



華晶科技永續報告書

ESG Report 2023





Contents

■ Message from the Chairman	04
■ About the Report	06
■ Sustainability Highlights	08
■ Material Topics Analysis	10
<hr/>	
Chapter 1 About Us	14
<hr/>	
Chapter 2 Corporate Governance	34
<hr/>	
Chapter 3 Supply Chain Management	52
<hr/>	
Chapter 4 Environmental Protection	62
<hr/>	
Chapter 5 Social Inclusion	78
<hr/>	
Appendix	102



altek

Better Vision · Better Life

Message from the Chairman

1. Introduction and Company Profile

Since its establishment in 1996, Altek has adhered to the company vision of "Better Vision · Better Life" and is committed to providing the most advanced smart imaging technology in the global market with continuous innovation and sustainable development concepts. Amidst global economic and geopolitical turbulence and the resultant reorganization and redistribution demands of global supply chains, the technology industry faced unprecedented pressures. Altek swiftly responded to the uncertainties brought by economic and geopolitical challenges by establishing a third-party production base in Malaysia, enhancing our competitiveness and business expansion capabilities in the global market.

Amidst the surge of AI (Artificial Intelligence) technology, Altek continues to make progress. As the world transitions from the era of PCs and smartphones to the AIoT (Artificial Intelligence of Things) technology era, we find ourselves amidst a new technological revolution, presenting new opportunities and challenges. In the face of changes in the global pandemic and the reshaping and diversion of the supply chain, we are focusing more on our core technology of image processing, and through continuous self-requirement and product innovation, combined with a multi-faceted strategy, we have continued to push forward the company's transformation, actively expanding the business of our global customers, and enhancing the company's economic efficiency. In recent years, we have invested in the fields of electric vehicles, AI imaging, robotics and precision medicine to achieve sustainable development in three dimensions: economic, environmental and social. We expect to provide consumers with a higher quality of life experience and continue to promote technological advancement to contribute to the well-being of the society and sustainable development.

In the report, we will share the 2023 operating results, financial overview, recent progress in research and development, summary of business plan and the relevant environmental, social, and governance/human rights (ESG) topics. In the face of industry trends and market demands, Altek continuously innovates and transforms the company, and is committed to maintaining sustainable corporate development.

2. Economic and Corporate Governance Performance

In 2023, Altek's consolidated revenue for 2023 decreased to NT\$9.1 billion compared to the previous year. The consolidated gross profit margin increased to 27%, with a post-tax net profit of over NT\$350,000,000 and earnings per share of NT\$1.27. This reflects Altek's relentless efforts in product research and development, as well as quality enhancement amidst the rapidly changing business environment, creating higher transformational value. The factory in Malaysia established in 2023 has brought about new momentum into the Group's production lines, optimizing flexible manufacturing capabilities and enhancing our adaptability to global market changes, laying a solid foundation for sustained development.

In regard to the corporate governance performance, Altek emphasizes good corporate governance and is committed to implementing various corporate governance measures to ensure transparent and fair operations and to bring sustainable and stable returns to shareholders. In addition to complying with relevant laws, regulations and rules, Altek also further enhances the transparency of its operations by, for example, setting up independent directors and formulating internal control and other related systems to ensure the transparency and legitimacy of the company's financial position, operating strategies and decision-making procedures. In addition, we are also aggressively training our employees and enhancing information security and other related training to ensure the sustainability of our operations. Altek will continue to enhance its operating pattern, create more efficient and effective transformational value, and share the rewarding results with our shareholders.



A word from
the Chairman

3.Environmental Performance

Altek is fully aware that environmental sustainability is one of our corporate responsibilities, complies with relevant laws and regulations, and actively promotes green environmental protection measures, such as energy saving and carbon reduction, water conservation, waste reduction, and participation in the green energy industry. We further integrate environmental concepts into product development, design, and production processes to realize the green transformation of the industrial chain, improve resource utilization efficiency, and reduce the burden on the environment. The low-power AI chip we have developed makes an important contribution to the realization of this goal. This low-power AI chip effectively reduces energy consumption while guaranteeing performance, helping to reduce carbon emissions and improve energy efficiency, and has been applied to various 5G IoT device products, which will contribute to improving the efficiency of human life and production, and realizing green, low-carbon, and sustainable development.

4.Social Performance

Altek emphasizes social responsibility, cares about the environment and social issues, and gives back to the community. In addition to emphasizing employee welfare and implementing labor rights, we build a diverse and inclusive corporate culture and encourage employee creativity and innovation, we also care about environmental and social issues. In order to give back to the community by actively promoting social welfare, we have established the "Public Trust Altek Corporation Charity Funds" to donate educational resources and care for the underprivileged, including direct donations, in-kind donations, and event sponsorships, etc., which reflects Altek's commitment to and responsibility for the well-being of the community. In the future, we will continue to bring more benefits to society through technological innovation, further optimize our products and services to meet people's expectations for a better life. At the same time, the Company will continue to strengthen the operation of the Public Trust Altek Corporation Charity Funds, in order to create more opportunities for more people in need, and to make technological innovation truly beneficial to every corner of the world.

5.Summary, Highlights and Future Prospects

Summarizing the various performances mentioned above, Altek has achieved success in economic performance, environmental protection, and social contribution. Looking ahead, we will continue to promote our sustainable development strategy, in compliance with environmental, social, and governance/human rights (ESG) standards, and set and achieve short- to long-term goals. We plan to increase our investment in research and development

of AI imaging core technologies in 2024, accelerate the pace of product launches, continue to improve manufacturing quality and production efficiency, and ensure that our production mode has a high degree of customization flexibility, in order to better meet market demands. At the same time, we will optimize the following four major product lines:

- 1. Precision medical care:**In the post-pandemic era, Altek has perceived the infinite potential of precision medical care and has expanded from high-end blood glucose monitors to promoting innovative disposable endoscopy smart medical imaging applications, which have already entered the mass production phase, successfully grasping the market opportunities and demonstrating a forward-looking perspective on the future trend of healthcare management.
- 2. Electric vehicle:** With the rapid growth of the electric vehicle market, Altek has invested in the research and development of advanced automotive lenses, image processing technologies, and a comprehensive range of automotive imaging solutions to enhance the safety and overall experience of smart driving.
- 3. Robotics:** Combining AI and 3D sensing technologies, Altek has brought precise vision solutions to the robotics field. These revolutionary technologies enhance the robot's application efficiency and flexibility in diverse scenarios such as industrial manufacturing, logistics management, and AIoT.
- 4. Low-power AI chips:** With continuous investment in R&D, Altek's low-power AI chips have become a model for energy conservation and environmental protection. These chips not only reduce environmental impacts, but also improve energy efficiency, which is a concrete implementation of our commitment to sustainable development in our efforts to achieve the global goal of energy saving and carbon reduction.

Altek will continue to seek innovation and actively respond to global environmental, social and governance/human rights (ESG) challenges. We will work with global partners to respond to issues such as climate change and resource management in order to achieve sustainable development goals. We believe that "Better Vision · Better Life" not only expresses our corporate vision, but also demonstrates our determination to improve the quality of life and promote the popularization and application of technology through smart image technology. It is also a firm commitment to the future social well-being and global common goals.

About the Report

Report Overview and Frequency

This is the second sustainability report published by Altek, and we promise to continue to publish this report annually in the future to regularly disclose to the public our operating results in addition to our financial performance, and to practice the corporate vision of sustainable management through our actions. This report was published in August 2024, and the next report is expected to be published in August 2025.

Reporting Boundary and Scope

The reporting period was from January 1 to December 31, 2023, and it will be published regularly on an annual basis. The scope of reporting includes the headquarters of Altek.

The financial related data source of this report is the consolidated financial statements of Altek for 2023 (the reporting period was from January 1 to December 31, 2023, including Altek and all subsidiaries, please refer to paragraph P.78 "Subsidiaries included in the Consolidated Financial Statements" in [Altek Corporation 2023 Annual Report](#)), and Altek's entire group is used as the scope of disclosure; for information boundaries in the environmental category, the Taiwan region is used as the scope of disclosure; and for information boundaries in the social category, the Taiwan region is used as the scope of disclosure. For more detailed information about our affiliates, please refer to the [2023 Annual Report](#). There were no significant changes in organizational size, structure, ownership, or supply chain during the reporting period.

Preparation Guidelines

This report has been prepared in accordance with the Global Reporting Initiative GRI Standards (GRI Sustainability Reporting Standards, GRI Standards) 2021 version, of which GRI 201 and GRI 308 of the topic standards correspond to the 2016 version; and an index of GRI content is provided in the Appendix.

Contact Information

For any suggestions or questions regarding the "Altek 2023 Sustainability (ESG) Report", please feel free to contact us through the following methods. In order to fulfill our responsibility to disclose corporate information, we have also published this report on the website for your reference.

Altek Corporation

Address: No.12, Li-Hsin Road, Hsinchu Science Park

Website: <http://www.altek.com.tw>

Contact person: Steven Chen

Tel: (02)8751-6620

E-mail: spokesman@altek.com.tw

Reporting Responsible Unit and Quality Management Approach

In order to strengthen the completeness and reliability of Aitek's sustainability reporting, the Company follows the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" to establish the process of preparing sustainable reports and to implement internal auditing or external validation procedures, and includes them in the Company's "Internal Control System", and in accordance with this system to control the procedure of preparation and publication of the sustainability report.

Operational procedure	Methods	Responsible unit (or position)
Report preparation	This report is coordinated and planned by the sustainability promotion team. The data, strategic objectives, and performance indicators disclosed in this report were provided by each responsible unit, and then prepared and checked and amended by the sustainability promotion team.	Sustainability promotion team, relevant responsible divisions
Internal review	After each unit confirms the completeness and accuracy of the prepared report, the highest management of the relevant unit is responsible for the validation.	Relevant responsible divisions and their highest management
External assurance	The financial data have been audited and certified by PwC Taiwan in accordance with International Financial Reporting Standards (IFRS) and are uniformly expressed in New Taiwan Dollars (NT\$).	PwC Taiwan
Final approval	The final version of the complete draft is approved for publication in accordance with the internal sustainability report preparation process.	Sustainability promotion team, Finance division

1. International Financial Reporting Standards

Sustainability Highlights

SDGs x ESG Performance



Environment



- SDG 7.3 "altek SUNNY M1" low-power AI chip with energy-saving effects, which is used in AI laptops to save energy on the screen.
- SDG 12.5 Comply with laws and regulations, and implement policies for the classification of daily waste and recycling of resources.
- SDG 12.5 Strictly comply with the relevant regulations of environmental protection agencies in the disposal of regulated industrial waste, discarded electronic components, and mixed hardware waste.
- SDG 13.2 Disclosing information on climate-related risks and opportunities in the "Climate-related Financial Disclosure (TCFD)".



Social



- SDG 1.1 Employee shareholding trust plan Employee stock ownership trust.
- SDG 3.8 The “Altek Corporation Charitable Trust Foundation” donated to the “Taiwan National Health Foundation” to promote disease prevention and encourage medical research and other related activities.
- SDG 3.9 All products have obtained CE certification, RoHS, Reach and other related certifications.
- SDG 5.5、SDG 10.2 Provide a diversified environment for employees.
- SDG 8.6 Diversified training channels to support employees' career development.
- SDG 8.7 Prohibit child labor under age 16, forced labor, and any undue discrimination in hiring, and require suppliers to also follow international standards and labor employment related laws in their business locations.



Governance



- SDG 16.6 The Chairman office is the unit responsible for promoting ethical corporate management, formulating the Ethical Corporate Management Best Practice Principles and related policies and preventive programs.
- SDG 16.7 Diversified labor-management consultation and complaint channels.



Material Topics Analysis

Altek mainly refers to GRI standards, SASB standards, ESG reports of peers and external consultants to identify the material topics. We then follow the requirements of the 2021 version of GRI Universal Standards and rank them, then gradually disclosed the impact, management strategy, and practice status of each material topic. We also calibrate sustainable development goals and strategies based on these results, to strengthen the effectiveness of our external communications.



Collect issues

- Collecting sustainability issues that are highly relevant to Altek's business activities based on national policy trends and various international standards, ratings, and initiatives.

Stakeholder engagement

- Identify four main stakeholders in total.
- Contact, communicate, and engage with all stakeholders in the regular operation process to obtain stakeholder opinions.

Assess operational impact

- Conducted impact assessment by the company and discussed with external experts.

Identify material topics

- After compiling stakeholders' concerns and prioritizing the material topics, we invited departments and senior management to discuss and resolve the eight material topics.

Test material topics

- 2023/11/29 Worked with top management and employees who understand the Company's long-term operations, including HR and occupational safety (HR officer and administrative officer), environmental protection (administrative officer), production (factory chief), finance (chief financial officer), operations, and board of directors' operations (company spokesperson and corporate governance officer), and collaborated with the consultant to confirm the material topics of the current year. The consultant proposed to include human rights emphasized by GRI 2021 as one of the material topics.

Determine material topics

- Altek established and identified the material topics in accordance with the internal sustainability report preparation process.

Stakeholder Engagement

Based on the nature of our operating activities and industry attributes, with reference to five principles of the 2015 version of the AA1000 Stakeholder Engagement Standard, we have evaluated stakeholders' degree of dependence, responsibility, concern, influence, and diversity of perspectives on the Company, and have identified four key stakeholders, including employees, customers, suppliers, and investors. In order to fully understand the stakeholders' issues of concern and the actual or potential impact on the Company, we actively interacted with stakeholders through various two-way and continuous communication channels to collect and respond to their concerns.

The Company keeps stakeholders updated on the latest developments through various communication channels such as press releases, reports, and websites, and provides them with balanced, objective, and accurate and consistent information to assist them in understanding the relevant issues, choices, opportunities, and solutions. A diversified and smooth communication channel has been set up. Every year, we communicate with various stakeholders through a variety of regular and irregular communication channels, including physical/online meetings, communication with responsible units, phone calls, emails, and a dedicated section on the official website, and collect their feedback and issues of concern, and properly respond to their concerns.

▼ Stakeholder Communication

Stakeholder	Purpose	Methods and frequency	Validation and effectiveness
Employees	Improve employee cohesion and identity, cultivate an innovative corporate culture, and implement two-way communication	<ol style="list-style-type: none"> 1. Visits or official mail (irregular) 2. Personnel bulletin or e-newsletters or briefing sessions 3. CEO symposium (semi-annual) 4. Labor conference (each quarter) 5. Internal and external education and training (irregular) 6. Confidential appeal mailbox (irregular) 	Direct Employee Satisfaction Survey (see P. 81 New Employee Statistics)
Customers	Maintain partnership and provide customized solutions according to their needs	<ol style="list-style-type: none"> 1. Regular meetings (regular) 2. Satisfaction survey (irregular) 3. Audit visits (irregular) 4. Electronic communication platform (irregular) 	Regularly collect customers' opinions, accept customers' audits and adjust the operation mode to provide customized services
Suppliers	Maintain partnership and provide customized solutions according to their needs	<ol style="list-style-type: none"> 1. Review meeting (irregular) 2. Audit visits (irregular) 3. Supplier management system(irregular) 4. Complaint mailbox (irregular) 	Audit and evaluate suppliers regularly
Investors (shareholders)	Disclose operational strategies and significant operational changes to maintain shareholders' (investors') confidence	<ol style="list-style-type: none"> 1. Shareholders' meeting (annual) 2. Investor conference (at least once a year) 3. Company website, spokespersons and acting spokespersons, MOPS (real-time) 	Regularly review 3 major corporations' investment status



Material Topics Identification and Priority Ranking

Aitek has always emphasized the importance of sustainable development issues and has conducted sustainability issue identification and stakeholder opinion gathering based on national policy trends, international standards, assessments, and initiatives.

While conducting the stakeholder opinion collecting, we identified four main stakeholders, and made contacts, communication and consultations with these stakeholders in daily operation process to understand their opinions and concerns. In addition, we also conducted an impact assessment to evaluate the impact of the Company's operational activities on sustainability issues.

Through these activities, we compiled and ranked the topics of stakeholder concerns, and finally selected eight material topics and analyzed them on positive/negative and actual/potential impacts. Positive/negative impacts are assessed based on the impact of the current operations' external conditions on Aitek – e.g., global geopolitical conflicts have risen in recent years, and extreme weather has become more and more frequent. The management of the supply chain and the response to the climate has become a key factor affecting operations, and if not properly responded to, operations will be greatly affected. The actual/potential impacts are assessed based on the timing of their impact on the Company's operations. The actual impact is currently being exerted and has been taken into account in the business strategy, and the potential impact is likely to be brought about in the future.

To ensure these material topics were complete and inclusive, the Board of Directors & CFO and an external consultant reviewed the appropriateness of the relevant procedures and standards. These eight material topics were eventually finalized after review by the corporate governance officer. We are committed to continuing to work on these material topics and actively communicating with our stakeholders in daily operational processes in order to achieve sustainable development goals. We will continue to prepare the report thereafter.

In addition, to ensure effective communication with stakeholders through the sustainability report, we have also set up the "[Stakeholders' Contact Information](#)" on the website, providing a dedicated contact channel. Any queries, suggestions or complaints regarding the material topics or other report contents can be raised, to maintain smooth communication and good interaction with them.

▼ List of Material Topics

No.	Dimension	Material topics	Significance and importance	Value chain impact			GRI Index	Corresponding section
				Upstream	Aitek IC/IP Design	Downstream		
				Raw Material / Component Suppliers		Downstream Packaging, Assembly Testing Sales Consumer Services		
1	Economy	Business Performance	Positive actual impact: Aitek operates with high efficiency, pursues sustainable development, and stabilizes revenue and profitability.	●	●	●	Customized	Chapter 1 About Us
2		Products and technology	Positive potential impact: Product and technology excellence not only increases Aitek's value and profitability, but also creates a positive impact on its position and reputation in the industry.		●	●	Customized	Chapter 1 About Us
3		Quality management	Positive actual impact: Excellent quality management helps to improve customer satisfaction, strengthen brand reputation, and maintain and expand market share.		●	●	Customized	Chapter 3 Supply Chain Management
4		Supply chain management	Negative actual impact: Effective supply chain management can ensure the timely supply of raw materials and smooth production processes, which in turn improves production efficiency, reduces costs, and ensures product quality and timely delivery.	●	●		GRI 308-1	Chapter 3 Supply Chain Management

No.	Dimension	Material topics	Significance and importance	Value chain impact			GRI Index	Corresponding section
				Upstream	Altek IC/IP Design	Downstream		
				Raw Material / Component Suppliers		Downstream Packaging, Assembly Testing Sales Consumer Services		
5	Environment	Response to climate change	Negative potential impact: Altek responds to climate change proactively, which not only helps to minimize the environmental impact and improve energy efficiency, but also strengthens the Company's sustainable development and social responsibility reputation.	●	●	●	GRI 201-2	Chapter 4 Environmental Protection
6		Green products	Positive actual impact: Altek promotes its image with eco-friendly products, meets the market demand, expands the market and increases revenues, integrates environmental protection principles, and creates a convenient, safe, and energy-saving life for its customers.		●	●	Customized	Chapter 3 Supply Chain Management
7	People (human rights)	Human rights and diversity	Positive potential impact: Promoting human rights and cultural diversity proactively, which can enhance employee satisfaction, productivity, corporate image, and sustainable development. Meanwhile, we care about the employees' needs and provide them with diversified learning and development channels to encourage them to grow.		●		Customized	Chapter 5 Social Inclusion
8		Talent attraction and retention	Positive potential impact: Developing an excellent talent attraction and retention strategy, which attracts talented people, enhances the company's competitiveness and ensures sustainable development and innovation. Meanwhile, we provide diversified employee activities, to enhance employee satisfaction and vitality.		●		Customized	Chapter 5 Social Inclusion

Annual changes in material topics

2022 Material topics	Products and technology	Compliance with laws and regulations	Response to climate change	Green products	Green supply chain	Human rights	Salary and benefits	Occupational safety and health
2023 Material topics	Business Performance	Products and technology	Quality management	Supply chain management	Response to climate change	Green products	Human rights and diversity	Talent attraction and retention

Note: Business performance, quality management, supply chain management, and talent attraction and retention to the 2023 material topics. Compliance with laws and regulations, salary and benefits, and occupational safety and health have been removed. Human rights and green supply chain to human rights and diversity, as well as supply chain management have been renamed.

1

About Us

About Altek

- Worldwide locations

Sustainability Commitments and Strategies

- Business items
- Economic performance
- Tax policy, governance and risk management

altek

▼ 2023 Material topic “Business Performance” management status

Material topic	Business Performance
GRI index	Customized
Policy commitments	We are committed to improving business performance while maintaining transparency and ethics, ensuring the stability of the company's operations, and realizing long-term profitability and sustainable growth.
Indicators and goals	<ul style="list-style-type: none"> • Short-term goal: Improve the efficiency of training and optimize administrative processes, and establish indicators of teaching effectiveness and administrative efficiency to quantify the goals achieved. • Medium-term goal: Establish an internal monitoring mechanism, regularly evaluate the quality of teaching and administration, and continuously improve systems and processes. • Long-term goal: Establish a continuous improvement culture, ensure the company's stable operation, and achieve sustainable development through profit and market share growth.
Effectiveness tracking mechanism	<ul style="list-style-type: none"> • Review corporate governance and compliance with laws and regulations in accordance with the annual audit plan. • Complaint mechanism: Encourage stakeholders to report, complain, or provide suggestions on unethical and immoral behaviors, or on the economic, environmental, social, and human rights impacts of any operational activities.
Annual actions and measures	<ul style="list-style-type: none"> • Optimized product sets, reduced costs, and increased gross margins from 21% to 27 • Optimized suppliers, systems, and costs

▼ 2023 Material topic “Products and Technology” management status

Material topic	Product & Technology
GRI index	Customized
Policy commitments	Being a leading company of digital image industry, Altek constantly invests in R&D and innovation, and is dedicated to provide better products and services to the customers. In current highly competitive market, we believe that through technological advantages and years of experience, we are able to satisfy customers' needs and continue to create value for the customers.
Indicators and goals	<ul style="list-style-type: none"> • Short-term goal: Consolidated R&D expenses account for more than 10% of consolidated revenue each year. • Medium-term goal: Develop and promote new products to extend existing products in the future. • Long-term goal: Continue to observe the industry trend and invest more R&D resources in new technology and applications with development potential.
Effectiveness tracking mechanism	<ul style="list-style-type: none"> • Annual reports and financial statements
Annual actions and measures	<ul style="list-style-type: none"> • The Company and its subsidiaries invested a total of NT\$1.41 billion in R&D expenses in 2023, which accounted for 15% of the consolidated revenue, mainly for innovative and integrated R&D of technologies and products.

About Altek

Established in 1996, Altek has been engaged in digital imaging field for more than 27 years since its establishment. Headquarters is located in the Hsinchu Science Park, with R&D, manufacturing, and sales offices in Taipei, California, Kunshan, and Shanghai to meet the global market demand. In response to geographic risk factors, we have recently expanded into Southeast Asia to establish third-party manufacturing locations and operations centers.

From being one of the top three digital camera manufacturers in the world, we have now transformed into a leading provider of AI smart vision solutions and have been hailed as "The AI Vision Company". The company has aggressively positioned itself as a "AI high-end smart imaging solutions" provider. As one of the few solution providers in the industry with complete hardware and software system integration chip development and algorithmic capabilities, Altek not only focuses on developing advanced products and technologies, but also endeavors to provide customers with high-quality and reliable solutions, bringing more opportunities and challenges to our business development.

Altek integrate vision chips and algorithmic technologies to provide hardware manufacturing with a one-stop visual AI solution. Product application covers AIoT, smart car, medical imaging, 3D sensing and AI chip technology, and is one of the few solution providers in the industry with complete hardware and software system integration, chip development, and algorithmic capabilities, and is committed to providing the most competitive visual imaging technology to the world's leading brands in the electronics industry.

With the evolution of global AI and 5G technological development, Altek is committed to providing better and more innovative imaging solutions with the world's leading visual imaging technology. With the vision of "Better Vision·Better Life", from the field of digital cameras, we have gradually expanded our application into smart imaging

solutions. Integration of AI intelligence and optical imaging technology provides a rich and profound visual experience, further realizing the enjoyment of a better and richer life. In addition, we take the customers' needs as our top priority for our global deployment, as well as join hands with the world's leading customers to create a better life for the consumers.

In medical and biotechnology products, capturing the product trend of the post pandemic era, we have expanded from high-end blood glucose meters to a variety of single-use endoscopic medical products, which have been mass-produced and shipped to capitalize on the market opportunity. On the path of continuous innovation, by integrating its core competencies of topnotch visual image processing technology and optical software and hardware systems, Altek continues to strengthen the efficiency of its product portfolio, accelerate product launch s, strengthen production, sales, and supply chain management, and enhance manufacturing quality and production efficiency, in order to maintain a highly flexible and customized production model and cost competitiveness, and to continue to enhance its operational and economic efficiencies.

Looking into the future, Altek is fully committed to the development of its core expertise in smart imaging, strengthening in the four product fields of "smart car, medical device, robotics, and AI imaging", maintaining its original IC design business, and accelerating its globalization deployment. We will continue to invest in the core technology and system integration capability of AI visual imaging, and maintain continuous innovation in forward-looking technology and innovative application R&D. Dedicated to corporate sustainability, improving the Company's environmental, social and governance (ESG) visibility, and progressively establishing a complete sustainable development strategy, as well as formulating short-, medium-, and long-term indicators and goals for each sustainability issue, and implementing specific action plans, and reviewing the implementation results regularly to fulfill our commitment to sustainable development.

altek

Better Vision · Better Life

Worldwide locations

Products and services sales (provide) regions are mainly in Asia, accounting for 46% of consolidated revenue in 2023, followed by Americas, accounting for 34% of consolidated revenue, and Europe, accounting for approximately 20% of consolidated revenue. Aitek has a total of six business locations, please refer to the table below:

▼ Worldwide locations

Corporate Headquarter

No.12, Li-Hsin Road, Hsinchu Science Park,
Hsinchu City
+886-3-578-4567

Asia Pacific - Taipei

9F, No.251, Sec. 2, Tiding Blvd., Neihu Dist.,
Taipei City
+886-2-8751-6620

China – Jiangsu Kunshan

NO.77, 3rd Main Street, Kunshan FreeTrade
Zone, Jiangsu
+86-512-5736-8899

China - Shanghai

Unit 3103, Block A, 188 Rudy Road,
Changning District, Shanghai City
+86-21-6858-8151

Asia Pacific - Singapore

1 Science Park Road #01-03 The Capricorn
Singapore Science Park II Singapore 117528

Asia Pacific - Malaysia

No. 12, Jalan Teknologi Perintis 1/3, Taman
Teknologi Nusajaya, 79200 Iskandar Puteri,
Johor Darul Takzim



Sustainability commitments and strategies

Altek Group has established a "Sustainable Development Best Practice Principles" in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and published it on the [Company's website](#) for reference and compliance. In the "Sustainable Development Best Practice Principles", emphasize with regard to the Company's business operations, it should actively implement sustainable development, and through corporate citizenship, enhance the country's economic contribution, improve employees', community and society's quality of life, and promote the balanced and sustainable development of economy, society, and environment, and we will adopt a gradual approach to implement it.



Specific implementation plans:



Social Care

Adhering to the goal of giving back to the society, we care for all disadvantaged groups such as children, teenagers, the elderly, the disabled, and women, and provide services such as social assistance, community development, social work, volunteer services, and club development.



Charitable Donations

Altek Corporation Charity Funds plans for long-term charitable donations and charity work



Health Care

Caring and promoting public health care and encouraging medical research, etc., in order to achieve the goal of improving public health.



Environmental Sustainability

The Company has included environmental conservation concepts in its corporate policy, pursuing the vision of minimizing environmental impact and is committed to sustainable management and development.

Business Items

▼ Basic information

Name	Altek Corporation
Date of establishment	December 24, 1996
Headquarter location	No.12, Li-Hsin Road, Hsinchu Science Park, Hsinchu City
Paid-in capital	NT\$2,788,000,250
Main products	Digital Imaging-related applications
Net sales	Operating revenue NT\$9,099,248 thousand



Main Applications and Manufacturing Processes

In response to the global AI development into a rapid growth period, the Company recently transformed into an AIoT (Artificial Intelligence Internet of Things) ecosystem of high-end smart imaging solutions provider, the core technology is the world's leading visual image processing technology, integrated with ISP (Image Signal processing), algorithms, 3D depth sensing and in house vision chip to provide a complete integrated software and hardware services. We are committed to providing the most competitive visual image technology to the world's leading electronics manufacturers, and continue to cooperate with global top strategic partners to implement 5G, smart car systems, AIoT, high-end Android smartphones, VR/AR/XR wearable devices for Metaverse, logistic robots, and high-end medical devices (e.g. disposable endoscopes, micro-injectors) and other device applications. As one of the few solution providers with complete system integration capabilities of hardware and software, top-notch image and vision processing technologies, AI chip development and algorithms.



Altek has been engaged in imaging field for more than 27 years. From being top 3 digital camera manufacturers in global to current involvement in smart car, AI chips, robots and high-end medical imaging.



Integrating AI Brain and Vision for Robotics

Qualcomm
Smart Brain

altek RobotEye
Smart Brain + 3D Stereo Camera

As AI technology continues to mature, digital images are mainly used in cameras and camcorders, emphasizing on image quality. Nowadays, with the increasing demand for robotics, smart home, smart security, smart cars, smart factories, unmanned stores, and precise medical devices, as well as AIoT and 5G development, Vision AI has become a trend, and also gradually shifting the traditional optical lens industry, expanding the scope of innovative applications to robotics, smart cars, smart manufacturing, and smart medical markets, which is regarded as the next new blue ocean.

With the landing of global 5G applications, and AI combined with IoT (Internet of Things) eco-systems cluster, Altek utilizes in-house leading optical imaging technology in AIoT and 5G applications, and actively lays out AI vision (Vision AI), smart car, robots, and medical imaging, wearable monitoring, and wearable drug delivery. This resulted in a significant increase in profitability after transformation, and improved

revenue performance by obtaining comprehensive integration capabilities of optical products and enhancing the overall customer experience.

In the application of AI technology in various product fields, with the increase of functions applied, the requirements for CPU capacity and power consumption are rising, so as to increase the demand for Edge AI. The Company has also integrated in-house low-power AI chips and algorithms, successfully integrating them into industries such as smart car, conference video and automation, and is one of the few all-in-one solution providers with the ability to develop its own key components, AI software, and product integration.

As a global leader in vision imaging technology, we aggressively transformed from a traditional digital camera optics manufacturer into “The AI Vision Company,” an AI high-end smart imaging solution provider in recent years.

Aitek in response to the smart transformation of industry, optical imaging products are even the key role of the eye for AIoT. The Company's leading optical imaging technology integrated with AI to enhance the industrial value of consumer electronics, smart cars, robots, and smart medical devices, including: optical imaging key components, system assembly, IC design, software firmware, computing algorithms, and complete machine assembly, playing a key role in mastering the transformation of the smart industry chain.

In addition, we promote environmental protection and waste reduction in the design of recycling economic products, such as reducing the amount of packaging materials and not providing instruction manuals; implementing recycling of at least 40% of the plastic materials used in consumables; and pursuing the ultimate goal of energy conservation in energy-saving designs, such as the production of AI drive recorders with low power consumption and a 7-day battery life monitoring function for parked vehicles.

ARTIFICIAL INTELLIGENCE



In recent years, due to the increasing tensions and conflicts in the world, there has been an increase in the frequency of port congestion of raw materials or goods. In response to this situation, we have begun to coordinate with our suppliers to transfer inventory to other ports or choose to ship them by air freight. Under the QCD management system (Quality, Cost, and Delivery), we strive to satisfy our customers' needs and integrate cost competitiveness, delivery speed, and quality improvement into our daily operations.

All of the Company's products have obtained CE certification, RoHS and other related certificates. The future R&D direction towards the goal of better image quality, combined with AI technology, applied to different market fields, by using the AI security control system to collect information in the store, including customer flow statistics, customer flow hotspots, observe people flow direction and distribution and gender.

We have a diversified and flexible business strategy. We maintain close relationships with world-renowned, large-scale customers and are deeply committed to our existing markets while continuing to innovate and expand our core technologies to attract new markets and customers. We are committed to building a continuous improvement culture to ensure that the Company remains stable in its operations and achieves long-term development through profit and market share growth.

Looking forward to 2024, in order to globalize deployment, reduce political risks, and decentralize the supply chain, we are expanding our new factory in Malaysia with a total area of 2,981 square meters. The main purpose of the factory is to respond to the needs of medical customers, in addition to the fact that customers in Europe and the U.S. need a third party to supply optical components for electric vehicles and robots. We expect to put the factory into operation in early 2024, to break through the limitation of annual production capacity of 6 million units for a single product, to satisfy the market demand and provide more products, and at the same time, to expand the market scale in order to attract global customers and to promote long-term cooperative relationships.

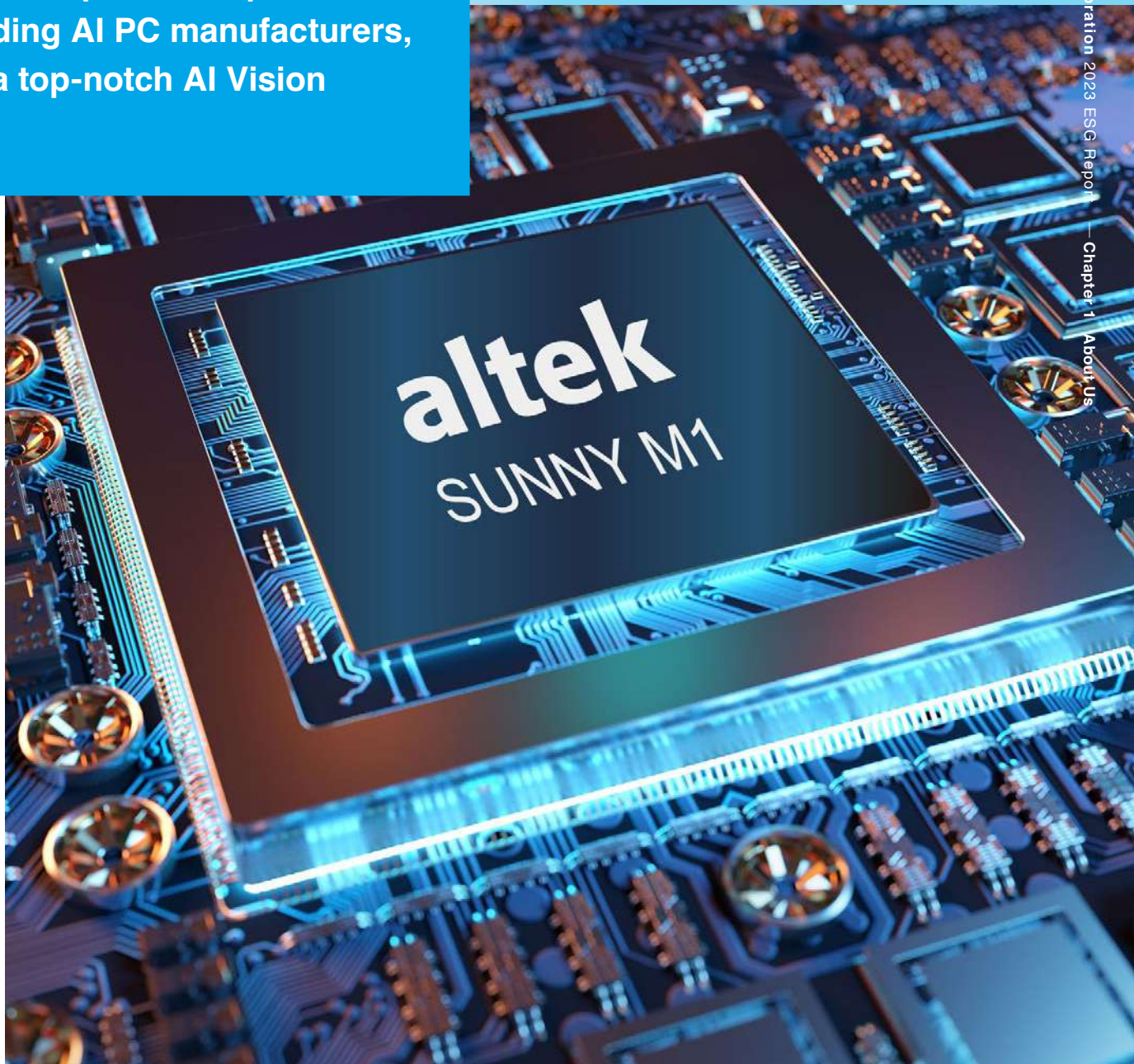
Altek's "altek SUNNY M1" AI chip has been awarded a partnership with the world's leading AI PC manufacturers, to provide a top-notch AI Vision solution.

Product advantages

Viewing the global market, Altek is one of few companies capable of providing multi-field customers with turnkey solutions from upstream to downstream, including IP licensing, algorithm software, chip design, multi-mirror camera modules, 3D sensing modules, and system product ODMs. The Company possesses core competitive advantages in ISP image signal processing, 3D deep computing algorithms, optical digital imaging technology and system integration capabilities, lens and camera miniaturization and precision manufacturing capabilities, which enable Altek to provide top-notch, comprehensive smart imaging solutions to customers globally.

SUNNY M1 chip has a number of features, including optimized AI computing power, dedicated image processing technology, and industrial-grade reliability, which makes it highly applicable to low-power consumption, offline computing end devices, which have powerful computing capabilities but very low power consumption, and is very energy-efficient. "altek SUNNY M1 chip integrates five major applications on the AI device side, including smart car systems, robots, smartphones, PCs and security cameras. It enables customers to quickly integrate powerful AI edge computing capabilities with superior ultra-low-power energy efficiency and provide customized AI imaging solutions.

As an important partner of Qualcomm's 5G ecosystem, a leading innovator in global wireless technology, we have recently dedicated ourselves to becoming "The AI Vision Company," an AI high-end smart imaging solution provider. The "altek AI BOX," which provides medium to

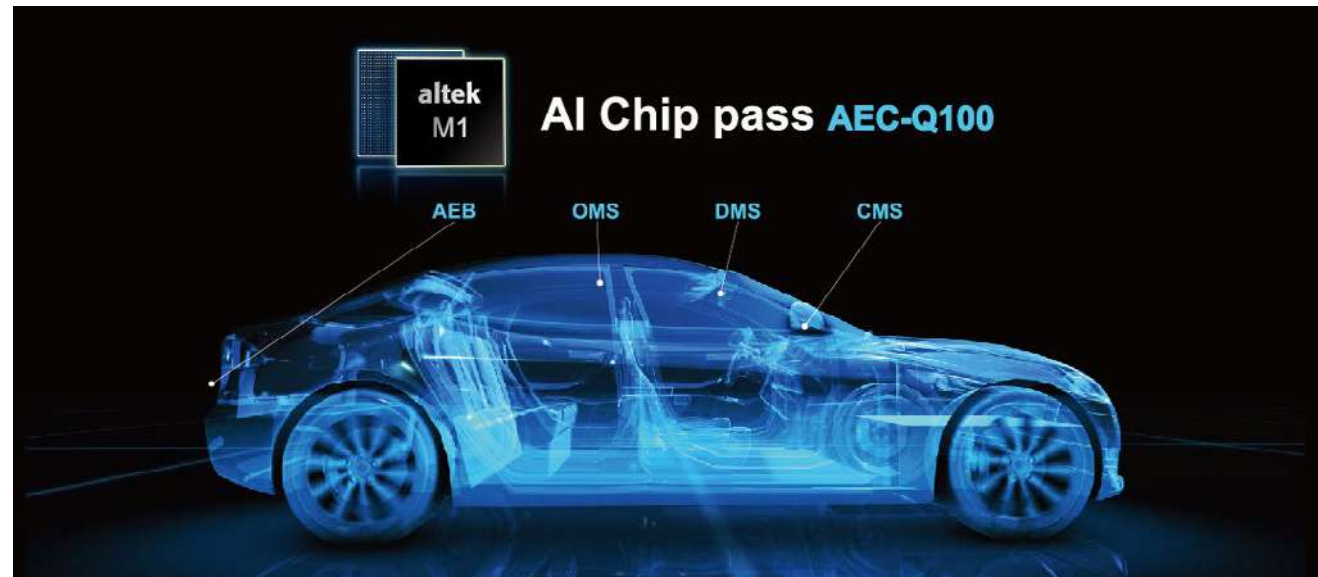


A large, glowing blue circular graphic with the letters "AI" in the center. The graphic features concentric rings and a grid pattern, suggesting a futuristic or technological theme.

AI

high computing power, is applicable to AI fields such as industry, medical, retail, robots, smart cities, and agriculture. In order to meet the stringent requirements of AIoT for chips, platforms, and vision imaging hardware solutions, altek AI BOX will enable customers' products to be seamlessly integrated in the vertical applications of AI-related technologies and faster product upgrades, thus satisfying the global customers' needs for AI smart images, creating a win-win situation and seizing the opportunity to capture the global AIoT market.

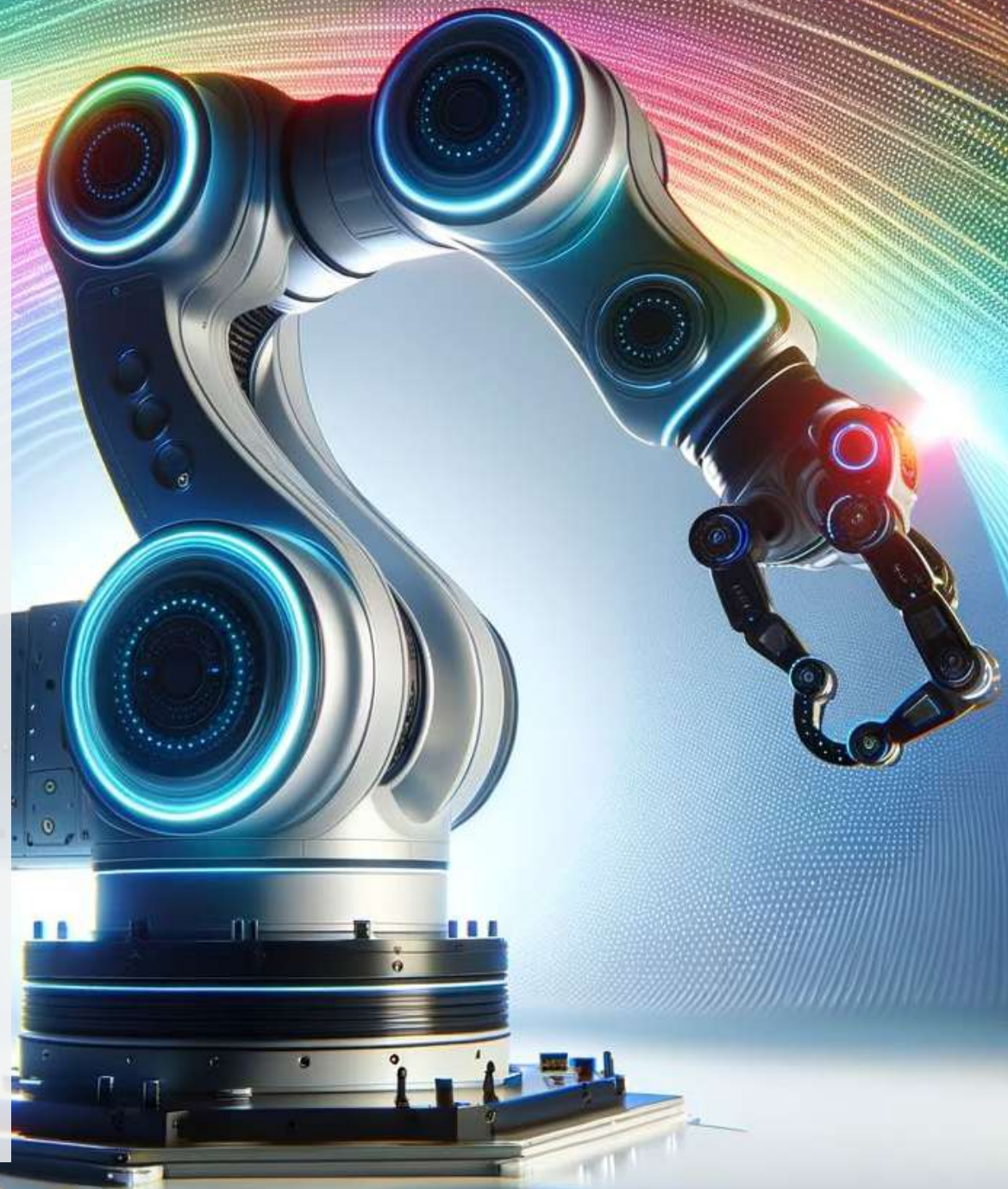
Altek is focusing on becoming "The AI Vision Company" by providing high-quality vision imaging capabilities with powerful AI to play an important role in the AIoT Internet of Things, particularly standing out in 3D sensing technology for high-end robots. Together with the world's leading GPU platform, the Company's technology has been widely applied to industrial unmanned mobility vehicles, industrial robot arms ARM and industrial robots, and has been successfully adopted by leading companies in the global logistics and retail industries. In terms of 3D deep computing algorithm technology, the Company has invested in the technology for many years and holds a number of patents in Taiwan, China, and the U.S. The deep imaging computing technology has been well recognized by Chinese major mobile phone manufacturers, U.S. semiconductor and technology manufacturers, and other customers, and the Company has started to cooperate with them, including when the U.S. semiconductor manufacturers commissioned the development of the 3D-Depth Sensing Chip, the end-products equipped with the Company's imaging chip have exceeded 200 million units.



In optical digital image processing technology and system integration capabilities, we have been developing and producing cameras for international customers for more than 20 years, was the world's largest digital camera ODM manufacturer, and set up an optical team to provide customized design, with strong technology development, system integration and mass production capabilities to effectively respond to customer needs; meanwhile, the Company provides one-stop shopping customized services to assist customers with complete digital imaging solutions in the shortest possible time from product development to mass production and launch, responding quickly to customer needs, and effectively assisting customers to grasp early opportunities to go to market.

In addition, Altek has accumulated more than 10 years of solid experience in lens and camera miniaturization and precision manufacturing capabilities. With the advantages of aseptic, stable quality, simple setup, ready-to-use, and affordability, Altek has successfully entered into the world's No. 1 supplier of disposable endoscopy brands. The Company accepts customer's request, from product concept, product development and validation, manufacturing, assisting in certification to mass production and launching, provides a complete service, and assists customers to grasp market opportunities, and create a win-win situation together with customers.

Summarizing the above five technologies and capabilities, as a global leader in visual image processing technology, Altek continuously invests in R&D and innovation, and is committed to providing customers with even better products and services. In today's highly competitive market, the Company firmly believes that through technology advantages and accumulated years of experience, we can satisfy customers' needs and continue to create value for them. In the future, we will continue to work hard to discover and apply advanced technologies to bring customers even better products and service experiences, and continue to be a leader in the digital imaging industry.



Innovation and R&D

Successfully developed technologies or products during recent years to 2023:

1. Disposable (single-use) medical endoscopes and image processing systems
2. Disposable minimally invasive surgical instruments and image processing systems for minimally invasive spine and joint surgeries
3. Disposable wearable drug delivery system technology platform
4. Next-generation smart store and smart medical AI imaging system
5. Next-generation 3D depth sensing solutions for unmanned vehicles, robots and AR/VR wearables
6. Next-generation video image processing solutions for notebook computers
7. Next-generation high-end commercial AI fleet management system (Fleet Management/ADAS/DMS)
8. Automotive DMS edge AI sensing system
9. Next-generation AI intelligent video camera (Webcam)

▼ Research and Development Investment in the past 3 years (Unit: NT\$ thousand)

Year	2021	2022	2023
R&D investment amount	1,397,350	1,733,623	1,407,405
of revenue	16%	12%	15%
of annual increase/decrease	32%	24%	-19%

▼ Patents obtained in the past 3 years

Country	Total No. of New Patents			Total No. of patents in force
	2021	2022	2023	
Taiwan	6	8	9	135
Others	30	26	26	341
Total	36	34	35	476

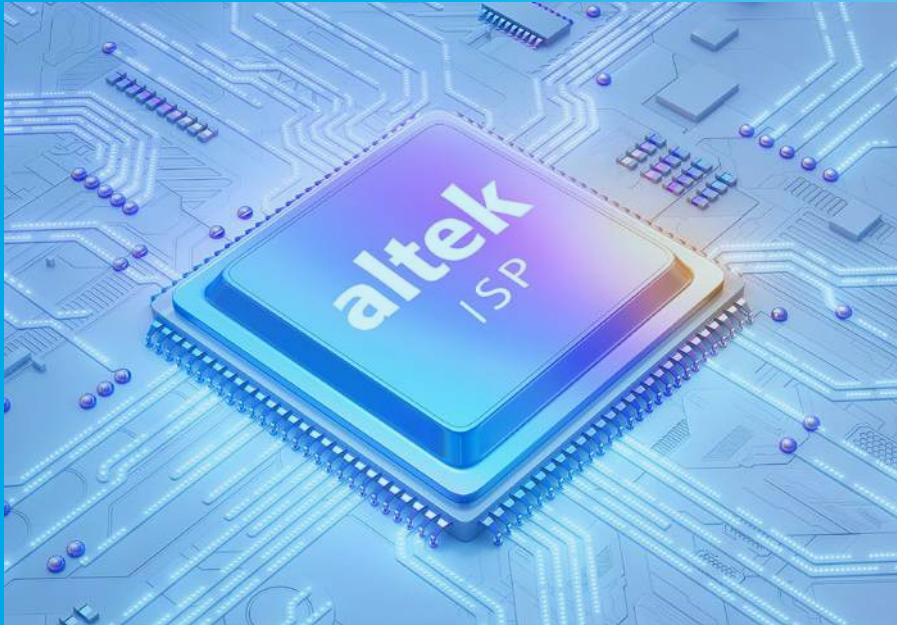
Note: Outside Taiwan includes Asia and Americas

Future Development Strategies

Continuing to develop and promote new products to extend the existing products in the future:

1. Disposable (single-use) medical endoscopes for diagnostic purposes
2. Disposable (single use) medical endoscopes for minimally invasive surgeries
3. Medical endoscopes for imaging solutions
4. Wearable drug injectors
5. Wearable continuous blood glucose monitor
6. Products entered into animal and clinical testing.





7. Establish a second overseas factory and complete quality certification and production line transfer.
8. Next-generation electronic rearview mirror solution and image processing technology.
9. Next-generation AI edge computing in-vehicle imaging system.
10. Next-generation high-performance generative AI edge computing solution.
11. Next-generation AI+ISP smart imaging solution to upgrade cell phone and laptop applications

12. Next-generation ISP image processing technology to upgrade video imaging solutions
13. Next-generation 3D depth sensing solution to upgrade industrial robots and AR/VR applications
14. New-generation high-computing power AI intelligent security control system

In addition to the foregoing, will continue to observe the trend of industry development, and will increase the investment in R&D resources for new technologies and applications with development potential. If there are no significant changes, it is expected that the annual consolidated R&D expenses will account for more than 10% of the consolidated revenue.

Economic Performance

▼ Direct economic value generated and distributed by the organization

Item (Unit: NT\$ thousand)		2021	2022	2023
Direct economic value generated	Operating income	9,085,774	14,028,161	9,099,248
	Non-operating income	137,936	153,122	301,559
Economic value distributed	Operating costs	7,329,460	11,668,275	7,178,085
	Employee salaries and benefits	1,523,840	1,916,885	1,563,180
	Payments to providers of capital	212,319	314,189	253,102
	Payments to government	64,334	74,073	158,282
Economic value retained		93,757	207,861	248,158

Note: Economic value retained = direct economic value generated - economic value distributed

▼ Consolidated financial statements in the past 3 years (expressed in New Taiwan Dollars)

Year	Unit	2021	2022	2023
Capital	Thousand	2,792,011	2,788,180	2,788,000
Operating income	Thousand	9,085,774	14,028,161	9,099,248
Gross profit	Thousand	2,158,722	2,897,628	2,460,039
Operating profit	Thousand	232,474	443,001	357,983
Income tax	Thousand	117,111	181,066	193,809
Net Income after tax	Thousand	280,261	488,041	409,898
Net income attributable to owners of the parent	Thousand	224,734	456,742	350,988
Earnings per share	NT	0.85	1.67	1.27
R&D expenses	Thousand	1,397,350	1,733,623	1,407,405
Employee compensation and benefit expenses	Thousand	1,523,840	1,916,885	1,563,180
Cash dividends paid to shareholders	NT/share	0.7	1.0	0.7

Note: The entities included in the consolidated financial statements include: Altek Group

Tax Policy, Governance and Risk Management

Altek has formulated tax governance policies and transfer pricing policies in compliance with tax laws and regulations and with the goal of improving tax risk management and creating corporate value. In addition, we have established a sound tax management system and a tax governance culture, as well as a prompt and timely handling procedure. Through these policies and measures, we hope to enhance our corporate value, fulfill corporate social responsibility and obligations as a corporate citizen, and practice sustainable corporate development.



Tax Governance Related Organizations, and Responsibilities

Altek's chief financial officer (CFO) is the highest decision maker and is responsible for establishing an effective tax risk management mechanism, while the Accounting Division, as the tax management unit, regularly reports to the CFO on the status of tax-related management. The CFO will formulate an overall tax governance policy based on the entire business strategy and operating environment to ensure the effective operation of the tax management mechanism.

Tax Governance Policy, Control and Risk Management

The Company's tax governance is based on transparency and compliance with laws and regulations, and the tax policies and codes of conduct are as below:

1. Compliance with laws and regulations

Altek is committed to complying with the local tax laws and regulations and the spirit of the legislation in each operation location, as well as following the international tax standards to ensure that tax calculations are accurate and that tax returns are filed and paid within the time limit to fulfill the tax obligations; in order to ensure the accuracy of tax filing, the Company's tax returns are entrusted to local well-established accounting firms, and the annual financial information is provided to PwC Taiwan for tax filing.

2. Transparency

In order to ensure the transparent information, Altek invites internal tax team and external experts with relevant professional tax assessment qualifications and experience to participate in the decision-making process. We also comply with the relevant regulations in submitting group master file reports and transfer pricing reports to the tax authorities, and regularly disclose tax information to the stakeholders on the Company's website and annual report; meanwhile, we commit to using the legal and transparent tax incentive policy to enjoy tax exemption and reduction other than by any means that violates the spirit of the law.

3. Business substance

Altek firmly believes that mutual trust, transparency and compliance with laws and regulations are the three key aspects in maintaining a good relationship between a corporation and its tax authorities. The Company's enterprise architecture and transactions are consistent with business substance, and does not intend to use tax avoidance framework or transfer profits to low-tax jurisdictions to avoid taxes. In conducting related party transactions, we adhere to the principles of regular transactions and strive to comply with the transfer pricing regulations of the tax laws and regulations of each region in which we operate to ensure that we fulfill our tax obligations. Also, with respect, fairness, honesty, and integrity, to interact with the tax authorities of each region, and when identified as a significant tax issue, proactively provide feedback to assist in improving tax environments and systems. Altek will continue to strive to ensure corporate behavior is in compliance with local tax laws and regulations, and through good interaction with tax authorities, to build mutual trust and to maintain a fair and transparent tax system.

4. Ethical Communication

Transactions between our affiliates follow the transfer pricing principles published by the Organisation for Economic Co-operation and Development (OECD), as well as the Base Erosion and Profit Shifting (BEPS) regulations. Establishing a good and truthful relationship with the tax authorities in the various regions in each operating location is also important for compliance with tax laws and regulations. We also provide practical and professional advice to help improve the tax environment and system. We believe by such interaction, Altek can reinforce the trust relationship between corporate and tax authorities, and work together to maintain a fair tax system and contribute to the society.

5. Risk Management

Altek emphasizes a solid tax risk control framework and organizational culture to ensure that the Company's overall tax burden is optimized, while taking into account the impact of risk control and sustainable value. Therefore, we will assess the tax risks carefully and take corresponding countermeasures in order to contribute to the Company's development and society.

Stakeholder Communication Approach on Tax-Related Issues

Altek's main stakeholder is the governmental tax authority. In daily business operations, we file and pay taxes in accordance with relevant laws and regulations of each country. When encountering any uncertainty in the operation process, we will contact the governmental authorities directly or through PwC Taiwan to inquire about the appropriate way to deal with the situation. If notified for tax audits, we will immediately prepare relevant information and cooperate with the tax authorities in conducting the audits to ensure the legality and transparency of all tax matters.

In order to emphasize the transparency of the Company's approach to tax governance, Altek maintains open communication channels and actively responds to and provides information to all parties regarding tax concerns in the Stakeholders' Section of the Company's website, annual reports, and shareholders' meetings, and endeavors to bring stable and sustainable value returns to our stakeholders.

2 Corporate Governance

Governance Structure

- Policy commitments
- Composition and election of the Board of Directors
- Board continuing education
- Board performance
- Remuneration policy for directors and managers
- Functional committees

Ethical Management

- Anti-corruption and anti-bribery policy
- Bonus recovery policy for inappropriate benefits
- Compliance with laws and regulations
- Complaints and suggestions channels

Risk Management

Cyber Security and Personal Data Risk

- Cyber security policy
- Personal data management policy

altek



Governance Structure

Policy commitments

We have formulated relevant codes, policies, or public commitments in compliance with the vision of sustainable coexistence in accordance with the following initiatives: Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies; Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies; Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies; Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies, etc. The relevant principles have been reviewed and approved by the Board of Directors and applied to the entire Group, and communicate with internal and external stakeholders by means of email, relevant meetings, website or intranet, and agreement clauses.

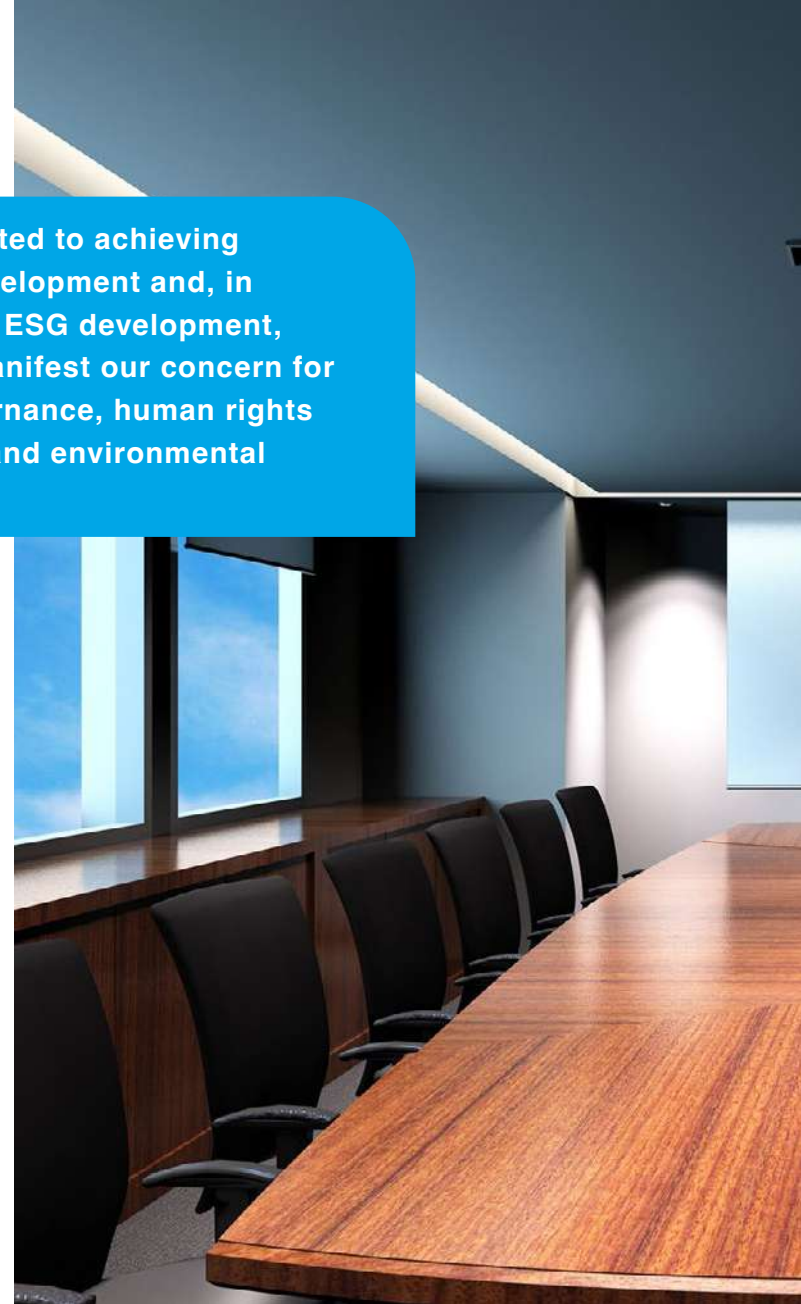
The Company's Finance Division serves as a dedicated unit for corporate governance. On May 7, 2021, the Board of Directors resolved to appoint Steven Chen, Assistant Vice President of Finance Division, as the Corporate Governance Officer. The dedicated unit is responsible for coordinating corporate governance-related matters, and its operation and execution are in compliance with relevant laws and regulations to protect shareholders' interests and strengthen the functions of the Board of Directors.

Our commitment includes the principles of due diligence and early warning, especially with regard to human rights. We follow human rights initiatives such as the UN Universal

Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and ILO Declaration on Fundamental Principles and Rights at Work, etc., and emphasize on respecting human rights within and outside of the Company while focusing on economic performance development, and publish the relevant human rights policies on the [Company website](#) in response to the expectations of our stakeholders.

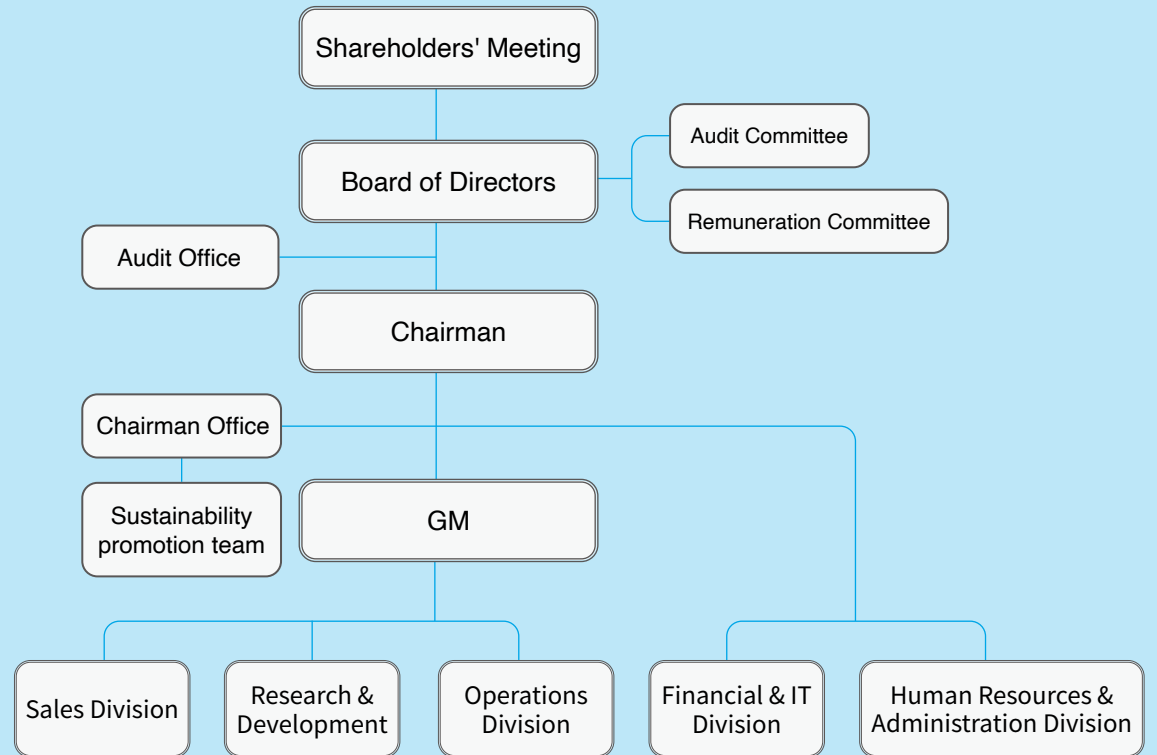
In implementing the sustainability policy, in order to reasonably integrate into the Company's internal control system, we have formulated the relevant contents into internal documents such as the Sustainable Development Best Practice Principles, which are regularly audited by the Audit Office, and required the external supply chain and customers to sign the Supplier CSR Agreement, through the integration of upstream and downstream resources, to jointly fulfill the commitment to sustainability. And constantly pay attention to the sustainable development system at home and abroad as well as the changes in the corporate environment, so as to review and improve the Company's sustainable development policy accordingly.

Aitek is committed to achieving sustainable development and, in the direction of ESG development, continues to manifest our concern for economic governance, human rights and humanity, and environmental conservation.





▼ Altek's organizational structure. For more details on corporate governance framework and corporate functions of each division, please refer to Altek Corporation [2023 Annual Report](#).



Composition and election of the Board of Directors

Altek's highest governance unit is the Board of Directors, which is responsible for making decisions, supervising business operations, managing the impact on the economy, environment, and human rights (people)/ society, and overseeing the Company's operating policies.

The Company adopts a candidate nomination system for the election of directors, and has established in the "Corporate Governance Best Practice Principles" and the "Procedures for Election of Directors" that the composition of the Board of Directors should fully implement the objectives of diversity, emphasize gender equality, different age, nationality and culture, and formulate an appropriate diversity policy with respect to its own operation, business model and development needs, and possess the necessary knowledge and skills to perform their duties and face organizational impacts.



The Company conducts an ongoing director succession plan to build a database of director candidates based on the following criteria:

1. Leadership decision-making, operation judgment, business management and crisis management abilities.
2. International market perspective and industry experience relevant to the Company's business.
3. The overall Board expertise should include strategic corporate management, accounting and tax, finance and economics, administration and production management.
4. Continue to provide an effective, collaborative, diverse Board of Directors to meet the needs of the Company.

To ensure its independence, the Board of Directors aims to have no less than three independent directors and no less than 1/5 (inclusive) of the total seats of the Board of Directors, and no more than 1/2 (inclusive) of the total seats of the Board of Directors for directors who concurrently serve as employees. The 10th Board of Directors of the Company has 7 members, including 3 independent directors, accounting for 43% of the total number of directors, and 6 directors are not employees. Among the current directors, 3 are female directors, accounting for 43% of the total number of directors, and none of the directors are related to each other as spouses or second degree of kinship, which is in accordance with Paragraph 3 and 4, Article 26-3 of the Securities and Exchange Act. In summary, the Company's Board of Directors has achieved its goal of independence.

Additionally, in order to introduce different cultures and expand international horizons, one Japanese and one American director were recruited to join the Board of Directors. The seven directors of the Company have professional knowledge in different fields, among them, the chairman of the board of directors is Alex Hsia, who has expertise in management, leadership and industry knowledge; directors MORI SHOREI, Sophia Chen, Daphne Wang and Michael Ding have expertise in management, leadership and financial accounting; director Belle Liang has expertise in financial accounting; and director FEI LIU has expertise in legal knowledge .

The Company's Board of Directors has established the "Corporate Governance Best Practice Principles", which was amended and approved by the Board of Directors on May 10, 2019, and all operations are conducted in accordance with the Principles, and there are no significant deviations up to date. For details of the number of meetings held by the Company's Board of Directors in 2023 and their participation, please refer to P.17 "Operation of the Board of Directors" of the Company's 2023 Annual Report. In 2023, the Company communicated with the Board of Directors regarding 10 material matters concerning corporate governance that had been resolved by the Audit Committee and submitted for review by the Board of Directors, and strictly adhered to the principle of avoidance of interest, please refer to P.19, "Audit Committee" in the Company's 2023 Annual Report for details.

▼ Profile of Directors

Title	Name	Gender	Age	Other position	2023 Board meeting No. of attendance / attendance rate
Chairman	Alex Hsia	Male	61 years old or above	Executive Director of Altek (Kunshan) Co., Ltd.	5 times / 100% Incharged on Jun. 21, 2023.
Director	Michael Ding	Male	61 years old or above	Independent Director of Ablerex Electronics Co., Ltd; Independent Director of YeaShin International Development Co., Ltd.; Independent Director of HUAKU DEVELOPMENT CO., LTD.	3 times / 100% Incharged on Jun. 21, 2023. The meeting shall be attended: 3 times.
Director	Belle Liang	Female	51 ~ 60 years old	Independent Director of eGalax_EMPIA Technology Inc.	5 times / 100% Incharged on Jun. 21, 2023.
Director	Sophia Chen	Female	51 ~ 60 years old	Supervisor of Altek (Kunshan) Co., Ltd.	5 times / 100% Incharged on Jun. 21, 2023.
Independent Director	FEI LIU	Male	61 years old or above	American/Independent	3 times / 100% Incharged on Jun. 21, 2023. The meeting shall be attended: 3 times
Independent Director	MORI SHOREI	Male	61 years old or above	Japanese/Independent Director	5 times / 100% Incharged on Jun. 21, 2023.
Independent Director	Daphne Wang	Female	51 ~ 60 years old	None	5 times / 100% Incharged on Jun. 21, 2023.
Director	Vincent Kao	Male	51 ~ 60 years old	Director of Altek Optical Technology (Kunshan) Co., Ltd.	2 times / 100% Discharged on Jun. 21, 2023. The meeting shall be attended: 2 times.
Independent Director	KUO HSIUNG WU	Male	61 years old or above	American/Independent	2 times / 100% Discharged on Jun. 21, 2023. The meeting shall be attended: 2 times.

Note: The term of the Ninth Board of Directors expired on June 21, 2023 and the election for all members of the Tenth Board of Directors was held.



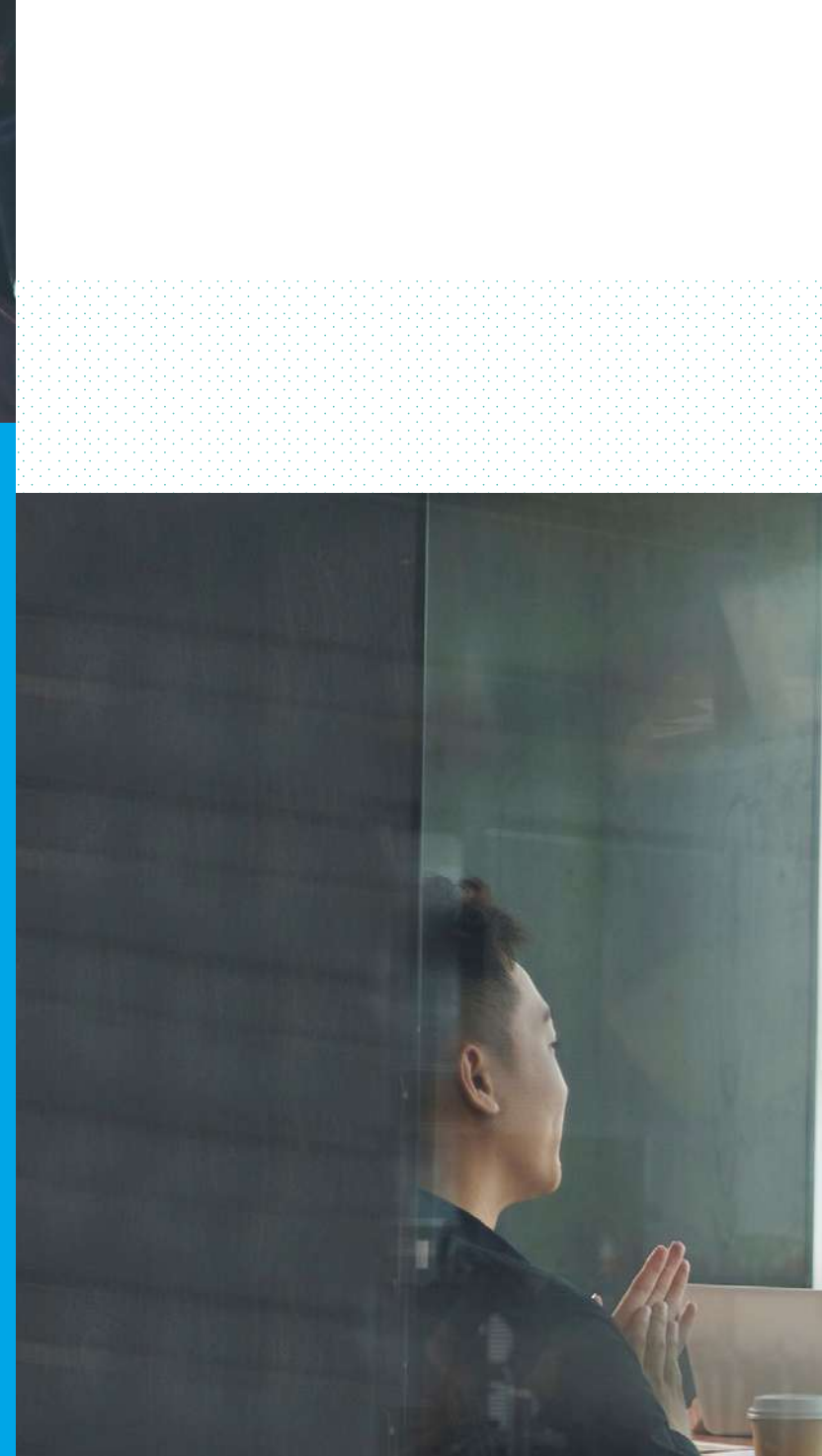
Conflicts of interest

The Chair of the highest governance body of Aitek is the Chairman of the Board of Directors Alex Hsia. All members of the Board of Directors of Aitek adopt the candidate nomination system, and the Board of Directors has established the Rules of Procedures for Board of Directors Meetings in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, which also govern the principle of avoidance of interests of directors.

The Company has established effective accounting and internal control systems and conducts self-audit regularly to ensure their effectiveness. In addition, the internal auditors review the implementation of these system operations regularly and occasionally, and report the audit results to the Audit Committee and the Board of Directors. To ensure ethical and legal compliance in corporate governance, we have established a sound policy on conflict of interest. Members of the Board of Directors are required to observe a high degree of self-discipline and prudence, and fulfill their ethical obligations as managers to faithfully execute their business and duties. When a matter under discussion at a

Board of Directors meeting involves his or her own interests or those of the legal entity he or she represents, the director must state the important matters of his or her interest at that Board of Directors meeting. If there is a risk of damaging the Company's interests, the director may not participate in the discussion or vote, shall comply with the regulations to recuse themselves from interests, and may not act as a proxy for other directors in the exercise of their voting rights.

In order to prevent conflicts of interest, each of the Company's divisions has its own individual conflict prevention policy, which is implemented by each division in accordance with its responsibilities and scope. Any employee may directly raise the issue of conflict of interest with the top executive of his/her division by e-mail or other means. For information on the status of cross-shareholdings between the Company's directors and suppliers or other interested parties, and the existence of controlling shareholders, please refer to P.7 "Profile of Directors" P.35 "Relationship among the Top Ten Shareholders" and P.221 "Directors, Supervisors and Presidents of Affiliated Companies" in the Company's [2023 Annual Report](#).



Board continuing education

The Company's Finance Division serves as a dedicated unit for corporate governance and is responsible for coordinating corporate governance-related matters, and to protect shareholders' interests and strengthen the functions of the Board of Directors. The main duties of the unit are to provide the Directors and the Audit Committee with the necessary information for the performance of their duties and the latest developments in laws and regulations related to the Company's operations, assist the directors and the Audit Committee in legal compliance, report on the implementation status of corporate governance to the Board of Directors regularly every year, and handle matters related to the Board of Directors' and shareholders' meetings in accordance with the law, prepare minutes and assist the Directors and the Audit Committee in taking office and continuing their education.

In order to closely grasp global business management trends and strengthen corporate governance and risk response capabilities, members of the Company's Board of Directors continually strive to learn industry expertise, enrich their corporate governance experience, and work together to enhance the collective wisdom of the Company's highest governance body with respect to sustainable development. For this purpose, Altek arranges continuing education for the Board of Directors irregularly, courses cover a wide range of economic, environmental and other fields, in order to enhance the Board members' knowledge on governance and trend insights. In 2023, totaling 54 hours of continuing education.

▼ Individual continuing education for directors in 2023

		Environmental	Economic/Governance	Hours	Total hours (hours)
		Course	Course		
Chairman	Alex Hsia		Concepts, Practices and Tools for Group Tax Governance	3	6
			2023 Insider Trading Legal Compliance Seminar	3	
Director	Sophia Chen		Concepts, Practices and Tools for Group Tax Governance	3	6
			2023 Insider Trading Legal Compliance Seminar	3	
Director	Michael Ding	Net Zero Roadmap for Construction Industry		3	9
		Briefing on Sustainable Development Action Plans for TWSE and TPEX Listed Companies		3	
			Challenges and Governance of Digital Trust	3	
Director	Belle Liang		2023 Insider Trading Legal Compliance Seminar	3	6
			2023 Insider Trading Prevention Seminar	3	
Independent Director	MORI SHOREI		Concepts, Practices and Tools for Group Tax Governance	3	6
			2023 Insider Trading Legal Compliance Seminar	3	
Independent Director	FEI LIU		2023 Insider Trading Legal Compliance Seminar	3	15
			Insider Trading" and "Misrepresentation of Financial Statements": Study and Response	6	
			Regulations and Analysis of Loans of Funds, Endorsement and Guarantee, and Acquisition and Disposal of Assets	6	
Independent Director	Daphne Wang	Trends and Guidelines for Disclosure of Relevant ESG Information in the "Sustainable Development Action Plans for TWSE and TPEX Listed Companies"	2023 Insider Trading Legal Compliance Seminar	3	6



Board performance evaluation

Altek's Board of Directors conducts annual internal performance evaluations of the Board of Directors and Board Members in accordance with the "Rules for Performance Evaluation of Board of Directors". Based on the four main aspects of the Company's decision-making effectiveness, professional functions, internal control and corporate social responsibility, and supplemented by self-evaluation and appointed external organizations to carry out the performance evaluation. The results will be summarized by the Board of Directors Meeting Unit and reported to the Board of Directors.

The Board of Directors and Functional Committee performance evaluation for 2023 was completed in December 2023 and was proposed to the Board of Directors on March 11, 2024. The overall evaluation results showed that the Board of Directors' operation as a whole was sound and in line with the corporate governance. For details of the evaluation and the results, please refer to P.17 "Board of Directors" section in the Company's [2023 Annual Report](#).

Currently, sustainability impact management has not yet been included in the performance evaluation of the board of directors. Considering the rapid development of the concept of sustainability in the modern era, an integrated unit to coordinate and have an organized plan for the progress of sustainability will enhance the effectiveness of corporate sustainable development. Depending on the development of the Company's scale, consider setting up a sustainability committee in the Board of Directors in the future and include directors who are concerned with sustainable development

issues, in order to prioritize and prepare for sustainable development issues.

Remuneration policy for directors and managers

The Directors' remuneration consists of directors' salary, traveling expenses and directors' bonus. In accordance with the Company's Articles of Incorporation, the directors' remuneration is based on their participation in the Company's operation and the value of their contribution, which is determined in accordance with the industry standard; traveling expenses are based on the attendance of directors at the Board of Directors' meetings with reference to the industry standard; and the Directors' bonus is based on the profitability of the Company in the current year, and not exceeding 5% as directors' remuneration.

In accordance with the Company's "Regulations Governing Salaries, Compensation and Performance Evaluation of Managers", which stipulates that the salary structure of managers includes salaries, bonuses and employee compensation, etc., and their salary and compensation should be linked to their performance based on their contributions, qualifications, responsibilities, industry standards, and consideration of the Company's overall operating performance and individual achievement rate, etc., the remuneration policies of top executives and Board members have not

yet been linked to their sustainable performance, which is reported to the Chairman of the Board by the HR unit in accordance with the Company's regulations governing salaries, compensation and performance evaluation of managers. The manager's relevant performance evaluation and the reasonableness of the remuneration are reviewed by the Remuneration Committee and the Board of Directors, and the remuneration system is reviewed anytime according to the actual operating conditions and the appropriateness of the relevant laws and regulations.

The Company's pension system includes the old system and the new system. Employees who are subject to the old system are entitled to a pension based on the length of service and the average monthly salary at the time of retirement. An additional 20% on top of the amount calculated according to the preceding subparagraph is provided for employees forced to retire due to disability incurred from the execution of their duties.

Employees who are subject to the new pension system under the Labor Pension Act, the Company contributes 6% of their salaries monthly to the employees' personal pension accounts. All employees are free to participate in an employee stock ownership trust, and the Company contributes 100% of the total amount. The Company's directors and top executives are subject to internal remuneration policies and benefits upon their termination of employment.

Functional committees

In order to effectively manage the impact of operational risks, and to ensure Altek responds to economic, environmental, and people impacts as well as to oversee its procedures, we have established functional committees such as the Audit Committee and the Remuneration Committee under the Board of Directors. In the future, we will establish various other functional committees based on business development and actual needs. These committees perform their due diligence through daily business communication channels, internal meetings, questionnaire surveys and document signing as well as established complaint mechanisms, to collect stakeholder opinions or feedback on positive and negative risk impact events arising from the Company's operations, and are also responsible for developing, approving and updating relevant strategies and policies.

Audit Committee

Altek has established an Audit Committee, which is composed of 3 independent directors of the Board of Directors, to assist the Board of Directors in fulfilling its supervisory responsibilities. The term of office is from June. 21, 2023 to June. 20, 2026. Please refer to P.19 "Audit Committee" [section of the annual report](#) for more details. A total of 4 meetings of the Audit Committee were held in 2023.

▼ Audit Committee members

Title	Name	Gender	Special Identity ^{Note 1}
Independent Director	MORI SHOREI (Convener)	Male	Japanese/Independent Director
Independent Director	FEI LIU ^{Note 2}	Male	American/Independent Director
Independent Director	Daphne Wang	Female	None
Independent Director	KUO HSIUNG WU ^{Note 3}	Male	American/Independent Director

Note: 1. Social vulnerable group status, e.g., aboriginal, immigrant, national or ethnic minority, gender identity or sexual orientation, disabled persons; Other important positions and commitments, e.g., cross Board members.
 2. FEI LIU was incharged on June. 21, 2023.
 3. KUO HSIUNG WU was discharged on June. 21, 2023.

Remuneration Committee

The main responsibilities of the Remuneration Committee are to regularly evaluate, set and review the policies, systems, standards and structures for the performance evaluation and remuneration of directors and managers. There are 3 members on the Remuneration Committee, and the term of office is from August 8, 2023 to June 20, 2026. A total of 2 meetings of the Remuneration Committee were held in 2023, and the average attendance rate of the members was 100%.

▼ Remuneration Committee members

Title	Name	Gender	Special Identity ^{Note 1}
Independent Director	MORI SHOREI (Convener)	Male	Japanese/Independent Director
Independent Director	FEI LIU ^{Note 2}	Male	American/Independent Director
Remuneration Committee Member	Bojin Liu ^{Note 2}	Male	
Independent Director	KUO HSIUNG WU ^{Note 3}	Male	American/Independent Director
Remuneration Committee Member	Joyce Huang ^{Note 3}	Female	

Note: 1. Social vulnerable group status, e.g., aboriginal, immigrant, national or ethnic minority, gender identity or sexual orientation, disabled persons; Other important positions and commitments, e.g., cross Board members.
 2. FEI LIU and Bojin Liu were incharged on August. 08, 2023.
 3. KUO HSIUNG WU and Joyce Huang were discharged on June. 21, 2023;

The Company established the "Sustainability Promotion Team" in July 2022 as a dedicated unit to promote sustainability, and conducted training courses from October to November of that year. Planning to hold ESG promotion meetings irregularly in the future.

Sustainability promotion team

The scope of the Sustainability Promotion Team includes social care, charitable donations, art & culture, environmental protection, etc. In regard to social care, we are especially concerned about and take care of the disadvantaged groups, including children, teenagers, the elderly, the disabled, women, etc., and provide a variety of services such as social assistance, community development, social work, voluntary services, community development, etc., to help them improve their quality of life; in regard to charitable donations, Aitek has been cooperating with various public welfare organizations for many years and has been planning a variety of charity activities for a long time; In addition, the Company also actively sponsors the promotion of education in various art and cultural fields. In regard to environmental conservation, we have included the concept of environmental protection in corporate policy, pursuing the vision of reducing environmental impact, and are committed to realizing the goal of sustainable operation and development.



Ethical Management

Altek has established the "Ethical Corporate Management Policies and Prevention Programs" to prevent unethical conducts. It specifies the manner and channels for complaints, and is implemented and enforced. Any violation of this policy will be handled in accordance with the rules of rewards and penalties. The Company has established "Regulations Governing the Acquisition and Disposal of Assets" and "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees" etc., and has set up an effective accounting system and an internal control system for business activities within the scope of the Company's operations that have a relatively high risk of unethical conduct; the internal auditors will regularly and irregularly audit the compliance status of the preceding systems and report the audit results to the Audit Committee and the Board of Directors for prevention of unethical conduct.

The "Chairman Office" is a dedicated unit to promote corporate ethical management. The implementation status of ethical management for 2023 has been reported to the Board of Directors on March 11, 2024, and there are no abnormalities in the implementation status. Please refer to the "[Implementation status of ethical management](#)" on the Company's website. The Company's "Ethical Corporate Management Best Practice Principles" and "Ethical Management Policies and Prevention Programs" have been disclosed on the Company's website and on MOPS, for the information of domestic and overseas customers.

Altek has formulated and implemented a specific whistleblower system, including:

1. Set up and announced internal independent reporting mailboxes and lines or commissioned other external independent organizations to provide reporting mailboxes and lines for use by both internal and external personnel of the Company.
2. Designate a person or unit responsible for receiving and handling complaints, and report to the independent directors any concerns involving directors or top executives. At the same time, set up standard operating procedures for types of reports and investigations. These dedicated personnel or units are responsible for handling received cases and ensuring that fair and professional investigations are conducted.
3. Receive, investigate, and record and keep the results of investigation and related documents of the reported cases.
4. Protect the identity of the whistleblower and the confidentiality of the contents of the report.
5. Take measures to protect the whistleblower from being improperly handled because of the report.
6. Establish incentives for whistleblowers.

According to Altek's whistleblowing system, if a dedicated whistleblower or unit discovers a material violation of the law during an investigation or if the Company is likely to suffer material damage, it should immediately prepare a report and notify the independent directors in writing.

Anti-corruption and anti-bribery policy

To establish a corporate culture of ethical management and sound development, the Company has adopted the "Ethical Corporate Management Best Practice Principles" by the Board of Directors. Based on ethical management, externally, emphasize ethical communication with customers, and internally, strictly require employees with self-discipline to comply with internal regulations, so as to establish a good corporate governance and risk control mechanism, and create a sustainable corporate culture.

To implement ethical management, the Company organizes educational training and seminars periodically to communicate and promote the Company's management principles to employees, or employees participate in external educational training covering legal compliance for ethical management, relevant laws and international standards for products and services, occupational safety and health, cyber security and accounting information, and internal control, etc. Information about the Company's participation in self-organized or external educational training for 2023 was as below:



In addition, we also require our partner suppliers to comply with fair business ethics, including prohibiting any form of bribery and other unethical conducts. Through advocacy and training, suppliers should raise the awareness of their employees and their distributors about anti-corruption, as well as encourage them to report any possible incidents of suspected corruption, in order to prevent any kind of corrupt conduct from occurring.

Furthermore, suppliers should also reasonably protect the personal data of those with which they have business relationships, including suppliers, customers, consumers, and employees. In collecting, storing, processing, communicating, and sharing personal data, suppliers must comply with privacy and information security laws and regulatory requirements to ensure the security and confidentiality of personal data. These measures not only help to establish a healthy and transparent business environment, but also protect the Company's and its suppliers' reputation and promote long-term business relationships.

▼ Communication and training results for anti-corruption policies and procedures

Method	Total hours	Total participants
Internal training	54	54
External training	42	6
Total	96	60

Bonus recovery policy for inappropriate benefits

Altek will adhere to the business philosophy of cleanliness, transparency and responsibility, and enhance the behavioral quality, work ethics and professional competence of all employees. Altek has formulated the "Ethical Corporate Management Best Practice Principles" and "Ethical Corporate Management Policies and Prevention Programs", to prohibit any direct or indirect offering, promising, requesting, or accepting of any undue benefit, or any other violation of ethics, lawfulness, or breach of fiduciary duties in conducting business activities. Anyone who violates the principles, except for any improper benefits received, including money, gifts, presents, commissions, positions, services, favors, rebates, facilitation fees, hospitality,

entertainment, and other things of value in any form or under any name, shall be required to reimburse or compensate for any damages caused to the person claimed or to the Company, and shall be punished by warning or demerit points in accordance with the Company's Personnel Regulations, depending on the severity of the case. In the case of serious cases, they may be dismissed or terminated in accordance with the relevant laws and regulations or the Company's personnel management rules. We expect all employees, including managers, to strictly abide by the ethics of their profession, to ensure the implementation of the ethical management philosophy and enable sustainable growth and development.

Compliance with laws and regulations

Compliance with laws and regulations and operating in a lawful and compliant manner is the most basic responsibility of a company, and is also the key to sustainability. In order to ensure that our operating activities comply with the local government's laws and regulations, we have set up a legal affairs unit to work closely with each functional unit to pay close attention to the formulation of laws and regulations and the latest updates that may have an impact on the Company, and to conduct compliance evaluations of laws and regulations and policies, to ensure that the practical operations of each unit are in compliance with the relevant requirements and regulations.

For any significant events that may seriously impact the Company's operations (significant events are determined by reference to the Taiwan Stock Exchange's criteria for material information), the Company will disclose them publicly in the financial and sustainability report in accordance with the requirements of laws and regulations, in order to comply with the Company's principle of openness and transparency and the requirements of the GRI Standards for Balanced Presentation. There was no violation of any of the aforementioned significant events resulting in penalties in 2023.

▼ Legal compliance education and training in the past 3 years:

Year	Course	Objective and benefit of the course	Training targets
2021	Patent Education and Training / Introduction to Legal Concepts	Introduce patents, basic legal knowledge, and trade secret related legal compliance and application principles to new employees, and conduct exams at the end of the course to ensure that employees understand the content of the course.	New employees of Altek Group (including subsidiaries)
2022			
2023			
2023	Introduction to NDA Provisions and Enforcement Requirements and Liability for Breach	With regard to the confidentiality of specific core customers' projects, we further introduce the NDA Provisions and the additional confidentiality measures for technical data specified by the customers to the personnel of the sales, engineering, and R&D teams who are in close contact with the customers, in order to strengthen the assurance of cooperation in line with the expectations of both parties for information confidentiality.	Contact staff with specific core customers

Compliance with laws and regulations and training

For immediate assistance and consultation services related to laws and regulations, Altek has set up a legal concept course to guide each unit to inquire about the relevant laws and regulations and the latest amendments to the laws and regulations, as well as a legal service window to provide colleagues an appropriate channel for consultation and discussion when they have any concerns about interpreting and applying the laws and regulations in their operations. In addition, we also organize various educational trainings, seminars, and information bulletins on various regulations occasionally, or our colleagues may participate in external educational trainings.

Based on the Company's operating principles, we communicate with employees through various channels. This enables employees to be familiar with the latest regulations and review and update their business operations to avoid misconduct or violation of regulations due to unfamiliarity with the regulations; on the other hand, it also enhances the importance of legal compliance and ethical awareness among employees to ensure that the Company's most basic social responsibilities are realized.

Complaints and suggestions channels

Ethical and responsibility are the cornerstones of business conduct in the sustainability of a company's operations. Therefore, we have set up a complaint and suggestion channel to encourage stakeholders to complain, report or provide suggestions on unethical and immoral behaviors, or any operational activities causing impacts on the economic, environmental, social and human rights aspects. If a stakeholder discovers any unethical conduct that violates the ethical management, he/she may file a complaint or report directly to the Audit Committee or the Internal Audit Office of the Company. If confirmed, the Company will penalize the violator in accordance with internal regulations and relevant laws; in addition, reports or complaints can also be filed through e-mail posted on the Company's website. Altek is committed to maintaining confidentiality in the handling process of whistle-blowing, and the whistle-blower will not be subjected to improper treatment or punishment for whistle-blowing.

If an employee finds the Company to be in violation of any of the contents set forth in each paragraph of the scope of the complaint, he/she may file a complaint directly with the executive officer of his/her supervisory level, the administrative supervisor, the unit in charge of the related matters in the Hsinchu Science Park Administration of the Ministry of Science and Technology, or the unit in charge of the related matters in the local government where the Company is located. In the case of complaints to the Company's supervisory level, such complaints may be filed either orally or in writing.

Regarding the prevention of sexual harassment, the Company has formulated relevant prevention, complaint, and penalty rules. Employees may file a complaint in writing to their division supervisor or the administrative supervisor in the event of any of the following situations:

- 1. Inappropriate and unpleasant words or behavior of an offensive nature due to differences in gender or sexual orientation.**
- 2. Offers and promises made in exchange for compensation by sexual activities or sexually related behavior.**
- 3. Threats or other inappropriate ways to force or demand sexual behavior or sex-related behavior.**
- 4. Upon receiving a complaint, the division supervisor or the administration division supervisor will set up an investigation team to investigate the complaint within three days and complete the investigation and make a decision within thirty days, with a maximum extension of another thirty days.**
- 5. If a complaint is substantiated after investigation by the investigation team, the investigation team may, depending on the severity of the case, propose penalties for the aggrieved employee, and be executed with the approval of the general manager, including apology, letter of repentance, admonishment, demerit, dismissal, and referral to the court.**



Risk Management

Altek conducts regular assessments to prevent and minimize existing and potential risks in order to ensure that labor practices and ethical risks are effectively managed, so that personnel management can achieve the goals of prevention and legal and efficient operation in compliance with corporate social responsibility standards. For this purpose, the Company has formulated measures for social responsibility risk assessment and management, as well as environmental consideration and measures for management of hazard identification procedures.

Altek Group's risk management is conducted by the relevant responsible divisions based on their business scope and expertise to assess, monitor and respond to risks. Through the joint efforts of all relevant responsible divisions, the Group is able to comprehensively manage and respond to risks at different levels.

▼ Risk impacts and their response strategies and actions

Type of risk	Description of risk causes	Responsive strategies and actions
Financial risk	<ol style="list-style-type: none"> 1. Audit risk from NTB, Exchange, and FSC. 2. Accuracy of financial disclosure and analysis of cost balance sheet. 3. Exchange rate fluctuations 4. Interest rate fluctuations 	<ol style="list-style-type: none"> 1. The Finance Division monitors the Company's cash flow requirements and forecasts and ensures the Company has sufficient funds for operation. 2. The Company's products are mainly exported and most of the payments are settled in U.S. dollars, adopted the natural hedge strategy of maintaining a balance between assets and liabilities.; regularly evaluates the status of its foreign currency positions and adjusts positions by entering into U.S. dollar spot or forward foreign exchange contracts to reduce the risk of foreign exchange rate fluctuations. 3. The Company's financial position is strong, with close and long-term cooperation with banks, which enables the Company to obtain better interest rate conditions. The Company regularly evaluates the impact of interest expenses on financing in order to meet the needs of its operating conditions. Cash positions are mainly placed in fixed deposits in order to obtain stable and safe return on investment, generally adopting a conservative and prudent operation principle to reduce impact of interest rate fluctuations.
Regulatory risk	<ol style="list-style-type: none"> 1. Risk of government regulations on related industries, such as waste water, waste discharge, technology outflow control, or regulatory restrictions related to raw material content. 2. The Company's operation requires compliance with the law constantly, to avoid the risk of violating the law. 	<ol style="list-style-type: none"> 1. HR Division regularly reviews personnel related laws and regulations, and conducts evaluation and audit. 2. Administration Division regularly reviews relevant environmental safety laws and regulations and conducts evaluation and audit. 3. Division regularly reviews environmental hazardous substances banned from use and other green product laws and regulations, and conducts evaluation and audit. 4. Other business units also regularly review the legal compliance status of their responsible operations. 5. Legal Division cooperates with law firms to respond to internal units' legal compliance concerns and seeks professional advice and assistance on industry-specific laws and regulations.
Climate change risk	<ol style="list-style-type: none"> 1. Due to climate change risk being more complex, the risk is disclosed in a special section. Please refer to the section of "Climate-related financial disclosures" in this report. 	
Supply chain management risk	<ol style="list-style-type: none"> 1. Human rights and environmental risks in supply chain management 2. Regulatory risks in the supply chain 	<ol style="list-style-type: none"> 1. New suppliers sign the CSR Guidelines. 2. Annual suppliers' CSR audit report review. 3. Components recognition in accordance with laws and regulations, and collect environmental related risk information for review. 4. Any violation of relevant laws and regulations or initiatives by suppliers, immediately send personnel to initiate risk investigation and assessment, and decide whether to continue cooperation with the supplier.
Occupational safety risks	<ol style="list-style-type: none"> 1. Traffic accidents while commuting to work. 2. Accidents caused by unsafe environment or unsafe act or operation of equipment. 3. Safety risks caused by hardware and equipment in the Company's office space and factories. 	<ol style="list-style-type: none"> 1. Include occupational safety promotion in the pre-employment training program for new employees; and conduct on-the-job training on occupational safety for current employees. 2. When inspecting the factory, conduct environmental corrections, equipment improvements, and provide employees with appropriate protective equipment to prevent unsafe environments or unsafe acts. 3. Post posters or slogans in the factory area to remind employees and conduct regular spot checks on the safety of production lines. 4. Regularly check whether the hardware equipment of the Company and the factory is in good condition.
Cyber security and	<ol style="list-style-type: none"> 1. Risk of personal data leakage 2. Risk of confidential documents (electronic and physical) being leaked. 3. Possibility of hackers attacking external websites and internal systems to steal confidential information. 	<ol style="list-style-type: none"> 1. IT Division regularly checks the data backend and internal system to make sure that there is no hacking or trojan horse being implanted. 2. No mentioning of the contents of confidential documents within and outside the Company, encrypting important files, managing and controlling security by means of permissions, and not storing confidential information on external websites. 3. Each employee's office computer is installed with anti-virus software by the IT Division, and new anti-virus software updates are being planned. 4. Appoint a professional cyber security company to propose and assist in the improvement of the Company's computer system; if an incident occurs, promptly notify and handle the incident, to ensure the normal operation of all businesses. 5. To ensure security of the information system and to prevent system failure, the data is backed up on a regular basis, with additional backups. In case of any problem, restoration of backup will be prioritized, and if the problem is not eliminated, the host and the network will be backed up by each other. 6. By using cloud services (three types of backup systems provided by Microsoft) for e-signature, ERP, etc., to increase the effective use and reduce the risk.



Cyber Security and Personal Data Risk

Cyber security policy

Altek's cyber security management is planned, built and maintained by IT Division to ensure compliance with regulations and customer needs. The Company has established a cyber security management system to protect the confidentiality, completeness and availability of Company and customer information and to provide a secure production environment, to ensure the continued operation of the Company's business. In addition, it has also formulated rules for the operational management of its subsidiaries to implement risk control and firewall mechanisms, and has established Procedures for Handling Material Inside Information to avoid information leakage.

Altek actively applies for IP and requires employees to comply with confidentiality clauses to prevent information leakage. Receive quarterly supplier evaluations and customer satisfaction surveys to ensure, review and improve product quality. And to hold regular quality management meetings to track customer ratings and improvements status. Employees and contractors are required to comply with the cyber security policy, internet security control, computer anti-virus management, password policy, firewall policy and information security management. In order to ensure cyber

security, regularly conduct vulnerability scanning and repair, and invite professional lecturers to conduct education and training. In 2023, we invited lecturers with SYMANTEC certified specialist status to focus on the establishment of the basic concepts of cyber security, and to provide the basic concepts of cyber and social security to all the colleagues. In addition, the Company also conduct phishing attack exercises to raise the sensitivity and importance of the basic concepts of cyber security for colleagues.

During the pandemic, the Company took measures to protect cyber security for work at home, such as providing laptops and endpoint security management. The Company also established workflow for employees and supply chain communications, and installed anti-virus detection to scan the attachment of incoming and outgoing mails to ensure their security. Thanks to the attention and precautions taken by all employees, the Company had no known attack in 2023, and will continue to enhance cyber security measures to ensure the security of the Company's business and customer information.

Personal data management policy

To ensure confidential information, business secrets, and personal data are properly protected, and continually strengthen cyber security protection capabilities. In addition to complying with international information security standards, also conform to domestic and foreign laws and regulations, and promote the protection of confidential information, including:

1. Promote the concept of confidential information and compliance issues through daily work and various occasions.
2. Implement employee education and training to enhance employees' awareness and ability in cyber security. In addition to making the control of confidential information a mandatory training course for new recruits, and aiming to constantly strengthen and raise employees' cyber security awareness. The following are specific courses:
 - 2.1. Knowledge of relevant laws and regulations
 - 2.2. Altek Group contracting system
 - 2.3. Non-disclosure agreement (NDA) compliance
 - 2.4. Non-disclosure contract provisions
 - 2.5. Measures to protect the confidentiality of customer's technical data
3. Promote the importance of shutting down the computers and monitors when away from the seats or after work, and also closing the monitors or turning on the password protection when temporarily away to prevent the important information from being snooped by those who have bad intention.

Employee and customer-related personal data are regularly inspected by IT Division staff to prevent attacks and theft of data from the stored servers, and to strengthen server room staff control to prevent important personal data being leaked out.

3 Supply Chain Management

Sustainable Value Chain

- Purchasing policy
- Supply chain management policy

Sustainable Procurement

- Product liability

Supplier Risk Assessment

Supply Chain Assessment and Audit

- Supplier assessment

altek

▼ 2023 Material topic 「Quality Management」 management status

Material topic	Quality Management
GRI index	Customized
Policy commitments	Altek insists on quality, on-time delivery and reliability. Meanwhile, we provide services at a reasonable cost and constantly strive for improvement to ensure that our customers' satisfaction continues to increase.
Indicators and goals	<ul style="list-style-type: none"> • Short-term goal: Through QMS's internal and external audits, ensure the operational procedures are consistent with the actual implementation. • Medium-term goal: Through education and training, strengthen the quality awareness of all employees. • Long-term goal: All employees possess the concept of quality and take responsibility for quality.
Effectiveness tracking mechanism	<ul style="list-style-type: none"> • Internal quality audits: recording the audit results and tracking them. • Third-party external audits: recording the audit results and tracking them.
Annual actions and measures	Through annual third-party QMS external audits, strengthen quality inspection and testing, raise issues based on verification results and reports, and formulate improvement measures accordingly.

▼ 2023 Material topic 「Supply Chain Management」 management status

Material topic	Supply Chain Management
GRI index	GRI 308-1
Policy commitments	Altek establishes long-term partnerships with suppliers in the supply chain. To ensure sustainable development in environmental protection, labor rights, ethics, health and safety, risk management, and code of ethics.
Indicators and goals	<ul style="list-style-type: none"> • Short-term goal: Require partners to comply with applicable international laws and regulations • Medium-term and long-term goals: Work with partners to ensure the legitimacy and sustainability of entire supply chain. Achieving 100% of supplier evaluation target and 100% of environmental substance control.
Effectiveness tracking mechanism	<ul style="list-style-type: none"> • Supplier management procedures • Environmental management substance regulations • Restriction of the use of certain hazardous substances (RoHS, Restriction Of the use of certain Hazardous Substances) • REACH, Registration, Evaluation, Authorisation and Restriction of Chemicals annex 17 (REACH annex 17) • Corporate social responsibility (CSR) supplier agreement
Annual actions and measures	<ul style="list-style-type: none"> • Completed on-site audits for 7 suppliers and 1 suppliers' audit with written submissions in 2023, achieved at 100% . The audit assessments did not identify any significant deficiencies or risks. • Achieved 100% of the supplier evaluation target in 2023 • Achieved 100% of environmental substance control in 2023.

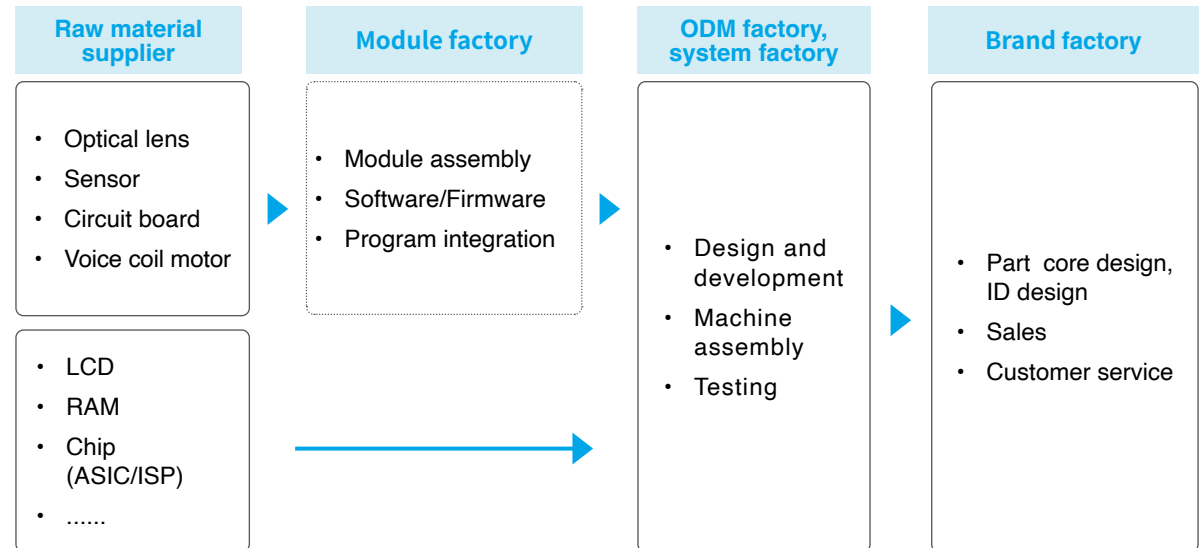
▼ 2023 Material topic 「Green Product」 management status

Material topic	Green Product
GRI index	Customized
Policy commitments	To ensure that all of Altek's products do not cause any environmental damage, the Company strictly prohibits the use of hazardous substances and provides products that are more energy saving and efficient.
Indicators and goals	<ul style="list-style-type: none"> • Short-term goal: Ensure all products comply with relevant laws and regulations and international conventions. • Medium-term goal: Continuously reduce process waste and not to use environmentally hazardous substances. • Long-term goal: Actively promote awareness of environmental hazardous substances management to relevant organizations and continue to make improvements.
Effectiveness tracking mechanism	<ul style="list-style-type: none"> • Internal IQAS601 WCS environmental substance management (REACH, RoHS, GP) regulations • HSF hazardous substance free policy • IECQ QC 080000 Hazardous Substance Process Management System
Annual actions and measures	<ul style="list-style-type: none"> • As of 2023, Altek's products are conforming with the requirements of health and safety regulations and voluntary compliance. • Altek launched the AI low power chip "altek SUNNY M1" and 3D depth sensing chip. • In standby, the power consumption is less than 100 uW, and in recognition, the power consumption is about 150 mW, and can be as low as 10 mW, which is very energy-saving.

Sustainable Value Chain

As technology continues to advance, the applications of digital imaging products are becoming more and more diversified. Nowadays, people can capture, store and share images through a variety of devices, such as digital cameras, smartphones, tablets, wearable devices and so on. Among them, smartphones have become one of the most commonly used digital imaging products in people's daily lives, providing increasing powerful shooting functions through constantly upgraded and improved lens modules, and AI has also become an important development trend in the digital imaging industry.

In the entire digital imaging industry, the upstream is mainly composed of manufacturers producing core components such as optical lenses, image sensors, image processors, etc. The midstream includes manufacturers of imaging devices, image processing software and hardware developers, etc., which are responsible for producing and providing various digital imaging products. Downstream are the sellers and service providers of digital imaging products. Overall, the upstream, midstream and downstream divisions of labor in the digital imaging industry are closely linked, and jointly promote the development and innovation of digital imaging technology:



Purchasing policy

As to ODM (Original Design Manufacturer) manufacturing method, its specific process can include the following steps: First, the R&D division will confirm the customer's requirements and specifications, and check for restrictions on the list of designated suppliers. Next, the R&D division confirm if the supplier's R&D schedule and resources meet the customer's needs, and also evaluate if the supplier's production capacity and equipment meet the requirements. Among the qualified suppliers, a list of suppliers with competitive advantages will be selected. Lastly, PM (Product Management) will convene a meeting for supplier selection, in which top executives, purchasing, and R&D units will jointly select a supplier that meets the requirements. This process can ensure the products are of high quality and meet the customer's requirements, and at the same time improve the efficiency and competitiveness of the manufacturer.

Supply chain management policy

In the "Supplier Management Procedures" and "Environmental Management Substance Regulations", Altek requires each partner to comply with relevant international laws and regulations, pass RoHS and REACH annex 17 environmental and health certificates, and comply with the "CSR Supplier Agreement". We and our partners join efforts to ensure legitimacy and sustainability of the entire supply chain.

We conducted on-site audits for 7 suppliers and 1 suppliers' audit with written submissions in 2023, and actually completed 7 suppliers' on-site audits and 1 suppliers' audit with written submissions, achieved at 100%. The audit assessments did not identify any significant deficiencies or risks. If a supplier has defects such as failure to set upper and lower limits for process operation data or failure to define controls for return of finished products, all suppliers are required to respond to our request for corrective action within 3 months of the audit.



Altek establishes long-term partnerships with suppliers in the supply chain. To ensure sustainable development in environmental protection, labor rights, ethics, health and safety, risk management, and code of ethics.

Sustainable Procurement

In our major business locations (including the operational boundaries mentioned in this report), we are also maximizing the use of local sourcing to reduce carbon emissions from long-haul transportation and to support the local business development.



with local sourcing accounting for more than 57.84% of budgeted expenditures in 2023.

▼ Local sourcing percentage in the past 3 years (Unit: NT\$ thousand)

Year	2021	2022	2023
Purchases in Taiwan	107,342	114,208	44,016
Local purchases outside Taiwan	5,020,459	3,264,978	3,687,397
Total amount of local purchases	5,127,802	3,379,186	3,731,413
Total amount of purchases in Taiwan	1,186,126	484,709	665,881
Total amount of purchases outside Taiwan	10,597,322	5,980,321	5,785,156
Total amount of purchases	11,783,448	6,465,030	6,451,037
Percentage of purchases in Taiwan	9.05%	23.56%	6.61%
Percentage of local purchases outside Taiwan	47.37%	54.59%	63.74%
Total	43.52%	52.27%	57.84%

Note: The term “local” is defined as operating locations in Taiwan and outside Taiwan, and to calculate them respectively.

Product liability

Quality management policy

Strictly prohibit the use of hazardous substances to ensure that all of Altek's products are not harmful to the health of users and the safety of the environment, and ensure all products comply with relevant laws and regulations and international conventions. We comply with the internal IQAS601 WCS environmental substance management (REACH, RoHS, GP) regulations to manage the products, conform to the HSF hazardous substance free policy, and implement the IECQ-QC 080000 Hazardous Substance Process Management System to continually reduce process waste and not to use environmentally hazardous substances. As of 2023, Altek's products are conforming with the requirements of health and safety regulations and voluntary compliance, and we constantly control the safety of our products.

In addition, Altek also proactively responds to customer needs, complying with various specifications and standards to ensure quality and reliability. For example, our automotive products are tested for vibration, thermal shock resistance, and corrosion at a high standard. We will continue to comply with customer requirements to maintain the quality and reliability of our products. The following are the specific results in 2023 to prove to the customers the quality of our products:

- REACH 235 Substances of Very High Concern (SVHC)RoHS
- CMRT
- IATF 16949

Quality policy

1.Improve operation process

2.Enhance staff training

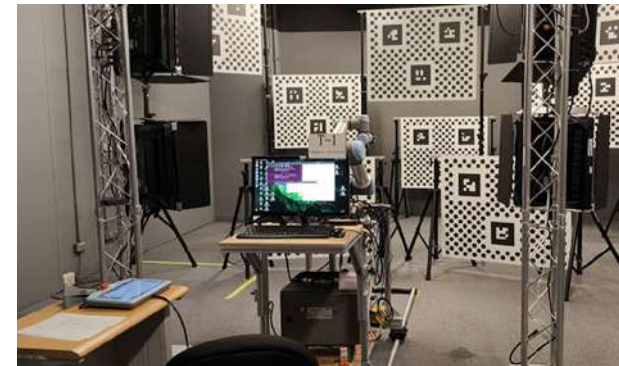
3.Maintain equipment function

4.Optimize working environment

5.Continuously improve product quality and customer service

Also, to ensure that purchased components comply with international regulations, the purchasing unit requires suppliers to provide relevant environmental substance documentation for audit purposes. These documents are validated at all levels to ensure compliance with our internal procedure code IQAS601 and GP Substance Survey. The conformed environmental material data will be submitted by the purchasing unit to QS and DCC for validation and PLM system validation management. To further ensure the correctness of the data, we will also send the compliant environmental substance data to a third-party laboratory, SGS, for analysis and re-verification. This process ensures that our products comply with health and environmental regulations.

In addition, in order to maintain a long-term business partnership with the multinational e-commerce company Amazon, Altek has implemented the "Amazon Project Improvement Plan" to build a darkroom environment that complies with Amazon's product requirements at its headquarters in Hsinchu, and set up a mechanical arm to conduct product testing to achieve the quality of products shipped in compliance with customers' requirements, which also demonstrates Altek's commitment to constantly upgrade its own production processes in order to meet the customers' requirements for its products.



▲ 「An image of the actual operation scene of the "Amazon Project Improvement Plan" lab.

Quality improvement process

1. Manage in accordance with ISO 9000 regulations.

2. Manage in accordance with internal PGAP003 performance management and continuous improvement process.

3. Manage according to the production process and create projects to continuously improve irregularly.

Supplier Risk Assessment

To diversify risks and continuously improve the quality of the overall supply chain, when introducing new suppliers, Altek conducts supplier assessments and requires CSR audit report scores, and requires suppliers to sign the "Supplier Corporate Social Responsibility (CSR) Guidelines" and the "Supplier Corporate Social Responsibility (CSR) Commitment". We require 100% of our suppliers or subcontractors to comply with the labor, health and safety, and environmental laws and regulations of local operations and relevant international standards, and strictly prohibit the use of child labor, forced labor, and captive labor. Meanwhile, provide safe and health working and living conditions, respect the freedom of employees, and prohibit any form of forced labor to ensure the safety and health of employees. In terms of labor-management cooperation, respect employees' freedom of association and right to collective bargaining, provide an equal and fair working environment, and strictly prohibit any form of discrimination, respect employees' basic human rights, and prohibit any form of insulting behavior. Reasonable arrangement of production schedules, employee working hours and rest time, provide reasonable salaries and benefits, and satisfy the basic needs for employees.

In addition, Altek also requires procurement contracts and their terms and conditions to include relevant requirements and to ensure all components used are in compliance with RoHS/REACH requirements, conflict metal reports, and substances of very high concern surveys, and other regulations. This ensures suppliers' products, components, corporate governance, and workers' human rights protection are in compliance with the Company's ESG Management Philosophy. For suppliers who fail to meet the Company's requirements, Altek will proactively assist and counsel them in implementing improvement plans, as well as implementing improvements in employee health and safety, human rights, and corporate social responsibility. These measures help to minimize supply chain risks. If any of the relevant regulations are violated, Altek has the right to terminate or cancel the contract, so as to encourage the supplier partners to jointly improve corporate social responsibility.



Environmental risk

- **100% of Raw material suppliers pass the environmental risk identification**

To reduce the environmental risks, Altek has conducted a process for the certification of mass-produced components. In this process, relevant information such as RoHS/REACH compliance, Substance of Very High Concern (SVHC) survey form, Hazardous Substance (HS) survey form, U.S. TSCA substance survey form, Predicted Environmental Concentrations (PECS) list, and China VOC survey form, etc. are required to be submitted. These have to be reviewed before the components can be certified as mass-produced. Ensure that all major raw material suppliers have no actual or potential significant negative impact on the environment. In addition, all suppliers are advised to obtain ISO 14001 environmental management system certification to further ensure that negative environmental impacts of their products are controlled.

- **100% of non-raw material suppliers management control products for hazardous substances**

To ensure the products or components supplied have no negative impacts on human health and the environment, Altek requires suppliers to conduct a components certification process and submit information such as the Substance of Very High Concern (SVHC) survey form, Hazardous Substance survey form, U.S. TSCA Substance survey form, Predicted Environmental Concentrations (PECS) list, CHINA VOC survey form, etc. These information must include product accessories, packaging materials, and other attachments related to product deliveries. Through these processes and information, suppliers commit to Altek the products or components they supply will not have negative impacts on human health and the environment.

Social risk

For all suppliers of materials, components and moulds related to production, Altek requires them to ensure they are capable of delivering products that meet the Company's needs. When working with a new supplier, the Company will require the supplier to sign a procurement contract to eliminate any unfair, unjust or discriminatory conduct in the procurement process. In the contract, the supplier is also required to comply with relevant environmental protection, safety and health laws and regulations, as well as the Company's corporate social responsibility guidelines.

Governance risk

- In Article 21 of the Company's procurement contract, it is clearly stipulated that suppliers should comply with the ethical principles. In addition, we provide a supplier contact window and complaint window on the website to protect the rights and interests for both suppliers and the Company.
- The Company performs quarterly assessments of suppliers' delivery quality (50%), delivery time (30%), and cooperation (20%), etc., and compiles and summarizes them into a supplier review form, which serves as a reference for subsequent order allocation.
- For direct material suppliers, the Company invites the quality assurance and engineering units of the production bases to jointly assess the existing suppliers from December to January of each year. As for other types of suppliers, no regular assessment will be performed. However, if there is a significant abnormality in the transaction process that affects the Company's rights and interests, the purchasing unit has the right to remove the qualification of the supplier, and the removal will be done after approval by the purchasing supervisor.

Supply Chain Assessment and Audit

Supplier assessment

When new suppliers need to be introduced, to ensure new suppliers can provide materials, components, and moulds that meet the Company's needs, the purchasing division will collect their basic information and arrange engineering, R&D, and quality assurance personnel to conduct an assessment of the supplier's production-related materials, components, and moulds. New suppliers are exempted from on-site supplier assessment, but still need to be audited with written submissions if they are:

1. within the group
2. internationally recognized
3. exclusive agents
4. service providers, such as traders, laboratories, or consulting firms, etc.,
5. production consumables or sub-materials, or those that provide Mock-up services or quick cleaning services, etc.
6. Other special reasons that are approved by the management representative.
7. customer-specified or customized suppliers

All other new suppliers are required to pass the assessment before becoming qualified suppliers. Prior to the assessment, the assessment team members will gather and introduce the current status of the supplier. The assessment team members will conduct the assessment and fill out the scores based on the review form and supplier audit form, and decide to be qualified supplier or not based on the results.

Aitek uses the following methods to assess its suppliers: IQC returns, defective assemblies, excess shippings, delivery delays, and major quality issues. The weighting and scoring methods are based on the Supplier Assessment Form, and re-assessed the supplier overall assessment form (Purchasing/Quality Assurance/Manufacturing Divisions jointly aggregate the number of returns, number of defective assemblies, delivery delays, and major quality issues on a quarterly basis to approval by each division's supervisor).

Note: Any excess of the original terms of the transaction is included in the excess shipping fee. Although it is assessed as an item, it is not counted into the points.

Post-assessment handling: Accumulate the four quarterly supplier assessment scores and grades, review and handling, handling in accordance with the instructions on the supplier assessment form. The supplier designated by the customer will feedback the results to the customer for handling. Assessment status for all 8 new suppliers in 2023: 8 passed , totaling 100% of suppliers passed the new supplier assessment. Failed suppliers will be suspended from trading until they pass the re-assessment before trading resumes.

▼ New suppliers' on-site audit results in the past 3 years

Type	Classification	2021	2022	2023
Supplier	A	1	-	-
	B	6	8	2
	C	1	3	3
	D	-	1	2

Note: D means passing conditionally and will continue to require for improvement.

▼ New supplier audit performed in the past 3 years

Type		Supplier		
Method		2021	2022	2023
On-site audit	Estimated number of suppliers perform	13	23	7
	Actual number of suppliers complete	8	12	7
	Achievement Rate	61.5%	52%	100%
Audit in written	Estimated number of suppliers perform	11	5	1
	Actual number of suppliers complete	11	5	1
	Achievement Rate	100%	100%	100%

Note:

1. The assessment criteria and weighting are: quality (50%), delivery (30%), and cooperation (20%).
2. Estimated of 8 suppliers to be audited in 2023; 8 new suppliers are added in 2023.

▼ Suppliers' review form in the past 3 years

Year	2021	2022	2023
Total number	50	128	233
90 points (inclusive) or above	50	116	203
89~80 points	0	12	19
79~70 points	0	0	5
69~60 points	0	0	0
below 60 points	0	0	0

Note: 90 points (inclusive) or above will be exempted from one annual audit next year, 70 points (inclusive) or above are qualified suppliers, 69 ~ 60 points will be re-audited at the end of next month, and below 60 points will be considered for removal from the list.



4 Environmental Protection

Climate-related Financial Disclosure

- Climate-related risks and opportunities on financial impacts

Energy Management

Greenhouse Gas Emissions

- More energy-efficient products and services

Water Resources Management

- Water withdrawal
- Water discharge
- Water consumption

Waste Management

Green Environment

altek

▼ 2023 Material topic 「Climate Change Response」 management status

Material topic	Climate Change Response
GRI index	GRI 201-2
Policy commitments	Continue to pay attention to global climate change trends, emphasize greenhouse gas reduction, and continue to improve energy conservation measures such as energy management and equipment efficiency improvement to optimize energy usage to achieve the "greenhouse gas reduction" goal. At the same time, to reduce the possible impact of climate change, and continue to promote greenhouse gas inventory and reduction, implement various energy-saving and carbon reduction measures.
Indicators and goals	<ul style="list-style-type: none"> • Short-term goal: Set water and electricity conservation goals annually, regularly track the degree of achievement, and proactively respond to the climate change-related risks. • Medium-term goal: Establish a greenhouse gas inventory program, expected to be completed in Q4 of 2025, and set up a dedicated (concurrent) unit, number of personnel, and scope of their duties, as well as set up an internal verification unit. • Long-term goal: Complete the greenhouse gas inventory and verification of Altek and its subsidiaries.
Effectiveness tracking mechanism	<ul style="list-style-type: none"> • Regularly track the progress of GHG inventories and report to the Board of Directors for monitoring.
Annual actions and measures	<ul style="list-style-type: none"> • A greenhouse gas inventory program has been established.

Climate-related Financial Disclosure

Climate change has caused frequent disasters in recent years. To prepare for climate disasters and prevent related financial losses, Altek takes into account the recommendations on climate-related financial disclosure formulated by the Taskforce of Climate Related Financial Disclosure (TCFD) set up by the Financial Stability Board (FSB) in 2015, and voluntarily discloses the Company's response policies and preventive actions in response to climate-related risks, and appropriately discloses the financial impacts caused by such risks, and identifies opportunities to secure profits after proper climate adaptation and disaster recovery, to strengthen the Company's climate resilience in response to subsequent climate change disasters.

▼ Core elements of climate-related financial disclosure

Core element	Action Plan
Governance	Altek convenes a sustainability team to regularly discuss issues and explore potential impacts within and outside the organization, including identification and assessment of climate-related change risks and response to climate impacts. After summarizing each division's policies and annual performance, they are recorded in the sustainability report. To propose improvements and measures to adjust and mitigate climate finance risks and identify corresponding climate finance opportunities, with respect to the potential damage caused by the risks.
Strategy	Altek includes the potential impacts of climate change in its overall operations, assesses the probability of risks and the extent of their impacts, and formulates risk response and mitigation plans. Based on business types and risk strategies, financial planning to identify physical and transformation risks and opportunities, as well as scenarios to simulate the possible financial impacts of climate change in the future, formulates plans for risk response and mitigation measures, and a crisis management mechanism. Including actively promoting green energy and environmental protection policies. To respond to the global climate change and greenhouse effect on the environment, in addition to setting up energy-saving and carbon reduction measures, promoting energy-saving management in offices and public areas, waste reduction, and in accordance with the requirements of governmental laws and regulations, to achieve energy-saving and carbon reduction.

Core element	Action Plan
<p data-bbox="219 560 389 624">Risk Management</p>	<p data-bbox="443 228 1995 432">To identify and assess climate change risks, to understand the specific potential financial impacts, as a basis for policy development and goals, and for continuous monitoring. In 2023, Altek assessed potential climate change impacts at 2°C ~ 4°C based on RCP 2.6 and RCP 8.5 scenarios, and then based on the "Taiwan Climate Change Projection Information and Adaptation Knowledge Platform" and "3D Disaster Potential Map" and other public climate modeling/graphing websites, simulated under RCP2.6 and RCP8.5 scenarios, it is estimated that the increase in the maximum daily rainfall in 2050 may exceed the 24-hour rainfall standard of 200 mm. However, after checking the "3D Disaster Potential Map", no inundation has been detected. Therefore, although there is no immediate inundation risk from flooding, short-term disruptions in the supply chain and staff absenteeism caused by typhoons and other natural disasters may still occur.</p> <p data-bbox="432 456 1095 488">▼ Potential map of daily maximum rainfall flooding</p> <div data-bbox="432 507 1980 874"> </div> <p data-bbox="432 884 860 948">Altek Headquarter (Source: 3D Disaster Potential Map)</p> <p data-bbox="1211 884 1384 916">Taipei, Taiwan</p>
<p data-bbox="237 1187 367 1251">Indicators and goals</p>	<p data-bbox="443 970 1917 1027">To reduce impacts of climate change and achieve carbon reduction and energy saving targets, we use metrics to manage climate-related changes risks and opportunities:</p> <ul data-bbox="454 1059 2002 1465" style="list-style-type: none"> • Energy conservation and carbon reduction: Altek's main energy consumption comes from purchased electricity, with no electricity required for manufacturing processes and no direct emission sources (Scope 1), and the target for energy conservation by 2024 is 1% (with the previous year as the base year). Other major energy conservation measures are as follows: • Electricity consumption: Lighting equipment uses products with the Eco Label, air conditioning and lighting are turned off in meeting rooms when unoccupied meetings, and only essential lighting is left in offices and public areas during lunch breaks, in addition, we have replaced some of the luminaires with induction lights, which is estimated to achieve energy savings of 24 kWh per month, targeting a 0.02% reduction in annual electricity consumption in 2023. • Water resources: Promote water conservation by restricting water discharge at restroom counters and prioritizing the use of faucets and toilets with the "Water Efficiency Label" for the replacement of old equipment, saving approximately 1,760 liters per month, targeting a 0.05% reduction in annual water consumption in 2023. • Waste: Promote waste reduction policies, and use double-sided printing or reverse-side reuse for official documents and paper as much as possible. The brand of paper used for photocopying has a green label, targeting a 8.3% reduction in waste in 2023. • Greenhouse gas emissions: Greenhouse gas emissions in 2023 were 23,839 metric tons of CO₂e in Scope 1 and 1,261,341 metric tons of CO₂e in Scope 2.

Climate-related risks and opportunities on financial impacts

After reviewing the risks, Altek analyzed the impacts of climate change on the Company's financial position and implemented the annual adaptation and response, which are disclosed as "Climate-related risks and financial impacts" and "Climate-related opportunities and financial impacts" respectively as below:

▼ Climate-related risks and financial impacts

Type	Climate-related risk	Impact period	Risk description	Potential financial impact	Adaptation and response
Transition risk	Policy anΩd regulation				
	Local laws and regulations	Medium-term	<ul style="list-style-type: none"> Taiwan Climate Change Act 	<ul style="list-style-type: none"> Increased carbon reduction costs may result in a potential penalty 	<ul style="list-style-type: none"> The relevant responsible divisions constantly review the impact of the latest regulations on the Company.
	Power shortage	Long-term	<ul style="list-style-type: none"> Due to climate change, power and energy constraints, the Company needs to prepare for backup power Altek once faced a power outage in Kunshan Export Processing Zone for half a day during summertime. Except for the production area, the rest of the area was not turned on to save electricity, and diesel fuel was used to supply power during the outage period. 	<ul style="list-style-type: none"> Installation of the generator also increases the operating costs, with a construction cost of \$1.5 million and an annual cost of \$35,000 for maintaining and purchasing diesel fuel. 	<ul style="list-style-type: none"> Purchase and maintenance of generators
Physical risk	Immediacy				
	Extreme weather events such as typhoons and floods	Short-term	<ul style="list-style-type: none"> Blizzard in the U.S. in 2020, resulted in the shutdown of petroleum-related raw materials (connector manufacturer Molex), resulting in a shortage of customized components Increase in typhoons may cause transportation risk to production site in Philippines and raw material manufacturer Logistic (not yet occurred). 	<ul style="list-style-type: none"> Impact on production capacity and increase in costs 	<ul style="list-style-type: none"> The Company maintains a good business relationship with major raw material suppliers to effectively control supply, shorten delivery time, improve incoming material quality and reduce risks. In addition, to establish a secure inventory agreed with each major supplier and to review prices according to market supply and demand, to achieve the optimal combination of quality, delivery time and cost. To cooperate with customers in pursuing the production capacity of the suppliers.
	Long-term				
	Changes in rainfall (precipitation) patterns	Medium-term	<ul style="list-style-type: none"> Disruption of staff commuting caused by typhoons or floods. Factory stoppage caused by typhoons or floods 	<ul style="list-style-type: none"> Increase production costs by purchasing water in advance Purchase sandbags, pumps and other equipment 	<ul style="list-style-type: none"> Enhanced disaster prevention and management by relevant divisions, and took necessary typhoon and flood prevention measures in relation to work activities.
	Rising average annual temperature	Long-term	<ul style="list-style-type: none"> Reduced equipment life Higher cooling capacity required for air conditioning 	<ul style="list-style-type: none"> Increased equipment purchases by NT\$6,000,000 Increased in electricity cost 	<ul style="list-style-type: none"> Design of the product takes into account effects of temperature. Proactive response and adaptation to temperature

▼ Climate-related opportunities and financial impacts

Type	Climate-related opportunity	Potential financial impact	Response
Resource efficiency	<ul style="list-style-type: none"> • Recycling of paper and waste materials • Switching to more efficient electrical equipment • Reducing water consumption • Circular economy • Green building • Laws and standards for green products 	<ul style="list-style-type: none"> • Reducing the purchase amount of consumables • Reducing electricity consumption and carbon emissions • Reducing the cost of water consumption • Circular economy to increase sustainable product value • Subsidies for purchasing green appliances • Subsidies for producing green products 	<ul style="list-style-type: none"> • Implementing green energy and carbon reduction measures
Energy sources	<ul style="list-style-type: none"> • Low-carbon energy use • In-house production of low-carbon energy and renewable energy projects • Adopting energy-saving measures • Energy substitution/diversification 	<ul style="list-style-type: none"> • Reduce carbon emissions and save carbon reduction costs • Use self-generated green electricity and sell excess electricity • Reduce operating costs through energy conservation • Use diversified energy sources to enhance the resiliency of energy supply 	<ul style="list-style-type: none"> • Resource efficiency improvement not only contributes to energy saving, but also leads to behavioral changes in energy and resource use, and becomes an impetus for low-carbon transformation.
Green market	<ul style="list-style-type: none"> • Design of disposable endoscopes satisfying RoSH and Reach requirements and meeting the needs of circular economy 	<ul style="list-style-type: none"> • Expand product diversification and increase revenue by responding to the green market demand 	<ul style="list-style-type: none"> • Consider the recycling aspect in the product design, easy for customers to choose and recycle the packaging materials

Energy Management

Aitek's energy use mainly is purchased electricity (98% of total energy use) and liquefied petroleum gas and diesel (2% of total energy use); total energy consumption in 2023 was 9,426,504 MJ. In addition, we have also made progress in our energy saving strategy. Currently, we have replaced some of our luminaries with induction lamps for more efficient energy use, with an estimated energy saving of 24 kWh per month, and we have replaced our water appliances that need to be phased out with those that are labeled as being water efficient, with an estimated water conservation of 1,760 liters per month. In terms of energy intensity, although there is an increase of 27% compared to 2022, the total amount of energy consumed has decreased compared to 2021, with a comparable turnover for that year.



▼ Energy use within the organization (Scope I + Scope II) (Energy Unit: Million Joules (MJ); Turnover Unit: NT\$ thousand)

Type of energy		2021	2022	2023
Non-renewable energy	Purchased electricity	11,125,192	11,208,132	9,218,199
	Liquefied petroleum gas	201,362	208,305	208,305
	Diesel	10,548	7,032	-
	Total	11,337,102	11,423,469	9,426,504
Renewable energy	None	0	0	0
Total energy consumption		11,337,102	11,423,469	9,426,504
Operating revenue		9,085,774	14,028,161	9,099,248
Energy intensity		1.248	0.814	1.0359

Note: 1. Source of the energy conversion factor was Greenhouse Gas Emission Factor Table (6.0.4), EPA.

2. Energy intensity is calculated as: energy consumption/total annual revenue, with 2020 as the base year, and energy intensity was 1.839%.

Greenhouse Gas Emissions

Altek established the Sustainable Development Promotion Team in July 2022. As the global concern for environmental, social, and corporate governance (ESG) grows, we are also proactively responding to this trend. We plan to respond to the carbon emissions inventory data of our overseas subsidiaries in 2024 Q4.

▼ Greenhouse gas emissions in the past 3 years and degree of greenhouse gas emissions (Unit: metric tons CO₂e; NT\$ thousand)

Total emissions		2020	2021	2022	2023
Scope 1	Liquefied petroleum gas	23.045	23.045	23.839	23.839
	Diesel	1.002	1.002	0.668	-
Scope 2	Purchased electricity	1355.399	1388.133	1398.905	1267.502
Total GHG emissions		1379.446	1412.18	1423.412	1291.341
Operating revenue		6,102,675	9,085,774	14,028,161	9,099,248
GHG emission intensity (exclusive of Scope 3)		0.000226	0.000155	0.000101	0.000142

- Note:
1. Source of the energy conversion factor was Greenhouse Gas Emission Factor Table (6.0.4), EPA.
 2. GHG emissions are aggregated using the operational control approach.
 3. Global Warming Potential (GWP) of various greenhouse gases was valued using IPCC Fifth Assessment Report.
 4. Electricity carbon emission factor in 2021 was 0.509 kg CO₂e/kWh; electricity carbon emission factor in 2022 was 0.495 kg CO₂e/kWh; and electricity carbon emission factor in 2023 has not yet been announced, so the calculation was based on the electricity carbon emission factor of 0.495 kg CO₂e/kWh in 2022. Liquefied petroleum gas (LPG) was converted into kilograms (weight).
 5. Carbon emission intensity is calculated as: total greenhouse gas emissions (tons of CO₂e)/operating revenue.
 6. GHG emission base year was the previous year.



More energy-efficient products and services

Altek has a world leading ISP imaging solution and has developed and produced AI low power chips and 3D sensing depth chips. "altek SUNNY M1" AI chip has been awarded a partnership with the world's leading PC manufacturers and high-end networking equipment manufacturers to provide a top-notch AI imaging solution. altek SUNNY M1 chip has a number of features, including an optimized AI computing hardware engine and dedicated image signal processing, without external DRAM, low-power consumption and industrial-grade reliability, which makes it highly applicable to low-power consumption, offline computing end devices. With a maximum input resolution of 16 MP Bayer/Mono, ISP and NNE (neural network engine), the chip is capable of computing up to 0.5T OPS. Despite the high computing power, the power consumption is very low, less than 100 uW in standby, and about 150 mW in recognition, with a minimum of 10mW, which is very energy-efficient.

"altek SUNNY M1" chip integrates five major applications on the AI device side, including smart car systems, robots, smartphones, PCs and security cameras. It enables customers to quickly integrate powerful AI edge computing capabilities with superior ultra-low-power energy efficiency and provide customized AI imaging solutions.

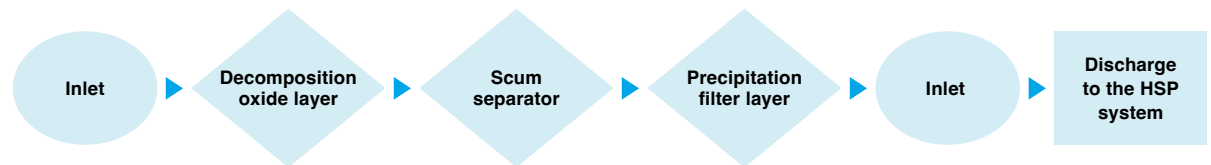
In addition, Altek has been committed to promoting the development of environmental protection and energy saving, as well as integrating them into its products and services. In terms of product packaging materials, we have replaced traditional packaging foam with recyclable packaging cartons. This initiative not only significantly reduces packaging waste in factories, but also helps reduce the demand for plastic resources, further minimizing the burden on the environment. According to our 2023 statistics, the recycled weight of cartons was approximately 28.8 metric tons. This not only reduced the environmental pollution caused by waste, but also promoted the recycling of resources, making the use of resources more efficient and sustainable.

Water Resources Management

Altek is located in Hsinchu Science Park, and water resource management has always been one of the most important environmental issues in Hsinchu Science Park. The water supply sources for the Park are from Taiwan Water Corporation and reservoirs. According to the World Resources Institute's "[Aqueduct Water Risk Atlas](#)", Taiwan as a whole falls into the Low to Medium (1-2) category, with no impacts on water sources due to water withdrawals in all areas, except for Hsinchu Science Park, where there have been limited water supplies in recent years. Altek actively cooperates with the Hsinchu Science Park Administration to continue to promote water conservation and water recycling and reuse counseling, to improve the efficiency of water resources use by manufacturers in the Science Park to reduce the impact on the water body.

Therefore, after assessment, although Altek is not a water-intensive industry, we still follow the goal of water recycling rate set by the Hsinchu Science Park Bureau in accordance with industry, water consumption, and water consumption characteristics of the park's factories. In addition, to cherish water resources and to reduce the potential impact of local water use, the wastewater discharged by the Company goes through a series of purification processes to ensure wastewater generated from operations complies with local discharge standards. In 2023, no failure to comply with the discharge limit value of wastewater discharge or environmental pollution incidents occurred.

▼ Purification process of wastewater generated from operations



Water withdrawal

▼ Total water withdrawal for all areas in the past 3 years (in millions of liters)

Source of water withdrawal	2021	2022	2023
Third party water (tap water)	26.818	23.465	24.220
Surface water	-	-	-
Groundwater	-	-	-
Seawater	-	-	-
Produced Water	-	-	-
Total withdrawal	26.818	23.465	24.220

Note: Fresh water is water with total dissolved solids (TDS) of equal to or less than 1,000 mg / L
 Other water is water with total dissolved solids (TDS) greater than 1,000 mg / L
 The main water source for the Hsinchu Science Park is the Baoshan reservoir, which imposed partial water restrictions in 2023



Water discharge

▼ Total water discharge for all areas in the past 3 years (Unit: millions liters)

Discharge water body		2021	2022	2023
Discharge by endpoint	Surface water	-	-	0
	Groundwater	-	-	0
	Seawater	-	-	0
	Third party water	9.1	8.2	8.46
Total discharge		9.1	8.2	8.46

Water consumption

▼ Total water consumption of all areas in the past 3 years (Unit: million liters)

Year	Yearly water consumption
2021	17.718
2022	15.265
2023	15.76

Note: Water consumption = total water withdrawal - total water discharge

Waste Management

Altek has been always committed to implementing the policy of waste classification and resource recycling to further contribute to the environmental protection of the society. The Company mainly provides customers with imaging solutions, has no major waste and pollutant generation problems, and the products are in compliance with the relevant environmental protection laws and regulations to carry out various operations, in addition to pass various ISO certifications, and also serving as a Green partner for customers. Besides formulating internal waste management measures and complying with the EMA's Waste Disposal Act, we also further commissioned qualified companies to transport and dispose, to ensure all general domestic wastes and regulated industrial wastes are properly treated.

For regulated business waste, including discarded electronic components and mixed metal waste, we also strictly comply with the relevant requirements of the environmental protection authorities in the disposal process. We not only handle the waste physically, but also report it online to ensure that all procedures are transparent and legal. We believe that with these efforts, we can contribute to create a greener and more sustainable environment and leave a better earth for future generations.

To enhance the utilization of resources, the Company uses SAP ERP system and e-signature system to reduce paper printing by electronic means to protect the earth's resources. The Group's information from January 1, 2023 to December 31, 2023 is summarized below:

1. **Inventory receipts: 35,993 receipts in total, saving at least 80,000 to 90,000 sheets of paper in 2023.**
2. **Purchasing receipts: 33,313 receipts in total, saving at least 70,000 to 80,000 sheets of paper in 2023.**
3. **Other receipts, such as accountant subpoenas, still need to be signed in paper form.**

In addition, we have always integrated environmental awareness into our corporate culture. Beyond developing more energy-efficient products and services, we also proactively participate in various environmental initiatives and practice energy saving and carbon reduction in our daily lives. In the past year, we have asked the contractor to recycle about 600 bottles of alcohol and about 18 barrels of alcohol drums used for vaccination. Through these recycling measures, we have not only succeeded in reducing the impact of waste on the environment, but also effectively promoted the recycling of resources, minimized the consumption of natural resources, and jointly created a better and greener world.

▼ Waste classified by composition in 2023 (Unit: metric tons)

Waste composition	Total amount of all waste	Total amount of waste disposed of and transferred	Total amount of waste directly disposed of
D-2527	0.05	0	0.29
E-0221	0.005	0	0.01
Domestic waste	46.2	46.2	46.2
Total amount of waste	46.255	46.2	46.5

Note: Business waste statistics period in 2023 is from 2023/01/01 to 2023/12/31, which was different from the domestic waste statistics period, as domestic waste is collected weekly, but the amount of business waste is not large and needs to be accumulated to a certain amount before it is disposed of, so it is not a fixed statistics period.

According to Altek's internal statistics on the results of paper consumption reduction in 2023, we purchased 275,000 sheets of A4 copy paper, a decrease of approximately 25,000 sheets compared to the 300,000 sheets purchased in 2022.

▼ Waste directly disposed of (discarded) according to disposal operations in 2023 (Unit: metric tons)

	Operation items	On-site	Off-site	Total
Hazardous waste	Incineration (with energy recovery)	-	-	-
	Incineration (without energy recovery)	-	-	-
	Landfill	-	-	-
	Other disposal operations	-	0	0
	Total	-	0	0
Non-hazardous waste	Incineration (with energy recovery)	-	-	-
	Incineration (without energy recovery)	-	-	-
	Landfill	-	-	-
	Other disposal operations	-	46.2	46.2
	Total	-	46.2	46.2

Note: Incineration: Controlled combustion of waste at high temperatures.

Landfill: The final disposal site for solid waste placed under or on the ground through engineering design.

On-site: Self-disposal of waste.

Off-site: Outsourced disposal of waste.

▼ Waste Disposal in the past 3 years

Year		2021	2022	2023		
Classification	Major waste types	Disposal site ^{Note 1}	Disposal method ^{Note 2}	Output (metric tons)	Output (metric tons)	Output (metric tons)
Hazardous businesswaste	E-0221	Off-site	Other disposal operations	0.055	0.038	0
	Domestic waste	Off-site	Incineration	24	24	46.2
General business waste	D-2527	Off-site	Other disposal operations	3.6	1.082	0
	Total amount of waste			27.655	25.12	46.2

Note: 1. Disposal site: On-site (self-disposal within the factory), off-site (outsourced disposal).

2. Disposal methods: reuse (reuse for the same purpose), recycling (reprocessed to make new materials), incineration (with energy recovery), incineration (without energy recovery), landfill, and others.

3. Hazardous business waste and general business waste are defined in accordance with the Waste Disposal Act and the Standards for Defining Hazardous Industrial Waste of Taiwan.



Green Environment

Environmental protection and sustainable development have become important issues of global concern in recent years, and corporations have been urged to fulfill their corporate social responsibility and actively participate in environmental protection initiatives. Aitek has always been concerned with environmental protection issues and actively promotes the Company's green policy, with greening as one of the main goals, allowing employees to work in a green environment, and at the same time caring for green space maintenance and preservation, making the factory area an eco-friendly working environment.

At Hsinchu factory, between 3 and 5 staff seating area at every 50 staffs' office would put up small plants, totaling about 30 pots in total. In addition, 283 trees, 1,500 seedlings and plants were planted in the Hsinchu factory and the surrounding roads, and landscaped areas were set up on the 1st, 4th, and 6th floors of the factory. In 2022, about 400 peony saplings were added to the roadside in the factory area. All public areas, except for the personal seating area, are maintained by a professional landscape company on a monthly basis.



Aitek main entrance



Aitek side entrance

Aitek is located on Li-Hsin Road of Hsinchu Science Park, with Tuk Hsin Park adjacent to the back of the building. Chairman of Aitek noticed this park lacked of maintenance and had a messy and disheveled landscape. Therefore, we coordinated with the Hsinchu Science Park Administration to sponsor and maintain this park, which has been in operation for more than 10 years and covers an area of approximately 0.4 hectares.

Measures taken to maintain Tuk Hsin Park include:

- A. Regular mowing of turf.
- B. Trimming of tree branches.
- C. Planting of about 100 peony seedlings in some areas.
- D. Fencing of turf around the parking lot to prevent damage to the turf by vehicle parking.
- E. Regular cleansing and sweeping of road surface.



Altek is committed to fulfilling its corporate social responsibility. As Tuk Hsin Park is located right behind the company building, greening the park is not only a great benefit to employees and the Company, but also enhances the environment of the whole community. An improved park environment will provide a better working environment for employees. Altek will continue to take responsibility for greening the environment and will continue to sponsor and manage Tuk Hsin Park to ensure landscaping and protection of the area.



A corner of Tuk Hsin Park



A corner of Tuk Hsin Park

5 Social Inclusion

Corporate Labor Force Overview

- Labor force profile
- Employee turnover

Employee Rights and Benefits

- Human rights and labor rights protection
- Welfare measures

Human Resource Development

- Diversified training channels
- Performance and career development
- Club activities

Safe and Healthy Working Environment

- Occupational safety and health management system
- Occupational hazard risk control
- Occupational health service

Social Care and Well-being

altek

▼ 2023 Material topic 「Human Rights and Diversity」 management status

Material Topic	Human Rights and Diversity
GRI index	Customized
Policy commitments	Altek complies with the Labor Standards Act, Act of Gender Equality in Employment, and supports the norms of various international human rights conventions, including the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and ILO Declaration on Fundamental Principles and Rights at Work, etc., and provides good working conditions, respects human rights, and creates a work environment with dignity in order to protect employees' human rights.
Indicators and goals	<ul style="list-style-type: none"> • Short-term goal: Commit to recruiting, hiring, promoting and managing employees without regard to gender, religion, race, age, marital and family status. • Medium-term goal: Provide good working conditions, create an open, tolerant, and diverse and inclusive work environment, implement a friendly workplace, and unleash the potential of diverse talents. • Long-term goal: Effectively work with supply chain partners to protect labor and human rights, support the success and growth of diverse talents, and ensure corporate social responsibility.
Effectiveness tracking mechanism	<ul style="list-style-type: none"> • Employee suggestion box
Annual actions and measures	<ul style="list-style-type: none"> • Implement the vacation system and encourage colleagues to pay attention to work-life balance. • Provide colleagues with training on human rights protection and offer occupational safety training programs based on the situations encountered at the workplace.

▼ 2023 Material topic 「Talent Attraction and Retention」 management status

Material Topic	Talent Attraction and Retention
GRI index	Customized
Policy commitments	We emphasize "people-oriented," and are committed to enhancing the recognition and practice of core values by all employees, as well as planning a salary and benefit system that meets the employees' needs. Through a variety of human resource measures, employees are able to develop and grow in appropriate positions, creating a win-win situation for both the Company and our employees.
Indicators and goals	To attract and retain the best talent, in addition to the statutory standards, we provide a welfare system that meets the employees' needs, such as leave, insurance, pension, emergency assistance, wedding and childbirth gifts, bereavement subsidies, etc., as well as providing internal rotation opportunities for career development and growth, creating a win-win situation for the Company and our employees.
Effectiveness tracking mechanism	Talent development training program
Annual actions and measures	Education and training courses with diversified training channels

Corporate Labor Force Overview

Labor force profile

As of the end of 2023, the total number of employees of Aitek Group was 456, with a gender profile of 323 (70.83%) male employees and 133 (29.17%) female employees. We are also committed to developing a diverse and rich talent pool, including protecting the employment opportunities of disabled individuals, and recruiting and promoting employees by their ability and performance, to actively promote diversity and Inclusion of ethnic groups and to enhance the overall competitiveness of the company.

▼ Employment type at each region in 2023

Employee Category (Unit: no. of persons)		Taiwan		Other regions		Subtotal for each region		Total
		Male	Female	Male	Female	Male	Female	
By contract	Irregular employment	313	125	8	2	321	127	448
	Fixed-term employment	2	6	0	0	2	6	8
Subtotal by category		315	131	8	2	323	133	456
By working hours	Full-time employment (full-time)	313	128	8	2	321	130	451
	Part-time employment (part-time)	1	4	0	0	1	4	5
Subtotal by category		314	132	8	2	322	134	456

Note: 1.Full-time: Employees with working hours of 40 hours per week according to the Labor Standards Act of Taiwan.

2.Part-time: Employees with working hours less than 40 hours per week.

3.Other regions including Asia and Americas.

Employee turnover

New employee statistics

Altek employed a total of 60 new employees in 2023 to meet the talent needs of the Company's continued growth. Among them, 27 are male and 33 are female, with 66.67% of senior employees between ages 31 to 50.

▼ Gender and age profile of new employees in 2023 (Employment statistics period from January 1, 2023 to December 31, 2023)

Type	Taiwan				Other regions				Subtotal of age group	
	Male		Female		Male		Female		No. of persons	%
	No. of persons	%	No. of persons	%	No. of persons	%	No. of persons	%		
Below 30 years old	9	15%	6	10%	0	0	0	0	15	25%
31-50 years old	15	25%	25	41.67%	0	0	0	0	40	66.67%
51 years old or above	2	3.33%	1	1.67%	1	1.67%	1	1.67%	5	8.33%
Subtotal by gender	26	43.33%	32	53.33%	1	1.67%	1	1.67%	60	100%

Note: Calculation of proportion of new employees : number of new employees by age and gender/total number of employees in that year



Employee Rights and Benefits

Human rights and labor rights protection

Altek complies with the Labor Standards Act and other laws and regulations, and upholds the spirit of international human rights conventions etc. to carry out related operations, emphasize labor rights, and implement human resource utilization policies. Prohibition of child labor under age 16, prohibition of forced labor and any improper discrimination in hiring. Employee suggestion box was set up at suggestions@altek.com.tw, to provide employees with a smooth communication channel anytime if any human rights or labor rights are violated.

Altek protects labor rights and interests, including minimum wage, working hours (including overtime), insurance, vacations, pension system, notice period for contract termination, freedom of association, and rights for collective bargaining, etc. and provides equal work opportunities and salaries. We commit ourselves to developing a diversified and rich talent pool, including protecting the employment opportunities of the disabled. When recruiting and promoting employees, we do not discriminate on the basis of race, class, language, ideology, religion, political affiliation, place of birth, gender (biological sex and gender identity), sexual orientation, age, marriage, appearance, features, disability, astrological sign, blood type, or previous union membership, and we treat employees based on their individual abilities and performance. All of our employees are evaluated according to their abilities and performance, in order to proactively promote the diversity and co-prosperity of the ethnic groups and enhance the Company's overall competitiveness.

Altek also requires suppliers to comply with international standards and laws related to employment at its operating locations. In 2023, the Company and its suppliers did not have any significant risks or incidents of discrimination, child labor, forced labor, or other violations of labor rights.

▼ Labor rights related measures

Working hours	<ul style="list-style-type: none"> • Full-time employees regularly work 8 hours per day and 40 hours per week. • If necessary to work overtime for special circumstances, regular working hours shall not exceed 12 hours a day; the total number of overtime shall not exceed 46 hours a month. • In accordance with the Labor Standards Act, employees working more than 8 hours a day are entitled to additional overtime pay, and employees may not be forced to work overtime.
Termination Policy	<ul style="list-style-type: none"> • If an employee is required to terminate his/her employment, the Company will comply with Article 16 of the Labor Standards Act and terminate his/her employment contract with advance notice and provide him/her with severance pay and leave of absence for job search.
Labor-management agreement	<ul style="list-style-type: none"> • The Company and its subsidiaries have established a mechanism and channels for regular employee communication, and hold employee communication meetings irregularly. Communication channels are smooth, and no labor disputes have been reported. • The Company has formulated work rules in accordance with the Labor Standards Act for compliance by both labor and management, and these rules have been filed with the Hsinchu Science Park Administration, MOST.
Material changes in operations	<ul style="list-style-type: none"> • For material operational changes affecting employees' rights and interests and countermeasures, measures are implemented after discussion at labor-management meetings. • During the reporting period, there were no material changes in the Company's operations.

▼ Related risk survey

Human rights issues and impact	Annual results and actions
Employees	
Labor relations	
Labor-management bargaining and complaint	Hold regular labor-management meetings to discuss employees' rights and benefits on a quarterly basis, and prepare minutes to follow-up and improve related issues. In addition, we provide a variety of channels for employees to express their opinions, such as a complaint e-mail address.
Salaries conform to laws and regulations	Strictly complying with labor laws and regulations in each location, the Company is committed to creating a fair and equal working environment, providing employees with equitable pay and benefits. In addition, we conduct salary adjustments through a systematic performance review system by taking into account factors such as employee performance, market standards, and future development potential, to motivate employees to work with passion, retain outstanding talent, and continue to promote innovation and development to enhance the Company's competitiveness.
Diversity and equality	
Anti-discrimination	At Aitek, we uphold the principle of equal opportunity and ensure that there is no discrimination in the process of recruiting, hiring, promoting and managing employees. We are committed to creating an open, diverse and inclusive work environment to maximize the company's potential. At the same time, we provide education, training and other measures to protect our employees from unlawful acts in performing their duties. In addition, the EAP program provides professional counseling and life support resources to take care of employees' physical and mental health, increase job satisfaction, and enhance employees' self-esteem.
Respect women	We respect the value of female employees in the workplace and believe gender equality is important. Therefore, in addition to strictly complying with relevant labor laws and regulations, we will also consider adjusting service items and environmental facilities for female employees due to their special physiological needs, and are committed to establishing a corporate culture of true gender equality. In addition, we implement a full maternal health protection program to include female employees during pregnancy, within one year of childbirth, or while breastfeeding, to ensure necessary protection and support for them. Through these measures, we believe our employees' work efficiency and morale will be improved, as well as attracting more excellent female talents to join us.
Good working environment	
Provide safe working environment and training for workers	Fire prevention, AED, and regular consultation with on-site doctors.
Employee health care	Provide health checkups that are more favorable than the law, and all employees with ≥ 1 year of service are eligible for a health checkup once a year.
No forced labor	Any form of forced labor is strictly prohibited and employees are guaranteed the right to terminate their labor contracts. As of 2023, no forced labor of any kind has occurred at any of our operating locations.
No child and illegal labor	Child labor and illegal labor are strictly prohibited at all of our operating locations and global suppliers. We require proof of age from our employees and ensure students working with us comply with legal requirements. In addition, we ensure that our operating sites comply with local labor law requirements to protect workers' rights.
Freedom of association	Respect for employees' right to freedom of association and commitment to provide channels and environment for free expression of opinions. We encourage employees to effectively express their opinions and ideas through various labor-management bargaining and complaint channels, such as labor unions, labor-management meetings and complaint procedures.
Provide barrier-free facilities for people with disabilities	Barrier-free facilities available in the building include wheelchair accessible ramps.

Welfare measures

Since established, Altek has always taken people-oriented management as its principle. In addition to complying with relevant laws and regulations such as the Labor Pension Act and the Labor Standards Act, we actively respect and care for employees and continue to plan for various welfare measures, and also provide employees with the benefits of shareholding trusts.

Other welfare measures include: sound annual leave with pay, sick leave, maternity leave, flexible leave and other leave systems that are better than the Labor Standards Act; labor insurance, health insurance, and sound group insurance and dependent group insurance; flexible work schedules and regular employee health checkups; subsidies for weddings, childbirths, hospitalizations, funerals, etc.; gifts (coupons) for birthdays and festivals; special discounts at special stores; and the Company also engages qualified caterers to provide services to our employees, enabling employees to replenish their physical and mental strength while at work.



▼ Employee benefit measures

Insurance	<ul style="list-style-type: none"> Labor insurance, health insurance, group insurance, dependent group insurance, hospitalization and accident insurance
Leave of absence	<ul style="list-style-type: none"> National holidays, special leave, wedding, funeral, sick leave, personal leave, official leave, and parental leave in accordance with the Labor Standards Act.
Employee Stock Ownership Trust	<ul style="list-style-type: none"> Employees may participate in the Employee Stock Ownership Trust plan after probation period. Colleagues participating in the plan in accordance with the Company Act and the compliance requirements of the Securities and Futures Bureau will contribute a fixed amount from their monthly salaries, and the Company will also allocate public withdrawal funds and jointly deposit them in a dedicated trust account.
Retirement Pension System	<ul style="list-style-type: none"> In accordance with the Labor Standards Act and the Labor Pension Act, we have established a Labor Pension Fund Supervisory Committee and made monthly contributions to the Labor Pension Fund as required by law. In addition, implement the new system since July 1, 2005, we have been making monthly contributions to the Labor Pension Fund at no less than 6% of salaries in accordance with the Labor Pension Act.
Welfare subsidy	<ul style="list-style-type: none"> Congratulatory or funeral gift from the Company in the event of wedding or funeral of the employee or his/her relatives.
Festival gifts	<ul style="list-style-type: none"> Provide gifts for three holidays.
Recreational activities	<ul style="list-style-type: none"> Annual reunion, monthly activities such as birthday parties and other events
• Emergency relief	<ul style="list-style-type: none"> Provide employees applying for emergency relief funds, and distribute epidemic prevention supplies.

Parental leave

Altek has implemented the Act of Gender Equality in Employment in accordance with the law and protects employees' right to leave their jobs without pay for childcare. Any employee working six full month or longer may apply for parental leave until each of their children reaches age 3, but not to exceed 2 years. During the period of leave without pay, employees can continue to participate in the existing social insurance.

▼ Parental leave statistics for 2023

	Male	Female	Total
No. of persons eligible for parental leave in 2023 ^{note1} (a)	17	3	20
No. of persons actually applying for parental leave in 2023 (b)	6	1	7
Application rate (b/a)	35%	33%	35%
No. of persons expected to return to work after parental leave in 2023 (c)	6	1	7
No. of persons actually returned to work in 2023 (d)	6	1	7
Return to work rate (d/c)	100%	100%	100%
No. of persons actual return to work after parental leave in 2022 (e)	12	2	14
No. of persons return to work and continue to work for one year after parental leave in 2022 ^{note 2} (f)	9	2	11
Retention rate (f/e)	75%	100%	79%

Note: 1. Based on the number of employees applied for maternity or paternity leave in the past 3 years (2021-2023).

2. Actual return to work in 2021 and continue to work for one year afterwards.



Human Resource Development

Diversified training channels

Altek has long been focusing on cultivating talents, according to organization and professional skills needs, emphasizing both management and professionalism, and planning and arranging relevant training programs, to improve employees' knowledge and skills, accumulate abundant human capital, and promote talents according to their capabilities, as well as to develop their career development.

Altek has formulated an annual training plan based on training needs as reflected in colleagues' performance evaluations, items needed to be strengthened for division work by management, and overall strategic training focuses for each R&D unit. By balancing the training needs of individuals, work and organization, all employees are able to obtain solid and diversified training in the Company.

To provide better educational quality, we conduct a feedback survey after each class, as a basis for improving the quality of the courses in the future. At the same time, we also encourage colleagues to participate in external training, including various seminars, professional training courses and continuing education courses, the Company will provide subsidies to expand personnel's self-learning level and stimulate work potential.

▼ Education and training programs

Professional skills training

- To upgrade professional skills and techniques, and to increase work efficiency and performance.

Occupational safety and health training

- To protect employees' health and safety and to meet the requirements of related national safety and health laws and regulations.

Quality training

- To promote overall quality awareness and full participation in quality activities to ensure best quality products to satisfy customers' needs.

General training

- To develop workers' intelligence in order to achieve the Company's overall operational goals, including personal language, computer, and potential stimulation courses.

New employee training

- HR Division organizes company-wide education and training courses, including company policies, environment, systems, and cyber security, to help newcomers adapt to the environment.



▼ Employee training in 2023

Type of employee	Calculation method	Male	Female	Subtotal
Manager	Actual no. of persons during reporting period (A1)	3	3	6
	Training hours during reporting period (B1)	19	18	37
	Average training hours during reporting period (B1/A1)	6.33	6.00	6.17
Non-manager	Actual no. of persons during reporting period (A2)	493	205	698
	Training hours during reporting period (B2)	963.36	400.64	1364
	Average training hours during reporting period (B2 / A2)	1.95	1.95	1.95
Total	No. of hours in reporting period (Q)	982.36	418.64	1401
	Total no. of employees at the end of reporting period (R)	315	131	446
	Average training hours per employee (Q/R)	3.12	3.20	3.14

Note: 1. Manager: refers to an insider.

2. Non-manager: refers to a general employee.

▼ On-the-job training course and participation in 2023

Course type	Hours of courses	Participants
Professional skills training	208	162
Occupational safety and health training	630	210
Quality training	148.5	88
General training	195.5	147
New employee training	162	81
External training	502.5	42
Total	1846.5	730

Performance and career development

The Company emphasizes employees' career development, plans a complete promotion and salary system, and conducts regular employee performance evaluation. Employees working in the Company for more than three months will undergo two performance evaluations per year, focusing on job performance, employees' own career or continuing education planning, and other duties for discussion and evaluation, and linking the evaluation results to human resource management operations, such as salary adjustment, promotion, compensation, transfer, etc., to facilitate organizational function management and human capital development. For example: Employees are promoted based on the performance and years of service recommendations, after submitting the reasons for promotion and substantial contributions, they will be promoted after approval.



Club activities

To encourage employees to interact with each other and achieve work-life balance, we encourage them to establish and develop various clubs. In 2023, there were 8 internal clubs in the Company, with various types of sports and literature sharing, and the clubs had a lot of enthusiastic activities. We have also given actual subsidies to fulfill our commitment to support the growth of the Company's clubs, and each club is eligible to apply for NT\$3,000 per quarter, and colleagues can apply in accordance with the "Regulations on the Club Management and Subsidy" of the Welfare Committee.

▼ List of clubs

No.	Club name	Main activities	No.	Club name	Main activities
1	Table Tennis Club	Practice 2 times a week Internal practice matches Park tournaments	5	Badminton Club	Badminton instruction and practice
2	Basketball Club	Basketball activities every week 1 basketball tournament per season	6	Running Club	Group practice on Wednesdays in the Park (3.2km) Irregular weekend practice
3	Reading Club	Books and newspapers reading discussion/ideas sharing Buy books at 40% off activities	7	Board Game Club	Play one to several board games on Tuesdays Organize board game tournaments
4	Band Club	1 practice session per week Performance 1-2 times a year Electric guitar / electric bass / jazz drums / electric piano	8	Aitek Fitness Club	Arrange coaching and gym training

▼ Club Activity highlights

Table Tennis Club



Badminton Club



Board Game Club



Reading Club



Safe and Healthy Working Environment

Occupational safety and health management system

To protect the safety of employees and prevent occupational accidents, Altek has established the ISO 45001 occupational safety and health management system in accordance with the Occupational Safety and Health Act to implement occupational safety management. The occupational safety and health management system covers workplace areas in the factories and offices of Altek, and regulates the activities of workplace related workers and outsourced workers, covering 100% of the workers.

▼ On-the-job training course and participation in 2023

Location	No. of employees	No. of non-employees	Subtotal
Hsinchu office	236	9	245
Taipei office	56	11	67
Total	292	20	312

- Note: 1. The table shows the number of workers in Taiwan (monthly average in 2023), covering Taipei office and Hsinchu office, totaling 312 workers.
 2. Calculation of coverage: total number of people covered by OSH system (employees + non-employees) / total number of workers in the company.
 3. Non-employees, namely outsourced workers, are contracted to provide temporary labor services, such as operation dispatchers, equipment repair, food and beverage services, security and cleaning services.



In accordance with the Occupational Safety and Health Act and related regulations, Altek has established the "Work Rules for Occupational Safety and Health" and the "Occupational Safety and Health Management Plan", focusing on six major aspects of the work regulated by the Occupational Safety and Health Act to conduct effective management, and using PDCA (Plan-Do-Check-Act) cycle quality management to continually assess occupational hazards risks and improve the occupational safety and health management system, and then setting up occupational safety and health units, managerial staff, and first aid health care workers in each division according to the law in order to comprehensively prevent occupational accidents at work.

Summarizing the aforementioned general audits and implementation of the projects, internal audits provide the management with an objective confirmation and insights into the operation of the internal control system and, at the same time, provide the management with another channel to understand the existing or potential control weaknesses, so that the management can respond to them timely.

▼ Occupational safety and health management highlights

Six major aspects	Measures
Occupational safety and health education and training	<ol style="list-style-type: none"> 1. Conduct training for new employees and current employees on occupational safety and security respectively. 2. Conduct relevant personnel education and training for occupational safety, first aid or specialist with occupational safety and health related certificates in accordance with the Occupational Safety and Health Act. 3. Conduct occupational safety training for contractors and outsourced personnel (security/cleaning workers) required for performing their duties. 4. Regular emergency response firefighting training for current employees, including briefings on firefighting and disaster prevention, operation of firefighting equipment/extinguishers, familiarity with escape routes, notification and first aid, and other regulatory and standardized operations. We conducted disaster prevention drills in June and December of 2023, with nine and eight participants, respectively.
Hazard identification and risk assessment	<ol style="list-style-type: none"> 1. Execute the process in accordance with ISO 45001 (Occupational Safety and Health Hazard Identification Risk Assessment Management Procedures), and risk assessment personnel in each division shall be conducted by certified ISO 45001 auditors or division personnel; and conduct the risk assessment every three years. 2. Conduct inspection for each operation at workplace, and create an inspection checklist based on environment, equipment, materials/chemicals, and hazard characteristics. 3. Create hazard identification risk assessment form for identification and assessment of hazards that may cause occupational injuries or occupational diseases in operations inspection checklist.
Occupational safety and health internal audit and check	<ol style="list-style-type: none"> 1. For occupational safety issues reflected by colleagues, fill out the occupational safety opinion form for tracking occupational safety issues and improving deficiencies. 2. When equipment is added or changed, colleagues are required to fill out a risk change request form to analyze the potential occupational safety hazards due to the change. 3. Occupational safety auditors are assigned to each division to conduct occupational safety audits every year, and fill out an audit summary form. Internal audits cover all the Company's units, subsidiaries, and the design and actual implementation of various operational controls, in order to ensure that they are appropriate and efficient. Based on the risks, we formulated an audit plan, which was approved by the Board of Directors and implemented and conducted special audits or reviews as necessary. 4. The total occupational safety audit for each division was 21 items in 2023, with 100% passed rate. 5. Conducted occupational safety system validation audit in 2023, and completed the system validation in February 2024.
Accident and disaster response	<ol style="list-style-type: none"> 1. Established the operational guidelines for accidents according to the occupational safety system, followed the procedures for notification and handling of accidents, analyzed the incidents, investigated the causes and reviewed and improved the situation. 2. 2 accidents were investigated in 2023, both of them were traffic accidents, and occupational safety personnel strengthened the promotion of this type of accidents during the on-the-job training of colleagues in order to prevent the hazards of traffic accidents.
Health management promotion activities	<ol style="list-style-type: none"> 1. Hold annual health checkups every year, the Company does not have any special hazardous operations. 2. The Company employs on-site medical clinic in accordance with the Occupational Safety and Health Act, and conducts consultations or provides medical advice in response to the annual health checkups. 3. Analyze the annual health checkups report and create a statistical table on adaptive work performance for middle-aged and elderly to facilitate risk analysis and diagnosis by on-site medical clinic.
4 Four major plans protection methods	<ol style="list-style-type: none"> 1. Established operational regulations for maternal health protection, abnormal workload, human factor hazards prevention programs, and prevention of unlawful assaults at work, all of which are carried out in accordance with the regulations. 2. Commissioning on-site doctors to conduct education and training irregularly for four major plans of prevention. 3. Conduct questionnaire surveys in coordination with annual health checkups focusing on operational regulations for abnormal workloads and human factor hazard prevention plans, and subsequently compile a high-risk list based on survey results and list it as an on-site medical consulting list to follow up and observe

Occupational Safety and Health Committee

To protect employees' rights and interests, Altek has established an occupational safety and health committee in accordance with the requirements of the Regulations of Occupational Safety and Health Management. The committee consists of eight members, 1 occupational safety and health administrator, and 7 division chiefs, supervisors, and commanders, among which are 5 labor representatives, with the ratio of labor representatives being more than one-third.

The occupational safety and health committee's responsibilities are to enhance safety and health management standards and achieve safety management goals through planning, implementing, and evaluating and improving the occupational safety and health environment. The occupational safety and health committee holds quarterly meetings, and in 2023, the topics of the meetings included the following:

1. To make recommendations on occupational safety and health policies formulated by employers.
2. To coordinate and propose occupational safety and health management plans.
3. To deliberate safety and health education and training implement plans, work environment monitoring plans, monitoring results, and measures to be taken.
4. To deliberate health management, occupational disease prevention, health promotion, and various safety and health proposals.
5. To deliberate business unit automatic inspection, safety and health audit matters, and occupational disaster investigation report.
6. To deliberate preventive measures of hazards of machinery, equipment, raw materials, and materials.
7. To evaluate on-site safety and health management performance.
8. To deliberate contracted business safety and health management matters.
9. Other matters related to occupational safety and health management.
10. Conduct training and awareness for job matters before the meeting.
11. Description/promotion of epidemic prevention measures.



Occupational safety and health education and training

To ensure a healthy and safe working environment for our employees, the Company regularly conducts occupational safety training for new employees, current employees, and contracted workers, in order to provide all workers with the necessary safety knowledge for their work. The following table shows the occupational safety and health training plan for workers in 2023. In addition, in accordance with the relevant provisions of the Occupational Safety and Health Act and the Fire Services Act, the Company organizes a 3-hour on-the-job training on occupational safety and health and firefighting training for all employees in June and December each year, with a total of 119 participants and up to 1,149 total training hours this year.



▲ Occupational safety and health general education training in 2023

▼ Workers' occupational safety and health training in 2023

Type of worker	Type of training	Training courses	Course hours	No. of participants	Total training hours
New employees	General training	Occupational safety training for new employees	3	102	306
	Current employees	General training ^{Note1}	Occupational safety on-the-job training	6	17
Firefighting training			6	17	102
Four major plans		“maternal health protection”, “abnormal workload”, “human factor hazards prevention programs”, “prevention of unlawful assaults at work”	12	50	600
Specific training		First aid training CPR/AED (refresher training)	0	0	0
Labor contractors	General training	Hazard general knowledge ^{Note2}	3	13	39
Total			30	199	1,149

Note : 1. Includes occupational safety on-the-job training and firefighting training, which is a general course that includes: first aid, CPR, earthquake, fire, traffic safety, and electrical safety, etc., followed by escape, firefighting, and notification drills.
 2. Hazard knowledge includes: environmental safety, chemical use, and equipment operation.



▲ We conducted disaster prevention drills in June (left) and December (right) of 2023, with nine and eight participants, respectively. Photo on the left shows the practical training of fire extinguisher operation.



Occupational hazard risk control

Altek conducts hazard identification analysis and sets risk levels based on accident records of occupational hazards. The risk type of occupational safety hazards within the Company is mainly traffic accidents, with a total of 6 accidents that occurred in the past three years. Therefore, during occupational safety training for new and current employees, we add the surrounding traffic accident-prone points to conduct detailed explanations, enabling employees to better understand the surrounding traffic accident points and how traffic accidents often occur. Occupational safety education and training for new employees is held the same day as they report for duty, while occupational safety education and training for current employees is held once every half a year.

▼ Hazard identification, analysis and improvement measures

Hazard identification	Hazard analysis	Risk level	Improvement measures
Machinery hazards	<ul style="list-style-type: none"> Unsafe environment or facilities: machines without safety protection mechanism Crushing, cutting, friction, electric shock 	Low	<ul style="list-style-type: none"> Wear and replace protective gear: machine, chemical
Chemical hazards	<ul style="list-style-type: none"> Hazards of spraying with cleaning products by cleaners Hazards of changing chemical sprays in cooling towers 	Low	<ul style="list-style-type: none"> Education and training: machine, chemical, physical, human factor
Physical hazards	<ul style="list-style-type: none"> Hazards arising from repetitive operations Hazards arising from careless walking on slopes 	Low	<ul style="list-style-type: none"> Regular health checkups: human factor, physical
human factor hazards	<ul style="list-style-type: none"> Hazards of musculoskeletal injuries arising from repetitive postures at work Hazards of musculoskeletal injuries arising from lifting objects in the wrong position or by gravity 	Low	<ul style="list-style-type: none"> Rotation or temporary work changes: human factor Reduced working hours: human factor, physical

Regulations on occupational safety and health management for contractors

According to ISO 45001 "Requirement for Occupational Safety and Health Management by Contractors", Altek's contractors are required to fill out the "Application for Construction by Contractors" and provide relevant documents such as "Contractor's Safety and Health Management Statement" and "Confirmation of Safety and Health Promotion and Hazardous Factor Notification" which are required by ISO 45001 "Requirement for Occupational Safety and Health Management by Contractors" before entering into the factory. Construction work can only be started after review at the consultation meeting.

During the construction period, occupational safety and health personnel visit the site irregularly to verify whether the construction personnel have complied with the "Regulations on Occupational Safety and Health Management for Contractors". For operations with higher dangers, they send a prior application for review and approval to reduce the chances of accidents and to facilitate subsequent inspections, supervision, and improvement to ensure the safety of the construction operation. If the same contractor violates the regulations for more than three consecutive times in a contracted project and refuses to correct the situation or causes a major occupational accident, it should be considered to replace the contractor. This management practice helps to improve operational quality and occupational safety standards of contractors and other practical needs.

Occupational accident response

To implement immediate response measures for occupational safety incidents and follow-up reviews, Aitek follows ISO 45001 occupational safety and health management system for accident investigation and notification, with the following notification and response procedures to reduce recurrence risk of the same occupational accident.

▼ Accident investigation procedures



1. Personnel of the unit where the accident occurs shall notify the division supervisor and send a workplace safety notification. The division supervisor shall fill out an "Accident Report Form" and report it to the safety and health office within 3 days from the date of the accident, or notify by phone or verbally if necessary. Except for necessary first aid and rescue, the scene shall not be moved or damaged without the permission of the judicial authority or labor inspection agency, and the integrity of the scene shall be maintained.
2. The Safety and health office shall determine whether the accident is a major occupational disaster, if so, it shall be notified to the local labor inspection agency within 8 hours.
3. If a personnel or contractor is injured at work, the on-site supervisor or the supervisor of the contractor shall provide necessary assistance to the injured person.
4. In addition to the notification, the unit supervisor shall conduct personnel and necessary resuscitation at the same time, but shall maintain the integrity of the accident scene for the relevant investigators to conduct evidence collection.
5. In accordance with Article 18 of the "Occupational Safety and Health Act", to protect the right of workers to withdraw from the workplace, and to strengthen the promotion of the relevant rights during new employee education and training, and to ensure that personal health and safety is the first priority under all circumstances.

1. When conducting an accident investigation, the investigation report should include the person, incident, time, place, and related matters.
2. General occupational accidents shall be investigated jointly by the safety and health office and the division supervisor of accident occurred, together with the parties involved and relevant personnel, and if necessary, other units, such as contractors or engineers, may be requested to assist in the investigation.
3. For major occupational accidents, the safety and health office will convene relevant personnel and labor representatives ("accident occurred division") to form an investigation team to conduct investigation.
4. The investigation team formed by the safety and health office shall include the division supervisor of accident occurred, safety and health management personnel, and safety and health operation supervisor.
5. The division supervisor shall fill out an "Accident Report Form" to investigate the accident and the true cause of the accident, and be reviewed and confirmed by the safety and health office, and if necessary, requested to amend the improvement measures.

1. After the "Accident Report Form" is sent to the safety and health office, the personnel in charge shall send the relevant information to the personnel unit, accident unit, responsible unit/person for improvement measures, and relevant units/persons.
2. Upon completion of improvement measures, hazard identification and risk assessment shall be conducted.
3. The safety and health office and each unit shall advocate the results of the accident investigation or include them in the training materials of occupational safety and health, so as to strengthen the safety awareness of the employees. The HR Division will assist employees in applying for various insurance benefits or occupational disaster compensation or subsidies (in accordance with the relevant regulations), and other assistance.
4. In accordance with the improvement items of the incident investigation and analysis report proposed by the Occupational Accident Investigation Team, each unit shall manage the tracking control until completion of the improvement, and conduct an overall review and improvement in order to prevent the recurrence of similar incidents.
5. The scene of a major occupational disaster shall be photographed and stored together with the investigation report, and sent to the labor safety office as case study materials for education and training, in order to prevent the recurrence of similar incidents.

Occupational injuries statistics and analysis

The total working hours of Aitek's employees in 2023 were 610,864, and the total recorded occupational injuries cases were 2, decreased by 1 compared to 2022; 0 serious occupational injuries, and no fatal cases due to occupational injuries. The occupational injury statistics in the past 3 years were as follows.

Analyzing the types of accidents in the past year, all of them were occupational injuries caused by traffic accidents. Therefore, the Company will continue to emphasize traffic safety in the occupational safety training for new employees as well as on-the-job training for employees, and continue to strengthen the safety supervision system.

The 2 traffic accidents in 2023 were not serious injuries. The Company provided employees with work injury leave without pay deduction, and the employees returned to work after a few days of rest. After the accidents, colleagues notified the division supervisors to inform the occupational safety personnel, and attached the documents such as the triplicate form of crime report, hospital diagnostic certificate, and the accident report, etc., following investigation by the occupational safety personnel, as case study materials for occupational safety training.

▼ Statistics on occupational injuries of workers in the past 3 years

Year	2021		2022		2023	
	Employee	Non-employee	Employee	Non-employee	Employee	Non-employee
Type of worker						
No. of persons	242	62	290	5	292	20
Total man hours	509,752	23,336	529,960	58,464	583,528	27,336
No. of recordable occupational injuries	1	0	3	0	2	0
Total recordable injury frequency rate (%)	0.39	0	1.13	0	0.68	0
Type of Injury	Traffic accident	None	Traffic accident	None	Traffic accident	None

Note : 1. Occupational injury refers to accidental injuries occurred by workers at work or in the workplace.

2. Total manhours: Calculate the total worked hours of all workers for the whole year; employees are calculated according to the total actual worked hours and overtime hours; non-employees (contracted and dispatched workers) are estimated by 8 hours per day × (number of workers per month × number of workdays per month) for the whole year.

3. Serious occupational injuries: injuries caused by occupational injuries resulting in disability or inability to return to pre-injury health status within 6 months (excluding deaths).

4. Total Recordable Injury Frequency Rate (TRIFR) = number of recordable occupational injuries (including serious occupational injuries, fatalities and other recordable occupational injuries) × 200,000 ÷ total number of manhours.

5. Ratio of 200,000 working hours refers to the number of occupational injuries per 100 full-time workers in a year, based on the assumption of full-time workers with 2,000 worked hours in a year.

6. In the past 3 years, there were no "serious occupational injuries" among employees and non-employees, and no fatal accidents caused by occupational injuries.



▼ Statistics on frequency of disability rate and severity rate in the past 3 years

Year	Type of worker	No. of work days lost due to disabling injuries	Disabling frequency rate (FR)	Disabling severity rate (SR)	Frequency-severity indicator (FSI)
2021	Employee	180	0.39	70	0
	Non-employee	0	0	0	0
2022	Employee	18	1.13	6	0
	Non-employee	0	0	0	0
2023	Employee	91	0.68	311	0
	Non-employee	0	0	0	0

- Note : 1. Lost workdays: number of days of inability to work (rest days); calculation basis includes public injury leave for occupational disasters, excluding sick leave and menstrual leave
2. Disabling Frequency Rate (FR) = number of disabling injuries × 200,000 ÷ total man hours (calculate to 2 decimal places, not rounded up)
3. Disabling Severity Rate (SR) = number of days lost due to disabling injuries × 200,000 ÷ total man hours (whole number, not rounded up)
4. Frequency-Severity Indicator (FSI) = $\sqrt{[(FR \times SR) \div 1,000]}$
5. Ratio of 200,000 working hours refers to the number of occupational injuries per 100 full-time workers in a year, based on the assumption of full-time workers with 2,000 worked hours in a year. (applicable to organizations with less than 500 employees)

Occupational health service

Occupational injury and disease prevention management

Aitek's internal operations include office R&D and some simple assembly lines. Regular employee health checkups are conducted annually at an age better than stipulated by the Occupational Safety and Health Act, and are fully subsidized. Full-time employees with one year of service are eligible to participate in the health checkups, but non-employee workers are not included. Health checkups items are also better than general physical checkups. There are no special hazardous operations within the company, so there are no special hazardous operations health checkups, and emergency medical services are provided in the workplace for any injuries regardless of personnel, such as medication provided to help cooks in the kitchen for burns and scalds, etc. Table below shows the health analysis and evaluation of the annual health checkups of colleagues.

For those who are at medium or high risk of health checkups report, we have appointed on-site doctors to arrange time for consultation or provide preventive healthcare advice. Every year, we arrange on-site doctors to give lectures on the four major plans of occupational safety and health promotion, and regularly arrange staff to receive occupational safety and fire fighting and disaster prevention training in order to enhance the performance of the factory environment safety and health and to develop the employees' emergency response capabilities and correct concepts of safety through continuous education, training and promotion. In the past 3 years, no occupational diseases or serious occupational fatalities have occurred among our employees or workers (non-employees).

▼ General health checkups for employees in the past 3 years (Unit: No. of employees)

Year	Number of persons	No. of on-site medical and health personnel	Workload-triggered diseases hazard rating		Human factors musculoskeletal disorders hazard rating		
			Low hazard	Medium-high hazard	No hazard	Suspected hazard	Hazard
2021	178	9	141	37	172	6	0
2022	174	86	151	23	168	6	0
2023	182	134	137	37	176	6	0

- ▼ Installed steel plate ramp at the 7F staircase to prevent the hazard of lifting heavy loads.



- ▼ Added cardboard at the sharp edges at the 7F ramp to prevent colleagues from being scratched.



To reduce the risk of occupational accidents among employees, Altek implements safety education and environmental safety management measures through multiple channels, as described below:

Safety education

1. Conduct annual fire and emergency response drills to minimize personal and property losses in case of an emergency.
2. Appoint on-site doctors to conduct health awareness seminars on various civilization diseases, three highs, work pressure, etc., to enable employees to better understand their own health conditions..
3. Contractors enter the factory to conduct construction work must comply with the Company's contractor management measures, such as elevated work must use construction racks or self-propelled vehicles, wear safety belts and helmets, and other safety measures.

Environmental safety management

1. In 2023, the Hsinchu factory installed steel plate ramp at the 7F staircase, which can effectively prevent man-made hazards (lifting and moving heavy loads), with added cardboard at the sharp edges to prevent colleagues from being scratched.

Health promotion and care

To promote the health of all workers, Altek actively integrates internal and external resources to provide multiple services and programs to help employees work in a comfortable and safe environment. And we also organize the related education and promotion to spread the concept of workplace health to our employees. In 2023, the Company organized four health-related seminars: “Diseases triggered by abnormal workload,” “Seminar on physical and mental illnesses caused by unlawful infringement,” “Seminar on sexual hazards caused by man-made hazards,” and “Seminar on protection of maternal health”.

For the environment, in order to create a friendly environment where employees can relax and relieve stress, Altek has added large-scale indoor potted plants in the office areas on each floor, as well as embellished small potted plants in the public areas, which are replaced seasonally by the landscape vendor, enabling our colleagues to work under greenery, and improve the quality of work by changing the office environment. In addition, we optimize the office area irregularly, such as setting up indoor gardens and aerial landscape areas, regularly maintaining fitness equipment, and encouraging colleagues to participate in club activities, creating a more comfortable, healthy and safe workplace environment.

▼ Indoor garden on 4th floor



With regard to health, in cooperation with a disinfection company, regularly carry out environmental cleaning and disinfection, quarterly rodent and vector mosquito control, as well as kitchen, pantry and garbage room disinfection and sterilization, to avoid mosquitoes, flies and the spread of bacteria; water dispensers on all floors are also regularly maintained and filter replaced on a monthly basis, and a third party is commissioned to carry out quarterly water quality testing; the factory strictly implements the garbage classification system, and removes the general household garbage and recyclable materials weekly, and the general household garbage storage room is cleaned and disinfected weekly by the cleaning staff. To ensure health and safety in the workplace.

▼ Regular disinfection and vector mosquito control



Social Care and Well-being

“Altek Corporation Charitable Trust Foundation” adheres to its commitment to the community and utilizes the group’s resources to proactively contribute to the community, as well as to participate in various public welfare activities and fulfill its corporate social responsibility. The core concept is to uphold the spirit of “Taken from the community, given back to the community,” in order to effectively utilize the group’s resources to invest in public welfare undertakings and, through concrete actions, to promote the well-being of the community, demonstrating its deep concern for social care.

In 2023, “Altek Corporation Charitable Trust Foundation” deepened its charity practice by making a key donation to the “Taiwan Health Foundation,” particularly through the promotion of the “Medical Charity” program. This initiative demonstrates our support for the public health sector and emphasizes the importance of promoting correct medical knowledge, providing comprehensive health information, and improving medical services and assistance. We hope that through this donation program, we can promote disease prevention and treatment, as well as support the improvement of medical research, and consolidate the concerns and resources of all sectors of the community on public health topics, to enhance the people’s health and social well-being.

Taiwan Health Foundation’s donation program includes promoting medical and health knowledge, organizing large-scale health education seminars irregularly, publishing specialized health education manuals, such as hypertension, diabetes, cardiovascular diseases (the three highs), healthy weight loss manuals, and issuing a regular publication, “Good Health,” every three months to strengthen the public’s knowledge of preventive healthcare and to encourage them to actively participate in the practice of healthy living.

With regard to sports charity, we also demonstrate our extensive sense of social responsibility. Through our generous donation to the Squash Rackets Association of Chinese Taipei, we have supported underprivileged and disadvantaged children to participate in the sport of squash and subsidized tournament participation, infrastructure construction, and athlete training, among other key programs. It provides young athletes the opportunity to realize their dreams and promotes the popularity and development of the sport, which helps to cultivate the young generation’s spirit of sportsmanship and healthy lifestyles.

In summary, Altek Corporation Charitable Trust Foundation’s diversified charity activities reflect the Company’s overall commitment to contributing to the community, from medical and healthcare to sports development, demonstrating its strong determination to promote the community’s well-being and public health.

Membership Associations

▼ Associations and Initiative with meaningful engagement role

Item	Association name	Membership
1	The Allied Association for Science Park Industries	Member
2	EATD	Member
3	Taiwan Rotary Clubs Association Taipei Tunghua	Member
4	ONVIF (Open Network Video Interface Forum)	Member
5	Taipei Medical Instruments Commercial Association	Member
6	U.S. Food and Drug Administration	Member

GRI Standards Index

GRI-referenced Claim	Altek has complied with the GRI Standards for reporting content for the period January 1, 2023 to December 31, 2023.
GRI 1 Selected GRI	GRI 1: Foundation 2021
GRI Sector Standards	None

General Disclosures

GRI Index	Disclosure Items	Corresponding sections	Page
GRI 2 : General Disclosures 2021			
GRI 2-1	Organizational details ^{Note}	About Us	P.16
GRI 2-2	Entities included in the organization's sustainability reporting ^{Note}	Reporting Boundary and Scope	P.6
GRI 2-3	Entities included in the organization's sustainability reporting ^{Note}	Contact Information	P.6
GRI 2-4	Restatements of information ^{Note}	None	P.6
GRI 2-5	External assurance ^{Note}	Reporting Responsible Unit and Quality Management Approach	P.7
GRI 2-6	Activities, value chain and other business relationships	Business Items	P.19
GRI 2-7	Employees	Labor force profile	P.81
GRI 2-8	Workers who are not employees	Labor force profile	P.81

Note: Omitted reasons may not be used

GRI Index	Disclosure Items	Corresponding sections	Page
GRI 2 : General Disclosures 2021			
GRI 2-9	Governance structure and composition	Governance structure	P.36
GRI 2-10	Nomination and selection of the highest governance body	Composition and election of the Board of Directors	P.38
GRI 2-11	Chair of the highest governance body	Conflicts of interest	P.40
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Conflicts of interest	P.40
GRI 2-13	Delegation of responsibility for managing impacts	Conflicts of interest	P.40
GRI 2-14	Role of the highest governance body in sustainability reporting	Reporting Responsible Unit and Quality Management Approach	P.7
GRI 2-15	Conflicts of interest	Conflicts of interest	P.40
GRI 2-16	Communication of critical concerns	Composition and election of the Board of Directors	P.38
GRI 2-17	Collective knowledge of the highest governance body	Board continuing education	P.41
GRI 2-18	Evaluation of the performance of the highest governance body	Board performance evaluation	P.42
GRI 2-19	Remuneration policies	Remuneration policy for directors and managers	P.42
GRI 2-20	Process to determine remuneration	Remuneration policy for directors and managers	P.42
GRI 2-21	Annual total compensation ratio	The information is not disclosed due to the privacy of the individual and the sensitive information involved.	
GRI 2-22	Statement on sustainable development strategy	Sustainability commitments and strategies	P.18
GRI 2-23	Policy commitments	Policy commitments	P.36
GRI 2-24	Embedding policy commitments	Policy commitments	P.36
GRI 2-25	Processes to remediate negative impacts	Complaints and suggestions channels	P.48
GRI 2-26	Mechanisms for seeking advice and raising concerns	Ethical Management	P.45
GRI 2-27	Compliance with laws and regulations	Compliance with laws and regulations	P.47
GRI 2-28	Membership associations	Membership associations	P.102
GRI 2-29	Approach to stakeholder engagement	Stakeholder Engagement	P.11
GRI 2-30	Collective bargaining agreements	Although Altek does not have a labor union or collective bargaining, we are committed to promoting labor-management communication and mutual respect.	

Material Topics Disclosure

GRI Index	Disclosure Items	Corresponding sections	Page
GRI 3 : Material Topics 2021			
GRI 3-1	Process to determine material topics ^{Note}	Material Topics Analysis Stakeholder Engagement Material Topics Identification and Priority Ranking	P.10 · P.11 · P.12
GRI 3-2	List of material topics ^{Note}	Material Topics Identification and Priority Ranking Annual changes in material topics	P.12 · P.13
GRI 3-3	Management of material topics	Please refer to the management information of each material topic	

Note: Omitted reasons may not be used

GRI Index	Disclosure Items	Corresponding sections	Page
GRI 308: Supplier Environmental Assessment 2016			
GRI 308-1	New suppliers that were screened using environmental criteria	Supplier Risk Assessment	P.58
GRI 403: Occupational Health and Safety 2018			
GRI 403-1	Occupational health and safety management system	Occupational safety and health management system	P.89
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Occupational hazard risk control Occupational accident response	P.93 · P.95
GRI 403-3	Occupational health services	Occupational injury and disease prevention management	P.98
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Safety and Health Committee Occupational safety and health education and training	P.91 · P.92
GRI 403-5	Worker training on occupational health and safety	Occupational safety and health education and training	P.92
GRI 403-6	Promotion of worker health	Health promotion and care	P.100
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational safety and health management system	P.89
GRI 403-8	Workers covered by an occupational health and safety management system	Occupational safety and health management system	P.89
GRI 403-9	Work-related injuries	Occupational injuries statistics and analysis	P.96
GRI 403-10	Work-related ill health	Occupational injury and disease prevention management	P.98

GRI Index	Disclosure Items	Corresponding sections	Page
GRI 416: Customer Health and Safety 2016			
GRI 416-1	Assessment of the health and safety impacts of product and service categories	Quality management policy	P.57
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality management policy	P.57

Voluntary Disclosure Items

GRI Index	Disclosure Items	Corresponding sections	Page
GRI 302: Energy 2016			
GRI 302-1	Energy consumption within the organization	Energy Management	P.68
GRI 302-3	Energy intensity	Energy Management	P.68
GRI 303: Water and Effluents 2018			
GRI 303-1	Interactions with water as a shared resource	Water Resources Management	P.71
GRI 303-3	Water withdrawal	Water withdrawal	P.71
GRI 303-4	Water discharge	Water discharge	P.72
GRI 303-5	Water consumption	Water consumption	P.72
GRI 305: Emissions 2016			
GRI 305-2	Energy indirect (Scope 2) GHG emissions	GHG emission	P.69
GRI 305-4	GHG emissions intensity	GHG emission	P.69

SASB Standards Index

Hardware industry

Topic	Accounting Metrics	Category	Unit of Measure	Code	Conformity
Product Safety	Describe the methods for identifying product information safety risks	analysis and discussion	Not applicable	TC-HW-230a.1	Not applicable
Employee Diversity & Inclusion	(1) Management, (2) Technical Staff, and (3) All Other employees % by gender, % by race	Quantitative	Percentage (%)	TC-HW-330a.1	Employee Diversity
Product Lifecycle Management	Percentage of income from IEC 62474 declarable substances for products	Quantitative	Percentage (%)	TC-HW-410a.1	Not applicable
	Percentage of sales from EPEAT-registered or equivalent products	Quantitative	Percentage (%)	TC-HW-410a.2	Not applicable
	Percentage of sales from ENERGY STAR® certified products	Quantitative	Percentage (%)	TC-HW-410a.3	Not applicable
	Weight of end-of-life products, weight of recycled E-waste, Percentage of Recycling	Quantitative	Metric tons (t) Percentage (%)	TC-HW-410a.4	end of life
Supply Chain Management	Conduct Tier 1 supplier facility audit percentages from (a) all facilities and (b) high-risk facilities using the RBA Validated Assessment Program (VAP) or equivalent.	Quantitative	Percentage (%)	TC-HW-430a.1	Not applicable to RBA
	Tier 1 supplier's (a) priority noncompliance, and (b) other noncompliance (1) RBA VAP or equivalent noncompliance rate and (2) relevant corrective action rate	Quantitative	ratio	TC-HW-430a.2	Not applicable to RBA
Materials Sourcing	Describe the management risk analysis and discussion related to the use of critical materials.	analysis and discussion	Not applicable	TC-HW-440a.1	Not applicable
	Activity metrics	Category	Unit of Measure	Code	
	Number of units produced by product category	Quantitative	Quantity	TC-HW-000.A	Economic performance
	Manufacturing facility area	Quantitative	Square feet (ft ²)	TC-HW-000.B	10,979.19 ft ²
	Percentage of products from owned facilities	Quantitative	Percentage (%)	TC-HW-000.C	As the Company's business is mainly outsourced manufacturing and then shipment to customers, the percentage is 100%.

Sustainability Disclosure Metrics

Optoelectronics Industry

Code	Metric	Type	Unit	Disclosure
1	Total energy consumption, percentage of purchased electricity and utilization rate of renewable energy	Quantitative	Gigajoules (GJ), Percentage (%)	<ul style="list-style-type: none"> Total energy consumption was 9,426.504 GJ purchased electricity was 97.8% no renewable energy was used
2	Total water withdrawal and consumption	Quantitative	Thousand cubic meters (m ³)	<ul style="list-style-type: none"> Total water withdrawal was 24.220 thousand cubic meters. Total water consumption was 15.76 thousand cubic meters.
3	Weight of hazardous waste generated and recycled percentage	Quantitative	Metric tons (t), Percentage (%)	Weight of hazardous waste generated in 2023 was 0 (Additional note: in 2023, 0.055 metric tons of hazardous waste was generated, which was temporarily stored in the factory, so the amount transferred was 0)
4	Describe occupational hazards by type, number of persons, and rate	Quantitative	Percentage (%), Quantity	Occupational accidents type is traffic accidents, with 2 persons, accounting for 0.68%
5	Disclosure of product lifecycle management: Weight of end-of-life products and e-waste and recycling percentage ^{Note1}	Quantitative	Metric tons (t), Percentage (%)	end of life
6	Description of risk management related to the use of critical materials	Qualitative description	Not applicable	In case of port congestion of raw materials or goods, the Company coordinates with suppliers to transfer their inventory to other ports or to ship by air, and if costs rise, the Company will purchase raw materials from lower-priced regions or locally.
7	Total amount of monetary losses arising from legal litigation in relation to the Anti-Competitive Conduct Ordinance	Quantitative	Reporting currency	None
8	Major product output by product type	Quantitative	Varies by product type	Economic performance

Note 1: A description should be provided for the sale of scraps or other recycling treatment.

Climate-Related Information of TWSE/TPEX Listed Company

▼ Climate-related risks and opportunities for the Company and response measures taken

No.	Item	Implementation status
1	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	
3	Describe the financial impact of extreme weather events and transformative actions. °	
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Disclosed, please refer to the "Climate-related Financial Disclosures" section of this report.
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	No internal carbon pricing
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Disclosed, please refer to the "Climate-related Financial Disclosures" section of this report.
9	Greenhouse gas inventory and assurance status	