

# 2023 ESG Report

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Greatek Electronics ESG Report



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# Greatek Electronics Inc. 2023 ESG Report

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You are welcome to read the ESG Report of Greatek. Greatek is committed to the promotion and improvement of the environment, society, and corporate governance. The Report has been prepared in accordance with the GRI Sustainability Reporting Standards 2021 and corresponds with the United Nations Sustainable Development Goals (SDGs). The ESG Report is released annually and the electronic version can be downloaded from Greatek's official website. The Report aims at responding to stakeholder concerns about the sustainable development of Greatek.



### **Report Scope and Editing Principles**

This year's ESG Report has been prepared in accordance with the eight reporting principles of the GRI Sustainability Reporting Standards 2021: accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability. The Report fully discloses the environmental, social, and corporate governance aspects of Greatek (covering various material sustainable development topics), and has been personally reviewed and approved by the Chairman.

The Report covers the period from January 1 to December 31, 2023 and discloses the sustainability issues related to the business development of Greatek and stakeholders.

- The Report mainly covers Plant I, Plant II, Plant III, Plant WT1, newly built Plant V, and Plant WT2 of Greatek Electronics Inc.,
- as well as material topics related to shareholders, customers, suppliers, communities, government agencies, and
  financial institutions outside the organization. To ensure complete performance disclosure, some information may be
  from before January 1, 2020.
- In 2022, Greatek acquired Get-Team Tech Corporation. The turnover in the Report has been consolidated with that in the financial statements of Get-Team.
- The financial performance figures are stated in New Taiwan Dollar.



### **Basis of Preparation of the Report**

#### **Regulations and Standards Followed**

Global Reporting Initiative (GRI) GRI Sustainability Reporting Standards 2021

Taiwan Stock Exchange Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

United Nations Sustainable Development Goals (SDGs)

Sustainability Accounting Standards Board (SASB) SASB Industry Standards



### Quality Assurance of the Report

#### **Regulations and Standards Followed**

Financial data Annual financial report

Environmental data ISO 14064-1:2018 Greenhouse Gas Inventory

Internal assurance

The data and information are provided by units and the ESG Sustainability Promotion Team after tracking, reviewing, and auditing the achievement of relevant KPIs.

External accurance

Quality management systems (ISO 9001), occupational health and safety management systems (ISO 45001), environmental management systems (ISO 14001), and ISO 14064-1:2018 Greenhouse Gas Inventory

#### Report Issue Frequency

#### Issue Frequency

Once a year

Current issue: June 2024 Next issue: June 2025

#### **External Certification**

#### **Economy**

• ISO 9001 Quality Management Systems

QC 080000 Hazardous Substances Process Management System

• IATF 16949 Automotive Quality Management System

ISO 26262 Functional Safety Standard for Automotive Electronics

ESD S20.20 Electrostatic Discharge Control Program

#### Environment

• ISO 14001 Environmental Management Systems

• ISO 14064-1 Greenhouse Gas Inventory

#### **Society**

• ISO 45001 Occupational Health and Safety Management Systems

RBA Responsible Business Alliance Code of Conduct

#### **Greatek's Contact Point**

For suggestions and comments on Greatek's ESG Report, please contact us through the following channels:

#### Website

Greatek Electronics Inc. Stakeholder Engagement

#### **Telephone**

037-638568#1302

#### Address

No. 136, Gongyi Rd., Zhunan Township, Miaoli County

#### **Email Address**

ned@greatek.com.tw

The global economy has been in a sharp slump since the second half of 2022. Due to inflation, interest rate hikes in various countries, and the economic depression in China since the pandemic lockdown, global consumption in 2023 was still sluggish, making it a challenging year for Greatek. Although there were urgent orders or short-term orders for some electronic products due to de-stocking and new applications, the overall capacity utilization rate was still low. According to the statistics of the Industrial Technology Research Institute, in 2023, the output value of Taiwan's IC industry declined by 10.2% compared to 2022, of which the IC packaging sector declined by 15.6% compared to 2022, and the IC testing sector declined by 12.8%. Greatek's consolidated turnover for 2023 was NTD 13.57 billion and the consolidated net income after tax was NTD 1.997 billion, down 14.9% and 36.8% compared to 2022, respectively. Although not ideal, they were still higher than industry averages. Moreover, the Company's financial structure has been quite sound as the Company continues to make profits, with a debt ratio of only 12%.

Looking forward to 2024, negative factors such as inflation and geopolitics will slow down economic recovery. However, the economy will surely recover from the downturn. 2024 will be a year full of hope. We will be cautious with capital expenditures, make good use of existing production capacity, and strictly control costs to improve profitability. We will also accelerate the establishment of production capacity for third-generation semiconductors, the development of tri-temp testing capabilities, and the development of thin package BGA products. Furthermore, we will optimize our product portfolios in line with the development of advanced technology to reduce the impact of economic cycles on the Company's sales performance. In the face of the wave of industries in 2023, in order to pursue sustainable growth, Greatek has adopted the following strategies:

#### Initiate an inheritance plan:

The parent company appointed Senior Vice President Mr. Y.C. Chi to be the Chief Operating Officer and Executive Vice President of Greatek and to train a successor for the President.

#### Talent cultivation:

Four outstanding managers were promoted to the vice president of the Domestic Sales Division, the International Sales Division, the R&D Division, and the WLP Division, respectively, to facilitate the expansion of the Company's operations and enhance the Company's competitiveness.

For lean management, professional division of labor, and quality enhancement, the manufacturing and R&D units are reorganized according to their production functions.

In the future, we will continue to uphold our business philosophy of "honesty and pragmatism" and will keep improving our production technology, quality, cost, efficiency and service. The cooperation and support of customers and suppliers is also necessary for us to grow together. In addition to creating economic benefits, we also spare no effort in the issues of environmental protection and corporate sustainability. In terms of manufacturing processes, we strive to develop energy-saving solutions and use green energy to reduce greenhouse gas (GHG) emissions, thereby promoting netzero carbon reduction.

Thank you for your support and encouragement to all employees and the management team of Greatek. We will work harder together and continue to create great results.



#### **Short-term Plans**

#### **Medium- and Long-Term Plans**



Introduce a quality yield improvement plan.

- Establish long-term partnerships with customers and suppliers.
- Continue to invest in the R&D of new technologies.
- Actively gain foreign customers.
- Recruit and train outstanding talent to enhance the Company's competitiveness.



 Install a wastewater recycling system to reduce industrial water consumption and protect water resources. Implement waste, wastewater, and air pollution prevention and control measures to make every effort to protect the environment. Continue to promote the recycling and reuse of waste to reduce natural resource consumption.

- Implement green product control to reduce pollution to the natural environment.
- Pay attention to the issues of climate change and global warming, and improve energy management performance through continuous improvement.
- Use green energy in line with the policy to create a green and sustainable environment.



- Implement COVID-19 pandemic prevention measures to ensure the health and safety of employees.
- Continue to hire people with disabilities in accordance with the quota requirements and increase the employment rate of disadvantaged groups.
- Expand the direct hiring program for foreign migrant workers, prohibit forced labor, and reduce inequalities.
- Implement labor rights and create a harmonious working environment between labor and management.
- Assist suppliers in implementing and complying with the RBA Code of Conduct.
- Create a happy workplace.
- Build a workplace with zero-distance communication.

### 2023 Sustainable Development Goals (SDGs)

#### **Sustainable Development Strategy**

In order to strengthen the corporate sustainability spirit, Greatek is committed to creating positive value for employees, shareholders, and all stakeholders, gradually implementing a customer-oriented service spirit, comprehensively improving quality, technology and efficiency, and providing professional services that satisfy customers.

# Steady operational governance

 We strive to establish a sound operations management mechanism based on the Company's ethical code of conduct, pursuing the goal of sustainable development.

# Capturing business opportunities

- Actively grasp and maintain long-term partnerships with existing customers, hoping to increase our share of their spending.
- Actively expand first-tier customers and plan to increase world-class customers, in order to accelerate revenue growth with a strong customer lineup.
- Grasp market conditions, fully cooperate with customers in new product development, and actively plan and establish production capacity for new products.

# Innovative technology development

- Develop packaging and testing technology and products that meet market demand to ensure competitiveness in both technology and cost.
- Actively introduce relevant certifications for international certification standards in compliance with relevant regulations and standards to capture more business opportunities.
- Reinforce equipment automation capabilities, improve production efficiency and product quality, reduce costs, and increase profitability.
- Strengthen the operation of computer information systems, improve the efficiency and quality of production and marketing operations, and provide customers with better services.

# Achieving inclusive growth

- Enhance the competitiveness of employees and improve the well-being of the public to achieve the mission of inclusive growth.
- Continue to promote the construction of an employee care and protection network to create a healthy and harmonious workplace culture.

# **Greatek's Contribution to the SDGs in 2023**

### **Corporate Governance (G)**

Corresponding SDG	Corresponding SDG Target	Company Goal	Specific Actions in 2023	Corresponding Chapter
12 負責任的 消費與生產	12.b	Comply with international standards and disclose the Company's sustainability information in line with the government's corporate governance blueprint.	We proactively expanded product lines to meet market and customer needs and increase market share (the market share in 2023 was 2.32%).	2.1 Overview of Greatek
	12.6	Actively improve production technology and production capacity to maintain the Company's advantages in manufacturing costs.	Greatek's revenue in 2023 was NTD 13.57 billion.	2.2 Business Philosophy
13 氣候行動	13.3	Actively identify the risks brought about by climate change and continue to control the impact and damage of extreme weather on operations in response to climate change and energy supply risks.	The Company developed adaptation policies and solutions for substantial risks such as floods, typhoons, power outages and rising temperatures, and actively implemented relevant response measures to make sure that operations can be resumed quickly after disasters.	1.5 Risk Response

#### Performance on the SDGs in 2023

Return on equity: 9.41% Bad debt losses accounted for 0% of accounts receivable Annual output value of Taiwan's IC packaging and testing industry reached NTD 583.7 billion

Turnover: NTD 13.57 billion; market share: 2.32%

Operation of the ESG Committee Concrete CSR implementation

# Society (S)

Corresponding SDG	Corresponding SDG Target	Company Goal	Specific Actions in 2023	Corresponding Chapter
8 尊嚴就業與經濟發展	8.8	Promote self-management measures for occupational health and safety to prevent plant accidents and reduce risks.	In accordance with the "ISO 45001 Occupational Health and Safety Management Systems" and related occupational safety and health laws and regulations, we have formulated occupational safety and health work rules, identified operational hazards, and established safety operation standards, to prevent various potential hazardous accidents.	5.7 Healthy and Safe Workplace
16 和平正義與有力的制度	16	Create a friendly workplace	100% of our workers are hired in accordance with the Labor Standards Act without forced labor.	5. Harmonious Workplace

#### Performance on the SDGs in 2023

100% non-use of conflict minerals

0 customer complaints

Average remuneration: NTD 61,380

# **Environment (E)**

Corresponding SDG	Corresponding SDG Target	Company Goal	Specific Actions in 2023	Corresponding Chapter
6 潔淨水與衛生	6.4	Promote water and energy conservation	In addition to water quality monitoring, we divide wastewater into categories such as cooling water, process wastewater, and domestic water according to the characteristics of water consumption for recycling. In 2023, water recycled from the packaging process accounted for 46.46% of tap water consumption.	6.2 Water Resource Management
13 氣候行動	13.3	Introduce Scope 3 GHG inventory and verification	We disclosed the organization's GHG emissions according to ISO 14064-1:2018.	6.3 Energy Conservation and Carbon Reduction

#### Performance on the SDGs in 2023

Greatek recycled a total of 485,716 tons of process wastewater

Company-wide electricity savings amounted to 3,538,606 kWh

# **Sustainable Operations**

Greatek's sustainable development goals are linked to the SDGs and material topics to formulate the organization's development principles and management mechanisms for the environment, society, and governance.

In line with the Group's vision, the organization's future improvement goals for each aspect and material topic are explained. For each material topic, the Company sets plans and quantitative or qualitative goals for the following year based on the growth expectations of each business.

1.1 Stakeholder Engagement and Material Issues

1.2 Stakeholder Identification and Communication

1.3 Identification and Analysis of Material Issues

1.4 Due Diligence 1.5 Risk Response

# **Description of Material Topics in the Chapter**

Materialit	y (GRI Standards) Risk Management (201 Economic Performance)
Strategic core	<ul> <li>Operational risk: Comply with laws and minimize the impact of legal changes on the Company's operations.</li> <li>Environmental risk: Reduce energy use and carbon emissions in the process, strive to increase the utilization efficiency of various resources, and reduce industrial wastewater discharge and water resource consumption.</li> <li>Occupational safety risk: Set up an occupational safety and health department responsible for safety and health management.</li> </ul>
Vision and goal	<ul> <li>Comply with laws and minimize the impact of legal changes on the Company's operations.</li> <li>Reduce energy use and carbon emissions in the process.</li> <li>Strive to reduce wastewater discharge and water resource consumption.</li> <li>Set up an occupational safety and health department responsible for safety and health management.</li> </ul>
Manage- ment policy	<ul> <li>Operational risk: Have the functional departments form an operational risk management team to assess and analyze material decisions, assess risk information as the basis, and report the results to the Chairman for risk management after approval.</li> <li>Environmental risk: Implement system management based on ISO 14001 to make the greatest effort to protect the environment.</li> <li>Conduct voluntary GHG inventory in accordance with ISO 14064-1:2018.</li> <li>Occupational safety risk: Set up an occupational safety and health department to implement safety and health management, improve processes and equipment, and manage personnel safety and health.</li> </ul>
Evaluation mechanism	<ul> <li>Establish independent whistleblowing email addresses for internal and external personnel to make reports.</li> <li>Regularly assess regulatory compliance.</li> <li>Regularly update the GHG inventory, and develop a wastewater recycling mechanism.</li> <li>Implement an occupational safety management system in accordance with the law.</li> </ul>
Grievance mechanism	<ul> <li>Administration Department: ned@greatek.com.tw</li> <li>Internal Audit Office: a001@greatek.com.tw</li> </ul>
Perfor- mance highlights	<ul> <li>Financial risk: Engaged in forward exchange transactions to reduce exchange rate fluctuation risks.</li> <li>Operational risk: Complied with laws and reduced the impact of legal changes on the Company's operations; kept track of the impact of legal amendments on the Company; and ensured no risk of material shortage due to supplier concentration.</li> <li>Environmental risk: Included ISO 14064-1: 2018 Greenhouse Gas Inventory.</li> <li>Reduced industrial wastewater discharge and water resource consumption.</li> <li>Occupational safety risks: Set up an occupational safety and health department to achieve 100% compliance with occupational safety laws and regulations.</li> </ul>

# Stakeholder Engagement and Material Issues

Paying attention to and responding to sustainable issues of stakeholder concern is an important stepping stone for Greatek to achieve sustainable development and fulfill its corporate social responsibility.

### ESG Committee

For concrete CSR implementation, Greatek has established the "ESG Committee" and designated dedicated personnel to be responsible for planning and coordinating the operation of various functional committees of the ESG Committee, as well as auditing ESG-related businesses, to demonstrate the Company's commitment to corporate social responsibility.

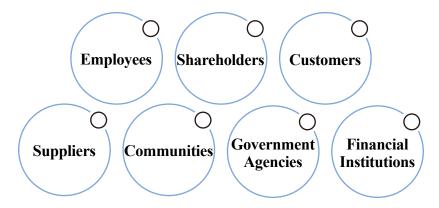
The "ESG Committee" consists of the Chairman as the convener of the Committee, the President as a steering member, and the unit managers responsible for the operation of the subordinate committees. The members of each committee include departmental representatives from all operating units of the Company. They are in charge of verifying and implementing the management standards for ESG issues. The committees are also responsible for reviewing the contents of the annual CSR report which are subject to final approval by the Chairman.

# Stakeholder Identification and Communication

#### **Identification of Stakeholders**

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Greatek adopts the identification method recommended by AA1000 SES (2015) "Stakeholder Engagement Standards" to identify stakeholders. The method uses five aspects: dependency, responsibility, tension, influence, and diverse perspectives as judging criteria and adopts a five-point scale. Seven types of important stakeholders have been identified:



The Company values the rights and interests of all stakeholders and has established transparent and diverse communication channels. If you still have questions or suggestions about Greatek, you are welcome to use the information in the following sections to provide your valuable opinions.

#### **Customers**

Vice President Chiu, Sales Division e-mail: aaron@greatek.com.tw

#### Employees, Suppliers, Government Agencies, Communities

Manager Chen, Administration Department e-mail: ned@greatek.com.tw

### Shareholders and Financial Institutions

Spokesperson and Vice President Chen e-mail: sheng@greatek.com.tw

Greatek collects sustainability-related issues from the United Nations Sustainable Development Goals (SDGs), industry norms and standards, benchmarks in our industry, and the organization's annual goals. Through various communication channels for stakeholders, the responsible units have communicated with stakeholders on a regular basis/from time to time to summarize the impacts generated by the Company's operations into 22 issues of stakeholder concern with reference to the GRI Standards.

#### **Customers**

As customers are our important business partner, we meet their needs to create a win-win situation.

#### **Issues of Concern**

- Customer management
- Product R&D and innovation
- Green operations
- Sustainable supply chain
- Legal compliance

#### Possible Impact on Human Rights

 Failure to properly manage business messages and customers' personal data and information.

#### Communication Channel and Frequency

- Monthly business report (monthly)
- Customer audit (from time to time)
- Customer service platform (from time to time)
- Customer satisfaction survey (annually)
- Quarterly business review meeting for customers (every three months)

#### **Major Concerns**

- Risk management and contingency plans
- Requirements for disclosure of hazardous substances in products
- Implementation of occupational safety and health prevention measures
- GHG management measures
- Energy and resource management measures
- · Climate change impact response

#### **Communication Performance**

- Customer satisfaction score: 89.
- No customer complaints related to breaches of customer confidentiality.

#### **Communication Chapter**

4. Partnership Maintenance

#### **Suppliers**

Our key partner in the common pursuit of sustainable development

#### **Issues of Concern**

- Environmental management
- GHG emissions
- Employee rights and interests
- Technology and service
- Sustainable supply chain

#### Possible Impact on Human Rights

Failure to pay attention to labor rights leads to illegal incidents, which indirectly or directly affects customers' willingness to place orders.

#### (Communication Channel and Frequency)

- Complaint email address (from time to time)
- Supplier audit (annually)
- Supplier management system (annually)
- Supplier questionnaire survey (annually)

#### **Major Concerns**

- Whether suppliers comply with customers' or the RBA's code of conduct.
- GHG emissions management and response.

#### **Communication Performance**

- 100% in compliance in the procurement of raw materials.
- 100% non-use of conflict minerals.
- The annual supplier audit score was above

#### **Communication Chapter**

- 3. Innovation and Development
- 4. Partnership Maintenance

#### **Shareholders**

Upholding ethical corporate management, striving for sustainable governance, and creating value for shareholders

#### **Issues of Concern**

- Corporate governance
- Sustainability performance
- · Ethical corporate management
- Risk management
- Legal compliance

#### Major Concerns

- Information disclosure enables external investors to better understand the Company's operations.
- Impact of climate change on the Company's operations and countermeasures.
- Impact of carbon emissions on operations and countermeasures.

#### Possible Impact on Human Rights

- Non-disclosure of information may affect investors' judgments and damage their investment rights.
- Environmental issues may affect people's basic human rights, such as the right to work, right to health, and environmental rights.

#### **Communication Performance**

- Return on equity: 9.41%.
- No incidents of corruption violations.
- The annual general shareholders' meeting is held before the end of May.

#### (Communication Channel and Frequency)

- Company website (monthly)
- Financial report (quarterly)
- Annual general meeting (annually)
- Public Observation Post System (from time to time)
- Communication meeting (monthly)

#### **Communication Chapter**

2. Sustainable Governance

#### **Employees**

Employees are our most important asset, the driving force for production capacity growth, and the cornerstone of sustainable development

#### **Issues of Concern**

- Sustainability performance
- Operational status
- Corporate governance
- Equal opportunity

#### Ì

- Health and safety Employee rights
  - and interests Diverse workplace

#### **Possible Impact on Human Rights**

- Failure to properly manage occupational safety and health may affect the safety of employees at work.
- Sexual harassment or workplace bullying.
- Overtime work affects employees' rights
  at work

#### (Communication Channel and Frequency)

- Labor-management meeting (every three months)
- Employee feedback box (from time to time)
- Internal/external company websites (from time to time)
- Employee Welfare Committee meeting (every three months)

#### **Major Concerns**

- Comprehensive health management.
- Accident response and effective evacuation.
- Comprehensive rights at work for employees.

#### **Communication Performance**

- Annual employee health checkups.
- 0 employee grievances.
- All employees participate in at least one hour of occupational safety and health education and training.

#### **Communication Chapter**

- 2. Sustainable Governance5. Harmonious Workplace
- Government Agencies Key promoter of relevant sustainability policies

#### **Issues of Concern**

- Regulatory compliance
- Environmental management
- GHG emissions
- Labor conditions

#### **Possible Impact on Human Rights**

A major occupational safety and health hazard incident may affect the physical and mental health of workers.

#### Communication Channel and Frequency

- Official correspondence (from time to time)
- Questionnaire and interview (from time to time)
- Project and initiative (from time to time)
- Communication meeting/forum/seminar (from time to time)

#### **Major Concerns**

- Occupational safety and health seminars
- Water resource consumption
- Energy consumption

#### **Communication Performance**

- Voluntary GHG inventory.
- Waste recycling rate: 26.4794%.

#### **Communication Chapter**

6. Green Sustainability

#### **Communities**

Initiating community engagement and care to build harmonious relationships

#### **Issues of Concern**

- Green operations
- Social engagement
- Environmental management
- Occupational safety
- Employment opportunities

#### Possible Impact on Human Rights

 Violations related to environmental protection issues will affect the quality of life of local residents.

#### Communication Channel and Frequency

- Company website (monthly)
- External communication email address (from time to time)
- Plants' grievance hotlines (from time to time)
- Community engagement activities (from time to time)
- Visits to the neighborhood/village chiefs and residents nearby (from time to time)

#### **Communication Chapter**

#### **Major Concerns**

- Assisting the industry in the operation and development of occupational safety and health
- Reducing GHG emissions
- Enhancing local employment

#### Communication Performance

- Recycled 485,716 tons of process wastewater
- Achieved the target of 1% power saving.
- Donated NTD 30,000 to the Miaoli County Friends of the Police Association.
- Donated NTD 20,000 to the Shanjia Community Patrol in Zhunan Township.

6. Green Sustainability

#### Financial Institutions Key promoter of relevant sustainability policies

#### **Issues of Concern**

- Ethical corporate management
- Legal compliance and ethics
- Corporate governance

#### **Possible Impact on Human Rights**

 Environmental issues may affect people's basic human rights, such as the right to work, right to health, and environmental rights.

#### Communication Channel and Frequency

- Investor conference (every six months)
- Financial report (quarterly)
- Company website (monthly)
- Public Observation Post System (from time to time)
- Company website (monthly)

#### **Major Concerns**

- Information disclosure and operational status.
- Impact of carbon emissions on operations and countermeasures.

#### **Communication Performance**

- Held two investor conferences
- No reports of unethical conduct received

#### **Communication Chapter**

2. Sustainable Governance

# 1 3 Identification and Analysis of Material Issues

# Materiality Assessment Process

# 01

Understand the organizational context Focus on 22 issues of concern

- Comprehensively assess global sustainability trends and the operational development goals of the Company, analyze governance, economic, environmental, and social issues, and collect material issues of stakeholder concern through different communication channels.
- Collection of issues of concern: Sustainability-related issues of concern are collected
  from various internal and external channels; global norms and standards (Global
  Risks Report, United Nations SDGs, TCFD, SASB); benchmarks in our industry and
  other industries, and the organization's annual goals to understand the benefits to the
  enterprise and the basic responsibilities to be fulfilled.

# 02

**Assess impact levels** 

1235 valid questionnaires returned

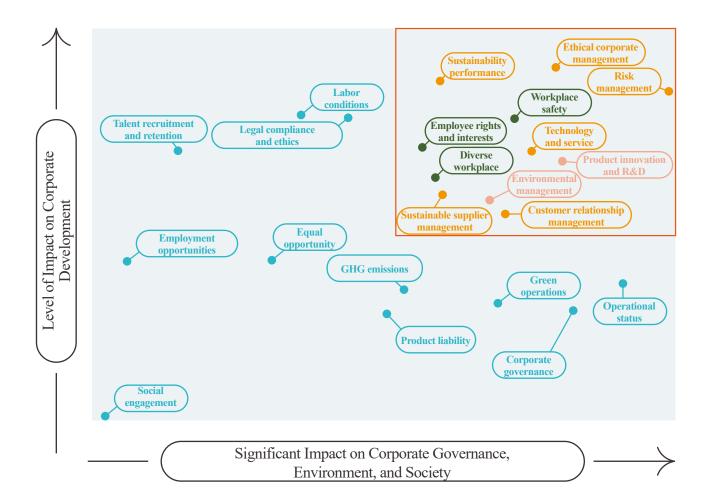
- Distribute questionnaires on the issues of concern to important stakeholders based on the stakeholder identification results to understand their level of concern.
- Assess the level of impact and the likelihood of occurrence of each issue, and determine their impact significance based on the returned questionnaires.

# 03

Report in the order of impact significance

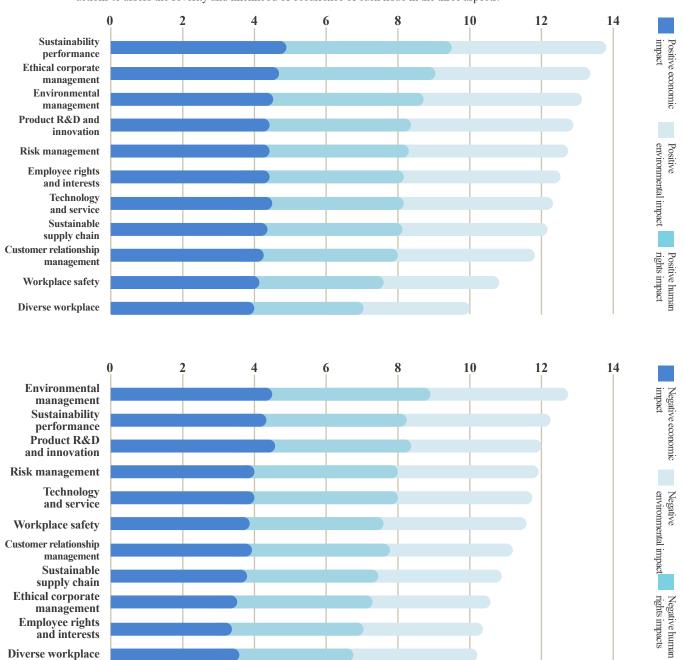
11 material topics selected

- Define topics with high materiality levels as material topics.
- Select 11 material topics from general issues based on the advice of the ESG Committee.
- Define the boundaries of topics based on the value chain: Measure each material topic and each sustainable development goal, as well as Greatek's engagement in these impacts, to identify the scope of impact.
- Verification by senior management and information disclosure: The ESG Committee verifies with senior management, formulates a management system and process, and gathers information for disclosure.



#### Analyze positive and negative impacts and the scope of impact along the value chain

- After identifying the material topics, Greatek's senior management and the ESG Committee conduct an in-depth positive and negative impact analysis on the 11 material topics to assess the scope of their impact along the value chain.
- Positive impact: Assess the positive benefits of each issue in terms of the three aspects of economy, the environment, and people (including human rights) and their likelihood of occurrence based on Greatek's current strategies and management policies.
- Negative impact: Make an assumption that the organization fails to prevent or mitigate negative impacts for not taking strategic actions to assess the severity and likelihood of occurrence of each issue in the three aspects.



After comprehensive evaluation in the three aspects based on Greatek's sustainability strategies and management policies, the assessment results are as follows:

- Significance of positive impact: "Sustainability performance," "environmental management," and "product R&D and innovation" are the top three topics in terms of the significance of positive impact.
- Significance of negative impact: Assuming that there is no commitment to environmental sustainability management, the significance of negative impact generated would be the highest.

Looking into the future, climate change is a sustainable issue of global concern. This echoes the results of the positive and negative impact analysis in 2023, which indicate that Greatek Electronics has a proactive attitude towards the implementation of GHG inventory management and the gradual achievement of the goal of net-zero emissions, bringing significant positive impacts.

### **Greatek Value Chain Assessment**

By examining Greatek's sustainable development efforts from the perspective of the value chain, we can not only understand the positive and negative impacts created by Greatek on the value chain, but also focus on the links most in need of strengthening and improvement. The key to sustainable development is to seize opportunities in all links of the value chain to expand positive impacts and reduce negative impacts.

Value Chain Impact Boundary
Level of involvement: ◆Direct / ○Indirect (contribution or business relationships)
Impact assessment: ▲Positive impact / □Negative impact

CDI Cuantalità A attività 3		Upstream		(	Greatek	]	Downstream	Corresponding	
Material Issue	GRI Standards	Greatek's Activities and Impacts	Suppliers Financial Government institutions agencies	Com- munity groups	Greatek	Shareholders	Em- ployees	Customers	Chapter
Ethical corporate	205 Anti-corruption		0	0	0	•	•	•	2.5 Ethics and Leg
management Anti-corruption		customers, we aim to provide the best services with the highest quality requirements. We implement ethical corporate management, comply with laws and regulations, and continuously seek profits and growth.				<b>A</b>	•	<b>A</b>	Compliance
Risk management		To cope with the operational and environmental risks	0	0	0	•	•	•	1.5 Risk
	2015	facing global enterprises, it is necessary to establish a risk management mechanism to quickly respond to changes, reduce losses, and continuously protect the interests of stakeholders.				<b>A</b>	<b>A</b>		Response
Sustainability	201 Economic Performance	Continue to make profits to	0	0	0	•	•	•	2
performance		achieve the goal of sustainable operations and create new employment opportunities.	<b>A</b>				<b>A</b>	<b>A</b>	Sustainable Governance
Product R&D and	301 Raw Materials	We strengthen our technical innovation and R&D	0	•	0	•	•	•	3.2 Product
innovation		capacity; reduce emissions and go green and pollution-free in line with the international trend, and actively engage in the research and mass production of new packaging technologies.				•	•		R&D and Innovation
Technology and service	201 Economic Performance	Greatek is committed to IC packaging and testing service	0	•		•	•	•	3.1
		packaging and testing service and technology development and providing unified services and direct shipment customer services to reduce lead times and lower costs.				<b>A</b>	<b>A</b>		Technology and Service
Customer relationship	418 Customer Privacy	Improve customer satisfaction and loyalty as	0	0	(	) •	•	•	4.1 Customer
management	·	well as the Company's reputation, thereby increasing the willingness of new customers to work with Greatek, to maximize revenue and profit for the Company.				<b>A</b>	<b>A</b>	<b>A</b>	Relationship Managemen
Sustainable supply	419 Socioeconomic Compliance	Implement social responsibilities, enhance	0	0	(		•	•	4.2 Sustainable Supply
chain									

Value Chain Impact Boundary
Level of involvement: •Direct / ∘Indirect (contribution or
business relationships)
Impact assessment: ▲ Positive impact / □Negative impact

	CDI	Creataly's Activities and		Upstream		Grea	Greatek		ownstream	Corresponding
Material Issue	GRI Standards	Greatek's Activities and Impacts		Financial Govern- ment agencies	munity					Chapter
		Greatek regards employees as the most important	0		•	0	•	•	0	5. Harmonious
	404 Training and Education	business partner of the Company and is committed to creating a friendly work environment and enhancing employee satisfaction. Through continuous training, we strengthen professionalism, encourage lifelong learning, and cultivate talent.	<b>A</b>					•		Workplace 5.3 Training of Employees
and interests  as the most important business partner of the Company. We are committed to providing competitive remuneration and benefits to attract and retain outstanding talent from all walks of life and rewarding colleagues for their hard work and contributions to the Company so that each	Greatek regards employees as the most important	0		0	0	•	•	•	5.4 Valuing Employ	
		business partner of the Company. We are committed to providing competitive remuneration and benefits to attract and retain outstanding talent from all walks of life and rewarding colleagues for their hard work and contributions to the Company so that each member can do their best at					<b>A</b>	<b>A</b>	•	Human Rights
Workplace	403 Occupational	Greatek regards employees as the most important	0		0	0	•	•	0	5.7 Employee Heal
safety Health and Safety as the most important business partner of the Company and provides them with a safe, comfortable, and productive work environment.					<b>A</b>	<b>A</b>		and Safety		
Environmental management	306 Wastewater and Waste	To protect the earth and the environment and fulfill	0		•	0	•	•	0	6.
	Waste environment and fulf corporate social responsibilities, Grea coexists and co-prosp with the environment achieve the purpose of	corporate social responsibilities, Greatek coexists and co-prospers with the environment to achieve the purpose of corporate sustainability.					<b>A</b>	<b>A</b>		Green Sustainability

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Through the stakeholder communication mechanism, Greatek communicates with stakeholders through different channels on a regular basis or from time to time to perform due diligence on environmental, social (including human rights), and corporate governance issues in the hope to accurately identify, prevent, mitigate, and explain the actual or potential negative and positive impacts of each issue.

To continuously improve human rights protection, we provide case studies of unlawful infringement in the workplace as well as education and training on the prevention of workplace violence to employees at manager level in the Company, and based on the Company's human rights policy and external case studies, organize education and training on the human rights policy, human rights management, and human rights risk mitigation and remedial measures.

If it is identified that a negative impact has already been caused, countermeasures will be assessed according to the aspect that the negative impact involves. Relevant policies include due diligence investigation and the early warning principle to solve the actual negative impact through remediation and to solve the potential negative impact through prevention or mitigation.

There were no major human rights risk deficiencies in 2023. We have continued to implement remedial measures and mitigation measures for the implementation of welfare policies, the improvement of rest spaces and the working environment, and education and training to facilitate the elimination of human rights violations at the workplace and effectively protect human rights.

# 15 Risk Response

The operational risk management organization of Greatek consists of relevant functional departments. Major decisions are assessed and analyzed by each responsible department. The production-related departments establish a risk assessment matrix for each department head as a basis for risk assessment. The department heads report the results to the Chairman for risk management after approval.

The Internal Audit Office formulates an audit plan and performs audits every year to assist the Board Directors in supervising and controlling the potential risks associated with the execution of decisions.

# Risk Management and Control

The types of risks that global enterprises face include operational risk, financial risk, environmental risk, and safety and health management risk. We have established a risk control approach for various potential risks that may arise from our operations and profit-seeking so that we can respond quickly to the risks, reduce losses, and continuously protect the interests of stakeholders.

		Risk Control
	Important Risk	Approach
D: L T	Regulatory risk	<ul> <li>Constantly pay attention to important policy and legal changes, plan responses, comply with laws and regulations, and reduce the impact of legal changes on company operations.</li> </ul>
<ul><li>Risk Type</li><li>Operational</li></ul>	Purchase risk	<ul> <li>Have multiple suppliers for major raw materials, as well as a safety stock mechanism, to eliminate the risk of material shortage due to supplier concentration.</li> </ul>
Risk	Sales risk	<ul> <li>Our revenue is distributed among sales customers, and the Company actively develops new customers to avoid the risk of sales concentration.</li> </ul>
	Climate change risk	<ul> <li>Conduct planned procurement and carefully select sources of supply, places of origin, and production methods.</li> <li>Prevent climate change and natural disasters from impacting costs.</li> </ul>
		Plan alternative materials in advance during R&D.
	Important Risk	Risk Control Approach
→ Risk Type Financial	Interest rate change	<ul> <li>In 2023, interest income accounted for a small proportion of operating revenue, and there was no interest expense. Hence, interest rate changes had minimal impact on the Company.</li> </ul>
Risk	Exchange rate change	<ul> <li>To the extent permitted by policy, the Company uses forward exchange contracts for risk management and to mitigate exchange rate risks.</li> </ul>
		Risk Control
	Important Risk	Risk Control Approach
→ Risk Type  Environ-	Important Risk  Energy conservation and carbon reduction	
	Energy conservation	Promote environmental management (ISO 14001), reduce energy use and carbon emissions in the process.  Make the greatest effort to protect the environment. We have
Environ- mental	Energy conservation and carbon reduction	Promote environmental management (ISO 14001), reduce energy use and carbon emissions in the process.  Make the greatest effort to protect the environment. We have voluntarily conducted GHG inventory since 2016.  Strive to improve the utilization efficiency of resources and reduce industrial wastewater discharge and water resource consumption [703,046 tons of wastewater were discharged in
Environ- mental	Energy conservation and carbon reduction	Promote environmental management (ISO 14001), reduce energy use and carbon emissions in the process.  Make the greatest effort to protect the environment. We have voluntarily conducted GHG inventory since 2016.  Strive to improve the utilization efficiency of resources and reduce industrial wastewater discharge and water resource consumption [703,046 tons of wastewater were discharged in
Environ- mental	Energy conservation and carbon reduction  Water resource	Promote environmental management (ISO 14001), reduce energy use and carbon emissions in the process.  Make the greatest effort to protect the environment. We have voluntarily conducted GHG inventory since 2016.  Strive to improve the utilization efficiency of resources and reduce industrial wastewater discharge and water resource consumption [703,046 tons of wastewater were discharged in 2023]  Risk Control

#### Risk Type

# Climate change risk

Since 2021, we have used the Task Force on Climate-related Financial Disclosures (TCFD) framework to identify climate risks and opportunities, and discussed and established measurement metrics and targets for management based on this framework.

Since 2021, the ESG Committee has reported on climate change risks and countermeasures, as well as the achievement of related goals, to the Board Directors every year.

# Core Framework

Greatek pays attention to global sustainable issues and the development trends of various industries in order to reduce the impact of corporate operations on the environment, explore new industry opportunities, and join hands with the public for sustainable environmental development. We disclose climate-related information as well as the financial impact of climate change and future countermeasures in accordance with the core framework of the TCFD recommendations consisting of governance, strategy, risk management, and metrics and targets.

#### Core Framework

#### Governance

#### **Strategy**

#### Risk management

#### **Metrics and Targets**

#### Actions

- The Board Directors has the responsibility for climate risk oversight
- The ESG Committee is responsible for assessment and management
- Set short-, medium- and long-term targets for climate risks and opportunities that have significant impacts on operations, strategy, and
- Take climate change scenarios into consideration
- Process to identify and assess climate risks and opportunities
- Inclusion of overall risk management
- Disclose emissions
- Describe targets and performance for risks and opportunities

### Specific measures

To allow the Board Directors to understand climate-related issues, Greatek makes an annual report to the Board Directors through the "ESG Committee." The Board Directors takes climate-related issues into consideration when reviewing guiding strategies, major action plans, risk management policies, and annual budgets and business plans, as well as setting the organization's performance goals, and monitoring the execution/supervision of major capital expenditures.

The ESG Committee is the highestlevel management committee responsible for climate-related issues within the Company. It consists of the Chairman as the convener of the Committee, the President as a steering member, and the unit managers responsible for the operation of the subordinate committees. The members of each committee include departmental representatives from all operating units of the Company. They are in charge of verifying and implementing the management standards for ESG issues, assessing and/or managing climaterelated issues, and managing and reviewing key performance indicators.

Based on the scope and status of climate change impacts, physical and transition risks are scored according to their rate of occurrence and severity and categorized into quadrants according to their scores. Risk mitigation plan analysis is required for risks with a high occurrence frequency and high severity, and the analysis is updated once every six months to ensure its effectiveness.

Set short-, medium- and longterm carbon reduction targets and regularly manage GHG emissions in different scopes. Please refer to the chapter titled "Environmental Protection" for details.

#### Risk and Opportunity Identification

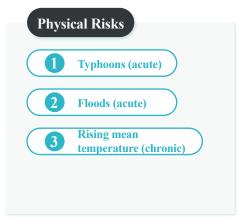
With the ESG Committee under the Board Directors as the highest organization for "climate change" management, we incorporate climate change-related issues into the scope of target and performance management. The ESG Implementation Team proposes the annual implementation plan for the following year at the end of each year, tracks the implementation results of various plans every six years, and makes a regular report to the ESG Committee and the Board Directors. The ESG Implementation Team has a Sustainable Operations Group responsible for identifying and inventorying climate change risks and opportunities for classification and management to enhance corporate resilience and grasp market opportunities.

Regarding possible risks and opportunities related to climate issues, the ESG Implementation Team regularly identifies transition, physical, and climate change risks based on their "likelihood of occurrence" and "probability of potential impacts," assesses their impact on the Company's and the Company's finance, and formulates short-, medium-, and long-term countermeasures.

The relevant departments in the "ESG Committee" identify and analyze the climate change risks and opportunities they may face within their scope of business. Based on the rate of occurrence (six levels) and likelihood of occurrence (six levels) of risks and opportunities, a matrix is drawn to grasp material risks and opportunities, and management methods are formulated to reduce, transfer or avoid potential impacts.

#### **Greatek Climate Change Risk Matrix** High **Typhoons (acute)** 2 Floods (acute) **Energy and GHG** П regulations Increased cost of GHG emissions Demand for low-carbon Rising mean products and services temperature (chronic) Impact on the Company's image Likelihood High Low

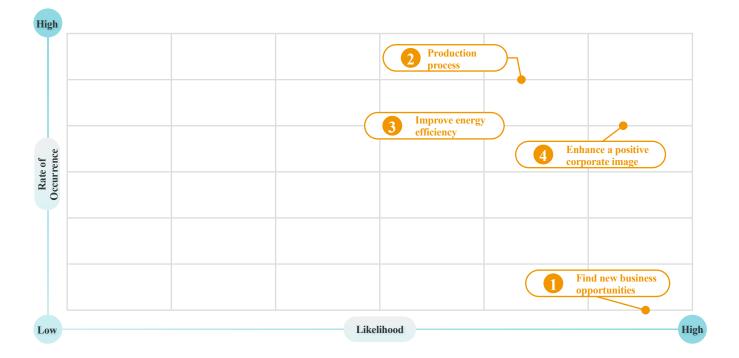




#### Our strategies and management measures for risk factors with greater impact are as follows:

Type	Climate change risk	Financial Impact	Countermeasures
	Energy and GHG regulations	<ul> <li>Decreased revenue</li> <li>Increased operating costs</li> </ul>	In 2023, the Company recycled a total of 485,716 tons of process wastewater, an increase of 83,563 tons from 402,153 tons in 2019. Continue to implement waste reduction and recycling programs to reduce environmental impact.
Physical Risks	Increased cost of GHG emissions	<ul> <li>Increased costs for installing and operating carbon reduction equipment.</li> </ul>	Introduce ISO 14064-1: 2018 for indirect (Scope 3) emissions inventory.
Physi	Increased demand for products and services	Increased investment in energy-saving equipment	Invest in the development of new products.
	Uncertainty of investment in technology/new technology	Cost increase	Pay attention to the development of new technology, and strengthen technology and R&D talent.
	Impact on the Company's image	Damage to goodwill	Increase the positive exposure of energy-saving and low-carbon products and services to create an ESG corporate image.
sks	Typhoons (acute)	<ul><li>Loss of property</li><li>Decreased revenue</li></ul>	When a typhoon is approaching, the Company keeps abreast of news about whether employees should come to work or have a day off, and communicates warning information at any time.
Transition Risks	Floods (acute)	<ul><li>Impact on production</li><li>Impact on business operations</li></ul>	The foundation of our existing plants was raised during construction, and drainage facilities have been installed in the plant area to prevent disaster damage.
T	Rising mean temperature (chronic)	Increased operating costs	Continue to implement waste reduction and recycling programs to reduce environmental impact.

#### **Greatek Climate Change Opportunity Matrix**





#### Our strategies and management measures for climate change opportunities are as follows:

Type	Opportunity Factor	Financial Impact	Countermeasures
unities	Find new business opportunities	Expanded revenue from energy-saving products	Incorporate the idea of green design into product development to reduce energy consumption during product manufacturing and use.
e Opportunities	Production process	<ul> <li>Reduced product defect rate to lower scrap costs</li> <li>Reduced consumption of other chemicals to lower chemical costs</li> </ul>	Introduce adjustments and improvements to processes.
Climate Change	Improve energy efficiency	Reduced energy costs	Regularly review the current status of energy management and energy-saving project implementation in plants.
Clim	Enhance a positive corporate image	Improved reputation and increased demand for low-carbon products/services.	Strengthen low-carbon green energy production.

#### Risk Type

# Countering the Pandemic

- We have adopted a variety of more adaptable measures while
  protecting the safety of all employees and corporate operations. We
  have proactively implemented corresponding management policies
  and established pandemic prevention policies and supporting
  measures that are tailored to local conditions, providing a workplace
  environment that is most responsive and secure.
- When the pandemic broke out in Taiwan, the President's Office immediately commanded the establishment of the Crisis Management Committee to assess and determine the extent of the impact of the infectious disease on the Company's operations, and announced the initiation of emergency response measures in stages. Different tasks were assigned to the Occupational Safety and Health and Administration Departments.
- Employee health care: A health care reporting platform has been established to monitor the status of employees with confirmed diagnoses of COVID-19 in real time and provide care for them.
- Workplace protection: We disinfect the workplace regularly, install hand sanitizer stations, and set up partitions in meeting rooms for pandemic prevention.
- Pandemic prevention policy advocacy: Pandemic prevention slogans are posted at the workplace, and a guide to pandemic prevention is disseminated in the internal community.

#### **Emergency Response Management**

Our "Emergency Response Team" is responsible for implementing relevant contingency and recovery plans. When an emergency occurs, contingency measures can quickly be adopted to prevent and mitigate damage and losses caused by the incident.

<b>Specify</b>	contingency
pro	cedures

 Formulate an "Emergency Response Plan" and follow the "Emergency Preparedness and Contingency Procedures" in case of emergency.

# Testing and training

- Provide education and training to all relevant personnel to make them proficient in relevant skills, and test the contingency measures at least once a year, with or without notice, to make sure that the personnel are reliable in the implementation of practical operations and contingency plans.
- In the face of the environment and climate that may change at any time, the emergency drill in 2023 focused on firefighting and evacuation training. Through drills, employees can quickly take appropriate contingency measures in the event of an accident.

### Continuous review and revision

 Hold meetings to review the implementation status after an emergency or a drill, and review deficiencies and make corresponding revisions.

# Emergency response equipment

 Plan the required contingency and first-aid equipment and conduct monthly inspections on a regular basis to ensure the effectiveness of the equipment.

#### Crisis Handling Procedure

# **Preventive actions** Comply with laws and regulations, implement emergency response and disaster relief training, and transfer the risk of possible losses through insurance. **Emergency** Implement operating guidelines to ensure the safety of employees and prevent the spread of response Communication $Communicate \ with \ stakeholders \ according \ to \ the \ Company's \ external \ communication \ system \ to \ avoid \ information \ overload \ and \ misunderstanding.$ and management Prioritize recovery items based on the available resources, and review and revise relevant **Disaster recovery**

procedural documents after recovery.

# **O2** Sustainable Governance

Greatek has established a corporate governance structure and put relevant regulations into practice in accordance with the Company Act, the Securities and Exchange Act, and other relevant laws and regulations to ensure the sound development of the Company's operations so as to protect the rights and interests of investors and other stakeholders. We take "improving information transparency and implementing sustainable development" as our governance goals.

- 2.1 Overview of Greatek
- 2.2 Business Philosophy
- 2.3 Corporate Governance

- 2.4 Management System Certification
- 2.5 Ethics and Legal Compliance

# **Description of Material Topics in the Chapter**

Materiality (GRI Standar		Sustainability Performance (201 Economic Performance)
Strategic core	Raise employees' integrity and ethical awareness, establish a corporate culture of ethical corporate management, and achieve the goal of no employees involved in unethical conduct.	Continue to grow business performance
Vision and goal	<ul> <li>Continue to raise employees' integrity and ethical awareness and establish a corporate culture of ethical corporate management.</li> </ul>	Continue to improve process technology and maintain or pursue revenue and profit growth.
Management policy	<ul> <li>Establish the "Criteria for Judging the Effectiveness of the Internal Control System" and a code of conduct.</li> <li>Formulate the "Guidelines for the Codes of Ethical Conduct" and the "Ethical Corporate Management Best Practice Principles" for employees to follow to ensure their compliance with ethical standards.</li> <li>All members of the organization shall act in accordance with integrity and ethical values and standards when dealing with stakeholders.</li> <li>Timely identify and remedy employee violations of the internal code of conduct, and administer punishment.</li> <li>Create independent whistleblowing email addresses for internal and external personnel.</li> <li>Protect whistleblowers from unfair retaliation or treatment.</li> </ul>	track and discuss goals.  Improve plant production efficiency, production capacity and quality, and continue to develop new materials, new products, and new processes for continuous growth of Greatek's business performance.
Evaluation mechanism	The responsible unit reports regularly to the Board Directors on the Company's implementation of ethical corporate management.	<ul> <li>The responsible unit regularly monitors the economic situation and increases capital expenditures to expand production lines when appropriate.</li> <li>Hold a goal management meeting every month.</li> </ul>
Grievance mechanism	<ul> <li>Administration Department: ned@greatek.com.tw</li> <li>Internal Audit Office: a001@greatek.com.tw</li> </ul>	<ul> <li>Administration Department: ned@greatek.com.tw</li> <li>Internal Audit Office: a001@greatek.com.tw</li> </ul>
Performance highlights	The responsible unit made a report on the Company's implementation of ethical corporate management at the 10th meeting of the Board Directors (10th term) on July 28, 2023. In 2022, we did not find or receive any report of unethical conduct by the Company's personnel.	<ul> <li>In 2023, the Company's return on equity was 9.41% thanks to revenue growth and proper control of cost and expenses.</li> <li>In 2023, the annual output value of Taiwan's IC packaging and testing industry reached NTD 583.7 billion, down 14.75% from 2022.</li> <li>The Company's turnover in 2023 was NTD 13.57 billion, with a market share of 2.32%.</li> </ul>

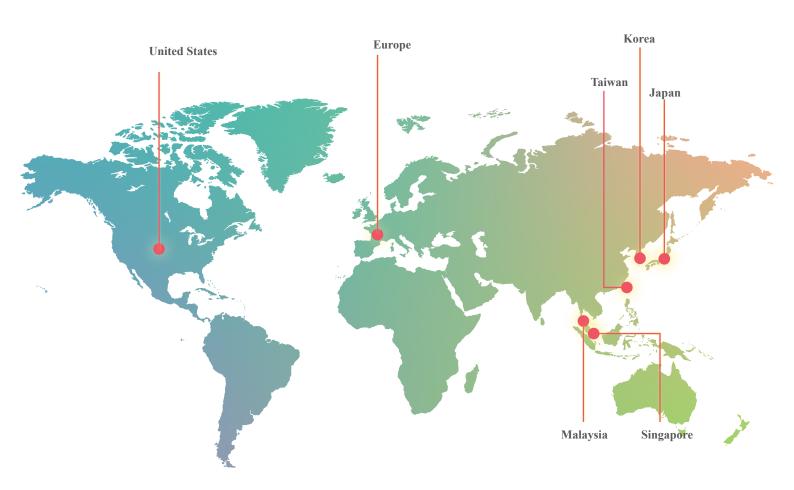
# 2.1 Overview of Greatek

Founded in 1983, Greatek is located in Zhunan Township, Miaoli County. The Company was transformed into a professional and international IC packaging and testing company in 1995. With an excellent R&D team and high-quality and highly competitive manufacturing and management teams, we satisfy customer needs and offer integrated and quick turn-key services. Our products are mainly various computer peripherals and consumer integrated circuits.

We adhere to the philosophy of steady operation and growth, adopt a human-oriented management system and take a proactive attitude towards innovation and R&D. With quality, efficiency, and customer satisfaction as our tenets, we have built long-term partnerships with our customers that promote mutual trust, creating win-win results. With outstanding achievements in capital accumulation and operating revenue, as well as the concerted efforts of all employees, Greatek occupies an important position in the professional field of packaging and testing.

With creating a firm foothold in Taiwan and going international as the management objectives, Greatek Electronics has a customer base not only in Taiwan, but also around the world. We also engage in R&D for process refinement and improvement and implement 100% customer satisfaction-oriented quality management to achieve the greatest win-win situation.

## **Global Customers**



Locations of customers: Taiwan, Malaysia, Korea, Japan, USA, Europe, Singapore

### **Overview of Greatek**

Company name	Greatek Electronics Inc.
Date of establishment	1983
Address of the Company's headquarters	No. 136, Gongyi Rd., Zhunan Township, Miaoli County
Number of employees	4,134
Total capital	NTD 5,688,459,210
Shareholding of directors and supervisors	43.93%
Liabilities and equity	NTD 24,512,656 thousand in total Liabilities: 12%; equity: 88%
Main business	<ul><li>Circuit probing</li><li>Final test</li></ul>
Products and services	<ul><li>IC packaging</li><li>IC testing (FT+WT)</li></ul>

### **Greatek's Business Development**

In response to the needs of the development and application markets in the overall industry, Greatek is committed to the development and mass production of fine pitch bonding, high-pin-count BGA, hybrid/high thermal, and RF testing products. We will keep up with the future rapid development and application trends of wireless communications, networks, information appliances, and handheld devices; for example, the IC packages for communication devices, controllers, memories, and peripherals are lightweight, thin, short, and small.

#### ightarrow Product and Business Scope

#### **Product Scope**

- Plastic dual in-line integrated circuits (P-DIP)
- Small outline integrated circuits (SOP, SOJ, SSOP, TSSOP, MSOP)
- Plastic quad flat integrated circuits (QFP, LQFP, TQFP)
- Plastic flat J-leaded integrated circuits (PLCC)
- Diode integrated circuits (TO)
- Quad-flat no-lead (QFN) packaging

- Ball grid array integrated circuit packaging (BGA, LGA)
- Flip chip packaging (flip chip QFN, SOP, SOT)
- 8" Wafer-level chip scale packaging (WLCSP)
- Bumping packaging
- Cu pillar bump flip-chip packaging
- Rewiring (RDL)

Business Scope		2021	2022	2023
<ul><li> Circuit probing</li><li> Final test</li></ul>	Annual output value of Taiwan's IC packaging and testing industry	NTD 628.4 billion	NTD 701 billion	NTD 583.7 billion
	Greatek's operating output value	NTD 19.5 billion Market share: 3.10%↑	NTD 15.95 billion Market share: 2.28%↓	NTD 13.57 billion Market share: 2.32%↑

# **2.2** Business Philosophy

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We serve customers with "integrity" to develop long-term partnerships, achieve sustainable business growth with financial "practicality," are committed to the "innovation" of our core business, and provide the best services with the highest "quality" requirements.

### **Greatek's Business Philosophy**

# **Integrity**

To meet customer needs and expectations, we are committed to improving process technology and product quality; always provide customers with the most trustworthy and satisfactory services; and work closely with all customers to develop complementary and win-win long-term partnerships.

# Innovation

We are proactive, focus on our core business, and seek innovation and change, hoping to always provide customers with the latest technical services.

# **Practicality**

Robust financial performance, strong growth, and sustainable operations.

# Quality

We implement the quality policies of "establishing norms," "doing things right the first time," "engagement of all employees," and "customer satisfaction."

### **Management Objectives and Strategies**

#### ightarrow Management Approach and Production and Sales Policy

#### **Customer Orientation**

Take a customer-oriented spirit and attitude, comprehensively improve quality, technology, and efficiency, and provide professional services that satisfy customers.

#### **Market Share Expansion**

Proactively expand product lines to meet market and customer needs.

#### **Prudent Investment**

Make full use of plants and equipment to maximize productivity.

#### **Profit Creation**

Actively develop new processes and new materials to reduce costs and achieve business goals.

#### **Integrity as Our Tenet**

Create long-term and stable profits for the Company, customers, and suppliers.

#### **Team Spirit**

Establish a fair, reasonable and comprehensive system to create an ideal working environment for employees to build consensus and cohesion.

#### **Sustainable Operations**

Strengthen professional training, encourage lifelong learning, and cultivate talent.

#### **Effective Prevention**

Upgrade computer software and hardware, establish a prevention system and a management mechanism, actively protect the Company's information security, and provide a safe operation and production environment.

#### Sustainable Development

Pay attention to environmental protection, strive for energy conservation and carbon reduction, reinforce corporate governance, and fulfill corporate social responsibilities to achieve our sustainability goals.

#### Financial Performance

Greatek's business performance has continued to grow thanks to the strong demand for consumer electronics, terminal communication, high-speed operation, and automotive electronics; the Company's improved plant production efficiency, production capacity and quality; and our continuous development of new materials, new products and new processes.

#### 

Unit: NTD thousand

Year		Operating Revenue	Operating Cost		Net Income After Tax	Payments to Investors (Dividends and Interest)	Financial Contribution to the Government	Employee Salary   and Benefits	Donations
2021		19,461,143	13,191,441		4,602,762	1,763,573	777,637	4,773,434	2,150
2022		15,950,309	11,720,008		3,158,170	2,845,005	1,409,220	3,966,095	50
2023		13,570,076	10,740,105		1,997,124	2,105,757	693,741	3,499,506	50
Year-on-yea (%)	ır	↓14.92	↓8.36		↓36.76	↓25.98	↓50.77	↓11.76	-

#### **→** Direct Economic Value Generated and Distributed in 2023

#### **Operating Results**

Operating revenue NTD 13,570,076 thousand Gross operating profit NTD 2,829,971 thousand Operating expenses NTD 546,152 thousand Operating profit NTD 2,283,819 thousand Net profit before tax NTD 2,510,754 thousand Net profit after tax NTD 1,997,124 thousand Other comprehensive income NTD 731,766 thousand NTD 2,728,890 thousand Total comprehensive income

Dividends, Tax Expenses, Retained Earnings

- A cash dividend of NTD 3.7 per share was distributed for 2022.
- Income tax expenses totaled NTD 693,741 thousand
- Undistributed earnings after the earnings distribution in 2022 amounted to NTD 8,813,098 thousand

#### Production and Sales

Basic earnings per share

#### > Sales Region and Percentage Distribution of Main Products

NTD 3.51

Unit: NTD thousand

Year	20	21	20:	22	202	23
Sales Region	Sales Amount	Proportion (%)	Sales Amount	Proportion (%)	Sales Amount	Proportion (%)
Domestic sales	14,269,954	73.32	9,763,282	61.22	8,305,691	61.21
Americas	2,174,305	11.17	2,348,108	14.72	1,580,045	11.64
Asia —	1,525,037	7.84	2,373,867	14.88	2,559,656	18.86
Europe	1,491,789	7.67	1,464,754	9.18	1,124,647	8.29
Others	58		298		37	

#### Main Products by Sales Volume

(Unit: Thousand ICs)

Year	2021	2022	2023	
Packaging	12,805,016	9,006,918	7,440,982	_
Testing (FT+WT)	7,785,677	5,871,191	4,189,876	-

# 2.3 Corporate Governance



### **Overview of Departments**

Major Units	Responsibilities
Chairman	Coordinating the Company's overall business planning and execution, and continuously supervising and improving various internal control operations.  The Chairman serves as the convener of the ESG Committee
President	Planning the Company's overall business strategies and policies, and implementing and supervising the overall business operations.  Steering Member of the ESG Committee
Internal Audit Office	Responsible for checking and evaluating the implementation and effectiveness of the Company's internal control system.
ESG Committee	Responsible for the formulation, planning, and implementation of the Company's policies for corporate social responsibility, ethical corporate management and business ethics, and business continuity management.
Occupational Safety and Health Department	Formulating, planning, supervising, and promoting safety and health management affairs, and instructing relevant departments to implement.
Occupational Safety and Health Committee	Responsible for formulating work-related accident prevention plans, supervising the implementation of labor safety and health management by each department, and implementing relevant education and training.
President's Office	Responsible for the planning and implementation of the Company's operations strategies, as well as business analysis.
Pension Supervision Committee	Responsible for the supervision and management of the pension system and pension accounts.
Education & Training Committee	Responsible for the planning, supervision, and conduct of the Company's education and training affairs.
Sales Division	Responsible for the planning, supervision, and implementation of the Sales Division's operations; business development, marketing, and customer service.
Manufacturing Division	Responsible for packaging products; the planning, supervision, and implementation of manufacturing manpower, capacity, equipment, new product development, and production efficiency improvement; and the control and reduction of manufacturing costs.
<b>Testing Division</b>	Responsible for the product testing process; the planning, supervision, and implementation of manpower, capacity, equipment, testing programs, new product development, and operating systems; and the control and reduction of testing costs.
Wafer Level Package Division	Responsible for bumping packaging and wafer-level chip scale packaging services; the planning, supervision, and implementation of manpower, capacity, equipment, new product development, and operating systems; and the control and reduction of manufacturing costs.
R&D Division	Responsible for the research and development of new products and processes, evaluation and experiment of new materials and equipment, analysis of the causes of product abnormalities, and development of countermeasures.
Quality Assurance Division	Responsible for establishing and implementing quality control, document control, and instrument calibration control systems, handling customer complaints, reliability testing, and failure analysis.
Material Supply Chain Management	Responsible for the formulation, supervision, and implementation of production management, materials management, procurement, import/export, and bonding operations.
Facility Department	Responsible for the supply of water, electricity, gas, and air conditioning and the maintenance of related equipment for all plants; training on fire prevention management and facility maintenance; and the control and management of air pollution, wastewater, and sewage.
Administration Division	Responsible for the formulation, supervision, and implementation of operations related to management information, administration, human resources, and financial accounting; the formulation and revision of management systems; and the promotion of public relations.

#### **Adequate Functional Committees**

The Company established the "Regulations Governing the Performance Evaluation of the Board Directors" on July 29, 2020. To implement corporate governance, improve the functions of the Company's Board Directors and functional committees, and set performance goals to enhance operational efficiency:

- The performance of the Board Directors and functional committees is evaluated after the end of each year in accordance with the "Regulations Governing the Performance Evaluation of the Board Directors."
- The evaluation results shall be ready and submitted to the Board Directors before the end of the first quarter of the following year.

The scope of the Company's board evaluation includes the performance evaluation of the Board Directors as a whole, individual board members, and functional committees.

The evaluation methods include internal self-evaluation of the Board Directors, self-evaluation of board members, internal self-evaluation of functional committees, or other appropriate methods.

#### **Board Directors**

- There are nine directors in total, who are elected by the Shareholders' Meeting from among the
  persons with disposing capacity to serve a term of three years, and they may be re-elected. Among the
  directors, three are independent directors.
- Greatek adopts the candidate nomination system specified in Article 192-1 of the Company Act for the election of directors.
- The Board Directors of Greatek has established an "Audit Committee" and a "Remuneration Committee" to assist the Board Directors in fulfilling its supervisory responsibilities. They submit proposals to the Board Directors for resolution according to the powers delegated by the law and the charter approved by the Board Directors.
- Both the "Audit Committee" and the "Remuneration Committee" consist of three independent directors.

#### **Remuneration Committee**

• Committee composition:

The Remuneration Committee of Greatek has three members, namely Independent Directors Mr. Chu-Chien Feng, Mr. Chi-Yung Wu, and Mr. M.J. Chuang.

• How the Committee operates:

In accordance with the Company's "Remuneration Committee Charter." A total of three meetings were held in 2023.

- Committee responsibilities:
  - ✓ Regularly review the "Remuneration Committee Charter" and propose amendment suggestions.
  - Establish and regularly review the annual and long-term performance goals and remuneration policies, systems, standards, and structures of the Company's directors and managers.
  - Regularly assess the achievement of performance goals of the Company's directors and managers, and determine the content and amount of their individual remuneration.

#### **Audit Committee**

• Committee composition:

The Audit Committee of Greatek has three members, namely Independent Directors Mr. Chu-Chien Feng, Mr. Chi-Yung Wu, and Mr. M.J. Chuang. The Committee operates in accordance with the "Audit Committee Charter." A total of four meetings were held in 2023.

How the Committee operates:

In accordance with the Company's "Audit Committee Charter." A total of four meetings were held in 2023.

- The Committee operates to mainly supervise:
  - ✓ Fair presentation of the Company's financial statements.
  - ✓ Appointment (dismissal) or remuneration and independence of CPAs.
  - Effective implementation of the Company's internal control.
  - Compliance of the Company with relevant laws and regulations.
  - Control of existing and potential risks to the Company.

#### **Board responsibilities**

- All directors of the Company possess a background in business, financial accounting, or relevant fields required for the Company's business.
- In principle, the Board Directors meets once a quarter. The Chairman may convene a Board Directors' meeting in case of emergency or at the request of a majority of directors.
- All directors of the Company faithfully execute their duties and exercise the duty of care as
  a good administrator. Their main powers are to approve the Company's business plans and
  financial reports, formulate important regulations and systems, decide on the Company's
  major investments, and appoint and dismiss managers and CPAs.
- The directors recuse themselves from all proposals involving conflicts of interest.
- A total of four meetings were held in 2023.

#### Diversity of Board Members

In order to achieve the ideal goals of corporate governance, the "Corporate Governance Best Practice Principles" stipulate that the composition of the Board Directors shall take into account the diversification of professional knowledge and skills and that board members shall be equipped with the knowledge, skills, and attainments necessary for the performance of their duties, so as to facilitate the Company's development and operations.

	~ .	Concurrent _		Age		Year of	Operational	Accounting and Financial	Business	Crisis	Industry	International   Market	Leadership a
	Gender	Employee	51-60	61-70	71-80	Service	Judgment	Analysis	Management	Management	Knowledge	Perspective	making
Boris Hsieh	Male			•		12	•	•	•	•	•	•	•
D.K. Tsai	Male				•	12	•	•	•	•	•	•	•
Louis Ning	Male	•		•		28	•	•	•	•	•	•	•
J.S. Leu	Male			•		12	•		•	•	•	•	•
Y.C. Chen	Male			•		3	•		•	•	•	•	
Jr-Neng Chang	Male		•			17	•	•	•	•	•	•	
Chu-Chien Feng	Male				•	9	•	•	•	•	•	•	•
Chi-Yung Wu	Male				•	6	•	•	•	•	•	•	•
M.J. Chuang	Male			•		6		•		•		•	•





Note: All directors are male; there are eight directors above 60 years old and one director below 60 years old.

#### **Board Independence:**

The Company has three independent directors, accounting for 1/3 of the total number of directors, of which two have served for four to six years and one has served for seven to nine years. All independent directors of the Company are compliant with the restrictions on current positions under the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." They do not hold a concurrent position in more than three public companies.

The independent directors maintain independence within the scope of their duties and have no direct or indirect interests with the Company.

#### **Performance Evaluation for the Board Directors**

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- In order to implement corporate governance, improve the functions of the Company's Board Directors, and set performance goals to enhance the operational efficiency of the Board Directors, the Company's Board Directors formulated the "Regulations Governing the Performance Evaluation of the Board Directors" on July 29, 2020. A performance evaluation is conducted regularly at the end of each year, and the evaluation results are submitted to the Board Directors before the end of the first quarter of the following year.
- The scope of the Company's board evaluation includes the performance evaluation of the Board Directors as a whole, individual board members, and functional committees.
- In 2023, the performance self-evaluation results of the Board Directors, board members, and functional committee members were all above the standard.

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
		Board Directors	Self-evaluation for the Board Directors	<ul> <li>The performance evaluation of the Board Directors covers five aspects: the level of participation in the Company's operations, improvement of the Board Directors' decision-making quality, composition and structure of the Board Directors, directors' election and continuing education, and internal control.</li> <li>By gathering information from the questionnaires of the evaluation, we found that</li> <li>the completion rate was 96%, and the evaluation result was above the standard.</li> </ul>
0	January 1,	Individual directors	Self-evaluation for board members	<ul> <li>The performance evaluation of board members covers six aspects: the understanding of the Company's goals and tasks, awareness of directors' responsibilities, level of participation in the Company's operations, internal relationship management and communication, directors' professionalism and continuing education, and internal control.</li> <li>After the self-evaluation questionnaires from nine directors were collected and summarized, we found that the completion rate was 96%, and the evaluation result was above the standard.</li> </ul>
Once a year	2023 - December 31, 2023	Functional committee	Self-evaluation for Audit Committee members	<ul> <li>The performance evaluation of the Audit Committee covers five aspects: the level of participation in the Company's operations, awareness of the responsibilities of the Audit Committee, improvement of the decision-making quality of the Audit Committee, composition and selection of the Audit Committee's members, and internal control.</li> <li>After the self-evaluation questionnaires from three independent directors were collected and summarized, we found that the completion rate was 100%, and the evaluation result was above the standard.</li> </ul>
		Functional committee	Self-evaluation for Remuneration Committee members	The performance evaluation of the Remuneration Committee covers five aspects: the level of participation in the Company's operations, awareness of the responsibilities of the Remuneration Committee, improvement of the decision-making quality of the Remuneration Committee, composition and selection of the Remuneration Committee's members, and internal control.  After the self-evaluation questionnaires from three independent directors were collected and summarized, we found that the completion rate was 100%, and the evaluation result was above the standard.

### **Director Compensation**

#### Remuneration Policy

The compensation of the Company's directors includes director fees, director bonuses, and traveling allowances.

#### **Director's Remuneration**

- The traveling allowances for directors are based on the industry standard and are approved by the Remuneration Committee and the Board Directors.
- The Company's independent directors receive monthly fees and do not receive director bonuses as stated in Article 24. The fees are reviewed by the Remuneration Committee and approved by the Board Directors.
- With regards to director bonuses, according to the Company's overall operating performance, future business risks, and
  industry development trends, no more than 3% of the profit of the current year may be allocated as director bonuses in
  accordance with Article 24 of Greatek's Articles of Incorporation. The reasonableness of allocation to director bonuses
  is reviewed by the Remuneration Committee and the Board Directors.
- The amounts and percentages of allocation to director bonuses are as follows:

Year	2021	2022	2023
Amount	124,335	80,711	58,662
Percentage	2%	2%	2%

#### **Manager's Remuneration**

If a director is also an employee, he/she shall be paid in accordance with the remuneration regulations for managers. The appointment, dismissal, and remuneration of the Company's managers are governed by the Company's regulations. In accordance with the Company's regulations on personnel performance evaluation, the criteria for payment of compensation are specified by the Company's human resources unit according to individual performance and contribution to the Company's overall operations and with reference to the industry level. After being reviewed by the Remuneration Committee and approved by the Board Directors, the criteria are implemented.

The Company's compensation policy for managers is based on an individual's ability, contribution to the Company, and performance, and has a positive correlation with the Company's business performance. In addition, as the Company has implemented appropriate controls for future risks, the compensation policy correlates to a certain degree with the future risks.

The overall remuneration package mainly includes base salary, year-end bonuses, incentives, employee bonuses, and benefits. The criteria for payment of compensation are as follows:

- Base salary is determined based on the market competition of the position held by the employee and the Company's policy;
- Incentives and employee bonuses are distributed based on employee, department goal achievement, or the Company's business performance;
- For the design of benefits, our benefit measures are designed on the premise that legal requirements are complied with and employee needs are met.

Disclosure of Salary Information for Non-managerial Full-time Employees	2021	2022	2023
Number of non-managerial full-time employees	4137	4123	3965
Total salary of non-managerial full-time employees (NTD thousand)	3,745,546	3,229,797	2,920,708
"Average salary" of non-managerial full-time employees (NTD thousand)	935	783	737
"Median salary" of non-managerial full-time employees (NTD thousand)	756	630	610

#### Note:

- 1. The above data excludes employees who have worked for fewer than six months.
- 2. Definition of "non-managerial."

The term "non-managerial" means not being a manager. According to the competent authority's Letter Tai-Cai-Zheng-3-Zi No. 920001301 dated March 27, 2003, a manager is defined as follows:

- President and equivalent levels
- ✓ Vice presidents and equivalent levels
- Assistant vice presidents and equivalent levels
- Finance department head
- Accounting department head
- Persons authorized to manage affairs and sign for the Company

### **Open and Transparent Disclosure**

We are aware that information openness, transparency, and consistency are the top priorities in stakeholder communication. Hence, in accordance with relevant laws and regulations and the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies," we not only disclose relevant information in the annual report released annually, but also announce and timely update information on the Company's website.

We provide the contact information of the spokesperson and the acting spokesperson, an open online information reporting system, and other diverse channels for stakeholders to access information related to the Company's ethical corporate management at any time. We have also implemented open and transparent information mechanisms.

### **Independence of Directors and Management of Conflicts of Interest**

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In accordance with the "Rules Governing the Scope of Powers of Independent Directors" announced by the competent authority, the Company has specified in relevant management guidelines that "if independent directors have objections or reservations, they shall be stated in the minutes of the board meeting;" "the Company or the Board Directors shall not obstruct, reject, or circumvent the performance of independent directors' duties;" and "independent directors may request the Board Directors to assign relevant personnel or engage experts to assist in the fulfillment of their duties when deemed necessary" to ensure that independent directors can duly fulfill their duties and effectively enhance the functioning of the Board Directors and the Company's business performance.

### **Code of Conduct**

We have formulated the "Guidelines for the Codes of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and "Procedures for Handling Material Inside Information" for ethical compliance by our directors, managers, and employees and to improve their conduct. We arrange for directors to participate in relevant courses and communicate with employees at management meetings and monthly meetings, so that they can clearly understand the Company's ethical corporate management philosophy and regulations.

### **Communication Channels**



#### **Internal Communication**

We have provided an internal "suggestion box" and a "dedicated email address" for our employees to report unethical conduct to the responsible personnel of the management department.



Dedicated email address: ned@greatek.com.tw



Tel.: 037-638568 Ext. 1302



#### **External Communication**

Stakeholders may report illegal incidents through the contact email address and hotline for investors in the Investors section on the Company's website.



Contact email address for investors: sheng@greatek.com.tw



Investor hotline: 037-638568 Ext. 1400



Official website: www.greatek.com.tw

Thanks to the above channels and other internal control system audits, there were no violations of the Guidelines for the Codes of Ethical Conduct in 2023.

### **External Organization**

In order to effectively combine and utilize the strengths of the industry and keep abreast of the industry's development trends, Greatek has joined a domestic industry association and participated in various forums and seminars organized by the association as a member to closely interact with the industry and work together to promote the industry's prosperity.

#### Name of Organization

#### **Roles and Duties**

Taiwan Electrical and Electronic Manufacturers' Association

Miaoli County Industrial Association

Association of Labor Relations

Friends of the Police Association

Human Resources Association

Regular member

Regular member

Regular member

Consultant

Regular member

# 2.4 Management System Certification

We have passed the IATF 16949 and ISO 9001 quality certifications, ISO 26262 functional safety certification, ISO 45001 occupational safety and health system certification, and ISO 14001 and SONY Green Partner environmental system certifications. We are committed to environmental protection, waste reduction, and the promotion of industrial safety-related laws and regulations.

### **Quality Management System**

### **Quality Policy**

"Establishing Norms"

"Doing Things Right the First Time"

"Engagement of All Employees"

"Customer Satisfaction"

- In the spirit of "pursuing excellence and going beyond the peak," we will do our best
  to meet customers' needs in IC testing and packaging and establish long-term and
  mutually beneficial partnerships with them.
- We believe that by raising the quality awareness of all employees, the continuous improvement of quality will enhance the Company's competitiveness. Only by constantly improving defects and improving quality can we ensure long-term stable partnerships with customers and reach zero defects. Therefore, the best guarantee for customer satisfaction is to establish a comprehensive quality system with the engagement of all employees and continuous implementation of the system.

### **Hazardous Substance-Free Management System**

### **Hazardous Substance-Free Policy**

"Legal Compliance"

"Practice of Green Production"

"Continuous Improvement"

"Customer Satisfaction"

Greatek is a professional semiconductor packaging and testing company. To support
global environmental protection and hazardous substance management, we are
committed to environmental pollution prevention and continuous improvement to
meet the requirements of customers and relevant domestic environmental regulations.

### **Environmental Management System**

#### **Environmental Policy**

As a professional semiconductor packaging and testing company, we have striven for excellence and going beyond the peak since our inception. By seeking innovation and changes in business management, we have shaped our image as an excellent enterprise today. To protect the Earth and fulfill corporate social responsibilities, we have improved our environmental management performance through the introduction and thorough implementation of ISO 14001 Environmental Management Systems, ensuring coexistence and co-prosperity with the environment and achieving the purpose of corporate sustainability.

#### Commitment

- Environmental protection is everyone's responsibility, and we will continue to convey the concept of environmental protection to employees.
- We will make effective use of energy and resources, promote energy conservation and waste sorting, and implement waste reduction and resource recycling.
- We will support global environmental protection, manage hazardous substances, and strive for the prevention of environmental pollution and continuous improvement, in order to meet the requirements of customers and relevant domestic environmental protection laws and regulations.

### Occupational Safety and Health Management System

#### **Occupational Safety and Health Management Policy**

Compliance: The Company's operations must comply with the laws and regulations.

Human orientation: Provide employees with a safe, comfortable and efficient working environment.

Hazard prevention: Establish the belief that accidents are preventable.

Continuous promotion: Organize safety and health training and education and implement operational safety and health standards.



## 2.5 Ethics and Legal Compliance

To build better corporate governance, Greatek has formulated relevant regulations to create a business environment for sustainable development. In order to ensure that employees act in compliance with ethical standards, we have established the "Guidelines for the Codes of Ethical Conduct" for employees to follow and for stakeholders to better understand the Company's ethical standards.

#### **Ethical Conduct**

#### **Ethical Compliance**

- Prohibition against direct or indirect offering or acceptance of improper benefits in the conduct of business
- Prohibition against offering or promising of any facilitating payments and disguised bribery
- Prohibition against disclosure of the Company's confidential information and compliance with non-disclosure agreements
- Prohibition against insider trading
- Prohibition against engaging in business transactions with counterparties that have engaged in unethical corporate management.
- Protect and ensure that the Company's assets can be effectively and legally used for business purposes
- Comply with government regulations and the Company's established rules, regulations, and procedures

#### Supervisory Responsibilities

The responsible unit, the [ESG Committee] is responsible for making an annual report to the Board Directors.

A report on the Company's implementation of ethical corporate management at the 10th meeting of the Board Directors (10th term) on July 28, 2023. In 2022, we did not find or receive any reports of unethical conduct by the Company's personnel.

#### Statement of Compliance

 After the approval by all directors, the 2023 Statement of Internal Control System has been issued, declaring that the design and implementation of the internal control system in 2023 were effective and compliant with laws and regulations.

#### Signing for Compliance

- All directors and the management as defined by law signed the Statement of Code of Conduct when they took office.
- All directors and the management adhere to integrity, and no integrity violations occurred in 2023.

#### Ethical Corporate Management Best Practice Principles

The Administration Department is the unit that promotes ethical corporate management and is responsible for revising and supervising the implementation of the ethical corporate management policy and preventive measures and reporting to the Board Directors on a regular basis every year.

#### **Recusal for Conflicts of Interest**

For proposals made at a board meeting in which they or the juristic persons they represent have a stake to the extent that is detrimental to the interests of the Company, the Company's directors, with a high degree of self-discipline, may state opinions and answer inquiries and shall not participate in the discussions or voting. The Company's personnel shall not use Company resources for business activities outside those of the Company, and shall not engage in such activities to an extent that compromises their job performance.

#### Ethical Corporate Management

The key to the successful management of Greatek is the wholehearted commitment of the managers and employees, as well as the support of shareholders and the transparency of the corporate governance mechanism and structure.

#### Formulation and Establishment

- We have formulated the "Ethical Corporate Management Best Practice Principles," and the Board Directors revised the "Corporate Governance Best Practice Principles" in 2023, implementing the Company's ethical corporate management policy and establishing a good governance system.
- The Board Directors has also formulated the "Sustainable Development Practice Principles" to implement corporate sustainable responsibility and promote sustainable development.

#### **Employee Code of Conduct and Ethics**

- Understand duties clearly and be faithful to them
- No prohibited items brought into the plant
- Wear an identification badge or a service badge as required
- No acts harmful to the Company's reputation
- No acceptance of gifts or benefits in connection with duties
- No unauthorized transport of the Company's property out of the plant
- No unauthorized use of the Company's name, except for the handling of company affairs
- No concurrent operation, operation of, or investment in any business of the same nature as the Company's

### External financial information

The Company has a spokesperson, an acting spokesperson, and an investor contact point to be responsible for conveying and communicating the Company's information to investors to ensure that they fully understand the Company's operating policies.

### Financial information transparency

We are committed to improving operational transparency to allow investors to obtain more relevant information when executing investment decisions and to ensure that they fully understand the Company's operating policies.

### Disclosure of governance principles

Relevant regulations and rules of corporate governance are disclosed on the Company's website.

### Implementation of corporate governance

The Company has achieved good performance consecutively in the "Corporate Governance Evaluation" hosted by the Taiwan Stock Exchange. In 2023, Greatek was ranked among the top 21% - 35% of the companies in the 10<sup>th</sup> Corporate Governance Evaluation, and was selected as a constituent of corporate social responsibility indexes.

- Constituent of TWSE RA Taiwan Employment Creation 99 Index
- Constituent of TWSE Corporate Governance 100 Index

#### 2021

Ranked among the top 6% to 20% in the 8<sup>th</sup> Corporate Governance Evaluation

#### 2022

Ranked among the top 21% to 35% in the 9<sup>th</sup> Corporate Governance Evaluation

#### 2023

Ranked among the top 21% to 35% in the 10<sup>th</sup> Corporate Governance Evaluation

### Anti-corruption

Based on the evaluation version of the "Criteria for Judging the Effectiveness of the Internal Control System," the 2023 control environment self-evaluation (including anti-corruption) confirmed that:

- According to the internal code of conduct and regulations, Greatek has emphasized and regularly communicated the importance of integrity and moral values to all members of Greatek for understanding and implementation.
- All members have acted in accordance with the integrity and ethical values and standards required by Greatek when dealing with suppliers, investors, creditors, competitors, and CPAs.

#### Ethical Corporate Management and Business Communication

To establish a corporate culture of ethical corporate management and implement the ethical corporate management policy, when conducting relevant business activities with suppliers, including but not limited to transaction negotiations, supply, service, contracting, technical cooperation and exchange, logistics, payment, and the performance of transaction contracts, the undertaking party is required to understand, agree to, and sign the "Ethical Business Conduct Agreement," which explicitly stipulates:

#### Prohibited improper conduct:

No direct or indirect offering of any form of money, commissions, services, kickbacks, or facilitating payments for any purpose, or any other form of improper benefits to the personnel of the Company.

#### • Investigation:

If the personnel of the Company ask for improper benefits from the undertaking party or request it to engage in unethical or illegal conduct, the undertaking party promises to notify the Company's responsible unit, the Internal Audit Office, provide relevant evidence, and cooperate with the investigation.

#### Liability:

The undertaking party promises that its employees and agents will abide by the obligations specified in the Letter of Commitment. In case of a breach of the ethical undertaking, the Company may unconditionally terminate the contract at any time or cancel the transaction between both parties without taking any liability for breach of contract and seek remedies under the ethical business conduct agreement.

#### **Ethical Corporate Management Evaluation Mechanism**

The Company has engaged in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. In order to implement the ethical corporate management policy and actively prevent unethical conduct, in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and the relevant laws and regulations of the places where the Company and group enterprises and organizations operate, we have specified the matters that the Company's personnel shall pay attention to in the conduct of business.

#### • Unethical conduct risk assessment mechanism:

We have established an assessment mechanism for the risk of unethical conduct, regularly analyzed and assessed the business activities with a higher risk of unethical conduct within the business scope, and formulated preventive measures accordingly and reviewed their suitability and effectiveness on a regular basis.

#### Whistleblowing system and whistleblower protection:

The Company announces the whistleblower email address or mailing address on the Company's website for use by internal colleagues and external personnel. The identity of the whistleblower and the content of the whistleblowing report are kept confidential. The Company undertakes to protect the whistleblower from improper treatment due to their whistleblowing and actively prevent unethical, fraudulent, and criminal acts.

### **Whistleblowing Channels**

Greatek has established the "Ethical Corporate Management Best Practice Principles" and set up internal and external grievance channels such as an internal dedicated email address and a point of contact for different stakeholders to receive their grievances.

Employees who report violations of professional ethics or any fraudulent conduct will be protected to prevent unfair retaliation or treatment.





### **Whistleblowing Process**

#### Whistleblowing Channels

Internal and external personnel may report illegal or unethical conduct by phone, fax, e-mail, mail, oral means or other feasible means.

#### Information provision

The whistleblower shall provide the responsible unit with information such as the name of the person committing illegal or unethical conduct, cause, time, and place.

#### Levels of whistleblowing reports

Regardless of the person being reported, all whistleblowing reports are submitted to the responsible unit according to the whistleblower system.

Whistleblowing

and protection

- After receiving a report, the responsible unit, the Administration Department, collects and verifies information about facts, and submits the report to the President for handling.
- After the whistleblowing report is reviewed, the accused person is given the opportunity for explanation.
- Proper protection is provided to the whistleblower to prevent unfair retaliation or treatment.

#### The responsible unit, the Administration Department, shall document the whistleblowing report for reference and refer it to the relevant units for review and

- The handling results of reports involving illegal or unethical conduct are reported to the Board Directors, and the responsible department is requested to revise and improve the internal control system based on relevant deficiencies
- The report will be closed after the Administration Department communicates the handling results to the whistleblower. The report will be closed after the Administration Department communicates the handling results to the whistleblower.

#### Non-compliance

- Violators of the ethical corporate management policy and regulations will be punished according to the Company's reward and punishment system, and may be subject to dismissal if the violation is severe.
- The Company shall notify the judicial and prosecuting authorities of the relevant facts if the conduct involves illegal acts, and also inform the anti-corruption authority if a government agency or official is involved.

In 2023, no reports of unethical conduct by the Company's personnel were received.

#### **Internal Control**

Greatek has set up the Internal Audit Office directly subordinate to the Board Directors. It is mainly responsible for auditing all financial, operational, and management activities of Greatek and the Company's compliance with laws and regulations.

#### **Operation of Internal Control**

Scope

Examining and assessing the appropriateness and effectiveness of the internal control system and the effect and efficiency of operational activities for each department in the Company.



Apply to

The audit applies to the activities that each unit of the Company is responsible for



Timing

- Planned: The Internal Audit Office formulates the audit plan for the following year based on the risk assessment results before the end of each year in accordance with the laws and regulations, and submits it to the Board Directors for discussion and approval. This plan will be used as the basis for audit implementation.
- Ad hoc: The Company's senior management determines the audit topic and audit time based on business needs. The audit personnel shall audit various activities within the determined time.



Audit plan

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• Ex

Audit implementation

Formulate an annual audit plan based on the risk assessment results.

Execute the audit according to the annual audit plan.

 Perform project audits as necessary to inform the management of the existing deficiencies or potential risks in a timely manner.

 Complete the audit, issue an audit report, and make recommendations and improvements.



- Continuously follow up on the rectification of audit deficiencies, and produce a followup report at least on a quarterly basis until they are rectified.
- After being approved, the audit report and the follow-up report shall be submitted to independent directors for review before the end of the next month after the audit is completed.

There were no major internal control deficiencies in 2023. The statement of effectiveness of the internal control system is disclosed in the annual report.

### **Legal Compliance**

We have established a number of regulations for ethical corporate management and conduct training annually. The Company also provides reminders on relevant regulations from time to time, and sets up a point of contact for consultation to help relevant employees understand and comply with the laws and regulations.

Investors can access information related to the Company through the "Market Observation Post System" in accordance with the laws and regulations of the competent authority.

- None of the violations of environmental protection, labor health/safety, and labor conditions and human rights in 2023 were considered critical. After review and confirmation, all deficiencies have been rectified and there is no possibility of recurrence.
- In 2023, there were no cases of dismissal or disciplinary actions due to corruption, nor were there any contracts terminated or not renewed due to corruption violations.

# 13 Innovation and Development

Greatek is devoted to the development of IC packaging and testing services and technology to provide diversified customer services.

- 3.1 Technology and Service
- 3.2 Product R&D and Innovation
- 3.3 Green Product Management

### **Description of Material Topics in the Chapter**

Materiality (GRI Standard	Ethical Corporate Management (201 Economic Performance)	Sustainability Performance (301 Raw Materials)
Strategic core	Actively engage in the research and mass production of new packaging technologies.	Greatek's production technology and product developmen are in line with the needs of the electronic terminal produc market and customers. The diversification of products and the improvement of technical capabilities enhance the Company's business and profitability.
Vision and goal	<ul> <li>Strengthen the Company's technical innovation and R&amp;D capacity</li> <li>Reduce emissions and go green and pollution-free in line with the international trend.</li> <li>Actively engage in the research and mass production of new packaging technologies.</li> </ul>	<ul> <li>Collaborate with our parent company, Powertech Technology, for technical exchange and improvement.</li> <li>Organize education and training to enhance personnel quality.</li> <li>Expand the R&amp;D department and recruit industry elites and excellent talent.</li> </ul>
Management policy	Hold a goal management meeting every month to track and discuss goals, grasp the economic situation in real-time, and work closely with production and sales departments and coordinate their operation.	<ul> <li>Continue to collaborate and exchange with our parent company, Powertech Technology, to improve technical capacity.</li> <li>Continue to organize education and training to enhance personnel quality.</li> <li>Continue to expand the R&amp;D department and recruit industry elites and excellent talent.</li> </ul>
Evaluation mechanism	Hold a goal management meeting every month.	Hold a goal management meeting every month.
Grievance mechanism	Administration Department: ned@greatek.com.tw     Internal Audit Office: a001@greatek.com.tw	<ul> <li>Administration Department: ned@greatek.com.tw</li> <li>Internal Audit Office: a001@greatek.com.tw</li> </ul>
Performance highlights	Technology and service  Bumping packaging service.  Cu pillar bump flip chip  Packaging service  Rewiring (RDL) service.  Wafer-level chip scale packaging (WLCSP) service.  Product R&D and innovation  Developed a hybrid (FC+WB) MIS package to enhance product versatility.	<ul> <li>Developed a hybrid (FC+WB) MIS package to enhance product versatility.</li> <li>Mass production in 2023 Q3.</li> </ul>

## 3.1 Technology and service

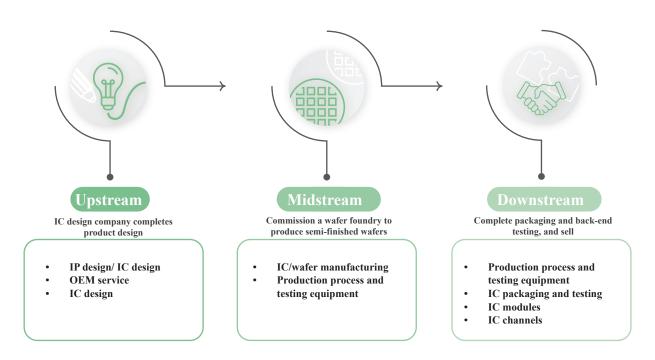
Committed to the development of IC packaging and testing services and technology, providing unified turn-key services and drop shipment customer services.

Offering turn-key services and drop shipment customer services for the downstream semiconductor supply chain to reduce lead times and lower costs.

Greatek's production technology and product development are in line with the needs of the electronic terminal product market and customers. The diversification of products and the improvement of technical capabilities enhance the Company's business and profitability.

To achieve the goals of reducing lead times and lowering costs, Greatek adopts a strategic alliance model from the industrial value chain to pursue quality and customer orientation as top priorities. With a high-quality R&D team, excellent engineering capabilities, and advanced machinery and equipment, we can comprehensively expand our packaging and testing services.

#### Structure of the Semiconductor Supply Chain



The development of package products ties closely to the market trend of electronic terminal products. We strive to shrink the size of electronic components to make them lightweight, thin, short, and small, such as QFN, DFN, multi-row QFN, WLP, CSP, 3D packages, and other products. At the same time, we reduce emissions and go green and pollution-free under the requirements of the world's environmental protection trend.

- IC packaging (P-DIP, TO, SOT, SO, SSOP, TSSOP, QFP/LQFP, TQFP) and testing services.
- Quad-flat no-lead (QFN) packaging service.
- Bumping service.
- Circuit probing service.
- Stack die and side-by-side packaging and testing services.
- Ball grid array integrated circuit (BGA, LGA) packaging and testing services
- Rewiring (RDL) service.
- Wafer-level chip scale packaging (WLCSP) and testing services.
- Flip chip packaging (flip chip QFN, SOP, SOT) and testing services.
- IC substrate (MIS) packaging and testing services.
- Automotive IC packaging and testing services.
- System-in-package (SIP) packaging and testing services.
- Developed multi-die and thick-wire packaging products for third-generation semiconductors, e.g. GAN, WB OFN power IC.
- Developed a hybrid (FC+WB) MIS package to enhance product versatility.
- Developed FC QFN PMIC products with a package size of 5X5mm or larger to improve product performance.

# 3.2 Product R&D and innovation

#### Innovation and Breakthrough

- Keep track of market trends
- Gain early insight into industry opportunities
- Quick response to customer needs

### Diverse Business Opportunities

- Innovate product technology
- Integrate teamwork
- Improve lean processes

#### Enhancement of Industrial Value

- Recruit outstanding talent
- Implement sustainable and green environmental protection
- Fulfill corporate responsibilities

In order to continuously enhance corporate value and meet the needs for various future products, Greatek Electronics actively invests in low-cost processes and establishes an industry with technological innovation as the core through the three strategies of "innovation and breakthrough", "diverse business opportunities", and "enhancement of industrial value."

The trend of developing and applying wireless network communication, information appliances, portable products, and the wearable devices, IoT (Internet of Things), automotive electronics, and mass cloud storage and computing that have gradually emerged in recent years has sprung up. As a result, it is certain that lightness, thinness, compactness, and low cost are taken into consideration for the IC packages for communication devices, controllers, memory, and peripherals.

The focus of our development is to apply BGA/LGA with a bigger package size, 5G Wi-Fi products, MIS (molded interconnect substrate), flip chip and wire bond types, automotive electronics, etc. We are also actively engaging in SiP development to pro-vide comprehensive services for domestic and foreign customers. In response to the needs of the development and application markets in the overall industry, in recent years, the Company has been actively developing flip chip packaging technologies, such as bumping technology, wafer-level chip scale packaging (WLCSP) back-end integra-tion, SiP, automotive electronic ICs, BGA, and substrate-based packaging technology and component production, as well as wire bonding and flip chip technology, and stacked-die packages. Moreover, we have made proactive investments for hybrid IC packaging, FC assembly, module assembly, and SiP, and actively developed multi-die and thick-wire packaging products for third-generation semiconductors, e.g. GAN, WB QFN power IC, in order to meet the needs of domestic and foreign customers.

We continue to expand our R&D department, recruit industry elites and excellent talent, develop new products and improve processes. Greatek's production technology and product development are in line with the needs of the electronic terminal product market and customers. In recent years, electronics have been developed to be lightweight, thin, short, small, highly efficient, highly integrated, highly secure, low-cost, and low-power. The diversification of products and the improvement of technical capabilities enhance the Company's revenue and profitability.

Research	and D	evelopment	Expenses	over	the \	<b>Years</b>
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**Unit: NTD thousand** 

Year	2021	2022	2023	
Expenses	287,002	252,072	247,563	

# 3.3 Green Product Management

In the spirit of "pursuing excellence and going beyond the peak," we will do our best to meet customers' needs in IC testing and packaging. With our quality policies of "establishing norms," "doing things right the first time," "engagement of all employees," and "customer satisfaction," a high-quality corporate culture has been incorporated into the core of the enterprise to meet customer expectations, maintaining long-term and stable partnerships with customers and building a comprehensive quality system. The engagement of all employees and continuous implementation are the best guarantees for customer satisfaction.

### **Green Product Management**

Greatek is committed to promoting green product management and has set "making hazardous substance-free (HSF) products" as a quality goal. We have prohibited the use of environmentally hazardous substances in all our products. Green materials are considered in the design of processes, and purchased raw materials comply with the Restriction of Hazardous Substances Directive (RoHS), the EU Regulation on the Registration, Evaluation, Authorisation and restriction of Chemicals (REACH), the Packaging Directive, and other international laws and regulations.

100% of our products comply with the RoHS and REACH requirements to achieve the tenets of green products and continuous improvement, meet the requirements of customers and international environmental protection regulations for green products, and help us do our part for the global environment.



In order to ensure that the environment-related substances contained in the products manufactured by the Company comply with international laws and regulations and customer requirements, as well as reduce the environmental impact of products and enhance product competitiveness, Greatek has obtained IECQ QC 080000 and SONY GP (Green Partner) certifications.

### **Hazardous Substance Management**

Greatek follows the regulations of the management system and is committed to the management of hazardous substances in products.

All our products are subject to source control and in-plant process management. We request that suppliers investigate hazardous substances to ensure that their raw materials meet the hazardous substance management requirements of EU RoHS and REACH and comply with the instructions of end customers such as IBM, SONY, Panasonic, Fujitsu, Samsung Electronics, LG, ASUS, and other world-leading manufacturers.

We promise not to use prohibited environment-related substances and we undertake to comply with existing laws and regulations and meet customer needs. We will also develop source, process, and finished product management measures in compliance with international regulations and customer requirements for controlled substances.

### Systematic management and testing

- Establish a chemical control list and update the list on a regular basis.
- Implement chemical reviews at the procurement stage.
- The test items must comply with the RoHS 2.0 Directive [test results, test methods, test dates].
- A test report is valid for one year. The system notifies suppliers by auto mail to provide a new report before the previous one expires.

### Material testing

- Request that suppliers review material test reports according to the latest international regulations and standards.
- Effectively identify and manage the materials specified by customers from the processes of feeding, picking, manufacturing, and finished product warehousing.

#### XRF testing

 Install XRF testing equipment to conduct raw material and product testing on incoming materials and finished products to ensure that they meet RoHS and halogen-free requirements.

### **Product Safety Labels**

As a foundry, Greatek conducts labeling in accordance with customer work orders. For product safety certifications such as UL Mark, we also work with customers to obtain production process certification and label products with safety compliance information.

There were no violations of any laws or regulations or voluntary standards in 2023.

# Partnership Maintenance

As customers are our important business partner, we meet their needs to create a win-win situation.

- 4.1 Customer Relationship Management
- 4.2 Sustainable Supply Chain Management

### **Description of Material Topics in the Chapter**

Materiality (GRI Standard	Ethical Corporate Management (418 Customer Privacy)	Sustainability performance (419 Socioeconomic Compliance) (204 Procurement Practices)
Strategic core	0 customer complaints and 0 incidents of harm to customer rights and interests.	Manage customer and supplier relations, implement social responsibilities, enhance sustainable competitiveness, and jointly create a sustainable future.
Vision and goal	Continue to comply with internal regulations, maintain the goals of 0 customer complaints and 0 incidents of harm to customer rights and interests, and increase the willingness of new customers to collaborate with Greatek.	Raw materials comply with the updated REACH regulations.
Management policy	<ul> <li>All employees must comply with relevant internal regulations.</li> <li>Establish an internal document management unit and system to set access permissions.</li> <li>Improve information security protection measures to prevent personnel from obtaining customer information without legal authorization.</li> <li>Document customer work orders to control the progress of WIP (work in process).</li> </ul>	Do not use conflict minerals in accordance with the management guidelines of suppliers and contractors.
Evaluation mechanism	<ul> <li>Regularly conduct internal training.</li> <li>Conduct a customer satisfaction survey every year.</li> <li>Regular internal audits.</li> <li>Create independent whistleblowing email addresses for internal and external personnel.</li> </ul>	<ul> <li>Perform quarterly evaluations and audits every year.</li> <li>Carry out internal assessments and audits on a regular basis.</li> </ul>
Grievance mechanism	<ul> <li>Administration Department: ned@greatek.com.tw</li> <li>Internal Audit Office: a001@greatek.com.tw</li> </ul>	Administration Department: ned@greatek.com.tw     Internal Audit Office: a001@greatek.com.tw
Performance highlights	<ul> <li>In 2023, there were no complaints related to breaches of customer confidentiality received by Greatek, no products violating marketing-related laws and regulations and marketing bans, and no incidents of harm to customer rights and interests due to the loss of customer privacy or customer data.</li> </ul>	The annual audit and quarterly evaluation results of major suppliers met the Company's requirements. The Company does not use conflict minerals in accordance with the management guidelines of suppliers and contractors.

# 4.1 Customer relationship management

With the goal of becoming the best business partner of our customers, we are committed to technological innovation and providing the best products. Through diverse and active communication, we understand customer needs and strive to offer comprehensive services to build customer satisfaction and trust.

Greatek adheres to the highest ethical standards and strictly abides by relevant domestic and foreign laws and regulations without any violations, including of intellectual property rights, environmental protection, insider trading and privacy rights.

In order to ensure the proper management and maintenance of intellectual property application and confirmation processes for patents, Greatek has also formulated the patent application and management regulations in the Company's statement of work.

In 2023, Greatek had no products violating marketing-related laws and regulations and marketing bans and no incidents of harm to customer rights and interests due to the loss of customer privacy or customer data.

### **Customer Confidential Information Protection**

#### Customer Information Management

- [Order management]: After receiving a customer work order, document it to control the progress of WIP and lead times.
- [Order tracking]: Track customer data and customer order commitments on the order system and create purchase requisition data.

We keep confidential information fully confidential, establish strict authorization control procedures, and require employees to follow them:

- The Company has relevant internal regulations in place, and employees strictly abide by them.
- We have established an internal document management unit and system to set access permissions.
- Improve information security protection measures to prevent personnel from obtaining customer information without legal authorization.

No customer complaints related to breaches of customer confidentiality occurred in Greatek in 2023.

#### **Customer Maintenance and Satisfaction Survey**

Through customer satisfaction surveys, we collect and gather statistics on what customers are satisfied and dissatisfied with as the focus for refinement and improvement, thereby enhancing overall customer satisfaction.

#### **Customer Satisfaction Survey**

#### **Implementation Cycle**

• Once a year (conducted at the beginning of each year).

#### **Statistical Analysis**

- The statistical criteria include: quality: 40%, lead times: 30%, and service: 30%.
- Statistical analysis of customer satisfaction survey results.
- Customer feedback is reviewed during management review meetings and used as the basis for improvement assessment.

In addition to the use of quality management, we continue to increase information integration systems to enhance customer satisfaction with Greatek's overall product quality and with the Company. Additional reviews and evaluations are required when customer satisfaction shows a downward trend or the set targets are met.

<b>Item</b>	Domestic and Foreign Customers		
Number returned/issued	21/30		
Return rate (%)	70		
Average satisfaction	89		
Target value	80		
Achievement status	Achieved		
Top three most satisfied items	<ul><li>Packaging production yield</li><li>Flexible production</li><li>Service attitude of sales personnel</li></ul>		

According to Greatek's 2023 domestic and foreign customer satisfaction survey results, in terms of quality and service, customer satisfaction was 89%. The customer satisfaction survey results remained constant (over 80%) in the past three years.

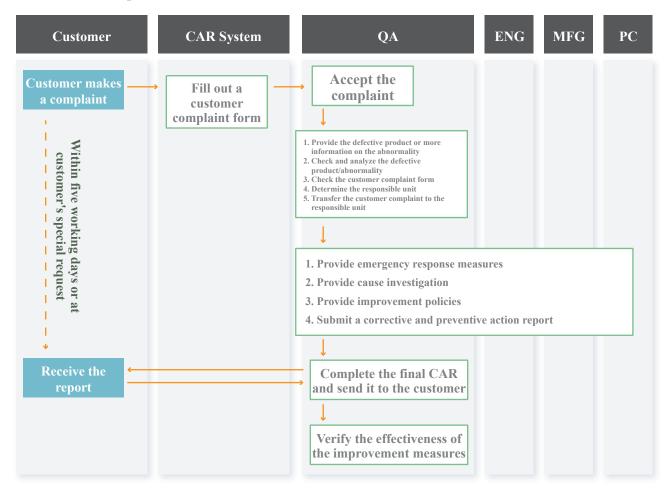
#### **Customer Complaint Handling**

Customer feedback is the driving force behind our continuous improvement, and we regard customer complaints and opinions as an opportunity to help us make continuous improvements. We have established a complete customer complaint handling process to ensure that customer messages can be conveyed to relevant units and the management in a timely and complete manner. Appropriate countermeasures are then taken for actual or potential abnormal situations to quickly respond to customer needs and prevent recurrence of similar problems. By doing so, we can ensure customer rights and interests and enhance and consolidate customer loyalty and trust in the Company.

To achieve continuous improvement and refine our quality standards, we collect the available information, such as quality anomalies, customer complaints, or product returns, for tracking and analysis, and transform customer feedback into the driving force for continuous internal improvement, making quality and services better meet customer needs and expectations.

#### We responded to all customer complaints received in 2023.

#### Customer Complaint Process



# 4.2 Sustainable Supply Chain Management

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Suppliers are the important business partner of Greatek. Through close collaboration, we jointly pursue sustainable corporate operation and growth. Our major raw material suppliers are required to pass supplier evaluations and undergo regular audits and evaluations to ensure their compliance with our sustainability management requirements and collaboration quality.

### **Supplier Selection**

Greatek's evaluation of new suppliers includes:

- [Environmental system]: Verify compliance with the environmental management system and conduct environmental impact assessment.
- [Quality system]: Verify compliance with ISO quality system certification.
- [Hazardous substances]: Verify whether environmentally hazardous substances are used and require suppliers to guarantee not to use environmentally hazardous substances in their processes and direct raw materials.
- [Responsible Business Alliance Code of Conduct]: Verify compliance with the RBA Code of Conduct.
- [Business continuity plan]: Confirm whether a business continuity plan is established.

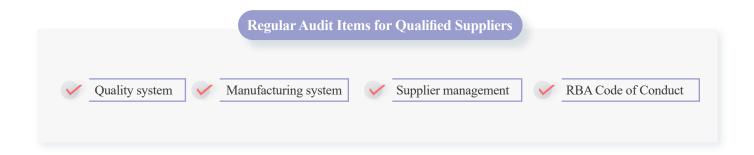
Suppliers are classified for management according to the certifications they have passed:

- [Tier 1 suppliers]: Suppliers that have passed hazardous substance management system certification (QC 080000).
- [Tier 2 suppliers]: Suppliers that have passed the ISO 9001 quality system management certification. They must issue a guarantee that they will not use environmentally hazardous substances.

### **Supplier Management and Auditing**

Through close collaboration with suppliers, we jointly pursue the sustainable operation and growth of Greatek.

- The Company's major raw material suppliers are required to pass supplier evaluations and undergo regular audits and evaluations to ensure compliance with the Company's sustainability management requirements and collaboration quality.
- After qualified suppliers are selected, suppliers of major raw materials are included in the annual audit.
- If any deficiencies are discovered, suppliers will be immediately requested to propose appropriate improvement plans along
  with clear goals and time frames for improvement, and the order ratio will be appropriately adjusted depending on the
  improvement results.



21 major suppliers underwent the annual audit in 2023. The scores for quality, lead times, cost, and cooperation of all suppliers were all above 80, meeting the Company's requirements.

#### Number of Suppliers and Percentage of Domestic and Foreign Suppliers

	Yo Item	ar	2021	1	2022	2023	
stic	Raw materials		56		56	56	
	Waste disposal		9		9	9	_
Domestic	Total number of suppliers		65		65	65	_
	Proportion (%)		59		61	61	_
Foreign	Number of suppliers		46		41	41	_
	Proportion (%)		41		39	39	_

No change in the supply chain structure in 2023



#### **RBA** Code of Conduct

Greatek has implemented the RBA Code of Conduct and included it in the Company's social responsibility management system. The system is established in accordance with the RBA Code of Conduct and covers labor, health and safety, environment, ethics, etc.

The ESG Committee, which is responsible for management and supervision, provides employees with a clear understanding of the RBA Code of Conduct through regular education and training, and conveys it to key suppliers and contractors to help them adopt relevant tools and standards.

Through joint collaboration, extending from management systems to audit actions, we have built a system that values employees' labor conditions, safety, and health and provided them with a safe and humane working environment to achieve the goal of sustainable operation. We will continue to design and implement a management system that complies with laws and customer requirements to reduce business risks and fulfill corporate sustainable responsibilities.

#### Greatek passed the RBA VAP audit in 2023.

#### Implementation of the Policy for Non-use of Conflict Minerals

Greatek takes seriously the possibility of the Democratic Republic of the Congo in East Africa entering the electronics supply chain through mineral mining. The profits gained from such illegal mining encourage human rights atrocities. We verify the sources of tantalum, tin, gold, tungsten, cobalt, and mica in products through the "Conflict Minerals Reporting Template (CMRT)" and "Extended Minerals Reporting Template (EMRT)" completed by suppliers.

#### **Policy for Non-use of Conflict Minerals**

Greatek undertakes not to use or procure conflict minerals from conflict zones, and is committed to requiring upstream raw material and component suppliers to fulfill social and environmental responsibilities by not using conflict minerals from conflict zones and having relevant trading activities comply with the Electronic Industry Citizenship Coalition Code of Conduct.

Through the "Policy for Non-use of Conflict Minerals," we tell our suppliers that the Company does not source from conflict zones and require them to undertake to do so. We constantly monitor our direct supply chain procurement practices to avoid acquiring conflict mineral materials.

To ensure that tantalum, tin, gold, tungsten, cobalt, and mica are not sourced from conflict zones in the Democratic Republic of the Congo, we require our suppliers to comply with the "Policy for Non-use of Conflict Minerals," specifically by:



#### Signing the "CMRT" and "EMRT"

Conduct supplier surveys in accordance with the "CMRT" and "EMRT" of the RBA Code of Conduct and require suppliers to undertake not to use conflict minerals from conflict mining areas.

#### In 2023, 100% of our major raw material suppliers were surveyed.



#### Tracing the sources of minerals

Require suppliers to trace the source of minerals in the supplied products, avoid using potential conflict minerals, and comply with the following regulations:

- Making sure that products do not use conflict minerals from the Democratic Republic of the Congo and its surrounding countries and regions.
- Trace the source of minerals such as tantalum, tin, gold, tungsten, cobalt, and mica contained in all products.
- Suppliers must communicate this requirement to their upstream suppliers.

# 15 Harmonious Workplace

Greatek spares no effort in taking care of employees. In addition to providing them with good salaries and benefits, education and training, communication channels, and friendly measures, we further care for and provide assistance for their physical and mental health. The Company continues to promote the construction of an employee care and protection network to create a healthy and harmonious workplace culture.

- 5.1 Employee Structure
- 5.2 Retention of Employees
- 5.3 Training of Employees

- 5.4 Valuing Employee Human Rights
- 5.5 Employee Benefits and Rights
- 5.6 Employee Care and Communication

5.7 Employee Health and Safety



Materiality (GRI Standards)	Diverse Workplace (406 Non-discrimination)	Employee Rights and Interests (401 Employment)	Workplace Safety (403 Occupational Health and Safety)
Strategic core	Create a friendly working environment, improve employee satisfaction, and achieve a 100% RBA training completion rate across all plants.	Provide competitive remuneration and benefits to attract and retain outstanding talent from all walks of life, and reward colleagues for their hard work and contributions to the Company.	Provide a safe, healthy and high-quality working environment for employees and a safe working environment for contractors to effectively prevent work- related accidents and protect the health and safety of workers.
Vision and goal	Improve the management system and create a friendly working environment to improve employee satisfaction.	Provide competitive remuneration and benefits to attract and retain outstanding talent from all walks of life, and reward colleagues for their hard work and contributions to the Company.	Continue to provide a safe, healthy and comfortable working environment.
Management policy	Further improve corporate social responsibilities through customer RBA audits and RBA VAP audits. Extend RBA education and training to various departments so that all employees have a basic understanding of RBA.     Set RBA targets and conduct internal RBA audits, and enhance the satisfaction of all employees by improving the management system and creating a friendly working environment.	Adjust salary based on annual performance reviews.     Set up breastfeeding rooms, establish regulations for parental leave without pay, and promote equal pay for women and men.	<ul> <li>All employees participate in at least one hour of occupational safety and health education and training.</li> <li>Conduct fire escape drills for all departments.</li> <li>Internal occupational safety and health audits.</li> <li>External occupational safety and health audits.</li> <li>Occupational Safety and Health Committee meeting.</li> </ul>
Evaluation mechanism	<ul> <li>Establish an RBA promotion team with 24 internal auditors.</li> <li>Annual internal RBA audit:         The Company forms an internal audit team to conduct an RBA self-assessment once a year for customer RBA audits.</li> <li>Establish good communication channels through regular labor-management meetings, occupational safety committee meetings, and welfare committee meetings.</li> <li>Set up a suggestion box and a proposal system and hold weekly/monthly meetings and labor-management meetings to submit opinions or grievances in writing, via mail (e-mail), orally or by phone to the unit managers or each plant management unit.</li> </ul>	<ul> <li>Establish an employee welfare organization and a Pension Supervision Committee.</li> <li>Set up a suggestion box and a proposal system and hold weekly/monthly meetings and labor-management meetings.</li> <li>Submit opinions or grievances in writing, via mail/e-mail, orally or by phone to the unit managers or each plant management unit.</li> <li>Regular annual internal audits.</li> </ul>	<ul> <li>30 members of the occupational safety and health system implementation team and 30 seed audit personnel from different units conduct audits.</li> <li>Internal audit: Once/year. The Company forms an internal audit team to conduct an ISO 45001 self-assessment once a year.</li> <li>External audit: Once/year. The Company commissions an independent third party to conduct an ISO 45001 audit once a year.</li> <li>The Occupational Safety and Health Committee meets four times a year to review the quarterly work-related accident rate and the status of occupational safety and health promotion.</li> <li>Set up a suggestion box, an email address for grievances and suggestions, and a hotline for stakeholders.</li> <li>Regular labor-management meetings and Occupational Safety and Health Committee meetings.</li> </ul>
Grievance mechanism	:	Administration Department: ned@greatek. Internal Audit Office: a001@greatek.com.t	
Performance highlights	11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		Maintained the ISO 45001 certification system.     Organized education and training on occupational safety and health management systems, conducted in-plant hazard identification and risk assessment, formulat operation control standards, set occupationa safety and health goals, and conducted inter audits.     On-site health education services by physici Gong-Yi Plant: Three hours per session, n sessions a month.     Toufen Plant: Three hours per session, on.

Toufen Plant: Three hours per session, one

session a month.

# 51 Employee Structure

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In line with the principles of fairness and employment diversity, we do not use race, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, marital status, appearance, disability, etc. as factors considered in employee recruitment, employment, evaluation, or promotion. We take "putting the right person in the right position" as the main consideration and provide local employment opportunities to promote economic growth.

- The Company employees in accordance with the Labor Standards Act and other relevant laws and regulations, and has never hired employees under the age of 16 (child labor) to perform work.
- We hire employees based on their professionalism and experience, value harmonious labor relations
  and smooth communication channels, and have regulations and procedures for sexual harassment
  prevention and handling in place.
- None of our employees were subjected to discrimination, sexual harassment, or any incidents where labor rights and interests were harmed.

Greatek Electronics does not hire dispatched employees. As of December 31, 2023, the total number of employees, including those from the three plants (917 people), was 4,134 (all full-time employees).

- At Greatek, female employees accounted for 54.50% of the total employees, and male employees accounted for 45.50% of the total employees.
- We had 3,174 local employees (76.78% of the total employees) and 960 foreign employees (23.22%).

Note: Greatek's "outsourced labor" included eight security personnel, 54 cleaning personnel, and eight catering personnel.

#### **Age Distribution of Employees**

Below 30 Years Old

28.50%

Greatek's Training Targets and Source of Enthusiasm and Vitality

Over 50 Years Old

7.80%

**Greatek's Key Leaders** 

30-50 Years Old

63.70%

Greatek's Main Force with Extensive Experience

# **Skill Distribution of Employees**

In order to continuously strive for Greatek's capacity growth, the Company's workforce is dominated by skilled employees, accounting for 57.49%, followed by engineering personnel (29.29%), management personnel (6.89%), and administrative personnel (6.33%).

Regular Employees in the Year

						Regu	lar						
			Loc	al					Non	-Local	l		
		Male			Female			Male			Female		
Year	Below 30 Years Old	30-50 Years Old	Over 50 Years Old	Below 30 Years Old	30-50 Years Old	Over 50 Years Old	Below 30 Years Old	30-50 Years Old	Over 50 Years Old	Below 30 Years Old	30-50 Years Old	Over 50 Years Old	Total
2021	639	942	60	310	1024	188	93	142	0	442	446	0	4286
2022	563	993	75	293	1014	209	66	144	0	339	491	0	4187
2023	585	1032	87	255	983	232	44	134	0	293	489	0	4134

by Job Grade (Regular Employees)

			Loc	al			Non-Local						
		Male			Female			Male			Female		
Year	General Employees	Supervisors	Division Level and Above	Total									
2021	1418	205	18	1502	19	1	235	0	0	888	0	0	4286
2022	1383	230	18	1496	19	1	210	0	0	830	0	0	4187
2023	1439	247	18	1450	19	1	178	0	0	782	0	0	4134

# **5.2** Retention of Employees

## **New Employees Including Non-regular Employees**

We have established a comprehensive recruitment standard mechanism along with various recruitment channels to continuously recruit new employees for the Company to maintain development momentum and growth power, attracting more outstanding students, providing quality job opportunities, and fulfilling corporate responsibilities.

			Loc				For-					
		Male			Female	e		Male		I	<b>Female</b>	
Plant	Below 30 Years Old	30-50 Years Old	Over 50 Years Old	Below 30 Years Old	30-50 Years Old	Over 50 Years Old	Below 30 Years Old	30-50 Years Old	Over 50 Years Old	Below 30 Years Old	30-50 Years Old	Over 50 Years Old
Plant I	113	33	1	45	34	0	45	21	0	3	14	0
Plant II	41	10	0	11	15	0	26	11	0	4	10	0
Plant III	65	20	0	33	24	0	42	16	0	2	5	0
Total	219	63	1	89	73	0	113	48	0	9	29	0
	(		tal Activ				P	ercenta	ge			

## **Employee Turnover (Including Non-regular Employees)**

For resignation management, after an employee submits a resignation application, the relevant managers will conduct face-to-face interviews with the person concerned in a timely manner, and the Human Resources Department will also perform a one-on-one interview to understand the reason for the employee's resignation to make work adjustments or provide care as necessary.

In the event of major operational changes, the Company notifies employees of the changes according to the notice period specified in labor laws and regulations. According to the "Labor Standards Act," a notice period of 10-30 days is given depending on the length of service.

			Loc	al					Fo	reign		
		Male			Female			Male			Female	
Plant	Below 30 Years Old	30-50 Years Old	Over 50 Years Old	Below 30 Years Old	30-50 Years Old	Over 50 Years Old	Below 30 Years Old	30-50 Years Old	Over 50 Years Old	Below 30 Years Old	30-50 Years Old	Over 50 Years Old
Plant I	65	40	3	36	56	11	30	67	0	5	22	0
Plant II	28	21	2	16	24	10	29	52	0	8	21	0
Plant III	31	23	0	29	37	1	10	21	0	1	13	0
			al Activo					Percent	age			

# Training of Employees

With the rapid development of the times and fierce competition in the technology industry, nurturing professional and management talent has become an important consideration to strengthen the competitiveness of enterprises. Therefore, we are committed to training talent and building a training system. Through the Education & Training Committee, we implement the direction of the Company's education and training down the hierarchy. All department heads and colleagues participate in training planning, execution, and effectiveness evaluation, allowing for good development of employees' technical and professional skills. Greatek's education and development planning focuses on strengthening professional knowledge and skills, improving employees' quality and professional skills, and training professional and management talent needed for the Company's growth.





#### Annual training plan

Formulate an annual training plan according to the Company's business plan every year, including general education training, professional course training, management course training, and language skill training.



#### Orientation training

When new employees start work at the Company, orientation training is provided to help them become familiar with the Company's environment and systems. After they are onboard, general education and required courses are set up according to different positions and job levels to enhance the career development of employees at all levels.



#### Training system management

Control the implementation progress of training courses through the training management system to create specific training benefits, train talent required for organizational development, and ensure the sustainable growth of the Company.

# **Development of Professional Competencies**

#### Orientation training:

A total of 119 orientation training sessions were held in 2023, including for local and foreign workers. The courses covers the Company's history, organization, business philosophy, corporate culture, ethics, labor and human rights laws, regulations and systems, policies, green environment concepts, quality systems, labor safety and health, manufacturing process introduction, as well as the Company's environment and benefits.

#### On-the-job training:

Every year, each unit proposes a plan based on their learning needs, and internal experts serve as the lecturers to implement professional competency training (1,449 trainees in 2023).

#### Internal training courses:

We integrate professional competency courses, gather the needs of each unit, and assist in organizing courses related to industry knowledge, quality processes, production management, employee development, and laws and policies (29,066 trainees in 2023).

#### External training courses:

Considering the particularity of professional competencies and the demand for new knowledge from professional seminars and training for professional licenses, we utilize external training to enhance relevant professional knowledge or obtain professional licenses (363 external training participants in 2023).

#### Skill assessment:

The training of technicians, quality control personnel, trainers, and foremen focuses on operation certification training. Through operation certification training, the goal of stable product quality can be achieved (7,091 operation certification training participants in 2023).

#### Management training:

In 2023, the Training on the Seven Habits for Efficient Entry-level Supervisors and Managers was organized for 216 employees, with a total of 1,112 hours. English training courses were organized for a total of 480 employees, with 960 hours in total.

# **Performance Management and Employee Development**

## Purpose

For performance management, in addition to emphasizing reaching a consensus on work goals between employees and managers, we have also made good use of the system and adjusted its functions to "focus on employee development supplemented by performance reviews," achieving both evaluative and developmental functions. We hope to train and develop the individual capabilities of employees so that they can be familiarized with their duties, become valuable assistants for managers and the pillars of the Company, and thereby enhance the Company's competitiveness and overall organizational performance.

## **Employee Career Development**

Performance reviews help improve the Company's human resource system and overall business system.



#### Formulation of review standards

- Managers perform fair, reasonable and objective performance reviews according to the review standards and regulations, so that each member of the team can clearly understand the roles they should play and strive to achieve the performance requirements of various positions.
- Give employees clear work goals and future performance improvement guidelines to achieve overall business goals.



#### Annual performance review

- Help managers and employees understand the expectations of the Company in terms of behavior, results, and personality traits through the formulation and evaluation of annual performance review items.
- Coordinate the mentality and behavior of all employees and move toward the common goal.
- In 2023, a total of 2,894 employees were scheduled to be reviewed, and all of them participated in the annual performance review, regardless of gender.

## **Promotion Channels**



In accordance with the "Performance Review Management Procedures"

• The Company conducts objective performance reviews for each employee according to the "Performance Review Management Procedures" every year, and determines the employee's annual promotion based on the review results according to the "Job Grade and Job Level Promotion Management Procedures," in the hope to make the individual's ability and performance match the position, job grade, and job level he/she is in and encourage colleagues to develop themselves and improve their abilities at work to achieve the goal of growth.



#### Establishment of the "Management Procedures for Management Position Referrals"

According to the "Management Procedures for Management Position Referrals," we formulate the
basic evaluation criteria for each management position. When there are management vacancies in
the organization, internal referrals can be made to assign personnel to required management roles
in a fair, impartial, and objective manner, putting the personnel recommended for promotion in the
right positions.

The following is an analysis of the review status of regular employees from 2021 to 2023:

		202	1			202	2			202.	3	
		of Persons lewed	Propo	rtion (%)	Number o Revie		Proport	ion (%)	1	of Persons lewed	Proport	ion (%)
Title	M	F	M	F	M	F	M	F	M	F	M	F
upervisors	204	19	4.8	0.44	228	19	5.4	0.4	224	19	5.9	0.5
General employees	1199	1348	28	31.5	1227	1592	28.9	37.5	1275	1356	30.8	32.7
Total	1403	1367	35.39	39.47	1455	1611	34.2	37.9	1519	1375	36.7	33.2

# 54 Valuing Employee Human Rights

Greatek Electronics values the implementation of human rights, practices the labor policy and its spirit with attitudes of fairness and respect, establishes an equal, inclusive, and diverse communication culture, and integrates the relevant values into employees' work and the corporate culture.

- Relevant normative documents have been formulated as the basis for implementation. We also specifically declare in our internal documents and regulations such as the "Work Rules," "Sexual Harassment Grievance and Punishment Regulations," and social responsibility management manual that we protect the human rights of our employees, including by complying with laws and regulations, which is fundamental, ensuring their freedom of work, giving humane treatment, and prohibiting discrimination and sexual harassment.
- We have established a diverse and effective communication mechanism, improved salaries and benefits, provided diversified training and development opportunities and a rich selection of training courses, and advocated for freedom of work. All work is voluntary; there is no slavery or human trafficking.
- The members of the Administration Department conduct identification, assessment, and discussion about employee relations. Each responsible unit identifies human rights risk issues, assess their impact, and classifies these issues according to laws and regulations and the Company's policies every year to ensure the implementation of human rights protections.
- In order for employees to understand their rights and interests and the Company's policies and practices in the implementation of social responsibility, a corporate social responsibility course is given to each employee on their orientation training day. Our employees must receive the training every year and are required to pass a corporate social responsibility test.

# Based on the audit statistics for 2023, no child labor or forced labor was found during internal or external audits.

#### **Social Responsibility Policy**

We undertake to:

Comply with customer and legal requirements and protect employee human rights. Adopt the highest standards of integrity and ethics as the code of conduct for business operations and employees.

Ensure the safety of the working environment and operations, aiming for zero accidents. Implement green environmental protection policies to achieve sustainable operation. Design and implement a management system that complies with laws and customer requirements to reduce business risks and make continuous improvements.

#### **Ethical Policy**

- Ethical corporate management: Prohibit any and all forms of bribery, corruption, extortion and embezzlement.
- No improper benefits: Prohibit acceptance of bribes, kickbacks or improper benefits.
- Information disclosure: Disclose information on labor, health and safety, environmental protection
  activities, business activities, organizational structure, financial status, and performance in accordance
  with applicable regulations.
- Intellectual property rights: Respect intellectual property rights; transfer technology and knowledge in ways that protect intellectual property rights; and protect customer data.
- Fair trade, advertising, and competition: Adhere to the standards of fair trade, advertising, and competition, and develop appropriate measures to protect customer data.
- **Identity protection and retaliation prevention:** Ensure the confidentiality and anonymity of whistleblower identities and prevent retaliation.
- Personal data protection: Protect the personal data of employees, customers, suppliers, and relevant stakeholders, and collect, process, and use personal data for lawful purposes.
- Confidential information: Protect the business, technology, and financial information of the Company
  and customers and do not disclose them to any third party in violation of regulations.

# Implementation of Human Rights Indicators in 2023

Non-discrimination: Total number of discrimination disputes occurred.

Freedom of association: Operations identified as posing a significant risk of endangering the right to freedom of association and collective bargaining.

Child labor: Operations identified as posing a significant risk of causing child labor disputes, and actions taken to help eliminate child labor.

Forced labor: Operations identified as posing a significant risk of causing forced or compulsory labor disputes, and actions taken to help eliminate forced or compulsory labor.

No discrimination incidents occurred

Not prohibited; freely associating is encouraged

No incidents of child labor

No forced labor incidents occurred

## **Human Rights Protection Mechanism**

Our ESG Committee's Human Rights Protection Team holds regular meetings every year and refers to relevant laws and regulations and human rights development trends to formulate Greatek's human rights policy. We also implement the "human rights due diligence process" and continuously improve the management of human rights-related issues with all partners, in order to contribute to international human rights issues.

## **Human Rights Due Diligence Process**

**Identify impacts** 

 Regularly review the Company's operations, value chain, new business activities (such as mergers and acquisitions, joint ventures) and other related activities to identify groups that may be exposed to human rights risks and potential human rights issues.

Assess risks

 Assess the probability of occurrence and level of impact of potential risks of various human rights issues for stakeholders at risk, and establish a human rights issue risk matrix.

Formulate a plan

Based on the potential risks, the ESG Committee's Human Rights Protection
Team proposes, discusses, and plans relevant mitigation and remedial measures to
formulate a human rights issue control plan.

Supervise implementation

 Establish a mechanism for monitoring, tracking, and evaluating control measures to keep track of the implementation results of the human rights issue control plan.

Review and improve

Review the assessment tools and processes, and re-examine and adjust the relevant actions and commitments.

# **Zero-fee and Direct Hiring Policy for Foreign Migrant Workers**

Foreign migrant workers in Taiwan are an important source of labor for major industries and the engine of Taiwan's economic development. At the same time, they are also a relatively disadvantaged group in terms of labor rights. We are aware the high fees that most foreign migrant workers must pay to get a job in Taiwan:

- Year by year, Greatek has improved the practices that have been implemented in the migrant
  job market for years to reduce discrimination and inequality and avoid modern slavery
  problems such as debt bondage, slavery, and human trafficking.
- Greatek has fully implemented a zero-fee measure for foreign migrant workers, whereby Greatek pays the agency fee for overseas employment, the fee for traveling to Taiwan, airfare, and the monthly domestic agency service fee for foreign migrant workers to effectively reduce their employment costs and prevent forced labor.
- In previous years, Greatek organized talent recruitment activities in the Philippines to negotiate employment with foreign migrant workers directly to avoid additional employment costs charged by domestic and foreign agencies.
- In response to the COVID-19 pandemic in 2020, we fully encouraged foreign workers to directly switch jobs in Taiwan to save the time and cost of applying for jobs abroad.
- In 2022, due to the stabilization of the COVID-19 pandemic and the policy for the lifting of partial border restrictions, Greatek switched to introducing workers from abroad and the foreign workers directly transferred from employers in Taiwan through online interviews.
- In 2023, in view of the easing of the global pandemic and the reopening of the Taiwan-Philippines border, we resumed local recruitment in the countries of origin and maintained the introduction of workers from abroad and the foreign workers directly transferred from employers in Taiwan.

#### Effectively avoid common risks:

- Deception
- False advertising
- Incomplete information: Prevent workers from being charged unreasonable fees
- Loans
- Seizure of workers' identification documents
- Compulsions derived from finance and other factors
- · Bonded labor
- Avoid restrictions on resignation
- Access control implementation
- Forced overtime and other restrictions on personal freedom: Avoid substituted contracts
- Underground contracts: Avoid threatening with punishment
- Forced to perform labor or services

# 555 Employee Benefits and Rights

Greatek Electronics attaches great importance to the physical and mental balance of employees. In the workplace, we have planned diverse benefit systems. In addition to various insurance benefits and pension contributions according to local laws and regulations, we also provide group insurance that is better than that required by laws and regulations.

# **Dedicated Breastfeeding Rooms**

To encourage postpartum employees to pump milk at work, each plant has set up a breastfeeding room equipped with a refrigerator and a private space for the safety and comfort of breastfeeding mothers.

# Childcare Service

Greatek cares about the interaction between employees and their families. We not only provide many opportunities to work in different areas, but also bring vitality and happiness to employees' family lives. Through the kindergartens and childcare institutions contracted with the Welfare Committee in the areas in which our employees live, we provide education choices and preschool education for the children of our employees, bringing them a happy life both at work and at home.

# **Encouraging Childbirth**

We appreciate the hard work of our employees in raising children and fully support parental leave. According to government regulations, as long as employees are eligible, they can apply for parental leave regardless of gender.

- ✓ In 2023, a total of 52 employees applied for parental leave without pay, of which 80.8% were female.
- A total of 173 employees applied for maternity leave, paternity leave, and parental leave. The reinstatement rate of female employees with parental leave was 67%; 100% of them have worked for one year after reinstatement.
  - 37 employees expected to be reinstated after unpaid parental leave in 2023
  - 28 employees were reinstated from unpaid parental leave in 2023
  - In 2023, the parental leave return rate was 76%



As a human-oriented company, Greatek regards employees as the most important business partner of the Company. We are committed to providing competitive remuneration and benefits to attract and retain outstanding talent from all walks of life and rewarding colleagues for their hard work and contributions to the Company so that each member can do their best at work and enjoy their life.

Every year, we conduct salary surveys, measure the market salary level, and refer to overall economic indicators and price indexes to make appropriate adjustments to the basic salary of our employees. We also comply with relevant labor laws and regulations and pay both local and foreign employees higher than the local minimum wage.

✓ Average remuneration in 2023 was NTD 61,380/month.

We value employee treatment and benefits and provide employees with benefits in compliance with applicable laws. In addition, incentives, year-end bonuses, and employee bonuses are distributed according to the Company's operating status.

(Note: The average monthly salary of all employees in 2023 was calculated based on the number of "non-managerial" personnel who had been paid for more than six months in the year, and was annualized)

	2021	2022	2023	Difference
Average monthly remuneration	77,881	65,285	61,380	-3905
Number of employees	4,008	4,123	3,965	-158

The gender remuneration ratios in 2023 are calculated as follows:
Greatek designs and determines remuneration based on employees' education backgrounds, experience, professional knowledge, professional skills, professional seniority, position category, and personal performance. The Company's determination criteria comply with labor laws and regulations and adhere to the principle of equal pay for equal work. Factors such as race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, disabilities, or previous union memberships do not affect an individual's remuneration package.

✓ In 2023, Greatek calculated the average female-to-male remuneration ratio for direct personnel and indirect personnel according to the position type;

The female-to-male remuneration ratio for indirect personnel was 1:1.37

The female-to-male remuneration ratio for direct personnel was 1:1, close to equal pay for male and female personnel.

Note: Remuneration includes basic salary, perfect attendance bonuses, food allowance, cash gifts for the three major festivals, year-end bonuses, and special bonuses.

# **Greatek's Benefits**

Annual regular salary adjustment

Equal pay and opportunity for males and females

Year-end bonuses Good remuneration and allowances

Incentives are distributed based on profitability and the achievement of goals set by the Company

Employee bonuses are distributed based on profitability, individual job responsibilities, contribution, and performance review results

The determination of remuneration is irrespective of gender. Incentives are distributed based on the achievement of goals set according to education background, experience, job and ability performance, positions held, expertise and skills, and other criteria

Wedding allowance, childbirth allowance, wedding and funeral allowances

Distribute voucher gifts for the three major festivals, Labor Day, and birthdays

Company trip allowance

Discounts from over 357 contracted stores Provide information on group buying platforms/secondhand commodity trading platforms and daily life.

Regular employee health checkups Employee physiological and psychological counseling Provide infirmaries, on-site physician services, breastfeeding rooms

Employee parking lot Set up staff canteens and provide meal allowance Convenience store services

A variety of club and leisure activities to enrich your leisure life

Hold year-end parties to enrich and diversify life Contracted stores, adding benefits to your life

Statistics o	n Annual Benefit l	Expenditure	Unit (NTD)
Year	2021	2022	2023
Wedding/childbirth/funeral allowance	501,000	631,000	653,000
Voucher gifts for the three major festivals and birthdays	34,704,091	36,244,929	35,096,760
Company trip allowance	22,777,200	20,825,000	12,288,000
Group comprehensive insurance	6,052,312	5,751,647	5,744,638
Meal allowance	9,778,554	11,863,555	16,637,317
Regular health checkups	343,400	337,850	1,173,500
Company culture (Labor Day on May 1 and year-end party)/-clubs/leisure activities	8,989,454	9,513,604	16,190,441

# **Comprehensive Insurance**

All employees of Greatek participate in labor insurance, national health insurance, labor pension contribution, and free group comprehensive insurance [life insurance, accident insurance, medical insurance, cancer insurance, etc.]. From the perspective of taking care of employees and their family members, this benefits not only the employees themselves but also their parents, spouses and children. However, premiums are required for family members.

# **Retirement System**

In accordance with the Labor Standards Act, the Company has established the Labor Retirement Regulations to make a monthly contribution to the "Retirement Reserve Fund," and the "Labor Retirement Reserve Fund Supervision Committee" formed by the employer and the employees according to the law is responsible for managing, supervising, and reviewing the Retirement Reserve Fund. For employees who meet the retirement requirements:

- Two bases are given each year for those with fewer than 15 years of service in the Company;
- For those with more than 15 years of service in the Company, two bases are given each year for the first 15 years; and one base is given for every additional year;
- The total number of bases is limited to 45;
- Seniority less than half a year is counted as half a year, and seniority more than half a year and less than one year is counted as one year. Currently, 100% of our employees in Taiwan have participated in the new labor pension system.

In accordance with the "Labor Standards Act" and the "Labor Pension Act," Greatek has formulated the Labor Retirement Regulations, and makes full contributions to labor pensions on a monthly basis so that employees can claim pensions when they meet the retirement requirements. In January 2023, we and most of our employees who chose to participate in the new pension system (Labor Pension Act) but still had years of service under the old system (Labor Standards Act) reached an agreement to settle their pension fund under the old system. Currently, only eight employees still have years of service under the old system. According to accounting records, the accumulated pension contributions under the old system amounted to about NTD 34,600,000. In 2023, an additional pension contribution of approximately NTD 112,800,000 was made under the new system according to the "Labor Pension Act."

Since July 1, 2005, for employees who chose to apply the pension system under the Labor Pension Act, we contribute 6% of their monthly salary to their special pension account at the Bureau of Labor Insurance. In 2023, 377 employees chose to make voluntary pension contributions.

# **Employee Care and Communication**

2-30

We provide a variety of communication channels to facilitate communication and coordination between employees and the management, gain an in-depth understanding of employees' satisfaction with the management and benefit systems, and maintain good labor relations.

Through labor-management meetings, employee representatives can provide colleagues' suggestions and opinions on specific issues, and consensus can be reached through discussions on the agenda to ensure smooth communication channels.

In addition to labor-management meetings, we conduct new employee care questionnaire surveys every month to understand the needs and problems of new employees at work and make improvements, so that they can feel appreciated by the Company.

We have comprehensive communication channels and diverse, two-way, and open feedback mechanisms in place for the implementation of employee communication and feedback, so that the voices of colleagues can be effectively handled and responded to. Our fair, confidential, and prompt handling process resolves colleagues' doubts, building good labor relations.

Since the Company's establishment, labor relations have been harmonious, and there have been no losses due to labor disputes. The possibility of losses due to labor disputes in the future is expected to be extremely low.

# Labor-management Meeting

A collective bargaining system that is formulated to coordinate labor relations, promote labor-management collaboration, and prevent various labor problems before they arise through labor-management meetings.

#### **✓** [Fundamental spirit]

Encourage voluntary labor-management negotiation and collaboration to enhance communication between labor and management, reduce adversarial conflicts, and build consensus between both parties, thereby pooling the wisdom and potential of everyone to work together for the implementation of resolutions.

#### **✓** [Labor-management meeting representatives]

There are reserved seats for male, female, and foreign workers in order for them to express their opinions.

- Five management representatives and five labor representatives are appointed to attend labor-management meetings.
- Labor representatives for labor-management meetings are directly elected by all workers. The seats go to the top five candidates with the most votes.

#### **✓** [Labor-management meeting agenda items]

- Incentives for achieving turnover goals
- Distribution of bonuses for the three major festivals
- The Company's shareholders' meetings
- Annual employee health checkups and employee health consultation services
- Distribution of employee bonuses
- Matters related to the annual year-end party and colleague cooperation.
- Distribution of year-end bonuses
- Creation of an official account on social media as an additional two-way communication channel with employees.

## **Employee Suggestion Box**

The Company has set up employee suggestion boxes at conspicuous places and some inconspicuous places in the workplace or dormitory for employees to express their suggestions and opinions. We encourage employees to report problems through normal management systems and channels. However, for the following items, they can make a direct report.

- Matters that can no longer or cannot be responded to through normal channels.
- Illegal or unethical conduct discovered within the Company.
- Significant suggestions for the operation and management of the Company that cannot be put forward through normal management channels.
- Crediting outstanding colleagues for making significant contributions silently.
- Other matters that need to be reported directly to the department manager or above.

#### **✓** [Employee suggestion box]

Reports may include, but are not limited to, resolving the following issues:

- Anti-discrimination, anti-harassment, and anti-abuse.
- Prevention of involuntary labor.
- Management of foreign worker hiring through recruitment agencies, and protection of foreign workers.
- Prevention of child labor, protection of underage workers, and protection of student workers.
- Working hours, wages, benefits, and labor contracts.
- Freedom of association and collective bargaining.
- Occupational health and safety management, accident management, and emergency preparation and response.
- Dormitory and canteen management.
- Hazardous waste management, wastewater management, rainwater management, waste gas emissions management, and plant boundary noise management.

#### **✓** [Employee protection]

Our employees or potential employees may raise any questions, suggestions, complaints, or grievances to their supervisors or managers in good faith, or participate in the investigation or handling of any of them in any way. No such employees will be subject to dismissal, blacklisting, discrimination, harassment, intimidation, retaliation, or other improper employment decisions.

#### There were no employee grievances in 2023.

# **Proposal System**

In order to stimulate the creativity of all employees, reduce waste and costs, increase work efficiency and productivity, and thereby strengthen the Company's management structure, so that the Company can create higher profits and higher morale, the Company has established a proposal system to encourage employees to actively propose various improvement opinions, and gives rewards according to the management regulations.

# **5** Temployee Health and Safety

Greatek is committed to providing a safe, healthy and high-quality workplace for employees and ensuring the safety of contractors and visitors. We have formulated an "Occupational Safety and Health Policy" and complied with the principles of the Occupational Safety and Health Act to effectively prevent work-related accidents and protect the health and safety of workers.

In accordance with the "ISO 45001 Occupational Health and Safety Management Systems," "RBA Code of Conduct" and local laws and regulations, each plant of Greatek Electronics has set up a management organization and performs regular audits to ensure that they can effectively prevent various accidents. The management system covers all workers in each plant to achieve the management goal of "zero incidents." Through an electronic management interface, the PDCA spirit of continuous improvement is implemented to enhance the effectiveness of the management system. This can effectively solve problems that cause long-term impacts on workers' health or lead to accidents.

# **Planning**

- Understand the needs and expectations of workers and stakeholders
- Revise the occupational safety and health policy to comply with occupational safety and health regulations
- Formulate occupational safety and health management and operation regulations

- Regularly review various occupational safety and health laws, regulations, and systems
- Assess potential operational hazards and risks
- Formulate occupational safety and health operations in response to risks and opportunities

Effective **Occupational** Safety and Health

**Implementation** 

# **Operation**

- **Evaluate Improvement** performance
  - Re-evaluate measures if performance does not meet expectations
  - **Identify potential risks** from indicators and take countermeasures

Review

**Auditing** 

- Conduct regular internal and external audits
- Carry out daily operation and management audits
- Measure performance based on indicators

# Occupational Safety and Health Committee

Greatek's workers can exercise their rights of participation, consultation, and communication through multiple internal channels. In accordance with the Occupational Safety and Health Act, we have established the Occupational Safety and Health Committee with 15 members. The President serves as the chair, and the management representatives are appointed by the President. Labor representatives on the Committee must exceed 1/3 of the total members. In this regard, Greatek complies with the law. The Committee meets once a quarter to review, coordinate and give advice on matters related to safety and health.

### **Greatek's Internal Participation/Consultation and Communication Channels**

Safety and Health Committee **Meeting (quarterly)** 

Safety and Health Non**conformity Correction** Meeting

Incident **Investigation** Meeting

**Collective Bargaining Meeting (quarterly)** 

**Proposal** Review

**Hazard Identification and Risk and Opportunity** Assessment

# **Promotion of Occupational Safety and Health**

Greatek complies with the Occupational Safety and Health Act and related laws and regulations, and has formulated the Occupational Safety and Health Best Practice Principles for all employees to comply with:

### Implementing Hazard Identification and Opportunity and Risk Assessment

For routine and non-routine processes and product and service activities, workers participate in the hazard identification and opportunity and risk assessment process on a regular basis or from time to time every year.

**Elimination** ↓ Hazard Replacement 1 Processes High identification, risk Engineering control \( \) Risk Routine Medium **Products** determination, determination Control level Administrative Non-routine Services Low opportunity and control risk assessment Personal protective equipment

## Occupational Safety and Health Self-Management

Greatek promotes relevant occupational safety and health self-management measures, including pre-service training, on-the-job training, and certification training for workers. We control potential hazards; provide employees with the necessary protection measures; implement chemical management, the use of personal protective equipment, and work environment measurement; establish emergency response procedures for emergency preparedness; and conduct annual fire safety and disaster relief training.



The Company provides new employees with necessary safety and health education when they report to work, and appoints sufficient first aid personnel and safety and health management personnel (12) in order to provide workers with a safe and healthy work environment and actively promote their safety and health self-protection awareness.

## On-site Work Management

#### —— Chemical Management

- For the Company's existing list of hazardous chemicals, according to the requirements of the Globally
  Harmonized System of Classification and Labeling of Chemicals (GHS), suppliers are required to provide safety
  data sheets (SDS) as a safety reference for internal personnel when using chemicals. We have established a
  chemical management system in our plants for SDS management for colleagues' convenience.
- General education and training on hazardous chemicals.

#### **Use of Personal Protective Equipment**

In order to maintain the safety and health of employees and reduce their exposure to harmful factors during operations, Greatek requires employees to wear appropriate personal protective equipment when carrying out hazardous operations.

#### **Work Environment Measurement**

Greatek performs work environment measurement once every six months to understand the actual exposure of the work environment to hazards. If the measurement results show abnormal measurement values, we will monitor the abnormal area and start to make improvements.

There were no abnormal incidents in 2023.

### **Emergency Response and Drills**

#### — Forming and Training Plant Emergency Response Teams

- We assist the production unit in planning and conducting regular regional evacuation drills to increase the participation and engagement of employees in evacuation and response drills.
- We conduct regular fire, earthquake and chemical disaster relief drills.
- Greatek attaches great importance to the training and promotion of labor safety and organizes drills from time to time

### **Health Care and Medical Care**

We provide employees with comprehensive medical and healthcare services and continue to promote improvement plans for workplace health promotion. We also organize regular health checkups and work-related disease prevention for employees, gather their health checkup results for statistical analysis, and list causative factors. By doing so, we can follow up on employees that may be in the high-health-risk group, make health improvement plans accordingly, and invite them to participate in health improvement activities.

#### 

Category

Checkup Item

General employee health checkup

In accordance with the Regulations of the Labor Health Protection

## Health checkup for special workers

(Workers in work environments with ionizing radiation, noise over 85 decibels, or chromic acid, nickel, mercury, inorganic compounds, and other special chemicals)

In accordance with the Regulations of the Labor Health Protection

#### Health Risk Management Levels 1-4

Level

1 Management

Health checkup results are all normal and considered by the physician to be free of abnormalities.

Level 2 Management

Health checkup results are abnormal, which is considered unrelated to occupation through assessment. Appropriate re-examination or treatment is arranged after health guidance.

Level 3 Management

Health checkup results are abnormal, which is considered related to occupation through preliminary assessment. Outpatient occupational medicine services are arranged, and then the classification is redetermined

Level 4 Management

Health checkup results are abnormal, which is considered related to occupation through the physician's comprehensive assessment. Work-related disease assessment and examination procedures and treatment are arranged.

#### - Health Care and Treatment

Health education is provided by on-site physicians nine times a month in Gong-Yi Plant and once a month in Toufen Plant. For employees with health checkup results requiring Level 2 or higher management, a consultation with a professional physician is arranged to comprehensively assess the nature of work, daily habits, and family health history, offering improvement suggestions to the employees and the Company.

- For employees requiring Level 2 or higher management, the physician indicates operations (operations in shifts, night operations, working long hours, lifting heavy objects, or precision operations) that are inappropriate for them, and then the Administration Department evaluates and coordinates to adjust the working hours.
- We regularly follow up on cases and record regularly.
- Employees are provided with special physical examinations when they are hired or when their work changes. Special health checkups and work environment inspections are also carried out every year.
- Employees at high risk of overload are provided with health care. We also encourage employees to
  participate in health promotion activities. Any employees who meet the enrollment criteria for illness
  cases will be followed up on every three months for care.

# **Disabling Injury**

The number of disabling injuries, excluding traffic injuries, for Greatek's employees in 2023

- One injury (male) in Plant III.
- One injury (female) in Plant I.
- No work-related deaths occurred.

#### Plants I and II

Gender	Item	Greatek Electronics	Gender	Item	<b>Greatek Electronics</b>
	Total working hours	3,009,776		Total working hours	3,824,480
	Number of injuries	0		Number of injuries	1
	Lost days	0		Lost days	25
	Absenteeism rate	0.0078		Absenteeism rate	0.0113
Male	Sick leave	23037.5	Female	Sick leave	41147
	Work-related injury leave	500		Work-related injury leave	2227.5
	FR	0		FR	0.27
	SR	0		SR	7

### Plant III

Gender	Item	Greatek Electronics	Gender	Item	Greatek Electronics
	Total working hours	879,272		Total working hours	903,971
	Number of injuries	1		Number of injuries	0
	Lost days	88		Lost days	0
	Absenteeism rate	0.0111		Absenteeism rate	0.0128
Male	Sick leave	8929.5	Female	Sick leave	10665.5
	Work-related injury leave	860		Work-related injury leave	972
	FR	1.05		FR	0
	SR	92		SR	0

Note 1: Absenteeism rate = Number of absent hours (sick leave + hours of leave due to work-related injury)  $\div$  Total working hours. Note 2: Disabling injury frequency rate (FR) = Number of disabling injuries x 1,000,000  $\div$  Total working hours. Note 3: Disabling injury severity rate (SR) = Number of days lost due to disabling injuries x 1,000,000  $\div$  Total hours worked.

#### Statistics on Work-related Accidents in Greatek Electronics in 2023 (as of the end of December) (Unit: Accidents) **Accident Type/ Falling** Pinched/ **Improper** Cut/ **Falls** Others **Total** Number of Objects Entangled Action Lacerated Accidents 1 0 0 0 0 0 1 Plants II and II 0 0 0 0 0 1 1 Plant III 0 0 0 0 0 2 1 **Total**

Note: Excluding traffic accidents during commuting.

Item	Male	Female
Disabling injury severity rate (SR)	0	0
Total work-related fatalities	0	0

We will continue to strengthen employees' hazard awareness, hoping to create a safety culture through education, training, and promotion, so that each employee can come to work happily and go home safely.

# **Of** Green Sustainability

Although Greatek's operating sites are not located in the planned industrial or science parks, all of them are subject to regular or irregular on-site inspections by the government's environmental protection unit. We spare no effort to control pollution and minimize the impact on the surrounding ecological environment, protecting the community and making a contribution to the earth's ecological environment.

6.1 Pollution Control

6.2 Water Resource Management

6.3 Energy Conservation and Carbon Reduction

# **Description of Material Topics in the Chapter**

Materiality (GRI Standards)	Environmental Management (303 Water and Effluents)
Strategic core	<ul> <li>Increase the amount of recycled water, save energy and reduce carbon emissions, and spare no effort to control pollution and minimize the impact on the surrounding ecological environment, protecting the community and making a contribution to the earth's ecological environment.</li> </ul>
Vision and goal	Continue to recycle wastewater to increase the amount of recycled water for reuse.
Management policy	The Manufacturing Division holds monthly meetings to monitor progress.
Evaluation mechanism	<ul> <li>Install a wastewater recycling system.</li> <li>Monthly Manufacturing Division meeting.</li> <li>Submit a report to the competent authority of the county government for review.</li> </ul>
Grievance mechanism	<ul> <li>Administration Department: ned@greatek.com.tw</li> <li>Internal Audit Office: a001@greatek.com.tw</li> </ul>
Performance highlights	<ul> <li>In 2023, total tap water consumption was 1,045,388 tons. Water recycled from the packaging process accounted for approximately 46.46% of tap water consumption in 2023, with an increase of approximately 0.78% compared to the target for 2019.</li> <li>Wastewater discharged in 2023 was 703,046 tons.</li> <li>The wastewater recycling system was completed and put into test operation. In 2023, the Company recycled a total of 485,716 tons of process wastewater, with an increase of 83,563 tons from 402,153 tons in 2019. Despite a decline in revenue, Greatek has striven to save water.</li> </ul>

# 6.1 Pollution Control

Greatek operates pollution control equipment and implements waste recycling in accordance with laws and regulations. To declare our willingness to contribute our efforts to environmental protection, the Company has formulated an "Environmental Policy" as the highest guiding principle for environmental management.

In 2018, we were certified to the ISO 14001: 2015 Environmental Management Systems. We have managed our pollution and waste generated from production activities according to the management systems. In 2023, the Company's total expenditure on environmental protection was NTD 39.73 million, mainly on industrial safety and environmental protection, pollution control equipment, and disposal of industrial waste.

(	Category of Environmental Protection Expenditure	2021	2022	2023
	Industrial safety and environmental protection expenses	3,986	3,740	3,474
	Pollution control equipment	379	443	499
	Total	4,365	4,183	3,973

# **Waste Gas Emissions Management**

Air emissions from Greatek's production process are mainly VOCs (volatile organic compounds). According to the VOCs, we adopt air pollution control equipment (RTO and wet treatment technology) to increase VOC waste gas treatment efficiency. In accordance with internal standard procedures, after being exhausted, gases are collected through pipelines and adsorbed by waste gas treatment equipment before being emitted. We conduct regular exhaust gas sampling and testing to ensure compliance with regulatory requirements.

# Waste Management

Waste generated during the operation of the Company is stored and managed by designated personnel according to the waste type. We commission a qualified waste clearance and disposal company for legal disposal and online reporting to ensure the legal disposal of the waste generated.

We continue to implement waste reduction and recycling programs to reduce environmental impact. In 2023, a total of 1745.10862 tons of waste was generated, of which hazardous waste was 310.33356 tons. A total of 462.095 tons of waste was recycled, and the recycling rate reached 26.4794%.

Waste Type	Disposal Method	2021 (ton)	2022 (ton)	2023 (ton)
	Chemical treatment	2.34362	1.59023	1.96006
General	Incineration	442.75	428.36	410.89
	Physical treatment	1042.13	721.35	559.83
_	Chemical treatment	111.04	111.04	135.2
	Incineration	62.95	90.93	72.49
	Physical treatment	5.77411	3.45351	7.50356
Hazardous	Solidification	157.91	90.51	68.04
	Stabilization	10.7	15.88	14.02
	Cleaning/ washing	11.925	11	13.08

	2021	2022	2023
Scraps	75,578,899	73,075,752	57,485,115
Plastics	3,309,020	2,482,507	2,157,700
Paper	1,225,649	1,413,759	582,560

543,184

1,725,646

Income from Recycling

(NTD)

3,631,110

# **6.2** Water Resource Management

# **W**astewater Discharge

Greatek has installed independent sewage treatment facilities in the plants. The quality of discharged water meets the national effluent standards and needs to be reported to the competent authority of the county government for review within the deadlines specified in water pollution control laws and regulations. We also have wastewater recycling equipment in place to treat and recycle wastewater so as to reduce wastewater discharge.

Wastewater discharged in 2023 was 703,406 tons.

# Water Resource Management

The Company uses tap water and process wastewater recycled for reuse in the production process. We also implement water-saving measures to conserve water and protect water resources, reducing water consumption and the impact on the natural environment.

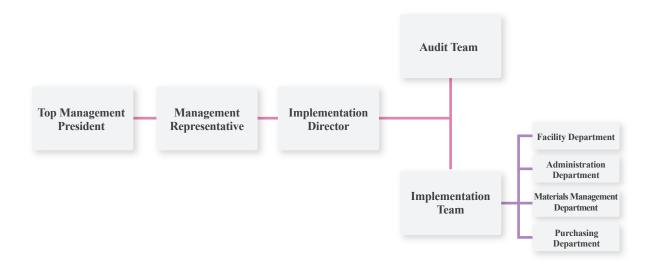
#### **✓** Greatek's water-saving measures

- Wastewater generated in the process of making DI water from tap water is concentrated and used for chiller cooling towers.
- Through the wastewater recycling equipment, water recycled from the packaging process is used to replace partial tap water use.

#### ✓ Water-saving performance in 2023

- Tap water consumption in 2023 was 1,045,388 tons.
- In 2023, water recycled from the packaging process accounted for 46.46% of tap water consumption, increasing by about 0.78% from 45.68% in 2019. The volume of recycled water increased by 83,563 tons.

# **Energy Conservation and Carbon Reduction**



## **Greenhouse Gases**

#### **✓** Greatek GHG Policy Statement

- Increasing GHG emissions will not only cause the rapid deterioration of the global climate and environment, but also affect the economic development of various regions. As a global citizen, we support government policies and fulfill our corporate responsibilities.
- Greatek Electronics Inc. is committed to the inventory of GHG emissions and further implements voluntary GHG reduction-related plans based on inventory results.

In response to the global trend of environmental protection and the development of Taiwan's overall GHG reduction strategy to achieve the sustainable development goals of energy conservation and carbon reduction, we include GHG emissions in our annual inventory to monitor the Company's GHG emissions. By improving energy efficiency, we can also reduce our operating costs.

In line with the new-version ISO 14064-1:2018, we included direct emissions (Scope 1), indirect emissions from energy (Scope 2), and indirect emissions from raw materials and services (Scope 3) in our GHG inventory in 2020

### Organizational Structure of the Greenhouse Gas Inventory Promotion Committee

#### **✓** Criteria for Indirect Emissions

We determine the reporting boundary of significant indirect emissions by scoring based on the significance assessment criteria for indirect emissions, including the frequency of occurrence, the GHG emissions disclosure requirements of intended users, the difficulty in obtaining activity data sources, and the reliability of the sources of emission factors.

Significance assessment criteria (total score = frequency of occurrence + requirements of intended users + activity data sources + emission factors). For Scope 2-5 emissions, according to the significance assessment criteria, the Greenhouse Gas Inventory Promotion Committee resolved that if the final assessment score is 11 or higher, the emissions are considered significant and included in the inventory.

# The following are identified as significant indirect emissions:

- Indirect emissions from energy
- Indirect emissions from transportation
- Indirect emissions from raw materials and services

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Category	Sub-category	Facilities
	Direct emissions from stationary combustion	Emergency generators
		Heating furnaces
	Direct emissions from mobile combustion	Forklifts
		Company cars
Direct GHG emissions and removals	Direct process emissions and removals from	Acetylene
and removals	industrial processes	CO2 cylinders
		Septic tanks
	Direct fugitive emissions from the release of	CO2 fire extinguishers
	GHGs in anthropogenic systems	Chillers
		Mobile air purifiers
		Freezing and refrigeration equipment
Indirect GHG emissions from imported energy	Indirect emissions from imported electricity	Purchased electricity
	Emissions from upstream transportation and goods distribution	Raw material transportation
Indirect GHG emissions from transportation	Emissions from employee commutes	Employee commute transportation
	Emissions from business travel	Employee business trip transportation
		Purchased energy (upstream): Natural gas
		Purchased energy (upstream): Diesel
	Emissions from purchased products	Purchased energy (upstream): Gasoline
Indirect GHG emissions		Purchased energy (upstream): Electricity
from products used by the organization		Tap water
		Wastewater treatment (chemicals)
	Emissions from solid and liquid waste disposal	Waste disposal
		Waste transportation for disposal

#### Greatek's GHG Emissions in 2023

Plant	Unit			Raw Mate	Emissions from rials and Services Scope 3)	Total
		Direct Emissions (Scope 1)	Indirect Emissions from Energy (Scope 2)	Indirect Emissions from Transportation	Indirect GHG Emissions from Products Used by the Organization	Totai
Gong-Yi Plant Plant I, Plant II, Plant	Emissions equivalent (tons CO2e/year)	837.9571	72,423.7866	1,280.0891	16,571.9027	91,113.736
WT1, Plant WT2, Dormitory	Proportion (%)	0.92%	79.49%	1.40%	18.19%	100.00%
Toufen Plant Plant Plants III and V	Emissions equivalent (tons CO2e/year)	849.4917	27,070.1640	471.7652	6,788.4210	35,179.842
T KARS III WAL V	Proportion (%)	2.41%	76.95%	1.34%	19.30%	100.00%

# **Carbon Management**

To support GHG emissions reduction management to achieve the goal of carbon dioxide reduction, in 2023, we achieved the goals of energy conservation and reduction of electricity consumption through continuous improvement and continuous promotion of energy conservation among employees.

The Company's energy consumption comprises electricity. We do not purchase energy such as heat, cooling, or steam, nor do we sell electricity, heat, cooling, or steam.

- Equipment efficiency: The installation of inverters in motors reduced electricity consumption by 2,205,549 kw/hr.
- Improved efficiency of plant facilities: Reduced electricity consumption by 460,267 kw/hr.
- Solar power system: Cumulative power generation of 875,000 kw/hr
- In 2023, the amount of electricity saved throughout the Company was 3,538,606 kWh, all of which was from plant facilities.

# **Energy Conservation**

Greatek continues to promote energy conservation with the spirit and mentality of sustainable management and caring for the earth. For company-wide activities and operations, we implement the following:

Our energy-saving solutions include improving the heat exchange efficiency
of cooling towers and installing inverters in motors, saving 3,538,606 kWh of
electricity in 2023. Annual electricity consumption was 200,997,800 kWh, and
electricity intensity was 14.82 kWh/thousand (NTD).

Note: Electricity intensity (kWh/NTD thousand) = Electricity consumption (kWh)/Company revenue (NTD thousand)

# Greatek Electronics Inc. Ethical Corporate Management Best Practice Principles

### **✓** Article 1. Purpose of Adoption and Scope of Application

The Company has engaged in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. In order to implement the ethical corporate management policy and actively prevent unethical conduct, the Company has established the Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" to specify the matters that the Company's personnel shall pay attention to in the conduct of business. The Principles shall also apply to the Company's subsidiaries, juristic persons to which the Company has directly or indirectly donated more than 50% of their funds in aggregate, and group enterprises and organizations such as the institutions or juristic persons over which the Company has substantial control.

### **✓** Article 2. Applicable Personnel

The term "the Company's Personnel" referred to in the Principles means the directors, managers, employees, and persons with substantial control of the Company and group enterprises and organizations.

#### **✓** Article 3. Unethical Conduct

The term "unethical conduct" referred to in the Principles means the Company's Personnel's direct or indirect offering, acceptance, commitment or request of any improper benefits for the purpose of obtaining or maintaining benefits, or their engagement in any other conduct that is unethical, illegal, or which breaches fiduciary duties in the conduct of business. The counterparties of the above conduct include government officials, political candidates, political parties or party members, and any public or private enterprises or institutions, and their directors, managers, employees, persons with substantial control, or other stakeholders.

### **✓** Article 4. Forms of Interest

The term "benefits" referred to in the Principles means any form of money, presents, gifts, commissions, positions, services, preferential treatment, kickbacks, facilitating payments, hospitality, entertainment, and other things of value for any purpose.

### **✓** Article 5. Responsible Unit and Its Duties

The Company has designated administrative departments as responsible units (hereinafter referred to as the "Responsible Units") with sufficient resources and competent personnel. The Responsible Units are in charge of applying, implementing, and interpreting the Principles and any amendments thereto, providing consultation, documenting reported information, and supervising the execution of related activities. The Responsible Units' main duties are as follows and shall make a report to the Board Directors at least once a year:

- 1. Assisting in the integration of integrity and ethical values into the Company's business strategy, and formulating relevant fraud prevention measures in compliance with laws and regulations to ensure ethical corporate management.
- 2. Regularly analyzing and assessing the risk of unethical conduct within the business scope to formulate plans for preventing unethical conduct, and establishing related standard operating procedures and behavioral guidelines for each plan.
- 3. Planning internal organizations, staffing, and duties, and establishing a mutual supervision and balancing mechanism for business activities with a higher risk of unethical conduct.
- 4. Promoting and coordinating integrity policy awareness training.
- 5. Formulating a whistleblowing system to ensure its effectiveness.
- 6. Assisting the Board Directors and the management in auditing and assessing whether the preventive measures established to implement ethical corporate management operate effectively, regularly evaluating the compliance of related business processes, and issuing reports.
- 7. Preparing and properly retaining documented information on the ethical corporate management policy, the statement of compliance, and the implementation and fulfillment of commitments.

#### **✓** Article 6. Prohibition of Offering or Accepting Improper Benefits

The Company's personnel shall not directly or indirectly offer, accept, promise or request money, presents, services, preferential treatment, hospitality, entertainment, or other benefits in the conduct of business. However, the same shall not apply under the following circumstances, provided that the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," the Principles, and other related laws and regulations are complied with:

- 1. Complying with the laws and regulations of the place of operation.
- 2. Needed for business purposes during domestic (overseas) visits, reception of foreign guests, promotion of business, and communication and coordination according to local etiquette or customs.
- 3. Participation in or inviting others to normal social events based on normal social etiquette, for business purposes, or to promote relationships.
- 4. Inviting customers to or being invited to specific business activities, plant tours, etc. for business needs, provided that the expenses born, number of participants, accommodation level and duration, and so on for the said activities have been specified.
- 5. Participation in public festival events that involve the general public.
- 6. Incentives, relief measures, solatia, or rewards to managers.
- 7. Giving or receiving presents to or from relatives or frequent friends for engagement, marriage, childbirth, relocation, new jobs, promotion, retirement, resignation, departure, or the injury, illness, or death of the person or his/her spouse or immediate family member.
- 8. Others that comply with the Company's regulations.

#### **✓** Article 7. Handling Procedures for Acceptance of Improper Benefits

Except for the circumstances specified in the preceding Article, the Company's personnel shall follow the following procedures when encountering someone directly or indirectly offering or promising to offer money, presents, services, preferential treatment, hospitality, entertainment, or other benefits:

- 1. If the Company's Personnel and the person offering or promising the above benefits are not interested parties at work, they shall make a report to their line manager within three days after acceptance, and notify the Responsible Units if necessary.
- 2. If the Company's Personnel and the person offering or promising the above benefits are interested parties at work, they shall return or refuse the benefits, make a report to their line manager and notify the Responsible Units; if the benefits cannot be returned, they shall be handed over to the Responsible Units within three days after acceptance.
  - "Being interested parties at work," as referred to in the preceding paragraph, means any of the following:
- 1. Having business relationships or command and supervisory relationships, or providing/receiving subsidies (incentives).
- 2. Seeking, conducting, or having entered into a contract, a transaction, and other contractual relationships.
- 3. Being affected favorably or unfavorably by the Company's decisions, execution or not execution. Depending on the nature and value of the things of value mentioned in Paragraph 1, the Responsible Units shall suggest returning, paying for, confiscating or donating the things of value to charitable organizations or make other appropriate suggestions, and proceed with the suggestions after approval.

### **✓** Article 8. Prohibition and Handling of Facilitating Payments

The Company shall not offer or promise any facilitating payments. If the Company's Personnel offer or promise facilitating payments due to threats or intimidation, they shall record the process, make a report to their line manager, and notify the Responsible Units. The Responsible Units shall take action immediately upon receipt of the above notice and review the relevant circumstances in order to reduce the risk of recurrence. An immediate report shall be made to the judiciary if any illegal activity is discovered.

#### Article 9. Procedures for Charitable Donations or Sponsorships

Charitable donations or sponsorships provided by the Company shall comply with applicable laws and regulations and shall be reported to the responsible manager for approval in accordance with the Company's Regulations for the Division of Responsibilities before being made:

- 1. Charitable donations shall be made to charitable organizations and shall not be a disguised form of bribery.
- 2. As what the Company can obtain in return for sponsorships is specific and reasonable, recipients of the sponsorships shall not be the Company's business counterparties or persons having interests with the Company's personnel.
- 3. After making charitable donations or sponsorships, the Company shall verify that the use of the money donated is consistent with the purpose of the donation.

#### Article 10. Recusal for Conflicts of Interest

The Company's directors, managers, and other interested parties attending or sitting in on board meetings shall exercise a high degree of self-discipline. If they or the juristic persons they represent have a stake in an agenda item at the board meeting, they shall explain the important details of the stake at the current board meeting. If the stake is likely to harm the interests of the Company, they shall not participate in the discussions and voting, shall recuse themselves from the discussions and voting, and shall not exercise voting rights as a proxy of another director. Directors shall also exercise self-discipline and shall not support one another in improper dealings. If a director's spouse or second-degree relative by blood or a company with which the director has a relationship of control or subordination has a stake in an agenda item at the meeting mentioned in the preceding paragraph, the director is deemed to have a stake in the item.

If the Company's Personnel, in the conduct of business, become aware of a conflict of interest with themselves or with the juristic persons they represent or the possibility that the Personnel themselves or their spouses, parents, children, and other interested parties obtain improper benefits, the Personnel shall simultaneously report the same to their line manager and the Responsible Units, and their line manager shall provide appropriate instructions. The Company's personnel shall not use Company resources for business activities outside those of the Company, and shall not engage in such activities to an extent that compromises their job performance.



#### ✓ Article 11. Unit Dedicated to Handling Confidential Information

The R&D Division, the unit responsible for handling trade secrets in the Company, is in charge of formulating and implementing procedures for the management, retention, and non-disclosure of the Company's trade secrets. It shall also regularly review the implementation results to ensure the continuous effectiveness of the operating procedures.



#### **Article 12. Prohibited Transactions**

#### Prohibition against disclosure of confidential information

The Company's Personnel shall comply with the regulations related to the Company's trade secrets, shall not disclose the Company's trade secrets to others, and shall not inquire about or gather the Company's trade secrets that are not related to their duties.

#### Prohibition against insider trading

The Company's Personnel shall comply with the Securities and Exchange Act and shall not engage in insider trading with non-public information that they know or disclose such non-public information to others to prevent them from engaging in insider trading with such non-public information.

#### **Prohibition against unfair competition**

The Company shall comply with the Fair Trade Act and competition-related laws and regulations when engaging in business activities, and shall refrain from price fixing, bid rigging, limiting production and quotas, or market sharing or segmentation by allocating customers, suppliers, territories, or businesses.

#### Prohibition against infringement of intellectual property rights

The Company's personnel shall comply with the laws and regulations governing intellectual property, the Company's internal operating procedures, and contracts, and shall not use, disclose, dispose of, damage, or otherwise infringe intellectual property rights without the consent of the intellectual property rights owner.

#### **✓** Article 13. Preventing Products or Services from Causing Damage to Stakeholders

The Company's personnel shall comply with related laws and regulations and international standards during the research and development, procurement, manufacturing, offering, or sale of products and services, ensure the transparency and safety of the products and services, formulate and disclose policies to protect the rights and interests of consumers or other stakeholders, and implement them in business activities to prevent the products or services from causing direct or indirect damage to the rights and interests, health, and safety of consumers or other stakeholders.

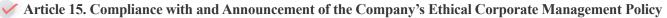
When there are sufficient facts to determine that a product or service poses a threat to the safety and health of consumers or other stakeholders, the Company shall, in principle, immediately recall the whole batch or suspend the service and make a review and improvement plan.

The Responsible Units shall report the said incident in the preceding paragraph, how it is handled, and subsequent review and improvement measures to the Board Directors.



#### **✓** Article 14. Non-Disclosure Agreement

All organizations and personnel involved in mergers, spin-offs, acquisitions, share transfers, important memorandums of understanding, strategic alliances, other business collaboration projects, or important contracts with the Company shall sign a non-disclosure agreement with the Company and undertake not to disclose the Company's trade secrets or other material information to others, nor use such information without the consent of the Company.



The Company shall require directors and the senior management to issue a statement of compliance with the ethical corporate management policy, and state in the conditions of employment that all employees are required to comply with the ethical corporate management policy.

The Company shall disclose the ethical corporate management policy in internal regulations, annual reports, the Company's website, or other promotional documents, and announce the policy at appropriate external events such as product launch events and investor conferences, in order for suppliers, customers, and other business-related organizations and personnel to clearly understand the Company's ethical corporate management philosophy and regulations. The Company shall also specify in labor contracts that all employees are required to abide by the Company's management regulations (Ethical Corporate Management Best Practice Principles).

#### **✓** Article 16. Ethical Corporate Management Policy for the Development of Business Relationships

Before building a business relationship with agents, suppliers, customers, or other business counterparties, the Company is advised to evaluate their legitimacy and ethical corporate management policy and check whether they have any record of unethical conduct to ensure that they conduct business in a fair and transparent way and do not ask for, offer, or accept bribes. When conducting the above evaluation, the Company may adopt appropriate audit procedures to examine the following matters in order to understand the ethical corporate management status of the business counterparties:

- 1. The nationality, place of operation, organizational structure, management policy, and payment location of the counterparty.
- 2. Whether the counterparty has established an ethical corporate management policy and the implementation of such policy.
- 3. Whether the counterparty operates in a country with a high risk of corruption.
- 4. Whether the counterparty conducts business in an industry with a high risk of bribery.
- 5. The Company's long-term management performance and reputation.
- 6. Opinions on the counterparty from its business partners.
- Whether the counterparty has a history of unethical conduct such as bribery or making illegal political donations.

# **✓** Article 17. Explanation of the Company's Ethical Corporate Management Policy and Regulations to Counterparties

When engaging in business activities, the Company's Personnel are advised to explain to counterparties the Company's ethical corporate management policy and relevant regulations, and explicitly refuse direct or indirect offering, promising, request or acceptance of any form of improper benefits for any purpose, including kickbacks, commissions, and facilitating payments, or offering or acceptance of improper benefits through other channels.

# **✓** Article 18. Avoiding Business Transactions with Counterparties Engaging in Unethical Corporate Management

The Company's personnel shall avoid engaging in business transactions with agents, suppliers, customers or other business counterparties that have engaged in unethical corporate management. Once discovering that a counterparty or partner has committed unethical conduct, the Company shall immediately cease business dealings with them and blacklist them in order to implement the Company's ethical corporate management policy.

#### **✓** Article 19. Agreement on Ethical Business Conduct in Procurement Contracts

When the Company enters into a procurement contract with a party, the Company shall fully understand its ethical corporate management status. If the annual transaction amount reaches a certain amount, a Letter of Commitment to Ethical Business Conduct shall be included as an important attachment to the transaction contract. The Letter of Commitment to Ethical Business Conduct shall specify that:

- 1. Directly or indirectly offering any form of money, commissions, services, kickbacks, and facilitating payments for any purpose, or any other form of improper benefits to the Company's personnel to build business relationships or engage in business transactions is prohibited.
- 2. If the Company's Personnel directly or indirectly ask for any money, commissions, services, kickbacks, and facilitating payments or any other form of improper benefits from the undertaking party or request the undertaking party to engage in unethical or illegal conduct, the undertaking party agrees and promises to immediately notify the Company's Responsible Units, the Internal Audit Office, of the identity of the personnel, the amount requested or accepted, and how the benefits were accepted, provide relevant evidence, and cooperate with the investigation.
- 3. The undertaking party promises that its employees and agents will abide by the obligations specified in the Letter of Commitment. If the undertaking party breaches any of the above undertakings, the Company shall have the right to unconditionally terminate the contract or terminate the transaction between both parties at any time without taking any liability for breach of contract. In addition, regardless of whether any loss is caused to the Company, the Company shall have the right to claim liquidated damages against the undertaking party, and the undertaking party shall not refuse to pay the damages, and shall be separately liable for the actual losses incurred by the Company. The Company reserves the right to directly offset the liquidated damages and compensation payable by the undertaking party against the accounts payable to the undertaking party, and may file criminal complaints or civil claims or take other remedies.



# Article 20. Whistleblowing Systems and Procedures and Actions Against Unethical Conduct by the Company's Personnel

#### I. Whistleblowing Systems and Procedures

- 1. The Company has created independent whistleblowing email addresses (ned@greatek.com.tw and a001@greatek.com.tw) for internal and external personnel to make reports. Employees who report violations of professional ethics or any fraudulent conduct will be protected to prevent unfair retaliation or treatment. Protection against unfair retaliation or treatment.
- 2. The whistleblower shall at least provide his/her name (he/she may also report anonymously) and correct contact information, the contact information and name of the person being reported or other information sufficient to identify the person, and specific evidence for investigation. Characteristics and specific evidence for investigation.
- 3. If an anonymous report is made with documentary or physical evidence is presented, and the violation, the name of the person concerned, location, and related parties are clearly explained, the responsible personnel may also initiate an internal preliminary investigation. However, if the anonymous whistleblower cannot be contacted or did not reply to the request to provide further explanation or information due to a broken chain of evidence or a lack of legal constituent elements, the responsible personnel may directly close the report.
- 4. Levels of whistleblowing reports: A whistleblowing report involving general employees shall be submitted to the head of the department; a whistleblowing report involving directors or the senior management shall be submitted to independent directors or the Audit Committee.
- 5. After the Responsible Units receive a whistleblowing report, they shall, together with the manager or unit being reported to, cooperate with the investigation by the Company's Internal Audit Office, and other relevant departments may provide assistance if necessary. For the receipt of the report, investigation process, and investigation results, all written documents shall be kept and retained for five years. Such retention may be in electronic format. If a lawsuit related to the content of the whistleblowing report occurs before the retention period expires, the relevant information shall be retained until the conclusion of the lawsuit.

#### II. Actions Against Unethical Conduct by the Company's Personnel

- Upon discovering or receiving a report of unethical conduct by the Company's Personnel, the Company shall
  establish the facts immediately and, if a violation of applicable laws and regulations or the Company's ethical
  corporate management policy and regulations is verified, request the perpetrator to cease such conduct and
  take appropriate actions. If necessary, the Company may make a report to the competent authority, refer the
  case to the judiciary for investigation, or claim damages through legal procedures to protect the reputation,
  rights, and interests of the Company.
- 2. For unethical conduct that has already occurred, the Company shall instruct relevant units to review the internal control system and operating procedures and propose corrective measures to prevent recurrence. The Responsible Units shall report unethical conduct, how it is handled, and subsequent review and improvement measures to the Board Directors.

### **✓** Article 21. Actions Against Unethical Conduct by Others towards the Company

In the event that the Company's Personnel discover unethical conduct by others towards the Company, the Company shall notify the judicial and prosecuting authorities of the relevant facts if the conduct involves illegal acts, and also inform the anti-corruption authority if a government agency or an official is involved.

### **✓** Article 22. Internal Awareness Training and Reward, Punishment and Grievance Systems

The Responsible Units shall organize annual internal awareness training to convey the importance of integrity to directors, the management, and employees. The Responsible Units shall also incorporate ethical corporate management into employee performance reviews and human resource policies, and establish clear and effective reward, punishment, and grievance systems.

The Company shall dismiss the Company's personnel who commit serious ethical conduct violations according to the relevant laws and regulations or the Company's personnel policy. The Company shall disclose the title and name of personnel committing ethical conduct violations, violation date, violation description, and actions taken on the internal website.

### Article 23. Implementation

Matters not covered by the Principles shall be governed by applicable laws and regulations. The Principles shall be implemented upon resolution of the Board Directors, and the same shall apply to any amendments thereto.

# Greatek Electronics Inc. Guidelines for the Codes of Ethical Conduct

### **✓** I. Purpose:

The Guidelines have been established to ensure that the Company's directors and managers (including the President, Vice Presidents, finance department head, accounting department head, department heads, and persons authorized to manage affairs and sign for the Company) act in compliance with ethical standards and give the Company's stakeholders a better understanding of the Company's ethical standards.

#### **✓** II. Content of the Guidelines:

#### • Prevention of conflicts of interest:

The Company's directors or managers shall refrain from taking advantage of their position in the Company to allow themselves or their spouses, parents, children, or relatives within the second degree of kinship to obtain improper benefits. The Company shall pay special attention to the loaning of funds to the affiliated companies that the said personnel are in or the provision of guarantees to, major asset transactions with, and the purchase (or sale) of goods from (to) the affiliated companies. The Company shall provide appropriate channels for directors and managers to voluntarily explain their potential conflicts of interest with the Company.

#### • Minimizing opportunities for personal gain:

The directors or managers shall refrain from: (1) seeking opportunities for personal gain by using the Company's property or information or taking advantage of their position; (2) seeking personal gain by using the Company's property or information or taking advantage of their position, and (3) competing with the Company. When the Company has an opportunity to make profit, it is the responsibility of the directors and managers to increase the proper and legitimate benefits that the Company can obtain.

#### • Confidentiality:

The directors or managers are obligated to maintain the confidentiality of the information of the Company or the suppliers (customers) thereof, unless otherwise authorized or required by law to do so. Confidential information includes all undisclosed information that may be exploited by competitors or cause harm to the Company or customers after disclosure.

#### • Fair trade:

The directors or managers shall treat the Company's suppliers (customers), competitors, and employees fairly, and shall not manipulate, conceal, or misuse the information they have obtained through their position, make misstatements about important matters, or engage in other unfair trading practices to obtain improper benefits.

#### • Protection and proper use of the Company's assets:

All directors and managers have the responsibility to protect the Company's assets and ensuring that they can be effectively and legally used for business purposes. If assets are stolen, neglected, or wasted, it will directly affect the Company's profitability.

#### Compliance with laws and regulations

Compliance with the Securities and Exchange Act and other laws and regulations shall be enhanced.

#### • Encouraging reporting of any illegal or unethical conduct:

The Company shall enhance the internal promotion of ethics and encourage employees to report suspected or discovered violations of laws, regulations, or the Guidelines for the Codes of Ethical Conduct to directors, managers, the chief internal auditor, or other appropriate personnel.

To encourage employees to report violations of law, the Company shall establish a concrete whistleblowing system and make employees aware that the Company will make every effort to ensure the safety of whistleblowers and protect them from retaliation.

#### • Disciplinary measures:

The Company shall take disciplinary actions against directors or managers violating the Guidelines for the Codes of Ethical Conduct. The Company shall establish a grievance system for persons violating the Guidelines for the Codes of Ethical Conduct to seek remedies.

#### **✓** III. Method of disclosure:

The Company shall disclose the Guidelines for the Codes of Ethical Conduct on the Company's website, annual reports, prospectuses, and the Market Observation Post System. The same shall apply to any amendments to the Guidelines.

### **✓** IV. Implementation:

The Company's Guidelines for the Codes of Ethical Conduct shall be implemented upon approval of the Board Directors, and the same shall apply to any amendments thereto.

# Appendix 1 GRI Sustainability Reporting Standards

In accordance with GRI Standards 101, 102, 103, 200, 300, 400

### **GRI 2: General Disclosures (2021)**

GRI Standards	Item Description	Chapter	Page	Note
2-1	Organizational details	Greatek Electronics Inc. 2022 ESG Report	01	
2-2	Entities included in the organization's sustainability reporting	Greatek Electronics Inc. 2022 ESG Report	01	
2-3	Reporting period, frequency and contact point	Greatek Electronics Inc. 2022 ESG Report	01	
2-4	Restatements of information	Greatek Electronics Inc. 2022 ESG Report	01	
2-5	External assurance	Greatek Electronics Inc. 2022 ESG Report	01	
2-6	Activities, value chain and other business relationships	2. Sustainable Governance	29	
2-7	Employees	5.1 Employee Structure	69	
2-8	Workers who are not employees	5.1 Employee Structure	69	
2-9	Governance structure and composition	2.3 Corporate Governance	36	
2-10	Nomination and selection of the highest governance body	2.3 Corporate Governance	36	
2-11	Chair of the highest governance body	2.3 Corporate Governance	36	
2-12	Role of the highest governance body in overseeing the management of impacts	2.3 Corporate Governance	36	
2-13	Delegation of responsibility for managing impacts	2.3 Corporate Governance	36	
2-14	Role of the highest governance body in sustainability reporting	2.3 Corporate Governance	36	
2-15	Conflicts of interest	2.3 Corporate Governance	36	
2-16	Communication of critical concerns	2.3 Corporate Governance	36	
2-17	Collective knowledge of the highest governance body	2.3 Corporate Governance	36	
2-18	Evaluation of the performance of the highest governance body	2.3 Corporate Governance	36	
2-19	Remuneration policies	2.3 Corporate Governance	36	
2-20	Process to determine remuneration	2.3 Corporate Governance	36	
2-21	Annual total compensation ratio	2.3 Corporate Governance	36	
2-22	Statement on sustainable development strategy	Chairman's Message	04	
2-23	Policy commitments	1.4 Due Diligence / 2.2 Business Philosophy	21/33	
2-24	Embedding policy commitments	1.4 Due Diligence / 2.2 Business Philosophy	21/33	
2-25	Processes to remediate negative impacts	2.3 Corporate Governance	36	
2-26	Mechanisms for seeking advice and raising concerns	2.3 Corporate Governance	36	
2-27	Compliance with laws and regulations	2.5 Ethics and Legal Compliance	48	
2-28	Membership associations	2.3 Corporate Governance	36	
2-29	Approach to stakeholder engagement	1.2 Stakeholder Identification and Communication	12	
2-30	Collective bargaining agreements	5.6 Employee Care and Communication	82	

# **GRI 3: Material Topics**

GRI Standards/ Disclosures	Disclosure	Chapter	Page	Note
CDI 2. Motorial	3-1 Process to determine material topics	1.3 Identification and Analysis of Material Issues		
GRI 3: Material Topics	3-2 List of material topics			

### **✓** Material Topics

Cornorate	Governance -	Ethical	Cor	norate	Managemen	t
Corporate	Gover manice	Luncui	CUI	porace	TYLIGHT CHILCH	IL

GRI Standard	Disclosure	Chapter	Page	Note
GRI 3: Material Topics (2021)	3-3 Management of material topics	2. Sustainable Governance	29	
GRI 205 Anti-corruption (2016)	205-2 Communication and training about anti-corruption policies and procedures	2.5 Ethics and Legal Compliance	48	

### **Corporate Governance - Risk Management**

GRI Standard	Disclosure	Chapter	Page	Note
GRI 3: Material Topics (2021)	3-3 Management of material topics	1. Sustainable Operations	10	
GRI 201 Economic Performance (2016)	201-2 Financial implications and other risks and opportunities due to climate change	1.5 Risk Response	22	

## **Corporate Governance - Sustainable Performance**

GRI Standard	Disclosure	Chapter	Page	Note
GRI 3: Material Topics (2021)	3-3 Management of material topics	2. Sustainable Governance	29	
GRI 201 Economic Performance (2016)	201-1 Financial implications and other risks and opportunities due to climate change	2.1 Overview of Greatek	21	

<b>Corporate Governance</b>	- Product R&D and Innovation			
GRI Standard	Disclosure	Chapter	Page	Note
GRI 3: Material Topics (2021)	3-3 Management of material topics	3. Innovation and Development	53	
GRI 201 Economic Performance (2016)	201-1 Financial implications and other risks and opportunities due to climate change	3.2 Product R&D and Innovation	56	

## **Corporate Governance - Technology and Service**

GRI Standard	Disclosure	Chapter	Page	Note
GRI 3: Material Topics (2021)	3-3 Management of material topics	3. Innovation and Development	53	
GRI 201 Economic Performance (2016)	201-1 Direct economic value generated and distributed	3.1 Technology and Service	55	

# **Society - Customer Relationship Management**

GRI Standard	Disclosure	Chapter	Page	Note
GRI 3: Material Topics (2021)	3-3 Management of material topics	4. Partnership Maintenance	59	
408: Customer Privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.1 Customer Relationship Management	61	

## **Society- Sustainable Supply Chain**

GRI Standard	Disclosure	Chapter	Page	Note
GRI 3: Material Topics (2021)	3-3 Management of material topics	4. Partnership Maintenance	59	
204 Procurement Practices (2016) 414 Supplier Social Assessment (2016)	204-1 Proportion of spending on local suppliers 414-1 New suppliers that were screened using social criteria	4.2 Sustainable Supply Chain Management	64	

# **Society - Diverse Workplace**

GRI Standard	Disclosure	Chapter	Page	Note
GRI 3: Material Topics (2021)	3-3 Management of material topics	5. Harmonious Workplace	67	
	401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that	5.1 Employee Structure	69	
401 Employment (2016) 404 Training and	are not provided to temporary or part-time employees 401-3 Parental leave	5.5 Employee Benefits and Rights	78	
Education (2016)	404-3 Percentage of employees receiving regular performance and career development reviews	5.3 Training of Employees	72	

# **Society - Employee Rights and Interests**

GRI Standard	Disclosure	Chapter	Page	Note
GRI 3: Material Topics (2021)	3-3 Management of material topics	5. Harmonious Workplace	67	
406 Non-discrimination (2016)	406 Non-discrimination	5.4 Valuing Employee Human Rights	75	

# Society - Workplace Safety

GRI Standard	Disclosure	Chapter	Page	Note
GRI 3: Material Topics (2021)	3-3 Management of material topics	5. Harmonious Workplace	67	
403 Occupational Health and Safety (2018)	403-1 Occupational health and safety management system 403-2 Hazard identification, risk assessment, and incident investigation 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.7 Employee Health and Safety	83	

# **Environment - Environmental Management**

GRI Standard	Disclosure	Chapter	Page	Note
GRI 3: Material Topics (2021)	3-3 Management of material topics	6. Green Sustainability	90	
303 Water (2018)	303-4 Water discharge 305-1 Direct (Scope 1) GHG emissions	6.2 Water Resource Management	94	
305 Emissions (2016) 306 Waste (2020)	305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG	6.3 Energy Conservation and Carbon Reduction	94	
	emissions 306-2 Waste by type and disposal method	6.1 Pollution Control	92	

# Appendix 2 SASB Standards Comparison Table

Disclosure Topic/ Metric Code	<b>Disclosure Metric</b>	Nature	Summary	Chapter	Page
GHG Emissions TC-SC-110a.1	(1) Gross global Scope 1 emissions (2) Total emissions from perfluorinated compounds	Quantitative	(1) Scope 1 direct GHG emissions were 1,687.4488 tons CO2e (2) Fluorinated GHG emissions were 1,003.0543 tons CO2e	6.3 Energy Conservation and Carbon Reduction	94
GHG Emissions TC-SC-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	Greatek's Scope 1 GHG emissions mainly come from the machines and equipment used in processes and carbon reduction planning  Formulate energy conservation and propose improvement activities, reducing the Company's energy consumption by 3% every year.  Increase the proportion of equipment using inverters, reducing electricity consumption by 3%.  Source reduction measures over the years:  Equipment efficiency: The installation of frequency converters in motors reduced electricity consumption by 2,205.549 kw/hr.  Improved heat exchange efficiency of cooling towers: Reduced electricity consumption by 3,538,606 kw/hr.	6.3 Energy Conservation and Carbon Reduction	94
Water Management TC-SC-140a.1	(1) Total water withdrawn (2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	In 2023, Greatek's total water withdrawal was 1,045,388 million tons. None of our plants are located in high-risk areas for water resources.	6.2 Water Resource Management	94
Waste Management TC-SC-150a.1	Amount of hazardous waste from manufacturing, percentage recycled	Quantitative	In 2023, Greatek generated a total of 1,745,10862 tons of waste, of which hazardous waste was 310,33356 tons. A total of 462,095 tons of waste was recycled, and the recycling rate reached 26,4794%.	6.1 Pollution Control	92
Employee Health and Safety TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	Discussion and Analysis	Greatek conducts hazard identification and risk assessment for routine and non-routine operations, including 1. hazardous workplace assessment 2. safety and health risk assessment for processes and activities.	5.7 Employee Health and Safety	83
Employee Health and Safety TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee safety and health violations	Quantitative	In 2023, there were no violations, and the total amount of related monetary losses was zero.	5.7 Employee Health and Safety	83
Recruiting & Managing a Global & Skilled Workforce TC-SC-330a.1	Percentage of employees that are (1) foreign nationals (2) located offshore	Quantitative	We had 3,174 local employees, accounting for 76.78% of the total number of employees.	5.1 Employee Structure	69
Product Lifecycle Management TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474-declarable substances	Quantitative	According to the results of calculation based on the total amount of sales of products, the proportion of products not compliant with IEC 62474 is 0%. Greatek fully complies with the requirements of relevant international laws and regulations listed in the IEC 62474 material declaration.	3.3 Green Product Management	57
Materials Sourcing TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	We do not use conflict minerals in the manufacturing of products, and we also implement due diligence on conflict minerals throughout the supply chain to ensure that 100% of our products do not contain minerals from conflict zones.	4.2 Sustainable Supply Chain Management	64
Intellectual Property Protection TC-SC-520a.1	Total monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	In 2023, there were no violations, and the total amount of related monetary losses was zero.	2.5 Ethics and Legal Compliance	48
Activity Metric TC-SC-000.A	Total production	Quantitative	Greatek's overall manufacturing in 2023 - 7,440,982 thousand ICs were packaged - 4,189,876 thousand ICs were tested (FT+WT)	2.2 Business Philosophy	33
Activity Metric TC-SC-000.B	Percentage of production from owned facilities	Quantitative	In 2023, All Greatek's products were produced by owned plants.	2.1 Overview of Greatek	31