



建漢科技  
永續報告書

2023

Sustainability Reports  
ENVIRONMENT SOCIAL GOVERNANCE

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# About this Report



This report is based on the principles of consolidated financial statements as the organizational boundary, covering the Hsinchu headquarters, CyberTAN Technology Inc., and its Vietnam subsidiary Hon Yao Fu Technology Co., Ltd. (hereinafter referred to as CyberTAN).

Apart from corporate governance and financial performance, which include overseas subsidiaries, other performance disclosures are mainly based on the operations and activities of CyberTAN's Hsinchu headquarters and its 100% invested production center in Vietnam.

The Report covers the promotion of and performance demonstrated in several aspects of the company's social and sustainability policy from operational performance, corporate governance, supply chain management, environmental protection, employee care and welfare, healthy and safe workplace and so on between January 1 to December 31, 2023. This report primarily discloses indicators related to CyberTAN's Hsinchu Plant and Vietnam Plant, with partial disclosures for the CyberTAN U.S. office and Guangzhou office in China. Economic performance indicators are disclosed based on the entities included in the consolidated financial statements, including the Company and its subsidiaries. The preparation of this report conforms to the eight major reporting principles of the GRI Sustainability Report Standard 2021 version. The principles are accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability. A Sustainability Promotion Office Working Group is established, jointly formed by the relevant departments and units of the Company. The Working Group collects the opinions of the stakeholders (including employees, customers, shareholders/investors, suppliers and government/competent authorities) and reviews related topics and performance for final approval by the departmental manager before the information is used for the preparation of the sustainability report. In regard to the source of the financial data, the data derives from the published financial report information, audited and accredited by PwC Taiwan according to the International Financial Reporting Standards (IFRS). The currency of the data is New Taiwan Dollar (NTD).

The Company first published the corporate social responsibility report in December 2019. There were no in restatements of information. This report contents cover mainly 2023 (2023/01/01 to 2023/12/31) conducts and performances of CyberTAN Technology in business management, environmental protection and social responsibilities. Moreover, some of the contents and performance data include the period between 2021 and 2022 due to completeness of writing. Considering the timeliness of communications, some of the data have been disclosed for related information up to January – June 2024. Each of the management systems undergoes regular internal audit. In particular, an internal audit is arranged once a year in alignment to the external audit for ISO 9001 and TL 9000 Quality Management System, ISO 45001 Occupational Safety and Health Management System, ISO 14001 Environmental Management System, and ISO 27001 Information Security Management System to ensure the accuracy of information and data. The sustainability report was approved by the Board of Directors before release for publication. Currently, this report does not have any external assurance or verification.

The writing and disclosure of the main sustainability topics, strategies, goals, measures and results in the report conforms to the GRI Standards published by the Global Reporting Initiative (GRI), the sector standard, "Technology & Communications," published by the Sustainable Accounting Standards Board (SASB), and the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" and their management guidelines and structure. The GRI/SASB indicator index comparison table is attached in the appendix for reference. CyberTAN regularly publishes the sustainability report each year and for release on the official website of CyberTAN Technology. The expected publication time for this report is in August 2024. It is planned to be published in August each year in the future. (Previously published version: June 2023; latest published version: August 2024)

If you have any suggestions or comments regarding this report, please do not hesitate to share your valuable insights with us

Company website



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# Letter from the Chairman

## Chairman and President's Sustainability Statement

Dear Stakeholders,

We sincerely appreciate your great support for CyberTAN Technology over the past year.

In 2023, the global economy was constrained by weak demand in end markets and industry inventory adjustments, leading to a slowdown in economic growth. Additionally, rising geopolitical risks have had a profound impact on the operations of multinational corporations. CyberTAN, having been established for 25 years, profoundly understands that beyond pursuing product development and business growth, achieving corporate sustainability and aligning with global standards requires the integration of ESG as a crucial engine for transformation. Therefore, we have gradually incorporated ESG into our business strategy and daily management. Our strategies aim to support economic growth while ensuring environmental protection and social well-being. CyberTAN is committed to using the United Nations Sustainable Development Goals (SDGs) as a blueprint, embedding ESG principles into our corporate culture and operational strategies. By integrating internal and external resources, we strive to provide appropriate returns to all stakeholders, continuously advancing, innovating and actively promoting a better future for future generations. 2023 Overall Operating Result: Net operating revenue was NTD 3,805,393 thousand, with a net operating loss of NTD 466,557 thousand and a net loss after tax of NTD 316,830 thousand. The loss per share after tax was NTD 0.97. Regarding our financial operations, we have adhered to the principle of stability and have planned long- and short-term fund usage based on the status of our operations. In 2023, the current ratio was 234% and the debt ratio was 33%. Such results show that we currently have sufficient working capital and that our financial structure is sound.

To achieve the goal of net-zero emissions by 2050, CyberTAN has initiated the "2050 Net-Zero Emissions Roadmap" with phased targets. Each ESG working group is responsible for setting short-, medium- and long-term goals and implementing work plans. Key initiatives for 2024 include: greenhouse gas inventory, customer management, sustainable suppliers, comprehensive information security assessments, employee remuneration and welfare, and intellectual property management. In 2023, after officially launching the ESG working group, we successfully completed the supply chain greenhouse gas inventory, initiated emission reduction measures at the supplier level, and established a digital carbon management system. This initiative aims to encourage all suppliers to reduce energy consumption and emissions, ultimately achieving carbon neutrality. In addition, we installed solar panels on the rooftop of our headquarters, completing our renewable energy infrastructure and moving towards our commitment to have over 30% of our electricity sourced from green energy by 2030. Internally, we continue to improve the employee benefits system and improve education and training, which led to us receiving the Silver Award for "Happy Enterprise" in 2023. In the future, CyberTAN will continue to implement sustainable development in economic, social, and environmental aspects.

As global challenges grow more complex, ESG and green sustainability have become critical business challenges that companies must face in the post-COVID-19 era. Of course, we also believe that greater challenges bring greater opportunities. To seize the opportunities in more diverse and expansive network communications applications while enhancing the Company's competitiveness, CyberTAN has been actively restructuring and improving internal processes, strengthening training programs, and deepening transformation efforts. Additionally, the Company is expanding its product lines, launching new products, and acquiring new customers. CyberTAN has also begun to build an ecosystem to target vertical markets and emerging sectors, accumulating momentum for future growth. In addition, we are actively promoting technological advancement, including upgrading standards, deepening AI integration, and adopting open architectures. This not only facilitates the introduction of new products into new markets but also improves product performance, application services, device management and introduction costs, thereby improving user experience and solidifying CyberTAN's future position in Wi-Fi and networking.

Looking ahead, CyberTAN will adopt ESG as the operational framework, showcasing actions and performance in areas such as corporate governance, environmental sustainability, social responsibility and business innovation. We will continue our efforts toward a sustainable and mutually beneficial future. By embedding ESG principles into our operational foundation, we aim to influence more stakeholders who care about the environment and industry, creating ongoing win-win outcomes for the Company, consumers, and the environment.

**Gwong-Yih Lee**  
Chairman and President



# Company Operations and Development

## 1-1 Company Operations and Development

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## 1-2 Sustainability Management

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## Company Profile

### 1-1-1 Basic Information

# Begin with the end in mind

**We are committed to becoming a  
full-service network equipment provider  
that offers value advantages to our customers**

CyberTAN is a leading manufacturer of broadband and wireless networking equipment. Since its founding, CyberTAN has energetically invested in R&D resources to provide professional OEM/ODM services for the communications market. Since 2003, CyberTAN expanded its development efforts to the broadband and wireless fields, concentrating on broadband communications and wireless networking products. The fruits of these efforts have been numerous awards, affirmation from customers and CyberTAN's position today as the largest manufacturer of SOHO routers in the world.

CyberTAN fixed broadband product line has built a solid foundation and it extends product lines to the mobile broadband area, such as 4G/LTE/5G and satellite communication products. Furthermore, CyberTAN invests more research and development resources to smart routing, the cloud and IoT platform to provide our customers with product design services that offer higher added value in both hardware and software.

Looking ahead, CyberTAN will uphold its philosophy of "Bringing Broadband to Life," focusing on its core technologies to provide professional OEM/ODM services for the home networking and small to medium-sized business communication markets. In addition, we are now integrating cloud microservices development capabilities and a decoupled hardware-software architecture, offering clients more flexible and faster comprehensive solutions.

CyberTAN will be based on cloud services, reconstructing the network product architecture, transforming network functions into microservices to enhancing platform portability and implementing the integration of cloud computing and endpoint hardware, driving us further into the enterprise customer market.

#### CyberTAN Technology Inc.

The total number of employees globally 899 persons (This is information at the end of 2023)

Capital NTD 3.3 billion

Establishment date June 10, 1998

Major product and technology

1. Small and medium enterprises/Enterprises Solution
2. Wired/Wireless Broadband Solution
3. Home Networking and Multimedia Solution
4. IoT Solution

Chairman Gwong-Yih Lee

Operation headquarters

Hsinchu Science Park  
No. 99, Yuanqu 3rd Rd., East Dist., Hsinchu City

Vietnam Plant

N4-1 Road, Dai Dong- Hoan Son Industrial Park, Dai Dong Commune, Tien Du District, Bac Ninh Province, Vietnam.

IPO

July 28, 2003  
Stock Code: 3062

2023 Turnover NTD 3.81 billion



## Global Business Locations

CyberTAN's headquarters is located in Taiwan's Hsinchu Science Park, with research, sales, and customer service centers in Guangzhou, China and Los Angeles, USA. The primary manufacturing site is in the Dai Dong-Hoan Son Industrial Park in Bac Ninh Province, Vietnam. The Company's Board of Directors has approved the investment to establish a new plant in Bac Giang Province, Vietnam. The new plant, located in the Hoa Phu Industrial Park, will cover a land area of 30,000 square meters, with a planned four-story building offering nearly 60,000 square meters of usable space. The facility is expected to be completed by the end of 2024 and begin production in the first quarter of 2025.



## 1-1-2 Product R&D and Innovation

### The Company's Primary Product Line

#### Small and medium enterprises/Enterprises Solution

Including enterprise-grade wireless access points, wireless access point controllers, managed switches, SD-WAN platforms and IP camera smart surveillance systems.

#### Wired/Wireless Broadband Solution

Include Satellite Communication Equipment, 5G CPE Router, 5G Small Cell, GPON and XGSPON.

#### Home Networking and Multimedia Solution

Including whole-home mesh WiFi systems, managed home routers, and smart home surveillance devices.

#### IoT Solution

Include IoT Gateway, IoT Router, IoT Wireless Module and AI Edge Gateway.

### 2024 Key Focus Areas in Technology and Product R&D

As CyberTAN's SMB solutions expand into global markets, the Company is developing different software applications to meet the specific needs of various customer segments and target usage scenarios while continuously optimizing its system solutions. Simultaneously, CyberTAN is preparing the next phase of enterprise solutions, including hardware WiFi7 Enterprise Access Point, high-speed wireless access point controllers and high-power managed switches. On the software side, the Company is advancing its solutions with cloud-based systems such as SD-WAN, multi-tenant management, and enhanced network security features. Additionally, CyberTAN is entering and investing in IP Cameras and Smart surveillance-related products, further expanding the scope and depth of cloud-managed solutions for SMBs.

#### SOHO and SMB WiFi Solutions

- Enterprise AP and Controller Equipment
- Microservice network function
- Standalone and Cross-Platform Cloud Service
- Internal Firmware Development Process Optimization

#### SD-WAN Solutions

- Provide comprehensive VPN connections through IPsec, PPTP, L2TP over IPsec and Open VPN
- Security ACL and Firewall, as well as Traffic QoS and Classification
- WAN Interface Management and Traffic Load Balancing

#### PON Broadband Solutions

- GPON Gateway
- XGS-PON

#### 5G NR WiFi 7 CPE

- Wired WAN+WWAN(5G NR) - Multiple WANs Access Devices
- Failover Connection Manager

#### Management Switch

- Combining Layer 2 Managed Switches with EAP and FWA

#### IP-CAM Smart Surveillance Equipment

- AI-powered Indoor and Outdoor IP Cameras
- Integration into SMB Solutions for Enterprise Customers



## 1-1-3 Intellectual Property Management

In 2023, CyberTAN gradually expanded its product lines, focusing on research and innovation. Research and development expenditure increased by 59.65% compared to 2022, accounting for 7.6% of the total revenue. Aligned with its long-term operational strategy to expand into the small and medium-sized enterprise market, CyberTAN has been building up intellectual property assets. In response to key technological developments, the Company revised its intellectual property management system in 2023. This system is integrated with operational goals and strategies to ensure each department adheres to intellectual property management protocols, safeguarding R&D results and enhancing market competitiveness.

**Patents and Copyrights:** CyberTAN focused on early, comprehensive planning around key technologies, constantly evaluating and refining its patent portfolio to continuously improve quality. The Company also emphasized the monetization and activation of patents, maximizing returns on R&D investments. In 2023, CyberTAN prioritized patents in three major hardware and four key software technology areas to ensure robust technical defenses and maintain competitiveness.

**Trademarks:** In line with the new product launches in new markets of the SME customer bases, CyberTAN has registered trademarks to differentiate its products and services from similar offerings by competitors. When marketing products or services, registered trademarks help highlight the quality and uniqueness of CyberTAN's offerings. If a similar mark is used improperly by others and causes confusion among customers or consumers, the Company can assert its trademark rights to protect its reputation and market share.

**Trade secrets:** CyberTAN has established confidentiality policies and management measures in compliance with relevant trade secret laws. Through the implementation of an information security system, awareness campaigns, and educational training, the Company continues to improve its management practices to protect trade secrets effectively. If necessary, CyberTAN can invoke relevant laws to prevent the improper acquisition, disclosure, or use of its information assets, safeguarding its investments and defending its rights.

In addition to continuing to follow and refine the aforementioned management measures to enhance the awareness of intellectual property protection of all employees, CyberTAN continues to provide intellectual property-related training courses for new employees and key personnel involved in innovation and R&D. Furthermore, it has established a "Software Compliance Usage Audit Mechanism" to ensure the protection and maintenance of its own intellectual property rights, while also preventing the infringement of others' intellectual property rights during the innovation and development process.

### 2023 Intellectual Property Management Implementation Status

- In 2023, CyberTAN established an Intellectual Property Management Task Force composed of IP legal and R&D teams. This group is responsible for managing IP systems and updating policies such as the "Intellectual Property Management Regulations," "IP Incentive Program," and "Patent Application Procedures," as well as other related regulations and forms.
- Continued education and training sessions were held to enhance employees' understanding of basic IP concepts, promoting awareness of the Company's IP management policies, goals, and relevant regulations.

### 2023 Intellectual Property Achievements

- **Patents and Copyrights:** CyberTAN now holds 11 valid patents. The R&D department proposed 12 patent ideas, with 7 applications submitted after internal committee reviews.
- **Trademarks:** As of the end of October 2023, CyberTAN had filed a total of 2 trademark registrations.
- A system was established to manage technology licenses and prevent rights infringement, ensuring proper reporting practices.

### 2023 Intellectual Property Education and Training

Course	Target Audience
Export Control Regulations	Sales, R&D
Intellectual Property Risks Every Company Must Be Aware Of	Entire Company
Trademark Application	BD, Sales
Patent Basics, Prior Art Search and Proposal System Overview	Research and Development
Technology Licensing Compliance Reporting	Sales

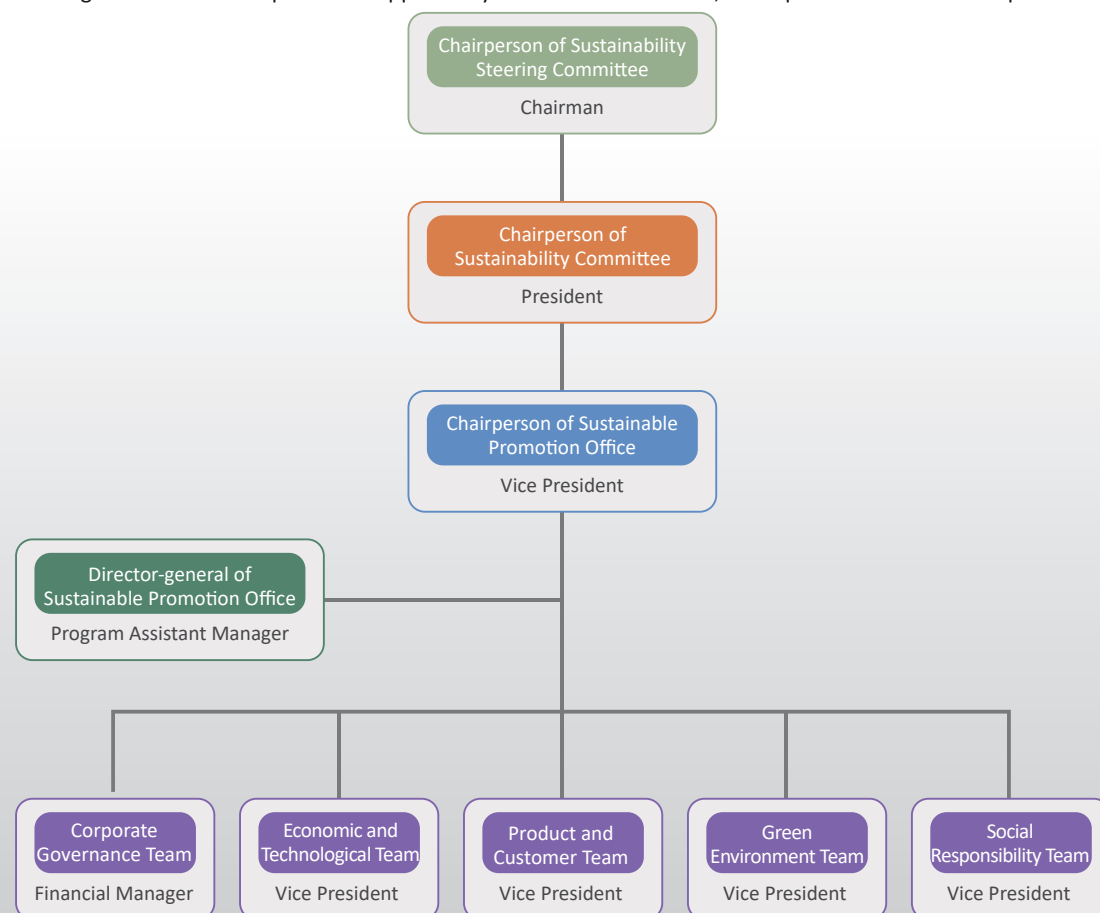
### 2024 Key Focus Areas for Intellectual Property Management

- **Patents:** Increased the number of valid CyberTAN patents by at least 5.
- **Copyright:** Managed code copyright to prevent infringement on others' rights and avoid punitive damages from malicious violations.
- **Technical Discussions:** Strengthened in-house R&D and design avoidance capabilities.
- **Transferred relevant liabilities** to suppliers and/or customers, with compensation for potential losses.

# Sustainability Management

## 1-2-1 Sustainability Committee

To achieve corporate sustainable development, CyberTAN has established a part-time Sustainability Committee with the Chairman, who is also the President, serving as the Chairman. The Sustainability Promotion Office was established under the President's Office, consisting of five separate teams to formulate work plans. The company's board of directors is the company's highest governance unit. The Sustainable Promotion Office shall report progress to the Board of Directors at least once every six months, and complete the annual sustainability development report every year; the Sustainability Committee will directly engage in the supervision and performance management of economics, environmental and social issues and risk management to make the final decision. We will continuously be driving the Board of Directors to consider economic, environmental and social issues along with their impacts, risks and opportunities and stakeholders' opinions when making decisions on important matters. For stakeholders' engagement details, please refer to Chapter 2 of this report. CyberTAN's sustainability report will be reviewed by the chair of the Sustainability Committee in consultation with the approving authority to ensure comprehensive coverage of all material topics. After approval by the Board of Directors, the report is released to the public and uploaded to the MOPS before the end of August.



### Corporate Governance Team

Responsible for formulating and promoting policies and structures related to ethical management, assisting Board of Directors and management to implement various precautions and periodic checks. We also establish a continuing operation plan to assess risks and conduct regular practice drills and review revisions.

### Economic and Technological Team

Responsible for formulating research and development and innovation to look for green product and service with future value and promote green value chain to prompt for green transformation in order to create new generation green competition of products and services.

### Product and Customer Team

Responsible for developing policies and initiatives to enhance customer service quality and supplier management, overseeing and reporting on their implementation. In addition to responding to customer-related sustainability actions, actively sharing and inviting customers to participate in the company's sustainability commitments and deepening green cooperation.

### Green Environment Team

Responsible for formulating green operational strategies which include daily energy saving and carbon reduction efforts, incorporating recycled resources into production to reduce emissions and even extending influence to the overall green supply chain. We are implementing action plans to promote energy efficiency, carbon reduction and environmentally friendly.

### Social Responsibility Team

Responsible for promoting and creating a workforce that matches individuals with suitable positions, continuously enhancing talent capability, providing a safe and healthy working environment, reasonable compensation and improving benefit policy. Proactively engaging in communication with external stakeholders, continuously exerting influence to create a wonderful society together.

## 1-2-2 Sustainability Vision

To achieve the Company's sustainability goals, CyberTAN actively participates in various environmental and social welfare initiatives, promoting the use of green energy and continuously working to reduce our carbon footprint. We value supply chain transparency and establish fair and responsible business relationships with our partners to ensure the sustainable development of the entire value chain. In addition, we are committed to the well-being of our employees by providing a good working environment, training opportunities and career paths to promote professional growth and satisfaction of our team members. We emphasize diversity and equal opportunity, ensuring that all employees can fully realize their potential and achieve a balance between personal and professional life. In terms of corporate governance, we uphold principles of transparency and integrity, establishing robust internal control mechanisms to ensure compliance with all relevant regulations and standards, thereby safeguarding the rights of shareholders and stakeholders. We are committed to building a responsible corporate image, becoming a leader in the industry and driving more companies to jointly pursue the goal of sustainable development.

### CyberTAN Sustainability Goals and Commitments

Keep pace with the world and commit to achieving net-zero emissions by 2050

1. Obtain organizational carbon inventory certification (carbon inventory report) by 2025
2. Reduce carbon emissions by 20% by 2030 (base year of 2024).
3. Ensure more than 30% of electricity usage is from green energy sources by 2030.
4. Use over 50% recycled raw materials in the supply chain by 2030.
5. Launch our own carbon-neutral products by 2030.

### Sustainability Strategy

The Sustainability Committee holds monthly discussions on the initiatives being promoted, conducts progress tracking and implementation reports, and submits quarterly updates to the Board of Directors on the implementation results of sustainable development and future sustainable work plans. The content of proposals includes (1) sustainable development implementation and work plan execution performance, (2) climate-related financial disclosure reports and (3) greenhouse gas emissions inventory evaluation and implementation. The Company's Board of Directors receives the sustainability report, proposes the Company's sustainability goals and strategic plans to the Board of Directors, and reviews its performance.

If there is any need for amendment, the Board of Directors will urge the management team to make improvements.

1. Adhering to legal and business ethics standards, we maintain strong corporate governance practices.
2. Enhancing disclosure of corporate social responsibility information and continuing communication with stakeholders to increase information transparency.
3. Continuously creating company value, encouraging innovative research and development, enhancing employee expertise and increasing shareholder equity.
4. Implementing energy efficiency and carbon reduction measures, promoting actions related to energy conservation, low energy consumption and renewable energy sources to reduce environmental impact.
5. Promoting corporate social responsibility to supply chain to create a sustainable environment.
6. Providing employees a healthy, safe, happy working environment, reasonable compensation and benefit.

Each working group sets short-, medium- and long-term goals and develops action plans. These plans and objectives are disclosed in 2-5 Management of material topic.

### Sustainability Vision and Mission

**Vision** Upholding the philosophy of "Bringing Broadband to Life," we are dedicated to creating a high-quality network communication experience and application environment for users.

**Mission** Continuously specializing in core networking technologies in broadband and wireless communications, CyberTAN focuses on providing solutions for the telecommunications, Zero Trust market, Hospitality/MDU market, and SMB market. By offering optimum cost-effective and efficient solutions to its customer partners, CyberTAN aims to play a positive role in advancing ESG efforts, striving to become a sustainable enterprise.





## 1-2-3 Ethical Management

CyberTAN upholds a culture of integrity and ethical business practices, adopting a zero-tolerance policy toward any actions or activities that violate regulations. The Company strictly adheres to anti-corruption and anti-bribery laws in both international and local business operations. Upon joining the company, employees are required to sign the "Honesty, Integrity and IP Protection Agreement," "Confidentiality Agreement," and "Intellectual Property and Confidentiality Agreement." All employees must also complete an online series of courses covering employee conduct, management policies, corporate ethics and ethical standards, ensuring that rights and responsibilities are clearly communicated. Suppliers or other partners are similarly required to sign a "Supplier Commitment Agreement" and CyberTAN enforces high anti-corruption standards as a pre-requisite for collaboration.

In order to implement ethical management and ethical behavior, we have established an effective internal control system, which includes the Ethical Corporate Management Best-Practice Principles, Code of Ethical Conduct for Directors and Managers, Anti-Corruption and Anti-Bribery Management Regulations and Anti-Fraud and Anti-Competitive Management Regulations, etc. The Company also organizes relevant education and training for employees on a regular basis. In 2023, there were no reported violations related to anti-competition, anti-trust, monopoly practices or corruption.

CyberTAN upholds the principles of fairness, honesty and integrity in its business operations and competition. The Company has joined the Responsible Business Alliance (RBA) as an official member. As a member, CyberTAN complies with all RBA standards, promotes and implements sustainability guidelines and audits suppliers to ensure compliance with the policies and standards. The Sustainability Committee has established the CyberTAN Code of Conduct (CoC) based on the RBA Code of Conduct. The CoC covers eight key areas: ethical standards, labor and human rights, health and safety, environment, management systems, responsible mineral sourcing, anti-corruption policies and anti-slavery policies. It has been formally signed and implemented by Chairman Gwong-Yih Lee, who is committed to enforcing the code across the Company. CyberTAN regularly conducts employee training and internal audits to ensure that employees adhere to the CoC when carrying out business activities, continuing to fulfill its corporate sustainability responsibilities.

Anti-Competitive Policy	CyberTAN upholds the highest standards of integrity in all business interactions and maintains a zero-tolerance policy towards fraud and anti-competitive practices. To support this commitment, CyberTAN has implemented an anti-fraud policy that establishes clear guidelines for preventing fraud and anti-competitive behavior, offering guidance to stakeholders to help them prevent such misconduct.
Anti-Corruption Policy	<p>CyberTAN adheres to international conventions, including the United Nations Convention Against Corruption and its enforcement laws, and follows frameworks such as the World Economic Forum's Partnering Against Corruption Initiative (PACI). Furthermore, the Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, regulations governing listed companies and other relevant commercial laws. These laws and frameworks form the basis of CyberTAN's ethical business practices and guide the Company's approach to preventing dishonest behavior. In 2024, CyberTAN also introduced the "Anti-Corruption and Anti-Bribery Management Regulations."</p> <p>The Chairman's Office has been designated as the official department to handle whistleblower reports and employees are encouraged to use a dedicated channel to report any corrupt activities while the confidentiality of whistleblowers' personal information is ensured. All employees are required to complete an annual online anti-corruption training course. Employees who are found to be corrupt and fail to report voluntarily will be severely punished in accordance with the law and internal management systems.</p> <p>In 2023, there were no incidents of corruption and bribery in which any improper benefits were offered, promised, requested to or received from stakeholders and no incidents were made through direct or indirect donations to political parties or organizations or individuals participating in political activities or charitable donations or sponsorship in disguise as bribery. In case of political donations, we strictly abide by the relevant regulations on political donations and relevant internal operating procedures of the Company and shall not use them to seek commercial interests or trading advantages.</p>
Anti-Slavery and Human Trafficking Policy	Based on the RBA Code of Conduct and global standards, including the United Nations Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the ILO Conventions, and the Universal Declaration of Human Rights, CyberTAN declares a firm commitment against the trafficking of persons or the employment of any form of slavery, forced, bonded, indentured or prison labor. This includes the transportation, harboring, recruitment, transfer or receipt of persons through threats, coercion, abduction, fraud or payments made to control another individual. CyberTAN complies with all labor-related laws in the regions where it operates and will amend its relevant management policies by 2024 to align with the latest international standards.
Whistleblower Complaint Mechanism	<p>CyberTAN encourages the reporting of any illegal activities and ensures the confidentiality and anonymity of whistleblowers, protecting the identities of both suppliers and employees who come forward. Once a report is received, a dedicated representative from the Chairman's Office will immediately notify the relevant unit, forming a task force to investigate the alleged misconduct mentioned in the report. The identity of the whistleblower and the content of the report will be kept confidential by the Group and the investigation results will be communicated to the whistleblower via email.</p> <p>Whistleblowing Email: <a href="mailto:report@cybertan.com.tw">report@cybertan.com.tw</a></p>

## 1-2-4 Legal Compliance

The Company has established various internal procedures in accordance with the relevant laws and regulations of listed companies and always keeps abreast of the competent authority's amendment to the laws and regulations to make adjustments. In order to ensure that all businesses comply with the relevant laws and regulations of various countries, we have established a complete compliance system through the formulation and implementation of regulations and compliance programs, legal compliance education and training and pay close attention to any domestic and foreign policy and legal trends that may have a significant impact on the Company's business and finance.

In addition, to uphold the Company's core values and maintain high business ethics, CyberTAN ensures that all employees adhere strictly to ethical standards in their daily work and business activities. This approach helps protect the Company's reputation while earning the respect and trust of customers, suppliers and other stakeholders. To this end, the Company has established relevant operational procedures to guide employees and supervisors at all levels. Furthermore, CyberTAN has implemented risk management processes and provides continuous education and training to enhance employees' legal awareness and knowledge of compliance. The Company requires internal organizations and employees to abide by laws, company policies and regulations. It also conducts annual internal control self-assessments to self-examine compliance status while accepting audits by the internal audit unit.

## 2023 Implementation Results

### Ethical Management and Legal Compliance

In 2023, CyberTAN fully complied with all applicable laws and did not receive any reports related to violations of financial, accounting, anti-competition, anti-trust, monopolistic behavior or corruption. Additionally, there were no reports of customer data breaches or violations of personal data protection, and the company did not face any significant monetary fines or non-monetary penalties.

Education and  
Training Course

Annual Ethical  
Management and Legal  
Compliance Online Courses

**100%**  
Completion Rate

Education and  
Training Course

Integrity and Ethical  
Standards  
New Employee Courses

**100%**  
Completion Rate



# Operational Performance

## 1-3-1 Financial Performance

The consolidated financial performance and profitability of the Company for the most recent five years were calculated based on the new IFRS system and were as described below. The Company's financial performance is disclosed accordingly.

### 1. Profit and loss over the five years (NTD thousands)

Item	2023	2022	2021	2020	2019
Operating revenue	3,805,393	5,753,342	3,946,796	4,834,151	5,707,963
Operating gross profit	9,942	286,859	109,261	371,735	465,203
Gross profit margin	0%	5.0%	2.8%	7.7%	8.2%
Operating profit and loss	(466,557)	(212,921)	(280,451)	(25,482)	34,156
Net profit (loss) for the year	(316,830)	(366,674)	24,393	23,575	51,352
Earnings per share	(0.97)	(1.12)	0.07	0.07	0.16

### 2. Financial ratios and profitability over the five years

Analysis item		Financial analysis for the most recent five years				
		2023	2022	2021	2020	2019
Financial structure %	Ratio of liabilities to assets	32.57	32.57	28.20	32.78	31.56
Solvency %	Current ratio	233.52	263.68	317.23	257.38	273.57
	Quick ratio	185.94	204.39	282.50	231.60	238.16
Operating ability	Receivables turnover ratio (times)	2.59	3.81	3.31	3.43	2.81
	Average collection days	141	96	110	106	130
	Inventory turnover ratio (times)	3.74	6.46	7.21	7.68	6.35
	Average sales days	98	57	51	48	57
Profitability	Return on assets (%)	(3.99)	(4.46)	0.54	0.54	0.81
	Return on equity (%)	(6.44)	(6.98)	0.45	0.43	0.93
	Net profit margin (%)	(8.33)	(6.37)	0.62	0.49	0.9



### 3. Operating revenue by region (NTD thousands)

Operating revenue by region in the past five years										
Year	2023		2022		2021		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
American Region	2,288,710	60%	3,872,880	67%	3,024,288	77%	3,692,032	76%	4,988,322	88%
Asian Region	480,958	13%	302,780	5%	316,472	8%	328,015	7%	181,100	3%
European Region	932,378	25%	1,377,322	24%	554,709	14%	752,362	16%	475,188	8%
Other Regions	103,347	2%	200,360	4%	51,327	1%	61,742	1%	63,353	1%
Total	3,805,393	100%	5,753,342	100%	3,946,796	100%	4,834,151	100%	5,707,963	100%

## 1-3-2 Respect Market Mechanism

CyberTAN provides professional OEM and ODM and sales services for network communication products worldwide. We conduct all transactions in accordance with the laws and all applicable industry regulations of every country. When we face market competitions, we abide by the rules of market mechanisms and do not engage in any improper and unfair competitive acts. To ensure that the company and its employees conduct business activities abiding by the laws and regulations of each country, we have developed the highest standard for our employees to comply with. The Company upholds the spirit of social responsibility with integrity and self-discipline, and has established the ethical corporate management best-practice principles. These principles regulate aspects in anti-corruption, anti-trust, data protection, political participation and more. During 2023, the Company did not engage in any conducts relating to anti-competition and anti-monopoly. There were no occurrence of such incidents.

The stock of CyberTAN was listed on the Taiwan Stock Market (TWSE) for trading. The Company complies with the market regulations and the rules of the capital market. We have established a good internal mechanism for material information handling and disclosure to avoid improper leaks of information and to ensure the consistency and accuracy of the information announced publicly by the Company. The procedures for internal material information handling and prevention management of insider trading have been established. Educational promotion is conducted at least once a year for the directors, managerial officers and employees on "Procedures for Prevention Management of Insider Trading" and related laws. Relevant information is also provided to the newly appointed directors and managerial officers once they are onboard.

Education promotion to the directors, managerial officers and employees in 2023 was conducted. The contents cover the confidentiality of material information and reasons for the formation of insider trading, identification process and practical transaction case explanation. A total of 84 persons attended the sessions. CyberTAN has appointed the spokesperson system. Information related to the company news, material information, financial and corporate sustainable development has been provided in the company's annual report, meeting handbooks, sustainability report and company website on the principle of transparency.

## 1-3-3 Government Subsidies

The Company aligns with the government policies and actively invests in R&D and improving the work environment.

Related government subsidies received between 2020 and 2023 are as below:

(NTD thousand)

Item	Unit	2023	2022	2021	2020
Research and Development Tax Credits	Industrial Development Bureau, MOEA	2,988	3,876	3,876	9,911
Stable Hiring Plan	Ministry of Labor	37.5	45	3.2	-
Youth Employment Flagship Project	Ministry of Labor	-	396	288	36
Subsidy Fund	Ministry of Economic Affairs	-	-	-	12,008

## 1-3-4 Tax Policy

CyberTAN is a multinational corporation actively focuses on the tax regulations of each country, fulfilling its taxpayer responsibilities. Besides engaging local CPAs to conduct tax audits and filing according to the local laws and circumstances, we have established tax policies and tax risk management protocols.

### Tax Policy

- 1 All major operational decisions are made in compliance with local laws and regulations while taking into consideration their tax implications.
- 2 Transactions of the related party regulations are established according to the "Arm's-length Method."
- 3 Transparent financial report information and disclosure of tax information according to relevant standards.
- 4 Updates on the latest tax laws at all times for instant evaluations of countermeasures.
- 5 Establish good communication with the tax authorities.

### Tax Risk Management

Region	Tax Type	Tax Risk	Risk Management
<ul style="list-style-type: none"> <li>● Taiwan</li> <li>● USA</li> <li>● China</li> <li>● Vietnam</li> <li>● Countries with transactions</li> </ul>	<ul style="list-style-type: none"> <li>● Corporate income tax</li> <li>● Business tax</li> <li>● Customs duties</li> <li>● Tax burden arising from any transactions</li> </ul>	<ul style="list-style-type: none"> <li>● Risk of delayed filing</li> <li>● Risk of inaccuracy and misinformation</li> </ul>	<p>Tax risks are controlled by the Company's and its subsidiaries' responsible personnel, are included in the enterprise risk management control and are reviewed regularly.</p>



# Stakeholders

**2-1**

## Stakeholder Identification and Communications

Stakeholder Identification and Communications

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## Procedures for Identification of Material Topics

Procedures for Identification of Material Topics

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## Identification of Material Topics

Identification of Material Topics

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**2-4**

## Material Topics and Value Chain

Material Topics and Value Chain

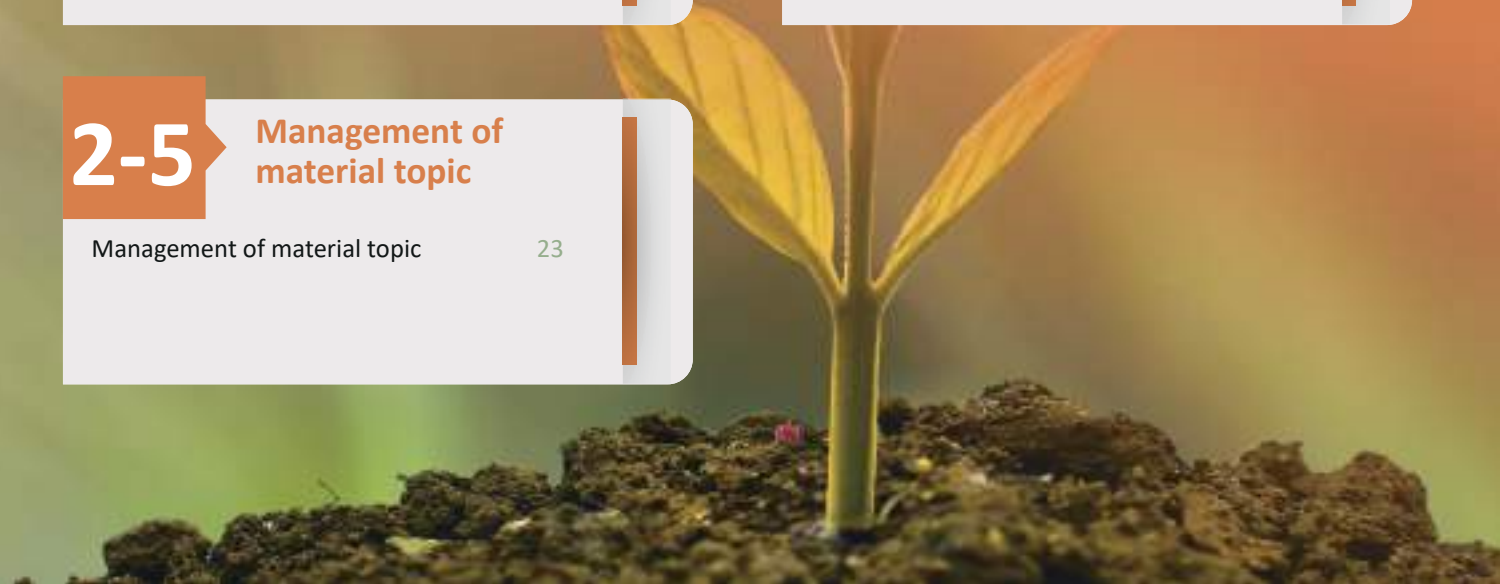
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**2-5**

## Management of material topic

Management of material topic

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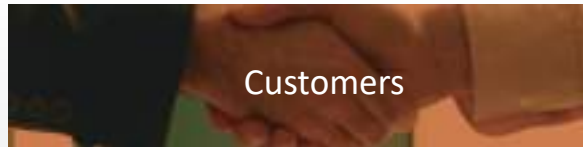


## Stakeholder Identification and Communications

## 2-1 Stakeholder Identification and Communications

CyberTAN places great importance on effective communication with stakeholders, recognizing that each stakeholder plays a crucial role in the company's operations. Stakeholders not only experience the impact of the Company's activities, products, and services but also influence its ability to execute strategies and achieve objectives. They are not only affected by the Company's activities, products and services, but also Therefore, we have followed the five principles of the international standard AA1000 SES Stakeholder Engagement Standard (AA1000 SES): influence, attention, responsibility, dependence, and diverse perspectives and made reference to the interests identified by peers. All stakeholders, while considering the Company's operational needs, identified five major categories of stakeholders, namely customers, shareholders/investors, employees/job seekers, suppliers and the government/regulatory authorities. The Company has established different communication channels for different types of stakeholders based on their nature, issues of concern and the purpose of communication with them, and regularly reports the status of communication with each stakeholder to the Board of Directors every year.

### Stakeholder Communication Methods and Outcomes in 2023



Customers

#### Significance to the company

Customers are a vital source of revenue for the company and we place great emphasis on listening to their needs and staying attuned to industry trends. Through innovative products, we help customers create higher brand value, adhering to the belief that "customers are partners." We view our customers' competitiveness as our own and their success is also our success. We're committed to growing together and helping them achieve their goals.

#### Topics of Concern

Company Vision and Sustainability Strategy, Risk Management, Sustainable Suppliers

Communication channels	Frequency
Email, telephone, communication apps	Daily
Regular communication and project meetings	Weekly
Product roadmap announcements and customer communication meetings	Quarterly
Customer visits	Domestic (weekly)/ Overseas (quarterly)
Quarterly business inspection and review	Quarterly
Customer complaint management system (included in QBR)	Quarterly
Supplier conference (organized by customers)	Yearly
Customer satisfaction survey	Yearly
Customer questionnaire or on-site audit	As needed (based on the progress of the project)
Education and Training on Products	As needed (based on the progress of the project)

#### Communication outcomes and responses

1. Customers use the Company's product roadmap announcement and communication meetings to understand the Company's product trends and provide immediate feedback on their needs to make the Company's products closer to customer needs.
2. Regularly meet with customers to communicate the progress of new products, track the production and shipping status and the order fulfillment rates and address issues such as excess and obsolete materials and handling of aged inventory.
3. Visit domestic customers every week, and the related sales side will respond immediately (quotation, IR).
4. Conduct customer satisfaction surveys regularly and make active improvements to respond to customer needs and win their trust.
5. Hold quarterly QBR meetings with customers to evaluate quarterly business performance.

## Employee/Job Seeker

### Significance to the company

Employees are the most critical assets of the company. Through the development of several policies and management guidelines, we are committed to building smooth employee communication channels, enabling a two-way and open communication environment. By doing this, company talents can continue to make improvements, placing the right person in the right place and further encouraging a work environment that is of higher efficiency, fun and challenging.

### Topics of Concern

Talent Training and Development, Occupational Safety and Health, Remuneration and Welfare

#### Communication channels

#### Frequency

Employee Welfare Committee	Quarterly
Labor-Management Meetings	Quarterly
Performance Evaluation	Semi-annually
Employee Conference/Business Strategy Meeting	Yearly
Education and Training Platform	As needed
Employee Complaint Hotline	As needed
Reference Check	As needed
Manpower Recruitment Platform/Recruitment Consultant	As needed
Employee and Job Seeker Communication Portal/Email/Teams/Linkedin/FB	As needed

#### Communication outcomes and responses

1. CyberTAN's Taiwan Plant hosted 4 labor-management meetings and 4 welfare committee meetings in 2023, while the Vietnam Plant held 4 employee forums and 1 union representative assembly, gathering employee suggestions for continuous strategic adjustments.
2. A total of 32 educational training sessions were conducted by CyberTAN's Taiwan Plant and 294 training sessions were conducted by the Vietnam Plant in 2023 to continuously enhance employees' abilities and promote their overall well-being.
3. Conduct performance evaluations twice a year, counsel and track the career development of colleagues, and open an employee grievance hotline to hear their concerns.
4. Various communication channels are used to convey company policies and development directions to employees.

## Supplier

### Significance to the company

Suppliers are the Company's important strategic partners. We have established cooperative and mutually trusting relationships through fair and transparent cooperation. Through mutual trust and close cooperation with our suppliers, we ensure the smooth functioning of the supply chain and pursue co-existence and co-prosperity.

### Topics of Concern

Hazardous Substance Management, Product Carbon Footprint

#### Communication channels

#### Frequency

Supplier Management Platform	Quarterly
Annual Supplier Conference	Yearly
Supplier evaluation and onsite visits	Yearly
Supplier Seminar	As needed
Education, training and technical support	As needed
External Complaints Channel	As needed
eNewsletter	As needed

#### Communication outcomes and responses

1. In 2023, an online seminar on "Green Supply and Sustainable Development" was held with 150 suppliers participating.
2. Conduct ESG performance evaluation on 140 electronic suppliers of centralized procurement through the supplier management platform every quarter.
3. Promote policies and information exchange with the suppliers during the yearly supplier conference.
4. Conflict mineral management system platform is used to collect and review supplier conflict mineral due diligence reports to achieve long-term data retention and traceability.

## Shareholders / Investors

### Significance to the company

Shareholders and investors are a vital source of capital for the Company. An outstanding business performance demonstrates the company's value and leads to securing steady fund sources, incurring positive cycles. While actively pursuing growth, the Company also prioritizes shareholder interests by providing transparent management strategies and financial information to investors, aiming to enhance the value of their investments.

### Topics of Concern

Corporate Vision and Sustainability Strategy, Financial Performance, Risk Management

Communication channels	Frequency
Telephone interview with institutional investors	Quarterly
Shareholders' meeting and investor conference	Yearly
Corporate governance evaluation	Yearly
Annual report	Yearly
MOPS Website	As needed
Corporate website	As needed
Investor relations handling window/Spokesperson mailbox (ir@cybertan.com.tw)	As needed

### Communication outcomes and responses

1. Hold annual quarterly conferences and quarterly telephone interviews with institutional investors to update the Company's operational status.
2. The shareholders' meeting shall be held once a year. Shareholders may exercise their voting rights electronically and fully participate in the voting on motions.
3. All material information and news releases are announced to the Market Observation Post System and the corporate official website to keep investors informed about Company activities.
4. The Company's annual report and revenue announcement are published on the Company's official website and MOPS in a timely manner for the reference of shareholders and investors.

## Government / Competent Authorities

### Significance to the company

Besides abiding by applicable rules and regulations of the competent authority, we adopt an active approach in accommodating various policy implementations. We engage in transparent and two-way communications with the government units, obtaining their trust and support and achieving a win-win outcome.

### Topics of Concern

Corporate Governance, Climate Change Risk Management, Hazardous Substance Management

Communication channels	Frequency
Official Document Communication	As needed
Onsite Audit	As needed
Competent Authority Audit	As needed
Questionnaire Survey	As needed
Communication Hotline	As needed
Various Policy and Regulation Seminars and Training Courses	As needed

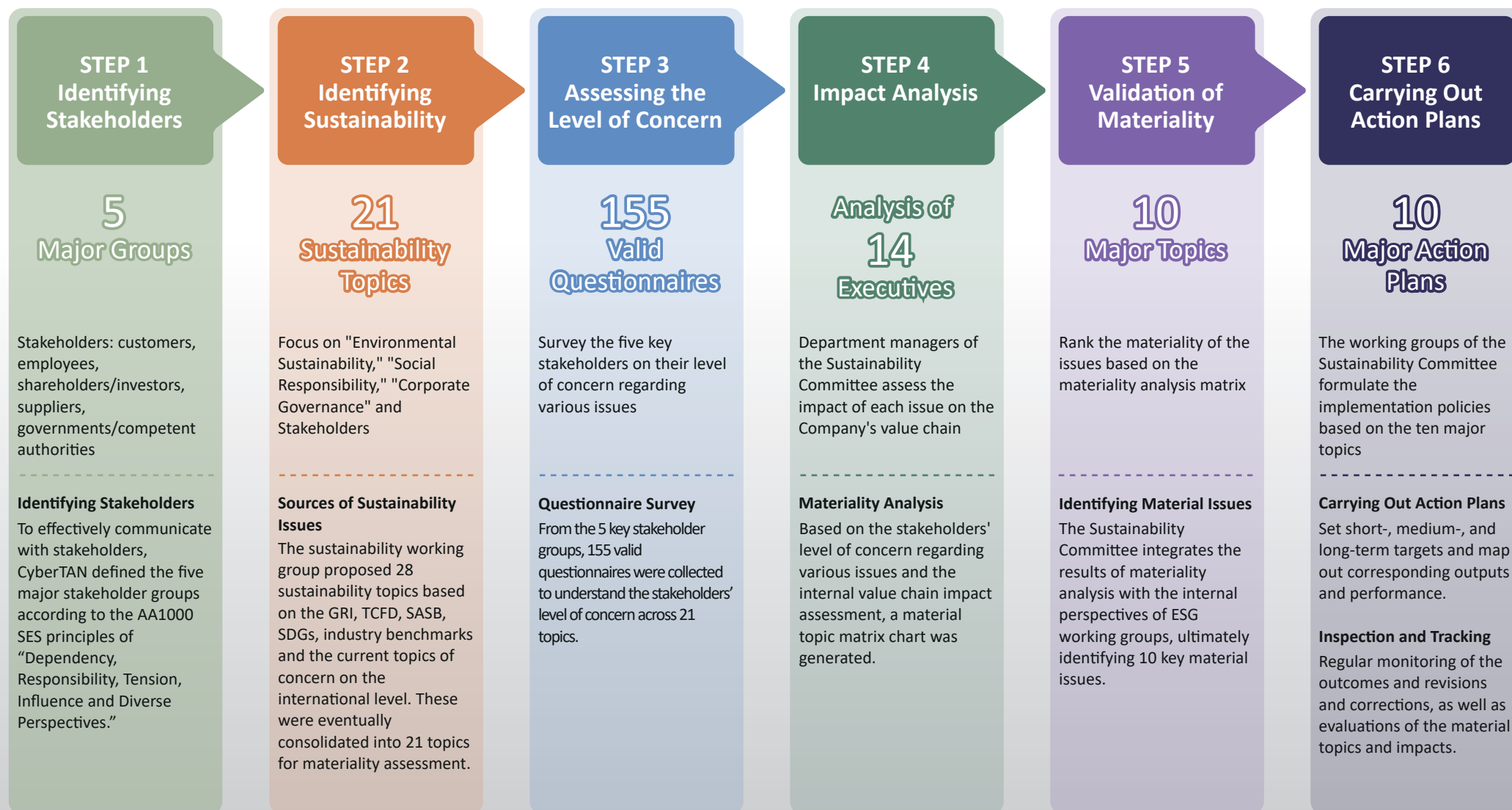
### Communication outcomes and responses

1. Occupational safety and health committee meetings are held 4 times a year for continuous improvement and adjustment to meet regulatory requirements and the needs of employees.
2. Provide relevant information and response to the competent authority's on-site audit. As of this year, no occupational safety penalty has been recorded.
3. Participate in park activities and educational courses from time to time, fully respond to the competent authorities and keep abreast of the latest developments and legal amendments.
4. Conduct annual repairs in line with the Taipower project in the industrial park to ensure the safe operation of various plant facilities.
5. Conduct emergency fire-fighting drills every six months and report the drill results to the local fire brigade.



## Procedures for Identification of Material Topics

## 2-2 Procedures for Identification of Material Topics

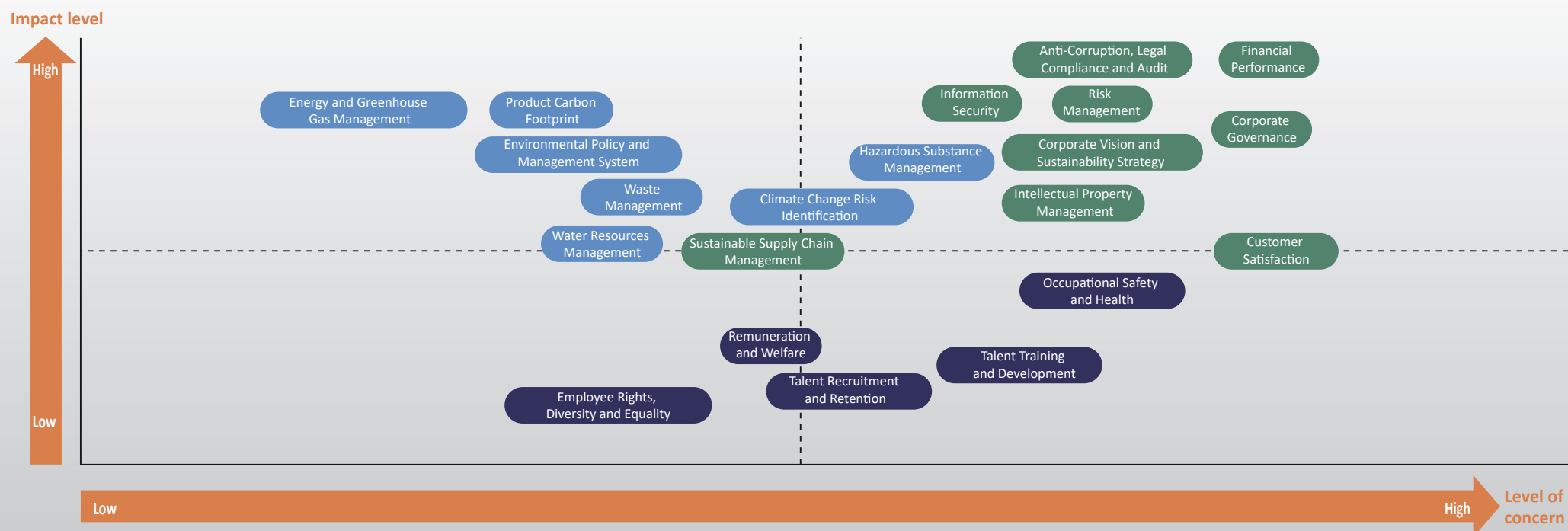


## Identification of Material Topics

## 2-3 Identification of Material Topics

CyberTAN Technology uses the questionnaire survey method and circulates the survey forms to corresponding stakeholders through their relevant units, which the Company has made exchanges. The stakeholders include the shareholders/investors, suppliers, customers, employees and governments/competent authorities. The survey was distributed to the respective stakeholders, and in 2023, a total of 155 valid responses were collected from the stakeholder materiality issues survey. Compared to the previous year's ESG topics, we have added four new issues: "Product Carbon Footprint," "Hazardous Substance Management," "Intellectual Property Management" and "Talent Training and Development." We consolidated "Greenhouse Gas Management" and "Energy Management" into "Energy and Greenhouse Gas Management" and merged "Legal Compliance" and "Ethics and Integrity" into "Anti-Corruption, Legal Compliance and Audit." Additionally, "Green Product Management," "Labor Rights" and "Quality Assurance" were adjusted to "Environmental Policy and Management System," "Employee Rights, Diversity and Equality" and "Customer Satisfaction," respectively, to better align with the core management of these topics and cover a broader range of sustainability aspects. In total, we compiled 21 ESG topics related to CyberTAN's operations as the basis for the materiality assessment.

Based on the results of the aforementioned materiality survey, the X-axis represents the level of stakeholder concern for each topic, while the Y-axis reflects the impact of each topic on stakeholders. Topics are ranked by their degree of impact, highlighting the Company's attention to the needs and expectations of external stakeholders. The ranking results are then compared with industry standards, such as GRI, to create CyberTAN's 2023 Material Topic Matrix Chart. The chair of the Sustainable Development Committee convened meetings to examine, discuss, and confirm material topics. The 10 topics were ultimately confirmed to be of significant materiality. They will be prioritized for disclosing and formulating long-term goals and action plans and further integrated into CyberTAN's ESG policies and key initiatives. For moderately concerned topics, the report will provide detailed disclosures on corresponding management approaches and performance outcomes. As for other sustainability topics, the relevant indicators will be disclosed based on the Company's current management processes and measures, allowing stakeholders to gain insight into CyberTAN's sustainability efforts.



## Material Topics and Value Chain




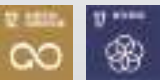

## 2-4 Material Topics and Value Chain

There is a close connection between the material topics of stakeholders and the value chain. Through material analysis and effective stakeholder relationship management, CyberTAN ensures that each activity in the value chain can fully consider the needs of stakeholders and expectations. By reviewing sustainability issues, conducting materiality assessments, and aligning strategies with long-term goals for sustainability management, CyberTAN assesses its current sustainability status and drives continuous improvement across the organization, thereby creating value throughout the value chain.









Material Issues	Corresponding GRI Topic-specific Guidelines	Upstream	Business Operations		Downstream	Operational Importance			
		Procurement	R&D and Design	Manufacturing	Customers	Revenue Growth	Customer Satisfaction	Employee Loyalty	Operational Risk
Hazardous Substance Management	417/301/307	✓	✓	✓	✓	✓	✓		✓
Energy and Greenhouse Gas Management	302/305	✓	✓	✓	✓	✓	✓		✓
Product Carbon Footprint	301	✓	✓	✓	✓	✓	✓		✓
Remuneration and Welfare	401		✓					✓	✓
Occupational Safety and Health	403		✓	✓				✓	✓
Customer Satisfaction	418	✓		✓	✓	✓	✓		✓
Information security	418								✓
Intellectual Property Management	201/203		✓	✓		✓			✓
Risk Management	201	✓			✓	✓			✓
Sustainable Supplier Management	308/204	✓		✓		✓			✓
Corporate Governance	201	✓			✓	✓	✓		✓
Financial performance	200/201	✓	✓	✓	✓	✓		✓	✓

## Management of material topic

## 2-5 Management of Material Topic

Topics	Operational Influence	Policy Promotion	Management Approach	Achievements in 2023	Short-Term Goals of 2025	Medium-Term Goals of 2027	Long-Term Goals of 2030
<b>Remuneration and Welfare</b> 	Offer fair and competitive salaries and welfare benefits systems to improve employee cohesion and maximize operational performance.	<ul style="list-style-type: none"> <li>Understand the salary standard of the same industry and establish a competitive remuneration system.</li> <li>Formulate diversified welfare policies, flexible working hours and gender-friendly facilities.</li> <li>Promote DEI</li> </ul>	<ul style="list-style-type: none"> <li>Six months retention rate for new indirect employees.</li> <li>Offer acceptance rate.</li> <li>Achievement rate for the labor-management meeting held on a quarterly basis.</li> </ul>	<ul style="list-style-type: none"> <li>Six months retention rate for new indirect employees was 84.8%.</li> <li>Offer acceptance rate at 80.3%.</li> <li>Achievement rate for the labor-management meeting held on a quarterly basis was 100%.</li> </ul>	<ul style="list-style-type: none"> <li>Six months retention rate for new indirect employees was 85%.</li> <li>Offer acceptance rate at 81%.</li> <li>Achievement rate for the labor-management meeting held on a quarterly basis was 100%.</li> </ul>	<ul style="list-style-type: none"> <li>Six months retention rate for new indirect employees was 86%.</li> <li>Offer acceptance rate at 81.5%.</li> <li>Achievement rate for the labor-management meeting held on a quarterly basis was 100%.</li> </ul>	<ul style="list-style-type: none"> <li>Six months retention rate for new indirect employees was 87%.</li> <li>Offer acceptance rate at 82%.</li> <li>Achievement rate for the labor-management meeting held on a quarterly basis was 100%.</li> </ul>
<b>Hazardous Substance</b> 	Implement hazardous substance management to ensure that all substances used in the production process have undergone rigorous testing and evaluation to reduce environmental impact	<ul style="list-style-type: none"> <li>Effectively control the supply of environmentally managed substances and regulatory requirements from suppliers</li> <li>Regularly update international regulations and trends and participate in relevant legal training</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that the raw materials provided by suppliers comply with laws and regulations through the supplier green management platform</li> <li>Establish a green regulations database to comply with international laws and regulations and customer needs</li> </ul>	<ul style="list-style-type: none"> <li>Design products to comply with international environmental protection regulations and customer hazardous substance regulations</li> <li>Regularly review and update hazardous substance management measures to ensure continued compliance with regulatory requirements and best practices</li> </ul>	<ul style="list-style-type: none"> <li>Obtain QC080000 Hazardous Substance Management System</li> <li>Continue to ensure raw materials comply with international regulations and customer hazardous substance regulations</li> <li>Regular review of laws and regulations and customer standards</li> </ul>	<ul style="list-style-type: none"> <li>Continue to ensure raw materials comply with international regulations and customer hazardous substance regulations</li> <li>Regular review of laws and regulations and customer standards</li> </ul>	<ul style="list-style-type: none"> <li>Continue to ensure raw materials comply with international regulations and customer hazardous substance regulations</li> <li>Regular review of laws and regulations and customer standards</li> </ul>
<b>Product Carbon Footprint</b> 	Implement the green value chain, raise product sustainable value, implement green product R&D and design and build product design capacity to create products that minimize environmental impact	<ul style="list-style-type: none"> <li>Establish green product-related design standards and review table.</li> <li>Assist customers in auditing ISO 14067 product carbon footprint</li> </ul>	<ul style="list-style-type: none"> <li>Launch green management platform.</li> <li>Foster innovative proposals and green R&amp;D incentives</li> </ul>	<ul style="list-style-type: none"> <li>Implement green management platform</li> <li>Implement plastic-free, energy-saving, easily disassembled, PCR plastic and 100% recyclable packaging materials</li> </ul>	<ul style="list-style-type: none"> <li>Establish design criteria for sustainable materials and components</li> </ul>	<ul style="list-style-type: none"> <li>Build product carbon footprint procedural documents.</li> <li>Inventory carbon footprint of self-brand products</li> </ul>	<ul style="list-style-type: none"> <li>Draw up the standardized product carbon footprint format.</li> <li>Launch own brand carbon-neutral products</li> </ul>
<b>Sustainable Supply Chain</b> 	Reinforce relations with supplier partners and put into practice the Company's sustainable development values. Manage the risks of the supply chain in environmental, governance and social aspects to raise the sustainability capacity of supply chains.	<ul style="list-style-type: none"> <li>Key suppliers to introduce carbon emission plan.</li> <li>Suppliers to commit to abiding by the social and environment responsibilities and laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Quality Contract signing completion rate</li> <li>Conflict minerals investigation</li> <li>Supplier ESG performance management</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Quality Contract signing completion rate of 95%</li> <li>Conflict minerals investigation for customer-specified models completion rate of 100%</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Quality Contract signing completion rate &gt;95%</li> <li>Conflict minerals investigation for customer-specified models completion rate of 100%, overall product conflict minerals investigation coverage &gt;90%</li> <li>Supplier RBA certification achievement rate &gt;75%</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Quality Contract signing completion rate &gt;95%</li> <li>Conflict minerals investigation for customer-specified models completion rate of 100%, overall product conflict minerals investigation coverage &gt;90%</li> <li>Supplier RBA certification achievement rate &gt;75%</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Quality Contract signing completion rate &gt;95%</li> <li>Conflict minerals investigation for customer-specified models completion rate 100%, overall product conflict minerals investigation coverage &gt;95%</li> <li>Supplier RBA certification achievement rate &gt;80%</li> </ul>
<b>Greenhouse gas management.</b> 	To achieve reduction in greenhouse gas emissions, save on the resources and lower operation costs for multiple benefits.	<ul style="list-style-type: none"> <li>Conduct annual audits of the Company's operational carbon emissions and promote related energy-saving measures</li> <li>Obtained ISO 14064 Organizational carbon inventory certification</li> </ul>	<ul style="list-style-type: none"> <li>Achieve the energy saving targets.</li> </ul>	<ul style="list-style-type: none"> <li>Participate in the reduction consultation guidance held by the competent authorities.</li> <li>Obtain ISO 14064-1 Organizational carbon inventory certification (achieved in Q2 2024)</li> </ul>	<ul style="list-style-type: none"> <li>Implement an energy-efficient intelligent control system, establish green energy infrastructure and install water purification facilities in new plants</li> <li>Participate in CDP carbon disclosure</li> <li>Introduce ISO 50001 Management System.</li> </ul>	<ul style="list-style-type: none"> <li>Participate in the SBTi (Science-Based Targets initiative) to set reasonable carbon reduction targets.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure more than 30% of electricity usage is from green energy sources.</li> </ul>



Topics	Operational Influence	Policy Promotion	Management Approach	Achievements in 2023	Short-Term Goals of 2025	Medium-Term Goals of 2027	Long-Term Goals of 2030
<b>Customer Satisfaction</b> 	Enhancing customer service and product quality, listening to customer needs and feedback and meeting customer expectations and value are the key drivers of the Company's continued growth.	<ul style="list-style-type: none"> <li>Optimize operational processes with a focus on customer order management, ensuring real-time adjustments to system demand changes</li> </ul>	<ul style="list-style-type: none"> <li>Customer QBR</li> <li>Pro-actively conduct customer satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>Conduct customer satisfaction surveys to review and improve deficiencies</li> <li>Attach the relevant documents in accordance with the customer's audit requirements</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction &gt;80%</li> <li>Proactive survey completion rate &gt;85%</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction &gt;85%</li> <li>Proactive survey completion rate &gt;85%</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction &gt;90%</li> <li>Proactive survey completion rate &gt;90%</li> </ul>
<b>Risk Management</b>  	Through risk management, identify potential crises, control and mitigate risks, improve decision-making quality and ensure the long-term stable development of the Company's operations	<ul style="list-style-type: none"> <li>The Audit Committee assists the Board of Directors in carrying out its risk management duties</li> <li>Risk management policies and procedures</li> </ul>	<ul style="list-style-type: none"> <li>Define different risks based on Company operations, conduct risk identification, risk analysis, risk assessment, risk response and risk monitoring and review</li> </ul>	<ul style="list-style-type: none"> <li>Integrate various risks, identify corporate risks and countermeasures</li> <li>The 2023 annual risk management implementation report will be completed and submitted to the Board of Directors in the first quarter of 2024</li> </ul>	<ul style="list-style-type: none"> <li>Annually summarize various risks and identify corporate risks and countermeasures</li> <li>Annual Report of the Board of Directors on Risk Management Implementation</li> </ul>	<ul style="list-style-type: none"> <li>Continue to examine changes in the internal and external operating environments and issues, analyze business impacts and identify corresponding risks and opportunities to enhance operating effectiveness and resilience</li> <li>Annual Report of the Board of Directors on Risk Management Implementation</li> </ul>	<ul style="list-style-type: none"> <li>Implement risk management, align the Company's operational strategy with risk management policies and ensure that the risk management mechanism and resource allocation can adequately address the operational risks faced by the Company</li> <li>Annual Report of the Board of Directors on Risk Management Implementation</li> </ul>
<b>Inventory Level Management</b>  	External conditions and customer demand are changing rapidly. Strengthening supply chain material management and enhancing real-time internal communication and information integration is essential for reducing costs and maintaining optimum inventory levels, which are key factors for the Company's continued growth.	<ul style="list-style-type: none"> <li>Optimize operational processes with a focus on customer order management, ensuring real-time adjustments to system demand changes</li> <li>Follow material management guidelines, providing alerts and notifications for different inventory-level health assessments for review</li> </ul>	<ul style="list-style-type: none"> <li>Regular inventory checks and real-time monitoring of DoS as an inventory-level management indicator</li> <li>Weekly management reports focused on customer demand changes, feeding back commitment levels, simulating procurement orders and sales to assess inventory risks</li> </ul>	<ul style="list-style-type: none"> <li>Formulate the corresponding procurement strategy and capacity planning management strategy</li> <li>Inventory value decreased by 25%, with dormant stock reduced by 58% by December.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously enhance material status transparency and increase customer demand visibility to better manage future inventory levels</li> <li>Inventory value decreased by 25%, with dormant stock reduced by 85% by December.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously enhance material status transparency and increase customer demand visibility to better manage future inventory levels</li> <li>Inventory value decreased by 25%, with dormant stock reduced by 85% by December.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously enhance material status transparency and increase customer demand visibility to better manage future inventory levels</li> <li>Inventory value decreased by 25%, with dormant stock reduced by 85% by December.</li> </ul>
<b>Information security</b> 	Developing a comprehensive information security strategy to protect data and system security helps build customer trust, safeguard client data privacy and ensure business continuity. This strategy aims to reduce financial losses and damage to brand reputation caused by information security incidents	<ul style="list-style-type: none"> <li>Protect the information system from unauthorized access</li> <li>Prevent unauthorized modification to protect data integrity and ensure safe and stable access to information by authorized users</li> <li>Ensure that procedures comply with regulatory requirements and continue to verify their effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>Update firewalls and endpoint protection systems to enhance computer security</li> <li>Implement multiple information security systems and establish real-time backup and 321 backup principles to ensure data security</li> <li>Continue to perform social engineering practice drills to enhance employees' information security awareness</li> </ul>	<ul style="list-style-type: none"> <li>Complete the construction of a new dual backup firewall system</li> <li>Introduce a self-built vulnerability scanning system to fix system risks and update endpoint protection systems to enhance computer security</li> <li>Implement event logging, asset management, server and network monitoring systems</li> </ul>	<ul style="list-style-type: none"> <li>Implement multi-factor authentication systems</li> <li>Deploy commercial information security vulnerability scanning system, conduct regular monitoring and make improvements to the occurrence of system vulnerabilities</li> <li>Conduct the Company's information security maturity assessment through third-party assessment</li> </ul>	<ul style="list-style-type: none"> <li>Establish an information security situation room to centrally monitor various information security incidents</li> <li>Introduce corporate document digital version management to establish document security protecting corporate business secrets</li> </ul>	<ul style="list-style-type: none"> <li>Obtain ISO 27001 certification and continuously improve to ensure stable and secure IT infrastructure</li> </ul>
<b>Intellectual</b>  	Establish an intellectual property management mechanism that aligns with operational goals and strategies, ensuring that all units adhere to intellectual property management processes and safeguarding R&D results while enhancing market competitiveness.	<ul style="list-style-type: none"> <li>Early layout of patents in key technology development areas</li> <li>Register trademark rights to differentiate the Company's exclusive products or services</li> <li>Establish confidentiality policies and management measures for trade secrets</li> </ul>	<ul style="list-style-type: none"> <li>Hold monthly patent progress meetings</li> <li>Host technical sharing sessions, education and training and patent monitoring reports, as needed</li> <li>Promote patents related to low-carbon clean technologies</li> <li>Systematic control to avoid infringement</li> </ul>	<ul style="list-style-type: none"> <li>Complete the revision of the intellectual property management system, aligning it with the Company's business direction and reporting to the Board of Directors</li> <li>Submit 2 trademark registrations and internally approve 8 patent applications</li> </ul>	<ul style="list-style-type: none"> <li>Increase the number of patent applications and improve approval rates</li> <li>Increase the proportion of low-carbon clean technology-related patents by 30%</li> </ul>	<ul style="list-style-type: none"> <li>Increase the proportion of invention patents by 30%</li> <li>Complete the green product roadmap</li> </ul>	<ul style="list-style-type: none"> <li>Launch carbon-neutral products</li> </ul>



# Corporate Governance

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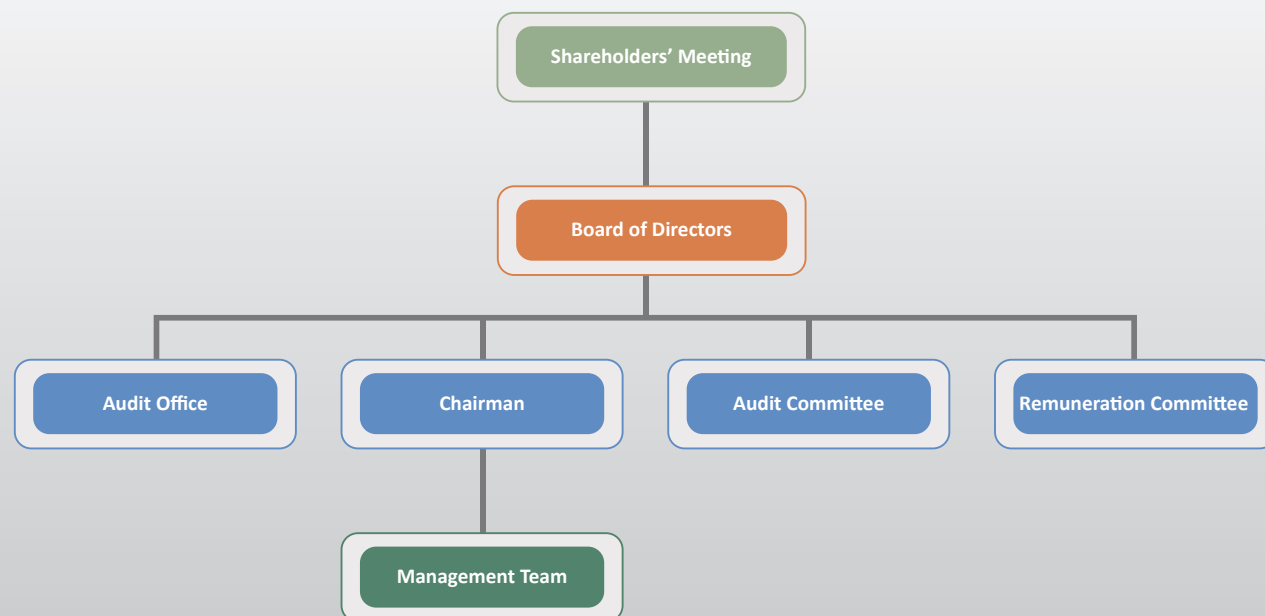
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## Board of Directors

## 3-1 Board of Directors

CyberTAN values corporate governance, establishes and implements the corporate governance structure according to laws and regulations in order to protect the rights and interests of the shareholders, strengthen the Board functions, exert the functions of the functional committees of the Audit Committee and Remuneration Committee, thereby improving the operational achievements of the Company and achieving the vision of corporate sustainable operation.

Based on the diversification policy and to strengthen corporate governance while promoting the sound development of the composition and structure of the Board of Directors, CyberTAN follows the provisions of the "Articles of Incorporation" and the "Rules Governing the Election of Directors," adopting a candidate nomination system for director elections. Additionally, in accordance with the "Company Act" and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," all directors and independent director candidates undergo qualification review by the Board of Directors. This process includes evaluating each candidate's educational and professional background, integrity and relevant professional qualifications to ensure transparency in the nomination and selection process. The Board of Directors confirms the candidates' professional qualifications and independence and after approval by resolution, the shareholders' meeting selects directors from the list of candidates. There is a total of 6 current directors consisting of professional and diversified members of attorneys, CPAs, lecturers in colleges or universities, and professional managers. Directors who are also employees of CyberTAN represent 33.33% of the Board and the independent directors represent 66.67% of the Board. The Company also pays attention to gender equality regarding the composition of Board members. The targeted ratio of female directors is above 25% and the female directors currently account for about 33.33%. The independent directors have an average of 7.5 years of directorship experience up to the publication date of the annual report and the directors under 60 years old account for 50%. Relevant information of the educational background, experience, continuing education status, concurrent job positions at other companies and meeting attendance rate of the Board members has been disclosed in the Annual Report of CyberTAN and on the website of the Market Observation Post System (MOPS).



Title	Name
Chairman	Representative of Foxconn Technology Co., LTD. (FTC): Gwong-Yih Lee
Director	Representative of Foxconn Technology Co., LTD. (FTC): Hank Hsieh
Independent Director	Hung-Hsun Ting
Independent Director	Judy Y.C. Chang
Independent Director	Shih-Mei Lin
Independent Director	Ying-Shan Lin

## 3-1-1 Functional Committees

### Audit Committee

CyberTAN's Audit Committee consists of four independent directors and shall convene at least one meeting per quarter. The independent directors are responsible for the adequate expression of the Company's financial statements, election (dismissal), independence and performance of CPAs, effective implementation of internal control, compliance with laws and rules and control over existing or potential risks.

CyberTAN's internal audit supervisor submits the internal audit report to the independent directors periodically and also communicates the audit plan execution and improvement status in order to exchange opinions on the execution outcome of internal control of the Company. CPAs also discuss sufficiently with the independent directors with respect to the financial report review or audit status of CyberTAN or relevant issues of financial, taxation, internal control or regulatory changes during the meeting. CPAs and international audit supervisor maintain excellent communication with the independent directors. Relevant Audit Committee meeting convention status and the meeting attendance status of committee members have been disclosed in CyberTAN's Annual Report and on the website of the MOPS.

Title	Name
Independent Director and Convener	Hung-Hsun Ting
Independent Director	Judy Y.C. Chang
Independent Director	Shih-Mei Lin
Independent Director	Ying-Shan Lin

The Audit Committee held 4 meetings in 2023. The motions are passed by resolution of the Audit Committee. The main deliberation items include:

- 1 Assessment of the validity of the internal control system.
- 2 Matters involving any directors' personal interests.
- 3 Assessment of the independence and competence of CPAs and relevant remuneration.
- 4 Review of financial statements and accounting policies.
- 5 Legal Compliance

### Remuneration Committee

Title	Name
Independent Director and Convener	Ying-Shan Lin
Independent Director	Hung-Hsun Ting
Independent Director	Judy Y.C. Chang
Independent Director	Shih-Mei Lin

The purpose of the Remuneration Committee is to assist the Board of Directors to establish and periodically review the policy, system, standards, and structure of the performance evaluation and remuneration of the directors and managers, and to also periodically assess and establish the remuneration of the directors and managers. CyberTAN's Remuneration Committee meets at least twice a year. For details regarding the frequency of Remuneration Committee meetings and the attendance rate of each member, please refer to CyberTAN's annual reports for each year and the information available on the Market Observation Post System (MOPS).



## 3-1-2 Performance Evaluation of the Board of Directors

### Audit Committee

To implement corporate governance, enhance the function of the board, establish performance goals, and improve the efficiency of board operations, CyberTAN adopted the resolution by the Board of Directors to establish the “Regulations on the Performance Evaluation of the Board of Directors” on November 12, 2019. The evaluation method and contents have been disclosed in CyberTAN’s annual report.

According to the regulations, performance evaluations of the board of directors, individual board members and functional committees should be conducted at the end of each fiscal year. The evaluation results of 2023 have been reported to the Board of Directors in Q1, 2024. The performance of the Board of Directors (Functional Committee) was evaluated as excellent while the self-evaluations regarding the performance of Board members were also excellent. The overall Board of Directors (Functional Committee) functions effectively.

## 3- 1- 3 Conflicts of Interest and Recusal

CyberTAN Technology regulates recusal due to conflicts of interests under its Board Meeting Regulations and Organization Charter of the functional committees. If a Director or the judicial person the Director represents has a personal interest in the matter under discussion at the meeting, the relevant Director shall disclose the nature of such personal interest. If such interest may impair the interest of the Company, the relevant Director shall not join the discussion and voting of such matter, and shall recuse himself/herself when the matter is being discussed and resolved; the relevant Director shall also not exercise voting rights on behalf of another Director. The relevant Director’s name and recusal situation shall be recorded in the meeting minutes.

In addition to the regular meetings held by the Committee and the report to the Board, the company management will provide important company reports and information to the directors on a regular basis (see information below) and communicate on any key events at any time.

Accounting Department	Quarterly financial statement
Internal Audit Department	Quarterly internal audit report
Sustainability Committee	Quarterly sustainability work and outcomes report

## 3-1-4 Industry Associations Participation

Association Name	Method of Participation
THE ALLIED ASSOCIATION FOR SCIENCE PARK INDUSTRIES	Memberships



台灣科學工業園區科學工業同業公會  
THE ALLIE ASSOCIATION FOR SCIENCE PARK INDUSTRIES

Association Name	Method of Participation
Responsible Business Alliance, RBA	Memberships



Responsible Business Alliance  
Forming the Electronic Industry Cleaning Coalition  
Advancing Sustainability Globally

Association Name	Method of Participation
HDMI ADOPTERS & AFFILIATES	Memberships

**HDMI**™  
HIGH-DEFINITION MULTIMEDIA INTERFACE

Association Name	Method of Participation
Wi-Fi Alliance	Memberships



# 3-1-5 Internal Audit

## Audit Committee

For sound operations management, the Company has appointed an independent Audit Office under the Board of Directors. The appointment and dismissal of the audit officer requires the approval from the Board of Directors. One dedicated audit personnel is also appointed, responsible for inspecting and evaluating the reliability, efficiency, and effectiveness of the Company's internal operations, as well as providing improvement suggestions to enhance the Company's operational performance. In ensuring the implementation of ethical management, the managerial officers have established the internal control system based on the "Regulations Governing Establishment of Internal Control Systems by Public Companies." The targets listed below can then be reasonably achieved:

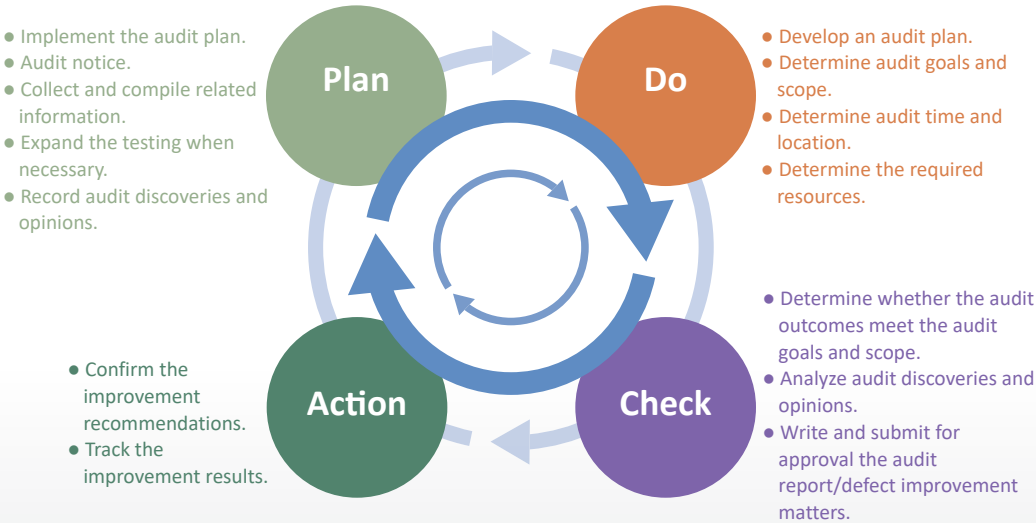
1. The report is reliable, timely, transparent, and complies with relevant standards.
2. In compliance with applicable laws and regulations.
3. Effectiveness and efficiency of operations.

## Internal Audit System

The internal audit personnel shall perform their duties in an independent, objective and impartial manner, and shall exercise due professional care. In addition to reporting their audit operations to each supervisor on a regular basis, the internal audit officer shall also attend and deliver a report to a board of directors meeting. Implement the company's self-monitoring mechanisms and adapt to changes in the environment in a timely manner, so as to adjust the design and operation of the internal control systems and to enhance the internal audit department's audit quality and efficiency. The self-assessment scope shall include the design and operation of all of the company's internal control systems. The internal control self-assessment process is established in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies." The suitability of the self-assessment questionnaire questions are regularly evaluated to ensure that the self-assessment items cover the main process procedures and to adopt to organizational changes making flexible adjustments in a timely manner. At the same time, each supervisor will have separate responsibilities in the audit and risk assessment mechanism.

## Internal Audit Outcomes

CyberTAN Technology established an internal audit system in accordance with the relevant laws and regulations, covering the objectives, powers and responsibilities of the internal audit unit. An annual audit plan is developed based on the risk assessment and legal standards, and the audit plan for the following year is formulated at the end of each year. The plans will be submitted to the Board of Directors for resolution approval and regulatory filing to competent authorities is made after the approval. The internal audit unit will execute the audit work according to the board-approved audit plan. A written audit report and tracking report will then be finalized and submitted to each of the independent directors for review during the following month of the completion of the audit item. The reports will become a basis for the suggestions to the Board of Directors and the Chairman on the issuance of the internal control statement. In 2023, other than carrying out the regular items of the annual audit plan, 4 additional special audit projects were carried out. Based on the results of their audit work, the audit personnel inspect and assess the implementation of internal controls, providing timely improvement recommendations to ensure the continued effective operation of the internal control system.



Statistical Table on the Deficiencies to Be Improved in the Most Recent Three Years for CyberTAN Technology



\*Note: Functional permissions application audited on October 19, 2023: The "New Employee Computer, Account and Other Equipment Application Form" was not created in accordance with the "Regulations Governing Information Service Management." As of November 21, 2023, the follow-up review confirmed that the issue has been fully addressed and corrected.

## Risk Management

### 3-2 Risk Management

Following the principles of materiality for sustainable operations and complying with relevant laws and regulations, CyberTAN maintains a proactive and comprehensive risk management mechanism and continues to review changes in the internal and external operating environments and issues, analyze business impacts, identify corresponding risks and opportunities, and strengthen business operations effectiveness and resilience to realize the commitment of corporate sustainability and protect the best interests of stakeholders.

#### 3-2-1 Business Continuity Management

CyberTAN aims for business continuity by closely monitoring and managing the risks that may affect internal and external operations. It actively allocates resources to risk control and response measures, making its Business Continuity Management Plan a key component of risk management. The Plan focuses on preventing potential losses and ensuring that critical business activities continue during crises within acceptable risk limits. The company has already conducted drills and developed risk management strategies for events like fires, earthquakes, information security breaches, infectious disease outbreaks, and raw material shortages. Moving forward, CyberTAN will continue to enhance its preparedness for various operational disruption scenarios.



## 3-2-2 2023 Material Risk Management

Risk Category	Risk Impact	Response Strategies
Operational risks	Inflation	<ul style="list-style-type: none"> <li>Pay attention to market price fluctuations at all times, maintain good interaction with suppliers and customers, improve product price competitiveness and avoid major impacts on the Company due to inflation</li> </ul>
	Information security attacks	<ul style="list-style-type: none"> <li>Install anti-virus software with ransomware protection and update it periodically</li> <li>Firewall upgrades and periodic operating system patching</li> <li>Conduct information security training to enhance employees' information security awareness</li> <li>Information security promotion and social rehearsal are conducted from time to time to remind information security and improve crisis awareness</li> <li>Information security monitoring, software installation restrictions and control</li> </ul>
	Labor shortages	<ul style="list-style-type: none"> <li>Establish and train mid-level management capabilities, implement work lists and operational procedures, and strengthen professional complementarity and technical knowledge transfer among talents</li> <li>Conduct irregular manpower inventory and allocation for each plant and office</li> <li>Increase salaries and workplace benefits to attract talent</li> </ul>
	Accounting compliance	<ul style="list-style-type: none"> <li>Compliance with laws and regulations and regular education and training</li> </ul>
	Material management	<ul style="list-style-type: none"> <li>Establish safety stocks and review them regularly</li> <li>Real-time monitoring and reflection of market shortage and timely negotiation with upstream and downstream suppliers and customers to transfer risks</li> </ul>
Strategic risks	Over-reliance on key customers	<ul style="list-style-type: none"> <li>Develop a diverse range of products to differentiate various product markets and help diversify the customer base</li> </ul>
	Geopolitics	<ul style="list-style-type: none"> <li>Stay updated on international developments and integrate them into the Group's strategic planning in a timely manner</li> <li>Reposition investment risks: Avoid investing in a single region and restructure the existing investment direction</li> <li>Gradually build a local marketing and business talent pool to better align with the market and provide more immediate services to customers</li> </ul>
Financial risks	Carbon tax collection	<ul style="list-style-type: none"> <li>Continue to monitor the implementation methods and details of carbon fee collection by government agencies, the EU's Carbon Border Adjustment Mechanism (CBAM) and the execution methods and legislative progress of the United States' Clean Competition Act (CCA) regarding reporting and taxation.</li> <li>Plan projects for "Executing Product Carbon Footprint Inventory" and "Continuously Developing and Implementing Low-Carbon/Zero-Carbon Technologies" and continue to innovate and develop carbon-reduction technologies, adopting feasible carbon-reduction solutions to mitigate the impact of carbon taxes and fees.</li> </ul>
	Gross profit decline risk	<ul style="list-style-type: none"> <li>Reduce material costs by localizing procurement</li> <li>Leverage Vietnam's lower labor costs to attract customers</li> </ul>
Other risks	Loss of talents	<ul style="list-style-type: none"> <li>Job transfer and agent training system</li> <li>Allow personnel of different positions to exchange professional and technical information</li> </ul>
	Non-compliance with export controls, environmental and climate change-related regulations and agreements	<ul style="list-style-type: none"> <li>Supplier due diligence</li> <li>Regular updates on international conventions and export control lists</li> </ul>



## Customer Management

### 3-3 Customer Management

CyberTAN is committed to becoming the best long-term partner for its customers by offering innovative technologies and services that closely align with customer needs. The Company builds a highly efficient, high-quality, and flexible customer service experience by providing high-value-added products and solutions. Additionally, in response to the market's demand for low-carbon solutions, CyberTAN continuously strives to meet customer needs and regularly reviews improvements based on annual satisfaction surveys.

#### 3-3-1 Quality Management

CyberTAN has established a continuous improvement process through activities such as quality policies, objectives, audit results, data analysis, corrective and preventive measures, and management reviews to ensure the ongoing effectiveness of its quality management system, meeting customer requirements, and enhancing customer satisfaction. To meet customer quality needs, once product design is completed and specifications are finalized, the Design Verification Department tests the product to ensure its suitability and accuracy, ensuring it meets the original design and development input requirements.

#### Quality Management Policy

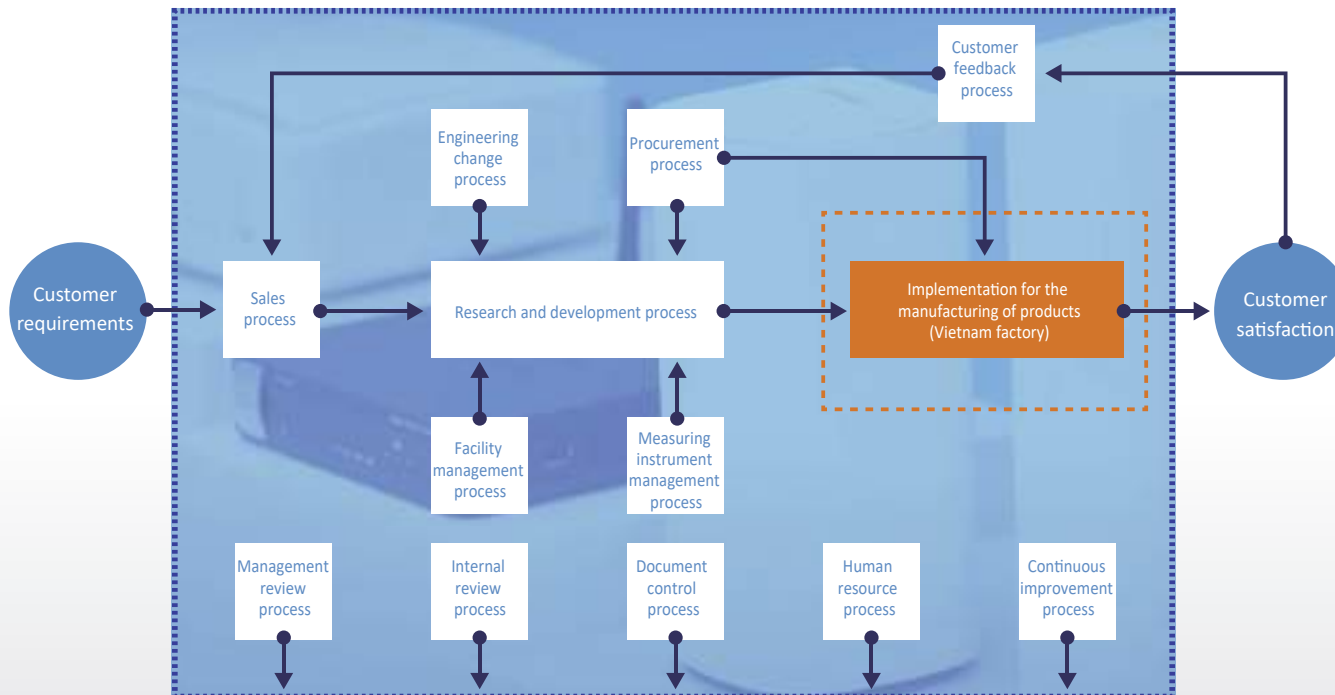
CyberTAN established documentation based on ISO 9001 International Standard. Its execution, maintenance and continuous improvements for the quality management system is performed to ensure the quality of the products and services. The following quality policy is developed: Honor our commitment to customers.

- 1 Product R&D - Improve technical skills and green innovation, and strive for excellence.
- 2 Product Manufacturing - Improve production yield and implement leading indicators to reduce rework.
- 3 Responsible Procurement - Restriction of hazardous substances; Responsible minerals.
- 4 Customer Service - Reduce customer complaints rate, meet customer expectations, and respond quickly.
- 5 Delivery guaranteed – Commit to the delivery time and always deliver.

#### Quality Management System

As a professional manufacturer in the information and communications industry, CyberTAN has implemented the TL 9000 telecommunications quality system standard within the ISO 9001 quality management framework. This ensures that all processes from development to shipment meet quality control requirements and customer expectations. Additionally, CyberTAN has obtained ISO 27001 Information Security Management certification to safeguard customers' intellectual property and ensure information security. Furthermore, as a member of the Responsible Business Alliance (RBA), CyberTAN not only implemented ISO 14001 Environmental safety and ISO 45001 Occupational safety management system certifications in the areas of environment and workplace safety but has also proactively obtained RBA certification. In 2024, CyberTAN will gradually implement the IECQ QC 080000 Hazardous Substance Process Management System to protect consumers from exposure to toxic substances. We will continue to drive various improvements to meet customer needs while strictly adhering to laws and regulations. To implement environmental protection, we have implemented the ISO 50001 Energy management system to improve energy efficiency and demonstrate our commitment to carbon reduction. This also lays a solid foundation for the next phase of ISO 14064-1 Greenhouse gas inventory.

Item	Management System Standards	Taiwan Plant	Vietnam Plant
Quality Management	ISO 9001:2015	✓	✓
	TL9000-H	✓	✓
Information security	ISO/IEC 27001:2013		✓
Environmental management	ISO 14001:2015		✓
Occupational safety	ISO 45001		✓
Social responsibility	RBA CMA / VAP		✓
Hazardous Substance Management	QC 080000 : 2018		2024 Q4
Energy Management	ISO 50001 : 2018		2024 Q4
Greenhouse Gas Inventory	ISO 14064-1 : 2018	✓	



## Quality Management Standards

In terms of product quality, risk assessment tools such as DFx/FMEA are introduced early in the process to identify risks, develop control plans, implement error-proofing, and promote lean manufacturing. These processes are validated during the NPI.

Environmental requirements are incorporated into product specifications to reduce the use and waste of hazardous materials during the manufacturing process. For production yield, in addition to setting a yield target of 98% for CTQ workstations, the First Pass Yield and 6 Sigma concepts are also implemented. A target of 90% for first-pass yield is set to minimize rework waste, ensuring that products meet quality standards while improving efficiency and reducing inventory and costs.

Item	2023	2022	2021	2020
First Pass Yield	90.0%	89.5%	89.0%	88.5%
Yield	98.0%	97.9%	97.7%	97.5%

## Automated Quality Management

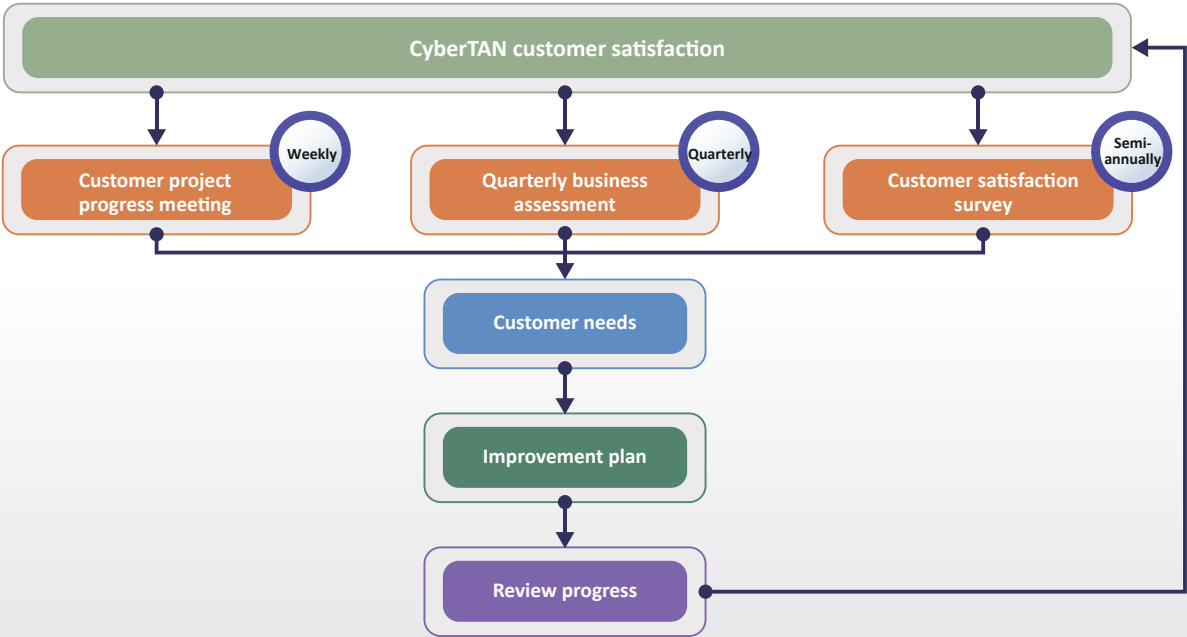
The factory area complies with the ANSI S20.20 ESD protection and management standard and uses ESD measurement gates combined with the facial recognition system to ensure that all employees pass the ESD measurement and access control before entering the production area. ESD alarms are installed in EPA (Electrostatic Protected Areas) workstations, linked to real-time monitoring databases to prevent product damage or reliability issues caused by insufficient protection when personnel handle products. Cloud-based data collection, paired with big data trend analysis, reduces manual report preparation time and accurately predicts ESD protection degradation at workstations, enhancing maintenance and minimizing errors.

## 3-3-2 Customer Satisfaction

CyberTAN focuses on listening to customer needs, keeping up with industry trends as its primary goal, creating higher brand value for customers through innovative products and is committed to providing the highest quality products and services. CyberTAN adheres to the concept of "customers are partners" and regards customers' competitiveness as the core of the company's competitiveness. Their success is also our success. Achieving customer goals and growing together is paramount, and customer feedback and satisfaction are the driving forces behind CyberTAN's continuous efforts and improvement. By carefully listening to its customers, the Company ensures it can better meet their needs.

### Customer Management Policy

- 1
- Commitment to protecting customer privacy and ensuring the security and confidentiality of customer data.
- 2
- Principle of transparency, ensuring that customers have a clear understanding of the company's products, pricing, and policies.
- 3
- Real-time communication and response to customer needs to meet customer needs and achieve effective communication.
- 4
- Establish a customer complaint handling process to ensure quick resolution and proper handling of customer dissatisfaction and issues.
- 5
- Collect customer satisfaction feedback on a quarterly basis and continue to optimize products and services.
- 6
- Implement return and warranty policies to create a positive customer experience.



### Customer satisfaction survey

The primary method for assessing customer satisfaction in 2023 was through conducting a Quarterly Business Review (QBR). During these reviews, customers evaluated CyberTAN's overall performance for the quarter and provided scores. Satisfaction indicators include technology, quality, delivery, cost, service and other aspects. This approach helps to understand customers' multi-faceted feedback on CyberTAN's products and services, enabling the Company to proactively respond to their needs. The goal is to gain customer trust and continuously meet their expectations.

To effectively maximize customer satisfaction and continuously improve customer service management processes, CyberTAN holds weekly project progress meetings and production meetings with clients. This ensures alignment with customer expectations and allows for prompt responses to customer inquiries, providing timely feedback within the Company. In the future, CyberTAN will also proactively conduct customer satisfaction surveys to gather direct feedback from clients.

### 2024 customer satisfaction target

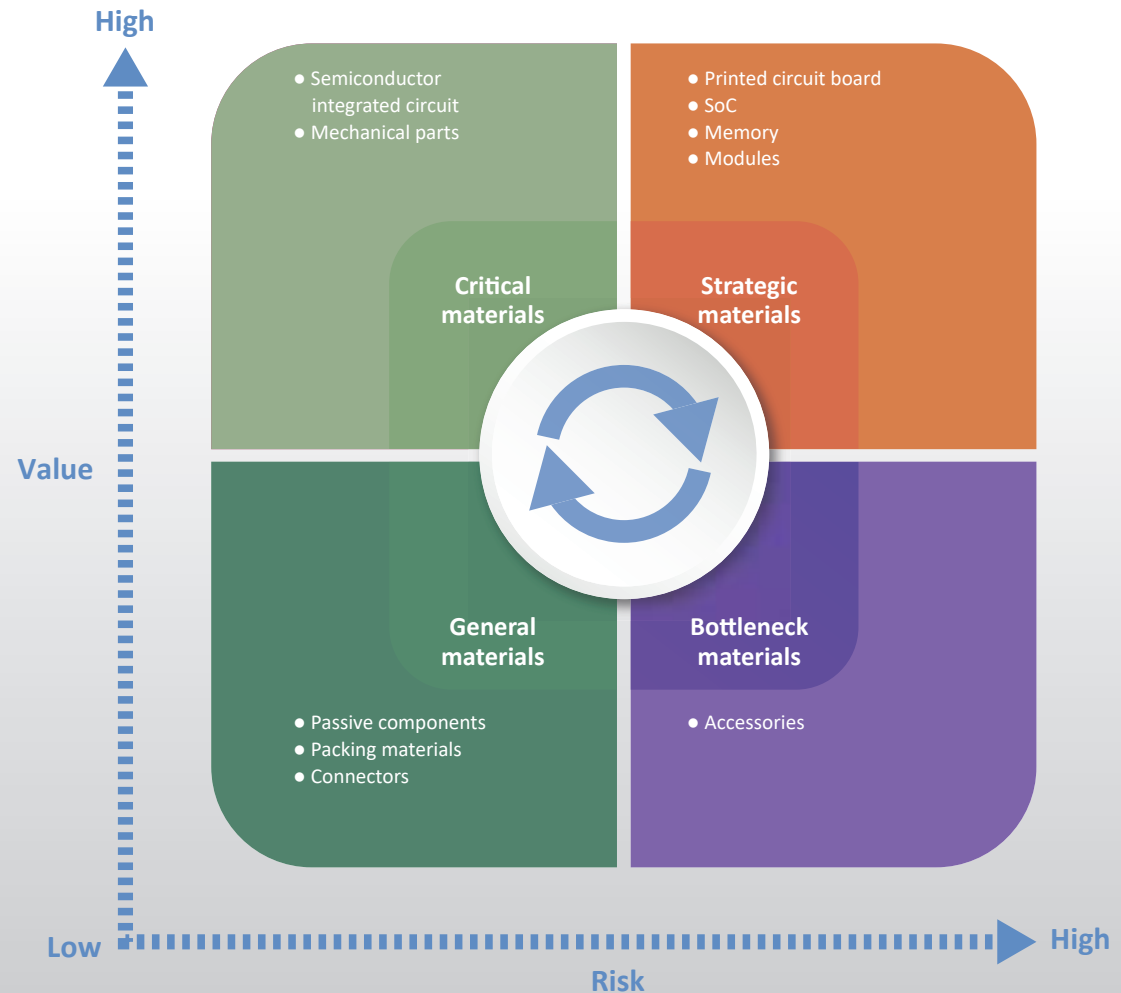


### 3-3-3 Inventory Level Management

CyberTAN classifies materials into four categories based on their value and market supply risk: critical materials, general materials, strategic materials and bottleneck materials. Corresponding procurement strategies and capacity planning management measures are formulated for each category. A weekly trend analysis is conducted based on material inventory levels, age, and sales. Obsolete materials are identified, and appropriate handling methods are devised to prevent quality issues and losses due to materials expiration.

#### Inventory Level Management Guidelines

Category	Management Guidelines
<b>Critical materials</b>	Optimize order quantity and minimize inventory Target price management to establish procurement advantages
<b>General materials</b>	Materials standardization Establish VMI/JIT
<b>Strategic materials</b>	Establish strategic partnership Detailed market survey and forecast Strictly monitor inventory to respond to emergencies
<b>Bottleneck materials</b>	Necessary to have alternative solutions in place Quantity and time control

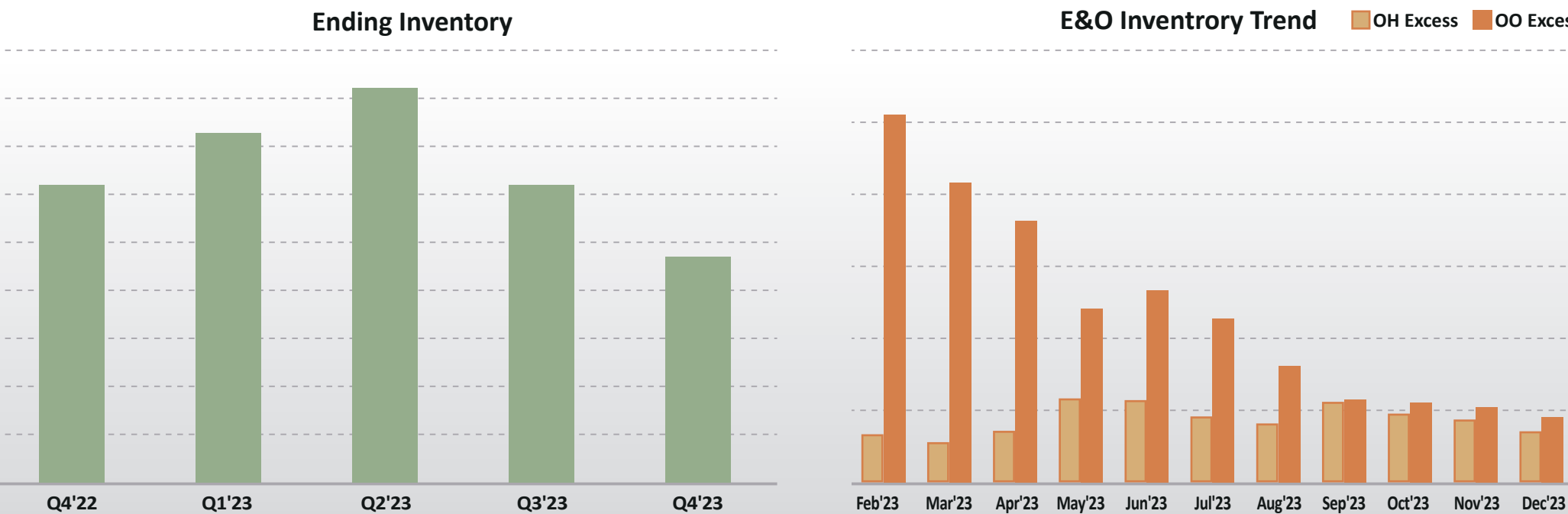




## Inventory Level Management Indicator

At CyberTAN, regular stocktaking (monthly, quarterly, semi-annually) and real-time monitoring of DOS (Days of Supply) are used as key indicators for inventory level management. Each week, management reports are generated to track changes in customer demand, returning Available to Promise (ATP) quantities. This allows for corresponding procurement orders and sales plan simulations to be made, enabling early inventory risk forecasting to avoid stock shortages or excesses. Through operating process optimization, we focus on customer order management. By comparing data over a two-week period, we can promptly verify changes in system demand and make adjustments. Additionally, inventory management standards are applied to provide alerts and indicators for different inventory levels to facilitate audits.

In 2023, inventory value decreased by 25%, with dormant stock reduced by 58% by December. CyberTAN will continue to enhance transparency regarding material conditions and improve customer demand visibility to track future inventory level changes. For 2024, the target is to further reduce inventory value by 25% and decrease dormant stock by 85% by December.



Inventory level management is essential in adapting to an era of constant change. With external conditions and customer demands rapidly evolving, effective material management, enhanced supply chain oversight and real-time internal communication integration are essential for reducing costs and maintaining optimum inventory levels, which are key factors for the Company's continued growth.

## Information security

### 3-4 Information Security

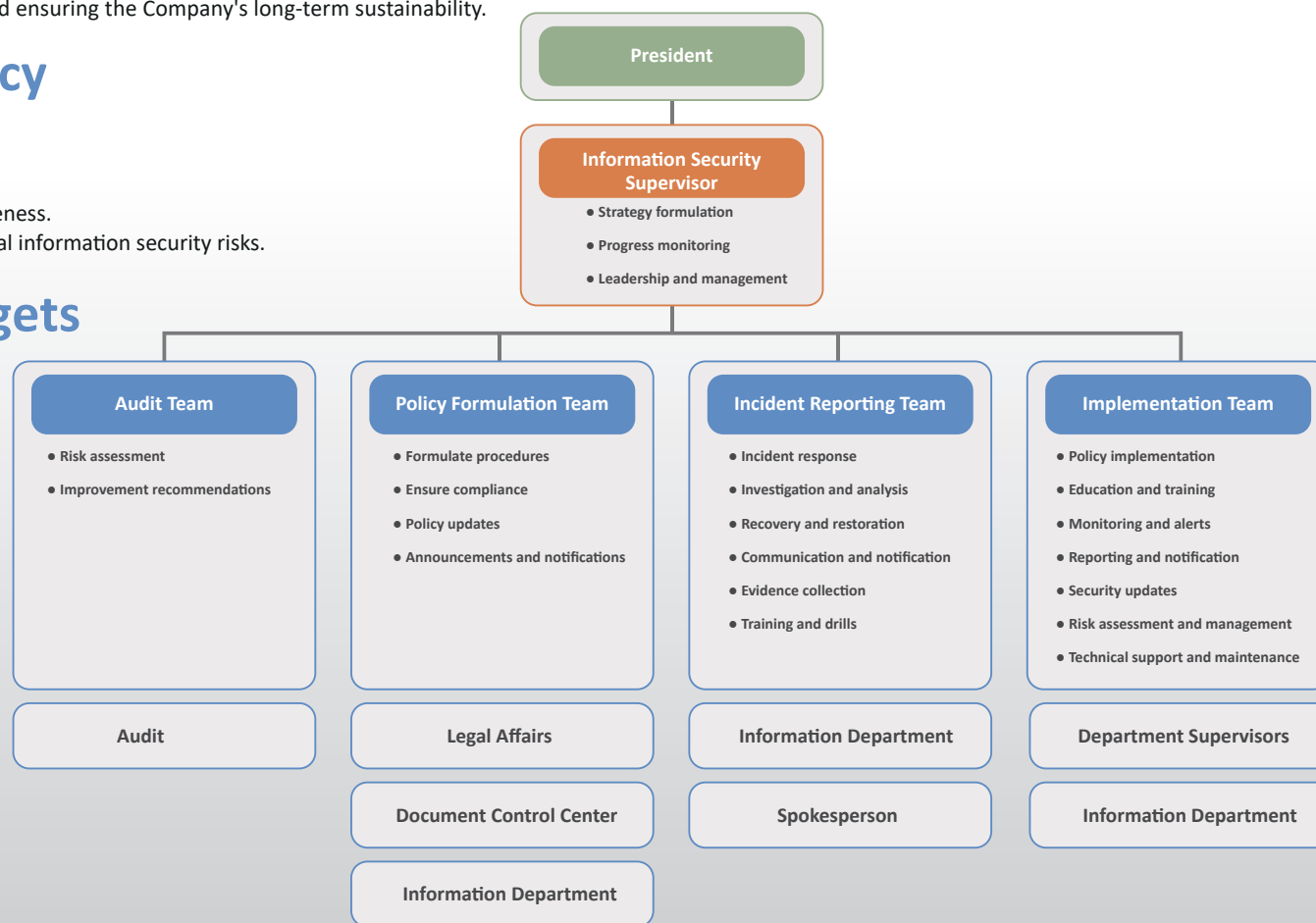
CyberTAN has implemented an information security management mechanism to ensure the accuracy and integrity of information processing, as well as the security of information systems, equipment, and networks. The Company regularly conducts internal drills and educational training on information security to raise employees' awareness and vigilance regarding information security. This ensures the protection of customer and product information. Additionally, an Information Security Team has been established to implement the Company's information security management system, provide technical support and maintenance, and enforce security policies. The Information Security Team is led by the President, who represents the Company's commitment to information security. The Vice President serves as the management representative overseeing information security matters. A formal "Information Security Policy" has been established as the foundation for managing information security, safeguarding the security of employee, customer, supplier, and operational information assets, and ensuring the Company's long-term sustainability.

#### 3-4-1 Information Security Policy

1. Protect information systems from unauthorized access.
2. Prevent unauthorized modifications to protect data integrity.
3. Ensure authorized users can securely and reliably access information.
4. Ensure compliance with regulations and ongoing validation of effectiveness.
5. Develop appropriate management and response measures for potential information security risks.

#### 3-4-2 Information Security Targets

1. Ensure continuous, stable, and secure information services.
2. Ensure the protection of assets for completeness, accuracy, and confidentiality.



Information Security Organizational Structure

### 3-4-3 Information Security Concrete Management Plan

Resource usage security	Network and device security	<ul style="list-style-type: none"> <li>Implemented email security systems and endpoint protection systems and enforced control of peripheral devices.</li> </ul>
	Access security for APPs.	<ul style="list-style-type: none"> <li>Established security principles for access behavior across all company devices, strengthening information security settings to ensure authorized and secure access to applications.</li> <li>Gradually replaced login technology applications and systems with a low level of security.</li> </ul>
Authorization of access security	Accounts and permission management	<ul style="list-style-type: none"> <li>Built a single log-in certification mechanism and integrate the management platforms.</li> <li>Evaluated the introduction of multi-factor authentication (MFA) system.</li> </ul>
	Information security monitoring and maintenance	<ul style="list-style-type: none"> <li>Established network compliance access control to ensure that only authorized whitelisted security devices are allowed to access the Company's network.</li> <li>Set up a central platform for endpoint device software and system security updates to ensure timely operating system and application software security upgrades.</li> <li>Regularly used the vulnerability scanning system to monitor and correct system vulnerabilities.</li> <li>Continued to monitor abnormal events on all servers to ensure full control over information security incidents.</li> </ul>
	Personnel and physical security	<ul style="list-style-type: none"> <li>Continued and instantly updated personal identification system to ensure strict control and prevention of personnel and visitors moving from the security office to the core confidentiality area.</li> </ul>
Information asset protection security	Information security	<ul style="list-style-type: none"> <li>Sensitive company data shall be stored at the safe area and personnel can only make entry and exit after identity verification.</li> <li>Centralized storage for the data of every department shall be placed in the engine room and authorization for access permission is given based on job level.</li> <li>Signed the confidentiality agreement with external vendors to ensure the protection of company business secrets against leaks.</li> <li>Through instant backup system and backup copy 321 principle, the double mechanism ensures data retention.</li> </ul>
	Enhancing information security protection technology	<ul style="list-style-type: none"> <li>Introduce corporate document digital version management to establish document security protecting corporate business secrets.</li> </ul>
Information security incident response	Disaster recovery drills	<ul style="list-style-type: none"> <li>Conduct SAP system restoration drills.</li> <li>Execute database recovery on alternate machines.</li> </ul>
	Information security incident reporting and handling	<ul style="list-style-type: none"> <li>When an information security incident occurs, immediately isolate the disaster and keep a complete record of each event for information security forensics, identifying the extent of damage and notifying the Information Security Committee. External reporting procedures are carried out by the MIS and the Company spokesperson following confirmation of incident details by the Information Security Committee.</li> <li>After verifying relative protective measures and initiating disaster recovery procedures, and once the system is restored, conduct event record analysis to ensure improvements are made to prevent recurrence.</li> </ul>
Strengthening employee information security awareness	Information security education and training	<ul style="list-style-type: none"> <li>Held physical information security education and training courses with a 100% employee participation rate.</li> <li>Provided online information security training courses, where employees participated in learning sessions followed by tests, with a 98% participation rate.</li> </ul>
	Phishing email simulation drills	<ul style="list-style-type: none"> <li>Simulated phishing emails from hackers to test employees' awareness of information security risks awareness, complemented by information security campaigns to improve staff awareness and vigilance.</li> </ul>

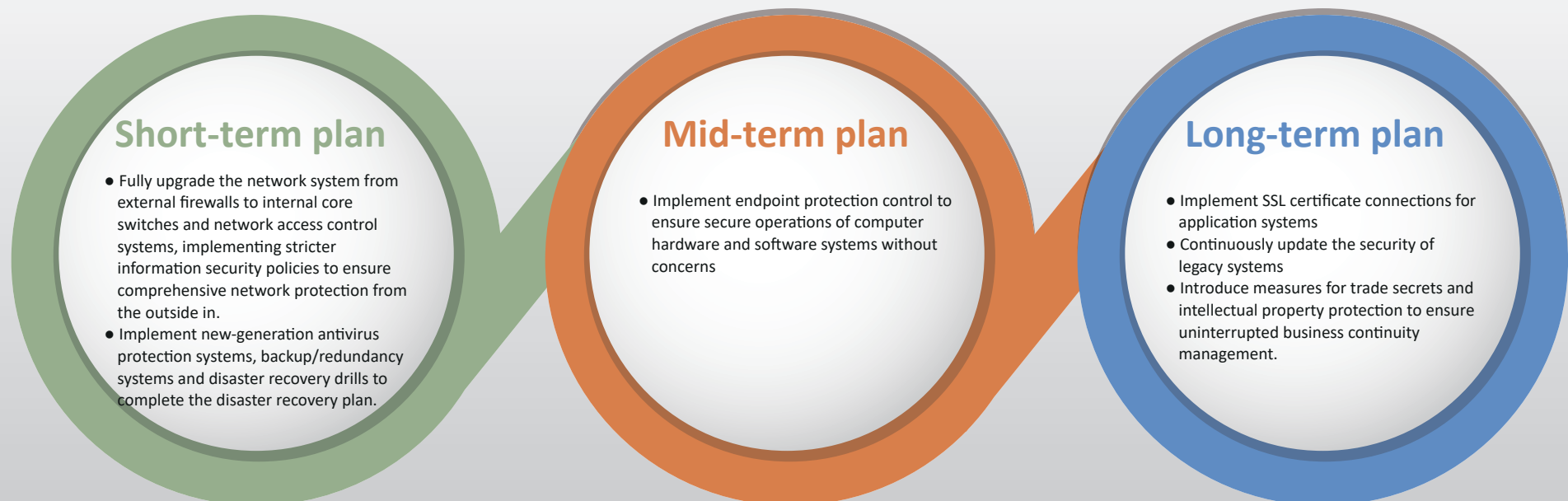
## Information security achievements

In 2023, CyberTAN did not receive any commercial information leakage or major information security violations, nor did it receive any complaints regarding customer privacy violations or loss of customer data. The Vietnam Plant passed the ISO/IEC 27001:2013 certification in 2023. CyberTAN will continue to strengthen the key application system backup mechanisms and information system disaster recovery drills and continue to improve and strengthen our information security management system. CyberTAN also conducts annual information security incident response drills, simulating scenarios to ensure adequate protection and control mechanisms in place for handling hacker attacks. These exercises also focus on the Company's emergency reporting and response capabilities. In October 2023, CyberTAN implemented a new protection system to enhance its overall information security resilience further.

The new protection system was implemented in October 2023. The results are as follows:



## Information security plan





## Supplier Management

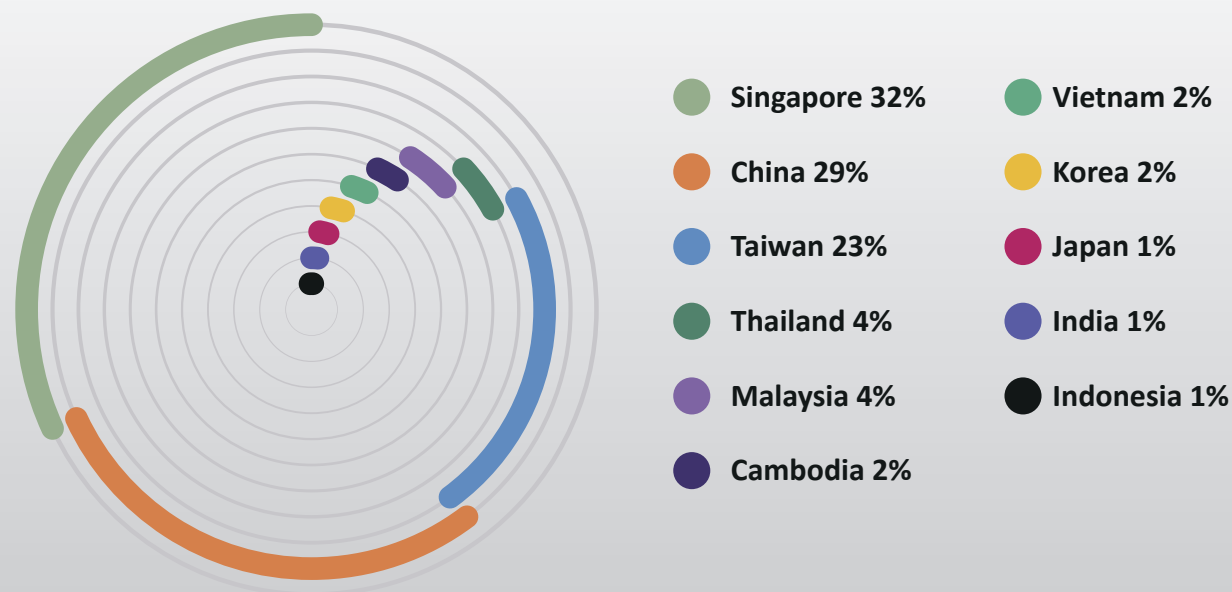
### 3-5 Supplier Management

As a company primarily focused on the R&D and manufacturing of electronic products, CyberTAN's supply chain consists mainly of electronic components and mechanical parts suppliers. By the end of 2023, CyberTAN had 287 suppliers globally. With growing awareness of climate change and the emphasis on energy efficiency and carbon reduction, CyberTAN's localization procurement strategy for mechanical parts and packaging materials focuses on suppliers in regions such as Singapore, Taiwan, China and Thailand. The types of suppliers include manufacturers, agents and distributors. The supply chain industry is characterized as technology-intensive, labor-intensive and capital-intensive.

Supplier category	Number of key suppliers	Number of non-key suppliers	Total number of suppliers	Procurement ratio
<b>Subcontractor – service type</b>	15	27	42	4.60%
<b>Materials</b>	20	187	207	95.03%
<b>Machinery and equipment</b>	4	8	12	0.01%
<b>Transport and logistics</b>	1	6	7	0.04%
<b>Factory affairs / Engineering</b>	0	15	15	0.02%
<b>Waste handling contractor</b>	1	3	4	0.30%
<b>Total</b>	41	246	287	100.00%

#### 3-5-1 Local Procurement

CyberTAN categorizes its suppliers based on their characteristics and the materials they provide, prioritizing localized procurement as a key strategy. This approach aims to achieve timely and geographically appropriate purchasing, reduce operational management costs, minimize carbon emissions from long-distance transportation, and create local employment opportunities to promote economic prosperity. Vietnam serves as CyberTAN's primary production base. In 2022, the supplier of mechanical/packaging materials in Vietnam accounted for 34%. Committed to its localization strategy, CyberTAN actively worked to develop local suppliers, increasing the proportion of Vietnamese mechanical and packaging suppliers to 64% by the end of 2023. The Company collaborates with suppliers across quality, cost, delivery, environmental, safety, and hygiene aspects while enhancing supply chain management through on-site guidance and face-to-face communication. This strengthens supply chain resilience and adaptive capacity, helping CyberTAN fulfill its sustainability commitments.



## 3-5-2 Sustainable Supplier Management Strategy

CyberTAN, with a foundation in sustainable procurement, values collaboration and mutual growth with suppliers. Through active cooperation and close communication, the Company has developed a Responsible Supply-Chain Management (RSM) mechanism and a comprehensive systematic management system. This enables digitalized management and internal data sharing, ensuring that all stages—from supplier development, qualification evaluations and performance assessments to the survival of the fittest—are systematically managed.

Promoting suppliers' energy conservation and emission reduction, the use of renewable energy, and the ultimate goal of carbon neutrality.

Promoting supplier carbon management:

### Carbon inventory

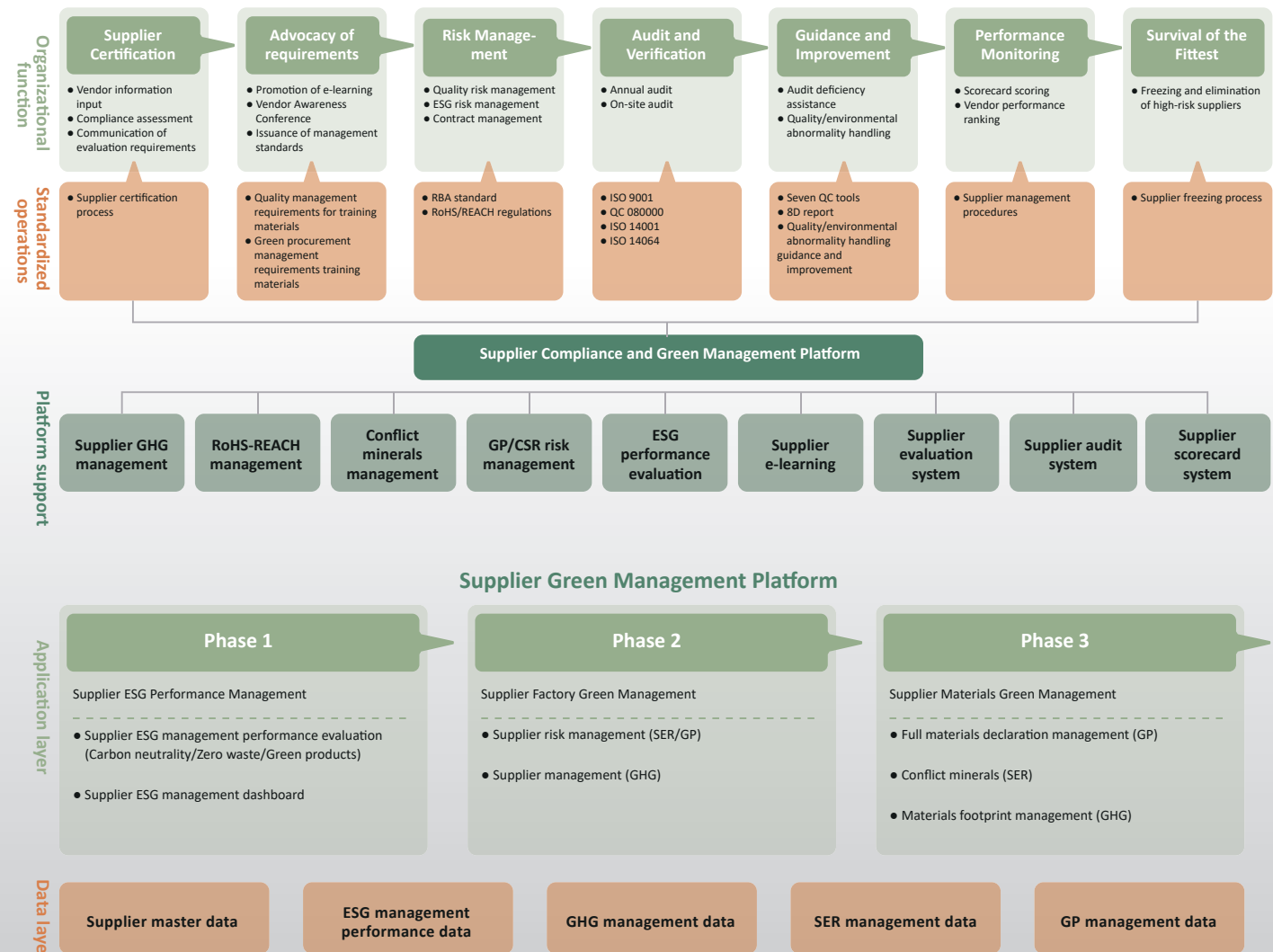
Suppliers log into the Carbon Management System to disclose their annual carbon inventory data, and suppliers are required to disclose annual carbon emissions data on their official website/annual report.

### Carbon reduction

Register the carbon management system and submit the energy-saving renovation plan for key energy-consuming equipment. Sign a renewable energy agreement and upload the electronic file to the carbon management system.

### Carbon neutrality assessment

Log in to the supplier's green management platform on a monthly basis to update the carbon neutrality self-assessment information.



## Green Procurement

CyberTAN has established a green procurement policy and a supplier selection and audit system. Through the Supplier Green Product Management Platform, it monitors the GP management status of suppliers and continuously promotes improvements, enhancing their management capabilities. In accordance with the Supplier SER System Management Platform, suppliers undergo an introduction process, risk assessments, audit verifications, and continuous improvements. Suppliers' responses must meet CyberTAN's requirements, serving as the basis for current and future procurement decisions. Suppliers that fail to comply are replaced by alternative suppliers. CyberTAN has fully implemented a green procurement management policy, extending it throughout the entire supply chain. This begins with tracing green compliance controls on raw materials from upstream suppliers, requiring them to disclose information about hazardous substances in their products. This practice is carried through to the end customers, ensuring responsible procurement is enacted through concrete actions.

## Sustainable Supply Chain Risk Management

The evaluation of new suppliers is a key part of the management system. Initially, basic information about the new suppliers is collected, along with documentation such as part approval forms, environmental and social responsibility commitments and conflict minerals due diligence reports. Then, through the "Supplier Evaluation System," suppliers are assessed on their quality, green product initiatives, social and environmental responsibility, financial health and other ESG aspects. This evaluation determines the risk level and assesses the new supplier's production capacity and their potential for future business transactions with the Company.

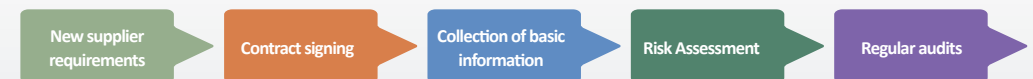
For medium- to high-risk suppliers, quality and process assessments, social and environmental responsibility audits, green product evaluations, and greenhouse gas audits are conducted. Based on international ESG evaluation standards, relevant regulations and customer requirements, supplier ESG performance evaluation criteria are established. Regular online surveys or on-site audits are conducted for suppliers. Additionally, through the online supplier green management platform's ESG performance evaluation module, suppliers' ESG performance is evaluated objectively and fairly via self-assessments and supporting documentation uploads. Based on the severity of any deficiencies, suppliers are required to submit improvement plans and measures within a set timeframe. Guidance is provided to assist in the improvement process and the corrective actions are verified accordingly. Suppliers with serious deficiencies will be re-examined; those that do not improve within the given time will be included in the list of underperforming suppliers. The RBA VAP tool is used to audit the ESG of suppliers. The audit covers five aspects: labor, health and safety, ethics, environment and management system. Based on the annual supplier performance ranking of ESG high-performance suppliers and low-performance suppliers, rewards will be given to suppliers with outstanding ESG performance, while poor-performance suppliers will be submitted to RSL for restricted use.

## Supplier ESG Performance Evaluation Management

1. Supplier ESG performance evaluation model: Supplier self-evaluation + upload of supporting evidence, reviewed by SMG personnel
2. Rank the key suppliers (by product) and select the top/bottom performers

Types	Selection	Management
Outstanding ESG Performance	<ul style="list-style-type: none"> <li>Ranked in the top 3 for ESG performance</li> </ul>	<ul style="list-style-type: none"> <li>Provide rewards (implementation of ESG supplier reward policy)</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Key indicator achievement rate ≥ 60%</li> </ul>	<ul style="list-style-type: none"> <li>Promote improvements</li> </ul>
Poor ESG performance	<ul style="list-style-type: none"> <li>Ranked in the top 3 for ESG performance</li> </ul>	<ul style="list-style-type: none"> <li>Non-cooperation in improvement, key indicator annual improvement</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>KPI achievement rate &lt;60%</li> </ul>	<ul style="list-style-type: none"> <li>&lt;20% is reported to RSL</li> </ul>

## Supplier Risk Assessment Process



### Annual supplier reporting

1. Organize the structure of members
2. Collect and summarize BU suppliers
3. Select suppliers that need to be investigated annually
4. BU confirmation of suppliers to be managed annually

Started on December 26, 2022  
Ended on January 17, 2023

### Annual project training

1. Update and share specialized training materials/guides
2. Record and upload training course videos to "Fuxue Baodian"
3. Organize BUs to complete the coursework

Started on January 09, 2023  
Ended on February 10, 2023

### Supplier investigation and promotion

1. Update annual survey templates
2. Conduct supplier system surveys
3. Promote BU supplier surveys
4. Quarterly re-audits and traceability of Semter declarations by suppliers

Started on February 03, 2023  
Ended on November 17, 2023

### Annual project summary

1. Annual project summary
2. Analysis of project KPI achievement
3. Next year's management planning

Started on November 20, 2023  
Ended on December 15, 2023

### 3-5-3 Conflict Minerals Management

CyberTAN requires its suppliers to take responsibility for mineral procurement management and comply with the following regulations: suppliers must ensure that the parts and products provided to CyberTAN do not use tantalum, tin, tungsten, gold, cobalt, or other minerals sourced from conflict areas in the Democratic Republic of Congo and neighboring countries or other high-risk regions. Suppliers must refer to the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" to establish a responsible mineral procurement management system. Suppliers are required to trace relevant minerals involved in the supply chain and regularly submit accurate reports to CyberTAN using tools like CMRT and EMRT. These reports should detail the use and sourcing of tantalum, tin, tungsten, gold and cobalt in products and ensure that the materials come from smelters or refiners certified under the RMI RAMP (Responsible Minerals Assurance Process).

CyberTAN has completed due diligence investigations for 168 direct suppliers through its system platform, achieving a 100% response rate. The smelters or refiners reported by suppliers were compared with the RMI's certified smelter list. If any smelter or refiner was found not to be certified under the RMAP, suppliers were required to ensure these entities either completed RMAP certification within a specified timeframe or were removed from the supply chain. As of today, no products delivered by suppliers have been found to contain tantalum, tin, tungsten, gold, or cobalt sourced from conflict areas in the Democratic Republic of Congo or other high-risk regions. In 2023, CyberTAN worked with 225 smelters or refiners of tantalum, tin, tungsten, gold and cobalt, all of which were included on the RMI's certified smelter list. The majority of these smelters are geographically located in Asia.

Metal Regions	Tantalum	Tin	Gold	Tungsten	Cobalt	Mica	Statistics
Asia	20	38	50	24	11	3	146
America	9	12	12	5	-	-	38
Europe	3	4	22	3	3	-	35
Africa	-	1	2	-	2	-	5
Australia	-	-	1	-	-	-	1
Statistics	32	55	87	32	16	3	225

### 3-5-4 Sustainable Supplier Interaction and Participation

In 2023, 3 training sessions were held to explain supplier ESG management policies and requirements, with a total of 265 suppliers participating online. The training topics covered carbon neutrality management policies and requirements, zero-waste management policies and requirements and green product management policies and requirements. The electronic suppliers' carbon reduction implementation plan involved promoting carbon reduction among suppliers. An online carbon reduction results-sharing session was held, with a total of 226 suppliers in attendance.





# Environmental Protection

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## Environmental Management

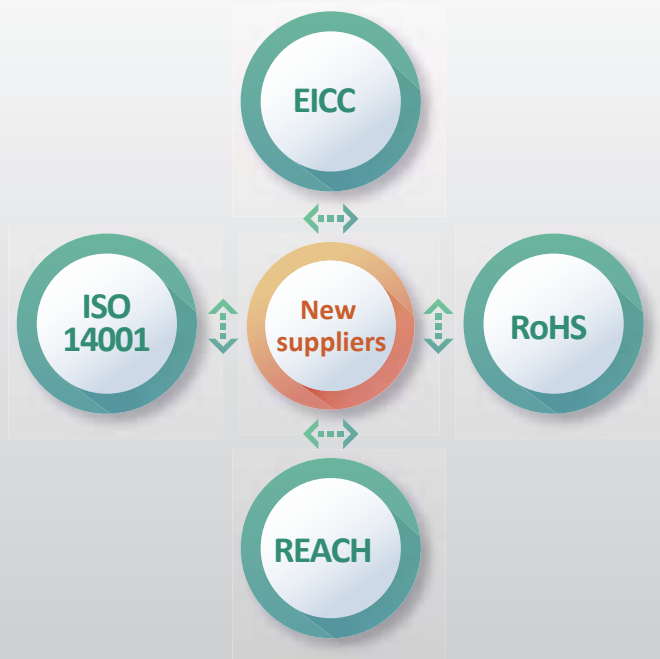
### 4-1 Environmental Management

#### 4-1-1 Green Product Management Platform

Through the supplier green product management platform, CyberTAN Technology ensures that the suppliers provide raw materials that meet the legal requirements. CyberTAN values interaction and growth with its suppliers. Recognizing that corporate social responsibility (CSR) has become a crucial aspect of sustainable business operations, CyberTAN aims to foster a long-term, stable partnership with its suppliers. To this end, suppliers are required to sign the "Environmental Protection and Social Responsibility Undertaking," the "Certificate of Conformity" and the "Supplier Code of Conduct," which clearly define environmental awareness and social and moral responsibilities.

#### Green Legal and Information Database Establishment

CyberTAN is committed to abiding by international green laws and regulations and customer requirements, ensuring that the products it delivers comply with international regulations, such as RoHS and REACH. We focus on global environmental protection topics in cooperation with the customers and support the non-use of conflict minerals and related requirements of international laws and the Restriction of the Use of Certain Hazardous Substances (RoHS). For effective control of the materials provided by the suppliers to meet the requirements of CyberTAN's environmental management substances requirements, the green management platform is utilized. Suppliers are required to disclose relevant information, such as substance composition and contents, at the component approval stage on this platform.



## 4-1-2 Green Product Policy

To ensure that consumers use safe and environmentally friendly products, CyberTAN’s Energy and Safety department continuously monitors international environmental regulations and trends. The department also initiates cross-departmental response plans to ensure that CyberTAN’s products meet regulatory requirements in the shortest time possible. For external power supply solutions, power adapters that comply with EUP, COC and EU Energy Star standards are adopted to meet the market demands for eco-friendly products. All product lines are 100% compliant with customer requirements, regional energy laws, and energy labeling regulations, with no incidents of violation regarding product information labeling laws or voluntary standards. CyberTAN’s green product design focuses on three key aspects: “recyclability, low pollution, and energy efficiency.” This approach is integrated into the product design management system, where raw material selection is carefully considered to minimize environmental impact. Recyclable packaging is used, with an emphasis on reducing weight and volume to decrease materials usage. The system is designed to prioritize energy efficiency through low power consumption, not only meeting regulatory standards but also exceeding them. In collaboration with partner manufacturers, CyberTAN aims to develop high-performance power modules for future products.

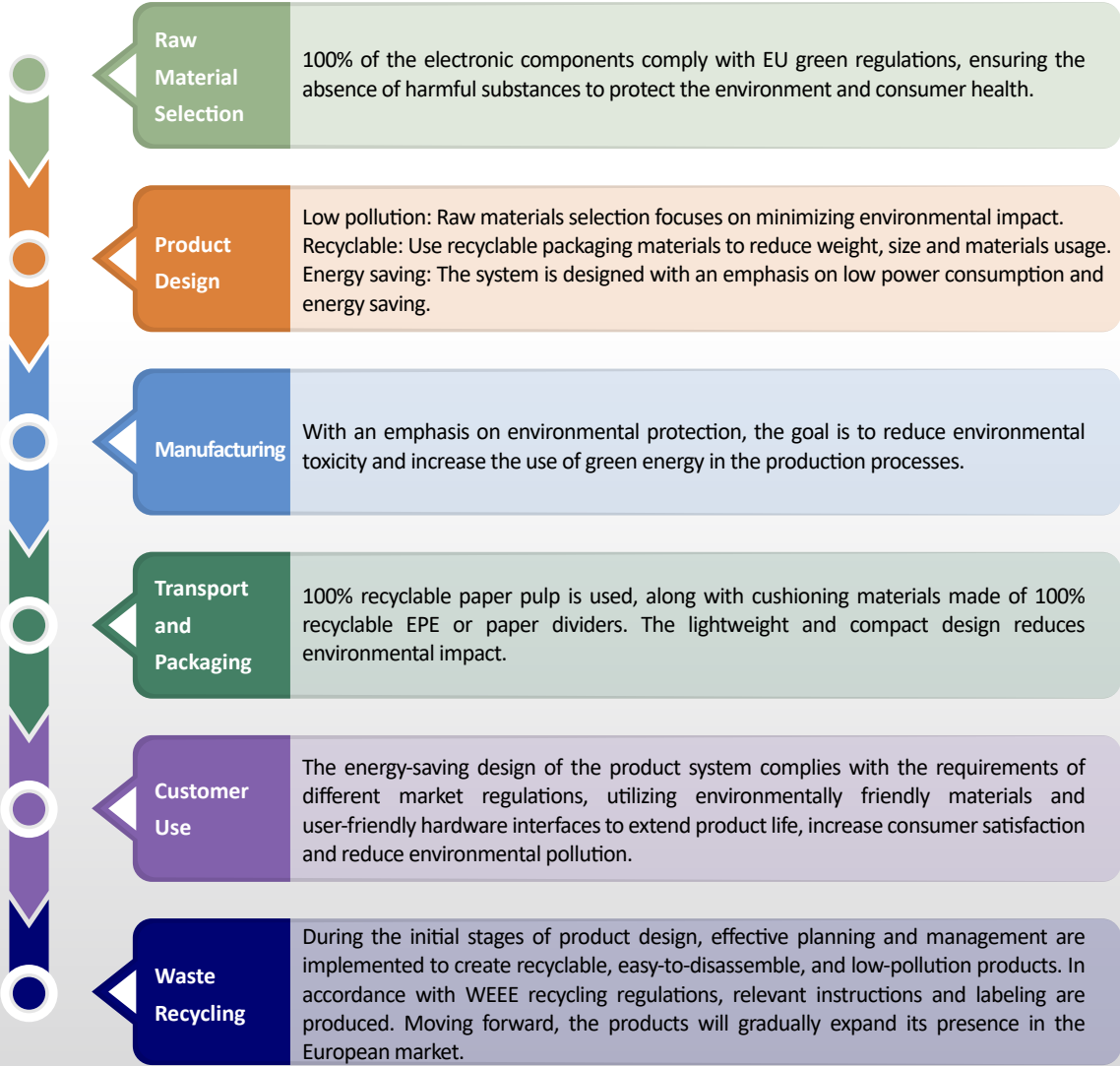
In 2023, CyberTAN's product packaging design incorporated recycled materials. The outer box is made from 100% recyclable paper pulp, with cushioning materials also made from 100% recyclable EPE or paper dividers. Printed materials primarily used eco-friendly water-based ink to reduce environmental impact and damage. All product lines are 100% compliant with the EU Waste Electrical and Electronic Equipment Directive (WEEE) and third-party certification reports have been obtained. In 2023, the weight of CyberTAN SMB products was 1,430g, of which 1,201g was recyclable.

### WEEE EU Waste Electrical and Electronic Equipment Directive

Item	2023
Percentage of products compliant with WEEE regulations	100%
Product re-use/re-utilization rate	84.1%
Product recycling rate	91.4%

Note: Product data for 2023 pertains to the SMB business unit.

## Green Product Design





## Hazardous Substance

## 4-2 Hazardous Substances

### 4-2-1 Hazardous Substance Management

In response to the global environmental protection regulations and customer requirements, CyberTAN utilizes the Green Product Management Platform and control procedures to request its suppliers to cooperate in signing a guarantee statement and submitting third-party test reports to prevent the raw materials or equipment of the products from containing prohibited substances. The aim is to prevent hazardous substances from mixing into the products, conform to laws and regulations and meet customer requirements and the spirit of green environmental protection. In standard products, a total of 50 hazardous substances are prohibited or restricted; in packaging materials, 7 hazardous substances are prohibited or restricted. Additionally, Regulation (EU) 2023/1542 on batteries and waste batteries, which amends Directive 2008/98/EC and Regulation (EU) 2019/1020, strengthens the control over 5 major categories of batteries.

### Hazardous Substance Control Guidelines

CyberTAN regularly updates its green product control regulations and specifies requirements for specific products on standards for the use of hazardous substances and environmental protection related control. Ensuring product compliance to various requirements echoes the social responsibility commitments of CyberTAN. Apart from the current standards prohibiting or restricting the use of substances and controlled substances in products, the Company continues to pay attention to international environmental substances laws and regulations and requirements. This includes requirements on the restriction or prohibition of hazardous substances of the regional or national laws and regulations. With commitments to environmental protection, we require suppliers to satisfy and comply with relevant requirements and regulations and to fulfil the responsibility to inform. Hence, we strengthen the implementation of relevant laws and regulations by establishing quick and detailed legal management database and enhancing the level of understanding and practice by the company personnel towards these laws and regulations. On substances that are possible to be prohibited or restricted in the future, we will continue to make evaluations and responses under the principle that the technology will not affect product quality, safety, reliability and human health and add to environmental impacts. The latest time frame for the prohibition or restriction of substances will be taken into account to prepare for the replacement or improvement of substances that will reduce their impacts and effects on the environment. We want to ensure they comply with customer requirements and green national, regional, and international regulations. Information storage and inquiry should be established in the CyberTAN Legal Database for further effective conveyance.

In 2023, CyberTAN had no violations of laws and regulations regarding the prohibition or restriction of hazardous substances and, therefore, did not face any lawsuits or significant fines.

CyberTAN strictly complies with the chemical safety regulations of local governments and the requirements for restricted substances from clients. The Company implements a tiered control system for the chemical substances involved in production and operations to minimize, control and eliminate the impact of harmful substances on employee health and the environment:

- The Restriction of Hazardous Substances in Electrical and Electronic Equipment Directive (RoHS)
- China RoHS: Measures for Administration of the Hazardous Substance Restricted Usage of Electric and Electronic Products and the Supplementary Provisions
- Korea RoHS: The Act for Resource Recycling of Electrical and Electronic Equipment and Vehicles
- EAEU RoHS: TR 037/2016 - Technical Regulations of the Eurasian Economic Union on Restriction of the Use of Hazardous Substances in Electrical and Radio-electronic Products
- Ukraine RoHS: Ukrainian Technical Regulation on the Restriction of Hazardous Substances in Electrical and Electronic Equipment (EEE)
- UAE RoHS
- SASO RoHS: Technical Regulation of the Restriction of Hazardous Substances in Electrical and Electronic Equipment
- Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)
- Persistent Organic Pollutants (POPs) Regulations
- Toxic Substances Control Act (TSCA) of EPA
- The Tax Reduction Act in Switzerland
- AfPS GS 2019:01 PAK (PAH)
- California Proposition 65 (Prop65)
- Directive on Packaging and Packaging Waste, 94/62/EC



## 4-2-2 Hazardous Substance Management Procedure

1

### Establish Control List

Develop a restricted substances control list according to international regulations and customer requirements, and update and expand the scope of control annually in line with international standards, including EU RoHS, EU REACH, and Prop 65.

2

### Green Survey Procedures

Establish a material database to conduct investigations of restricted/prohibited substances in accordance with international regulations and customer specifications. Review and verify the data and track the compliance of green components based on the BOM.

3

### Harmless Procurement of Raw Materials

Suppliers are required to sign the "Environmental Protection and Social Responsibility Undertaking" and the "Certificate of Conformity." Hazardous substance test reports and MCD audits are regularly updated to ensure that the source of materials complies with hazardous substance control standards.

4

### Product Packaging Management

Product packaging, including paper and plastic materials, is recyclable and meets the EU regulations on lead, cadmium, mercury, and hexavalent chromium, with a total content not exceeding 100 ppm. Additionally, plastic packaging does not contain prohibited polyvinyl chloride (PVC).

### MCD Review

Number of cases/Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Number of cases audited	428	240	244	105	471	526	41	381	258	276	311	31	3312

### Integrated Report on Products

Number of cases/Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Monthly Target %	95	95	95	95	95	95	95	95	95	95	95	95	95
Rate of Achievement	100	100	100	100	100	100	100	100	100	100	100	100	100
Number of cases to complete	2	0	0	10	20	8	11	3	0	12	3	1	70
Number of cases	2	0	0	10	20	8	11	3	0	12	3	1	70

### 2023 Product Declaration Statement

Type of Declaration RoHS	Number of Products 14	Type of Declaration RoHS	Number of Products 40	Type of Declaration RoHS	Number of Products 3	Type of Declaration RoHS	Number of Products 9	Type of Declaration RoHS	Number of Products 13
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## Energy and Greenhouse Gas Management

### 4-3 Energy and Greenhouse Gas Management

With a commitment to sustainable corporate development, CyberTAN strives to be a benchmark in sustainability. Recognizing the increasing severity of global warming and the deteriorating environmental conditions caused by greenhouse gases, CyberTAN is dedicated to fulfilling its corporate social responsibilities by accomplishing the following initiatives:

- (1) Focus on global environmental protection issues such as climate change.
- (2) Accurately monitor the Company's greenhouse gas emissions.
- (3) Formulate reduction targets and adaptation strategies in response to international and national greenhouse gas policies.
- (4) Strengthen the Company's internal climate and environmental awareness, identify climate risks and opportunities and continuously enhance environmental consciousness, responsibility and commitment.

#### 4-3-1 Energy Management

At CyberTAN's Hsinchu plant in Taiwan, primarily serving as an R&D center, the energy used mainly comes from purchased electricity. In October 2023, the Company installed a rooftop solar power system with a capacity of 99.68KWp, consisting of 224 solar panels, which can provide around 7% of the plant's electricity needs. The solar power generation is verified by the Taiwan Power Company. The Company is evaluating the purchase of International Renewable Energy Certificates to gradually increase the use and proportion of renewable energy. Additionally, CyberTAN is actively engaging with renewable energy suppliers to sign green energy procurement agreements, aiming to progressively transition toward low-carbon operations.

The Datong plant in Vietnam, CyberTAN's main production and manufacturing center, also relies on purchased electricity. In 2023, the energy consumption per unit of product was 0.4213 KWH/Kg, a 26.42% reduction compared to the 2020 energy intensity of 0.5725 KWH/Kg, exceeding the 2020 target of a 5% reduction in energy intensity. CyberTAN also plans to collaborate with external energy technology service providers to analyze energy usage structures, conduct baseline measurements, and implement energy-saving technologies by installing energy monitoring equipment. This will enhance energy management transparency and improve energy efficiency. The Company aims to achieve ISO 50001 Energy management system certification by 2025.

Type	Plant Area	Energy Consumption (KWH)			
		2020	2021	2022	2023
Purchased Electricity	Datong, Vietnam	3,345,210	3,182,753	5,514,889	5,746,422
	Hsinchu, Taiwan	945,500	955,800	924,500	1,016,000
Solar Energy	Hsinchu, Taiwan	-	-	-	60,823

\*In October 2023, the rooftop solar power generation system was installed at CyberTAN's Hsinchu Plant.



#### Environmental Investment Plan for New Plants

The new Phu Hai plant in Vietnam represents a significant investment, with capital expenditure in the tens of millions to build an energy-efficient smart control system, rainwater and wastewater recycling systems, and establish green energy sources. The new factory's solar power system, which is expected to be completed in October 2024, will cover an area of 11,000 square meters of solar panels and provide approximately 8.5% of the new Phu Hai plant's annual electricity needs. SGS will verify the solar power generation, and the plant aims to obtain green energy certification by the end of 2024. Additionally, the Company is evaluating the purchase of International Renewable Energy Certificates to increase the use and proportion of renewable energy gradually. The Company is also actively seeking suitable renewable energy providers to sign green energy procurement agreements as part of its ongoing transition toward low-carbon production.

## 4-3-2 Greenhouse Gas Management

To align with global carbon reduction efforts, starting in 2023, CyberTAN has decided to take more proactive measures. Using 2023 as the baseline year, the short-term goal is to achieve a 15% reduction in greenhouse gas emissions by 2025. The mid-term goal is to reduce absolute greenhouse gas emissions by 20% by 2030. The long-term goal is to reach net-zero emissions by 2050, demonstrating CyberTAN's commitment to mitigating climate change.

14064 Scope	Taiwan Plant	Vietnam Plant
<b>GHG Scope 1</b>	145.8026 tCO <sub>2</sub> e	81.4681 tCO <sub>2</sub> e
<b>GHG Scope 2</b>	499.7304 tCO <sub>2</sub> e	4803.4672 tCO <sub>2</sub> e
<b>GHG Scope 3</b>	3850.6649 tCO <sub>2</sub> e	643.3185 tCO <sub>2</sub> e
<b>Total</b>	4496.1979 tCO <sub>2</sub> e	5528.2538 tCO <sub>2</sub> e

GHG Emissions Intensity	Taiwan Plant
<b>GHG Scope 1</b>	3.8314%
<b>GHG Scope 2</b>	13.1321 %
<b>GHG Scope 3</b>	101.1896%

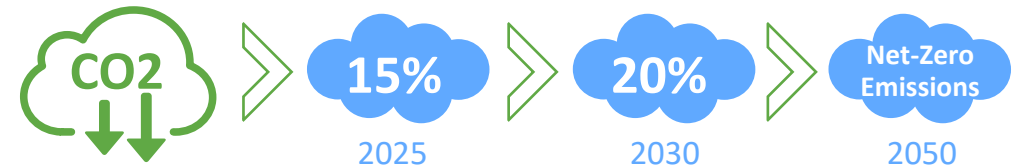
\* Only the greenhouse gas emission intensity of CyberTAN's Taiwan plant is calculated

## 4-3-3 Energy Conservation and Carbon Reduction Measures

CyberTAN's Taiwan headquarters, as the primary research and development center, promotes a green office environment to reduce carbon emissions, which is a key environmental mission. The main energy consumption comes from lighting, air conditioning and R&D equipment. Green initiatives include using LED lighting throughout, raising chilled water temperatures and promoting energy-saving awareness. By improving equipment efficiency and reliability, indirect emissions and pollution are effectively managed. Regular monitoring of energy consumption helps adjust contract capacity and time-of-use electricity pricing, with the goal of minimizing energy usage.

The Vietnam Datong plant, primarily focused on production, implements green measures such as using LED lighting and installing a water-cooled air conditioning system for energy savings. High-efficiency filters are installed in the energy recovery air exchange system, and energy consumption is regularly monitored. Old equipment is being replaced with variable frequency systems and new Grade 1 energy-efficient cooling units are in use, reducing power consumption by about 20% annually compared to older units. Since production began at the Vietnam Datong plant in mid-2019, the planning of its infrastructure has maximized resource efficiency. The plant was designed to use energy-saving lamps and variable frequency equipment to achieve low energy consumption goals. Automated robotic arms have been introduced to increase production efficiency, reduce defects and minimize resource waste.

### Short-, Medium- and Long-term Goals



\* 2023 is set as CyberTAN's carbon reduction baseline year

\* CyberTAN's Taiwan plant will obtain ISO 14064 Greenhouse gas inventory certification in July 2024

#### Taiwan Plant

##### Office Energy Conservation

- Turn off lights for one hour daily at noon
- Promoted energy-saving habits, such as unplugging unused appliances and turning off air conditioning when not in use

##### Lighting Upgrades

- Installed high-efficiency LED lighting to reduce electricity usage
- Installed motion sensor controllers

##### Air Conditioning Unit Replacement

- Replaced original high-energy consumption 300RT units with 190RT low-energy consumption units
- Increased chilled water output temperature from 7°C to 12°C

##### Regular Equipment Maintenance

- Regular cleaning and maintenance of air filters

#### Vietnam Plant

##### Energy Conservation in Manufacturing

- Introduced automated production lines
- Replaced original high-energy consumption industrial frequency machines with dual-stage compressed frequency conversion energy-saving units
- Replaced original high-energy consumption electrode humidifiers with low-energy consumption energy-saving humidifiers

##### Lighting Upgrades

- Installed high-efficiency LED lighting to reduce electricity usage
- Installed time and motion sensor controllers

##### Air Conditioning Unit Replacement

- Replaced original high-energy consumption units with new low-energy consumption (Grade 1) units
- Set temperature to be no lower than 26°C in summer and no higher than 22°C in winter

##### Variable Frequency System

- Replaced outdated equipment with more efficient production equipment, such as adopting variable frequency automatic control for air conditioning water pumps
- Employed variable frequency fan motors for automatic exhaust control

## Mitigating Environmental Impacts

## 4-4 Mitigating Environmental Impacts

### 4-4-1 Waste Management

CyberTAN conducts comprehensive assessments and audits of the generation and flow of waste and hazardous materials, aiming to minimize waste production. We strive to reduce waste and avoid unnecessary consumption by recycling and reusing waste. Effective waste and hazardous substance management operational costs through improved material utilization create business advantages supporting sustainable operations. We aim to reduce waste through proper waste management from the source. In 2023, the total waste recycling rate at CyberTAN's Taiwan plant reached 94%, while the Vietnam plant achieved a total waste recycling rate of 89.6%. Regarding waste management, we have established designated waste storage areas that comply with regulations, where waste is sorted, reduced, recycled, reused, or incinerated. These processes are carried out by government-approved disposal contractors and we publicly disclose annual waste reduction performance.

	General Waste (tons)	Recyclable Waste (tons)	Hazardous Industrial Waste (tons)	Total Waste Volume (tons)	Total Recycling Rate (%)
Vietnam Plant	69	77	13	159	89.6%
Taiwan Plant	12	0.48	1.21	13.21	94%

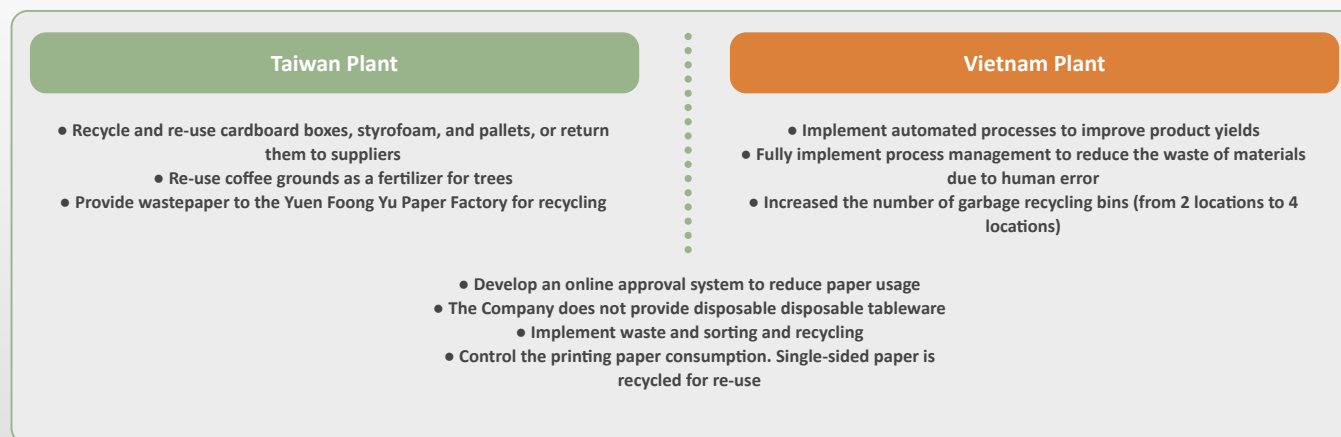
### Waste Reduction Measures

#### Target: 80% waste recycling rate or more

CyberTAN deeply understands that complying with environmental protection and occupational safety and health regulations is merely the Company's fundamental responsibility and obligation. More importantly, while operating, we must strive to ensure that our society and environment can sustain itself, providing us with continuous natural resources. To this end, we actively promote waste reduction measures.

### Indoor Air Pollution Control

Although the Company is not listed as one of the first designated locations required to comply with the Indoor Air Quality Management Act, based on the consideration that our employees stay in indoor environments (including homes, offices, or other buildings) for at least eight hours every day and indoor air quality directly affects the working quality and efficiency, the Company pays attention to the impact of indoor air pollutants on human health. Accordingly, in addition to granting subsidies for employees to obtain licenses, we have set the maintenance frequency and measures for the air conditioning system, such as cleaning the filter of the indoor blower, planting indoor/outdoor plants, increasing/decreasing outdoor air circulation based on the air quality provided by the Central Weather Bureau, and moving printers to non-office areas or installing air extractors. For indoor decoration, we request contractors to use materials and paint of the "Green Building Material" to improve the quality of indoor air. Our labor safety unit has purchased portable CO2 detectors and monitors the indoor air quality at all times in order to provide employees with the good air quality.





## 4-4-2 Water Resources Management

The water source for CyberTAN's Hsinchu plant in Taiwan is tap water, and the plant is located in the Hsinchu Science Park. The water source is not from protected areas or watersheds, and is primarily used for research and development purposes, with no process wastewater being generated. Most of the water is for domestic use, as well as for some facility equipment such as cooling towers. Effluents are included in the sewage treatment plants of the Science Park Administration, which will not cause a significant environmental impact on water resources and the ecological environment of the water source; the Vietnam plant is an assembly-type manufacturing plant and the production process only discharges domestic water without factory wastewater. All domestic wastewater is discharged directly to the municipal sewer system, and the final point of the discharge is the sewer management system. After passing the inspection by our third-party vendors, there is no effluent that directly affects the water quality and land. A permit for the discharge of sewage into the drainage system is obtained in accordance with local regulations every year, and regular monitoring is performed. As of the end of 2023, the water discharged from the Vietnam Datong plant, tested by third-party agencies for pH, oxygen content, suspended solids, ammonia nitrogen, total phosphorus, total nitrogen and other chemical contents, met the local regulatory standards for discharge water quality. There were no violations of environmental protection regulations or lawsuits related to significant leaks.

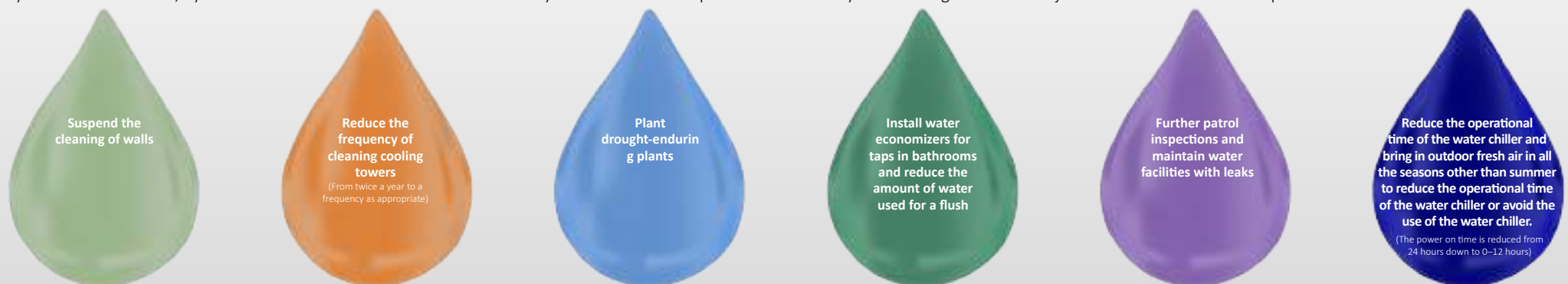
In 2023, the Taiwan plant saw a 6% increase in water usage compared to the previous year, mainly due to the end of remote work after the pandemic, as well as annual cleaning and environmental disinfection. The Vietnam plant experienced a 22% increase in water usage compared to the previous year, attributed to increased orders after the pandemic, the filling of industrial and fire water storage tanks and water use for plant fire drills. Water usage is expected to stabilize in 2024.

Item	Taiwan Plant	Vietnam Plant
<b>Water Stress Index</b>	Medium to Low	Medium to High
<b>Water Source</b>	Baoshan Reservoir	The Red River
<b>Receiving Water Body for Discharge</b>	Keya River	Qiaohe
<b>Wastewater Treatment Unit, Science Park Administration</b>	Wastewater Treatment Plant	Municipal Sewer System
<b>Total Water Withdrawal (tons)</b>	5,442	21,369
<b>Total Water Discharge (tons)</b>	3,224	
<b>Process Wastewater (tons)</b>	0	0
<b>Discharge Water Quality</b>	pH	6.74
	COD	18.14
	SS	4.59
	Oil	-
	Phosphates	-

	Annual Water Consumption Over the Years (tons)			
	2020	2021	2022	2023
<b>Hsinchu Plant</b>	5,598	5,115	5052	5,442
<b>Vietnam Plant</b>	11,497	12,603	17,441	21,369

## Water Conservation Measures and New Plant Water-Saving Plan

The Taiwan plant serves as the R&D headquarters, where water resources are primarily used for general domestic purposes. The Vietnam plant is an assembly-type manufacturing facility, with cooling systems that utilize recycled water. Therefore, CyberTAN's water conservation efforts focus mainly on infrastructure improvements and daily water-saving measures. Major water conservation and improvement measures are as follows:



In the future, the newly constructed Phu Hai plant in Vietnam will feature a domestic wastewater recycling system, which will filter and recycle handwashing and domestic water for use in toilet flushing, thereby increasing the plant's water reuse rate. Additionally, a rainwater collection system is planned, using roof and gutter collection pipes, as well as the natural terrain, to gather rainwater runoff from the roof and ground. After filtration, this water will be used for toilet flushing and landscape irrigation, reducing reliance on daily water supplies. It is estimated that this system could save 12-16% of the annual water consumption.

## Climate Change

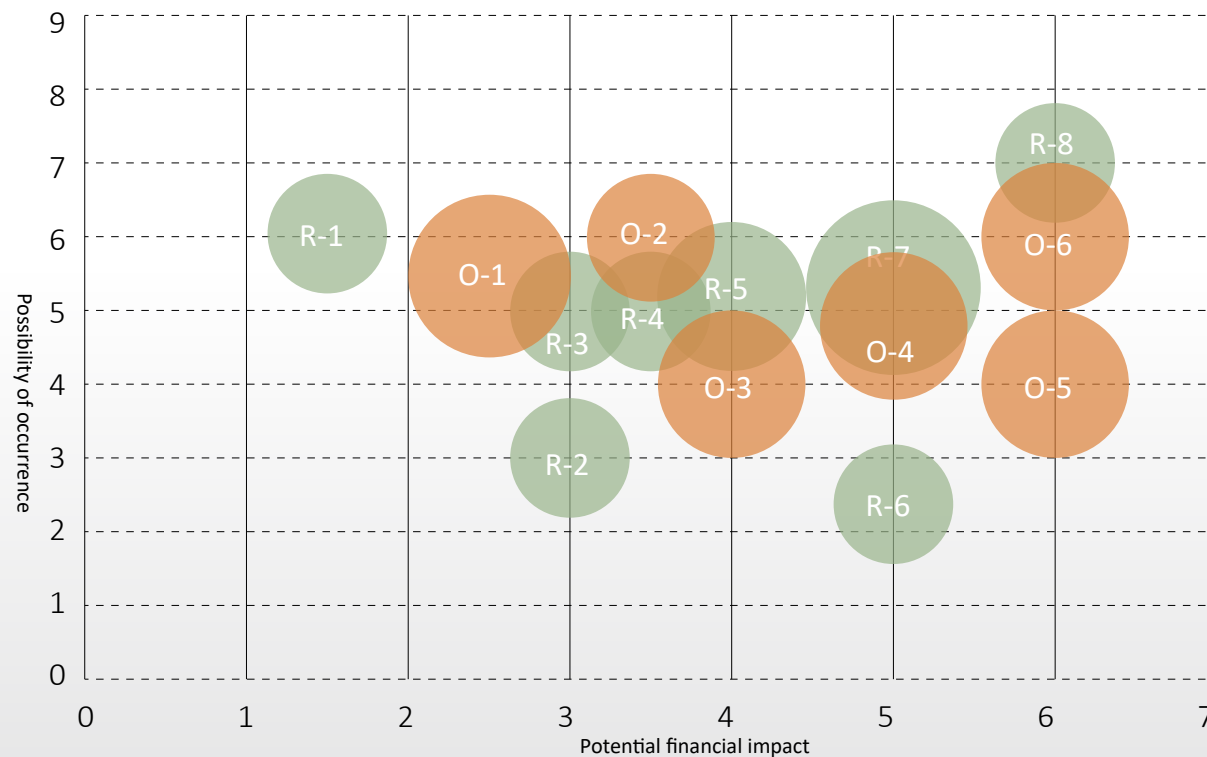
### 4-5 Climate Change

#### 4-5-1 Climate Change Risk Management

CyberTAN adopts the Task Force on Climate-Related Financial Disclosures (TCFD) framework to disclose climate-related information across four key areas. Through discussions within the Sustainability Committee and various working groups, the company identifies climate-related risks and opportunities across operational aspects. It evaluates the potential impacts and financial implications and establishes corresponding management policies and action plans for significant risks and opportunities. This approach strengthens the Company's ability to adapt to climate change.

#### Management Strategy

CyberTAN categorizes its climate-related risks and opportunities into short-term (within 2 years), mid-term (2-6 years) and long-term (beyond 6 years). Each business unit is responsible for identifying potential risks and opportunities related to climate change that could impact the Company's operations. This is done through international research reports, industry trends, and internal and external stakeholder surveys. By planning in advance for these risks and opportunities, CyberTAN can effectively manage and mitigate the potential operational and financial impacts while also identifying related business opportunities.



Risk

- R-1 Increased electricity costs due to government rate hikes
- R-2 Stakeholder concerns and negative feedback
- R-3 Enhanced reporting and disclosure obligations on emissions
- R-4 Rising greenhouse gas emissions pricing
- R-5 Costs of transitioning to a low-carbon economy
- R-6 Increased frequency and severity of extreme weather events
- R-7 Changes in customer behavior and demand
- R-8 Unstable supply of raw materials and rising costs

Opportunity

- O-1 Strengthen sustainable supply chain management
- O-2 Invest in circular economy
- O-3 Implement internal support policies and incentives
- O-4 Secure low-carbon financing and investments
- O-5 Develop and innovate low-carbon products
- O-6 The use of low-carbon and renewable energy

## 4-5-2 Climate Risk Identification

### Climate Risk Identification – Transition Risk

Category	Item	Financial impact	Scope of Impact	Impact level	Responsive strategy
Supply chain	Surge in raw material cost	1. Increase in procurement cost	Short-term	High	1. Establish long-term cooperative relations with suppliers. For suppliers with carbon reduction potential, long-term project cooperation is used to increase suppliers' willingness to invest in the research and development of new materials 2. Ensure the stability of material supply, sign supply guarantees with suppliers, and regularly check the status of materials for dynamic adjustment 3. Use the RoHS-REACH intelligent management platform and conflict mineral investigation to ensure that products are non-toxic, environmentally and socially friendly
	Unstable supply of raw materials	2. Increase in operational cost			
Policy, law and regulation	Government electricity price hike increases electricity costs.	1. Increase in operational cost 2. Decrease in revenue	Medium-term	Medium to high	1. The Company sets the correct direction and links the key performance indicators (KPI) with the internals, and supervises the low-carbon plan 2. Continue to promote carbon reduction measures and gradually extend to the supply chain, and require suppliers to disclose carbon emissions 3. Joining advocacy organizations such as Carbon Disclosure Platform (CDP), Science Based Reduction Target (SBTi), and RE100 4. Sign a renewable energy contract and plan a green power certificate
	Strengthen emissions reporting and declaration obligations.	1. Penalty/litigation	Short to medium term	Medium to high	
	Increase in the price of GHG emissions	1. Increase in operational cost 2. Increase in capital expenditure	Medium-term	Medium	
Market	Changes in customer behavior and demand	1. Decrease in market share and revenue 2. Increase in R&D expenses	Medium- to long-term	Medium	1. Invest in the development of low-carbon and energy-saving products and services 2. Provide green services (e.g. local procurement, maintenance) to reduce carbon emissions during transportation
	Cost of transition to a low-carbon economy Cloud transformation	1. Increase in operational cost 2. Increase in R&D expenses	Medium- to long-term	Low	
Image and Goodwill	Damage to corporate image and reputation Stakeholder concerns and negative feedback	1. Damage to goodwill 2. Capital risk 3. Decrease in orders 4. Increase in operating costs	Medium-term		1. Continue ESG-related activities 2. Participate in external ESG evaluations and win ESG awards

### Climate Risk Identification – Physical Risk

Category	Item	Financial impact	Scope of Impact	Impact level	Responsive strategy
Continuous operation	Flood, typhoon, snowstorm	1. Employees are unable to attend work, production capacity is interrupted, and revenue is reduced 2. Increase in operational cost 3. Increase in capital expenditure 4. Increase in inventory costs	Short to medium term	Medium to low	1. The drainage system shall be dredged regularly 2. Implementation of flood prevention measures (such as raising foundations, adding waterproof gates) 3. According to the information provided by the National Disaster Prevention and Rescue Science and Technology Center, the risk of natural disasters occurring at the plant location is relatively low
	Drought	1. Employees are unable to attend work, production capacity is interrupted, and revenue is reduced 2. Increase in operational cost 3. Increase in capital expenditure 4. Increase in inventory costs	Short to medium term	Medium to low	1. Establish water-saving facilities and recycle rainwater and wastewater 2. Continue to pay attention to the water consumption and the storage status of each reservoir 3. According to the information provided by the National Disaster Prevention and Rescue Science and Technology Center, the risk of natural disasters occurring at the plant location is relatively low

## 4-5-3 Climate Opportunity Identification

### Climate Opportunity Identification

Category	Item	Financial impact	Scope of Impact	Impact level	Responsive strategy
<b>Supply chain</b>	Strengthen sustainable supply chain management	1. Material acquisition	Medium- to long-term	Medium to high	1. Establish a greenhouse gas management platform, and organize supplier education and training to assist suppliers in greenhouse gas inspections 2. Establish the Scorecard system internally to evaluate suppliers' green corporate responsibility and assist the supply chain in the green transformation
	Dedicate to circular economy	1. Acquisition cost for renewable energy 2. Capital expenditure 3. Reduced carbon fee expenditure 4. Increase in operating revenue	Medium- to long-term	Medium to high	1. Cooperate with Hsinchu Science Park to conduct consulting programs 2. Conduct greenhouse gas inventory and related improvement measures 3. Install solar panels on the roof and reclaimed water circulation system in the plants 4. Through data and dashboard management, use renewable energy and reduce energy consumption to manage energy efficiency. 5. Focus on the renewable energy certificate market
<b>Energy efficiency</b>	Low carbon energy and renewable energy usage	1. Acquisition cost for renewable energy 2. Capital expenditure 3. Reduced carbon fee expenditure 4. Increase in operating revenue	Medium-term	High	
	Development and innovation of low-carbon products	1. Increase in R&D expenses 2. Respond to market demands	Medium- to long-term	Medium	1. Invest in education and training and self-learning to equip internal staff with the ability to develop carbon reduction technologies 2. Utilize information technology to innovate marketing and operational resource services and reduce carbon emissions in the process
<b>Products and Services</b>	Obtain low-carbon financing investments	1. Securing financing 2. Investment injection	Medium-term	Medium	1. Continue to develop green and sustainable products and services, and continue to provide education and training to enable internal staff to consciously incorporate green and low-carbon concepts into their work
	Internally supported policies and rewards	1. Securing financing 2. Investment injection	Medium-term	Medium	2. Encourage internal innovation and support various green expenditures
<b>Policy support</b>					





# Social Responsibility

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## Talent Resources

## 5-1 Talent Resources

### 5-1-1 Talent Policy

CyberTAN prioritizes hiring local employees at its production bases and operating sites worldwide. As of the end of 2023, CyberTAN's global workforce totaled 899 employees, all of whom are full-time employees. The global workforce decreased by 451 employees compared to 2022. The number of female employees has increased by 3.3% from 2022. The proportion of local employees hired at CyberTAN's global operating sites reached 98%, with 90% of local employees holding managerial positions. In terms of geographical distribution, approximately 22.6% of the employees are located at the headquarters in Taiwan and 77.4% are located in the United States, China and Vietnam. We hope that through the recruitment and cultivation of local talents, we can root the Company's business globally and create job opportunities for the local talent markets.

### Global Employee Manpower Structure

Employment Category		Work Region					Total	
		Taiwan	Vietnam	China	USA	Columbia	Male	Female
Employment Contract	Non-fixed-term Contract Employees (Permanent Employees)	201	142	12	3	0	219	139
	Fixed-term Contract Employees (Non-permanent Employees)	0	540	0	0	1	287	254
	Total	201	682	12	3	1	899	
Employment Type	Full-time	201	682	12	3	1	506 (56%)	393 (44%)
	Part-time	0	0	0	0	0	0	0
	Total	201	682	12	3	1	899	

### Employee Distribution in 2023

Employee Distribution		Male		Female	
		Number of persons	Percentage to total workforce	Number of persons	Percentage to total workforce
Age	Under the age of 30	260	51.4%	254	64.6%
	Aged 30-50	216	42.7%	132	33.6%
	Above 50 Years Old	30	5.9%	7	1.8%
Region	Taiwan	126	24.9%	75	19.1%
	China	8	1.6%	4	1%
	Vietnam	370	73.1%	312	79.4%
	USA	1	0.2%	2	0.5%
	Columbia	1	0.2%	0	0%

## 5-1-2 Talent Recruitment and Retention

CyberTAN is committed to creating a diverse and inclusive work environment where every employee is respected and treated fairly. We continue to improve internal systems to foster a safe, comfortable and collaborative atmosphere for all employees. In matters related to employment, compensation, rewards and penalties, promotion, and retirement, we strictly prohibit any discrimination based on nationality, skin color, age, gender, sexual orientation, race, disability, pregnancy, religion, political affiliation, participation in social groups or marital status. We firmly believe that every employee's value and dignity should be treated equally and respected fully. CyberTAN, together with all its employees, is committed to building a workplace rooted in mutual trust, inclusivity, and support.

### Talent Recruitment Policy

Policy	Contents
<b>Building a DEI (Diversity, Equity, Inclusion) Culture</b>	We believe that promoting labor-management harmony and creating a friendly workplace are the cornerstones of a happy enterprise. By embracing diverse talents, we provide employees with an international stage for career development, expanding their horizons and career opportunities. At the same time, we actively foster a culture of Diversity, Equity, and Inclusion through four key areas: diverse backgrounds, equal development, work environment and welfare systems.
<b>Eliminating Discrimination Fostering a Friendly and Inclusive Environment</b>	As a socially responsible enterprise, we advocate starting with ourselves, offering diverse employment opportunities, hiring individuals with disabilities and providing fair and reasonable compensation, working conditions and a safe and healthy work environment. The Company ensures equal work opportunities for all employees, eliminates any form of discrimination, and cultivates the awareness of diversity within the Company. A series of seminars is held to enhance the awareness of diversity among employees.
<b>Prohibiting Child Labor</b>	CyberTAN strictly prohibits the use of child labor at all its operational locations. During recruitment, we conduct age verification checks to ensure that no child labor is employed. In certain operating locations, we hire employees who meet the local legal minimum working age to meet production demands.
<b>Ensuring Legal Working Conditions without Forced Labor</b>	Our human rights policy forbids any form of forced labor, including human trafficking, coercion and slavery. All employee contracts are drafted and signed in accordance with local laws, granting employees the right to freely terminate their employment contracts. No additional obligations, such as withholding deposits or identification documents, are imposed. In 2023, there were no instances of forced labor occurring at any of our operating locations.

### Talent Attraction

To attract top talent, CyberTAN has developed a diverse recruitment plan, utilizing job platforms, social media, campus recruitment and regional job fairs to scout potential candidates. Upholding the core value of "Innovation and Sustainability," we actively participate in recruitment events to attract talented individuals from various backgrounds. Through innovative recruitment strategies, we aim to nurture talent and enhance the Company's global competitiveness and

### New Hires in 2023

\* New Hire Rate = (Number of New Hires in the Year / Total Number of Employees for the Year)

Region	Item	2023
Taiwan	No. of New Hires (R&D)	22
	No. of New Hires (Business)	10
	No. of New Hires (Manufacturing)	8
	No. of New Hires (Management)	7
	New Hire Rate (%)	22.6%
Vietnam	No. of New Hires (Manufacturing)	126
	New Hire Rate (%)	18.5%





## Recruited Locally

With the principle of merit-based appointments, CyberTAN actively promotes and develops elite talent from various countries. The goal of "hiring local talent for managerial roles" remains a priority, with different recruitment strategies tailored to the workforce needs of each location. The Company upholds the philosophy of talent localization.

In addition to creating job opportunities at global operating sites, CyberTAN introduces business and management knowledge through training, ensuring that local talent not only acquires essential job skills but also managerial competencies. In 2023, 100% of managerial roles in Taiwan, China and the U.S. were filled by local talent. In Vietnam, the proportion of local talent hired for managerial positions increased by 15% compared to 2022.

## Proportion of Local Hires in Managerial Roles

Item	Region	2023	2022
Percentage of Employees in Managerial Positions	Taiwan	100%	100%
	China	100%	100%
	Vietnam	60%	45%
	USA	100%	100%

Note: The proportion of local employees holding managerial positions refers to section-level supervisors and above.

## Talent Cultivation and Career Development

In response to global development, CyberTAN ensures that talent development continues to support the company's strategic positioning. While pursuing stable corporate profitability, the Company also offers diverse and comprehensive learning resources, allowing employees to excel in their roles and collaborate with the organization in driving innovation and growth. In 2023, CyberTAN's Taiwan plant conducted 39 in-person and online training sessions, with a total of 1,021 participants and 1,036 training hours. In Vietnam, a total of 305 training sessions were held, with 799 total training hours. The average global employee learning satisfaction in 2023 reached 92 out of 100. To align with its global strategy and boost employee learning motivation, CyberTAN has worked diligently to digitize training and established an online learning platform. Through course videos, learning resources are shared globally, and a learning environment is created for employees to be free from restrictions on location, time and space.

In 2023, an annual performance review was conducted, and in the future, plans are in place for bi-annual reviews to track and support employees' career progress. This will ensure equal opportunities for employees to achieve personal fulfillment. Related measures include the review and refinement of promotion systems for different job types, the introduction of relevant training programs (such as professional or general courses) and the establishment of multiple management indicators for regular outcome tracking.

## Talent Retention

Compared to 2022, CyberTAN's overall workforce situation remained stable in 2023. The turnover rate at the Taiwan plant was 15.8%, translating to an average monthly turnover rate of 1.3%, showing significant improvement from the previous three years. However, in Vietnam, due to external environmental factors and intense labor market competition, the Company continues to adjust its talent policies to reduce the turnover rate. Despite the challenging factors within the industry environment, CyberTAN has invested significant efforts in improving employee turnover rates. Based on findings from exit interviews, the primary reasons for employees struggling to adapt to their roles include misunderstandings about working conditions and the environment, as well as difficulty coping with work, learning, and productivity pressures. In response, the Company has developed improvement plans focused on "promoting education and training," "employee care" and "improving the working environment." These plans include initiatives such as "new employee orientation," "diverse general knowledge courses," "90-day new employee care programs," "upgrading office equipment," "wellness massage services" and "club activities." The aim is to facilitate open, two-way communication and proactively care for employees, ensuring that they continue to feel the positive effects of improvements in their working environment.

## Proportion of Local Hires in Managerial Roles

Region	Item	2023	2022	2021	2020
Taiwan	IDL Turnover Rate (%)	15.8%	22.5%	29.9%	35.7%
	DL Turnover Rate (%)	9.81%	11.66%	5.49%	9.23%
Vietnam	IDL Turnover Rate (%)	4.54%	3.86%	2.55%	2.16%

Note: Turnover rate = No. of employees who resigned voluntarily/[(No. of employees at the beginning of the period + No. of employees at the end of the period)/2]





## Remuneration and Welfare Policy

## 5-2 Remuneration and Welfare Policy

CyberTAN is committed to establishing a fair remuneration and benefit policy to attract and retain professional and outstanding talents. At CyberTAN, the remuneration of employees is not affected by personal factors such as gender, race, nationality or age. Employee compensation at the time of hiring is determined based on their professional skills, education and experience. Annual salary adjustments and bonuses are planned in response to external market changes, the Company's operational status and individual performance. CyberTAN offers a competitive compensation system to attract top talent and encourage employees to deliver excellent results. By designing a reasonable link between business performance and employee compensation and making dynamic adjustments according to market conditions and talent demand, the Company ensures that its overall compensation levels remain above industry standards.

### 5-2-1 Remuneration Policy for the Board of Directors and Senior Management Team

The independent directors of the Company receive a fixed remuneration, while other directors are only entitled to meeting attendance fees for each board session. No additional compensation is granted to the directors and none of them receive remuneration. For senior management, the allocation of remuneration to the Company's managers is determined based on Article 20 of the Company's Articles of Incorporation. This is linked to the Company's profitability and annual revenue growth rate, which serves as the basis for calculating their annual compensation. The remuneration of the Company's managers is determined by considering their level of participation in the Company's operations and overall performance evaluation. This evaluation encompasses various aspects, including the implementation of core company values, operational management capabilities, financial and business performance indicators and comprehensive management metrics. Additionally, their continuous learning efforts and involvement in sustainable development are considered, along with any significant contributions or major negative incidents, which are factored into performance assessments and remuneration decisions. Furthermore, the company plans to integrate the performance of senior management with ESG goals this year.

### Ratio of basic salaries and remunerations for women to men Comparison of starting salaries for fresh graduates

Region	Male	Female
Taiwan	1	1
China	1	1
Vietnam	1	1
USA	1	1

Note: Fresh graduate starting salary ratio = Female fresh graduate starting salary / Male fresh graduate starting salary



## 5-2-2 Employee Benefits

CyberTAN is committed to creating an excellent work environment that motivates employees, fosters creativity, and ensures they are fully supported and rewarded. To achieve this, CyberTAN provides a range of welfare measures and, in compliance with regulations, established the "CyberTAN Technology Employee Welfare Committee" (hereinafter referred to as the Welfare Committee). The committee holds regular quarterly meetings to decide on welfare policies and plan various activities, which are then executed by the committee. In addition to birthday and festival gifts, travel subsidies, and health checkup subsidies, the welfare design is also designed to take into account changes in employees' career roles and possible emergencies or accidents in life. The benefits include childbirth, education, marriage, funeral subsidies and other subsidies. In addition to individual subsidies, project-based activities are also planned, including club activities, contracted stores, etc., to fully meet the needs of colleagues of different ages in different plants. CyberTAN places a high value on employee well-being, striving to create a positive workplace culture, and was recognized for these efforts with the Silver Award for Happy Enterprise in 2023.

## Retirement System

CyberTAN has implemented the "Retirement and Resignation Management Policy," which adheres to legal requirements at each operating site. The Company provides contributions to various social insurance schemes, including labor pensions, medical insurance and old-age pensions. For Taiwan-based employees, in accordance with Article 55 of the Labor Standards Act regarding retirement benefits and Article 56 on labor retirement reserves, CyberTAN has established a Pension Reserve Monitoring Committee. The Company makes monthly contributions to the statutory retirement accounts, overseeing pension management and retirement plans. Under the old pension system, 2% of the monthly salary is contributed to the Taiwan Bank's old pension fund for employees with pre-existing pension service years. Currently, the old pension reserve fund totals approximately NT\$70 million. This portion is funded solely by the employer, without employee participation. An actuarial report is commissioned annually to ensure sufficient contributions for employee protection. Since the implementation of the new pension system, CyberTAN has contributed 6% of monthly salaries to individual retirement accounts. In addition to the Company's contribution, employees may voluntarily contribute up to 6% of their salary to their pension account to benefit from tax incentives. In compliance with the "Labor Pension Act," 100% of CyberTAN employees participate in the retirement plan.

## Leave Policy

CyberTAN's leave policy not only complies with Taiwan's Labor Standards Act, Gender Equality in Employment Act, and Regulations of Leave-Taking of Workers but also offers more generous vacation benefits than those legally required. At CyberTAN, employees are entitled to 3 days of special leave immediately upon joining the Company. Additionally, in accordance with the Gender Equality in Employment Act, the Company has established specific leave policies to ensure equal leave rights for all employees, regardless of gender. Female employees may apply for menstrual leave, prenatal checkup leave, maternity leave, miscarriage leave, and breastfeeding time, while male employees can request prenatal checkup leave and paternity leave. Employees who need to care for infants or young children are also entitled to parental leave without pay.



## Unpaid Parental Leave

To support employees in maintaining a work-life balance during the childcare period, CyberTAN offers a flexible parental leave policy. Employees can choose suitable leave periods based on their personal needs while still receiving appropriate salary and benefits. CyberTAN is committed to creating a supportive work environment that promotes the harmony between employees' careers and family lives.

2023	Female Employees				Male Employees		
	Return to work after maternity leave (person)	Return to work after maternity leave (%)	Duration of leave/leave after maternity leave (persons)	No. of employees on leave/leave after maternity leave (%)	Paternity leave (persons)	Returning to work after taking paternity leave (persons)	Returning to work after taking paternity leave (%)
Hsinchu Plant	2	100%	0	0%	3	3	100%
Vietnam Plant	11	22%	0	0%	84	60	71%



## Employee Group Insurance

CyberTAN provides social insurance in accordance with local laws at all operating sites. In both the Taiwan and Vietnam Plants, group insurance plans are also available. From the day of employment, staff receive group insurance coverage, including life insurance, critical illness insurance, accident insurance, medical insurance and cancer insurance, offering comprehensive protection. Employees on leave due to illness or injury continue to enjoy these group insurance benefits. Additionally, the insurance coverage extends to employees' families, offering affordable premium rates for quality protection. For employees on business trips and working overseas, the Company also has exclusive overseas travel insurance plans designed to provide employees with immediate assistance they can trust.



## Massage Stations

CyberTAN integrates charity activities with employee benefits by arranging for visually impaired massage experts to visit the Company monthly, offering professional massage services to employees. In 2023, a total of 144 employees participated in this activity. In addition to in-office massage services, CyberTAN has established a partnership with massage centers run by visually impaired experts, making them company-affiliated stores. This allows employees to enjoy professional massages after work as well.

Through the massage activities, employees not only relax and relieve work-related stress, but they also contribute to society. This initiative spreads warmth and love, embodying the core values of corporate social responsibility.



## Club Activities

CyberTAN offers a variety of club activities, encouraging employees to unwind and have fun outside of work. These activities promote work-life balance, foster connections between employees and enhance teamwork and collaboration.

At present, there are a total of 11 clubs in the Taiwan Plant. The types of club activities are diverse, covering static and sports clubs, such as the Dance Club, Badminton Club, DIY Handcraft Gardening Club and many more. CyberTAN's Employee Welfare Committee provides a club subsidy of NTD 10,000 every quarter to support the operation of clubs and organize activities, making the activities even more vibrant and engaging.



## 5-2-3 Internal Complaints and Communication Channels

At CyberTAN, we firmly believe that transparency and ethical responsibility are the keys to corporate success. To establish effective internal communication channels, CyberTAN's Taiwan Plant holds quarterly labor-management meetings and Welfare Committee meetings, allowing employees and management to share their opinions and ideas directly. In addition, CyberTAN uses various communication channels to convey company policies and development directions to employees. Periodic All-Hands Meetings are held, where the President personally hosts and communicates with all employees. The Vietnam Plant holds the annual union representative conference and quarterly employee seminars to collect suggestions from colleagues and continue to make adjustments to the Company's strategy.

### Welfare Committee Meeting

CyberTAN's Employee Welfare Committee holds regular quarterly meetings to decide on welfare policies and plan activities. These initiatives are then implemented and promoted by the Welfare Committee. In 2023, CyberTAN held a total of 4 Welfare Committee meetings.



Employee welfare planning  
through resolutions

### Labor-Management Meetings

Labor-management relations are coordinated through regular labor-management meetings to promote cooperation and enhance work efficiency. These meetings are held at least once every three months, providing a regular platform for dialogue between both parties, contributing to stable and harmonious labor relations. In 2023, CyberTAN held a total of 4 labor-management meetings.



Labor-management meetings  
to promote cooperation

### Vietnam Union Representative Conference

In Vietnam, the union congress is held each year to communicate with employees on company policies and development directions, to protect the rights and interests of employees through consultations, and to continuously adjust the company strategy to actively implement an effective communication mechanism and establish stable labor relations.



Vietnam Union  
Representative Conference

### Internal Complaint Channels

The internal complaint channel is one of CyberTAN's key communication mechanisms, designed to provide employees with a safe and confidential platform to report and address violations of the code of ethical conduct, integrity management guidelines, as well as incidents of sexual harassment or workplace abuse. To provide a robust internal complaint channel, employees can file complaints or reports with their supervisors or the HR department. There are also designated whistleblower complaint email, sexual harassment complaint hotline, and sexual harassment complaint email. As of the end of 2023, **we received a total of 0 reported cases, including 0 involving ethical behavior issues and 0 involving harassment issues.** CyberTAN firmly believes that respecting employees and fostering effective communication are essential pillars of corporate success. We will continue to strengthen the operation of various communication channels. Through continuous labor-management communication and joint efforts, we ensure that employees' voices are heard and addressed. We believe this enables shared growth and mutual business success.



**Whistleblower Complaint Email**  
[report@cybertan.com.tw](mailto:report@cybertan.com.tw)



**Sexual Harassment Complaint Mailbox**  
[wecare@cybertan.com.tw](mailto:wecare@cybertan.com.tw)



**Sexual Harassment Complaint Hotline**  
**03-5777777 # 58585**



## Occupational Safety and Health

## 5-3 Occupational Safety and Health

### 5-3-1 Occupational Safety and Health Committee

CyberTAN Technology established the ISO 45001 Occupational Safety and Health Management System and obtained the third-party verification. The standard is applicable to all company employees and the suppliers and contractors working at the factory sites. The top executive of health and safety of CyberTAN Technology will participate in the weekly global pandemic and safety production meeting of the Group. The meeting is chaired by the Company Chairman. Each company's top executive of safety will give a topic report each week and the contents include global safety production information, current status of safety production for the Company and each region, safety production encyclopedia (research on outstanding case studies for domestic and overseas safety management and safety technologies; safety management tools and methods). The meeting will also discuss deployment for company-wide major safety production work and resolving major problems of the company. A total of 56 topic reports were made throughout the year. CyberTAN established the Occupational Safety and Health Occupational Health and Safety Committee according to the regulations. The Committee is the highest research organization for health and safety management and the Vice President acts as the Chairperson. The members of the Occupational Safety and Health Committee include occupational health and safety personnel, business department managers, monitoring and directing personnel, occupational safety and health-related engineering technicians, medical personnel engaged in labor health services, and 1/3 of the committee member seats are labor representative of occupational safety and health. CyberTAN convenes an Occupational Safety and Health Committee meeting once in each quarter. The meeting forms one of the communication and interaction channels for the employees and the company on occupational safety and health. It helps to maintain relevant operations of occupational safety and health aspects of each factory site.

### Key Points in the Audit of Occupational Safety and Health

Monthly	<ul style="list-style-type: none"> <li>Industrial safety inspections (performed daily)</li> <li>Occupational health and safety/general hazard education training</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of various automated inspection forms</li> <li>On-site nurse services</li> </ul>
Quarterly	<ul style="list-style-type: none"> <li>Occupational Safety and Health Committee meetings</li> <li>On-site physician services</li> </ul>	<ul style="list-style-type: none"> <li>Drinking water testing</li> </ul>
Semi-annually	<ul style="list-style-type: none"> <li>Work environment assessments</li> <li>Reporting of fire self-defense organization</li> </ul>	<ul style="list-style-type: none"> <li>Emergency response group training, full-site evacuation drill</li> <li>Infrared testing</li> </ul>
Yearly	<ul style="list-style-type: none"> <li>Health protection plan execution (abnormal load, maternal protection, ergonomic hazards, unlawful harm)</li> <li>Automatic occupational health and safety inspections</li> </ul>	<ul style="list-style-type: none"> <li>Formulation and implementation of various occupational safety and health management plans</li> <li>Annual employee health check-ups</li> </ul>
As needed	<ul style="list-style-type: none"> <li>Contractor management (to be filled out by contractors before entering the plant)</li> <li>Accident investigation</li> </ul>	<ul style="list-style-type: none"> <li>Contractor temporary entry management</li> <li>Occupational safety certificate verification</li> </ul>

## 5-3-2 Safety and Health Policy

CyberTAN pursues the goals of zero injuries, zero occupational diseases, and zero accidents under the principles of respecting and caring for labor health and safety while making continuous improvements to create the best workplace for all employees. We work hard in implementing the following matters:

- We follow domestic occupational health and safety regulations and other requirements, along with the goal of preventing harm and unhealthiness based on international standards, advanced technologies and optimal practices as benchmark, we operate our facilities safely to protect our employees.
- Install a comprehensive health and safety management system. Under this system structure, identify, evaluate, and control related risks to health and safety. Concurrently, we provide employees sufficient communications and means of participating and consulting in health and safety activities.
- Through complete and comprehensive education and training, we enhance the health and safety awareness of employees.
- Strengthen emergency response preparation and develop business continuity plans to equip the Company with the ability to response to any impacts.

## Safety Inspections

CyberTAN implemented daily, monthly, and special safety inspections at each factory to promote occupational safety and health work. In 2023, 25 safety hazards were identified at the Taiwan Plant, and 617 at the Vietnam Plant. All hazards were corrected within the required timeframes after inspection, with a 100% rectification rate. Rate of hidden dangers is 100%.

Inspection Categories	Item Description	Inspection Hazard Count
Category C warehouse and information security	Added hazard labels, improved non-compliant labels, data center control	43
Hazardous chemicals and gas safety	Safe storage of hazardous chemicals, separation of temporary materials and proper storage locations	67
Process safety	Safety control of SMT and other manufacturing processes	12
Fire safety	Fire hydrant labels, fire extinguisher pressure level and unobstructed fire escape routes	80
Electrical safety	Electrical safety control requirements in work areas	76
Management and training	Management and control of education, training and emergency rescue measures	195
Operations and equipment safety	Addition of first aid kits, AEDs, location of floor plans, smoke escape bag and safety equipment management	169

## Occupational Safety and Health Education and Training

In accordance with the "Occupational Safety and Health Education Rules," new employees undergo orientation training to ensure compliance with regulations. This training fosters safety and health awareness among employees and equips them with basic disaster prevention skills, enhancing their safety awareness and reducing the incidence of workplace accidents. New employees are also guided through key areas and environmental introductions throughout the entire plant. In 2023, the Taiwan Plant conducted occupational safety and health education training for 39 new employees, totaling 117 training hours. In 2023, the Vietnam Plant conducted 12 fire safety and occupational safety awareness training sessions, with a total of 400 participants.

## Occupational Safety and Health License Training

According to the "Occupational Safety and Health Education and Training Rules," training for on-the-job occupational safety and health was completed based on job nature, ensuring that employees are familiar with relevant laws and regulations. Recertification for required licenses was completed within the necessary timeframe.



## Emergency Response Drill

The accident simulation emergency response practice drill is conducted every half a year based on different scenarios. Five major fire prevention response groups were drawn up and they are the report, fire extinguishing, safety protection, emergency evacuation routes, and rescue group. Each group conducts the respective training courses and evacuation practice drill for the entire factory site. The training and drills enable employees to avoid accidents and minimize injuries and deaths when hazards occur, protecting the safety of employees. All employees of the Taiwan Plant participated in the annual evacuation drill. The drill simulated a scenario in which one escape exit was blocked, requiring participants to choose alternate exits. All employees completed the evacuation, assembly and roll call within 8 minutes.



Taiwan Plant Simulated Disaster  
Emergency Response Drill

In 2023, the Vietnam Plant cooperated with the Bac Ninh Provincial Department of Public Security and Fire Protection to conduct a fire safety exercise with a total of 680 participants. A total of 680 people participated in the exercise, and 12 fire prevention training activities were held. After the fire alarm, all personnel evacuated according to the signage, with the evacuation time recorded at 75 seconds. The training sessions had a total of 400 participants.

Last year, CyberTAN's Vietnam factory was awarded second place in the fire safety inspection of the Dai Dong-Hoan Son Industrial Park and was recognized as an outstanding unit in fire safety in Bac Ninh Province. It also ranked fifth in a comprehensive fire safety evaluation among over 7,000 companies.



Vietnam Plant Simulated Disaster  
Emergency Response Drill

## Occupational Safety and Health Achievements in 2023

### Taiwan Plant (R&D Headquarters)

**01 0 occupational safety incidents**

#### Health Checkups

- Provide employees with **1** advanced health examination per year (subsidy of NTD 10,000/employee)

**02 0 environmental leaks**

#### Environmental Monitoring

- **4** drinking water tests
- **2** workplace environment tests

**03 0 chemical safety incidents**

- Total chemicals used: **30** kg
- Solvent disposal: **0** kg (the plant only uses cleaning agents, no solvent waste)

**04 0 environmental leaks**

- **25** internal audit hazards, with a 100% hazard rectification rate
- **0** occupational accident cases
- **2** occupational accidents (including traffic accidents)

### Vietnam Plant (manufacturing plant)

**01 0 occupational safety incidents**

#### Occupational Health Examinations

- **75** pre-employment health checks
- **27** on-the-job health checks

**02 0 environmental leaks**

#### Environmental Monitoring

- **4** emission monitoring tests
- **4** clean water quality tests
- **2** drinking water tests
- **1** occupational hygiene and labor environment test

#### Occupational Hazard Testing

- **32** employee health tests
- **2** radiation machine tests

**03 0 chemical safety incidents**

- **2** chemical handling drills conducted
- Total chemicals used: **30.3** kg
- Solvent disposal: **0** kg (the plant only uses cleaning agents, no solvent waste)

**04 0 environmental leaks**

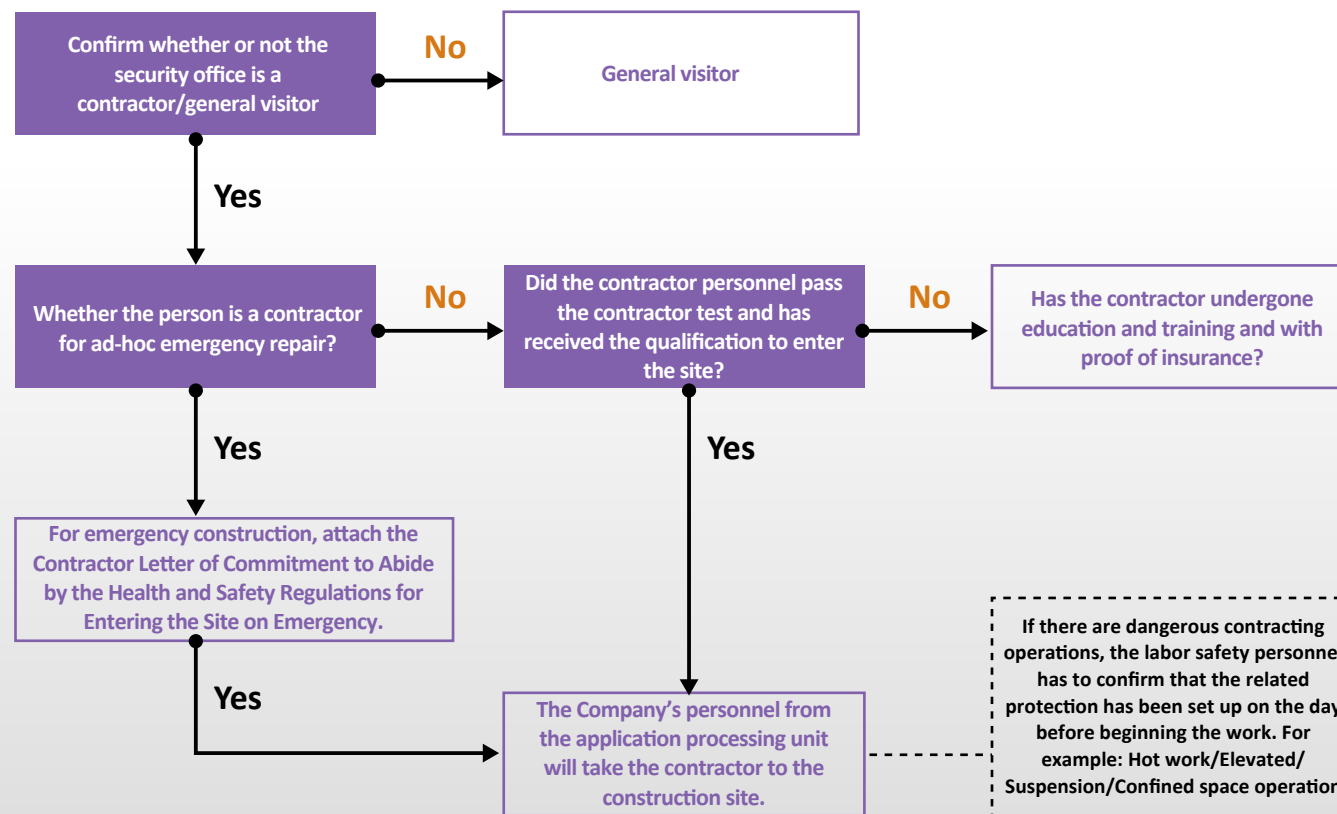
- **730** internal audit hazards, with a **100%** hazard rectification rate
- **3** minor work-related injury incidents



## 5-3-3 Contractor Health and Safety Management

Contractors are important collaborative partners of the company. The health and safety management ensures the work environment safety of the contractor and its employees. The procedures on contractor health and safety, and education and training are established based on applicable Occupational Safety and Health Act and regulations. Several high risk processes have been established, such as the processes for hot work/elevated/suspension/confined space operation. The process for contractors and general visitors entering the facility has been digitized through an online QR code system, which is complemented by unscheduled on-site inspections to reinforce safety measures during contractor operations. This year, a total of 117 contractors have completed the required training.

### Contractor / General Visitor Factory Entry and Construction Application Procedures



Please send the Construction Permit Application Form to the occupational safety office at least three days prior to complete the process.

The following information needs to be attached along with the contractor construction application:

1. Notice on the contractor designated labor health and safety management personnel.
2. Contractor Letter of Commitment to Abide by the Health and Safety Regulations.
3. Notice on the contractor construction safety process.
4. Contractor notice on hazards and construction process permit.
5. Contractor agreement on organizing meetings.
6. Labor insurance or other commercial insurance proof.
7. Provide a name list of the construction personnel for the labor safety to confirm personnel who can enter the factory.

Check the Contractor Training Qualification Name List before entering the site. Where there is insufficient information about the contractor, **the person is not allowed to enter**. If you have any questions, please contact Allen at 51301 directly.



## 5-3-4 Health Promotion

### Employee Health and Safety Management

#### On-site Medical Personnel

We provide on-site healthcare services with nurses twice a month and a physician once every quarter. Both nurses and physicians are qualified through review processes and have completed the necessary reporting procedures on the "Labor Health Protection Information Network." We also promote a smoke-free environment and organize various health promotion activities to encourage a healthy lifestyle among our employees.

#### Employees Health Examination

In 2023, the Company partnered with more than eight accredited medical institutions specializing in "Labor Physical and Health Examination" across Hsinchu, Taipei, and Taichung, offering employees a wide range of options for professional health examinations to provide our employees with annual health check-ups, exceeding regulatory requirements, which demonstrates our caring for employee. We also conduct periodic health knowledge campaigns to promote medical concepts, empowering our employees to take charge of their own health. This creates a healthy work environment and atmosphere where our employees receive the best care. The analysis and follow-up of health check-up data further protect employee's health, both directly and indirectly enhancing their productivity. We remain dedicated to our ongoing efforts to achieve the goal of a "healthy workplace."

#### Healthcare

1. The Company has set up a lactation room on the third floor to provide a comfortable space for nursing mothers to breastfeed while at work. We aim to support more mothers in their breastfeeding journey, allowing them to do so with ease and happiness in the workplace. This effort was awarded the title of "Breastfeeding-Friendly Workplace" by Hsinchu County.
2. We have also installed an AED (Automated External Defibrillator) to provide employee with an extra layer of reassurance, convenience and an emergency lifesaving device.
3. Friendly parking spaces have been designated, with the spots closest to the elevators reserved to provide a convenient and supportive work environment. These spaces are intended for pregnant employees, individuals with mobility challenges, or those with disabilities, helping to create a comfortable and inclusive workplace.

#### Health Campaign and Promotion Seminars

To help employees enhance their health literacy, the Company has planned to periodically use video materials and organize in-person courses to communicate health information in a way that is easier to understand. This approach helps employees clarify information and choose practices that benefit their health, thus improving their self-care abilities. Additionally, health promotion information is regularly shared in a dedicated section on the Company's homepage, encouraging employees to stay mindful of their physical condition and keep informed on relevant health topics, thereby boosting overall health awareness. In 2023, the Company organized two seminars: "Understanding Healthy Eating" and "Office Stretching Exercises," with a total of 72 participants.

In 2023, we signed up for the Healthy Workplace certification from the National Health Administration and obtained the "Health Promotion Mark – Small and Medium Workplace" certification.



Health Promotion  
Seminars



CyberTAN's Taiwan Plant was awarded  
the Healthy Workplace Certification

## Social Participation

## 5- 5 Social Participation

### Mountain Cleanup › Employees voluntarily participated in a charitable mountain cleanup event

The initiative combined professional efforts with the Hsinchu County Search and Rescue Association to participate in this charitable activity. By actively engaging in this effort, participants gained firsthand experience of their impact on the environment and reflected on the importance of forest sustainability.

**A total of 10 kg of waste  
was cleaned up**



The blood donation center offers basic health checks for donors, including free tests for blood type, blood pressure, liver function, hepatitis B, hepatitis C and virus screenings. In 2023, three blood donation events were held. A total of 79 people participated and a total of 125 bags of blood (250cc/bag) were donated.

**A total of 30,000 cc of  
blood was donated**

### Charitable Blood Donation › Blood donation vehicles visited the plant for blood collection

### Eco-friendly Planting › Landscaping walls made from waste

The CyberTAN Gardening Club repurposed discarded solar-powered pallets to create a beautification flower wall, adding a touch of green to the cement surroundings. This initiative aims to slow down employees' pace and promote the concept of "sustainable environment," creatively extending the beauty of nature into the workplace.

**A total of 162 kg of pallets  
were recycled**



CyberTAN cares for and promotes the physical and mental well-being of its employees. In 2023, the Company organized a weight loss health promotion activity. A total of 59 participants joined the individual category, while 14 teams participated in the group category. Results of the competition: The total initial weight of participants: 4557.9 kg; The total weight after the program: 4200.5 kg

**A total of 357.4 kg of body  
weight was lost**

### Corporate Weight Loss Initiative › Corporate Responsibility Employee Weight Reduction



## Internal Sustainability Initiatives

### ESG Initiatives

In 2024, CyberTAN hosted its first ESG Sustainability Initiative series, integrating sustainability topics into the corporate culture and actively promoting employee participation through an ESG unit briefing session. The goal was to ensure that 100% of employees were engaged in sustainability issues.

The first ESG Sustainability Initiative series consisted of two key activities. ESG Knowledge Quiz Challenge: This daily quiz aimed to enhance employees' understanding of ESG topics and global trends while fostering a habit of integrating ESG into their daily work. Participation in this 30-day challenge reached 90%.

ESG Innovation Idea Competition: Employees were encouraged to propose innovative solutions to sustainability challenges. The best ideas were submitted to the Sustainability Committee for real-world implementation, inspiring employees to "believe they can create change" and further advancing the Company's journey towards sustainability.

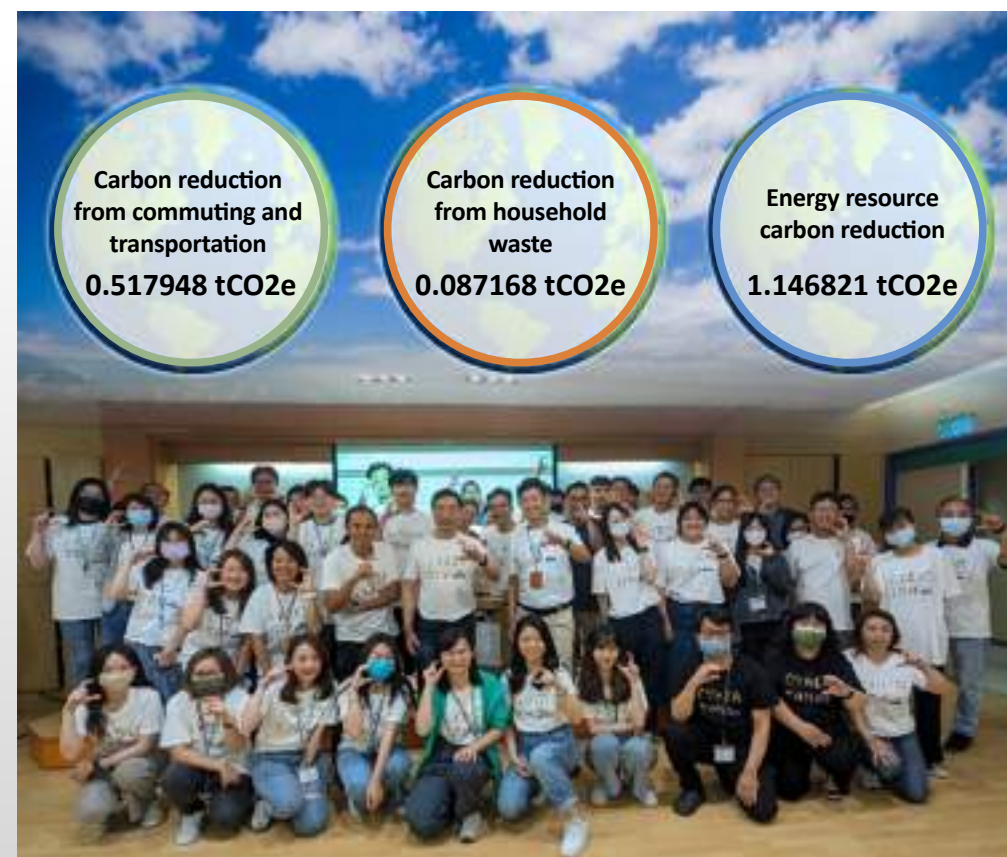


## 5-5 Internal Sustainability Initiatives

### Earth Day

CyberTAN responds to Earth Day, held annually on April 22, to raise public awareness of environmental protection. To align with Earth Day's philosophy and enhance employee environmental consciousness, CyberTAN organized a one-day Work From Home (WFH) initiative, supporting low-carbon office practices to love and protect the Earth!

### CyberTAN Employee One-Day WFH Low-Carbon Performance



# Appendix 1 SASB Standards Comparison Table

Topic Disclosures	Disclosure index	Nature	Index Number	Report contents or explanation	Corresponding Chapter
<b>Water Resources Management</b>	(1) Total water intake and percentage of high water-stress regions	Quantify	TC-ES-140a.1	(1) Total water withdrawal in Taiwan was 5,442 tons, with total water consumption of 5,355 tons, and 0% of the water came from high water stress areas.	Water Resources Management P.52
	(2) Total water consumption and percentage of high water-stress regions			(2) Total water withdrawal in Vietnam was 21,369 tons, with total water consumption of 21,369 tons and 0% of the water came from high water stress areas.	
<b>Waste Management</b>	Ratio of hazardous waste generated and recycled in the manufacturing process	Quantify	TC-ES-150a.1	The hazardous waste generated in the Taiwan plant was 1.21 tons, with a recovery rate of 94%, while the hazardous waste generated in the Vietnam plant was 13 tons, with a recovery rate of 89.6%.	Waste management P.51
<b>Labor practice</b>	(1) Shutdown frequency	Quantify	TC-ES-310a.1	(1) No employee strikes or work stoppages occurred in 2023	-
	(2) Total idle days			(2) No idle days because of employee strikes or work stoppages occurred in 2023	
<b>Labor working conditions</b>	(1) TRIR of full-time employees	Quantify	TC-ES-320a.1	(1) Total Recordable Incident Rate (TRIR) of full-time employees is 0	Occupational safety and health P.66
	(2) NMFR of full-time employees			(2) Near Miss Frequency Rate (NMFR) of full-time employees is 0 *No contract employees	
	(1) The percentage of factories that have completed RBA VAP audits and the high-risk ratio	Quantify	TC-ES-320a.2	(1) The percentage of factories that have completed RBA VAP audits is 100% (Audited in May 2024)	-
	(2) The percentage of first-tier supplier factories that have completed RBA VAP audits and the high-risk ratio			(2) The percentage of key electronic suppliers' factories that completed the RBA VAP audit is %, with % categorized as high-risk.	
	(1) In the RBA VAP non-compliance rate, the ratio of priority non-compliance issues and other non-compliance issues occurring in both self and first-tier suppliers	Quantify	TC-ES-320a.3	(1) Audited in 2024/5, the final ratio has not yet been confirmed.	-
	(2) The ratio of self and first-tier suppliers that have implemented RBA VAP corrective actions			(2) % for key electronics supplier factories; % for corrective actions	
<b>Product lifecycle management</b>	Percentage of recycling weight of discarded products and electronic waste	Quantify	TC-ES-410a.1	In accordance with the Hsinchu Science Park waste management regulation, all products from CyberTAN Technology are required to be reported as scrap and recycled at a rate of 100%	Waste management P.51
<b>Materials purchasing</b>	Describe risk management method of using critical materials	Discussion and analysis	TC-ES-440a.1	(1) According to client's requirement, 100% free of conflict minerals in use	Green Procurement P.43 Hazardous Substances P.48
				(2) 100% completion of the RoHS and REACH restricted/prohibited substances investigation.	
<b>Activity index</b>	Production site count	Quantify	TC-ES-000.A	CyberTAN Technology Hsinchu headquarters, Vietnam Tatung plant	Company Profile P, 5
	Production facility area	Quantify	TC-ES-000.B	25,489.4 m2	
	Number of employees	Quantify	TC-ES-000.C	899 personnel (as of December 31, 2023, include CyberTAN Taiwan, Vietnam, Chongqing, USA employees)	



# Appendix 2 GRI Standards Comparison Table (1)

<b>Statement of Use</b>	CyberTAN followed the GRI (Global Reporting Initiative) standards to publish its 2023 Sustainability Report, with the data covering the period from January 1, 2023, to December 31, 2023.
<b>Version used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standards</b>	None

## GRI2 General Disclosure 2021 (1)

GRI Standards	Disclosure Item	Corresponding Chapter	Report contents or explanation	Page number
Organization and reporting practice				
2-1	Detail organization information	About the Sustainability Report		2
		1-1 Company Overview		5
2-2	Entities included in the organization’s sustainability reporting.	About the Sustainability Report		2
2-3	Reporting period, frequency and contact person	About the Sustainability Report	No restatements of information	2
2-4	Restatements of information	About the Sustainability Report	No third-party assurance	2
2-5	External verification/assurance	About the Sustainability Report		2
Activities and workers				
2-6	Activities, value chain and other.	1-1 Company Overview		5
2-7	Employees	3-5 Supplier Management		41
2-8	Non-employee worker	5-1 Talent Resources		57
		5-1 Talent Resources		57
Governance				
2-9	Governance structure and composition	1-2 Sustainability Management		9
		3-1 Board of Directors		26
2-10	Nomination and selection of the top governance unit.	3-1 Board of Directors		26
2-11	Chairperson of the top governance unit.	3-1 Board of Directors		26
2-12	The role of the top governance unit in monitoring impact management.	1-2 Sustainability Management		9
		3-1 Board of Directors		26
2-13	Responsible person for impact management.	1-2 Sustainability Management		9
		3-1 Board of Directors		26
2-14	The role of the top governance unit in sustainability reporting.	1-2 Sustainability Management		9
		3-1 Board of Directors		26

# Appendix 2 GRI Standards Comparison Table (2)

## GRI2 General Disclosure 2021 (2)

GRI Standards	Disclosure Item	Corresponding Chapter	Report contents or explanation	Page number
2-15	Conflicts of interests	3-1 Board of Directors		26
2-16	Communicate on key material events.	3-1 Board of Directors		26
2-17	Group knowledge of the top governance unit.	3-1 Board of Directors		26
2-18	Performance evaluation of the top governance unit.	3-1 Board of Directors		26
2-19	Remuneration policy	5-2 Remuneration and Welfare Policy	Corresponding material topic – Remuneration and Welfare	60
2-20	Remuneration decision procedures	5-2 Remuneration and Welfare Policy	Corresponding material topic – Remuneration and Welfare	60
2-21	Annual Total Compensation Ratio	5-2 Remuneration and Welfare Policy	Cannot be disclosed due to salary confidentiality regulations	-
<b>Strategy, Policy and Practice</b>				
2-22	Sustainability development strategy statement	About the Sustainability Report 1-2 Sustainability Management – Sustainable Vision		2 10
2-23	Policy commitment	1-2 Sustainability Management – Ethical Corporate Management 5-1 Talent Resources – Talent Policy 5-2 Remuneration and Welfare Policy 5-1 Talent Resources – Recruitment and Appointment	Corresponding material topic – Remuneration and Welfare	11 57 60, 61 58
2-24	Incorporate policy commitment	1-2 Sustainability Management – Ethical Corporate Management 5-1 Talent Resources – Talent Policy 5-2 Remuneration and Welfare Policy 5-1 Talent Resources – Recruitment and Appointment	Corresponding material topic – Remuneration and Welfare	11 57 60, 61 58
2-25	Remediation procedure for negative impact	3-3 Risk Management 4-5 Climate Change	Corresponding material topic- Risk Management	30, 31 53
2-26	Mechanism for seeking advice and reporting concerns	3-3 Risk Management 2-1 Stakeholder Identification and Communications	Corresponding material topic- Risk Management	30, 31 17, 18, 19
2-27	Legal Compliance	1-2 Sustainability Management – Ethical Corporate Management 1-2 Sustainability Management – Legal Compliance 1-3 Operational Performance – Respect Market Mechanism 1-3 Operational Performance – Tax Policy 3-1 Board of Directors – Internal Audit 4-1 Environmental Management 5-3 Remuneration and Welfare Policy – Employee Benefits 5-4 Occupational Safety and Health		11 12 14 15 29 45 61 63
2-28	Membership of associations	3-1 Board of Directors – Association Participation		28
<b>Stakeholder engagement</b>				
2-29	Stakeholder engagement approach	2-1 Stakeholder Identification and Communications		17, 18, 19
2-30	Collective bargaining agreement	None	No negotiation agreement has been signed with a union or collective	-

# Appendix 2 GRI Standards Comparison Table (3)

Company  
Operations and  
Development

Stakeholders

Corporate  
Governance

Environmental  
Protection

Social  
Responsibility

Appendix

## GRI 3 Material Topics 2021

GRI Standards	Disclosure Item	Corresponding Chapter	Report contents or explanation	Page number
<b>Material topic disclosure</b>				
3-1	Identification process of material topic	2-2 Procedures for Identification of Material Topics 2-3 Identification of Material Topics	Identification process description	20 21
3-2	List of material topic	2-4 Material Topics and Value Chain 2-5 Management of Material Topic	List of material topic and boundary identification	22 23, 24
3-3	Management of material topic	2-4 Material Topics and Value Chain 2-5 Management of Material Topic		22 23, 24

## GRI 200 Economic Topics (1)

GRI Standards	Disclosure Item	Corresponding Chapter	Report contents or explanation	Page number
<b>GRI 201 Corporate Governance 2016</b>				
201-1	Direct economic value generated and distributed	1-1 Company Profile – Product R&D and Innovation 1-3 Operational Performance – Financial Performance	Please refer to the 2023 annual report and financial statements for complete financial information	7 13
201-2	Financial impacts and other risks and opportunities arising from climate change	4-5 Climate Change	Corresponding Material Topic- Greenhouse Gas Management	53, 54, 55
201-3	Defined benefit plan obligations and other retirement plans	5-2 Remuneration and Welfare Policy	Corresponding Material Topic- Remuneration and Welfare	61
201-4	Financial assistance received from government	1-3 Operational Performance – Government Subsidies		15
<b>GRI 202 Market presence 2016</b>				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	5-2 Remuneration and Welfare Policy	Cannot be disclosed due to salary confidentiality regulations	-
202-2	Proportion of senior management hired from the local community at significant locations of operation	5-1 Talent Resources – Recruitment and Retention	Recruited Locally	59
<b>GRI 203 Indirect economic impacts 2016</b>				
203-1	Developments and impacts of investments in basic facilities and support services	4-3 Energy and Greenhouse Gas Management	Environmental Investment Plan for New Plants	49
203-2	Significant indirect economic impact	1-1 Company Profile – Product R&D and Innovation 1-1 Company Profile – Intelligent Property Management 3-3 Customer Management – Inventory Level Management	Corresponding Material Topic- Intellectual Property Management Corresponding Material Topic- Inventory Level Management	7 8 35
<b>GRI 204 Procurement practices 2016</b>				
204-1	Percentage of procurement expenditures from local suppliers	3-5 Supplier Management	Corresponding Material Topic- Sustainable Supply Chain	40
<b>GRI 205 Anti-corruption 2016</b>				
205-1	Operations assessed for risks related to corruption	1-2 Sustainability Management – Ethical Corporate Management		11
205-2	Communication and training on anti-corruption policies and procedures	1-2 Sustainability Management – Ethical Corporate Management		11
205-3	Confirmed incidents of corruption and actions taken	No relevant information	No occurrence of corruption events.	-

# Appendix 2 GRI Standards Comparison Table (4)

## GRI 200 Economic Topics (2)

GRI Standards	Disclosure Item	Corresponding Chapter	Report contents or explanation	Page number
<b>GRI 206 Anti-competitive behavior 2016</b>				
206-1	Legal actions involving anti-competitive behavior, anti-trust and monopoly practice.	1-3 Operational Performance – Respect Market Mechanism	Tax Risk Management	14
<b>GRI 207 Tax 2019</b>				
207-1	Tax guidelines	1-3 Operational Performance – Tax Policy		15
207-2	Tax governance, control and risk management	1-3 Operational Performance – Tax Policy		15
207-3	Stakeholder communications and management for tax-related topics	1-3 Operational Performance – Tax Policy		15
207-4	Reports by country	No relevant information		-

## GRI 300 Environmental Topics (1)

GRI Standards	Disclosure Item	Corresponding Chapter	Report contents or explanation	Page number
<b>GRI 301 Materials 2016</b>				
301-1	Weight or volume of materials used	4-1 Environmental Management – Green Products	The scope of product data is for the SMB business unit	46
301-2	Use of recycled and re-used materials	4-1 Environmental Management – Green Products	The scope of product data is for the SMB business unit	46
301-3	Recycled products and their packaging materials	4-1 Environmental Management – Green Products	The scope of product data is for the SMB business unit	46
<b>GRI 302 Energy 2016</b>				
302-1	Energy consumption within the organization	4-3 Energy and Greenhouse Gas Management	Corresponding Material Topic- Greenhouse Gas Management	49
302-2	Energy consumption outside of the organization	No relevant information	Corresponding Material Topic- Greenhouse Gas Management	-
302-3	Energy intensity	No relevant information	Corresponding Material Topic- Greenhouse Gas Management	-
302-4	Reduction of energy consumption	4-3 Energy and Greenhouse Gas Management	Corresponding Material Topic- Greenhouse Gas Management	46
302-5	Reductions in energy requirements of products and services	4-1 Environmental Management – Green Products	The scope of product data is for the SMB business unit	46
<b>GRI 303 Water and effluents 2018</b>				
303-1	Interactions with water as a shared resource	4-4 Mitigating Environmental Impacts – Water Resources Management		52
303-2	Management of water discharge-related impacts	No relevant information		-
303-3	Water withdrawal	4-4 Mitigating Environmental Impacts – Water Resources Management SASB Standard Comparison Table		52
303-4	Water discharge	4-4 Mitigating Environmental Impacts – Water Resources Management		52
303-5	Water consumption	4-4 Mitigating Environmental Impacts – Water Resources Management SASB Standard Comparison Table		52
<b>GRI 305 Emissions 2016</b>				
305-1	Direct (Scope 1) GHG emissions	4-3 Energy and Greenhouse Gas Management	Corresponding Material Topic- Greenhouse Gas Management	50
305-2	Energy indirect (Scope 2) GHG emissions	4-3 Energy and Greenhouse Gas Management	Corresponding Material Topic- Greenhouse Gas Management	50
305-3	Other indirect (Scope 3) GHG emissions	4-3 Energy and Greenhouse Gas Management	Corresponding Material Topic- Greenhouse Gas Management	50
305-4	GHG emissions intensity	4-3 Energy and Greenhouse Gas Management	Corresponding Material Topic- Greenhouse Gas Management	50
305-5	Reduction of GHG emissions	4-3 Energy and Greenhouse Gas Management	Corresponding Material Topic- Greenhouse Gas Management	50



# Appendix 2 GRI Standards Comparison Table (5)

## GRI 300 Environmental Topics (2)

GRI Standards	Disclosure Item	Corresponding Chapter	Report contents or explanation	Page number
305-6	Emissions of ozone-depleting substances (ODS)	No relevant information	Corresponding Material Topic- Greenhouse Gas Management	-
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant gas emissions	No relevant information	Corresponding Material Topic- Greenhouse Gas Management	-
<b>GRI 306 Waste 2020</b>				
306-1	Waste generation and significant waste-related impact	4-4 Mitigating Environmental Impacts – Waste Management		51
306-2	Management of significant waste-related impact	4-4 Mitigating Environmental Impacts – Waste Management		51
306-3	Waste generation	4-4 Mitigating Environmental Impacts – Waste Management		51
306-4	Waste disposal and transfer	4-4 Mitigating Environmental Impacts – Waste Management		51
306-5	Direct disposal of waste	4-4 Mitigating Environmental Impacts – Waste Management		51
<b>GRI 308 Supplier Environmental Assessment 2016</b>				
308-1	New suppliers that were screened using environmental criteria	3-6 Supplier Management	Corresponding Material Topic- Sustainable Supply Chain	41, 42
308-2	Negative environmental impacts in the supply chain and actions taken	3-6 Supplier Management	Corresponding Material Topic- Sustainable Supply Chain	41, 42

## GRI 400 Social Topics (1)

GRI Standards	Disclosure Item	Corresponding Chapter	Report contents or explanation	Page number
<b>GRI 401 Employment 2016</b>				
401-1	New employee hires and employee turnover	5-1 Talent Resources – Recruitment and Retention	Corresponding material topic – Talent recruitment and appointment	58, 59
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5-2 Remuneration and Welfare Policy	Corresponding material topic – Remuneration and Welfare	61, 62
401-3	Parental leave	5-2 Remuneration and Welfare Policy		61
<b>GRI 402 Labor–Management Relations 2016</b>				
402-1	Minimum notice periods regarding operational changes	5-1 Talent Resources – Recruitment and Retention		58
<b>GRI 403 Occupational Safety and Health 2018</b>				
403-1	Occupational safety and health management system	5-3 Occupational Safety and Health		64
403-2	Hazard identification, risk assessment, and incident investigation	5-3 Occupational Safety and Health		66
403-3	Occupational health services	5-3 Occupational Safety and Health		64
403-4	Worker participation, consultation, and communication on occupational safety and health.	5-3 Occupational Safety and Health		64
403-5	Worker training on occupational safety and health.	5-3 Occupational Safety and Health		65
403-6	Promotion of worker health	5-3 Occupational Safety and Health – Health Promotion		68
403-7	Prevention and mitigation of occupational safety and health impacts directly linked by business relationships.	No relevant information		-
403-8	Workers covered by an occupational safety and health management system.	5-3 Occupational Safety and Health		64, 67
403-9	Work-related injuries	5-3 Occupational Safety and Health		66
403-10	Work-related ill health	5-3 Occupational Safety and Health – Health Promotion		66

# Appendix 2 GRI Standards Comparison Table (6)

Company  
Operations and  
Development

Stakeholders

Corporate  
Governance

Environmental  
Protection

Social  
Responsibility

Appendix

## GRI 400 Social Topics (2)

GRI Standards	Disclosure Item	Corresponding Chapter	Report contents or explanation	Page number
<b>GRI 405 Diversity and Equal Opportunity 2016</b>				
405-1	Diversity of governance bodies and employees	3-1 Board of Directors (including members of the Board) 5-1 Talent Resources – Talent Policy		26 57
405-2	Ratio of basic salary and remuneration of women to men	5-2 Remuneration and Welfare Policy	Corresponding material topic – Remuneration and Welfare	60
<b>GRI 305 Non-discrimination 2016</b>				
406-1	Incidents of discrimination and corrective actions taken	5-1 Talent Resources – Recruitment and Retention		58
<b>GRI 408 Child Labor 2016</b>				
408-1	Operations and suppliers at significant risk for incidents of child labor	5-1 Talent Resources – Recruitment and Retention		58
<b>GRI 409 Forced or Compulsory Labor 2016</b>				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5-1 Talent Resources – Recruitment and Retention		58
<b>GRI 410 Security Practices 2016</b>				
410-1	Security personnel trained in human rights policies or procedures	5-3 Occupational Safety and Health		67
<b>GRI 414 Supplier Social Assessment 2016</b>				
414-1	New suppliers that were screened using social criteria	3-5 Supplier Management	Corresponding Material Topic- Sustainable Supply Chain	42
414-2	Negative social impacts in the supply chain and actions taken	3-5 Supplier Management	Corresponding Material Topic- Sustainable Supply Chain	42, 43
<b>GRI 416 Customer Health and Safety 2016</b>				
416-1	Assessment of the health and safety impacts of product and service categories	4-2 Hazardous Substances	Corresponding Material Topic- Hazardous Substances	47
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4-2 Hazardous Substances	Corresponding Material Topic- Hazardous Substances	47
<b>GRI 417 Marketing and Labeling 2016</b>				
417-1	Requirements for product and service information and labeling	3-3 Customer Management – Customer Satisfaction 4-1 Environmental Protection – Green Products	Corresponding Material Topic- Customer Satisfaction	34 46
417-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4-1 Environmental Management – Green Products 4-2 Hazardous Substances	Corresponding Material Topic- Hazardous Substances	46 47
417-3	Incidents of non-compliance concerning marketing communications	3-3 Customer Management – Customer Satisfaction	Corresponding Material Topic- Customer Satisfaction	34
<b>GRI 418 Customer Privacy 2016</b>				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3-4 Information Security	Corresponding Material Topic- Information Security	37
<b>GRI 419 Socioeconomic Compliance 2016</b>				
419-1	Non-compliance with laws and regulations in the social and economic area	1-2 Sustainability Management – Legal Compliance		12

## Appendix 3 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

### Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies – Sustainable disclosure indicators for the telecommunications and networking industry

No.	Disclosure Item	Corresponding Chapter	Description	Page number
1	Total energy consumption, percentage of purchased electricity and renewable energy usage rate	4-3 Environmental Management – Energy and Greenhouse Gas Management		50
2	Total water intake and total water consumption	4-4 Mitigating Environmental Impacts – Water Resources Management	(1) Taiwan's total water withdrawal was 5,355 tons and total water consumption was 5,355 tons (2) Vietnam's total water withdrawal was 21,369 tons and total water consumption was 21,369 tons	52
3	The weight and recycling percentage of produced hazardous waste	4-4 Mitigating Environmental Impacts – Waste Management	(1) The hazardous waste generated at the Taiwan plant was 1.21 tons, with a recycling rate of 94% (2) The hazardous waste generated at the Vietnam plant was 13 tons, with a recycling rate of 89.6%.	51
4	Explanation of occupational accident categories, number of incidents and rates	5-3 Occupational Safety and Health		66
5	Product lifecycle management disclosure: weight of scrapped product and electronic waste and percentage of recycle (Note 1)	4-4 Mitigating Environmental Impacts – Waste Management	All products from CyberTAN are required to be reported as scrap and recycled at a rate of 100%	51
6	Describe risk management method of using critical materials	3-5 Supplier Management – Conflict Minerals Management	100% free of conflict minerals in use 100% RoHs Reach Banned/Restricted Substance Compliance	43 48
7	Total monetary losses incurred due to legal lawsuits related to anti-competitive practices regulations	1-3 Operational Performance – Respect Market Mechanism	In 2023, there were no incidents or behaviors involving anti-competitive or anti-monopoly practices	14
8	Production volume of major products by product category	Annual Report	Please refer to the Production Volume and Value table in 2023 annual report of CyberTAN Technology, Inc., page 98	-

Note 1: Including the sale of scrap materials or other recycling processes, additional relevant explanations should be provided.

### Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies – Listed Companies Should Disclose Climate-Related Information

No.	Disclosure Item	Corresponding Chapter	Page number
1	Describe the monitoring and governance of climate-related risks and opportunities by the board of directors and the management	4-5 Climate Change	53
2	Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium- and long-term)	4-5 Climate Change	54, 55
3	Describe the financial impact of extreme climate events and transformation actions	4-5 Climate Change	54, 55
4	Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system	4-5 Climate Change	53
5	If scenario analysis is used to evaluate the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impact used shall be explained	Not applicable	-
6	If there is a transformation plan in place to manage climate-related risks, describe the content of the plan and the indicators and goals used to identify and manage physical risks and transformation risks	Not applicable	-
7	If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period and the progress of each year should be explained; if using carbon offsets or renewable energy certificates (RECs) to achieve the goals, it should be explained in exchange for the source and volume of carbon reduction credits or the number of Renewable Energy Certificates (RECs)	Not applicable	-
8	Greenhouse gas inventory and assurance status, as well as reduction targets, strategies and concrete action plans (please fill in 1-1 and 1-2 separately)	4-3 Environmental Management – Energy and Greenhouse Gas Management	50

# Bringing Broadband to Life



CyberTAN Technology, Inc.

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