

A large, semi-transparent version of the "CWE" logo is overlaid on the left side of the image. The letters are white with a slight blue gradient, matching the sky in the background.

CWE

CHANG WAH  
ELECTROMATERIALS INC.

2024

Sustainability Report



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## About This Report

Chang Wah Electromaterials Inc. (CWE or the Company) has prepared this report with reference to the GRI Standards issued by the Global Reporting Initiative (GRI) 2021 Edition requirements and in accordance with the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” of the Taiwan Stock Exchange Corporation (TWSE). This report has been publicly released in the “Corporate Sustainability” section of the Company’s official website, demonstrating the Company’s concrete achievements and performance in Environmental (E), Social (S), and Governance (G) aspects to realize the vision of sustainable management and development.

In this report, “Chang Wah Electromaterials (CWE)” refers to the Company; “Chang Wah Electromaterials Group (CWE Group)” includes all consolidated entities; “Chang Wah Technology” refers to the subsidiary Chang Wah Technology Co., Ltd. (CWTC); and “manufacturing plants of subsidiaries” refer to the manufacturing plants operated by the subsidiary CWTC and its subsidiaries.

### Reporting Period and Cycle (GRI 2-3)

CWE regularly releases sustainability reports on an annual basis, and this is the third report. The 2024 sustainability report was issued in August 2025, covering information from January 1 to December 31, 2024. To ensure the completeness of information disclosure, some of the data covers periods before and after the reporting period.

### Reporting Boundary

This report covers CWE and its subsidiaries. Financial information, greenhouse gas inventory, environmental, occupational health and safety, and social data are presented across all entities included in the consolidated financial statements. If the scope of disclosure differs from the aforementioned, the difference will be noted in that paragraph.

### Audit and External Verification (GRI 2-5)

The content of this report was reviewed for accuracy and completeness by the heads of each department. The Sustainability Project Team compiled the information and prepared the report, which was then submitted for approval by the Sustainable Development Committee and reported to the Board of Directors on August 6, 2025, prior to its release.

The disclosed financial performance data has been prepared in accordance with the International Financial Reporting Standards (IFRSs) as endorsed by the Financial Supervisory Commission (FSC) and audited by Deloitte & Touche. Unless otherwise stated, all figures are expressed in New Taiwan dollars.

The 2024 GHG emissions data of CWE and its subsidiaries was inventoried in accordance with the latest version of the ISO 14064:2018 standard, and a verification statement was obtained. The merged individual inspection agencies are listed in the appendix of this report.

A third party, Live Susthinkability CPA Firm, was also commissioned to verify the key performance information in this report in accordance with the GRI Standards and the ISAE 3000, limited assurance. The assurance statement is attached in the appendix.

### Contact Information (GRI 2-3)

For continuous communication with stakeholders, you are most welcome to contact us with your valuable suggestions. The contact information is as follows :

Address : 6F, NO.16, East 7th Street, Nanzi Dist, Kaohsiung  
City, Taiwan (R.O.C.)

TEL : +886-7-362-2663

E-mail : cwe-ir@cwei.com.tw

Official Website : <https://www.cwei.com.tw>



# Letter from The Chairman

## Message from CWE Chairman

In recent years, the international environment has changed rapidly and the situation has been turbulent, including COVID-19, the US-China trade war, the Russia-Ukraine War, the Middle East war, and tariff disputes. These have made us realize that uncertainty in the social and economic markets will become the norm, and the variables in business operations have increased dramatically compared to the past, reminding us even more of the importance of sustainable operations.

As the global industry moves towards the era of sustainable management, ESG is no longer just a symbol of corporate added value, but the core of corporate long-term competitiveness. We are well aware that in the context of rapid technological development and increasingly complex geopolitics, only by adhering to the ESG concept can we grow steadily in the midst of change and create a win-win situation for both the company and society. CWE Group flexibly adjusts its operating strategy according to the situation, grasps the dynamics of risks and opportunities, actively responds to various challenges, and cooperates with various management measures to try its best to provide employees with a safe, healthy and sustainable workplace.

Although the operations of CWE, the parent company of CWE Group, have limited direct impact on the environment, we know we can do more. CWE actively responds to the government's renewable energy policy, chooses green electricity, and subscribes to a renewable energy certificate in 2024, with an estimated total energy saving of 1,000 kWh. Based on the 2023 electricity carbon emission coefficient of 0.494 kg/CO<sub>2</sub> kWh announced by the Energy Bureau, the carbon reduction is approximately 0.494 metric tons.

In terms of society, CWE Group allocates a fixed budget every year for charitable donations and sponsorship of public welfare activities. CWE Group members including CWE and CWTC have gathered corporate strength to support multiple golf players since 2019, and then sponsored the Taiwan PGA Tour for three consecutive years from 2022 to 2024. CWE Group will continue to uphold the concept of giving back and strive to become a booster and backer of Taiwan's golf.

We have also included environmental issues in the company's important activities in 2024, calling on group members CWE, CWTC and JMC ELECTRONICS CO., LTD. to hold a beach cleaning event. 92 employees became environmental pioneers and went to the coastal beach of Keziliao in Kaohsiung. We hope that by personally participating in the beach cleaning process, they will realize the seriousness of marine garbage pollution, so that everyone will reflect more on environmental resources in their daily lives, and thus achieve the goal of implementing ESG.

As for corporate governance, CWE Group takes honest business operations as its foundation, maximizing the company's long-term value as its goal, safeguarding shareholders' rights and interests as its priority consideration, and implementing various management systems to ensure stable operations. It continues to strengthen the functions of the board of directors, promote risk management, improve information transparency, and continue to deepen the protection of intellectual property rights. It establishes and implements a corporate governance mechanism from top to bottom, and deploys multiple communication channels to get closer to stakeholders.

CWE actively participates in sustainable evaluations from all walks of life to examine its own shortcomings and make further improvements. We believe that CWE Group will not only continue to excel in financial performance, but will also continue to improve in ESG performance and gain recognition from all stakeholders. CWE Group will respond to social expectations with practical actions, continue to strengthen performance and transparency in various ESG fields, and become a trustworthy sustainable enterprise.

洪金成



Chuen-Sing Hung,  
Chairman of the CWE

Chairperson of the Sustainable Development Committee

# Sustainable Management Goals and Performances

## Corresponding policies, strategies, and action plans to UN Sustainable Development Goals (SDGs)

SDGs Core Objectives	Achievements	Corresponding Issues
	<ul style="list-style-type: none"> <li>There are regular employee health check-ups every year and the health risk classification approach in place to provide timely tracking of employee health, encourage treatments and prevent the occurrence of occupational diseases.</li> </ul>	4.4 Occupational Health and Safety
	<ul style="list-style-type: none"> <li>Hold vocational training courses covering a wide range of fields for employees every year.</li> </ul>	4.2 Talent Attraction and Retention
	<ul style="list-style-type: none"> <li>We establish "Regulations Governing the Maternal Health Protection of Female Employees" to ensure the physical and mental health of female employees during pregnancy, postpartum, and breastfeeding.</li> <li>We promote a gender-friendly workplace that male and female employees both can apply for unpaid parental leave for raising children and family care leave.</li> </ul>	4.2 Talent Attraction and Retention
	<ul style="list-style-type: none"> <li>The discharge of wastewater is controlled by each plant to comply with local regulations.</li> <li>Each plant promotes conservation measures such as water recycling systems and water-saving design of machinery and equipment.</li> </ul>	3.4 Water Resources Management
	<ul style="list-style-type: none"> <li>Increase installed capacity of rooftop solar system.</li> </ul>	3.3 Energy Management
	<ul style="list-style-type: none"> <li>Employment equality, respect for human rights, employee diversity, and prohibition of child labor and forced labor are incorporated into our recruitment principles and processes.</li> <li>Employees are entitled to appropriate compensation package and fair promotion opportunities.</li> <li>The Taiwan plant introduced the ISO45001:2018 Occupational Health and Safety Management System and obtained certification.</li> </ul>	4.1 Human Rights Policies 4.2 Talent Attraction and Retention 4.4 Occupational Health and Safety
	<ul style="list-style-type: none"> <li>Adopting street trees greening projects to maintain green landscapes and enhance urban livability and community cohesion.</li> </ul>	4.5 Social Engagement



SDGs Core Objectives	Achievements	Corresponding Issues
	<ul style="list-style-type: none"> <li>Comply with the Responsible Business Alliance Code of Conduct (RBA) and the Responsible Minerals Initiative (RMI) based on which suppliers are required to comply with relevant rules and standards.</li> <li>We adopt the latest version of ISO14001:2015 environmental management system and obtain relevant certifications.</li> <li>Environmental management structure has been established, including the Environmental Management Committee of the subsidiary CWTC and the environmental management/environmental protection departments at each plant, specifically responsible for environmental management issues and performance.</li> </ul>	<p>2.7 Sustainable Supply Chain</p> <p>3.1 Environmentally Sustainable Development</p>
	<ul style="list-style-type: none"> <li>In accordance with Task Force on Climate-related Financial Disclosures (TCFD), we identify the climate-related risks and opportunities, strengthen renewable energy and extend to the operation of carbon neutrality.</li> <li>We continue to conduct greenhouse gas inventories.</li> <li>Adopting street trees greening projects to enhance environmental awareness and climate resilience.</li> </ul>	<p>3.2 Task Force on Climate-related Financial Disclosures (TCFD)</p> <p>3.3 Energy Management</p> <p>4.5 Social Engagement</p>
	<ul style="list-style-type: none"> <li>Holding beach cleaning activities to remove marine debris and reduce threats to fish, corals and other marine life.</li> </ul>	<p>4.5 Social Engagement</p>
	<ul style="list-style-type: none"> <li>Adopting street trees greening projects to protect and increase urban green spaces and provide habitats for animals and plants.</li> </ul>	<p>4.5 Social Engagement</p>
	<ul style="list-style-type: none"> <li>We offer multiple communication channels for stakeholders to solicit opinions and report of improper interests.</li> <li>Strictly prohibit any actions about corruption, bribery, embezzlement and improper enrichment. We have a zero-tolerance policy for any violations.</li> <li>Strictly prohibit our suppliers from engaging in child or forced labor, and closely observe fair business principles.</li> </ul>	<p>1.3 Sustainable Development Organizations and Strategies</p> <p>2.2 Integrity Management</p> <p>4.1 Human Rights Policies</p>

## ESG sustainability performance in 2024

CWE places a strong emphasis on both corporate governance and operational performance while demonstrating a firm commitment to environmental sustainability and social welfare. The Company upholds the principle that operational excellence and social responsibility are equally important and form the cornerstone of sustainable development.

<b>E</b> Environment	<ul style="list-style-type: none"> <li>Completed a GHG inventory in accordance with ISO 14064:2018 and 100% of the inventory scope passed a third-party audit by an impartial institution.</li> <li>The water recycling rate increased by about 3% compared to 2023.</li> <li>Waste reuse reached 96% in 2024.</li> <li>We installed solar panels in Taiwan, generating up to 8,404,958 kWh of electricity.</li> </ul>
<b>S</b> Society	<ul style="list-style-type: none"> <li>The Occupational Health and Safety Management System of Taiwan plant obtained ISO45001:2018 certification.</li> <li>Held beach cleaning event.</li> <li>Adopted 60 street trees for greening project in the industrial park.</li> <li>No major occupational injury cases or occupational diseases occurred.</li> <li>The proportion of local employees was 90%.</li> <li>Employed sufficient number of disabled people in Taiwan.</li> <li>The proportion of female employees was 39%.</li> <li>The proportion of female supervisors was 32%.</li> </ul>
<b>G</b> Governance	<ul style="list-style-type: none"> <li>Operating revenue was NT\$17.23 billion, and earnings per share were NT\$2.32, based on a par value of NT\$1 per share.</li> <li>The Board of Directors achieved an attendance rate of 100%, while functional committees reported a 100% attendance rate.</li> <li>The Board includes two female directors, with independent directors accounting for 43% of its composition.</li> </ul>

## About CWE

Founded on May 13, 1989, CWE is a distributor of IC packaging materials and equipment as well as manufactures and sells display backlight module materials. The Company was listed on the Taiwan Stock Exchange (8070TW) in 2007. CWE has introduced packaging materials and equipment of Sumitomo Bakelite, Sumitomo Metal Mining Group and a number of internationally renowned manufacturers in a timely and precise manner with its professional foresight and astute market insights, satisfying diverse needs of domestic packaging companies. Through years of dedication and efforts, we have gradually expanded our product lines. Our focuses are now on semiconductor packaging materials including EME, lead frames and substrates for packaging.

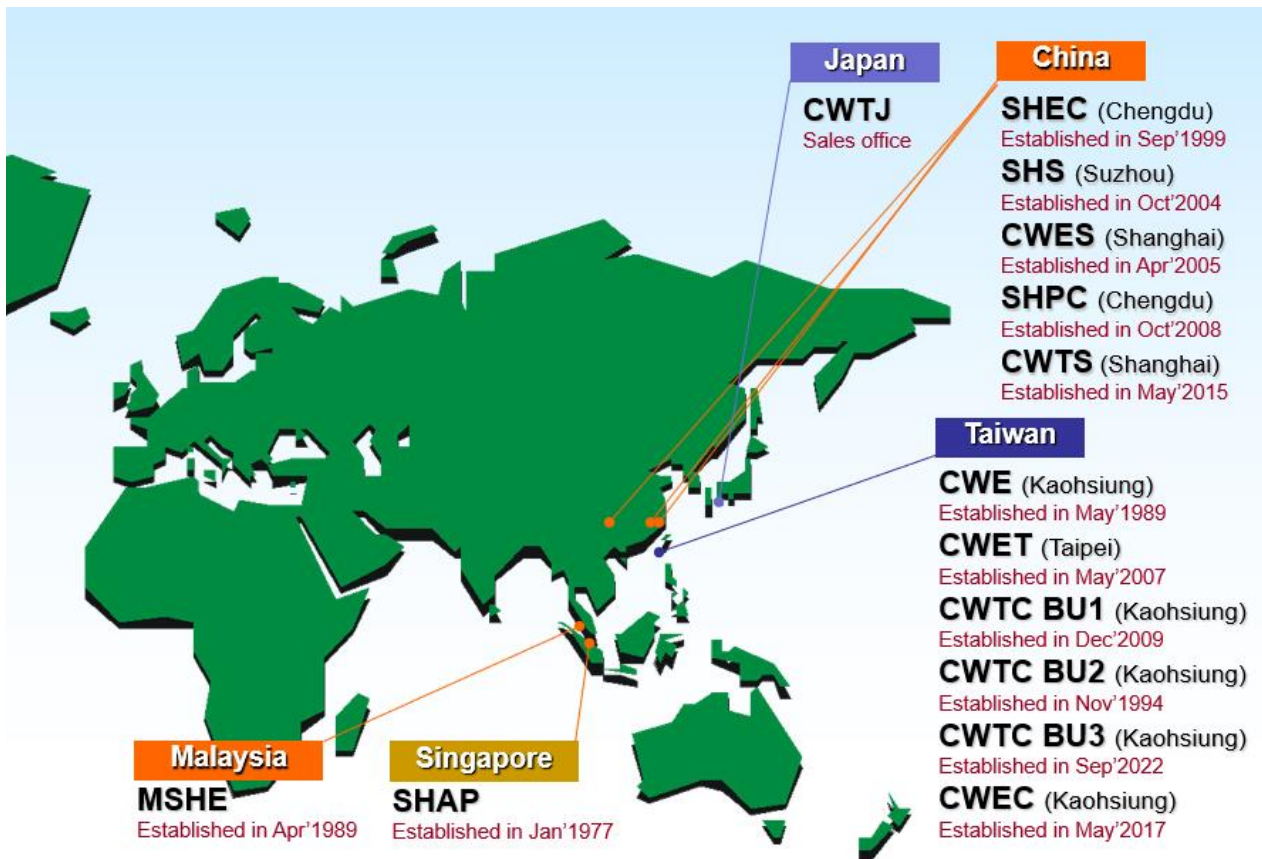
CWE takes active steps to move from being a distribution channel to a manufacturer. By investing in subsidiaries, the Company branches out into fields of LED lead frame, tape-COF, electrical contact materials, etc. to enhance its market competitiveness. At present, our key subsidiaries include Chang Wah Technology Co., Ltd. (CWTC), a metal lead frame manufacturer, and JMC Electronics Co., Ltd., a tape-COF manufacturer; and our operations centered around Taiwan's major ICT industries which span across semiconductor and display. As a whole, CWE is much more than a professional material distributor. It has transformed into a professional material manufacturer with manufacturing expertise from subsidiaries.

The subsidiary CWTC was listed on the Taipei Exchange (6548TW) in 2016. It purchased shares of SH Asia Pacific Pte. Ltd. (SHAP), an investee of the Japanese company Sumitomo Metal Mining Group, in 2017, marking its official start to the upstream metal lead frame industry to become a world-leading IC substrate manufacturer. In the IC and LED supply chain, the company provides the materials of the packaging process. After the products are packaged, they can be used in subsequent module production and be applied to various electronic consumer products. We are major suppliers of key materials in the industry chain and one of the top five of lead frame suppliers in the world.

## ❖ Company Overview

<b>Stock Code</b>	8070	<b>Company Name</b>	Chang Wah Electromaterials Inc.
<b>Establish Date</b>	1989/5/13	<b>Business ID No.</b>	23307811
<b>Industry</b>	Electronic distribution industry	<b>Main businesses</b>	Sales of semiconductor packaging materials Trading and installation of packaging machinery and equipment. Provision of technical support for packaging
<b>Chairman</b>	Chuen-Sing Hung	<b>President</b>	Thomas Huang
<b>Paid-in capital</b>	NT\$725,648,455	<b>Par value per common share</b>	NT\$1
<b>Headquarter</b>	6F, No.16, East 7th Street, Nanzi Dist., Kaohsiung City 811, Taiwan (R.O.C.)		

## ❖ Main Business Locations of CWE Group (GRI 2-1, 2-2)





### Chang Wah Electromaterials Inc. (CWE)

- Location : 6F, No.16, East 7th Street, Nanzi Dist., Kaohsiung City, Taiwan (R.O.C.)
- Main Business : Sales of semiconductor packaging materials and equipment

### Taipei Branch of CWE (CWET)

- Location : 7F., No. 35, Ln. 221, Gangqian Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)
- Main Business : Sales of semiconductor packaging materials and equipment

### Taichung Office of CWE

- Location : No. 109, Yafeng Street, Tanzi Dist., Taichung City, Taiwan (R.O.C.)
- Main Business : Sales of semiconductor packaging materials and equipment

### Chang Wah Technology Co., Ltd. (CWTC)

- Location : No. 24, Kaifa Rd., Nanzi Dist., Kaohsiung City, Taiwan (R.O.C.)  
No. 16, East. 7th Street, Nanzi Dist., Kaohsiung City, Taiwan (R.O.C.) (Plant 2)  
No. 133, Jing 5th Rd., Nanzi Dist., Kaohsiung City, Taiwan (R.O.C.) (Plant 3)  
No. 36, Jing 3th Rd., Nanzi Dist., Kaohsiung City, Taiwan (R.O.C.) (New Etching Plant)
- Main Business : Manufacturing of lead frames

Branch office in Japan  
of CWTC (CWEJ)

- Location : Takano Building, 2-5-3, Uchi-kanda, Chiyoda-ku, Tokyo, Japan
- Main Business : Trading of lead frames

SH Electronics Suzhou  
Co., Ltd.(SHS)

- Location : No. 123, Longtan Road, Suzhou Industrial Park, Jiangsu Province, China
- Main Business : Manufacturing of lead frames

SH Electronics Chengdu  
Co., Ltd.(SHEC)

- Location : No. 7, Xin Yuan South 2nd Road, Singapore Industrial Park, Chengdu Hi-Tech Zone, Sichuan Province, China
- Main Business : Manufacturing of lead frames

SH Precision Chengdu  
Co., Ltd.(SHPC)

- Location : No.6, West Zone, No.8, Kexin Road, West Park, Chengdu Hi-tech Zone, Sichuan Province, China
- Main Business : Manufacturing of lead frames

Shanghai Chang Wah  
Electromaterials  
Inc.(CWES)

- Location : Room 2101, 1027 Changning Road, Changning District, Shanghai, China
- Main Business : Trading of IC packaging materials

Chang Wah Energy  
Technology Co., Ltd.  
(CWEC)

- Location : 7F, No. 35, Lane 221, Gangqien Road, Neihu District, Taipei City, Taiwan
- Main Business : Generation of solar energy

CWTC (Shanghai) Inc.  
(CWTS)

- Location : Room E01, 2F, No. 207, Fute North Road, Pilot Free Trade Zone, Shanghai, China
- Main Business : Trading of lead frames

SH Asia Pacific Pte. Ltd.  
(SHAP)

- Location : 10 Eunos Road 8 #05-04/05 Singapore Post Centre Singapore 408600
- Main Business : Trading of lead frames

Malaysian SH  
Electronics Sdn. Bhd.  
(MSHE)

- Location : Lots 5,7&9, Jalan Ragum 15/17, 40200 Shah Alam, Selangor Darul Ehsan, Malaysia
- Main Business : Manufacturing of lead frames

Note : CWE' s subsidiaries, CWE Holding Co., Ltd. 、WSP Electromaterials Ltd. and Shing Zheng Investment Co., Ltd., which are not main operational locations, primarily engage in investment activities. Their financial information, GHG inventory, and social information are included in this report. Information on other subsidiaries that are not major operating bases, please refer to MOPS. (Site : [https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10) )

## ❖ Participation in Associations (GRI 2-28)

By actively participating in associations, we can establish good interactions with the industry and society, enabling us to stay closely informed about industry development trends at all times.

Organization	Position
Taiwan Technology Industrial Park Electrical and Electronic Manufacturer's Association	Member
TASS-Taiwan Alliance for Sustainable Supply	Member

## ❖ Business Philosophy

We are continuing to strengthen our product agency capabilities under a philosophy of "integrity, passion, and comprehensive service." We are securing agency rights to even more international brands. We hope to satisfy customers' one-stop shopping needs with a full product line, and we seek to actively understand our customers' needs and ongoing market trends. We are eager to forge high added value partnerships, and enhance the competitive advantage and growth of our customers and vendors.

Integrity is the foundation of sustainable operations.



Having a team of elites that are impressively passionate and competent, we are able to provide customers with products and services of high quality and efficiency in the shortest possible time ahead of our peers and strive to present every small detail.

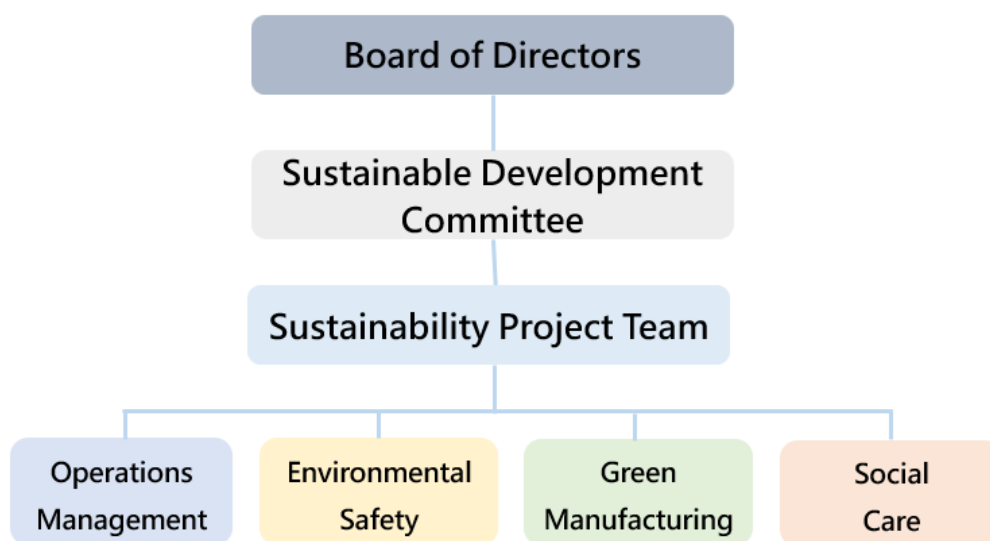
With years of professional and practical experience in the packaging industry from our executives and technical support from original manufacturers, we are able to solve various product issues and provide total solutions for customers, gaining trust and recognition from numerous customers, and setting the best corporate model in the packaging industry.

# Sustainability Management

## 1.1 Sustainable Development Organizations and Strategies

(GRI 2-12, 2-13, 2-14)

To achieve our vision and goals of sustainable development, we previously had the President as the convener, overseeing all matters related to sustainable development. In 2024, the Sustainable Development Committee was established to continuously promote the company's sustainable development governance structure. The Chairman serves as both the chairperson and convener of the committee. The committee is responsible for formulating, promoting, and strengthening the company's sustainable development policies and related management guidelines, specific implementation plans, and internal control systems related to sustainable development information, as well as reviewing, tracking, and revising the implementation and effectiveness of sustainable development. The committee also oversees the compilation and analysis of sustainable development information by the Sustainability Task Force, reviews and submits regular reports to the Board of Directors. The committee also coordinates the compilation of the annual sustainability report and reports to the Board of Directors on the progress of various sustainability tasks and company strategies. The Board of Directors oversees and guides sustainable development goals and management guidelines to ensure the achievement of sustainable development objectives.





## ❖ The Main Points for Reporting to the Board of Directors in 2024

❖ Content	Date
Business integrity performance with reviews revealing there were no violations in the previous year.	2/21
Greenhouse gas inventory and verification implementation status of the Company and the subsidiaries	3/12 、 5/13 、 8/6 、 11/5 、 12/19
Preparation and confirmation of the 2023 Sustainability Report, along with description of major issues and management policies	08/06
Report on the implementation of sustainability-related risk management, greenhouse gas inventory, and verification plan implementation progress	12/19
Appointed a third-party assurance agency for the 2024 sustainability report	12/19



## 1.2 Stakeholder Engagement (GRI 2-12, 2-16, 2-26, 2-29)

CWE continues to engage and communicate with stakeholders to establish a responsive mechanism for addressing sustainability issues. Based on the five major principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES) which includes dependency, responsibility, tension, influence and diverse perspectives, CWE has identified six major categories of stakeholders, which are government agencies, investors, employees, customers, suppliers and society (including local communities and non-profit organizations (NGOs)).

### ❖ Communication with Stakeholders

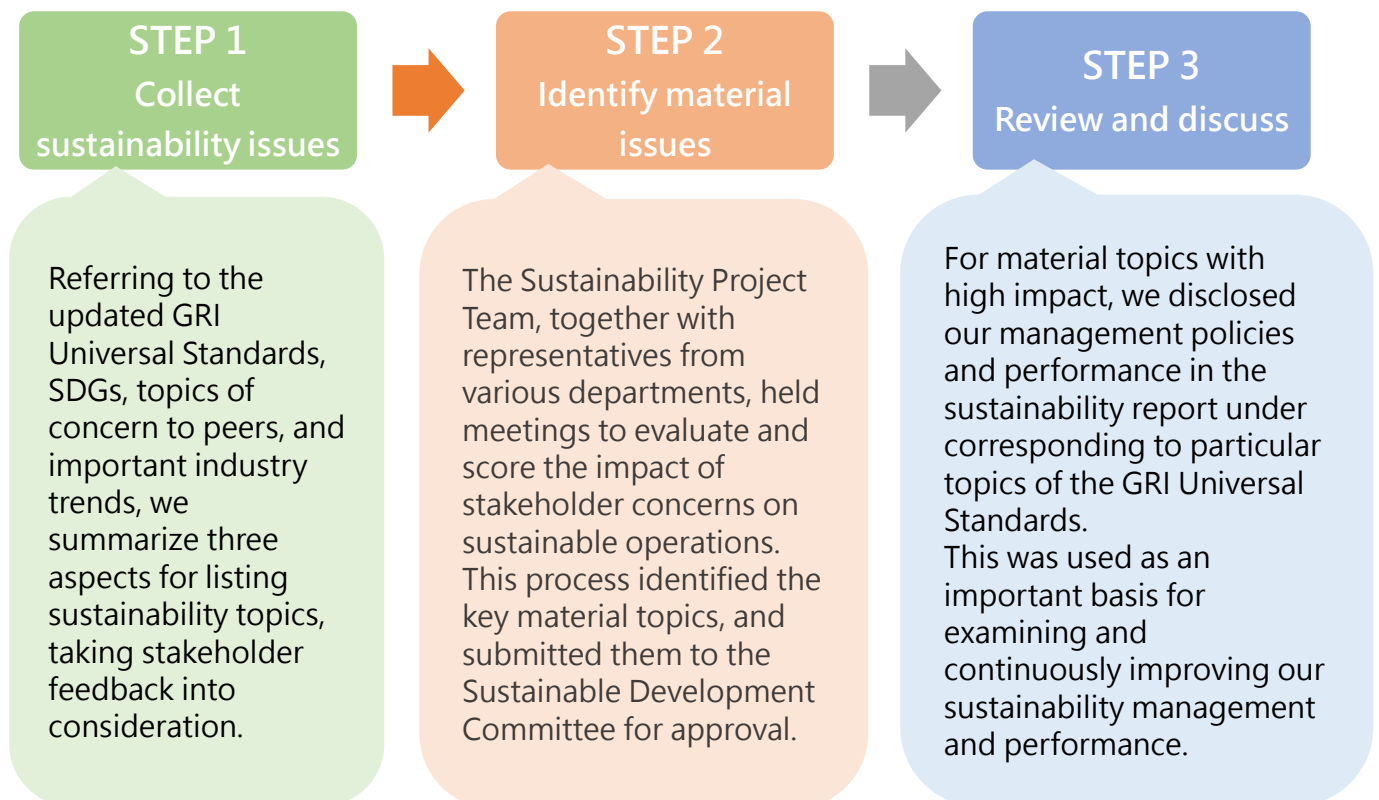
Stakeholder	Significance	Communication Channel	Frequency
Employees	Employees are our foundation to sustainable operating and the key toward the road of our sustainable operations.	Welfare Committee meetings	At least once every quarter
		Labor-management meetings	At least once every quarter
		Employee opinion mailbox / Reporting hotline	Timely
Customers	Focus on customer demands and provide our services using our core technology fully and comprehensively.	Telephone / E-mail	Timely
		Different types of meetings	Irregularly
		Conduct an audit	Irregularly
		Interview / telephone / E-mail	Irregularly
Suppliers	We are paying more attention to quality of raw materials from suppliers, and we gain trust in market and customers through joint efforts to achieve benefit-sharing and sustainable growth.	Interview / telephone / E-mail	Irregularly
Investors	Investors' support is our motivation for continuous growth and responsibility.	Company website	Irregularly
		Investor conferences	At least twice a year
		Shareholders' meeting	At least once a year
		Annual Report / Financial Report	At least once a year
Government agencies	Prudently comply with the requirements of local government agencies for each plant, and we will adjust by using methods in line with local circumstances.	Official Correspondence	Irregularly
		Inspection and Audit	Irregularly
		Material Information Announcement	Irregularly
Outsiders (including local communities and NGOs)	To be a good corporate citizen, implement corporate social responsibility and create prosperity and a common good for society.	Project Collaborations and Activities	Irregularly
		Telephone / E-mail	Timely
		Company website	Timely

## 1.3 Identify Material Topics (GRI 3-1, 3-2, 3-3)

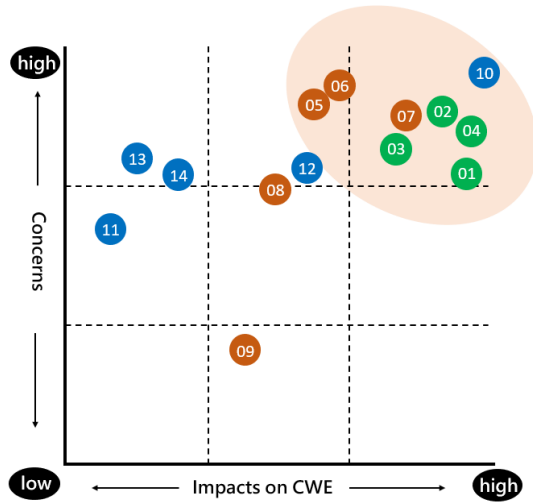
According to the Company's vision and sustainable development strategy, and referring to the updated GRI Universal Standards, SDGs, topics of concern to peers, as well as important industry trends, we summarized three aspects for sustainability topics listing with consideration to stakeholders' feedback.

We identified the external impacts of each issue and integrated them into the questionnaire. Then, conducted a stakeholder survey to assess the significance of the impact and ranked them. After confirmation by the Sustainability Project Team, submitted them to the Sustainable Development Committee for approval. In 2024, the results of the 2023 questionnaire survey were continued, and eight key material issues were integrated. For material topics with high impact, we disclosed our management policies and performance in the sustainability report under corresponding to particular topics of the GRI Universal Standards. We ensured that the contents of the report complied with the principles of stakeholder inclusiveness, materiality, and completeness, and reflected on the position and sustainability influence of CWE in the value chain. This was used as an important basis for examining and continuously improving our sustainability management and performance.

### ❖ Process of Identifying Material Topics



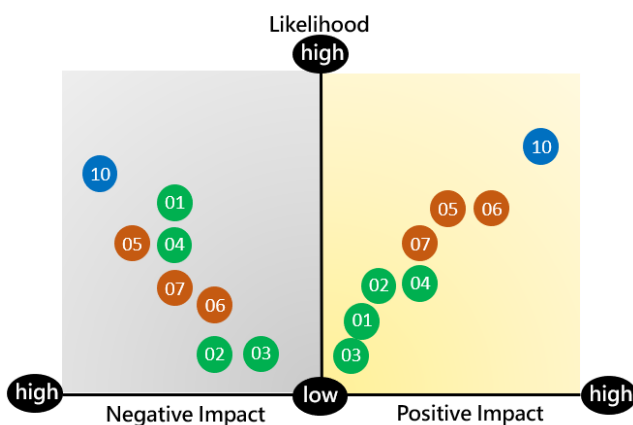
## ❖ Materiality Matrix



E Environment	01 Water Resources Management
	02 GHG Management
	03 Waste Management
	04 Energy Management
S Society	05 Employment
	06 Occupational Health and Safety
	07 Talent Cultivation and Development
	08 Diversity and Equal Opportunity
	09 Social Engagement
G Governance	10 Economic Performance
	11 Regulatory Compliance and Anti-corruption
	12 Supplier Management
	13 Business Integrity
	14 Risk Management

## ❖ Influence and Impact of Material Topics on the Economy, Environment, and Society

Based on the aforementioned list of 14 sustainability issues, eight key material topics were identified through a questionnaire survey and prioritization process. This was complemented by an analysis from the Sustainability Project Team members and representatives from various departments, focusing on stakeholder concerns and perceived impacts. These topics were then categorized according to their likelihood and the degree of both positive and negative impacts, resulting in a sustainability impact matrix, which serves as an evaluation tool for the ongoing review of sustainability issues' impacts. The major themes selected for 2024 remain the same as those for 2023.



E Environment	01 Water Resources Management
	02 GHG Management
	03 Waste Management
	04 Energy Management
S Society	05 Employment
	06 Occupational Health and Safety
	07 Talent Cultivation and Development
G Governance	10 Economic Performance



## ❖ CWE Group's Involvement Levels in the Value Chain for Material Topics and the Management Policies

Material Topics	Corresponding to GRI Guidelines Material Topics	Corresponding Chapter	Response measures	Value Chain Impacts Boundaries (Boundaries of Topics)			Management indicators	2024 Goals	2024 Achievements	2025 Goals
				All Plants	Downstream value chains	Upstream value chains				
Water Resources Management	GRI303	3.5 Water Resources Management	Our plating and etching processes require a high level of water resources. We will establish emergency response measures for water supply interruptions and use recycled water to reduce the consumption of tap water.	●	●		Recycling rate of water withdrawal <sup>Note1</sup>	>30%	34%	>30%
GHG Management	GRI305	3.3 GHG Management	Strengthen carbon reduction and facilitate process efficiency, as well as continue to plan on purchasing renewable energy.	●	●		GHG inventory in accordance with ISO14064 and external assurance	100%	100%	100%
Waste Management	GRI306	3.6 Waste Management	Sources reduction, recycling and the use of precious metal recycling techniques, along with the establishment of in-house treatment systems, are implemented to reduce waste emissions.	●	●		Reuse rate of waste	>40%	96%	>40%
Energy Management	GRI302	3.4 Energy Management	Improve energy performance using PDCA approach for ISO50001 energy management systems, increase energy efficiency, and develop green energy to reduce environmental impact.	●	●		Energy efficiency	Energy Saving >3,000 GJ	Energy Saving 6,838 GJ	Energy Saving >3,000 GJ

Material Topics	Corresponding to GRI Guidelines Material Topics	Corresponding Chapter	Response measures	Value Chain Impacts Boundaries (Boundaries of Topics)			Management indicators	2024 Goals	2024 Achievements	2025 Goals
				All Plants	Downstream value chains	Upstream value chains				
Employment	GRI401	4.2 Talent Attraction and Retention	Create a happy and friendly workplace, and continue to enhance the competitiveness of remuneration and diverse benefits, as well as promote internship cooperation plans with universities and colleges.	●			Regular Employer-employee Meeting	4 meetings	4 meetings	4 meetings
							Turnover rate	15%	10%	15%
Occupational Health and Safety	GRI403	4.4 Occupational Health and Safety	Build comprehensive education and training programs and continuously improve safety and health management to reduce occupational accidents and create a safe, healthy, and high-quality work environment.	●	●	●	Regular promotion of Safety Week	4 times	5 times	4 times
							Regular Occupational Safety and Health Committee	20 meetings	56 meetings	20 meetings
							Regularly working environment monitoring	5 times	12 times	5 times
Talent cultivation and development	GRI404	4.3 Talent development and cultivation	Focus on talent cultivation and strengthen employees' core technological skills to maintain our core competence.	●			Participants in training	24,000 employees	26,694 employees	24,000 employees
Economic Performance	GRI201	2.3 Operating Performance	Ensure the Company's profitability and growth momentum, strengthen long-term competitiveness, and maintain a stable dividend policy to create a win-win situation for CWTC, shareholders and employees.	●	●	●	Investor conference	At least 2 investor conferences	3 investor conferences	At least 2 investor conferences
							Shareholders meeting	1 Shareholders meeting	1 Shareholders meeting	1 Shareholders meeting

Note1 : The recycling rate of water withdrawal indicator is only included in the group's factories that have built a water recovery system ; Recycling rate of water withdrawal = Water recycled / Water withdrawal

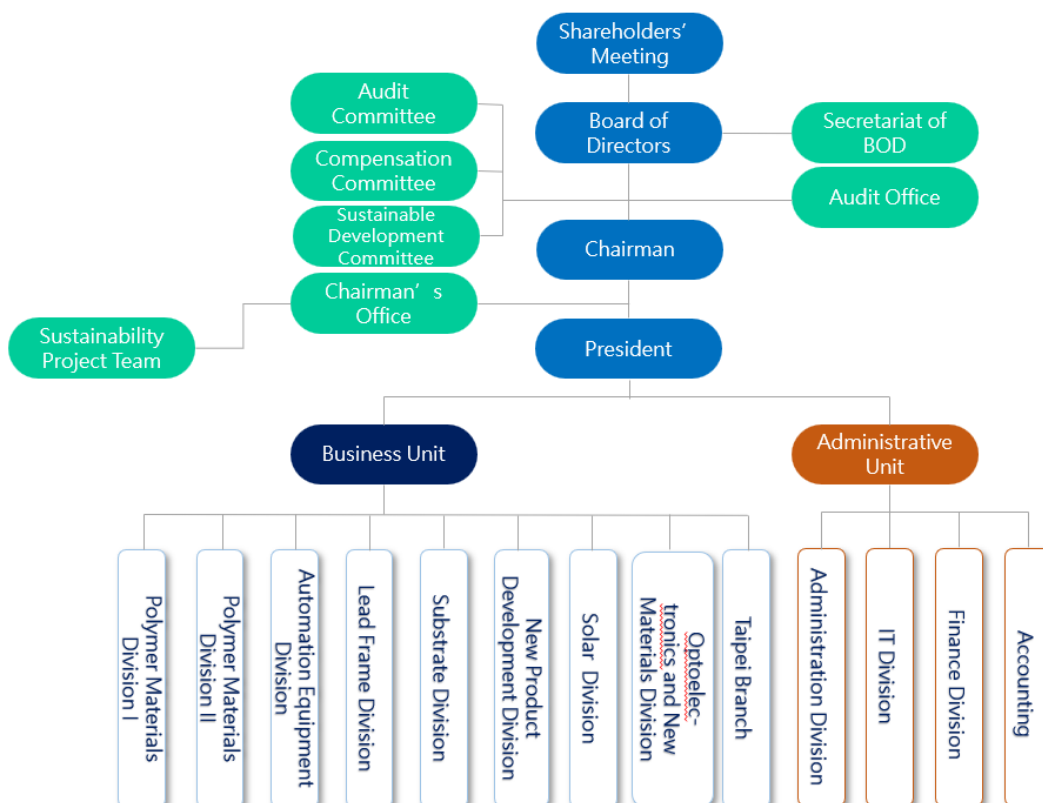
# Corporate Governance

## 2.1 Organization and Operation of Corporate Governance

CWE deeply understands that integrity is the solid foundation for sustainable development. With the protection of shareholders' rights and interests as the starting point, we aim to maximize corporate value through sound business management, while also ensuring the rights and interests of all stakeholders.

In accordance with the "Corporate Governance 3.0 - Sustainable Development Roadmap" promoted by the Financial Supervisory Commission (FSC) of Taiwan and the "Code of Practice for Corporate Governance," revised and approved by the Board of Directors in 2020, CWTC continuously reviews and assesses the status and effectiveness of its corporate governance practices. Through a process of self-evaluation, we strive to enhance sustainability and competitiveness, dedicating ourselves to becoming an excellent company with long-term sustainable operations.

### ❖ Organizational Structure



Department		Major Functions
Secretariat of BOD		<ol style="list-style-type: none"> <li>1. To handle the convention and agenda of the audit committee meetings and compensation committee meetings, and all relevant matter.</li> <li>2. To handle matters related to the meetings of the board of directors and shareholders' meetings in accordance with the law, and to assist the Company in complying with the relevant laws and regulations of the board of directors and shareholders' meetings.</li> <li>3. To register and change the registration of the company.</li> <li>4. To prepare minutes of the board of directors' and shareholders' meetings.</li> <li>5. To provide directors with information necessary to carry out their business and to assist directors in complying with the latest regulatory developments related to the operation of the company.</li> <li>6. Matters related to investor relations.</li> <li>7. Other matters as provided for in the Articles of Incorporation or contract.</li> </ol>
Audit Office		<ol style="list-style-type: none"> <li>1. To assist with the planning and formulation of internal control system.</li> <li>2. To carry out internal audits.</li> <li>3. To plan and promote self-assessment of internal control system.</li> <li>4. To execute the supervision of Group' s subsidiaries.</li> </ol>
Chairman' s Office		<ol style="list-style-type: none"> <li>1. To develop, plan and execute the mid and long-term operation strategies of the Company.</li> <li>2. To guide every division in the execution of operational strategies in order to achieve targets set in the annual budget.</li> <li>3. To plan the policies for major investments and explore new business.</li> <li>4. To execute the management of Group' s subsidiaries.</li> </ol>
President		<ol style="list-style-type: none"> <li>1. To organize and execute the short and mid-term operational plans of business divisions.</li> <li>2. To achieve the annual budget of business divisions.</li> <li>3. To manage and supervise the performance of business and operation supporting divisions.</li> <li>4. To draw up key rules and procedures.</li> </ol>
Sustainability Project Team		<ol style="list-style-type: none"> <li>1. To collect, analyze and compile sustainability information and sustainability reports. Then, report to the Sustainable Development Committee regularly.</li> <li>2. To ensure the accuracy and consistency of the data.</li> </ol>
Business Unit		<ol style="list-style-type: none"> <li>1. To plan and execute annual operational policies and business strategies.</li> <li>2. To develop new markets, sell products and provide various services and consultation to customers.</li> <li>3. To organize, manage and utilize business resources.</li> </ol>
Administrative Unit	Administration Division	<ol style="list-style-type: none"> <li>1. Human resource planning and execution.</li> <li>2. Various educational training sessions.</li> <li>3. Legal consultation and management of legal affairs.</li> <li>4. Environmental management and general affairs.</li> </ol>
	IT Division	<ol style="list-style-type: none"> <li>1. To establish, introduce and maintain the software and hardware of IT system and to develop the application for intelligence technology.</li> <li>2. Server room management and information security protection.</li> </ol>
	Finance Division	Short, mid and long-term financial planning and execution.
	Accounting Division	<ol style="list-style-type: none"> <li>1. To plan and execute the procedures for the preparation of the Group' s consolidated financial statements.</li> <li>2. To plan and execute tax-related procedures.</li> </ol>



## ❖ Structure and operation of the Board of Directors (GRI 2-9, 2-10, 2-11, 2-12)

The Board of Directors is the highest governance body of CWE. In conducting the Company's affairs, it shall exercise its powers with a high level of self-discipline and prudence, and assist in supervising, appointing, and instructing the management, as well as overseeing the Company's operations. In addition to matters that must be resolved by the shareholders' meeting in accordance with the law or the Articles of Incorporation, the Board of Directors conducts the Company's business based on its resolutions and is also responsible for formulating the Company's corporate social responsibility and sustainable development strategies. The CWE Board of Directors comprises seven members with extensive industry experience, including four directors and three independent directors, two of whom are female directors. The Board members are selected in accordance with a fair, impartial, and transparent director appointment process. The election of directors follows a candidate nomination system, where candidates are approved by the Board of Directors and then submitted to the shareholders' meeting for final appointment.

To establish proper governance system of the Board of Directors, improve supervision and strengthen management efficiency, we formulate the Rules of Procedure for Board of Directors' Meetings based on Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. The CWE Board of Directors convenes at least once every quarter. For the operation of the Board of Directors, please refer to CWE's 2024 Annual Report.

The current term of the Board of Directors is from June 17, 2022 to June 16, 2025, spanning three years. In 2024, a total of six Board meetings were held. The relevant information about the Board members is as follows :

## ❖ Information of the Board members

Title	Name	Gender / Age	Experience (Education)	Attendance in Person	Attendance by Proxy	Attendance Rate (%)
Chairman	Juan Yao Investment Co., Ltd. Rep.: Hung, Chuen-Sing	Male 60	<ul style="list-style-type: none"> <li>Graduated from Hong Kong Polytechnic University.</li> <li>He is now the Corporate Director and President of subsidiary CWTC as well as the Corporate Director of JMC Electronics Co., Ltd., the Corporate Director of eChem Solutions Corp. Corporate and a Director in several subsidiaries of the CWE Group. He is a Director in companies within the electronic technology industry chain with expertise in governance.</li> <li>Once served as president of Possehl Electronics Hong Kong Ltd. and Sumiko Electronics Taiwan Co., Ltd., He has been involved in the operation and strategic management of semiconductor industry for more than 30 years.</li> </ul>	6	0	100%
Director	Yuan Yao Energy Technology Co., Ltd. Rep.: Gary Huang	Male 35	<ul style="list-style-type: none"> <li>Graduated from the Master of Business Administration, Yunlin University of Science and Technology</li> <li>He is now the Vice President of the Business Unit in CWE, and the chairman and supervisor of companies within professional investment.</li> <li>He has been involved in the operation and strategic management of semiconductor industry for more than 10 years.</li> </ul>	6	0	100%
Director	Wah Lee Industrial Corp. Rep.: Lulu Huang	Female 58	<ul style="list-style-type: none"> <li>Graduated from the Master of Business Administration at University of California, Los Angeles, USA</li> <li>She is now the president of the company as well as the director in several subsidiaries of the Wah Lee Group.</li> <li>She once served as the special assistant to chairman of Wah Lee Industrial Corp.</li> </ul>	6	0	100%

Title	Name	Gender / Age	Experience (Education)	Attendance in Person	Attendance by Proxy	Attendance Rate (%)
Director	Huang, Shiou-Chuan	Male 74	<ul style="list-style-type: none"> <li>Graduated from the Department of Electrical Engineering in Tatung University.</li> <li>He is now the Chairman of Vizionfocus Inc.</li> <li>Once served as Vice President or Vice Chairman at several multinational corporations such as HP Taiwan Information Technology Ltd., Hon Hai Group, and Innolux Corporation.</li> </ul>	6	0	100%
Independent Director	Kong, Chi-Chuan	Male 65	<ul style="list-style-type: none"> <li>Graduated from the Department of Senior Petrochemical Division, Ko Ying Senior Vocational School of Commerce and Industry.</li> <li>He is now the Chairman of Jiao Chang Customs Brokerage Limited as well as a Director in Tsing Ho Real Estate Co., Ltd.</li> <li>Once served as manager of Jiao Chang Customs Brokerage Limited.</li> </ul>	6	0	100%
Independent Director	Chen, Chih -Cheng	Male 50	<ul style="list-style-type: none"> <li>Graduated from the Bachelor of Accounting, Feng Chia University.</li> <li>He is now a CPA of Zhuo Cheng Accounting Firm as well as a Independent Director, Audit Committee and Remuneration Committee Member of Yuen Chang Stainless Steel Co., Ltd., the Independent Director, Audit Committee and Remuneration Committee Member of Jason Co.,Ltd.</li> <li>Once served as Senior Assistant President of Deloitte &amp; Touche.</li> </ul>	6	0	100%
Independent Director	Yen, Shu-Yang	Female 48	<ul style="list-style-type: none"> <li>Graduated from MBA/LLM, American University, Bachelor and Master of Laws, Fu Jen Catholic University.</li> <li>She is now the Managing Attorney of Asian Pacific Int'l Patent &amp; Trademark Office as well as a Corporate Director representative in EFUN Technology Co., Ltd. and the Independent Director, Audit Committee and Remuneration Committee Member of Franbo Lines Corp.</li> <li>Once served as Chien Yeh Law Offices Junior Partner of Kaohsiung Office and Guo Yu Shan Law Firm Attorney.</li> </ul>	6	0	100%

## ❖ Board Diversity (GRI 2-10)

To ensure that the Board of Directors has strong governance capabilities, it is required that the Board of Directors members possess professional competencies in areas such as operational judgment, financial analysis, business management, risk management, industry knowledge, international market perspective, leadership, and decision-making.

The nomination and selection of the Board members comply with the Articles of Incorporation and adopt a candidate nomination system. The Secretariat of BOD reviews the qualifications of candidates before submitting them to the Board of Directors for final resolution, ensuring the diversity and independence of the Board members.

### Implementation of Board Diversity

Policy	Goals	Performance in 2024	Accomplishment
Professional Competence	Diversity of professional background, skills and industry experience.	The Board members include professionals from industry, accounting, technology and management fields. The directors possess the knowledge, skills and competencies required to carry out their duties, and their industry experience and professional expertise are diverse and complementary.	V
Gender Equality	At least one female Director.	There are two female directors among the seven directors, accounting for 29%.	V
Independence	<ul style="list-style-type: none"> <li>The number of directors who are also managers of the Company should be less than one-third of the Board seats.</li> <li>The number of independent directors should be at least one-third of the Board seats.</li> <li>Independent directors should not serve consecutively for more than three terms.</li> </ul>	<ul style="list-style-type: none"> <li>Only a director also serves as managers of the Company, accounting for 14%.</li> <li>Three of the seven directors are independent, accounting for 43%.</li> <li>None of the independent directors have served for more than three consecutive terms.</li> </ul>	V

## Diverse Backgrounds of the Board Members

Name	Diversified Core Competence	Nationality	Gender	CWE Employee	Seniority of Independent Director	Age		
						< 60 Years old	61-70 Years old	> 71 Years old
Juan Yao Investment Co., Ltd. Rep.: Hung, Chuen-Sing		HK	Male			V		
Yuan Yao Energy Technology Co., Ltd. Rep.: Gary Huang		ROC	Male	V		V		
Wah Lee Industrial Corp. Rep.: Lulu Huang		ROC	Female			V		
Huang, Shiou-Chuan		ROC	Male					V
Kong, Chi-Chuan		ROC	Male		6		V	
Chen, Chih -Cheng		ROC	Male		3	V		
Yen, Shu-Yang		ROC	Female		3	V		



Diversified Core Competence Name	Professional Knowledge and Skills							
	Corporate Governance	Marketing	Industry Knowledge	Leadership	Policymaking ability	Operation Management	Legal Affairs	Accounting and financial analysis skills
Juan Yao Investment Co., Ltd. Rep.: Hung, Chuen-Sing	V	V	V	V	V	V		V
Yuan Yao Energy Technology Co., Ltd. Rep.: Gary Huang	V	V	V	V	V	V		
Wah Lee Industrial Corp. Rep.: Lulu Huang	V	V	V	V	V	V		
Huang, Shiou-Chuan	V	V	V	V	V	V		V
Kong, Chi-Chuan	V	V	V	V	V	V		
Chen, Chih -Cheng	V		V	V	V	V		V
Yen, Shu-Yang	V		V	V	V	V	V	

## ❖ Continuing Education of Directors (GRI 2-17)

To enhance the functions of the members of the CWE Board of Directors, the Board members actively participate in relevant training courses which organized by institutions designated by the Taiwan authorities, in accordance with Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies and the regulations of the Taiwan authorities. The Board members remain attentive to developments in domestic and international economic, environmental, and social regulations by taking courses in various areas including finance, risk management, operations, business, accounting, law, corporate governance, integrity and ethics, and corporate social responsibility. This approach aims to strengthen the Board's leadership and decision-making capabilities and ensure the diligent execution of business and management responsibilities.

In 2024, the total training hours of the CWE Board members met the legal requirement of six hours, with an average of 11 training hours per director and a total of 74 training hours.

### Continuing Education of Directors Recently

Year	Number of Directors	Training Hours	Average Hours
2022	7	54	7.71
2023	7	63	9.00
2024	7	74	10.57



## ❖ Performance Evaluation of the Board of Directors (GRI 2-18)

To strengthen the operational functions and efficiency of the Board of Directors, CWE has established the Rules for Performance Evaluation of the Board of Directors to assess the performance of the Board at least once every year. To ensure the Board of Directors is capable of fulfilling its responsibilities in corporate governance, management operations and achieving sustainable development, the evaluation includes the level of company engagement, the enhancement of decision-making quality, composition and structure of the Board, the election and continuing education of the directors, and internal control.

In 2024, the overall average self-evaluation score of the CWE Board of Directors was 99.76 out of 100. The overall average self-evaluation score for individual board members was also 91.95 out of 100, with an overall performance rating of "Excellent."

## Results of the Board Performance Evaluation for Years

Year	Internal Evaluation
2022	98.87/100 A sound operation of the Board.
2023	99.31/100 A sound operation of the Board.
2024	99.76/100 A sound operation of the Board.

## ❖ Compensation Policy for the Directors and Executives

(GRI 2-19, 2-20, 2-21)

### Remuneration of Directors

Remuneration is paid based the Company' s "Standards, Policy and Structure of Director Remuneration" . It is reviewed regularly by the Compensation Committee and distributed upon approvals from the Board. Remuneration to directors comprises of base compensation, compensation to directors and allowances. Base compensation is a fixed amount distributed from a budget of NT\$8 million every year. Whether the director is a member of a functional committee and his/her involvement and contribution to the operation are taken into account when the Board determines the compensation amount. Compensation to directors is paid pursuant to the Articles of Incorporation. When the Company' s net income for the year exceeds NTD\$800 million, 2% of the excess from income between NTD\$800 million and NTD\$1 billion shall be distributed as remuneration to directors. When the annual income exceeds NTD\$1 billion, 4% of the excess shall be distributed as remuneration to directors, implemented by the resolution of the board of directors and reported to the shareholders' meeting. Allowances include attendance allowance and others. Remuneration policy is established with consideration to the level of participation and contribution of individual director to the Company (please refer to page 29 for results of performance evaluation on the Board and individual director), industry average (companies in the electronics distribution industry or one with similar levels of paid-in capital, revenue, or profits) as well as business performance indicators.

### Remuneration of Executives

Compensation is paid based on the Company' s "Standards, Policy and Structure of Manager Compensation" . It is reviewed regularly by the Compensation Committee and distributed upon approvals from the Board. Compensation to managers comprises of salary, allowance, bonus, benefit, employee compensation, severance pay or pension, all in accordance with the law. Salary and allowance are determined based on managers' education, work experience, professional competence and positions within he Company as well as the Company' s personnel management rules. Bonus is linked to performance evaluation and the Company' s business performance. Performance evaluation of managers (e.g., the President) include financial targets (e.g., revenue of departments, profit before tax, earnings per share, budget achievement and growth) and non-

financial targets (e.g., business management and risk control capabilities). Bonus is calculated based on the results of performance evaluation. Rules for benefits are formulated to meet the needs of employees and retain talents for the Company. Employee compensation is distributed pursuant to the Articles of Incorporation, i.e., when the Company makes profits for a year, compensation to employees shall be no less than 1% and no higher than 12% of the profits. Severance pay or pension conforms to labor laws and regulations. Compensation system is constantly reviewed to reflect actual business performance and applicable laws and regulations. In 2024, the ratio of the President' s compensation to the median salaries of all other employees was 22 to 1 and the ratio of changes in annual compensation was -0.83.

## ❖ Succession Planning for Directors and Executive

### Succession Planning and Operation for Board Members

1. The selection of directors is conducted in accordance with the company's Articles of Incorporation through a candidate nomination system. The "Corporate Governance Best Practice Principles" and the "Director Nomination Procedures" stipulate that board composition should consider diversity. A diversity policy is formulated based on the company' s operations, business model, and development needs, covering (but not limited to) two major areas: basic qualifications and values, as well as professional knowledge and skills.
2. The nomination process for director candidates must comply with qualification reviews and relevant regulations to ensure that, in the event of a vacancy or planned increase in board seats, suitable new directors can be effectively identified and selected.
3. The company maintains an ongoing succession plan for directors and builds a candidate database based on the following criteria:
  - (1) Possession of professional knowledge, skills, and industry experience beneficial to the company' s management and operations
  - (2) Integrity, honesty, responsibility, decisiveness, and alignment with the company's core values.
  - (3) Industry experience relevant to the company's business operations.
  - (4) The collective expertise of the Board should include areas such as corporate strategy and management, accounting and taxation, finance, and law.



4. The company has established a “Board Performance Evaluation Policy.” Through performance evaluation metrics—including understanding of the company’s goals and missions, awareness of duties, participation in operations, internal relationship management and communication, professional competence and training, internal controls, and expression of concrete opinions—the effectiveness of the Board’s operations and individual director performance can be assessed. This serves as a reference for future director selection.

## Succession Planning and Operation for Key Management Personnel

1. Employees at the level of Associate Vice President and above are considered key management personnel in the company, responsible for various business and management operations. Each management level has designated deputies to ensure business continuity.
2. In addition to possessing the necessary professional skills and relevant experience, key management personnel must also align with the company’s corporate values and business philosophy.
3. The Human Resources Department is responsible for establishing and overseeing the talent development mechanism. Based on each candidate’s expertise and development potential, the company conducts training aligned with core competencies and management functions by level, executing succession plans in phases.
4. Succession training includes topics such as business management, strategic planning, market operations, human resources, and financial risk management. In addition to strengthening knowledge in corporate governance and industry development, the program also offers courses in leadership, trend analysis, global perspectives, international economics and politics, digital transformation, and sustainable development—broadening senior executives’ horizons and strategic thinking while enhancing their operational and decision-making capabilities.
5. In 2024, the Board of Directors approved a Rotational CEO Program, with each rotation lasting six months. This initiative enhances the practical effectiveness of succession training for senior executives.

## ❖ Functional Committees (GRI 2-15, 2-20)

To effectively enhance the functions of the Board of Directors, develop supervisory functions and strengthen management mechanisms, CWE has established the "Compensation Committee," "Audit Committee" and "Sustainable Development Committee" under the Board, based on their authorities and functions. These committees are designed to ensure the effective implementation of independent supervision and checks and balances mechanisms, and to ensure that all resolutions and actions of the Board are duly reported and discussed. If a proposal involves any conflict of interest with a director or the legal entity they represent, the director must recuse themselves to uphold the best interests of stakeholders.

Additionally, an administrative audit unit, the "Audit Office," has been set up. Its responsibility is to audit and evaluate the reliability and effectiveness of the Company's internal control system. The Audit Office regularly reports audit results and provides improvement recommendations to the Audit Committee to promote the Company's effective operations.

### Audit Committee

The Audit Committee is composed of three independent directors, one of whom must possess expertise in accounting and finance. The committee assists in overseeing the fair presentation of the Company's financial statements; the appointment (or dismissal), independence, and performance evaluation of the Company's CPAs; the effective implementation of internal controls; compliance with relevant laws and regulations; and the management of existing or potential risks. The resolutions passed in the meetings are documented in minutes and submitted to the Board of Directors. In 2024, the committee held six meetings, with an overall attendance rate of 100% by its members.

To strengthen the operational functions and efficiency of the Audit Committee, CWE assess the performance of the Audit Committee at least once every year, including the level of participation in the company's operations, recognition of functional committee responsibilities, improvement of the quality of functional committee decisions, functional committee composition and selection of members, and internal control. The evaluation covered 22 indicators in five aspects. The overall score was 100/100, indicating an excellent operation and receiving positive reviews.

## Attendance of the Audit Committee in 2024

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)
<b>Independent Director</b>	Chen, Chih -Cheng (Convener)	6	0	100%
<b>Independent Director</b>	Kong, Chi-Chuan	6	0	100%
<b>Independent Director</b>	Yen, Shu-Yang	6	0	100%

## Compensation Committee

The Compensation Committee is composed of three independent directors. The committee assists the Board of Directors in implementing and evaluating the Company's overall compensation and benefits policies, as well as the remuneration of directors and executives, with a professional and objective perspective. The committee regularly provides recommendations to the Board as a reference for decision-making. In 2024, the committee held four meetings, with an overall attendance rate of 100% by its members.

To strengthen the operational functions and efficiency of the Compensation Committee, CWE assess the performance of the Compensation Committee at least once every year, including the level of participation in the company's operations, recognition of functional committee responsibilities, improvement of the quality of functional committee decisions, functional committee composition and selection of members. The evaluation covered 19 indicators in four aspects. The overall score was 100/100, indicating an excellent operation and receiving positive reviews.

## Attendance of the Compensation Committee in 2024

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)
<b>Independent Director</b>	Kong, Chi-Chuan (Convener)	4	0	100%
<b>Independent Director</b>	Chen, Chih -Cheng	4	0	100%
<b>Independent Director</b>	Yen, Shu-Yang	4	0	100%

## Sustainable Development Committee

The Sustainable Development Committee is composed of the chairman, one director and one independent director. Under the authorization of the Board of Directors, the Committee formulates, promotes, and strengthens the company's sustainable development policies, annual plans, and strategies; reviews, tracks, and revises the implementation and effectiveness of sustainable development; oversees the disclosure of sustainable information and reviews sustainability reports, and prepares minutes of decisions made during meetings for submission to the Board of Directors. In 2024, the committee held one meeting, with an overall attendance rate of 100% by its members. To strengthen the operational functions and efficiency of the Sustainable Development Committee, CWE assess the performance of the Sustainable Development Committee at least once every year, including the level of participation in the company's operations, recognition of functional committee responsibilities, improvement of the quality of functional committee decisions, functional committee composition and selection of members. The evaluation covered 17 indicators in four aspects. The overall score was 100/100, indicating an excellent operation and receiving positive reviews.

### Attendance of the Sustainable Development Committee in 2024

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)
<b>Chairman</b>	Hung, Chuen-Sing	1	0	100%
<b>Director</b>	Huang, Gary	1	0	100%
<b>Independent Director</b>	Chen, Chih -Cheng	1	0	100%



## 2.2 Integrity Management

### ❖ Integrity Management

The Board has gradually adopted rules of business conduct and ethics and established policies, guidelines, operating procedures, a code of conduct, and grievance systems to prevent unethical behavior. We are committed to conducting all business activities and actions with integrity, which is applicable to all employees of the Company and its subsidiaries. The ESG Unit of CWE Group assesses our business integrity performance every year and reports the results to the Board of Directors.

### Relevant rules

Internal Rules	Date of Establishment (Amendment)
Code of Ethical Conduct for Directors and Managers	March 25, 2015
Code of Conduct for Honest Management	December 19, 2019
Procedures and Guidelines for Honest Management Practices	March 18, 2020
Code of Sustainable Development Best Practice Principles	March 17, 2022
Procedures for Handling Internal Material Information	December 21, 2023
Risk Management Policy	March 16, 2023
Code of Corporate Governance Practices	December 19, 2024
Regulations for Sustainability Information Management	December 19, 2024

### ❖ Regulatory Compliance (GRI 2-27)

In addition to continuously focusing on domestic and international policies and laws that may potentially impact the Company's business and finances, CWE has established various corporate governance regulations. The Audit Office is responsible for auditing regulatory compliance and coordinating updates to internal rules accordingly. In 2024, there were two violations in the subsidiary CWTC, and the total fine is NT\$120,000. The items in the violations have been corrected.



## Regulatory Compliance for Each Department

Department	Regulatory Compliance	External Assistance
Chairman's Office	Report on legal disputes and the progress of related litigations and cases, and take actions accordingly.	Plan for external legal advice and services.
Administration Dept.	Conduct internal training on relevant laws and regulations to strengthen employees' awareness of legal compliance.	Coordinate with external consultants to plan and obtain certificates of relevant educational training
Departments and Subsidiaries	Comply with local laws and regulations.	Work with local authorities to conduct regulatory training courses and obtain relevant certificates.
Audit Office	Implement internal audits and control business risks.	

## Violations and Improvements in 2024

Category	Location	Description	Fine	Improvement
Environment	Plant 2	Violation of Article 12 of the Energy Administration Act	NT\$20,000	Complete energy audit declaration within the deadline.
Social	Plant 2	Violation of Paragraph 1, Article 6 of the Occupational Safety and Health Act and Article 287 of Regulations of Facilities.	NT\$100,000	<ol style="list-style-type: none"> <li>1. Once again promote the need to wear protective equipment when changing.</li> <li>2. Install automatic valve opening and closing device when changing.</li> </ol>

Note : Major violations of the Company are one-off events. The cumulated fines totalled NT\$1million.

## ❖ Prevention and Grievance (GRI 2-26)

To guide our employees and stakeholders in understanding the CWE Group's Code of Sustainable Development Best Practice Principles / corporate social responsibility (CSR) policies, we have released the relevant policies and practices on the Company's official website and communicated our concepts and actions through various means, such as education and promotion, within the Company.

In terms of human rights, all plants invite labor and management representatives for labor-management meetings. The Company and the Taiwan plant holds these meetings once every quarter, the Chengdu plant in China holds employee representative exchange meetings every six months, the Suzhou plant in China holds employee representative conferences every quarter, and the Malaysia plant holds welfare committee meetings once a month. These meetings cover 100% of the total workforce. During these meetings, proposals related to the Company's operations and personnel matters are discussed, and relevant departments are requested to provide explanations on the content of the proposals, with follow-up reports presented at the next meeting. In terms of environment, the Group delegates the manufacturing plants of its subsidiary, Taiwan Plants, to hold the Environmental Management Committee meetings quarterly in 2024. Other plants hold the meetings once a month. In addition to promoting laws and regulations, and conducting education and training, environmental monitoring, measurements, as well as internal and external communications and proposals, are fully discussed and resolved in the meetings.

A stakeholder mailbox (audit1@cwei.com.tw) is created as a communication channel for soliciting opinions and reporting of improper interests with the whistleblower's identity strictly kept confidential. To ensure its effectiveness, the auditing officer is appointed to handle reported incidents. If the investigation reveals any material irregularities or the Company may suffer significant losses, a report will be prepared immediately to notify the Independent Directors in writing. As of the end of 2024, the Company has not received any reporting of incidents.

**Incident  
registration**

**Investigation**

**Conclusion  
reviews**

**Mechanism  
improvements**

## ❖ Management

In the strategy of sustainable business management, maintaining and strengthening customer relationships plays a crucial role. A solid customer relationship is not only the cornerstone of a company's success but also a vital component of sustainable development.

CWE Group is committed to meeting customer needs with integrity and professional service. Through regular and ad hoc feedback mechanisms, the company collects customer suggestions regarding product quality and service efficiency. These insights are regarded as drivers for growth, prompting internal reviews and continuous process improvements to ensure timely responses to market changes and customer expectations.

At the same time, CWE Group values the establishment of long-term partnerships with clients, striving to create shared value based on the principles of honesty and transparency. This ensures that customers are empowered to make the most appropriate decisions with sufficient information, working together toward steady long-term development and the ultimate goal of sustainable operations.

The company has also implemented a customer complaint handling system to maintain stable and positive relationships. In 2024, no major customer complaints were reported.

In the same year, the company conducted a customer satisfaction survey focused on efficiency, professionalism, value, and overall collaboration experience. Using a 1-to-5 scale, the average score achieved was 4. The company will review and improve areas that scored below the average to further enhance customer service.

## ❖ Product Safety Management

CWE Group upholds the core values of integrity, professionalism, and innovation in serving global customers. Adhering to the philosophy of "growing together with customers and creating win-win situations," we consider customer satisfaction a core indicator of sustainable business development. To this end, we provide high-quality, safe, and compliant products and responsive technical services to strengthen long-term partnerships with our global customers.

Our production facility adheres to the ISO 9001 Quality Management Systems and conducts annual employee product quality education and training. In 2024, a total of 20 external quality training sessions totaling NT\$52,300 were conducted. We thoroughly review our product design, production, and delivery processes to meet customer expectations and ensure that products pose no health or safety risks to customers and end users throughout their lifecycle.

The company also has a customer complaint handling system to maintain strong and stable relationships with customers. No major customer complaints occurred in 2024.



## 2.3 Operating Performance

Key Material  
Issue

### ❖ Financial Performance (GRI 201)

#### Impact Description

Enhancing economic performance management helps improve operational efficiency and financial stability, promotes optimal resource allocation, strengthens corporate competitiveness, and ultimately creates sustainable value for stakeholders.

#### Management Policy and Commitment

The company upholds the core values of prudent management and sustainable development. We continuously improve operational efficiency and financial performance to enhance competitiveness and resilience. Through strategic product planning and global market expansion, we are committed to creating long-term economic value for stakeholders and supporting investments in other sustainability-related initiatives.

#### Management Mechanism and Implementation Strategy

Responsible Units: Board of Directors / Office of the General Manager / Finance Department

Strategic Directions:

- ✓ Strengthen working capital management and cash flow control
- ✓ Develop high value-added products and diversify markets

Relevant Internal Policies: *Risk Management Policy, Annual Budget Operation Guidelines*

Risk Control: Establish a financial risk early warning system to address impacts from exchange rate and interest rate fluctuations.

#### Specific Action Plan

1. Establish an operational risk assessment process (financial and operational risks)
2. Diversified market development: Strengthen market share in existing markets and evaluate opportunities for overseas expansion.
3. Financial transparency: Regularly disclose financial statements and operational information to ensure timely and accurate communication.
4. Stakeholder engagement: Address key concerns through mechanisms such as shareholders' meetings, investor conferences, and Q&A sessions with investors.

### Tracking and Verification Mechanism

**Execution Cycle:** Apply the PDCA (Plan-Do-Check-Act) management model to various operational and financial indicators.

**Performance Review Frequency:** Conduct quarterly operational review meetings to evaluate strategy implementation.

**Major Exception Handling:** Report any issues exceeding the risk tolerance level to the Board of Directors or Audit Committee for necessary adjustments.

**Information Disclosure:** Disclose financial and operational information to regulators, shareholders, and the public in accordance with applicable regulations.

Index Items	Short Term	Mid Term	Long Term
Operating Profit Margin		Increase by 1-2%	Maintain a steady upward trend over the long term
Free Cash Flow Stability	Maintain within the top 50% of industry peers Ensure positive cash flow	Annual Earnings Distribution Ratio $\geq 50\%$	Establish a structure capable of supporting both investments and dividends

Note : Take 2024 as the base year ; Short term: within 3 years 、 Mid term: within 5 years 、 Long term: over 5 years

CWE focuses on the production and sales of back-end packaging materials of semiconductors, deeply involving in semiconductor packaging materials, such as EME, CRM, lead frame and IC Substrate. It has been successful in building an ecosystem for semiconductor materials through reinvestments and is now a major supplier in Taiwan, facilitating the localization of semiconductor supply chain. Starting as an agent of IC packaging materials, the Company has developed into a world-class professional manufacturer of packaging materials - substrates with manufacturing expertise from subsidiaries.

Our operating revenue was NT\$17,231,404 thousand in 2024, and earnings per share (EPS) after tax were NT\$2.32.



## Financial Information of CWE Group

(In Thousands of New Taiwan Dollars)

Type	Item	2021	2022	2023	2024
Direct economic value generated	Revenues	20,670,509	21,858,509	16,490,002	17,231,404
Economic value distributed	Operating costs	15,516,142	15,115,199	11,887,178	11,943,216
	Employee wages and benefits	1,997,900	2,128,906	1,851,952	2,191,698
	Profit-seeking enterprise income Tax	590,811	928,479	439,297	506,754
	Remuneration to Directors	39,095	60,284	28,180	32,979
	Remuneration to Employees	37,548	48,142	32,090	34,489
	Dividends to shareholders	1,378,839	1,744,231	1,488,558	1,885,262
	Community investments	950	4,515	2,550	2,300
Economic value retained		1,109,224	1,828,753	760,197	634,706

### ❖ Government Subsidies (GRI 201-4)

The Company and its subsidiaries receive government financial subsidies primarily through loan subsidies under the Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan, as well as incentives from the Three Authorized Tax Collection Commissions in China and employment stabilization policies in China.

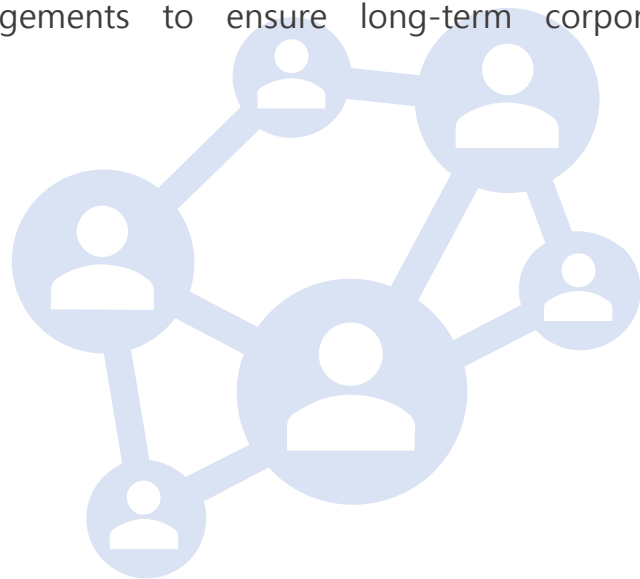
Additionally, subsidiary CWTC qualified for tax reductions in 2024 by meeting the government's criteria for encouraging investment in smart machinery and research and development. Subsidiaries SHEC and SHPC qualify for a 15% corporate income tax rate due to meeting the conditions of the China Western Development Policy, are exempt from customs duties on imported self-use equipment, and also benefit from R&D investment tax reductions. Subsidiary SHS has obtained Chinese high-tech enterprise certification, entitling it to a 15% corporate income tax rate. Subsidiary CWTS is eligible for the small low-profit enterprise income tax reduction policy in China, benefiting from a 5% corporate income tax rate.

(In Thousands of New Taiwan Dollars)

Item	2021	2022	2023	2024
Government subsidies	32,058	32,184	37,304	32,909

## ❖ Tax Policies

CWE Group aligns its tax with its overall business strategies and operating environment. By implementing a comprehensive tax governance framework and transfer pricing policy, the Group has established a robust tax management system and fostered a culture of tax governance. This approach ensures the efficient operation of tax management mechanisms, supporting sustainable development and creating corporate value. Each year, the Group thoroughly evaluates its policies to align with international tax trends and comply with the regulations of the regions where it operates. It also makes prudent use of local tax incentive policies. In response to the implementation of the Controlled Foreign Corporation (CFC) rules, CWE Group has incorporated CFC policies into its overall tax planning and organizational restructuring strategy to align with international anti-tax avoidance trends and maintain tax fairness. The Group will also closely monitor legislative developments and adjust its tax policies as appropriate to mitigate tax risks. CWE Group will consider the social and economic impact of tax compliance when undertaking cross-border investments and operating arrangements to ensure long-term corporate sustainability.



## 2.4 Risk Management

To provide a framework for the Company's risk management operations and effectively manage risks, we established a "Risk Management Policy" in 2023. The policy is reviewed regularly and submitted for approval by the Board of Directors before the annual group risk assessment, serving as the Company's highest guiding principle. We instruct each functional unit to conduct risk identification according to their division of labor and to formulate management strategies and action plans to mitigate, transfer, or avoid risks in order to effectively lower the Company's operational risks.

To ensure the Company's normal operations and achieve business continuity, we proactively and cost-effectively integrate and manage all potential strategic, operational, financial, and hazard-related risks that could impact operations and profitability. Through regular group risk assessments, we utilize a risk matrix to understand the frequency of risk events and their potential impact on the Company's operations, define risk priorities and levels, and adopt corresponding risk management strategies based on the risk levels.

### ❖ Risk Management Structure and Relevant Responsibilities



## ❖ Risk Identification and Countermeasures

Our risk management process includes elements such as risk identification, risk assessment, risk response, risk monitoring, and risk management information communication and handling. In addition to assessing the overall impact of various risks on the Company through cross-departmental communication and data collection, the degree of each risk's impact is also linked to the Company's short, medium, and long-term operational goals to gauge its risk tolerance. To implement the risk management mechanism, a group risk assessment is conducted annually, and the results of the risk assessment are regularly reported every year to the Audit Committee (composed of three independent directors) and the Board of Directors. The report includes a summary of the various risks the Company faces during the year, risk response measures, and planned improvements, which are subsequently tracked annually. The Audit Office is notified of the tracking results, and it conducts risk management audits to ensure the effective operation and execution of the Company's risk management.

Material Issue	Risk Evaluation Item	Risk Management Policy and Measure
Operation	Peers competition	<ul style="list-style-type: none"> <li>• Map out cross-regional strategies with developments in the Asia-Pacific market as our advantages.</li> <li>• Maintain excellent customer relations to enhance customer loyalty and trust.</li> </ul>
	Shrinking of profit margin	<ul style="list-style-type: none"> <li>• Expand product applications.</li> <li>• Enhance product reliability and improve customer satisfaction to secure more sales opportunities.</li> </ul>
	High barrier of entry for high-end products	<ul style="list-style-type: none"> <li>• CWE has close ties with customers, we can introduce appropriate high-end packaging materials for use to gain a head start.</li> <li>• Constantly keep track of the development in high-end products and technology and introduce timely and appropriate materials to every packaging firms.</li> </ul>

Material Issue	Risk Evaluation Item	Risk Management Policy and Measure
Finance	Interest rate fluctuations	<ul style="list-style-type: none"> <li>CWE regularly review the interest rate and financial information of monetary market.</li> <li>CWE utilizes its capital in the most favorable way by taking into account the cost of capital and potential returns.</li> </ul>
	Exchange rate fluctuations	<ul style="list-style-type: none"> <li>Achieve a certain degree of natural hedging through trading and adjust the positions of assets and liabilities denominated in foreign currencies in a timely manner.</li> <li>CWE would use professional financial information system to monitor exchange rate fluctuations on a timely basis to actively take actions in eliminating the negative impacts of exchange rate volatility.</li> <li>CWE periodically assesses its foreign-currency net asset (liability) positions and volatility of exchange rates to mitigate currency risk.</li> </ul>
	Changes in the inflation rate	<ul style="list-style-type: none"> <li>Closely monitor price fluctuations in the upstream raw materials markets.</li> <li>Maintain good relationships with suppliers and customers in order to properly adjust the inventory level of raw materials.</li> </ul>
Information security	External threats	<ul style="list-style-type: none"> <li>Strengthen external threat protection and track monitoring, and enhance information security transparency to lower operational risk.</li> <li>Establish management mechanisms in compliance with applicable rules and carry out regular reviews and amendments to satisfy the ever-changing information security standards.</li> </ul>
	Hosting equipment risks	<ul style="list-style-type: none"> <li>Establish a high-availability information service platform to ensure uninterrupted business operations.</li> </ul>
Environment	Environmental protection	<ul style="list-style-type: none"> <li>Delegate the manufacturing plants of subsidiaries to promote reduced water usage in the manufacturing process, establish wastewater recycling facilities, and improve wastewater treatment efficiency with an annual target to increase the recycling volume by 10%.</li> </ul>
	Climate change	<ul style="list-style-type: none"> <li>Implement energy conservation and carbon reduction initiatives, conducting GHG inventories annually to gradually reduce carbon dioxide emissions.</li> </ul>
Society	Talent recruitment	<ul style="list-style-type: none"> <li>Launch a talent nurturing policy, supported by planned and systematic training initiatives, to sustain long-term growth and mitigate the impact of workforce gaps on the Company.</li> </ul>

## 2.5 Internal Control

According to the “Regulations Governing Establishment of Internal Control Systems by Public Companies” issued by the Financial Supervisory Commission (FSC), CWE has established an internal control system under the Board of Directors, which is implemented by an independent audit office. Its purpose is to assist the Board of Directors and management in overseeing all internal systems and processes, ensuring the effective execution of annual audit plans and continuous monitoring of relevant operational systems. This helps reasonably ensure that the goals of accurate, reliable, timely, and transparent operational, financial, and management information, as well as compliance with relevant laws, are met. Additionally, it provides timely improvement recommendations to ensure the continued and effective implementation of the internal control system.

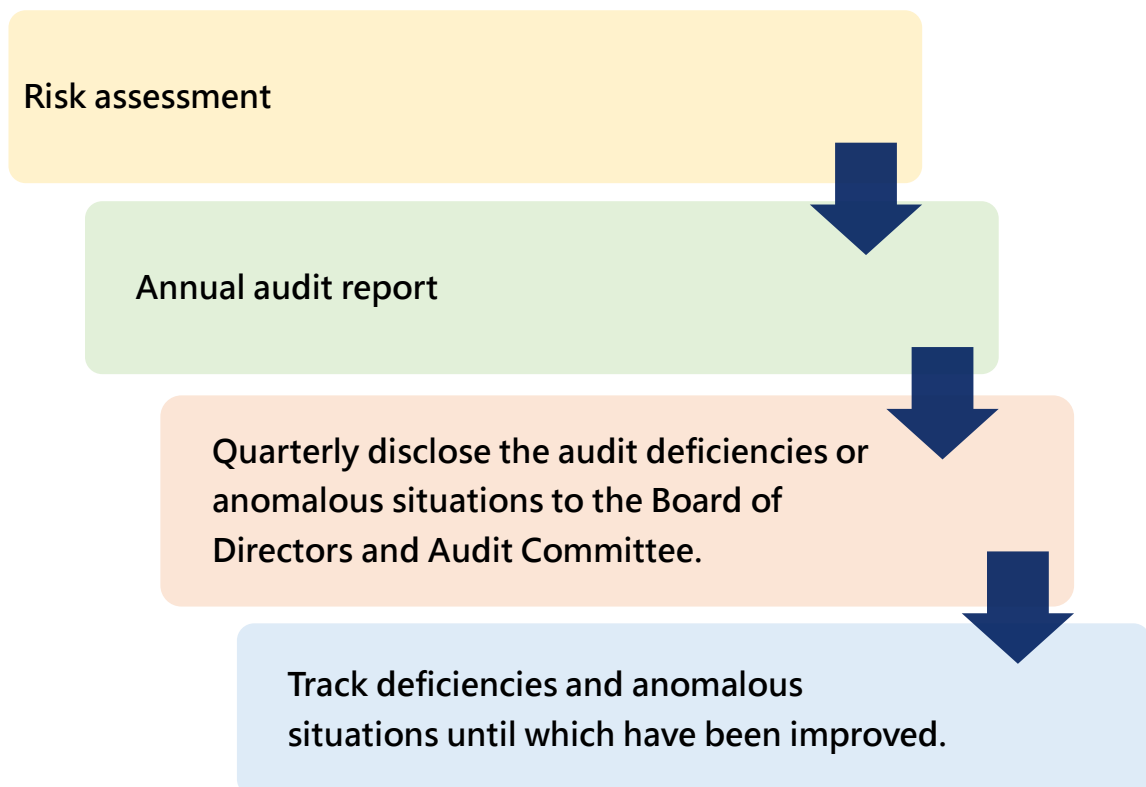
Furthermore, the Audit Office reviews the self-inspection reports for the internal control system prepared by all departments and subsidiaries as required, and regularly submits these reports on the results, along with their corrections, to the Board of Directors. This process ensures that management is informed and that the supervisory mechanism is effectively implemented.

### ❖ Audit Work

- Every year, based on identified risks, an annual audit plan is developed for the following year, which includes items mandated by Article 13 of the “Regulations Governing Establishment of Internal Control Systems by Public Companies” to be included in the annual audit plan, and is executed upon approval by the Board of Directors.
- Monthly, the execution of audit items in the plan is checked, and audit reports are prepared and submitted to the Board of Directors and the Audit Committee for review. Quarterly, a report on the internal audit activities is presented at the Board of Directors meeting.
- The parent and subsidiary companies are required to conduct at least one self-inspection annually. The results of these self-inspections, along with the Audit Office’s findings of internal control deficiencies and irregularities, are reviewed and used as the basis for the President and Board of Directors to issue the Internal Control System Statement.

- Deficiencies and irregularities identified during audits that require follow-up must be tracked with reports issued at least quarterly until fully resolved, ensuring that the relevant units have taken appropriate and timely corrective actions.
- Conduct related project audits as needed.
- Complete the required internet information system reporting within the deadlines set by the regulatory authorities.

## ❖ Audit Process





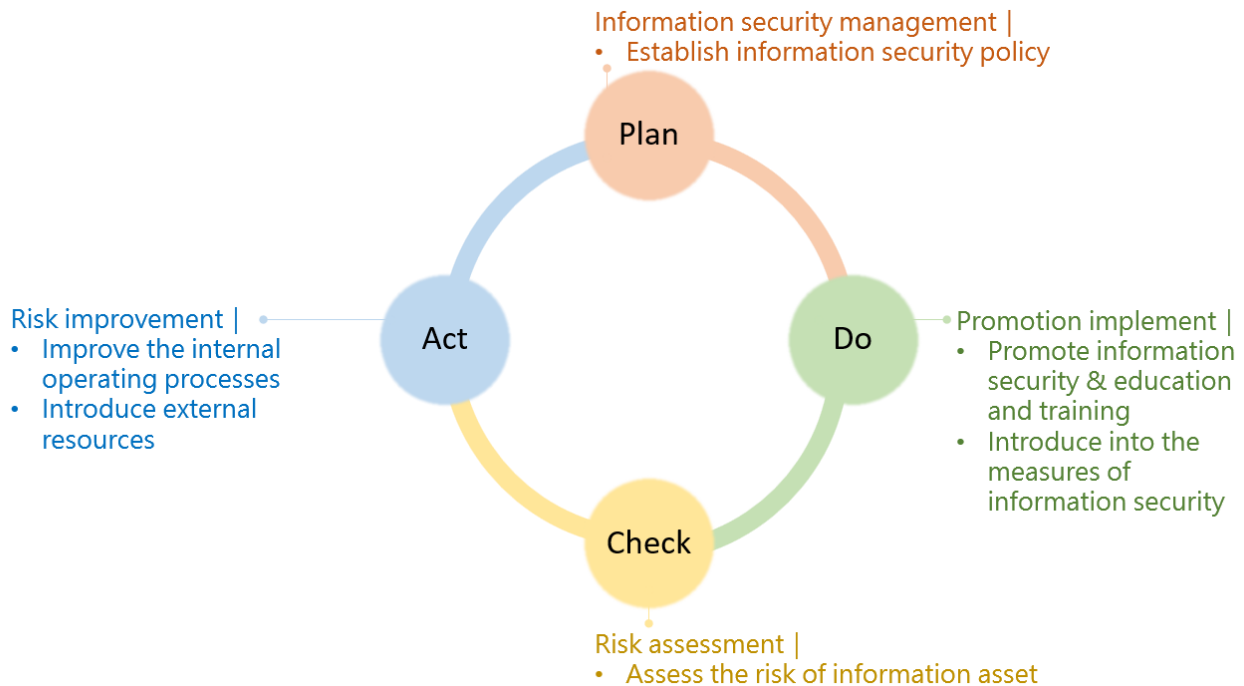
## 2.6 Information Security Management

To enhance information security resilience and management mechanisms in response to operational risks posed by various cybersecurity threats, the internal information management system adopts a PDCA (Plan-Do-Check-Act) cyclical management model. This model strengthens the information security structure of CWE through system establishment, implementation, risk assessment, and continuous improvement. It ensures the confidentiality, integrity, and availability of the company's critical information assets, while complying with relevant laws and regulations to support the sustainable operation of business and key functions.

With approval from the Board of Directors, the company established a “Cybersecurity Dedicated Unit” in 2023. Mr. Eric Lin, head of the IT Division, was appointed as the Chief Information Security Officer, and dedicated personnel were assigned to manage information security operations. The unit is responsible for formulating, executing, and managing policies related to CWE’s information and communication security and trade secret protection. It conducts annual security assessments of information assets and updates security policies as necessary based on changes in tools or technology, ensuring the effective operation of the information security management system. Additionally, the IT Division is responsible for staff cybersecurity awareness training and incident response, aiming to strengthen overall information security awareness and jointly safeguard the company’s information environment.

Looking ahead, the company plans to implement ISO 27001 Information Security Management System certification in 2025. By adopting this internationally standardized framework, CWE aims to strengthen its cybersecurity governance, enhance risk control capabilities, and improve operational resilience—further increasing stakeholder confidence in the company’s information security practices.

## ❖ PDCA for Information Security Management



## ❖ Information Security Control Measures

CWE regularly reviews its information security processes to enhance and strengthen all information risk management. In 2024, there were no significant cyberattacks or events, nor were there any issues that have caused or could potentially cause a significant adverse impact on the company's operations. Furthermore, no major complaints were received regarding the infringement of customer privacy or the loss of customer data.

<b>Protection against information security threat</b>	<ul style="list-style-type: none"> <li>• Install information security protection software (anti-virus/endpoint detection and response, etc.) on servers and personal computers and have the central management platform updating the threat definition files regularly.</li> <li>• Initial automatic updating service to apply patches to vulnerabilities in user end and server systems. Major threats or areas where automatic updating mechanism does not apply, manual updating shall be adopted.</li> <li>• Introduce Security Operation Center (SoC) platform to gather and analyze information security tracks and establish early warning mechanism.</li> </ul>
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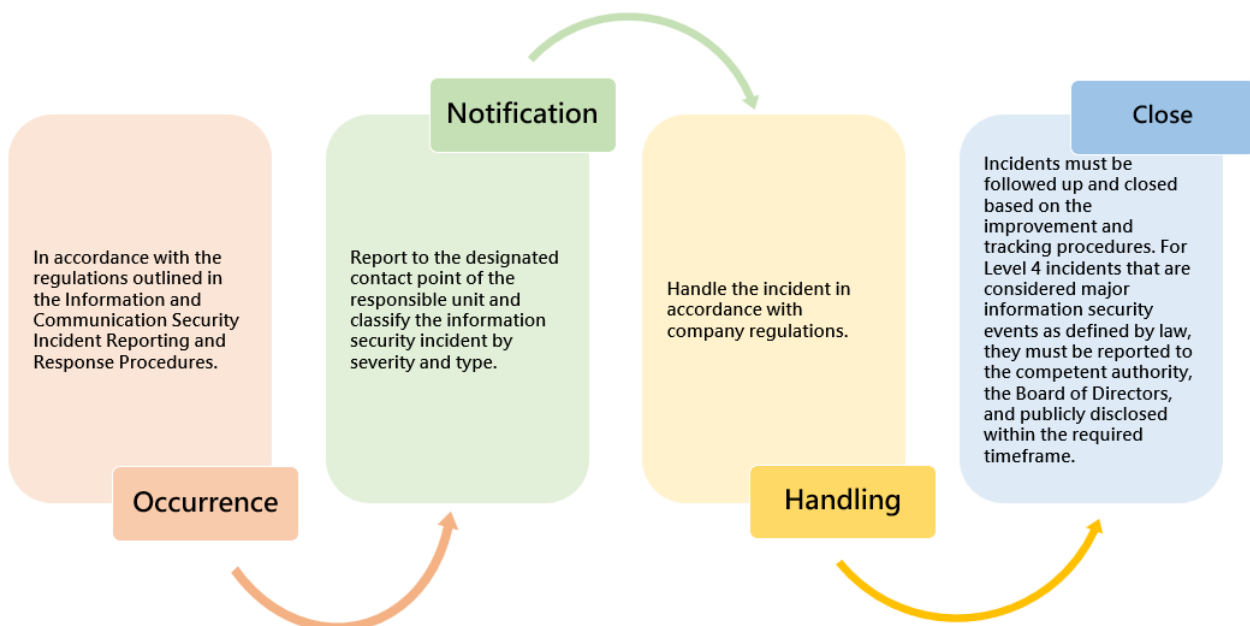
<b>Core system of high availability (HA)</b>	<ul style="list-style-type: none"> <li>• Initiate HA mechanism at virtual systems to avoid having the malfunction of a single node (server, network device, storage device, etc.) affecting the operation of core system.</li> <li>• Set schedule for core systems to run backups automatically and have an off-site backup.</li> <li>• Carry out disaster recovery drills regularly to verify the continual operation of high availability service.</li> </ul>
<b>Account and personnel management</b>	<ul style="list-style-type: none"> <li>• All employees shall sign non-disclosure agreements (employment contracts) to ensure their understanding on responsibilities and obligations associated with the use of corporate information or execution of tasks and thereby protect the confidentiality and integrity of corporation information assets and prevent unauthorized access, modification, sabotage or improper disclosure.</li> <li>• Password expiration and strengthened password principle (password length and complexity) shall be applied to system accounts. Where necessary, multi-factor authentication mechanism shall be adopted to enhance identity authentication.</li> <li>• Promote information security and carry out social engineering drills regularly to increase employees' awareness of information security.</li> </ul>
<b>System access control</b>	<ul style="list-style-type: none"> <li>• Initiate access controls on the Company' s information assets and relevant resources and adopt the principle of least privilege for management.</li> <li>• The application for and amendments to system access will leave modification records for auditing purpose.</li> </ul>

## ❖ Resources allocated to information security management

Category	Execution Outcome
Continual operation and enhancement of information security system	Information security expenses amounted to NT\$ 2,886 thousand in 2024, which included the replacement of core system firewall equipment and upgrades to the email platform.
Information security enhancement project	Adopt two-factor authentication (2FA), improve the strength of password principle and track login history (logon alerts for high-risk area)
Audits by key customers	Cooperate with the information security audits of key customers and propose improvement plans
Employee education and training	Promote information security regularly and conduct social engineering drills regularly
Regular checks on core system	Risk event alert and threat analysis of core system

## ❖ Information Security Incident Reporting Process

A comprehensive information security incident reporting process has been established, allowing employees to report incidents through multiple channels. Once the Information Security Task Force receives a notification, a dedicated team is formed to handle the incident based on its category and severity.



## ❖ Personal Data Protection Policy

The company values the privacy and protection of personal data. In accordance with the Personal Data Protection Act and relevant regulations, CWE has established a Privacy Protection Policy and Personal Data Protection Management Measures to continuously strengthen the internal personal data management system. To ensure the security of personal data belonging to customers, employees, suppliers, and other stakeholders, the company implements appropriate technical and organizational measures to prevent data breaches, unauthorized access, and other potential risks.

The company has a dedicated Personal Data Project Team responsible for managing personal data protection and conducting related training. This team regularly reviews and updates the data protection procedures to enhance overall information security resilience. In 2024, a total of 66 employees completed the personal data protection training program, with a total of 22 training hours. Trained employees accounted for 84% of the entire workforce. All collection, processing, and use of personal data are conducted lawfully, fairly, and for specific purposes, with the consent of the data subject. In line with the information security policy, the company promotes employee awareness of data protection to ensure that all personal data processing activities are transparent and traceable. In the future, the company will continue to align with international privacy protection trends and standards, further strengthening the personal data governance mechanisms and demonstrating the commitment to information security and the rights of all stakeholders.



## 2.7 Sustainable Supply Chain (GRI 2-6 ; SASB TC-SC-440a.1)

Suppliers are important partners to the company. Therefore, CWE values the sustainable development of its suppliers. We encourage our suppliers to fulfill their corporate social responsibilities by protecting the environment, reducing carbon emissions, improving safety and health, valuing human rights, managing risk, and adhering to ethical compliance. Together, we aim to establish a stable and sustainable supply chain.

As an agent, CWE serves as a communication bridge between customers and suppliers to create the service quality expected by customers. By closely collaborating with suppliers, the company ensures that they meet international quality certifications or relevant government regulations before being onboarded. Alternatively, suppliers are required to provide valid ISO 9001 certificates, followed by a written evaluation. Starting in 2024, to ensure that suppliers comply with the company's sustainability policies—including labor and human rights, occupational safety, environmental protection, and business ethics—our company requires suppliers to complete the Social Responsibility Assessment Form and sign the Integrity Commitment Letter as key criteria for qualifying as a business partner.

All new or existing suppliers of the subsidiary, CWTC, are required to sign the "Responsible Business Alliance Code of Conduct (RBA Code of Conduct) Compliance Declaration," the "Corporate Social Responsibility Statement," and the "Conflict Minerals Declaration," and complete the relevant background information survey forms. In 2024, none of the company's existing suppliers or contractors had any significant negative impact, either actual or expected, on the environment, labor conditions, human rights, or society.

### ❖ Quality Management for Suppliers

Through the supplier purchasing process, CWE Group reviews each supplier's qualifications, including general information, financial status, and relevant system certifications such as quality management and environmental management. Depending on the assessment, it may conduct factory visits and evaluations covering quality management, delivery dates, system management and sustainability risk assessment to ensure that the suppliers comply with relevant regulations. In addition, CWE Group conducts regular on-site evaluations annually to ensure that suppliers continue to meet the requirements. In 2024, the company did not have any new major commodity

suppliers, and the subsidiary manufacturing plant did not have any new major raw material suppliers.

## Relevant Value Chains of Main Products (Material Stability and Price & Inventory Control)

Industry	Upstream	Midstream	Downstream	Product Applications
Semiconductor	IC design IC manufacturing	IC packaging material distributor	IC packaging companies LED packaging companies	LCD panels, automobiles, computers and peripherals, lighting fixtures, handheld consumer electronics devices, precision instruments, aerospace industry
		Lead frame manufacturing plant		

### ❖ Supplier Risk Assessment

The factory conducts sustainability risk assessments on its suppliers. A self-assessment questionnaire is distributed to key material suppliers to evaluate potential risks related to environmental, social, and human rights issues. Based on the results, suppliers are categorized into five risk levels. High-risk suppliers are required to implement improvements within a specified timeframe; failure to do so will result in disqualification. In 2024, a total of 11 suppliers were assessed, and the results showed no significant or potential negative social impacts.

## Sustainable Environment

### 3.1 Environmentally Sustainable Development

Our operation model is built on the business philosophy of humanity, rationalization, standardization, and internationalization, with a fair and transparent management approach. As we are well aware of the potential environmental impact of our products, activities, services, and advocate for “full participation, conserving social resources, and complying with environmental regulations.”



CWE's subsidiaries are professional manufacturers of metal lead frames, dedicated to production, manufacturing and product development. Manufacturers. The Environmental Management Committee of each plant are responsible for executing comprehensive tasks related to internal and external issues and environmental considerations raised by various units, and for reviewing and confirming the environmental consideration data from each unit. A committee is established at each plant, chaired by the plant manager, which regularly convenes meetings to review performance. The meetings involve coordination, research, and examination of environmental management issues with supervisors and employee representatives from all units, demonstrating a high level of commitment to environmental management.

Our plants, both domestic and overseas, have adopted ISO14001 Environmental Management Systems, with certifications acquired. The latest version of ISO14001:2015 was introduced with certifications received in 2016 for our Taiwan plants and in 2020 for our overseas plants. This extends environmental management to the entire product lifecycle and addresses environmental risks and mechanisms at each stage, establishing a macro-level strategic policy and action plan aligned with the latest international management trends.

## ❖ ISO14001 : 2015 Certifications

Taiwan Plant	Overseas Plant
 <p><b>Environmentally Certified</b></p> <p><b>Certificate of Registration</b></p> <p><b>Chang Wah Technology Co., Ltd.</b>          No.24, Kaifu Rd., Nanzih Dist, Kaohsiung City, 811, Taiwan (R.O.C.)          No.16, E. 7th St., Nanzih Dist, Kaohsiung City, 811, Taiwan (R.O.C.)          No.133, Jing 5th Rd., Nanzih Dist, Kaohsiung City, 811, Taiwan (R.O.C.)          operates a</p> <p><b>Environmental Management System</b>          which complies with the requirements of:</p> <p><b>ISO 14001:2015</b></p> <p>The registration covers the manufacturing and sales of lead frames.          Original Certification: 18 April 2016          Certification/Reissue Date: 29 November 2022          Registration No: TA2235-EC          Expiry Date: 23 November 2025</p> <p>Accreditation Manager          TQCSI International (Group) Pty Ltd          For the TQCSI Certification Approval Panel</p> <p>This certificate verifies the original certificate issued and is valid as long as it is displayed as an electronic copy at <a href="http://www.tqcsi.com">www.tqcsi.com</a> and surveillance audits are satisfactorily completed. TQCSI International Pty Ltd (ABN 51 955 563 554) of Quality House, 111A Tapscott Rd, Hordern, SA, 5014, Australia issues certification subject to the TQCSI Rules of Certification.</p> 	 <p><b>MALAYSIAN SH ELECTRONICS SDN BHD</b>          Lot 5, 7 &amp; 9, Jalan Ragum 15/17, 40200 Shah Alam, Selangor Darul Ehsan, Malaysia.</p> <p>Bureau Veritas Certification Holding SAS - UK Branch certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standard detailed below:</p> <p><b>ISO 14001:2015</b>          Scope of certification</p> <p><b>MANUFACTURE OF LEAD FRAME FOR SEMICONDUCTOR DEVICES</b></p> <p>Original cycle start date: 03-06-1998          Expiry date of previous cycle: NA          Certification / Recertification audit date: 12-04-2024          Certification / Recertification cycle start date: 11-04-2027          Subject to the continued satisfactory operation of the organisation's Management System, this certificate expires on: 11-04-2027</p> <p>Certificate No.: MY010043          Version: 1          Issue date: 26-03-2024</p> <p>Mohd Haseem Abdul Malik - Chief Executive (Malaysia)          Signed on behalf of BVCH SAS UK Branch          Certification Body Address: 3th Floor, 46 Piccadilly Street, London, E1 8EG, United Kingdom          Local Office: Lot 18.01 &amp; 18.02, 18th Floor, Menara MH, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.</p> <p>Further specifications regarding the scope and validity of this certificate, and the application of the management system requirements, please visit: <a href="http://bvt.com">bvt.com</a> or call: +44 (0)20 7733 7700          UKAS Certificate Template Single Issue Rev 4.1</p> 

## China Plant



## ❖ Localize General Procurement and Select Green Label Products

CWE is a professional distributor of semiconductor packaging materials. To meet customer demands, CWE represents globally renowned packaging materials and equipment brands. As a result, local procurement primarily focuses on general administrative supplies, excluding agency products. These supplies include essential items for daily business operations, such as office stationery and IT equipment.

CWE prioritizes sourcing general supplies from local suppliers. This approach not only shortens transportation distances and reduces carbon emissions during delivery but also helps shorten lead times, enhance supply flexibility and stability, and contribute to the development of the local economy. In 2024, 100% of the company's general administrative supply purchases were made from local suppliers in Taiwan.

The company also gives preference to environmentally certified products, such as recycled paper. In addition, CWE promotes digital document processes, paper recycling and reuse, and double-sided printing to reduce paper consumption—actions that significantly reduce environmental impact and support corporate social responsibility.

## 3.2 Task Force on Climate-Related Financial Disclosures (TCFD) (GRI 201-2)

Climate action has become a critical factor in evaluating international commitments to carbon reduction. Therefore, CWE follows the framework of the Task Force on Climate-related Financial Disclosures (TCFD) to disclose effective data on the financial impacts, the risks and opportunities brought by climate change, and to establish relevant response strategies while assessing potential financial impacts. This approach aims to enhance the management framework for responding to climate change, demonstrating the resilience of the company's operations.

### ❖ TCFD Operational Management Framework



## Governance

The company has established the Sustainable Development Committee, which is responsible for formulating the company's climate policy, coordinating sustainable development and climate change-related affairs, and ensuring the alignment and integration of the company's environmental and social activities. The Sustainability Project Team, established under the Sustainable Development Committee, is responsible for interdepartmental coordination, communication, and the integration regarding the management activities of sustainability and climate-change issues, as well as overseeing their implementation. The team is in charge of setting the company's long-term goals and development strategies for climate change and renewable energy and report to the Board of Directors regularly (at least once a year).

### Board of Directors

At the highest level of decision-making, is responsible for approving overall climate change risk management policies and supervising the effectiveness of climate-related risk management implementation.

### Sustainable Development Committee

Responsible for overseeing climate change-related issues, formulating the annual climate change management policy, identifying and reviewing climate-related risks and opportunities, and reviewing climate risk management reports.

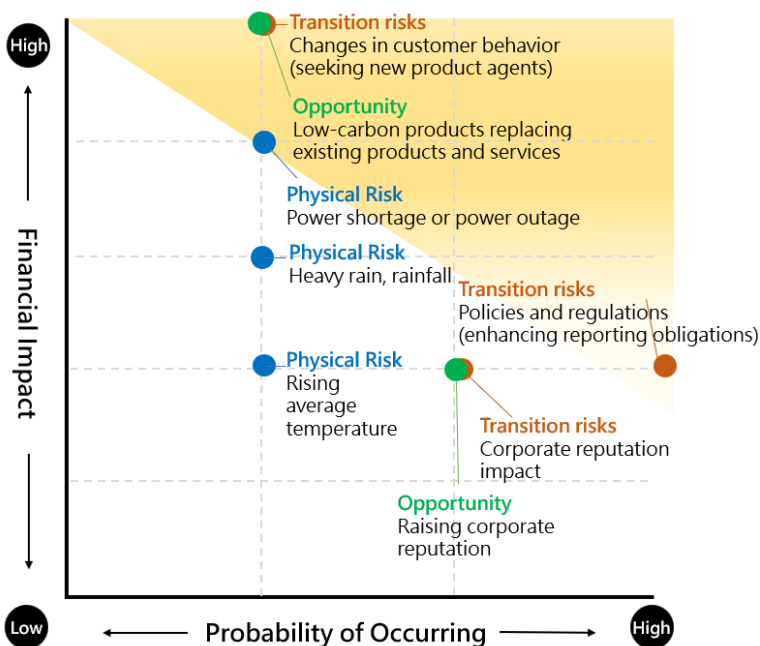
### Sustainability Project Team and Relevant Unit

The Sustainability Project Team, under the Sustainable Development Committee, is responsible for collecting climate-related risks and opportunities, convening department heads for analysis and evaluation, and assigning departments to implement climate-related strategies and actions.

## Strategy

The Sustainability Project Team convenes department heads from the Risk Management Working Group and conducts multiple cross-departmental meetings using scenario analysis to identify major climate risks and opportunities the company may face. These meetings also assess potential financial impacts and discuss corresponding response strategies. According to the company's internal management requirements, short-term is defined as within 3 years, medium-term as 3 to 5 years, and long-term as over 5 years.

Following the TCFD guidelines, a total of six climate risks and two opportunities were identified in 2024. Through risk matrix analysis, three major climate change risks (two transition risks and one physical risk) and one climate change opportunity were ultimately consolidated.



## ❖ Financial Impacts and Response Measures of Climate Change Risk and Opportunity

Risk / Opportunity Type		Duration of Impact	Potential Financial Impacts	Response Measures
Transition Risk	Changes in customer behavior	Long-term	Customer migration, leading to reduced revenue from non-low-carbon products.	<ul style="list-style-type: none"> <li>• Increase market sensitivity and operational diversification.</li> <li>• Update product specifications and standards in line with customer demands.</li> </ul>
	Policies and regulations	Short-term	The high carbon emissions of agency-represented products, coupled with the lack of proactive environmental sustainability practices, could lead to poor ESG ratings. This may undermine investor confidence and result in higher financing costs from banks, making it more difficult to secure funding or increasing operational expenses.	<ul style="list-style-type: none"> <li>• Strengthen corporate governance to improve sustainability ratings.</li> <li>• Increase the proportion of low-carbon products and develop a green economy.</li> </ul>
Physical Risk	Power shortage 、 Power outage	Long-term	Power outages would lead to business disruption.	<ul style="list-style-type: none"> <li>• Establish emergency power distribution equipment and develop remote working capabilities and equipment.</li> </ul>
Opportunity	Low-carbon products replacing existing products and services	Long-term	The increased preference for low-carbon products by customers leads to higher order volumes, resulting in increased revenue.	<ul style="list-style-type: none"> <li>• Understand customer needs and assess the feasibility of customization to offer low-carbon/green products.</li> </ul>



## ❖ Climate Scenario Analysis

Based on TCFD recommendations, the Company uses scenario analysis of both transition and physical risks, as well as climate opportunities, to assess the resilience of its climate strategy under the most severe scenarios.

Type	Reference	Details
<b>Transition Risk</b>	The assessments and reports on climate emission pathways by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA).	Evaluate the potential operational impact of carbon-related expenses based on carbon pricing trends corresponding to temperature increases kept below 1.5°C, 1.8°C, and 3°C, respectively.
<b>Physical Risk</b>	The Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) conducts projections based on the RCP8.5 <sup>Note</sup> scenario.	If temperature control is not effectively achieved, evaluate the operational impact of extreme weather conditions in a worst-case warming scenario.

Note : Under a scenario of extremely high GHG emissions (RCP8.5), climate change would exacerbate changes in the average temperature, extreme high temperatures, total annual precipitation, the annual maximum 1-day intensity of heavy precipitation, the annual maximum number of consecutive dry days, and the proportion of strong typhoons in the future.

Scenario Analysis	Financial Planning Impact <sup>Note2</sup>
<b>High Emission Scenario with Temperature Rise of More than 3°C</b> <ul style="list-style-type: none"> <li>No additional carbon reduction actions beyond current national policies</li> <li>International Carbon Price<sup>Note1</sup>: US\$2.63 per metric ton</li> </ul>	Increase in operating costs accounts for 0.00002% of annual consolidated revenue.
<b>Medium Emission Scenario with Temperature Rise of More than 1.8°C</b> <ul style="list-style-type: none"> <li>No active low-carbon transition actions by countries before 2030, but still aiming for a temperature rise of less than 2°C</li> <li>International Carbon Price<sup>Note1</sup>: US\$231.86 per metric ton</li> </ul>	Increase in operating costs accounts for 0.00171% of annual consolidated revenue.
<b>Low Emission Scenario with Temperature Rise of More than 1.5°C</b> <ul style="list-style-type: none"> <li>Achieving net-zero emissions globally by 2050</li> <li>International Carbon Price<sup>Note1</sup>: US\$268.12 per metric ton</li> </ul>	Increase in operating costs accounts for 0.00198% of annual consolidated revenue.

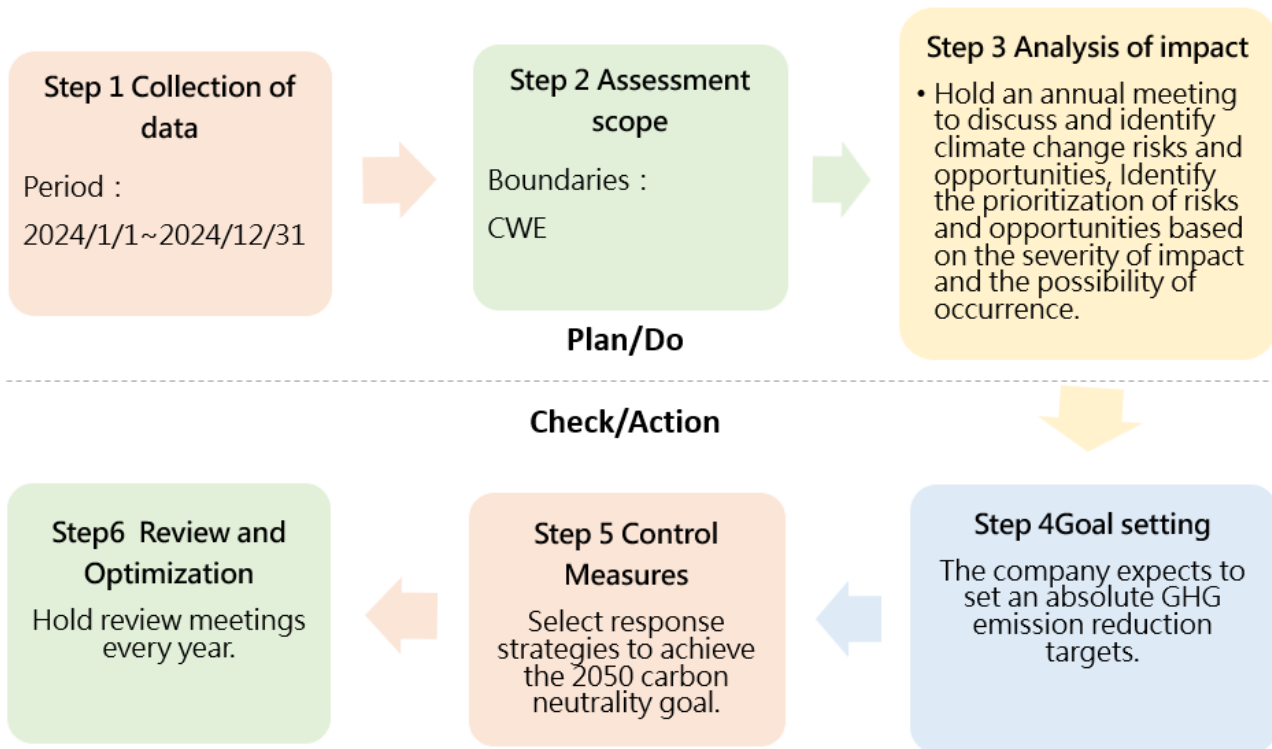
Note1 : The carbon price is based on the scenario parameters published by the NGFS and adopts the carbon price for 2035 globally as assumed in the REMIND-MAGPIE 2.1-4.2 model.

Note2 : The financial planning impact is calculated using the Company's 2024 GHG data for Scope 1 and Scope 2 emissions (40 tCO<sub>2</sub>e), verified by a third party.

The Company conducts a physical risk scenario analysis of its operations to understand the impact of climate-related risks on its business, strategy, and financial planning under the RCP8.5 scenario. Heavy rainfall or floods caused by extreme weather may disrupt product transport or even result in work suspension. Since all of our operations are located in the metropolitan areas with sound flood control facilities and well-developed information networks, losses are not expected to have a significant impact.

## ❖ Risk Management

In 2023, the Company established a "Risk Management Policy" to integrate climate-related risk management processes into its enterprise risk management processes. The results and experiences of this ongoing work are regularly reported to the Board of Directors by the responsible units.



## ❖ Metrics and Targets

The company annually inventories its GHG emissions from 2023 and verifies the accuracy of these emissions through third-party impartial agencies. The revised "Climate Change Response Act" of 2023 stipulates that net zero GHG emissions must be achieved by 2050. It also requires a science-based approach to assess climate risks, strengthen governance capabilities, and enhance resilience.

In alignment with government policies and the Science Based Targets initiative (SBTi), the company plans to set a GHG reduction target based on Scope 1 and Scope 2 emissions, with the ultimate goal of achieving carbon neutrality by 2050.



### 3.3 Energy Management

(GRI 302-1, 302-3, SASB TC-SC-130a.1)

Key Material  
Issue

#### Impact Description

Energy use and management are closely tied to a company's operating costs, environmental impact, and carbon emissions, and are directly related to climate change mitigation and process efficiency. Poor management may increase financial risks and affect supply chain stability. Energy consumption at the manufacturing facilities of subsidiaries is highly relevant, and improving energy efficiency is one of the core elements of sustainable

#### Management Policy and Commitment

CWE Group is committed to improving energy efficiency, reducing energy intensity, and implementing energy-saving equipment and management systems. Through ongoing audits and improvement actions, the Group aligns with government energy-saving policies and international energy trends, moving toward green manufacturing and low-carbon transition.

#### Management Mechanism and Implementation Strategy

Responsible Units: Facility Departments, Environmental Management Centers, and R&D Departments of subsidiary manufacturing plants.

Relevant Internal Policies: *Energy Resource Operation Management Procedure, Facility Equipment Maintenance Procedure, Environmental Management Work Instruction.*

Key Strategies: Implement energy data monitoring, set energy-saving targets, regularly review energy efficiency and the effectiveness of energy-saving measures, and promote training and education programs.

#### Specific Action Plan

1. Energy Auditing and Monitoring: Identify high-energy-consuming equipment and energy hotspots.
2. Replacement with High-Efficiency Equipment: Promote the upgrade of air compressors, chillers, pumps, lighting, and other systems to energy-efficient models.
3. Process Improvement and Energy-Saving Projects: Implement variable frequency drives (VFDs), dynamic load management, and other efficiency measures.
4. Renewable Energy Application: Install solar panels.

### Tracking and Verification Mechanism

1. Routine Monitoring: Regular recording of equipment electricity usage, diesel consumption, and reporting of anomalies.
2. Monthly Reporting: Submission of energy analysis reports to responsible supervisors for review.
3. Annual Review: Annual assessment of overall energy performance and update of improvement targets.

Index Item	Short Term	Mid Term	Long Term
Energy Intensity per Unit of Output (kWh/unit)	3% Reduction	Cumulative reduction of 10%	Cumulative reduction of $\geq 20\%$
Energy Management Training Hours	Per person $\geq 2$ hr/Year	Stable at $\geq 3$ hr/Year	Deepen to $\geq 5$ hours and expand the target audience

Note : Take 2024 as the base year ; Short term: within 3 years 、 Mid term: within 5 years 、 Long term: over 5 years

To respond to the challenges of global energy shortages and climate change, subsidiary CWTC consolidate energy-saving proposals from all units to set relevant targets and action plans each year and periodically monitors and controls performance. Additionally, we promote production machinery assessments to drive energy efficiency improvements in plant facilities.

Based on subsidiary CWTC' s energy-saving plan submitted to the Bureau of Energy, Ministry of Economic Affairs, the average energy-saving rate approved for subsidiary CWTC' s Taiwan Plant 2 was 1.28%~2.13% in 2024. In line with the government' s promotion of renewable energy, subsidiary CWTC increased the installed capacity of solar panels at our Taiwan plant in 2020, reaching a cumulative capacity of 233 kWp by 2024, generating 321,322 kWh.

CWE actively supports government renewable energy policies and opts for green electricity. In 2024, Chang Wah purchased one Renewable Energy Certificate with an investment of NT\$2,000, expecting a total energy saving of 1,000 kWh. Based on the 2024 electricity carbon emission factor of 0.474 kg CO<sub>2</sub> per kWh announced by the Energy Bureau, the estimated carbon reduction is approximately 0.474 metric tons.

## ❖ Energy Consumption

		Unit : GJ			
Item		2021	2022	2023	2024
Direct Energy	Diesel fuel	276	1,174	365	416
	Gasoline	361	500	656	901
	Natural gas	22,115	22,673	17,110	20,994
Indirect Energy	Purchased electricity	268,055	279,597	275,936	317,495
	Renewable energy	-	-	347	347
Total		290,807	303,944	294,414	340,153

Note 1 : Conversions are based on the "Heat Content of Energy Products" of the Ministry of Economic Affairs. Starting from 2024, the unit conversion for diesel and gasoline will be calculated based on the calorific values announced by the Ministry of Environment.

Note 2 : Renewable energy refers to solar energy, which is estimated annually based on the daily generation in GJ of the installed capacity.

Note 3 : The 2023 data includes all consolidated entities, while data for other years covers only the manufacturing plants of subsidiaries.

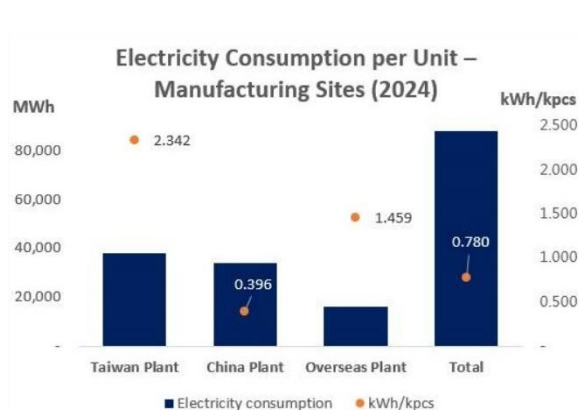
## ❖ Electricity Usage

In 2024, the total electricity consumption reached 88,192,570 kWh ( 88,193MWH ) , with an electricity intensity of 5.12. The largest source of electricity consumption was process power and air conditioning equipment. The total electricity consumption and the intensity in 2024 increased compared to 2023, mainly due to the official mass production of the New Etching Plant at CWTC's Taiwan site and the capacity expansion at the Suzhou plant. Going forward, we will continue to focus on energy efficiency, renewable energy use, and alternative energy planning and execution.

Year	2020	2021	2022	2023	2024
<b>Electricity consumption</b> (Unit : MWH)	68,951	74,460	77,666	76,649	88,193
<b>Intensity</b> (MWH/Revenue-in millions of NT\$)	4.20	3.60	3.55	4.65	5.12

Note : The 2023 data includes all consolidated entities, while data for 2020-2022 covers only the manufacturing plants of subsidiaries.

In response to global sustainability trends and the government-promoted “Green and Sustainable Finance Action Plan,” the company has conducted internal assessments and classification procedures in accordance with the “Sustainable Economic Activities Recognition Guidelines” issued by the Financial Supervisory Commission. These assessments evaluate whether our business activities and products/services align with areas such as the low-carbon economy, circular economy, efficient use of resources, and pollution prevention. In 2024, the manufacturing facilities of CWE Group met the criteria for sustainable economic activities in the semiconductor industry as defined in the



guidelines. Moving forward, we will continue to strengthen our environmental sustainability initiatives in line with regulatory policies and international trends, while enhancing communication with stakeholders to achieve corporate sustainability and shared value for society.

Note 1 : Unit electricity consumption = Total electricity consumption / Production output.

Note 2 : Only the electricity consumption and production output of manufacturing facilities are included.

Note 3 : According to the Sustainable Economic Activities Recognition Guidelines, the technical screening criteria for semiconductor – lead frame manufacturing is  $\leq 55$  kWh/kpcs.

## Energy-saving Measures (GRI 302-4, SASB TC-SC-110a.2)

To effectively lower energy consumption and GHG emissions, we actively promote various energy-saving measures. The focus is on improving the energy efficiency of plant facilities and production equipment, optimizing operational efficiency by adjusting production equipment parameters, and replacing traditional lighting with energy-efficient alternatives. We aim to achieve our environmental and energy-saving goals through initiatives across its plants. Additionally, we raise energy-saving awareness by encouraging employees to turn off lights when not in use and shut down computers after work. We also promote the widespread use of energy-efficient lighting and installs motion-sensor switches in areas with intermittent lighting needs to reduce energy waste by changing daily habits.

## Energy-saving Measures and Performance of Each Plant in 2024

Plant	Measures and Performance
Taiwan Plant	Replacement of chillers, additional purchase of new magnetic levitation chillers, load reduction of cleanroom circulation fans, and replacement of lighting fixtures in the underground parking lot achieved annual energy savings of 567,078 kWh (equivalent to 2,042 GJ).
Chengdu Plant	By shutting down air conditioning in standby areas, using chilled water from the raw water tank to replace chiller cooling for air compressors and electroplating air handling units, controlling air conditioning temperatures, adjusting the operating frequency of air compressors, and installing automatic stop functions on fans to reduce idle time, annual energy savings reached 570,730 kWh (equivalent to 2,055 GJ).
Malaysia Plant	Replacement of turbo air compressors achieved annual energy savings of 761,280 kWh (equivalent to 2,741 GJ).
Total	6,838GJ

## Key Points of Energy-saving Programs

Programs	Taiwan Plant	China Plant	Overseas Plant
Parameter setting	★	★	★
Production process integration	★	-	★
Equipment process integration	★	★	-
Energy-saving of facilities	★	★	★

## Progressive Energy-saving Plans

Stage	Measures
Short-term	<ul style="list-style-type: none"> <li>Convert existing air conditioners to a central air conditioning system.</li> <li>Replace all lighting in the plant with LED lights.</li> <li>Install sensor-activated LED floodlights around the plant.</li> <li>Use sensor-activated landscape ground lights for sidewalks.</li> <li>Prioritize purchasing high-energy-efficiency equipment and those rated with energy-saving level 1.</li> <li>Replace old power-consuming equipment, such as air compressors and chillers, with high-energy-efficiency alternatives, and manage them through a central monitoring system.</li> <li>Increase the air conditioning temperature when equipment is shut down.</li> <li>Shut down power-consuming facility equipment during holidays.</li> </ul>
Medium- and Long-term	<ul style="list-style-type: none"> <li>Install a central monitoring system to control the energy consumption of utility equipment.</li> <li>Continuously adopt the latest energy-saving technologies to improve the efficiency of processes and utility equipment.</li> </ul>

## ❖ GHG Emissions Management

Key Material  
Issue

## Impact Description

(GRI 305-1, 305-2, 305-3, 305-4 ; SASB TC-SC-110a.1 TC-SC-110a.2)

Climate change is a significant global risk that we all face together. The energy use and emissions management of our subsidiaries' manufacturing plants have a major impact on operational sustainability. Without effective management of greenhouse gas emissions, we may encounter multiple challenges, including rising costs, customer demands, regulatory constraints, and reputational risks. At the same time, actively reducing carbon emissions is a key strategy for enhancing brand competitiveness and securing green procurement

Management Policy and  
Commitment

CWE Group is committed to complying with greenhouse gas management regulations and international standards. We continuously conduct inventories, disclose emissions, and implement reduction measures for greenhouse gases. Our efforts focus on lowering our carbon footprint, adopting renewable energy, and planning a pathway toward net-zero emissions. Our goal aligns with the global "1.5°C scenario" to achieve Science Based Targets (SBT) for carbon reduction.

Management Mechanism and  
Implementation Strategy

Responsible Units: Sustainable Development Committee and Environmental Management Centers / Facility Departments of subsidiary manufacturing plants.

Relevant Internal Policy: *Greenhouse Gas Inventory Management Procedure*

Key Strategies:

- ✓ Implement ISO 14064-1 and evaluate the adoption of the ISO 50001 Energy Management System.
- ✓ Conduct annual inventories of Scope 1, Scope 2, and Scope 3 emissions.
- ✓ Establish a cross-departmental Carbon Management Task Force to manage emission sources, improve energy performance, and promote the use of renewable energy.

Specific Action  
Plan

1. Greenhouse Gas Inventory and Disclosure: Emission data is verified annually by a third party and disclosed in the Sustainability Report.
2. Energy Efficiency Improvement Projects: Subsidiary manufacturing plants implement energy-saving upgrades for air conditioning, lighting, and production equipment, and promote projects such as the adoption of variable-frequency drives.
3. Renewable Energy Adoption: Installation of solar power equipment.
4. Carbon Neutrality Strategy Planning: Develop carbon reduction pathways based on the Science Based Targets initiative (SBTi) and assess the feasibility of implementing carbon offset and carbon neutrality mechanisms.



### Tracking and Verification Mechanism

1. Annual Monitoring: Conduct emissions inventory → third-party verification → compile improvement plans → report progress to the Board of Directors / Sustainable Development Committee.
2. Internal and External Audits:
  - ✓ Engage third-party organizations for annual verification.
  - ✓ Conduct internal supervision and responsibility reviews for units that fail to meet improvement targets.
3. In line with TCFD requirements, identify climate-related financial risks and implement carbon pricing simulations and sensitivity analyses.

Index Item	<div>Short Term</div> <div>Mid Term</div> <div>Long Term</div>		
Scope 1 and 2 Total Carbon Emissions	3% Reduction	Cumulative reduction $\geq 10\%$	Achieve carbon neutrality step by step
Carbon Emission Intensity per Unit of Product	5% Reduction	Overall reduction $\geq 20\%$	Implement low- carbon processes and continuously optimize them

Note : Take 2024 as the base year ; Short term: within 3 years · Mid term: within 5 years · Long term: over 5 years

To fulfill our social responsibility, CWE Group voluntarily conduct an annual self-assessment and disclosure of our GHG emissions. CWE Group has completed third-party verification of the entire group's GHG inventory in 2024.

As purchased electricity is the main source of GHG emissions, we analyze the electricity consumption of our plant equipment and strive to reduce energy loss and improve energy efficiency.

The subsidiary CWTC's Taiwan plant first implemented external verification of ISO 14064-1:2018 greenhouse gas inventory in 2022; the rest of the group initiated external verification of ISO 14064-1:2018 in 2023. For Taiwan, greenhouse gas emissions are calculated using the "Greenhouse Gas Emission Factors Management Table Version 6.0.4" announced by the Taiwan Environmental Protection Administration, the power emission factors published by the Energy Bureau of the Ministry of Economic Affairs, and the Environmental Protection Administration's "Product Carbon Footprint Calculation Platform." For China, emissions calculations refer to the "2006 IPCC National Greenhouse Gas Inventory Guidelines," the "China Product Life Cycle Greenhouse Gas Emission Factor Database," the "2022 National Power Carbon Emission Factor" published by China's Ministry of Ecology and Environment, the Ecoinvent database, and the UK Department for Environment, Food and Rural Affairs (Defra) "Greenhouse Gas Reporting: Conversion Factors 2024" (hereafter "Defra 2024"). For Malaysia, emissions are calculated using "Defra 2024" and the grid emission factors published by the Malaysian Energy Commission. For Singapore, emissions are calculated using the grid emission factors published by the Singapore Energy Market Authority. The global warming potential (GWP) factors used are based on the IPCC Assessment Reports AR5 and AR6. No greenhouse gas emissions from perfluorinated compounds are reported across the entire group.

## GHG Emission Inventory

GHG Emission Sources		Annual GHG Emissions					Unit : tCO <sub>2</sub> e
Item	Item Description	2020	2021	2022	2023	2024	
<b>Scope 1</b> Direct GHG emissions ( Category 1 )	Including fuel for company vehicles, refrigerant leakage from company vehicles, refrigerant leakage from office equipment, fire safety equipment, septic tank, emergency generators, and laboratory analytical instruments	2,680	1,940	2,427	3,606	3,613	
<b>Scope 2</b> Indirect GHG emissions ( Category 2 )	Including purchased electricity	44,861	55,618	54,279	44,219	48,765	
<b>Scope 3<sup>Note2</sup></b> Other indirect GHG emissions ( Category 3~4 )	Including upstream transportation and distribution, business travel, employee commuting, purchase of goods, fuel and energy-related activities (excluding categories 1 and 2), and disposal of waste from operation	-	495	9,564	50,200	59,259	
Total GHG emissions ( Scope 1 + Scope 2 )		47,541	57,558	56,706	47,825	52,378	
GHG Emission Intensity ( tCO <sub>2</sub> e/ Revenue-in millions of NT\$)		2.895	2.785	2.594	2.900	3.040	

Note 1 : For inventory data, GHG emissions are summarized using the operational control approach. The GHGs included in the inventory are CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, and SF<sub>6</sub> for the Malaysia plant; for all others, the gases are CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>.

Note 2 : The calculation is based on the results of material identification conducted by each subsidiary.

Note 3 : For other indirect emissions (categories 3 and 4), some overseas plants started tracking in 2021, the Taiwan plant of subsidiary CWTC started in 2022, and all others began in 2023.

Note 4 : The 2023 data includes all consolidated entities, while the data of 2020-2022 only covers subsidiary manufacturing plants.

## GHG Emissions for 2024

Unit : tCO<sub>2</sub>e

Item	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	SF <sub>6</sub>	Total
Scope 1	1,385	126	3	2,099	-	-	3,613
Scope 2	48,641	12	112	-	-	-	48,765

## Scope 3 Emissions for 2024

Unit : tCO<sub>2</sub>e

Emission Categories	2024
<b>Category 3: Indirect GHG emissions from transportation</b>	<b>4,375</b>
3.1 Emissions from upstream transportation and freight distribution	946
3.2 Emissions from downstream transportation and freight distribution	2,122
3.3 Emissions from employee commuting	1,154
3.4 Emissions from customer and visitor transportation	Not significant
3.5 Emissions from business travel	153
<b>Category 4: Indirect GHG emissions from the use of products by the organization</b>	<b>54,884</b>
4.1 Emissions from purchased products	49,434
4.2 Emissions from capital products	144
4.3 Emissions from the treatment of solid and liquid waste	1,397
4.4 Emissions from asset use	110
4.5 Emissions from services not described in the above subcategories	88
4.6 Fuel- and energy-related activities (excluding categories 1 and 2)	3,711
<b>Category 5: Indirect GHG emissions from the use of sold products</b>	<b>Not significant</b>
5.1 Emissions or removals during the product use phase	Not significant
5.2 Emissions from downstream leased assets	Not significant
5.3 Emissions at the end of the product life cycle	Not significant
5.4 Emissions from investments	Not significant
<b>Category 6: Indirect GHG emissions from other sources</b>	<b>Not significant</b>
<b>Total</b>	<b>59,259</b>

## 3.4 Water Resources Management

(GRI 303-1, 303-2, 303-3, 303-4, 303-5 ; SASB TC-SC-140a.1)

Key Material  
Issue

### Impact Description

The manufacturing processes at the Group's subsidiary plants involve several water-intensive operations, such as etching, electroplating, and cleaning. Without proper water resource management, there is a risk of operational disruptions, water pollution liability, and regulatory non-compliance. In addition, water use efficiency directly impacts process costs and resource allocation. For facilities located in high water-risk regions, competition for water access and social expectations for responsible usage become even more critical. Therefore, water resource management is not only essential for regulatory compliance and environmental responsibility but also plays a key role in ensuring operational stability, protecting brand reputation, and supporting long-term sustainability in the industry.

### Management Policy and Commitment

CWE Group is committed to improving water use efficiency and increasing recycling rates in accordance with local regulatory requirements. We strive to reduce the consumption of water resources and minimize the environmental impact of wastewater discharge. Our goal is to ensure that our operations do not compete for or pollute regional water resources, and to advance toward a management approach of reduced water withdrawal, efficient usage, and compliant discharge.

### Management Mechanism and Implementation Strategy

Responsible Units: Sustainable Development Committee / Environmental Management Centers of subsidiary manufacturing plants

Relevant Internal Policies: *Tap Water Supply Management and Emergency Response Work Instructions, Environmental Operations Control Implementation Procedure*

Key Strategies:

Conduct water resource usage inventories, implement water quality monitoring equipment and real-time data feedback systems, and establish communication channels with industrial park management units to promptly address water-related issues

### Specific Action Plan

1. Water Source Inventory and Risk Assessment: Annually update water source usage and conduct process water usage analysis.
2. Introduction and Improvement of Water-Saving Technologies: Implement recirculating cooling systems, low water consumption equipment, and replace faucets with sensor-activated models.
3. Greywater Reuse and Recycling: Establish greywater reuse systems to recycle and reuse process water.
4. Wastewater Quality Monitoring and Compliant Discharge: Ensure all discharges comply with environmental regulations and proactively disclose water quality data.
5. Employee Water Conservation Education: Promote daily water-saving awareness and practices among employees.

### Tracking and Verification Mechanism

1. Daily Monitoring: Install flow meters on key water-use facilities for regular recording and prompt reporting of abnormalities.
2. Monthly Reporting: Analyze water usage and discharge volumes, investigate causes of anomalies, and track corrective actions.
3. Annual Review: Review water-saving performance and evaluate achievement rates of set targets.

	Short Term	Mid Term	Long Term
Index Item			
Total water withdrawal	Increase $\leq 2\%$	Stable or decreasing year by year	Stable or decreasing year by year
Recycling rate of water withdrawal	30%	Stable at $\geq 35\%$	Stable at $\geq 40\%$
Abnormal wastewater pollution incidents	Meets Standards No Violations	Meets Standards No Violations	Meets Standards No Violations

Note : Take 2024 as the base year ; Short term: within 3 years 、 Mid term: within 5 years 、 Long term: over 5 years

CWE and subsidiary manufacturing plants primarily uses tap water for wet processing (plating), cleaning and environmental protection purposes. The water sources for each plant are from surface water supplied by third parties, with all sources being freshwater ( $\leq 1,000$  mg/L total dissolved solids). Taipei Branch of CWE receive water from the Xindian Stream (including Feicui Reservoir of Nanshi Stream and Beishi Stream), Taichung Office of CWE receive water from the Shigang Dam and Liyutan Reservoir. The water supply for the Taiwan plants comes from the Taiwan Water Corporation, specifically the Gaoping River Weir, Nanhua Interconnecting Pipeline, and Fengshan Reservoir; the plants in China receive water from the Minjiang River and Taihu Lake, while the overseas plants source water from the Selangor River. None of these raw water sources are classified as national or international nature reserves, nor do they come from sensitive water bodies. Additionally, based on the AQUEDUCT WATER RISK ATLAS, the water risk assessment for each plant indicates that the plants in China are rated as "High-Medium risk (3-4)" due to water stress, while all other locations are classified as "Low-Medium risk (1-2)" and are not considered water-stressed areas.

## Use of Regional Water Resources

Region		Taiwan	China		Overseas
		Taiwan Plant	Chengdu Plant	Suzhou Plant	Malaysia Plant
Water Sources	Tap water	Gaoping-River Weir, Nanhua Interconnecting Pipeline and Fengshan Reservoir	Minjiang River	Taihu Lake	Selangor River
	Groundwater and others	Groundwater	None	None	None
Water supply (10 thousand metric tons/day)		159.2	133	45	522.7
Water withdrawal (10 thousand metric tons/day)		0.14	0.06	0.12	0.07
Use of regional water (%)		0.09	0.05	0.3	0.01

Note : Water supply is derived from data on the websites of the Water Resources Agency and the local water companies.



## ❖ The Use of Water Resources and Performance Management

Water consumption by site for 2023 is detailed in the table below. In the face of global climate changes in recent years, we continuously monitor our water consumption and proactively promote plant-wide water-saving measures to ensure there is no immediate water scarcity issue arising from a lack of water resources. Since 2021, our Taiwan plants have begun installing systems for process water recycling. The systems treat and filter rinsing water with high acid concentration for reuse instead of releasing it directly from the wastewater treatment plant as was our previous practice, thereby increasing the reuse rate of process wastewater. There are also other water-saving measures in place to lower our water consumption.

The increase in total water withdrawal in 2024 compared to 2023 was due to higher production output. The total water withdrawal in 2024 amounted to 1,376 million liters; however, the overall water recycling rate also increased compared to 2023.

### Use of Water Resources and Management

Unit: megaliters

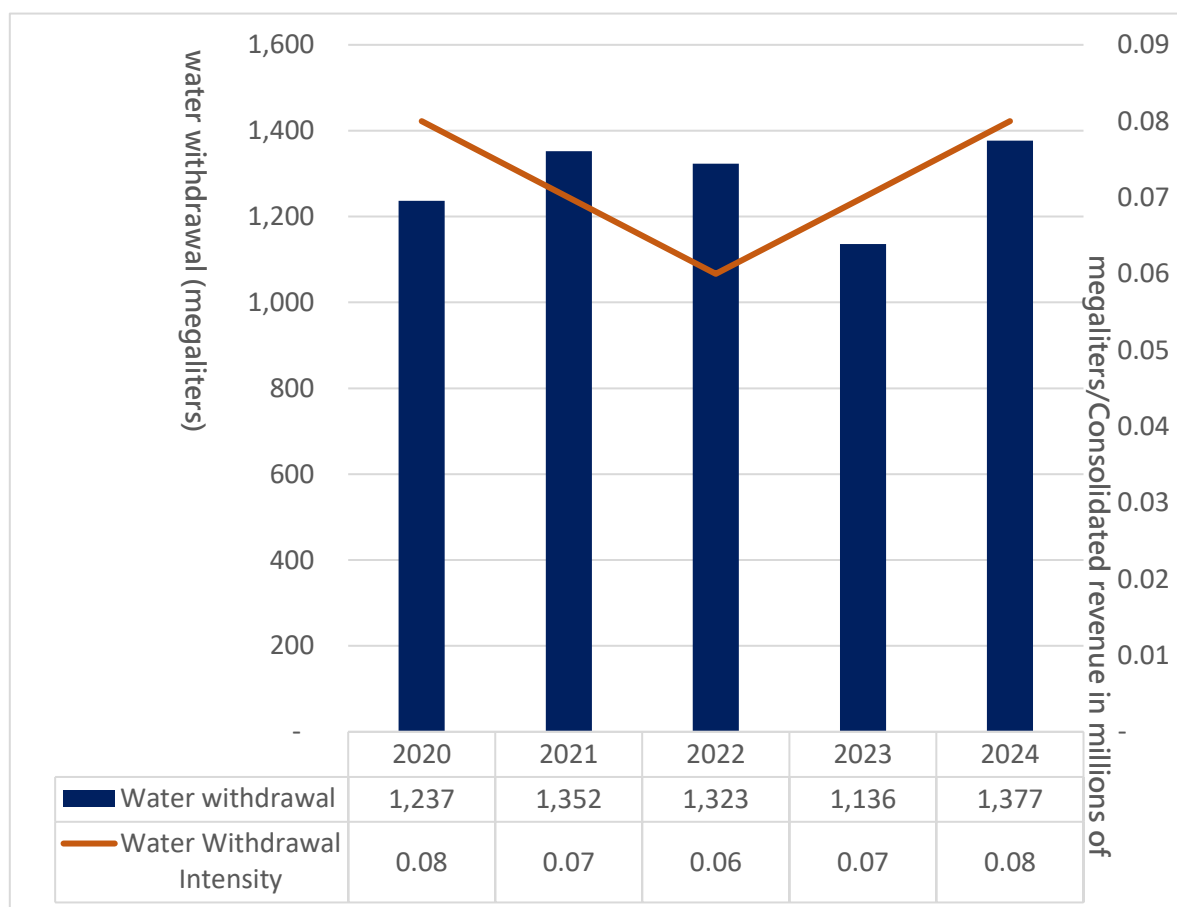
Region	Item	2020	2021	2022	2023	2024
Taiwan region	Water withdrawal (A)	306	388	417	396	499
	Water recycled (B)	48	70	96	131	161
	Total consumption (C=A+B)	354	458	513	527	660
	Water recycled / Total consumption (%) = (B/C)	13.56	15.28	18.71	24.86	24.39
	Recycling rate of water withdrawal (%)=(B/A)	15.69	18.04	23.02	33.08	32.26
	Water discharge (D)	294	370	379	364	488
	Water consumption	60	88	134	163	172
	Water discharge (D)	245	267	266	203	189
	Water consumption	57	57	55	62	66

Unit: megaliters

Region	Item	2020	2021	2022	2023	2024
China region	Water withdrawal (A)	629	640	585	475	623
	Water recycled (B)	27	98	141	133	220
	Total consumption (C=A+B)	656	738	726	608	843
	Water recycled / Total consumption (%) = (B/C)	4.12	13.28	19.42	21.88	26.10
	Recycling rate of water withdrawal (%)=(B/A)	4.29	15.31	24.10	28.00	35.31
	Water discharge (D)	472	527	475	400	507
	Water consumption	184	211	251	208	336
Overseas regions	Water withdrawal (A)	302	324	321	265	255
	Water recycled (B)	0	0	0	0	0
	Total consumption (C=A+B)	302	324	321	265	255
	Water recycled / Total consumption (%) = (B/C)	0.00	0.00	0.00	0.00	0.00
	Recycling rate of water withdrawal (%)=(B/A)	0.00	0.00	0.00	0.00	0.00
	Water discharge (D)	245	267	266	203	189
	Water consumption	57	57	55	62	66
Total	Water withdrawal (A)	1,237	1,352	1,323	1,136	1,377
	Water recycled (B)	75	168	237	264	381
	Total consumption (C=A+B)	1,312	1,520	1,560	1,400	1,758
	Water recycled / Total consumption (%) = (B/C)	5.72	11.05	15.19	18.86	21.67
	Recycling rate of water withdrawal (%)=(B/A)	6.06	12.43	17.91	23.24	27.67
	Water discharge (D)	1,011	1,164	1,120	967	1,184
	Water consumption	301	356	440	433	574

Note : The 2023 data includes all consolidated entities, while the data of 2020-2022 only covers subsidiary manufacturing plants.

## Changes in Water Withdrawal Intensity



## Water Withdrawal and Consumption

Unit: megaliters

Year				2023		2024	
Item				All plants	Areas with Water Stress	All plants	Areas with Water Stress
Water withdrawal by sources	Third-party water	Freshwater	Surface water	1,136	322	1,377	420
			Groundwater	0	0	0	0
			Seawater	0	0	0	0
			Produced water	0	0	0	0
	Total water withdrawal			1,136	322	1,377	420
Water discharge by destination	Total water consumption			433	197	574	326

Note 1 : The Company's water withdrawal sources exclude surface water, groundwater, seawater and produced water.

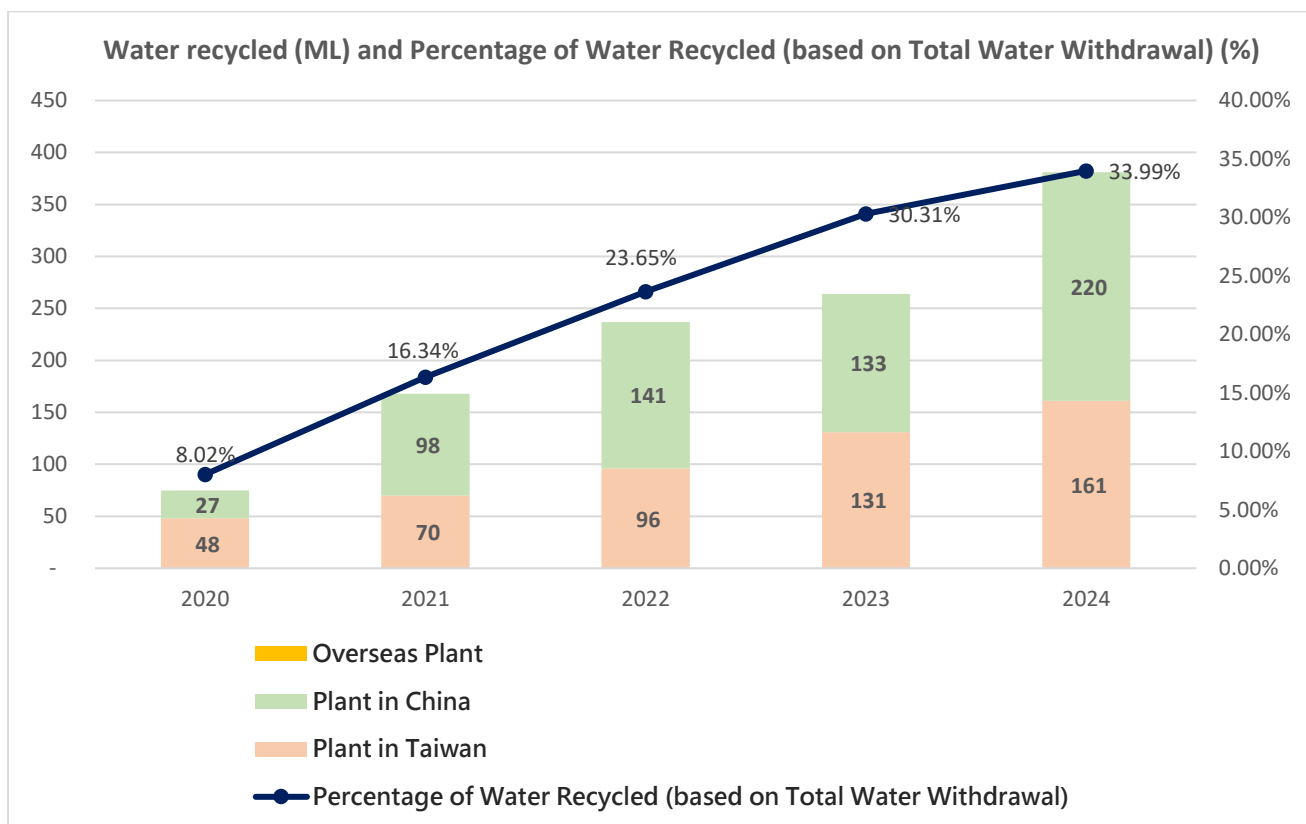
Note 2 : For areas with water stress, please refer to the Aqueduct Water Risk Atlas.

Note 3 : The 2023 data includes all consolidated entities, while the data of 2020-2022 only covers subsidiary manufacturing plants.

## ❖ Water Conservation Measures within the Plants

### Water Reclamation System - Recycling and Reuse of Process Water

In 2021, the Taiwan plants installed recycling systems where process water is recycled for reuse through ultrafiltration (UF) and reverse osmosis (RO) processes. In 2022, we adopted membrane bioreactors (MBR), Membrane Chemical Reactor (MCR) devices to replace the UF system. The enlarged membrane pore size increased fluxes and improved the fouling issue, enhancing the efficiency of the water recycling system. At the same time, the switch reduced the frequency of backflushing and chemical cleaning and consequently the consumption of recycled water. Additionally, the less frequent replacement of filter bags led to waste reductions. In 2023, the combination of MBR / MCR and RO processes increased the average daily volume of recycled water to the industrial tanks by 170 metric tons, the recycled water increased 90 metric tons compared to 2022. In 2024, the combination of MBR / MCR and RO processes increased the average daily volume of recycled water to the industrial tanks by 181 metric tons, the recycled water increased 11 metric tons compared to 2023.



Note 1 : The recycling rate of water withdrawal indicator is only included in the group's factories that have built a water recovery system.

Note 2 : Recycling rate of water withdrawal = Water recycled / Water withdrawal.

## Pure Water Recycling System - Recycling and Reuse of Pure Water

The Taiwan plants expanded their process water recycling system in 2021 by adding a pure water recovery system. The concentrated water produced by the RO pure water system is further treated through a secondary reverse osmosis (RRO) for reuse in the manufacturing process. Due to the 2B3T pretreatment design of the RO pure water system, the quality of the concentrated water from the secondary RRO system is even better than tap water, enabling its recycling and reuse in the industrial water pool. In 2024, the total volume of ultrapure water recovered from processes at the Taiwan plants reached 85,129 metric tons, accounting for 14.7% of total water usage — a 27% increase compared to 2023.

## Water-saving Design of Machinery and Equipment

Electroplating equipment adopts the counter-current rinsing design where the rinse water is circulated through three washing tanks, achieving water conservation.

## Related Facilities

Control panel of recycling system



Raw water tank for recycling



MBR / MCR filtration



RO filtration



## ❖ Waste Water Discharge and Water Quality Monitoring and Control

CWE Group conducts regular annual sampling and testing of various parameters in the effluents to ensure that wastewater generated from the manufacturing processes fully complies with the current environmental laws and regulations and the standards of the industrial park management, thereby minimizing environmental pollution impact. We are proactively reviewing and improving the wastewater pollution control systems at our plants. In 2024, the test results of effluents discharged from all plants remained in compliance with the regulatory standards. Note or third-party management approved in their respective locations.

### Discharge

Unit: megaliters

Year		2023		2024	
Item		All plants	Areas with Water Stress	All plants	Areas with Water Stress
By destinations	A Surface water	203	0	189	0
	B Groundwater	0	0	0	0
	C Seawater	0	0	0	0
	D Third-party water (total)	764	250	995	507
	E Third-party water sent for use to other organizations	0	0	0	0
Total water discharge	F=A+B+C+D+E	967	250	1,184	507
Freshwater		0	0	0	0
Others		967	250	1,184	507

Note : The 2023 data includes all consolidated entities, while the data of 2020-2022 only covers subsidiary manufacturing plants.

## 3.5 Waste Management

(GRI 306-1, 306-2, 306-3 ; SASB TC-SC-150a.1.)

Key Material  
Issue

### Impact Description

The manufacturing processes at our subsidiary plants generate various types of waste, including general waste, hazardous industrial waste (such as electroplating sludge and heavy metal-containing liquids), packaging materials, and recyclables. If waste is not properly classified, stored, and disposed of, it may lead to violations of environmental regulations and pose risks to the surrounding environment, soil and water quality, and human health. Moreover, excessive waste generation indicates inefficient resource utilization, which increases operating costs and carbon footprint. Therefore, establishing a robust waste management system is essential for ensuring environmental sustainability and effectively managing operational risks.

### Management Policy and Commitment

CWE Group is committed to complying with all relevant environmental regulations and continuously improving its waste management processes based on the principles of reduction, segregation, resource recovery, and harmless treatment. By strengthening source reduction, increasing recycling and reuse rates, and ensuring transparent information disclosure, the Group aims to reduce total waste generation and promote circular economy goals—fulfilling our corporate environmental responsibility.

### Management Mechanism and Implementation Strategy

Responsible Units: Environmental Management Centers / Equipment and Process Units of subsidiary manufacturing plants

Relevant Internal Policies: *Waste Management Guidelines, Chemical Warehouse Management Guidelines, Toxic Substances Handling Procedures*

Key Strategies: Comply with environmental regulations by reporting waste accurately and ensuring proper handling through verified waste manifests. Implement the ISO 14001 Environmental Management System and track environmental performance indicators annually.



### Specific Action Plan

1. Source Reduction Design: Improve processes to reduce by-products and packaging usage, and enhance raw material utilization efficiency.
2. Clear Classification and Labeling: Implement a color-coded labeling system to ensure proper sorting and easy identification by on-site personnel.
3. Promotion of Recycling and Reuse: Establish partnerships with qualified recyclers to increase the recycling rates of metals, packaging materials, and liquids.
4. Enhanced Hazardous Waste Disposal: Conduct sampling, testing, and documentation of hazardous waste, and ensure it is handled by certified disposal contractors with traceable proof of treatment.
5. Employee Training and Audits: Regularly conduct waste classification training and on-site internal audits to support continuous improvement.

### Tracking and Verification Mechanism

1. Daily Monitoring: Maintain regular records and promptly report any abnormalities.
2. Monthly Reporting: Submit monthly reports detailing waste classification data.
3. Annual Review: Review the reuse rate of managed waste and the amount of waste generated per unit of product.
4. Ensure all waste handling processes comply with local government regulations.

### Index Item

#### Short Term

#### Mid Term

#### Long Term

Waste generation per  
unit of product  
(kg/KMproduct)

≤30%

≤25%

Stable at ≤20%  
and enhance resource  
recycling

Ratio of general /  
hazardous waste

≤ 40%

Reduced to ≤  
35%

Stable at ≤ 25%  
and enhance resource  
recycling

Waste recycling and  
reuse rate

≥ 40%

Stable at ≥ 60%

Stable at ≥ 70%

Note : Take 2024 as the base year ; Short term: within 3 years 、 Mid term: within 5 years 、 Long term: over 5 years

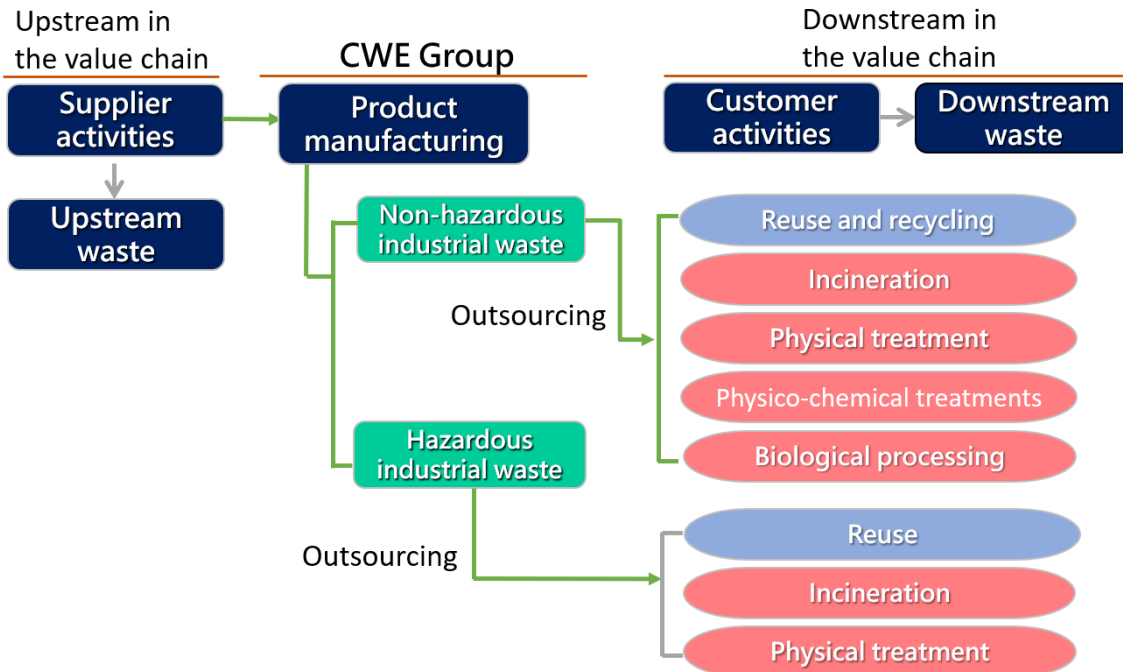
With the philosophy of “contributing to the community” and recognizing “the finite nature of Earth's resources” and “the importance of environmental protection,” CWE Group is committed to environmental protection in all aspects including business operations, products and services.

1. Adopt low-pollution raw materials and clean production methods; commit to environmental protection and reduce the environmental impact of our product supply chain.
2. Comply with relevant environmental laws and regulations and fulfill the environmental responsibilities of all entities within the CWTC Group.
3. Continuously improve and enhance environmental performance through environmental target setting, regular audits, and management reviews.
4. Adopt appropriate risk control techniques to effectively reduce the risk of hazards to stakeholders, and continuously strengthen relationships with contractors and suppliers.
5. Protect natural resources through programs for efficient use and waste reduction.
6. Reduce and prevent the environmental impact of harmful substances to protect our employees and the environment.
7. Improve production quality to reduce waste.

## ❖ Waste Management

Waste generated by the Company can be categorized into two major types: “non-hazardous industrial waste” and “hazardous industrial waste,” which are further classified into recyclable and non-recyclable waste based on disposal methods. In addition to implementing waste sorting, CWE Group complies with local regulations for waste reporting, sorting, and storage, and engages qualified vendors to assist in the removal, disposal, and recycling of waste. We ensure that our waste is properly handled through regular vendor reviews and audits. For example, subsidiary CWTC’s Taiwan Plant No. 2 manages industrial waste online through the “Three-Party Waste Disposal Control and Delivery Form.” It also formulates an audit plan for waste clearance and disposal organizations by dispatching personnel to conduct on-site inspections of their management practices, with the audit results recorded in an inspection log. If any irregularities are detected during inspections, the company will notify the contractor to make improvements and schedule a follow-up audit to ensure that the waste is managed in compliance with regulations.

We will continue to focus on waste reduction at the source, recycling, and reuse as management objectives to minimize waste generation, aiming to reduce operating costs and environmental impact.



## ❖ Waste Treatment Methods and Types for Taiwan Manufacturing Plant in 2024

Unit: metric tons

Category	Treatment Method	Disposal	Type	2024
Non-hazardous industrial waste	Reuse and recycling	Off-site	Scraps, waste steel belt, resin, waste lubricant, waste wood	4,437
	Incineration	Off-site	Household waste, waste dry film, waste plastic mixtures	325
	Physico-chemical / Physical treatments	Off-site	Waste electronics components, scraps and defectives	10
	Biological processing	Off-site	Waste such as night soil or excrements	42
Hazardous industrial waste	Reuse	Off-site	Sludge, Waste filter cores, filter bags, chemical waste containers, waste glass containers, iron drums, waste solutions and waste oil	12,615
	Incineration	Off-site	Waste solutions, acetone, empty drums (plastic bags)	422
	Physical treatment	Off-site	Waste solutions, waste electronics components	87

## ❖ Waste Treatment Methods and Types for Taiwan Manufacturing Plant in the Past Two Years

Unit: metric tons

Category	Treatment Method	Disposal	Type	2023	2024
Non-hazardous industrial waste	Reuse and recycling	Off-site	Scraps, waste steel belt, resin, waste lubricant, waste wood	2,173	2,684
	Incineration	Off-site	Household waste, waste dry film, waste plastic mixtures	206	221
	Physico-chemical / Physical treatments	Off-site	Waste electronics components, scraps and defectives	2	10
	Biological processing	Off-site	Waste such as night soil or excrements	45	42
Hazardous industrial waste	Reuse	Off-site	Sludge, Waste filter cores, filter bags, chemical waste containers, waste glass containers, iron drums	609	1,331
	Incineration	Off-site	Waste solutions, acetone, empty drums (plastic bags)	-	-
	Physical treatment	Off-site	Waste solutions	73	30

## ❖ Statistics of Waste Volume

Unit: metric ton

Category	Treatment Method	2021		2022		2023		2024	
		Weight	%	Weight	%	Weight	%	Weight	%
Non-hazardous industrial waste	Recyclable	1,673	8%	1,589	8%	2,341	14%	4,437	25%
	Non-recyclable	5,379	26%	5,841	29%	4,410	27%	377	2%
Hazardous industrial waste	Recyclable	11,787	57%	11,342	56%	8,617	53%	12,615	70%
	Non-recyclable	1,853	9%	1,332	7%	1,047	6%	509	3%
Total		20,692	100%	20,104	100%	16,415	100%	17,938	100%
Waste intensity		1.0010		0.9197		0.9955		1.0410	

Note 1 : Waste intensity = Waste generated / Consolidated revenue in millions of NT\$

Note 2 : Waste output data is limited to the manufacturing plants of subsidiaries.

## 3.6 Biodiversity Commitment

In response to international concerns regarding biodiversity and forest conservation, CWE has declared the "CWE Biodiversity and Zero Deforestation Commitment." Through the supervision and promotion of corporate sustainability governance, the company demonstrates its determination to protect the ecological environment and actively addresses the challenges that climate change poses to ecosystems. All manufacturing plants of the CWE Group are located within industrial zones and are not

### CWE Biodiversity and Zero Deforestation Commitment

- Avoid establishing factories or conducting operations near areas of global or national biodiversity significance.
- Commit to biodiversity conservation with the goal of achieving Net Positive Impact on the environment and ecosystems.
- Comply with international and local forest-related laws and specific regulations in all areas of operation, and commit to ensuring that all products and services meet zero-deforestation standards.
- Take action in support of the United Nations Convention on Biological Diversity and biodiversity conservation initiatives.
- Conduct regular ecological surveys and impact assessments at business operation sites.
- Collaborate with external partners to jointly uphold and fulfill this commitment.



# Growth and Common Prosperity

## 4.1 Human Rights Policy

### ❖ Human Rights Commitments (GRI 2-24)

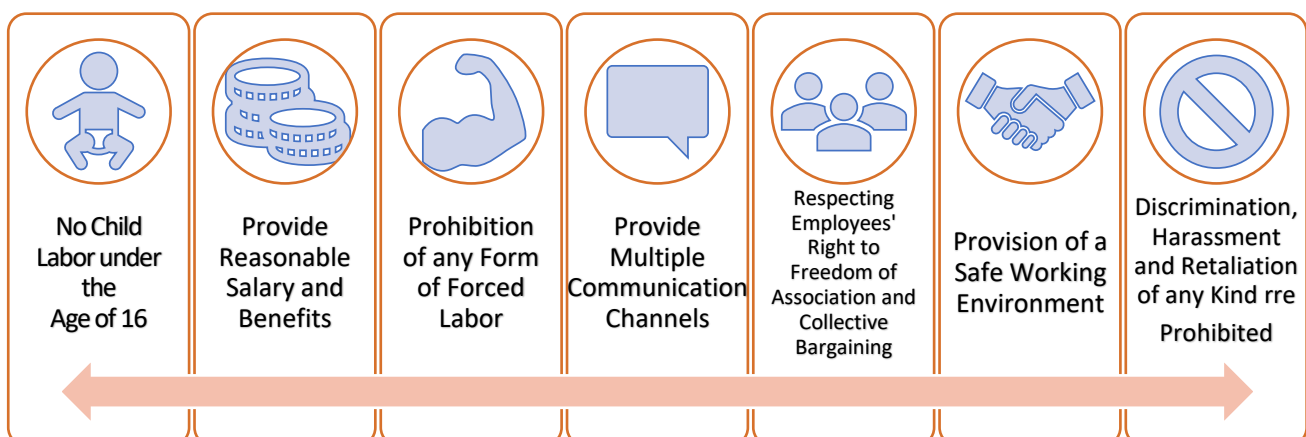
CWE upholds the core principle of respecting employees and implementing a people-oriented approach. The company complies with and supports relevant laws and regulations to protect the legal rights and interests of all individuals, including full-time employees, contract and temporary staff, and job applicants. CWE is also committed to promoting the same standards across its partners and supply chain, ensuring their operations reflect these values.

We recognize and support international human rights conventions and standards, including the *United Nations Global Compact*, the *Universal Declaration of Human Rights*, and the International Labour Organization's *Declaration on Fundamental Principles and Rights at Work and its Follow-up*. We are committed to upholding the spirit and core principles of human rights protection outlined in these frameworks. In compliance with relevant labor laws, we strive to create a workplace that is equal, safe, and respectful of human dignity.



CWE Human Rights Policy

## Human Rights Policy



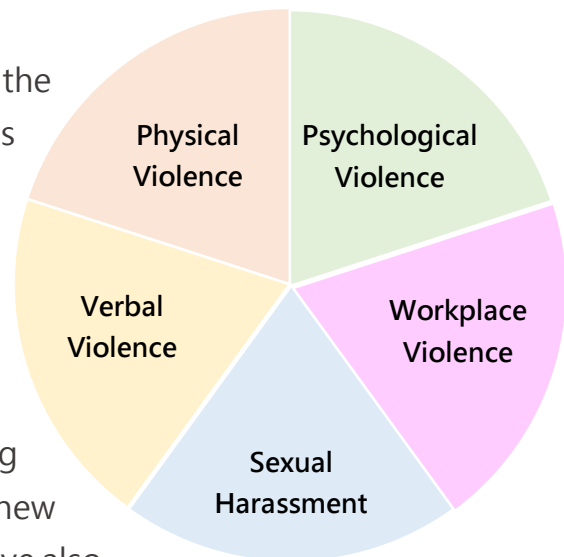
Human Rights Management Policy	Specific Initiatives
Prohibition of Human Trafficking and child labor	In line with our responsibility to protect the physical and mental development of children and minors, the company does not employ individuals under the age of 16. For minors aged 16 to under 18, employment is permitted only upon submission of written consent from their legal guardian and valid proof of age.
Provide fair and reasonable compensation and working conditions	The company fully complies with legal regulations regarding employees' regular working hours—daily, weekly, and monthly—as well as the limits on overtime, rest days, special leave, and other types of leave. Compensation and benefits are in accordance with wage-related laws, including the provision of minimum wage and appropriate overtime pay rates. Electronic pay slips are provided to ensure employees have clear visibility into the details of their compensation. Unless with the employee's consent, the company strictly prohibits wage deductions as a form of disciplinary action.
Prohibition of all forms of forced labor	In strict compliance with government labor laws, international standards, and the company's human rights policy, no individual shall be forced or coerced into performing labor against their will.
Provide diverse communication channels and environment that encourage free expression of opinions	To ensure effective communication, the company holds labor-management meetings every quarter to listen to employees' opinions and needs. If any issues affecting labor rights arise, we promptly inform employees and seek consensus. We respect employees' rights and will not take adverse actions based on their expressions. The company values employees' right to file complaints and provides multiple channels for doing so, including direct reporting to supervisors or management departments, as well as dedicated hotlines and email for reporting sexual harassment. We guarantee confidentiality and fairness throughout the complaint process, ensuring that the identities and information of complainants are not disclosed. Investigation results will be communicated in writing to both the complainant and the respondent.
Respect employees' rights to freedom of association and collective bargaining	Freedom of association is a fundamental right of employees and a core value of the company. By upholding this freedom, we are committed to fostering a diverse, open, and harmonious work environment where employees can fully express their potential and individuality, while building strong friendships and collaborative relationships with colleagues. To ensure effective communication, the company holds quarterly labor-management meetings to listen to employees' opinions and needs.
Establish a safe and healthy working environment, prohibit all forms of harassment, retaliation, and inhumane treatment	The company is committed to complying with regulations, promoting safety awareness, reducing workplace risks, preventing injuries, and continuously improving performance. We have established the " <i>Measures for the Prevention, Complaint Handling, and Disciplinary Actions for Sexual Harassment</i> " and have set up dedicated channels for reporting sexual harassment.



Human Rights Management Policy	Specific Initiatives
Prohibit all forms of discrimination	The company strictly complies with local labor laws, including the <i>Labor Standards Act</i> and <i>Act of Gender Equality in Employment</i> , and has established appropriate management methods and procedures to ensure internal communication and promotion of these standards. We are committed to providing a fair working environment and do not tolerate any form of unfair or discriminatory treatment based on gender, race, socioeconomic status, nationality, age, marital or family status, language, religion, political affiliation, appearance, height, or physical or mental disabilities. The company is dedicated to protecting the fundamental human rights of employees by complying with relevant labor laws and safeguarding their legal rights and interests.

### ❖ Workers' Rights (GRI 2-26)

To ensure that employees fully understand the Company's commitment to human rights protection, as well as the prevention of workplace violence and sexual harassment, we have made the "Human Rights Policy," "Sustainable Development Best Practice Principles / Corporate Social Responsibility Policy," and "Written Statement Prohibiting Workplace Violence" mandatory courses for new employees and part of the annual training. We have also established a formal grievance channel, managed confidentially by designated personnel, to address various workplace issues, including safety and health, gender equality, and workplace violence, ensuring a safe and healthy working environment for all employees.



CWE Group has established a labor-management committee in accordance with the law to facilitate effective communication between the Company and its employees, aiming to build a positive labor-management relationship. The committee meets at least quarterly, and in addition to handling labor-management matters submitted by various departments, it solicits employee proposals through representatives from both sides to ensure that employee opinions and needs are thoroughly considered. In 2024, there were no labor disputes.

## Reporting Process for Unlawful Infringement at Workplace

In-charge Department / Personnel	Description	Management Process
Employees Departments	<ul style="list-style-type: none"> <li>Informed by employees on their own initiative.</li> <li>Reported, complained or raised by others.</li> </ul>	<pre> graph TD     A[Reporting of suspected unlawful infringement at workplace] --&gt; B[1. Receive the reporting or complaint 2. Assist with handling the matter simultaneously]     B --&gt; C{Is it an unlawful infringement at workplace?}     C -- No --&gt; F[Case Closed]     C -- YES --&gt; D[Whether it is an internal or external infringement?]     D --&gt; E[Internal violence Intervention by the HR unit or department supervisor. External violence Contact the local police authorities or relevant supervisory agencies.]     E --&gt; G[1. Coordinate the handling of incidents 2. Follow-up]     G --&gt; H[Review, improvement and preventive measures]     H --&gt; F   </pre>
Administration Dept.	<ul style="list-style-type: none"> <li>Interview, hazard identification and risk assessment by occupational safety personnel, nurses, human resources unit, and the employees involved (and other relevant and appropriate personnel).</li> <li>For internal incident, labor representatives shall be involved in the investigation.</li> <li>For external incident, the local police or relevant authorities shall be contacted.</li> </ul>	
Employees Administration Dept. Human Resources Unit Department Supervisors	<ul style="list-style-type: none"> <li>Employer may make timely referrals or arrangements for consultation, counseling, leave of absence, or flexible adjustments of work duties, working hours, etc.</li> <li>Medical resources may be employed, such as follow-up by healthcare professionals or appropriate personnel, or referrals to local occupational disease and injury prevention centers.</li> <li>Implement internal disciplinary procedures when needed.</li> <li>Assist with subsequent legal actions when needed.</li> <li>Timely work adjustment for the two parties involved when needed.</li> </ul>	
Administration Dept. Department Supervisors Human Resources Unit	<ul style="list-style-type: none"> <li>The in-charge departments shall properly retain relevant records of their respective departments.</li> </ul>	

## 4.2 Talent Attraction and Retention

Key Material  
Issue

### Impact Description

Establishing effective talent attraction and retention strategies helps to attract top talent, reduce employee turnover, and ensure the stability of key competencies. This contributes to improved organizational efficiency and supports long-term development.

### Management Policy and Commitment

In response to changes in the labor market and the needs of sustainable organizational development, CWE Group is committed to building an attractive and growth-oriented workplace. By implementing a fair recruitment system, offering competitive compensation and benefits, providing comprehensive career development planning, and fostering a positive corporate culture, the Group aims to enhance employee satisfaction and sense of belonging. These efforts help attract top talent, improve retention rates, and strengthen organizational resilience.

### Management Mechanism and Implementation Strategy

Responsible Unit: Administration Division  
Responsible Functions: Talent Recruitment, Compensation Planning, Career Development, Training and Development, Employee Relations \*

Relevant Internal Policies: *Payroll Cycle, Performance Evaluation Procedures, Training and Development Management Procedures*

Stakeholder Response Mechanism:  
Establishment of employee suggestion boxes, regular employee surveys, and labor-management meetings.

### Specific Action Plan

1. Build Employer Brand: Strengthen campus recruitment partnerships and organize company visits and internship opportunities.
2. Optimize Recruitment Process: Shorten the time required to fill vacancies.
3. Enhance Compensation and Benefits: Regularly review and adjust based on market salary data, and promote flexible benefits.
4. Promote Career Development: Design competency-based promotion paths and training programs.
5. Increase Employee Engagement: Organize care activities, internal innovation proposals, and provide subsidies for departmental employee gatherings.

### Tracking and Verification Mechanism

**Plan :** Set talent goals and action strategies, and implement Key Performance Indicators (KPIs) at the beginning of the year.

**Do :** Each department executes recruitment, retention, and training activities based on the annual HR plan.

**Check :** Regularly review key metrics such as turnover rate, employee satisfaction, and recruitment efficiency.

**Act :** Management strategies are reviewed and adjusted continuously based on data, incorporating internal audits and improvement mechanisms.

Index Item	Short Term	Mid Term	Long Term
Overall Employee Turnover Rate	Maintain below 10%	Reduce to 8%	Maintain a stable rate below 7%

Note : Take 2024 as the base year ; Short term: within 3 years 、 Mid term: within 5 years 、 Long term: over 5 years

## ❖ Employees Structure (GRI 2-7, 2-8 ; SASB TC-SC-330a.1)

CWE Group view employees as our most valuable asset and incorporates this perspective into our recruitment, compensation design, performance management, and training policies and systems, with a focus on enhancing both company growth and employee effectiveness. We prioritize hiring local talent as partners, believing that mutual success with employees is key to the Company's sustainable development and enables employees to enjoy their work and harness collective strength.

CWE Group complies with regulations set by the International Labour Organization and local labor standards, ensuring that no child labor is employed and that no individuals are forced or coerced into performing labor.

In line with the fundamental human right to equal employment opportunities, we base hiring decisions solely on professional abilities and job fit, without consideration of race, ideology, religion, political affiliation, nationality, gender, marital status, or disability. The CWE Group also adheres to relevant regulations regarding the promotion of persons with disabilities in Taiwan and assigns suitable job roles based on their capabilities. In 2024, CWE Group did not experience any significant operational changes. In the event of major operational changes, the company will provide prior notice in accordance with local labor laws. (10–30 days in Taiwan, within 30 days in Mainland China, 1–4 weeks in Singapore, and 4–8 weeks in Malaysia)

As of the end of December 2024, CWE Group employed a total of 2,339 staff (97%), with 69 workers (3%) hired through external contractors for tasks such as site cleaning, security and gardening. Among the total employees, 61% are male and 39% are female, with the majority (65%) aged between 30 and 50. There were 231 resignations, a 31% decrease compared to 2023. The number of employees with disabilities is 12, and the number of minority group members is 7, representing approximately 0.51% and 0.30%, respectively.

## Workforce Structure by Region

Region	2021		2022		2023		2024	
	Male	Female	Male	Female	Male	Female	Male	Female
Taiwan	476	347	567	399	555	393	633	423
China	477	309	467	301	446	303	468	305
Overseas	352	184	360	188	342	168	336	174
Total by genders	1,305	840	1,394	888	1,343	864	1,437	902
Total	2,145		2,282		2,207		2,339	
Percentage	61%	39%	61%	39%	61%	39%	61%	39%

## Composition of Employees Classified by Employment Contract (GRI 2-7)

Type	Year		2021		2022		2023		2024	
	Category	Gender / Workplace location	No. of Employees	%	No. of Employees	%	No. of Employees	%	No. of Employees	%
Recruited	Regular employees	Male	1,211	56.46	1,304	57.14	1,254	56.82	1,350	57.72
		Female	765	35.66	809	35.45	789	35.75	825	35.27
	Temporary employees	Male	92	4.29	90	3.94	89	4.03	87	3.72
		Female	77	3.59	79	3.46	75	3.40	77	3.29
	Regular employees	Taiwan	823	38.37	966	42.33	948	42.95	1,056	45.15
		China	775	36.13	761	33.35	722	32.71	747	31.94
		Overseas	378	17.62	386	16.91	373	16.90	372	15.90
	Temporary employees	Taiwan	-	-	-	-	-	-	-	-
		China	11	0.51	7	0.31	27	1.22	26	1.11
		Overseas	158	7.37	162	7.10	137	6.21	138	5.90
Contracted	Full-time employees	Male	1,303	60.75	1,394	61.09	1,343	60.85	1,437	61.44
		Female	842	39.25	888	38.91	864	39.15	902	38.56
	Part-time employees	Male	-	-	-	-	-	-	-	-
		Female	-	-	-	-	-	-	-	-
	Full-time employees	Taiwan	823	38.37	966	42.33	948	42.95	1,056	45.15
		China	786	36.64	768	33.65	749	33.94	773	33.05
		Overseas	536	24.99	548	24.01	510	23.11	510	21.80
	Part-time employees	Taiwan	-	-	-	-	-	-	-	-
		China	-	-	-	-	-	-	-	-
		Overseas	-	-	-	-	-	-	-	-

## Diversity Performance

	Year		2021		2022		2023		2024	
	Category	Gender	No. of Employees	%	No. of Employees	%	No. of Employees	%	No. of Employees	%
Nationality	Local workers	Male	1,221	56.92	1,237	54.21	1,197	54.24	1,269	54.26
		Female	800	37.30	812	35.58	802	36.34	837	35.78
	Migrant workers <sup>Note</sup>	Male	82	3.82	157	6.88	146	6.62	168	7.18
		Female	42	1.96	76	3.33	62	2.80	65	2.78
Age	<30	Male	330	15.38	351	15.38	300	13.59	345	14.75
		Female	185	8.62	193	8.46	174	7.88	193	8.25
	30-50	Male	843	39.30	903	39.57	887	40.19	901	38.52
		Female	612	28.53	636	27.87	625	28.32	624	26.68
	>50	Male	130	6.06	140	6.13	156	7.07	191	8.17
		Female	45	2.11	59	2.59	65	2.95	85	3.63
Ranking	Management level	Male	384	17.90	412	18.05	422	19.12	409	17.49
		Female	170	7.93	173	7.59	185	8.38	191	8.17
	Non-management level	Male	918	42.80	982	43.03	921	41.73	1,028	43.95
		Female	673	31.37	715	31.33	679	30.77	711	30.39
Function	Sales	Male	44	2.05	45	1.97	43	1.95	51	2.18
		Female	44	2.05	44	1.93	43	1.95	38	1.62
	Manufacturing	Male	1,021	47.60	1,090	47.77	1,097	49.71	1,106	47.29
		Female	597	27.83	623	27.30	622	28.18	655	28.00
	R&D	Male	137	6.39	172	7.54	117	5.30	167	7.14
		Female	76	3.54	94	4.12	73	3.31	75	3.21
	Administration and others	Male	100	4.66	87	3.81	86	3.90	113	4.83
		Female	126	5.88	127	5.56	126	5.70	134	5.73
Education	Masters	Male	40	1.86	41	1.80	45	2.04	53	2.27
		Female	20	0.93	28	1.23	23	1.04	23	0.98
	Junior College / Bachelor	Male	491	22.89	509	22.30	505	22.88	563	24.07
		Female	337	15.71	337	14.77	342	15.50	360	15.39
	Senior high school and below	Male	774	36.08	844	36.99	793	35.93	821	35.10
		Female	483	22.53	523	22.91	499	22.61	519	22.19

Note : From 2021 to 2023, the number of foreign employees was categorized based on nationality relative to their work location. Starting in 2024, the statistics are based on the nationality of employees requiring a work visa.



## Statistics of New Employee Hires (GRI 401-1)

Type	Year	2021			2022			2023			2024		
	Category	New Recruits	Total Employees	%	New Recruits	Total Employees	%	New Recruits	Total Employees	%	New Recruits	Total Employees	%
Gender	Male	257	1,302	19.74	318	1,394	22.81	147	1,343	10.95	229	1,437	15.94
	Female	191	843	22.66	191	888	21.51	86	864	9.95	131	902	14.52
Age	< 30	232	515	45.05	255	544	46.88	110	474	23.21	195	538	36.25
	30-50	206	1,455	14.16	244	1,539	15.85	121	1,512	8.00	161	1,525	10.56
	> 50	10	175	5.71	10	199	5.03	2	221	0.90	4	276	1.45
Workplace location	Taiwan	237	823	28.80	338	966	34.99	144	948	15.19	249	1,056	23.58
	China	104	786	13.23	67	768	8.72	39	749	5.21	74	773	9.57
	Overseas	107	536	19.96	104	548	18.98	50	510	9.80	37	510	7.25
Total of Each Type		448	2,145	20.89	509	2,282	22.30	233	2,207	10.56	360	2,339	15.39

Note : Hiring rate = Total number of new hires for the year (employees who have been with the company for more than 3 months) / Number of employees in the group at year-end (December 31)

## Statistics of Employee Turnover (GRI 401-1)

Type	Year	2021			2022			2023			2024		
	Category	Resig-nations	Total Employees	%	Resig-nations	Total Employees	%	Resig-nations	Total Employees	%	Resig-nations	Total Employees	%
Gender	Male	192	1,302	14.75	230	1,394	16.50	213	1,343	15.86	142	1,437	9.88
	Female	119	843	14.12	143	888	16.10	124	864	14.35	89	902	9.87
Age	< 30	155	515	30.10	160	544	29.41	142	474	29.96	80	538	14.87
	30-50	139	1,455	9.55	194	1,539	12.61	178	1,512	11.77	135	1,525	8.85
	> 50	17	175	9.71	19	199	9.55	17	221	7.69	16	276	5.80
Workplace location	Taiwan	104	823	12.64	195	966	20.19	152	948	16.03	134	1,056	12.69
	China	103	786	13.10	86	768	11.20	96	749	12.82	51	773	6.60
	Overseas	104	536	19.40	92	548	16.79	89	510	17.45	46	510	9.02
Total of Each Type		311	2,145	14.50	373	2,282	16.35	337	2,207	15.27	231	2,339	9.88

Note : Turnover rate = Total number of resignations for the year (employees who have been with the company for more than 3 months) / Number of employees in the group at year-end (December 31).

## ❖ Equal Opportunity

With regard to the development of women in the workplace, we uphold the principle of "equal treatment" and firmly oppose any form of gender discrimination. We are committed to ensuring that recruitment, compensation, promotion opportunities, and other factors are not influenced by gender, race, nationality, religious beliefs, age, physical condition, political stance, marital status, or union affiliation. Through concrete actions, we aim to create a supportive work environment that helps female employees achieve a balance between work and life. As of 2024, female employees represent 39% of the total workforce, and women hold 32% of management positions.

### Proportion of Female Employees (%)

Type	Year	2022			2023			2024		
	Workplace location	Taiwan Plant	China Plant	Overseas Plant	Taiwan Plant	China Plant	Overseas Plant	Taiwan Plant	China Plant	Overseas Plant
Female employee proportion		41	39	34	41	40	33	40	39	34
Overall proportion of female employees		39			39			39		
Proportion of female non-management employees		46	38	39	47	39	38	42	38	39
Proportion of female employees in non-management positions		42			42			41		
Proportion of female management employees		20	41	14	21	42	13	24	42	15
Proportion of female employees in management positions		30			30			32		

## ❖ Compensation

To attract and retain top talent, CWE designs its compensation packages based on market standards, external competitiveness, and labor market supply and demand. We offer competitive salaries that comply with local minimum wage regulations and ensure no gender-based discrepancies.

The compensation structure includes fixed and variable components. Fixed salaries are adjusted according to market salary levels, educational background, work experience, and market surveys. Variable compensation consists of year-end bonuses and employee profit-sharing, which are distributed based on the Company's operational performance and individual achievements. Salary and promotion adjustments depend on the Company's overall business conditions, individual performance, the consumer price index, and government policies.

## Comparison of the Non-managerial Positions at CWE

(In Thousands of New Taiwan Dollars)				
Item	2021	2022	2023	2024
Number of employees	67	69	68	69
Average salary	1,981	2,097	1,545	1,569
Median salary	1,312	1,325	1,260	1,443

Note : The number of employees in this table excludes the Company's managers. The term "manager" is defined according to Official Letter No. Taiwan-Finance-Securities-III-920001301 issued by the competent authority on March 27, 2003. This is consistent with the scope of managers disclosed in the Company's annual report.

## Ratio of Female to Male Base Salary and Total Compensation in 2024 ( % )

Job Level	Base Salary		Compensation	
	Female	Male	Female	Male
Non- Supervisors	1.02	1	0.87	1
Supervisors	0.82	1	0.85	1

Note : The formula calculation is based on the average of colleagues.

## 2024 Gender Pay Ratio ( % )

Job Level	Female	Male
Non-managerial	0.87	1
Managerial	0.99	1
Manager	0.73	1
Executive	1.04	1

Note : The formula calculation is based on the average of colleagues.

## ❖ Performance Evaluation System (GRI 404-3)

To attract and retain outstanding talent, as well as to recognize, reward, and motivate high-performing employees, CWE Group has established a clear performance management system. This system integrates annual goal setting, regular communication, and performance evaluations to comprehensively support employees' professional growth and the company's sustainable development goals. The Group conducts performance evaluations annually, using individual employee performance and overall company results as the basis for promotion, salary adjustments, and year-end bonuses. This approach allows employees to share in the company's success and reinforces their sense of self-worth. For example, the company conducts its annual performance evaluations every February. The evaluation system covers employees at all levels and employs both quantitative indicators and qualitative assessments to ensure fairness and objectivity. In 2024, the performance evaluation coverage rate reached 100%.

## ❖ Employee Care and Benefits (GRI 401-2)

Each plant is responsible for planning and implementing welfare policies designed to fully address employees' benefit needs. In compliance with regulations, labor-management meetings are regularly organized and convened to facilitate open communication and negotiation between both parties. Beyond addressing labor-related matters submitted by each unit as required by law, these meetings also appoint representatives from both sides to gather employee proposals. No labor disputes were reported in 2024.

## Employee Benefits

Item	Description
<b>Basic Benefits</b>	Labor and health insurance, labor pension, group insurance, and educational training.
<b>Retirement Security</b>	In accordance with local laws and regulations, monthly pension contributions are made to a government-designated account at a specific percentage of the salary to ensure employees' retirement rights.
<b>Compensation Plan</b>	Employees are entitled to shares reserved from cash capital increase for employee stock purchase plans, the transfer of treasury shares to employees, employee stock options and restricted shares.
<b>Financial Planning</b>	The Company initiates an employee share ownership trust and matches 100% of employee contributions. Employees are entitled to receive annual dividends and can fully redeem their shares after five years.
<b>Health Care</b>	Free employee health check-ups, on-site doctor consultations, maternity health protection policies, and health promotion activities.
<b>Special Leave</b>	Maternity leave/prenatal leave, leave for pregnancy checkups and paternity leave, family care leave.

(GRI 401-3)

### ❖ Maternity Protection Program and Unpaid Parental Leave

To promote a harmonious and equitable workplace environment, female employees are encouraged to notify the administration department upon confirming their pregnancy. The department provides comprehensive support throughout all stages, from prenatal to postpartum care, ensuring the physical and mental well-being of employees during pregnancy, postpartum recovery, or breastfeeding periods while upholding both maternity protection and equal employment rights.

To support employees in balancing personal and family care responsibilities, Taiwan operations comply with the Gender Equality in Employment Act, implementing measures that ensure equal treatment regardless of gender or position. Both male and female employees are eligible to apply for parental leave without pay and family care leave. During the parental leave period, employees may negotiate with the Company to either extend or advance their return to work. In 2024, eleven employees in Taiwan applied for parental leave without pay, including three males and eight females. The return-to-work and retention rates are summarized in the table below :

## Statistics of Unpaid Parental Leave and Return-to-Work in 2024 (Taiwan)

Item	Male	Female	Total
Number of employees eligible for unpaid parental leave during the year (A)	22	23	45
Number of applicants for unpaid parental leave during the year (B)	3	8	11
Number of employees expected to be reinstated from unpaid parental leave during the year (C)	3	1	4
Number of employees actually reinstated after parental leave during the year (D)	3	1	4
Return-to-work rate (D/C)	100%	100%	100%
Number of employees reinstated in the previous year (E)	-	4	4
Number of employees reinstated in the previous year and have worked for more than one year (F)	-	2	2
Retention rate after unpaid parental leave (F/E)	-	50%	50%

Note 1 : Calculation of the number of employees eligible for unpaid parental leave: The number of employees who applied for maternity leave and paternity leave from 2020 to 2023.

Note 2 : Return-to-work rate= (Number of employees actually reinstated after parental leave in 2023 / Number of employees who shall be reinstated after parental leave in 2023) × 100%

Note 3 : Retention rate= (Number of employees employed by the Company for 12 months after reinstatement from parental leave in 2022 / Number of employees reinstated after parental leave in 2022) × 100%

### ❖ Employee Satisfaction Survey

Since 2024, the Management Division of the company has conducted an annual Employee Satisfaction Survey every December to assess the organizational climate. The purpose is to identify major issues, facilitate in-depth communication and interviews, and formulate improvement plans. The survey covers various aspects, including work environment, career development, compensation and benefits, and overall well-being. This comprehensive approach aims to gain a deeper understanding of employees' genuine feelings and expectations regarding the workplace. The first survey was conducted in 2024, achieving a participation rate of 78%, with an overall satisfaction score of 4.02 out of 5. Employees expressed high levels of satisfaction particularly in the areas of "work environment" and "compensation and benefits." However, the survey also highlighted areas for improvement, such as "employee training" and the "flexible break system." The company has already begun planning corresponding improvement measures and will continue to track their implementation and effectiveness. In terms of training resources, the Management Division will develop an annual training roadmap. In addition to existing professional skill courses, it will introduce general education and management development programs to cultivate diverse competencies, enhance organizational resilience, and increase internal

promotion rates. Regarding flexible work arrangements, the company will review the current working hours and break policies. Employees will be encouraged to take appropriate rest or step away from their duties when feeling fatigued or in need of a recharge, in order to maintain both physical and mental well-being and ensure sustainable productivity.

## ❖ Employee Complaints

CWE Group has established an “Employee Complaint Procedure” and created an “Employee Complaint Section” on the employee portal. We encourage employees to report any violations of ethical standards or laws and have designated personnel to handle these reports. The Company processes all submitted cases with strict confidentiality, making every effort to protect the reporter’s information and safety. This serves as a convenient and secure channel for submitting complaints. Employees may also directly contact the designated representative (currently the audit officer) for reporting unethical business conduct. The reward system is implemented in accordance with the payroll and personnel cycle - the personnel reward and punishment procedures and employee guidelines.

## ❖ Talent Retention

To strengthen talent retention and enhance organizational stability, our company continues to optimize human resources policies and promote attractive incentive programs for long-serving employees. These initiatives serve as recognition of employees’ long-term service and loyalty to the company. Employees who reach key milestones—such as 5, 10, or 15 years of service—are granted a one-time seniority reward bonus. In addition, measures such as employee stock ownership trusts or restricted stock grants are offered to encourage long-term career development and deeper engagement within the organization.

This reward mechanism not only improves employee retention rates but also supports knowledge transfer and the stability of critical competencies, contributing to the company’s long-term goal of sustainable talent capital. Looking ahead, the company will continue to monitor the effectiveness of its retention strategies, integrate insights from employee satisfaction surveys, and regularly review policy flexibility to foster a more inclusive and committed work environment.



## 4.3 Talent Development and Diversity Cultivation

(GRI 403-5, 404-1)

Key Material  
Issue

### Impact Description

Establishing a comprehensive employee development and training mechanism helps enhance employees' professional skills and work performance, promotes career development and organizational competitiveness, and in turn strengthens employee satisfaction and retention rates.

### Management Policy and Commitment

CWE Group firmly believes that talent is the foundation of sustainable corporate growth. The Group is committed to providing a systematic employee development and training mechanism to help employees enhance their professional capabilities, leadership skills, and career advancement. By fostering a learning-oriented organization, the Group promotes both internal and external training, cross-departmental job rotation, and succession planning to drive organizational innovation and strengthen competitiveness.

### Management Mechanism and Implementation Strategy

Responsible Unit: Administration Division

Relevant Internal Policies: *Salary and Workforce Cycle, Training Management Procedures, Promotion and Transfer Management Guidelines.*

Key Strategies: Develop annual training plans with courses classified by competency / job level, design leadership development and key talent training programs, and promote an internal instructor system along with technical knowledge transfer.

### Specific Action Plan

1. New Employee Training: Provide onboarding training, workplace safety, corporate culture, and job skill orientation.
2. Professional Technical Training: Arrange internal and external competency training, certification courses, and practical exercises based on departmental needs.
3. Leadership Development Courses: Design training on leadership, change management, and communication coordination for mid-to-senior level managers.

## Tracking and Verification Mechanism

### 1. Implement the PDCA management cycle :

Plan : Annual training needs survey and budget allocation.

Do : Implement training courses according to the plan and maintain records.

Check : Post-training questionnaires, supervisor feedback, and learning effectiveness evaluation.

Act : Course optimization, instructor adjustments, and performance reports provided for senior management review.

### 2. Regular analysis :

- ✓ Consolidate training hours and number of participants quarterly.
- ✓ Review annual training budget utilization and course satisfaction.

## Index Item

Average annual  
training hours per  
employee

### Short Term

Per person  $\geq 60$  hr

### Mid Term

Increase to  
 $\geq 65$  hr

### Long Term

Stable at  $\geq 68$  hr

Note : Take 2024 as the base year ; Short term: within 3 years · Mid term: within 5 years · Long term: over 5 years

To enhance employees' learning abilities and professional skills, CWE Group considers training and professional development as a long-term investment in its staff. We are committed to strengthening employees' job knowledge, skills, and attitudes to achieve the Company's business objectives. Our diverse training programs include new employee orientation training and on-the-job training, with each program undergoing assessments and effectiveness evaluations to ensure its impact. We also encourage employees to participate in training activities such as overseas visits, domestic company tours, conference attendance, and job rotations to strengthen human resource development and motivate employees to continue growing and advancing.

### ❖ Diverse Training

Item	Description
New Employee Orientation Training	General education and basic skills training.
On-the-job Training	It is divided into general training and skills training. The training covers internal departmental training, quality system, occupational and environmental safety, internal audit and control, production management, and administrative management.

Based on the nature of employees' work, we provide corresponding occupational health and safety education and training to ensure employees thoroughly understand the importance of occupational health and safety. Additionally, we assign employees to participate in external training to comply with local regulatory requirements and obtain relevant occupational health and safety certifications. For example, in our Taiwan plants, the training includes specific areas such as chemical substance handling supervisors, organic solvent handling supervisors, ionizing radiation operators, and forklift operators.



The total training hours offered in 2024 reached 160,559 hours, representing a 19% increase compared to 2023.

## Statistics of Training – by Gender

Year	2021		2022		2023		2024	
Type	Male	Female	Male	Female	Male	Female	Male	Female
Internal Training Hours	68,885	53,571	85,537	53,483	74,786	51,625	101,448	52,251
External Training Hours	5,033	1,890	5,806	1,340	6,463	2,081	4,987	1,873
Total (A)	73,918	55,461	91,343	54,823	81,249	53,706	106,435	54,124
Number of Employees (persons) (B)	1,305	840	1,394	888	1,343	864	1,437	902
Training Hours per Employee (A/B)	56.64	66.03	65.53	61.74	60.50	62.16	74.07	60.00

## Statistics of Training – by Position

Year	2021		2022		2023		2024	
Type	Non-Managerial Position	Managerial Position	Non-Managerial Position	Managerial Position	Non-Managerial Position	Managerial Position	Non-Managerial Position	Managerial Position
Internal Training Hours	114,915	7,540	128,399	10,621	104,282	22,129	132,236	21,463
External Training Hours	3,912	3,012	3,741	3,405	4,288	4,256	3,070	3,790
Total (A)	118,827	10,552	132,140	14,026	108,570	26,385	135,306	25,253
Number of Employees (persons) (B)	1,591	554	1,697	585	1,600	607	1,739	600
Training Hours per Employee (A/B)	74.69	19.05	77.87	23.97	67.86	43.47	77.81	42.09

## Diverse Training

Year	2021		2022		2023		2024	
Type	Total number of participants	Total number of courses	Total number of participants	Total number of courses	Total number of participants	Total number of courses	Total number of participants	Total number of courses
New Employee Orientation Training	479	4,054	585	5,861	392	13,772	680	26,899
General Training	11,734	76,143	13,851	67,330	16,386	70,636	15,897	17,368
Skills Training	1,455	41,393	2,329	66,447	1,733	35,622	8,423	113,057
Management Training	3,369	7,789	2,778	6,528	5,500	14,925	1,827	3,235
Total	17,037	129,379	19,543	146,166	24,011	134,955	26,827	160,559

## 4.4 Occupational Health and Safety

Key Material  
Issue

### Impact Description

Establishing comprehensive occupational safety management measures can reduce the incidence of workplace accidents and occupational safety risks, thereby protecting workers' occupational health and safety.

### Management Policy and Commitment

CWE Group upholds "Zero Accidents" as its highest goal and is committed to providing a safe, healthy, and secure working environment. Through a systematic occupational safety and health management system, continuous education and training, and hazard prevention measures, the Group reduces the risk of workplace accidents and safeguards employees' physical and mental well-being. It also adheres to relevant laws and international standards, embodying the spirit of sustainable operation.

### Management Mechanism and Implementation Strategy

Responsible Units: Occupational Safety Centers of subsidiary manufacturing plants and Occupational Safety and Health Departments at each plant.

Relevant Internal Policies: *Occupational Safety and Health Policy, Operational Safety Guidelines, Emergency Response Plan*, etc.

Operational Mechanism:

- ✓ In accordance with the principles and requirements of the ISO 45001 Occupational Health and Safety Management System
- ✓ Regularly convene the Occupational Safety and Health Committee, with employee representation meeting legal requirements
- ✓ Conduct risk assessments and hazard identifications to develop preventive and corrective measures
- ✓ Establish procedures for reporting, investigating, and notifying occupational safety incidents and accidents

### Specific Action Plan

1. Operational Risk Control:  
Annually update risk identification data and strengthen the management of high-risk operations.
2. Safety Training and Education:  
Provide tiered training for new employees, contractors, supervisors, and personnel involved in specific operations.
3. Health Promotion and Care:  
Conduct regular health check-ups and promote mental health awareness.
4. Safety Culture Promotion:  
Organize annual Safety Week and emergency response drills.
5. Incident Investigation and Prevention:  
Enforce reporting and improvement mechanisms for unsafe behaviors, and regularly review and revise operational procedures.

### Tracking and Verification Mechanism

1. Implement the PDCA management cycle :  
 Plan : Annual training needs survey and budget allocation.  
 Do : Implement training courses according to the plan and maintain records.  
 Check : Post-training questionnaires, supervisor feedback, and learning effectiveness evaluation.  
 Act : Course optimization, instructor adjustments, and performance reports provided for senior management review.
2. Self-management and auditing :
  - ✓ Conduct quarterly internal audits to assess the implementation of safety systems
  - ✓ Continuously improve through annual third-party audits and ISO certification
  - ✓ Require responsible units to correct non-conformities within a set timeframe and follow up on progress

### Index Item

#### Short Term

#### Mid Term

#### Long Term

Number of Occupational Accidents (including contractors)

Within 1 year  
≤ 5 cases

Within 1 year ≤ 3 cases

Achieve zero occupational accidents

Follow-up Completion Rate After Abnormal Health Check Results

≥ 95%

≥ 98%

Achieve 100% completion rate and integrate with the health management system

Recordable Incident Rate

Lower than the industry 3-year average

Lower than half of the industry 3-year average

Lower than one-third of the industry 3-year average

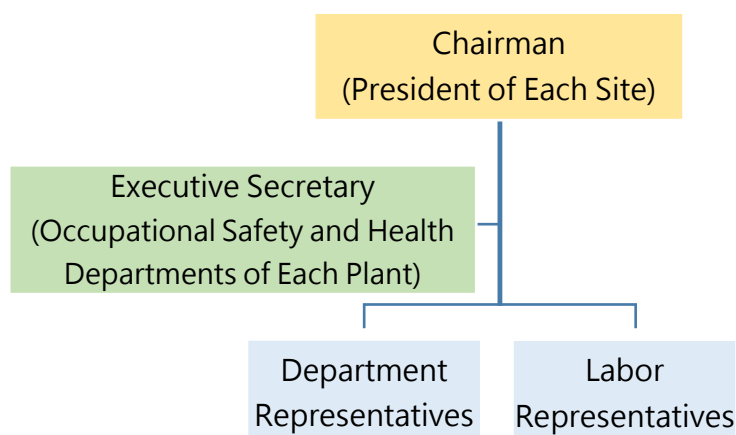
Note : Take 2024 as the base year ; Short term: within 3 years 、 Mid term: within 5 years 、 Long term: over 5 years

In order to ensure the work safety of employees, CWE Group have set out OSH rules within our work rules as references for OSH operations at workplace, thereby minimizing the occurrence of occupational accidents. In the event of commuting or occupational accidents, employees may apply for compensation in accordance with our work rules and regulations. They are also entitled to claims from accident insurance and hospitalization insurance covered by the free group insurance of the Company, which can cover non-occupational medical risks.

According to the Occupational Safety and Health Act, CWE belongs to the low OSH-risk industry. We execute safety and health measures for all employees, activities and works pursuant to the Regulations of Occupational Safety and Health Management of the Ministry of Labor, and maintain the OSH of our employees.

The manufacturing plants of subsidiaries have established an Occupational Health and Safety Management System in accordance with ISO 45001 and completed certification in 2024. This system governs all workers, activities, and work areas within the plant in accordance with regulatory requirements. In addition, to effectively address and resolve occupational health and safety issues, a Safety and Health Management Committee has been established for the entire facility. The committee provides a suggestion box to encourage employees to share their ideas and feedback, promoting open communication.

The structure of the Manufacturing Plant Safety and Health Committee is as follows :





The President of each site would serve as the chairman and hold regular meetings. In Taiwan, meetings are held at least once every three months while monthly meetings are arranged for our China and overseas plants.

Duties of the Committee are as follows :

1. Review OSH policies.
2. Review OSH management plans.
3. Review the implementation plan of safety and health education and training.
4. Review work environment monitoring plan, monitoring results and action plans.
5. Review health management, occupational disease prevention and health promotion matters.
6. Review various safety and health proposals.
7. Review self-inspections and safety and health audits of business units.
8. Review preventive measures for hazards of machinery, equipment, or raw materials and materials.
9. Review occupational disaster investigation reports.
10. Assess the performance of on-site safety and health management.
11. Review safety and health management of contractor business.
12. Responsible for other matters related to OSH management.

The Company conducts regular safety and health compliance audits to ensure that our business operations adhere to regulations. In 2024, all sites were in compliance with local regulations, and there were no safety and health violations. To ensure that employees can work in a safe and healthy environment and to enhance the Company's competitiveness, each site conducts regular monitoring of the working environment and occupational hazards as required by local laws and regulations— twice a year for our Taiwan plants and once a year for our overseas and China plants. The monitoring results have met all requirements and remained below the regulatory thresholds.

## ❖ Safety Promotion (GRI 403-2, 403-5, 403-7 ; SASB TC-SC-320a.1)

The Group aims for zero incidents in occupational hazard management, prioritizing employee safety. If immediate danger arises in the workplace, personnel must cease operations, move to a safe location, and report the issue, without facing any disciplinary action. Each year, "Safety Risk Week" activities are held at each plant to enhance employees' awareness of safety and health, ensuring a safe working environment. Each plant conducts at least one comprehensive disaster drills annually, covering scenarios such as earthquakes, fires, and chemical spills, tailored to the specific operational characteristics and hazards of each site.

Additionally, to reduce occupational injuries, a hazard identification and risk assessment is performed annually for operations in each department. Risks are classified by severity and likelihood, with medium- and high-risk operations requiring additional risk control measures to lower their risk levels. The principle of transparent reporting of occupational accidents is enforced, encouraging departments to proactively identify safety hazards during daily operations and observe unsafe conditions through labor behavior monitoring, with safety suggestions tracked for improvement. The company includes near-miss incidents in its reporting procedures, intervening to make improvements before any harm occurs to prevent future incidents.

## Emergency Drills







## Occupational Accidents Management (GRI 403-2·403-9 | SASB TC-SC-320a.1)

Occupational injury statistics are calculated based on the definitions provided by the “Occupational Safety and Health Act” and the key disabling injury indicators published by the Global Reporting Initiative (GRI), focusing on the frequency rate (FR) and severity rate (SR) of disabling injuries.

In 2024, the CWE Group reported a total of 12 occupational injuries, with no major injury or fatal occupational incidents. For each occupational injury case, we complete an incident report and investigate the direct, indirect, and root causes of the injury. In addition to conducting training and reviewing standard operating procedures (SOPs), we reassess the risk evaluation of the relevant work environment to understand the underlying causes of each occupational injury. Appropriate corrective measures are then implemented and extended to other similar work environments or tasks to minimize hazards and effectively prevent recurrence of similar incidents.

### Statistics of Occupational Injuries in 2024

Type	Statistical Indicators	Taiwan Plant	Overseas Plant	China Plant	Total
Employees	Recordable occupational injuries	12	0	0	12
	Rate of fatalities as a result of occupational injuries	0	0	0	0
	High-consequence occupational injuries	0	0	0	0
	Rate of high-consequence occupational injuries	0	0	0	0
Non-employees	Recordable occupational injuries	0	0	0	0
	Rate of fatalities as a result of occupational injuries	0	0	0	0
	High-consequence occupational injuries	0	0	0	0
	Rate of high-consequence occupational injuries	0	0	0	0

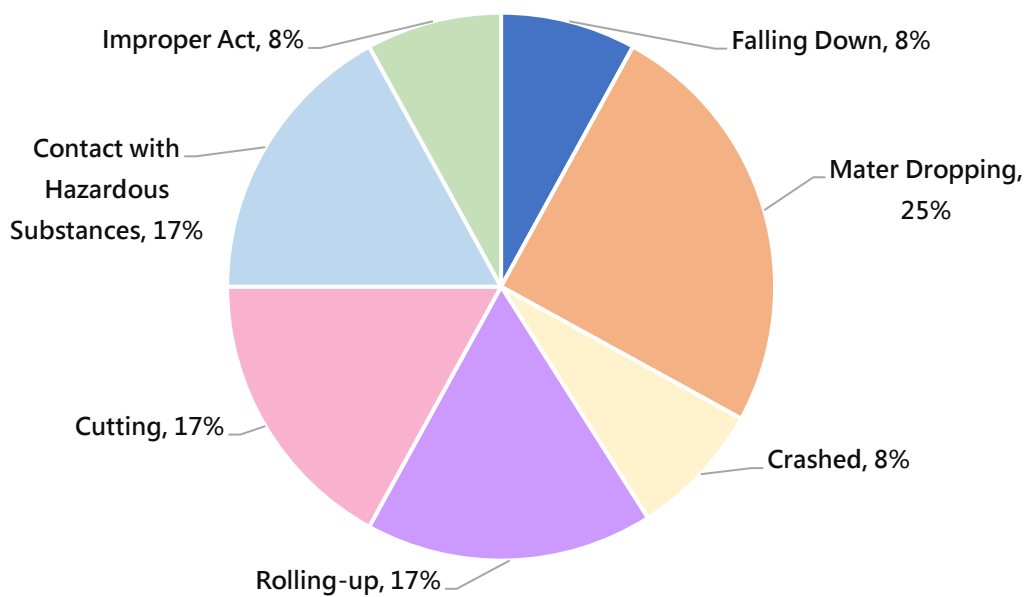
Note 1 : Severe occupational injury are those where employees are unable or unlikely to return to their pre-injury state of health within six months.

Note 2 : The statistics exclude injuries sustained while commuting.

## In Recent Years, statistics on the Frequency and Severity Rates of Disabling Injuries in each plant

Year	Disabling Injury Frequency Rate (FR)				Disabling Injury Severity Rate (SR)			
	Taiwan Plant	Overseas Plant	China Plant	Total	Taiwan Plant	Overseas Plant	China Plant	Total
2021	3.93	0	0	1.24	45	0	0	14
2022	5.06	0	0	1.80	26	0	0	9
2023	3.30	0	0	1.23	102	0	0	38
2024	5.87	0	0	2.32	62	0	0	24

## 2024 Occupational Accident Type



## ❖ Contractor Safety and Health Management (GRI 403-7)

To further enhance workplace safety and extend the coverage to contractors, the subsidiary CWTC has established Contractor Management Procedures at each plant to govern contractors working on-site. These procedures ensure that safety management mechanisms are in place when contractors perform work on-site, aiming for zero workplace injuries. Before starting any work, contractors must hold a safety meeting with project and occupational safety personnel. The occupational safety personnel will outline the safety requirements for the project, and work can only commence once these requirements are met. For special operations, such as slinging and lifting, hot work, confined spaces, or hazardous piping, a special work permit must be submitted, along with a relevant protection plan, and approved before proceeding.

Project and safety personnel conduct periodic inspections during the contractor's work (including work offsite) to ensure compliance with safety requirements and to safeguard the contractor's work safety. In 2024, no contractor-related workplace injuries were reported at any domestic or overseas plants.

## Contractor Safety and Health Awareness Meeting in 2024





## ❖ Health Care Management (GRI 403-3 • 403-6 • 403-7 ; SASB TC-SC-320a.1)

The Company provides health check-ups that exceed regulatory requirements, offering all employees annual health screenings, including general check-ups and special hazard-related assessments, to understand and protect our employees' health status. Since 2019, the Taiwan plant has also included electrocardiography to assess cardiovascular health and prevent overwork. Health check-up results are managed by risk levels. We track employees in high-risk health groups and provide relevant health education and consultation services to safeguard their health and prevent occupational diseases. In 2024, 180 employees at the Taiwan plant were categorized for Level 2 to Level 3 management based on their special health check results. They were interviewed and monitored by nurses and on-site physicians, with results from follow-up doctor appointments uploaded to the official system as required by law. No occupational disease cases were diagnosed at any domestic or overseas plants in 2024.

On-site health services by contracted occupational health physicians are arranged at our Taiwan plant on a monthly basis, with a total of 50 appointments in 2024. The services include disease health interviews and guidance, assessment for return-to-work or job reassignment, recommendations for improving workplace environmental hazards, and reviews of health interview documents by nurses, etc.

### Health Management Classification

Year	Number of Participants in Health Check-ups			Number of Participants in Special Health Check-ups		Number of Employees with Abnormal Results from Special Health Check-ups	
	Taiwan Plant	China Plant	Overseas Plant	Taiwan Plant	Overseas Plant	Taiwan Plant	Overseas Plant
2021	647	467	521	294	11	102	10
2022	830	457	532	346	82	71	40
2023	854	407	512	415	173	102	0
2024	896	414	358	384	76	180	0

Note : The health check-ups in our China site have already included special operation items; therefore, they are not listed separately.

## Regular Health Check-up in 2024



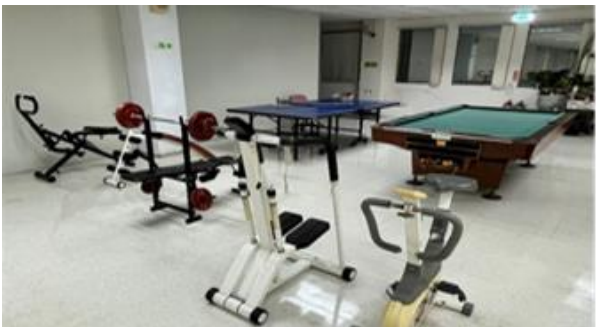


## Physical and Mental Health Care

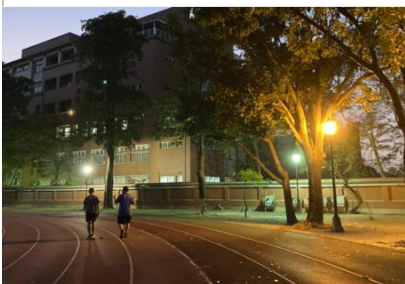
To enhance employees' physical and mental well-being, CWTC has established fitness areas at our Taiwan and China plants, offering a variety of exercise equipment, table tennis, billiards, and a basketball court (at the Chengdu plant) for use during breaks. Additionally, we require our catering service to provide multigrain rice and cook a variety of vegetables with minimal oil, salt, and sugar to offer healthier dietary options. Vending machines stocked with sugar-free beverages and fruits are also provided to meet employees' needs and promote better health and productivity.



Provide multigrain rice, and cook a variety of vegetables with minimal oil, salt, and sugar.



Establish fitness areas, offering a variety of exercise equipment, table tennis, and billiards.



In order to create a healthy workplace for the physical and mental well-being of employees, CWE has established the jogging club in 2020. A one-hour road running session is arranged at the Nanzih Campus of National Kaohsiung University of Science and Technology for two evenings every week. Participants can thus enjoy running or brisk walking in a safe environment.

## 4.5 Social Engagement

CWE Group upholds the philosophy of "taking from society, giving back to society" and actively fulfills our corporate social responsibility. We focus on "environmental sustainability," "cultural and artistic development," and "health and sports" as core strategies for contributing to the community, aiming to create a positive impact on society.

To ensure that resources effectively reach those in need, a supervision mechanism has been established, with recipient organizations undergoing evaluation. This aims to assess the effectiveness of project execution and the tangible impact of resources, allowing social engagement to deliver meaningful benefits to society and contribute to the goal of shared social well-being.

Public Welfare Project	Details	Demonstration of Benefits
<b>Sports Promotion</b>	<ul style="list-style-type: none"> <li>◆ Sponsored the Taiwan Professional Golfers' Association (TPGA) Chau-Shi Series with NT\$2 million.</li> <li>◆ Successfully hosted the TPGA Chau-Shi Series Kaohsiung stop, a 3-day event.</li> <li>◆ Attracted approximately 2,300 on-site spectators and participants.</li> <li>◆ Online live broadcast and replays reached over 120,000 people, with more than 20,000 social media interactions.</li> <li>◆ Distributed 600 beginner's golf handbooks and 400 sports souvenir gift packs.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Cultivated future potential athletes and sports talents, while addressing the stereotype of golf being a "high-barrier" sport.</li> <li>◆ Promoted public participation in sports and enhanced physical and mental well-being.</li> <li>◆ Provided youth with sports education and career development programs.</li> <li>◆ Promoted sustainable tournaments, plastic reduction, and the use of green resources.</li> </ul>

## Environmental Protection

- ◆ Mobilized the Group family to participate in a community beach cleaning event at the Keziliao coastline.
- ◆ Participated in a 2-hour environmental seminar organized by the Taiwan Organic Living Environmental Education Promotion Association, with 50 attendees.
- ◆ A total of 92 participants contributed approximately 368 volunteer hours.
- ◆ Adopted 60 street trees in the industrial park, with a donation of NT\$300,000.
- ◆ Collected 13 bags of trash, totaling 55 kilograms.
- ◆ Received the “Green Enterprise” eco-label from the Taiwan Organic Living Environmental Education Promotion Association.
- ◆ Employees participated in the beach cleaning event with their children, setting an example and passing on environmental awareness to the next generation.
- ◆ Increased the green coverage rate in the industrial park, creating a greener environment and improving the park’s surroundings.
- ◆ The adopted street trees are estimated to absorb approximately 1,200 kg of CO<sub>2</sub> annually.
- ◆ The shade from the trees helps mitigate the urban heat island effect, lowering surface temperatures along the adopted section during summer.
- ◆ Continued tree adoption and maintenance efforts aim to establish a culture of greening and stewardship, encouraging broader participation from businesses and citizens.



## ❖ 2024 Social Engagement Projects

### Sports Promotion – Fostering a Culture of Sports

CWE Group has been established for over 35 years and has long supported domestic sports activities. Leveraging its corporate resources and upholding the corporate value of “taking from society, giving back to society,” the Group began supporting multiple golf



players since 2019. Starting in 2022, it began sponsoring golf tournaments, such as the Taiwan PGA Tour. For the fourth consecutive year, CWE Group has been the title sponsor of the opening event of the Taiwan Professional Golfers' Association (TPGA) Chau-Shi Series. The event has been highly successful every year, and the Group will continue to sponsor and support this tournament in the future. CWE Group remains committed to its philosophy of giving back and strives to be a strong supporter and backbone of golf sports in Taiwan.



Since 2019, CWE Group has united its corporate strength to support multiple golf players. Starting in 2023, the group appointed Max Lee as the company's brand ambassador to jointly promote golf nationwide. In October 2024, Max Lee won the championship at the Asian Tour Thailand International Series, becoming the first Taiwanese player to claim a title in the International Series. Additionally, in December, he secured the championship at the LIV Golf Promotions

2025 held at Riyadh Golf Club. With Lee's outstanding performances in international competitions, CWE Group, as a long-term supporting enterprise, takes great pride in these achievements. The Group will continue to uphold its philosophy of giving back and strives to be a strong supporter and backbone of golf sports in Taiwan.

## Environmental Protection – Coastal Beach Cleaning

Surrounded by beautiful coastlines, Taiwan is deeply connected to the ocean, which plays a vital role in climate regulation. However, marine waste pollution has become a serious issue. Leveraging corporate resources, CWE Group, under the leadership of founder Mr. Canon Huang, Chairman Mr. Chuen-Sing Hung (CWE & CWTC), and Deputy General Manager Ms. Mei-Hsueh Huang (JMC), mobilized employees to participate in a beach cleaning event at the Keziliao coast in Kaohsiung—an initiative to express love for our planet through action. The cleaning event resulted in the collection of 13 bags of trash, totaling 55 kilograms. By participating directly, employees experienced firsthand



the severity of marine pollution, prompting deeper reflection on environmental protection. This awareness extends into daily life, encouraging everyone to reduce waste at the source and work together in building a more sustainable future.

## Environmental Greening – Street Tree Adoption

CWTC, a subsidiary of the Group, has actively participated in community environmental greening initiatives. Since 2024, the company's Taiwan plant has adopted street tree beautification and maintenance work around the Dafa Industrial Park in Kaohsiung City. This project involves regular care of the trees along green belts surrounding the park, aiming to increase green coverage, create a greener industrial zone, and improve the overall environmental quality of the area. In 2024 alone, a total of 60 street trees were adopted, reflecting the company's concrete commitment to environmental sustainability and its long-term vision of building an eco-friendly industrial environment.





# Appendix

## 5.1 GRI Standards Content Index

Statement of Use	CWE has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2024.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	NA

No.	Disclosure Titles	Corresponding Chapters	Page
2021 GRI 2 : General Disclosures 2021			
The organization and its reporting practices			
2-1	Organizational details	About CWE	10-14
2-2	Entities included in the organization's sustainability reporting	About CWE	10-14
2-3	Reporting period, frequency and contact point	About This Report	2-3
2-4	Restatements of information	Not applicable	—
2-5	External assurance	About This Report	2-3
Activities and workers			
2-6	Activities, value chain and other business relationships	About CWE 2.7 Sustainable Supply Chain	10-14 57
2-7	Employees	4.2 Talent Attraction and Retention	96-107
2-8	Workers who are not employees	4.2 Talent Attraction and Retention	96-107

No.	Disclosure Titles	Corresponding Chapters	Page
<b>Governance</b>			
2-9	Governance structure and composition	2.1 Organization and Operation of Corporate Governance	22-37
2-10	Nomination and selection of the highest governance body	2.1 Organization and Operation of Corporate Governance	22-37
2-11	Chair of the highest governance body	2.1 Organization and Operation of Corporate Governance	22-37
2-12	Role of the highest governance body in overseeing the management of impacts	1.1 Sustainable Development Organizations and Strategies 2.1 Organization and Operation of Corporate Governance	15-16 22-37
2-13	Delegation of responsibility for managing impacts	1.1 Sustainable Development Organizations and Strategies	15-16
2-14	Role of the highest governance body in sustainability reporting	1.1 Sustainable Development Organizations and Strategies	15-16
2-15	Conflicts of interest	2.1 Organization and Operation of Corporate Governance	22-37
2-16	Communication of critical concerns	1.2 Stakeholder Engagement	17
2-17	Collective knowledge of the highest governance body	2.1 Organization and Operation of Corporate Governance	22-37
2-18	Evaluation of the performance of the highest governance body	2.1 Organization and Operation of Corporate Governance	22-37

No.	Disclosure Titles	Corresponding Chapters	Page
2-19	Remuneration policies	2.1 Organization and Operation of Corporate Governance	22-37
2-20	Process to determine remuneration	2.1 Organization and Operation of Corporate Governance	22-37
2-21	Annual total compensation ratio	2.1 Organization and Operation of Corporate Governance	22-37
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	About CWE	10-14
2-23	Policy commitments	4.1 Human Rights Policy	92-95
2-24	Embedding policy commitments	4.1 Human Rights Policy	92-95
2-25	Processes to remediate negative impacts	4.1 Human Rights Policy	92-95
2-26	Mechanisms for seeking advice and raising concerns	1.2 Stakeholder Engagement	17
		2.2 Integrity Management	38-42
		4.1 Human Rights Policy	92-95
		4.2 Talent Attraction and Retention	96-107
2-27	Compliance with laws and regulations	2.2 Integrity Management	38-42
		2.5 Internal Control	50-51
		4.1 Human Rights Policy	92-95
2-28	Membership associations	About CWE	10-14

No.	Disclosure Titles	Corresponding Chapters	Page
<b>Stakeholder engagement</b>			
2-29	Approach to stakeholder engagement	1.2 Stakeholder Engagement	17
2-30	Collective bargaining agreements	This item is not applicable as the company does not have a labor union.	—
<b>GRI 3: Material Topics 2021</b>			
3-1	Process to determine material topics	1.3 Identify Material Topics	18-21
3-2	List of material topics	1.3 Identify Material Topics	18-21
3-3	Management of material topics	1.3 Identify Material Topics Details are provided in corresponding chapters	18-21
<b>Specific Topics : GRI 200: Economic Series</b>			
<b>GRI 201 : Economic Performance 2016</b>			
GRI 201-1	Direct economic value generated and distributed	2.3 Operating Performance	43-46
GRI 201-2	Financial implications and other risks and opportunities due to climate change	3.2 Task Force on Climate-Related Financial Disclosures (TCFD)	61-65
GRI 201-4	Financial assistance received from government	2.3 Operating Performance	43-46
<b>Specific Topics : GRI 300: Environmental Disclosures Series</b>			
<b>GRI 302 : Energy 2016</b>			
GRI 302-1	Energy consumption within the organization	3.3 Energy Management	66-71
GRI 302-3	Energy intensity	3.3 Energy Management	66-71

No.	Disclosure Titles	Corresponding Chapters	Page
GRI 302-4	Reduction of energy consumption	3.3 Energy Management	66-71
<b>GRI 303 : Water and Effluents 2018</b>			
GRI 303-1	Interactions with water as a shared resource	3.4 Water Resources Management	77-85
GRI 303-2	Management of water discharge-related impacts	3.4 Water Resources Management	77-85
GRI 303-3	Water withdrawal	3.4 Water Resources Management	77-85
GRI 303-4	Water discharge	3.4 Water Resources Management	77-85
GRI 303-5	Water consumption	3.4 Water Resources Management	77-85
<b>GRI 305 Emissions : 2016</b>			
GRI 305-1	Direct (Scope 1) GHG emissions	3.3 Energy Management	66-71
GRI 305-2	Energy indirect (Scope 2) GHG emissions	3.3 Energy Management	66-71
GRI 305-3	Other indirect (Scope 3) GHG emissions	3.3 Energy Management	66-71
GRI 305-4	GHG emissions intensity	3.3 Energy Management	66-71
GRI 305-5	Reduction of GHG emissions	3.3 Energy Management	66-71
<b>GRI 306 : Waste 2020</b>			
GRI 306-1	Waste generation and significant waste-related impacts	3.5 Waste Management	86-90
GRI 306-2	Management of significant waste-related impacts	3.5 Waste Management	86-90
GRI 306-3	Waste generated	3.5 Waste Management	86-90

No.	Disclosure Titles	Corresponding Chapters	Page
<b>Specific Topics : GRI 400 : Social Disclosures Series</b>			
<b>GRI 401 : Employment 2016</b>			
<b>GRI 401-1</b>	New employee hires and employee turnover	4.2 Talent Attraction and Retention	96-107
<b>GRI 401-2</b>	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Talent Attraction and Retention	96-107
<b>GRI 401-3</b>	Parental leave	4.2 Talent Attraction and Retention	96-107
<b>GRI 403 : Occupational Health and Safety 2018</b>			
<b>GRI 403-1</b>	Occupational health and safety management system	4.4 Occupational Health and Safety	112-124
<b>GRI 403-2</b>	Hazard identification, risk assessment, and incident investigation	4.4 Occupational Health and Safety	112-124
<b>GRI 403-3</b>	Occupational health services	4.4 Occupational Health and Safety	112-124
<b>GRI 403-4</b>	Worker participation, consultation, and communication on occupational health and safety	4.4 Occupational Health and Safety	112-124



No.	Disclosure Titles	Corresponding Chapters	Page
GRI 403-5	Worker training on occupational health and safety	4.3 Talent Development and Diversity Cultivation	108-111
GRI 403-6	Promotion of worker health	4.4 Occupational Health and Safety	112-124
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4 Occupational Health and Safety	112-124
GRI 403-9	Work-related injuries	4.4 Occupational Health and Safety	112-124
GRI 404 : Training and Education 2016			
GRI 404-1	Average hours of training per year per employee	4.3 Talent Development and Diversity Cultivation	108-111
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	4.3 Talent Development and Diversity Cultivation	108-111

## 5.2 SASB Index – Semiconductor Industry

SASB Topics	Code	Metric	Category	Corresponding Chapters / Descriptions
Greenhouse Gas Emissions	TC-SC-110a.1	(1) Gross global Scope 1 emissions (2) Amount of total emissions from perfluorinated compounds	Quantitative	3.3 Energy Management
	TC-SC-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Qualitative	3.3 Energy Management
Energy Management in Manufacturing	TC-SC-130a.1	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	Quantitative	(1) Total energy consumption: 340,153 GJ (2) Percentage of electricity from the grid: 93% (3) Proportion of renewable energy: 0.1%
Water Management	TC-SC-140a.1	(1) Total water withdrawn (2) Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Please refer to Section 3.4 Water Resources Management for details on total water withdrawal and total water consumption. The percentage of total water withdrawal and total water consumption in areas of high or extremely high baseline water stress is 31% and 57%, respectively.
Waste Management	TC-SC-150a.1	(1) Amount of hazardous waste from manufacturing (2) Percentage recycled	Quantitative	(1) Hazardous waste generated: 13,124 metric tons (2) Recycling rate: 96%
Workforce Health & Safety	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of workforce to human health hazards	Qualitative	4.3 Occupational Health and Safety
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	Quantitative	4.3 Occupational Health and Safety
Recruiting & Managing a Global & Skilled Workforce	TC-SC-330a.1	Percentage of employees that are (1) Foreign nationals (2) Located offshore	Quantitative	4.2 Talent Attraction and Retention

SASB Topics	Code	Metric	Category	Corresponding Chapters / Descriptions												
Product Lifecycle Management	TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Currently, the company does not perform statistical management of IEC 62474 materials.												
	TC-SC-410a.2	Processor energy efficiency at a system-level for: (1) Servers (2) Desktops (3) Laptops	Quantitative	The company's products and services are not end-user applications; therefore, the overall energy efficiency of processors has not been calculated.												
Materials Sourcing	TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	Qualitative	CWE is an electronic components distributor with no raw material inventory. Its subsidiary CWTC is professional lead frame manufacturer whose key raw material risk management methods are available on page 50 of its sustainability report.												
Intellectual Property Protection & Competitive Behaviour	TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviors regulations	Quantitative	In 2024, no financial losses occurred due to legal proceedings related to anti-competitive behavior.												
Total production	TC-SC-000.A	Varies by product type	Quantitative	The company is an electronic components distributor, not a manufacturing facility, and therefore does not have production output. The total production output of the subsidiary manufacturing plants is as follows:												
				Unit : KKPCS												
				<table><tr><td></td><td>2023</td><td>2024</td></tr><tr><td>IC Lead Frame</td><td>98,014,</td><td>107,595</td></tr><tr><td>LED Lead Frame</td><td>4,291</td><td>5,373</td></tr><tr><td>Total</td><td>102,305</td><td>112,968</td></tr></table>		2023	2024	IC Lead Frame	98,014,	107,595	LED Lead Frame	4,291	5,373	Total	102,305	112,968
					2023	2024										
				IC Lead Frame	98,014,	107,595										
LED Lead Frame	4,291	5,373														
Total	102,305	112,968														
Percentage of production from owned facilities	TC-SC-000.B	Percentage (%)	Quantitative	CWE is an electronic components distributor that does not own any facilities. The subsidiary manufacturing plant is a professional lead frame manufacturer, with 100% of its production coming from its own facilities.												

## 5.3 Sustainability Disclosure Indicators- Semiconductor Industry

No.	Indicator Indicator	Type	Unit	Annual Disclosure
1	Total energy consumption, percentage of purchased electricity and renewable energy usage	Quantitative	Gigajoules (GJ), Percentage (%)	Total energy consumption : 340,153 GJ Percentage of purchased power : 93% Percentage of renewable energy usage : 0.1 %
2	Total water withdrawal and total water consumption	Quantitative	Thousand cubic meters (m3)	Total water withdrawal : 1,377 m <sup>3</sup> Total water consumption : 574 m <sup>3</sup>
3	Total hazardous waste generated and percentage recycled	Quantitative	Metric tons (t), Percentage (%)	The Company and its sales locations do not generate hazardous waste. The following statistics are based on the manufacturing plants of its subsidiaries : Total hazardous waste output : 13,124 t The hazardous waste recycling rate : 96%
4	Types of, number of employees in and rate of occupational accidents	Quantitative	Percentage (%), Quantity	Rate of recordable occupational injury : Fall over : 3 injuries, 25% ; Rolling-up : 2 injuries, 17% Cut, Slasher, or Scrape : 2 injuries, 17% ; Contact with Harmful Substances : 2 injuries, 17% Fall : 1 injury, 8% ; Crashed : 1 injury, 8% Improper action : 1 injury, 8%
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled <sup>(Note)</sup>	Quantitative	Metric tons (t), Percentage (%)	The Company and its sales locations do not generate discarded products or electronic waste. The following statistics are based on the manufacturing plants of its subsidiaries : Weight of scrap products and electronic waste : 17,149 t Percentage of recycling : 70%

No.	Indicator	Indicator	Type	Unit	Annual Disclosure												
6	Description of the management of risks associated with the use of critical materials		Qualitative	Not applicable	CWE Group does not use conflict minerals in the manufacturing process and conducts supply chain due diligence concerning conflict minerals to ensure 100% of its products contain minerals from conflict areas.												
7	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations		Quantitative	Reporting currency	In 2024, CWE Group did not incur any monetary losses as a result of legal proceedings associated with anti-competitive regulations.												
8	Production by product category		Quantitative	KKPCS Metric tons (t)	<div>The company is an electronic components distributor, not a manufacturing facility, and therefore does not have production output.</div> <div>The total production output of the subsidiary manufacturing plants is as follows:</div> <div><div>Unit : KKPCS</div><table><tr><th></th><th>2023</th><th>2024</th></tr><tr><td>IC Lead Frame</td><td>98,014,</td><td>107,595</td></tr><tr><td>LED Lead Frame</td><td>4,291</td><td>5,373</td></tr><tr><td>Total</td><td>102,305</td><td>112,968</td></tr></table></div>		2023	2024	IC Lead Frame	98,014,	107,595	LED Lead Frame	4,291	5,373	Total	102,305	112,968
	2023	2024															
IC Lead Frame	98,014,	107,595															
LED Lead Frame	4,291	5,373															
Total	102,305	112,968															

Note : Descriptions including the sale of scraps and the recycling and processing of waste shall be provided.

## 5.4 TCFD Disclosure Index

### ❖ Risks and Opportunities of Climate Change to the Company and Related Measures Taken by the Company

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities	3-2 Task Force on Climate-Related Financial Disclosures (TCFD)
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finance of the business (short, medium and long term).	3-2 Task Force on Climate-Related Financial Disclosures (TCFD)
3. Describe the financial impacts of extreme weather events and transformational actions.	3-2 Task Force on Climate-Related Financial Disclosures (TCFD)
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	3-2 Task Force on Climate-Related Financial Disclosures (TCFD)
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.	3-2 Task Force on Climate-Related Financial Disclosures (TCFD)
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.	3-2 Task Force on Climate-Related Financial Disclosures (TCFD)

Item	Implementation status
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The company has implemented an internal carbon pricing mechanism. Initially, it referenced the Ministry of Environment's 2024 commissioned research conducted by the London School of Economics and Political Science on Taiwan's carbon pricing system. Based on this, a reference carbon price of NT\$300 per metric ton was established. The company then set its internal carbon price at NT\$500 per metric ton to guide operational decisions and the promotion of carbon reduction initiatives. Through this internal carbon pricing and carbon trading management mechanism, the company aims to incentivize departments to achieve emission reduction targets and enhance overall carbon management.
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.	3-2 Task Force on Climate-Related Financial Disclosures (TCFD)
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	See Tables 1-1 and 1-2 below.



## ❖ GHG Inventory and Assurance Status for the Most Recent 2 Fiscal Years

### 1-1 GHG Inventory Information

**Describe the emission volume (metric tons CO<sub>2</sub>e), intensity (metric tons CO<sub>2</sub>e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.**

The scope of information to be disclosed by the Company in accordance with the requirements of the Sustainable Development Roadmap for TWSE-listed Companies includes the following :

- 1.The parent company shall begin conducting GHG inventory in 2025.
- 2.Subsidiaries included in the consolidated financial statements shall begin conducting GHG inventory in 2026.

CWE Group has established a GHG inventory mechanism in accordance with the ISO 14064-1 standards for GHG inventories published by the International Organization for Standardization (ISO). Since 2023, the Company has conducted regular annual inventories of GHG emissions for the parent company and all subsidiaries. This ensures a comprehensive understanding of GHG usage and emissions, and verifies the effectiveness of emission reduction measures. Additionally, the GHG inventory data for the most recent two fiscal years have been aggregated using the operational control approach. The data includes both the Company and all subsidiaries covered by the consolidated financial statements. The details are as follows :

Year		2023		2024	
Item		Emission Volume ( tCO <sub>2</sub> e )	Intensity (tCO <sub>2</sub> e/ NT\$ million)	Emission Volume ( tCO <sub>2</sub> e )	Intensity (tCO <sub>2</sub> e/ NT\$ million)
The Company	<b>Scope 1</b> Direct GHG emissions	12		14	
	<b>Scope 2</b> Indirect GHG emissions	50		26	
	<b>Subtotal</b>	62		40	
All subsidiaries in the consolidated financial report	<b>Scope 1</b> Direct GHG emissions	3,594		3,599	
	<b>Scope 2</b> Indirect GHG emissions	44,169		48,739	
	<b>Subtotal</b>	47,763		52,338	
Total		47,825	2.900	52,378	3.040

## 1-1-1 GHG Assurance Information

**Describe the status of assurance for the most recent 2 fiscal years, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.**

The scope of assurance to be executed in accordance with the requirements of the Sustainable Development Roadmap for TPEX-listed Companies includes the following:

1. The parent company shall begin conducting GHG assurance in 2027.
2. Subsidiaries included in the consolidated financial statements shall begin conducting GHG assurance in 2028.

For CWE Group' s total GHG emissions disclosed in Table 1-1 :

CWE : For the fiscal years 2023 and 2024, the scope of assurance covered 100% of the total greenhouse gas emissions of the company as a single entity. The assurance for both years was conducted by DNV Business Assurance Co., Ltd. in accordance with ISO 14064-3:2019, published by the International Organization for Standardization (ISO), with a reasonable level of assurance provided in both cases.

Subsidiaries included in the consolidated financial statements : In 2023 and 2024, the scope of assurance covered 99.99% and 100% of the total greenhouse gas emissions of the subsidiaries included in the consolidated financial statements, respectively.

In 2024, for CWE and its subsidiaries included in the consolidated financial statements, the subsidiaries CWTC and CWEC obtained reasonable assurance from DNV Business Assurance Co., Ltd. The remaining subsidiaries were assured by Malaysia' s Bureau Veritas Certification (M) Sdn. Bhd., Singapore' s TÜV SÜD PSB Pte Ltd., and China' s CTI Certification Co., Ltd., following ISO 14064-3:2019 issued by the International Organization for Standardization (ISO). All assurance opinions provided reasonable assurance.

## 1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

### Reduction base year and goals for GHG

To develop its GHG reduction strategy, CWE Group is in the process of establishing a baseline year, with the ultimate goal of achieving carbon neutrality by 2050.

### GHG reduction strategy and concrete action plan

CWE Group has integrated carbon management into their operational strategies. By using a carbon management platform, they systematically integrate emissions data across the Group, providing real-time access to the information needed for carbon management. This platform also enables comprehensive oversight of various GHG reduction initiatives, including improving energy efficiency, purchasing energy-saving equipment, installing solar power systems, and reducing GHG emissions at the raw material source. These measures ensure that reduction efforts stay on track while minimizing carbon emission impacts and enhancing operational competitiveness.

To ensure that management, the execution team, and all employees work together to achieve GHG reduction targets and improve energy efficiency, key project goals have been incorporated into the Group's operational performance indicators. These indicators serve as the basis for employee performance evaluations and bonuses, reinforcing a culture of accountability in management.

### Achievement of GHG reduction goals

Plant	Measures and Performance in 2024
<b>Taiwan Plant</b>	Replacement of chillers, additional purchase of new magnetic levitation chillers, load reduction of cleanroom circulation fans, and replacement of lighting fixtures in the underground parking lot achieved annual energy savings of 567,078 kWh (equivalent to 2,042 GJ).
<b>Chengdu Plant</b>	By shutting down air conditioning in standby areas, using chilled water from the raw water tank to replace chiller cooling for air compressors and electroplating air handling units, controlling air conditioning temperatures, adjusting the operating frequency of air compressors, and installing automatic stop functions on fans to reduce idle time, annual energy savings reached 570,730 kWh (equivalent to 2,055 GJ).
<b>Malaysia Plant</b>	Replacement of turbo air compressors achieved annual energy savings of 761,280 kWh (equivalent to 2,741 GJ).
<b>Total</b>	6,838GJ

## 5.5 Third Party Assurance Statement

### ❖ Assurance Statement of Sustainability Report

思享永續會計師事務所

Live Susthinkability CPA Firm

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Dist., Taipei City 106448, Taiwan (R.O.C.)

Independent Limited Assurance Report

CHANG WAH ELECTROMATERIALS INC

We have completed limited assurance procedures for selected performance indicators included in CHANG WAH ELECTROMATERIALS INC's 2024 Sustainability Report. Based on these procedures, we issue this Limited Assurance Report.

#### Assured Information and Applicable Criteria

The selected performance indicators (referred to as the "Assured Information") and their applicable criteria are detailed in **Appendix 1: Summary of Assurance Items**.

#### Management's Responsibility

Management is responsible for preparing the Assured Information in accordance with:

- The "Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies," issued by the Taiwan Stock Exchange;
- The Global Reporting Initiative (GRI) Standards (Universal, Sector, and Topic Standards);
- The Sustainability Accounting Standards Board (SASB) Standards; and
- The company's internally designed criteria.

Management is also responsible for maintaining internal controls relevant to the preparation of the Assured Information to ensure it is free from material misstatements, whether due to fraud or error.

#### Accountant's Responsibility

Our responsibility is to perform limited assurance procedures in accordance with **Assurance Engagements 3000** ("Assurance Engagements Other than Audits or Reviews of Historical Financial Information"). Based on the procedures performed and evidence obtained, we aim to provide limited assurance as to whether the Assured Information (detailed in **Appendix 1**) contains material misstatements.

Compared to reasonable assurance engagements, the scope, timing, and nature of procedures for limited assurance are more limited, resulting in a lower level of assurance.

Using professional judgment, we planned and performed the following procedures to obtain sufficient evidence:

- Conducting inquiries with management and personnel involved in preparing the Assured Information to understand policies, processes, internal controls, and information systems, and to identify areas where material misstatements might exist.
- Performing tests on selected samples, including inspection, recalculation, re-performance, observation, and analytical procedures, to gather evidence supporting the limited assurance conclusion.

### **Inherent Limitations**

Non-financial information, such as the Assured Information, has more inherent limitations compared to financial information. These limitations include greater reliance on management's judgments, assumptions, and interpretations. Additionally, stakeholders may interpret non-financial information differently.

### **Independence and Quality Management**

We and our firm have complied with the independence and other ethical requirements outlined in the Code of Ethics for Professional Accountants, which emphasize integrity, objectivity, professional competence, confidentiality, and professional behavior.

Our firm also adheres to **Quality Management Standard No. 1** ("Quality Management for Accounting Firms"), which requires the establishment, implementation, and maintenance of quality management systems, including policies and procedures to ensure compliance with professional standards and applicable regulations.

### **Conclusion**

Based on the procedures performed and evidence obtained, nothing has come to our attention that

causes us to believe the Assured Information contains material misstatements in any significant respect as prepared in accordance with the applicable criteria.

**Other Matters**

Following the issuance of this report, any changes made by CHANG WAH ELECTROMATERIALS INC to the Assured Information or applicable criteria are the sole responsibility of the company. We do not undertake any further assurance procedures for such changes.

*Live Susthinkability CPA Firm*

Live Susthinkability CPA Firm

Taipei, Taiwan

Republic of China

October 28, 2025



## APPENDIX 1

## SUMMARY OF SELECTED SUBJECT MATTER INFORMATION

No.	Assured Information	Corresponding Section	Applicable Criteria	Key Performance Indicators
1	Total energy consumption, percentage of purchased electricity, utilization rate(renewable energy).	5.3 Sustainability Disclosure Indicators - Electronics Distribution Industry	Appendix 1-13, Sustainability Disclosure Indicators No. 1 from the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”	From January 1 to December 31, 2024, Chang Hwa Electromaterials Group's total energy consumption was 340,153 GJ, with purchased electricity accounting for 93% and renewable energy usage at 0.1%.
2	Total water withdrawn, total water consumption.	5.3 Sustainability Disclosure Indicators - Electronics Distribution Industry	Appendix 1-13, Sustainability Disclosure Indicators No. 2 from the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”	From January 1 to December 31, 2024, Chang Hwa Electromaterials Group's total water withdrawal was 1,377 thousand m <sup>3</sup> , and total water consumption was 574 thousand m <sup>3</sup> .
3	Total hazardous waste generated and percentage recycled.	5.3 Sustainability Disclosure Indicators - Electronics Distribution Industry	Appendix 1-13, Sustainability Disclosure Indicators No. 3 from the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”	Chang Hwa Electromaterials Co., Ltd. does not have scrapped products or electronic waste at its other sales locations. The following statistics are compiled within the scope of its subsidiary manufacturing plants:  From January 1 to December 31, 2024, the total weight of hazardous waste was 13,124 metric tons, with a hazardous waste recovery rate of



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No.	Assured Information	Corresponding Section	Applicable Criteria	Key Performance Indicators
				96%.
4	Types of, number of employees in and rate of occupational accidents.	5.3 Sustainability Disclosure Indicators - Electronics Distribution Industry	Appendix 1-13, Sustainability Disclosure Indicators No. 4 from the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”	In 2024, Chang Hwa Electromaterials Group had no fatal occupational injuries. At the subsidiary level, a total of 12 incidents occurred, resulting from causes including employee slips/falls, being caught-in or between objects, cuts/lacerations/abrasions, contact with harmful substances, tumbles/rolls, being struck by objects, and improper movements.
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled (Note 1).	5.3 Sustainability Disclosure Indicators - Electronics Distribution Industry	Appendix 1-13, Sustainability Disclosure Indicators No. 5 from the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”	From January 1 to December 31, 2024, Chang Hwa Electromaterials Group's total weight of scrapped products and electronic waste was 17,149 metric tons, with a recycling percentage of 70%.
6	Description of the management of risks associated with the use of critical materials.	5.3 Sustainability Disclosure Indicators - Electronics Distribution Industry	Appendix 1-13, Sustainability Disclosure Indicators No. 6 from the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”	Chang Hwa Electromaterials Group does not use conflict minerals in its product manufacturing. We conduct conflict minerals due diligence within our supply chain to ensure that 100% of the minerals used in our products do not originate from conflict regions.
7	Total amount of monetary losses	5.3 Sustainability Disclosure	Appendix 1-13, Sustainability Disclosure	In 2024, Chang Hwa Electromaterials Group

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No.	Assured Information	Corresponding Section	Applicable Criteria	Key Performance Indicators
	as a result of legal proceedings associated with anticompetitive behavior regulations.	Indicators - Electronics Distribution Industry	Indicators No. 7 from the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”	had no legal violations related to economic or environmental matters. Furthermore, no incidents of corruption or anti-competitive behavior occurred, nor were there any violations concerning marketing and labeling. The reporting channels received zero complaints regarding violations of business integrity.
8	Production by product category.	5.3 Sustainability Disclosure Indicators - Electronics Distribution Industry	Appendix 1-13, Sustainability Disclosure Indicators No. 8 from the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”	Chang Hwa Electromaterials INC. is an electronics distributor, not a manufacturing plant, and has no production volume. The production volume of the subsidiary manufacturing plants is 112,968 kpcs.
9	Total water withdrawal and consumption in 2023.	3.4 Water Resource Management.	GRI 303: Water and Effluents 2018	From January 1 to December 31, 2023, Chang Hwa Electromaterials Group's total water withdrawal was 1,136 thousand m <sup>3</sup> , and total water consumption was 433 thousand m <sup>3</sup> .
10	Total weight of waste generated at the Taiwan site(s) in 2023.	3.5 Waste Management.	GRI 306: Waste 2020	From January 1 to December 31, 2023, the total weight of waste generated at Chang Hwa Electromaterials Group's Taiwan manufacturing

## APPENDIX 1

No.	Assured Information	Corresponding Section	Applicable Criteria	Key Performance Indicators
				site(s) was 3,108 metric tons.

Note1: Descriptions including the sale of scraps and the recycling and processing of waste shall be provided.