



**HONG TAI ELECTRIC INDUSTRIAL CO.,LTD**

**2023**

**ESG**

# **Sustainability Report**

This English version is a translation of the Chinese Sustainability Report. In the event of a conflict between this report and the original Chinese version or difference in interpretation between the two versions, the Chinese language Sustainability Report shall prevail.

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## Report Scope

The scope of this report is mainly HONG TAI ELECTRIC Co., Ltd., and its subsidiaries are not included in the scope of information disclosure. The relevant financial data comes from individual annual reports approved by Ernst & Young, calculated in New Taiwan dollars; some data are quoted from public information on government agency websites or trial calculation tools. HONG TAI ELECTRIC's electronic materials products ( copper foil substrates , films ) will no longer be produced and sold since the end of 2023 due to the board of directors' decision to end the operation of the electrical materials business in May 2023 .

The report discloses the company as the main body, excluding subsidiaries and investment companies. The following is a list of information on the company's investment and other related enterprises:

name	Subsidiary name	Main business
HONG TAI ELECTRIC Co., Ltd.	Moneywin International Limited	General investment business
HONG TAI ELECTRIC Co., Ltd.	Xinfu Investment Co., Ltd.	General investment business
HONG TAI ELECTRIC Co., Ltd.	Honghong Engineering Co., Ltd.	Cable installation project

## Editorial Principles and Guarantees

the ESG sustainability report of HONG TAI ELECTRIC Co., Ltd. ( hereinafter referred to as " HONG TAI ", "HONG TAI ELECTRIC" or the "Company " ) is written in accordance with the GRI Standards (GRI Standards 2021) set by the Global Reporting Initiative . Use a substantive analysis model to identify major sustainability considerations and determine priorities, analyze the sustainability issues, policies / strategies, goals and measures to be disclosed in this report, and write it based on the listed major theme management It is compiled based on and in response to the "Code of Practice for Sustainable Development of Listed Overseas Companies ", the Task Force on Climate-related Financial Disclosures (TCFD ) and the SASB Sustainability Accounting Standards Board (SASB ) . This report has not been verified by a third party, but has been issued after internal review by members of the ESG Sustainability ( hereinafter referred to as: ESG Team ) . Please see the appendix for the GRI Standards indicator comparison index of this report .

## Issue overview

The reporting period is from January 1 , 2023 to December 31 , 2023. The company is expected to issue a sustainability report every year in the future to systematically demonstrate its economic, social, environmental and other aspects.

Last version release date: June 2023

Release date of this report: August 2024  
Release date of the next version: August 2025

Official website



## Contact information

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# Operator's statement

HONG TAI ELECTRIC has always adhered to the core values of "Integrity, Diligence, Innovation and Advancement", actively responded to different challenges, integrated the concept of sustainable development into the company's business strategy, and continued to create sustainable value.

2023 is a year full of challenges . In the face of global economic and geopolitical uncertainties, the company has decided to end its copper foil substrate business in order to concentrate on its core business and improve the resilience and efficiency of its operations. At the same time, the company actively invests in the research and development of new products and technologies, especially in the development of environmentally friendly wires and cables, and is committed to reducing the impact of the production process on the environment to support the government's green energy policy. It is also actively involved in solar and wind power generation projects to demonstrate the company's importance in the field of sustainable energy.

In terms of corporate social responsibility, HONG TAI ELECTRIC has integrated environmental, social and governance (ESG) concepts into daily business operations, established a sound corporate governance structure, and improved the information transparency of corporate operations. At the same time, the company encourages employees to conduct cross-field learning to improve job satisfaction, and advocates a corporate culture that respects human rights and cares for employees.

Looking forward, the company plans to officially launch a greenhouse gas carbon inventory in the first half of 2024, with a view to completing it ahead of schedule . The company firmly believes that sustainable development is not only the basis for corporate success, but also an important direction for the common progress of the economy, environment and society. HONG TAI ELECTRIC, together with all colleagues, continues to be committed to meeting the expectations of stakeholders and jointly creating a sustainable Earth .

Chairman	陈世怡
President	黎文斌

# 1. Hongtai ESG

## 1.1 Identification of interested parties

In order to promote and improve the quality of human life, HONG TAI ELECTRIC hopes to become an important provider of power transmission, electronic materials and services, thereby making human life more convenient and comfortable. Incorporate sustainable development work into the company's operations and development direction, formulate policies, systems and management guidelines, and formulate annual work plans.

## 1.2 Communication with stakeholders

The identification and communication of stakeholders is the basis of corporate social responsibility . Possible stakeholders of HONG TAI ELECTRIC 's companies that refer to GRI standards include: shareholders and other investors, financial institutions, governments, employees and other workers, customers, and consumers. , business partners, suppliers, local communities, non-governmental organizations, social welfare organizations and public associations, as well as stakeholders with reference to peers and our 2022 report, through external experts based on the company's actual situation with these stakeholders The negative impact, potential negative impact, actual positive impact and potential positive impact scores are added up and then sorted. Those with an overall score greater than 10 are important stakeholders of the company in 2023 .

Based on the results, external experts then discussed with the heads of various departments of the company and maintained the five major stakeholders as in 2022: employees and other workers , shareholders / investors / financial institutions, customers, government authorities, and suppliers / contractors business.

## Stakeholder communication channels

HONG TAI ELECTRIC attaches great importance to the rights and opinions of stakeholders. In addition to establishing open and direct communication channels for stakeholders, it also provides relevant information on HONG TAI ELECTRIC's corporate social responsibility management. In addition, HONG TAI ELECTRIC continues to review and improve its corporate social responsibility performance by understanding the issues of concern to stakeholders. The communication channels and frequencies of each stakeholder are as shown in the table below:

Interests Relevant person	interested parties The significance of HONG TAI ELECTRICian	communication channel	frequency	communication effectiveness
staff	Employees are the most important treasure of Hongtai Electric. Hongtai provides sound education and training and a friendly and good working environment to enhance employees' centripetal force	<ul style="list-style-type: none"> <li>• internal meeting</li> <li>• Company internal website</li> <li>• Labor-management meeting</li> <li>• Taipei HR Ms. Huang: peggy@hongtai.com.tw</li> <li>• Ms. Liu, Electric Power Personnel: chunghui@hongtai.com.tw</li> </ul>	<ul style="list-style-type: none"> <li>• irregularly</li> <li>• Updated from time to time</li> <li>• once per quarter</li> <li>• immediate</li> <li>• immediate</li> </ul>	<ul style="list-style-type: none"> <li>• There were no major occupational disasters throughout the year</li> <li>• Completed 228 people and 776 hours of industrial safety education and training</li> <li>• Provide complete employee benefits and bonuses</li> <li>• A total of 8 labor-management meetings were held in each factory area</li> </ul>
client	Customers like our product credit and quality, brand management and services, which are the source of the company's sustainable development.	<ul style="list-style-type: none"> <li>• customer service</li> <li>• Email</li> <li>• Company website</li> <li>• conference call</li> <li>• customer satisfaction survey</li> <li>• Regular and irregular visits</li> <li>• Electric Power Business Ms. Xiao: tiffanyh@hongtai.com.tw</li> </ul>	<ul style="list-style-type: none"> <li>• According to project volume</li> <li>• immediate</li> <li>• immediate</li> <li>• immediate</li> <li>• once a year</li> <li>• Instant updates</li> <li>• immediate</li> </ul>	<ol style="list-style-type: none"> <li>1. Understand the outside world's overall satisfaction with the company, as well as develop, implement, and evaluate various action plans, and implement continuous improvement, which can increase customers' willingness to place orders again and reduce customer complaints against HONG TAI ELECTRICAL Engineering.</li> <li>2. 2023 Customer</li> </ol>

				Satisfaction: Electric power industry: 86.14%
Supplier / Contractor	In order to provide stable material sources and quality , and to jointly develop markets and create performance, good partners are important partners of our company.	<ul style="list-style-type: none"> <li>• Regular and irregular visits and audits</li> <li>• conference call</li> <li>• E-mail , telephone communication</li> <li>• Questionnaire filling</li> <li>• Supplier assessment</li> <li>• toolbox meeting</li> </ul>	<ul style="list-style-type: none"> <li>• immediate</li> <li>• immediate</li> <li>• immediate</li> <li>• irregularly</li> <li>• every six months</li> <li>• A meeting is held before every project construction</li> </ul>	<ul style="list-style-type: none"> <li>• There were no major occupational disasters throughout the year</li> <li>• Major suppliers signed a 100% integrity commitment letter</li> <li>• Comply with ISO quality management system and QC 080000 Hazardous Substance-free Management System implements procurement management principles and reduces and reuses supply chain packaging materials to reduce negative impact on the environment</li> </ul>
government authorities	In addition to complying with relevant laws and regulations and cooperating with government policies , HONG TAI ELECTRICAL also conducts two-way communication with government agencies to comply with relevant laws and regulations.	<ul style="list-style-type: none"> <li>• Attend information sessions and lectures</li> <li>• Information declaration</li> <li>• Letter</li> <li>• Mr. Pan from the Management and Services Department: paulpan@hongtai.com.tw</li> </ul>	<ul style="list-style-type: none"> <li>• irregularly</li> <li>• irregularly</li> <li>• irregularly</li> <li>• immediate</li> </ul>	<ol style="list-style-type: none"> <li>1. Major occupational accident rate 0 %</li> <li>2. Handled labor safety education and training for 228 people</li> <li>3. more than 100 letters exchanged between government agencies every year</li> <li>4. 10 communications per year</li> </ol>

				( including spot checks, visits, etc. ) on issues such as labor force, environmental safety and health
shareholder / Investors / Financial Institutions	Shareholders and investors provide the capital required for the long-term development of the company and are the key force to support the sustainable operation and long-term development of the company. HONG TAI ELECTRIC is committed to maintaining good communication with shareholders and returning profits to shareholders	<ul style="list-style-type: none"> <li>• shareholders meeting</li> <li>• Dhamma talks</li> <li>• annual report</li> <li>• Company website</li> <li>• Important news</li> <li>• ESG Report</li> <li>• Spokesperson Mr. Pan: paulpan@hongtai.com.tw</li> </ul>	<ul style="list-style-type: none"> <li>• once a year</li> <li>• at least once a year</li> <li>• once a year</li> <li>• Updated from time to time</li> <li>• Updated from time to time</li> <li>• once a year</li> <li>• immediate</li> </ul>	<ol style="list-style-type: none"> <li>1. Convene 1 shareholders meeting</li> <li>2. Hold 1 Dharma teaching session</li> <li>3. news released 1 3</li> <li>4. Publish ESG report</li> </ol>



## 1.3 Identification of major themes

### Major topic identification process

the issues of HONG TAI ELECTRIC's economy, environment and people (including human rights) , identifies the major issues in 2023, and effectively responds to the issues of concern to all stakeholders in major theme management.

#### Step 1: Understand the

Hongtai Electric's relevant sustainability topic references include GRI topic guidelines, SASB guidelines and SDGs, etc., and compiled 37 sustainability topics.

#### Step 2: Identify the actual and potential

External experts will rate the company's actual or potential negative impacts and positive impacts on the economy, environment, and society (people and human rights) based on the sustainability issues, and then compare the actual negative impacts, potential negative impacts, and actual positive impacts of each topic. , the scores of potential positive impacts on the economy, environment, society (people and human rights) are added up and then sorted. Those with a total score greater than 30 are considered major themes for Hongtai Electric, but the themes listed by SASB will be prioritized as major themes after scoring. .

#### Step 3: Assess Impact

The scoring results were discussed by external experts and various departments of the company, and based on past operating experience, the significance and possibility of the impact of the issues were discussed, and the analysis was carried out to confirm the results.

#### Step 4: Disclosure of sustainability issues

Based on the analysis results of major sustainability issues, external experts conducted a comprehensive assessment with various departments of the company based on the nature of the issues, and finally compiled 12

This major sustainability issue is based on 9 GRI themes and 3 customized themes, and the management content of 11 major themes is compiled.

## Major theme identification results

Through a systematic and objective identification process of major issues, we select issues that are of higher concern to stakeholders or have a higher impact on the company's sustainable operations, and serve as the backbone of the sustainability report.

Environment	Society	Government
<ul style="list-style-type: none"> <li>energy</li> <li>emission</li> <li>waste</li> </ul>	<ul style="list-style-type: none"> <li>Customer service management</li> <li>Occupational safety and health</li> <li>Innovative products and technologies</li> <li>Customer health and safety</li> <li>labor / management relations</li> <li>labor-employer relationship</li> </ul>	<ul style="list-style-type: none"> <li>economic performance</li> <li>Anti-corruption</li> <li>Compliance</li> </ul>

## List of major topics

Based on the identification results of major themes, the major themes are classified according to the environmental, social and governance aspects of ESG as shown in the table below. For detailed major theme management information, please refer to the major theme management content in each chapter.

SG For	major themes	Describe the organization's policies or commitments related to material topics (explain its importance)	Describing impact (Economy, environment, people (including their human rights))	Affected objects
Environmental aspect	energy (GRI302)	Energy users' contracted power consumption and greenhouse gas management, waste management, exhaust emissions and odors are related to the company's operating issues. Currently, the energy users' contracted power consumption exceeds 800 kilowatts, and energy managers have been set up to manage it.	<p>Environmental aspect: In order to effectively manage energy, we regularly review and adjust power-saving plans. With policy support and cooperation from engineering, environmental, and safety units, we explore relevant energy consumption factors and strengthen the construction of energy databases.</p> <p>Economic aspect: Taiwan's energy structure changes, supply prices rise or are in</p>	Hongtai (caused) Government authorities (indirectly related)

			short supply; the increase in electricity costs affects corporate operations.	
Environmental aspect	emission (GRI305)	<p>"Global warming" is the global environmental issue that the world is most concerned about at present, and greenhouse gas emissions are closely related to it. In the company's product manufacturing process, it is unavoidable to cause environmental impact. In the face of sustainable development, how to manage and reduce emissions will have a significant impact on future operations. Complying with the Air Pollution Prevention and Control Law is the basic guideline for the company's business operations and social responsibility. Violation of regulatory requirements may result in reputational and financial losses, which will further affect the company's operations. Complying with relevant regulatory requirements is an important foundation for the company's sustainable</p>	<p>Economic side:</p> <ul style="list-style-type: none"> <li>● Extreme weather events impact suppliers' operations and production, resulting in interruptions in product supply, delayed production capacity, loss of customers, and loss of profits; average temperatures continue to rise, resulting in increased energy consumption.</li> <li>● Changes in Taiwan's energy structure, supply price increases or shortages; greenhouse gas emission costs increasing (such as additional carbon fees due to regulations).</li> </ul> <p>People: Employees suffer physical and mental risks</p>	<p>Hongtai (caused) Government authorities (indirectly related)</p>

		operations.	due to the hot factory heat in summer, or incidents that affect attendance, absenteeism, or employee disability and injury.	
Environmental aspect	waste (GRI306)	As climate change intensifies and environmental pollution becomes increasingly serious, causing various environmental impacts, energy emissions and waste have always been important issues in corporate operations.	Environmental aspect : As a company's operating activities increase or decrease, the amount of waste will also increase or decrease .  people : The living environment is affected and the potential for exposure to high-risk environments increases .	Hongtai ( caused ) Government authorities ( indirectly related )
social aspect	Customer service management	A win-win situation between supply and demand, pragmatic management, and system excellence. Proactively inform product information updates and set performance indicators related to customer satisfaction.	Economic side : Whether the price affects the loss of orders.  Environmental aspect : Whether the product causes air pollution, noise, etc. during the delivery process.  people: Understanding and conveying customer needs, after-sales service and cooperation.	Hongtai ( caused ) Employees and other workers ( enabling ) Supplier / Contractor ( Enablement ) Customers ( directly related )

social aspect	Occupational Safety and Health (GRI403)	<p>HONG TAI ELECTRIC pursues the sustainable operation and development of the enterprise, and cooperates with international occupational safety and health trends to prevent occupational disasters, protect the safety and health of workers, ensure the safe operation of each workplace, and achieve the goal of zero disasters</p>	<p>People : Protect workers' working environment and improve workers' safety, hygiene and health .</p>	<p>Hongtai (caused) Employees and other workers (directly related) Government authorities (indirectly related)</p>
social aspect	Innovative products and technologies	<p>1. Plastic reduction, recycling and reuse : Continue to implement the company' s policies and goals for product and technological innovation, and carry out technological innovations for plastic reduction, recycling and reuse, extend 為能 the service life of materials converted into waste, and promote sustainable resource recycling policies.</p> <p>2. Develop green products : In response to the trend of globalization, develop new materials and other supply sources for the green energy industry, continue to respond to market and customer needs with better quality, expand market areas, increase product profitability, and move towards green Can last forever.</p>	<p>Environmental aspect:</p> <ul style="list-style-type: none"> <li>● Plastic production is one of the main factors causing greenhouse gas emissions. In response to the concept of "converting waste into energy", it reduces the burden of end-of-line waste treatment and reduces the use of petrochemical resources to slow down greenhouse gas emissions .</li> <li>● Solar cables are developed to meet the rapidly growing demand for renewable energy production and conservation. Designed for requirements such as mechanical performance and extreme weather</li> </ul>	<p>Hongtai (caused) Customers (directly related)</p>

			<p>conditions .</p> <p>Economic side: Quickly introduce it into the market to enhance brand image and market competitiveness.</p>	
social aspect	Customer health and safety (GRI416)	<p>The quality policy implemented by our company is "Hongtai's quality is the guarantee of our customers . "</p> <p>HONG TAI ELECTRICAl is committed to protecting customer information security to safeguard the rights and interests of customers, and regards this as an important information security management goal of the company.</p>	<p>Environmental aspect : In line with policies and industrial development, substances in products that may harm the environment must be controlled to keep the impact on the environment within control.</p> <p>people: The product requirements, statements and guidance in the safety regulations are to avoid the occurrence of disasters and accidents due to improper use, which may in turn lead to losses of life and property. If an information security incident occurs, it will directly cause losses to the company, customers and manufacturers.</p>	<p>Hongtai ( caused ) Government authorities ( enabling ) Customers ( directly related ) Supplier / Contractor ( indirectly related )</p>
social aspect	Labor and Industrial Relations (GRI401, GRI402)	A harmonious and diverse labor-employer relationship helps stabilize company operations and enhance social development.	<p>Economic side: If negative impact events such as labor relations and labor rights occur, it will be a direct impact or an indirect impact on the organization.</p>	<p>Hongtai ( causing / promoting ) Employees and other workers ( directly related ) Government authorities</p>

			people: If labor disputes and other related matters occur, employees' trust in the company will be reduced.	(enabling)
Governance	economic performance (GRI201)	Cooperate with the country's overall power construction and transmission and distribution policies . Comply with regulations , fulfill obligations , prevent pollution , save energy and reduce waste , recycle resources , continue to improve , and operate diversified .	Comprehensive consideration of manpower and productivity, overall planning of investment costs and performance evaluation. Economic aspect: If economic performance is unstable, it will affect the company's operations, thereby affecting shareholders and stakeholders. People /Human Rights : Poor economic performance of a company may also affect the welfare and employment conditions of colleagues.	Hongtai (caused) Shareholders / investors / financial institutions (caused) Employees and other workers (directly related)
Governance	Compliance	By complying with external laws and internal company procedures and policies, we can avoid penalties and reduce the company's operating risks to achieve sustainable operations.	Environmental aspect : Comply with laws and regulations related to environmental management such as air pollution, water pollution, waste, toxic substances, and noise control .	Hongtai (caused) Government authorities (enabling) Shareholders / investors / financial institutions ( indirectly related )

Governance	Anti-corruption (GRI205)	<p>HONG TAI ELECTRIC's business philosophy is "Integrity, Diligence, Innovation and Advancement", among which "Integrity" is the most important core value. It is also an important factor in improving corporate governance and safeguarding the interests of all shareholders and employees of the company .</p>	<p>Economic aspect/person: If fraud or corruption occurs within the company, it may increase costs and reduce efficiency. It will also affect the company's image and cause shareholders, customers, and suppliers to distrust the company.</p>	<p>Hongtai ( causing / promoting ) Shareholders / investors / financial institutions ( causing / facilitating ) Employees and other workers ( enabling ) Government authorities ( indirectly related )</p>
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## 2. Company Profile

Major Theme: Economic Performance	
Important reasons for this topic	<p>Understand the current market situation and demand, and through regular visits to customers (owners) and design units, confirm market demand and provide product information updates, care for post-sales satisfaction, maintain and 及 update customer information, and provide professional services for power cables. The above evaluation serves as the basis for HONG TAI ELECTRIC to improve its products and services, and serves as the benchmark for adjusting market competition strategies to formulate correct and high-performance strategies.</p> <p>Electric power products meet the needs of the country's overall power construction and power transmission and distribution transformation. We will continue to conduct research and development of high value-added wires and cables, and in response to changes in the industrial structure, we will strengthen our business structure and reduce costs to improve business performance.</p>
Influence and impact	<p>Actual positives: cost reduction, profit improvement .</p> <p>Potential positives: Increase the company's brand awareness, recruit talents, and increase R&amp;D opportunities .</p> <p>Actual negatives: increased costs, reduced profits, and increased risk of losses .</p> <p>Potential negatives: affecting the company's brand value, brain drain, and limiting development resources .</p>
Policy / Strategy	<p>Create a win-win situation between supply and demand, manage with pragmatism and refinement, meet customer needs, innovate and refine products, and improve business performance.</p> <p>Stick to the industry with the belief of "integrity and diligence" , and enhance market competitiveness with the determination of "innovation and advancement" . Diversified operations: develop international investment strategic alliances and enhance market competitiveness</p> <ul style="list-style-type: none"> <li>● Comply with laws and regulations: Comply with laws and regulations related to environmental management such as air pollution, water pollution, waste, toxic substances, and noise control.</li> <li>● Fulfill obligations: Fulfill the obligations that Hongtai should abide by, including commitments to customers, government agencies, management, employees and other stakeholder groups.</li> <li>● Prevention of pollution: Select appropriate raw materials or processes to avoid or reduce environmental pollution; set up pollution prevention equipment or take appropriate measures to avoid or reduce environmental pollution.</li> <li>● Energy conservation and waste reduction: Reduce energy use and waste generation.</li> <li>● Resource recycling: Reduce resource consumption through resource recycling and reuse.</li> </ul> <p>Continuous improvement: Continuously improve the environmental management system to improve environmental performance.</p>
goals and objectives	<p>Short-term goal: Revenue target for 2023 is 6,127,880 yuan.</p> <p>Medium- and long-term goals: Become a leading brand in the power cable industry.</p>

<b>Management evaluation mechanism</b>	<p>Set performance goals for the new year, separate the execution of monthly performance goals, and evaluate performance through weekly case tracking meetings, business meetings, production and sales meetings, joint meetings of various departments, large-scale project tracking management and other mechanisms, and monthly performance analysis and evaluation meetings to evaluate performance , formulate sales strategies on a monthly and quarterly basis to control business performance and profit analysis.</p> <ul style="list-style-type: none"> <li>Regularly evaluate the second-phase operating profit rate comparison and follow international management systems such as ISO 9001 : 2015 and QC 080000 (IECQ HSPM) as the evaluation mechanism.</li> </ul>
<b>Performance and Adjustment</b>	<ul style="list-style-type: none"> <li>2023 , the company's actual revenue was 6,186,000 918yuan, with an achievement rate of 100.96% .</li> <li>2023 , 19 supervisory or management review meetings will be held .</li> </ul>
<b>preventive or remedial measures</b>	<p>Understand customer status and business direction, use it as a basis for adjusting sales and production strategies, and formulate correct and high-performance plans. We also establish a standard handling procedure for incidents reported by customers to accept, investigate and handle them appropriately, with the purpose of protecting the rights and interests of customers.</p> <p>its annual efforts goals based on the achievement of operating performance , which serves as the direction of future company operations.</p>

Major themes: regulatory compliance ( environmental protection, social economy )	
<b>Important reasons for this topic</b>	<p>Implement the provisions of the Air Pollution Control Law and adopt the best air pollution control equipment to control air pollution emissions.</p> <p>Effective waste management, in addition to complying with laws and regulations, further seeks to convert it into the form of required energy, such as the dumping of electricity and heat energy, which can reduce business costs and be more environmentally friendly.</p>
<b>Influence and impact</b>	<p>✓: Complying with environmental regulations can demonstrate a commitment to sustainability and social responsibility and can also avoid fines, lawsuits, and other potential financial and reputational damage from noncompliance.</p> <p>■: Air pollution sources are generated during the manufacturing process, which has a greater impact on the environment.</p> <p style="text-align: right;">✓: Positive impact ■: Negative impact</p>
<b>policy</b>	<ul style="list-style-type: none"> <li>• Implement and promote various pollution prevention and control work, adopt the best air pollution prevention and control equipment, and require the emission of various air pollutants to comply with regulatory requirements.</li> <li>• We adhere to legal regulations and international standards such as the Fair Trade Act, the Trade Licensing Measures of Taiwan and Mainland China, and strive to manufacture products that comply with international safety standards.</li> <li>• Externally ensure compliance with environmental regulations in business operations</li> <li>• Relevant education, training, and courses are regularly held internally to control internal and external risks.</li> </ul>
<b>goals and objectives</b>	<p>1. Comply with the Air Pollution Prevention and Control Law, avoid any major violations or penalties, conduct regular regulatory reviews in accordance with the Air Pollution Prevention and Control Law and the Air Pollution Prevention and Control Law' s implementation rules, and pay attention to the formulation and development of laws and regulations that may affect the company. .</p> <p>2.</p> <p>Short-term goals: Classify business waste and resource recycling, and review regulatory compliance.</p> <p>Mid-term goal: In addition to effective waste management, the development of energy forms for re-conversion and utilization.</p> <p>Long-term goal: self-use and convert energy, reduce final waste production, and be environmentally friendly.</p>
<b>Management evaluation mechanism</b>	<ul style="list-style-type: none"> <li>• In compliance with the Air Pollution Control Law and the Air Pollution Control Law Enforcement Rules as the indicators, the company will be audited externally by local government agencies from time to time and reviewed and improved.</li> <li>• The user unit proposes a waste utilization plan, which is evaluated and implemented by the factory unit after setting up a meeting.</li> </ul>
<b>Performance and Adjustment</b>	<ul style="list-style-type: none"> <li>• Follow the provisions of the Air Pollution Control Act as indicators to ensure that the emissions from stationary pollution sources meet the annual emissions from the operating permit.</li> <li>• The annual waste management classification is the main axis, and the inspection in compliance with laws and regulations on waste is the specific inspection method.</li> </ul>

preventive or remedial measures	<ul style="list-style-type: none"> <li>Discharge air pollutants in compliance with the requirements of the Air Pollution Control Act, and maintain normal operation of control equipment to reduce untreated emissions from pollution sources.</li> <li>The environmental and health safety assessment team has the clearest understanding of work safety and health environment, and uses this unit to professionally assist with waste plan implementation issues.</li> </ul>
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Major theme: Anti-corruption	
Important reasons for this topic	HONG TAI ELECTRIC's business philosophy is "Integrity, Diligence, Innovation and Advancement", among which "Integrity" is the most important core value. It is also an important factor in improving corporate governance and safeguarding the interests of all shareholders and employees of the company.
Influence and impact	<p>✓: Companies actively participating in and promoting anti-corruption can show their emphasis on ethics and social responsibility, thereby enhancing brand value and corporate image.</p> <p>■: If fraud or corruption occurs within the company, it may increase costs and reduce efficiency. It will also affect the company's image and cause shareholders, customers, and suppliers to distrust the company.</p> <p style="text-align: right;">✓: Positive impact ■: Negative impact</p>
Policy / Strategy	Operate with integrity, eliminate bribery, and accept gifts.
goals and objectives	0 corruption cases . Mid- to long-term goal: 0 corruption cases .
Management evaluation mechanism	The internal audit unit checks whether there are any deficiencies from time to time. If there are any deficiencies, it will issue a deficiencies improvement tracking report and follow-up follow-up instructions.
Performance and Adjustment	2023 , there were no violations of corruption-related laws and regulations and penalties imposed by the competent authorities , and no corruption reports occurred.
preventive or remedial measures	<ol style="list-style-type: none"> <li>Develop a code of practice for sustainable development and a code of ethical conduct for company management</li> <li>Require suppliers to sign an "Integrity Commitment Letter"</li> <li>Inform and promote that colleagues, suppliers, and customers are not allowed to accept gifts.</li> <li>Establish internal reporting standards so that when illegal acts are discovered, reports can be made through channels</li> </ol>

## 2.1 About HONG TAI ELECTRICian

HONG TAI ELECTRIC was founded in 1968. It takes "Integrity, Diligence, Innovation and Advancement" as the company's business philosophy. It adheres to the concept and policy of integrity, adheres to positive pursuit and interaction and quality assurance. This is the basic driving force and value. With the starting point of dignity, we have the courage to innovate the future, move forward with head held high, and operate sustainably. Committed to product research and development, technology updates and quality improvement, in addition to self-developed 69kV ultra-high voltage cables, low-smoke non-toxic cables, anti-ant cables, environmentally friendly cables, prefabricated branch cables and super flame-resistant cables, we have also cooperated with Japan's Mitsubishi, Sumitomo and Fujikura Signed a cooperation agreement to produce 161kV ultra-high voltage cables and splicing construction technology. Many of its products have won national enterprise gold medals, attracting attention from all walks of life and praised by customers. The products have also passed ISO 9001 and ISO 14001 international quality certifications. The improved conductive wire structure has won the mainland China certification. Utility model patent certificate from the State Intellectual Property Office.

In addition, in response to the promotion of Taipower's resilience plan in recent years, Hongtai will continue to develop the product layout of 345kV power cables and super heat-resistant steel core aluminum in the future to cooperate with the improvement of the overall line equipment strength of the national power distribution system .

In addition to expanding high value-added products on the existing basis, we will also diversify operations and develop international investment strategic alliances to achieve the goal of sustainable business operations and hope to become an important provider of transmission power, electronic materials and services. , initially focused on the production of bare copper wires and low-voltage wires and cables, and now has power cables, electronic materials, investment planning and development and other businesses to improve operating performance and improve service quality to meet customer needs. In addition to expanding high-niche products, it also invests in domestic and foreign finance, securities, Internet, electronics, optoelectronics, communications and other industries to develop diversified operations.

Basic information about HONG TAI ELECTRICAl Engineering			
Company Name	HONG TAI ELECTRIC Co., Ltd.	Date of establishment	August 8 , 1968
stock listing	Listed on May 8 , 1993	Stock code	1612
Paid-in capital	NT \$ 3,160,801,000	Number of employees	255

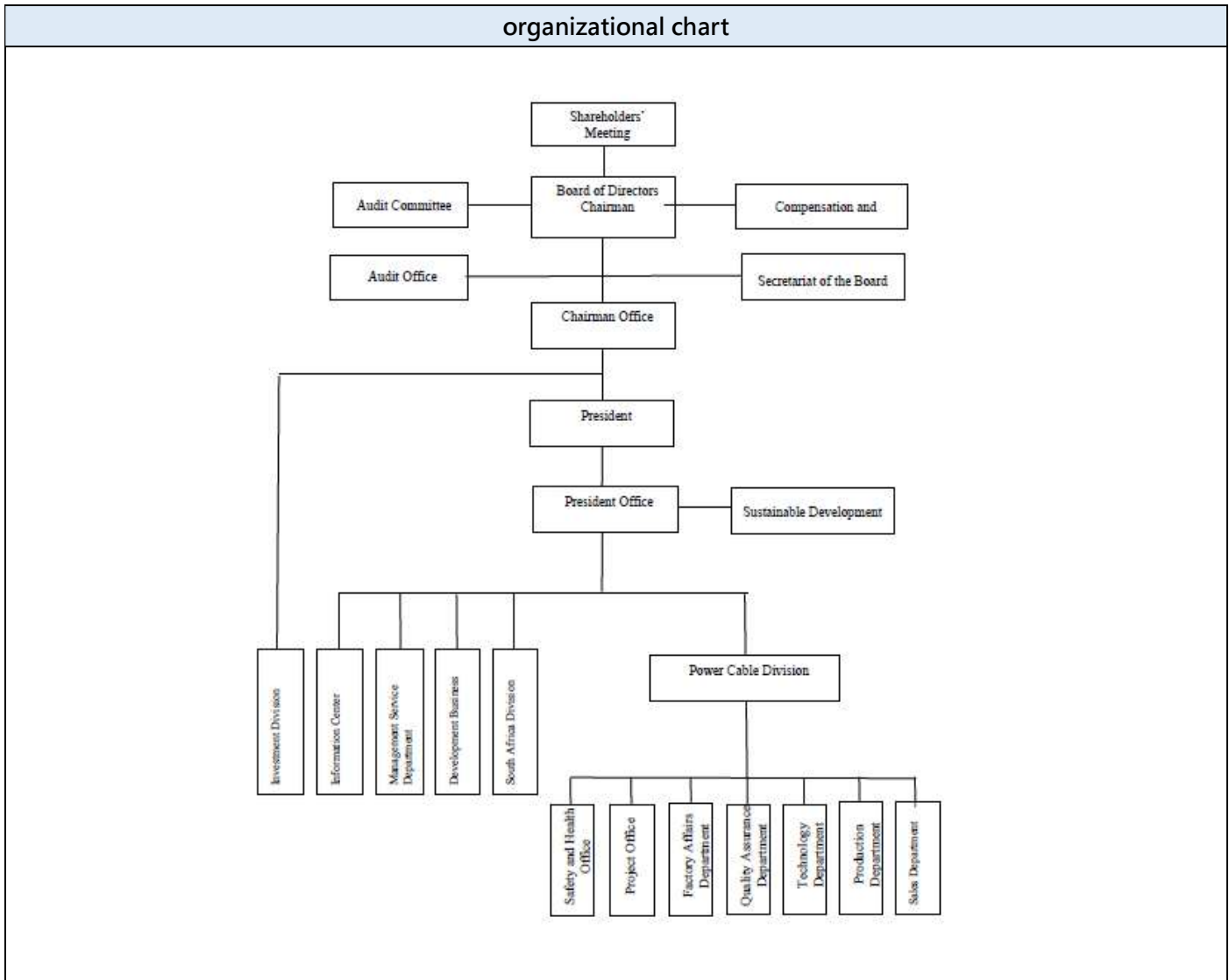
Basic information about HONG TAI ELECTRICAL Engineering		
Company headquarters	20th Floor, No. 65, Section 2, Dunhua South Road, Da'an District, Taipei City	
Operation base	Taipei Branch: 20th Floor, No. 65, Section 2, Dunhua South Road, Da'an District, Taipei City No. 2, Guojian 1st Road, Guanyin District, Taoyuan City Dayuan Factory : No. 248, Zhongshan North Road , Dayuan District, Taoyuan City Taichung Liaison Office: No. 500, Siwei East Road, Qingshui District, Taichung City Kaohsiung Liaison Office: 12F-6, No. 206, Guanghua 1st Road , Lingya District , Kaohsiung City Jiali Operations Office: No. 615, Wenhua West Road, Jiali District, Tainan City	
Main business	<ul style="list-style-type: none"> <li>Power cable:</li> </ul>	
	1. PVC wire and cable	2. 600V~161kV ultra-high voltage XLPE-PVC power cable ( Taipower specifications )
		
	3. HR heat-resistant /FR flame-resistant cable	4. solar cable
		
	5. Anti-rodent wire and cable	6. bare soft copper stranded wire
		7. 600V~25kV XLPE-PVC power cable
		8. Prefabricated branch cable
		9. Low smoke non-toxic cable
		10. Control cable / shielded control cable / coaxial cable
		11. Armored cable
		12. rubber cable
<ul style="list-style-type: none"> <li>communication cable</li> </ul>		
1. CCP LAP-SS	2. PE-PVC	
3. FS-JF-LAP		

As of April 14, 2024, HONG TAI ELECTRIC's equity structure is as shown in the following table :

Shareholder structure quantity	government agency	financial institution	Other legal persons	Foreign institutions and foreigners	personal	total
Number of people	0	2	174	83	37,932	38,191
Number of shares held	0	229,630	69,918,238	57,812,312	188,119,883	316,080,063
Shareholding ratio	0	0.07%	22.12%	18.29%	59.52%	100%

HONG TAI ELECTRIC Co., Ltd. factory map



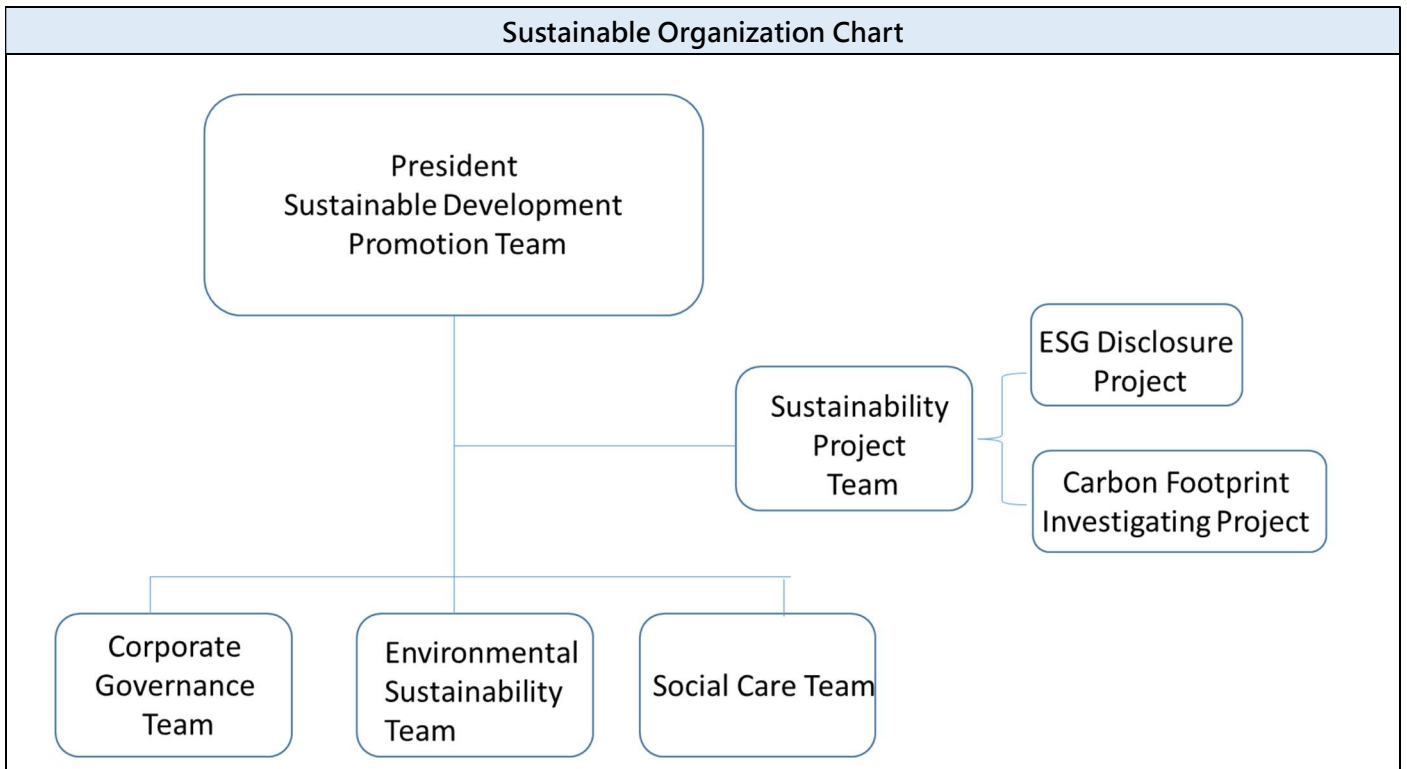


**Sustainable promotion structure**

The company has established a sustainable development promotion team, led by the general manager, to grasp the pulse of global sustainable development, analyze sustainability issues such as governance, environment and society, and formulate strategic sustainability directions and project promotion based on core operations, product innovation and services. In August 2024, the board of directors will report to the directors on the completion of the 2023 sustainability report.

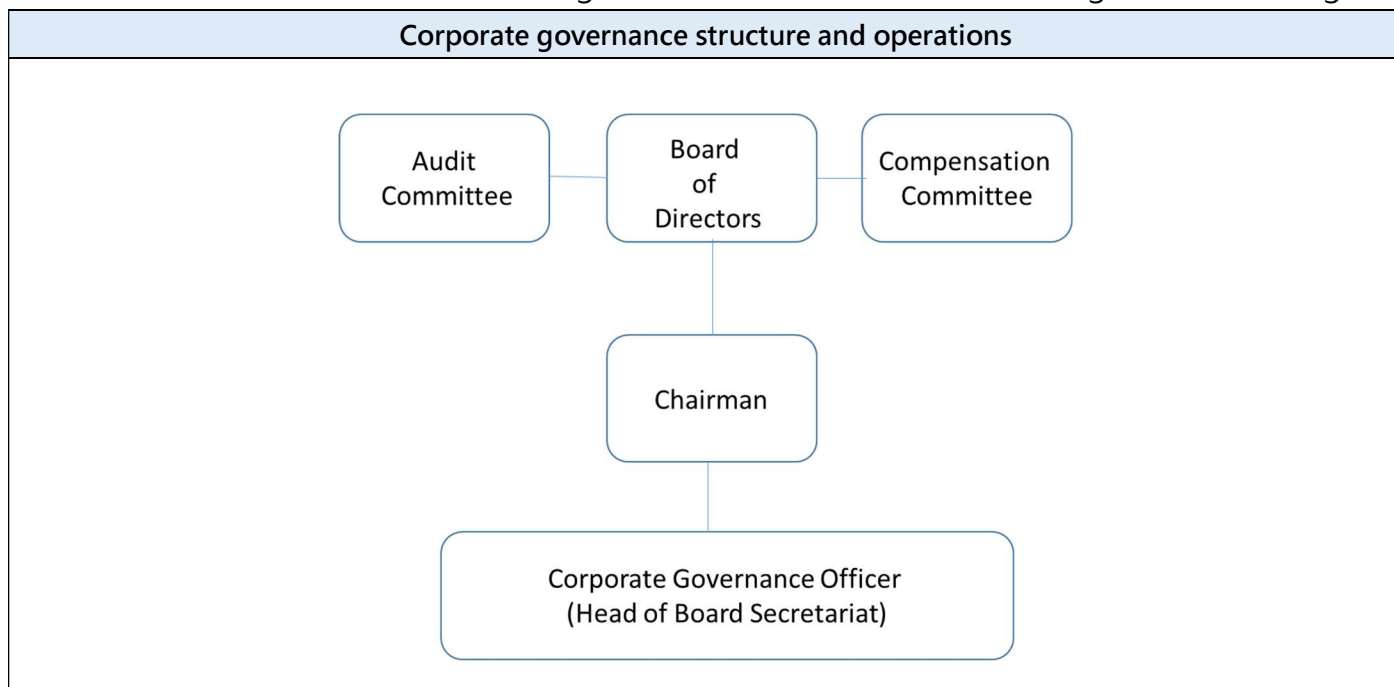


## Sustainable Organization Chart



## organizational structure

HONG TAI ELECTRIC has the highest governance unit and the center for major business decisions. Its responsibilities include appointing and supervising the company's management, supervising operating performance, preventing conflicts of interest, and ensuring that the company performs its duties in compliance with various laws, company articles of association, or resolutions of shareholders' meetings. and is committed to maximizing shareholder rights.



1. The Secretary's Office of the Board of Directors is responsible for corporate governance-related matters.
2. The Board Secretary's Office provides the directors with the information required to perform their business, handles matters related to the Board of Directors and Shareholders' Meetings and prepares minutes in accordance with the law; and the Management Services Office handles company registration operations.
3. There is a unit with dedicated stock affairs personnel and a spokesperson system to deal with relevant issues; if there are legal issues involved, please ask the legal office to handle them.
4. HONG TAI ELECTRIC takes the initiative to arrange for each director to continue to study business, finance, commerce, auditing or law courses related to corporate governance topics.
5. HONG TAI ELECTRIC has included directors' liability insurance in HONG TAI ELECTRIC's articles of association, and purchases liability insurance for directors and key employees worth US\$5 million every year to protect the rights and interests of all shareholders and reduce the company's operating risks.
6. HONG TAI ELECTRIC's internal control system and various important management regulations must be resolved and implemented by the board of directors, and risk management meetings must be held regularly.
7. HONG TAI ELECTRIC has formulated the "Management Measures to Prevent Insider Trading" to prevent the occurrence of insider trading.

## Board composition

Independent directors and non-independent directors are nominated separately in accordance with the "Company Law". HONG TAI ELECTRIC's board of directors is composed of directors and independent directors. There are 7 members on the current board of directors , one of whom is a woman. All members have the capabilities required for corporate governance. The chairman is Chen Shiyi and the general manager is Li Wenbin. There is no problem that the chairman concurrently serves as the general manager.

HONG TAI ELECTRIC implements and supervises the company's various businesses through the board of directors led by the chairman, formulating various business plans and inter-department coordination and integration based on market conditions and competitive conditions . Clearly define the professional qualifications and other conditions required for independent directors, such as: diversity, independence, ESG professional knowledge and experience, etc. There are 3 directors between 30 and 50 years old, 4 directors over 50 years old , and female directors. The ratio is 14.3 %, which enables the selection of board members to be more in line with the characteristics of the industry and the future development needs of the company.

job title	Name	gender	age	Initial ( optional ) date of appointment	Main academic qualifications	Currently holding positions in HONG TAI ELECTRICAL and other companies
Corporate Chairman Representative	Chen Shiyi	male	Over 50 years old	1981.10.17	Master of Business Administration, California State University National Taiwan University YAMAHA MOTORS CORP USA General Manager of HONG TAI ELECTRICAL Co., Ltd.	Chairman of HONG TAI ELECTRIC Co., Ltd. ( legal representative ) Chairman of Xinfu Investment ( Co., Ltd. ) ( Legal Representative ) ( Legal Representative ) of Etron Technology Co., Ltd. Director ( legal representative ) of Shenjinyuan Investment Co., Ltd. Director ( Legal Representative ) of Guide Star Venture Capital ( Co., Ltd. )
Corporate director representative	Chen Zhi	male	30-50 years old	2022.11.11	Master of Electrical Engineering from University of Southern California Researcher at Yanwen Asset Management Consulting Co., Ltd.	Deputy Director of Marketing Planning Center of Xinding Technology Co., Ltd.

Corporate director representative	Chen Lianghua	male	30-50 years old	2015.6.29	Master of Business Administration, University of California, San Bernardino Industrial Financial Securities Co., Ltd. - Hong Kong ( former Vice President of Capital Markets Department of OSK Securities )	Chief Strategy Officer, Investment Business and Deputy General Manager of South Africa Business of HONG TAI ELECTRIC Co. , Ltd. Chairman of Jiujiang Investment Co. , Ltd. Director ( Legal Representative ) of Xinfu Investment Co. , Ltd. Supervisor (legal representative) of Ruifeng Semiconductor Co., Ltd. Chairman ( legal representative ) of Zhitai Investment Co., Ltd. Director ( legal representative ) of Yuli Microelectronics Co. , Ltd. Director ( legal representative ) of Great Team Backend Foundry, Inc. South Ocean Holdings Ltd .Director ( Legal Representative ) Moneywin International Ltd. Director ( Legal Representative ) Lianfa Copper Co. , Ltd. Director ( Legal Representative ) Supervisor of Serianze Investment Co. , Ltd. Director ( legal representative ) of Zhengda Star Venture Capital ( Co., Ltd. )
Corporate director representative	Pan Shaoping	male	30-50 years old	2022.6.21	THUNDERBIRD School Of Global Management Master of Business Management Assistant Manager of the Audit Office of HONG TAI ELECTRIC Co. , Ltd.	Chief Operating Officer of HONG TAI ELECTRIC Co. , Ltd. and Deputy General Manager of Management Services Department Supervisor of Xinbang Investment Co., Ltd. Supervisor of Xinfu Investment Co. , Ltd. Supervisor ( legal representative ) of Lianfa Copper Co. , Ltd. Director ( legal representative ) of Moneywin International Ltd.

independent director	Zhang Jing	female	Over 50 years old	2004.5.28	Master of Economics, California State University China Times Media Group Chief Financial Officer of General Management Office China Television Corporation managing Director Zhongtian Television ( Co., Ltd. ) supervisor	Director of Demaoxing Capital Co. , Ltd. Director ( legal representative ) of Times Culture Publishing Co. , Ltd. Director ( legal representative ) of Xinquan Technology Co. , Ltd. Supervisor of Kangxiang Capital Co. , Ltd.
independent director	Lu Zhiyuan	male	Over 50 years old	2016.6.21	Ph.D. in Physics from Columbia University Deputy Director of the Institute of Electronics, Industrial Research Institute General Manager of Xinquan Technology ( Co., Ltd. ) General Manager of World Advanced Semiconductor Corporation	Chairman and CEO of Xinquan Technology Co., Ltd. Director and General Manager of Macronix Electronics Co., Ltd. Quanzhi Technology Co. , Ltd. Chairman ( legal representative ) Chairman of Shengtang Investment Co., Ltd. ( legal representative ) Xinquan Semiconductor Co., Ltd. Chairman ( Legal Representative ) Director of Macronix ( Hong Kong ) Co., Ltd. Director of Feng Chia University Director of Ardentec Singapore Pte.Ltd. Director of Ardentec Korea Co, Ltd. Director of Macronix America Inc. Chairman of Macronix Europe NV. Director

independent director	Luo Xueyu	male	Over 50 years old	2016.6.21	Master of Accounting and Information Technology, National Chung Cheng University Chairman of Fubang Securities Investment Consulting ( Co., Ltd. ) General Manager of Fubang Securities ( Co., Ltd. ) Executive Vice President of Jinding Comprehensive Securities Co. , Ltd. Director of Tongzhen Co. , Ltd.	Independent Director of Huiyou Electronics ( Co., Ltd. ) Chairman of Tongying International Co. , Ltd.
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Note:

1. The current term of directors is 3 years , from June 21 , 2022 to June 20 , 2025

Information on board operations:

The board of directors will hold 6 meetings in 2023 ( A ) . The attendance of directors is as follows:

job title	Name	Actual number of attendance ( B )	Number of delegated attendances	Actual attendance rate (%) ( B / A )
Legal representative of the chairman	Chen Shiyi	6	0	100
Director legal representative	Pan Shaoping	6	0	100
Director legal representative	Chen Zhi	6	0	100
Director legal representative	Chen Lianghua	6	0	100
independent director	Zhang Jing	6	0	100
independent director	Lu Zhiyuan	6	0	100
independent director	Luo Xueyu	6	0	100

## external participation

HONG TAI ELECTRIC has not only obtained the following international certifications ISO 9001 and ISO 14001 , but also actively participated in many relevant public (industry) associations and societies in the industry.

Participating public associations	hold a position
Orthographic Marks Association	Chairman, member
Taoyuan City Industrial Association	member
Taiwan Electrical Engineering Industry Association	member
Taiwan Electric Wire and Cable Industry Association	Executive director, member
National Standards and Technical Committee for Electrical Engineering	member
Taiwan Wind Energy Association	member
Taiwan Wind Power Industry Association	member
Solar Power System Business Association of the Republic of China	member
Construction Mechanical and Electrical Association	member
Taiwan Intelligent Building Association	member
Taiwan Electric Power Enterprises Federation	member
Taiwan Electrical and Electronics Industry Association	member
Guanyin Industrial Zone Association	director



## 2.2 Corporate governance and operating performance

According to HONG TAI ELECTRIC's "Board of Directors Rules of Procedure" provisions on directors' avoidance of interests, directors are required to make proposals that have an interest in themselves or the legal persons they represent, in addition to stating the important content of the interest when making proposals. Yu Shi also requested that he recuse himself from participating in discussions and voting, and that he not be allowed to exercise voting rights on behalf of other directors.

2023, directors' avoidance of interest-related proposals is as follows:

On December 22, 2023, the 10th meeting of the 23rd session of the Board of Directors discussed the year-end bonus payment amount and salary adjustment case for the company's managers. Due to their interests in Chairman Chen Shiyi, Director Chen Lianghua and Director Pan Shaoping, based on the principle of avoidance of interests, they did not participate in the discussion and voting. He is not allowed to exercise voting rights on behalf of other directors. This case was approved by independent director Zhang Jing, who was designated by the chairman as acting chairman, after consultation with other directors present and without objection.

### Further education for directors

HONG TAI ELECTRIC actively arranges for each director to continue to take further training courses related to corporate governance topics.

job title	Name	Further study date	Organizer	Course name	Hours of further study	total hours
Corporate Chairman Representative	Chen Shiyi	2023/05/04	Taiwan Investor Relations Association	Core ESG issues that the board of directors and management should be concerned about	2	twenty three
		2023/06/12	Association for the Advancement of Industry and Commerce of the Republic of China	Generative AI War Room - Identify opportunities and seize business opportunities	3	
		2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainable Finance and Climate Change Summit Forum	6	

		2023/08/14	Taipei Financial Research and Development Foundation	Corporate Governance — Tax Money Laundering Risk Prevention — Eight National Money Laundering Risks	3	
		2023/09/04	financial regulatory commission	The 14th Taipei Corporate Governance Forum	6	
		2023/09/20	Taiwan Investor Relations Association	In the era of digital economy, how can companies innovate and achieve breakthroughs in profitability?	3	
Corporate director representative	Chen Zhi	2023/10/24	China Corporate Governance Association	AI Applications, Law and Audit	3	6
		2023/11/21	China Corporate Governance Association	Directors and senior executives of listed companies' understanding of current supervision by competent authorities	3	
Corporate director representative	Chen Lianghua	2023/10/04	Association for the Advancement of Industry and Commerce of the Republic of China	How companies respond to international anti-tax avoidance measures	3	6
		2023/10/06	Association for the Advancement of Industry and Commerce of the Republic of China	AI practical application and legal analysis	3	
Corporate director representative	Pan Shaoping	2023/07/13	Taiwan Stock Exchange and Securities Over-the-Counter Trading Center	Publicity meeting on sustainable development action plans for listed companies	3	6
		2023/09/18	Taipei Financial Research and Development	Low-carbon transformation path planning - carbon rights and carbon pricing	3	

			Foundation			
independent director	Zhang Jing	2023/04/27	China Corporate Governance Association	Corporate M&A Practice and Case Analysis	3	6
		2023/10/26	China Corporate Governance Association	How companies can strengthen strategy execution	3	
independent director	Lu Zhiyuan	2023/04/27	China Corporate Governance Association	Corporate M&A Practice and Case Analysis	3	6
		2023/10/26	China Corporate Governance Association	How companies can strengthen strategy execution	3	
independent director	Luo Xueyu	2023/03/27	Association for the Advancement of Industry and Commerce of the Republic of China	Corporate resilience Taiwan's competitiveness	3	6
		2023/04/27	Taiwan Stock Exchange and Securities Over-the-Counter Trading Center	Publicity meeting on sustainable development action plans for listed companies	3	

## Board performance evaluation method

In order to implement HONG TAI ELECTRIC's corporate governance and improve the operational efficiency of the company's board of directors, the 2023 board performance evaluation will be implemented in accordance with the "Board of Directors Performance Evaluation Methods" to establish performance goals and enhance the operational efficiency of the board of directors. An internal board performance evaluation must be performed annually and external experts must be appointed to conduct board performance evaluation at least every three years. Its targets include the entire board of directors, individual board members, a total of 7 board members, and functional committees ( audit committee, salary and remuneration committee ). The evaluation method is based on the "Board of Directors Performance Evaluation Self-Evaluation Questionnaire", Self-evaluation questionnaires such as "Director Member Performance Evaluation Self-Evaluation Questionnaire" and "Audit Committee and Salary Remuneration Committee Performance Evaluation Self-Evaluation

Questionnaire" are based on. According to the data, the evaluation items are evaluated according to the scoring standards of "Excellent (5), Excellent (4), Moderate (3), Poor (2), and Extremely Poor (1)". 2023 Board of Directors. The results of the internal performance evaluation are good and there are no major items that need improvement. The overall score is 4.79~5.00, which is considered "excellent". In March 2024 . In addition, Ernst & Young Corporate Management Consulting Services ( Co., Ltd. ) has been entrusted to implement the external performance evaluation of the board of directors in 2022. The team members have expertise in risk assessment and corporate governance related fields. The team members have no business dealings with the company and are independent and professional. Ability and experience also meet the requirements of external performance evaluation. The company's dedicated unit will report the evaluation results to the board of directors on March 24 , 2023 .

Assessment method	Performance evaluation measurement items	Assessment Orientation
Internal self-evaluation of the board of directors	Board of Directors	<ol style="list-style-type: none"> <li>1. Degree of participation in company operations</li> <li>2. Improve the decision-making quality of the board of directors</li> <li>3. Board composition and structure</li> <li>4. Selection and continuing education of directors</li> <li>5. Internal control</li> </ol>
	board member	<ol style="list-style-type: none"> <li>1. Mastery of company goals and tasks</li> <li>2. Cognition of directors' responsibilities</li> <li>3. Degree of participation in company operations</li> <li>4. Internal relationship management and communication</li> <li>5. Professional and continuing education of directors</li> <li>6. Internal Control</li> </ol>
	audit committee	<ol style="list-style-type: none"> <li>1. Degree of participation in company operations</li> <li>2. Understanding of the responsibilities of the audit committee</li> <li>3. Improve the decision-making quality of the audit committee</li> <li>4. Audit Committee Composition and Member Selection</li> <li>5. Internal control</li> </ol>
	Salary and Compensation Committee	<ol style="list-style-type: none"> <li>1. Degree of participation in company operations</li> <li>2. Understanding of the responsibilities of the Salary and Remuneration Committee</li> <li>3. Improve the decision-making quality of the Salary and Remuneration Committee</li> <li>4. Composition and selection of members of the Salary and</li> </ol>

		Remuneration Committee 5. Internal control
( Co. , Ltd. ) ] is appointed to perform the assessment.	1. The overall board of directors 2. Director members 3. Audit Committee 4. Salary and Remuneration Committee	1. Board structure and process 2. Members of the Board of Directors 3. Legal person and organizational structure 4. Roles and responsibilities 5. Behavior and culture 6. Director training and development 7. Supervision of risk control 8. Declaration , Disclosure and Performance Supervision

The indicators for the performance evaluation of the board of directors are determined based on the operations and needs of HONG TAI ELECTRICAL and are consistent with and suitable for the company's performance evaluation. The remuneration committee will review and make recommendations on a regular basis. The performance scoring standards can be revised and adjusted according to the needs of the company, and can also be scored in a weighted manner based on each measurement aspect. Disclose in the annual report the establishment of the board of directors' performance evaluation method, disclose the implementation of the annual board of directors' performance evaluation, and explain the evaluation method. If an external agency or expert performs the performance evaluation of the board of directors, disclose the name and professional description of the external evaluation agency and expert in the annual report, and explain whether the external agency or expert has business dealings with the company and is independent, and the performance evaluation formulated. The measures should be fully disclosed on the public information observatory and company website for inquiry.

## Functional committee operations

### Salary and Compensation Committee

**Remuneration Committee:** The function of the HONG TAI ELECTRICAL Committee members is to evaluate the remuneration policies and systems of HONG TAI ELECTRICAL directors and managers from a professional and objective position, and make recommendations to the board of directors for reference in its decision-making.

**Scope of responsibilities of the committee:** The committee will faithfully perform the following duties with the care of a good steward and submit its recommendations to the board of directors for discussion.

1. Formulate and regularly review policies, systems, standards and structures for performance evaluation and salary remuneration of directors and managers.
2. Regularly evaluate and determine the remuneration of directors and managers.

The operation method of the HONG TAI ELECTRICal Remuneration Committee is in accordance with the "Organizational Rules of the Salary and Remuneration Committee" of HONG TAI ELECTRICal , and regular meetings are held at least twice a year .

In order to improve corporate governance, strengthen the remuneration management function of the Board of Directors, and protect the rights and interests of investors, the Company has formulated the following regulations in accordance with Article 14-6 , Paragraph 1 of the Securities and Exchange Act and 2011the Financial Supervisory Commission of the Executive Yuan, Financial Supervision and Administration Commission Order No. 1000009747 on March 18 , 2018 . The "Measures for the Establishment and Exercise of Powers of the Salary and Remuneration Committee of Companies whose stocks are listed or traded on securities exchanges" was officially released. In 2011December 2018 , the board of directors approved the formulation of the company's "Organizational Rules for the Salary and Remuneration Committee" and 2011was formally established on December 22 , 2018 . "Salary and Remuneration Committee".

The company's remuneration policy for directors is based on the provisions of the Company Law and the company's articles of association. If there is a profit in the year, no more than 3% should be allocated as directors' remuneration.

Taking into account factors such as HONG TAI ELECTRIC's business strategy, profitability, the company's future development and industrial environment, as well as the extent of individual directors' participation in HONG TAI ELECTRIC's operations and the value of their contributions ( such as serving as members of functional committees ) , reasonable remuneration will be given by the Salary and Remuneration Committee. Recommendations will be implemented after approval by the board of directors. The relevant performance appraisal and remuneration rationality of HONG TAI ELECTRICal Managers are proposed by the salary and remuneration committee and are regularly evaluated and reviewed by the board of directors every year. In addition to taking into account the individual's performance achievement rate and contribution to the company, the company's overall operating performance and the future of the industry are also taken into consideration. Risks and development trends, and timely review of the remuneration system at any time based on actual operating conditions and relevant laws.

The performance targets of HONG TAI ELECTRICal Managers are combined with "risk control" to ensure that possible risks within the scope of responsibilities can be managed and prevented, and the results of the ratings are based on actual performance and linked to relevant human resources and relevant salary and remuneration policies. . The important

decisions of HONG TAI ELECTRIC's management are made after balancing various risk factors. The performance of relevant decisions is reflected in the company's profitability, and the remuneration of the management is related to the performance of risk control.

The review of payment standards and systems related to HONG TAI ELECTRIC's remuneration policy takes the company's overall operating conditions as the main consideration, and determines the payment standards based on performance achievement rate and contribution, in order to improve the overall organizational team effectiveness. We also refer to industry salary standards to ensure that the salary of HONG TAI ELECTRIC's management is competitive in the industry, so as to retain outstanding management talents.

Information on the operation of the Salary and Remuneration Committee:

Salary and Remuneration Committee met twice in 2023 (A). The qualifications and attendance of the members are as follows:

job title	Name	Actual attendance (B)	Number of delegated attendances	Actual attendance rate (%) (B / A)
convener	Zhang Jing	2	0	100%
member	Lu Zhiyuan	2	0	100%
member	Luo Xueyu	1	0	50%

### audit committee

Annual work priorities and operations of the Audit Committee:

(1) The main purpose of the operation of the audit committee is to supervise the following matters:

1. Proper presentation of the company's financial statements.
2. Selection (removal) of visa accountants and their independence and performance.
3. Effective implementation of the company's internal controls.
4. The company complies with relevant laws and regulations.
5. Management and control of existing or potential risks of the company.

(2) The Audit Committee held a total of 5 meetings in 2023. The highlights of the work completed this year are as follows:

1. Assessment of the effectiveness of the internal control system.
2. Annual financial report and quarterly financial report.
3. Appointment and remuneration of visa accountants.
4. The qualifications and independence of the visa accountant.
5. Other major matters stipulated by the company or the competent authority.

Information on the operation of the audit committee:

The Audit Committee held 5 meetings in 2023 ( A ) , and the attendance of independent directors was as follows:

job title	Name	Actual number of attendance ( B )	Number of delegated attendances	Actual attendance rate (%) ( B / A )
independent director	Zhang Jing	5	0	100
independent director	Lu Zhiyuan	5	0	100
independent director	Luo Xueyu	5	0	100

### Results of communication with the board of directors

The company's board of directors meets at least once a quarter to review matters reported to the board of directors by relevant departments. A total of 6 board meetings will be held in 2023 (the actual attendance rate of directors reached 100%). Relevant departments will attend the board of directors for consultation depending on the content of the proposal, so that the board of directors and management have sufficient time to communicate. When necessary, professionals will also be invited to attend to ensure an in-depth understanding of the content of the proposal. Important resolutions of the board of directors are immediately announced on the public information observatory. Directors shall explain their interests to the board of directors if the matters discussed at the meeting involve themselves or the legal persons they represent, and avoid participating in discussions and voting. Relevant economic, environmental and social issues arising from operating activities are handled by the management level authorized by the board of directors, and the handling status is reported to the board of directors when necessary. In 2023 , relevant units reported 33 cases to the board of directors and reviewed 31 cases. The reports are summarized as follows:

nature	Communication Proposal Overview
Environmental aspect	<ul style="list-style-type: none"> <li>Greenhouse gas inventory future schedule planning</li> </ul>
Economic / Governance	<ul style="list-style-type: none"> <li>2022 employee remuneration and director remuneration distribution case.</li> <li>2022 annual business report.</li> <li>The 2022 "Internal Control Effectiveness Assessment" and "Internal Control System Statement" cases.</li> <li>Proposal to amend the "Corporate Governance Code of Practice".</li> <li>Internal audit plan case.</li> </ul>
social aspect	<ul style="list-style-type: none"> <li>Amendment to the "Administrative Measures for the Prevention of Insider Trading".</li> <li>Approved the proposal for year-end bonus for 2023.</li> <li>Approved the 2024 salary increase proposal.</li> </ul>



## **operating performance**

HONG TAI ELECTRIC has developed steadily in the cable industry. It originally planned to enter the production of copper foil substrates and adhesive sheets for electronic materials in conjunction with its diversified operations. Due to poor performance due to environmental factors, the board of directors decided to end operations of the copper foil substrate business while the factory will be transferred to the wire and cable business. It also continues to assist in reinvesting in cable factories in South Africa to strengthen overseas business opportunities.

Looking forward to the future, HONG TAI ELECTRIC will not only cooperate with the country's overall power construction and power transmission and distribution transformation needs, but also continue to conduct research and development of high value-added products. In response to changes in the industrial structure, HONG TAI ELECTRIC will actively strengthen its business structure to reduce costs, and expand overseas businesses to improve operating performance factors and drive business growth. By developing high-value, niche products and working closely with brand customers, operating income and operating profits have continued to grow. The following table provides various financial information and discloses information such as employee salaries and social investment.

Project/Year	2 021	2 022	2023
Operating income (thousand yuan)	6,300,750	6,381,432	6,186,918
Operating gross profit (thousand yuan)	736,432	754,224	858,343
Operating profit and loss (thousand yuan)	380,163	515,088	598,790
Non-operating income and expenses (thousand yuan)	2,435,206	37,370	155,796
Net income before tax (thousand yuan)	2,815,369	552,458	754,586
Net profit after tax for the current period (thousand yuan)	2,698,031	353,762	628,467
Total comprehensive profit and loss for the current period (thousand yuan)	2,899,924	173,679	920,457
Earnings per share (yuan)	8.54	1.12	1.99
Operating costs (thousand yuan)	5,920,587	5,866,344	5,588,128
Employee salaries and benefits (thousand yuan)	505,187	376,900	388,720
Payment to investors (thousand yuan)	379,296	885,024	474,120
Payment to the government (thousand yuan)	315,043	159,424	375,509
Community investment (thousand yuan)	3,575	1,023	1,016

Note:

1. The operating income in this table is individual income.
2. Operating costs: All costs of company operations, including raw material procurement, authorization fees, royalties, outsourcing labor fees, education and training fees for external lecturers and personal protective clothing fees.
3. Payments to investors: refers to dividends paid to all shareholders, plus interest paid to lenders (including interest on any form of debt and borrowing) and unpaid dividends payable to shareholders of special shares.
4. Payments to the government: refers to all taxes (including business tax, income tax, property tax) and penalties.
5. Community investment refers to donations and donations.

In response to Taipower's 10- year "Strengthening Grid Resilience Construction Plan , " a total of NT \$ 564.5 billion has been invested to comprehensively enhance the domestic power grid's ability to respond to emergencies and prepare for the 2050 net-zero transformation goal. The grid resilience construction plan will be divided into three main axes, with 437.9 billion yuan invested in "promoting decentralized power grid projects", 125 billion yuan in "refining and strengthening power grid projects" and 1.69 billion yuan in "strengthening system defense capabilities".

According to the content and planning of the Strength and Strength Project, Taipower' s 25kV , 161kV , 345kV , and super heat-resistant steel core aluminum wires will be in great demand in the next 10 years . Actively developing projects such as finalized 345kV and super heat-resistant steel core aluminum wires will affect our company's business opportunities and profits in the next 10 years .

## Financial subsidies from the government

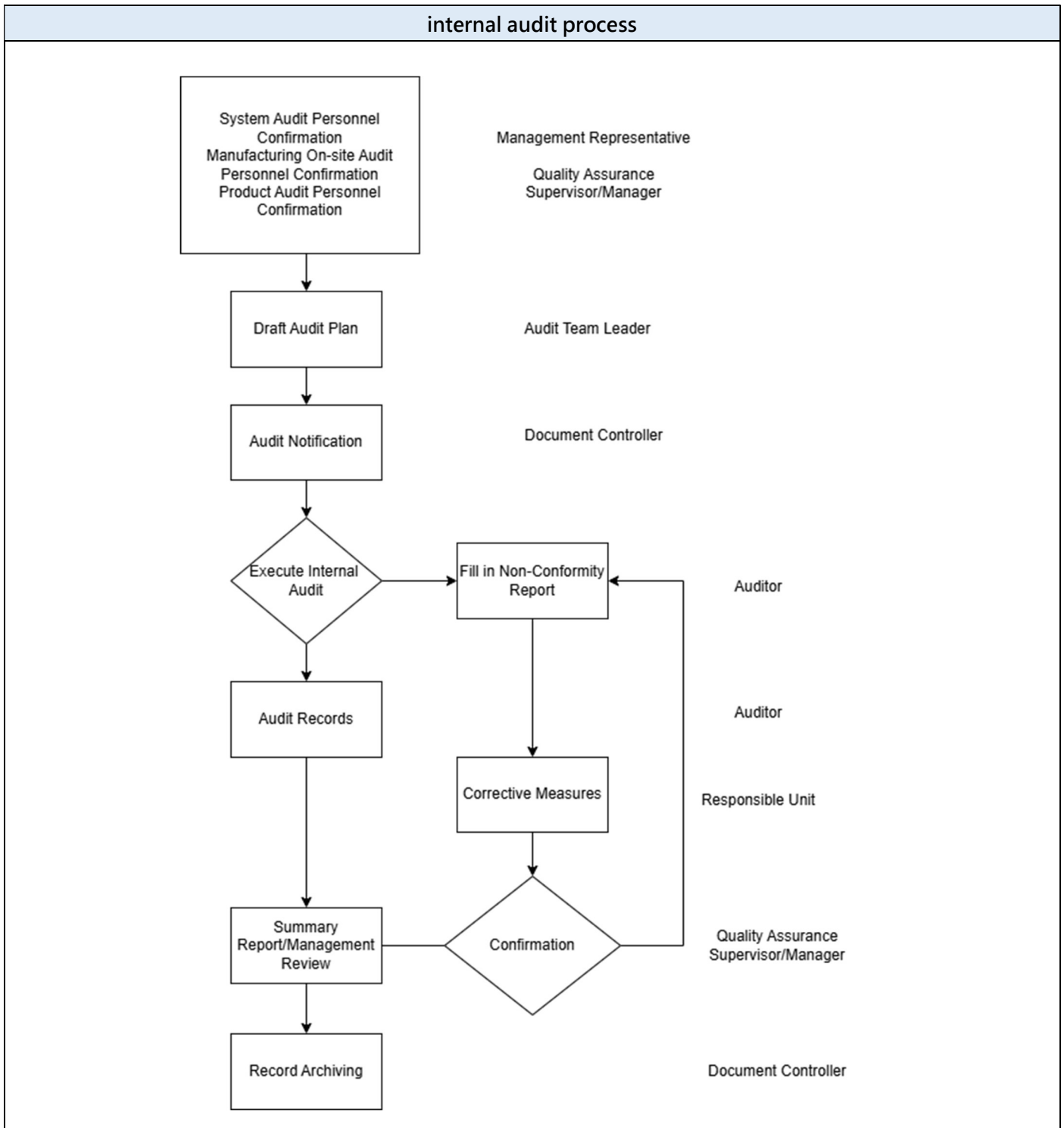
During the reporting period, the company received financial subsidies from the following government units. The subsidies are as follows:

project	Subsidy unit	Subsidy amount (yuan)
Power and Utility Equipment Grant	ITRI	330,000
Stable employment bonus	Ministry of Labor	30,000
Air conditioner refund and reduced goods tax	IRS	17,600
Special health check	Bureau of Labor Insurance, Ministry of Labor	15,000
total		392,600

Note: Tax exemptions, subsidy programs, and epidemic subsidies are all government financial subsidies.

## 2.3 Risk management

HONG TAI ELECTRIC has a dedicated risk management assessment unit and its members are assigned by the general manager, responsible for the identification of qualified audit personnel, review of audit plans, review of summary reports, and supervision of the effective operation of audit operations. By auditing the quality, environment, and hazardous material process management systems, we provide information to determine whether it meets the requirements of ISO 9001, IECQ, QC 080000 international standards and relevant in-factory standards, and ensure that the quality, environment, and hazardous material process management systems are effective. Execution and maintenance, the manufacturing process is in a stable and controlled state, effective control of factors such as people, machines, materials, methods, environment and measurement that affect quality in the manufacturing process is carried out, product quality defects are identified, and product quality levels are quantitatively analyzed. The upward and downward trend, the audit conducted, and through the audit results, ways and corrective measures to improve and provide product quality applicability are sought to provide objective basis for product quality improvement. Select qualified auditors, formulate an audit plan, convene auditors to perform audit operations according to the plan, approve the internal audit shortcomings report form, and compile the internal audit summary report form for approval. The audit team will perform the audit work according to the assigned tasks and submit a written internal audit observation report and internal audit shortcomings report form.



The company's sustainable development code of practice stipulates a conflict minerals policy: Hongtai's suppliers must meet the standards required by the "Conflict Minerals Policy" document when supplying parts, components, materials and finished products. As good corporate citizens, suppliers should fulfill their social responsibilities, respect human rights, continue to pay attention to the issue of conflict minerals, and strive to conduct detailed investigations into the supply chain to ensure that tin (Sn/Tin), tantalum (Ta), tungsten (W), Metals such as gold (Au), cobalt (Co), palladium (Pd) and mica (Mica) are not mined from conflict minerals (note) related areas, such as: the Democratic Republic of the Congo and its

neighboring countries from mining areas controlled by armed groups.

Note: Conflict minerals refer to minerals mined in situations of armed conflict and human rights violations.


The company formulated the "Risk Management Policies and Procedures" in 2022 and was approved by the board of directors as the company's highest guiding principle for risk management; through the risk governance and management structure, risk management is linked to the company's strategies and objectives . Through the participation of all units, risk management awareness is integrated into daily decision-making and operational activities to promote a comprehensive corporate risk management culture.

The company improves its risk management functions through five major operations: risk identification, risk analysis, risk assessment, risk response, and supervision and review mechanism. The company's risk items are divided into six major risks: strategy, operation, finance, information, legal compliance, and others. Each business unit analyzes the occurrence probability and impact of the identified risk events, compares the risk level with the existing risk acceptability, sets the risk ranking, and establishes a risk matrix, planning and executing based on the risk level. Follow-up risk response plan. The risk management team should also compile the risk information provided by each unit and submit a risk management report to the board of directors once a year.

In order to continue to strengthen corporate governance, the "HONG TAI ELECTRIC Co., Ltd. Corporate Governance Code of Practice" was formulated with reference to the "Code of Practice for Corporate Governance of Listed Overseas Companies". In addition to complying with the provisions of laws and articles of association, it also covers principles such as protecting the rights and interests of shareholders, strengthening the functions of the board of directors, giving full play to the functions of the audit committee , respecting the rights and interests of stakeholders, and improving information transparency.

## Climate change and risk management

Due to the extreme climate caused by global warming, as well as the rising awareness of environmental protection, energy conservation, safety, health and conservation in recent years, HONG TAI ELECTRIC needs to fulfill its corporate social responsibilities in order to gain a foothold in the industry. In response to the impact of climate change, we will refer to the TCFD (Task Force on Climate-related Financial Disclosures) framework from governance, strategy, risk management, indicators and goals to identify and assess the impact of climate change risks. , based on the assessment results, we formulate management strategies, greenhouse gas inventory, and carbon reduction plans, and implement them after approval by the board of directors, hoping to reduce energy consumption and carbon emissions, improve carbon reduction management performance, and implement the company's sustainable development goals .

TCFD framework	
	<p><b>Governance:</b> Recognize the governance of climate-related risks and opportunities.</p> <p><b>Strategy:</b> Consider the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning.</p> <p><b>Risk Management:</b> The process of identifying, assessing, and managing climate-related risks.</p> <p><b>Metrics and Targets:</b> Use metrics and targets to assess and manage climate-related risks and opportunities.</p>
<p>Governance unit</p>	<p>The board of directors plays a supervisory and guiding role in sustainable development (ESG) management strategies to respond to the impact of climate change. From governance, strategy, risk management, indicators and goals, refer to the TCFD (Climate-related Financial Disclosure Proposal Task) Force on Climate-related Financial Disclosures) structure to identify and assess the impact of climate change risks. It is expected to formulate management strategies, greenhouse gas inventories, and carbon reduction Governance unit plans based on the assessment results. The dedicated energy management personnel will be responsible for the management and evaluation.</p> <p>Evaluate relevant response actions and implement them after approval by the board of directors, hoping to reduce energy consumption and carbon emissions, and improve carbon reduction management performance.</p> <p>In order to implement the goal of sustainable development of the enterprise. And regularly report the results of meeting discussions to the board of directors to explain the risks and risks related to climate change.</p>

	Opportunity management (governance)
risk category	<p>short term:</p> <ul style="list-style-type: none"> <li>● Compliance costs, fines and penalties, and liquidated damages: necessary operating expenditure costs that meet legal compliance conditions. Due to changes in the product market mechanism, inventory losses of unsaleable products are caused.</li> </ul> <p>Medium to long term:</p> <ul style="list-style-type: none"> <li>● Employees: physical and mental risks caused by the heat of the factory in summer, or incidents that affect attendance, absenteeism, and employee disability and injury.</li> <li>● Machines and equipment: Risk of malfunction due to the heat of the factory in summer, or damage to assets due to damage or scrapping.</li> <li>● Climate: Heavy rains cause factories to flood and roads to accumulate water; droughts cause factory equipment to become inoperable; strong typhoons increase in frequency and severity, causing damage to electrical equipment; extreme weather events impact suppliers' operations and production, resulting in interruptions in product supply and delays in production capacity, customers are lost and due profits are lost; the average temperature continues to rise, resulting in increased energy consumption.</li> <li>● Energy resources ( water and electricity ) : Taiwan' s energy structure changes, supply prices rise or are in short supply; greenhouse gas emission costs increase ( such as additional carbon fees due to regulations ) .</li> <li>● Raw materials: Operating costs resulting from loss of quality, delivery time, or price increase due to climate.</li> <li>● Loss of semi-finished products: scrapping loss due to abnormal supply of basic water and electricity supplies.</li> </ul>
Opportunity categories	<ul style="list-style-type: none"> <li>● Reduce supply voltage loss and increase high-voltage cables from 161kV to 345kV .</li> <li>● R&amp;D and production of offshore wind power cables .</li> <li>● The demand for aluminum conductor wind and rain wires on power towers increases under strong winds and rains.</li> <li>● Various constructions are prone to environmental damage, and the amount of wires used has increased significantly .</li> <li>● Solar power generation / energy storage market development .</li> <li>● Differentiation enhances competitiveness and expands new energy business .</li> </ul>
Strategy	<p>Short-term: Due to regulatory adjustments, the market demand may change significantly, leading to an increase in costs, or an increase in the unsaleable rate of products, affecting multiple aspects, such as a decrease in revenue and cash income, an increase in operating expenses, etc.</p> <p>Mid- to long-term: The multi-faceted impact of climate change will not significantly affect the company's financial aspects in the short term. In the future, it may involve employee health, equipment problems and the use of energy resources, thus increasing operating expenses and capital expenditures.</p>
risk management	The company refers to the TCFD framework as the basis for assessment. Energy management personnel then use the climate change management process to assess



	climate-related risks and opportunities based on the impact on HONG TAI ELECTRIC's operations and the potential occurrence.
Metrics and Goals	<ul style="list-style-type: none"> <li>● Strengthen carbon asset management and discuss how to further reduce the impact of carbon emissions.</li> <li>● The Environment, Health and Safety Committee helps the company's individual factories review their environmental, health, and safety management systems, strengthen energy management, reduce greenhouse gas emissions , and comply with the Energy Management Administration's policy to save 1% of electricity every year .</li> <li>● In order to effectively manage energy, we regularly review and adjust power-saving plans, and with policy support and cooperation from engineering, environmental, and safety units, we explore relevant energy consumption factors and strengthen the construction of energy databases.</li> <li>● e- management system that meets international standards to strengthen energy management and power-saving effects.</li> <li>● Changing the fuel from heavy oil to natural gas for thermal kerosene boilers can reduce greenhouse gas emissions by 1,600 tons ( year ) .</li> <li>● The energy saving of equipment has been improved, saving 478.8 thousand kilowatt hours ( year ) .</li> </ul>
financial impact	<ul style="list-style-type: none"> <li>● Operating expenses increase .</li> <li>● Capital spending increased .</li> <li>● Revenue and cash income decreased .</li> </ul>
Carbon Pricing Basics	The company has not yet set an internal carbon price. After executing a greenhouse gas inventory plan, we will understand the internal carbon emissions and formulate a carbon reduction strategy in advance, and then plan and set a carbon price in the future.
Greenhouse Gas Inventory Plan	Our company plans to implement the carbon inventory project in phases from 2024 to 2025. After that, we can carry out relevant management planning and provide relevant tool data.
external assurance or assurance	According to the regulations of the competent authority, HONG TAI ELECTRIC needs to be verified / confirmed by a third-party certification unit in 2028. The company expects to find a verification unit for verification early.

## Company policy

The company has established an "Occupational Safety and Health Committee" to respect employees' freedom of assembly and association granted by law, and is committed to providing smooth labor-management communication channels, including labor-management meetings and employee complaint mailboxes. The company holds regular labor-management meetings, with labor representatives and management representatives accounting for 50% each , which meets the requirements of relevant laws and regulations.

HONG TAI ELECTRIC is committed to safeguarding the rights and interests of employees

and complying with relevant laws and regulations such as the Labor Standards Act, Occupational Safety and Health Act, Gender Equality at Work Act, and relevant government human rights policies. In addition to clarifying them in work rules, it has also established multiple communication channels and management in implementation. mechanism to ensure that colleagues are properly taken care of and create a corporate environment that respects care and protects human rights. There is no risk of forced labor in any of the company's operating locations and suppliers.

Based on the basic human right of equal employment opportunities for all citizens, employees are hired solely on the basis of professional ability and experience, and never on the basis of race, thought, religion, party, place of origin, place of birth, gender, sexual orientation, marriage, appearance, physical or mental disability, or In the past , people under the age of 15 were not allowed to work on the grounds of union membership, with different considerations and in compliance with the Labor Standards Act . HONG TAI ELECTRICian did not have any violations of child labor during the reporting period , and requires suppliers to sign purchase agreements. The management of labor must comply with "no use of child labor", "free choice of occupation", "humane treatment", "Discrimination", "freedom of association", "labor conditions and wages comply with legal provisions", "good occupational safety and health management" and other requirements.

#### ■ Human Rights Policy Statement

The company supports the United Nations Universal Declaration of Human Rights, the United Nations Global Compact and the International Labor Organization Convention , and strives to ensure that everyone inside and outside the company can be treated fairly and with dignity. Special policies to protect human rights are formulated as follows:

- (1) Comply with relevant labor laws and regulations, protect the legitimate rights and interests of employees, and respect the internationally recognized basic labor human rights principles, and shall not do anything that jeopardizes the basic rights of workers.
- (2) Ensure that we or our business partners and suppliers prohibit child labor in our operations, there is no employment and employment discrimination, and we will never use forced labor or corporal punishment.
- (3) Inclusive of the diverse characteristics of all employees, including: gender, color, race, ethnicity, nationality, creed, party affiliation, age, marital status, family status, sexual orientation, facial features, appearance, disability, pregnancy, and military service status.
- (4) Ensure that employee employment, salary and benefits, education and training, evaluation, promotion, etc. are all handled in accordance with the company's system to create a working environment with equal opportunities, non-discrimination and no harassment.

- (5) Comply with the Personal Data Protection Law, follow strict control regulations and protective measures in obtaining and using personal information, and protect the privacy rights of employees and all stakeholders.
- (6) Regular labor-management meetings are held to ensure smooth communication channels between labor and management. And provide an effective and appropriate employee grievance mechanism to protect the basic rights and interests of employees.
- (7) We adhere to labor safety and health regulations, conduct regular employee health examinations, and establish a healthy and safe workplace.

■ **Specific practices for human rights protection**

- Promote the company's human rights policy in the education and training of new employees, including the prohibition of hazardous labor, prohibition of child labor, prohibition of sexual harassment, anti-discrimination, tolerance of diversity, etc.
- Establish a "Sexual Harassment Complaints Investigation Committee" to ensure gender diversity among members and smooth channels for complaints. Complaint cases in 2023 : 0 . From time to time, we invite professional units to the factory to hold "Unlawful Harassment in the Workplace" lectures to explain to supervisors the important concepts of preventing workplace bullying and sexual harassment.
- Doctors and nurses are regularly invited to the factory to provide consultation to employees. The number of consultations in 2023 : person 111-time. Free health examinations are provided to current employees on a regular basis ( at least once every two years ) to monitor the health of colleagues . The number of health examinations in 2023 will be limited.
- Multiple communication and smooth complaint channels have been established . A total of 8 labor-management meetings will be held in each factory in 2023. Colleagues can communicate with the company in real time. If there are any illegal matters, they can also report directly to their superiors in accordance with the company's internal reporting guidelines.
- In compliance with regulations and for different work contents, education and training programs are established to provide different safety trainings. For example, annual education content includes: safety and health education and training, fire safety training, first aid training, etc.
- Regularly inspect dangerous facilities and equipment, set up management personnel for relevant operations, and carry out industrial safety assessments by supervisors every year to ensure a safe working environment for colleagues.
- 2023 , the number of hours of education and training related to human rights protection ( including : human rights policy promotion, labor safety education, health management and mental hygiene and other related courses, etc. ) , a total of 14

classes , totaling 283 people, totaling about 630 hours.

## 2.4 Compliance with regulations

In order to manage corruption risks, HONG TAI ELECTRIC has set up the corruption risk assessment operation base as the general manager's office and audit office of the head office. It is presumed that the "Procurement Operations Review Working Committee Group" is the dedicated assessment unit. The internal audit unit checks whether there are deficiencies from time to time. If deficiencies or high risks are found, the chairman will be reported to initiate an internal self-inspection process or a "committee" will be convened. The review committee team will submit an investigation report and submit it to the audit committee established by independent directors, or provide it to an impartial third party for investigation and use.

HONG TAI ELECTRIC has additionally formulated the "Administrative Measures to Prevent Insider Trading" to expand the promotion of legal compliance. Establish internal reporting guidelines. When illegal activities are discovered, reports can be made in person, by phone, or by email.

HONG TAI ELECTRIC takes the following specific actions to manage corruption :

1. Develop a code of practice for corporate social responsibility and a code of ethical conduct for company management.
2. Suppliers are required to sign an "Integrity Commitment Letter".
3. Notify colleagues that they are not allowed to accept gifts from suppliers or customers.

The company's management evaluation mechanism is for the internal audit unit to check whether there are deficiencies from time to time. If there are deficiencies, a deficiencies improvement tracking report will be issued and a follow-up follow-up description will be issued. In 2023 , there were no penalties for violating corruption-related laws, and no corruption reports occurred. Set medium and long-term goals to target zero cases.

HONG TAI ELECTRIC communicates with stakeholders through various channels and actively responds to issues of concern to stakeholders. If stakeholders find that our employees are involved in illegal behavior, they can report to the company in accordance with the " Company Internal Reporting Guidelines " published on the company's website. Make a report; the company will face it honestly and proactively conduct a fair and impartial investigation under the principle of protecting the whistleblower. If it is confirmed that a negative impact has been caused, appropriate punishment will be imposed depending on the seriousness of the case, and corresponding strategies and actions will be proposed. . No reported cases were received in 2023 .

The company has established an effective internal control system and has an internal audit unit, which performs various audits in accordance with the audit plan. In the event of special circumstances, special audits will be arranged. In addition, the entrusted accounting firm will

also conduct annual audits on relevant internal control operations to ensure the implementation of relevant systems.

The Company determines whether the design and execution of the internal control system are effective based on the items for judging the effectiveness of the internal control system stipulated in the "Principles for Establishing Internal Control Systems for Publicly Issuing Companies" (hereinafter referred to as the "Principles"). The internal control system judgment items used in this "processing standard" are based on the management control process, and the internal control system is divided into five components: 1. Control environment 2. Risk assessment 3. Control operations 4. Information and communication 5. Supervise operations , each component includes several projects.

The Company has adopted the above-mentioned internal control system judgment items to evaluate the effectiveness of the design and implementation of the internal control system. Based on the preceding assessment, the company prepared an internal control system statement and disclosed it in 2023the annual report. It believed that the company's internal control system (including the supervision and management of subsidiaries) as of 2023December 31 , 2018 , included understanding the effectiveness of operations . And the degree to which efficiency goals are achieved, reporting is reliable, timely, transparent and in compliance with relevant norms and relevant laws and regulations. The design and implementation of relevant internal control systems are effective and can reasonably ensure the achievement of the above goals.

Suppliers are also required to sign an "Integrity Commitment Letter". For external units that violate anti-bribery and anti-corruption and cause damage to the company, they will seek compensation according to the provisions of the signed commitment letter and take necessary legal actions.

Reporting of illegal activities

Accepting units: General Manager's Office, Audit Office , Spokesperson

Reporting address: 20th Floor, No. 65, Section 2, Dunhua South Road, Da'an District, Taipei City

Report hotline : 02-2701-1000

Report mailbox :

Shareholders and investors related: [sp@hong-tai.com.tw](mailto:sp@hong-tai.com.tw)

Internal illegal related: [pp@hong-tai.com.tw](mailto:pp@hong-tai.com.tw)

Internal and external illegal related: [audit@hong-tai.com.tw](mailto:audit@hong-tai.com.tw)

In accordance with the reporting standards set by the company, after receiving the reporting letter, subsequent reporting management and handling procedures will be initiated.

HONG TAI ELECTRIC defines a major incident when the cumulative amount of fines for a single incident reaches more than 1 million yuan. There were no major violations of laws and regulations during the reporting period .

Statistics on violations				
Punishment type	type	Punishment content	Explanation of violation of regulations	Improvement measures
fine incident	Working overtime	Fine and suspended amount of 150,000 yuan	Article 32, Paragraph 2 of the Labor Standards Act	Continue to recruit staff to improve the timeout problem
	Working overtime	The amount of fine and suspension is 300,000 yuan	Article 32, Paragraph 2 of the Labor Standards Act	Continue to recruit staff to improve the timeout problem
total	of incidents: 2 ; Total fine: NT \$ 450,000 .			

### 3. Excellent management

Major Topic: Customer Service Management	
<b>Important reasons for this topic</b>	In order to understand the market status and market demand , Touyu regularly visits customers, actively informs product information updates, cares about post-sales satisfaction, maintains and updates customer information , and provides professional services for power cables, as a basis for HONG TAI ELECTRIC to improve its products and services. And serve as a reference for adjusting competitive strategies .
<b>Influence and impact</b>	<p>actual positive impact: All handling personnel must exercise self-restraint and requirements .</p> <p>Potential positive impact: Practitioners need to have professional knowledge and abilities to ensure transaction safety, otherwise the rights and interests of customers may be affected.</p> <p>Potential negative impacts:</p> <ul style="list-style-type: none"> <li>● Whether the price affects the loss of orders.</li> <li>● Whether the product causes air pollution, noise, etc. during the delivery process.</li> </ul>
<b>Policy / Strategy</b>	A win-win situation between supply and demand, pragmatic management, meeting customer requirements , and system excellence.
<b>goals and objectives</b>	<p>Short-term goal: increase market share, customer satisfaction survey target <b>82%</b> .</p> <p>Medium- and long-term goals: Become a leading brand in the power cable industry.</p>
<b>Management evaluation mechanism</b>	Set performance targets for the next year in the previous year, which are divided into monthly performance targets for implementation, through mechanisms such as monthly quality meetings, weekly case management tracking, weekly department joint meetings, weekly production and sales optimization meetings, quotation form tracking management, etc. Measure performance.
<b>Performance and Adjustment</b>	<p>Customer satisfaction is reviewed from weekly, monthly to annual meetings and scored in April every year.</p> <p>Questionnaire recovery rate: 92 % . After statistical analysis of the questionnaire, the customer satisfaction rate this time was 86.14% . which has achieved the goal.</p> <p>Analyzing statistical data, customers care most about the following two factors:</p> <ol style="list-style-type: none"> <li>1. Product packaging, transportation and related operations</li> <li>2. Product delivery deadline</li> </ol> <p>In response to customer concerns, the electric power industry holds cross-department and transportation industry horizontal communication meetings to coordinate response measures and possible improvements and adjustments to meet customer needs.</p>
<b>preventive or remedial measures</b>	Understand the business dynamics of customers, establish standard handling procedures for incidents reported by customers, accept, investigate and handle them appropriately, with the purpose of protecting the rights and interests of customers.

<b>Major Theme: Innovative Products and Technologies</b>	
<b>Important reasons for this topic</b>	Through continuous product innovation and adjustment of product positioning, we can maintain competitive advantages and use technological innovation to improve the value and differentiation of products, thereby changing the basis of market competition and improving the important conditions for the company to survive in the competitive market.
<b>Influence and impact</b>	<p>Potential positive impact: Global warming has escalated to the focus of global attention, and plastic production is one of the main factors causing greenhouse gas emissions. By reducing plastics, we can reduce greenhouse gas emissions and move towards net-zero emissions.</p> <p>Potential negative impacts: The market for solar power generation systems is growing day by day, and the demand for renewable energy is strong. Therefore, the design of cables needs to take into account special laying occasions and extreme weather conditions to avoid poor cable quality, causing damage and defects that may affect the solar power generation system.</p>
<b>Policy Strategy /</b>	<ol style="list-style-type: none"> <li>1. Comply with IECQ QC 080000 and HSF quality policy requirements.</li> <li>2. Solar products have passed UL certification in the United States and TÜV Rheinland certification in Germany, and implement ISO 90001 and IECQ QC 080000 quality policies to meet the requirements.</li> <li>3. Plastic reduction, recycling and reuse : Adhering to the company's business philosophy and the spirit of the quality management system, we continue to develop new niche products or technological innovations. In order to pursue the company's mission of sustainable operation, we continue to use plastic reduction, recycling and reuse technology. The use of recycled materials to turn waste into energy promotes the policy of sustainable recycling of resources.</li> <li>4. Develop green products : In response to the trend of globalization, develop new materials and other supply sources for the green energy industry, continue to respond to market and customer needs with better quality, expand green energy market share, and move towards the goal of sustainable development of green energy. .</li> </ol>
<b>goals and objectives</b>	<ol style="list-style-type: none"> <li>1. The short-term goal is to implement source management and actual recycling to achieve the purpose of plastic reduction and reuse, while the medium- and long-term goal is to achieve a plastic reduction and recycling target of 60% .</li> <li>2. The short-term goal is to comply with relevant international regulatory requirements and meet customer needs, while the medium- and long-term goal is to continue to develop new green material applications to extend corporate advantages and market share.</li> </ol>
<b>Management evaluation mechanism</b>	<ol style="list-style-type: none"> <li>1. Manage and control through the ISO 9001quality management system and IECQ QC 080000 hazardous substances process management system. 2. Every year, ISO 9001and IECQ QC 080000 quality policies require internal evaluation and external audit and control.</li> </ol>
<b>Performance and Adjustment</b>	Review execution results, improvement methods and progress adjustments monthly to achieve annual performance.
<b>preventive or</b>	1. Prevent hazards that are prone to occur



<b>remedial measures</b>	through the setting of goals for operations such as the IECQ QC 080000 Hazardous Substances Process Management System and related procedural standards. 2. Conduct various operational controls in compliance with international standards such as UL , IEC , EN and IECQ QC quality policy requirements.080000
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<b>Major Theme: Customer Health and Safety</b>	
<b>Important reasons for this topic</b>	<p>Customer health: Hazardous substances in products involve the health and safety of customers, and customers continue to have requirements for the management of hazardous substances, implementing the concept of "Hongtai's quality is the customer's protection".</p> <p>Customer information security: In order to pursue sustainable management, HONG TAI ELECTRICAL takes "integrity, diligence, innovation and advancement" as its business philosophy, among which "integrity" is the most important core value. Based on this core value, the company's corporate culture emphasizes integrity management and requires colleagues to abide by relevant laws and regulations and internal norms in environmental protection, business ethics, employee safety and health, protection of customer information , etc., in order to improve corporate governance and protect the company's shareholders and shareholders' interests of all employees.</p>
<b>Influence and impact</b>	<p>Customer health: actual positive impact: By providing safe products and services, customer satisfaction and trust in the company can be improved.</p> <p>Customer information security: The issue of customer data security has a profound impact on the world's economy, environment, and human rights, ranging from the company's internal technology research and development and innovation, to the trust and reputation of the enterprise, and even serious economic losses to upstream and downstream manufacturers. Nowadays, many Countries have enacted strict data protection regulations, requiring companies to ensure the security of customer information.</p> <p>Potential positive impact: Develop strict information security regulations to protect corporate and customer information security</p> <p>Potential negative impacts: If information security regulations and measures are not strictly formulated, it will cause technology outflow, economic losses and damage to corporate reputation.</p>
<b>Policy / Strategy</b>	<p>Customer health: Our company's Hazardous Substances Reduction Policy (HSF Policy) : Meets applicable "Hazardous Substances Reduction" requirements and continues to improve .</p> <p>Customer information security: HONG TAI ELECTRICAL adheres to the concept of maintaining the company's information security, and has comprehensive protection and precautions for the data stored or transmitted by the company to prevent damage, computer viruses, leaks, abuse and infringement, etc., to ensure the privacy of customers, and there is no information leakage, Complaints about theft or loss of customer information.</p>

<p><b>goals and objectives</b></p>	<p>Customer health:  Short-term goal: 100% compliance with RoHS 2.0 and REACH control requirements.  Mid- and long-term goals: 100% compliance with the hazardous substance standards agreed between the company and its customers .</p> <p>Customer information security:  In the short, medium and long term, the goal is to have no leakage, theft or loss of customer information.</p>
<p><b>Management evaluation mechanism</b></p>	<p>Customer health:  Follow international standard procedures such as ISO 9001 and ISO/IEC 17025 as an evaluation mechanism.</p> <p>Customer information security:  In addition to the routine audit of the annual information schedule by the audit office, the Company also has an accounting firm that conducts simultaneous internal control audits.</p>
<p><b>Performance and Adjustment</b></p>	<p>Customer health:  In accordance with the ISO 9001 : 2015/IATF 16949/QC 080000 quality management system, internal management review procedures are carried out, and a third party conducts external audits every year, and we continue to strive for improvement and innovative development.</p> <p>Customer information security:  There will be no leakage, theft or loss of customer information in 2023 .</p>
<p><b>preventive or remedial measures</b></p>	<p>Customer health:  Short-term goal: regularly send samples for testing every year and control the standards of hazardous substances.  Mid-term and long-term goals: Continuous improvement to meet the satisfaction of internal and external customers.</p> <p>Customer information security:  1. In addition to building firewall defense capabilities in the external environment, anti-virus software is also installed internally on each employee's computer equipment to prevent e-commerce activities from spreading viruses. A backup system is also installed for important servers and colleagues' computers to conduct daily and weekly Back up to ensure that data is abnormal or damaged and repaired; in addition, from time to time, we strengthen the information security awareness of colleagues, understand new types of attack methods, etc., and strengthen the information security awareness of colleagues; and focus on the company's external Internet access, external liaison offices, and VPN use Internet line application ISPs provide information security packages to strengthen network information security and prevent customer complaints from occurring.  2. Complete information security general education training for all colleagues in 2023 , instilling colleagues' information security, password complexity and attack prevention concepts from the system level and general level respectively; and simultaneously focus on the company's network environment, servers, and users We conduct vulnerability scanning and repair operations in three aspects to continuously strengthen the information security environment.</p>

### 3.1 Product quality management

HONG TAI ELECTRIC has a total of 134 suppliers in 2023. We regard suppliers as important partners to create value. Together with brand customers, we hope to fully influence the supply chain to fulfill business ethics and social responsibilities, thereby reducing the consumption of environmental resources. and impact, enhance the ability to create value for the overall economy, society, and environment, and create vigorous development and sustainable growth of the industry. Mainly purchases 8mm copper bars, copper plates, miscellaneous hardware, raw materials, electronic controls, equipment, and packaging materials . The amount and proportion of domestic and foreign purchases in the past three years are shown in the following table:

Contract type	Purchasing area	2021		2022		2023	
		Number of households	this purchase amount to the total purchase amount (%)	Number of households	this purchase amount to the total purchase amount (%)	Number of households	this purchase amount to the total purchase amount (%)
property (raw materials)	domestic	98	82	126	74	70	71
	foreign	6	17	15	25	10	25
project ( Building and Equipment )	domestic	28	1	70	0	54	4
	foreign	0	-	1	1	0	-
total		132	100 %	212	100 %	134	100%







### 3.2 Customer service management







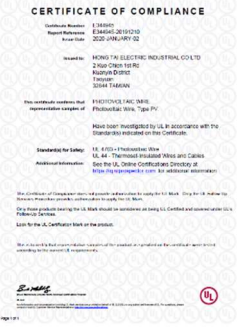


416-1	Assess the health and safety impacts of product and service categories
416-2	Breach of health and safety regulations regarding products and services
417-1	Product and service information and labeling requirements
417-2	Incidents of failure to comply with regulations on information and labeling of products and services
417-3	Incidents of failure to comply with laws and regulations regarding marketing communications
418-1	Complaints of substantiated breach of customer privacy or loss of customer information

HONG TAI ELECTRIC's production lines comply with the regulations in the following table as product control standards:

1. ASTM American Society for Testing and Materials standards	5. JIS Japanese Industrial Standard
2. BS British Standards Institution standards	6. TPC Taiwan Power Company Material Specifications
3. CNS National Standard of the Republic of China	7. IPC ( International Electronic Industry Connection Association ) specifications
4. IEC International Electrotechnical Commission standards	8. UL specifications ( Underwriters Laboratories standards )

And all comply with relevant laws and regulations, 100% of which comply with national standards, and have passed the UL Underwriters Laboratories, heat-resistant wire and cable and flame-resistant cable accreditation standards . In 2023 , product quality throughout the year will comply with EU RoHS 2.0 and REACH third-party testing Standards not only take into account the health and safety of customers, but also avoid negative impacts on society and the environment. During the reporting period, HONG TAI ELECTRIC was not punished for violating health and safety regulations for products and services. The safety certification projects obtained by HONG TAI ELECTRIC are as shown in the following table:

The Electric Power Division obtained the safety certification project		
		
<p><b>Bare hard copper stranded wire</b> <b>CNS 668 C2004</b></p>	<p><b>600V PVC insulated wire</b> <b>CNS 679 C2012</b></p>	<p><b>Bare Soft Copper Single Wire</b> <b>CNS 1364 C2030</b></p>
		
<p><b>Bare soft copper stranded wire</b> <b>CNS 1365 C2031</b></p>	<p><b>Cross-linked polyethylene insulating polyvinyl chloride Covered power cable</b> <b>CNS 2655 C2047</b></p>	<p><b>600V PVC insulated and coated cable</b> <b>CNS 3301 C2058</b></p>

		
<p>600V environmentally friendly wire and cable</p>	<p>LR 600V 3C XLPE-LSNH</p>	<p>LR 25 kV 1C XLPE-LSNH</p>
		
<p>TUV photovoltaic system cable EN50618</p>	<p>TUV photovoltaic system cable IEC62930</p>	<p>TUV photovoltaic system cable 2PFG</p>
		
<p>UL photovoltaic system cable UL4703</p>	<p>600V PVC insulated and coated portable cable CNS 6556 C2086</p>	<p>600V heat-resistant PVC insulated wire (HIV) CNS 8379 C2103</p>

our company's product labeling includes: company information, such as company name, address, phone number, etc.; product information, such as thread specifications, ingredients, quantity ( length, weight ) , manufacturing date; product certification information, such as: CNS orthographic mark , Standards and Inspection Bureau product verification mark, smile mark, environmental protection mark and other certification information, as well as RoHS hazardous substances restriction directive website and other information. On the packaging of each product produced, the labels and descriptions comply with relevant regulations and detail various important information so that customers can understand it at a glance and feel confident when purchasing our products and after-sales services.

1. The content of restricted substances complies with the CNS guidelines for reducing the content of restricted chemical substances in electrical and electronic equipment, and is marked with 15663 C1156LF and RoHS .

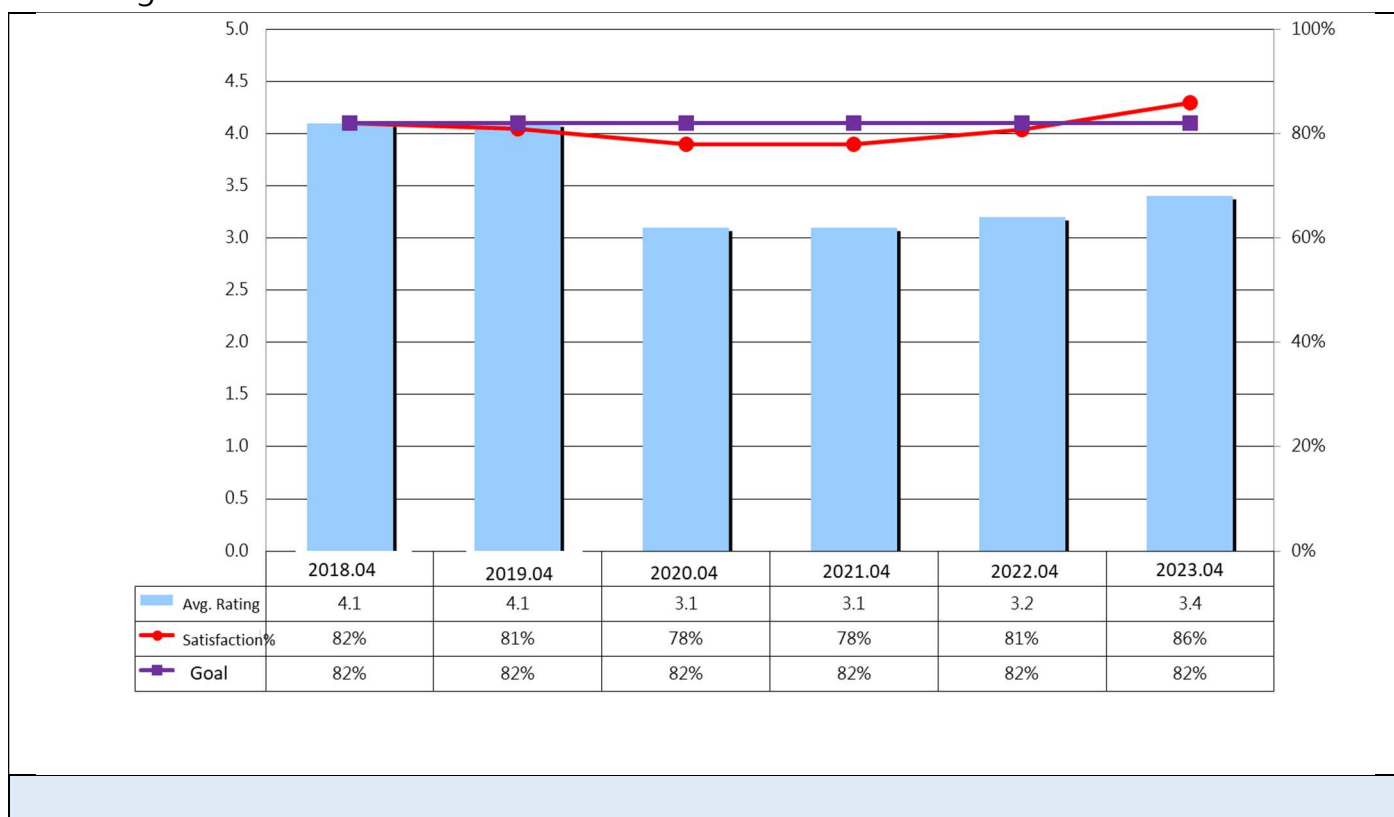
- 600V lead-free PVC wire complies with the standards of CNS 679 and is approved by the Chinese Standard Marking Bureau, LF and RoHS hazardous substances standards. Ensuring that when customers use products, they can not only easily understand product information, but also use them safely, and that the product contents meet standards can reduce company costs and reduce harm to the social environment.

During the reporting period, there were no violations of laws and regulations related to product marketing and promotion ( including advertising, publicity and sponsorship ) . Therefore, no serious penalties or heavy fines have been imposed.

### customer satisfaction

The description and pictures below are 2023annual values.

- Electric Power Utilities: Customer satisfaction review meetings are held from weekly, monthly to annual, and scores are conducted in April every year . 2018 to 2023 The annual customer satisfaction ratio is increasing year by year, which is customers' recognition of Hongtai's services.

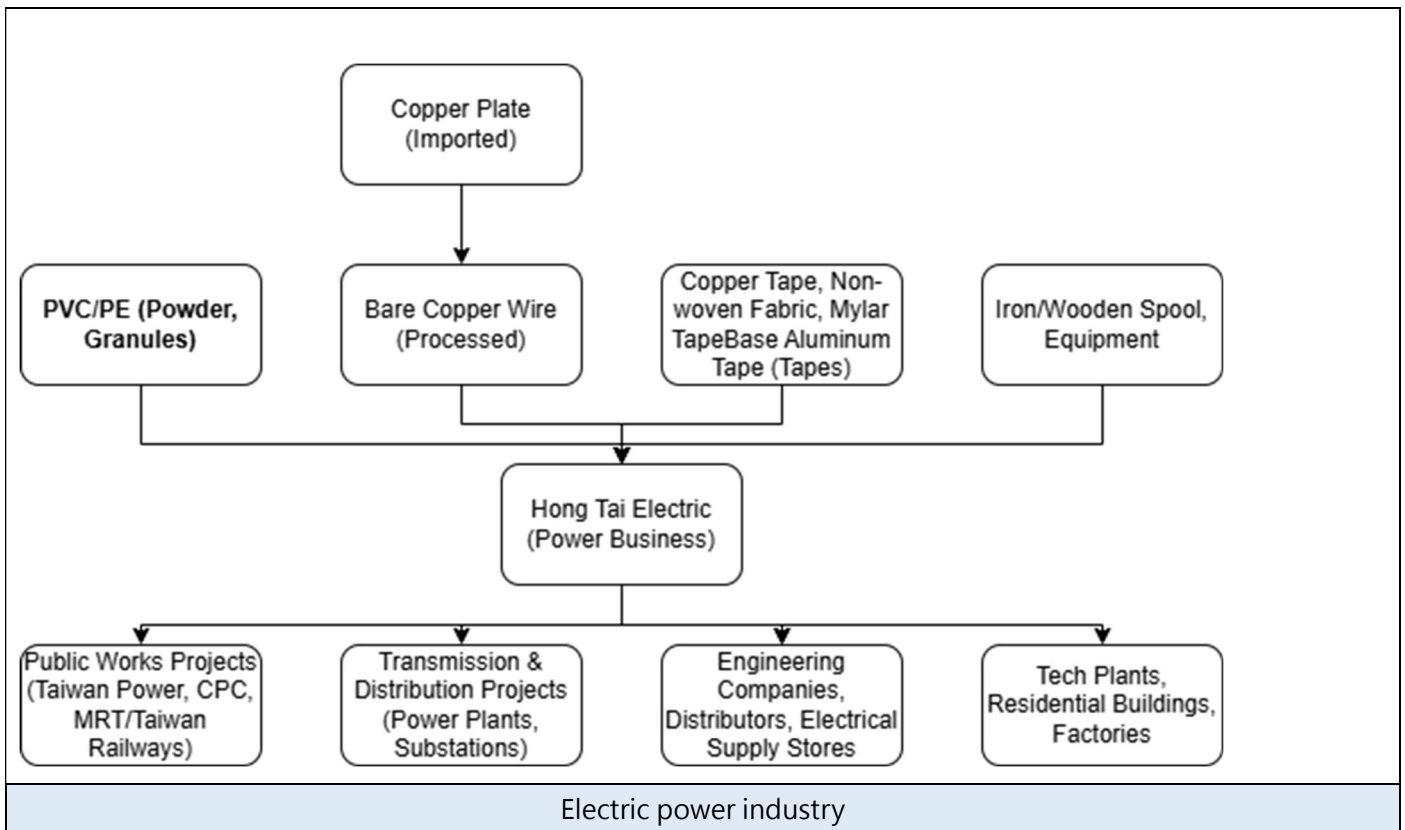


## Customer privacy

HONG TAI ELECTRIC attaches great importance to customers' information and privacy, and has formulated personal data protection management measures to protect the rights and interests of customers and HONG TAI ELECTRIC. Protecting customer information is an important issue in operations. In order to prevent data from being misused by unscrupulous persons, in addition to building firewall defense capabilities in the external environment, anti-virus software is also installed internally on each employee's computer equipment to prevent e-commerce activities from spreading viruses; in addition, we regularly strengthen the promotion of employees' information security awareness, Understand new types of attack methods ... etc., strengthen colleagues' information security awareness, and ensure that they promise not to infringe on customer privacy or lose customer information. HONG TAI ELECTRIC adheres to the company's information security concept and has a thorough understanding of the information stored or transmitted by the company. To protect and prevent damage, computer viruses, leaks, abuse and infringement, HONG TAI ELECTRIC's implementation policy is "Customer Partition Responsibility" and "Hierarchical Permission Settings". Relevant policies can be read in detail on the "Information Security Policy and Structure" of Hongtai Electric's official website. During the reporting period, there were no complaints of information leakage, theft or loss of customer information.

### 3.3 Supply chain management

The company regards suppliers as important partners in co-creating value. Together with brand customers, we hope to fully influence the supply chain to fulfill business ethics and social responsibilities, thereby reducing the consumption and impact of environmental resources and improving the overall economic, social and environmental creation. The ability to create value creates vigorous development and sustainable growth of the industry. The company's supply chain upstream and downstream relationship diagram is as follows:



In order to ensure that suppliers and outsourcers have good quality , environment , hazardous material process management mechanisms and management performance, and to ensure that the products they provide or OEM can meet Hongtai's specifications and requirements, HONG TAI ELECTRIC works in accordance with supplier management procedures. The manufacturer's performance evaluation not only assesses the quality , delivery time , cooperation , service and other capabilities of existing third-party manufacturers and contractors , but also requires handling measures that are lower than the evaluation standards. The power plant that fails to meet the scoring standards will be required to do so in the following month. Score again. If the score standard is not met again, the qualification of qualified supplier will be terminated. In 2023 , the Electric Power Plant Affairs Department will account for 100% of the proportion of suppliers undergoing supplier evaluation . A total of 9 third- party suppliers were audited and there were no defects . The evaluation scores and recommended handling methods based on the "Third Party Performance Evaluation Form" are as follows :

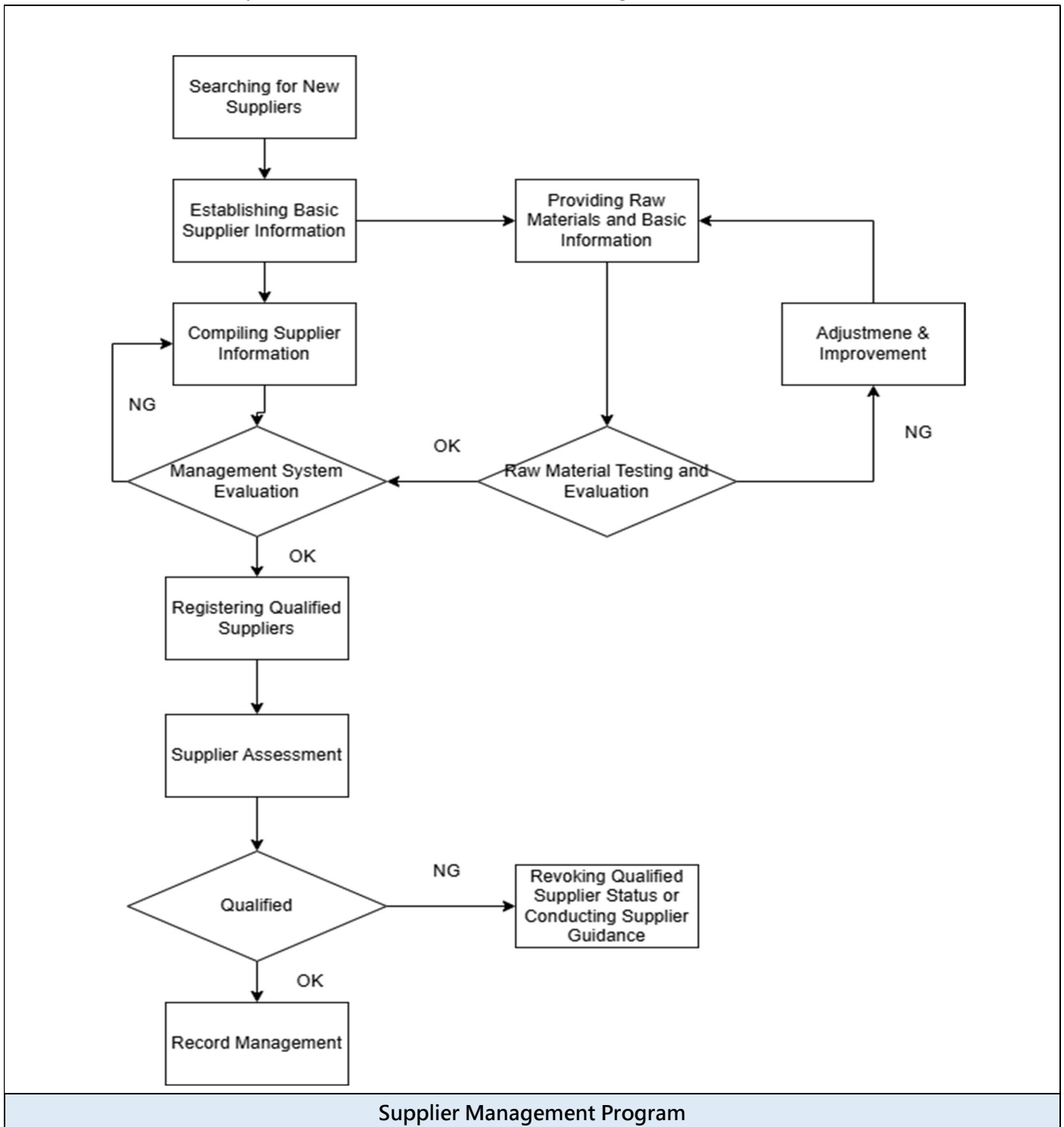
A : Those with a score of 80 or above are grade A , and purchasing units should prioritize them for procurement or increase their procurement ratio.

B : Those with a score of 70 and above to 7 and 9 are classified as Grade B , and are qualified suppliers as well as Grade A.

Grade C : If the score does not reach 69 points ( including the following ) , Grade C is an unqualified supplier. The purchasing unit may consider providing counseling to the supplier and make improvements within a time limit through on-site evaluation or



immediately revoke the qualified supplier registration.



In order to ensure long-term stable supply and meet customer product quality needs and environmental standards, HONG TAI ELECTRIC Power Plant implements supplier screening standards in accordance with the performance requirements table provided by the technical department, requiring suppliers to provide SGS SDS hazardous substance questionnaires, and requiring suppliers to provide limited The power plant conducts inspections from time to time and requires suppliers to fill out outsourced construction orders and inform them of the on-site environment . and discuss working methods together to avoid occupational safety and health problems.

In accordance with the supplier management procedures, in order to manage the source of raw materials and ensure compliance with the requirements for restricted substances, our company currently has 51 suppliers with 100% transactions required to sign back the "Hongtai Restricted Substances Guarantee and List of Restricted Hazardous Substances" 》. According to the 2023 supplier assessment implementation plan, 9 suppliers have been assessed and the assessment results all meet the standards.

## 4. Environmental sustainability

Key themes: energy , emissions	
<b>Important reasons for this topic</b>	<p>"Global warming" is the global environmental issue that the world is most concerned about at present, and greenhouse gas emissions are closely related to it. In the company's product manufacturing process, it is unavoidable to cause environmental impact. In the face of sustainable development, how to manage and Reducing emissions will have a significant impact on future operations. Complying with the Air Pollution Prevention and Control Law is the basic guideline for the company's business operations and social responsibility. Violation of regulatory requirements may result in reputational and financial losses, which will further affect the company's operations. Complying with relevant regulatory requirements is an important foundation for the company's sustainable operations.</p>
<b>Influence and impact</b>	<p>✓: In order to effectively manage energy, regularly review and adjust power-saving plans, and with policy support and cooperation from engineering, environmental, and safety units, explore relevant energy consumption factors and strengthen the construction of energy databases.</p> <p>✓: Enterprises can reduce their impact on the environment by implementing greenhouse gas management measures .</p> <p>■: Changes in Taiwan' s energy structure, rising supply prices or shortages , and increasing electricity costs have impacted business operations.</p> <p>■: Extreme weather events impact suppliers' operations and production, resulting in interruptions in product supply, delayed production capacity, loss of customers, and loss of due profits; average temperatures continue to rise, resulting in increased energy consumption.</p> <p>■: Changes in Taiwan' s energy structure, supply price increases or shortages; greenhouse gas emission costs increasing ( such as additional carbon fees due to regulations ) .</p> <p>■: Employees: Physical and mental risks caused by the hot summer factory weather, or incidents affecting attendance, absence from work, and employee disability and injury.</p> <p>■: Machines and equipment: Risk of malfunction due to the hot factory weather in summer, or asset losses caused by damage or scrapping for any reason.</p> <p>■: Climate: Heavy rains caused flooding in factories and water accumulation on roads, and drought caused factory equipment to be unable to operate due to lack of water .</p> <p style="text-align: right;">✓: Positive impact ■: Negative impact</p>
<b>policy</b>	<ul style="list-style-type: none"> <li>● At present, the contracted power capacity of energy users exceeds 800 kilowatts, and energy managers have been set up to manage it.</li> <li>● e- management systems that comply with international standards to strengthen energy management and save power.</li> <li>● Cooperate with the Energy Management Bureau of the Ministry of Economic Affairs to carry out energy conservation and carbon reduction measures and reduce pollution emissions .</li> <li>● Environmental management: Hongtai is committed to reducing "the impact of the company's activities, products and services on the environment" and implements it in</li> </ul>

	compliance with the above environmental policies .
<b>Goals and objectives</b>	<p>Short term goals:</p> <ul style="list-style-type: none"> <li>● Improve old equipment to reduce energy consumption.</li> <li>● Improve old equipment to reduce energy consumption, comply with air pollution prevention laws, and avoid major violations and penalties.</li> <li>● It is expected to introduce greenhouse gas inventory in 2024~2025.</li> </ul> <p>Mid- to long-term goals:</p> <ul style="list-style-type: none"> <li>● Set up energy storage cabinets to reduce peak power demand, balance the impact of peak off-peak enterprises, and eliminate old equipment such as wire drawing machines.</li> <li>● Regularly conduct regulatory review in accordance with the Air Pollution Prevention and Control Act and the Air Pollution Prevention and Control Act's implementation rules, and pay attention to the formulation and development of regulations that may affect the company.</li> <li>● Adjust production process procedures and continuously reduce total energy consumption through alternative energy / fuel methods. Pay attention to global climate change trends, assess its risks and opportunities, and invest resources to implement effective energy-saving, water-saving and other control measures. Take environmentally friendly actions to continuously improve energy resource consumption, waste management and pollution prevention and control performance.</li> </ul>
<b>Management evaluation mechanism</b>	<ul style="list-style-type: none"> <li>● Our company complies with ISO 9001 and evaluates the effectiveness reported by the Energy Management Bureau every year.</li> <li>● In compliance with the Air Pollution Control Law and the Air Pollution Control Law Enforcement Rules as the indicators, the company will be audited externally by local government agencies from time to time and reviewed and improved.</li> <li>● The company refers to the TCFD framework as the basis for assessment. Energy management personnel then use the climate change management process to assess and manage the impact on HONG TAI ELECTRIC's operations and the potential for occurrence.</li> </ul>
<b>Performance and Adjustment</b>	<ul style="list-style-type: none"> <li>● Currently (Guanyin and Dayuan), compared with the base year of 2021, the company will save 1% of electricity annually in 2023 in compliance with the Energy Administration's policy . In the future, annual goals will be set to continue to manage energy issues.</li> <li>● Implement and install relevant control equipment in accordance with the provisions of the Air Pollution Control Act. Compared with the base year of 2021, the company's greenhouse gas emissions in the company's existing power businesses (Guanyin and Dayuan) have been reduced by 1%. In the future, annual targets will be set to continuously manage emissions issues.</li> </ul>
<b>preventive or remedial measures</b>	<ul style="list-style-type: none"> <li>● Set up energy management personnel to take charge of management: It is recommended that companies replace more energy-consuming equipment every year to meet the basic requirements for declaration by the energy management bureau.</li> <li>● Discharge air pollutants in compliance with the requirements of the Air Pollution Control Act, and maintain normal operation of control equipment to reduce untreated emissions from pollution sources.</li> </ul>

<b>Major Theme: Waste</b>	
<b>Important reasons for this topic</b>	As climate change intensifies and environmental pollution becomes increasingly serious, causing various environmental impacts, energy emissions and waste have always been important issues in corporate operations.
<b>Influence and impact</b>	✓: Effective waste management promotes sustainable development and reduces environmental pollution and impact.  ✓: Positive influence
<b>Policy / Strategy</b>	The company's operations are conducted in accordance with relevant domestic and foreign laws and regulations, and it always pays attention to domestic and foreign policy development trends and changes in regulations to adjust relevant operating strategies to achieve sustainable operations.
<b>goals and objectives</b>	The company's environmental policies, environmental goals and targets, and environmental management plans can be communicated through education and training, meeting announcements or posters.
<b>Management evaluation mechanism</b>	Our company conducts annual energy management effectiveness evaluations in accordance with the ISO 9001 internal management review procedures.
<b>Performance and Adjustment</b>	The dedicated waste personnel have completed 100% of the training through professional ethics and legal compliance education and training . In 2023 , there will be no serious leakage incidents or illegal violations with fines exceeding 100,000 yuan.
<b>preventive or remedial measures</b>	The waste removal and treatment contract is clearly drawn up, and the online declaration and proper disposal form can be obtained .

## 4.1 Raw materials and water management

Although HONG TAI ELECTRIC cannot use renewable materials to manufacture products due to the characteristics of the industrial process, among the non-renewable raw materials, the materials used can be reused and manufactured due to their characteristics, and are the materials with the highest recycling rate. In the recycling cycle Play an important role.

Raw material consumption statistics table			
Unit: tons			
Non-renewable material name	202 1 year	202 2 years	202 3 years
copper	11,505.67	10,811.95	11,179.74
PVC material	3,888.57	3,546.96	3,406.99
XLPE material	2,041.89	1,874.94	2,070.41
materials	214.90	268.72	209.68
copper foil	1,028.11	416.10	66.00
glass cloth	7,676.10	3,339.15	904.00
Epoxy resin	1,203.21	578.70	144.00

In recent years, the demand for water in countries around the world has been increasing , but the supply of water resources is very limited, resulting in the risk of water shortage increasing year by year. HONG TAI ELECTRICal Factory is located in Guanyin Industrial Zone , Taoyuan City . The main production country is Taiwan. The main source of water resources is from Shimen Reservoir . It implements environmental protection responsibilities and the water intake does not have a major impact on the local area.

Through the World Resources Institute's "Water Risk Assessment Tool" WATER RISK ATLAS, the water resource risk at the location where HONG TAI ELECTRIC operates is classified as medium to low risk.

HONG TAI ELECTRIC has been paying attention to water resources and environmental protection issues for many years. In terms of water-saving plans , it comprehensively implements water conservation in daily life, and actively improves water consumption in the production process and circulates and filters it before use, so as to maximize the effectiveness of the available water resources .

HONG TAI ELECTRICian water consumption			
year	202 1 year	202 2 years	202 3 years
Water intake (million liters)	64.84	67.77	58.9 0
Displacement (million liters)	51.87	26.87	31.66
Water consumption (million liters)	12.97	40.9	27.24
Organizational metrics (hundred million yuan in revenue)	6,300.75	6,381.43	6,186.9 2
water density	0.01	0.01	<0.01
Note :			
1. Water consumption = water intake – drainage volume			
2. Water density = water intake/hundred million yuan in revenue			

## Water discharge situation

The total annual wastewater discharged by HONG TAI ELECTRICAL Engineering in the past three years is 2021 : 5,187m<sup>3</sup>, 2022 : 2,687m<sup>3</sup>, and 2023 : 3,166m<sup>3</sup>: . The wastewater in the factory is discharged after preliminary treatment, pH adjustment, and sedimentation filtration. Enter the sewage treatment plant in the industrial zone for final treatment. The discharge water quality has a chemical oxygen demand of 97.5 ppm and suspended solids of 10.8 ppm 、 biochemical oxygen demand of 42.35ppm, which is far better than the control standards for industrial zone sewage treatment plants.

The source of HONG TAI ELECTRICIAN's wastewater is mainly based on manufacturing needs, and part of it is general sewage from offices, which will not cause significant impact on water bodies. According to government regulations, it can only be discharged to the sewer system and processed by the back-end wastewater treatment station. There is no Direct discharge into natural water bodies will not affect the characteristics, area, protection status and biodiversity value of receiving water bodies and related habitats.

Monitoring values of water discharged by HONG TAI ELECTRICAL during the reporting period:

Discharge standards and average annual monitoring values of water pollution testing projects ( unit: ppm )				
Test items	Emission standards	Average monitoring value in 2021	Average monitoring value in 2022	Average monitoring value in 2023
Biochemical Oxygen Demand (BOD)	400	66.2	67.75	42.35
Chemical Oxygen Demand (COD)	560	174	211.5	97.5
Suspended Solids (SS)	480	16.9	18	10.8

## 4.2 Greenhouse gas emission management

With the development trend of the global low-carbon economy, enterprises are playing an increasingly important role in environmental risk management. Although HONG TAI ELECTRIC has not yet introduced greenhouse gas inventory, it is working hard to do so and propose measures to inventory greenhouse gas emissions as soon as possible, and HONG TAI ELECTRIC In order to fulfill its corporate citizen responsibilities, we will continue to promote greenhouse gas reduction policies in enterprises and supply chains, and use practical energy-saving, carbon-saving, and water-saving energy-saving measures to achieve the goal of reducing greenhouse gas emissions by 1% year by year .

Scope 1 direct greenhouse gas emissions have been significantly reduced, mainly because the Electrical Materials Division has ceased operations and fuel oil is no longer used in large quantities. Other energy consumption will be significantly reduced, so greenhouse gas emissions will be significantly reduced.

project	202 1 year	2022	2023
Category 1 : Direct greenhouse gas emissions ( metric tons CO <sub>2</sub> e )	2,244.9304	1,450.4665	767.90
Category 2 : Indirect greenhouse gas emissions ( metric tons CO <sub>2</sub> e )	11,237.8624	10,846.9605	8,969.96
Total emissions = Scope 1 + Scope 2 ( metric tons CO <sub>2</sub> e )	13,482.7928	12,297.427	9,737.86
Organizational metrics (hundred million yuan in revenue)	6,300.750	6,381.432	6,186.918
Greenhouse gas emission intensity ( metric tons of CO <sub>2</sub> e / billions of revenue )	2.1 4	1.9 3	1.57
Remark: 1. Category 1 refers to emission sources directly from HONG TAI ELECTRIC owned or controlled, including stationary combustion sources, process emissions, mobile combustion sources in transportation and fugitive emission sources. The emission coefficients are based on the latest information from the Energy Bureau of the Ministry of Economic Affairs. Announcement data version 6.0.4 calculation. 2. Category 2 refers to emissions between energy sources, such as purchased electricity. 3. Types of greenhouse gas emissions: carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), and nitrous oxide (N <sub>2</sub> O). 4. Trial calculation method for 2020 ~ 2023 years : Use the trial calculation tool of the Environmental Protection Agency of the Executive Yuan and the Enterprise Greenhouse Gas Emission Information Platform. ( CO <sub>2</sub> e emission coefficient: electricity: 0.495 ; natural gas: 1.879 ; diesel: 2.606 )			



## air pollution control

HONG TAI ELECTRIC is located in Guanyin Industrial Zone, with windbreaks on two sides, and factories on the front and west. It has been set up in accordance with the provisions of the Air Pollution Control Law. and operating license, and will be controlled according to the permitted emission standards. The company conducts environmental monitoring every six months. Organic solvents, noise and air pollution are all in compliance with regulations. Through ISO 14001 will conduct environmental consideration identification and assessment and environmental operation impact analysis. , conduct relevant communication with neighboring manufacturers three times a year. After 2024, due to the closure of the electrical materials business unit, ISO 14001 applications will be suspended.

### Statistics on consumption of substances that damage the ozone layer

Unit: tons

Substance name	Permitted emissions after 2020	2021	2022	202 3 years <sup>(註)</sup>
NOx	4.958	4.12	1.87	-
SOx	5.608	2.92	1.86	-
VOCs	16.579	11.91	5.35	-

- Remarks : The electrical equipment business unit will cease operations in 2023 and does not produce or emit the following ozone-destroying substances, so no testing is required in 2023.

### 4.3 Energy and waste management

The main energy used by HONG TAI ELECTRIC's factories is non-renewable energy, including electricity, natural gas and heavy oil. Each factory is committed to improving the energy efficiency of product production, continuing to promote energy conservation and carbon reduction actions, and operating sustainably based on corporate social responsibility and green production. To achieve the goal, each factory has introduced an international energy management system. Through the establishment of this management standard and method, it provides the company with a necessary procedural structure, allowing the company to follow a method to manage its own energy without affecting existing operations. Usage efficiency is improved to the best state.

In the future, HONG TAI ELECTRIC will continue to implement various energy-saving measures and save energy through management methods of engineering improvement and administrative improvement to achieve the goal of sustainable energy use. Compared with 2022, the total energy consumption in 2023 will be reduced by 24,099.77 GJ. Because the board of directors approved the end of the operation of the electrical materials business in May 2023, electricity consumption has been significantly reduced, and fuel oil is no longer used in large quantities.

Quantitative indicators	unit	20 21 years	202 2 years	2023
Electricity usage	degree/year	22,386,180	21,310,335	18,121,128
	GJ	80,590.25	76,717.21	65,236.06
Liquefied Petroleum Gas (LPG)	kg /year	1,230	1,110	1,260
	GJ	60.97	56.02	63.63
Diesel usage	L/year	48,326	45,584	57,973
	GJ	1698.45	1,602.08	2,038.86
Fuel oil usage	L/year	310,844	200,193	75,660
	GJ	12,485.48	8,041.03	3,041.02
Natural gas (LNG) usage	m <sup>3</sup>	608,282	373,525	132,548
	GJ	20,360.42	12,502.63	4,439.62
total energy consumption	GJ	115,195.57	98,918.96	74,819.19
organization specific metrics	Revenue (millions of yuan)	6,300.75	6,381.43	6,186.918
energy intensity	GJ/Revenue (millions of dollars)	18.28	15.50	12.09

Note:

1. The calorific value of electricity is converted to 1kWh=0.0036GJ.
2. Electricity 3,600KJ/kWh; gasoline 7,800kcal/L; diesel 8,400kcal/L; natural gas 8,000kcal / m<sup>3</sup> ; 1kcal liquefied petroleum gas 6,635kcal/L; fuel Oil 9,600kcal/L; 1kcal=4.184KJ.

## Energy saving results

Nowadays, the world attaches great importance to energy conservation, carbon reduction and environmental protection issues. Through the efforts of the R&D team, HONG TAI ELECTRIC is committed to developing high-quality green products that are more environmentally friendly. This has always been one of the company's goals. From the selection of environmentally friendly raw materials and the improvement of production processes, Provide customers with more complete and high-quality products, reduce environmental pollution caused by products, improve cable quality and extend product life cycle, and reduce disasters caused by improper product use.

HONG TAI ELECTRIC promotes energy conservation and carbon reduction actions and reduces greenhouse gas emissions based on corporate social responsibility and the goals of green production and sustainable operations .

This year , Tainan Jiali Factory installed a total of 226.44kw solar power plants , with a total investment amount of 9.7 million yuan. Currently, HONG TAI ELECTRIC has installed a total of 1,839.5 kw solar power plants , with a total investment amount of 7,78610,000 yuan.

HONG TAI ELECTRIC's energy-saving measures and estimated savings in 2023		
department	Energy saving measures	Estimated savings
General Affairs Department	1. During working hours, photocopiers are scheduled to save power and turn off the power in unused areas. 2. Turn off computers, screens, photocopiers and printers after work and holidays. 3. The air-conditioning setting is maintained at 26 ° C indoors , and a fan is used to save energy.	2,050 degrees / year
		Carbon reduction: 4,027kgCO <sub>2</sub> e
Electric Power Production Department	Replace old strapping machines with new ones in power plants ( improvement of process equipment ) <ul style="list-style-type: none"> <li>original TP-2 10KW old tape wrapping machine has a production capacity of 180 meters per hour ( the annual production target is 1 million meters ) , so the annual operation hours are 5,556 hours , and the annual power consumption is : 10KW X 5,556HR = 55,560 kilowatt hours .</li> <li>new TP-3 3.8KW tape wrapping machine has a production capacity of 1,080 meters per hour ( the annual production target is 1 million meters ) , so the annual operation hours are 926 hours , and the annual power consumption is : 3.8KW X 926HR = 3,519 kilowatt hours .</li> </ul> Annual power saving : 55,560 kWh -3519 kWh =52,041 kWh, annual power saving rate : 52 , 041/55 , 560=93.6% .	Annual electricity saving : 52,041 kilowatt hours Annual power saving rate : 93.6% Carbon reduction : 25,708.25 kgCO <sub>2</sub> e
Information Center	2018 to reduce printing paper and physical delivery. A total of 20,685 electronic invoices will be issued in 2023 .	Carbon reduction: 236 kgCO <sub>2</sub> e

China's green energy industry (such as renewable energy power plants) during the year. The company has an investment department that conducts financial investments after research and analysis on different industries. This year's new investments in green energy-related industries and targets are as follows:

Electric vehicles and smart transportation related
<ul style="list-style-type: none"> <li>• Honghua Advanced</li> <li>• Dingying</li> <li>• Lianmao</li> <li>• Jinju</li> </ul>
Electric vehicles and energy storage related
<ul style="list-style-type: none"> <li>• Jinju</li> </ul>
Related to smart system integration
<ul style="list-style-type: none"> <li>• Chiwon</li> <li>• Jinxiangdian</li> <li>• Gigabyte</li> <li>• Yutai</li> </ul>
to solar and wind power
<ul style="list-style-type: none"> <li>• Huaxin</li> </ul>
Related to energy storage and energy saving
<ul style="list-style-type: none"> <li>• ZTE</li> </ul>

## waste management

In order to comply with government laws and regulations, prevent air pollution, and protect the living environment and public health, HONG TAI ELECTRIC's various wastes that have an impact on the environment are contracted to be removed and recycled by legal professional removal companies in accordance with the law, and waste control is established. Follow the management procedures to collect and monitor waste-related data. The company's main waste is waste wires and cables, which are the largest waste in the factory. Based on waste To maximize the reuse of discarded materials, the company will sell them to qualified manufacturers for processing and reuse.

The electrical materials business and the electric power business will generate a total of 52.198 metric tons of hazardous waste in 2023, and 237.47 metric tons of non-hazardous waste.

tons, the weight and location of each waste are as follows.

HONG TAI ELECTRICAL Materials Business		
hazardous waste		
Waste composition	Leave	
project	Waste generation (tons)	Processing method
Waste solvent (C-0301)	44.34	Recycling
Dimethylformamide (B-0347)	1.408	Incineration
Etching solution (R-2501)	4.45	Recycling
non-hazardous waste		
Waste composition	Leave	
project	Waste generation (tons)	Processing method
Scrap ears (E-0221)	23.59	Recycling
Scrap wood (R- 0701)	60	Recycling
Scrap glass (R-0401)	12.85	Recycling
Scrap iron (R1301)	1	Recycling

Hongtai Electric Power Business		
hazardous waste		
Waste composition	Leave	
project	Waste generation (tons)	Processing method
Waste solvent (C-0301)	2	Recycling
non-hazardous waste		
Waste composition	Leave	
project	Waste generation (tons)	Processing method
Waste wire and cable (D-2601)	125	Sold to qualified manufacturers for processing and reuse
Waste dust mixture (D-1099)	0.03	Incineration
oil mixture (D-1799)	5	Recycling
Waste bare copper wire (R-1302)	10	Sold to manufacturers for melting and recycling

## 5. Employee care

### [ The manager will retire after the expiration date and then take over the job ]

Succession planning for board members and key management

#### 1. Succession planning and operation of board members

The company has seven to nine directors in accordance with the company's articles of association. The company adopts the candidate nomination system of Article 192-1 of the Company Law. The term of office is three years. The directors are elected from a list of candidates by the shareholders' meeting and can be re-elected. There should be at least three independent directors and no less than one-fifth of the number of directors. In the future, the company's board of directors will implement the board member diversity policy in accordance with the company's articles of association and corporate governance codes of practice, and continue to maintain a composition that is beneficial to the company's operations to safeguard the best interests of the company, employees and shareholders.

The company has also clearly defined the "Board of Directors Performance Evaluation Method" to evaluate the performance of directors through self-evaluation and external evaluation of performance evaluation, which will serve as a reference for selecting directors in the future. The company has no re-election of directors in 2023, and there is no change of directors. The number of directors this term is still 7 (including 3 independent directors). In order to speed up succession planning, there are three directors under the age of 50 this year. All members are professionals with many years of experience in various fields, with expertise in operational judgment, business management, business, financial accounting, international outlook, industry-university knowledge, etc. Skill. Directors shall arrange at least 6 hours of training hours approved by the competent authority every year during their term of office to continue to acquire new knowledge in order to maintain their professional advantages (all completed in 2023). In addition, when the board of directors is convened, senior managers are arranged to attend the board of directors in a timely manner to familiarize them with the operations and direction of the board of directors.

#### 2. Succession planning and operation of important management levels

Each business unit of the company has business unit managers who are in charge of the production, sales, daily management, etc. of each business unit. They are trained from daily to high-level management through job experience. In addition, ministerial-level supervisors of each department have job descriptions and designated job agents for training and training; in accordance with the company's development strategy, key talent departments are rotated and education and training is arranged to enhance professional knowledge and leadership and management skills. In accordance with the company's employee performance appraisal methods, the performance and abilities of each employee are regularly evaluated, and outstanding candidates will be given priority for promotion to facilitate the inheritance of talents.

September 2023, the term of Deputy CEO Pan, Mr. Jun Xiong, expires and he will be transferred to a senior consultant to facilitate the inheritance of experience in succession planning and business execution.

<b>Major Theme: Occupational Safety and Health</b>	
<b>Important reasons for this topic</b>	prevent occupational disasters and ensure the safety and health of workers , occupational safety and health management is an important theme of the company . If occupational safety and health management is not carried out , the company may face penalties from relevant laws and regulations in the future .
<b>Influence and impact</b>	<p>✓: Ensure workers' working environment and improve workers' safety, hygiene and health .</p> <p style="text-align: right;">✓: Positive influence</p>
<b>Policy / Strategy</b>	<p>HONG TAI ELECTRIC pursues the sustainable operation and development of the enterprise, and cooperates with international occupational safety and health trends to prevent occupational disasters, protect workers' safety, hygiene and health, ensure the safe operation of each workplace, and achieve the goal of zero disasters .</p> <p>Our company's occupational safety and health policy : comply with regulations, reduce risks, continue to improve, and involve all employees</p> <ol style="list-style-type: none"> <li>1. Promote Hongtai safety culture and implement basic occupational safety education</li> <li>2. Establish safe operation standards and strictly abide by safety and health regulations</li> <li>3. Strengthen management of supervisor movement and eliminate potential harmful factors</li> <li>4. Improve environmental machinery and equipment and pursue intrinsic safety</li> <li>5. Really perform automatic inspections to eliminate abnormal equipment failures</li> <li>6. Strengthen fire safety measures and effectively perform fire protection functions</li> <li>7. Require contractors to have safety and health facilities to improve contractor work safety</li> </ol>
<b>goals and objectives</b>	<p>Short term goals:</p> <ul style="list-style-type: none"> <li>• No major occupational disasters throughout the year</li> <li>• There was less than one false alarm in the whole year</li> </ul> <p>Mid- and long-term goals: Introduce an occupational safety and health management system in 2024 , set up an occupational safety and health management committee, hold monthly meetings with committee members to discuss the occupational safety management situation of the month, report and make suggestions to management representatives quarterly, and announce occupational safety and health management The progress reached full participation.</p>
<b>Management evaluation mechanism</b>	ISO 14001 and occupational safety and health hazard risk assessment internal management review, our company conducts PDCA effectiveness evaluation on environmental, safety and health management every year .
<b>Performance and Adjustment</b>	Compared with the base year of 2020 , the company's work-related injuries from 2021 to 2023 have been reduced , which is in line with the company's short-term goal setting. We will continue to manage employee safety and health issues in the future.
<b>preventive or remedial measures</b>	The company reviews the occupational safety and health results of the previous year at the annual industrial safety enlarged meeting , and plans to establish an occupational safety and health management system in 2024 .

<b>Major Theme: Labor and Industrial Relations</b>	
<b>Important reasons for this topic</b>	One of the important factors for the company to maintain stable operations is good labor-employer relations and low employee turnover. Hongtai regards all employees as important assets, continues to establish employee communication channels, abides by relevant labor regulations and provides employee benefits, and is committed to talent Select and retain them to facilitate the company's sustainable development.
<b>Influence and impact</b>	<p>✓: A good labor-employer relationship helps improve employee job satisfaction and loyalty, thereby improving work efficiency and productivity.</p> <p>■: If negative impact events such as labor relations and labor rights occur, it will be a direct impact or an indirect impact on the organization.</p> <p style="text-align: right;">✓: Positive impact ■: Negative impact</p>
<b>Policy / Strategy</b>	<ol style="list-style-type: none"> <li>1. Publish a human rights policy statement and strive to ensure that everyone inside and outside the company can be treated fairly and with dignity.</li> <li>2. Set up an employee welfare committee to maximize employee welfare.</li> <li>3. Labor-management meetings are held regularly. Any topics related to labor-management relations are fully negotiated and communicated by both parties , and the right of labor representatives to negotiate on working conditions is respected.</li> <li>4. Establish a channel for regular communication and dialogue among employees , so that employees have the right to obtain information and express opinions on the company's business management activities and decisions , and should notify employees in a reasonable manner of operating activities that may have a significant impact .</li> <li>5. Set up a Labor Retirement Reserve Fund Supervision Committee in accordance with the law to manage retirement reserves.</li> </ol>
<b>goals and objectives</b>	With the goal of activating human resources, we attach great importance to labor-management communication and care for the physical and mental health of employees .
<b>Management evaluation mechanism</b>	There are "Employee Performance Appraisal Measures" and "Staff Promotion and Transfer Measures". Performance appraisals are conducted once every six months. According to regulations, all employees who have been employed for three months should receive performance appraisals ; promotion reviews are also held twice a year.
<b>Performance and Adjustment</b>	2023 , there have been no incidents of discrimination, sexual harassment, violations of the human rights of indigenous people, or incidents of social impact, and there have been no incidents of forced or compulsory labor.
<b>preventive or remedial measures</b>	<ol style="list-style-type: none"> <li>1. Establish multiple communication and smooth complaint channels so that colleagues can communicate with the company immediately . If there are any illegal matters, they can also report directly to their superiors in accordance with the company's internal reporting standards.</li> <li>2. The company has a "Sexual Harassment Complaint Investigation Committee", which is responsible for handling sexual harassment complaint investigation cases.</li> </ol>



## 5.1 Talent structure

HONG TAI ELECTRIC is committed to safeguarding the rights and interests of employees and complying with relevant laws and regulations such as the Labor Standards Act, Occupational Safety and Health Act, Gender Equality at Work Act, and relevant government human rights policies. In addition to clarifying them in work rules, it has also established multiple communication channels and management in implementation. mechanism to ensure that colleagues are properly taken care of and create a corporate environment that respects care and protects human rights. There is no risk of forced labor in HONG TAI ELECTRIC's operating locations and suppliers.

Based on the basic human rights of equal employment opportunities for citizens, when recruiting talents, gender, color, race, ethnicity, nationality, creed, party , age, marital status, family status , sexual orientation, facial features , appearance , disability, pregnancy, Due to different considerations and military service status , and in compliance with the provisions of Article 45, Paragraphs 1 and 2 of the Labor Standards Act, children over 15 years old and under 16 years old shall not be employed . HONG TAI ELECTRICian did not have any violations of child labor during the reporting period.

HONG TAI ELECTRIC has always regarded employees as the company's most important assets and an important core of the company's sustainable development. Therefore, it abides by relevant labor regulations, protects the legitimate rights and interests of employees , continues to promote employee care, promotes employee physical and mental health, and through fair The appointment and promotion system seeks talents with different backgrounds and expertise, continues to develop personal abilities, and creates a "win-win" working environment for employees and the company. There were no significant changes in the number of employees employed by HONG TAI ELECTRICal during the reporting period.

In 2023 , the total number of HONG TAI ELECTRICAl employees was 255 , all of whom were full-time employees . Among them, a total of 3 aboriginal employees and 3 employees with disabilities were employed . According to the "Law on the Protection of the Rights and Interests of Persons with Disabilities", the number of employees should be higher than that of employees and not lower than that of employees. One percent of the total headcount is stipulated, and employees with disabilities are actively recruited to ensure equal employment opportunities for disadvantaged and related groups. During the reporting period, there were a total of 7 non-employee workers , mainly business consultants and consultants .

Number of employees in 2023				
Region/Type		female	male	total
Taiwan	Number of employees	60	195	255
	Number of full-time employees	60	195	255
	Number of temporary employees	0	0	0
	Number of full-time employees	60	195	255
	Number of part-time employees	0	0	0

Note: Our company does not have unlimited hours guaranteed employees.

Company non-employee worker information in 2023		
worker type	Contractual relationship with the company	total number of workers
business consultant	appoint	6

## Recruiting employees from diverse ethnic groups

In accordance with the "Act on the Protection of Rights and Interests of Persons with Disabilities", the company requires that the number of employable persons with disabilities shall not be less than 1% of the total number of employees. The company actively employs employees with disabilities and promotes relevant innovative and friendly policies. Through measures such as workplace and job redesign, the distribution of employees from diverse ethnic groups is shown in the table below.

2 Distribution of multi-ethnic employees from 2020 to 2022					
year			202 1 year	202 2 years	202 3 years
Item/Gender	age		(number of people)	(number of people)	(number of people)
Aboriginal people	male	Under 30 years old	1	1	0
		30-50 years old	2	1	1
		Over 51 years old	1	2	1
	female	Under 30 years old	0	0	0
		30-50 years old	0	0	0
		Over 51 years old	1	1	1
Disability	male	Under 30 years old	0	0	0
		30-50 years old	0	1	1
		Over 51 years old	3	3	2
	female	Under 30 years old	0	0	0
		30-50 years old	1	0	0
		Over 51 years old	0	1	0
total	male	Under 30 years old	1	1	0
		30-50 years old	2	2	2
		Over 51 years old	4	5	3
	female	Under 30 years old	0	0	0
		30-50 years old	1	0	0
		Over 51 years old	1	2	1

Taiwan is surrounded by the sea, and its residents are composed of diverse ethnic groups. HONG TAI ELECTRICAL inherits the spirit of Taiwan's multiculturalism, treats colleagues of all ethnic groups equally, and attaches great importance to the rights of all ethnic groups. If inequality or unreasonable incidents occur, HONG TAI ELECTRICAL will There are channels for grievances and relevant corresponding measures. The company has hired aboriginal employees in the past three years. In accordance with Article 4 of the Implementation Measures for Anniversaries and Festivals of the Ministry of the Interior, aboriginal people should be given a holiday when they celebrate their birthdays. They should be given a holiday. The date of the day shall be announced by the Aboriginal Peoples Committee. In addition, in accordance with Articles 37 and 39 of the Labor Standards Act , on anniversaries and holidays designated by the Ministry of the Interior as holidays, employers must provide holidays and pay wages to ensure that no infringement of the rights of indigenous peoples occurs during the reporting period .

### Newcomers and Resigners

In order to retain outstanding talents, HONG TAI ELECTRICAL has established a friendly working environment, valued work-life balance, provided employee training and development opportunities, etc., and encouraged employees to continuously improve themselves to

achieve their personal career development . The 5% decrease in new entry rate is due to the electrical materials business (copper foil substrate department) After the operation is completed, employees of the enterprise will be given priority to match vacancies within the company and fill them based on the expertise of colleagues.

Number of new employees of HONG TAI ELECTRIC in the past three years												
year	2021				202 2				202 3			
gender	male		female		male		female		male		female	
Age\project	Number of people	New entry rate (%)	Number of people	New entry rate (%)	Number of people	New entry rate (%)	Number of people	New entry rate (%)	Number of people	New entry rate (%)	Number of people	New entry rate (%)
Under 30 years old	14	30	11	73	twenty two	5.80	1	0.26	5	1.96	0	-
30-50 years old	27	18	7	13	32	8.44	6	1.58	13	5.10	2	0.78
Over 51 years old	16	16	1	5	13	3.43	1	0.26	16	6.27	1	0.39
Total number of new entrants	76				75				37			
Total number of employees	384				379				255			
Total new admission rate (%)	19.79				19.79				14.51			

Note:

1. The number of new employees does not include those who leave midway .
2. The new recruitment rate of male (female) employees in this age group = the number of new male (female) employees in this age group that year/ the total number of people in the operating base at the end of the year .
3. Total new employee hiring rate = number of new employees in the year/total number of employees in the operating base at the end of the year.

The turnover rate in 2023 is 62.75%. The higher rate is due to the closure of the electrical equipment business ( copper foil substrate department ) . Employees of this business are given priority in matching internal vacancies within the company. If there is no suitable job to be

placed, they will be processed in accordance with the provisions of the Labor Standards Act. severance matters, and provide severance expenses that are superior to labor laws.

Number of employees who have resigned from HONG TAI ELECTRIC in the past three years												
year	202 1				202 2				202 3			
gender	male		female		male		female		male		female	
Age\project	Number of people	Turnover rate (%)	Number of people	Turnover rate (%)	Number of people	Turnover rate (%)	Number of people	Turnover rate (%)	Number of people	Turnover rate (%)	Number of people	Turnover rate (%)
Under 30 years old	12	26	5	33	12	3.17	3	0.79	15	5.88	2	0.78
30-50 years old	33	twenty two	8	15	34	8.97	7	1.85	70	27.45	20	7.84
Over 51 years old	16	16	1	5	twenty one	5.54	3	0.79	47	18.43	7	2.75
Total number of resignations	75				80				161			
Total number of employees	384				379				255			
Total turnover rate (%)	19.53				21.11				62.75			

Note:

1. Define the categories of employees who have resigned from the company: (for example: resignation, dismissal, resignation, retirement or death on the job, etc.).
2. The turnover rate of male (female) employees in this age group = the number of male (female) employees in this age group who resigned that year/ the total number of employees in the operating base at the end of the year .
3. Total employment rate of resigned employees = number of employees who resigned during the year/total number of employees at the operating base at the end of the year .

## Minimum Announcement Period for Operational Changes

In order to truly protect employees' rights and interests at work, HONG TAI ELECTRIC Co., Ltd. complies with the Labor Standards Law. When the company is about to undergo major operational changes that will affect employees' employment rights, and before various labor conditions are changed, it must give advance notice of the termination of the labor contract. The notice period is as follows Regulation:

1. If the employee continues to work for more than three months but less than one year, a notice must be given ten days in advance.
2. If the employee continues to work for more than one year but less than three years, a notice must be given 20 days in advance.
3. If the employee continues to work for more than three years, notice must be given 30 days in advance.

## Education and training

In order to stimulate the potential of employees and enhance their professional capabilities, HONG TAI ELECTRIC provides diverse and rich learning resource channels. In addition to education and training for new employees, education and training for current employees, various functional technical and professional training, there are many other courses for colleagues to choose from. We hope that Through a comprehensive education and training system, each employee can be qualified for the right job and the right place to enrich the company's human resources. Actual education and training statistics are shown in the following table:

Project\Category		management position		Non-managerial position	
Unit\Gender		male	female	male	female
total number of people	people	36	10	158	51
Total hours of training	Hour	473	170	1,027	313
average training hours	hours/person	13.13	17.00	6.50	6.14

In order to enhance the professional and job expertise of its employees and assist them in lifelong learning, HONG TAI ELECTRIC prepares an education and training plan every year. The types of employee education and training can be divided into training for new employees, training for current employees and professional training, etc. Improve the overall quality of employees.

project	Education and training content
Education and training for new employees	The training content focuses on historical evolution, organizational introduction, product understanding, business philosophy, work rules and benefits, labor safety and health knowledge, sexual harassment prevention · information security · insider trading prevention · ISO system introduction, quality policy, etc.
On-the-job education and training	Each unit submits an annual demand survey form before the end of each year, which is compiled by the Human Resources Office and included in the annual plan to improve employees' work skills.
Professional training	Provide employees with professional certificates, such as environmental safety, quality, etc.

HONG TAI ELECTRIC's Guanyin factory guards are staffed by the company's own personnel. In addition to professional training in accordance with the "Guard Personnel Work Code" every year, security personnel (including new personnel) are assigned security personnel or external lecturers to provide 1-4 hours of gender equality law education every year, including sexual harassment prevention measures, The purpose of the complaint and disciplinary measures is to prevent sexual harassment, gender discrimination or human rights violations from occurring when security personnel are performing their duties.

### Fair performance management system

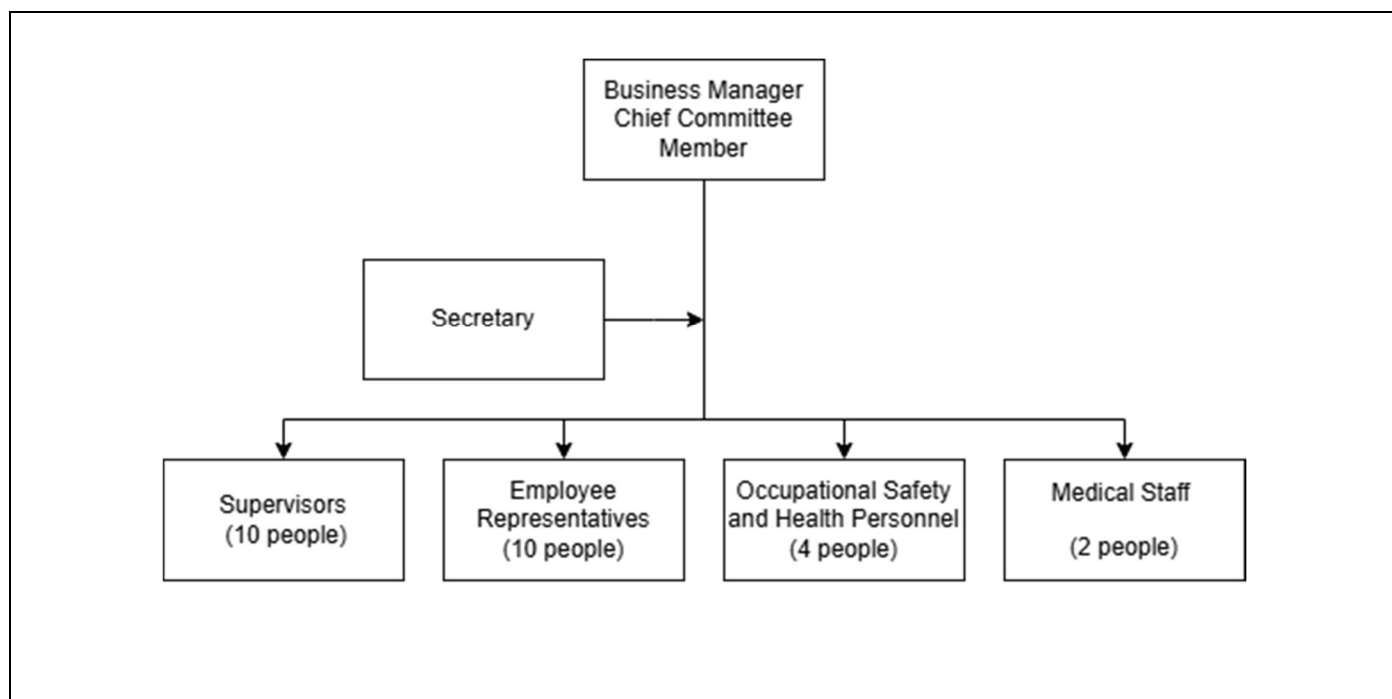
HONG TAI ELECTRIC performs regular performance appraisals every year, and sets appraisal items and standards based on professional titles and job content, which serve as a reference for year-end bonuses, promotions or salary adjustments. According to regulations, all employees who have been on the job for more than three months must be processed in accordance with regulations. The acceptance rate for the assessment is 100% .

Assessment statistics table		
project	management position	Non-managerial position
Proportion of male employees who receive appraisals	100%	100%
Proportion of female employees receiving appraisals	100%	100%
Note: If the assessment acceptance rate does not reach 100%, please explain the excluded objects and reasons (such as chairman of the board, new employees who have been employed for less than three months).		

## 5. 2 Safety and Health

HONG TAI ELECTRICAl insists on providing employees with an equal and safe working environment and opportunities, does not use any form of forced or compulsory labor, and has established measures to prevent and control sexual harassment in the workplace, complaints and disciplinary measures, and publishes a "Human Rights Policy Statement" on the company's website ... and other measures. During the reporting period, no incidents of discrimination occurred in our company.

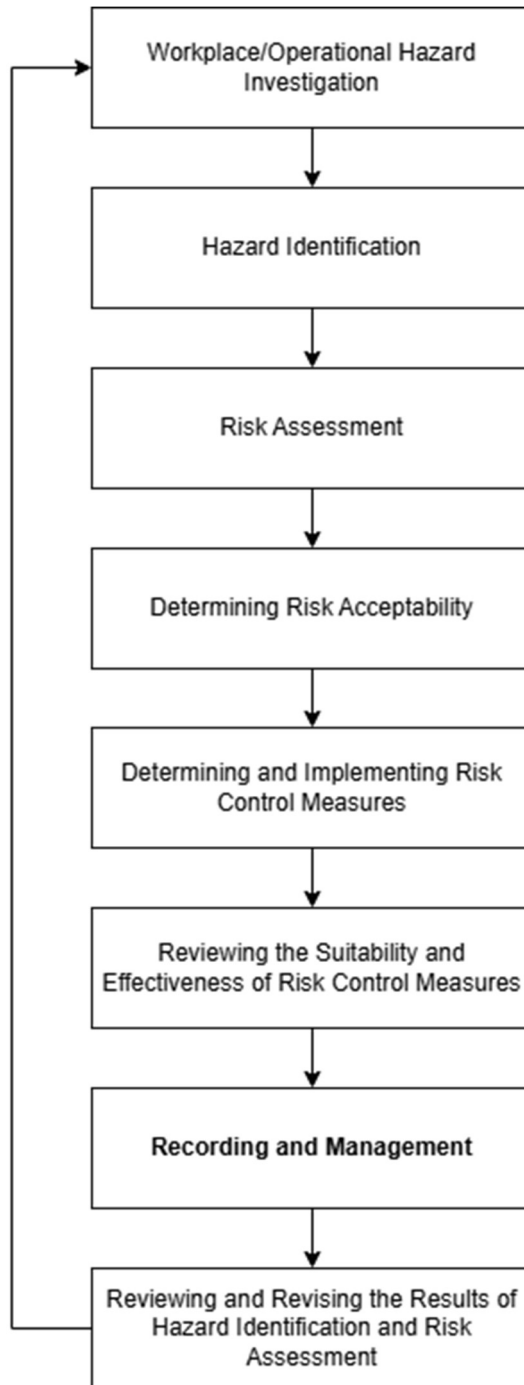
HONG TAI ELECTRIC uses a safety and health management plan. However, in accordance with the provisions of the Occupational Safety and Health Law, an Occupational Safety and Health Committee is established. The membership consists of 10 labor representatives and 10 management representatives to assist in supervising and recommending occupational health and safety-related plans. . In addition, the committee holds regular meetings every quarter to discuss, review, coordinate and recommend occupational safety and health management promotion matters to provide employees with a more friendly, comfortable and safe working environment.





In accordance with the Occupational Safety and Health Administration's risk assessment technical guidelines, HONG TAI ELECTRICAL has formulated a hazard identification risk assessment plan and related processes, and carries out the identification, assessment and control of working environment and operational hazards at the end of each year . Before formulating or implementing an occupational safety and health management system for hazards that exist around the workplace due to operating activities under the control of the factory , a comprehensive hazard risk identification , identification and The assessment results will include unacceptable medium and high-level risks, and include them in the management plan for improvement to reduce the risk level, implement risk control, and ensure the effectiveness of the management system.

## Hazard identification risk assessment plan flow chart



According to the operating procedures of the emergency response plan, when there is an immediate danger of danger in the workplace, the employer or the person in charge of the workplace should immediately stop operations and have workers evacuate to a safe place. In order to improve the emergency response capabilities of each site's factories in order to avoid or reduce personal injuries, property losses and environmental impacts, HONG TAI ELECTRICAL conducts various emergency response drills based on their operational risks, with a total of 2 emergency response and disaster prevention drills . , the drill content is as follows.

<p>Notify the class, confirm the fire, and notify the entire factory</p>	<p>Firefighting class, initial firefighting ( outdoor fire hydrant operation training )</p>
	
<p>Evacuation guidance class, commanding the escape situation</p>	<p>Safety protection class, immediately go to close the pressure vessel when a fire occurs</p>
	
<p>Record time, gather for roll call</p>	<p>AED and CPR training</p>
	

The occupational disaster management of each factory aims at zero disasters and serves as an indicator to improve various safety activities in the factory. It supports zero disaster-related activities through rewards and praises outstanding units. In terms of the operational mechanism of accident management, the occupational accident investigation and treatment plan is implemented to carry out occupational accident statistics and cause analysis. Relevant supervisors, parties, etc. jointly hold investigation meetings to thoroughly understand the problem. Take remedial and improvement measures based on the investigation results to eliminate the causes of similar incidents and prevent recurrence, and submit them for review at the Occupational Safety and Health Committee meeting.

If problems are discovered during operations, they can be reported immediately to the unit supervisor or directly to the safety and health office supervisor for immediate processing. They will be reported to the company during quarterly occupational safety and health meetings. In addition, through supplier audits, direct communication with factory personnel can be conducted face-to-face.

18 of the Occupational Safety and Health Law :

1. When workers perform their duties and discover that there is an immediate danger, they may stop their work and retreat to a safe place without endangering the safety of other workers, and immediately report to their immediate supervisor.

2. The employer shall not fire, transfer, refuse to pay wages during the suspension of work, or take other unfavorable sanctions to the workers mentioned in the preceding paragraph. However, this does not apply if the employer proves that the worker abused the right to stop working and has reported it to the competent authority for confirmation and complied with the provisions of labor laws.

## Occupational disaster accident investigation and handling plan operation process

### Work Flow



- Control the scene and prevent secondary incidents/disasters.
  - Assist injured persons in receiving necessary first aid or medical treatment.
  - Preserve the scene except for essential first aid or rescue efforts.
- 
- Occupational incidents/injuries must be immediately reported to the Safety and Health Office or the Plant Affairs Section.
  - The Safety and Health Office will conduct occupational injury reporting (within 8 hours) as required, and other subsequent reporting to higher-level management as necessary.
- 
- For incidents not investigated by a team, the incident discoverer/handler, the person involved, or the head of the incident unit shall complete the "Incident Report Form."
  - For incidents investigated by a team, the supervisor shall convene relevant personnel to conduct the investigation after the incident occurs.
  - An investigation report or a report on the current status of the investigation shall be submitted after the incident occurs.
- 
- The investigation report shall be reviewed by the head of the incident unit and then submitted to the head of the Safety and Health Department for approval. After the Safety and Health Office reviews and evaluates the report, it shall be forwarded to the business unit head for approval. The Safety and Health Office shall distribute relevant information to the incident unit, the responsible unit/personnel for corrective measures, and relevant units/personnel.
  - The Safety and Health Office and relevant units shall conduct training or incorporate the incident investigation results into safety and health training materials.
  - Each responsible unit/personnel shall strictly implement all corrective measures according to the established plan.
  - The Safety and Health Office is responsible for tracking the implementation of corrective measures and recording verification results.
- 
- The incident investigation report can only be closed and archived after all corrective measures have been completed.
  - The incident investigation report shall be retained by the Safety and Health Office for ten years.

## health check

HONG TAI ELECTRIC provides employees with routine health examinations every year, and personnel in special workplaces ( glue mixing area and WE-24 granulating area ) undergo special health examinations as planned. Test items include dust , noise , lead , etc. In order to care for the physical and mental health of employees, we formulate health protection plans and environmental monitoring plans for physical hazards, chemical hazards, human hazards and maternal employees in the workplace, conduct hazard assessment, hierarchical management, and implement work environment improvements and hazards prevention.

In order to implement health promotion related services , the company arranges on-site occupational health nurses every week and on-site occupational health doctors every quarter to consult on the latest health examination report and provide health suggestions and services .

Health services are also provided every year for the following projects :

1. Musculoskeletal Prevention Program
2. Abnormal overload prevention plan
3. Plan to prevent illegal infringement while performing duties
4. maternity protection program

<b>Summary table of employee health examination number and cost statistics</b>	
<b>General health check</b>	
Check items	<ul style="list-style-type: none"> <li>● General health examination items ( for on-the-job workers - Schedule 8 of the Labor Health Protection Rules )</li> <li>● Investigation of work experience, past medical history, living habits and subjective symptoms</li> <li>● Height, weight, waist circumference, vision, color perception, hearing, blood pressure and physical examination of various body systems or parts</li> <li>● Chest X-ray ( large film ) photography examination</li> <li>● Examination of urine protein and urinary occult blood</li> <li>● Hemoglobin and white blood cell count examination</li> <li>● Examination of blood sugar, serum alanine transamine ( ALT or SGPT ) , creatinine , cholesterol and triglycerides, high-density lipoprotein cholesterol, and low-density lipoprotein cholesterol ( implemented since 104.1.1 )</li> <li>● Other inspections designated by the central competent authority</li> <li>● Glycated hemoglobin number</li> </ul>
Number of people to check (person)	255
Inspection fee (thousand yuan)	89
<b>Special health check</b>	
Check items	Dust / Noise / Lead
Number of people to check (person)	10
<p>Note:</p> <ol style="list-style-type: none"> <li>1. Government subsidies for special health examination costs.</li> <li>2. General health examinations are conducted for all employees of Guanyin Factory, while special inspections are only conducted for employees in hazardous locations.</li> </ol>	

Corporate health service activities



## Occupational safety and health training

HONG TAI ELECTRICAL conducts education and training every year based on needs. In addition to the necessary safety and health courses, it also provides job expertise training and emergency response measures training. Through education and training, it can improve the staff's ability to identify hazards and reduce the risk of potential occupational disasters. During the reporting period, the training statistics are as follows:

Occupational safety and health training program statistics		
Training project name	Number of trainees (person)	Training fee (yuan)
General safety and health education and training	91	5,175
Safety and health education and training for new employees	26	5,175
Emergency Response Education and Training	60	2,300
Forklift education and training	2	16,000
Safety and health education and training for migrant workers	36	575
On-the-job education and training for occupational safety and health business managers	1	1,200
Operators of stationary cranes lifting loads above three tonnes	1	10,370
Illegal infringement of education and training	63	5,000
On-the-job education and training for occupational safety and health managers	1	400
On-the-job education and training for fixed cranes above three metric tons	15	10,000
Training for migrant forklift operators above one ton	3	27,060
AED education and training	twenty two	0

## Contractors' Occupational Safety and Health Management

According to the requirements of relevant laws and regulations, this includes all activities of off-site units entering the company's factory area, activities of off-site units providing facilities and equipment for operation of the company, and also including contractors entering the company's jurisdiction to engage in operating activities. The company follows Relevant management procedures ensure a safe and healthy workplace environment for factory staff and contractors in each factory area. The relevant number of people is as follows:

Staff category	Number of people	Proportion
Employees (Guanyin Factory)	301	33%
Non-employee workers (contractors)	610	67%
total	911	100%



## Occupational injuries and diseases

HONG TAI ELECTRIC attaches great importance to the management of occupational injuries and occupational diseases. It conducts identification and risk assessment for workers with high incidence and high risk of occupational accidents, and prioritizes them for monitoring of the working environment. This serves as the basis for handling environmental hazard control of labor operations to protect the safety of working workers. Safety and health.

Through the internal management review of occupational safety and health hazard risk assessment, the effectiveness of PDCA is evaluated for environmental safety and health management every year . During the reporting period, HONG TAI ELECTRICal Co., Ltd. had no cases of occupational injuries or occupational diseases , and will continue to maintain a high risk awareness in the future. form to continue to protect the personal safety of employees. The working hours statistics of HONG TAI ELECTRICal Employees in the past three years are shown in the following table:

Employee working time statistics table				
category	project	2021	2022	2023
Total working hours	Women' s total working hours	107,885	109,544	79,037
	Total hours worked by men	528,115	492,736	378,366
	Total working hours experienced	636,000	602,280	457,403

### 5.3 Employee benefits

The company complies with the government's Labor Standards Act. Currently, the company does not have a labor union or has signed a group agreement with its employees. However, it has work rules and relevant personnel management regulations in place to protect the legitimate rights and interests of employees. Through the formulation and promotion of various benefits, HONG TAI ELECTRIC maintains the welfare of employees and establishes a sound organization, and through the operation of the employee welfare committee organized by employees, colleagues are more willing to participate in the planning and execution of actual activities. In addition to the organizational operation of the Employee Welfare Committee, the current welfare measures are as follows:

HONG TAI ELECTRICian employee benefits	
take a vacation	Seniority leave ( special leave ) is stipulated in the Labor Standards Act
Insurance	Labor insurance, national health insurance, employee group medical and accident insurance and travel accident insurance
meal	The factory has a staff restaurant that provides meals
bonus	Performance bonus, year-end bonus and employees compensation
gift money	Wedding gift, maternity gift, birthday gift, three festivals gift
Subsidy for cultural and recreational activities	Travel subsidies and year-end annual party activities
Other grant applications	Emergency relief fund, hospitalization consolation fund and funeral subsidy
Staff further education and training	Organize regular and irregular internal education training and outsourced training according to each professional position
retirement system	Retirement from work according to law

#### retirement policy

The company formulates the "Labor Pension Measures" in accordance with the Labor Standards Act, and allocates retirement reserves according to the new and old labor retirement systems and deposits them into bank retirement fund accounts or into individual labor retirement accounts at the Labor Insurance Bureau to protect the rights and interests of employees. . Retirees who meet the requirements of the Labor Standards Act and whose expertise is needed by the company may continue to be contracted to participate in various jobs or production lines. The appointment work shall be carried out in accordance with the regulations.

#### Babysitting stay situation

HONG TAI ELECTRIC has implemented a leave-from-work without pay system for childcare in accordance with the Labor Standards Law. As long as employees meet the conditions, they can apply for a leave-from-job without pay for childcare (up to a maximum of two years). And during the period of childcare leave without pay, the position will be retained,

and colleagues can also apply for reinstatement when the childcare leave without pay period expires. In 2023 , a total of 1 person ( 1 female employee ) applied for "child care leave without pay" . The application procedures for babysitting stays are formulated in accordance with government regulations. The company' s parental leave information in the past three years is as shown in the table below:

year	2021			2022			2023		
	male	female	total	male	female	total	male	female	total
Number of people who are eligible to apply for childcare stay A	2	1	3	5	2	7	3	2	5
The actual number of people applying for babysitting stay in the year B	1	4	5	2	1	3	0	1	1
Number of people who should be reinstated after childcare leave in the current year C	1	4	5	2	1	3	0	0	0
The actual number of people reinstated after childcare leave in the current year D	1	2	3	2	1	3	0	0	0
The actual number of people who were reinstated after childcare leave in the previous year E	0	0	0	1	2	3	2	1	3
Number of people who continued to work for one year after being reinstated after childcare leave in the previous year F	0	0	0	1	1	2	1	1	2
Resumption rate of childcare leave in the current year % (D/C)	100	50	60	100	100	100	-	-	-
Current year' s child care retention rate % ( F/E)	-	-	-	100	50	66.67	50	100	67

Calculation method:

The number of people who should be reinstated = the number of people who are expected to be reinstated in the current year if their childcare jobs are suspended without pay.

in 2023 years = Number of people actually reinstated in 2022 years and still on the job on 2023/12/31

Reinstatement rate on child care leave in the current year % = actual number of people who have been reinstated on child care leave in the current year / number of people who should be reinstated on child care leave in the current year (D/C)

Current year's childcare leave and stay rate % = Number of people who continued to work for one year after reinstatement from childcare leave in the previous year/Number of actual reinstatements in the previous year's childcare leave (F / E)

## Employee compensation

HONG TAI ELECTRIC is located in Taiwan . The company's salary payment is based on industry salary benchmarks, market manpower supply and demand , and consideration of operating and financial conditions . The basic salary of employees is not based on gender, race, religion, political stance, marital status, labor unions , etc. There are differences, but salary payment still depends on seniority, work performance and other considerations . The standard salary of male grassroots personnel is 1.28 times higher than the local minimum wage ; the standard salary of female grassroots personnel is 1.2 times higher than the local minimum wage .

We focus on local talents. Those who hold the position of deputy general manager or above in HONG TAI ELECTRIC are senior management, and the proportion of hiring local residents is 100% .

Staff composition in the past three years					
year			2021	2022	2023
Item/Gender	age		Number of people	Number of people	Number of people
senior executive	male	Under 30 years old	0	0	0
		30-50 years old	2	2	2
		Over 51 years old	7	5	2
	female	Under 30 years old	0	0	0
		30-50 years old	0	0	0
		Over 51 years old	0	0	0
Total senior executives			9	7	4
Non-main 管 personnel	male	Under 30 years old	47	50	35
		30-50 years old	149	154	95
		Over 51 years old	91	82	61
	female	Under 30 years old	15	9	5
		30-50 years old	52	57	36
		Over 51 years old	twenty one	20	19
Total non-main personnel			375	372	251
Total number of full-time employees			384	379	255

Note: Those above the vice president level are defined as senior managers.

Employee salary statistics table				
Salary ratio by job category	Number of people		salary ratio	
	female	male	female	male
management position	10	36	1	1.35
Non-managerial position	51	158	1	0.86
direct personnel	5	66	1	0.77
Indirect personnel	56	128	1	1.09

Notes:

1. The salary-remuneration ratio of women to men (annual salary ratio): is "the average annual salary of men in this category/the average annual salary of women in this category."
2. If there is a large difference in the basic salary ratio between women and men, please explain the reason.

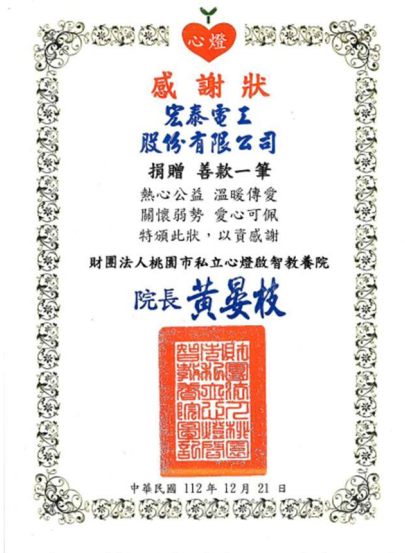
## 6. Social participation

### 6.1 Public welfare activities

HONG TAI ELECTRICAL also upholds the spirit of corporate social responsibility and will donate a total of 1 million yuan to charity and disadvantaged groups in 2023 . Objects include:

Charity activity name	Amount (NT\$)
Huashan Social Welfare Charitable Foundation	Total NTD 1,000,000
Little Fat Willy Patient Care Association of the Republic of China	
Lixin Social Welfare Foundation	
Taiwan Children and Family Support Foundation	
Taoyuan City Private Heart Deng Qizhi Correctional Institution	
Taoyuan City Private Huaide Kite Yuendi Kindergarten	
Taoyuan City Holistic Life Education Association	
Taoyuan City Private Guanyin Love Home	
Fire Retirees Association of the Republic of China	
Association of Parents of Mentally Disabled Persons of the Republic of China	
Autism Association of the Republic of China	
Taoyuan City Aboriginal Development Foundation	
Mennonite Social Welfare and Charitable Foundation	
Orthographic Marks Association of the Republic of China	
Taiwan Electric Power Enterprises Federation	

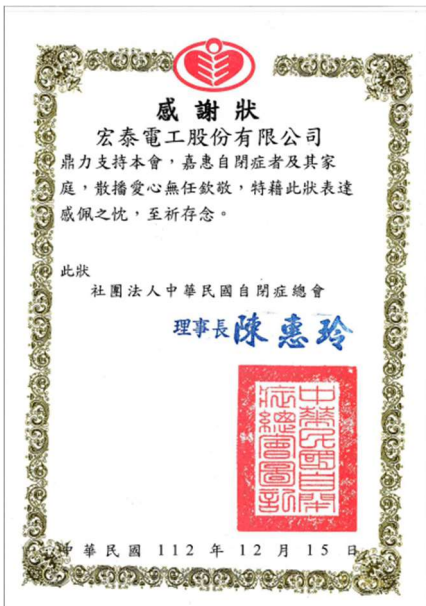
Mennonite Foundation - Certificate of Appreciation	Taoyuan City Holistic Life Education Association - Certificate of Appreciation
 <p>門諾基金會 Mennonite Social Welfare Foundation 感謝狀 承蒙 宏泰電工股份有限公司 愛心捐款 幫助東部弱勢長者及身障者 殊深銘感 謹致謝忱 財團法人門諾社會福利慈善會 董事長 余文儀 主後 2023 年 12 月 22 日</p>	 <p>社團法人桃園市 全人生命教育協會 感謝狀 茲感謝 宏泰電工股份有限公司 愛心捐款熱心公益 傳遞溫暖倍感溫馨 特贈此狀以表謝忱 理事長 游博宏 總幹事 劉秋艷 中華民國 112 年 12 月 20 日</p>
Taoyuan City Private Heart Deng Qizhi Correctional Institution - Certificate of Appreciation	Huaide Kite Yuanji Kindergarten - Certificate of Appreciation



Autism Federation of the Republic of China - Certificate of Appreciation



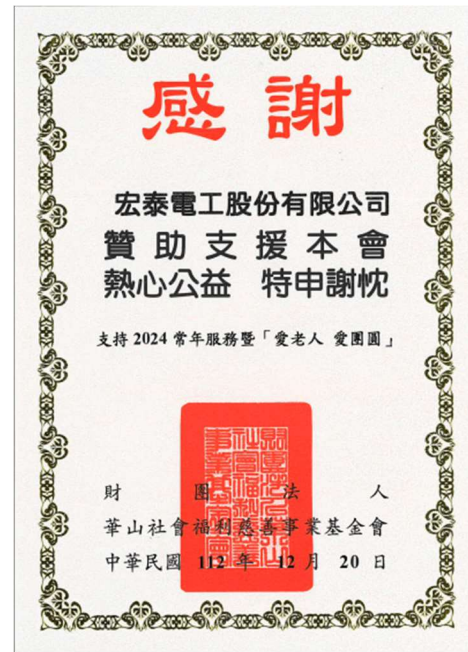
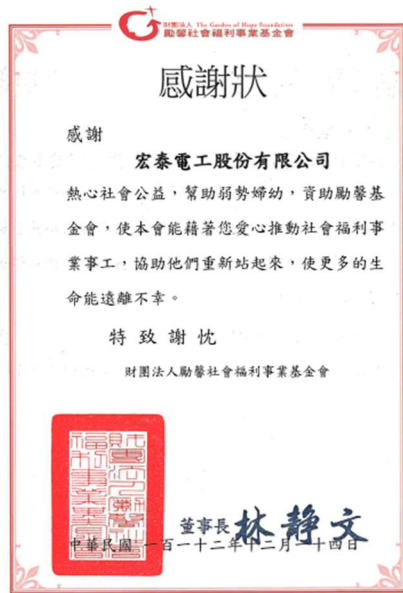
Association of Parents of Mentally Disabled Persons of the Republic of China - Certificate of Appreciation



Lixin Social Welfare Foundation - Certificate of Appreciation



Huashan Social Welfare Charitable Foundation - Certificate of Appreciation



Little Fat Willy Patient Care Association of the Republic of China - Certificate of Appreciation



HONG TAI ELECTRIC works hard on the road of sustainable management with its own expertise and core, and rewards outstanding students for their efforts in Taiwan's economic development and giving back to society through participation in public construction, industry-university cooperation and the establishment of foundations. At the same time, we also review the effectiveness of the company's internal resource investment so that financial and non-financial information can be effectively combined to meet the expectations of multiple stakeholders.



# appendix

## Appendix 1: GRI Sustainability Reporting Guidelines (GRI Guidelines) Comparison Table

Statement of use	HONG TAI ELECTRIC has reported the information quoted in the GRI content index table during the period from 2023.1.1 to 2023.12.31 with reference to the GRI standards .
GRI 1 use	GRI 1: Basics 2021
GRI industry guidelines apply	N/A

GRI Code Categories/Topics	serial number	GRI Code Disclosures	Corresponding chapter	page number	Omit/remark
<b>1. Organization and reporting practices</b>					
GRI 2 General Disclosure 2021	2-1	Organization details	2.1 About HONG TAI ELECTRICian	21	
	2-2	Entities included in organizational sustainability reporting	Report Scope	1	
	2-3	Reporting period, frequency and contact person	Editorial Principles and Guarantees/Publication Overview/Contact Information	1	
	2-4	Information rearrangement	Report Scope	1	
	2-5	external assurance /assurance	Editorial Principles and Guarantees	1	
<b>2. Activities and Workers</b>					
GRI 2General disclosure 2021	2-6	Activities, value chains and other business relationships	2.1 About HONG TAI ELECTRICian 3.3 Supply chain management	21 63	
	2-7	staff	5.1 Talent structure	81	
	2-8	non-employee workers	5.1 Talent structure	81	
<b>3. Governance</b>					
GRI 2General disclosure 2021	2-9	Governance structure and composition	2.1 About HONG TAI ELECTRICian	21	
	2-10	Nomination and selection of top management committee	2.1 About HONG TAI ELECTRICian	21	
	2-11	Chairman of the highest governance unit	2.1 About HONG TAI ELECTRICian	21	
	2-12	The role of the highest governance unit in monitoring impact management	2.1 About HONG TAI ELECTRICian	21	
	2-13	Head of Impact Management	2.1 About HONG TAI ELECTRICian	21	
	2-14	The role of the highest governance unit in sustainable reporting	2.1 About HONG TAI ELECTRICian	21	
	2-15	conflict of interest	2.2 Company operating performance	33	
	2-16	Communicate key events	2.2 Company operating performance	33	
	2-17	Crowd intelligence in the highest governance unit	2.2 Company operating performance	33	
2-18	Performance evaluation of the highest governance unit	2.2 Company operating	33		

GRI Code Categories/Topics	serial number	GRI Code Disclosures	Corresponding chapter	page number	Omit/remark
			performance		
	2-19	remuneration policy	2.2 Company operating performance	33	
	2-20	Salary Decision Process	2.2 Company operating performance	33	
	2-21	annual total compensation ratio	-	33	none
<b>4. Strategy, policy and practice</b>					
GRI 2General disclosure 2021	2-22	Statement on sustainable development strategy	Operator's statement	4	
	2-23	policy commitments	2.3 Risk management	44	
	2-24	Incorporate policy commitments	2.3 Risk management	44	
	2-25	Procedures for remediating negative shocks	2.4 Regulatory compliance	52	
	2-26	Mechanisms for seeking advice and raising concerns	2.4 Regulatory compliance	52	
	2-27	Compliance	2.4 Regulatory compliance	52	
	2-28	Membership of public associations	2.1 About HONG TAI ELECTRICian	21	
<b>5. Stakeholder discussion</b>					
GRI 2General disclosure 2021	2-29	Stakeholder discussion policy	1.2 Communication with stakeholders	5	
	2-30	group agreement	5.3 Employee benefits	98	
<b>Subject-Specific Guidelines: 200 Series (Economic Subjects)</b>					
<b>economic performance</b>					
GRI 201 Economic Performance Theme Revealed 2016	201-1	The direct economic value generated and distributed by the organization	2.2 Company operating performance	33	
	201-2	Financial impacts and other risks and opportunities arising from climate change	2.3 Risk management	44	
	201-3	Defining Benefit Obligations and Other Retirement Plans	5.3 Employee benefits	98	
	201-4	Financial assistance from the government	2.2 Company operating performance	33	
<b>market position</b>					
GRI 202 Market Position Theme Revealed 2016	202-1	Ratio of standard salary to local minimum wage for entry-level staff of different genders	5.3 Employee benefits	98	
	202-2	Proportion of local residents employed as senior managers	5.3 Employee benefits	98	
<b>indirect economic impact</b>					
GRI 203 Indirect Economic Impact Theme Revealed 2016	203-1	Development and impact of infrastructure investment and support services	6.1 Public welfare activities	102	
	203-2	Significant indirect economic impact	6.1 Public welfare activities	102	
<b>Procurement Practice</b>					
GRI 204 Procurement Practice Topics Revealed 2016	204-1	Proportion of procurement spend from local suppliers	3.1 Product quality management	59	
<b>Anti-corruption</b>					
GRI 205 Anti-corruption theme revealed 2016	205-1	Operational locations that have undergone corruption risk assessments	2.4 Regulatory compliance	52	
	205-2	Communication and training on anti-corruption policies and procedures	2.4 Regulatory compliance	52	
	205-3	Confirmed corruption incidents and actions taken	2.4 Regulatory	52	

GRI Code Categories/Topics	serial number	GRI Code Disclosures	Corresponding chapter	page number	Omit/remark
			compliance		
<b>anti-competitive behavior</b>					
GRI 206 Anti-Competitive Conduct Theme Disclosure 2016	206-1	Legal Action for Anti-Competitive Conduct, Antitrust and Monopolistic Conduct	2.4 Regulatory compliance	52	
<b>tax</b>					
GRI 207 Tax Topic Management Disclosure 2019	207-1	tax policy	-	-	none
	207-2	Tax governance, control and risk management	-	-	none
	207-3	Stakeholder communication and management on tax-related issues	-	-	none
GRI 207 Tax Topics Revealed 2019	207-4	country report	-	-	The company does not use country-by-country reporting
<b>Subject-Specific Guidelines: 300 Series (Environmental Subjects)</b>					
<b>materials</b>					
GRI 301 Material Theme Revealed 2016	301-1	Weight or volume of materials used	4.1 Raw materials and water management	70	
	301-2	Use recycled materials	4.1 Raw materials and water management	70	
	301-3	Recycled products and packaging materials	4.1 Raw materials and water management	70	
<b>energy</b>					
GRI 3 energy Major Theme Management 2021	3-1	Process for deciding major topics	1.3 Identification of major themes	9	
	3-2	List of major topics	1.3 Identification of major themes	9	
	3-3	Major topic management	1.4 Major theme management	9	
GRI 302 energy Theme Revealed 2016	302-1	Energy consumption within the organization	4.3 Energy and waste management	74	
	302-2	Energy consumption outside the organization	4.3 Energy and waste management	74	
	302-3	energy intensity	4.3 Energy and waste management	74	
	302-4	Reduce energy consumption	4.3 Energy and waste management	74	
	302-5	Reduce the energy requirements of products and services	4.3 Energy and waste management	74	
<b>water and flowing water</b>					
GRI 303 Water and drainage theme management revealed 2018	303-1	Interactions among shared water resources	4.1 Raw materials and water management	70	
	303-2	Management of drainage-related impacts	4.1 Raw materials and water management	70	
GRI 303 Water and flowing water theme revealed 2018	303-3	Water intake	4.1 Raw materials and water management	70	
	303-4	Displacement	4.1 Raw materials and water management	70	
	303-5	water consumption	4.1 Raw materials and	70	

GRI Code Categories/Topics	serial number	GRI Code Disclosures	Corresponding chapter	page number	Omit/remark
			water management		
<b>biodiversity</b>					
GRI 304 Biodiversity Theme Revealed 2016	304-1	The operating sites or adjacent areas owned, leased, or managed by the organization are located in environmental protection areas or other areas of high biodiversity value.	-	-	none
	304-2	activities, products and services that have a significant impact on biodiversity	-	-	none
	304-3	Protected or restored habitat	-	-	none
	304-4	Among the habitats affected by the operation, species that have been included in the IUCN Red List and national conservation lists	-	-	none
<b>emission</b>					
GRI 305 Emissions Topic Revealed 2016	305-1	Direct (Scope 1) greenhouse gas emissions	4.2 Greenhouse gas emission management	72	
	305-2	Energy indirect (scope 2) greenhouse gas emissions	4.2 Greenhouse gas emission management	72	
	305-3	Other indirect (Scope 3) greenhouse gas emissions	4.2 Greenhouse gas emission management	72	
	305-4	Greenhouse gas emission intensity	4.2 Greenhouse gas emission management	72	
	305-5	Greenhouse gas emission reduction	4.2 Greenhouse gas emission management	72	
	305-6	Emissions of Ozone Depleting Substances ( ODS)	4.2 Greenhouse gas emission management	72	
	305-7	Nitrogen oxides ( NOx), sulfur oxides ( SOx), and other significant gas emissions	4.2 Greenhouse gas emission management	72	
<b>waste</b>					
GRI 306 Waste Topic Management Revealed 2020	306-1	Waste generation and significant waste-related impacts	4.3 Energy and waste management	74	
	306-2	Managing significant waste-related impacts	4.3 Energy and waste management	74	
GRI 306 Waste Theme Revealed 2020	306-3	waste generation	4.3 Energy and waste management	74	
	306-4	Waste disposal and transfer	4.3 Energy and waste management	74	
	306-5	Direct disposal of waste	4.3 Energy and waste management	74	
GRI 306 Sewage and Waste Topics Revealed 2016	306-3	serious leak	4.3 Energy and waste management	74	
<b>Supplier Environmental Assessment</b>					
GRI 308 Supplier Environmental Assessment Topic Disclosure 2016	308-1	Use environmental criteria to screen new suppliers	3.3 Supply chain management	63	
	308-2	Negative environmental shocks in supply chains and actions taken	3.3 Supply chain management	63	
<b>Subject Specific Guidelines: 400 Series (Social Subjects)</b>					
<b>labor-employer relationship</b>					
GRI 401 Employment Relations Theme Revealed 2016	401-1	New and retired employees	5.1 Talent structure	81	
	401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	5.3 Employee benefits	98	

GRI Code Categories/Topics	serial number	GRI Code Disclosures	Corresponding chapter	page number	Omit/remark
	401-3	parental leave	5.3 Employee benefits	98	
<b>labor/management relations</b>					
GRI 402 Labor/Management Relations Theme Revealed 2016	402-1	Minimum notice period for operational changes	5.1 Talent structure	81	
<b>Occupational safety and health</b>					
GRI 403 Occupational safety and health Topic Management Revealed 2018	403-1	Occupational safety and health management system	5.2 Safety and Health	88	
	403-2	Hazard identification, risk assessment and accident investigation	5.2 Safety and Health	88	
	403-3	occupational health services	5.2 Safety and Health	88	
	403-4	Worker participation, consultation and communication on occupational safety and health	5.2 Safety and Health	88	
	403-5	Worker training on occupational safety and health	5.2 Safety and Health	88	
	403-6	worker health promotion	5.2 Safety and Health	88	
	403-7	Prevent and mitigate occupational safety and health impacts directly related to business relationships	5.2 Safety and Health	88	
GRI 403 Occupational Safety and Health Topics Revealed 2018	403-8	Workers covered by the occupational safety and health management system	5.2 Safety and Health	88	
	403-9	occupational injuries	5.2 Safety and Health	88	
	403-10	occupational diseases	5.2 Safety and Health	88	
<b>training and education</b>					
GRI 404 Training and Education Topic Revealed 2016	404-1	Average hours of training per employee per year	5.1 Talent structure	81	
	404-2	Enhancement of employee functions and transition assistance programs	5.1 Talent structure	81	
	404-3	Percentage of employees who receive regular performance and career development reviews	5.1 Talent structure	81	
<b>Employee Diversity and Equal Opportunities</b>					
GRI 405 Employee Diversity and Equal Opportunities Theme Revealed 2016	405-1	Diversity of governance units and employees	5.1 Talent structure	81	
	405-2	Female to male base salary to salary ratio	5.1 Talent structure 5.3 Employee benefits	81 98	
<b>non-discrimination</b>					
GRI 406 Non-Discrimination Theme Revealed 2016	406-1	Incidents of discrimination and actions taken by the organization to improve	5.2 Safety and Health	88	
<b>Freedom of association and group consultation</b>					
GRI 407 Freedom of association and group consultation Theme Revealed 2016	407-1	Operational sites or suppliers that may be at risk for freedom of association and group negotiation	5.3 Employee benefits	98	
<b>child labor</b>					
GRI 408 Child Labor Theme Revealed 2016	408-1	Significant risks of child labor at our operations and suppliers	2.3 Risk management 5.1 Talent structure	44 81	
<b>forced or compulsory labor</b>					
GRI 409 Forced or Compulsory Labor Topics Revealed 2016	409-1	Operational sites and suppliers with significant risks of forced and compulsory labor incidents	2.3 Risk management	44	
<b>Preservation Practice</b>					
GRI 410	410-1	Security personnel receive training on human rights	5.1 Talent structure	81	

GRI Code Categories/Topics	serial number	GRI Code Disclosures	Corresponding chapter	page number	Omit/remark
Preservation practice theme disclosure 2016		policies or procedures			
<b>Aboriginal rights</b>					
GRI 411 Aboriginal Rights Topics Revealed 2016	411-1	Incidents involving violations of indigenous rights	5.1 Talent structure	81	
<b>local community</b>					
GRI 413 Local Community Theme Revealed 2016	413-1	Operational activities subject to local community consultation, impact assessment and development planning	6.1 Public welfare activities	102	
	413-2	Operational activities that have significant actual or potential negative impacts on local communities	6.1 Public welfare activities	102	
<b>Supplier Social Assessment</b>					
GRI 414 Supplier Social Assessment Topic Disclosure 2016	414-1	Use social criteria to screen new suppliers	3.3 Supply chain management	63	
	414-2	Negative social impacts in supply chains and actions taken	3.3 Supply chain management	63	
<b>public policy</b>					
GRI 415 Public Policy Topics Revealed 2016	415-1	political contributions	-	-	none
<b>Customer Health and Safety</b>					
GRI 416 Customer Health and Safety Topics Revealed 2016	416-1	Assess the impact of product and service categories on health and safety	3.2 Customer service management	59	
	416-2	Breach of health and safety regulations regarding products and services	3.2 Customer service management	59	
<b>Marketing and Labeling</b>					
GRI 417 Marketing & Signage Topics Revealed 2016	417-1	Product and service information and labeling requirements	3.2 Customer service management	59	
	417-2	Incidents of failure to comply with laws and regulations regarding information and labeling of products and services	3.2 Customer service management	59	
	417-3	Incidents of failure to comply with laws and regulations regarding marketing communications	3.2 Customer service management	59	
<b>Customer privacy</b>					
GRI 418 Customer Privacy Topic Disclosure 2016	418-1	Complaints of substantiated breach of customer privacy or loss of customer information	3.2 Customer service management	59	

* Customized theme	serial number	GRI Code Disclosures	Corresponding chapter	page number	Omit/remark
<b>* Customer service management</b>					
GRI 3 Customer service management Major Theme Management 2021	3-1	Process for deciding major topics	1.3 Identification of major themes	9	
	3-2	List of major topics	1.3 Identification of major themes	9	
	3-3	Major topic management	1.4 Major theme management	9	
<b>* Innovative products and technologies</b>					
GRI 3 Innovative products and technologies	3-1	Process for deciding major topics	1.3 Identification of major themes	9	
	3-2	List of major topics	1.3 Identification of	9	

* Customized theme	serial number	GRI Code Disclosures	Corresponding chapter	page number	Omit/remark
Major Theme Management 2021			major themes		
	3-3	Major topic management	1.4 Major theme management	9	

## Appendix 2 : SASB Comparison Table of Sustainable Accounting Standards

Industry : Electronic equipment industry				
Reveal the subject	Indicator number	Reveal indicators	Report content chapter comparison	page number
energy management	RT-EE-130a.1	(1)Total energy consumption :74,819.19 GJ	4.3 Energy and waste management	74
		( 2)Grid power proportion : 100%	4.3 Energy and waste management	
		(3) Renewable energy proportion : 0%	4.3 Energy and waste management	
Hazardous waste management	RT-EE-150a.1	Hazardous waste generation : 52.198tons	4.3 Energy and waste management	74
		Hazardous waste recycling rate :0% · the company does not use waste recycled materials It is used in the factory, so there is no recycling rate.	4.3 Energy and waste management	
	RT-EE-150a.2	Number of reportable leaks : 0	-	
		Reportable leakage : No leakage	-	
		Reportable recovery volume	-	
	product safety	RT-EE-250a.1	Number of recalls	
Number of recalled products			not applicable	
RT-EE-250a.2		Total financial losses resulting from product safety-related legal proceedings : 0	3.1 Quality management	
Product life cycle management	RT-EE-410a.1	Proportion of revenue from products containing declarable substances according to IEC 62474	not applicable	
	RT-EE-410a.2	Proportion of revenue from products that		



		meet Energy Star standards		
	RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products		
Raw material traceability	RT-EE-440a.1	Description of risk management mechanisms related to the use of critical raw materials	not applicable	
business ethics	RT-EE-510a.1	Description of policies or practices to prevent corruption or bribery	not applicable	
		Description of policies or actions to prevent anti-competitive conduct		
	RT-EE-510a.2	Total financial losses resulting from legal proceedings related to bribery or corruption		
	RT-EE-510a.3	Total financial losses resulting from legal proceedings related to anti-competitive conduct regulations		

### Appendix 3: Comparison table of climate-related information required by the stock exchange for listed companies

The risks and opportunities that climate change poses to the company and the relevant response measures taken by the company	Report content chapter comparison	page number
<p>1. Describe the board and management's oversight and governance of climate-related risks and opportunities.</p>	<p>The board of directors plays a supervisory and guiding role in sustainable development (ESG) management strategies to respond to the The board of directors plays a supervisory and guiding role in sustainable development (ESG) management strategies to respond to the Please refer to TCFD (Task Force on Climate-related Financial Disclosure Proposal)</p> <p>Climate-related Financial Disclosures framework to identify and assess climate change impact is expected to be based on the assessment results, and management strategies will be formulated. Greenhouse gas reduction plans, and the energy management personnel will be responsible for the management and assessment of relevant response to the actions, which were approved and implemented by the board of directors, we hope to reduce energy consumption and reduce carbon emissions.</p> <p>Efforts should be made to improve carbon reduction management performance to achieve the company's sustainable development goals. and regularlyThe results of the meeting will be reported to the board of directors on the management of risks and opportunities related to climate change. Management (governance) situation.</p>	

<p>2. Describe how the identified climate risks and opportunities affect the company's business, strategy and finance ( short-term, medium-term, long-term ) .</p>	<p>Risk impact</p> <p>short term:</p> <ul style="list-style-type: none"> <li>● Compliance costs, fines and penalties, and liquidated damages: necessary operating expenditure costs that meet legal compliance conditions. Due to changes in the product market mechanism, inventory losses of unsaleable products are caused.</li> </ul> <p>Medium to long term:</p> <ul style="list-style-type: none"> <li>● Employees: Physical and mental risks caused by the heat of the factory in summer, or incidents that affect attendance, absence from work, and employee disability and injury.</li> <li>● Machines and equipment: Risk of malfunction due to the heat of the factory in summer, or damage to assets due to damage or scrapping.</li> <li>● Climate: Heavy rains cause factory flooding and road stagnant water; drought causes factory equipment to become inoperable; strong typhoons increase in frequency and severity, causing damage to electrical equipment; extreme weather events impact supplier operations and production, causing product damage</li> </ul> <p>Supply interruptions delay production capacity, lead to loss of customers, and loss of profits; average temperatures continue to rise, resulting in increased energy consumption.</p> <ul style="list-style-type: none"> <li>● Energy resources ( water and electricity ) : Taiwan' s energy structure changes, supply prices rise or are in short supply; greenhouse gas emission costs increase ( such as additional carbon fees due to regulations ) .</li> <li>● Raw materials: Operating costs resulting from loss of quality, delivery time, or price increase due to climate.</li> <li>● Loss of semi-finished products: scrapping loss due to abnormal supply of basic water and electricity supplies.</li> </ul> <p>opportunity impact</p> <ul style="list-style-type: none"> <li>● Reduce supply voltage loss and increase high-voltage cables from 161kV to 345kV .</li> <li>● Offshore wind power cables.</li> <li>● The demand for aluminum conductor wind and rain wires on power towers increases under strong winds and rains.</li> </ul>	
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	<ul style="list-style-type: none"> <li>● Various constructions are prone to environmental damage, and the amount of wires used has increased significantly.</li> <li>● Solar power / storage market.</li> <li>● Differentiation enhances competitiveness and expands new energy business.</li> </ul>	
3. Describe the financial impact of extreme climate events and transition actions.	<p>In the short term, due to regulatory adjustments, market demand may change significantly, leading to an increase in costs or an increase in the unsaleable rate of products, affecting multiple aspects, such as a decrease in revenue and cash income, and an increase in operating expenses.</p> <p>The multifaceted impacts of climate change in the mid- to long-term will not significantly affect the company's finances in the short term. In the future, they may involve employee health, equipment problems and the use of energy resources, resulting in increased operating expenses and capital expenditures.</p>	
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	<p>The company refers to the TCFD framework as the basis for assessment. Energy management personnel then use the climate change management process to assess climate-related risks and opportunities based on the impact on HONG TAI ELECTRIC's operations and the potential occurrence.</p>	
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.	<p>The company has not yet conducted usage scenario analysis.</p>	
6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	<p>The Company has no relevant transformation plan yet.</p>	
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	<p>The company has not yet set an internal carbon price. After executing a greenhouse gas inventory plan, the company understands the internal carbon emissions and formulates a carbon reduction strategy. We will then plan and set a carbon price in the future.</p>	

<p>8. If climate-related goals are set, information such as the activities covered, greenhouse gas emission scope, planning schedule, annual achievement progress, etc. should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, information such as Explain the source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) being redeemed .</p>	<p>Our company plans to implement the carbon inventory project in phases from 2024 to 2025. After that, we can carry out relevant management planning and provide relevant tool data.</p>	
<p>9. Greenhouse gas inventory and confirmation, reduction goals, strategies and specific action plans (fill in 1-1 and 1-2 separately).</p>	<p>as described below</p>	

1-1 The company' s greenhouse gas inventory and confirmation status in the last two years

1-1-1 Greenhouse gas inventory information

Describe the emission volume (metric tons CO<sub>2</sub>e), intensity (metric tons CO<sub>2</sub>e/million yuan) and data coverage of greenhouse gases in the past two years.

Emissions of the head office: 9,737.86metric tons of CO<sub>2</sub>e ; Intensity : 1.57metric tons of CO<sub>2</sub>e/million yuan

Note 1: Direct emissions (Category 1, that is, directly from emission sources owned or controlled by the company), indirect energy emissions (Category 2, that is, indirect greenhouse gas emissions from the input of electricity, heat or steam) and Other indirect emissions (Category 3, that is, emissions generated by company activities, which are not indirect emissions from energy, but come from emission sources owned or controlled by other companies).

Note 2: The coverage of direct emissions and indirect energy emissions data shall be in accordance with the provisions of Article 4-1, Item 2 of the Taiwan Stock Exchange's "Operation Rules for Preparing and Submitting Sustainability Reports by Listed Companies" (hereinafter referred to as the "Operation Rules") Other indirect emission information may be disclosed voluntarily according to the prescribed timetable.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or International Standards Organization

ISO 14064-1 issued by the International Organization for Standardization (ISO) .

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, but at least the data calculated in terms of turnover (NT\$ million) should be stated.

1-1-2 Greenhouse Gas Confirmation Information

According to the competent authority, Hongtai Electric needs to conduct verification/confirmation with a third-party certification unit in 2028. The company expects to find it early.

## 1-2 Greenhouse gas reduction goals, strategies and specific action plans

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.

2025 年 The verification work was completed at the end of March and the year 20242030 was set as the base year. The target is to reduce carbon emissions by % compared with the base year 10. The specific action plan for carbon reduction is as follows

1. Build energy management system
2. Reduce the leakage rate of the air pressure system and lower the set pressure value
3. Lighting equipment ( replacement lamps )
4. Lighting equipment ( reduce unnecessary lamps )

### ● 1-1 Greenhouse gas inventory and confirmation status

<ul style="list-style-type: none"> <li>● Basic information of the company</li> <li>□ Companies with capital of more than 10 billion yuan, steel industry, cement industry</li> <li>□ Companies with capital of more than 5 billion yuan but less than 10 billion yuan</li> <li>■ Companies with capital of less than NT\$5 billion</li> </ul>	<p>According to the provisions of the sustainable development road map of listed companies, at least</p> <ul style="list-style-type: none"> <li>□ Parent company individual inspection □ Consolidated financial report subsidiary inspection</li> <li>□ Parent company ' s individual confidence □ Consolidated financial report subsidiary' s confidence</li> </ul>
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Category 1	total emissions (metric tons CO2e)	density (metric tons of CO2e/hundred million yuan in revenue ) (Note 2)	Believe in the organization	Description of convinced circumstances (Note 3)
parent company	767.90	0.12	N/A	
Subsidiaries				
total				
Category 2	total emissions (metric tons CO2e)	density (Metric tons of CO2e/1,000 yuan) (Note 2)	Believe in the organization	Description of convinced circumstances (Note 3)
parent company	8,969.96	1.45	N/A	
Subsidiaries				
total				
Category3 (voluntarily disclosed)	-	-	N/A	

## Appendix 4: Taiwan Stock Exchange "Operation Methods for Preparing and Submitting Sustainability Reports for Listed Companies"

serial number	Indicator content	Corresponding chapter	page number
( one )	the average and median salary of full-time employees who do not hold supervisory positions , and the difference between the first three and the previous year.	-	
( two )	How companies manage climate-related risks and opportunities, actual and potential climate- related impacts, how to identify, assess and manage climate-related risks, and the indicators and goals used to assess and manage climate-related issues.	2.3 Risk management	