萬泰科技股份有限公司
2023年永續報告書

Wonderful Hi Tech Co., Ltd.
2023 Sustainability Report

CONTENTS

A Word from Management

Message from the President

Wonderful Hi Tech Corporation Limited (referred to as Wonderful Hi Tech) was established in 1978 in Taiwan to manufacture electrical cables and wires in the early stages. Regarding ESG (environmental, social, and corporate governance), Wonderful Hi Tech consistently demonstrates strong commitment and active engagement in sustainability practices.

In today's complex global scenario, we recognize that a company's purpose extends beyond mere economic gains to include social and environmental responsibilities. We hold sustainability as a core corporate principle, with firm commitment and targeted actions by our executive ESG team.

2023 marks the initial year of our ESG strategy implementation, during which we formed an ESG committee dedicated to executing sustainable development initiatives. Under the committee's guidance, we have implemented ISO-45001:2018 occupational health and safety management system and ISO-14001:2015 environmental management system to boost our environmental and worker safety actions, regularly reviewing these systems in meetings to align with global trends.

Environmental Efforts:
Wonderful Hi Tech has introduced rigorous carbon accounting, aiming to trim its carbon footprint by 15-25% by 2025. This goal underscores our commitment to environmentally conscious operations, adopting actions like enhancing energy efficiency, switching to cleaner energy sources, and using eco-friendly technologies to minimize the impact brought by business activities on the environment.

We are confident in our strategies to preserve natural ecosystems and secure a sustainable future for succeeding generations.

Social Initiatives:

1. Wonderful Hi Tech offers comprehensive employee benefits, encompassing statutory and additional perks such as marriage, funeral, and celebration bonuses, TOEIC allowances, employee stock options, birthday celebrations, and profit-sharing programs, which bolster job satisfaction and enhance our corporate reputation.

2. Education is a priority, particularly for children in underserved areas; we extend our philanthropic efforts from Taiwan to Northern Thailand. Holding the belief that filial piety is the first of all good deeds, we established the Filial Piety Award since 2019, with about 40 volunteers traveling to Northern Thailand each year to support and engage in community activities, demonstrating Wonderful Hi Tech's commitment to the local community and its leadership in the industry.

3. Since 2019, the company has distributed protective masks during the Baisatun incense campaign every year. We recognize the critical role that masks play in safeguarding public health during the incense. Each year, our employees distribute masks along the incense route to help prevent the spread of illness in crowded areas, ensuring a safe and healthy experience as we support Mazu's procession.

Corporate Governance:

Wonderful Hi Tech has demonstrated strong determination and strategic foresight amidst challenges. For example, after facing four years of losses, Wonderful Hi Tech strategically ceased engaging in price wars and accepting loss-making orders, instead redirecting its focus towards new industrial developments and expansion into the Southeast Asian market. These decisions highlight Wonderful Hi Tech's wisdom and resolve in corporate governance. We will continue this approach to sustainable governance to ensure continued growth and profitability.

Conclusions

Wonderful Hi Tech reaffirms its commitment to ESG principles and sustainable development. From environmental protection to community engagement and corporate governance, Wonderful Hi Tech has maintained its reputation as a responsible business entity. We expect Wonderful Hi Tech to further enhance its ESG initiatives, contributing to a more sustainable future.

About This Report

Principles of Preparation

This initial Sustainability Report (Sustainability Report) by Wonderful Hi Tech Corporation Limited (referred to as the Company, or We) complies with the GRI Standards 2021 (GRI Standards 2021) by the Global Reporting Initiative (Global Reporting Initiative, GRI), the Task Force on Climate-related Financial Disclosures (Task Force on Climate-related Financial Disclosures, TCFD), and sustainability indicators relevant to our industry as set out in Section 4 of the OTC guidelines for sustainability reporting. The report aims to transparently disclose sustainability actions.

Report Duration

This report covers data and information of 2023 (January 1 to December 31, 2023), including historical data from 2022 and forecasts into 2024 to provide context and demonstrate trends and changes.

Report Boundary and Scope

The scope of this report specifically pertains to Wonderful Hi Tech Corporation Limited, detailed in individual sections. The data and statistics here are based on our proprietary research, except for annual financial data, which are audited by certified public accountants and presented in thousand New Taiwan Dollar. Statistics are aligned with international benchmarks, local regulations, industry standards, or practices, with clarifying annotations provided for significant quantitative indices.

Publish Date

This is the inaugural corporate sustainability report by Wonderful Hi Tech, published annually and available on Wonderful Hi Tech's official website.

Issued on: August 2024

Next scheduled release: August 2025

Opinion Feedback

We welcome any feedback on this report or Wonderful Hi Tech's sustainability practices. Contact: Director General, ESG Development Committee

Email: B02432@wontex.com.tw

Telephone: 03-4527777#152

ESG website: https://www.wontex.com/esg.php?lang=tw (temporary)

Address: No.17 Beiyuan Road, Zhongli District, Taoyuan

Chapter 1 Corporate Sustainability

1.1 About Wonderful Hi Tech

1.1.1 Corporate Profile

Wonderful Hi Tech Technology Corporation, originally established as Wonderful Wire Cable Co., Ltd. in Taiwan in June 1978, initially focused on the production of electrical cables and wires. The company quickly became a leading manufacturer of electrical wires in Taiwan.

From 1995 to 2000, as the electronics industry shifted its production center to mainland China, our Taiwan plant specialized in network cables and high-frequency coaxial cables. By 2007, we achieved international certification for our CAT6A cable (10G), marking Wonderful Hi Tech as a globally recognized network cable manufacturer.

Wonderful Hi Tech offers a comprehensive range of products, all certified to meet international safety standards. Committed to excellent service, we continuously improve product quality, innovate new products, and grow alongside our customers.

Basic Company Description	
Company Full Name	Wonderful Hi Tech Corporation Limited
Company Abbreviation	Wonderful Hi Tech
Date of Establishment	1978/6
Corporate Headquarters	No. 72, Wugong 6th Rd., New Taipei Industrial Park, Wugu Dist., New Taipei City
Chairman	Chang, Ming-Lieh（張銘烈）
President	Chang, Cheng-Ya（張程雅）
Industrial Sector	Communications network
Ticker Symbol	6190
Stock Listing Date	1998/2/4
Capital Amount	1,617,911,580
Main Products	Network cables and high-frequency coaxial cables
Operation Locations	Taiwan, USA, China, Thailand, Vietnam

1.1.2 Participation in Public Association Organizations

Wonderful Hi Tech actively participates in domestic and international industry associations, consistently sharing and acquiring the latest industry news and development trends. Below are the public associations Wonderful Hi Tech was a member of during 2023:

Number	Name of Public Association	Aims or Objectives of the Association	Memberships
1	Taiwan Electrical and Electronic Manufacturers' Association	Our mission is to provide members with global and diversified services to promote collective interests and to serve as a conduit between industry and government,	Member
2	Taiwan Electric Wire & Cable Industries Association	The Association aims to assist members in expanding their online presence and creating boundless business opportunities through this online platform.	Member
3	Taiwan Electric Wire & Cable Association	Our goal is to advance the development of Taiwan's domestic electrical wire industry, coordinate industry relations, and promote shared interests.	Member

1.2 Sustainable Governance Structure

In October 2023, Wonderful Hi Tech established the ESG Committee as a dedicated entity for sustainable governance, chaired by the president and with the occupational safety office serving as its director general. This committee oversees the company's sustainable development efforts across five strategic areas: sustainable governance, environmental stewardship, customer relations, employee care, and community engagement. Each area is managed by teams composed of department leaders and members, ensuring effective integration of resources and implementation of sustainability strategies. Throughout the year, Wonderful Hi Tech reports to the board of directors at least quarterly on the effectiveness of its sustainability strategies and the progress of its programs. Of the six board meetings scheduled for 2023, the sustainability theme accounted for 6.5% of the largest portion of the agenda.

■ ESG Committee Structure Chart

```
                        ┌─────────────────────┐
                        │  Board of Directors │
                        └─────────────────────┘
                                  ↓
                   ┌──────────────────────────────┐
                   │        ESG Committee         │
                   │ (Chief Chairperson: President)│
                   └──────────────────────────────┘
                                  ↓
                   ┌──────────────────────────────┐
                   │       Director General        │
                   │ (Occupational Safety Office)  │
                   └──────────────────────────────┘
                                  ↓
```

Corporate Governance Group	Environmental Sustainability Group	Customer Relationship Group	Employee Care Group	Community Engagement Group
• Corporate Governance • Ethical Management • Risk Management • Regulatory Compliance • Economic Performance	• Response to Climate Change • Energy & Greenhouse Gas Management • Waste Management • Water Resource Management • Sustainable Supply Chain	• Customers Relationship Management • Research & Development Innovation • Information Security	• Employee Diversity & Gender Equality • Labor-Capital Relations • Employee Development & Training • Occupational Safety & Health	• Social Responsibility

1.3　Major Theme Identification & Analysis

　　In compliance with sustainability reporting guidelines for OTC companies, Wonderful Hi Tech has adopted GRI Universal Standards (GRI Universal Standards 2021). This framework helps identify key stakeholders and measure sustainability impacts, serving as both a management guideline and a tool for ongoing sustainability evaluations to enhance societal and corporate value.

■　　Critical Theme Analysis Process

Phase 1 Understanding the Organizational Chain	
Exploration of Sustainable Theme 19 Sustainability Theme	■ Applying GRI guidelines and considering global sustainability trends and industry benchmarks, we identified prevalent themes within the industry through a comprehensive approach, uncovering 19 key sustainability issues.
Phase 2 Assessing Actual or Potential Impacts	
Evaluating Impact Significance	■ Executives at the vice president and above conducted a workshop to review these 19 sustainability issues. We evaluated the sustainability issues' impacts on governance, environmental, and social aspects, taking into account stakeholder perspectives.
Phase 3 Prioritizing Major Themes	
Resolution of 10 Main Themes	■ The ESG Committee identified 10 major themes: corporate governance, business integrity and compliance, risk management, climate change response, energy and greenhouse gas management, water resource management, research and development innovation, employee diversity and gender equality, employee development and educational training, and occupational health and safety management. ■ This year's sustainability report is structured around these themes, detailing our management policies and performance results.
Phase 4 Reporting and Disclosure	
Information Reporting and Disclosure	■ The ESG Committee developed a system to gather data and draft the sustainability report. A specialized committee reviews this to ensure the accurate representation of sustainability data and performance, with final board approval. The report is published annually by August 30th.

■　　Significant Topics at Wonderful Hi Tech

Aspect	Major Themes for 2023	Significance to Wonderful Hi Tech	Impact on the Value Chain								Disclosure Chapters	GRI Guidelines Index
			Intra-organization	Extra-organization								
			Employees	Inve stors	Custo mers	Suppliers	Government Office	Media	Comm unities			
Governance	Corporate Governance	Effective corporate management policies are fundamental to our operations. We establish clear regulations to ensure transparent information disclosure, safeguarding stakeholder interests.	V	V	V				V	2.1 Corporate Governance	GIR 2
Governance	Business Integrity & Regulatory Compliance	We promote legal compliance awareness among employees, ensuring that all company operations, both domestic and international, adhere to current laws and regulations. We implement various strategies to mitigate risks associated with legal non-compliance or regulatory changes.		V	V		V	V		2.2 Business Integrity & Regulatory Compliance	GRI 205 GRI 206
Governance	Risk Management	To tackle recent challenges like pandemics, climate change, and declining birth rates, we conduct annual reviews to ensure we are always prepared to manage risks.	V	V	V	V				2.3 Risk Management	–

Aspect	Major Themes for 2023	Significance to Wonderful Hi Tech	Impact on the Value Chain								Disclosure Chapters	GRI Guidelines Index
			Intra-organization	Extra-organization								
			Employees	Investors	Customers	Suppliers	Government Office	Media	Communities			
Governance	R&D Innovation	In response to customer-specific technology demands and market shifts, we continuously innovate in product design and production to maintain our growth and competitive edge.		V	V					4.1 R&D Innovation	–
Environment	Climate Change Response	Wonderful Hi Tech closely monitors the impacts of climate change.	V	V	V	V		V		3.1 Climate Change Response	GRI 201-2
Environment	Energy and Greenhouse Gas Management	We have established short, medium, and long-term goals for managing energy use and reducing our carbon footprint to lessen environmental impacts from our operations.	V		V	V				3.2 Energy & Greenhouse Gas Management	GRI 302 GRI 305
Environment	Water Resource Management	In response to recent water supply challenges, we have implemented water recycling initiatives to decrease monthly water use.	V				V			3.4 Water Resource Management	GRI 303

Aspect	Major Themes for 2023	Significance to Wonderful Hi Tech	Impact on the Value							Disclosure Chapters	GRI Guidelines Index
			Intra-organization	Extra-organization							
			Employees	Investors	Customers	Suppliers	Government Office	Media	Communities		
Society	Employee Diversity	We employ a diverse, multinational workforce and implement programs for certain employees to become skilled technicians with permanent residency, fostering an inclusive and engaging workplace culture.	V	V				V		5.1 Employee Diversity & Gender Equality	GRI 405
Society	Employee Development & Training	We offer a wide range of learning resources and comprehensive training programs to ensure our employees can perform effectively and sustainably.	V	V				V		5.3 Employee Development & Training	GRI 404
Society	Occupational Safety & Health	Employee health and safety are critical. Each plant complies with rigorous occupational health and safety management standards and policies.	V				V			5.4 Occupational Safety & Health	GRI 403

1.4 Stakeholder Engagement

Based on the AA1000 SES Stakeholder Engagement standards (Stakeholder Engagement Standard 2015), Wonderful Hi Tech has identified seven stakeholder groups based on our industry experience and characteristics: shareholders/investors, employees, clients/customers, suppliers, government agencies, media, and the community. We maintain open and effective communication channels to meet stakeholders' expectations and continually enhance our performance.

Stakeholders	Issue of Concern	Communication Frequency & Response Style	Communication Channel
Shareholders/ Investors	Corporate Governance Business Integrity & Regulatory Compliance Risk Management Economic Performance	Public information observatory: Monthly Investor relation meeting: Semiannually Financial report: Quarterly Board/board committees: More than three times a year Shareholder meeting: Annually Annual & sustainability report: Annually Corporate Sustainability Zone: Periodically Major announcements/updates/press interactions/the official website: Periodically	Contact: Manager Huang, Finance Department Hotline: (02) 2298-8033 # 261 Email: wtc261@wontex.com.tw
Employees	Employee Diversity & Gender Equality Employee Relations Employee Development & Training Occupational Safety & Health	Employee Welfare Committee: Quarterly Labor-management meetings: Quarterly Employee opinion box: Periodically Employee surveys: Periodically Employee educational training sessions: Periodically	Contact: Ms. Weng, Human Resources Department Hotline: (03) 452-7777 # 283 Email: bee_wong@wontex.com.tw
Clients/Customers	Information Security R&D Innovation Customer Relationship Management	Customer service hotline/AI text customer service/website visitor comments/customer opinion box/FB fan page/Linkedin: Immediate Personal visits/phone calls/emails: Periodically E-newsletters: Periodically Customer satisfaction survey: Annually Corporate Sustainability Zone: Periodically	Contact: Mr. Chang, Assistant Manager of Foreign Trade Hotline: (02) 2298-8033 # 258 Email: sales@wontex.com.tw

Stakeholders	Issue of Concern	Communication Frequency & Response Style	Communication Channel
Suppliers	Business Integrity & Regulatory Compliance Risk Management Economic Performance	Personal visits/phone calls/emails: Periodically Corporate Sustainability Zone: Periodically Supplier meetings: Periodically	Contact: Supervisor Yang, Procurement Center Hotline: (03) 452-7777 # 136 Email: purchaser136@wontex.com.tw
Government Office	Business Integrity & Regulatory Compliance	Government agency assessment: Annually Operational checks by jurisdictional agencies: Periodically Policy seminars/panel discussion/public hearings: Periodically Notice/phone/emails/disclosed information: Periodically Corporate Sustainability Zone: Periodically	Contact: Ms. Lin, Finance Department Hotline: (02) 2298-8033 # 262 Email: wtc262@wontex.com.tw
Media	Economic Performance Social Responsibility	Hotline/email: Immediate Press conference/press interview/press release: Periodically Corporate Sustainability Zone: Periodically	Contact: Manager Huang, Finance Department Hotline: (02) 2298-8033 # 261 Email: wtc261@wontex.com.tw
Communities	Social Responsibility	Telephone/email/press release: Periodically Public forums/social responsibility and environmental protection: Periodically Corporate Sustainability Zone: Periodically	Contact: Vice supervisor Yu, Chairman's Office Hotline: (02) 2298-8033 # 292. Email: amy_you@wontex.com.tw

Chapter 2 Robust Corporate Governance

2.1 Corporate Governance

Item	Content
Corresponding GRI	GRI 2
Impact Description	Lack of proper corporate governance can lead to conflicts of interest, diminishe investor confidence, and reduced shareholder numbers, negatively affecting the entire organization.
Policies & Commitments	To ensure robust sustainable governance, Wonderful Hi Tech emphasizes transparency in its business operations and corporate governance. Accordingly, Wonderful Hi Tech has consistently improved the directors' responsibilities and corporate governance process to protect the best interests of the organization and its shareholders. To enhance effective communication and coordination, we have established solid channels among independent directors, the audit committee, and the internal audit directors. The chairperson of the audit committee reports audit findings to the shareholders' meeting. Along with reviewing the internal control systems, our board of directors, audit committee, and management annually assess results from departmental internal review surveys and the audit entity's quarterly reports to maintain effectiveness.
Responsible Department	Board of Directors
Short, Medium, & Long-Term Objectives	Short-term objectives: 1. 6 hours minimum educational training for directors set to. 2. Board of directors average attendance at 85%. 3. 85% Audit committee average attendance at 85%. 4. Compensation committee average attendance at 85%. 5. Achieve a corporate governance rating of superior or higher. 6. Most Directors and the audit committee's chairperson attend the Ordinary General Meeting in person. 7. The board and its functional members undergo annual performance reviews, consistently achieving ratings of superior or above. Medium to long term: 1. We aim to boost the board's function and refine its governance capabilities. 2. We plan to enhance our sustainable governance structure and promote setting internal ESG targets to facilitate internal transformation. 3. The implementation of corporate governance assessments and active stakeholder engagement are ongoing to deepen sustainable governance culture.
Action Plans	1. To ensure targeted communication and oversight, the audit committee and board directors meet quarterly, discussing matters with the Internal Audit Director and independent directors. Details of the internal audit are included in the board's annual report, and a plan for the following year is approved at year's end. 2. Our audit committee, composed entirely of independent directors, bolsters the board's oversight capabilities and governance effectiveness. 3. The compensation committee is responsible for setting and periodically reviewing performance review standards for directors and managers, using these assessments to determine individual compensation. 4. The compensation committee ensures that the compensation for directors and managers aligns with their contributions and performance.

Item	Content
Assessment of Effectiveness in 2023	1. Information about the board is disclosed in the annual report and on our website, where we conduct internal reviews based on the Board of Directors Performance Review to ensure transparency and effectiveness. 2. An annual internal review of the corporate governance review system confirms its effectiveness. 3. We offer contact details for stakeholders on our website, ensuring their concerns and needs are promptly addressed. 4. An independent audit entity has been established to oversee the company's business operations via an internal audit framework. 5. An annual evaluation of the board of directors is conducted to boost governance effectiveness.
Grievance Process	Stakeholders can reach the company directly through the official website; significant events are regularly posted on the website and public information platform.

2.1.1 Board of Directors

Following Section 20 of the Code of Corporate Governance Practices for Listed and OTC Companies, we have set up diversity policies for board members to improve board structure and enhance director responsibilities. The board has become increasingly diverse, aligning director selection with the organization's operational style and needs. Our diverse recruitment practices draw professionals with varied backgrounds and specialized skills to bolster our corporate governance and operational effectiveness.

Our current board consists of 8 members, including 4 regular directors and 4 independent directors, all aged between 45 and 80, with professional backgrounds in law, accounting, finance, industry, marketing, and technology. Each director brings substantial industry experience, helping to shape diverse strategic directions by integrating varied background knowledge into business planning.

We encourage directors to continue their education and sharpen their skills, staying abreast of industry trends, regulatory changes, and new management practices to refine their governance insights and market interpretation. Throughout the year, directors engage in various educational activities including training programs, seminars, and forums, maintaining 100% attendance in board education programs in 2023.

■ Director's Annual Training Overview

Course Provider	Director Course Name	Total Training Hours for Directors (Hours)
Chinese National Association of Industry and Commerce	Legal Practices in Business Secrecy, Non-Compete Clauses, and Related Cases	3
Chinese National Association of Industry and Commerce	Financial Technology Innovations and Application Trends	3
Chinese National Association of Industry and Commerce	Corporate Governance and Fraud: Case Studies and Analysis	3
Chinese National Association of Industry and Commerce	Sustainable Transition Series: Global Trends in Nature, Biodiversity, and Emerging Challenges	3
The National Federation of CPA Associations of the R.O.C.	Money Laundering Prevention: Supervision and Practice for Accountants	3
The National Federation of CPA Associations of the R.O.C.	IAS 12 Income Taxes	3
The National Federation of CPA Associations of the R.O.C.	Effective Operations for Independent Directors and Audit Committees	3
The National Federation of CPA Associations of the R.O.C.	Investment-Grade Sustainability Reports	3
Taiwan Corporate Governance Association	Adapting to Global Carbon Trading: Corporate Carbon Rights and Carbon Asset Management	3
Taiwan Corporate Governance Association	Global Economic Outlook and Industry Trends for 2024	3
Taiwan Corporate Governance Association	The Strategy for Integrating Decarbonization, Corporate Procurement of Renewable Energy, and Climate Action with a Decarbonization Vision	3
Taiwan Corporate Governance Association	Managing Risks in Digital Technology and Artificial Intelligence	3
Taiwan Corporate Governance Association	Best Practices in ESG Governance for Boards	3

■ Corporate Board Member & Background

Title	Name of Director	Gender	Age	Nomination Period	Appointment Term	Main Academic Experience	Other Key Positions
Chairman	Chang, Ming-Lieh（張銘烈）	Male	71~80	2022.6.8	3 years	St. John's and St. Mary's Institute of Technology Chairman of Wanshih Electronic Co., Ltd.	Director at Le Hao International Co., Ltd. Director at Le Hao Co., Ltd. Chairman of Wonderful Photoelectricity (Dongguan) Co., Ltd. Director at Cayman Wonderful Holding Company Director at Cayman Wonderful International Inc. Director at Thailand International Wonderful Holding Company Chairman of Thai Wonderful Wire Cable Co., Ltd. Chairman of Wonderful Cabling Systems Corp. Chairman of Vietnam Wonderful Wire Cable Co., Ltd. Corporate Representative on Board of Wanshih Electronic Co., Ltd. Chairman of Wanshih Electronic Co., Ltd. (Hong Kong) Director at Suzhou Wanshih Electric Components Co., Ltd. Director at ASAHI BEST BASE SDN. BHD Director at PT Asahi Best Base Indonesia Chairman of ABA Industry Inc. Director at Datalake Co., Ltd. Chairman of INGA NANO Technology Co., Ltd. Chairman of ACTife Hi-Tech Co., Ltd.
Director	Chang, Ming-Hua（張明華）	Male	71~80	2022.6.8	3 years	National Pingtung Institute of Agriculture Vice Chairman of Wonderful Hi Tech Corporation	Director at Le Hao International Co., Ltd. Director at Le Hao Co., Ltd. Director at Thailand International Wonderful Holding Company Director at Thai Wonderful Wire Cable Co., Ltd.

Title	Name of Director	Gender	Age	Nomination Period	Appointment Term	Main Academic Experience	Other Key Positions
Director	Chang, Cheng-Po (張程博)	Male	45~50	2022.6.8	3 years	Chihlee Institute of Technology Deputy Plant Manager at Wonderful Hi Tech Corporation Director of Operations at ABA Industry Inc.	Chief Executive Officer of the Company Director at Le Hao International Co., Ltd. Director at Le Hao Co., Ltd. Director at Wonderful Photoelectricity (Dongguan) Co., Ltd. Director at Wonderful Cabling Systems Corp. Director at Vietnam Wonderful Wire Cable Co., Ltd. Director at Yitai Technology Co., Ltd. Director and Director of Operations at ABA Industry Inc. Chairman of Mei Ming Investment Co., Ltd. Director at INGA NANO Technology Co., Ltd.
Director	Chung, Jung-Chih (鐘榮志)	Male	51~60	2022.6.8	3 years	Strayer College, U.S.A. Director at Wonderful Hi Tech Corporation	Executive Assistant to the President and Business Manager at Fu San Machinery Co.
Independent Director	Huang, Kuei-Sen (黃癸森)	Male	71~80	2022.6.8	3 years	MBA from Harvard University, U.S.A. M.S. in Mechanical Engineering from the South Dakota School of Mines and Technology, U.S.A.; B.A. in Mechanical Engineering from the Faculty of Engineering, Osaka University, Japan Passed National Higher Examination in Mechanical Engineering in ROC 58, Industrial Technician Examination for Mechanical Technicians in ROC 58, and National Engineer Examination in the USA. Group President at Amphenol FCI Taiwan funded by the US investors and president at FCI Co., Ltd., Korea President at Full Rise Electronic Co., Ltd.	Chairman at UJU Electronics International Inc and Vericon Co., Ltd.

Title	Name of Director	Gender	Age	Nomination Period	Appointment Term	Main Academic Experience	Other Key Positions
Independent Director	Sun, Ching-Feng (孫慶鋒)	Male	61~70	2022.6.8	3 years	MBA from the University of Michigan M.S. in Materials Science from Wayne State University, Michigan Department of Mining and Metallurgy, Provincial Taipei Institute of Technology R&D Team Lead of Prime Optical Fiber Corporation Director at Asia Technology Center, Emerson Electric (U.S.) United Tech-Carrier Financial Analysis Associate Manager at Chengxin Entrepreneurship Investment Co., Ltd.President of Shun Cheng Feng, Sheng Da, and Kang Qun Entrepreneurship Investment Co., Ltd.	President at Guolian Venture Capital Management Company Chairman at FiTek Photonics Corporation Independent Director at Tah Tong Textile Corporation Supervisor at Pixon Technologies Corporation Supervisor at Taiwan Venture Capital Association Independent Director at Hua Eng Wire & Cable Corporation Independent Director at ChiconyPower Technology Corporation
Independent Director	Chen, Shih-Yang (陳世洋)	Male	61~70	2022.6.8	3 years	Department of Accounting, Soochow University Chairman of the Taxation Committee, The National Federation of CPA Associations of the R.O.C. Deputy Editor in Chief of Monthly Angle Review of Finance and Taxation Practices	Director at the Taipei Office of Chungsun Prime Certified Public Accountants Director at Taiwan Chinsan Electronic Industrial Corporation Director at Hkssteel Technology Corporation
Independent Director	Yang, Chun-Chi (楊君琦)	Female	51~60	2022.6.8	3 years	Ph.D. from the Graduate School of Business, National Taiwan University Director at the Human Resources Office, Fu Jen Catholic University Adjunct Professor at the Institute of Human Resource Management, National Central University	Professor and Chairman of the Department of Business Administration, Fu Jen Catholic University Independent Director at Powertech Industrial Corporation

2.1.2 Nomination & Selection of Board Members

Per the Company's Articles of Incorporation, the board of directors shall consist of seven to nine members, each appointed for a three-year term. Director nominations follow a candidate nomination system using a single-record cumulative election method, allowing shareholders to elect from a list of nominees; elected directors are eligible for re-election. The board must include at least two independent directors and at least one-fifth of the members must be directors. The qualifications, shareholdings, employment restrictions, nomination and selection processes, and exercise of authority for independent directors complies with the applicable securities regulations.

Furthermore, the board requires the presence and majority consent of over two-thirds of its members to elect a chairman from among the directors, as specified in the bylaws. The chairman represents the company in external roles. The current chairman is Chang, Ming-Lieh (張銘烈), and the president is Chang, Cheng-Ya (張程雅).

To prevent conflicts of interest, Wonderful Hi Tech has specified in the Board of Directors Guidelines that any director with a personal or legal business interest in a meeting agenda item must disclose the significant details of this interest during the board meeting; such individuals must recuse themselves from the meeting and refrain from proxy voting.

In June 2022, Wonderful Hi Tech elected eight directors at the annual shareholder meeting, including four independent directors, achieving a 50% independent representation which exceeds statutory requirements and supports a younger, more diverse board.

2.1.3 Board Committees

To improve corporate governance and enhance the board's handling of major proposals effectively while avoiding conflicts of interest, the company has established audit and compensation committees, which help reinforce the board's responsibilities; the structure and responsibilities of each committee are outlined below.

■ Responsibility & Composition of Board Committees

Board Committees	Primary Responsibilities and Oversight Duties	Composition
Audit Committee	The audit committee, comprised of professionals with independent viewpoints, assists board members in decision-making and ensures vigilant oversight of business operations. The main purpose of the Audit committee's operation includes: 1. Ensuring accurate and proper financial reporting. 2. Overseeing the appointment and performance of independent auditors and ensuring their independence and performance. 3. Monitoring the effective implementation of internal controls. 4. Confirming compliance with applicable laws. 5. Managing and mitigating existing and potential business risks. The audit committee upholds regulatory compliance, safeguards investor interests through meticulous evaluations, ensures reliable financial reporting and management insights.	The committee consists of three independent directors, one with expertise in accounting, finance, and taxation.
Compensation Committee	To assist the board of directors in overseeing the performance review of directors and executives, and to develop the company's overall compensation policy for greater transparency and fairness, the compensation committee will undertake the following responsibilities and submit recommendations to the board for discussion. 1. The compensation committee regularly reviews its guidelines and proposes amendments to meet the company's needs and align with the latest regulations. 2. The committee develops and continuously updates the performance evaluation criteria for directors and executives, setting annual and long-term performance goals, and accordingly designs compensation policies, systems, criteria, and structures. Details of the performance evaluation criteria are disclosed in the annual report. 3. The committee regularly assesses how well directors and executives meet performance goals and bases individual compensation decisions on these findings. The compensation committee diligently ensures that the compensation system for directors and managers is both fair and reasonable and aligns with their performance. Its recommendations are forwarded to the board of directors to foster transparency and fairness in the compensation system.	This committee has three members, appointed by the board of directors' resolution, including two independent directors.

To implement corporate governance and boost the effectiveness of our board committees, we have set performance goals to enhance their operational efficiency and completed the internal review survey by the first quarter's end of the following year. As part of the internal review process, members completed the Audit Committee Performance Review Survey and the Compensation Committee Performance Review Survey. The coordinating body then uniformly consolidated the data, compiled a report based on the scoring criteria of the assessment indicators, and submitted it to the Board of Directors for review and enhancement.

Based on the annual internal performance reviews of the Audit and Compensation Committees, the scores were very good, reflecting strong performance. These review results will serve as a basis for continuously improving the effectiveness of our Board Committees.

2.1.4 Performance Evaluation

To strengthen corporate governance and enhance board functioning, we have established performance goals to improve the Board's operational effectiveness. Based on the Board of Directors Performance Review, we have set a timetable for the internal review process to be completed by the Board of Directors by the end of the first quarter of the following year.

During the internal review, each Board member completed the Board of Directors Performance Review Survey and the Director Performance Review Survey to gather information related to Board activities. The coordinating body then uniformly consolidated the data, compiled a report based on the scoring criteria of the assessment indicators, and submitted it to the Board of Directors for review and enhancement.

Based on the annual internal performance reviews of the Board and its directors, the scores were excellent, reflecting strong performance. These review results will serve as the basis for our continuous improvement to enhance the effectiveness of the Board's operations.

■ Board of Directors Performance Review Program

- ・ Participation in the operation of the Company
- ・ Enhancing the Quality of the Board's Decision-Making
- ・ Composition and Structure of the Board of Directors
- ・ Election of Directors and Continuing Education
- ・ Internal control

■ Director Performance Review Program

- Alignment of the goals and missions of the Company
- ・ Awareness of the duties of a director
- ・ Participation in the operation of the Company
- ・ Management of internal relationship and communication
- ・ The director's professionalism and continuing education
- ・ Internal control

■ Results of the 2023 Performance Review

Internal Performance Review of the Board and Directors - Result: Good

■ Board of Directors Performance Review Results

Type	Evaluation Criteria	Number of Questions	Proportion	Average Score	Weighted Average
Internal Assessment	A. Degree of Participation in the Company's Operations	3	20.0%	5	5
	B. Enhancing the Quality of the Board's Decision-Making	4	26.7%	5	5
	C. Composition & Structure of the Board of Directors	3	20.0%	5	5
	D. Election & Continuing Education of Directors	2	13.3%	5	5
	E. Internal Controls	3	20.0%	5	5
	Total	15	100.0%		

■ Director Performance Review Internal Survey Results

Type	Evaluation Criteria	Number of Questions	Proportion	Average Score	Weighted Calculation
Internal Assessment	A. Mastery of the Company's Objectives & Mission	2	16.7%	5	5
	B. Awareness of Directors' Duties	2	16.7%	5	5
	C. Degree of Participation in the Company's Operations	2	16.7%	5	5
	D. Internal Relationship Management & Communication	3	25.0%	5	5
	E. Director Professionalism & Continuing Education	1	8.3%	5	5
	F. Internal Controls	2	16.7%	5	5
	Total	12	100.0%		

2.1.5 Compensation Policy

Wonderful Hi Tech conducts performance evaluations and determines compensation for Directors and Executives based on industry benchmark pay. We also consider each individual's responsibilities, time commitment, goal achievements, performance in other roles, and historical compensation for comparable positions within the company. Additionally, we assess the alignment between an individual's performance and the Company's operating performance and future risks, considering the achievement of short- and long-term business goals, and financial conditions.

The company's compensation committee regularly reviews and evaluates performance criteria for directors and executives, annual and long-term performance goals, and the policies, systems, criteria, and structure of salaries and compensation. Individual compensation for directors and managers is determined based on their achievement of performance goals. Each year, a majority of the compensation committee members must agree to report to the board of directors on the implementation of these periodic reviews and evaluations.

Through this process, we ensure that performance evaluations and compensation decisions for our directors and managers are made based on reasonable standards, safeguarding the interests of the company. This also demonstrates the importance we place on regular review and transparency of our compensation system.

■　　　Compensation Policy

Director	Managers
The Company's compensation for directors is based on the regulations outlined in the Regulations Governing the Compensation of Directors. The details of the compensation are as follows: 1. Compensation: Includes directors' salaries, stipends, allowances, and bonuses. 2. Retirement Pension: The pension received upon retirement. 3. Profit-Sharing Compensation: Under the company's Articles of Incorporation, compensation is paid to the directors based on annual profit distribution. (Not applicable if the Articles do not provide for compensation of directors) 4. Operational Expenses: Includes travel expenses, specialized expenses, and transportation costs. The individual components of directors' compensation are clearly defined in the Directors' Compensation Package to ensure reasonableness and transparency.	The structure of manager compensation is based on the Company's Salary Management Plan, Performance Appraisal Plan, Performance Bonus Plan, and Employee Compensation Distribution Plan, and is as follows: Fixed Salary: 1. Benchmark Salary: Basic salary level. 2. Supervisor Bonus: An additional bonus given to managers in supervisory positions. 3. Specialization Bonus: A bonus granted based on specialized skills or specialized job requirements. 4. Meal Allowance: Allowance for meal costs. 5. Transportation Allowance: Allowance for transportation costs. 6. Overtime Compensation: Additional compensation for overtime work. 7. Missed Meal Allowance: Additional allowance granted due to adjusted working hours. 8. Travel Allowance: Allowance for business travel expenses. Variable Pay: 1. Performance Bonus: Bonus based on business performance, site performance, and annual results. 2. Employee Stock Options and Employee Compensation: Equity incentives and other forms of compensation are given to employees under the company's policies.

2.1.6 Sustainable Governance

The board of directors is the highest corporate governance body of the company. Beyond operating under the Articles of Incorporation and shareholders' resolutions, the Board is responsible for approving the company's annual and semi-annual financial reports, evaluating the effectiveness of the internal control system, appointing and dismissing auditors and managers, and approving strategic plans. The Board meets multiple times a year, both regularly and as needed, authorizing the Chairman to address economic, environmental, and social issues related to corporate governance, either through delegation or direct assignment to appropriate departments.

To facilitate the company's sustainable development and advance related policies, we established the ESG committee in 2023, with the president as the chairperson and the occupational safety office as the director general, responsible for coordinating and supporting the company's sustainability initiatives. The committee comprises five groups: the corporate governance group, environmental protection group, customer care group, employee relations group, and social care group. These groups, with representatives from various departments, aim to bring together employees with diverse backgrounds, expertise, and experience. Going forward, the committee expects to report regularly to the board of directors on the results of various sustainability initiatives.

■　　　2023 Board of Directors Report and Motions Related to Supporting Sustainability

Date	Board of Directors Report and Motions
Ninth Meeting of the Sixteenth Board of Directors	Report on the 2023 Carbon Accounting and Verification Timeline Planning for Parent Company and Subsidiaries.
10th Meeting of the Sixteenth Board of Directors	Report on the 2023 Carbon Accounting and Verification Timeline Planning for Parent Company and Subsidiaries.
12th Meeting of the Sixteenth Board of Directors	Report on the 2023 Carbon Accounting and Verification Timeline Planning for Parent Company and Subsidiaries.
13th Meeting of the Sixteenth Board of Directors	Report on the 2023 Carbon Accounting and Verification Timeline Planning for Parent Company and Subsidiaries.

2.2 Business & Integrity & Regulatory Compliance

Item	Content
Corresponding GRI	GRI 2, GRI 205, GRI 206
Impact Description	Wonderful Hi Tech values organizational credibility and is committed to maintaining the highest ethical standards and professional competence. We require our employees, agents, distributors, and contractors to strictly comply with anti-corruption and anti-bribery laws applicable in the countries where we operate, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and China's Anti-Corruption Laws. To uphold these anti-corruption laws, Wonderful Hi Tech has adopted three integrity management methods: Establishing Applicable Standards, Promoting Educational Training, and Opening Communication Channels for all employees and business partners. We aim for them to exhibit ethical conduct and work together to fulfill corporate social responsibility, facilitating a balanced and environmentally sustainable economy, society, and ecosystem.
Policies & Commitments	Establishing a code of ethical business conduct is key to ensuring the company's sustainability and avoiding operational risks associated with illegal conduct and improper gains. Good ethical integrity not only enhances the company's reputation and brand image but also increases employee job satisfaction and loyalty, further contributing to long-term growth. Therefore, we have established standards such as the Work Rules and Supplier Code of Conduct to regulate employee conduct. Compliance is a cornerstone of business operations, and failure to comply with regulations can impact a company's operations and reputation, and impose additional costs on the environment and society. To this end, Wonderful Hi Tech abides by the applicable laws set by jurisdictional agencies in the areas of corporate governance, business integrity, environmental protection, and worker human rights. To reduce the risk of employees violating regulations, we regularly provide educational training to ensure regulatory compliance is ingrained within the organization. Through these educational measures, we are committed to reinforcing employees' awareness and compliance with laws, fostering a culture of legal compliance within the company. This not only helps to minimize risk but also helps to maintain the company's reputation and build a favorable external image.
Responsible Department	Audit Office, Procurement Center
Short, Medium, & Long-Term Objectives	Short-term objectives: 1. There were no violations of any codes of ethical conduct and business integrity during the year. 2. There were zero major regulatory violations during the year. 3. Achieved 100% completion rate for anti-corruption communications to suppliers. Medium to long-term: 1. Provided annual ethics and business integrity training to all employees. 2. Established and implemented an annual internal audit plan for Business Integrity Operations. 3. There were zero major regulatory violations during the year.
Action Plans	1. Section 7 of Chapter 1, and Sections 47 and 48 of Chapter 5 of the Work Rules, along with the Supplier Code of Conduct, are included in the pre-employment training program for new employees, promoting the company's corporate culture that emphasizes integrity. 2. Anti-corruption Supplier Engagement.

Item	Content
Assessment of Effectiveness in 2023	1. During the year, we did not receive any reports, and there were no violations of ethical conduct and business integrity by our employees. 2. There were no major regulatory violations during the year. 3. Every new employee must sign a confidentiality agreement and complete 100% of the educational training. 4. The chairman's office reports to the board of directors on business integrity.
Grievance Process	1. We provide a company grievance hotline and email address for employees to file grievances. 2. Employees are encouraged to report to the audit committee, manager, director of internal audit, or other appropriate person if they suspect or discover a violation of laws or the Code of Ethical Conduct. 3. If a director or manager violates the Code of Ethical Conduct, the company will handle the matter as described in disciplinary guidelines and will promptly disclose information on the date of violation, reason, details, and actions taken on the Public Information Platform. 4. If any stakeholder discovers that the company has violated any applicable laws, they may notify us through the company's grievance hotline or email. The company will investigate the matter, clarify responsibility, and require appropriate departments to review and take corrective actions. Grievance Hotline: 02-22988033#286 Email: steve_chang@wontex.com.tw

2.2.1 Anti-Corruption Communication & Educational Training

To implement the company's ethical conduct and business integrity, and to foster a robust corporate culture, Wonderful Hi Tech has established the Supplier Code of Conduct, Work Rules, and other guidelines, providing our employees with clear standards for ethical integrity.

Under the company's Supplier Code of Conduct and Work Rules, the following items will be reported to the board of directors regularly (at least once a year) in the future, with the audit office and the procurement center as the responsible entities:

1. Assist in integrating integrity and ethical values into the company's business strategy and establish precautions to ensure compliance with laws.
2. Regularly analyze and evaluate the risk of dishonest conduct within business operations, create programs to prevent dishonest conduct, and establish standard operating procedures and conduct guidelines.
3. Plan internal organization, preparation, and management to ensure mutual supervision and checks and balances in business activities that have a high risk of dishonest conduct.
4. Promote and coordinate training on integrity policies.
5. Plan a reporting system to ensure effective implementation.
6. We assist the board of directors and management in checking and evaluating the effectiveness of the precautions implemented to implement business integrity, and periodically evaluate and report on compliance for the various business processes.
7. Create and maintain documentation of the business integrity policy, statement of compliance, implementation commitments, and implementation status.

2.2.2 Business Integrity Policy

Going forward, before the company establishes business relationships with suppliers, customers, and other business contacts, we will establish the evaluation process based on Wonderful Hi Tech's Code of Business Integrity and Guidelines on Business Integrity Operating Procedures and Conducting Guidelines, considering the company's actual operational needs.

1. Before entering into a business relationship with a supplier, customer, or other business contacts, we will assess the legitimacy and integrity of their business and whether they have a record of dishonest conduct to ensure that business is conducted in a fair and transparent manner, free from solicitation, offering, or acceptance of bribes.

2. In evaluating the business integrity of our suppliers, customers, or other business contacts, we review the following matters:
   a. The company's country of origin, location of operations, organizational structure, business policy, and payment locations.
   b. Whether the company operates in an industry with a high risk of bribery.
   c. The company's long-term business conditions and reputation.
   d. Discussions with their business partners regarding the company.
   e. Whether the business has a record of dishonest conduct involving bribery or illegal political contributions.

3. When signing a contract, we make it clear to the party we are doing business with that we conduct our business in good faith. Neither party shall offer, accept, promise, or demand bribes, commissions, percentage payments, brokerage fees, back payments, kickbacks, gifts, hospitality, or other improper benefits. Any breach of the above terms by either party entitles the other party to terminate or cancel the contract and seek damages from the breaching party. If one party becomes aware of a violation by the other party's personnel, it shall promptly notify the other party, provide relevant evidence, and assist in the investigation.

4. We are committed to avoiding working with dishonest companies. Our Employee Code of Conduct prohibits employees from engaging in unlawful or improper activities and forbids accepting gifts, hospitality, special discounts, or preferential treatment related to their position. Furthermore, the Employee Work Rules state that employees shall not abuse their positions or knowingly tolerate dishonest conduct by subordinates. The company reserves the right to terminate employment without notice if substantial evidence of such serious misconduct exists.

5. Clearly define the principle of good faith in the contract:
   a. Contracts should clearly specify that the parties to the contract shall act in good faith and shall be held liable for any violations of applicable regulations.
   b. If either party engages in dishonest conduct during business activities, the other party has the unconditional right to terminate or cancel the contract at any time.

c. Establish clear and reasonable payment details, including the method and location of payments, in compliance with applicable tax regulations.

2.2.3 Reporting System

Wonderful Hi Tech has a written policy for its reporting system and an email address to handle incoming reports; no reports were received in 2023. We plan to enhance our reporting system by establishing written guidelines as per the Business Integrity Guidelines. The guidelines are expected to include the following:

The company encourages internal and external reporting of dishonest conduct or misconduct. Employees who make false reports or deliberately submit false allegations are subject to disciplinary action and, in serious cases, may be terminated. To facilitate reporting, the company has established an independent internal reporting mailbox and hotline on our website and intranet and has hired a third-party independent organization to provide additional reporting channels. Reporters should provide at least the following information:
1. The reporter may choose to provide their real name and ID number or report anonymously and should provide an address, telephone number, or email address for contact.
2. The name of the reported individual or sufficient information to identify them.
3. Specific evidence available for investigation.
4. The company commits to keeping the reporter's identity and the details of the report confidential. Appropriate individuals shall provide a written statement ensuring the reporter is not subjected to improper treatment.
5. The designated department of the company shall handle reports based on the following procedures:
    a. Reports involving general employees should be submitted to the department director; if they involve directors or executives, they should be reported to the independent director.
    b. The designated department and appropriate directors or persons shall promptly investigate the evidence and, if necessary, seek assistance from legal or other jurisdictional agencies.
    c. If it is proven that the reported individual has violated laws or the company's business integrity policies, they shall be immediately required to cease the conduct, and appropriate action will be taken. If necessary, the case shall be reported to the Board and referred to law enforcement for criminal investigation or to pursue damages through legal proceedings, thus safeguarding the company's reputation and rights.
6. The process of receiving and investigating reports and the results thereof shall be documented in writing and retained for five years or may be preserved electronically. If, before the expiration of the retention period, a lawsuit related to the report arises, the associated information shall continue to be retained until the conclusion of the legal proceedings.
7. If the reporting system finds a report to be substantiated, the company shall instruct the appropriate entity to review the internal control system and operational procedures and propose improvement measures to prevent the recurrence of similar conduct.
8. The designated department shall report to the board of directors on reported matters, resolution, and subsequent corrective actions.

2.2.4 Corporate Compliance

Regulatory compliance is a fundamental responsibility of businesses and demonstrates our commitment to responsibility. With this principle in mind, Wonderful Hi Tech proactively monitors regulatory changes and makes prompt adjustments to ensure compliance. Although we do not have in-house legal counsel, we have annual retainers with specialized attorneys to provide legal counsel and review stakeholder agreements, ensuring compliance with regulations and government directives.

The company has established Guidelines for Business Integrity and Operating Procedures for Handling Material Internal Information to manage business operations under the law. These guidelines are designed to guide employees in complying with regulations during business activities and to prevent possible misconduct. The president's office and all company departments share responsibility for ensuring that regulatory compliance is effectively established and enforced. We prioritize key regulations closely related to the company's operations based on their relative importance and urgency of implementation. Each department is responsible for the following:

1. Establishing clear and appropriate systems for the dissemination, consultation, coordination, and communication of laws to ensure the effective flow of information.

2. Regularly reviewing and updating operational and management guidelines to comply with applicable laws. Ensuring that the company's business operations comply with the law.

3. Each department conducts internal reviews, with directors assigning appropriate staff to summarize regulatory information. By creating a summary table of laws, the laws are organized and summarized so that each department can clearly understand applicable requirements.

In 2022 and 2023, there were no violations of environmental regulations, social regulations, health and safety regulations on products and services, information security on products and services, regulations on marketing and communications (including advertising, promotion, and sponsorship), antitrust laws, conflict of interest policies, money laundering statutes, or insider trading regulations.

2.3 Risk Management

Item	Content
Corresponding GRI	Customized Themes
Impact Description	Robust and comprehensive risk management is key to a company's sustainability. Facing emerging risks, the company strives to identify them early and develop appropriate and feasible response strategies, significantly mitigating impacts, demonstrating resilience, ensuring operational stability, consolidating business relationships, and enhancing market trust.
Policies & Commitments	Risk identification and management are the cornerstones of sustainable business operations. Under the Guidelines for Establishing Internal Control Systems by Public Companies, the company has established internal control systems and guidelines, considering changes in internal and external environments and business models, as well as potential operational risks. Each department conducts self-audits and implementations to minimize the impact of unexpected risks on operations and to effectively control risk factors. Contingency actions are in place to ensure the company's sustainable operations.
Responsible Department	Board of Directors
Short, Medium, & Long-Term Objectives	1. The audit office reports internal control compliance results to the board of directors and the audit committee quarterly, with no significant deficiencies noted in internal control audits. 2. An annual self-assessment of corporate governance is conducted, and the results are reviewed for continuous improvement. 3. There were no information security breaches during the year. 4. There were no major regulatory violations during the year. 5. There was no loss of property due to climate risk at any of the locations during the year.
Action Plans	1. The Information Center coordinates the group's information security policy and management. 2. We establish and implement risk management policies, developing plans for information security, climate risk, and digital transformation to reduce corporate risks. 3. We have established a cross-departmental climate working group to track climate actions and implement appropriate management strategies. 4. To comply with requirements from the Financial Supervisory Commission and national law, the company drafts a list of risks for each business, reviews and revises the internal control system, and conducts annual evaluations to minimize hazards caused by unexpected operational risks.
Assessment of Effectiveness in 2023	1. Each department complies with the company's internal control system, and there were no significant anomalies in the annual internal audit; the design and implementation of the internal control system are effective. 2. In compliance with personal data laws and to protect personal data held by the company, all new employees are required to sign a personal data consent form to ensure that procedures for collection, processing, and use of personal data meet legal requirements. 3. We appoint independent directors with expertise in finance, accounting, and law to participate in Board activities, enhancing the corporate governance body's capabilities in financial and community risk management through their expertise.
Grievance Process	1. An internal audit system and independent directors are established to ensure the effective operation of internal control and reporting mechanisms. 2. Risk management is undertaken by appropriate departments to minimize the impact of operational risks.

2.3.1 Risk Management Structure & Responsibility

To enhance corporate governance and risk control capabilities, Wonderful Hi Tech has established various internal rules and regulations through hierarchical management to assess and manage various risks. This approach allows us to face a rapidly changing external environment, minimize risk impact, seize future development opportunities, and realize our vision of sustainable development.

■　　Risk Management Structure and Responsibility at Wonderful Hi Tech

Name of Organization	Responsibility
Board of Directors	Ensure that major risks are identified, determine strategic directions for major risks, and effectively control and allocate resources
Executives	Implement risk management policies established by the board of directors, coordinate cross-departmental risk management matters, and track risk management objectives of each entity
Auditing Office	Audit daily risk management operations
Other Departments	Organize and execute day-to-day risk management operations

2.3.2 Key Risks & Response Strategies

Through annual reviews of industry risk trends and regular risk management meetings with all departments, Wonderful Hi Tech has identified potential operational risks across different aspects, categorized risk factors, and inventoried response strategies and current statuses to ensure all potential risks are reasonably controlled and do not cause serious financial, reputational, or operational impacts. In 2023, Wonderful Hi Tech identified four major operational risk categories: financial risks, climate change risks, human resource risks, and information security risks. The following table outlines the company's management policy and response strategy for these risks.

■　　2023 Risk Program and Future Strategy

ESG Orientation	Governance	Environment	Society	Governance
Risk Projects	Financial Risks	Climate Change	Human Resource Risks	Information Security Risks
Risk Factors	Including market risk, price risk, credit risk, and liquidity risk.	Increased operating costs due to enhanced greenhouse gas reporting obligations and low-carbon technology transitions.	Increased operating costs due to enhanced greenhouse gas reporting obligations and low-carbon technology transitions.	Risk of extortion or breach of sensitive customer or company information by external hackers.
Risk Management Policies & Procedures	The finance department, in close collaboration with operating entities, is responsible for identifying, assessing, and managing financial risks to ensure risks are avoided and appropriately controlled.	Currently, our ESG Committee conducts regular research and analysis to understand the impact of climate change on the overall economic environment and regulations. Going forward, we will further refine applicable risk management policies and procedures to address these changes.	The company has established policies to ensure employee safety, compensation, benefits, and workplace environment comply with applicable laws, and that corporate policies minimize losses and risks arising from human resource factors: 1. Employee Development Policy: Effectively promote employee learning and growth through job coaching, educational training, and mentorship systems. 2. Educational Training Programs and Budgeting: Annual budgets are allocated for staff training to enhance professional skills and leadership abilities. Encourage self-improvement and participation in externally organized refresher courses.	The company has established an information security management framework and a notification process for emergency information security incidents.

ESG Orientation	Governance	Environment	Society	Governance
Risk Projects	Financial Risks	Climate Change Risks	Human Resource Risks	Information Security Risks
Risk Response Strategy	1. Market Risk (Price Risk): The company adopts a portfolio diversification strategy, investing based on set limits to effectively control market risk. 2. Credit Risk: The company manages and analyzes the credit risk of each new customer prior to determining payment and delivery terms, following a defined internal credit policy. Internal risk controls assess customer credit quality by considering financial status, past experience, and other factors. 3. Liquidity Risk: The company transfers surplus cash held over working capital requirements back to the finance department, which schedules and forecasts funds based on capital needs to manage liquidity risk.	Due to global greenhouse gas emission controls and carbon fee levies, Wonderful Hi Tech may be directly or indirectly impacted. These impacts may affect the company's operating strategy, procurement policy, and design philosophy. In response to climate change challenges, Wonderful Hi Tech will enhance communication with stakeholders during the product design phase and gradually expand the use of low-carbon and environmentally friendly materials to reinforce sustainable development.	1. Employee Development: We are committed to cultivating employees through work-based coaching, educational training, and mentorship systems to enable them to learn and grow effectively. 2. Educational Training: We allocate annual budgets for employee training to enhance professional skills and leadership abilities. We also encourage employees to enrich themselves by attending externally organized refresher courses. 3. Subsidy Policy: To encourage staff to enhance professional competence and improve industry competitiveness, we have established a license allowance and incentive system to reward their efforts.	1. Information Security Incident Management: We have established a rigorous incident classification system and clearly defined incident urgency levels. 2. Annual Internal Information Security Training: We have implemented annual internal information security training and conducted phishing tests for all employees to improve their recognition and response capabilities. 3. Confidential Document Access Management: Access to confidential documents is tiered to ensure that only authorized individuals can access them.

2.4 Sustainable Supply Chain

2.4.1 Supply Chain Overview

Sustainability in supply chain management is a vital commitment to sustainable governance. With rising geopolitical tensions and challenges of chain disruptions, the importance of sustainability strategy and performance in supply chain management is highlighted. To enhance the sustainable resilience of our supply chain, we work closely with our suppliers to create mutually beneficial and prosperous partnerships. Suppliers are vital partners in our operations. Wonderful Hi Tech has built a platform to share knowledge with suppliers for mutual growth. We collaborate with them to support carbon reduction programs and implement green product and material procurement, building a more resilient and influential supply chain through specific actions.

Wonderful Hi Tech purchases copper and polymer materials and conducts research and development to manufacture and process products for sale. In international markets, some products are sold through distributors or directly to major global brand manufacturers as OEMs. In domestic markets, products are sold directly to telecommunication manufacturing facilities and network builders or are outsourced for processing before being sold to manufacturers.

Wonderful Hi Tech Industrial Chain

Upstream	Suppliers	Suppliers of Copper Sheets and Polymer Materials
Midstream	Assembly Plant	Research and Development, Processing, Manufacturing
Downstream	Client Base	State-Owned Enterprises, Educational Institutions, Construction Firms, Distribution Channels, Communications Companies, Information Integrators

Number of Key Suppliers

Year	Number of Key Suppliers (Note)
2023	10
2022	9
2021	12

(Note) Definition of Key Suppliers: Suppliers of major production materials account for more than 80% of total purchase volume, such as copper, PVC powder, and Teflon.

Supporting Local Supply Chains

To foster mutually beneficial relationships with suppliers as part of our sustainability strategy, Wonderful Hi Tech continues to prioritize local companies in procurement, achieving 89.13% localization of suppliers in 2023. Looking ahead, Wonderful Hi Tech will actively support local procurement, assist local suppliers in enhancing their technology and quality, establish a highly efficient and competitive value chain, and reduce transportation time and carbon emissions.

Number of Local Suppliers

Year	Number of Local Suppliers	Total Number of Suppliers	Percentage of Local Suppliers
2023	82	92	89.13%
2022	92	108	85.19%
2021	93	106	87.74%

(Note) Definition of Local Supplier: A supplier whose geographic location is in Taiwan.

Procurement Ratio from Local Suppliers

Year	Amount of Purchases from Local Suppliers (Thousand NTD)	Total Amount of Purchases from All Suppliers (Thousand NTD)	Proportion of Purchases from Local Suppliers
2023	19,651	22,066	89.06%
2022	12,079	17,234	70.09%
2021	29,100	33,126	87.85%

2.4.2 Supply Chain Management

System for Suppliers

Wonderful Hi Tech is committed to responsible management of environmental and social sustainability throughout our supply chain, striving to create an environmentally friendly and safe working environment. We also comply with ethical standards and diligently investigate potential risks associated with our suppliers. Additionally, our supplier management process focuses on three aspects: Supplier Selection, Supplier Sustainability Management, and Support of Local Supply Chains to foster the development of a sustainable value chain upstream and downstream.

The supplier management process and the management process are as follows:

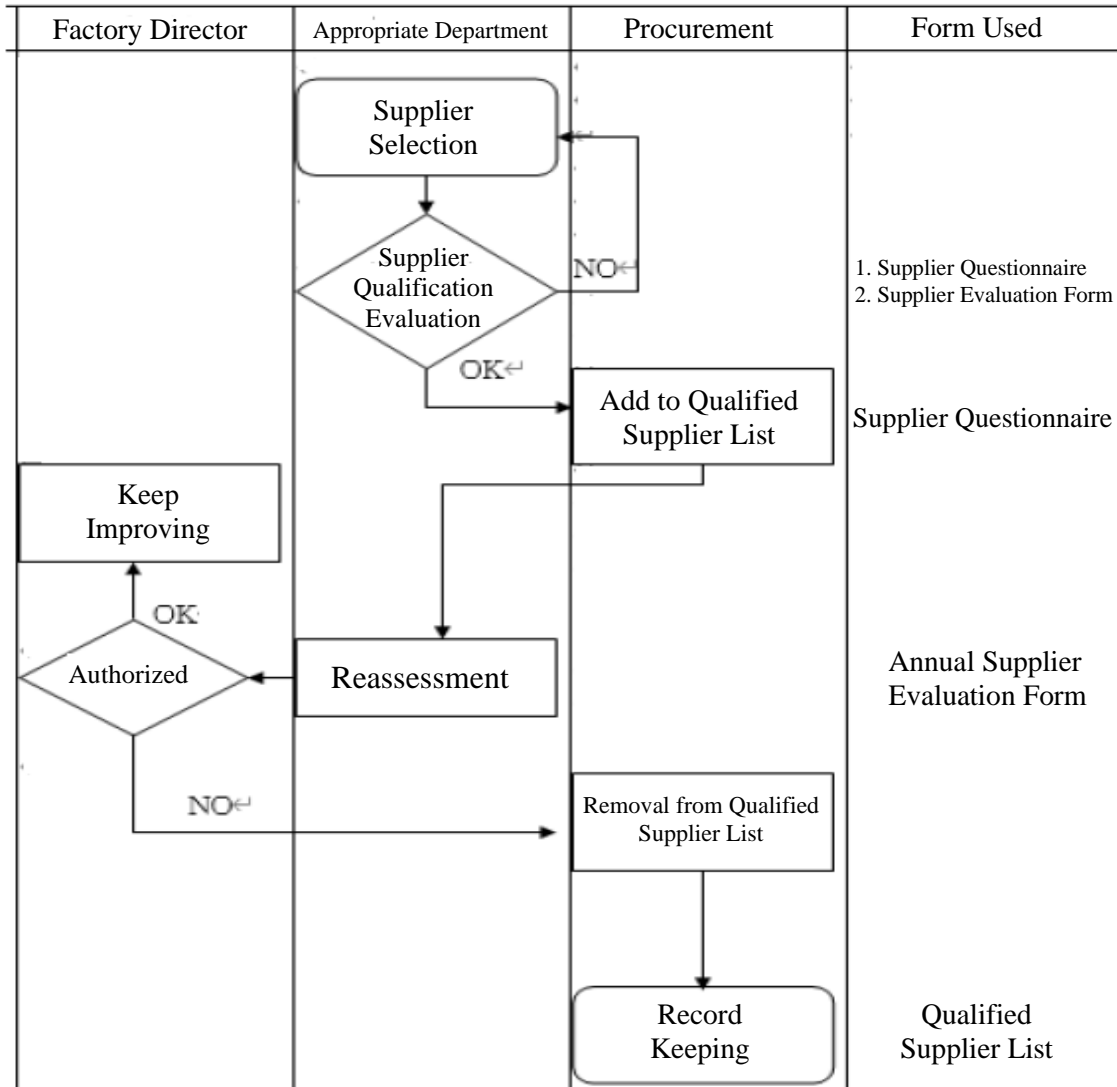|	
Supply Chain Selection	Evaluation System: Quality indicators, delivery indicators, service indicators, price indicators, and safety indicators. Evaluation Questionnaire: New supplier evaluation or evaluation team meeting.
Supply Chain Sustainability	Supplier Evaluation: Focused on established quality, delivery, service, and safety metrics. Supplier Audit and Guidance: Based on annual evaluation scores of underperforming suppliers, we arrange on-site guidance and audit programs. Other Supplier Management: Conduct quarterly supplier evaluations, regularly update environmental test reports, and request conflict-free mineral declarations from suppliers as needed.
Supporting Local Supply Chains	Set procurement targets and continuously drive or maintain local procurement ratios to meet long-term goals.

Supplier Selection

Wonderful Hi Tech emphasizes the partnership with its suppliers and aims to establish a stable supply chain. We assist suppliers in risk assessment, improvement, and management. Chemical substances supplied as raw materials must comply with applicable laws. Through a rigorous contractor management process, we ensure that contractors comply with environmental, health, and safety regulations, safeguarding worker safety and preventing property damage. We are equally concerned about our suppliers' commitments to worker human rights. For example, we require suppliers to ban sourcing metals from conflict-affected areas.

Wonderful Hi Tech requires suppliers and their supply chains to purchase from conflict-free smelters and mines. We also require suppliers to actively urge smelters and mines that have not yet obtained this recognition to undergo the Conflict-Free Smelter Program (Conflict- free Smelter Program, CFSP) or other equivalent independent third-party evaluation programs. We will continue to work toward the goal of achieving the conflict-free (Note 1) principle in the use of tantalum (Ta), tin (Sn), gold (Au), tungsten (W), and cobalt (Co).

New suppliers are required to pass audits covering quality, delivery, service, price, and safety. Appropriate audit departments (Quality, R&D, Procurement, and Occupational Health and Safety Departments) assess the supplier's supply risk to ensure compliance. Once approved, the supplier becomes a qualified supplier for Wonderful Hi Tech and then participates in annual supplier evaluations.

Note 1: Conflict-free raw materials refer to those sourced from smelters recognized by the Responsible Business Alliance, the Global e-Sustainability Initiative, or other equivalent organizations, or those determined to be Congo conflict-free (DRC conflict-free) after reasonable verification and due diligence under applicable laws.

- Supplier Selection Process

Factory Director	Appropriate Department	Procurement	Form Used
	Supplier Selection		
	Supplier Qualification Evaluation / NO		1. Supplier Questionnaire 2. Supplier Evaluation Form
	OK → Add to Qualified Supplier List		Supplier Questionnaire
Keep Improving			
OK / Authorized ← Reassessment			Annual Supplier Evaluation Form
NO → Removal from Qualified Supplier List			
		Record Keeping	Qualified Supplier List

Sustainable Supplier Management

(1) Supplier Comparison

Wonderful Hi Tech will regularly evaluate suppliers' compliance with the risk management program and factor their progress and ongoing performance into decisions regarding supplier partnerships.

Aspect	Comparison Items	Comparison Assessment
Economic Governance	Quality	• Stable supply quality • Stable product application quality • Ability to improve issues promptly • Implementation of the quality management system
	Delivery	• On-time delivery - delivery accuracy rate
	Service	• Willingness and capability for new technology and product development • Prompt and effective responses to special needs • Proactive provision of production quality information
Environmental/ Social	Safety	• Social responsibility—management of toxic and hazardous substances, non-use of conflict minerals from conflict zones, compliance with Wonderful Hi Tech's Supplier Code of Conduct • Environmental/social regulations—compliance with environmental and occupational health and safety management systems—ISO 14001, ISO 45001

The validation process for new materials and suppliers is conducted in compliance with internal audit standards, reviewed by all appropriate departments, and a supplier audit program is implemented.

(2) Supplier Audit and Guidance

In supplier management, based on suppliers' actual transactions over the past year, we evaluate quality, delivery, service, safety, and more. Each year, for suppliers with poor evaluation scores, we arrange on-site guidance and audit programs. In 2023, we planned to conduct 7 supplier audits, all of which were completed, achieving an audit completion rate of 100%. All suppliers proposed improvement plans, resulting in an improvement completion rate of 100%.

Supplier Audits in 2023		
Projected Number of Audit Sessions	Audit Completion Rate	Improvement Completion Rate on Schedule
7	7	100%

(3) Other Supplier Management

In 2023, Wonderful Hi Tech conducted quarterly supplier evaluations, regularly updated environmental test reports, and required suppliers to provide conflict-free mineral declarations as needed to improve supplier management performance.

2.4.3 Continuous Improvement in Supply Chain

If any quality discrepancies are found during incoming material inspections, Wonderful Hi Tech will request suppliers to propose improvements and precautions and include them in next year's priority on-site supplier audits.

Supplier Continuous Improvement

Wonderful Hi Tech conducts quarterly assessments of suppliers. For manufacturers scoring 69 points or less, we provide the assessment scores and request them to propose improvement plans, which are recorded in the assessment form.

If, for two consecutive quarters, a supplier's assessment score is less than or equal to 69 points, and they fail to meet improvement requirements after being notified, their Qualified Supplier status will be canceled. However, if there are special circumstances approved by the evaluation team, the Qualified Supplier status may be maintained, but the supplier must set a deadline to resolve existing issues and undergo re-evaluation.

2.5 Economic Performance

2.5.1 Business Operations & Financial Status

In 2023, Wonderful Hi Tech's annual revenue amounted to NT$2,788,267,000, a decrease of approximately 32% from the previous year. At the same time, the company distributed the direct economic value generated—both to stakeholders and for future operations—which accounted for approximately 107% of the economic value generated, a decrease of approximately 31% compared to last year.

■　　Financial Performance in the Last Three Years

(Unit: NT$ thousand)

Item	2021	2022	2023
Generation of Direct Economic Value	$　　3,885,517	$　　4,458,559	$　　2,961,077
Operating Revenue	3,720,507	4,098,856	2,788,267
Interest Income	789	1,855	4,448
Dividend Income	102	612	117
Rental Income	9,146	9,147	9,676
Other Income	3,143	2,512	2,591
Other Gains	28,836	101,810	6,145
Investment Income	122,994	243,767	149,833
Distribution of Direct	$　　4,128,002	$　　4,629,704	$　　3,176,926
Operating Costs	3,603,222	3,848,408	2,650,547
Employee Payroll Costs	231,449	314,009	234,020
Employee Benefit Expenses	10,883	11,249	12,760
Payments to Funders	228,311	324,412	200,872
Payments to Governments	50,575	107,907	60,796
Community Investment	1,604	4,606	3,747

Item	2021	2022	2023
Other Losses	1,958	19,113	14,184
Economic Value Retained	$ (242,485)	$ (171,145)	$ (215,849)

Note 1: The data in this table is derived from the audited individual financial statements for 2023.

2.5.2 Governmental Financial Assistance

2023			
Subsidized Projects	Subsidizing Agency	Amount of Grant	Reason for Grant
Intelligent Production	Industrial Development Bureau, MOEA	17 million	Intelligent Production

2.6 Information Security

2.6.1   Information Security Governance System & Structure

In recent years, many well-known businesses have suffered significant losses due to ransomware attacks, making it urgent for companies to enhance their information security. Wonderful Hi Tech recognizes the impact of intellectual property security on our competitiveness and that of our partners. Therefore, we actively enhance our information security and confidential information protection system. We continuously enhance our information security defense capabilities, including security monitoring systems, vulnerability scanning to prevent external hacking and internal data breaches, and control of information hardware and software equipment, to mitigate risks from evolving and unknown information security threats.

Our information security policy is based on four main guidelines and focuses on three key areas: anti-virus, anti-hacking, and anti-data breach protection. On the system side, we have established firewalls, anti-virus systems, data access controls, and various internal control systems, and we regularly conduct intrusion detection and vulnerability scanning. On the management side, we cultivate information security professionals, establish information security management standards, and promote information security awareness among all employees, thereby enhancing the company's ability to defend against external attacks and protect internal confidential information.

Four Main Guidelines for Work:
1. Establish information security strategy and management standards
2. Improve education and awareness to build a consensus on information security among all staff members
3. Ensure confidentiality, integrity, and availability of information
4. Provide a safe operating environment

2.6.2 Information Security Governance Strategy

The information center is the dedicated department for information security protection and has established an information security management system based on four strategies: server room security, employee PC control, external network attack/intrusion prevention, and internal and external information security auditing. We have clearly defined policies, management procedures, and standards to safeguard the company's competitiveness and protect our customers' interests.

Item	Information Security Aspect	Management Strategies
1	Server Room Security	1. Only authorized individuals accompanied by IT staff are allowed to enter the server room, and entry time and purpose are recorded. 2. Regularly inspect equipment and facilities in the server room to ensure there is no damage or abnormality.
2	Employee PC Control	1. Implement the principle of least privilege and set system permissions based on employee work requirements. 2. Install and regularly update anti-virus software to ensure the security of PCs.
3	External Network Attack/Intrusion Prevention	1. Configure systems such as firewalls to detect and block external attacks promptly. 2. Restrict access from external networks, allowing only necessary communications. 3. Conduct regular external network penetration tests to identify potential vulnerabilities and patch them promptly.
4	Internal & External Information Security Audits	Regular audits are conducted by the company's audit office and external accounting firms every year to ensure that the information security system is appropriate and effectively implemented.

Protecting customer privacy and confidential information is essential to the long-term development and sustained competitiveness of our business. Wonderful Hi Tech is committed to continuously improving system support and building a robust management structure.

1. Personal data management system is standardized to operate on a secure platform in terms of processing, storage, and privacy settings to protect customer data.

2. For the receipt, transmission, storage, and use of customer data, we have set up authority control and classified management based on different levels of confidentiality.

3. We mask and restrict access to critical information to protect data.

4. Enhance the control of USB portable storage devices and monitor abnormal data access behavior to avoid data loss caused by human factors.

5. All external files must be sent through the external transfer control system and approved by the director.

2.6.3 Information Security Governance

In addition to regular information security education, Wonderful Hi Tech has been increasing its information security budget annually to build an information security protection system. This system is mainly implemented in the three major areas of network security control, access control security, and information asset management, to ensure the effectiveness of our information security practices and reduce risks.

Item	Aspect	Precaution
1	Network Security Control	Internet Security and Access Control
		Internal Network Security
2	Access Control Security	Data Management and Access Control
		Account/Network Access Control
3	Information Asset Management	Asset Management and Control
		Data Protection

2.6.4 Information Security Incident Reporting & Handling Process

The efficiency of handling information security incidents depends on their impact on the company. Failure to handle major information security incidents promptly may affect fulfilment of customer delivery expectations and their trust in Wonderful Hi Tech. To enhance the efficiency of handling information security incidents, Wonderful Hi Tech's information center serves as the dedicated department for information security. The information center is responsible for handling information security incidents, and business departments are required to fully cooperate. A notification process for information security incidents has been established so that employees can be guided accordingly and carry out notification, remediation, and restoration actions under the department's authority to enhance handling efficiency and reduce potential impacts.

Information Security Incident Reporting and Handling Process		Responsible Entity
1	Information Security Incident Occurs	Reporting Entity
2	Detection, Isolation, and Impact Assessment	Information Center
3	Event Handling Feedback	Information Center
4	Incident Recording and Prevention of Recurrence	Information Center

In 2023, there were no violations of regulations or stakeholder information security complaints, nor were there any significant information security incidents that resulted in production and operation impacts or losses.

2.6.5 Educational Training on Information Security

To enhance the basic information security knowledge and emergency response abilities of all employees, new employees receive instruction on information security precautions during orientation training, while existing staff undergo regular educational training. In the future, we will continue to maintain information security educational training for all employees, aiming to complete 50%training sessions per year.

Year	Educational Training Topics	Number of Employees Trained	Training Hours
2023	Social Engineering & Password Security	36	4
2022	Phishing	20	3
2021	Learning the Information Security Crisis	19	2

Chapter 3 Environmental Sustainability

3.1　Climate Change Response

Item	Content
Corresponding GRI	GRI 201-2
Impact Description	As extreme weather conditions worsen each year due to insufficient global carbon reduction efforts, climate change has become an issue that companies worldwide must address. Failure to effectively manage and mitigate the impacts of extreme weather may increase the risk of supply chain disruptions and unsustainable operations at our factories.
Policies & Commitments	Wonderful Hi Tech is committed to participating in international climate initiatives, such as the SBTi, Science Based Targets initiative, and is dedicated to achieving the long-term goal of net-zero carbon emissions by 2050, demonstrating to stakeholders our determination to address climate change.
Responsible Department	ESG Committee
Short, Medium, & Long-Term Objectives	1. Short-term goal (2025): Reduce carbon emissions by 15-25% from the base year (2022). 2. Medium-term goal (2030): Reduce carbon emissions by 45% compared to the base year (2022). 3. Long-term goal (2050): Achieve net-zero carbon emissions compared to the base year (2022).
Action Plans	1. We conducted a disaster potential analysis of supplier locations in Taiwan and included new supplier sites in our climate risk assessment. 2. We performed greenhouse gas accounting at each location, analyzed the data, and set carbon reduction targets for each site. 3. We replaced outdated equipment in factories with high-efficiency equipment to reduce electricity consumption during daily operations.
Effectiveness Evaluation	1. Carbon efficiency (CO_2e/million revenue) increased by 8% in 2023 compared to 2022, mainly due to lower-than-expected orders, which did not reach sufficient capacity utilization, resulting in decreased production and equipment efficiency. 2. Aim to reduce carbon efficiency (CO_2e/million revenue) by 3% in 2025 compared to the base year. 3. All locations were assessed for water resource stress, and none were situated in high water stress areas. 4. Supplier deliveries remained stable during the year, and there were no supply chain disruptions due to extreme weather.
Grievance Process	Through quarterly meetings between factories and headquarters, we track and review energy usage. factories are required to perform annual greenhouse gas accounting and verification processes and submit their annual carbon reduction progress to headquarters for tracking and review of carbon reduction targets, enabling timely updates of carbon reduction strategies and policies. In addition to internal communication channels, external stakeholders can also provide feedback through the company's website, email, and other channels.

3.1.1 Climate Governance

With the conclusion of the COP27 United Nations Climate Change Conference highlighting the global shortfall in carbon reduction, extreme weather continues to intensify as temperatures rise. Risks such as extreme rainfall and drought have become key potential threats to business operations. According to the United Nations Intergovernmental Panel on Climate Change (IPCC), businesses must actively respond by developing mitigation and adaptation strategies.

As a global corporate citizen, Wonderful Hi Tech will actively confront the potential risks posed by climate change and develop management strategies and actions to address extreme weather, enhancing our climate resilience. Furthermore, to slow the pace of climate change, we plan to gradually transform our operations toward low-carbon practices.

Board of Directors

The highest governing body of corporate governance is the Board of Directors, which is responsible for promoting and making decisions on the company's climate-related strategic directions, as well as overseeing the development of the company's overall climate initiatives. The Board of Directors is also instrumental in determining the company's climate commitments and goals. It regularly discusses current trends in climate risks and opportunities, proposing specific strategies for the Group to address key climate risks, thereby stabilizing and maintaining the company's sustainability strategy. The Board of Directors has established the ESG committee, chaired by the president. At least twice a year, Wonderful Hi Tech reports to the Board of Directors on the effectiveness of its sustainability strategy and program implementation.
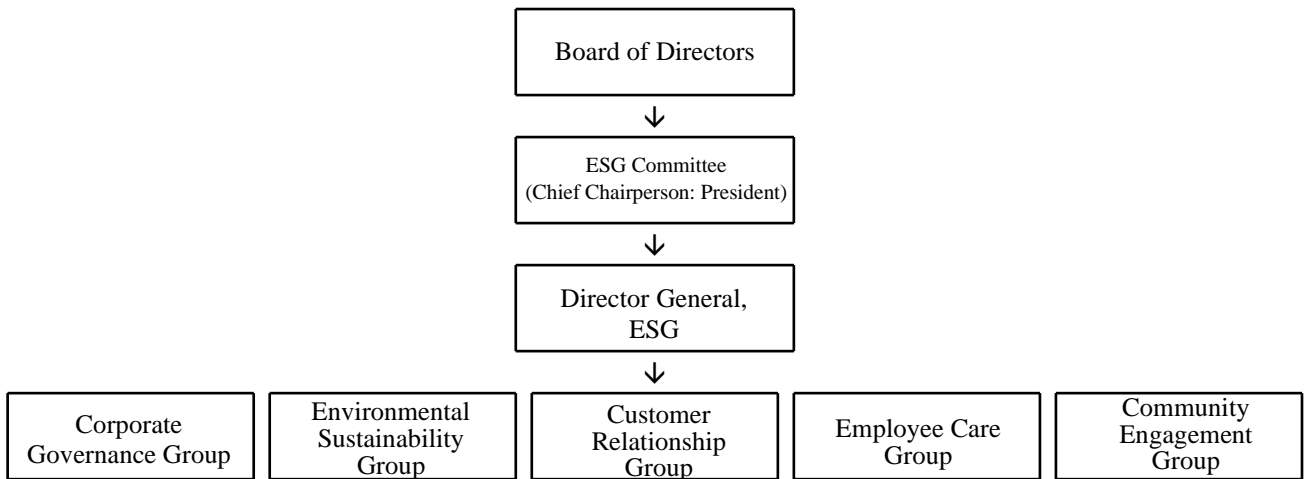
ESG Committee

To strengthen Wonderful Hi Tech's management and identification of climate risks and opportunities, we established an ESG committee in 2023, chaired by our president. The committee is required to meet annually to address the company's key climate risk and opportunity issues and present the results to the Board of Directors.

The ESG Committee is responsible for assisting in the implementation of climate risk management policies and objectives established by the Board of Directors. It regularly reviews the climate risk response plans and implementation results submitted by each team, supervises the achievement of climate response objectives and actions by each company and factory within the Group, and assists in the communication and integration of the Group's climate governance status.
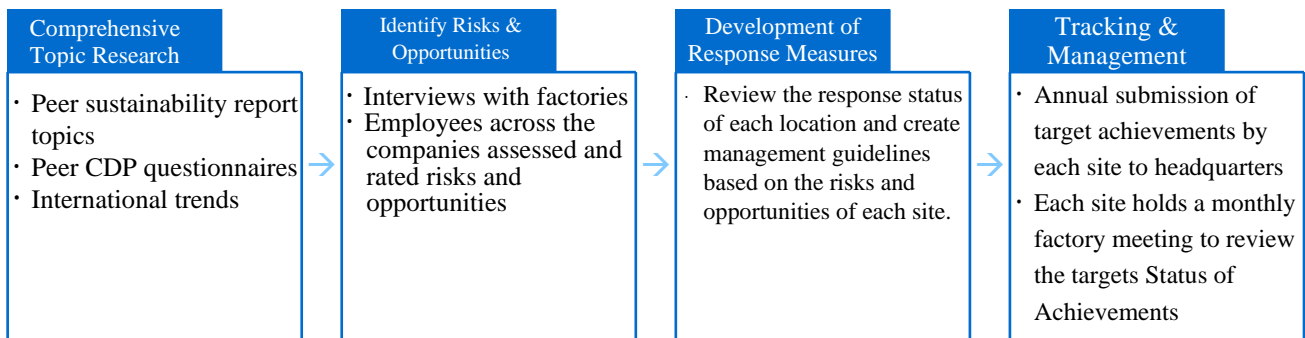
ESG Director General and Working Groups

To minimize the company's impact on climate change and financial exposure, and to explore key risks and opportunities under climate change, we have established five working groups: corporate governance, environmental sustainability, customer relations, employee care, and community engagement, led by executives from headquarters. The ESG team is responsible for analyzing the current status of climate issues in the Group's subsidiaries and factories. The ESG team periodically conducts ESG meetings with each site to assess current trends in industry climate risks and opportunities. Based on each site's response to climate risk issues, the ESG team facilitates resource sharing and provides guidance to help the Group enhance climate resilience at each site.

```
                    ┌─────────────────────┐
                    │  Board of Directors │
                    └─────────────────────┘
                               ↓
                    ┌─────────────────────┐
                    │    ESG Committee    │
                    │(Chief Chairperson: President)│
                    └─────────────────────┘
                               ↓
                    ┌─────────────────────┐
                    │  Director General,  │
                    │         ESG         │
                    └─────────────────────┘
                               ↓
```

Corporate Governance Group	Environmental Sustainability Group	Customer Relationship Group	Employee Care Group	Community Engagement Group

3.1.2 Climate Risk Management

To understand current key climate opportunities and risks, the ESG committee annually compiles sustainability reports and CDP climate questionnaires of peers and benchmark companies and regularly convenes the five ESG working groups. The ESG working groups compile annual responses to climate risks from each associated factory and department, and through interviews with each climate risk-related entity, analyze the impact and likelihood of each climate issue. The ESG working groups then identify Wonderful Hi Tech's key annual climate risks and opportunities and present the results to the ESG committee for the Board of Directors to make decisions and formulate the Group's strategies.

Comprehensive Topic Research	Identify Risks & Opportunities	Development of Response Measures	Tracking & Management
· Peer sustainability report topics · Peer CDP questionnaires · International trends	· Interviews with factories · Employees across the companies assessed and rated risks and opportunities	· Review the response status of each location and create management guidelines based on the risks and opportunities of each site.	· Annual submission of target achievements by each site to headquarters · Each site holds a monthly factory meeting to review the targets Status of Achievements

3.1.3 Climate Change Response Strategies

To develop the company's key strategies on climate change, it is necessary to identify the annual key climate risks and opportunities. In 2023, Wonderful Hi Tech's ESG committee convened the five ESG working groups to identify Wonderful Hi Tech's unique climate issues based on TCFD guidelines, peer reports, and international trends. After discussions with the ESG groups and entities about their actual exposure to climate change issues, we identified six key climate risks and opportunities. The following is a list of the climate risk and opportunity identification results, showing the period of occurrence, current status, and future response strategies.

■　Wonderful Hi Tech's Key Climate Risks and Opportunities and Response Strategies

Aspect	Topics	Impact Period	Status of Climate Risks & Opportunities	Response Strategies & Management Guidelines
Transformation Risks	Enhanced emissions reporting obligations	Short and medium-term	Companies are required to declare or publicly disclose information such as greenhouse gas emissions and undergo third-party verification. Although Wonderful Hi Tech has not yet been compelled to report this information, if it fails to disclose such truthfully or on schedule in the future, it may be subject to production suspension or financial penalties, resulting in decreased revenue and increased management costs.	Based on ISO 14064-1:2018, we conduct annual greenhouse gas accounting at our domestic and overseas locations and subsidiaries. The total amount of greenhouse gas emissions from each factory is calculated annually and submitted to the ESG committee for analysis and setting of reduction targets.
Transformation Risks	Costs of the low-carbon technology transition	Medium and long-term	During the transition to a low-carbon economy, customers are expected to increase demand for low-carbon products, require increased use of renewable energy, and improve energy efficiency in processes. This will require investment in development and application costs, resulting in increased management costs.	We analyze and identify energy-consuming equipment through reports and further evaluate equipment that needs to be replaced. Introduce smart meters to collect and analyze energy consumption information of various production equipment.
Physical Risks	Changes in rainfall and extreme weather patterns	Long-term	The Zhongli factory is situated in a low-lying area, and during the rainy or typhoon season, flooding of the road outside the entrance is likely. If flooding causes a production shutdown, this will result in a decline in revenue.	We maintain sidewalks around the factory in the industrial zone, care for sidewalk vegetation, and keep gutters unobstructed to prevent flooding.
Physical Risks	Increase in average temperature	Medium-Term	Climate change has caused average temperatures to rise, and some processes cannot be cooled by air conditioning, exposing workers to heat hazards. Additionally, increased use of air conditioning in office areas raises electricity costs.	Continuously evaluate and introduce automated systems and equipment to reduce workers' exposure to heat hazards, replace energy-consuming equipment in office areas, and consider other methods or equipment to improve air-conditioning efficiency.
Opportunities	Use of more efficient production and distribution processes	Short-term	Due to climate change (e.g., flooding), employee commuting may be severely hindered. By introducing intelligent production, we reduce the frequency and necessity of visits to the factory, improve yields, reduce material usage and waste generation, shorten lead times, and lower operating costs while increasing productivity.	Introducing intelligent manufacturing systems and equipment to improve production efficiency and reduce the manpower required to operate machines on-site.
Opportunities	Recovery and Reuse	Short-term	Waste management costs have been rising in recent years, and the use of recyclable materials or the reuse of waste (e.g., recycling of packaging, cartons, pallets) reduces waste management costs.	We have proposed and implemented the policy of Reduce Disposables, Increase Reuse.

3.1.4 Metrics & Targets

To proactively address the impact of climate change, in addition to specific reduction targets for greenhouse gas Scopes I and II, Wonderful Hi Tech has also set corresponding targets for the extreme weather conditions faced by each of its locations. Through the ESG Committee, we monitor the annual achievements at each location, revise the climate targets as needed, and report them to the Board of Directors annually to confirm their validity and appropriateness. The following is a summary of the climate-related targets set by Wonderful Hi Tech and the status of their achievement:

Target Type	Description of Objectives	Status of Achievements
Carbon Reduction Target	Annual carbon efficiency (CO_2e/million revenue) decreases by 1% annually from 2022	Not reached in 2023
	15-25% reduction in total Group carbon footprint by 2025 compared to 2022	In progress
	40% reduction in total Group carbon footprint by 2030 compared to 2022	In progress
	Achieve a net-zero carbon footprint for the Group by 2050 compared to 2022	In progress
Renewable Energy Targets	Increase Group renewable energy share to 10% by 2025	In progress
	Increase Group renewable energy share to 40% by 2030	In progress
	Increase Group renewable energy share to 100% by 2050	In progress
Responding to Climate Change	There were no shipment suspensions due to supply chain disruptions caused by extreme weather during the year	Achieved in 2023
	No factory was shut down due to high temperatures and electricity restrictions during the year	Achieved in 2023
	Have 50% suppliers develop extreme weather emergency response plans by 2025	In progress
	Develop one low-carbon product by 2030 using at least 10% recycled materials	In progress

3.2 Energy & Greenhouse Gas Management

Item	Content
Corresponding GRI	GRI 302, GRI 305
Impact Description	Energy management is closely related to greenhouse gas emissions and is a key factor affecting global warming. In recent years, various countries have introduced carbon tax regulations for product imports, and Taiwan will begin to impose a carbon fee in 2025 (with 2024 as the calculation interval). Wonderful Hi Tech recognizes the importance of energy and carbon management.
Policies & Commitments	We are committed to requiring each of our locations to conduct routine carbon accounting annually under ISO 14064-1/GHG Protocol and to gradually increase the proportion of renewable energy for the Group as a whole, in response to the additional costs that carbon-related regulations will impose on the company in the future.
Responsible Department	All factories and the ESG committee
Short, Medium, & Long-Term Objectives	■ Short-term goal (2025): 1. Reduce the Group's total carbon footprint by 15-25% from the base year. 2. Increase the Group's renewable energy share to 25%. 3. Complete carbon footprint certification for one product. ■ Medium-term goal (2030): 1. Reduce the Group's total carbon footprint by 40% from the base year. 2. Increase the Group's renewable energy share to 50%. ■ Long-term goal (2050): 1. Reduce the Group's total carbon footprint by 100% from the base year. 2. Increase the Group's renewable energy share to 100%. 3. Complete carbon footprint certification for all products.
Action Plans	1. Routine annual carbon accounting operations were conducted at all of our factories, and third-party verification was completed. 2. Each factory accomplishes short-, medium-, and long-term reduction targets based on the current status of greenhouse gas accounting.
Effectiveness Evaluation	Carbon efficiency (CO_2emillion revenue) at our Taiwan factory increased by 8% from the baseline year 2022, mainly due to lower-than-expected orders, which did not reach sufficient capacity utilization, resulting in decreased production and equipment efficiency.
Grievance Process	Each year, each factory submits the results of its annual carbon accounting to headquarters. Headquarters tracks the achievement of the carbon reduction targets of each factory, clarifies the reasons why targets have not been achieved, and revises the targets as needed to achieve low-carbon operations. In addition to internal communication channels, external stakeholders can also provide feedback through the company's website, email, and other channels.

3.2.1 Energy Management

With COP27 highlighting global carbon reduction failures, governments and enterprises have strengthened the implementation of carbon management and reduction norms. Wonderful Hi Tech, as a member of the global community, strives to minimize the environmental impact of its operations, considering carbon reduction and energy saving as key management projects.

To strengthen internal energy and greenhouse gas management, Wonderful Hi Tech expects to introduce the ISO 50001:2018 Energy Management System in 2025 and establish energy management plans and internal policies accordingly. Furthermore, to establish a foundation for carbon reduction, Wonderful Hi Tech's Taiwan operational locations completed Scope I, Scope II, and Scope III greenhouse gas accounting in 2024 (for the accounting year 2023) based on ISO 14064-1/GHG Protocol, setting 2022 as the Group's baseline year. We have established a routine internal audit and carbon accounting management system and obtain verification from external third-party organizations annually to enhance the quality of greenhouse gas data. Wonderful Hi Tech responds to the Taiwan government's 2050 net-zero carbon emissions goal with concrete actions, actively demonstrating our determination to reduce our carbon footprint to customers and stakeholders.

3.2.2 Energy Use Profile

In 2023, Wonderful Hi Tech's total energy consumption was 24,402 GJ. Our main business is network cables; thus, the primary energy consumption is purchased electricity for process machines, air conditioners, and offices, accounting
for 95.87% of overall energy consumption. This is followed by gasoline for business vehicles and diesel fuel for transportation vehicles, accounting for 4.05%. The annual energy intensity (GJ /million revenue) increased by 9% compared to the previous year, mainly due to lower-than-expected orders, which did not reach sufficient capacity utilization, resulting in decreased productivity and equipment efficiency. In the future, Wonderful Hi Tech will continue to track energy consumption trends in each category annually and develop energy-saving solutions accordingly.

Energy Consumption Over the Past Three Years					
Total Internal Energy		2021	2022	2023	
Non-Renewable Fuel	Gasoline (liters)	13,770	12,141	12,871	
	Diesel (liters)	—	15,820	16,163	
	Liquefied Petroleum Gas	836	873	654	
	Methane (liters)	—	10	—	
Purchased Energy	Purchased Electricity (kWh)	9,105,600	8,897,945	6,497,105	
Total Calorific Value of Energy Consumed (GJ)		33,261	33,017	24,402	
Energy Intensity (GJ /million revenue)		8.94	8.06	8.75	

Note 1: The energy consumption statistics include the Wugu Headquarters and the Zhongli Plant.
Note 2: Calorific values used: gasoline = 7,800 kcal/L; diesel = 8,400 kcal/L; liquefied petroleum gas = 6,635 kcal/L; methane = 0.033 kcal/L; electricity = 860 kcal/kWh. Coefficients are derived from the calorific value per unit energy product from the Energy Bureau of the Ministry of Economic Affairs.
Note 3: The energy intensity calculation is based on total annual factory revenue in millions.

3.2.3 Greenhouse Gas Management

In 2023, Wonderful Hi Tech completed a greenhouse gas accounting based on ISO 14064-1 and the GHG Protocol. External third-party verification is expected in September 2024. The total annual greenhouse gas emissions in 2023 were 27,342 tons of CO2e, representing the combined total of Scope I and Scope II emissions (corporate internal emissions). Scope I direct emissions account for 4%, mainly from diesel vehicles and process emissions; Scope II accounts for 96% of the total, primarily from electricity used by process equipment. The overall

carbon efficiency of Wonderful Hi Tech increased by 8% compared to the previous year. In the future, we will routinely conduct carbon accounting to track the achievement of Wonderful Hi Tech's short-, medium-, and long-term carbon reduction targets, contributing to global carbon reduction efforts.

■ Scope I and II Greenhouse Gas Emissions and Emission Intensity Statistics Over the Past Three Years

	2021		2022		2023	
Unit	tonCO2e	%	tonCO2e	%	tonCO2e	%
Scope 1	121	3%	115	3%	117	4%
Scope 2	4,507	97%	4,404	97%	3,216	96%
Total Scope I & II	4, 628	100%	4, 520	100%	3,333	100%
Scope I & II Intensity (CO2e /million revenue)	1.24		1.10		1.20	
Increase/Decrease Over Previous Year (%)			(11)%		8%	

Note 1: Greenhouse gas coverage: Wugu Headquarters and Zhongli Plant.

Note 2: Greenhouse Gas Emission Factors: EPA Greenhouse Gas Emission Factor Management Table Version 6.0.4.

Note 3: Accounting Methodology: GHG Protocol, ISO 14064-1.

Note 4: Scope of greenhouse gas accounting: carbon dioxide (CO_2), methane (4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NH_3), totaling seven greenhouse gases.

Note 5: Greenhouse gas accounting is conducted using the operational control approach.

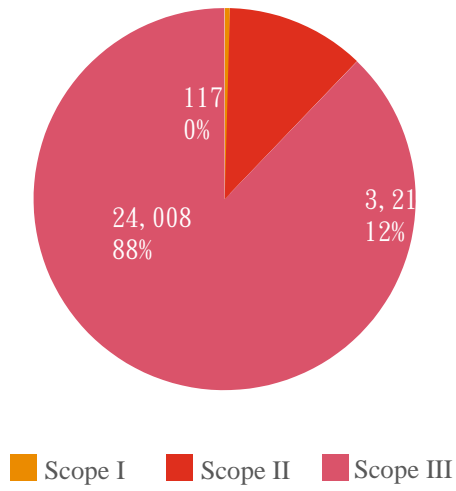Note 6: Emission Intensity = (Total CO2e emissions from Scope I + Scope II) / Total annual revenue.

■ Annual Scope III Greenhouse Gas Emissions

|	2021		2022		2023	
Unit	tonCO2e	%	tonCO2e	%	tonCO2e	%
Category III: Indirect Emissions from Transportation	446	1%	489	1%	302	1%
Category IV: Indirect Emissions from Product Use by Organizations	40,980	99%	43,327	99%	23,707	99%
Total Scope III	41,426	100%	43,816	100%	24,008	100%

Note 1: Since 2022, Wonderful Hi Tech has been conducting Scope 3 greenhouse gas accounting, referencing emission factors from academic papers, similar products, or data from sources like SimaPro and the EPA.

Note 2: Scope III emissions include upstream and downstream transportation and distribution in the value chain, as well as indirect emissions from product use by the organization.
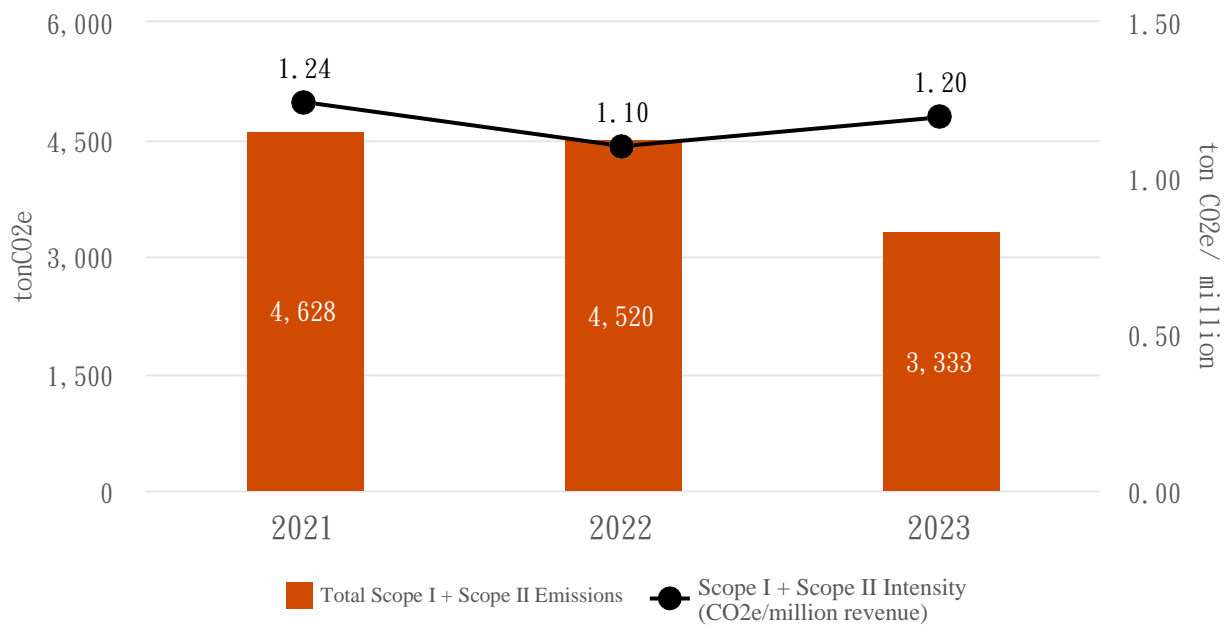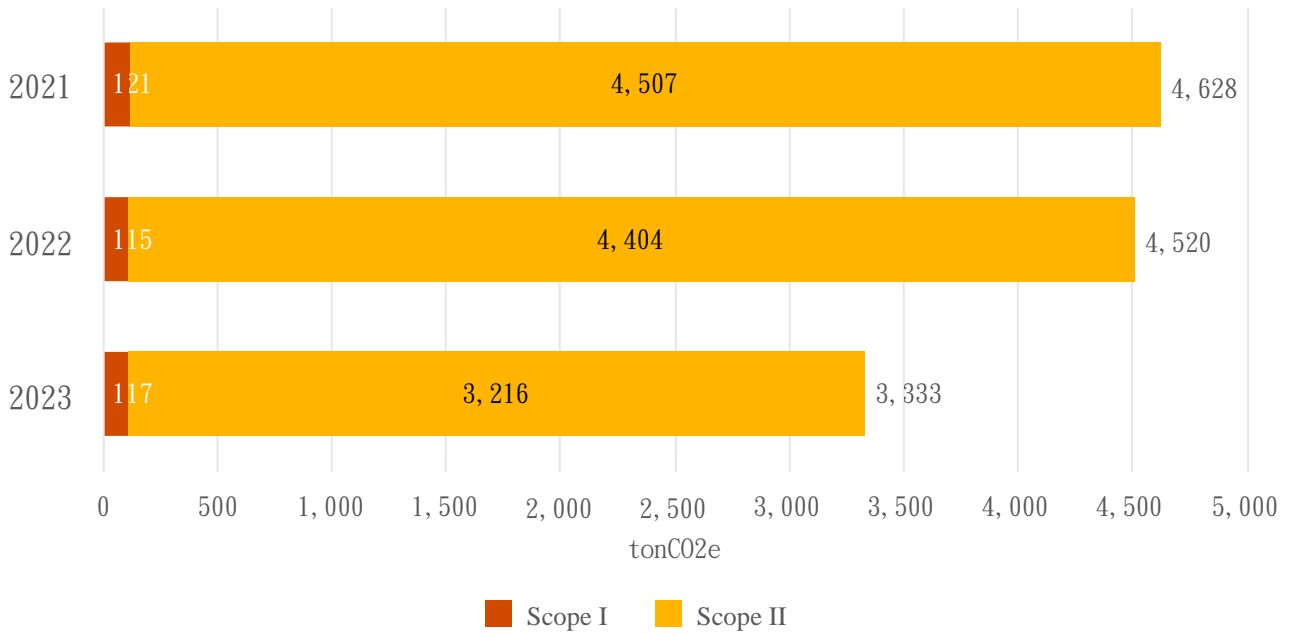
Annual Proportion of Greenhouse Gas Emissions

117
0%

3, 21
12%

24, 008
88%

■ Scope I ■ Scope II ■ Scope III

Scope Scope III Share of Emissions by Category

302
23, 7017%
99%

■ Category III: Indirect Emissions from Transportation
■ Category IV: Indirect Emissions from Product Use by Organizations
■ Category V: Indirect Emissions from Product Use by Consumers
■ Category VI: Other Indirect Emissions
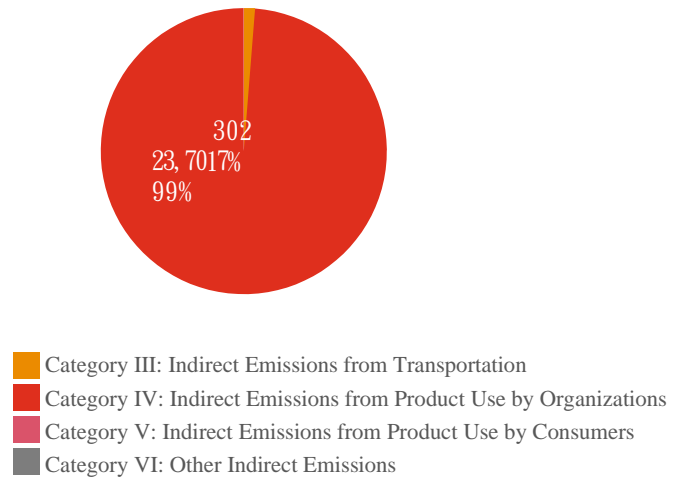
Trends in Total Greenhouse Gas Emissions and Intensity in Recent Years

■ Total Scope I + Scope II Emissions   —●— Scope I + Scope II Intensity (CO2e/million revenue)

Total Greenhouse Gas Emissions in Recent Years (Scopes I and II)

Year	Scope I	Scope II	Total
2021	121	4,507	4,628
2022	115	4,404	4,520
2023	117	3,216	3,333

tonCO2e

■ Scope I ■ Scope II

Total Greenhouse Gas Emissions in Recent Years (Scopes I, II, and III)

Year	Scope I	Scope II	Scope III	Total
2021	121	4,507	41,426	45,933
2022	115	4,404	43,816	48,220
2023	117	3,216	24,008	27,224

tonCO2e

■ Scope I ■ Scope II ■ Scope III
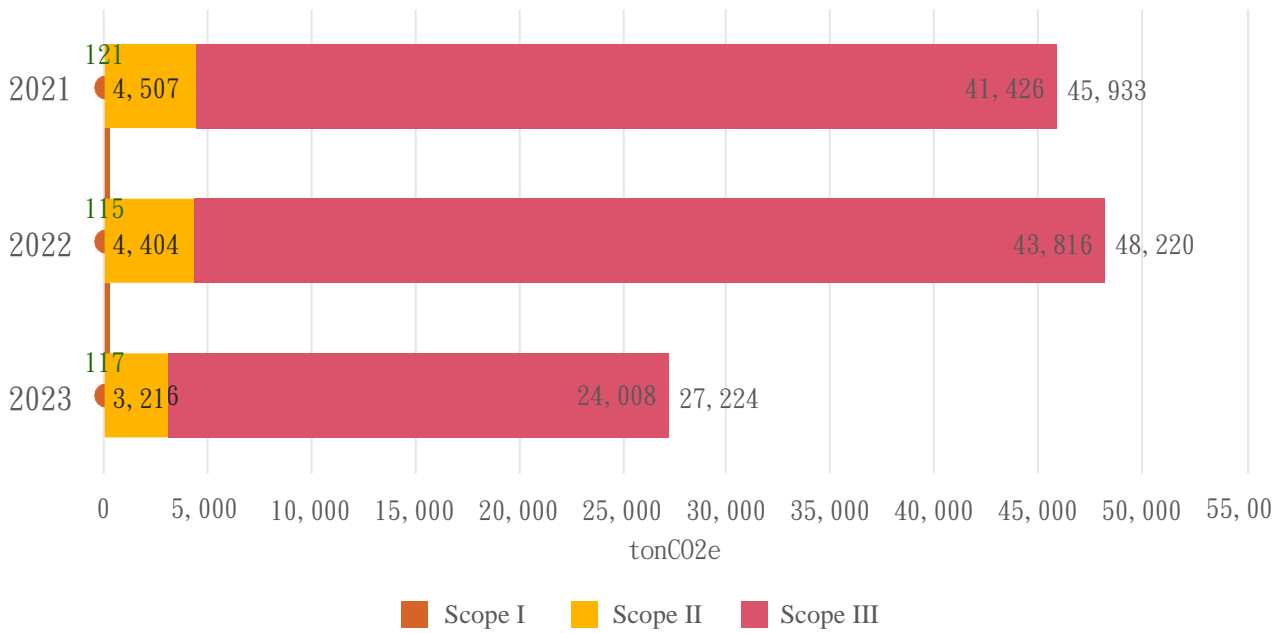
3.2.4 Reduction & Energy Saving Measures

 Currently, Wonderful Hi Tech's primary energy consumption comes from factory machinery. To achieve our long-term goal of low-carbon operations, we have implemented measures such as inventorying and replacing old, high energy-consuming machinery, upgrading equipment components, and replacing factory lighting with energy-efficient LEDs.

 In 2023, we focused on phasing out and replacing five old air-conditioning units in the factory. By reducing the number of units from five to four, we estimate energy savings of 934 kWh, reducing carbon emissions by 461.20 kg CO_2e. In the area of lighting replacement, a total of 130 old lights were replaced with energy-saving LEDs in 2023, expected to save 1,560 kWh and reduce carbon emissions by 770.64 kg CO_2e.

Energy Efficiency Program Categories	Number of Programs	Energy Savings (kWh)	Carbon Reduction (kg CO2e)
Lighting Replacement	1	1,560	770.64
Retirement of Old Units	1	934	461.20
Total	2	2,494	1,231.84

Note 1: The carbon emission factor for electricity in 2023 is 0.494 kg CO_2e/kg, as announced by the Energy Bureau of the Ministry of Economic Affairs.

Annual Energy Efficiency Program Breakdown

Energy Saving Measures   Equipment Parts Upgrade   Lighting Replacement   Retirement of Old Units   Others
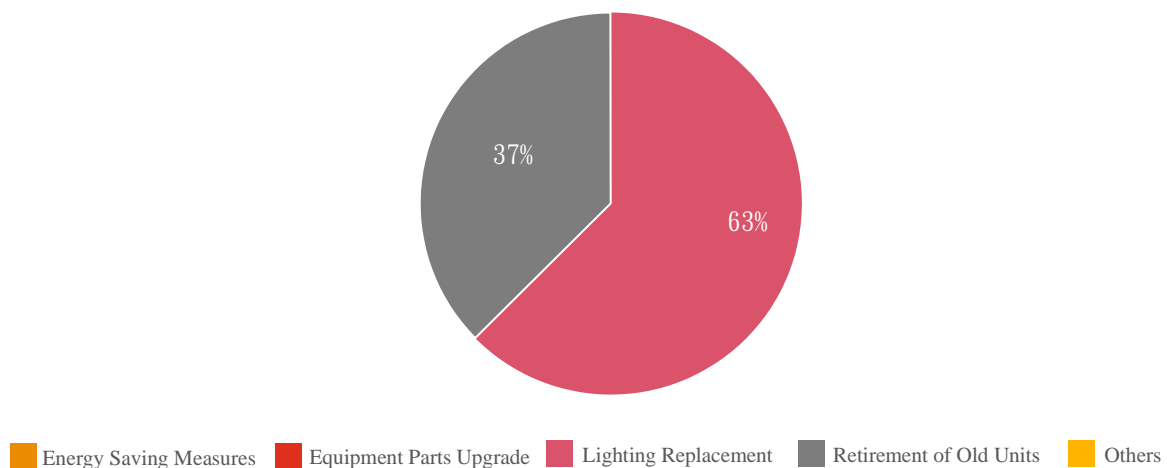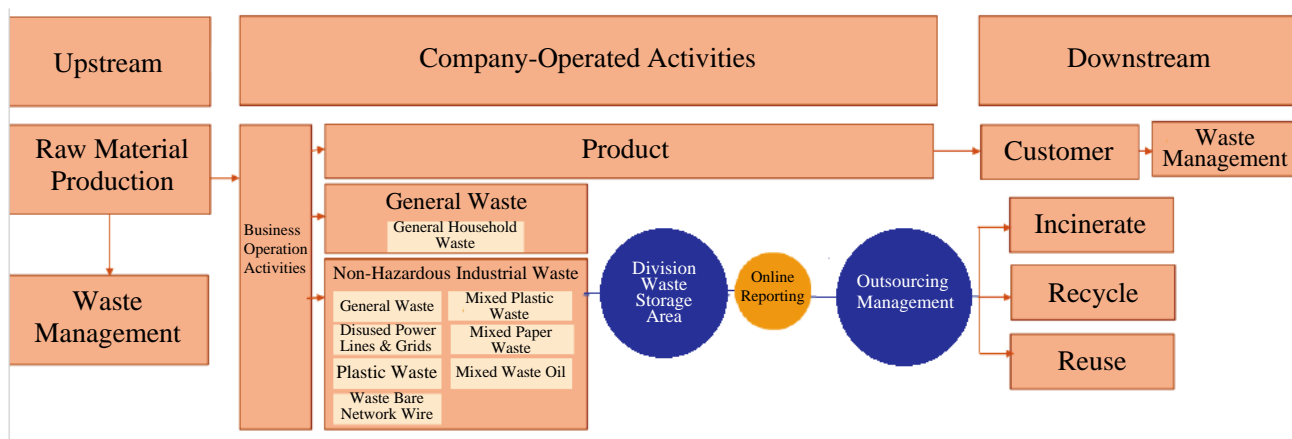
3.3 Waste Management

3.3.1 Waste Management System

The main source of waste for Wonderful Hi Tech is industrial waste generated by the factory, collected by a qualified third-party waste collection company. At the headquarters office, only general household waste is generated. Waste plastics, metals, and paper are sorted based on office waste classification standards and the property management provider authorizes a qualified third-party waste collection company for disposal.

To avoid negative impacts from our waste on neighboring communities and ecosystems, Wonderful Hi Tech has established waste collection and management guidelines based on ISO 14001. Each year, our environmental safety and sanitation staff audit the waste collection companies and track waste collection vehicles via GPS to ensure proper disposal.

In the future, waste collection companies will continue to be audited to maintain the goal of zero waste violations.

■   Material and Waste Flow Chart

■   Waste Value Chain Management Guidelines

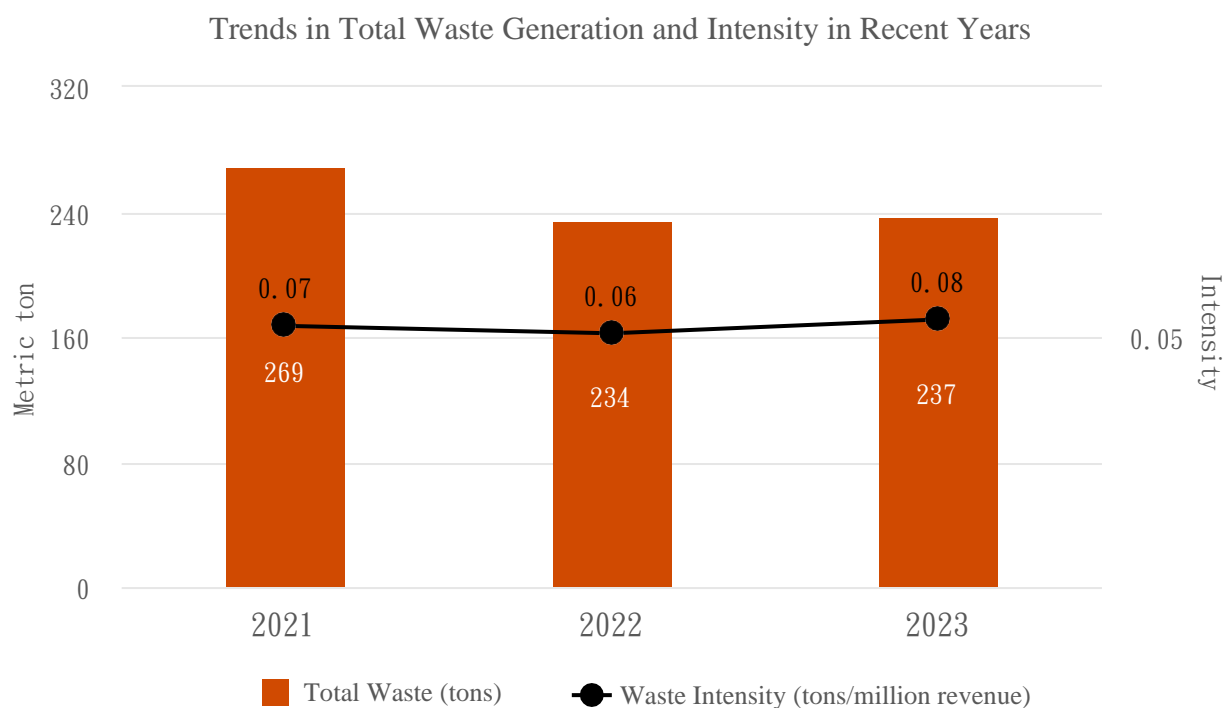| Waste Value Chain Management Guidelines	
Upstream of the Value Chain – Raw Materials	Monthly factory statistics for incoming materials
Own Operations – Office & Plant Waste	We clearly mark the storage space for industrial waste according to waste management standards and provide quantitative data on storage conditions.
Downstream of the Value Chain – Waste Treatment	Monthly filing records based on the three waste forms and on-site audits of waste disposal companies

3.3.2 Waste Generation

In 2023, the total amount of waste from Wonderful Hi Tech increased by 1.3% compared to the previous year, and waste intensity increased by 48.9%, mainly due to factory renovations that generated large volumes of waste. We will continue to monitor waste trends and gradually increase resource recycling rates to minimize the environmental impact of our operations.

Amount of Waste Generated			
Year	2021	2022	2023
General Industrial Waste (tons)	268.50	233.70	236.76
Hazardous Industrial Waste (tons)	—	—	—
Total Waste (tons)	268.50	233.70	236.76
Annual Increase Rate (%)		(13.0)%	1.3%
Waste Intensity (tons/million revenue)	0.07	0.06	0.08

Note 1: Based on the actual weight of waste produced; it is weighed before each removal.

Note 2: The scope of waste statistics includes the Zhongli Plant. Since there is no statistical information on the waste from the Wugu Headquarters, we plan to start recording statistics in 2024 to monitor waste generation.

Trends in Total Waste Generation and Intensity in Recent Years

Total Amount of Hazardous/General

Chart: Total Amount of Hazardous/General (Metric ton), by year. General Industrial Waste (tons): 2021 = 269, 2022 = 234, 2023 = 237. Hazardous Industrial Waste (tons).
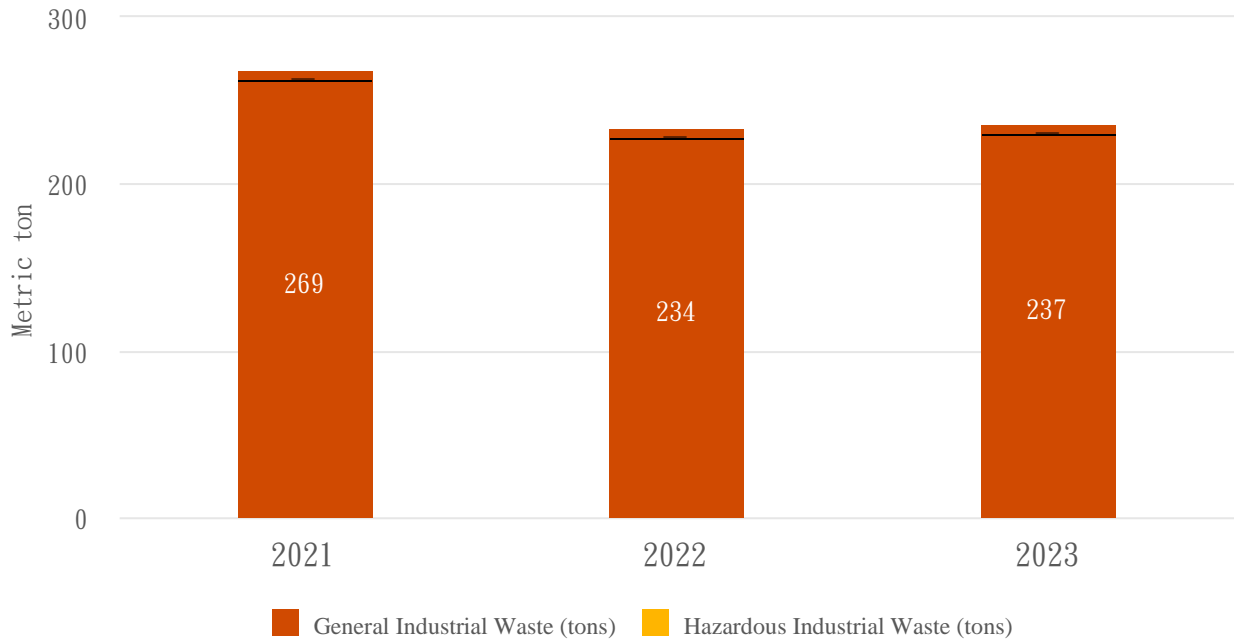
■ Total Waste by Direct/Transfer Disposal in 2023

Type of Waste	Non-Hazardous Waste (tons)		Total Quantity (tons)	
	Capacity (tons)	%	Capacity (tons)	%
Disposal Transfers (Reuse, Recycling)	62.25	26%	62.25	26%
Direct Disposal (Incineration, Landfill)	174.63	74%	174.63	74%
Overall Amount	236.88	100%	236.88	100%

■ Total by Hazardous/Non-Hazardous Waste in 2023

Category	Overall Amount	Percentage
Hazardous Wastes (Tons)	—	—%
Non-Hazardous Waste (Tons)	236.88	100%
Total (Tons)	236.88	100%

■ Final Disposal of Waste by Subcategory in 2023

Type of Waste	Waste Line Item	Waste Generation (tons)	Outsourcing to a Third Party	
			Amount of Waste Disposed (Tons)	Processing Method
Non-Hazardous Waste	General Waste from Business Activities	107. 56	107. 56	Incineration (Non-Energy Recovery)
Non-Hazardous Waste	Waste Electrical Cables	29. 27	29. 27	Incineration (Non-Energy Recovery)
Non-Hazardous Waste	Waste Plastic Mixtures	0. 12	0. 12	Recycling
Non-Hazardous Waste	Waste Paper Mixtures	40. 48	40. 48	Recycling
Non-Hazardous Waste	Waste Plastic	14. 85	14. 85	Raw Materials for Reuse
Non-Hazardous Waste	Waste Oil Mixtures	37. 80	37. 80	Incineration (Non-Energy Recovery)
Non-Hazardous Waste	Waste Bare Copper Wire	6. 81	6. 81	Recycling
Total Waste			Total Off-Site Disposal	Proportion
236. 88			236. 88	100%

3.3.3 Waste Reduction Initiatives

Material selection affects the disposal and recycling of end waste. To minimize the environmental impact of our waste, we reuse imported raw materials like plastic pallets and iron drums to increase waste reuse rates. In the future, we plan to calculate the number and frequency of reuses of these items to promote a circular economy in the industry.

■ Annual Recycling Volume

| Material Type	Name of Material Used	Annual Number of Recycled Uses (units)	Description of Data Sources
Renewable Resource	Plastic Pallet	136	Procurement Volume
Renewable Resource	Drum	204	Procurement Volume

3.4 Water Resource Management

Item	Content
Corresponding GRI	GRI 303
Impact Description	In recent years, extreme weather has caused uneven rainfall distribution worldwide, leading to droughts and heavy rainfall in many countries. Taiwan's steep terrain makes it difficult for reservoirs to store rainfall, resulting in large-scale droughts and water restrictions in south-central counties and cities.
Policies & Commitments	Wonderful Hi Tech recognizes the importance of water conservation and tracks annual water conservation results and goal achievement.
Responsible Department	Environmental Safety Department
Short, Medium, & Long-Term Objectives	■ Annual Ongoing Goals: 1. No penalties for violating regulations related to wastewater discharges during the year. 2. Complete third-party wastewater quality testing at each factory annually. ■ Short-Term Goal (2025): Increase overall water recovery rate to 50%. ■ Medium-Term Goal (2030): Increase overall water recovery rate to 75%. ■ Long-Term Goal (2050): Increase overall water recovery rate to 90%.
Action Plans	1. Evaluate the sources of water consumption in the factory and cover water-consuming equipment to reduce evaporation.
Effectiveness Evaluation	1. There were no violations of wastewater discharge laws during the year. 2. All annual water quality test results comply with local wastewater discharge standards.
Grievance Process	Each year, the factory confirms water resource consumption and recycling at each location and commissions a third-party entity to test wastewater quality for compliance. The factory submits annual testing results to headquarters, where the ESG committee monitors and confirms goal achievement. In addition to internal communication channels, external stakeholders can also provide feedback through the company's website, email, and other channels.

3.4.1 Water Resources Risk Assessment

With the intensification of extreme weather in recent years, uneven global rainfall distribution has become the norm. The frequency and severity of heavy rainfall, droughts, and floods have exceeded past records, affecting livelihoods and water consumption. This raises the risk of unstable supply chains and potential factory operation interruptions for businesses. Therefore, water resource risk management has become an essential aspect of business operations.

To assess water risk at each of our locations, we used the World Resources Institute's Aqueduct Water Risk Atlas online tool to analyze water stress in 2023. The results showed that none of our locations are in high water stress zones. We will continue to track and assess water stress at each location annually to avoid potential impacts on local residents and ecosystems.
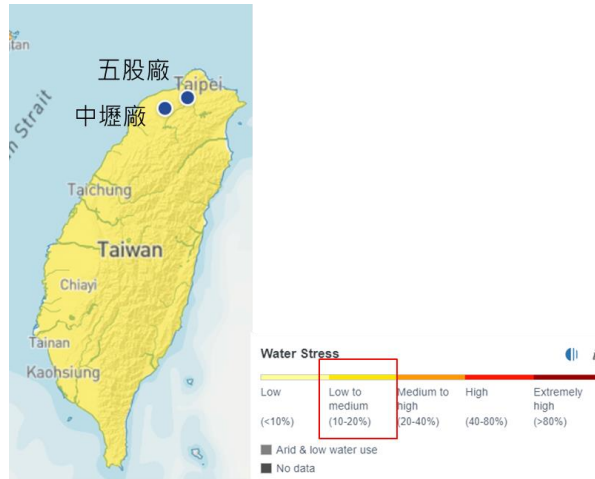
(Date of Inquiry: 2024.05)

■   Destinations for Water Intake and Discharge at Locations

Operation Locations	Main Source of Water Intake	Water Intake Catchment Area	Drainage Treatment	Drainage Final Destination	Water Stress
Wugu Headquarters	Third-Party Water	Taiwan Water Corporation District 12 Management Office (Shimen Reservoir)	Untreated (Note)	Sewerage System	Medium-to-Low (10-20%)
Zhongli Plant	Third-Party Water	Taiwan Water Corporation District 2 Management Office (Shimen Reservoir)	Primary Treatment	Zhongli Industrial Park Sewage Treatment Plant (currently operated by Zhongli Dayuan Corporation)	Medium-to-Low (10-20%)

Notes: The wastewater discharged from Wugu Headquarters is only domestic wastewater, which is directly discharged into the sewage system without pre-treatment.

3.4.2 Water Use, Consumption & Discharge

All Wonderful Hi Tech sites receive water from a third-party supplier. The majority of water consumption is process water, as our production processes require significant water for equipment cooling. Process water accounts for over 90% of our total water usage, while the remaining water is primarily used for domestic purposes.

| Type of Water Use	Classification of Withdrawal/ Discharge Destinations	2021	2022	2023
Water Withdrawal	Taken from the Water Company, Municipal Water Supply, Wastewater Treatment Plant Supply	21	21	21
	Total Volume of Water Withdrawal	21	21	21
Discharge Capacity	Discharge to Wastewater Treatment Plant	17	17	17
	Total Discharge	17	17	17
Water Consumption	Total Water Consumption	4	4	4
Intensity of Water Withdrawal (million liters/million revenue)		0.006	0.005	0.008

Note 1: The data scope includes Wugu Headquarters and Zhongli Plant.

Note 2: None of the water supply sources for Wonderful Hi Tech's sites are located in high water stress areas.

Note 3: The total dissolved solids of Wonderful Hi Tech's water sources are all ≤1,000 mg/L.

Trends in Total Water Withdrawals and Water Intensity in Recent Years
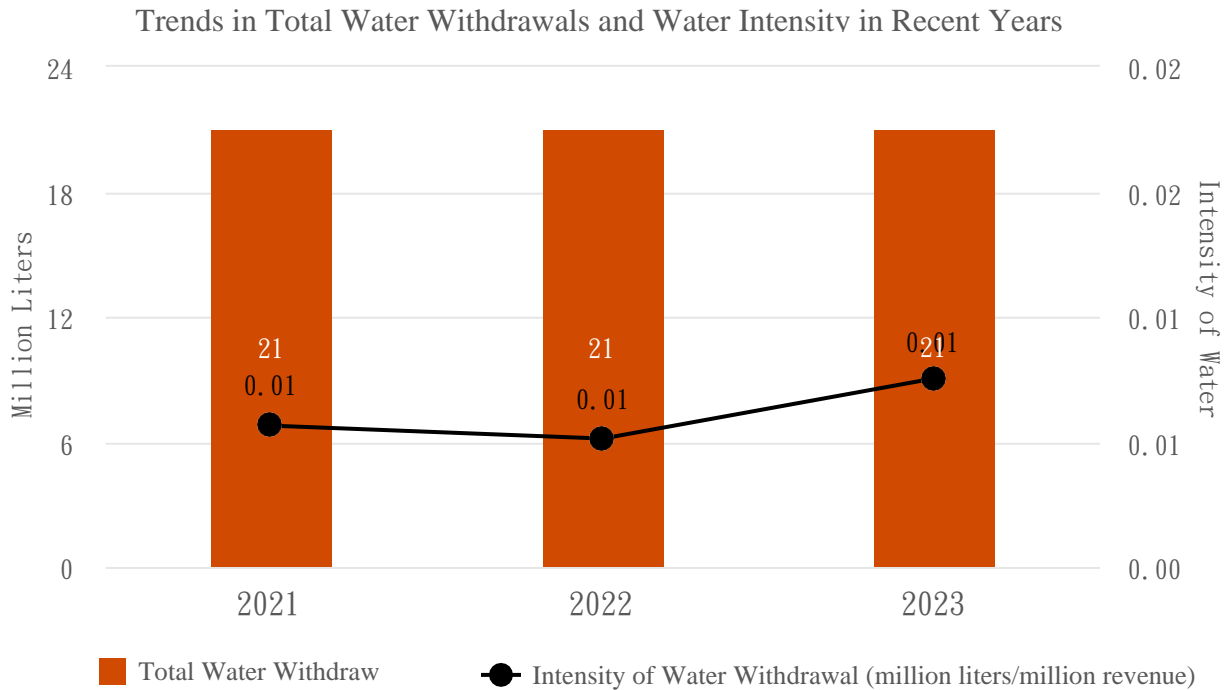
Trends in Water Resource Use in Recent Years

Total Discharge ■ Total Water Consumption
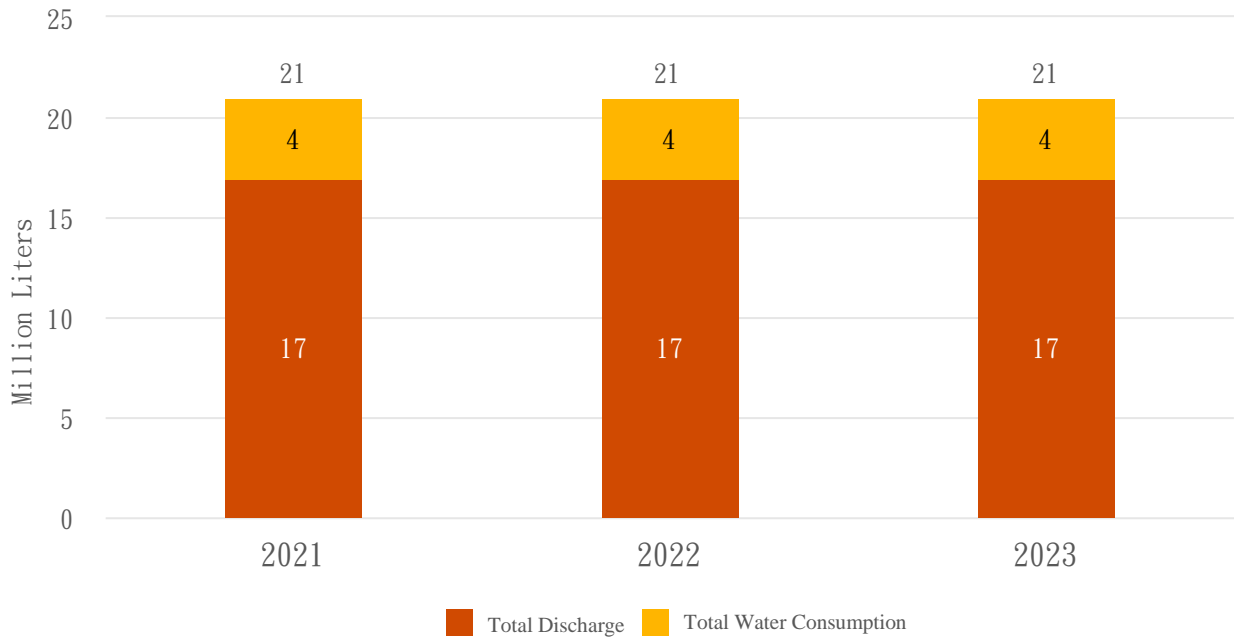
3.4.3 Wastewater Discharge Management

Regarding wastewater discharge, the Zhongli Plant's process water is cooling water, which after primary treatment is sent via pipeline to the Zhongli Industrial Park sewage treatment factory. In addition to regular monitoring by the sewage factory, Wonderful Hi Tech has purchased testing equipment for various parameters, enabling weekly self-testing by the environmental safety department. The Wugu Headquarters only generates domestic wastewater, which is directly discharged into the sewage system. Both locations monitor and manage discharges based on discharge standards, and there were no violations of local sewage discharge regulations.

■ Annual Wastewater Test Results and Local Discharge Standards

Operating Base	Zhongli Plant	
Water Quality Standards	Annual Test Values	Local Standard Value
pH	7	5~9
COD (mg/L)	81	480
SS (mg/L)	17	320

3.4.4 Water Resource Management or Conservation Initiatives

In recent years, extreme droughts in various countries have highlighted the importance of water resource management to business operations. Wonderful Hi Tech encourages its factories to evaluate and implement annual water management guidelines to minimize reliance on water resources and reduce the impact of sudden water shortages on company operations. In 2023, in addition to promoting daily water conservation and conducting routine inspections for water leaks, the Zhongli Plant will recycle process cooling water to reduce the need for water replenishment. A flow meter will be installed in the cooling water recycling system to closely monitor water usage and improve water resource management efficiency. Wonderful Hi Tech will continue to focus on both internal and external water supply and demand and strengthen the implementation of water risk management.

Chapter 4 Product Innovation & Customer Service

4.1 R&D Innovation

Item	Content
Corresponding GRI	GRI 3-3 Product and Service Information and Labeling
Impact Description	Providing accurate and complete product information and labeling is critical to our customers selecting and installing the correct network cables. Mislabeling products can lead to customer confusion about product features, potentially causing misuse that affects network transmission quality and performance, thereby impacting customer rights.
Policies & Commitments	We are committed to providing accurate, transparent, and easy-to-understand product information and labeling on our products and packaging. We comply with all applicable regulatory requirements to protect our customers' rights.
Responsible Department	R&D Department, International Trade Department, Quality Assurance
Short, medium, & Long-Term Objectives	Short-term goal: Improve the accuracy and completeness of product information and labeling to comply with applicable regulations and standards. Medium-term goal: Establish a comprehensive product information management system to monitor and manage all stages of the product life cycle. Long-term goal: Become an industry-leading company widely recognized for transparency and accuracy of product information.
Action Plans	1. Establish standardized processes for product information and labeling to ensure consistency and accuracy. 2. Enhance internal training to improve employees' understanding and awareness of product information and labeling. 3. Implement a customer feedback process to collect input on product information and labeling, and make prompt adjustments and improvements.
Performance in 2023	1. Assessment results of the accuracy and completeness of product information and labeling. 2. An average customer satisfaction survey score of 92 reflects customers' perceptions and evaluations of our product information and labeling.
Grievance Process	Customers can express their concerns or grievances about product labeling via the company's website, email, or by contacting our sales staff. We will promptly address issues according to our internal procedures and provide feedback to the complainant on the outcome.

4.1.1 Main Products & Services

Founded as a producer of electrical cables and wires, Wonderful Hi Tech has rapidly grown to become Taiwan's leading electrical wire manufacturer. Between 1995 and 2000, as the electronics industry's production center shifted to mainland China, our Taiwanese factories transformed into specialized manufacturers of network cables and high-frequency coaxial cables. In 2007, we obtained international certification for CAT6A cable (10G), establishing Wonderful Hi Tech as a world-renowned network cable manufacturer.

■ Value Chain and Product Applications

Upstream	Midstream	Downstream
Copper sheet processors	R&D	State-owned enterprises

Formosa Plastics PVC powder	Machinery operations	Schools and buildings
Polymer Materials	Manufacturing	Access and communication information

Wonderful Hi Tech products are developed from copper and polymer materials or PVC powder, then manufactured and processed. They are sold overseas through distributors or directly to major global brand manufacturers as OEM products. In the domestic market, products are sold directly to the telecommunications manufacturing facilities, network operators, and end-users after outsourced processing.

Wonderful Hi Tech offers a comprehensive range of products, all certified to meet international safety standards. Committed to excellent service, we continuously improve product quality, innovate new products, and grow alongside our customers.

■ Main Product Applications

Product	Purpose
Network Cables	Applications such as network communications, the Internet of Things, and smart buildings.
Electrical Wires	Wires for appliances or equipment
Automotive Wires	Wires for the automotive industry

4.1.2 R&D Personnel & Funding

Wonderful Hi Tech recognizes that continuous innovation is key to success. We have always encouraged innovative ideas and invested heavily in product research and development, as well as enhancing product quality and functionality. To meet the technical requirements of various product applications and adapt to the changing market environment, Wonderful Hi Tech continues to advance through product design and production technology innovation, maintaining growth momentum and competitiveness. By focusing on industry development trends, we cultivate talent through specialized training and protect our R&D achievements through a robust patent system. To meet the needs of industrial development, Wonderful Hi Tech will develop high-grade transmission cables for various indoor and outdoor environments.

In 2023, Wonderful Hi Tech's total R&D expenses were 27.86 million NTD. We anticipate that these investments will be reflected in the development of future products and contribute to the company's performance. In 2023, we conducted four R&D technical training sessions, one new product launch, and four external training sessions to enhance our research and innovation culture and technical standards.

Over the past three years, the average investment in product innovation and R&D was approximately 0.76% of revenue.

■ R&D investment as a percentage of revenue in recent years

NT$ thousand; %	2021	2022	2023
Operating Revenue	3,720,507	4,098,856	2,788,267
Research & Development Costs	22,934	29,851	27,864
R&D Ratio	0.62%	0.73%	1.00%

4.1.3 Technology Development & Future Outlook

The wire and cable industry is facing increasing challenges due to rising operating costs, the growing number of suppliers from mainland China, and the ongoing European debt crisis. Sustainable business operations can only be achieved through relentless efforts to lower production costs and the continuous development of new products and markets.

Wonderful Hi Tech will continue to leverage its R&D and innovation capabilities. We remain committed to product design, manufacturing applications, energy conservation, environmental protection, and corporate social responsibility. By focusing on sustainable product development and production, we aim to reduce material emissions. Our future R&D will focus on four major strategies to demonstrate our commitment to environmental protection, green supply chains, and green products. From design and raw material selection to production, transportation, usage, and final disposal, every stage must consider the potential environmental impact of the product lifecycle. By obtaining quality management system certifications and product certifications (including the highest flame resistance rating), we standardize related operational procedures. This approach incorporates environmentally friendly materials, ensures product quality, extends product lifespan, and promotes the concept of product recycling through design.

■ Product certification

Product	Certification Programs	Certification Company	Year Certified
S/FTP #22 C7A CMP network cable	HDBaseT 3.0 Premium/4K video, audio, and video transmission	UL	2023
VTP #23 C6A CMX Outdoor CMP network cables	CMX Outdoor CMP/High Flame Resistance Test for Outdoor and Indoor Use	UL	2023
UTP #22X2P FEP-FEP CMP network cables	CMP/High Flame Resistance Test	UL	2023
UTP #22X4P FEP-FEP CMP network cables	CMP/High Flame Resistance	UL	2023

· Technologies and Products Developed During the Year:

In 2023, as we enter the post-pandemic era, countries have been gradually reopening as vaccinations become more widespread globally. Technological advancements will continue to drive the global economy and society, with emerging technologies such as artificial intelligence, 5G, the Internet of Things, electric vehicles, autonomous driving, and smart buildings continuously evolving. Wonderful Hi Tech Group is committed to integrating the resources and advantages of each factory, continuously developing new products to seize market opportunities. We remain focused on improving quality and reducing costs by continuously enhancing our products.

■ Details of the key results are shown in the table below:

Item	Planned Certifications	Overview Description
1	HDBaseT 3.0 Certification	HDBaseT is a digital signal transmission technology for video and audio, capable of transmitting high-definition video, audio, power, network, and control signals over a single network cable. HDBaseT 3.0 provides higher bandwidth and more features for a wider range of applications. Wonderful Hi Tech is the first to obtain HDBaseT 3.0 standard cable certification, leading the industry.
2	CMX OUTDOOR CMP specialized network cables	This specially designed cable not only provides excellent electrical transmission performance but also meets the highest indoor flame-resistant standard CMP. For outdoor use, it withstands extreme temperatures, is UV-resistant, oil-resistant, waterproof, and moisture-proof, suitable for various specialized environments.
3	CMX OUTDOOR Direct burial flame-resistant cable	Demand for outdoor direct burial wire is increasing, and we are developing new products that are resistant to heavy pressure, waterproof, and have good flame resistance to meet the various needs of our customers.

· Future Expectations:

In the past three years, the world has faced challenges from the pandemic, the Russia-Ukraine conflict, energy shortages, geopolitics, and major power politics, all of which have affected the development of the industrial chain. In response, many new industries have emerged. The impact of the pandemic has changed people's living habits and communication patterns, accelerating the development of Internet communications both on the ground and in the air. Especially in the post-pandemic era, people's time at home and in the office has become more flexible, creating unlimited business opportunities for upgrading the Internet in both homes and commercial buildings.

Additionally, extreme weather has spurred the green energy industry, and technological developments such as AI, Industry 4.0, and drones have emerged. These industrial trends aim to provide a more convenient and comfortable lifestyle for people. In line with industry development trends, Wonderful Hi Tech has created short-term and long-term business development plans to fully utilize the production capacity of each plant and enhance its R&D capabilities to establish a leading position in the industry.

■ Short-Term Development Plan

Item	Planned Certifications	Overview Description
1	New Product Development	Continuously monitor global industry trends and develop new products accordingly.
2	Optimization of Existing Product Lines	Continuously optimize existing product lines to increase sales highlights and enhance competitiveness.

■ Long-Term Development Plan

Item	Planned Certifications	Overview Description
1	Collaboration in Supervising and Eliminating Substandard Products	Enhance collaboration with international certification companies to eliminate inferior products in the market and maintain fair competition.
2	New Material Development	Continuously test new materials, pursue certifications, and enhance productivity to maintain competitiveness in the international market.
3	Sustainable Material Applications	Promote ESG development and endeavor to research more environmentally friendly materials to supply the market, aligning Wonderful Hi Tech with global standards.

■ New Products Planned for Development

Item	Product	Overview Description
1	SPE Research and Development	SPE is an emerging Ethernet technology that uses a single pair of wires to transmit Ethernet data signals, providing a high-speed, low-power, and low-cost data transmission solution for industrial automation, automotive electronics, intelligent buildings, and other fields.
2	Optical Copper Composite Cable	Fiber-optic plus network cables are increasingly being used. We plan to obtain UL's CMP-OF certification by 2024.

4.1.4　Intellectual Property Rights & Patent Strategy

Continuous innovation is the core value of Wonderful Hi Tech, through which we gain a competitive advantage. Wonderful Hi Tech's patent strategy involves investing resources in continuous innovative R&D to establish a patent network that showcases the benefits of innovation and to implement rigorous actions to protect our R&D achievements. To protect our research and development achievements, we require employees to sign a Confidentiality and Intellectual Property Rights Agreement. We also regularly promote within the company the importance of respecting the intellectual property rights of others.

All copyrights, patents, trademarks, and any other forms of intellectual property rights are applied for and maintained under applicable laws. We maintain the principle of protecting intellectual property rights for employees involved in technology and product innovation to enhance our products' competitive advantage. We use patents to protect our R&D technology and actively apply for trademarks for different product names to ensure continuous and uninterrupted protection of our intellectual property.

As of the end of 2023, Wonderful Hi Tech has accumulated a total of 7 valid patents in various countries. Our future research and development strategy will be to continue to deepen our R&D efforts, implement R&D autonomy, obtain patents to establish a solid technological foundation, and license technology from external sources and strategic alliances to make up for any lack of technological capabilities.

4.2 Customer Relationship Management

4.2.1 Customer Satisfaction Survey

To ensure we meet customer needs, Wonderful Hi Tech conducts a customer satisfaction survey every year. The International Trade Department sends notification letters to the customer contact persons. The survey indicators are based on four aspects: delivery, price, quality, and packaging. In response to the survey results, we hold a quality management meeting, propose strategic recommendations, and conduct in-depth review and analysis to establish corrective actions and enhance the quality of our products and services. In 2023, customer satisfaction surveys for Wonderful Hi Tech yielded an average satisfaction score of 92, with a 100% response rate, achieving the target of a 100% survey return rate for the year. The new customer satisfaction survey score target for 2024 is 93 with a response rate of 100%.

■Satisfaction Survey Flowchart
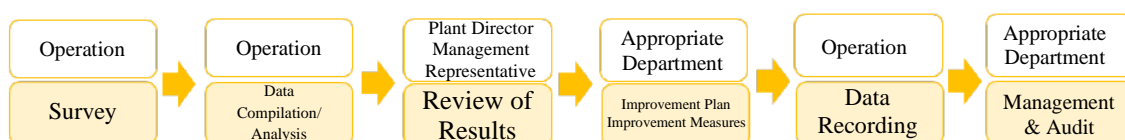
Customer Satisfaction in the Past Three Years	2021	2022	2023	Goals in 2024
Satisfaction (Score)	90	91	92	93
Response Rate（％）	100.00%	100.00%	100.00%	100.00%

■Customer Satisfaction Collection and Analysis

1. The business department will compile the relevant information from the collected questionnaires quarterly. After summarizing the information, a report is prepared, in which the unsatisfactory items or the opinions and complaints raised in the questionnaire are analyzed. After the report is approved by the plant manager, it will be handed over to the appropriate responsible department to establish corrective actions, which will then be tracked by the Quality Assurance Department.
2. Results of customer satisfaction implementation are included as a discussion item in management review meetings.
3. Records related to customer satisfaction will be kept by the Quality Assurance Department and implemented under the Record Management Program.

4.2.2 Customer Grievances & Improvements

Customer privacy protection is an important part of Wonderful Hi Tech's management policy. We are committed to complying with applicable laws and have invested resources in establishing sound privacy protection measures to ensure that customers' personal information is managed appropriately. By updating all employees with the latest information through occasional announcements and continuously improving our privacy policy,

Wonderful Hi Tech continues to work hard to ensure customer trust and establish strong, reliable business relationships. In the process of product sales, we aim for zero customer complaints regardless of product or service.

Wonderful Hi Tech complies with confidentiality agreements and personal data protection laws regarding customer privacy and has customer service departments and stakeholder channels to protect consumer rights and provide a grievance process. There were no complaints about the breach of customer privacy in 2023.

■ Customer Grievance Processing Flowchart
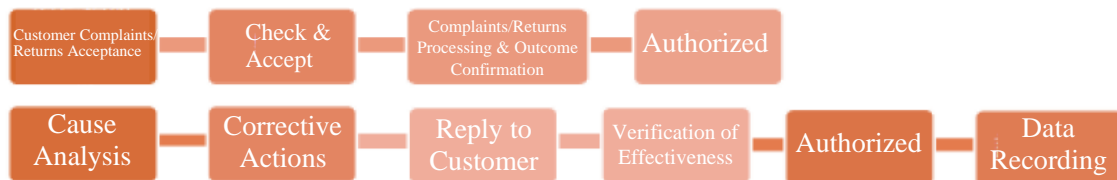
■ Grievance Incidents in 2023

Grievance Projects Received in 2023	Reason for the Grievance	Company Reply and Follow-up Corrective Actions
The outer diameter of the S/FTP 23AWG CAT.7A LSOH cable exceeds the specified maximum limit	Exceeds the specified maximum limit	1. Excessive sheath thickness caused the finished outside diameter to exceed the specified maximum limit. 2. Provide the customer with a sample sheath and ensure production verifies that the product's diameter meets requirements by fitting it through the sheath.
The label for the U/UTP 24AWG CAT.6 CMP cable was applied incorrectly	Labeling Error	1. Due to an issue with the customer's purchase order, production initially applied a temporary label. The team responsible for this label incorrectly filled in the specifications, leading to errors on the customer's final label. 2. Temporary labels are now printed directly from the TIPTOP system connected to the labeling machine to eliminate manual errors.
Indentations on U/UTP 23AWG CAT.6 CMR outer jacket are too deep	Indentations on the outer jacket are too deep	1. The customer did not inform us of appearance requirements before placing the order. 2. Modify the structure and obtain customer approval.
MM OM4 6C cable ruptured due to the outer jacket bending and cracking	Outer jacket bending and cracking	1. Excessive start-up temperature during production caused material cracking. 2. Adjust the start-up temperature and conduct cross-sectional inspections of the outer jacket for voids.

| F/UTP 23AWG CAT.6A LSOH outer jacket misprint	Incorrect printing on the outer jacket.	1. A technician entered the wrong work order during production, preventing the system from retrieving the correct print. 2. Work order entry now uses barcode scanning to prevent manual input errors.
U/UTP 24AWG CAT.6 CMR shipping error	Shipping error	1. Finished products were incorrectly returned to the pallet after QC testing. 2. Ensure products sent for testing are labeled with traceability numbers on their corresponding pallets. Upon return, place products on the matching pallet based on the traceability number.

4.2.3 Product Quality & Hazardous Substance Management

Wonderful Hi Tech is committed to maintaining product quality by setting policies and annual goals focused on meeting customer and regulatory requirements, enhancing customer satisfaction, and ensuring the effective operation of our quality system with continuous improvement. To ensure product quality and reliability, Wonderful Hi Tech promotes the ISO 9001:2015 Quality Management System and obtains international certifications such as UL, ETL, and CSA. By implementing various management systems, we integrate quality concepts into every aspect of our workflow, enhancing overall quality and efficiency, and ensuring our products meet regulatory and customer requirements. Products are sent annually to third-party testing laboratories for RoHS and REACH SVHC testing to confirm compliance with EU environmental regulations.

■ Quality and Safety Organization
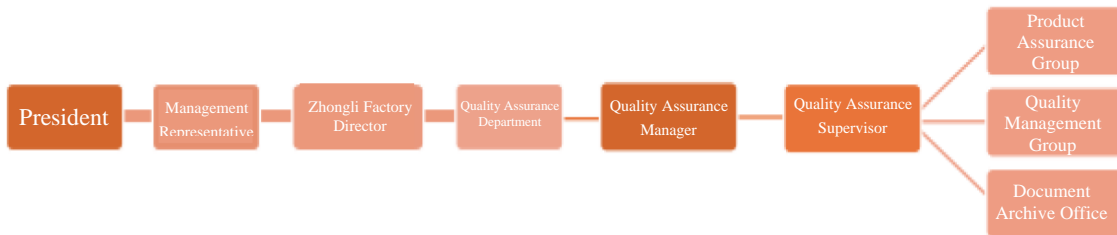
At Wonderful Hi Tech, the president serves as the highest authority of our quality management system, overseeing the establishment of quality assurance teams and dedicated individuals at various levels. This ensures the implementation of quality management policies across the entire company and among all employees. Through educational training and regular quality management meetings, all members understand the importance of complying with laws, company policies, quality objectives, and customer requirements. Management reviews assess the system's appropriateness and resource availability. In 2023, we conducted 11 product quality training sessions with a total of 60 participants.
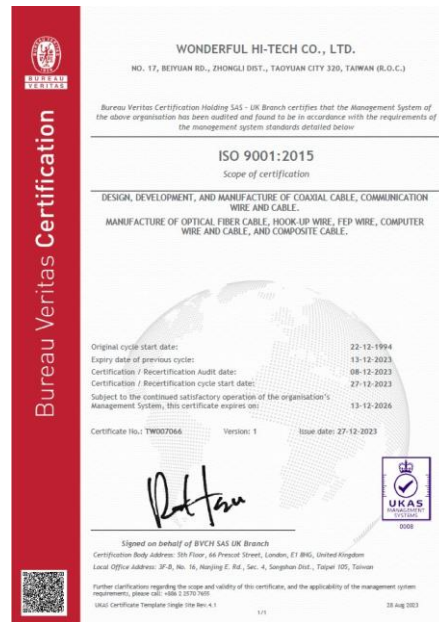
ISO 9001 Certification

■   Product Quality and Safety Educational Training

Educational Training Courses	Number of Sessions Conducted in 2023	Total Number of Participants
Environmental Regulations and Conflict Minerals	1	9
Seminar on Response Strategies to REACH Hazardous Substances and RoHS-2011/65/EU	1	3
Environmental Test Reporting	1	3
Quality Exceptions and Responsibility	2	3
Pre-shipment Inspection of Finished Products	2	13
Course on DCM Test Report Content	1	11
First Article Inspection and Autonomous Control Operations	2	10
Test Exception Handling	1	8

We aim for continuous improvement and problem prevention economically, enhancing processes, reducing defects and waste, and boosting quality and productivity. We comply with EU RoHS and REACH SVHC regulations to meet societal expectations and minimize environmental impact. In 2023, there were no violations of laws or standards having health and safety impacts during the product life cycle, nor any violations concerning product information and labeling.

Wonderful Hi Tech understands consumers' needs for safe and reliable products. Therefore, product safety is our primary goal, ensuring optimal performance. All Wonderful Hi Tech products and processes comply with EU RoHS and REACH SVHC regulations. Suppliers must provide third-party test reports or declarations proving the provided material complies with RoHS and REACH SVHC regulations.

We have established Supplier Management Procedures and Environmental Substance Control Audits for supplier management. Evaluation teams composed of R&D, Quality Assurance, and Procurement departments conduct both document reviews and on-site assessments of suppliers.

Key focus areas include ensuring quality and product safety. For all active suppliers, regular and ad-hoc audits are conducted on quality management and hazardous substance management. These audits ensure suppliers comply with environmental, safety, and health-related regulations, confirm that raw materials meet regulatory standards to ensure safe use and require suppliers to strictly comply with legal and social norms. Most of our suppliers are long-term partners. We may terminate or cancel contracts with any supplier negatively impacting the environment, working conditions, human rights, or society.

■ Assessment of Major Product and Service Categories for Health and Safety Impacts

Regulatory Item	RoHS	REACH SVHC
Standards	Refer to EU Directive 2011/65/EU and updates per customer requirements. (EU) 2015/863	Under Section 33(1) of REACH Regulation (EC) No. 1907/2006
Percentage of Products or Services Meeting Specifications in 2023	100%	100%

Chapter 5 Harmony & Healthy Workplace

5.1 Employee Diversity & Gender Equality

Item	Content
Corresponding GRI	GRI 405
Impact Description	By creating a diverse and inclusive culture, we help employees showcase strengths and perspectives vital for organizational growth.
Policies, Commitments & Importance	Employees are the foundation of sustainable business operations. We are committed to providing a competitive and inclusive workplace, ensuring no discrimination against any employee or job applicant based on characteristics (such as gender, race, ethnicity, nationality, religion, age, marital status, sexual orientation, gender identity or expression, disability, pregnancy, military status, or political affiliation). Our goal is to attract top talent from diverse backgrounds and drive innovation.
Responsible Department	Human Resources Department
Short, Medium & Long-Term Objectives	Short-term goal: Regularly organize gender equality training. Medium-term goal: Exceed legal employment rates for people with disabilities Long-term goal: Attract more international talent.
Action Plans	1. Recruitment and salary classifications are not differentiated by gender, age, race, religion, political affiliation, marital status, or organizational participation. 2. Through internal communications and new employee training programs, we help employees understand and respect diverse cultures, backgrounds, and beliefs, thereby fostering teamwork and growth.
Assessment of Effectiveness in 2023	1. Employment rates of individuals with disabilities meet statutory standards. 2. Enhance sexual harassment prevention efforts through employer-employee meetings.
Grievance Process	Through regular employer-employee meetings and union council sessions, we address employee complaints and provide feedback on both positive and negative issues. Based on these discussions, each department develops targeted improvement actions and precautions.

5.1.1 Human Rights Protection in the Workplace

To address workplace human rights issues, Wonderful Hi Tech has implemented the Wonderful Hi Tech Statement on Prohibition of Unlawful Employment, which covers child labor and the protection of minors, forced and compulsory labor, and gender and employment equality. Additionally, the company has established Work Rules that include policies on sexual harassment prevention, grievance investigations, disciplinary actions, and gender equality, ensuring a workplace free from child labor, forced labor, harassment, and discrimination. Employees can report grievances through a hotline, email, representatives of the employer-employee meeting, and other channels. All grievance cases are handled confidentially, and information about the complainant and the grievance process is kept secure to protect employee rights. In 2023, Wonderful Hi Tech received no human rights grievances and reported no incidents of discrimination based on ethnicity, gender, religion, political affiliation, sexual orientation, sexual harassment, or workplace bullying.

Additionally, Wonderful Hi Tech continues to promote workplace diversity and human rights education. Pre-employment training for new hires includes topics such as prohibiting forced labor and child labor, anti-harassment, anti-discrimination, and sexual harassment prevention. All employees are required to participate in regular training on these topics. Going forward, we will continue to emphasize and promote educational training to enhance employees' awareness of human rights protection and reduce the risk of incidents.

5.1.2 Workforce Diversity

In 2023, Wonderful Hi Tech employed a total of 228 people, with regular (indefinite contract) employees constituting approximately 98.25% of the workforce. Non-employee workers included outsourced security staff and temporary staff. In terms of gender distribution, men made up 69.30% of employees, while women comprised 30.70%. Employees aged 30 to 50 represented the largest age group at 60.53%, followed by those over 50 at 28.51%. The company had 11 executives, including 3 women, accounting for 27.27% all executives.

Wonderful Hi Tech values diversity and inclusion in the workplace. In 2023, we employed 2 individuals with disabilities and 51 foreign employees, including 9 who were promoted to mid-level technicians, with an average tenure of 6 years. Wonderful Hi Tech provides barrier-free ramps, accessible restrooms, and lactation rooms, and offers specialized holidays for indigenous employees, ensuring an equal and inclusive workplace experience for all. In 2023, Wonderful Hi Tech did not receive any notifications or undergo any investigations related to discrimination, child labor, or forced or compulsory labor.

■　　Employee Composition Structure

Region	Gender	Category		Year		
				2021	2022	2023
Wugu Headquarters	Male	Irregular contract	Full-time	20	20	18
			Part-time	1	1	3
		Subtotal		21	21	21
	Female	Irregular contract	Full-time	27	27	28
			Part-time	—	—	—
		Subtotal		27	27	28
Zhongli Plant	Male	Irregular contract	Full-time	130	128	136
			Part-time	1	1	1
		Subtotal		131	129	137
	Female	Irregular contract	Full-time	36	39	42
			Part-time	—	—	—
		Subtotal		36	39	42
Total	Male	Irregular contract	Full-time	150	148	154
			Part-time	2	2	4
		Subtotal		152	150	158
	Female	Irregular contract	Full-time	63	66	70
			Part-time	—	—	—
		Subtotal		63	66	70

Note 1: StatisticsEmployee totals as of December 31 of the reporting period.

Note 2: Fixed-term/Indefinite-term Contracts: As defined in Section 9 of the Employment Standards Act.

Note 3: Full-Time/Part-Time: According to the Ministry of Labor, part-time workers are employees whose working hour are significantly shorter than full-time employees, with reduced hours mutually agreed upon by the employer and employee.

■   Breakdown of Non-Employee Workers

Region	Gender	Type	Year		
			2021	2022	2023
Wugu Headquarters	Male	Contractors (Security)	2	2	2
		Subtotal	2	2	2
Zhongli Plant	Male	Temporary Staff (Operators)	33	—	—
		Subtotal	33	—	—
	Female	Temporary Staff (Operators)	2	—	—
		Subtotal	2	—	—
Total	Male	Contractors (Security)	2	2	2
		Temporary Staff (Operators)	33	—	—
		Subtotal	35	2	2
	Female	Temporary Staff (Operators)	2	—	—
		Subtotal	2	—	—

Note 1: Employee totals as of December 31 of the reporting period.

■ Diversified Workforce Composition

Region	Employee Category	Under 30 Years Old		30 to 50 Years Old		Above 50		Total
		Male	Female	Male	Female	Male	Female	
Wugu Headquarters	Executives	—	—	3	2	3	1	9
	Mid-Level Directors	—	—	—	1	—	2	3
	Basic level supervisors	—	—	2	—	—	1	3
	General Staff	1	1	8	13	4	7	34
	Total	1	1	13	16	7	11	49
Zhongli Plant	Executives	—	—	—	—	2	—	2
	Mid-Level Directors	—	—	—	—	—	1	1
	Basic level supervisors	—	—	2	3	3	—	8
	General Staff	18	5	74	30	38	3	168
	Total	18	5	76	33	43	4	179
Total	Executives	—	—	3	2	5	1	11
	Mid-Level Directors	—	—	—	1	—	3	4
	Basic level supervisors	—	—	4	3	3	1	11
	General Staff	19	6	82	43	42	10	202
	Total	19	6	89	49	50	15	228
	Ratio to Total Employees (by Gender)	8.33%	2.63%	39.04%	21.49%	21.93%	6.58%	
	Ratio to Total Employees (by Age)	10.96%		60.53%		28.51%		

Note 1: Executives: Managerial level and above

Note 2: Mid-Level Executives: Associate managerial level

Note 3: Basic Level Supervisors: Deputy division chief and division chief positions

5.1.3 Employee Communications

Wonderful Hi Tech strives to maintain a culture of prompt and transparent workplace communication. The employer-employee meeting, which includes representatives from both employers and employees, convenes each quarter. In 2023, four employer-employee meetings were conducted, addressing 13 issues such as business days and vacation regulations, family care leave policies, overtime procedures, statutory working hours, and flexible work arrangements. The resolutions from these meetings apply 100% of employees. To facilitate communications between employers and employees, Wonderful Hi Tech has established multiple communication channels, including an employee email, an employee feedback area, and a grievance hotline, to promptly address all suggestions.

Any adjustments to working conditions at Wonderful Hi Tech must be agreed upon during employer-employee meetings, and all operations must be conducted in compliance with local laws. Under the Employment Standards Act, the minimum notice period based on an employee's seniority is as follows: For employees who have worked continuously for more than three months but less than one year, a 10-day advance notice is required; for those who have worked for more than one year but less than three years, a 20-day advance notice is required. Employees who have worked continuously for more than three years must be given a 30-day advance notice. If an employee is terminated without receiving the specified advance notice, they shall be paid compensation in lieu of notice for that period.

5.2 Employee Relations

5.2.1 New Hire & Separation Overview

In 2023, Wonderful Hi Tech hired 50 new employees, resulting in a new hire rate of approximately 21.55%. During the same period, 41 employees left the company, leading to a turnover rate of approximately 17.67%. Analysis of employee departures revealed that primary factors included discrepancies between job expectations and actual work, family reasons, health issues, and personal career development plans. To address this, we will enhance job duty explanations during interviews to align applicants' expectations with reality. Additionally, we will offer leave without pay, support for continuing education, and other assistance to provide comprehensive support to our employees and improve the retention of outstanding employees.

■　　New Employee Statistics

Region	Gender	Age	2021		2022		2023	
			Number of New Hires	New Hire Rate (%)	Number of New Hires	New Hire Rate (%)	Number of New Hires	New Hire Rate (%)
Wugu Headquarters	Female	<30 Years	1	2.08%	—	—%	—	—%
		31~50 Years	2	4.17%	—	—%	2	3.64%
		>51 Years	—	—%	1	2.04%	—	—%
	Male	<30 Years	—	—%	2	4.08%	—	—%
		31~50 Years	2	4.17%	1	2.04%	2	3.64%
		>51 Years	—	—%	3	6.12%	—	—%
Zhongli Plant	Female	<30 Years	3	1.80%	—	—%	3	1.69%
		31~50 Years	11	6.59%	9	5.29%	4	2.26%
		>51 Years	1	0.60%	—	—%	—	—%
	Male	<30 Years	28	16.77%	13	7.65%	13	7.34%
		31~50 Years	43	25.75%	24	14.12%	26	14.69%
		>51 Years	5	2.99%	3	1.76%	—	—%
Total	Female	<30 Years	4	1.86%	—	—%	3	1.29%
		31~50 Years	13	6.05%	9	4.11%	6	2.59%
		>51 Years	1	0.47%	1	0.46%	—	—%
	Male	<30 Years	28	13.02%	15	6.85%	13	5.60%
		31~50 Years	45	20.93%	25	11.42%	28	12.07%
		>51 Years	5	2.33%	6	2.74%	—	—%
Subtotal			96	44.65%	56	25.57%	50	21.55%

Note 1: New hire rate is calculated as [(Number of new hires in the category during the year) / (Total number of employees at year-end)] * 100

■ Employee Turnover Statistics

Region	Gender	Age	2021		2022		2023	
			Number of Departures	Turnover Rate (%)	Number of Departures	Turnover Rate (%)	Number of Departures	Turnover Rate (%)
Wugu Headquarters	Female	<30 Years	—	—%	—	—%	—	—%
		31—50 Years	1	2.08%	—	—%	1	1.82%
		>51 Years	1	2.08%	—	—%	—	—%
	Male	<30 Years	—	—%	1	2.04%	—	—%
		31—50 Years	—	—%	2	4.08%	1	1.82%
		>51 Years	1	2.08%	2	4.08%	1	1.82%
Zhongli Plant	Female	<30 Years	3	1.80%	1	0.59%	—	—%
		31—50 Years	9	5.39%	5	2.94%	4	2.26%
		>51 Years	2	1.20%	—	—%	—	—%
	Male	<30 Years	23	13.77%	13	7.65%	10	5.65%
		31—50 Years	43	25.75%	22	12.94%	24	13.56%
		>51 Years	8	4.79%	7	4.12%	—	—%
Total	Female	<30 Years	3	1.40%	1	0.46%	—	—%
		31—50 Years	10	4.65%	5	2.28%	5	2.16%
		>51 Years	3	1.40%	—	—%	—	—%
	Male	<30 Years	23	10.70%	14	6.39%	10	4.31%
		31—50 Years	43	20.00%	24	10.96%	25	10.78%
		>51 Years	9	4.19%	9	4.11%	1	0.43%
Subtotal			91	42.33%	53	24.20%	41	17.67%

Note 1: New hire rate is calculated as [(Number of new hires in the category during the year) / (Total number of employees at year-end)] * 100.

5.2.2 Compensation System

Wonderful Hi Tech is committed to providing a transparent and fair compensation system. Salaries are determined based on employees' educational background, professional knowledge and skills, tenure, experience, and personal performance. Compensation for all employees is equitable and does not vary based on gender, age, ethnicity, nationality, religion, political affiliation, or sexual orientation. Due to the nature of our industry, our workforce currently has more male employees than female employees, resulting in a disparity in compensation ratios between genders. However, the company's overall female-to-male compensation ratio showed gradual progress toward parity in 2023.

■ Female-to-Male Compensation Ratio

	2021	2022	2023
	Female Compensation:Male Compensation	Female Compensation:Male Compensation	Female Compensation:Male Compensation
Executives	1:7.27	1:5.25	1:3.25
Mid-Level Directors	1:0	1:0	1:0
Basic level supervisors	1:1.4	1:1.55	1:1.59
General Staff	1:3.11	1:2.97	1:2.47

Note 1: Executives: Managerial level and above
Note 2: Mid-Level Executives: Associate managerial level

Note 3: Basic Level Supervisors: Deputy division chief and division chief positions

Note 4: Compensation includes: base salary, allowances, overtime pay, meal subsidies, attendance bonuses, holiday bonuses, year-end bonuses, performance bonuses, and director compensation.

5.2.4 Diverse Employee Benefits

Wonderful Hi Tech offers comprehensive employee benefits in compliance with local laws. We provide essential benefits such as insurance, pension, and vacation. Additionally, we offer benefits that exceed legal requirements, including employee housing, nutritious meals, subsidies for weddings and funerals, and regular company outings to enhance employee bonds and foster harmonious employee relations.

■ Wonderful Hi Tech Employee Benefit Program

Item	Content
Employee Welfare Benefits	■ Employee Holiday Bonuses ■ Employee Stock Ownership Trust ■ Maternity Benefits ■ Paternity Benefits ■ Marriage Allowance ■ Funeral Grant ■ Retirement Benefit Payments ■ Employee Emergency Relief Fund and Pension
Insurance and Health	■ Insurance ■ Group Insurance ■ Fitness Center ■ Lactation Room ■ Massage Services ■ Health Seminars ■ Employee Family Day
Flexible Working Hours and Leave Policies	■ Special Leave ■ Overtime Compensatory Time Off ■ Paid Vaccination Leave ■ Flexible Start and End Times
Professional Consulting	■ Psychological Counseling ■ Legal Advice
Recreational Benefits	■ Employee Discounts at Affiliate Companies ■ Special Store Offers ■ Sporting Activities ■ Year-End Dinner

Item	Content
Various Bonuses	To recognize our employees' dedication, the company provides various bonuses, including dividends, employee awards, holiday bonuses, birthday gifts, and allowances for marriage, childbirth, and bereavement.
Partnerships with Preferred Vendors	We have established partnerships with 21 preferred vendors, including restaurants and childcare facilities, allowing employees to enjoy services at discounted prices.
Early Childhood Education Grants	Beyond partnerships with kindergartens, the company also provides a monthly allowance to support employees with childcare expenses.
Physical and Mental Well-being	We provide employees with online video courses (unlimited) that offer resources to support mental and physical wellness. Regularly scheduled initiatives include aerobic fitness classes to encourage physical health, the Baishatun Mazu pilgrimage for those with religious needs, and beach clean-ups paired with family days. These programs, alongside activities promoting family values, aim to combine education with engagement and contribute toward overall employee well-being.
Pension	Under Employment Standard Act, we make monthly contributions to employee retirement plans. For employees under the legacy pension scheme, contributions are made to pension reserves. For those under the new pension scheme, we contribute 6% of their insured salary level monthly as per the Employee Pension Guidelines. Employees may also choose to voluntarily contribute 0% to 6% to their personal retirement accounts.

Event Photos

Baishatun Mazu Pilgrimage Mask Distribution Event

Employee Travel

Employee Weight Loss Competition Awards

Employee Meal After Baishatun Mazu Mask Event

(Preferred Vendor LOGO)

(Physical and Mental Balance - Aerobic Program)

5.2.4 Parental Leave

To support our employees in balancing work and family, Wonderful Hi Tech offers unpaid parental leave under applicable employment laws. Additionally, we offer dedicated consultation services to assist employees in complying with Gender Equality in the Employment Act and the Guidelines for Unpaid Parental Leave In 2023, one employee applied for unpaid parental leave, with one employee expected to return to work and none actually reinstated during that period. Additionally, two employees were reinstated in 2022, with one remaining in their position for more than one year, resulting in a retention rate of 50.00%.

Item	Number of Male Employees	Number of Female Employees	Total
2023 - Eligible to Apply for Parental Leave (A)	9	6	15
2023 - Actual Applications for Parental Leave (B)	—	1	1
2023 - Expected to Return from Parental Leave (C)	—	1	1
2023 - Actual Return from Parental Leave (D)	—	—	—
2022 - Actual Return from Parental Leave (E)	—	2	2
2022 - Remaining Employed Twelve Months After Return from Parental Leave (F)	—	1	1
Parental Leave Application Rate (B/A)	—%	16.67%	6.67%
Return Rate (D/C)	—%	—%	—%
Retention Rate (F/E)	—%	50.00%	50.00%

5.3 Employee Development & Training

Item	Content
Corresponding GRI	GRI 404
Impact Description	Wonderful Hi Tech is committed to becoming a sustainable organization. In addition to business growth and profitability, creating a strong company culture is crucial. Developing and nurturing talent is the cornerstone of sustainable operations; therefore, employee development and turnover rates are listed as important management indicators, enabling employees and the company to grow together.
Policies, Commitments & Importance	We continuously gather employee feedback to enhance our training programs. Through educational opportunities and mentorship, we empower our employees to learn and develop effectively. Annually, we allocate funds for internal and external training to enhance employees' professional skills and leadership capabilities, encouraging self-development. To improve industry competitiveness, the company has established a licensing allowance system to support employees in pursuing further education and professional certifications, recognizing their advancement and assisting in career development and job stability.
Responsible Department	Human Resources Department
Short, Medium & Long-Term Objectives	Short-Term Goal: Continue to enhance on-the-job training. Medium-Term Goal: Expand learning channels and resources for training Long-Term Goal: Encourage a culture of self-directed learning among employees.
Action Plans	1. By optimizing employee development programs, we enhance employees' skills and expertise, increasing their adaptability and value. This facilitates corporate innovation and competitiveness while improving employee satisfaction and retention. 2. We offer employees diverse and comprehensive learning opportunities and development resources, including on-the-job training, classroom training, job coaching, job rotation, and more.
Assessment of Effectiveness in 2023	1. In 2023, the number of employee trained reached 121. 2. In 2023, employees received an average of 5.89 hours of training, an increase of 219.78% from the previous year. 3. In 2023, the total investment in educational training amounted to NT$4,235,860, with an average training cost of NT$3,500 per employee. 4. New learning channels have been added, such as book clubs, overseas seminars, external training courses, mentorships, and digital online courses.
Grievance Process	Through regular employer-employee meetings and union council sessions, we address employee complaints and provide feedback on both positive and negative issues. Based on these discussions, each department develops targeted improvement actions and precautions.

5.3.1 Employee Development Management

Wonderful Hi Tech designs training programs tailored to various levels and positions to enhance professional competencies, improve management skills, achieve company goals, and enhance competitiveness. In 2023, Wonderful Hi Tech provided multiple training methods such as departmental on-the-job training, online learning, mentorship, and job rotation, enabling employees to stay current and acquire new knowledge. In 2023, the number of educational training participants amounted to 121, with an average of 5.89 training hours per employee.

■ Average Number of Training Hours Over the Last Three Years

Gender	Employee Category	2023			2022			2021		
		Number of people	General Training Hours	Average Training Hours	Number of people	General Training Hours	Average Training Hours	Number of people	General Training Hours	Average Training Hours
Male	Executives	3	24	8.00	—	—	—	3	12	4.00
	Mid-Level Directors	5	64	12.70	2	2	1.00	5	26	5.20
	Basic level supervisors	9	40	4.39	2	3	1.50	11	49	4.45
	General Staff	57	262	4.59	31	72	2.32	61	167	2.73
Female	Executives	3	25	8.33	1	2	2.00	1	12	12.00
	Mid-Level Directors	4	46	11.50	4	19	4.75	1	12	12.00
	Basic level supervisors	1	11	11.00	—	—	—	1	32	32.00
	General Staff	39	242	6.21	26	79	3.04	29	163	5.62
Total		121	713	5.89	66	177	2.68	112	473	4.22

5.3.2 Performance Evaluation Process

As per our Performance Management Guidelines, Wonderful Hi Tech conducts regular appraisals and performance interviews with employees every six months. The appraisal focuses on reviewing past work performance and setting future work goals. The results of the performance appraisal are used as the basis for salary adjustments, promotions, and career development planning. Employees are promoted annually, referencing the previous year's appraisal, to ensure the transparency, fairness, and integrity of the promotion process.

The appraisal process starts with employee self-assessment, followed by evaluation by their supervisor based on performance and goal achievement. Through two-way communication, both parties can achieve a common understanding of individual and company objectives. In 2023, a total of 100% regular employees of Wonderful Hi Tech completed the annual performance appraisal. All employees, except those on probation or those who returned from leave during the year (less than three months), participated in the appraisal.

■ Wonderful Hi Tech Performance Review Program

Assessment Items	Assessment Details
Shared Values	Evaluates how the employee's work attitude aligns with company values such as business integrity, continuous improvement, teamwork, innovation, customer satisfaction, and collaboration.
Employee Training Program Achievements	Assesses whether the supervisor or employee has offered effective resources and opportunities for subordinate development, including program participation, project leadership, job shadowing, and educational training.
Work Target Schedule	For the next six months, the immediate supervisor or next-level director will provide suggestions or modify the content of the plan to align with the company's operational objectives.
Annual Work Plan	Individual's initial work performance, performance metrics, and results during the period.

■ Percentage of Employees Receiving Performance Appraisals at Wonderful Hi Tech

Employee Category		2023			2022			2021		
		Number of Employees Who Completed the Assessment	Number of Employees	Assessment Ratio	Number of Employees Who Completed the Assessment	Number of Employees	Assessment Ratio	Number of Employees Who Completed the Assessment	Number of Employees	Assessment Ratio
Gender	Male	114	114	100.00%	110	110	100.00%	117	117	100.00%
	Female	60	60	100.00%	57	57	100.00%	53	53	100.00%
Total		174	174	100.00%	167	167	100.00%	170	170	100.00%
Category	Executives	13	13	100.00%	13	13	100.00%	10	10	100.00%
	Mid-Level Directors	4	4	100.00%	4	4	100.00%	6	6	100.00%
	Basic level supervisors	11	11	100.00%	11	11	100.00%	9	9	100.00%
	General Staff	146	146	100.00%	139	139	100.00%	145	145	100.00%
Total		174	174	100.00%	167	167	100.00%	170	170	100.00%

Note: Employees on probation and those who returned from leave during the year (less than three months) were not assessed.

5.4 Occupational Safety & Health

Item	Content
Corresponding GRI	GRI 403
Impact Description	Providing a safe workplace and caring for our employees is of paramount importance to Wonderful Hi Tech. Occupational injuries not only harm employees physically and mentally but also impact the company's productivity and operations.
Policies, Commitments & Importance	Wonderful Hi Tech is consistently committed to creating a safe and friendly workplace. The company has established the Safety and Health Workplace Code and Occupational Health and Safety Management Plan to continually enhance workplace safety and health, prevent incidents, reduce the risk of occupational hazards, and safeguard employee well-being. We also promote physical and mental health, aligning with our mission of prioritizing quality in everything we do, maintaining a strong focus on workplace safety, and embracing sustainable development.
Responsible Department	Occupational Safety and Health Committee and Occupational Safety Office
Short, Medium & Long-Term Objectives	Short-Term Goal: Achieve ISO 45001 certification by July 2024 Medium- and Long-Term Goal: Regularly update objectives and targets annually based on the PDCA cycle.
Action Plans	1. Conduct weekly quality, safety, and sanitation inspections, implement improvements, and take corrective actions in the workplace. 2. Enhance hazard communication, provide educational training for contractors before construction activities, and conduct weekly inspections, reviews, and corrective plans.
Assessment of Effectiveness in 2023	1. Implementation of ISO 45001 Occupational Health and Safety Management System. 2. No major work safety incidents or violations. 3. We conducted regular monthly occupational safety and health audits. In 2023, 12 audits were performed; 6 deficiencies identified, and we achieved a 100% improvement rate in addressing these deficiencies. 4. We provided employee safety and health training courses as per legal and job requirements. In 2023, a total of 6 courses were held, with 14 participants and a total of 42 training hours. 5. There were two occupational incidents recorded, both of which were commuting accidents. 6. There were no cases of occupational diseases. 7. A total of 173 employees participated in the employee health screening service. 8. An occupational safety and health specialist participated in external training, completing 12 hours of training.
Grievance Process	1. Associated occupational safety matters are regularly discussed by the Occupational Safety and Health Committee. 2. In the event of an incident, we follow the accident notification and reporting procedures outlined in the Company's Safety and Health Code of Conduct.

5.4.1 Occupational Health & Safety Policy & Management System

We comply with the ISO 45001:2018 Occupational Health and Safety Management System and have established guidelines such as the Safety and Health Work Guidelines, Occupational Health and Safety Management Plan, and Occupational Health and Safety Management Key Points, which are applied at all of Wonderful Hi Tech's locations in Taiwan. To assess the effectiveness of our management system, we will conduct annual internal audits of the ISO 45001:2018 Occupational Health and Safety Management System by qualified auditors and external audits every three years by a third-party certification organizations. The system will be implemented at the end of 2023 and is expected to achieve certification by September 2024.

To effectively implement and facilitate occupational health and safety plans, the company has established the Head Office Occupational Health and Safety Committee. Through open procedures, employees meeting the legal requirements have been elected as workers' representatives. There are a total of 9 committee members, including 6 workers' representatives, accounting for 66% of the committee. The committee meets quarterly to discuss occupational health and safety management policies, supervise and monitor occupational health and safety performance,

and updates on the status of occupational safety regulations. General employees are encouraged to share suggestions with their department directors or occupational safety and health representatives through various channels, including phone, email, or employee suggestion boxes, for discussion during committee meetings. Occupational safety and health regulations and guidelines are shared with all employees via email, bulletin boards within the workplace, and educational training, ensuring access to safety and health information.

Item	Occupational Safety and Health Topics
1	Promoting Driving Safety
2	Scarves and ties are prohibited on-site.
3	No ladders longer than 2 meters can be used.
4	Improve safety and health educational training.

5.4.2 Hazard Identification & Risk Assessment Management

To identify potential hazards in the work environment and operations, our Occupational Safety Office conducts annual hazard identification and risk assessments. Hazards are identified based on chemical, physical, ergonomic, and other safety and health factors. We determine risk levels by assessing severity and likelihood, then implement appropriate risk controls. Response strategies and action plans are developed based on the risk level to continually improve and reduce hazard risks. Individuals responsible for identification and assessment receive 3 hours of risk assessment training annually to ensure they have the competency to assess risks and identify hazards.

■   Significant Risk Items and Response Plan

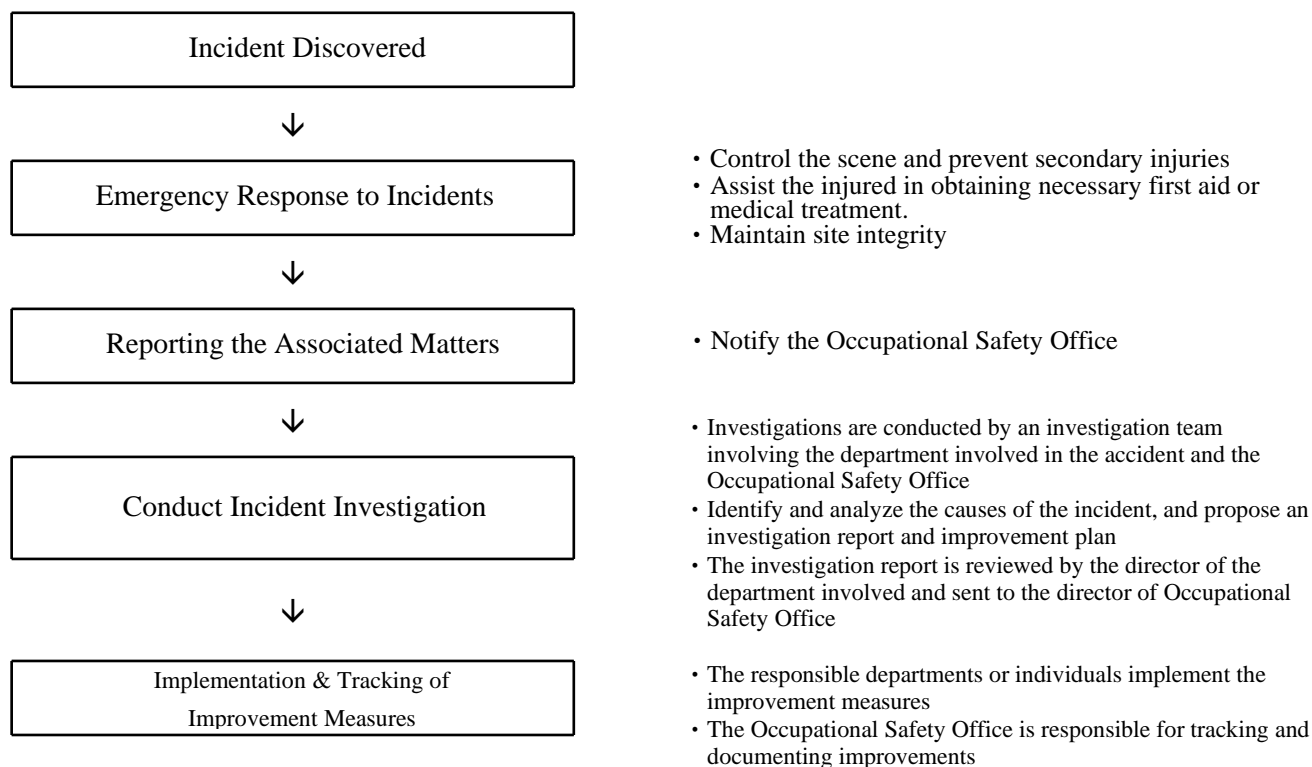| Business Operations with Significant Risks	Risk Description	Measures
Forklift Operations	■ Employees may be injured due to carelessness while driving, reversing, turning, and more ■ Injury caused by failure to properly engage brakes when parked. ■ Injury due to operators standing on forks in violation of regulations. ■ Crush injuries due to forklift overturning caused by uneven road surfaces or overloading.	■ Prevent collisions between personnel and machinery through appropriate route planning and speed limits. ■ Install alarms, indicator lights, and mirrors on forklifts, and conduct regular maintenance. ■ Implement standard guidelines for forklift operations, train individuals, and enhance awareness.
Fixed Crane Operations	■ Operator injury due to breakage of steel cables or failure of anti-slip devices when lifting raw materials ■ Employees may be injured due to carelessness while driving, reversing, turning, and more	■ Implement standard guidelines for fixed crane operation, train individuals, and enhance awareness. ■ Inspect and replace hooks, slings, and anti-slip devices regularly ■ Require workers to wear helmets

Business Operations with Significant Risks	Risk Description	Measures
Granulation and Extrusion Area	■ Hearing loss among employees due to prolonged exposure to noisy environments. ■ Prolonged exposure to noise may lead to decreased morale	■ Regularly measure workplace noise levels and implement engineering improvements in noisy areas. ■ Conduct regular health check-ups and implement staff rotation ■ Provide earplugs and earmuffs.
Packing and Shipping	■ Fire caused by static electricity due to friction between finished packages, igniting nearby materials. ■ Employee electrocution due to electrical leakage from ungrounded appliances.	■ Install and regularly maintain static eliminators or grounding wires to eliminate static electricity. ■ Ground electrical equipment and install earth leakage circuit breakers.

5.4.3 Procedures for Investigating Occupational Accidents

To ensure the safety of all workers, when there is an immediate danger in the workplace, the person in charge should immediately stop on-site operations and have employees retreat to a safe place. If an employee discovers a hazard in the workplace, they may stop work, retreat to a safe place, and report to their supervisor to take appropriate action without facing disciplinary action.

If an occupational incident occurs, on-site workers should immediately notify the Occupational Safety Office for emergency response. Subsequently, the Occupational Safety Office and the director of the department involved will form an investigation team to identify the cause of the incident through worker interviews, equipment inspection, and analysis, review of associated documents and records, and scene reconstruction, proposing precautions and corrective actions. The Occupational Safety Office and the department involved will continue to supervise and track the incident to prevent recurrence.

■　　Incident Investigation Flowchart

Incident Discovered

↓

Emergency Response to Incidents

· Control the scene and prevent secondary injuries
· Assist the injured in obtaining necessary first aid or medical treatment.
· Maintain site integrity

↓

Reporting the Associated Matters

· Notify the Occupational Safety Office

↓

Conduct Incident Investigation

· Investigations are conducted by an investigation team involving the department involved in the accident and the Occupational Safety Office
· Identify and analyze the causes of the incident, and propose an investigation report and improvement plan
· The investigation report is reviewed by the director of the department involved and sent to the director of Occupational Safety Office

↓

Implementation & Tracking of Improvement Measures

· The responsible departments or individuals implement the improvement measures
· The Occupational Safety Office is responsible for tracking and documenting improvements

5.4.4 Occupational Health & Safety Educational Training

　　　　To ensure that all employees understand occupational health and safety regulations and are familiar with the company's health and safety management system, we provide safety and health educational training as required by law and based on job requirements. This includes training for occupational health and safety directors and managers, directors of organic solvent operations, fire prevention managers, first-aiders, members of the Occupational Health and Safety Committee, and general employees. In 2023, the total number of participants in occupational health and safety educational training was 15, with a total of 54 training hours.

■　　2023 Occupational Health and Safety Educational Training Overview

Course categories	Training hours	Number of Trainees	Sessions	Total Training Hours (hours per person * number of trainees)
Educational Training for Occupational Health and Safety Workers	12	1	1	12
General Safety and Health Educational Training	3	14	6	42

5.4.5 Occupational Health Services & Awareness Activities

To build a friendly, healthy, and safe workplace, Wonderful Hi Tech uses the Occupational Health and Safety Management Act and PDCA cycle management as the framework to develop four major programs for worker health protection: prevention of ergonomic hazards, prevention of illnesses caused by abnormal workloads, prevention of unlawful acts against workers in the performance of duties, and protection of maternal health. This provides comprehensive care for employees' physical and mental well-being, enhancing their sense of identity and motivation, and creating a competitive advantage for the company.

Item	Action Plan	Results
Ergonomic Hazard Prevention Program	■ Provide free annual employee health check-ups. ■ Hold quarterly on-site physician counseling services. ■ Use the Musculoskeletal Injury Questionnaire annually to assess and manage employees' physical condition. ■ Offer various types of sports clubs. ■ Organize road running, walking, hiking, and weight loss competitions for staff.	■ Annual employee health screenings ■ Contracted healthcare professionals available on-site ■ Collected questionnaires on musculoskeletal injuries and discussed improvement plans with healthcare professionals ■ Provided a variety of clubs for employees to participate in freely ■ Occasionally sponsored employees to participate in road running events from time to time. ■ In 2023, the total number of consultations with contracted caregivers: 11 individuals/session ■ In 2023, a total of 13 individuals/consultation with attending physicians
Prevention Programs for Atypical Workload-Induced Diseases	■ We use a mental health assessment questionnaire annually to identify employees' psychological stress and plan stress-relieving activities based on the results. ■ Conduct quarterly surveys of those at high risk for illnesses related to atypical workloads, and arrange for high-risk cases to have physician consultations or work adjustments through the human resources department or department directors. ■ Organize stress relief courses and lectures.	■ Collected annual questionnaires to care for employees ■ Provided physician consultations

Item	Action Plan	Results
Program for the prevention of inappropriate behavior against employees in the workplace	■ Hold lectures on the prevention of sexual harassment. ■ Organize educational campaigns on diverse workplaces and human rights. ■ Establish applicable procedures and provide a hotline for grievances. ■ Provide assistance and counseling to affected employees.	■ Establish a contact point for reporting inappropriate behavior ■ Display posters on sexual harassment prevention in the workplace
Maternal Health Protection Program	■ Provide a breastfeeding-friendly environment and equipment, such as bottle sterilizers, breast milk refrigerators, and bottle cleaners in breastfeeding rooms. ■ Hold seminars on maternal health. ■ Allow employees the option not to wear uniforms and to wear flat shoes. ■ Provide reemployment assistance.	■ In 2023, one employee became pregnant. Since her work is office-based, after interviews and assessment, no adjustment to the work format was required.

5.4.6 Occupational Injuries & Diseases

To ensure the effectiveness of occupational health and safety management guidelines, Wonderful Hi Tech uses occupational injury and disease statistics as indicators to measure performance, track root causes of problems, and continuously optimize management guidelines. In the past three years, no serious incidents have occurred in our company. However, regarding recordable occupational injuries, the main incidents were commuting accidents. In response, our company has developed corresponding management guidelines, including improving safety awareness during transportation and travel. In the future, the company will continue to improve supporting actions related to occupational injuries and illnesses, aiming for regular reviews and dynamic optimization, making steady progress toward the goal of zero occupational incidents.

■ Data on Occupational Injuries and Illnesses in the Last Three Years

Year	Total Working Hours[Note 1]	Number of Days Lost [Note 2]	Recordable Occupational Injuries		Serious Occupational Injuries		Number of Occupational Diseases	Number of Deaths on Duty[Note 5]
			Quantity	Rate[Note 3]	Quantity	Rate[Note 4]		
2021	439,571	524	0	0.00	0	0.00	0	0
2022	455,925	233	0	0.00	0	0.00	0	0
2023	420,971	46	0	0.00	0	0.00	0	0

Note 1: Total number of hours actually worked by all employees: calculated by multiplying the total number of days worked per year by the number of hours worked per day for all employees, excluding the employer (including employees and non-employee workers).

Note 2: Lost days: refer to the number of days the injured person is temporarily unable to return to work. The total number of lost days excludes the day of injury and the day of return to work. It includes the number of days elapsed in between (including Sundays, vacation days, or days when the department is closed) and any full days after the resumption of work during which the person is unable to work due to the incident.

Note 3: Recordable occupational injury rate = [(number of recordable occupational injuries + number of deaths due to occupational injuries) x 10^6] / total number of hours worked.

Note 4: Serious occupational injury rate = [number of serious occupational injuries (excluding fatalities) x 10^6]/ total hour worked.

Note 5: Includes deaths due to occupational injury and occupational disease.

Note 6: The days lost in the statistical tables are all due to commuting accidents and are not counted as occupational injuries.

Chapter 6 Social Responsibility

6.1   Community Engagement

6.1.1   Social Responsibility & Community Engagement

To maintain the principle of giving back to the community, Wonderful Hi Tech actively establishes good neighborly relations, invests in long-term community engagement, continuously promotes activities caring for community members, and participates in social responsibility programs to give back with warmth and care. Wonderful Hi Tech has long been concerned about various social issues and actively participates in social responsibility programs to fulfill its responsibility for sustainable development and convey its dedication and care to the local community. The amount of donations for public welfare activities in 2023 was NT$1,216,400. No Wonderful Hi Tech business operations in 2023 had a significant actual or potential negative impact on the local community.

Public Welfare Focus Areas	Name of Organization	Donation Program	Amount (NTD)
Community Care	Xingzhen Village, Wugu District	Masks	16, 000
Community Care	Chinese Taipei Road Running Association	Masks	49, 200
Supporting the Disadvantaged	Taiwan Fund for Children and Families	Monetary Contribution	240, 000
Supporting the Disadvantaged	Taibei High School	Scholarship	911, 200

2023 Highlighted Public Welfare Activities
Activity Name: Distribution of Masks at Baishatun Pilgrimage
Activity Description: Every year, the company encourages staff to participate in the Baishatun Mazu pilgrimage, distributing masks and protective equipment to pilgrims, helping them protect themselves and others from viruses or pollutants.
Activity Name: Thailand and Myanmar Filial Piety Award
Activity Description: Some areas in Thailand's northern region face high poverty rates. In this aspect, Wonderful Hi Tech selects 7–8 schools in the region each year, comprehensively evaluating students recommended by teachers for their outstanding academic performance, filial piety, and need for financial assistance, and awards annual filial piety scholarships. The aim is to enhance students' learning environment and opportunities, encourage and support their needs, improve the level of education, and alleviate their families' financial pressure.

2023 Northern Thailand Filial Piety Award

Appendix I GRI Standards Index Table

About This Report	Wonderful Hi Tech prepared this Sustainability Report for the period from January 1 to December 31, 2023 following the GRI Standards.
GRI 1 Version Used	GRI 1: Foundation 2021
GRI Sector Standards Applied	None

GRI Guidelines	Disclosure	Page	Corresponding Chapters/ Additional Notes
	GRI 2: General Disclosure (2021)		
GRI 2: General Disclosure (2021)	2-1 Organizational Details	9	1.1.1 Company Profile.
	2-2 Entities Included in the Organizational Sustainability Report	7	About This Report
	2-3 Reporting Period, Frequency, and Contact Information	7	About This Report
	2-4 Restatements of information		In 2023, Wonderful Hi Tech did not undergo any mergers or acquisitions, changes in the reporting period, nature of business, or measurement methodologies.
	2-5 External assurance	7	About This Report
	2-6 Activities, Value Chains, and Other Business Relationships	9	1.1.1 Company Profile
	2-7 Employees	81	5.1.2 Workforce Diversity
	2-8 Non-Employee Workers	81	5.1.2 Workforce Diversity
	2-9 Governance Structure and Composition	19	2.1.1 Board of Directors
	2-10 Nomination and Selection of the Governing Body	24	2.1.2 Nomination & Selection of Board Members
	2-11 Chair of the Governing Body	24	2.1.2 Nomination & Selection of Board Members
	2-12 Role of the Governing Body in Overseeing Risk Management	30	2.1.6 Sustainable Governance
	2-13 Responsible Person for Risk Management	11、30	1.2 Sustainable Governance Structure 2.1.6 Sustainable Governance
	2-14 Role of the Governing Body in Sustainability Reporting	12、30	1.3 Major Theme Identification & Analysis 2.1.6 Sustainable Governance
	2-15 Conflicts of Interest	24	2.1.2 Nomination and Selection of Board Members
	2-16 Communication of Critical Incidents	12、30	1.3 Major Theme Identification & Analysis 2.1.6 Sustainable Governance .
	2-17 Collective Knowledge of the Governing Body	19	2.1.1 Board of Directors

GRI Guidelines	Disclosure	Page	Corresponding Chapter/ Supplemental Explanation
Ethics and Integrity			
3-3 Management of Major Themes or Topics		31	2.2 Business Integrity & Regulatory Compliance
GRI 205 (2016): Anti-corruption	205-1 Locations Assessed for Corruption Risks	33	2.2.1 Anti-Corruption Communication & Educational Training
	205-2 Communication and Training on Anti-Corruption Policies and Procedures Training	33	2.2.1 Anti-Corruption Communication & Educational Training
	205-3 Confirmed incidents of corruption and actions taken	33	2.2.1 Anti-Corruption Communication & Educational Training
Risk Management			
3-3 Management of Major Themes or Topics		37	2.3 Risk Management
Regulatory Compliance			
3-3 Management of Major Themes or Topics		31	2.2 Business Integrity & Regulatory Compliance
Response to Climate Change			
3-3 Management of Major Themes or Topics		50	3.1 Climate Change Response
GRI 201 (2016): Economic performance	201-2 Financial Implications and Other Risks and Opportunities Due to Climate Change	52	3.1.3 Climate Change Response Strategies
Energy and Greenhouse Gas Management			
3-3 Management of Major Themes or Topics		55	3.2 Energy & Greenhouse Gas Management
GRI 302 (2016): Energy	302-1 Energy Consumption Within the Organization	56	3.2.2 Energy Use Profile
	302-3 Energy intensity	56	3.2.2 Energy Use Profile
	302-4 Reduction of energy consumption	60	3.2.4 Reduction & Energy Saving Measures
GRI 305 (2016): Emissions	305-1 Direct (Scope 1) GHG emissions	56	3.2.3 Greenhouse Gas Management
	305-2 Energy Indirect (Scope II) Greenhouse Gas Emissions	56	3.2.3 Greenhouse Gas Management
	305-4 Greenhouse Gas Management Intensity	56	3.2.3 Greenhouse Gas Management
	305-5 Reduction of Greenhouse Gas Emissions	60	3.2.4 Reduction & Energy Saving Measures

GRI Guidelines	Disclosure	Page	Corresponding Chapter/ Supplemental Explanation
Waste Management			
3-3 Management of Major Themes or Topics		61	3.3 Waste Management
GRI 306 (2020): Waste	306.1 Waste Generation and its Significant Impacts	61	3.3.1 Waste Management System
	306-2 Management of Waste-related Significant Impacts	61	3.3.1 Waste Management System
	306-3 Waste Generation	62	3.3.2 Waste Generation
	Disposal and Transfer of Waste	62	3.3.2 Waste Generation
	306-5 Direct Disposal of Waste	62	3.3.2 Waste Generation
Water Resource Management			
3-3 Management of Major Themes or Topics		65	3.4 Water Resource Management
GRI 303 (2018): Water Intake and Discharge	303-1 Mutual Impact of Shared Water Resources	65	3.4.1 Water Resources Risk Assessment
	303-2 Management of Water Discharge Impacts	69	3.4.3 Wastewater Discharge Management
	303-3 Water withdrawal	66	3.4.2 Water Use, Consumption, & Discharge
	303-4 Discharge Capacity	66	3.4.2 Water Use, Consumption, & Discharge
	303-5 Water Consumption	66	3.4.2 Water Use, Consumption, & Discharge
Employee Human Rights Protection			
3-3 Management of Major Themes or Topics		80	5.1 Employee Diversity & Gender Equality
GRI 405 (2016): Employee Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	81	5.1.2 Workforce Diversity
	405-2 Basic Salary and Compensation Ratios for Male and Female Employees	86	5.2.2 Compensation System
GRI 402 (2016): Employee Relations	402-1 Minimum Notice Periods Regarding Operational Changes	83	5.1.3 Employee Communications
GRI 406 (2016): Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	80	5.1.1 Human Rights Protection in the Workplace
GRI 408 (2016): Child labor	408-1 Locations and Suppliers at Significant Risk for Incidents of Child Labor	80	5.1.1 Human Rights Protection in the Workplace
GRI 409 (2016): Forced or Compulsory Labor	409-1 Locations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor	80	5.1.1 Human Rights Protection in the Workplace

GRI Guidelines	Disclosure	Page	Corresponding Chapter/ Supplemental Explanation
Attraction and Retention of Skilled Professionals			
3-3 Management of Major Themes or Topics		84	5.2 Employee Relations
GRI 201 (2016): Economic performance	201-3 Defined Benefit Plan Obligations and Other Retirement Plans	87	5.2.3 Diverse Employee Benefits
GRI 405 (2016): Employee Diversity and Gender Equality Opportunities	405-2 Basic Salary and Compensation Ratios for Male and Female Employees	86	5.2.2 Compensation System
GRI 401 (2016): Employer-Employee Relations	401-1 New Employee Hires and Employee Turnover	85	5.2.1 New Hire & Separation Overview
	401-2 Benefits Provided to Full-Time Employees (Excluding Temporary or Part-Time Staff)	87	5.2.3 Diverse Employee Benefits
	401-3 Parental leave	90	5.2.4 Parental Leave
Employee Training and Development			
3-3 Management of Major Themes or Topics		91	5.3 Employee Development & Training
GRI 404 (2016): Training and education	404-1 Average Hours of Training Per Year Per Employee	91	5.3 Employee Development & Training
	404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs	91	5.3 Employee Development & Training
	404-3 Percentage of Employees Receiving Regular Performance and Career Development Reviews	92	5.3.2 Performance Evaluation Process
Occupational Safety and Health			
3-3 Management of Major Themes or Topics		94	5.4 Occupational Safety & Health
GRI 403 (2018): Occupational Safety and Health	403-1 Occupational health and safety management system	94	5.4.1 Occupational Health & Safety Policy & Management System
	403.2 Hazard Identification, Risk Assessment Management, and Accident Investigation	95 & 96	5.4.2 Hazard Identificationand Risk Assessment Management 5.4.3 Procedures for Investigating Occupational Accidents
	403-3 Occupational Health Services	98	5.4.5 Occupational Health Services & Awareness Activities
	403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety	94	5.4.1 Occupational Health & Safety Policy & Management System
	403-5 Worker Training in Occupational Health and Safety	97	5.4.4 Occupational Health & Safety Educational Training
	403-6 Promotion of Worker Health	98	5.4.5 Occupational Health Services & Awareness Activities
	403-7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	95,96	5.4.2 Hazard Identificationand & Risk Assessment Management 5.4.3 Procedures for Investigating Occupational Accidents

GRI Guidelines	Disclosure	Page	Corresponding Chapter/ Supplemental Explanation
GRI 403 (2018): Occupational Safety and Health	403-8 Workers Covered by the Occupational Health and Safety Management System Author	94	5.4.1 Occupational Health & Safety Policy & Management System
	403-9 Work-related injuries	99	5.4.6 Occupational Injuries & Diseases
	403-10 Work-related illness	99	5.4.6 Occupational Injuries & Diseases
Other Topics			
GRI 200: Economics			
GRI 308 (2016) Supplier Environmental Assessment	308-1 New Suppliers Screened Using Environmental Criteria	41	2.4.1 Supply Chain Overview
	308-2 Negative Environmental Impacts in the Supply Chain and Actions Taken		Wonderful Hi Tech did not terminate any supplier relationships due to non-compliance identified in audit results
GRI 414 (2016): Supplier Social Assessment	414-1 New Suppliers Screened Using Social Criteria	42	2.4.2 Supply Chain Management
	414-2 Negative Social Impacts in the Supply Chain and Actions Taken	41	2.4.1 Supply Chain Overview
GRI 204 (2016): Procurement Practices	204-1 Proportion of spending on local suppliers	41	2.4.1 Supply Chain Overview
GRI 300: Environmental Topics			
GRI 301 (2016)	301-1 The Weight or Volume of Materials Used	64	3.3.3 Waste Reduction Initiatives
	301-2 Recycled Input Materials Used	64	3.3.3 Waste Reduction Initiatives
	301-3 Recycled Products and Their Packaging Materials	64	3.3.3 Waste Reduction Initiatives
GRI 400: Social Topics			
GRI 418 (2016): Customer Privacy	418-1 Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data		There were no substantiated complaints concerning breaches of customer privacy or losses of customer data involving Wonderful Hi Tech.

Appendix II Summary of Sustainability Disclosure Metrics
Communication & Networking Sector

Metric	Annual Disclosures
Total Energy Consumption, Percentage of Purchased Electricity, and Renewable Energy Utilization Rate	Total Energy Consumption: 24,402 GJ Percentage of Purchased Electricity: 95.87% of total energy consumption; Renewable Energy Utilization Rate: 0%
Total Water Intake and Total Water Consumption	Total Water Intake: 21,000 cubic meters Total Water Consumption: 4,000 cubic meters
Weight of Hazardous Waste Generated and Percentage Recycled	Non-hazardous waste generated at this company
Description of Occupational Injury Categories, Numbers, and Rates	There were no severe occupational accidents at this company. Major occupational injuries were caused by traffic accidents during commuting, which are not included in the calculation of occupational injuries
Disclosure of Product Life Cycle Management: Weight of End-of-Life Products and E-Waste, and Percentage Recycled	The company does not have electronic waste; therefore, this is not applicable
Description of Risk Management for the Use of Critical Materials	Refer to 2.4.2 Supply Chain Management for more details
Total Financial Losses from Legal Proceedings Related to Anti-Competitive Practices	The company has incurred no financial losses resulting from legal proceedings related to anti-competitive practices
Production of Major Products by Category	See page 61 of Wonderful Hi Tech's 2023 Annual Report for details ・ Network Cables: 794,416 KM ・ Electrical Wires: 380,746 KM ・ Computer & High-Temperature Cables: 13,035 KM ・ Power Cords: 14,026 KM ・ Automotive Cables: 299,256 KM ・ Irrigation Lines: 21,787 KM ・ Others: 264,255 KM

Appendix III OTC Company Climate-related Information

Item	Disclosed Items	Page	Corresponding Chapter
1	Description of the Board's and management's oversight and governance of climate risks and opportunities	50	3.1.1 Climate Governance
2	Description of how identified climate risks and opportunities affect the organization's business, strategy, and financial planning (short, medium, and long term)	52	3.1.3 Climate Change Response Strategies
3	Description of financial implications due to extreme weather events and transition actions	52	3.1.3 Climate Change Response Strategies
4	Description of the process used to identify, assess, and manage climate risks integrated in overall risk management	52	3.1.3 Climate Change Response Strategies
5	If case analysis is used to assess resilience to climate change risks, describe the cases, parameters, assumptions, analytical methods, and key financial impacts used	—	Under Planning
6	If there is a transition plan in response to managing climate risks, describe the plan and the metrics and targets used to identify and manage physical and transition risks	54	3.1.4 Metrics & Targets
7	If internal carbon pricing is used as a planning tool, describe the basis for price setting	—	Under Planning
8	If climate-related targets are set, provide information on the activities covered, the scope of greenhouse gas emissions, target timeframe, and annual progress; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the targets, provide the source and amount of carbon credits or RECs used.	—	Under Planning
9	Greenhouse Gas Accounting and Assurance Cases	56	3.2.3 Greenhouse Gas Management