



2022

建漢科技 永續報告書
ESG REPORT
ENVIRONMENT SOCIAL GOVERNANCE



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About this Report

About the Sustainability Report



If you have any recommendations and comments on this Report, please inform us of your valuable comments



Company
website

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In principle, the organizational boundary for the Report is the consolidated financial statements covering CyberTAN Technology Inc.

Reinvested companies and overseas branch offices are included in the disclosures on corporate governance and financial performance. For other performance disclosures, they are mainly based on the operations and activities of the Hsinchu Headquarters of CyberTAN Technology Inc.

The Report covers the promotion of and performance demonstrated in several aspects of the company's social and sustainability policy from operational performance, corporate governance, supply chain management, environmental sustainability, employee care and welfare, healthy and safe workplace and so on between January 1 to December 31, 2022. Most of the indicators disclosure is mainly about the Hsinchu Plant of CyberTAN Technology Inc. There is only partial disclosure about the Vietnam Plant. Economic performance indicators disclose the entities covered in the consolidated financial report, which include the Company and subsidiaries. The preparation of this report conforms to the eight major reporting principles of the GRI Sustainability Report Standard 2021 version. The principles are accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability. A Sustainability Promotion Office Working Group is established, jointly formed by the relevant departments and units of the Company. The Working Group collects the opinions of the stakeholders (including employees, customers, shareholders/investment institutions, suppliers, financial institutions and government/competent authorities) and reviews related topics and performance for final approval by the departmental manager before the information is used for the preparation of the sustainability report. In regard to the source of the financial data, the data derives from the published financial report information, audited and accredited by PwC Taiwan according to the International Financial Reporting Standards (IFRS). The currency of the data is New Taiwan Dollar (NTD).

The Company first published the corporate social responsibility report in December 2019. There were no in restatements of information. This report contents cover mainly 2022 (2022/01/01 to 2022/12/31) conducts and performances of CyberTAN Technology in business management, environmental protection and social responsibilities. Moreover, some of the contents and performance data includes the period between 2020 and 2021 due to completeness of writing. Considering the timeliness of communications, some of the data has been disclosed for related information up to January – June 2023. Each of the management systems undergoes regular internal audit. In particular, an internal audit is arranged once a year in alignment to the external audit for ISO 9001 and TL 9000 Quality Management System, ISO 45001 Occupational Safety and Health Management System, ISO 14001 Environmental Management System, and ISO 27001 Information Security Management System to ensure the accuracy of information and data. The sustainability report was approved by the Chairman before release for publication. External verification or assurance was not made for the report.

The writing and disclosure of the main sustainability topics, strategies, goals, measures and results in the report conforms to the GRI Standards published by the Global Reporting Initiative (GRI), the sector standard, "Technology & Communications," published by the Sustainable Accounting Standards Board (SASB), and the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" and their management guidelines and structure. The GRI/SASB indicator index comparison table is attached in the appendix for reference. CyberTAN Technology regularly publishes the sustainability report each year and for release on the official website of CyberTAN Technology. The expected publication time for this report is in June 2023. It is planned to be published in June each year in the future. (Previously published version: September 2022; latest published version: June 2023)

Letter from the Chairman

A Report to the Stakeholders (Gwong-Yih Lee, Chairman and President)

Dear Stakeholders,

We sincerely appreciate your great support for CyberTAN Technology over the past year.

In 2022, as the world was impacted by the pandemic, the supply chain was in a state of supply–demand imbalance, coupled with the Russia–Ukraine War, the surge in raw material price and chip shortage – all of these made corporate operations more difficult. The overall operating results are summarized as follows: In 2022, our net revenue was NTD 5,753,342 thousand; our net operating loss was NTD 212,921 thousand. The net loss after tax was NTD 366,674 thousand, and the loss per share after tax was NTD 1.12. Regarding our financial operations, we have adhered to the principle of stability and have planned long- and short-term fund usage based on the status of our operations. In 2022, the current ratio was 264%, and the debt ratio was 33%. Such results show that we currently have sufficient working capital and that our financial structure is sound.

Companies can operate sustainably only by valuing and implementing ESG related work. CyberTAN Technology gets hold of the operational risks and opportunities arising from ESG and climate change. In 2022, the Company re-structured its Corporate Social Responsibility Committee and changed the name to become the ESG Sustainability Committee. The Chairman acts as the Chair of the Committee and working groups were appointed. Each of the working groups will set the short-, medium- and long-term targets around the three aspects in corporate governance, environmental sustainability and social responsibility, and will commence the work plans. The major work focuses for 2023 include: Greenhouse gas inventory, renewable energy installation, sustainable/green supply chain performance, complete external information security testing, occupational security enhancement and employee professional training for skill enhancement.

We have introduced the preparation standard of the Sustainable Accounting Standards Board (SASB) and at the same time updated the GRI 2021 standard version showing our determination in implementing ESG. Work items have been fully developed in order to show our ability and ambition to service international customers. We at CyberTAN Technology have prepared by ourselves the Corporate Social Responsibility Report since 2018 up till now – the fifth year. This is the first “Sustainability Report” publication for the Company. The Report enables the Company’s Board of Directors and all levels of management to review the promotion outcomes of the social responsibility aspect for over the past one year. By communicating with the society-at-large through the sustainability report, stakeholders can have a better understanding of the efforts by CyberTAN Technology in corporate social responsibility. Starting from this year, we will enhance every aspect of the company management for the three major ESG pillars. The Company will follow closely the industry trends to respond to future operational risks arising from changes in the overall economic environment.

The Company will still face multiple challenges in 2023, including risks from geopolitics, global inflation, sluggish economy and other issues, all of which have imposed material impacts on countries and business operations around the world. Although external challenges are massive, we find that governments in every country continue to increase investments in network infrastructure. Meanwhile, applications and needs related to network technology continuously expand and extend. With the rise of satellite communication and 5G/6G mobile networks, artificial intelligence and cloud computing are also growing increasingly popular. In addition, the Internet of Vehicles and Internet of Things mark the trend towards an Internet of Everything. All of these will bring business opportunities to the Company.

It is hoped that CyberTAN Technology will play a positive role and be the driving force on the ESG path in the pursuit of becoming a sustainable business. Looking forward to 2023, CyberTAN Technology continues to focus on new product developments, enhance supply chain management, increase production efficiency, create win-win situations with the customers, and raise the company’s long-term competitive advantages and social contributions, creating higher values for all stakeholders.



Company Operations and Development



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Company Profile

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1-1

Company Profile



Basic Information

CyberTAN Technology Inc.

| | |
|--|--|
| The total number of employees globally | 1,231 people (This is information at the end of 2022) |
| Capital | NTD 3.3 billion |
| Established date: | June 10, 1998 |
| Major product and technology | <ol style="list-style-type: none"> 1. Broadband Internet access router 2. Virtual private network 3. Firewall 4. Layer 3/Layer 4 switch 5. Wired high-end broadband network security router 6. Wireless high-end broadband network security router |
| Chairman | Gwong-Yih Lee |
| President | Gwong-Yih Lee |
| Operation headquarters | Hsinchu Science Park No. 99, Yuanqu 3rd Rd., Baoshan Township, Hsinchu County |
| Listed on | July 28, 2003 Stock Code: 3062 |
| 2022 Revenue | NTD 5.75 billion |

“Begin with the end in mind” – we are committed to becoming a full-service network equipment provider that offers value advantages to our customers

CyberTAN Technology is a leading manufacturer of broadband and wireless networking equipment. Since its founding, CyberTAN Technology has energetically invested in R&D resources to provide professional OEM/ODM services for the communications market. Since 2003, CyberTAN Technology expanded its development efforts to the broadband and wireless fields, concentrating on broadband communications and wireless networking products. The fruits of these efforts have been numerous awards, affirmation from customers, and CyberTAN’s position today as the largest manufacturer of SOHO routers in the world.

CyberTAN Technology’s fixed broadband product line has built a solid foundation, and it extends product lines to the mobile broadband area, such as 4G/LTE/5G and satellite communication products. Furthermore, CyberTAN Technology invests more research and development resources to smart routing, the cloud, and IoT platform to provide our customers with product design services that offer higher added value in both hardware and software.

Looking into the future, CyberTAN Technology maintains its vision of “Bringing Broadband to Life,” will build on its core competencies in broadband, wireless, telecommunications, and the digital home, and as ever, strive to maximize production efficiency and generate the highest possible returns for its customers.

Bringing broadband to life



The Company's Future Goals and Direction

1-1-2

CyberTAN Technology will be based on cloud services, reconstructing the network product architecture, transforming network functions into microservices to enhancing platform portability and implementing the integration of cloud computing and end-point hardware, driving us further into the enterprise customer market.



Our Sustainable Operation Commitment

CyberTAN Technology will continue to fulfill corporate commitment and create benefits for shareholders, employees and society to achieve the goal of sustainable operation:

1. Adhering to legal and business ethics standards, we maintain strong corporate governance practices.
2. Enhancing disclosure of corporate social responsibility information and continuing communication with stakeholders to increase information transparency.
3. Continuously creating company value, encouraging innovative research and development, enhancing employee expertise and increasing shareholder equity.
4. Implementing energy efficiency and carbon reduction measures, promoting actions related to energy conservation, low energy consumption and renewable energy sources to reduce environmental impact.
5. Promoting corporate social responsibility to supply chain to create a sustainable environment.
6. Providing employees a healthy, safe, happy working environment, reasonable compensation and benefit.



1-2

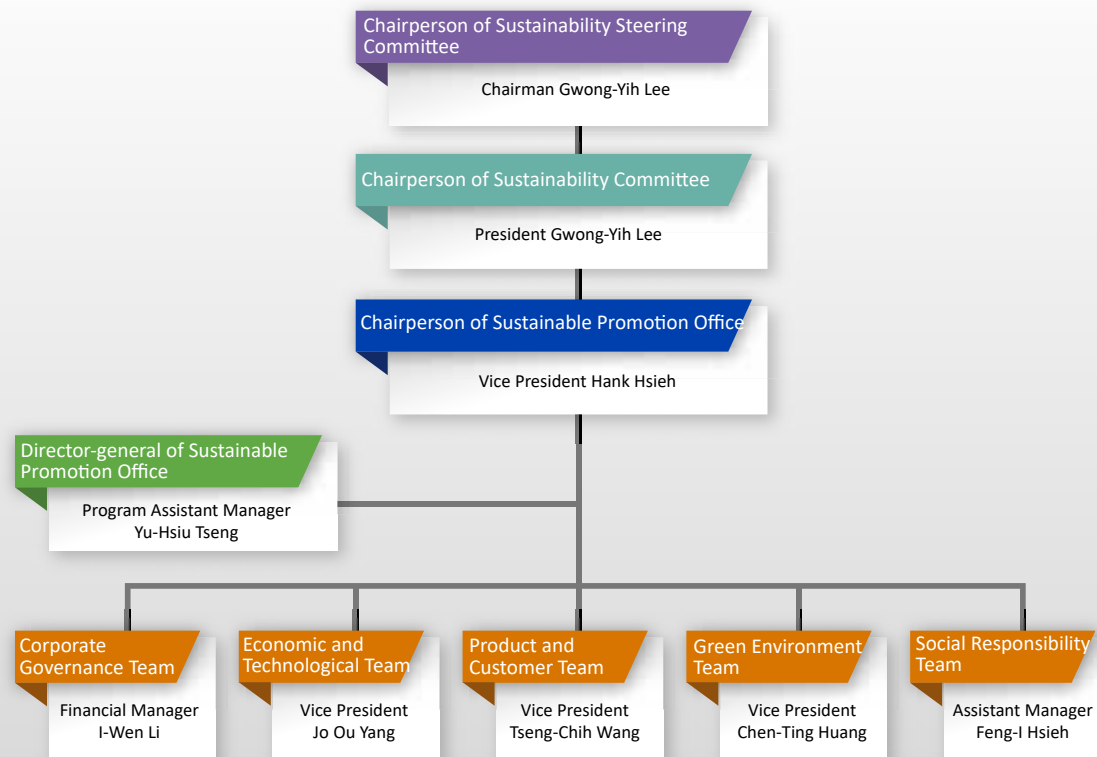
Organization Structure



Sustainability Committee

1-2-1

To achieve corporate sustainable development, the Company has established a part-time Sustainability Committee with the Chairman, who is also the President, serving as the Committee Chairman. The Sustainability Promotion Office was set under the President Office, consisting of five separate teams to formulate work plans. The company's board of directors is the company's highest governance unit. The Sustainable Promotion Office shall report progress to the Board of Directors at least once every six months, and complete the annual sustainability development report every year; the Sustainability Committee will directly engage in the supervision and performance management of economics, environmental and social issues and risk management to make final decision. We will continuously be driving the Board of Directors to consider economic, environmental and social issues along with their impacts, risks and opportunities and stakeholders' opinions when making decisions on important matters. For stakeholders' engagement details, please refer to the second section of this report. CyberTAN's sustainability report will be reviewed by the chair of Sustainability Committee in consultation with the approving authority to ensure comprehensive coverage of all material topics and upload it to the MOPS before June 30.



Corporate Governance Team

Responsible for formulating and promoting policies and structures related to ethical management, assisting Board of Directors and management to implement various precautions and periodic checks. We also establish a continuing operation plan to assess risks, and conduct regular practice drills and review revisions.

Economic and Technological Team

Responsible for formulating research and development and innovation to look for green product and service with future value and promote green value chain to prompt for green transformation in order to create new generation green competition of products and services.

Product and Customer Team

Responsible for developing policies and initiatives to enhance customer service quality and supplier management, overseeing and reporting on their implementation. In addition to responding to customer-related sustainability actions, actively sharing and inviting customers to participate in the company's sustainability commitments and deepening green cooperation.

Green Environment Team

Responsible for formulating green operational strategies which include daily energy saving and carbon reduction efforts, incorporating recycled resources into production to reduce emissions and even extending influence to the overall green supply chain. We are implementing action plans to promote energy efficiency, carbon reduction and environmentally friendly.

Social Responsibility Team

Responsible for promoting and creating a workforce that matches individuals with suitable positions, continuously enhancing talent capability, providing a safe and healthy working environment, reasonable compensation and improving benefit policy. Proactively engaging in communication with external stakeholders, continuously exerting influence to create a wonderful society together.



Ethical Management

1-2-2

| Name of regulations | Explanation of regulations |
|---|---|
| Ethical Corporate Management Best-Practice Principles | <ol style="list-style-type: none"> 1. According to Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, Directors, Managers and all employees shall not accept any improper benefits nor commit illegal acts or unethical acts. Coverage includes prohibition on bribery and acceptance of bribes, offering illegal political contributions, improper charitable donations or activities and the giving or receiving of improper gifts, payments or hospitality. 2. Directors, Supervision unit and Managers shall prevent conflict of interest and establish a complete internal control system for unethical acts or operation activities with high potential risk. 3. Require all new employees to sign the "Honesty, Integrity & IP Protection Agreement," "Confidentiality Agreement." <p>CyberTAN Technology insists on a culture of integrity, ethical management and having a zero-tolerance policy to any behavior or activity that violates regulations. We will fully comply with international and domestic regulations related to anti-corruption and anti-bribery.</p> <p>To establish corporate culture of ethical management and outstanding business operation model, the Group has established the "Foxconn Code of Conduct (CoC)." The coverage includes eight major aspects such as ethical regulations, labor and human rights, health and safety, environment, management system, responsible mineral procurement, anti-bribery and anti-slave population policy. It will be signed by the highest executive and implemented, actively fulfilling corporate sustainability responsibilities. It is promoted through various channels such as the company's website, internal employee training materials, electronic announcements, bulletin boards, and promotional videos, to actively cultivate a work environment characterized by integrity, transparency, pragmatism and collaboration.</p> <p>The Company has established a "Ethical Corporate Management Best-Practice Principles," which applies to subsidiaries and all personnel. Related establishment and revision of articles will be submitted to the shareholders' meeting after approved by the Board of Directors, and will be disclosed on MOPS and the Company's website.</p> |
| Codes of Ethical Conduct | <p>To regulate Directors, Managers and all employees' ethical behavior, and the coverage includes avoid conflict of interest, conveyance of improper benefits, prohibition on pursuing personal gain, ensuring the confidentiality of company and customer information, conducting fair transactions and accurately reporting transaction details, as well as responsibly using and maintaining of company assets, among other requirements.</p> <p>Provide "Anti-corruption Education Training" to the Board of Directors and new employees every once a year to propagate coverage of the Company's anti-corruption policy and its impact to the corporate and individual. In particular, procurement personnel are required to participate in annual anti-corruption and integrity conduct education and training.</p> |
| Supplier Code of Conduct | <ol style="list-style-type: none"> 1. Request suppliers to understand and collectively adhere to the company's industry ethics standards, extending the core values of integrity throughout the supply chain. 2. Request collaborating suppliers to regularly sign a "Supplier Commitment Agreement" and submit a "Supplier Self-Declaration Form." |
| 2022 Achievements | <ol style="list-style-type: none"> 1. No corruption incidents occurred in our company |

In addition, CyberTAN Technology will comply with the Company Act, Securities and Exchange Act, Business Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Public Servant's Conflicts of Interest Avoidance Act, as well as relevant regulations pertaining to TWSE/TPEx. We continuously monitor changes in domestic and international regulations to assess potential risk and impacts of the company. Based on the results of regulatory assessments, we review whether there are corresponding internal regulations to ensure that our company policies and norms are appropriate and sufficient.

1-3

Product R&D



2022 Operational Achievements and 2023 Challenges and Opportunities

1-3-1

In 2022, the Company made adjustments in each aspect, including product positioning and development; build-up of a talent pool for software R&D; efficiency enhancement of manufacturing; and restructuring of the Company's internal policies, procedures and platforms. The results of the improvements continue to be seen. The Company will still face multiple challenges in 2023, including risks from geopolitics, global inflation, sluggish economy and other issues, all of which have imposed material impacts on countries and business operations around the world.

Although external challenges are massive, we find that governments in every country continue to increase investments in network infrastructure. Meanwhile, appliances and needs related to network technology continually expand and extend. With the rise of satellite communication and 5G/6G mobile networks, artificial intelligence and cloud computing are also growing increasingly popular. In addition, the Internet of Vehicles and Internet of Things mark the trend towards an Internet of Everything. All of these will also bring many business opportunities to the Company.



2023 Operating Strategy

1-3-2





The Company's Primary Product Line

Small and medium enterprises/Enterprises Solution

Include Enterprise Wireless Access Point, Wireless Base Station Controller, Network Management Switch, FWA Equipment, VoIP Telephone.

Wired/Wireless Broadband Solution

Include Satellite Communication Equipment, 5G CPE Router, 5G Small Cell, GPON, Cable Modem.

Home Networking and Multimedia Solution

Include Whole Home Mesh WiFi, Network Managed Home Router, OTT Set-top Box.

IoT Solution

Include IoT Gateway, IoT Router, IoT Wireless Module, AI Edge Gateway.



2023 Key R&D Development for Technologies and Products

CyberTAN Technology maintains a positive outlook on opportunities and market potential in 5G/6G, WiFi-6/7, LEO satellite, AI Edge and cloud-based applications. The product development plan of the Company will continue to strengthen the technology of fixed-line broadband, WiFi module and router. We also focus on the deployment in new product fields such as 5G/6G mobile and satellite broadband, the cloud, and fiber optic and continue to launch cloud network management solutions suitable for small and medium enterprises in order to become an innovative integrated design service provider that provides the customer with overall solutions including the development, design and production services of software and hardware.





1-3-5

Product R&D Items

SOHO and SMB WiFi AP/Router

- Enterprise AP and Controller Equipment
- Microservice network function
- Standalone and Cross-Platform Cloud Service
- Internal Firmware Development Process Optimization

WiFi 5 FWA

- WiFi 5 Point to Point Point-to-multipoint Transmission Device

5G NR WIFI 7 CPE

- Wired WAN + WWAN (5G NR) –Multiple WANs Access Equipment
- Fail-Over Connection Manager

WiFi + GPON Gateway

- GPON Gateway

Switch

- Layer 2 Management Switch work with EAP and FWA

Cable Modem / Router

- Provide Docsis 3.0 Cable Modem / WiFi Gateway (ODM)

Performance management

- Jira bug Tracking and Management
- Agile Project Management

Strict Quality Control

- Automated Continuous Integration and Development
- Automated Test Process

1-4

Operational Performance



Financial Performance

1-4-1

There were changes to the structure of the share capital of CyberTAN Technology in 2022 due to the issuance of restricted shares in that year. However, it did not result in significant effects and changes to the overall operations of CyberTAN. The consolidated financial performance and profitability of the Company for the most recent five years were calculated based on the new IFRS system and were as described below.

1. Profit and loss over the five years (NTD thousands)

| Item \ Year | In the most recent five years | | | | |
|--------------------------------|-------------------------------|-----------|-----------|-----------|-----------|
| | 2022 | 2021 | 2020 | 2019 | 2018 |
| Operating revenue | 5,753,342 | 3,946,796 | 4,834,151 | 5,707,963 | 8,598,958 |
| Operating gross profit | 286,859 | 109,261 | 371,735 | 465,203 | 550,070 |
| Gross profit margin | 5.0% | 2.8% | 7.7% | 8.2% | 6.4% |
| Operating profit and loss | (212,921) | (280,451) | (25,482) | 34,156 | 80,440 |
| Net profit (loss) for the year | (366,674) | 24,393 | 23,575 | 51,352 | 166,600 |
| Earnings per share | (1.12) | 0.07 | 0.07 | 0.16 | 0.51 |

2. Financial ratios and profitability over the five years

| Analysis item \ Year | | Financial analysis for the most recent five years | | | | |
|-----------------------|------------------------------------|---|--------|--------|--------|--------|
| | | 2022 | 2021 | 2020 | 2019 | 2018 |
| Financial structure % | Ratio of liabilities to assets | 32.57 | 28.20 | 32.78 | 31.56 | 27.92 |
| Solvency % | Current ratio | 263.68 | 317.23 | 257.38 | 273.57 | 263.72 |
| | Quick ratio | 204.39 | 282.50 | 231.60 | 238.16 | 214.21 |
| Operating ability | Receivables turnover ratio (times) | 3.81 | 3.31 | 3.43 | 2.81 | 3.18 |
| | Average collection days | 96 | 110 | 106 | 130 | 115 |
| | Inventory turnover ratio (times) | 6.46 | 7.21 | 7.68 | 6.35 | 7.99 |
| | Average sales days | 57 | 51 | 48 | 57 | 46 |
| Profitability | Return on assets (%) | (4.46) | 0.54 | 0.54 | 0.81 | 2.12 |
| | Return on equity (%) | (6.98) | 0.45 | 0.43 | 0.93 | 2.99 |
| | Net profit margin (%) | (6.37) | 0.62 | 0.49 | 0.9 | 1.94 |

3. Operating revenue by region (NTD thousands)

| Analysis item \ Year | In the most recent five years | | | | | | | | | |
|----------------------|-------------------------------|------|-----------|------|-----------|------|-----------|------|-----------|------|
| | 2022 | | 2021 | | 2020 | | 2019 | | 2018 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| America | 3,872,880 | 67% | 3,024,288 | 77% | 3,692,032 | 76% | 4,988,322 | 88% | 7,693,965 | 89% |
| Asia | 302,780 | 5% | 316,472 | 8% | 328,015 | 7% | 181,100 | 3% | 457,826 | 5% |
| Europe | 1,377,322 | 24% | 554,709 | 14% | 752,362 | 16% | 475,188 | 8% | 306,236 | 4% |
| Others | 200,360 | 4% | 51,327 | 1% | 61,742 | 1% | 63,353 | 1% | 140,931 | 2% |
| Total | 5,753,342 | 100% | 3,946,796 | 100% | 4,834,151 | 100% | 5,707,963 | 100% | 8,598,958 | 100% |



Respect Market Mechanism

CyberTAN Technology provides professional OEM and ODM and sales services for network communication products worldwide. We conduct all transactions in accordance with the laws and all applicable industry regulations of every country. When we face market competitions, we abide by the rules of market mechanisms and do not engage in any improper and unfair competitive acts. To ensure that the company and its employees conduct business activities abiding by the laws and regulations of each country, we have developed the highest standard for our employees to comply with. The Company upholds the spirit of social responsibility with integrity and self-discipline, and has established the ethical corporate management best-practice principles. These principles regulate aspects in anti-corruption, anti-trust, data protection, political participation and more. During 2022, the Company did not engage in any conducts relating to anti-competition and anti-monopoly. There were no occurrence of such incidents.

The stock of CyberTAN Technology was listed on the Taiwan Stock Market (TWSE) for trading. The Company complies with the market regulations and the rules of the capital market. We have established a good internal mechanism for material information handling and disclosure to avoid improper leaks of information and to ensure the consistency and accuracy of the information announced publicly by the Company. The procedures for internal material information handling and prevention management of insider trading have been established. Educational promotion is conducted at least once a year to the directors, managerial officers and employees on "Procedures for Prevention Management of Insider Trading" and related laws. Relevant information is also provided to the newly appointed directors and managerial officers once they are onboard.

Education promotion to the directors, managerial officers and employees in 2022 was conducted. The contents cover the confidentiality of material information and reasons for the formation of insider trading, identification process and practical transaction case explanation. A total of 74 persons attended the sessions.

CyberTAN Technology has appointed the spokesperson system. Information relating to the company news, material information, financial and corporate sustainable development has been provided in the company's annual report, meeting handbooks, sustainability report, and company website on the principle of transparency.



Government Subsidies

1-4-3

The Company aligns with the government policies and actively invests in R&D and improving the work environment. Related government subsidies received between 2020 and 2022 are as below:

(NTD thousand)

| Item | Unit | 2022 amount | 2021 amount | 2020 amount |
|--------------------------------------|-------------------------------------|-------------|-------------|-------------|
| Research and Development Tax Credits | Industrial Development Bureau, MOEA | 3,876 | 3,876 | 9,911 |
| Stable Hiring Plan | Ministry of Labor | 45 | 3.2 | - |
| Youth Employment Flagship Project | Ministry of Labor | 396 | 288 | 36 |
| Subsidy Fund | Ministry of Economic Affairs | - | - | 12,008 |



Tax Policy

1-4-4

CyberTAN Technology is a multinational corporation actively focuses on the tax regulations of each country, fulfilling its taxpayer responsibilities. Besides engaging local CPAs to conduct tax audits and filing according to the local laws and circumstances, we have established the tax policies as follows:



In view of the complexity of tax and the company's international operation scale, we continue to monitor and evaluate related tax law updates, and conduct internal training. It is to ensure that employees possess the necessary tax skills and awareness. Besides the internal training and consultations, we have also engaged external tax consultants. They provide us with material transaction advices and forward-looking consultations on reducing potential tax risks.

Stakeholders

**2-1**

Stakeholder Identification and Communications

Stakeholder Identification and Communications

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**2-2**

Identification of Material Topics

Identification of Material Topics

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**2-3**

Procedures for Identification of Material Topics

Procedures for Identification of Material Topics

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**2-4**

Response to Material Topic

Response to Material Topic

22

2-1

Stakeholder Identification and Communications

Stakeholders are affected by the company's activities, products and services and they will also affect the ability of the company in the execution of strategies or in achieving its goals. Hence, CyberTAN Technology cares about communication with its stakeholders and we follow the five principles of the AA1000 Stakeholder Engagement Standard (SES): influence, attention, responsibility, reliability, and diverse perspectives. We have also referenced the stakeholders identified by industry peers in the selection of important stakeholders. There were five major categories of stakeholders being identified, namely, the customers, shareholders/investors, employees/job seekers, suppliers, and competent authorities. Several types of communication methods and stakeholder engagement were devised based on the nature, topics of concerns and the objectives of the communications with different stakeholders. The situations of the communications with them are reported to the Board of Directors each year on a regular basis.

Stakeholder: Shareholders/Investors

| Significance to the company | Topics of Concern | Communication channels | Frequency | Communication outcomes and responses |
|--|--|--|--|---|
| <p>The shareholders and investors, and financial institutions are sources of important funds. With an outstanding business performance, it can demonstrate the company value and lead to securing steady fund sources incurring positive cycles.</p> <p>The shareholders and investors of the Company who contribute to the capital, including potential ones, shall be able to fairly obtain material information of the company enabling the substantial market value of the company to be presented constantly.</p> <p>The company protects the rights and interests of its shareholders while actively developing its business. The company strives to achieve the goal of increasing investment value for the investors by providing transparent company business management strategy and financial policy information to them.</p> | Corporate Governance Innovative research and development and green products | Shareholders' meeting and investor conference | Once a year | <ol style="list-style-type: none"> 1. The regular shareholders' meeting and one large investor conference are held each year along with two to three small investor conferences being held on a quarterly basis, according to the laws. The company's latest business status and future development are communicated to the investors at these meetings. 2. The company's annual report, quarterly financial reports, quarterly operation reports and quarterly revenue data are uploaded instantly to the company's investor relation webpage and the MOPS website. 3. The opinions and feedback of the investors and stakeholders are collected and compiled on a regular basis. This information is reported to the senior management as a reference for strengthening corporate governance and operations. |
| | | Investor relations handling window/Spokesperson mailbox (ir@cybertan.com.tw) | As needed | |
| | | Corporate website | As needed | |
| | | Annual report | Yearly | |
| | | MOPS Website | Yearly | |
| | | Corporate governance evaluation | Yearly | |
| | | Customer visits | Overseas (quarterly), domestic (monthly) | |
| | | Email, telephone, Teams, communication apps | Daily | |

Stakeholder: Customers

| Significance to the company | Topics of Concern | Communication channels | Frequency | Communication outcomes and responses |
|---|--|--|--|--|
| <p>Gaining the trust of direct customers is the source of creating sales profits. The Company stays ahead of its customers and supports the customers to create higher brand value with our innovative products. Customers are the company's source of revenue. We listen to the needs of our customers, keep abreast of the industry trends, and provide professional services to achieve customers' goals and to grow together.</p> <p>Customers are our partners. Our Company constantly practice the concept of "Customers Are Partners" as they stand an important place with us. We recognize our customers' competitiveness as the Company's competitiveness. The success of our customers is also our success. This positioning is key to the future growth of the Company.</p> | <p>Innovative research and development and green products</p> <p>Sustainable Supply Chain Management</p> | Customer visits | Overseas (quarterly), domestic (monthly) | <ol style="list-style-type: none"> 1. Confirm the requirements of the customer to secure the matching of new cases at the first instance and elevate the service quality of the current phase. 2. Clarify the details of daily work and quickly understand the requirements of the customers to enhance customer stickiness. 3. Follow up on project progress. Create communications and management at the first instance for all risks. 4. Improve customer satisfaction level and make improvements within the limited time. Stand out among the key competitors. 5. Enhance product awareness and items, and early matching and participation in Design for Excellence (DFx). 6. Obtain first-hand customer products, business, and global layout strategies. 7. Understand the requirements of customers. 8. Ensure two-way communications via QBR on a quarterly basis and confirm that the Company's ranking in the customers' supplier list continues to improve. |
| | | Email, telephone, communication apps | Daily | |
| | | Regular project communication meetings | Weekly | |
| | | Quarterly business inspection and review | Quarterly | |
| | | Education and Training on Products | As needed (based on the progress of the project) | |
| | | Supplier Conference (Organized by customers) | Yearly | |
| | | Customer satisfaction survey | Yearly | |
| | | Customer complaint management system (included in QBR) | Quarterly | |
| | | Customer Questionnaire and Field Audit | As needed (based on the progress of the project) | |

Stakeholder: Supplier

| Significance to the company | Topics of Concern | Communication channels | Frequency | Communication outcomes and responses |
|--|--|---|-----------|--|
| <p>Suppliers are strategic partners of the Company. We strive to cooperate in a fair and transparent manner and to establish good collaborative relation with mutual trust.</p> <p>Suppliers are important partners in supporting our sustainable operations. It is hoped to co-exist and for co-prosperity through trust and close collaborations with each supplier partner.</p> | <p>Innovative research and development and green products</p> <p>Sustainable Supply Chain Management</p> | Annual Supplier Conference | Yearly | <ol style="list-style-type: none"> 1. Promote policies and information exchange with the suppliers during the yearly supplier conference. 2. Grow with the supplier by conducting the Scorecard evaluation on the suppliers through the supplier management platform on a quarterly basis. 3. Organize the supplier green product management promotional event as needed to ensure that the Company works with the supplier to address changes to environmental protection laws and regulations in a timely and effective manner. 4. Collect, review and compile the Conflict Minerals Due Diligence Report of suppliers through the conflict minerals management system platform. Enable long-term preservation and traceability of data. |
| | | Supplier Management Platform | Quarterly | |
| | | External Complaint Channel | As needed | |
| | | Supplier Seminar, educational training and technical assistance | As needed | |
| | | Supplier evaluation and onsite visits | Yearly | |
| | | Participate in seminars and electronic news | As needed | |

Stakeholder: Employees/Job seekers

| Significance to the company | Topics of Concern | Communication channels | Frequency | Communication outcomes and responses |
|---|---|--|--|--|
| Employees are the most important assets of the company. Through the development of several policies and management guidelines, we are committed to building smooth employee communication channels enabling a two-way and open communication environment. By doing this, company talents can continue to make improvements, placing the right person in the right place, and further encourages a work environment that is of higher efficiency, fun, and challenges. | Innovative research and development and green products Remuneration and Welfare Talent Recruitment and Appointment Occupational health and safety | Employee Welfare Committee | As needed (based on the progress of the project) | <p>Employees are the most important assets. We give the priority to the employees' career development, the well-being of their body and mind, and are devoted to offering a good work environment and open communication channels.</p> <ol style="list-style-type: none"> 1. Through the labor-management meetings held four times each year and the Welfare Committee meetings held as and when it is needed, we aim to understand the suggestions of the employees on the company and continue to make strategy adjustments. 2. Starting from June 2022, the Company implements the paid holiday system for employees who have serviced the company for less than half a year. It is to allow employees a more flexible arrangement for their annual leave. 3. We organize a series of educational training, performance evaluations once a year, consultations, and track employee duties and functions and the development of their well-being. The employee complaint hotline is also available so that we can listen to their thoughts. |
| | | Labor-management Meeting | Quarterly | |
| | | Performance Evaluation | Yearly | |
| | | Education and Training Platform | As needed (based on the progress of the project) | |
| | | Employees Health Examination | Yearly | |
| | | Employee Complaint Hotline | As needed | |
| | | Manpower Recruitment Platform/Recruitment Consultant | As needed | |
| | | Communications with Employees and Job Seekers Protal/Email/Teams/LinkedIn/FB/IG | As needed | |
| | | Employee Conference/Business Strategy Meeting | Yearly | |
| | | Reference Check | As needed | |

Stakeholder: Competent Authority

| Significance to the company | Topics of Concern | Communication channels | Frequency | Communication outcomes and responses |
|--|---|---|-----------|--|
| Besides abiding by applicable rules and regulations of the competent authority, we adopt an active approach in accommodating various measures. We engage in transparent and two-way communications with the government units obtaining their trust, support and a win-win cooperation. | Corporate Governance Energy Management Water Resources Management Occupational health and safety | Official Document Communication | As needed | <ol style="list-style-type: none"> 1. Audits are conducted at the factory sites from time to time according to the legal requirements and regulations of the management authority. 2. We appoint related personnel to attend several conferences and training courses. 3. Constant regulatory filing and policy information updates on the website to achieve mutual benefit and sharing. 4. MOPS website: Made disclosures according to the applicable laws and regulations. 5. Process and communicate on related matters in alignment with the competent authority requirements from time to time. We follow up with the latest legal information for understanding, promotion, and updates. 6. Proper handling of wastes according to the environmental protection laws and in compliance to the inspection standards. |
| | | Various Policy and Regulation Seminars and Training Courses | As needed | |
| | | Competent Authority Audit | As needed | |
| | | Onsite Audit | As needed | |
| | | Communication Hotline | As needed | |
| | | Questionnaire Survey | As needed | |

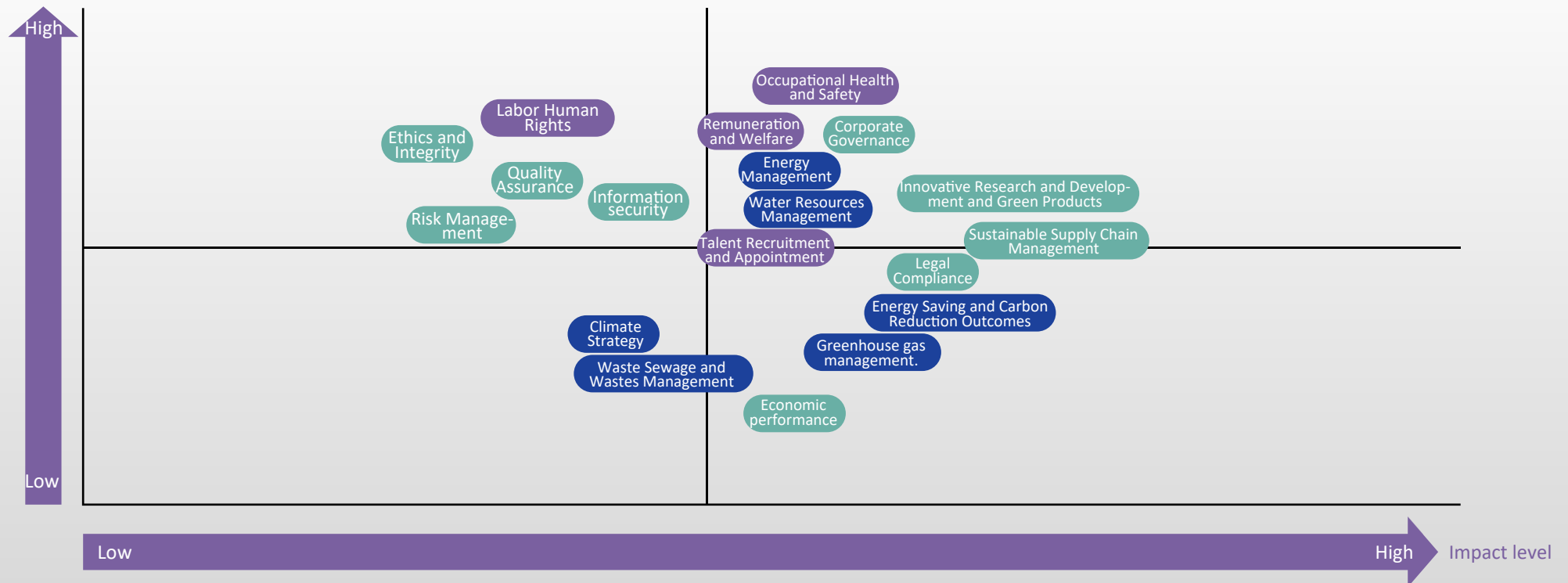
2-2

Identification of Material Topics

CyberTAN Technology uses the questionnaire survey method and circulate the survey forms to corresponding stakeholders through their relevant units which the Company has made exchanges with. The stakeholders include the investors, suppliers, customers, employees, contractors and media. A total of 131 responses to the 2022 stakeholder survey has been received and they are all valid surveys.

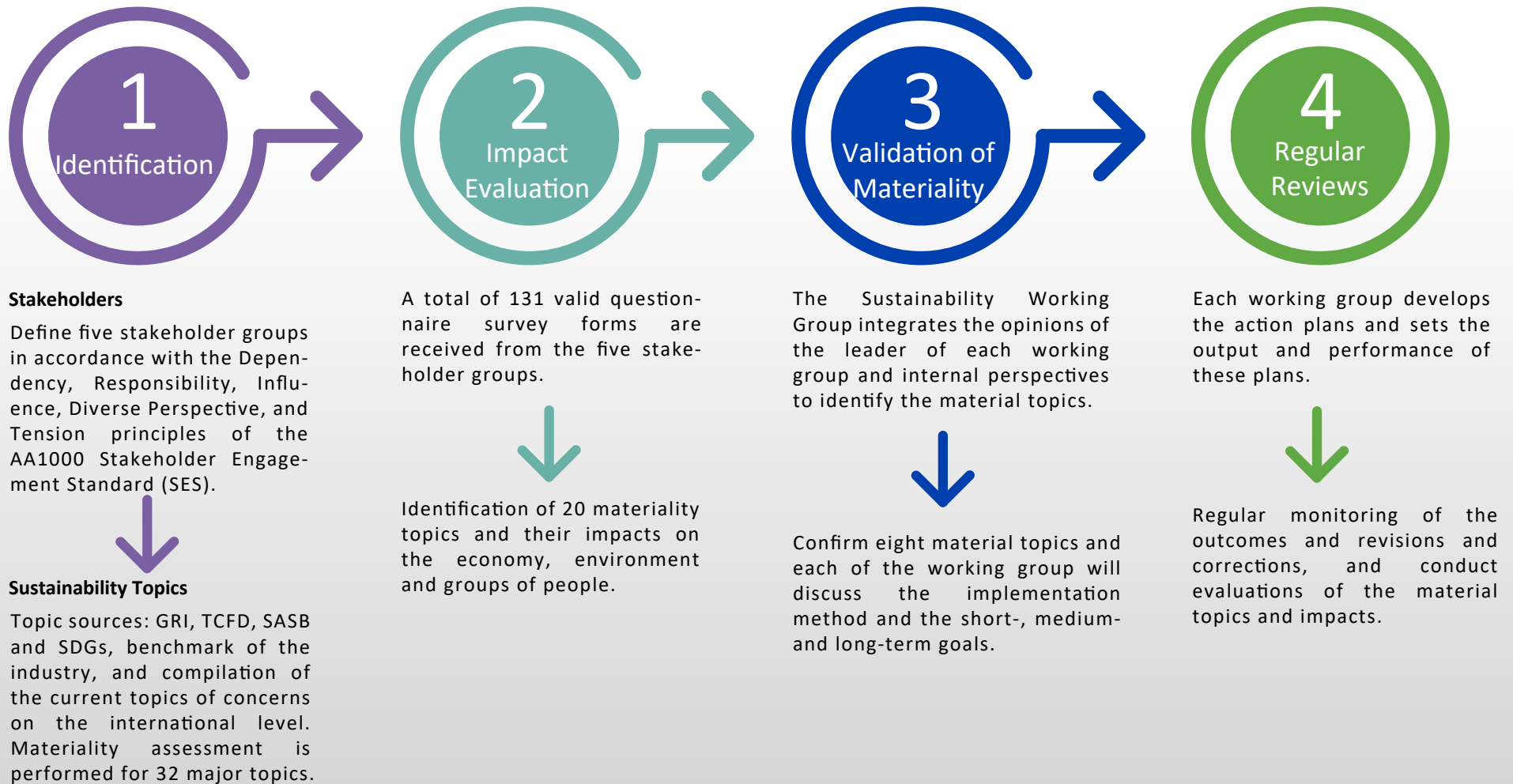
Based on the aforementioned survey outcomes, the X-axis presents the impacts on the Environment (E), Social (S), and Governance (G) while the Y-axis presents the level of concern by the Company's stakeholders. This also shows that the Company cares about the needs and expectations of the external stakeholders. The impact level of each topic is then ranked and the ranking outcomes and industries are compared with GRI 11 to arrive at the 2022 Material Topic Matrix Chart of CyberTAN Technology. The Sustainable Development Committee will convene meetings to review these material topics and to hold discussions and confirmation. There are eight material topics identified at the end and other topics of concerns of medium level form the foundation for the report writing. The management method and performance results are disclosed in the report. The relevant indicators of other topics are then disclosed to the stakeholders according to the Company's current management process and measures to enable them to understand the sustainable practices of CyberTAN Technology.

Level of concern









2-3








Procedures for Identification of Material Topics



2-4

Response to Material Topic

| Topics | Business Influence | Policy Promotion | Management Approach | Achievements in 2022 | Goals of 2023 | Medium-Term Goals of 2025 | Long-Term Goals of 2030 |
|---|---|---|--|---|---|---|--|
| Corporate Governance  | <p>Referenced the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies in the establishment of the standards.</p> <p>Establish effective governance structure and related ethical standards for a sound corporate governance system.</p> | <ul style="list-style-type: none"> Continue to improve the corporate governance evaluation ranking. Obtain third-party or international management system and sustainability evaluation certification. | <ul style="list-style-type: none"> Propose sustainable development mission or vision and formulate sustainable development policy statement. Incorporate sustainable development into the company's business activities and development directions. Ensure the disclosure of relevant sustainable development information. | <ul style="list-style-type: none"> Strengthened corporate governance; the seats of independent directors as majority seats (re-election in 2021). Enhanced the Audit Committee duties and functions; the quarterly financial statements are to be approved by the Audit Committee. Reinforced the company's shareholders' meeting operations by uploading the shareholders' meeting handbook and annual report information in advance. | <ul style="list-style-type: none"> Employee work ethics educational training > 99% and zero corruption incidents. Zero material information security events. Corporate governance evaluation ranking maintained at 36%–50%. | <ul style="list-style-type: none"> Factories to obtain the RBA VAP evaluation award. The Headquarters and factories to obtain ISO 27001. Corporate governance evaluation ranking to improve to between 21%–35%. | <ul style="list-style-type: none"> Obtain the International EcoVadis sustainability rating. Corporate governance evaluation ranking maintained at 21%–35%. |
| Innovative Research and Development and Green Products   | <p>Enhance the R&D capability, realize green value chain, and create sustainable operations capacity.</p> <p>Raise product sustainable value, implement green product R&D and design, and build product design capacity in reducing environmental impacts.</p> | <ul style="list-style-type: none"> Fulfil environment-related standards, reject products that contain restricted chemical substances of green product-related laws and regulations in every country and region, and continue to reduce and eliminate the amount of hazardous substances contained in products. Establish green product-related design standards and review table. | <ul style="list-style-type: none"> Launch green management platform. R&D innovative proposals and reward green R&D. | <ul style="list-style-type: none"> Cooperate with the Group in the introduction of green management platform. | <ul style="list-style-type: none"> Establish the short-, medium- and long-term goals for green design. Formulate regulations to reward R&D and for its announcement and implementation. | <ul style="list-style-type: none"> Build product carbon footprint procedural documents. Develop design standards for eco-packaging, product energy saving, easy for disassembling and recycling, sustainable materials and components. Formally introduce no plastic bags, energy saving software and hardware, power saving, easy for disassembling, PCR plastic materials, 100% recyclable packaging paper materials, and so on green product shipments. | <ul style="list-style-type: none"> Draw up the standardized product carbon footprint format. |
| Sustainable Supply Chain Management    | <p>Reinforce relations with supplier partners and put into practice the Company's sustainable development values.</p> <p>Manage the risks of three aspects of the supply chain in environment, governance and social to raise the sustainability capacity of supply chains.</p> | <ul style="list-style-type: none"> Establish sustainable supply chain partner relations. Supplier sustainability audit mechanism. | <ul style="list-style-type: none"> Suppliers to commit to abiding by the social and environment responsibilities and laws and regulations, and the completion rate for signing the quality contract. Conflict minerals management. Key suppliers to introduce carbon emission plan. Conduct ESG performance management on suppliers. | <ul style="list-style-type: none"> Completion rate of 85% with new suppliers signing the "Quality Contract." Complete the conflict minerals survey based on customer requirements; the completion rate is 100% for the number of surveys on the model designated by the customers. | <ul style="list-style-type: none"> Completion rate of >90% with suppliers signing the "Quality Contract." Complete the conflict minerals survey based on customer requirements; the completion rate is 100% for the number of surveys on the model designated by the customers. Identify key suppliers to conduct carbon inventory. Through the Group's supplier green management platform, conduct ESG performance management. Determine whether the supplier is performing well or poorly based on the supplier annual performance ranking, and give rewards and guidance for adjustments. | <ul style="list-style-type: none"> Completion rate of >93% with suppliers signing the "Quality Contract." The completion rate for the number of surveys on the models designated by the customers reaches 100%, and the number of surveys on conflict minerals for overall products/coverage rate >90%. Request suppliers to obtain RBA certified assessment rating, completion rate >75%. | <ul style="list-style-type: none"> Completion rate of >95% with suppliers signing the "Quality Contract." The completion rate for the number of surveys on the models designated by the customers reaches 100%, and the number of surveys on conflict minerals for overall products/coverage rate >95%. Request suppliers to obtain RBA certified assessment rating, completion rate >80%. |

| Topics | Business Influence | Policy Promotion | Management Approach | Achievements in 2022 | Goals of 2023 | Medium-Term Goals of 2025 | Long-Term Goals of 2030 |
|---|--|--|--|---|--|---|---|
| Energy Management   | <p>To achieve reduction in greenhouse gas emissions, save on the resources and lower operation costs for multiple benefits.</p> <p>Lower the energy expenditures.</p> | <ul style="list-style-type: none"> Conduct yearly inventory of the company operations on all types of energy consumption volume and energy intensity, and promote related energy saving measure outcomes. Increase awareness on electricity usage and make replacements for high efficiency equipment to increase energy efficiency. | <ul style="list-style-type: none"> Achieve the energy saving targets. | <ul style="list-style-type: none"> Reduced 31,300 kWh of electricity compared to 2021. Reduced 18,819 CO2e compared to 2021. | <ul style="list-style-type: none"> Continue to conduct inventory of the company operations on all types of energy consumption volume and energy intensity, and promote related energy saving measure outcomes. Participate in the reduction consultation guidance held by the competent authorities. | <ul style="list-style-type: none"> Sign up for the "Science Based Targets initiative (SBTi)" for reasonable target setting. Establish environment policies based on the inventory of greenhouse gas emissions for the current state. | <ul style="list-style-type: none"> Introduce ISO 5001 Management System. Evaluate and set the carbon neutrality targets. |
| Water Resources Management  | <p>Practice sustainable operations, environmental protection and energy saving vision. Lower the energy expenditures.</p> | <ul style="list-style-type: none"> Continue water saving implementation and maintain a comprehensive facility. | <ul style="list-style-type: none"> Achieve the energy saving targets. | <ul style="list-style-type: none"> Reduced 63 metric tons of water consumption compared to 2021. | <ul style="list-style-type: none"> Continue water saving implementation and maintain a comprehensive facility. | <ul style="list-style-type: none"> Cooling water recycling and reuse. | <ul style="list-style-type: none"> Continue water saving implementation and maintain a comprehensive facility. |
| Remuneration and Welfare   | <p>Employees are the most important asset of CyberTAN Technology and they are the cornerstone in sustainable operations.</p> <p>CyberTAN Technology offers competitive salaries and welfare benefits which are fair internally to improve employee cohesion and maximize operational performance.</p> | <ul style="list-style-type: none"> Understand the salary standard of the same industry and establish a competitive remuneration system. Provide a retirement benefit system that complies with the legal requirements in protecting employees' retirement life. Establish diverse welfare measures to provide subsidies for the annual health examinations and various subsidy plans. | <ul style="list-style-type: none"> Offer acceptance rate. Hold labor-management meeting on a quarterly basis. Six months retention rate for new indirect employees. | <ul style="list-style-type: none"> Offer acceptance rate at 81.1%. Achievement rate for the labor-management meeting held on a quarterly basis was 100%. Six months retention rate for new indirect employees was 72.8%. | <ul style="list-style-type: none"> Offer acceptance rate at 83%. Achievement rate for the labor-management meeting held on a quarterly basis was 100%. Six months retention rate for new indirect employees was 73.5%. | <ul style="list-style-type: none"> Offer acceptance rate at 85%. Achievement rate for the labor-management meeting held on a quarterly basis was 100%. Six months retention rate for new indirect employees was 74%. | <ul style="list-style-type: none"> Offer acceptance rate at 88%. Achievement rate for the labor-management meeting held on a quarterly basis was 100%. Six months retention rate for new indirect employees was 75%. |
| Talent recruitment  | <p>Recruitment of outstanding talents can increase the company's overall operational performance. Utilize diverse talent retention methods to increase employee cohesion.</p> | <ul style="list-style-type: none"> Provide a comprehensive employee facility. Provide diverse employee activities. | <ul style="list-style-type: none"> Acceptance rate Internal employee referrals | <ul style="list-style-type: none"> Acceptance rate 87.5% Internal employee referrals 7.9% | <ul style="list-style-type: none"> Acceptance rate 88% Internal employee referrals 8.5% | <ul style="list-style-type: none"> Acceptance rate 88.5% Internal employee referrals 9% | <ul style="list-style-type: none"> Acceptance rate 89% Internal employee referrals 9.5% |
| Occupational Health and Safety  | <p>In compliance with several occupational safety and health laws and regulations, provide employees a safe work environment and atmosphere by adopting standards that are better than the legal requirements and establish goals for "Excellent Work Environment." There will also be random inspection, educational training, various campaigns and so on methods used to achieve "zero-hazards" and "zero-incidents."</p> | <ul style="list-style-type: none"> Campaign and promote occupational safety concepts and build a safety culture. Improve the safety of the employees' work and environment and drive healthcare. Education and training, and campaigning Improve the unsafe situation of the process environment and equipment. | <ul style="list-style-type: none"> Education and training achievement rate. Number of occupational hazard incidents and the loss in number of work hours. | <ul style="list-style-type: none"> Major occupational hazards = 0. Disabling Frequency Rate (FR) ≤ 0.00. Disabling Injury Severity Rate (SR) ≤ 0. | <ul style="list-style-type: none"> Major occupational hazards = 0. Disabling Frequency Rate (FR) ≤ 0.00. Disabling Injury Severity Rate (SR) ≤ 0. Obtain the "Badge of Accredited Healthy Workplace." | <ul style="list-style-type: none"> Major occupational hazards = 0. Disabling Frequency Rate (FR) ≤ 0.00. Disabling Injury Severity Rate (SR) ≤ 0. Continue to maintain the "Badge of Accredited Healthy Workplace." | <ul style="list-style-type: none"> Major occupational hazards = 0. Disabling Frequency Rate (FR) ≤ 0.00. Disabling Injury Severity Rate (SR) ≤ 1. Continue to maintain the "Badge of Accredited Healthy Workplace." |

Corporate Governance



3-1

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3-1

Functions of the Board of Directors

CyberTAN Technology values corporate governance, establishes and implements the corporate governance structure according to laws and regulations, in order to protect the rights and interests of the shareholders, to strengthen the Board functions, to exert the functions of the functional committees of the Audit Committee and Remuneration Committee, thereby improving the operational achievements of the Company and achieving the vision of corporate sustainable operation.



3-1-1

Governance Structure of the Board of Directors



Based on the diversity policy, strengthening of corporate governance, and driving the sound development of the board composition and structure, the Company adopts the nomination system for the nomination of the directors complying to the provisions of the Articles of Incorporation. Evaluations are made on the nominees' past work and education qualifications, professional background, integrity, or related professional qualifications. After approval by board resolution, the list of nominees will be submitted to the shareholders' meeting for election. There is a total of six current directors consisting of professional and diversified members of attorneys, CPAs, lecturers in colleges or universities and professional managers. Directors who are also employees of the Company represent 16.67% of the Board, and the independent directors represent 66.67% of the Board. The Company also pays attention to gender equality regarding the composition of Board members. The targeted ratio of female directors is above 25% and the female directors currently account for about 33.33%. The independent directors have about eight years of directorship experience up to the publication date of the annual report and the directors under 60 years old account for 66.67%. Relevant information of the educational background, experience, continuing education status, concurrent job positions at other companies, and meeting attendance rate of the Board members has been disclosed in the Annual Report of the Company and on the website of the Market Observation Post System (MOPS).

Composition of the Board of Directors

| Title | Name |
|----------------------|---|
| Chairman | Representative of Foxconn Technology Co., LTD. (FTC): Gwong-Yih Lee |
| Director | Representative of Foxconn Technology Co., LTD. (FTC): Hank Hsieh |
| Independent Director | Hung-Hsun Ting |
| Independent Director | Judy Y.C. Chang |
| Independent Director | Shih-Mei Lin |
| Independent Director | Ying-Shan Lin |



Audit Committee

3-1-2

The Company's Audit Committee consists of four independent directors and shall convene at least one meeting per quarter. The independent directors are responsible for the adequate expression of the Company's financial statements, election (dismissal), independence and performance of CPAs, effective implementation of internal control, compliance with laws and rules, and control over existing or potential risks.

The internal audit supervisor of the Company submits the internal audit report to the independent directors periodically, and also communicates the audit plan execution and improvement status, in order to exchange opinions on the execution outcome of internal control of the Company. CPAs also discuss sufficiently with the independent directors with respect to the financial report review or audit status of the Company, or relevant issues of financial, taxation, internal control, or regulatory changes during the meeting. CPAs and international audit supervisor maintain excellent communication with the independent directors. Relevant Audit Committee meeting convention status and the meeting attendance status of committee members have been disclosed in the Annual Report of the Company and on the website of the MOPS.



The Composition of the Audit Committee

| Title | Name |
|-----------------------------------|-----------------|
| Independent Director and Convener | Hung-Hsun Ting |
| Independent Director | Judy Y.C. Chang |
| Independent Director | Shih-Mei Lin |
| Independent Director | Ying-Shan Lin |

The Audit Committee has held six meetings in 2022. The motions are passed by resolution of the Audit Committee. The main deliberation items include:



Remuneration Committee

The Composition of the Remuneration Committee:

| Title | Name |
|-----------------------------------|-----------------|
| Independent Director and Convener | Ying-Shan Lin |
| Independent Director | Hung-Hsun Ting |
| Independent Director | Judy Y.C. Chang |
| Independent Director | Shih-Mei Lin |

The purpose of the Remuneration Committee is to assist the Board of Directors to establish and periodically review the policy, system, standards, and structure of the performance evaluation and remuneration of the directors and managers, and to also periodically assess and establish the remuneration of the directors and managers.

Remuneration Committee meetings of the Company are convened at least twice annually. Please refer to the Company's Annual Report of each year and the MOPS website for details related to the Remuneration Committee meeting convening status and meeting attendance rate of each committee member.



Conflicts of Interests and Recusal

3-1-3

CyberTAN Technology regulates recusal due to conflicts of interests under its Board Meeting Regulations and Organization Charter of the functional committees. If a Director or the judicial person the Director represents has a personal interest in the matter under discussion at the meeting, the relevant Director shall disclose the nature of such personal interest. If such interest may impair the interest of the Company, the relevant Director shall not join the discussion and voting of such matter, and shall recuse himself/herself when the matter is being discussed and resolved; the relevant Director shall also not exercise voting rights on behalf of another Director. The relevant Director’s name and recusal situation shall be recorded in the meeting minutes.

In addition to the regular meetings held by the Committee and the report to the Board, the company management will provide important company reports and information to the directors on a regular basis (see information below) and communicate on any key events at any time.

Accounting
Department

Monthly financial information and
quarterly financial statements

Internal Audit
Department

Quarterly internal audit report

Sustainability
Committee

Half-year sustainable work
and outcomes report

Please refer to the key events published on the MOPS on the nature and number of key events during the reporting period.



Performance Evaluation of the Board of Directors

3-1-4

The Company adopted the resolution by the Board of Directors to establish the “Regulations on the Performance Evaluation of the Board of Directors” on November 12, 2019. The evaluation method and contents have been disclosed in the annual report of the Company.

The evaluation results of 2022 have been reported to the Board of Directors in Q1, 2023. The performance of the Board of Directors (Functional Committee) was evaluated as excellent while the self-evaluations regarding the performance of Board members were also excellent. The overall Board of Directors (Functional Committee) functions effectively.



Participation of Guild and Association

3-1-5

| Association Name | Method of Participation |
|----------------------------|-------------------------|
| THE ALLIED ASSOCIATION FOR | Mem |



THE ALLIED ASSOCIATION FOR SCIENCE
PARK INDUSTRIES

THE ALLIE ASSOCIATION FOR SCIENCE PARK INDUSTRIES

3-2

Legal Compliance and Audit

For sound operations management, the Company has appointed an independent Audit Office under the Board of Directors. The appointment and dismissal of the audit officer requires the approval from the Board of Directors. One dedicated audit personnel is also appointed.

In ensuring the implementation of ethical management, the managerial officers have established the internal control system based on the “Regulations Governing Establishment of Internal Control Systems by Public Companies.” The targets listed below can then be reasonably achieved:

1. The report is reliable, timely, transparent and complies with relevant standards.
2. In compliance with applicable laws and regulations.
3. Effectiveness and efficiency of operations.



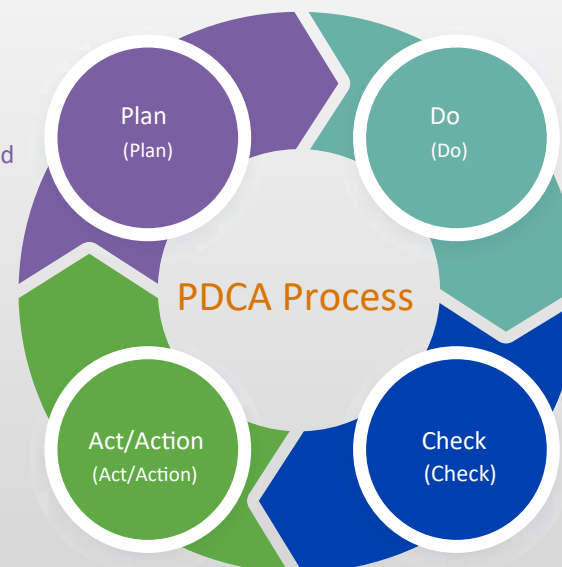
Internal Audit System

CyberTAN Technology established an internal audit system in accordance with the relevant laws and regulations, covering the objectives, powers and responsibilities of the internal audit unit. An annual audit plan is developed based on the risk assessment and legal standards, and the audit plan for the following year is formulated at the end of each year. The plans will be submitted to the Board of Directors for resolution approval and regulatory filing to competent authorities is made after the approval.

The internal audit unit will execute the audit work according to the board-approved audit plan. A written audit report and tracking report will then be finalized and submitted to each of the independent directors for review during the following month of the completion of the audit item. The reports will become a basis for the suggestions to the Board of Directors and the Chairman on the issuance of the internal control statement. In 2022, other than carrying out the regular items of the annual audit plan, no project-based audits took place.

- Develop an audit plan.
- Determine audit goals and scope.
- Determine audit time and location.
- Determine the required resources.

- Confirm the improvement recommendations.
- Track the improvement results.



- Implement the audit plan.
- Audit notice.
- Collect and compile related information.
- Expand the testing when necessary.
- Record audit discoveries and opinions.

- Determine whether the audit outcomes meet the audit goals and scope.
- Analyze audit discoveries and opinions.
- Write and submit for approval the audit report/defect improvement matters.

The internal audit personnel shall perform their duties in an independent, objective and impartial manner, and shall exercise due professional care. In addition to reporting their audit operations to each supervisor on a regular basis, the internal audit officer shall also attend and deliver a report to a board of directors meeting.

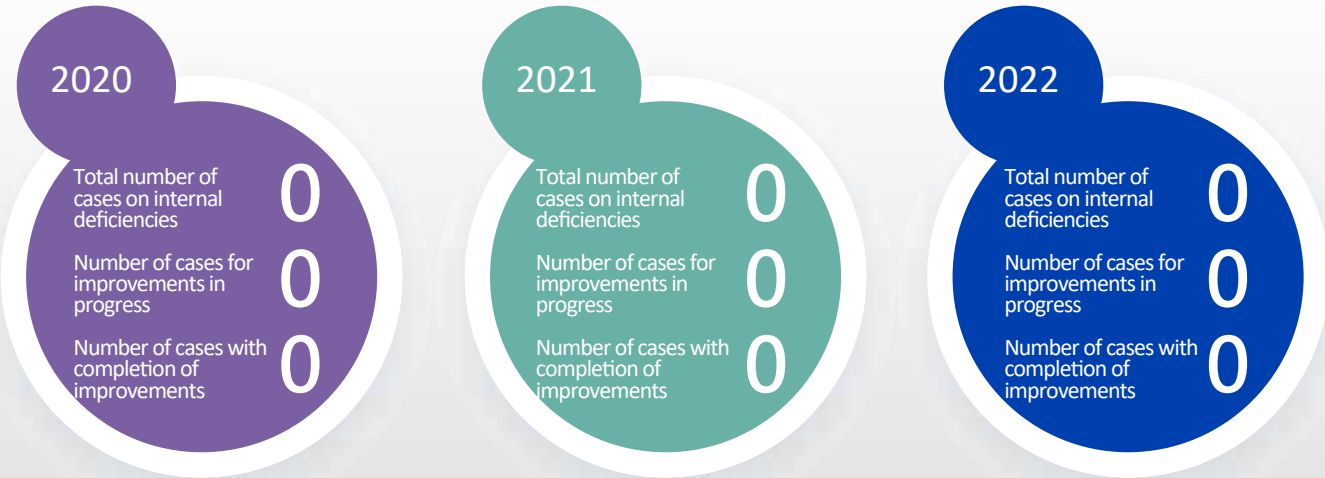
Implement the company’s self-monitoring mechanisms and adapt to changes in the environment in a timely manner, so as to adjust the design and operation of the internal control systems and to enhance the internal audit department’s audit quality and efficiency. The self-assessment scope shall include the design and operation of all of the company’s internal control systems. The internal control self-assessment process is established in accordance with the “Regulations Governing Establishment of Internal Control Systems by Public Companies.” The suitability of the self-assessment questionnaire questions are regularly evaluated to ensure that the self-assessment items cover the main process procedures and to adopt to organizational changes making flexible adjustments in a timely manner. At the same time, each supervisor will have separate responsibilities in the audit and risk assessment mechanism.



Internal Audit Outcomes

CyberTAN Technology established an internal audit system in accordance with the relevant laws and regulations, covering the objectives, powers and responsibilities of the internal audit unit. An annual audit plan is developed based on the risk assessment and legal standards, and the audit plan for the following year is formulated at the end of each year. The plans will be submitted to the Board of Directors for resolution approval and regulatory filing to competent authorities is made after the approval.

The internal audit unit will execute the audit work according to the board-approved audit plan. A written audit report and tracking report will then be finalized and submitted to each of the independent directors for review during the following month of the completion of the audit item. The reports will become a basis for the suggestions to the Board of Directors and the Chairman on the issuance of the internal control statement. In 2022, other than carrying out the regular items of the annual audit plan, no project-based audits took place.



Statistical Table on the Deficiencies to Be Improved in the Most Recent Three Years for CyberTAN Technology

3-3

Risk Assessment



Risk Management

3-3-1

CyberTAN Technology adopts the current administrative organizational structure and internal control mechanism requiring each of the business unit and functional unit to make judgements on several aspects of operational risks based on each of their professionalism. Based on the materiality principle, CyberTAN Technology uses Risk Priority Number (RPN) to conduct risk judgements of the environment, social and corporate governance (ESG) topics. The Company continues to implement the PDCA process according to market changes and company operational strategy goals adjustments, and makes constant monitoring and improvements to prevent and handle the threats brought about by all kinds of risks in a timely manner. Sustainable business development and innovative transition is aimed for.



Risk Management Mechanism

3-3-2

Effectiveness of risk control measures

- Initial assessment
- Subsequent assessment
- Overview assessment

Corresponding measures

Avoid risk→
Reduce the rate of occurrence→
Reduce the impact effect→
Risk transfer→
Risk retention



Divided into four levels of risks according to the risk estimation comparison table



2022 Material Risks

| Aspects | Risk Category | Risk Impact | Mitigation Measures |
|----------------------|---|--|---|
| Environment | Climate change risk | Continuous operational risk Uncertainty of customer requirements Shortages in manpower and raw materials | In response to water and electricity shortages, we have implemented regular energy saving and carbon reduction and investment improvement plans for renewable energy equipment based on energy use inventory and source management. |
| | Environmental protection compliance | Reduction of GHG Laws and regulations and requirements | Greenhouse gas inventories were conducted under the guidance of the Hsinchu Science Park Bureau, and improvements were made regarding the environmental safety and sanitation of waste disposal. |
| Social | Talent recruitment, appointment, remuneration and welfare | Difficulties in talent recruitment Loss of key talents | Regular manpower assessments and inventory, emphasis on personnel development and cultivation, education and training as well as assessment of personnel capacity based on their specialties, and provision of a competitive compensation system and a variety of welfare measures. |
| | Occupational Health and Safety | Laws and regulations and requirements Employer brand | An Occupational Safety Committee is established to adhere to the goal of zero injuries, zero occupational diseases, and zero accidents while making continuous improvements to create the best workplace for all employees. |
| Corporate Governance | Continual operation and innovation | Increase in the technology integration market demands | Balance between supply and demand in the supply chain, the synchronization of sustainability policy with the supply chain, continuing to develop competitive products internally while taking into account quality control, and effective communication with customers to effectively improve financial performance. |
| | Information security | Abnormality in the information system Information security attacks Leaks of confidential information | Maintain the normal operation of the Company's information system, and regularly hire a third party to conduct information security protection scans to target for zero information security incidents. |
| | Financial risk | Changes in exchange rate Changes in interest rate | The export sales percentage is high for the Company. To lower exchange rate risk, we get hold of the market information and interest rate changes at all times and reduce the foreign exchange position (forex). Hedging measures are adopted to reduce the losses incurred for operations due to the exchange rate. Due to the low ratio of interest income and expenses to the Company's turnover, changes in interest rates have little impact on the Company's profit and loss. In addition to investment of required funds into the expansion of our business and retaining sufficient working funds, the Company will invest residual NT Dollar funds mainly into conservative investments, such as fixed deposits and bond funds. |

3-4

Quality Management



Quality Policy

3-4-1

CyberTAN Technology established documentation based on ISO 9001 International Standard. Its execution, maintenance and continuous improvements for the quality management system is performed to ensure the quality of the products and services. The following quality policy is developed: Honor our commitment to customers.



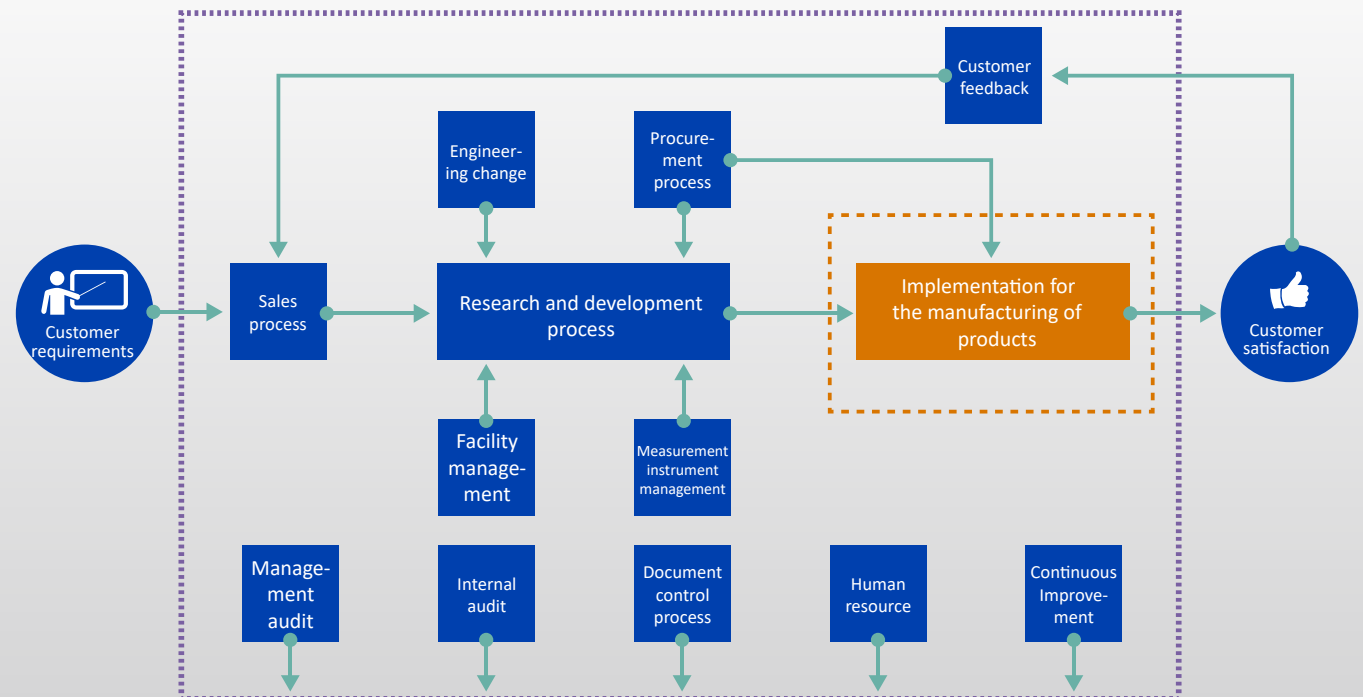
Quality Management System

3-4-2

CyberTAN Technology currently has introduced ISO 9001 Quality Management System and TL 9000 Telecom Quality Management System. We continue to promote several improvements to satisfy customer demands and to abide by the laws and regulations as our goal.

| Item | Management System Standards | Hsinchu Taiwan | Vietnam Factory |
|-------------|-----------------------------|----------------|-----------------|
| Quality | ISO 9001:2015 | ✓ | ✓ |
| | TL9000-H | ✓ | ✓ |
| Information | ISO/IEC 27001:2013 | | ✓ |
| Environ - | ISO 14001:2015 | | ✓ |
| Occupa - | ISO 45001 | | ✓ |
| Social | RBA CMA (VAP 2023/7) | | ✓ |

- 1 Product R&D – Strive for excellence and enhance technology and skills.
- 2 Customer Service – Reduce the rate of customer complaints and make rapid improvements to the problems.
- 3 Delivery guaranteed – Commit to the delivery time and always deliver.



3-5

Information security

The policies are established to ensure the smooth operations of businesses and their accuracy, consistency, integrity and legality. It is to prevent the unauthorized access, use, control, leaks, damage, tampering, destroy or other infringement to the information system. All of the employees are to abide by the policies:


3-5-1

Information Security Policy

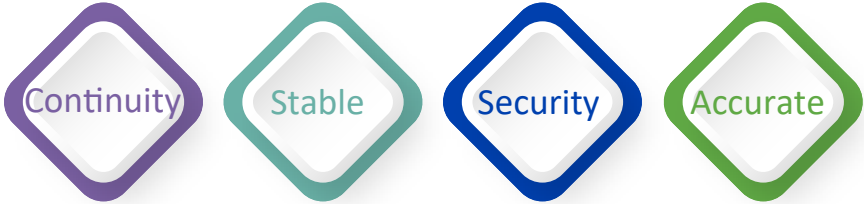
- Protect the information system from unauthorized access.
- Prevent revisions that are not yet approved to protect information integrity.
- Ensure authorized users can access information safely and steadily.
- Ensure that the procedures comply with the legal requirements and continue the validity check.



3-5-2

Information Security Policy

Information Security Targets

- Ensure the continuity, stability, and security of information services.
- Ensure information asset protection integrity, accuracy and security.




3-5-3

Concrete Management Plan

Information Usage Security



- Implement device control with the introduction of the email security system, intrusion detection and prevention system, ransomware protection system, and Endpoint protection system.
- Continue to perform social engineering practice drills and improve employee security awareness in device use.



- Establish the security policies on access behavior to be applied throughout the company's devices and strengthen the setup for information security to ensure the authorization and secure access of programming.
- Gradually replace login technology applications and systems with low level of security.

Authorization of Access Security

Accounts and permission management

Build a single log-in certification mechanism and integrate the management platforms.

Evaluate the introduction of multi-factor authentication (MFA) system.

Information security monitoring and maintenance

Build network and systems reliability to monitor the alert system.

Continue to monitor unauthorized and abnormal access alerts.

Continue to track various information security vulnerability protection information for instant updates or to take on protection countermeasures.

Introduce information security vulnerability scanning system, conduct regular monitoring and make improvements to the occurrence of system vulnerabilities.

Personnel and physical security

Continue and instantly update personal identification system to ensure strict control and prevention of personnel and visitors moving from the security office to core confidentiality area.

Information Asset Protection

Information security

Sensitive company data shall be stored at the safe area and personnel can only make entry and exit after identity verification.

Centralized storage for the data of every department shall be placed in the engine room and authorization for access permission is given based on job level.

Sign the confidentiality agreement with external vendors to ensure the protection of company business secrets against leaks.

Through instant backup system and backup copy 321 principle, the double mechanism ensures data retention.

Enhancing information

Introduce corporate document digital version management to establish document security protecting corporate business secrets.



Product Information Security

3-5-4

CyberTAN Technology successively introduce the below standards to achieve customer and user demands for product safety and risks, and management. The following three aspects to achieve the objectives:

Information security planning for information products

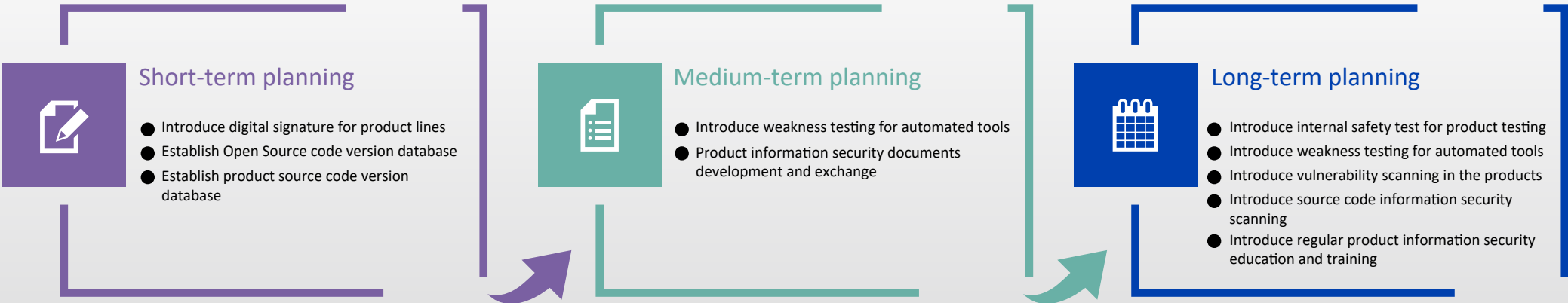
- Introduce internal safety test for product testing
- Introduce digital signature for product lines
- Introduce weakness testing for automated tools

Managing and planning of source codes for products

- Introduce vulnerability scanning in the products
- Introduce source code information security scanning
- Establish Open Source risk assessment database
- Establish Open Source code version database
- Establish product source code version database

Information security campaign to personnel

- Introduce regular product information security education and training
- Product information security documents development and exchange



3-6

Supplier Management



Supplier Management

3-6-1

Scope and boundary: CyberTAN's global operations, R&D Center and major production locations. The report scope includes CyberTAN's Hsinchu headquarters, Chongqing Manufacturing Center, Vietnam Manufacturing Center and other overseas operations. CyberTAN Technology requests suppliers to completely comply with all relevant local laws and regulations, and also implements management on the labor rights and interests, environmental protection, and safety and health risks. Supplier management is treated as one of the key actions for implementing social responsibility. In addition to continuously requesting suppliers to improve in the performance of quality, price, technology, and cooperation, etc., we also incorporate the green product directive requested by customers into the supplier evaluation operation, in order to implement source management.

According to the company regulations, new suppliers must sign the quality contract and provide the "RoHS Management Survey Form." All components used by the Company internally shall conform to RoHS, and surveys on the REACH and RBA standards are conducted according to customers' demands. In addition, suppliers' material RoHS conformity and REACH conformity inspection results are registered in the Product Lifecycle Management (PLM) system for control. Suppliers' material RoHS conformity and REACH conformity inspection results are registered in the Product Lifecycle Management (PLM) system for control. Suppliers must sign a "Commitment" to environmental protection issues and material composition declaration after entering the supplier chain system.

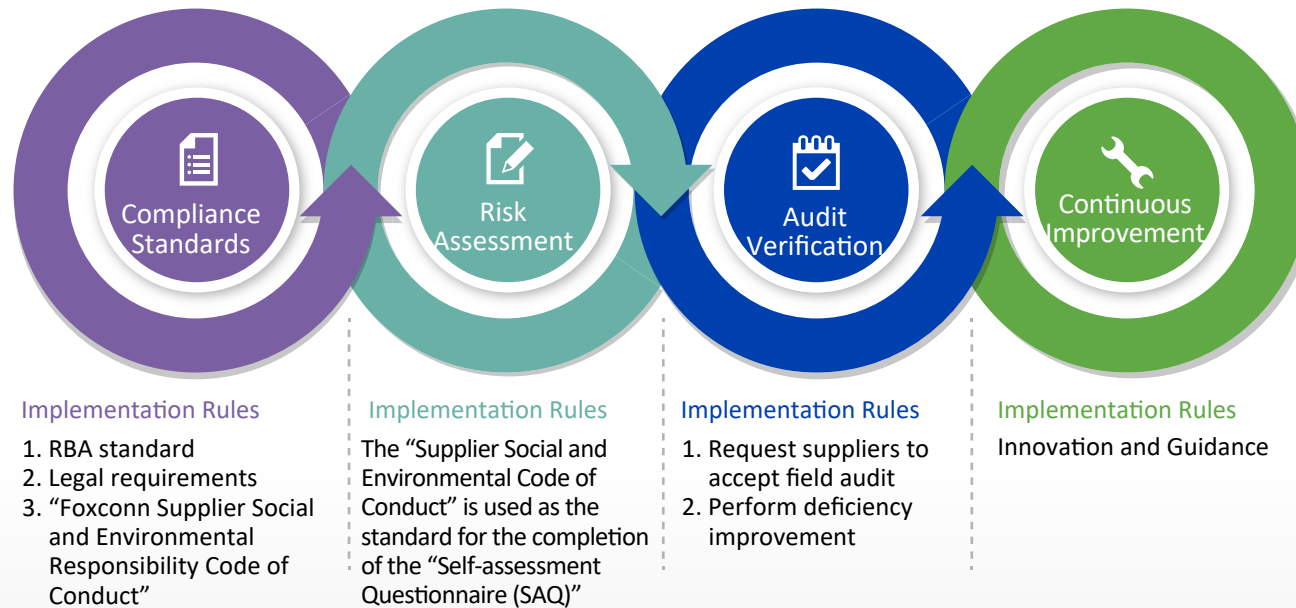
Performance evaluation of suppliers is conducted according to the Company's "Supplier Management Procedure," and various indicators of suppliers are assessed periodically on a monthly basis. If any supplier fails to reach the targets, such nonconforming supplier is warned, fined, or suspended from trading with the Company to ensure green production in our supplier chain system, reduce in pollution, maintain the environment, and fulfill our social responsibility. In addition, supplier conferences are convened periodically to convey and discuss various laws and regulations, as well as reaching a consensus on the achievement of the goal of a green supply chain.

CyberTAN Technology performs quality and process assessments, and conducts social environmental responsibility, green product, and greenhouse gas (GHG) audits on medium and high risk suppliers. When the audit or improvement result of a supplier satisfies the requirements of the Company, such supplier may then be included in the qualified supplier list. In addition, the Company implements key management on suppliers of crucial component. Through the supplier management platform, supplier online surveys and field audits are performed periodically. After an audit is completed, in the case of the discovery of a deficiency of zero tolerance, such supplier will lose its qualification to be listed as a new supplier. If a non-zero tolerance deficiency is found, the supplier is requested to submit an improvement plan and measures within a time limit according to the severity of the deficiency. When the deficiency is found to be severe, a second review is conducted; however, if no improvement is made within the time limit specified, it will be listed in the poor-performance supplier list.

| Category | Total number of suppliers | Number of key suppliers | Number of non-key suppliers | Proportion of procurement amount |
|-------------------------------|---------------------------|-------------------------|-----------------------------|----------------------------------|
| Subcontractor – service type | 23 | 18 | 5 | 0.69% |
| Materials | 176 | 19 | 157 | 98.84% |
| Machinery and equipment | 20 | 8 | 12 | 0.28% |
| Transport and logistics | 8 | 1 | 7 | 0.11% |
| Factory affairs / Engineering | 15 | 0 | 15 | 0.03% |
| Waste handling contractor | 4 | 1 | 3 | 0.05% |
| Total | 246 | 47 | 199 | 100.00% |

Supplier Management Directive and Process Circulation Mechanism

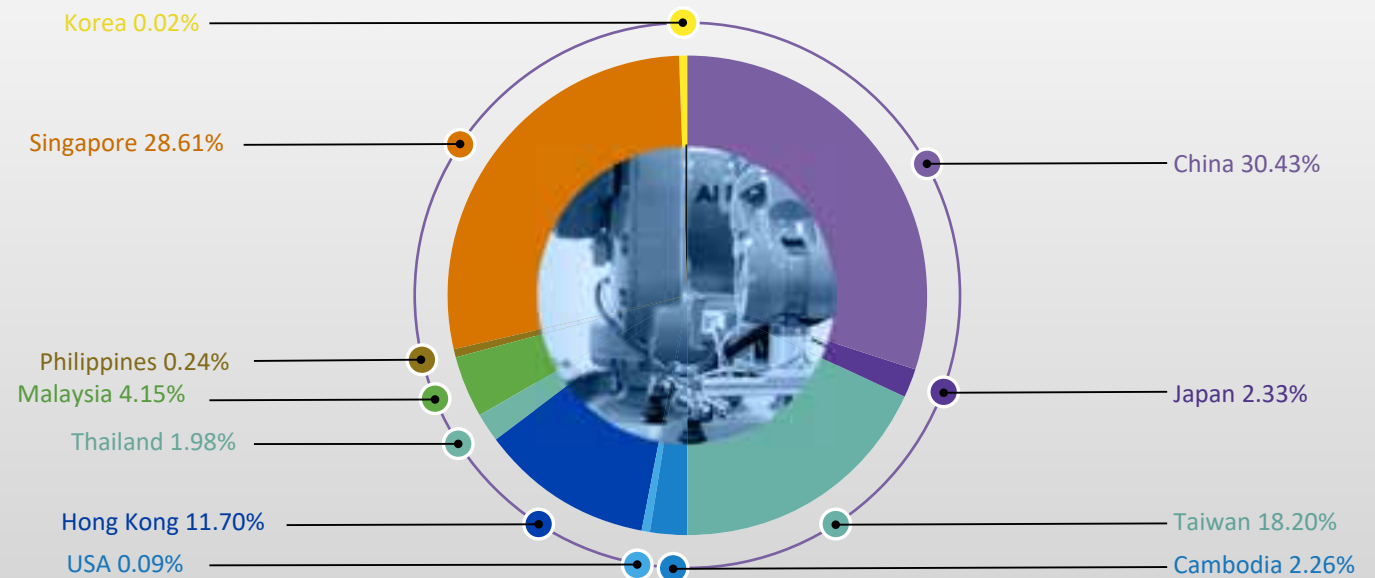
3-6-2



2022 Overview of the Procurement Location

3-6-3

There are a total of 246 suppliers that the Company has transactions with. Local procurement accounts for about 48.63% of the raw material supplier procurement amount. This is to avoid shortages in the supply of materials. The Company takes an active approach in cultivating a second or third supplier. We will give priority considerations to suppliers who have passed RBA-related certifications. Furthermore, the Company cultivates long-term partnerships. We jointly pursue corporate sustainable operations and grow together through close co-operations during operations. Other than the raw materials and equipment that are not produced locally, the rest are from local suppliers so as to maintain high flexibility and for quick material supply. It is also hoped to stimulate domestic economic development and to raise employment opportunities. This not only helps the company to save on costs but also helps in energy saving, along with recycling at the customer end, we hope to contribute to environmental protection.





Green Procurement

To properly implement procurement management of CyberTAN, the suppliers' GP management status including contract signing, factory GP overall risk, contractor system certification progress, hazardous substance inspection capability, is understood through the supplier green product management platform constructed by the parent company, Hon Hai Technology Group.

Regarding conflict mineral management, CyberTAN Technology complies with relevant international and industrial non-use regulations and prohibits the purchase of Sn, W, Ta, and Au from the Democratic Republic of the Congo (DRC) and its surrounding countries and regions. In addition, the Conflict Minerals Reporting Template (CMRT) of the Conflict-Free Sourcing Initiative (CFSI) jointly developed by Responsible Business Alliance (RBA) and Global e-Sustainability Initiative (GeSI) is used, in order to conduct conflict mineral investigation work on suppliers.

To quantify the supplier risk, in order to properly determine the risk, to continuously promote supplier improvement, and to enhance the supplier management capability, the Group has established the supplier SER system management platform. The supplier SER management is divided into four stages of introduction, risk assessment, audit verification, and continuous improvement respectively. The response made by suppliers must satisfy the Group and CyberTAN Technology's requirements, in order to be used as the basis for the procurement of the present year and future procurement. Any nonconforming supplier will be replaced by other suppliers further searched for and sought. CyberTAN Technology values the impact of environmental pollution on the overall living environment, and requests suppliers to perform audits periodically and to implement improvements properly.

As the largest electronics manufacturer in the industry, the CyberTAN Technology implements an internal green procurement management directive comprehensively, and establishes an organization and designates dedicated personnel to transform various regulations, environmental protection requirements of customers, industry, and society (RoHS/REACH/HF, etc.) into internal executable standards, and such standards are also conveyed to the entire supply chain. Accordingly green compliance control of raw materials are traced from upstream suppliers, and source suppliers are requested to disclose product hazardous substance content information, which is further conveyed to end customers.

To ensure that each business unit and green product supplier management of the Company can adapt promptly and effectively to the changes of environmental protection laws and regulations, the parent company, Hon Hai Technology Group, held a series of training activities in 2022. CyberTAN Technology appointed personnel to join the training.

- The "Green Supply Sustainable Development Policy and Requirements Promotional Event" was organized in March 2022. The requirements of the Group on carbon neutrality, zero waste, and green product policy were promoted. A total of 64 suppliers participated in the event.
- The "Green Product Management Promotional Event" was organized in June 2022. A third party was invited to provide chemical legal training. A total of 267 suppliers joined in the event.
- The "Supplier Carbon Neutrality and Zero Waste Training Seminar" was held in July 2022. The Central Environmental Protection Office was invited to share on the Group's experience in the works of energy saving and zero waste park. A third-party UL was invited to provide professional training on zero landfill. A total of 61 suppliers participated.
- The "Supplier Carbon Reduction Outcomes Session" was held in December 2022. Three suppliers were invited to share outstanding carbon reduction cases assisting suppliers in identifying the optimal carbon reduction plan. A total of 146 suppliers participated.





Supplier Social and Environmental Responsibility Management

3-6-5

CyberTAN Technology values interaction and learning with suppliers, and also expects to learn and grow together with suppliers. In view of the fact that corporate social responsibility has become an important topic for corporate social responsibility, we also expect to engage in joint learning and to establish stable and long-term cooperation and partnerships with suppliers. For the "Purchase Agreement" signed with suppliers, environmental protection awareness as well as social and ethical responsibilities are explicitly specified in the Agreement. Suppliers guarantee compliance with the requirements related to the aspects of social responsibility, environmental responsibility, and Occupational health and safety specified in ISO 14000 and OHSAS 18000 in order to achieve the goals of social responsibility of corporate governance (ESG).

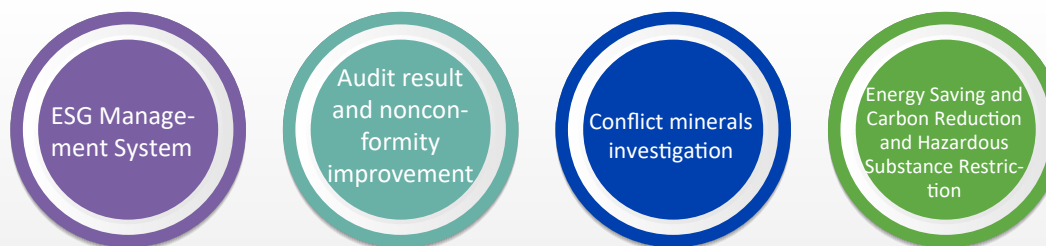
Supplier performance evaluation is the most important part of the supplier management system. The evaluation score (total of 100 points) is determined based on the five main aspects of quality, cost, service, delivery, and social and environmental responsibility of suppliers. If a supplier indicates poor performance in social and environmental responsibility, a maximum score of 30 points is deducted, such that a supplier with poor performance in such item is likely to be ranked as an inadequate supplier. We use the scorecard system to implement supplier performance monitoring and control, in order to promote continuous improvement of suppliers. For any supplier of poor performance, the Company will continue to implement a series of measures in order to drive such supplier to achieve improvement. If its performance continues to indicate score deduction, a senior supervisor of the supplier is requested to proceed to the Company for field review, and an official letter is sent to the CEO of the supplier, thus eventually achieving the goal of driving the supplier to satisfy the demands and requirements of the Company and customers. If the supplier, after guidance provided by the Company, still fails to complete improvement within the time limit specified, the Company will consider reducing or restricting the use of such supplier, or may even cancel the cooperation relationship.

To assist suppliers to improve nonconformities found during the audit conducted by the Company within the time limit specified, the Company in cooperation with the Hon Hai Group convenes the "Supplier CSR CAR Improvement Online Seminar" periodically, and management personnel of suppliers are invited. The management mechanism and requirements of the Company are conveyed to all suppliers and partners via the online seminars, and practical and feasible solutions are also provided to common issues and problems faced by suppliers.

Supplier Audit (Scorecard) Evaluation



Social and Environmental Responsibility



PSL (Preferred Supplier List)

- Allocate greater order ratio
- Recommend to new ODM item for use
- Foxconn's strategic partner

Semi-annual total average score ≥ 70 points

Semi-annual quality average score ≥ 70 points

Supplier GP risk is low

Supplier financial risk is low

Not listed in RSL for the past year

RSL (Restricted Supplier List)

- Reduction of orders
- Prohibited to be used for ODM new cases
- Freeze account

Evaluation score(s) of one or more items < 60 points for three consecutive months

Occurrence of major quality, GP, or CSR abnormality

Audit is disqualified and main deficiency is not improved completely

Environmental Sustainability



4-1

Environmental management

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4-1

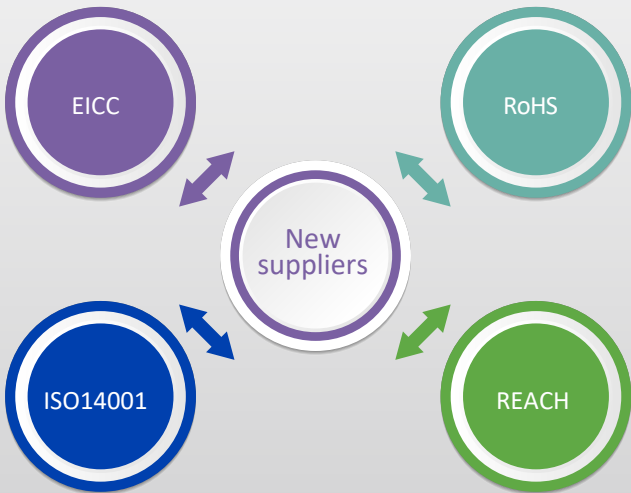
Environmental management

Green Product Management Platform

4-1-1

Through the supplier green product management platform, CyberTAN Technology ensures that the suppliers provide raw materials that meet the legal requirements.

CyberTAN Technology values interaction and learning with suppliers, and also expects to learn and grow together with suppliers. In view of the fact that corporate social responsibility has become an important topic for corporate social responsibility, we also expect to engage in joint learning and to establish stable and long-term cooperation and partnerships with suppliers. For the Environmental Protection and Social Responsibility Undertaking or Certificate of Conformity (COC) signed with suppliers, environmental protection awareness as well as social and ethical responsibilities are explicitly specified.



Green Legal and Information Database Establishment

CyberTAN Technology is committed to abiding by international green laws and regulations and customer requirements, ensuring that the products it delivers comply with international regulations, such as RoHS and REACH. We focus on global environmental protection topics in cooperation with the customers and support non-use of conflict minerals and so on related requirements of international laws and the Restriction of the Use of Certain Hazardous Substances (RoHS). For effective control of the materials provided by the suppliers in meeting the requirements of CyberTAN’s environmental management substances requirements, the green management platform is utilized. Suppliers are required to disclose relevant information, such as substance composition and contents at the component approval stage on this platform.





2022 Green Environmental Protection Laws and Regulations Updates

4-1-2

2022 International Green Environmental Protection Laws and Regulations Updates for nine items

| Names of laws and regulations | Announcement/Updated content | Date of announcement |
|---|---|----------------------|
| Turkey RoHS | The Ministry of Commerce, Turkey, published the “Communiqué on Import Inspection of Some Products Required to Carry ‘CE’ Mark” on December 31, 2021, which came into effect on January 1, 2022. | January 1, 2022 |
| 2022 Europe Key Audit Laws and Regulations | Some of the PFAS related chemicals are listed as Persistent Organic Pollutants (POPs) under the “Stockholm Convention on Persistent Organic Pollutants.” The European Union (EU) also regulates some of the PFAS related chemicals. | January 2022 |
| SASO RoHS | The implementation date has been deferred by half a year from the pre-determined date of January 5, 2022. The implementation date will be different based on the product category. | January 4, 2022 |
| US TSCA | After January 6, 2022, all persons are prohibited from all distribution in commerce of PCTP or PCTP-containing products or articles, unless PCTP concentrations are at or below 1% by weight. After January 1, 2022, all persons are prohibited from all processing and distributing in commerce of PIP (3:1) for use in photographic printing articles and PIP (3:1)-containing photographic printing articles. | January 6, 2022 |
| EU REACH | On January 17, 2022, the European Chemicals Agency (ECHA) published the 26th update of the REACH Candidate List. Four new Substances of Very High Concern (SVHCs) were added. The total number of SVHCs on the Candidate List comes to 223 substances. | January 17, 2022 |
| EU REACH | On June 10, 2022, the European Chemicals Agency (ECHA) published the 27th update of the REACH Candidate List. One new Substances of Very High Concern (SVHCs) were added. The total number of SVHCs on the Candidate List comes to 224 substances. | June 10, 2022 |
| Rare earth metal | Rare earth metals are also called rare-earth elements, or, rare metals, which is the collective term of the metals in Group III B, the 17 elements under the Scandium, Yttrium, and Lanthanum groups in the periodic table, which is often represented by the use of R or RE. | July 28, 2022 |
| Canada Gazette on Prohibition of Certain Toxic Substances Regulations | Control measures on certain long-chain per- and polyfluoroalkyl substances (PFAS), as well as persistent flame retardants. | May 14, 2022 |
| EU REACH | On January 17, 2023, the European Chemicals Agency (ECHA) published the 28th update of the REACH Candidate List. Nine new Substances of Very High Concern (SVHCs) were added. The total number of SVHCs on the Candidate List comes to 233 substances. | January 17, 2023 |

Legal Database Establishment

CyberTAN Technology regularly updates its green product control regulations and specifies requirements for specific products on standards for the use of hazardous substances and environmental protection related control. Ensuring product compliance to various requirements echoes the social responsibility commitments of CyberTAN Technology. Apart from the current standards prohibiting or restricting the use of substances and controlled substances in products, the Company continues to pay attention to international environmental substances laws and regulations and requirements. This includes requirements on the restriction or prohibition of hazardous substances of the regional or national laws and regulations. With commitments to environmental protection, we require suppliers to satisfy and comply with relevant requirements and regulations and to fulfil the responsibility to inform. Hence, we strengthen the implementation of relevant laws and regulations by establishing quick and detailed legal management database and enhancing the level of understanding and practice by the company personnel towards these laws and regulations.

On substances that are possibly to be prohibited or restricted in the future, we will continue to make evaluations and responses under the principle that the technology will not affect product quality, safety, reliability, and human health and adding to environmental impacts. The latest time frame for the prohibition or restriction of substances will be taken into account to prepare for replacement or improvement of substances that will reduce their impacts and effects to the environment. We want to ensure that they comply with customer requirements, and green regulations on the national, regional and international level. Establishment of information storage and inquiry in the CyberTAN Technology Legal Database for further effective conveyance.

In 2022, there have been no litigations or major fines for legal breaches by CyberTAN Technology relating to green product requirements.

MCD Review

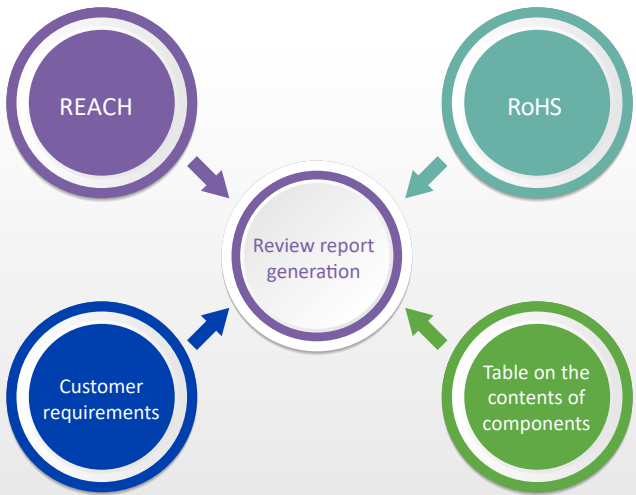
| Number of cases/Month | January | February | March | April | May | June | July | August | September | October | November | December | Total |
|-----------------------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|-------|
| Number of audits | 331 | 509 | 835 | 163 | 141 | 118 | 830 | 347 | 258 | 276 | 751 | 755 | 5,314 |



Hazardous Substance Management

In response to the global environmental protection regulations and customer requirements, CyberTAN Technology utilizes the Green Product Management Platform and control procedures to request its suppliers to cooperate in the signing of a guarantee statement and submitting third-party test reports to prevent the raw materials or equipment of the products from containing prohibited substances. The aim is to prevent such substances from mixing into the products, conform to laws and regulations, and to meet customer requirements and the spirit of green environmental protection.

The statistics for 2022 MCD monthly review cases is as shown in the table below. A total of 5,314 cases were completed for the year. It is confirmed that the raw materials provided by the suppliers conform to the controlled substances standards.



In Compliance with the Hazardous Substances Regulations

All of the finished products, semi-finished products, raw materials, packaging auxiliary materials and so on materials of CyberTAN Technology conform to the current EU RoHS and REACH international regulations. CyberTAN Technology strictly controls the chemical substances that may be used in its product components and manufacturing process according to the requirements for the use, restriction or prohibition of hazardous substances. A product integrated report will be generated based on the management mechanism and a product declaration statement will be handed over to the customers as proof of the product's conformity to hazardous substances regulations.

The number of completed cases in 2022 are as shown in the table below.

Product Declaration Statement

| Year | Type of Declaration | Number of Products |
|------|---------------------|--------------------|
| 2022 | RoHS | 46 |
| | REACH | 32 |
| | Prop 65 | 25 |
| | Rare | 3 |



Self-Developed Survey Form Procedures

- Provide survey form.
- Communicate with suppliers through email and telephone to confirm requirements.
- Suppliers provide related information based on requirements.
- Review the information for conformity to approval requirements.



Green Survey Procedures

- Establish material database.
- Conformity to customer standards or legal regulations.
- Implement prohibition and restriction on substances survey.
- Review to confirm information.
- Track the conformity situation of green material parts based on BOM.

Integrated Report on Products

| Number of cases/Month | January | February | March | April | May | June | July | August | September | October | November | December | Total |
|----------------------------------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|-------|
| Monthly Target % | 95 | 95 | 95 | 95 | 95 | 95 | 95 | 95 | 95 | 95 | 95 | 95 | 95 |
| Rate of Achievement | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Number of cases to complete | 3 | 11 | 14 | 1 | 0 | 14 | 1 | 2 | 1 | 3 | 1 | 1 | 51 |
| Actual number of cases completed | 3 | 11 | 14 | 1 | 0 | 14 | 1 | 2 | 1 | 3 | 1 | 1 | 51 |

4-2

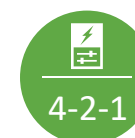
Energy Management and Reduction

The main operation of CyberTAN Technology in Taiwan is the research and development center. Therefore, environmental hazards and safety issues and concerns related to wastewater, toxic substances, and process gas noise, etc., due to the manufacturing process are eliminated. During the operation period of the Company, there have been no large fines or non-monetary penalties due to incidents adversely affecting the environment and no violation of laws and regulations. For natural resources consumed during routine activities, such as electricity, water, and paper, we are also committed to the goal of reducing and decreasing the use of natural resources.

CyberTAN Technology promises and is active in protecting the environment and promoting occupational health and safety. Despite the Company receiving the honor of Class A in the energy saving competition of Taipower and achieving some outcome, we continue to exert efforts in relevant aspects without contentment. We continue to exert efforts to head toward the predefined goal, and expect that CyberTAN Technology is able to fulfill the responsibility of a global citizen, to continue improvement and to achieve sustainable development with environmental resources.

Relevant environmental risk and control are described in the following:

| Item | Description | Control |
|--------------------------------|--|--|
| Industrial Waste | Harmful Industrial Waste – waste electronic components, printed circuit boards, and mixed hardware. General Industrial Waste – general living waste and waste plastics. | The internal of the factory performs industrial waste classification, storage, and selects disposal and treatment contractor approved by the Environmental Protection Administration to perform legitimate disposal and declaration. |
| Toxic Chemicals | Prohibition of the use of statutory toxic substances. | No treatment required |
| Energy and Resource Management | The consumption of main energy mainly is the electricity consumed by the office air conditioners and lighting electricity, and water consumption mainly is by the cooling tower water. | The energy-saving chiller unit and LED lighting fixtures are replaced, and the contract capacity and the efficiency of the cooling tower and chiller unit are inspected periodically. |



Energy Resource Management

4-2-1

Electricity and Carbon Dioxide or Other Greenhouse Gas Annual Emissions

The Company implements rigorous management of the power consumption of all internal areas of the plant. The Labor Safety, Facility Affairs, and General Affairs Departments are designated to adopt various energy-saving measures and facilities, such as electricity consumption education, power loading, replacement with high efficiency and energy-saving equipment, reduction of contract capacity with Taipower, and establishment of various energy management procedures.

In 2022, the Greenhouse Gas Scope I and II of the Hsinchu Taiwan and Vietnam factories are 9,873.45 tCO₂e after verification.

| | |
|-------------------------|----------------------------|
| Greenhouse Gas Scope I | 4979.2 tCO ₂ e |
| Greenhouse Gas Scope II | 4894.25 tCO ₂ e |
| Total | 9873.45 tCO ₂ e |

CyberTAN Technology Plant: Energy saving measures include renewal of the energy saving chiller, replacement for LED energy saving lightings throughout the plant, and adjusting air-conditioning power on time. Please refer to the below table for detailed data.

| CyberTAN Technology Plant | 2018 | 2019 | 2020 | 2021 | 2022 | Annual Electricity Consumption Management Indicator | | |
|--|-----------|-----------|-----------|-----------|-----------|---|--------------------|-------------|
| Electricity Expenses (NTD) | 3,218,236 | 3,221,115 | 2,638,128 | 3,199,455 | 3,363,647 | 2022 | Target | 970,000 kWh |
| Whole year electricity consumption (kWh) | 993,400 | 974,990 | 945,500 | 955,800 | 924,500 | | Actual Performance | 924,500 kWh |
| Emissions in Tons of CO ₂ e | 618.888 | 519.670 | 481.259 | 485.356 | 466.537 | 2023 | Expected Target | 960,000 kWh |

Note: 1kWh is able to generate carbon emissions of 0.509 tons of CO₂e (2022).

The innovative plant of CyberTAN: The facility was purchased in July 2015. Based on the similar principle adopted for the CyberTAN Technology Plant, we implemented the assessment and planning of a series of energy saving and carbon reduction measures for the innovative plant, including: replacement with new LED energy-saving lighting fixtures for the entire plant, replacement with two variable-frequency chiller units and replacement of their variable-frequency motors, replacement with two sets of cooling fins of the cooling tower and its variable-frequency motor/reducer. In addition, we also participated in the energy saving contest organized by Taipower in 2018 for the first time and CyberTAN Technology was selected for the final winner list; despite no award being received in that year in the end, CyberTAN Technology is determined to continue to exert its best efforts in energy saving. Please refer to the following table for relevant data in detail.

| CyberTAN Technology Innovative Plant | 2018 | 2019 | 2020 | 2021 | 2022 | Annual Electricity Consumption Management Indicator | | |
|--|------------|------------|------------|------------|------------|---|--------------------|---------------|
| Electricity Expenses (NTD) | 14,789,463 | 13,276,143 | 15,048,949 | 22,191,035 | 23,595,286 | 2022 | Target | 6,800,000 kWh |
| Electricity Consumption in kWh | 5,571,600 | 6,656,400 | 6,635,200 | 7,710,800 | 5,524,000 | | Actual Performance | 5,524,000 kWh |
| Emissions in Tons of CO ₂ e | 3,471.107 | 3,547.861 | 3,377.317 | 4,392.373 | 4,427.709 | 2023 | Expected Target | 6,800,000 kWh |

Note: 1kWh is able to generate carbon emissions of 0.509 tons of CO₂e (2022).

As the assembling production lines of the original lessee, Microelectronics Technology, are installed continuously for the innovative plant, the Company has assessed the plans for electricity consumption reduction, including power load and peak management, replacement with equipment of high efficiency and energy saving, adjustment of contract capacity with Taipower, and establishment of various energy controls, in order to reduce the electricity consumption and carbon emissions.





Waste Management

4-2-2

The Company actively implements waste reduction activities from the aspects of design, manufacturing, raw material use, and packaging material improvement. In recent years, the Company further enhances the waste classification and resource recycling and reuse, in order to further reduce the waste volume.

| Year | | Annual Waste Disposal Weight Indicator | | |
|------|--------|--|----------|-------|
| 2020 | 13.708 | 2022 | Target | 13.0 |
| 2021 | 13.160 | | Actual | 13.70 |
| 2022 | 13.70 | 2023 | Expected | 13.0 |

Waste Reduction and Resource Recycling

CyberTAN Technology deeply understands that compliance with the environmental protection and occupational safety and health laws are only the basic responsibility and obligation of the Company. Most importantly, during the business operation of the Company, we need to exert effort in the sustainable development of social environment for our living, in order to achieve sustainable natural resources for future generations.

CyberTAN Technology deeply understands that compliance with the environmental protection and occupational safety and health laws are only the basic responsibility and obligation of the Company. Most importantly, during the business operation of the Company, we need to exert efforts in the sustainable development of a social/environment for our living, in order to achieve sustainable natural resources for future generations.

Target: 80% waste recycling rate or above. Measures for reduction:



Indoor Air Quality Improvement

Although the Company does not fall under the scope of the first batch of announced premises conforming to the Indoor Air Quality Act, based on the consideration that our employees stay in indoor environments (including homes, offices, or other buildings) for at least eight hours every day, and indoor air quality directly affects the working quality and efficiency, the Company pays attention to the impact of indoor air pollutants on human health.

Accordingly, in addition to granting subsidies for employees to obtain licenses, we have set the maintenance frequency and measures for the air conditioning system, such as cleaning the filter of the indoor blower, planting indoor/outdoor plants, increasing/decreasing outdoor air circulation based on the air quality provided by the Central Weather Bureau, and moving printers to non-office areas or installing air extractors. For indoor decoration, we request contractors to use materials and paint of the “Green Building Material” to improve the quality of indoor air.

Our labor safety unit has purchased portable CO2 detectors and monitors the indoor air quality at all times in order to provide employees with the good air quality.



GHG Emissions
4-2-3

For the purpose of effective discovery and subsequent disclosure of correct information, the Company tentatively schedules June 2023 to join in the greenhouse gas management and environmental sustainability promotion plan of the Hsinchu Science Park. Professional vendors and academics visit the site to provide guidance. All of these help in improving energy saving and respond to the 2026 national reduction targets working together towards net zero emissions.

Due to the relocation plan for the Vietnam factory, an emission reduction plan is developed for the new factory:

| Item | Description |
|---|---|
| Central air conditioning and heating system and chillers intelligentization | Introduce central air conditioning and heating system – Build the environmental energy system, utilize monitoring and control interface and digitalized management for energy-saving adjustments. |
| Air compressor intelligentization | Digitalized station building and smart control |
| Chiller reclaimed water reuse | Membrane Bio Reactor method |
| Rooftop solar system installation | Annual electricity production: 415,000 kWh, an annual reduction estimation of 392 tons |
| Greening of the parking lots in the factory area | Vegetative cover |

4-3

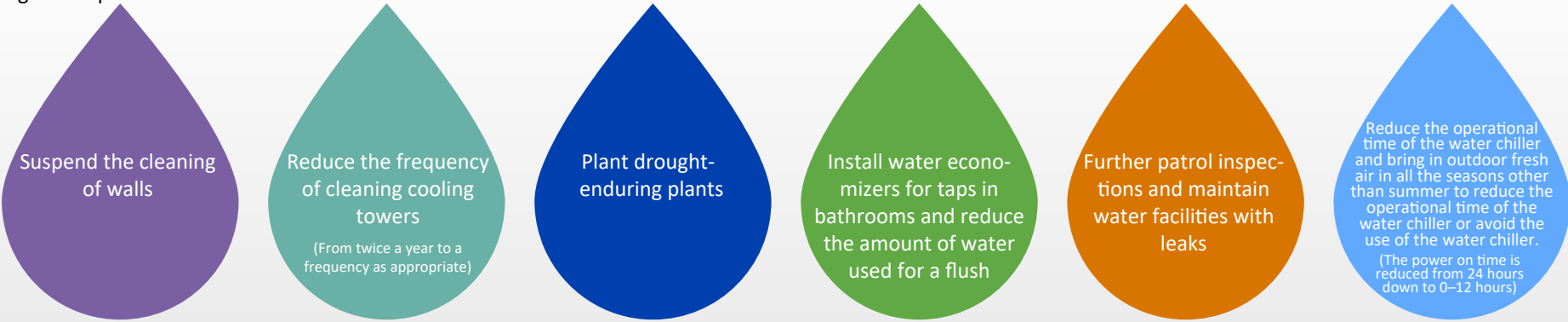
Water Resources Management



Water Resources Management

All of the water consumption of the Company is tap water, and the main water source is from Hsinchu Baoshan Reservoir No. 2. There is no generation of wastewater from manufacturing process and rainwater is discharged into the ground surface storm drainage which fits the rainwater and sewage diversion. Domestic wastewater is incorporated into the underground sewage drainage system of the Park’s management bureau. The sewage plant of the management bureau will coordinate management and maintenance. There have been no damages or impacts to the surrounding ecology of the business location.

Water saving and improvement measures:



See the table below for the management indicators

| Year | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------|-------|-------|-------|-------|-------|
| Tonnage | 6,918 | 5,802 | 5,598 | 5,115 | 5,052 |

| Annual Water Consumption Management Indicator | |
|---|------------|
| Target | 5,500 Tons |
| Actual Performance | 5,052 Tons |
| Expected Target | 5,500 Tons |

4-4

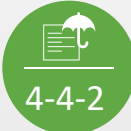
Climate Change



Climate Change Risk Management

4-4-1

CyberTAN Technology adopts the four pillars of the Task Force on Climate-Related Financial Disclosure (TCFD) recommendations in the disclosure of our gas procurement-related information. Through discussions of each working group under the Sustainability Committee, the identification of climate-related risks and opportunities is performed for every operational aspect to evaluate the potential impacts and financial effects that might occur. Management guidelines and action plans corresponding to material risks and opportunities are developed. The objective is to strengthen the company’s climate change adaptation capability.



Strategy

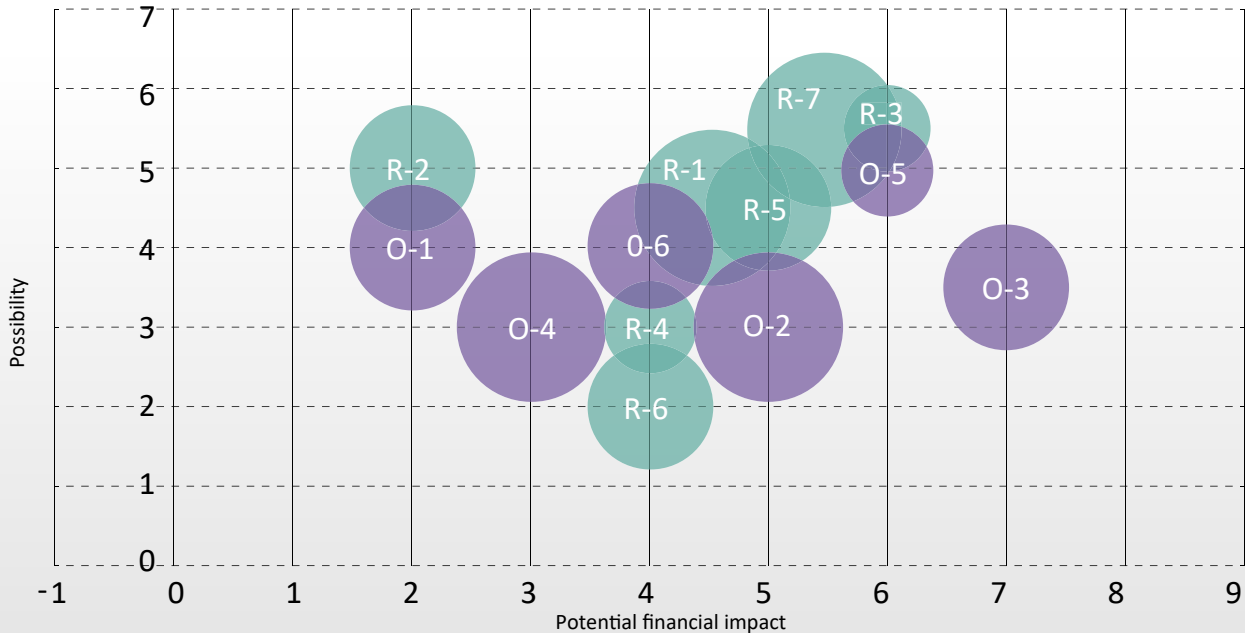
4-4-2

CyberTAN Technology sets its short-, medium- and long-term period as within 2 years, 2–6 years, and more than 6 years, respectively. Each unit will compile short-term, medium term, and long-term lists of possible risks and opportunities arising from climate change on corporate operations based on international research reports, industry trends, and survey with internal and external corporate stakeholders. The Company works to deploy in advance corresponding response ability, effective control and reduce possible impacts to the company operations and finance that may arise from the risk items.



Climate Change Risk and Opportunity Matrix Chart

4-4-3



- R-1 Increase in the price of GHG emissions
- R-2 Enhance the emission reporting obligation
- R-3 Surge in raw material cost
- R-4 Increase in the severity of extreme climate events
- R-5 Low carbon economy transition cost
- R-6 Stakeholder concerns and negative feedback
- R-7 Customer behavior change



- O-1 Strengthen sustainable supply chain management
- O-2 Obtain low carbon financing investments
- O-3 Low carbon product and service innovation
- O-4 Dedicate to circular economy
- O-5 Low carbon energy and renewable energy usage
- O-6 Internally supported policies and rewards



Climate Risk Identification – Transition Risk

4-4-4

| Category | Potential impact | Source of risk | Responsive strategy |
|----------------------------|--|--|--|
| Policy, law and regulation | Financial impact Increase operational cost Fines/Litigation Increase capital expenditure Time scope Medium-term Possibility of occurrence Medium to high | Increase in the price of GHG emissions Important progress was made in December 2022 in the Council of the European Union for the first levy in the world for cross-border carbon tax, the Carbon Border Adjustment Mechanism (CBAM). October 2023 is the pre-determined date to begin the trial for the declaration. The Taiwan government has passed the "Climate Change Response Act" and the government can levy "tax fees" in stages. The carbon tax collection will begin as soon as 2024. The subjects of the tax collection will propose a self-developed reduction plan. For those who effectively reduce carbon emissions and achieve the targets, they will be eligible for discounted fee rate. Enhance the emission reporting obligation The Financial Supervisory Commission (FSC) published the "Sustainable Development Roadmap" which specifies the time frame for listed companies to disclose their GHG inventory information. By 2026, listed companies with capital amount at NTD 5billion and below will perform inventory of standalone company. By 2027, the subsidiaries listed in the consolidated statements of listed companies will complete the inventory. | The Company appointed a part-time unit to be responsible in the promotion of green environment and greenhouse gas inventory in accordance with the reference guidelines of the competent authorities and relevant regulations. Training for personnel from units driving the promotion of environmental responsibility and greenhouse gas inventory were conducted. Through the greenhouse gas management and environmental sustainability promotion plan of the Hsinchu Science Park, professional vendors and academics visited the site to provide guidance. All of these help in improving energy saving and respond to the 2026 national reduction targets working together towards net zero emissions. |
| Supply chain | Financial impact Increase procurement cost Time scope Short-term Possibility of occurrence High | Surge in raw material cost Several factors, such as inflation, interest rate adjustments, commerce control, surge in raw material cost, and climate change, have impacted the supply of raw materials from various places, the production delivery time change, and smoothness in transport. Suppliers are requesting customers to renegotiate the prices and to accept the increased prices. However, the risk of not getting the raw materials remains. This will affect the production line schedule, delay delivery time and other problems. | Joint procurement with the central unit of Hon Hai to ensure stable supply of materials, signing onto the goods supply guarantee agreement with several suppliers, and regular inspection of material status to make dynamic adjustments. Use the RoHS-REACH smart management platform of the central unit of Hon Hai to ensure that products are non-toxic and reduces harm to the environment. |
| Market | Financial impact Increase R&D expenses Operational revenue decrease Time scope Medium and long-term Possibility of occurrence Medium | Low carbon economy transition cost Based on international regulations, customer requirements, and environmental protection trends, comprehensive, systematic and transparent management and control is conducted from the product design to material procurement, product manufacturing, transport, packaging, sales, and recycling processes to realize the goals of hazardous substances reduction. Customer behavior change The "Who Cares, Who Does?" study launched by Kantar shows that over half of the consumers care about sustainability or have proactively begun to reduce wastes through various methods. Another report called "Purpose in Asia" indicates that 75% of the consumers think that corporate social responsibilities affect their willingness to purchase. Consumers mind whether the products they purchase are friendly to the environment and are concerned that the money they spent on these products contributes to destroying the environment. | Research and develop cloud storage and cloud computing integrating all of the product technologies to form the Internet of Things. Develop low energy consumption and low polluting market opportunities based on clean technology to satisfy customers' product demands. Encourage the use of low energy consuming production equipment for production and packaging, reduce the use of packaging materials and increase recycling rate, and install regeneration and circulation system. |
| Goodwill | Financial impact Damage to goodwill Capital risk Time scope Medium-term Possibility of occurrence Low | Stakeholder concerns and negative feedback The outcomes of stakeholder engagement need to be conveyed to the thinking and strategy-making of the entire corporate in a timely manner. The international non-profit organization Business for Social Responsibility (BSR) asserts that the Stakeholder Engagement of corporates needs to transform from being a process to as a priority matter in its operation strategies. Through more collaborative, inclusive and strategic participation, integrate completely the feedback of stakeholders into all aspects of the company operations. By doing this, it is also a way of practicing aspects of ESG. | Disclose related information in the ESG report and annual report each year based on the international standards. Disclose the latest information on the MOPS and company website and hold related meetings with stakeholders for discussions on a regular basis. |



Climate Risk Identification – Physical Risk

| Category | Potential impact | Source of risk | Responsive strategy |
|----------------------|---|--|---|
| Continuous operation | <p>Financial impact</p> <p>Increase operational cost</p> <p>Increase capital expenditure</p> <p>Time scope</p> <p>Short- and medium-term</p> <p>Possibility of occurrence</p> <p>Medium to low</p> | <p>Increase in the severity of extreme climate events</p> <p>The Intergovernmental Panel on Climate Change (IPCC) releases a series of reports predicting the degree of warming after 2050 and beyond around the world. There are some significant differences for the following aspects: the intensity of the climate, rising sea levels, heatwaves, reduction in snowfall and icefall, and the above will have significant effects on the acquisition of raw materials, production scheduling, smoothness in manufacturing and packaging and transport. It might also result in risks of disruptions to company operations.</p> | <p>Establish the Business Continuity Planning to protect company operations from harm due to hazards and events, and increase corporate risk resilience. When the events mentioned on the left-hand side occur, we want to ensure key company activities can continue normal operations and that they do not affect the entirety of the company’s operations. Each year, we will continue to conduct practice drills and optimize the procedures.</p> |





Climate Opportunity Identification

| Category | Potential impact | Source of risk | Responsive strategy |
|-----------------------|--|--|---|
| Supply chain | Financial impact Material acquisition Time scope Medium and long-term Possibility of occurrence Medium to high | Strengthen sustainable supply chain management Sustainable supply chain is a successful model that is competitive and fully integrates ethics and environmental responsibility practices. Transparency of the end-to-end supply chain information is key. Sustainable operation needs to cover from the source of raw materials to the last mile of the logistics even up to the return of goods and recycling processes. | Combine with the GHG management platform of Hon Hai Central Unit, and organize education and training for suppliers. Assist suppliers in conducting GHG inventories, and build the internal Scorecard system to give ratings on green corporate responsibilities of suppliers, assisting the supply chain in green transition. |
| Policy support | Financial impact Financing Investment Time scope Medium-term Possibility of occurrence Medium | Obtain low carbon financing investments Based on the announcement of the "Green Finance Action Plan 2.0" by the Financial Supervisory Commission (FSC), on the financing of green energy industries, investments and financing will gradually expand to other green industries and promotion plans of sustainable finance products, and sustainable bonds will be launched. Support is given to corporate investments towards projects with substantial improvement benefits to the environment and society. Internally supported policies and rewards Education and training on the new low carbon economy and green technology products; introduce new applied solutions and support related facilities and capital expenditures. | Continue to develop green sustainable products and services. Aside from continuing education and training to increase employee awareness to incorporate green low carbon concept into their work, we encourage internal innovations and support all types of green expenditures. |
| Products and Services | Financial impact Increase R&D expenses Respond to market demands Time scope Medium and long-term Possibility of occurrence Medium | Low carbon product and service innovation Responding to the international trends of low carbon production and products, establish corporate green sustainable image to ensure competitiveness. Accelerate the application of low carbon production technology, increase energy efficiency and manufacturing optimization improvements. Through industry low carbon production technology analysis, low carbon technology application promotion, low carbon performance tracking, industry communications and results dissemination, assist factories to achieve carbon reduction performance and to achieve carbon reduction targets. | Invest in education and training and self-learning to equip internal personnel with carbon reduction technology R&D capability. Utilize information technology for innovations in marketing and operational resources service to reduce carbon emissions during the processes and for energy saving. |
| Energy efficiency | Financial impact Acquisition cost for renewable energy Capital expenditure Time scope Medium and long-term Possibility of occurrence High | Dedicate to circular economy Use waste materials for recycling and to manufacture products. Through re-design, repair and renew methods, enhance the value of the old resources to achieve sustainable development objectives. Utilize new technology developments, improve products and manufacturing designs, renew equipment and energy consumption systems, reduce exhaustion and wastes in the process. Low carbon energy and renewable energy usage Develop clean energy as the goal by raising energy efficiency; lower the use of energy with high carbon emission, accelerate the replacement of old equipment with low energy efficiencies, and lower the risks of surge in energy prices. | Collaborate with the Hsinchu Science Park to conduct consultation and guidance project, service industry facilities and behavior method improvements, and carry out greenhouse gas inventory and related improvement measures. Install rooftop solar system, and reclaimed water circulation system in factories, utilizing data and dashboard management. Use renewable energy and reduce energy consumption, and work on a more efficient management of energy. |

Social Responsibility



Talent Resources

5-1

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5-1

Talent Resources



Manpower Structure

5-1-1

At the end of the reporting period, the total number of employees at CyberTAN Technology Inc. was 1,231 persons, the number of full-time employees at 1,231 persons which accounts for 100% of the overall number of employees; the number of non-full-time employees accounts for 0 person at 0% of the overall number of employees. CyberTAN Technology recruits local employees as a priority where the business is. The local hiring rate has reached 90% and above. CyberTAN Technology abides by the applicable laws and regulations of the government authorities and has never hired child labor; if the Company hires foreigners, it will process the recruitment in accordance with the local regulations. On the work location distribution, there are more than 17% of the employees who are based in the business location in Taiwan, and the rest of the 83% are distributed across the USA, China, Vietnam and so on regions.

CyberTAN Technology Inc. values diversity and workplace inclusion. Employee recruitment, salary and welfare is processed without preferential treatment, regardless of gender, age, nationality, race, religion, duties and so forth. The ratio of men to women employees is 5.625 : 4.375.

Global Employee Manpower Structure

Categorized based on gender and work region

| Category | Group | Male | | Female | | Subtotal of the group | | Work region / Taiwan | | Region / Vietnam | | Region / China | | Region / USA | | Subtotal of the group | |
|---------------------|--|-------------------|--------------------------|-------------------|--------------------------|-----------------------|--------------------------|----------------------|--------------------------|-------------------|--------------------------|-------------------|--------------------------|-------------------|--------------------------|-----------------------|-----------------------------------|
| | | Number of persons | Percentage of this group | Number of persons | Percentage of this group | Number of persons | Percentage of this group | Number of persons | Percentage of this group | Number of persons | Percentage of this group | Number of persons | Percentage of this group | Number of persons | Percentage of this group | Number of persons | Percentage of the entire employee |
| Employment contract | Permanent employee (or known as irregular contract labor) | 707 | 57% | 524 | 43% | 1,231 | 100% | 210 | 17% | 983 | 80% | 35 | 3% | 3 | 0% | 1,231 | 100% |
| Employment type | Full-time (or known as full-time labor) | 707 | 57% | 524 | 43% | 1,231 | 100% | 210 | 17% | 983 | 80% | 35 | 3% | 3 | 0% | 1,231 | 100% |

Note: The unit for number of persons is "Number of persons / full-time equivalent (FTE)"

There is no significant fluctuation in the number of employees for the reporting period and of the comparison to before the reporting period.

Other than the 1,231 employees, there was one person taking on the role of a consulting job in 2022.

There is no significant fluctuation in the number of non-employee workers for the reporting period and of the comparison to before the reporting period.

CyberTAN Technology declares that it does not accept human trafficking or any other forms of hiring that involve slavery, is forced, is for paying debts, contract or prison workers, including the transporting, harboring, recruiting, job relocation, or accepting the personnel by threatening, force, coercion, abduction, fraud, or by paying the compensation to any person who controls the job seeker.

5-2

Salary and Welfare Policy



5-2-1

Remuneration and Welfare Policy

Remuneration Policy for the Board of Directors and Senior Management

The remuneration of the Company's directors shall be paid according to the Articles of Incorporation and the performance evaluation results shall be incorporated into consideration when determining the remuneration. The remuneration of the senior management will be reviewed by the Remuneration Committee for approval by the Board of Directors. When evaluating the remuneration, the performance will be linked to the ESG aspects for the manager's performance achievement rate which will become a basis for the measurement of the remuneration. For more information on the remuneration, bonuses, severance pay, and pension, please refer to the Company's 2022 annual report under the section on remuneration payment to the directors, general manager and vice general manager in the most recent year.

CyberTAN Technology Inc. appointed the Remuneration Committee under the Board of Directors which is of the same rank as the Audit Committee. Its composition is formed by two independent directors and one external expert. The Committee is to conduct a fair and reasonable review, judgement and decision on the remuneration of the top governance unit and senior management.



5-2-2

Annual Total Compensation Ratio

The highest individual annual total compensation at CyberTAN Technology Inc. is held by the CEO who is based in Taiwan while the median of the annual total compensation ratio for other employees is at NTD 709,129. The ratio of the median for the highest annual total compensation of an individual to that of other employees is 8.67 : 1.33.

The compensation of the CEO has increased in proportion compared to the previous one year. This is due to the lack of basis for calculation of the new hires in 2022. The median of the annual total compensation for other employees of the Group has reduced by 5.8% compared to the previous one year. The increase in percentage for the individual with the highest annual total compensation compared to the increase in percentage for the median of the annual total compensation for other employees of the Group is 4.84 : -5.16. Annual total compensation includes: Salary, bonus, stock reward, options reward, non-equity motivation plan reward, pension.



5-2-3

Strategy, Policy and Practice

CyberTAN Technology Inc. appointed the Audit Office to be responsible for the coordination of the Company's responsible business conduct policies in their formulation, monitoring, execution and the investigation and punishment of reported cases. The Office is also to report to the Board of Directors and Audit Committee at least once a year on matters relating to ethics and business conduct, legal compliance, and reporting of events.

For a sound corporate governance monitoring function, related consultation and reporting channels have been established internally and externally of the company. Such resources are promoted to the employees and other stakeholders through annual education and training. After the company receives a report case, it will immediately arrange a responsible unit based on the nature of the case to conduct an investigation and for proper handling, recording and tracking. Confidentiality is maintained on the identity of the person who reports, the reporting contents and the investigator of the case. This is to prevent unfair treatments or revenges against them. For cases that have been verified to be true, the Company will take actions depending on the situation including termination of employment contract or business dealings and taking legal actions where necessary. At the same time, the Company will help the employees to increase awareness through education and training and internal email messages. This is to prevent similar cases from happening again.

CyberTAN Technology Inc. has received 0 complaint cases in 2022, 0 cases relating to violations of business ethics and 0 cases on others; 0 cases were determined for punishment due to violations of business ethics after verified by investigation. For the occurrence of any events relating to violations of ethical corporate management or responsible business conduct, employees can reflect to the management and raise their opinions through the Joint Service Center, Email, the stakeholder section on the official website and internal proposal system. If external stakeholders discover any related violations of ethical corporate management or ethical business conducts, they may utilize the hotlines of the Company's Audit Office and Joint Service Center or submit a report via the stakeholder section of the Company's official website.

When the stakeholders raise their opinions through the dedicated email under the stakeholder section, the message will be sent to the corresponding dedicated window by the system. The dedicated window will have to report on the handling progress within the designated deadline. The Company will compile the statistics for the number of cases received and follow-up on them on a regular basis each month.

Stakeholder Communications

As of the end of 2022, the total number of persons from the global factory locations joining the trade union was 1,009 persons, accounting for 81.9% of the full-time employees. There were three subsidiaries that form the trade union at two factory sites, namely, China and Vietnam.

The trade unions from two factory sites have signed a collective bargaining agreement with the company and regularly convened the meetings (accounting for 81.9% of the full-time employees). We work with the employee representative to resolve employee labor incidents, the health and safety of the work environment, and employee welfare problems.

| | |
|----------------------------|--|
| Boundary | CyberTAN Technology Inc. |
| Why It Matters | <p>CyberTAN Technology complies with the labor and gender equality-related laws and regulations for its employee recruitments and appointments. The Company upholds the principles of “Using the Right Talents” and “Respecting Human Rights.” Personnel are hired based on their professional capabilities, regardless of gender, age, race, nationality, religion or political position.</p> <p>CyberTAN Technology is committed to talent recruitment and cultivation and more importantly, it values employee healthcare issues. It hopes to provide a happy and friendly work environment enabling employees to focus on their work. Company competitiveness can be further increased to fulfil the foundation of corporate sustainable operations and development.</p> |
| Management Purposes | <ol style="list-style-type: none"> 1. To create a diverse work environment through diverse, open and transparent recruitment channels, ensuring that the right person is for the right job. 2. To abide by the national laws and regulations in protecting labor rights and interests and to create a harmonious employee and employer relation. |
| Policy | Talent is the most valued asset of CyberTAN. An excellent work environment will influence the employees’ state of work and output. CyberTAN Technology guarantees employment rights and also implements healthcare and strengthens labor–management communications and harmony. |
| Target | <p>Short-term Target</p> <ul style="list-style-type: none"> • To achieve the yearly manpower budget planning. • Maintain good labor–management communication channels through labor–management meetings and Welfare Committee meetings in creating a harmonious employee and employer relation. <p>Medium and Long-term Target:</p> <ul style="list-style-type: none"> • Maintain good employee and employer relations and emphasize talent retention policy to reduce employee turnover rates. • Achieve talent cultivation and their coherence to the company through a comprehensive training plan. |
| Evaluation Mechanism | <ol style="list-style-type: none"> 1. CyberTAN Technology holds the quarterly company employee conference to discuss the company’s operation status and to announce future plans. 2. Irregular convening of management and departmental meetings to drive communications between the employees and the company in ensuring smooth labor–management communications and to drive work efficiency. |
| Performance and Adjustment | <ol style="list-style-type: none"> 1. Through the company employee conference and irregular meetings, the employee opinion and feedback case closure rate was 100%. 2. The employee turnover rate (annual) of CyberTAN’s employees in 2022 was 22.5%, in 2021 was 29.5%, and in 2020 was 35.7%. |



Employee Welfare (excluding temporary or part-time employees)

5-2-4

CyberTAN Technology Taiwan enrolled in the labor insurance scheme (providing injury or sickness benefits, permanent disability benefits, maternity benefits, and survivor benefits) and National Health Insurance, and follows the payment standard stated under Article 55 of the Labor Standards Act and the labor pension reserve funds system under Article 56 of the same Act. Accordingly, the Company appropriates the pension to the legal account on a monthly basis, and appropriates 6% and 2% respectively for the new and old pension system. Based on the Labor Pension Act, 100% of the employees need to join the retirement plan. There is one person using the old system.

Employees are entitled to group insurance plans (life insurance, accident insurance, hospitalization medical insurance, cancer medical insurance and occupational hazard insurance) from the day they are onboard. Employees can also purchase additional insurance for their family members. This provides an additional protection to the employees and their families.

For the China business Location, the Company enrolled employees in the social insurance and mandatory housing fund (the so called-social security system which constitutes five types of insurance) according to the “Labor Law of the People’s Republic of China.” The social insurance includes the five insurance items: Pension (Endowment Insurance), Medical Insurance, Work Injury Insurance, Unemployment Insurance, and Maternity Insurance. The employer must contribute 16% each month for the pension according to the payment bases. 100% of the employees joined in the retirement plan. For the Vietnam business location, employees join the social insurance (including pension and death insurance), medical insurance, work injuries insurance, and unemployment insurance based on the “Regulations on the Management of Payment of Social Security and Unemployment Insurance Systems.” The Company contributes the labor pension to the legal account on a monthly basis for the social insurance. 100% of the employees join the retirement plan. CyberTAN Technology establishes the leave regulations according to the local laws and regulations.

For the Taiwan business location, the Company provides an annual leave system better than the “Labor Standards Act.” New employees can have three annual leave days in advance from the onboard day. Employees thus can have a more flexible leave holiday plan.

Based on the physical condition and family care needs of the employee, the Company provides several types of leave including parental leave, family care leave, menstrual leave for female employees, and paternity leave for male employees. Employees can have flexibility in leave arrangements according to their actual needs.

According to the local laws of the China business location, employee who has worked for one complete year will be entitled to five annual leave days, 15 days of wedding leave, 128 days of maternity leave, or 15 days of paternity leave, and 15 days of maternity leave for dystocia circumstance. In line with the Chongqing City population and family planning policies, the Company also provides employees different number of leave days for recuperation based on the different request applications. Starting from 2020, a new parenting leave system is implemented under the newly announced “Chongqing City Population and Family Planning Regulations”: the maternity leave for female employees is extended to 178 days.

Based on the local regulations of the Vietnam business location, new employees will be entitled to 12 annual leave days, 3 wedding leave days, 6 months of maternity or paternity leave (5 leave days for natural birth and 7 leave days for Caesarean delivery) starting from the first onboard year.





Unpaid Parental Leave

5-2-5

To further improve the rate of retention, the Group implements face-to-face interviews for the departing personnel to understand the true and specific reasons for the employee's decision to leave the job and to factor them into the improvement plan. On the talent retention policies, the Group takes an active approach in reaching out to the employees to learn about their actual needs and to implement employee care for reinstatement rate and retention rate after unpaid parental leave. Good communications channel is provided and comprehensive communications platform is established as we continue to construct extensive basic facilities and refine the work environment in creating a good and harmonious work atmosphere for each unit and organization.

Statistics on Unpaid Parental Leave by Employees at CyberTAN Technology Taiwan business Location

| Item | Male | Female |
|--|------|--------|
| Number of qualified applicants for the unpaid parental leave in 2022 (A) *Note | 9 | 7 |
| Actual number of applicants for the unpaid parental leave in 2022 (B) | 0 | 0 |
| Rate of application for the unpaid parental leave in 2022 (B/A) | 0% | 0% |
| Expected number of persons for reinstatement in 2022 after unpaid parental leave (C) | 0 | 0 |
| Number of persons reinstated in 2022 after unpaid parental leave (D) | 0 | 0 |
| Rate of reinstatement for 2022 after unpaid parental leave (D/C) | - | - |
| Number of persons reinstated in 2021 after unpaid parental leave (E) | 0 | 3 |
| Number of persons in 2021 who continued to work for one year since reinstatement (F) | 0 | 2 |
| Rate of retention in 2022 from unpaid parental leave (F/E) | - | 67% |

Note: Number of employees who have applied for maternity or paternity leave during the period between 2020 to 2022.



5-3

Talent Recruitment and Appointment

CyberTAN Technology complies with the labor and gender equality-related laws and regulations for its employee recruitments and appointments. The Company upholds the principles of “Using the Right Talents” and “Respecting Human Rights.” Personnel are hired based on their professional capabilities, regardless of gender, age, race, nationality, religion or political position. Our talent recruitment principles and work are based on standards ranging from employment equality, respecting human rights to prohibition of the use of child labor and coerced labor, and so forth. With improvements made to the remuneration system rewarding personnel with excellent accomplishments and suitable talent replacement, this can attract more talents.

During the recruitment process, by using open and transparent channels, such as: the 104 talent recruitment platform, employee referrals, internal job position transfer and so on methods, all talents are entitled to fair interview opportunities. The recruitment unit can continue to accept related course training, including interview techniques enhancement, interview tools updates, employer brand management and employee relation maintenance to achieve the principles of “Using the Right Talent” and “Respecting Human Rights.”

Recruitment, Appointment, Termination, and Retirement Management

5-3-1

The hiring manager and professional human resource (HR) will conduct evaluation of the applicants’ personality and their suitability for the position and assess the job duties and professional capabilities, jointly select suitable talents. On appointment, CyberTAN Technology regularly reviews the talent market competition. It has a complete job grade level system and offers salaries with reference to the market standard in enhancing the reporting rate of personnel. In terms of managing resignations, the HR will arrange a face-to-face interview with the resigning employee. The purpose is to understand the reasons for the resignation and to care for the talent. The resignation interview information will be a basis for internal management and improvements.



5-3-2

Recruitment Results

As of the end of 2022, the number of employees at the headquarters of CyberTAN Technology was 210 persons. The type of employee there were all full-time employees, and there were no part-time and temporary personnel. Manpower was stable and complete. Talents possessing professional knowledge between 30 and 50 years old are the company’s major manpower. In 2022, the headquarters of CyberTAN Technology recruited 91 new talents. The employment rate was 43.3%.



5-3-3

Diverse Talent Composition

In response to the rapid technological developments, CyberTAN Technology recruits global talents to form its professional teams. By combining different visions and perspectives, the company creates products and services that meet the needs of users. During 2022, CyberTAN Technology hired talents from various countries, such as Malaysia, Vietnam, USA, and China. This can increase interactions and exchanges between CyberTAN Technology and customers of different countries enhancing international capability.

At the same time, CyberTAN Technology also cares about the hiring of disadvantaged groups and minority groups. We provide work opportunities to persons with disabilities to protect their basic living and rights and interests. To drive work diversity and equality in employment, CyberTAN Technology actively promotes global workplace gender equality, such as: a non-discriminatory pay system, a fair and just performance review and promotion. Hiring is regardless of race, religion, gender, marital status and so on factors that shall not affect the hiring terms and salary differences.

| Age range | Number of persons | Percentage |
|-----------|-------------------|------------|
| 21–30 | 30 persons | 14.3% |
| 31–40 | 44 persons | 21.0% |
| 41–50 | 105 persons | 50.0% |
| 51–60 | 30 persons | 14.3% |
| 61–70 | 1 person | 0.4% |
| Sub-total | 210 persons | 100% |



5-3-4

Towards Talent Sustainability

The cultivating and retaining of talents has always been a hard lesson for CyberTAN. We set our goals in cultivating and shaping employee and supervisor skills, enhancing resilience and supporting employees to fully exert their individual strengths and potential. By documenting internal knowledge to pass them on and introducing and encouraging external courses and training, we inspire employees to learn with the enterprise. Employees will gain a sense of value in their work.

Furthermore, CyberTAN Technology has invested in a large amount of resources in 2022, providing digital tools to enhance office efficiency and communications. The meals for employees have also been improved to become healthier and tastier, giving them a greater sense of well-being and happiness. CyberTAN Technology is willing to provide employees long-term and stable work opportunities. We encourage long years of service and aim to create a sustainable and secure workplace that is humanistic and warmth.

5-4

Occupational Safety and Health



Safety and Health Policy

5-4-1

CyberTAN Technology Inc. pursues the goals of zero injuries, zero occupational diseases, and zero accidents under the principles of respecting and caring for labor health and safety while making continuous improvements to create the best workplace for all employees. We work hard in implementing the following matters:

- We follow domestic occupational health and safety regulations and other requirements, along with the goal of preventing harm and unhealthiness based on international standards, advanced technologies and optimal practices as benchmark, we operate our facilities safely to protect our employees.
- Install a comprehensive health and safety management system. Under this system structure, identify, evaluate, and control related risks to health and safety. Concurrently, we provide employees and their representatives sufficient communications and means of participating and consulting in health and safety activities.
- Through complete and comprehensive education and training, we enhance the health and safety awareness of employees.
- Strengthen emergency response preparation and develop operation survival plan to equip the company with the ability to response to any impacts.



Occupational Safety and Health Committee

5-4-2

CyberTAN Technology established the ISO 45001 Occupational Safety and Health Management System and obtained the third-party verification. The standard is applicable to all company employees and the suppliers and contractors working at the factory sites. The top executive of health and safety of CyberTAN Technology will participate in the weekly global pandemic and safety production meeting of the Group. The meeting is chaired by the Company Chairman. Each company's top executive of safety will give a topic report each week and the contents include global safety production information, current status of safety production for the Group and each region, safety production encyclopedia (research on outstanding case studies for domestic and overseas safety management and safety technologies; safety management tools and methods). The meeting will also discuss deployment for company-wide major safety production work and resolving major problems of the company. A total of 56 topic reports were made throughout the year.

CyberTAN Technology established the Occupational Safety and Health Occupational Health and Safety Committee according to the regulations. The Committee is the highest research organization for health and safety management and the Vice President acts as the Chairperson. The members of the Occupational Safety and Health Committee include occupational health and safety personnel, business department managers, monitoring and directing personnel, occupational safety and health-related engineering technicians, medical personnel engaged in labor health services, and 1/3 of the committee member seats are labor representative of occupational safety and health.

CyberTAN Technology convenes meeting once for each quarter in the months of January, April, July and October. The meeting forms one of the communication and interaction channels for the employees and the company on occupational safety and health. It helps to maintain relevant operations of occupational safety and health aspects of each factory site.





Safety and Health Education and Training

Education and Training for New and In-Service Employees

The Company abide by the “Occupational Safety and Health Education and Training Rules” to conduct new employee training, cultivating employee health and safety concept and to be equipped with hazard prevention skills. It is aimed to increase safety awareness and reduce the occurrence rate of occupational hazard.



Emergency Response Practice and Training

The accident simulation emergency response practice drill is conducted every half a year based on different scenarios. Five major fire prevention response groups were drawn up and they are the report, fire extinguishing, safety protection, emergency evacuation routes, and rescue group. Each group conducts the respective training courses and evacuation practice drill for the entire factory site. The training and drills enable employees to avoid accidents and minimize injuries and deaths when hazards occur, protecting the safety of employees.

Health and Safety Campaigns

The relevant information on occupational safety and health is announced on the company homepage and the bulletin of the environment, health and safety section. Employees can increase their safety awareness and quality.



Occupational Safety and Health License and Certification Training

The on-the-job education and training for health and safety is completed for related job nature according to the regulations. Employees are now more familiarized with the occupational safety and health related regulations.



CyberTAN Technology’s Statistical Table on Occupational Hazards

There were no occurrence of work safety events in 2022 achieving the zero occupational hazard target. The total number of hours without disabling injuries accrued to more than 1,000,000 hours.

Statistics of occupational hazard events (Factory site: CyberTAN Technology)

| | |
|------|-----------------------------|
| 2020 | 0 Occupational hazard event |
| 2021 | 0 Occupational hazard event |
| 2022 | 0 Occupational hazard event |

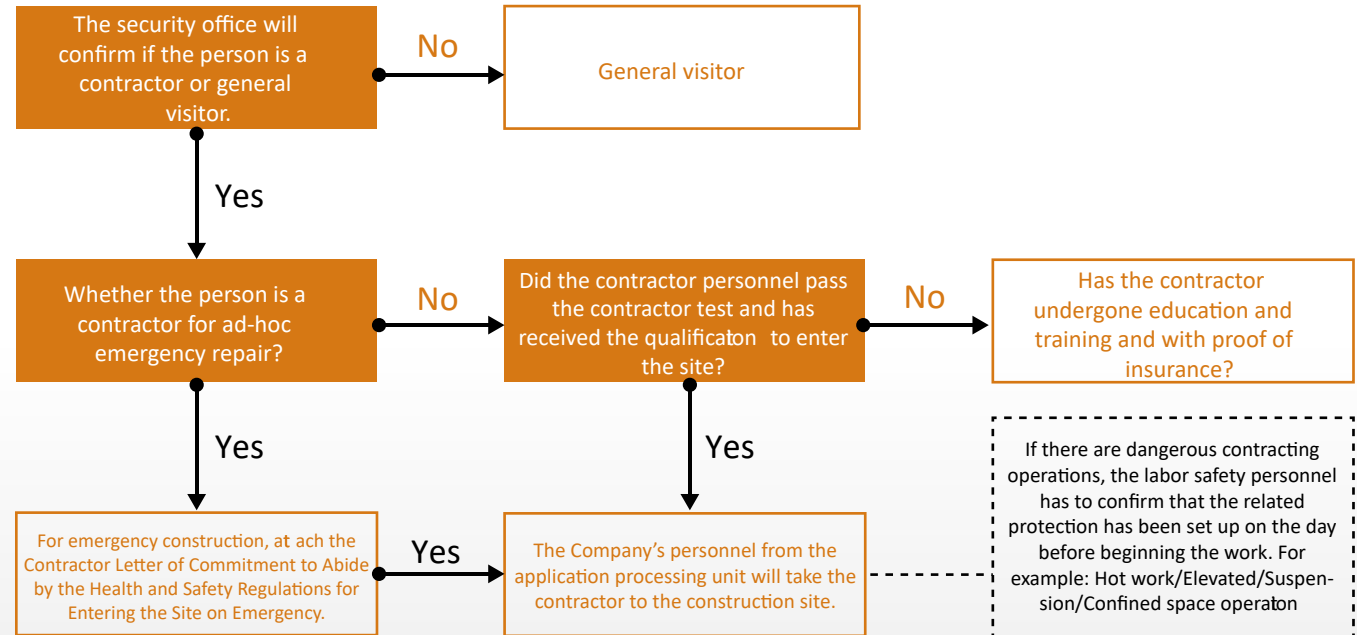


Contractor Health and Safety Management

5-4-4

Contractors are important collaborative partners of the company. The health and safety management ensures the work environment safety of the contractor and its employees. The procedures on contractor health and safety, emergency response, chemical management, education and training are established based on applicable Occupational Safety and Health Act and regulations. Several high risk processes have been established, such as the processes for hot work/elevated/suspension/confined space operation. The contractor and general visitor procedures are also differentiated at the same time to align with irregular onsite checks and strengthening the construction safety of contractor personnel.

Contractor / General Visitor Factory Entry and Construction Application Procedures



Check the Contractor Training Qualification Name List before entering the site.
Where there is insufficient information about the contractor, the person is not allowed to enter.
For any questions, contact 51301 directly.

Please send the Construction Permit Application Form to the occupational safety office at least three days prior to complete the process.

The following information needs to be attached along with the contractor construction application:

1. Notice on the contractor designated labor health and safety management personnel.
2. Contractor Letter of Commitment to Abide by the Health and Safety Regulations.
3. Notice on the contractor construction safety process.
4. Contractor notice on hazards and construction process permit.
5. Contractor agreement on organizing meetings.
6. Labor insurance or other commercial insurance proof.
7. Provide a name list of the construction personnel for the labor safety to confirm personnel who can enter the factory.

Key Points in the Audit of Occupational Safety and Health

Monthly

- Patrol inspection for industrial safety (daily)
- Implementation of each automatic inspection list
- Occupational safety and health / General hazard education and training
- Ad-hoc nursing professional service

Quarterly

- Occupational safety and health committee meeting convening
- Testing of drinking water
- Ad-hoc physician service

Semi-annually

- Operational Environment Testing
- Emergency Response Practice and Training
- Reporting by the fire protection self-defense group
- Infrared detection

Yearly

- Execution of health protection plan (Abnormal load, maternal protection, ergonomic hazards, unlawful infringement)
- Several establishment and execution for occupational health and safety management
- Self-checks for occupational health and safety
- Annual employee health examinations

As needed

- Contractor management (To be filled out by contractors for entry application)
- Contracted ad-hoc entry management
- Investigation of accidental events
- Occupational safety license audit

5-5

Health Promotion



Employee Health Management

5-5-1

Employee health has always been a top priority for the company. We provide on-site healthcare services with nurses twice a month and a physician once every quarter. Both nurses and physicians are qualified through review processes and have completed the necessary reporting procedures on the “Labor Health Protection Information Network.” We also promote a smoke-free environment and organize various health promotion activities to encourage a healthy lifestyle among our employees.

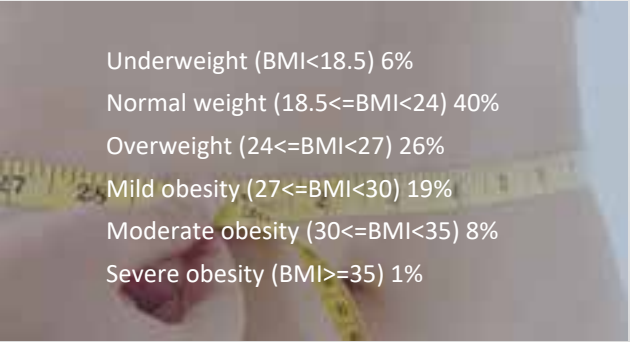
Employees Health Examination

In 2022, the company partnered with more than six accredited medical institutions specializing in “Labor Physical and Health Examination” to provide our employees with annual health check-ups, exceeding regulatory requirements, which demonstrates our caring for employee. We also conduct periodic health knowledge campaigns to promote medical concepts, empowering our employees to take charge of their own health. This creates a healthy work environment and atmosphere where our employees receive the best care. The analysis and follow-up of health check-up data further protect employee’s health, both directly and indirectly enhancing their productivity. We remain dedicated to our ongoing efforts to achieve the goal of a “healthy workplace.”



Health Campaign

On the company’s homepage, we share health campaign information in a dedicated column, allowing our colleagues to stay vigilant about their health at all times. This initiative ensures that even during off-work hours, employees can access relevant health information, ultimately enhancing their health literacy.



Healthcare

The company has set up a lactation room on the third floor to provide a comfortable space for nursing mothers to breastfeed while at work. We aim to support more mothers in their breastfeeding journey, allowing them to do so with ease and happiness in the workplace. This effort was awarded the title of “Breastfeeding-Friendly Workplace” by Hsinchu County. Meanwhile, we have also installed an AED (Automated External Defibrillator) to provide employee with an extra layer of reassurance, convenience and an emergency lifesaving device.





Epidemic Prevention Measure

5-5-2

Our epidemic prevention efforts primarily adhere to the government's published guidelines for ongoing business operations and directives from the group. We continuously adjust our internal epidemic prevention procedures in a roll planning method.

We categorize epidemic prevention operations into five major areas to assess the factory's epidemic prevention status.

Factory gate

- All employees undergo temperature check (35–37°C)
- Visitors/suppliers undergo temperature checks
- Complete a health declaration form
- Required to wear mask for entry

Environment disinfection and sterilization

- Disinfection of common areas
- Frequency 2 times/day

Health monitoring

- Daily temperature measurement
- Visitor/supplier rapid testing

Policy implementation

- Provide pandemic related information on bulletin board
- Use the Line group for epidemic prevention to communicate group-wide prevention message

Grid management

- We offer boxed lunches; employees dine at their individual seats.
- Smoking areas are segregated on each floor, maintain a 1.5-meter distance.
- Arrange checkerboard seating for meeting room

Factory gate

After the government announced the third-level alert, all employees are required to wear masks and have their temperature checked before entering the premises. All visitors and suppliers are not allowed to enter the factory. For meal services, group meals are delivered to a designated location, subsequently, a designated individual handles the delivery of meals after disinfecting and sterilizing the delivery elevator, and the meals are distributed on each floor by assigned personnel. For employees entering the factory at the entry area, there is a checkpoint where they have their temperature measured by security guards who wear protective gear. We have placed disinfection mats and alcohol dispensers at all entrances and exits. Additionally, in response to employee needs and to prevent contractors from entering the premises, vending machines have been relocated outdoors and now are designated for separate usage in specific zones.



Environment disinfection and sterilization

In addition to the twice-daily disinfection routine, we have placed alcohol spray dispensers and hand wipes in all meeting rooms, restrooms and common areas, ensuring that employees can access them at any time. Elevator usage is controlled by designated personnel and UV light fixtures have been installed for inter-floor document and item transfer. We conduct practical drills for potential confirmed cases or contacts, including footprint tracing, equipment adjustments, proper use of protective gear and route rehearsals.



Health monitoring

Maintain twice a day temperature measurement implemented by epidemic prevention team, weekly mobility tracking survey and footprint verification survey, messages are also posted on the bulletin board besides this group.



Policy implementation

In addition to the company's electronic and physical bulletin boards for announcing epidemic policies and promotions, we have established epidemic prevention groups using the LINE communication software. Each group consists of approximately 20–30 individuals to ensure the rapid dissemination of information.

CyberTAN Technology epidemic prevention groups with sub-teams: CyberTAN Technology prevention group (epidemic squads): each group consists of approximately 20-30 individuals

(1) Research and Development Department (2) Software Department (3) Hardware Department (4) SQA+RF (5) Management Department (6) ODM+pur-chasing (7) Chairman's Office

The role of epidemic squad: to trace every colleague's temperature, mobility tracking, epidemic promotion and dissemination of epidemic prevention measures and related matters



Grid management

Shut down the restaurant and restrict employees to having meals at their individual seats. The meals are distributed by assigned personnel who wears protective gear. We also control the distance between personnel and the speed of taking meals. After the escalation of the epidemic, we implemented floor-based office arrangements, utilizing different staircases and entrances/exits. Meeting were transitioned to online formats.



| Topic Disclosures | Disclosure index | Nature | Index Number | Report contents or explanation | Corresponding Chapter |
|------------------------------|--|-------------------------|--------------|---|-------------------------------------|
| Water Resources Management | (1) Total water intake and percentage of high water-stress regions (2) Total water consumption and percentage of high water-stress regions | Quantify | TC-ES-140a.1 | (1) Total water intake is 5,222 tons, the percentage sourced from high water-stress regions is 0% (2) Total water consumption is 5,052 tons, the percentage sourced from high water-stress regions is 0% | Water Resources Management P.49 |
| Waste Management | Ratio of hazardous waste generated and recycled in the manufacturing process | Quantify | TC-ES-150a.1 | Production of hazardous waste is 13.7 tons, and this recycling ratio is for the Hsinchu Science Park. The waste disposal and clearance rule of the Science Park categorizes our business nature as software research and development, thus rendering no calculable recycling ratio. | Waste management P.47 |
| Labor practice | (1) Shutdown frequency (2) Total idle days | Quantify | TC-ES-310a.1 | (1) No employee strikes or work stoppages occurred in 2022 (2) No idle days because of employee strikes or work stoppages occurred in 2022 | - |
| | (1) TRIR of full-time employees (2) NMFR of full-time employees | Quantify | TC-ES-320a.1 | (1) Total Recordable Incident Rate (TRIR) of full-time employees is 0 (2) Near Miss Frequency Rate (NMFR) of full-time employees is 0 *No contract employees | Occupational safety and health P.62 |
| Labor working conditions | (1) The percentage of factories that have completed RBA VAP audits and the high-risk ratio (2) The percentage of first-tier supplier factories that have completed RBA VAP audits and the high-risk ratio | Quantify | TC-ES-320a.2 | (1) The percentage of factories that have completed RBA VAP audits is 0% (it is confirmed that audits have been arranged for July, 2023) (2) The percentage of key electronic supplier factories that have completed RBA VAP audits is 34% and those listed as high-risk is 31%. | - |
| | (1) In the RBA VAP non-compliance rate, the ratio of priority non-compliance issues and other non-compliance issues occurring in both self and first-tier suppliers (2) The ratio of self and first-tier suppliers that have implemented RBA VAP corrective actions | Quantify | TC-ES-320a.3 | (1) It is confirmed that audits have been arranged for July, 2023. There is no ratio of non-compliance to corrective measures for self (2) The key electronic supplier factories account for 34%, while corrective measures are at 88% | - |
| Product lifecycle management | Percentage of recycling weight of discarded products and electronic waste | Quantify | TC-ES-410a.1 | In accordance with the Hsinchu Science Park waste management regulation, all products from CyberTAN Technology are required to be reported as scrap and recycled at a rate of 100% | Waste management P.47 |
| Materials purchasing | Describe risk management method of using critical materials | Discussion and analysis | TC-ES-440a.1 | According to client's requirement, 100% free of conflict minerals in use | Green Procurement P.38 |
| Activity index | Production site count | Quantify | TC-ES-000.A | CyberTAN Technology Hsinchu headquarters, Vietnam Tatung plant | |
| | Production facility area | Quantify | TC-ES-000.B | 25,489.4 m ² | |
| | Number of employees | Quantify | TC-ES-000.C | 905 personnel (June 17, 2023, include CyberTAN Technology, Taiwan, Vietnam, Chongqing, USA employees) | |

| | |
|---------------------------------|--|
| Statement of Use | CyberTAN Technology published its 2022 Sustainability Report complying with the GRI Standard. The data information period is between January 1, 2022 to December 31, 2022. |
| Version used | GRI 1: Foundation 2021 |
| Applicable GRI Sector Standards | None |

GRI2 General Disclosure 2021 (1)

| GRI Standards | Disclosure Item | Corresponding Chapter | Report contents or explanation | Page number |
|-------------------------------------|--|---|--------------------------------|-------------|
| Organization and reporting practice | | | | |
| 2-1 | Detail organization information | About the Sustainability Report | | 3 |
| | | 1-1 Company Overview | | 6 |
| 2-2 | Entities included in the organization's sustainability reporting. | About the Sustainability Report | | 3 |
| 2-3 | Reporting period, frequency and contact person | About the Sustainability Report | | 3 |
| 2-4 | Restatements of information | About the Sustainability Report | No restatements of information | 3 |
| 2-5 | External verification/assurance | About the Sustainability Report | No third-party assurance | 3 |
| Activities and workers | | | | |
| 2-6 | Activities, value chain and other. | 1-1 Company Overview | | 3 |
| 2-7 | Employees | 5-1 Talent Resources | | 56 |
| 2-8 | Non-employee worker | 5-1 Talent Resources | | 56 |
| Governance | | | | |
| 2-9 | Governance structure and composition | 3-1 Functions of the Board of Directors | | 25 |
| | | 1-2 Organization Structure | | 8 |
| 2-10 | Nomination and selection of the top governance unit. | 3-1 Functions of the Board of Directors | | 25 |
| 2-11 | Chairperson of the top governance unit. | 3-1 Functions of the Board of Directors | | 25 |
| 2-12 | The role of the top governance unit in monitoring impact management. | 3-1 Functions of the Board of Directors | | 25 |
| | | 1-2 Organization Structure | | 8 |
| 2-13 | Responsible person for impact management. | 3-1 Functions of the Board of Directors | | 25 |
| | | 1-2 Organization Structure | | 8 |
| 2-14 | The role of the top governance unit in sustainability reporting. | 3-1 Functions of the Board of Directors | | 25 |
| | | 1-2 Organization Structure | | 8 |
| 2-15 | Conflicts of interests | 3-1 Functions of the Board of Directors | | 25 |
| 2-16 | Communicate on key material events. | 3-1 Functions of the Board of Directors | | 25 |
| 2-17 | Group knowledge of the top governance unit. | 3-1 Functions of the Board of Directors | | 25 |
| 2-18 | Performance evaluation of the top governance unit. | 3-1 Functions of the Board of Directors | | 26 |
| 2-19 | Remuneration policy | 5-2 Salary and Welfare Policy | | 57 |
| 2-20 | Remuneration decision procedures | 5-2 Salary and Welfare Policy | | 57 |
| 2-21 | Annual Total Compensation Ratio | 5-2 Salary and Welfare Policy | | 57 |

GRI2 General Disclosure 2021 (2)

| GRI Standards | Disclosure Item | Corresponding Chapter | Report contents or explanation | Page number |
|-------------------------------|---|---|---|---------------------------------|
| Strategy, Policy and Practice | | | | |
| 2-22 | Sustainability development strategy statement | A Report to the Stakeholders | | 4 7 |
| 2-23 | Policy commitment | 1-2 Organization Structure – Ethical Business Practices 5-1 Talent Resources 5-2 Salary and Welfare Policy 5-3 Talent Recruitment and Appointment | | 9 56 57 60, 61 |
| 2-24 | Incorporate policy commitment | 1-2 Organization Structure – Ethical Business Practices 5-1 Talent Resources 5-2 Salary and Welfare Policy 5-3 Talent Recruitment and Appointment | | 9 56 57 60, 61 |
| 2-25 | Remediation procedure for negative impact | 3-3 Risk Assessment | | 31 |
| 2-26 | Mechanism for seeking advice and reporting concerns | 3-3 Risk Assessment 2-1 Stakeholder Identification and Communications | | 31 17, 18, 19 |
| 2-27 | Legal Compliance | 1-2 Organization Structure – Ethical Business Practices 1-4 Operational Performance – Respect Market Mechanism 1-4 Operational Performance – Tax Policy 3-2 Legal Compliance and Audit 4-1 Environmental management 5-4 Occupational Safety and Health | | 9 14 15 29 42 63 |
| 2-28 | Membership of associations | 3-1 Functions of Board of Directors – Participation of Guild and Association | | 28 |
| Stakeholder engagement | | | | |
| 2-29 | Stakeholder engagement approach | 2-1 Stakeholder Identification and Communications | | 17, 18, 19 |
| 2-30 | Collective bargaining agreement | None | No negotiation agreement has been signed with a union or collective | - |

GRI3 Material Topic 2021

| GRI Standards | Disclosure Item | Corresponding Chapter | Report contents or explanation | Page number |
|---------------------------|--|---------------------------------------|--|-------------|
| Material topic disclosure | | | | |
| 3-1 | Identification process of material topic | 2-2 Identification of material topics | Identification process description | 20, 21 |
| 3-2 | List of material topic | 2-3 Response to material topic | List of material topic and boundary identification | 21, 22, 23 |
| 3-3 | Management of material topic | 2-3 Response to material topic | | 21, 22, 23 |

GRI 200 Economic Topics

| GRI Standards | Disclosure Item | Corresponding Chapter | Report contents or explanation | Page number |
|--|--|-------------------------------|---|----------------|
| GRI 201 Corporate Governance 2016 | | | | |
| 201-1 | Direct economic value generated and distributed | 1-4 Operational Performance | Corresponding material topic – Corporate governance Please refer to the 2022 annual report and financial statements for complete financial information. | 13 |
| 201-2 | Financial impacts and other risks and opportunities arising from climate change | 4-4 Climate Change | Corresponding material topic – Corporate governance | 51, 52, 53, 54 |
| 201-3 | Defined benefit plan obligations and other retirement plans | 5-2 Salary and Welfare Policy | Corresponding material topic – Remuneration and Welfare Corresponding material topic – Talent recruitment and appointment Corresponding material topic – Corporate governance | 59 |
| 201-4 | Financial assistance received from government | 1-4 Operational Performance | Corresponding material topic – Corporate governance | 15 |
| GRI 202 Market presence 2016 | | | | |
| 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation | No relevant information | Expecting to include overseas business locations disclosure in 2023. | |
| 202-2 | Proportion of senior management hired from the local community at significant locations of operation | No relevant information | Expecting to include overseas business locations disclosure in 2023. | |
| GRI 203 Indirect economic impacts 2016 | | | | |
| 203-1 | Developments and impacts of investments in basic facilities and support services | No relevant information | Expecting to include overseas business locations disclosure in 2023. | |
| 203-2 | Significant indirect economic impact | No relevant information | Expecting to include overseas business locations disclosure in 2023. | |
| GRI 204 Procurement practices 2016 | | | | |
| 204-1 | Percentage of procurement expenditures from local suppliers | 3-6 Supplier Management | Corresponding material topic – Sustainable Supply Chain Management | 38 |
| GRI 205 Anti-corruption 2016 | | | | |
| 205-1 | Operations assessed for risks related to corruption | 1-2 Organization Structure | Ethical Management | 9 |
| 205-2 | Communication and training on anti-corruption policies and procedures | 1-2 Organization Structure | Ethical Management | 9 |
| 205-3 | Confirmed incidents of corruption and actions taken | No relevant information | No occurrence of corruption events. | |
| GRI 206 Anti-competitive behavior 2016 | | | | |
| 206-1 | Legal actions involving anti-competitive behavior, anti-trust and monopoly practice. | 1-4 Operational Performance | Respect Market Mechanism | 14 |
| GRI 207 Tax 2019 | | | | |
| 207-1 | Tax guidelines | 1-4 Operational Performance | Tax Policy | 15 |
| 207-2 | Tax governance, control and risk management | No relevant information | Expected for disclosure in 2023 | |
| 207-3 | Stakeholder communications and management for tax-related topics | No relevant information | | |
| 207-4 | Reports by country | No relevant information | | |

GRI 300 Environmental Topics

| GRI Standards | Disclosure Item | Corresponding Chapter | Report contents or explanation | Page number |
|--|--|-------------------------------------|---|-------------|
| GRI 302 Energy 2016 | | | | |
| 302-1 | Energy consumption within the organization | 4-2 Energy Management and Reduction | Corresponding material topic – Energy management | 46 |
| 302-2 | Energy consumption outside of the organization | No relevant information | Corresponding material topic – Energy management | |
| 302-3 | Energy intensity | No relevant information | Corresponding material topic – Energy management | |
| 302-4 | Reduction of energy consumption | 4-2 Energy Management and Reduction | Corresponding material topic – Energy management Corresponding material topic – Energy saving and carbon reduction outcomes | 46 |
| 302-5 | Reductions in energy requirements of products and services | No relevant information | Corresponding material topic – Energy management Corresponding material topic – Energy saving and carbon reduction outcomes | |
| GRI 303 Water and effluents 2018 | | | | |
| 303-1 | Interactions with water as a shared resource | 4-3 Water Resources Management | Corresponding material topic – Water resources management | 49 |
| 303-2 | Management of water discharge-related impacts | No relevant information | Corresponding material topic – Water resources management | |
| 303-3 | Water withdrawal | SASB Standard Comparison Table | Corresponding material topic – Water resources management | 69 |
| 303-4 | Water discharge | No relevant information | Corresponding material topic – Water resources management | |
| 303-5 | Water consumption | SASB Standard Comparison Table | Corresponding material topic – Water resources management | 69 |
| GRI 305 Emissions 2016 | | | | |
| 305-1 | Direct (Scope 1) GHG emissions | 4-2 Energy Management and Reduction | Corresponding material topic – Energy saving and carbon reduction outcomes | 45 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | 4-2 Energy Management and Reduction | Corresponding material topic – Energy saving and carbon reduction outcomes | 45 |
| 305-3 | Other indirect (Scope 3) GHG emissions | No relevant information | Corresponding material topic – Energy saving and carbon reduction outcomes | |
| 305-4 | GHG emissions intensity | No relevant information | Corresponding material topic – Energy saving and carbon reduction outcomes | |
| 305-5 | Reduction of GHG emissions | 4-2 Energy Management and Reduction | Corresponding material topic – Energy saving and carbon reduction outcomes | 46 |
| 305-6 | Emissions of ozone-depleting substances (ODS) | No relevant information | Corresponding material topic – Energy saving and carbon reduction outcomes | |
| 305-7 | Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions. | No relevant information | Corresponding material topic – Energy saving and carbon reduction outcomes | |
| GRI 308 Supplier Environmental Assessment 2016 | | | | |
| 308-1 | New suppliers that were screened using environmental criteria | 3-6 Supplier Management | Corresponding material topic – Sustainable Supply Chain Management Corresponding material topic – Innovative research and development and green products | 39, 40 |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | 3-6 Supplier Management | Corresponding material topic – Sustainable Supply Chain Management Corresponding material topic – Innovative research and development and green products | 39, 40 |

GRI 400 Social Topics (1)

| GRI Standards | Disclosure Item | Corresponding Chapter | Report contents or explanation | Page number |
|--|--|---|---|-------------|
| GRI 401 Employment 2016 | | | | |
| 401-1 | New employee hires and employee turnover | 5-1 Talent Resources | Corresponding material topic – Talent recruitment and appointment | 56, 61 |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 5-2 Salary and Welfare Policy | Corresponding material topic – Remuneration and Welfare | 58 |
| 401-3 | Parental leave | 5-2 Salary and Welfare Policy | Corresponding material topic – Remuneration and Welfare | 59 |
| GRI 402 Labor–Management Relations 2016 | | | | |
| 402-1 | Minimum notice periods regarding operational changes | 5-3 Talent Recruitment and Appointment | Corresponding material topic – Talent recruitment and appointment | 61 |
| GRI 403 Occupational Safety and Health 2018 | | | | |
| 403-1 | Occupational safety and health management system | 5-4 Occupational Safety and Health | Corresponding material topic – Occupational health and safety | 62 |
| 403-2 | Hazard identification, risk assessment, and incident investigation | 5-4 Occupational Safety and Health | Corresponding material topic – Occupational health and safety | 62 |
| 403-3 | Occupational health services | 5-4 Occupational Safety and Health | Corresponding material topic – Occupational health and safety | 62 |
| 403-4 | Worker participation, consultation, and communication on occupational safety and health. | 5-4 Occupational Safety and Health | Corresponding material topic – Occupational health and safety | 62 |
| 403-5 | Worker training on occupational safety and health. | 5-4 Occupational Safety and Health | Corresponding material topic – Occupational health and safety | 63 |
| 403-6 | Promotion of worker health | 5-5 Health Promotion | Corresponding material topic – Occupational health and safety | 65 |
| 403-7 | Prevention and mitigation of occupational safety and health impacts directly linked by business relationships. | No relevant information | Corresponding material topic – Occupational health and safety | |
| 403-8 | Workers covered by an occupational safety and health management system. | 5-4 Occupational Safety and Health | Corresponding material topic – Occupational health and safety | 62 |
| 403-9 | Work-related injuries | 5-4 Occupational Safety and Health | Corresponding material topic – Occupational health and safety | 63 |
| 403-10 | Work-related ill health | 5-5 Health Promotion | Corresponding material topic – Occupational health and safety | 65, 66 |
| GRI 405 Diversity and Equal Opportunity 2016 | | | | |
| 405-1 | Diversity of governance bodies and employees | 3-1 Functions of the Board of Directors (Including Board Members) | Corresponding material topic – Talent recruitment and appointment | 24 |
| | | 5-1 Talent Resources | | 55 |
| 405-2 | Ratio of basic salary and remuneration of women to men | No relevant information | Corresponding material topic – Talent recruitment and appointment | |

GRI 400 Social Topics (2)

| GRI Standards | Disclosure Item | Corresponding Chapter | Report contents or explanation | Page number |
|---|---|--|---|-------------|
| GRI 305 Non-discrimination 2016 | | | | |
| 406-1 | Incidents of discrimination and corrective actions taken | 5-3 Talent Recruitment and Appointment | Corresponding material topic – Talent recruitment and appointment | 60 |
| GRI 408 Child Labor 2016 | | | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | 5-1 Talent Resources | Corresponding material topic – Talent recruitment and appointment | 56 |
| GRI 409 Forced or Compulsory Labor 2016 | | | | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 5-1 Talent Resources | Corresponding material topic – Talent recruitment and appointment | 56 |
| GRI 410 Security Practices 2016 | | | | |
| 410-1 | Security personnel trained in human rights policies or procedures | 5-4 Occupational Safety and Health | Corresponding material topic – Occupational health and safety | 64 |
| GRI 414 Supplier Social Assessment 2016 | | | | |
| 414-1 | New suppliers that were screened using social criteria | 3-6 Supplier Management | Corresponding material topic – Sustainable Supply Chain Management | 40 |
| 414-2 | Negative social impacts in the supply chain and actions taken | 3-6 Supplier Management | Corresponding material topic – Sustainable Supply Chain Management | 40 |
| GRI 416 Customer Health and Safety 2016 | | | | |
| 416-1 | Assessment of the health and safety impacts of product and service categories | 4-1 Environmental management | Corresponding material topic – Environmental Topics | 44 |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | 4-1 Environmental management | Corresponding material topic – Environmental Topics | 45 |
| GRI 417 Marketing and Labeling 2016 | | | | |
| 417-1 | Requirements for product and service information and labeling | 3-4 Quality Management | Corresponding material topic – Innovative research and development and green products | 33 |
| 417-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | 4-1 Environmental management | Corresponding material topic – Innovative research and development and green products | 43 |
| 417-3 | Incidents of non-compliance concerning marketing communications | 3-3 Risk Assessment | Corresponding material topic – Corporate governance | 32 |
| GRI 418 Customer Privacy 2016 | | | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 3-5 Information Security | Corresponding material topic – Corporate governance | 34, 35, 36 |
| GRI 419 Socioeconomic Compliance 2016 | | | | |
| 419-1 | Non-compliance with laws and regulations in the social and economic area | 3-3 Risk Assessment | Corresponding material topic – Corporate governance | 32 |

Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies – Sustainable disclosure indicators for the telecommunications and networking industry

| No. | Disclosure Item | Corresponding Chapter | Description | Page number |
|-----|--|---------------------------------|---|-------------|
| 1 | Total energy consumption, percentage of purchased electricity and renewable energy usage rate | Energy Management and Reduction | | 47 |
| 2 | Total water intake and total water consumption | Water Resources Management | (1) Total water intake is 5,222 tons, the percentage sourced from high water-stress regions is 0% (2) Total water consumption is 5,052 tons, the percentage sourced from high water-stress regions is 0% | 50 |
| 3 | The weight and recycling percentage of produced hazardous waste | Waste Management | Production of hazardous waste is 13.7 tons, and this recycling ratio is for the Hsinchu Science Park. The waste disposal and clearance rule of the Science Park categorizes our business nature as software research and development, thus rendering no calculable recycling ratio. | 48 |
| 4 | Explanation of occupational accident categories, number of incidents and rates | Occupational Safety and Health | | 62 |
| 5 | Product lifecycle management disclosure: weight of scrapped product and electronic waste and percentage of recycle | Waste Management | In accordance with the Hsinchu Science Park waste management regulation, all products from CyberTAN Technology are required to be reported as scrap and recycled at a rate of 100% | 48 |
| 6 | Describe risk management method of using critical materials | Green Procurement | According to client's requirement, 100% free of conflict minerals in use | 39 |
| 7 | Total monetary losses incurred due to legal lawsuits related to anti-competitive practices regulations (note 1) | Respect Market Mechanism | None | 14 |
| 8 | Production volume of major products by product category | Annual Report | Please refer to the Production Volume and Value table in 2022 annual report of CyberTAN Technology, Inc., page 77 | |

Note 1: Including the sale of scrap materials or other recycling processes, additional relevant explanations should be provided.

Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies – Listed Companies Should Disclose Climate-Related Information in a Dedicated Section

| No. | Disclosure Item | Corresponding Chapter | Page number |
|---|--|-----------------------|-------------|
| The risks and opportunities posed by climate change to the company, and the relevant mitigation measures adopted by the company | | | |
| 1 | Describe the board of directors and management's supervision and governance of climate-related risks and opportunities. | Climate Change | 51 |
| 2 | Describe how identified climate risks and opportunities affect the company's business, strategy and finance (short term, medium term and long term). | Climate Change | 51 |
| 3 | Describe the financial impact of extreme weather events and transition actions. | Climate Change | 51 |
| 4 | Describe how to integrate identification, evaluation and management process of climate risk in risk management system. | Climate Change | 51 |
| 5 | If using scenario analysis to assess resilience to climate change risks, provide details of the scenarios, parameters, assumptions, analysis factors and key financial impacts. | Not applicable | |
| 6 | If there is a transformation plan for managing climate-related risks, provide an explanation of the plan's contents and the indicators and objectives used to identify and manage physical and transition risks. | Not applicable | |
| 7 | If using internal carbon pricing as planning instrument, provide an explanation of the basis of price setting. | Not applicable | |
| 8 | If climate-related targets are established, provide information on the covered activities, greenhouse gas emission scopes, planning timeline, annual progress. If carbon offsets or renewable energy certificates (RECs) are used to attain related goals, provide details on the source or quantity of carbon offsets used or the number of renewable energy certificates (RECs) applied for emissions reduction. | Not applicable | |
| 9 | Inventory and assurance of greenhouse gas (fill in at 1-1) | Not applicable | |



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