



WEIKENG INDUSTRIAL CO., LTD.



2021 ESG Sustainability Report

Notice to readers

This English-version of ESG Sustainability Report is a translation of the Chinese version and for reference only. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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Editorial Policy

About This Report

This report constitutes the first “ESG Sustainability Report” published by Weikeng Industrial Co., Ltd. (hereinafter referred to as “Weikeng” or “Weikeng Industrial”). It takes the themes of “Sustainable Management,” “Sustainable Governance,” “Sustainable Supply Chain and Environment,” and “Sustainable Workplace” as its main focuses, disclosing sustainable actions and the current status of Environmental, Social, and Corporate Governance (ESG) concerns so that stakeholders can better understand the efforts and achievements of Weikeng in implementing social responsibility and sustainable development through this report.

Reporting Scope and Calculation Basis

The information disclosure period of this report is from January 1, 2021 to December 31, 2021. The scope of disclosure is mainly based on Weikeng’s Taiwan operating locations (excluding subsidiaries in the consolidated financial statements). This encompasses the Taipei Neihu Head Office, the Neihu Tanmei Warehouse Center, the Taoyuan Housheng Warehouse Center and the South Central Liaison Office (covering Hsinchu, Taichung, and Kaohsiung). A portion of the content also covers the description of cases, management policies, goals, etc., before and after 2021. If other reporting areas are involved, this will be explained in the text of the report.

The statistics disclosed in the report come from the results of Weikeng’s own statistics and investigations, and are presented using internationally accepted indicators. Any estimates will be noted in each relevant section. Financial data is derived from the consolidated financial statement information published by KPMG Taiwan after auditing and attestation in accordance with International Financial Reporting Standards (IFRS) and are calculated in New Taiwan Dollars.

Editorial Principles and Verification of the Report

This report is prepared in accordance with the GRI Standards (GRI Standards: Core Options) as issued by the Global Reporting Initiative (GRI) and with reference to the guidelines and framework listed in the Rules Governing the Preparation and Filing of ESG Sustainability Reports by TWSE Listed Companies as issued by the Taiwan Stock Exchange Corporation. It discloses the sustainability themes, strategies, and specific actions of Weikeng in accordance with the reporting principles; the GRI Content Index is detailed in Appendix I.

In respect to Weikeng's ESG Sustainability Report, Mr. Chou Kan-Lin (@Fama Chou), Chief Financial Officer/Spokesman/Corporate Governance Officer, serves as the general convener of the ESG Sustainability Report Compilation Group and is responsible for its overall planning, communication and integration, and data collection. All relevant departments of the Company participate in the editing, revision, and proofreading of the Report. This report has not been verified by an impartial third party. In order to ensure the correctness of the Report contents, after the report data has been compiled and after reconfirmation is made by each department, it is finally submitted to the Sustainable Development Committee and the Board of Directors for approval and publication.

Publication Date of the Report

Weikeng published its first ESG Sustainability Report in September 2022 with simultaneous public release on the Company's official website. Going forward, we will continue to compile and publish the ESG Sustainability Report every year.

Contact Information

If you have any advice or suggestions regarding the contents of this Report, you are welcome to contact us by using the following contact information:

Weikeng Industrial Co., Ltd.

Address: 11F, No. 308, Section 1, Neihu Rd, Neihu District, Taipei City

Contact Person; Spokesman Chou Kan-Lin (@Fama Chou)

Title: CFO

TEL: (02) 2659-0202

Email: famachou@weikeng.com.tw

Company website: <https://www.weikeng.com.tw>





Message from the Chairman

Weikeng Group continues to strengthen corporate governance and sustainable development. We look forward to working with our upstream and downstream partners to reduce environmental impact and comply with social laws and regulations for a green and sustainable semiconductor supply chain. The Company's major vendors are all internationally renowned integrated device manufacturers (IDMs) or fabless IC design companies. They have invested management resources in the five major areas of labor, health and safety, environment, code of ethics, and management system to meet the requirements of the Responsible Business Alliance (RBA)/Electronics Industry Citizenship Coalition (EICC). As a distributor of these upstream vendors, the Company will continue to link up with our customers and the entire supply chain partners to do our part in social and environmental concern issues.

In response to the requirements of vendors, the Company follows specifications of the Responsible Business Alliance (RBA)/Electronics Industry Citizenship Coalition (EICC). Furthermore, we formulated a "Code of Conduct for Suppliers" in May 2020 to actively promote a sustainable supply chain. As of the end of 2021, 50 non-vendor suppliers/subcontractors had signed the Responsible Business Alliance (RBA) Code of Conduct commitment. Beyond this, we set up a cross-departmental green product management structure to ensure that product life cycle is compliant with the Restriction of Hazardous Substances (RoHS) and REACH Substances of Very High Concern (SVHC), as well as meeting the requirements of the Responsible Business Alliance (RBA)/Electronics Industry Citizenship Coalition (EICC). Moreover, we connect with downstream customers and commit to investing management resources in the five aspects of labor, health and safety, the environment, ethics, and management systems. We do so to achieve the joint participation of the entire supply chain's partners in respect to social and environmental concerns, and to implement sustainable supply chain management strategies.

Climate change has made energy conservation and carbon reduction a major demand for electrical and electronic products. The Company will evaluate the potential risks and opportunities of climate change to the business now and in the future at all times, actively cooperating with upstream vendors in the hope of doing our utmost to invest in energy conservation and carbon reduction products while also investing more resources

in demand creation for related application solutions. For example, power management, electric vehicle charging piles, smart grids, wind power generation, solar power inverters and so on all represent green business opportunities. Upstream vendors have also actively expanded research and development capacity of compound/type 3 semiconductor products. The Company will additionally invest in the automotive/electric vehicle and industrial energy related markets in order to develop more stable, more efficient, and low energy consumption product solutions, thereby grasping green energy industry business opportunities.

In order to improve our sustainable development framework, the Company formulated the Protection of Human Rights Policy, Intellectual Property Management Plan, and Risk Management Policy and Procedures in 2021. Furthermore, we continue to sponsor environmental protection issues, education and sports resources, research institutions, and so on, cultivating scientific and technological talent in response to the UN Sustainable Development Goals (SDGs). In March 2022, the Board of Directors approved the establishment of a Sustainable Development Committee. It has formed two functional groups, namely, the Sustainable Development Group and the Risk Management Group, to ensure the promotion and implementation of work related to corporate sustainable development. The Company is committed to fulfilling our corporate social responsibility and following international trends. In addition to actively addressing the concerns of our stakeholders regarding environmental, social, and corporate governance issues, we furthermore carry out practical risk assessment and undertake countermeasures in order to strengthen the goals of corporate governance and sustainable operations.

Chairman : Douglas Hu



Awards and Recognition

Since our establishment in 1977, Weikeng has been deeply rooted in the Asia-Pacific region. We have powerful competitive strength in the industry, a solid marketing team, and robust financials. Given our solid technical services, strong supply chain, and logistical support, we have always been a trusted partner of semiconductor component manufacturers and information peripheral product manufacturers. Through 45 years of hard work, we have won deep affirmations by vendors and recognition through awards.



On November 24, 2021, recognized as a top 500 import and export manufacturer in 2020 by the International Trade Bureau



Lite-On Best Supplier 2021



2021 Molex Asia Pacific Southern Region Distributor of the Year Award



Infineon Best Achievement Award 2021



2021 Infineon Greater China Best Performance Distribution Partner Award



Infineon DFAE Largest Sales Champion Distribution Partner Award 2021



2021 Microchip Greater China Best Distributor Award



2021 Microchip New Development Revenue Outstanding Contribution Award



2021 Microchip Total System Solution Outstanding Achievement Award



2021 Vishay Sales Achievement of US\$100 Million Mileage Award



Weikeng's awards and recognitions over the years



1. Sustainable Management

1.1 Company Overview

1.2 Promotion and Management of Sustainability

1.3 Stakeholder Identification and Communication

1.4 Analysis of Material Topics



1.1 Company Overview

Weikeng Industrial was established in January 1977 with capital of NT\$500,000. Our primary business is distribution and technical services for every type of semiconductor electronic component and information peripheral channel product along with the provision of technical services, and the business is expanding rapidly. Furthermore, we are deeply cultivating markets in Greater China (Taiwan, Hong Kong, China) and Southeast Asia (Singapore, Philippines, Malaysia, Thailand, Vietnam) while acting as a distributor for electronic components of more than 60 franchising product lines including brands such as AMD, Amazing, Cypress, Infineon, Lattice, Microchip, Molex, NXP, Sinopower, Vishay, and Western Digital. Ordinary shares issued by Weikeng Industrial were officially listed for trading on the Taipei Exchange (TPEX) in October 2000; and they were relisted on the Taiwan Stock Exchange (stock code: 3033) in August 2002.

In order to meet the needs of our customers in terms of the timeliness of supply as well as downstream customers' needs to set up factories overseas and increase the flexible application of spot scheduling, Weikeng has established subsidiaries in Hong Kong, China, and Singapore respectively that with responsibility for market expansion in Hong Kong, China and Southeast Asia respectively. With business covering the Asia-Pacific region as well as distribution locations and a complete marketing system, we have formed a strong sales channel and technical service base and obtained a competitive position on a Group scale.

Looking to the future, Weikeng will continue to expand and integrate its franchising product lines within its established scale of business in Greater China and Southeast Asia. We shall strive to exercise our advantages to introduce complementary franchising product lines in order to strengthen the integrity of our product lines portfolio and the balance of our product lines sales structure. In doing so, we shall adhere to and strengthen technical support service capabilities as we continuously provide a range of product solutions for downstream manufacturers/customers and upstream vendors and significantly shorten the development and time-to-market of new products for customers. Furthermore, we shall strengthen sales and logistics support services in the Asia-Pacific region, starting from partnerships to provide professional value-added services and implement a business philosophy of "Bring Technology to Create Value." Under the leadership of the management team, we shall continue to regard technical support services and development of new product solutions as our core competitiveness as we strive for the Company's operational growth with a steady and solid expansion strategy, while taking into account sustainable development and enhancing market competitiveness.

Basic information of the Company

Item	Contents
Company Name	Weikeng Industrial Co., Ltd.
Market category	TWSE listed companies
Stock Code	3033
Industry category	Electronic distribution industry
Headquarters	11F, No. 308, Section 1, Neihu Rd, Neihu District, Taipei City
Chairman	Mr. Hu Chiu-Chiang (@Douglas Hu)
President	Mr. Chi Ting-Fang (@Stan Chi)
Major Products	Franchising products can be categorized into chipsets/standard ICs for special applications, mixed-signal and discrete components according to the characteristics of the products we resell Weikeng Industrial Co., Ltd. acts as a distributor for electronic components of more than 60 franchising product lines including brands such as AMD, Amazing, Cypress, Infineon, Lattice, Microchip, Molex, NXP, Sinopower, Vishay, and Western Digital.
Date of establishment	January 20, 1977
Date of listing	August 2002
Paid-in capital amount	NT\$4,159,341 thousand (as of December 31, 2021)
Number of employees	Weikeng Industrial has a total of 490 employees in Taiwan The total number of employees of Weikeng Group is 1,254
Net sales	NT\$72,404,886 thousand (consolidated revenue); NT\$29,964,915 thousand (individual revenue of parent company)
Number of customers served by the Group	More than 6,000
Operating locations	The affiliated companies of Weikeng Group encompass a total of seven corporate entities, with two located in Taiwan, four in China (including Hong Kong), and one in Singapore.



◆ Sales Channels and Technical Service Locations



Weikeng Group is deeply engaged in markets in Greater China and Southeast Asia, with operating locations in Taiwan, China, Hong Kong, and Singapore, for a total of seven corporate entities. Service bases cover the Asia-Pacific region, respectively including Taiwan (Taipei/Hsinchu/Taichung/Kaohsiung), China (Shanghai/Shenzhen/Beijing/Shenyang/Xi'an/Hangzhou/Taizhou/Nanjing/Suzhou/Xiamen/Fuzhou/Qingdao/Jinan/Zhengzhou/Wuhan/Guangzhou/Dongguan/Chengdu/Chongqing), Singapore, Thailand (Bangkok), the Philippines (Manila), Vietnam (Ho Chi Minh City/Hanoi), Malaysia (Penang), for a total of 30 service locations.

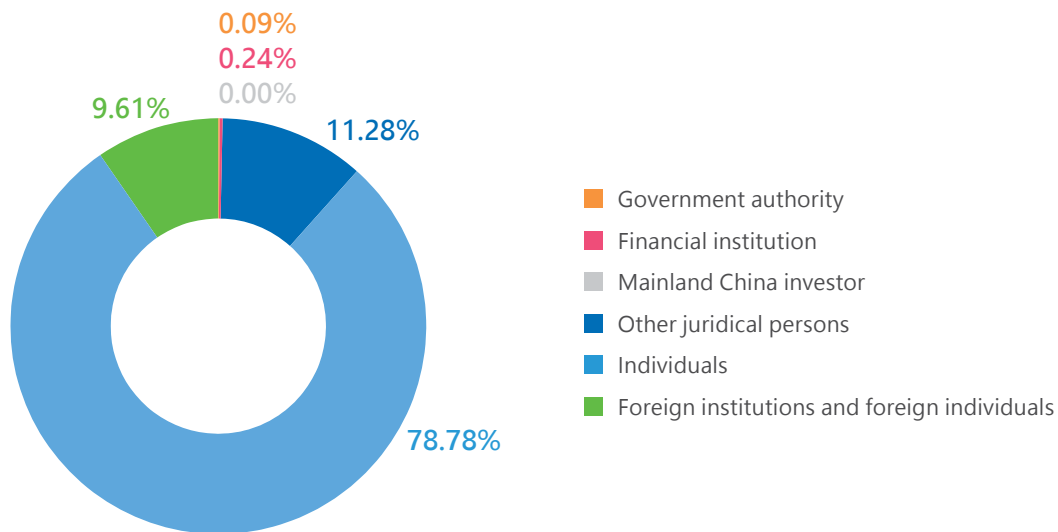
For more information, please refer to Weikeng's official website: <https://www.weikeng.com.tw/content.php?no=55>

Shareholder Structure and Shareholding Ratios

Information dated as of April 18, 2022

Shareholder structure	Government authority	Financial institution	Mainland China investor	Other juridical persons	Individuals	Foreign institutions and foreign individuals	Total
Number of people	1	1	1	280	60,095	108	60,486
Number of shares held	387,013	1,010,000	1	40,361,320	331,905,335	40,470,148	421,294,256
% of shareholding	0.09%	0.24%	0.00%	11.28%	78.78%	9.61%	100.00%

Note: Mainland capital refers to the people, legal persons, organizations, and other institutions in the mainland area, or companies investing in third areas as specified in Article 3 of the Taiwan's Measures Governing Investment Permits for the People from the Mainland Area.



Main Products and Services

The Company currently distributes products for a wide range of semiconductor component brands including IDMs or fabless IC design companies, such as AMD, Amazing, Cypress, Infineon, Lattice, Microchip, Molex, NXP, Sinopower, Vishay, Western Digital, etc. However, we still continue to develop new products and applications in the semiconductor market, continue to seek new opportunities for distribution cooperation, and create new customer needs. Currently, in the fields of industrial electronics, automotive electronics, mobile communications, consumer electronics, computer peripherals, and AI/5G applications, the Group's regional companies are capable of providing competitive components, technical support services, and efficient supply chain management services to achieve a win-win-win situation through the Group's intermediary role by linking upstream vendors and downstream customers.

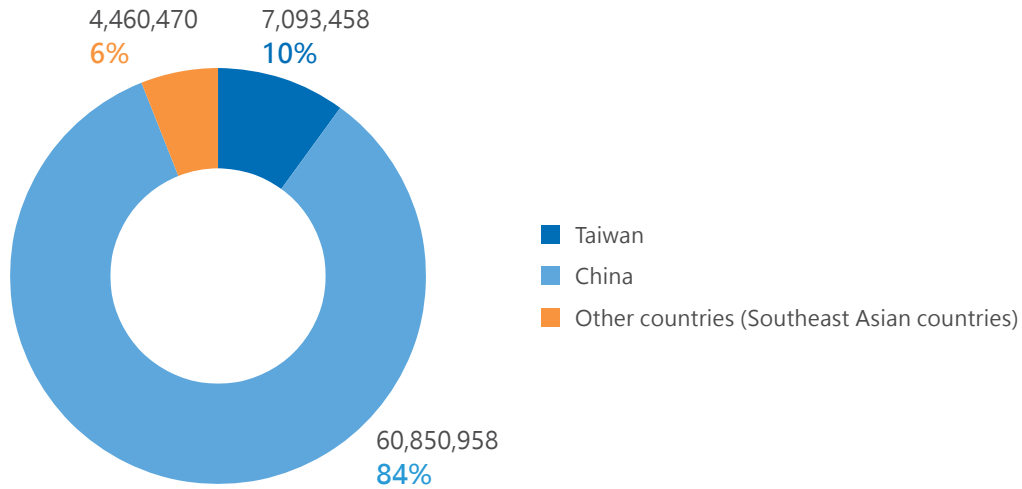
Weikeng Industrial's Main Franchising Product Lines



The Company will continue to expand and integrate its franchising product lines within its established scale of business in Greater China and Southeast Asia. We shall strive to exercise our advantages to introduce complementary franchising products in order to strengthen the integrity of our product lines portfolio and the balance of our product lines sales structure. In doing so, we shall adhere to and strengthen technical support service capabilities as we continuously provide a range of product solutions for downstream manufacturers/customers and upstream vendors and significantly shorten the development and time-to-market of new products for customers. Furthermore, we shall strengthen the Asia-Pacific region to provide sales and logistics support services in accordance with the requirements of all products and regulations in each region. There have been no cases of products being banned from sale or removed from shelves in accordance with the law in 2021.

The products the Company resells as a distributor can be categorized into chipsets/standard ICs for special applications, mixed-signal and discrete components according to the characteristics of the products we resell. About 100% of our business is in the sales of electronic components and peripheral equipments. The Company's sales targets are computer/communication/consumer/industrial/automotive and other electronic product manufacturers and OBM /ODM/OEM customers. The whole Group serves more than 6,000 customers and our primary sales areas are mainly in Taiwan and China while also expanding to Southeast Asia.

Overview of Weikeng Group's Main Product Sales in 2021			
Sales Region	Amount percentage	Amount (New Taiwan Dollar thousands)	Percentage (%)
Taiwan		7,093,458	9.80%
China		60,850,958	84.04%
Other countries (Southeast Asian countries)		4,460,470	6.16%
Total		72,404,886	100%



Organization Participation

Weikeng Industrial actively participates in industrial societies, trade associations, and other groups or organizations. Through mutual communication and cooperation we can understand and master the latest developments and information of the industry. In 2021, we participated in organizations including the Taipei Computer Association (TCA), the New Taipei City Computer Association (NTCA), the Taipei Electronic Components Suppliers’ Association (TECSA), and so on. Among these organizations, the Company’s Chairman, Mr. Hu Chiu-Chiang, served as Executive Supervisor of the Chinese Association of Valuation and Executive Director of the Chinese Society for Management of Technology. We held ordinary membership in the remaining organizations.

Name of organization	Position
Taipei Computer Association (TCA)	Member
New Taipei City Computer Association (NTCA)	Member
Taipei Electronic Components Suppliers’ Association (TECSA)	Member
Chinese Management Association	Member
Chinese Association of Valuation	Executive supervisor
Chinese Society for Management of Technology	Executive Director

1.2 Promotion and Management of Sustainability

Weikeng Industrial is a professional distributor of electronic components and computer peripheral equipments. As one of the important key components supply chain members in the electronics manufacturing industry, we exercise optimal and sustainable development to provide employees with appropriate safety, industrial safety, and environmental



related policies and training. The Company is committed to implementing sustainable development via the integration of corporate resources through internal and external education and training. We have established a risk management system for product quality, the environment, safety, health, ethics, and employee rights and interests in accordance with relevant regulations and standards. We do so in order to achieve a sustainable development policy and uphold our commitment to continuous improvement as well as the pursuit of excellence and the spirit of sustainable management.

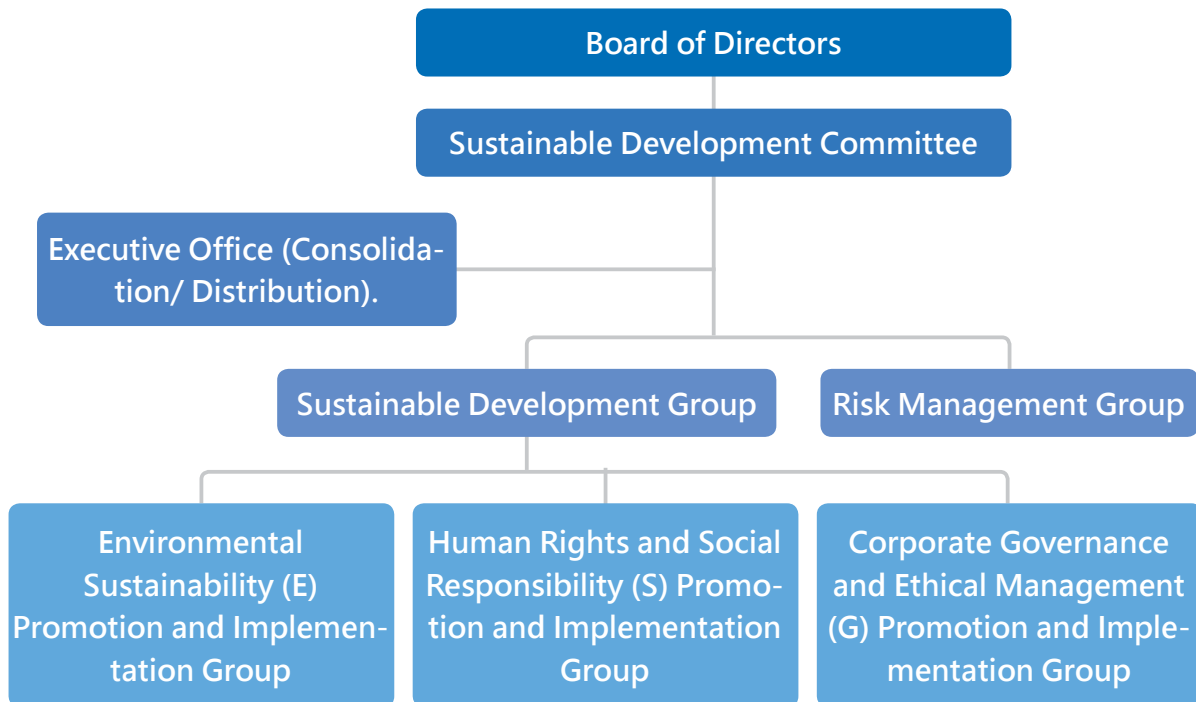
◆ Sustainable Development Committee

The Company is committed to fulfilling our corporate social responsibility and following international trends. In addition to actively addressing the concerns of our stakeholders regarding environmental, social, and corporate governance issues, we furthermore carry out practical risk assessment and undertake countermeasures in order to strengthen the goals of corporate governance and sustainable operations.

Although the we had not yet established a committee to implement matters related to sustainable development as of 2021, the Board of Directors is still the highest decision-making and supervisory unit, and the Chairman Office is the dedicated unit responsible for planning, communication and coordination and operations of the various information of the Company's sustainable development, as well as the implementation affairs unit for sustainable development matters in conjunction with the Company's various business and functional units, including the sales, technical support (including R&D) and administrative and logistics support departments; this is done through our Sustainable Development Policy and our Sustainable Development Best Practice Principles.

In order to implement the Sustainable Development Policy more effectively, the Company's Board of Directors passed a resolution on March 25, 2022 to set up a Sustainable Development Committee and established the first session thereof in order to serve as the highest guiding unit for the planning and discussion of sustainable development. The Board of Directors appointed Chairman Mr. Hu Chiu-Chiang, Chief Operating Officer and Director Mr. Chi Ting-Fang (promoted to President and CEO on September 1, 2022), and all independent directors (three seats: Mr. Tsai Yu-Ping (@Edward Tsai), Mr. Lin Hung (@Vincent Lin), and Ms. Yu Hsueh-Ping (@Peggy Yu); independent director Yu Hsueh-Ping was to serve as convener of the Committee and presiding chair of its meetings. The Sustainable Development Committee has formed two functional groups, namely, the Sustainable Development Group and the Risk Management Group, and has established the Sustainable Development Committee Charter to ensure the promotion and implementation of work related to corporate sustainable development.

Sustainable Development Committee



► Sustainable Management Responsibilities

Responsibilities of the Sustainable Development Committee

The Sustainable Development Committee shall carry out its powers in accordance with the Sustainable Development Committee Charter as approved by the Board of Directors, including:

1. Formulating the Company's sustainable development policy.
2. Formulating the goals, strategies and implementation plans for corporate sustainable development, including sustainable governance, ethical management, and environmental and social aspects.
3. Reviewing, tracking and revising the implementation and effectiveness of the Company's sustainable development and reporting to the Board of Directors on a regular basis.
4. Focusing on issues of concern to stakeholders and supervising communication plans.
5. Reviewing the risk management policy, including but not limited to information and cyber security, etc.
6. Reviewing the appropriateness of the risk management framework.
7. Reviewing major risk management strategies, including risk appetite or tolerance.
8. Reviewing the management reports of major risk issues and supervise the improvement mechanism and reporting the risk management performance to the Board of Directors on a regular basis.



Sustainable Development Group			Risk Management Group
Environmental sustainability (E) Promotion and Implementation Group	Human Rights and Social Responsibility (S) Promotion and Implementation Group	Corporate Governance and Ethical Management (G) Promotion and Implementation Group	1. To develop and revise risk management related regulations, including but not limited to information security. 2. To implement and improve the Company's risk management and information security related work, hold regular meetings, and report the implementation status to the Sustainable Development Committee.
1. To provide policies and plans related to environmental sustainability 2. To implement and promote the Company's environmental sustainability related work, hold regular meetings, and report the implementation status to the Sustainable Development Committee.	1. To provide policies and plans related to social responsibility and protection of human rights, including human rights, privacy, labor-management relations and workplace friendliness, talent attraction and cultivation, and labor practices, community care, and other related issues. 2. To implement and promote the Company's corporate social responsibility related work, hold regular meetings, and report the implementation status to the Sustainable Development Committee.	1. To establish strategic goals related to sustainable development, including ethical management, and to strengthen the Company's management system. 2. To implement, improve and promote the Company's corporate governance and ethical management related work, hold regular meetings, and report the implementation status to the Sustainable Development Committee.	

1.3 Stakeholder Identification and Communication

◆ Stakeholder Identification

Weikeng Industrial convenes the supervisors at or above the manager level of each unit to conduct stakeholder identification meetings, where they inventory those stakeholders that may be contacted or affected by the business of each unit while simultaneously making reference to stakeholder groups in the same industry and AA 1000 stakeholder engagement standards. In this way, they establish the stakeholders of the six main communication targets, including: shareholders, investors, and financial institutions; employees; vendors and upstream suppliers; customers; non-vendor suppliers and contractors (transportation, warehousing, customs declaration, insurance, information technology, and general matters); government and society (communities, academic research institutions, NGOs/nonprofits, media).



Stakeholder Communication

Employees			
Significance and Importance to Weikeng	Communication channels	Communication frequency	Issues of Concern
<p>The Company attaches great importance to the basic human rights of employees and a safe workplace environment. We emphasize that all employees of the Company can receive fair and dignified treatment, allowing them to take full advantage of their professional learning ability and maximum contributions. The Company provides employees with comprehensive and reasonable salaries and benefits and provides a training system with growth opportunities to foster harmonious labor-management relations.</p>	<p>Labor-management meetings</p> <hr/> <p>Dedicated staff hotline</p> <hr/> <p>Dedicated staff email</p> <hr/> <p>Internal web page</p> <hr/> <p>Interview</p>	<p>Regular (once per quarter)</p> <hr/> <p>Immediate</p> <hr/> <p>Immediate</p> <hr/> <p>Immediate</p> <hr/> <p>Immediate</p>	<ol style="list-style-type: none"> 1. Protection of fundamental human rights 2. Safe workplace and health care 3. Salary and benefits 4. Labor-management relations and friendly workplace 5. Training and development



Weikeng's Response Status/Results

1. The Board of Directors issued a Protection of Human Rights Policy on June 29, 2021, and it was published on the Company's official website.
2. The Company has established the Occupational Safety and Health Committee and the Occupational Safety and Health Department that are staffed by qualified personnel. They carry out daily occupational safety and health operations in order to provide a safe workplace environment for employees.
3. In 2021, the Kang-Ning General Hospital was designated to conduct annual health checkups for employees, and the employee participation rate was 90%.
4. In cooperation with Cathay General Hospital, doctors were invited to provide health care and consultation services for employees in 2021, for a total of 6 times and 18 hours.
5. During the COVID-19 pandemic in 2021, in order to control the risk of infection, employees were allowed to work from home and took turns coming to the office for about three months, and employees were allowed to take quarantine leave, care leave, and vaccination leave as needed; and when all employees resumed work at the Company, employees who had family care needs could apply for a flexible work schedule or continue to work from home.
6. The Company's remuneration policy is disclosed in the financial statements audited and attested by CPAs and on the Company's official website. In June 2021, the Company was included as a "Taiwan High Compensation 100 Index" constituent stock and the average salary increase in 2021 was 4.43 %. Furthermore, the 2020 employee remuneration distribution was completed on June 30 in accordance with employee performance evaluations.
7. In respect to communication in labor-management relations, quarterly labor-management meetings and quarterly all staff meetings were held in 2021, serving as a bridge of communication between labor and management as well as between employees and supervisors. The Human Resources Office also has an employee grievance mechanism and channels that allow employees to safeguard their rights in the workplace at all times.
8. We conduct employee performance appraisals twice a year, and encourage participation in further education, training or obtaining of relevant professional certificates. In 2021, a total of 1,558 staff education and training sessions were held for a total of 2,259.5 hours.
9. The Company has an Employee Welfare Committee to handle related employee welfare activities.
10. In accordance with the Gender Equality Act, the Labor Standards Act, the government's population policy and family policies, and so on, we implement the Company's service map to take care of employees and establish a friendly workplace.

Shareholders, investors, and financial/securities institutions

Significance and Importance to Weikeng	Communication channels	Communication frequency	Issues of Concern
<p>The Company properly utilizes funds originating from direct and indirect financing in order to maximize their utilization benefits and create a positive feedback cycle. The Company also regularly or intermittently publishes and announces financial and operational information.</p>	<p>Meetings with financial institutions</p> <hr/> <p>Shareholders' Meeting</p> <hr/> <p>Dedicated staff hotline</p> <hr/> <p>Dedicated staff email</p> <hr/> <p>Company official website</p> <hr/> <p>Investor conferences</p>	<p>Immediate / intermittent</p> <hr/> <p>Once per year (Before the end of June every year)</p> <hr/> <p>Immediate</p> <hr/> <p>Immediate</p> <hr/> <p>Immediate</p> <hr/> <p>At least once per year (November every year)</p>	<ol style="list-style-type: none"> 1. Corporate Governance 2. Business performance and market competitiveness 3. Business strategy and outlook 4. Ethical management

Weikeng's Response Status/Results

1. The Company holds investors/earnings conferences at least once a year, including the one in 2021 on November 26.
2. The sales revenue announcement of the prior month is released before the tenth day of each month, and the self-assessed income or loss status is announced by the end of the next month following the end of each quarter.
3. Financial statements are published within the statutory time limit after being reviewed or audited and attested by CPAs.
4. The annual General Meeting of Shareholders is regularly convened to report business conditions and dividend policies to shareholders, and to resolve relevant statutory matters. We upload the resolutions of the meeting to the Market Observation Post System (MOPS) of the Taiwan Stock Exchange and disclose them on the Company's official website.
5. Events that require the publication of material information through the Market Observation Post System of the Taiwan Stock Exchange are simultaneously disclosed on the Company's official website, and a total of 29 such events were published in 2021.
6. From time to time, we accept visits from credit financial institutions or securities dealers to discuss the Company's capital demand needs plan and for them to make suggestions to the Company for decision-making reference.
7. The Company conducts its business activities in a fair and transparent manner based on the principle of ethical corporate management. We have also established management regulations approved by the Board of Directors; for example, the Ethical Corporate Management Best Practice Principles, the Code of Ethical Conduct, and the Whistleblower Reporting System, doing so in accordance with the implementation of specification and review.



Vendors/ Upstream Suppliers

Significance and Importance to Weikeng	Communication channels	Communication frequency	Issues of Concern
<p>Upstream vendors are important partners of Weikeng in the practice of sustainable operations while linking technology and creating value. In line with the global sustainability development trend and the themes of the Responsible Business Alliance (RBA) we help OEMs assess potential risks and opportunities in the market and jointly develop better solutions for downstream customers to create growth.</p>	<p>Quarterly Business Review</p> <hr/> <p>Telephone</p> <hr/> <p>Email</p> <hr/> <p>On-site audits</p>	<p>Once per quarter</p> <hr/> <p>Immediate</p> <hr/> <p>Immediate</p> <hr/> <p>Intermittent</p>	<ol style="list-style-type: none"> 1. Product promotion and demand development capabilities and performance 2. Product trade and compliance with environmental protection regulations 3. Logistics and supply chain management 4. RBA management themes 5. R&D and application of green products, etc.

Weikeng's Response Status/Results

1. In addition to establishing EDI connections with major vendors, the Company's business team participates in quarterly business review meetings held by vendors to enable them to grasp the capabilities and performance of the Company's product promotions and demand development in a timely manner.
2. In order to comply with product trade regulations, the Company has designed the customer screening engine to interface with the U.S. International Trade Administration's (ITA) Consolidated Screening List (CSL) application programming interface (API) to ensure all stages of our operations are in compliance with the related import/export regulations.
3. Through a high-quality logistics management system enhancing the management value of Weikeng at each node of the supply chain, we can provide correct and effective demand information to upstream vendors and assist them in controlling production and supply plans that may face the "bullwhip effect" of demand variability at each node of the supply chain.
4. Weikeng abides by the code of conduct of RBA's five management themes, so that electronic product related enterprises (including upstream vendors, the Company, and downstream customers) take responsibility for sustainability and make every effort to develop a sustainable semiconductor supply chain.
5. As an distributor of upstream vendors, Weikeng is committed to developing a green supply chain for semiconductors by investing resources in sales, technology, and operating management systems to fulfill our responsibility for environmental protection.

Customers			
Significance and Importance to Weikeng	Communication channels	Communication frequency	Issues of Concern
<p>With the development trend of technology products, we continue to provide customers with competitive parts, technical support services, and new product solutions. In this way, the intermediary role of the Group can achieve technology linkages between upstream vendors OEMs and downstream customers to create mutually beneficial value.</p>	<p>Specialist meetings (including video)</p> <hr/> <p>Telephone</p> <hr/> <p>Email</p> <hr/> <p>Customer questionnaires</p> <hr/>	<p>Immediate</p> <hr/> <p>Immediate</p> <hr/> <p>Immediate</p> <hr/> <p>Intermittent</p> <hr/>	<ol style="list-style-type: none"> 1. Ethical management and ethical commitment 2. Products and services 3. R&D innovation and green products 4. Customer privacy and confidential information protection 5. Labor rights 6. Supply chain management 7. Compliance with environmental laws and regulations, etc.

Weikeng's Response Status/Results

1. The Company has established Ethical Corporate Management Best Practice Principles, a Code of Ethical Conduct, and a Whistleblower Reporting System. Furthermore, we have signed purchase contracts at the request of customers to standardize our commitment to integrity, protection of trade secrets, and the Responsible Business Alliance (RBA) and Electronics Industry Citizenship Coalition (EICC). The Company has reviewed the relevant provisions and has complied with them.
2. The products and services provided by the Company are based on the product agency contracts signed with upstream vendors, and the contracts have been regulated with respect to product intellectual property protection, product quality and safety, warranty and after-sales service, marketing and labeling, etc., to protect the rights and interests of customers.
3. Affiliates among Weikeng Group and upstream vendors continue to develop new products in the semiconductor market (including but not limited to green products) as well as new applications. This is done in addition to meeting customer product needs and assisting customers to shorten the development and time-to-market of new products. In addition, the regional companies of the Group are capable of providing customers with competitive parts and technical support services, as well as efficient supply chain management services.



Weikeng's Response Status/Results

4. The design and production of related IC products is completed in the upstream vendors' production cycle. The OEM must first ensure that all materials are in compliance with EU RoHS as well as REACH Substances of Very High Concern (SVHC) and other environmental protection standards. When the Company sells related products as a distributor, we deliver to the customer certification that the vendor complies with environmental protection regulations together with the product specifications. This is done to prove that the product is in compliance with environmental regulations and that the product is safe and meets health requirements in use.

Non-vendor suppliers / contractors
(Transportation / warehousing / customs declaration / insurance / information technology / general matters)

Significance and Importance to Weikeng	Communication channels	Communication frequency	Issues of Concern
<p>It is an important partner for Weikeng to complete the operation research support system and supply chain management. The Company focuses on "ethical corporate management," "risk management," and "supply optimization" as we look forward to working together on the three major aspects of the economic, environmental, and social areas. We are committed to improving the performance of logistics and supply chain management and to unleashing the sustainable influence of responsible supply chains.</p>	<p>Exchange meetings (including video)</p> <hr/> <p>Telephone</p> <hr/> <p>Email</p> <hr/> <p>Operational and environmental site assessments</p> <hr/> <p>Annual price negotiation</p>	<p>Immediate</p> <hr/> <p>Immediate</p> <hr/> <p>Immediate</p> <hr/> <p>Regular</p> <hr/> <p>According to the contract period</p>	<p>1. Compliance with Responsible Business Alliance Code of Conduct and anti-corruption and anti-bribery policies</p> <p>2. Service commitment, quality and responsibility</p> <p>3. Legal compliance and operational risk management</p>

Weikeng's Response Status/Results

1. Suppliers and contractors are required to commit to complying with the requirements of the RBA Code of Conduct, so that as the Company commits to the industry's operational research support system and supply chain management activities, it can create a positive cycle among partners, exert the sustainable influence of a responsible supply chain, and enable the relevant support system partners to strive to provide a safe working environment, dignified labor relations, and ethical operations, and so that they can jointly contribute to environmental protection. As of the end of 2021, 50 non-vendor suppliers/contractors had signed the Responsible Business Alliance (RBA) Code of Conduct commitment.

Weikeng's Response Status/Results

2. Weikeng emphasizes "ethical corporate management", "risk management" and "supply optimization" and requires its partners to commit to providing responsible, quality and legal supply chain services to Weikeng in the economic, environmental and social areas.
3. For subcontracted contractors, such as outsourced storage management and product programming, we regularly or irregularly review their operating sites and conduct compliance inventory assessments of standard operating procedures.

Government / competent authorities and society
(Communities, academic research institutions, non-governmental/non-profit organizations, media, etc.)

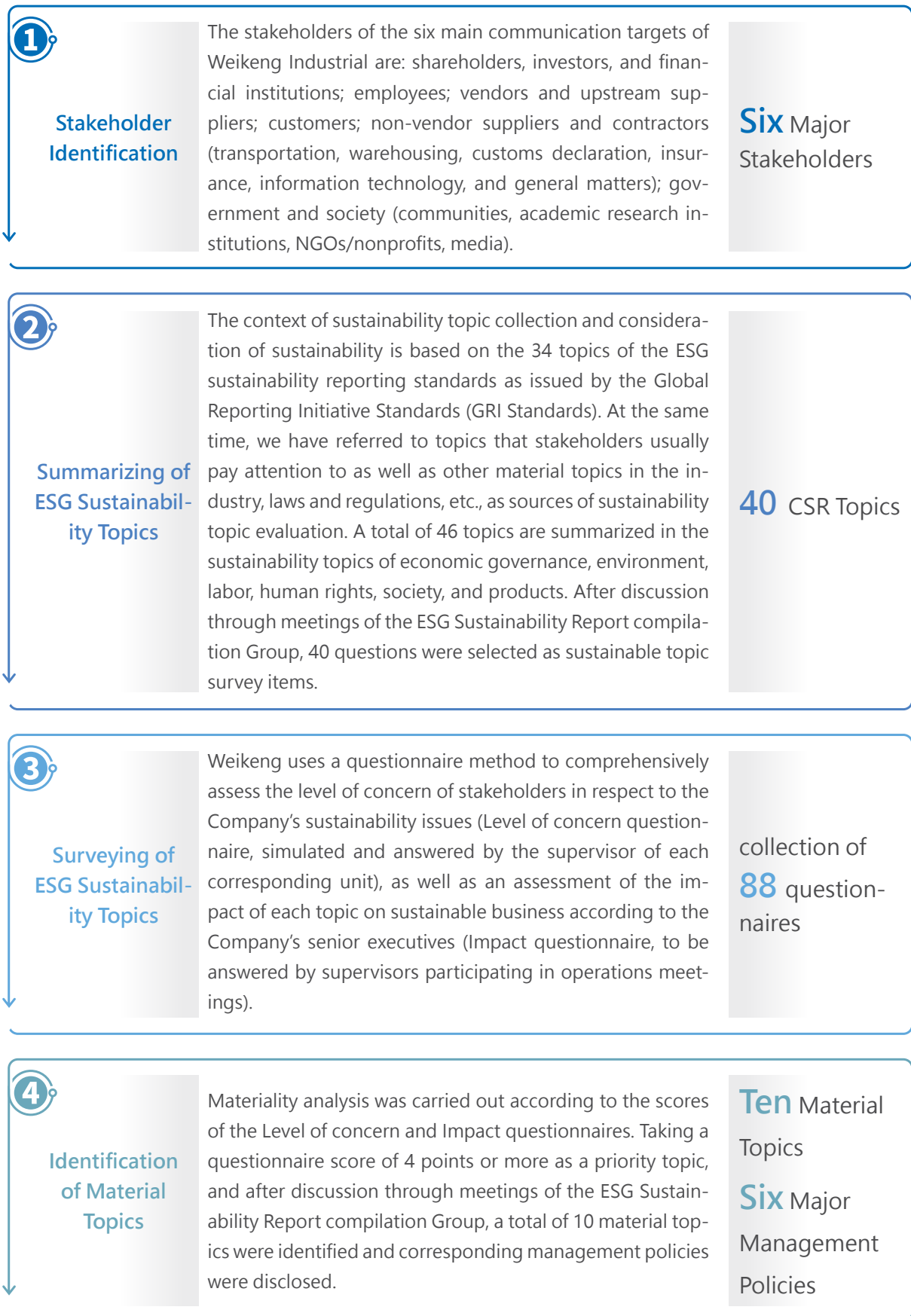
Significance and Importance to Weikeng	Communication channels	Communication frequency	Issues of Concern
<p>Weikeng is committed to honesty and compliance with government regulations in its operations, creating employment opportunities and economic development so that society and the Company can create shared value. We also pay attention to education, the environment and social issues in a timely manner and devote resources to society in the hope that society can form a harmonious and friendly cycle. At the same time, maintaining good communication channels with the media will help Weikeng convey a complete corporate message and image, and allow more stakeholders to share information simultaneously.</p>	<p>Official documents</p> <hr/> <p>Regulatory briefings/seminars</p> <hr/> <p>Publicity briefings</p> <hr/> <p>On-site audits</p> <hr/> <p>Participation and sponsorship of social welfare/academic research projects</p> <hr/> <p>Released via Market Observation Post System Material information</p> <hr/> <p>Institutional investor conferences</p> <hr/> <p>Reporter interviews</p>	<p>Intermittent</p> <hr/> <p>Intermittent</p> <hr/> <p>Intermittent</p> <hr/> <p>Intermittent</p> <hr/> <p>Intermittent</p> <hr/> <p>Immediate</p> <hr/> <p>At least once per year (November every year)</p> <hr/> <p>Intermittent</p>	<ol style="list-style-type: none"> 1. Ethical management and compliance with laws and regulations 2. Labor-management relations and occupational safety and health 3. Intellectual property rights maintenance and management 4. Social engagement 5. Information disclosure and sharing.

**Weikeng's Response Status/Results**

1. The affiliated companies within the Weikeng Group perform their business activities in accordance with local laws and regulations, such as company law, labor law, tax law, securities and exchange law, and business accounting law, etc., where they operate, and have not violated any laws or regulations or ethical corporate management.
2. Matters that must be reported to the competent authority on a regular basis shall be handled in accordance with the regulations.
3. On-site audits by the competent authority did not record any violations of regulations or the need for regular improvements.
4. The Company has formulated an intellectual property management plan, which was approved by the Board of Directors on June 29, 2021 as the basis for the maintenance and management of intellectual property rights.
5. The Company sponsored social welfare or academic research institutions for a total amount of NT\$800,000 in 2021.
6. Events that require the publication of material information through the Market Observation Post System of the Taiwan Stock Exchange are simultaneously disclosed on the Company's official website, and a total of 29 such events were published in 2021.
7. The Company holds investors/earnings conferences at least once a year, including the one in 2021 on November 26.
8. For the status of response to issues related to labor-management relations and occupational safety and health, please refer to the explanation under "Stakeholders: Employees."
9. Since 2019, the Company has sponsored the "Earth Day" event staged by the Commercial Times for three consecutive years, thereby focusing to environmental protection activities to benefit the Earth. In June 2021, we additionally engaged in a joint publication activity with the Business Times; entitled "Thank you to medical and pandemic prevention personnel: one life on a shared island and working together to fight the pandemic," it was undertaken in response to severe domestic COVID-19 pandemic conditions.

1.4 Analysis of Material Topics

In the preparation of our 2021 ESG Sustainability report, Weikeng Industrial has introduced materiality analysis in accordance with GRI guidelines. Through systematic analysis methods, we have identified material topics of interest to stakeholders as a reference basis for information disclosure in the Report. The materiality analysis of this Report has been carried out through the five major steps of "stakeholder identification," "summarizing of ESG sustainability topics," "surveying of ESG sustainability themes," "identification of material topics," and "review and discussion." Ten topics were selected after discussion by senior executives and the ESG Sustainability Report compilation Group as the material topics of the 2021 ESG Sustainability Report, and corresponding management policies have been disclosed. The steps of Weikeng Industrial's 2021 materiality analysis are as follows:





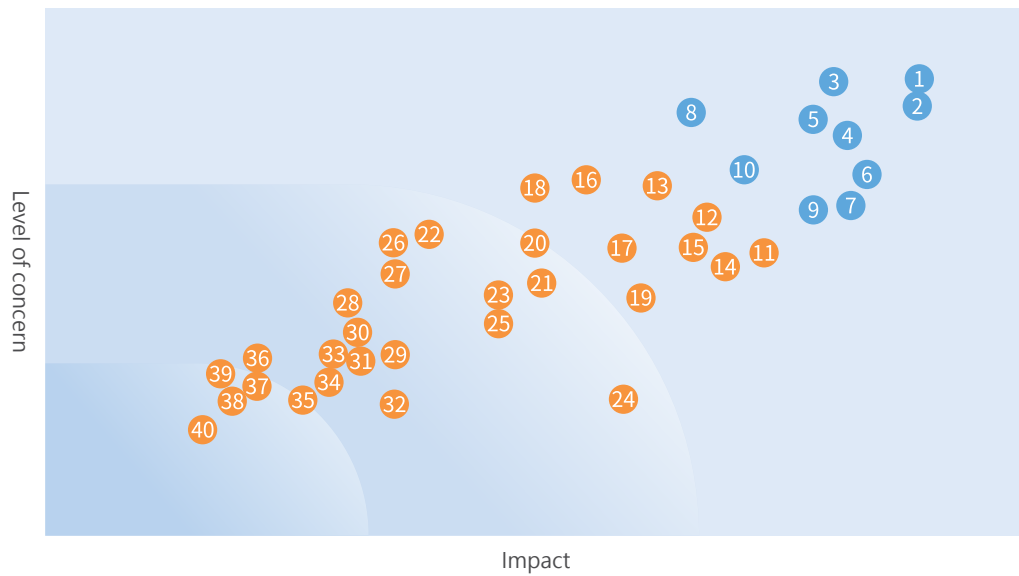
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Review and Discussion

After the identification of material topics, Weikeng will continue to strengthen management and disclose relevant information in the ESG Sustainability Report. This Report is the first ESG sustainability report of Weikeng Industrial, and the reasonableness of material topics and the need for adjustments will be reviewed accordingly in the future.

The **First** ESG Sustainability Report

Analysis Diagram of Material Topics



Material Topic	Description of topic content	Corresponding GRI topics/indicators
1. Customer privacy and information security	Maintain trade secrets, transaction security, customer and employee privacy management, information and cyber security management, etc.	GRI 418 Customer Privacy
2. Economic performance	Business strategy, business policy, product layout, innovation, research and development, etc.	GRI 201 Economic Performance
3. Ethical management	Professional ethics, code of conduct, whistleblower system, anti-corruption, etc.	GRI 205 Anti-corruption 102-16 Values, principles, standards, and norms of behavior 102-17 Mechanisms for advice and concerns about ethics
4. Customer service and satisfaction	Meeting customer needs, improving service efficiency, etc., customer satisfaction surveys, etc., maintaining good customer relationships	102-43 Approach to stakeholder engagement 102-44 Key topics and concerns raised

Material Topic	Description of topic content	Corresponding GRI topics/indicators
5. Risk Management	Operational risk management	GRI 102-11 Precautionary Principle or approach GRI 102-15 Key impacts, risks, and opportunities
6. Technology research and development	Continuous optimization of internal and external technologies, processes, and improvement of the capabilities of R&D personnel, etc.	-
7. Governance operations and information transparency	Operational practice of the Board of Directors, fair treatment of interests, continuous communication with stakeholders, information transparency, performance evaluation of the Board of Directors, etc.	GRI 102-18~39 Governance
8. Regulatory compliance	Environmental regulations, social regulations (Labor Standards Act, Occupational Safety and Health Act, Employment Service Act, etc.), economic regulations (Securities and Exchange Act, Fair Trade Act, etc.), product regulations (commodity Labeling Act, product health and safety, and other regulations)	GRI 307 Environmental compliance GRI 419 Socioeconomic compliance GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services GRI 417-2 Incidents of non-compliance concerning product and service information and labeling GRI 417-3 Incidents of non-compliance concerning marketing communications
9. Talent development and retention	Talent development plan, employee professional license assistance system (academic qualifications, licenses, English ability, etc.), employee retention rate (new entry/resignation), etc.	GRI 401 Employment GRI 404 Training and Education
10. Labor-management relations	Management of labor-management relations, employee rights, labor and employment relations, etc.	GRI 402 Labor/Management Relations



Secondary Topics			
11. Marketing and labeling	19. Employee diversity and equal opportunity	27. Human rights assessment	35. Greenhouse gas emissions
12. Training and education	20. Non-discrimination	28. Financial impacts of climate change	36. Materials
13. Taxation	21. Supplier environmental assessment	29. Procurement practices	37. Water resources management
14. Employee benefits and wages	22. Forced and compulsory labor	30. Indirect economic shocks	38. Waste
15. Anti-corruption	23. Supplier social assessment	31. Security practices	39. Public policy
16. Customer health and safety	24. Labor market status	32. Energy	40. Biodiversity
17. Anti-competitive practices	25. Freedom of association and group consultation	33. Local communities	
18. Occupational safety and health	26. Child labor	34. Indigenous rights	

Material topic value chain boundaries									
Management policy	Material topic	Corresponding chapter	Value chain impact boundary						
			Internal		External				
			Wei-keng	Subsidiary	Vendors/upstream suppliers	Non-vendor suppliers/contractors	Customers	Shareholders/investors/financial institutions	Government and society
Customer privacy and information security	Customer privacy and information security	II. Sustainable Governance	●	○	◆	◆	◆		
Operating performance management	Economic performance	II. Sustainable Governance	●	○	◆	◆	◆	○	
	Risk Management		●	○	◆	◆	◆	○	○

Material topic value chain boundaries									
Management policy	Material topic	Corresponding chapter	Value chain impact boundary						
			Internal		External				
			Wei-keng	Subsidiary	Vendors/upstream suppliers	Non-vendor suppliers/contractors	Customers	Shareholders/investors/financial institutions	Government and society
Ethical governance management	Ethical management	II. Sustainable Governance	●	○	◆	◆	◆	○	
	Governance operations and information transparency		●	○	◆	◆	◆	○	○
Technology research and development and customer relationship management	Customer service and satisfaction	III. Sustainable Supply Chain and Environment	●	○	◆	◆	◆		
	Technology research and development		●	○	◆	◆	◆		
Regulatory compliance management policy	Regulatory compliance	II. Sustainable Governance	●	○	◆	◆	◆	○	○
Talent cultivation management	Talent development and retention	IV. Sustainable Workplace	●	○	◆	◆	◆		
	Labor-management relations		●	○	◆	◆	◆		

Note: Degree of involvement in the event of an impact: "●" for direct impact; "○" for indirect impact; "◆" for impact arising from a business relationship.



2. Sustainable Governance

Operating Performance Management Policy

Ethical Governance Management Policy

Regulatory Compliance Management Policy

Customer Privacy and Information and Cyber Security Management Policy

2.1 Operation Overview

2.2 Corporate Governance

2.3. Honesty and Integrity and Regulatory Compliance

2.4. Risk Management

Operating Performance Management Policy

Operating Performance Management Policy	
Material Topic	Economic Performance and Risk Management
Material cause	Good and stable operating profit is the most important factor to maintain the Company's sustainable operations. and how to expand the industry market share and create a leading position in the highly competitive electronic component distribution-market is a very important business issue. Weikeng Group will continue to develop and find new products and new application solutions in the semiconductor market while continuing to seek out new distribution cooperation opportunities. Furthermore, we shall actively strengthen the Company's core competitiveness and create new needs among customers while providing them with competitive components, technical support services, and efficient supply chain management services. We shall do so to achieve technology links between upstream vendors and downstream customers through the intermediary role of Weikeng Group, thereby creating mutually beneficial value.
Subject boundary disclosure restrictions	The economic performance topics in this report cover relevant information about Weikeng Industrial and its consolidated subsidiaries.
Management objectives	Create partnerships with upstream vendors and downstream customers, maintain stable profit performance, and pursue sustainable operations.
Objectives	<ul style="list-style-type: none"> ⊙ Continue to develop new products and new application solutions for the semiconductor market ⊙ Stabilize existing product franchising rights and continue to look for new distributioncooperation opportunities ⊙ Continue to strengthen core competitiveness and create new customer needs
Responsibilities	The Board of Directors, Chairman's Office, Chief Operating Officer (promoted to President and CEO on September 1, 2022), senior managers of various business units and functional units
Management evaluation mechanism	<ul style="list-style-type: none"> ⊙ The Chief Operating Officer (promoted to President and CEO on September 1, 2022) is responsible for business performance planning and execution. Through the weekly production and sales business meeting and the monthly operation meeting, he reviews the changes in the industrial environment and the achievement of various indicators and reports to the Board of Directors at least quarterly. ⊙ The Board of Directors regularly listens to the reports of the management team on a quarterly basis. Topics include the economy, environmental protection, and corporate social responsibility. ⊙ The annual General Meeting of Shareholders is regularly convened to report business conditions and dividend policies to shareholders, and to resolve relevant statutory matters.



Operating Performance Management Policy

Material Topic

Economic Performance and Risk Management

Management evaluation mechanism

- The management of each business unit and functional unit of the Company holds regular internal operation meetings to conduct risk assessment, risk disposal, and risk monitoring of potential risks and emerging risks in the risk management areas stipulated in the Risk Management Policy and Procedures, and reports to the Board of Directors on a regular basis.

Specific actions

- From January 2021, a new lease was undertaken of the Taoyuan Nankan International Logistics Center (ILC) owned by Formosan Rubber Group Incorporated (with ILC being a bonded warehouse in nature); it is designated as the "Bonded Warehouse of Formosan Rubber Group International Logistics Center." Located at 4F, No. 53 Housheng Road, Luzhu Township, Taoyuan County 338, it has an area of about 1,587m² and increases logistics warehousing capacity.
- Continued to look for new distribution cooperation opportunities and added 11 new original product franchising rights in 2021.
- Continued to strengthen core competitiveness and create new customer needs; in 2021, Weikeng Industrial's research and development expenses were NT\$105,156 thousand.
- Held monthly operations meetings and discussed the direction of operations and management.
- An investor meeting/institutional investor earnings conference was held on November 26, 2021.
- On June 29, 2021, the Board of Directors approved the Risk Management Policy and Procedures.
- In March 2022, directors approved the establishment of a Sustainable Development committee. It has formed two functional groups, the Sustainable Development Group and the Risk Management Group, to ensure the promotion and implementation of work related to corporate sustainable development.

Performance

- In 2021, a total of 11 companies authorized the Company's electronic component products or semiconductor equipment franchising rights.
- The 2021 financial performance (consolidated financial statements) reached new highs in recent years:
 - Sales revenue was approximately NT\$72.4 billion, a 24% increase from the previous year.
 - Net profit before tax was about NT\$2.4 billion, a 163% increase from the previous year.
 - Gross margin was 7.13%, an increase of 1.88 percentage points over the previous year.
 - Earnings per share were NT\$4.54, a 139% increase from the previous year.
- Distribution of cash dividends in 2021 was NT\$3.007259 per share.
- There were no high-risk items in the 2021 risk identification results, and the identification results and risk countermeasures were reported to the Board of Directors on December 30, 2021.

Ethical Governance Management Policy

Ethical Governance Management Policy	
Material Topic	Ethical management, governance operations, and information transparency
Material cause	Ethical management, ethical commitments, and corporate governance are issues of concern for the Company's vendor, customers, and even governmental authorities as well as society and shareholders/investors/financial institutions. If any dishonest operations occur within the Company, then in addition to the fact that relevant violators may be prosecuted under civil and criminal liability, there will also be serious damage to the Company's external goodwill. In addition, good and sound Board operation and transparency of information disclosure can also enhance the stability of the Company's operations and enhance stakeholders' understanding of the Company's governance operations.
Subject boundary disclosure restrictions	This Report will disclose relevant information on the topics of ethical management, governance operations, and information transparency at Weikeng's Taiwan operating locations.
Management objectives	Establish a corporate culture of ethical management and sound development; establish a sound corporate governance structure and implement operations.
Policy	The Company should be based on a business philosophy of integrity, transparency, and responsibility, formulating policies based on integrity and establishing a good corporate governance and risk control mechanism to create a sustainable business environment.
Commitments	The Board of Directors and management should actively implement the ethical management policy and implement it in internal management and business activities.
Objectives	<ul style="list-style-type: none"> ⊙ Implement and comply with the relevant norms of the code of Ethical conduct and the Ethical corporate Management Best Practice Principles. ⊙ Prohibit bribery, corruption, deception, and any other form of improper conduct. ⊙ Strengthen the structure and operations of the Board of Directors. ⊙ Improve the reliability, timeliness, and transparency of information reporting. ⊙ Comply with relevant norms, laws, and regulations. ⊙ On August 10, 2022, the Nominating Committee and the Board of Directors decided to request the Taiwan Corporate Governance Association to conduct an external evaluation of the performance of the Board of Directors in November 2022.
Responsibilities	<ul style="list-style-type: none"> ⊙ The Chairman's Office is responsible for formulating and monitoring the implementation of the ethical corporate management policy and prevention programs, and reports to the Board of Directors as necessary. ⊙ The Administration Office is responsible for the promotion and handling of Board-related affairs, and sets up stock personnel to be responsible for corporate governance related affairs. Furthermore, a corporate Governance Officer is established as the top director in charge of corporate governance related affairs.



Ethical Governance Management Policy

Material Topic Ethical management, governance operations, and information transparency

Complaint mechanisms

- The Company has an internal audit office and a legal office with a reporting line and e-mail to establish a whistleblower reporting channel. Employees and related personnel can report improper business practices. Furthermore, the content of the whistleblower system and the whistleblower hotline are provided on the Company's official website as follows:
 - Reporting email: whistleblower@weikeng.com.tw
(This email will automatically forward the letter to the Audit Supervisor and the Head of the Legal Office.)
 - Whistleblower hotline: +886-2-26590202 ext. 531
(Mr. Chiu, Head of the Audit Office, or Mr. Tsai, Head of Legal Affairs at the Legal Office, extension 533)

Management evaluation mechanism

- The internal audit supervisor conducts risk assessment based on possible unethical business practices, includes these items in the annual audit plan, and reports the audit results to the Audit Committee and the Board of Directors.
- The internal self-evaluation of the Board of Directors and the self-evaluation of the Board members are carried out once a year.
- Board meetings are held at least once a quarter.

Specific actions

- On March 20, 2018, the Board of Directors amended and approved the Ethical Corporate Management Best Practice Principles.
- On July 31, 2020, the Board of Directors amended and approved the code of Ethical conduct.
- On July 31, 2020, the Board of Directors amended and approved the Board of Directors Performance Evaluation Measures.
- On December 30, 2021, the Board of Directors amended the corporate Governance Best Practice Principles.
- On May 13, 2021, the Board of Directors appointed Mr. Chou Kan-Lin, Senior Vice President and Spokesperson of the Company's Administrative Office, as the corporate Governance Officer with responsibility for corporate governance related matters.
- On March 25, 2022, the Board of Directors of the Company approved the establishment of the Nominating Committee and the Sustainable Development Committee.
- In the first quarter of 2022, the performance evaluation of the Board of Directors, individual board members, and functional committees was completed and relevant information reported.
- Reported to the Board of Directors on March 25, 2022, regarding formulation of the Succession Plan for Board Members and Key Senior Management.
- In 2022, the first edition of Weikeng Industrial's ESG Sustainability Report was issued.
- The official website, annual report, and other public information was released in English at the same time.

Ethical Governance Management Policy	
Material Topic	Ethical management, governance operations, and information transparency
Specific actions	<ul style="list-style-type: none"> Continued to conduct continuing education courses for directors and increase ESG related courses. The Company regularly conducted monthly operation meetings, quarterly staff meetings, or employee training sessions to promote ethical corporate management and self-discipline. Signed specific contract specifications for ethical management with non-vendor suppliers, vendors, and customers. Annual shareholders meetings, institutional investor conferences, quarterly announcement for self-assessed income or loss status and financial reports which was reviewed by CPAs, monthly announcement of sales revenue.
Performance	<ul style="list-style-type: none"> Subsidiaries of Weikeng Group are in compliance with relevant local norms, laws, and regulations. There were no incidents of corruption in the Company in 2021. In 2021, the average attendance rate of the Board of Directors was 98.41% and the attendance rates of the Remuneration Committee and Audit Committee reached 100%. Continuing education of Board members was 100% in accordance with the statutory hours. Regarding the self-assessed performance evaluations of the Board of Directors, individual directors, and functional committees in 2021, the average achievement rates were 88%, 88.94% and 80% respectively according to the evaluation items.

Regulatory compliance management policy

Regulatory compliance management policy	
Material Topic	Compliance with environmental and socio-economic regulations
Material cause	In the event of any violation of regulations by the Company, we may face fines and in severe cases penalties or damage to our reputation; and the Company's product line franchising rights may be lost as a result. Therefore, the Company believes that it is necessary to formulate policies and guidelines in terms of labor and capital, taxation economics, intellectual property protection, and so on to improve the Company's development strength in sustainability issues.
Subject boundary disclosure restrictions	Major issues related to labor and employer, taxation economics, ethical management, intellectual property rights, etc. which have applicable legal issues by region. Therefore, the Company manages its compliance issues separately according to the laws of the applicable countries and regions where the Company and its affiliated companies are located (including mainland China (Hong Kong) and Singapore). This Report will mainly disclose the relevant information about the social, economic, and environmental laws and regulations complied with by Weikeng's Taiwan operating locations.



Regulatory compliance management policy

Material Topic Compliance with environmental and socio-economic regulations

Management objectives Ensuring that the Company's operations can meet the requirements of legal norms.

Objectives The Company aims to comply with each item of laws and regulations, such as labor laws, tax laws, corporate laws, securities exchange laws, business entity I accounting laws, fair trade laws, import and export laws, environmental protection laws, intellectual property laws, etc., with an aim of zero violations throughout.

Responsibilities The Company is responsible for the management of compliance with laws and regulations, with the top executive of each base serving as management. Furthermore, in accordance with their scope of authority, the chief executive of each base serves as the main supervisor and manager. The legal department of each base and other involved business departments cooperate and manage to meet the Company's legal compliance requirements.

Complaint mechanisms Regarding the issue of compliance with laws and regulations, if any unit has questions or needs to file complaints about possible illegal events, it is managed by the legal department of the location.

Management evaluation mechanism Relevant labor issues, tax regulations, environmental issues, and import and export regulations all have a primary business unit in charge. Examples include labor issues handled through the Human Resources Office; tax regulations handled through the Accounting Department; environmental issues handled through the Applied Engineering Department; import and export regulations handled through the Business Support Department; and ethical management handled through the Audit Office. For each relevant issue, each responsible unit is responsible for legal enforcement and control according to its operating methods, and the Legal Department uniformly consults with external professional units to achieve the purpose of compliance.

Specific actions

- We have formulated management specifications such as the Ethical corporate Management Best Practice Principles; code of Ethical conduct; corporate Governance Best Practice Principles; Information and communication Security Policy and Management Regulations; and Regulations for Establishing Measures of Prevention, correction, complaint and Punishment of Sexual Harassment in the Workplace.
- Continue to provide education and training related to laws and regulations to strengthen the awareness of colleagues.

Performance

- In 2021, the affiliated companies within the Weikeng Group performed their business activities in accordance with local laws and regulations, such as corporate law, labor law, tax law, securities and exchange law, business entity accounting law, waste disposal law, air pollution control law, etc., where they operate, and they have not violated any laws or regulations or ethical corporate management.

Customer Privacy and Information and Cyber Security Management Policy

Customer Privacy and Information and Cyber Security Management Policy	
Material Topic	Customer privacy and information security
Material cause	After analyzing the level of concern and impact of stakeholder communication, customer privacy data protection and information and cyber security management are very important to the Company. In the event of management abnormalities, in addition to affecting the Company's goodwill, it may also cause business interruption losses. Responsible information security management can enhance the Company's competitiveness in sustainability issues.
Subject boundary disclosure restrictions	This Report will disclose relevant information of Weikeng's Taiwan operating locations on customer privacy protection and information and cyber security management. The management policy applies to entities (subsidiaries) in the consolidated statements.
Management objectives	Continue to strengthen the Company's information and cyber security management to ensure the confidentiality, integrity and availability of information and cyber security and data use, doing so in order to protect the rights and interests of the Company's customers, vendors/suppliers, employees and shareholders.
Policy	Adoption of a requisite and cost-effective means, measure or mechanism to protect the management, operation and technology security, in order to precisely protect the Company's information assets from any unfair use, disclosure, tampering, theft and destruction, take necessary response actions promptly and restore normal operations immediately in case of emergencies, such as malicious attacks, destruction or unfair use, and mitigate the damage caused by incidents that potentially affects and compromises the Company's operations.
Commitments	The Company complies with the Taiwan's Personal Data Protection Act and EU GDPR regulations.
Objectives	<ul style="list-style-type: none"> ◦ To establish a safe and reliable computerized operating environment to ensure the security of the Company's computer data, system, equipment and network. ◦ It was approved by the Nominating Committee and the Board of Directors on August 10, 2022, to set up a dedicated information security supervisor and a dedicated information security specialist, and to set up an information security room to strengthen information security protection capabilities.
Responsibilities	<ul style="list-style-type: none"> ◦ The Company's President/CEO serves as the convener of the information and cyber security management team, and is responsible for the coordinating, planning, executing, and analyzing with regard to information security incidents. ◦ The Information and cyberSecurity Promotion and Audit Group is composed of information units and audit units responsible for promoting information security audit matters.
Complaint mechanisms	<ul style="list-style-type: none"> ◦ If an information and cyber security incident is found, it can be reported to the Information Center. If it is an information security incident, it will be reported to the President/CEO and the information and cyber security management teams, and emergency response procedures will be initiated.



Customer Privacy and Information and Cyber Security Management Policy

Material Topic

Customer privacy and information security

Management evaluation mechanism

- In accordance with the internal control system, the Company's audit unit conducts an audit of the computerized information system operation cycle every year to ensure its implementation effectiveness.

Specific actions

- The Company has established an information and cyber security management team and invested in the construction of email defense and filtering, online behavior management, software asset inventory, computer anti-virus, and other software and hardware systems.
- The Information and Cyber Security Policy and Management Regulations revised by the Board of Directors on November 11, 2020 were reviewed and implemented by the MIS Center in 2021.
- Introduced email anti-hacking, anti-virus, anti-phishing, and anti-fraud filtering systems.
- Held operating system backup, backup and regular disaster drills.
- Regularly conducted information and cyber security awareness promotion and education training.
- Continued to optimize information security.
- Prior to August 10, 2022, via the Nominating committee and the Board of Directors, the Company approved the dedicated director of information and cyber security and established an information security office.

Performance

- 2021 Information Security Performance:
 - Spam mail blocking: 869,358 emails.
 - Malicious mail blocking: 139,868 emails.
 - Accuracy of interception: 99.87%.
 - The email system was transferred to the international manufacturer Microsoft's Office 365 cloud system, further improving the information and cyber security level.
 - The Company joined the information security intelligence sharing group (Taiwan computer Emergency Response Team/Coordination Center) to obtain intelligence on information security alerts, threats and vulnerabilities.
- In 2021, there were no losses or damage to operations and goodwill due to major information and cyber security incidents.
- In 2021, there were no substantiated complaints of infringement of customer privacy or loss of customer information.

2.1 Operation Overview

Amid COVID-19 woes, 2021 was a year of economic recovery. The global spread of COVID-19 and its variants posed a risk affecting our lives, economies, and policies. Nonetheless, in learning to adapt to the “new normal” at all levels, and driven by the “home economy” and the “green economy,” catalytic semiconductor applications have expanded comprehensively and the demand for semiconductor components at the industrial end has increased significantly. At the same time, however, downstream manufacturers have grabbed orders due to an increase in demand and a lack of new wafer production capacity, and under circumstances of prolonged transportation times, supply could not keep up with demand, and this has become the new normal in the semiconductor industry chain. The Group continues to strive to serve upstream and downstream manufacturers in the industrial chain, maintaining delivery efficiency and mastering customer needs in a difficult environment. With the efforts of all colleagues and the support of shareholders, the Group’s consolidated sales revenue and pre-tax net profit in 2021 reached approximately NT\$72.4 billion and NT\$2.4 billion, respectively, representing increases of approximately 24% and 163%. Meanwhile, the gross margin of 7.13% and net operating margin of 3.49% showed respective increases of 1.88 percentage points and 1.82 percentage points year-on-year, reaching new highs in recent years.

In 2022, the world still faces a crowding out effect from international geopolitics, along with a rush for production capacity and intensive communication with the supply chain. Large chip manufacturers have also successively invested huge amounts of resources for setting up factories. However, due to the high cost of building new fabs and a waiting period for construction, it may not be possible to wait for new wafer production capacity to meet market demand. Therefore, chip supply shortages and price fluctuations may continue into the second half of 2022 and even until 2023. The balance of supply and demand in the supply chain and the advent of the post-pandemic era will be the main variables of the semiconductor market in 2022. corresponding to the aforementioned uncertainties, Weikeng will continue to grasp the market context, the demand of vendors and customers, and lead time and shipment speeds, and will continue to provide technical support. The management team is expected to expand the scale of operations and can lead all colleagues to strictly abide by the risk management system, optimization of operational performance, and the Ethical corporate Management Best Practice Principles. In doing so, we shall keep advancing towards the goals of ethics, of stable and sustainable operations, and of creating higher value for all stakeholders.

Weikeng Group's financial performance in the past three years

Unit: NT\$ thousand

Item	Year	2019	2020	2021
Net operating revenue		48,224,086	58,413,402	72,404,886
Cost of goods sold		45,448,798	55,345,619	67,242,044
Operating margin		2,775,288	3,067,783	5,162,842
Operating profit		752,757	976,203	2,525,619
Non-operating income and expenses		(394,701)	(43,115)	(74,299)
Net profit before tax		358,056	933,088	2,451,320
Income tax expense		97,662	233,779	730,180
Net profit for the period		260,394	699,309	1,721,140
Comprehensive net profit for the period		167,816	564,591	1,626,511
Earnings per share (NT\$)		0.71	1.90	4.54

Note: The above table shows the consolidated condensed income statement data of Weikeng Group, including Group subsidiaries.

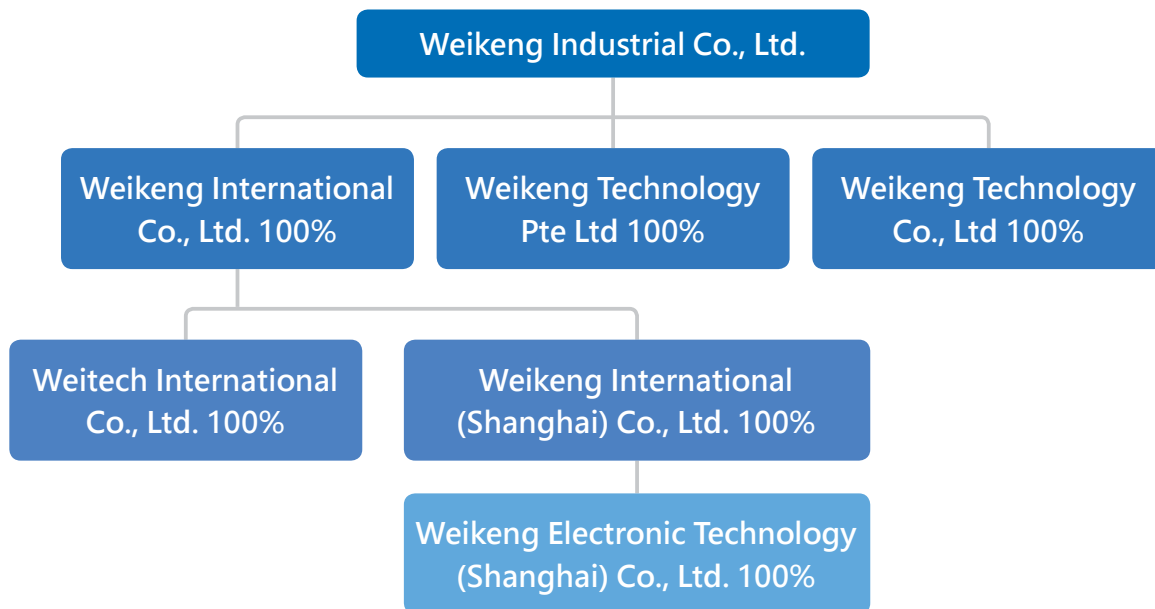
Financial information of Weikeng Industrial in the past three years

Item	Year	2019	2020	2021
Employee compensation and benefits (Unit: NT\$ thousand)		565,775	596,570	671,798
Employee remuneration and director and supervisor remuneration (NT\$ thousand)		37,112	98,053	239,390
Technology and charity donations (NT\$ thousand)		500	1,100	800
Income tax payments (no fines or business tax credits)		114,279	61,195	122,501
Cash dividends (NT\$/share)		0.57770	1.33341	3.007259
Total dividend distribution amount (NT\$ thousand)		212,452	494,508	1,270,232

Note: The above table shows the parent company only financial data of Weikeng Industrial and excludes Group subsidiaries.

◆ Affiliated Companies

All the subsidiaries of Weikeng Industrial are included as entities for the preparation of the consolidated financial statements. As of the end of December 2021, a total of six subsidiaries of Weikeng Industrial were included in the consolidated financial statements; the scope of disclosures in this Report is mainly based on Weikeng Industrial.



As of 2021/12/31

Name of Company	Date of Establishment	Registered Address	Paid-in Capital	Major Business or Products
Weikeng International Co., Ltd.	1997.02.05	Unit A, 17/F., Ever Gain Centre, 28 On Muk Street, Shatin, N.T., Hong Kong	HK\$473,950,000 (Note: approximately equivalent to NT\$1,873,163 thousand)	Electronic Components & Peripheral Products distribution and technical support
Weikeng Technology Co., Ltd.	1988.08.01	11F-1, 308 Sec. 1 Nei Hu Rd., Taipei 11493, TAIWAN	NT\$15,892,750	Electronic Components & Peripheral Products distribution and technical support
Weitech International Co., Ltd.	1998.03.13	Room 901, 9th Floor, Finance Building, 254 Des Voeux Road Central, Sheung Wan, H.K.	HK\$100 (Note: approximately equivalent to NT\$0.41 thousand)	Electronic components trading



Name of Company	Date of Establishment	Registered Address	Paid- in Capital	Major Business or Products
Weikeng Technology Pte Ltd	2001.01.26	No 10 Upper Aljunied Link, #02-09, Johnson Controls Building, Singapore 367904	SGD\$16,001,303 (Note: approximately equivalent to NT\$335,459 thousand)	Electronic Components & Peripheral Products distribution and technical support
Weikeng International (Shanghai) Co., Ltd.	2002.05.14	Room 1618, no.118 xinling road, China (Shanghai) pilot free trade zone	US\$25,000,000 (Note: approximately equivalent to NT\$786,647 thousand)	Electronic Components & Peripheral Products distribution and technical support
Weikeng Electronic Technology (Shanghai) Co., Ltd.	2015.04.08	Room 801, Tower A, no.1068 West Tianshan Road, Changning District, Shanghai, China	CNY1,000,000 (Note: approximately equivalent to NT\$5,067 thousand)	Electronic technology development, technical consulting, etc.

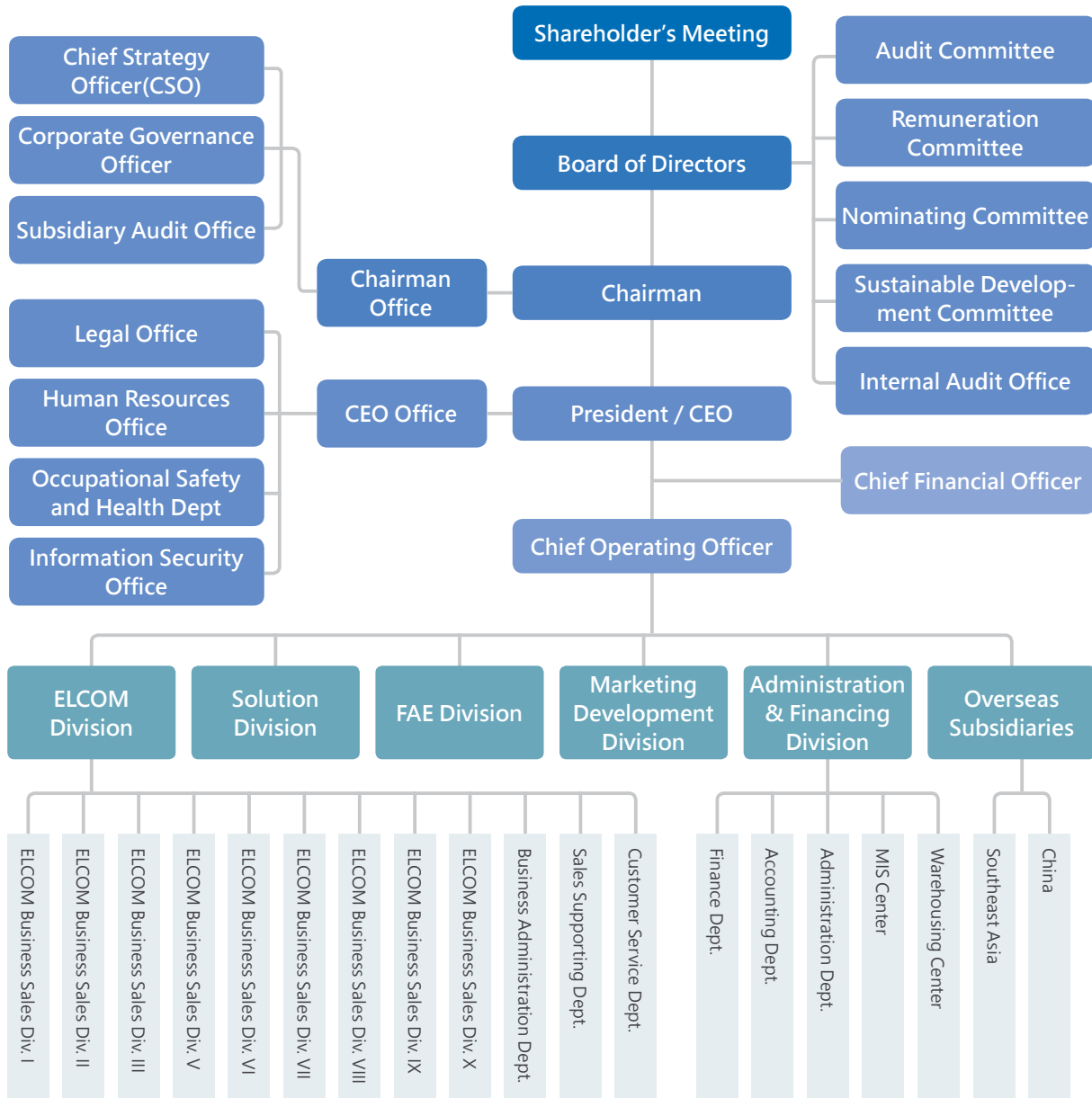
2.2 Corporate Governance

The Company has established two functional committees under the Board of Directors, the Audit Committee and the Remuneration Committee, which are in charge of supervising, managing, and implementing relevant material corporate governance matters. In addition, a Nominating committee and a Sustainable Development Committee were established by resolution of the Board of Directors on March 25, 2022, in accordance with the Company’s practical operational needs in corporate governance and sustainable development.

The Company firmly believes that transparent and honest corporate governance is the foundation of sustainable business management and we are committed to implementing it. In order to establish a corporate culture of ethical management and sustainable development, and to create a sustainable business environment, the Chairman’s Office is responsible for formulating and supervising the implementation of policies and preventive plans for corporate governance, ethical management, and sustainable development. Furthermore, the Board of Directors has approved the corporate Governance Best Practice Principles, code of Ethical conduct, Ethical corporate Management Best Practice Principles, Sustainable Development Policy, and Sustainable Development Best Practice Principles as the basis for the operation of the Company’s business activities, and relevant matters shall be reported to the Board of Directors as necessary or in case of material issues.

Organizational Structure

Company Organization Chart



2022/09/01

Composition of the Board of Directors

The election of directors of the Company is based on the nomination system of candidates in accordance with the Company's Articles of Incorporation with each term of office being three years, and is handled on the basis of the Procedures for Election of Directors of the Company. Furthermore, in accordance with the corporate Governance Best Practice Principles, the diversity policy of the composition of the Board of Directors is specified to balance professionalism. The current directors of the Company were re-elected on July 20, 2021. The current Board of Directors has a total of seven seats, including three





independent directors (one female director). They each have robust professional backgrounds in accounting, finance, business, law, marketing, or industrial technology. In the future, the composition and growth experience background of the Board of Directors of the Company will continue in the current structure. Furthermore, in order to strengthen the functions of the Board, relevant directors' continuing education will be arranged with reference to the changes in the internal and external environmental conditions and development needs of the Company. In 2021, the Board of Directors met nine times and the average attendance rate of directors was 98.41%. The attendance of directors was as follows:

2021 Board Members of Weikeng Industrial					
Title	Name	Education	Working Experience	Concurrently assume the duties of the Company and other companies	attendance rate of board directors
Chairman	HU, CHIU-CHIANG (@ Douglas Hu)	<p>Ph.D. of Institute of Management of Technology, National Chiao Tung University, Taiwan</p> <p>Master of Business Administration, Da-Yeh University, Taiwan</p> <p>Executives Program, Graduate School of Business Administration, National Cheng-Chi University</p> <p>Bachelor of Science in communications Engineer, National Chiao Tung University, Taiwan</p>	<p>R&D Engineer, SAMPO Co., Ltd.</p> <p>Chairman & CEO, Weikeng Industrial Co., Ltd. and its affiliates</p> <p>Chairman, Taipei county computer Association (TCCA)</p> <p>Executive Director, Taipei Electronic components Suppliers' Association (TECSA)</p>	<ul style="list-style-type: none"> • Chief Strategy Officer, Weikeng Industrial Co., Ltd. (Since 2022/9/1.) • Chairman, Weiji Investment Co., Ltd. • Chairman, Weikeng International Co., Ltd. • Chairman, Weikeng Technology Pte Ltd. • Chairman, Weikeng Technology Co., Ltd. • Independent Director & Remuneration Committee, V-TAC Technology Co., Ltd. • Independent Director, Remuneration Committee, Audit Committee, and Nominating Committee, CIPHERLAB Co., Ltd. • Director, Promate Electronic Co., Ltd. • Director (Representative of Juristic Person/ Promate Electronic Co., Ltd.), Promate Solutions Co., Ltd. • Director, Amazing Microelectronic Co., Ltd. • Director, LEADTEK RESEARCH, INC. Supervisor, EVGA Technology Incorporated • Nominating committee and Sustainable Development Committee, Weikeng Industrial Co., Ltd. 	100%

Title	Name	Education	Working Experience	Concurrently assume the duties of the Company and other companies	attendance rate of board directors
Independent Director	TSAI, YU-PING (@ Edward Tsai)	Juris Doctor, Santa Clara University, California Executives Program, Graduate School of Business Administration, National Cheng-Chi University	Chairman, Meitung Limited Chief Strategy Officer, Allianz President Insurance Group President, Allianz-President General Insurance Co., Ltd. President & CEO, President Securities Investment Trust Co., Ltd. Lawyer, Baker & McKenzie Lawyer, Diepenbrock, Wulff, Plant & Hannegan, California Associate Professor of Department of Law, National Chung Hsing University, Taiwan	<ul style="list-style-type: none"> • Remuneration Committee(convener), Audit Committee(convener), Nominating committee, and Sustainable Development Committee, Weikeng Industrial Co., Ltd. • Chairman, Paradigm Venture Partners, L.L.C. • Vice Chairman, Chinese Association of Valuation • Director (Representative of Juristic Person/ Paradigm Venture Partners, L.L.C.) and President, Hydroionic Technologies Co., Ltd. • Director (Representative of Juristic Person/ Hydroionic Technologies Co., Ltd.), Hydroionic EnviroTec Co., Ltd. • Director (Representative of Juristic Person/ Hydroionic EnviroTec Co., Ltd.), Hydroionic EnviroServices Co., Ltd. • Director, CellMax Taiwan Co., Ltd. • Independent Director, Remuneration Committee, and Audit Committee, Welldone Co., Ltd. • Independent Director, Audit Committee, and Nominating Committee, CIPHERLAB Co., Ltd. 	100%
Independent Director	LIN, HUNG (@ Vincent Lin)	Executive Master of Business Administration, National Cheng-Chi University Bachelor of Science in Pharmacy, Kaohsiung Medical University	President, Harbor View Hotel Director, National Federation of the Republic of China Hotel Association Committee of Keelung Foreign Sister City Promotion Association Director (Representative of Juristic Person/ ALPIN INTERNATIONAL Co., LTD.), Leatec Fine Ceramics Co., Ltd.	<ul style="list-style-type: none"> • Remuneration Committee, Audit Committee, Nominating Committee(convener), and Sustainable Development Committee, Weikeng Industrial Co., Ltd. • Chairman, Hua Shuai Hospitality Management Consulting Co. Ltd. • Chairman, Dragonfly Gallery Co., Ltd. • President of Ahotel, Taiwan Fine Business Travel Alliance • Director, Taiwan Miner's General Hospital 	100%



Title	Name	Education	Working Experience	Concurrently assume the duties of the Company and other companies	attendance rate of board directors
Independent Director	YU, HSUEHPING (@Peggy Yu)	Master of Accounting, National Taiwan University	Senior Vice President, Standard Chartered International Commercial Bank Independent Director, CastleNet Technology Inc. Supervisor, Promate Electronic Co., Ltd. Supervisor (Representative of Juristic Person/Chin-Tzu Leasing Co., Ltd.), Well Glory Development Co., Ltd.	<ul style="list-style-type: none"> Audit Committee, Sustainable Development Committee (convener), and Nominating Committee, Weikeng Industrial Co., Ltd. Vice President, Grand Aspect International Ltd. Vice President, Grand China Ltd. Director, (Representative of Juristic Person/ Grand China Ltd.), PrinTec International Co., Ltd. 	100%
Director	WEIJI INVESTMENT Co., LTD. (Representative : CHEN, CHENG-FONG (@Eric Chen))	Bachelor of Science in Electrophysics, National Chiao Tung University, Taiwan	Engineer, Texas Instruments Inc.	<ul style="list-style-type: none"> Chairman, Promate Electronic Co., Ltd. Chairman, Chuang Feng investment Co., Ltd. Chairman, Promate International Co. Ltd. Director, (Representative of Juristic Person/ Promate Electronic Co., Ltd.), Promate Solutions Co., Ltd. Supervisor, Ching Fong investment Co., Ltd. Director (Representative of Juristic Person/ Promate Electronic Co., Ltd.), CT CONTINENTAL Co., Ltd. Director, GLIMMER INC 	88.89%
Director	CHI, TING-FANG (@Stan Chi)	Bachelor of Science in control Engineering, National Chiao Tung University, Taiwan	President, Weikeng Industrial Co., Ltd. Associate Engineer, Institute of Machinery, Industrial Technology Research Institute (ITRI)	<ul style="list-style-type: none"> President /CEO, Weikeng Industrial Co., Ltd. (Resigned as Chief Operating Officer and promoted to President/CEO since 2022.9.1) Managing Director, Weikeng Technology Pte Ltd. Director, Weikeng Technology Co., Ltd. Sustainable Development Committee, Weikeng Industrial Co., Ltd. 	100%

Title	Name	Education	Working Experience	Concurrently assume the duties of the Company and other companies	attendance rate of board directors
Director	CHEN, KUAN-HUA (@Bill Chen)	<p>Master of Financial Engineering, Carnegie Mellon University, commonwealth of Pennsylvania</p> <p>Master of computer Science & Information Engineering, National Taiwan University</p> <p>Bachelor of Mathematical Sciences, National Cheng-Chi University</p>	Supervisor, Weikeng Industrial Co., Ltd.	<ul style="list-style-type: none"> • Director, King Yuan Electronics Co., Ltd. • Director, ChanCheng Investment Co., Ltd. 	100%

All of the seven directors of the Company are nationals of the Republic of China (Taiwan). They possess the knowledge, skills, and education necessary to perform their duties (please refer to the aforementioned directorship experience) and have extensive professional experience in accounting, finance, business, law, marketing, industrial technology, etc. Among them, there is one female director (14.3%, Ms. Yu Hsueh-Ping @Peggy Yu); for their age range, there are five directors in the age range of 61-70 (71.4%, Mr. Hu Chiu-Chiang @Douglas Hu, Mr. Chi Ting-Fang @Stan Chi, Mr. Chen Cheng-Fong @Eric Chen, Mr. Tsai Yu-Ping @Edward Tsai, Ms. Yu Hsueh-Ping @Peggy Yu), one in the age range of 51-60 (14.3%, Mr. Lin Hong @Vincent Lin), and one in the age range of 41-50 (14.3%, Mr. Chen Kuan-Hua @Bill Chen).



Diversity and independence of directors								
Director's Name	Gender & Age	Serves as an Independent Director		Diversified Core Expertise				
		Less than 3 terms	More than 3 terms	Finance & Accounting	Com-merce	Law	Mar-keting	Indus-trial Tech-nology
HU, CHIU-CHIANG(@ Douglas Hu)	M 61~70			√	√		√	√
TSAI, YU-PING (@ Edward Tsai) (Independent Direc-tor)	M 61~70		√	√	√	√		√
LIN, HUNG (@Vincent Lin) (Independent Direc-tor)	M 51~60		√	√	√		√	
YU, HSUEH-PING(@ Peggy Yu) (Independent Direc-tor)	F 61~70	√		√	√		√	√
WEIJI INVESTMENT CO., LTD. (Representative : CHEN, CHENG-FONG (@Eric Chen)	M 61~70				√		√	√
CHI, TING-FANG(@ Stan Chi)	M 61~70				√		√	√
CHEN, KUAN-HUA(@ Bill Chen)	M 41~50			√	√			√

◆ Corporate Governance Officer

The Chairman's Office of the Company is the dedicated unit for corporate governance. On May 13, 2021, the Board of Directors appointed Mr. Chou Kan-Lin (@Fama Chou), Senior Vice President (CFO from September 1, 2022) and Spokesperson of the Administrative Office, as corporate Governance Officer. This position is mainly responsible for matters related to meetings of the Board of Directors and shareholders' meetings, preparation of minutes of Board of Directors and Shareholders' Meetings, assisting directors in their appointment and continuing education, providing information required

by the directors to carry out their business, assisting directors in complying with laws and regulations, other matters stipulated in the Company's Articles of Incorporation or in contracts, and so on. The relevant corporate governance staff, including the Human Resources Office, the stock affairs staff, the legal staff and the financial and accounting staff of the Administration Department, shall assist the corporate governance officer in conducting the aforementioned corporate governance affairs and shall follow the provisions of the Corporate Governance Best Practice Principles. As of March 22, 2022, the corporate Governance Officer has completed the required 18 hours of continuing education.

▶ Continuing Education for Directors

To strengthen the functions of the Board of Directors, and with reference to changes in the Company's internal and external environmental conditions and development needs, courses are arranged covering corporate governance topics related to finance, risk management, business, commercial affairs, legal affairs, accounting, sustainable development or internal audit systems, financial reporting responsibilities, and so on. Moreover, each director accepts at a minimum the requirements for the number of training hours as issued by the competent authority in the Directions for the Implementation of continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed companies. This is done to assist directors in acquiring new knowledge and familiarizing themselves with the operation of the Board of Directors while effectively implementing the corporate governance system. In 2021, the continuing education of board members complied 100% with the statutory hours.

Continuing education for directors of Weikeng Industrial in 2021					
Title	Name	Training hours	Training date	Training institution	Training course
Director	HU, CHIU-CHIANG (@Douglas Hu)	3	2021/10/28	Taiwan Corporate Governance Association	The Key to Success or Failure of Digital Transformation- Case Sharing
		3	2021/11/18		Case Analysis of Hostile Takeover, competition for Management Rights, and corporate countermeasures
Director	CHI, TING-FANG (@Stan Chi)	3	2021/11/18	Taiwan Corporate Governance Association	Case Analysis of Hostile Takeover, competition for Management Rights, and corporate countermeasures



Title	Name	Training hours	Training date	Training institution	Training course
Director	CHI, TING-FANG (@Stan Chi)	3	2021/11/26	Taiwan Corporate Governance Association	2030/2050 Net Zero Emissions-Sustainable Challenges and Opportunities for Global Enterprises
Representative of Juristic Person Director	CHEN, CHENG-FONG (@Eric Chen)	3	2021/8/6	Taiwan Corporate Governance Association	The Distance Between Us and Insider Trading
		3	2021/8/10		Handling Practices of Information Security Incidents Under the New Normal of Post-Epidemic
		3	2021/8/13		Red Flag for Fraudulent Financial Reporting
Director	CHEN, KUAN-HUA (@Bill Chen)	3	2021/9/13	Securities & Futures Institute	The 13th Taipei Corporate Governance Forum
		3	2021/9/16		Intellectual Property Management from the Board of Directors' Perspective
		3	2021/11/5		2021 Annual Promotion Conference on Prevention of Insider Trading
Independent Director	TSAI, YU-PING (@Edward Tsai)	3	2021/9/22	Securities & Futures Institute	Corporate M&A Practice Sharing-Centered on Hostile Takeover
		3	2021/10/5		Key Technology and Business Opportunities in Quantum Technology
Independent Director	LIN, HUNG (@Vincent Lin)	3	2021/11/18	Taiwan Corporate Governance Association	Case Analysis of Hostile Takeover, competition for Management Rights, and corporate countermeasures
		3	2021/11/26		2030/2050 Net Zero Emissions-Sustainable Challenges and Opportunities for Global Enterprises
Independent Director	YU, HSUEH-PING (@Peggy Yu)	3	2021/11/26	Taiwan Corporate Governance Association	2030/2050 Net Zero Emissions-Sustainable Challenges and Opportunities for Global Enterprises
		3	2021/12/3	Securities & Futures Institute	Key Technology and Business Opportunities in Quantum Technology

► Functional Committee

▪ Remuneration Committee

The Company has established a Remuneration committee under the Board of Directors, and on July 20, 2021, the Company re-elected the directors, and the Board of Directors re-appointed the 5th session of the Remuneration committee with three members, of whom two members are independent directors (Mr. Tsai Yu-Ping, @Edward Tsai) and (Mr. Lin Hung, @Vincent Lin) and one external expert (Adjunct Professor Lin Jenn-Chuen, Department of Social Education, National Taiwan Normal University). Furthermore, one independent director (Mr. Tsai Yu-Ping) was appointed convener and presiding chair of the meeting, representing the Committee externally and responsible for setting and regularly reviewing the policies, systems, standards, and structure of annual and long-term performance targets and remuneration of directors and managers.

The Remuneration committee executes its functions and powers in accordance with the Remuneration committee Charter as approved by the Board of Directors. The Remuneration committee meets at least twice a year. A total of three meetings were held in 2021 and the attendance rate of all members was 100%.

Provision for employees' (including managerial officers) remuneration

In accordance with the Company's Articles of Incorporation, the total amount of remuneration to employees (including managerial officers) for 2021 was NT\$191,512,000. This total amount of remuneration was approved by the Remuneration committee and the Board of Directors on March 25, 2022, and will be issued in cash. After submission to the shareholders' meeting in 2022, it was distributed based on the performance appraisal of employees (including managerial officers) on July 18, 2022; out of this, the payment to managerial officers was approved in advance by the Remuneration committee and the Board of Directors on July 15, 2022.

Directors' remuneration includes directors' remuneration and business execution fees

In accordance with the Measures for Remuneration of Directors and Managers and the Board of Directors Performance Evaluation Measures, the issued remuneration of directors in 2021 was NT\$47,878,000. The total amount was approved by the Remuneration committee and the Board of Directors on March 25, 2022, and will be distributed after submission to the 2022 General Meeting of Shareholders.



▪ Audit Committee

In accordance with Article 14-4 of the Securities and Exchange Act, the Company fully re-elected directors at the General Meeting of Shareholders on July 20, 2021. Three new independent directors were elected, Mr. Tsai Yu-Ping (@Edward Tsai), Mr. Lin Hung (@Vincent Lin), and Ms. Yu Hsueh-Ping (@Peggy Yu), and the second term Audit committee was established. In accordance with Articles 14-3 and 14-5 of the Securities and Exchange Act and the Organizational Rules of the Audit committee, the committee meets at least once per quarter. comprising three independent directors, the Audit committee members have professional knowledge and experience in finance or business. It aims to assist the Board of Directors in enhancing its supervisory functions and strengthening its management functions; this includes ensuring fair presentation of financial statements, selection (dismissal) of CPAs and overseeing their independence and performance, supervising the effectiveness of internal control and the following of relevant laws and regulations and control of existing or potential risks. A total of seven audit committee meetings were held in 2021 and the attendance rate of all members was 100%.

▪ Nominating Committee

On March 25, 2022, the Board of Directors appointed the Chairman (Mr. Hu Chiu-Chiang) and all independent directors (three seats: Mr. Tsai Yu-Ping (@Edward Tsai), Mr. Lin Hung (@Vincent Lin), and Ms. Yu Hsueh-Ping (@Peggy Yu)) in establishing the first Nomination Committee (four seats) for a term of office extending from the date of appointment by the Board of Directors (March 25, 2022) to the expiration of the current term of directors (July 19, 2024, or the date of full election of directors at the 2024 General Meeting of Shareholders, whichever is the former), or resignation from the committee or as a director, or until the date on which the Board of Directors makes an appointment to replace the original director as a member of the committee. Mr. Lin Hung (@Vincent Lin), an independent director, serves as the convener of the committee and as its presiding chair. After the establishment of the Nominating Committee of the Company, the committee proposes a list of candidates for directors to the Board of Directors in accordance with its Charter, carefully evaluates the qualifications of the nominees and the existence of the matters set forth in Article 30 of the Company Act, and complies with the provisions of Article 192-1 of the Company Act to handle the election of directors.

The committee, with authority by the Board of Directors, faithfully performs the following duties with good stewardship and shall submit its recommendations to the Board of Directors for discussion: :

1. Establishing criteria for the diversity of backgrounds and independence in terms of expertise, skills, experience, and gender required of Board members and senior management, and identifying, reviewing, and nominating candidates for directors and key senior management accordingly.
2. Establishing and developing the organizational structure of the Board of Directors

and committees, evaluating the performance of the Board of Directors, committees, directors and key senior management, and evaluating the independence of independent directors.

3. Establishing and periodically reviewing directors' continuing education programs and succession plans for directors and key senior management.
4. Revising the Company's corporate Governance Best Practice Principles.

▪ Sustainable Development Committee

On March 25, 2022, the Board of Directors appointed Chairman Hu Chiu-chiang, Chief Operating Officer and director Chi Ting-Fang (stepped down as COO and promoted to President on September 1, 2022), and all independent directors (three seats: Mr. Tsai Yu-Ping (@Edward Tsai), Mr. Lin Hung (@Vincent Lin), and Ms. Yu Hsueh-Ping (@Peggy Yu)) in establishing the first Sustainable Development Committee (five seats) for a term of office extending from the date of appointment by the Board of Directors (March 25, 2022) to the expiration of the current term of directors (July 19, 2024, or the date of full election of directors at the 2024 General Meeting of Shareholders, whichever is the former), or resignation from the Committee or as a director, or until the date on which the Board of Directors makes an appointment to replace the original director as a member of the Committee. The Convener and presiding chair of the Sustainable Development Committee is independent director Ms. Yu Hsueh-Ping (@Peggy Yu). The Committee has formed two functional groups, Sustainable Development Group and the Risk Management Group, to ensure the promotion and implementation of work related to Corporate sustainable.

◆ Board of Directors Evaluation

The Company saw the amendment and approval of Rules for Board of Directors Performance Evaluation by the Board of Directors on July 31, 2020. The Board of Directors of the Company shall conduct an internal board performance evaluation every year, and shall be evaluated at least once every three years by an external professional independent organization or an external team of experts and scholars. Performance evaluation measurement items include mastery of the Company's goals and tasks, awareness of responsibilities, degree of participation in operations, management and communication of internal relations, professional and continuing education, and internal control, expression of specific opinions, and so on. These items are evaluated to confirm that the Board is functioning effectively and to evaluate the performances of directors, serving as a reference for the future selection of directors for re-appointment. Self-assessments and performance evaluations of the Board of Directors, individual directors, and functional committees were completed for 2021 and a report was submitted to the Board of Directors on January 14, 2022. The average achievement rates were 88%, 88.94% and 80%, respectively, according to the evaluation items. Please refer to the Company's official website for the relevant self-evaluation results. In addition, with the approval of the Nomination committee and the



Board of Directors on August 10, 2022, the Company is expected to appoint a team of three experts from an external institution (the Taiwan corporate Governance Association) to conduct an external evaluation in November 2022.



Implementation of
Board of Directors Per-
formance Evaluation

◉ Recusal from Conflicts of Interest

In accordance with Article 15 of the Rules and Procedures of the Board of Directors, the Company has established a system for recusal of directors' interests. In respect to meeting matters, if a director or the juristic person represented thereby has a stake in a proposal at the meeting, that director shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse themselves from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item, such director shall be deemed to be an interested party with respect to that agenda item. Where a director is prohibited from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act. Accordingly, the second resolution of the fifth board meeting of the Company in 2021: In discussion of the appointment of members of the fifth Remuneration committee of the Company, the independent directors (Mr. Tsai Yu-Ping (@Edward Tsai) and Mr. Lin Hung (@Vincent Lin)) did not participate in the voting in accordance with the above specification because they had their own interests to be recused from in the proposal.

◉ Internal Audit System

In accordance with the Company's organizational rules, the Audit Office is subordinate to the Board of Directors, and one audit supervisor and one senior advisory coordinator are established. In June 2022, a Subsidiary Audit Office was established under the Chairman's Office with a senior coordinator; the appointment, dismissal, evaluation, salary and remuneration of the aforementioned senior advisory coordinator and senior coordinator shall be signed by the audit supervisor and submitted to the Chairman for approval.

The Subsidiary Audit Office is responsible for the revision of the relevant internal control systems of subsidiaries, the formulation and implementation of the annual audit plan or

project audit plans, the completion of the self-assessment reports, and the tracking of the shortcomings of the internal control systems and the improvement of abnormal matters; it reports the aforementioned operations to the Audit Office of the Company.

According to the annual audit plan, the Audit Office implements the audit operations of each system and supervises and reviews the business of the aforementioned Subsidiary Audit Office. It assists the Board of Directors in supervising and controlling the potential risks of implementation decisions or operations, ensures that each operational risk item is effectively controlled, and puts forward control improvement suggestions in a timely manner. For the internal control system, the management of each operating unit (including subsidiaries) regularly evaluates its internal control system by itself, auditing the implementation of internal control of each unit (including subsidiaries).

2.3 Honesty and Integrity and Regulatory Compliance

With the approval of the Board of Directors, the Company established the corporate Governance Best Practice Principles in 2018 and the code of Ethical conduct in 2020, providing all employees with a code of high ethical standards. These are furthermore disclosed in the Annual Report and on the Company's official website. It is of paramount importance that the Board of Directors and management adopt the highest standards of integrity and ethics in the management of the Company and the work conduct of its employees, prohibiting bribery, corruption, deception and any other forms of improper conduct.

In order to prevent any unethical conduct, employees must disclose any conduct that has or may have the potential to undermine the Principles, such as an actual or potential conflict of interest. Key employees and senior management must periodically declare their compliance with these Principles. The Company requires all customers, suppliers and partners to declare in writing that they will not engage in any fraudulent or induced unethical conduct in their business dealings with the Company or with management and employees. In addition, the Company also stipulates in Article 13 of the Labor code the relevant penalties for violations of ethical management. If an employee commits fraud, embezzlement of public funds, bribes or commissions, the Company may terminate the employment relationship without notice and may claim damages according to law, and in serious cases, they may be dismissed from office.

In order to promote the ethical code of conduct to all employees, Weikeng communicates the concepts of honesty and ethics to colleagues and partners through advocacy, communication, and training courses from time to time, so as to jointly implement the principles of ethical management.



Ethical management principles:

The following acts may not be committed

- Offering and accepting bribes;
- Making illegal political contributions;
- Improper charitable donations or sponsorships;
- Offering or accepting unreasonable gifts, hospitality or other improper benefits.
- Infringement of trade secrets, trademarks, patents, copyrights and other intellectual property rights;
- Engaging in unfair competitive practices;
- The purchase, provision or sale of products and services that directly or indirectly harm the rights, health and safety of consumers or other stakeholders.

• Optimal Whistleblowing Mechanism

The Company has established internal and external whistleblower reporting hotlines so that relevant personnel can report to the Company's designated internal auditors and legal personnel to investigate any ethical violations.

Internal whistleblowing mechanism

- The Company has an internal audit office and a legal unit with a reporting line and e-mail to establish a whistleblower reporting channel. Employees and related personnel can report improper business practices. After a confidential investigation, anyone who violates operational integrity rules will be punished according to the Company's personnel regulations related to incentives and penalties. Legal action will also be taken in the event of illegal conduct.
- The Company has established standard operating procedures (SOPs) authorized by the Chairman's Office and implemented by the internal audit office and the legal unit. These SOPs can be used for any confidential investigation of such cases.
- The Company takes whistleblower protection seriously because its core purpose is to protect diligent employees trying to identify potential wrongdoing from unlawful retaliation. The Company has a whistleblower protection hotline. If necessary, both senior management and the Board of Directors can directly review and determine the appropriate action to respond to the retaliation.

External whistleblowing mechanism

We provide a whistleblowing hotline on the Company's official website:

- Whistleblower email: whistleblower@weikeng.com.tw (This email will automatically forward the letter to the Audit Supervisor and the Head of the Legal Office.)
- Whistleblower hotline: +886-2-26590202, extension 531 for (Mr. Chiu, Head of the Audit Office; extension 533 for Mr. Tsai, Head of Legal affairs at the Legal Office.

► Prevention Advocacy and Training

▪ Publicize anti-corruption and ethical management with the Board of Directors, managers, and all employees

- The Chairman's Office is responsible for formulating and monitoring the implementation of the ethical corporate management policy and prevention programs for the enterprises and organizations within Weikeng Group, and reports to the Board of Directors as necessary.
- The Company conducts regular education on ethical practices, code of ethical conduct, conflict of interest avoidance, and all other related topics by senior management and the legal supervisor at monthly operation meetings and quarterly all staff meetings to strengthen ethics and self-discipline.
- Within one week of arrival, 100% of new employees will receive reminders from legal and personnel units, including key reminders related to ethical management and ethical behavior rules.
- Monthly operation meetings are held that require participants to communicate our ethical corporate management requirements to all business partners. In addition, every business contract contains ethics-related clauses. If these clauses are violated, the Company may terminate its business partnership at any time.

Education and training statistics of anti-corruption/ethical management related courses of Weikeng Industrial in 2021

Date	Promotion sessions	Number of participants	Number of hours	course content
01/21	New employee training	16	0.5	Anti-corruption/ethical corporate management training (Insider/short-swing trading)
04/22		20	0.5	
10/14		30	0.5	
04/16	All staff meeting	324	0.5	
11/12		335	0.5	



Date	Promotion sessions	Number of participants	Number of hours	course content
08/06	Directors' continuing education courses	Representative of Juristic Person Director CHEN, CHENG-FONG (@Eric Chen)	3	Taiwan Corporate Governance Association The Distance Between Us and Insider Trading
8/13		Director CHEN, KUAN-HUA (@Bill Chen)	3	Taiwan Corporate Governance Association Red Flag for Fraudulent Financial Reporting
11/05		Director CHEN, KUAN-HUA (@Bill Chen)	3	Securities & Futures Institute 2021 Annual Promotion conference on Prevention of Insider Trading



Ethical management education and training

▪ **Anti-corruption and ethical management practices with business partners**

The Company complies with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the Political Donations Act, the Act to Implement United Nations convention against corruption, the Government Procurement Act, the Act on Recusal of Public Servants Due to conflicts of Interest, and other regulations regarding the ethical management of TWSE-listed companies. Furthermore, we have established a code of conduct for Suppliers and a Whistle-blowing System to conduct pre-trade due diligence with upstream and downstream companies and request them to issue integrity commitments according with their actual situations to minimize risks as much as possible. The Company also provides an internal audit supervisor and legal supervisor hotline to receive and submit information regarding conflicts of interest.

Anti-corruption-related contract specifications for Weikeng Industrial and non-vendor suppliers, vendors, customers, etc. are as follows:

1. Letter of Undertaking for compliance with Responsible Business Alliance (RBA)
By the end of 2021, a total of 50 non-vendor suppliers of the Company had signed the Company's Letter of Undertaking for compliance with Responsible Business Alliance (RBA).

Gist of the content: the Company reiterates the importance of honesty and integrity in business cooperation between the two parties. Weikeng firmly prohibits any corruption and/or bribery activities, and will not condone the acceptance or giving of any gift, gratuity, or entertainment that may be considered a bribe with equal regard to each item of its business and of its third-party manufacturers. We have also expressly requested employees thereof (including their family members, relatives, and friends) not to accept such gifts, gratuities, or entertainment.

2. By the end of 2021, a total of 27 vendors had signed distribution contracts with the Company that encompasses anti-corruption/anti-bribery and other similar clauses. Its content also requires both parties to prohibit any dishonest behavior such as bribery during business cooperation.
3. By the end of 2021, the Company had signed with a total of 209 customers regarding ethical commitments and other similar ethical requirements contracts. Their content also requires both parties to prohibit any dishonest behavior such as bribery during business cooperation.

◆ Audit System for Honesty and Integrity

The Company has established an accounting and internal control system to ensure ethical corporate management. The internal audit supervisor conducts relevant risk assessments based on possible unethical business practices, conduct audits on these items as included in the annual audit plan, and reports the following audit results to the Audit committee and the Board of Directors:

- A random inspection of the accounting books did not reveal any external accounts and the retention of secret accounts.
- Furthermore, no director, manager, or employee was found to have committed any of the following wrongdoings:
 - (1) Offering or accepting improper benefits.
 - (2) Making illegal political contributions.
 - (3) Engaging in improper charitable donations or sponsorships.
 - (4) Occurrence of conflicts of interest with one's position.
 - (5) Violation of confidentiality requirements of confidential and commercially sensitive information obtained in the course of business.
 - (6) Transactions with suppliers, customers and business dealings involving dishonest conduct.
- The Company pays attention to the honesty and integrity of transactions among vendors and non-vendor suppliers as well as customers. No illegal breaches of commitment was found following random inspection of relevant signed ethical commitments and supplier codes of conduct.
- So far, no accountant has been entrusted to perform such audits.
- There were no incidents of corruption in the Company in 2021.



◆ Regulatory Compliance

Weikeng Group Complies with local laws/regulations related to operations, including labor laws, tax laws, corporate laws, securities exchange laws, business entity accounting laws, fair trade laws, import and export laws, environmental protection laws, intellectual property laws, product trade laws, and so on. In 2021, there were no violations of social, economic, environmental protection, product laws/regulations, or business integrity in Weikeng Industrial.

 Economic and environmental protection regulations	 Labor rights related regulations	 Product trade related regulations
<ul style="list-style-type: none">⊗ No violations of the corporate laws⊗ No violations of the business entity accounting laws⊗ No violations of securities finance regulations⊗ No violations of tax laws⊗ No incidents of corruption⊗ No political contributions⊗ No violations of environmental protection related laws and regulations	<ul style="list-style-type: none">⊗ No violations of labor regulations⊗ No forced labor⊗ No violations of gender equality laws⊗ No use of child labor⊗ No incidents of discrimination or sexual harassment⊗ No infringements of Indigenous rights⊗ No infringements on freedom of association, group consultation, etc.	<ul style="list-style-type: none">⊗ No products prohibited for sale⊗ No occurrences involving product health and safety regulations⊗ No violations of product information labeling regulations⊗ No violations of laws and regulations related to marketing communications⊗ No involvement in anti-competitive behavior⊗ No involvement in antitrust incidents⊗ No instances of monopolistic behavior⊗ No violations of fair trade laws⊗ No violations of import and export laws⊗ No violations of intellectual property laws⊗ No violations of product trade regulations

Note: Weikeng Industrial did not violate relevant laws and regulations in 2021 (including but not limited to the regulations listed above).

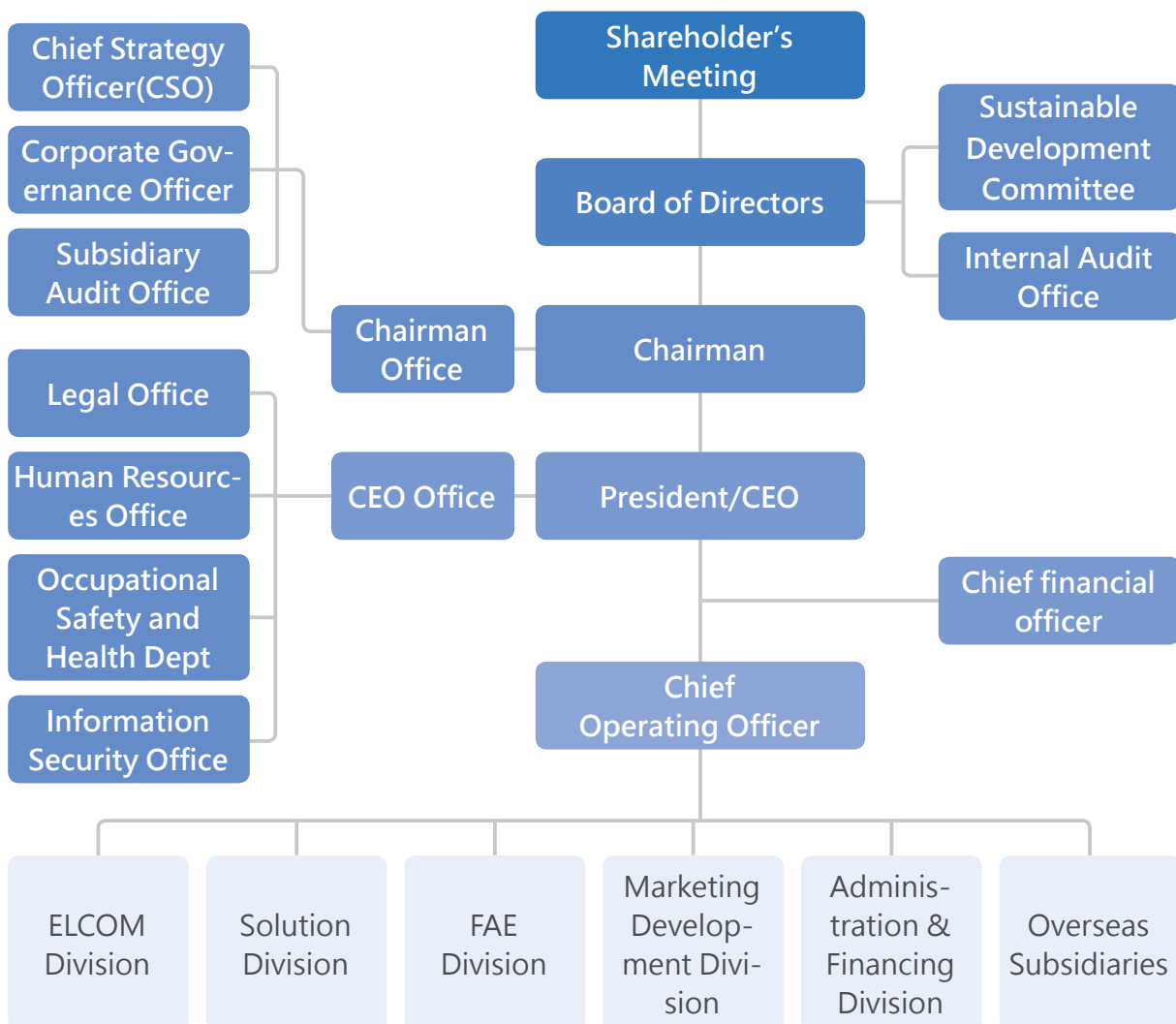
2.4 Risk Management

Operational Risk

The Company formulated the Policy and Procedures of Risk Management in 2021 and established the first Sustainable Development committee on March 25, 2022. The committee has formed two functional groups, the Sustainable Development Group and the Risk Management Group, and has established the Sustainable Development committee Charter to ensure the promotion and implementation of work related to corporate sustainable development.

Risk Management Organization Structure

Risk Management Organizational Structure



Updated: September 1, 2022



I. Board of Directors

The Board of Directors is the highest decision-making unit of the Company's risk management. It approves risk management policies and frameworks, and oversees the effective operation of the risk management mechanism. Moreover, the Chairman is authorized to serve as the convener of the risk management plan and to coordinate and direct the promotion and operation of the risk management plan.

II. Sustainable Development Committee

In accordance with the Sustainable Development committee Charter, it is responsible for reviewing risk management policies (including but not limited to information and cyber security, etc.), the adequacy of the risk management structure, the management report of major risk management strategies (including risk appetite or tolerance) and major risk issues, supervising the improvement mechanism, and regularly reporting the implementation of risk management to the Board of Directors.

A Risk Management Group is established under the Sustainable Development committee to assist the committee in carrying out its risk management responsibilities. The Risk Management Group is responsible for developing and revising the Company's risk management related regulations, including but not limited to information and cyber security. It implements and improves the Company's risk management and information and cyber security related work, holds regular meetings, and reports the implementation status to the Sustainable Development committee.

III. Management Levels of Each Business Unit and Functional Unit

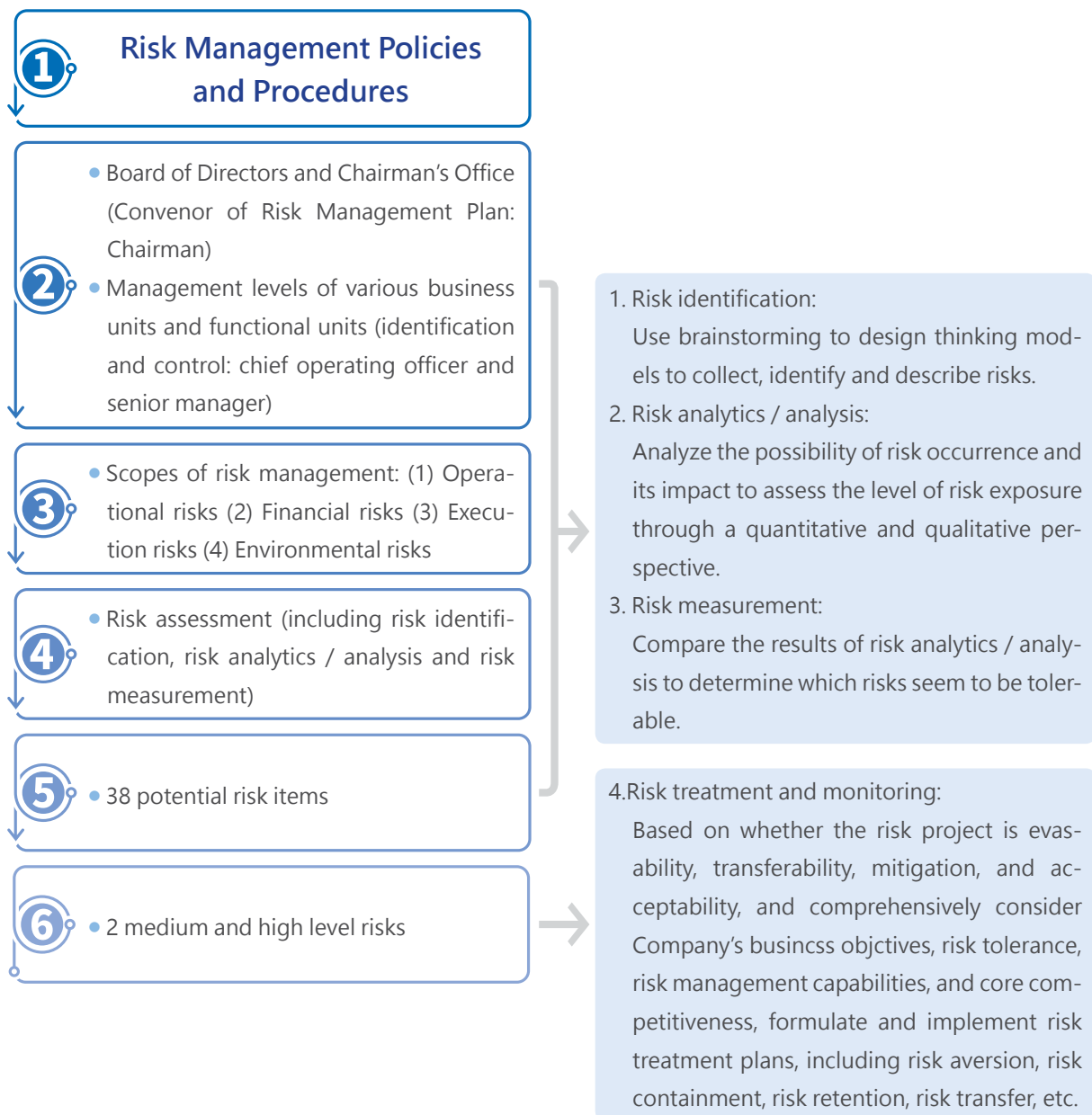
The organizational management system at all levels is managed by the President (former Chief Operating Officer), while senior managers of each business unit and functional unit assist in the identification of risk factors and risk control. This is to make more efficient the command and dispatch and the self-evaluation and execution of the risk management organization. Furthermore, relevant risk assessments are regularly conducted in operation meetings while formulating countermeasures and reviews.

IV. Audit Office

In formulating an annual audit plan in accordance with this policy, the Audit Office implements the audit operations of each system. It assists the Board of Directors in supervising and controlling the potential risks of implementation decisions or operations, ensures that each operational risk item is effectively controlled, and puts forward control improvement suggestions in a timely manner. For the internal control system, the management of each operating unit (including subsidiaries) regularly evaluates its internal control system by itself, and the audit unit reviews the implementation.

▪ Risk Management Procedures

Based on the characteristics of the industry, the risk management mechanism is built on the four major aspects of environmental, social, corporate governance and technological innovation, whereby each business and functional unit assesses, disposes of and monitors the risk scopes faced by the Company. Regular internal operations meetings are held to conduct risk assessments in respect to the risk management areas set forth in the Risk Management Policy and Procedures, including the four major risk areas of business, financial, operational, and environmental risks. These meetings shall consider likelihood and degree of impact, and conduct risk assessments of potential risks and emerging risks (including risk identification, risk analysis and risk measurement), as well as risk disposal and risk monitoring; and these shall be regularly reported to the Board of Directors.

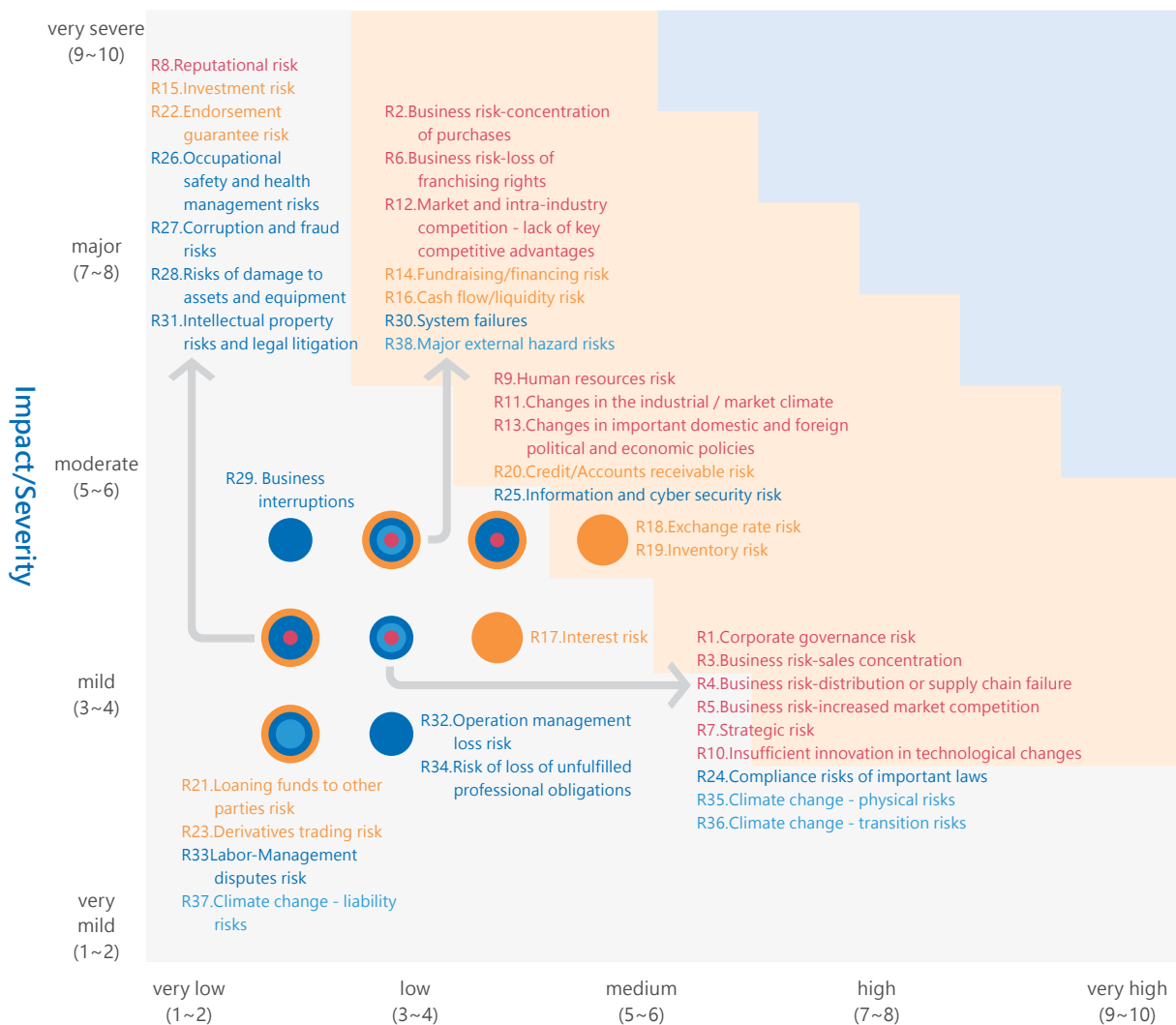




▪ Risk Identification and Response Strategies

In accordance with these risk management policies and procedures, the management level of each business and functional unit of the Company identified 38 potential risk items. Among them, the risk measurement process was used to determine which items carried medium and high risk and above; these included the two risk items of exchange rate risk and inventory risk. The corresponding risk disposal was proposed by management and included in the risk management items that the Company is required to define, review and monitor on a regular basis; and these were reported to the Board on December 30, 2021.

Risk Matrix



Occurrence Probability

- Operational risk
 - Financial risks
 - Execution risks
 - Environmental risks
- Risk exposure :
 (Occurrence probability)*(Impact/Severity)
- high risk
 - medium risk
 - low risk

Risk topics and response measures

Inventory risk response measures

I. Control measures for prevention of sluggish stocks

The generation of sluggish stocks needs to be traced back to the source to prevent and detect sluggishness in advance. To comprehensively prevent the generation of sluggish stocks in the entire supply chain in areas such as procurement and sales, all departments of the Company are required to participate in effectively integrating the supply chain while responding quickly and dealing with problems encountered in operations and management in a timely manner.

1. Prevention during design in stage of product solutions: It is necessary to comprehensively consider the versatility, cost, cost performance and supply capacity of materials.
2. Business department response measures:
 - (1) Business personnel should fully communicate with customers, understand customers' needs, analyze the customer's order progress, undertake timely communication, and supervise and guide matters to ensure that customers can order according to expected needs while preventing customers from canceling or changing orders, thereby improving order fulfillment rates and forecast accuracy. When market demand is expected to change, or when a sales order is cancelled or changed, the business department shall promptly notify the vendor after the change occurs, with timely cancellation of orders for products that have not been purchased in accordance with contract specifications so as to prevent the generation of sluggish stocks. For sluggish stocks that have already occurred, the business department should put forward corresponding handling opinions.
 - (2) Improve the accuracy of sales forecasting, focusing on making reasonable predictions of the market demand of corresponding products through customers' historical sales data, operating capacity, inventory situation and market changes.
 - (3) Stocking sluggishness caused by changes in a customer's plans shall be borne by the customer under certain conditions.
 - (4) The business support and warehousing departments strictly implement the principles of first-in, first-out, regularizing inventory to ensure accurate inventory information.

II. Response measures for improving the handling of sluggish stocks

For sluggish stocks that have been produced, we follow the principle of "whoever generates it is responsible for processing." The responsible department thus must find a way to deal with it and minimize losses. Since losses associated with sluggish stocks caused by external factors can be passed on, the focus of sluggish stocks control should be on solving sluggish stocks caused by internal factors. In addition to the need to reorganize the handling process of sluggish stocks, de-



termine the attribution of sluggish liability, and link sluggish stocks handling with department performance, the main ways to reduce sluggish stocks are as follows:

1. Internal reductions

- (1) For sluggishness that has already been created, the business department should sort out and update sluggish stocks on a monthly basis.
- (2) Direct scrapping.

2. Reduction of external linkages

- (1) The customer is responsible for losses from changes: For custom-made products, sign an agreement with the customer before purchasing raw materials and charge a certain percentage of the deposit to reduce and avoid sluggishness caused by customers changing or canceling orders and thereby causing losses. If a customer requests a change, it must be implemented after the material is consumed or otherwise the customer is responsible for losses from sluggish materials/ stocks.
- (2) Inventory materials returned to the vendors: Obsolete inventory materials such as packaging, quality, etc. have no impact, and the right to return to the vendors under the franchise contract between the vendors is used to reduce the Company's sluggish materials/ stocks and at the same time reduce the backlog of Company funds.
- (3) Market reductions: By destocking or marketing in the same industry, business units can find opportunities to sell sluggish materials to companies that are in need or will need them.

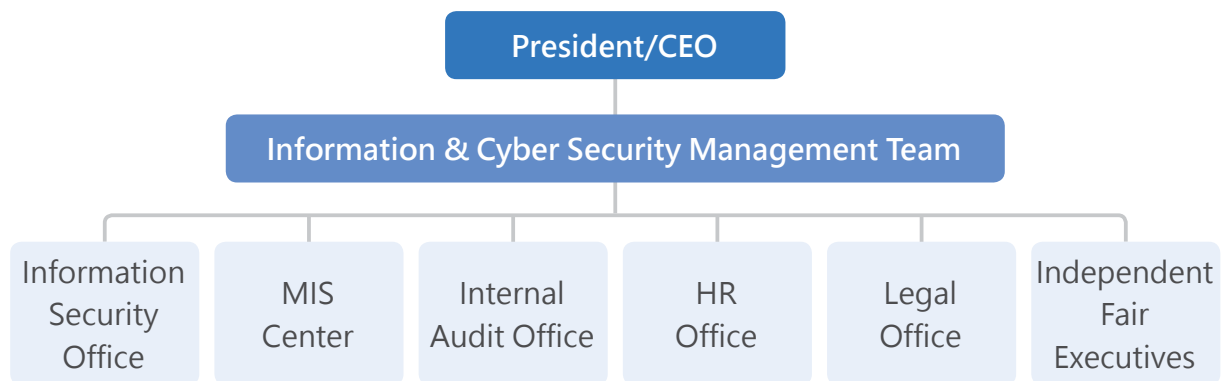
Countermeasures against exchange rate risks

The Company and its subsidiaries operate internationally, and the main trading currencies are USD and RMB. The underlying exchange rate risk is derived from future business transactions, recognized assets and liabilities, and net investments in foreign operating institutions. It is the policy of the Company and its subsidiaries that each company manages exchange rate risk relative to its functional currency, and the financial department of each company conducts hedging against the overall exchange rate risk. In addition, to manage exchange rate risk from future commercial transactions and recognized assets and liabilities, and in order to reduce the impact of exchange rate fluctuations on profit and loss on each company, an appropriate mode of positive and negative position management of US dollar financial assets and liabilities shall be utilized; and position gap management shall be determined at any time according to the judgment of the current exchange rate trend. Therefore, the Company's current exchange rate management, except for the natural hedging of US dollar financial assets and liabilities, is managed according to the actual position gap, and in principle, forward foreign exchange contracts are used as hedging tools.

Information and Cyber Security Management

The Company set up an Information Security Office on September 1, 2022, with a dedicated supervisor (division director) and a dedicated information security specialist. Furthermore, the President (the former Chief Operating Officer) serves as the convener of the information and network security management team. In addition to the Information Security Office, the remainder of the information and network security management team includes information units, internal audit units, personnel units, legal units, and independent and objective supervisors with professional skills and knowledge (management level of each business unit and functional unit). They are responsible for coordinating, planning, executing, and analyzing information security incidents, and the information security policy is evaluated at least once a year.

Information and Cyber Security Risk Management Framework



Updated: September 1, 2022

1. The Information Security Office is responsible for establishing the Company's information security policies, strategies, and programs. It proposes information security and sustainability planning, loss prevention and fraud prevention, and privacy protection to protect employees, information assets, and technology.
2. The Information Center and the Legal Office cooperate with the policies, strategies, and programs proposed by the Information Security Office. They are responsible for the discussion of plans, measures, and technical specifications related to the safety of information communication, and matters related to the research, construction, and evaluation of safety technology.
3. The Human Resources Office is responsible for handling personnel safety evaluations.
4. The Audit Office, together with the Information Security Office, the Information Center, and other relevant units, is responsible for the maintenance of information confidentiality and the management of audit use.
5. The Legal Office is responsible for the review of project contracts and the timely advocacy, training and education on information ethics laws and regulations, including but not limited to privacy, correctness, ownership, and usage rights.



6. Independent and objective supervisors (management level of each business unit and functional unit) are responsible for handling the security requirements, use management, protection, and other matters of data and information systems, as well as the authorization advice, assessment and management of personnel who can use confidential and sensitive information.

▪ Information and Cyber Security Policy

The Company adopts requisite and cost-effective means, measures, or mechanisms to protect the management, operation and technology security, in order to precisely protect the Company's information assets from any unfair use, disclosure, tampering, theft and destruction, take necessary responsive actions promptly and restore normal operations immediately in case of emergencies, such as malicious attacks, destruction or unfair use, and mitigate the damage caused by incidents that potentially affect and compromise the Company's operations. Furthermore, a safe and reliable computerized operating environment is established to ensure the security of the Company's computer data, systems, equipment, and Cyber security objectives. For details, please refer to the Information and Cyber Security Policy and Management Regulations published on the Company's official website.

▪ Information and Cyber Security Management

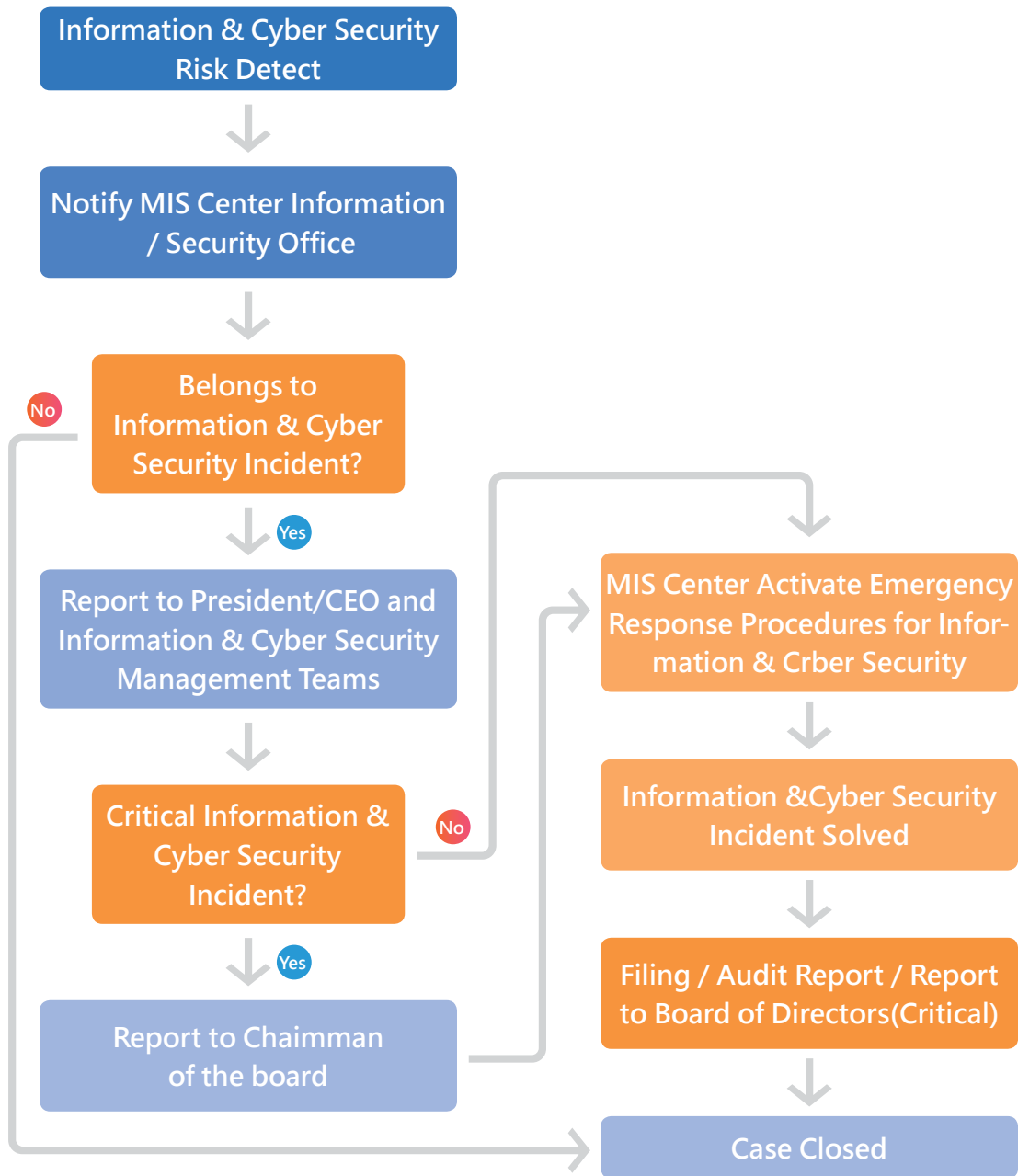
- I. The Company follows the government's personal data protection laws and regulations and EU GDPR regulations, and all employees sign confidentiality contracts and have information security education and training when they arrive at work. Strengthened email anti-hacking, anti-virus, anti-phishing, and anti-fraud filtering. There were no incidents of invasion of customer privacy or loss of customer information during the year.
- II. Based on the Information and Cyber Security Policy and Management Regulations revised by the Board of Directors on November 11, 2020, the following was reviewed and implemented by the MIS Center in 2021 as below:
 1. The Company's information assets have not been misused, leaked, tampered with, stolen, or damaged, and there have been no emergencies such as malicious attacks, damages, or misuse.
 2. Information security performance: 869,358 spam mails were intercepted; 139,868 malicious mails were intercepted. Accuracy of interception: 99.87%.
 3. The email system was transferred to the cloud system of an international service provider, which enhances the information security level.
 4. On September 13, 2021, the Company joined an information security intelligence sharing group (Taiwan Computer Emergency Response Team/ Coordination Center) to obtain intelligence on information security alerts, threats and vulnerabilities.
 5. The Company will continue to increase investments in information security technology and system construction in the future.



Personal information confidentiality education and training

▪ **Procedures of Information and Cyber Security Incident Notification**

In 2021, there were no incidents of infringement of customer privacy or loss of customer information, nor any loss or impact on operations and goodwill due to major information security incidents.





3. Sustainable Supply Chain and Environment

Technology Research and Development and Customer Relationship Management Policy

3.1 Supply Chain Overview

3.2 Supply Chain Due Diligence

3.3 Technology research and development

3.4 Customer Relationship Management

3.5 Environmental Protection

Technology Research and Development and Customer Relationship Management Policy

Technology Research and Development and Customer Relationship Management Policy	
Material Topic	Technology R&D and customer service and satisfaction
Material cause	As a semiconductor distributor, Weikeng acts as a bridge between vendors and customers, providing technical and product introduction client support to meet customer needs and improve service efficiency. Therefore, important factors for the Company to create demand value lie in how to improve the technical energy of the Company while providing customers each solution quickly and in real time, and in improving customer satisfaction and expanding product franchise .
Subject boundary disclosure restrictions	Technology research and development in this report covers only Weikeng Industrial, while customer service and satisfaction topics cover information about Weikeng Industrial and its consolidated subsidiaries.
Management objectives	The Company is committed to the “demand creation” provided by the technology to ensure that the electronic components provided by the Company have a place in OEM design projects.
Commitments	Adhering to customer-centricity, we assist customers in solving supply chain management problems.
Objectives	<p>Short- and medium-term objectives:</p> <ul style="list-style-type: none"> ⊙ Improving customer satisfaction with custom label formulation controlled by date code and bar code management to meet the special needs of individual customers. ⊙ Building a real-time goods inquiry platform: In 2021, a new real-time cargo condition inquiry platform was built to query the tracking of goods using the Company’s shipment order numbers. This is connected with air logistics transportation websites to accurately grasp the real-time information of logistics and cargo conditions. ⊙ Assisting customers in solving supply chain management problems, and acting as a communication bridge between customers and vendors and related supply chain links to provide solutions that meet customer needs. ⊙ In 2022, the total relevant R&D expenditure of Weikeng Industrial was expected to be approximately NT\$130,942 thousand. <p>Long-term objectives:</p> <ul style="list-style-type: none"> ⊙ Making good use of the Company’s professional technical service promotion power and cooperating with each business unit and logistics support unit to provide the most competitive product lines and services that meet customer needs, in order to achieve the role of a professional service Distributor centered on technical orientation.



Technology Research and Development and Customer Relationship Management Policy

Material Topic Technology R&D and customer service and satisfaction

Objectives

- Actively developing cleantech-related product solutions with customers through application engineers (FAE/AE), and cooperating with vendors/customers to help the overall high-tech industry move towards low-carbon, smart city (5G, AIoT, HPC, Datacenter, EV, etc.) high-value transformation and upgrading.

Responsibilities

- The Marketing Development Division takes the lead in finding new franchising lines, closely monitoring and evaluating the application and development of innovative products by the Company, including green economy-related application development.
- The Solution Division invests in R&D resources, and the FAE Division provides technical support and demand creation services.

Complaint mechanisms

After receiving customer feedback, the customer service department or the corresponding business unit window will immediately respond to the customer's request and discuss follow-up measures to ensure smooth cooperation with customers and vendors.

- Taiwan Miss Corrine Hsieh
(886-2) 2659-0202 ext.340
- Email : corrinehsieh@weikeng.com.tw

Stakeholders can also use the Company's official website to ask questions according to the type of stakeholder and topic of concern, and they will be answered by the appropriate contact point: https://www.weikeng.com.tw/contact_us.php

Management evaluation mechanism

- Through discussions with relevant departments as well as customers and vendors, we ensure that products and services meet customer needs.

Specific actions

- Plan and improve the talent cultivation and social responsibility of application engineers (FAE/AE) to retain technical talent.
- In 2021, Weikeng Industrial's research and development expenses were NT\$105,156 thousand.
- The Company creates value advantages with industry-leading application technology promotion capabilities. The ratio of technical R&D personnel to business personnel in 2021:
 - Every 1.7 business personnel * 1 technical engineer (Taiwan locations).
 - Every 2.2 business personnel * 1 technical engineer (mainland China locations).
- Provide professional customer service/business support personnel and match the business to meet the various needs of customers and improve customer satisfaction. (Including locations in Taiwan, Hong Kong, mainland China, and Singapore, the Group has a total of nearly 250 related business assistants and support personnel.)

Technology Research and Development and Customer Relationship Management Policy

Material Topic Technology R&D and customer service and satisfaction

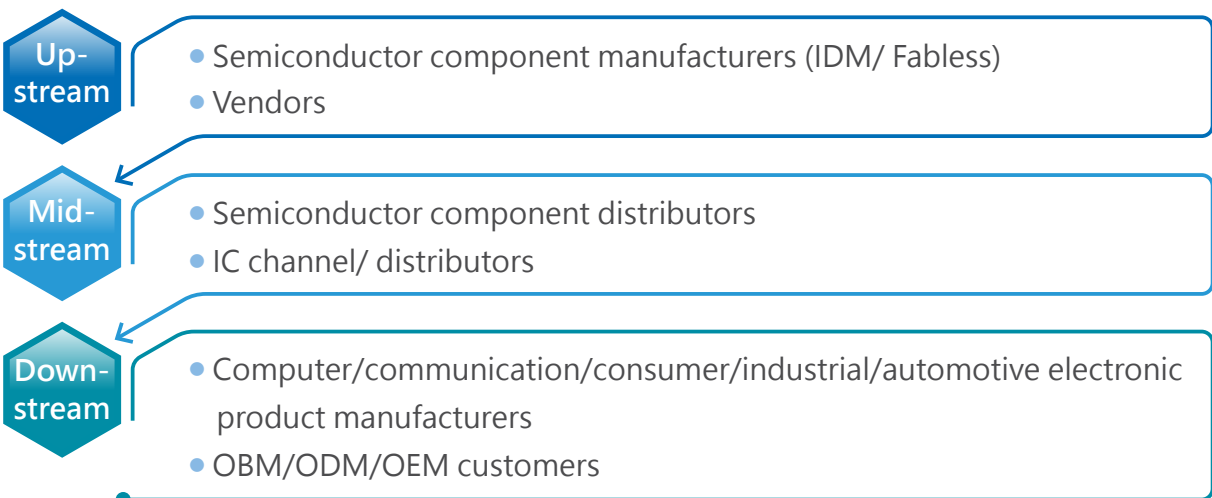
Performance

- Out of consolidated sales of the Group in 2021, those needing provision of technical customer services accounted for about 75% of total sales.
- In 2021, a total of 11 companies authorized the Company's electronic component product franchising rights.
- The overall Group served approximately 6,000 customers.

3.1 Supply Chain Overview

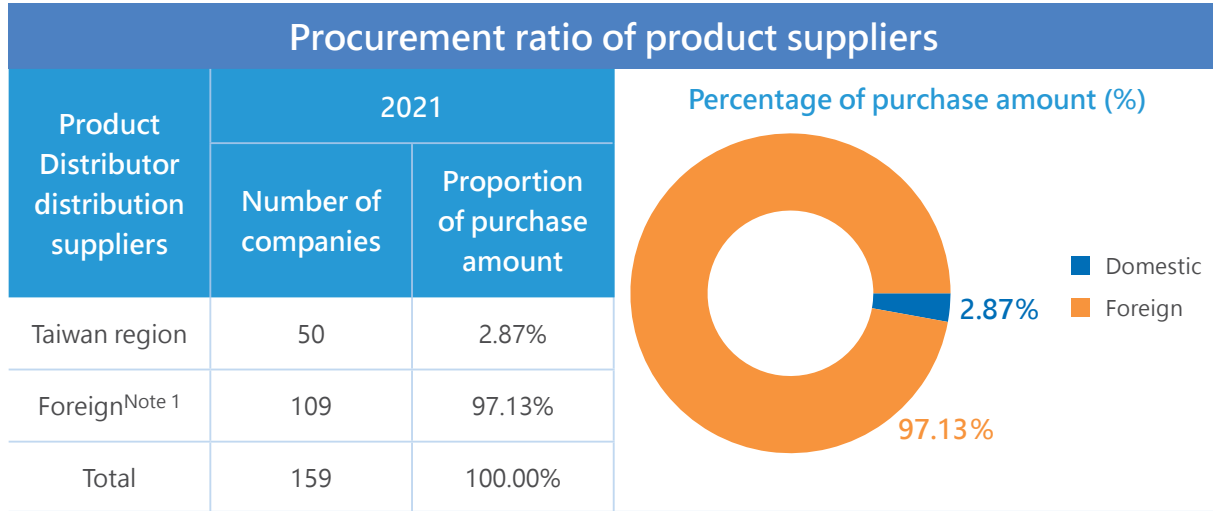
Weikeng is a distributor of IC semiconductor components and computer peripheral equipment. The upstream of the Distributor distributor supply chain mainly constitutes a range of semiconductor component manufacturers while the downstream mainly comprises manufacturers of information, communication, consumer, industrial, automotive, and other final products. For upstream manufacturers, Weikeng can build a complete sales and technical service network to reduce their selling and administrative expenses by eliminating the need to deal with many customers directly and play the role of information provider to form an important communication channel with downstream electronic product manufacturers. For downstream manufacturers, they can quickly provide the components and technical support they need, reduce their R&D expenses, provide analysis and recommendation for market trends, and play the multiple roles of supplier, advisor, and analyst. Therefore, semiconductor component distributors have frequent communication with upstream and downstream manufacturers, and provide professional supply chain management and technical support services to original manufacturers and customers; it is not just a simple buying and selling relationship.

Diagram of upstream, midstream, and downstream relationships among distributors





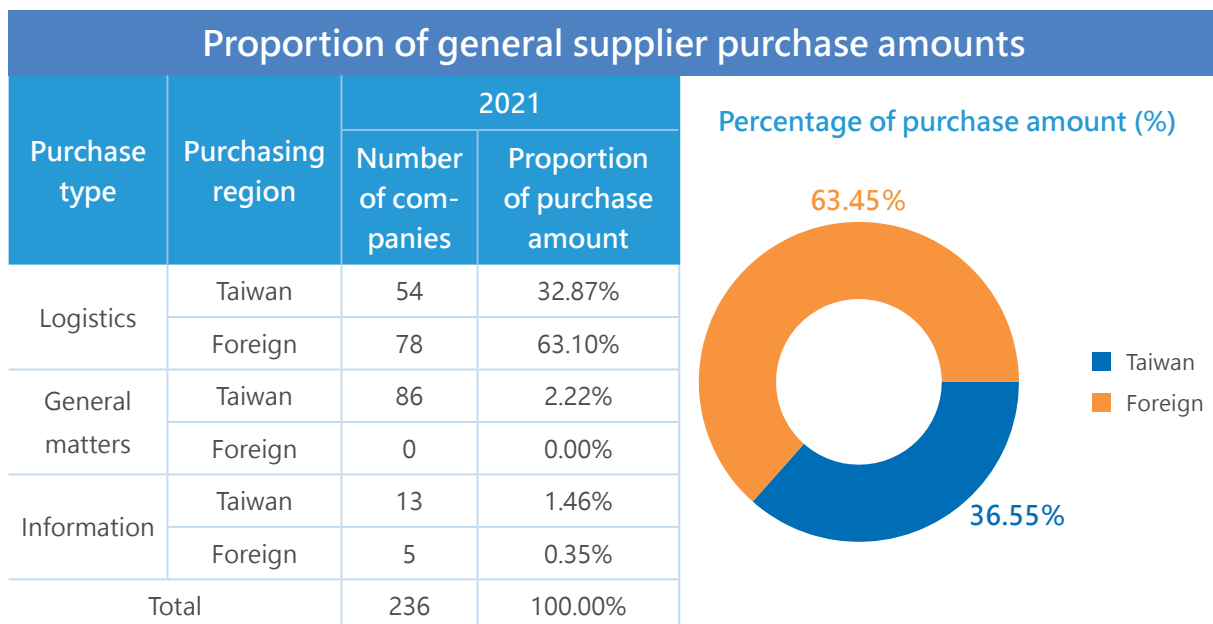
In 2021, there were a total of 159 product suppliers (vendors and non-vendor) for Weikeng products in semiconductor electronic components and information channel products (50 in Taiwan and 109 in foreign countries). The total transaction amount was NT\$28,598,590 thousand and the purchase amount proportion in Taiwan was 2.87%.



Note:

- 1.Foreign refers to non-Taiwan regions.
- 2.Product suppliers include business cooperation with (vendors and non-vendor) suppliers of semiconductor electronic components and information channel products.
- 3.The scope of procurement data is primarily based on Weikeng Industrial Co., Ltd. (the parent company of Weikeng Group Taiwan).

In addition to product distribution suppliers, the Company also includes purchasing from general suppliers (including logistics, general matters, and information), encompassing 236 general suppliers in 2021 (153 in Taiwan and 83 in foreign countries). The total transaction amount was NT\$191,868 thousand and the purchase amount proportion in Taiwan was 36.55%.



Note:

- 1.Foreign refers to non-Taiwan regions.
- 2.Logistics refers to import and export costs and freight; general matters refers to stationery printing fees/repair fees/miscellaneous purchases/book and magazine fees/packaging fees/miscellaneous fees; information refers to postal and telecommunication charges - network communication charges.
- 3.General suppliers include suppliers of non-semiconductor electronic components and information channel products such as logistics, general matters, and information.
- 4.The scope of procurement data is primarily based on Weikeng Industrial Co., Ltd. (the parent company of Weikeng Group Taiwan).

3.2 Supply Chain Due Diligence

Weikeng has established a Green Product Management (GPM) Department to strictly control the harmful substances of each franchising product line, fostering a sustainable environment:

- 1.To meet the needs of downstream customers, upstream vendors are required to cooperate and provide a commitment that the substances (containing metals or chemicals) in the manufacturing process meet the standards required by the legislations of various countries to ensure that they can be safely handled, used, stored, transported, recycled, reused and disposed of, such as the Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Substances of Very High concern (SVHC) regulations set by the European Union. In addition, the Company also requires upstream vendors to provide a self-declaration of compliance with the above-mentioned regulations on their official websites, or to provide reports certified by SGS Taiwan Limited according to customer requirements, to ensure that the electronic parts and components sold by the Company to its customers comply with international regulations.
- 2.We provide informational documentation concerning the applicability of the EU RoHS, REACH, conflict minerals, and so on to upstream vendors' products and upload them to the client-side green supply chain management platform.
- 3.Regarding the raw materials or other production elements input in the production cycle of the original upstream equipment manufacturers, vendors must provide proof of compliance with EU environmental regulations such as RoHS and REACH SVHC to the Company for the purpose of demonstration to customers during sales, in conjunction with the Data Sheet to ensure the safety of use and compliance with health requirements.

Weikeng's vendors are all world-renowned electronic component designers/manufacturers. In addition to requiring stable quality, the Company expects original upstream manufacturers to adopt life cycle thinking in product design, i.e., from raw material acquisition, input and transportation, product manufacturing and transportation, product



use to disposal or reuse, etc. All processes that will impact the environment are taken into consideration, and the renewable system of the circular economy can be utilized. The Company publicly discloses information through the official websites of key vendors, collecting their information on issues such as environmental protection, sustainable operations, use of conflict minerals, social responsibility, and related quality certification, etc. The disclosure is as follows:

Key vendors information disclosure							
Corresponding item	AMD	Infineon	Lattice	Microchip	NXP	Vishay	WD
RoHS	√	√	√	√	√	√	√
REACH	√	√	√	√	√	√	√
Conflict free minerals policy/responsible mineral sourcing polic	√	√	√	√	√	√	√
Validated by the system							
ISO 9001 (Quality Management System)	√	√		√	√	√	√
ISO 14001 (Environmental Management System)	√	√	√		√		
ISO 14002						√	
ISO 50001 (Energy Management System)	√	√					
OHSAS 18001 / ISO 45001 (Occupational Health and Safety Management System)	√	√	√		√		
ISO 13485 (Medical Devices Quality Management System)		√					
IATF 16949 (Automotive Quality System)	√	√		√	√	√	
IRIS (International Railway Industry Standards)		√					

Note: Key vendors s mainly constitute seven vendors whose total sales in 2021 accounted for nearly 50% of the total sales among Weikeng Industrial's total vendors .

For the computer peripheral information products (software and hardware) for which we act as a distributor, such as AMD CPUs, ASRock and Gigabyte's mini-PCs (nettops), in addition to the original color box packaging, we also follow the specifications on information and communication consumer electronic products under the commodity Labeling Act of the Department of commerce, Ministry of Economic Affairs, and affix a product label to include the product name, model number, system requirements, rated voltage/frequency, total rated power consumption/input current, year/number of manufacture, country/region of manufacture, functional specifications/compatibility, use method, emergency handling, warnings/cautions, name of distributor, name of manufacturer and distributor's service telephone number, etc., before the product can be sold and distributed on the market.



AMD boxed processor warranty instructions



Gigabyte small host warranty instructions



ASRock small host warranty instructions

Most of the high-tech technology sources of vendors come from Europe and the United States, and these European and American vendors require distributors to abide by the relevant US import and export laws. Furthermore, as the US targets violators of human rights, certain penalties are imposed in accordance with relevant import and export regulations. Therefore, we must comply with the content of US import and export regulations. In addition, a total of 15 of distribution contracts signed between the Company and vendors directly specify that the distributors must comply with the US import and export regulations, which is also equivalent to indirectly incorporating human rights protection into the contracts, and is mutually binding on both parties. In 2021, Weikeng was all in compliance with the laws required by their locations and were free of child labor.

Before signing any environmental protection clause required by the customer, the Company will first require the relevant product application engineers of the product line to confirm and provide the relevant environmental protection self-declarations of the product line's vendor, to confirm that the product is indeed in line with the relevant environmental protection requirements. In 2021, Weikeng had no violations of product and service information and labeling regulations, health and safety regulations, or voluntary agreements.



3.3 Technology research and development

Climate change has made energy saving and carbon reduction a major demand for electronic and electrical products. As a distributor of IC semiconductor parts and components as well as computer peripheral equipment, Weikeng is actively seeking opportunities to serve as a distributor for product solutions and hopes to contribute to energy-saving and carbon-reducing products. The Company has been actively seeking the franchising right of IC products and putting more effort into creating demand for related applications, such as power management, electric vehicle charging stations, smart grids, wind power generation, solar power generation inverters, etc., that are green business opportunities. Climate change has also increased global demand for green energy industries, and we are therefore investing in the discovery of associated distribution opportunities. This also constitutes one of the main business objectives of the Company's product development department. We will continue to build a more stable, efficient and low-energy product line portfolio.

The automotive and industrial energy related markets have always been one of the markets that Weikeng and our major original upstream manufacturers have focused on. Therefore, the related power semiconductor applications are extremely important. With original upstream manufacturers actively expanding their R&D capacity of compound/3rd generation semiconductor products, the electric vehicle and industrial application markets are undoubtedly targeted at solar energy, electric vehicles, and fast charging.

I.FAE/AE cooperates with international (domestic) original factories/customers and is committed to the innovative R&D direction in line with ESG

Although the Company does not have production processes, we have set up a Product Development Department and a Product Application Department in order to provide technical services and product solutions to customers. We have done so to enhance the value of customer product sales services and provide efficient after-operation services. The Company plays a role in linking technology to create value between upstream vendors and downstream customers, thereby safeguarding the rights and interests of customers and maintaining ethical and environmental standards for procurement, sales, logistics, and service processes.

Future development direction:

1. Serve as a bridge between vendors and customers, provide technical support and product introduction to customers, and assist and lead green source design.
2. Strengthen the Company's internal research and development technology and support capabilities, and build digital solutions in smart cities and energy-saving and carbon-reducing products such as 5G, BEV, AIoT, digital energy conversion, and energy storage devices.

3. Educate the internal employees of the Company in reducing carbon emissions and engineering waste and recycling resources in the research and development process, and promote this to clients.
4. Address climate risks and create low-carbon benefits and improve the health of post-pandemic digital life; contribute to social evolution and smart city development and carbon emission reduction.

II. Strengthening competitive advantage: FAE/AE provides customers with complete solutions in line with future low-carbon and environmentally-friendly norms

Under the planning and active pursuit of the Marketing Development Division, Weikeng has successfully represented the product lines of well-known domestic and foreign semiconductor companies as a distributor, and even successfully maintained or expanded the continuation of the distribution rights after consolidation between the original upstream manufacturers. In addition to continuing to establish a firm foothold in consumer electronics applications, the Product Application Division also actively provides technical support for IC products from original manufacturers and customers in emerging applications to increase the Company's business territory, provide customers with technical support for product applications, help customers save R&D expenses and shorten time-to-market, and enhance service levels to strengthen the cooperative relationship with original manufacturers and customers. Furthermore, the Product Business Division is moving into the field of R&D and design, specializing in overall product reference solutions.

Although the Company plays the role of a distributor in the semiconductor component supply chain and does not participate in the product manufacturing process, we still actively develop cleantech-related product solutions with customers through application engineers (FAE/AE), and cooperate with vendors/customers to help the overall high-tech industry move towards low-carbon, smart city (5G, AIoT, HPC, Datacenter, EV, etc.) high-value transformation and upgrading along with services to cope with climate change, and we promote the development of renewable energy and energy technology industries.

Market demand for green energy continues to increase, and one of our environmental policies is the promotion of green eco-designed electronics that are energy efficient. Green-designed electronic products and products with higher energy efficiency will help us meet customer needs and create opportunities for market expansion.

Future development direction:

1. High-performance, low-power platinum power supplies make server and network equipment more efficient in energy use.
2. For power management systems for charging piles and lithium batteries, we hope



to devote ourselves to promoting the development of electric vehicles to reduce exhaust emissions and achieve the environmental benefits of energy saving and carbon reduction.

3. Through the promotion of the Internet of Things, smart homes, low-power LEDs, and smart grids, energy efficiency is improved.
4. Through Type-C charger promotions and sharing and recycling of chargers, we reduce the harm to the planet caused by the e-waste generated by traditional chargers.
5. We encourage customers to purchase low-power module products, including low-power energy-saving power management chips and low-power microprocessors. Environmental impact is already taken into account in the design phase of innovative electronic products. Taking 3 material products as an example (silicon carbide, SiC), they demonstrate the excellent performance of green products.

3.4 Customer Relationship Management

◆ Customer Communication and Commitment

Although Weikeng is not a member of the Responsible Business Alliance (RBA)^{Note 1}, nor are we a member of the Customs-Trade Partnership Against Terrorism (C-TPAT)^{Note 2}, however, as a part of the world's electronics industry supply chain, we provide various services such as acting as a bridge between vendors and the world's major electronics manufacturers in the role of a distributor. We also attach great importance to trade security including supply chain security management. As a distributor, we undertake to abide by the code of conduct in the provision of relevant services and the provision of relevant facilities, and to cooperate with logistics management operators entrusted by the Company, committing to international initiatives to comply with relevant trade security norms.

From 2008 to the end of 2021, the Company has signed a total of 27 relevant contracts (17 in 2021) provided by customers to provide them with relevant social responsibility commitments in accordance with their needs. These social responsibility commitments generally contain the requirements of the Responsible Business Alliance (RBA) code of conduct^{Note 3}. From 2016 to the end of 2021, a total of 30 relevant trade security commitments have been signed at the request of customers, most of which contain commitments to comply with Taiwan's Certification of Authorized Economic Operators or the requirements of the Customs-Trade Partnership Against Terrorism Supply Chain Security (C-TPAT SCS)^{Note 4}.

Note:

1. Responsible Business Alliance (RBA) code of conduct initiative: The Responsible Business Alliance (RBA) is the world's largest industry alliance. It aims to make electronics-related companies sustainable and responsible, and the alliance's member companies must comply with a code of conduct.
2. Trade security initiative: C-TPAT (counterterrorism/GSV) is a voluntary program initiated by the US Department of Homeland Security Customs and Border Protection (CBP) in the aftermath of the 9/11 incident. It was launched in November 2001 and officially implemented on April 16, 2002. The full name of C-TPAT is Customs-Trade Partnership Against Terrorism. Through C-TPAT (counterterrorism/GSV) security advice, CBP hopes to cooperate with relevant industries to establish a supply chain security management system. This in turn aims to ensure the safety of transportation from the beginning to the end of the supply chain as well as the flow of security information and cargo conditions so as to prevent the infiltration of terrorists.
3. The Responsible Business Alliance (RBA) code of conduct has five aspects: (1) Labor; (2) Health & Safety; (3) Environmental; (4) Ethics; and (5) Management System.
4. Trade security aspects: Strengthening safety measures and management in terms of facilities, personnel, procedures and shipments in accordance with the safety recommendations made by C-TPAT. The content covers eight areas: program security, information processing, physical security, access control, personnel security, education and training, manifest declaration procedures, and transportation security. Beyond this, C-TPAT members also request the cooperation of business partners or third-party manufacturers in strengthening the overall security of the supply chain.

Content of the Social Responsibility Commitment	
Item	Contents
Labor	
Free choice of occupation	<ul style="list-style-type: none"> • The freedom of movement of workers shall not be restricted; in addition to the workplace, this also includes dormitories. • There will be no penalty for workers to leaving their jobs freely.
Young labor	<ul style="list-style-type: none"> • Businesses should establish appropriate mechanisms to verify the ages of workers (child labor is that under the age of 15). If child labor is found, redress shall be provided.
Humane treatment	<ul style="list-style-type: none"> • Newly-added items for "gender-based violence," "sexual abuse," "bullying," and "public shaming."
Non-discrimination/non-harassment	<ul style="list-style-type: none"> • There is a newly-added item for "non-harassment," whereunder employees or prospective employees may not be subjected to discriminatory medical tests or physical examinations.
Health and Safety	
Occupational safety	<ul style="list-style-type: none"> • Emphasis is placed on graded control measures for prevention and safety maintenance at work.
Emergency preparedness	<ul style="list-style-type: none"> • Specify the frequency of emergency response plan drills, at least once a year or in accordance with local regulations.
Industrial hygiene	<ul style="list-style-type: none"> • If any hidden dangers are found, opportunities should be sought to eliminate and/or reduce such hazards.
Health and safety communication	<ul style="list-style-type: none"> • Employees should be encouraged to raise any health and safety concerns while ensuring that they are not subject to retaliation.



Item	Contents
Environment	
Exhaust emissions	<ul style="list-style-type: none"> Ozone-depleting substances are effectively managed in accordance with the Montreal Protocol and applicable regulations.
Energy consumption and greenhouse gas emissions	<ul style="list-style-type: none"> Set the Company's greenhouse gas reduction targets and disclose them.
Ethical Norms	
No improper gains	<ul style="list-style-type: none"> Appropriate "records" should be in place to ensure the effectiveness of the control process.
Responsible sourcing of minerals	<ul style="list-style-type: none"> Regarding areas of origin of conflict minerals, assessments are made based on the OECD process for identifying high-risk areas.

In order to comply with product trade regulations, the Company has designed the customer screening engine to interface with the U.S. International Trade Administration's (ITA) consolidated Screening List (CSL) application programming interface (API) to ensure all stages of our operations are in compliance with the related import/export regulations, such as design in, quotation, order and delivery, to determine in a timely manner whether a potential transaction or service recipient is on the U.S. regulatory export, re-export or transfer control list. In 2021, Weikeng's business practices were in accordance with regional trading laws and regulations, such as Taiwan's Fair Trade Act, so there were no anti-competitive, antitrust, or monopolistic behaviors.

◆ Customer Satisfaction

Adhering to customer-centricity and helping customers solve supply chain management problems, Weikeng Group (including locations in Taiwan, Hong Kong, mainland China, and Singapore) provides a total of nearly 250 related business assistants and support personnel and coordinates with the business to meet the needs of customers. After receiving feedback from customers, the Company immediately responds to customer requirements and addresses follow-up measures through discussions with relevant departments as well as customers and vendors to ensure that products and services meet customer needs.

In order to improve customer satisfaction, we cooperate with the development of customized labels and control through date codes to meet the special needs of individual customers. In 2021, a new real-time cargo condition inquiry platform was built to query the tracking of goods using the Company's shipment order numbers. This is connected with air logistics transportation websites to accurately grasp the real-time information of logistics and cargo conditions.

3.5 Environmental Protection

◆ Energy Usage

Weikeng's energy use categories are electricity, petrol, and diesel, with electricity being the main usage. In 2021, electricity consumption was 769,035 kWh, petrol consumption was 11,777.51 liters, and diesel consumption was 898.44 liters. After conversion, the total energy consumption was 3,184.46 GJ and energy intensity was 0.285 GJ/m².

Weikeng's energy usage		
Item	Unit	2021
Electricity usage	GJ	2,768.53
Petrol usage	GJ	384.36
Diesel usage	GJ	31.58
Total energy consumption	GJ	3,184.46
Floor area	m ²	11,180.35
Energy intensity(Total energy consumption/floor area)	GJ / m ²	0.285

Note:

- 1.The scope of electricity usage and floor area calculation covers the Taiwan operating locations: the Taipei NeiHu Head Office, the NeiHu Tanmei Warehouse Center, the Taoyuan Housheng Warehouse Center, and the South Central Liaison Offices (Hsinchu, Taichung, and Kaohsiung).
- 2.Source: Electricity usage refers to the data listed in the monthly electricity bill of each operating location; petrol and diesel are mainly based on the actual amounts used.
- 3.Calorific value conversion coefficients of each energy source: electricity 1 kWh = 3,600 KJ; gasoline 1 L = 7,800 kcal; diesel 1 L = 8,400 kcal.
4. 1 gigajoule (GJ) = 10⁹ joules (J).

◆ Greenhouse Gas Organizational Inventory

Weikeng's 2021 Scope 1 energy use was gasoline and diesel, with emissions of 30.12 mt of CO₂e. Primary Scope 2 energy use was purchased electricity with emissions of 386.06 mt of CO₂e. Overall emissions totaled 416.17 mt of CO₂e, and greenhouse gas emission intensity was 0.0372 mt of CO₂e / m².

Weikeng's greenhouse gas emissions		
Item	Unit	2021
Scope 1: Direct greenhouse gas emissions	Metric tons of CO ₂ e	30.12
Scope 2: Indirect greenhouse gas emissions from energy	Metric tons of CO ₂ e	386.06
Total emissions = Scope 1 + Scope 2	Metric tons of CO ₂ e	416.17
Floor area	m ²	11,180.35
GHG emissions intensity(Total emissions/floor area)	Metric tons CO ₂ e / m ²	0.0372



Note:

- 1.Greenhouse gas inventory adopts the operation control method and no GHG emissions base year has yet been established. Greenhouse gas data has not been externally verified by a third party and is only calculated by the Company's own inventory.
- 2.The types of greenhouse gases that were inventoried include carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).
- 3.Scope 1 includes petrol and diesel, which are mainly used in official vehicles and trucks.
- 4.Scope 2 mainly constitutes purchased electricity, as per the electricity carbon emission coefficient announced by the Bureau of Energy, Ministry of Economic Affairs. The carbon emission coefficient for electricity in 2021 has not yet been announced, so the carbon emission coefficient of electricity in 2020 of 0.502 kg CO₂e/kWh was used for the calculation.
- 5.The GWP values of 5th IPCC report (2013) were cited.
- 6.Source of conversion factor used: Version 6.0.4 of the latest greenhouse gas emission factor management table published by the Environmental Protection Administration, Executive Yuan.

◆ Policies to Improve Energy Efficiency

In order to improve the efficiency of energy use, we utilize various energy sources, plans relevant management measures, implement office energy saving and carbon reduction, reduce the consumption of resources and energy, and try to increase the recycling and reuse of energy in order to reduce the environmental impact.

Weikeng's policies to improve energy efficiency include equipment or operational behavior improvement, use of low-carbon energy, and low-carbon transformation of business models; these are described as follows:

I. Equipment or operational behavior improvements

The Company's greenhouse gas emissions are mainly generated by the use of electricity, and the energy-consuming equipment mainly comprises lighting and air conditioning equipment. Under the goal of net zero emissions by 2050, and in addition to continuing to implement the requirement of saving 1-2% of electricity per year on average, the principle of purchasing office equipment is to retire the old equipment and replace it with new equipment consisting of low energy consumption products with energy-saving labels as the priority choice.

(I) Improvement of equipment energy efficiency

- 1.In view of the rolling review of the replacement of old equipment by the building factory office and the attention paid to the tax exemptions or subsidies provided by the public sector, the management committee recommended that factory offices gradually adopt air conditioning equipment with level 1 energy efficiency.
- 2.The number of physical servers in high-energy-consuming computer rooms is reduced by integrating them with virtual servers. By the end of 2021, there were nine physical servers and 80 virtual servers, showing our commitment to reducing the number of physical servers for the sake of reducing energy consumption and cooling requirements.

(II) Optimization of air conditioning systems

We set air conditioning temperatures and timing controls to indirectly reduce greenhouse gas emissions. Furthermore, we seek technical expert diagnoses to help us understand the current energy efficiency of air conditioners and identify system problems for the sake of obtaining advice on system parameter setting adjustment and maintenance to optimize the operation of the system. For building factory offices, the management committee recommended to seek the installation of an energy management monitoring system, or to develop operation efficiency standards for the air-conditioning system to optimize its operation.

(III) Replacement of old lamps

Improve the efficiency standard of lighting sources, eliminate low-efficiency light sources, introduce LEDs or high-efficiency lamps in a timely manner, and seek experts to install energy management monitoring systems for power saving reference, while also striving to turn off lights during lunch breaks to save energy.

(IV) Broadening the electronic sign-off system (WorkFlow)

With the digitization of electronic forms and sign-off processes, the number of electronic form signatures reached 115,003 in 2021, up 9.24% compared to 105,276 in 2020, reducing the use of paper.

II. Use of low-carbon energy

The transportation equipment used by the operation and warehousing department has oil energy requirements. As fuel oil is one of the sources of greenhouse gas emissions, we will gradually increase the electrification of transport vehicles and gradually replace transportation equipment with electric vehicles, electric stackers, and other equipment. When commuting, employees are also encouraged to choose electric vehicles.

III. Low carbon transformation of business models

Global carbon emissions must be halved by 2030 to achieve net zero carbon emissions by 2050. Before effectively managing carbon emissions, companies must have the ability to accurately measure emissions in all areas (Scope 1-3). However, the carbon emissions generated by their own operations (Scope 1-2) are far lower than the carbon emissions generated by their upstream and downstream supply chains (Scope 3). The entire value chain must be tracked end-to-end and measured to provide the ecosystem with the product-level data needed to act effectively to reduce the overall carbon footprint.

The EU will pilot a carbon tax in 2023, and semiconductor component Distributors in the industrial supply chain need to take immediate action to cope with the cost pressures that a carbon tax may add in the future.



(I) Application of smart technology

In order to achieve comprehensive carbon reduction, we begin from the business model and industrial value chain and seek external expert technical support, master the introduction of smart technology and net zero emissions technology, and adjust and manage the business type and field, all based on the characteristics of the Company's operations and supply chain. Outsourced logistics service contractors must also introduce smart technology and net zero emission technology. This also requires the gradual improvement of the electrification of transportation tools, through intelligent picking, intelligent computing, optimization of routes, and reduction of fuel use, so as to achieve the low-carbon transformation of the entire industrial value chain and reduce carbon emissions in the overall daily operations.

(II) Participation in learning and introduction of smart devices

Greater participation and observation can provide enterprises with learning opportunities for exposure to carbon reduction business models. Furthermore, smart devices (such as smart energy management systems) can be introduced through external experts, while collecting electricity consumption information, analyzing and mastering current electricity consumption conditions, and combining this with intelligent controls and management, to effectively improve the energy efficiency of the system.

(III) Promotion of green energy

At present, upstream vendors have also actively expanded their research and development capacity of compound/type 3 semiconductor products. The Company will additionally invest in the automotive/electric vehicle and industrial energy related markets in order to develop more stable, more efficient, and low energy consumption product solutions, thereby achieving a carbon reduction operations model and grasping green energy industry business opportunities.

◆ Water Resource Management

Weikeng Taiwan has a total of six operating locations, all of which have "Low-Medium (1-2)" water stress^{Note}. Each operating location draws 100% of its water through local water companies, mainly providing domestic water and cleaning use water for employees and customers. Weikeng's services are not directly related to water. At each location, water is used for general office purposes and there is no discharge of business wastewater. Therefore, there is no effect on the water resources of relevant stakeholders in drainage areas, and no water is drawn from areas under water stress, so there is no significant impact on water sources. The Company's total water intake in 2021 was 4.63 million liters, and water intake intensity was 0.0004 million liters/m².

In addition to actively understanding abnormal water use situations and implementing environmental protection and energy-saving policies, daily drinking water is inspected and maintained every month. Sampling and testing are handled by an inspection institution recognized by the competent authority every three months, and filters are replaced every six months. The Taipei Neihu Head Office participates in the management committee of the factory building, and is required to install water-saving controllers for the sake of cherishing water resources. Water volumes of sink faucets are controlled to give out small amounts of water, and toilets in the entire building were replaced with Caesar brand water conserving toilets in 2018. Meanwhile, other operating locations promote water conservation as well. The Company expects to achieve an annual water intake reduction of 1-2% per year.

Note: Water Risk Atlas: <https://reurl.cc/yyjme2>.

Weikeng's water usage		
Item	Unit	2021
Total water intake	Million liters	4.63
Floor area	m ²	11,180.35
Water intake intensity (Total water intake/floor area)	(Million liters / m ²)	0.0004

Note:

1. Water intake and floor area calculations cover the Taiwan operating locations: the Taipei Neihu Head Office, the Neihu Tanmei Warehouse Center, the Taoyuan Housheng Warehouse Center, and the South Central Liaison Offices (Hsinchu, Taichung, and Kaohsiung).
2. Source: Except for the water intake of the Taichung Liaison Office measured by its water meter, the water intakes of other operating locations are shared with the total water meter consumption according to the surface area used by the factory.

Waste Management

Weikeng is a distributor and distributor of IC semiconductor components and computer peripheral equipment. There are no manufacturing plants at its operating locations and no hazardous waste is generated. Only waste electronic products and office and storage center general waste are generated during operations (such as personal scrapped computer equipment, IC defective products, cartons, packaging materials, paper and other waste). In accordance with the regulations of each county and city government and the central regulations of each operating location in Taiwan, we handle waste recycling, management, and classification in accordance with the law. In addition, the waste treatment companies entrusted by the Company are all waste treatment companies approved by the local environmental protection bureaus.

Weikeng's waste can be classified as non-recyclable (general household waste) and recyclable waste (paper, plastic, metal, and waste electronic components, etc.). There was a total of 93.69 tons of waste in 2021^{Note} and the waste density was 0.0084 tons/m².



Waste removal permits for waste disposal manufacturers

Table of general waste generation statistics for Weikeng

Item	Taipei Neihu Head Office	Neihu Tanmei Warehouse Center	Taoyuan Housheng Warehouse Center	Hsinchu Liaison Office	Taichung Liaison Office	Kaohsiung Liaison Office
Total amount of general waste generated (metric tons)	80.269	6.95	0.35	2.36	2.04	1.72

Operating location	Garbage removal methods
Taipei Neihu Head Office	The building outsources to qualified environmental protection companies to remove and transport garbage.
Neihu Tanmei Warehouse Center	Cleaning staff are commissioned by Weikeng to sort out garbage and throw the garbage into the garbage truck.
Taoyuan Housheng Warehouse Center	Weikeng outsources to qualified environmental protection companies to remove and transport garbage.
Hsinchu Liaison Office	Cleaning staff are commissioned by Weikeng to sort out garbage and throw the garbage into the garbage truck.
Taichung Liaison Office	Employees throw their own garbage into garbage trucks.
Kaohsiung Liaison Office	Building cleaning staff sort out and dispose of trash to go into the garbage truck.

Note:

- 1.Sources of general waste generation: Based on the average daily general waste generation per person announced by the Environmental Protection Administration, Executive Yuan. The EPA has not yet counted the amount generated in 2021; therefore, the 2020 data is still used (Taipei 0.814 kg/person, Taoyuan 1.522 kg/person, Hsinchu 1.162 kg/person, Taichung 1.097 kg/person, Kaohsiung 1.404 kg/person).
- 2.Annual general waste calculation method: (Number of days per month x Number of employees working at each site per month x Average daily amount of general waste generated per person at each site) / Number of days in a year x Number of working days in a year.
- 3.Calculation method of waste concentration: Total waste (tons) /floor area (m²).

The Company attaches great importance to waste management, emphasizing the 3Rs of a circular economy in the policy of recycled materials: Re-Use, Re-Generating, and Re-Manufacturing; and we actively implement source reduction. Accordingly, the implementation of the recycled materials policy is oriented to include:

- I. Packing boxes, parts boxes, shock-proof materials, and tray plates purchased from vendors are recycled and reused for shipment packaging.
- II. Packaging materials required for logistics operations such as outer boxes, cartons, cardboard, etc., orient planning towards the use of renewable materials that can be recycled or that can be decomposed and regenerated through the natural biological cycle.
- III. In using printers/office machines in offices and storage centers, we prioritize recycled paper, use double-sided printing by default, reduce color printing, and promote paperless online meetings (Teams).
- IV. We implement resource reuse policies for office and storage center general waste. All business waste is centrally managed and sorted, and we recycle and treat it uniformly by outsourced manufacturers from the building factory management center every month, and record the quantity and removal of waste.
- V. Regarding scrapped semiconductor components, electronic waste still contains valuable metals such as gold, silver, palladium and platinum, as well as recyclable metals such as copper, lead, zinc, aluminum, tin, iron, etc. As such, qualified manufacturers are commissioned to recycle for resource regeneration or remanufacturing, and to provide relevant treatment process certificates for follow-up.
- VI. Arrange for confidential documents to be sent to qualified paper mills twice a year to make recycled paper, thereby implementing the policy of resource reuse.

Simultaneously, the general affairs unit is required to review the waste disposal status and output of each business location. In the event of an abnormal amount of garbage, each unit is requested to propose cause analysis and review and improvement. We hope to achieve the goal of reducing the weight of waste by 1-2% every year.

We consider the impact on ecological efficiency when engaging in any business activity. By reducing waste generation, recycling waste, and reusing packaging and shipping materials, we expect to avoid resource consumption and garbage pollution and reduce the impact on the natural environment. In 2021, there was no breach of contract or violation of regulations in waste disposal.



Garbage sorting in each office and factory



4. Sustainable Workplace

Talent Cultivation Management Policy

4.1 Employee Structure

4.2 Employee Rights and Benefits

4.3 Workforce Development and Training

4.4 Employee Safety and Health

4.5 Giving Back to Society

Talent Cultivation Management Policy

Talent Cultivation Management Policy	
Material Topic	Talent cultivation and retention; labor-management relations
Material cause	Good labor relations are the cornerstone of the Company's stable operations, and talent cultivation and retention are relatively important to the Company. With the rapid development and application of technology in the electronics industry, the Company particularly emphasizes investment in applied technical talent and continuous investment in the development of new application fields of products. These efforts also form one of the foundations of the Company's core competitiveness. Beyond increasing the Company's personnel training costs, the loss of employees will also affect the quality and efficiency of customer service. Therefore, the questions of how to provide a diversified and sensible welfare system and a comprehensive education and training system while safeguarding the rights and interests of employees will be important keys to the Company's sustainable operations.
Subject boundary disclosure restrictions	This Report discloses relevant information on education and training, talent cultivation, retention rates, and labor-management/labor-employment relations at Weikeng's Taiwan operating locations..
Management objectives	Improve employee functions and create harmony between labor and management.
Policy	Each of the Company's operating locations (including Hong Kong/mainland China/Singapore) takes investment in applied technical talent as the guiding principle of all aspects of the Company's core policy.
Commitments	Comply with domestic labor laws and international conventions.
Objectives	<p>Short term:</p> <ul style="list-style-type: none"> ⊙ Integrate the actual work needs of each department, formulate relevant internal courses that meet the urgent needs, and the heads of each department coordinate and plan to facilitate staff to absorb the knowledge required for management in the shortest possible time. ⊙ In 2022, education and training costs will be increased by 10% compared with the previous year. <p>Medium term:</p> <ul style="list-style-type: none"> ⊙ Committed to promoting work-life balance among employees, the Employee Welfare Committee provides various travel programs and promotes the flourishing of various associations, provides employees with a healthy workplace environment with physical and mental balance, and has achieved the goal of reducing the employee turnover rate by 0.5% per year within three years. ° <p>Long-term:</p> <ul style="list-style-type: none"> ⊙ Encourage diversified career development, provide a friendly and healthy workplace environment, and strive to promote sustainable business that fulfills social responsibility.



Talent Cultivation Management Policy

Material Topic Talent cultivation and retention; labor-management relations

<p>Responsibilities</p>	<ul style="list-style-type: none"> Human Resources Office: The Human Resources Office of the Company implements the human resource management strategy and policy formulated by the Chairman's Office. Occupational Safety and Health Department: The formulation, planning, supervision and promotion of various workplace safety environments related to employees of the Company is carried out and promoted by the Occupational Safety and Health Department. Legal Office: The Company's Legal Office confirms that the Company's labor relations handling procedures comply with the relevant Taiwanese laws and regulations. Employee Welfare Committee: The Company has set up an Employee Welfare Committee to be responsible for the promotion and implementation of employee welfare programs.
<p>Complaint mechanisms</p>	<ul style="list-style-type: none"> Hotline: 02-26590202 #581 Email: wk_hr@weikeng.com.tw When a complaint is received, it will be investigated confidentially to ensure the rights and interests of relevant personnel.
<p>Management evaluation mechanism</p>	<p>The Company has implemented a performance appraisal system where all employees regardless of gender or job category all accept the Company's semi-annual performance appraisal operations, including target management and performance ranking as well as multi-faceted evaluations.</p>
<p>Specific actions</p>	<ul style="list-style-type: none"> In addition to the reasonable salary and business performance incentive standards set by the Company, there is also an employee compensation distribution mechanism for surplus allocation to return profits to employees. In accordance with the Act of Gender Equality in Employment and the Sexual Harassment Prevention Act, we have measures to combat sexual harassment in the workplace in respect to complaints and disciplinary actions. The Company has a labor-management meeting where labor representatives can express their opinions and serve as a bridge with the management. Ongoing internal education and training: We regularly arrange newcomer training, employee work skills improvement training, leadership training, and so on. Encouraging employees to participate in courses given by external organizations: We encourage employees to participate in professional skills or new knowledge training courses held by external organizations for application in the work process or management, so that employees and the Company can achieve a win-win situation. Encouraging employees to obtain relevant certification qualifications: After approval, all training expenses will be subsidized by the Company. Furthermore, we encourage the acquisition of relevant certification qualifications and give professional bonuses. Total expenditures on education and training in 2021 came to NT\$400,476, and the total number of educational training hours was 2,259.5 hours.

Talent Cultivation Management Policy	
Material Topic	Talent cultivation and retention; labor-management relations
Performance	<ul style="list-style-type: none"> ⦿ In 2021, we were selected as a constituent stock of the “Taiwan High compensation 100 Index” of the Taiwan Stock Exchange. ⦿ There were no labor disputes in 2021. ⦿ There were no incidents of discrimination or sexual harassment in 2021. ⦿ In 2021, one colleague of the accounting department obtained US and Taiwan accountant licenses and was given salary adjustments and incentives. ⦿ Total expenditures on education and training in 2021 came to NT\$400,476; staff education and training totaled 1,558 individual instances and 2,259.5 hours.

4.1 Employee Structure

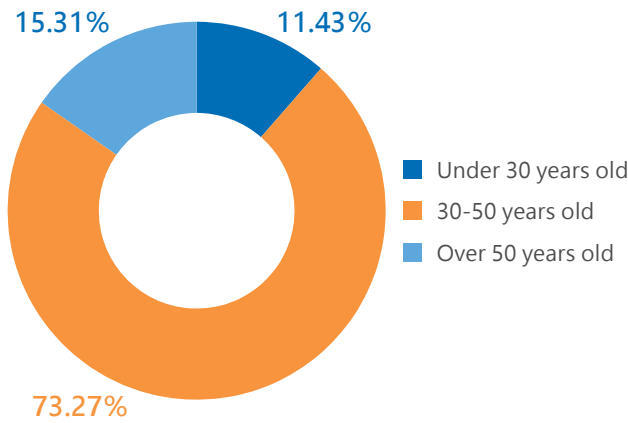
As of December 31, 2021, Weikeng Industrial had a total of 490 employees, including 464 Taiwanese personnel and 26 expatriate personnel. Among them, Taiwan operating locations respectively had 406 employees in the Taipei Neihu Head Office, 34 individuals in the Neihu Tanmei Warehouse Center, 1 individual in the Taoyuan Housheng Warehouse Center, 9 individuals in the Hsinchu Liaison Office, 9 individuals in the Taichung Liaison Office, and 5 individuals in the Kaohsiung Liaison Office. The number of men in the Company was 280 (57.14%) and the number of women was 210 (42.86%). Colleagues between the ages of 30 and 50 accounted for about 73.27% of all employees. Moreover, all employees were full-time staff and there were no part-time/temporary staff. Senior management (department manager level and above) were all of Taiwanese nationality (83 men and 9 women).

Based on the responsibility of the Company to protect the physical and mental development of children, we do not employ children under the age of 16. At the same time, in order to ensure equal employment opportunities for disadvantaged and related ethnic groups, we have currently recruited two colleagues with disabilities (both male, 30-50 years old, representing 0.41% of the total number of employees). If there is insufficient employment, the difference subsidy shall be paid monthly according to the law for the insufficient number of employees.

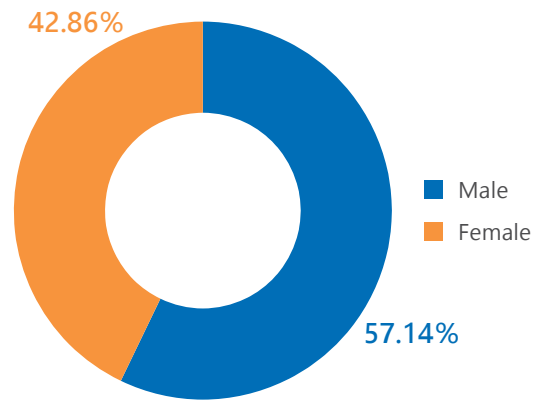


Weikeng 2021 employee structure statistical									Unit: person
Item/Gender		Male			Female			Total	
Operating location	Contract type	Full-time			Full-time				
	Age	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old		
Taiwan	Full-time	24	209	47	32	150	28	490	

Age distribution of employees in 2021



Gender distribution of employees in 2021



Weikeng's 2021 employee position distribution statistics				Unit: person
Item/Gender		Age	Number of people	
Department manager level (inclusive) or above	Male	Under 30 years old	0	
		30-50 years old	48	
		Over 50 years old	35	
	Female	Under 30 years old	0	
		30-50 years old	4	
		Over 50 years old	5	
Personnel below the department manager level	Male	Under 30 years old	24	
		30-50 years old	161	
		Over 50 years old	12	
	Female	Under 30 years old	32	
		30-50 years old	146	
		Over 50 years old	23	

Note:

- 1.The senior management level is at the department manager level (inclusive) or above.
- 2.Local refers to the Taiwan region.
- 3.The above information is calculated by the human resources system based on current employees on December 31, 2021, without any data assumptions.

◆ Talent Retention

■ Workforce Policy

Weikeng attaches great importance to the treatment and welfare of employees. Good salaries and benefits can effectively recruit and retain talent and motivate employees to perform, and this in turn affects the operational efficiency and costs of the organization. Therefore, the Company is committed to building an internally reasonable and externally competitive salary system, a complete talent training system, a healthy and happy workplace environment, optimal employee benefits, and smooth labor-management communication channels so as to motivate and retain outstanding talent.

■ Employment status of staff members

The Company abides by labor laws and regulations when hiring employees, and may not discriminate on the basis of race, class, language, ideology, religion, party, place of origin, place of birth, gender, sexual orientation, age, marriage, appearance, facial features, physical and mental disabilities, zodiac sign, blood type, and so on. We do so in order to implement equality and fairness in employment and employment conditions, and to continuously expand and integrate franchising product lines, strengthen the combination of product lines and the balance of product line sales structure. Through the 104 Human Resources Bank, the 1111 Human Resources Bank, and internal talent recommendation, we recruit like-minded professionals through employee recommendations and other means. This aims to create a mutually beneficial and harmonious work environment for labor and management while achieving the Company's goal of sustainable operations.

By the end of 2021, The Company had a total of 490 employees (excluding 2 employees on leave). There were a total of 73 new employees in 2021. Among them, there were 46 male employees and 27 female employees. New employees accounted for 14.9% of the total number of employees at the end of 2021. A total of 47 employees left for a turnover rate of 9.6%; the overall turnover rate was lower than in 2020.



Weikeng's new employee recruitment rate in the past three years													
Year		2019				2020				2021			
Gender		Male		Female		Male		Female		Male		Female	
Item/ Age	Number of people	New em- ployee rate (%)	Num- ber of peo- ple	New em- ployee rate (%)	Num- ber of peo- ple	New em- ployee rate (%)	Num- ber of peo- ple	New em- ployee rate (%)	Num- ber of peo- ple	New em- ployee rate (%)	Num- ber of peo- ple	New em- ployee rate (%)	
New Recruits	Under 30 years old	6	66.7	10	33.3	8	72.7	11	40.7	16	66.7	13	40.6
	30-50 years old	11	5.3	9	6.0	23	10.8	11	7.3	28	13.4	14	9.3
	Over 50 years old	1	2.5	0	0.0	1	2.6	1	3.8	2	4.3	0	0.0
	Total	37				55				73			
	Total number of employees	455				465				490			
	Total new employee rate (%)	8.1				11.8				14.9			

Note:

1. New employee rate (%) = The number of new employees in the category (gender, age) in the current year / Total number of employees in this category at the end of the year.
2. Total new employee rate (%) = The total number of new employees in the current year / The total number of employees at the end of the current year.
3. The number of new employees will not be deducted from those who leave midway.

Weikeng's employee turnover rate in the past three years													
Year		2019				2020				2021			
Gender		Male		Female		Male		Female		Male		Female	
Item/ Age		Num- ber of peo- ple	Turno- ver rate (%)	Num- ber of peo- ple	Turno- ver rate (%)	Num- ber of peo- ple	Turno- ver rate (%)	Num- ber of peo- ple	Turno- ver rate (%)	Num- ber of peo- ple	Turno- ver rate (%)	Num- ber of peo- ple	Turno- ver rate (%)
Resigning personnel	Under 30 years old	2	22.2	9	30.0	3	27.3	9	33.3	1	4.2	4	12.5
	30-50 years old	14	6.8	15	10.0	15	7.1	14	9.3	26	12.4	14	9.3
	Over 50 years old	3	7.5	1	5.0	7	17.9	2	7.7	2	4.3	0	0.0
	Total	44				50				47			
	Total number of employees	455				465				490			
	Total turnover rate (%)	9.7				10.8				9.6			

Note:

1. Turnover rate (%) = The number of resigning personnel in the category (gender, age) in the current year / Total number of employees in this category at the end of the year.
2. Total turnover rate (%) = The total number of resigning personnel in the current year / The total number of employees at the end of the current year.
3. Employees leaving in 2021 included voluntary departures and dismissed and retiring employees.
4. The total number of employees in 2020 did not include 1 on leave, and the total number of employees in 2021 did not include 2 on leave.

► Fair Performance Management System

The Company has implemented a performance appraisal system where all employees regardless of gender or job category accept the Company's semi-annual performance appraisal operations, covering target management and performance ranking as well as multi-faceted evaluations.

Evaluations are mainly divided into four types of functions: core functions, professional functions, development potential, and management functions, and the four functions are subdivided into five items. There are different evaluation items for supervisors and non-supervisors. Evaluations of non-supervisors focus on core functions, professional functions, and development potential. Supervisory colleagues are required to carry out evaluations of management functions.



Functional measurement is divided into self-evaluation, supervisor preliminary review, review and approval, and evaluation is carried out every six months. Through the process of self-evaluation, colleagues can review their work performance and growth in abilities during the period, and this can produce the gratification of perceiving one's own growth. Supervisors can compare the self-rating of colleagues with the ratings of supervisors to find out the weaknesses of colleagues and the gap between the cognition of both sides, which in turn can be used as an important assistance tool for follow-up counseling and functional interviews.

Employees who have been employed for more than three months are required to undergo annual performance appraisals. The number of individuals who needed evaluation in 2021 was 467 (264 men, 203 women). The proportions of male and female employees who actually received evaluations were both 100%.

4.2 Employee Rights and Benefits

◆ Employee Rights



In order to protect the basic human rights of employees, Weikeng has established the Protection of Human Rights Policy, to fulfill its social responsibility and support international human rights conventions such as the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization convention, to eliminate any violations and infringements of human rights, so that all employees of the Company can be treated fairly and with dignity.

In accordance with the relevant labor laws and human rights requirements in the operating areas of each affiliated company within the Group, we have formulated various policies and measures in line with local laws and regulations while supporting and respecting relevant norms of international labor rights so as to protect employees' equal working rights and protection from illegal infringement.

I. Diversity and inclusiveness in the selection of talent and equal opportunities for labor rights and interests

In personnel recruitment, we attach importance to the principle of diversity in talent selection and take into account gender equality issues. In addition to assessing the overall performance of job applicants, priority will be given to hiring candidates with disabilities, Indigenous people, or local hires.

II. Salary and benefits

The wages paid to employees are in accordance with the local laws and regulations of each operating region and comply with all applicable laws and regulations regarding wages, including those related to minimum wages, overtime hours and statutory benefits. Furthermore, deductions from wages as a means of disciplinary action are strictly prohibited. Employees working overtime shall be paid for overtime work in accordance with the relevant labor laws and regulations in each region.

III. Reasonable working hours

The regulations for employees' normal daily and weekly working hours and extended working hours, regular vacations, special vacations and other types of leave are in compliance with laws and regulations.

IV. Humane treatment

(1) Based on the responsibility to protect the physical and mental development of children, we do not employ children under the age of 16.

(2) Work arrangements for employees are in compliance with the law and do not include, but are not limited to, physical punishment, physical or psychological abuse or coercion, intimidation or other verbal violence, withholding of identity documents or other unlawful forced labor practices.

V. Complaint system

In order to achieve the goal of fair handling of employee complaints, there are clear channels for complaints so that follow-up conditions can be fully met. For employees encountering any type of problem within the Company, complaints can be lodged with supervisors at all levels and human resources units through the Company's complaint channels, and the Company has a mechanism to deal with it. In addition, in order to maintain gender equality in work and provide employees and job applicants with a work and service environment free from sexual harassment, there is a dedicated hotline, fax, and e-mail for sexual harassment prevention.

During the complaint investigation period, it will be handled in a confidential manner that will not disclose the name of the complainant or other relevant information sufficient to identify the complainant, so as to protect that person. Regarding the content of the resolution of the complaint investigation, we also notify the complainant and the respondent in writing. If the complainant or the respondent disagrees with the resolution of the complaint case, an appeal may also be filed with the Company.

Since 2007, Weikeng has established guidelines for complaints and disciplinary measures against sexual harassment in the workplace in accordance with the Ministry of Labor's Regulations for Establishing Measures of Prevention, correction, complaint and Punishment of Sexual Harassment at Workplace. Workplace sexual harassment prevention measures, complaints and disciplinary measures have been formulated, and the above-mentioned measures will be revised in a timely manner in accordance with the update guidelines of government units to comply with the latest laws and



regulations. Through the above measures, we provide a work and service environment free from sexual harassment for staff (including employees, dispatched workers, technical students and interns) and job seekers, and take appropriate preventive, corrective, disciplinary and treatment measures to protect the rights and privacy of the parties involved.

The Company did not have any government agencies/customers coming to the factory to check the content related to human rights during 2021. However, in accordance with customer’s requirements, a total of eight customers’ social responsibility/supplier codes of conduct and other commitments with similar content have been signed in the same year. These letters of commitment contain affirmations to safeguard labor rights, provide a healthy and safe workplace, and prohibit discrimination and other human rights protection matters.

In 2021, the Company held two quarterly mobilization meetings to publicize human rights protection issues for all employees. Furthermore, we held three human rights policy training sessions for newcomers (1 hour per session, 3 hours in total). The number of individuals receiving education and training was 65, accounting for 13.3% of the total number of employees. There were no incidents of discrimination or sexual harassment in the Company in 2021, and there has been no violation of labor laws and no punitive action by the competent authorities.

Employee Compensation

The salary standards of the Company’s full-time employees is determined according to the comprehensive evaluation of the job title, employee learning experience, skills, work performance, etc. No discriminatory treatment is given due to race, place of origin, place of birth, gender, sexual orientation, age, marriage, appearance, facial features, physical and mental disabilities, zodiac sign, blood type, etc. The Company makes evaluations according to operating effectiveness and performance as a reference for employee salary adjustment.

In order to maintain the competitive advantage of the Company’s talent, the Company also pays salaries higher than the statutory basic salary even to junior staff so as to attract more outstanding talent to work at Weikeng and maintain our competitiveness in talent acquisition. The multiple of the average starting salary of Weikeng’s junior staff (Grade B) and the local minimum salary (Taiwan statutory basic salary of NT\$24,000 in 2021) were as follows:

Junior staff (Grade B)	Male	Female
Multiple	1.78 times	1.55 times

Note: Grade B refers to business engineers/business assistants/application engineers/clerks.

In accordance with the requirements of the Taiwan Stock Exchange's Rules Governing the Preparation and Filing of ESG Sustainability Reports by TWSE Listed Companies, Weikeng has disclosed information related to employee salaries in the past two years.

Disclosure of employee compensation information		
Unit: NT\$ thousand		
Item/Year	2020	2021
Number of full-time employees who are not in supervisory positions (individuals)	435	452
Total salary of full-time employees who are not in supervisory positions	481,508	610,007
Salary of full-time employees who are not in supervisory positions, mean average	1,107	1,350
Salary of full-time employees who are not in supervisory positions, median	936	1,191

Employee Benefits

The Company regards employees as its assets, and we therefore attach great importance to the health and safety of employees and all of their rights and interests. Employees enjoy labor insurance, national health insurance, labor pension allocations, group accident/hospitalization/cancer medical insurance, employee travel safety insurance, annual health checks, and on-site physician services.

Based on our care and attention for employees, the Company has an Employee Welfare Committee that provides a number of benefit measures superior to those stipulated by law. These include annual gifts, a range of subsidy applications, community and family day activities, art appreciation, domestic and foreign employee travel, and other diversified benefit programs. The Company hopes to be a stable supporter for employees and is committed to promoting a friendly workplace environment with physical and mental health and work balance.



Benefit measures administered by the Company

- ⊗ In accordance with the law, employees are covered by labor insurance, national health insurance, group accident/hospitalization/cancer medical insurance, and employee travel safety insurance.
- ⊗ Leave benefits: Special leave, marriage leave, personal leave, sick leave, physiological leave, bereavement leave, maternity leave, paternity examination and paternity leave, pandemic prevention and care leave, expatriate return leave and other types of leave. Among these, the scope of marriage leave and the salary standard of typhoon leave are better than those of labor laws.
- ⊗ Wedding ceremonies and funeral ceremonies: When an employee themselves or a relative gets married or dies, the Company offers gift money (condolence offerings/floral arrangements), and subsidizes managers at all levels to give gifts (condolence offerings).
- ⊗ Maternity allowance: A subsidy is provided when an employee or spouse gives birth.
- ⊗ On-the-job training courses for employees are encouraged and subsidized.
- ⊗ Once a year, an employee's family members can also enjoy a preferential discount for a hospital health examination for the current year.
- ⊗ A physician clinic consultation service is offered every two months (3 hours), and a full-time nurse is hired to provide medical services and consultation.
- ⊗ Conduct health promotion seminars.
- ⊗ We have signed special enterprise childcare contracts with nearby kindergartens to provide employee childcare services and enjoy preferential treatment to facilitate childcare nearby when working.
- ⊗ According to the Company's Articles of Incorporation, 6 to 10% of pre-tax net profit is allocated as employee remuneration; and after reporting to the General Meeting of Shareholders, this is allocated according to employee performance appraisals, contributions, positions, and other factors.
- ⊗ Subsidies for business personnel and FAE and RD division personnel: Transportation costs, mobile phones, parking space costs, laptop purchases.



Benefit measures are handled by the Employee Welfare Committee

- ⊗ Employees are encouraged to set up various clubs and organize club activities, participate in activities to rejuvenate mind and body, and subsidies for clubs are provided.
- ⊗ Various art and cultural activities such as family days and movie appreciation are held from time to time.
- ⊗ Employee trips are planned and travel subsidies are provided.
- ⊗ Agreements are signed with designated stores to give preferential discounts to the Company's employees.
- ⊗ Stipends (gifts) are given for birthdays as well as the Dragon Boat Festival and the Mid-Autumn Festival.
- ⊗ Year-end events are held and a number of lottery prizes are provided.



Note: Due to the COVID-19 pandemic, Family Day was suspended in 2020 and the Year-End Banquet was suspended in 2021.

◆ Parental Leave Implementation

In accordance with the Act of Gender Equality in Employment, the Labor Standards Act, the government's population policy, and the family policy, the Company implements a service map to take care of its employees, including the promotion of gender equality at work, prevention of sexual harassment in the workplace, promotion of emergency assistance programs for employees, corporate childcare measures, workplace maternal health counseling, promotion of family-friendly measures, promotion of work-life balance measures, and assistance in childcare/work suspension/reinstatement, in order to establish a friendly workplace as one of the Company's competitive advantages, which will help enhance the organizational commitment and performance of employees.

The actual number of applicants for parental leave in 2021 numbered 4 (1 male, 3 female). Individuals reinstated from parental leave in the current year numbered 3 (1 male, 2 female) while employees reinstated from the prior year numbered 5 (0 male, 5 female). The



number of employees who continued to work for one year after reinstatement was 4 (0 male, 4 female). The reinstatement rate was 100% and the retention rate was 80 percent.

Parental Leave Statistics									
Item/Year	2019			2020			2021		
Gender/Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Eligibility for parental leave (A)	25	29	54	21	22	43	19	20	39
Actual number of individuals applying for parental leave in the current year (B)	0	4	4	0	2	2	1	3	4
Number of eligible reinstatements following parental leave in the current year (C)	0	3	3	0	6	6	1	2	3
Actual number of individuals reinstated following parental leave in the current year (D)	0	2	2	0	5	5	1	2	3
Actual number of individuals reinstated following parental leave in the previous year (E)	0	3	3	0	2	2	0	5	5
Number of people who have continued to work for one year after applying for parental leave in the previous year (F)	0	3	3	0	2	2	0	4	4
Parental leave and reinstatement rate in the current year (%) (D/C)	-	66.7	66.7	-	83.3	83.3	100.0	100.0	100.0
Retention rate for parental leave in the current year (%) (F/E)	-	100.0	100.0	-	100.0	100.0	-	80.0	80.0

Note: The number of employees eligible to apply for parental leave is based on the number of people who have applied for maternity leave, paternity leave, or newborn gifts in the past three years.

◆ Retirement System

We have formulated labor retirement management measures based on the Labor Standards Act, Labor Pension Act, and other regulations. In accordance with the new and old systems of labor retirement, retirement reserves are respectively allocated and deposited into retirement fund accounts of the Bank of Taiwan or into the individual labor retirement accounts of the Bureau of Labor Insurance. Furthermore, we have set up a Labor Retirement Reserve Supervision committee to protect the rights and interests of employees.

For employees entitled to the old labor pension scheme, 2% of their monthly salary is appropriated to the Bank of Taiwan's Labor Retirement Fund and full provision has been made for pension payments. For employees who are entitled to the new labor pension scheme, 6% is contributed to their personal pension accounts at the Bureau of Labor Insurance according to the monthly pension contribution scale of their salaries. Employees are also encouraged to make contributions themselves for the early planning of pension accumulation arrangements.

▶ Labor-Management Agreements

At present, the Company has not established a labor union and has not signed a group agreement. However, the agreement between labor and management includes labor-management meetings and representatives are selected for relevant labor conferences to express labor opinions. Regular labor-management meetings are held on a quarterly basis. If the Company's operating activities or internal management changes have a significant impact on labor rights, we also conduct healthy two-way communication through labor-management meetings. Moreover, we hold quarterly mobilization meetings to let all employees understand the Company's vision, policies, management regulations, and other matters related to employees.

The opinions of the Company's employees are reflected with the management and human resources units through multiple channels, and all problems are expected to be properly handled through smooth communication channels.

▶ Minimum Announcement Period for Operational Changes

Major operational changes for Weikeng, such as layoffs, reorganizations, business outsourcing, plant closures, expansions, new openings, acquisitions, sale of all or part of the organization, mergers, etc., are implemented in accordance with all relevant applicable laws.

If the Company terminates a labor contract in accordance with the provisions of Paragraph 11 or Paragraph 13 under Article 16 of the Labor Standards Act, the notice period shall be handled in accordance with the following provisions:

- I. Those who have worked continuously for more than 3 months and less than 1 year shall be notified 10 days in advance.
- II. Those who have worked continuously for more than 1 year and less than 3 years shall be notified 20 days in advance.
- III. Those who have worked continuously for more than 3 years shall be notified 30 days in advance.



After receiving the notice stipulated in the preceding paragraph, the employee may take leave during working hours to seek another job. The number of hours of leave may not exceed two days per week, and salary shall be paid during the leave period. If the Company terminates a contract without giving notice of the period specified in Paragraph 1, the Company shall pay the wages for the notification period.

Regarding major operational changes for Weikeng in 2021, only a single matter of severance actually occurred and it was implemented in accordance with the statutory notice period as per the Labor Standards Act.

4.3 Workforce Development and Training

The Company pays attention to employee career planning, encouraging employees to study while following the Company's vision, mission, and business strategy. We develop talent development strategies, provide a variety of rich learning resources channels, and strengthen employees' professional knowledge and skills necessary for business execution, in order to improve work quality and performance. We are committed to each employee being able to adapt to the right place for the sake of achieving the goal of sustainable business operations.

◆ Education and Training Status

Internal training courses are courses offered by the Company for the core or professional abilities of employees. These include newcomer training, job skills improvement training, leadership training, and so on. External training courses are available as needed, assigning workers or employees to take the initiative to participate in courses or seminars sponsored by external units.

Training channels	Training contents
New employee training	Including corporate philosophy and core values, corporate governance requirements, introduction of functions of various departments, information security policies, and so on; we have established a blueprint for the development of new recruits and to help new employees have a basic concept of the corporate culture, internal processes, and rules and regulations.
Work skills refinement training	In accordance with the professional knowledge and management requirements required by the professional level, the program host will carry out the work skills improvement training course, including business assistants, FAE, RD and other divisions. This is done in order to enhance the essential learning ability of employees and help them bolster their work value.

Training channels	Training contents
Leadership and control training	In accordance with the needs of the management functions and responsibilities of supervisors at all levels, management training is planned at all levels to strengthen the leadership thinking and management knowledge of supervisors, let them identify with the Company's values, and cultivate the management level.
Environmental safety and health training	In accordance with government laws and regulations, we conduct labor safety and health training, disaster prevention drills, and emergency response training for new and current employees to improve work safety.
Human rights and corporate social responsibility related training	This includes training on ethical management, anti-corruption, sexual harassment prevention and control measures, etc., to enhance employees' knowledge of human rights, ethical codes of conduct, and other aspects.
External organization courses	We encourage employees to participate in professional skills or new knowledge training courses held by external organizations for application in the work process or management, so that employees and the Company can achieve a win-win situation.

The total number of educational training course hours in 2021 was 2,259.5 hours, while the total number of employees reached 490 and the average number of training hours per employee was 4.6 hours. courses covered new employee training, legal and business courses, work skills improvement training, external institution courses, and so on. Among them, a total of 21 employees applied for external training courses, and the total amount of training subsidies applied for was NT\$400,476.

Annual 2021 employee education and training statistics						
Item/Gender		Total number of individuals	Total training hours	Average number of training hours (hours/person)	Total cost of training (NT\$ thousand)	Average training cost (NT\$ thousand/person)
Full-time	Male	280	1,246.0	4.5	361.3	1.3
	Female	210	1,013.5	4.8	39.2	0.2
Total		490	2,259.5	4.6	400.5	0.8

Note:

1. Average number of hours of training = Total number of hours of training / Total number of individuals; Average training hours by gender = Total number of training hours by gender in the current year / Total number of training hours by gender in the current year.
2. The decrease in training hours in 2021 was due to the fact that Weikeng implemented work from home for several months in response to the pandemic's severity, so courses that required physical classes could not be held.



New employee training



Legal courses for legal and business training

4.4 Employee Safety and Health

According to the occupational safety and health management measures, Weikeng constitutes a second category organization with fewer than 500 employees, and so there is no need to establish an occupational safety and health management system. However, in accordance with other relevant occupational safety and health regulations, the Company has established an Occupational Safety Health Department and an Occupational Safety and Health committee. These are staffed by qualified personnel including first-tier labor safety and health business supervisors, occupational safety and health administrators, full-time nurses and fire management personnel. They carry out daily occupational safety and health operations in order to provide a safe workplace environment for employees.

The Occupational Safety and Health Department formulates, plans, supervises and promotes occupational safety and health management plans and related environmental protection and safety and health management matters, while guiding their implementation by the relevant departments. Meanwhile, the Occupational Safety and Health committee makes suggestions on the proposed occupational safety and health management plan, and it reviews, coordinates, and recommends safety and health-related matters. The Company has formulated occupational safety and health work codes, occupational safety and health management plans, occupational safety and health management regulations, and other related measures. The scope of application and the applicable targets cover the Company's operating sites and all workers and contractors.

◆ Occupational Safety and Health Committee

Weikeng has an Occupational Safety and Health committee, comprising at least seven members in accordance with the Company's occupational safety and health management regulations. The President appoints the following personnel according to the actual needs of the Company: (1) the President or dedicated person designated by the President; (2) occupational safety and health personnel; (3) managers, supervisors, and commanders of each department within the business; (4) medical staff engaged in labor health services; and (5) labor representatives.

In 2021, the members of the Occupational Safety and Health committee totaled 11 (including 4 labor representatives), and the composition was as follows:

2021 Occupational Safety and Health committee	
Membership composition	In 2021, the members of the Occupational Safety and Health Committee totaled 11 (including 4 labor representatives): Senior Vice President of the Administration Office (1 individual), supervisor of class-1 occupational safety and health management (1 individual), administrator of class-2 occupational safety and health management (1 individual), Product Business Division supervisor (1 individual), Product Application Division supervisor (1 individual), Human Resources Office supervisor (1 individual), nurse (1 individual), and labor representatives (4 individuals).
Powers and responsibilities of the committee	To deliberate, coordinate, and advise on occupational safety and health related matters, meet at least once every three months, and prepare and maintain records of the following matters for three years.

◆ Accident Prevention and Notification

In accordance with occupational safety and health regulations, Weikeng has established a prevention plan for unlawful infringement in the performance of duties to establish and implement relevant management plans for the identification, evaluation, and control of work environments or occupational hazards. The Company's occupational safety and health management personnel visit the Company's premises from time to time to observe the working conditions of the staff. If unsafe behaviors or conditions are discovered, correction or improvement is immediately proposed.

The Company regularly collects new knowledge about safety and health and new amendments to regulations, etc., and regularly publicizes the knowledge online through the internal announcement system or website. We further implement the general workplace safety and health inspection checklist every month. In addition, we regularly investigate the number of items of hazardous machinery and equipment on the Company's premises every six months (April and October), and update the number of hazardous machinery and equipment items. If dangerous machinery or equipment is used, then before the expiration date of the dangerous machinery and equipment inspection certificate, an inspection institution is commissioned to carry out the inspection, and it can continue to be used after passing the inspection.

In accordance with the provisions of the Occupational Safety and Health Act, if there is an immediate danger in the Company's workplace, the employer or the person in charge of the workplace shall immediately order the work to be stopped and the worker shall be



evacuated to a safe place. When a worker discovers that there is an imminent danger in the performance of their duties, they may stop the operation and retreat to a safe place without endangering the safety of other workers, and immediately report to the immediate supervisor. The employer may not dismiss, transfer, fail to pay wages during the period of suspension of work, or take other disadvantageous measures to the workers referred to above.

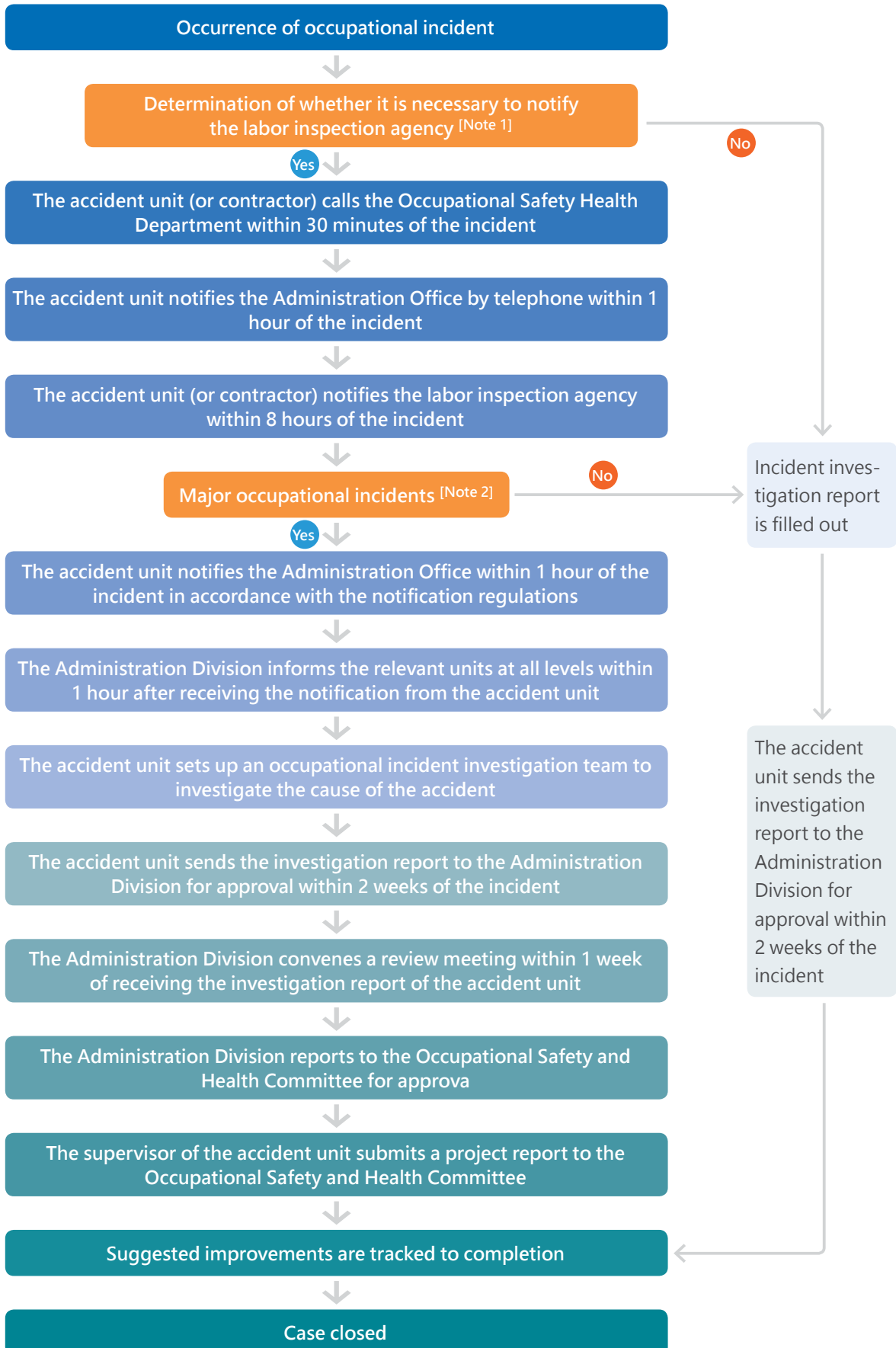
In the event of an accident, first aid and rescue shall be carried out in accordance with the provisions of the emergency response plan, and the employer, the person in charge of the workplace, the occupational safety and health personnel, and all relevant personnel shall be immediately notified by the fastest means.

In the event of any of the following major occupational incidents in the workplace, in addition to carrying out emergency first aid, rescue and other measures, the labor inspection institution must be notified within eight hours:

- I. In the event of a fatal incident.
- II. When the number of casualties is three or more at the same time.
- III. The number of victims of the incident is more than one and they require hospitalization.
- IV. Other incidents designated and announced by the central competent authority.

When an occupational accident occurs in the workplace, the Company's department heads or management who manage, direct and supervise the relevant personnel and occupational safety and health personnel shall immediately cooperate with the investigation, analysis and statistics of the cause of the incident, and formulate appropriate response measures, and report to the manager for approval in accordance with the administrative operating procedures, and then implement them effectively.

Standard Flow Chart for Weikeng Occupational Incident Notification





Note:

1. In the event of any of the following occupational incidents occurring in the workplace, the employer shall notify the labor inspection agency within eight hours:
 - I. Occurrence of a fatal incident. II. The number of victims of the incident is three or more. III. The number of victims of the incident is more than one and they require hospitalization. IV. Other incidents designated and announced by the central competent authority.
2. The term "major occupational incident" refers to one of the occupational incidents listed on the left: I. Occurrence of a fatal incident. II. The number of victims of the incident is three or more. III. Leakage of chemical substances such as ammonia, chlorine, hydrogen fluoride, phosgene, hydrogen sulfide, sulfur dioxide, etc., and if more than one worker is injured in an incident and needs to be hospitalized. IV. Other incidents designated and announced by the central competent authority.

◆ Occupational Hazard Statistics

In order to achieve the goal of zero incidents in the workplace and promote the safety and health of all employees, the Company has one supervisor of class-1 occupational safety and health management, one administrator of class-2 occupational safety and health management, and nurses to plan and implement relevant labor safety and health work rules, and to count and report employees' occupational incident cases every month in accordance with the regulations.

In 2021, 1 employee occupational injury occurred at Weikeng, involving tibia and fibula fracture in an employee's right ankle due to a traffic accident occurring while commuting to work on March 24, 2021. This incident was reported and recorded in the Occupational Safety and Health Department of the Ministry of Labor's Occupational Hazard Statistics Online Reporting System. Furthermore, the following improvement measures were taken to avoid the same incident happening again: (1) a parking lot entrance sign was posted reading "Passing Through Prohibited"; (2) a cargo elevator entrance sign was posted reading "Non-Delivery Personnel Prohibited from Riding"; (3) the iron roll door of the parking lot was set to be normally open during commute times, and cancellation of proposed construction was requested. Subsequent recovery was tracked and recorded by the nurse.

In 2021, Weikeng had a total of 9 non-employee workers, respectively 6 logistics dispatch personnel (engaged in warehouse cargo logistics operations) and 3 cleaning contractors (involved in environmental cleaning of office locations). Their total working time came to 12,090 hours, and no occupational accidents occurred in 2021.

Weikeng's occupational safety performance statistics for 2021: Employees

	Item	2021
Total working hours	Female total working hours	406,916.00
	Male total working hours	541,344.00
	Total working hours	948,260.00
Fatality rate caused by occupational injuries	Female occupational injury fatality rate	0.00
	Male occupational injury fatality rate	0.00
	Fatality rate	0.00
Serious occupational injury rate(Excluding fatalities)	Total female serious occupational injury rate	0.00
	Total male serious occupational injury rate	0.00
	Total serious occupational injury rate	0.00
Recordable occupational injury rate (Including fatalities and serious occupational injuries)	Total female occupational injury rate	2.45
	Total male occupational injury rate	0.00
	Total occupational injury rate	1.05

Note:

- 1.Total working hours are estimated statistics. Total working hours = Sum of (Number of individuals at the end of the month x Number of working days in the month x 8 hours) - Number of hours off work for employees in occupational incidents
- 2.The data in this form is the statistical data of Weikeng Industrial in the "Occupational Disaster Statistics Reporting System of the Occupational Safety and Health Department of the Ministry of Labor."
- 3.Fatality rate due to occupational injury = Number of deaths due to occupational injury / Working hours * 1,000,000.
- 4.Serious occupational injury rate = Number of serious occupational injuries (excluding fatalities) / Working hours* 1,000,000. Serious occupational injury means an injury that results in incapacitation due to occupational injury, or inability to return to the prior state of health before the injury within six months.
- 5.Recordable occupational injury rate = Recordable occupational injury rate (including fatalities and serious occupational injuries) / Working hours * 1,000,000.

Occupational Health Services

Health examinations

Weikeng's new employees shall undergo a physical examination and on-the-job employees shall undergo general health checks. The Company conducts employee health examination once a year, and in addition to the basic items, the health examination items also add intraocular pressure (IOP) measurement and body fat examination items to provide employees with a more complete examination plan. In 2021, Kang-Ning General Hospital was designated to conduct annual health checkups for employees, and 427 Weikeng employees underwent general health checks for an employee participation rate of 92.22% (excluding overseas personnel). colleagues who did not participate arranged regular



health checks on their own or were unable to cooperate with the Company's health check times. The total cost of the health checks was NT\$420,100, and no occupational illnesses were found.

In addition, the Company signed for on-site doctor consultation services with Cathay General Hospital. Providing health service consultation for three hours once every two months, colleagues can understand their physical and mental conditions, contribute to themselves and the Company, and be followed up with and evaluated by full-time nurses. In 2021, a total of six 18-hour health consultation services were conducted.



■ Health Care

In reference to the Guidelines for Prevention of Ergonomic Hazards, Guidelines for the Prevention of Diseases Caused by Abnormal Workloads, and the Guidelines for Preventing Illegal Infringement in the Performance of Duties as published by the Occupational Safety and Health Administration, Ministry of Labor, and in accordance with the Company's business projects and industrial attributes, the Company has formulated the Ergonomic Hazard Prevention Plan, the Abnormal Workload-Induced Disease Prevention Plan, and the Plan for Preventing Illegal Infringement in the Performance of Duties, as well as the Maternal Health Protection Plan. Moreover, we intermittently conduct health education and health promotion lectures on hypertension, hyperlipidemia, diabetes, and so on.

Four major plans for employee health protection



Ergonomic Hazard Prevention Program

The purpose of this plan is to maintain the health and well-being of our employees, prevent of ergonomic hazards, and avoid of repetitive musculoskeletal injuries. After a resolution by the Occupational Safety Health Department and gaining approval of the President, this plan was announced to all workers and jointly promoted to achieve the goal of reducing the incidence and frequency of repetitive musculoskeletal injuries among the Company's workforce.



Abnormal Workload-Induced Disease Prevention Plan

The Company's Human Resources Department collects and updates the basic information of workers, job nature, working hours, and other information. After evaluation, the Company's business departments and business support departments in 2021 determined that workers who may work long hours or work with high physiological (psychological) loads and who work in special work environments are to be classified into potential risk groups. The medical staff in the factory will then screen the middle and high-risk groups for the health check data of the workers in the above-mentioned departments.



Plan for Preventing Illegal Infringement in the Performance of Duties

From 2019 onwards, the Company has formulated a prevention program for unlawful infringement in the performance of duties in accordance with the relevant provisions of the Occupational Safety and Health Act. The above program will be revised in accordance with the updated guidelines of the governmental agencies to conform to the latest laws and regulations. In accordance with the requirements of occupational safety and health regulations, this plan explains the basic principles that should be used in the identification and risk evaluation of violent hazards and serves as a reference for the Company's planning and implementation of violence prevention.



Maternal Health Protection Plan

In accordance with the Occupational Safety and Health Act, a maternal health protection plan has been established since 2020 to plan and take necessary safety measures to ensure the health of mothers, fetuses and infants (hereinafter referred to as protection targets) for workers who are at risk of maternal health hazards.



Nurses hold lectures on health promotion and safety on a regular basis every month (on a weekly basis and adjusted at any time) and identify the hazards that are likely to occur in the workplace by enhancing employees' health knowledge about diseases that are prone to occur and their prevention methods. Furthermore, they reduce the risk of harm through correct health-related knowledge.

During the COVID-19 pandemic, in order to control the risk of infection, employees worked from home and took turns coming to the office for about three months, and employees were allowed to take quarantine leave, care leave, and vaccination leave as needed; when all employees resumed work at the Company, employees who had family care needs could apply for a flexible work schedule or continue to work from home.

In 2021, a total of 14 health talks were held with 261 participants (114 male and 147 female) for a total of 7 hours.

Health Talk 2021

Objective:

Colleagues with hypertension, diabetes, and hyperlipidemia as well as metabolic syndrome accounted for the majority. It is hoped that through health education, colleagues' awareness of personal health problems will be improved and their willingness toward self-health management will be enhanced. For those in pre-disease stages, the conditions are reversible and formation of the disease can be prevented. For those who already suffer from chronic diseases, their course can be delayed as well as the occurrence of complications. In view of the current pandemic diseases and health topics that colleagues are interested in, increase the health knowledge and concepts of colleagues.

Method:

The lead nurse uses Teams Video conferencing to hold three mini-sessions per month. The point collection method is adopted to encourage participation; participating in a class and completing the questionnaire earns one point and collecting three points can be exchanged for beautiful small gifts.

Date	Topic	Date	Topic
8/13	Recognizing heat stroke	10/22	Hyperlipidemia exercise
8/20	Sunburn	11/5	Recognizing high blood pressure
9/3	Recognizing metabolic syndrome	11/12	Hypertensive diets
9/10	Metabolic syndrome diets	11/19	Hypertensive exercise
9/24	Metabolic syndrome exercise	12/3	Recognizing diabetes
10/1	Recognizing hyperlipidemia	12/10	Diabetic diets
10/15	Hyperlipidemic diets	12/17	Diabetic exercise

◆ Safety and Health Education and Training

The Company has fire prevention management personnel to improve concepts of workplace environmental safety. Moreover, in accordance with Weikeng's Occupational Safety and Health Work code, we regularly conduct relevant education and training on safety and health, fire protection, and so on, while taking necessary precautions to prevent occupational accidents, thereby reducing the risk factors of the work environment.

Education and training courses include work safety and health related regulations, emergency response, fire and first aid knowledge and drills, general education and training on dangerous substances and harmful substances, and so on, with a training time of at least 6 hours. In addition, new and in-service employees shall undergo general safety and health education and training with a training time of at least 3 hours. Administrator of class 2 occupational safety and health management personnel shall participate in at least 12 hours of on-the-job education and training every two years. Supervisor of class 1 occupational safety and health management shall participate in at least 6 hours of on-the-job education and training every two years.

In 2021, general safety and health education and training was implemented for new employees. The content contained: (1) outline of laws and regulations related to work safety and health; (2) occupational safety and health concepts and safety and health work codes; (3) emergency response; (4) fire and first aid knowledge and drills; and (5) other safety and health knowledge related to labor operations. There was a total of 65 participants (42 male, 23 female) and the total training time was 9 hours.

On October 22, 2021, fire prevention management personnel^{Note} participated in the education and training held by the China Productivity Center, which included: (1) fire prevention management measures for 2 hours; (2) 3 hours of education and training; and (3) a 1-hour quiz. There was 1 trainee and 6 hours of training in total.

In addition, the Taipei Head Office participated in the fire drill held in the factory and office building where it is located, and it completed two annual drills held on April 9 and October 26, 2021. There were 2 trainees and 4 hours of training in total. The results of the drill were reported by the plant and office building management center to the Neihu Squadron of the Third Brigade of the Taipei City Fire Department.

Note: Fire management personnel are retrained once every 3 years.





4.5 Giving Back to Society

▪ Environmental Protection Issues

In order to advocate environmental protection, care for the Earth, and strive to promote ecological sustainability, in July 2016, Weikeng donated 10 Hitachi hard disk products to assist in the filming of "Bao Dao" as storage devices for a documentary film in the Taiwan nature reserve (at a cost of about NT\$118,000). The Forestry Bureau, Agriculture committee, Executive Yuan, commissioned the ecological photographer Mr. Chan Chia-Lung to complete the planning and collaborative shooting of the film over 2 years, and it premiered in December 2017. In addition, for three consecutive years spanning 2019 to 2021, the Company sponsored "Global Earth Day" activities of the Business Times, thereby devoting attention to the environmental protection activities for our planet.

▪ Sponsorship of Educational Resources

In order to enrich university education resources, the Company sponsored National Chiao Tung University and Tsinghua University from 2017 to 2018 for a total of NT\$1.8 million. Furthermore, we are concerned about the serious educational gap in Taiwan's remote areas. From May 2020 to April 2021, the Company sponsored the Boyo Social Welfare Foundation for two consecutive years. The Foundation's mission is to provide remedial education in remote areas, train local counselors, and help graduate students become self-sufficient and improve themselves in order to rise out of poverty. In 2021, the cumulative sponsorship amount was NT\$600,000.

▪ Sponsorship of Sports Resources

In order to promote sports activities, the Company has sponsored the High Tech Charity Association for the past five years (2017-2021). These funds were used to promote women's professional golf in Taiwan, with a cumulative total of NT\$1.5 million in sponsorships by 2021.

▪ Sponsorship of Research Institutes

The Company sponsored the Chinese Society for Management of Technology from 2017 to 2021 in the hope of combining talents in the field of technology management to promote exchanges among industry, government departments and academic research institutions. Up to 2021, the cumulative amount of sponsorship was NT\$1 million.

Appendix 1: GRI Content Index Table

◆ General Disclosures

GRI 102 General Disclosures 2016

Category/ Topic	GRI Standards		Corresponding chapter	Page num- ber	Omis- sion/ Remarks
1. Organizational Profile					
Core	102-1	Name of the organization	Editorial Policy 1.1 Company Overview	2 8	
Core	102-2	Activities, brands, products and services	1.1 Company Overview	8	
Core	102-3	Location of headquarters	1.1 Company Overview	8	
Core	102-4	Operating location	1.1 Company Overview	8	
Core	102-5	Ownership and legal form	1.1 Company Overview	8	
Core	102-6	Markets served	1.1 Company Overview	8	
Core	102-7	Scale of the organization	1.1 Company Overview	8	
Core	102-8	Information on employees and other workers	4.1 Employee Structure	93	
Core	102-9	Supply chain	3.1 Supply Chain Over- view	73	
Core	102-10	Significant changes to the organi- zation and its supply chain	Operating Performance Management Policy	31	
Core	102-11	Precautionary Principle or ap- proach	Message from the Chairman 2.4. Risk Management	4 61	
Core	102-12	External initiatives	-		No external initiative signed
Core	102-13	Membership of associations	1.1 Company Overview	8	
2. Strategy					
Core	102-14	Statement from senior decision- maker	Message from the Chairman	4	
Compre- hensive	102-15	Key impacts, risks, and opportuni- ties	2.4. Risk Management	61	
3. Ethics and Integrity					
Core	102-16	Values, principles, standards, and norms of behavior	Ethical Governance Management Policy	33	
Compre- hensive	102-17	Mechanisms for advice and con- cerns about ethics	2.3. Honesty and In- tegrity and Regulatory compliance	55	



Category/ Topic	GRI Standards	Corresponding chapter	Page num- ber	Omis- sion/ Remarks
4. Governance				
Core	102-18	Governance structure	2.2 Corporate Govern- ance	42
Compre- hensive	102-19	Delegating authority	1.2 Promotion and Management of Sus- tainability	13
Compre- hensive	102-20	Executive-level responsibility for economic, environmental, and social topics	1.2 Promotion and Management of Sus- tainability	13
Compre- hensive	102-22	Composition of the highest gov- ernance body and its committees	2.2 Corporate Govern- ance	42
Compre- hensive	102-23	Chair of the highest governance body	2.2 Corporate Govern- ance	42
Compre- hensive	102-24	Nominating and selecting the highest governance body	2.2 Corporate Govern- ance	42
Compre- hensive	102-25	Conflicts of interest	2.2 Corporate Govern- ance	42
Compre- hensive	102-26	Role of highest governance body in setting purpose, values, and strategy	1.2 Promotion and Management of Sus- tainability	13
Compre- hensive	102-27	Collective knowledge of highest governance body	2.2 Corporate Govern- ance	42
Compre- hensive	102-28	Evaluating the highest govern- ance body's performance	2.2 Corporate Govern- ance	42
Compre- hensive	102-32	Highest governance body's role in sustainability reporting	Editorial Policy	2
Compre- hensive	102-35	Remuneration policies	2.2 Corporate Govern- ance	42
Compre- hensive	102-36	Process for determining remu- neration	2.2 Corporate Govern- ance	42
5. Stakeholder engagement				
Core	102-40	List of stakeholder groups	1.3 Stakeholder Identi- fication and communi- cation	16
Core	102-41	collective bargaining agreements	-	No union has been formed and there are no collective bar- gaining agree- ments

Category/ Topic	GRI Standards	Corresponding chapter	Page num- ber	Omis- sion/ Remarks
Core	102-42	Identifying and selecting stake- holders	1.3 Stakeholder Identi- fication and communi- cation	16
Core	102-43	Approach to stakeholder engage- ment	1.3 Stakeholder Identi- fication and communi- cation 3.4 Customer Relation- ship Management	16 80
Core	102-44	Key topics and concerns raised	1.3 Stakeholder Identi- fication and communi- cation	16

6. Reporting practice

Core	102-45	Entities included in the consoli- dated financial statements	2.1 Operation Overview	39	
Core	102-46	Defining report content and topic Boundaries	1.4 Analysis of Material Topics	24	
Core	102-47	List of material topics	1.4 Analysis of Material Topics	24	
Core	102-48	Restatements of information	Editorial Policy	2	Starting
Core	102-49	Changes in reporting	1.4 Analysis of Material Topics	24	Starting
Core	102-50	Reporting period	Editorial Policy	2	
Core	102-51	Date of most recent report	Editorial Policy	2	
Core	102-52	Reporting cycle	Editorial Policy	2	
Core	102-53	Contact point for questions re- garding the report	Editorial Policy	2	
Core	102-54	Claims of reporting in accordance with the GRI Standards	Editorial Policy	2	
Core	102-55	GRI content index	Editorial Policy Appendix 1: GRI Con- tent Index Table	2 119	
Core	102-56	External assurance	Editorial Policy	2	



Material Topic

* The list of material topic below is consolidated by Weikeng

Category/ Topic	GRI Standards	Corresponding chapter	Page num- ber	Omis- sion/ Remarks	
GRI 201: Economic Perfor- mance 2016	103-1	Explanation of the material topic and its Boundary	1.4 Analysis of Material Topics Operating Performance Management Policy	24 31	
	103-2	The management approach and its components	Operating Performance Management Policy	31	
	103-3	Evaluation of the management approach	Operating Performance Management Policy	31	
	201-1	Direct economic value generated and distributed	2.1 Operation Overview	39	
	201-3	Defined benefit plan obligations and other retirement plans	4.2 Employee Rights and Benefits	98	
* Regulator- y compli- ance	103-1	Explanation of the material topic and its Boundary	1.4 Analysis of Material Topics Regulatory compliance management policy	24 35	
	103-2	The management approach and its components	Regulatory compliance management policy	35	
	103-3	Evaluation of the management approach	Regulatory compliance management policy	35	
	307-1	Non-compliance with environmental laws and regulations	2.3. Honesty and Integrity and Regulatory compliance	55	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.3. Honesty and Integrity and Regulatory compliance 3.2 Supply Chain Due Diligence	55 75	None
	417-2	Incidents of non-compliance concerning product and service information and labeling	2.3. Honesty and Integrity and Regulatory compliance	55	
	417-3	Incidents of non-compliance concerning marketing communications	2.3. Honesty and Integrity and Regulatory compliance	55	
	419-1	Non-compliance with laws and regulations in the social and economic area	2.3. Honesty and Integrity and Regulatory compliance	55	

Category/ Topic	GRI Standards	Corresponding chapter	Page num- ber	Omis- sion/ Remarks
GRI 402: Labor/Man- agement Relations 2016	103-1	Explanation of the material topic and its Boundary	1.4 Analysis of Material Topics Talent Cultivation Man- agement Policy	24 91
	103-2	The management approach and its components	Talent Cultivation Man- agement Policy	91
	103-3	Evaluation of the management approach	Talent Cultivation Man- agement Policy	91
	402-1	Minimum notice periods regarding operational changes	4.2 Employee Rights and Benefits	98
GRI 418: Customer Privacy 2016	103-1	Explanation of the material topic and its Boundary	1.4 Analysis of Material Topics Customer Privacy and Information and Cyber Security Management Policy	24 37
	103-2	The management approach and its components	Customer Privacy and Information and Cyber Security Management Policy	37
	103-3	Evaluation of the management approach	Customer Privacy and Information and Cyber Security Management Policy	37
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.4. Risk Management	61
* Ethical management	103-1	Explanation of the material topic and its Boundary	1.4 Analysis of Material Topics Ethical Governance Management Policy	24 33
	103-2	The management approach and its components	Ethical Governance Management Policy	33
	103-3	Evaluation of the management approach	Ethical Governance Management Policy	33
	205-2	Communication and training about anti-corruption policies and procedures	2.3. Honesty and Integrity and Regulatory compliance	55
	205-3	Confirmed incidents of corruption and actions taken	2.3. Honesty and Integrity and Regulatory compliance	55
* Customer service and satisfaction	103-1	Explanation of the material topic and its Boundary	1.4 Analysis of Material Topics Technology Research and Development and Customer Relationship Management Policy	24 71



Category/ Topic	GRI Standards	Corresponding chapter	Page num- ber	Omis- sion/ Remarks
* Customer service and satisfaction	103-2	The management approach and its components	Technology Research and Development and Customer Relationship Management Policy	71
	103-3	Evaluation of the management approach	Technology Research and Development and Customer Relationship Management Policy	71
* Risk Management	103-1	Explanation of the material topic and its Boundary	1.4 Analysis of Material Topics Operating Performance Management Policy	24 31
	103-2	The management approach and its components	Operating Performance Management Policy	31
	103-3	Evaluation of the management approach	Operating Performance Management Policy	31
* Technology research and development	103-1	Explanation of the material topic and its Boundary	1.4 Analysis of Material Topics Technology Research and Development and Customer Relationship Management Policy	24 71
	103-2	The management approach and its components	Technology Research and Development and Customer Relationship Management Policy	71
	103-3	Evaluation of the management approach	Technology Research and Development and Customer Relationship Management Policy	71
* Governance operations and information transparency	103-1	Explanation of the material topic and its Boundary	1.4 Analysis of Material Topics Ethical Governance Management Policy	24 33
	103-2	The management approach and its components	Ethical Governance Management Policy	33
	103-3	Evaluation of the management approach	Ethical Governance Management Policy	33
* Talent development and retention	103-1	Explanation of the material topic and its Boundary	1.4 Analysis of Material Topics Talent Cultivation Management Policy	24 91
	103-2	The management approach and its components	Talent Cultivation Management Policy	91

Category/ Topic	GRI Standards	Corresponding chapter	Page num- ber	Omis- sion/ Remarks
* Talent develop- ment and retention	103-3	Evaluation of the management approach	Talent Cultivation Man- agement Policy	91
	401-1	New employee hires and em- ployee turnover	4.1 Employee Structure	93
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time em- ployees	4.2 Employee Rights and Benefits	98
	401-3	Parental leave	4.2 Employee Rights and Benefits	98
	404-1	Average hours of training per year per employee	4.3 Workforce Develop- ment and Training	106
	404-3	Percentage of employees receiv- ing regular performance and career development reviews	4.1 Employee Structure	93

GRI Specific Topic Disclosure: Voluntary Disclosure Indicators

Category/ Topic	GRI Standards	Corresponding chapter	Page num- ber	Omis- sion/ Remarks
200 Economic indicators				
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to lo- cal minimum wage	4.2 Employee Rights and Benefits	98
	202-2	Proportion of senior management hired from the local community	4.1 Employee Structure	93
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	4.5 Giving Back to Society	118
GRI 204: Procure- ment Practices 2016	204-1	Proportion of spending on local suppliers	3.1 Supply Chain Over- view	73



Category/ Topic	GRI Standards	Corresponding chapter	Page number	Omission/ Remarks
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.3. Honesty and Integrity and Regulatory compliance	55	
300 Environmental indicators				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	3.5 Environmental Protection	83	
	302-3 Energy intensity	3.5 Environmental Protection	83	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	3.5 Environmental Protection	83	
	303-2 Management of water discharge-related impacts	3.5 Environmental Protection	83	
	303-3 Water withdrawal	3.5 Environmental Protection	83	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	3.5 Environmental Protection	83	
	305-2 Energy indirect (Scope 2) GHG emissions	3.5 Environmental Protection	83	
	305-4 GHG emissions intensity	3.5 Environmental Protection	83	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	3.5 Environmental Protection	83	
	306-2 Management of significant waste-related impacts	3.5 Environmental Protection	83	
	306-3 Waste generated	3.5 Environmental Protection	83	
400 Social indicators				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	4.4 Employee Safety and Health	108	
	403-2 Hazard identification, risk assessment, and incident investigation	4.4 Employee Safety and Health	108	
	403-3 Occupational health services	4.4 Employee Safety and Health	108	
	403-4 Worker participation, consultation, and communication on occupational health and safety	4.4 Employee Safety and Health	108	

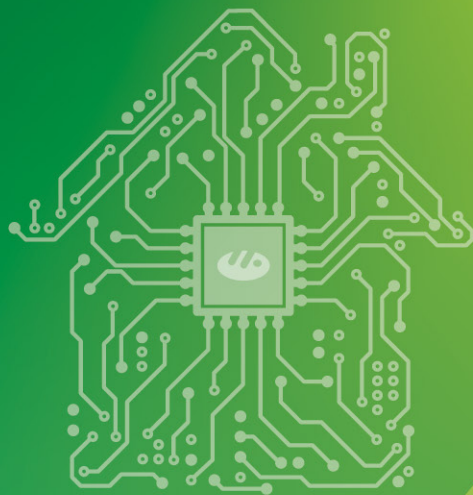
Category/ Topic	GRI Standards	Corresponding chapter	Page num- ber	Omis- sion/ Remarks
GRI 403: Occu- pational Health and Safety 2018	403-5	Worker training on occupational health and safety	4.4 Employee Safety and Health	108
	403-6	Promotion of worker health	4.4 Employee Safety and Health	108
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.2 Supply Chain Due Diligence	75
	403-8	Workers covered by an occupational health and safety management system	4.4 Employee Safety and Health	108
	403-9	Work-related injuries	4.4 Employee Safety and Health	108
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GRI 405: Diversity and Equal Opportu- nity 2016	405-1	Diversity of governance bodies and employees	2.2 Corporate Govern- ance 4.1 Employee Structure	42 93
GRI 406: Non-dis- crimina- tion 2016	406-1	Incidents of discrimination and corrective actions taken	2.3. Honesty and In- tegrity and Regulatory compliance	55
GRI 407: Freedom of Associ- ation and collective Bargain- ing 2016	407-1	Operations and suppliers in which the right to freedom of asso- ciation and collective bargaining may be at risk	2.3. Honesty and In- tegrity and Regulatory compliance	55
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GRI 409: Forced or compul- sory Labor 2016	409-1	Operations and suppliers at sig- nificant risk for incidents of forced or compulsory labor	2.3. Honesty and In- tegrity and Regulatory compliance	55



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GRI 411: Rights of Indig- enous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	2.3. Honesty and Integrity and Regulatory compliance	55	
GRI 412: Human Rights As- sessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	4.2 Employee Rights and Benefits	98	None
	412-2 Employee training on human rights policies or procedures	4.2 Employee Rights and Benefits	98	
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	3.2 Supply Chain Due Diligence	75	
GRI 415: Public Policy 2016	415-1 Political contributions	2.3. Honesty and Integrity and Regulatory compliance	55	None
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3.2 Supply Chain Due Diligence	75	
GRI 417: Market- ing and Labeling 2016	417-1 Requirements for product and service information and labeling	3.2 Supply Chain Due Diligence	75	

◆ Disclosure matters required by the Taiwan Stock Exchange’s Rules Governing the Preparation and Filing of ESG Sustainability Reports by TWSE Listed Companies

Disclosure item	Corresponding chapter	Page num- ber
Article 4, Paragraph 1, Section 4, Item 1 The number of full-time employees who are not in supervisory positions, the average and median salaries of full-time employees who do not hold supervisory positions, and the difference between the preceding three items and the previous year	4.2 Employee Rights and Benefits	98



 **WEIKENG INDUSTRIAL CO., LTD.**