



YFC-BonEagle

YFC-BONEAGLE ELECTRIC CO., LTD.

2023 Sustainability Report

# About the Sustainability Report

## Report Structure

This report follows the core option of the Global Reporting Initiative (GRI) Sustainability Reporting Standards. For the GRI content index, please refer to Appendix P.48.

## Reporting Boundaries

The disclosed data primarily covers YFC-BONEAGLE ELECTRIC CO., LTD. 's parent company in Taiwan. If the report includes production information from the two factories in China (Dongguan and Wuxi) or the factory in the Philippines, it is clearly noted. The financial data is derived from the audited consolidated financial statements. In line with TPEX' s sustainable development roadmap, the disclosure scope will be expanded in future years to align with the consolidated financial reporting entities

## Reporting Period

The report focuses on the 2023 financial year, with some disclosed information tracing back to 2021-2022.

## Reporting Cycle

This is the fifth sustainability report issued by the YFC Group, with the publication cycle planned as an annual release.

## Report Source and Review

The data is provided by various departments, and the financial performance is verified by accountants to be consistent with the annual report figures.

## Contact

For any questions or suggestions regarding this report or the company, feel free to contact us using the following details:

YFC-BONEAGLE ELECTRIC CO., LTD.

Address: No. 12-9, Lane 130, Section 2, Zhongshan East Road, Xinwu District, Taoyuan City

Phone: +886-3-4778846

Email: [Speaker@cables.com.tw](mailto:Speaker@cables.com.tw)

Website: [www.cables.com.tw](http://www.cables.com.tw)

# Words from the management

## -Brotherhood Everywhere-

If you have a broad enough heart to care about your colleagues and customers, genuinely valuing their well-being and treating them as you would treat yourself, they will become your family. From this comes loyalty, partnership, and shared prosperity. °

## YFC's Core Strategies and Values

### Establishing a Global Brand Business

- Since 2004, YFC has been committed to building global connectivity services under its brand. We choose to differentiate through the vertical integration of brand connectivity.
- Most of our acquisition projects have been completed at less than one times the sales ratio.
- We have achieved growth momentum through the core competitiveness of the industry and acquisitions

### Organizational Transparency & Alignment of Stakeholder Interests

- We implement transparency and accountability within the organization.
- All major subsidiaries are 100% owned.
- The founders and board members hold 36% of the shares.

### Cultivating Employee Loyalty with a Benevolent Corporate Culture

- We foster employee loyalty through fair and reasonable compensation and rewards.
- To date, five founding shareholders remain with YFC, and management teams from Monoprice and Prime acquisitions are still in place.
- We have many senior and mid-level management talents to ensure the continuity of the management team in the future.

Since its establishment in 1983, YFC has consistently evolved over the past forty years, constantly advancing toward internationalization. Rather than solely expanding production capacity, YFC has focused on differentiating its brand, taking steady steps to deeply root in Taiwan while expanding globally. In 1990, YFC shifted the production of labor-intensive products like plug processing and high-speed transmission patch cords to mainland China, moving toward a "one-stop production" model while continuing to expand its operations. Taiwan, meanwhile, was transformed into an automated production base for high-grade network cabling, further enhancing global competitiveness.

# Words from the Management

In 2003, YFC successfully became publicly OTC-listed and further integrated global resources, leveraging the advantages of the Greater China region to divide production and research into different product categories. Later in 2004, YFC shifted from manufacturing to distribution by establishing B2B and network cabling equipment distribution companies in Los Angeles, USA, and Germany, officially entering the service sector and directly engaging with the European and American consumer markets. Then, YFC acquired the Prime physical distribution company in 2006, marking a new milestone in internationalization. The company implemented a model where orders were received by headquarters and manufacturing outsourced to factories in China, allowing for a reasonable distribution of profits to Taiwan. This not only fulfilled tax obligations but also created local employment opportunities. In 2016, YFC acquired the e-commerce brand Monoprice, entering the B2C e-commerce sector and achieving a "one-stop" model from production to sales. Today, 80% of the group's combined revenue comes from distribution, which strengthens the factories' development momentum, enhances order-taking capabilities, diversifies products, and integrates the supply chain to offer consumers the most suitable products and services. °

To take the challenge of rapid changes and the intense competitive of the market, YFC had developed short-term and long-term Strategies. In the short term, YFC plans to integrate end-sales, distribution, and production to effectively meet customer demands and control manufacturing costs, providing the most valuable products to drive both revenue and profitability growth. The U.S. sales subsidiary will actively develop 5G/AI-related products, expand into new energy vehicle power transmission, advanced driver assistance systems, and high-end cabling. In addition, it will increase efficiency at the Philippine plant, accelerate the development of suppliers outside China, and expand markets in North America and Southeast Asia. On the other hand, In the long term, YFC aims to increase sales share in Europe, Southeast Asia, and Australia-New Zealand, establish a Southeast Asian expansion hub, participate in government infrastructure projects, and provide high-quality products to meet market demand. Through multi-channel sales under its own brand, YFC will cater to diverse consumer groups.

Faced with geopolitical influences and sustainability demands, particularly the U.S.-China relationship and the need for carbon reduction, YFC is actively responding by establishing a new factory in the Philippines and seeking qualified suppliers in Vietnam, Thailand, and other countries. This strategy will reduce production costs and diversify investment risks. To meet global carbon reduction goals, YFC has already begun conducting greenhouse gas (GHG) emission inventories and will establish and implement reduction targets. Through production optimization and the establishment of energy-saving and carbon-reduction management systems, YFC aims to achieve sustainable corporate development.

# Contents

01

About the  
Sustainability  
Report

02

Words from  
the  
management

05

I. About YFC

12

II. Stakeholder  
engagement

16

III. Company  
governance &  
operation

30

IV.  
Environment  
protection

41

V. Friendly  
workplace

46

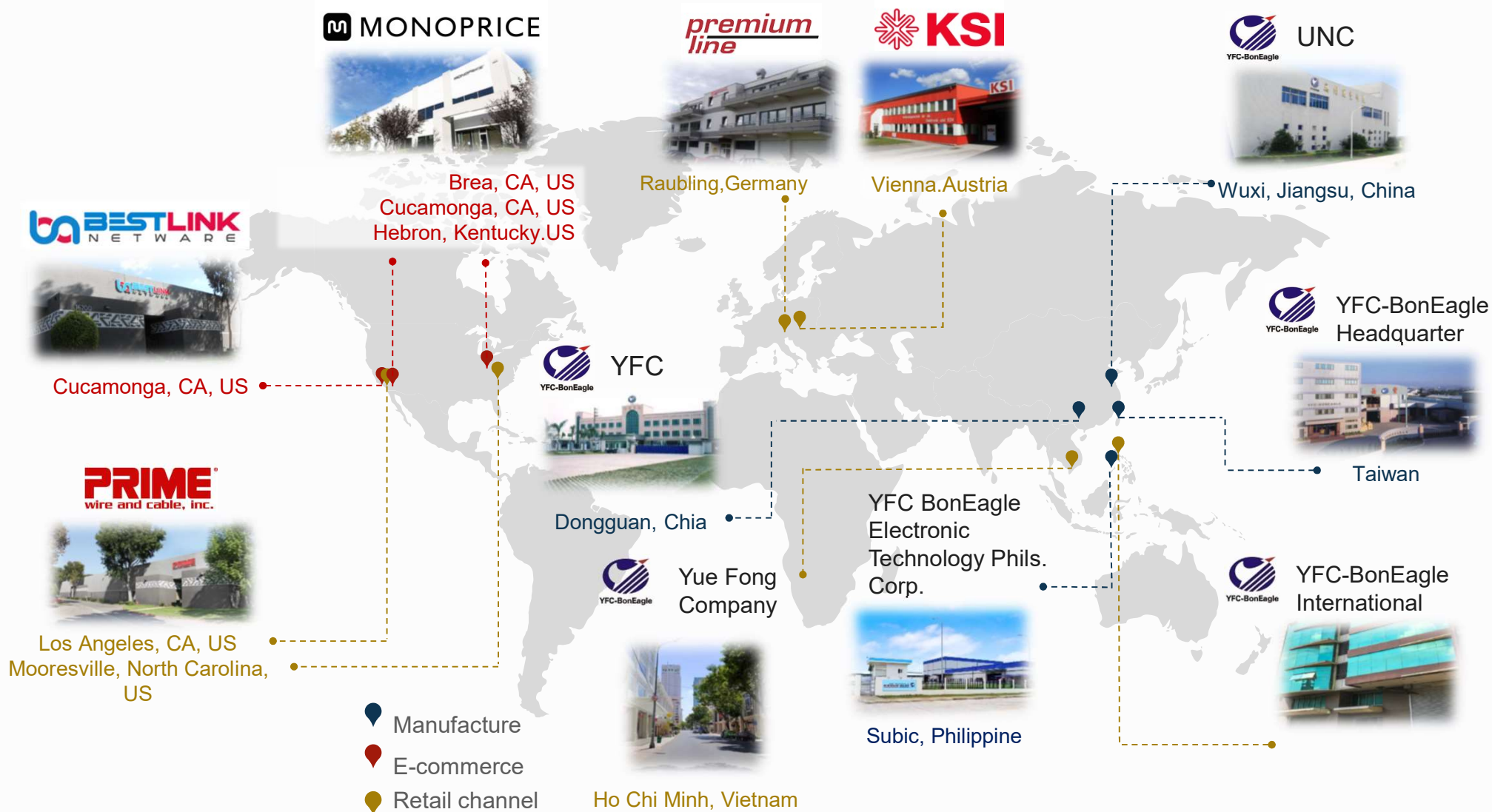
VI. Social Care

47

Appendix

# YFC AROUND THE WORLD

YFC-BONEAGLE ELECTRIC CO., LTD. was founded in 1983. Its main products in the past included 3C power cords, networking cables, and cable connectors. In recent years, the company has actively developed e-commerce platforms, its own brand of connectivity, and ODM (Original Design Manufacturing) services for branded electronics businesses. By expanding its connectivity offerings into the electronics market, YFC has not only increased its product range but has also integrated a comprehensive sales and production supply chain. This strategy effectively meets customer demands and controls manufacturing costs. YFC aims to provide the highest value products (industrial, commercial, and consumer goods) to global consumers.



# YFC Milestone



# Participation in Public Associations and Organizations



- Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)
- Wire and Cable Association
- Taipei Computer Association (TCA)



- Strait Economic and Cultural Interchange Association
- Knowledge Economy Association in Taiwan(KEAT)
- TPIDC



- Rising Star Award fellowship
- SME award fellowship
- Taiwan Acquisition and Private Equity Council



- National Association of Small and Medium enterprise
- Chinese professional enterprise association

# Managing Vision and Core Competitivity

## Excellent

Professionalism of technology; Excellent function of product.

## Innovation

Innovation of creating product with New ideas

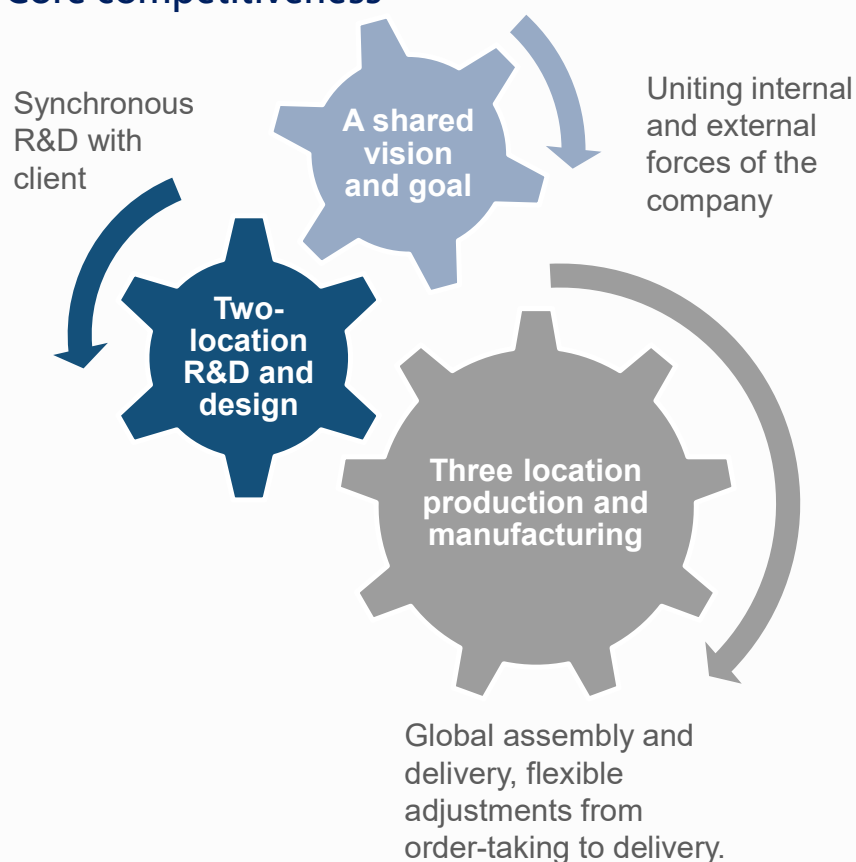
## Honest

Honesty to employees;  
Honesty to customer

## integrity

Operating in austerity;  
Endlessly endeavoring

## Core competitiveness



YFC has continuously expanded and refined its operations since 1983, achieving international and global business development. With our Taiwan headquarters serving as the main administrative, R&D, and operations center, production, assembly, and delivery are spread across regions such as China, the Philippines, the United States, and Europe.

Adhering to the core philosophy of "rooting in Taiwan, ensuring sustainable development, and looking towards the international market," the company leverages its global presence to quickly and flexibly adapt to meet the needs of current and future clients.

## Intellectual Rights

YEAR	2023	2022	2021
Application	0	1	1
Under review	0	0	0
approval	0	1	1

# Business overview

## Business overview



### Manufacture

Business Unit:

YFC 、 UNC 、

YFC Dongguan

With owning over 12,000 square meters factory, YFC produces power cord, networking cable and accessories to supply Monoprice, Prime and outside costumer.



### Trading & Distribution

Business Unit:

Prime 、 Premium-line

KSI

Prime is a B2B sales brand that sells products to brick-and-mortar retailers. It is a leading U.S. supplier of extension cords, surge protectors, and power outlets, with Lowe's being its primary customer.



### E-commerce

Business Unit:

Monoprice 、 Bestlink

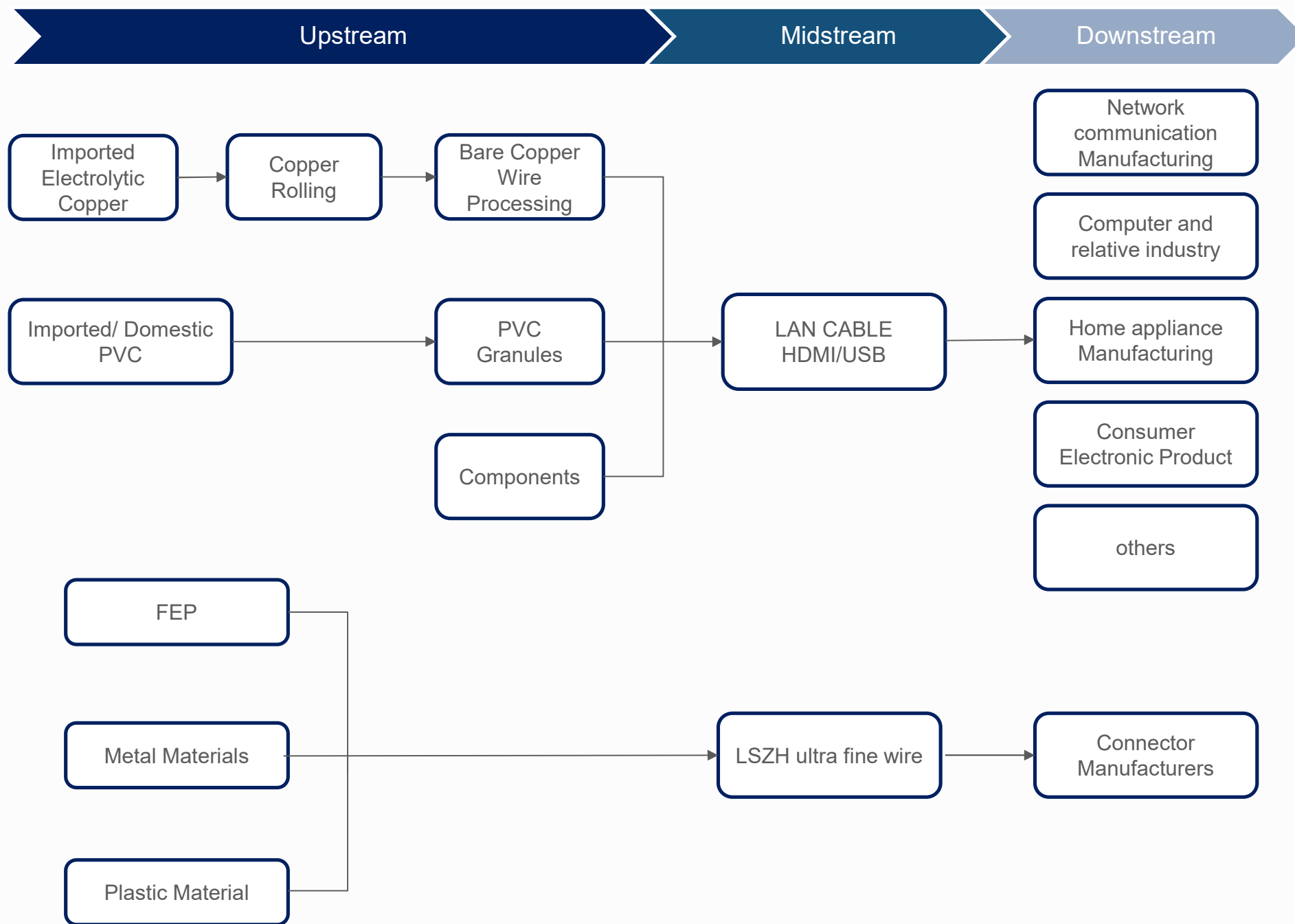
YFC-BonEagle International (PH)

Our e-commerce platform offers over 6,500 3C products for sale, with a core focus on its own branded products. Its primary customer base consists of tech enthusiasts, and retail prices are 30-70% lower than those of competitors.

## Proportion of sales channel

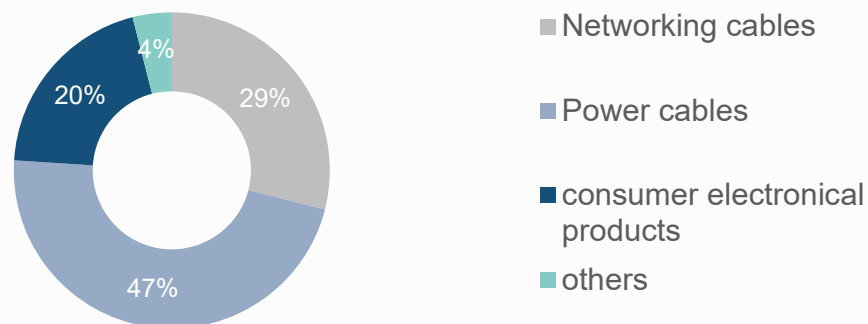
	Manufacture	Trading & Distribution	E-commerce
2023	33.56%	29.57%	36.87%
2022	36.76%	27.21%	36.03%
2021	32.01%	26.71%	41.28%

# Industry Chain



# Product/Market Distribution

## Proportion of main product revenue



## Sales proportion by region

UNIT: Thousand NTD

YEAR		<u>2023</u>		<u>2022</u>		<u>2021</u>	
Region		amount	rate	amount	rate	amount	rate
Domestic	TW	319,090	3%	298,890	2%	320,503	3%
	US	8,367,740	85%	10,028,889	86%	10,101,886	81%
Export	CHINA	263,779	3%	305,183	3%	718,956	6%
	CANADA	305,851	3%	346,734	3%	390,074	3%
	ENGLAND	52,156	1%	93,031	1%	99,839	1%
	OTHERS	529,315	5%	597,898	5%	815,670	6%
TOTAL		9,837,931	100%	11,670,625	100%	12,446,928	100%

# Stakeholder Engagement

Stakeholder	Issue	Communicate Tunnel	Frequency
Employees	Labor-Management Relations Talent Attraction Occupational Safety and Health Employee Diversity and Gender Equality	Complaint Box Labor-Management Meetings Welfare Committee	Irregular, Quarterly, Irregular
Client	Product Credit and Quality Client Relationship Information Security Technological Innovation	Phone, Email, Visits, Meetings, Customer Satisfaction Survey	Immediate, Irregular, Irregular
Supplier	SCM	Phone, Email, Visits, Supplier Audits	Immediate, Irregular
Investor/Shareholders	Corporate Governance Operational Performance Ethical Business Practices Risk Management	Spokesperson, Shareholder Agency Hotline, Shareholder Meetings, Investor Briefings, MOPS	Immediate, Annually, Irregular, Immediate
Government Agency	Corporate Governance Regulatory Compliance Pollution and Emission Management Scrap and Hazardous Substance Management Energy resource Management/Recycling	Official Correspondence, Regulatory Briefings, Seminars	Irregular
Community/NGOs	Social Care and Neighborhood Engagement Human Rights and Equality Employee Diversity and Gender Equality Environmental and Climate Change Management	External Communication Mailbox, Various Community Activities, Seminars.	Immediate, Irregular, Irregular

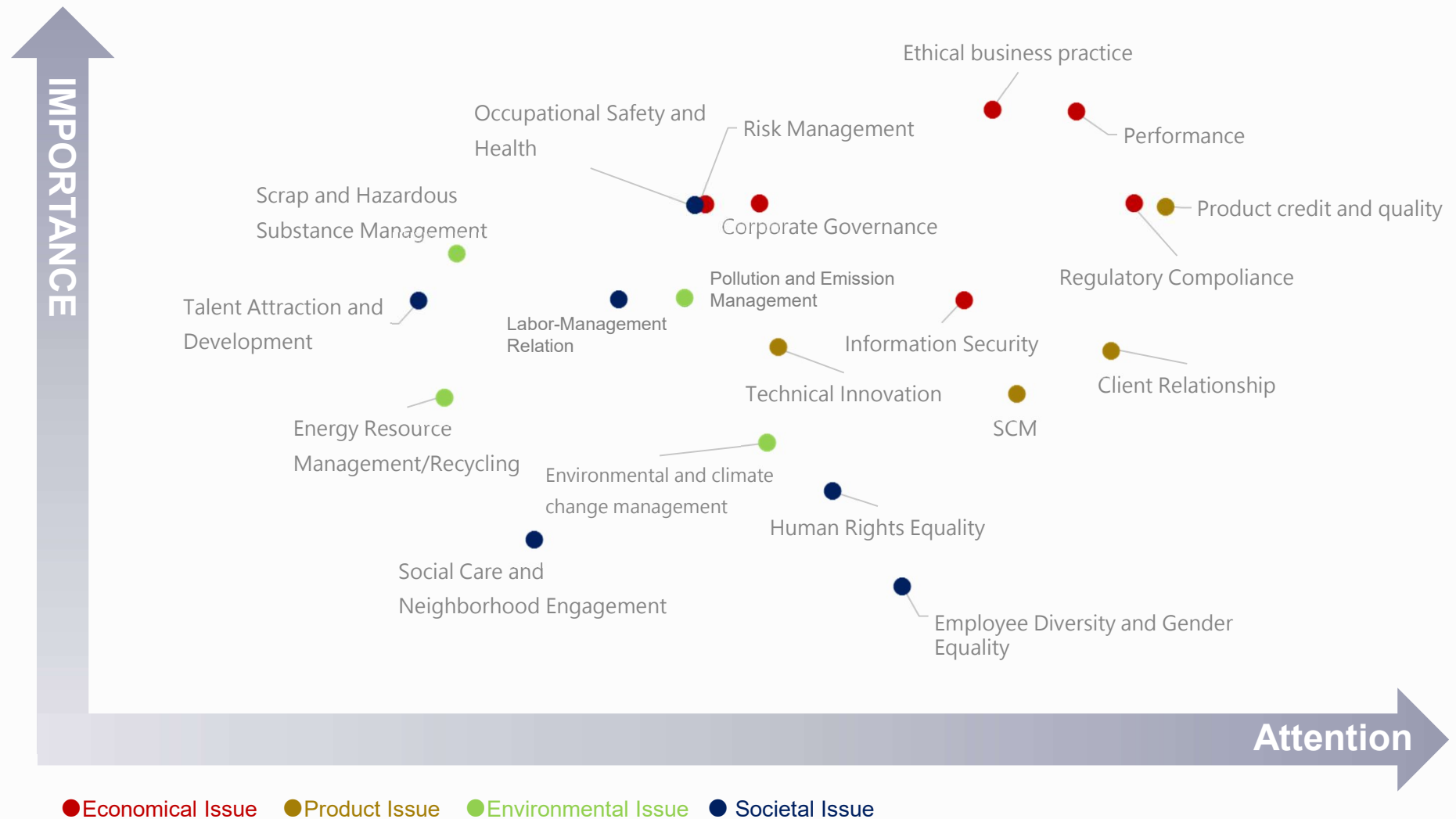
# Stakeholder Engagement

Major Issue		Internal Impact	External Impact				
			Client	Supplier	Investor	Government	Community
Economic	Performance	●		●	●		
	Corporate Governance	●	●		●	●	
	Integrity Management	●	●	●	●	●	
	Risk Management	●	●	●		●	
	Regulatory Compliance	●	●	●	●		
	Information Security	●	●	●	●		
Product	Product Reputation	●	●	●	●		
	SCM	●	●	●	●		
	Technological Innovation	●	●				
	Customer Relationship Management	●	●	●	●		
Environment	Environmental and Climate Change Management	●			●		
	Energy Resource Management/ Recycling	●		●		●	
	Hazardous Waste and Substance Management	●		●		●	●
	Pollution Prevention and Emission Management	●					

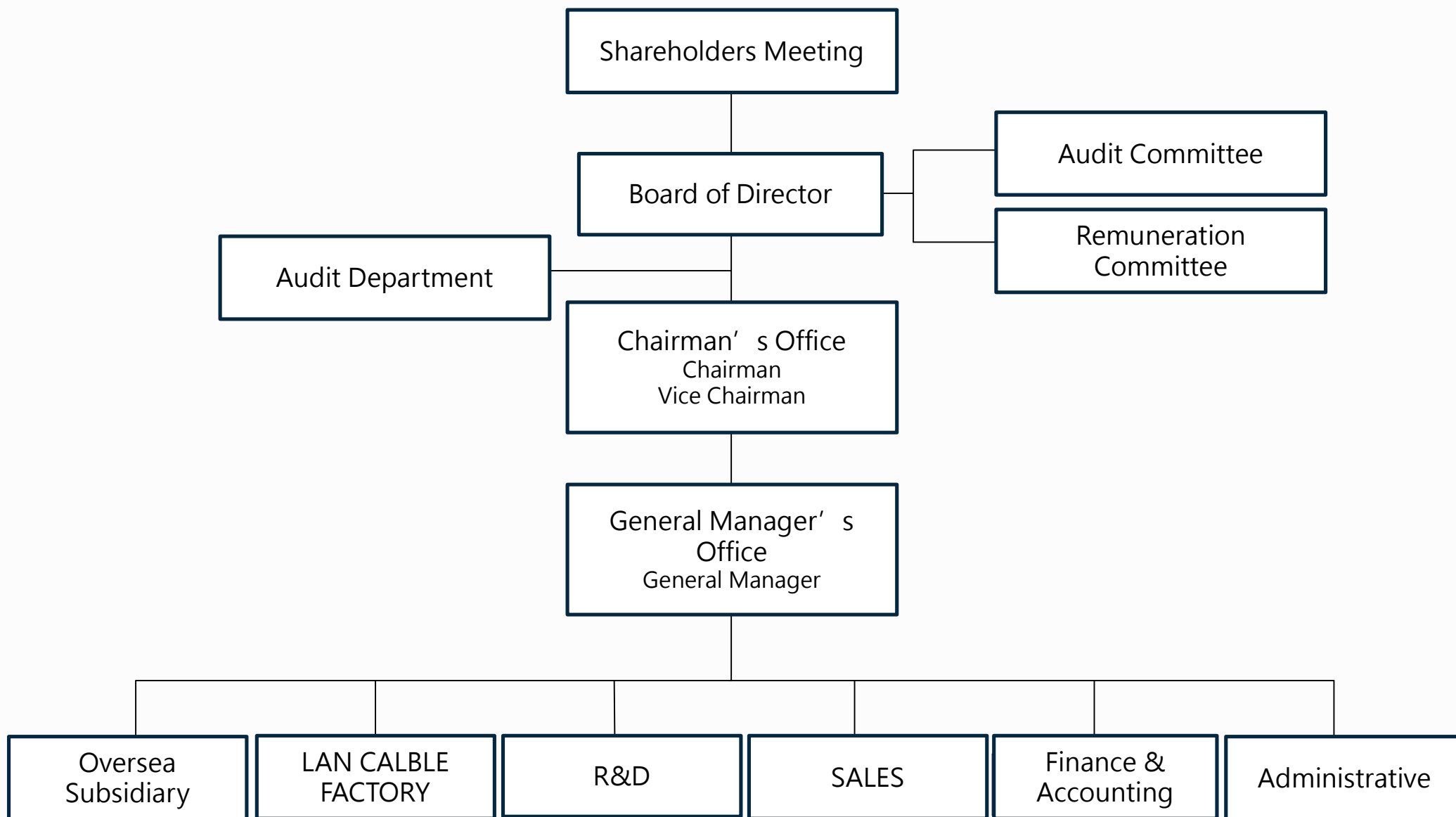
# Impact of Major Issue

Issue		Internal Impact	External Impact				
			Client	Supplier	Investor	Government	Community
Society	Talent Attraction and Cultivation	●				●	●
	Labor-Management Relationship	●			●	●	
	Occupational safety and health	●		●	●	●	
	Employee Diversity and Gender Equality	●			●		
	Human rights equality	●			●		
	Social Care and Neighborhood Engagement	●					●

# Matrix Diagram of Major Issue

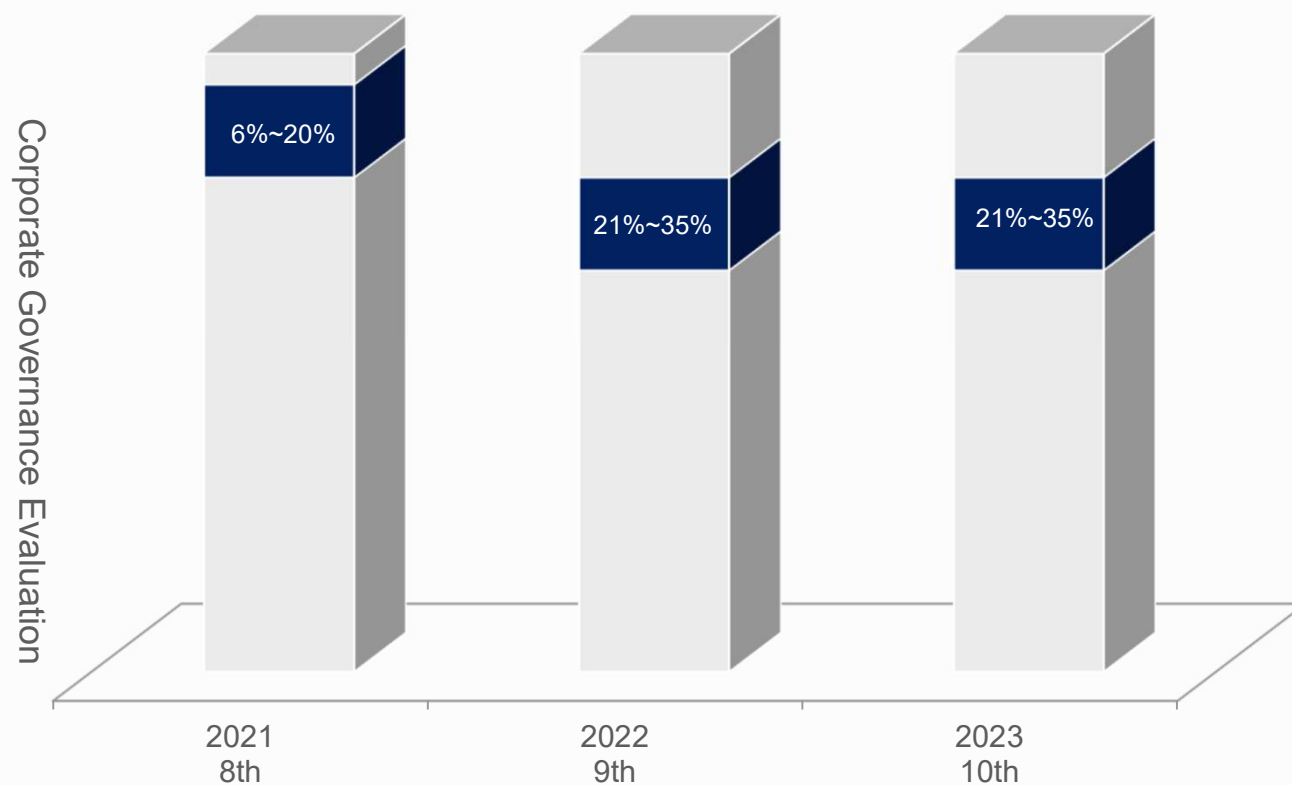


# Structure of Corporate Governance



# Corporate Governance Evaluation

The results of our company's 2023 10th Corporate Governance Evaluation indicate that we are within the top 21%–35% among 754 evaluated OTC companies.



## Board of Director

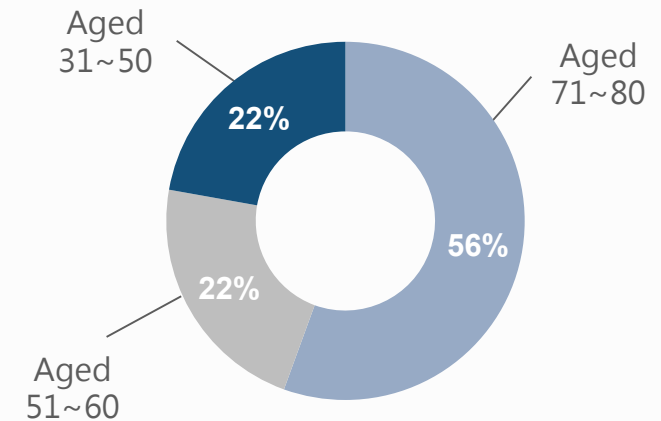
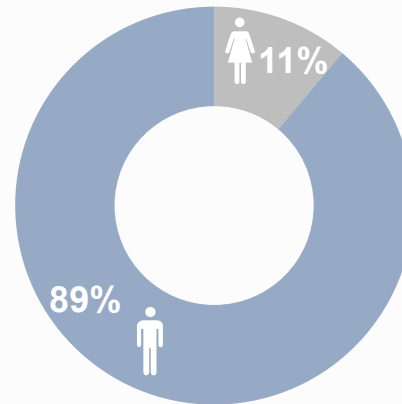
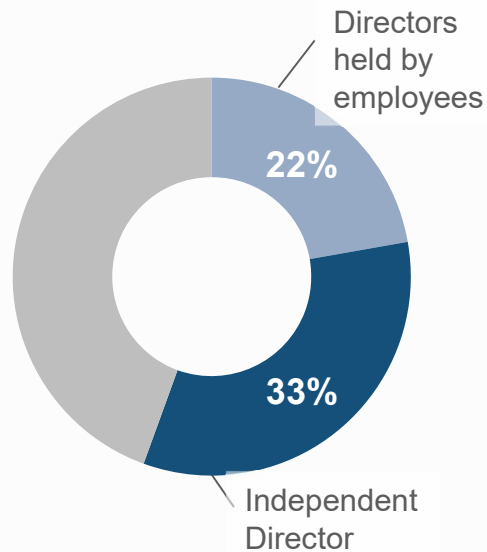
The company's Board of Directors consists of 6 directors and 3 independent directors. The 11th Board convened 6 meetings from 2023/01/01 to 2023/12/31. In 2020, the company established a performance evaluation policy for the Board of Directors, which was approved by the Board. According to the policy, the company conducts performance evaluations for the Board, individual board members, and functional committees at regular intervals, and the results are reported in the company's comprehensive report and annual report.

The 2023 evaluation covered performance reviews of the Board, individual board members, and functional committees, with results presented to the Board on March 15, 2024. The 2023 performance evaluations indicated excellent ratings or higher across the Board, members, and all functional committees, showing that Board members and committees effectively fulfilled their roles and provided positive assessments of efficiency and operations. To enhance directors' and managers' understanding of the Securities and Exchange Act and to strengthen compliance with corporate governance regulations, the company not only provides updates on recent legal amendments in Board meetings but also encourages active participation in seminars and discussions related to corporate governance organized by regulatory authorities. Additionally, regular governance training is arranged to maximize director effectiveness and achieve corporate governance objectives.

Position	Name	Gender	Actual Attendance	Appointment of Attendance	Actual Attendance Rate	Total hours
Chairman	Andrew Yeh	M	6	0	100%	6
Vice Chairman	Grow Lin	M	6	0	100%	12
Director	Chang, Lung-Kwang	M	6	0	100%	6
Director	Lin, Yen-Ting	M	5	0	83%	6
Director	Yeh, Shou -Wen	M	6	0	100%	6
Director	Yeh, Chia-Yi	F	6	0	100%	6
Independent Director	Lee, Han -Tzong	M	6	0	100%	9
Independent Director	Chen, Chao-Ting	M	6	0	100%	6
Independent Director	Lin, Tzeng-show	M	6	0	100%	6

## Diversification of the Directors

The company has established the "Corporate Governance Practice Guidelines" and formulated a diversity policy for Board members. The nomination and selection of directors follow a candidate nomination system, with a rigorous nomination process that balances the company's business development scale and operational needs. Currently, there are 9 seats on the Board, with approximately 22% held by employees, 33% by independent directors, and 11% by female directors. The age distribution of the company's directors is as follows: 5 directors aged 71–79, 2 directors aged 51–60, and 2 directors aged 31–50.



## Status of Directors Diversification

Title	Name	Gender	Education Qualification and experience	Management	Leadership and decision making	Risk Management	Industrial knowledge	Finance and Accounting	marketing
Chairman	Andrew Yeh	M	Entrepreneur Management Advanced Program by NCCU EMBA Association Chairman, YFC	V	V	V	V	V	V
Vice Chairman	Grow Lin	M	National Taipei University, EMBA Vice Chairman, YFC Lecturer, Taiwan Academy of Banking and Finance Associate Professor, Asia Eastern University of Science and Technology	V	V	V	V	V	V
Director	Chang, Lung-Kwang	M	Bachelor in Mechanical Engineering, National Cheng Kung University Manager, Lu Her Wires and Cables Co., Ltd.	V	V	V	V		V
Director	Lin, Yen-Ting	M	Entrepreneur Management Advanced Program by NCCU EMBA Association	V	V	V	V	V	V
Director	Yeh, Shou - Wen	M	Taipei Senior High School Office Staff, Taipei City Government Consultant, Care360Tek Co., Ltd.	V	V	V			V
Director	Yeh, Chia-Yi	F	Dowling College Finance Chief Administrative Officer, VA&G Bioscience Inc.	V	V	V		V	V
Independent Director	Lee, Han – Tzong	M	University of South Australia, Business Management PhD Manager, ITRI Information and Communications Research Laboratories. 2.Assistant Professor, Minghsin University of Science and Technology, BA Dept.	V	V	V	V	V	V
Independent Director	Chen, Chao-Ting	M	National Central University, MBA CPA, Top New & Co., CPAs Firm	V	V	V	V	V	V
Independent Director	Lin, Tzeng-Show	M	National Taipei University of Technology, MBM Executive Director & President, Taiwan Business Bank	V	V	V		V	V

## Audit Committee

The company established an Audit Committee on June 18, 2019, composed entirely of independent directors. The current committee members' term runs from June 21, 2022, to June 20, 2025. In addition to holding regular quarterly meetings to keep abreast of the company's operating status, the members actively participate in committee operations and provide timely feedback. From January 1, 2023, to December 31, 2023, the committee convened a total of 6 meetings, with an attendance rate of 100%.

Position	Name	Gender	Actual Attendance	Appointment of Attendance	Actual Attendance Rate
Independent Director (Convener)	Lee, Han – Tzong	Male	6	0	100%
Independent Director	Chen, Chao-Ting	Male	6	0	100%
Independent Director	Lin, Tzeng-Show	Male	6	0	100%

The independent directors regularly communicate with the Chief of Internal Audit via phone, fax, or email. The Chief of Internal Audit reports the execution status and improvement actions for the audit plan and exchanges views on the effectiveness of internal controls with the independent directors, ensuring effective interactions. The 2023 communication summaries are as follows:

Date	Key Discussion Topics	Feedback of Independent Directors
2023/3/28	Report on the execution status of internal audit Discussing the effectiveness. Assessment of 2022's internal control system and the statement on internal controls	None
2023/5/11	Report on the execution status of internal audit	None
2023/8/11	Report on the execution status of internal audit	None
2023/11/10	Report on the execution status of internal audit 2024 audit plan	None

## Compensation Committee

The company's fourth Compensation Committee consists of three members, with the current term running from June 21, 2022, to June 20, 2025. From January 1, 2023, to December 31, 2023, the committee held a total of two meetings. The attendance of the members is as follows:

Position	Name	Gender	Actual Attendance	Appointment of Attendance	Actual Attendance Rate
Independent Director (Convener)	Lee, Han -Tzong	Male	2	0	100%
Independent Director	Chen, Chao-Ting	Male	2	0	100%
Independent Director	Lin, Tzeng-Show	Male	2	0	100%

# Compensation Committee

## Compensation Policy for Directors and Managers

1. The company's compensation for directors includes director remuneration and a monthly fixed director fee. If there is a profit for the year, up to 6% of the profit can be allocated as director remuneration. Independent directors are not eligible for profit-sharing remuneration. The profit for the year is defined as the pre-tax profit remaining after deducting employee compensation and director remuneration. Remuneration for directors is based on their participation level and contribution to the company's operations, with reference to industry performance standards. According to the company's "Compensation Management Regulations for Directors and Senior Managers" and the "Board Performance Evaluation Regulations," the board regularly evaluates the compensation and bonus standards for directors, which are then submitted to the board for resolution based on feedback from the Compensation Committee.
2. The compensation for managers includes base salary, allowances, and bonuses. According to the company's management regulations, a minimum of 6% of the annual profit is allocated as employee compensation. This compensation is determined based on performance, contribution to company-wide operational goals, and other relevant factors (such as achievement rates for company revenue, pre-tax profit, and post-tax profit). Reference to compensation levels for similar positions in the industry is also made. According to the company's "Compensation Management Regulations for Directors and Senior Managers," the Compensation Committee regularly evaluates the remuneration standards for managers, reviews the annual distribution of employee compensation for managers, and submits it to the Board of Directors for approval.
3. The company's remuneration for managers includes employee stock bonuses, managed through a dedicated trust account as a long-term incentive. The payout is based on overall company performance and individual achievements, aiming to retain outstanding management talent.

# Internal Control and Internal Audit

## Internal Control

To help establish an effective governance mechanism, create an appropriate internal control environment, and comply with regulatory requirements, the company has implemented an "Internal Control System" to ensure the achievement of the following objectives, aiming for the goal of sustainable corporate development:

1. Effectiveness and efficiency of operations
2. Reliability of financial reporting
3. Compliance with relevant laws and regulations

The Board of Directors holds ultimate responsibility for internal control, directing and supervising management at all levels to effectively implement internal controls. The Audit Committee oversees the design and execution of the company's internal control system for financial and business operations. When necessary, the committee may request reports from the Board or management to fulfill its supervisory role. Internally, the company follows the "Internal Self-Assessment Procedures Management Guidelines" and "Internal Audit Operations" to regularly review the effective implementation of the internal control system.

# Internal Control and Internal Audit

## Internal Audit

The company's Internal Audit is an independent unit that reports directly to the Board of Directors. In addition to presenting reports at regular board meetings, it also provides updates to independent directors, the chairman, and the general manager periodically or as needed.

The Internal Audit guidelines specify that the unit reviews the internal controls within the company's operational procedures and reports on the appropriateness, effectiveness, and efficiency of these controls' design and routine operations. The audit scope covers all company operations and its subsidiaries

### Establishing the Annual Audit Plan

- The audit department assesses the results of the risk evaluation to develop an annual audit plan. This plan includes monthly audit items, aiming to inspect the company's internal control systems.
- The annual audit plan must be submitted to the Board of Directors for approval.



### Executing Internal Audits

- Auditors carry out the audit based on the annual audit plan, completing attached worksheets and relevant documentation to create audit reports.
- If significant irregularities or severe damages to the company are identified, an immediate audit report is prepared and submitted to the audit committee.
- Audit reports and follow-up reports, once approved, are submitted to the audit committee and independent directors for review by the end of the month following the completion of each audit item.



### Deficiency Follow-up

- Auditor are required to truthfully disclose any deficiencies and irregularities in the internal control system identified during inspections in the audit report. After the report is approved, follow-up actions are taken, and regular follow-up reports are prepared to ensure that the relevant departments have promptly implemented appropriate corrective measures.

## Integrity Management

In 2017, our company's Board of Directors approved and implemented the "Integrity Management Guidelines" and the "Integrity Management Operational Procedures and Code of Conduct." These require directors, managers, and employees to adhere to principles of integrity. The aim is to embed integrity in business activities, promoting the establishment of a robust corporate governance and risk control framework.

## Code of Ethical Conduct

Our company's "Code of Ethical Conduct" clearly specifies items of ethical behavior to prevent conflicts of interest and protect stakeholders from improper actions in business dealings. It also outlines penalties and responsibilities for violations to reinforce a commitment to ethical behavior and strengthen the company's dedication to responsible conduct.

Our company values integrity in business operations. For any illegal or unethical incidents, the dedicated contact point for complaints and reports is :

Spokesperson : Connie

Email : [Speaker@cables.com.tw](mailto:Speaker@cables.com.tw)

TEL : (03)477-8846



## Regulatory Compliance

The company adheres to all relevant business, financial, social, human rights, and environmental protection laws. No major violations were reported during the 2023 reporting period.

## Information Disclosure

The company has established a bilingual (Chinese and English) website (<http://www.cable.com.tw>) and has designated personnel responsible for filing information with the Market Observation Post System, ensuring timely disclosure and regular updates on financial, business, and corporate governance information. Investors can also gain insights into the company's operational status through investor conferences and shareholders' meetings. To establish an internal mechanism for managing material information and to prevent improper information disclosure, while ensuring consistency and accuracy in the information released externally, the company has also established "Procedures for Handling Material Information" and "Procedures for Suspending and Resuming Trading," which are published internally. These procedures are integrated into the company's internal control system to uphold the principle of fair and symmetrical information disclosure.

# Risk Management

Type of Risk	Potential Risk	Management Strategy
Financial Risk	Interest Rate Changes	<ul style="list-style-type: none"> <li>Appoint a dedicated specialist to evaluate bank loan interest rates in response to market rate fluctuations and maintain close communication with banks. Regularly assess interest rates in the capital and money market and utilize various financial instruments (such as issuing convertible bonds or raising capital through cash injections) at appropriate times to secure more favorable loan rates.</li> </ul>
	Exchange Rate Changes	<ul style="list-style-type: none"> <li>Maintain close communication with the foreign exchange departments of financial institutions, continuously gather information on exchange rate fluctuations, fully track domestic and international exchange rate trends and changes, and promptly implement advantageous response measures.</li> <li>The primary transactions are quoted and settled in USD. To mitigate exchange rate fluctuations, the USD position is naturally hedged by offsetting accounts receivable and payable. In cases of short-term imbalances, foreign currency is bought or sold at real-time exchange rates to ensure that the net exposure remains at an acceptable level.</li> <li>Foreign currency funds are retained in foreign currency deposit accounts, with adjustments to the foreign currency holdings made as needed based on exchange rate fluctuations.</li> <li>When quoting to customers, a more conservative exchange rate is used as the basis to minimize the impact of exchange rate fluctuations on the profitability of confirmed orders.</li> </ul>
Capital Investment Risk	Major Capital Investment	<ul style="list-style-type: none"> <li>Significant equipment investments require the submission of an evaluation report and must be reviewed by the Audit Committee and the Board of Directors.</li> </ul>
Supply Chain and Material Risk	Raw Material	<ul style="list-style-type: none"> <li>The primary raw materials, copper and PVC, are subject to international price fluctuations. Therefore, to stabilize the supply chain, the company signs long-term contracts with suppliers. For orders with lead times exceeding three months, the company quotes customers based on locked-in copper futures prices. Additionally, following a prudent approach, the company requests that its main copper supplier prepare materials with staggered delivery schedules.</li> </ul>
	Supplier Concentration Risk	<ul style="list-style-type: none"> <li>The company seeks multiple highly-rated suppliers to ensure the quality of raw materials and to reduce the risk of supply shortages or interruptions.</li> </ul>

# Risk Management

Risk Type	Potential Risk	Management Strategy
Market Risk	Overly Concentrated Sales	<ul style="list-style-type: none"> <li>Continue strengthening relationships with existing customers and actively expand to develop new sources of customers.</li> </ul>
Environmental Safety Risk	Environment Management	<ul style="list-style-type: none"> <li>The company has obtained ISO14001 environmental management system certification and maintains it, achieving environmental protection in the production process to reduce negative environmental impacts and improve environmental performance.</li> </ul>
Management Risk	Information Safety	<ul style="list-style-type: none"> <li>Private network line is established between the company and its affiliated entities for data and voice transmission. Firewalls are installed externally by the company and its related entities to prevent external intrusions.</li> <li>Management has established corresponding supervision processes for related companies.</li> </ul>
Law and policy Risk	Changes in Policy and Law	<ul style="list-style-type: none"> <li>Continuously monitor significant domestic and international policy and legal changes, and proactively propose timely response measures.</li> </ul>
Industrial Environment Risk	Technological Changes and Industry Shifts	<ul style="list-style-type: none"> <li>Eco-friendly products and the wireless communication world represent future trends, with increasing integration across industry supply chains. The company and its subsidiaries will leverage their advantages in product technology and quality, align with industry integration, and seek strategic alliances with major domestic and international companies to maximize profitability.</li> </ul>
Trade War risk	The tariff impact of the U.S.-China trade war	<ul style="list-style-type: none"> <li>Accelerate the establishment of production facilities outside of China to diversify manufacturing bases and mitigate the impact of U.S.-China tariff competition.</li> </ul>

# Financial Performance and Economic Value Distribution

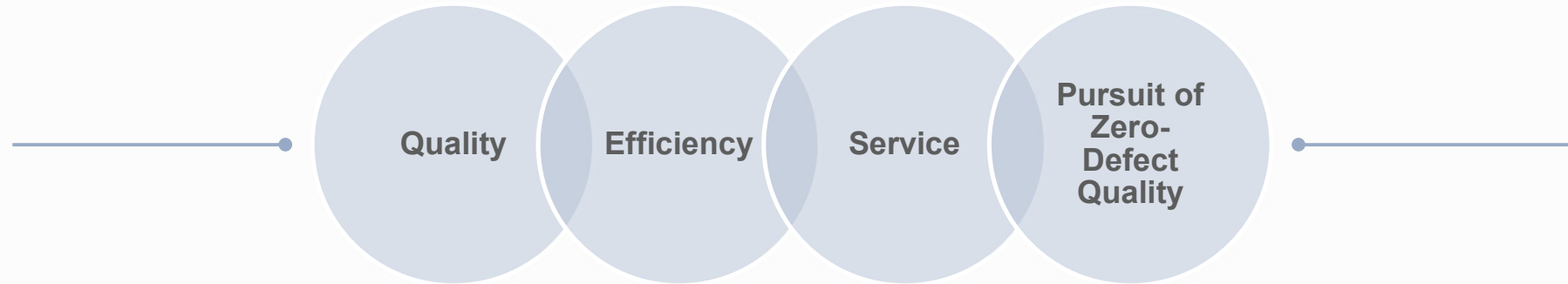
UNIT: NTD thousands

		Year(Consolidated Financial Statement)		
		2023	2022	2021
	Sales Revenue	9,837,931	11,670,625	12,446,928
	Gross Profit	1,985,552	2,286,817	2,632,499
	Operation Expense	2,604,559	2,657,299	2,419,900
	Operating Profit	(619,007)	(370,482)	212,599
	Non-Operating Expense	(12,859)	1,808,699	(80,215)
	Pre-Tax Income	(631,866)	1,438,217	132,384
	After-Tax Income	(439,897)	804,171	99,296
	EPS (NTD)	(3.03)	5.87	0.76
		The Economic Value of the Distribution		
Employee	Wage	956,873	1,064,069	1,057,479
	Insurance	95,811	113,457	104,525
	Pension	28,076	32,775	36,328
	Other Benefits	21,778	19,540	21,580
Shareholders	Dividend	434,605	17,000	132,000
Government	Income Tax	(191,969)	634,046	33,088
		Others		
Government	Subsidized income			*41,214

\* In 2020, the consolidated company received a grant loan from the U.S. Small Business Administration in the amount of NT\$41,214 thousand (US\$1,473 thousand). As of December 31, 2021, the consolidated company had met the grant conditions and applied to the government for loan forgiveness. This process was completed in September 2021, and the grant income of NT\$41,214 thousand was recognized.

# Quality Policy and Quality Management System Certification

## Quality Policy



Adhering to the business philosophy of "precision, innovation, sincerity, and simplicity" and guided by the principles of "cherishing resources, controlling costs, benefiting employees, and striving for excellence," we aim to achieve customer satisfaction through the spirit of full participation. We share the profits with employees and shareholders, with the purpose of serving people and contributing to society. Based on this foundation, we have established a quality management system, enhanced communication and continuously improving the system to deliver the highest quality and service.

## Quality Management Certification

Quality Certification	Taiwan Plant	Wuxi Plant	Dongguan Plant	Philippines Plant
ISO 9001	●	●	●	●
ISO 14001		●		
IECQ	●			
IECQ QC 080000		●		
ISO/TS 16949		●		
Sony Green Partner		●		

- In the product process, strictly operate and produce according to advanced standards and customer requirements to ensure products meet customer needs.
- Adhere to relevant product standards, laws, regulations, and other requirements to ensure that products comply with the relevant national or regional regulations or standards.
- Continuously implement ISO 9001 standards, optimize the production process, and improve the quality management system.
- Apply the PDCA cycle to continuously improve product quality, delivery, and service.

# Environment Management

## Restricted Substances Control for Environmental Management

The company has established a control procedure for restricted substances in environmental management, specifying prohibited and controlled substances to ensure compliance with RoHS standards. For substances not listed under RoHS, we refer to the YFC Environmental Restricted Substances Management Procedure. This standard is promptly updated in response to customer requirements and relevant regulations to minimize environmental impact from product-related activities, achieving the reduction and control of hazardous substances and supporting sustainable corporate development.

## Green Supply Chain

Our commitment to high quality stems from strict control over suppliers and close cooperation between supply and demand. All suppliers are required to provide test reports for raw materials, with packaging clearly marked as “RoHS” or “Environmental.” Our company also conducts random testing of hazardous substances in bulk procurement from suppliers annually and rigorously enforces incoming, in-process, and outgoing inspections. This ensures that the use of primary raw materials and manufacturing processes fully comply with RoHS standards.

# Supplier and Raw Material Management

## Qualify Supplier Selection

New suppliers must undergo a background investigation and evaluation audit to confirm that they meet the requirements for environmentally regulated substances and that their manufacturing capabilities and quality standards align with our company's needs. Only then can they be included in the approved supplier list.

Start	Investigation	Evaluation	Approved Supplier Authorization	Registration
Responsible Department	Procurement Department	Evaluation Group	QC/R&D	Procurement Department
Form	Supplier Evaluation Form	Supplier Evaluation Form	Sample/Part Approval Document	Approved Supplier List
Evaluation Approach	Filling Supplier Evaluation Form and Providing relevant report and certification	Document Review 1. Obtain "SONY Green Partner" qualification or other third-party certified environmental substance certification and complete sample approval. 2. Provide corresponding assurance data for environmental management substances, and as required, sign the "Environmental Agreement." 3. Achieve sample approval qualification and pass the on-site evaluation of the international quality system audit.		Suppliers who pass the evaluation are registered by Procurement in the Approved Supplier List, which is updated annually.

# Supplier and Raw Material Management

## Document Review

The company places great emphasis on the quality of raw materials and has established clear management procedures for key raw materials and bulk procurement suppliers. These procedures involve quality control through mechanisms such as periodic sample approvals, supplier audits, and monthly supplier evaluations. To mitigate the risk of relying on a single supplier for raw materials, the company follows the principle of maintaining at least two suppliers for major raw materials, ensuring a more robust production supply chain

**Sample Approval:** Supplier-provided samples and data are submitted for quality assurance inspection, and the results are recorded in the sample approval form along with the test report. If a supplier's sample fails inspection twice, they will lose their evaluation qualification.

**Monthly Supplier Evaluation:** A monthly supplier evaluation is conducted, assessing quality, delivery performance, and cooperation. The evaluation results are graded as A, B, or C, which serve as the basis for replacing suppliers if necessary.

**Supplier Audits:** Audits are conducted for key raw material and bulk procurement suppliers, or as needed in cases such as new suppliers or existing suppliers facing significant quality issues.

# Product Certification and Customer Satisfaction Survey

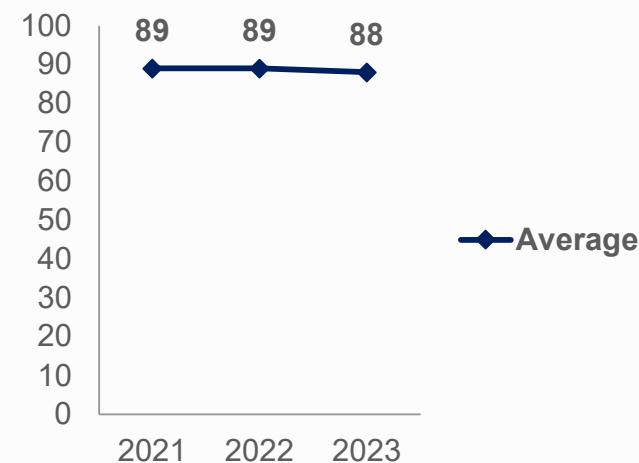
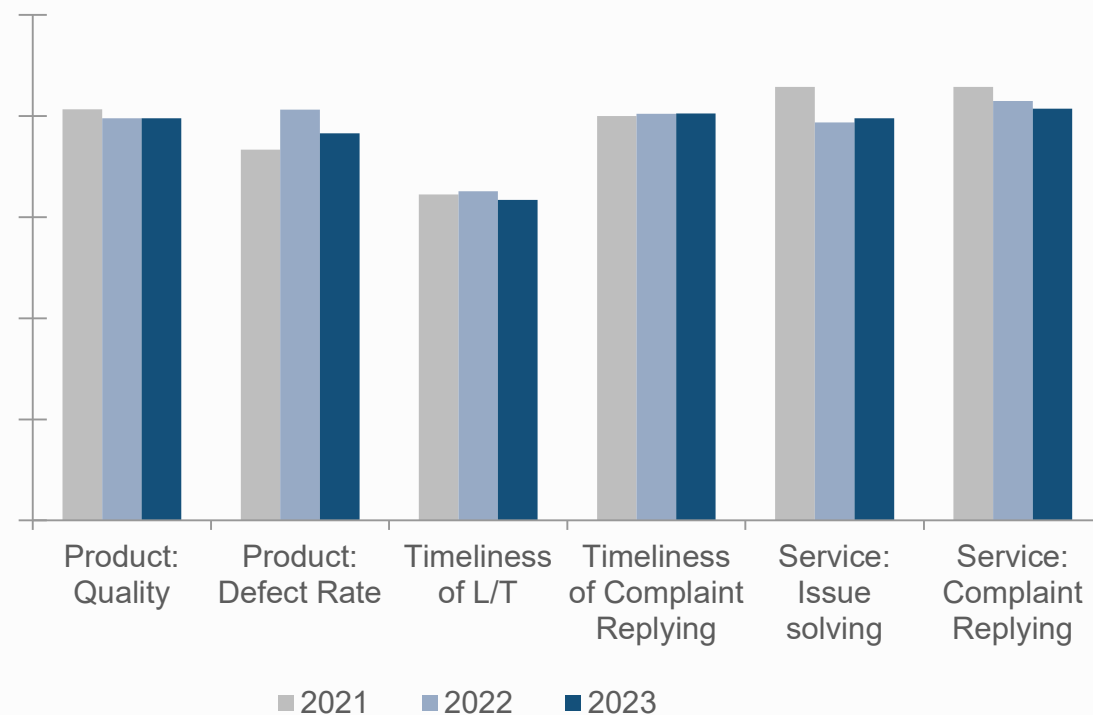
## Product Certification

To meet the needs of different products and customers, our company has applied for the relevant international safety performance certifications to ensure consumer safety and high-quality user experience.:



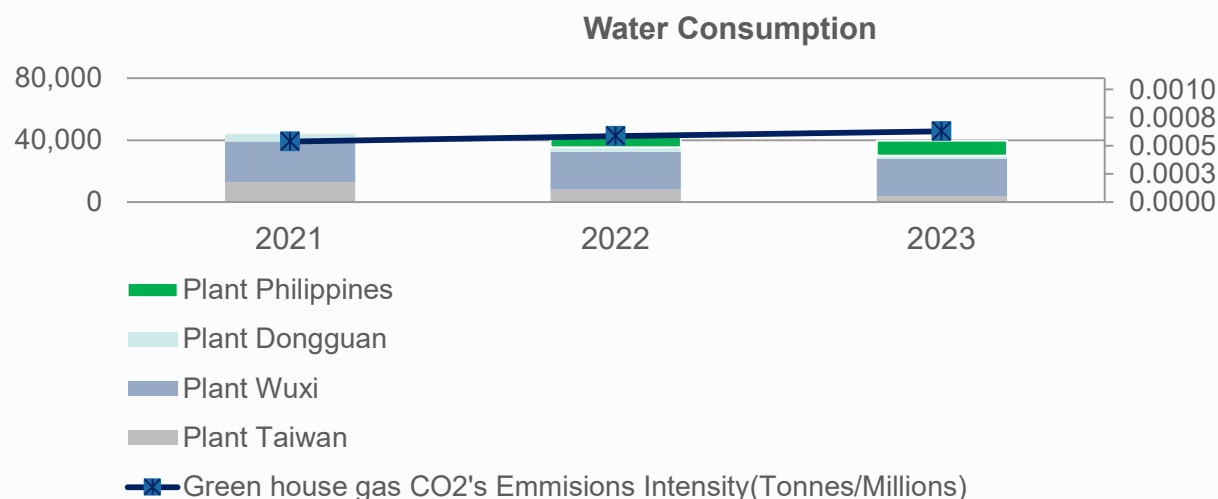
## Customer Satisfaction Survey

Each year, the company conducts a customer satisfaction survey based on the three aspects of product, service, and timeliness. In 2022, the average customer satisfaction score was 89.



Customer Satisfaction Survey Trend

## Water Resources Utilization Situation



Energy production  
improves efficiency in 2023  
**30.67%**

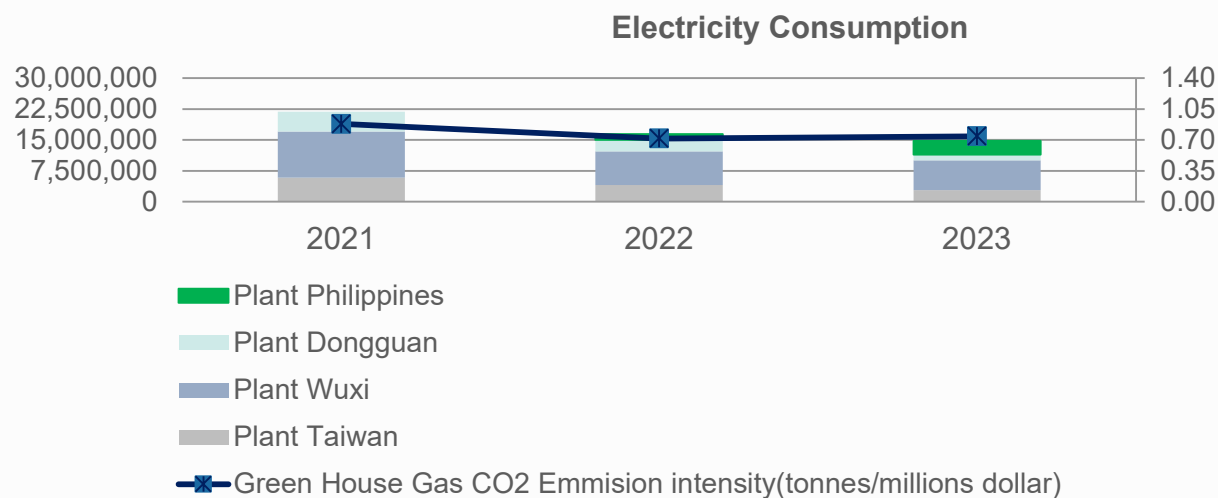
Year	Water Consumption (m <sup>3</sup> )	Production Output (km)	Energy Intensity of Production (m <sup>3</sup> /km)	Energy Production Efficiency (km/m <sup>3</sup> )	Greenhouse Gas Emissions (tCO <sub>2</sub> e)	Revenue (million NT\$)	Greenhouse Gas CO <sub>2</sub> Emission Intensity
2023	39,714	193,931	0.2048	4.88	6.2	9,838	0.0006297
2022	42,458	158,666	0.2676	3.74	6.8	11,670	0.0005858
2021	44,083	179,371	0.2458	4.07	6.7	12,447	0.0005383

Note 1: The CO<sub>2</sub>e greenhouse gas emissions equivalent is calculated based on the annual water emission factor published by Taiwan Water Corporation.

Note 2: The company employs a circulating system for cooling water in production (extrusion machines) to minimize water consumption.

Note 3: Energy production efficiency improvement (%) = (Current year energy production efficiency - Previous year production efficiency) / Current year energy production efficiency.

# Electricity Resources Utilization Situation



Energy production  
improves efficiency in 2023  
: 36.00%

Year	Electricity Consumpti on (kWh)	Production Output (Km)	Energy Intensity of Production (kWh/km)	Energy Production Efficiency (km/kWh)	Greenhouse Gas Emissions (tCO <sub>2</sub> e)	Revenue (million NT\$)	Greenhouse Gas CO <sub>2</sub> Emission Intensity
2023	14,768,402	193,931	76.1529	0.01313	7,295.59	9,838	0.742
2022	16,432,701	158,666	103.5679	0.00966	8,364.24	11,670	0.717
2021	21,844,100	179,371	121.7817	0.00821	10,965.74	12,447	0.8810

# Waste Management and Environmental Improvement Measures

## Waste Management and Reporting

Waste Weight(Tonnes)					
Year	Plant Taiwan	Plant Wuxi	Plant Dongguan	Plant Philippines	Total
2023	161.26	405.76	10.38	139.13	716.53
2022	107.78	415.79	109.18	145.24	777.99
2021	139.240	487.728	244.545	-	871.513

The company has engaged certified vendors to handle waste recycling and disposal operations and has obtained fixed pollution source operation permits as follows:

Company/Plant Name	Permit Type	Permit Number	Valid Period
YFC/Plant Taiwan	Industrial Waste Management Plan Approval	H09310040003	2023.02-2028.02
YFC Dongguan/Plant Dongguan	Industrial Waste Management Plan Approval	914419007287702	2020.04-2025.04
Wuxi UNC/Plant Wuxi	Industrial Waste Management Plan Approval	913202057468402	2020.03-2025.03
YFC Philp. /Plant Philippines	Industrial Waste Management Plan Approval	Compliant with local regulations; waste handled by certified disposal vendors	2023.10-2024.10

## Environmental Pollution Improvement Measures

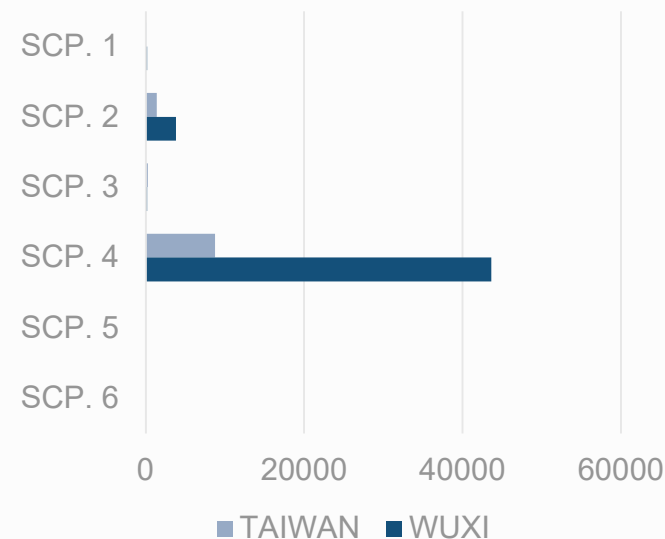
Company/Plant Name	Equipment	Purpose and Benefits
YFC Dongguan/Plant Dongguan	Automatic Spraying Machine	<ul style="list-style-type: none"><li>Replaces manual labor with automated equipment, enhancing product quality and productivity, reducing waste.</li><li>Reduces dust and volatile toxic substances in the work environment, significantly improving environmental and employee health.</li></ul>

# Greenhouse Gas Inventory and Management

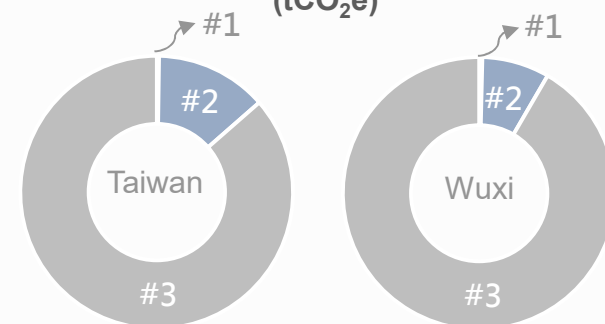
The company conducted the 2023 greenhouse gas inventory for its Taiwan and Wuxi plants based on the ISO 14064-1:2018 organization-level GHG inventory standard. The inventory report defines the greenhouse gas emission sources within the organizational boundary, including Scope 1 (Direct Emissions), Scope 2 (Energy Indirect Emissions), and Scopes 3-6 (Other Indirect Emissions).

Plant Taiwan	SCOPE 1 Direct Emissions	SCOPE 2 Indirect Emissions from Imported Energy	SCOPE 3 Indirect Emissions from Transportation	SCOPE 4 Indirect Emissions from product used	SCOPE 5 Indirect Emissions associated with the use of product	SCOPE 6 Other Indirect Emissions	Total
tCO <sub>2</sub> e	29.4187	1,387.8782	280.2072	8,754.9034	0.0000	0.0000	10,452.407
%	0.28%	13.28%	2.68%	83.76%	0.00%	0.00%	100.00%
Plant Wuxi	SCOPE 1 Direct Emissions	SCOPE 2 Indirect Emissions from Imported Energy	SCOPE 3 Indirect Emissions from Transportation	SCOPE 4 Indirect Emissions from product used	SCOPE 5 Indirect Emissions associated with the use of product	SCOPE 6 Other Indirect Emissions	Total
tCO <sub>2</sub> e	185.8692	3,832.3659	195.9622	43,632.0100	0.0000	0.0000	47,846.207
%	0.39%	8.01%	0.41%	91.19%	0.00%	0.00%	100.00%
Consolidation	SCOPE 1 Direct Emissions	SCOPE 2 Indirect Emissions from Imported Energy	SCOPE 3 Indirect Emissions from Transportation	SCOPE 4 Indirect Emissions from product used	SCOPE 5 Indirect Emissions associated with the use of product	SCOPE 6 Other Indirect Emissions	Total
tCO <sub>2</sub> e	215.2878	5,220.2441	476.1693	52,386.9134	0.0000	0.0000	58,298.615
%	0.37%	8.96%	0.82%	89.86%	0.00%	0.00%	100.00%

Note: For Cat. 3-6 indirect GHG emissions, only significant emissions were included based on emission characteristics, controllability of the emission sources, data collection difficulty, and emission factor availability. Some categories were excluded from calculation based on these criteria.



Emissions of each scope (tCO<sub>2</sub>e)



#1 Scp. 1 0.28%  
#2 Scp. 2 13.28%  
#3 Scp. 1 86.44%

#1 Scp.1 0.39%  
#2 Scp.2 8.01%  
#3 Scp. 1 91.6%

Scope of Emissions' proportion

# Greenhouse Gas Inventory

## Emissions of the Seven Major Greenhouse Gases

Taiwan	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	SF <sub>6</sub>	NF <sub>3</sub>	TOTAL
MTCO <sub>2</sub> e	10,434.3136	7.7237	0.3302	10.0399	0.0000	0.0000	0.0000	10,452.407
%	99.83%	0.07%	0.00%	0.10%	0.00%	0.00%	0.00%	100.00%

Wuxi	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	SF <sub>6</sub>	NF <sub>3</sub>	TOTAL
MTCO <sub>2</sub> e	47,696.9620	60.1136	0.0000	89.1317	0.0000	0.0000	0.0000	47,846.207
%	99.69%	0.13%	0.00%	0.19%	0.00%	0.00%	0.00%	100.00%

Consolidat ed	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	SF <sub>6</sub>	NF <sub>3</sub>	TOATAL
MTCO <sub>2</sub> e	58,131.2755	67.8372	0.3302	99.1717	0.0000	0.0000	0.0000	58,298.615
%	99.71%	0.12%	0.00%	0.17%	0.00%	0.00%	0.00%	100.00%

Noted : The indirect greenhouse gas emissions from Categories 3 to 6 are assessed based on criteria such as major emissions evaluation standards, source identifiability, data collection feasibility, controllability of the emission sources, and availability of emission factors. Certain emission sources within these categories are therefore excluded from the calculations.

# GHG Management Strategy 、Targets 、Methods and Carbon Reduction Benefits of Products and Services

## Greenhouse Gas Management Strategy

The company has established dedicated units and personnel to complete greenhouse gas inventory and verification processes in accordance with government-specified timelines.

## Greenhouse Gas Emission Reduction Targets

The company is committed to sustainable environmental protection policies, setting annual targets to conserve electricity. Energy-saving and carbon reduction measures are implemented, with continuous evaluation and upgrading of energy-saving equipment to reduce energy consumption and carbon emissions.

## Methods for Reducing Greenhouse Gas Emissions

The company implements the following energy-saving and carbon reduction measures:

- ◆ A recirculation system for production cooling water minimizes water usage, with initiatives promoting water conservation.
- ◆ Replacing outdated electrical systems and circuits to reduce energy loss.
- ◆ Setting indoor air conditioning temperatures above 26°C, with checks to turn off units after hours.
- ◆ Full use of energy-saving lighting, cultivating the habit of turning off lights, and conducting checks during lunch breaks and after hours.
- ◆ Utilizing emails and ERP systems for document processes, storing data digitally, and reusing recycled paper for printing to reduce paper and toner consumption.
- ◆ Proper waste sorting for resource classification to reduce waste volume.
- ◆ Monitoring water use to prevent unnecessary pipeline leaks.

## Carbon Reduction Benefits for Customers or Consumers from Products and Services

- ◆ The company provides convenient paperless services, such as e-invoicing, effectively reducing customer transport energy consumption and paper usage.
- ◆ The company increases resource reuse by using recycled plastic materials in packaging for product storage and transport. Optimizing pallet stacking and lightweight packaging also maximizes load capacity per transport trip. °

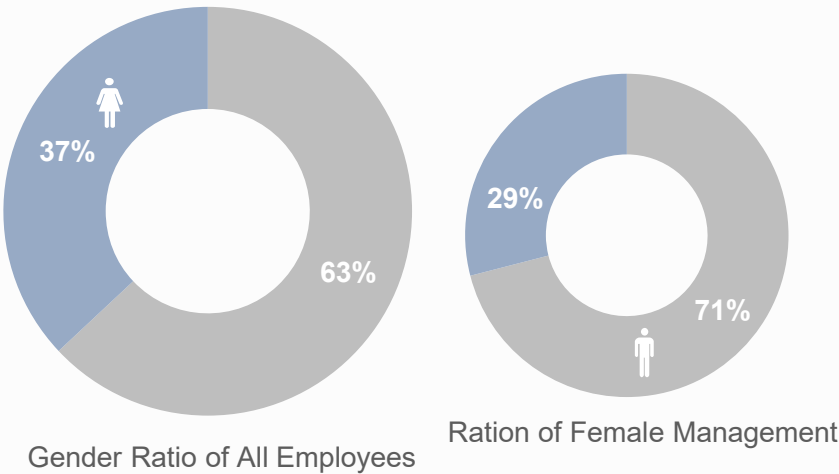
# Structure of Human Resource

The company's Taiwan factory has a total number of employees of 127 in 2023, 80 men and 47 women, 100% of whom are full-time employees and employees without fixed-term contracts. The age distribution of employees is mostly 31 to 49 years old, accounting for 59%, 12% are under 30 years old, and 29% are over 50 years old.

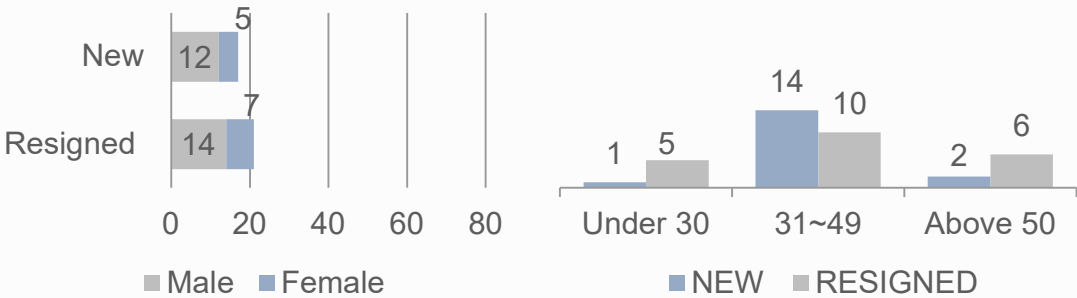
	Employment Contract		Type of Hiring	
	indefinite contract	Term contract	Full time	Part time
Male	80	0	80	0
Female	47	0	47	0
total	127	0	127	0

## Employee turnover

New employees in 2023: 12 men and 5 women, a total of 17 people; retired employees: 14 men and 7 women, a total of 21 people. The age distribution of new employees and resigned employees is shown in the chart below. There will be no application for maternity leave or childcare leave without pay in 2023.



Age of Employees			
	Under 30	31~49	Above 50
Headcounts	15	75	37
%	12%	59%	29%



# Employee benefits

## Employee benefits

The company in 2001 established "Employee Welfare Committee," and set employee welfare regulations and handles various welfare measures for employees. °

Holiday Bonus	Family allowance	Corporate events	Employee Health	Other Benefit
<ul style="list-style-type: none"> <li>• Birthday Bonus</li> <li>• Labor Day Bonus</li> <li>• 3 Main Holiday Bonus</li> </ul>	<ul style="list-style-type: none"> <li>• Weddings, funerals, celebrations and other subsidies</li> <li>• Maternity allowance</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Travel</li> <li>• Year-End Banquet</li> <li>• Banquet</li> </ul>	<ul style="list-style-type: none"> <li>• Labor and National Health Insurance</li> <li>• Regular health check</li> <li>• Labor Group Insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Free meals</li> <li>• Parking discount</li> <li>• Flexible Working hours</li> </ul>

## Parental leave

The company allows employees of all genders to apply for parental leave according to legal regulations. Additionally, plant Taiwan provides maternity leave, prenatal checkup leave, paternity leave, miscarriage leave, family care leave, and offers breastfeeding rooms—a set of family-friendly workplace measures. Overseas branches handle related parental leave benefits in accordance with local regulations.

## Retirement Plan

In April 1987, the establishment of the Supervisory Committee of Business Entities' Labor Retirement Reserve was approved by the social and labor authorities via Letter No. (76)府社勞字第044813. Starting that month, 2% of the total monthly salary was allocated as labor retirement funds and deposited into a designated account. Effective July 1, 2005, in compliance with the Labor Pension Act, the employee retirement plan was revised, fully adopting a defined contribution system. Retirement payments are made by the company, contributing no less than 6% of the monthly salary to individual labor pension accounts.

# Corporate Training

company encourages employees to pursue further education and professional development. Through various internal and external training programs, we aim to enhance employees' professional skills and knowledge, strengthen their career development potential, and regularly promote outstanding employees.

**Pre-employment Training:** To ensure that employees possess the skills required for their roles, the company has established comprehensive training programs. All new employees must complete pre-employment and on-the-job training and pass evaluations before officially being hired.

**On-the-job Training:** The company conducts an annual survey of training needs for each department to formulate training plans and schedule appropriate programs as needed. Employees can also proactively apply for training or be assigned by supervisors to attend external training sessions based on business requirements. After completing the training, employees are required to submit a report and share their learnings within the company to maximize the benefits and track the effectiveness of the training.

**Internal Training Seminars:** The company regularly invites external experts from various fields to deliver lectures, providing employees with opportunities to gain new perspectives and learning experiences beyond their routine work.

2023 Annual Internal Training Courses:

Course	Shinny life	Work Motivation: Awakening Positive Energy and Eliminating Negative Energy	Problem-Solving and Reporting Skills	3C Questions for Effective Inquiry	Intergenerational Two-Way Communication	Introduction to Efficient Agile Project Management with SCRUM
Participation Rate	85%	90%	73%	77%	78%	75%
Satisfaction Rate	99%	86%	89%	88%	91%	83%

# Corporate Training and Promotion

Internal and external corporate training implemented in headquarter in 2023 :

General Employee				Management			Manager		
Year	Training Hours	Headcount	Average	Training Hours	Headcount	Average	Training Hours	Headcount	Average
2023	937	170	5.51	59	16	3.69	180.5	47	3.84
2022	985	311	3.16	101	20	5.05	271	90	3.01
2021	1291	277	4.66	57	16	3.56	192	40	4.8

Female				Male		
Year	Training Hours	Headcount	Average	Training Hours	Headcount	Average
2023	406	121	3.35	770.5	112	6.88
2022	537	192	2.79	820	229	3.58
2021	484	143	3.38	1056	190	5.56

## Position and Rank Promotion Review

To motivate outstanding employees, the company has implemented an annual position and rank promotion review since 2021. At the beginning of each year, employees meeting the promotion criteria are evaluated and promoted accordingly. New positions and adjusted salaries take effect on June 1 of the second half of the year. The company is committed to fostering a positive and progressive work environment. However, in response to industry challenges, the company adopted cost-saving measures in 2023, resulting in the suspension of all promotions for the year.

# Friendly Workplace for employee

## Employee Rights

The company complies with the Labor Standards Act, Employment Services Act, Gender Equality in Employment Act, and other relevant labor laws. Adhering to the spirit of international human rights conventions, policies regarding employee rights and non-discriminatory employment practices are incorporated into internal control systems or management guidelines to ensure employees' legal rights. During onboarding training, employees are thoroughly informed about their rights, provided with sexual harassment prevention education, and made aware of grievance channels for reporting any violations of their rights.

## Employee Grievance and Communication Channels

The company adopts an open, two-way communication approach to promote policies and understand employees' opinions. Grievance channels strictly adhere to labor laws and aim to continuously enhance employee benefits. Regular labor-management meetings are held to disseminate and discuss relevant issues, fostering understanding and collaboration. °

## Employee Health, Safety, and Wellness Maintenance

The company prioritizes employees' physical and mental health. It has established safety and health regulations, fire prevention plans, and personal protective equipment management measures. These policies are promoted and enforced among all employees to effectively prevent occupational hazards and ensure safety and health in the workplace. Employees are safeguarded against risks posed by machinery and hazardous materials. In 2023, the company recorded one occupational injury.

To provide a safe work environment and ensure employee safety and health, the company implements the following measures:

1. Enroll employees in labor insurance, health insurance, and group insurance.
2. Arrange annual employee health check-ups.
3. Conduct regular inspections of drinking water quality.
4. Organize regular occupational safety and health training disaster prevention training, as well as fire safety lectures and drills.



# Society Involvement

## Industry-Academia Collaboration: Supporting Future Generations

Sponsored the TIER to organize the "Taiwanese University Students' Internship Program at Taiwanese Enterprises in Mainland China" and offered internship opportunities at the Wuxi plant. °

## Bridging the Digital Divide Between Urban and Rural Areas

Supported KPMG donating computers to schools in rural areas. Met with the Shijie Branch of DGTBA and participated in the 14th Dongguan Taiwan Trade Fair. °

## Promoting Taiwanese Business Networking and Services

Sponsored operational expenses for the Chinese Business Management Association and the Cross-Strait Economic, Trade, and Cultural Exchange Association. °

## Caring for the Underprivileged Donated to the Mennonite New Dawn Taiwan

## Sponsorship for Post-Disaster Reconstruction Sponsorship for Post-Disaster Reconstruction

## Public Welfare Sponsorship for Health Promotion

Promoted health and wellness concepts by sponsoring the TIER to organize a series of health-related public welfare lectures. °

## Sponsorship for Emergency Assistance

Donated an ambulance to the Kiwanis Taoyuan

## Mask Donations During the COVID-19 Pandemic

Donated a total of 20,775 masks to the Jiangsu Red Cross Society and Dongguan Charity Association for use in local hospitals.

# Appendix-GRI content guide

GRI Standard Guideline
Statement of use:2023/1/1-2023/12/31
GRI used: GRI 1:Foundation 2021
Applicable GRI Sector Standard(s) :None

GRI 2 GENERAL DISCLOSURES				
	Disclosure Requirement	Report Chapter	Page	Remark
2-1	Organizational details	About the Sustainability Report	1	
		2023 Annual Report	241-247	
2-2	Entities included in the organization's sustainability reporting	About the Sustainability Report	1	
2-3	Reporting period, frequency and contact point	About the Sustainability	1	
2-4	Restatements of information	N/A		
2-5	External assurance	N/A		
2-6	Activities, value chain and other business relationships	Managing Vision and Core	8	
		Business overview	9	
		Industry Chain	10	
2-7	Employees	Friendly workplace	45	
2-8	Workers who are not employees	Friendly workplace	45	
2-9	Governance structure and composition	Company governance & operation	16	
2-10	Nomination and selection of the highest governance body	Company governance & operation	18-20	
2-11	Chair of the highest governance body	Company governance & operation	18-20	
2-12	Role of the highest governance body in overseeing the management of impacts	Company governance & operation	18-20	
2-13	Delegation of responsibility for managing impacts	Company governance & operation	18-20	
2-14	Role of the highest governance body in sustainability reporting	Company governance & operation	18-20	
2-15	Conflicts of interest	Company governance & operation	18 、 24-26	
2-16	Communication of critical concerns	Company governance & operation	26	
2-17	Collective knowledge of the highest governance body	Company governance & operation	18-20	
2-18	Evaluation of the performance of the highest governance body	Company governance & operation	18-20	
2-19	Remuneration policies	Company governance & operation	22-23	
2-20	Process to determine remuneration	Company governance & operation	22-23	

# Appendix-GRI content guide

GRI 2 GENERAL DISCLOSURES				
	Disclosure Requirement	Report Chapter	Page	Remark
2-21	Annual total compensation ratio	Confidential		
2-22	Statement on sustainable development strategy	Words from the management	2-3	
2-23	Policy commitments	Words from the management	2-3	
		Company governance & operation	26	
		Environment protection	30-32	
		Friendly workplace	45	
2-24	Embedding policy commitments	Words from the management	2-3	
		Company governance & operation	24	
		Friendly workplace	45	
2-25	Processes to remediate negative impacts	Company governance & operation	26	
		Friendly workplace	45	
2-26	Mechanisms for seeking advice and raising concerns	Company governance & operation	26	
		Friendly workplace	45	
2-27	Compliance with laws and regulations	Company governance & operation	26	
		Environment protection	30-32	
2-28	Membership associations	About YFC	7	
2-29	Approach to stakeholder engagement	Stakeholder Engagement	12-15	
2-30	Collective bargaining agreements	Friendly workplace	45	

# Appendix-GRI content guide

GRI 3 MATERIAL TOPICS				
	Disclosure Requirement	Report Chapter	Page	Remark
3-1	Process to determine material topics	Stakeholder Engagement	12-15	
3-2	List of Material topics	Stakeholder Engagement	12-15	
3-3	Management of material topics	Stakeholder Engagement	12-15	

GRI Topic Standard disclosures	Disclosure Requirement	Report Chapter	Page	Remark
GRI 201 : Economic Performance 2016	201-1 Direct economic value generated and distributed	Company governance & operation	29	Material Topic: Operation Performance
	201-3 Defined benefit plan obligations and other retirement plans	Friendly workplace	42	
	201-4 Financial assistance received from government	Company governance & operation	29	
GRI 205 : Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Company governance & operation	24-26	Material Topic: Regulation compliance
	205-3 Confirmed incidents of corruption and actions taken	Company governance & operation No legal violations occurred during the year.	24-26	
GRI 206 : Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Company governance & operation No legal violations occurred during the year.	24-26	Material Topic: Regulation compliance
GRI 305 : Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environment protection	35-36 、 38-39	Material Topic: Pollution Prevention and Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Environment protection	35-36 、 38-39	
	305-3 Other indirect (Scope 3) GHG emissions	Environment protection	35-36 、 38-39	
	305-4 GHG emissions intensity	Environment protection	35-36	
	305-5 Reduction of GHG emissions	Environment protection	35-36 、 40	
	305-6 Emissions of ozone-depleting substances (ODS)	Environment protection	39	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environment protection	39	

# Appendix-GRI content guide

GRI Topic Standard disclosures	Disclosure Requirement	Report Chapter	Page	Remark
GRI 306 : Effluents and Waste 2016	306-1Waste generation and significant waste-related impacts	Environment protection	37	Material Topic: Pollution Prevention and Emissions
	306-2Management of significant waste related impacts	Environment protection	37	
	306-3Waste generated	Environment protection	37	
	306-4Waste diverted from disposal	Environment protection	37	
	306-5Waste directed to disposal	Environment protection	37	
GRI 416 : Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Environment protection	31-32	Material Topic: Product Integrity and Quality
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No legal violations occurred during the year.		
GRI 417 : Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Environment protection	34	Material Topic: Product Integrity and Quality
	417-2 Incidents of non-compliance concerning product and service information and labeling	No legal violations occurred during the year.		
	417-3 Incidents of non-compliance concerning marketing communications	No legal violations occurred during the year.		
GRI 418 : Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No legal violations occurred during the year.		Material Topic: Product Integrity and Quality

# Appendix-GRI content guide

GRI Standard	Status Disclosure	Disclosure Requirement	Report Chapter	Page	Remark
GRI 302 : Energy 2016		302-1 Energy consumption within the organization	Environment protection	35-36	
		302-2 Energy consumption outside of the organization	Environment protection	35-36	
		302-3 Energy intensity	Environment protection	35-36	
		302-4 Reduction of energy consumption	Environment protection	35-36	
		302-5 Reductions in energy requirements of products and services	Environment protection	35-36	
GRI 303 : Water and Effluents 2018		303-1 Interactions with water as a shared resource	Environment protection	35	
		303-2 Management of water discharge related impacts	Environment protection	35	
GRI 308 : Supplier Environmental Assessment 2016		308-1 New suppliers that were screened using environmental criteria	Environment protection	31-32	
		308-2 Negative environmental impacts in the supply chain and actions taken	Environment protection	31-32	
GRI 401 : Employment 2016		401-1 New employee hires and employee turnover	Friendly workplace	41	
		401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees	Friendly workplace	42	
		401-3 Parental Leave	Friendly workplace	42	
GRI 403 : Occupational Health and Safety 2018		403-1 Occupational health and safety management system	Friendly workplace	45	
		403-2 Hazard identification, risk assessment, and incident investigation	Friendly workplace	45	
		403-3 Occupational health services	Friendly workplace	45	
		403-4 Worker participation, consultation, and communication on occupational health and safety	Friendly workplace	45	
		403-5 Worker training on occupational health and safety	Friendly workplace	45	
		403-6 Promotion of worker health	Friendly workplace	45	
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Friendly workplace	45	
		403-8 Workers covered by an occupational health and safety management system	Friendly workplace	45	
		403-9 Work-related injuries	Friendly workplace	45	
		403-10 Work-related ill health	Friendly workplace	45	

# Appendix-GRI content guide

GRI Standard	Status Disclosure	Disclosure Requirement	Report Chapter	Page	Remark
GRI 404 : Training and Education 2016		404-1 Average hours of training per year per employee	Friendly workplace	44	
		404-2 Programs for upgrading employee skills and transition assistance programs	Friendly workplace	44	
		404-3 Percentage of employees receiving regular performance and career development reviews	Friendly workplace	44	
GRI 405 : Diversity and Equal Opportunity 2016		405-1 Diversity of governance bodies and employees	Friendly workplace	41	
		405-2 Ratio of basic salary and remuneration of women to men	The female ratio is 103%, and the male ratio is 103%.		
GRI 406 : Non-discrimination 2016		406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination occurred during the year.		