhong Certified Public Accountants ● Partner of Ding Xin Certified Public Accountants | <ul style="list-style-type: none"> ● Practicing CPA of Crowe (TW) CPAs | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Director | Tseng, Hsiao-Chuan | Female | Above 61 | Aug. 30, 2023 | <ul style="list-style-type: none"> ● Master of Management, National Taiwan University of Science and Technology ● General Auditor of Yuanta Bank ● Vice President and Senior Vice President of Yuanta Bank ● Assistant Manager and Senior Assistant Manager of Yuanta Bank ● Audit Department, Manager of Yuanta Financial Holding Co., Ltd. | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Note: There are 3 directors aged 41~50, 2 aged 51~60 and 2 aged above 61.

Nomination and Election of Directors

The Board of Directors of the Company attaches great importance to high efficiency, transparency, diversity and professionalism to strengthen corporate governance. The Board of Directors considers professional abilities needed for business execution including operation judgment, accounting and financial analysis, operation management, industrial knowledge, awareness of international market, leadership, and decision-making, for the purpose of avoid blind spots in decision-making.

In order to ensure excellent corporate governance, a candidate nomination system has been adopted for the election of board members. In the shareholders' meeting held in June 2022, the members of the seventh Board of Directors were elected in accordance with "Measures for Election of Directors". Specifically, the Board of Directors comprises 7 directors among whom 3 are independent directors, in the hope that the outstanding professional knowledge in the industry can be utilized and the viewpoints of external stakeholders can be introduced to improve operating quality.

All the board members adhere to the spirit of high self-discipline to avoid conflict of interest, which has been expressly stipulated in "Rules of Procedure of the Board of Directors". When adopting behaviors within the business scope of the Company for themselves or others, directors or managers shall acquire relevant approval from the Shareholders' Meeting in advance in accordance with statutory requirements.

Contents of "Procedures for Election of Directors of Wendell Industrial Co., Ltd." Revised on July 8, 2021.

Sustainable Operation of the Board of Directors

Organization chart of the Sustainable Development Committee





In 2023, the senior management of the Company, including the President, form a Sustainable Development Committee which is responsible for making overall arrangements for drafting corporate social responsibility and sustainable development strategies and objectives, preparing and submitting sustainability reports to the Board of Directors for review and publication, and regularly reviewing the progress of achievement of performance and objectives. Also, this committee will lead each department to resolve corporate ethics related problems and implement process reformation.

In 2023, Wendell establish a Sustainable Development Committee as a full-time ESG unit to stay updated with the global sustainable development, analyze sustainability topics including governance, environment and society, and establish strategic sustainable direction and project promotion based on operating cores, product innovation and services. The committee shall comprise members who shall be senior managers of the Company, director or independent director. Also, these committee members shall elect a convener and meeting chair. Supervised by the Board of Directors, this committee shall report to the Board of Directors regularly every year. To be specific, policy goals, key sustainability plans and performance results shall be submitted to the Board of Directors for verification and approval; besides, at least one regular meeting shall be held every quarter, and irregular discussions of material topics will be convened as well.

The Board of Directors of the Company convenes 1~2 meetings every quarter to review the matters submitted by each department to the Board of Directors. In 2023, 7 board meetings were convened (with directors' average attendance rate as 100.00%). The Finance & Accounting Department may attend board meetings as a nonvoting party for the purpose of inquiry, so that the Board of Directors has sufficient time to communicate with this department. In 2023, 89 cases were deliberated by the Board of Directors. The economic, environmental and social issues arising from relevant operating activities will be handled by the senior management with the authorization from the Board of Directors. The senior management shall report the handling status to the Board of Directors as necessary. The resolutions made by the Board of Directors will be subsequently followed up, and the implementation progress will be reported to the Board of Directors as necessary.

| Nature | Total number of critical concerns | Communication method and frequency | Communication results |
|-------------|-----------------------------------|---|---|
| Environment | 15 in total in 2023 | Convening of board meetings/At least 1-2 meetings per quarter | These issues will be handled by the senior management with the authorization from the Board of Directors. The senior management shall report the handling status to the Board of Directors as |
| Economy | 89 in total in 2023 | Convening of board meetings/At least 1-2 meetings per quarter | |



| Nature | Total number of critical concerns | Communication method and frequency | Communication results |
|---------|-----------------------------------|---|--|
| Society | 35 in total in 2023 | Convening of board meetings/At least 1-2 meetings per quarter | necessary. The resolutions made by the Board of Directors will be subsequently followed up, and the implementation progress will be reported to the Board of Directors as necessary. |

Continuing Education of Board Members

In addition to relevant industrial experience and professional knowledge and abilities possessed by the board members, the Company has also regularly arranged directors to plan education and training courses which cover a range of corporate governance, regulations, finance, consumer protection, corporate social responsibility, Net-Zero emission and other relevant topics. Through the continual arrangement of diversified external courses for continuing education, board members are expected to improve their professionalism, faithfully perform their business and duty of care as a good manager, and give full play to their operation decision-making, leadership and supervision functions. In 2023, the average training duration of each director reached 6 hours and above, and the total duration of continuing education reached 48 hours.

Performance Evaluation of Board of Directors

Units to be evaluated in the current year and period and scope of evaluation (e.g., the Board of Directors, individual board members, each functional committee, etc.) shall be established in accordance with the procedures of the Company for the performance evaluation of the Board of Directors. Secondly, the evaluation method shall be determined as selection of appropriate evaluation executing units (e.g., internal self-evaluation for the Board of Directors, self-evaluation of board members (self-evaluation or peer evaluation), peer evaluation, evaluation through entrustment of external professional agency, expert evaluation, etc.). Next, each executing unit shall collect relevant information regarding the activities of the Board of Directors and distribute relevant self-evaluation questionnaires for filling, including “Self-evaluation Questionnaire for Performance Evaluation of the Board of Directors”, “Self-evaluation Questionnaire for Performance Evaluation of Board Meetings”, or “Self-evaluation Questionnaire for Performance Evaluation of Functional Committee”. Finally, the executing unit responsible for overall arrangements shall uniformly recover the data, record the reports of evaluation results based on the scoring criteria of the evaluation indicators, and report them to the Board of Directors for review and improvement.

With respect to the execution of performance evaluation of the Board of Directors of the Company, external professional and independent agency or external expert and scholar team shall be assigned to



evaluate evaluation at least once every three years, while the results of internal and external performance evaluation of the Board of Directors shall be completed prior to the end of the first quarter of the next year.

Internal Evaluation

The Company shall establish measurement items for the performance evaluation of the Board of Directors in consideration of the status and needs of the Company, and at least the following five aspects shall be contained: 1. Participation in the Company’s operation; 2. Improvement in the Board of Directors’ decision-making quality; 3. Composition and structure of the Board of Directors; 4. Election and continuing education of directors; 5. Internal control.

The Company has established regulations governing the performance evaluation of directors and supervisors with specific indicators and evaluation criteria shown in the table below:

| Specific indicator | Evaluation criteria | Ratio | | | |
|--|--|--|----------------------------|---------------|--------------|
| 1. Performance evaluation of the Board of Directors •Participation in the Company’s operation •Improvement in the Board of Directors’ decision-making quality •Composition and structure of the Board of Directors •Election and continuing education of directors •Internal control | The evaluation results are presented with 5 grades. The Company may modify the design method of the evaluation results as the case may be. The principle of evaluation grades is described as follows: Figure 1: Extremely poor (strongly disagree); Figure 2: Poor (Disagree); Figure 3: Medium (Average); Figure 4: Excellent (Agree); Figure 5: Extremely excellent (Strongly agree). | 1. Performance evaluation of the Board of Directors | | | |
| | | Evaluation item | Number of questions | Ratio% | Score |
| 2. Self-evaluation of performance of board members •Understanding of the Company’s goals and missions •Understanding of the directors’ responsibilities •Participation in the Company’s operation •Management and communication of internal relations •Expertise and continuing education of directors •Internal control | | A. Participation in the Company’s operation | 12 | 26.66% | 26.67 |
| | | B. Improvement in the Board of Directors’ decision-making quality | 12 | 26.66% | 26.67 |
| | | C. Composition and structure of the Board of Directors | 7 | 15.56% | 14.60 |
| | | D. Election and continuing education of directors | 7 | 15.56% | 15.05 |
| | | E. Internal control | 7 | 15.56% | 15.43 |
| | | Total | 45 | 100.00% | 98.43 |
| | | 2. Self-evaluation of performance of board members | | | |
| | | Evaluation item | Number of questions | Ratio% | Score |
| | | A. Understanding of the Company’s goals and missions | 3 | 13.04% | 13.04 |
| | | B. Understanding of the directors’ responsibilities | 3 | 13.04% | 13.04 |
| C. Participation in the Company’s operation | 8 | 34.80% | 34.66 | | |
| D. Management and communication of internal relations | 3 | 13.04% | 13.04 | | |
| E. Expertise and continuing education of directors | 3 | 13.04% | 13.04 | | |
| F. Internal control | 3 | 13.04% | 13.04 | | |
| Total | 23 | 100.00% | 99.86 | | |
| 3. Performance evaluation of functional committees •Participation in the Company’s operation •Understanding of the functional committees’ responsibilities •Improvement in the functional committees’ decision-making quality •Composition of the functional committees and election of members •Internal control | | 3. Performance evaluation of functional committees | | | |
| | | (1) Self-evaluation of the Audit Committee | | | |
| | | Evaluation item | Number of questions | Ratio% | Score |
| | | A. Participation in the | 4 | 18.18% | 18.18 |



| Specific indicator | Evaluation criteria | Ratio | | |
|--------------------|--|----------------------------|---------------|--------------|
| | Company's operation | | | |
| | B. Understanding of the Audit Committee's responsibilities | 5 | 22.73% | 22.73 |
| | C. Improvement in the Audit Committee's decision-making quality | 7 | 31.81% | 31.81 |
| | D. Composition of the Audit Committee and election of members | 3 | 13.64% | 13.64 |
| | E. Internal control | 3 | 13.64% | 13.64 |
| | Total | 22 | 100.00% | 100.00 |
| | (2) Self-evaluation of the Remuneration Committee | | | |
| | Evaluation item | Number of questions | Ratio% | Score |
| | A. Participation in the Company's operation | 4 | 17.39% | 17.39 |
| | B. Understanding of the Remuneration Committee's responsibilities | 5 | 21.74% | 21.74 |
| | C. Improvement in the Remuneration Committee's decision-making quality | 7 | 30.44% | 30.44 |
| | D. Composition of the Remuneration Committee and election of members | 4 | 17.39% | 17.10 |
| | E. Internal control | 3 | 13.04% | 13.04 |
| | Total | 23 | 100.00% | 99.71 |
| | (3) Self-evaluation of the Sustainable Development Committee | | | |
| | Evaluation item | Number of questions | Ratio% | Score |
| | A. Participation in the Company's operation | 4 | 20.00% | 19.29 |
| | B. Understanding of the Sustainable Development Committee | 3 | 15.00% | 13.57 |
| | C. Improvement in the Sustainable Development Committee's decision-making quality | 7 | 35.00% | 33.71 |
| | D. Composition of the Sustainable Development Committee and election of members | 3 | 15.00% | 14.29 |
| | E. Internal control | 3 | 15.00% | 14.71 |
| | Total | 20 | 100.00% | 95.57 |

The results of performance evaluation of the Board of Directors of the Company in 2023 were mostly between 5 points (“Strongly agree”) and 4 points (“Agree”). Directors strongly agreed on the operation of each evaluation indicator, and the overall operation of the Board of Directors and each functional committee were evaluated as favorable, complying with the requirements for corporate governance, effectively reinforcing the functionality of the Board of Directors, and safeguarding shareholders’ interests.

External Evaluation

The Company executes external evaluation once every three years. The professional external agency entrusted by the Company, i.e., “Taiwan Corporate Governance Association”, is not a related party of the Company, or does not have any business relations with the Company that may affect its independence. The participants haven’t held any positions with a material influence at the Company, or had any direct or indirect financial interest relationships with the Company. The Taiwan Corporate Governance Association already issued a performance evaluation report of the Board of Directors of the Company on December 27, 2023. The evaluation results were already reported to the Board of Directors on March 7, 2024. For the evaluation report, please refer to relevant information disclosed on the Company’s website (Investor Relations/Corporate Governance/Implementation Status of Corporate Governance/Performance Evaluation Reports of Board of Directors and Functional Committees).

Performance evaluation of the Board of Directors Certificate



社團法人中華公司治理協會

董事會績效評估證明

茲證明

穩得實業股份有限公司

委託本協會執行外部董事會績效評估服務專案

本協會評估小組成員

審閱公司自民國 111 年 11 月 1 日至 112 年 10 月 31 日期間相關文件，

並於 112 年 12 月 15 日評估小組至公司進行實地訪評，

爰於 112 年 12 月 27 日出具董事會績效評估報告，提供公司董事會參酌。

特此證明



理事長

陳清祥

依照分層負責規定
授權單位主管執行

中華民國 112 年 12 月 27 日



Membership in Societies and Associations

In order to continually strengthen its industrial competitiveness, Wendell has also actively participated in other societies and associations to acquire the latest industrial information and build a favorable sustainable value chain. The societies and associations attended by the Company are as follows:

| Industrial societies and associations, other member associations, and national or international initiatives | Membership |
|---|------------|
| National Association of Small & Medium Enterprises, R.O.C. | Member |
| Fellowship Committee of National Award of Outstanding SMEs | Member |
| Taipei Computer Association | Member |
| Taiwan Accreditation Foundation | Member |
| National Taiwan University of Science and Technology-Advanced Power Technology Industry-Academia Alliance | Member |

Tax Management Guidelines

Wendell strictly follows relevant tax laws governing securities transaction tax, business income tax, and business tax, and takes relevant measures as appropriate, which helps reduce the Company's risks and operating cost to achieve the goal of sustainable development.

Wendell has established the following taxation policies:

1. Principle of regulatory compliance: Follow tax regulations and legislative spirits, correctly declare the paying of taxes and properly prepare supporting documents.
2. Principle of comprehensive decision-making: Pay attention to the reforms of local and international tax laws, evaluate the impact of these reforms in an all-around way, and draft responsive measures.
3. Principle of information transparency: Disclose tax information via public channels like financial statements and annual reports regularly to ensure information transparency.
4. Principle of active communication: Keep open and honest communication with the tax collection authority to assist the improvement of taxation environment and system.
5. Principle of reasonable tax saving: Use legal and transparent taxation rewards, and avoid saving taxes by using methods that go against the spirit of law.
6. Principle of reasonable structure: Make sure the corporate structure and transaction arrangements comply with the economic essence, and avoid making special arrangements for tax avoidance.
7. Principle of risk control: Evaluate relevant risks and take appropriate strategies when formulating and executing decision-making on taxation.
8. Principle of commercial essence: The related party transactions shall comply with the economic essence and the decision makers shall take the risks and acquire reasonable remuneration.
9. Principle of regular transaction: The prices and conditions of related party transactions shall be similar to those required of non-related parties in similar transactions.

The tax unit shall present tax compliance status of all local and overseas operations as well as the new information regarding global tax laws to the Board of Directors every quarter so that the Board of Directors may master the internal risks and taxation trends. Given the effective operation of the risk management



mechanism, Wendell has managed to control risks of the occurrence rate and amount of tax dispute incidents at a low level.

- Taxation guidelines

1. Compliance and planning: In 2023, system improvement and process restructuring effectively improved the efficiency of tax operations. As a result, days of annual declaration operations of various kinds of income of local people were substantially reduced. For the original mailing part of business tax declaration attachment, it was replaced with attachment uploading, to reduce mailing risk and comply with the provisions on carbon reduction. We will continually develop other tax systems and integrate science and technology to the daily operations, thus improving accuracy and efficiency.
2. Professional inheritance: Establish operating manuals and systematic working paper, share experience, and establish a proxy system to ensure the inheritance of professional knowledge on taxation.
3. Performance evaluation: The taxation personnel's work performance is highly related to the annual taxation work plan, and the evaluation will be conducted based on the achievement of the objectives. Also, it is prohibited to use aggressive tax avoidance approaches to acquire individual performance.

- Tax risk management mechanism

1. Three lines of defense: In 2023, under the monitoring of three lines of defense and key risk indicators, 1 low-risk abnormal incidents were found. Wendell drafted improvement plans immediately according to the reasons of the incidents, and completed the improvement work by the end of 2023 to ensure the conformity of the taxation work to the tax laws and internal regulations.
2. Board of Directors: Relying on risk identification and the mechanism of three lines of defense, we have presented high-risk taxation incidents to the Board of Directors, the highest governance unit, to bring its supervisory role into full play.

- Whistleblowing mechanism

Dedicated whistleblowing line and whistleblowing mailbox have been set up so that employees and stakeholders may report illegal or immoral tax matters.

- Assurance of tax disclosure

Taxation information is disclosed in public channels like official website and annual reports of the Shareholders' Meeting on the basis of the financial statements certified by accounting firms.

Besides, the Company has also actively communicated with stakeholders through multiple channels, and actually participated in actions like taxation initiative to support the implementation of each new taxation policy, with the objective to establish a good taxation environment together.

- Tax collection authority

In case of any doubt about the application of laws and regulations, we would initiatively negotiate and discuss with the tax collection authority; after receiving a letter from the tax authority requiring information prompt, we will spare no effort to coordinate the submission of relevant documents and descriptions as scheduled.



- TPEX

In case of any doubt about the application of laws and regulations, we would initiatively negotiate and discuss with the TPEX; after receiving a letter from the competent authority of TPEX requiring information prompt, we will spare no effort to coordinate the submission of relevant documents and descriptions as scheduled.

Internal Control System

Although risk assessment of corruption hasn't been conducted for the operations of the Company, we have already established definite regulations related to internal control, i.e., "Code of Ethics" and "Ethical Corporate Management Best Practice Principles", so as to standardize the behaviors of directors, managers, employees and appointed personnel of the Company, prohibit unethical behaviors, and comply with moral standards and behaviors.

In 2023, Wendell didn't find violations and corruptions of its directors, managers or employees, as well as their involvement in anti-competition, antitrust and monopoly actions. If it is reported and verified that some personnel have the behaviors that go against the moral standards, they will be subject to disciplinary measures according to Item 8, Article 2 of "Code of Ethics" of the Company. The detailed contents are as follows:

- Disciplinary measures

When directors or managers violate the Code of Ethics, the Company shall deal with them using the disciplinary measures stipulated in the Code of Ethics, and disclose the dates and reasons of violation, violation criteria, handling status and other relevant information of personnel who violate the Code of Ethics on MOPS on a real-time way. Also, the Company shall establish relevant appeal system and provide remedies for those who violate the Code of Ethics.

No discrimination incident occurred to Wendell in 2023. The Company supports "Universal Declaration of Human Rights of the United Nations". Also, with reference to "RBA Code of Conduct", the Company does not discriminate based on race, color, gender, language, and religious beliefs, and abides by relevant local laws and regulations including "Labor Standards Act", "Act of Gender Equality in Employment", and "People with Disabilities Rights Protection Act". Also, the Company has established "Work Rules" internally to assure employees' human rights.

1. Gender equality

In accordance with the provisions of relevant laws and regulations, Wendell provides male employees with pregnancy checkup accompaniment and paternity leaves, and paid family care leave, and female employees with menstrual leave, maternity leave, prenatal check-up leave, etc. respectively. In addition, they may also apply for unpaid parental leave. In 2023, no male employees who complied with qualification for unpaid parental leave applied for unpaid parental leave. 64% of female employees who were qualified for unpaid parental leave were still on the unpaid parental leave in 2023. The Company would proactively care about these employees before their reinstatement, and assist them in reinstatement. The reinstatement rate was 80%; also, the Company has signed contracts with child care facilities nearby so that colleagues would pick



up children without having to go far; the Company has assigned specially-appointed doctors and nurses to offer regular consultation and pay attention to maternal protection. The nursing staff will continue to pay attention to the pressure of work and life imposed on female employees within 1 year after pregnancy and delivery, and make suggestions to the Company for adjustments as appropriate. Besides, the Company has also established sexual harassment control measures, mailbox and dedicated line. Upon receipt of appeals from employees, the human resources unit will immediately convene an investigation group to launch investigations.

2. Prohibition of employment of child labor and minors

Wendell does not recruit child labor aged below 16 according to law, which has been stipulated for the employment of new employees. Those who report for duty are required to present the originals of their identity certificates on the day of registration. The certificates will be returned immediately after being checked, to confirm that their age complies with the statutory and regulatory provisions.

3. Avoidance of forced labor

Wendell has never used forced, guaranteed, involuntary or exploitative labor. All the employees have been employed through the legal appointment procedures of the Company. Employees are required to sign employment contracts upon entry to agree on the working hours that comply with local regulations; if an employee needs to work overtime, he/she shall fill out “Overtime Application” in the system. “Timeout Reminder” will be provided regularly in each month to remind colleagues to apply for overtime in the system. If the overtime in the current month is considerable, we will remind the supervisors to care about the employees’ status. Furthermore, we would advocate relevant laws and regulations in the quarterly labor-management meeting to ensure that the supervisors and employees do not violate these laws and regulations.

4. Emphasis on laborers’ human rights

Wendell has established a Welfare Committee that comprises representatives elected by employees of each department. Employees may decide on the activities and welfare in the current year by means of discussion, voting, etc.; also, labor-management meetings are convened every quarter. The labor representatives are able to make suggestions to the Company regarding improvements. After receiving such suggestions, the management representatives shall immediately discuss them; as for the semiannual performance evaluation, employees’ suggestions on the Company are also inquired, and the Company will propose improvement schemes based on such suggestions.

In accordance with relevant human rights policies and standards issued by organizations like the International Labour Organization, Wendell has never used child laborer. In addition to the strict implementation of these policies and standards by the operations, we have also required suppliers not to employ labor or child labor below the minimum working age through the labor health and safety investigation items in “Supplier ESG Evaluation Questionnaire”. In 2023, the Company completed the investigation of 53 suppliers with transactions. If the suppliers have



potential risks or deficiencies audited, Wendell will continue to require improvements. Employees who dedicate to the overall product supply chain will be protected by international human rights standards.

Wendell_Supplier ESG Assessment Questionnaire



Table with 10 columns: Questionnaire Item, Assessment Content, and various assessment metrics (Yes/No/Not Applicable/Not Answered). The table is titled '供應商ESG評估問卷' and contains multiple rows of questions related to labor practices, environmental impact, and social responsibility.

The Company and its suppliers haven't forced their employees to work overtime. Each operation of Wendell does not force employees to work overtime according to local regulations. If overtime is needed, employees shall apply for overtime work according to the operating instructions of each operation. Besides, the Company has signed "Statement of Supplier's Sustainability Commitments" with suppliers, and included it as a part of QMS_ISO 9001 Supplier Evaluation Measures. The Company has declared that the suppliers are prohibited from adopting any enforcement of labor. Also, an investigation method of irregular audit has been adopted. When any illegal behaviors are found, the following measures will be taken:

- 1. Propose investigation actions to the executive level in the management review meetings.
2. Determine the actual causes of cases with the suppliers' management to confirm if illegal behaviors really exist.

3. Report to the Sustainable Management Development Group of the Company and require the suppliers to improve immediately.

4. If the breaching behaviors cannot be effectively improved as scheduled, relevant suppliers will be given disqualified scores according to the supplier evaluation measures indicated in ISO 9001.

Statement of Supplier's Sustainability Commitments

| | | | |
|--|------------|---------|----|
| | 穩得實業股份有限公司 | 文件編號 | |
| | | FR84-08 | |
| | 供應商永續承諾聲明書 | 頁次 | 版次 |
| | | 1/1 | 1 |

穩得實業股份有限公司秉持永續經營的理念，積極推展在環境面、社會面與治理面的績效，也重視供應商在企業社會責任上的努力貢獻，希望 貴供應商瞭解並配合以下事項：

1. 禁止使用童工
2. 禁止強迫或強制勞動行為
3. 遵守國際人權規定
4. 保障員工自由結社
5. 工作時間和薪資報酬都符合當地勞基法規定

本公司希望與供應商建立良好的長久合作夥伴關係，對於勞工、環境、職業安全衛生及道德規範等各面向的要求，持續地交流、改善、發掘彼此成長的空間，並期許 貴公司亦能向您的供應商提出相同的要求，一同為環境與社會善盡責任，共同建立一個具備高度韌性、可持續營運的永續供應鏈。

穩得實業股份有限公司

供應商簽署

公司名稱： [公司章用印]

代表人 / 職稱：

簽名：

日期：

4.2 Operating Performance

| Material topic: Operating Performance | |
|---------------------------------------|--|
| Reporting requirements | Description of reporting requirements and examples |
| Reason for materiality of this topic | <ul style="list-style-type: none"> Budget is an operating plan adopted by the Company to indicate the operating approaches and policies of units in charge of business, operation, management, and finance in the future. Definite data objectives are adopted as operation approach and the responsibilities of each department for the management by objectives are divided to improve the operating performance. |
| Policies/strategies | <ul style="list-style-type: none"> Review the budget. If the objective environment is changed to make the budget greatly different from the facts, the budget shall be added or reduced accordingly. |
| Targets and objects | <ul style="list-style-type: none"> Effectively control the cost, master each expense, and coordinate the principles regarding receipts and payments as well as profit objectives, to realize the best operation performance. |
| Management and evaluation mechanism | <ul style="list-style-type: none"> Prepare the budget and an analysis table of difference of actual expenses on a quarterly basis, and present a comparison table of details of expenses incurred to each department, to achieve an effective evaluation mechanism. |
| Performance and adjustment | <ul style="list-style-type: none"> Compare the income statement of previous year with the originally predicted amount. If the actual operating profit or loss or before-tax profit or loss is changed by more than twenty percent compared to the predicted amount, the reason shall be described. |
| Preventive or remedial measures | <ul style="list-style-type: none"> If a major change reaches 10% and above upon execution of the budget, the reason shall be described and analyzed; if the budget is corrected, the preparation of the budget shall be in line with the annual budget procedures, and shall be submitted to the board of directors for review before execution. |

The Company is mainly engaged in the sales of electromagnetic compatibility and line protection components and the provision of one-stop services for electromagnetic compatibility and wireless RF certification testing. Our products and services are widely applied in fields like network communication, security monitoring, industrial computer, automotive electronics, power supplies, and other consumer electronics. Also, the Company markets components globally with its self-owned brand of “Nichtek” and agent brands.

| Item/year | 2023 |
|---|-----------|
| Operating revenue (NT\$ 1,000) | 1,483,623 |
| Operating margin (NT\$ 1,000) | 398,662 |
| Operating profit or loss (NT\$ 1,000) | 133,216 |
| Non-operating revenue and expense (NT\$ 1,000) | (4,965) |
| Net income before tax (NT\$ 1,000) | 128,251 |
| After-tax net profits in current period (NT\$ 1,000) | 101,329 |
| Total comprehensive income in current period (NT\$ 1,000) | 101,329 |
| Earnings per share (NT\$ 1) | 4.04 |
| Employee welfare amount (NT\$ 1,000) | 1,831 |
| Dividends (NT\$ 1,000) | 133,888 |
| Employee remuneration (including employee welfare) (NT\$ 1,000) | 185,786 |
| Retained economic value (NT\$ 1,000) | 184,140 |
| Amount paid to contributors (NT\$ 1,000) | 133,888 |
| Amount paid to the government (NT\$ 1,000) | 27,687 |
| Community investment (NT\$ 1,000) | 1,048 |

The total financial subsidies received by the Company from the government units during the report period are shown as follows:

| Item | Subsidizing unit | Subsidized amount (NT\$ 1) |
|--|--|----------------------------|
| Salary subsidy for prenatal check-up leave | Workforce Development Agency, Ministry of Labor | 4,000 |
| Youth employment flagship plan | Workforce Development Agency, Executive Yuan | 646,000 |
| Family friendly and work equality measures | Labor Affairs Department, New Taipei City Government | 10,000 |
| Stable employment program | Workforce Development Agency, Ministry of Labor | 60,000 |
| Total | | 722,640 |

Note: Tax exemption and reduction, subsidy programs, and epidemic subsidies are all financial subsidies from the government.

4.3 Risk Management and Regulatory Compliance

| Material topic: Risk Management and Regulatory Compliance | |
|---|---|
| Reporting requirements | Description of reporting requirements and examples |
| Reason for materiality of this topic | <ul style="list-style-type: none"> Deem risk management as a part of all activities and implement all-around corporate risk management to achieve stable corporate operation and sustainable development. |
| Policies/strategies | <ul style="list-style-type: none"> All operating activities must comply with relevant laws and regulations governing operating activities. |
| Targets and objects | <ul style="list-style-type: none"> Consider and manage various risks that may affect the achievement of corporate goals through a complete risk management structure, and integrate risk management to the operating activities and daily management process to improve management efficiency and thus achieve corporate goals. |
| Management and evaluation mechanism | <ul style="list-style-type: none"> Establish an internal audit system and appoint independent directors to ensure the effective operation of internal control and reporting mechanism. Assign relevant departments to conduct corresponding risk management work, to lower the impact of operating risks. |
| Performance and adjustment | <ul style="list-style-type: none"> No major risks occurred in 2023, and the Company also conducted regular control and tracking. |
| Preventive or remedial measures | <ul style="list-style-type: none"> Relevant supervisors of each unit evaluate the levels of potential risks through procedures like identification, analysis, and measurement. As for the risk results identified, the management will focus on overall strategy, draft a risk control plan, and implement follow-up improvements at regular meetings. |



Risk Management

The Company evaluates the possibility of occurrence of risks within the scope of operation, finance, and disasters, and the severity of the impact of these risks on the Company (evaluation of affected aspects, including finance, operation, personnel, etc.). Under the thinking of balance between reasonable risks affordable by the enterprise and prevention cost, we draft and take corresponding management schemes, regularly review the possibility and severity of risks, and follow the potential changing with the time, to master the effectiveness of risk management schemes and relevant control operations.

| Material topic | Risk evaluation item | Description |
|----------------------|---|--|
| Environmental | Environmental impact and management | Obtain ISO-14001 QMS certificate and comply with international provisions on environmental protection. |
| | Climate change | Gather statistics of greenhouse gas emissions, water consumption, and total weight of waste, establish policies to address energy conservation and carbon reduction, greenhouse gas reduction, and reduction of water consumption or management of other waste, and include the acquisition of carbon rights into the Company's carbon reduction strategic planning for promotion, to lower the impact of operating activities of the Company on climate change. |
| Social | Occupational safety | Regularly hold fire drills every half a year, and employee health checkup every year, and cultivate employees' capabilities for emergency response and self-safety management. |
| | Product safety | All products as well as upstream raw materials purchased and auxiliary materials and consumables used in the processes, etc. comply with the regulations of EU governing prohibition/restricted use of hazardous substances such as RoHS and REACH. Besides, the part number of each product is assigned with MSDS and disclosed on customer platform, thus securing customers' interests and further safeguarding consumers through transparent practices. |
| Corporate governance | Economy and regulatory compliance | <ol style="list-style-type: none"> 1. Implement an internal control mechanism to ensure that all personnel and operations of the Company effectively abide by relevant laws and regulations. 2. Apply patents for products developed by the Company to safeguard its rights and interests. |
| | Strengthening of directors' functionality | <ol style="list-style-type: none"> 1. Arrange at least 6 hours' continuing education courses for each director every year, to promote them to improve their professional knowledge and skills as well as legal accomplishment, enhance their ability to communicate experience and make decisions, and implement corporate governance system. 2. Purchase director liability insurance for directors to protect them from lawsuits or claims for compensation. |

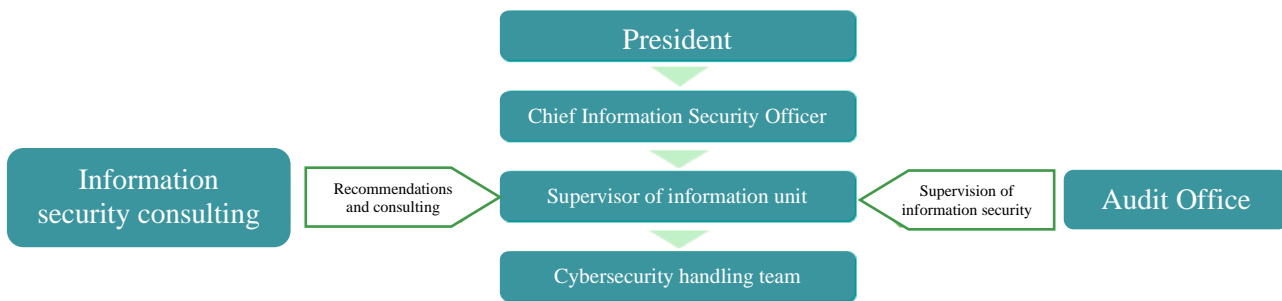


| Material topic | Risk evaluation item | Description |
|----------------|---------------------------|---|
| | Stakeholder communication | Establish various communicating channels to achieve active communication and reduce confrontation and misunderstanding. Set up an investor mailbox and assign the spokesperson to handle and respond to relevant reports. |
| | Innovative R&D patents | Establish control operations for “R&D Cycle” according to “Regulations Governing the Establishment of Internal Control Systems by Public Companies”, including policies and procedures governing basic research, product design, technical R&D, product trial manufacture and testing, retention of R&D records and documents, and acquisition, maintenance, and application of intellectual property. |
| | Supply chain management | Besides relevant measures for evaluation and selection of suppliers in accordance with QMS (ISO 9001) system, we also ask suppliers to provide RoHS hazardous substance test reports. Upstream suppliers are required to engage in the investigation of conflict minerals/fill out relevant investigation contents regarding substances of very high concern in REACH, and sign a statement of green environmental protection. Also, suppliers need to complete “ESG Evaluation Questionnaire” and sign “Statement of Commitment to Supplier Sustainability”. The Company executes irregular audits over suppliers annually, so as to establish a highly resilient and continually operated sustainable supply chain. |
| | Cybersecurity management | Follow “Mechanism for Notification and Response of Cybersecurity Incidents” and regularly advocate information security. Service equipment established by the Company including antivirus software, network firewall, and mail filtering equipment are continually used, and necessary updating and upgrading of software and hardware are performed as appropriate. |

Information Security Risk

Information security and privacy protection are important guarantees for corporate operation. By assuring data security, respecting individuals' privacy, and implementing risk control, the Company manages to establish customer trust, maintain its corporate reputation, assure the stability and sustainable development of business operation, ensure the confidentiality, integrity, and availability of information assets, provide a stable and safe information environment and complete information on operational decision-making, comply with the regulatory requirements, continually strengthen employees' concept of information security, strengthen communication with stakeholders, and fulfill the expectations for information security.

Cybersecurity Organization



Specific Cybersecurity Management Scheme

| | |
|---|---|
| <p>Equipment management</p> <ul style="list-style-type: none"> ✓ Information disconnection backup drill ✓ Backup asset inventory-taking ✓ Regular equipment maintenance | <p>Software protection</p> <ul style="list-style-type: none"> ✓ Firewall mechanism ✓ Junk mail protection mechanism ✓ Antivirus modules ✓ Updating of operating system |
| <p>Data retention</p> <ul style="list-style-type: none"> ✓ Regular backup ✓ Remote storage ✓ Server virtualization technique | <p>Information security</p> <ul style="list-style-type: none"> ✓ System password reinforcement ✓ Regular advocacy of information security policy |

- (1) In response to emergencies and to ensure replies to information data, the Company has already begun the planning of information disconnection backup drills and asset inventory for backup. Also, the Company further learns about the currently insufficient measures, equipment, proficiency of personnel, and other

- response capabilities through drills. With subsequent reinforcement planning, the Company strives to better its overall strain capacity and crisis handling capability.
- (2) The main server equipment and the power supply facilities in the equipment room are regularly maintained by relevant vendors, to guarantee a sound maintenance and operation environment through disaster prevention, fire protection planning, and UPS.
 - (3) A firewall mechanism is used to classify internal units and groups requiring the use of network and services and conduct application service control. Also, time period management and application mechanism are employed to strengthen network management and flexible applications.
 - (4) The mail service is matched with SPAM mechanism and mounted with anti-virus module and advanced defense module, to benefit the comparison with advanced malware. Therefore, it can resist incidents like spear-phishing attacks, fraudulent transfers, APT attack emails, ransomware, and other new attacks.
 - (5) Data files and systems backups are scheduled for automatic regular backups and stored remotely.
 - (6) Server virtualization technology is used to conduct quick system mounting and service recovery of the previous system backup versions through the system backup mechanism upon occurrence of emergencies.
 - (7) All Windows computers used in the Company are configured with anti-virus software, and the operating systems are regularly updated, thus effectively avoiding system vulnerabilities, improving system security, and securing the reliability and safety of overall application, network, and management of the enterprise.
 - (8) As for the use of each system in the Company, the passwords set by the employees shall not be less than 8 characters in combination of special symbols, numbers, and uppercase and lowercase English letters. Besides, these passwords shall not be identical to previous ones.
 - (9) The Company regularly advocates information security policy and provides improving measures and other relevant planning, to avoid increasing the Company's internal risks and causing indirect, abnormal damages due to Internet-surfing behaviors of colleagues, contents of emails, plug-and-play USB, and use and operations of devices personnel held.



| Information security risk | Responsive measures for information security control |
|---|--|
| <ol style="list-style-type: none"> Users inappropriately install personal computers, network communication, and other relevant devices in the office. Users fail to immediately disable or remove user accounts when they do not continue to use the cybersecurity system. Confidential information is not encrypted during storage or transmission. Users fail to raise their vigilance when using emails, and open emails from unknown sources. | <ol style="list-style-type: none"> The firewall policy rules ensure the safe connection of internal and external networks and protection of network security against malicious software and hacker invasion. Antivirus software is installed in the computers of the Company to protect computers from being attacked by viruses and assure computer security. Mail protection system contains junk mail protection, virus mail protection, mail threat and attack protection to ensure the security of corporate mails. Strengthen advocacy, education and training of information security, promote personnel's awareness of information security, and strengthen the recognition of related responsibilities. |

Implementation Status of Information Security Management in 2023

| Category | Item |
|--------------------------------|---|
| Advocacy | <ol style="list-style-type: none"> Advocacy of information security was announced at the bulletin board of the system of Wendell. |
| Upgrading of equipment program | <ol style="list-style-type: none"> All operating systems of employees' computers were upgraded to Win10 or above to ensure the prevention of system security loopholes. The virus codes of antivirus software installed in the computers were upgraded at any time together with the original manufacturers' virus codes. The email system was provided with a junk mail filtering mechanism. The new specifications of the firewall system and the intrusion prevention mechanism were already updated in July 2023. |
| Endpoint scanning | <ol style="list-style-type: none"> In July 2023, the Company tested 169 endpoints and collected a total of 5,674,261 endpoint records. A total of 416 abnormal activities occurred. After being analyzed and confirmed by the monitoring team, no malicious acts were found. |
| Others | <ol style="list-style-type: none"> The Chief Information Security Officer received advanced education on ISO/IEC 27001:2022 information security management. |

Regulatory Compliance

According to Wendell's definition, a critical concern refers to a single incident that leads to an accumulated penalty amount of NT\$ 100,000 or above. As of 2023, the Company was not punished for any major violation.

Corresponding measures are hereby established in order to implement relevant provisions of the Company's "Code of Ethics", "Ethical Corporate Management Best Practice Principles" and "Corporate Governance Best Practice Principles", and provide channels for employees and outsiders to report any



behaviors that go against the laws or the Company’s policies so that we can guarantee the legitimate rights and interests of whistleblowers and related parties and assist them in solving unreasonable treatment upon violation of social responsibility and enhancing the labor-management harmony.

Scope of Application and Objects

I. Scope of application: Apply to Wendell and its affiliates and subsidiaries.

II. Applicable objects: Relevant personnel including all employees, suppliers or customers may report the following circumstances found.

- (I) Behaviors in violation of applicable laws, regulations, specifications, corporate policies, and systems of the Company;
- (II) Any behaviors that harm the Company’s rights and interests, e.g., fraud, embezzlement of corporate assets, collection of illegitimate interests, etc.;
- (III) Wrongful infringements in the workplace, including but not limited to any form of discrimination and harassment cases;
- (IV) The existing management rules and regulations or work of the Company harm individuals’ legitimate interests.

Whistleblowing channel

| | |
|----------------|--|
| Accepting unit | President |
| Email | Ethics@wendell.com.tw |

Whistleblowing Treatment Mechanism

I. The whistleblowers shall provide at least the following information as investigation elements:

- (I) Name of the whistleblower (anonymous whistleblowing allowed), and address, telephone and email available to reach the whistleblower.
- (II) Name of the accused person, the title of the accused person in the service unit or department, and other information adequately identifying the identity of the accused person.
- (III) Provision of specific reasons and evidence for whistleblowing with contents covering people, events, time, place, and objects as much as possible.

II. Processes for filing and acceptance of whistleblower cases:

- (I) The unit accepting a whistleblower case shall judge whether it has the investigation elements mentioned in paragraph I above. The case will not be accepted if the required investigation elements are not fully presented. Then, the accepting unit will explain to the whistleblower and close the case.



- (II) When a whistleblower case involves directors or senior supervisors, it shall be presented to the Audit Committee: When the level to be reported to involves related parties or objects that shall excuse themselves, the higher level or a person other than stakeholders as separately assigned shall be determined as the object of acceptance.
- (III) The project director designated by the President will fill out “Record Form of Whistleblower Incident” and then conduct investigation as soon as possible. To be specific, the results of preliminary investigation shall be completed within one month after the case is received (it may be postponed for one month as necessary).
- (IV) If it is investigated and confirmed that the accused person indeed has violated relevant laws and regulations or the Company’s rules and regulations, this person shall be immediately required to stop relevant behaviors and receive appropriate treatment. Damage compensation may be requested through legal proceedings as necessary to safeguard the Company’s reputation and interests.
- (V) Relevant written documents regarding the acceptance of reporting and investigation processes and results shall be retained and properly preserved for five years. These documents may be preserved electronically. When relevant lawsuits related to the notified contents occur before the expiry of the retention period, relevant data shall be continually preserved until the termination of litigation.
- (VI) If the notified situation is investigated and confirmed to be true, relevant unit of the Company shall review relevant internal control system and operating procedures, and put forward improving measures to avoid the reoccurrence of same behaviors.
- (VII) The project director of the Company shall report the whistleblower incident, investigation results and subsequent review and improvement measures to the President; if the accused person is a director, or a manager with rank equivalent to vice president or above, a report shall be submitted to the Audit Committee.

Whistleblower Protection

The whistleblowers, the accused persons, and relevant personnel responsible for handling the cases shall not disclose related information to the outside world, and they shall bear the duty of confidentiality to avoid unfair treatment, retaliation or threat. The whistleblowers and relevant personnel are obliged to accept queries, give faithful replies, and provide relevant data.

| Object | Content | Appeal Process |
|-----------|---|---|
| Employees | The Company cares about employees and provides them with a complete welfare | Whistleblowing system <Dedicated unit and whistleblowing channels> |



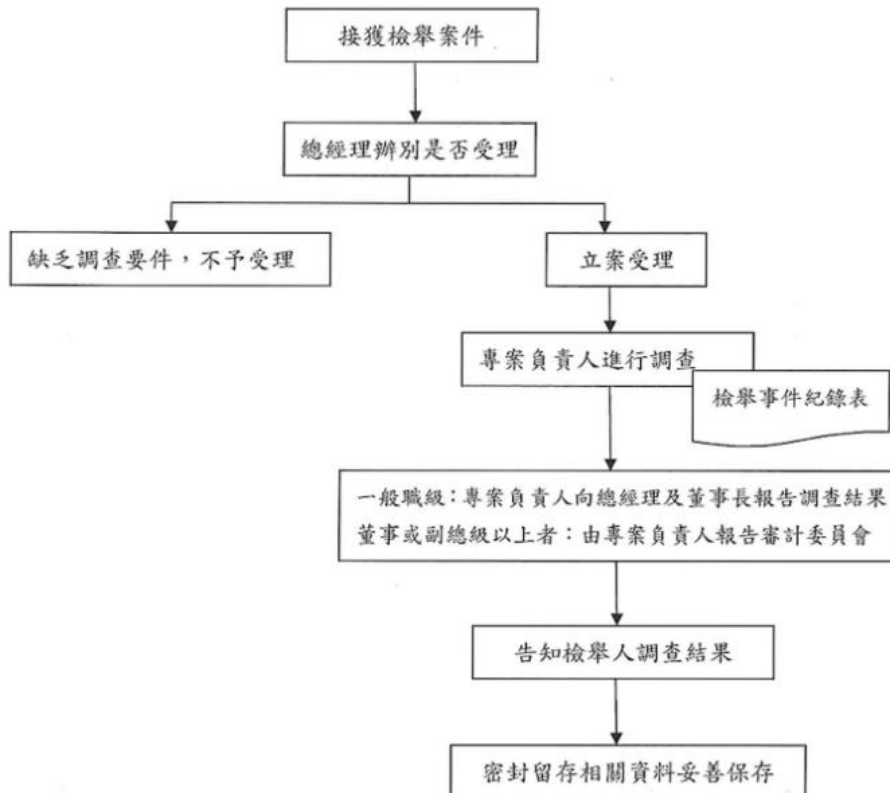
| Object | Content | Appeal Process |
|--------------------|--|---|
| | <p>system and a comfortable work environment. Also, we stress employees' human rights, provide them with channels to express their opinions and appeal, and convene labor-management meetings on a regular basis. Supervisors of relevant departments are required to participate in these meetings and fully communicate their opinions with the labor representatives; the Company also regularly implements health examinations so that employees may learn about their health status and take care of and enhance their physical health.</p> | <p>Acceptance and filing: President External whistleblowing email: Ethics@wendell.com.tw Internal whistleblowing email: Presidents' email (already announced on the internal website of the Company) <Dedicated unit and whistleblowing channels></p> |
| Customers | <p>Wendell takes customer orientation as its central concept, emphasizes on the quality of customer services, provides innovative integration services, pursues sustainable growth, and maintains close contact with customers.</p> | <ol style="list-style-type: none"> 1. The project director designated by the President is responsible for conduct an investigation promptly and conclude the results of preliminary investigation within one month after learning about the whistleblower case (it may be postponed for one month as necessary). |
| Suppliers | <p>The suppliers of the Company provide important raw materials for our products, and we aim to join hands with the suppliers to grow and build a sustainable supply chain together. We adhere to ethical corporate management and fair trading. In case of any neglect, we will handle the matters, analyze the incidents, review the reasons, and urge relevant suppliers to make continual improvements in accordance with the provisions of relevant laws and regulations.</p> | <ol style="list-style-type: none"> 2. If it is investigated and confirmed that the accused person indeed has violated relevant laws and regulations or the Company's rules and regulations, this person shall be immediately required to stop relevant behaviors and receive appropriate treatment. Damage compensation may be requested through legal proceedings as necessary to safeguard the Company's reputation and interests. 3. Relevant written documents regarding the acceptance of reporting and investigation processes and results shall be retained and properly preserved for five years. These documents may be preserved electronically. When relevant lawsuits related to the notified contents occur before the expiry of the retention period, relevant data shall be continually preserved until the termination of litigation. |
| Investor relations | <p>The Company entrusts a professional service agency with the handling of shareholders' services as a bridge between the Company and its shareholders. As for information transparency, "Dedicated Zone for Investors" has been set up on the website of the Company where investors' related information is provided. We follow the amendments made by the competent authority to the latest laws, regulations and policies, quickly respond, and adjust the disclosure forms and contents of the corporate information, to comply with the regulatory requirements.</p> | <ol style="list-style-type: none"> 4. If the notified situation is investigated and confirmed to be true, relevant unit of the Company shall review relevant internal control system and operating procedures, and put forward improving measures. |



| Object | Content | Appeal Process |
|--------------------------|--|---|
| Sexual harassment appeal | To prevent and control sexual harassment in the workplace, and safeguard gender equality in work and personal dignity. | <p>Establish an investigation group to conduct investigation and deliberation within 3-7 days after receiving an appeal; the group comprises 5 members among whom 2 are management representatives and 3 are labor representatives. The total number of female members shall not be less than 1/2.</p> <p>During the process of investigation and deliberation, the appeal case shall be handled in a confidential manner and relevant decision shall be made within 30 days after the appeal is accepted.</p> <p><Appeal and whistleblowing channels></p> <p>※Wendell’s dedicated line for sexual harassment appeals</p> <p>Contact person: Li, You-Chieh</p> <p>Responsible unit: Personnel Office of the Administrative Affairs Department</p> <p>Tel.: (02)2917-5770 ext: 166</p> <p>Fax: (02)2917-3752</p> <p>Email: viola_lee@wendell.com.tw</p> <p>※Dedicated line of New Taipei City for employment discrimination appeals</p> <p>Tel.: (02)2967-6902</p> |



Flowchart of Investigation and Handling of Whistleblower Case



Record Form of Whistleblower Incident

| | | | | |
|-------|---------|--|------|--------------------|
| 檢舉人 | 檢舉人身份 | <input type="checkbox"/> 外部人 <input type="checkbox"/> 內部員工 <input type="checkbox"/> 匿名檢舉 | 檢舉日期 | 民國 XXX 年 XX 月 XX 日 |
| | 檢舉人姓名 | | 聯絡地址 | |
| | 聯絡電話 | | 聯絡信箱 | |
| | 與被檢舉人關係 | <input type="checkbox"/> 同事 <input type="checkbox"/> 上司 <input type="checkbox"/> 下屬 <input type="checkbox"/> 客戶 <input type="checkbox"/> 供應商 <input type="checkbox"/> 其他 | | |
| 事實發生 | 發生時間 | 民國 XXX 年 XX 月 XX 日 | | |
| | 發生地點 | | | |
| | 發生過程 | | | |
| | 相關證據 | 附件 1: 附件 2: | | |
| 調查過程 | 說明 | | | |
| 調查結果 | 說明 | | | |
| 審計委員會 | 提報日期 | 民國 XXX 年 XX 月 XX 日(請檢附審計委員會議事錄) (若被檢舉人為一般職級員工，則此欄位無須填寫) | | |

註：被檢舉人為一般職級員工時，由專案負責人向總經理及董事長報告調查結果並經核准被檢舉人為董事或副總級以上者，由專案負責人報告審計委員會。



5. Green Supply Chain

5.1 Innovative R&D Patents

| Material topic: Innovative R&D Patents | |
|--|--|
| Reporting requirements | Description of reporting requirements and examples |
| Reason for materiality of this topic | <ul style="list-style-type: none"> To accelerate the development of differentiated new products and technologies, we have specifically established relevant measures governing the internal control of R&D cycles. The R&D personnel conduct proposal evaluation work, prepare market feasibility evaluation reports, and then apply for relevant patents; in order to motivate the employees to actively engage in innovation and R&D through the utilization of the Company’s technical resources, and thus provide competitiveness for the products, the Company has established measures for rewarding the R&D and patent application of key products after the R&D personnel obtain their patent certificates. If competitors put same technologies in the market in the future, the technological development results of the Company can be protected according to the terms of relevant regulations (e.g., the Patent Act). The Company researches and develops products and applies for patents every year, not only promoting its own growth but also protect its professional project knowledge. |
| Policies/strategies | <ul style="list-style-type: none"> The internal control document of CD-106 patent right management work control in the R&D cycle of CD-100 is mainly used as basis for the intellectual property rights and competitive behaviors of the Company, to enhance and protect intellectual property. |
| Targets and objects | <ul style="list-style-type: none"> As for the protection of patents of intellectual property rights, the Company protects utility model patents 100% at any time as long as the patents are verified and issued. <ol style="list-style-type: none"> The Company obtained 3 utility model patent in 2023. In 2024, 2 patents may be acquired as planned. The Company expects to apply for 2 patents every year. |
| Management and evaluation mechanism | <ul style="list-style-type: none"> Wendell executes the patent right management work of R&D cycle, and hands over the patent right certificates acquired to the document management unit for proper safekeeping. The Auditing Department audits each task reading R&D cycle every year based on the results of risk assessment. The Core Technology Department convenes irregular meetings to discuss patent projects. |
| Performance and adjustment | <ul style="list-style-type: none"> In 2023, in accordance with the patent right management work control of the Company, the personnel of the Auditing Department did not find the absence of patent right control work in its auditing work; in 2023, the patents verified and issued didn’t infringe upon any right. In 2024, this policy objective will be continually executed. In 2023, the Company already obtained a patent of “Power Conduction Noise Attenuation Device”. This patent focuses on a protection device for DC power supply and intends to inhibit noise and protect the power network equipment from any disturbance. This device can effectively reduce conducted noise and prevent the transmission of noise outside through the power circuit, thus protecting other equipment on the power network. Compared to common products on the market, this patented device boasts small volume and high inhibition effect, and it has substantially improved the reliability in practical applications. |
| Preventive or remedial measures | <ul style="list-style-type: none"> New employees are required to sign a <i>Confidentiality and Noncompetition</i> agreement in accordance with the noncompetition clause in the confidentiality agreement signed by the Company with employees. All the technical data and documents shall never be used for any unauthorized purposes no matter the employees are in-service or not, in order to ensure the |



| Material topic: Innovative R&D Patents | |
|--|---|
| Reporting requirements | Description of reporting requirements and examples |
| | <p>confidential information of the Company.</p> <ul style="list-style-type: none"> Coordinate with the patent office to assist patent application, to prevent the occurrence of plagiarism of design contents in the future. |

To cultivate its competitiveness and sustain market advantages, Wendell has consistently been dedicated to the research and development of new anti-electromagnetic interference and circuit protection components. The Company spares no effort in innovation, and has allocated 8 specialists for R&D. The annual R&D expenses of Wendell reach approximately NT\$ 1.5 million. In the future, the Company will apply for two R&D and patent projects every year, and develop products that comply with various market demands and technological trends.

Statistics of Patent Cases

| Year | Number of patents applied for | Number of patents approved |
|-----------------|-------------------------------|----------------------------|
| 2019 and before | 3 | 3 |
| 2020 | 4 | 4 |
| 2021 | 5 | 5 |
| 2022 | 2 | 2 |
| 2023 | 7 | 7 |

5.2 Sustainable Supply Chain Management

| Material topic: Supply Chain Management | |
|---|---|
| Reporting requirements | Description of reporting requirements and examples |
| Reason for materiality of this topic | <ul style="list-style-type: none"> Given the frequent occurrence of global risk incidents (war, inflation, etc.), Wendell has attached particular importance to the issue of supply chain management in order to fulfill its commitments to the customers and effectively master impacts from various uncertainties. For the supply of important raw materials, Wendell adopts a strategy of risk spreading and maintains several suppliers to avoid the impact from supply shortages. |
| Policies/strategies | <ul style="list-style-type: none"> Require suppliers to sign “Statement of Commitment to Supplier Sustainability”, include it into the supplier evaluation measures of QMS_ISO 9001, and request suppliers to provide RoHS hazardous substance test reports. |
| Targets and objects | <ul style="list-style-type: none"> Implement supply chain management and sign “Statement of Commitment to Sustainable Management” and “Supplier ESG Evaluation Questionnaire” with suppliers. Suppliers transacting with the Company are not involved in any situations that cause a seriously adverse impact on environment and society during transactions or cooperation period. |
| Management and evaluation mechanism | <ul style="list-style-type: none"> The introduction of new suppliers requires passing of evaluation and signing of relevant commitment letters according to the supplier management code of the Company. |
| Performance and | <ul style="list-style-type: none"> As of March 2024, the signing rate of “Supplier ESG Evaluation Questionnaire” reached 84%, |

| Material topic: Supply Chain Management | |
|---|--|
| Reporting requirements | Description of reporting requirements and examples |
| adjustment | while the signing rate of supplier basic investigations reached 90%. It is expected that this signing rate will approach 100% by the end of 2024. |
| Preventive or remedial measures | <ul style="list-style-type: none"> For vendors rated as class D will be required to make improvements within a certain time limit. In this case, we will reduce the order quantity until these suppliers improve. Then, normal order quantity can be resumed. If a supplier adopts any illegal behavior, the facts will be investigated, requirements will be raised for improvement, and this supplier will be coached. If any illegal behavior is found, the following measures will be taken: 1. Propose investigation actions to the executive level in the management review meetings; 2. Determine the actual causes of cases with the suppliers' management to confirm if illegal behaviors really exist; 3. Report to the Sustainable Management Development Group of the Company and require the suppliers to improve immediately; 4. If the breaching behaviors cannot be effectively improved as scheduled, relevant suppliers will be given disqualified scores according to the supplier evaluation measures. In 2023, we executed video audits over suppliers with potential risks, and didn't find major inferior and disqualified vendors. |

| Type of contract | Region of procurement | 2021 | | 2022 | | 2023 | |
|---|-----------------------|------|--|------|--|------|--|
| | | No. | Ratio of procurement amount of this item in the total procurement amount (%) | No. | Ratio of procurement amount of this item in the total procurement amount (%) | No. | Ratio of procurement amount of this item in the total procurement amount (%) |
| Labor services (contracting and services) | Domestic | 18 | 0.58 | 20 | 0.57 | 18 | 0.68 |
| | Foreign | 7 | 0.24 | 6 | 0.43 | 12 | 0.25 |
| Property (raw materials) | Domestic | 45 | 19.14 | 38 | 14.48 | 41 | 15.48 |
| | Foreign | 35 | 80.04 | 32 | 84.52 | 34 | 83.59 |
| Total | | 105 | 100% | 96 | 100% | 105 | 100% |

Description:

- “Domestic” refers to Taiwan; “Foreign” refers to regions beyond Taiwan (e.g., the United States, Vietnam, etc.)
- The type of contract shall be filled out mainly based on the Company’s internal classification. It can be ignored if there is no predetermined item (labor services, projects, and engineering works).

In order to ensure its operation and effectively implement the supplier quality management system, Wendell sticks to the concept of sustainable management, and actively promote its performance in environment, society and governance. Also, the Company has formally included relevant standards and initiatives, including “RBA Code of Conduct”, “Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy of the International Labour Organization”, and “Universal



Declaration of Human Rights of the United Nations”, into its supplier sustainable management commitments.

In addition to the adoption of the existing QMS (ISO 9001) to evaluate and select suppliers, we have also asked suppliers to provide test reports of RoHS hazardous substances. Also, besides the investigation of conflict minerals of upstream suppliers, filling of a list of Substances of Very High Concern (SVHCs) under REACH and the signing of statement of green environmental protection, we completed the verification of suppliers’ certificate status through “ESG Evaluation Questionnaire” in 2022, and required the suppliers to sign “Statement of Supplier’s Sustainability Commitments”, so as to establish a highly resilient and continually operable sustainability supply chain can be established. We perform irregular audits over the suppliers every year. Wendell has signed “Statement of Sustainable Management Commitments” and “Supplier ESG Evaluation Questionnaire” with 53 suppliers that had transactions with Wendell in 2023 respectively. The signing rate reached 94%. It is expected that the signing rate will reach 100% in 2024.

For vendors rated as class D will be required to make improvements within a certain time limit. In this case, we will reduce the order quantity until these suppliers improve. Then, normal order quantity can be resumed. If a supplier adopts any illegal behavior, the facts will be investigated, requirements will be raised for improvement, and this supplier will be coached. If any illegal behavior is found, the following measures will be taken: 1. Propose investigation actions to the executive level in the management review meetings; 2. Determine the actual causes of cases with the suppliers’ management to confirm if illegal behaviors really exist; 3. Report to the Sustainable Management Development Group of the Company and require the suppliers to improve immediately; 4. If the breaching behaviors cannot be effectively improved as scheduled, relevant suppliers will be given disqualified scores according to the supplier evaluation measures. In 2023, we executed video audits over suppliers with potential risks, and didn’t find major inferior and disqualified vendors.

The evaluation process of the Company is shown as follows:





5.3 Product Lifecycle Management

| Material topic: Product Lifecycle Management | |
|--|--|
| Reporting requirements | Description of reporting requirements and examples |
| Reason for materiality of this topic | <ul style="list-style-type: none"> Through the communication with stakeholders, we pay special attention to the negative environmental impact on the supply chain and actions taken, for the Company and its supply chain have always attached great importance to the possibility that the raw materials selected and used would generate hazardous substances to affect the environment. To this end, all the products provided by the suppliers to the Company must comply with PPM verification of hazardous substances in the EU norms. Also, the suppliers are required to provide a list of Substances of Very High Concern (SVHCs) under REACH. Hopefully, a highly resilient and continually operable sustainability supply chain can be established. |
| Policies/strategies | <ul style="list-style-type: none"> The Company follows ISO 9001: QM 84-01 Control of Externally Supplied Processes, Products and Services. |
| Targets and objects | <ul style="list-style-type: none"> When recognizing product P/N imported by new suppliers every time, we will require these new suppliers to fill out relevant data regarding supplier evaluation, data regarding hazardous substances in the products, and ESG investigation information according to QM 84-01 Control of Externally Supplied Processes, Products and Services. For the Company, the objective is always to complete the investigation 100%. |
| Management and evaluation mechanism | <ul style="list-style-type: none"> Wendell follows ISO 9001: QM 84-01 Control of Externally Supplied Processes, Products and Services, and conducts annual review of eligible suppliers once every year. |
| Performance and adjustment | <ul style="list-style-type: none"> The management approaches and targets will be completely confirmed before suppliers are introduced. No adjustment is needed since it is 100% certification. In the future, this policy objective will be continually executed. |
| Preventive or remedial measures | <ul style="list-style-type: none"> Wendell regards its suppliers as long-term favorable partners. When new environmental regulations or trends are learned from terminal customers, the Company will definitely notify relevant members of the supply chain in the hope that they can grow and learn professional knowledge together and stick to the path of sustainable management. When any supplier is engaged in illegal activities, we will investigate the facts and require this supplier to improve through our coaching. Therefore, we execute irregular audits over the suppliers every year. For vendors rated as class D will be required to make improvements within a certain time limit. In this case, we will reduce the order quantity until these suppliers improve. Then, normal order quantity can be resumed. |

Products and Service Items

Wendell has established a full-time Legal Department. When formulating regulations and policies, we pay close attention to the influence imposed on stakeholders, and assist each unit of the Company to implement them; also, a full-time Auditing Department has been established with 1 audit officer designated to lead the auditing business of the Company's internal processes/procedures, objectively assess the integrity of the internal systems of the Company, and review and audit the performance of responsibilities by the Company regarding these specifications or its governance.

During the report period in 2023, the Company didn't suffer from any penalty due to its violation of regulations on the safety information labeling and marketing of products and services, or take any actions involving anti-competition.

Statistics of products or services acquired with certification items

| Name of product or service item | Safety certification | Ratio of assessed products or services provided to customer (%) |
|---|---|---|
| Development, design and sales services of discrete components | ISO 9001 Quality management system | 100 |
| Sales services of discrete components | ISO 14001 Environmental management system | 100 |
| EMC and radio frequency identification laboratory | ISO/IEC 17025 | 100 |
| Testing of hazardous substances in the chip | ROHS2.0 + Halogen report | 100 |

Remark: Percentage = (Total quantity of assessed products or services provided to customer/Total quantity of products or services provided to customers)*100

Product Certification


Below are external certificates:

| | |
|--|--|
| <p>Certificat Certificate</p> <p>N° 2009/34978.5</p> <p>AFNOR Certification certifies that the management system implemented by: AFNOR Certification certifie que le système de management mis en place par :</p> <p>WENDELL INDUSTRIAL CO., LTD.</p> <p>for the following activities: pour les activités suivantes :</p> <p>DEVELOPMENT, DESIGN, SALES AND SERVICE OF ELECTROMAGNETIC COMPATIBILITY AND CIRCUIT PROTECTION, DISCRETE AND POWER DISCRETE COMPONENTS.</p> <p>has been assessed and found to meet the requirements of: a été évalué et jugé conforme aux exigences requises par :</p> <p>ISO 9001 : 2015</p> <p>and is developed on the following locations: et est déployé sur les sites suivants :</p> <p>6F., NO. 188, BAOGAO RD., XINDIAN DIST., NEW TAIPEI CITY 231, TAIWAN R.O.C.</p> <p>This certificate is valid from (validité/validité): 2022-06-17 until (jusqu'à/à): 2024-07-23</p> <p>Julien NIZRI Managing Director of AFNOR Certification Directeur Général d'AFNOR Certification</p> <p>Certificat ISO 9001 2015 (2022-2024)</p> | <p>Certificat Certificate</p> <p>N° 2009/34734.4</p> <p>AFNOR Certification certifies that the management system implemented by: AFNOR Certification certifie que le système de management mis en place par :</p> <p>WENDELL INDUSTRIAL CO., LTD.</p> <p>for the following activities: pour les activités suivantes :</p> <p>SALE OF ELECTRONIC PARTS.</p> <p>has been assessed and found to meet the requirements of: a été évalué et jugé conforme aux exigences requises par :</p> <p>ISO 14001:2015</p> <p>and is developed on the following locations: et est développé sur les sites suivants :</p> <p>6F., NO. 188, BAOGAO RD., XINDIAN DIST., NEW TAIPEI CITY 231, TAIWAN R.O.C.</p> <p>This certificate is valid from (validité/validité): 2021-08-11 until (jusqu'à/à): 2024-07-23</p> <p>Julien NIZRI Managing Director of AFNOR Certification Directeur Général d'AFNOR Certification</p> <p>Certificat ISO 14001 2015 (2021-2024)</p> |
|--|--|

SGS
Test Report No.: SHAE23008412908 Date: Jul 01, 2023 Page 1 of 10
 Client Name: WENDELL INDUSTRIAL CO., LTD
 Client Address: #F, NO. 108, BAOGAO ROAD, XINJIAN DISTRICT, NEW TAIPEI CITY 23145, TAIWAN
 Sample Name: CHP
 The above sample(s) and information were provided by the client.
 SGS Job No.: SHP23-06016
 Sample Receiving Date: Jun 16, 2023
 Testing Period: Jun 16, 2023 ~ Jun 25, 2023
 Test Requested: Selected tests as requested by the client.
 Test Method(s): Please refer to next page(s).
 Test Result(s): Please refer to next page(s).


| Test Requirement | Conclusion |
|--|-------------|
| EU RoHS Directive (EU) 2015/863 amending Annex II to Directive 2011/65/EU: Lead, Mercury, Cadmium, Hexavalent chromium, Polybrominated biphenyls (PBBs), Polybrominated diphenyl ethers (PBDEs), Bis(2-ethylhexyl) phthalate (DEHP), Butyl benzyl phthalate (BBP), Dibutyl phthalate (DBP) and Diisodecyl phthalate (DIDP) | Pass |
| Element(s) | See Results |
| Halogen | See Results |

Signed for and on behalf of
 SGS-CSTC Standards Technical Services (Shanghai) Co., Ltd.
 Carol Luo
 Approved Signatory



SGS
Test Report No.: SHAE23008412908 Date: Jul 01, 2023 Page 2 of 10
 Test Results:
 Test Part Description:
 SAI ID: 44 Sample No.: SH13-004129-0011-004 Description: Shiny grey solid
 Remarks:
 (1) Inghal = ppm = 0.001%
 (2) MDL = Method Detection Limit
 (3) ND = Not Detected (or MDL)
 (4) - = Not Reported
 EU RoHS Directive (EU) 2015/863 amending Annex II to Directive 2011/65/EU: Lead, Mercury, Cadmium, Hexavalent chromium, Polybrominated biphenyls (PBBs), Polybrominated diphenyl ethers (PBDEs), Bis(2-ethylhexyl) phthalate (DEHP), Butyl benzyl phthalate (BBP), Dibutyl phthalate (DBP) and Diisodecyl phthalate (DIDP)
 Test Method: With reference to IEC 62321-4:2013/AMC1:2017, IEC 62321-6:2013, IEC 62321-3-2:2017, IEC 62321-6:2015 and IEC 62321-8:2017, analysis was performed by ICP-OES, UV-Vis and GC-MS.

| Test Item(s) | Limit | Units(s) | MDL | nd |
|------------------------------------|-------|----------|-----|----|
| Cadmium (Cd) | 100 | mg/kg | 2 | ND |
| Lead (Pb) | 1000 | mg/kg | 2 | ND |
| Mercury (Hg) | 1000 | mg/kg | 5 | ND |
| Hexavalent Chromium (Cr(VI)) | 1000 | mg/kg | 8 | ND |
| Polybrominated biphenyls (PBBs) | - | mg/kg | - | ND |
| Monobromodiphenyl ether (MBDE) | - | mg/kg | 5 | ND |
| Dibromodiphenyl ether (DBDE) | - | mg/kg | 5 | ND |
| Tribromodiphenyl ether (TBDE) | - | mg/kg | 5 | ND |
| Tetra bromodiphenyl ether (TeBDE) | - | mg/kg | 5 | ND |
| Penta bromodiphenyl ether (PeBDE) | - | mg/kg | 5 | ND |
| Hexa bromodiphenyl ether (HexBDE) | - | mg/kg | 5 | ND |
| Hepta bromodiphenyl ether (HeBDE) | - | mg/kg | 5 | ND |
| Octa bromodiphenyl ether (OctBDE) | - | mg/kg | 5 | ND |
| Nona bromodiphenyl ether (NonBDE) | - | mg/kg | 5 | ND |
| Deca bromodiphenyl ether (DecBDE) | - | mg/kg | 5 | ND |
| Polybromodiphenyl ether (PBDEs) | 1000 | mg/kg | - | ND |
| Dibromodiphenyl ether (DBDE) | - | mg/kg | 5 | ND |
| Tribromodiphenyl ether (TBDE) | - | mg/kg | 5 | ND |
| Tetra bromodiphenyl ether (TeBDE) | - | mg/kg | 5 | ND |
| Penta bromodiphenyl ether (PeBDE) | - | mg/kg | 5 | ND |
| Hexa bromodiphenyl ether (HexBDE) | - | mg/kg | 5 | ND |
| Hepta bromodiphenyl ether (HeBDE) | - | mg/kg | 5 | ND |
| Octa bromodiphenyl ether (OctBDE) | - | mg/kg | 5 | ND |
| Nona bromodiphenyl ether (NonBDE) | - | mg/kg | 5 | ND |
| Deca bromodiphenyl ether (DecBDE) | - | mg/kg | 5 | ND |
| Dibutyl Phthalate (DBP) | 1000 | mg/kg | 50 | ND |
| Bis(2-ethylhexyl) Phthalate (DEHP) | 1000 | mg/kg | 50 | ND |




SGS
Test Report No.: SHAE23008412908 Date: Jul 01, 2023 Page 3 of 10
 Notes:
 (1) The maximum permissible limit is quoted from RoHS Directive (EU) 2015/863.
 (2) IEC 62321 series is equivalent to EN 62321 series.
 (3) The restriction of Cr(VI), BBP, DBP and DEHP shall apply to medical devices, including in vitro medical devices, and monitoring and control instruments, including industrial monitoring and control instruments, from 22-July-2023.
 Element(s):
 Test Method: With reference to US EPA 3062.1996, analysis was performed by ICP-OES/AAAS.
 Test Item(s):

| Test Item(s) | Units(s) | MDL | nd |
|---------------|----------|-----|----|
| Fluorine (F) | mg/kg | 20 | ND |
| Chlorine (Cl) | mg/kg | 50 | ND |
| Bromine (Br) | mg/kg | 50 | ND |
| Iodine (I) | mg/kg | 50 | ND |

 Halogen:
 Test Method: With reference to EN 14582:2016, analysis was performed by IC.
 Test Item(s):

| Test Item(s) | Units(s) | MDL | nd |
|---------------|----------|-----|----|
| Fluorine (F) | mg/kg | 20 | ND |
| Chlorine (Cl) | mg/kg | 50 | ND |
| Bromine (Br) | mg/kg | 50 | ND |
| Iodine (I) | mg/kg | 50 | ND |

 Results & photos of this report refer to test report SHAE23008412904
 Unless otherwise stated, the decision rule for conformity reporting is based on Binary Statement for Simple Acceptance Rule (sw) stated in ILAG-GS-092019.



Chip_Wendell_R10_HF_(SHAEC23008412908)-1


Chip_Wendell_R10_HF_(SHAEC23008412908)-2

Chip_Wendell_R10_HF_(SHAEC23008412908)-3

SGS
Test Report ATTACHMENTS No.: SHAE23008412908 Date: Jul 01, 2023 Page 4 of 10
 Elements Testing Flow Chart
 These samples were dissolved totally by pre-conditioning method according to below flow chart.

```


  graph TD
    A[Sample Preparation] --> B[Sample Measurement]
    B --> C[Add digestion with microwave/ultrasonic]
    C --> D[Filtration]
    D --> E[Solution]
    D --> F[Residue]
    E --> G[ICP-OES/AAAS]
    F --> H["1) Alkal Fusion / Dry Ashing  
2) Acid to dissolve"]
    H --> G
    G --> I[DATA]
  
```



SGS
Test Report ATTACHMENTS No.: SHAE23008412908 Date: Jul 01, 2023 Page 5 of 10
 Hexavalent Chromium (Cr(VI)) Testing Flow Chart

```


  graph TD
    A[Sample Preparation] --> B[Sample Measurement]
    B --> C[Nonoxidic material]
    B --> D[Metallic material]
    C --> E["ABS/PC/PVC Others  
Dissolving by ultrasonication"]
    E --> F["Digesting at 150-160°C  
Digesting at 80°C by ultrasonication"]
    F --> G["pH adjustment  
Adding 1,5-diphenylcarbazide for color development"]
    G --> H[UV-Vis]
    H --> I[DATA]
    D --> J[Boiling water extraction]
    J --> K[Adding 1,5-diphenylcarbazide for color development]
    K --> L[UV-Vis]
    L --> M[DATA]
  
```



SGS
Test Report ATTACHMENTS No.: SHAE23008412908 Date: Jul 01, 2023 Page 6 of 10
 PBBs/PBDEs Testing Flow Chart

```

  graph TD
    A[Sample cutting/preparation] --> B[Sample measurement]
    B --> C[Solvent extraction]
    C --> D[Concentration/ Dilution of extraction solution]
    D --> E[Filtration]
    E --> F[GC-MS]
    F --> G[DATA]
  
```



Chip_Wendell_R10_HF_(SHAEC23008412908)-4


Chip_Wendell_R10_HF_(SHAEC23008412908)-5

Chip_Wendell_R10_HF_(SHAEC23008412908)-6

SGS
Test Report ATTACHMENTS No.: SHAE23008412908 Date: Jul 01, 2023 Page 7 of 10
 Phthalates Testing Flow Chart

```


  graph TD
    A[Sample cutting/preparation] --> B[Sample measurement]
    B --> C[Solvent extraction]
    C --> D[Concentration/Dilution]
    D --> E[Filtration]
    E --> F[GC-MS]
    F --> G[DATA]
  
```



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Test Report ATTACHMENTS No.: SHAE23008412908 Date: Jul 01, 2023 Page 8 of 10
 Elements Testing Flow Chart

```


  graph TD
    A[Sample cutting/preparation] --> B[Sample measurement]
    B --> C[Add digestion]
    C --> D[Filtration]
    D --> E[Solution]
    E --> F[ICP-MS/ICP-OES/AAAS]
    F --> G[DATA]
  
```



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 Halogen Testing Flow Chart

```

  graph TD
    A[Sample cutting/preparation] --> B[Sample measurement]
    B --> C[Combustion in a closed system containing oxygen]
    C --> D[Dissolved in an absorption solution]
    D --> E[Filtration]
    E --> F["Analyzed by ion chromatography. Double confirm by other instruments if necessary"]
    F --> G[DATA]
  
```



Chip_Wendell_R10_HF_(SHAEC23008412908)-7

Chip_Wendell_R10_HF_(SHAEC23008412908)-8

Chip_Wendell_R10_HF_(SHAEC23008412908)-9



Chip_Wendell_R10_HF_(SHAEC23008412908)-10



TAF Certificate (English)L2965-231006-1



TAF Certificate (English) L2965-231006-2



TAF Certificate (English) L2965-231006-3



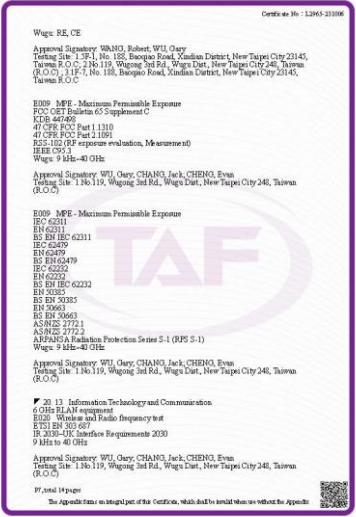
TAF Certificate (English) L2965-231006-4



TAF Certificate (English) L2965-231006-5



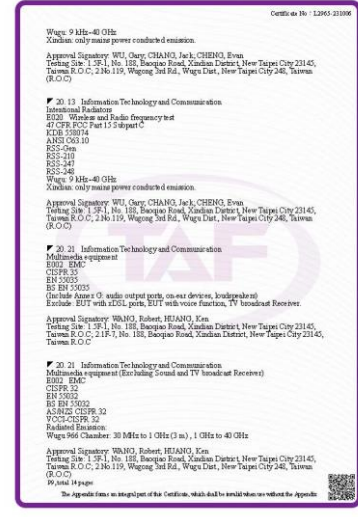
TAF Certificate (English) L2965-231006-6



TAF Certificate (English) L2965-231006-7



TAF Certificate (English) L2965-231006-8



TAF Certificate (English) L2965-231006-9



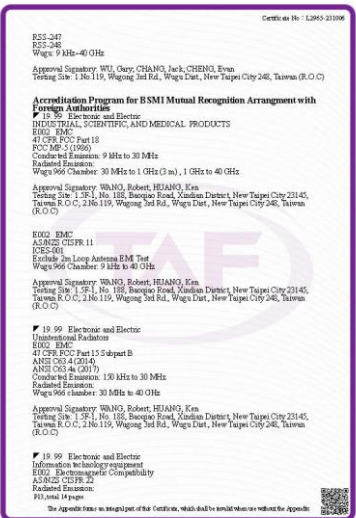
TAF Certificate (English) L2965-231006-10



TAF Certificate (English) L2965-231006-11



TAF Certificate (English) L2965-231006-12



TAF Certificate (English) L2965-231006-13



TAF Certificate (English) L2965-231006-14



All the products of Wendell, including upstream raw materials purchased and auxiliary materials and consumable used in processes, comply with the RoHS and REACH of the EU, standards regarding the prohibition/restricted use of hazardous substances. Besides, each product part number is provided with MSDS and disclosed on customers' platforms. Therefore, customers and consumers' interests can be guaranteed in a transparent manner; besides, epoxy used for encapsulation complies with the fire-resistant safety grade of UL94-V-0. Furthermore, in consideration of different product lines, IEC 6100-4-2/4-5 test has been conducted to ensure the conformity of the products to the electrical performance characteristics indicated in the specifications.

In addition, the Company also provides EMC testing services in accordance with customers' different applications, so that customers' systems can be smoothly sold to each country. Besides, our products are provided with designated markings which represent not only the products sold but also the conformity of product quality to the regulatory requirements. The completion rate of evaluation reached 100%. In 2023, the Company didn't violate relevant regulations on the information and marketing of products and services and the marketing and communications of these products and services.

Customer Privacy

Wendell attaches great importance to customer privacy and customer data security. When signing procurement contracts with customers or suppliers, we will reach an agreement with them to sign a confidentiality contract, for the purpose of protecting the technical design/internal procedures of the three parties. Wendell adheres to the highest principle of not disclosing confidential information outside, and assigns its document management center to control the application and retrieval of any documents. Besides, the Company has also signed a contract of "Employee Confidentiality Contract with Noncompetition 11003 (V.02)" with employees to require the employees to bear the noncompetition obligation during work or after exit. In 2023, the Company didn't lose any customer data.



Appendices

Appendix 1: GRI Standards Comparison Table

| | |
|-------------------------------------|---|
| Statement of Use | Wendell Industrial Co., Ltd. has already referred to the information specified in GRI Content Index during a report period of January 1, 2023-December 31, 2023 according to GRI Standards. |
| Use of GRI 1 | GRI 1: Foundation 2021 |
| Applicable GRI Industrial Standards | |

| Category/Topic of GRI Standards | No. | Disclosure Content of GRI Standards | Corresponding Section | Page | Omission/Remark |
|---|---------------------------------|--|---|------|-----------------|
| 1. Organization and reporting practice | | | | | |
| GRI 2: General Disclosures 2021 | 2-1 | Organizational details | 1.1 About Wendell | 5 | |
| | 2-2 | Entities included in the organization’s sustainability reporting | About This Report | 3 | |
| | 2-3 | Reporting period, frequency and contact point | About This Report | 3 | |
| | 2-4 | Restatements of information | About This Report | 3 | |
| | 2-5 | External assurance | About This Report | 3 | |
| 2. Activities and workers | | | | | |
| GRI 2: General Disclosures 2021 | 2-6 | Activities, value chain and other | 1.1 About Wendell | 5 | |
| | 2-7 | Employees | 3.1 Talent Recruitment and Retention | 35 | |
| | 2-8 | Workers who are not employees | 3.1 Talent Recruitment and Retention | 35 | |
| 3. Governance | | | | | |
| GRI 2: General Disclosures 2021 | 2-9 | Governance structure and composition | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| | 2-10 | Nomination and selection of the highest governance body | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| | 2-11 | Chair of the highest governance body | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| | 2-12 | Role of the highest governance body | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| | 2-13 | Delegation of responsibility for | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| | 2-14 | Role of the highest governance body in sustainability reporting | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| | 2-15 | Conflicts of interest | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| | 2-16 | Communication of critical concerns | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| | 2-17 | Collective knowledge of the highest governance body | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| | 2-18 | Evaluation of the performance of the highest governance body | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| | 2-19 | Remuneration policies | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| | 2-20 | Process to determine remuneration | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| 2-21 | Annual total compensation ratio | 3.2 Employee Diversity and Equality | 45 | | |
| 4. Strategy, policies and practices | | | | | |
| GRI 2: General Disclosures 2021 | 2-22 | Statement on sustainable development strategy | Address from the Chairman | 1 | |
| | 2-23 | Policy commitments | 1.2 Sustainability Commitments | 8 | |
| | 2-24 | Embedding policy commitments | 1.2 Sustainability Commitments | 8 | |
| | 2-25 | Processes to remediate negative impacts | 1.2 Sustainability Commitments | 8 | |
| | 2-26 | Mechanisms for seeking advice and raising concerns | 4.3 Risk Management and Regulatory Compliance | 88 | |



| Category/Topic of GRI Standards | No. | Disclosure Content of GRI Standards | Corresponding Section | Page | Omission/Remark |
|----------------------------------|------|--------------------------------------|---|------|--|
| | 2-27 | Compliance with laws and regulations | 4.3 Risk Management and Regulatory Compliance | 88 | |
| | 2-28 | Membership associations | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| 5. Stakeholder engagement | | | | | |
| GRI 2: General Disclosures 2021 | 2-29 | Approach to stakeholder engagement | 1.3 Stakeholder Engagement | 9 | |
| | 2-30 | Collective bargaining agreements | 4.1 Corporate Governance and Ethical Corporate Management | 64 | The Company didn't sign any collective bargaining agreement since it hasn't established a trade union. |

| Specific Topic Standards: 200 Series (Economic Topics) | | | | | |
|--|-------|--|---|-----|--|
| Market presence | | | | | |
| GRI 202: Market Presence 2016 | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | 3.2 Employee Diversity and Equality | 45 | |
| | 202-2 | Proportion of senior management hired from the local community | 3.1 Talent Cultivation and Retention | 35 | |
| Indirect economic impacts | | | | | |
| GRI 203: Indirect Impacts 2016 | 203-1 | Infrastructure investments and services supported | 3.4 Social Participation | 58 | |
| | 203-2 | Significant indirect economic impacts | 3.4 Social Participation | 58 | |
| Procurement practices | | | | | |
| GRI 204: Procurement Practices 2016 | 204-1 | Proportion of spending on local suppliers | 5.2 Sustainable Supply Chain Management | 100 | |
| Tax | | | | | |
| GRI 207: Tax 2019 | 207-1 | Approach to tax | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| | 207-2 | Tax governance, control, and risk management | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| | 207-3 | Stakeholder engagement and management of concerns related to tax | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| GRI 207: Tax 2019 | 207-4 | Country-by-country reporting | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| Specific Topic Standards: 300 Series (Environmental Topics) | | | | | |
| Waste | | | | | |
| GRI 306: Waste 2020 | 306-1 | Waste generation and significant waste-related impacts | 2.3 Energy Resource Management | 23 | |
| | 306-2 | Management of significant waste-related impacts | 2.3 Energy Resource Management | 23 | |
| Specific Topic Standards: 400 Series (Social Topics) | | | | | |
| Employment | | | | | |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | 3.1 Talent Cultivation and Retention | 35 | |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 3.1 Talent Cultivation and Retention | 35 | |
| | 401-3 | Parental leave | 3.2 Employee Diversity and Equality | 45 | |
| Non-discrimination | | | | | |
| GRI 406: Non-discrimination 2016 | 406-1 | Incidents of discrimination and corrective actions taken | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| Child labor | | | | | |
| GRI: 408 Child Labor 2016 | 408-1 | Operations and suppliers at significant risk for incidents of child labor | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| Forced or compulsory labor | | | | | |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 4.1 Corporate Governance and Ethical Corporate Management | 64 | |
| Supplier social assessment | | | | | |
| GRI 414: Supplier Social Assessment 2016 | 414-1 | New suppliers that were screened using social criteria | 5.2 Sustainable Supply Chain Management | 100 | |



| | | | | | |
|--|-------|---|---|-----|--|
| | 414-2 | Negative social impacts in the supply chain and actions taken | 5.2 Sustainable Supply Chain Management | 100 | |
| Customer health and safety | | | | | |
| GRI 416: Customer Health and Safety 2016 | 416-1 | Assessment of the health and safety impacts of product and service categories | 5.3 Product Lifecycle Management | 103 | |
| | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | 5.3 Product Lifecycle Management | 103 | |
| Marketing and labeling | | | | | |
| GRI 417: Marketing and Labeling 2016 | 417-1 | Requirements for product and service information and labeling | 5.3 Product Lifecycle Management | 103 | |
| | 417-2 | Incidents of non-compliance concerning product and service information and labeling | 5.3 Product Lifecycle Management | 103 | |
| | 417-3 | Incidents of non-compliance concerning marketing communications | 5.3 Product Lifecycle Management | 103 | |
| Customer privacy | | | | | |
| GRI 418: Customer Privacy 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 5.3 Product Lifecycle Management | 103 | |

Material Topics

| GRI No. | Topic | Industrial Standard No. | No. | Disclosure Content of GRI Standards | Corresponding Section | Page | Omission/Remark |
|---|---------------------------------|-------------------------|-------|--|--------------------------------------|------|-----------------|
| GRI 3: Material Topics 2021 | Management Approach | - | 3-1 | Process to determine material topics | 1.4 Identifying Material Topics | 14 | |
| GRI 3: Material Topics 2021 | Management Approach | - | 3-2 | List of material topics | 1.4 Identifying Material Topics | 14 | |
| Material Topic: Environmental Sustainability (GRI 301, GRI 302, GRI 303) | | | | | | | |
| GRI 3: Material Topics 2021 | Management Approach | | 3-3 | Management of material topics | 2.Environmental Sustainability | 22 | |
| GRI 301 | Materials 2016 | - | 301-1 | Materials used by weight or volume | 2.3 Energy Resource Management | 23 | |
| GRI 302 | Energy 2016 | - | 302-1 | Energy consumption within the organization | 2.3 Energy Resource Management | 23 | |
| | | - | 302-3 | Energy intensity | 2.3 Energy Resource Management | 23 | |
| | | - | 302-5 | Reductions in energy requirements of products and services | 2.3 Energy Resource Management | 23 | |
| GRI 303 | Water and Effluents 2018 | - | 303-1 | Interactions with water as a shared resource | 2.3 Energy Resource Management | 23 | |
| | | - | 303-2 | Management of water discharge-related impacts | 2.3 Energy Resource Management | 23 | |
| | | - | 303-3 | Water withdrawal | 2.3 Energy Resource Management | 23 | |
| | | - | 303-4 | Water discharge | 2.3 Energy Resource Management | 23 | |
| | | - | 303-5 | Water consumption | 2.3 Energy Resource Management | 23 | |
| Material topic: Environmental Sustainability (GRI 305) | | | | | | | |
| GRI 3: Material Topics 2021 | Management Approach | | 3-3 | Management of material topics | 2.Environmental Sustainability | 22 | |
| GRI 305 | Emissions 2016 | - | 305-1 | Direct (Scope 1) GHG emissions | 2.2 Greenhouse Gas Inventory | 22 | |
| | | - | 305-2 | Energy indirect (Scope 2) GHG emissions | 2.2 Greenhouse Gas Inventory | 22 | |
| | | - | 305-4 | GHG emissions intensity | 2.2 Greenhouse Gas Inventory | 22 | |
| | | - | 305-6 | Emissions of ozone-depleting substances (ODS) | 2.2 Greenhouse Gas Inventory | 22 | |
| | | - | 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 2.2 Greenhouse Gas Inventory | 22 | |
| Material topic: Talent Cultivation and Retention (GRI 402, GRI 404) | | | | | | | |
| GRI 3: Material Topics 2021 | Management Approach | | 3-3 | Management of material topics | 3. Happy Workplace | 35 | |
| GRI 402 | Labor/Management Relations 2016 | - | 402-1 | Minimum notice periods regarding | 3.2 Employee Diversity and Equality | 45 | |
| GRI 404 | Training and Education 2016 | - | 404-1 | Average hours of training per year per employee | 3.1 Talent Cultivation and Retention | 35 | |
| | | - | 404-2 | Programs for upgrading employee skills and transition assistance programs | 3.1 Talent Cultivation and Retention | 35 | |
| | | - | 404-3 | Percentage of employees receiving regular performance and career development reviews | 3.1 Talent Cultivation and Retention | 35 | |
| Material topic: Employee Diversity and Equality (GRI 405) | | | | | | | |
| GRI 3: | Management | | 3-3 | Management of material topics | 3. Happy Workplace | 35 | |



| | | | | | | | |
|---|--|---|-------|---|---|-----------|--|
| Material Topics 2021 | Approach | | | | | | |
| GRI 405 | Diversity and Equal Opportunity 2016 | - | 405-1 | Diversity of governance bodies and employees | 3.2Employee Diversity and Equality | 45 | |
| | | - | 405-2 | Ratio of basic salary and remuneration of women to men | 3.2Employee Diversity and Equality | 45 | |
| Material topic: Occupational Safety and Health Management (GRI 403) | | | | | | | |
| GRI 3: Material Topics 2021 | Management Approach | | 3-3 | Management of material topics | 3. Happy Workplace | 35 | |
| GRI 403 | Occupational Health and Safety 2018 | - | 403-1 | Occupational health and safety management system | 3.3Occupational Safety and Health Management | 51 | |
| | | - | 403-2 | Hazard identification, risk assessment, and incident investigation | 3.3Occupational Safety and Health Management | 51 | |
| | | - | 403-3 | Occupational health services | 3.3Occupational Safety and Health Management | 51 | |
| | | - | 403-4 | Worker participation, consultation, and communication on occupational health and safety | 3.3Occupational Safety and Health Management | 51 | |
| | | - | 403-5 | Worker training on occupational health and safety | 3.3Occupational Safety and Health Management | 51 | |
| | | - | 403-6 | Promotion of worker health | 3.3Occupational Safety and Health Management | 51 | |
| | | - | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 3.3Occupational Safety and Health Management | 51 | |
| | | - | 403-8 | Workers covered by an occupational health and safety management system | 3.3Occupational Safety and Health Management | 51 | |
| Material topic: Social Participation (GRI 413) | | | | | | | |
| GRI 3: Material Topics 2021 | Management Approach | | 3-3 | Management of material topics | 3. Happy Workplace | 35 | |
| GRI 413 | Local Communities 2016 | - | 413-1 | Operations with local community engagement, impact assessments, and development program | 3.4 Social Participation | 58 | |
| | | - | 413-2 | Operations with significant actual and potential negative impacts on local communities | 3.4 Social Participation | 58 | |
| Material topic: Corporate Governance and Ethical Corporate Management (GRI 205 \ GRI206) | | | | | | | |
| GRI 3: Material Topics 2021 | Management Approach | | 3-3 | Management of material topics | 4. Sustainable Management | 64 | |
| GRI 205 | Anti-corruption 2016 | - | 205-1 | Operations assessed for risks related to corruption | 4.1Corporate Governance and Ethical Corporate Management | 64 | |
| | | - | 205-2 | Communication and training about anti-corruption policies and procedures | 4.1Corporate Governance and Ethical Corporate Management | 64 | |
| | | - | 205-3 | Confirmed incidents of corruption and actions taken | 4.1Corporate Governance and Ethical Corporate Management | 64 | |
| GRI 206 | Anti-competitive Behavior 2016 | - | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 4.1Corporate Governance and Ethical Corporate Management 5.3Product Lifecycle Management | 64 103 | |
| Material topic: Operating Performance (GRI 201) | | | | | | | |
| GRI 3: Material Topics 2021 | Management Approach | | 3-3 | Management of material topics | 4.Sustainable Management | 64 | |
| GRI 201 | Economic Performance 2016 | - | 201-1 | Direct economic value generated and distributed | 4.2 Operating Performance | 87 | |
| | | - | 201-2 | Financial implications and other risks and opportunities due to climate change | 2.4Actions Responding to Climate Change | 30 | |
| | | - | 201-3 | Defined benefit plan obligations and other retirement plans | 3.2Employee Diversity and Equality | 45 | |
| | | - | 201-4 | Financial assistance received from government | 4.2 Operating Performance | 87 | |
| Material topic: Supply Chain Management (GRI308) | | | | | | | |
| GRI 3: Material Topics 2021 | Management Approach | | 3-3 | Management of material topics | 5.Green Supply Chain | 99 | |
| GRI 308 | Supplier Environmental Assessment 2016 | - | 308-1 | New suppliers that were screened using environmental criteria | 5.2Sustainable Supply Chain Management | 100 | |
| | | - | 308-2 | Negative environmental impacts in the supply chain and actions taken | 5.2Sustainable Supply Chain Management | 100 | |

| *Self-determined Topic | No. | Disclosure Content of GRI Standards | Corresponding Section | Page | Omission/Remark |
|--|-----|-------------------------------------|-----------------------|------|-----------------|
| * Risk Management and Regulatory Compliance | | | | | |
| GRI 3 | 3-3 | Management of material topics | 4.Sustainable | 64 | |



| *Self-determined Topic | No. | Disclosure Content of GRI Standards | Corresponding Section | Page | Omission/Remark |
|---|-----|-------------------------------------|-----------------------|------|-----------------|
| Risk Management and Regulatory Compliance Management Approach | | | Management | | |
| *Product Lifecycle Management | | | | | |
| GRI 3 Product Lifecycle Management Approach | 3-3 | Management of material topics | 5.Green Supply Chain | 99 | |
| * Innovative R&D Patents | | | | | |
| GRI 3 Innovative R&D Patents Management Approach | 3-3 | Management of material topics | 5.Green Supply Chain | 99 | |



Appendix 2: SASB Standards Comparison Table

| Industry: Semiconductor Sustainability Development Accounting Standards | | | |
|---|--------------|--|--|
| Topic | Code | Metric | Explanation |
| Greenhouse Gas Emissions | TC-SC-110a.1 | Discussion of gross global Scope 1 emissions and total emissions from perfluorinated compounds | With reference to 2.2 Greenhouse Gas Inventory |
| | TC-SC-110a.2 | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | With reference to 2.1 Environmental Sustainability Management |
| Energy Management in Manufacturing | TC-SC-130a.1 | (1) Total energy consumed; (2) Percentage grid electricity; (3) Percentage renewable | With reference to 2.3 Energy Resource Management |
| Water Resource Management | TC-SC-140a.1 | Total water withdrawn, and total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | With reference to 2.3 Energy Resource Management |
| Waste Management | TC-SC-150a.1 | Quantity of hazardous waste generated in the manufacturing process and recycling percentage | With reference to 2.3 Energy Resource Management |
| Employee Health & Safety | TC-SC-320a.1 | Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards | With reference to 3.3 Occupational Safety and Health Management |
| | TC-SC-320a.2 | Total amount of monetary losses caused due to violation of relevant laws related to employee health and safety | The Company was not involved in major legal violations regarding employee health and safety. |
| Recruiting & Managing a Global & Skilled Workforce | TC-SC-330a.1 | Percentage of employees that are (1) foreign nationals and (2) located offshore | With reference to 3.1 Talent Cultivation and Retention |
| Product Lifecycle Management | TC-SC-410a.1 | Percentage of products by revenue that contain IEC 62474-declarable substances | Not applicable |
| | TC-SC-410a.2 | Processor energy efficiency at a system level for: (1) servers, (2) desktops, and (3) laptops | With reference to 2.3 Energy Resource Management |
| Materials Sourcing | TC-SC-440a.1 | Description of the management of risks associated with the use of critical materials | With reference to 5.2 Sustainable Supply Chain Management |
| Intellectual Property Protection & Competitive Behavior | TC-SC-520a.1 | Total monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations | With reference to 5.3 Product Lifecycle Management |

**Appendix 3: Climate-related Information of TWSE/TPEX Listed Companies**

| Item | Corresponding Section | Page |
|---|---|------|
| 1. Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and the management. | Please refer to 2.4 Actions Responding to Climate Change and pages 58~60 of the annual report of the Company for the year 2023. | 30 |
| 2. Describe how the identified climate risks and opportunities impact the enterprise's business, strategies, and finance (short-term, mid-term, and long-term). | | |
| 3. Describe the impacts of extreme climate incidents and transition action on the finance. | | |
| 4. Describe how the identification, assessment and management processes of climate risks can be incorporated to the overall risk management system. | | |
| 5. Describe the scenarios, parameters, assumptions, analytical factors and primary financial implications used if scenario analysis is employed to assess the resilience against climate change risks. | | |
| 6. Describe the contents of a transition plan intended to address and manage climate-related risks if any, as well as metrics and targets used to identify and manage physical and transition risks. | | |
| 7. Describe the pricing basis if internal carbon pricing is employed as a planning tool. | | |
| 8. Describe information including activities covered, scopes of greenhouse gas emissions, planned schedule, and progress achieved every year if climate-related targets are established; describe the sources and quantity of carbon reduction limit offset or the quantity of renewable energy certificates (RECs) if carbon offset or RECs is used to achieve relevant targets. | | |
| 9. Describe greenhouse gas inventory verification and assurance. | | |