

2022 Sustainability Report





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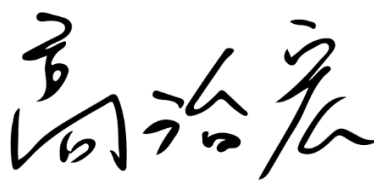
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Address from the Chairman



Wendell adheres to a core tenet of creating a safe, stable and energy-saving electronic product application environment for the human race, which is fully incorporated into the concept of sustainable development (ESG). As a member of the Earth, Wendell has established a Sustainable Development Committee in 2023 before the competent authority requires it. The members of this committee comprise the management team, and assume the responsibility of assisting customers in completing each test to ensure the safe use of products, providing support for debugging, making the product operation more efficient, and even awarding energy-saving related labels, etc. Wendell has already completely combined its management philosophy with ESG concept, and has done a lot more than simply reducing carbon emissions to protect the planet. Wendell has always been assisting customers in bettering the product operation efficiency, enhancing safety and service life, and accelerating customers' development of energy-saving and carbon-reducing products. This has become a part of Wendell's daily work.

Looking into the future, Wendell will continue to practice the concept of "Treating employees like family", and keep improving its sustainable development on the basis of complete corporate governance. In addition to addressing issues like Net-Zero emissions, circular economy, environmental education, labor human rights, occupational safety and corporate governance, we will also expand the entire supply chain and become a sustainable company that cares for and pays back to society. We will continue to maintain favorable interaction with our stakeholders including colleagues, customers, suppliers, investors, government agencies and public welfare legal persons, and work together to pursue win-win and mutually prosperous sustainability goals and create a better future for the next generation.

Chairman:  Kao, Chih-Hung

About This Report

Scope and Principles

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

The information disclosure period in this Report started from January 1, 2022 and ended on December 31, 2022. Given that this Report is the first sustainability report prepared by Wendell, restatements of information are not involved. However, to ensure the integrity of the performance of related projects and activities, some contents hereof will cover the information and data in 2021 and 2022.

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

Principle of Preparation

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

Overview of Publication

This Report is the first sustainability report prepared by Wendell. The Company will regularly publish "Sustainability Report" for each coming year.

- Current edition: To be published in September 2023.

Contact Information

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

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1. Sustainable Development

1.1 About Wendell

Company Profile

Profile of Wendell Industrial Co., Ltd.	
Name	Wendell Industrial Co., Ltd.
Time of incorporation	1979
Market	TPEX
Industry	Electronic component industry
Capital	NT\$ 239 million
Location of the headquarters	6F/6F-1, No. 188, Baoqiao Rd., Xindian District, New Taipei City
Website	https://www.wendell.com.tw/



Table of Shareholding Structure		
Shareholder	Shares held	Cut-off date: July 18, 2022
		Shareholding ratio (%)
Investment by financial institutions in Taiwan	5,000	0.02
Investment of corporate juridical persons in Taiwan	12,684,081	53.05
Investment by other corporate bodies in Taiwan	1,071	-
Investment by overseas securities investment trust funds	168,000	0.70
Investment by natural persons in Taiwan	10,851,684	45.39
Investment by overseas natural persons	198,677	0.83

The Company is a provider of complete EMC (Electromagnetic Compatibility) and line protection solutions in the electronic component industry. Different from general electronic component suppliers and certification service vendors, Wendell provides complete one-stop services, integrates the sales of components, assigns engineers to assist debugging, and offers EMC, RF and safety certifications, so that our customers can greatly shorten the time needed for product certification and marketing. We sell products to approximately 20

countries and regions, including Taiwan, Central China, East China and North China in the Chinese mainland, Japan, South Korea, Singapore, Thailand, Vietnam, Australia, etc.

As of 2022, Wendell has cooperated with partners distributed in regions including the Chinese mainland, South Korea, Japan and Singapore, and it owns 8 reinvested enterprises in Taiwan and abroad. The Company mainly promotes EMC one-stop procurement services, and cultivates long-term partnership with customers based on the service spirit of “A Team of Customer Orientation”. Furthermore, Wendell expands the global layout of laboratory platform and continues to develop test items for laboratory certification, so as to improve the breadth and depth of customer services through cooperation with overseas laboratories.

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

Diagram of Upstream, Midstream and Downstream Supply Chains of Wendell

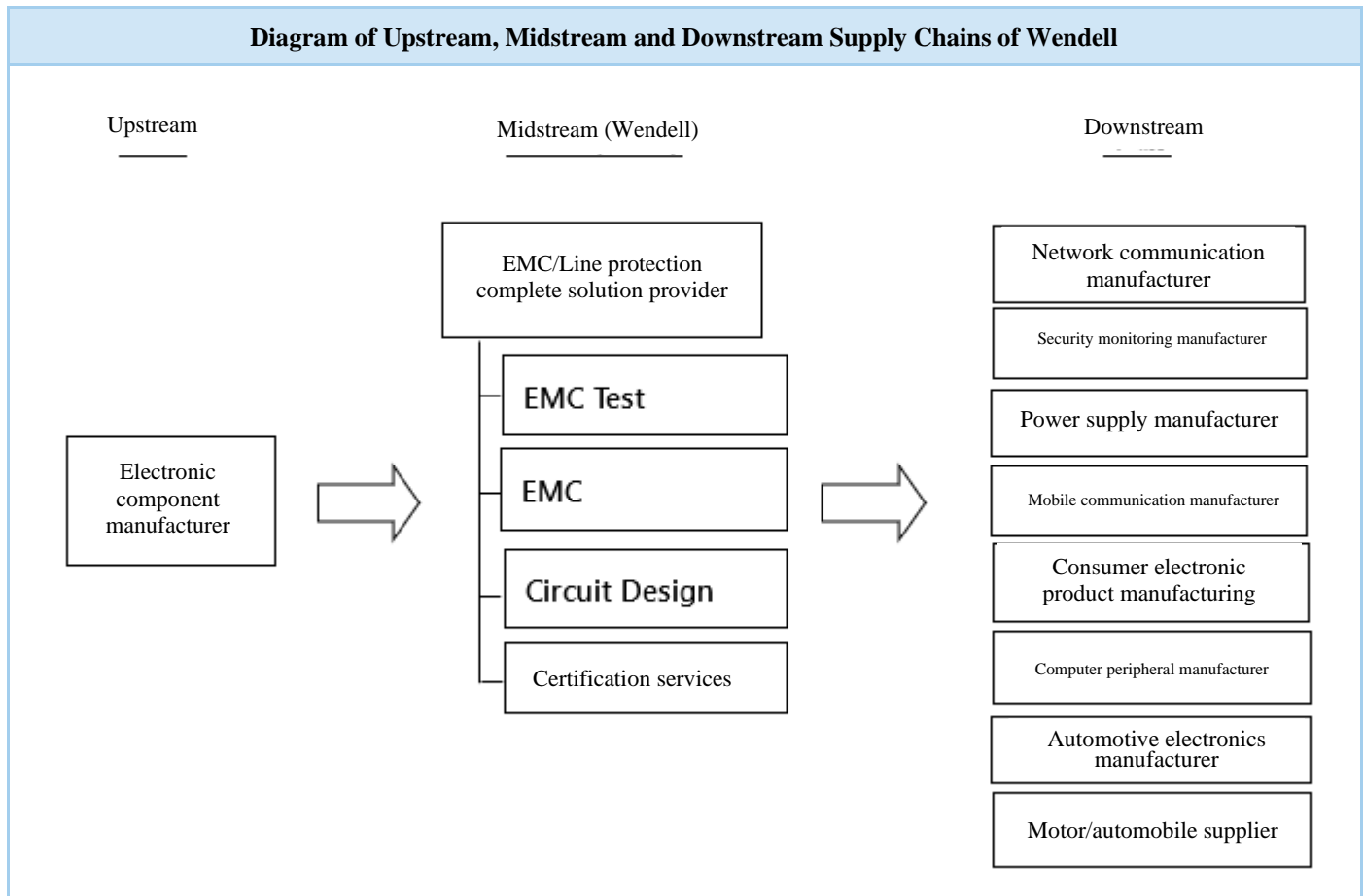
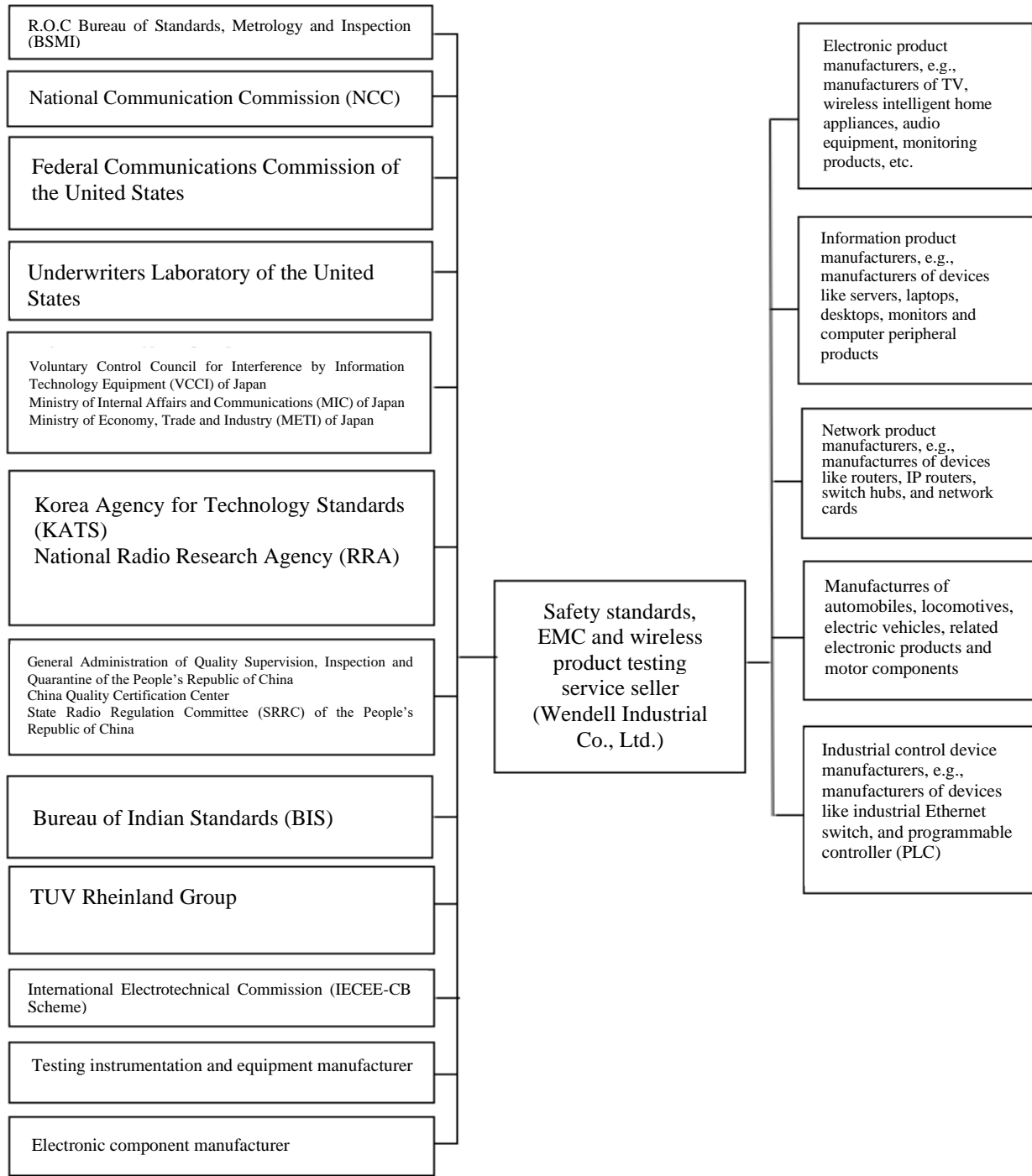


Diagram of Upstream, Midstream and Downstream Relations of Vendors of ECM, Safety and RF Testing Services and Component Sales



Products or services of the Company

Product or service	Regions of sales	Type of customer	Sales volume (Unit: 1,000PCS)
Protection Devices	Taiwan and Asia	Provider of computer components	866,918
Magnetics (EMI Devices)		Provider of computer components	107,785
Trimmer potentiometer		Provider of computer components	72,926
Modular products		Provider of computer components	102

1.2 Sustainability Commitments

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

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

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



1.3 Stakeholder Engagement

In 2022, Wendell listed a total of 8 categories of stakeholders with priority, i.e., shareholders and other investors, customers, suppliers (or contractors/outsourcers), employees and other workers, financial institutions, government, social welfare organization, academic and industry-university cooperation units.

Communicating Channels for Stakeholders

Stakeholder	Significance of stakeholder for the Company	Communicating channels	Frequency	Communication effect
Shareholders and other investors/Financial institutions	Shareholders and investors have recognized the management philosophy and guidelines of Wendell for a long term. Financial institutions are indispensable partners for the flexible application of working capital. Wendell promotes the exclusive EMC one-stop integration services in the market, endeavors to acquire stable profits and return on investment for shareholders and other investors, and implements corporate sustainable management.	<ul style="list-style-type: none"> ● Board of Directors and Audit Committee ● Remuneration Committee ● Regular Shareholders' Meeting ● Investor conference ● Dedicated line for investors/Mailbox ● Spokesperson system ● MOPS ● Annual report ● Financial reports ● Bank credit ● Official website of the Company and dedicated zone for investors 	<ul style="list-style-type: none"> ● At least once per quarter ● At least twice per year ● At least once per year ● At least once per year ● Immediate ● Immediate ● Immediate/Irregular ● Once per year ● Four times per year ● Once per year ● Immediate/Irregular 	<ul style="list-style-type: none"> ● In 2022, 7 meetings of the Audit Committee, 8 meetings of the Board of Directors, 4 meetings of the Remuneration Committee, and 1 meeting of regular Shareholders' Meeting were held. ● The Company announced monthly revenue for 12 times, and released 35 major messages on MOPS. ● In 2022, the Company published 1 annual report and 4 financial reports. ● Reply to the questions raised by investors immediately. ● Update the official website and dedicated zone for investors at any time. ● Sign credit limit contracts with banks.
Customers	Customers are not only the source of the Company's main revenue but also the source of needs for product development and technical support. We will continue to provide innovative product and high-quality platform services, dedicate to becoming a partner trusted by customers, and guarantee to join hands with customers in a definite path of sustainability that complies with the market demand.	<ul style="list-style-type: none"> ● E-mail/Dedicated telephone line/Visit ● Communication software ● Meeting ● Seminar ● Customer satisfaction survey 	<ul style="list-style-type: none"> ● Immediate/Irregular /Every 2-3 days or weekly ● Immediate/Irregular ● Irregular ● 1-2 times/year ● Once per half a year 	<ul style="list-style-type: none"> ● The Company has established a full-time department to provide customer services. ● Learn about the score and deepen customers' stickiness through customer satisfaction/supplier audit of customers/general meeting of suppliers of customers. ● Enable customers to obtain the explanations for the questions raised within the short time through the quality system of Wendell. ● Conduct regular customer satisfaction survey every year. The result of customer satisfaction survey of the Company in 2022 was



Stakeholder	Significance of stakeholder for the Company	Communicating channels	Frequency	Communication effect
Suppliers (or contractors/outsourcers)	They are the business partners of the Company. We need to cooperate closely with suppliers in terms of product quality, production and technical management, and after-sales services, for the purpose of establishing a developing sustainable supply chain. Besides, the appraisal and review of suppliers are an important process that benefits the establishment of a mutually beneficial model.	<ul style="list-style-type: none"> E-mail/ Telephone/Visit Vendor appraisal form 	<ul style="list-style-type: none"> Irregular/Every 2-3 days or weekly Once per half a year 	<p>higher than the indicator of "Satisfied".</p> <ul style="list-style-type: none"> Require the suppliers to abide by the Company's quality code as well as requirements addressing the issues of hazardous environmental substances and sustainable development according to QMS Supplier Selection Measures of the Company. The Company immediately discusses and negotiates relevant solutions with suppliers who do not comply with the provisions, so as to properly manage and improve the problems. The quantity of cooperative materials may be added if the score in the vendor appraisal form is high.
Employees and other workers	Employees are the most important assets valued by Wendell as well as a key to our successful operation. Employees may be fully cared for and concerned and grow vigorously together with the Company only when we provide them with a friendly employment environment, improve our systems, abide by laws, regulations and rules, and care for employees physically and mentally as appropriate, so as to realize the goal of attracting more professional talents. In addition, talent cultivation is also a goal we are exerting continual efforts for.	<ul style="list-style-type: none"> Welfare Committee meeting Labor-management/Occupational safety meetings Performance assessment and feedback of suggestions Onsite services Family Day/Employee tourism Employee health examination/Health consulting Appeal mailbox/Dedicated appeal line/Internal publicity channel 	<ul style="list-style-type: none"> 1~2 times/quarter Once per quarter Once per half a quarter Once per month Once per year Once per year/Irregular Immediate 	<ul style="list-style-type: none"> In 2022, the Company held 4 labor-management meetings/Welfare Committee meetings, conducted 2 times of employee performance assessment, 1 time of employee health examination, 5 times of health consulting by physicians and nurse practitioners, and 24 times of onsite services, handled 25 cases of employees' suggestions in a real-time way, and organized Family Day and employee tourism once, and 52 times of internal real-time advocacy and announcement.
Government	Wendell is employee-oriented. When any circumstance occurs, we guarantee to prioritize the compliance with laws and regulations and the	<ul style="list-style-type: none"> Telephone/E-mail/Letter 	<ul style="list-style-type: none"> Immediate/Irregular 	<ul style="list-style-type: none"> We have already learned relevant regulations in doubt after communicating with relevant units. Wendell was not involved in any labor-

Stakeholder	Significance of stakeholder for the Company	Communicating channels	Frequency	Communication effect
	<p>safeguarding of employees' interests. If employees' interests are harmed, we will immediately manage to minimize the damages. In addition to the compliance with relevant regulations, the Company also conducts two-way communication with the competent authority.</p>			<p>management dispute as of 2022.</p>
<p>Social welfare organizations</p>	<p>Since its establishment, Wendell has not only focused on the growth and development of its main business, but also adhered to the concept of "Taking from society and using for society", in the hope that we can become an excellent corporate citizen and give back to children and the elderly in need to spread the seeds of care.</p>	<ul style="list-style-type: none"> ● Telephone/E-mail ● Card writing 	<ul style="list-style-type: none"> ● Irregular ● Twice per year 	<ul style="list-style-type: none"> ● Encourage children adopted positively in their daily and academic lives, and the children will also share their recent conditions with us.
<p>Academic and industry-university cooperation units</p>	<p>People are the most important assets of Wendell. We hope that more young students can be recommended by schools to apply the knowledge they have learned in practice through industry-university cooperation. Besides, we will help them find their interest as early as possible and expect that they will develop more creative ideas. Hopefully, these young students can get a stable job before graduation, and the employment rate of society can be improved.</p>	<ul style="list-style-type: none"> ● Telephone/E-mail ● Conversion 	<ul style="list-style-type: none"> ● Real-time ● Once every 2 months 	<ul style="list-style-type: none"> ● The Company has established full-time department and laboratory factories to provide teaching services. ● In the recent 5 years, the Company has hired a total of 15 interns from different universities, including 12 from Lunghwa University of Science and Technology, 1 from Takming University of Science & Technology, 1 from Tungnan University, and 1 from National Taiwan University of Science and Technology respectively. After graduation, 10 of them stayed with us, presenting a retention rate of 67%.

1.4 Identifying Material Topics

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

The material topics were identified specifically in four stages:

I. Understanding the organization	A total of 35 sustainability topics have been summarized with reference to GRI Standards and SASB Standards
II. Identifying actual and potential impacts	The representatives of the Company, department supervisors, and external experts gave scores in accordance with the actual or potential negative and positive impacts of each topic on economy, environment, and society (mankind and human rights), and then added up and sorted the actual negative impact, potential negative impact, actual positive impact and potential positive impact of each topic on economy, environment, and society (mankind and human rights). Finally, 10 topics had a total score above 30 points.
III. Assessing the significance of impacts	After engaging stakeholders, the representatives of the Company and department supervisors held meetings to discuss with external experts. The extent and possibility of significance of the impacts of the topics were explored, and 10 topics were finally selected as material topics of the Company.
IV. Determining the reporting priority of the most significant impact	According to the analysis results of material sustainability topics, the representatives of the Company and department supervisors conducted comprehensive assessment with external experts based on the nature of the topics, and finally concluded and combined one economic topic, three environmental topics and five social topics (mankind and human rights) into 8 material topics. The material topics have been successively arranged in each section of this Report for disclosure.

8 material topics identified by the Company are “Economic Performance”, “Employee Health & Safety”, “Recruiting & Managing a Global & Skilled Workforce”, “Environmental Sustainability (Greenhouse Gas Emission/Energy Management in Manufacturing)”, “Water Resource Management”, “Product Lifecycle Management”, “Raw Material Traceability”, “Intellectual Property Protection & Competitive Behavior” and “Waste Management”.

Identified Material Topics

Identified material topics					
Material topics					
1 Economic Performance	2 Employee Health & Safety	3 Recruiting & Managing a Global & Skilled Workforce	4 Environmental Sustainability (Greenhouse Gas Emission/Energy Management in Manufacturing)	5 Water Resource Management	6 Product Lifecycle Management
7 Raw Material Traceability	8 Intellectual Property Protection & Competitive Behavior				
Secondary topics					
9 Market Presence	10 Indirect Economic Impacts	11 Procurement Practice	12 Anti-corruption	13 Anti-competitive Behavior	14 Tax
15 Biodiversity	16 Waste	17 Supplier Environmental Assessment	18 Employment	19 Labor/Management Relations	20 Occupational Health and Safety
21 Training and Education	22 Diversity and Equal Opportunity	23 Non-discrimination	24 Freedom of Association and Collective Bargaining	25 Child Labor	26 Forced or Compulsory Labor
27 Preservation Practice	28 Indigenous People's Rights	29 Local Communities	30 Supplier Social Assessment	31 Public Policies	32 Customer Health and Safety
33 Marketing and Labeling	34 Customer Privacy				



List of Material Topics

Material topic	Description of policies or commitments related to the organization and material topics	Description of impacts	Main objects impacted	Preventive or remedial measures to address negative impacts	Targets and objects	Corresponding section
Economic Performance (GRI 201)	To pursue good financial performance, definite data objectives are adopted as operation approach and the responsibilities of each department for the management by objectives are divided to seek long-term, stable and higher economic value.	Economy- Actual/positive and negative impacts: The budget impacts financial and economic performance and directly impacts the stakeholders' interests.	Direct impact: Shareholders and other investors and employees	If a major change reaches 10% and above upon execution of the budget, the reason shall be described and analyzed; if the budget is corrected, the preparation of the budget shall be in line with the annual budget procedures, and shall be submitted to the board of directors for review before execution.	Effectively control the cost, master each expense, and coordinate the principles regarding receipts and payments as well as profit objectives, to realize the best operation performance.	2. Corporate Governance
Employee Health & Safety (Self-determined topic)	Provide treatment that is superior to standards specified in the Labor Standards Act, to create a friendly and healthy workplace environment featuring balance between work and life.	Mankind and Human Rights- Actual/positive impact: Wendell believes that a company can grow stably only when its employees are healthy, happy, and mentally and physically balanced. By creating harmonious labor-management relations and unimpeded communication channels, continually caring about the employees and establishing a safe and worry-free work environment, Wendell considers all its employees as the important asset for the Company's sustainable development so that talent	Direct impact: Employees	The Company has established a sexual harassment prevention and control group to avoid the occurrence of sexual harassment incidents in the workplace; relevant personnel involved in illegitimate infringements will be communicated with according to 4 major plans established based on the Occupational Safety and Health Act. Nursing staff care about colleagues with doubts physically and mentally in advance; also, a whistleblowing system has been established, and external or internal appeal mailbox has been set up so that employees may use it when their interests are	Short-term targets: 1. Import EAPS and start internally, focusing on not only employees' work status but also their emotions 2. The reinstatement rate of employees from unpaid parental leave is 80% and above. 3. Convene at least two life balance courses in a year. 4. Continue to convene labor-management meetings and occupational safety meetings, to strengthen communication with employees and enhance workplace safety. 5. Increase the number of employees who make an appointment for onsite nursing.	5. Diversified Workplace



Material topic	Description of policies or commitments related to the organization and material topics	Description of impacts	Main objects impacted	Preventive or remedial measures to address negative impacts	Targets and objects	Corresponding section
		<p>growth and innovation can be achieved and integrated to the corporate culture to inject vitality and promote operational efficiency for the Company.</p>		<p>infringed upon or improperly disposed and the problems cannot be reasonably resolved.</p>	<p>6. Improve the equipment in the breastfeeding and milk-collecting rooms. Mid- and long-term targets: 1. Introduce external resource EAPS to offer other communication channels for employees. 2. The reinstatement rate of employees from unpaid parental leave is 80% and above. 3. Import ISO 45001 system to improve the occupational safety grade. 4. Continually develop various platforms and increase complete and multi-directional employee communication channels.</p>	
<p>Recruiting & Managing a Global & Skilled Workforce (Self-determined topic)</p>	<p>Wendell provides competitive compensation and encouraging bonus according to the market salary level, and dedicates to giving bigger development space to talents. The Company sets aside distributable earnings to employees every year, and continues to improve employees' welfare and work environment, so as to increase high-quality and stable manpower.</p>	<p>Mankind and Human Rights-Actual/positive impact: The turnover rate of employees is closely related to the Company's stability. An excessive turnover rate will affect the organizational development. Therefore, we continue to take various measures to attract talents, listen to employees' voice, increase</p>	<p>Direct impact: Employees and external job seekers</p>	<p>A whistleblowing system has been established, and external or internal appeal mailbox has been set up so that employees or stakeholders may use it when their interests are infringed upon or improperly disposed and the problems cannot be reasonably resolved.</p>	<p>Short-term targets: 1. Increase the designated number of interns in accordance with the number of schools, and actively participate in industry-university cooperation plans of these schools. 2. Continue to maintain a balance of the ratio between male and female employees. 3. Check the work contents of each position,</p>	<p>5. Diversified Workplace</p>



Material topic	Description of policies or commitments related to the organization and material topics	Description of impacts	Main objects impacted	Preventive or remedial measures to address negative impacts	Targets and objects	Corresponding section
		<p>new labor, and archive the suitable development and long-term retention of employees at the Company.</p>			<p>plan the manpower demand of the Company in the next 5 years, and improve the technical abilities of key talents.</p> <p>4. Ensure that the Company is continually not involved in major labor-management disputes.</p> <p>Mid- and long-term targets:</p> <ol style="list-style-type: none"> 1. Develop online learning platforms and encourage employees to try and plan their learning blueprints. 2. Continue to extend and improve the excellent talent structure, stabilize the manpower structure, pass on experience, and encourage innovation. 3. The Company is not involved in major labor-management disputes. 	
<p>Environmental Sustainability (Greenhouse Gas Emission/ Energy Management in Manufacturing) (GRI 302, GRI 305)</p>	<p>In response to the environmental protection and energy-conservation policies and trends in the international community, the cooperative customers have also successively required suppliers to follow up sustainability policies regarding the greenhouse gas emission investigations.</p>	<p>Environment-Actual/positive impact: Implement environmental protection and carbon reduction policies to lower the negative impact on the environment.</p> <p>Economy-Actual/positive impact: In response to the</p>	<p>Direct impact: Customers, suppliers and employees</p>	<p>The year 2022 was also a base year of Wendell for carbon reduction. In the future, the Company will pay continual attention to the implementation effect of relevant energy-saving measures every year. If the effect of carbon reduction is not as expected, we will</p>	<p>Wendell determined the year 2022 as the base year regarding its greenhouse gas emissions.</p> <ul style="list-style-type: none"> • Short-term target: Reduce 3% of greenhouse gas emissions within 3 years. Also, the Company expects to 	<p>4. Friendly Environment</p>

Material topic	Description of policies or commitments related to the organization and material topics	Description of impacts	Main objects impacted	Preventive or remedial measures to address negative impacts	Targets and objects	Corresponding section
	<p>Therefore, relevant carbon troubleshooting and energy management have been executed to improve the competitiveness of our products regarding sustainability topics. Adopt the sustainable environmental strategy of “Reduction of Waste and Assurance of Safety; Implementation of Environmental Protection and Cherishing of Resources”.</p>	<p>global sustainability policy, each enterprise has increasingly emphasized the sustainable environmental development and executed investigations involving energy conservation and carbon emissions, which may improve the competitiveness of products regarding sustainability topics. Mankind and Human Rights-Actual/positive impact: Improve the sense of social responsibility and contributions of the Company and the employees.</p>		<p>immediately convene relevant units to communicate, discuss and cooperate.</p>	<p>pass ISO 14064 greenhouse gas inventory certification in 2025.</p> <ul style="list-style-type: none"> ● Mid-term target: Reduce 50% of greenhouse gas emissions prior to 2035. ● Long-term target: Make sure that the greenhouse gas emission of each operation is zero prior to 2050. 	
<p>Water Resource Management (GRI 303)</p>	<p>The shortage of water resources is no longer just a problem in Taiwan. According to the data released by the United Nations, nearly 50% of the global population is facing the challenge of water shortage. If this problem is not treated seriously, the risk of shortage of water resources will become increasingly serious. The impact of water shortage is extensive, and may cause problems like food shortage and social unrest. The chain effect of water</p>	<p>Environment-Actual/positive impact: Water is a precious resource and is not infinite. If we do not save water, the water resources may dry up or become more expensive. Besides, the overuse of water resources may impose a negative impact on the local ecosystems. Therefore, water saving cannot only protect the</p>	<p>Direct impact: Environment</p>	<p>Regularly review the change of water consumption, and monitor whether the reading of the water meter is abnormal on a monthly basis; also, dedicated personnel have been assigned to check if waste of water resources or water leakage exists.</p>	<p>As for water consumption, only household water is consumed at our offices. Although the water consumption is limited, we will continue to promote water-saving and avoid wasting water resources.</p>	<p>4. Friendly Environment</p>



Material topic	Description of policies or commitments related to the organization and material topics	Description of impacts	Main objects impacted	Preventive or remedial measures to address negative impacts	Targets and objects	Corresponding section
	<p>shortage has changed it from an environmental risk to a social risk. Therefore, the Company attaches great importance to the issue of water resources despite its limited water consumption.</p>	<p>environment and reduce waste, but also lower expenses and energy consumption. Everyone may make their contributions and have a positive impact on the whole community and the earth.</p>				
<p>Product Lifecycle Management (Self-determined topic)</p>	<p>Through the communication with stakeholders, we pay special attention to the negative environmental impact on the supply chain and actions taken, for the Company and its supply chain have always attached great importance to the possibility that the raw materials selected and used would generate hazardous substances to affect the environment. To this end, all the products provided by the suppliers to the Company must comply with PPM verification of hazardous substances in the EU norms. Also, the suppliers are required to provide a list of Substances of Very High Concern (SVHCs) under REACH. Hopefully, a highly resilient and continually operable sustainability supply chain can be established.</p>	<p>Environment-Actual/positive impact: Implement environmental protection and carbon reduction policies and reduce the negative impact of hazardous substances on the environment.</p>	<p>Direct impact: Suppliers</p>	<p>Wendell regards its suppliers as long-term favorable partners. When new environmental regulations or trends are learned from terminal customers, the Company will definitely notify relevant members of the supply chain in the hope that they can grow and learn professional knowledge together and stick to the path of sustainable management. When any supplier is engaged in illegal activities, we will investigate the facts and require this supplier to improve through our coaching. Therefore, we execute irregular audits over the suppliers every year. For vendors rated as class D will be required to make improvements within a certain time limit. In this</p>	<p>When recognizing product P/N imported by new suppliers every time, we will require these new suppliers to fill out relevant data regarding supplier evaluation, data regarding hazardous substances in the products, and ESG investigation information according to QM 84-01 Control of Externally Supplied Processes, Products and Services. For the Company, the objective is always to complete the investigation 100%.</p>	<p>3. Green Industrial Chain</p>



Material topic	Description of policies or commitments related to the organization and material topics	Description of impacts	Main objects impacted	Preventive or remedial measures to address negative impacts	Targets and objects	Corresponding section
				<p>case, we will reduce the order quantity until these suppliers improve. Then, normal order quantity can be resumed.</p>		
<p>Raw Material Traceability (GRI 301)</p>	<p>Through the communication with stakeholders regarding degree of concern and analysis of impact, the topic of Raw Material Traceability is relatively important for the Company; in particular, with respect to reclamation and smelting of raw materials, massive child labor will be used to do the smelting work in the backward countries or regions if it is traced back to the origin. Wendell values much the human rights standards. Therefore, the part number of each product in any product line of Wendell is disclosed with MSDS. When the materials used contain several key minerals like gold, tungsten, tin, tantalum, cobalt and mica, we will investigate CMRT and EMRT, and require the manufacturers of these raw materials to mark the number of smelting areas clearly.</p>	<p>Mankind and Human Rights- Actual/positive impact: Lower the possibility of use of illegal child labor and improve the protection of human rights.</p>	<p>Direct impact: Suppliers</p>	<p>We regularly compare the information of qualified smelting plants released by RMI regularly. In case of any inconformity, relevant materials will be returned to the factories for re-investigation. If the hazardous substances exceed the verification specification of PPM of the EU, it shall confirm whether the exemption clause is complied with; if the hazardous substances exceed REACH standards, SCIP substance declaration can be filled out as the case may be.</p>	<p>When recognizing product P/N every time, we will not only require the provision of third-party test reports regarding hazardous substances, but also investigate data regarding hazardous substances in the products. For the Company, the objective is always to complete the investigation 100%.</p>	<p>4. Friendly Environment</p>



Material topic	Description of policies or commitments related to the organization and material topics	Description of impacts	Main objects impacted	Preventive or remedial measures to address negative impacts	Targets and objects	Corresponding section
Intellectual Property Protection & Competitive Behavior (Self-determined topic)	<p>To accelerate the development of differentiated new products and technologies, we have specifically established relevant measures governing the internal control of R&D cycles. The R&D personnel conduct proposal evaluation work, prepare market feasibility evaluation reports, and then apply for relevant patents; in order to motivate the employees to actively engage in innovation and R&D through the utilization of the Company's technical resources, and thus provide competitiveness for the products, the Company has established measures for rewarding the R&D and patent application of key products after the R&D personnel obtain their patent certificates. If competitors put same technologies in the market in the future, the technological development results of the Company can be protected according to the terms of relevant regulations (e.g., the Patent Act).</p>	<p>Economy-Actual/positive impact: The collective management of patent rights is achieved mainly through the establishment of rules and regulations, so that the patent rights, as private property, exist in form approximate to common property. As a result, the patent authorization cost is reduced, and the collective interests are maximized. Also, the diversity of product lines can be increased, and diversified countermeasures can be provided to customers.</p>	<p>Direct impact: Shareholder, other investors, customers, suppliers, and employees</p>	<p>New employees are required to sign a <i>Confidentiality and Noncompetition</i> agreement in accordance with the noncompetition clause in the confidentiality agreement signed by the Company with employees. All the technical data and documents shall never be used for any unauthorized purposes no matter the employees are in-service or not, in order to ensure the confidential information of the Company.</p>	<p>As for the protection of patents of intellectual property rights, the Company protects utility model patents 100% at any time as long as the patents are verified and issued.</p> <ol style="list-style-type: none"> 1. The Company obtained a utility model patent in 2022. 2. In 2023, six patents may be acquired as planned. 	<p>3. Green Industrial Chain</p>

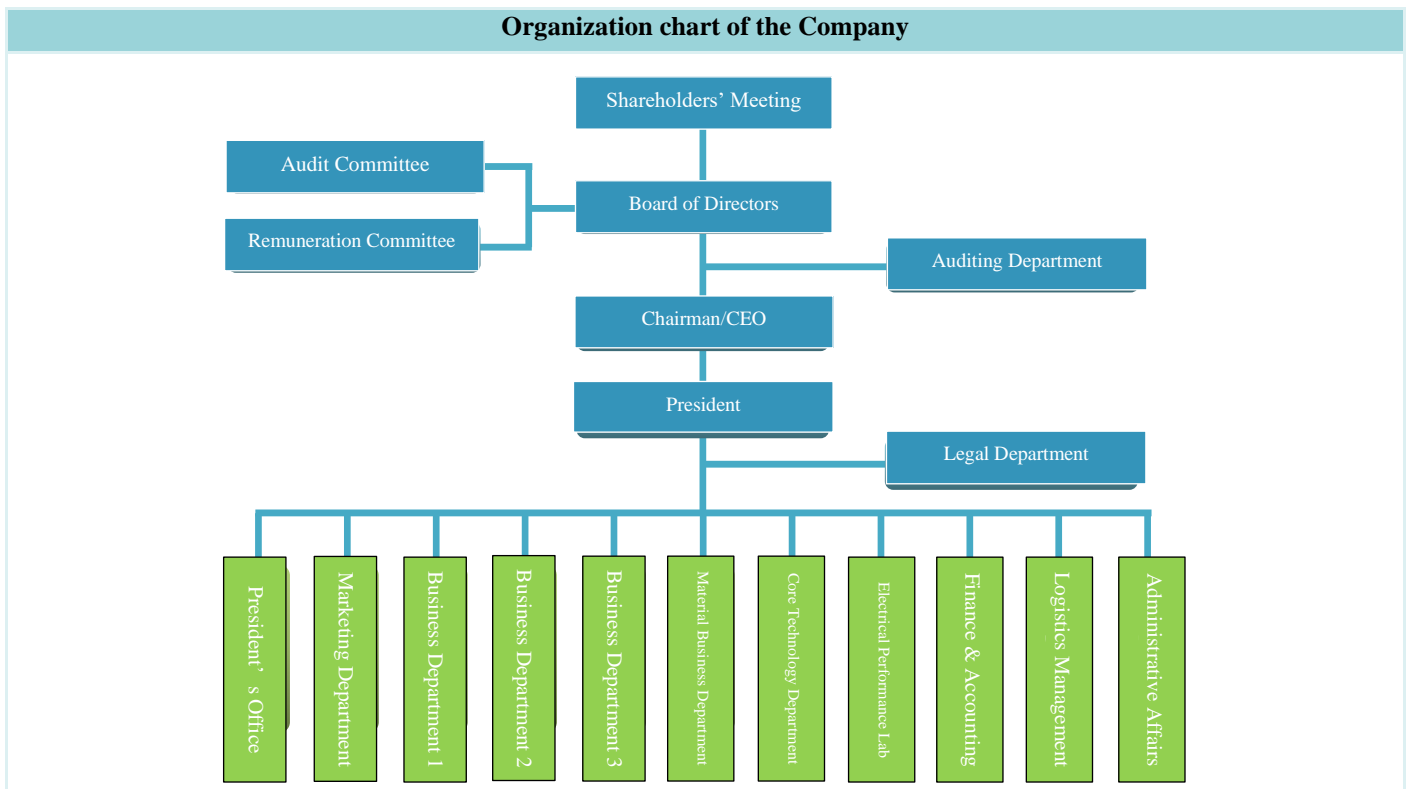
2. Corporate Governance

Management of Material Topics

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

2.1 Corporate Governance

Organization Chart of the Company





Functional Committees

To effectively leverage the functionality of the Board of Directors and better the decision-making quality of the Board of Directors, functional committees have been set up under the Board of Directors according to the authorities and functions, including Audit Committee and Remuneration Committee. The Company hasn't established a Sustainable Development Committee yet. It is expected that the Company will establish a Sustainable Development Committee in 2023, with the objective to stay updated with the global sustainable development, analyze sustainability topics including governance, environment and society, and establish strategic sustainable direction and project promotion based on operating cores, product innovation and services. The members of this committee will be appointed according to the corresponding resolution made by the Board of Directors. The committee shall comprise at least three members who shall be senior managers of the Company. Also, these committee members shall elect a convener and meeting chair. This committee shall report to the Board of Directors regularly every year. To be specific, policy goals, key sustainability plans and performance results shall be submitted to the Board of Directors for verification and approval.

The Company follows the requirements of RBA Code of Conduct and local regulations, values employees' interests, working hours, health and work environment, offers fair treatment without discrimination in gender and race, continues to communicate with employees, and aims to build a friendly workplace environment. Also, we have established "Ethical Corporate Management Best Practice Principles", "Procedures and Behavioral Guidelines for Ethical Corporate Management Work", and "Code of Ethics". In addition to the signing of "Statement of Ethical Corporate Management Policy" with directors, principals, managers and employees to abide by the aforesaid standards, we strictly standardized our behaviors in the business practices, and prohibit the direct or indirect provision, promising, requirement or acceptance of any illegitimate interests, or other behaviors against integrity, laws, or fiduciary duty. Besides, a whistleblowing mailbox has been set up on the official website of the Company to provide the whistleblowers with transparent and unimpeded channels. Also, we take responsibility for the confidentiality of the identity of whistleblowers, reported persons, and relevant personnel in charge of the cases. Once relevant report is received, the President will immediately assign relevant project director to conduct an investigation. If it is found to be true through investigation, we will immediately require the accused person to stop relevant behaviors, and receive proper punishment. We will even request damage compensation through legal proceedings, to safeguard the reputation and interests of the Company. Also, relevant units of the Company will review the internal control system and operating procedures and propose improving measures to prevent the recurrence of same behaviors. The project director shall report the investigation results and subsequent improving measures to the President.

If the accused person is a director, or a manager with rank equivalent to vice president or above, a report shall be submitted to the Audit Committee. In 2022, the Company didn't receive any illegal report.

Audit Committee

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

2. Review of financial report

The Board of Directors prepared its business report, financial statements, proposal for earnings distribution for the year 2022. The financial statements were already been verified by PwC Taiwan upon entrustment, and an audit report was issued. The Audit Committee reviewed the aforesaid business report, financial statements, proposal for earnings distribution and concluded that no inconformity was found.

3. Assessment of effectiveness of internal control system

The Company regularly handles independent evaluation of internal control system according to "Regulations Governing the Establishment of Internal Control Systems by Public Companies". In accordance with the effectiveness criteria of internal control system released by the competent

authority, the Company judges and concludes that the design and implementation of its internal control system are effective, and can reasonably assure the achievement of the objectives of the internal control system, i.e., mastery of the fair presentation of the Company’s financial statements, effective implementation of the internal control of the Company, control of the existing or potential risks of the Company, etc.

Operation of the Audit Committee

The Audit Committee comprises 3 independent directors, and the convener is director Lin, Chin-Feng. In 2022, the committee held 7 meetings in total, with operation status as follows:

Title	Name	Actual attendance	Attendance by proxy	Actual attendance ratio (%)
Convener	Lin, Chin-Feng	7	0	100%
Member	Ho, Tsu-Shun	7	0	100%
Member	Su, Chun-Nien	7	0	100%

Remuneration Committee

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

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

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

Policy Objective of Remuneration Committee

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

Members of Remuneration Committee and Operation Status

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

In 2022, the Remuneration Committee convened 4 meetings in total with operation status as follows:

Title	Name	Actual attendance	Attendance by proxy	Actual attendance ratio (%)
Convener	Ho, Tsu-Shun	4	0	100%
Member	Lin, Chin-Feng	4	0	100%
Member	Su, Chun-Nien	4	0	100%

Date of meeting	Contents of proposals	Resolution of the Remuneration Committee	Comment of the Board of Director on the meeting
March 24, 2022	<ol style="list-style-type: none"> Proposal for the director reward and employee reward of the Company in 2021 Proposal for change of managers of the Company Proposal for change of COO of sub-subsidiary Shenzhen Qianhong Electronics Co., Ltd. Proposal for deliberation of remuneration of managers of the Company in coordination with the annual salary adjustment of the Company 	All the members attended the meeting, and the proposals were passed without objection.	All the members attended the meeting, and the proposals were passed without objection.
August 9, 2022	<ol style="list-style-type: none"> Proposal for deliberation of granting of Mid-Autumn Festival bonus for the managers of the Company 	All the members attended the meeting, and the proposals were passed without objection.	All the members attended the meeting, and the proposals were passed without objection.
November 7, 2022	<ol style="list-style-type: none"> Amendment to the list of managers discussed and approved by the Remuneration Committee of the Company 	All the members attended the meeting, and the proposals were passed without objection.	All the members attended the meeting, and the proposals were passed without objection.
December 13, 2022	<ol style="list-style-type: none"> Proposal for deliberation of yearend bonus of managers of the Company Proposal for determination of “2023 Work Plan’ of the Remuneration Committee 	All the members attended the meeting, and the proposals were passed without objection.	All the members attended the meeting, and the proposals were passed without objection.

Salary Structure

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

(I) Director reward

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

(II) Managers' remuneration

- (1) Salary (recurring): The managers' salaries are jointly evaluated and determined with reference to the human resources market of Taiwan, category of industry of same nature, and the Company's salary and welfare policies; upon employment, promotion or salary adjustment of managers, their titles, ranks, education, work experience, professional abilities and work responsibilities shall be considered to facilitate the verification and determination of their salaries. The applications for such employment, promotion or salary adjustment shall be presented level by level to the Chairman for approval, then submitted to the Remuneration Committee for deliberation, and then implemented after being approved by the Board of Directors.
- (2) Mid-Autumn Festival bonus and yearend bonus (non-recurring): With reference to the annual profits of the Company and based on the results of annual performance evaluation of managers, the human resources unit will draft a suggestion on the payment of yearend bonus and present it to the Board of Directors for approval. After that, the suggestion will be submitted to the Remuneration Committee for deliberation, and then to the Board of Directors for approval before implementation.

Deliberation Process

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

Risk Linkage

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

Linkage of Remuneration with Performance

To ensure the close linkage of the managers’ performance with the corporate strategies and maintain competitive overall remuneration, the Company has established “Regulations Governing Performance Evaluation” as basis for manager’s performance evaluation and remuneration payment. The preceding regulations include policy, system, standards and structure of managers’ performance evaluation and remuneration. These regulations will be deliberated by the Remuneration Committee and then submitted to the Board of Directors for negotiation and determination. The structure of managers’ performance evaluation includes “self-evaluation” and “mutual evaluation”. The performance evaluation is conducted every half a year after relevant objectives are established in the beginning of the year. The aspects to evaluate and assess include the achievement of profiting objectives, organizational decision-making, and improvement of execution capability, cultivation of cadres, and implementation status of corporate governance. The Remuneration Committee is responsible for making a proposal which will be executed after being approved by the Board of Directors.

Board of Directors

Composition of Board of Directors

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

In accordance with the provisions of the Articles of Association, there shall be at least independent directors in the Company who shall account for no less than one fifth of all directors with tenure of three years. The current Board of Directors comprises 7 directors (including 3 independent directors) and convenes board meetings regularly according to law. Currently, the Company has 3 independent directors who account for 42.86% of all directors. All the independent directors comply with the independent status. Besides, due to the needs for operational development and practical operation, 3 directors serve as the managers of the Company. Relevant information of the Board of Directors and supervisor(s) is shown in the table below:



Title	Name	Gender	Age	Date first elected	Main education and experience)	Concurrent position(s) currently held in the Company and other companies	Industrial experience			Professional ability			
							Banking/finance	Operation management	Business marketing	R&D	Accounting and finance analysis	Information technology	Risk management
Chairman	Kao, Chih-Hung	Male	Above 50	Nov. 12, 2019	<ul style="list-style-type: none"> Department of Advertising, National Chengchi University 	<ul style="list-style-type: none"> Chairman & CEO of Wendell Industrial Co., Ltd. Chairman of Bohong Investment Chairman of Wei Hung Assets Chairman & President of Wendell Electrical Testing Co., Ltd. Director of Wendell Industrial Limited Director of Nichteck Industrial Co., Limited 	✓	✓	✓	✓	✓	✓	✓
Director	Kao, Min-Hung	Male	30~50	Nov. 12, 2019	<ul style="list-style-type: none"> Department of Shipping and Transportation Management, National Taiwan Ocean University 	<ul style="list-style-type: none"> President of Wendell Industrial Co., Ltd. Chairman of Honghui Co., Ltd. Chairman of Shenzhen Qianhong Electronics Co., Ltd. Chairman of Wendell Industrial Limited Chairman of Wendell Korea Co., Limited Chairman of Wendell Pte., Ltd Chairman of Nichteck Industrial Co., Limited 	✓	✓	✓	✓	✓	✓	✓
Director	Chan, Po-Hsiang	Male	30~50	Nov. 12, 2019	<ul style="list-style-type: none"> York University Information Technology Product Manager of GIGABYTE 	<ul style="list-style-type: none"> Vice President of Wendell Industrial Co., Ltd. Supervisor of Shenzhen Qianhong Electronics Co., Ltd. Supervisor of Suzhou Lianhong Electronics Co., Ltd. 	✓	✓	✓	✓	✓	✓	✓
Director	Liu, Sheng-Chang	Male	Above 50	Jun. 16, 2022	<ul style="list-style-type: none"> EMBA, National Chengchi University Bachelor of Commerce, National Taiwan University 	<ul style="list-style-type: none"> Practicing CPA of EVEREST CPA & Co. President of CPA Associations R.O.C. (Taiwan) Executive director of Accounting Research and Development Foundation Director of The Pearl S. Buck Foundation, Taipei, Taiwan 	✓	✓	✓		✓		✓



Title	Name	Gender	Age	Date first elected	Main education and experience)	Concurrent position(s) currently held in the Company and other companies	Industrial experience			Professional ability			
							Banking/finance	Operation management	Business marketing	R&D	Accounting and finance analysis	Information technology	Risk management
Director	Ho, Tsu-Shun	Male	Above 50	Nov. 12, 2019	<ul style="list-style-type: none"> • Bachelor of Law, National Taiwan University • Master of Law, Soochow University • Procurator, Taiwan High Prosecutors Office • Head Prosecutor, Taiwan Shilin District Prosecutors Office • Procurator, Taiwan Taoyuan District Prosecutors Office 	<ul style="list-style-type: none"> • Lawyer of Shih Hsun Hsu Law Firm • Supervisor of Dimei Biotechnology Co., Ltd. 	✓	✓	✓		✓		✓
Director	Lin, Chin-Feng	Female	30~50	Nov. 12, 2019	<ul style="list-style-type: none"> • Master, Department of Accounting, Soochow University • Business Administration, National Taiwan University of Science and Technology • Taiwan CPA • China Certified Tax Agent • Head of Auditing Department, Weizhong Certified Public Accountants • Partner of Ding Xin Certified Public Accountants 	<ul style="list-style-type: none"> • Practicing CPA of Crowe (TW) CPAs 	✓	✓	✓		✓		✓
Director	Su, Chun-Nien	Male	30~50	Nov. 12, 2019	<ul style="list-style-type: none"> • Department of Advertising, National Chengchi University • Associate manager of Business Department, Samsung SDI Co., Ltd. Taiwan Branch • Senior manager of Wendell Industrial Co., Ltd. • Asia-Pacific Business Manager, STD Electronic Technology Co., Limited • Manager of Business Department, LITEON Technology 	<ul style="list-style-type: none"> • Chairman of Double Co., Ltd. 	✓	✓	✓		✓	✓	✓

Note: There are 4 directors aged 30-50 and 3 aged above 50.

Nomination and Election of Directors

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

In order to ensure excellent corporate governance, a candidate nomination system has been adopted for the election of board members. In the shareholders' meeting held in June 2022, the members of the seventh Board of Directors were elected in accordance with "Measures for Election of Directors". Specifically, the Board of Directors comprises 7 directors among whom 3 are independent directors, in the hope that the outstanding professional knowledge in the industry can be utilized and the viewpoints of external stakeholders can be introduced to improve operating quality. In 2022, the Board of Directors convened 8 meetings in total with directors' average attendance rater reaching 100.00%. In the shareholders' meeting of the Company held on July 16, 2022, a female director (independent director) was elected.

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

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

Article 1 The election of directors of the Company shall be conducted in accordance with the provisions of these Procedures unless otherwise specified in laws and regulations or the Articles of Association.

Article 2 The election of directors of the Company shall be implemented at the Shareholders' Meeting.

Article 3 The number of directors of the Company shall be determined in accordance with relevant provisions of the Articles of Association of the Company.

The election of directors of the Company shall be conducted in accordance with the candidate nomination system stipulated in Article 192-1 of the Company Act. Natural persons with disposing capacity or legal persons may be elected as directors of the Company according to the provisions of these Procedures; the qualifications and election of independent directors shall be dealt with in accordance with the provisions of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".



If any director is dismissed for certain reasons, and consequently the number of directors is less than five, the Company shall implement a by-election in the recent Shareholders' Meeting. However, if the vacancies reach one third of the number of director seats specified in the Articles of Association, the Company shall convene an interim Shareholders' Meeting for a by-election within sixty days since the date when the fact occurs.

If the number of independent directors is less than that stipulated in Paragraph 1 of Article 14-2 of the Securities and Exchange Act, a by-election shall be conducted in the recent Shareholders' Meeting; when an independent director is dismissed, the Company shall convene an interim Shareholders' Meeting for a by-election within sixty days since the date when the fact occurs.

Article 4 The overall setting of the Board of Directors shall be considered during the election of directors of the Company. The members of the Board of Directors shall be diversified, and an appropriate diversity policy shall be drafted based on the corporate operation, business types and development demands. It is advisable to include but not limited to the standards regarding the following two aspects:

I. Basic conditions and values: Gender, age, nationality, culture, etc.

II. Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, industry experience, etc.

The members of the Board of Directors shall generally possess the knowledge, skills and quality needed for execution of their duties, and the following capabilities as a whole:

I. Operation judgment capabilities

II. Accounting and financial analysis capabilities

III. Operation management capabilities

IV. Crisis handling capabilities

V. Industrial knowledge

VI. Awareness of international market

VII. Leadership

VIII. Decision-making capabilities

More than half of directors shall not have spousal relationship or kinship within the second degree.

Article 5 The single-ballot cumulative voting method is adopted for election of the directors of the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Independent directors and non-independent directors

shall be elected and appointed at the same time, and the number of candidates elected will be calculated separately.

Article 6 The convener shall prepare ballots in number equal to the directors to be elected, and their election rights are added and distributed to the shareholders who attend the Shareholders' Meeting. The registration of electors may be superseded by the attendance numbers listed in the ballots.

Article 7 The election rights of independent directors and non-independent directors are calculated separately based on the number of directors of the Company stipulated in the Articles of Association. Directors with more election rights represented by ballots will be elected. When two candidates have the same election rights, and the designated number of the directors is already exceeded, they shall draw lots to decide whom shall be elected. The chairperson will draw lots on behalf of those failing to attend.

Article 8 Before the election begins, the chairperson shall designate several shareholders to serve as scrutineers and tellers and execute relevant duties. The ballot box used for voting shall be prepared by the convener, and checked in public by the scrutineers before voting.

Article 9 Ballots shall be deemed void under the following conditions:

1. Ballots are not prepared by the convener.
2. Blank ballots are cast to the ballot box.
3. The handwriting on the ballots is too illegible to be identified or is altered.
4. The elected persons filled out are checked as inconsistent with the list of candidates for the directors.
5. Ballots are written secretly with other text in addition to the distributed votes.

Article 10 The ballots shall be calculated on the spot after voting, and the voting results shall be announced by the chairperson at the meeting, including list of elected directors and their election rights.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 11 The Board of Directors of the Company will send a notice of election to the elected directors.

Sustainable Operation of the Board of Directors

In 2023, the senior management of the Company, including the President, will form a Sustainable Development Committee which is responsible for making overall arrangements for drafting corporate social responsibility and sustainable development strategies and objectives, preparing and submitting sustainability reports to the Board of Directors for review and publication, and regularly reviewing the progress of

achievement of performance and objectives. Also, this committee will lead each department to resolve corporate ethics related problems and implement process reformation.

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

The Board of Directors of the Company convenes 1~2 meetings every quarter to review the matters submitted by each department to the Board of Directors. In 2022, 8 board meetings were convened (with directors' average attendance rate as 100.00%). The Finance & Accounting Department may attend board meetings as a nonvoting party for the purpose of inquiry, so that the Board of Directors has sufficient time to communicate with this department. In 2022, 54 cases were deliberated by the Board of Directors. The economic, environmental and social issues arising from relevant operating activities will be handled by the senior management with the authorization from the Board of Directors. The senior management shall report the handling status to the Board of Directors as necessary. The resolutions made by the Board of Directors will be subsequently followed up, and the implementation progress will be reported to the Board of Directors as necessary.

Nature	Total number of critical concerns	Communication method and frequency	Communication results
Environment	8 in total in 2022	Convening of board meetings/At least 1-2 meetings per quarter	These issues will be handled by the senior management with the authorization from the Board of Directors. The senior management shall report the handling status to the Board of Directors as necessary. The resolutions made by the Board of Directors will be subsequently followed up, and the implementation progress will be reported to the Board of Directors as necessary.
Economy	54 in total in 2022	Convening of board meetings/At least 1-2 meetings per quarter	
Society	27 in total in 2022	Convening of board meetings/At least 1-2 meetings per quarter	

Continuing Education of Board Members

In addition to relevant industrial experience and professional knowledge and abilities possessed by the board members, the Company has also regularly arranged directors to plan education and training courses which cover a range of corporate governance, regulations, finance, consumer protection, corporate social responsibility, Net-Zero emission and other relevant topics. Through the continual arrangement of diversified external courses for continuing education, board members are expected to improve their professionalism, faithfully perform their business and duty of care as a good manager, and give full play to their operation decision-making, leadership and supervision functions. In 2022, the average training duration of each director reached 6 hours and above, and the total duration of continuing education reached 48 hours.

Title	Name	Date of continuing education	Sponsor	Name of course	Hours	Total hours
Chairman	Kao, Chih-Hung	Dec. 16, 2022	Taiwan Corporate Governance Association	Competition and Consumer Protection in the Digital Economy	3	6
Chairman	Kao, Chih-Hung	Dec. 16, 2022	Taiwan Corporate Governance Association	Development Trends and Typical Practices of Corporate Governance and Corporate Social Responsibility	3	
Director	Kao, Min-Hung	Dec. 16, 2022	Taiwan Corporate Governance Association	Competition and Consumer Protection in the Digital Economy	3	6
Director	Kao, Min-Hung	Dec. 16, 2022	Taiwan Corporate Governance Association	Development Trends and Typical Practices of Corporate Governance and Corporate Social Responsibility	3	
Director	Chan, Po-Hsiang	Dec. 16, 2022	Taiwan Corporate Governance Association	Competition and Consumer Protection in the Digital Economy	3	6
Director	Chan, Po-Hsiang	Dec. 16, 2022	Taiwan Corporate Governance Association	Development Trends and Typical Practices of Corporate Governance and Corporate Social Responsibility	3	
Director	Liu, Sheng-Chang	2022/09/20	CPA Associations R.O.C. (Taiwan)	International Tax Reform and Family Wealth Inheritance	3	12
Director	Liu, Sheng-Chang	2022/09/21	CPA Associations R.O.C. (Taiwan)	Carbon Management Trend for Net-Zero and Responsive Approaches	3	
Director	Liu, Sheng-Chang	Dec. 16, 2022	Taiwan Corporate Governance Association	Competition and Consumer Protection in the Digital Economy	3	
Director	Liu, Sheng-Chang	Dec. 16, 2022	Taiwan Corporate Governance Association	Development Trends and Typical Practices of Corporate Governance and Corporate Social Responsibility	3	
Director	Ho, Tsu-Shun	Dec. 16, 2022	Taiwan Corporate Governance Association	Competition and Consumer Protection in the Digital Economy	3	6
Director	Ho, Tsu-Shun	Dec. 16, 2022	Taiwan Corporate Governance Association	Development Trends and Typical Practices of Corporate Governance and Corporate Social Responsibility	3	
Director	Lin, Chin-Feng	Dec. 16, 2022	Taiwan Corporate Governance Association	Competition and Consumer Protection in the Digital Economy	3	6
Director	Lin, Chin-Feng	Dec. 16, 2022	Taiwan Corporate Governance Association	Development Trends and Typical Practices of Corporate Governance and Corporate Social Responsibility	3	



Title	Name	Date of continuing education	Sponsor	Name of course	Hours	Total hours
Director	Su, Chun-Nien	Dec. 16, 2022	Taiwan Corporate Governance Association	Competition and Consumer Protection in the Digital Economy	3	6
Director	Su, Chun-Nien	Dec. 16, 2022	Taiwan Corporate Governance Association	Development Trends and Typical Practices of Corporate Governance and Corporate Social Responsibility	3	

Performance Evaluation of Board of Directors

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

With respect to the execution of performance evaluation of the Board of Directors of the Company, external professional and independent agency or external expert and scholar team shall be assigned to evaluate evaluation at least once every three years, while the results of internal and external performance evaluation of the Board of Directors shall be completed prior to the end of the first quarter of the next year.

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

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

Specific indicator	Evaluation criteria	Ratio			
1. Performance evaluation of the Board of Directors •Participation in the Company’s operation •Improvement in the Board of Directors’ decision-making quality •Composition and structure of the Board of Directors •Election and continuing education of directors •Internal control 2. Self-evaluation of performance of board members •Understanding of the Company’s goals and missions •Understanding of the directors’ responsibilities •Participation in the Company’s operation •Management and communication of internal relations •Expertise and continuing education of directors •Internal control 3. Performance evaluation of functional committees •Participation in the Company’s operation •Understanding of the functional committees’ responsibilities •Improvement in the functional committees’ decision-making quality •Composition of the functional committees and election of members •Internal control	The evaluation results are presented with 5 grades. The Company may modify the design method of the evaluation results as the case may be. The principle of evaluation grades is described as follows: Figure 1: Extremely poor (strongly disagree); Figure 2: Poor (Disagree); Figure 3: Medium (Average); Figure 4: Excellent (Agree); Figure 5: Extremely excellent (Strongly agree).	1. Performance evaluation of the Board of Directors			
		Evaluation item	Number of questions	Ratio%	Score
		A. Participation in the Company’s operation	12	26.66%	26.67
B. Improvement in the Board of Directors’ decision-making quality	12	26.66%	26.54		
C. Composition and structure of the Board of Directors	7	15.56%	15.56		
D. Election and continuing education of directors	7	15.56%	15.56		
E. Internal control	7	15.56%	15.56		
Total	45	100.00%	99.89		
		2. Self-evaluation of performance of board members			
		Evaluation item	Number of questions	Ratio%	Score
		A. Understanding of the Company’s goals and missions	3	13.04%	13.04
		B. Understanding of the directors’ responsibilities	3	13.04%	12.92
		C. Participation in the Company’s operation	8	34.80%	34.78
		D. Management and communication of internal relations	3	13.04%	13.04
		E. Expertise and continuing education of directors	3	13.04%	13.04
		F. Internal control	3	13.04%	13.04
		Total	23	100.00%	99.86
		3. Performance evaluation of functional committees			
		(1) Self-evaluation of the Audit Committee			
		Evaluation item	Number of questions	Ratio%	Score
		A. Participation in the Company’s operation	4	18.18%	18.18
		B. Understanding of the Audit Committee’s responsibilities	5	22.73%	22.73
		C. Improvement in the Audit Committee’s decision-making quality	7	31.81%	31.81
		D. Composition of the Audit Committee and election of members	3	13.64%	13.64
		E. Internal control	3	13.64%	13.64
		Total	22	100.00%	100.00



Specific indicator	Evaluation criteria	Ratio		
		(2) Self-evaluation of the Remuneration Committee		
		Evaluation item	Number of questions	Ratio%
		A. Participation in the Company's operation	4	17.39%
		B. Understanding of the Remuneration Committee's responsibilities	5	21.74%
		C. Improvement in the Remuneration Committee's decision-making quality	7	30.44%
		D. Composition of the Remuneration Committee and election of members	4	17.39%
		E. Internal control	3	13.04%
		Total	23	100.00%

The results of performance evaluation of the Board of Directors of the Company in 2022 were mostly between 5 points (“Strongly agree”) and 4 points (“Agree”). Directors strongly agreed on the operation of each evaluation indicator, and the overall operation of the Board of Directors and each functional committee were evaluated as favorable, complying with the requirements for corporate governance, effectively reinforcing the functionality of the Board of Directors, and safeguarding shareholders’ interests.

Membership in Societies and Associations

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

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

2.2 Operational Performance

Item/year	2022
Operating revenue (NT\$ 1,000)	1,690,873
Operating margin (NT\$ 1,000)	453,332
Operating profit or loss (NT\$ 1,000)	196,738
Non-operating revenue and expense (NT\$ 1,000)	44,070
Net income before tax (NT\$ 1,000)	240,808
After-tax net profits in current period (NT\$ 1,000)	193,387
Total comprehensive income in current period (NT\$ 1,000)	193,481
Earnings per share (NT\$ 1)	8.09
Employee welfare amount (NT\$ 1,000)	2,034
Dividends (NT\$ 1,000)	138,669
Employee remuneration (including employee welfare) (NT\$ 1,000)	174,200
Retained economic value (NT\$ 1,000)	230,616
Amount paid to contributors (NT\$ 1,000)	138,669
Amount paid to the government (NT\$ 1,000)	47,171
Community investment (NT\$ 1,000)	1,345

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

Item	Subsidizing unit	Subsidized amount (NT\$ 1)
Salary subsidy for prenatal check-up leave	Workforce Development Agency, Ministry of Labor	15,862
Subsidy for onsite health services of SMEs	Occupational Safety and Health Administration	62,400
Stable employment program	Workforce Development Agency, Ministry of Labor	60,000
Total		138,262

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

2.3 Climate Governance and Actions

Governance unit	It is expected that the establishment of a Sustainable Development Committee will be presented to the Board of Directors for a resolution in the first quarter of 2023. The senior supervisors of each department are tentatively assigned to form relevant groups to execute sustainability related topics, including verification and preservation of responsive strategies for climate change. The implementation status shall be regularly presented every quarter. Also, a Chief Sustainability Officer has been appointed to analyze the global sustainability trends and implement sustainability projects as well as report the implementation status to the Board of Directors every quarter. Also, the Chief Sustainability Officer is responsible for horizontal cross-departmental coordination and cooperation for the purpose of carrying out sustainability strategies and climate actions in products, operation and value chain management.
Category of risk	The extreme weather can easy damage equipment and shorten their service life. In order to maintain the equipment, the cost is improved, and the energy demand is increased. In order to pursue low carbon and energy conservation, costly equipment shall be purchased.
Category of opportunity	<ul style="list-style-type: none"> Set up the temperature of air-conditioning system (cooling) at 25°C. Successively replace the lighting fixtures in the office areas with LED energy-saving tubes.

- Implement zoning control of lighting fixtures and power supply of air-conditioning system (cooling).
- Shut down unnecessary lighting equipment during the noon break. The Company provides table lamps for colleagues who need lighting during the noon break.
- Gradually review and remove inefficient outdated equipment.
- Purchase energy-saving equipment with high efficiency and products with “Green Label” with priority.
- Require colleagues who get off duty at last to conduct routine patrolling to ensure that all the power supplies of the Company are closed.
- Lower the hydraulic pressure of the faucets to avoid the waste of water resources.

Strategy

Due to the intense global climate change, the threats posed by extreme climate on the enterprises is increasing day by day. It has already become an important issue that shall be directly faced and dealt with globally. In accordance with the general description of the pathway and strategies for Net Zero by 2050 released by the National Development Council of Taiwan in March 2022, “12 Key Strategies” have been supplemented on the basis of four major transformations (i.e., “Energy, Industry, Life, Society”) and two governance categories (i.e., “Technological R&D” and “Climate Legal Governance”), to integrate cross-ministry and cross-commission resources and formulate action plans. “Net Zero by 2050” has become a consensus under the global climate actions, indicating that transformation of each industry in the world should be accelerated to realize Net-Zero emissions. We aim to build competitive, circularly sustainable, resilient and safe transformation strategies and governance foundations to promote economic growth, drive private investments, create green employment, achieve energy independence, and improve social well-being. The climate strategies of Wendell are based on a scientific and fundamental reduction pathway, for the purposes of improving energy efficiency, expanding the use of renewable energy resources, and actively planning the R&D of electronic components with energy conservation, heat dissipation and low energy consumption, so as to promote the Net-Zero goal in the upper and lower reaches. At the same time, we coordinate the government’s policies and planning paths to gradually promote the whole value chain to march towards the Net-Zero goal.

Risk management

In addition to the original systems, regulations and processing approaches, Wendell tries to eliminate other risks that can be identified and avoided with regard to the primary risks encountered in each business operation including market of sales, production and operation, human resources planning, development progress of new products, and control of finance and accounting. Also, we actively develop more advanced and sensitive risk supervision, evaluation and control procedures and criteria to give equal consideration to safety and efficiency, and establish more economically efficient business operation models, e.g., strengthening of the establishment of information system, and reinforcement of early warning monitoring capacity. As for the environment, the main management of the Company pays

attention to material topics of global climate change and unexpected situations at any time, and responds to the possible unexpected or urgent conditions. Also, we have established and maintained the Company’s emergency response procedures as reference for the formulation of response processes and plans, so as to reduce man-made and natural disasters and other major accidental events in a real time, or lighten the personal injuries, property losses, production interruption and other relevant impacts and damages resulting from such emergencies, and quickly resume the normal operation. In order to stay updated with the global economic situations and address the risks of climate change and energy supply, we have drafted corporate development strategies and adjusted operational modes in advance, actively execute relevant responsive actions, and hold irregular management meetings to review improvements and give top priority to risk management.

Financial implications

The Company is not seriously affected by the climate change related risks. Currently, the financial implications include:

- Increase of operating cost: In order to improve the efficiency of resource utilization and lower the greenhouse gas emissions per unit product, the Company has additionally purchased carbon reduction and energy conservation equipment and developed low-carbon and energy-saving products. Therefore, the initial operating cost has been increased.
- Increase of asset value: ESG has been applied to create corporate value.
- Increase of operating revenue: Improve the resource utilization efficiency, lower the greenhouse gas emissions per unit product, and assist customers in reducing the carbon footprints of their products, so as to increase customer stickiness.
- Increase of capital expenditure: The original equipment is replaced with energy-saving equipment to implement energy conservation and carbon reduction.

2.4 Ethical Corporate Management and Regulatory Compliance

According to Wendell’s definition, a critical concern refers to a single incident that leads to an accumulated penalty amount of NT\$ 100,000 or above. As of 2022, the Company was not punished for any major violation.

Corresponding measures are hereby established in order to implement relevant provisions of the Company’s “Code of Ethics”, “Ethical Corporate Management Best Practice Principles” and “Corporate Governance Best Practice Principles”, and provide channels for employees and outsiders to report any behaviors that go against the laws or the Company’s policies so that we can guarantee the legitimate rights and interests of whistleblowers and related parties and assist them in solving unreasonable treatment upon violation of social responsibility and enhancing the labor-management harmony.

Scope of Application and Objects

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

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

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

Whistleblowing channel	
Accepting unit	President
Email	Ethics@wendell.com.tw

Whistleblowing Treatment Mechanism

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

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

II. Processes for filing and acceptance of whistleblower cases:

- (I) The unit accepting a whistleblower case shall judge whether it has the investigation elements mentioned in paragraph I above. The case will not be accepted if the required investigation elements are not fully presented. Then, the accepting unit will explain to the whistleblower and close the case.
- (II) When a whistleblower case involves directors or senior supervisors, it shall be presented to the Audit Committee: When the level to be reported to involves related parties or objects that shall

excuse themselves, the higher level or a person other than stakeholders as separately assigned shall be determined as the object of acceptance.

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

Whistleblower Protection

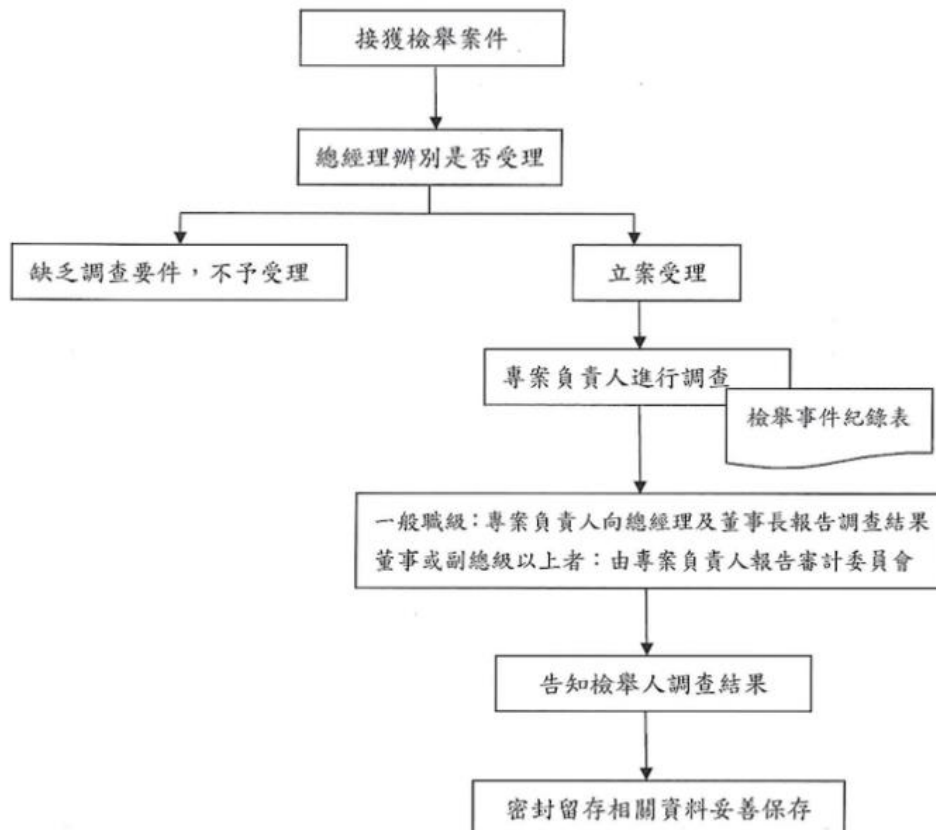
The whistleblowers, the accused persons, and relevant personnel responsible for handling the cases shall not disclose related information to the outside world, and they shall bear the duty of confidentiality to avoid unfair treatment, retaliation or threat. The whistleblowers and relevant personnel are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

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

Object	Content	Appeal Process
	<p>comfortable work environment. Also, we stress employees' human rights, provide them with channels to express their opinions and appeal, and convene labor-management meetings on a regular basis. Supervisors of relevant departments are required to participate in these meetings and fully communicate their opinions with the labor representatives; the Company also regularly implements health examinations so that employees may learn about their health status and take care of and enhance their physical health.</p>	<p>Acceptance and filing: President External whistleblowing email: Ethics@wendell.com.tw Internal whistleblowing email: Presidents' email (already announced on the internal website of the Company) <Dedicated unit and whistleblowing channels></p> <ol style="list-style-type: none"> 1. The project director designated by the President is responsible for conduct an investigation promptly and conclude the results of preliminary investigation within one month after learning about the whistleblower case (it may be postponed for one month as necessary).
<p>Customers</p>	<p>Wendell takes customer orientation as its central concept, emphasizes on the quality of customer services, provides innovative integration services, pursues sustainable growth, and maintains close contact with customers.</p>	<ol style="list-style-type: none"> 2. If it is investigated and confirmed that the accused person indeed has violated relevant laws and regulations or the Company's rules and regulations, this person shall be immediately required to stop relevant behaviors and receive appropriate treatment. Damage compensation may be requested through legal proceedings as necessary to safeguard the Company's reputation and interests.
<p>Suppliers</p>	<p>The suppliers of the Company provide important raw materials for our products, and we aim to join hands with the suppliers to grow and build a sustainable supply chain together. We adhere to ethical corporate management and fair trading. In case of any neglect, we will handle the matters, analyze the incidents, review the reasons, and urge relevant suppliers to make continual improvements in accordance with the provisions of relevant laws and regulations.</p>	<ol style="list-style-type: none"> 3. Relevant written documents regarding the acceptance of reporting and investigation processes and results shall be retained and properly preserved for five years. These documents may be preserved electronically. When relevant lawsuits related to the notified contents occur before the expiry of the retention period, relevant data shall be continually preserved until the termination of litigation.
<p>Investor relations</p>	<p>The Company entrusts a professional service agency with the handling of shareholders' services as a bridge between the Company and its shareholders. As for information transparency, "Dedicated Zone for Investors" has been set up on the website of the Company where investors' related information is provided. We follow the amendments made by the competent authority to the latest laws, regulations and policies, quickly respond, and adjust the disclosure forms and contents of the corporate information, to comply with the regulatory requirements.</p>	<ol style="list-style-type: none"> 4. If the notified situation is investigated and confirmed to be true, relevant unit of the Company shall review relevant internal control system and operating procedures, and put forward improving measures.
<p>Sexual harassment appeal</p>	<p>To prevent and control sexual harassment in the workplace, and safeguard gender equality in work and personal dignity.</p>	<p>Establish an investigation group to conduct investigation and deliberation within 3-7 days after receiving an appeal; the group comprises 5 members among whom 2 are</p>

Object	Content	Appeal Process
		<p>management representatives and 3 are labor representatives. The total number of female members shall not be less than 1/2.</p> <p>During the process of investigation and deliberation, the appeal case shall be handled in a confidential manner and relevant decision shall be made within 30 days after the appeal is accepted.</p> <p><Appeal and whistleblowing channels></p> <p>※Wendell's dedicated line for sexual harassment appeals Contact person: Li, You-Chieh Responsible unit: Personnel Office of the Administrative Affairs Department Tel.: (02)2917-5770 ext: 166 Fax: (02)2917-3752 Email: viola_lee@wendell.com.tw</p> <p>※Dedicated line of New Taipei City for employment discrimination appeals Tel.: (02)2967-6902</p>

Flowchart of Investigation and Handling of Whistleblower Case



Record Form of Whistleblower Incident

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

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

2.5 Tax Management Guidelines

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

Wendell has established the following taxation policies:

1. Principle of regulatory compliance: Follow tax regulations and legislative spirits, correctly declare the paying of taxes and properly prepare supporting documents.
2. Principle of comprehensive decision-making: Pay attention to the reforms of local and international tax laws, evaluate the impact of these reforms in an all-around way, and draft responsive measures.
3. Principle of information transparency: Disclose tax information via public channels like financial statements and annual reports regularly to ensure information transparency.
4. Principle of active communication: Keep open and honest communication with the tax collection authority to assist the improvement of taxation environment and system.

5. Principle of reasonable tax saving: Use legal and transparent taxation rewards, and avoid saving taxes by using methods that go against the spirit of law.
6. Principle of reasonable structure: Make sure the corporate structure and transaction arrangements comply with the economic essence, and avoid making special arrangements for tax avoidance.
7. Principle of risk control: Evaluate relevant risks and take appropriate strategies when formulating and executing decision-making on taxation.
8. Principle of commercial essence: The related party transactions shall comply with the economic essence and the decision makers shall take the risks and acquire reasonable remuneration.
9. Principle of regular transaction: The prices and conditions of related party transactions shall be similar to those required of non-related parties in similar transactions.

The tax unit shall present tax compliance status of all local and overseas operations as well as the new information regarding global tax laws to the Board of Directors every quarter so that the Board of Directors may master the internal risks and taxation trends. Given the effective operation of the risk management mechanism, Wendell has managed to control risks of the occurrence rate and amount of tax dispute incidents at a low level.

- Taxation guidelines

1. Compliance and planning: In 2022, thanks to system improvement and process reformation, the efficiency of taxation work was effectively improved. Therefore, the number of days required for the annual declaration of citizen's various income was significantly reduced. Wendell still continues to develop other tax systems in the hope that science and technology can be integrated to the daily work to improve accuracy and efficiency.
2. Professional inheritance: Establish operating manuals and systematic working paper, share experience, and establish a proxy system to ensure the inheritance of professional knowledge on taxation.
3. Performance evaluation: The taxation personnel's work performance is highly related to the annual taxation work plan, and the evaluation will be conducted based on the achievement of the objectives. Also, it is prohibited to use aggressive tax avoidance approaches to acquire individual performance.

- Tax risk management mechanism

1. Three lines of defense: In 2022, under the monitoring of three lines of defense and key risk indicators, 5 low-risk abnormal incidents were found. Wendell drafted improvement plans immediately according to the reasons of the incidents, and completed the improvement work by the end of 2022 to ensure the conformity of the taxation work to the tax laws and internal regulations.

2. Board of Directors: Relying on risk identification and the mechanism of three lines of defense, we have presented high-risk taxation incidents to the Board of Directors, the highest governance unit, to bring its supervisory role into full play.

- Whistleblowing mechanism

A whistleblowing email has been established so that the employees and stakeholders can report illegal or unethical matters regarding taxation.

- Assurance of tax disclosure

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

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

- Tax collection authority

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

- TPEX

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

Internal Control System

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

In 2022, Wendell didn't find violations and corruptions of its directors, managers or employees, as well as their involvement in anti-competition, antitrust and monopoly actions. If it is reported and verified that some personnel have the behaviors that go against the moral standards, they will be subject to disciplinary measures according to Item 8, Article 2 of "Code of Ethics" of the Company. The detailed contents are as follows:

- Disciplinary measures

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

No discrimination incident occurred to Wendell in 2022. The Company supports "Universal Declaration of Human Rights of the United Nations". Also, with reference to "RBA Code of Conduct", the Company does not discriminate based on race, color, gender, language, and religious beliefs, and abides by relevant local laws and regulations including "Labor Standards Act", "Act of Gender Equality in Employment", and "People with Disabilities Rights Protection Act". Also, the Company has established "Work Rules" internally to assure employees' human rights.

1. Gender equality

In accordance with the provisions of relevant laws and regulations, Wendell provides male employees with pregnancy checkup accompaniment and paternity leaves, and paid family care leave, and female employees with menstrual leave, maternity leave, prenatal check-up leave, etc. respectively. In addition, they may also apply for unpaid parental leave. In 2022, 33% of qualified male employees applied for unpaid parental leave, while 75% of qualified female employees applied for unpaid parental leave. The Company would initiatively care about these employees before reinstatement and assist them in reinstatement. As a result, the reinstatement rate reached 100%;

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

2. Prohibition of employment of child labor and minors

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

3. Avoidance of forced labor

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

4. Emphasis on laborers’ human rights

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

Company are also inquired, and the Company will propose improvement schemes based on such suggestions.

In accordance with relevant human rights policies and standards issued by organizations like the International Labour Organization, Wendell has never used child laborer. In addition to the strict implementation of these policies and standards by the operations, we have also required suppliers not to employ labor or child labor below the minimum working age through the labor health and safety investigation items in “Supplier ESG Evaluation Questionnaire”. In 2022, the Company completed the investigation of 52 suppliers with transactions. If the suppliers have potential risks or deficiencies audited, Wendell will continue to require improvements. Employees who dedicate to the overall product supply chain will be protected by international human rights standards.

Wendell Supplier ESG Assessment Questionnaire

The form is titled "Wendell Supplier ESG Assessment Questionnaire" and includes the Wendell Industrial Co., Ltd logo. It is a detailed questionnaire for suppliers, organized into several sections: 1. General Information (General Information, Supplier Information, Supplier Details), 2. Environmental Protection (Environmental Protection), 3. Labor Rights (Labor Rights), and 4. Social Responsibility (Social Responsibility). Each section contains multiple questions with checkboxes for "Yes", "No", or "Not Applicable". The form also includes a footer with contact information and a date field.

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

1. Propose investigation actions to the executive level in the management review meetings.
2. Determine the actual causes of cases with the suppliers' management to confirm if illegal behaviors really exist.
3. Report to the Sustainable Management Development Group of the Company and require the suppliers to improve immediately.
4. If the breaching behaviors cannot be effectively improved as scheduled, relevant suppliers will be given disqualified scores according to the supplier evaluation measures indicated in ISO 9001.

Statement of Supplier's Sustainability Commitments

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

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

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

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

穩得實業股份有限公司

供應商簽署

公司名稱： [公司章用印]

代表人 / 職稱：

簽名：

日期：

3. Green Industrial Chain

Management of Material Topics

Material topic: Intellectual Property Protection & Competitive Behavior	
Reporting requirements	Description of reporting requirements and examples
Reason for materiality of this topic	<ul style="list-style-type: none"> To accelerate the development of differentiated new products and technologies, we have specifically established relevant measures governing the internal control of R&D cycles. The R&D personnel conduct proposal evaluation work, prepare market feasibility evaluation reports, and then apply for relevant patents; in order to motivate the employees to actively engage in innovation and R&D through the utilization of the Company’s technical resources, and thus provide competitiveness for the products, the Company has established measures for rewarding the R&D and patent application of key products after the R&D personnel obtain their patent certificates. If competitors put same technologies in the market in the future, the technological development results of the Company can be protected according to the terms of relevant regulations (e.g., the Patent Act). The Company researches and develops products and applies for patents every year, not only promoting its own growth but also protect its professional project knowledge.
Policies/strategies	<ul style="list-style-type: none"> The internal control document of CD-16 patent right management work control in the R&D cycle of CD-100 is mainly used as basis for the intellectual property rights and competitive behaviors of the Company, to enhance and protect intellectual property.
Targets and objects	<ul style="list-style-type: none"> As for the protection of patents of intellectual property rights, the Company protects utility model patents 100% at any time as long as the patents are verified and issued. <ol style="list-style-type: none"> The Company obtained a utility model patent in 2022. In 2023, six patents may be acquired as planned. The Company expects to apply for 1-2 patents every year.
Management and evaluation mechanism	<ul style="list-style-type: none"> Wendell executes the patent right management work of R&D cycle, and hands over the patent right certificates acquired to the document management unit for proper safekeeping. The Auditing Department audits each task reading R&D cycle every year based on the results of risk assessment. The Core Technology Department convenes irregular meetings to discuss patent projects.
Performance and adjustment	<ul style="list-style-type: none"> In 2022, in accordance with the patent right management work control of the Company, the personnel of the Auditing Department did not find the absence of patent right control work in its auditing work; in 2022, the patents verified and issued didn’t infringe upon any right. In 2023, this policy objective will be continually executed. The Company researched and developed Automobile Power Filter in 2022 to provide more convenient and effective EMC solutions with weak current power supply. In the future, other market needs will be considered to research and develop patent projects so as to improve the diversity regarding customers’ selection of products.
Preventive or remedial measures	<ul style="list-style-type: none"> New employees are required to sign a <i>Confidentiality and Noncompetition</i> agreement in accordance with the noncompetition clause in the confidentiality agreement signed by the Company with employees. All the technical data and documents shall never be used for any unauthorized purposes no matter the employees are in-service or not, in order to ensure the confidential information of the Company. Coordinate with the patent office to assist patent application, to prevent the occurrence of plagiarism of design contents in the future.

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

3.1 Products and Services

Products and Service Items

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

During the report period in 2022, the Company didn’t suffer from any penalty due to its violation of regulations on the safety information labeling and marketing of products and services, or take any actions involving anti-competition.

Statistics of products or services acquired with safety certification items

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



Product Certification

Below are external certificates:



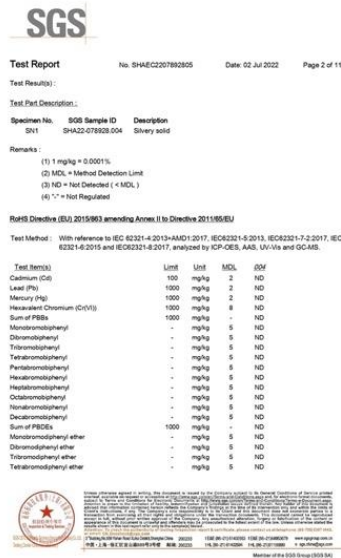
Certificate ISO 9001 2015 (2022-2024)



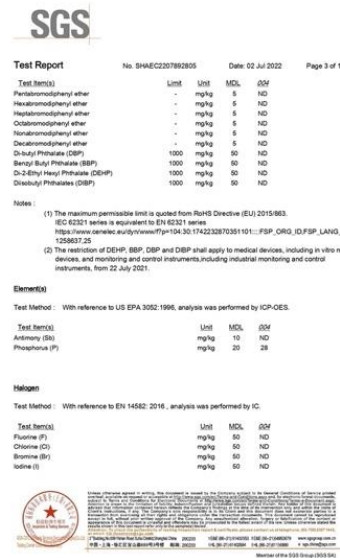
Certificate ISO 14001 2015 (2021-2024)



Chip_Wendell_R10_HF_(SHAEC2207892805)-1



Chip_Wendell_R10_HF_(SHAEC2207892805)-2



Chip_Wendell_R10_HF_(SHAEC2207892805)-3



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Results & photo(s) of this report refer to test report SHAEC2207892804. Unless otherwise stated, the decision rule for conformity reporting is based on Binary Statement for Simple Acceptance Rule (n=0) stated in ILAG-08/09/2019.

ATTACHMENTS

Elements (IEC62321) Testing Flow Chart

1) These samples were dissolved totally by pre-conditioning method according to below flow chart.

```

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

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ATTACHMENTS

Hexavalent Chromium (Cr(VI)) Testing Flow Chart

```

  graph TD
    A[Sample Preparation] --> B[Sample Measurement]
    B --> C{Nonmetallic material  
ABS/PC/PVC Others}
    B --> D{Metallic material}
    C --> E[Disolving by ultrasonication]
    C --> F[Digesting at 150-160°C]
    E --> G[Digesting at 60°C by ultrasonication]
    F --> H[Separating to get aqueous phase]
    G --> I[pH adjustment]
    H --> I
    I --> J[Adding 1,5-diphenylcarbazide for color development]
    J --> K[UV-Vis]
    K --> L[DATA]
    D --> M[Boiling water extraction]
    M --> N[Adding 1,5-diphenylcarbazide for color development]
    N --> O[UV-Vis]
    O --> P[DATA]
  
```

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ATTACHMENTS

Phthalates Testing Flow Chart

```

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

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ATTACHMENTS

Phthalates Testing Flow Chart

```

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

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ATTACHMENTS

Halogen Testing (oxygen bomb) Flow Chart

```

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

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ATTACHMENTS

Elements Testing Flow Chart

```

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

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ATTACHMENTS

Elements Testing Flow Chart

```

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

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Sample photo:

SGS authenticates the photo in original report only
 *** End of Report ***

Chip_Wendell_R10_HF_(SHAEC2207892805)-11



TAF Certificate (English) L2965-220504-1



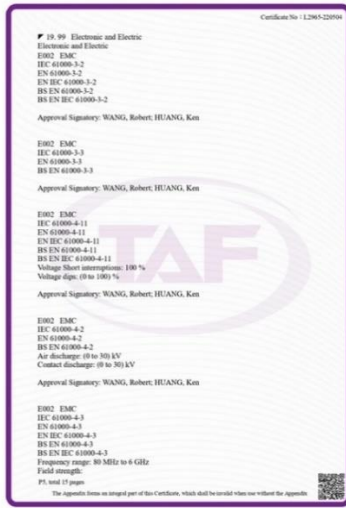
TAF Certificate (English) L2965-220504-2



TAF Certificate (English) L2965-220504-3



TAF Certificate (English) L2965-220504-4



TAF Certificate (English) L2965-220504-5



TAF Certificate (English) L2965-220504-6



TAF Certificate (English) L2965-220504-7



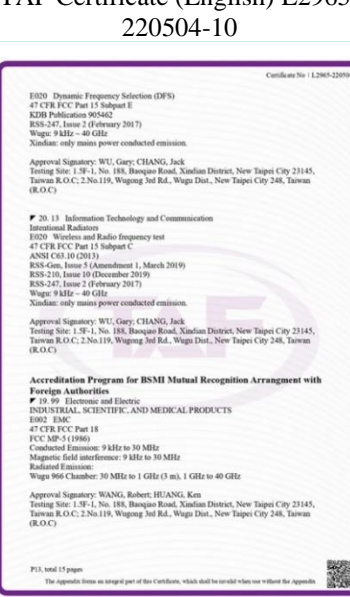




TAF Certificate (English) L2965-220504-8



TAF Certificate (English) L2965-220504-9



 <p>TAF Certificate (English) L2965-220504-10</p>	 <p>TAF Certificate (English) L2965-220504-11</p>	 <p>TAF Certificate (English) L2965-220504-12</p>
 <p>TAF Certificate (English) L2965-220504-13</p>	 <p>TAF Certificate (English) L2965-220504-14</p>	 <p>TAF Certificate (English) L2965-220504-15</p>

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

In addition, the Company also provides EMC testing services in accordance with customers’ different applications, so that customers’ systems can be smoothly sold to each country. Besides, our products are provided with designated markings which represent not only the products sold but also the conformity of product quality to the regulatory requirements. The completion rate of evaluation reached 100%. In 2022, the Company didn’t violate relevant regulations on the information and marketing of products and services and the marketing and communications of these products and services.

Customer Privacy

Wendell attaches great importance to customer privacy and customer data security. When signing procurement contracts with customers or suppliers, we will reach an agreement with them to sign a confidentiality contract, for the purpose of protecting the technical design/internal procedures of the three parties. Wendell adheres to the highest principle of not disclosing confidential information outside, and assigns its document management center to control the application and retrieval of any documents. Besides, the Company has also signed a contract of “Employee Confidentiality Contract with Noncompetition 11003 (V.02)” with employees to require the employees to bear the noncompetition obligation during work or after exit. In 2022, the Company didn’t lose any customer data.

3.2 Green Supply Chain

Type of contract	Region of procurement	2020		2021		2022	
		No.	Ratio of procurement amount of this item in the total procurement amount (%)	No.	Ratio of procurement amount of this item in the total procurement amount (%)	No.	Ratio of procurement amount of this item in the total procurement amount (%)
Labor services (contracting and services)	Domestic	21	1.34	18	0.58	20	0.57
	Foreign	8	0.43	7	0.24	6	0.43
Property (raw materials)	Domestic	43	18.12	45	19.14	38	14.49
	Foreign	34	80.10	35	80.04	32	84.52
Total		106	100%	106	100%	106	100%

Description:

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

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

In addition to the adoption of the existing QMS (ISO 9001) to evaluate and select suppliers, we have also asked suppliers to provide test reports of RoHS hazardous substances. Also, besides the investigation of conflict minerals of upstream suppliers, filling of a list of Substances of Very High Concern (SVHCs) under REACH and the signing of statement of green environmental protection, we completed the verification of suppliers’ certificate status through “ESG Evaluation Questionnaire”, and required the suppliers to sign “Statement of Supplier’s Sustainability Commitments”, so as to stablish a highly resilient and continually operable sustainability supply chain can be established. We perform irregular audits over the suppliers every year. Wendell has signed “Statement of Sustainable Management Commitments” and “Supplier ESG Evaluation Questionnaire” with 51 suppliers that had transactions with Wendell in 2021 and 2022 respectively. The signing rate reached 69%. It is expected that the signing rate will reach 100% in 2023.

For vendors rated as class D will be required to make improvements within a certain time limit. In this case, we will reduce the order quantity until these suppliers improve. Then, normal order quantity can be resumed. If a supplier adopts any illegal behavior, the facts will be investigated, requirements will be raised for improvement, and this supplier will be coached. If any illegal behavior is found, the following measures will be taken: 1. Propose investigation actions to the executive level in the management review meetings; 2. Determine the actual causes of cases with the suppliers’ management to confirm if illegal behaviors really exist; 3. Report to the Sustainable Management Development Group of the Company and require the suppliers to improve immediately; 4. If the breaching behaviors cannot be effectively improved as scheduled, relevant suppliers will be given disqualified scores according to the supplier evaluation measures. In 2022, we executed video audits over suppliers with potential risks, and didn’t find major inferior and disqualified vendors.

The evaluation process of the Company is shown as follows:



4. Friendly Environment

Management of Material Topics

Material topic: Environmental Sustainability (Greenhouse Gas Emission/Energy Management in Manufacturing)	
Reporting requirements	Description of reporting requirements and examples
Reason for materiality of this topic	<ul style="list-style-type: none"> Through the communication with stakeholders regarding degree of concern and analysis of impact, the topic of Greenhouse Gas Emission is relatively important for the Company. In response to the environmental protection and energy conservation policies and carbon reduction trends in the international communities, the customers have also successively investigated greenhouse gas emissions, and required suppliers to follow up their sustainability policies. Therefore, the execution of relevant carbon inventory and energy management can also improve the competitiveness of the products regarding sustainability topics.
Policies/strategies	<ul style="list-style-type: none"> Adopt the sustainable environmental strategy of “Reduction of Waste and Assurance of Safety; Implementation of Environmental Protection and Cherishing of Resources”.
Targets and objects	<ul style="list-style-type: none"> The year 2022 was adopted as the base year of greenhouse gas emissions. Short-term target: Reduce 3% of greenhouse gas emissions within 3 years. Also, the Company expects to pass ISO 14064-1 greenhouse gas inventory third-party certification in 2025. Mid- and long-term targets: Reduce 1% of carbon emissions year by year after acquisition of third-party certification in 2025.
Management and evaluation mechanism	<ul style="list-style-type: none"> Conduct internal investigation of relevant environmental protection and energy conservation measures and carbon emissions in accordance with ISO14001, EF61-01 Wendell Carbon Inventory List and EF53-05 Target Management Table.
Performance and adjustment	<ul style="list-style-type: none"> With the year 2022 as the base year, Wendell has established a short-term target of reducing 3% of greenhouse gas emissions within 3 years. In the future, we will pay continual attention to the implementation effect of energy conservation and carbon reduction measures, and make adjustments at any time.
Preventive or remedial measures	<ul style="list-style-type: none"> The year 2022 was also a base year of Wendell for carbon reduction. In the future, the Company will pay continual attention to the implementation effect of relevant energy-saving measures every year. If the effect of carbon reduction is not as expected, we will immediately convene relevant units to communicate, discuss and cooperate.

Material topic: Water Resource Management	
Reporting requirements	Description of reporting requirements and examples
Reason for materiality of this topic	<ul style="list-style-type: none"> The shortage of water resources is no longer just a problem in Taiwan. According to the data released by the United Nations, nearly 50% of the global population is facing the challenge of water shortage. If this problem is not treated seriously, the risk of shortage of water resources will become increasingly serious. The impact of water shortage is extensive, and may cause problems like food shortage and social unrest. The chain effect of water shortage has changed

Material topic: Water Resource Management	
	it from an environmental risk to a social risk. Therefore, the Company attaches great importance to the issue of water resources despite its limited water consumption.
Policies/strategies	<ul style="list-style-type: none"> ● Continue to promote water-saving and avoid wasting water resources.
Targets and objects	<ul style="list-style-type: none"> ● As for water consumption, only household water is consumed at our offices. Although the water consumption is limited, we will continue to promote water-saving and avoid wasting water resources.
Management and evaluation mechanism	<ul style="list-style-type: none"> ● Regularly review the change of water consumption, and monitor whether the reading of the water meter is abnormal on a monthly basis
Performance and adjustment	<p>Performance of water resource management in 2022:</p> <p>(1) Total water withdrawal: 3.19 (Unit: 1,000,000L)</p> <p>(2) Total water consumption: 3.19 (Unit: 1,000,000L)</p> <p>(3) Percentage of water withdrawal in regions with High or Extremely High Baseline Water Stress: 0</p> <p>(4) Percentage of water consumption in regions with High or Extremely High Baseline Water Stress: 0</p>
Preventive or remedial measures	<ul style="list-style-type: none"> ● Regularly review the change of water consumption, and monitor whether the reading of the water meter is abnormal on a monthly basis; also, dedicated personnel have been assigned to check if waste of water resources or water leakage exists.

Material topic: Raw Material Traceability	
Reporting requirements	Description of reporting requirements and examples
Reason for materiality of this topic	<ul style="list-style-type: none"> ● Through the communication with stakeholders regarding degree of concern and analysis of impact, the topic of Raw Material Traceability is relatively important for the Company; in particular, with respect to reclamation and smelting of raw materials, massive child labor will be used to do the smelting work in the backward countries or regions if it is traced back to the origin. Wendell values much the human rights standards. Therefore, the part number of each product in any product line of Wendell is disclosed with MSDS. When the materials used contain several key minerals like gold, tungsten, tin, tantalum, cobalt and mica, we will investigate CMRT and EMRT, and require the manufacturers of these raw materials to mark the number of smelting areas clearly.
Policies/strategies	<ul style="list-style-type: none"> ● Conduct management according to ISO 9001: QP85-04 Management Procedure for Hazardous Substances of Products.
Targets and objects	<ul style="list-style-type: none"> ● When recognizing product P/N every time, we will not only require the provision of third-party test reports regarding hazardous substances, but also investigate data regarding hazardous substances in the products. For the Company, the objective is always to complete the investigation 100%.

Material topic: Raw Material Traceability

Management and evaluation mechanism	<ul style="list-style-type: none"> Conduct management according to ISO 9001: QP85-04 Management Procedure for Hazardous Substances of Products. We will investigate again when new suppliers are introduced, or relevant green regulations including those issued by the EU are learned, or customers raise new requirements.
Performance and adjustment	<ul style="list-style-type: none"> All will be completely confirmed by the Company, and therefore no adjustment is needed. We will execute this policy objective continually in the future.
Preventive or remedial measures	<ul style="list-style-type: none"> In case of any inconformity, relevant materials will be returned to the factories for re-investigation. If the hazardous substances exceed the verification specification of PPM of the EU, it shall confirm whether the exemption clause is complied with; if the hazardous substances exceed REACH standards, SCIP substance declaration can be filled out as the case may be.

4.1 Raw Material Management

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

Name of raw material	Unit	Renewable or not	2020	2021	2022
Ambient Light Sensor	Gram	Non-renewable	9,629	23,704	22,681
Bead	Gram	Non-renewable	83,765	203,124	111,777
Bridge Diode	Gram	Non-renewable	398,500	496,857	313,922
Ceramic PTC	Gram	Non-renewable	2,037,776	2,014,278	361,500
CMF(CMF+ESD/EMI_ESD)	Gram	Non-renewable	404,883	774,007	537,469
Diode Arrays	Gram	Non-renewable	0	0	31,243
DIP Inductor	Gram	Non-renewable	349,601	710,661	564,769
EMI Reduction IC	Gram	Non-renewable	4569	11556	7430
ESD Diode	Gram	Non-renewable	1,041,814	1,868,438	1,164,961
ESD-OSAT	Gram	Non-renewable	37	153	323
Ferrite Inductor	Gram	Non-renewable	2,714	7,051	1,312
Fixed Resistors	Gram	Non-renewable	839,468	1,250,028	1,732,353
Fuse	Gram	Non-renewable	52,647	160,535	62,771
GDT	Gram	Non-renewable	4,644,857	5,285,078	5,274,770
High freq Inductor	Gram	Non-renewable	1,752	3,656	477
Industrial S/C	Gram	Non-renewable	3,121,123	7,400,090	4,709,666
IR Filter Switch	Gram	Non-renewable	9,027	16,728	8,568
IR LED	Gram	Non-renewable	9	272	77
KOMATSULITE	Gram	Non-renewable	153,157	59,499	2,987
LAN Transformer	Gram	Non-renewable	11,365,270	8,790,832	6,513,884
LED	Gram	Non-renewable	72,799	107,869	50,940
Ligitek others	Gram	Non-renewable	2	818,443	594,734
Magnetics	Gram	Non-renewable	9,853,250	20,606,426	26,461,120
Mosfet	Gram	Non-renewable	539,087	422,346	262,265
MOV	Gram	Non-renewable	1,012,126	892,661	871,414
Multifuse	Gram	Non-renewable	15,884,432	13,729,125	8,655,888
NTC	Gram	Non-renewable	24,476	15,118	34,841
Other	Gram	Non-renewable	394,459	165,774	5,283
Power Inductor	Gram	Non-renewable	4,159,928	7,366,868	4,990,680
Rectifier Diodes	Gram	Non-renewable	217,543	870,657	574,074
Resistor	Gram	Non-renewable	121	21,996	77,444
Resistor ICP	Gram	Non-renewable	0	36	2,176
Schottky Diode	Gram	Non-renewable	241,346	472,007	502,181



Name of raw material	Unit	Renewable or not	2020	2021	2022
Surge LAN Trans	Gram	Non-renewable	1,109,857	979,160	151,551
Surge Varistor	Gram	Non-renewable	662,024	1,041,586	590,129
Switching Diode	Gram	Non-renewable	9,750	33,094	37,529
Thyristor	Gram	Non-renewable	1,499,172	2,349,175	1,212,580
Transformer	Gram	Non-renewable	60,498	8,066	1,054
Transient Block Unit	Gram	Non-renewable	51,183	86,518	99,000
Transistor	Gram	Non-renewable	49,813	161,831	62,193
Trimpot	Gram	Non-renewable	29,405,520	41,872,148	34,824,216
TSP	Gram	Non-renewable	2,203,220	3,037,838	1,248,377
TVS Diode	Gram	Non-renewable	4,334,426	9,049,280	8,598,574
Varistor	Gram	Non-renewable	89,893	110,065	20,751
Zener Diode	Gram	Non-renewable	11,448	38,200	14,900

Remarks:

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

4.2 Water Resource Management

303-1	Interactions with water as a shared resource
303-2	Management of water discharge-related impacts
303-3	Water withdrawal
303-4	Water discharge
303-5	Water consumption

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

Compared to other industries, the Company is operated in an industry that does not consume much water. Also, we haven't established any factory, and therefore no production water is involved. Our water consumption is only limited to the offices with limited water usage. Therefore, we do not discharge wastewater. With respect to water resource management, we mainly lower the hydraulic pressure of the faucets to avoid the waste of water resources. Besides, we regularly review the change of water consumption, and monitor whether the reading of the water meter is abnormal on a monthly basis; also, dedicated personnel have been assigned to check if waste of water resources or water leakage exists.

Year	2022
Water withdrawal (Unit: 1,000,000L)	3.19
Water discharge (Unit: 1,000,000L)	3.19
Water consumption (Unit: 1,000,000L)	0.00
Specific measurement of the organization (Unit)	Total number of employees
Specific measurement value of the organization	150
Intensity of water consumption	0.02

Notes:

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

4.3 Energy Management

302-1	Energy consumption within the organization
302-2	Energy consumption outside of the organization
302-3	Energy intensity
302-4	Reduction of energy consumption
302-5	Reductions in energy requirements of products and services

The consumption of energy sources used by the Company in 2022 is presented as follows:

Quantitative indicator	Unit	2022
Power consumption	kWh/year	517,931
	GJ	1,864.55
Gasoline consumption	L/year	1,284.75
	GJ	41.93
Diesel consumption	L/year	3,710.98
	GJ	130.42
Specific measurement of the organization	Unit	Total number of employees
Specific measurement value of the organization		150
Total energy consumption	GJ	2,036.90
Energy intensity	GJ/person	13.5794

Notes:

1. The calorific value of electricity is converted as 1kWh=0.0036GJ.
2. For the sources of conversion coefficients, the calorific value of fuels is calculated according to Greenhouse Gas Emission Coefficient Management Table 6.0.4 issued by the Environmental Protection Administration. The specific coefficients are shown as follows: 7,800 kcal/L for gasoline; 8,400 kcal/L for diesel; 8,000 kcal/m³ for natural gas; 1 kcal=4.184 KJ.
3. Since the Company conducted internal pilot investigations in 2020 and 2021 according to ISO 14001, and the actual fuel used by the official cars was not calculated. An estimated value was adopted. Therefore, the fuel consumption was not accurate. In 2022, the base year, the actual fuel consumption of official cars was calculated.

Energy-saving Results

With the year 2022 as the base year, the Company established the following programs to reduce energy consumption and achieve energy-saving results:

1. Set up the temperature of air-conditioning system at 25°C.
2. Successively replace the lighting fixtures and emergency exit indicator light with LED energy-saving lamps.
3. Implement zoning control of lighting fixtures and power supply of air-conditioning system (cooling).
4. Reduce the quantity of lamps in places with relatively low demand for illuminance given that no safety risk exists.
5. Shut down unnecessary lighting equipment during the noon break. The Company provides table lamps for colleagues who need lighting during the noon break.
6. Gradually review and remove inefficient outdated equipment.
7. Purchase energy-saving equipment with high efficiency and products with “Green Label” with priority.
8. Regularly assign personnel to patrol and confirm whether the power of lighting, air-conditioning and projection equipment not used is shut down. Strengthen the colleagues’ awareness of shutting down power supply when leaving.
9. Require colleagues who get off duty at last to conduct patrolling of all the power supplies of the Company supposed to be shut down (lamps, air-conditioning, water dispenser, copying machine, coffee machine, etc.).
10. Install thermal-insulated curtains for cooling.
11. Give subsidies to colleagues for sharing taxies (Qizhang Metro Station-Company) in order to encourage colleagues to use public transportation during commuting.
12. Lower approximately 50% of hydraulic pressure of faucets to avoid the waste of water resources.

Energy Consumption Reduction/Energy Conservation for Customers with Our Products

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

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

4.4 Greenhouse Gas Management

Currently, simple calculation is adopted for the greenhouse gas emissions of Wendell. The calculation scope of the total greenhouse gas emissions of the Company includes Scope 1 Direct Greenhouse Gas Emissions and Scope 2 Indirect Greenhouse Gas Emissions. The greenhouse gas emissions of the Company in 2022 are shown in the table below:

Item	2022
Scope 1: Direct Greenhouse Gas Emissions (tonCO ₂ e)	12.7317
Scope 2: Indirect Greenhouse Gas Emissions (tonCO ₂ e)	260.0014
Total emissions = Scope 1 + Scope 2 (tonCO ₂ e)	272.7331
Total (tonCO ₂ e)	272.7331
Intensity of greenhouse gas emissions (tonCO ₂ e/Number of employees)	1.8182
Notes:	
1. Scope 1 refers to emission sources directly owned or controlled by the Company, including fixed combustion sources, process emissions, mobile combustion sources of transportation, and dissipative emission sources. The emission coefficients are calculated according to the latest Greenhouse Gas Emission Coefficient Management Table 6.0.4 (IPCC Sixth Assessment Report) announced by the Bureau of Energy, the Ministry of Economic Affairs.	
2. Scope 2 refers to direct energy emissions, including purchased electricity.	
3. Emission types of greenhouse gases: Carbon dioxide (CO ₂), methane (CH ₄) and nitrous oxide (N ₂ O).	
4. The electricity emission coefficients announced by the Bureau of Energy, the Ministry of Economic Affairs are quoted for the purchased electricity. In 2019 and 2021, the electricity emission coefficient was 0.509 kgCO ₂ e/kWh; in 2022, the electricity emission coefficient was 0.495 kgCO ₂ e/kWh.	

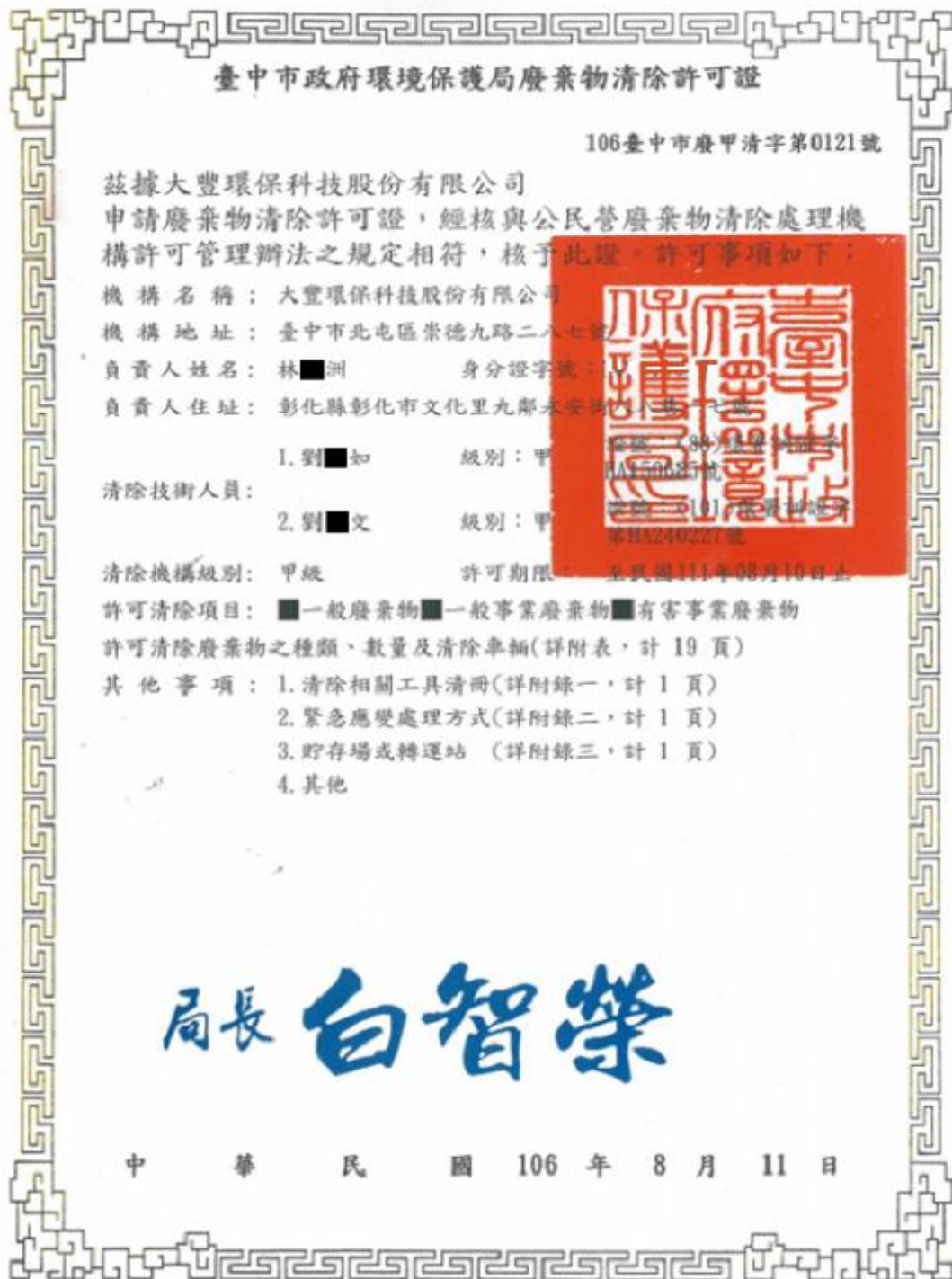
In 2022, Wendell didn't emit substances that damaged the ozone or other major gases (e.g., NO_x, Sox, TSP, VOC, etc.).

4.5 Waste Management

306-1	Waste generation and significant waste-related impacts
306-2	Management of significant waste-related impacts
306-3	Waste generated
306-4	Waste diverted from disposal
306-5	Waste directed to disposal

During the Company's operating activities, the most waste produced by the testing instruments includes tin slag and waste plates. The Company has also entrusted a qualified third-party cleaning and transportation company to assist the disposal of waste produced. However, since the weight of the waste was not enough, it was not cleaned and transported in 2022. Therefore, the waste will be disposed together with that generated in the next year.

License of Qualified Cleaning and Transportation Company



5. Diversified Workplace

Management of Material Topics

Material topic: Employee Health & Safety	
Reporting requirements	Description of reporting requirements and examples
Reason for materiality of this topic	<ul style="list-style-type: none"> Wendell believes that a company can grow stably only when its employees are healthy, happy, and mentally and physically balanced. By creating harmonious labor-management relations and unimpeded communication channels, continually caring about the employees and establishing a safe and worry-free work environment, Wendell considers all its employees as the important asset for the Company’s sustainable development so that talent growth and innovation can be achieved and integrated to the corporate culture to inject vitality and promote operational efficiency for the Company.
Policies/strategies	<ul style="list-style-type: none"> Provide treatment that is superior to standards specified in the Labor Standards Act, to create a friendly and healthy workplace environment featuring balance between work and life.
Targets and objects	<ul style="list-style-type: none"> Short-term targets: <ol style="list-style-type: none"> Import EAPS and start internally, focusing on not only employees’ work status but also their emotions The reinstatement rate of employees from unpaid parental leave is 80% and above. Convene at least two life balance courses in a year. Continue to convene labor-management meetings and occupational safety meetings, to strengthen communication with employees and enhance workplace safety. Increase the number of employees who make an appointment for onsite nursing. Improve the equipment in the breastfeeding and milk-collecting rooms. Mid- and long-term targets: <ol style="list-style-type: none"> Introduce external resource EAPS to offer other communication channels for employees. The reinstatement rate of employees from unpaid parental leave is 85% and above. Import ISO 45001 system to improve the occupational safety grade. Continually develop various platforms and increase complete and multi-directional employee communication channels.
Management and evaluation mechanism	<ul style="list-style-type: none"> Convene labor-management meetings and occupational safety meetings regularly: The employees may reflect their problems and needs, and the management representatives shall give timely replies on the spot, and promise to handle such matters immediately. Convene meetings of the Welfare Committee irregularly: Each department shall elect and assign representatives to plan various activities and amend the welfare, and then report to the management of the Company to jointly safeguard and create a Welfare Committee that complies with employees’ expectations.

Material topic: Employee Health & Safety

	<ul style="list-style-type: none"> ● Onsite services: The onsite services are provided according to the provisions of the Occupational Safety and Health Act. 24 nurse practitioner interviews/year and 2 doctor interviews/year are arranged. ● Investigation of employees' opinions: Employees will be asked to reflect matters to be improved by the Company based on the performance evaluation conducted twice a year, and such matters will be submitted to relevant departments for response.
<p>Performance and adjustment</p>	<ol style="list-style-type: none"> 1. In 2022, 4 labor-management meetings were convened. The two sides communicated harmoniously, and no labor dispute happened (The labor representatives and the management representatives accounted for 50% respectively, superior to the ratio of 1/3 as stipulated in relevant regulation). 2. 61 person-times participated in employee health management improvement and consulting, accounting for nearly 41% of the total number of employees of the Company. The appointment rate is expected to reach 50%. 3. 6 door-to-door massage services were held every month with attendance of 648 person times. In other words, 1 employee would be served for more than 4 times every year on average. 4. The door-to-door influenza vaccination rate reached 60% and above. The vaccination rate will be increased in the future according to relevant policy. 5. With respect to the promotion rate of healthy bento, the average ratio of employees ordering bento on a daily basis reached 75%. 6. The hospital health examination rate reached 85%. In recent years, due to the influence of the epidemic, the health examination rate was relatively low. It is expected to adjust and increase this ratio to 90%.
<p>Preventive or remedial measures</p>	<ul style="list-style-type: none"> ● The Company has established a sexual harassment prevention and control group to avoid the occurrence of sexual harassment incidents in the workplace; relevant personnel involved in illegitimate infringements will be communicated with according to 4 major plans established based on the Occupational Safety and Health Act. Nursing staff care about colleagues with doubts physically and mentally in advance; also, a whistleblowing system has been established, and external or internal appeal mailbox has been set up so that employees may use it when their interests are infringed upon or improperly disposed and the problems cannot be reasonably resolved.

Material topic: Recruiting & Managing a Global & Skilled Workforce

Reporting requirements	Description of reporting requirements and examples
<p>Reason for materiality of this topic</p>	<ul style="list-style-type: none"> ● The turnover rate of employees is closely related to the Company's stability. An excessive turnover rate will affect the organizational development. Therefore, we continue to take various measures to attract talents, listen to employees' voice, increase new labor, and archive the suitable development and long-term retention of employees at the Company.

Material topic: Recruiting & Managing a Global & Skilled Workforce

<p>Policies/strategies</p>	<ul style="list-style-type: none"> Wendell provides competitive compensation and encouraging bonus according to the market salary level, and dedicates to giving bigger development space to talents. The Company sets aside distributable earnings to employees every year, and continues to improve employees' welfare and work environment, so as to increase high-quality and stable manpower.
<p>Targets and objects</p>	<ul style="list-style-type: none"> Short-term targets: <ol style="list-style-type: none"> Increase the designated number of interns in accordance with the number of schools, and actively participate in industry-university cooperation plans of these schools. Continue to maintain a balance of the ratio between male and female employees. Check the work contents of each position, plan the manpower demand of the Company in the next 5 years, and improve the technical abilities of key talents. Ensure that the Company is continually not involved in major labor-management disputes. Mid- and long-term targets: <ol style="list-style-type: none"> Develop online learning platforms and encourage employees to try and plan their learning blueprints. Continue to extend and improve the excellent talent structure, stabilize the manpower structure, pass on experience, and encourage innovation. The Company is not involved in major labor-management disputes.
<p>Management and evaluation mechanism</p>	<ul style="list-style-type: none"> Further listen to employees' voice, and strengthen their functions and working ability through annual employee satisfaction survey, employee probation interview, and performance evaluation interview.
<p>Performance and adjustment</p>	<ol style="list-style-type: none"> A remuneration system featuring equal pay for equal work: The ratio between remuneration of basic-level male employees and remuneration of basic-level female employees was 1: 0.99. The employees' salaries and welfare expenses accounted for 11% of the operating revenue. In 2022, the resignation rate reached 18%. Therefore, it is a must to increase recruitment and appraisal tools, strengthen employee care, and adjust their salaries, so as to lower the resignation rate. In recent years, the Company hired a total of 15 interns, including 12 from Lunghwa University of Science and Technology, 1 from Takming University of Science and Technology, 1 from Tungnan University, and 1 from National Taiwan University of Science and Technology respectively. 12 of them stayed at the Company after graduation, with retention rate of 80%. Besides, it is required to increase more highlights to retain talents, in order to further increase the retention rate. In 2022, the Company didn't receive any punishment from the Labor Inspection Department.
<p>Preventive or remedial measures</p>	<ul style="list-style-type: none"> A whistleblowing system has been established, and external or internal appeal mailbox has been set up so that employees may use it when their interests are infringed upon or improperly disposed and the problems cannot be reasonably resolved.

5.1 Talent Recruitment and Retention

Workers who are not employees of Wendell are not the Company’s employees, including dispatch personnel, entrusted manpower, etc. In 2021, there were 4 workers who were not employees of Wendell. This figure remained the same in 2022. The general information of number of employees in 2022 is shown in the table below:

General Information of Number of Employees of Wendell in 2022				
Region	Type of contract	Female	Male	Total number
Taiwan	Number of employees	89	61	150
	Number of regular employees	89	61	150
	Number of full-time employees	89	61	150

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

Information of Workers Who are not Workers of Wendell in 2022		
Type of worker	Contractual relationship with the Company	Total number of workers
Professional consultant	Appointed	1
Cleaning personnel	Appointed	3

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

Year		2020	2021	2022
Item/Gender	Age	No. of employees	No. of employees	No. of employees
Supervisors	Male	Below 30	0	0
		30-50	7	6
		Above 50	1	2
	Female	Below 30	0	0
		30-50	4	4
		Above 50	0	0
Total supervisors		12	12	10
Non-supervisor personnel	Male	Below 30	14	14
		30-50	28	32
		Above 50	3	3
	Female	Below 30	13	15
		30-50	56	59
		Above 50	2	2
Total non-supervisor personnel		116	125	140
Total regular personnel		128	137	150

Description: Supervisors at the division level or above: Please fill out which level is defined as supervisors according to the definition of the Company.



Year	2020				2021				2022			
	Male		Female		Male		Female		Male		Female	
Age/Item	No. of employees	New employment rate (%)	No. of employees	New employment rate (%)	No. of employees	New employment rate (%)	No. of employees	New employment rate (%)	No. of employees	New employment rate (%)	No. of employees	New employment rate (%)
Below 30	5	3.91	7	5.47	6	4.38	12	8.76	6	4	10	6.67
30-50	5	3.91	8	6.25	6	4.38	8	5.84	5	3.33	15	10
Above 51	1	0.78	0	-	1	0.73	0	-	0	-	0	-
Total number of new employees	26				33				36			
Total number of employees	128				137				150			
Total new employment rate (%)	20.31				24.09				24			

Notes:

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

Year	2020				2021				2022			
	Male		Female		Male		Female		Male		Female	
Age/Item	No. of employees	Separation rate (%)	No. of employees	Separation rate (%)	No. of employees	Separation rate (%)	No. of employees	Separation rate (%)	No. of employees	Separation rate (%)	No. of employees	Separation rate (%)
Below 30	0	-	2	1.56	3	2.19	5	3.65	3	2	5	3.33
30-50	7	5.47	6	4.69	5	3.65	10	7.30	7	4.67	12	8
Above 51	2	1.56	0	-	1	0.73	0	-	1	0.67	0	-
Total number of separated employees	17				24				28			
Total number of employees	128				137				150			
Total separation rate (%)	13.28				17.52				18.67			

Notes:

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

Complete Employee Welfare

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

The employee welfare measures adopted by the Company include:

Welfare item	Content
Bonus/Cash gift	Cash gift for the Dragon Boat Festival, cash gift for the Mid-Autumn Festival, birthday cash gift, marriage cash gift, childbirth cash gift, elderly maternity bonus, hospitalization cash gift, funeral cash gift, full attendance reward, recommendation bonus, and seniority gold coins.
Travel allowance/leave	Travel allowance and leave
Full-pay leave that is superior to the standards specified in the Labor Standards Act	10-week paid maternity leave, birthday leave, paid family care leave, paid epidemic quarantine leave, paid epidemic care leave, and paid vaccination leave.
Activities of the Welfare Committee	Local tourism, year-end dinner for employees, lot-drawing activity, family day activity, employees' sports meeting, employees' club activities, department dining together, birthday celebration activity, and Christmas activities.
Employee insurance and health	Full coverage of labor and health insurance, full-salary pension appropriation, group insurance (including spouse and children), health examination, nursing practitioner health consulting, onsite massagist service, and free organize bento for launch.
Thoughtful work environment and measures	Rest area for pregnant women, comfortable nursing room, contract signing with child care centers nearby, taxi subsidy, business car pickup, subsidy for providing cold protection equipment for colleagues riding motorcycles, unlimited supply of coffee, sale of snacks, onsite insurance services, etc.



Badminton



Paintball



Sports Meeting



Gift Exchange on the Christmas



BBQ



Board Role-playing Game



Employee Travel 1



Employee Travel 2



Employee Travel Evening Party



Year-end Dinner for Employees 1



Year-end Dinner for Employees 2



Year-end Dinner for Employees 3

Recruitment of Employees from Diversified Ethnic Groups

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

Year		2020	2021	2022	
Item/Gender	Age	Number	Number	Number	
Minority or disadvantaged groups	Male	Below 30	1	1	1
		30-50	0	0	0
		Above 51	1	0	0
	Female	Below 30	0	0	0
		30-50	1	1	1
		Above 51	0	0	0

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

5.2 Talent Cultivation and Development

2-21	Annual total compensation ratio
202-1	Ratios of standard entry level wage by gender compared to local minimum wage
404-1	Average hours of training per year per employee
404-2	Programs for upgrading employee skills and transition assistance programs
404-3	Percentage of employees receiving regular performance and career development reviews
405-2	Ratio of basic salary and remuneration of women to men

Education and Training

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

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

Item/Category		Management positions		Non-management positions		Direct personnel		Indirect personnel	
		Male	Female	Male	Female	Male	Female	Male	Female
Total number	Person	8	0	34	45	13	0	29	45
Training hours	Hour	64	0	192	182	54	0	202	182
Average training hours	Hours/person	8	0	5.65	4.04	4.15	0	6.97	4.04
Training expenses	NT\$	38,800	0	48,000	17,700	7,200	0	79,600	17,700

Notes:

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

Overview of Planning of Education and Training of Wendell in 2022						
Department	Category of training (Technology/Management)	Internal training	External training	Training content	Budget (NT\$)	Trainees
Auditing Department	Management		✓	Planning of Internal Audit Work and Necessary Techniques	13,200	All auditors (2 persons in total)
Finance & Accounting Department	Management		✓	Continuing Education Course for Accounting Manager and Accounting Agent (2 persons)	16,000	Accounting manager and accounting agent
Finance & Accounting Department	Management		✓	Advanced Accounting Course (3 persons)	10,500	Finance and accounting personnel
Board of Directors	Management		✓	Course Related to Corporate Governance and Securities Regulations	60,000	Directors of the Company
Administrative Affairs Department	Management		✓	Fire Protection Manager Lecture Training (2 persons)	6,400	Administrative personnel
Administrative Affairs Department	Management		✓	First-aid Personnel Safety and Health Education and Training (2 persons)	10,000	Administrative personnel
Administrative Affairs Department	Management		✓	General Safety and Health Education and Training	1,200	Administrative personnel
Electrical Performance Laboratory	Management		✓	Laboratory Certification Specification ISO/IEC 17025 Training	28,000	Laboratory colleagues (4 persons in total)
Quality Assurance Department	Management		✓	ISO 9001: 2015 Internal Audit Training	5,000	Colleagues from Quality Assurance Department
All colleagues	Management	✓		Fire Protection Lecture	0	All colleagues
Semiconductor Department	Management		✓	Practical Lecture Class of Capacity Requirements Planning (CRP) and Material Requirement Planning (MRP)	5,400	Colleagues from the Semiconductor Department (2

					persons in total)
Photos of Education and Training of Wendell in 2022					
					
					

Fair Performance Management System

The ratios of employees of Wendell receiving assessment are shown as follows. Since new employees who worked for less than 3 months, employees on leave without pay for more than 3 months and the Chairman were not included in the assessment, the ratios didn't reach 100%.

Item	Management positions	Non-management positions	Direct personnel	Indirect personnel
Ratio of male employees receiving assessment (%)	86	90	82	95
Ratio of female employees receiving assessment (%)	100	93	0	93

Note: Since new employees who worked for less than 3 months, employees on leave without pay for more than 3 months and the Chairman were not included in the assessment, the ratios didn't reach 100%.

Country/Region	Ratio between the total annual remuneration of the individual with the highest remuneration in the Company and the median of the total annual remuneration of employees (not including this individual) (%)	Increased ratio between the total annual remuneration of the individual with the highest remuneration in the Company and the median of the total annual remuneration of employees (not including this individual) (%)
Taiwan	9.90	4.69

Remarks:

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

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

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

Country/Region	Ratio between the standard salary of basic-level male employees and the local minimum wage standard (%)	Ratio between the standard salary of basic-level female employees and the local minimum wage standard (%)
Taiwan	1.44	1.46

The starting salaries offered by the Company comply with the basic salary standard stipulated in the Labor Standards Act regardless of gender. Since the salaries are paid based on seniority, work performance, etc., the pay ratios differ according to different positions. The annual pay ratios of the Company during the report period in 2022 are shown in the following table:

Pay ratio of each position	Number		Total annual pay (NT\$)		Pay ratio (%)	
	Female	Male	Female	Male	Female	Male
Management position	4	6	8,930,758	20,768,154	0.7	1
Non-management position	85	55	62,760,915	41,912,516	1	1
Direct personnel	0	16	0	8,151,550	0	1
Indirect personnel	89	45	71,691,673	54,529,120	0.7	1

Remarks:

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

5.3 Benefits and Retirement System

Employment Retirement System and Implementation Status

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

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

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

Implementation Status of Unpaid Parental Leave

In accordance with relevant provisions of “Labor Standards Act” and “Act of Gender Equality in Employment”, an unpaid parental leave system has been implemented for the employees. Female employees enjoy prenatal check-up leave and maternity leave during pregnancy and before and after delivery, while male employees enjoy paternity leave upon the delivery of their spouses. Besides, employees will be arranged to go back to the original units and positions upon expiry of their parental leave, so as to actively assist them in reintegrating into the workplace. In 2022, 7 employees (1 male and 6 females) applied for unpaid parental leave, and the number of employees actually reinstated in the current year reached 5 (1 male and 4 females), presenting a reinstatement rate of 100%.



Year	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees qualified to apply for unpaid parental leave A	7	14	21	5	5	10	3	8	11
Number of employees applying for unpaid parental leave in current year B	0	4	4	0	0	0	1	6	7
Number of employees who are supposed to be reinstated from unpaid parental leave in current year C	0	4	4	0	0	0	1	4	5
Number of employees reinstated from unpaid parental leave in current year D	0	3	3	0	0	0	1	4	5
Number of employees actually reinstated from unpaid parental leave in the previous year E	0	0	0	0	5	5	0	0	0
Number of employees working continually for one year after reinstatement from unpaid parental leave in the previous year F	0	0	0	0	2	2	0	0	0
Reinstatement rate of employees returning from unpaid parental leave in current year % (D/C)	-	75	75	-	-	0	100	100	100
Retention rate of employees returning from unpaid parental leave in current year % (F/E)	-	-	-	-	40	40	-	-	-

Calculation methods:

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

Minimum Period of Advance Notice of Operational Change

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

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

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

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

5.4 Occupational Health and Safety

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

In order to ensure the implementation of occupational safety, the Company has arranged regular labor-management meetings although no occupational safety and health committee has been established yet. Issues regarding occupational safety can be brought up and discussed in labor-management meetings. There are 7 labor representatives, accounting for 50% of all committee members. The employee representatives are elected and assigned by colleagues from each department. The committee members may put forward their suggestions

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

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

Occupational Safety and Labor-Management Meetings

The Company has arranged regular labor-management meetings although no occupational safety and health committee has been established yet. Issues regarding occupational safety can be brought up and discussed in labor-management meetings. The labor-management meetings are convened once every quarter, and there are 4 labor-management meetings in each year. The tenure of the committee members lasts for 2 years. There are 14 committee members, including 7 labor representatives and 7 management representatives who account for 50% of all committee members respectively. The committee members will communicate, participate and update the requirements of the Occupational Safety and Health Act and relevant matters, review the occupational safety issues, discuss improvement plans, and strengthen the professional ability of personnel from each department regarding occupational safety and health. The personnel unit also contributes to the promotion of “Four Labor Health Protection Plans Established by the Ministry of Labor” through specially-appointed nursing practitioners and doctors. The personnel unit distributes questionnaires to colleagues for filling and submission every year. The nursing staff visits the Company every month from whom colleagues may make an appointment to inquire their problems.

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

1. Ergonomic Hazard Prevention Plan

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

2. Abnormal Workload Induced Disease Prevention Plan

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

3. Unlawful Infringement Prevention Plan for the Performance of Duties

Approaches like questionnaire survey, medical interview and each appeal channel are adopted to protect employees from workplace violence, including physical violence, mental violence, sexual harassment, and sexual assault. Measures that prevent language violence, mental violence and

physical violence are taken to coordinate and deal with unlawful infringements as soon as possible. The medical staff will also continue to follow up and care about employees’ physical and mental health in the future.

4. Maternal Health Protection Plan

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

Occupational Safety and Health Education and Training Activities

● **Occupational Safety Education and Training**

The colleagues of the Company shall receive education and training on occupational safety and health.

The training programs in the report period are listed as follows:

Name of training program	Trainees	Training expenses (NT\$)
Safety and Health Education and Training for New Employees and In-service Employees	41	0
General Safety and Health Education and Training	1	1,200
Laboratory Certification Code ISO/IEC 17025 Training	4	28,800
Initial Training Class for Fire Protection Administrator Lecture and Study	2	6,400
Fire Protection Lecture and Study	14	0

Remarks:

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

● **Employee Health Examination**

The Company has established code of work for safety and health according to the regulations. Since the operating environment of the Company is relatively safe, and no special work and special health examination have been arranged, we attach great importance to relevant factors that can easily lead to the damage of employees’ health including incorrect work posture, “Three Highs” (high blood pressure, high blood glucose and high blood lipid”, maternal protection and unlawful infringements. We plan annual all-around health examinations for our employees that are superior to the requirements raised in the regulations to stay updated with the employees’ health condition and provide basis for self-health management. Onsite

nursing practitioners will assist the colleagues' consulting every month, so that employees' work contents can be adjusted as appropriate, or their emotions can be cared for. Also, we irregularly advocate new knowledge on AED and CPR, in order to nip in the bud and create a safe and risk-free work environment.

General Statistics of Employees Participating in Health Examination and Examination Fees

General health examinations

Examination item	General examinations, physical examination, lung examination, cardiovascular and metabolic system, digestive system, kidney urinary system, blood system, tumor markers, gynecology, andriatics, ophthalmic examination, hearing examination, ultrasound, X-ray test, and bone density examination.
Number of examinees	107
Examination fees (NT\$ 1,000)	892

服務特色



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

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

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

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

- **Relevant Services and Measures for Employees' Health Promotion**

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

- **Health Examination Superior to the Requirements Raised in Relevant Regulations**

Through cooperation with Cathay Healthcare Management Center and Renyou Medical Clinic, we provide new employees and in-service employees with general health examinations. For general in-service employee health examinations, we have provided additional examination items in addition to those stipulated in relevant regulations. The examination rate reached 85%.

- **Employee Health Management Improvement and Consulting**

Based on the four major plans of the Ministry of Labor mentioned above, we have adopted annual questionnaire survey and monthly initiative appointment and colleagues' registration for consulting to take care of colleagues' physical and mental health regarding ergonomic hazards, abnormal workload, maternal protection and unlawful infringements, and health guidance. Meanwhile, we actively care about the colleagues' physical and mental health through questionnaire survey and based on the results of annual health examinations, as well as rely on external professional agencies to provide suggestions to colleagues. In 2022, we served 61 person-times in total.

1. Ergonomic hazard prevention plan: 9 employees were interviewed in total. The emphasis was mainly placed on the improvement of soreness in the work. This condition might be caused by incorrect work posture or incorrect height of desks and chairs.
2. Abnormal workload induced disease prevention plan: 3 employees were interviewed in total. These employees were under great work pressure, and therefore we suggested that the Company and their supervisors should care about these employees, or adjust their workload.
3. Maternal health protection plan: About 5 employees were interviewed in total. Health education and care were provided for employees who were about to deliver babies this year.
4. Health examination and guidance for dealing with "Three Highs": 18 employees were interviewed in total. Information on correct diet and sports was provided for colleagues who were vulnerable to "Three Highs".
5. Doctor health consulting: 7 employees were interviewed in total to help colleagues acquire consulting about their health issues in their daily lives.

6. Care about COVID-19 sequela: 4 employees were interviewed in total. Since some colleagues suffered from headache or difficulty in falling asleep, information regarding which department to register for during referral and suggestions on the adjustment of their daily routines were provided.
7. Health guidance for health examination of new employees: About 15 employees were interviewed in total. We would care about colleagues with red words in their health examination reports and evaluate whether their positions suited them.

- **Free Influenza Vaccination at the Company**

We ask doctors and nursing practitioners to administer influenza vaccines to colleagues every October. In 2022, more than 60% of colleagues received influenza vaccinations, which lowered the risk of developing influenza and serious complications.

- **Healthy Bento**

During lunch, healthy bento with less oil and salt is provided for colleagues. The dishes are evaluated and reviewed every month, and close attention is paid to the food quality presented by the merchants. Some merchants use organic ingredients with production and sales records for cooking. Currently, more than 10 bento merchants provide services every month, allowing our colleagues to eat healthily and have a variety of choices for different dishes. At the same time, we also support friendly bento merchants who produce food ingredients attentively.

- **Massage Service**

Office workers intend to sit in front of the computers for a long period of time. The great work pressure and long-time wrong posture, which easily leads to dizziness, headache, shoulder muscle tension and even discomfort when turning their heads. Therefore, Wendell cooperates with visually impaired massagists to provide colleagues with massage service every week. By using the appointment system, colleagues may make appointments for massage service when they are free, and relieve pain and ease the emotions of anxiety and tension due to excessive mental stress through local relaxation.

- **Irregular Health Electronic Newspaper**

We irregularly advocate new knowledge on health to colleagues.

- **Regular Drinking Water Testing**

Currently, we use barreled mineral water, and would ask vendors to provide water quality test reports every half a year to ensure the drinking safety. Also, we regularly clean the water dispensing machines to ensure that no scale remains.

- **Badminton and Yoga Club**

The Welfare Committee has established a badminton and yoga club and provided it with club subsidies with the objective to encourage employees to cultivate an exercise habit.

- **Regular AED and First-aid Demonstration Course and Fire Drills**

We regularly invite firefighters to demonstrate the latest first-aid courses every year, and arrange site drills to update colleagues' new knowledge on first aid for unexpected needs.

- **Provision of Paid Vaccination Leave, Epidemic Care Leave and Epidemic Quarantine Leave in Response to COVID-19**

In response to COVID-19, Wendell provided its employees with paid vaccination leave, epidemic care leave and epidemic quarantine leave, which substantially increased the vaccination rate upon the promotion of vaccination, and prevent the occurrence of critical infections. Also, colleagues were able to rest or take care of their children at home, which successfully mitigated the infection probability within the Company.

- **Provision of Air Filters in Offices and Meeting Rooms**

We will regularly replace air filter screens. During the epidemic, we additionally purchased air filters with filter screens at HEPA level.

- **Motorcyclists may request the purchasing of cold weather outfits and products every year.**

Due to the intensification of the extreme weather, eligible colleagues may apply for an amount below NT\$ 1,000 to purchase cold weather products or outfits every year since nearly half of our colleagues are motorcyclists who travel to the Company in the biting cold wind or heavy rain. It is a benefit offered by the Company to keep our colleagues warm when coming to work.



Badminton



Massage



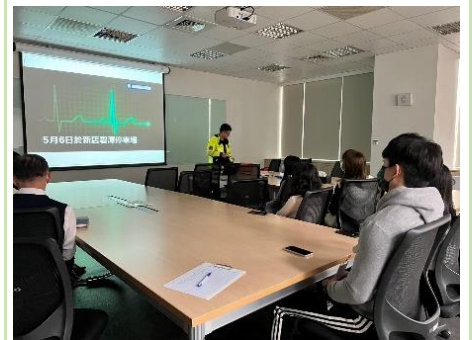
Healthy Bento



Health Examination



Healthcare



AED



Operation Status of Occupational Safety and Health Management

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

Statistical Table of Employees' Occupational Injuries				
Category	Item	2020	2021	2022
Total working hours	Total working hours of female employees	146,448	158,648	179,344
	Total working hours of male employees	106,680	114,224	123,472
	Total working hours	253,128	272,872	302,816
Death toll caused by occupational injuries	Number of female deaths (person-times)	0	0	0
	Number of male deaths (person-times)	0	0	0
	Total deaths (person-times)	0	0	0
Number of employees suffering serious occupational injuries (exclusive of deaths)	Total number of female employees suffering serious occupational injuries (person-times)	0	0	0
	Total number of male employees suffering serious occupational injuries (person-times)	0	0	0
	Total number of employees suffering serious occupational injuries (person-times)	0	0	0
Number of recordable occupational injuries (including deaths and number of employees suffering serious occupational injuries)	Total number of female employees suffering occupational injuries (person-times)	0	0	0
	Total number of male employees suffering occupational injuries (person-times)	0	0	0
	Total number of employees suffering occupational injuries (person-times)	0	0	0
Mortality ratio caused by occupational injuries %		0.00	0.00	0.00
Ratio of serious occupational injuries %		0.00	0.00	0.00
Ratio of recordable occupational injuries %		0.00	0.00	0.00

Notes:

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

Statistical Table of Occupational Injuries of Workers Who are not Employees				
Category	Item	2020	2021	2022
Total working hours	Total working hours of female workers	5,040	5,060	5,240
	Total working hours of male workers	0	0	0
	Total working hours	5,040	5,060	5,240
Death toll caused by occupational injuries	Number of female deaths (person-times)	0	0	0
	Number of male deaths (person-times)	0	0	0
	Total deaths (person-times)	0	0	0
Number of workers suffering serious occupational injuries (exclusive of deaths)	Total number of female workers suffering serious occupational injuries (person-times)	0	0	0
	Total number of male workers suffering serious occupational injuries (person-times)	0	0	0
	Total number of workers suffering serious occupational injuries (person-times)	0	0	0
Number of recordable occupational injuries (including deaths and number of workers suffering serious occupational injuries)	Total number of female workers suffering occupational injuries (person-times)	0	0	0
	Total number of male workers suffering occupational injuries (person-times)	0	0	0
	Total number of workers suffering occupational injuries (person-times)	0	0	0
Mortality ratio caused by occupational injuries %		0.00	0.00	0.00
Ratio of serious occupational injuries %		0.00	0.00	0.00
Ratio of recordable occupational injuries %		0.00	0.00	0.00

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

5.5 Social Care

During the process of operation, Wendell also assesses each risk existing in the environment and local community. Therefore, Wendell hasn't caused any actual or potential negative impacts on the local communities and environment. However, in order to fully pay back to society, we stick to the spirit of taking from society and paying back to society, and aim to enable the general public to see the multicultural social activities. Wendell actively cooperates with The Pearl S. Buck Foundation and dedicates to serving, fostering and supporting children of economically disadvantaged new residents and their families. Hopefully, we can

help new resident families who aspire to start their own businesses build their dreams and live and work in Taiwan in peace and contentment. The total amount paid by Wendell to participate in social welfare amounted to NT\$ 1,190,070 in 2022.

Name of public welfare activity	Amount (NT\$)	Description
The Pearl S. Buck Foundation	1,020,000	Donating NT\$ 1.02 million to the Pearl S. Buck Foundation every year, fostering 60 children, and sending cards to the children every year.
Wendell & Pearl S. Buck Happy Meeting	70,070	Holding a happy meeting dinner with the families of the fostered children on November 6, 2022.
Sponsoring activity: Pearl S. Buck 2022 Welcome to the New World at the New Resident Market	100,000	Sponsoring activity: Pearl S. Buck 2022 Welcome to the New World at the New Resident Market

Note: To protect children’s personal information, we usually do not take photos of them.



Pearl S. Buck Card-1



Pearl S. Buck Card-2



Pearl S. Buck Card-3



Pearl S. Buck Happy Meeting



Appendices

Appendix 1: GRI Standards Comparison Table

Statement of Use	Wendell Industrial Co., Ltd. has already referred to the information specified in GRI Content Index during a report period of January 1, 2022-December 31, 2022 according to GRI Standards.
Use of GRI 1	GRI 1: Foundation 2021
Applicable GRI Industrial Standards	

Category/Topic of GRI Standards	No.	Disclosure Content of GRI Standards	Corresponding Section	Page	Omission/Remark
1. Organization and reporting practice					
GRI 2: General Disclosures 2021	2-1	Organizational details	1.1 About Wendell	3	
	2-2	Entities included in the organization’s sustainability reporting	About This Report	2	
	2-3	Reporting period, frequency and contact point	About This Report	2	
	2-4	Restatements of information	About This Report	2	
	2-5	External assurance	About This Report	2	
2. Activities and workers					
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other	1.1 About Wendell	3	
	2-7	Employees	5.1 Talent Recruitment and Retention	71	
	2-8	Workers who are not employees	5.1 Talent Recruitment and Retention	71	
3. Governance					
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	2.1 Corporate Governance	19	
	2-10	Nomination and selection of the highest governance body	2.1 Corporate Governance	19	
	2-11	Chair of the highest governance body	2.1 Corporate Governance	19	
	2-12	Role of the highest governance body	2.1 Corporate Governance	19	
	2-13	Delegation of responsibility for	2.1 Corporate Governance	19	
	2-14	Role of the highest governance body in sustainability reporting	2.1 Corporate Governance	19	
	2-15	Conflicts of interest	2.1 Corporate Governance	19	
	2-16	Communication of critical concerns	2.1 Corporate Governance	19	
	2-17	Collective knowledge of the highest governance body	2.1 Corporate Governance	19	
	2-18	Evaluation of the performance of the highest governance body	2.1 Corporate Governance	19	
	2-19	Remuneration policies	2.1 Corporate Governance	19	
2-20	Process to determine remuneration	2.1 Corporate Governance	19		
2-21	Annual total compensation ratio	5.2 Talent Cultivation and Development	75		
4. Strategy, policies and practices					
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	Address from the Chairman	1	
	2-23	Policy commitments	1.2 Sustainability Commitments	6	
	2-24	Embedding policy commitments	1.2 Sustainability Commitments	6	
	2-25	Processes to remediate negative impacts	1.2 Sustainability Commitments	6	
	2-26	Mechanisms for seeking advice and raising concerns	2.4 Ethical Management and Regulatory Compliance	39	
	2-27	Compliance with laws and regulations	2.4 Ethical Management and Regulatory Compliance	39	
	2-28	Membership associations	2.1 Corporate Governance	19	
5. Stakeholder engagement					
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	1.3 Stakeholder Engagement	7	The Company didn’t sign any collective bargaining agreement since it hasn’t established a trade union.
	2-30	Collective bargaining agreements	2.1 Corporate Governance	19	
Specific Topic Standards: 200 Series (Economic Topics)					
Market presence					
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.2 Talent Cultivation and Development	75	
	202-2	Proportion of senior management hired from the local community	5.1 Talent Recruitment and Retention	71	
Indirect economic impacts					



Category/Topic of GRI Standards	No.	Disclosure Content of GRI Standards	Corresponding Section	Page	Omission/Remark
GRI 203: Indirect Impacts 2016	203-1	Infrastructure investments and services supported	5.5 Social Care	92	
	203-2	Significant indirect economic impacts	5.5 Social Care	92	
Procurement practices					
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	3.2 Green Supply Chain	58	
Anti-corruption					
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	2.4 Ethical Management and Regulatory Compliance	39	
	205-2	Communication and training about anti-corruption policies and procedures	2.4 Ethical Management and Regulatory Compliance	39	
	205-3	Confirmed incidents of corruption and actions taken	2.4 Ethical Management and Regulatory Compliance	39	
Anti-competitive behavior					
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.4 Ethical Management and Regulatory Compliance 3.1 Products and Services	39 53	
Tax					
GRI 207: Tax 2019	207-1	Approach to tax	2.4 Ethical Management and Regulatory Compliance	39	
	207-2	Tax governance, control, and risk management	2.4 Ethical Management and Regulatory Compliance	39	
	207-3	Stakeholder engagement and management of concerns related to tax	2.4 Ethical Management and Regulatory Compliance	39	
GRI 207: Tax 2019	207-4	Country-by-country reporting	2.4 Ethical Management and Regulatory Compliance	39	
Specific Topic Standards: 300 Series (Environmental Topics)					
Biodiversity					
	305-6	Emissions of ozone-depleting substances (ODS)	4.4 Greenhouse Gas Management	66	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.4 Greenhouse Gas Management	66	
Waste					
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	4.5 Waste Management	66	
	306-2	Management of significant waste-related impacts	4.5 Waste Management	66	
Supplier environmental assessment					
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	3.2 Green Supply Chain	58	
	308-2	Negative environmental impacts in the supply chain and actions taken	3.2 Green Supply Chain	58	
Specific Topic Standards: 400 Series (Social Topics)					
Employment					
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	5.1 Talent Recruitment and Retention	71	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1 Talent Recruitment and Retention	71	
	401-3	Parental leave	5.3 Benefits and Retirement System	80	
Labor/management relations					
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding	5.3 Benefits and Retirement System	80	
Occupational health and safety					
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	5.4 Occupational Health and Safety	82	
	403-2	Hazard identification, risk assessment, and incident investigation	5.4 Occupational Health and Safety	82	



Category/Topic of GRI Standards	No.	Disclosure Content of GRI Standards	Corresponding Section	Page	Omission/Remark
	403-3	Occupational health services	5.4 Occupational Health and Safety	82	
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.4 Occupational Health and Safety	82	
	403-5	Worker training on occupational health and safety	5.4 Occupational Health and Safety	82	
	403-6	Promotion of worker health	5.4 Occupational Health and Safety	82	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4 Occupational Health and Safety	82	
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	5.4 Occupational Health and Safety	82	
Training and education					
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	5.2 Talent Cultivation and Development	75	
	404-2	Programs for upgrading employee skills and transition assistance programs	5.2 Talent Cultivation and Development	75	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.2 Talent Cultivation and Development	75	
Diversity and equal opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5.1 Talent Recruitment and Retention	71	
	405-2	Ratio of basic salary and remuneration of women to men	5.2 Talent Cultivation and Development	75	
Non-discrimination					
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	2.4 Ethical Management and Regulatory Compliance	39	
Child labor					
GRI: 408 Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	2.4 Ethical Management and Regulatory Compliance	39	
Forced or compulsory labor					
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.4 Ethical Management and Regulatory Compliance	39	
Local communities					
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development program	5.5 Social Care	92	
	413-2	Operations with significant actual and potential negative impacts on local communities	5.5 Social Care	92	
Supplier social assessment					
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	3.2 Green Supply Chain	58	
	414-2	Negative social impacts in the supply chain and actions taken	3.2 Green Supply Chain	58	
Customer health and safety					
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	3.1 Products and Services	53	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.1 Products and Services	53	
Marketing and labeling					
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	3.1 Products and Services	53	
	417-2	Incidents of non-compliance concerning product and service information and labeling	3.1 Products and Services	53	
	417-3	Incidents of non-compliance concerning marketing communications	3.1 Products and Services	53	
Customer privacy					
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.1 Products and Services	53	



Material Topics

GRI No.	Topic	Industrial Standard No.	No.	Disclosure Content of GRI Standards	Corresponding Section	Page	Omission/Remark
GRI 3: Material Topics 2021	Management Approach	-	3-1	Process to determine material topics	1.4 Identifying Material Topics	10	
GRI 3: Material Topics 2021	Management Approach	-	3-2	List of material topics	1.4 Identifying Material Topics	10	
Material Topic: Economic Performance (GRI 201)							
GRI 3: Material Topics 2021	Management Approach		3-3	Management of material topics	2. Corporate Governance	19	
GRI 201	Economic Performance 2016	-	201-1	Direct economic value generated and distributed	2.2 Operational Performance	37	
		-	201-2	Financial implications and other risks and opportunities due to climate change	2.3 Climate Governance and Actions	37	
		-	201-3	Defined benefit plan obligations and other retirement plans	5.3 Benefits and Retirement System	80	
		-	201-4	Financial assistance received from government	2.2 Operational Performance	37	
Material Topic: Environmental Sustainability (GRI 302, GRI 305)							
GRI 3: Material Topics 2021	Management Approach		3-3	Management of material topics	4. Friendly Environment	60	
GRI 302	Energy 2016	-	302-1	Energy consumption within the organization	4.3 Energy Management	64	
		-	302-2	Energy consumption outside of the organization	4.3 Energy Management	64	
		-	302-3	Energy intensity	4.3 Energy Management	64	
		-	302-4	Reduction of energy consumption	4.3 Energy Management	64	
		-	302-5	Reductions in energy requirements of products and services	4.3 Energy Management	64	
GRI 305	Emissions 2016	-	305-1	Direct (Scope 1) GHG emissions	4.4 Greenhouse Gas Management	66	
		-	305-2	Energy indirect (Scope 2) GHG emissions	4.4 Greenhouse Gas Management	66	
		-	305-4	GHG emissions intensity	4.4 Greenhouse Gas Management	66	
		-	305-5	Reduction of GHG emissions	4.4 Greenhouse Gas Management	66	
Material Topic: Water Resource Management (GRI 303)							
GRI 3: Material Topics 2021	Management Approach		3-3	Management of material topics	4. Friendly Environment	60	
GRI 303	Water and Effluents 2018	-	303-1	Interactions with water as a shared resource	4.2 Water Resource Management	63	
		-	303-2	Management of water discharge-related impacts	4.2 Water Resource Management	63	
GRI 303	Water and Effluents 2018	-	303-3	Water withdrawal	4.2 Water Resource Management	63	
		-	303-4	Water discharge	4.2 Water Resource Management	63	
		-	303-5	Water consumption	4.2 Water Resource Management	63	
Material Topic: Raw Material Traceability (GRI 301)							
GRI 3: Material Topics 2021	Management Approach		3-3	Management of material topics	4. Friendly Environment	60	
GRI 301	Materials 2016	-	301-1	Materials used by weight or volume	4.1 Raw Material Management	62	
		-	301-2	Recycled input materials used	4.1 Raw Material Management	62	
		-	301-3	Reclaimed products and their packaging materials	-		
*Self-determined Topic							
*Employee Health & Safety							
GRI 3		3-3		Management of material topics	5. Diversified Workplace	68	



*Self-determined Topic	No.	Disclosure Content of GRI Standards	Corresponding Section	Page	Omission/Remark
Employee Health & Safety Management Approach					
* Recruiting & Managing a Global & Skilled Workforce					
GRI 3 Recruiting & Managing a Global & Skilled Workforce Management Approach	3-3	Management of material topics	5. Diversified Workplace	68	
*Product Lifecycle Management					
GRI 3 Product Lifecycle Management Management Approach	3-3	Management of material topics	3. Green Industrial Chain	51	
*Intellectual Property Protection & Competitive Behavior					
GRI 3 Intellectual Property Protection & Competitive Behavior Management Approach	3-3	Management of material topics	3. Green Industrial Chain	51	



Appendix 2: SASB Standards Comparison Table

Industry: Semiconductor Sustainability Development Accounting Standards			
Topic	Code	Metric	Explanation
Greenhouse Gas Emissions	TC-SC-110a.1	Discussion of gross global Scope 1 emissions and total emissions from perfluorinated compounds	With reference to 4.4 Greenhouse Gas Management
	TC-SC-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	With reference to 4.4 Greenhouse Gas Management
Energy Management in Manufacturing	TC-SC-130a.1	(1) Total energy consumed; (2) Percentage grid electricity; (3) Percentage renewable	With reference to 4.3 Energy Management
Water Resource Management	TC-SC-150a.1	Total water withdrawn, and total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	With reference to 4.2 Water Resource Management
Employee Health & Safety	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee safety and health violations	
Recruiting & Managing a Global & Skilled Workforce	TC-SC-330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	
Product Lifecycle Management	TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474-declarable substances	Not applicable
	TC-SC-410a.2	Processor energy efficiency at a system level for: (1) servers, (2) desktops, and (3) laptops	
Materials Sourcing	TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	
Intellectual Property Protection & Competitive Behavior	TC-SC-520a.1	Total monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	

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

Item	Corresponding Section	Page
1. Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and the management.	2.3 Climate Governance and Actions	37
2. Describe how the identified climate risks and opportunities impact the enterprise's business, strategies, and finance (short-term, mid-term, and long-term).	2.3 Climate Governance and Actions	37
3. Describe the impacts of extreme climate incidents and transition action on the finance.	2.3 Climate Governance and Actions	37
4. Describe how the identification, assessment and management processes of climate risks can be incorporated to the overall risk management system.	2.3 Climate Governance and Actions	37
5. Describe the scenarios, parameters, assumptions, analytical factors and primary financial implications used if scenario analysis is employed to assess the resilience against climate change risks.	2.3 Climate Governance and Actions	37
6. Describe the contents of a transition plan intended to address and manage climate-related risks if any, as well as metrics and targets used to identify and manage physical and transition risks.	-	
7. Describe the pricing basis if internal carbon pricing is employed as a planning tool.	-	
8. Describe information including activities covered, scopes of greenhouse gas emissions, planned schedule, and progress achieved every year if climate-related targets are established; describe the sources and quantity of carbon reduction limit offset or the quantity of renewable energy certificates (RECs) if carbon offset or RECs is used to achieve relevant targets.	-	
9. Describe greenhouse gas inventory verification and assurance.	-	