



2023

ESG Report

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Editorial Policy

About This Report

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

The Report was published in August 2024, with simultaneous publication on the Company’s official website. Going forward, we will continue to compile and publish the Sustainability Report in August every year.

Report Scope and Methodology

The information disclosure period of this Report is January 1, 2023 to December 31, 2023. 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 data covers the Shatin Warehouse in Hong Kong, Futian Warehouse in Shenzhen China, and a description of cases before and after 2023, management policies, goals, and such. If other reporting scopes 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 Sustainability Standards Board (GSSB), 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 & Original Design Manufacturing Standard of the International Sustainability Standards Board (ISSB). Weikeng’s sustainability theme, strategy, and specific actions are disclosed based on the reporting principle, and the relevant content indices are detailed in the Appendix.

In respect to Weikeng’s Sustainability Report, Mr. Chou, Kan-Lin (@Fama Chou), Chief Financial Officer/Spokesperson/Corporate Governance Officer, serves as the general convener of the sustainability report preparation team, 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. The Report was verified by British Standards Institution Taiwan Branch (BSI Taiwan), an independent third-party verifier. The verification was conducted using the AA1000AS v3 Type 1 at a moderate level of assurance to ensure compliance with the principles of inclusivity, materiality, responsiveness, and impact. The verified Sustainability Report is then submitted to the Sustainable Development Committee and the Board of Directors for approval before publication.

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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Company official website

Message from the Chairman

Weikeng Group is dedicated to actively learn and promote sustainable operations, to engage in various operational activities with integrity and to comply with government regulations, hoping to maintain operational performance to create decent jobs and promote prosperity of the society. Decarbonization and digitalization are now the new norm of business operations; we see the implementation of decarbonization plan as the top priority after the Group's GHG inventory quantification is completed. This pushes us towards deeper digitalization as the group adopts more digital tools to meet real-time delivery of information, which allows Weikeng to share information simultaneously and respond promptly to issues the stakeholders may have. As a member of the semiconductor supply chain, Weikeng continues 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.

Regarding investment in the environment, starting in 2022, Weikeng established its ESG Executive Office under the Sustainable Development Committee. The office's role is to initiate an organizational greenhouse gas inventory and implement the ISO 14064 organizational greenhouse gas inventory specification. In 2023, the internal verification team of the Parent Company was established for obtaining external verification on ISO certification in the future. At the end of 2023, the inventory teams of the Subsidiaries were set up one after another. Consequently, the inventory scope extends to each subsidiary, ensuring the integrity and completeness of the Group's GHG inventory. Climate change poses not only risks but also opportunities to all industrial sectors, and it is a critical strategy for the Company to maintain its economic performance. As energy conservation and carbon reduction have become significant growth drivers of demand for semiconductors, especially in the era of decarbonization, the rise of AI, and green computing. The Company aims to work closely with upstream vendors and downstream clients to continuously invest more resources in demand creation for related application solutions.

The Company will also continue to invest resources in the automotive/electric vehicle and industrial energy-related markets. The Company will collaborate closely with industry partners to develop decarbonization and green computing product solutions to support the development of green products and create a sustainable supply chain together.

Weikeng remains steadfast in its commitment to contributing to the United Nations Sustainable Development Goals (SDGs) and was awarded the first national "Middle-aged and Elderly Workers/Elderly Workers Friendly Enterprise Certification" of Taipei City in 2023. The Company pledges to continuously focus on issues and actions regarding employee benefits. One of the key values and principles of the Company is to value and support its employees. Weikeng places great emphasis on talent training and retention. Over the past year, Weikeng has continued promoting ESG within the organization to foster ESG awareness and practices of both its employees and the Company itself. As a token of appreciation for its employees and their family and friends, the Company organized a two-day ESG-themed Family Day. A charity performance team was invited to perform at the event. Additionally, the Company not only encourages its employees to participate in community welfare activities but also leads its employees and invites charitable groups to enjoy movies to support Taiwan's charity movies, as well as domestic cultural and art development. The Company continues to sponsor environmental protection awareness, education, healthcare, sports resources, research institutions, and similar, to cultivate scientific and technological talents, enhance internal ESG capabilities, and supports cultural industries in line with United Nations Sustainable Development Goals (SDGs).

The Company emphasizes on "ethical corporate management," "risk management," and "supply optimization," and further improves its corporate governance by introducing external verification. These efforts enable Weikeng to become an indispensable and high-standard partner in the logistic support system and supply chain management. In 2023, the

Company continuously promoted a sustainable workplace and strengthened regulations for sustainable governance. To integrate the management approach of ISO quality and environmental systems into occupational safety and health management, thereby reducing occupational hazards and risks while enhancing operational efficiency, the Company reported to the Sustainable Development Committee in August 2023. After selecting a consulting firm, we began planning and building an occupational safety and health management system (ISO45001: 2018). The system underwent external verification conducted by ARES International Certification (ARES) and obtained the ISO 45001: 2018 certificate issued by the ARES in February 2024. We hope to implement our occupational safety and health policy of "compliance with laws," "hazard prevention," "competence awareness," "continuous improvement," and "all-staff participation" through the promotion and establishment of occupational safety and health management system. Furthermore, to augment the quality of logistics services in supply chain management, the Company introduced the ISO9001: 2015 (warehousing services) verification in 2023 and obtained internationally recognized certificates issued by BSI (for the Shatin Warehouse in Hong Kong) and ARES (for Neihs Tanmei and Taoyuan Housheng Warehouses in Taiwan) in September and November, respectively. All of the aforementioned endeavors demonstrate the Company's commitment to enhancing its performance in logistic and supply chain management, prioritizing workplace safety and the quality of warehousing centers, and exerting its sustainable influence as part of a responsible supply chain.

The Company is committed to fulfilling its corporate social responsibility, 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.

董事長 胡秋江

胡秋江

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 47 years of hard work, we have gained many positive testimonies from vendors and won multiple awards.



Weikeng's awards and recognitions over the years [↗](#)



Recognized as a top 500 import and export companies in 2022 by the International Trade Bureau, October 5, 2023.



Awarded a certificate of appreciation from Kaohsiung Autism Foundation on August 4, 2023



Awarded a certificate of appreciation from Genesis Social Welfare Foundation on August 4, 2023



Certificate of appreciation from the Department of Social Welfare, Taoyuan City Government in 2023



Letter of Appreciation from Médecins Sans Frontières Taiwan in 2023



The 1st Middle-aged and Elderly Workers Friendly Enterprise of Taipei City in 2023



Recognized as a Happy Enterprise by the 1111 Human Resources Bank in 2023



Best Supplier of the Year 2023 by Foxconn Industrial Internet



2023 Asia Pacific Golden Partner Award by Vishay Intertechnology



2023 Outstanding Demand Creation Award for Green Industrial Energy in Greater China by Infineon



FY2223 Outstanding Business Performance Award for ATV in Greater China by Infineon



In 2023, Weikeng's efforts to win business in green industrial energy were acknowledged by Infineon



2023 Top Business Winning POS System Achievement Award in Greater China by Infineon



2023 Outstanding Distributor for Customer Development of PSS Department in Greater China by Infineon: Compuware Technology and Accton Technology

1

Sustainable Management

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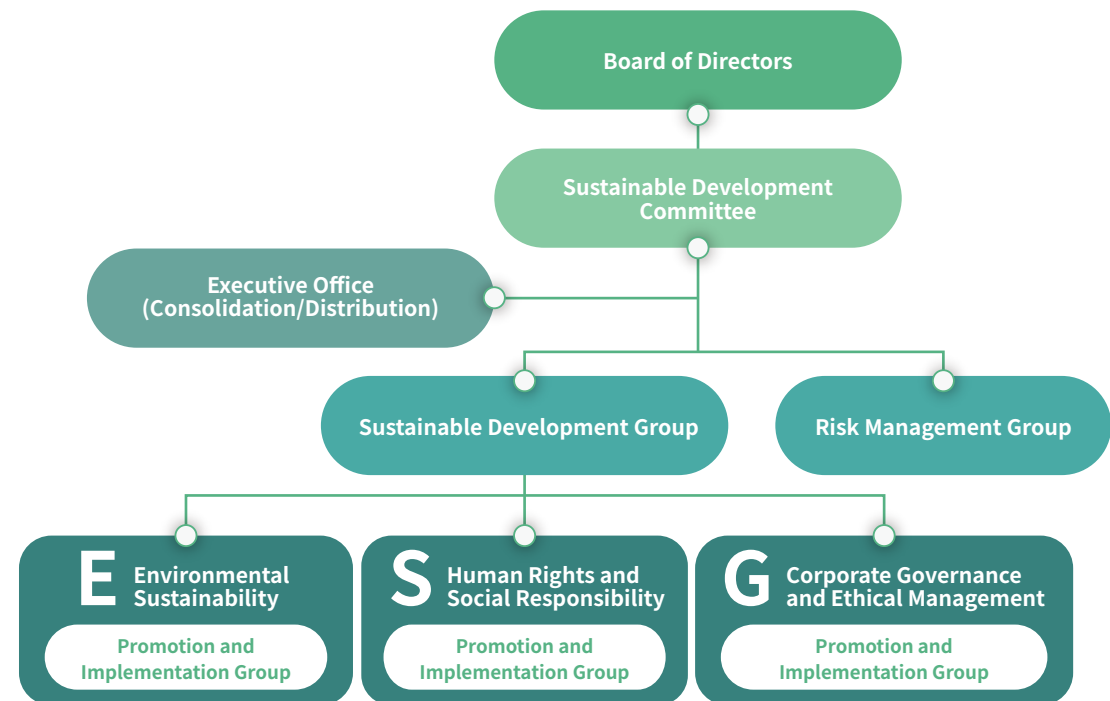
1.1 Sustainable Management

Weikeng Industrial is a distributor of professional electronic components and computer peripheral equipment. As a member of the important key components supply chain in the electronics manufacturing industry, we exercise optimal and sustainable development to provide employees with appropriate safety, industrial safety, and environmental related policies and training. The Company is committed to implementing sustainable development via the integration of corporate resources, through internal and external education and training. We have established a risk management system for product quality, 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 implement the Sustainable Development Policy more effectively, the Company's Board of Directors passed a resolution on March 25, 2022, to set up a Sustainability Committee and established the first session thereof in order to serve as the highest guiding unit for the planning and discussion of sustainable development. The Board of Directors appointed Chairman Mr. Hu, Chiu-Chiang (@Douglas Hu), Director Mr. Chi, Ting-Fang (@Stan Chi) (concurrently serving as President and CEO), and all independent directors (three seats: Mr. Tsai, Yu-Ping (@Edward Tsai), Mr. Lin, Hung (@Vincent Lin), and Ms. Yu, Hsueh-Ping (@Peggy Yu)); independent director Ms. Yu, Hsueh-Ping (@Peggy Yu) was to serve as convener of the Committee and presiding chair of its meetings. The Sustainable Development Committee has formed two functional groups, the Sustainable Development Group and the Risk Management Group, and has established the Sustainable Development Committee Charter to ensure the promotion and implementation of work related to corporate sustainable development. The Sustainable Development Committee has formed two functional groups, the "Sustainable Development Group" and the "Risk Management Group," and has established the "Sustainable Development Committee Charter" to ensure the promotion and implementation of work related to corporate sustainable development.



Sustainable Development Committee

Responsibilities of the Sustainable Development Committee

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

- ① Formulation of the Company’s sustainable development policy.
- ② Formulation of the goals, strategies and implementation plans for corporate sustainable development, including sustainable governance, ethical management, and environmental and social aspects.
- ③ Review, tracking and revision of the implementation and effectiveness of the Company’s sustainable development, with regular reporting to the board of directors.
- ④ Focus on issues of concern to stakeholders and supervision of communication plans.
- ⑤ Review of the risk management policy including, but not limited to, information security and climate change.
- ⑥ Review of the appropriateness of the risk management framework.
- ⑦ Review of major risk management strategies, including risk appetite or tolerance.
- ⑧ 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

- ① Providing policies and plans related to environmental sustainability.
- ② Implementing and promoting the Company’s environmental sustainability related work, holding regular meetings, and reporting the implementation status to the Sustainable Development Committee.

S Human Rights and Social Responsibility

Promotion and
Implementation Group

- ① 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.
- ② Implementing and promoting the Company’s corporate social responsibility related work, holding regular meetings, and reporting the implementation status to the Sustainable Development Committee.

G Corporate Governance and Ethical Management

Promotion and
Implementation Group

- ① Establishing strategic goals related to sustainable development, including ethical corporate management and strengthening of the Company’s management system.
- ② Implementing, improving and promoting the Company’s corporate governance and ethical management related work, holding regular meetings, and reporting the implementation status to the Sustainable Development Committee.

Risk Management Group

- ① Developing and revising risk management related regulations including, but not limited to, information security and climate change.
- ② It implements and improves the Company’s risk management and information security related work, holds regular meetings, and reports the implementation status to the Sustainable Development Committee.

State of Operations of Sustainable Development Committee

In 2023, the Sustainable Development Committee held 3 meetings. During these meetings, the major issues of the Sustainability Report, amendments to the Sustainable Development Committee Charter, revisions to the Policy and Procedures of Risk Management, and the addition of the Greenhouse Gas Inventory Management and Internal Verification Operation Procedures were discussed and reviewed. Each committee member achieved a 100% attendance rate. Additionally, Chou, Kan-Lin (@Fama Chou), who serves concurrently as CFO and Chief Governance Officer, reported on the implementation of ESG to the Sustainable Development Committee and the Board of Directors.

Description on State of Operations of Sustainable Development Committee and Key Points of Report to Board in 2023

Meeting date	Meeting content
April 28	<ul style="list-style-type: none"> Reviewed the detailed schedule of the 2022 Sustainability Report and implementation status, and approved proposal for major issues. Reviewed the implementation of the GHG inventory and verification plan for the 1st quarter of 2023. Reviewed the 1st quarter of 2023 report on issues related to sustainable development, including "Information and Cyber Security Risk," "Intellectual Property," "Occupational Safety, Work Environment, Health and Safety for Employees," "Human Rights Policy," "Social Public Welfare," and implementation by the Environmental Sustainability and Risk Management Groups. Received report by the Corporate Governance Officer on the statement of international trends and policy directions for sustainable reporting released by the Securities and Futures Bureau of the FSC. Approved amendments to certain provisions of the Company's Policy and Procedures of Risk Management and Sustainable Development Committee Charter.
June 30	<ul style="list-style-type: none"> Acknowledged the Company's 2022 Sustainability Report, which were then forwarded to the Board of Directors for approval. It will be disclosed on the Company's website and reported to the TWSE after being approved by the Board of Directors.
August 11	<ul style="list-style-type: none"> Reviewed the English version of the 2022 Sustainability Report, which was then uploaded onto the platform of the TWSE and the Company's official website. Reviewed the progress and expenditure items of the 2023 Sustainability Report, which was expected to be externally verified by BSI Taiwan. Reviewed the implementation of the GHG inventory and verification plan for the 2nd quarter of 2023. Review of the report as of the 2nd quarter of 2023 on issues related to sustainable development, including "Information Security Risk," "Intellectual Property," "Occupational Safety, Work Environment, Health and Safety for Employees," "Human Rights Policy," "Social Public Welfare," and implementation by the Environmental Sustainability and Risk Management Groups. Acknowledged the addition of the Company's "Greenhouse Gas Inventory Management Procedures" and "Greenhouse Gas Internal Verification Operation Procedures."

Note:

1. There were no material contingencies in 2023.

2. Sustainable Development Committee meeting on January 31, 2024

(1) Conducted a comprehensive review of the implementation status of sustainable development matters in 2023. This includes the detailed schedule and progress of the 2023 Sustainability Report, the implementation of greenhouse gas inventory and verification plans, the implementation of operational, financial, operational, and environmental risk management, opportunities and risks of climate changes, report on information security risk management, implementation of intellectual property management plan, employee occupational safety, implementation of work environment and health, implementation of employee human rights protection policy, participation in social welfare, a summary of communication with stakeholder, etc.

(2) Discussed and approved the major issues of the Company's 2023 Sustainability Report.

(3) Discussed the amendment to certain provisions of the Company's "Sustainable Development Best Practice Principles."

(4) Discussed the amendment to certain provisions of the Company's "Ethical Corporate Management Best Practice Principles."

(5) Discussed the addition of the Company's "Procedures for Ethical Management and Guidelines for Conduct."

1.2 Stakeholder Identification and Communication

Stakeholder Identification

In line with the spirit of GRI Standards (2021), Weikeng identifies stakeholders as “individuals or groups whose interests are or could be affected by the organization’s economic activities,” considering stakeholders of peers and the AA1000 Stakeholder Engagement Standard. During the “Major Issue and Stakeholder Identification Meeting” held on November 24, 2023, the convener of the sustainability report preparation team (Chou, Kan-Lin (@Fama Chou), who concurrently serves as CFO, Spokesperson, and Corporate Governance Officer), the sustainability report preparation team, and supervisors from units related to sustainable development conducted evaluation.

There were no changes in the main stakeholders of Weikeng Industrial from the previous year, namely: 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, media, etc.). Understanding the sustainability issues of concern to each stakeholder is obtained through the communication and engagement between each unit and stakeholder.



Stakeholder communication



Employees

Significance and importance to Weikeng

The Company attaches great importance to the basic human rights of employees and the maintenance of a safe workplace environment. We emphasize that all employees of the Company will receive fair and dignified treatment, allowing them to take full advantage of their professional learning ability and contribute their all. The Company provides employees with comprehensive and reasonable salaries and benefits, and provides a training system to facilitate growth opportunities and foster harmonious labor-management relations, as well as a friendly and safe workplace.

Communication channels	Communication frequency	Issues of concern
Labor-management meetings	Regular (once per quarter)	1. Protection of fundamental human rights
Dedicated staff hotline	Immediate	2. Safe workplace and health care
Dedicated staff email	Immediate	3. Salary and benefits
Internal web page	Immediate	4. Labor-management relations and a friendly workplace
Interview	Immediate	5. Training and development

Weikeng's response status/results

- On June 29, 2021, the Board of Directors adopted the Protection of Human Rights Policy. Subsequently, on December 28, 2022, and January 13, 2023, the Policy was amended and approved by the Sustainable Development Committee and the Board of Directors, respectively. It was then published on the Company's official website to demonstrate our support for and respect to international regulations governing labor rights.
- The Company has established an Occupational Safety and Health Committee, and four meetings were convened to report or discuss related occupational safety and health issues in 2023. The corporate governance structure consists of an Occupational Safety and Health Department staffed by certified personnel, including class A occupational safety and health affair supervisor, class A occupational health administrator, class B occupational safety and health management personnel, class C occupational safety and health affair supervisor, Labor Health Service Nursing Personnel (full-time nurse), fire management personnel, qualified first aid personnel, and forklift operators. These personnel are responsible for performing routine occupational safety and health operations to ensure employees are provided with a safe workplace.
- In 2023, to mitigate occupational hazards and risks and enhance operational efficiency, ISO 45001: 2018 Occupational Safety and Health Management System was introduced (covering Taipei Neihs Head Office and Neihs Tanmei Warehouse Center). In February 2024, the system passed external verification conducted by a third party (ARES Certification International) (certificate number: ARES/TW/I2402011S) to implement the occupational safety and health policy of "compliance with laws," "hazard prevention," "competence awareness," "continuous improvement," and "all-staff participation."
- The Company has made efforts to create a friendly workplace for all ages. In September 2023, the Company received the "1st Middle-aged and Elderly Workers Friendly Enterprise Certification of Taipei City for 2023" from the Taipei City Government.
- In 2023, Far Eastern Memorial Hospital was selected to come and conduct annual health checkups for employees on May 18 and May 25. 439 employees underwent health checks, indicating a participation rate of 94.0% (excluding overseas staff). In cooperation with Cathay General Hospital, doctors were invited to provide health care and consultation services for employees on a total of 6 occasions, for 18 hours. Our full-time nurse and external experts held health education seminars on a total of 4 occasions for 3.5 hours, with 174 employees participating in.
- Starting from October 6, 2022, medical receipt duplicates from hospitals became acceptable for applying group health insurance claims for inpatient medical treatment, so that our employees can flexibly adjust their own insurance coverage and that of the Company. In 2023, the employee group accident/hospitalization/cancer medical insurance claims accounted for 65.11% of such premium payment. In doing so, we provide our employees with peace of mind and support in terms of medical insurance.
- In 2023, the Company was committed to promoting workplace tobacco hazards prevention and health promotion. The Health Promotion Administration of the Ministry of Health and Welfare has assessed that the Company meets the Healthy Workplace Certification - Healthy Startup Label (valid from January 1, 2023 to December 31, 2025).
- On June 8, 2023, the Company was once again listed as a constituent stock of the "Taiwan HC 100 Index" by the Taiwan Index Plus (TIP) and was selected as the 2023 Happy Enterprise Gold Award in the commercial circulation industry by the 1111 Human Resources Bank, indicating that the salary and other benefits paid by the Company to employees are recognized by external institutions.



Employees

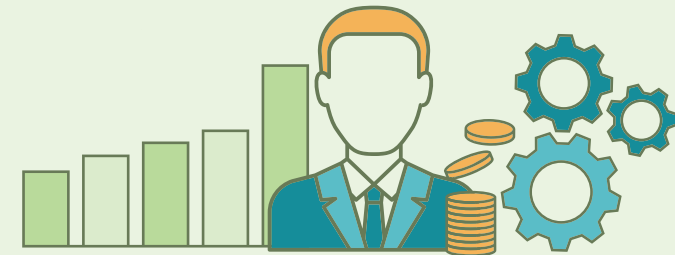
Significance and importance to Weikeng

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Communication channels	Communication frequency	Issues of concern
Labor-management meetings	Regular (once per quarter)	1. Protection of fundamental human rights
Dedicated staff hotline	Immediate	2. Safe workplace and health care
Dedicated staff email	Immediate	3. Salary and benefits
Internal web page	Immediate	4. Labor-management relations and a friendly workplace
Interview	Immediate	5. Training and development

Weikeng's response status/results

- 9 The distributable amount of employees' remuneration allocated in 2022, in accordance with the Company's Articles of Incorporation, was NT\$189,923 thousand. The distribution was completed on July 28, 2023 based on the employee performance evaluation.
- 10 In 2023, the average salary (excluding bonuses and monthly remuneration) increased by 1.71%, with the total salary of all employees reaching NT\$631,509 thousand, representing a decrease of 18.90% from 2022. Additionally, the employee benefit expenses amounted to NT\$747,766 thousand, indicating a decrease of 15.48% from 2022. (The decrease was mainly due to the fact that the profit before tax for 2023 decreased by 51.70%, resulting in a reduction in employee remuneration distributed in accordance with the Company's Articles of Incorporation and budgeted bonuses for the year.)
- 11 At the end of 2023, the balance of the old scheme labor pension reserve account at the Bank of Taiwan was NT\$140,863 thousand, which meets the full allocation required for retirees.
- 12 In 2023, four labor-management meetings and three quarterly employee meetings were held, and there were robust employee appeal mechanisms and communication channels.
- 13 In 2023, a total of 2,344 employees participated in training or continuing education courses organized by the Company or external institutions, for a total of 6,178 person-hours. Two employee performance evaluations were held.
- 14 The Employee Welfare Committee has been established to organize relevant employee welfare activities. The ratio of welfare expenditure to welfare income in 2023 was approximately 154.28%, which has increased by 30.95% compared to 2022.
- 15 In accordance with the Gender Equality in Employment Act, 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 workplace.
- 16 In 2023, to protect employees from unlawful physical or mental infringement during the execution of their duties, the Company has introduced the "Prevention of Workplace Unlawful Infringement Policy." This policy aims to safeguard the physical and mental health rights of our employees. Additionally, in 2023, the Company amended the "Workplace Harassment Prevention and Complaints Handling Procedures" to protect employees from the threat of sexual harassment. This initiative aimed to establish a friendly work environment and enhance awareness of gender equality between supervisors and employees.





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
Meetings with financial institutions	Immediate/unscheduled	1. Corporate governance and ethical corporate management 2. Economic performance and market competitiveness 3. Business strategy and outlook 4. Commitment to and performance of sustainable development 5. Information disclosure and sharing
Shareholders' meeting	Once per year (before the end of June every year)	
Dedicated staff hotline	Immediate	
Dedicated staff email	Immediate	
Company official website	Immediate	
Corporate investor briefing	At least twice per year	

Weikeng's response status/results

- The Company holds investor/corporate investor briefings at least twice per year; in 2023, these took place on August 31 and December 22.
- 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 2023, a total of 26 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 conducts its business activities in a fair and transparent manner based on the principle of ethical corporate management. We have also established management regulations approved by the Board of Directors; for example, the "Code of Ethical Conduct," the "Ethical Corporate Management Best Practice Principles," the "Corporate Governance Best Practice Principles," the "Code of Conduct for Suppliers," the "Sustainable Development Policy," the "Sustainable Development Best Practice Principles," the "Operating Procedures For Handling Material Inside Information," and the "Whistle-blowing System," doing so in accordance with the implementation of specification and review.
- On March 25, 2022, the Board of Directors approved the establishment of a Sustainable Development Committee. It has formed two functional groups, the Sustainable Development Group and the Risk Management Group, to ensure the promotion and implementation of work related to corporate sustainable development.
- According to the timeline of sustainability report preparation mandated by the competent authority, the Sustainability Reports for 2021 to 2023 were completed and uploaded to the Market Observation Post System of the Taiwan Stock Exchange and the Company's website (please refer to the Sustainable Development Zone_Sustainable Report).
- In response to financial regulators' call for financial institutions to adopt the risk management framework of the Equator Principles, the Company promotes sustainable finance initiatives. This involves enabling the banking institutions to utilize funds received from its "sustainable development time deposits" in green investment plans related to energy conservation, energy development, and investment plans with social benefits. This initiative not only helps companies that make substantial improvement in environmental and social benefits obtain funds but also allows the Company to have positive impacts and long-term benefits to the environment and society through its deposits. These efforts demonstrate the determination of customers and banks to support green industry investment and expand social benefits. They aim to facilitate green circular cash flow for industrial development and environmental protection, exerting a positive influence on the sustainable operation of the industry through practical actions. As of the end of 2023, the balance of sustainable time deposits amounted to US\$1 million. The Company will continue to participate in such deposits in the future.



Vendors/upstream suppliers

Significance and importance to Weikeng

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

Communication channels	Communication frequency	Issues of concern
QBR meetings (including video conferencing) (Quarterly Business Review)	Once per quarter	1.Product promotion and demand development capabilities and performance
Telephone	Immediate	2.Product trade and compliance with environmental protection regulations
Email	Immediate	3.Logistics and supply chain management
On-site audits	ad-hoc	4.RBA management topics 5.R&D and application of green products

Weikeng's response status/results

- ① In addition to establishing Electronic Data Interchange (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. In 2023, in response to vendors' requirements, we strengthened our screening programming engine with the aim of implementing control list screening more accurately and in a timelier manner.
- ③ High-quality operational management is our commitment to our upstream vendors. Consequently, in 2023, the Company introduced the ISO 9001: 2015 certification (Warehouse Service Quality Management for Warehouses in Shatin Warehouse in Hong Kong, Neihu Tanmei Warehouse Center, and Taoyuan Housheng Warehouse Center) and obtained international certification.
- ④ Weikeng abides by the code of conduct of RBA's five management topics, so that electronic product related enterprises (including upstream vendors, the Company, and downstream customers) take responsibility for sustainability and make every effort to develop a sustainable semiconductor supply chain.
- ⑤ As a distributor for upstream vendors, Weikeng is committed to developing a green supply chain for semiconductors by investing resources in sales, technology, and operating management systems to fulfill our responsibility for environmental protection.
- ⑥ The Company actively collaborated with upstream vendors in technology development and continuously invested resources and capacity in the R&D of green products in the IC application market. The goal is to provide and promote green product solutions to downstream customers promptly. The Company's total Research and Development Expenditure in 2023 (mainly remuneration of R&D personnel, hardware and software equipment, etc.) has reached NT\$135,112 thousand. 21.85% of the total R&D expenditures were dedicated to green products research and development.
- ⑦ By the end of 2023, a total of 33 vendors of the Company had signed distribution contracts with the Company that encompasses anti-corruption/anti-bribery and other similar clauses. Its content also requires both parties to prohibit any dishonest behavior such as bribery during business cooperation.



Customers

Significance and importance to Weikeng

Following the development trend of technology products, we continue to provide customers with competitive parts, technical support services, and new product solutions. In this way, the intermediary role of the Group can achieve technology linkages between upstream vendors and downstream customers to create mutually beneficial value.

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

Weikeng' s response status/results

- ① The Company has established the Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, and Whistle-blowing System. Furthermore, we have signed purchase contracts at the request of customers to standardize our commitment to integrity, protection of trade secrets, Electronic Industry Code of Conduct (EICC), and Responsible Business Alliance (RBA) Code of Conduct. The Company has reviewed the relevant provisions and has complied with them.
- ② As of the end of 2023, the Company signed a total of 267 relevant ethical commitments and other similar ethical requirements with individual customers. The agreements require both parties to prohibit any unethical behavior, such as bribery, while doing business.
- ③ The products and services provided by the Company are based on the product distribution contracts signed with upstream vendors, and the contracts are regulated with respect to product intellectual property protection, product quality and safety, warranty and after-sales service, marketing, and labeling, etc., to protect the rights and interests of customers.
- ④ 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 the development and time-to-market of new products. In addition, the regional companies of the Group are capable of providing customers with competitive parts and technical support services, as well as efficient supply chain management services.
- ⑤ 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 to the customers with certification ensuring that the vendors comply with environmental protection regulations together with the product specifications. This is done to prove that the product is in compliance with environmental regulations and that the product is safe and meets health requirements in use.
- ⑥ To enhance the quality of logistics services in supply chain management, the Company introduced the ISO 9001:2015 (Warehousing Service) management system in 2023 and obtained third-party certification.



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

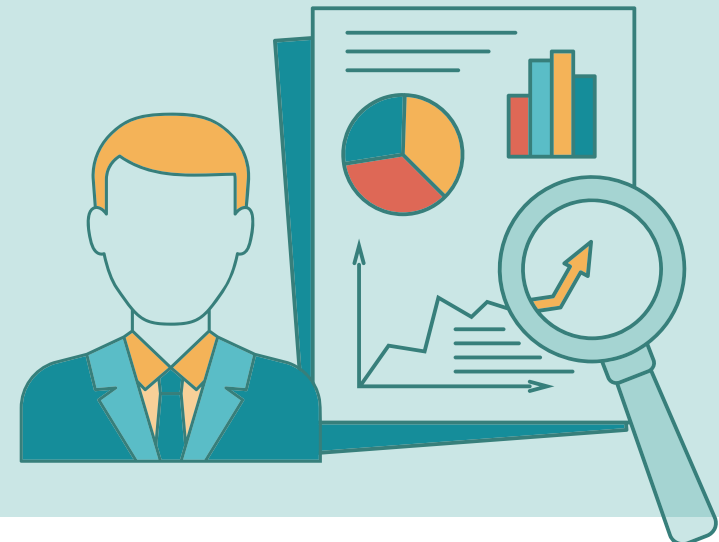
Significance and importance to Weikeng

Non-vendor suppliers/contractors 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	Communication frequency	Issues of concern
Exchange meetings (including video conferencing)	Immediate	1.Compliance with the Responsible Business Alliance (RBA) Code of Conduct, anti-corruption and anti-bribery policy 2.Service commitment, quality and responsibility 3.Regulatory compliance and operational risk management
Telephone	Immediate	
Email	Immediate	
Operational and environmental site assessments	Regular	
Annual price negotiation	According to the contract period	

Weikeng's response status/results

- 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 2023, a total of 82 non-vendors suppliers/contractors have signed the Responsible Business Alliance (RBA) Code of Conduct.
- 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.
- 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, etc.)

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. Corporate governance and ethical corporate management
Regulatory briefings/seminars	ad-hoc	2. Commitment to and performance of sustainable development
Publicity briefings	ad-hoc	3. Labor-management relations and occupational safety and health
On-site audits	ad-hoc	4. Intellectual property rights maintenance and management
Participation in and sponsorship of social welfare/academic research projects	ad-hoc	5. Participation in social welfare
Material information announced on the Market Observation Post System	Immediate	6. Information disclosure and sharing
Institutional investor conferences	At least twice per year	7. Legal compliance

Weikeng's response status/results

- ① The affiliated companies of the Weikeng Group perform their business activities in accordance with local laws and regulations, such as the Company Act, labor laws, tax laws, the Securities and Exchange Act, the Business Entity Accounting Act, etc., where they operate, and have not violated any laws or regulations or acted ethically in 2023.
- ② Matters that must be reported to the competent authority on a regular basis are handled in accordance with the regulations in 2023.
- ③ For on-site audits by the competent authority in 2023, 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 2023, the intellectual property management plan was not violated by the Company, or any of its employees.
- ⑤ The Company sponsored social welfare or academic research institutions for a total amount of NT\$2.4 million in 2023.
- 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 26 pieces were published in 2023.



Note: For complete response status and results, please refer to "Stakeholder Communication" on Weikeng's official website [↗](#)

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



Product Aspect

Reporting and Complaint channels

After-sales service for computer peripheral products

Acceptance unit Mr. Li, Customer Service

Appeal hotline +886-2-27938366 ext. 10

Employee appeal mailbox wk_hr@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 various computer peripherals is offered in accordance with the procedures 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 City.

Whistleblower hotline

+886-2-26590202 extension 531 head of Audit Office
+886-2-26590202 extension 533 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

Appeal acceptance unit is the Company's independent director

Appeal mailbox independent@weikeng.com.tw

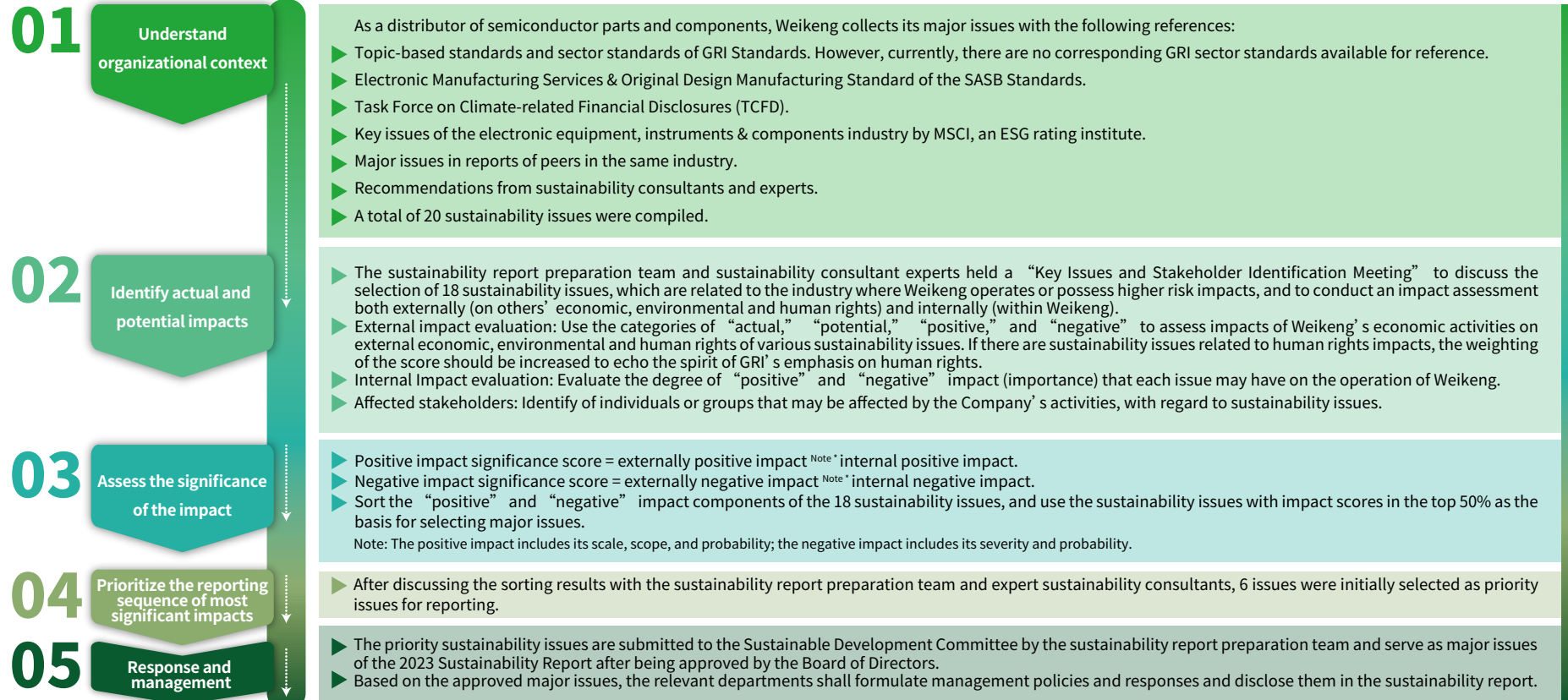
Investigation process and complainant protection mechanism

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

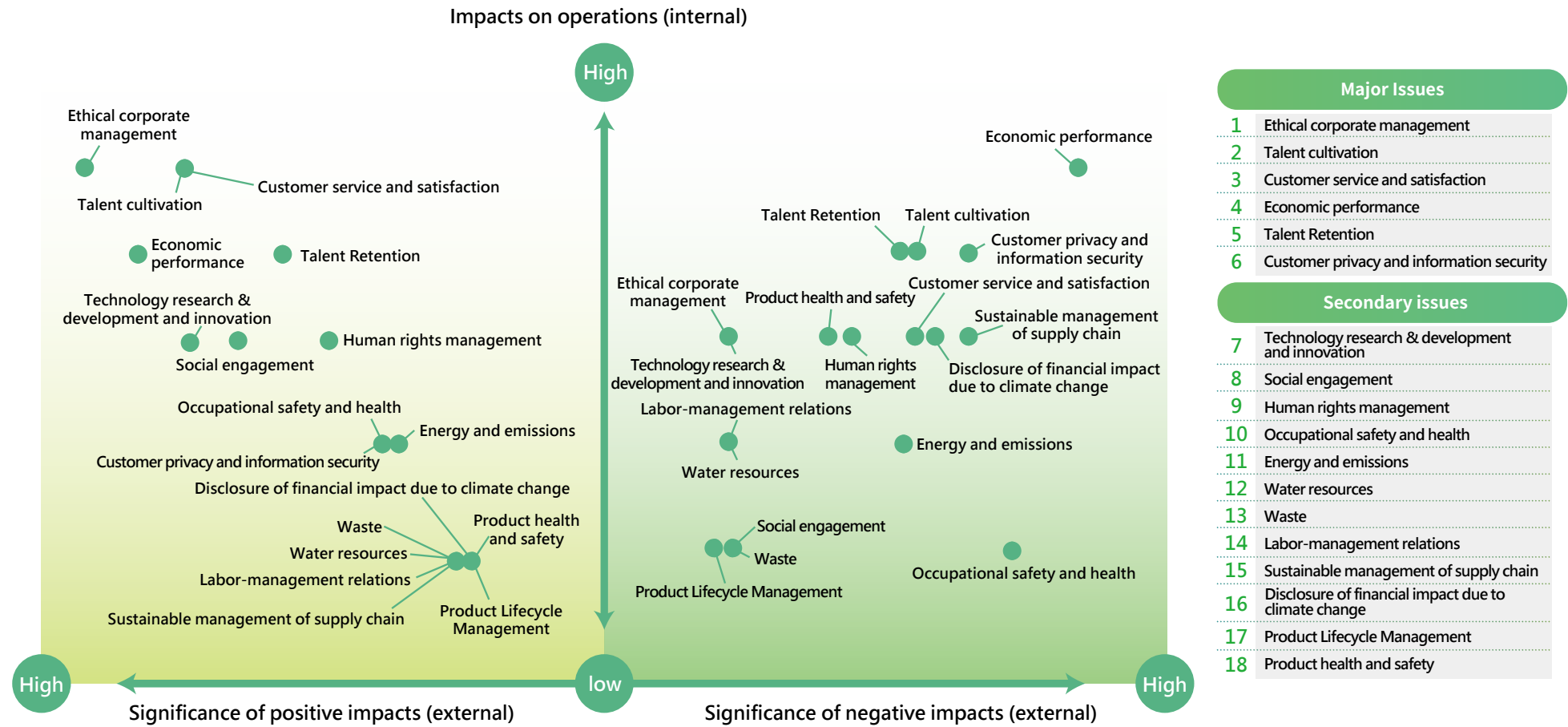
1.3 Analysis of Material Issues

The Company held the “Important Issues and Stakeholder Identification Meeting” on November 24, 2023, 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 influence (impacts/benefits) 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, we determined the significance of the impacts and selected priority sustainability issues. This process aids the Company in better understanding the potential impacts/benefits of its operations and in establishing management policies that align more closely with stakeholders’ expectations. The assessment process for identifying major issues is explained below.

Identification process for major issues



Impact Assessment of Sustainability Issues



Note:




1. Description of the adjustment to major issues from the previous year:




- (1) This year, the major issue of "Employee Welfare" integrated with "Market Presence," "Diversity and Equality," and "New Employee Retention" and was renamed as "Talent Retention."
- (2) "Technology Research & Development and Innovation" and "Clean Technology Opportunities" were merged into "Technology Research & Development and Innovation," which was subsequently demoted to a secondary issue.
- (3) "Risk Management" and "Governance Operations and Information Transparency" were considered as part of the Company's common operational and management practices and therefore were excluded from the sustainability issues.

2. Description of the adjustment to secondary issues from the previous year:

- (1) "Diversity and Equality," "Non-discrimination," "Child Labor," "Forced or Compulsory Labor," and "Security Practices" were merged and renamed as "Human Rights Management."
- (2) "Regulatory Compliance" was considered as part of the Company's common operational and management practices and therefore was excluded from the sustainability issues.

3. There were no significant changes from the previous year for others.

Major Issues	Impact	Corresponding sustainability principle	Management policy	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. The Company requires suppliers, employees, senior managers, and board members to follow them and continues promoting the importance of integrity and holding relevant education and training, with aims to ensure its stable operations to safeguard stakeholders' rights. In 2023, there were no actual negative impact events and no reported accusations.</p>	<p>【GRI】Anti-corruption: 205-2, 205-3 【GRI】Anti-competitive behavior: 206-1 【Stock Exchange】Sustainability disclosure indicator No. 7 【MSCI】Ethical corporate management</p>	<p>Ethical corporate management</p>	<p>2.4. Honesty and Integrity and Regulatory Compliance</p>
 <p>Talent cultivation</p>	<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), arranging a series of courses related to business and professional knowledge for its key talents, 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 2023. The potential risk arises from the requirement for continuous implementation of the Company's training program in the long run. The program is still in its preliminary phase, which includes talent selection, course design, training, and system. Failure to continuously implementing this training program may lead to talent gaps in the future.</p>	<p>【GRI】Education and training: 404-1~ 404-3</p>	<p>Talent development and retention</p>	<p>4.2 Talent Attraction and Retention 4.3 Employee Rights and Benefits</p>
 <p>Customer service and satisfaction</p>	<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. In 2023, we introduced the ISO 9001 - Warehousing Services and obtained certification. This also proves that the Company's warehousing service capabilities have reached international service standards, with an aim to meet customer needs.</p>	<p>【Self-owned issue】Customer service and satisfaction</p>	<p>Customer Relationship</p>	<p>3.3 Customer Relationship Management</p>

Major Issues	Impact	Corresponding sustainability principle	Management policy	Corresponding chapter
 <p>Economic performance</p>	<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.</p> <p>The Company's operating performance has been stable and healthy in recent years. In 2023, due to internal and external environmental factors (such as inflation in Europe and the U.S., interest rate hikes, deflation in China, or inventory destocking), the Company experienced a decrease in profit after tax compared to the previous year. However, the EPS still reached NT\$1.85, and there were no actual negative impact events.</p>	<p>【GRI】Economic performance: 201-1 and 201-4</p>	<p>Economic performance</p>	<p>2.2 Operation Overview</p>
 <p>Talent Retention</p>	<p>Employee remuneration, benefits, and a friendly workplace are all values and concerns of the Company. In June 2023, the Company was listed once again as a constituent stock of the "Taiwan HC 100 Index" by the Taiwan Index Plus (TIP). Additionally, in November 2023, it was received the Happy Enterprise Gold Award in the commercial circulation industry from the 1111 Human Resources Bank. These awards indicate that the salary and other benefits paid by the Company to its employees are recognized by external institutions. The Company has made efforts to create a friendly workplace for all ages. In September 2023, the Company received the "1st Middle-aged and Elderly Workers Friendly Enterprise Certification of Taipei City for 2023" from the Taipei City Government.</p>	<p>【GRI】Economic performance: 201-3 【GRI】Market presence: 202-1 ~ 202-2 【GRI】Labor-management relationship: 401-1 ~ 401-3 【GRI】Employee diversity and equal opportunities: 405-2</p>	<p>Talent development and retention</p>	<p>4.2 Talent Attraction and Retention 4.3 Employee Rights and Benefits</p>
 <p>Customer privacy and information and cyber security</p>	<p>On September 1, 2022, the Company established the Information Security Office with a dedicated supervisor (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 2023.</p>	<p>【GRI】Customer Privacy: 418-1 【Self-owned issue】 Customer privacy and information security</p>	<p>Customer privacy and information security</p>	<p>2.6 Information and CyberSecurity Management</p>

Note: Refer to MSCI - Electronic Equipment, Instruments and Component Industry and TWSE Sustainability Disclosure Indicators - Electronic Channel Industry.

Management Policy	2023 Objectives	Achievement of 2023 Objectives	Short-term objectives	Medium- and long-term objectives
Ethical Corporate Management	Corporate governance evaluation remains within the range of 21% to 35%.	<ul style="list-style-type: none"> ✓ Achieved, the corporate governance evaluation ranked within the range of 21% to 35% among TWSE-listed companies. 	<ul style="list-style-type: none"> ● Maintain or enhance the corporate governance evaluation ranking. ● Implement and comply with the relevant norms of the Code of Ethical Conduct, the Ethical Corporate Management Best Practice Principles, and the Operating Procedures For Handling Material Inside Information. ● The Company's directors, executive officers, and employees are prohibited from engaging in bribery, corruption, deception, insider trading, short-term trading, or exploitation of market information asymmetry for profit and improper conduct in any other forms. ● Strengthen the structure and operation of the Board of Directors, and improve the reliability, timeliness and transparency of information reporting, and comply with relevant laws and regulations. ● Board of Directors authorizes the Audit Committee with an accountability function to assist the Board of Directors in corporate governance effectiveness in operating with integrity. 	<p>An effective ethical conduct risk management framework (responsibility map and accountability system) is established to identify and manage conduct risks within the organization, and the implementation status is supervised by the Board of Directors.</p>
talent development and retention	<ul style="list-style-type: none"> ● Training costs increase by 10% compared to the previous year. ● Establish a friendly, appropriate, and safe workplace and introduce the ISO 45001:2018 Occupational Safety and Health Management System. ● Arrange the "Mid-level Key Talent Training" project for the Sales Department. 	<ul style="list-style-type: none"> ✓ Achieved. The total education and training expenditure amounted to NT\$1,407,543, marking a 1,136.42% increase over the actual expenditure in 2022. ✓ Achieved. The Company reported to the Sustainable Development Committee in August 2023. After selecting a consulting firm, we began planning and building an occupational safety and health management system (ISO45001: 2018). The system underwent external verification conducted by ARES International Certification (ARES) on January 11, 2024. ✓ Achieved. The "Mid-level Key Talent Training" project for the Sales Department was launched in May 2023 and is scheduled to run for one year, with an expected completion date of June 2024. Course completion level encompasses: sustainable development, trade regulations, business relationship management - customers and vendors, utilization and thinking of IT tools, sales management, key management skills, including leadership development, strategic planning, human resources management, and project management, establishment of a mentor and coaching system to assist mid-level managers in overcoming challenges, professional skills development, career advice, interpretation of macroeconomic trends, and English improvement courses. Among them, English courses are expected to be completed by the end of June 2024. 	<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. ● The 2024 employee ownership trust plan has been arranged and is expected to be implemented by mid-2024. The plan will remain valid for five years. 	<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, hoping to reduce the employee turnover rate. ● Encourage diversified career development, provide a friendly and healthy workplace environment, and strive to promote sustainable business practices that fulfill social responsibilities. ● The employee ownership trust project will be continuously updated to enhance the internal cohesion to the Company among employees, thereby improving work performance, fostering harmonious labor-management relations, and achieving the goals of long-term savings and wealth accumulation for employees.

Management Policy	2023 Objectives	Achievement of 2023 Objectives	Short-term objectives	Medium- and long-term objectives
Customer Relationship*	Introduce the ISO 9001: 2015 (Warehousing Services) Quality Management System.	<ul style="list-style-type: none"> ✓ We received international standards certificates from BSI and ARES in September and November 2023, respectively. 	<ul style="list-style-type: none"> ● Improve customer satisfaction and shorten logistics and delivery time. ● Expand the FTZ Warehouse in Singapore and the El Paso Warehouse in the U.S. to support the demands for delivery in Southeast Asia and Mexico. 	Due to geopolitics, which affect the diversified strategy of customer production bases and supply chains as well as cross regional transfer within the Asia Pacific region or North America, the Group must strengthen support, service level and flexibility.
Economic Performance	<ul style="list-style-type: none"> ● Holding at least 2 investor/corporate investor briefings per year. ● At least 1 franchising product line added per year. ● Related green product R&D expenditures accounting for at least 20% of the total R&D expenditure. 	<ul style="list-style-type: none"> ✓ Achieved, 2 investor/corporate investor briefings were held. ✓ Achieved, 2 franchising product lines were added. ✓ Achieved, related green product R&D expenditures accounted for 21.85% of the total R&D expenditure. 	<ul style="list-style-type: none"> ● Continue to develop new products application solutions for the semiconductor market. ● Stabilize existing product franchise and continue to look for new franchise cooperation opportunities. ● Continue to strengthen core competitiveness and create new customer needs. ● To be cautious in facing the destocking situation in the industrial chain. ● To grasp the diversified deployment and construction of customers' production bases and supply chains in real-time. ● To grasp market changes and market demands for new technologies. ● To closely pay attention to the green economy and sustainable development. ● To implement countermeasures for operational risks. ● To comply with regulations on the export and import of strategic high-tech goods. 	<ul style="list-style-type: none"> ● Improve enterprise risk management to "achieve corporate goals, improve management efficiency, provide reliable information, and effectively allocate resources". ● To attach importance to the green economy and sustainable development, grasp the development trend of "new technology" and "green economy" products, and create sustainable business opportunities. ● To focus on operational performance and efficiency, and emphasize operational and climate change risk management. ● To timely increase the injection of equity capital. ● To comply with regulations on the export and import of strategic high-tech goods.
Customer privacy and information security*	<ul style="list-style-type: none"> ● The information security supervisor and the dedicated personnel participated in information security training. ● No material information security or customer privacy breach incidents occurred. 	<ul style="list-style-type: none"> ✓ Achieved. In 2023, the information supervisor and the dedicated personnel participated in information security training for a total of 36 hours. ✓ Achieved, no material information security or customer privacy breach incidents occurred. 	<ul style="list-style-type: none"> ● We plan to introduce unified anti-virus and endpoint protection software for all employees' computers and to strengthen the EDR defense mechanism for supervisors' computers. ● 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 cyber security. 	Continuously implement information security policies and actions adhering to the spirit of PDCA.

Note: The short-term objectives are 1-5 years, and the medium- and long-term objectives are 6-10 years ; * indicates that the short-term objectives are 1-3 years, and the medium- and long-term objectives are 4-10 years.

2

Sustainable Governance

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Economic Performance Management Policy

Major Issues

Economic performance

Management objectives	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 franchise 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.
Policy/Commitment	The Company grasps the diversified deployment and construction of customers' production bases and supply chains in real-time, implements countermeasures for operational risks, and pays close attention to the green economy and sustainable development to create sustainable business opportunities.
Description of Positive Benefits	While continuously expanding its franchising product lines, the Weikeng Group stays updated on changes in product prices and customer demands. This ensures that the increase in franchising product lines considers the cost-effectiveness of working capital. Financial performance is the most basic screening criterion for investors when deciding whether to invest. Hence, good and stable operating profitability not only boosts employees' confidence in the Company's prospects but also garners full recognition from shareholders for the Company's operating capabilities and future deployment strategies, thereby attracting more investors.
Description of Negative Impacts	There were no actual negative events in 2023. However, due to the short life cycle of end-use electronic products and the frequent introduction of new products, if the Company fails to accurately monitor the inventory level and customer demand, it will experience a backlog of working capital such as inventory sluggishness and an increase in financial costs, which will in turn affect the Company's profitability.
Remedial Mechanisms/Measures	<ul style="list-style-type: none"> ● In case of material information, it is required that it be published on MOPS within the time limit required by regulations and reported in accordance with the Company's "Operating Procedures for Handling Material Inside Information." ● Establish prudent financial policies to ensure capital liquidity. ● Implement effective inventory management strategies to balance inventory levels and costs. ● Pay close attention to the supply and demand dynamics in the semiconductor market and related application markets to provide diversified products and services, thereby enhancing the diversity of the application market to attract new customers and increase market share. Better understand customer needs and market changes through data analysis tools to ensure customer loyalty. ● Reduce the reliance on a single vendor and strive to establish a diversified supply chain to mitigate the risk associated with depending too heavily on a specific vendor.
Responsibilities	The Board of Directors, senior executive officers of all business units and functional units, the Sustainable Development Committee, and the Audit Office.

Specific actions in 2023

- Continue to look for franchise opportunities of new products.
- Continue to strengthen core competitiveness, invest in research and development expenses, and create new customer needs.
- A total of 47 sales meetings, 9 operational meetings, and 9 board meetings were held to discuss the direction of operations and management.
- On January 13, the Company amended the "Operating Procedures For Handling Material Inside Information" and added "Reporting Procedures of Material Contingencies."
- A total of 2 investor/corporate investor briefings were held on August 31 and December 22.
- The Remuneration Committee and the board meeting adopted the revision to the "Compensation Policy for Directors and Employees (Including Executive Officers)," and established reasonable guidance on the connection between the individual salary and compensation of directors and employees (including managers) and the Company's operational and financial performance, investment in and contribution to sustainable development, risk management, etc.
- In the absence of general directors or management, the internal audit supervisor attended the Audit Committee meeting and reported 7 times, and the CPAs and Audit Committee members held 2 discussion sessions.
- The risk identification for 2023 was completed, and identification results and risk countermeasures were submitted to the Sustainable Development Committee and the Board of Directors for approval on January 31, 2024.

Management Evaluation Mechanism

- The President/CEO convenes weekly meetings with senior executives in the President's Office. These meetings will include the Executive Vice President, Chief Sales Officer, Chief Financial Officer, and Senior Vice President, where they collectively review matters related to production and sales. The President/CEO convenes monthly operational meetings that involve supervisors from different departments who are at the management level or higher within the company. These meetings aim to review changes in the industrial and financial environment, customer credit status, and management requirements for business, finance, and logistics support.
- The Sustainable Development Executive Office reports ESG related matters to the committee on a quarterly basis.
- The management of each business unit and functional unit holds regular internal operations meetings to conduct risk assessment, mitigation, and monitoring of potential and emerging risks in accordance with the "Policy and Procedures of Risk Management," reporting to the board of directors on a regular 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 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.
- Establish Reporting Procedures of Material Contingencies.

2023 Performance Results

- A total of 2 companies authorized the franchise of their electronic component products or semiconductor equipment to the Company.
- The financial performance of the Group remained stable, with a consolidated revenue of approximately NT\$70.9 billion, profit before tax of approximately NT\$1.047 billion, earnings per share of NT\$1.85, and cash dividends of NT\$1.89 per share distributed.
- There were neither violations of social, economic, environmental protection or product laws/regulations, or lapses in ethical corporate management by Weikeng Industrial nor material contingency risk events.
- Weikeng Industrial's total expenditure of R&D (including the salaries of R&D personnel, software and hardware equipment) reached NT\$135,112 thousand, and the R&D expenditure for its related green product accounted for 21.85% of the total R&D expenditure.

Management Policy for Ethical Corporate Management

Major Issues

Ethical corporate management

Management objectives

Ethical management, ethical commitments, and corporate governance are issues of concern for the Company's vendor suppliers, customers, and even governmental authorities as well as society and shareholders/investors/financial and securities institutions. The Company is committed to creating a transparent and requires suppliers, employees, senior managers, and board members to follow them and continues promoting the importance of integrity and holding relevant education and training, with aims to ensure its stable operations to safeguard stakeholders' rights.

Policy/Commitment

The Company should be base on a business philosophy of integrity, transparency, and responsibility, formulating policies based on integrity and establishing good corporate culture and business operational structure to create a sustainable business environment.

Description of Positive Benefits

In addition, good and sound board operations and transparency of information disclosure can not only enhance the stability of the Company's operations but also enhance stakeholders' understanding of the Company's governance.

Description of Negative Impacts

There were no actual negative impact events in 2023. If there are any negative incidents such as unethical business management, not only may the violator be prosecuted for civil or criminal liability, but it will also significantly damage the Company's goodwill and lead to the loss of relevant stakeholders' trust and confidence in the Company. Moreover, it may bring about negative effects such as jeopardizing the stability of franchises, order winning, talent recruitment, etc., or may even lead to stringent regulatory measures and administrative penalties from the competent authorities.

Remedial Mechanisms/Measures

- In case of material information, it is required that it be published on MOPS within the time limit required by regulations.
- Straightforward internal and external personnel whistleblowing channels and establish a whistleblowing protection system.
- Establish an appeal system of the accused.

Responsibilities

- Chairman Office: responsible for formulating, monitoring and implementation of the ethical corporate management policy and prevention program, and reports to the board of directors when necessary.
- Administration Division: 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.
- Audit supervisor and legal personnel: 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.
- The disclosure of material internal information within the Company should be handled by the Company's spokesperson or acting spokesperson and the order of franchise should be confirmed, unless otherwise stipulated by law or law. If necessary, the responsible person of the Company shall be directly responsible for handling it.

Specific actions in 2023

- 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, the annual report, and sustainability report, is released in English at the same time.
- Education, training, and promotion related to anti-corruption, ethical corporate management, and prohibition of insider trading are provided for directors, executive officers, and other insiders, as well as employees.
- The Company regularly conducts monthly operation meetings, quarterly staff meetings, or employee training sessions to promote ethical corporate management and self-discipline.
- Continuously signed specific contract specifications for ethical management with non-vendor suppliers, vendor suppliers, and customers.
- The Company has completed the self-evaluation of the performance of the board of directors and the board members for 2023, and reported to the board meeting on March 11, 2024.

Management Evaluation Mechanism

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

2023 Performance Results

- Subsidiaries of Weikeng Group are in compliance with relevant local norms, laws, and regulations.
- The corporate governance evaluation falls within the range of 21% to 35%.
- 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. Additionally, there have also been no profit-making incidents involving directors, executive officers, or employees of the Company who engaged in corruption, insider trading, short swing trading or market information asymmetry.
- The attendance rates of the Remuneration Committee, the Nominating Committee, and the Sustainable Development Committee all reached 100%. The attendance rate of the Board of Directors was 93.65%, while the attendance rate of the Audit Committee was 95.83%.
- Continuing education of Board members was 100% in accordance with the statutory hours.
- Regarding the self-assessed performance evaluations of the Board of Directors, board members, and functional committees, the average achievement rates were 93.97%, 97.14% and 95.05%, respectively.
- Education and training courses on ethical corporate management were held for new employees, with 33 participants.
- As of the end of 2023, we signed specific contract specifications for ethical management with a total of 33 vendor suppliers, 82 non-vendor suppliers, and 267 copies with customers.

Customer Privacy and Information Security Management Policy

Major Issues

Customer privacy and information security

Management objectives

Customer privacy, confidential data protection and information 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.

Policy/Commitment

Strengthen the Company's information and communication security organization, define the information technology personnel's job responsibilities, implement the information and communication security management tasks and ensure the information assets, in hopes of carrying out the entire information operations successfully.

Description of Positive Benefits

To keep track of various pieces of the Company's information properties in real-time to prevent inappropriate use, and to make necessary contingency measures if the Company is subject to malicious attacks or other emergencies, the Company has established a secure and trustworthy computerized operating environment and formulated information security policies to ensure the concrete implementation of each measure, making them a necessary foundation for cooperation between Weikeng and its customers.

Description of Negative Impacts

We possess product information and relevant data from many upstream vendors and downstream customers. Therefore, if these information assets are improperly used, leaked, tampered with, stolen, destroyed, or attacked, it could result in the leakage of data from vendors and customers, damaging the Company's reputation. In addition, it is highly possible to result in potential issues such as decreased competitiveness and loss of orders due to leakage of product information to competitors.

Remedial Mechanisms/Measures

- If the Company suffers from an information security attack or other abnormal information-related situations, it shall implement the remedial mechanism in accordance with the "Information and Cyber Security Incident Notification Procedure."
- 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 notification procedures for material contingencies must be immediately initiated, and the related material information must be released on the Market Observation Post System within the legal time limit.

Responsibilities

- President/CEO: serves as the convener of the information and Cyber security management team, responsible for coordination, planning, execution, and analysis with regard to information security incidents.
- Information unit and audit unit: compose the "Information and Cyber Security Promotion and Audit Group," responsible for promoting information and cyber security audit matters.

Specific actions in 2023

- The Company has become a member of the Taiwan Computer Emergency Response Team/ Coordination Center (TWCERT/CC) and receives relevant information and reports on information security. It will also register prohibited websites on the Company firewall to prevent information security vulnerabilities. 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.
- Assessment on information and cyber security policy was completed.
- Employees are required to sign a confidentiality agreement when they join the Company.
- The information and cyber security supervisor and the dedicated personnel continuously participated in information security training and relevant courses.
- The Company has invested in the construction of software and hardware systems such as email defense filtering, software asset inventory, computer antivirus, and server vulnerability scanning, and will continue to strengthen technical investment in information security issues and system construction.
- Update the SPAMSQL mainframes to strengthen and improve information security loopholes in our products.
- Enhance the security of employee accounts and passwords by activating the Multi-Factor Authentication (MFA) function.
- Update the information of firewalls, anti-virus, hacking, and phishing websites based on the cyber security information provided by the Taiwan Computer Emergency Response Team/ Coordination Center (TWCERT/CC).
- The international manufacturer Microsoft's Office 365 cloud system was utilized for our email system, further improving the information security level.
- As of the end of 2023, the Company had 488 employees in Taiwan, with 21 stationed overseas. Among them were 38 new employees who have signed a confidentiality agreement, which stipulates that they are obligated to keep confidential information about customers they know or hold during their employment.
- When providing sales services, customer information will be kept confidential in accordance with the law, and we have signed purchase or NDA contracts with customers, with a total of 876 contracts signed as of the end of 2023.

Management Evaluation Mechanism

- In accordance with the internal control system, the Company's audit unit conducts an audit of the computerized information system operation cycle every year to ensure the effectiveness of its implementation.
- The Company adheres to the PDCA principle and promotes various measures for information security protection management and control, information security incident reporting and response, situation assessment, information security performance management and continuous improvement.

2023 Performance Results

- Information Security Performance:
 - Accuracy of interception: 99.87%.
 - 37 pieces of promotional information on information security were released.
 - 3 sessions of education and training on information security were held for new employees, with a total of 33 participants.
 - The information security supervisor and the dedicated personnel participated in information security training for a total of 36 hours.
 - The information regarding firewalls, anti-virus, and phishing websites was updated a total of 64 times.
 - 2 sessions of information and communication security disaster recovery drills were conducted, and during these drills, the core ERP system was restored within 4 hours.
- There were no losses or damage to operations and goodwill due to major information and cybersecurity incidents.
- There were no substantiated complaints of infringement of customer privacy or loss of customer information.
- There were no major hacking or virus intrusion incidents.

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 entrenched in the business markets of the Greater China region (Taiwan, Hong Kong, and China), Southeast Asia (Singapore, Philippines, Malaysia, Thailand, Vietnam, and Indonesia), Mexico, and India. 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. Through distribution locations together with a complete marketing system and technical services, our business has covered the Asia-Pacific region. In recent years, as factories established by downstream client manufacturers in North America, Weikeng also demonstrated its cross-regional cooperation and operational service capacities supporting customers' needs for parts and components in a timely manner.

Starting as a partnership, the Company provides professional value-added services and implements the business philosophy of "We Bring Technology and Value". As geopolitics also promotes regionalized division of the supply chain, Weikeng will continuously review and adjust its strategies of business development, provide technical support and appropriate industrial cooperation, and grasp the needs of vendors and customers. Furthermore, we expect the management team to lead all colleagues to strictly abide by the risk management system, optimize operation and capital efficiency, and adhere to the goals of integrity, sustainable operation, and stable operation under a solid operation mode, to create higher value for all stakeholders.

Weikeng Industrial Co., Ltd.

Market category	TWSE-listed company
Stock code	3033
Industry category	Electronic channel industry
Head Office	11F., No. 308, Sec. 1, Neihu Rd., Neihu Dist., Taipei City
Chairman	Mr. Hu, Chiu-Chiang (@Douglas Hu)
President	Mr. Chi, Ting-Fang (@Stan Chi)
Major businesses	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\$4.281 billion (as of December 31, 2023)
Number of employees	The total number of employees of Weikeng Industrial is 488, and the total number of employees of Weikeng Group is 1,205 (as of December 31, 2023)
Net sales	NT\$70,892,413 thousand (consolidated revenue); NT\$33,150,275 thousand (parent company only revenue)
Number of customers served by the Group	Approximately 5,410.
Operating Locations	The affiliates of Weikeng Group encompass a total of 7 corporate entities, including 2 in Taiwan, 4 in China (including Hong Kong), and 1 in Singapore.

Sales Channels and Technical Service Locations



Weikeng Group is deeply engaged in markets in Greater China and Southeast Asia, with operating locations in Taiwan, China, Hong Kong and Singapore, for a total of 7 corporate entities. The service bases cover the Asia-Pacific region, including Taiwan (Taipei/Hsinchu/Taichung/Kaohsiung), China (Shanghai/Shenzhen/Beijing/Shenyang/Xi'an/Hangzhou/Nanjing/Suzhou/Xiamen/Qingdao/Jinan/Wuhan/Chengdu/Chongqing), Singapore, Thailand (Bangkok), the Philippines (Manila), Vietnam (Ho Chi Minh City/Hanoi) and Malaysia (Penang), for a total of 26 service locations

The service base

Taiwan Taipei | Hsinchu | Taichung | Kaohsiung

Hong Kong Hong Kong

China Shanghai | Shenzhen | Beijing | Shenyang | Xi'an | Hangzhou | Nanjing
Suzhou | Xiamen | Qingdao | Jinan | Wuhan | Chengdu | Chongqing

Singapore Singapore

Thailand Bangkok

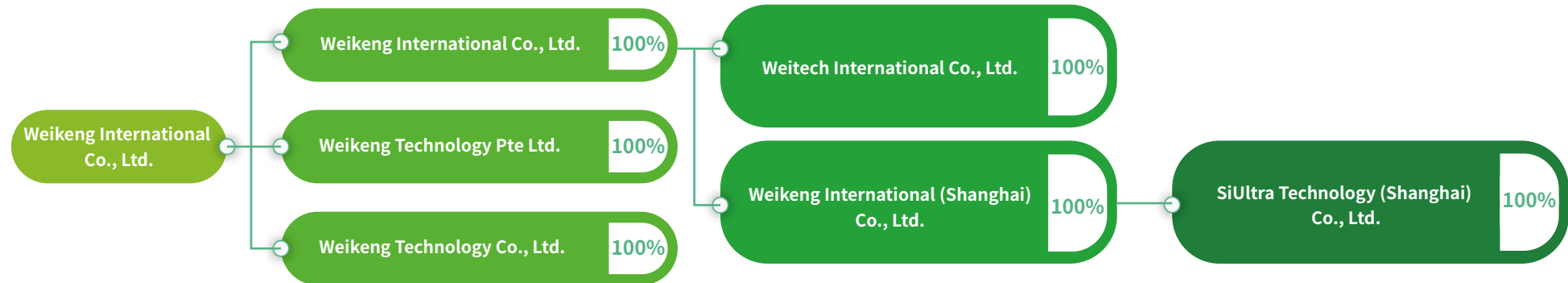
Philippines Manila

Vietnam Ho Chi Minh City | Hanoi

Malaysia Penang

Affiliated Companies

A total of 6 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, 2023

Company name	Date of establishment	Address	Paid-in capital	Main business items
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 (Note: NT\$ 2,171,313 thousand)	Distribution of electronic components and computer peripheral equipment and technical services
Weikeng Technology Co., Ltd.	1988.08.01	11F.-1, No. 308, Sec. 1, Neihs Rd., Taipei City	NT\$15,892,750	Distribution of electronic components and technical services
Weitech International Co., Ltd.	1998.03.13	Unit A, 9/F, Finance Commercial Building, 254 Des Voeux Road Central, Sheung Wan, Hong Kong	HK\$100 (Note: NT\$ 0.41 thousand)	Import and export of electronic components
Weikeng Technology Pte Ltd	2001.01.26	No 10 Upper Aljunied Link, #02-09, Singapore 367904	SGD\$16,001,303 (Note: NT\$ 335,459 thousand)	Distribution of electronic components and technical services
Weikeng International (Shanghai) Co., Ltd.	2002.05.14	Registration address: Room 1618, No. 118, Xinling Road, China (Shanghai) Pilot Free Trade Zone Business address: 8/F, Tower A, 1068 West Tianshan Road, Changning District, Shanghai, China	US\$25,000,000 (Note: NT\$ 786,647 thousand)	Distribution of electronic components and computer peripheral equipment and technical services
SiUltra Technology (Shanghai) Co., Ltd.	2015.04.08	Room 801, Building 3, 1068 West Tianshan Road, Changning District, Shanghai, China	CNY1,000,000 (Note: NT\$ 5,067 thousand)	Technology development and technology consultation in the field of electronic technology

Note:

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

2.On July 27, 2023, Weikeng Electronic Technology (Shanghai) Co., Ltd. was renamed as SiUltra Technology (Shanghai) Co., Ltd.

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
Chinese Management Association	Member
Chinese Association of Valuation	Executive supervisor/Chairman Hu, Chiu-Chiang (@Douglas Hu)
Chinese Society for Management of Technology	Director/Chairman Hu, Chiu-Chiang (@Douglas Hu)

2.1 Operation Overview

In 2023, the two major economies showed inflation in the United States and deflation in China. In the face of the inevitable business cycle and the pressure of financial costs, Taiwan's electronic and optical PMI indexes both remained below 50. The semiconductor industry environment faced many challenges, which the industry posted a decline in global revenue compared with 2021 and 2022, yet still slightly higher than the global semiconductor revenue in 2020. As the semiconductor applications became increasingly integrated into everyday life as well as to national policy infrastructure, we feel hopeful that the basic demand can be maintained. In response to the operation bases relocation of the industrial chain caused by the U.S.-China Tech War, the Company has expanded its scope of services for customers. Beyond the existing markets in the Greater China (Taiwan, Hong Kong, China) and Southeast Asia (Singapore, the Philippines, Malaysia), we increased operational support in regions such as Vietnam, Indonesia, India, and Mexico to meet customers' demands for deployment diversification.

Weikeng Group continued to be committed to providing vendors and customers with high-quality upstream and downstream supply chain integration and services across the industrial chain. We continuously deepen our business and maintain our competitive position in the industry in facing economic downturn and pressure from rising financial costs. In 2023, the Group's consolidated sales revenue and net profit before tax reached approximately NT\$70.892 billion and NT\$1.047 billion, equivalent to a year-on-year growth of 0.87% and a year-on-year decline of 55.05%, respectively.

In 2024, the global semiconductor industry is still waiting for an increase in demand from end consumers. Research institutions have predicted that the semiconductor industry will shift from a recession to growth in 2024. The medium to long-term outlook is promising for the automotive and AI chip markets, and high inventory levels are expected to gradually resolve. However, challenges lie ahead as the Federal Reserve's policy on interest rates remains unclear, and ongoing geopolitical factors continue to affect the operation bases relocation of the industrial chain. Our top priority is to maintain stable operations and enhance risk management in 2024. In the aspect of business development, as geopolitics also promote regionalized division of the supply chain, Weikeng will continuously review and adjust its strategies of business development, provide technical support and appropriate industrial cooperation, and grasp the needs of vendors and customers. Furthermore, we expect the management team to lead all colleagues to strictly abide by the risk management system, optimize operation and capital efficiency, and adhere to the goals of integrity, sustainable operation, and stable operation under a solid operation mode, to create higher value for all stakeholders.

Unit: NT\$ thousand

Weikeng Group's financial performance in the past three years

Item/Year	2021	2022	2023
Net operating revenue	72,404,886	70,281,179	70,892,413
Cost of goods sold	67,242,044	64,791,186	66,401,232
Operating margin	5,162,842	5,489,993	4,491,181
Operating profit	2,525,619	2,728,183	1,845,851
Non-operating income and expenses	(74,299)	(398,029)	(798,515)
Profit before tax	2,451,320	2,330,154	1,047,336
Income tax expense	730,180	631,020	260,569
Profit for the period	1,721,140	1,699,134	786,767
Comprehensive profit for the period	1,626,511	2,186,553	768,828
Earnings per share (NT\$)	4.54	4.03	1.85

Note:

- The above table shows the condensed, consolidated income statement data of Weikeng Group, including Group subsidiaries.
- In 2023, Weikeng Group received a total government subsidy of NT\$17,673,647, including LED lighting subsidies, Shanghai stabilization employment subsidy, and development support funds.

Financial information of Weikeng Industrial in the past three years

Item/Year	2021	2022	2023
Employee compensation (including emoluments) and benefits (NT\$ thousand)	863,310	884,721	747,766
Technology and charity donations (NT\$ thousand)	800	2,001	2,400
Income tax paid (NT\$ thousand)	40,391	153,745	327,548
Cash dividends* (NT\$/share)	3.00	3.06	1.89
Total dividend distribution amount (NT\$ thousand)	1,270,232	1,312,988	870,000

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. The payout ratio of cash dividend is adjusted based on the number of outstanding ordinary shares on the ex-dividend base date of the cash dividend.

Main Products and Services

Weikeng Industrial currently acts as a 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, Amazon, GSD, Infineon (Infineon, Cypress), Lattice, Microchip, Molex, NXP, Sitronix, Sinopower, Vishay and Western Digital. We offer a range of product solutions for downstream manufacturers, in conjunction with upstream suppliers, 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 2023, there were no incidents where products were banned from sale or removed from shelves as required by law.

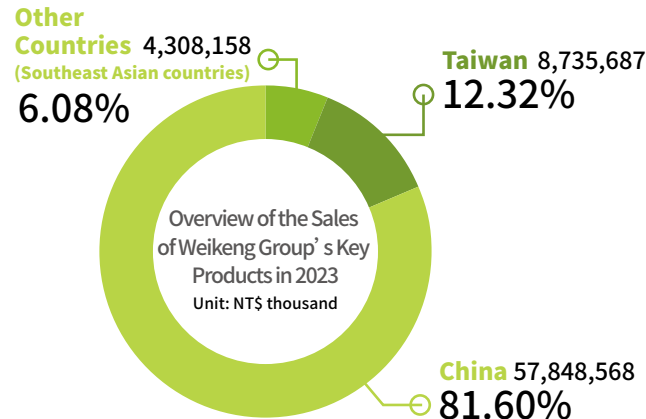
The Company continues to expand and integrate its product franchises in the Greater China region and Southeast Asia, where there is already a good scale of operation, striving to introduce complementary and advantageous product franchise opportunities. In 2023, we added 2 franchising product lines to 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.

Weikeng Industrial's Main Franchising Product Lines



Franchising products can be categorized into chipsets/standard ICs for special applications, mixed-signal and discrete components according to the characteristics of the products we resell. About 100% of our business is in the sales of electronic components and peripheral equipment. The Company's sales targets are computer/communication/consumer/industrial/automotive and other electronic product manufacturers and OBM/ODM/OEM customers Note. The whole Group serves more than 5,410 customers and our sales areas are in Taiwan and China while also expanding to Southeast Asia.

Note: For details of the customer product applications, please refer to <https://www.weikeng.com.tw/content.php?no=86>



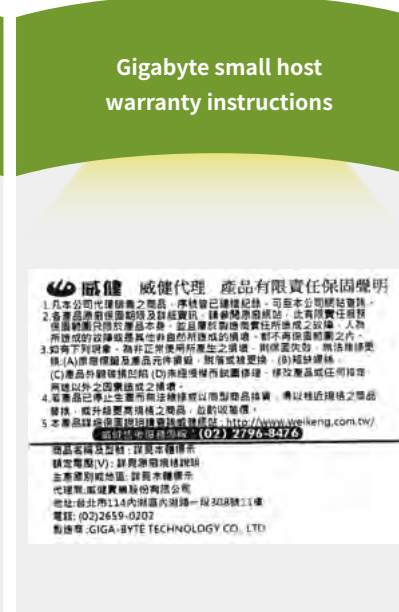
Overview of the Sales of Weikeng Group's Key Products in 2023

Sales region/percentage of amount	Amount (NT\$ thousand)	Percentage (%)
Taiwan	8,735,687	12.32
China	57,848,568	81.60
Other Countries(Southeast Asian countries)	4,308,158	6.08
Total	70,892,413	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 a distributor, such as AMD CPUs, ASRock and Gigabyte's mini-PCs (nettops), in addition to the original color box packaging, we also follow the specifications on information and communication consumer electronic products under the Commodity Labeling Act of the Department of Commerce, Ministry of Economic Affairs, and affix a product label to include the product name, model number, system requirements, rated voltage/frequency, total rated power consumption/input current, year/number of manufacture, country/region of manufacture, functional specifications/compatibility, use method, emergency handling, warnings/cautions, distributor, manufacturer's name and distributor's service telephone number, etc., before the product can be sold and distributed on the market. In addition, the vendor suppliers comply with relevant environmental regulations like RoHS and Reach, and they affix environmental protection labels to the product packaging according to the customer's labeling needs. In 2023, Weikeng had no violations of product and service information and labeling regulations, health and safety regulations, or voluntary agreements.



Product Marketing Activities

In addition to promoting each product line on the official website of Weikeng, we also optimized digital marketing and promotion starting from October 2022. We also began to manage social media accounts such as Weikeng's fan page on Facebook and its page on LinkedIn. These social media platforms serve as one of the publicity channels promoting new product, sharing product technology solution, announcing seminar, and releasing forum information related to the products offered by our vendors, such as AMD, Infineon, Lattice, Microchip, Molex, NXP, Molex, Vishay, Western Digital, etc. For the product lines of Infineon and Vishay, e-newsletters were distributed for promotion purposes. In 2023, the Company published or reposted more than 100 posts related to products of Infineon on its Facebook fan page and LinkedIn page.

In terms of physical marketing activities in 2023, Weikeng, along with AMD, Gigabyte, and NXP, organized seven events and invited major customers to participate. During these events, system integration customers and downstream partners shared product solutions, product trends, and joint prospects for new market opportunities to establish long-term cooperative partnerships.

Hosted by AMD and co-organized by Weikeng, the AMD Spring Party invited our core customers to participate and to thank our customers for their support of AMD EPYC products. We look forward to even greater success in the coming year.



01



02

Weikeng and AMD invited GIGABYTE and SI customers to conduct "Exceeding Together, Growing Together," sharing sessions for AMD EPYC product solutions and SMB distributors.

03



Weikeng and GIGABYTE collaborated to organize a seminar themed “GIGABYTE servers entering the future data centers Product roadmap introduction” and invited SI customers from central Taiwan to participate. This seminar involved the sharing of GIGABYTE server solutions, generation shift of data centers, AMD’s sharing of concept from cloud to end, and an introduction to AMD AI product roadmap.

04



Weikeng and NXP jointly organized the forum themed “The Next Wave of Automotive Industry Revolution - Convenience Brought by Electronic Architecture.” During the forum, NXP shared the software-defined vehicle development trend and discussed on how the latest automotive microcontroller S32K3 architecture provides important support for future automotive development

05



Weikeng sponsored the NXP 2023 Taipei Technology Forum and showcased the equipment manufactured by third-party vendors that utilize NXP products. These included the NXP i.MX8ULP ultra-low power processors, smart parking posts, and dual-core ARM Cortex A9 Brewi smart coffee machine, etc.

06



The AMD CIO Leadership Networking Party was hosted by AMD and co-organized by AMD. Senior executives from the industry were invited to discuss trends in AMD EPYC products and technologies.

2023 Conference of the Frontier in Technology, themed “A Smart World Starting with AMD,” was hosted by the Information Service Association of Chinese Colleges (ISAC) and co-organized by AMD and Weikeng. This conference aimed to introduce the information or computing centers managers from colleges and universities to AMD product solutions, campus solutions, AMD EPYC family, along with its corresponding usage scenarios, and AI PCs aimed at transforming the future of work.



07



2.3 Corporate governance

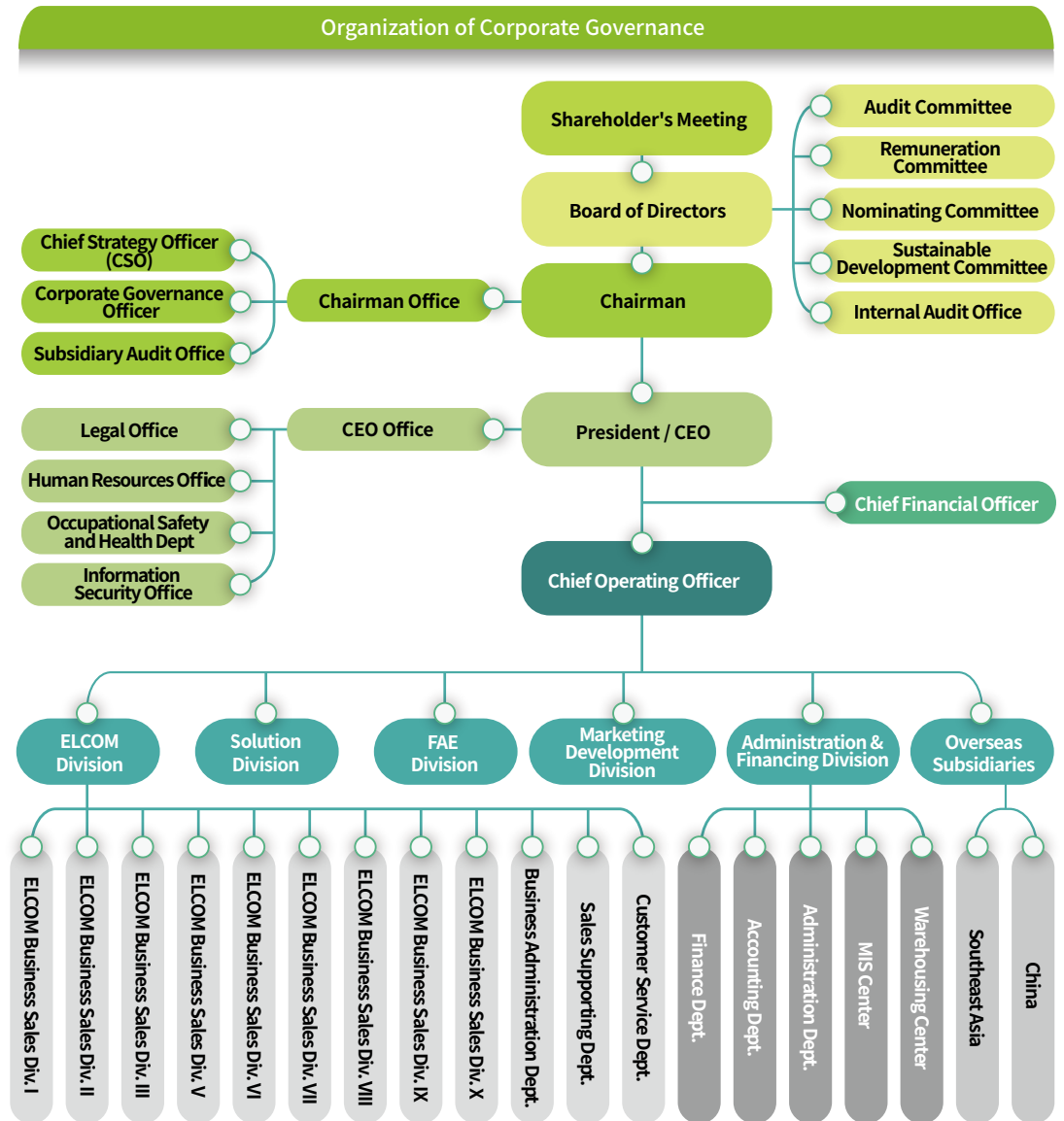
Updated on: September 1, 2022

Weikeng has established four functional committees under the Board of Directors, namely "Audit Committee," "Remuneration Committee," "Nominating Committee," and "Sustainable Development Committee" to supervise, manage, and implement matters related to corporate governance and sustainability management. 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. These arrangements were aimed at achieving better alignment with the spirit and requirements of corporate governance.

On May 13, 2021, the board of directors appointed Chou, Kan-Lin (@Fama Chou), CFO and Spokesperson, as Corporate Governance Director 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 accumulative training hours for continuing education reached 12 hours in 2023.

The Company firmly believes that transparent and honest corporate governance is the foundation of sustainable business management. In order to establish a corporate culture of ethical management and sustainable development, and to create a sustainable business environment, the Chairman's Office is responsible for formulating and supervising the implementation of policies and preventive plans for corporate governance, ethical management, and sustainable development. Furthermore, the Board of Directors has approved the Corporate Governance Best Practice Principles, Code of Ethical Conduct, Ethical Corporate Management Best Practice Principles, Sustainable Development Policy, Sustainable Development Best Practice Principles, Rules Governing Financial and Business Matters Between this Corporation and its Related Parties, Operating Procedures For Handling Material Inside Information, and Procedures for Ethical Management and Guidelines for Conduct as the basis for the operation of the Company's business activities, and relevant matters shall be reported to the Board of Directors as necessary or in case of material issues.

Note: For relevant important corporate governance regulations, please refer to <https://www.weikeng.com.tw/content.php?no=67>



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 exercising their duties 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 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:

Basic conditions and values

gender, age, nationality and regulatory compliance
(qualifications and independence, etc.).

Professional background, professional knowledge and skills.

Professional background
(such as legal, accounting, finance, marketing, technology industry
or business experience), professional knowledge and skills.

Board members should possess the diverse knowledge, skills and Education 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 board of directors as a whole should have the following professional knowledge and skills

- 01 Operational decision-making judgment ability
- 02 Business strategy management and leadership
- 03 Crisis and risk analysis, decision-making and handling capabilities
- 04 Insights into industrial development and technology applications
- 05 The pulsating forward-looking force of sustainable development
- 06 Accounting information and financial analysis ability
- 07 Industry and business knowledge ability

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: 2 directors (28.6%, Hu, Chiu-Chiang (@Douglas Hu) and Chen, Cheng-Fong (@Eric Chen)) in the 71~80 year old group, 4 directors (57.1%, Tsai, Yu-Ping (@Edward Tsai), Lin, Hung (@Vincent Lin), Yu, Hsueh-Ping (@Peggy Yu), and Chi, Ting-Fang (@Stan Chi)) in the 61~70 year old group, and 1 director (14.3%, 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 2023, the board of directors held 9 meetings, with an average attendance rate of 93.65%.

Note: Please refer to the Company's official website_Corporate Governance Zone_Board of Directors for details on the board members' education, experience, positions, independence status, diverse management goals and achievements of board members, as well as board operations. <https://www.weikeng.com.tw/content.php?no=642>

Professional Competencies of Board Members of Weikeng Industrial for 2023

Title	Chairman	Independent director	Independent director	Independent director	Director	Director	Director
Name	Hu, Chiu-Chiang (@Douglas Hu)	Tsai, Yu-Ping (@Esward Tsai)	Lin, Hung (@Vincent Lin)	Yu, Hsueh-Ping (@Peggy Yu)	Chi, Ting-Fang (@Stan Chi)	WEIJI INVESTMENT CO., LTD. (Representative: CHEN, Cheng-Fong(@Eric Chen))	Chen, Kuan-Hua (@Bill Chen)
Gender	Male	Male	Male	Female	Male	Male	Male
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	✓	✓	✓	✓	✓	✓	✓

Continuing Education of Directors

To strengthen the functions of the Board of Directors, and with reference to changes in the Company's internal and external environmental conditions and development needs, courses are arranged covering corporate governance topics related to finance, risk management, business, commercial affairs, legal affairs, accounting, sustainable development or internal audit systems, financial reporting responsibilities, and so on. Moreover, each director accepts at a minimum the requirements for the number of training hours as issued by the competent authority in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies. This is done to assist directors in acquiring new knowledge and familiarizing themselves with the operation of the Board of Directors while effectively implementing the corporate governance system. In 2023, the courses for board members include "Risks and Opportunities for Business on Trend of Climate Change," "New Challenge to Corporate Governance as ESG Knocking," "Corporate Governance 3.0 'Sustainable Report' Practical Analysis," "Challenges and Opportunities of Sustainable Development Path and Introduction of Greenhouse Gas Inventory," "Protection of Trade Secret and Non-compete," "Sustainable Finance and Investment ESG Trend," etc. These courses ensure 100% compliance with the required training hours as per regulations.

For continuing education of directors, please refer to <https://www.weikeng.com.tw/content.php?no=15>

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.



Implementation
of Performance
Evaluation

The Company has completed the self-evaluation of the board, directors, and functional committee members for 2023. The average achievement rate of the self-evaluation of the board as a whole is 93.97%, the average achievement rate of the self-evaluation of individual board members is 97.14%, and the average achievement rate of the self-evaluation of functional committee members is 95.05%. The results were submitted to the Nominating Committee and the board meeting on March 11, 2024.

Note: In 2022, the Taiwan Corporate Governance Association was engaged to conduct an external evaluation of the board. For the relevant evaluation results, please refer to the Company's website_ Corporate Governance Zone_Board of Directors <https://www.weikeng.com.tw/content.php?no=22>

Avoidance of Conflicts of Interest

In accordance with Article 15 of the Rules and Procedures of Board of Directors Meeting, Weikeng 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 9 board meetings of the Company in 2023, 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 <https://www.weikeng.com.tw/content.php?no=64>

Internal Audit System

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

The Subsidiary Audit Office is responsible for the revision of the relevant internal control systems of subsidiaries, the formulation and implementation of the annual audit plan or project audit plans, the completion of the self-assessment reports, and the tracking of the shortcomings of the internal control systems and the improvement of abnormal matters; it reports the aforementioned operations to the Audit Office of the Company.

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 2023, the audit supervisor conducted 7 audit reports to independent directors (the Audit Committee) without the presence of general directors or the management.

Functional Committees

Weikeng Industrial has 4 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 to <https://www.weikeng.com.tw/content.php?no=94>.

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 (times)	8	3	2	3
Attendance rate (%)	95.83%	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” approved by the board of directors, 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, compensation for directors and executive officers, etc.	According to the “Nominating Committee Charter” approved by the board of directors, the responsibilities include setting standards for the diversity and independence of board members and senior executive officers, and identifying, reviewing and nominating candidates for directors and senior executive officers accordingly; conducting performance evaluations of the board of directors, committees, directors and senior executive officers, and evaluating the independence of independent directors; reviewing the continuing education plan for directors and the succession plan for directors and senior executive officers; revising the Company’s Corporate Governance Best Practice Principles, etc.	According to the “Sustainable Development Committee Charter” approved by the board of directors, 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 Lin, Jenn-Chuen is a part-time professor in the Department of Social Pedagogy of 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:

Emoluments paid to employees and executive officers are divided into fixed salary and variable remuneration.

01

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.

02

The variable remuneration includes business performance incentive, year-end bonus and employees (including executive officers) remuneration.

- 01** 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.
- 02** 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, the distribution plan of year-end bonus belongs to executive officers must first be approved by the resolution of the Remuneration Committee and the Board of Directors.
- 03** Employees (including executive officers) remuneration is the total appropriated amount in accordance with the Company's Articles of Association, which amount is first approved by the resolution of 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 described in the preceding subparagraph (2).

03

Appropriation of employees (including executive officers) remuneration

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.

Directors' remuneration includes directors' remuneration and business execution fees

The remuneration of the Company's directors includes the compensation appropriated in accordance with the Company's Articles of Association 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.

Relevance, Rationality and Principle of Avoidance of Interests

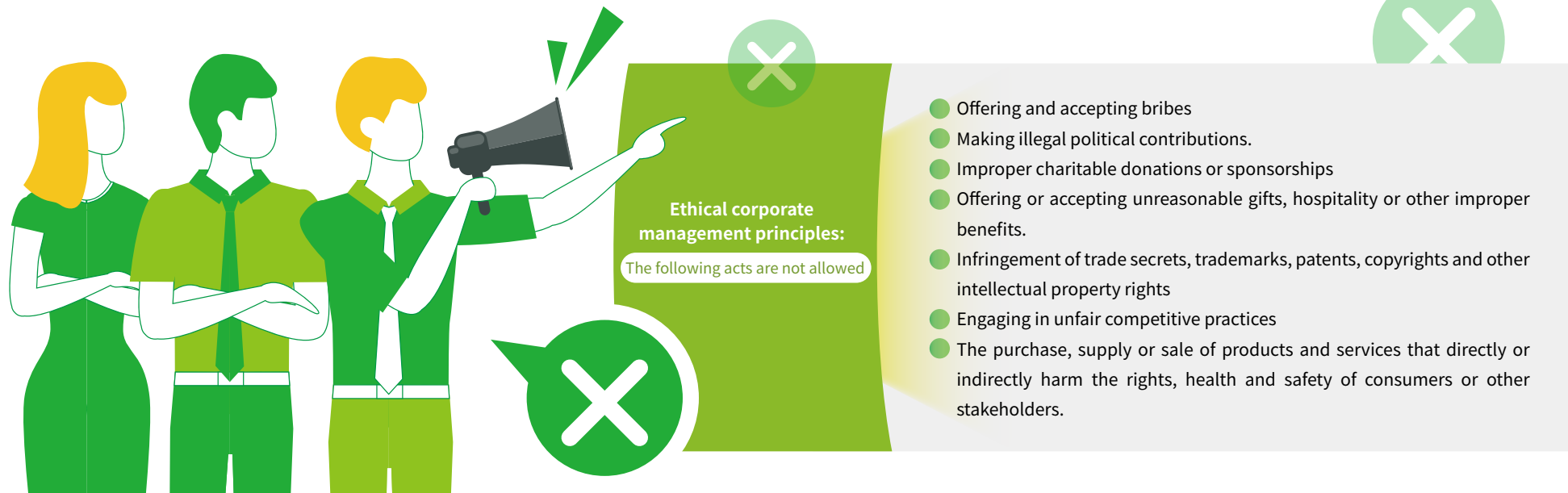
The emoluments of directors and employees (including executive officers) must not only comply with relevant laws and regulations; to attract outstanding talents, it must also take into account the relationship between personal performance and company financial performance, related efforts in sustainability 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

Adhering to the business philosophy of integrity, the Company established the “Ethical Corporate Management Best Practice Principles” and the “Code of Ethical Conduct.” These documents were timely amended based on correspondence from competent authorities and approved by the Board. The regulations aim to provide all employees with a code of high ethical standards. Furthermore, they are furthermore disclosed in the Annual Report and on the Company’s official website. It is of paramount importance that the board of directors and management adopt the highest standards of integrity and ethics in the management of the Company and the work conduct of its employees, prohibiting bribery, corruption, deception and any other forms of improper conduct. In 2024, the Company adopted the “Procedures for Ethical Management and Guidelines for Conduct” to specify the matters that personnel should pay attention to when conducting business. The main scope of these procedures was detailed in the course contents of the anti-corruption and ethical corporate management training at the 2024 all staff meetings.

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 11 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.



Prevention Advocacy and Training

- 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 meetings, to strengthen Company ethics and self-discipline.
- Within one week of arrival, all new employees will receive information from legal and human resource office, including key reminders related to ethical management, ethical behavior rules, and prevention of insider trading. In 2023, a total of 38 new employees received such key reminders and publicity. In addition, as for new employees, senior management and the legal supervisor conduct training on "anti-corruption/ethical management/prohibition of insider and short-term trading" during the new employee training course. Due to the resignation of 5 new employees before undergoing the training in 2023, a total of 33 new employees completed the training, achieving a 100% completion rate.
- 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.

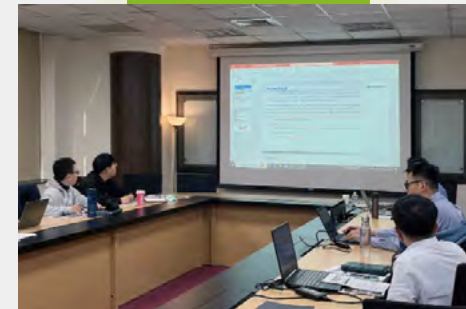
Summary of anti-corruption policy communication in 2023

Category		Number of people/companies that who have completed the communication	Total number of persons/companies in this category	Percentage of communication (%)
Board of Directors		7	7	100
In-service Employees	Top-level Managers	74	106	69.8
	Middle and Lower-level Managers	183	238	76.9
	General Personnel	103	144	71.5
New Employees		38	38	100
Business Partners	Vendor Suppliers	33	73	45.2
	Non-vendor Suppliers	82	194	42.3
	Customers	267	1,173	22.8

Note:

- 1.The anti-corruption prevention advocacy and training in 2023 are illustrated with the relevant contents implemented by Weikeng in the Taiwan region.
- 2.Formulating, monitoring, and implementation of various ethical corporate management policies and prevention programs, as well as reporting and communicating to the board of directors when necessary.
- 3.In 2023, the Board of Directors passed the proposal to amend certain provisions of the Company's "Corporate Governance Best Practice Principles" to include prohibition against non-arm's length transactions and improper channeling of interests.
- 4.Directors' continuing education courses in 2022: "Prevention of Insider Trading and Securities" by the Taiwan Corporate Governance Association and "A Brief Probe into Emerging Financial Technology Crimes and Preventing Money Laundering from the Perspective of Companies" by the Securities and Futures Institute, totaling 12 hours/4 persons.
- 5.In the future, we will arrange online anti-corruption prevention education and training courses to strengthen the implementation of the integrity policy.
- 6.Senior management refers to those at or above the department manager level; middle and lower-level managers are those at the section manager level to manager level, while general personnel refers to individuals at the vice section manager level and below.
- 7.All publicity and training sessions were only held at the Taipei headquarters, and the number of attendees did not include those who took leave or went out for business.
- 8.For more information on education and training, please refer to Weikeng's official website.

Ethical Corporate Management Training



● Anti-corruption and Ethical Corporate Management Regulations for Business Partners

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.

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

As of December 31, 2023

01 Vendor suppliers

They signed a distribution contract with the Company that encompasses anti-corruption/anti-bribery and other similar clauses. Its content also requires both parties to prohibit any dishonest behavior such as bribery during business cooperation.

33

vendor
suppliers

An increase of 1 from 2022

02 Non-vendor suppliers

They signed the Company's "Letter of Undertaking for Compliance with Responsible Business Alliance (RBA)."

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

82

non-vendor
suppliers

An increase of 17 from 2022

03 Customers

Customers individually sign relevant ethical commitments and other similar ethical requirements with the Company. The agreements require both parties to prohibit any unethical behavior, such as bribery, while doing business.

267

copies with
customers

An increase of 25 from 2022

Note: The above table shows the parent company only statistical data of Weikeng Industrial, excluding Group subsidiaries.

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 2023.



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 City
- 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.
- We have implemented a recusal system for whistleblowing. If the staff receiving the report is a relative or friend of the whistleblower or the person being reported, or if the person, their relatives, or friends have an interest in the reported matter, or if there are any other circumstances that may affect the impartial handling of the reported matter, the staff receiving the report shall take the initiative to recuse themselves. Additionally, the whistleblower has the right to request the recusal of any handling personnel related to or implicated in the reported matters.
- 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. Neither whistleblowing on behalf of others nor seeking revenge against the person being reported through the Whistle-blowing System is allowed. If it is ascertained that the person being reported is intentionally falsely accused or defamed by the whistleblower, the situation will be handled in accordance with the relevant laws and regulations.



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

Note: For details of the Whistle-blowing System, please refer to <https://www.weikeng.com.tw/content.php?no=91>

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 relevant risk assessments based on possible unethical business practices, conduct audits on these items as included in the annual audit plan. The results of 2023 audit plan have been reported 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 honesty and integrity of transactions among vendor suppliers and non-vendor suppliers as well as 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 2023.



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 2023, there were no violations of social, economic, environmental protection or product laws/regulations, or lapses in ethical corporate management by Weikeng.



Note: Weikeng Industrial did not violate relevant laws and regulations in 2023 (including but not limited to the laws and regulations listed above).

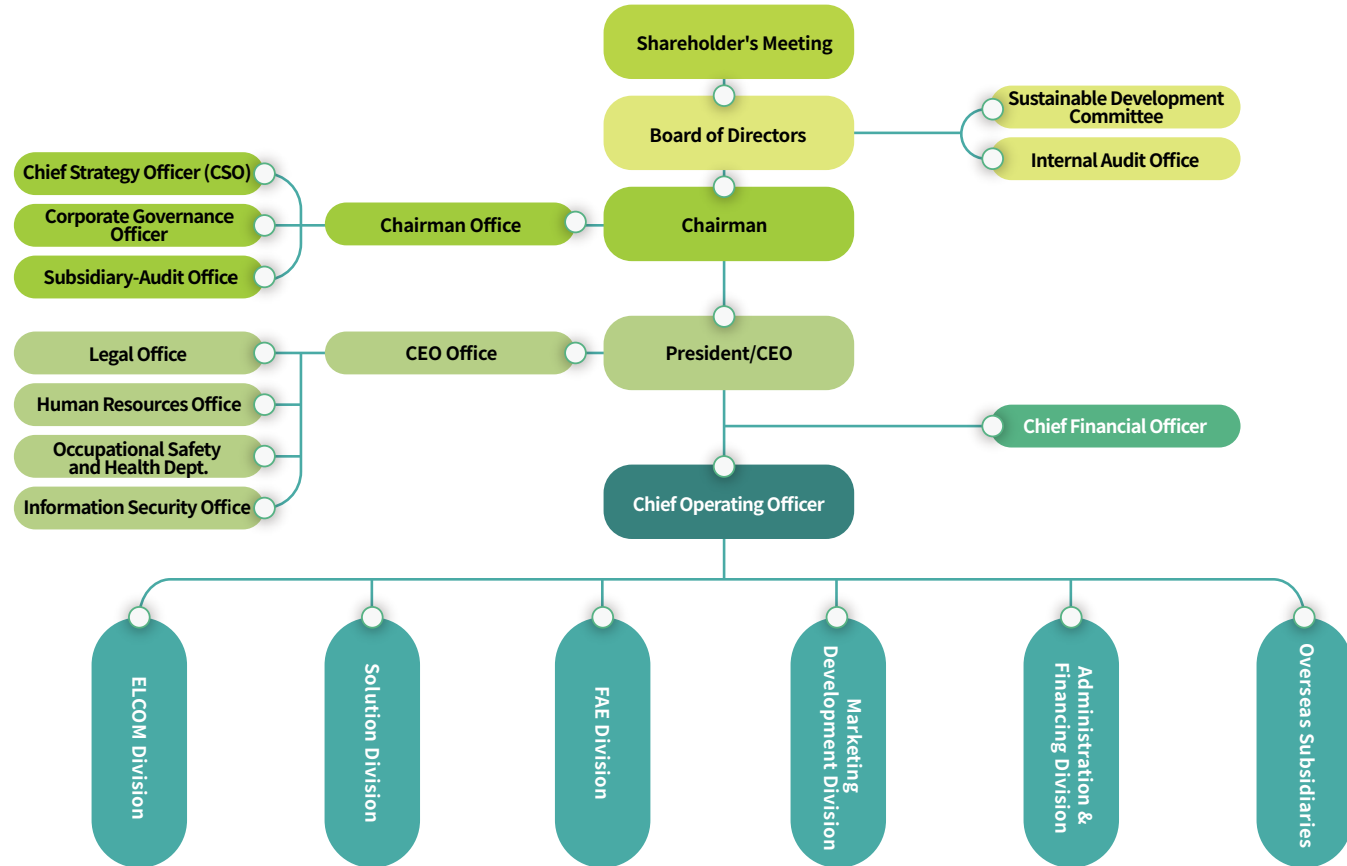
2.5 Risk management

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" in 2021. In September 2022, these policies and procedures were revised according to "Risk Management Best Practice Principles for TWSE/TPEx Listed Companies." After the revisions were approved by the board meeting, they serve as the highest guiding principles of the Company's risk management. On April 28, 2023, certain provisions were amended due to practical management needs, incorporating climate change issues.



Risk Management Organization Structure

Risk Management Organizational Chart



Updated on: September 1, 2022

● 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.

● 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 security, and climate change), the adequacy of the risk management structure, the management report of major risk management strategies (including risk appetite or tolerance) and major risk issues, supervising the improvement mechanism, and regularly reporting the implementation of risk management to the Board of Directors.

A Risk Management Group is established under the Sustainable Development Committee to assist the Committee in carrying out its risk management responsibilities and is responsible for formulating and amending 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 Team" holds regular meetings and reports the implementation status to the Sustainable Development Committee.

● Operational and Management Functional Units

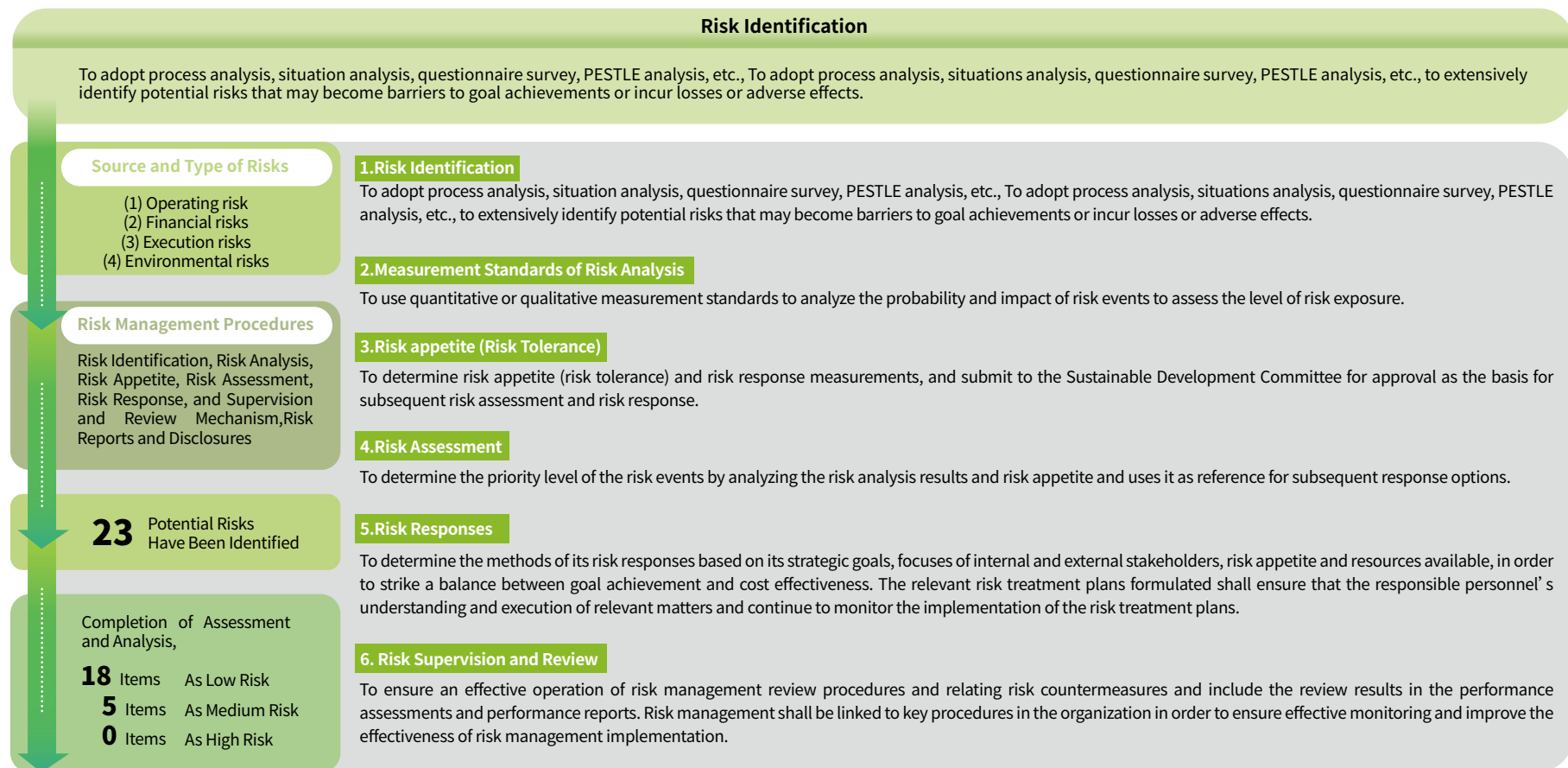
At all levels of the organizational management system, the President /CEO, and senior executive officers of each business unit and functional unit assist in the identification of risk factors and risk control. This is to improve the efficiency of the organization's risk management with regard to self-evaluation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

● 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.

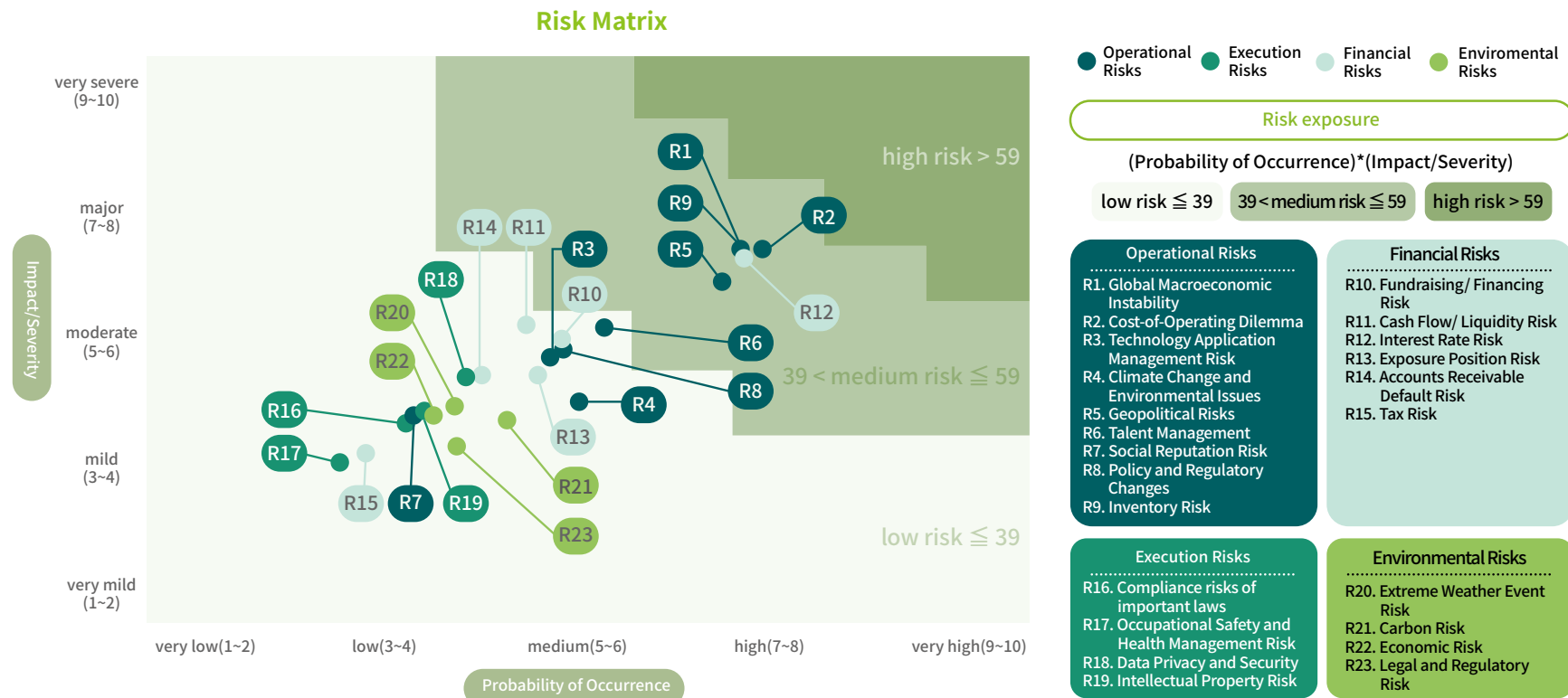


Risk Identification and Response Strategies

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 executive officers of various business units (including the Overseas Business Group) and functional units of the Company conducted risk identification for 2023. They ranked 23 risk items, including 9 in the operational risk category, 6 in the financial risk category, 4 in the occupational risk category, and 4 in the environmental risk category. In November 2023, an internal questionnaire regarding the aforementioned risk items 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 56 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 23 risk items, 18 are low-risk, 5 are medium-risk, and none is high-risk, as shown in the following risk matrix diagram. As for these 5 medium-risk issues, corresponding measures are detailed in the following table. The above has been submitted to the Sustainable Development Committee and the Board of Directors on January 31, 2024.

For more information on risk countermeasures, please refer to Weikeng's official website: <https://www.weikeng.com.tw/content.php?no=88>



Medium Risk Issues and Countermeasures

01

Dilemma of operating cost burden

Risk Description

Due to macroeconomic instability in the regions where the Group operates, our operating performance was not as strong as in previous years. Additionally, the rapid pace of interest rate hikes has driven up the financial and operating costs of the Company.

Countermeasures

- Cost/expense management
- Proactive financial management
- Optimization of capital structure
- Price adjustment
- Supply chain management
- Diversification of income sources
- Digital technology to support transformation

02

Global macroeconomic instability

Risk Description

Deflation in the China, inflation in Europe and the U.S., the U.S.-China trade conflicts, and fluctuations in financial market interest rates have all had adverse effects on the Company's operations and earnings.

Countermeasures

- Agility and change
- Diversification of application markets and product solutions
- Budget and financial management
- Continuously strengthen customer relationship
- Exploration and innovation
- Market monitoring and risk management
- Human resources management

03

Inventory risk

Risk Description

Inventory correction of the supply chain, slow destocking, and taking up capital, resulting in price losses and reduced profits.

Countermeasures

- Supply chain diversification and efficiency
- Inventory management optimization
- Monitor market trends

04

Interest risk

Risk Description

Increase in USD interest rates resulting in a significant increase in financial costs.

Countermeasures

- Risk management evaluation
- Diversification of financing sources
- Cash flow management
- Keep a close eye on financial market trends
- Adjust pricing strategies based on product price elasticity

05

Geopolitical risk

Risk Description

Regional conflicts, trade restrictions, and changes in international relations may influence the Company's operations.

Countermeasures

- Risk assessment
- Establish local partners
- Monitor trade policies
- Develop international operation capability and flexibility

Material contingency management

To ensure that all Board members are promptly and fully aware of major unexpected events relating to the Company, as well as to enable directors to better fulfill their responsibilities and requirements, the Company submitted the addition of "Reporting Procedures of Material Contingencies" in the "Operating Procedures for Handling Material Inside Information" to the Audit Committee and the Board of Directors on January 13, 2023. In 2023, there were no material contingencies.



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 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

01

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.

02

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.

03

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 Director, 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 material contingencies, 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.

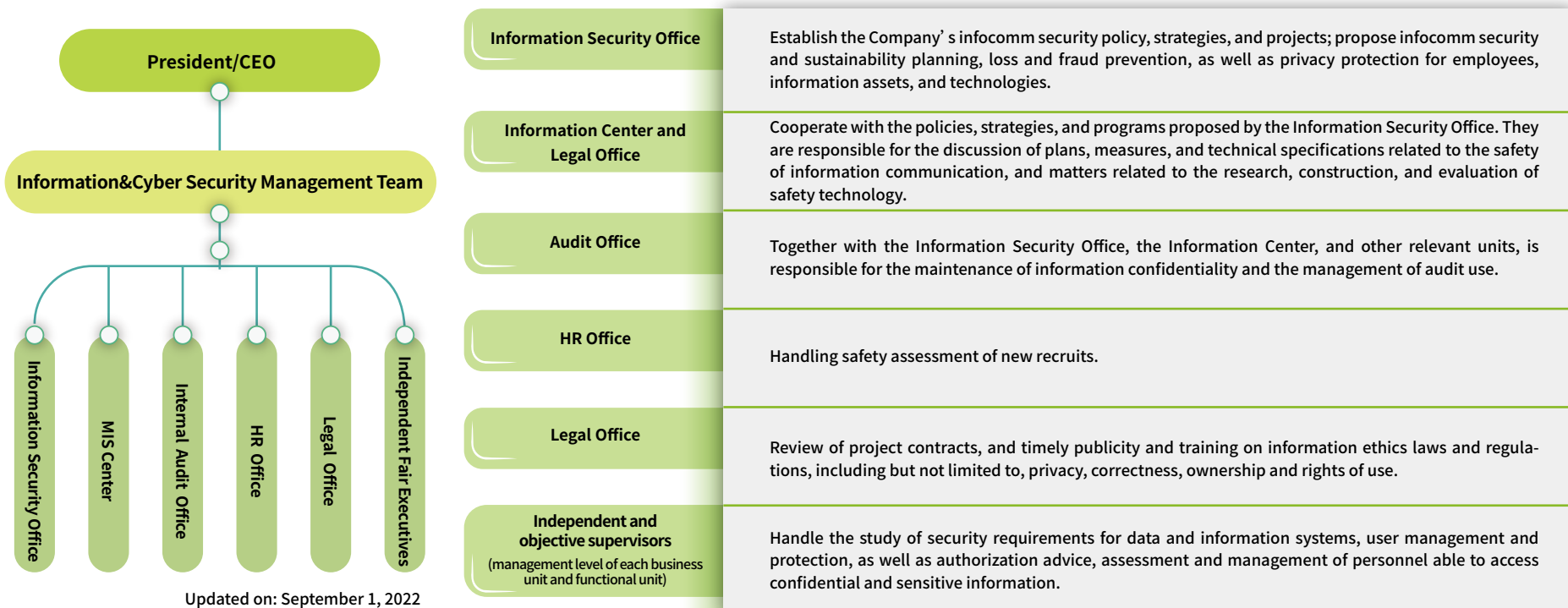
04

Material contingencies, 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

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 Information Center, Internal Audit Office, HR Office, 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 information security incidents, and the information security policy is evaluated at least once a year.

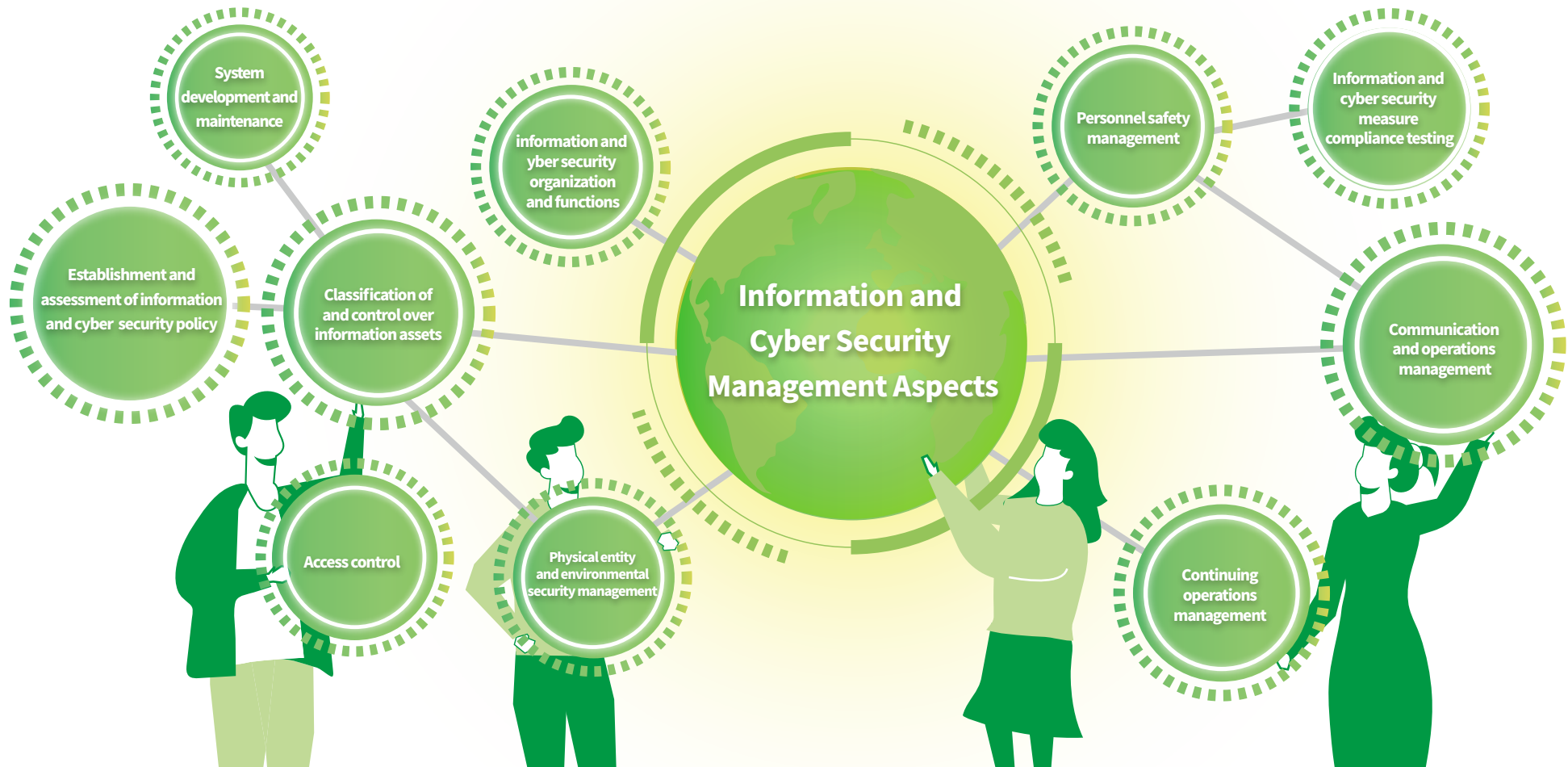
Information and Cyber Security Management Framework



Information and Cyber Security Policy

The information and cyber 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 more information, please refer to the "Information and Cyber Security Policy and Management Regulations" on the Company's official website: <https://www.weikeng.com.tw/content.php?no=29>

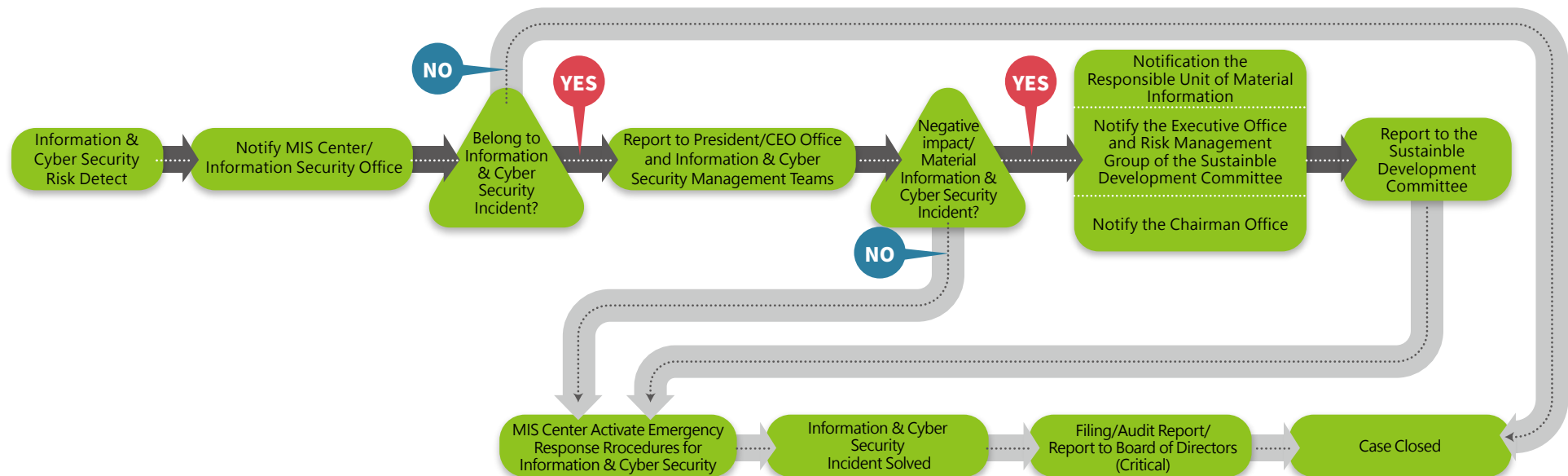


Training for information security supervisors and dedicated personnel

	Organizer	Name of Course/Activity	Number of hours (hours)	Participants
2023 Information Security Training Status	Taiwan Corporate Governance Association	Cybersecurity Governance Practices: Analysis of Critical Management Issues	3 hours in total	Director and assistant manager of Information Security Office Obtained a certificate from Taiwan Corporate Governance Association
	iSpan International Inc.	Tutoring Courses for Systems Security Certified Practitioner (SSCP)	30 hours in total	Director of Information Security Office received a course completion certificate from iSpan International Inc.
	Information Service Industry	Practical Course on Cyber Warfare Techniques: Principles and Practices of DDoS Attacks	3 hours in total	Director of the Information Security Office received a course completion certificate from the Information Service Industry Association of R.O.C.

Information and Cyber Security Incident Notification Procedure

In 2023, 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. On January 31, 2024, matters regarding information security management were reported to the Sustainable Development Committee and the Board of Directors.



3

Sustainable Supply Chain and Environment

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Customer Relationship Management Policy

Major Issues

Customer service and satisfaction

Management objectives

As a semiconductor distributor, Weikeng acts as a bridge between vendors and customers, providing technical and product introduction client support to meet customer needs and improve service efficiency. Therefore, important 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 franchise. 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.

Policy/ Commitment

Weikeng collaborates with upstream vendors and downstream customers to jointly create additional values in areas such as demand creation, supply chain, capital chain, and sustainability. This is not only a role that Weikeng takes place all the time but also the source of our core competitiveness.

Description of Positive Benefits

- 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. To improve the logistics service quality of supply chain management, we introduced the ISO 9001 - Warehousing Services and obtained certification in 2023. This also proves that the Company's warehousing service capabilities have reached international service standards, with an aim to meet customer needs.
 - For the most recent 3 years, the Company ranked top 500 for its annual import and export performance, without loss-making record. 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. The Company is a certified supply chain provider.
- Continuously grasping the opportunities arising from changing customer preferences and low-carbon products and services required by sustainable governance, as well as the trend of regionalizing supply chains, enables us to expand business cooperation opportunities, consolidate our customer base, and stabilize operating benefits.

Description of Negative Impacts

- 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.
- The Company will face transition risks if it fails to respond to the opportunities arising from changing customer preferences and low-carbon product service opportunities brought about by the customer transformation to a sustainable environment.
- Failure to improve quality supply chain management and trade security requirements may result in loss of customer orders and penalties from trade laws and regulations.

Remedial Mechanisms/ Measures

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

Responsibilities

- Marketing Development Division: Take 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.
- Solution Division: Invest resources in R&D.
- FAE Division: Provide technical support and demand creation services.

Specific actions in 2023

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

Management Evaluation Mechanism

- Continuously plan and improve the talent cultivation and social responsibility for Field Application Engineers and Application Engineers (hereinafter referred to as FAE/AE) to retain technical talent.
- Weikeng Industrial' s research and development expenses were NT\$135,112 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 2023 are as follows:
Every 1.94 sales * 1 technical engineer (Taiwan base).
Every 2.17 sales * 1 technical engineer (mainland China base).
- Provide professional customer service/sales supporting personnel (including locations in Taiwan, Hong Kong, mainland China, and Singapore, the Group has a total of nearly 250 related sales assistants and support personnel) and match the business to meet the various needs of customers and improve customer satisfaction.
- The relevant 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.
- Conduct customer satisfaction surveys.

2023 Performance Results

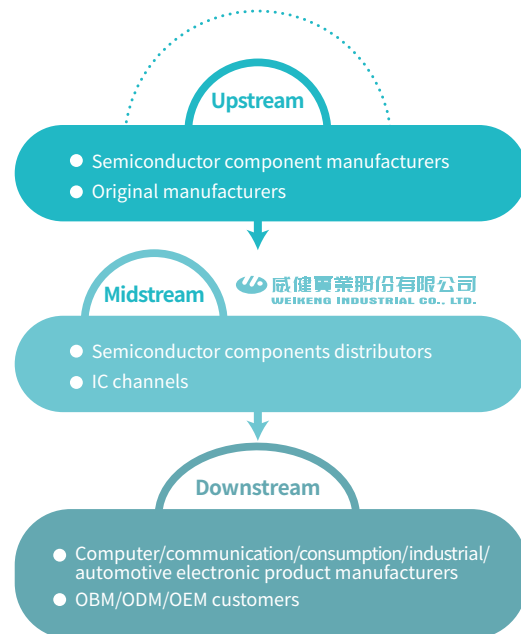
- A total of 2 companies authorized the franchise of their electronic component products or semiconductor equipment to the Company.
- The overall Group served approximately 5,410 customers.
- Out of the consolidated sales of the Group, those requiring the provision of technical services for customer accounted for about 80% of total sales.
- FAE/AE participated in a total of 2,114.5 hours of training courses by vendors.
- FAE/AE assisted in developing applications for solar energy, electric vehicles or energy-saving products for a total of 21 customers, with a total of 263 special projects.
- Weikeng Industrial' s total R&D expenditure (mainly including the salaries of R&D personnel, software and hardware equipment) reached NT\$135,112 thousand, and the R&D expenditure for its related green product accounted for 21.85% of the total R&D expenditure.
- Customer satisfaction survey results were excellent.

3.1 Supply Chain Management

Supply Chain Overview

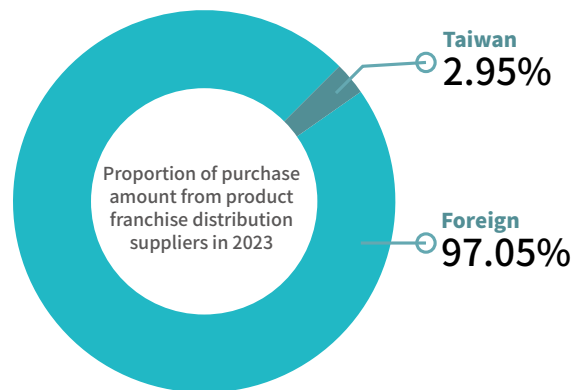
Weikeng is a distributor of semiconductor components and computer peripheral equipment. The upstream of the distributor supply chain mainly constitutes a range of semiconductor component manufacturers while the downstream mainly comprises manufacturers of information, communication, consumer, industrial, automotive, and other final products. For upstream manufacturers, 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 serve as 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 original manufacturers and customers. It is not just a simple buying and selling relationship.

Diagram of upstream, midstream and downstream relationships among distributors



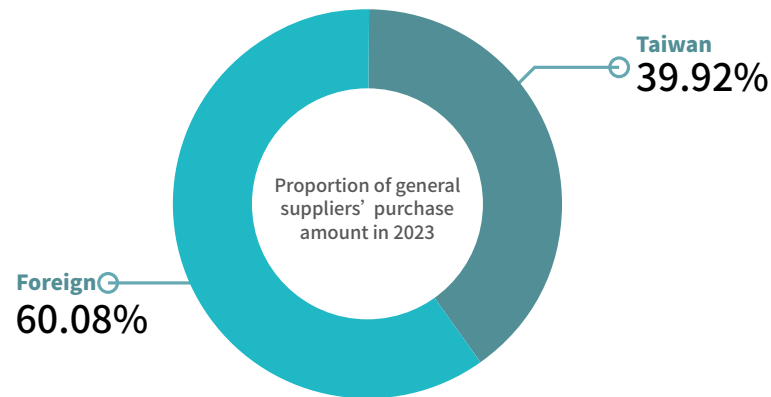
In 2023, Weikeng's suppliers of products for franchise, including business cooperation, (vendor and non-vendor) suppliers of semiconductor electronic components, and channel product suppliers, totaled 140 (43 in Taiwan and 97 overseas), with a Taiwanese procurement amount ratio of 2.95%. In addition to the above, there is more general procurement (including logistics, general affairs and IT), for a total of 194 suppliers (125 in Taiwan and 69 overseas), with a Taiwanese procurement amount ratio of 39.92%.

Proportion of purchase amount from product franchise distribution suppliers in 2023



Proportion of purchase amount from product franchise distribution suppliers in 2023		
Purchasing region	Number of companies	Percentage of purchase amount (%)
Taiwan	43	2.95
Foreign	97	97.05
Total	140	100.00

Proportion of general suppliers' purchase amount in 2023



Proportion of general suppliers' purchase amount in 2023			
Purchasing region	Purchase type	Number of companies	Percentage of purchase amount (%)
Taiwan	Logistics	39	37.00
	General matters	73	2.26
	Information	13	0.66
	Subtotal	125	39.92
Foreign	Logistics	62	59.44
	General matters	2	0.21
	Information	5	0.43
	Subtotal	69	60.08
Total		194	100.00

Note:

- 1.Foreign refers to non-Taiwan regions.
- 2.The range of procurement data is primarily based on Weikeng Industrial Co., Ltd. (the parent company of Weikeng Group).
- 3.The statistical data of product distributors include business cooperation with (Vendors and non-vendor) suppliers of semiconductor electronic components and information channel products.
- 4.General suppliers include suppliers of non-semiconductor electronic components and information channel products such as logistics, general matters and information.
- 5.Logistics refers to import and export costs and freight; general affairs 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.

● Vendor Suppliers

The Company's major vendor suppliers 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.

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

1. **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.
2. **To meet the needs of downstream customers:** Upstream vendors are required to cooperate and provide a commitment that the substances (containing metals or chemicals) in the manufacturing process meet the standards required by the legislations of various countries to ensure that they can be safely handled, used, stored, transported, recycled, reused and disposed of, such as the Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Substances of Very High Concern (SVHC) regulations set by the European Union. In addition, the Company 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.
3. **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 vendor suppliers, the Company collects information regarding environmental protection, sustainable operations, use of conflict minerals, social responsibility, hazardous substances, related management system certification, etc. The content of the disclosure is as follows:

Key vendor suppliers	AMD	Amazing	Infineon	Lattice	Microchip	Molex	NXP	Vishay	WD
Compliance item									
RoHS	✓	✓	✓	✓	✓	✓	✓	✓	✓
REACH	✓	✓	✓	✓	✓	✓	✓	✓	✓
Conflict-free minerals policy/responsible mineral sourcing policy	✓	✓	✓	✓	✓	✓	✓	✓	✓
Member of the RBA ^{note}	✓		✓		✓	✓	✓	✓	✓
Validated by the system									
ISO 9001 (Quality Management System)	✓	✓	✓		✓	✓	✓	✓	✓
ISO 14001 (Environmental Management System)	✓	✓	✓	✓	✓	✓	✓	✓	✓
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)	✓		✓	✓	✓	✓	✓	✓	✓
ISO/SAE 21434 (Road vehicles – Cybersecurity Engineering)			✓				✓		

Note:

1.Key vendor suppliers mainly constitute 9 vendor suppliers whose total sales in 2023 accounted for nearly 80% of the total sales among Weikeng Industrial' s vendor suppliers.

2.For RBA Alliance members, please refer to <https://www.responsiblebusiness.org/about/members/> ¹²

To ensure that vendor suppliers have not violated environmental regulations and that all procurement operations comply with human rights procurement, we will provide the vendor supplier' s environmental commitments and declarations of not using conflict minerals (according to customer requirements, Weikeng have signed a total of 101 copies of declarations of not using conflict minerals from 2010 to the end of 2023), and request that vendors fill out Conflict Minerals Reporting. In addition, most of the high-tech technology sources of vendor suppliers come from Europe and the United States, and European and American vendors require distributors to abide by the relevant US import and export laws. Furthermore, as the US targets violators of human rights, certain penalties are imposed in accordance with relevant import and export regulations. Therefore, we must comply with the content of US import and export regulations. In addition, from 1999 to 2023, a total of 19 of the distribution contracts signed between the Company and vendor suppliers directly specify that the distributors must comply with the US import and export regulations, which is also equivalent to indirectly incorporating human rights protection into the contracts, and is mutually binding on both parties. In 2023, 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



For non-vendor suppliers (contractors and suppliers for general affairs, 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 Responsible Business Alliance (RBA) 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.

● 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 Management Measures" and the "Contractor Safety 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 Safety and Health Requirements" in accordance with the "Contractors Management Measures" to impose fines and require improvements within a specified period of time.



**Procurement Safety
Management Measures**

- 01** The requesting unit shall submit the safety and health specifications, acceptance specification confirmation, pre-use safety inspection, and retention of safety and health records and documents related to the requisition for the procurement or lease requisition. Financial procurement/lease requisitions must adhere to relevant regulations. Additionally, both the "Procurement Requisition Safety and Health Assessment Form" and a requisition form shall be completed and submitted to the supervisor for approval.
- 02** The requesting/procurement unit shall request suppliers, contractors, or outsourcers to provide supporting information or professional qualification certificates regarding occupational safety and health regulations. Subsequent procurement operations may proceed only after the counterparty has agreed to comply with the relevant regulations.
- 03** If the procurement or installation of equipment involves safety changes, the requesting unit shall work with the personnel of the industrial safety unit to conduct necessary occupational safety and health hazard identification and assessment of risk and opportunity in accordance with either the "Regulations for Hazard Identification and Risk and Opportunity" or the "Regulations for Occupational Safety and Health Change." If the risk is deemed unacceptable, the necessary protection or management measures shall be adopted.



Contractor Management Measures

- 01 Before signing a contract with a contractor or carrying out construction, the contracting unit must explain to the contractor the Company's "Contractors Management Measures" and "Application for Construction and Notification of Hazardous Elements" as well as convey the Company's safety and health related management procedures and regulations.
- 02 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.
- 03 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.
- 04 If violations of safety and health regulations are identified before, during, or after the contractor's construction, the undertaking unit shall issue a "Notice of Safety and Health Violation" according to the "Penalty Table for Contractors Violating Occupational Safety and Health Regulations" and impose a fine. The contractor shall be promptly notified of non-conformance matters and suspend operations. Operations may be resumed only after improvement is completed.
- 05 Contractors shall not engage in environmental pollution activities (including air pollution, wastewater, waste, noise, etc.).

In 2023, 17 new non-vendor suppliers/contractors signed the Code of Conduct for Suppliers and conducted self-audits in compliance with the Responsible Business Alliance (RBA) Code of Conduct. From 2010 to the end of 2023, 82 non-vendor suppliers/subcontractors have signed "Letter of Undertaking for Compliance with Responsible Business Alliance (RBA)". In addition, no violations occurred in 2023.

● 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.

● Customers

Before signing any environmental protection commitments required by the customer, the Company will first require the relevant product application engineers of the product line to confirm and provide vendor's relevant environmental protection self-declarations of the product line, to confirm that the product is indeed in line with the relevant environmental protection requirements. In 2023, 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 130 environmental commitment letters.

3.2 Technology research and development

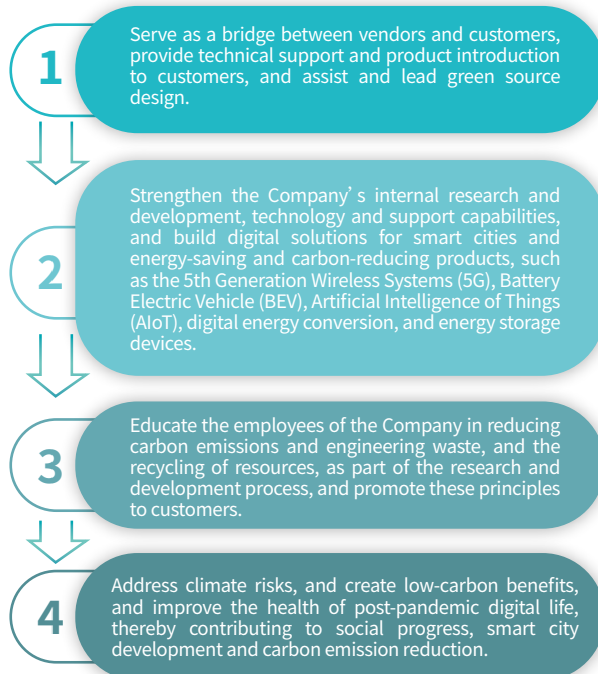
Climate change has made energy saving and carbon reduction a major demand for electronic and electrical products. As a distributor of IC semiconductor parts and components as well as computer peripheral equipment, Weikeng is actively seeking opportunities to serve as a distributor for product solutions and hopes to contribute to energy-saving and carbon-reducing products. The Company has been actively seeking the 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, etc., that are green business opportunities. Climate change has also increased global demand for green energy industries, and we are therefore investing in the discovery of associated franchise opportunities. This also constitutes one of the main business objectives of the Company's product development department. We will continue to build a more stable, efficient and low-energy product line portfolio.

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

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

Although the Company does not have production processes, we have set up a Product Development Department and a Product Application Department in order to provide technical services and product solutions to customers. We have done so to enhance the value of customer product sales services and provide efficient after-operation services. The Company plays a role in linking technology to create value between upstream vendor suppliers 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:



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

Under the planning and active pursuit of the Product Development Division, Weikeng has successfully represented the product lines of well-known domestic and foreign semiconductor companies as a distributor, and even successfully maintained or expanded the continuation of the distribution rights after consolidation between the original upstream manufacturers. In addition to continuing to establish a firm foothold in 3C (computer, communication, and consumer electronics) 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 Product Business 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. Based on the number of employees at the end of 2023, in the Taiwan base, there is one technical engineer for every 1.94 sales; while in the Chinese Mainland base, there is one technical engineer for every 2.17 sales. 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 2023, FAE/AE assisted in developing applications for solar energy, electric vehicles or energy-saving products for a total of 21 customers, with a total of 263 special projects (an increase of 14 customers and 216 projects from 2022).



3.3 Customer Relationship Management

Customer Communication and Commitment

Although Weikeng is not a member of the Responsible Business Alliance (RBA), nor are we a member of the Customs-Trade Partnership Against Terrorism (C-TPAT). However, as a part of the world's electronics industry supply chain, we provide various services such as acting as a bridge between vendor suppliers and the world's major electronics manufacturers in the role of a distributor. We also attach great importance to trade security including supply chain security management. As a distributor, 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 Authorized Economic Operator" with a term from December 3, 2022 to December 2, 2025.

From 2008 to the end of 2023, the Company has signed a total of 157 relevant contracts (35 in 2023), 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 2023, a total of 45 relevant trade security commitments (9 in 2023) 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

Content of the Social Responsibility Commitment		
Aspects	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 twice 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 a customer screening engine to connect with the application programming interface (API) of the Consolidated Screening List (CSL) of the International Trade Administration (ITA) to ensure that operations at all stages, such as design in, quotation, order, and delivery, can be clarified whether the potential transaction or service object is on the export, re-export or transfer control list of the U.S. management authorities. In 2023, 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 250 related sales assistants and support personnel who coordinate with the business to meet the needs of customers. The company website also has specialized product consultation windows for different product lines to provide customers with professional consultation. 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 customer requirements and addresses follow-up measures through discussions with relevant departments as well as customers and vendors to ensure that products and services meet customer needs. In 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.

Note: For product complaint channel, please refer to "1.2 Stakeholder Identification and Communication - Stakeholder Appeal and Accusation Channels" of this report.

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. In addition, to augment the quality of logistics services in supply chain management, the Company introduced the ISO9001: 2015 (Warehousing Services) Management System in 2023. Subsequently, the Company received international standards certificates^{Note 1} from BSI and ARES in September and November 2023, respectively. The 2023 customer satisfaction survey results were excellent^{Note 2}.

Note:

1. For BSI ISO 9001: 2015 (Warehousing Services), the scope of verification covers operating location in Shatin, Hong Kong (the main body of verification is Weikeng International Co., Ltd./the Company's subsidiary), and the certificate is valid from September 29, 2023 to September 28, 2026. Regarding ARES ISO 9001: 2015 (Warehousing Services), the scope of verification covers Taipei Neihu Head Office, Neihu Tanmei Warehouse Center, and Taoyuan Housheng Warehouse Center (the main body of verification is Weikeng Industrial Co., Ltd./the Company), and the certificate is valid from November 23, 2023 to November 22, 2026.

2. In 2023, out of the 12 satisfaction survey questionnaires sent, 8 were retrieved, resulting in a retrieval rate of 67%. The data represent the number of customers responding to their respective levels of satisfaction.



ISO 9001 : 2015 Provision of warehousing services

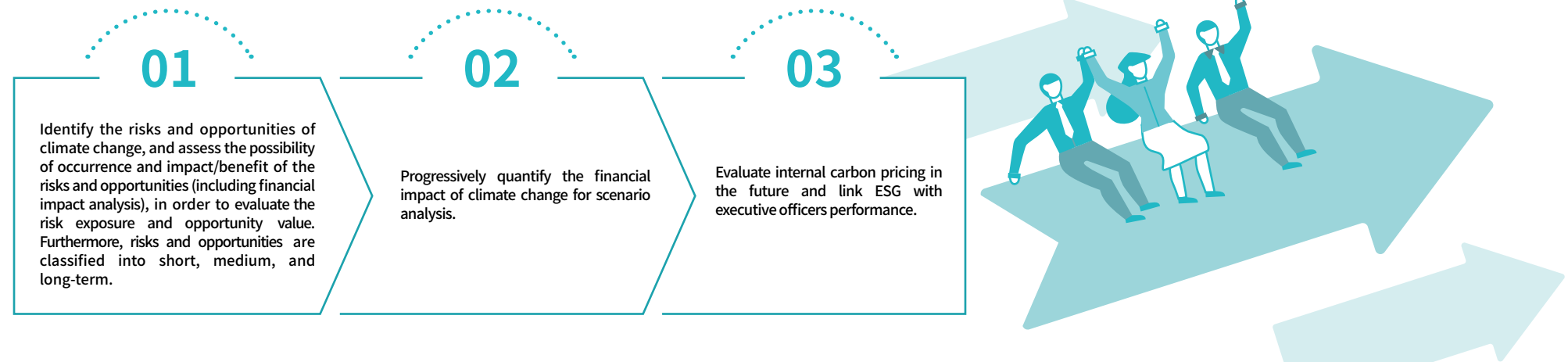
2023 Satisfaction Survey Results



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

In accordance with the first pillar of the TCFD, “governance,” the climate change risk and opportunity management mechanism is included in the Company’s “Policy and Procedures of Risk Management” revised and approved by the Sustainable Development Committee and the Board of Directors on September 28, 2022. The Board of Directors serves as the highest decision-making unit within the governance and management structure, while the Sustainable Development Committee with independent directors acting as the convener is responsible for oversight and management, as well as regularly reporting the status of risk and opportunity management to the Board of Directors. The “Executive Office”, “Sustainable Development Group”, and “Risk Management Group” have been established under the Sustainable Development Committee to offer assistance in executing its management duties.

The issues related to climate change risks were first discussed by the Sustainable Development Committee on December 28, 2022, and first reported at the board meeting on January 13, 2023. Subsequently, these reporting procedures will be implemented on a regular basis every year. In the future, these issues will be integrated into the continuous tracking and management progress reports to confirm the achievement of our expected goals.

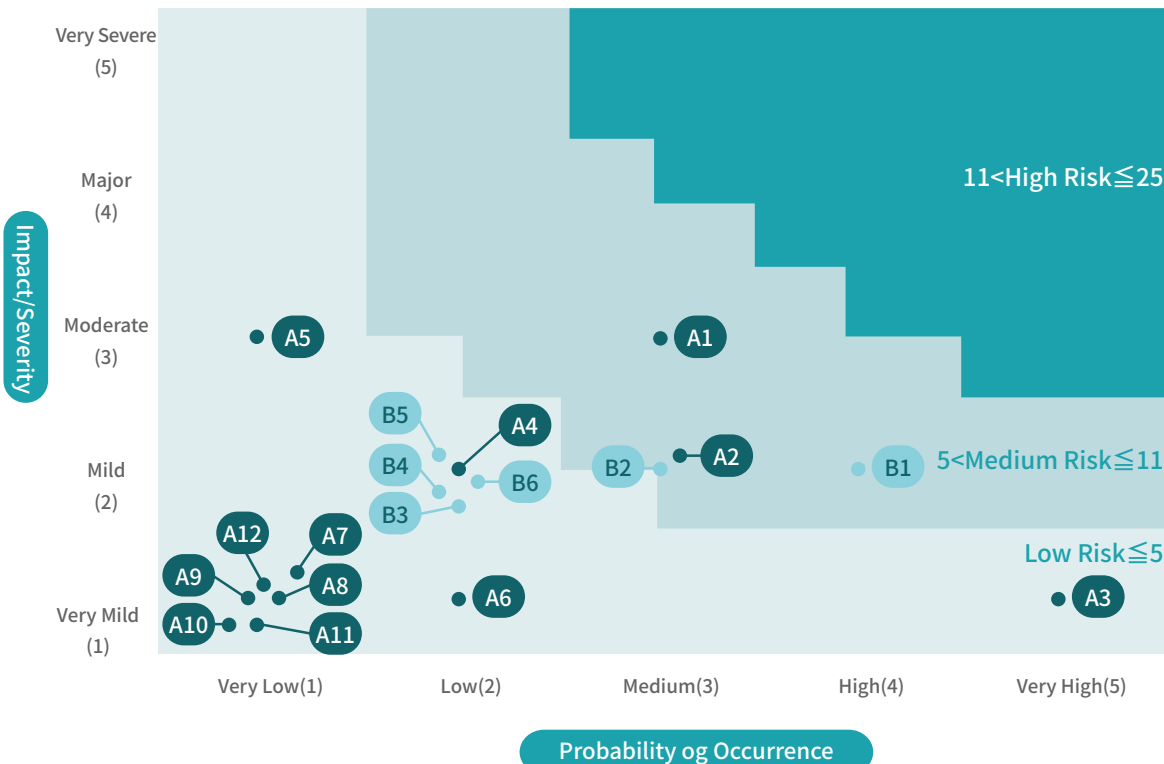
On climate change related countermeasures, the implementation office, along with ESG team members and managers from each business unit and functional unit, assist in the identification of risk factors and risk control. This is to make the risk management organization’s command and dispatch and self-evaluation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

Climate-Related Risk and Opportunity Identification

According to the second core element of TCFD, which is “strategy,” during the climate change risk/opportunity identification meeting in November 2023, the Sustainable Development Executive Office, Risk Management Team, ESG team members and manager from each business unit and functional unit identified and analyzed climate change risks and opportunities based on scenario analysis and PESTLE (Political, Economic, Social, Technical, Legal and Environmental) analysis. The operational boundaries primarily encompass the parent company, as well as its subsidiaries in China/Hong Kong and Singapore. However, analysis of other regions is not excluded due to the industrial structure.

This year, we listed 6 physical risks, 12 transition risks, and 8 opportunities. We calculate the risk exposure/opportunity value ($C = (A) \times (B)$), based on the probability (A) and severity/impact (B) of each risk/opportunity issue. This serves as the indicator for identifying significant risk/opportunity levels and evaluating the possible timetable (short term refers to less than 3 years, medium term refers to 3~5 years, and long term refers to more than 5 years). This year, we identified 4 medium risks and 2 high opportunities. The Sustainable Development Executive Office consolidated the results of risk and opportunity identification, financial impact, and countermeasures, submitted them to the Sustainable Development Committee on January 31, 2024, and reported the implementation status to the Board of Directors.

Climate Risk Matrix



● A Transition risk ● B Physical risk

Climate Risk Matrix

Risk Exposure: (Probability of Occurrence) * (Impact/Severity)

Low Risk ≤ 5

5 < Medium Risk ≤ 11

11 < High Risk ≤ 25

A

Transition risk

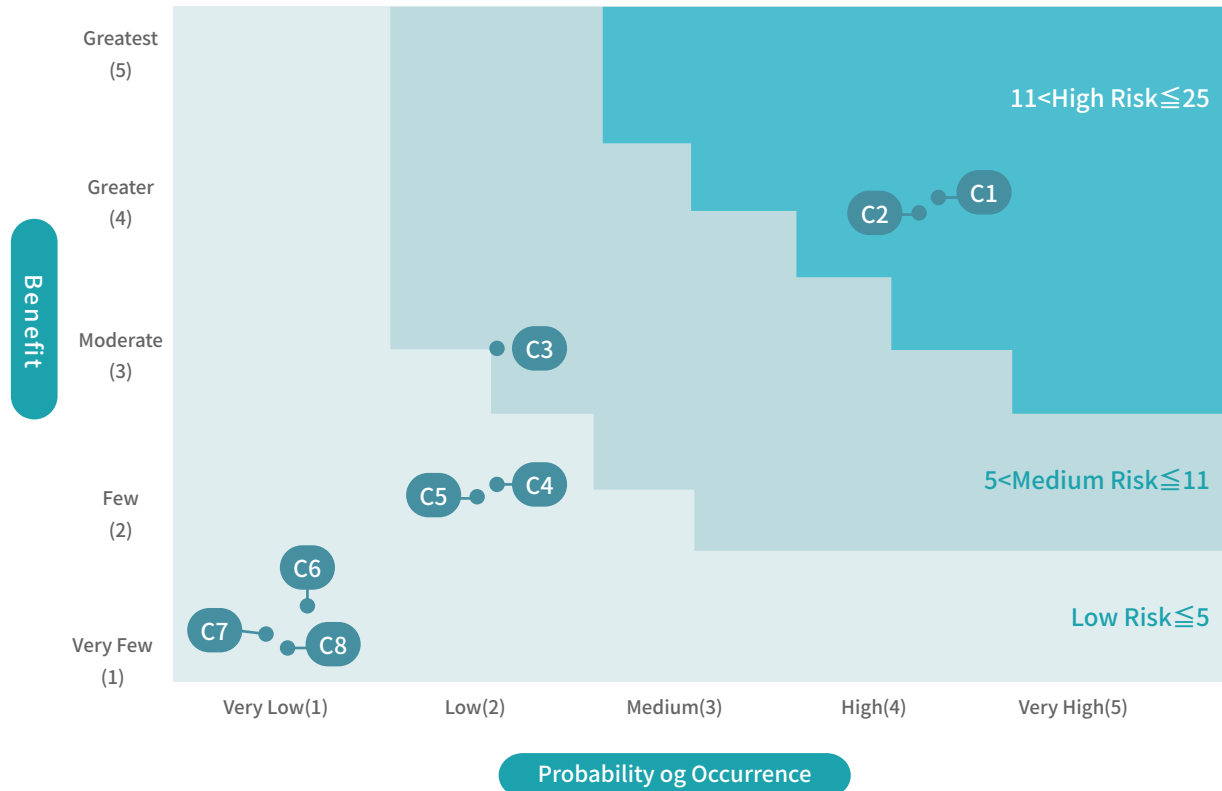
- A1 Carbon border tax
- A2 Demand for transition to low-carbon products and services
- A3 Taiwan carbon fees
- A4 Sustainable aviation fuels
- A5 Goodwill risk
- A6 Foreign carbon fees
- A7 Requirements for major energy users (10% renewable energy)
- A8 Requirements for major energy users (declaration requirements for chiller groups and air compressors)
- A9 Water conservation charge
- A10 Green shipping
- A11 Increased risk of climate-related lawsuits over poor emission reductions
- A12 Changed customer preference

B

Physical risk

- B1 Flood
- B2 Extreme temperature changes
- B3 Sea level rise
- B4 Water shortage
- B5 Increased risk to performance or credit status
- B6 Insurance abandonment trends due to climate change

Climate Opportunities Matrix



● C Opportunity

Climate Opportunities Matrix

Opportunity: (Probability of Occurrence) * (Benefit)

Low Risk ≤ 5

5 < Medium Risk ≤ 11

11 < High Risk ≤ 25

C
Opportunity

- C1 Opportunities for low-carbon products and services
- C2 Opportunities for changed customer preference
- C3 Enter new markets
- C4 Financial institution incentives - sustainability-linked loans
- C5 Opportunities to improve organizational resilience
- C6 Adopt more efficient transport methods
- C7 Increase Recycling and Reuse Rates
- C8 Use of low-carbon energy



Response to Climate Change Risks

A1

Carbon border
tax

Possible time
course

Short term
(<3 years)

Risk exposure
level

Moderate

Risk impact
scenario
description

Countries around the world have implemented the Carbon Border Adjustment Mechanism and levied carbon taxes on imports. Selling customer products to countries such as the E.U. or the U.S. that have enacted carbon border taxes will lead to increased costs and pose risks related to cost pass-through.

Possible financial
impacts

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. When using each ton of carbon dioxide equivalent (tCO₂e) to calculate the cost of carbon emissions for carbon pricing, the greater the carbon emissions, the higher the cost will be. Consequently, this will lead to an increase in the operating costs of the Company.

Countermeasures

- Currently, the Company is investing in resources and manpower to establish an organizational GHG management system and relevant regulations. In the short term (2025~2026), both the Company and the Group are expected to disclose their inventory data of organizational GHG emissions for the previous year (2024~2025), which will then be verified by an external organization (BSI) (2025~2026). 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.



B1

Flood

Possible time
course

Short term
(<3 years)

Risk exposure
level

Moderate

Risk impact
scenario
description

The Company's main warehouse centers are located across Asia including Taiwan, Hong Kong, China, and Singapore, as well as El Paso, Texas in the U.S. (under planning). These locations are all under exposure to typhoons or heavy rain and floods. It is necessary to assess the frequency and severity of typhoons or heavy rain and floods in these regions. Flooding may lead to severe puddles, resulting in road closures, power outages, flight delays, airport closures, and ultimately, delivery delays and supply disruptions. However, as of the end of 2023, no aforementioned incidents occurred. Therefore, we referred to results of NGFS scenario analysis Note. The simulation results show that the increase in economic losses in China, the U.S., and Germany in 2030 is greater than that in Taiwan and Hong Kong.

Possible financial
impacts

Warehouse Center

Average daily loss (USD thousand)

Warehouse Center

Average daily loss (USD thousand)

Taipei Neihu Tanmei Warehouse

630

U-Freight Warehouse in Hong Kong

511

Taoyuan Housheng Warehouse

148

Futian Warehouse in Shenzhen China

803

Shatin Warehouse in Hong Kong

3,015

Singapore Warehouse

236

Short-term

Establish relevant policies and obtain ISO certification to strengthen occupational safety and the protection resilience of the warehouse centers.

- Establish the natural disasters and material contingencies reporting system, which was submitted to the Audit Committee and the Board of Directors for approval on January 13, 2023.
- The ISO 45001 Occupational Safety and Health Management System has been implemented at the Group's parent company and the Neihu Tanmei Warehouse in Taipei. The ISO 9001 Warehouse Center Quality Management System has been implemented at the Shatin Warehouse in Hong Kong, the Neihu Tanmei Warehouse Center in Taipei, and the Housheng Warehouse Center in Taoyuan.
- 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.

Countermeasures

Mid-to-long term

- 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.
- Continuously evaluate the necessity and feasibility of adding or relocating a warehouse center.

A2

Demand for
transition to
low-carbon
products and
services

Possible time
course

Short term
(<3 years)

Risk exposure
level

Moderate

Risk impact
scenario
description

In response to the demand for low-carbon technology transformation and the transition to low-carbon products and services in the global market, the Company invests moderate resources in green product R&D and the operational costs of related agencies. Failures in development or poor performance of these agencies may lead to underperformance, thereby affecting the Group's operating performance.

Possible financial
impacts

In the short term, costs for both R&D and the acquisition of machinery equipment will increase. If there is an increase in market demand for these products, we will optimize our product portfolio and revenue structure in the medium to long term. However, if market demand does not escalate, revenue may be lower than expected. The Company's total R&D expenditure in 2023 amounted to NT\$ 135,112 thousand, among which the related green product R&D expenditures accounted for 21.85% of the total R&D expenditures, meeting the target of at least 20%.

Countermeasures

Short-term

Closely cooperate with upstream and downstream manufacturers and assess the feasibility of R&D projects.

Mid-to-long term

Continuously cultivate talents who develop related product solutions and implement treatment at the same level in the industry or introduce more attractive talent retention programs.

B2

Extreme
temperature
changes

Possible time
course

Short term
(<3 years)

Risk exposure
level

Moderate

Risk impact
scenario
description

The Company's operational boundaries are extensive, covering Taiwan, China, and Southeast Asian countries (Singapore, Thailand, the Philippines, Vietnam, and Malaysia). The vendors of our franchising product lines are primarily located in the U.S. (mainly), Germany, the Netherlands, and China. All of these regions will be exposed to changes in extreme temperatures. Prolonged periods of high temperatures may pose risks such as power rationing, transportation disruptions, reduced work days due to heatwaves, infrastructure damages, etc.

Increased operating costs or decreased revenue due to business interruptions:

- 01 In the face of power rationing due to climate change, there may be a demand for purchasing electricity, which could result in operational losses.
- 02 Reduced working days or reduced work efficiency due to global heatwaves may result in reduced revenues or increased costs.
- 03 Damage to external infrastructure, casualties, or potential business interruption losses due to heat waves.
- 04 Financial losses due to supply chain disruptions as a result of extreme weather events.
- 05 Increased transition costs as a result of actively achieving net-zero emissions by 2050.

Possible financial
impacts

Short-term

- Proactively invest in GHG inventory operations, continue focusing on measures or equipment investments to reduce emission sources and emissions, and strive to make due contributions to the government's promotion of the "2050 Net Zero Emissions" roadmap.
- Continuously pay attention to the regional distribution of the industrial supply chain and the evolution of extreme climates.

Mid-to-long term

- Year by year, we introduce or invest in equipment, technology, and systems that are conducive to energy-saving, energy efficiency improvement, and carbon reduction, including replacing outdated equipment, digital energy saving, purchasing green electricity, etc., to reduce the consumption of purchased electricity and carbon emissions.

Countermeasures

Note:

According to the scenario analysis results announced by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), it is assumed that under the 2020 CAT current policies scenario, the average economic losses caused by typhoons and floods will experience a percentage increase compared to the base year, 2015, as follows:

Taiwan: Typhoon: 2% in 2025; 2.9% in 2030; 8% in 2055. Flood: Negative figures in both 2025 and 2030; 10.9% in 2055.

Hong Kong: Typhoon: 2.5% in 2025; 3.8% (long term up to 14% increase) in 2030. Flood: No available data.

China: Flood: 15% in 2025; 20.3% in 2030; 52.8% in 2055.

The U.S.: Flood: 23.9% in 2025; 32.1% in 2030; 20.7% in 2055.

Germany: Flood: 21.7% in 2025; 26.4% in 2030; 85.5% in 2055.

Response to Climate Change Opportunities

C1

Opportunities for low-carbon products and services

Possible time course

Short term
(<3 years)

Opportunity Value

Height

Opportunity impact scenario description

In response to the global trend, the demand for low-carbon products and green products is increasing. The Company needs to have sufficient application support services and master the relevant product franchise to meet customers' needs for low-carbon products and green products, thereby strengthening the Company's contribution to technology of low-carbon products and maintaining the value of demand creation between vendors and customers.

Possible financial impacts

The increase in customer demand for low-carbon products and services may boost the sales of related products, resulting in an increase in operating revenue.

Countermeasures

By proactively monitoring and engaging in the development of innovative low-carbon products or services with vendors, as well as continuously mastering industrial trends, the Company will provide design-in services to offer customers with low-carbon or high-efficiency solutions. Despite the associated increase in R&D expenses, it is expected to yield positive financial effects in the medium and long term by increasing sales of low-carbon products to meet customers' carbon reduction requirements.

C2

Opportunities for changed customer preference

Possible time course

Short term
(<3 years)

Opportunity Value

Height

Opportunity impact scenario description

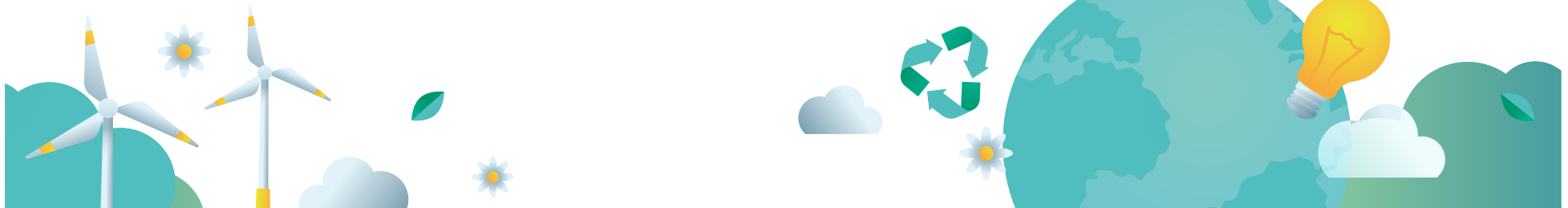
Due to the changes in the preferences of customers and various stakeholders, as well as to comply with relevant domestic and foreign regulations, the Company introduced ISO 14064 Greenhouse Gas Inventory to ensure the accuracy and transparency of greenhouse gas emission information.

Possible financial impacts

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 to reduce fines for incomplete or untimely greenhouse gas emission information, which may lead to avoidance of such expenditures.

Countermeasures

We will establish a greenhouse gas inventory mechanism in advance to meet customers' needs, stakeholders' preferences, and both domestic and foreign policies. 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.



Climate Change Related Objectives

01

Carbon reduction

The parent company's carbon emissions in 2023 amounted to 1,484.97 metric tons of CO₂e. Currently, it still is in the introductory stage of the ISO 14064-1 greenhouse gas inventory.

- 1 The Company (parent company) will conduct a formal inventory in 2024 and undergo on-site audits and verification in 2025 by personnel from BSI Taiwan. Additionally, we will disclose the emission information for 2024 and establish the baseline year for greenhouse gas emissions of Weikeng (parent company).
- 2 The subsidiaries within the Group will conduct a formal inventory in 2025 and undergo on-site audits and verification in 2026 by personnel from BSI Taiwan. Additionally, we will disclose the emission information for 2025 and establish the baseline year for greenhouse gas emissions of the Group.

02

Water saving

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

03

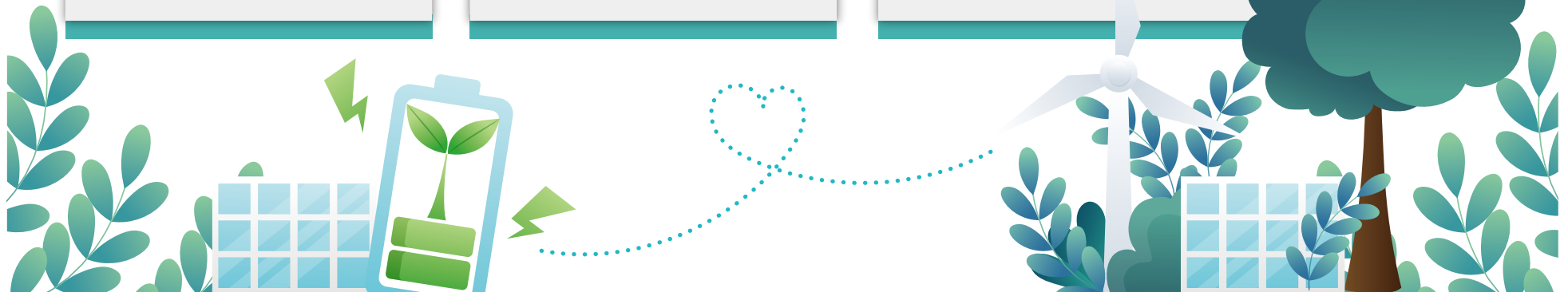
Reducing the waste

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 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. The Company's total R&D expenditure in 2023 (mainly on the salaries of R&D personnel and software and hardware equipment) amounted to NT\$135,112 thousand, among which the related green product R&D expenditures accounted for 21.85% of the total R&D expenditures, meeting the target of at least 20%.



3.5 Environmental Protection

Energy Consumption

Weikeng's energy consumption categories include electricity and non-renewable fuels (including petrol and diesel), with electricity being the majority and no utilization of renewable energy. In 2023, electricity consumption was 772,643 kWh, petrol consumption was 11,072.87 liters, and diesel consumption was 943.15 liters. After conversion, the total energy consumption was 3,176.03 GJ, and energy intensity was 0.0958 GJ/millions of revenue of the entity.

Weikeng's Energy Consumption

Weikeng's Energy Consumption				
Item	Unit	2021	2022	2023
Electricity consumption	GJ	2,768.53	2,487.54	2,781.51
Petrol consumption	GJ	384.36	370.53	361.37
Diesel consumption	GJ	31.58	35.32	33.15
Total energy consumption	GJ	3,184.46	2,893.38	3,176.03
Individual sales revenue (Taiwan parent company)	NT\$ million	29,964.92	28,811.49	33,150.27
Energy intensity (total energy consumption/individual turnover)	GJ/NT\$ million	0.1063	0.1004	0.0958

Note:

- 1.The scope of electricity consumption calculation for 2021 and 2022 covered operating locations of Weikeng (parent company) in Taiwan: the Taipei Neihsu Head Office, the Neihsu Tanmei Warehouse Center, the Taoyuan Housheng Warehouse Center, and the South Central Liaison Offices (Hsinchu, Taichung, and Kaohsiung). In 2023, the scope of electricity consumption calculation expanded to include warehousing locations of Weikeng (parent company) in Hong Kong and China: Shatin Warehouse in Hong Kong and Futian Warehouse in Shenzhen China.
- 2.The scope of gasoline and diesel consumption calculation from 2021 to 2023 primarily covered the operating locations of the parent company in Taiwan.
- 3.Source: Electricity usage refers to the data listed in the monthly electricity bill of each operating location; petrol and diesel are mainly based on the actual amounts used.
- 4.Calorific value conversion coefficients of each energy source: electricity 1 kWh = 3,600 KJ; gasoline 1 L = 32,635.2 KJ (7,800 kcal); diesel 1 L = 35,145.6 KJ (8,400 kcal).
- 5.1 gigajoule (GJ) = 10⁹ joules (J).
- 6.In order to comply with the disclosure requirements for climate-related information of the TWSE and TPEx, the revenue of the entity has been changed to "NT\$ million," with a simultaneous revision of information for the period from 2021 to 2022.

Specific actions for energy conservation and carbon reduction in 2023

Replacement of lighting

In July 2023, lighting in Taipei office was replaced with 66 LED fixtures (6.5W * 4), with an estimated saving of 5,952 degrees, which is equivalent to a reduction of approximately 21.43 GJ and a reduction in greenhouse gas emissions of 2.94 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 2023 is 0.494 tons of CO₂e divided by 1,000 kilowatt hours, and the reduction is calculated based on electricity consumed. Total reduction falls into the carbon dioxide equivalent in Scope 2.

Deepening the electronic sign-off system (WorkFlow)

With the digitization of forms and sign-off processes, the number of electronic form signatures reached 137,359 in 2023, an increase of 3.37% from 132,880 in 2022, reducing use of paper.

Reduce the number of physical servers

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 2023, 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.

Note: For detailed policies for improving energy efficiency, please refer to <https://www.weikeng.com.tw/content.php?no=58>

Greenhouse Gas Organizational Inventory

In 2023, Weikeng's Scope 1 energy consumption comprised gasoline and diesel, refrigerant supplement, night soil (septic tanks), and firefighting activities (CO₂ fire extinguishers), resulting in an emission volume of 104.43 tons of CO₂e. The Scope 2 energy consumption was primarily from purchased electricity, resulting in an emission volume of 369.11 tons of CO₂e. The Scope 3 (Category 3 and Category 4) emission volume was 1,011.43 tons of CO₂e. The total emissions amounted to 1,484.97 tons of CO₂e, with a GHG emission intensity of 0.0448 tons of CO₂e/NT\$ million. The total emissions in 2023 increased by 1,113.53 metric tons of CO₂e (an increase of 299.79%) compared to the previous year. This increase is attributed to the expansion of the Company's inventory boundary to include the Shatin Warehouse in Hong Kong and the Futian Warehouse in Shenzhen China, as well as an additional inclusion of emission sources of Scope 1 (Category 1) and Scope 3 (Categories 3 to 4).

Weikeng's Greenhouse Gas Emissions and Emission Intensity

Scope	Category	Item Description	Unit	2021	2022	2023	
Scope 1	Category 1	Direct GHG emissions	Metric tons of CO ₂ e	30.12	29.40	104.43	
Scope 2	Category 2	Indirect GHG emissions from energy	Metric tons of CO ₂ e	391.44	342.04	369.11	
Sum of Scope 1 and Scope 2 emissions			Metric tons of CO ₂ e	421.56	371.44	473.54	
Scope 3	Category 3	Indirect GHG emissions from transportation	Metric tons of CO ₂ e	-	-	919.11	
	Category 4	Indirect GHG missions from products used by the organization	Metric tons of CO ₂ e	-	-	92.32	
	Total Scope 3 emissions		Metric tons of CO ₂ e	-	-	1,011.43	
Total GHG emissions			Metric tons of CO ₂ e	421.56	371.44	1,484.97	
Individual sales revenue (Taiwan parent company)			NT\$ million	29,964.92	28,811.49	33,150.27	
Scope 1 emission intensity (emission volume/revenue of the entity)				0.0010	0.0010	0.0032	
Scope 2 emission intensity (emission volume/revenue of the entity)				Metric tons of CO ₂ e/NT\$ million	0.0131	0.0119	0.0111
Scope 3 emission intensity (emission volume/revenue of the entity)				-	-	0.0305	
Total GHG emission intensity (total emission volume/individual turnover)			Metric tons of CO ₂ e/NT\$ million	0.0141	0.0129	0.0448	

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 scope of greenhouse gas inventory for 2021 and 2022 covered operating locations of Weikeng (parent company) in Taiwan: 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). In 2023, the scope of greenhouse gas inventory expanded to include warehousing locations of Weikeng (parent company) in Hong Kong and China: Shatin Warehouse in Hong Kong and Futian Warehouse in Shenzhen China.
- The types of greenhouse gases inventoried in 2021 and 2022 included: 3 types of greenhouse gas, including carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O). The types of greenhouse gases inventoried in 2023 included: 7 types of greenhouse gas, including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorinated chemicals (PFCs), Sulfur Hexafluoride (SF₆), and Nitrogen trifluoride (NF₃).
- In 2021 and 2022, Scope 1 included petrol and diesel, which are mainly used in official vehicles and trucks. In 2023, Scope 1 expanded to include: (1) gasoline and diesel, mainly used in official vehicles and trucks; (2) refrigerant supplement; (3) night soil (septic tanks); and (4) firefighting activities (CO₂ fire extinguishers).
- Scope 2 mainly includes purchased electricity.
 - The boundary of Weikeng, the parent company, in Taiwan: As per the electricity carbon emission coefficient announced by the Energy Administration, Ministry of Economic Affairs, and the updated electricity emission coefficient cited in 2022 was calculated at 0.495 kilograms CO₂e/kWh, while the carbon emission coefficient of electricity in 2023 was calculated at 0.494 kg CO₂e/kWh.
 - The carbon emission coefficient for Hong Kong, which is 0.39 kg CO₂e/kWh, was cited from the 2022 Climate-related Disclosures Report of CLP.
 - The carbon emission coefficient for China has been updated to 0.5703 tCO₂/MWh for 2022 by citing the grid emission factor announced by the Ministry of Environment of the People's Republic of China.
- Data of inventory activities for Scope 3 (Category 3 and Category 4) newly added in 2023 are as follows:
 - Category 3: a. upstream transportation and distribution (packaging materials); b. downstream transportation and distribution; c. employee commuting, d. business travel.
 - Category 4: a. purchased goods (packaging materials); b. indirect emissions from purchased energy - purchased electricity; c. indirect emissions from purchased energy - transportation.
- Categories 5 to 6 were not included in the inventory because the data from operational activities were not significant indirect emission sources.
- The GWP values of 6th IPCC report (2021) were cited.
- Source of conversion factor used for greenhouse gas emissions in the most recent two years: Version 6.0.4 of the latest greenhouse gas emission factor management table published by the Ministry of Environment, Executive Yuan, International Energy Agency, Table 3.10 in Chapter 3 of Volume 3 of 2006 IPCC, Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong 2010, SME Carbon Audit Toolkit, 2022 Climate-related Disclosures Report of CLP, and the grid emission factor announced by the Ministry of Environment of the People's Republic of China.
- In order to comply with the disclosure requirements for climate-related information of the TWSE and TPEx, the revenue of the entity has been changed to "NT\$ million," with a simultaneous revision of information for the period from 2021 to 2022.

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 Sustainable Development Committee discussed and approved the greenhouse gas inventory and verification timeline plans for the Company and its subsidiaries in the consolidated financial statements. These plans, which include the “Detailed Time Schedule for Greenhouse Gas Inventory and Verification of the (Parent) Company and Group” and “Inventory Organizational Structure and Responsibilities,” were submitted to the board of directors on the same day. These actions aimed 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.

Weikeng has proactively completed the compilation in the fourth quarter of 2022, initiated the preliminary inventory in 2023, and concurrently sought guidance from external consultant experts. The official inventory will commence in 2024, with a scheduled on-site audit certification by the British Standards Institution (BSI) in 2025.

Subsidiaries within the group will follow suit, completing the compilation in the fourth quarter of 2023. They will begin receiving guidance from consultant experts and commence the preliminary inventory in 2024. The official inventory will take place in 2025, with a scheduled on-site audit certification by the British Standards Institution (BSI) in 2026.

Inventory Entity	Expected starting year for self-inventory		Expected starting year for external assurance	
	Regulations (Below NT\$5 billion)	the Company (Follow NT\$5~10 billion)	Regulations (Below NT\$5 billion)	the Company (Follow NT\$5~10 billion)
The Company (parent company)	2025 (Disclosed in 2026)	2024 (Disclosed in 2025)	2028	Disclosed in 2025 ahead of the original timeframe of 2027
Consolidated statement for subsidiaries and their affiliates	2026 (Disclosed in 2027)	2025 (Disclosed in 2026)	2029	Disclosed in 2026 ahead of the original timeframe of 2028

Note:

1. The Company's schedule and implementation status of the 2023 greenhouse gas inventory and verification, as well as related implementation progress reports, were reviewed by the Sustainable Development Committee on January 31, 2024. For details, please refer to <https://www.weikeng.com.tw/content.php?no=85>.
2. As a company with a paid-in capital of NT\$4.281 billion, Weikeng is required to complete the disclosure of the Company's GHG inventory information in its consolidated financial statements by 2027. Additionally, it must disclose the annual reduction targets, strategies, and specific action plans for 2027, with a baseline year no later than 2026. Weikeng has gradually conducted inventories and expects to complete the disclosure and verification of the Company's greenhouse gas inventory information in its consolidated financial statements by 2026. In the future, we will further discuss and set reduction targets based on emissions, continuously controlling the implementation of climate-related information.

Water Resource Management

Weikeng Taiwan has a total of 6 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. There was no water drawn from areas under water stress, nor was there any discharge of industrial wastewater. Therefore, there is no effect on the water resources of relevant stakeholders in drainage areas, leading to no significant impact on water resources.

Note: According to Water Risk Atlas, the “water risk assessment tool” developed by the World Resources Institute: <https://reurl.cc/yyjme2>.

As a member of the factory/office building management committee, the Taipei Neihs Head Office demanded the installation of water-saving controllers to conserve water resources. Water-saving slogans are posted in various pantry areas to maximize the benefits of water resources by saving household water. The total water intake in 2023 was 4.52 million liters, and the water intake intensity was 1.36×10^{-4} million liters/NT\$ million, representing an increase of 11.33% from the total water consumption in 2022. This increase is due to the fact that the shift of working from home was no longer implemented in 2023. In the future, we will continuously work hard to achieve the management goal of an annual reduction of 1% to 2% compared to the previous year.

Weikeng's water consumption

Item	Unit	2021	2022	2023
Total water intake	Million liters	4.63	4.06	4.52
Individual sales revenue (Taiwan parent company)	NT\$ million	29,964.92	28,811.49	33,150.27
Water intake intensity (total water intake/individual revenue)	million liters/ NT\$ million	1.55 x10 ⁻⁴	1.41 x10 ⁻⁴	1.36 x10 ⁻⁴

Note:

1. The range of water intake calculations covers the Taiwan operating locations: the Taipei Neihsu Head Office, the Neihsu Tanmei Warehouse Center, the Taoyuan Housheng Warehouse Center, and the South Central Liaison Offices (Hsinchu, Taichung and Kaohsiung).
2. Source: The water intake of operating locations is the respective share of the total water meter consumption according to the number of plant users or the surface area of the factory.
3. The revenue of the entity has been changed to "NT\$ million" to align with the unit used by disclosure requirements for climate-related information of the TWSE and TPEX, with a simultaneous revision of information for the period from 2021 to 2022.
4. The unit 'million liters' is equal to one thousand cubic meters.

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 to protect the safety and health of water used by our employees. 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. In the second half of 2023, the Company introduced the ISO 45001 Occupational Safety and Health Management System and formulated the "Drinking Water Facility Maintenance Standards." According to these Standards, the Administration Department of the Administration Division engages an inspection and testing agency recognized by the Ministry of Environment to conduct sampling and testing for the water quality of drinking water dispensers and tap water on a quarterly basis in accordance with regulations. The results of the drinking water testing in 2023 was qualified^{Note}.

Note: The testing item for the water dispenser was Escherichia coli. The standard value is 6 CFU/100 ml, and the test result was <1 CFU/100 ml.

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 warehouse centers (such as scrapped personal computer equipment, defective IC products, cartons, packaging materials, paper and other waste).

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.

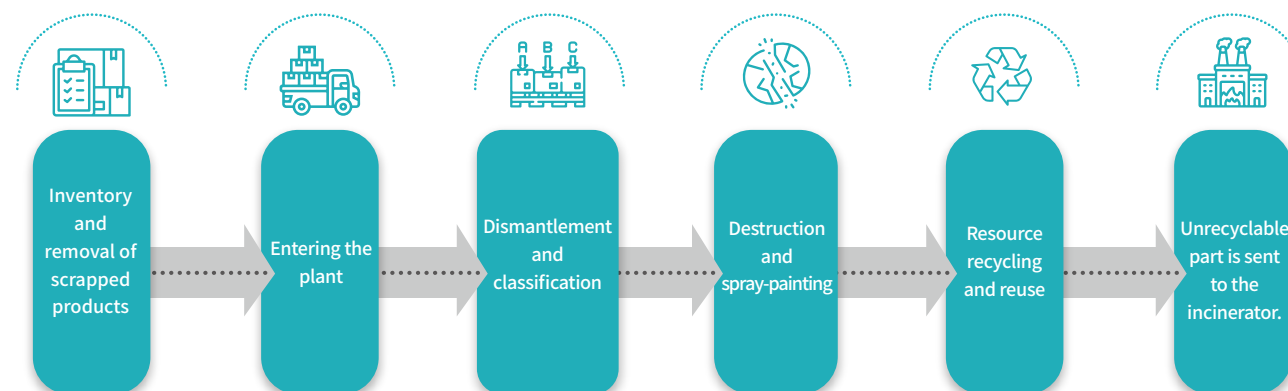
Garbage sorting in each office



In accordance with the regulations of each county and city government and the central regulations of each operating location in Taiwan, Weikeng handles 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 2023, there was no breach of contract or violation of regulations in waste disposal.



Scrap electronic product removal flow chart



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 102.92 tons of general waste in 2023^{Note} and the waste density was 0.0031 tons/NT\$ million.

Total amount of general waste generated (unit: ton)

Year	Taipei Neihsu 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
2023	85.02	6.78	2.79	3.01	3.42	1.90	102.92

Note:

- The range of general waste calculations covers the Taiwan operating locations: the Taipei Neihsu Head Office, the Neihu Tanmei Warehouse Center, the Taoyuan Housheng Warehouse Center, and the South Central Liaison Offices (Hsinchu, Taichung and Kaohsiung).
- Sources of general waste generation: Based on the average daily general waste generation per person announced by the Ministry of Environment, Executive Yuan <https://stat91.epa.gov.tw/moenvnet/index.html>. The Ministry of Environment has not yet counted the amount generated in 2023; therefore, the 2022 data is still used (Taipei 0.841 kg/person, Taoyuan 1.608 kg/person, Hsinchu 1.324 kg/person, Taichung 1.583 kg/person, Kaohsiung 1.54 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)/revenue of the entity (NT\$ million). The revenues of the parent company for 2021, 2022, and 2023 were NT\$29,964.92 million, NT\$28,811.49 million, and NT\$33,150.27 million, respectively.
- Transportation method for waste disposal at each operating base: The work is outsourced to qualified environmental protection companies to clear and transport waste (Taipei Neihsu 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).

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:



In 2023, the total weight of paper recycled from operating locations in Taipei (Taipei Neihs Head Office and Neihs Tanmei Warehouse Center) was 6.03 metric tons, while the total amount of electronic waste at the Neihs Tanmei Warehouse Center was 0.24 metric tons.



4

Sustainable Workplace

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Management policy for talent development and retention

Major Issues

Talent cultivation and talent retention

Management objectives

Employees are important assets for Weikeng'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.

Policy/Commitment

The Company attaches great importance to the basic human rights of employees and the maintenance of a safe workplace environment. We emphasize that all employees of the Company will receive fair and dignified treatment, allowing them to take full advantage of their professional learning ability and contribute their all. The Company provides employees with comprehensive and reasonable salaries and benefits, and provides a training system to facilitate growth opportunities and foster harmonious labor-management relations, as well as a friendly and safe workplace.

Description of Positive Benefits

Employee remuneration, benefits, and a friendly workplace are all values and concerns of the Company. In June 2023, the Company was once again listed as a constituent stock of the "Taiwan HC 100 Index" by the Taiwan Index Plus (TIP). In September, the Company received the "1st Middle-aged and Elderly Workers Friendly Enterprise Certification of Taipei City for 2023" from the Taipei City Government. In November, it was awarded the Happy Enterprise Gold Award in the commercial circulation industry from the 1111 Human Resources Bank. In addition, the Company pays attention to employee career planning, encouraging employees to pursue further education and obtain certification through assessment, 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.

Description of Negative Impacts

There were no actual negative impact events in 2023.

● Potential risks:

- (1) The employee retention rate is affected by the more favorable recruitment conditions offered by peers within or outside the industry.
- (2) As a result of the requirement for continuous implementation of the Company's training program in the long run, the program is still in its preliminary phase, which includes talent selection, course design, training, and system. Failure to continuously implementing this training program may lead to talent gaps in the future.

Remedial Mechanisms/Measures

- The Human Resources Office has established an employee appeal mechanism and offers employees with communication channels to reflect relevant rights and interests in the workplace at any time.
- We will cultivate key mid-level management talents to fulfill roles as executors, managers, communicators, and coordinators. They will connect senior management with lower-level employees, ensuring effective coordination of work both within and outside the organization, and promoting the achievement of the organization's predetermined goals and results.

Responsibilities

- Human Resources Office: Implement the human resource management strategy and policy formulated by the Chairman's Office.
- Occupational Health and Safety Department: 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.
- Legal Office: Confirm that the Company's labor relations handling procedures comply with the relevant Taiwanese laws and regulations.
- Employee Welfare Committee: Responsible for the promotion and implementation of employee welfare.

Specific actions in 2023

- In addition to setting reasonable salary and business performance incentive standards, there is also a mechanism to share profits with employees.
- In accordance with the “Gender Equality in Employment Act” and the “Sexual Harassment Prevention Act,” we have established measures for complaints and penalties for sexual harassment prevention in the workplace.
- Labor-management meetings are held where labor representatives can express their opinions and serve as a bridge with the management.
- Ongoing internal training: We regularly arrange newcomer training, employee work skills improvement training, leadership training, and so on.
- 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.
- 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.

Management Evaluation Mechanism

Implement 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.

2023 Performance Results

- The Company was once again listed as a constituent stock of the “Taiwan HC 100 Index” by the Taiwan Index Plus (TIP).
- The Company’s average salary (monthly salary excluding bonuses and other remuneration) was adjusted by 1.71%.
- Total salary payments for all employees reached NT\$631,509 thousand.
- Total employee benefits reached NT\$747,766 thousand.
- The Company has formed an Employee Welfare Committee to organize relevant employee welfare activities. The ratio of welfare expenditure to welfare income in 2023 was approximately 154.28%, which has increased by 30.95% compared to 2022.
- The total expenditure on education and training amounted to NT\$1,407,543, with a total of 6,178 training hours. This represents a 1,136.42% increase in expenditure and an 84.80% increase in training hours compared to those in 2022.
- There were no labor disputes or violations of employee rights nor incidents of discrimination or sexual harassment.

4.1 Human Rights Protection

To protect the basic human rights of employees, Weikeng 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” has been formulated and approved by the Board of Directors in 2021, and it was later revised and approved by the Sustainable Development Committee and the Board of Directors in 2022 and 2023, respectively, to align with various international human rights norms and comprehensively enhance human rights protection. The Company has made efforts to create a friendly workplace for all ages. In September 2023, the Company received the “1st Middle-aged and Elderly Workers Friendly Enterprise Certification of Taipei City for 2023” from the Taipei City Government.



Protection of Human
Rights Policy

Protection of Human Rights Policy

01

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

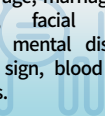
Formulate various policies and measures in line with local laws and regulations, while supporting and respecting relevant norms of international labor rights.



02

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

- We value 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.
- 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.



03

Salary and Benefits

The wages paid to employees are in accordance with the local laws and regulations of each operating region and comply with all applicable laws and regulations regarding wages, including those related to minimum wages, overtime hours and statutory benefits.



04

Humane treatment

- We do not employ child workers who are over 15 years old, but less than 16 years old.
- Plan for Preventing Illegal Infringement during the Performance of Duties and Maternal Health Protection Plan have been established.



05

Healthy and Safe Workplace

- Establish the Occupational Health and Safety Department and its committee, hire professional physicians and nurses, and take necessary preventive measures to prevent occupational accidents.
- Establish the Standard for Ergonomic Hazard Prevention Program and the Standard for Abnormal Workload-Induced Disease Prevention Plan.
- Obtain the ISO 45001:2018 certificate in 2024 to implement our occupational safety and health policy of “compliance with laws,” “hazard prevention,” “competence awareness,” “continuous improvement,” and “all-staff participation.”

In 2023, the Company held 3 quarterly employee meetings to raise awareness of human rights protection issues for all employees. Furthermore, we held 3 human rights policy training sessions for newcomers (0.5 hour per session for 1.5 hours in total). The number of individuals receiving education and training was 33 (16 male and 17 female), accounting for 7% 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 35 copies of 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.” In line with government amendments to the Regulations and our commitment to promoting a safe and friendly workplace, the Company amended the guidelines in September 2023. They were subsequently published on the eHR Portal website for reference by all staff. 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.

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.

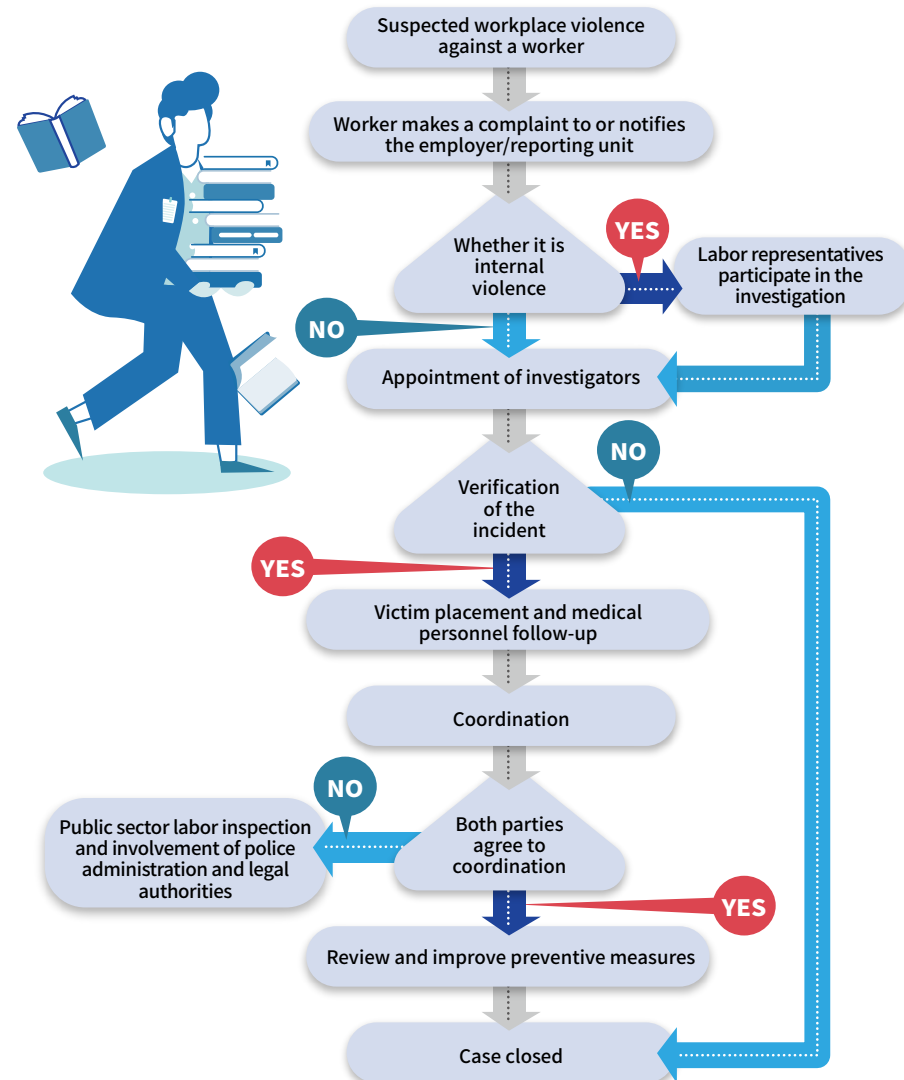
Prevention of workplace unlawful infringement

In order to protect all employees from physical or mental illness caused by unlawful physical or mental infringement in the course of performing their duties, create a workplace environment that is safe, dignified, non-discriminatory, and offers mutual respect, inclusiveness, and equal opportunity, the Company has established the "Prevention of Workplace Unlawful Infringement Policy." We will not tolerate unlawful infringement by our management supervisor, nor will we tolerate workplace unlawful infringement by our employees or by customers, contractors, and strangers towards our employees. Furthermore, in accordance with the "Occupational Safety and Health Act," related laws, regulations and guidelines, we have established the "Standards for Plan for Preventing Illegal Infringement during the Performance of Duties" and adopted necessary safety and health measures to prevent occupational injuries and diseases. The scope of application covers all employees, contractors, and guests of the Company.

The President assigns top-level managers to form a Workplace Violence Hazard Prevention/Investigation Workforce and submit an investigation report. The workplace violence hazard prevention/investigation workforce is responsible for comprehensively managing the implementation of the prevention plan, coordinating and supervising the implementation of relevant personnel, and reviewing the investigation report on workplace unlawful infringement. The human resources unit, the Occupational Health and Safety Department, and the heads of respective units serve as members of the Workplace Violence Hazard Prevention/Investigation Workforce. Their responsibilities include establishing the regulations for emergency response/notification and handling for workplace violence hazards, organizing relevant education and training courses, serving as the complaint point, identifying and assessing the high-risk groups of workplace violence hazards, confirming the effectiveness/evaluation and improvements of the Plan for Preventing Illegal Infringement during the Performance of Duties, and cooperating with workers in reporting or making complaints about workplace violence incidents. On-site labor health service physicians/medical personnel (nursing personnel, psychological counselors, etc.) provide support for mental health of victims. They also offer provide suitability assessments and suggestions for physical and mental health protection measures such as counseling, relevant health guidance, job adjustment or replacement, etc.

It is the responsibility of all the Company's employees to help ensure a working environment free from workplace unlawful infringement. Anyone who has witnessed or heard of workplace unlawful infringement incidents may notify the Company's Human Resources Department or call the employee complaint hotline. After receiving a complaint, the Company will conduct investigations in a confidential manner. If the reported incident is confirmed through investigation, penalties will be imposed. The Company strictly prohibits retaliation against the complainant, informant, or those assisting in the investigation, and will impose punishment upon any violation.

Procedures for handling workplace unlawful infringement



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.

Human Rights Appeal Channels

Employee appeal hotline

+886-26590202 extension: 581
Human Resources Office Supervisor

Employee appeal mailbox

wk_hr@weikeng.com.tw
janewu@weikeng.com.tw

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, 2023, Weikeng Industrial had a total of 488 Taiwanese employees, comprising 467 Note 1 based in Taiwan and 21 Note 2 assigned to overseas bases, excluding 3 employees who were on leave of absence without pay. Of these, there were 268 men (54.92%) and 220 women (45.08%) in the Company. Employees between the ages of 30 and 50 accounted for around 69.67% 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 (95 men and 11 women).

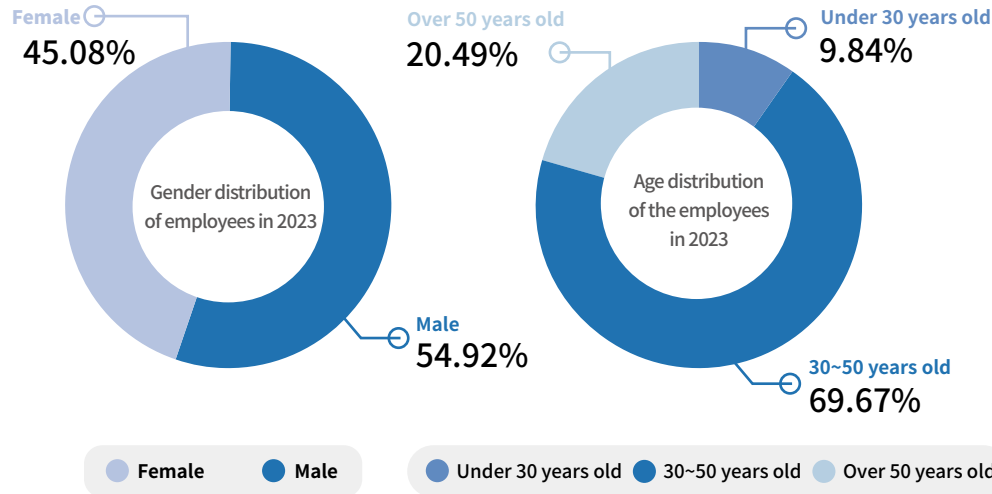
Based on the responsibility to protect the physical and mental development of children, the Company does not employ children under 16 and over 15 years of age. At the same time, in order to ensure equal employment opportunities for disadvantaged groups, the Company currently employs two people with physical or mental disabilities (both of whom are male general personnel aged between 30 and 50, representing 0.41% of the total number of employees). According to the People with Disabilities Rights Protection Act, our current employment falls short by 2 persons. We are actively recruiting in compliance with the law. Until we reach the required level of employment, the difference in subsidy shall be paid monthly according to law for the insufficient number of employees.

Note:

- Among Taiwan operating locations, there were 404 employees at the Taipei Neihu Head Office, 33 employees at the Neihu Tanmei Warehouse Center, 7 employees at the Taoyuan Housheng Warehouse Center, 9 employees at the Hsinchu Liaison Office, 9 employees at the Taichung Liaison Office, and 5 employees at the Kaohsiung Liaison Office.
- Among our overseas bases, 6 employees were assigned to Shenzhen, 13 to Shanghai, 1 to Beijing, and 1 to Singapore.

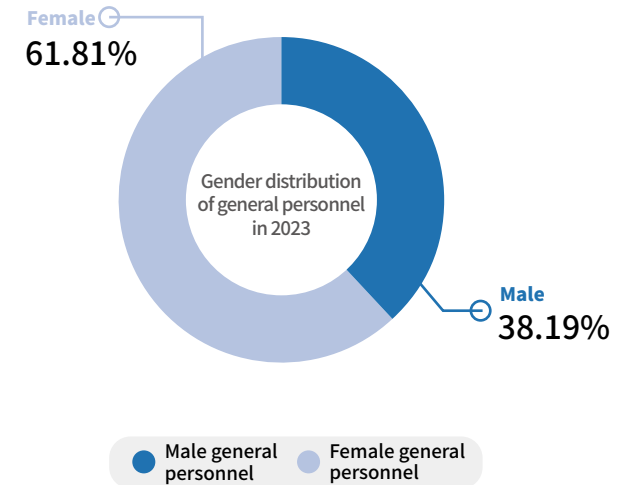
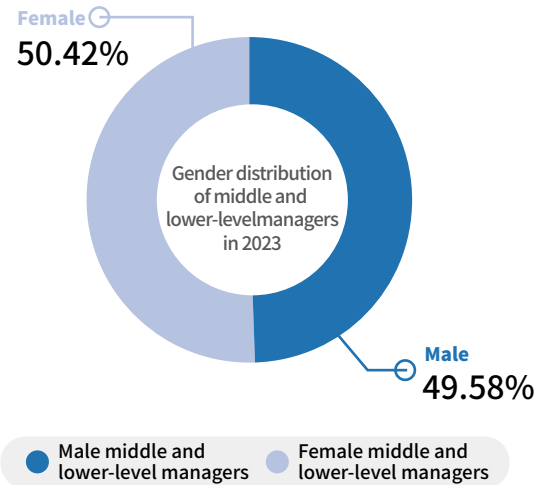
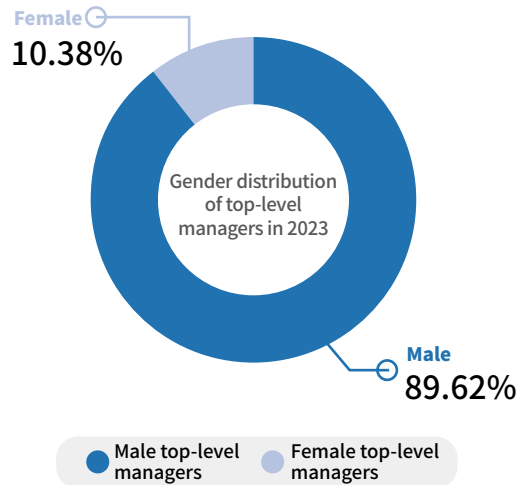
Employee Structure in 2023

Item/Gender		Male		
Operating Locations	Contract type	Full-time		
	Age	Under 30 years old	30~50 years old	Over 50 years old
Head Office	Full-time	20	185	63
Subtotal		268		
Item/Gender		Female		
Operating Locations	Contract type	Full-time		
	Age	Under 30 years old	30~50 years old	Over 50 years old
Head Office	Full-time	28	155	37
Subtotal		220		
Unit: person		Total 488		



Employee position distribution statistics

Category/Gender		Age	2022	2023
Senior management	Male	Under 30 years old	0	0
		30~50 years old	50	50
		Over 50 years old	40	45
		Subtotal	90	95
	Female	Under 30 years old	0	0
		30~50 years old	4	5
		Over 50 years old	5	6
		Subtotal	9	11
Middle and Lower-level Managers	Male	Under 30 years old	1	1
		30~50 years old	113	103
		Over 50 years old	13	14
		Subtotal	127	118
	Female	Under 30 years old	2	1
		30~50 years old	93	95
		Over 50 years old	19	24
		Subtotal	114	120
General Personnel	Male	Under 30 years old	17	19
		30~50 years old	41	32
		Over 50 years old	3	4
		Subtotal	61	55
	Female	Under 30 years old	33	27
		30~50 years old	61	55
		Over 50 years old	7	7
		Subtotal	101	89
Unit: person		Total	502	488



Note:

1. Senior management refers to those at or above the department manager level; middle and lower-level managers are those at the section manager level to manager level, while general personnel refers to individuals at the vice section manager level and below.
2. Local refers to Taiwan region.
3. Among the general personnel category, we hired 2 male employees with physical or mental disabilities, accounting for 1.39% of all employees.
4. As of December 31, 2023, we engaged 2 non-employee workers who are cleaning contractors (both female, for environmental cleaning of office locations).
5. The information above is calculated by the human resources system based on current employees on December 31, 2023 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 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 2023, there were 38 new employees (including 19 males and 19 females), accounting for 7.79% of the total number of employees at the end of 2023; a total of 51 employees resigned, resulting in a turnover rate of 10.45%.

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

Year	2021				2022				2023			
Gender	Male		Female		Male		Female		Male		Female	
Category/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	16	66.67	13	40.63	9	50.00	14	40.00	8	40.00	7	25.00
30~50 years old	28	13.40	14	9.33	17	8.33	17	10.76	10	5.41	12	7.74
Over 50 years old	2	4.26	0	0.00	1	1.79	0	0.00	1	1.59	0	0.00
Total	73				58				38			
Total number of employees	490				502				488			
Total new employee rate (%)	14.90				11.55				7.79			

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 × 100%.
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 × 100%.
3. The number of new employees did not exclude those who resign midway.

Weikeng's employee turnover rate in the past three years

Year	2021				2022				2023			
Gender	Male		Female		Male		Female		Male		Female	
Category/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 (%)
Under 30 years old	1	4.17	4	12.50	6	33.33	4	11.43	4	20.00	7	25.00
30~50 years old	26	12.44	14	9.33	22	10.78	12	7.59	21	11.35	14	9.03
Over 50 years old	2	4.26	0	0.00	1	1.79	1	3.23	4	6.35	1	2.70
Total	47				46				51			
Total number of employees	490				502				488			
Total turnover rate (%)	9.59				9.16				10.45			

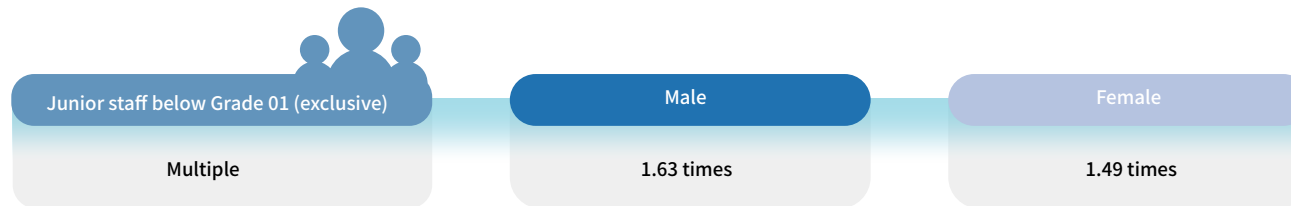
Note:

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 × 100%.
2. Total turnover rate (%) = total number of resigned personnel in the current year / total number of employees at the end of the current year × 100%.
3. Employees who resigned in 2023 included those who voluntarily left, were laid off, or retired. Among them, 5 employees were laid off on severance pay. The Company provided them with a notice period, salary during the notice period, new job finding leave, and severance pay in accordance with the law.

Employee Compensation

Weikeng's policy regarding employee compensation (salary, bonus, and remuneration) of its 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 2023, Weikeng was once again listed as a constituent stock of the "Taiwan HC 100 Index" by the Taiwan Index Plus (TIP) and won the Happy Enterprise Gold Award in the "commercial circulation" industry by the 1111 Human Resources Bank, indicating that the salary and other benefits paid by the Company 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 below Grade 01 (exclusive) Note and the local minimum salary (Taiwan statutory basic salary of NT\$26,400 in 2023) were as follows:



Note:

1. The grades of personnel below Grade 01 (exclusive) include 0, A, B, and C. This category encompasses vice section managers, nurses, occupational safety and health specialists, specialists/in-charges/assistants, senior engineers/senior sales personnel, and engineers/sales assistant.
2. The starting salary is varied by factors such as education, experience, skills, contribution to the Company, the pay levels of peer companies, and professional job competence.

The Company's employee compensation (including top-level manager compensation) is divided into fixed salary, business performance bonus, year-end bonus, and employee remuneration. Fixed salary is determined in accordance with the Company's salary review policy and adjusted based on appraisals and budgets. Business performance bonus is distributed quarterly based on business performance. Year-end bonus and employee remuneration are allocated, approved, and distributed according to the Company's profitability, performance, and contribution. The Company's compensation must not only comply with relevant laws and regulations but also consider the relationship between personal performance and company financial performance, related efforts in sustainability and contribution, and risk management to attract outstanding talents. The ratio of the highest individual annual total compensation to the median annual total compensation of all employees (excluding individuals with the highest compensation) in 2023 was 21.48:1, while the highest individual total annual compensation in 2023 did not increase compared to 2022. The average annual total compensation of all employees (excluding individuals with the highest compensation) increased by 3.16%.



▲ 2023 Happy Enterprise by the 1111 Human Resources Bank - Award Ceremony



▲ 2023 Middle-aged and Elderly Workers Friendly Enterprise Certification - Award Ceremony

Operating Locations	Category	Minimum wage		emoluments	
		Male	Female	Male	Female
Taiwan	Senior management	1.10	1	1.54	1
	Middle and Lower-level Managers	1.14	1	1.14	1
	General Personnel	1.14	1	1.22	1

Note:

1. "Minimum wage" refers to a fixed monthly recurring salary (data for December 2023, including base salary, meal allowance, and duty increment). "Emoluments" refer to the total annual compensation calculated based on 2023 withholding statement and meal allowance data, minus non-employee compensation.
2. Since the nature of the work and the percentage of seniority vary, there are slight differences in the base salary and compensation ratios of women and men.

In 2023, the average individual monthly salary (excluding bonuses and remuneration) increased by 1.71%. The total salary for employees, including remuneration, year-end bonuses, and performance bonuses, amounted to NT\$631,509 thousand, marking an 18.90% decrease from 2022. This decrease was primarily due to a 51.70% decline in pre-tax profits for 2023, leading to a reduction in employee remuneration distributed in accordance with the Company's Articles of Incorporation and budgeted bonuses for the year. As per the Company's Articles of Incorporation, the distributable amount allocated for employees' remuneration in 2022 was NT\$189,923 thousand, which was distributed in July 2023 based on employee performance evaluation results. Calculated on a per-employee basis, the average employee remuneration for 2023 was NT\$1,271 thousand, representing an 18.05% decrease from 2022.

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. Coupled with factors such as the easing of COVID-19, Weikeng actively and continuously organizes employee training courses. In 2023, employees spent a total of 6,178 hours participating in internal or external training or continuing professional education courses. The average training hours per employee were 12.66 hours. Among these, the average training hours per male employee were 15.66 hours, while the average training hours per female employee were 9.00 hours. This resulted in a total training expense of NT\$1,408 thousand (an average expense of NT\$2.9 thousand per person), all of which increased from the previous year.

Training channels	Training contents
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.
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.
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.
Environmental Safety and Health Training	In accordance with government laws and regulations, we conduct labor safety and health training, disaster prevention drills, and emergency response training for new and current employees to improve work safety.
Human Rights and 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.
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.

2023 Employee Training Statistics

Category/Gender		Total number of persons	Total training hours	Average number of training hours (hours/person)
Senior management	Male	95	1,503.5	15.83
	Female	11	222.5	20.23
Middle and Lower-level Managers	Male	118	2,148.0	18.20
	Female	120	1,040.0	8.67
General Personnel	Male	55	546.0	9.93
	Female	89	718.0	8.07
Total		488	6,178	12.66

Note:

1. Average number of training hours = total number of training hours / total number of persons; average training hours by gender in each category = total number of training hours by gender in each category in the current year / total number of persons by gender in each category in the current year.
2. Senior management refers to those at or above the department manager level; middle and lower-level managers are those at the section manager level to manager level, while general personnel refers to individuals at the vice section manager level and below.
3. In 2023, the education and training courses for middle and lower-level managers focused on professional knowledge education for FAE personnel. However, since most of the FAE personnel are currently male, the average training hours for males are higher than those for females.

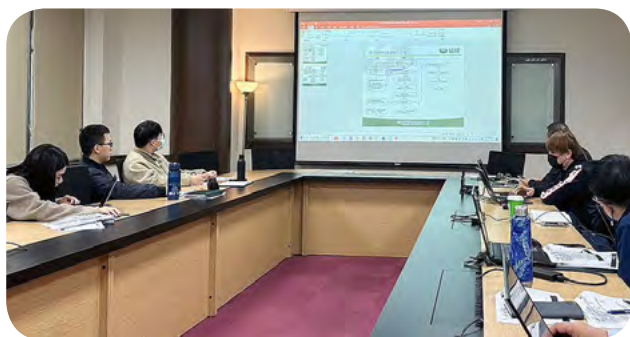
Fair Performance Management System

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, and this can produce the gratification of self-perceived growth. Supervisors can compare employees' self-ratings with their supervisors' ratings 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 2023 was 476 (259 men, 217 women). The proportions of male and female employees who actually received evaluation were both 100%.



▲ Shipping process & matters for attention regarding warehouse receiving and shipping



▲ Matters for attention regarding taxation and sales



▲ Workplace unlawful infringement prevention education and training

Statistics on employees who received annual performance appraisals in 2023				
Category/Gender		A Total number of persons A	Number of persons required to be appraised B	Number of persons undergoing evaluations C
Senior management	Male	95	94	94
	Female	11	11	11
Middle and Lower-level Managers	Male	118	113	113
	Female	120	119	119
General Personnel	Male	55	52	52
	Female	89	87	87
Total		488	476	476
Category/Gender		Percentage of persons undergoing evaluations to total persons (C/A)		Percentage of persons undergoing evaluations to total persons required to be appraised (C/B)
Senior management	Male	98.95%		100.00%
	Female	100.00%		100.00%
Middle and Lower-level Managers	Male	95.76%		100.00%
	Female	99.17%		100.00%
General Personnel	Male	94.55%		100.00%
	Female	97.75%		100.00%
Total		97.54%		100.00%

Note:

1. Senior management refers to those at or above the department manager level; middle and lower-level managers are those at the section manager level to manager level, while general personnel refers to individuals at the vice section manager level and below.
2. The reason for not undergoing evaluation is that the employee has been on the job for less than 3 months.

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 2023 were NT\$53,338 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 2023, medical insurance claims from the Company's employees accounted for 65.11% of medical insurance expenses. In doing so, we provide our employees with peace of mind and support in terms of medical insurance.

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. In 2023, the total employee benefit expenses amounted to NT\$747,766 thousand. Based on the number of employees, the average employee compensation reached NT\$1,505 thousand.



Benefit measures handled by the Company

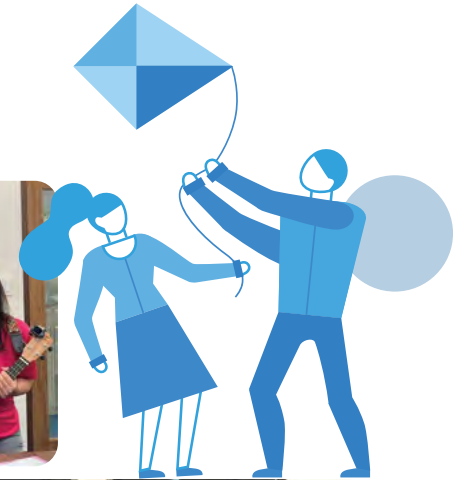
- In accordance with the law, employees are covered by labor insurance, national health insurance, group accident/hospitalization/cancer medical insurance, and employee travel safety insurance.
- Leave benefits: Special leave, marriage leave, personal leave, sick leave, menstrual leave, bereavement leave, 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 F&E 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 and hotels 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.



Ukulele Club



Kinetic Energy Club



Family Day 2023



2023 Year-End Banquet

Parental Leave Implementation Status

In accordance with the Gender Equality in Employment Act, 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 2023 was 4 (0 male and 4 female). The number of persons reinstated from parental leave in the current year was 3 (0 male and 3 female); the number of employees reinstated in the prior year was 4 (1 male and 3 female). The number of employees who continued to work for one year after reinstatement was 3 (1 male and 2 female). The reinstatement rate was 100% and the retention rate was 75.0%.

Item/Year	Parental Leave Statistics								
	2021			2022			2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of eligible people for parental leave (A)	19	20	39	15	19	34	13	20	33
Actual number of persons applying for parental leave in the current year (B)	1	3	4	1	3	4	0	4	4
Number of people on parental leave eligible for reinstatement in the current year (C)	1	2	3	1	3	4	0	3	3
Actual number of persons reinstated after parental leave in the current year (D)	1	2	3	1	3	4	0	3	3
Actual number of persons reinstated after parental leave in the previous year (E)	0	5	5	1	2	3	1	3	4
Number of people who have continued to work for one year after parental leave in the previous year (F)	0	4	4	1	1	2	1	2	3
Parental leave reinstatement rate in the current year (%) (D/C)	100.0	100.0	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)	-	80.0	80.0	100.0	50.0	66.7	100.0	66.7	75.0

Note: The number of employees eligible to apply for parental leave is based on the number of people who have applied for maternity leave, paternity leave or newborn gifts in the past three years (example, for 2023 it is from January 1, 2020 to December 31, 2023).

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 2023, the number of employees who chose the old system was about 1.84%, and the number of employees who chose the new system was about 98.16% (including about 22.95% of employees who retained the seniority by the old system).

Those who fall under the old labor pension system will have 2% of their monthly salary transferred to the Bank of Taiwan labor retirement fund every month. The “Supervisory Committee of Business Entities’ Labor Retirement Reserve” has been established to protect employees’ rights and interests. As of the end of December 2023, the account has NT\$140,863 thousand, which complies with the number of people who can retire before the end of the next year under the provisions of the Labor Standards Act. For those falling under the new labor pension system, 6% of their monthly salary is allocated to an individual pension account at the Bureau of Labor Insurance every month in accordance with the Table of Monthly Contribution Wages Classification of Labor Pension. Our employees are encouraged to engage in voluntary pension contributions to start saving pension in advance.

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 2023, there were 2 re-employed retired employees serving as a senior consultant responsible for finance and financial institution relationship and a senior consultant responsible for assisting in introducing distribution of new product lines and providing relevant counseling opinions, respectively.

Labor-Management Agreements

At present, the Company does not have a labor union and has not signed a group agreement Note. 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 meetings to let all employees understand the Company’s vision, policies, management regulations, and other such matters. Four meetings were held in 2023, and no labor disputes occurred.

Note: Although there are no employee organizations such as labor unions, the Company respects the employees’ freedom of association. The Company promises that if employees are willing to form a labor union, all participating employees and representatives can express their opinions freely and equally, free from discrimination by the Company. This commitment aims to achieve the continuous evolution of the labor-management relationship.

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 2023, 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 management

Weikeng has an Occupational Safety and Health Committee that holds meetings every three months. The committee comprises at least 7 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. In 2023, the Occupational Safety and Health Committee had a total of 12 members (including 4 labor representatives, accounting for 33.3% of the committee members). Four meetings were held to report or discuss relevant occupational safety and health issues.

The Company has also established the Occupational Safety and Health Department in the corporate governance structure, staffed with licensed and qualified personnel to carry out daily occupational safety and health operations. In addition, the Warehouse Center has added one staff qualified for IATA Dangerous Goods training and one operator of forklift with capacity of 1 ton or more to carry out daily occupational safety and health operations and official business, thereby providing employees with a safe workplace.

Occupational Safety and Health Committee

Members

- Employer (President) (1)
- Chief Financial Officer(1)
- Class A Occupational Safety and Health Affair Supervisor (1)
- Class A Occupational Health Administrator(1)
- Class B Occupational Safety and Health Management Personnel (1)
- FAE Division Director (1)
- Human Resources Office Director (1)
- Nurse (1)
- Labor representatives (4)

Responsibilities

Study, coordinate and advise on occupational safety and health related matters, maintain records of the matters handled and keep them for three years.

Occupational Health and Safety Department

Members

- Class A Occupational Safety and Health Affair Supervisors(3)
- Class A Occupational Health Administrator(1)
- Class B Occupational Safety and Health Management Personnel (1)
- Class C Occupational Safety and Health Affair Supervisors (2)
- Labor Health Service Nursing Personnel (full-time nurse) (1), fire management personnel (3 persons, 2 were stationed at the Warehouse Center and 1 at the Head Office)
- Qualified first aid personnel (10 persons, 3 were stationed at the Warehouse Center and 7 at the Head Office)

Responsibilities

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.

In August 2023, the Company reported to the Sustainable Development Committee its plan to establish an occupational health and safety management system (ISO 45001:2018) and to introduce the ISO 45001 occupational health and safety management system.

The occupational health and safety management system covers Taipei Neihs Head Office and Neihs Tanmei Warehouse Center, as well as their internal and external issues and operations, facilities/equipment, maintenance, contractor construction, etc. that all personnel (including employees, contractors, visitors, and other workers) and various units engaged in. Other locations are excluded due to their limited employee allocation and the Company's resource utilization.

In 2024, Weikeng completed external audits that included both employees and non-employee workers (contractors) at the mentioned sites without exclusion. On February 6 of the same year, Weikeng obtained the ISO 45001:2018 certificate (certificate number: ARES/TW/I2402011S) from ARES Certification International, valid until February 5, 2027.

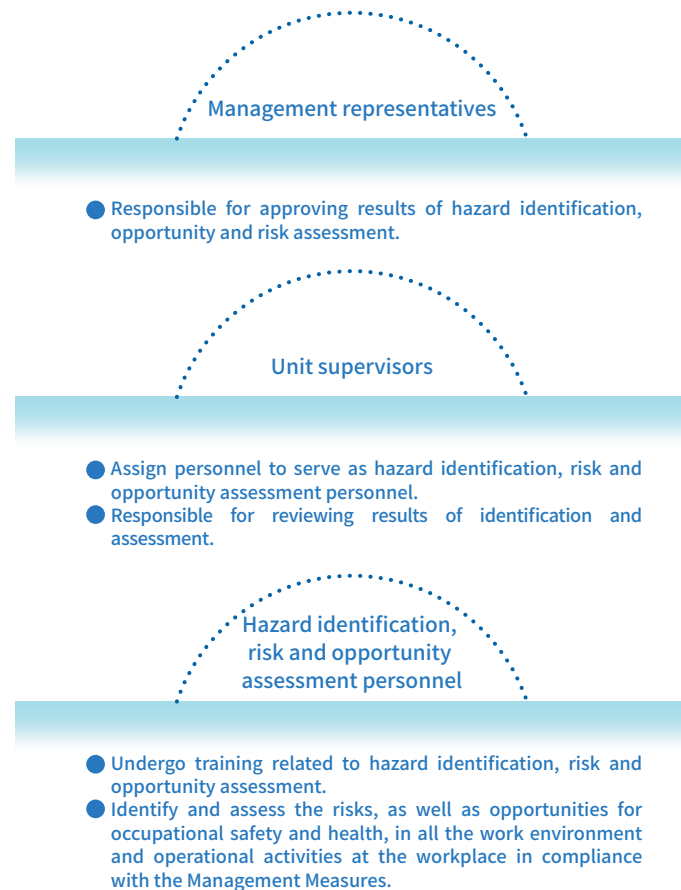
We hope to implement our occupational safety and health policy of "compliance with laws," "hazard prevention," "competence awareness," "continuous improvement," and "all-staff participation" through the promotion and establishment of occupational safety and health management system.



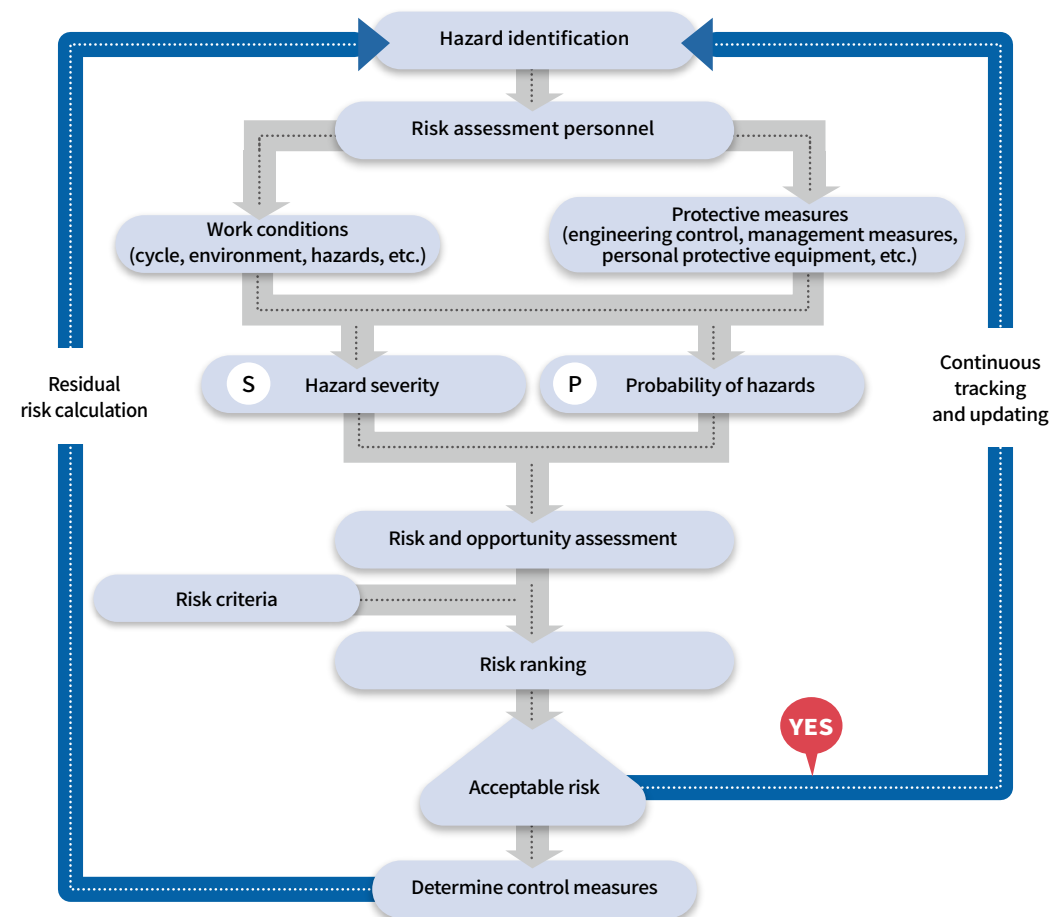
Hazard Identification, Risk and Opportunity Assessment

In order to conduct comprehensive hazard identification and opportunity assessment for all operations that may cause injury or accidents to personnel, review the safety and health management performance, and evaluate the effectiveness of its control, the Company has established the “Regulations for Hazard Identification and Risk and Opportunity.” These Regulations apply to all safety and health hazards, both within and outside the Company (including operating sites and workplaces) that are expected to have an impact. These hazards include routine and non-routine activities, all personnel entering the Company’s operating area (including contractors, other related workers, and visitors), and facilities provided by the organization or by external parties within the workplaces.

● Responsible unit and responsibility



● Procedures for risk and opportunity assessment



● Risk level actions planning

Risk level determination

		Description of classification	Actions
16	Significant Risks	The operation must be halted immediately, risk reduction measures must be adopted, and operations should not start or continue until the risk is reduced.	These are unacceptable risks, and actions shall be planned in accordance with the "Occupational Safety and Health Policy, Objective, and Program Management Regulations."
9~12	High Risks	It is necessary to adopt risk reduction measures and strengthen the monitoring of the effectiveness of the existing protections.	
6~8	Medium Risks	Evaluate occupational safety and health opportunities based on existing protections to eliminate hazards or reduce risk levels and ensure the effectiveness of these protections.	Actions for occupational safety and health opportunities are planned in accordance with the "Occupational Safety and Health Policy, Objective, and Program Management Regulations," and the effectiveness of existing protections is confirmed according to the "Regulations for Supervision and Measurement."
3~4	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.	Confirm the effectiveness of existing protections in accordance with the "Regulations for Supervision and Measurement."
1~2	Mild Risks	There is no need to adopt risk reduction measures, but it is necessary to ensure that existing protections are effective.	

In 2023, a total of 1 high-risk event (switchboard without internal separation) was identified. This high-risk event has been included in the management plan, and improvements and follow-up reviews have been completed. In addition, the Company has introduced ISO 45001:2018 and obtained the certificate. A complete PDCA cycle is in place for various risks, control worker risks, and enhance occupational safety and health performance, thereby improving the corporate image

Accident Notification and Investigation

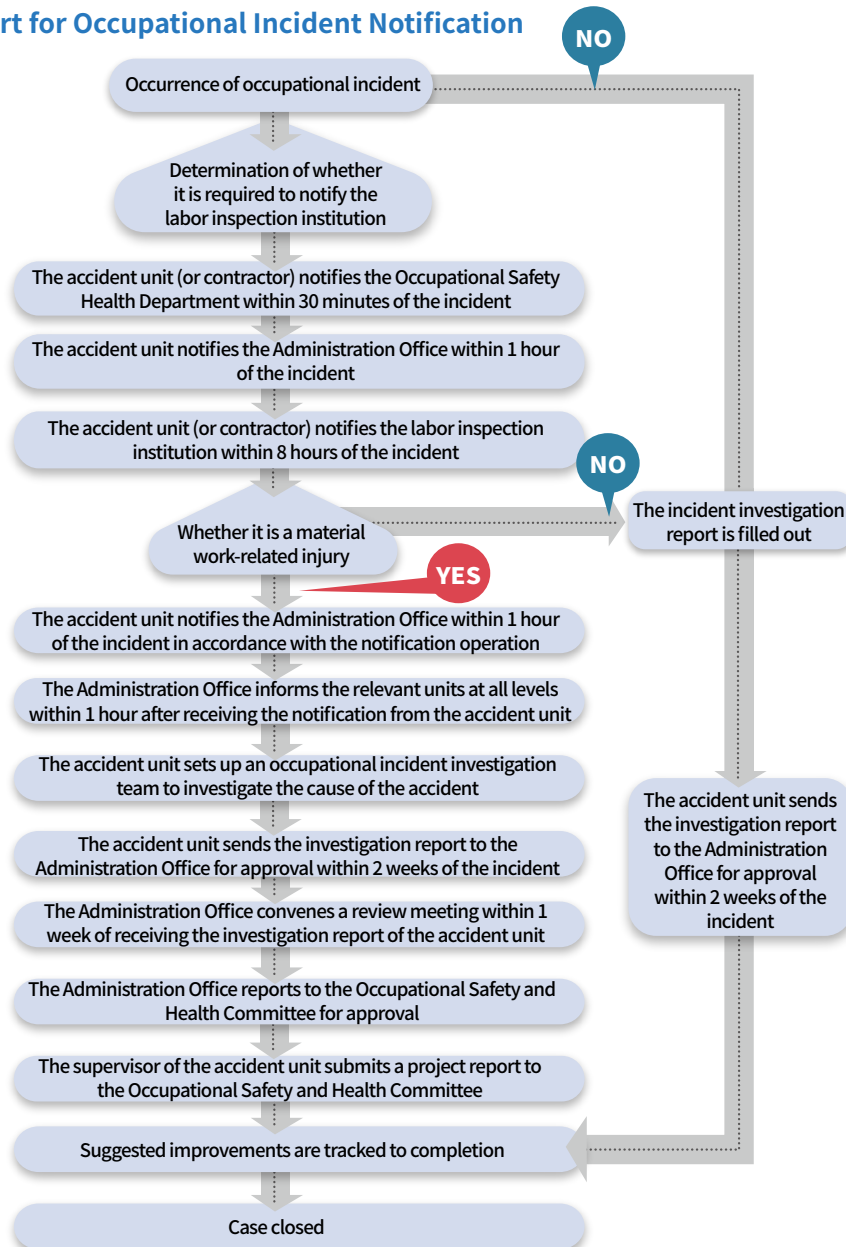
In order to accurately understand the causes of personnel accidents, countermeasures to prevent recurrence, and determination and application of occupational sickness leave, we have established the "Regulations for the Notification and Investigation of Personnel Accidents." These regulations apply to employees within the Company and contractors providing services within the work area.

● Responsible unit and responsibility

Managerial and non-managerial positions	Participate in the investigation of occupational accidents and implement improvement at the source based on the causes identified in the investigation.
HR Office	Assist employees in applying for occupational accident insurance and other related matters, as well as issue outpatient (inpatient) orders for occupational accidents.
Occupational Health and Safety Department	Supervise occupational accident investigation, statistical analysis, declaration, and reporting to the competent authority.
Accident Unit	Occupational accident notification, investigation, and improvement.



● Flow Chart for 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 employer shall notify the labor inspection institution within eight hours:
 - Occurrence of a fatal incident.
 - The number of victims of the incident is three or more.
 - The number of victims of the incident is more than one and hospitalization is required.
 - 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.

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.

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 A occupational safety and health supervisors, class A occupational health administrator, class B occupational safety and health management personnel, 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 2023, there were a total of 6 employee occupational injuries, all of which occurred as traffic accidents during the commute to work, resulting in knee, leg, and foot bruises and abrasion, as well as hand and buttocks abrasions. All 6 employees have recovered and gained an understanding of the severity of traffic hazards. All 6 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.

Weikeng's occupational safety performance statistics - Employees

Item	2021	2022	2023
Total working hours	948,260.00	988,016.00	984,512.00
Occupational injury fatalities	0	0	0
Occupational injury fatality rate	0.00	0.00	0.00
Serious occupational injuries (Excluding fatalities)	0	0	0
Serious occupational injury rate (Excluding fatalities)	0.00	0.00	0.00
Recorded occupational injuries (includes death toll and number of people with serious occupational injuries)	1	2	6
Recorded occupational injury rate (includes death toll and number of people with serious occupational injuries)	1.05	2.02	6.09
False alarm incident rate	0.00	0.00	0.00
Description of each occupational injury	<div> <p>A female traffic accident with a fracture of the fibula in the right ankle and calf.</p> <p>Two female traffic accidents, which are: Case 1: Chest, hand, and knee bruises and abrasions. Case 2: Knee and foot contusions.</p> <p>Five cases were mainly knee, leg, and foot bruises and abrasions; one case was hand and buttocks abrasions. (All were due to traffic accidents)</p> </div>		

Note:

1. Total working hours are estimated statistics. Total working hours = sum of (number of individuals at the end of the month x number of working days in the month x 8 hours) - number of hours off work for employees in occupational incidents
2. The data in this form is the statistical data of Weikeng Industrial from the "Occupational Disaster Statistics Reporting System of the Occupational Safety and Health Department of the Ministry of Labor."
3. Fatality rate due to occupational injury = number of deaths due to occupational injury / working hours * 1,000,000.
4. Serious occupational injury rate = number of serious occupational injuries (excluding fatalities) / working hours * 1,000,000. Serious occupational injury means an injury that results in incapacitation or inability to return to the prior state of health within six months.
5. Recordable occupational injury rate = recordable occupational injury rate (including fatalities and serious occupational injuries) / working hours * 1,000,000.
6. The statistical data mainly includes personnel of Weikeng Industrial in Taiwan, including expatriates.
7. In 2023, there were a total of 2 non-employee workers at Weikeng, with a total of 306 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. As for the on-job safety and health education and training for general employees, 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, class A occupational health administrator and class B 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 A occupational safety and health affair supervisors shall participate in at least 6 hours of on-the-job education and training every two years.

In 2023, general safety and health training was implemented for new employees. The content contained: (1) outline of laws and regulations related to safety and health; (2) occupational safety and health concepts and safety and health work codes; (3) automatic inspections before, during, and after the operations; (4) standard operating procedures; (5) emergency response; (6) fire and first aid knowledge and drills; and (7) other safety and health knowledge related to labor operations. There was a total of 33 participants (16 male and 17 female), and the total training time was 99 person-hours. Additionally, 3 fire management personnel have participated in external training on firefighting (one from Taipei NeiHu Head Office, one from NeiHu Tanmei Warehouse Center, and one from Taoyuan Housheng Warehouse). The training contents covered "Firefighting Knowledge and Fire Prevention Plans," "Fire Protection Plans," and "Employee Education and Self-Guard Fire Protection Grouping Training."

The Taipei Head Office participated in the annual fire drill held in the factory and office building in May and November 2023. There were 21 trainees and 2 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. In 2023, there were no fires or casualties at any of the Company's operating locations.



▲ General safety and health training



▲ Fire drills

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, abdominal ultrasound examination, cardiac muscle enzyme examination, and tumor marker screening, to provide employees with a more complete overview. In 2023, Far Eastern Memorial Hospital was selected to conduct annual health checkups for employees, and 439 Weikeng employees underwent general health checks, for an employee participation rate of 94.0% (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\$674,700, 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 2023, a total of six 18-hour health consultation services were conducted.

● Health Care

In reference to the Guidelines for Prevention of Ergonomic Hazards, Guidelines for the Prevention of Diseases Caused by Abnormal Workloads, and the Guidelines for Preventing Illegal Infringement in the Performance of Duties as published by the Occupational Safety and Health Administration, Ministry of Labor, and in accordance with the Company's business projects and industrial attributes, the Company has formulated the Ergonomic Hazard Prevention Plan, the Abnormal Workload-Induced Disease Prevention Plan, and the Plan for Preventing Illegal Infringement in the Performance of Duties, as well as the Maternal Health Protection Plan. The Company was committed to promoting workplace tobacco hazards prevention and health promotion. The Health Promotion Administration of the Ministry of Health and Welfare has assessed that the Company meets the Healthy Workplace Certification - Healthy Startup Label (certificate number: HPAB1110793, valid from January 1, 2023 to December 31, 2025).



Four Major Plans for Employee Health Protection

Ergonomic Hazard Prevention Program

The purpose of this plan is to maintain the health and well-being of our employees, prevent 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 workforces.

Abnormal Workload-Induced Disease Prevention Plan

During the annual health checkup, the Company collects data on overwork surveys, working hours, and work patterns of employees using hospital questionnaires. The health checkup results are used to identify and assess high-risk groups susceptible to diseases. In 2023, the medium-risk groups identified were the FAE Division and the ELCOM Division. Employees who consent will undergo evaluation by a physician through an interview to address diseases caused by abnormal workloads.

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.

Maternal Health Protection Plan

On the basis of the Occupational Safety and Health Act, a maternal health protection program has been established since 2020 to plan and take necessary safety measures to ensure the health of mothers, fetuses, and infants for workers who are at risk of maternal health hazards.

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 2023, a total of 4 health seminars were held for a total of 3.5 hours with 174 participants (72 male and 102 female).

2023 Health Seminars

In view of the health topics that employees are interested in, and considering the average age of employees falling into middle-aged category, the Company focuses on three aspects, namely healthy diet, mental health, and middle-aged health care, 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 (Hours)	Contents	Teaching unit	Number of participants		
				Male	Female	Total
February 9	1	How to Prevent Metabolic Syndrome	Nutritionist from Kang-Ning General Hospital	28	44	72
August 10	1.5	Happy Work, Healthy Life - Brief Introduction to Workplace Stress Management and Physical and Mental Health	Far Eastern Memorial Hospital - Director of Taoyuan Lifeline Association	15	27	42
October 13	0.5	Health education video - Prevention and Treatment of the Three Highs	Nurse	14	21	35
November 10	0.5	Introduction to Sarcopenia	Nurse	15	10	25
Total	3.5			72	102	174



4.5 Giving Back to Society



Environmental Protection Issues

From 2019 to 2023, the Company sponsored the "Earth Day" event by the "Commercial Times" for 5 consecutive years, paying attention to environmental protection activities for the Earth. In 2023, the total amount sponsored was NT\$50,000.



Sponsorship of Educational Resources

In order to enrich university education resources, the Company sponsored "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 sponsored the High Tech Charity Association from 2019 to 2023. The funds were used to promote professional golf in Taiwan, with a cumulative sponsorship of NT\$1.5 million as of 2023.



Sponsorship of Medical Resources

In September 2023, we supported the healthcare human rights initiatives of "Humanitarian Care Knows No Borders" and "Love Knows No Rareness, Illuminating Hope" by donating NT\$500,000 each to "Médecins Sans Frontières (MSF)Taiwan" and the "Taiwan Foundation for Rare Disorders," totaling NT\$1 million. The sponsorship aims to assist the two foundations in achieving their fundraising goals for 2023, and to encourage employees to participate as they wish (including but not limited to donations and volunteer activities). Through these efforts, the Company and its employees contribute to the Sustainable Development Goals (SDGs), including: (1) poverty eradication; (2) good health and well-being; (3) quality education; (4) reduction of inequalities; (5) peace and justice system; and (6) healthcare human rights for our global partners.



Sponsorship of Social Welfare Resources

In August 2023, we supported the Kaohsiung Autism Foundation, a social welfare enterprise dedicated to serving people with autism. The foundation takes parental love as its starting point and strives for the dignity and well-being of autistic individuals. To enable the foundation to continue providing resources in education, employment, and daily life support, the Company made a donation of NT\$500,000 to sponsor the foundation on the day of its Kaohsiung Family Day event.

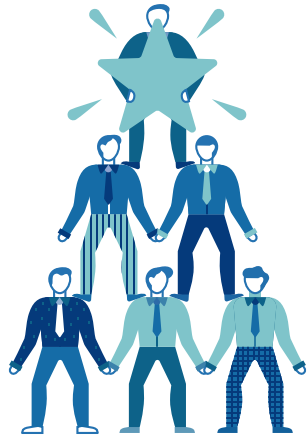


Support Cultural Development

On the day of the Kaohsiung Family Day event in August 2023, the Kaohsiung Autism Foundation invited the "Star Prince Percussion Band," composed of autistic individuals, to deliver an outstanding percussion performance at the event. This performance not only allowed Weikeng's employees and their families to personally witness autistic individuals performing in an orchestra, demonstrating that their lives are as wonderful as their performance, but also provided heartfelt encouragement to the performers.



In addition, on December 2, 2023, to promote cultural development and support Taiwan's original films, Weikeng chartered two halls at Da-Zhi Miramar Cinema. Employees, their family members, and representatives from social organizations (including the Taiwan Total Cancer Care Foundation, Chinese Community Society, Taiwan Society for Organizational Learning, and Yangsheng Education Foundation) totaling 401 people were invited to watch the Taiwanese film "BIG (Being Is Gift)" directed by Mr. Wei Te-Sheng. This initiative not only fosters familiarity with and support for film, cultural, and artistic activities but also aims to let more people pay attention to the issue of childhood cancer.



Sponsorship of Research Institutes

The Company sponsored the “Chinese Society for Management of Technology” from 2019 to 2023 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 2023, the cumulative amount of sponsorship was NT\$1 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\$750,000 to the “Chinese Association of Valuation” in 2019, 2022, and 2023.



Employee Participation in Social Welfare

In May 2022, the Company continued to participate 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 Neighbor Community Care Association’s Green Light Seed Education Program, and the Taitung Hong-Ye juvenile baseball team. In April 2023, we made another donation of NT\$100,000 to the association to support its concept that “our generation is full of capable people, and they should strive to make society better,” thus contributing to Weikeng becoming one of the supporters of the Children Poverty Alleviation Program.



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 Neihsu 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.

In 2023, we once again participated in the “Neihu Science Park Thousand-Person Blood Donation Campaign.” On August 31, Weikeng organized the blood donation campaign at the Wall Street Technology Headquarters Building Plaza. A total of 110 individuals participated in the campaign, donating a total of 38,250 ml of blood. Of these participants, 53 were Weikeng’s employees who donated 18,750 ml, and 57 were non-employees who donated 19,500 ml of blood.

Appendix

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Appendix 3: 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	120
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Appendix 1: GRI Content Index Table

Statement of Use	Weikeng has reported the content from January 1, 2023 to December 31, 2023 in accordance with the GRI Standards.
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				
Organization and Reporting Practice				
2-1	Organizational Details	2.1 About Weikeng	30	
2-2	Entities included in organizational sustainability reporting	Editorial Policy 2.1 About Weikeng	01 30	
2-3	Reporting period, frequency and contact person	Editorial Policy	01	
2-4	Information Recompilation	Editorial Policy	01	
2-5	External Guarantee/Assurance	Editorial Policy	01	
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	30 33 62	
2-7	Employees	4.2 Talent Attraction and Retention	91	
2-8	Non-employee workers	4.2 Talent Attraction and Retention	91	
Governance				
2-9	Governance structure and composition	2.3 Corporate Governance	39	
2-10	Nomination and selection of the highest governance body	2.3 Corporate Governance	39	
2-11	Chairman of the highest governance body	2.3 Corporate Governance	39	
2-12	Role of the highest governance body on the supervision of impact management	1.1 Sustainable Promotion and Management	05	
2-13	Responsible person for impact management	1.1 Sustainable Promotion and Management	05	

GRI Subject	Disclosure item	Corresponding chapter	Page number	Reason for omission/explanation
Governance				
2-14	Role of the highest governance body on sustainability reporting	Editorial Policy	01	
2-15	Conflict of Interest	2.3 Corporate Governance	39	
2-16	Communication on key material events	1.1 Sustainable Promotion and Management	05	
2-17	Collective knowledge of the highest governance body	2.3 Corporate Governance	39	
2-18	Evaluation of the performance of the highest governance body	2.3 Corporate Governance	39	
2-19	Compensation policy	2.3 Corporate Governance	39	
2-20	Compensation determination process	2.3 Corporate Governance	39	
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Strategy, Policy and Practice				
2-22	Statement of Sustainable Development Strategy	Message from the Chairman	02	
2-23	Policy Commitment	2.4. Honesty and Integrity and Regulatory Compliance 3.1 Supply Chain Management 3.3 Customer Relationship Management 4.1 Human Rights Protection	45 62 68 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	45 62 88	
2-25	Procedures for remedying negative impacts	1.2 Stakeholder Identification and Communication 2.4. Honesty and Integrity and Regulatory Compliance 2.5. Risk Management 4.1 Human Rights Protection	08 45 50 88	
2-26	Mechanism for seeking advice and raising doubts	1.2 Stakeholder Identification and Communication 2.4. Honesty and Integrity and Regulatory Compliance	08 45	
2-27	Regulatory Compliance	2.4. Honesty and Integrity and Regulatory Compliance	45	
2-28	Membership of associations	2.1 About Weikeng	30	
Stakeholder communication				
2-29	Stakeholder communication policy	1.2 Stakeholder Identification and Communication 3.3 Customer Relationship Management	08 68	

GRI Subject	Disclosure item	Corresponding chapter	Page number	Reason for omission/explanation
Stakeholder communication				
2-30	Collective agreements	—	—	There is neither labor union established nor a group agreement signed.
GRI 3: Major issues 2021				
3-1	Process for determining major issues	1.3 Analysis of Material Issues	17	
3-2	List of major Issues	1.3 Analysis of Material Issues	17	
Major issue: Ethical corporate management				
3-3	Major issues management	Management Policy for Ethical Corporate Management	26	
		2.4. Honesty and Integrity and Regulatory Compliance	45	
GRI 205: Anti-corruption 2016	205-2 Communication and training on anti-corruption policies and procedures	2.4. Honesty and Integrity and Regulatory Compliance	45	
	205-3 Confirmed incidents of corruption and actions taken	2.4. Honesty and Integrity and Regulatory Compliance	45	
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	45	
Major issue: Talent cultivation				
3-3	Major issues management	Management policy for talent development and retention	86	
		4.2 Talent Attraction and Retention	91	
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	4.2 Talent Attraction and Retention	91	
	404-2 Employee Capability Enhancement and Transition Assistance Plan	4.2 Talent Attraction and Retention 4.3 Employee Rights and Benefits	91 88	
	404-3 Percentage of employees receiving regular performance and career development reviews	4.2 Talent Attraction and Retention	91	
Major issue: Customer service and satisfaction				
3-3	Major issues management	Customer Relationship Management Policy 3.3 Customer Relationship Management	60 68	
Material issue: Economic performance				
3-3	Major issues management	Economic Performance Management Policy 2.2 Operation Overview	24 33	

GRI Subject	Disclosure item	Corresponding chapter	Page number	Reason for omission/explanation
Material issue: Economic performance				
GRI 201: 2016Economic Performance 2016	201-1 Direct economic value generated and distributed by organization	2.2 Operation Overview	33	
	201-4 Financial assistance from the government	2.2 Operation Overview	33	
Major issue: Talent retention				
3-3	Major issues management	Management policy for talent development and retention	86	
		4.3 Employee Rights and Benefits	98	
GRI 201: Economic Performance 2016	201-3 Defined benefit system obligations and other retirement plans	4.3 Employee Rights and Benefits	98	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared with local minimum wage	4.2 Talent Attraction and Retention	91	
	202-2 Proportion of senior management hired from local community	4.2 Talent Attraction and Retention	91	
GRI 401: Labor relations 2016	401-1 New employee hires and resigned employees	4.2 Talent Attraction and Retention	91	
	401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	4.3 Employee Rights and Benefits	98	
	401-3 Parental leave	4.3 Employee Rights and Benefits	98	
GRI 405: Employee diversity and equal opportunities 2016	405-2 Ratio of the basic salary and remuneration of women to men	4.2 Talent Attraction and Retention	91	
Major issue: Customer privacy and information security				
3-3	Major issues management	Customer Privacy and Information Security Management Policy	28	
		2.6 Information and Cyber Security Management	56	
GRI 418: Customer privacy 2016	418-1Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.6 Information and Cyber Security Management	56	
Voluntary Disclosure Indicators				
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	71	

GRI Subject	Disclosure item	Corresponding chapter	Page number	Reason for omission/explanation
Specific theme standard: 200 economic indicators				
GRI 204: Procurement practices 2016	204-1 Proportion of procurement expenses to local suppliers	3.1 Supply Chain Management	62	
Specific theme standard: 300 economic indicators				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	3.5 Environmental Protection	79	
	302-3 Energy intensity	3.5 Environmental Protection	79	
	302-4 Reducing energy consumption	3.5 Environmental Protection	79	
GRI 305: Emissions 2016	305-1 Direct (Range 1) GHG emissions	3.5 Environmental Protection	79	
	305-2 Energy indirect (Range 2) GHG emissions	3.5 Environmental Protection	79	
	305-3 Other indirect (Scope 3) GHG emissions	3.5 Environmental Protection	79	
	305-4 Greenhouse gas emission intensity	3.5 Environmental Protection	79	
Specific theme standard: 400 social indicators				
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice period for operational changes	4.3 Employee Rights and Benefits	98	
GRI 403: Occupational safety and health 2018	403-1 Occupational safety and health management system	4.4 Employee Safety and Health	102	
	403-2 Hazard identification, risk assessment and incident investigation	4.4 Employee Safety and Health	102	
	403-3 Occupational health services	4.4 Employee Safety and Health	102	
	403-4 Worker participation, consultation, and communication on occupational safety and health	4.4 Employee Safety and Health	102	
	403-5 Worker training on occupational safety and health	4.4 Employee Safety and Health	102	
	403-6 Promotion of worker health	4.4 Employee Safety and Health	102	
	403-7 Prevention and mitigation of impact on occupational safety and health directly linked to business	4.4 Employee Safety and Health	102	
	403-8 Workers covered by occupational safety and health management system	3.1 Supply Chain Management	62	
	403-9 Occupational injuries	4.4 Employee Safety and Health	102	
	403-10 Occupational disease	4.4 Employee Safety and Health	102	

GRI Subject	Disclosure item	Corresponding chapter	Page number	Reason for omission/explanation
Specific theme standard: 400 social indicators				
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	39 91	
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	62	
	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	45 62	
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	33 62	
	417-2 Incidents of non-compliance concerning product and service information and labeling	2.4. Honesty and Integrity and Regulatory Compliance	45	
	417-3 Incidents of non-compliance with marketing communication regulations	2.4. Honesty and Integrity and Regulatory Compliance	45	

Note: The voluntary disclosure indicators in the table above have not been verified by a third party.

Appendix 2: BSI Independent Assurance Opinion Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

Weikeng Industrial Co., Ltd. 2023 Sustainability Report

The British Standards Institution is independent to Weikeng Industrial Co., Ltd. (hereafter referred to as Weikeng in this statement) and has no financial interest in the operation of Weikeng other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of Weikeng only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by Weikeng. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Weikeng only.

Scope

The scope of engagement agreed upon with Weikeng includes the following:

1. The assurance scope is consistent with the description of Weikeng Industrial Co., Ltd. 2023 Sustainability Report.
2. The evaluation of the nature and extent of the Weikeng's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Weikeng Industrial Co., Ltd. 2023 Sustainability Report provides a fair view of the Weikeng sustainability programmes and performances during 2023. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the Weikeng and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate Weikeng's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assessors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that Weikeng's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to Weikeng's policies to provide a check on the appropriateness or statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 10 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that Weikeng has sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Weikeng's inclusivity issues.

Materiality

Weikeng publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of Weikeng and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Weikeng's management and performance. In our professional opinion the report covers the Weikeng's material issues.

Responsiveness

Weikeng has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for Weikeng is developed and provides the opportunity to further enhance Weikeng's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the Weikeng's responsiveness issues.

Impact

Weikeng has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Weikeng has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the Weikeng's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

Weikeng provided us with their self-declaration of in accordance with GRI Standards 2011 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the Weikeng's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The sustainability report is the responsibility of the Weikeng's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14004, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan



Statement No: SRA-TW-808263
2024-07-04

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Appendix 3: 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 and %	Total energy consumption of 3,176.03 GJ, 87.58% purchased electricity, and no utilization of renewable energy.
2.Total water intake and total water consumption	Quantization	m ³	Total water intake 4.52 m ³ Not applicable (as Weikeng 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	Six commuting traffic accidents, accounting for 1.22%.
5.Disclosure of product life cycle management: including the weight of scrapped products and electronic waste, and the percentage of recycling.	Quantization	Ton and %	Scrapped products and electronic waste weighed 0.24 tons, and the percentage of recycling was not applicable. (Because Weikeng's industry type is a channel service industry, it does not engage in actual production but only manages warehousing and sales locations. In 2023, the weight of scrapped products and electronic waste totaled 0.24 metric tons. We engaged waste disposal contractors approved by the local Environmental Protection Bureau to handle the subsequent recycling. However, further statistics on the actual percentage of recycling were not available.)
6.Description of risk management related to the use of key materials.	Not applicable.	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 (There were no legal proceedings related to anti-competition regulations).
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: 407,758,810 pcs Hybrid and dispersed components: 2,574,266,207 pcs

Appendix 4: 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 Change	71
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 Change	71
3. Describe the financial impact of extreme climate events and transformation actions.	3.4 Response to Climate Change	71
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	3.4 Response to Climate Change	71
9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies, and concrete action plans	3.5 Environmental Protection	79

Appendix 5: Comparison Table of SASB Standards by International Sustainability Standards Board - Electronic Manufacturing Services & 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: 4.52 m ³ (2) Total water consumption: Not applicable (as Weikeng 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 2023.
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 1.22, 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	Not applicable (Because Weikeng's industry type is a channel service industry, it does not engage in actual production but only manages warehousing and sales locations, and does not supply relevant raw materials. Therefore, the regulations governing the RBA are not applicable). For vendor suppliers who are RBA Alliance members, please refer to 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	Not applicable (Because the Company's industry type is a channel service industry, it does not engage in actual production but only manages warehousing and sales locations, and does not supply relevant raw materials. Therefore, the regulations related to validated audit process (VAP) of the RBA are not applicable). For vendor suppliers who are RBA Alliance members, please refer to 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	Not applicable (Because Weikeng's industry type is a channel service industry, it does not engage in actual production but only manages warehousing and sales locations. In 2023, the weight of scrapped products and electronic waste totaled 0.24 metric tons. We engaged waste disposal contractors approved by the local Environmental Protection Bureau to handle the subsequent recycling. However, further statistics on the actual percentage of recycling were not available.)

Disclosed theme	Indicator code	Accounting indicator	Nature	Response
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 warehousing and sales bases; there are a total of 6 operating bases in Taiwan, including Taipei Neihu Headquarters, Neihu Tanmei Storage Center, Taoyuan Housheng Storage Center, and Central South Liaison Offices (Hsinchu, Taichung, and 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 121,869.41 square feet.
	TC-ES-000.C	Number of in-service employees	Quantization	In 2023, Weikeng had a total of 488 employees.

The background is a vibrant green with a watercolor-like texture. A dark green silhouette of a plant with long, spiky leaves is positioned on the left side. Numerous small, semi-transparent yellow and white squares are scattered across the entire background, creating a sense of depth and movement.

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