



Chang Wah Technology Co.,Ltd.

CORPORATE SUSTAINABILITY REPORT
CSR REPORT 2021

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About

This report is written based on the core option of the GRI standard issued by the Global Reporting Initiative (GRI). It is issued spontaneously, and it will be released on the CWTC site under the CSR.

The content of this report includes the economic, the environment and social information of CWTC and its subsidiaries.

The financial report is prepared based on the International Financial Reporting Standards, and it is verified by Deloitte & Touche. Unless there is a special note, the money is in Taiwanese dollars.

CWTC engaged PwC Taiwan to perform an independent limited assurance in accordance with the Statement of Assurance Engagements Standards No. 1, “Assurance Engagements other than Audits or Reviews of Historical Financial Information” in the Republic of China Revised for this report. The independent assurance statement can be found at the end of this report.

The Period of Information Disclosure

The disclosure period of this report is from January 1st, 2021 to December 31st, 2020.

This report is the second corporate social responsibility book issued by the company.

Last release version: June 2021

Current release version: September 2022

Next release: Scheduled for September 2023

Contact

In order to keep the communication with the stakeholders, feel free to contact and share you recommendation, please find the contact information down below:

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Website: <http://www.cwtcglobal.com/>

A Note from the Chairman

Chang Wah Corporation was founded in 1989. Right now the company is in its thirty years of establishment. Looking back, I comprehend the meaning from the past thirty-year entrepreneurship experience; that is to always “be grateful, be responsible, be cherished, and be thankful”. These four phrases become the best description of the company, and are used as the foundation of the corporate culture in order to implement the sustainable development.

Be Grateful

Along the way, there have been many noble people who have helped us, especially Mr. Furukofu Nobore, the former director of Sumitomo Metal Mines in Singapore. Because of the trust and the help that we received from Mr. Gu Guofu at the beginning of the CWTC founding period, we obtained the agency rights of Sumitomo, which then helped to establish Chang Hua’s leading position in packaging material agency in the future.

Be Responsible

As the old saying goes, "God helps others to help themselves." Since we received the help from the nobles, we should have the courage to take the responsibility of all kinds so that we are able to continue pursuing the ultimate goal of sustainable development. We continue to improve the company’s physique, create stable profits, and integrate corporate social responsibility thinking into the business process. Recently, we have successively sponsored local community sports activities to make the company become more energetic.

Be Cherished

In order to earn profit for our stakeholders and investors, putting effort in maintaining the relationship between clients, stakeholders and employees is the most fundamental step to create economic value for the company. Besides that, enterprises should fulfill their social responsibilities. In other words, they need to have the concept of cherishing the society to create the social value because caring for the social is as important as agreeing with companies earning money. This is the root of creating sustainable development of enterprise.

Be Thankful

As an old saying goes, “to do a good job, an artisan needs the best tools.” We believe only having advanced production equipment can help to increase the capacity of our production and the quality, to further maximize the efficiency of the production and to reduce the cost. In other words, CWTC continues to invest in equipment and R&D so that we can return the profit back to our clients, meaning to enhance the competitiveness between the clients and CWTC to create a win-win situation.

Forecast



For the forecast of CWTC, we not only now transform to the manufacturing and development industry, but also eagerly are seeking the opportunity to invest by combining upstream industries which can offer both parties the technical support. In the future, I hope that CWTC is not just the supplier in the semiconductor industry, but I hope it can also become the maker of product specifications in the market.

CHANG WAH GROUP President Canon Huang




1. Sustainable Development

1.1 Company Profile

CODE	6548	Company Name	CHANG WAH TECHNOLOGY CO., LTD	Industry	Semiconductor
Address	NO. 24, Kai-Fa Road Nan-Tze Dist., Kaohsiung, Taiwan, R.O.C.				
Chairman	Hung Chuen Sing	General Manager	Hung Chuen Sing		
Main business	Lead frame Production				
Date of establishment	1998/12/24	Identity	70849957		
Capital	384,198,680	Par Value	NTD\$1		

CWTC was established on December 24th, 2009, a subsidiary company of CWE. In the early stage, CWTC was dedicated to the development and production of LED lead frame and molding compound material, and became a publicly listed company on September 13th, 2016. (Code 6548). In 2017, CWTC had acquired Singapore company SH Asia Pacific Pte. Ltd. (SHAP), a subsidiary of Japanese company SH Material Co., Ltd. (S.H.M), and expanded our business to the semiconductor metal lead frame industry, becoming the leading manufacturer of global IC substrates. In the industrial supply chain, CWTC plays a significant role in integrated circuit (IC) and Light Emitting Diode (LED) for mainly offering materials that will be used for the IC packaging. This is an essential process for the molding. After molding, the product can finally be installed in the finished semiconductor devices for selling. CWTC is similar to other IC and LED packaging manufacturers, the upstream supplier of the whole industrial chain of the final in process material supplier. We are also one of the top five suppliers of lead frames in the world.



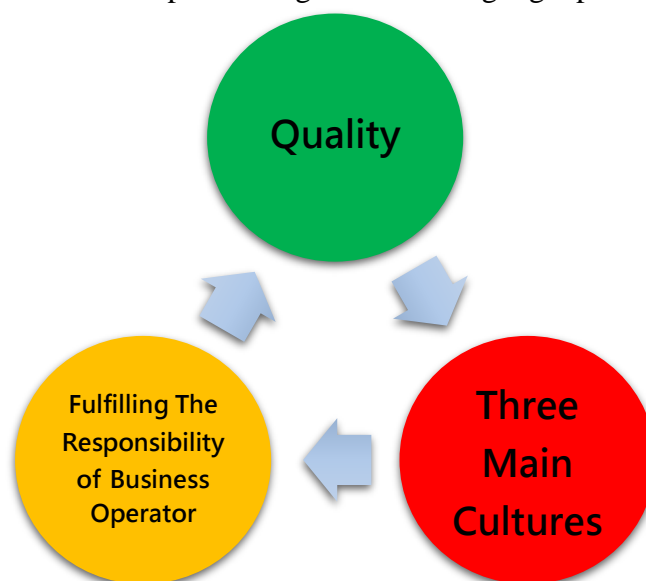
- 
IC Lead frame
 SO, SOP, TSSOP, TSOP, COL, QFP, TQFP, LQFP, PDIP
- 
IC Lead frame (Quad Frame No Lead)
QFN, MQFN, DRQFN, aQFN
- 
Discrete:
 Discrete transistor · SOT
- 
EMC Lead frame
 LED, Pre-mold

*Achievement

Item	Important Event
The key technology and service model	<ul style="list-style-type: none"> ● Dedicated in Pre-mold IC technology. The top international clients, such as IDM, ASTS...,etc begin to introduce our products to their companies. ● Taiwan is the main R&D center. The expenditure of R&D is gradually increasing each year. Right now we have 125 patents. ● The structure of palladium-nickel plating equipment is the top technology of the world. ● Having the only premold metal substrate technology in the world. ● We are the only manufacturer in the world that can vertically (or horizontally) integrate the supply chain of IC substrate products. ● In 2011,LED lead frame production was certified by AFNOR ISO9001. In 2015, our quality assurance management system was certified by AFNOR ISO/TSI16949, and in 2016, the environmental management was rewarded by JAS-ANZ ISO14001.
Marketing position	<ul style="list-style-type: none"> ● Dedicated in the metal substrate manufacturer industry. Our lead frame products are among the top three in the world. ● The EMC LED lead frame products that CWTC develops belong to EPOXY lead frames which have high density, high heat resistance, non-yellowing, high air tightness, etc. ● The core technology in CWTC is having the key producing process of precision lead frame which has a very different producing process and structure compared to the traditional PPA LED. ● The pre-molding technique of IC packaging that we developed that can be used in LED lead frames is currently the lead in this industry.
Brand development	<ul style="list-style-type: none"> ● We use “CWTC” as our brand name for marketing purposes. ● CWTC has become the top five strategy partner of the well-known factories such as IDM in the world. ● The total value of sales exceeded NT\$ 9 billion, becoming one of the profitable metal substrate industries in the world. ● Currently, CWTC has 9 overseas branches/ subsidiaries and sub-subsidiaries, mainly located in the Asia-Pacific region.
Business performance	<ul style="list-style-type: none"> ● The revenue of 2021 is NT\$127 billion. Compared to 2020, the revenue is up to 32% and gross margin is up to 26% this year. ● EPS of 2021 is 4.8. Compared to 2020, the EPS is up to 120%.

***Business Philosophy**

1. Quality Assurance
 - a. Satisfying and exceeding the expectation of our customers.
 - b. Fulfilling the quality requirements that are made by the customers and delivering the products to them on time.
 - c. Offering outstanding service and craftsmanship
2. Three Main Cultures
 - a. People oriented
 - b. Creating a safe and healthy working environment for our employees, mainly focuses on the working environment safety and continuing on cultivating talents
 - c. Offering a complete promotion pipeline, creating a highly professional developmental place for our employees
 - d. Integrity
 - e. Honesty is the foundation of sustainable business
 - f. Innovation and change
 - g. Innovation is the source of growth. In order to meet the expectation of consumers, CWTC continues on improving and innovating our products.
3. Fulfilling The Responsibility of Business Operator
 - a. Stakeholders: through effective management and sustainable development, CWTC is able to maximize the shareholder's equity.
 - b. Customers: in terms of the market segmentations, we divide them into four groups including technology, quality, delivery time and production cost which helps the company become a highly competitive enterprise.
 - c. Employees: establishing a healthy work environment and building a clear division of responsibilities.
 - d. Government: implementing and following legal principles



*Business base



Chang Wah Technology Co., Ltd./ 262 employee	
Address	No. 24, Kai-Fa Road Nan-Tze Dist., Kaohsiung, Taiwan, R.O.C.
Main business	Lead Frame Production
Chang Wah Technology Co., Ltd. Japan Branch/3 employee	
Address	Branch office in Japan: 1746-2, Ohkuchi-Ushio, Isa, Kagoshima, Japan
Main business	Lead Frame Sales
SH Electronics Taiwan Co., Ltd. /485 employee	
Address	No.16, East 7 th Street Nsn-Tze Dist., Kaohsiung, Taiwan, R.O.C.
Main business	Lead Frame Production
SH Electronics Suzhou Co., Ltd./ 483 employee	
Address	No. 123, Longtan Road, Suzhou Industrial Park, Jiangsu Province, China
Main business	Lead Frame Production
SH Electronics Chengdu Co., Ltd./186 employee	
Address	No.6, West Zone, No.8, Kexin Road, West Park, Chengdu Hi-tech Zone, Sichuan Province, China
Main business	Lead Frame Production
SH Precision Chengdu Co., Ltd./ 84 employee	
Address	No. 7, Xin Yuan South 2nd Road, Singapore Industrial Park, Chengdu Hi-Tech Zone, Sichuan Province, China
Main business	Lead Frame Production
Shanghai Chang Wah Electromaterials Inc./27employee	

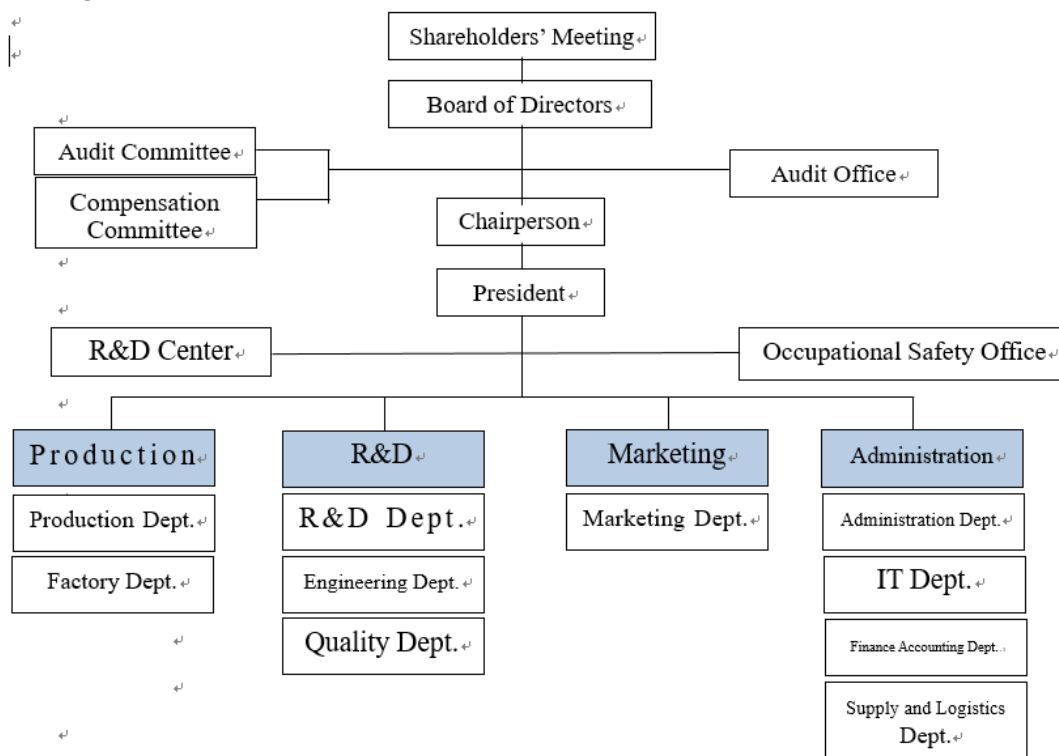
Address	Room 2101, Mega Plaza, 1027 Changning Road, Changning District, Shanghai, China
Main business	IC packaging materials and equipment distribution business
CWTC (Shanghai) Inc. /3 employee	
Address	Room E01, 2/F, No. 207, Fute North Road, China (Shanghai) Free Trade Pilot Zone
Main business	Lead Frame Sales
SH Asia Pacific Pte. Ltd /15 employee	
Address	10 Eunos Road 8 #05-04/05 Singapore Post Centre Singapore 408600
Main business	Lead Frame Sales
Malaysian SH Electronics Sdn. Bhd. /521 employee	
Address	Lots 5,7&9, Jalan Ragum 15/17, 40200 Shah Alam, Selangor Darul Ehsan, Malaysia
Main business	Lead Frame Production

1.2 Corporate Governance

To make the company more sustainable, CWTC not only needs to maximize its value and improve the company management, but also takes protecting the shareholders' rights and interests as the starting point.

We promoted the company management evaluation, which is based on Taiwan Financial Supervisory Commission (FSC), and it was passed by the Board of Directors under the code of practice on corporate governance in 2020. The purpose of the evaluation is to review the status of corporate governance practices and effectiveness. Through the process of self-assessment, it allows the management to pay more attention to the continuous improvement of the corporate governance system. We hope this can further shape and enhance the quality of CWTC.

* Organizational structure



DEPARTMENT	MAIN DUTIES
Audit Department	<ul style="list-style-type: none"> Evaluates business procedures, risk management, control functions and governance, measuring the operational efficiency Provides suggestions on system improvement and the implementation of subsidiary supervision.
General Manager	<ul style="list-style-type: none"> Planning and managing the overall operations of a company, including: <ul style="list-style-type: none"> The development of the company's medium and long-term business strategies The establishment of the operation system for each department, the supervision and management.
R&D	<ul style="list-style-type: none"> Provides insights into the market Develops medium and long-term products

DEPARTMENT	MAIN DUTIES
	<ul style="list-style-type: none"> ● Conducts technology research and development
Sales Administration Department	<ul style="list-style-type: none"> ● Focuses on sales and market development ● Provides customer services, consulting, managing and planning for the usage of business resources ● Investigates and collects the industry data.
Development Department	<ul style="list-style-type: none"> ● Conducts market surveys of new products, new technology, and mold development and production. ● Launches business activities of the new products ● Provides customer service.
Engineering Department	<ul style="list-style-type: none"> ● Maintains the process yield control as well as the quality yield improvement. ● Is responsible for product development projects, product testing, preparing delivery plans and shipping inspection ● Focuses on the estimation of equipment components and loss in the factory.
QC Department	<ul style="list-style-type: none"> ● Is responsible for establishing and maintaining the quality system and the uniformity of the products ● Conducts several audits including supplier audits, internal and external audits as well as the customer audits which help to improve the service quality. ● Is responsible for implementing the product reliability testing and instrument calibration system maintenance ● Handles customer complaints to ensure consistent quality throughout the manufacturing process.
Production Department	<ul style="list-style-type: none"> ● Production line operation mode ● Production process planning ● Production schedule control ● Production target planning
Factory Affairs Department	<ul style="list-style-type: none"> ● Set up for the safety operation standards ● Check and coordinate the elimination of risk factors ● Labor laws and regulations ● Labor safety and hygiene training ● Environmental protection equipment operation ● Sewage treatment ● Plant affairs ● Maintaining water and electricity projects
Logistics Department	<ul style="list-style-type: none"> ● Mass production arrangement ● Delivery time control ● Sales and production coordination ● Material planning and production cost control ● Outsourcing production management as well as warehouse control
Finance Department	<ul style="list-style-type: none"> ● Accounting management ● Fund scheduling ● Tax management ● Investor relations
Management	<ul style="list-style-type: none"> ● Human resource planning ● Providing various education courses ● Integrated company operation management and general affairs
Information Department	<ul style="list-style-type: none"> ● Build, import and maintain software and hardware information system ● Applying the development of smart technology

*Board of Directors

Chang Wah Technology's highest governing body is the board of directors who are responsible to the shareholders. The board needs to have good judgement skills in operation, accounting and financial analysis, as well as management abilities, etc. Because they have very defined roles and responsibilities within the business

organization, it is crucial to have a high degree of self-discipline and prudence when exercising the power.

As for performing the business of the corporation, they need to not only thoughtfully deliberate issues and policy proposals, but also formulate corporate social responsibility and sustainable development strategies.

In 2021, CWTC held a shareholder meeting for re-election. Also, the fifth board of directors has held 4 board meetings in 2021. The attendance of directors as follow:

Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Yuan Yao Energy Technology Co., Ltd.	4	0	100%	
Representative: Canon, Huang				
Chang Wah Electromaterials Inc.	4	0	100%	
Representative: Huang, Siou-Cyuan				
Chang Wah Electromaterials Inc.	4	0	100%	
Representative: Hung, Chuen-Sing				
Chang Wah Electromaterials Inc.	4	0	100%	
Representative: Tsai, Rong-Dong				
Lin, Yi-Jing	4	0	100%	
Ou, Jia-Ruey	4	0	100%	
Lin, Ren-Lin	4	0	100%	

*Director's Training Situation

Course	Training hours (Hours x the numbers of people)
New corporate governance norms and trends that directors must know in 2020, and analysis of recent cases	3
2020 Annual Prevention of Insider Trading and Insider Equity Trading Publicity Seminar	9
ESG indicators and long-term company growth	3
Operational Practices of Functional Committees of the Board of Directors	3
How does the audit committee implement the financial report review	3

Course	Training hours (Hours x the numbers of people)
Artificial intelligence technology development and application business opportunities	3
Insider Equity Promotion and Briefing Session of OTC Emerging Companies	9
Corporate Social Responsibility (CSR, ESG) Model Practice Analysis of Corporate Governance Evaluation	3
Corporate Governance and Securities Regulations	6
Fair Hospitality Principles Refresher Course for Directors and Supervisors	3
Lecture on the Principle of Fair Hospitality - Based on the Life Cycle of Insurance Products	2
Taiwan M&A Trends and Development of Investment Control Companies	3
Corporate Sustainability Accelerator - CSR, ESG and SDGs	3
Business integrity management and money laundering prevention	3
How to take into account the risks of intelligent security and create a win-win situation in the digital transformation of enterprises	3
Discussion on Remuneration Issues of Employees and Directors-From the Amendment of Article 14 of the Securities and Exchange Law	3
Talking about Taiwanese business operation and M&A strategy from the perspective of global political and economic situation	3
The 13th Taipei Corporate Governance Forum Training Certificate	6
Fubon Property & Casualty Directors and Supervisors Responsibility and Risk Management Seminar	3
Directors and Supervisors Responsibility and Risk Management Seminar	9
Total	62

*Director's Performance and Compensation

CWTC established an evaluation system, which is not based on the financial indicators, for the board. However, this system incorporates some sustainability factors to measure the performance of the board and the individual directors in leading and supervising the company's operations to enhance its overall effectiveness.

The directors completed the evaluation of the operation of the board of directors in 2021. This assessment heavily focuses on the aspects of "participation in company operation", "cognition of functional committee responsibility", "improving the decision-making quality of functional committee", "functional committee composition and member selection", and "internal control" ..., etc. The method helps the company to make specific recommendations because it provides a clear guideline for enhancing the functions as well as the efficiency of the board. Moreover, the result of the assessment will be submitted to the members of the compensation committee in 2022 as a reference for directors' remuneration.

The company’s article of association clearly stipulates that the compensation will not be higher than 1.5% of the current year’s profit. Also, the salary of directors and managers must be reviewed by the remuneration committee before receiving the approval from the board.

***The Audit Committee**

The goal of the audit committee is to assist the board of directors in supervising the quality and integrity of CWTC in the implementation of relevant accounting, auditing, financial reporting processes and financial control. The main purpose of its operation is to inspect the following matters:

1. The appropriate expression of the company’s financial statements
2. The selection (dismissal) of accountants and their independence and performance
3. Effective implementation of the company’s internal control
4. The company complies with relevant laws and regulations
5. The audit committee needs to control and manage the existing or the potential risks of CWTC

Operational information:

- The committee consists of three members.
- The term of office of the current members:2021/7/22~2024/7/21
- The following is the information of the third audit committee’s members:

Name	Education	Experience	Current job
Lin, Yi-Jing	Department of Accounting, Tunghai University	Vice general manager, Deloitte & Touche Assistant manager, Deloitte & Touche Representative of juristic person supervisor, An Wei International Co., Ltd.	Certified public accountant, Ching Cheng Accounting Firm Responsible person, Ching Cheng Management Consultants Co., Ltd. Independent Director/Audit Committee Member/ Compensation Committee Member of Drewloong Precision Inc. Independent Director/Audit Committee Member/ Compensation Committee Member of Control Technology Co., Ltd. Supervisor of Ken Sean Industries Co., Ltd. Supervisor of Ken Sean Investment Co., Ltd. Independent Director/Audit Committee Member/ Compensation Committee Member of Sun Rise E&T Corporation Independent Director/Audit Committee Member/ Compensation Committee Member of Chang Wah Technology Co., Ltd.
Ou, Jia-Ruey	Doctor of Philosophy, Institute of Transportation, National Chiao Tung University	Chairperson of CPC Corporation, Taiwan Director of China Steel Corporation President of Dayeh University	Chairperson of Sino-Arabian Cultural and Economic Association Independent Director/Audit Committee Member/ Compensation Committee

Name	Education	Experience	Current job
		Director-general of Bureau of Energy, Ministry of Economic Affairs Head of the Export Processing Zone Administration, Ministry of Economic Affairs	Member of Chang Wah Technology Co., Ltd.
Lin, Ren-Lin	Master of Information Management, the City University of New York	General manager, Konlin Digital Technology Co., Ltd. Vice general manager, Hanyu Electronic Technology Co., Ltd. Manager, Walsin Lihwa Corporation	General manager, Hsin Yi Recreation Enterprise Co., Ltd. Independent Director/Audit Committee Member/ Compensation Committee Member of Chang Wah Technology Co., Ltd.

***Compensation Committee**

The composition:

Name	Conditions	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Lin, Yi-Jing		She graduated from the Department of Accounting in Tunghai University. She passed the Senior Examinations for Certified Public Accountants and has a CPA license. She was an assistant vice president of Deloitte & Touche, specializing in corporate finance and accounting. Serving as independent director in several companies including Contrel Technology Co., Ltd. and Sun Rise E&T Corporation, she has vast experience in business management as well as accounting and finance analysis to give opinions concerning corporate governance and operation management to the Board of Directors of the Company. She is not a person of any conditions defined in Article 30 of the Company Act.	She satisfies the independence criteria after verified against independence elements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	2

Name	Conditions	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Lin, Ren-Lin (convener)	He graduated from the City University of New York with a Master of Information Management. Once served as vice president of Hanyu Electronic Technology Co., Ltd. and president of Konlin Digital Technology Co., Ltd., he has been involved in the operation and strategic management of electronics industry for more than 20 years. He is now the president of Hsin Yi Recreation Enterprise Co., Ltd. He has vast experience in corporate governance, marketing, industry know-how, leadership, decision-making and business management to give opinions concerning corporate governance and operation management to the Board of Directors of the Company. He is not a person of any conditions defined in Article 30 of the Company Act.	He satisfies the independence criteria after verified against independence elements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	0	
Ou, Jia-Ruey	He graduated from the Institute of Transportation of National Chiao Tung University with a PhD. He has been the Director-general of Bureau of Energy, Ministry of Economic Affairs, President of Dayeh University, and chairperson of CPC Corporation, and accumulated vast experience in the industry, government and academy. He is now the chairperson of Sino-Arabian Cultural and Economic Association. He has vast experience in corporate governance, leadership, decision-making and business management to give opinions concerning corporate governance and operation management to the Board of Directors of the Company. He is not a person of any conditions defined in Article 30 of the Company Act.	He satisfies the independence criteria after verified against independence elements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	0	

The responsibilities of the compensation committee:

1. Formulate and regularly review the performance and evaluation of directors and managers as well as the policies, systems, standards, and structure of the compensation system.
2. Regularly evaluate and lay down the remuneration policy of directors and managers.

Operating information of compensation committee:

- The committee consists of three members.

- The term of office of the current members: 2021/7/22~2024/7/21

***The Code of Integrity Management**

The board of directors has successively adopted relevant regulations on business conduct and ethics, clarified policies, standards, operating procedures, conduct guidelines and complaint systems to prevent dishonest behavior and to promise upholding integrity in all business activities. Besides that, CWTC also sets up an employee code of conduct in the work rules, which is applicable to all employees and its subsidiaries.

Related Regulations:

The name of regulation	Effective & Revise date
Code of Ethics Conduct	2015/10/21
Code of Integrity Management	2015/10/21
Operating Procedures of Integrity management and Behavior Guideline	2015/10/21
Operating Procedures of Insider Trading Prevention Management	2015/10/21
Corporate Social Responsibility Code of Conduct	2022/03/17
Corporate Governance Code	2022/03/17

Follow matters



*Prevention and Reporting

To help our employees and stakeholders to understand the company’s ethical standards, we announced some relevant policies and practices on CWTC’s website. Also, through educating and communicating with our employees, we are able to convey the business ethics and the approaches CWTC takes.

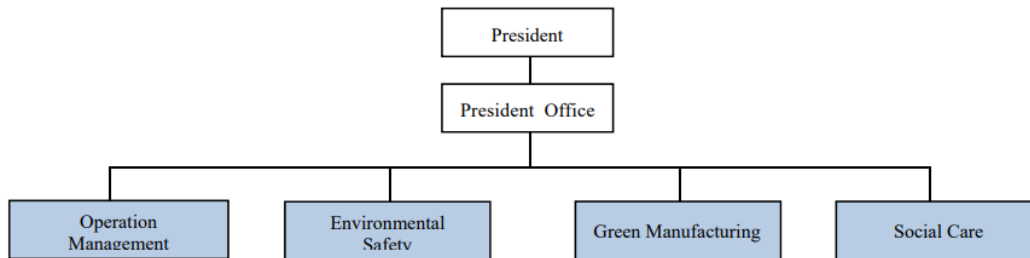
Whistleblowing Procedure



In order to offer channels for our stakeholders to provide inquiries and report improper interests, they can contact Michelle at michelle.hsu@cwtcglobal.com. The identity will be kept confidential at all stages. If there is illegality, it will be punished in accordance with the work rules, and if necessary, it will be dealt with in accordance with relevant laws.

* Promotion of Sustainable Development

1. Structure for Promotion of Sustainable Development



2. Governance for Promotion of Sustainable Development

- (1) President Office: Align with corporate governance trends and comply with laws and regulations.
- (2) Environmental Management and Factory Unit: Draw up safety operation standards, examine and eliminate risk factors, operate environmental protection equipment, and treat sewage.
- (3) Group-level Environmental Safety Unit: Maintain labor relations, employee health and safety, and arrange various educational courses.

3. Risk Assessment for Promotion of Sustainable Development

Material Issues	Risk Evaluation Items	Risk Management Policies or Measures
Environmental	Environmental protection Climate change	Push for a reduction in process water consumption, build wastewater recycling facilities, and improve wastewater treatment efficiency with the target of increasing the recycling volume by 10% each year.
		Commit to energy saving and carbon reduction, carry out greenhouse gas inventory annually and set the goal of reducing carbon dioxide emissions each year.
Social	Workplace safety Employee recruitment and training	Conduct at least two plant-wide disaster prevention drills and emergency responses every year, covering earthquakes, fires, chemical leakage, etc. and incorporating scenario setting based on operation characteristics and hazard types.
		Give priority to locals in terms of recruitment and hiring. The Company's training courses include orientation and on-the-job training. Courses are assessed with effectiveness evaluated to motivate employees and obtain appropriate authorization.
Corporate Governance	Regulatory Compliance	Ensure regulatory compliance of all personnel and operations by establishing a governance organization and implementing internal control mechanisms.

1.3 Business Performance

Chang Wah Technology's products are mainly based on metal substrate, including manufacturing, developing, and selling IC lead frame packaging materials to serve the world's first-line IC manufacturing and packaging foundries as well as vertically integrated manufacturers. We will continue to implement our own capacity expansion, and mergers and acquisitions in order to accomplish the goal of becoming the world's largest IC lead frame supplier by 2025. Besides that, our sales revenue in 2021 reached to NTD 12,792,169 thousand, which accounts for approximately 11% of the global frame output value and its market share is second only to the Japanese company, MHT.

*Financial Performance

Item Unit: Thousand dollar	Year of 2021		Year of 2020		Difference	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Operating income	12,792,169	100%	9,678,146	100%	3,114,023	32.18
Operating margin	3,405,690	26%	1,804,906	19%	1,600,784	88.69
Operating profit	2,210,299	17%	960,286	10%	1,250,013	130.17
Net profit before tax	2,249,184	18%	966,360	10%	1,282,824	132.75
Income tax expense	510,539	4%	175,742	2%	334,797	190.50
Net profit after tax	1,738,645	14%	790,618	8%	948,027	119.91
Cash and cash equivalents	3,685,370	25%	2,501,535	21%	1,183,835	47.32
Current assets	10,080,244	68%	7,413,573	61%	2,666,671	35.97
Current liabilities	4,335,495	29%	3,215,572	26%	1,119,923	34.83
Non-current liabilities	1,736,873	12%	3,250,392	27%	(1,513,519)	(46.56)
Total equity	8,411,732	57%	5,426,259	45%	2,985,473	55.02
Total assets	14,842,063	100%	12,164,162	100%	2,677,901	22.01
Cash flow ratio	38%		31%		+7%	
Return on assets (ROA)	13%		7%		-	
Return on equity (ROE)	25%		15%		-	

*2021 Operating Income

Unit: NT\$ thousands

Region	FY2021		FY2020	
	Sale Revenue	(%)	Sale Revenue	(%)
Domestic Sale	3,274,922	26%	2,398,924	25%
Asia	8,506,101	66%	6,390,551	66%
Others	1,011,146	8%	888,671	9%
Total	12,792,169	100%	9,678,146	100%

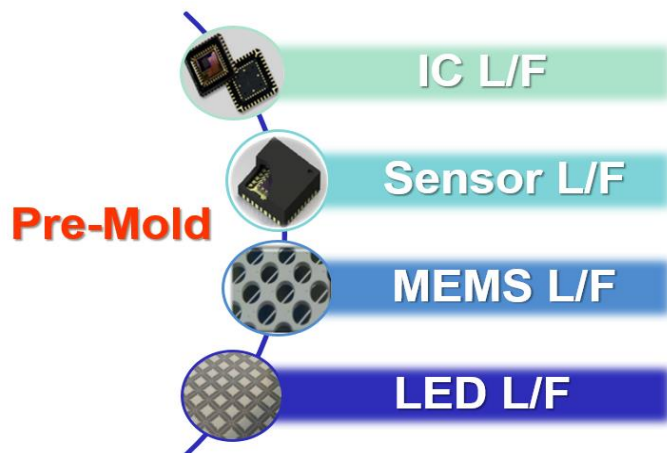
*Government Financial Subsidies

Item	Year of 2021	Year of 2020
Government grants income	32,058 thousand dollars	83,183 thousand dollars

Due to the impact of COVID-19, CWTC and its subsidiaries received the relief package from the local government and the loan subsidies for the Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan and subsidies for investing in energy-saving and carbon-reducing equipment.

1.4 Innovation and service

Since the demand of electronic and automotive electronic markets will continue to grow, the future market requires the technique of MEMS, Sensor and Power. With the



development of small, high efficiency and diversified electronic devices, IC packaging not only has very limited spaces to use, but also heavily emphasizes the technique with multiple pins, special functions, and multiple components,

especially automotive electronics that require more on the weather resistance and safety. In other words, those types of metal substrate carrier board of IC packaging have better electrical and heat dissipation performance which increases the demand for metal substrate. However, both traditional and current technologies still have a lot of drawbacks. Therefore, CWTC implements the technique of Pre-Mold Metal Substrates (PMMS) to fix the problems such as the bond between metal and plastic, the bond between subsequent packing materials and Metal Substrate, the surface deterioration and deformation of Metal Substrate, reliability, the capabilities of process control and process, etc.

Through forward-looking technology research and development, CWTC is able to master the key technologies of packaging metal substrates which helps to enhance the company's competitive niche. Also, through the commercialization of the R&D results, CWTC is able to develop thinner, more sophisticated, more reliable and more diversified metal substrate packaging products that we actively expand this application in consumer electronics and automotive electronics.

To widen the difference between our techniques and products with our competitors, we reduce the design and production cost of IC products in the overall industrial chain, and

the packaging defects. Besides that, we accelerate the production time of IC products.

*R&D Investment situation and performance

Project		Year	2021	2020	2019
The input of R&D	Operating Income (A)		12,792,169 thousand dollars	9,678,146 thousand dollars	9,320,275 thousand dollars
	R&D Funding(B)		461,211 thousand dollars	228,583 thousand dollars	149,707 thousand dollars
	Total Number of Employees (C)		2,066	1,927	1,918
	Total Number researchers in R&D (D)		213	118	55
	The Average Expenditure of R&D (B/D)		2,165 thousand dollars	1,937 thousand dollars	2,722 thousand dollars
	The Ratio of R&D Expenditure (B/A)		3.61%	2.36%	1.61%
	Cumulative Patent Rights	Domestic		37 cases	39 cases
	Foreign		88 cases	78 cases	74 cases

1.5 Risk Management

By establishing the risk assessment and crisis management system, we can reduce the operational impacts that are caused by the change in business strategy and environment to protect the rights and interests as well as safety of the company, our clients, investors, suppliers, and employees. The company is responsible for each functional unit to carry out risk identification based on the division of expertise. From there, we categorize them into two different groups, Risk Response Strategy, and Information Security Policies. The purpose of establishing the policies is not just to reduce the business risk but to prevent the possibilities from happening.

*Risk Response Strategy

Financial Risk

<p>The Impact of Interest Rate</p>	<p>Regularly assess money market interest rates and financial information. Understand when to implement a proper capital budgeting in order to reduce the cost of capital and possibility of risk while increase the reward</p>
<p>The Impact of Exchange Rate</p>	<p>Understand the trend of future exchange rate and the impact of exchange rate and determine the most suitable quotation. Timely adjust the position of foreign currency assets and liabilities to achieve a certain degree of natural hedging effect through the transaction.</p>
<p>The Impact of Inflation</p>	<p>Pay close attention price functions in the upstream raw material market. Maintain good interaction with suppliers and customers in order to adjust the inventory of raw materials appropriately.</p>

Operational Risk

<p>Peer Competition</p>	<p>To highlight the advantages, we plan out cross regional strategies that mainly cultivate in the Asian market. Cultivating the customer relationship helps the company to improve the connection with our clients and the trust.</p>
<p>Profitability</p>	<p>Increase product application area. Strengthen product reliability in design as well as in the product verification process. Also, improving the customer's scarification helps to increase sales opportunist.</p>
<p>The Effect of Customition on Production Efficiency</p>	<p>Target on our major customers and focus on developing the advantages of mainstream products and planned production to improve production efficiency. Strengthen ties, increase the timeliness as well as the efficiency of production, and reduce the inventory of work-in-progress.</p>

Climate Change Risk

<p>Water Resources</p>	<p>Promote water reduction, built wastewater recycling equipment and improve the efficiency of wastewater treatment. Plan for short, medium and long-term recycling targets that we expected the recycling volume will be raised by 5~10% each year.</p>
<p>Carbon Management</p>	<p>Implement energy saving plans, regular track carbon emissions and review the reduction measure. Increasing renewable energy by implementing more solar roof which helps the green power proportion.</p>

Social Risk

<p>Recruiting</p>	<p>Initiate the talent cultivation policy which is a planned and systematic stately for training our employees and decreasing the negative impact of temporary deficit in manpower. To solve the manpower shortage, CWTC hires some foreign colleagues in accordance with the law to supplement the manpower gap and to ensure the production capacity.</p>
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*Climate Change Impact Assessment

1. Degree of impact or impact on greenhouse gas emissions:

(1) Risk of being regulated by climate change-related regulations

Taiwan has formulated the "Greenhouse Gas Reduction and Management Law", "Renewable Energy Development Regulations" and other norms, CWTC will cooperate with national policies and fulfill the responsibility of protecting the earth to gradually reduce greenhouse gas emissions.

(2) Substantial risk from climate change

Short-term substantial risks: Climate change may lead to extreme weather events such as typhoons, floods, and droughts, affecting plant equipment and operations.

Medium- and long-term substantial risks: extreme weather causes gradual shortage of energy and resources such as water, electricity, and fuel, which may lead to factory shutdowns.

(3) Climate change provides opportunities for companies

Promote low-carbon technologies and processes: improve the efficiency of energy and resource use, reduce mid- and long-term operating costs, and achieve carbon reduction goals.

Improve supply chain stability: optimize the way and frequency of product delivery and improve customer satisfaction.

Improve resilience to natural disasters: Actively participate in renewable energy projects to enhance the ability to adapt to climate change, and manage climate change-related risks through management.

2. Strategies, methods, goals, etc. for greenhouse gas management:

(1) Strategies for Climate Change or Greenhouse Gas Management

The structure of CWTC to promote sustainable development, the general manager serves as the convener, and the general manager's office coordinates and handles matters related to sustainable development. The board of directors supervises and guides the environmental, social and corporate governance issues of sustainable development. Report to the Board of Directors to drive results and company strategy, which will review the progress of the strategy and urge the management

team to make adjustments as needed.

(2) Greenhouse Gas Emission Reduction Target

CWTC strive to save energy and reduce carbon emissions, and conduct regular greenhouse gas inspections every year, with the goal of reducing carbon dioxide emissions year by year.

(3) Greenhouse Gas Emission Reduction Budget and Plan

Equipment with high energy efficiency should be selected for in-plant equipment
Fully replace LED lighting equipment in the factory area
Priority is given to the use of energy-saving grade 1 related equipment in the factory

(4) The carbon reduction effect of products or services on customers or consumers

Electricity intensity in 2021 will be 18% lower than in 2020.

* Information Security Management

1. Purpose and scope

(1) Purpose: To maintain the normal operation of enterprise information system and mitigate operational risks due to human errors, external cyberattacks or force majeure events such as natural disasters, thereby ensuring business continuity.

(2) Scope: Information system and software/hardware devices associated with business operations.

2. Information security management structure:

(1) The Company has established an information security unit with dedicated personnel. Vice President Wen, Wen-Yu is the chief information security officer.

(2) Information security policy is reviewed and modified regularly depending on the status quo to ensure an effective operation of the information security management system.

(3) IT Department is in charge of information security promotion and handling of cyber incidents.

3. Information security control measures:

(1) Threat protection:

- A. Install endpoint detection and response (EDR) software on personal computers and servers under the control of the master control unit. Update threat definition files regularly.
 - B. Deploy patches through Windows Server Update Services (WSUS). Schedule restarts for changes to take effect.
 - C. Establish Urchin Tracking Module (UTM) to prevent malicious attacks.
- (2) Information equipment control:
- A. Ban the use of personal computers on company premises.
 - B. Disable USB ports on company computers. Applications are required for user access.
 - C. Establish a network access control (NAC) platform to block access from unknown devices.
- (3) Account and personnel management:
- A. New employees shall sign non-disclosure agreements (NDA) when joining the Company. Information security is part of the orientation course.
 - B. Accounts and accesses of information system are reviewed and controlled by the information unit.
 - C. Information security promotion is arranged regularly to raise employees' awareness.
- (4) System availability:
- A. Formulate backup plans in compliance with the 3-2-1 backup principle.
 - B. Initiate virtual platforms and employ high availability (HA) mechanism.
 - C. Monitor the operation efficiency of core systems through SYSLOG.
4. Resources allocated to information security management:
- (1) NT\$1.5 million is allocated for information security measures in the annual IT budget of the Company.
 - (2) Information security unit performs safety assessments on information security assets annually and constantly align information security policies with

advancements in relevant tools or technologies for current practices.

1.6 Interested Parties

We established transparent and effective multiple communication channels with our interested parties and hope to understand the issues that they are concerned about. We also use that as an important indicator for the sustainable development of the company to understand the issues as an important reference indicator for the sustainable development of the company, to understand the issues they care about, and to make business decisions for the company.

CWTC follows the GRI standards that are issued by the Global Sustainability Standards Council. The relevant steps are described as followed:



Step one.

Identify the interested parties: The information that the promotion team received is based on experiences that are from different departments and the industry. The interested parties here include the government, the society, investors, employees, customers, and suppliers.

Step two.

Collect sustainability data: As for the communication issues of the interested parties, CWTC uses the classification of GRI G4 indicators as a reference. In addition, each unit will include the issues into their annual work lists and goals and use the “Operating Measures for the Preparation and Filing of Corporate Social Responsibility Reports by OTC companies” as a guideline to prepare for the report.

Step three.

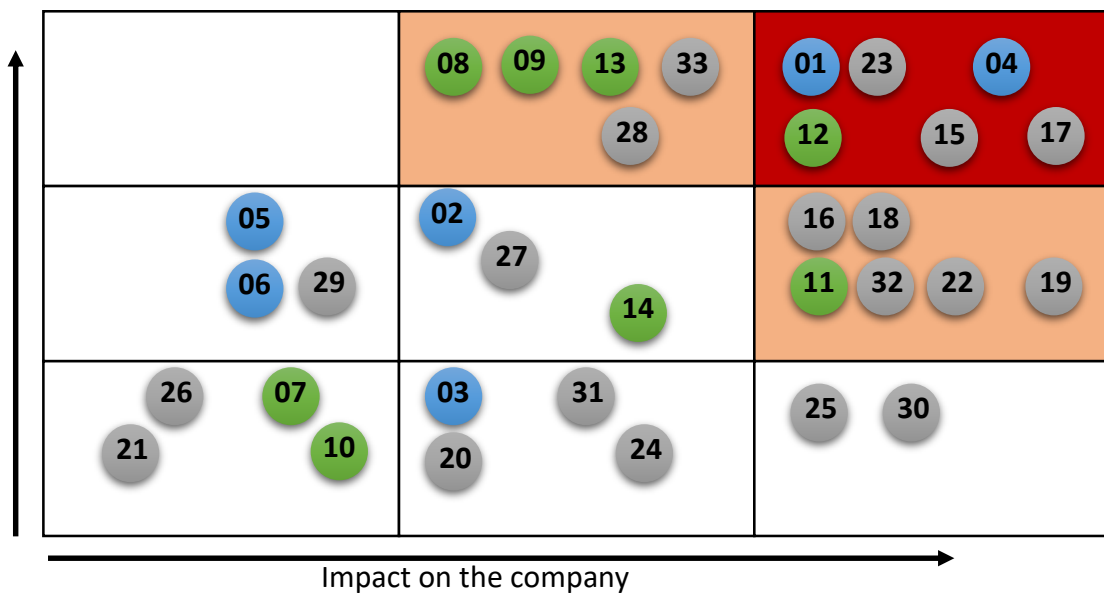
Identify major issues: After the promotion team held a meeting with representatives of various departments of the company to score the attention of the interested parties and the degree of impact on sustainable operation, it became the major theme.

Step four.

Review and discuss : We will continue to strengthen our management and disclose relevant information in the report based on the major themes of the substantive analysis, which are also the priority disclosure topics.

*Substantial Analysis Chart of the issues that interested parties concern

The level of the attention



No	Topic	No	Topic	No	Topic
1	Business performance	7	Materials	15	Labor-employer relation
2	Market image	8	Energy	16	Labor-management relation
3	Indirect economic impact	9	Water and Effluents	17	Labor health and safety
4	Procurement practice	10	Biodiversity	18	Training and education
5	Anti-corruption	11	Discharge	19	Employee diversity and equal opportunities
6	Anti-competitive behavior	12	Waste water and materials	20	Non-discrimination
		13	Compliance with environmental laws	21	Freedom of association and collective bargaining
		14	Environmental assessment of suppliers	22	Child labor
				23	Forced and compulsory labor
				24	Security practice
				25	Aboriginal rights
				26	Human rights
				27	Local communities
				28	Supplier Social Assessment
				29	Public policies
				30	Health and safety of customers

No	Topic	No	Topic	No	Topic
				31	Marketing and Labeling
				32	Client Privacy
				33	Social and economic laws compliance

*Interested Party's concern- The Boundary Identification

Material Issues	Indicator	Corresponding indicator chapter	Within the organization		Outside the organization			
			CWTC Group	Client	Supplier	Investor	Non-profit organizations	
Economy								
Business performance	GRI201	1.3 Performance of enterprise	•	•	•	•	•	•
Procurement practice	GRI204	2.3 Green purchasing policy	•		•			
Environment								
Energy	GRI302	3.2 Energy management	•	•				•
Water	GRI303	3.3 Water resource management	•	•				•
Discharge	GRI305	3.2 Energy management	•	•				•
Waste water and materials	GRI306	3.4 Management of waste pollution emission and prevention	•	•				•
Compliance with environmental laws	GRI307	3.1 The development of the environmental sustainability	•	•			•	•
Society								
Labor-employer relation	GRI401	4.1 Human resource structure and management	•				•	•
Labor-management relation	GRI402	4.3 The plan of employee benefits	•					•
Labor health and safety	GRI403	4.4 Occupational safety and health	•	•	•	•	•	•
Training and education	GRI404	4.2 Talent cultivation and development	•					•
Employee diversity and equal	GRI405	1.2 公司治理	•					•
Child labor	GRI408	4.1 Human resource structure and management	•					•
Forced and compulsory labor	GRI409	4.1 Human resource structure and management	•					•
Supplier Social Assessment	GRI414	2.1 Supply chain sustainability	•	•	•			
Client Privacy	GRI418	1.5 Risk management	•	•				
Social and economic laws	GRI419	4.3 The plan of employee benefits	•				•	•

***Communication Channels with Our Interested Parties**

Interested Party	Communication Channel
Employee	<ol style="list-style-type: none"> 1. Proposing ideas for improving the reward and recognition policy: Our employees can provide suggestions they have at any time. After the proposal is adopted, a bonus will be issued to the employee. 2. Suggestion mailbox and complaint hotline for employees : This system offers our employees a channel to submit suggestions, comments, and complaints anonymously. After receiving it, we will have people to process the file immediately. 3. Labor-management meeting and welfare committee meeting : Make suggestions and negotiate with the company. 4. Personnel Review Committee : Conduct a performance appraisal and review promotion lists twice a year, as well as hold non-scheduled review meetings for reward and punishment lists.
Client	<ol style="list-style-type: none"> 1. Track and discuss product quality and manufacturing process from time to time and provide technical support. 2. Communicate the orders and delivery dates with our clients. 3. Conduct annual customer interviews and audits to communicate product quality, new product development and the company's future development.
Supplier	<ol style="list-style-type: none"> 1. Supplier audits and interviews 2. Factory surveys for our equipment suppliers 3. Interview/ telephone communication/ email contact 4. Construction safety commitment 5. Supplier evaluation form
Investor	<ol style="list-style-type: none"> 1. Investor section on CWTC official site 2. Annual general meeting 3. Announce financial reports regularly
Non-profit organization (government/ society)	<ol style="list-style-type: none"> 1. Comply with relevant laws and regulations of all level agencies 2. Exchange of official documents 3. Irregular corporate briefing

2. Supply Chain Management

2.1 Supplier Sustainability Management

Not only Suppliers are one of the important resources that a company has, but also, they are the most crucial partner. Therefore, CWTC values the sustainability of our suppliers. Besides that, we implement the supplier management procedure to ensure the safety of the working environment in the supply chain, and to protect the environment, working conditions, human rights, social responsibility that complies with ethics.

We will confirm the supplier's basic financial status, quality management, environmental management, and other system certifications through the supplier's data sheet, and will require the signing of conflict-free minerals.

For new suppliers, CWTC will plan a factory tour and prepare for appraisals which help to ensure the suppliers meet the relevant specifications. Besides that, each year, we have regular visits and prepare the appraisals to help existing suppliers improve their performance by establishing and enhancing multiple lines of communication. The content of on-site visit evaluation includes quality management, delivery date, system management and sustainability risk assessment. After completing all the processes that we mentioned above, CWTC will start to collect the approvals from the department of procurement, quality assurance, engineering, and all related units, then the provider will become a qualified supplier.

None of the existing suppliers and contractors that have any actual or major negative impacts on the environment, labor conditions, human rights, and society in 2021.

2.2 Conflict Minerals

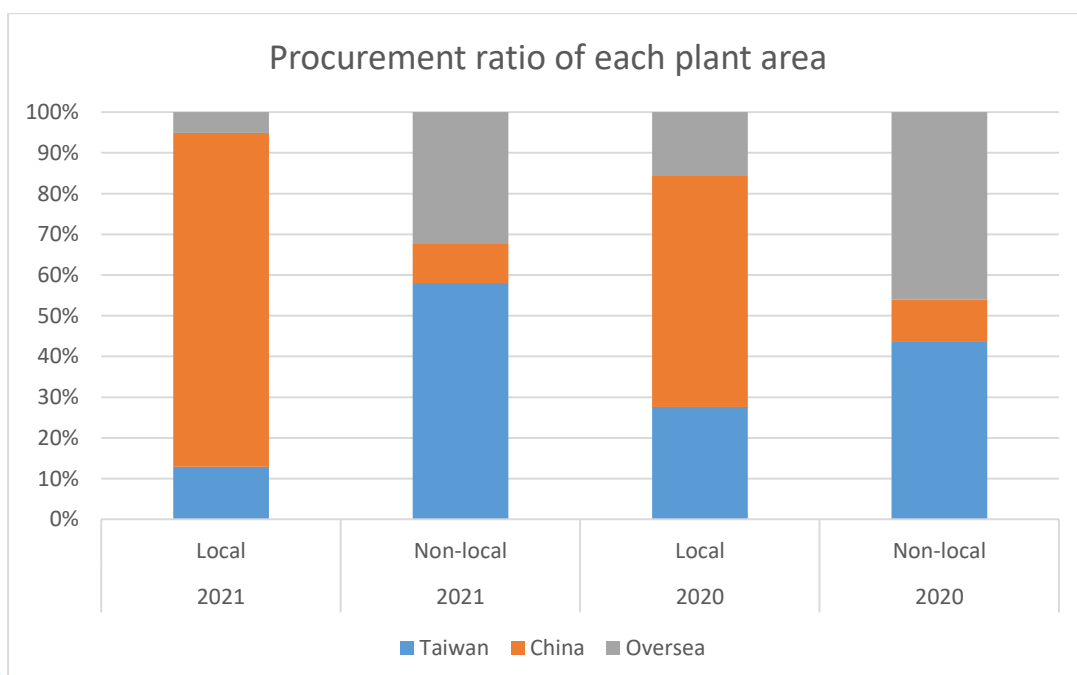
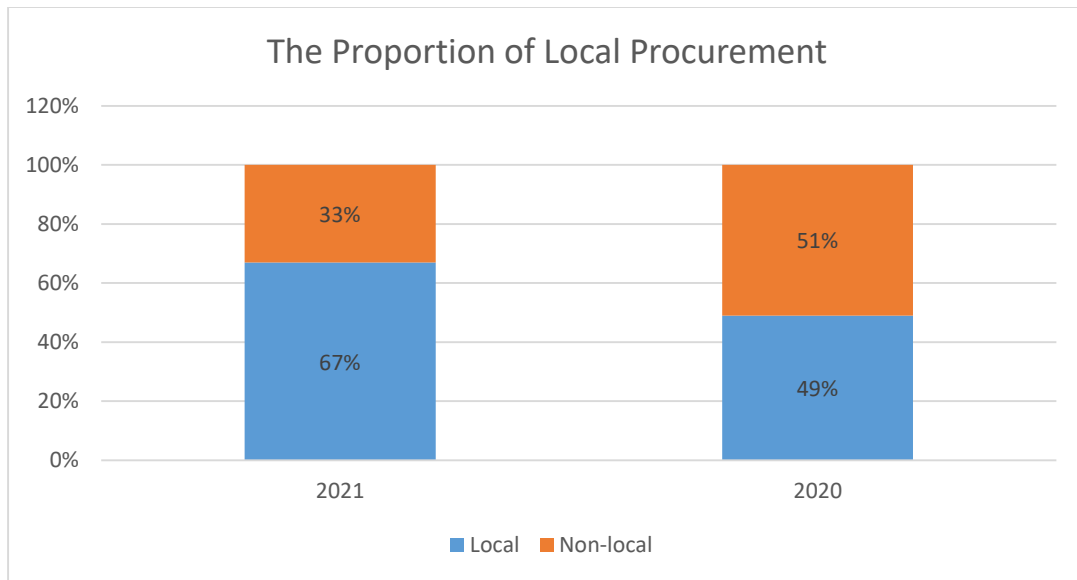
CWTC and its subsidiaries have committed to complying with the Responsible Business Alliance (RBA) and the global sustainability issues e-initiative organization, which also includes the Responsible Minerals Initiative (RMI).

As a good corporate citizen, CWTC is committed to fulfilling its social responsibilities, respecting human rights, and continuing to pay attention to conflict mineral issues. Moreover, we are committed to detailed supply chain investigations to ensure tin (Sn), tantalum (Ta), tungsten (W), gold (Au), cobalt (Co), palladium (Pd) and other metals are not mined by mining areas or smelters in the Democratic Republic of the Congo and its neighboring areas controlled by armed groups. CWTC also expects to cooperate with suppliers who are responsible for the environment and society, and requires suppliers to abide by the Code of Conduct of the Responsible Business Alliance as followed:

1. Any illegally obtained conflict minerals is not allowed.
2. Any purchasing of conflict metals that are produced in conflict affected and high-risk areas is not allowed.
3. Encourage all suppliers in our supply chain, including outsourcers and smelters to participate in RBA and RMI programs
4. Committee to due diligence investigation of conflict minerals to provide more transparent sources of conflict metal and minerals.

2.3 Local Procurement Policy

The increase in the proportion of localized procurement has always been the focus of the company's procurement strategy. We create local employment rates and promote local economic growth by improving localized procurement, which can provide faster services and more direct communication while reducing transportation costs and shortening delivery time. Since the transportation distance is shortened, it can also reduce carbon emissions as well as environmental pollution. Although affected by the epidemic in the past two years, the local procurement ratio has gradually increased.



3.Eco-Friendly

3.1 The Development of Environmental Sustainability

CWTC is a professional manufacturer of metal lead frames, and we dedicated our products into production, manufacturing, and product development. Due to that, we uphold the humanized, rationalized, institutionalized, and internationalized business philosophy, and a fair and open management method in order to establish a business operating model. We also have a deep understanding on how our products, activities, and services can possibly impact the environment. Therefore, we decided to implement the “Environmental Management System” and advocate employees for full participation, cherish social resources and abide by laws and regulations.

The environmental management organization, including the environmental management committee of the head office, the environmental safety center of each plant and the industrial safety office, is responsible for implementing the internal and external issues and the environmental consideration and evaluation, and is responsible for reviewing the environmental consideration of each department and its content. Each plant has a committee and a chairperson who will hold meetings quarterly for reviewing the company’s performance. Besides that, supervisors and employee representatives are invited to discuss and review Environment, Health and Safety (EHS) issues to emphasize the importance of EHS management.

Both onshore and offshore companies have introduced and verified the ISO environmental management system. The ones in Taiwan introduced the latest version of ISO 14001:2015 in 2016 and overseas factories introduced and completed the system in 2020.

CWTC extends the environmental safety and health management to the entire product life cycle, as well as the environmental safety, health risks and opportunities at each stage. After that, we will determine the strategy and action plan at a macro-level to comply with the latest international management trend.

The recent environmental violations and improvement measures are as follows

In 2020, the Suzhou plant was fined CNY\$300,000 yuan due to the total copper concentration exceeding the standard. It has carried out equipment improvement to strengthen wastewater treatment, and controlled the wastewater to meet the local discharge standards.

In 2021, Nanzi No. 1 Plant will be fined NT\$6,000 due to incorrect waste declaration. The declaration has been revised and the review mechanism and employee education and training have been strengthened.

Other plants have followed the local regulations and there are no environmental violations.





ISO 14001 certificate (Taiwan)



ISO 14001 certificate (China)

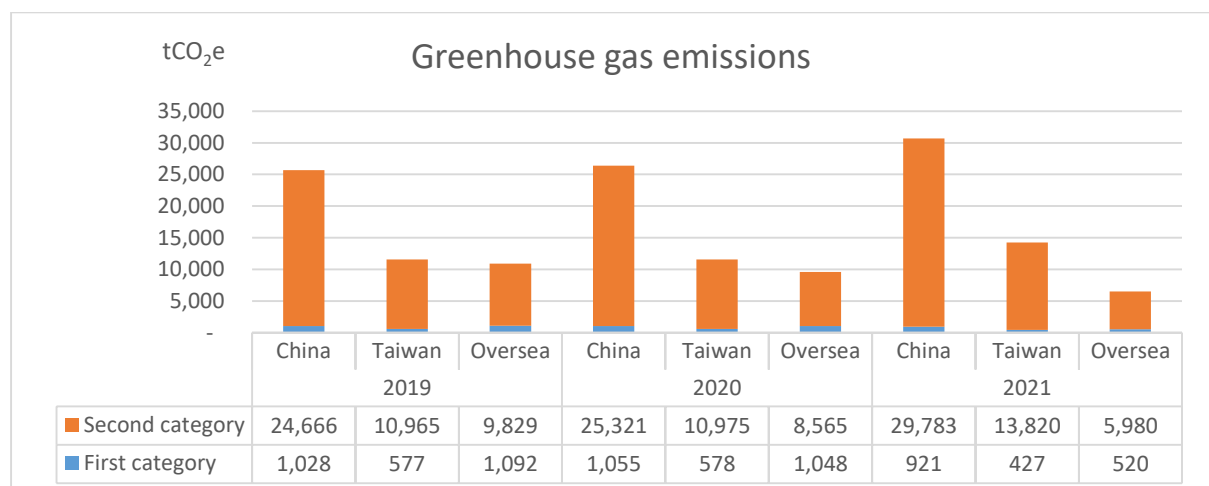
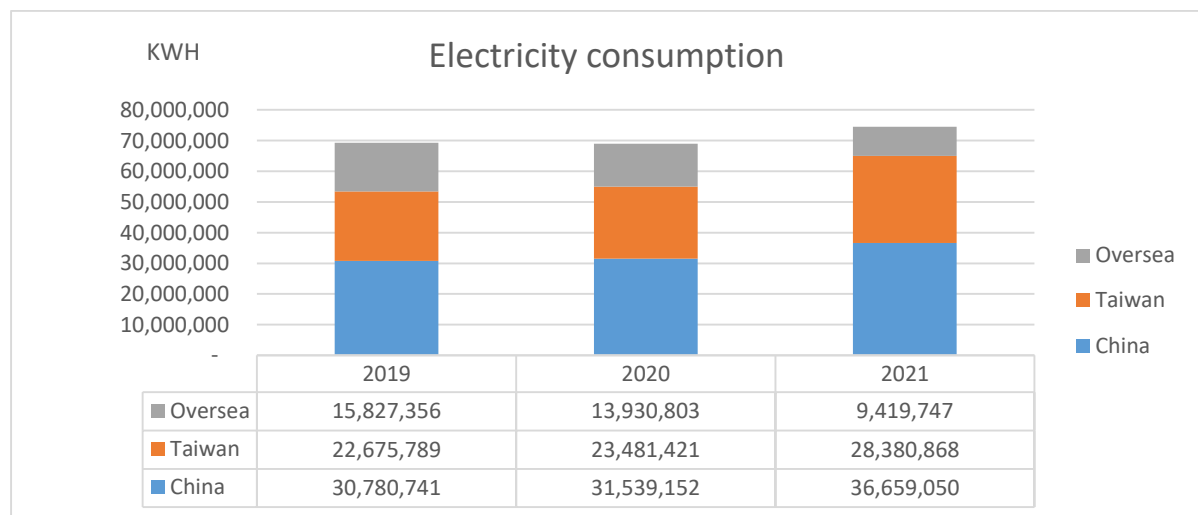


ISO 14001 certificate (Oversea)

3.2 Energy Management

In response to the crucial environmental issues such as global energy crisis and the urgency of reducing greenhouse gas emissions, CWTC strives to promote the evaluation of production line machines. By doing so, we hope it can help to reduce the consumption of energy resources as well as to discuss and improve the energy efficiency of the factory's utility system. Each year, we will set energy saving goals and implementation plans by integrating the proposals for the measurement of energy saving, tracking the result process regularly and controlling the implementation results.

In line with the government encouragement of renewable energy use, in the Kaohsiung plan we have installed additional solar panels with a capacity of approximately 98kwp in 2020, 126kwp solar panels is expected to be completed in the fourth quarter of 2022, which helps CWTC to fulfil its responsibility as a global citizen and a corporation.



<p>First category Direct greenhouse gas emissions</p>	<ul style="list-style-type: none"> ○Mainly come from generators, refrigerator, air conditioners, vehicles, stackers, etc. ○Gas emissions count for approximately 4% ○Main gases are CO₂、CH₄、HFCs ○Renewable energy accounted for 0.12% in 2021 ○The target reduction in 2022 is 2~5%.
<p>Second category Indirect greenhouse gas emissions</p>	<ul style="list-style-type: none"> ○Mainly come from outsourced power ○Gas emissions count for approximately 96% ○The target intensity of greenhouse gas energy in 2022 is to increase by 2~5%.
<p>Third category Other indirect greenhouse gas emissions</p>	<ul style="list-style-type: none"> ○Mainly come from outsourcing transportation, employee commuting, waste disposal, etc. ○Our current goal for this category is to run the investigation regularly.

The source of greenhouse gas emissions is mainly generated from purchased electricity. Therefore, we analyze the source of electricity for equipment in the plant area, and strive to reduce energy consumption and improve energy efficiency. The largest source of electricity consumption is process power, accounting for 43% of the total electricity consumption, followed by air-conditioning equipment, air-compression equipment, sewage equipment and in-plant lighting.

The proportion of electricity used by equipment in the plant is 43% for process power, 38% for air-conditioning equipment, 11% for air-compression equipment, 3% for sewage equipment and 5% for in-plant lighting.

CWTC achieves environmental protection and energy conservation through multifaceted efforts, and adopts phased measures to promote power saving. In the short term, the existing air conditioners will be replaced by central air-conditioning systems, the factory area will be fully replaced with LED lighting equipment, and the surrounding area of the factory area will be equipped with induction-type LED projection searchlight lighting and sidewalks. Inductive landscape floor lights are adopted, and equipment procurement considerations are included in the priority selection of equipment with high energy efficiency and energy-saving level 1. Old power-consuming equipment, such as air compressors and ice water hosts, will also be

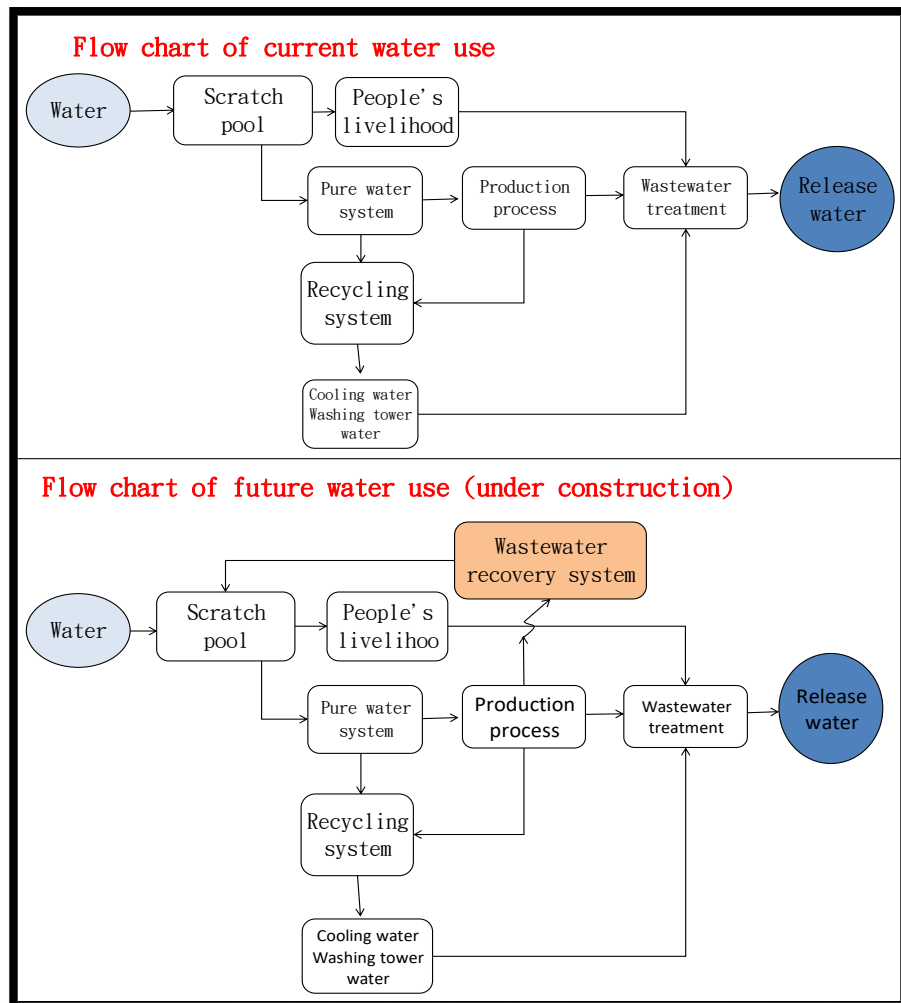
gradually replaced. In the medium and long-term plan, a central monitoring system will be added to control the energy consumption of public equipment, and the latest energy-saving technologies will be continuously introduced to improve the efficiency of the process and public equipment. All staff adopt energy-saving lamps through energy-saving propaganda (such as turning off the lights, shutting down the computer after get off work, etc.); the areas with abnormal lighting needs are changed to inductive switch control to reduce energy consumption by changing their habits in life.

In 2021, the company's electricity consumption will be 74,459,665 (kWh), and the power intensity will be 5.82 kWh/thousand yuan (NTD). It will drop by 18% in 2020, which shows that energy management has achieved results. In the future, we will continue to focus on energy efficiency, selection of renewable energy, and alternative energy and other planning implementation.

3.3 Water Resources Management

CWTC is located in the Nanzi Processing Zone. Water that CWTC uses is entirely from the Taiwan Water Supply company so it will not affect the head-water point. Because of the limited water resources we have in Taiwan, the company implements water resource recovery facilities that pass the cooling tower wastewater through the filtration system to improve water efficiency as well as to reduce water consumption.

Furthermore, the water that the overseas plants use comes directly from the local water company. In line with water saving and recycling policy, the Suzhou plant prioritized the installation of a reclaimed water system that can recycle and



reuse the production water with a certain water quality in the production line. The system is mainly for processes that require large water consumption such as washing and electroplating. By recovering secondary water and then processing it, the overall internal water cycle of the company can reach a certain standard, thereby reducing the supply of raw water and achieving the goal of water conservation. In view of the water-

saving benefits that has brought to the Suzhou plant, we are currently planning to install the reclaimed water system in each plant.

SITE	VALUE(M ³)	2019	2020	2021
China	Top water(A)	603,849	628,945	640,388
	Recycled water(B)	964	27,271	97,820
	Water withdrawal(C=A+B)	604,813	656,216	738,208
	Water discharge(D)	474,900	472,011	527,604
	Water consumption(C-D)	129,913	184,205	210,604
Taiwan	Top water(A)	278,415	306,547	391,136
	Recycled water(B)	36,261	47,694	70,084
	Water withdrawal(C=A+B)	314,676	354,241	461,220
	Water discharge(D)	261,477	293,842	370,051
	Water consumption(C-D)	53,199	60,399	91,169
Oversea	Top water(A)	287,854	301,956	323,892
	Recycled water(B)	215,919	245,082	266,632
	Water withdrawal(C=A+B)	503,773	547,038	590,524
	Water discharge(D)	215,919	245,082	266,632
	Water consumption(C-D)	287,854	301,956	323,892

SITE		2019	2020	2021
China	Recycle/Water withdrawal(%)	0.2	4.2	13.3
	Recovery rate(%)	0.2	4.3	15.3
Taiwan	Recycle/Water withdrawal(%)	11.5	13.5	15.2
	Recovery rate(%)	13.0	15.6	17.9
Oversea	Recycle/Water withdrawal(%)	42.9	44.8	45.2
	Recovery rate(%)	75.0	81.2	82.3
Total	Recycle/Water withdrawal(%)	26.6	31.7	37.3
	Recovery rate(%)	21.6	25.9	32.1

Water Use and Performance Management

CWTC mainly uses tap water for wet process (plating), cleaning and environmental protection purposes. The water consumption of each plant of the company in 2021 is shown in the table. In the face of global climate change in recent years, in order to ensure that the plant does not suffer an immediate water shortage crisis due to lack of

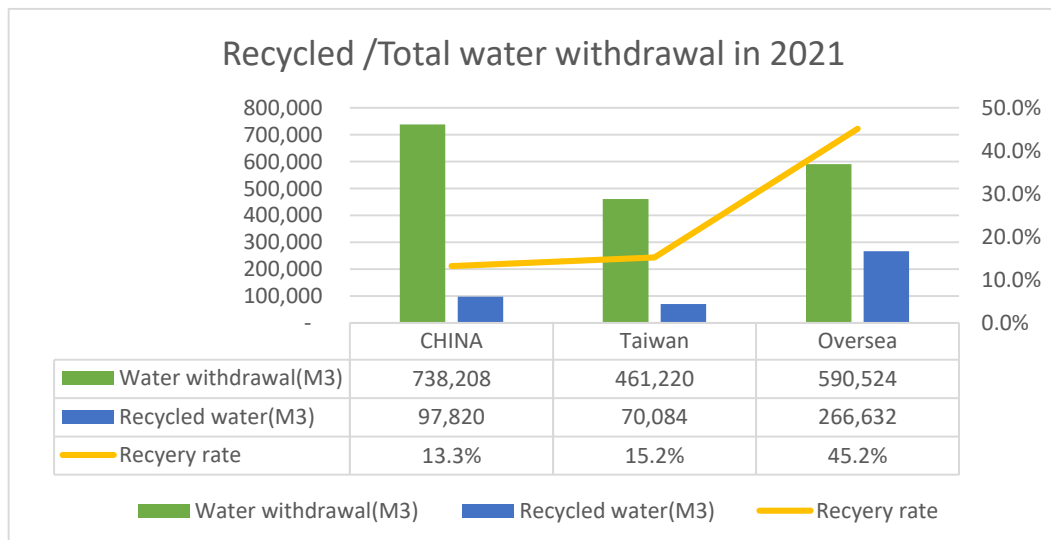
water resources, the company continues to monitor water consumption and actively promote water-saving measures in the plant. In 2021, the Taiwan factory started to add a water recovery system. The washing water with high acid concentration will be treated, filtered and reused, instead of being directly treated in a wastewater treatment plant before being released, so as to improve the recycling rate of process wastewater and reduce the consumption of water resources.

Water saving measures in the factory area

◇ Reclaimed water recycling system - process recycling water and reuse

To cherish water resources, each plant has successively set up "reclaimed water recycling systems" to recycle and reuse production water with a certain water quality in the production line, mainly for washing and electroplating processes with large water consumption. Treatment is carried out to make the overall internal water cycle of the company reach a certain standard, thereby reducing the supply of raw water and achieving the purpose of greatly reducing water resources.

"Reclaimed water recycling system" will add a process water membrane filtration recycling system in 2021, using ultrafiltration (Ultra Filtration, UF) and reverse osmosis (Reverse Osmosis, RO) to filter the pure water process to recycle water and reuse it. A total of 13,410 tons of recycled water can be added to the Taiwan plant, accounting for 3% of the total water volume of a single plant. In 2022, a wastewater membrane filtration and recovery system will be added, with an estimated daily recycling volume of 200 tons.



◇Pure water recycling system - pure water process recycling

The pure water recovery system uses the RO reverse osmosis system to generate RO concentrated water, which is recycled and reused through the following different procedures.

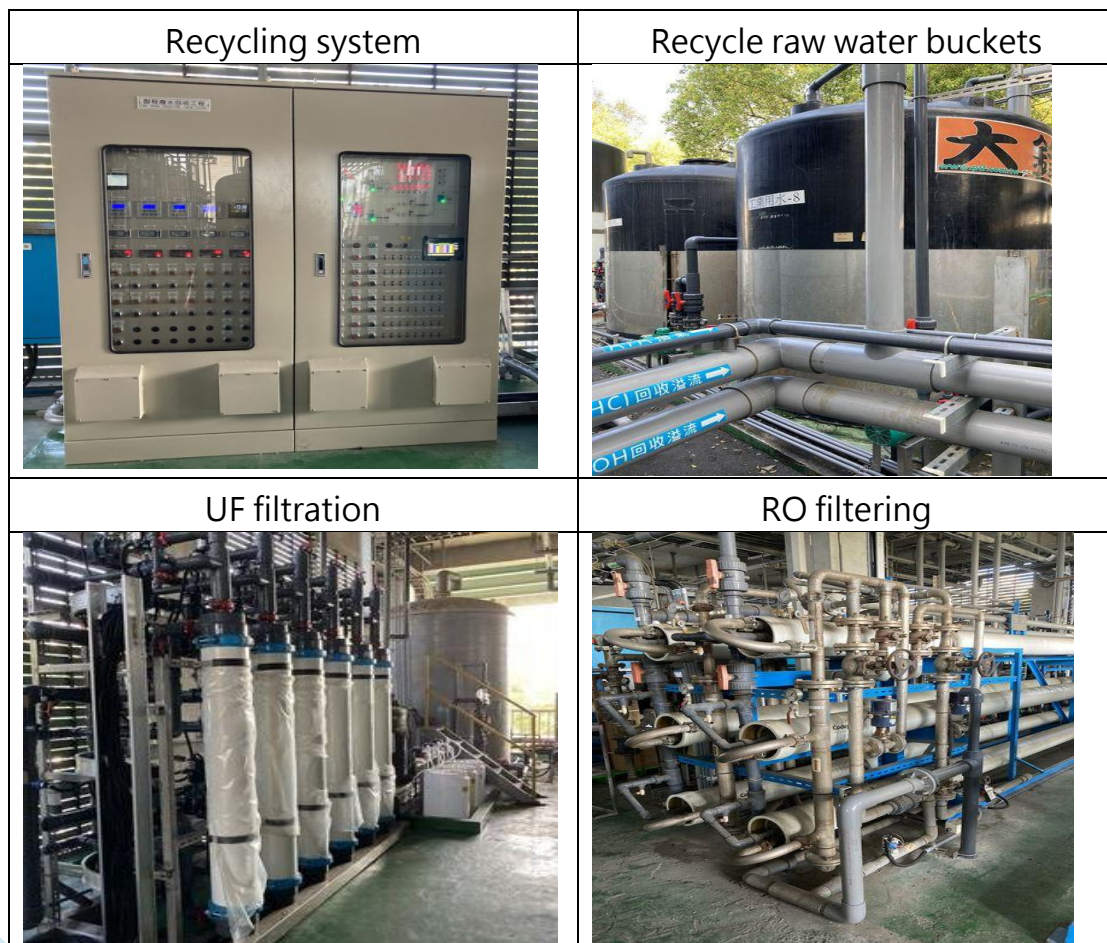
- After the secondary RRO system, the produced water is reused in the industrial pool.
- After the water softening tower, the produced water is reused for the cooling water tower to make up the water.

In 2021, the total amount of water recovered from the pure water process is 356,320 tons, accounting for 20% of the total water volume.

◇Machine water saving design

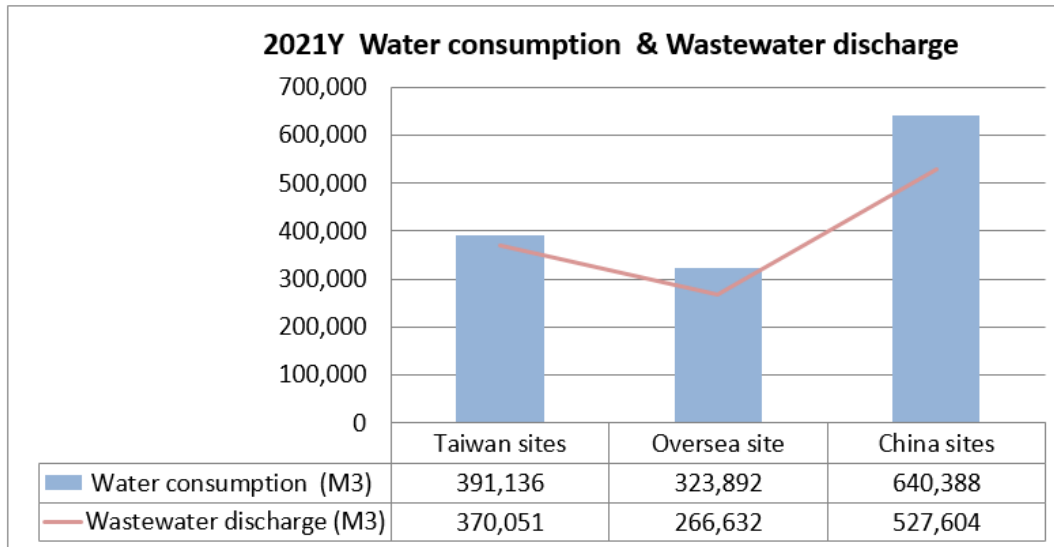
The plating machine adopts a multi-stage countercurrent washing design, so one water cycle is used for washing in three washing tanks, which is a water-saving design.

◇Related facilities



Wastewater discharge and water quality monitoring and control

In 2021, the wastewater discharges from factories in Taiwan, mainland China and overseas will be approximately 370,000 tons, 527,000 tons and 266,000 tons respectively.



Every year, CWTC regularly conducts sampling and testing of the discharge water data to ensure that the wastewater generated by the process fully complies with the current environmental protection laws and regulations and the park management standards, so as to reduce the impact of pollution on the environment. The test results of the discharge water quality of each plant area in 2020 are summarized in the following table. As the company actively reviews and improves the wastewater pollution prevention and control system in the plant area, the water quality of each plant discharge is currently maintained in compliance with the approved standards of local regulations.

◇Taiwan factory water quality test results

Year	Item	pH	COD (mg/L)	SS (mg/L)	Cu ⁺ conc. (mg/L)	Ni ⁺ conc. (mg/L)
2019	Monitoring result	8.10	66.10	1.40	0.20	0.08
	Wastewater discharge standard	6~9	280	100	2	1
	Conformity	compliance	compliance	compliance	compliance	compliance
2020	Monitoring result	7.6	102	<1	0.126	0.028
	Wastewater discharge standard	6~9	280	100	2	1
	Conformity	compliance	compliance	compliance	compliance	compliance
2021	Monitoring result	6.8	63.4	7.3	0.325	0.033
	Wastewater discharge standard	6~9	280	100	2	1
	Conformity	compliance	compliance	compliance	compliance	compliance

◇China factory water quality test results

Year	Item		pH	COD (mg/L)	SS (mg/L)	Cu ⁺ conc. (mg/L)	Ni ⁺ conc. (mg/L)
2019	Monitoring result	SHS	7.21	63	27	-	-
		SHEC	7.97	125	-	1.04	-
	Wastewater discharge	SHS	6~9	500	400	-	-
		SHEC	6~9	500	-	2	-
	Conformity		compliance	compliance	compliance	compliance	-
2020	Monitoring result	SHS	7.22	67	20	-	-
		SHEC	8.01	55.5	-	0.68	-
	Wastewater discharge	SHS	6~9	500	400	-	-
		SHEC	6~9	500	-	2	-
	Conformity		compliance	compliance	compliance	compliance	-
2021	Monitoring result	SHS	7.49	69.5	16	-	-
		SHEC	7.25	38	-	1.39	-
	Wastewater discharge	SHS	6~9	500	400	0.3	0.1
		SHEC	6~9	500	-	2	-
	Conformity		compliance	compliance	compliance	compliance	compliance

◇Oversea factory water quality test results

Year	Item	pH	COD (mg/L)	SS (mg/L)	Cu ⁺ conc. (mg/L)	Ni ⁺ conc. (mg/L)
2019	Monitoring result	8.64	35.84	6.61	0.43	0.08
	Wastewater discharge standard	5.5~9.0	200	100	1	1
	Conformity	compliance	compliance	compliance	compliance	compliance
2020	Monitoring result	8.41	28.69	7.84	0.44	0.20
	Wastewater discharge standard	5.5~9.0	200	100	1	1
	Conformity	compliance	compliance	compliance	compliance	compliance
2021	Monitoring result	8.46	30.60	9.00	0.49	0.07
	Wastewater discharge standard	5.5~9.0	200	100	1	1
	Conformity	compliance	compliance	compliance	compliance	compliance

3.4 Pollution Discharge and Prevention

CWTC upholds the concept of "giving back to the society", and deeply understands "the limited natural resources" and "the importance of environmental protection". As a result, we promise to protect the environment in all aspects of business operations, products, and services.

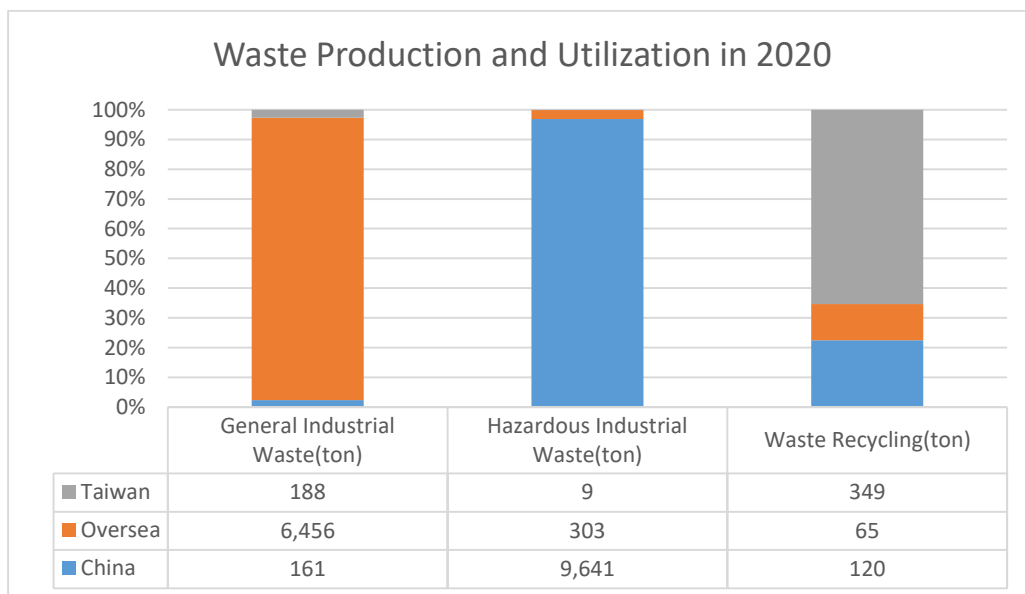
1. We use raw materials and clean the production chain to reduce pollution and the impact of product supply to the environment.
2. We comply with relevant environmental protection laws and regulations and other environmental responsibilities that the subsidiary companies should follow as well.
3. Through environmental goal setting, regular audits, and management reviews, CWTC improves continuously and enhance the environmental performance.
4. CWTC adopts the risk control technology to reduce the risk of harm to stakeholders effectively and continuously strengthen the interactive relationship with contractors, suppliers, etc.
5. CWTC is able to protect natural resources through effective use and waste reduction programs.
6. We reduce and prevent the impact of harmful substances, wastewater, and exhaust gas on the environment to protect employees and the environment.
7. Improve production quality to reduce waste generation.

Waste management

The waste produced can be divided into three categories: "general business waste", "hazardous business waste" and "recycled waste" in CWTC. In addition to implementing garbage classification, CWTC declares, sorts and stores various types of waste in accordance with local regulations, and entrusts qualified manufacturers to assist in clearing, transportation, disposal, and recycling. Regular manufacturer review and audit mechanisms ensure that waste is properly handled.

Compared with 2020, the amount of reuse in 2021 will increase. The ferric chloride and copper chloride used in the etching process are recyclable waste, which improves the recycling rate of waste. CWTC continues to take source reduction, recycling and reuse

as management goals, and expects to reduce waste output to reduce CWTC’s operating costs and environmental impact.

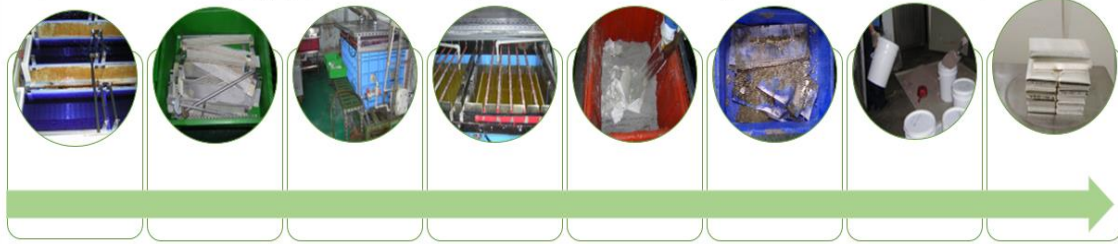


Circular economy case

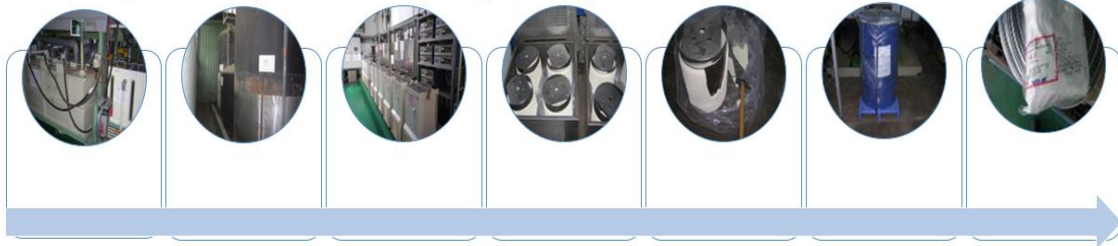
The precious metals silver, gold and palladium in the waste produced in the process are recycled and reused

In response to the sustainable environment, CWTC has introduced precious metal recycling technology to establish a self-processing system in the factory to reduce waste discharge. The main recycling technologies of the company are explained as follows:

➤ Waste filter cores (bags) and silver-stripped silver soil are recycled and refined into raw materials



➤ Electrolytic recovery of silver-containing waste liquid into raw materials



➤ Set up gold and palladium resin towers to recover gold-containing palladium for low-concentration water washing, and collect high-concentration waste plating baths for outsourced treatment and recycling



The waste recycling and disposal of the Taiwan plant will reach 1,842 tons in 2021, which is nearly 4 times the amount recovered in 2020; general waste generation is expected to be reduced by 5% in 3-5 years, because CWTC adopts a packaging material reduction and incentive packaging material recycling mechanism and promote employees to use environmentally friendly materials and reusable products.

4. Harmonious workplace

4.1 Talent recruitment and human structure

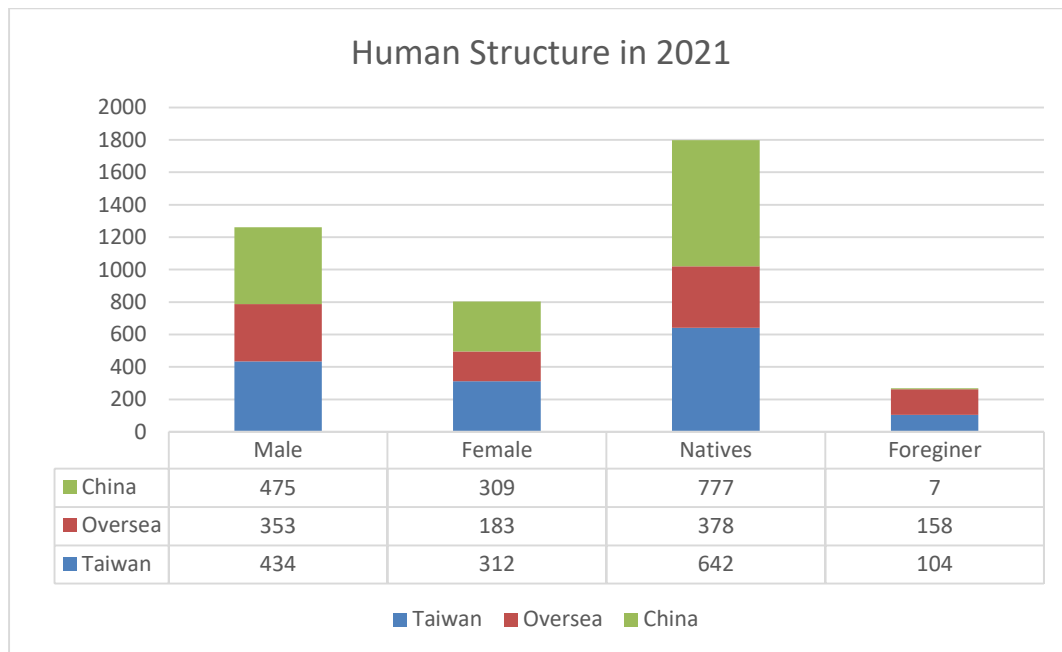
In CWTC, our employees are one of the most important assets. In terms of policies and systems such as recruitment, salary design, performance management and training development, we will consider one's potential who can help to strengthen the company's growth momentum and can maintain his or her work efficiency. Besides that, CWTC always considers hiring the citizens as the priority qualification because we believe that only by working with the citizens can help our employees to achieve the vitality of the company's sustainable development.

Moreover, CWTC does not employ child labor to perform work in accordance with the provisions of the United Nations International Labor Organization and the Labor Standards Law. CWTC also will not force or coerce any unwilling individual to perform any services.

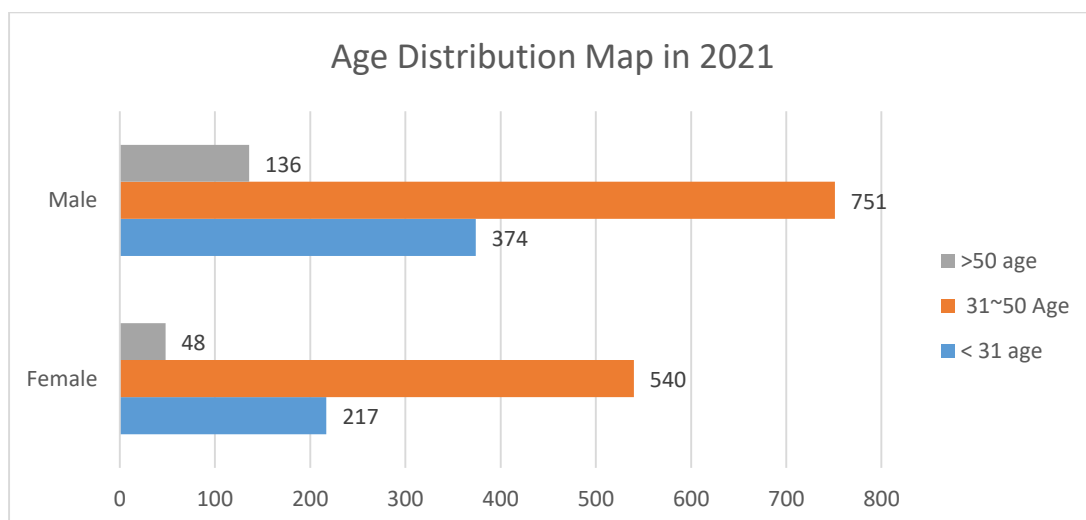
Based on the basic human rights of equal employment opportunities for nationals, when hiring employees, we will only consider one's professional ability as well as his or her aptitude. Other factors such as race, ideology, religion, party affiliation, nationality, gender, marriage, physical and mental disabilities will not affect employment. Besides that, CWTC abides by relevant laws and regulations to employ people with disabilities and arrange competent work according to their abilities.

Area(unit : person)		2020	2021
Number of Employees	Sales Personnel	49	37
	Management Staff	145	146
	Research and Development Staff	118	213
	Production Staff	1,615	1,670
	Total	1,927	2,066
Female management		250	264
%		37	37
Female manager		23	23
%		26	27
Employ people with disabilities		9	11
Average Age		36	40
Average Years of Service		9	9

Area(unit : person)		2020	2021
Education	Ph.D.	-	-
	Masters	2%	2%
	Bachelor's Degree	27%	31%
	Senior High School (and Below)	71%	67%



Year	Male			Female			%
	Taiwan	China	Oversea	Taiwan	China	Oversea	M/F
2020	373	477	349	241	296	191	1.64
2021	434	475	353	312	309	183	1.57



New comer

		2020			2021		
		New comer	On-the-job	Rate	New comer	On-the-job	Rate
<31 Age	Male	101	358	28%	158	374	42%
	Female	55	207	27%	74	217	34%
	Sub-total	156	565	28%	232	591	39%
31~50 Age	Male	60	710	8%	85	751	11%
	Female	46	480	10%	108	540	20%
	Sub-total	106	1,190	9%	193	1,291	15%
>50 age	Male	3	126	2%	6	136	4%
	Female	1	46	2%	5	48	10%
	Sub-total	4	172	2%	11	184	6%
Total		266	1,927	14%	436	2,066	21%

Resigned persons

		2020			2021		
		Resigned	On-the-job	Rate	Resigned	On-the-job	Rate
<31 Age	Male	75	358	21%	100	374	27%
	Female	53	207	26%	63	217	29%
	Sub-total	128	565	23%	163	591	28%
31~50 Age	Male	62	710	9%	75	751	10%
	Female	46	480	10%	48	540	9%
	Sub-total	108	1,190	9%	123	1,291	10%
>50 age	Male	2	126	2%	12	136	9%
	Female	5	46	11%	5	48	10%
	Sub-total	7	172	4%	17	184	9%
Total		243	1,927	13%	303	2,066	15%

4.2 Talent cultivation and development

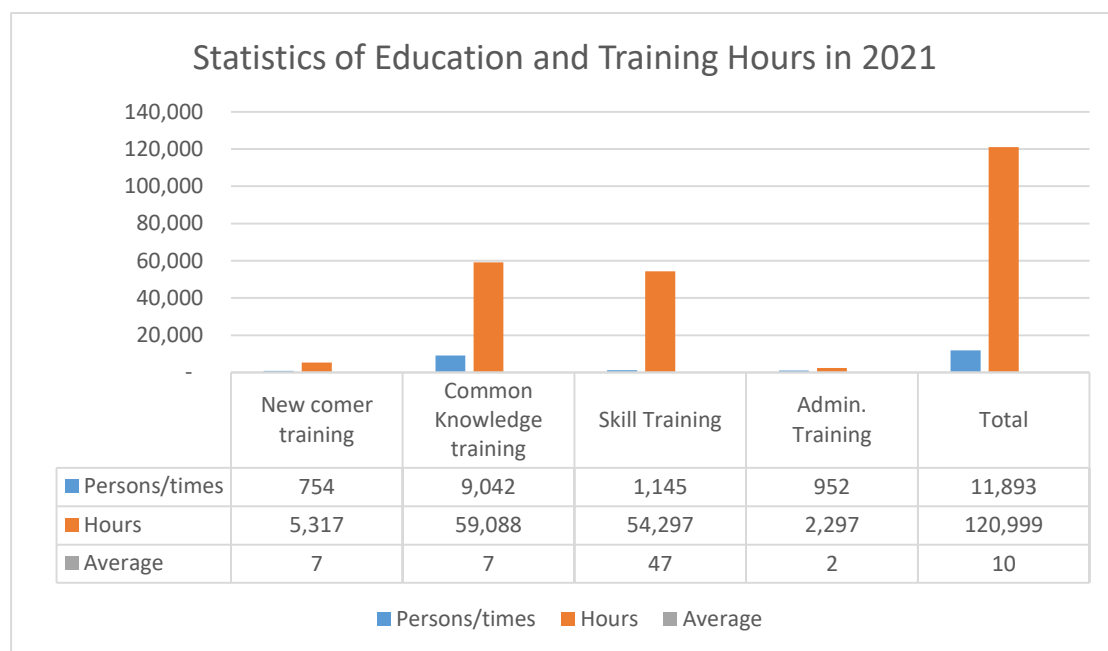
Cultivating the right work attitudes and behavior can help the company to achieve the business goal more efficiently by enhancing the work knowledge and skill of our colleagues. The training courses we offer include newcomer education training and on-the-job training which helps them to have a better understanding about the working environment in CWTC as well as their responsibilities. Besides that, CWTC will conduct the evaluation of the courses.

Newcomer education and training: departmental internal training and basic skills training.

On-the-job training: including departmental internal training, quality system, industrial safety and environmental safety, internal audit and internal control, production management and administrative management.

Manpower training: this training is regarded as a long-term investment by the company for employees. Besides the various on-job-training we provide for the employees, CWTC also offers the opportunities for foreign country inspections, visiting famous domestic companies, attending various meetings, work rotations, etc.

The statistics of relevant training courses in 2021 are as follows:



		Male	Female	Manager	Non-Manager
Interior	Persons/times	7,384	3,863	809	10,438
	Hours	73,862	40,269	1,160	112,970
	Average	10	10	1	11
Exterior	Persons/times	411	235	133	513
	Hours	5,157	1,712	1,326	5,543
	Average	13	7	10	11

4.3 Employee benefit plan

One of the primary things that CWTC takes into consideration is the treatment and welfare of employees. To comply with the laws and regulations, the salary of each employee will not be different due to gender. Our employees' benefits include salary, allowances, bonuses, retirement funds, and insurance. Besides that, we create a standard of salary to satisfy the local price level according to the academic qualifications, experience, and the comparison with market salary survey results. The company's overall operations, personal performance, consumer price index and government policies are the criteria that we take into consideration for salary transformation. The performance appraisal is conducted twice a year. CWTC will use the results as a guideline to affirm, reward and motivate the outstanding performance of employees. Under a fair salary and performance appraisal system, our employees are able to maximize their work potential. In 2021, employee benefit expenses are TWD 1,691,299 thousand dollars which is an increase of 30% over the previous year.

Comparison of the number of full-time employees who are not in supervisory positions and their average salary in 2021 with the previous year.

Item/Year	2021	2020	Compared	2019	Compared
Number of employees	195	159	23%	175	(9%)
Average salary (thousand dollars)	681	568	20%	565	1%
Median salary (thousand dollars)	616	503	20%	484	4%

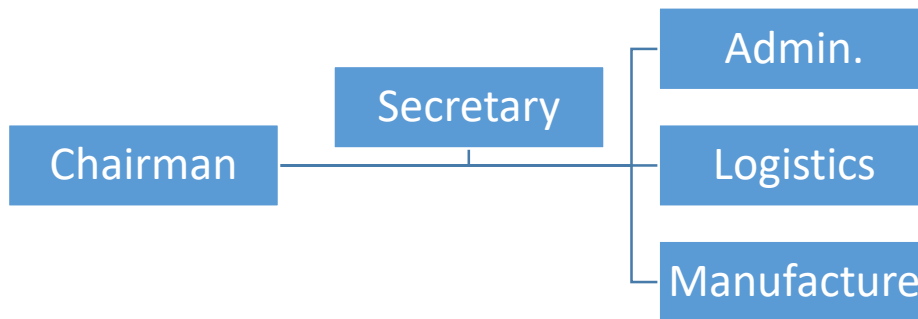
Note: The number of employees in this table does not include company managers. The definition of manager is based on the applicable scope of "manager" stipulated by the competent authority's 3/27/2004 Taiwan Caizheng Sanzi Letter No. 920001301. It is consistent with the scope of managers disclosed in the company's annual report.

In addition, special leaves, half-paid sick leave, personal leave, marriage leaves, injury leave and family care leave are provided in accordance with the law. In a harmonious and fair working environment, females are entitled to menstrual leave, maternity leave and childbirth leave, and colleagues with spouses are entitled to paternity leave. If

colleagues have family needs, they can also apply for parental leave and leave without pay and apply for reinstatement after the period expires.

CWTC has established labor-management meetings in accordance with the law, and meetings are held regularly at least quarterly. The association is also appointed representatives of both parties apto solicit employee proposals except the labor-management matters submitting for the plans by various units in accordance with the law. Through this meeting, the opinions of both parties were fully communicated and negotiated. In 2021, there was no labor dispute.

Labor-Management Meeting Map



CWTC establishes an employee welfare committee in accordance with local laws and regulations, and provides welfare funds in accordance with relevant laws and regulations. Each factory also instructs relevant units to plan and implement the following welfare policies:

ITEM	CONTENT
Employee Insurance	In addition to complying with local laws and regulations, employees enjoy labor, health insurance and retirement pension insurance; they also enjoy group insurance.
Employee bonuses	According to the company's articles of association, the company distributes employee dividends at 1% of the current year's profit.
Employee compensation plan	With the company planning, employees enjoy a cash capital increase subscribed to retain employees, the transfer of treasury shares employees, employee stock options and restricted stock of equity. In 2021, employees handling the transfer of treasury shares totaled 1,053,000 shares.
Employee Benefit Plans	In order to enhance internal welfare, reward employees for their financial planning, and increase employees' sense of participation in the company, and to achieve win-win benefits for both employers and employees, the company started the employee stock ownership trust business in 2020. The Company contributes 100% of the company's public funds based on the

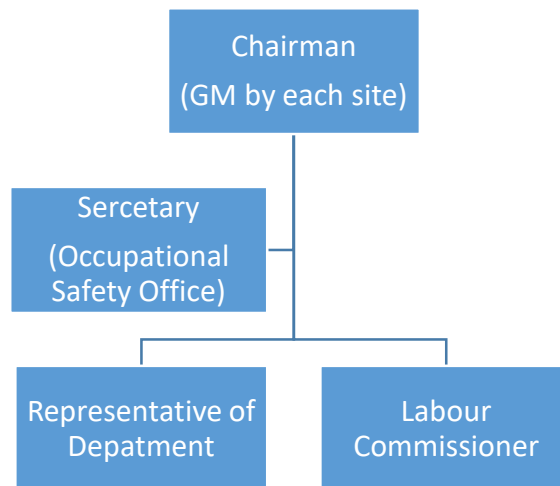
ITEM	CONTENT
	employees' contributions; the employees can receive annual dividends and all the shares after five years.
Group activities	Regular staff trips, departmental dinners, fun competitions and other activities, and funding to encourage employees to participate.
Gifts	such as birthday gifts, bonuses for the three festivals, etc. We also provide subsidies to our employees for weddings, funerals, etc.
Employee health check	Regular physical health checkups for employees are held every year.

4.4 Workplace safety and health

In order to solve the practical problems of occupational safety and health in CWTC, the safety and health management committee is set up in accordance with the “Occupational Safety and Health Management Measure”.

The structure of the safety and health management committee is as followed:

The chairman of the committee is assumed by the general manager of each plant. The remaining members including labor representatives should have at least one-third of the total employees. Meetings will be held regularly.(At least once every 3 months for the Taiwan factories, and once a month for the China factories.)



The relevant duties of the committee are as followed:

1. Responsible for reviewing occupational safety and health policies
2. Responsible for reviewing occupational safety and health management plan
3. Responsible for reviewing the implementation plan of safety and health education and training.
4. Responsible for reviewing the work environment monitoring plan, monitoring results, and adopting measures.
5. Responsible for reviewing health management, occupational disease prevention and health promotion matters.
6. Responsible for reviewing various safety and health proposals.
7. Responsible for reviewing automatic inspections as well as the safety and health audit

of public institutions.

8. Responsible for reviewing preventive measures against machinery, equipment, raw materials, and material hazards.
9. Responsible for reviewing occupational disaster investigation reports.
10. Responsible for assessing the performance of on-site safety and health management.
11. Responsible for reviewing the safety and health management of the contracted business.
12. Responsible for other relevant occupational safety and health management matters.

CWTC conducts regular inspections of safety and health regulations to ensure that business operations comply with laws and regulations. In 2021, each factory area will comply with local regulations, and there will be no safety and health violations. In order to enable employees to work in a safe and healthy environment and enhance the company's competitiveness, each factory regularly conducts monitoring of operating environment/occupational hazards in accordance with local regulations, twice a year for Taiwan factories, overseas factories and China factories. Once per year, the monitoring results meet the requirements and are lower than the local regulatory limit.

* Safety promotion

Zero disaster is the goal of the company's occupational disaster management, and various safety enhancement activities are carried out accordingly. The annual safety risk week held in each plant area is the highlight of safety and health promotion activities, and all plant members actively participate from top to bottom.

Taiwan site



China site



China site



Oversea site



In order to reduce occupational injuries, hazard identification and risk assessment are carried out for the operations of various departments in the factory every year, and the risk level is determined according to the severity and probability of occurrence. For operations with medium and high risk levels, additional risk control measures should be introduced to reduce the risk level.

In addition to ensuring that occupational disaster notification is not hidden, all departments are encouraged to discover safety concerns in their daily operations and

make safety proposals to track and improve them. False alarms are also included in the notification process, and interventions are made to improve when no personal injury has been caused to block the next disaster. possibility of occurrence.

Each plant conducts disaster prevention drills and emergency response at least twice a year, covering earthquakes, fires, chemical leakage, etc. The situation is set according to the operating characteristics and hazard types of each plant.

Taiwan site



Oversea site



China site

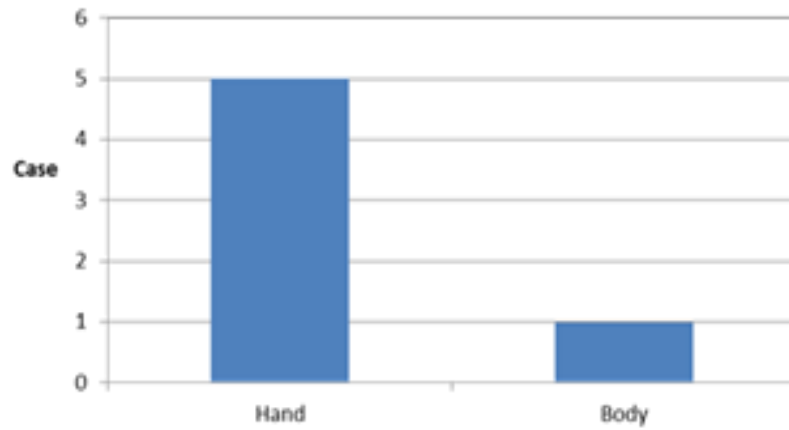


* Occupational Disaster Management

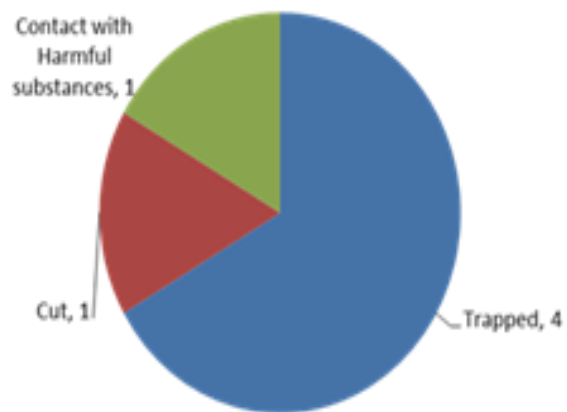
In 2021, there will be a total of 6 occupational injuries in the whole group, and there will be no occupational accidents involving fatalities. After discussing the true cause of each occupational accident case, introduce appropriate improvement measures and deploy them in parallel to similar working environments/types to minimize the harm and effectively prevent the recurrence of the same type of accident.

Group Work Injury Statistics

2021Y Accident type



2021Y Occupational disaster type



Year	Disabling Frequency Rate FR				Disabling Severity Rate SR			
	Taiwan	Oversea	China	Total	Taiwan	Oversea	China	Total
2019	2.30	0	0	0.7	71	0	0	22
2020	5.72	0.91	0.50	2.08	155	16	2	49
2021	3.93	0	0	1.3	45	0	0	15

* Contractor security management

Each factory area of the company has formulated contractor management measures to ensure the safety management mechanism for contractors to enter the factory and achieve the goal of zero work-related injuries for contractors. Before construction, the contractor must hold a safety meeting with the project contractor and industrial safety personnel. The industrial safety personnel will put forward the safety requirements of the project, and the construction can be started after completion. If the content of the project involves special operations, such as hanging, fire, confined space, dangerous pipelines, etc., an application for special operations must be applied, and relevant protection plans must be attached, and can only be implemented after approval.

Project contractors and industrial safety personnel will conduct inspections from time to time during the contractor's construction process to ensure that all operations meet the safety requirements and ensure the contractor's operation safety.

* Contractor security management

CWTC provides a frequency of health inspections that is superior to the regulations, and provides all employees with regular health inspections every year, including general health inspections and inspections of particularly hazardous health operations, so as to protect and control the health status of employees. Since 2019, the Taiwan plant has also included electrocardiogram examinations as an evaluation of cerebrovascular and cardiovascular diseases to prevent overwork. The results of employee health examinations will be managed at different levels, track employees of high-risk health hazard groups, provide employee-related health education and consulting services,

maintain employee health and prevent occupational diseases. In 2021, the results of the special health examination in the Taiwan plant will be classified as level 2 to level 3 management. There are a total of 102 colleagues, and both the vocational nurses and the resident occupational doctors will conduct interviews and follow-up on them, and upload the results of the return examination to the official system according to law. In 2021, there are no confirmed cases of occupational diseases in the factories at home and abroad.

Year	Health check participants			special health examination		Abnormal special health examination	
	Taiwan	Oversea	China	Taiwan	Oversea	Taiwan	Oversea
2019	557	528	420	284	94	74	43
2020	566	507	462	312	40	116	12
2021	608	521	467	294	11	102	10

Note: The content of the health check performed by the factory in the china already includes special operation check items, so it is not listed separately.

Regular health check at the factory in Taiwan and Oversea



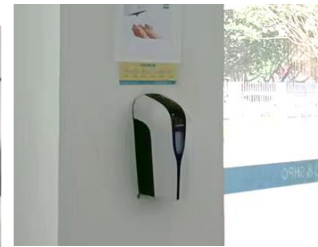
There are specially licensed medical specialists serving in Taiwan every month. A total of 51 visits will be made in 2021. The service content includes disease health

interviews and guidance, care for injuries and illnesses, return to work assessment, suggestions for improvement of workplace environmental hazards, and review of nurses' health interview documents, etc.

*** COVID-19 Epidemic Prevention Management**

COVID-19 has ravaged the world since 2020. For the health of all colleagues, each factory area has formulated and implemented various epidemic prevention and control measures in accordance with the local government's epidemic prevention requirements, including strengthening the frequency of daily environmental cleaning, regular environmental disinfection, and meals. Use partitions, lower office seating, implement visitor control measures, prohibit employees from traveling abroad and suspend business travel to domestic epidemic hotspots, encourage COVID-19 vaccines, maintain at least 3 months of anti-epidemic materials safety stock, regular release Epidemic prevention information notices, drafting (suspected) handling procedures for confirmed persons, etc. Among them, overseas factories cooperate with local government requirements to conduct PCR testing for all employees every 2 weeks. With the efforts of all colleagues, there were only 20 confirmed cases of COVID-19 in overseas factories in 2020, and all the confirmed colleagues have recovered and returned to work.

Site	COVID-19 Vaccination rate		
	1 st dose	2 nd dose	3 rd dose
Taiwan	92%	83.5%	40%
Oversea	100%	100%	99%
China	97.7%	94.7%	55%



5. Appendix

GRI Standards Comparison Table

GRI Standard	Content of GRI Indicators	Item	Corresponding Chapter	Page	Remark
General Disclosures					
GRI 102 General Disclosures 2016	GRI 102-1	Name of the organization	1.1 Corporate profile	4	
	GRI 102-2	Activities, brands, products, and services	1.1 Corporate profile	4	
	GRI 102-3	Location of headquarters	1.1 Corporate profile	4	
	GRI 102-4	Location of operations	1.1 Corporate profile	4	
	GRI 102-5	Ownership and legal form	1.1 Corporate profile	4	
	GRI 102-6	Markets served	1.1 Corporate profile	4	
	GRI 102-7	Scale of the organization	1.1 Corporate profile	4	
	GRI 102-8	Information on employees and other workers	4.1 Human resource structure and management	51	
	GRI 102-9	Supply chain	2.1 Supply chain sustainability	33	
	GRI 102-10	Significant changes to the organization and its supply chain	2.1 Supply chain sustainability	33	
	GRI 102-11	Precautionary Principle or approach	1.5 Risk management	23	
	GRI 102-12	External initiatives	1.1 Corporate profile	4	
	GRI 102-13	Membership of associations	1.1 Corporate profile	4	
	GRI 102-14	Statement from senior decision-maker	A note from the chairman	2	
	GRI 102-16	Values, principles, standards, and norms of behavior	1.2 Corporate governance	9	
	GRI 102-18	Governance structure	1.2 Corporate governance	9	
	GRI 102-40	List of stakeholder groups	1.6 Our stakeholders and materiality assessment	29	
	GRI 102-41	Collective bargaining agreements	4.3 The plan of employee benefits	56	
	GRI 102-42	Identifying and selecting stakeholders	1.6 Our stakeholders and materiality assessment	29	
	GRI 102-43	Approach to stakeholder engagement	1.6 Our stakeholders and materiality assessment	29	
	GRI 102-44	Key topics and concerns raised	1.6 Our stakeholders and materiality assessment	29	
	GRI 102-45	Entities included in the consolidated financial statements	1.1 Corporate profile	4	
	GRI 102-46	Defining report content and topic Boundarie	1.6 Our stakeholders and materiality assessment	29	
	GRI 102-47	List of material topics	1.6 Our stakeholders and materiality assessment	29	
	GRI 102-48	Restatements of information	About	1	
	GRI 102-49	Changes in reporting	About	1	
	GRI 102-50	Reporting period	About	1	
	GRI 102-51	Date of most recent report	About	1	
	GRI 102-52	Reporting cycle	About	1	
	GRI 102-53	Contact point for questions regarding the report	About	1	

GRI Standard	Content of GRI Indicators	Item	Corresponding Chapter	Page	Remark
	GRI 102-54	Claims of reporting in accordance with the GRI Standards	About	1	
	GRI 102-55	GRI content index	Appendix	68	
	GRI 102-56	External assurance	About	1	
Economic Performance					
GRI 103 Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	1.6 Our stakeholders and materiality assessment	29	
	GRI 103-2	The management approach and its components	1.6 Our stakeholders and materiality assessment	29	
	GRI 103-3	Evaluation of the management approach	1.6 Our stakeholders and materiality assessment	29	
GRI 201 2016	GRI 201-1	Direct economic value generated and distributed	1.3 Performance of enterprise	19	
	GRI 201-2	Financial implications and other risks and opportunities due to climate change	1.5 Risk management	23	
	GRI 201-3	Defined benefit plan obligations and other retirement plans	4.3 The plan of employee benefits	56	
	GRI 201-4	Financial assistance received from government	1.3 Performance of enterprise	19	
Procurement Practices					
GRI 103 Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	1.6 Our stakeholders and materiality assessment	29	
	GRI 103-2	The management approach and its components	1.6 Our stakeholders and materiality assessment	29	
	GRI 103-3	Evaluation of the management approach	1.6 Our stakeholders and materiality assessment	29	
GRI 204 2016	GRI 204-1	Proportion of spending on local suppliers	2.3 Green purchasing policy	35	
Energy					
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GRI 402 2016	GRI 402-1	Minimum notice periods regarding operational changes	4.3 The plan of employee benefits	56	
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GRI 103 Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	1.6 Our stakeholders and materiality assessment	29	
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GRI 103 Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	1.6 Our stakeholders and materiality assessment	29	
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GRI 405 2016	GRI 405-1	Diversity of governance bodies and employees	4.1 Human resource structure and management	51	
	GRI 405-2	Ratio of basic salary and remuneration of women to men	4.3 Talent cultivation and development	56	
Child Labor					
GRI 103 Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	1.6 Our stakeholders and materiality assessment	29	
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GRI 408 2016	GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	4.1 Human resource structure and management	51	
Forced or Compulsory Labor					
GRI 103 Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	1.6 Our stakeholders and materiality assessment	29	
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	GRI 103-3	Evaluation of the management approach	1.6 Our stakeholders and materiality assessment	29	
GRI 103 2016	GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1 Human resource structure and management	51	
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GRI 103 Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	1.6 Our stakeholders and materiality assessment	29	
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GRI 414 2016	GRI 414-1	New suppliers that were screened using social criteria	2.1 Supply chain sustainability	33	
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GRI 103 Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	1.6 Our stakeholders and materiality assessment	29	
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GRI 418 2016	GRI 418-1	Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	1.5 Risk management	19	
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GRI 103 Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	1.6 Our stakeholders and materiality assessment	29	
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GRI 419 2016	GRI 419-1	Non-compliance with laws and regulations in the social and economic area	4.3 Talent cultivation and development	56	

Sustainability Accounting Standards Board
(SEMICONDUCTORS)

Topic	Code	Accounting Metric	Corresponding Chapter	Page	Remark
Greenhouse Gas Emissions	TC-SC-110a.1	Gross global Scope 1 emissions and amount of total emissions from per fluorinated compounds	3.2 Energy management	39	
	TC-SC-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions	3.2 Energy management	39	
Energy Management in Manufacturing	TC-SC-130a.1	Total energy consumed · Percentage grid electricity, Percentage renewable	3.2 Energy management	39	
Water Management	TC-SC-140a.1	Total water withdrawn, Total water consumed, Percentage of each in regions with high or extremely high baseline water stress	3.3 Water resource management	42	
Waste Management	TC-SC-150a.1	Amount of hazardous waste from manufacturing, percentage recycled	3.4 Management of waste pollution emission and prevention	59	
Employee Health and Safety	TC-SC-320a.1	Description of effort to assess, monitor, and reduce exposure of employees to human health hazards	4.4 Occupational safety and health	59	
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	4.4 Occupational safety and health	59	
Recruiting and Managing a Global and Skilled Workforce	TC-SC-330a.1	Percentage of employees that are foreign nationals and located offshore	4.1 Human resource structure and management	51	
Materials Sourcing	TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	2.1 Supply chain sustainability	33	
Intellectual Property Protection and Competitive Behavior	TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	CWTC did not suffer any financial losses from violating anti-competitive regulations in 2021.		

Third Party Assurance Statement

Independent Limited Assurance Report

To **Chang Wah Technology Co.,Ltd.**

We have been engaged by **Chang Wah Technology Co.,Ltd.** (“Company”) to perform assurance procedures on the sustainability performance information identified by the Company and reported in the 2021 Sustainability Report, and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The sustainability performance information identified by the Company (hereinafter referred to as the “Subject Matter Information”) and the respective applicable criteria are stated in the “Summary of Subject Matter Assured” on page 1 of the Sustainability Report. The scope of the aforementioned Subject Matter Information is set out in the “Scope and Boundary” on page 68 of the Sustainability Report.

Management’s Responsibilities

The Management of the Company is responsible for the preparation of the sustainability performance information disclosed in the Sustainability Report in accordance with the respective applicable criteria, and for such internal control as management determines is necessary to enable the preparation of the sustainability performance information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We conducted our assurance work on the Subject Matter Information disclosed in the Sustainability Report in accordance with the Statement of Assurance Engagements Standards No. 1, “Assurance Engagements other than Audits or Reviews of Historical Financial Information” in the Republic of China, to identify whether any amendment is required of the Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria, and issue a limited assurance report.

We conducted our assurance work in accordance with the aforementioned standards including identifying the areas where there may be risks of material misstatement of the Subject Matter Information, and designing and performing procedures to address the identified areas. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

The extent of the assurance work we performed were based on the identified risk areas and determined materiality, and given the circumstances of the engagement, we designed and performed the following procedures:

- Made inquiries of the persons responsible for the Subject Matter Information to understand the processes, information systems and the relevant internal controls relating to the preparation of the aforementioned information to identify the areas where there may be risks of material misstatement; and
- Based on the above understanding and the areas identified, performed selective testing including inquiry, observation, inspection, and reperformance to obtain evidence for limited assurance.

We do not provide any assurance on the Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls. Our assurance does not extend to information in respect of earlier periods or to any other information disclosed in the Sustainability Report for 2020.

Compliance of Independence and Quality Control Requirement

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Statement of Auditing Standard No. 46, “Quality Control for Public Accounting Firms” in the Republic of China and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent Limitations

Certain Subject Matter Information involves non-financial data which is subject to more inherent limitations than financial data. Qualitative interpretations of the relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, we are not aware of any amendment that is required of Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria.”

Other Matter

The Management of the Company is responsible for maintaining the Company’s website. If the Subject Matter Information or the applicable criteria are modified after this limited assurance report is issued, we are not obliged to re-perform the assurance work.

Lin, Tzu-Shu
For and on behalf of PricewaterhouseCoopers, Taiwan
September 28, 2022