



ESG Report

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Editorial Policy

| About This Report |

This Report constitutes the second "ESG Sustainability Report" published by Weikeng Industrial Co., Ltd. (hereinafter referred to as "Weikeng" or "Weikeng Industrial"). It takes "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.

The Report was published in June 2023, with simultaneous publication on the Company's official website. Going forward, we will continue to compile and publish the Sustainability Report in June every year.

| Contact Information |

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

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| Report Scope and Methodology |

The information disclosure period of this Report is January 1, 2022 to December 31, 2022. The scope of disclosure is mainly based on Weikeng's Taiwan operating locations (excluding subsidiaries, in the consolidated financial statements), encompassing 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). A portion of the content also covers a description of cases before and after 2022, management policies, goals, and such. If other reporting areas are involved, they will be explained in the content of the Report.

The statistics disclosed in the Report come from 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 latest version of the GRI Standards (2021), issued by the Global Reporting Initiative (GRI), and the Taiwan Stock Exchange's "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", as well as referring to the Task Force on Climate related Financial Disclosures (TCFD) and the Electronic Manufacturing Services and Original Design Manufacturing Standard of the Sustainability Accounting Standards Board (SASB). Weikeng's sustainability theme, strategy, and specific actions are disclosed based on the reporting principle, and the GRI content indices are detailed in Appendix 1.

In respect to Weikeng's ESG Sustainability Report, Mr. Chou Kan-Lin (@Fama Chou), Chief Financial Officer/Spokesperson/Corporate Governance Officer, serves as the general convener of the ESG Sustainability Report Compilation Group, and is responsible for the overall planning, communication and integration, and data collection. All relevant departments of the Company participated 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, it is verified by each department, and the report is finally submitted to the Sustainable Development Committee and the Board of Directors for approval and publication.

Message from the Chairman

On the 46th anniversary of our establishment, facing the uncertainty of climate change, economic turbulence in 2022 and geopolitical and other factors, Weikeng Group continues to actively review and improve the sustainability of its operations, hoping to maintain its business performance while taking into account the needs of all stakeholders in this uncertain market. As a member of the semiconductor supply chain, Weikeng hopes to continue contributing to the Group's resources, work with upstream and downstream partners to jointly build a green and sustainable supply chain for semiconductors, strive to reduce our environmental impact, and comply with social laws and regulations.

In 2022, through the Sustainable Development and Risk Management Group under the Sustainable Development Committee, the Company began to promote the TCFD project. The Company referred to the structure disclosed in the TCFD to strengthen the governance structure for opportunities and risks associated with climate change, hoping to take a deep look at and gain a strong grasp on the opportunities and risks brought to the business by climate change. At the same time, to comply with the trend of global net zero emissions, Weikeng introduced the ISO-14064 Greenhouse Gas Accounting and Verification Standards, and established an internal greenhouse gas accounting and verification team. It will successively establish a complete greenhouse gas accounting and verification management procedure, optimizing the organization's internal processes and systems in order to facilitate the planning of sustainability-related investment and disclosure standards in the mid-long term.

In addition to strengthening risk management and governance structure due to climate change, the Company considers its climate change strategy as important to maintaining its economic performance. Because energy conservation and carbon reduction have become major drivers of demand for electronic and electrical products, the Company will continue to pay attention to the potential risks and opportunities of climate change for an enterprise, at present and in the future, actively cooperating with the upstream vendors, and working to understand the demand of downstream manufacturers, at the application end. The Company will continue to invest more resources in demand creation for relevant application solutions, such as power management, electric vehicle charging, smart grid, wind power generation, solar power generation inverters, and so on, all of which are green business opportunities. In recent years, upstream vendors have more actively expanded research and development resources into compound/ Group III semiconductor products. The Company will also continue to invest in automotive/electric vehicle and industrial energy related markets to develop low energy consumption, high power product solutions. It is expected that the Company will make its own efforts to develop energy-saving and carbon reduction products to support the development of the green energy industry.

In the past year, more Weikeng employees devoted themselves to work related to sustainability and actively participated in public welfare activities, which not only enhanced the integration of the organization and team, but also helped achieve ESG goals within the organization, allowing employees to give back to the community. In addition to the participation of employees, the Company continues to sponsor environmental protection awareness, education, sports resources, research institutions, and similar, to cultivate scientific and technological talents in line with United Nations Sustainable Development Goals (SDGs). In January 2023, the board meeting adopted the revision to the Company's "Emoluments Policy for Directors and Employees (including Executive Officers)", and established reasonable guidance on the connection between the individual salary and compensation arrangements of directors and employees (including executive officers) and the Company's operational and financial performance, investment in and contribution to sustainable development and risk management, so as to encourage the carrying out of business with integrity, good corporate governance, and promotion of sustainable development.

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

Chairman Hu, Chiu-Chiang (@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 46 years of hard work, we have gained many positive testimonies from vendors and won multiple awards.

111.10.05

Recognized as a top 500 import and export manufacturer in 2020 by the International Trade Bureau, October 5, 2022.



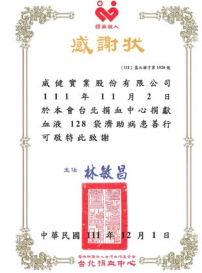
111.11.25

Performance Evaluation Certificate of the Board of Directors by the Taiwan Corporate Governance Association, November 25, 2022.



111.12.01

Letter of Appreciation from Blood Donation Center, December 1, 2022.



111.01

Mitac Excellent Supplier, January 2022.



111.03

NXP Best Demand Creation Partner, March 2022.



111

2022 Vishay Asia Pacific Gold Partner Award



111

2022 Vishay Most Exciting SiC New Product Development Achievement Award



FY21/22

FY21/22 Infineon Greater China Elite Technical Team Annual Best Distributor



FY21/22

FY21/22 Infineon Greater China PSS RFS BWIN Outstanding Achievement Growth Award



111

2022 Infineon Pioneer Special Award - first distributor to achieve 500M euro performance



111

2022 Infineon Industrial Power Control Excellence Award



111

2022 Infineon Greater China CSS First Demand Creation Award



111

2022 Infineon Greater China PSS Outstanding Demand Creation Growth Award




Rewards and recognition received by Weikeng over the years ↗



Sustainable Management

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1.3 Analysis of Major Issues	17

1



1.1 Sustainable Promotion and Management

Weikeng Industrial is a distributor of professional electronic components and computer peripheral equipment. As a member of this key component supply chain in the electronics manufacturing industry, we practice optimal and sustainable development to provide employees with appropriate safety, industrial safety, and environment 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, environmental sustainability, safety, health, ethics, and employee rights & interests, in accordance with relevant regulations and standards. We do so in order to enact our sustainable development policy and uphold our commitment to continuous improvement, as well as in the pursuit of excellence and the spirit of sustainable management.

Sustainable Development Committee

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

In order to more effectively implement the sustainable development policy, the board meeting of the Company passed a resolution on March 25, 2022 to establish the "Sustainable Development Committee" as the highest guiding unit for the planning and discussion of sustainable development. The board appointed the Chairman (Mr. Hu, Chiu Chiang (@Douglas Hu), Chief Operating Officer (promoted to President and CEO on September 1, 2022) and Director (Mr. Chi, Ting Fang (@Stan Chi), as well as all independent directors (three seats, Mr. Tsai, Yu Ping (@Edward Tsai), Mr. Lin, Hung (@Vincent Lin), and Ms. Yu, Hsueh Ping (@Peggy Yu). Ms. Yu, Hsueh Ping (@Peggy Yu) was also appointed as convener of the committee and meeting chairperson. Under the Committee, two functional groups were formed, namely the "Sustainable Development Group" and the "Risk Management Group". Also, the "Sustainable Development Committee Charter" was established, to ensure the promotion and implementation of work related to corporate sustainable development.



| Sustainable Management Responsibilities |

Responsibilities of the Sustainable Development Committee

The Sustainable Development Committee shall perform its responsibilities in accordance with the "Sustainable Development Committee Charter" approved by the board of directors, including:

- 01 Formulation of the Company's sustainable development policy.
- 02 Formulation of the goals, strategies and implementation plans for corporate sustainable development, including sustainable governance, ethical management, and environmental and social aspects.
- 03 Review, tracking and revision of the implementation and effectiveness of the Company's sustainable development, with regular reporting to the board of directors.
- 04 Focus on issues of concern to stakeholders and supervision of communication plans.
- 05 Review of the risk management policy including, but not limited to, information security and climate change.
- 06 Review of the appropriateness of the risk management framework.
- 07 Review of major risk management strategies, including risk appetite or tolerance.
- 08 Review of the management report on major risk issues, supervision of the improvement mechanism, and regular reporting of risk management performance to the board of directors.

Sustainable Development Group

E

Environmental Sustainability
Promotion and Implementation Group

- 01 Providing policies and plans related to environmental sustainability
- 02 In order to implement and improve the Company's risk management policies, the "Risk Management Group" holds regular meetings and reports on implementation status to the Sustainable Development Committee.

S

Human Rights and Social
Responsibility
Promotion and Implementation Group

- 01 Providing policies and plans related to social responsibility, including protection of human rights, privacy, labor-management relations and workplace friendliness, talent attraction and cultivation, labor practices, community care and other related issues.
- 02 In order to implement and improve the Company's risk management related work, hold regular meetings and report on implementation status to the Sustainable Development Committee.

G

Corporate Governance and
Ethical Management
Promotion and Implementation Group

- 01 Establishing strategic goals related to sustainable development, including ethical corporate management and strengthening of the Company's management system.
- 02 In order to implement and promote corporate governance and ethical corporate management values, hold regular meetings and report on implementation status to the Sustainable Development Committee.

Risk Management Group

01

Developing and revising risk management related regulations including, but not limited to, information security and climate change.

02

In order to implement and improve the Company's risk management policies, hold regular meetings and report on implementation status to the Sustainable Development Committee.

| Operation status of the Sustainable Development Committee |

The Sustainable Development Committee held three meetings in 2022 to discuss and examine issues related to implementation of the sustainability report, risk management, climate change risk, information security risk, and greenhouse gas inventory promotion and planning. The attendance rate of all committee members was 100%, and the relevant ESG implementation was also reported by CFO and Corporate Governance Director Mr. Chou, Kan-Lin (@Fama Chou) on June 28, 2022, September 28, 2022 and December 28, 2022 to the Sustainable Development Committee and the board of directors.

June 28

- Approval of partial amendment and addition to the Company's Policy and Procedures of Risk Management, which was submitted to the board meeting for approval on the same day.
- On June 28, 2022, in accordance with the "Road Map for the Sustainable Development of TWSE and TPEX Listed Companies" released by the Financial Supervisory Commission in March 2022, the greenhouse gas inventory and verification schedule plan for the Company and its consolidated subsidiaries was discussed and approved, and was submitted to the board of directors for approval on the same day.
- Review of the report on issues related to sustainable development, including "Human Rights Protection Practice for Employees", "Occupational Safety, Work Environment, Health and Safety in the Workplace for Employees", "Intellectual Property Management", "Social Public Welfare Implementation", and implementation by the Environmental Sustainability and Risk Management Groups.

September 28

- The 2022 Sustainability Report was approved by the Sustainable Development Committee and the Board Meeting, and uploaded to the Taiwan Stock Exchange's Market Observation Post System > Sustainability Report and the Company's official website on the same day.
- Review of the 2022 annual risk identification carried out by the risk management team of the Executive Office of Sustainable Development and senior managers of business and functional units. A total of 26 risk items are listed in the results, including 9 business risks, 9 financial risks, 5 operational risks, and 3 environmental risks.
- Review of the report on information and cyber security risks.
- Approval of the partial amendment to the "Information and Cyber Security Policy and Management Regulations" of the Company which was submitted to the Board Meeting for approval on the same day.
- Approval of the addition to the "Sustainability Report Preparation and Verification Procedures" of the Company.
- Review of the report on issues related to sustainable development, including "Human Rights Protection Practice for Employees", "Occupational Safety, Work Environment, Health and Safety in the Workplace for Employees", "Intellectual Property Management", "Social Public Welfare Implementation", and implementation by the Environmental Sustainability and Risk Management Groups.

December 28

- Approval of the estimated timeline and execution status of the details of the 2022 ESG sustainability report; it is expected to be completed by the end of June 2023.
- Regarding the evaluation and analysis of the 26 risk items completed in 2022, there were 22 low risk items, 4 medium risk items, and 0 high risk items. Corresponding countermeasures were proposed for the 4 medium risk items, which were approved and submitted to the board meeting on January 13, 2023. For the risk management execution items, please refer to Corporate Governance Zone > Risk Management on the Company's website.
- Review of the identification, assessment and analysis of opportunities and risks related to climate change in 2022, as well as corresponding strategies. Please refer to Climate Change on the Company's website.
- Review of the report on information and cyber security risks.
- Review of the report on issues related to sustainable development, including "Human Rights Protection Practice for Employees", "Occupational Safety, Work Environment, Health and Safety in the Workplace for Employees", "Intellectual Property Management", "Social Public Welfare Implementation", and implementation by the Environmental Sustainability and Risk Management Groups.
- Review of implementation of sustainable development, communication with stakeholders, implementation of ethical corporate management and corporate governance in 2022, and revision of some articles of the Company's "Protection of Human Rights Policy" which was submitted to the board meeting for approval on January 13, 2023.

1.2 Stakeholder Identification and Communication

| Stakeholder Identification |

Weikeng Industrial not only refers to the standards of industry stakeholder groups and AA 1000 stakeholder groups, but also adjusts its perspective of stakeholder identification based on the spirit of the GRI Standards (2021), using "individuals or groups whose interests are or may be affected by organizational economic activities" as the criteria for stakeholder identification. On November 24, 2022, the Company held a "Major Issues and Stakeholder Identification Meeting", which was evaluated by the convener of the sustainability report preparation team (Mr. Chou, Kan Lin (@ Fama Chou), CFO and spokesperson who also served as the corporate governance officer), the preparation team and the supervisors of the sustainable development related units.

The key stakeholders of Weikeng Industrial are in the following order: employees, Shareholders, Investors, and Financial/Securities Institutions, Vendors/Upstream Suppliers, Customers, Non-vendor Suppliers/Contractors (Transportation/Warehousing/Customs Declaration/Insurance/Information Technology/General Affairs), Government/Competent Authority and Society (communities, academic research institutions, non-governmental/non-profit organizations and media).



Stakeholder communication |

Employees

★ Significance and importance to Weikeng ★

The Company properly utilizes funds from direct and indirect financing to maximize benefit and create a positive giveback cycle. The Company also regularly or ad-hoc announcements its financial and operational information.



Communication channels

Labor-management meetings
Dedicated staff hotline
Dedicated staff email
Internal web page
Interview

Communication frequency

Regular (once per quarter)
Immediate

Issues of concern

1. Protection of fundamental human rights
2. Safe workplace and health care
3. Salary and benefits
4. Labor-management relations and a friendly workplace
5. Training and development

Weikeng's response status / results

- The Board of Directors promulgated the "Protection of Human Rights Policy" on June 29, 2021, which was then revised and adopted by the Sustainable Development Committee and the board on December 28, 2022 and January 13, 2023, respectively. It was published on the Company's official website to show support and respect for relevant international labor human rights norms.
- The Company has established an Occupational Safety and Health Committee, which convenes a meeting every three months. In 2022, four meetings were convened to report or discuss related occupational safety and health issues. The corporate governance structure consists of an Occupational Safety and Health Department staffed by certified personnel, including class A labor safety and health supervisors, class B occupational safety and health administrators, full-time nurses, and fire management personnel, who are responsible for performing routine occupational safety and health operations to ensure employees are provided with a safe workplace.
- In 2022, Kanning general Hospital conducted annual health examinations for employees on July 7 and July 21. 410 employees participated in the examinations, with a participation rate of 85.77% (excluding those stationed overseas).
- In cooperation with Cathay General Hospital, a doctor was invited to provide health care and consultation services for employees in 2022 on a total of 6 occasions, for 18 hours.
- During the COVID-19 pandemic period in 2022, in order to control the risk of infection, employees worked from home and took turns coming to the office for about four months. Employees were allowed to take quarantine leave, care leave, and vaccination leave as needed; when all employees resumed work at the Company, those who had family care needs could apply for a flexible work schedule or continue to work from home.
- As of October 6, 2022, inpatient medical group health insurance was relaxed, claim settlement application by attaching a duplicate copy of the receipt allows employees to be flexibly covered by their own and the Company's insurance policies.
- In 2022, employees' proportion of group accident/hospitalization/cancer medical insurance claims to medical insurance expenses was 80.9%, increasing the level protection provided by employee medical care.
- On June 17, 2022, the "Taiwan HC 100 Index" released by Taiwan Index Plus (TIP) again listed the Company as a constituent stock, and 1111 Human Resources Bank selected the Company as the 2022 Happy Enterprise Silver Award, indicating that the Company's compensation and benefits to employees are recognized by external institutions.
- In 2022, the average salary (monthly salary excluding bonus and remuneration) increased by 3.4%, and total employee salaries reached NT\$778,666 thousand, an increase of 2.04% from 2021. Total employee welfare expenses reached NT\$884,721 thousand, an increase of 2.48% from 2021.
- The distributable amount of employees' remuneration allocated in 2021, in accordance with the Company's Articles of Incorporation, was NT\$191,512 thousand (a growth of 144% from 2020). The distribution was completed on July 18, 2022 based on the employee performance evaluation.
- At the end of 2022, the balance of the labor pension reserve account at the Bank of Taiwan was NT\$137,397 thousand, which meets the full allocation required for retirees.
- In 2022, four labor meetings and one quarterly employee mobilization meeting were held (due to the COVID-19 pandemic, the employee mobilization quarterly meeting was only held once, in the fourth quarter), and there were robust employee appeal mechanisms and communication channels.
- In 2022, a total of 1,245 person-times participated in training or continuing education courses organized by the Company or external institutions, for a total of 3,343.1 person-time hours. Two employee performance evaluations were held.
- The Company has a Staff Welfare Committee to handle relevant staff welfare activities. The ratio of welfare expenditure to welfare income in 2022 was about 123%, an increase of 68 percentage points from that in 2021 (some tourism welfare activities were suspended in 2021 due to the COVID-19 pandemic).
- In accordance with the Act of Gender Equality in Employment, the Labor Standards Act, the government's population policy and family policies, and other such regulations, we implement the Company's roadmap to take care of employees and establish a friendly



Shareholders, Investors, and Financial / Securities Institutions

★ Significance and importance to Weikeng ★

The Company properly utilizes funds from direct and indirect financing to maximize benefit and create a positive giveback cycle. The Company also regularly or ad-hoc announcements its financial and operational information



Communication channels

Communication frequency

Issues of concern

Communication channels	Communication frequency	Issues of concern
Meetings with financial institutions	Immediate/unscheduled	1. Corporate governance and ethical corporate management 2. Business performance and market competitiveness 3. Business strategy and outlook 4. Commitment to and performance of sustainable development
Shareholders' meeting	Once per year (before the end of June every year)	
Dedicated staff hotline	Immediate	
Dedicated staff email		
Company official website		
Corporate investor briefing	At least once per year (November every year)	

Weikeng's response status / results

- The Company holds investor/corporate investor briefings at least once per year, in 2022 these took place on November 25.
- The revenue of the prior month is released before the tenth day of each month, and the self-settled income or loss status is announced by the end of the next month following the end of each quarter.
- Financial reports are published within the statutory time limit, after being reviewed or certified by CPAs.
- The General Shareholders' Meeting is annually convened to report business conditions and dividend policies to shareholders. The resolutions of the meeting are uploaded to the Market Observation Post System (MOPS) of the Taiwan Stock Exchange and the Company's official website.
- According to the regulations, material information in Chinese and English must be released on the Taiwan Stock Exchange's Market Observation Post System, and simultaneously disclosed on the Company's official website. In 2022, a total of 35 such pieces of information were released, allowing shareholders, investors and financial / securities institutions to share this material information simultaneously.
- From time to time, we accept visits from credit institutions or securities firms to discuss the Company's capital investment plan, and for them to make suggestions to the Company, for reference in decision-making.
- The Company adheres to the principle of ethical corporate management in business operations and conducts its business activities in a fair and transparent manner. It has established business standards including the "Ethical Corporate Management Best Practice Principles", "Corporate Governance Best Practice Principles", "Code of Conduct for Suppliers", "Sustainable Development Policy", "Sustainable Development Best Practice Principles", "Operating Procedures for Handling Material Inside Information" and "Whistle-blowing System" that have been approved by the board of directors for regulation, review and implementation.
- On March 25, 2022, the board meeting approved the establishment of the Sustainable Development Committee, under which two functional groups were formed, namely the "Sustainable Development Group" and the "Risk Management Group", in order to ensure the promotion and implementation of work related to corporate sustainable development.
- On September 28, 2022, the 2021 ESG Sustainability Report was completed and uploaded to the Market Observation Post System of the Taiwan Stock Exchange and the Company's website (please refer to the Sustainability_ESG Sustainability Report).

Vendors/ Upstream Suppliers

★ Significance and importance to Weikeng ★

Upstream vendors are important partners of Weikeng in the practice of sustainable operations, integrating technologies and creating value. In line with global sustainable development principles, and the doctrine of the Responsible Business Alliance (RBA), we help vendors assess potential risks and opportunities in the market, jointly developing better solutions for downstream customers to create growth.



Communication channels

QBR meetings
(including video conferencing)

Telephone

Email

On-site audits

Communication frequency

Once per quarter

Immediate

ad-hoc

Issues of concern

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 topics
5. R&D and application of green products

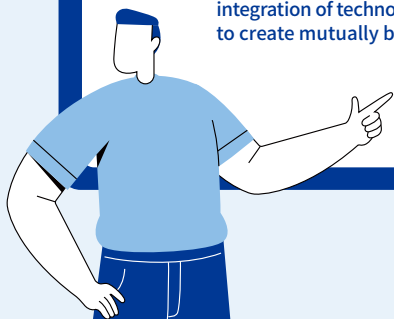
Weikeng's response status/results

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 vendors 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 relevant import/export regulations.
3. Weikeng's high-quality logistics management system, which enhances the management functionality at each node of the supply chain, especially during COVID-19, allowing us to provide accurate 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 stage of the supply chain.
4. Weikeng abides by the RBA's code of conduct, which states that electronic product related enterprises (including upstream vendors, the Company, and downstream customers) should take responsibility for sustainability, and make every effort to develop a sustainable semiconductor supply chain.
5. As a distributor for upstream vendors, Weikeng is committed to developing a green supply chain for semiconductors by investing resources in sales, technology, and operations management systems, to fulfill our responsibility for environmental protection.
6. During 2022, the Company signed a distributor agreement with a total of 32 vendors / suppliers, which encompasses anti-corruption / anti-bribery and other similar clauses. The agreement requires both parties to prohibit any unethical behavior, such as bribery, when doing business.

Customers

★ Significance and importance to Weikeng ★

In keeping with developing trends in 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 integration of technology between upstream vendors and downstream customers, to create mutually beneficial value.



Communication channels

Communication frequency

Issues of concern

Communication channels	Communication frequency	Issues of concern
Specialist meetings (including video conferencing)	Immediate	1. Ethical management and commitment to integrity 2. Products and services 3. R&D innovation and green products 4. Customer privacy and confidential data protection 5. Labor human rights 6. Supply chain management 7. Regulatory Compliance
Telephone		
Email		
Customer questionnaires	ad-hoc	

Weikeng's response status / results

- The Company has established the Ethical Corporate Management Best Practice Principles, Codes of Ethical Conduct and Whistle-blowing System, and signed purchase contracts according to customer requirements that standardize integrity commitments, business confidentiality protection and the Electronic Industry Code of Conduct (EICC)/Responsible Business Alliance (RBA) Code of Conduct. The Company has implemented the relevant articles after review.
- During 2022, the Company signed relevant ethical commitments and other similar ethical requirements with a total of 270 individual customers. The agreements require both parties to prohibit any unethical behavior, such as bribery, while doing business.
- Products and services are provided by the Company based on product distribution contracts signed with upstream vendors. These contracts are regulated with respect to intellectual property protection, product quality and safety, warranty and after-sales service, marketing, labeling, and any other relevant matters, to protect the rights and interests of customers.
- Subsidiaries of the 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 in shortening development and time-to-market cycles for new products. In addition, the regional companies of the Group are capable of providing customers with competitive parts and technical support services, and efficient supply chain management services.
- The design and production of related IC products is completed in the upstream vendors' production cycle. The vendors 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 certification that the vendors comply with environmental protection regulations to the customer, along with the product specifications. This is done to prove that the product is in compliance with environmental regulations and that the product meets health and safety requirements in use.



Non-vendor Suppliers / Contractors

(Transportation/ Warehousing /Customs Declaration / Insurance / Information Technology / General Affairs)

★ Significance and importance to Weikeng ★

They are important partners for Weikeng's operations research support system and supply chain management. The Company focuses on "ethical corporate management", "risk management" and "supply chain optimization" and looks forward to cooperating in the three important areas: the economy, the environment and society. We are committed to improving performance in logistics and supply chain management, in order to unleash the sustainable influence of responsible supply chains.



Communication channels

Exchange meetings
(including video conferencing)

Telephone

Email

Operational and environmental
site assessments

Annual price negotiation

Communication frequency

Immediate

Regular

According to the
contract period

Issues of concern

1. Compliance with the Responsible Business Alliance Code of Conduct, anti-corruption and anti-bribery policy
2. Service commitment, quality and responsibility
3. Regulatory compliance and operational risk management

Weikeng's response status / results

1. Suppliers and contractors are required to commit to compliance with the RBA Code of Conduct, so that as the Company commits to the industry's operational research support and supply chain management systems, it can create a positive cycle among partners, exerting the sustainable influence of a responsible supply chain. This will enable the relevant partners to strive to provide a safe working environment, dignified labor relations, and ethical operations, and empower them to jointly contribute to environmental protection measures. As of the end of 2022, 65 non-vendor suppliers/subcontractors have signed the Responsible Business Alliance (RBA) Code of Conduct.
2. Weikeng emphasizes "ethical corporate management", "risk management" and "supply optimization", and requires its partners to commit to providing it with responsible, high quality and legal supply chain services in all economic, environmental and social aspects.
3. For subcontracted vendors, such as outsourced storage management and product program burning, we conduct both regular and ad-hoc reviews of their operating sites and compliance inventory assessments of their standard operating procedures.

Government / Competent Authority and Society

(Communities, Academic research institutions, Non-governmental/non-profit organizations, Media)

★ Significance and importance to Weikeng ★



Weikeng is committed to ethics and complies with relevant government regulations in its operations, to create employment opportunities and economic development so that society and the Company can create shared value together. We also pay attention to educational, environmental and social issues in a timely manner, and share resources with wider society so as to foster a harmonious and friendly relationship. At the same time, maintaining good communication channels with the media will help Weikeng convey an integrated corporate message and image, and allow more stakeholders to share information in a coordinated manner.

Communication channels

Communication frequency

Issues of concern

Official documents	ad-hoc	1. Ethical management and regulatory compliance 2. Commitment to and performance of sustainable development 3. Labor-management relations and occupational safety and health 4. Intellectual property rights maintenance and management 5. Participation in social welfare 6. Information disclosure and sharing
Regulatory briefings / seminars		
Publicity briefings		
On-site audits		
Participation in and sponsorship of social welfare/academic research projects	Immediate	
Release on the MOPS Material information	At least once per year (every November)	
Corporate investor briefing or press release		

Weikeng's response status / results

1. The affiliated companies of the Weikeng Group perform their business activities in accordance with local laws and regulations, including but not limited to: corporate law; labor law; tax law, securities and exchange law; business accounting law, where they operate, and have not violated any laws or regulations or acted ethically in 2022.
2. Matters that must be reported to the competent authority on a regular basis are handled in accordance with the regulations in 2022.
3. For on-site audits by the competent authority in 2022, there was no record of any violations of regulations, or need for 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. In 2022, the intellectual property management plan was not violated by Company, or any of its employees.
5. In 2022, the total amount of sponsored social welfare or academic research institutions has exceeded NT\$2 million
6. Events that require the publication of material information on the Market Observation Post System of the Taiwan Stock Exchange are simultaneously disclosed on the Company's official website, and a total of 35 such events were published in 2022.

For the complete response status and results, please refer to Weikeng's official website > Stakeholder Communication. [↗](#)

| Stakeholder Reporting and Complaint Channels |



Human Rights Aspect Occupational Safety Aspect

Reporting and Complaint channels

- ★ Sexual harassment in the workplace, illegal rights infringement in the workplace and labor-management relations
- 👤 Acceptance unit: Director of Human Resources Office
- ☎️ Appeal hotline: +886-2-26590202 ext. 581
- ✉️ Employee appeal mailbox: wk_hr@weikeng.com.tw
- ✉️ Dedicated complaint mailbox for sexual harassment prevention and workplace illegal rights infringement: janewu@weikeng.com.tw

Investigation process and complainant protection mechanism

For detailed information, please refer to
4.1 Human Rights Protection
4.4 Employee Safety and Health - Occupational Health Services



Product Aspect

Reporting and Complaint channels

- ★ After-sales service for computer peripheral products
- 👤 Acceptance unit: Mr. Li, Mao-Hsi, Customer Service
- ☎️ Appeal hotline: +886-2-27938366 ext. 10
- ✉️ Appeal mailbox: wkt_service@weikeng.com.tw

-
- ★ Taiwan region general contact window Taiwan Corrine Hsieh
 - ☎️ Telephone: +886-2-2659-0202 ext. 340
 - ✉️ Service mailbox: 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 person: https://www.weikeng.com.tw/contact_us.php

Investigation process and complainant protection mechanism

After-sales service for computer peripheral products is provided according to the workflow on the Company's official website <https://www.weikeng.com.tw/service.php>



Management and Governance Aspect

Reporting and Complaint channels

- ★ Any action that harms the interests of the Company
- Internal and external whistleblowers should be named for the accusation, otherwise the case will not be accepted.
- 📍 Accusation acceptance address: Whistleblower Unit, 11F, No. 308, Sec. 1, Neihu Rd, Neihu Dist., Taipei
- ☎️ Whistleblower hotline: +886-2-26590202 extension 531 Mr. Chiu, head of the Audit Office
+886-2-26590202 extension 533 Mr. Tsai, head of Legal Office
- ✉️ Email: whistleblower@weikeng.com.tw (emails will be automatically forwarded to the head of the Audit Office and the legal staff)
- 👤 Appeal System for the Accused: The appeal acceptance unit is the Company's Independent Directors (independent@weikeng.com.tw)

Investigation process and complainant protection mechanism

For detailed information, please refer to
2.4 Integrity, Ethics and Regulatory compliance - Sound Whistleblowing System

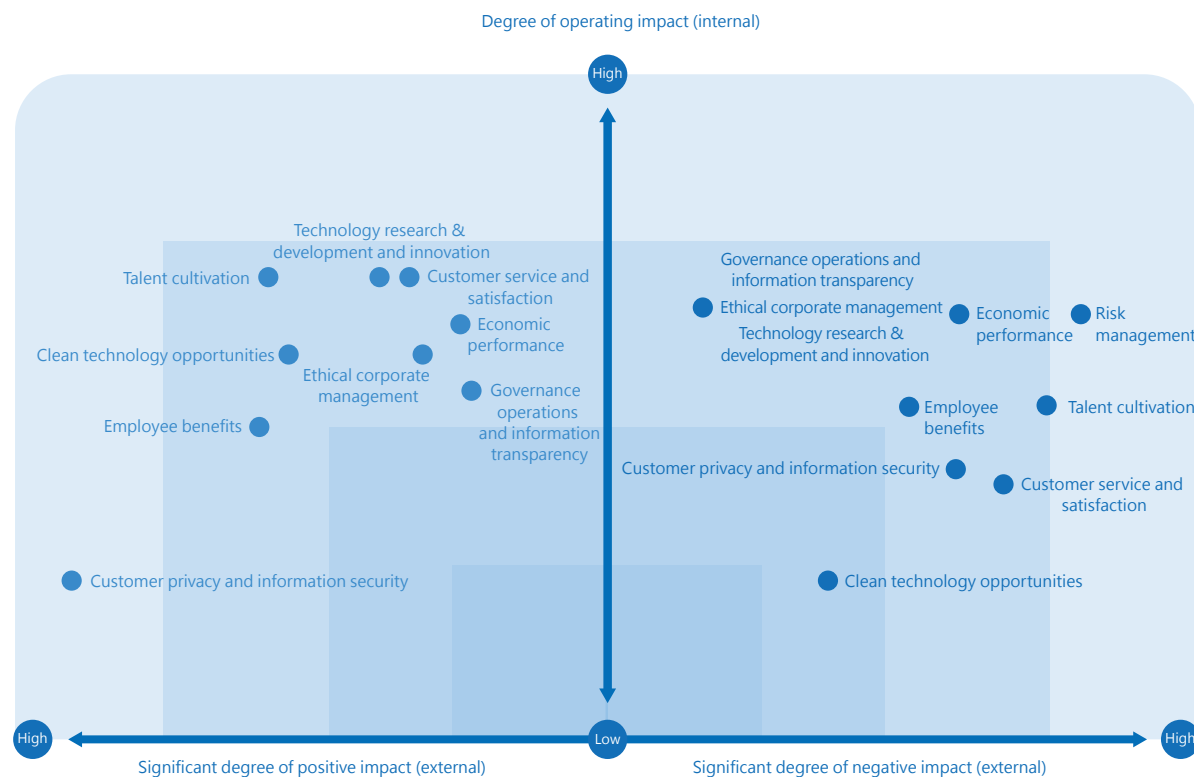
1.3 Analysis of Major Issues

The Company held the "Important Issues and Stakeholder Identification Meeting" on November 24, 2022, and in accordance with the disclosure principles of the latest version of the GRI "GRI 3: Major Topics 2021" and the double materiality principle proposed by the European Union. The sustainability report preparation team conducted an impact evaluation based on the "Actual or potential impact of Weikeng's economic activities on the external economy, environment and human rights" as well as the "Potential impact of each sustainability issue on Weikeng". Based on the evaluation results, priority sustainability issues were selected, to help the Company better understand the potential impact of the Company's operations, and establish management policies that are more in line with the expectations of stakeholders. The assessment process for major issues is explained below.

Identification process for major issues



Matrix of Major Issues








Remark: In response to the adjustment to the identification method for major issues after the GRI revision, and the integration of sustainability issues, "employee benefits" and "clean technology opportunities" have been added to this year's major issues, and "regulatory compliance" and "labor-management relations" have been reduced to secondary issue status. There have been no other significant changes from the previous year.






Major Issues

- | | |
|---|---|
| 01 Risk management | 06 Ethical corporate management |
| 02 Economic performance | 07 Technology research & development and innovation |
| 03 Talent cultivation | 08 Employee benefits |
| 04 Customer service and satisfaction | 09 Clean technology opportunities |
| 05 Governance operations and information transparency | 10 Customer privacy and information security |

Secondary issues

- | | |
|---|-----------------------------------|
| 11 Social participation | 21 New employee retention |
| 12 Product health and safety | 22 Occupational safety and health |
| 13 Regulatory compliance | 23 Labor / Management Relations |
| 14 Disclosure of financial impact due to climate change | 24 Forced and compulsory labor |
| 15 Sustainable management of supply chain | 25 Water resources |
| 16 Energy and emissions | 26 Marketing and labeling |
| 17 Market positioning | 27 Waste |
| 18 Diversity and equality | 28 Security practices |
| 19 Taxation | 29 Child labor |
| 20 Non-discrimination | 30 Product lifecycle management |

Major Issues	Impact	Corresponding sustainability principle	Corresponding chapter
 Risk management	<p>On March 25, 2022, the board meeting approved the establishment of the Sustainable Development Committee, under which two functional groups were formed, namely the "Sustainable Development Group" and the "Risk Management Group", in order to ensure the promotion and implementation of work related to corporate sustainable development and risk assessment and management, as well as understanding of risk exposure; they are also tasked with developing countermeasures for high-risk issues, to maintain the stable operation of the Company. There were no actual negative events in 2022. The potential risks stem from internal and external environmental factors (such as inflation, interest rate hikes or inventory), which may cause internal and external impacts such as a decrease in the Company's operating income, loss of value, or an increase in financial costs.</p>	<p>Industry Risk management</p>	2.5 Risk Management
 Economic performance	<p>Weikeng Group continues to develop and search for new products and application solutions in the semiconductor market, continues to seek new franchise opportunities, and works actively to strengthen the Company's core competitiveness and create new customer demand. The Company's operating performance has been stable and healthy in recent years, with a stable profit after tax in 2022 and no actual negative impact events occurring. Potential risks include internal and external environmental factors (such as inflation, interest rate hikes or inventory), which may lead to a decrease in the Company's net profits.</p>	<p>GRI Economic performance: 201-1 · 201-4</p> <p>Industry Operational performance, financial performance and economic performance</p>	2.2 Operation Overview
 Talent cultivation	<p>The Company pays attention to employee career planning, encouraging employees to pursue further education and obtain certification through assessment (at the Company's expense), as well as providing subsidies for external training courses and hiring back retired employees as consultants. It also offers rich and diverse learning resources and channels to strengthen employees' professional knowledge and cultivate the necessary skills for business execution, thereby improving their work quality and productivity. There were no actual negative impact events in 2022. On potential risks, the Company has not yet developed a training plan for mid to low level supervisors, which may lead to talent gaps in the future.</p>	<p>GRI Training and education: 404</p> <p>Industry Talent cultivation and development</p>	4.2 Talent Attraction and Retention
 Customer service and satisfaction	<p>As a semiconductor distributor, the Company serves as a bridge between vendors and customers. If service does not meet customer expectations, order volume may be affected. Therefore, the Company continually improves its technological capabilities and quickly provides customers with a range of possible solutions. Through excellence of service quality, the Company has gained both awards and recognition from customers.</p>	<p>Industry Product line franchise and customer satisfaction</p>	3.3 Customer Relationship Management
 Governance operations and information transparency	<p>In addition, good and sound board operations and transparency of information disclosure can enhance the stability of the Company's operations and enhance stakeholders' understanding of the Company's governance. The Company complies with laws and regulations in the execution and disclosure of information regarding the board of directors. In 2022, there were no actual negative impact events, and all laws and regulations were followed, to ensure the stable operation of the Company and to safeguard shareholder rights.</p>	<p>MSCI Corporate governance</p> <p>Industry Corporate governance</p>	2.3 Corporate Governance

Major Issues	Impact	Corresponding sustainability principle	Corresponding chapter
 <p>Ethical corporate management</p>	<p>The Company is committed to creating a transparent, ethical and sustainable business environment, with the Chairman's Office responsible for formulating and supervising the implementation of policies and prevention plans for corporate governance, ethical corporate management and sustainable development. Suppliers, employees and board members are all required to follow them, to ensure the stable operation of the Company to safeguard shareholder rights. In 2022, there were no actual negative impact events and no reported accusations.</p>	<p>GRI Anti-corruption: 205 Anti-competitive behavior: 206 Public policies: 415</p> <p>MSCI Ethical corporate management</p> <p>Stock Exchange Sustainability indicator No. 7</p> <p>Industry Ethical corporate management</p>	<p>2.4 Honesty and Integrity and Regulatory Compliance</p>
 <p>Technology research & development and innovation</p>	<p>As a semiconductor distributor, improving the technical capabilities of the Company while providing customers with rapid solutions and increased satisfaction will be an important factor in the creation of value. If technology is not implemented in a timely manner, it may result in insufficient support for product solutions, leading to loss of customers. The Company values technological research and development as well as innovation, continuously investing in research & development and laboratory equipment and participating in the evaluations conducted by the vendors. This has had with good results, ensuring stable franchise.</p>	<p>Industry Technology R&D, technology empowerment, and digital transformation</p>	<p>3.2 Technology research and development</p>
 <p>Employee Welfare</p>	<p>For 7 consecutive years, the Company is listed as a constituent stock of "Taiwan HC 100 Index" published by Taiwan Index Plus (TIP), and 1111 Human Resources Bank gave the Company their 2022 Happy Enterprise Silver Award, indicating external recognition of the Company's compensation and benefits to employees. In 2022, the average salary (monthly salary excluding bonuses and remuneration) increased by 3.4%, employee salaries with additional remuneration, performance incentives, and year-end bonuses increased by 2.04% compared to 2021, and employee welfare expenses saw a 2.48% increase from 2021, which helped maintain the attraction and retention of talent in the Company. There were no actual negative impact events in 2022; The potential risk is that better recruitment conditions offered by peers or other industries may affect employee retention rates.</p>	<p>GRI Economic performance: 201-3 Labor-management relationship: 401-2, 401-3</p> <p>Industry Salary and benefits</p>	<p>4.3 Employee Rights and Benefits</p>
 <p>Clean technology opportunities</p>	<p>The Company has been actively seeking the franchise for IC products that put more emphasis on creating demand for applications such as power management, electric vehicle charging, smart grid, wind power generation, solar power generation and other green business opportunities. Therefore, investment in the search for new green energy industry franchise opportunities is also one of the main business objectives of our product development department. We will continue to build a more stable, efficient, and low energy consumption product portfolio, thus creating green and energy-saving opportunities. In addition to benefitting the Company, we can also contribute to reducing greenhouse gas emissions.</p>	<p>MSCI Clean technology opportunities</p>	<p>3.2 Technology research and development</p>
 <p>Customer privacy and information security</p>	<p>The Company established the Information Security Office on September 1, 2022, with a dedicated division director and a dedicated information security person. The President serves as the convener of the information and cyber security management team. Although it is inevitable that hacker attacks occur in daily operations, the Company has robust information security management strategies, training, and so on, to prevent property damage and data leakage. There were no incidents of infringement of customer privacy or loss of customer information in 2022.</p>	<p>GRI Customer Privacy: 418</p> <p>Industry Customer privacy and information security</p>	<p>2.6 Information and cyber Security Management</p>

Note: Refer to MSCI-Electronic Equipment, Instruments and Components Industry, TWSE- Sustainability Disclosure Index- Electronic distribution industry.

Sustainable Governance

2

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Operating Performance Management Policy

Operating Performance Management Policy

Major issues	Economic Performance and Risk Management
Material cause	<p>Good and stable operating profit is the most important factor in maintaining the Company's sustainable operations. How to expand the market share and gain a leading position in the highly competitive electronic component agency market is another very important business issue. Weikeng Group will continue to develop and find new products and new application solutions in the semiconductor market while seeking out new opportunities for cooperation. Furthermore, we shall actively strengthen the Company's core competitiveness, meeting new needs among customers and providing them with competitive components, technical support services, and efficient supply chain management services. We aim to achieve technological integration between upstream vendors and downstream customers, all through the intermediary role of Weikeng Group, thereby creating mutually beneficial value.</p>
Negative Impacts	<p>There was no situation of actual negative impact. If there are problems with economic performance and risk management, it will directly cause an impact on the organization.</p>
Objectives	<ul style="list-style-type: none"> ● Continue to develop new products application solutions for the semiconductor market. ● Stabilize existing product franchises and continue to seek new agency cooperation opportunities. ● Continue to strengthen core competitiveness and create new customer needs. ● Improve enterprise risk management to "achieve corporate goals, improve management efficiency, provide reliable information, and effectively allocate resources" .
Responsibilities	<p>Board of directors, senior managers of business units and functional units, Sustainable Development Committee and Audit Office</p>
Specific actions	<ul style="list-style-type: none"> ● Continue to look for new franchise opportunities; 9 new franchised products were added in 2022. ● Continue to strengthen core competitiveness and create new customer needs; in 2022, Weikeng Industrial's research and development expenses were NT\$133,093 thousand. ● In 2022, a total of 48 production and sales meetings, 8 operational meetings and 9 board meetings were held to discuss the direction of operations and management. ● An investor/earnings conference was held on November 25, 2022. ● In March, 2022, the board meeting approved the establishment of the Sustainable Development Committee, under which two functional groups were formed, the "Sustainable Development Group" and the "Risk Management Group" , in order to ensure the promotion and implementation of policies related to corporate sustainable development. ● In order to strengthen risk management mechanisms, strengthen risk assessment and supervision of risk bearing capacity, the "Policy and Procedures of Risk Management " of the Company were comprehensively strengthened in 2022, and approved by the board meeting on September 28 to serve as the highest guiding principles for the Company's risk management. ● Risk identification for 2022 has been completed, and the identification results and risk countermeasures were submitted to the Sustainable Development Committee and the board meeting for review and approval on December 28, 2022, and January 13, 2023, respectively. ● On January 13, 2023, the Remuneration Committee and the board of directors approved the revision of the "Emoluments Policy for Directors and Employees (including executive offices)" to establish reasonable guidelines for the relationship between the personal salaries and compensation of directors and employees (including executive officers) and the Company's financial performance, contribution to sustainable development, risk management, and other such matters. ● In 2022, with no non-independent directors or management present, the internal audit supervisor attended the Audit Committee meeting and reported 6 times, and the CPAs and Audit Committee members held two discussion sessions. ● On January 13, 2023, the Company submitted a report to the Audit Committee and the board of directors, adding "Reporting Procedures of Material Contingencies" to Article 14-1 in Chapter 4 "Operating Procedures for Handling Material Inside Information" .

Operating Performance Management Policy

Major issues

Economic Performance and Risk Management

Management Evaluation Mechanism

- The President/CEO convenes weekly meetings with senior executives in the President's Office. These include the Executive Vice President, Chief Marketing Officer, Chief Financial Officer, and Senior Vice President, who will together review matters relating to production and sales.
- In principle, the President/CEO convenes monthly cross-departmental operational meetings at management level (inclusive) and above of the company, to review changes in the industrial and financial environment, customer credit status, and management requirements for business, finance and logistics support.
- The operational results shall be reported to the board of directors at least quarterly.
- The Sustainable Development Executive Office reports ESG related matters to the committee on a quarterly basis.
- The board of directors receives reports from the management team on a quarterly basis, with topics including the economy, environmental protection, and corporate social responsibility.
- The management of each business unit and functional unit of the Company holds regular internal operations meetings to conduct risk assessment, risk mitigation and monitoring of potential and emerging risks in the areas stipulated in the "Policy and Procedures of Risk Management" , reporting to the board of directors on a regular basis.
- The audit supervisor and CPAs may communicate directly with the independent directors/Audit Committee through email, phone or meeting as needed. In principle, the audit supervisor shall attend the Audit Committee meeting at least once per quarter (or at least four times per year) to report on progress and communicate with independent directors. The certifying CPAs, on the other hand, meet with independent directors (the Audit Committee) at least twice per year.
- To establish the Reporting Procedures of Material Contingencies.

Implementation Results

- In 2022, a total of 9 companies franchised their electronic component products or semiconductor equipment to the Company.
- In 2022, the financial performance of the Group remained stable, with a consolidated revenue of approximately NT\$70.3 billion, pre tax profit of approximately NT\$2.3 billion, and earnings per share of NT\$4.03.
- The cash dividend distributed in 2022 was approximately NT\$3.10 per share.
- In 2022, there were no violations of social, economic, environmental protection or product laws/regulations, or lapses in ethical corporate management by Weikeng.
- In 2022 Weikeng did not have material contingency risk events.

Stakeholder communication

- The general shareholders' meeting is convened annually to report business conditions and dividend policies to shareholders, and to resolve relevant statutory matters.
- Self-assessed income or loss and CPA reviewed financial reports are announced quarterly, and revenue status is announced monthly.
- Promptly announce the resolutions of board meetings and functional committees on the Company's website.
- In case of material information, it is required that it be published on MOPS within the time limit required by regulations.
- Promptly disclose communications of independent directors with internal auditors and CPAs on the Company's website.
- For stakeholders' communication, please refer to 1.2 Stakeholder Identification and Communication.

Ethical Governance and Management Policy

Ethical Governance and Management Policy	
Major Issues	Ethical corporate management, governance operations, and information transparency
Material cause	Ethical corporate management and corporate governance are issues of concern for the Company's vendors, suppliers, customers, and even governmental authorities, as well as other stakeholders, including the wider society and shareholders/investors/financial institutions and securities firms. If any unethical operations occur within the Company, then in addition to any civil and criminal liability, there will be serious damage to the Company's goodwill externally. In addition, good and sound board operations and transparency of information disclosure can enhance the stability of the Company's operations and enhance stakeholders' understanding of the Company's governance and operations.
Negative Impacts	There was no situation of actual negative impact. If there are problems with ethical corporate management, governance operations, and information transparency, it will directly cause an impact on the organization.
Objectives	<ul style="list-style-type: none"> To implement and follow the "Codes of Ethical Conduct" , "Ethical Corporate Management Best Practice Principles" and Operating Procedures For Handling Material Inside Information" . To prohibit bribery, corruption, deception and any other form of improper conduct. The Company's directors, executive officers and employees shall not engage in insider trading or short swing trading, or use market information asymmetry for profit. To 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. To establish a straightforward internal and external personnel whistleblowing channels, while simultaneously implementing a whistleblowing protection system , ensuring that the management unit responsible for handling whistleblower reports should possess independence, and mechanisms such as encrypting and protecting the files of the whistleblowers should be provided.
Responsibilities	<ul style="list-style-type: none"> The Chairman's Office is responsible for formulating, monitoring and implementation of the ethical corporate management policy and prevention program, and reports to the board of directors when necessary. The Administration Division is responsible for the promotion and handling of board-related affairs, and sets up stock affairs personnel responsible for corporate governance. Furthermore, a Corporate Governance Director is established as the top manager in charge of corporate governance related affairs. The disclosure of material internal information within the Company should be handled by the Company's spokesperson or deputy spokesperson and the order of deputy should be confirmed, unless otherwise stipulated by law or law. If necessary, the Chairman of the Company shall be directly responsible for handling it. The audit supervisor and legal personnel of the Company are dedicated personnel for handling reports of financial irregularities. If an accusation involves ordinary employees, it shall be reported to the department or division head; if it involves directors or senior executives, it shall be reported to independent directors.
Specific actions	<ul style="list-style-type: none"> The Company approved the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct" by board resolution in 2018 and 2021 respectively, to set high ethical standards for all employees, and has disclosed them in annual reports and on the company website. On March 25, 2022, the board meeting of the Company approved the establishment of the "Nominating Committee" and the "Sustainable Development Committee". On March 25, 2022, the "Succession Planning for Board Members and Key Senior Management" was announced. The Weikeng Sustainability Report was first issued in September 2022, and will be prepared and issued annually in the future.

Ethical Governance and Management Policy

Major Issues

Ethical corporate management, governance operations, and information transparency

Specific actions

- The Company has completed the self-evaluation of the performance of the board of directors and the board members for 2022, and reported to the board meeting on January 13, 2023.
- In 2022, the "Taiwan Corporate Governance Association" was commissioned to conduct an external evaluation of the performance of the board of directors, and the results were submitted to the Nominating Committee and the board meeting for reporting on December 28, 2022 and January 13, 2023, respectively.
- On January 13, 2023, the "Reporting Procedures of Material Continuities" was added to the "Operating Procedures For Handling Material Inside Information".
- Insiders are prohibited from trading the Company's issued shares or marketable securities of equity nature during the lock-up period before the financial report is published (annual report: 30 days before the day of publication, quarterly report: 15 days before the day of publication), and the precipitation period after the report is published (18 hours after the day of publication). In 2022, the corporate governance officer, in cooperation with the board of directors, issued an email in advance to notify relevant insiders (including but not limited to the directors) of the date of the financial report, its expected announcement date, and the prohibition on trading the Company's issued securities during the lock-up period, for the purpose of prevention of insider-trading.
- Public information, such as on the official website and the annual report, is released in English at the same time.
- Continuously holding anti-corruption and ethical corporate management training courses and publicity.
- The Company regularly conducts monthly operation meetings, quarterly staff meetings, or employee training sessions to promote ethical corporate management and self-discipline.
- Continuously signing specific contract requirements, related to ethical corporate management, with Non-vendor Suppliers, Vendors and Customers.

Management Evaluation Mechanism

- The internal audit supervisor conducts risk assessments 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-evaluations of the board of directors and the self-evaluation of board members are carried out once per year.
- Board meetings are held at least once per quarter.

Implementation Results

- Subsidiaries of Weikeng Group are in compliance with relevant local norms, laws, and regulations.
- In 2022, the corporate governance evaluation improved to between 21% and 35%.
- There were no incidents of corruption in the Company in 2022.
- In 2022, the attendance rates of the meetings of the board of directors, Remuneration Committee, Audit Committee, and Nominating Committee all reached 100%.
- In 2022, the continuing education of board members complied 100% with the required statutory hours.
- Regarding the self-assessed performance evaluations of the board of directors, individual directors and functional committees in 2022, the average achievement rates of the evaluated items were 87.37%, 87.83% and 84.95% respectively, and the external evaluation of the performance of the board of directors was completed.
- In 2022, no insiders (including but not limited to directors) traded their holdings of the Company's issued securities during the lock-up period prior to the financial report announcement; there have also been no profit-making incidents involving directors, managers, or employees of the Company who engaged in insider trading, short swing trading or market information asymmetry.

Stakeholder communication

- Shareholders' meetings are convened and corporate investor briefings held annually, self-settled gains and losses and CPA reviewed financial reports are announced quarterly, and revenue status is announced monthly.
- In 2022, a total of 35 pieces of material information in Chinese and English were released on the Taiwan Stock Exchange's Market Observation Post System and simultaneously disclosed on the Company's official website, allowing shareholders, investors and financial/securities institutions to share such material information simultaneously.
- By the end of 2022, there were a total of 32 vendors, 65 Non-vendor Suppliers, and 270 Customers who signed specific contract requirements related to ethical corporate management. [For stakeholder communication, please refer to 1.2 Stakeholder Identification and Communication.](#)

Customer Privacy and Information Cyber Security Management Policy

Customer Privacy and Information Cyber Security Management Policy

Major Issues	Customer privacy and information cyber security
Material cause	Customer privacy, confidential data protection and information cyber security management are crucial to the Company. In the event of management abnormalities, in addition to affecting the Company's goodwill, it may cause losses from interruption of business or leakage of confidential business information. Therefore, responsible information and cyber security management will help avoid damage to the Company's competitiveness.
Negative Impacts	There was no situation of actual negative impact. If there are problems with economic performance and risk management, it will directly cause an impact on the organization.
Objectives	<ul style="list-style-type: none"> Compliance with the "Personal Data Protection Act" and EU GDPR regulations. Establish a safe and reliable computerized operating environment to ensure the security of the Company's computer data, systems, equipment and network.
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 coordination, planning, execution, and analysis with regard to information security incidents. The "Infocomm Security Promotion and Audit Group" is composed of the information unit and the audit unit responsible for promoting infocomm security audit matters.
Specific actions	<ul style="list-style-type: none"> Joined the Information Security Information Sharing Organization on September 13, 2021, and obtained material on information security warnings, information security threats and weak points. The "Information and Cyber Security Policy and Management Regulations" was amended by the board of directors on September 28, 2022. In 2022, an information and cyber security management team and a dedicated Information Security Office were established, with one information security supervisor and one information security clerk. In 2022, the information security supervisor and the dedicated personnel jointly participated in information security training. In 2022, the email system was transferred to the cloud system of an international service provider, which enhanced the information security level. In 2022, the Company became a member of the Taiwan Computer Emergency Response Team/ Coordination Center (TWCERT/CC) and will receive relevant information and reports on information security. It will also register prohibited websites on the Company firewall to prevent information security vulnerabilities. The Company has invested in the construction of software and hardware systems such as email defense filtering, software asset inventory and computer antivirus, and will continue to strengthen technical investment in information security issues and system construction. The Company adopts safety protection methods, measures or mechanisms for cost-effectiveness related management, operation and technology to ensure that all information assets of the Company are protected from improper use, leakage, tampering, theft or destruction. Employees are required to sign a confidentiality agreement when they join the Company.
Management Evaluation Mechanism	<ul style="list-style-type: none"> 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 the effectiveness of its implementation. The Company adheres to the PDCA principle and promotes various measures for information cyber security protection management and control, information cyber security incident reporting and response, situation assessment, information cyber security performance management and continuous improvement.

Customer Privacy and Information Cyber Security Management Policy

Major Issues	Customer privacy and information cyber security
Implementation Results	<ul style="list-style-type: none"> ● 2022 Information Cyber Security Performance: <ul style="list-style-type: none"> ● Spam mail blocking: 757,247 emails. ● Malicious mail blocking: 195,282 emails. ● Accuracy of interception: 99.87%. ● In 2022, there were no losses or damage to operations and goodwill due to major infocomm security incidents. ● In 2022, there were no substantiated complaints of infringement of customer privacy or loss of customer information.
Stakeholder communication	<ul style="list-style-type: none"> ● If an information cyber security incident occurs, it must be immediately reported to the Information Security Office and Information Center. If it is a major incident, it shall be reported to the President/CEO and the Information and Cyber Security Management Team, and the emergency response procedures shall be initiated. ● If a major information security incident occurs, and the rights and interests of the Company's stakeholders are damaged or the normal operation of the Company is affected, the major incident notification procedure must be immediately initiated, and the related material information must be released on the Market Observation Post System within the legal time limit.



2.1 About Weikeng

Weikeng Industrial was established in January 1977, with the main business of distribution and franchise of various semiconductor electronic components, information and communication products, and provision of technical services. Its business has expanded rapidly, and is deeply rooted in the Greater China region (Taiwan, Hong Kong and China) and the Southeast Asia region (Singapore, Philippines, Malaysia, Thailand and Vietnam). Ordinary shares issued by Weikeng Industrial were officially listed for trading on the Taipei Exchange (TPEX) in October 2000, and 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 responsible for market expansion in Hong Kong, China and Southeast Asia, respectively. With business covering the Asia-Pacific region, together with distribution locations and a complete marketing system, we have formed a strong sales channel and technical service base, and obtained a competitive position in terms of the Group scale.

Starting as a partnership, the Company provides professional value-added services and implements the business philosophy of "We bring Technology and Value". Under the leadership of the management team, the Company continues to prioritize technical support services and the development of new product solutions as its core competitiveness. With a stable and solid expansion strategy, the Company strives for operational growth while paying attention to sustainable development to enhance market competitiveness.



Weikeng Industrial Co., Ltd.

Market category	TWSE-listed company
Stock code	3033
Industry category	Electronic channel industry
Head Office	11F, No. 308, Section 1, Neihu Rd, Neihu District, Taipei
Chairman	Mr. Hu, Chiu-Chiang (@Douglas Hu)
President	Mr. Chi, Ting-Fang (@Stan Chi)
Major businesses	Agency distribution of electronic components and computer peripheral equipment and technical services
Date of establishment	January 20, 1977
Date of listing	August 2002
Paid-in capital	NT\$4.235 billion (as of December 31, 2022)
Number of employees	The total number of employees of Weikeng Industrial is 502, and the total number of employees of Weikeng Group is 1,291 (as of December 31, 2022)
Net sales	NT\$70,281,179 thousand (consolidated revenue); NT\$28,811,601 thousand (individual revenue)
Number of customers served by the Group	Approximately 6,230
Operating Locations	The affiliated companies of Weikeng Group encompass a total of seven corporate entities, including two in Taiwan, four in China (including Hong Kong), and one in Singapore.

Sales Channels and Technical Service Locations

7 corporate entities | 30 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. The service bases cover the Asia-Pacific region, 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) and Malaysia (Penang), for a total of 30 service locations.

Service Locations	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
	Philippines	Manila
	Vietnam	Ho Chi Minh City/Hanoi
	Malaysia	Penang

Affiliated Companies

All subsidiaries of Weikeng Industrial are included as entities for the preparation of the consolidated financial statements. As of the end of December 2022, 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 December 31, 2022

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\$552,450,000 <small>(Note: approximately equivalent to NT\$2,171,313 thousand)</small>	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 <small>(Note: approximately equivalent to NT\$0.41 thousand)</small>	Electronic components trading
Weikeng Technology Pte Ltd	2001.01.26	No 10 Upper Aljunied Link, #02-09, Johnson Controls Building, Singapore 367904	SGD\$16,001,303 <small>(Note: approximately equivalent to NT\$335,459 thousand)</small>	Electronic Components & Peripheral Products distribution and technical support
Weikeng International (Shanghai) Co., Ltd.	2002.05.14	Registration address: Room 1618, No. 118, Xinling Road, China (Shanghai) Pilot Free Trade Zone Business Address: 8th Floor, Building A, No. 1068 Tianshan West Road, Changning District, Shanghai, China	US\$25,000,000 <small>(Note: approximately equivalent to NT\$786,647 thousand)</small>	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 <small>(Note: approximately equivalent to NT\$5,067 thousand)</small>	Electronic technology development, technical consulting, etc.

Note: The actual capital amount is based on the figures in the financial report.

Organization Participation

Weikeng Industrial actively participates in industrial societies, trade associations and other groups or organizations. Through exchange and cooperation, we can understand and master the latest developments in the industry.

Name of the organization	Position/participating representative
Taipei Computer Association (TCA)	Member
New Taipei City Computer Association (NTCA)	Member
Taipei Electronic Components Suppliers' Association (TECSA)	Member

Name of the organization	Position/participating representative
Chinese Management Association	Member
Chinese Association of Valuation	Standing Supervisor/ Chairman: Hu, Chiu-Chiang
Chinese Society for Management of Technology	Director/ Chairman: Hu, Chiu-Chiang

2.2 Operation Overview

The COVID-19 pandemic and related control measures in the past three years (2020~2023) have caused supply chain chaos, transportation congestion at ports, and global material shortages. Especially in 2020~2021, there has been a continuous shortage of materials, along price increases, in the semiconductor industry supply chain. However, due to fear of supply chain disruption and excessive downstream demand, the delivery time for chips has significantly shortened in 2022, indicating that the supply situation of chips is rapidly improving. In the second half of the same year, electronic product manufacturers also experienced a widespread high inventory of chip materials in the industry chain, requiring a focus on eliminating chip inventory. The issue of inventory depletion replaced supply shortages, leading to a cautious shift towards a conservative business model, which took longer to digest inventory than before and reduced concerns about supply shortages, incomplete opposition to the trend in the past three years. In these circumstances, Weikeng's revenue in 2022 decreased to approximately NT\$70.2 billion, down approximately NT\$2.2 billion from the previous year; an annual decrease rate of 2.93%. Profit performance showed a similar rate of change to revenue.

In addition to the global economic outlook and slowing market demand, industrial policies in various countries or regions around the world, and the ongoing Russia-Ukraine War, have acted to constrain the semiconductor industry supply chain, further exacerbating the market situation, even gradually dividing the global semiconductor supply chain based on geopolitical considerations. As part of the China-US dispute, the United States has proposed a chip policy that restricts the export of technology, equipment and technological personnel. The trend of reverse globalization of industries is gradually taking shape. Faced with the ever-changing external business environment and the continued negative impact on the Company's economic performance and risk management, in 2022, Weikeng included in its risk assessments issues such as: inventory depletion in the industrial chain, the emergence of the geopolitical "China+1" model, increased inflation dampening demand for terminal electronic products, rising interest rates and increased financing costs. These risks will need to be controlled for and relevant countermeasures proposed, to achieve the Company's strategic goals.

Unit: NT\$ thousand

Weikeng Group's financial performance in the past three years			
Item/Year	2020	2021	2022
Net sales revenue	58,413,402	72,404,886	70,281,179
Cost of goods sold	55,345,619	67,242,044	64,791,186
Gross profit	3,067,783	5,162,842	5,489,993
Net operating income	976,203	2,525,619	2,728,183
Non-operating income and expenses	(43,115)	(74,299)	(398,029)
Profit before tax	933,088	2,451,320	2,330,154
Income tax expense	233,779	730,180	631,020
Profit for the period	699,309	1,721,140	1,699,134
Comprehensive income for the period	564,591	1,626,511	2,186,553
Earnings per share (NT\$)	1.90	4.54	4.03

Note:

- The above table shows the condensed, consolidated income statement data of Weikeng Group, including Group subsidiaries.
- In 2022, Weikeng Group received a total government subsidy of NT\$27,346,636, including LED lighting subsidies, Hong Kong government employment guarantee program and development support funds.

Financial information of Weikeng Industrial in the past three years

Item/Year	2020	2021	2022	Item/Year	2020	2021	2022
Employee compensation and benefits (NT\$ thousand)	596,570	671,798	694,798	Income tax paid (NT\$ thousand)	108,177	40,391	153,745
Employees' remuneration and directors' remuneration (NT\$ thousand)	98,053	239,390	237,404	Cash dividend (NT\$/share)	1.33341	3.007259	3.10
Technology and charity donations (NT\$ thousand)	1,100	800	2,001	Total dividend distribution amount (NT\$ thousand)	494,508	1,270,232	1,312,988

Note: The above table shows the individual financial data of Weikeng Industrial, excluding Group subsidiaries. The revised income tax paid is the total amount of income tax paid in the current year as disclosed in the cash flow statement of the financial report.

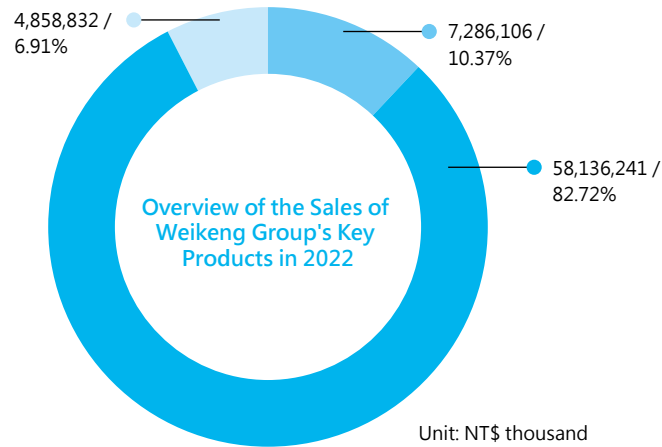
Main Products and Services

Weikeng Industrial currently acts as the Distributor for more than 70 product lines of semiconductor component brands, covering integrated device manufacturers (IDMs) or fabless-based IC design companies such as AMD, Amazing, Cypress, Infineon, Lattice, Microchip, Molex, NXP, Sinopower, Vishay and Western Digital. We offer a range of product solutions for downstream manufacturers, in conjunction with upstream vendors, significantly shortening the development and launch time of new products for customers. In the fields of industrial electronics, automotive electronics, mobile communication, consumer electronics, computer peripherals and AI/5G applications, all regional companies affiliated with the Group have the ability to provide customers with competitive parts, technical support services and efficient supply chain management services. We also strengthen the sales and logistics support services provided by the Asia Pacific region in accordance with various product regulatory requirements. In 2022, there were no incidents where products were banned from sale or removed from shelves as required by law.

The Company continues to expand and integrate its product franchises in the Greater China region and Southeast Asia, where there is already a good scale of operation, striving to introduce complementary and advantageous product franchise opportunities. In 2022, we added 9 product franchises to strengthen the integrity of our product line portfolio and balance of our sales structure, to adhere to and strengthen technical support service capabilities, and to generate new customer demand, in order to achieve technological integration and increased value for our group companies, upstream vendors and downstream customers.



The characteristics of our franchised products can be classified into chipsets/special application standard ICs, mixed signals, and discrete components, and around 100% of revenue is from the sales of electronic components and peripheral equipment. We sell to electronic product manufacturers and OBM/ODM/OEM customers for computers, communication, consumer goods, industrial goods and vehicle applications. The total number of customers served by the Group is around 6,230 and the main sales areas are Taiwan and China, with increasing expansion into Southeast Asia.



● Taiwan ● China ● Other Countries (Southeast Asian countries)

Sales region/percentage of amount	Amount (NT\$ thousand)	Percentage (%)
Taiwan	7,286,106	10.37
China	58,136,241	82.72
Other Countries(Southeast Asian countries)	4,858,832	6.91
Total	70,281,179	100.00

Note: Calculated based on the consolidated revenue of the Group.

Product Labeling Requirements

For the computer peripheral information products (software and hardware) for which we act as an agent, such as AMD CPUs, ASRock and Gigabyte's mini-PCs (Nettops), in addition to the original vendor's color box packaging, we follow the specifications on information and communication consumer electronic products under the Commodity Labeling Act of the Department of Commerce, Ministry of Economic Affairs to affix a product label including the following information: 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, distributor and manufacturer names, distributor service telephone number, and any other relevant details. This labelling is required before the product can be sold and distributed on the market. In addition, the vendors shall comply with relevant RoHS environmental regulations to attach environmental related labels to product packaging in line with customer labeling requirements. In 2022, Weikeng did not violate any information and labeling regulations for products and services.

AMD boxed processor warranty instructions

威健 AMD 盒裝處理器保固說明

1. 安裝前請務必詳閱內附原廠說明書，本產品保固期為三年，人為因素及天災損壞不在保固範圍內。
2. 本公司均已記錄所銷售之原廠序號，售後服務以本公司記錄為準，請保存此CPU 防靜電保護包裝盒，以利維修保固認定與處理，維修時請連同原廠風扇一起送回。
3. 若將此代理商標籤移至它處，本公司將追究法律責任。

- 商品名稱及型號：詳見本體標示
- 額定電壓(V)：詳見原廠規格說明
- 功能規格：詳見原廠規格說明
- 生產區別或地區：詳見本體標示
- 代理商：威健實業股份有限公司
台北市114內湖區內湖路一段308號11樓
TEL: (886-2)2659-0202 FAX: (886-2)2658-0959
- 製造商：Advanced Micro Devices, Inc.

消費者技術諮詢專線：(02)2796-8476

Gigabyte small host warranty instructions

威健 威健代理 產品有限責任保固聲明

1. 凡本公司代理銷售之商品，均經智己標識紀錄，可至本公司網站查詢。
2. 各產品保固期限及詳細資訊，請參閱原廠網站，此項保固服務保固範圍只限於產品本身，並且屬於製造商責任所造成之故障，人為所造成之故障或任何其他非自然所造成之損壞，都不再保固範圍之內。
3. 如有下列現象，為非正常使用所產生之損壞，則保固失效，無法維修更換：(A) 原廠標籤及產品序列號、脫落或被更換；(B) 短絡、燒壞、(C) 產品外觀損壞、(D) 未經授權而試圖修理、修改產品或任何指定用途以外之因素造成之損壞。
4. 若產品已停止生產而無法維修或以同型商品換貨，將以相近規格之商品替換，或升級更高規格之商品，並酌收運費。
5. 本產品詳細保固說明請參閱威健網站：http://www.weikeng.com.tw

威健售後服務專線：(02) 2796-8476

商品名稱及型號：詳見本體標示
額定電壓(V)：詳見原廠規格說明
生產區別或地區：詳見本體標示
代理商：威健實業股份有限公司
地址：台北市114內湖區內湖路一段308號11樓
電話：(02)2659-0202
製造商：GIGA-BYTE TECHNOLOGY CO., LTD.

ASRock small host warranty instructions

威健 威健代理 產品有限責任保固聲明

1. 凡本公司代理銷售之商品，均經智己標識紀錄，可至本公司網站查詢。
2. 各產品保固期限及詳細資訊，請參閱原廠網站，此項保固服務保固範圍只限於產品本身，並且屬於製造商責任所造成之故障，人為所造成之故障或任何其他非自然所造成之損壞，都不再保固範圍之內。
3. 如有下列現象，為非正常使用所產生之損壞，則保固失效，無法維修更換：(A) 原廠標籤及產品序列號、脫落或被更換；(B) 短絡、燒壞、(C) 產品外觀損壞、(D) 未經授權而試圖修理、修改產品或任何指定用途以外之因素造成之損壞。
4. 若產品已停止生產而無法維修或以同型商品換貨，將以相近規格之商品替換，或升級更高規格之商品，並酌收運費。
5. 本產品詳細保固說明請參閱威健網站：http://www.weikeng.com.tw

威健售後服務專線：(02) 2796-8476

商品名稱及型號：詳見本體標示
額定電壓(V)：詳見原廠規格說明
生產區別或地區：詳見本體標示
代理商：威健實業股份有限公司
地址：台北市114內湖區內湖路一段308號11樓
電話：(02)2659-0202
製造商：ASRock Inc.

2.3 Corporate Governance

Weikeng Industrial has two functional committees under the board of directors, the "Audit Committee" and the "Remuneration Committee", to supervise, manage and implement major corporate governance matters. On March 25, 2022, in accordance with the actual corporate governance and sustainable development needs of the Company, the board of directors decided to establish the "Nominating Committee" and "Sustainable Development Committee". On August 10, 2022, the Nominating Committee and the board of directors unanimously appointed Mr. Chi, Ting-Fang (@Stan Chi), the former Chief Operating Officer, as the President of the Company. Effective from September 1, 2022, Mr. Hu, Chiu-Chiang (@Douglas Hu), the Chairman of the Company, no longer concurrently served as the President; the arrangement is more in line with the spirit and requirements of corporate governance.

On May 13, 2021, the board of directors appointed Mr. Chou, Kan-Lin (@Fama Chou), CFO and Spokesperson, as Corporate Governance Officer under the Chairman's Office, the Company's dedicated corporate governance unit. This position is mainly responsible for matters related to board meetings and shareholders' meetings, preparation of minutes of board meetings and shareholders' meetings, assisting directors in their assumption of office and continuing education, providing information required by the directors to carry out their business, assisting directors in complying with laws and regulations, and other matters stipulated in the Company's Articles of Incorporation or in contracts. The Corporate Governance Officer shall follow the "Standard Operating Procedures for Handling Directors' Requirements," as verified and approved by the board of directors, and the relevant affairs units shall immediately and effectively assist the director in performing their duties within five working days. According to regulations, if the Corporate Governance Officer participates in the first 18 hours of continuous training within one year from the date of taking the position, if there is a cross-year situation between the training periods, he/she can be exempted from taking 12 hours of continuous training courses in the next year. As of March 2022, in addition to completing the first 18 hours of continuous training hours, the Corporate Governance Officer continues to study for 12 hours from April to December 2022.

The Company firmly believes that transparent and ethical corporate governance is the foundation of sustainable business operations. In order to establish a corporate culture of ethical operation and sustainable development, and create a sustainable business environment, the Chairman's Office is responsible for formulating and supervising the

implementation of policies and prevention plans for corporate governance, ethical corporate operation and sustainable development, and has established the board-approved "Corporate Governance Best Practice Principles", "Codes of Ethical Conduct", "Ethical Corporate Management Best Practice Principles", "Sustainable Development Policy", and "Sustainable Development Best Practice Principles" to serve as the basis for the Company's business activities, and report relevant matters to the board of directors immediately as needed or when major issues occur.

The "2022 Corporate Governance Evaluation for TWSE/ TPEX Listed Companies " was made by the Securities & Futures Institute (SFI) with the joint entrustment of the Taiwan Stock Exchange and the Taipei Exchange, and the evaluation results had been published on April 27, 2023; the Company's total score was 91.24 (the total score in 2021 was 75.19), and the ranking of the Company among listed companies was 21%~35% (the ranking in 2021 was 36%~50%), as shown in the table below.

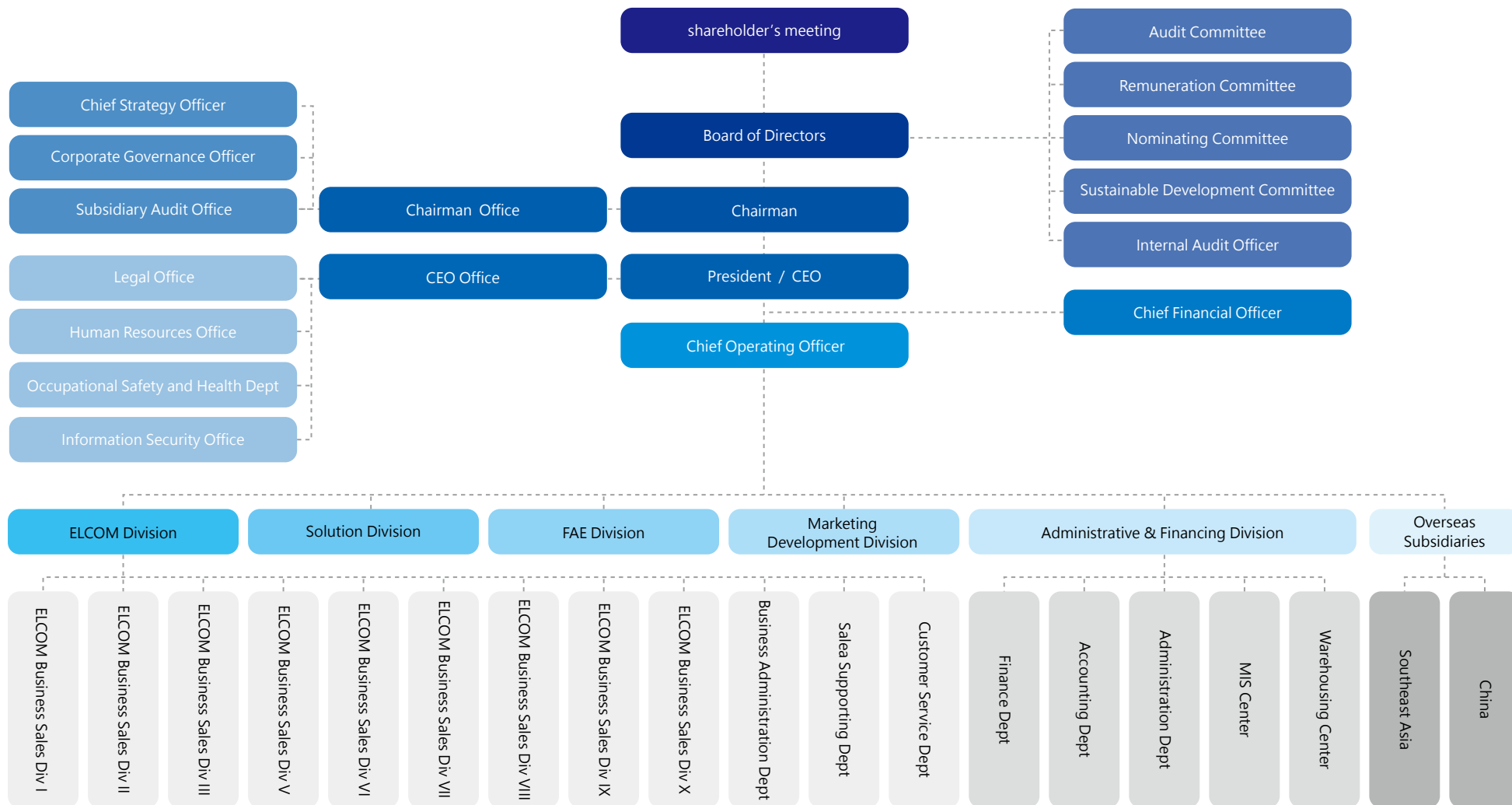
Item	Total number of indicators	Weight distributed to indicators	Number of indicators met	Number of indicators not applicable	AA/A+question types plus the total score of questions
Safeguarding the rights and interests of shareholders and treating shareholders equally	16	0.2	14	0	1
Strengthening the structure and operation of the Board of Directors	26	0.33	24	0	3
Improving information transparency	18	0.23	13	0	2
Promoting the Sustainability	18	0.24	14	0	2
Others	2	—	—	—	—

Source: Securities & Futures Institute (SFI)

For relevant important corporate governance regulations, please refer to [\[Link\]](#)

Organizational Structure

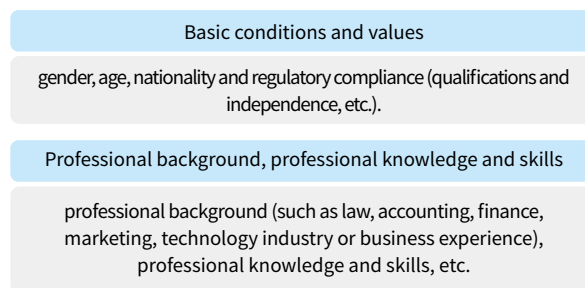
Updated on: September 1, 2022



Structure and operations of the board of directors

The Company's board of directors guides the Company's strategies, supervises management, and is accountable to the Company and shareholders. In the various professions and arrangements of the corporate governance system, the board of directors performs its responsibilities in accordance with laws, the Company's Articles of Incorporation, or resolutions made by the shareholders' meeting. The board of directors of the Company emphasizes the functions of independent operation and transparency. Both directors and independent directors are independent individuals and exercise their responsibilities independently.

A candidate nomination system is adopted for the election of directors of the Company in accordance with the "Articles of Incorporation", with a term of three years, and the election is carried out in accordance with the "Rules for Election of Directors" of the Company. Regarding the structure of the board of directors, the appropriate number of directors, between five and nine (inclusive), should be determined based on the Company's business development scale and the shareholding situation of major shareholders, while taking into account practical operational needs. The Company shall also follow the "Corporate Governance Best Practice Principles" to stipulate that diversification in the composition of the board of directors should be considered, and an appropriate diversification policy shall be formulated based on its own operation, business type and development needs. It is advised that it shall include but is not limited to the following standards:



Board members should possess the diverse knowledge, skills and accomplishments necessary to perform their duties. In order to achieve the desired objectives of sustainable corporate governance, the board of directors as a whole should have the following professional knowledge and skills:



The Company currently has a total of 7 members on the board of directors (including 1 female director, accounting for 14.3%), all with ROC nationality and a term of service from July 20, 2021 to July 19, 2024. The structure includes 3 independent directors (42.9%) and 4 non-independent directors (57.1%), with 2 directors being employees/executive officers (28.6%, not exceeding one-third of the total number of directors). The age groups of directors are: one director (14.3%, Mr. Chen, Cheng Fong (@Eric Chen)) in the 71~80 year old group, four directors (57.1%, Mr. Hu, Chiu Chiang (@Douglas Hu), Mr. Tsai, Yu Ping (@Edward Tsai), Ms. Yu, Hsueh Ping (@Peggy Yu), Mr. Chi, Ting Fang (@Stan Chi)) in the 61~70 year old group, and two directors (28.6%, Mr. Lin, Hung (@Vincent Lin) and Mr. Chen, Kuan Hua (@Bill Chen)) in the 51~60 year old group. They all have the necessary knowledge, skills and education to perform their duties, with rich professional experience in law, accounting, finance, marketing, technology industry, or business. None of the directors have any family relationship, including spouse or relative within the second degree of kinship, and comply with the provisions of paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act. In 2022, the board of directors held nine meetings, with an average attendance rate of 100%.

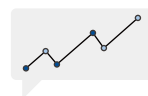
Please refer to the Company's official website [Corporate Governance Board of Directors](#) for details on the board members' professional qualifications and experience and independence status, diverse management goals and achievements of board members, and board operations. ↗

2022 Board Members of Weikeng Industrial Co., Ltd.

Title	Name	Gender	Education	Working Experience	Concurrently assume the duties of the Company and other companies
Chairman	Hu, Chiu-Chiang (@Douglas Hu)	M	<ul style="list-style-type: none"> Ph.D. of Institute of Management of Technology, National Chiao Tung University, Taiwan Master of Business Administration, Da-Yeh University, Taiwan Executives Program, Graduate School of Business Administration, National Cheng-Chi University Bachelor of Science in Communications Engineer, National Chiao Tung University, Taiwan 	<ul style="list-style-type: none"> R&D Engineer, SAMPO Co.,Ltd. Chairman & CEO, Weikeng Industrial Co., Ltd. and its affiliates Chairman, Taipei County Computer Association (TCCA) Executive Director, Taipei Electronic Components Suppliers' Association (TECSA) 	<ul style="list-style-type: none"> Chief Strategy Officer (Resigned as President and concurrently served as the Chief Strategy Officer since 2022.09.01), Weikeng Industrial Co., Ltd. Chairman, Weiji Investment Co., Ltd. Chairman, Weikeng International Co., Ltd. Chairman, Weikeng Technology Pte Ltd. Chairman, Weikeng Technology Co., Ltd. Independent Director & Remuneration Committee, and Audit Committee, V-TAC Technology Co., Ltd. Independent Director, Nominating Committee, Remuneration Committee, and Audit 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. Supervisor, LEADTEL Co., Ltd. Supervisor, EVGA Technology Incorporated. 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. Nominating Committee and Sustainable Development Committee, Weikeng Industrial Co., Ltd.
Independent Director	Tsai, Yu-Ping (@Edward Tsai)	M	<ul style="list-style-type: none"> Juris Doctor, Santa Clara University, California Executives Program, Graduate School of Business Administration, National Cheng-Chi University 	<ul style="list-style-type: none"> Chairman, Meitong 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, Audit Committee, Nominating Committee, and Sustainable Development Committee, Weikeng Industrial Co., Ltd. Chairman, Paradigm Venture Partners, L.L.C. Chairman, Paradigm Capital Limited. 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, Nominating Committee, and Audit Committee, CIPHERLAB Co., Ltd.
Independent Director	Lin, Hung (@Vincent Lin)	M	<ul style="list-style-type: none"> Executive Master of Business Administration, National Cheng-Chi University Bachelor of Science in Pharmacy, Kaohsiung Medical University 	<ul style="list-style-type: none"> 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, 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

2022 Board Members of Weikeng Industrial Co., Ltd.

Title	Name	Gender	Education	Working Experience	Concurrently assume the duties of the Company and other companies
Independent Director	Yu, Hsueh-Ping (@Peggy Yu)	F	<ul style="list-style-type: none"> Master of Accounting, National Taiwan University 	<ul style="list-style-type: none"> 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 and Sustainable Development 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.
Director	WEIJI INVESTMENT CO., LTD. (Representative : Chen, Cheng-Fong (@Eric Chen))	M	<ul style="list-style-type: none"> Bachelor of Science in Electrophysics, National Chiao Tung University, Taiwan 	<ul style="list-style-type: none"> 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
Director	Chi, Ting-Fang (@Stan Chi)	M	<ul style="list-style-type: none"> Bachelor of Science in Control Engineering, National Chiao Tung University, Taiwan 	<ul style="list-style-type: none"> 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 2022.09.01), Weikeng Industrial Co., Ltd. Managing Director, Weikeng Technology Pte Ltd. Director, Weikeng Technology Co., Ltd. Sustainable Development Committee, Weikeng Industrial Co., Ltd.
Director	Chen, Kuan-Hua (@Bill Chen)	M	<ul style="list-style-type: none"> Master of Financial Engineering, Carnegie Mellon University, Commonwealth of Pennsylvania Master of Computer Science & Information Engineering, National Taiwan University Bachelor of Mathematical Sciences, National Cheng-Chi University 	<ul style="list-style-type: none"> Supervisor, Weikeng Industrial Co., Ltd. 	<ul style="list-style-type: none"> Director, King Yuan Electronics Co., Ltd. Director, ChanCheng Investment Co., Ltd.



Director Name	Operational decision-making judgment ability	Business strategy management and leadership	Crisis and risk analysis, decision-making and handling capabilities	Insights into industrial development and technology applications	The pulsating forward-looking force of sustainable development	Accounting information and financial analysis ability	Industry and business knowledge ability
Hu, Chiu-Chiang (@Douglas Hu)	•	•	•	•	•	•	•
Tsai, Yu-Ping (@Edward Tsai) (Independent Director)	•	•	•	•	•	•	•
Lin, Hung (@Vincent Lin) (Independent Director)	•	•	•	•	•	•	•
Yu, Hsueh-Ping (@Peggy Yu) (Independent Director)	•	•	•	•	•	•	•
WEIJI INVESTMENT CO., LTD.(Representative : Chen, Cheng-Fong (@Eric Chen))	•	•	•	•	•	•	•
Chi, Ting-Fang (@Stan Chi)	•	•	•	•	•	•	•
Chen, Kuan-Hua (@Bill Chen)	•	•	•	•	•	•	•

Continuing Education of Directors

To strengthen the functions of the board of directors, changes in internal and external environmental conditions and development needs of the Company are taken into account to arrange courses covering topics related to corporate governance, such as finance, risk management, business, commerce, law, accounting, sustainable development or internal audit systems, and financial reporting responsibilities. Moreover, each director must receive, as a minimum, training according to the number of hours set by the competent authority in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" every year, assist directors in acquiring new knowledge and familiarize themselves with the operation of the board of directors, and effectively implement the corporate governance system. The courses for board members in 2022 included "Sustainable Development Roadmap - Industry Theme Promotion Conference", "Development Trend of Green Industry Low Carbon Investment Prospects and Business Strategies", "The Latest Development Trend and Countermeasures of International CBAM", and "Prevention of Insider Trading", "Common Internal Control Management Definitions in Enterprises and Practical Case Analysis", and "Technology Development and Business Opportunities of Electric Vehicles and Smart Vehicles." 100% of the statutory training requirement was met.

[For continuing education of directors](#)

Board of Directors Evaluation

The Company has established Performance Evaluation Measures for Board of Directors, and an evaluation method. The performance evaluation is conducted before the end of the first quarter of the following year, and the results are submitted to the board of directors, and disclosed in the Company's annual report and on the website to serve as a reference document for the annual nomination for director election.

The Company has completed the board performance and director self-evaluation for 2022. The average achievement rate of the self-evaluation of the board as a whole is 87.37%, and the average achievement rate of the self-evaluation of individual board members is 87.83%. The results were submitted to the board meeting on January 13, 2023.

From September to November 2022, the Company entrusted the "Taiwan Corporate Governance Association" to perform an external appraisal of corporate governance information from October 1, 2021 to September 30, 2022. The Association issued an evaluation report which was approved by the Nomination Committee on December 28, 2022, and was submitted to the board meeting on January 13, 2023.



Implementation
of Performance
Evaluation

For the self-evaluation and external evaluation results, please refer to the Company's website [Corporate Governance Zone Board of Directors](#)

Avoidance of 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 paragraph 2, Article 180 of the Company Act shall apply mutatis mutandis in accordance with paragraph 4, Article 206 of the same Act.

At the nine board meetings of the Company in 2022, if there were reasons for avoidance due to the director's own interests in the proposal, the director would not participate in the voting.

For detailed resolutions, decisions and avoidance of board meetings, please refer to the Company's website [Corporate Governance Zone Board of Directors](#)

Internal Audit System

According to the organizational regulations of the Company, the Audit Office is under the board of directors, with one audit supervisor and one senior chief auditing specialist. In addition, in June 2022, a "Subsidiary Audit Office" with one senior auditing specialist was established under the Chairman's Office (with a senior chief auditing specialist added on January 2023). The appointment and dismissal, evaluation, and salary and compensation of the aforementioned senior chief auditing specialist and senior auditing specialist were signed off 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-evaluation reports, and the tracking of the shortcomings of the internal control systems and the improvement of abnormal matters, and reports the aforementioned operations to the Audit Office of the Company.

The Audit Office conducts business audits (including financial, risk management, regulatory compliance and other important items) for the Company and its subsidiaries in accordance with the annual audit plan, supervises and guides the Company and its subsidiaries to establish the content and procedures of self audits of internal control systems, conducts self audits at least once a year, and supervises, guides and reviews the implementation of self audits by each unit. Regularly report to the Audit Committee and the board of directors on the audit work of the Company and its subsidiaries, deficiencies in the audit by the competent authorities/CPAs/internal auditors, and improvements in the strengthening and improvement of items listed in the internal control statement; assist the board of directors in supervising and controlling potential risks in the execution of decisions or operations, ensure effective control of various occupational risks, and propose improvement suggestions for management and control in a timely manner.

In 2022, the audit supervisor conducted six audit reports to independent directors (the Audit Committee) without the presence of non-independent directors and the management.

Functional Committees

Weikeng Industrial has four functional committees under the board of directors: the "Audit Committee", the "Remuneration Committee", the "Nominating Committee" and the "Sustainable Development Committee". The members, responsibilities and operational status of each committee are explained below.

For detailed operational information, please refer [↗](#)

Description	Audit Committee	Remuneration Committee	Nominating Committee	Sustainable Development Committee
Tsai, Yu-Ping (@Edward Tsai) (Independent Director)	●	●	●	●
Lin, Hung (@Vincent Lin) (Independent Director)	●	●	●	●
Yu, Hsueh-Ping (@Peggy Yu) (Independent Director)	●		●	●
Lin, Jenn-Chuen (external expert)		●		
Hu, Chiu-Chiang (@Douglas Hu)(Chairman)			●	●
Chi, Ting-Fang (@Stan Chi) (Director and President)				●
Number of meetings	7	3	2	3
Attendance rate (%)	100%	100%	100%	100%
Responsibility	Perform responsibilities according to Articles 14-3 and 14-5 of the Securities and Exchange Act and the "Audit Committee Organizational Regulations", and hold at least one meeting quarterly. The purpose is to assist the board of directors in enhancing its supervisory and management functions, including ensuring the appropriate presentation of financial statements, the selection (dismissal) of certifying CPAs and their independence and performance, the effectiveness of internal controls, compliance with relevant laws and regulations, and management of existing or potential risks.	Convene at least two meetings per year according to the "Remuneration Committee Organizational Regulations" reviewed and approved by the board of directors, and hold at least two meetings annually; responsible for setting and regularly reviewing policies, systems, standards and structures for annual and long-term performance goals, salaries, and compensation for directors and managers.	The responsibilities include setting standards for the diversity and independence of board members and senior managers, and identifying, reviewing and nominating candidates for directors and senior managers accordingly; conducting performance evaluations of the board of directors, committees, directors and senior managers, and evaluating the independence of independent directors; reviewing the continuing education plan for directors and the succession plan for directors and senior managers; revising the Company's Corporate Governance Best Practice Principles, etc.	The responsibilities include the formulation of sustainable development policies, goals, strategies and execution plans; review, tracking and revision of the implementation status and effectiveness; reviewing risk management policies, adequacy of the risk management architecture, and major risk management strategies, and regularly reporting on their implementation to the board of directors.

- Note:
- is the convener.
 - The external expert, Mr. Lin, Jenn-Chuen, is a adjunct professor of Department of Adult & Continuing Education, National Taiwan Normal University.
 - The term of office of the Audit Committee and Remuneration Committee is from July 20, 2021 to the expiration of the current director's term (i.e. July 19, 2024 or the date of the general election of directors at the 2024 general shareholders' meeting, whichever is earlier), resignation from the position of committee member or director, or the date when the board of directors makes other appointments to replace the original directors as the member of the committee. The term of office of the Nominating Committee and Sustainable Development Committee is from March 25, 2022 to the expiration of the current director's term (i.e. July 19, 2024 or the date of the general election of directors at the 2024 general shareholders' meeting, whichever is earlier), resignation from the position of committee member or director, or the date when the board of directors makes other appointments to replace the original directors as the member of the committee.

| Correlation of Remuneration Policy with Operation and Sustainable Development Performance |

The Company's emoluments (salary and remuneration) policy covers directors, executive officers and employees:

● I. Employees' and managers' emoluments are divided into fixed salary variable remuneration.

1. Fixed salary (including base pay, duty allowance and meal allowance).

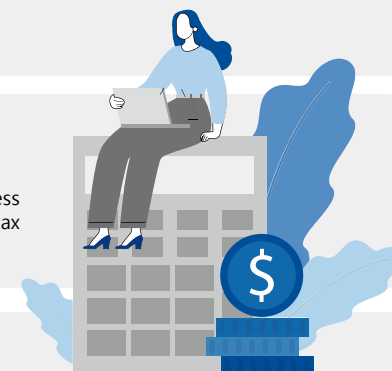
It is determined by factors such as education, experience, skills, degree of responsibility for risk decision-making, contribution to the Company, the pay levels of peer companies, and professional job competence for participating in sustainable development. The annual salary adjustment is carried out in accordance with the Company's operating conditions, the domestic economic growth rate, price index, the salary adjustment status of the industry, the personal performance appraisal (including related efforts in sustainability), and the Company's annual budget target.

2. Variable remuneration includes business performance incentives, year-end bonus, and employees' (including executive officers') remuneration.

- (1) Business performance incentives are mainly paid to business and technical application engineers, and are paid based on product operating performance and personal performance, as well as business opportunities and performance creation from the sustainable development aspect including factors such as digital transformation, energy saving, carbon reduction, and the like.
- (2) The year-end bonus for employees and executive officers is the amount of accumulated reserve appropriated in advance on a monthly basis based on the achievement rate of the budgeted profit target; prior to the distribution of the above mentioned bonus, the senior management must first complete a comprehensive assessment of employees and executive officers, taking into account personal performance appraisals (including related efforts in sustainability), education level, experience, skills, degree of responsibility for risk decision-making, contribution to the Company under ethical corporate management, the typical pay levels adopted by peer companies, responsibility for promoting sustainability and its performance contribution, and then distribute the aforesaid bonus to employees and executive officers according to the approved distribution plan. However, for the distribution to managers, it must first be approved by the Remuneration Committee and the board of directors
- (3) Employees' (including executive officers') remuneration is the total appropriated amount in accordance with the Company's Articles of Incorporation, and the amount should be first approved by the Remuneration Committee and the board of directors and reported to the shareholders' meeting; the procedures for the distribution of remuneration to employees and executive officers are the same as those described in subparagraph (2) above.

3. Appropriation of employees' (including executive officers') compensation.

In accordance with the Articles of Incorporation of the Company, the pre-tax profit (before deducting the remuneration to employees/executive officers and directors) in the Company's annual final accounts, if any, shall first be allocated 6% to 10% as employees' (including executive officers') remuneration, and stocks or cash may be used for the payment. However, if the Company still has a cumulative loss, the amount of compensation should be retained first, and the objects of distribution include employees of affiliated companies who meet certain conditions.



● II. Remuneration to directors including directors' compensation and business execution fees

The remuneration of the Company's directors includes the compensation appropriated in accordance with the Company's Articles of Incorporation and business execution fees (traffic allowance for meeting attendance). The total appropriated amount of directors' remuneration shall be set at a maximum of 2.5% of the pre-tax profit as stated in the Articles of Incorporation of the Company. However, if the Company still has a cumulative loss, it shall first reserve the amount for compensation.

● III. Relevance, Rationality and Principle of Avoidance of Interests

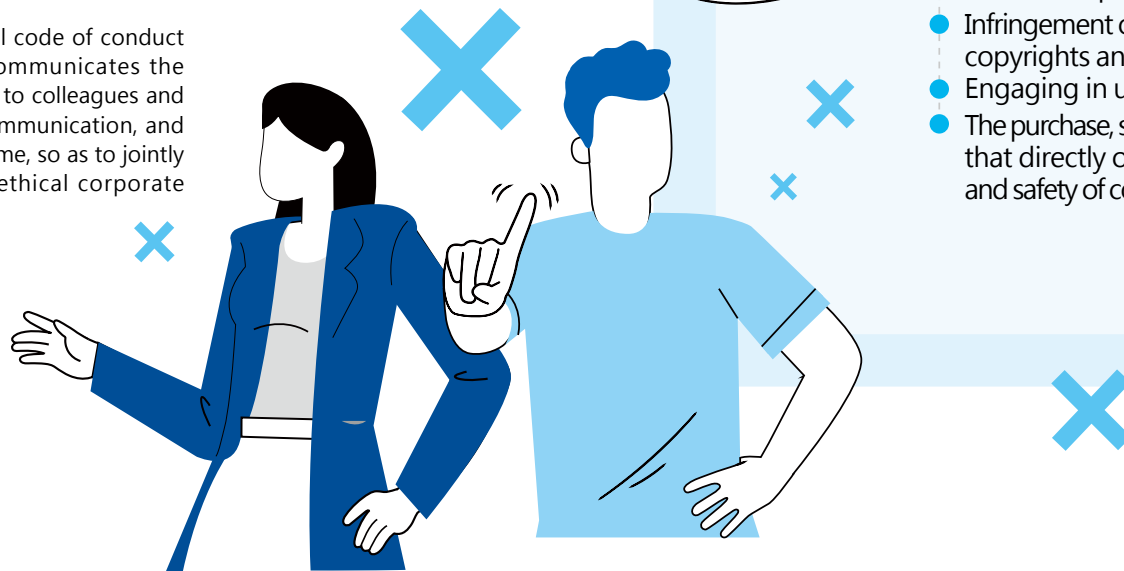
The emoluments of directors and employees (including executive officers) must not only comply with relevant laws and regulations; to attract outstanding talents it must also take into account the relationship between personal performance and company financial performance, related efforts in sustainability and contribution, and risk management. The decision on the emoluments of directors and executive officers should not deviate significantly from the Company's financial performance, and should not lead them to engage in behaviors that exceed the Company's risk appetite in pursuit of emoluments; in addition, the principle of interest avoidance must be paid attention to in the procedure of approving personal salary and remuneration.

2.4 Honesty and Integrity and Regulatory Compliance

The Company approved the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct" by board resolution in 2018 and 2021, respectively, to provide high ethical standards for all employees, and has disclosed them in the annual report and company 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 corporate management.



Ethical corporate management principles

- 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, supply or sale of products and services that directly or indirectly harm the rights, health and safety of consumers or other stakeholders

Prevention Advocacy and Training

Publicity of anti-corruption and ethical corporate management to 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 and publicity initiatives, by senior management and the legal supervisor, on ethical practices, code of ethical conduct, conflict of interest avoidance, prevention of insider trading or using market information asymmetry for profit, and all other related topics at monthly operation meetings and quarterly employee mobilization meetings, to strengthen Company ethics and self-discipline.
- Within one week of arrival, all new employees will receive information from legal and personnel units, including key reminders related to ethical management and ethical behavior rules. In 2022, a total of 58 new employees received such information.
- Monthly operations meetings are held, to 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.

Anti-corruption/ethical corporate management training in 2022

Date	Promotion occasion	Number of participants	Number of hours	Education contents
January 18 and January 20	New employee training	13	1	Anti-corruption/ethical corporate management/insider and short swing trading prohibition
July 12 and July 14		16		
October 25 and October 27		27		
March 31	Operation meeting	39	0.5	<ul style="list-style-type: none"> Definition of news for insider trading/short swing trading. Civil and criminal liability set forth in the "Securities and Exchange Act". Insiders are prohibited from trading the Company's issued shares or marketable securities of equity nature during the lock-up period (annual report: 30 days before the day of publication/quarterly report: 15 days before the day of publication) before the financial report is published, and the precipitation period (18 hours after the day of publication) after the report is published.
October 14	All Employee Meeting ^{note}	373		Preventing of insider trading_ Introduction to Insider Trading Laws and Regulations
May 13	Directors' continuing education courses	Director Hu, Chiu-Chiang (@Douglas Hu)	3	Taiwan Corporate Governance Association - Prevention of Insider Trading
		Director Chi, Ting-Fang (@Stan Chi)		
		Director Chen, Kuan-Hua (@Bill Chen)		
July 22		Independent Director Yu, Hsueh-Ping (@Peggy Yu)		Securities and Futures Institute- A Brief Probe into Emerging Financial Technology Crimes and Preventing Money Laundering from the Perspective of Companies

Ethical Corporate Management Training

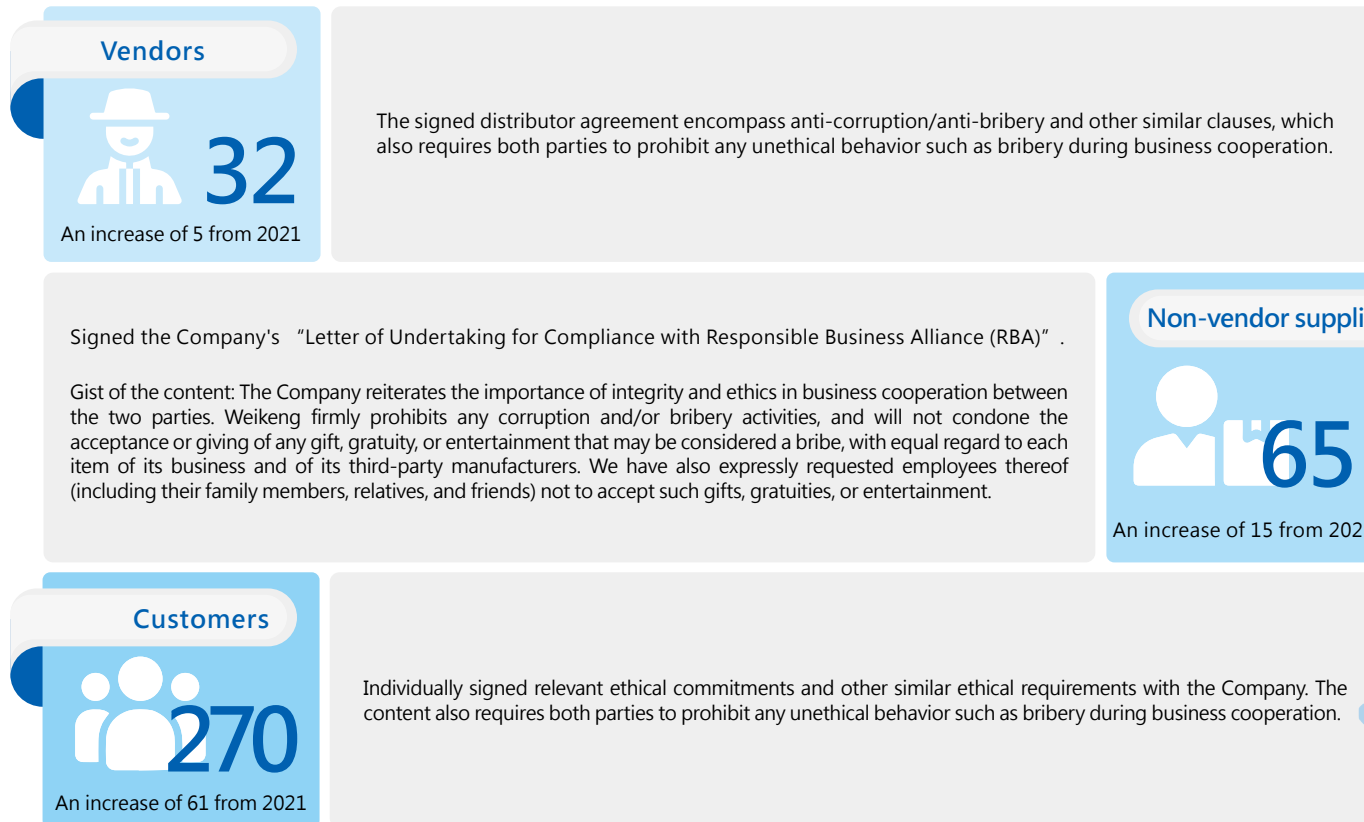


Note: The All Employee Meeting was only held at the Taipei headquarters, and the number of attendees did not include those who took leave, went out for business, or were not employees of the Taipei headquarters.

● Publicity of anti-corruption and ethical corporate management to the board of directors, managers and all employees

The Company complies with the provisions of 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 relevant regulations regarding ethical corporate management of listed companies. It has also established the "Code of Conduct for Suppliers" and "Whistle-blowing System", conducted due diligence reviews before transactions with upstream and downstream companies, and asked them to issue a letter of commitment to integrity based on the actual situation to minimize risks. The Company also provides an internal audit supervisor and legal supervisor hotline to receive and submit information regarding conflicts of interest.

The contract requirements related to anti-corruption between Weikeng Industrial and vendors, non-vendor suppliers and customers are as follows:



Sound Whistleblowing Mechanism

The Company has established the "Whistle Blowing System" in accordance with the "Ethical Corporate Management Best Practice Principles" and "Corporate Governance Best Practice Principles", giving personnel high ethical standards for behavior within their business scope, preventing illegal behavior from occurring, streamlining internal and external personnel reporting channels, and establishing a whistleblowing protection system to ensure the independence of the whistleblowing unit and provide mechanisms such as encrypted protection for files provided by whistleblowers.

The whistleblowers shall try their best to detail the name, unit, specific circumstances and evidence of violations of laws and regulations of the persons being reported, and be responsible for the content of the whistleblowing reports. No whistleblowing on behalf of others is allowed. If the accusation matter involves ordinary employees, it shall be reported to the department or division head; if it involves directors or senior executives, it shall be reported to independent directors. If the reported matter is confirmed to be true after investigation, the Company will reward the whistleblower, and greatly reward those who have made significant contributions. There were no accusations in 2022.

For details of the whistleblowing system, please visit [▶](#)



Accusation channels

Internal and external whistleblowers (hereinafter referred to as whistleblowers) can report through letters, emails or phone calls. The whistleblowing should be named; otherwise it will not be accepted.

- Acceptance address: Whistleblowing Unit, 11F, No. 308, Sec. 1, Neihu Rd, Neihu Dist., Taipei
- Email: whistleblower@weikeng.com.tw (emails will be automatically forwarded 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
+886-2-26590202 extension 533 Mr. Tsai, head of Legal Office



Whistleblower Protection Mechanism

- Information regarding whistleblowers and specific content of accusations must be kept strictly confidential, and relevant investigations conducted without exposing whistleblowers' identities; unless agreed by the whistleblower, under no circumstances shall the name, work unit or contact information of the whistleblower be made public. For any breach of confidentiality or improper performance of duties by the staff who receive reporting from whistleblowers, disciplinary action will be taken according to the circumstances and consequences.
- No unit or individual shall use any excuse to obstruct or suppress the whistleblower's report, and shall not retaliate against the whistleblower or the investigator in any way. If proven true, those who retaliate against the whistleblower or the investigator will be handled in accordance with the Company's regulations and transferred to the judicial authorities if the case constitutes a significant crime.



Appeal System of the Accused

If the accused has any doubt about the reported matters mentioned above, the Company will provide an appeal channel.

- Appeal acceptance unit: independent directors of Weikeng
- Appeal mailbox: independent@weikeng.com.tw

Audit System for Integrity and Ethics

The Company has established an accounting and internal control system to ensure ethical corporate management. The internal audit supervisor conducts risk assessment 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.

- A random inspection of the accounting books did not reveal any external accounts or the retention of any secret accounts.
- No director, manager, or employee was found to have committed any of the following illegal acts: (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 or of confidential and commercially sensitive information obtained in the course of business. (6)Transactions with suppliers and customers involved in unethical conduct.
- The Company pays attention to the integrity and ethics of transactions among vendors and non-vendor suppliers, as well as those of customers. No illegal breaches of commitment were found following random inspection of relevant signed ethical commitments and supplier codes of conduct.
- So far, no CPA has been entrusted to perform such audits.
- There were no incidents of corruption in the Company in 2022.

Regulatory Compliance

Weikeng Group complies with local laws/regulations related to its operations, including labor laws, tax laws, corporate laws, securities exchange laws, commercial accounting laws, fair trade laws, import and export laws, environmental protection laws, intellectual property laws, product trade laws, and so on. In 2022, there were no violations of social, economic, or environmental protection policies, product laws/regulations, or business ethics in Weikeng Industrial.




Economic and Environmental Protection Regulations

- No violations of the Company Act
- No violations of the Business Entity Accounting Act
- No violations of securities and finance related laws and regulations
- No violations of tax laws
- No incidents of corruption
- No political contributions
- No violations of environmental protection related laws and regulations


Labor rights related regulations

- No violations of labor laws and regulations
- No use of forced labor
- No violations of gender equality laws
- No use of child labor
- No incidents of discrimination or sexual harassment
- No infringements of Indigenous peoples rights
- No infringements on freedom of association, group consultation, and such


Product trade related regulations

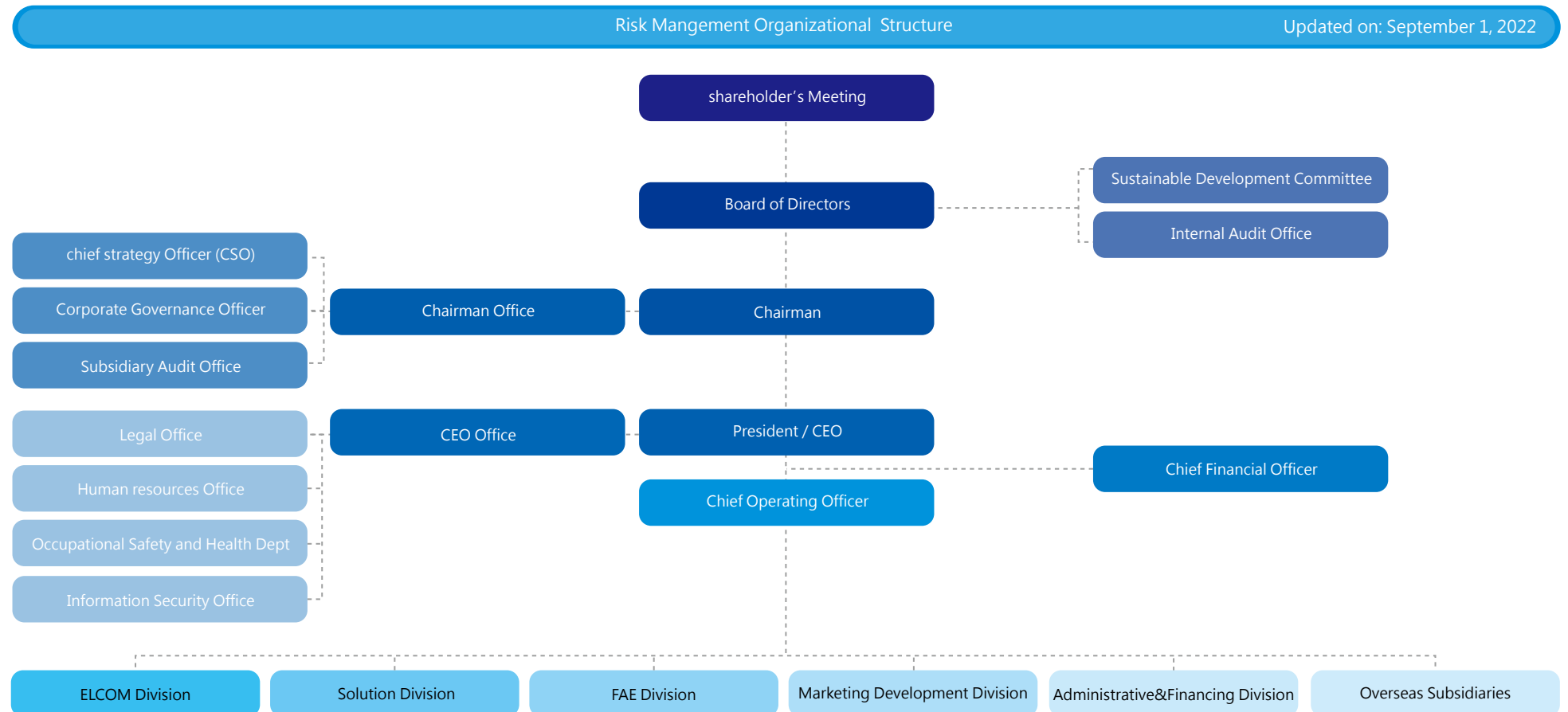
- No products prohibited for sale
- No breaches of product health and safety regulations
- No violations of product information labeling laws and regulations
- No violations of laws and regulations related to marketing communications
- No involvement in anti-competitive behavior
- No involvement in antitrust 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 laws and regulations

Remark: Weikeng Industrial did not violate relevant laws and regulations in 2022 (including but not limited to the laws and regulations listed above).

2.5 Risk Management

To implement the risk management mechanism, reinforce risk assessment, and oversee risk tolerance, the Company's board of directors approved the "Policy and Procedures of Risk Management" on June 29, 2021, as the basis for implementing risk management policies. In September 2022, these policies and procedures were revised according to "Risk Management Best Practice Principles for TWSE/TPEX Listed Companies". The revisions were approved by the board meeting on September 28, 2022 as the highest guiding principles of the Company's risk management.

Policy and Procedures of Risk Management



I. Board of Directors

The Board of Directors is the highest decision-making unit for matters relating to 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 cyber security, climate change, etc.), the adequacy of the risk management structure, management reporting of major risk management strategies (including risk appetite or tolerance) and major risk issues, supervising the improvement mechanism, and regularly reporting on the implementation of risk management to the board of directors.

A "Risk Management Group" is established under the Sustainable Development Committee to assist the Sustainable Development Committee in carrying out its risk management responsibilities, and is responsible for formulating and revising the Company's risk management. The "Risk Management Group" revised the "Policy and Procedures of Risk Management" in 2023, expanding the remit of risk management to include climate change related issues, and submitted it to the Sustainable Development Committee and the board of directors on April 28, 2023. In order to implement and improve the Company's risk management related work, the "Risk Management Group" holds regular meetings and reports on implementation status to the Sustainable Development Committee.

III. Operational and Management Functional Units

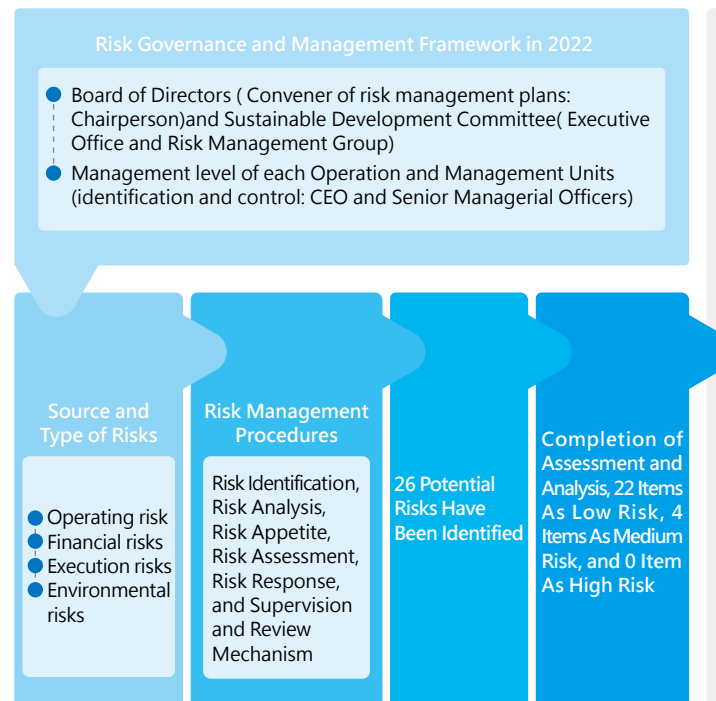
At all levels of the organizational management system, the President /CEO, and senior managers of each business unit and functional unit assist in the identification of risk factors and risk control. This is to improve the efficiency of the organization's risk management with regard to self-evaluation and implementation. Furthermore, relevant risk assessments are regularly conducted in operations 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 own internal control systems, and the audit unit reviews the implementation.

Risk Management Procedures

The Company's risk management procedures include at least five key elements: risk identification, risk analysis, risk assessment, risk response, and supervision and review assessment mechanisms. The execution process and results are recorded, reviewed, and reported through appropriate mechanisms, and the risk information collected and organized for future reference is properly retained. At least twice a year, reports are submitted to the Sustainable Development Committee and the board of directors, and a dynamic management and reporting guidance mechanism are established to ensure supervision and guidance of the effective implementation of risk management. Similar to the disclosure of relevant risk management information, the Company regularly discloses risk management related information on its website, the Market Observation Post System, in annual reports, or in corporate sustainability reports, to provide up to date reference materials for external stakeholders.



1. Risk Identification

To adopt process analysis, situation analysis, questionnaire survey, PESTLE analysis, etc., to adopt process analysis, situations analysis, questionnaire survey, PESTLE analysis, etc., to extensively identify potential risks that may become barriers to goal achievements or incur losses or adverse effects.

2. Measurement Standards of Risk Analysis

To use quantitative or qualitative measurement standards to analyze the probability and impact of risk events to assess the level of risk exposure.

3. Risk appetite (Risk Tolerance)

To determine risk appetite (risk tolerance) and risk response measurements, and submit to the Sustainable Development Committee for approval as the basis for subsequent risk assessment and risk response.

4. Risk Assessment

To determine the priority level of the risk events by analyzing the risk analysis results and risk appetite and uses it as reference for subsequent response options.

5. Risk Responses

To determine the methods of its risk responses based on its strategic goals, focuses of internal and external stakeholders, risk appetite and resources available, in order to strike a balance between goal achievement and cost effectiveness. The relevant risk treatment plans formulated shall ensure that the responsible personnel's understanding and execution of relevant matters and continue to monitor the implementation of the risk treatment plans.

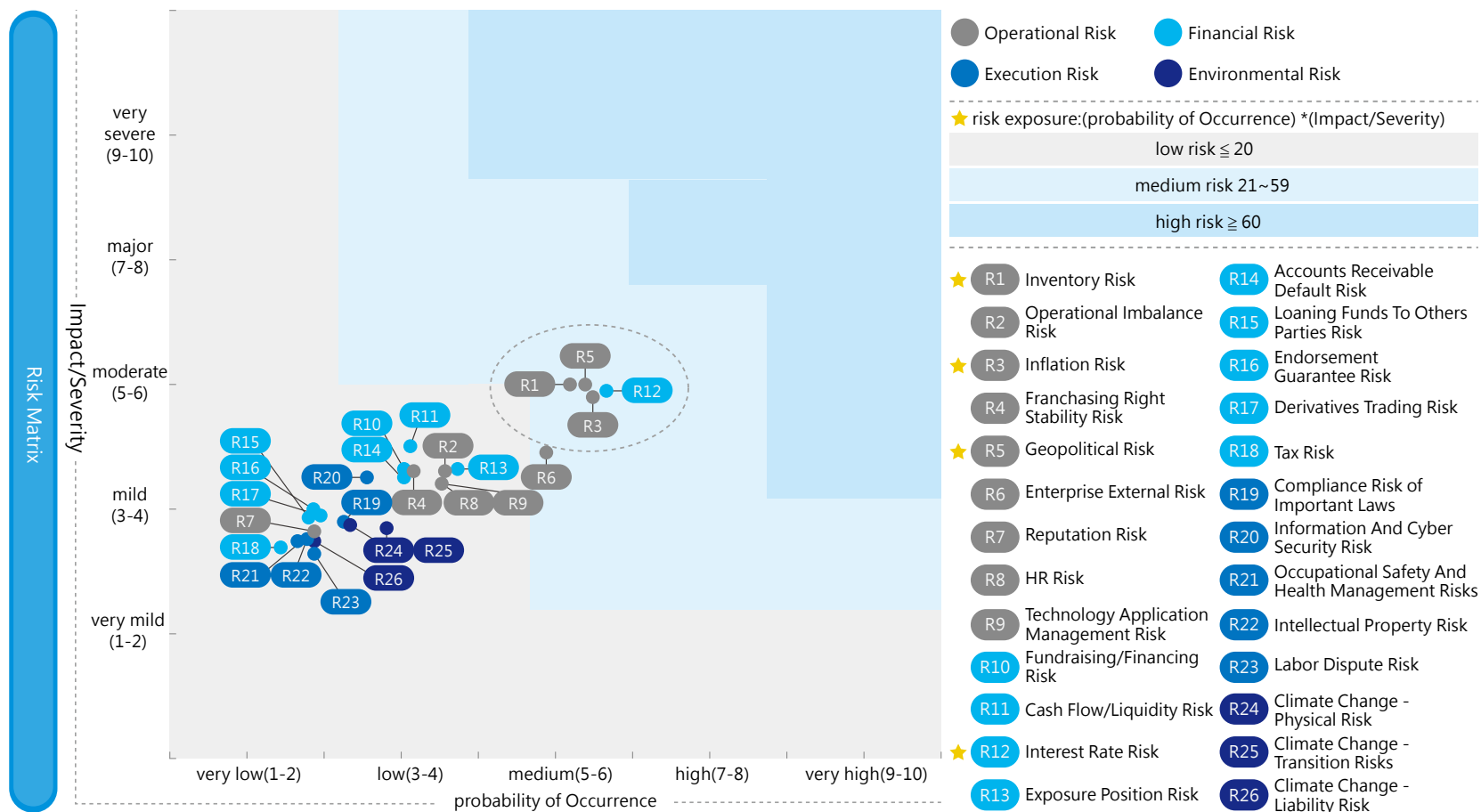
6. Risk Supervision and Review

To ensure an effective operation of risk management review procedures and relating risk countermeasures and include the review results in the performance assessments and performance reports. Risk management shall be linked to key procedures in the organization in order to ensure effective monitoring and improve the effectiveness of risk management implementation.

Risk Identification and Response Strategies

According to process analysis, scenario analysis and PESTLE (Political, Economic, Social, Technical, Legal and Environmental) analysis, the risk management team of the Sustainable Development Implementation Office, senior managers of various business units (including the Overseas Business Group) and functional units of the Company conducted risk identification for 2022. They ranked 26 risk items, including 9 in the operational risk category, 9 in the financial risk category, 5 in the occupational risk category, and 3 in the environmental risk category, which were reported to the Sustainable Committee and board of directors for approval September 29, 2022. Between October and November of the same year, an internal questionnaire was given to personnel on or above manager level who participated in business meetings, and those who were dispatched to overseas subsidiaries, to analyze and measure the probability (A), severity/impact (B), and risk exposure (A) x(B) of each risk item listed in the questionnaire. A total of 53 samples were collected and, based on the quantitative index scores given in the questionnaires, the simple arithmetic mean value of various risk scores was calculated. The risk exposure was calculated according to the (A)x(B) above as the risk classification indicator.

Among the 26 risk items, there are 22 low risk items, 4 medium risk items, and 0 high risk items. Corresponding countermeasures were proposed for the four medium risk items and were submitted to the Sustainable Development Committee and the board meeting for approval on December 28, 2022 and January 13, 2023, respectively.



Medium Risk Issues and Countermeasures

● Explanation of Interest Rate Risk and Countermeasures

The risk of rising and fluctuating interest rates is mainly due to major global economies, especially the United States and the European Union, adopting tight monetary policies in response to the inflation crisis, and raising interest rates, causing the cost of US dollar funding to rise.

The Group's borrowing from financial institutions is mainly due to the funding needs for operations turnover. Other than New Taiwan dollars and Renminbi, this borrowing is mainly in US dollars. Therefore, changes in US dollar market interest rates will directly affect the financial costs of the Group's companies. During 2022, the Federal Reserve of the United States has raised interest rates by a total of 4.25%, adjusting the benchmark interest rate to between 4.25% and 4.50%. The Central Bank of Taiwan has also raised interest rates, by 0.625%, and adjusted upward the rediscount rate, guaranteed loan facility rate and short-term lending rate to 1.75%, 2.125% and 4% per annum, respectively. There has been no significant change to the Renminbi interest rate.

Interest rate fluctuations directly affect the Company's financial costs and capital turnover; therefore, we have adopted the following countermeasures:

1. Early planning of fundraising for direct financing in the capital market - five-year unsecured convertible corporate bonds with zero coupon rate

Based on the estimated capital demand and interest rate trends, the Company has raised the sixth zero coupon rate five-year unsecured convertible corporate bond for NT \$2 billion in the capital market in May this year. This has allowed us to adjust the financial and capital structure with matching long-term and short-term financing instruments in a timely fashion, so that on financial costs, there will be no need to bear interest expenses from actual cash outflow.

2. Strengthen cash cycle management

Due to the industrial characteristics of the Company, the main current assets (capital utilization) on the balance sheet are inventory and accounts receivable, while the current liabilities (capital source) are mainly bank loans and accounts payable. In response to the rising interest rate, we must strengthen the management of working capital to improve the efficiency of capital utilization and reduce the opportunity cost of capital backlog. In particular, we must strengthen the management objectives of inventory turnover days and accounts receivable collection period; the shortening of the above-mentioned periods can effectively shorten the operating cycle and cash conversion cycle, which will help reduce the indirect dependence on financial institutions, so as to control the increase in financing costs despite rising interest rates.

3. Adjust pricing strategies based on product price elasticity

In view of the risk of interest rate rises caused by inflation, which causes the Company to bear higher financial costs for its working capital, we will analyze the price elasticity of products sold, re-examine product pricing, and strive to maintain profit margins through the mechanism of negotiating with customers and on the premise of improving products and services.

4. Risk hedging of USD risk-exposure position caused by interest rates

The US dollar has appreciated against the New Taiwan dollar and Renminbi (RMB), due to the rise in US dollar interest rates, and the Company's main current liabilities, bank loans and accounts payable are mainly in US dollars. Therefore, in addition to natural hedging, in order to manage the US dollar asset and liability gap, the Company constantly monitors exchange rate trends, and purchases forward foreign exchange contracts as needed to hedge the positive and negative positions between US dollar assets and liabilities.

● Explanation of Inflation and Countermeasures

In the past, most major economies around the world controlled inflation rates at an average of about 2%, allowing prices to rise moderately and promoting economic growth; but now, due to the recent trade conflict between the United States and China, the COVID-19 pandemic, industry supply chain bottlenecks, and Russia's invasion of Ukraine since February 2022, the prices of raw materials such as agricultural products, crude oil and natural gas worldwide have risen. In fact, after 2021, the US government began to pay attention to the QE and supply chain bottlenecks due to COVID-19 (in 2020), which gradually deepened the inflation crisis. In addition, the Russia-Ukraine war since 2022 has put pressure on the overall economy and caused raw material prices to rise. The Federal Reserve of the United States raised interest rates by a total of 4.25% in 2022, even reducing its balance sheet as the main tool to curb inflation. However, this raises concerns about stagflation in the market. The European Central Bank announced its latest policy in March 2022 to accelerate the exit of quantitative easing measures and replace the "Pandemic Emergency Purchase Program" (PEPP) with the "Asset Purchase Program" (APP). Therefore, Major global economies have faced a global downturn, caused by inflation.

The Group will also face challenges from this wave of inflation, as will upstream vendors and downstream customers in the semiconductor industry chain. In response, the following countermeasures have been taken:

1. Commitment to "instant sharing" supply chain

Poor supply chain management will lead to stagnant inventory, which will expose the Company to losses through the inflation risk. Therefore, it is necessary to re-examine the existing supply chain management system and architecture. An efficient supply chain should be able to share real-time information and processes with each other from end to end, from vendors to distributors (the Company), and from suppliers (the Company) to customers, so that the Company, vendors and customers can develop an efficient, flexible, and risk-tolerant supply chain structure, while moving beyond outdated ideas such as centralization and scale. Every effort should be made to identify or invest in tools and solutions that can achieve an end-to-end vision, in order to accelerate the implementation of a digital supply chain management structure. Despite the impetus being inflation risk, this can catalyze wider, long-term, improvements to supply chain management for the Company to demonstrate its systematic response ability, integration ability and flexibility to respond to external environmental changes, thus effectively and flexibly aligning with customer demand trends.

2. Implement the concept of "zero based budgeting"

"Cost-driven inflation" is what a Company will be facing in an inflationary business environment, so the ability to reduce costs will become the standard for the survival of enterprises. In practical affairs, efforts will be made to implement the concept of "zero-based budgeting" to respond to price changes, and respond to the ripple effect of purchasing materials, suppliers and prices. Each department's annual budget starts from "zero" and is not subject to the previous year's budget. Each department must review its own business, and based on a cost-benefit analysis, start from the top priority items in order to save costs and expenses. But in the implementation process, we cannot let the "zero-based budget" become a double-edged sword that suppresses innovation or talent training, in order to avoid a step back in competitiveness after inflationary pressure subsides.

3. Analyze profit margin

Faced with inflation, it is necessary to carefully check the effectiveness of capital utilization and interest rates. First, reassess the costs of various operational activities, and then analyze the profit margins that can be mastered in the current economic environment, and check and find solutions to improve profit margins, while continuing to ensure high-quality products and services.

4. Adjust pricing strategies based on product demand and price elasticity

In the face of cost-driven inflation, which has led to an increase in operating costs for enterprises, we will analyze historical transaction data and market forecasts of product sales through the mechanism of negotiation with customers to improve product services, in order to estimate the potential demand price elasticity of products, re-examine product pricing strategies, and compete for the maintenance of profit margins.

5. Emphasize operational efficiency and pay attention to employee needs and feelings

The higher the operational efficiency, the higher the profit margin will be. By using verifiable workflows, tools and technologies to check and improve operational efficiency, it is important to continuously pay attention to employee needs and feelings, while pursuing improvement in operational efficiency. In times of inflation, communication between employers and employees is especially important.

● Explanation of Geopolitical Risk and Countermeasures

Since 2018, trade frictions between the United States and China have broken out, and the trade conflict between the United States and China has directly escalated from tariff and intellectual property disputes to a technological war, in which the United States sanctions certain communication equipment and chip manufacturers. From the outbreak of COVID-19 in 2020 to the present, the trade conflict escalated to the national security level, and a series of industrial sanctions have been implemented to systematically block China's access to key chip technologies, equipment and talents for advanced manufacturing processes. The impact is extremely profound. In addition to the impact on the operation of Taiwanese manufacturers of semiconductor chips and equipment exported to China, the manufacturers with production bases in China are impacted in terms of their equipment imports and subsequent production expansion. The relevant operators have been greatly affected by the changes in the international geopolitical climate, and therefore have concretely demonstrated their close relationship in the semiconductor industry and technological strength, which even involves national strength.

The companies within the Group play a supply chain role in the semiconductor industry; the semiconductor components they franchise are mainly European and U.S. system products that are based on U.S. technology and therefore must comply with their import and export laws and regulations, with the Asia Pacific region as the main market area for deep cultivation. The U.S. government has emphasized the importance of "meaningful mastery of the industrial supply chain" while actively re-building U.S. semiconductor manufacturing capacity. To enhance the resilience of the semiconductor supply chain and maintain the stable supply of semiconductors and key components, strong coordination must be achieved through an international cooperation and regional decentralized industrial system model. In response to this geopolitical change, the global supply chain system that is previously believed to have comparative advantage and professional division of labor production has gradually transformed, and the original long chain division of labor under globalization is no longer applicable to the competition between the United States and China, as well as the supply chain demand during the COVID-19 pandemic period. In response to these geopolitical risks, nearly half of semiconductor application-oriented electronic product manufacturers investing in China have accelerated their "China+1" layout, planned to transfer production bases, or change or adjust production lines to meet the requirements. However, after the COVID-19 pandemic, various sectors have become more aware of the importance of decentralized production bases to reduce the risk of supply chain disruption. Enterprises have shifted from prioritizing cost reduction to focusing more on the security and resilience of the supply chain. This is leading to shortening of supply chains, and further trends in post-pandemic supply chain restructuring such as industrial backflow, building diversified production bases, risk diversification, constructing regional production supply chains for regional markets, and thoroughly restructuring the supply chain to reduce vulnerability.

In the face of geopolitical risk, the Company has adopted the following countermeasures:

1. Strict compliance with US import and export laws and regulations

The semiconductor components franchised by the Group's companies are European and U.S. IC products mainly based on U.S. technology. Based on the franchise contract requirements, they must strictly apply U.S. import and export laws and regulations with upstream vendors, and carry out product design, quotation, order acceptance, and inspection of each stage of the shipment, according to internal procedures to comply with laws and regulations.

2. Expand product portfolio

China's semiconductor industry must increase its support for the development of mature process products when the development of its advanced processes is limited. In addition, Chinese local manufacturers have a certain foundation in the technology of mature process products, so the rate of domestic substitution is bound to increase in the future, meaning the self-sufficiency in mature process products will also continue to increase. Therefore, in addition to the existing product franchises of Chinese local manufacturers, the product development department of the Chinese subsidiary within the Group will adapt to these trends in industrial development, increasing the franchises of local Chinese manufacturers, and expand its product portfolio in the supply chain to meet the legal restrictions of European and U.S. system product supply to China.

3. Building cross-national and cross-regional operational research capabilities and flexibility in response to customers' "China+1" layout

Nearly half of the Taiwanese electronic product manufacturers with production bases in China are accelerating their "China+1" programs, planning to transfer production bases, and change or adjust production lines to Southeast Asian countries or Mexico. In response to the Company's cross-country and cross-regional operational layout, capacity and cost need to be planned and analyzed in advance, and decisions and practices must be made before they can provide timely customer product service capabilities. Consequently, planning relating to partners, bases, customs laws and tax conditions (such as tariffs, business taxes and income taxes) of a range of countries must be analyzed and considered in advance.

● Explanation of Inventory Risk and Countermeasures

The supply and demand of semiconductor components is faces uncertainties such as global high inflation, interest rate rises, the Russia-Ukraine war, China's dynamic-zero COVID-19 policy, and the downward revision of global economic growth. Demand for semiconductor application' s end industry for semiconductor components has experienced a growth shortage problem in 2021. In the second half of 2022, the overall supply chain has been greatly improved, with only some automotive electronics in short supply, leading to the growing problems of high inventory in the overall supply chain. The phenomenon of high inventory on the of downstream customer demand side has reached its peak in the third and fourth quarter of 2022. Therefore, "striving to reduce inventory" has become an inventory issue and risk for the entire supply chain, and the phenomenon of high inventory is estimated to take another three quarters (i.e. after the first half of 2023) to complete the gradual adjustment.

In the face of supply chain inventory risk, the Company has adopted the following mitigation strategies:

1. Care must be taken to prevent inventory value loss and capital chain breakage risks.

Due to the sequential nature of enterprise procurement, order acceptance, inventory, payment, and sales to customers, there is not a single time point where all delivery and payment items are completed. The closer you get to the IC component distributors of electronic product end consumers and electronic controlled finished product manufacturing, the more it is necessary to verify the ability to pass them on to customers. Therefore, procurement and inventory policies must focus on the "entire supply chain" and "end user demand", and must be a comprehensive and important, independent part of each supply chain node, such as sales and career planning, forecasting and demand, response and supply, demand-driven replenishment, and inventory planning. Even on inventory items, it is necessary to check the ability to pass on and adjust the procurement and inventory policies in a timely manner, and avoid excessive price chasing due to inflation. Care must be taken to prevent inventory valuation loss and the risk of capital chain breakage.

2. Control Measures for Prevention of Sluggish Inventory

Sluggish inventory needs to be traced back to the source to prevent and detect sluggishness in advance. To comprehensively prevent the generation of sluggish inventory 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 dealing with problems encountered in operations and management in a timely manner.

- (1) Prevention in the design stage: It is necessary to comprehensively consider the versatility, cost, cost performance and supply capacity of materials.
- (2) Business Department' s Response Measures:
 - a. 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 discouraging 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 vendors when the change occurs, to allow timely cancellation of orders for products that have not yet been purchased, in accordance with contract specifications to prevent the generation of sluggish materials. For sluggish materials that have already occurred, the Business Department should put forward corresponding handling opinions.
 - b. Improve the accuracy of sales forecasting, focus on making reasonable predictions of market demand for corresponding products from customers' historical sales data, operating capacity, inventory situation and market changes.
 - c. Stocking sluggishness caused by changes in a customer's plans shall be borne by the customer under certain conditions.
 - d. The Business Support and Warehousing Departments strictly implement the principles of first-in, first-out, regularizing inventory to ensure accurate inventory information.

3. Response measures for improving the handling of sluggish inventory

For sluggish inventory that have been produced, we follow the principle of "whoever generates it is responsible for processing it." The responsible department thus must find a way to deal with it and minimize losses. Since sluggish inventory loss caused by external factors can be passed on, the focus of sluggish inventory control should be on solving issues with sluggish inventory caused by internal factors. In addition to the need to reorganize the sluggish inventory handling process, determine responsibility for handling sluggish inventory, and link this with department performance, the main ways to reduce sluggish inventory are as follows:

- (1) Internal Reductions
 - a. For sluggishness that has already been created, the Business Department should process and update sluggish inventory on a monthly basis.
 - b. Direct scrapping,
- (2) Reduction of External Linkages
 - a. Customer bears change losses: 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, otherwise the customer is responsible for losses from sluggish materials.
 - b. Returning inventory to vendors: If the packaging and product are intact, returning the stagnant inventory, using rights under the distributor agreement with the vendor can reduce the Company's stagnant inventory and also reduce the Company's backlog of funds.
 - c. Market reduction: By digesting or marketing in the same industry, business units can find opportunities to sell sluggish materials to companies that may be able to use them.

Management of Material Contingencies

Ensure that all board members are promptly and fully aware of major unexpected events relating to the Company, in order to enable directors to better fulfill their responsibilities and requirements, On January 13, 2023, Weikeng Industrial submitted a report to the Audit Committee and the board of directors, adding the "Reporting Procedures of Material Contingencies" to the "Operating Procedures for Handling Material Inside Information".

Material Contingencies

It refers to the occurrence of the following events that may cause or have caused significant damage or impact relating the finance and business, human rights interests of various stakeholders, corporate governance, or the price of the Company's issued securities, where possible losses amount of NT\$5 million or more.

- Human or natural disasters (such as earthquakes, floods, fires, storms, and such).
- Fraud cases stemming from poor internal control or significant operational negligence.
- Receipt of a major whistleblowing incident.
- Significant property losses in terms of business.
- Media coverage sufficient to adversely affect credibility.
- Occurrence of a major information cyber security incident which harms the rights or interests of stakeholders or impacts the normal operation of the Company.
- Occurrence of a protest or strike.
- Other major exceptional events that are not solely based on the amount of loss as the absolutely critical factor. Those non-quantifiable events which have not caused any amount of loss, but have the risk of endangering the normal operation or reputation of the Company also belong to this category.



Reporting Procedures of Material Contingencies

1

The head of the department or jurisdictional department where the incident occurred should immediately report to the supervisor of the department responsible for handling internal material information designated in this procedure, and the Execution Office of the Sustainable Development Committee along with its "Risk Management" team members.

2

The head of the designated responsible unit for handling internal material information mentioned above shall not only evaluate whether to release the material information according to regulations, but also immediately report to the CFO and Corporate Governance Director.

3

The CFO should immediately activate the risk management mechanism, convene the Execution Office of the Sustainable Development Committee and its "Risk Management" team members, Corporate Governance Officer, Legal Director, Audit Director, Financial and Accounting Directors, and the head of the department or jurisdictional department where the incident occurred, to jointly analyze and identify the cause of the incident. The degree of impact (including but not limited to the amount, spillover effects, and tolerance of the incident) and the response method of the incident shall be integrated into a report. After the review by the President and the Chairman, all board members shall be notified, to allow timely and full grasp of the incident, and remedial measures or responses shall be taken in the shortest possible time to minimize any losses or reduce them below the acceptable tolerance level of the Company.

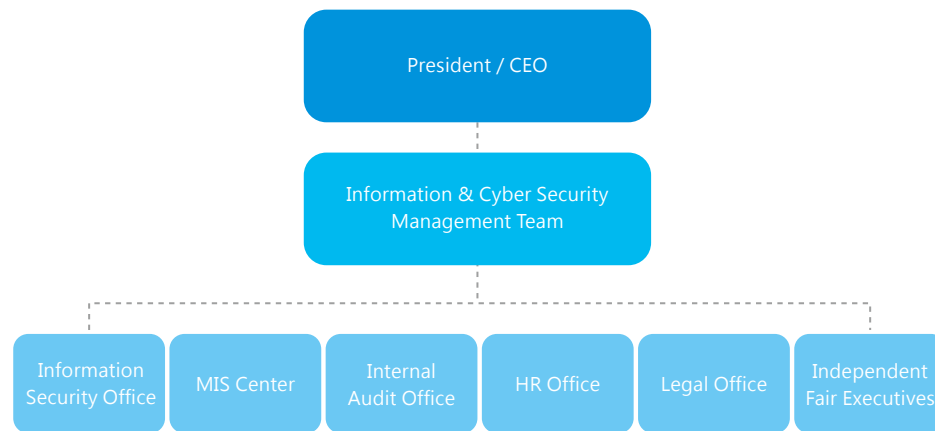
4

Major accidental events, regardless of whether still being dealt with or afterwards, should be summarized and promptly reported to the Sustainable Development Committee for approval, after being reported to the board meeting for discussion and resolution.

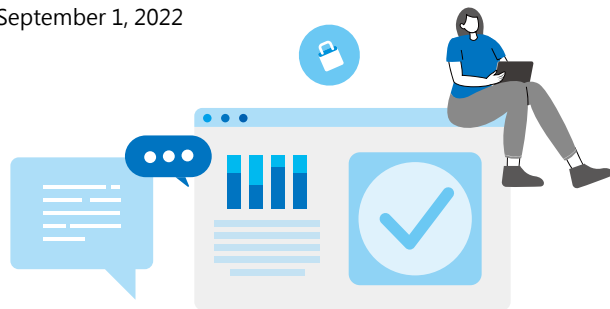
2.6 Information and Cyber Security Management

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/CEO serves as the convener of the information and cyber security management team. In addition to the Information Security Office, the information and cyber security management team includes the information center, internal audit office, HR offices, legal office 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 infocomm security incidents, and the infocomm security policy shall be evaluated at least once per year.

Information and Cyber Security Management Framework



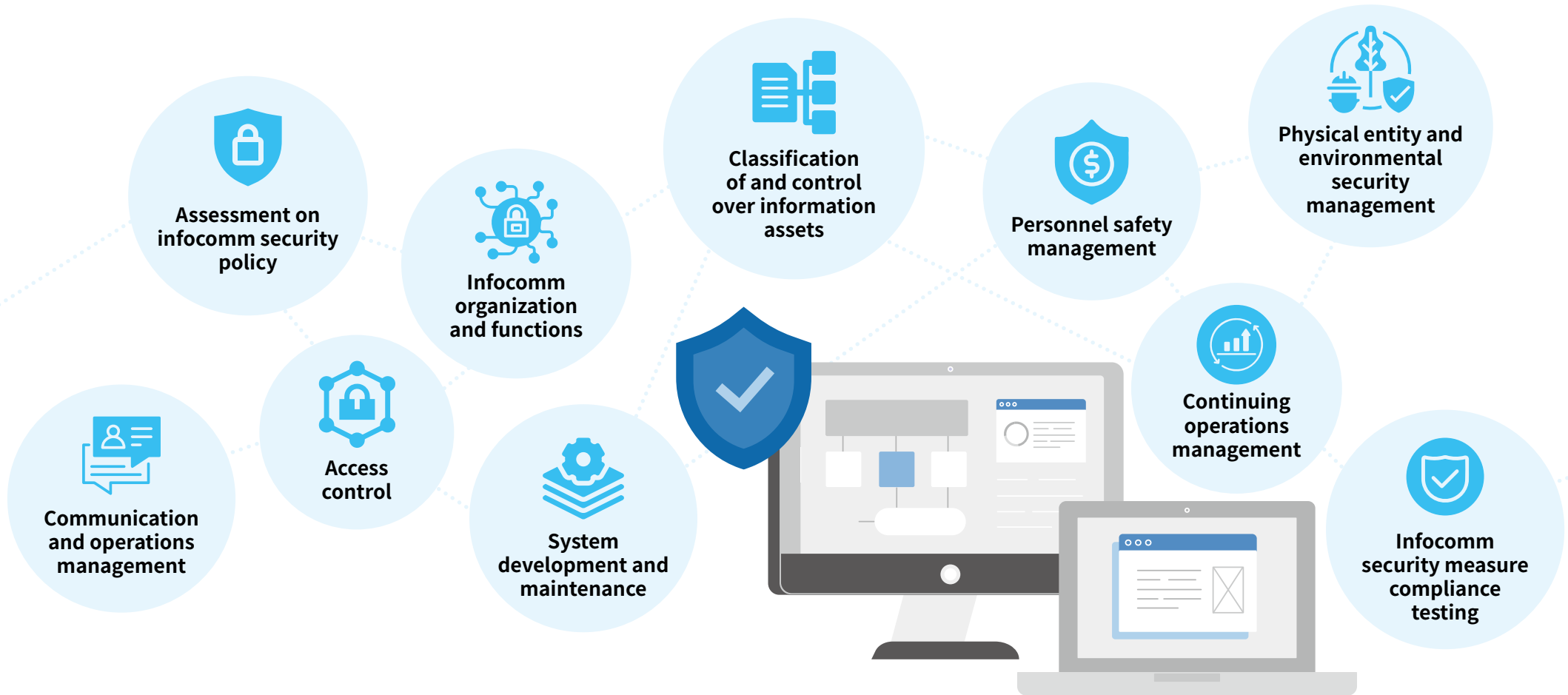
Updated on: September 1, 2022



Information Security Office	Information Center and Legal Office	Audit Office
Establish the Company's infocomm security policy, strategies, and projects, propose infocomm security and sustainability planning, loss and fraud prevention, as well as privacy protection for employees, information assets, and technologies.	Comply with the policy strategies, and projects proposed by the Information Security Office, be responsible for plans, measures and technical specifications related to infocomm security, and matters related to the research, construction and evaluation of safety technology.	Collaborate with the Information Security Office, the Information Center, and other relevant units to handle maintenance of information confidentiality and audit related management matters.
HR Office	Legal Office	Independent and objective supervisors (management level of each business unit and functional unit)
Handling safety assessment of new recruits.	Review of project contracts, and timely publicity and training on information ethics laws and regulations, including but not limited to, privacy, correctness, ownership and rights of use.	Handle the study of security requirements for data and information systems, user management and protection, as well as authorization advice, assessment and management of personnel able to access confidential and sensitive information.

Information and Cyber Security Policy

The infocomm security policy refers to the adoption of a requisite and cost-effective means, measure or mechanism to protect the management, operation and technology security, in order to effectively protect the Company's information assets from any unfair use, disclosure, tampering, theft or destruction, and take necessary responsive actions promptly, to facilitate recovery of normal operations immediately in case of emergencies such as malicious attacks, destruction or unfair use, and mitigate any damage caused that may potentially affect or compromise the Company's operations.



For detailed information, please refer to the "Information and Cyber Security Policy and Management Regulations" on the Company's website. [↗](#)

Training for Information Security Supervisors and Dedicated Personnel

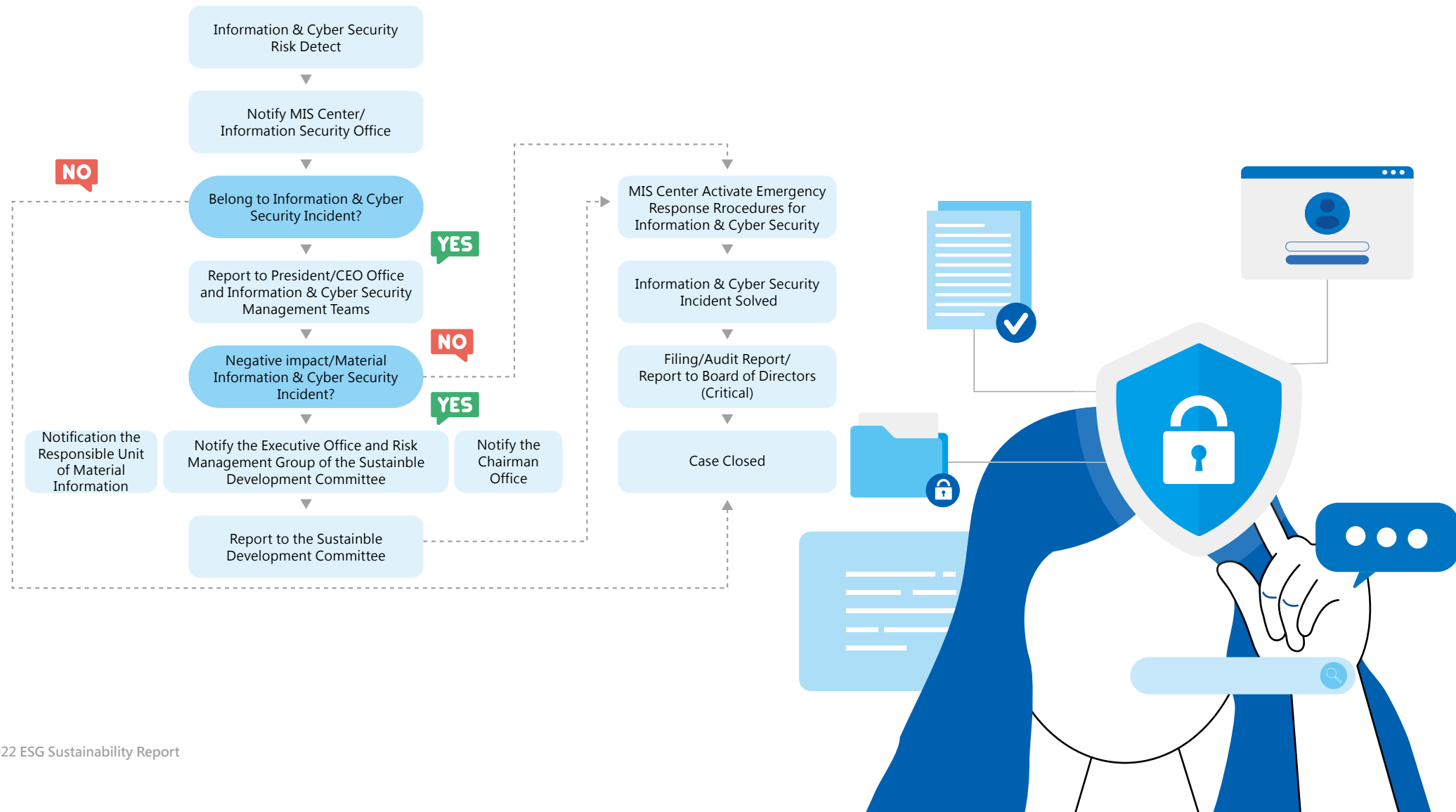
2022 Information Security Training Status			
Organizer	Name of Course/Activity	Date/Hours	Participants
Ucom Information Technology CO.,LTD	<p>CISM International Information Security Manager Certification Course</p> <ul style="list-style-type: none"> Information Security Governance Information Risk Management Information Security Plan Development and Management Information Security Incident Management 	March 14 to March 17, for a total of 28 hours	Information Security Office supervisor; obtained the study certificate from the Computer Audit Association.
CYBERSEC 2022, Taiwan Information Security Conference	C-X-O information security thinking and challenges under ESG trends	September 20, for a total of 2 hours	Supervisor of Information Security Office
	Actively strengthen early warning capabilities, how to create effective key risk indicators (KRI) and key performance indicators (KPI)		
	Next-generation SIEM (Security Information and Event Management) platform – FortiSIEM, AI-driven security operations		
	Advanced Endpoint Security Protection Planning	September 22, for a total of 1.5 hours	Deputy of Information Security Office
	Zero Trust Information Security Forum - The layout of zero trust architecture from the perspective of the Chief Information Security Officer		
	Ransomware Forum - In the face of indiscriminate attacks by advanced ransomware, can your defense strategy keep up?	September 20, for a total of 1.5 hours	Deputy of Information Security Office
	Zero Trust Information Security Forum - Virtual and Real Exploration of Zero Trust Framework		
	Unknown risks are the biggest risks. Thoroughly grasping the potential loopholes of equipment, software and personnel from point to point allows the precise implementation of enterprise information security management policies.		
	Fortinet Security-Driven Networking – Easy deployment of a secure network environment	September 21, for a total of 1 hour	
The operating system is frequently upgraded, and the application software cannot keep up with the changes. AOD Cloud on Demand assists enterprises in sustainable operation.			
Speedrun! The shortest attack path for a Linux server!			
New Generation Information Security Situation Command Center			

2022 Information Security Training Status

Organizer	Name of Course/Activity	Date/Hours	Participants
CYBERSEC 2022, Taiwan Information Security Conference	Ransomware Playbook CISO's Ransomware Playbook	September 22, for a total of 2 hours	Deputy of Information Security Office
	"Work from home" to "Work anytime, anywhere" - digital transformation in the post-pandemic era with a zero-trust approach		
	Security guard! Can a website be hacked and hacked again?		
	Manage open source software vulnerabilities through the product development process.		
Marsh, Taiwan	Risk Management Workshop <ul style="list-style-type: none"> 2022 Global Information Security Resilience Survey and Information Security Insurance Trends Emerging Risks and Opportunities for Enterprises - Climate Change Practical Work Sharing on Enterprise Risk and Continuous Operations Management 	September 23, for a total of 3.75 hours	<ul style="list-style-type: none"> Supervisor of Information Security Office Special Assistant to the Chairman's Office/ Sustainable Development Executive Office
TPEX official website	<ul style="list-style-type: none"> Explanation of the "Guidelines for Information Security Management and Control of Listed TWSE and TPEX Companies" Introduction to Global and Domestic Information Security Development Trends 	October 31, for a total of 2.5 hours	<ul style="list-style-type: none"> Supervisor of Information Security Office Deputy of Information Security Office
Taiwan Computer Emergency Response Team/ Coordination Center (TWCERT/CC)	BLUE TEAM Information Security Drill Course (Splunk platform course)	November 17, for a total of 3 hours	<ul style="list-style-type: none"> Supervisor of Information Security Office Deputy of Information Security Office Acquired study certificate (BLUE TEAM Information Security Exercise) of Taiwan Network Information Security Center (TWNIC) and Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC)

Information and Cyber Security Incident Notification Procedure

In 2022, there were no incidents of infringement of customer privacy or loss of customer information, nor any loss or impact on operations or goodwill due to major information security incidents.



Sustainable Supply Chain and Environment

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3

| Technology Research and Development and Customer Relationship Management Policy |

Technology Research and Development and Customer Relationship Management Policy	
Major Issues	Technology R&D, clean technology opportunities, 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 customer support to meet customer needs and improve service efficiency. Therefore, important ways by which the Company can create demand value lie in improvements to the technical level of the Company, providing customers with solutions quickly, improving customer satisfaction and expanding product agency. The climate change issue has become the most important environmental and economic issue for enterprises, and assisting vendors and customers to actively invest in clean technology, reduce energy consumption and costs, and reduce carbon emissions are the main business goals of the Company, as well as being important issues for various stakeholders who focus on sustainable development.
Negative Impacts	There was no incident of actual negative impact. If there are problems with economic performance and risk management, it will be a direct or indirect impact on the organization.
Objectives	<p>Short- and medium-term objectives</p> <ul style="list-style-type: none"> ● Improve customer satisfaction with custom label formulation controlled by date code and bar code management, to meet the special needs of individual customers. ● Assist customers in solving supply chain management problems, and act as a communication bridge between customers, vendors and related supply chain links to provide solutions that meet customer needs. ● In 2023, the total relevant R&D expenditure of Weikeng Industrial was expected to be approximately NT\$140,118 thousand. <p>Long-term objectives</p> <ul style="list-style-type: none"> ● Make good use of the Company's strength in professional technical services and cooperate 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 that is technology oriented. ● Due to trade brinkmanship and the pandemic, which affect the diversified strategy of customer production bases and supply chains as well as cross regional transfer within the Asia Pacific region, the Group must strengthen support, service level and flexibility. ● 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.
Responsibilities	<ul style="list-style-type: none"> ● The Product Marketing Division takes the lead in finding new agencies, closely monitors and evaluates 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 assistance and demand creation services.

Technology Research and Development and Customer Relationship Management Policy

Major Issues

Technology R&D, clean technology opportunities, and customer service and satisfaction

Specific actions

- A real-time goods inquiry platform was built in 2021.
- Plan and improve the talent cultivation and social responsibility of application engineers (FAE/AE) to retain technical talents.
- In 2022, Weikeng Industrial's research and development expenses were NT\$133,093 thousand.
- The Company creates added value with industry-leading application technology promotion capabilities. The ratios of technical research and development personnel to business personnel in 2022 are as follows:
 - Every 1.8 business personnel * 1 technical engineer (Taiwan base).
 - Every 2.3 business personnel * 1 technical engineer (mainland China base).
- Provide professional customer service/business support personnel (including locations in Taiwan, Hong Kong, mainland China, and Singapore, the Group has a total of nearly 260 related business assistants and support personnel) and match the business to meet the various needs of customers and improve customer satisfaction.
- The Company provides professional customer service/business support personnel, and these personnel must undergo systematic training according to their responsibilities in order to enhance customer service quality. In addition, for special cases, experience sharing shall be used for relevant personnel's timely awareness and improvement.

Management Evaluation Mechanism

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

Implementation Results

- In 2022, a total of 9 companies authorized the franchise of their electronic component products or semiconductor equipment to the Company.
- In 2022, the overall Group served approximately 6,230 customers.
- Out of the consolidated sales of the Group in 2022, those requiring the provision of technical customer services accounted for about 85% of total sales.
- In 2022, FAE/AE participated in a total of 1,767.5 hours of training courses by vendors.
- In 2022, FAE/AE assisted in developing applications for solar energy, electric vehicles or energy-saving products for a total of 7 customers, with a total of 47 special projects.

Stakeholder communication

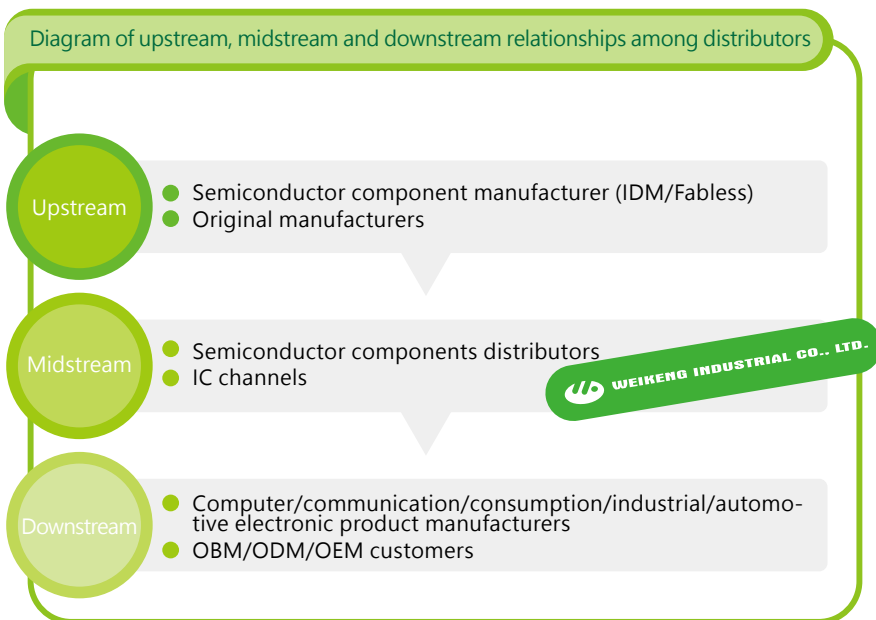
After receiving customer feedback, the customer service department or the corresponding business unit will immediately respond to customer requests and discuss follow-up measures to ensure smooth cooperation between customers and vendors.

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 person: https://www.weikeng.com.tw/contact_us.php

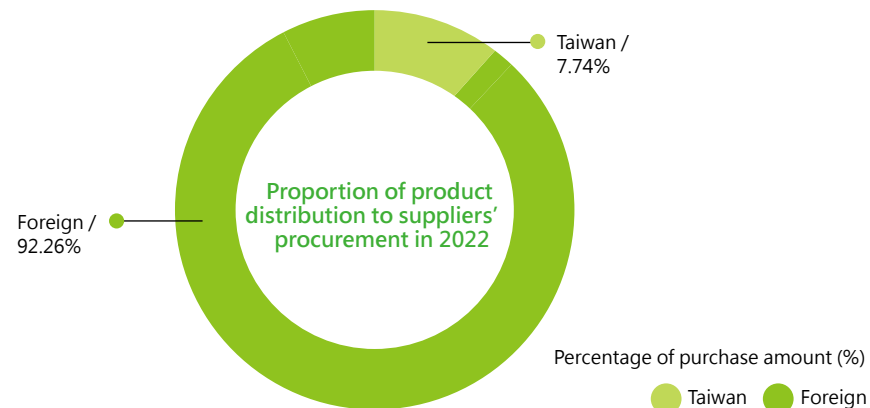
For stakeholder communication, please refer to 1.2 Stakeholder Identification and Communication.

3.1 Supply Chain Management

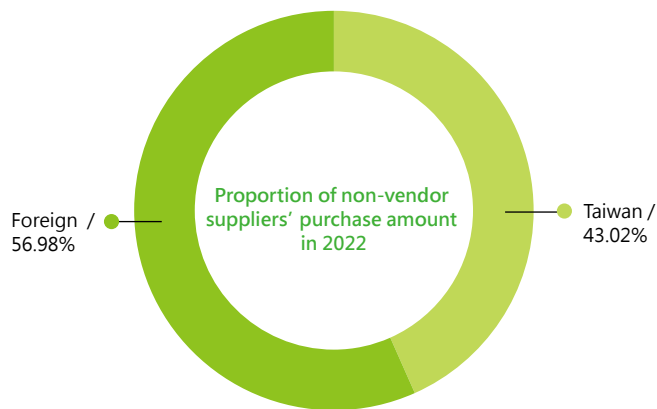
Weikeng is a distributor of IC semiconductor components and computer peripheral equipment. The upstream of the distributor supply chain mainly constitutes a range of semiconductor component manufacturers, while the downstream is mainly manufacturers of information, communication, consumption, industrial, automotive and other end products. For upstream manufacturers, they can build a complete sales and technical service network to reduce selling and administrative expenses by eliminating the need to deal with many customers directly, and also 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, reducing their R&D expenses, providing analysis and recommendations regarding 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 vendors and customers; much more than just a simple buying and selling relationship.



In 2022, Weikeng's suppliers of products for franchise or distribution, including business cooperation (vendor and non-vendor) suppliers of semiconductor electronic components, and channel product suppliers, totalled 124 (41 in Taiwan and 83 overseas), with a Taiwanese procurement amount ratio of 7.74%. In addition to the above, there is more general procurement (including logistics, general affairs and IT), for a total of 205 suppliers (126 in Taiwan and 79 overseas), with a Taiwanese procurement amount ratio of 43.02%.



Suppliers of product franchise and distribution	Number of companies	Percentage of purchase amount (%)
Taiwan	41	7.74
Foreign	83	92.26
Total	124	100.00



Percentage of purchase amount (%) ● Taiwan ● Foreign

Purchase type	Purchasing region	Number of companies	Percentage of purchase amount (%)
Logistics	Taiwan	46	39.36
	Foreign	72	56.55
General matters	Taiwan	68	2.73
	Foreign	2	0.18
Information	Taiwan	12	0.93
	Foreign	5	0.25
Total		205	100.00

Note:

- Foreign refers to non-Taiwan regions.
- The range of procurement data is primarily based on Weikeng Industrial Co., Ltd. (the parent company of Weikeng Group Taiwan).
- The statistics of product franchise and distribution suppliers includes non-signature franchise suppliers. However, because some non-signature franchise suppliers only purchase or allocate goods one time only, the number of product franchise and distribution suppliers in 2022 decreased in comparison to 2021; the reduced number of suppliers does not include important vendors.
- Non-vendor general suppliers include suppliers of non-semiconductor electronic components and information channel products such as logistics, general matters and information.
- Logistics refers to import/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.


| Supply Chain Management |

Weikeng, as a franchisee and distributor, focuses on environmental protection issues and customer needs, actively integrates the upstream (vendors), midstream (the Company), and downstream (customers) of the industry to form a green supply chain management system, in order to reduce the impact of products on the environment.

● Vendors


The Company's major vendors are all internationally renowned IDM or fabless companies. They have invested management resources in the five major areas of labor, health and safety, environment, code of ethics, and management systems to meet the requirements of the Responsible Business Alliance (RBA)/Electronics Industry Citizenship Coalition (EICC). In addition, Weikeng has requested that the vendors promise or provide a declaration that they will not purchase products containing conflict minerals, and requests to check, either regularly or according to customer requirements, vendors' conflict mineral product management policies, and whether they have conducted research through mineral source country surveys and other public information for information tracking and recording.

Weikeng has established a Green Product Management (GPM) Department to strictly control any harmful substances in agent product lines, contributing to a sustainable environment:




Communicate with and request of upstream vendors

In addition to requiring consistent quality, the Company expects upstream vendors 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, and so on. All processes that will impact the environment are taken into consideration, fostering a renewable, circular economy.



Compliance with 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 legislation of various countries, to ensure that they can be safely handled, used, stored, transported, recycled, reused and disposed of. Examples of such standards include: Restriction of Hazardous Substances (RoHS); Registration, Evaluation, Authorization and Restriction of Chemicals (REACH); and Substances of Very High Concern (SVHC), regulations set by the European Union. In addition, the Company requires upstream vendors to provide 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 facilitate the provision of it together with Data Sheets to customers in the sales process, in order to ensure that the electronic parts and components sold by the Company to its customers comply with international regulations, and to prove that the products comply with environmental regulations, are safe in use, and meet health requirements.



Green supply chain management platform

We upload to the customer's green supply chain management platform documentation concerning the applicability of the EU RoHS, REACH, conflict minerals, and so on, of upstream vendor products.

Through publicly disclosures on the official websites of key vendors, the Company collects information on their practice regarding issues such as environmental protection, sustainable operations, use of conflict minerals, social responsibility, related quality certification, and other such issues. The disclosure is as follows:

Key vendors information disclosure

Compliance item	AMD	Infineon	Lattice	Microchip	Molex	NXP	Vishay	WD
RoHS	●	●	●	●	●	●	●	●
REACH	●	●	●	●	●	●	●	●
Conflict-free minerals policy/responsible mineral sourcing policy	●	●	●	●	●	●	●	●
Member of the RBA ^{note}	●	●		●	●	●	●	●

Validated by the system

Compliance item	AMD	Infineon	Lattice	Microchip	Molex	NXP	Vishay	WD
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)		●						

Important vendors means the eight whose total sales accounted for more than 60% of the total of Weikeng' s vendors in 2022.

For RBA Alliance members, please refer [\[2\]](#)

To ensure that the original vendors have not violated environmental regulations and that all procurement operations comply with human rights procurement, we will provide the original vendors' environmental commitments and declarations of not using conflict minerals (86 copies signed by the end of 2022) according to customer requirements, and request that vendors fill out Conflict Minerals Reporting. In addition, most high-tech technology sources for vendors come from Europe and the U.S. All European and U.S. vendors will require distributors to comply with relevant import and export laws of the U.S., and if there are human rights violations, the U.S. will impose certain penalties in accordance with relevant import and export laws and regulations. Therefore, we must comply with the content of import and export regulations in the U.S. In addition, per the distributor agreement signed between the Company and vendors, as of the end of 2022, a total of 18 vendors have directly stipulated that distributors must comply with U.S. import and export regulations. This directly includes human rights protection in the contract, with the joint constraints signed by both parties. In 2022, we had no incidents involving violations of health and safety regulations related to products and services, and there were no voluntary violations.

● Non-vendor Suppliers

Weikeng emphasizes “ethical corporate management”, “risk management” and “supply chains optimization”, and requires its operation system partners to commit to providing responsible, quality, and legal supply chain services to Weikeng in all economic, environmental and social aspects.

For non-vendor suppliers (contractors and government suppliers, etc.), there is a "Code of Conduct for Suppliers" that covers ethical standards, labor rights, occupational safety and health, and environmental protection. It was approved by the board of directors in 2020, with the aim of creating a positive cycle among partners and leveraging the sustainable influence of the responsible supply chain as part of the Company's operational support system and supply chain management activities, thus enabling relevant partners to do their best to provide a safe working environment, dignified labor relations and ethical operations, as well as cooperating to promote environmental protection. If there is a violation, the cooperative relationship with them may immediately be terminated and compensation for any damages may be requested. In addition, for non-vendor suppliers, their compliance with the relevant labor activities, human rights and environmental norms of the RBA Responsible Business Alliance will be checked, based on their self-declaration. If non-vendor suppliers have any violations of the RBA, they will be subject to a deadline for improvement or termination of business cooperation, depending on the severity of the situation.

● Customers

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 from the product line's vendors, to confirm that the product is indeed in line with the relevant environmental protection requirements. In 2022, customers requested the Company sign relevant environmental protection commitments, and based on the self-declaration provided by vendors confirmed to be compliant, the Company signed a total of 49 environmental commitment letters.

● Contractor Management

In order to ensure the safety and health of the Company's workers and assets and contractors' construction personnel in the working environment, as well as to effectively prevent accidents and environmental pollution, so as to allow contractors and self-employed individuals engaged in repair or other operations to comply with safety and health regulations, the Company followed the Occupational Safety and Health Act and relevant laws and regulations and formulated the "Procurement Safety and Health Management Measures" and the "Contractor Safety and Health Management Measures". If there are violations of the above labor activities, human rights and environmental regulations, anyone working in the Company can make an accusation, and the occupational safety and health management unit or personnel shall fill out the "Notice of Contractor's Violation of Construction Norms and Regulations" according to the "Contractors' Safety and Health Management Measures" which allow for fine impositions and improvements to be required within a specified period of time.

Procurement safety and health management measures

- The procurement unit should assist the equipment unit in requesting the supplier provide relevant safety regulations and verification materials. Only when the supplier commits to compliance with the regulations above can the procurement permit be issued.
- During the construction period in the Company's workplace, for those who are employed by the contractor, the contractor shall appoint: a responsible person for occupational safety and health management of personnel, special operation supervisors, and construction site supervisors to carry out commands, supervision and automatic inspection points of the facilities used in the contracted parts.

Contractor safety and health management measures

- Before signing a contract with a contractor or carrying out construction, the contracting unit must explain to the contractor the Company's "Contractors' Safety and Health Management Measures" and "Contractors' Occupational Safety and Health Rules for Construction", as well as convey the Company's safety and health related management procedures and regulations.
- The contractor must, in accordance with the Occupational Safety Act, take necessary protective measures in advance for various possible disasters or accidents, and provide necessary protective facilities and materials for its personnel to maintain their own safety during construction.
- The contractor shall implement safety and health training for its personnel in accordance with the Occupational Safety Act and the Occupational Safety and Health Training Rules.
- Contractors shall not engage in environmental pollution activities (including air pollution, wastewater, waste, noise, etc.).

As of the end of 2022, 65 non-vendor suppliers/subcontractors have signed the Code of Conduct Commitment of the Responsible Business Alliance (RBA).

● Outsourced Vendor Management

For outsourced vendors, such as outsourced storage management and product program burning, we regularly review their operating sites and conduct compliance inventory assessments of standard operating procedures, as well as performing spot checks if required.

3.2 Technology Research and Development

Climate change has made energy saving and carbon reduction a major issue for electronic and electrical products. As a distributor of IC semiconductor parts and components as well as computer peripheral equipment, Weikeng actively seeks opportunities to serve as the agent for product solutions, and hopes to thereby contribute to energy-saving and carbon-reducing products. The Company has been actively seeking the franchise 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, and other such green business opportunities. Climate change has also increased global demand for green energy industries, and we are therefore investing in the discovery of related opportunities. This is also 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 important for Weikeng, and our major upstream vendors. Therefore, related power semiconductor applications are extremely important. With upstream vendors actively expanding their R&D into compound/Group III semiconductor products, the electric vehicle and industrial application markets such as solar energy, electric vehicles, and fast charging are undoubtedly major targets.

I. Cooperate with international (domestic) vendors/customers on FAE/AE, 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 Marketing Development Division and a FAE Division in order to provide technical services and product solutions to customers, and enhance the value and efficiency of our sales and logistics services. The Company plays a role in linking technologies 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 introductions to customers, and assist and lead in the promotion of green design.

2

Strengthen the Company's internal research and development, technology and support capabilities, and build digital solutions for smart cities and energy-saving and carbon-reducing products, such as 5G, BEV, AIoT, digital energy conversion, and energy storage devices.

3

Educate the employees of the Company in reducing carbon emissions and engineering waste, and the recycling of resources, as part of the research and development process, and promote these principles to customers.

4

Address climate risks, and create low-carbon benefits, and improve the health of post-pandemic digital life, thereby contributing to social progress, 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 pro-active efforts of the "Marketing Development Division", Weikeng has successfully franchised the product lines of well-known semiconductor manufacturers both domestically and internationally, and even successfully maintained or expanded the franchise of merged upstream vendors. In addition to continuing to establish a firm foothold in 3C electronic applications, the FAE Division also actively provides technical support for IC products from vendors 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 the service level to strengthen the cooperative relationship with vendors and customers. Furthermore, the Solution Division is moving into the field of R&D and design, specializing in overall product reference solutions.

In the supply chain of semiconductor components, although the Company plays the role of distributor, it does not participate in the product manufacturing process, but actively develops clean technology related product solutions through FAE/AE and with customers. The Company has cooperated with vendors/customers to create value advantages with industry-leading application technology and promotion capabilities. In the Taiwan base, there is one technical engineer for every 1.8 business persons; in the Chinese Mainland base, there is one technical engineer for every 2.3 business persons. To help the overall move of the high-tech industry towards low-carbon and high-value transformation and upgrading of smart cities (5G, AIoT, HPC, Datacenter, EV, etc.), and to provide services in response to climate change, the Company promotes 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-design electronic products and products with higher energy efficiency will help us meet customer needs and create opportunities for market expansion. In 2022, FAE/AE assisted in developing applications for solar energy, electric vehicles or energy-saving products for a total of 7 customers, with a total of 47 special projects.

Future Development Direction:

1

High-performance, low-power consumption platinum-grade power supplies which make servers and network equipment more efficient in their energy consumption.

2

For the power management system of charging stations and lithium batteries, we hope to devote ourselves to promoting the development of electric vehicles to achieve the environmental benefits of reduced exhaust emissions, energy saving and carbon reduction.

3

Through the promotion of the Internet of Things, smart homes, low-power LEDs, and smart grids, energy efficiency can be improved.

4

Through promotion of USB Type-C chargers and the sharing and recycling of chargers, reduce the harm to the Earth from e-waste generated by obsolete traditional chargers.

5

Encourage customers to purchase low-power module products, including low-power energy-saving power management chips and low-power consumption microprocessors. Environmental impact is already taken into account in the design phase of innovative electronic products. The Group III material product silicon carbide (SiC), for example, demonstrates the excellent performance of green products.

3.3 Customer Relationship Management

| Customer Communication and Commitment |

Although Weikeng is not a member of the Responsible Business Alliance (RBA), nor a member of the Customs-Trade Partnership Against Terrorism (C-TPAT), as a part of the world's electronics industry supply chain, we provide various services and act as a bridge between vendors and suppliers and the world's major electronics manufacturers, in our role as a distributor. We also attach great importance to trade security, including supply chain security management. As a distributor, the responsibility is to promise to comply with this code of conduct in the provision of services relevant to the environment in which they are provided, and to work with logistics services entrusted by the Company to promise to comply with international initiatives related to trade security regulations. In December 2022, Weikeng was approved by Keelung Customs, the Customs Department of the Ministry of Finance as a "General Quality Enterprise" with the number AAC100000900, and a term from December 3, 2022 to December 2, 2025.





From 2008 to the end of 2021, the Company has signed a total of 43 relevant contracts (16 in 2022), 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 1}. From 2016 to the end of 2022, a total of 37 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 2}.

Note:

1. The Responsible Business Alliance (RBA) Code of Conduct covers five aspects: (1) labor, (2) health & safety, (3) environmental, (4) ethics, and (5) management system.
2. Trade security aspect: Strengthen safety measures and management in terms of facilities, personnel, procedure and shipment 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, training, declaration of manifest procedures and transportation security. In addition, C-TPAT members also require their business partners or third-party vendors to collaborate to consolidate 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.
	Child labor	<ul style="list-style-type: none"> Enterprises should establish appropriate mechanisms to verify the ages of workers (child labor is under the age of 15). If child labor is found, remedies should be provided.
	Humane treatment	<ul style="list-style-type: none"> Added the items "gender-based violence," "sexual abuse," "bullying," and "public humiliation" .
	Non-discrimination/non-harassment	<ul style="list-style-type: none"> Added the item "non-harassment" to not let employees or prospective employees accept discriminatory medical tests or physical examinations.
 Health and Safety	Occupational safety	<ul style="list-style-type: none"> Emphasize graded control measures for prevention and maintenance of safety at work.
	Emergency preparedness	<ul style="list-style-type: none"> Stipulate the frequency of emergency response plan drills, which is 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 and should not be subjected to any retaliation for doing so.
 Environment	Exhaust emissions	<ul style="list-style-type: none"> Ozone-depleting substances are to be 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 announce 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 that our customers are able to access the CSL at all stages of operations, 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 2022, Weikeng's business practices were in compliance 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 260 related business assistants and support personnel who coordinate with the business to meet the needs of customers. The company website also has product consultation windows, with specialized product consultation windows for different product lines to provide customers with professional contacts. In addition, for general customers' non-product related opinions, there are contact methods and message and suggestion boxes by stakeholder categories, so that customers can reflect questions in a timely manner.

After receiving feedback from customers, the Company immediately responds to their requirements and addresses follow-up measures through discussions with relevant departments, as well as with customers and vendors, to ensure that products and services meet customer needs. In response to customer complaint cases, the Company will hold a cross-department discussion meeting to fully discuss the causes, related issues, process and operations, and improvement plans, and provide them to customers as a basis for improving customer service quality.

Remark: For product complaint channel, please refer to 1.2 Stakeholder Identification and Communication - Stakeholder Appeal and Accusation Channels.

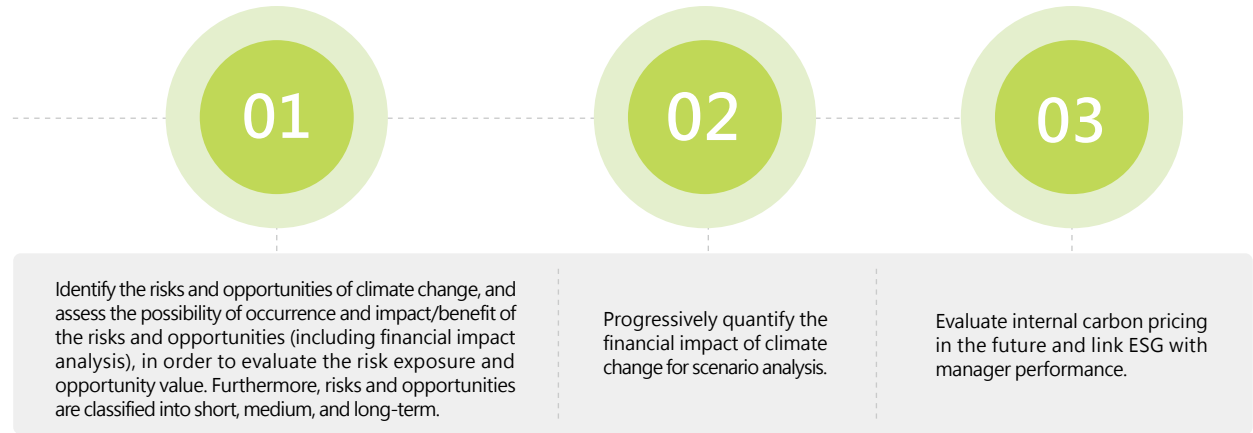
In order to improve customer satisfaction, we developed customized labels and control, and meet the special needs of individual customers through date code control. In 2021, a new real-time cargo condition inquiry platform was built to query the tracking of goods by the Company's shipment order numbers. It is connected with the air logistics transportation website to accurately gather real-time information on logistics and cargo conditions.



3.4 Response to Climate Change

To implement the climate change-related opportunity and risk management mechanism, the Company has focused on the 4 pillars of the Task Force on Climate-related Financial Disclosures (TCFD): governance, strategy, risk management, and metrics and targets. The Company considers enjoying a clean, healthy, and sustainable environment to be a basic human right, hence its climate risk management and sustainable goals are reinforced in a bid to achieve the goal of controlling global warming by 1.5°C and realizing "climate neutrality".

The Company has formulated a 3-stage measure



| Climate Change Governance |

According to the first core element of TCFD, which is "governance", the risk and opportunity management mechanism of climate change is included in the "Policy and Procedures of Risk Management" approved by the Sustainable Development Committee and the board of directors on September 28, 2022, with the board of directors serving as the highest decision-making unit in terms of governance and management structure. The Sustainable Development Committee, which is convened by independent directors, oversees and manages liabilities, and regularly reports on the implementation of risk and opportunity management to the board of directors. "Executive Office", "Sustainable Development Group", and "Risk Management Group" are established under the Sustainable Development Committee to assist the Sustainable Development Committee in carrying out its risk management responsibilities.

The issues related to climate change risks were discussed by the Sustainable Development Committee on December 28, 2022, and submitted to the board meeting on January 13, 2023. In the future, it will continuously track and report the management progress to confirm the achievement of expected goals.

On climate change related countermeasures, the implementation office and senior managers of each business unit and functional unit assist in the identification of risk factors and risk control. This is to make the risk management organization's command and dispatch and self-evaluation and implementation more efficient. Furthermore, relevant risk assessments are regularly conducted in operation meetings to formulate countermeasures and reviews.

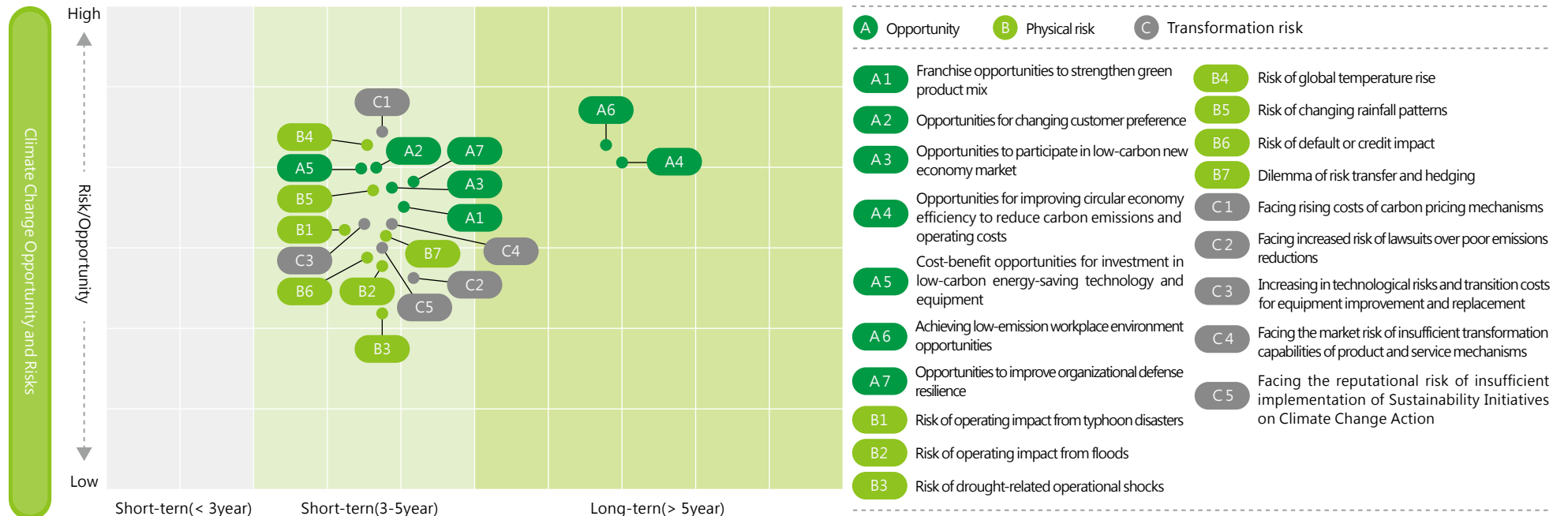


Risk and Opportunity Identification

According to the second core element of TCFD, which is "strategy", in November 2022, the Sustainable Development Executive Office, Risk Management Team, and senior managers of each business unit and functional unit identified and analyzed climate change risks and opportunities (including for the Taiwan parent company, China/Hong Kong subsidiary and Singapore subsidiary) based on scenario analysis and PESTLE (Political, Economic, Social, Technical, Legal and Environmental) analysis. There are listed 7 physical risks, 5 transformational risks and 7 opportunities, and the risk exposure, opportunity value, and the possible occurrence time were measured based on the likelihood of risk/opportunity occurrence and the impact/effectiveness of the risk/opportunity (1~2 years being considered the short term, 3~5 years, medium term, and 6~10 years, long term).

Concerning various climate opportunities and risks issues, an internal questionnaire was adopted in November 2022, using personnel above the managerial level (inclusive) who participate in business meetings and are stationed in subsidiaries abroad as the survey target. Based on the possibility of occurrence (A) and opportunity benefit/risk impact (B) of the opportunity/risk theme, the opportunity value/risk exposure (A) x (B) was measured, and the timeframe (short, medium, and long-term) was estimated. In total, 56 samples were collected, and the simple arithmetic mean of the scores of each opportunity/risk theme was calculated according to the quantitative metric scores assigned by the questionnaire as its statistical value. Moreover, the opportunity value and risk exposure of various opportunities/risks were calculated according to the above (A) x (B) and used as the opportunity/risk level differentiation metrics to compile statistical results.

Finally, the Sustainable Development Executive Office consolidated the results of risk and opportunity identification, financial impact, and countermeasures, submitted them to the Sustainable Development Committee, and reported the implementation status to the board of directors.



Climate Change Related Risks

Physical risk

This refers to the frequency and severity of long-term climate change (such as a rise in average temperature, changes in rainfall patterns, persistent high temperatures, or long-term heat waves) and the physical risks of immediate extreme climate events (such as typhoons/storm floods/droughts/wildfires/heat waves). These may cause a financial impact on the Company including asset damage, operational or supply chain disruption, failure to perform or recover debts or creditor's rights on time, and increase in risk transfer costs, resulting in the suffering of direct or indirect losses by various stakeholders of the Company.

Risk issues	Contents	Exposure level	Duration	Potential losses or costs caused by the incident	Countermeasures
Risk of wind damage on operations	Increased frequency and severity of typhoons.	Medium	Medium-term (3~5 years)	Losses from business interruptions, resulting in reduced sales revenue and increased operating costs (repair or replacement of operating equipment).	<ul style="list-style-type: none"> Regularly evaluate the probability and impact of typhoons, floods, and droughts on operating locations. Monitor the typhoon, rainstorm, or drought warnings issued by meteorological authorities in real-time, so as to arrange relevant transactions in advance to prevent business interruptions or delays caused by such events. Regularly inspect and assess natural disaster defense measures and processes at operating locations, including warehouse centers, invest in equipment to bolster short-term defense to minimize losses from natural disasters in the future, fortify hardware defense, and enhance organizational disaster resilience. To establish a good reporting system for major natural disasters, on January 13 2023, Weikeng Industrial submitted a report to the Audit Committee and the board of directors, adding the "Reporting Procedures of Material Continuities" to the "Operating Procedures For Handling Material Inside Information", in order to strengthen the operational procedures for disaster prevention and emergency response and the notification procedures.
Risk of floods on operations	Increased frequency and severity of rainstorms and floods.				
Risks to operations from droughts	Increased frequency and severity of droughts/wildfires/heat waves.				
Risk of global temperature rise	The average temperature rises every year.	Medium	Medium-term (3~5 years)	Due to increased operating costs, purchased electricity may be threatened by blackouts caused by climate change, which could result in operating losses. If actions to address climate change fail, global temperatures will rise and rainfall patterns will change, which will increase risks such as high temperatures, natural disasters, and infectious diseases, leading to damages to external infrastructure, personnel injury, or potential business interruptions for the Company.	<ul style="list-style-type: none"> The Company must strive to ensure the accuracy of the GHG inventory, understand the sources of emissions, and propose effective measures or equipment investments to achieve a reduction in emission sources and emissions year by year, and strive to make due contributions to the government's promotion of the "2050 Net Zero Emissions" roadmap. Energy conservation and carbon reduction are essential in achieving "climate neutrality"; we introduce or invest in equipment, technology, and systems year by year in the medium to long term that are conducive to energy-saving, energy efficiency improvement, and carbon reduction, including replacing outdated equipment, digital energy saving, purchasing green electricity, and other such measures, to reduce the energy consumption and carbon emissions.
Risk of rainfall pattern changes	Increased number of persistent high temperatures or long-term heat waves.				
Risk of default or credit	Increased risk to performance or credit status	Medium	Medium-term (3~5 years)	If the physical risk of climate change results in physical damage to the organization, whether that be to the Company, suppliers, or customers, it may cause interruptions in business transactions, leading to default or credit impact on the trading counterparties, as well as potential requirements for compensation or reimbursement associated with an increase in financial costs or delays in delivery.	<ul style="list-style-type: none"> Understand the insurance market's climate change risk-related products to clarify the Company's risk appetite and plan risk hedging or transfer tools. Continue to monitor the lending rates linked to ESG or green financing promoted by various financial institutions, and take note of the inclusion of climate change-related physical or transformation risks into the assessments of financial institutions, which will have an impact on the level of corporate loan interest rates in the future. Consequently, efforts must be made to mitigate climate change in order to have a say in this matter.

Risk issues	Contents	Exposure level	Duration	Potential losses or costs caused by the incident	Countermeasures
Dilemma of risk transfer and hedging	Difficulty in risk transfer or increase in costs makes the hedging of assets or operations difficult.	Medium	Medium-term (3~5 years)	Since climate change is a global risk, insurance products designed or sold by insurance companies will be affected by their risk retention or reinsurance capacity. Nonetheless, if the global insurance market is affected by risks associated with climate change, those with insurance needs may be faced with a significant increase in premiums or they will not be able to avoid risks.	<ul style="list-style-type: none"> Only those who have implemented climate change mitigation plans and actions can have a say in this matter. One should plan and implement climate change risk management in advance to bolster the organization's disaster prevention and resilience, as well as to have the opportunity and capability in the future to negotiate insurance coverage, premiums, and other terms with insurance companies, in order to transfer risk.

Transformation risk

To mitigate and adapt to climate change, more extensive public policies, laws, technology, and market changes must be introduced, causing companies to face escalating operating costs in terms of transformation or reputational risks.

Risk issues	Contents	Exposure level	Duration	Potential losses or costs caused by the incident	Countermeasures
Facing rising costs of carbon pricing mechanisms	Policies and regulatory risks - GHG inventory management, facing carbon pricing mechanisms, imposing carbon fees/taxes, and increasing operating costs.	Medium	Medium-term (3~5 years)	Due to the global net-zero and carbon reduction trend, carbon pricing has become an important approach for countries worldwide to control carbon emissions and facilitate carbon reduction; common carbon pricing tools used internationally include: (1) total volume control and carbon trading; (2) high carbon tax or carbon fee to curb the consumption volume. Consequently, when using each ton of carbon dioxide equivalent (tCO ₂ e) as the pricing unit to calculate the cost of carbon emissions for carbon pricing, the greater the carbon emissions, the higher the cost will be.	<ul style="list-style-type: none"> Currently, the Company is in the process of investing in resources and manpower to establish an organizational GHG management system and relevant regulations. We continue to observe the carbon pricing mechanisms of the countries where the Group's subsidiaries operate. The organizational GHG emissions of the Company and the Group are expected to be completed in the medium term (2025~2026), and they will then be checked and certified by an external organization (2027~2028). In the future (medium to long-term), we will grasp emission sources based on carbon inventory, introduce mechanisms to reduce emission sources and lower emissions (e.g. workflow improvement, investment in equipment or systems, etc.) and analyze the feasibility of medium to long-term investment in equipment, technologies and systems conducive to energy conservation, energy efficiency improvement or carbon reduction, including equipment replacement and renewal, digital energy conservation, and use of green electricity Continue to gather information on carbon pricing-related laws and regulations in the countries where the Group's subsidiaries operate, in order to understand the pricing basis of future carbon fees/taxes.

Risk issues	Contents	Exposure level	Duration	Potential losses or costs caused by the incident	Countermeasures
Increased risk of lawsuits over poor emission reductions	Policy and regulatory risk - Increased risk of climate-related litigation for poor performance in emission reductions.	Medium	Medium-term (3~5 years)	On July 28, 2022, the United Nations General Assembly passed a resolution recognizing "the right to a clean, healthy, and sustainable environment as a human right" . Although the resolution is not legally binding, it has also become the reason and evidence for global climate litigations in a bid to foster "climate justice" . Therefore, climate litigations will possibly no longer focus on "disaster loss" and "monetary compensation" ; instead, they are shifting towards "loss of rights" claims, demanding companies to strive to achieve ESG targets. If climate change countermeasures are not managed or implemented effectively, the ensuing climate litigation may last for many years, resulting in exorbitant litigation expenses, which will inevitably continue to cause an increase in reputational costs and sustained costs. Furthermore, it will have adverse effects on the market valuation and financial reputation of companies.	<ul style="list-style-type: none"> It is imperative to understand the details of climate legislation in different countries and regions where the Group operates and use them as a basis for complying with climate change risk management-related laws. As the risk of climate litigation increases, enterprises should monitor and control the risks of sustainable development-related laws and regulations, as well as conduct reviews of the specific actions of sustainable development. The risk of climate litigation stems from companies' "not practicing what the preach" , and claimants use this as a filter to examine the public statements and regulatory announcements of companies. Hence, the Company must engage in climate change mitigation plans and actions to protect itself from litigation. The Company should continue to understand the guidelines issued by the international NGO "Action 4 Justice" and use them as a reference for implementing climate change litigation risk management.
Technological risks from equipment improvement and replacement and increased transformation costs	Technological risks - increased transformation costs for low-carbon and high-efficiency technology improvements and innovations - replacement of energy-consuming equipment or vehicles	Medium	Medium-term (3~5 years)	To achieve the 1.5°C temperature control target to reduce global warming, mitigation or adjustment actions require financial/technical support and capacity building. Moreover, enterprises must exhibit enhanced transparency and execution; besides fostering their technical capabilities, there is a need to seek collaboration with other manufacturers or countries to realize low-carbon and high-efficiency technological improvements and innovative transformations, which will increase the cost of this transformation.	<ul style="list-style-type: none"> In the medium to long-term, the Group must continue to monitor and assess appropriate low-carbon, energy-saving, and high-efficiency equipment, technology, and system improvements and innovations, and replace them promptly to optimize energy consumption management.
Market risk of insufficient capacity for transformation of product and service mechanisms	Market risk - Climate change affects the market supply and demand structure, resulting in a change in the customers' consumption behavior and preferences, raising the question of whether the Company has the capacity to transform products and service mechanisms.	Medium	Medium-term (3~5 years)	Net zero transformation and digital transformation will reshape the overall economy and the market supply and demand structure in the future, creating new economic species and new business models. Therefore, the Company must strive toward net-zero transformation and "net-zero emissions" , for it is not only about the survival and protection of the Earth but also about the preservation and bolstering of competitiveness.	<ul style="list-style-type: none"> Progressively review and eliminate carbon-intensive business models, re-allocate employees, and actively develop low-carbon products or services with vendors to propose innovative solutions for the net-zero economy, so as to ascertain the "net-zero economy" procurement needs of downstream customers. Regularly inspect the application rate and replacement rate of various product lines in the green product market to evaluate product transformation capabilities. Emphasize the circular economy, comply with the RBA management themes and continue to invest resources in sustainable development policy and implementation in order to win customers' trust.

Risk issues	Contents	Exposure level	Duration	Potential losses or costs caused by the incident	Countermeasures
Reputational risk of poor implementation of the action sustainability initiative on climate change	Reputational risk - Under the sustainability-related environmental commitments and net-zero emission trends, failure to be committed to low-carbon transformation and comply with climate change action initiatives will affect the Company's reputation.	Medium	Medium-term (3~5 years)	Climate change may have an impact on the Company's stakeholders or external communities concerning the image of whether the organization is committed to low-carbon transformation. When net-zero transition and the power of the greenwashing supervision mechanism turn into direct protests, they may become future initiatives and resolutions that will directly impact the Company's reputation.	<ul style="list-style-type: none"> According to the government's "2050 Net Zero Emissions" roadmap, we will vigorously strengthen ESG-related actions, continue to abide by the BRA Responsible Business Alliance guidelines, pay attention to environmental and climate change-related topics and policies, and comply with laws, regulations and filing requirements.

Climate Change Related Opportunities

Opportunity issues	Contents	Value	Duration	Countermeasures
Franchise opportunities to strengthen the green product mix	Working with vendors to develop innovative low-carbon products or services can strengthen the Company's franchising products mix.	Medium	Medium-term (3~5 years)	<ul style="list-style-type: none"> Proactively monitoring and engaging in the development of innovative low-carbon products or services in the short term with vendors. Although it will increase R&D expenses and operating costs, it is expected to have a positive financial impact in the medium and long term, by increasing sales of low-carbon products to meet customers' carbon reduction requirements.
Opportunities for changed customer preference	Change or cater to customer preferences, and emphasize the carbon footprint and carbon reduction performance of products or services.	Medium	Medium-term (3~5 years)	<ul style="list-style-type: none"> Establish a GHG inventory mechanism to monitor the carbon footprint of products, and implement appropriate carbon reduction plans or investments. In the short to medium term, operating costs are expected to rise, and in the medium to long term, we expect to garner customers' trust in carbon footprint and carbon reduction performance products and services, as well as design-in opportunities for related product solutions, thereby introducing a positive impact on the Company's status in the industry and its financial aspect.
Market opportunities from participating in the new low-carbon economy	Transforming to a low-carbon economy, securing new market opportunities, and participating in the low-carbon industrial chain.	Medium	Medium-term (3~5 years)	<ul style="list-style-type: none"> At present, upstream vendors have also actively expanded their research and development capacity for compound/-type 3 semiconductor products. The Company will additionally invest in the automotive/electric vehicle and industrial energy-related markets 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.
Opportunities for improving circular economy efficiency to reduce carbon emissions and operating costs	Promote circular economy to improve operating and energy utilization efficiency, so as to lower medium and long-term operating costs and achieve carbon reduction.	Medium	Long-term (6~10 years)	<ul style="list-style-type: none"> The Company has no manufacturing activities. In the face of circular economy, we vigorously implement source reduction, as well as the recycling and reuse of packaging boxes, parts boxes, shockproof materials and trays used by the vendors for shipping and packaging purposes. The packaging materials needed for the Company's logistics operations such as outer boxes, cartons and cardboard will be manufactured from renewable and biodegradable materials that can be recycled and regenerated. For scrapped semiconductor components, the electronic waste contains valuable metals such as gold, silver, palladium, and platinum, as well as recyclable metals such as copper, lead, zinc, aluminum, tin and iron. The Company has commissioned qualified contractors to recycle these components for regeneration or remanufacturing, while relevant treatment process certificates must be provided by the contractors for subsequent tracking purposes. Continuously analyze, on a long-term basis, the technologies, equipment, systems or resources that the Company may invest in or use in the circular economy aspect; these may increase short-term and medium-term operating costs; however, they are beneficial to the development of a circular economy, to improve the efficiency of operations and energy resource consumption, and can thereby contribute to the reduction of operating costs in the long-term while also helping to achieve the purpose of carbon reduction.

Opportunity issues	Contents	Value	Duration	Countermeasures
Opportunities of investment cost-benefit in low-carbon energy-saving technology and equipment	Transforming to low-carbon energy and investing in energy-efficient equipment or technology to save energy costs.	Medium	Medium-term (3~5 years)	<ul style="list-style-type: none"> According to the government's blueprint for promoting the "2050 Net Zero Emissions" path, the Company will gradually evaluate the energy efficiency of equipment and promote the replacement of older lighting and equipment to improve energy efficiency. To promote the efficient utilization of energy resources through "improvement of equipment or operational behavior," "use of low-carbon energy" and a "shift to a low-carbon business model" using the "Policies to Improve Energy Efficiency" stated on pages 61-62 of the 2021 ESG Sustainability Report as a guideline.
Opportunities for achieving a low-emission workplace	Creating a low-emission and friendly workplace.	Medium	Long-term (6~10 years)	<ul style="list-style-type: none"> Analyze the feasibility of medium to long-term investment in equipment, technologies and systems that are conducive to energy conservation, energy efficiency improvement or carbon reduction, including equipment replacement and renewal, digital energy conservation, and use of green electricity, so as to achieve a workplace environment with low greenhouse gas emissions and lower dependence on purchased electricity and carbon emissions in the future.
Opportunities to improve organizational resilience	Cultivate the ability to adapt to climate change, effectively manage risks, and strengthen hardware defenses to enhance organizational resilience.	Medium	Medium-term (3~5 years)	<ul style="list-style-type: none"> Regularly inspect and evaluate the natural disaster defense measures and processes of operating locations and warehouse centers, and make short-term investments in equipment or building improvements to increase defense capabilities and decrease potential losses caused by natural disasters in the future.

For the 2021 Sustainability Report, please refer [↗](#)

Climate Change Related Objectives

01 Carbon reduction

In 2022, the Company's carbon emissions were 381 tons of CO₂e. The Company is still in the stage of introducing ISO 14064-1 greenhouse gas inventory, and it is expected to set 2025 as the benchmark year for greenhouse gas emissions for Weikeng Industrial, with 2026 the benchmark year for Weikeng Group.

02 Water saving

The annual water intake was reduced by 1~2% from the previous year.

03 Reducing the proportion of waste/recycled material usage

The Company attaches great importance to waste management, and requires the administration unit reviews the waste disposal status and output of each business location. In the event of an abnormal amount of waste, each unit is requested to propose cause analysis, review and improvement. We aim to achieve the goal of reducing the weight of waste by 1~2% every year.

04 Green product R&D expenditure

Weikeng has invested in R&D resources for a long time, and is able to provide timely technical support in the relevant application fields of the IC components of its franchise, developing product solutions to meet the future application needs of customers. This is the demand creation capability emphasized by Weikeng, as it is central to Weikeng's competitiveness. As the semiconductor industry chain adapts to sustainable development and climate change issues, it may bring green product business opportunities. Weikeng will actively cooperate with upstream original vendors in technology development and continue to invest in technology R&D resources and capabilities in the IC application market for green products, in order to promote green product solutions to downstream customers in a timely manner, and make Weikeng an indispensable member of the green value chain in the semiconductor industry. Weikeng's total R&D expenditure (mainly including the salaries of R&D personnel, software and hardware equipment) reached NT\$105,156 thousand in 2021, increasing to NT\$133,093 thousand in 2022. In the future, the target for related green product R&D expenditure will be at least 20% of the total R&D expenditure.

3.5 Environmental Protection

| Energy Consumption |

Weikeng's energy consumption categories are electricity, petrol and diesel, with electricity being the majority. In 2022, electricity consumption was 690,984 kWh, petrol consumption was 11,353.55 liters, and diesel consumption was 1,004.84 liters. After conversion, the total energy consumption was 2,893.38 GJ and energy intensity was 1.0042×10^{-4} GJ/NT\$ thousand; the total energy consumption decreased by 9.14% from that in 2021, while the energy intensity decreased by 5.50%.

Weikeng's Energy Consumption			
Item	Unit	2021	2022
Electricity consumption	GJ	2,768.53	2,487.54 ↓
Petrol consumption		384.36	370.53 ↓
Diesel consumption		31.58	35.32 ↑
Total energy consumption		3,184.46	2,893.38 ↓
Individual sales revenue (Taiwan parent company)	NT\$ thousand	29,964,915	28,811,486 ↓
Energy intensity (total energy consumption/individual turnover)	GJ/NT\$ thousand	1.0627×10^{-4}	1.0042×10^{-4} ↓

- Note:
- The scope of electricity consumption 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).
 - Source: Electricity consumption refers to the sum of data listed in the monthly electricity bill of each operating location; petrol and diesel are mainly based on the actual amounts consumed.
 - Calorific value conversion coefficients of each energy source: electricity 1 kWh = 3,600 KJ; gasoline 1 L = 32,635.2 KJ; diesel 1 L = 35,145.6 KJ.
 - 1 gigajoule (GJ) = 10^9 joules (J).
 - The intensity of greenhouse gas emissions has been changed to "individual revenue" as the dividing factor, in order to comply with the disclosure requirements for climate related information of the TWSE and TPEX to simultaneously revise the information for 2021.

Specific actions for energy conservation and carbon reduction in 2022

Deepening the electronic sign-off system (WorkFlow)

With the digitization of forms and sign-off processes, the number of electronic form signatures reached 132,880 in 2022, an increase of 15.54% from 2021's total of 115,003, reducing use of paper.

Replacement of lighting

In July 2022, all office lighting will be replaced with 460 LED fixtures (6.5W * 4), with an estimated saving of 41,483 degrees, which is equivalent to a reduction of approximately 149.34 GJ and a reduction in greenhouse gas emissions of 21.11 tons of CO₂e. It is also used as a power saving reference to control the power consumption time, and lamps are turned off during the lunch period to save energy.

Remark: According to the Energy Bureau, the carbon emission coefficient of Taiwan's electricity in 2021 is 0.509 tons of CO₂e divided by 1000 kilowatt hours, and the reduction is calculated based on electricity consumed. Total reduction falls into the carbon dioxide equivalent in Range 2.

The number of physical servers, which consume large amounts of energy, will be reduced; physical servers will be integrated with virtual servers. At the end of 2022, there were 9 physical servers and 80 virtual servers. Efforts have been made to reduce the number of physical servers in order to reduce energy consumption and cooling needs.

For detailed policies for improving energy efficiency, please refer to [Link](#)

Greenhouse Gas Organizational Inventory

Weikeng Scope 1 energy consumption for Year 2022 was gasoline and diesel, with an emission volume of 29.40 tons of CO₂e. The main Scope 2 energy consumption for year 2022 was purchased electricity with an emission volume of 351.71 tons of CO₂e. The total emission volume was 381.11 tons of CO₂e, and greenhouse gas emission intensity was 1.32 x10⁻⁵ tons of CO₂e/NT\$ thousand, a reduction of 9.59% in total emission volume, and a reduction of 6.38% in greenhouse gas emission intensity from 2021.

Weikeng's Greenhouse Gas Emissions

Item	Unit	2021	2022
Scope 1: Direct greenhouse gas emissions	Metric Tons of CO ₂ e	30.12	29.40 ↓
Scope 2: Indirect greenhouse gas emissions from energy		391.44	351.71 ↓
Total emissions = Scope 1 + Scope 2		421.55	381.11 ↓
Individual sales revenue (Taiwan parent company)	NT\$ thousand	29,964,915	28,811,486 ↓
Greenhouse gas emission intensity (total emission volume/individual turnover).	Metric tons of CO ₂ e/NT\$ thousand	1.41x10 ⁻⁵	1.32 x10 ⁻⁵ ↓

Note:

- 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.
- The types of greenhouse gases that were inventoried include carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).
- Scope 1 includes petrol and diesel, which are mainly used in official vehicles and trucks.
- Scope 2 mainly includes purchased electricity, as per the electricity carbon emission coefficient announced by the Bureau of Energy, Ministry of Economic Affairs, and the updated electricity emission coefficient cited in 2021 is calculated at 0.509 kilograms CO₂e/kWh. The carbon emission coefficient of electricity in 2022 has not been announced yet; it is calculated based on the carbon emission coefficient of electricity in 2021, which was 0.509 kilograms CO₂e/kWh.
- The intensity of greenhouse gas emissions has been changed to "overall revenue" as the dividing factor, in order to comply with the disclosure requirements for climate related information of the TWSE and TPEX to simultaneously revise the information for 2021.
- The GWP values of 5th IPCC report (2013) were cited.
- 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.

On June 28, 2022, according to the "Roadmap for the Sustainable Development of TWSE and TPEX Listed Companies" issued by the Financial Supervisory Commission in March 2022, the greenhouse gas inventory and verification timeline plans for the Company and its subsidiaries in the consolidated financial statements, the "Detailed Time Schedule for Greenhouse Gas Inventory and Verification of the (Parent Company and Group)" and "Inventory Organizational Structure and Responsibilities", were discussed, approved and submitted to the board of directors on the same day, to meet the requirement of the regulatory authorities that the (parent) company and the group (including each subsidiary) must complete the aforementioned inventory and verification schedule planning by the end of June 2022 and March 2023, respectively.

Timeline

Company	Self-inventory starting year	External verification starting year
Weikeng (parent company)	2025	2027
Consolidated statement for subsidiaries and their affiliates	2026	2028

Remark: In 2022, the Sustainable Development Committee held meetings on September 28 and December 28 to review the implementation status in Q3 and Q4, respectively.

For details, please refer [here](#).

Water Resource Management

Weikeng Taiwan has a total of six operating locations, all of which have "Low-Medium (1-2)" water stressnote. Each operating location draws 100% of its water through local water companies, mainly providing water for domestic and cleaning use by 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 industrial 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.

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

As a member of the factory/office building management committee, the Taipei NeiHu Head Office required the installation of water-saving controllers to conserve water resources. Water-saving slogans are posted in various pantry areas, hoping to maximize water resources by saving household water. The goal is to achieve a reduction of water intake by 1~2% annually from the previous year.

In 2022, due to the pandemic situation, the Company implemented a four-month shift of working from home, and continued to implement water resource management and advocate water conservation. The total water intake was 4.06 million liters, with a water intake intensity of 1.41 x 10⁻⁷ million liters/NT\$thousand. Compared with that in 2021, total water consumption decreased by 12.31%, and water intake intensity decreased by 9.03%, achieving the management goal of a 1~2% annual reduction from the previous year.

In addition to taking a proactive approach to abnormal water use situations and implementing water conservation and energy-saving policies, daily drinking water is inspected and maintained every month. Sampling and testing are carried out by an inspection agency recognized by the competent authority every three months, and filters are replaced every six months.

Weikeng's water consumption

Item	Unit	2021	2022
Total water intake	Million liters	4.63	4.06 ↓
Individual sales revenue (Taiwan parent company)	NT\$ thousand	29,964,915	28,811,486 ↓
Water intake intensity (total water intake/individual revenue)	(million liters/NT\$ thousand)	1.55 x10 ⁻⁷	1.41 x10 ⁻⁷ ↓

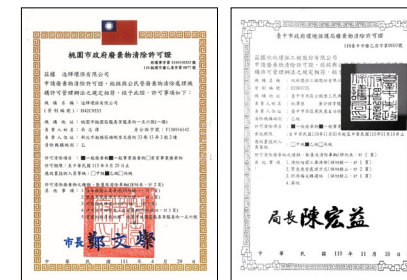
Note:

- The range of water intake 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).
- Source: The water intake of operating locations is the respective share of the total water meter consumption according to the surface area of the factory.
- The calculation of water intake intensity has changed the dividing factor to "individual revenue", in order to comply with the disclosure requirements for climate related information of the TWSE and TPEX to simultaneously revise the information for 2021.
- The unit 'million liters' is equal to one thousand cubic meters.


Waste Management

Weikeng's operation bases have no manufacturing factories with toxic waste generated, and only generate waste electronic products and general waste from the office and storage center (such as scrapped personal computer equipment, defective IC 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 approved by the local environmental protection bureaus and provide relevant proof of processing for continuous tracking. In 2022, there was no breach of contract or violation of regulations in waste disposal.



Waste removal permit for waste disposal vendor



Garbage classification in each office and factory

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 pollution and thereby reduce our impact on the natural environment.

At the same time, the administration unit reviews the waste disposal status and output of each business location. In the event of an abnormal amount of waste, each unit is requested to propose cause analysis, review and improvement. We aim to achieve the goal of reducing the weight of waste by 1~2% every year.

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 97.89 tons of waste in 2022^{note} and the waste density was 3.40x10⁻⁶ tons/NT\$ thousand, an increase of 4.22 tons from 2021, accounting for 4.51%, this is mainly due to an increase of 12 employees of the Company.

Total amount of general waste generated (unit: ton)

Year	Taipei Nei Hu Head Office	Neihu Tanmei Warehouse Center	Taoyuan Housheng Warehouse Center	Hsinchu Liaison Office	Taichung Liaison Office	Kaohsiung Liaison Office	Total
2021	80.27	6.95	0.35	2.36	2.04	1.71	93.67
2022	82.34 ↑	6.07 ↓	2.33 ↑	2.80 ↑	2.67 ↑	1.68 ↓	97.89 ↑

- Note:
- Sources of general waste generation: Based on the average daily general waste generation per person announced by the Environmental Protection Administration, Executive Yuan <https://stat91.epa.gov.tw/epanet/index.html>. The EPA has not yet counted the amount generated in 2022; therefore, the 2021 data is still used (Taipei 0.812 kg/person, Taoyuan 1.542 kg/person, Hsinchu 1.253 kg/person, Taichung 1.230 kg/person, Kaohsiung 1.354 kg/person).
 - 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.
 - Calculation method for waste intensity: total amount of waste (ton)/individual revenue (NT\$ thousand); in 2021, individual revenue was NT\$29,964,915 thousand; in 2022, the individual revenue was NT\$28,811,486 thousand.
 - Transportation method for waste disposal at each operating base: The work is outsourced to qualified environmental protection companies to clear and transport waste (Taipei Nei Hu Head Office, the Neihu Tanmei Warehouse Center, the Taoyuan Housheng Warehouse Center, and the Taichung Liaison Offices; cleaners are entrusted to sort out and throw the waste into the garbage truck (Hsinchu Liaison Office and Kaohsiung Liaison Office).
 - In 2022, the total weight of paper recycled by Taipei operations base was 6,320 kilograms.

The Company attaches great importance to waste management, emphasizing the 3Rs of the circular economy with regard to recycled materials: Re-use, Re-generation, and Re-manufacturing; actively implementing reduction at source. Accordingly, the implementation aspects of the recycled materials policy include:

01

The Company implemented complete reuse of original packaging boxes/cartons, and tries its best not to add other packaging materials, including cartons, anti-shock materials, parts boxes, etc., and minimizes package shipments to reduce the waste of packaging resources.

02

For packaging materials required for logistics operations such as outer boxes, cartons, cardboard, etc., the planning is towards the use of renewable materials that can be recycled or can be decomposed and regenerated through the natural biological cycle.

03

In the use of printers/business machines in offices and storage centers, we prioritize recycled paper, use double-sided printing by default, reduce color printing, and promote paperless online meetings.

04

We implement the resource reuse policy for general waste from offices and storage centers. All business waste is centrally managed and sorted; the building factory management center outsources waste recycling and treatment every month, and records the quantity and removal of waste.

05

For scrapped semiconductor components, which can contain valuable metals such as gold, silver, palladium and platinum, as well as recyclable metals such as copper, lead, zinc, aluminum, tin and iron, the Company has commissioned qualified contractors to recycle them via regeneration or remanufacturing, and provide relevant treatment certificates for subsequent tracking. The statistical analysis of this process is expected to start in 2023.

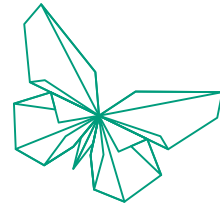
06

The Company sends confidential documents to qualified paper mills twice a year to make recycled paper, thereby implementing the policy of resource reuse.



Sustainable Workplace

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4



Management Policy for Talent Development and Retention

Management Policy for Talent Development and Retention	
Major Issues	Talent cultivation and employee benefits
Material cause	Employees are important assets for Weikang's sustainable business growth and the cornerstone of the Company's stable operation. Therefore, we attach great importance to employee health and safety, various rights and interests, and talent cultivation and welfare. 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 for products. These efforts are one of the foundations of the Company's core competitiveness. Other than increasing the Company's personnel training costs, the loss of employees will affect the quality and efficiency of customer service. Therefore, provision of a diversified and sensible welfare system, a comprehensive training system, and the safeguarding of the rights and interests of employees will be important keys to the Company's sustainable operation.
Negative Impacts	There was no situation of actual impact. If there are problems with talent cultivation and employee welfare, it will directly cause an impact on the organization.
Objectives	<p>Short term</p> <ul style="list-style-type: none"> Determine the work needs of each department, formulate relevant internal courses that meet those needs, with heads of each department coordinating and planning the facilitation of staff and management training as efficiently as is possible. In 2023, the target of training cost increase will be 10% from the previous year. <p>Medium term</p> <ul style="list-style-type: none"> Committed to promoting employees' work-life balance, the Employee Welfare Committee provides various travel programs and promotes the flourishing of various associations. It also 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 practices that fulfill social responsibilities.
Responsibilities	<p>Human Resources Office The Human Resources Office of the Company implements the human resource management strategy and policy formulated by the Chairman's Office.</p> <p>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.</p> <p>Legal Office The Company's Legal Office confirms that the Company's labor relations handling procedures comply with the relevant Taiwanese laws and regulations.</p> <p>Employee Welfare Committee The Company has set up an Employee Welfare Committee to be responsible for the promotion and implementation of employee welfare.</p>

Management Policy for Talent Development and Retention

Major Issues	Talent cultivation and employee benefits
<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 a mechanism to share profits with employees. In accordance with the "Act of Gender Equality in Employment" and the "Sexual Harassment Prevention Act", we have set measures for complaints and penalties for sexual harassment prevention in the workplace. The Company has a labor-management meeting where labor representatives can express their opinions and serve as a bridge with the management. <p>Ongoing internal training We regularly arrange newcomer training, employee work skills improvement training, leadership training, and so on.</p> <p>Encouraging employees to participate in courses provided by external organizations We encourage employees to participate in professional skills or new knowledge training courses held by external organizations, for application in work processes or management, so that employees and the Company can achieve a win-win situation.</p> <p>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.</p>
<p>Management Evaluation Mechanism</p>	<p>The Company has implemented a performance appraisal system whereby all employees, regardless of gender or job category, take part in the Company's semi-annual performance appraisals, including target management and performance ranking as well as multi-dimensional evaluation.</p>
<p>Implementation Results</p>	<ul style="list-style-type: none"> In 2022, the "Taiwan HC 100 Index" released by Taiwan Index Plus (TIP) again listed the Company as a constituent stock. The Company's average salary (monthly salary excluding bonuses and other remuneration) in 2022 was adjusted by 3.4%. Total salary payments for all employees in 2022 reached NT\$778,666 thousand, an increase of 2.04% from 2021. Total employee benefits in 2022 reached NT\$884,721 thousand, an increase of 2.48% from that in 2021. The ratio of benefit expenditure to benefit income in 2022 was approximately 123%, an increase of 68 percentage points from 2021. There were no labor disputes or violations of employee rights in 2022. There were no incidents of discrimination or sexual harassment in 2022. Total expenditure on training in 2022 was NT\$113,840, and the total number of educational training hours was 3,343. In 2022, the new employee recruitment rate was 11.6%, the employee turnover rate was 9.2%, and the overall turnover rate decreased by 0.4% from that in 2021.
<p>Stakeholder communication</p>	<ul style="list-style-type: none"> The Human Resources Office has established an employee appeal mechanism and offers employees communication channels to reflect relevant rights and interests in the workplace at any time. In 2022, four labor meetings were held to avoid labor disputes. <p>For stakeholder communication, please refer to 1.2 Stakeholder Identification and Communication.</p>

4.1 Human Rights Protection

To protect the basic human rights of employees, the Company strives to fulfill its social responsibilities and supports the “United Nations Universal Declaration of Human Rights”, “United Nations Global Compact”, “International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights”, as well as the “ILO Declaration on Fundamental Principles and Rights at Work” to prevent any violations of human rights, so that all employees of the Company can be treated with fairness and dignity. The “Protection of Human Rights Policy” was formulated and approved by the board meeting in 2021, and was later revised and approved by the Sustainable Development Committee and board meetings in 2022 and 2023, respectively, to comply with various international human rights norms and comprehensively enhance human rights protection.

Protection of Human Rights Policy



Comply with the relevant activities in each business area of the Group, as well as environmental regulations and international standards

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.



Salary and
Benefits

The wages paid by the Company to its 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. Employees working overtime shall be paid for overtime work in accordance with the relevant labor laws and regulations in each region.



Humane Treatment

- Based on the responsibility to protect the physical and mental development of children, we do not employ child laborers over the age of 15 but under the age of 16.
- 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. 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. The Company also has the prevention plan above during their duty performance periods to serve as a reference for planning and implementing violence prevention.
- In addition, there is a maternal health protection plan to ensure the physical and mental health of the Company's pregnant, postpartum, and lactating female employees.



Diversity and inclusiveness in the selection of talents, equal opportunities, and labor rights and interests

- In terms of personnel recruitment, the Company not only adheres to the spirit of fairness and objectivity and evaluates the comprehensive performance of job seekers, but also attaches importance to the principle of diversity in talent selection and appointment, while taking into account gender equality issues. We also attach great importance to the protection of equal rights and interests of employees after they take office.
- In terms of labor rights and interests such as employment, salary and benefits, training opportunities, promotion, dismissal or retirement, the Company does not treat employees or job seekers unfairly because of their race, class, languages, thinking, religion, political affiliation, place of origin, place of birth, gender, sexual orientation, age, marriage status, appearance, facial features, physical or mental disabilities, astrological sign, blood type or other factors.



Healthy and Safe Workplace

- In addition to providing a safe and healthy working environment in accordance with laws and regulations, the Company has successfully established the Occupational Safety and Health Department and committee, engaged professional doctors to regularly carry out on-site health consulting services, and employed nursing staff to regularly conduct safety, health, fire and other related training, and taken necessary measures to prevent occupational accidents, so as to reduce the risk factors of the working environment.
- In order to maintain the health and well-being of the Company's workers, prevent human-related hazards, and avoid repetitive musculoskeletal injuries, the Company has established an injury prevention plan for employees.
- To prevent workers from developing diseases due to abnormal workloads from shifts, night work and long hours of work, the Company has established a disease prevention plan to reduce the physical and mental harm caused by overwork and other abnormal work.

In 2022, the Company held one quarterly mobilization meeting to raise awareness of human rights protection issues for all employees. Furthermore, we held three human rights policy training sessions for newcomers (1 hour per session for 3 hours in total). The number of individuals receiving education and training was 56 (25 male and 31 female), accounting for 11% of the total number of employees. The Company did not have any visits from government agencies or customers to check human rights related issues. However, in accordance with customer requirements, a total of 16 customer social responsibility/supplier codes of conduct and other similar commitments have been signed this year. These documents contain commitments to safeguard labor rights, provide a healthy and safe workplace, prohibit discrimination, and other human rights protection matters.

Sexual Harassment Prevention

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”, and updates are made in a timely manner in accordance with the updated 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 dismissal measures to protect the rights and privacy of the parties involved.

The Company also set up a Workplace Sexual Harassment Appeal Handling Committee, composed of representatives of employers and employees, responsible for handling sexual harassment appeal cases in the workplace. The Appeal Handling Committee has a director who also serves as the chairman of the meeting. If the chairman is unable to preside over the meeting for any reason, they shall appoint another member as their proxy. There are three to seven committee members, and experts and scholars are hired as needed to serve as committee members. The representation of female members on the committee shall not be less than half. If dispatched workers suffer from sexual harassment while performing their duties, the Company will accept the appeal and jointly investigate with the dispatching institution, and notify the dispatching institution and the parties involved of the results.

Human Rights Appeal System

In order to achieve the goal of fair handling of employee complaints, there are clear channels available for employees to voice their concerns. For employees encountering any type of problem within the Company, complaints can be lodged with supervisors at all levels, and to human resources units via the Company’s complaint channels; the Company has mechanisms to address these issues. There were no incidents of discrimination or sexual harassment in the Company in 2022, and there has been no violation of labor laws and no punitive action by the competent authorities.

Human Rights Appeal Channels

- Employee appeal hotline: +886-26590202 extension: 581 Human Resources Office Supervisor
- Employee appeal mailbox: wk_hr@weikeng.com.tw

Investigation Process for Sexual Harassment Cases

- The investigation of appeal cases accepted should start within seven days from the date of receipt, and be closed within two months. If necessary, the processing period can be extended for one month; the relevant parties should be notified if this happens. The investigation results should be converted to reasoned resolutions, which may serve as a reference for disciplinary actions or other purposes.
- The meeting of the Appeal Handling Committee should have more than half of the members present, and a resolution may only be made with the consent of more than half of the attending members. When the number of members for and against a proposal is the same, a decision shall be made by the chairman.
- The resolution of the Appeal Handling Committee shall be notified in writing to the complainant, the opposing party to the appeal, and the Company, and it shall be indicated that those who have different opinions on the resolution may request a review by the Appeal Handling Committee within 20 days from the day after the resolution is delivered to the parties. But if the occurrence of the cause for the review or the awareness occurs later, the period will start from the moment of awareness.

In addition, gatherings, broadcasts and printed materials are used to convey information, strengthen the guidance on the implementation of sexual harassment prevention and governance measures, as well as the appeal channels. Training is also implemented in preventing and dealing with sexual harassment for employees at work, along with courses on gender equity rights and sexual harassment prevention; relevant information is publicly disclosed in prominent places around the workplace. In 2022, a total of 365 employees participated in the sexual harassment prevention and control training at the publicity session of the quarterly employee mobilization meeting.

Whistleblower Protection Mechanism

- During the complaint investigation period, the case will be handled in a confidential manner without disclosing the name of the complainant or other relevant information sufficient to identify the complainant, for the protection of the complainant. Regarding the content of the resolution of the complaint investigation, we will 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 be filed with the Company.
- Investigation of sexual harassment incidents and information about the parties involved should, as in the appeal process above, be handled in a confidential manner. The department addressing such incidents should properly handle these cases and provide appropriate protection and assistance. In addition, if necessary during the investigation, investigators may, if it does not violate confidentiality obligations, prepare written materials for the parties, or inform them of the main points. In the process of appeal, investigation, fact-finding or trial of sexual harassment cases, improper differential treatment should not be imposed on those who appeal, accuse, file a lawsuit, testify, provide assistance, or participate in other ways.

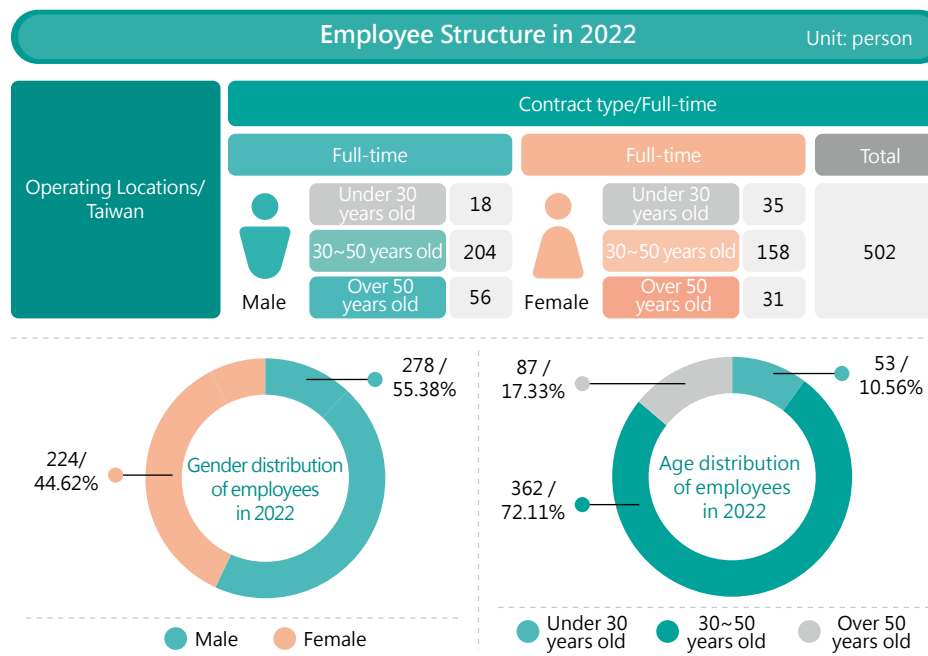
4.2 Talent Attraction and Retention

Weikeng attaches great importance to the compensation and welfare of employees. Good salaries and benefits can help effectively recruit and retain talent and motivate employees to perform, and this in turn positively 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.

| Employee Structure |

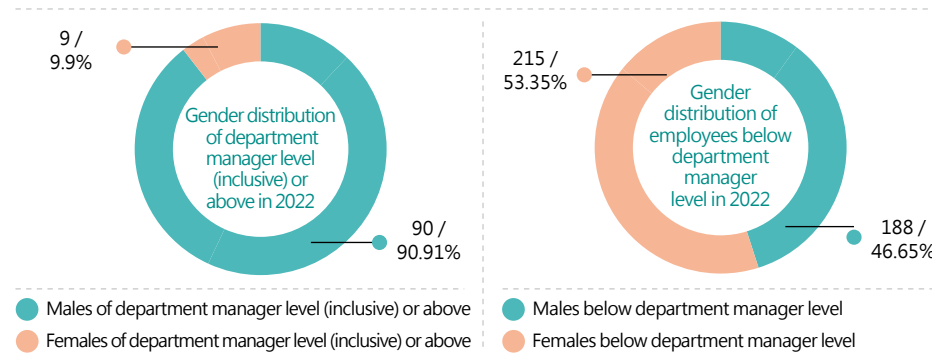
As of December 31, 2022, Weikeng Industrial had a total of 502 employees, including 478 Taiwanese personnel and 24 expatriate personnel. Among them, operating locations in Taiwan had: 417 employees in the Taipei Neihu Head Office; 32 employees in the Neihu Tanmei Warehouse Center; 7 employees in the Taoyuan Housheng Warehouse Center; 9 employees in the Hsinchu Liaison Office; 8 employees in the Taichung Liaison Office; and 5 employees in the Kaohsiung Liaison Office. The number of men in the Company was 278 (55.38%) and the number of women was 224 (44.62%). Employees between the ages of 30 and 50 accounted for around 72.11% of the total. Moreover, all employees were full-time staff and there were no part-time/temporary/work hour guaranteed staff. Senior management (department manager level and above) were all of Taiwanese nationality (90 men and 9 women).

Based on the responsibility to protect the physical and mental development of children, the Company does not employ children under 16 and over 15 years of age. At the same time, in order to ensure equal employment opportunities for disadvantaged groups, the Company currently employs two people with physical or mental disabilities (both male and between 30 and 50 years old, representing 0.4% of the total number of employees). If the number of employed persons is insufficient, the difference in subsidy shall be paid monthly according to law for the insufficient number of employees.



Employee position distribution statistics		Unit: person		
	Gender	Age	2021	2022
Department manager level (inclusive) or above	Male	Under 30 years old	0	0
		30~50 years old	48	50 ↑
		Over 50 years old	35	40 ↑
		Subtotal	83	90 ↑
	Female	Under 30 years old	0	0
		30~50 years old	4	4
		Over 50 years old	5	5
		Subtotal	9	9

Employee position distribution statistics		Unit: person		
	Gender	Age	2021	2022
Personnel below department manager level	Male	Under 30 years old	24	18 ↓
		30~50 years old	161	154 ↓
		Over 50 years old	12	16 ↑
		Subtotal	197	188 ↑
	Female	Under 30 years old	32	35 ↓
		30~50 years old	146	154 ↑
		Over 50 years old	23	26 ↑
		Subtotal	201	215 ↑



Note:

- The senior management level is at the department manager level (inclusive) or above.
- Local refers to Taiwan region.
- In 2022, Weikeng had a total of 6 non-employee workers, respectively 4 logistics dispatch personnel (2 male and 2 female in warehouse cargo logistics operations) and 2 cleaning contractors (both female, for environmental cleaning of office locations).
- The information above is calculated by the human resources system based on current employees on December 31, 2021 without any data assumptions.

Employment Status of Employees

The Company abides by labor laws and regulations when hiring employees, and may not discriminate on the basis of race, class, language, ideology, religion, political affiliation, place of origin, place of birth, gender, sexual orientation, age, marriage, appearance, facial features, physical or 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 agency 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, internal talent recommendation, employee recommendations and other means, we recruit like-minded professionals. This helps us to create a mutually beneficial and harmonious work environment for labor and management, while achieving the Company's goal of sustainable operations.

As of the end of 2022, The Company had a total of 502 employees (excluding 2 employees on leave). There was a total of 58 new employees, including 27 men and 31 women. New hires accounted for 11.6% of the total number of employees at the end of 2022. A total of 46 employees resigned, giving a turnover rate of 9.2%. The overall turnover rate has continued decreasing from 2020 to 2022; three consecutive years.

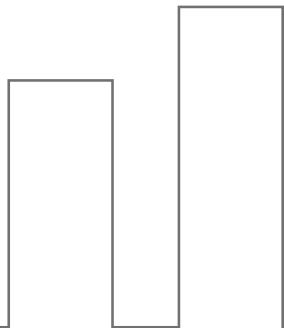
Weikeng's new employee recruitment rate in the past three years

Unit: person

Year	2020				2021				2022			
	Male		Female		Male		Female		Male		Female	
Age	Number of people	New employee rate (%)	Number of people	New employee rate (%)	Number of people	New employee rate (%)	Number of people	New employee rate (%)	Number of people	New employee rate (%)	Number of people	New employee rate (%)
Under 30 years old	8	72.7	11	40.7	16	66.7	13	40.6	9	50.0	14	40.0
30~50 years old	23	10.8	11	7.3	28	13.4	14	9.3	17	8.3	17	10.8
Over 50 years old	1	2.6	1	3.8	2	4.3	0	0.0	1	1.8	0	0.0
Total	55				73				58			
Total number of employees	465				490				502			
Total new employee rate (%)	11.8				14.9				11.6			

Note:

1. New employee rate (%) = 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 (%) = total number of new employees in the current year / total number of employees at the end of the current year.
3. The number of new employees did not exclude those who resign midway.



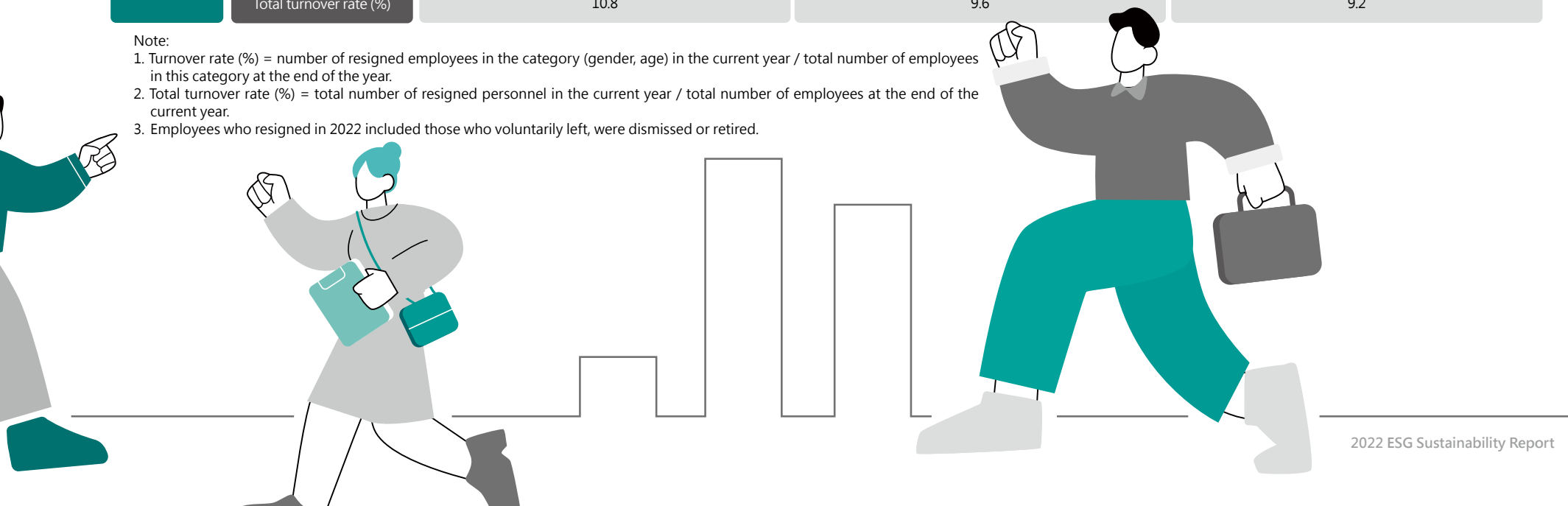
Weikeng's employee turnover rate in the past three years

Unit: person

	Year	2020				2021				2022			
	Gender	Male		Female		Male		Female		Male		Female	
	Age	Number of people	Turnover rate (%)	Number of people	Turnover rate (%)	Number of people	Turnover rate (%)	Number of people	Turnover rate (%)	Number of people	Turnover rate (%)	Number of people	Turnover rate (%)
Resigned personnel	Under 30 years old	3	27.3	9	33.3	1	4.2	4	12.5	6	33.3	4	11.4
	30~50 years old	15	7.1	14	9.3	26	12.4	14	9.3	22	10.8	12	7.6
	Over 50 years old	7	17.9	2	7.7	2	4.3	0	0.0	1	1.8	1	3.2
	Total	50				47				46			
	Total number of employees	465				490				502			
	Total turnover rate (%)	10.8				9.6				9.2			

Note:

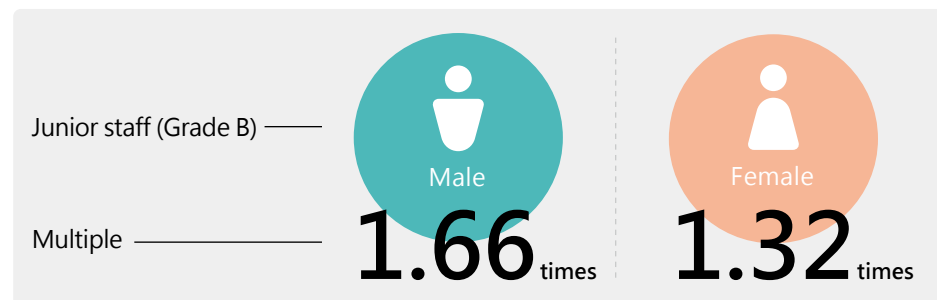
1. Turnover rate (%) = number of resigned employees in the category (gender, age) in the current year / total number of employees in this category at the end of the year.
2. Total turnover rate (%) = total number of resigned personnel in the current year / total number of employees at the end of the current year.
3. Employees who resigned in 2022 included those who voluntarily left, were dismissed or retired.



Employee Compensation

The salary standards of the Company's full-time employees is determined according to comprehensive evaluation of 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 uses its business performance and the individual's performance evaluation as a reference for employee salary adjustment. In 2022, the "Taiwan HC 100 Index" released by Taiwan Index Plus (TIP) again listed the Company as a constituent stock, and 1111 Human Resources Bank surveyed the Company for the 2022 Happy Enterprise Silver Award, indicating that the Company's compensation and benefits to employees are recognized by external institutions.

In order to maintain the competitive advantage of having talented staff, the Company pays salaries higher than the statutory basic salary even to junior staff, so as to attract more outstanding talent to work for Weikeng. 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\$25,250 in 2022) were as follows:



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

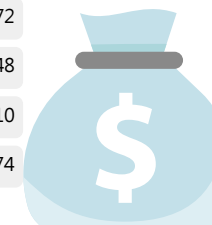
In 2022, the average salary at the Company (monthly salary without bonuses and remuneration) increased by 3.4%, and the total salary of employees with remuneration and year-end and performance bonuses included reached NT\$778,666 thousand, an increase of 2.04% from 2021. According to the provisions of the Company's Articles of Incorporation, the allocation of employees' remuneration for 2021 was NT\$191,512 thousand (a growth rate of 144% compared to that in 2020), which was distributed on July 18, 2022 according to the employee performance evaluation results. Based on the number of employees, the average employee compensation is NT\$1,551 thousand, a decrease of 0.39% from that in 2021, which is due to the addition of twelve employees (2.45%).



Disclosure of employee compensation information

Unit: NT\$ thousand

Item/Year	2020	2021	2022
Number of full-time employees who are not in supervisory positions (persons)	435	452	472
Total salary of full-time employees who are not in supervisory positions	481,508	610,007	618,248
Average salary of full-time employees who are not in supervisory positions	1,107	1,350	1,310
Median salary of full-time employees who are not in supervisory positions	936	1,191	1,174



Manpower Development and Training

The Company pays close attention to employee career planning, encouraging employees to study, while following the Company's vision, mission, and business strategy. In order to improve work quality and performance, we have established talent development strategies, provide a variety of rich learning resources channels, and strengthen in our employees the professional knowledge and skills necessary for success in business.. We are committed to putting the right employee to the right place, in order to achieve the goal of sustainable business operations.

Internal training courses are offered by the Company to strengthen 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, giving workers or employees to take the initiative to participate in courses or seminars sponsored by external units.



New employee training

Includes corporate philosophy and core values, corporate governance requirements, introduction to the functions of various departments, information security policies, and so on. We have established a blueprint for the development of new recruits, to help new employees have a basic concept of the corporate culture, internal processes, and rules and regulations.



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.



Skills Refinement Training

In accordance with the professional knowledge and management requirements required for the profession, the program host will carry out skills improvement training courses for business assistants, FAE, RD and other departments in order to enhance the essential learning ability of employees and help them enhance their work value.



Human Rights and Sustainable Development Related Training

This includes training on ethical corporate management, anti-corruption, sexual harassment prevention and control measures, etc. to enhance employees' knowledge of human rights, ethical codes of conduct, and other aspects.



Leadership Training

In accordance with the needs of the management functions and responsibilities of supervisors at all levels, management training is offered to strengthen their leadership and management knowledge, allowing them to better identify with the Company's values.



External Courses

We encourage employees to participate in professional skills or new knowledge training courses held by external organizations, so as to apply this knowledge in work processes or management, allowing both employees and the Company to share in a mutually beneficial situation.

The total number of training hours in 2022 was 3,343.1, while the average for each employee was 6.7 hours. The courses covered new employee training, lectures on safety and hygiene for nurses, legal training, and continuing professional education. Among them, there were a total of 150 employee applications for external training courses, and the total amount of training subsidies applied for was NT\$113,840.

2022 Employee Training Statistics

Full-time					
Gender	Total number of persons	Total training hours	Average number of training hours (hour/person)	Total training cost (NT\$ thousand)	Average training cost(NT\$ thousand/person)
Male	278	2,378.3	8.6	79.9	0.3
Female	224	964.8	4.3	33.9	0.2
Total	502	3,343.1	6.7	113.8	0.2

Note:

1. Average number of training hours = total number of training hours / total number of persons; average training hours by gender = total number of training hours by gender in the current year / total number of persons of each gender in the current year.
2. According to the 2022 statistical data, in the training course for FAE engineering personnel which was newly added, as most of the Company's FAEs are male, the number of training hours for males is higher than that for females.
3. The total training hours in 2022 increased by 1,083.6 hours from 2021 (2,259.5 hours).



· Legal Training Courses



· Course for Import and Export Insurance Premiums



Fair Performance Management System

The Company has implemented a performance appraisal system whereby all employees, regardless of gender or job category, take part in the Company's semi-annual performance appraisal operations, covering objective management, performance ranking and multi-dimension evaluation.

The evaluations are mainly divided into four types of functions: core functions, professional functions, development potential and management capability; 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, while supervisory employees are required to undergo the management capability evaluation.

The capability measurement is divided into self-evaluation, supervisor's preliminary review, secondary review and approval. Through the process of self-evaluation, employees can review their work performance and growth in abilities during the period, and this can produce the gratification of self-perceived growth. Supervisors can compare the self-rating of employees with the ratings from supervisors to find out their weaknesses and the gap in opinion between 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 the annual performance evaluation. The number of persons who required evaluation in 2022 was 495 (275 men, 220 women). The proportions of male and female employees who actually received evaluation were both 100%.

4.3 Employee Rights and Benefits

Employee Benefits

The Company regards employees as its assets, and we therefore attach great importance to the health and safety of employees, and 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. The total insurance expenses for 2022 were NT\$51,507 thousand.

In order to strengthen the medical needs of employees, we have purchased employee group medical insurance, and agreed to increase the premium in order to request the insurance company to revise the compensation terms. Starting from October 6, 2022, the hospitalization and medical group health insurance was relaxed, and employees may claim compensation by attaching a receipt copy, allowing them to flexibly balance their own and the Company's insurance coverage. In 2022, medical insurance claims from the Company's employees accounted for 80.9% of medical insurance expenses, to ensure that employee medical protection receives a certain level of support from the Company.

Based on our care and attention for employees, the Company has an Employee Welfare Committee that provides a number of welfare 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 expectation is that the Company should act as a stable and reliable support for employees that strives to promote their physical and mental health and work-life balance, in the workplace environment. The total amount of employee benefits in 2022 reached NT\$884,721 thousand, 2.48% more than in 2021. The welfare expenditure to welfare income ratio of the Employee Welfare Committee was approximately 123%, an increase of 68% from that in 2021 (some tourism welfare activities were temporarily suspended in 2021 due to the COVID-19 pandemic). If calculated based on the number of employees, the average employee benefits expense was NT\$1,762 thousand, which represents no change from 2021 (although the number of employees increased by 12, or 2.45%).

Benefit measures handled 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, menstrual leave, bereavement leave, maternity check leave, maternity leave, paternity examination and paternity leave, pandemic prevention and care leave, expatriate return leave and other types of leave. Among these, the range of marriage leave and the salary standard of typhoon leave are better than those of labor laws.
- Wedding gift money and funeral condolence money: When an employee or his/her relative gets married or passes away, the Company offers cash (condolence offering/floral arrangement), and subsidizes managers at all levels to pay gift money (condolence money).
- Maternity subsidy: A subsidy is provided when an employee or his spouse gives birth.
- On-the-job training courses for employees are encouraged and subsidized.
- Once a year, an employee can have a health checkup, and his/her family members can also enjoy a preferential discount on an annual hospital health check.
- An on-site physician consultation service (3 hours) is offered every two months, and there is a full-time nurse on staff to provide medical services and consultation.
- Conduct health promotion seminars.
- We have signed special childcare contracts with nearby kindergartens to provide employees with childcare services at preferential rates, to facilitate childcare nearby while they are working.
- According to the Company's Articles of Incorporation, 6 to 10% of profit before tax is allocated as employees' remuneration; after reporting to the general shareholders' meeting, it is allocated according to the employee's performance evaluation result, contribution, position and other factors.
- Subsidies for business personnel and FAE and RD department personnel: Transportation costs, mobile phone expenses, parking costs and laptop purchase costs.

Benefit measures are handled by the Employee Welfare Committee

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

Remark: Due to the COVID-19 pandemic, Family Day was suspended in 2022.



· 2022 employee travel



· Hello English Club



· Outdoor Leisure Club



· Ukulele Club



· 2022 year-end party

Parental Leave Implementation Status

In accordance with the Act of Gender Equality in Employment, the Labor Standards Act, and the government's population policy and family policy, the Company implements a roadmap for the care of its employees. This includes the promotion of gender equality at work, prevention of sexual harassment, 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. This helps establish a friendly workplace as one of the Company's competitive advantages, which will help enhance the organizational commitment and performance of employees.

The number of applicants for parental leave in 2022 was 4 (1 male and 3 female). The number of persons reinstated from parental leave in the current year was 4 (1 male and 3 female); the number of employees reinstated in the prior year was also 3 (1 male and 2 female). The number of employees who continued to work for one year after reinstatement was 2 (1 male and 1 female). The reinstatement rate was 100% and the retention rate was 66.7%.

Parental Leave Statistics

Item/Year	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of eligible people for parental leave (A)	21	22	43	19	20	39	15	19	34
Actual number of persons applying for parental leave in the current year (B)	0	2	2	1	3	4	1	3	4
Number of people on parental leave eligible for reinstatement in the current year (C)	0	6	6	1	2	3	1	3	4
Actual number of persons reinstated after parental leave in the current year (D)	0	5	5	1	2	3	1	3	4
Actual number of persons reinstated after parental leave in the previous year (E)	0	2	2	0	5	5	1	2	3
Number of people who have continued to work for one year after parental leave in the previous year (F)	0	2	2	0	4	4	1	1	2
Parental leave reinstatement rate in the current year (%) (D/C)	—	83.3	83.3	100.0	100.0	100.0	100.0	100.0	100.0
Retention rate of people on parental leave in the current year (%) (F/E)	—	100.0	100.0	—	80.0	80.0	100.0	50.0	66.7

Remark: 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 (example, for 2022 it is from January 1, 2019 to December 31, 2022).

Retirement System

The Company has established employee retirement measures in accordance with laws and regulations such as the "Labor Standards Act" and the "Labor Pension Act". As of the end of 2022, the number of employees who chose the old system was about 2.59%, and the number of employees who chose the new system was about 97.41% (including about 24.3% of employees who retained the seniority by the old system).

For those who enjoy the old-system labor pension, 2% of the total monthly salary of the labor is allocated to the special account for labor pension reserves at the Bank of Taiwan on a monthly basis, and the "Labor Pension Supervision Committee" is established to protect the rights and interests of employees. As of the end of December 2022, the balance of this account was NT\$137,397 thousand, which matches the full amount to be allocated to the eligible retirees before the end of the next year, as required by the Labor Standards Act. For those who choose the new system of labor pension, 6% is allocated to the personal pension account at the Bureau of Labor Insurance, according to the monthly pension appropriation tier table. Employees are also encouraged to participate in the self-withdrawal arrangement for early pension planning.

In order to promote the ability to continue working and utilize employees' experience, Weikeng re-employs retired employees as consultants through internal HR approval procedures, based on the wishes of the retired employees. By the end of 2022, there was one re-employed retired employee working as a senior consultant responsible for finance and financial institution relationship.



Labor-Management Agreements

At present, the Company does not have a labor union and has not signed a group agreement. However, regular labor-management meetings do take place, to allow discussions between labor and management, and labor representatives are directly elected by all employees to express their opinions (at present, there are five representatives from both labor and management). 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 employee mobilization meetings to let all employees understand the Company's vision, policies, management regulations, and other such matters. Four meetings were held in 2022, and no labor disputes occurred.

Minimum Announcement Period for Operational Changes

Major operational changes of 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 and applicable laws.

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

1. Those who have worked continuously for more than 3 months and less than 1 year shall be notified 10 days in advance.
2. Those who have worked continuously for more than 1 year and less than 3 years shall be notified 20 days in advance.
3. 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 for the purpose of job seeking. 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 2022, only a single layoff actually occurred, and it was implemented in accordance with the statutory notice period as per the Labor Standards Act.

4.4 Employee Safety and Health

Occupational Safety and Health Committee and Occupational Safety and Health Department

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 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. A committee meeting is held every three months. In 2022, the Occupational Safety and Health Committee had a total of eleven members (including four labor representatives, accounting for 36.4% of the committee members). Four meetings were held to report or discuss relevant occupational safety and health issues.

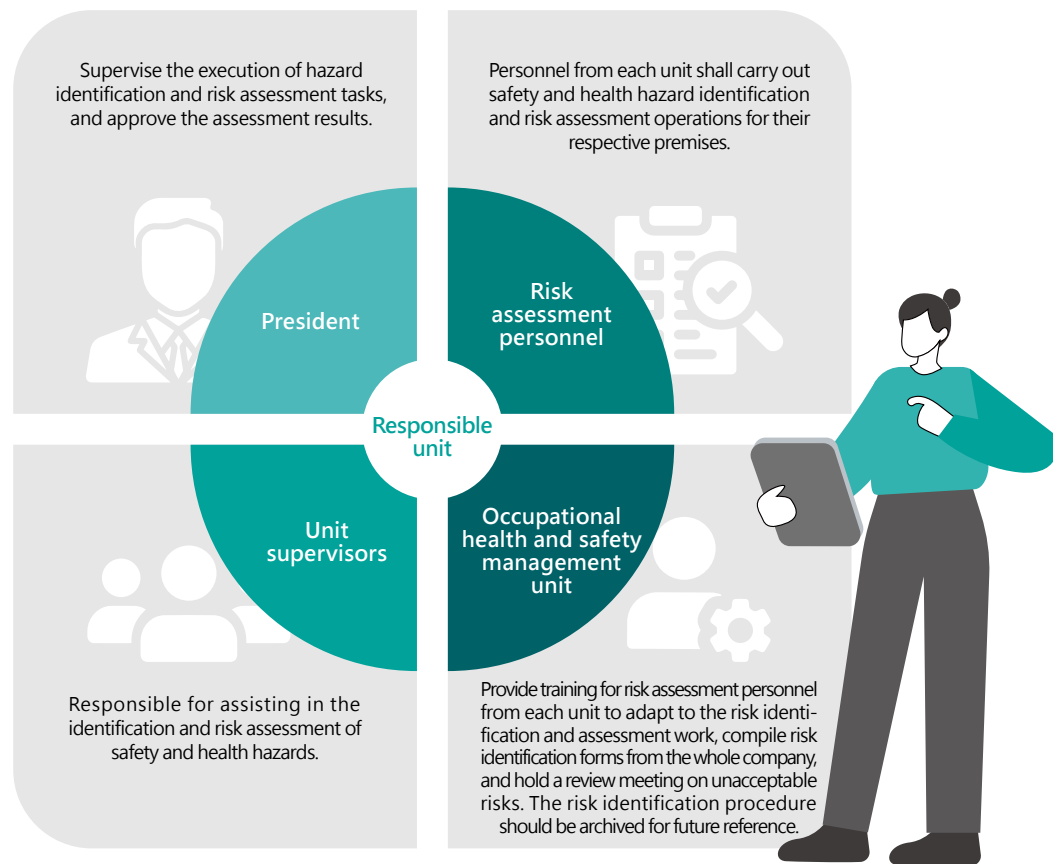
Category	Occupational Safety and Health Committee	Occupational Health and Safety Department
Members	CFO one	Class- 1 Labor Safety and Health Business Supervisor one
	Solution Division Director one	Class -2 Occupational Safety and Health Management Administrator one
	Product Application Division Director one	Professional nurse one
	Human Resources Office Director one	Fire prevention person one
	Class-1 Occupational Safety and Health one	
	Class -2 Occupational Safety and Health Management Administrator one	
	Nurse one	
	Labor representatives four	
Responsibilities	Study, coordinate and advise on occupational safety and health related matters, maintain records of the matters handled and keep them for three years.	Develop, plan, supervise and promote occupational safety and health management plans and related environmental protection and safety and health management matters, and guide relevant departments to implement them.

The Company has also established the Occupational Safety and Health Department in the corporate governance structure, staffed with licensed and qualified personnel, including the Class-1 labor safety and health business supervisor, Class-2 occupational safety and health administrator, professional nurses, and fire prevention personnel, to carry out daily occupational safety and health operations in order to provide a safe workplace for employees.

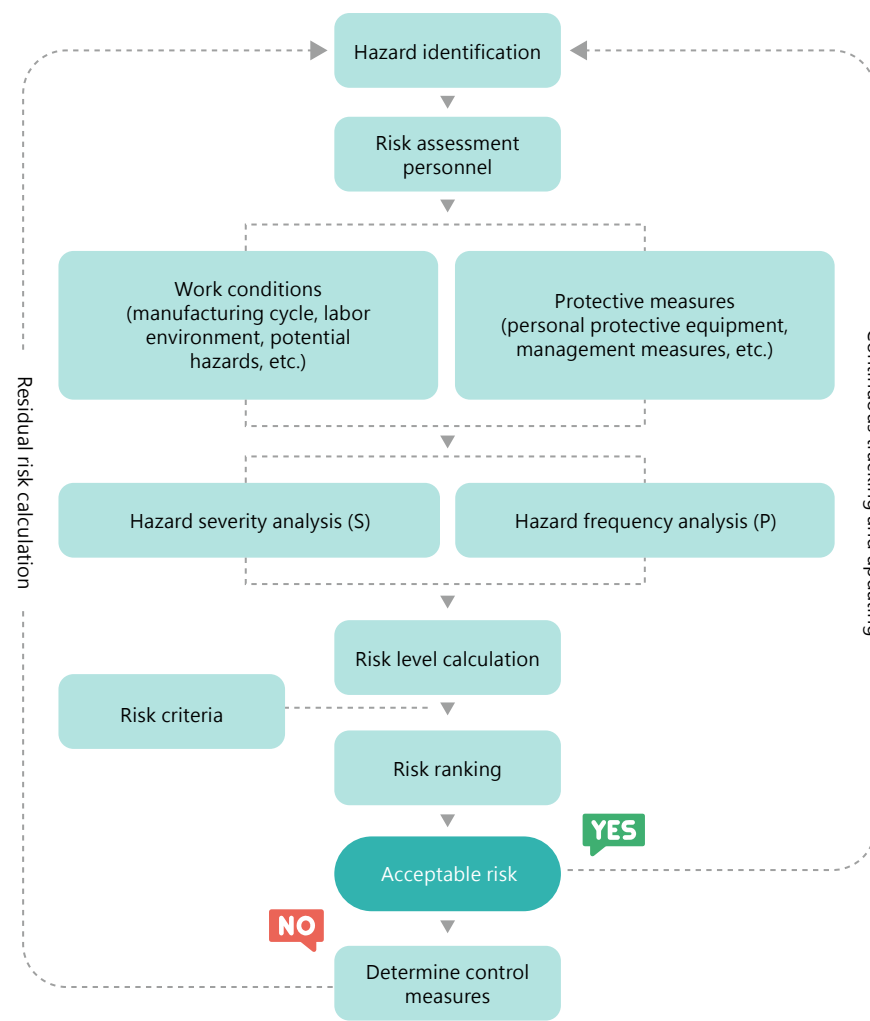
The Company has formulated the Occupational Safety and Health Work Code, Occupational Safety and Health Management Plan, Occupational Safety and Health Management Regulations, Implementation Measures for Hazard Identification and Risk Assessment, Measures for Investigation and Handling of False-Alarm Occupational Hazard Incidents Which Affect Physical and Mental Status, Contractor Safety and Health Management Measures and other relevant measures, and the scope and object of application cover Weikeng's operational sites in Taiwan and all workers, contractors, suppliers, visitors, etc.

Hazard Identification and Risk Assessment

In order to effectively perform safety and health management work, Weikeng plans to carry out hazard identification, risk assessment, and control measures in 2023 for internal and external personnel (including laborers hired by contractors, self-employed workers and visiting guests) who are at risk of injury or accident from various occupational procedures. The Company will work to continuously improve such management methods by revising safety and health policies and objectives, and planning safety and health management work, with the ultimate goal of "zero injuries and zero accidents". The Company will also formulate the "Implementation Measures for Hazard Identification and Risk Assessment" which will cover the following areas.



Health, Safety, and Health Hazard Assessment Procedure of Weikeng



Risk level determination		
Risk level	Risk control planning	Remark
5 Significant Risks	Risk reduction measures must be adopted immediately, and operations should not start or continue until the risk is reduced.	
4 High Risks	Risk control measures must be adopted within a fixed period of time. Operations should not start until the risk is reduced, and considerable resources may be required to reduce the risk. If the current operation has high risks, risk reduction measures must be implemented as soon as possible.	Unacceptable risks require the development of risk reduction measures for significant and high risks, in order to reduce these risks to below the moderate level.
3 Medium Risks	Efforts must be made to reduce risks, such as:Based on cost or financial considerations, risk reduction measures should be gradually adopted to gradually reduce the proportion of moderate risks. For moderate risks that are important or very important in severity, the likelihood of occurrence should be further evaluated as a basis for improving control measures.	
2 Low Risks	There is no immediate need to adopt risk reduction measures, but it is necessary to ensure that of existing protective measures are effective.	Acceptable risks require implementing or strengthening mechanisms such as maintenance, supervision and training of existing protective facilities.
1 Mild Risks	There is no need to adopt risk reduction measures, but it is necessary to ensure that existing protections are effective.	

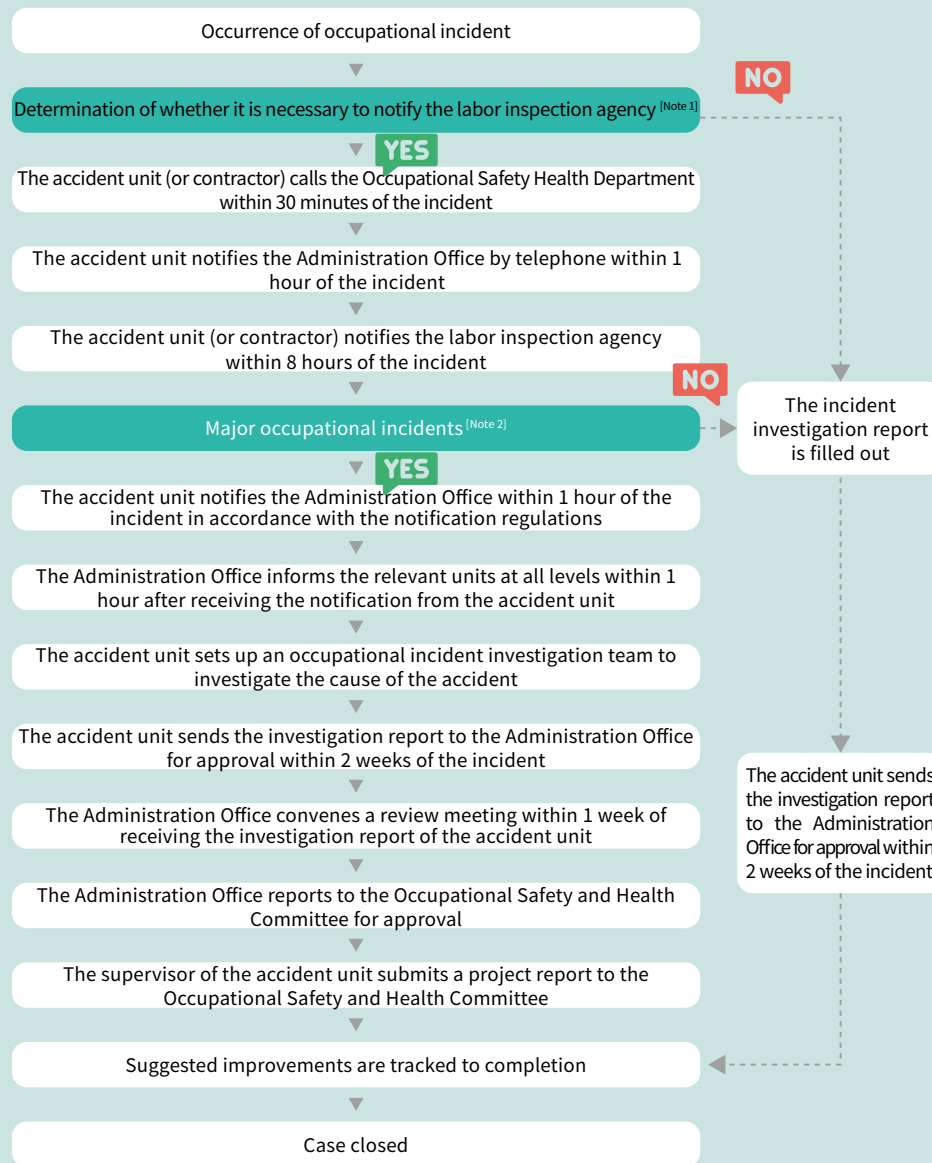
| Accident Prevention and Notification |

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.

In the event of an accident, first aid or 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 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 work to be stopped and the workers shall be evacuated to a safe place. When a worker discovers an imminent danger in the performance of their duties, they may stop the operation, retreat to a safe place (without endangering the safety of other workers), and immediately report to their supervisor. The employer may not dismiss, transfer, fail to pay wages during the period of suspension of work, or take other disadvantageous measures to workers in such situations.

When an occupational accident occurs in the workplace, the Company's department heads, management/supervisors of the relevant personnel, and occupational safety and health personnel shall immediately cooperate with the investigation and analysis of the cause of the incident, formulate appropriate response measures, and report to the manager for approval in accordance with the administrative operating procedures. They will then implement any response effectively.

Standard Flow Chart for Weikeng Occupational Incident Notification



Note:

- 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 agency must be notified within eight hours if: I. A fatal incident occurs. 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 hospitalization is required. IV. Other incidents designated and announced by the central competent authority.
- 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 more than one worker is injured in the 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 Class-1 occupational safety and health supervisors, Class-2 occupational safety and health administrators, 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 2022, a total of two occupational injuries occurred to employees. The first was on June 24, 2022, when an employee's motorcycle collided with another motorcycle on the way to work, resulting in chest, hand, and knee injuries; The second incident was on July 26, 2022, when an employee fell over in the parking lot after work while avoiding another vehicle, causing knee and foot injuries. Both incidents were reported and recorded in the "Occupational Disaster Statistics Network Reporting System" of the Occupational Safety and Health Administration of the Ministry of Labor. The guidance on traffic safety has been strengthened, to remind employees to pay attention to the driving behavior of nearby vehicles and keep a safe distance, to prevent the same incident from happening again. Nursing staff have been tracking and recording their recovery.

Weikeng's Occupational Safety Performance Statistics for the Past Two Years - Employees

Item		2021	2022
Total working hours	Female total working hours	406,916.00	435,968.00
	Male total working hours	541,344.00	552,048.00
	Total working hours	948,260.00	988,016.00
Occupational injury fatality rate	Female occupational injury fatality rate	0.00	0.00
	Male occupational injury fatality rate	0.00	0.00
	Fatality rate	0.00	0.00
Serious occupational injury rate (excluding death toll)	Total female serious occupational injury rate	0.00	0.00
	Total male serious occupational injury rate	0.00	0.00
	Total serious occupational injury rate	0.00	0.00
Recorded occupational injury rate (includes death toll and number of people with serious occupational injuries)	Total female occupational injury rate	2.46	4.59
	Total male occupational injury rate	0.00	0.00
	Total occupational injury rate	1.05	2.02
False alarm incident rate	Female false alarm incident rate	0.00	0.00
	Male false alarm incident rate	0.00	0.00
	Total false alarm incident rate	0.00	0.00
Description of each occupational injury		1.A female traffic accident with a fracture of the fibula in the right ankle and calf.	2.Two female traffic accidents, which are: (1)Chest, hand, and knee bruises and abrasions. ; (2) Knee and foot contusions.

- Note:
- 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
 - The data in this form is the statistical data of Weikeng Industrial from the "Occupational Disaster Statistics Reporting System of the Occupational Safety and Health Department of the Ministry of Labor."
 - Fatality rate due to occupational injury = number of deaths due to occupational injury / working hours * 1,000,000.
 - 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 or inability to return to the prior state of health within six months.
 - Recordable occupational injury rate = recordable occupational injury rate (including fatalities and serious occupational injuries) / working hours * 1,000,000.
 - The statistical data mainly includes personnel of Weikeng Industrial in Taiwan, excluding expatriates.
 - In 2022, there were a total of six non-employee workers at Weikeng, with a total of 8,176 working hours. There were no occupational incidents or false alarms.

| Safety and Health Training |

Weikeng has fire prevention management personnel to enhance employees' awareness of workplace environmental safety. Moreover, in accordance with Weikeng's Occupational Safety and Health Work Code, we regularly conduct relevant 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.

The training includes work safety and health related regulations, emergency response, fire and first aid knowledge and drills, with a training time of at least 6 hours. In addition, new and in-service employees undergo general safety and health training for at least 3 hours. 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, and Class-1 occupational safety and health business supervisors shall participate in at least 6 hours of on-the-job education and training every two years.

In 2022, general safety and health 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 56 participants (25 male and 31 female), and the total training time was 168 person-hours.

On September 20, 2022, the fire prevention management personnel and the occupational safety and health business supervisor note participated in training held by the China Productivity Center, which included: (1) regulations related to occupational safety and health; (2) responsibilities and job security analysis of occupational safety personnel, and the establishment of a safe, secure and friendly working environment. The number of participants was 1, and the total time was 6 hours.

Note: Occupational safety and health business supervisors must receive retraining every 2 years.

In addition, the Taipei Head Office participated in a fire drill held in the factory and office building where it is located, completing one annual drill on November 11, 2022 (only one drill this year due to the pandemic). There were 3 trainees and 4.5 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.



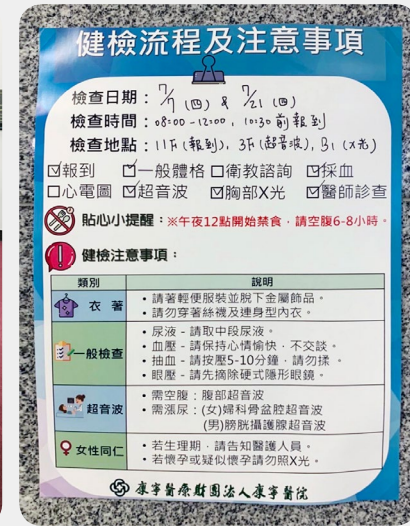
· General safety and health training

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 include intraocular pressure (IOP) measurement and body fat, to provide employees with a more complete overview. In 2022, Kang-Ning General Hospital was selected to conduct annual health checkups for employees, and 410 Weikeng employees underwent general health checks, for an employee participation rate of 85.77% (excluding overseas staff). Employees who did not participate either arranged regular health checks on their own or were unable to make the Company's health check time. The total cost of the health checks was NT\$399,500, and no occupational illnesses were found.

In addition, the Company signed up on-site doctor consultation services with Cathay General Hospital to provide health service consultation for three hours, once every two months, allowing employees to understand their physical and mental condition for the benefit of themselves and the Company. Follow-up tracking and evaluation is carried out by full-time nurses. In 2022, a total of six 18-hour health consultation services were conducted.



· Health Care

With 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 physical activities, healthy diet, mental health and so on. In 2022, the Company was certified by the National Health Agency of the Ministry of Health and Welfare with the "Health Initiative Label" for the healthy workplace, encouraging promotion of a smoke-free environment and starting workplace health promotion work.

During the COVID-19 pandemic period, in order to control the risk of infection, employees worked from home, taking turns to come in to the office, for around four months in February, April, May and June. Employees were allowed to take quarantine leave, care leave, and vaccination leave as needed; when all employees resumed to work at the Company, employees who had family care needs could apply for a flexible work schedule or continue to work from home.



Four Major Plans for Employee Health Protection

1

Ergonomic Hazard Prevention Program

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

2

Abnormal Workload-Induced Disease Prevention Plan

The Company's Human Resources Department collects and updates the basic information of workers, nature of work, working hours, and other information. After evaluation, the Company's business departments and business support departments were classified as potential risk groups in 2022 as they included workers who might work long hours or work with high physiological or psychological loads, in special work environments. The medical staff in the factory will then screen the middle and high-risk groups from the health check data of the workers in the above-mentioned departments.

3

Plan for Preventing Illegal Infringement during the Performance of Duties

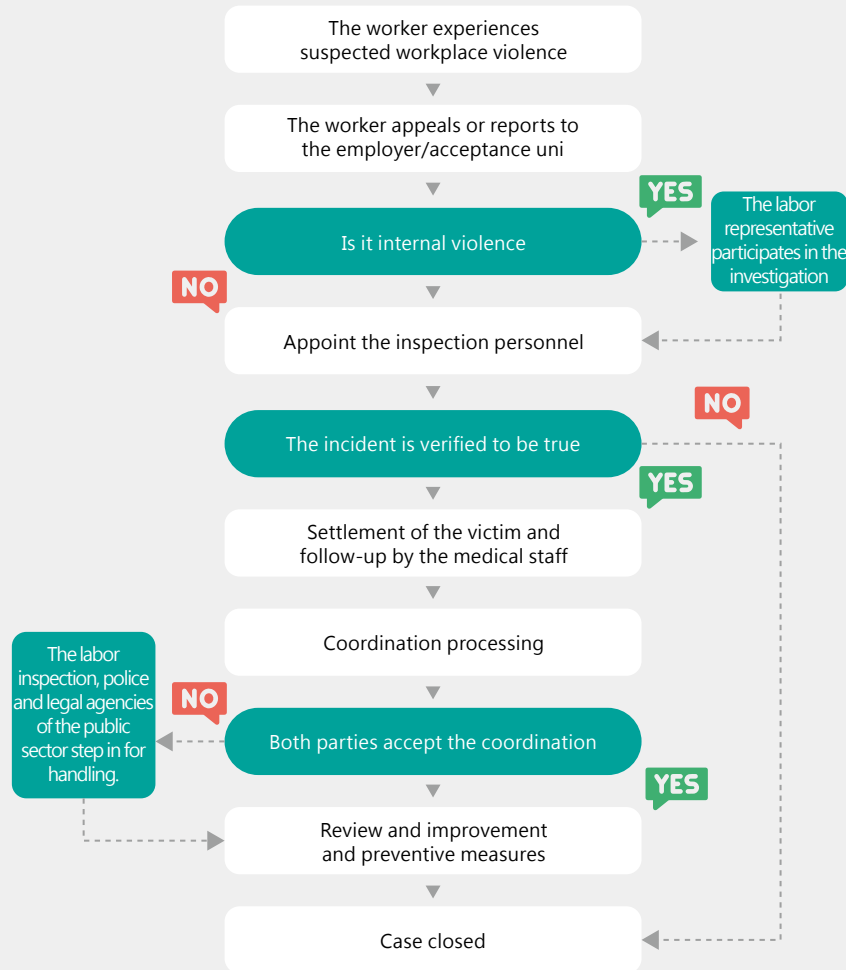
From 2019 onwards, the Company has formulated a prevention program for unlawful infringement in the performance of duties in accordance with the relevant provisions of the Occupational Safety and Health Act. The above program will be revised in accordance with the updated guidelines of the governmental 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.

4

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.

Procedures for handling unlawful physical or mental infringement when performing duties



The nurses hold lectures on health promotion and safety on a regular basis, and identify the hazards that are prone to occurring in their workplace by enhancing employees' health knowledge and prevention methods related for disease that are likely to occur, reducing the risk of hazards through dissemination of correct health related knowledge. In 2022, a total of 3 health seminars were held with 156 participants (68 male and 88 female) for a total of 4.5 hours.

2022 Health Seminars

In view of the health topics that employees are interested in, and considering that most of the office work, the Company focuses on physical activities, healthy diet and mental health, and cooperates with external resources to invite professionals from all fields to give keynote speeches, so as to improve the health knowledge of employees.

Date	Number of hours	Contents	Teaching unit	Number of participants		
				Male	Female	Total
February 24	1	Lower back pain	Midway Professional Health Team	9	10	19
June 17	1.5	Cancer prevention diet	Organic Association	23	28	51
August 19	2	Workplace emotional health examination and anti-stress equipment	Taipei Community Mental Health Center	36	50	86
Total	4.5	—	—	68	88	156

4.5 Giving Back to Society

· Environmental Protection Issues

From 2019 to 2022, the Company sponsored the "Earth Day" event by the "Commercial Times" for 4 consecutive years, paying attention to environmental protection activities for the Earth. In 2022, the total amount sponsored was NT\$40,000.



· Sponsorship of Educational Resources

In order to enrich university education resources, the Company sponsored National National Yang Ming Chiao Tung University in October 2022 for a total of NT\$500,000. Furthermore, we are concerned about the serious educational gap in Taiwan's remote areas; from 2020 to 2022, the Company sponsored the Boyo Social Welfare Foundation for three consecutive years. The Foundation's mission is to provide remedial education in remote areas, train local counselors, and help graduating students become self-sufficient and improve themselves in order to rise out of poverty. In 2022, our cumulative sponsorship amount reached NT\$1 million.



· Sponsorship of Sports Resources

To promote sports activities, the Company has sponsored the High Tech Charity Association for the past six years (2017~2022). The funds were used to promote professional golf in Taiwan, with a cumulative sponsorship of NT\$1.8 million as of 2022.



· Sponsorship of Research Institutes

The Company sponsored the Chinese Society for Management of Technology from 2017 to 2022, in the hope of bringing together talent in the field of technology management to promote exchanges among industry, government departments, and academic research institutions. Up to 2022, the cumulative amount of sponsorship reached NT\$1.2 million.



To promote business research activities and comply with government policies promoting the knowledge-based economy and business research activities, the Company sponsored a total of NT\$850,000 to the Chinese Association of Valuation from 2015 to 2022.



· Employee Participation in Social Welfare

In May 2022, the Company participated in the "Meal Subsidy Program for Disadvantaged School Children" sponsored by the Next Generation Charity Association, donating a total NT\$400,000. The funds were donated to four groups including the Boyo Social Welfare Foundation's lesson plan, the Chinese Christian Relief Association Accompanied Reading Program, the HsinChu I-Link Community Care Association's Green Light Seed Education Program, and the Taitung Hongye Elementary School baseball team. In addition to donations from the Company, a total of 190 employees and their family members fulfilled social responsibilities through walking to advocate for disadvantaged children and supporting social welfare.



To perpetuate the power of life, spread love, and facilitate a peaceful and loving society, the Company organized a one-day blood donation drive with the Taipei Blood Center of Taiwan Blood Services Foundation on November 2, 2022 (event location: Wall Street Science and Technology Headquarters Building Plaza (near Neihu Rd.), and invited other companies in the same building to support the event. A total of 48 employees from the Company participated in the blood donation, donating 15,500 ml of blood. A total of 47 people from other companies donated 16,500 ml of blood. A total of 95 people participated in the blood donation, donating 32,000 ml of blood to perpetuate the power of life and spread love.





Appendix

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Appendix I: GRI Content Index Table

Statement of Use	Weikeng has reported the content from January 1, 2022 to December 31, 2022 in accordance with the GRI guidelines.
GRI 1 Used	GRI 1: Fundamentals 2021
Applicable GRI industry guidelines	No applicable GRI industry guidelines

GRI Subject	Disclosure item	Corresponding chapter	Page number	Reason for omission/ explanation
GRI 2 General Disclosures 2021				
1. Organization and Reporting Practice				
2-1	Organizational Details	2.1 About Weikeng	28	
2-2	Entities included in organizational sustainability reporting	2.1 About Weikeng	28	
2-3	Reporting period, frequency and contact person	Editorial Policy	02	
2-4	Information Recompilation	Editorial Policy	02	
2-5	External Guarantee/Assurance	Editorial Policy	02	
2. Activities and Workers				
2-6	Activities, Value Chains and Other Business Relationships	2.1 About Weikeng 2.2 Operation Overview 3.1 Supply Chain Management	28 31 64	
2-7	Employees	4.2 Talent Attraction and Retention	90	
2-8	Non-employee workers	4.2 Talent Attraction and Retention	90	
3. Governance				
2-9	Governance structure and composition	2.3 Corporate Governance	34	
2-10	Nomination and selection of the highest governance body	2.3 Corporate Governance	34	
2-11	Chairman of the highest governance body	2.3 Corporate Governance	34	
2-12	Role of the highest governance body on the supervision of impact management	1.1 Sustainable Promotion and Management	06	
2-13	Responsible person for impact management	1.1 Sustainable Promotion and Management	06	
2-14	Role of the highest governance body on sustainability reporting	Editorial Policy	02	
2-15	Conflict of Interest	2.3 Corporate Governance	34	
2-16	Communication on key material events	1.1 Sustainable Promotion and Management	06	
2-17	Collective knowledge of the highest governance body	2.3 Corporate Governance	34	
2-18	Evaluation of the performance of the highest governance body	2.3 Corporate Governance	34	

GRI Subject	Disclosure item	Corresponding chapter	Page number	Reason for omission/ explanation
2-19	Compensation policy	2.3 Corporate Governance	34	
2-20	Compensation determination process	2.3 Corporate Governance	34	
2-21	Total annual Compensation ratio	—		The highest compensation is a Company secret and is not disclosed for the time being.
4.Strategy, Policy and Practice				
2-22	Statement of Sustainable Development Strategy	Message from the Chairman	03	
2-23	Policy Commitment	2.4 Honesty and Integrity and Regulatory Compliance	43	
		3.1 Supply Chain Management	64	
		3.3 Customer Relationship Management	70	
		4.1 Human Rights Protection	88	
2-24	Inclusion in policy commitment	2.4 Honesty and Integrity and Regulatory Compliance 3.1 Supply Chain Management 4.1 Human Rights Protection	43 64 88	
2-25	Procedures for remedying negative impacts	1.2 Stakeholder Identification and Communication	09	
		2.4 Honesty and Integrity and Regulatory Compliance	43	
		2.5 Risk Management	48	
		4.1 Human Rights Protection 4.4 Employee Safety and Health	88 101	
2-26	Mechanism for seeking advice and raising doubts	2.4 Honesty and Integrity and Regulatory Compliance	43	
2-27	Regulatory Compliance	2.4 Honesty and Integrity and Regulatory Compliance	43	
2-28	Membership of associations	2.1 About Weikeng	28	
5.Stakeholder communication				
2-29	Stakeholder communication policy	1.2 Stakeholder Identification and Communication	09	
		3.3 Customer Relationship Management	70	
2-30	Collective agreements	—		No union has been formed and there are no collective agreements.

GRI Subject	Disclosure item	Corresponding chapter	Page number	Reason for omission/ explanation
Major Issues				
GRI 3: Major issues 2021				
3-1	Process for determining major issues	1.3 Analysis of Major Issues	17	
3-2	List of major issues	1.3 Analysis of Major Issues	17	
Major issue: Risk management				
3-3	Major issues management	Operating Performance Management Policy 2.5 Risk Management	22 48	
Major issue: Business performance				
3-3	Major issues management	Operating Performance Management Policy 2.2 Operation Overview	22 31	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed by organization	2.2 Operation Overview	31	
	201-4 Financial assistance from the government	2.2 Operation Overview	31	
Major issue: Talent cultivation				
3-3	Major issues management	Management Policy for Talent Development and Retention 4.2 Talent Attraction and Retention	86 90	
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	4.2 Talent Attraction and Retention	90	
	404-2 Employee Capability Enhancement and Transition Assistance Plan	4.2 Talent Attraction and Retention 4.3 Employee Rights and Benefits	90 97	
	404-3 Percentage of employees receiving regular performance and career development reviews	4.2 Talent Attraction and Retention	90	
Major issue: Customer service and satisfaction				
3-3	Major issues management	Technology Research and Development and Customer Relationship Management Policy 3.3 Customer Relationship Management	62 70	
Major issue: Governance operations and information transparency				
3-3	Major issues management	Ethical Governance and Management Policy 2.3 Corporate Governance	24 34	
Major issue: Ethical corporate management				
3-3	Major issues management	Ethical Governance and Management Policy 2.4 Honesty and Integrity and Regulatory Compliance	24 43	
GRI 205: Anti- corruption 2016	205-2 Communication and training on anti-corruption policies and procedures	2.4 Honesty and Integrity and Regulatory Compliance	43	
	205-3 Confirmed incidents of corruption and actions taken	2.4 Honesty and Integrity and Regulatory Compliance	43	

GRI Subject	Disclosure item	Corresponding chapter	Page number	Reason for omission/ explanation
Major issue: Ethical corporate management				
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.4 Honesty and Integrity and Regulatory Compliance	43	
GRI 415: Public policy 2016	415-1 Political contributions	2.4 Honesty and Integrity and Regulatory Compliance	43	
Major issue: Technology research and innovation				
3-3	Major issues management	Technology Research and Development and Customer Relationship Management Policy	62	
		3.2. Technology Research and Development	68	
Major issue: Employee welfare				
3-3	Major issues management	Management Policy for Talent Development and Retention	86	
		4.3 Employee Rights and Benefits	97	
GRI 201: Economic Performance 2016	201-3 Defined benefit system obligations and other retirement plans	4.3 Employee Rights and Benefits	97	
GRI 401: Labor relations 2016	401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	4.3 Employee Rights and Benefits	97	
	401-3 Parental leave	4.3 Employee Rights and Benefits	97	
Major issue: Clean technology opportunities				
3-3	Major issues management	Technology Research and Development and Customer Relationship Management Policy	62	
		3.2. Technology Research and Development	68	
Major issue: Customer privacy and information security				
3-3	Major issues management	Customer Privacy and Information Security Management Policy	26	
		2.6 Information and Cyber Security Management	56	
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.6 Information and Cyber Security Management	56	

GRI Subject	Disclosure item	Corresponding chapter	Page number	Reason for omission/ explanation
Voluntary Disclosure Item				
Specific theme standard: 200 economic indicators				
GRI 201: Economic Performance 2016	201-2 Financial impacts and other risks and opportunities arising from climate change	3.4 Response to Climate Change	73	
GRI 202: Market positioning 2016	202-1 Ratios of standard entry level wage by gender compared with local minimum wage	4.2 Talent Attraction and Retention	90	
	202-2 Proportion of senior management hired from local community	4.2 Talent Attraction and Retention	90	
GRI 203: Indirect Economic Impact 2016	203-1 Infrastructure investments and supporting services	4.5 Giving Back to Society	110	
GRI 204: Procurement practices 2016	204-1 Proportion of procurement expenses to local suppliers	3.1 Supply Chain Management	64	
Specific theme standard: 300 economic indicators				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	3.5 Environmental Protection	80	
	302-3 Energy intensity	3.5 Environmental Protection	80	
	302-4 Reducing energy consumption	3.5 Environmental Protection	80	
GRI 303: Water and effluents 2018	303-1 Interactions of shared water resources	3.5 Environmental Protection	80	
	303-2 Management of water discharge-related impact	3.5 Environmental Protection	80	
	303-3 Water intake	3.5 Environmental Protection	80	
GRI 305: Emissions 2016	305-1 Direct (Range 1) GHG emissions	3.5 Environmental Protection	80	
	305-2 Energy indirect (Range 2) GHG emissions	3.5 Environmental Protection	80	
	305-4 Greenhouse gas emission intensity	3.5 Environmental Protection	80	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	3.5 Environmental Protection	80	
	306-2 Management of significant waste-related impacts	3.5 Environmental Protection	80	
	306-3 Waste generation	3.5 Environmental Protection	80	
	306-4 Disposal and transfer of waste	3.5 Environmental Protection	80	
	306-5 Direct disposal of waste	3.5 Environmental Protection	80	

GRI Subject	Disclosure item	Corresponding chapter	Page number	Reason for omission/ explanation
Specific theme standard: 400 social indicators				
GRI 401: Labor relations 2016	401-1 New employee hires and resigned employees	4.2 Talent Attraction and Retention	90	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice period for operational changes	4.3 Employee Rights and Benefits	97	
GRI 403: Occupational safety and health 2018	403-1 Occupational safety and health management system	4.4 Employee Safety and Health	101	
	403-2 Hazard identification, risk assessment and incident investigation	4.4 Employee Safety and Health	101	
	403-3 Occupational health services	4.4 Employee Safety and Health	101	
	403-4 Worker participation, consultation, and communication on occupational safety and health	4.4 Employee Safety and Health	101	
	403-5 Worker training on occupational safety and health	4.4 Employee Safety and Health	101	
	403-6 Promotion of worker health	4.4 Employee Safety and Health	101	
	403-7 Prevention and mitigation of impact on occupational safety and health directly linked to business	3.1 Supply Chain Management	64	
	403-8 Workers covered by occupational safety and health management system	4.4 Employee Safety and Health	101	
	403-9 Occupational injuries	4.4 Employee Safety and Health	101	
	403-10 Occupational disease	4.4 Employee Safety and Health	101	
GRI 405: Employee diversity and equal opportunities 2016	405-1 Diversity of governance body and employees	2.3 Corporate Governance 4.2 Talent Attraction and Retention	34 90	
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken by the organization	2.4 Honesty and Integrity and Regulatory Compliance	43	
GRI 407: Freedom of association and group negotiation 2016	407-1 Operation bases or suppliers that may face risks of freedom of association and group negotiation	2.4 Honesty and Integrity and Regulatory Compliance	43	
		4.3 Employee Rights and Benefits	97	
GRI 408: Forced or compulsory labor 2016	408-1 Significant risk for operation bases and suppliers for using child labor	2.4 Honesty and Integrity and Regulatory Compliance 3.1 Supply Chain Management 4.1 Human Rights Protection	43 64 88	

GRI Subject	Disclosure item	Corresponding chapter	Page number	Reason for omission/ explanation
Specific theme standard: 400 social indicators				
GRI 409: Forced or compulsory labor 2016	409-1 Operation bases and suppliers at significant risk for incidents of forced or compulsory labor	2.4 Honesty and Integrity and Regulatory Compliance	43	
GRI 411: Rights of indigenous people 2016	411-1 Incidents of violation of rights of indigenous people	2.4 Honesty and Integrity and Regulatory Compliance	43	
GRI 416: Customer health and safety 2016	416-1 Assessment of impact on health and safety from product and service categories	3.1 Supply Chain Management	64	
	416-2 Incidents of violation of product and service health and safety laws and regulations	2.4 Honesty and Integrity and Regulatory Compliance 3.1 Supply Chain Management	43 64	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	2.2 Operation Overview 3.1 Supply Chain Management	31 64	
	417-2 Incidents of non-compliance concerning product and service information and labeling	2.4 Honesty and Integrity and Regulatory Compliance	43	
	417-3 Incidents of non-compliance with marketing communication regulations	2.4 Honesty and Integrity and Regulatory Compliance	43	

Appendix II: Comparison Table of Taiwan Stock Exchange's "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" for the Enhanced Disclosure of Sustainable Indicators for the Electronic Channel Industry

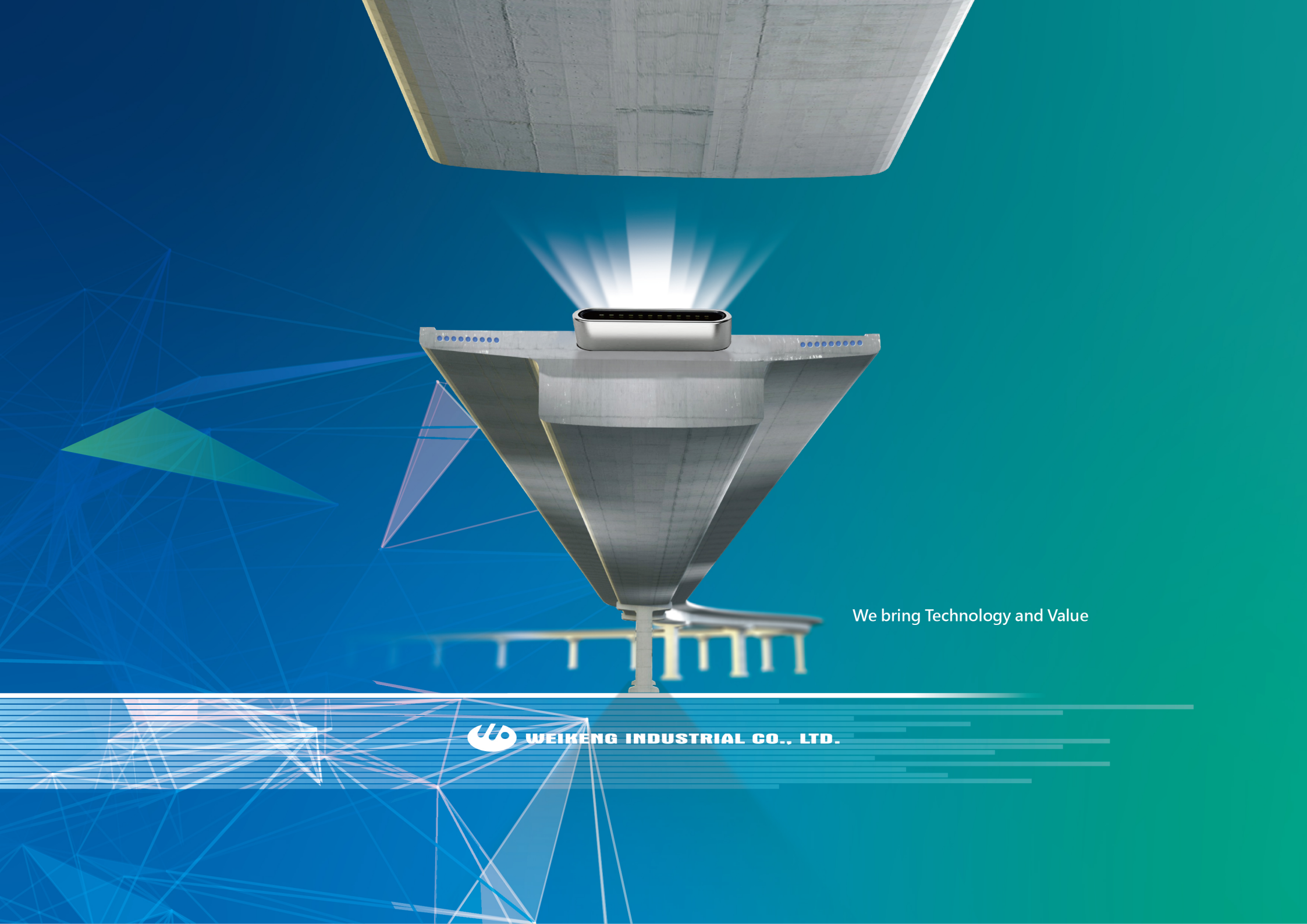
Table 1-13 of Item 3, Article 4	Indicator type	Unit	Response
(1) Total energy consumption, percentage of purchased electricity, and utilization rate of renewable energy.	Quantization	GJ, %	Total energy consumption of 2,893.38 GJ, 85.97% purchased electricity, and no utilization of renewable energy.
(2) Total water intake and total water consumption	Quantization	m ³	Total water intake 4.06 m ³ Not applicable (as the Company is in an office building, the water consumption cannot be calculated.)
(3) Weight and recovery percentage of hazardous waste generated.	Quantization	Ton and %	There was no hazardous waste.
(4) Explain the category, number of people, and ratio of occupational disasters.	Quantization	% and quantity	Two commuting traffic accidents, accounting for 0.42%.
(5) Disclosure of product life cycle management: including the weight of scrapped products and electronic waste, and the percentage of recycling.	Quantization	Ton and %	Expected statistics for 2023.
(6) Description of risk management related to the use of key materials.	Qualitative description	Not applicable	The combination of product lines represented by Weikeng is quite diverse and extensive. The vendors and suppliers are all world famous manufacturers, and their production locations are diverse. If there is a supply chain production risk, the vendors and manufacturers can adjust their production through their diversified production bases to reduce the risk. Therefore, the Company also benefits from the diversity of vendors and suppliers, thus reducing the risks of single product procurement.
(7) The total amount of monetary losses caused by legal proceedings related to anti competition regulations.	Quantization	Reported currency	NT\$0
(8) Main product output by product category.	Quantization	Varies by product type	Weikeng Industrial does not have a manufacturing facility, so this is calculated based on the quantity of goods purchased. Chip group/specific application standard components: 418,659,228 pcs Hybrid and dispersed components: 2,544,356,782 pcs

Appendix III: Risks and Opportunities Caused by Climate Change to Companies and Countermeasures Taken by Companies

Item	Corresponding chapter	Page number
1. Describe the supervision and governance of the board of directors and management on climate related risks and opportunities	3.4 Response to Climate Chang	73
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finance of the enterprise (short, medium and long term).	3.4 Response to Climate Chang	73
3. Describe the financial impact of extreme climate events and transformation actions.	3.4 Response to Climate Chang	73
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	2.5. Risk Management	48
9. Greenhouse gas inventory and confirmation situation	3.5 Environmental Protection	80

Appendix IV: Perpetual Accounting Standards Board SASB Comparison Table - Electronic Manufacturing Services and Original Design Manufacturing

Disclosed theme	Indicator code	Accounting indicator	Nature	Response
Water Resource Management	TC-ES-140a.1	(1) Total water intake. (2) Total water consumption, percentage of areas with high or extremely high baseline water resource pressure.	Quantization	Water intake in areas with high or extremely high baseline water resource pressure is 0%. (1) Total water intake: 4.06 m ³ (2) Total water consumption; Not applicable (as the Company is in an office building, the water consumption cannot be calculated.)
Waste Management	TC-ES-150a.1	Quantity of hazardous waste from the manufacturing process and the percentage of recycling.	Quantization	There was no hazardous waste.
Labor behavior	TC-ES-310a.1	(1) Number of downtime incidents and (2) Total number of days of delay.	Quantization	There were no downtime incidents in 2022.
Labor conditions	TC-ES-320a.1	(1) The total recordable accident rate (TRIR) of (a) direct employees and (b) contracted employees, and (2) false alarm incident rate (NMFR).	Quantization	Direct employees: The total recordable accident rate is 0.40, and there were no false alarm incidents. Contracted employees: There were no occupational accidents or false alarm incidents.
	TC-ES-320a.2	(1) The percentage of the organization's factories and (2) first-stage supplier factories that are audited in the RBA Effectiveness Audit Procedure (VAP) or equivalent procedure is calculated based on (a) all factories and (b) high-risk factories.	Quantization	There is currently no statistical information available. Please refer to the vendor and supplier RBA alliance members for inquiries https://www.responsiblebusiness.org/about/members/
	TC-ES-320a.3	(1) The failure rate of the RBA effectiveness audit procedure (VAP) or equivalent procedure, and (2) the relevant improvement rate are divided into (a) priority non-conformities and (b) other non-conformities, and further subdivided into (i) the organization's factory and (ii) the first-stage supplier's factory.	Quantization	There is currently no statistical information available. Please refer to the vendor and supplier RBA alliance members for inquiries https://www.responsiblebusiness.org/about/members/ For detailed supplier management information, please refer to 3.1 Supply Chain Management.
Product Lifecycle Management	TC-ES-410a.1	The weight of scrapped products and electronic waste recycling, and the percentage of recycling.	Quantization	Expected statistics for 2023.
Raw material procurement	TC-ES-440a.1	Description of risk management related to the use of key materials.	Qualitative	The combination of product lines represented by Weikeng is quite diverse and extensive. The vendors and suppliers are all world famous manufacturers, and their production locations are diverse. If there is a supply chain production risk, the vendors and manufacturers can adjust their production through their diversified production bases to reduce the risk. Therefore, the Company also benefits from the diversity of vendors and suppliers, thus reducing the risks of single product procurement.
Activity indicator	TC-ES-000.A	Number of production factories.	Quantization	Weikeng's industry type is a channel service industry without factories; the Company has only storage and sales bases; there are a total of 6 operating bases in Taiwan, including Taipei Neihu Headquarters, Neihu Tamei Storage Center, Taoyuan Housheng Storage Center, and Central South Liaison Offices (Hsinchu, Taichung Kaohsiung).
	TC-ES-000.B	Area of production factories.	Quantization	Weikeng's industry type is a channel service industry without factories, the Company has only storage and sales bases; the 6 operating bases in Taiwan cover an area of 121,869.4 square feet.
	TC-ES-000.C	Number of in-service employees.	Quantization	In 2022, Weikeng had a total of 502 employees.



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