

solteam

2023

**Sustainability
Report**



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Foreword

About the Sustainability Report

This Report is the second sustainability report issued by Solteam Incorporation (hereinafter referred to as Solteam or the Group), of which the contents primarily disclose to stakeholders the relevant achievements of the environmental, social and corporate governance aspects except the financial performance. This Report was approved for issuance by the Board of Directors in August 2024. It will be published annually henceforward to serve as a basis for the continuous communication with stakeholders and to demonstrate Solteam’s determination in promoting sustainable development.

Disclosure Period and Boundary Scope of the Report GRI 2-2 and GRI 2-3

The disclosure period of this Report covers the information dated from January 1st, 2023 to December 31st, 2023. The contents of the disclosure mainly include Solteam’s operational activities in the aspects of Environment, Social, and Governance. The disclosing scope includes the Solteam Group and is aligned with the scope of the consolidated financial reports. Any inconsistency is specifically elaborated in the Report. The financial data within this Report have been audited and certified by the CPA, and the reporting period is the same as that of the Sustainability Report, and are all expressed in New Taiwan Dollar.

Editorial Basis

The contents of this Report are prepared in accordance with the 2021 Standards by the Global Reporting Initiative (GRI) and the Electrical Electronic Equipment Standard 2018 by the Sustainability Accounting Standards Board (SASB). Simultaneously, the Report refers to the Task Force on Climate-related Financial Disclosures (TCFD) and conforms with the related contents of the Sustainable Development Goals (SDGs). The index comparison tables of the GRI Standards as well as the SASB Standards are also enclosed in the Appendix section of this Report.

Issuance Cycle GRI 2-3

Solteam will publish the “Sustainability Report” every year and disclose the same under the corporate sustainable development section of the official website.

Current Release: August 2024

Next Release: August 2025

External Assurance GRI 2-5

The financial data were audited and certified by Deloitte Taiwan. The current Sustainability Report has not been assured and is expected to be assured by a third-party in 2028.

The GHG emissions data for 2022 has completed the assurance process in accordance with ISO 14064-1 by SGS Taiwan Limited (SGS) in November 2023.

Feedback and Contact Information GRI 2-3 and GRI 2-26

Please feel free to contact us through the following methods should you have any suggestion regarding the business conduct of the Company.



Contact Telephone
03-3162168



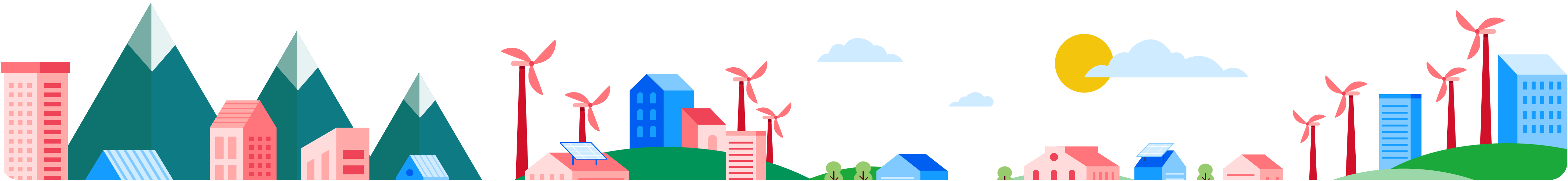
Contact Point
Sustainable Development Office



ESG Email
ESG@solteam.com.tw



Official Website
<http://www.solteam.com.tw/>





Message from the Chairman

GRI 2-22



Solteam has held up the operating philosophy of “Corporate Family, Not Family Corporation” as a model since the early days of foundation, where employees are the essential factor for the composition of the big family. We actively seek diverse professionals, establish a robust operational environment platform, and create channels sharing technology and information. With the establishment of talent retention and cultivation, online learning systems, and comprehensive education and training mechanism, Solteam believes undoubtedly that talent cultivation and development not only are the cornerstone of the Company’s sustainable competitiveness, but also a stabilizing force for the organization in the era of uncertainty.

Since the foundation in 1992, Solteam has upheld the “stable and steadfast” operating philosophy, the strategy of reduced risks and quality growth, and a stable and sustainable operation focus on the best interests of stakeholders aiming to fulfill social responsibilities. We are fully aware that the Company’s roots for sustainable business relies on this operating philosophy.

Looking back over the years and ahead to the future, we have continuously accelerated our internationalized layout based on this value and have been bold in exploring different sectors. By persistently polishing, streamlining, and effectively utilizing our management, we are able to focus the resources for the most efficient deployment. We have demonstrated a high degree of resilience in terms of the operation as well as the supply chain to elevate the competitive edges of the Company.

The Russia-Ukraine war and geopolitical conflicts has led to a continuous downturn for the global economy. Despite the fact that the global economic environment remains severe and uncertain, Solteam will keep our unremitting efforts to minimize external impact by focusing on digital transition and sustainable management.

To better grasp the operational risks and opportunities brought by ESG and climate change, Solteam has made corresponding organizational adjustments, which include (1)establishing the Sustainable Development Promotion Committee with supervisors titled above assistant general managers as the Committee members, setting and planning the directions for individual ESG development, and monitoring the overall implementation; (2)establishing the Sustainable Development Office under the Sustainable Development Promotion Committee, of which the members are assigned by the Sustainable Development Promotion Committee, to prepare sustainability reports according to ESG-related information targeting governance, economic, social, and environmental issues; (3)establishing the risk management policy for the Group with the General Manager as the highest supervisor of risk management, and regularly reporting to the Board of Directors; (4)establishing the Supplier Sustainable Development Code of Conduct for the Group, and building resilience in the supply chain.



In addition to the pursuit of stable profits, the product development of Solteam continues to progress in the direction of energy conservation, environmental protection, safety, and health care. We hope to reduce waste, nourish friendliness for the earth, and provide more secure, more environmentally-friendly, and healthier key components.

To achieve the development of corporate sustainable operation, Solteam will unceasingly invest in new products, expedite the development of new customers, and strive for becoming a module supplier in the industries of green energy electric tools, electric cars and scooters, medical equipment, and home appliances. We will establish high quality research and development capability to comprehensively raise product reliability through equipment, manpower, as well as capabilities and strengthen the Company's business resilience. In the ever-changing world, we expect to constantly temper our competitiveness as well as resilience and move forward towards a sustainable development in a pragmatic and determined manner.

General Manager 張俊慶





Message from the General Manager GRI 2-22



To all stakeholders and partners following sustainable development closely:

Corporate management is a commitment. In the early days, operators mostly dwelled on the commitment to customers and shareholders with a focus on how to provide customer-satisfying products to make profits and further give back to shareholders. As the society progresses, the scope of this commitment has gradually expanded to include employees and suppliers, with more emphasis on how to improve employee welfare, provide a safe workplace environment, and mutually benefit the supply chain. Nowadays, corporate responsibility is more reinforced with the concept of taking from society and giving back to society. By facilitating environmental friendliness, promoting energy conservation as well as carbon reduction, and participating in social welfare activities, we guide our goal of corporate operation to the promise of providing a better living environment and making a greater influence.

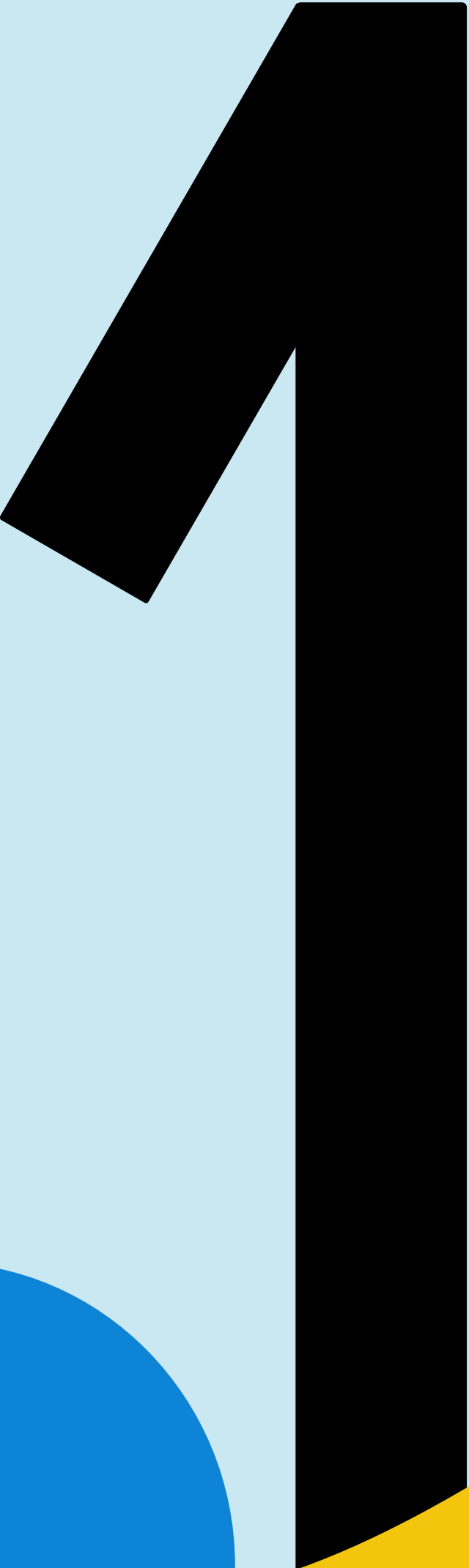
Looking back on our pioneering road of hardships, we have undergone geopolitical crisis, the Asian Financial Crisis, the Millennium Dot-com Bubble, the Financial crisis, the U.S.-China Trade War, the Covid-19 Pandemic, and the inflation resulted from geopolitical tension. Every external turmoil comes with a harsher test for sprouting Solteam. From the ups and downs, we have deeply recognized the importance of business resilience; that is, to intensify internal and external environmental risk management, to not pursue excessive growth, to address the interests of internal and external stakeholders, and to persist in talent cultivation and the optimization of management systems. With the culture of stable management, we have succeeded every crisis. As the saying goes, there is a silver lining in every crisis. Solteam is making good use of these opportunities to promote our products to diversified industries and continual growth from consumer electronics, home appliances, and power tools to car components and medical equipment.

Looking forward to the future, Solteam, standing on the existing foundation, will focus more on the digital transition through the promotion of the relevant projects made by the Sustainable Development Committee to increase production efficiency while achieving the goal of reducing waste; advance energy conservation and carbon reduction to fulfill the responsibility as a citizen of the earth; fortify the management of intellectual property and trade secrets to minimize business risks; improve the workplace to provide employees a more secure and comfortable working and living environment; bring the influence of supply chain into full play to expedite resilience and sustainable development with suppliers; and inject more resources to develop high-quality, energy-saving, and environmentally-friendly products. We believe that with such corporate culture and strategic deployment we will be capable of moving towards the next thirty years or even more regardless of the challenges that are yet to come.

General Manager

CHAPTER 01

About Solteam



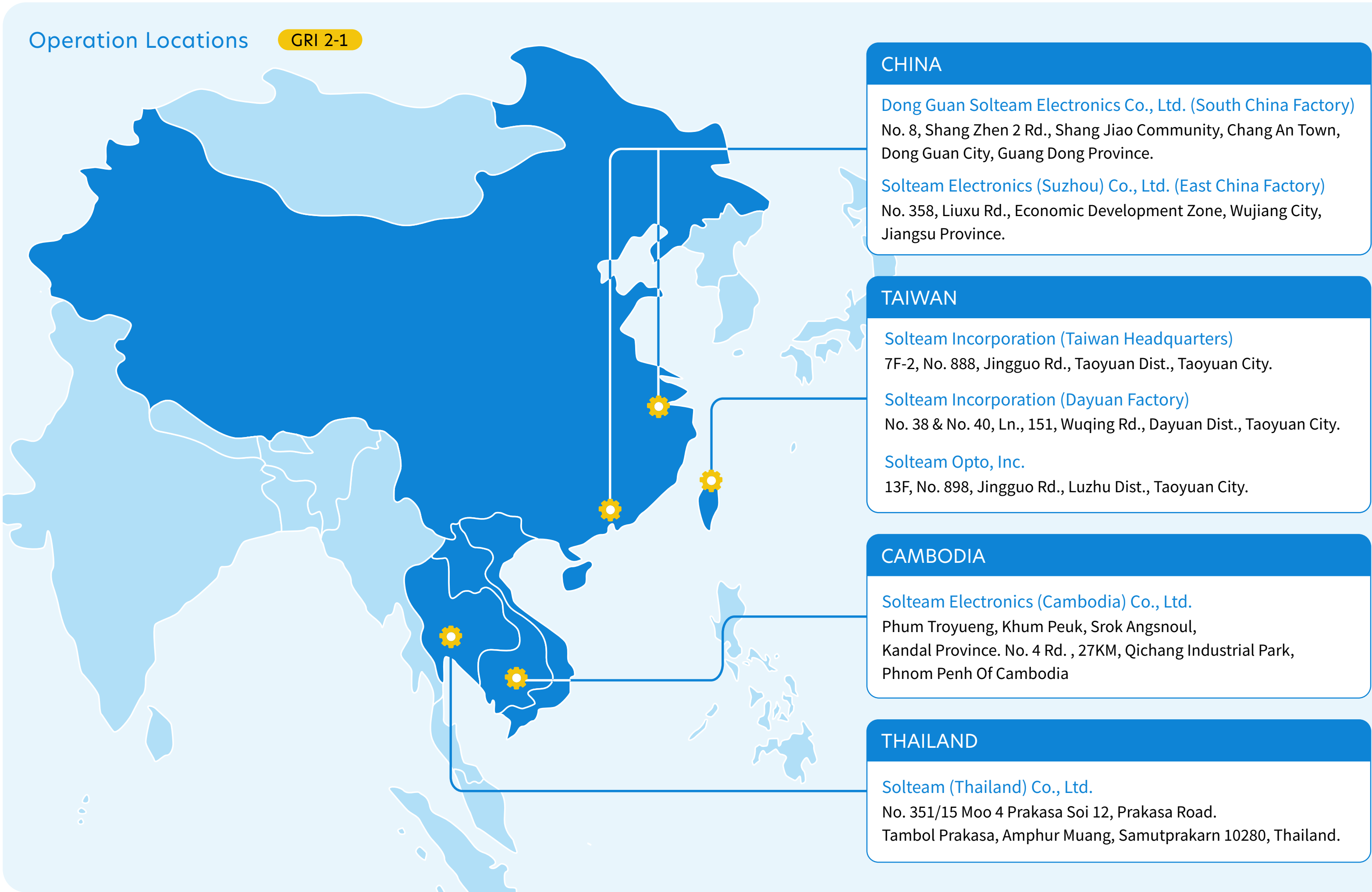
1.1	Corporate Sustainability Strategy and Visionthe Sustainability	007
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1.1 Corporate Sustainability Strategy and Vision

1.1.1 Brand Spirit, Operation Locations, Product and Service

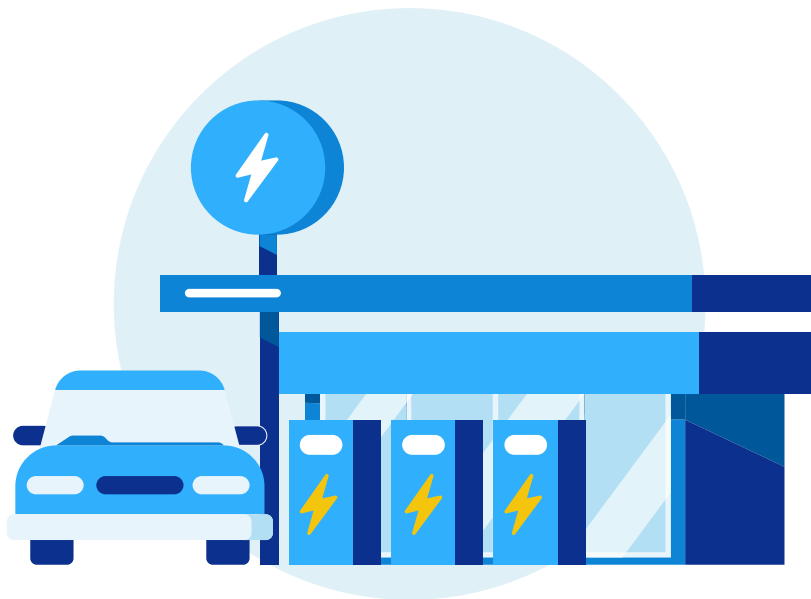
Since the foundation in 1992, Solteam has adhered to the core values of “Passionate Collaboration, Honest and Practical, Always Striving for Improvement” and the professional technological capabilities. As a world-class manufacturer, our major products are variable-frequency drive units, electronic control units, and electromechanical integration solutions. With years of experience in research, development, and manufacturing, Solteam has served customers in the global fields of consumer electronics, home appliances, power tools, automobiles, and medical equipment. By maintaining high quality and providing customers integrated solutions, we offer tailored manufacturing services to customers in various sectors.

Management Philosophies



Product and Service GRI 2-6

The major core technical capabilities of Solteam are mold development and motor controls. We have been upholding the spirit of always striving for improvement through the non-stop research, development, and innovation. The main products can be divided into the following two categories, namely, sockets, switches, and structural modules; and variable-frequency drive units. The applications cover consumer electronics, home appliances, power tools, automotive, and medical field, and gradually being extended to the areas where higher safety certification is required.



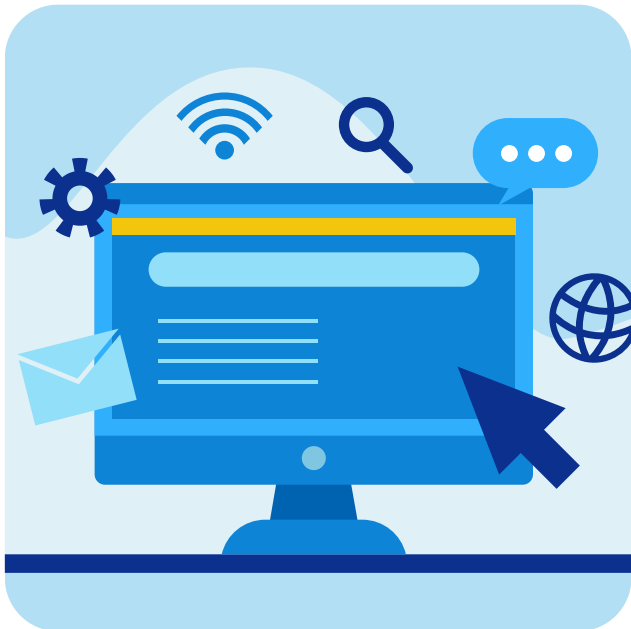
Electronic Control Units

Mainly applied on consumer electronic products, white goods products, portable power tool products, high voltage connector products (applied on automobiles, scooters, and energy-saving industry), medical products, and other industrial application products.

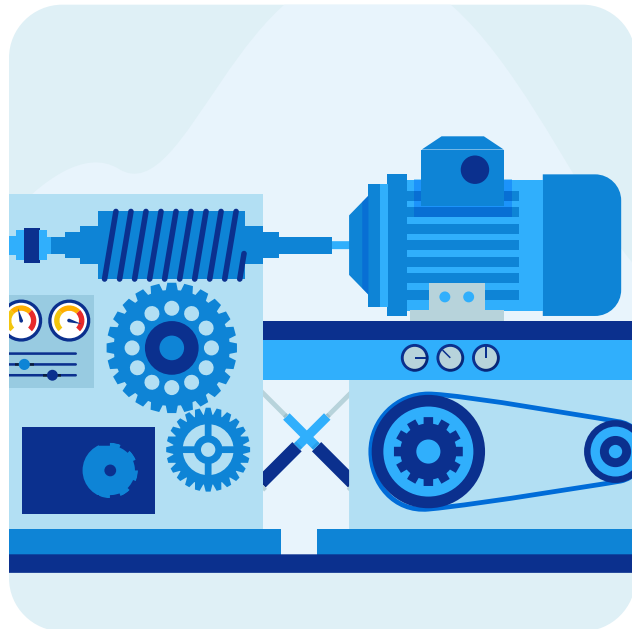


Variable-frequency Control Units

Mainly applied on portable power tool products and other industrial application products.



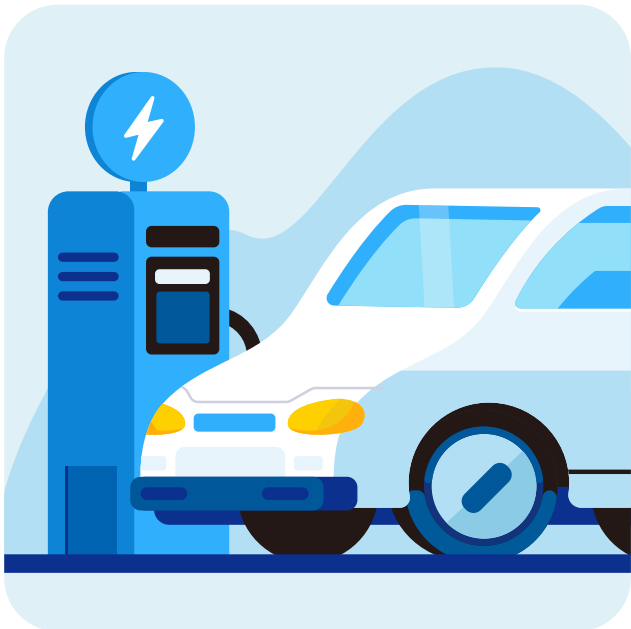
ICT



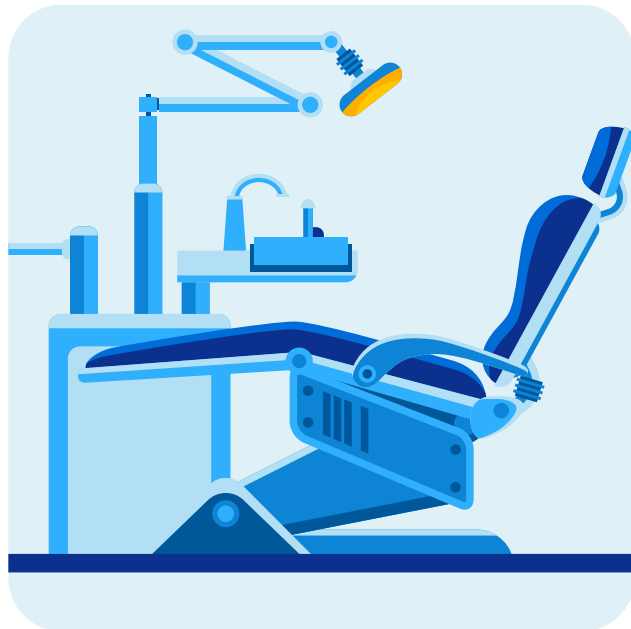
Power Tools



White Goods



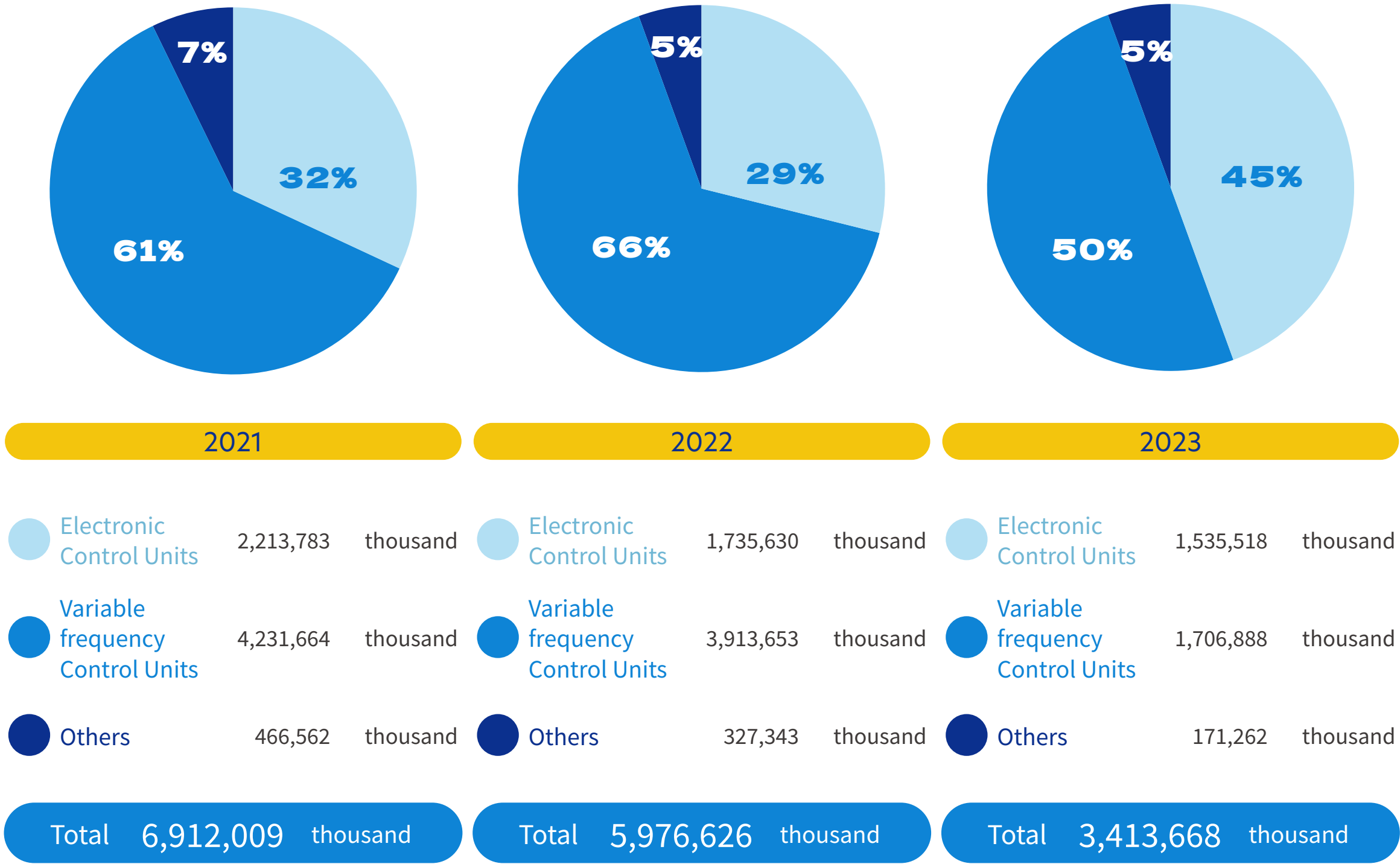
Automotive Use



Medical Equipment




Product Category and Revenue Proportion (Unit: NT\$ thousand)



1.1.2 Operational Accomplishments

Operational Performance and Income Proportion GRI 201-1

Solteam's consolidated net operating revenue in 2023 was NT\$3,413,668 thousand, the net income after tax was NT\$115,968 thousand, and the earnings per share after tax was NT\$1.55. Please refer to Solteam's 2023 Annual Report for more financial information.

[Link for Annual Report](#)

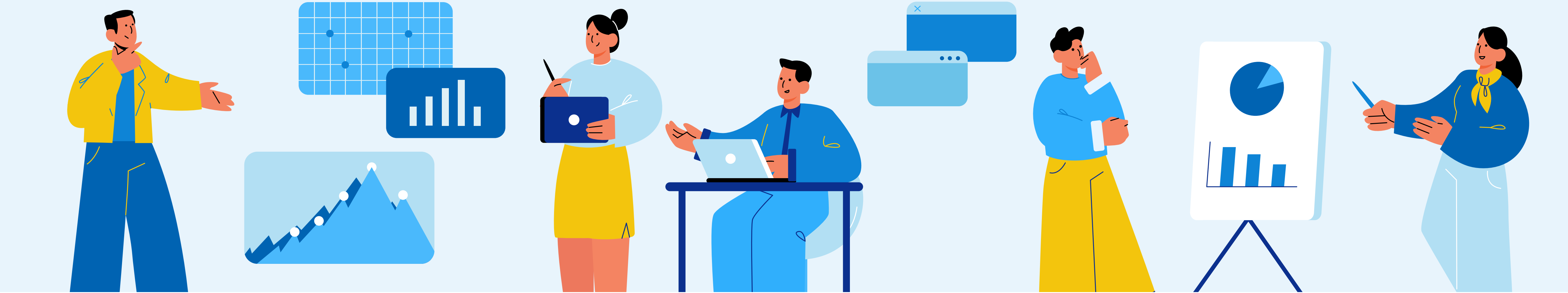
Item	Basic Elements	2021	2022	2023
Direct Economic Value Generated	Revenues (thousand)	6,912,009	5,976,626	3,413,668
Economic Value Distributed	Operating Costs (thousand)	5,384,521	4,776,512	2,666,083
	Payments to Providers of Capital (thousand)	285,920	188,841	90,644
	Payments to Government (thousand)	117,539	88,418	76,539
	Community Investments (thousand)	47	46	47
	Employee Wages and Benefits (thousand)	753,474	702,462	555,810
Economic Value Retained	Direct Economic Value Generated - Economic Value Distributed	566,503	345,941	115,968

Item	2021	2022	2023
Net Income After Tax (thousand)	566,503	345,941	115,968
Consolidated Profit Margin	8.20%	5.79%	3.40%
R&D Investment (thousand)	269,645	266,467	196,163
Return on Equity	26.05%	14.13%	4.39%
Cash Dividend Distribution Rate	50.25%	49.31%	77.42%
Earnings Per Share After Tax	8.16	5.07	1.55



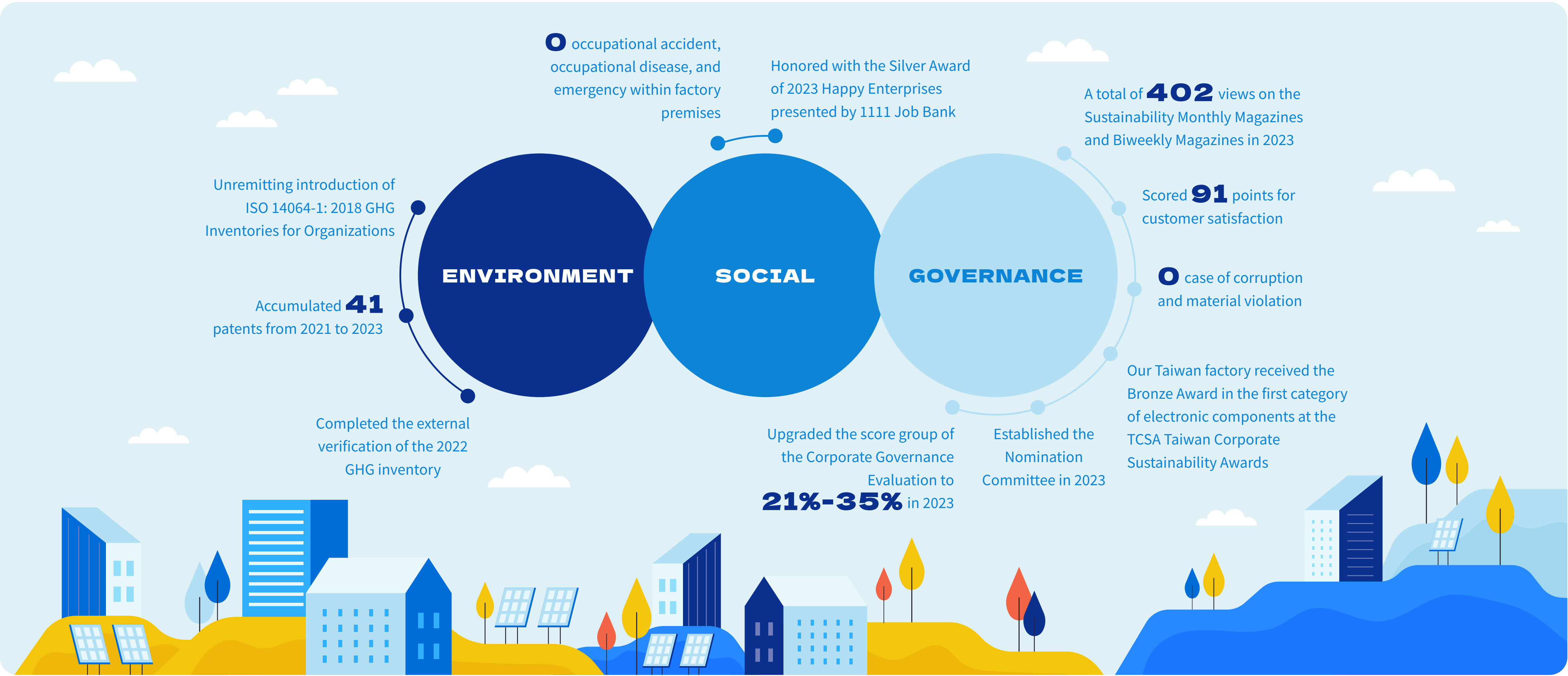
1.2 Company Profile

1.2.1 Important Events in the Recent Five Years



1.3 Sustainability Performance Highlights

1.3.1 Sustainability Performance Highlights



1.3.2 Sustainability Column

Guardian of Water Quality

Founded in 1999, Solteam Opto Inc. aimed at electro-optical applications. Solteam Opto Inc. has been positively recognized by prestigious customers worldwide for a long time. In the field of home appliance, it has accumulated shipping experience of more than 10 million sets of turbidity sensors for over a decade.

Under the growing demand for smart water management and sustainable development, the brand "Sbravo" was launched to provide a diverse range of "Optical Water Sensing Device" solutions. With the multispectral technology and the designing experience of water quality sensing, we have produced reliable and stable water quality sensors that can be applied to environmental monitoring, wastewater treatment, and intelligent manufacturing process management, where the demand, apart from Taiwan, comes from Japan, Korea, China, Southeast Asia, and the Western regions.

Water resource is one of the projects for global key management. Through water quality sensor solutions, we are able to conduct real-time monitoring with different platforms and cloud management and further achieve the water-saving and energy-saving applications. Take the dyeing and finishing industry for instance, 25-30% of water can be effectively saved with the application of smart scouring. As for wastewater treatment, the processing costs such as dosing and reflux can be successfully reduced through water quality analysis and monitoring. Paired with the popularization of IoT control and solutions of water-quality sensors, water resource management is productively enhanced and upgraded to smart water management.



Component for Turbidity Sensor



Example of Actual Installation of Turbidity Sensor at Customer's End



Disposable Injection Pen



Reusable Injection Pen

Say Hi to Health - Syringe to Society

In response to the trend of ageless health, the pursuit of health has become a country-wide movement. Through pursuing health, whether internal or external, people can not only avoid the threats of pandemic and diseases, but also increase their sense of happiness in life. Therefore, health has become the direction of efforts across generations, especially in the new post-pandemic world. Solteam also emphasizes this issue and therefore promotes the development of syringes for chronic disease treatment. The purpose is to reduce the likelihood of developing chronic diseases such as diabetes and cardiovascular diseases in light of the increased demand for health management among modern people.

Under the quality management system that complies with ISO 13485 for medical devices, Solteam is committed to the design and development of syringes, which requires to be customized to meet the needs of different patients according to the efficacy of different medications and their individual usage. In addition, it is necessary to research and examine the patents of syringes from various countries at the early stage of syringe development to ensure that the syringes developed by Solteam do not infringe upon the patents of others. Finally, the product development process has to go through the stages of testing and validation, as well as be made qualified for the internationally-standardized syringe product specification prior to manufacturing and selling.

Therefore, the core technologies of syringe development include the professional fields in: mechanical patents, material engineering, mold development, and precision injection molding. Only through precise molds, injection molding, and mechanical assembly can precise drug release be achieved; whereas with the manufacturing validation can the stability and reliability of syringe production be ensured. Moreover, the choice of materials must ensure user safety and biocompatibility aside from the international trend of non-toxicity and environmental protection.

Disposable syringes can be used on the injection of various medications such as insulin, anticoagulants, osteoporosis, immunomodulator, and obesity management (GLP-1) in the treatment of chronic diseases. These medications are designed to help users manage their conditions, minimize disease complications, and improve their quality of life. The application areas are spread all over the world, especially in some developing countries as well as some fast-paced and health-conscious regions. Examples include India, the Middle East, North America, Korea, China, and Taiwan.

In terms of the benefits of disposable syringes, they can increase the precise administration of medications for chronic diseases, reduce infection risks, and enhance the convenience of use.

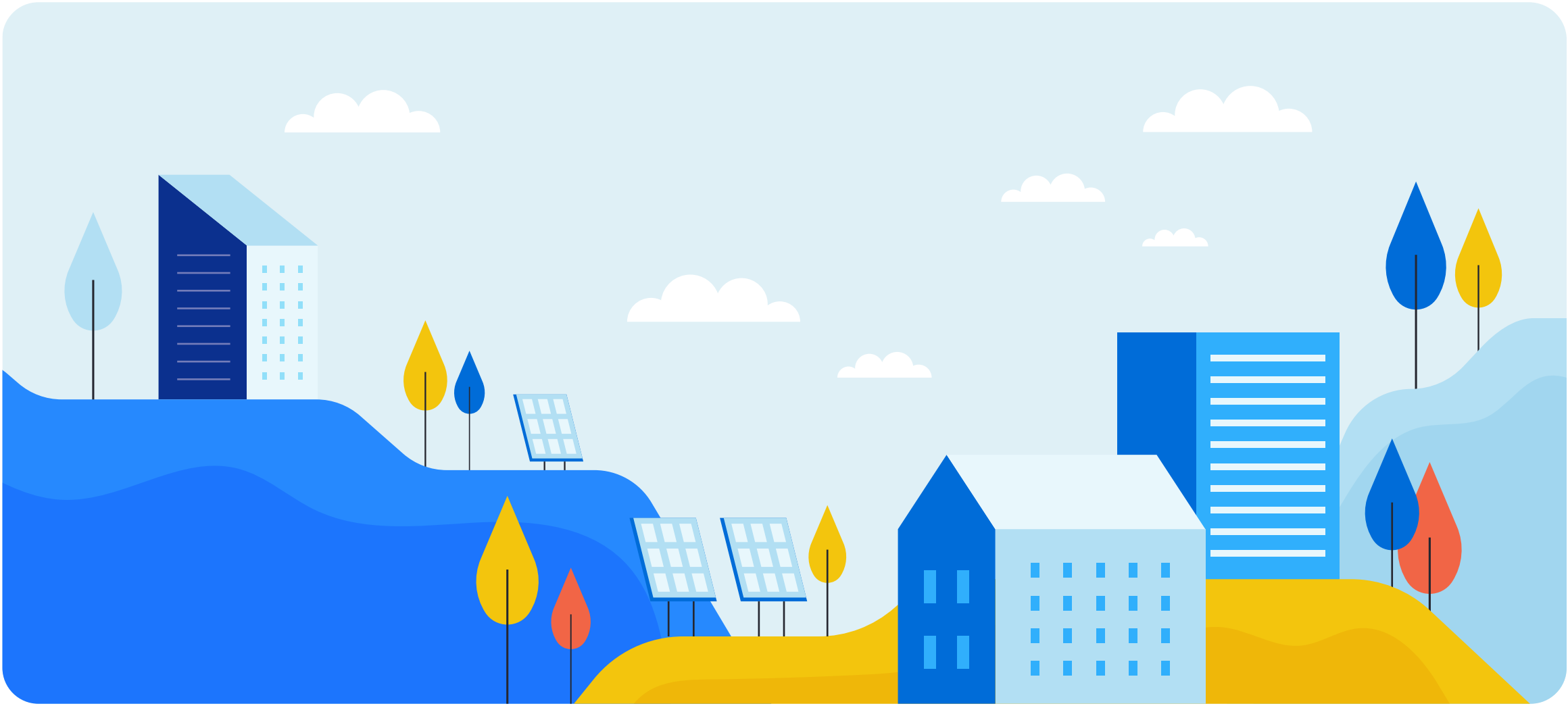
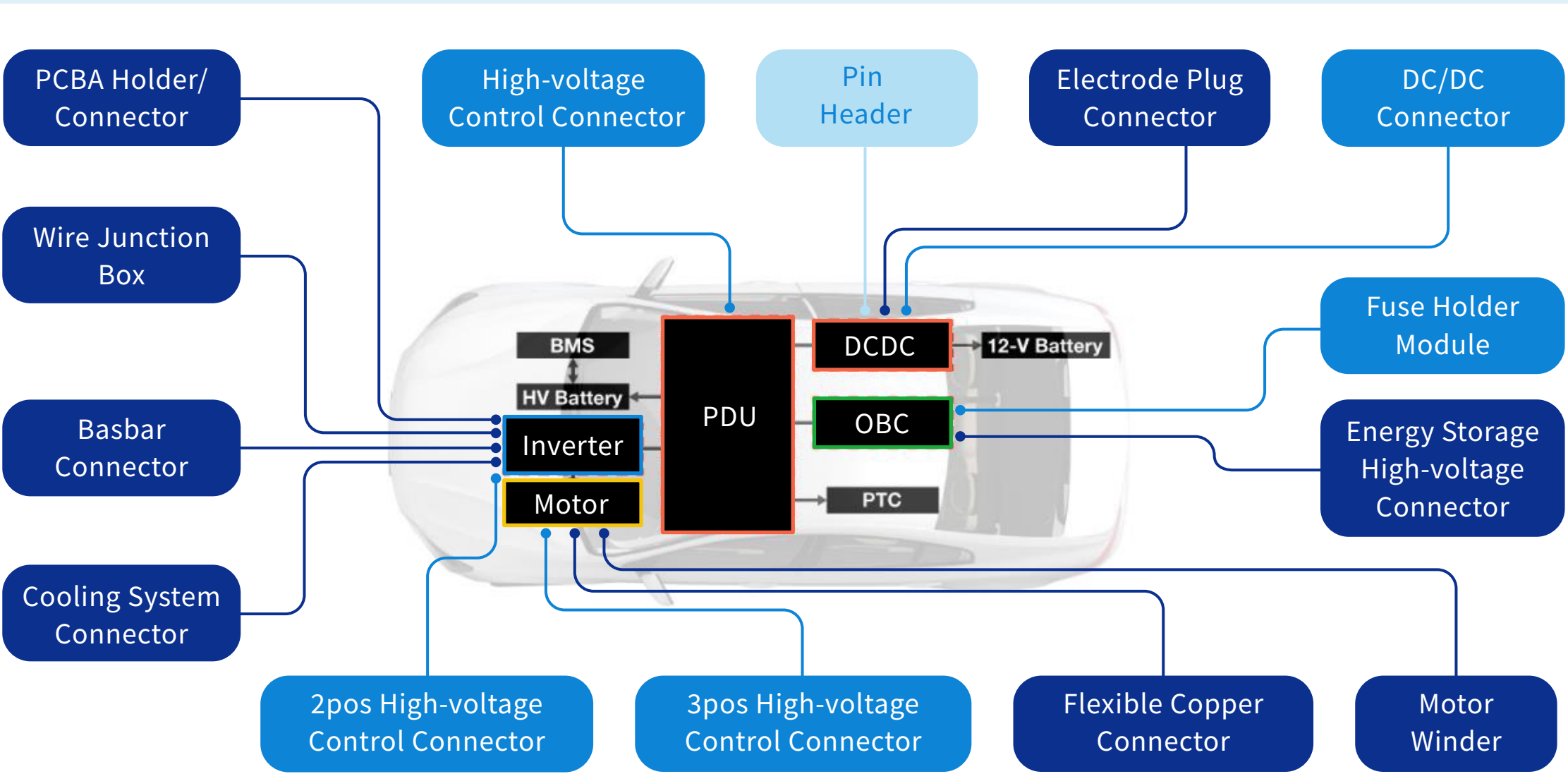
Electric Future: An Innovative Journey from Fuel to Electricity

The driving force of electric vehicles development comes from the carbon emission goals and policies in response of global warming. As of now, more than 20 countries have formulated goals for automobile electrification or bans on internal combustion engines. Over 120 countries have announced their commitment to net-zero emissions within economic scope, aiming at the realization of net-zero emissions for the next few decades to come.

Currently, the development trend for the dynamic system of electric vehicles is the e-Axle technology. Its major purpose is to improve power density, decrease costs and system volume, and enhance space utilization rate through integration; and simplify the matching engineering as well as stability of automotive vehicles. Equipped with the existing advantages of electronic designing and manufacturing experiences, the information and semi-conductor industries in Taiwan can facilitate more valuable technological integration to upgrade the role orientation in the supply chains of electric vehicles and satisfy the demands of global car brands for technological development of “transitioning from fuel to electricity.”

For the past 30 years, Solteam has been serving as a professional OEM to meet the needs of Taiwan’s telecommunication customers for power supply connectors, including Delta, Chicony, Liteon, AcBel, etc. The core technology of our products is specialized in metal stamping, plastic molding, and insert molding. Initially, the dynamic system suppliers (Tier1/Tier 2) in the electric vehicle industry are the target customers. The value chain is positioned at the designing services as well as product supply of the “Conduction and Isolation” applications to satisfy for car manufacturers’ requirements of assembly automation, highly-reliable customization, and standardized mechanical components, such as high-current/high-voltage connectors, signal connectors, Bus Bars, Terminal Block, isolation fixtures, and cooling system connectors. Nowadays, Solteam’s technology is gradually becoming more well-versed. Efforts will still be made into the research and development of products and components related electric vehicles in the future. It is not only for the Company’s operation, but also the greatest contribution for sustainable development and a huge step towards the goal of net-zero emissions.

Map for Electric Vehicle Products



1.4 External Initiatives

1.4.1 External Initiatives

In order to advance the relations and the joint benefits with our competition, Solteam actively participates in associations, unions, and business associations. Additionally, the Company proactively collaborates with colleges, universities, and government agencies for the purpose of talent cultivation, hoping to deploy the talent market and level up Solteam’s competitive edges through industry-academia collaboration.

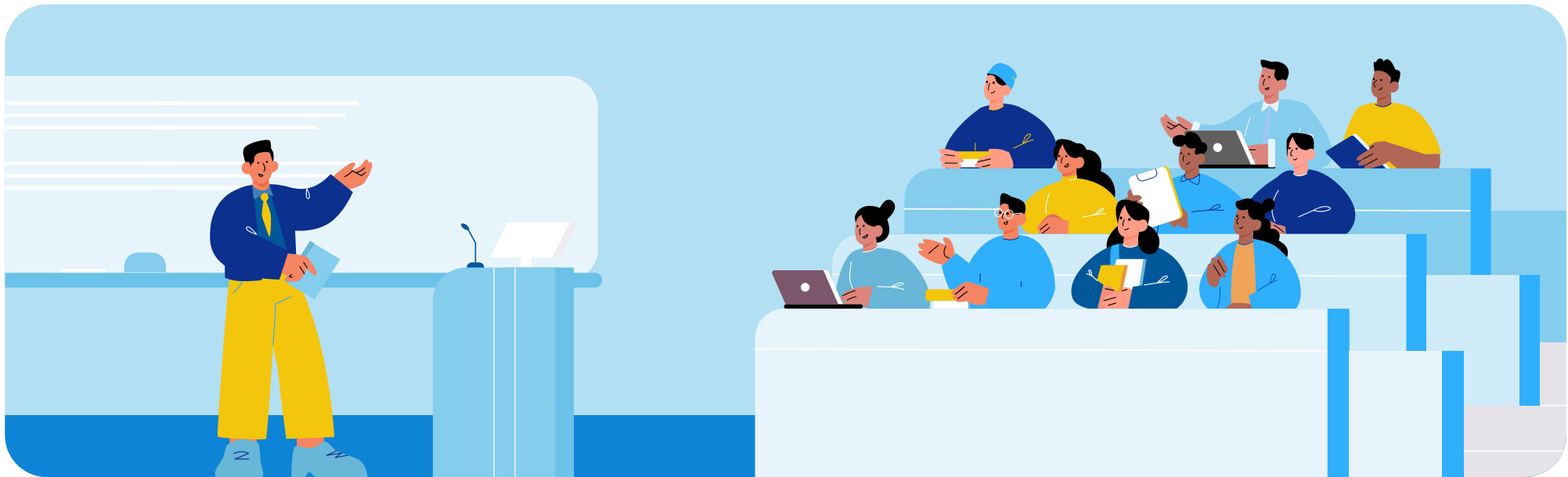
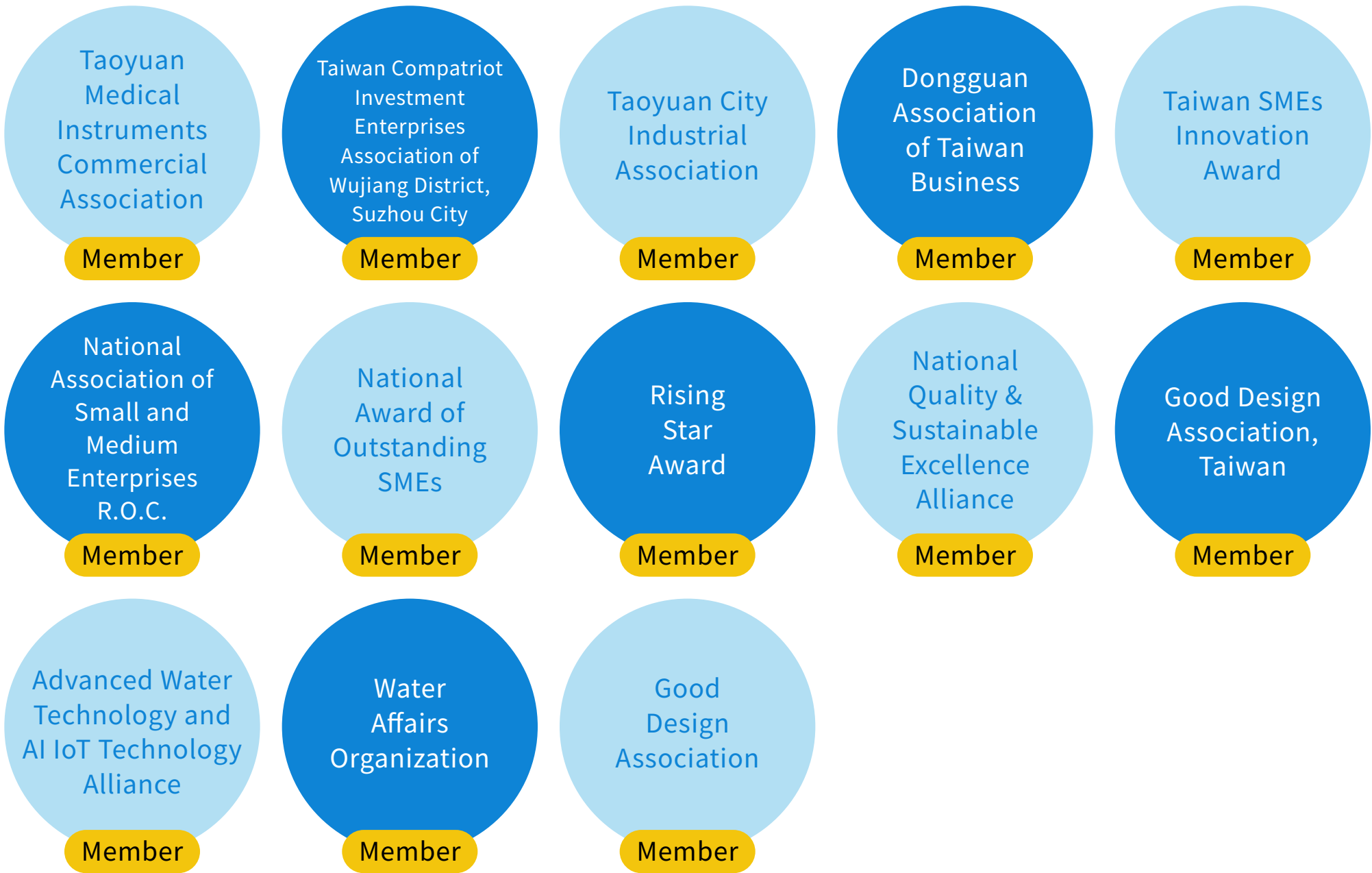
Association Participation GRI 2-28

Taiwan’s high standards in its medical environment, the popularization of national health insurance, and the flourishing industry in health care have brought about the progress in medical instruments and a substantial increase for the demands thereof. Also, in response of the aging population with a low fertility rate, the Department of Health was upgraded to the Ministry of Health and Welfare and the regulations governing the medical instruments industry have become more stringent.

The industry of medical instruments was separated from the jurisdiction of the Pharmaceutical Affairs Act after the new Medical Devices Act was put into practice. Facing the new management regulations, the Company has actively joined the Taoyuan Medical Instruments Commercial Association to better understand the existing laws, regulations, and feedback, encourage employees in the participation of skill training and relevant courses, and obtain business surveys, statistics, researches, and development projects within and outside the country. Solteam hopes to promote the relationship and the common interest of our competition.

In order to connect the interaction between the organization and the government agencies, the Company has joined the National Association of Small and Medium Enterprises R.O.C. and obtained government resources to facilitate corporate development. Besides, we have participated in the Taiwan SMEs Innovation Award, the National Award of Outstanding SMEs, and the Rising Star Award to promote information interchange and sharing between the members and to seek more new opportunities through cross-industry alliance as well as mutual communication and collaboration.

To facilitate our development, expand trade interchange platforms, and leap at collaboration opportunities through cross-strait economic interactions, Solteam communicates with the relevant government departments and protects the legitimate rights of Taiwanese businesses by means of joining the Taiwan Compatriot Investment Enterprises Association of Wujiang District, Suzhou City and the Dongguan Association of Taiwan Business. As for local participation, we joined Taoyuan City Industrial Association to maintain the relationship among various industries, plan on industrial improvement as well as promotion with competitors, and advance economic development.



CHAPTER 02

Stakeholders and Material Topics



2.1 Materiality Analysis 016

2.2 Stakeholder Communication 025

The Sustainability Report is an important channel through which Solteam and stakeholders communicate on issues related to sustainability. We address the issues concerned by stakeholders and propose corresponding strategies and actions through a variety of channels and stakeholder engagement.

2.1 Materiality Analysis GRI 2-29 and GRI 3-1

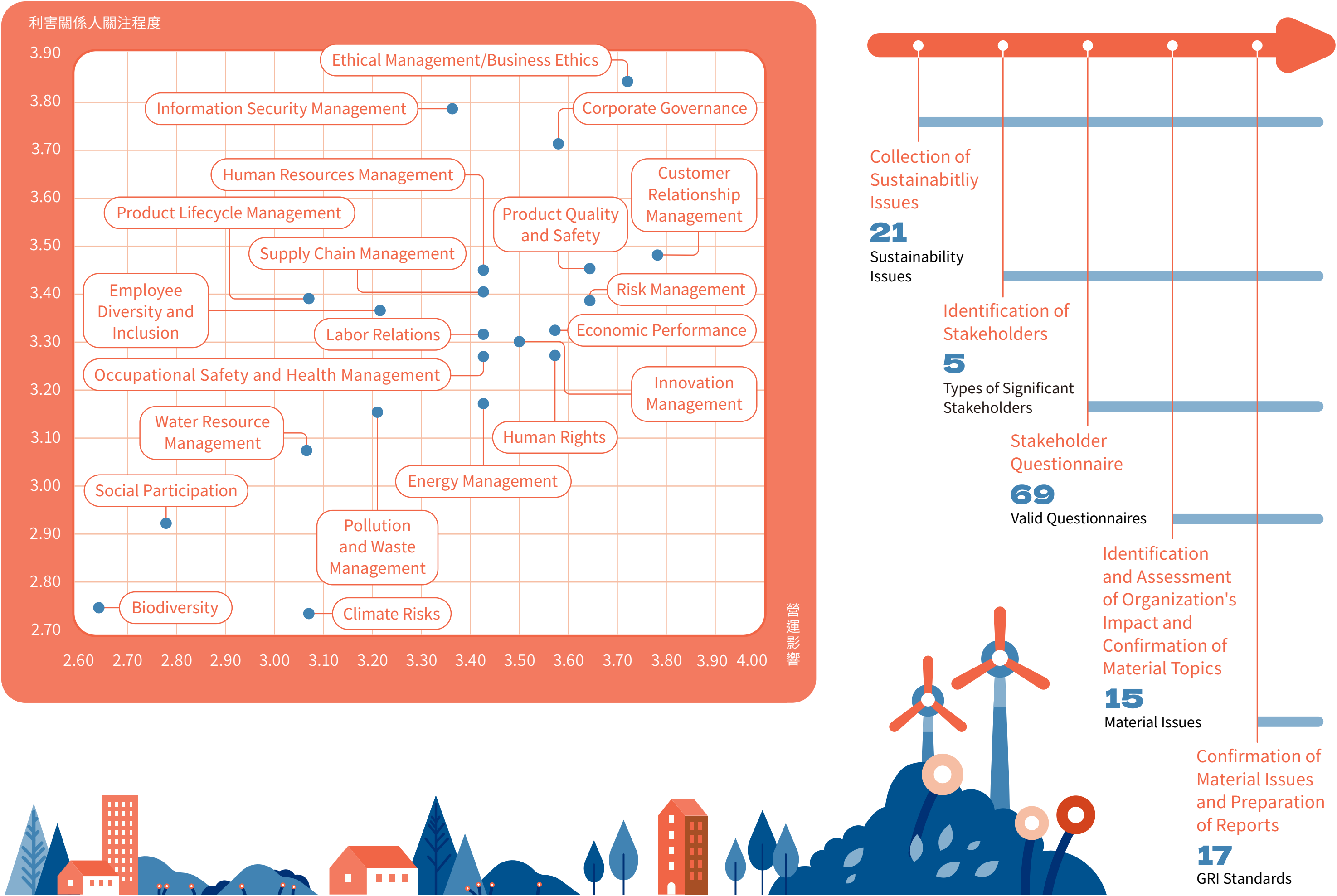
Solteam identifies the stakeholders with significant influence on the Company operations in accordance with the following process, understands the extent of each stakeholder’s concerns about individual issues by means of questionnaires, and responds to stakeholders by proposing corresponding strategies as well as actions for the material topics to further achieve the effect of communication.

2.1.1 Materiality Analytic Process



Distribution Chart of Material Issue Identification

Based on the analytic results of effective questionnaires collected from internal supervisors and external related parties, the distribution chart of material issue Identification was prepared with the horizontal axis as the operational impact and the vertical axis as stakeholders' level of concern. Those that are greater than 3.2 points in the operational impact, that are greater than 3.2 in stakeholders' level of concerns, and that are presently required to be disclosed by the competent authorities, are classified as material issues.



2.1.2 Value Chain and Material Issues GRI 3-2

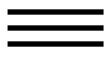
Based on the material sustainability issues, Solteam explicitly defines the significance, strategy, management policy, and long-term goals of each issue, follows up the level of target-achieving and the effectiveness of the promotion, and dynamically adjusts our sustainability management actions. Solteam also identifies the impact of each material issue on our value chain and simultaneously discloses the material topics in accordance with the GRI standards.

Compared with the previous reporting period, the topics of economic performance, supply chain management, innovation management, and other related topics of corporate governance were added to the current issue. The main reason is the presence of the geopolitical situation and the industry characteristic of keener competition. While thoroughly understanding the importance to keep abreast of the times, Solteam added the aforementioned topics to the existing basis of material topics from the previous year to improve the aspect of corporate governance and to demonstrate our governance accomplishments to stakeholders.

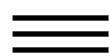
Additionally, the recent challenges of low fertility rate and the unstable international economic situation have led to stakeholders' uprising attention on the human resources management and labor relations of Solteam, becoming one of the material topics for the current issue.

Given that the climate risks have been increasing in recent years and the competent authorities have requested listed companies to disclose the risks and opportunities arising from climate change, such has been added to the material topics during the current reporting period.

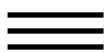




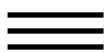
Material Issues	Meaning to Solteam	Value Chain			Sustainability Strategy	Actual Performance and Contribution	Corresponding Chapter
		Upstream	Organization	Downstream			
Ethical Management and Business Ethics	Solteam has established the“Ethical Corporate Management Best-Practice Principles” and the “Procedures and Guidelines for Ethical Corporate Management and Behavior” to regulate all business operations; and advocate the core values of corporate ethics as well as integrity with the concept of honesty, transparency, and accountability.		●		<ul style="list-style-type: none">• Develop good behaviors among supervisors and employees at all levels by setting training and promotion goals .	<ul style="list-style-type: none">• Announced the “Ethical Corporate Management Best-Practice Principles” and the “Procedures and Guidelines for Ethical Corporate Management and Behavior” on the internal and official websites ; and established a whistleblowing channel . No reports of whistleblowing were received in 2023 .• Added employment contracts and work regulations to ethics-related clauses , which must be signed by all employees .• Made ethical management courses mandatory in the new employee orientation . A total of 637 individuals in the Group , with a total of 637 training hours , participated in the ethical management courses held in 2023 .• The internal control audit in 2023 did not reveal any violation of ethical management .	Chapter 3: Ethical Corporate Governance
Corporate Governance	Solteam will continue to fortify the corporate governance mechanism, internal control and auditing function, as well as the corporate culture to ensure a stable operation of the Company and achieve the goal of sustainable corporate governance; we will also disclose the relevant information on corporate governance in a transparent manner, so that shareholders can obtain consistent information immediately and accurately and ensure their rights and interests.	●	●	●	<ul style="list-style-type: none">• Continuously examine the changes in the external operational environment , enhance internal management procedures , strengthen internal supervision as well as the transparency of information disclosed externally , and establish a greater communication platform for shareholders and investors to achieve an effective corporate governance structure .• Set targets for the number of internal control and audits .	<ul style="list-style-type: none">• Issued the 2022 Sustainability Report• Set up an ESG section on the official website ; and updated the Company’s sustainability actions on and unscheduled basis .• Participated in and awarded a Bronze Medal in the first category of electronic components at the 16th TCSA Taiwan Corporate Sustainability Awards .• Completed a total of 55 audit reports for the entire Group in the fiscal year of 2023 , including 33 reports from the headquarters and 22 reports from individual subsidiaries , with the auditing items covering the regulatory audit items of the competent authorities , individual transactional cycle , operating management , and supervision of subsidiaries . The entire Group’s self-evaluation of internal control has been completed .	Chapter 3: Ethical Corporate Governance



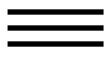
Material Issues	Meaning to Solteam	Value Chain			Sustainability Strategy	Actual Performance and Contribution	Corresponding Chapter
		Upstream	Organization	Downstream			
Customer Relationship Management	Solteam provides products and services with excellent quality to satisfy customers' needs and expectation. We also assess the implementation and the effectiveness of customer satisfaction surveys.	●	●	●	<ul style="list-style-type: none">Organize customer relationship activities on an unscheduled basis , including project discussion conferences , technical seminars , and email correspondence .Focus on the sustainability goals at customer end ; and proactively cooperate with customers on the introduction of sustainability products .	<ul style="list-style-type: none">The average score of the customer satisfaction survey in 2023 was 91 , among which the average score of the service quality for shipping and delivery was 92 .	Chapter 4: Safety and Customer Service Innovation
Information Security Management	Solteam has formulated the policy for information security management, ensuring the security of Company assets and customer data, enhancing the stability of the continuous business operation, and reduce potential information security risks.	●	●	●	<ul style="list-style-type: none">Periodically conduct vulnerability assessment and risk assessment ; and identify potential security risks and vulnerability .Provide employees information security education and training to enhance information security awareness .Deploy advanced firewall , Intrusion Detection System (IDS) , and Intrusion Protection System (IPS) to block malicious intrusion and attack .Establish emergency response plans to define the response process for information security incidents , including notification , investigation , repair , and restoration .Periodically perform social engineering drills and attack simulation .	<ul style="list-style-type: none">Conducted the vulnerability assessment in 2023 and identified 44 items of high-risk vulnerability in the servers of the entire Group , to which the risk rectification has been completed .Organized online promotion courses for all employees in 2023 with a total of 172 participants and a total of 194 . 3 training hours .Disseminated a total of 13 information security presentations per month through emails and intranet .Periodical technical enhancement educational training for IT staff : A total of 30 technical employees participated and completed 80 hours of educational training in 2023 .Continuously signed the renewal contracts for firewall , IDS , and IPS to keep the database of attack signature and virus signature update .Added the regulations governing the reporting of information security incidents and emergency handling procedures .Performed a phishing drill once every half year for the entire Group ; and conducted education and assessment for personnel who fell into victim .There were no material incidents of information security in 2023 .	Chapter 3: Ethical Corporate Governance



Material Issues	Meaning to Solteam	Value Chain			Sustainability Strategy	Actual Performance and Contribution	Corresponding Chapter
		Upstream	Organization	Downstream			
Product Quality and Safety	Solteam is dedicated to providing products that comply with regulatory and safety requirements, which not only satisfies customers' needs, but also minimizes the waste of resources and fulfill social responsibility.	●	●	●	<ul style="list-style-type: none">Formulate control plans and action plans according to quality policies .Continually improve process variance ; and reduce the output of abnormal products .	<ul style="list-style-type: none">Verified the product development process to ensure the regulatory and customer safety requirements of the product output .Verification for material utilization : During the product development and production process , we require suppliers to provide test reports (including certifications for safety requirement) that comply with the laws and regulations , or international standards in order to ensure final product safety .Personnel Training : Including regulatory requirement , product function , and quality requirement .Formulation of control plans : We formulate control plans for various Failure Mode and Effects Analysis (FMEA) that may occur during the production process and master the control measures of manpower , machinery , material , regulation , and environment in order to produce compliant products .Established product recovery procedures in accordance with the requirements of competent authorities and customers ; and settled the internal mission organization as well as operational guidelines .There were no incidents of product recalls in the market .	Chapter 4: Safety and Customer Service Innovation
Risk Management	Solteam evaluates and control the material risks that we may face in the economic, environmental, and social aspect.	●	●	●	<ul style="list-style-type: none">Formulate the Group's risk management policy ; establish the risk management organization , where the General Manager serves as the highest overseer of risk management , and the supervisors from each business units, functioning units , and regions serve as the frontliners of risk management , to detect , identify , evaluate , and formulate the relevant strategies ; and review as well as monitor such at the operational meetings on a regular basis .	<ul style="list-style-type: none">Formulated the Group's "Risk Management Policy "on September 26th , 2023 to serve as the highest guiding principle for the Company's risk management ; and a chief corporate governance was assigned by the General Manager on November 7th , 2023 to present the implementation status of risk management to the Board of Directors .	Chapter 5: Green Manufacturing

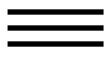


Material Issues	Meaning to Solteam	Value Chain			Sustainability Strategy	Actual Performance and Contribution	Corresponding Chapter
		Upstream	Organization	Downstream			
Economic Performance	Creating Company values and enhance shareholders' equity.		●		<ul style="list-style-type: none">Committed to maintain the transparency of Company business ; organize at least one investor conference per year apart from publicizing revenue reports every month ; and hold one shareholders' meeting per year .Set up the investor area on the official website ; and regularly update financial information , shareholders' meeting , and investor conference briefings for investors' reference .Disclose material information of the Company on Market Observation Post System . Shareholders and investors are able to be updated simultaneously regarding the Company's operational status through the provision of real-time information .	<ul style="list-style-type: none">Issued the 2023 Financial Statements and Annual Report .Issued the 2023 Financial Statements for each quarter .Announced a total of 12 individual and consolidated revenue data per month .Announced a total of 22 pieces of material information in Mandarin .Held a shareholders' meeting per year .Held an investor conference per year .	Chapter 3: Ethical Corporate Governance
Human Resources Management	The remuneration and welfare system of Solteam is well-established. We have formulated diverse talent recruitment programs, educational training, and career development projects to facilitate and implement the employee diversity and equality.	●	●	●	<ul style="list-style-type: none">By means of industry-academia collaboration , we transform the academic researches to industrial momentum and deploy talents in the market in advance to elevate the overall competitiveness of the Company .Continuously identify and cultivate key talents ; fortify the organization's capabilities by diverse talent development programs ; and implement the strategy of "Appropriate talents for appropriate positions . "Offer advantageous compensation and welfare programs ; provide careers and environments with sustainable development to attract and retain outstanding talents .	<ul style="list-style-type: none">Unremittingly promoted employee educational training with a total of 2 , 147 training participants and a total of 7 , 401 hours in 2023 .Reached 100% in the percentage of performance interviews .Distributed employee compensation in compliance with the Company's Articles of Incorporation . A total of NT\$11 , 618 thousand of the employee compensation was distributed in 2023 .Encouraged employees to proactively enhance their language skills ; and provided foreign language allowances .The staff at the Cambodia factory set up Mandarin courses spontaneously with Cambodian Mandarin-speaking colleagues as instructors .	Chapter 6: Diverse Social Inclusion



Material Issues	Meaning to Solteam	Value Chain			Sustainability Strategy	Actual Performance and Contribution	Corresponding Chapter
		Upstream	Organization	Downstream			
Human Rights	In order to fulfill corporate social responsibility and safeguard employees’ basic human rights and the related interests.		●		<ul style="list-style-type: none">Follow the International Human Rights Conventions ; protect our colleagues’ freedom of association ; do not discriminate against employees on the basis of gender , age , marital status , race , and political party ; and prohibits child labor .Endeavor to build a friendly and equal workplace ; and provide employees with salaries and benefits that meet or even exceed the minimum regulatory requirements .Promote a clear understanding of employees’ rights and the Company’s human rights policy .	<ul style="list-style-type: none">Solteam has the work regulations and the related human resources management rules in place to protect the interests and rights of employees . The work regulations explicitly state that employers shall not discriminate against applicants or employees because of their gender in the course of recruitment , screening test , hiring , placement , assignment , evaluation and promotion .Set up a Stakeholders section under ESG on the official website where channels for communication and whistleblowing are provided .Complied with corporate social responsibility and ethical regulations , with 0 child labor as of 2023 .Organized campaigns related to human rights annually . The theme for 2023 was “Anti-sexual harassment Announcement” with a total of 198 participants and a total of 99 hours .	Chapter 6: Diverse Social Inclusion
Supply Chain Management	Solteam has drawn up supplier management policy and evaluated our local procurement and our suppliers’ environment as well as society, working hand in hand with our supplying partners towards a sustainable future.	●	●		<ul style="list-style-type: none">Draft management policies for suppliers’ sustainability .Increase the signing of the Supplier Code of Conduct .	<ul style="list-style-type: none">Announced the “Supplier Code of Conduct for Sustainable Development” in 2023 and publicized on the official websiteA total of 112 suppliers passed the supplier assessment in 2023 .The assessment percentage of tier 1 suppliers reached 74% in 2023 .The signing rate of “Hazardous Substance Free (HSF) Agreement” and the “Declaration of Environmental Substances Management” was 75% .The percentage of local procurement in 2023 was 42% .	Chapter 5: Green Manufacturing

Material Issues	Meaning to Solteam	Value Chain			Sustainability Strategy	Actual Performance and Contribution	Corresponding Chapter
		Upstream	Organization	Downstream			
Innovation Management	We minimize the impact on the environment and the society through technological innovation, development of energy-saving products, and incorporation of green design in the product lifecycle.		●	●	<ul style="list-style-type: none">• Technical advancement : Continuously encourage internal colleagues to proceed with projects of basic technical research apart from product development ; and train their capabilities of report composition as well as presentation ; hence , a certain number of research project reports are required to be completed every year .• Intellectual property protection : Inspire colleagues to make patent applications to protect the intellectual property of the Company .• Completion number of product development projects : Improve the efficiency of product development .	<ul style="list-style-type: none">• Added 2 cases of patents in 2023 with 8 cases still in progress , accumulating 39 valid patents as of 2023 .• Completed 11 research projects in 2023 .	Chapter 4 : Safety and Customer Service Innovation
Labor Relations	We respect the labor relations management to ensure that the Company is averted from risks of professional brain drain , labor-management confrontation , insufficient teamwork , and inability to garner consensus ; and to minimize the operational risks to the Company brought by labor relations .		●		<ul style="list-style-type: none">• Provide employees with salaries and benefits that meet or even exceed the minimum regulatory requirements .	<ul style="list-style-type: none">• Provided employees with salaries and benefits that meet or even exceed the minimum regulatory requirements . In 2023 , the salaries of employees exceeded the minimum wage required by law .• Established a Careers section on the official website where Solteam's Compensation & Benefits as well as the Learning and Development are explained ; and set up a Stakeholders section under ESG on the official website where channels for communication and whistleblowing are provided .	Chapter 6 : Diverse Social Inclusion



Material Issues	Meaning to Solteam	Value Chain			Sustainability Strategy	Actual Performance and Contribution	Corresponding Chapter
		Upstream	Organization	Downstream			
Occupational Safety and Health Management	We ensure employees' health and safety in the work environment ; through effective safety and health measures , reduce the occurrence of workplace accidents and occupational diseases ; minimize the risks of employee injury or illness ; and protect the physical and mental health of employees .	●	●		<ul style="list-style-type: none">• Implement risk evaluation management , safety educational training , protection of employees' health and safety in compliance with the Regulations of Occupational Safety and Health Management .• Carry out health check-ups for employees as required by law .• Employ external doctors for on-site service once every two months and external nurses 6 times a month to assist in the implementation of labor health service , physical and mental health protection measures , and provision of health consultation for employees .	<ul style="list-style-type: none">• There was no material occupational accident in 2023 .• Implemented the labor health service and the protection measures for physical and mental health in accordance with the law ; cooperated with occupational safety and health , human resources management , and the visits by personnel from the relevant government departments .• Provided health consultation for 60 employees in 2023 .	Chapter 6 : Diverse Social Inclusion
Energy Management	Reducing costing ; elevating the competitive edges of the Company ; minimizing environmental impacts ; complying with corporate social responsibility ; and leveling up Company image .		●	●	<ul style="list-style-type: none">• Enhance energy efficiency ; reduce energy consumption ; lower energy costing ; upgrade Company image ; create competitive edges ; and achieve the goals for environmental protection , energy conservation , and carbon reduction .	<ul style="list-style-type: none">• Enhanced the efficiency in energy utilization ; lowered energy costing ; and reduced environmental pollution .• The energy intensity in 2023 was 15 (GJ/million revenue)	Chapter 5 : Green Manufacturing
Climate Risks	A natural disaster response plan has been set up in view of the increasing frequency and severity of extreme climate , such as typhoons , rainstorms , droughts ,		●	●	<ul style="list-style-type: none">• Set up carbon-reducing targets based on the results of GHG inventories .	<ul style="list-style-type: none">• Completed the GHG inventories in 2022 for Taiwan headquarters , the Dayuan factory , and the East-China factory , which were verified by a third party .• Identified the risks and opportunities related to climate change .	Chapter 5 : Green Manufacturing

2.2 Stakeholder Communication

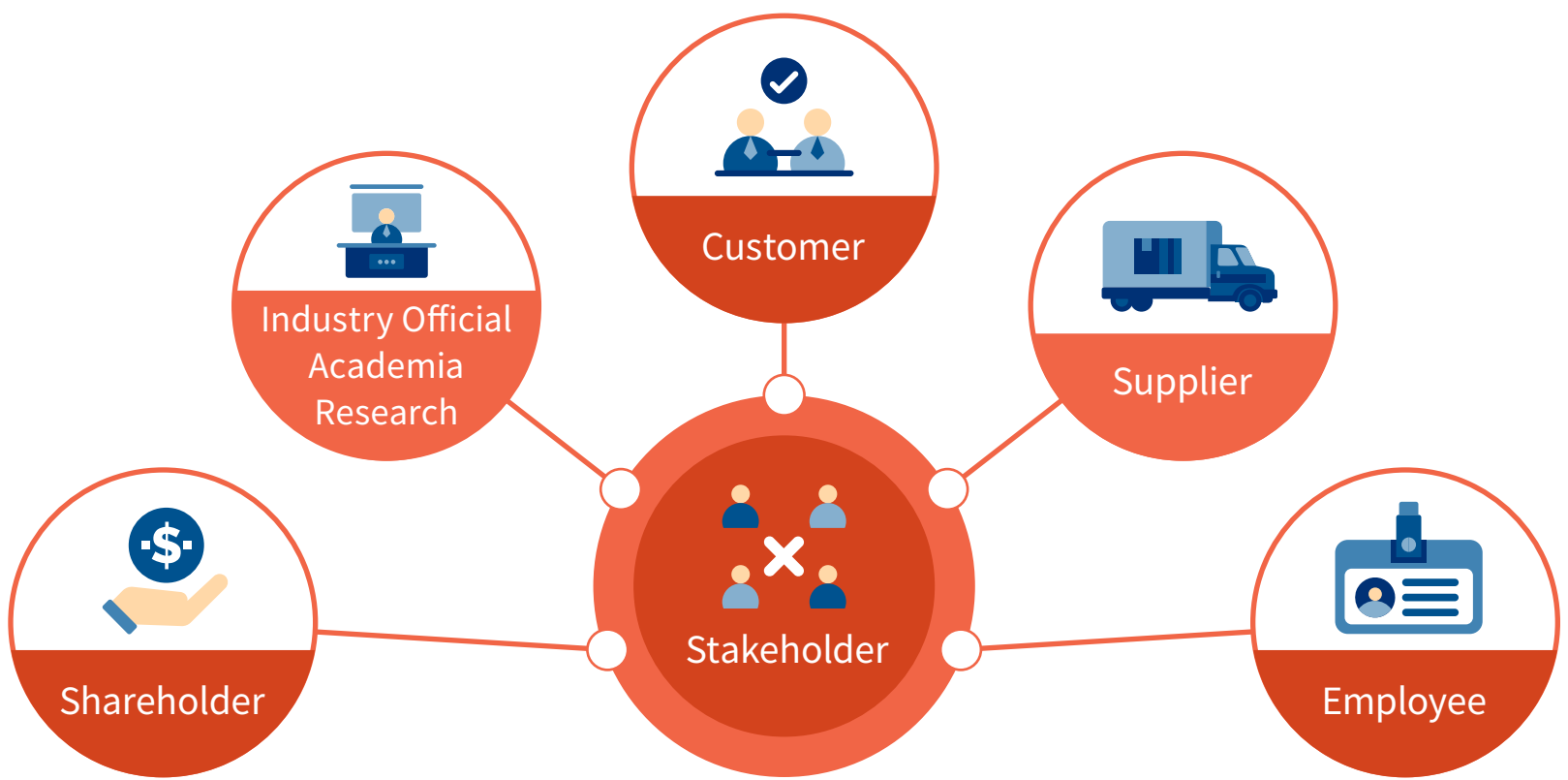
Solteam upholds a stable and steadfast business philosophy and values the rights as well as interests of all stakeholders. We have established transparent, open, and effective communication channels with a trustworthy and reliable attitude.

2.2.1 Communication Channels and Response Methods

Stakeholder Communication

Solteam facilitates the approachability, transparency, timeliness, integrity, and interactivity of information communication through the Company website and the sustainability website. From here we collect feedback from all parts of the world as the basis of constant improvement and enhancement of effective communication.

Solteam communicates actively and directly with stakeholders through a variety of channels. For example, opinions are interchanged through labor meetings, investor conferences, and exchange of visits. We collect opinions by anonymous questionnaires to safeguard the privacy of stakeholders and to reflect the most factual expectations towards Solteam.



Subject

Customers

Meaning of Stakeholders to Solteam

Customers are the foundation of Solteam’s sustainable development; whereas Solteam is an important partner in customers’ sustainable supply chain. Solteam communicates with customers with an honest and pragmatic attitude to enhance customer satisfaction, build customers’ trust in us, and march towards the direction of sustainability.

Issues of Concern

- Product Quality and Safety
- Customer Relationship Management
- Corporate Governance
- Occupational Safety and Health Management

2023 Communication Accomplishments

1. Unscheduled telephone and video conferences, email correspondence, and customer visits to keep the frequency of interaction.
2. Organized unscheduled technical seminars according to the needs of customers and projects, of which the contents of were mostly focused on the combination of product techniques and applications.
3. Set up the Company’s official website and service mailbox to receive customers’ inquiries in a timely manner, which upon receipt shall be forwarded to the corresponding industry supervisors for further handling based on the contents of inquiries and shall be initially responded to within three days.
4. Gained an average score of 91 in 2023 for customer satisfaction.
5. Completed 5 annual customer audits and inspections in 2023, of which the evaluation results indicated the compliance of Solteam’s overall performance with the required level for qualified suppliers or excellent suppliers.
6. Completed 14 assessments of customer evaluation system in 2023, of which the evaluation results indicated the compliance of Solteam’s overall performance with the required level for qualified suppliers or excellent suppliers.
7. Participated in 4 Supplier Conferences .
8. Completed auditing visits by customers in 2023.
9. Completed a total of 2 times of customer assets inventory, verification, and contact for maintenance status.
10. Online meetings for customer product development monthly or twice monthly.

Communication Frequencies and Channels

Unscheduled

1. Meetings (Face-to-face, video meetings, and telephone calls)
2. Email correspondence
3. On-site visits to customers
4. Company website (customer inquiry email)
5. Social media: LinkedIn

Scheduled

1. Customer assets inventory, verification, and contact for maintenance status<biannually>
2. Customer satisfaction surveys on the top 20 customers in terms of the annual turnover in the previous fiscal year<annually>
3. Assessment on customer evaluation system<annually>
4. Online or face-to-face supplier conferences<annually>
5. Auditing visits by customers<annually>
6. Annual customer audits and inspections<biennial>

Subject



Suppliers

Meaning of Stakeholders to Solteam

Providing Solteam with the materials for our production, suppliers are not only a crucial support for us, but also partners in jointly building a sustainable value chain.

Issues of Concern

- Ethical Management/ Business Ethics
- Product Quality and Safety
- Occupational Safety and Health Management
- Supply Chain Management
- Product Lifecycle Management

Communication Frequencies and Channels

Unscheduled

1. Suppliers on-site auditing and guidance
2. Official website and external communication mailbox
3. Technology sharing

Scheduled

1. Telephone calls, fax, emails, communication software<weekly>
2. Supplier evaluation<annual selection>

2023 Communication Accomplishments

1. Communicated weekly through unscheduled telephone calls, fax, emails, and communication software.
2. In 2023, Solteam Group's percentage of tier 1 supplier inspection was 78%, the percentage of actual visit to tier 1 suppliers was 80%, and the percentage of actual visit to high-risk suppliers was 100%.
3. Unscheduled supplier on-site auditing and guidance.
4. Unscheduled updates on the official website and external communication mailbox.

Subject



Employees

Meaning of Stakeholders to Solteam

Talents are the important assets of Solteam as well as the most significant factor to our core competitiveness. By providing a comprehensive salary, welfare, and training system, we develop the potentials of our employees. Simultaneously, our continuous and good communication also helps enhance the teamwork and the corporate recognition of our employees; therefore, maximizing the operational performance.

Issues of Concern

- Human Rights
- Human Resources Management
- Information Security Management
- Occupational Safety and Health Management
- Employee Diversity and Inclusion

Communication Frequencies and Channels

1. Handling employee-related matters through the Human Resources Department
2. Information announcements on the bulletin board
3. Whistleblowing and complaint mailbox
4. Explicit employee-related rules and regulations and post of such information on the Company's intranet.
5. Signing of personal data protection act/non-disclosure agreements<upon onboarding>
6. Group insurance sessions<annually>
7. Educational training<unscheduled>
8. Annual performance evaluation interviews<annually>
9. Periodical meetings by the Employees' Welfare Committee<bimonthly>

2023 Communication Accomplishments

1. Signing of personal data protection act/non-disclosure agreements: Signed by new employees upon onboarding. There were 1,610 new employees for the current period with a signing rate at 100%.
2. 0 case of employee complaints.
3. 100% of employees' one-on-one interview rate of annual performance evaluation.
4. The Supervisory Committee of Labor Retirement Reserve held 4 sessions in 2023.
5. The Employees' Welfare Committee convened a total of 6 meetings in 2023.
6. Educational Training: Organized the relevant training according to the annual plan.
 - A total of 2,147 person/time in 2023
 - A total of 7,401 training hours

Subject

Shareholders

<div> <div> <div> </div> <div> </div> </div> <div> <p>Meaning of Stakeholders to Solteam</p> <p>Solteam has always emphasized on investor relations. In addition to disclosing financial information in a transparent manner, we also have a complete spokesperson mechanism in place. In the event of a material matter, we are able to disclose the concerning information to investors just in time, ensure the timeliness and transparency of the disclosure of material information, and guarantee the rights and interests of investors.</p> </div> </div>	<div> <div> <div> </div> <div> </div> </div> <div> <p>Issues of Concern</p> <ul style="list-style-type: none"> Ethical Management/ Business Ethics Corporate Governance Risk Management Climate Risks Pollution and Waste Management Water Resources Management Energy Management </div> </div>
<div> <div> <div> </div> <div> </div> </div> <div> <p>Communication Frequencies and Channels</p> <div> <div> </div> <div> </div> </div> <div> <p>Unscheduled</p> <ol style="list-style-type: none"> Investor section on the Company website Market Observation Post System Telephone calls or email communication </div> <div> <p>Scheduled</p> <ol style="list-style-type: none"> Announcement of financial performance<monthly> Announcement of financial statements<quarterly> Shareholders' meetings<annually> Investor conferences<annually> </div> </div> </div>	<div> <div> <div> </div> <div> </div> </div> <div> <p>2023 Communication Accomplishments</p> <ol style="list-style-type: none"> Issued the 2023 Financial Statements and Annual Report. Issued the 2023 Financial Statements for each quarter. Announced a total of 12 individual and consolidated revenue data per month. Announced a total of 22 pieces of material information in Mandarin. Held the shareholders' meeting on June 20th, 2023. Held the investor conference in June, 2023. Unscheduled responses to calls and letters from investors and shareholders more than 50 times. Added the ESG section to the official website: Contents including Environment, Sustainably, Governance, Stakeholder Engagement, and Questionnaire. </div> </div>

Subject

Industry-Official-Academia-Research

<div> <div> <div> </div> <div> </div> </div> <div> <p>Meaning of Stakeholders to Solteam</p> <p>Solteam is able to combine academic research capacity to continuously improve product technology through industry-academia collaboration. In the meantime, we create a stable employment for the young by means of employment bonus while realizing a win-win situation of facilitating innovative development in the industry as well as increasing employment rate.</p> </div> </div>	<div> <div> <div> </div> <div> </div> </div> <div> <p>Issues of Concern</p> <ul style="list-style-type: none"> Human Rights Social Participation </div> </div>
<div> <div> <div> </div> <div> </div> </div> <div> <p>Communication Frequencies and Channels</p> <ol style="list-style-type: none"> Official website and external communication mailbox<unscheduled> Telephone interviews<unscheduled> <div> </div> </div> </div>	<div> <div> <div> </div> <div> </div> </div> <div> <p>2023 Communication Accomplishments</p> <ol style="list-style-type: none"> Telephone calls and mail correspondence: Unscheduled. Participated in the NTU TPIDC Digital Transformation and Sustainable Development Industry-University Alliance-Various Corporate and policy seminars. Provided Tzu Chi University of Science and Technology with the prize for the National Compassionate Science and Technology Innovation Competition. Signed an industry-academia collaboration research program of the National Science and Technology Council with Chung Yuan Christian University Joined the 2023 ESG & Sustainability Initiative held by E.Sun Bank. </div> </div>

CHAPTER 03

Ethical Corporate Governance




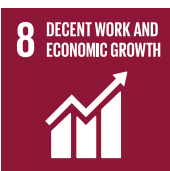




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GRI 2-26 and GRI 3

Material Topics	Objectives for 2024 (Short-term)	Objectives for 2026 (Mid-term)	Objectives for 2030 (Long-term)	Corresponding SDGs
Ethical Management/ Business Ethics	<ul style="list-style-type: none">• To reach 100% target completion rate for training and promotion.• To arrange training sessions, promotion themes, and courses every year.			
Corporate Governance	<ul style="list-style-type: none">• To upgrade the score group of the Corporate Governance Evaluation; and to proactively attend evaluations related to corporate sustainability.• Target number of internal control and audit for the entire Group: More than 50 cases/year.			 
Economic Performance	To advocate sustainable operations as the core belief; and to create economic performance every year.			
Information Security Management	To advance and optimize information security measures as well as systems; to cultivate professional IT staff; and to raise employees' awareness towards information security.	To import key information security technologies and equipment; and to establish systems as well as mechanisms such as information security threat detection management and information security risk management platform.	To continuously promote the integration of security in the Company's various business processes; and to introduce automated tools, such as machine learning, and early-warning and contingency systems.	 

Management of Material Topics	To practice corporate sustainability and promote Solteam's environmental, social and economic progress and sustainable development, we have gradually planned and established the sustainable development policy in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the sustainable development roadmap.				
Scope of Material Topics	Impact	Policy Commitment	Specific Action Plan	Assessment Method	Indicator and Target
Ethical Management/ Business Ethics	(+) Stable Company operations (-) Operational impact resulted from regulatory costing and risks (-) Customer churn	Ethics-related clauses and the channel to file complaints are included in the business contracts . The contracts will be terminated immediately should there be any unethical conducts .	1 . Setting up projects to promote , train , and advocate ethical management to ensure that all employees are fully aware of it . 2 . Providing whistleblowing channels . 3 . Internal control audit by the Audit Office .	The Sustainability Promotion Team continuously keeps tab on the implementation status and target achievement rate , and regularly discusses and track them in senior management meetings .	1 . To reach 100% target completion rate for training and promotion . 2 . To arrange training sessions , promotion themes , and courses every year
Economic Performance	(+) Increasing net profit after tax (+) Taxation for social welfare	All material operational decisions shall comply with the laws and regulations in force and shall achieve a positive economic performance .	1 . Through the Group's strategic planning meetings , the management and supervisors from each unit jointly formulate the annual strategic objectives . 2 . Managing the achievement of annual strategic objectives and budget targets through internal management meetings .	The management conducts monthly management meetings to review the status of production , sales , and profitability to ensure that the strategic objectives and budget targets of the Company are met .	To advocate sustainable operations as the core belief ; and to create economic performance every year .
Information Security Management	(+) Stable Company operations (-) Hacker Threats (-) Breach of customer and other confidential data	1 . Implementing information security ; and preventing information security systems from unauthorized access , leakage , damage , and falsification . 2 . Strengthening information security training to raise employees' awareness and professional skills of information security . 3 . Preparing for emergency response ; formulating disaster recovery plans for critical core systems ; and conducting drills for emergency response process every year . 4 . Exercising rapid damage recovery to ensure continued operational viability of critical businesses .	1 . Regularly promoting information security and organizing education training on information security as well as social engineering drills to raise employees' awareness towards information security and reduce hacking risks . 2 . Participating in Information security intelligence organizations to be warned of possible information security risks in advance . 3 . Defining the level of data confidentiality to avoid illicit usage . Confidential files shall be encrypted and cannot be accessed without authorization . 4 . Continuously updating the information security equipment , such as firewalls , intrusion detection protection , and spam filtering systems . 5 . Regularly performing disaster recovery drills to ensure that the recovery system can be quickly restored to normal or acceptable operating levels in the event of a disaster . 6 . Planning for system-wide vulnerability assessment and regular risk evaluation .	1 . Sending out phishing emails every half year . Whoever clicks the links in the emails are considered victims of the phishing emails . 2 . Establishing a vulnerability scanning and risk assessment system to scan the Group's network and servers for high-risk vulnerabilities every year . 3 . Regularly conducting information security education and training to enhance the skills of technical personnel . 4 . Notifying of any material information security incidents for the current year in compliance with the "Regulations on the Notification and Response of Cyber Security Incident ." 5 . Completing the disaster recovery drills at each of the Group's factories . 6 . Reviewing the Company's information security for improvement or not according to the nonscheduled intelligence provided by TW-CERT . Should it require improvement , the status shall be marked "pending ." The annual completion rate : Pending÷Solved .	1 . Strike rate at 3% or below of the Group's phishing drills . 2 . To rectify all high-risk items in the vulnerability assessment . 3 . To reach more than 12 hours person/year on the education and training for IT staff . 4 . Zero material information security incidents . 5 . 100% completion rate of disaster recovery drills . 6 . 100% completion rate of monthly cyber intelligence handling .

Management of Material Topics	To practice corporate sustainability and promote Solteam’s environmental, social and economic progress and sustainable development, we have gradually planned and established the sustainable development policy in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the sustainable development roadmap.				
Scope of Material Topics	Impact	Policy Commitment	Specific Action Plan	Assessment Method	Indicator and Target
Corporate Governance	(+) Stable Company operations (-) Operational impact resulted from regulatory costing and risks	We endeavor to maintain the transparency of the Company’s business. Shareholders and investors are able to be updated simultaneously regarding the Company’s operational status through our provision of real-time information.	1. Strengthening corporate governance and corporate social responsibility to enhance the quality of Solteam’s business operations and to implement the spirit of corporate governance practices. 2. Continuously reviewing changes in the external operating environment; enhancing internal management procedures; fortifying internal supervision and the transparency of external information disclosure; and establish a better platform for connecting with shareholders and investors, in order to achieve an effective corporate governance structure.	1. Reinforcing the Company’s ethical management policy in accordance with the contents of corporate governance assessment. 2. Taking the initiative to participate in corporate sustainability-related evaluations. 3. Updating the internal control system in compliance with the law.	1. To upgrade the score group of the Corporate Governance Evaluation 2. To proactively attend evaluations related to corporate sustainability; and to make constant improvements according with the feedback from the evaluations. 3. To reach more than 50 cases/year of internal control and audit for the entire Group.
Appeal Procedures	In order to protect the integrity, honesty, and uprightness of suppliers, partners, and customers, Solteam has set up the following “Methods and Channels for Complaints” to prevent unethical conduct such as accepting rebates and improper benefits: 1. Solteam shall not accept complaints should they contain malicious attacks, falsehoods, no specific contents, no real name, or no contact information. 2. Please specify the name, department, and title of the person being reported; and attach specific evidence such as receipts, contracts, letters, videos, and photos. 3. Complaints shall be sent to sol_credit@solteam.com.tw or mailed to the “Audit Office” at the address of 7F-2-3, No. 888, Jingguo Road, Taoyuan District, Taoyuan City, R.O.C. 33051. 4. Please be assured that the identity of the whistleblower and the contents of the complaint are handled confidentially by the dedicated department in charge of complaint-handling within Solteam.				
Stakeholder Engagement	We communicate and interact with stakeholders on a scheduled or non-scheduled basis. The interaction status is disclosed in the Sustainability Report and the sustainability website of Solteam. We also adjust Solteam’s related strategies and goals based on the opinions received from stakeholders. 				

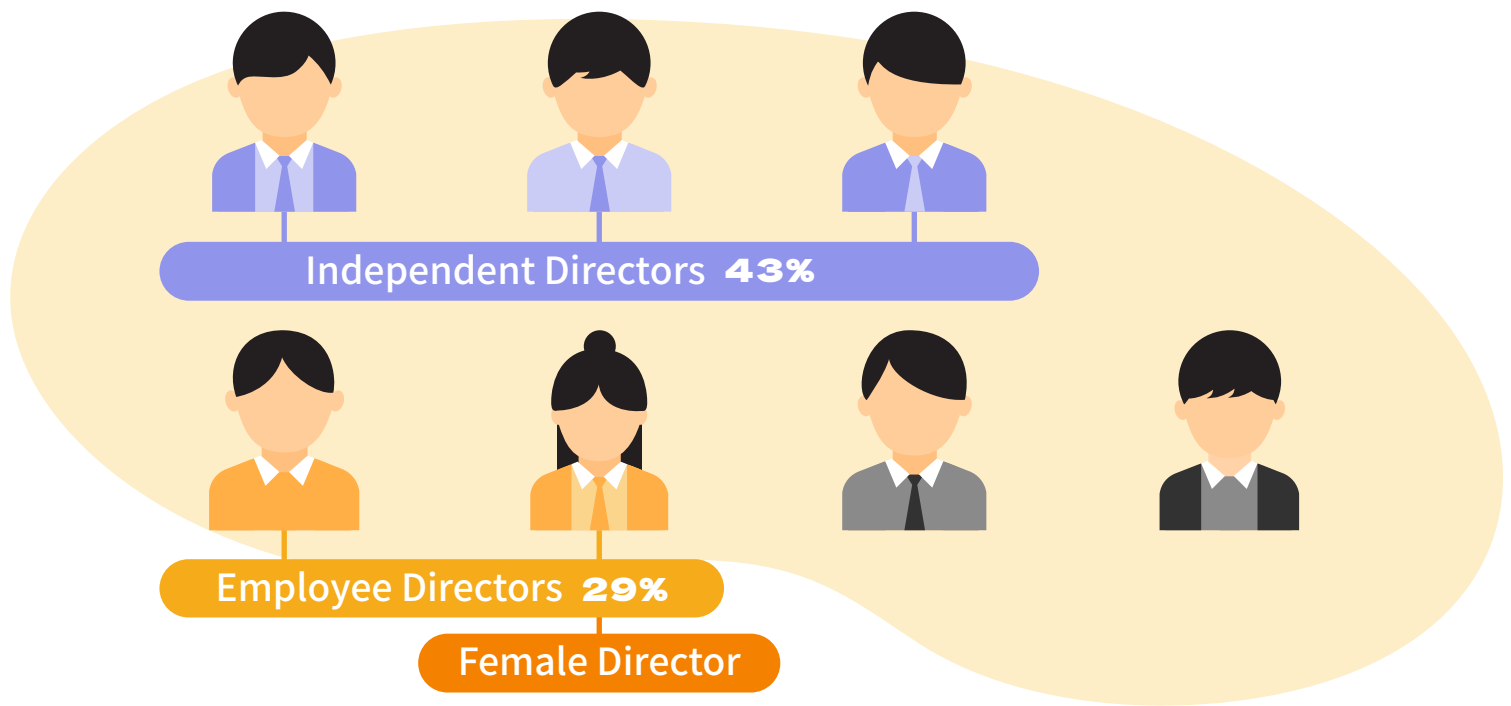
3.1 Corporate Governance Structure

Upholding an ethical business philosophy, Solteam continually strives to improves the policies of corporate governance and implements sustainable development step by step.

3.1.1 Composition and Implementation of the Board of Directors

Director Nomination and Election GRI 2-9 and GRI 2-10

The structure of the Board of Directors is formulated by the Shareholders' meeting in accordance with the "Director Election Methods" and the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and determined by choosing an appropriate number of Board members, in consideration of the Company's business scale, the shareholdings of the major shareholders, and practical operational needs. The overall composition of the Board members is based on the Company's operating dynamics and development needs and the acquisition of professional knowledge and skills (including the professional knowledge and experience related to economic, environmental, and social issues) to perform their functions as directors and make substantial contributions to the Company's operations.



Diversity and Independence of the Board of Directors

GRI 2-9 and GRI 2-11, GRI 2-12, GRI 2-14, and GRI 2-15

Solteam's Board of Directors is the highest governing unit with the Chairman as the highest governance chief. The Board of Directors consists of 7 members who are all local citizens with different professional backgrounds in industries, academics, the law, etc. The structure of the Board of Directors is composed of 3 independent directors, accounting for 43% of the total number of seats of the Board of Directors, and 2 directors as employees, accounting for 29% of the total number of seats of the Board of Directors, respectively. None of the Board members has any of the conditions listed in Article 30 of the Company Act, nor does any of the directors have any relationship of spouses and relatives within the second degree of kinship, fulfilling the purpose of supervision. All of Solteam's Board of Directors meetings held in the fiscal year of 2023 followed the principle of recusal due to conflicts of interest.

Please refer to the following link for further regulations regarding corporate governance.



Remuneration Committee GRI 2-19 and GRI 2-20

The Remuneration Committee is to professionally and objectively evaluate the policies and systems for remunerations of the directors and managerial officers of the Company. Please refer to the Annual Report for its composition as well as implementation in details. In order to fortify the corporate governance and the sustainable operation, Solteam's remuneration system is not only positively correlated with the economic performance, but also kept abreast according to the laws and regulations as well as the situation of our competition.

Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its oversight of the quality and integrity of the accounting, auditing, reporting, and financial control practices. Apart from monitoring the fair presentation of the financial statements and assessing the effectiveness of the internal control systems, the Committee also communicates regularly with the head of internal audit and the accountants in order to fulfill the its responsibilities.

Nomination Committee

Solteam established the Nomination Committee in 2023 and held its first meeting in 2024. The Nomination Committee primarily adopts a professional and objective approach in formulating the criteria of professional knowledge, relevant skills, experience, gender, and the standards independence required for Board members and senior managerial officers, based on which it seeks, reviews, and nominates candidates for directorships and senior managerial positions.

3.1.2 Continuing Education of Directors and Supervisors

GRI 2-17

To continuously deepen the knowledge related to corporate governance, Solteam arranges director training courses every year, which not only assist directors in grasping the current regulations of corporate governance and sustainability trends, but also allows more interactive and communicative opportunities for directors to interchange diverse perspectives. Please refer to the [Investor section of the Company website](#) and the [Annual Report](#) for details.

3.2 Corporate Sustainability Management

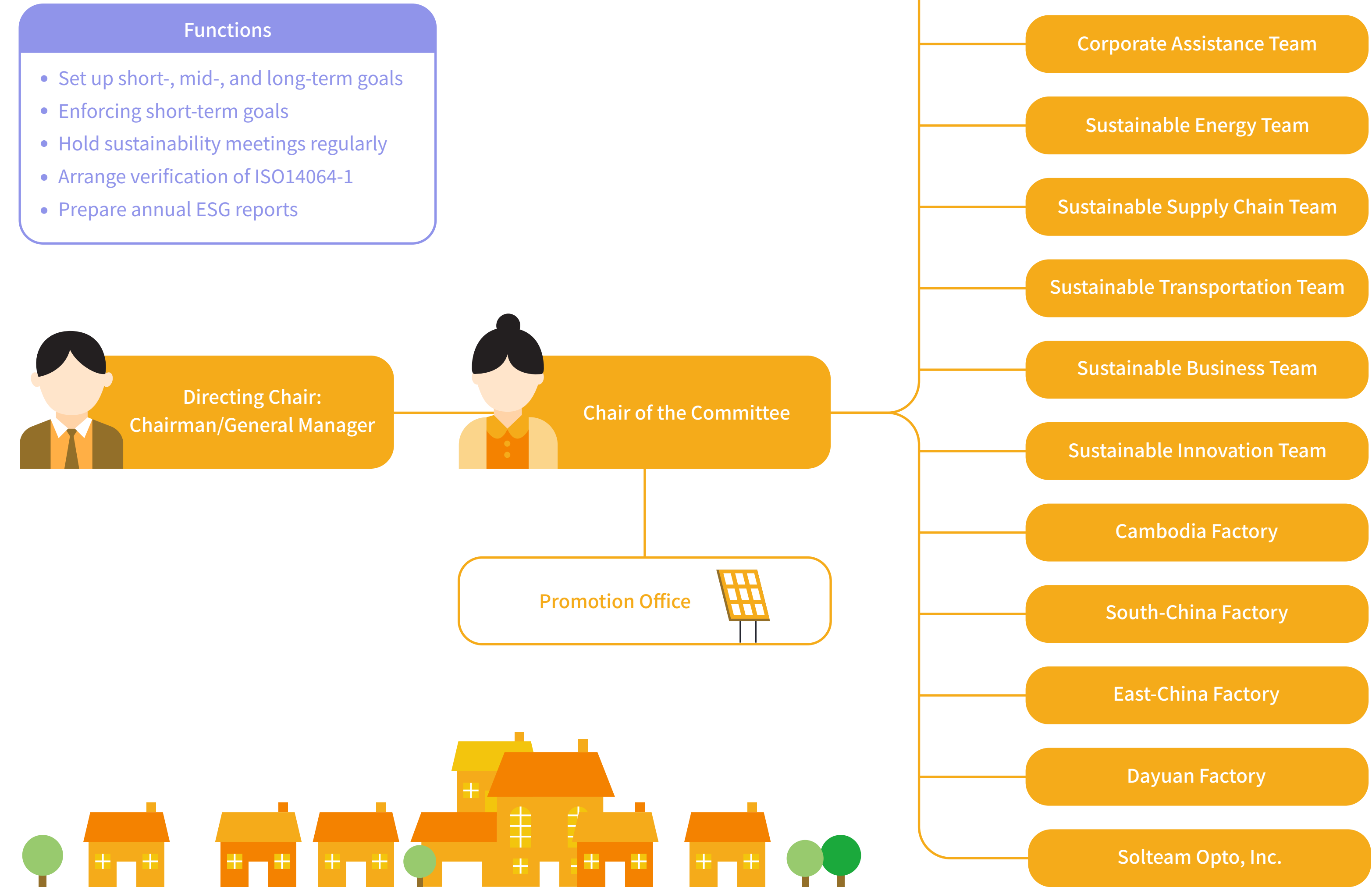
3.2.1 Sustainability Committee and Governance Structure GRI 2-9

In order to concretely practice corporate social responsibility, Solteam's Board of Directors adopted the "Sustainable Development Best Practice Principles," which clearly defines the following: (1)Exercise corporate governance, (2)Foster a sustainable environment, (3)Preserve public welfare, and (4)Enhance disclosure of corporate sustainable development information. The four primary principles serve as the highest guiding principles for promoting sustainable development. In addition, supervisors at the level of deputy general manager or above take up the roles of members in the "Sustainable Development Promotion Committee." The "Sustainable Development Office " has also been established, of which the staff is assigned by the Committee for the execution of sustainable development.

On November 7th, 2023, the members of the Sustainable Development Office reported to the Board of Directors regarding the implementation of sustainability for 2023.



Sustainable Development Committee



3.3 Risk Management

3.3.1 Risk Management GRI 2-16

The ["Risk Management Policy for the Group of Solteam Incorporation"](#) was approved by Solteam's Board of Directors on September 26th, 2023. Through the identification, assessment, control, supervision, and communication of potential risks in a qualitative and quantitative management method, we minimize the various risks faced by the Company to a tolerable and controllable scope and use them as the basis for reference, attempting to reasonably achieve the Company's strategic objectives.

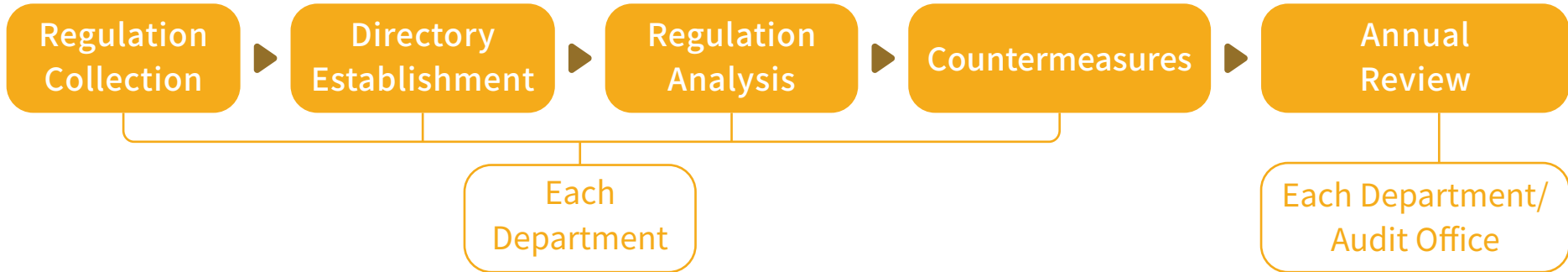
Currently, Solteam's departments perform evaluations to determine whether there is risk or not. If a risk of greater impact on the Company's operation is identified, a risk-tracking task force will be established. With the General Manager as the highest governor of risk management, the task force is composed of the supervisors from each department related to the identified risks. Targeting the risks, the task force will formulate corresponding policies and follow up the status regularly in order to minimize the risk impact. When a risk impact on the Company turns out higher, its will be followed up every two weeks. It will also be submitted to the internal audit office for random inspection as well as periodical evaluation on the level of risk impact after the level of impact has been leveled down to the Company's standards.

The risk management policy of Solteam specifies the responsible authority of each risk factor, which is in charge of the management procedures such as risk identification, risk assessment, risk control, risk supervision, and communication in order to clearly grasp the scope of each risk and take appropriate measures to ensure the proper management of the relevant risks. In the event of a cross-departmental or cross-factory crisis, the General Manager or his designee will take charge of directing and coordinating the matter.

Below are the risks identified by Solteam to have more significant risk impact on the Company. Please refer to Chapter 5 for the details of the risks related to climate change.

Risk Type	Risk Impact	Countermeasures
Strategic Risks	Impact on the Company's development due to the decision-making and execution of strategies.	<ul style="list-style-type: none">Annual strategic policy guidelines are jointly formulated by management and department heads through group strategy planning seminars .Annual strategic policies and goal achievement are managed through operational meetings .
Operational Risks	Risks affecting operations due to significant capital expenditures.	<ul style="list-style-type: none">Procedures for conducting benefit evaluations for significant capital investments are stipulated in the fixed asset regulations .Significant capital investments are subject to review by the Audit Committee and approval by the Board of Directors .
Financial Risks	Impact on the Company's profit and loss due to uncertainties caused by changes in interest rates and fluctuations in exchange rates.	<ul style="list-style-type: none">Monitor changes in the interest rate market , manage existing long-term and short-term borrowing positions , and reduce interest costs .Grasp the funding situation , control the funding level according to the annual budget demand , and reduce the cost of financing .Maintain good relationships with banks and strive for the best financing rates and deposit rates .Monitor daily fluctuations and information in the foreign exchange market , and evaluate the foreign exchange risks and changes in profits and losses generated by the Company's asset and liability positions .Reduce foreign exchange risks through planning of foreign currency assets and liabilities .
Hazard Event Risks	Risks of emergencies such as accidents or disasters affecting the continuous operation of the Company.	<ul style="list-style-type: none">System operations and resource integration are implemented to ensure continuous operation in case of emergencies such as accidents or disasters , aiming for uninterrupted operation .Each factory and functional organization formulate emergency response and recovery plans for specific crisis events ; and continuously improve response procedures and recovery strategies .
Compliance Risks	Risks of adjustments to the current operating status due to updates in regulations or penalties for non-compliance.	Departments consolidate and update relevant regulations in accordance with legal requirements, and adjust internal regulations reasonably, such as arrangements for production and pollution prevention.

3.4 Regulatory Compliance GRI 2-27、GRI 307-1

Execution Projects	Execution Effects
Regulatory Compliance System Process	<p>Solteam Group' s«Regulatory compliance system»Process</p> 
Regulation Collection	<ul style="list-style-type: none">Each department assigns dedicated personnel of regulatory compliance to establish specific legal search channels and look for as well as compile the latest regulations and letters .<ul style="list-style-type: none">Currently the legal search channels include the websites of national laws and regulations database , competent authorities , relevant associations , chambers of commerce , etc .
Directory Establishment	<ul style="list-style-type: none">We categorize the collected regulations and create a specialized directory of regulations in each department , including the subsidiaries and factories .<ul style="list-style-type: none">Currently there are 17 regulation directories for headquarters and 24 for subsidiaries . The electronic files are stored in the public folder , which can be accessed for reference by each unit of the Group .
Regulation Analysis	<ul style="list-style-type: none">The dedicated personnel of regulatory compliance from each department are in charge of submitting new laws and regulations and designating the relevant personnel to confirm the regulatory compliance according to the category .<ul style="list-style-type: none">All relevant departments followed the procedures to confirm the regulatory compliance of the added and amended regulations in 2023 , such as the Sustainable Development Action Plans , the Securities and Exchange Act , and the Regulations Governing Establishment of Internal Control Systems , and enforced them in accordance with the law .
Countermeasures (Latest Legal News)	<ul style="list-style-type: none">In addition to updating the latest laws and regulations in a timely manner , each department conducts an annual update of the Groups' regulation directory as well as a self-assessment of regulatory compliance .<ul style="list-style-type: none">The process for regulatory compliance system is included in the internal control audit routines and is reviewed during the cycle-auditing period .The Audit Office initiated an audit program in the first quarter of 2023 : A Group-wide audit of regulatory compliance and trade secrets management .The implementation of legal compliance is reported to the Board of Directors annually . The most recent report was in November 2023 at the Board of Directors' meeting .

Execution Projects	Execution Effects
Annual Review (Self-evaluation)	<ul style="list-style-type: none">In addition to updating the latest laws and regulations in a timely manner , each department conducts an annual update of the Groups' regulation directory as well as a self-assessment of regulatory compliance .<ul style="list-style-type: none">The process for regulatory compliance system is included in the internal control audit routines and is reviewed during the cycle-auditing period .The Audit Office initiated an audit program in the first quarter of 2023 : A Group-wide audit of regulatory compliance and trade secrets management .The implementation of legal compliance is reported to the Board of Directors annually . The most recent report was in November 2023 at the Board of Directors' meeting .

3.4.1 Compliance with Environmental Regulations

Solteam's regulatory compliance process is as follows:

Legal cases and policy of competent authorities

- 1.The General Affairs Office receive and send external correspondence and forward it to the relevant responsible authorities.
- 2.The responsible authorities analyze the cases and discuss the countermeasures with relevant departments based on the contents.
- 3.In the case of accepting fines or filing appeal and litigation, the responsible authorities will submit a petition and execute accordingly after approval with an authorization chart.
- 4.If legal assistance or litigation is required, the management department will assist in contacting law firms for discussion.
- 5.The responsible authorities propose improvement plans to prevent from reoccurrence.



The environmental compliance risks of the entire Group are summarized below:

Risk Type	Risk Impact	Countermeasures
<div>Air Pollution Control Act</div> <div>Waste Disposal Act</div> <div>Safety Regulations</div> <div>Fire Services Act</div> <div>Noise Control Act</div> <div>Act Governing Food Safety and Sanitation</div> <div>Water Pollution Control Act</div> <div>Prevention and Control of Atmospheric Pollution</div>	<p>The major environmental compliance risks come from the factory premises with production functions.</p> <p>The office buildings are mainly used for administration, research, development, and designing. Therefore, they were deemed no potential environmental risk in the assessment.</p> <p>Since the medical materials factory has obtained the ISO-13485 and the GMP certifications from the Ministry of Health and Welfare, the potential environmental risk is considered relatively low after assessment. However, production and sales may be affected if the factory violates the ISO-13485 and the GMP certification.</p> <p>If the waste in other factory premises is industrial waste, it should be removed pursuant to local regulations, or be cleared by a third-party company with an operating license, and be reported according to the regulations, which may be subject to fines for non-compliance. General or domestic waste should also be handled in accordance with local regulations.</p> <p>Other emissions such as wastewater, waste gas, etc. must also be controlled in compliance with local emission standards; e.g., Jiangsu Integrated Emission Standard of Air Pollutants, and may be subject to fines if case of violation.</p> <p>In addition, the manufacturing process and workplace are governed by local regulations, which require the installation of fire-fighting equipment and consideration of production safety.</p>	<ol style="list-style-type: none"> 1. The medical material factory adheres to the requirements of ISO-13485 and GMP of the Ministry of Health and Welfare. 2. Set up fire-fighting facilities and occupational safety and health units in accordance with fire-fighting laws and regulations. 3. Reasonably arrange production and pollution management programs in pursuant to laws and regulations. 4. Control emissions (wastewater, waste, noise, etc.) and dispose of them in compliance with local legal requirements, building management committees, and community regulations. 5. Regularly monitor compliance and conduct random inspections every year.

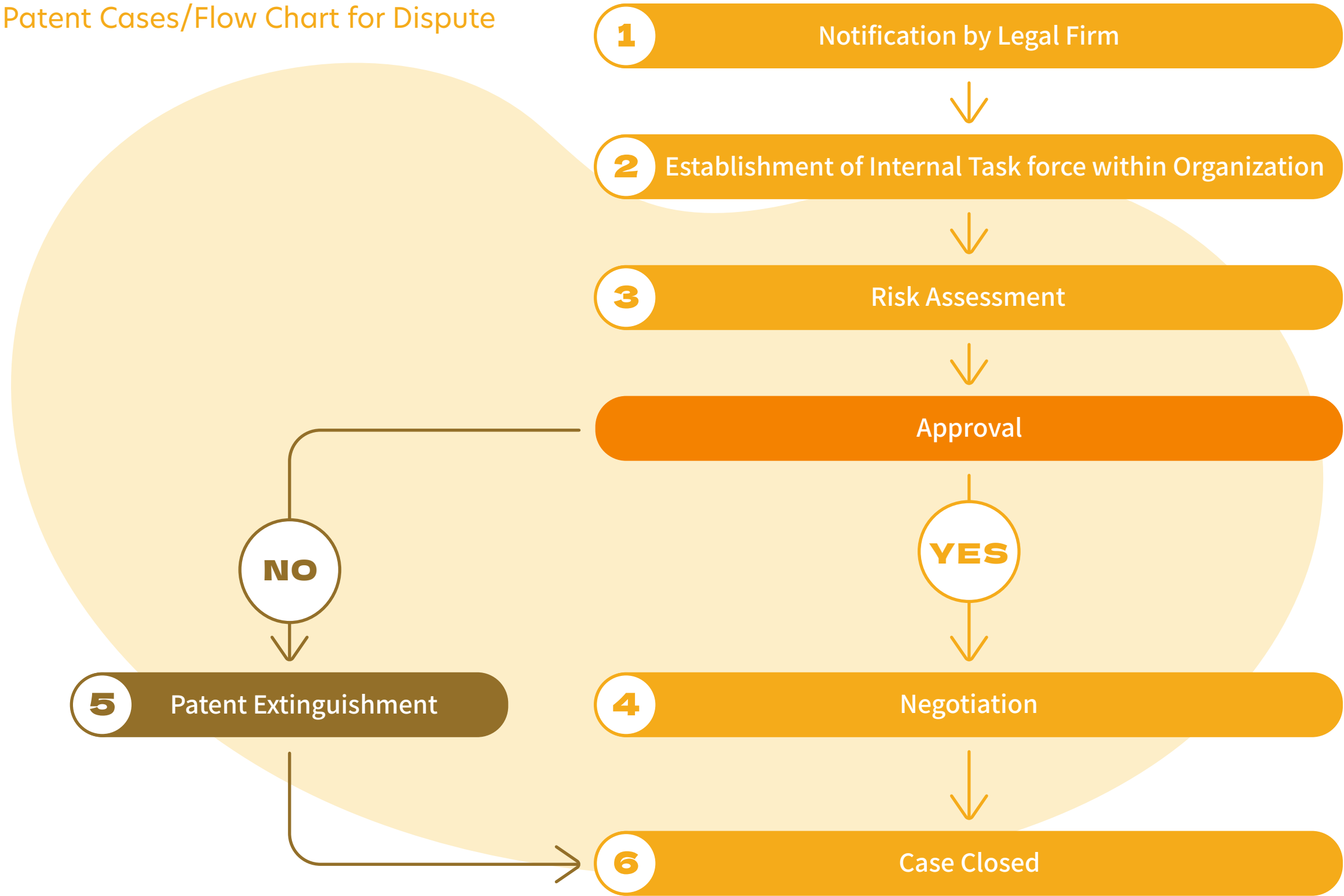
There was no violation against the local environmental regulations for the Solteam in the fiscal year of 2023.

3.4.2 Other Regulatory Compliance (Intellectual Property and Safety Specification)

Intellectual Property

- 1.The colleagues of quality control patents receive and organize the notification from the patent office.
- 2.An internal task force will be established (R&D/business/materials/quality assurance)
- 3.A report will be submitted to the Chairman for approval after a risk assessment of the relevant units.
- 4.After confirming the assumption of risk, we will notify law firms for consultation and legal proceedings.
- 5.After confirming the avoidance of risk, the law firms will proceed with patent extinguishment.
- 6.Case closed.

Patent Cases/Flow Chart for Dispute

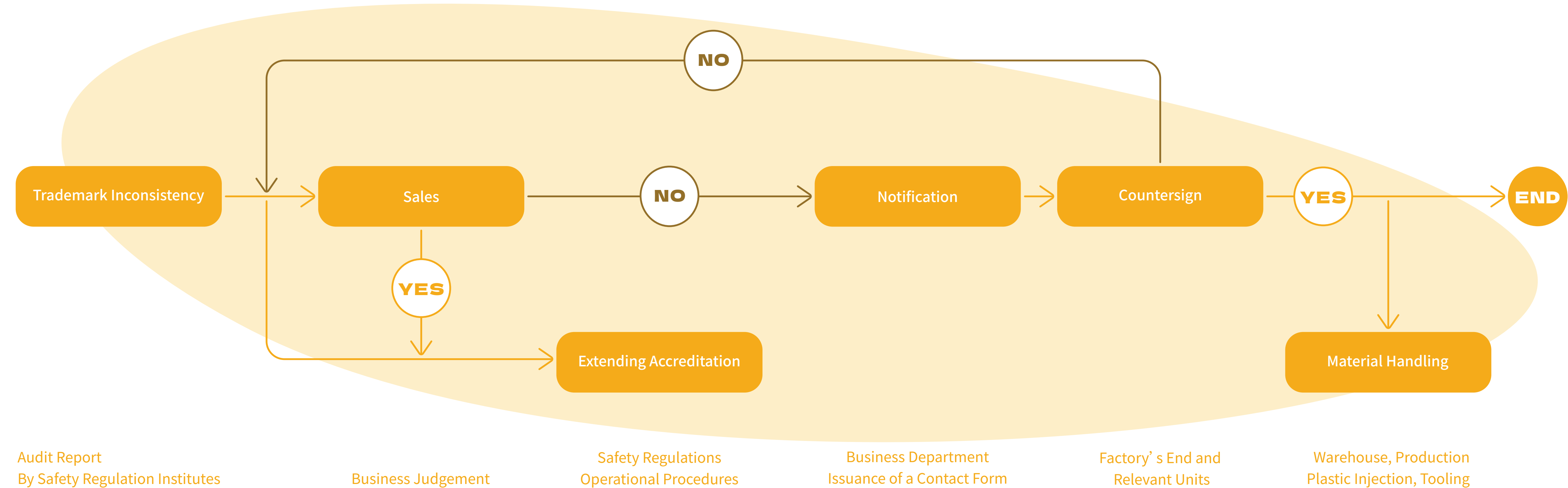


Safety Regulations (SR)

When a safety regulation organization discovers unaccredited products labeled with safety Regulation trademarks during factory inspection and issues a non-conformity:

- 1. The safety officer will notify the salesperson to evaluate whether the product still needs to be sold.
- 2. Not in sale--
 - a. The salesperson will issue a contact form which shall be countersigned and processed by the factory as well as the relevant units for material handling.
 - b. The safety personnel will follow the “Safety Regulation Standards” to perform product certification and additional reporting procedures.

In sale--The safety personnel will follow the “Safety Regulation Standards” to perform product certification and additional reporting procedures.



During the reporting period, Solteam did not commit any material incident of regulatory non-compliance, nor was it required to pay fines due to violation against laws and regulations.

3.5 Ethical Corporate Management

3.5.1 Ethical Corporate Management

Formulation of Policies and Plans for Ethical Corporate Management RT-EE-510a.1

The Board of Directors passed the Company’s “Ethical Corporate Management Best-Practice Principles,” the “Procedures and Guidelines for Ethical Corporate Management and Behavior,” and the “Ethical Corporate Management Policy” that have been announced in the Company regulations, the Company’s internal and official websites. The Board members and senior managerial officers of Solteam have signed the declaration for compliance of ethical corporate management. The Company upholds an ethical principle while conducting a stable and honest business. We do not participate in business activities attaching high risks of unethical conduct and enforce the relevant precautionary measures.

Fulfillment of Ethical Corporate Management

Solteam’s fulfillment of ethical corporate management in 2023 is as follows:



1

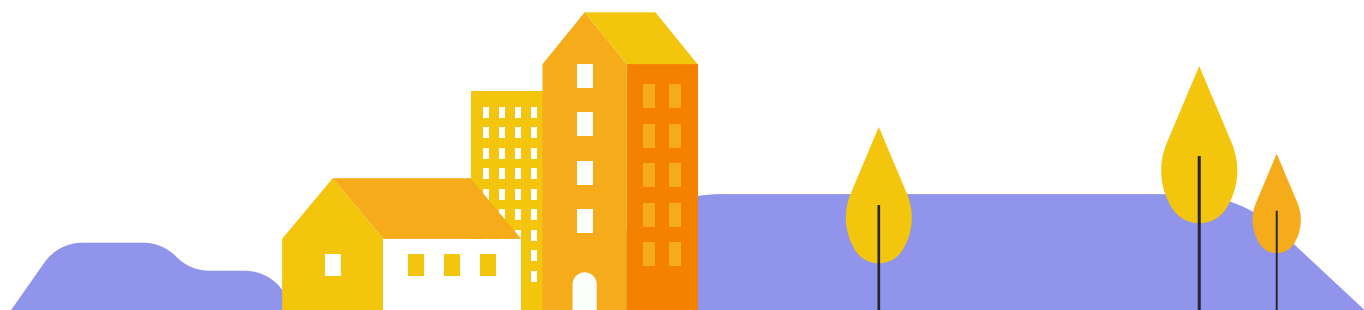
Prior to any commercial transactions, the Company takes into consideration the legality of our agents, suppliers, clients, or other trading counterparties and whether any of them are involved in records of unethical conduct, and shall avoid any dealings with persons so involved.



2

Solteam has included ethical corporate management terms explicitly in commercial contracts and may at any time terminate the contracts should there be involvement in unethical conduct. The whistleblowing channels have also been clearly stated within the contracts. In 2023, there were no findings of violation against ethical corporate management.

Please refer to the link below for more details about the Company’s regulations and whistleblowing systems for ethical corporate management



3.5.2 Educational Training on Ethical Corporate Management

Internal and External Educational Training on Ethical Corporate Management

The Company organizes courses for ethical management irregularly. The themes for educational training include: ethical management policies, principles of ethical management, guidelines for ethical management, complain channels, work regulations, etc. The ethical management courses are delivered by internal and external lecturers through distance learning and video/audio recordings as teaching materials.

Solteam has established the Ethical Corporate Management Best-Practice Principles and the Procedures and Guidelines for Ethical Corporate Management and Behavior, regulating the execution of all business operations to be based on the concepts of integrity, transparency, and accountability. We advocate the core values of corporate honesty and integrity, adhere to the laws and regulations for implementation, and establish a good corporate governance system in order to create sustainable development in the business environment.

Solteam regularly arranges case-sharing courses related to trade secrets and ethical management, which are conducted through face-to-face sessions or online videos, so that our colleagues can better understand the Company’s ethical management policies, preventive programs, operational procedures, and the consequences of violating ethical and integrity conducts, and that the concept of ethical management can be internalized into the corporate culture.

In order to strengthen ethical management, we have been implementing the promotion of ethical management and educational training since July 2020 (including new employee orientation and annual group-wide training). The courses are delivered by instructors through face-to-face sessions and video/audio recordings as teaching materials. The implementation status is reported to the Board of Directors annually. **A total of 637 individuals participated in the most recent training program of ethical management in 2023 with a total of 637 training hours.** Through educational training and cooperation with the Company’s internal auditing and control system, employees are able to better understand the Company’s ethical management policies, operating procedures, and the consequences of dishonest behavior, in order to implement the culture of ethical management.

3.6 Information Security

3.6.1 Information Security

Governance Over Information Security

To cope with the rising threat of cyberattack and data breach, Solteam Group established the Information Security Committee. Led by the Chairman and participated by organization members of the highest level, we are committed to build a powerful governance system for information security. The Committee not only continues to provide feedback on the information security governance structure to mitigate information security risks, but has also established an Information Security Officer to take charge of developing information security policies, management objectives, and information security measures as well as standards. Meanwhile, the Committee focuses on the risks faced by the organization and develops countermeasures and priorities for known risks.

The Information Security Officer leads the Information Security Execution Team, which is in charge of alerting in advance and monitoring information security situations, executing various information security measures, and actively implementing rectifying and precautionary measures, to ensure a comprehensive protection over important information assets. Simultaneously, the Team reports annually to the Chairman and the management regarding the status of information security enforcement, through which the Team grasps the current risks of the Company's overall digital information as well as the enhancement of information security.

There were no material information security incidents for Solteam Group this year, demonstrating prudence and incessant effectiveness in the Group's information security measures. We have also guaranteed the statutory compliance of our information security measures and embodied the Cybersecurity Guidelines for TWSE/TPEX Listed Companies as our basis for reference.

Targeting ISO and data systems, Solteam has also formulated the following defense plans:

1 Risk Rectification of Vulnerability Assessment

With regular vulnerability assessment, we identify system vulnerabilities and weaknesses in a timely manner and make risk corrections to ensure the security and robustness of the Company's systems.

2 Server Disaster Recovery Drills

Performing regular server disaster recovery drills ensures that the Company is able to quickly and effectively resume system operations in the face of a disaster and minimizes the losses caused by the disaster to a great extent.

Information Security Defense

Solteam Group formulated a comprehensive project for information security this year to address the potential risks. Below are the primary information security measures:

1

Information Security

System

- Information security strategies and plans
- Information security risk assessment
- Information security management reviews

Plan

- To establish information security management measures, protection requirements, and other relevant management rules.
- To implement the classification requirement of confidential information and guidelines for basic information security protection.
- To perform risk assessment on information security to evaluate the potential risks.
- To carry out information security audits regularly and follow up on the improvements of the audits.

2

Technological Application

System

- Cyber security
- System security
- Data encryption
- Identification authentication

Plan

- To employ Unified Threat Management (UTM) equipment.
- To conduct vulnerability assessment.
- To utilize e-data protection systems.
- To initiate Multi-factor Authentication (MFA).

3

Information Optimization

System

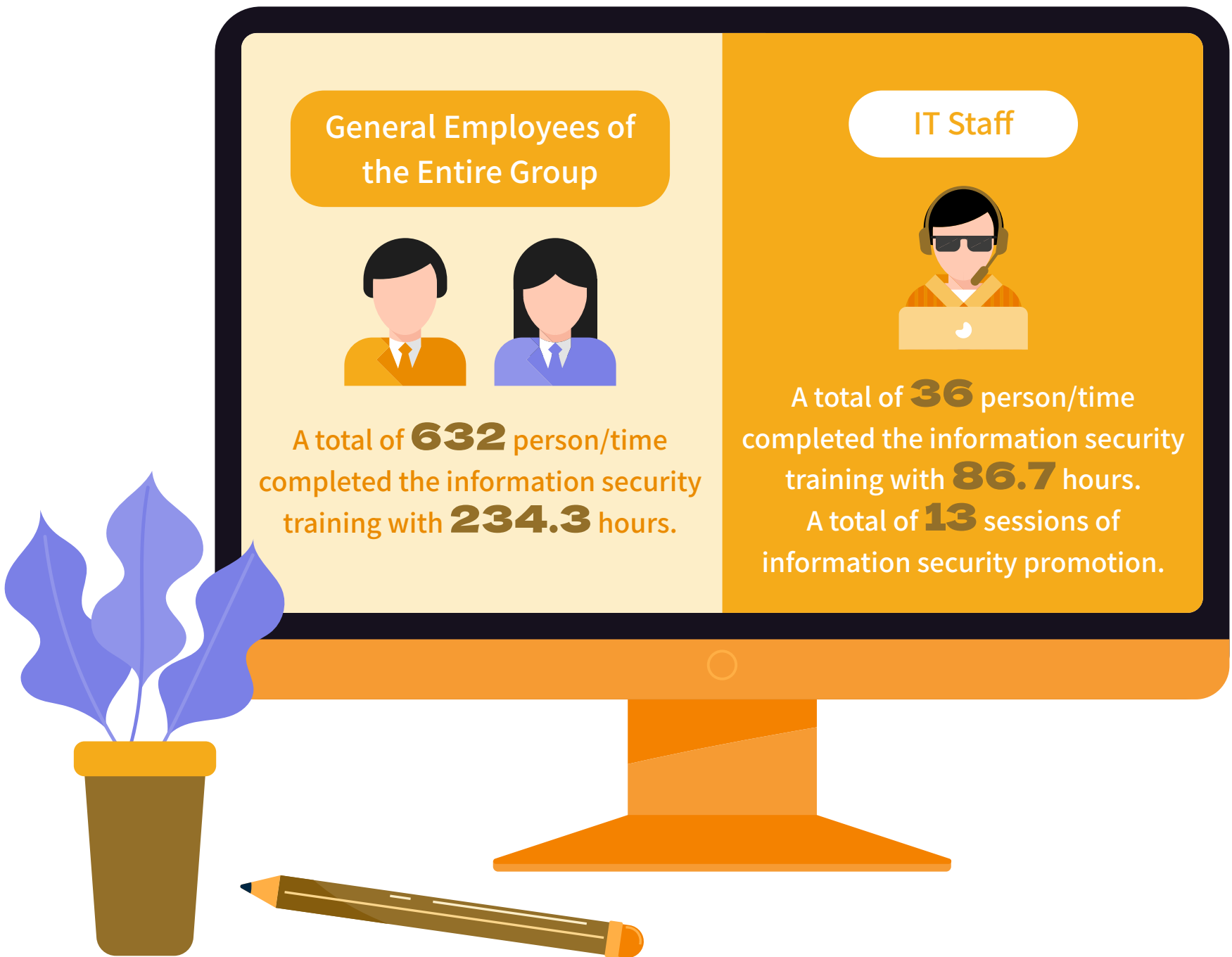
- Early warning of information security risks
- Continuous business operation and drills
- Raising of employees' awareness for information security

Plan

- To join external cyber-defense organizations.
- To hold disaster recovery drills regularly.
- To arrange education and training on information security, perform phishing drills, and promoting information security monthly.

Specific Accomplishments

- 1.The Company conducted two social engineering drills simulating a common social attack; that is, phishing emails, to enhance our colleagues' identification abilities. After the drills, in addition to conducting the information security advocacy for all colleagues, online video training courses were taken by colleagues who fell victim to phishing attacks.
- 2.Striving for the reinforcement of our IT staff's expertise, each member of the information security team is required to attend at least 12 hours of external information security courses.
- 3.The new employee orientation includes basic information security training. The existing employees are required to read at least one email per month on information security in order to strengthen their knowledge of information security and to nurture a correct concept of information security.
- 4.We organized information security educational training through online and livestream courses including discussion on corporate integrity and information security, elaboration on information security and application, sessions for phishing emails, etc.



- 5.The meetings of the Information Security Team are held quarterly and presided over by the Information Security Officer, where the quarterly implementation progress as well as status of the annual plan for information security are presented. The following table summarizes the execution plans and the contents thereof for the fiscal year of 2023:



The rest of the annual execution projects, such as the employee information security training, the data analysis for information security systems, and the risk evaluation for vulnerability scanning, were completed in 2023.

CHAPTER 04

Safety and Customer Service Innovation




4.1	Customer Service	045
4.2	Technical Innovation and Patent Deployment	048
4.3	Product Quality and Safety	051



GRI 2-26 and GRI 3

Material Topics	Objectives for 2024 (Short-term)	Objectives for 2026 (Mid-term)	Objectives for 2030 (Long-term)	Corresponding SDGs
Product Quality and Safety	<div>1. 0 complaint for material quality abnormality .</div> <div>2. To achieve annual quality objectives .</div>	<div>1. 0 complaint for material quality abnormality .</div> <div>2. To establish a data platform of abnormal cases ; and to minimize the occurrence of abnormality through cross-department and cross-industry learning .</div>	<div>1. 0 complaint for material quality abnormality .</div> <div>2. To strengthen the designing and supply chain management to eradicate risks of product safety .</div>	<div><div>3GOOD HEALTH AND WELL-BEING</div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>
Customer Relationship Management	<div>1. To attain at least 88 scores of service satisfaction rating from the top 20 customers</div> <div>2. To enter the sustainability product supply chain and the new sustainability supply chain of industrial transition at customers' end ; to cooperate with customers in promoting sustainable development as well as carbon reduction ; and to accumulate at least three pieces of the above sustainable development products every year .</div>	<div>1. To attain at least 90 scores of service satisfaction rating from the top 30 customers</div> <div>2. To enter the sustainability product supply chain and the new sustainability supply chain of industrial transition at customers' end ; to cooperate with customers in promoting sustainable development as well as carbon reduction ; and to accumulate at least five pieces of the above sustainable development products every year .</div>	<div>1. To attain at least 92 scores of the overall customer service satisfaction rating .</div> <div>2. To enter the sustainability product supply chain and the new sustainability supply chain of industrial transition at customers' end ; to cooperate with customers in promoting sustainable development as well as carbon reduction ; and to accumulate at least eight of the above sustainable development products per year .</div>	<div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>17PARTNERSHIPS FOR THE GOALS</div></div>
Innovation Management	<div>1. More than 12 research projects per year .</div> <div>2. To apply for at least 5 or more patents per year .</div> <div>3. To develop at least 120 or more projects per year .</div>	<div>1. More than 15 research projects per year .</div> <div>2. To apply for at least 8 or more patents per year .</div> <div>3. To develop at least 150 or more projects per year .</div>	<div>1. More than 15 research projects per year .</div> <div>2. To apply for at least 10 or more patents per year .</div> <div>3. To develop at least 180 or more projects per year .</div>	<div><div>8DECENT WORK AND ECONOMIC GROWTH</div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>

Management of Material Topics	Solteam's products are closely linked to safety . The implementation of product safety-related systems and the continuous innovation are the footstones of Solteam's sustainable development .				
Scope of Material Topics	Impact	Policy Commitment	Specific Action Plan	Assessment Method	Indicator and Target
Customer Relationship Management	(+) Proactively understanding customers' needs and providing solutions . (+) Elevating customer loyalty in order to increase market share in width and depth . (+) Recreating new opportunities for product development by providing products with new values and reduced carbon footprints in order to increase collaboration programs .	We continue to focus on the sustainability goals at customers' end and take the initiative to cooperate with the introduction of customers' products of sustainable development .	With "Achieving customer satisfaction" as the highest goal of our communication and service , we make necessary adjustments through regular reviews on the achievement status and continue to enhance the positive cycle of overall customer satisfaction .	1 . Conducting customer satisfaction survey annually . 2 . Developing a number of new cases related to sustainable development in line with customers .	1 . To accumulate 3~8 pieces of customer products every year . 2 . To enter the new sustainability supply chain of industrial transition 3 . To enter the sustainability product supply chain at customers' end . 4 . To cooperate with customers in promoting sustainable development . 5 . To cooperate with customers in promoting products with carbon reduction operations . 6 . Customer satisfaction ratings > 88~92 scores
Innovation Management	(+) Stable product quality (+) Progress for new product development	1 . Completing the product development within the required time frame in alignment with customers' needs . 2 . Continually encouraging colleagues to host innovative campaigns .	1 . Technical advancement : Continuously encouraging internal colleagues to proceed with projects of basic technical research apart from product development and to train their capabilities of report composition as well as presentation with a certain number of research project reports required to be completed every year . 2 . Intellectual property protection : Inspiring colleagues to submit patent applications to protect the Company's intellectual property . 3 . Completion number of product development projects : A control measure administered to improve the efficiency of product development .	Revising and compiling statistics on the indicating data according to the yearly situations.	1 . 12~15 pieces/year of research projects . 2 . 5~10 pieces/year of patent applications . 3 . 120~180 pieces/year of developmental projects .

Management of Material Topics	Solteam’s products are closely linked to safety. The implementation of product safety-related systems and the continuous innovation are the footstones of Solteam’s sustainable development.				
Scope of Material Topics	Impact	Policy Commitment	Specific Action Plan	Assessment Method	Indicator and Target
Product Quality and Safety	(+) Stable product quality (-) Decreased revenue (-) Customer churn	1. Cooperating with customers in product development and assisting in verification prior to the market launch 2. Overseeing production process. 3. Monitoring production data and feedback from market after launch.	Proposing quality policies and emphasizing product compliance with regulations as well as customer requirements to produce safe and reliable products.	Ensuring product safety through implementing the following quality policies: 1. Monitoring the product verification process for safety regulations ; and regularly compiling the statistics of failed cases . 2. Supervising production process through quality weekly meetings , monthly meetings as well as management audits . 3. Overseeing the post-sales product information based on customer satisfaction , Scorecard , and other feedback data .	1. 0 complaint for material quality abnormality . 2. To establish a data platform of abnormal cases ; and minimize the occurrence of abnormality through cross-department and cross-industry learning 3. To strengthen the designing and supply chain management to eradicate risks of product safety .
Appeal Procedures	To take good care of our customers’ needs and ensure good product quality , Solteam offers the following complaint methods and channels : 1. Send complaints by email : sol_credit@solteam . com . tw 2. Send by post to the “Audit Office” at 7F-2-3 , No. 888 , Jingguo Road , Taoyuan District , Taoyuan City , R.O.C. 33051 3. Immediate communication and feedback via social medias 4. Contact Solteam by phone : 03-3162168				
Stakeholder Engagement	The Company communicates and interacts with stakeholders on a scheduled and non-scheduled basis ; discloses the interaction status in the Sustainability Report as well as on Solteam’s sustainability website ; and adjusts Solteam’s relevant strategies and objectives based on the opinions of stakeholders . 				

4.1 Customer Service

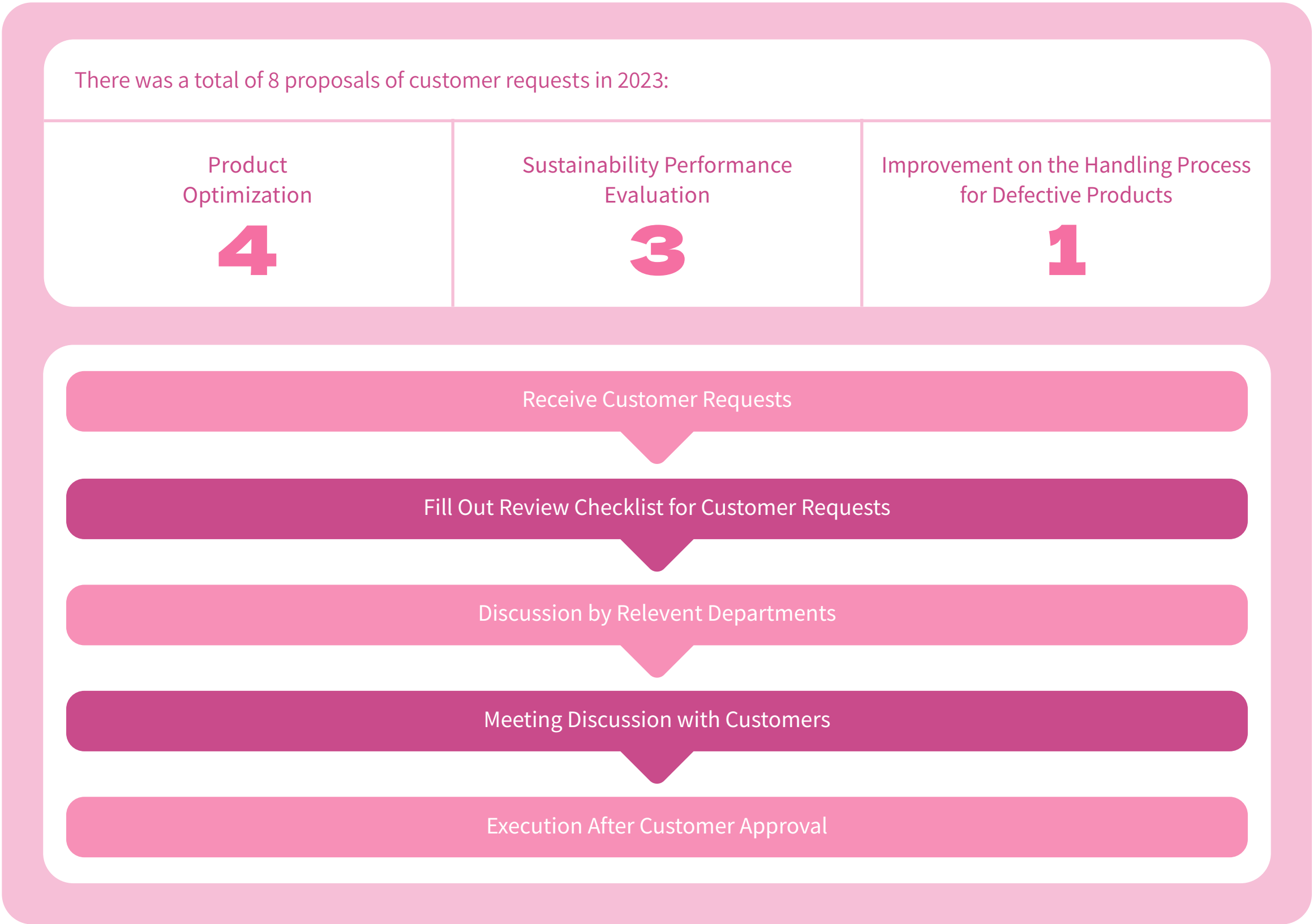
4.1.1 Customer Management Policy GRI 418-1

With the increasing international competition in the industry, the rising awareness of sustainability has motivated the swiftness in the technological innovation and development of new products. Along with the rapid changes in customer demand, how to quickly grasp, react, and respond to customer needs has become one of the most important tasks for Solteam. Compared with profitability, Solteam emphasizes more on the collaborative relationship with customers. Therefore, it is an important goal for Solteam to be equipped with excellent and professional customer service capability and action, enhance the performance of new product development through collaboration, experience sharing, and technical exchange, and become a strong and powerful support as well as a win-win partner for our customers.

Customer Service Action

Solteam provides single-contact service for key customers in order to minimize the inconvenience during customer communication. For potential customers, Solteam has set up a fixed service contact point on the official website and as well as the Linkedin site to receive customer inquiries in a timely manner and provide prompt solutions to their questions. Also, Solteam has a customer service team in place that is accompanied with dedicated communication windows at every stage of the process, including design, production, and testing, to provide the most instantaneous assistance and create the best customer service. Additionally, our management convenes regular project meetings to facilitate interaction and information exchange with customers. Moreover, Solteam maintains a smooth communication with customers, such as receiving and responding to customer requests in real time through scheduled telephone conferences, in order to promptly satisfy the changing needs of customers. Furthermore, Solteam conducts customer satisfaction surveys on a regular basis to better understand the needs of our customers, enable our prompt response and appropriate improving adjustments, and help customers solve problems instantly. Solteam regards information security and confidential information of customers highly. Hence, the Company prudently enforces the protection system for the confidential information of customers and provides protection at the highest level, becoming the most trusted partner for customers.

Inquiry Handling Process



Collaboration on Product Development

Solteam offers product customization services and divides our development team in response to the different structural techniques and product technologies demanded by industries, so that we are able to strengthen our expertise systematically and provide efficient services to customers. In addition, the company adheres to the AQPQ process of IATF16949 and the ISO-13485 quality process based on the requirements of the industry characteristics, and communicates with customers regarding the product development process. Furthermore, we also organize technical seminars occasionally according to the needs of industries and customers, where the product techniques and application integration are the main routes, to collect customer demands for product application and plan the direction of subsequent product development.

As for exhibitions, the Company participates in foreign and domestic exhibitions annually to collect customer demands for product application and plan the direction of subsequent product development with the product techniques and application integration as the main routes. Additionally, Solteam inspires product innovation through attending exhibitions and interchanging opinions with specialists from all parts of the world.



Solteam attends the COPHEX 2023 - Cosmetic, Pharmaceutical, Bio Process & Technology Exhibition held in Seoul, Korea.

The annual exhibition is jointly organized by pharmaceutical, chemical, and raw material manufacturers with food manufacturers and pharmaceutical organizations invited. The event includes: pharmaceutical and biopharmaceutical manufacturing, bioreactors, fermenters, separation, purification, concentration, measuring, sterilization, cleanrooms, filling, freeze dryers, equipment engineering, cosmetic manufacturing, and packaging inspection.



Solteam attends the 2023 Taoyuan International Trade Meeting

To assist companies in expanding overseas markets, Taoyuan City Government entrusted the TAITRA to hold the “2023 Taoyuan International Trade Meeting.” More than 15 countries worldwide and 22 international purchasers were invited to the event for one-on-one business conversation with the companies in Taiwan.



Customer Privacy Protection

1 In accordance with the “Trade Secrets Management System,” documents and information related to customer privacy and internal customer management shall be in strict compliance with the authority settings and be accessed and used with restriction by powers.

2 Warning labels shall be placed on electronic folders and paper files and non-business-related persons shall not be permitted viewing.

3 One Group training course of trade secrets and ethical management shall be completed once a year.

4 We regularly review the effectiveness and improvement measures of customer privacy protection.

5 We set up a dedicated supplier management system and password protection system according to the customers portfolio.

Incidents of Customer Data Breach, Theft, or Loss
None in 2023

4.1.2 Customer Management Performance

Solteam upholds the goal of “Achieving customer satisfaction” for our communication with customers and takes customers’ opinions as an important basis for the company’s continuous product improvements and business services. Through customer feedback, we are able to better understand customers’ demands and satisfaction level. Also, we make necessary adjustments through regular reviews on the achievement status and continue to enhance the positive cycle of overall customer satisfaction.

To achieve a steady growth in operational performance, innovate value-added products, and provide good customer service and high satisfaction, we plan short-, mid-, and long-term service satisfaction performance indicators to create maximum profitability and maintain a good customer relationship.

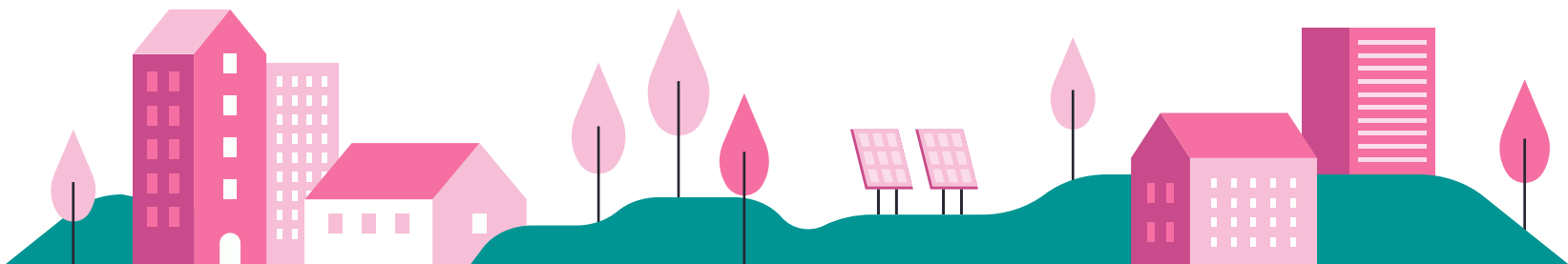
Every year, Solteam conducts customer satisfaction surveys on the top 5 customers in the medical instrument industry and the top 20 customers in non-medical instrument industry by annual revenue. The average customer satisfaction in 2023 was 91 scores. The following table summarizes the details:



The Subjects of Service Satisfaction Survey



Service Satisfaction Survey



4.2 Technical Innovation and Patent Deployment

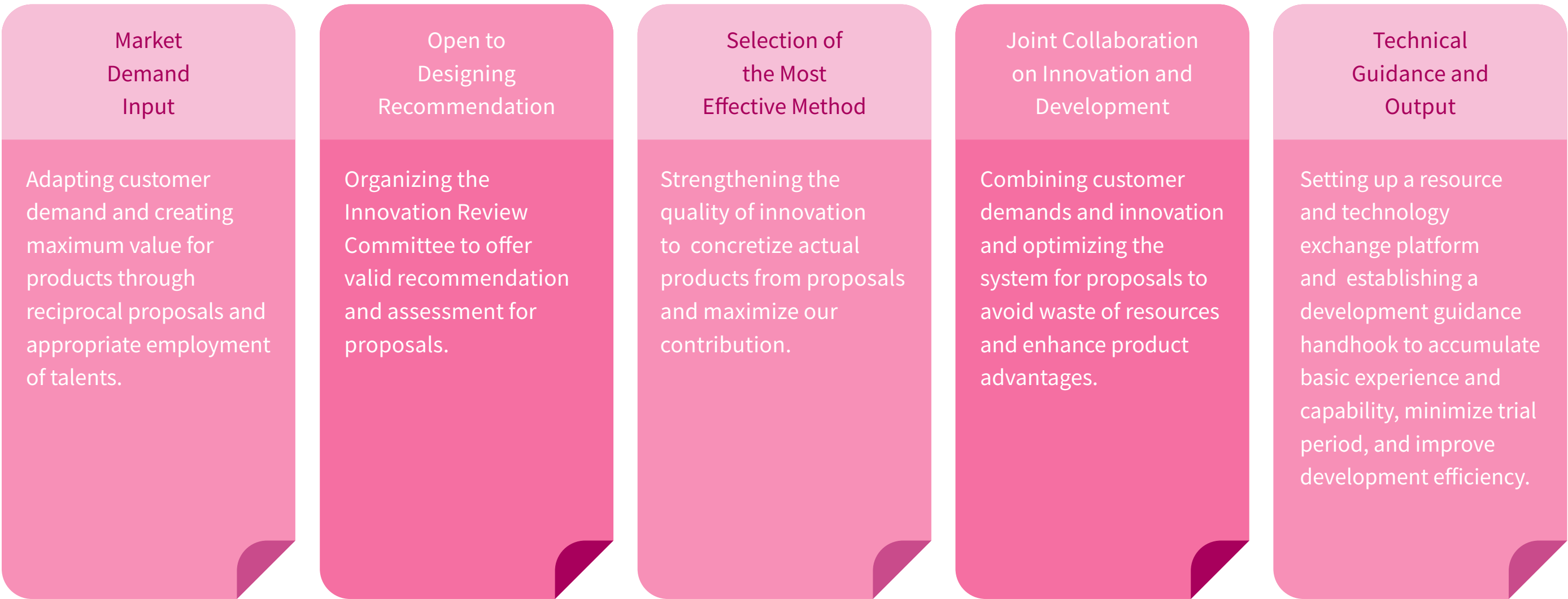
4.2.1 Technical Innovation

In order to provide customers with the best services and products of the highest quality, Solteam is fully aware of the importance of technological innovation and has developed a management system to encourage innovation among our employees. The Group's current business scope involves the home appliance, automotive, and power tool industry, the medical material industry, as well as the environmental and industry. Solteam has developed different innovation management systems for various industries due to the differences in the nature of the products and the R&D technologies. In addition, Solteam upholds the concept of manufacturing services and jointly researches and develops innovation along with customers according to their product needs.

Innovation Management System

ICT, Home Appliance, Automotive, Power Tool Industry, Environment and Industry

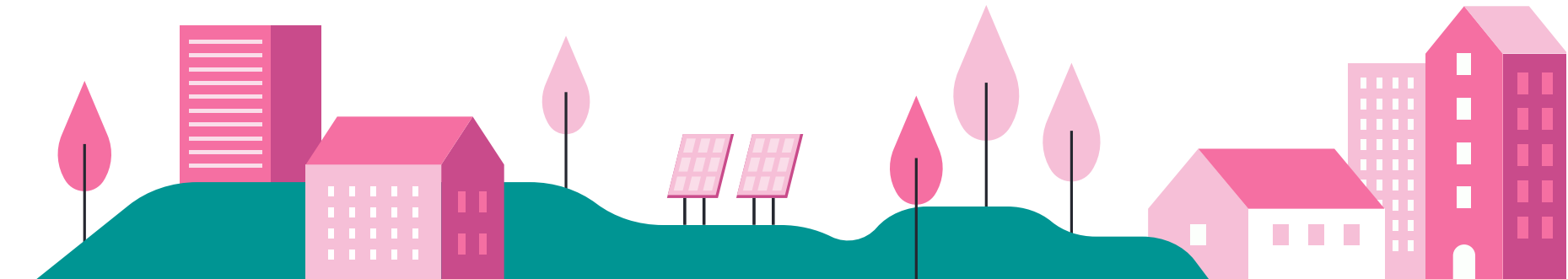
We have formulated rules for project contests and organized the Innovation Review Committee, which assesses various proposals and provides recommendation to strengthen the quality of innovation. Whoever passes the reviews shall be rewarded bonuses. Based on the scope and the contents of patents, the management team assesses the level of contribution to the Company and offers bonuses ranging from NT\$4,000 to 10,000, respectively.



Medical Materials Industry



Aside from the above encouragement on innovative policies, Solteam also implements innovative technologies on new product development. We are able to follow the relevant procedures to complete product development if there is any demand from individual industries.



Innovation Management Process

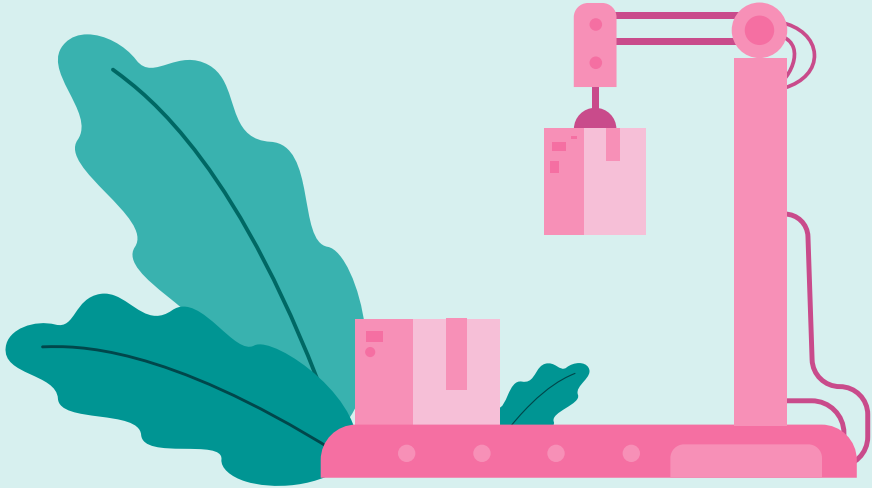
ICT, Home Appliance, Automotive, Power Tool Industry, Environment and Industry

Medical Materials Industry

- 1 Market Survey and Costing Analysis**
Selecting the designs that best meet the practical benefits and collecting market demands as well as product pricing to increase the rate of successful cases.
- 2 Risk and Financial Effectiveness Assessment**
Conducting trial run and verification based on the proposals of designing concept developed at the project phase review meetings; and calling designing phase review meetings to determine whether to proceed with the engineering stage.
- 3 Innovative Products and Specific Development**
Collaborating with relevant units to confirm the measurement, assembly, and management according to product specifications, so as to meet developmental needs.
- 4 Testing and Assistance for Fixture Development**
Developing production fixtures to enhance production efficiency; and testing as well as verifying whether or not customer demands are met.
- 5 Market Introduction**
Trial run to achieve target yield and productivity.



- 1 Planning**
Developing and reviewing engineering specifications according to development requirements; ensuring that the designing is aligned with customer demands; and designating PM and PIC for each project.
- 2 Designing**
Conducting trial run and verification based on the proposals of designing concept developed at the project phase review meetings; and calling designing phase review meetings to determine whether to proceed with the engineering stage.
- 3 Engineering**
 1. Carrying out detailed designing and verification of products based on the designing concepts approved by the designing phase review meetings; and completing engineering samples for customers and product testing.
 2. The validation must be conducted with a validation plan, including methodology, acceptance criteria, statistical techniques, and reasonable sample sizes. The R&D team should prepare all design transfer data and hold engineering phase review meetings to decide whether to proceed with the validation stage.
- 4 Validation**
The project teams, such as R&D, product engineering, quality control, and manufacturing units, initiate limited production based on the manufacturing process approved by the engineering phase review meetings. PMs convene manufacturing validation phase meetings to determine whether to proceed with mass production.
- 5 Mass Production**
Commencing mass production after approval by manufacturing validation phase meetings.



Type of Industry	Vision	Goal		
		Short-term	Mid-term	Long-term
Home Appliance Industry, Automotive Industry, and Power Tools Industry	<ul style="list-style-type: none">For the home appliance industry , we focus on the development of electromechanical module products and the accumulation of crucial core competencies to deploy related development resources in intelligent application technologies and build related product development capabilities .In the energy vehicles industry , we specialize in the core abilities of embedding techniques , the enhancement of the parameter standardization for electroplating techniques , and the depth of the development technology for motor wiring panels products .Number of Project Researches : Continuously encouraging internal colleagues to proceed with projects of basic technical research apart from product development and to train their capabilities of report composition as well as presentation with a certain number of research project reports required to be completed every year .Intellectual Property Protection : Inspiring colleagues to submit patent applications to protect the Company's intellectual property .Completion number of product development projects : A control measure administered to improve the efficiency of product development .	Number of Patent Applications		
		8 cases/year	13 cases/year	16 cases/year
		Number of R&D Project Presentations		
		5 cases/year	6 cases/year	8 cases/year
		Number of Research Projects		
		12 cases/year	15 cases/year	15 cases/year
Environment and Industry	<ul style="list-style-type: none">Developing water quality sensors and data analyzing systems for industrial use with a target of product diversification and building crucial core technologies with the relevant technological factories to realize Made-in-Taiwan industrial sensors .	Number of Completed Development Cases		
		145 cases/year	145 cases/year	145 cases/year
		Sustainable Products		
		Modularizing products, keeping the maintainable nature, and configuring them with an intelligent feedback function to prolong service life.	Using green materials and energy-saving technology.	New materials; innovative designing and manufacturing.
		Number of Patent Applications		
		2 cases/year	3 cases/year	4 cases/year
Medical Materials Industry	<ul style="list-style-type: none">R&D of Innovative Products : Continuously investing in the development and trial production of injection device platforms to satisfy customers' demand for products .Sustainable Products : Continually upgrading the designing/production of injection device platforms and the process for product validation .Intellectual Property Rights Management : Planning on , applying for , and strengthening the deployment of patents for injection device platforms .	Number of R&D Project Presentations		
		3 cases/year	4 cases/year	5 cases/year
		Number of Patent Applications		
		3 cases/year	5 cases/year	6 cases/year

4.2.2 Patent Deployment

Upon obtaining the results of R&D innovations, Solteam will immediately apply for patents to guarantee the rights of both Solteam and our customers. The medical materials department, in particular. The reason for such rigorousness is that products will eventually be assembled with pharmaceutical products prior to the application of drug permit licenses from the competent authorities. Any infringement in medical materials will not only affect Solteam's own goodwill, but will also result in significant losses for our customers due to product recalls and re-development of medical materials. Therefore, Solteam handles patent-related issues with a prudent attitude.

In 2023, there were a total of 2 approved patent cases and 8 patent cases with application in progress. In the meanwhile, we have continued our effort in researching and obtaining relevant patents.

Type of Industry	2021	2022	2023
Number of Patents Added	10	11	2
Number of Patents with Application in Progress	3	5	8
Total	13	16	10
Description of Patents	<ul style="list-style-type: none">For automotive usage , the patents are mostly related to motor control module products of electric vehicles , including high-voltage connectors , electrode tips , conductive contacts , etc .In the field of medical instruments , the Reusable Pen Injector , the Disposable Pen Injector , and the Auto Injector platforms are the major patents .		
R&D Expenses (thousand)	269,645	266,467	196,163
Percentage of R&D Expenses to Revenue	3.90%	4.55%	5.75%

In recent years, Solteam has invested in technological transformation and innovation to improve product safety, tolerance, and service life. We not only cooperate with customers' demands, but also minimize the use of resources due to replacement.

4.3 Product Quality and Safety

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Solteam’s products are closely linked to safety. How to master product quality control is the most important task of Solteam.

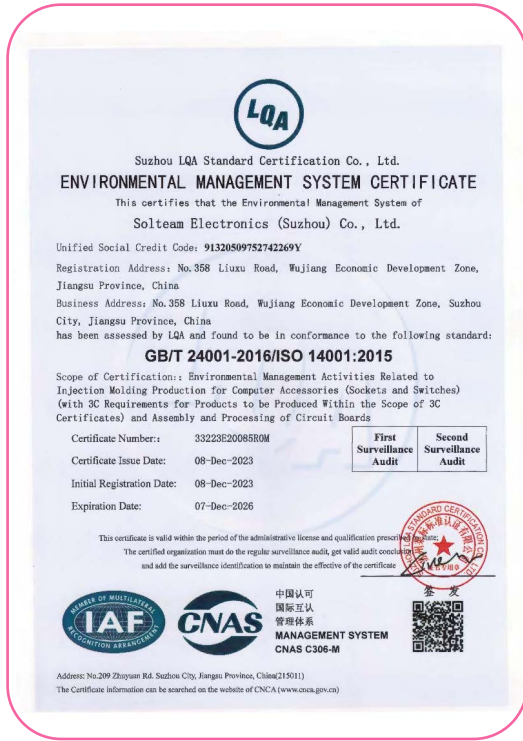
4.3.1 Product Quality and Safety



Solteam is capable of self-inspection as well as testing. Factories in Taiwan and overseas have passed the verification of IATF16949: 2016. The Dayuan Factory, that mainly produces medical instruments, has passed the ISO 13485: 2016 Medical Devices Quality Management Systems Standards.

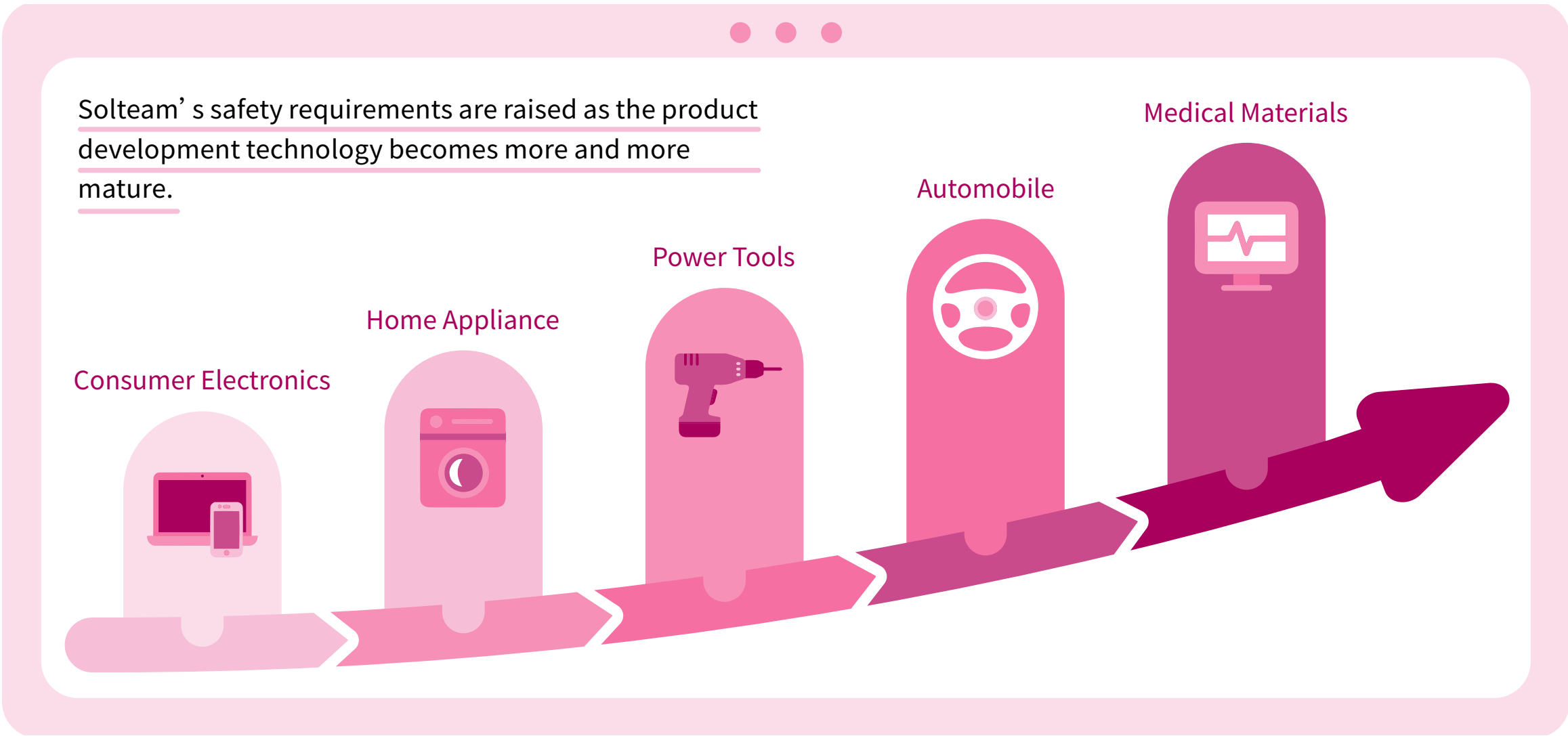
To meet customers’ demand on delivery and quality, we provide accurate, reliable, and efficient quality production solutions and fast and comprehensive services. Not only all factories are configured with complete SMT and DIP production lines, automatic glue injection, and automatic testing equipment, all production process also integrates with ERP, APS, MES systems in executing the planning of manufacture and production. Through systems we are able to provide real-time responses, improve production efficiency, shorten production cycles, and enhance our quality.

Year/Month of Approved Verification	Standards Followed	Subsidiary Factory
2023/2/23	South China IATF 16949 : 2016 External Support Function	Taiwan Headquarters
2024/3/28	East China IATF 16949 : 2016 External Support Function	Taiwan Headquarters
2024/3/28	IATF16949 : 2016 Automotive Quality Management System	East China Factory
2021/6/16	ISO 9001 : 2015 Quality Management Systems	East China Factory
2023/12/8	ISO 14001 : 2015 Environmental Management Systems	East China Factory
2024/3/20	ISO 9001 : 2015 Quality Management Systems	South China Factory
2024/3/20	ISO 14001 : 2015 Environmental Management Systems	South China Factory
2023/2/23	IATF 16949 : 2016 Automotive Quality Management System	South China Factory
2020/8/13	ATEX Certification Reassessment Audit-US_UL_QAR17 . 0017_03_003	South China Factory
2021/11/8	ISO 9001 : 2015 Quality Management System	Cambodia Factory
2021/11/8	ISO 14001 : 2015 Environmental Management Systems	Cambodia Factory
2021/10/8	ISO 13485 : 2016 Medical Devices Quality Management Systems	Dayuan Factory
2021/2	Chapter 2 Standard Mode of Part 3 Good Manufacturing Practices for Medical Devices of the Pharmaceutical Good Manufacturing Practice Regulations	Dayuan Factory
2022/12	Medical Device Quality Management System Regulations (April 14th , 2021)	Dayuan Factory
2024/1/17	ISO 9001 : 2015 Quality Management Systems	Solteam Opto , Inc .



Quality Management

Ever since the foundation, Solteam’s products at every stage have been closely linked to the safety of end-point customers. In recent years, Solteam have invested in industries with higher requirement for safety regulations. It is not only a demonstration of Solteam’s capability in product research and development, but also a representation of our emphasis on product safety regulations.



To ensure that all product comply with the relevant safety regulations, Solteam's products have all passed the safety certification of the respective industries. Below is the status of the product certifications:

Safety Regulation Certificates

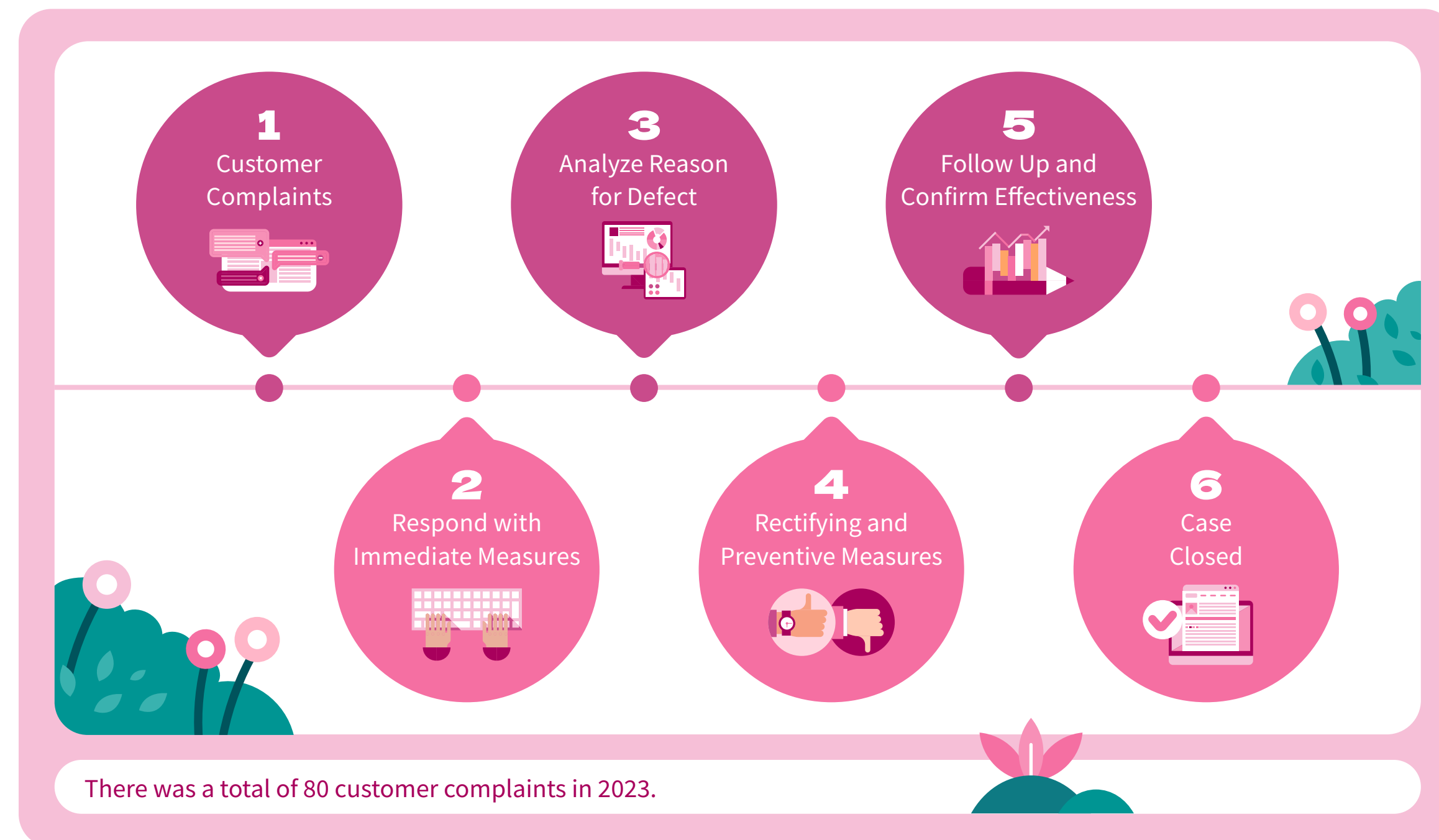
Domestic			Foreign	
4			219	
No .	Safety Regulation Certificate		Validity of Certificate	Product Type
1	ATEX	Atex Certification for the EU	February 2018~Continuous Maintenance	Switches
2	BSMI	Bureau of Standards , Metrology and Inspection , M . O . E . A , R . O . C .	March 2018~Continuous Maintenance	Aquarium lighting
3	CCC	China Compulsory Certification	November 2020~Continuous Maintenance	Plugs
4	CQC	China Compulsory Certification	June 2019~Continuous Maintenance	Switches
5	CSA	Canadian Standards Association	July 2020~Continuous Maintenance	Switches
6	CUL	UL Solutions	November 2023~Continuous Maintenance	Automotive connectors Plugs and receptacles
7	ENEC	European Norms Electrical Certification	September 2023~Continuous Maintenance	Switches / plugs
8	IECEX	International Electrotechnical Commission Certification Body	February 2018~Continuous Maintenance	Switches
9	KC	Korea Certification for Electric Appliances Safety	November 2011~Continuous Maintenance	Switches / plugs
10	SAA	Standards Association of Australia	November 2017~Continuous Maintenance	Receptacles
11	TUV	TUV Rheinland	April 2022~Continuous Maintenance	Automotive connectors Plugs and receptacles
12	VDE	Verband Deutscher Elektrotechniker	April 2023~Continuous Maintenance	Plugs
13	VPC	Voluntary Product Certification Mark by the BSMI , Taiwan	October 2023~Continuous Maintenance	Plugs

Customer Appeal and Handling System

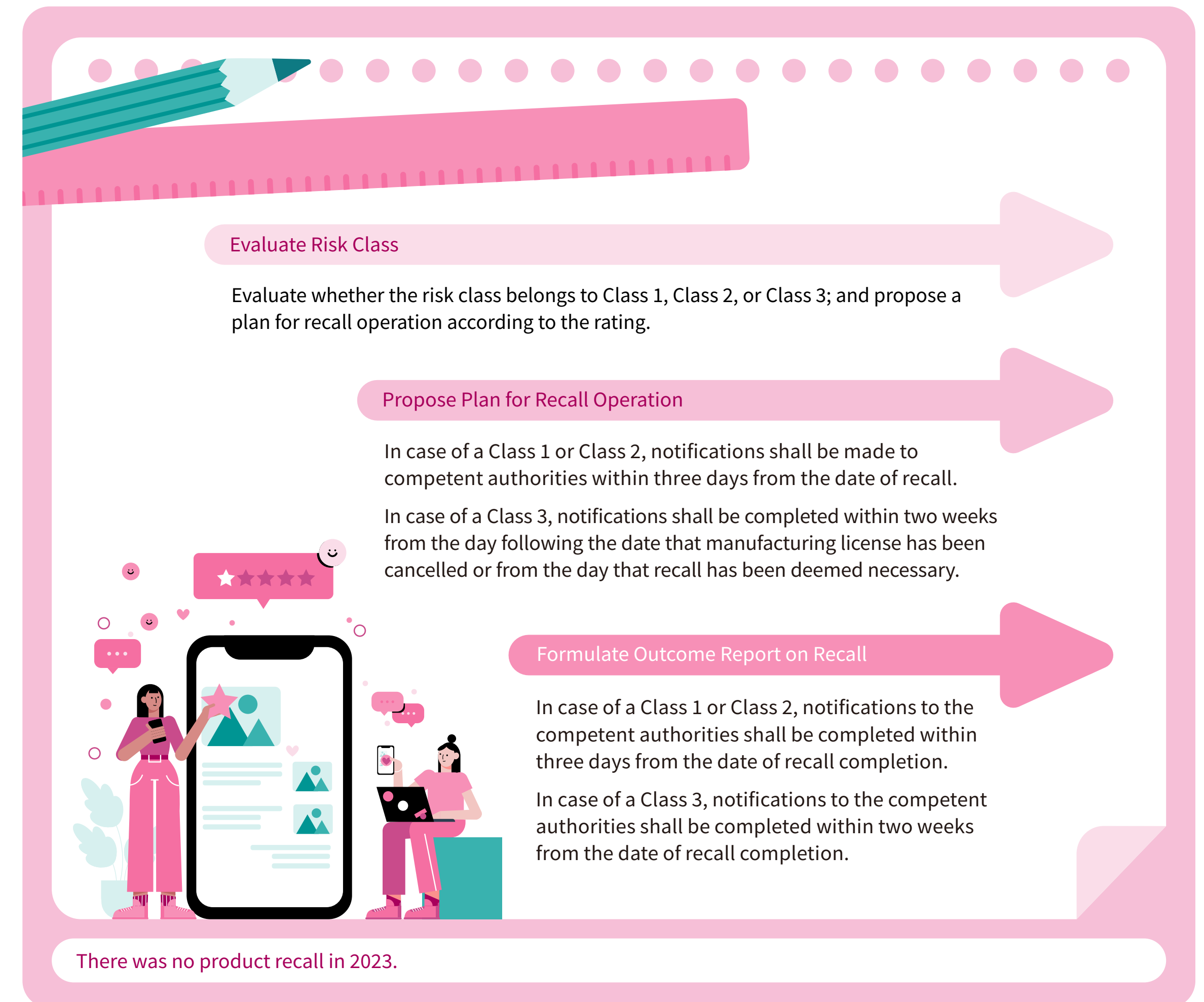
Solteam has been upholding the policies of “Maintaining and Continuously Improving the Effective Quality Management System” and “Improving the Quality of Products and Processes to Achieve Customer Satisfaction” as the basis for the Company’s long-term development. Hence, in addition to understanding the needs of customers through satisfaction surveys, we also have a comprehensive tracing system in place for customer complaints to ensure that they are properly handled and resolved.

Upon receipt of customer feedback, Solteam will first collect defective products and their related information for preliminary evaluation and visit the customer’s location to confirm the situation when necessary. Then, a short-term response within three working days and a long-term countermeasure within five working days will be proposed. (For medical material products, we shall respond to the customer within 24-48 hours depending on the severity of the problem.) After the initial evaluation, we will define whether the customer’s feedback is a complaint or an appeal, which will then be handled in accordance with our standard operating procedures.

Handling of Customer Complaint Cases

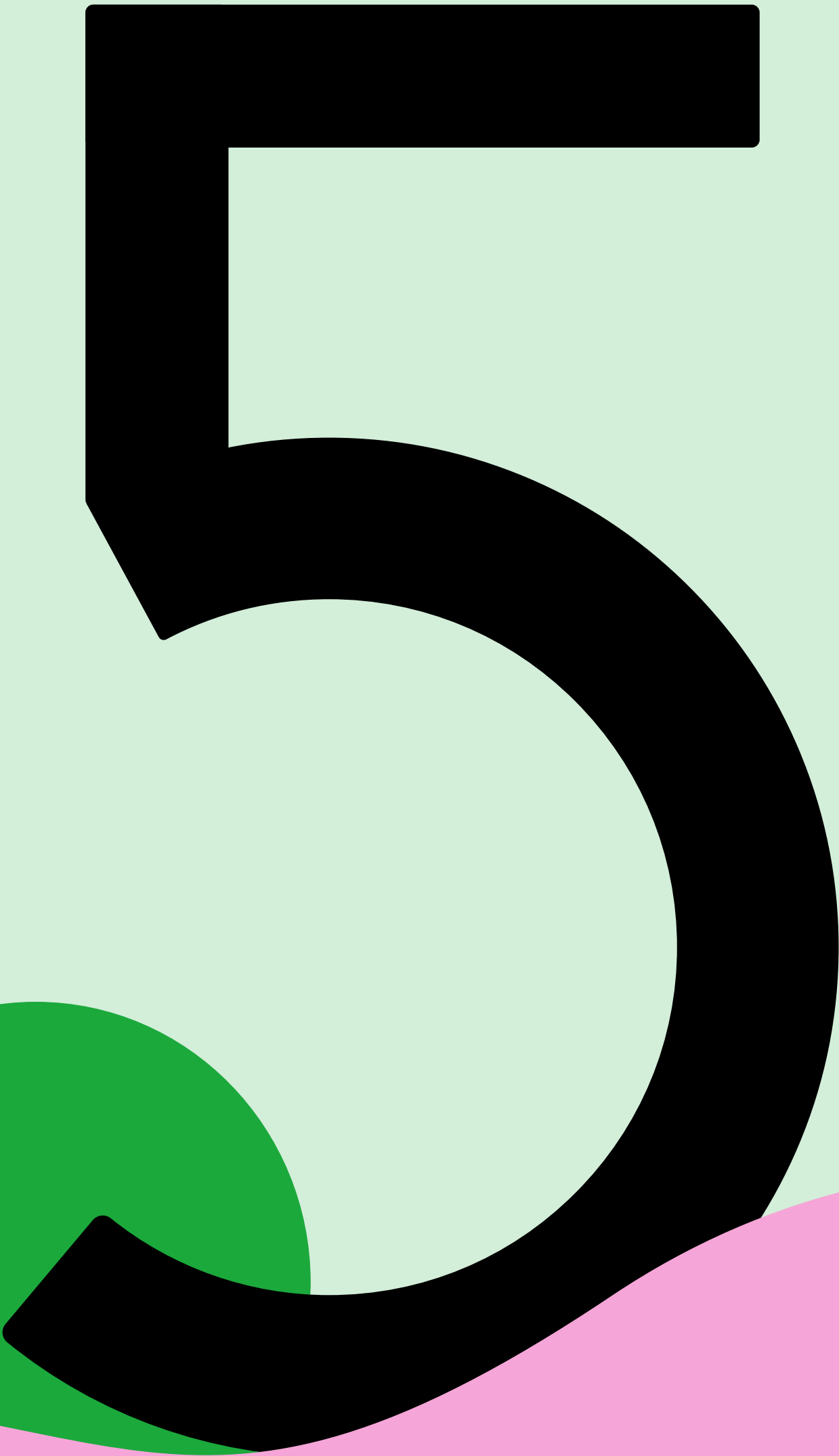


Should a complaint case require a product recall, the Company will first evaluate the risk to human health of the product to be recalled, propose a plan for recall operation plan, formulate an outcome report on recall upon completion of the recall operation, and report such to the competent authorities within the deadline.



CHAPTER 05









Green Manufacturing



5.1	Climate Risks and Governance	058
5.2	Environmental Management	060
5.3	Sustainable Supply Chain	065



GRI 2-26 and GRI 3

Material Topics	Objectives for 2024 (Short-term)	Objectives for 2026 (Mid-term)	Objectives for 2030 (Long-term)	Corresponding SDGs
Energy Management	<ul style="list-style-type: none">To take a group-wide inventory on energy utilization ; and to improve the energy efficiency of equipment .Promotion and educational training on energy conservation and carbon reduction .	To increase the utilization efficiency by 1 . 5% , comparing with that in the baseline year .	To increase the utilization efficiency by 3% , comparing with that in the baseline year .	 
Risk Management	To annually review the risks faced by the Company in accordance with the Group's risk management policy , including the strategic , operational , financial , hazard event , and compliance aspects , through internal management meetings and occasional projects . To minimize various risks faced by the Company to a bearable and controllable scope .			
Climate Risk	<ul style="list-style-type: none">To complete climate risk assessment ; and to take inventory on corporate GHG emissions .To keep promoting the GHG reduction program , e . g . a Vegetarian Day every month .	<ul style="list-style-type: none">To set a reduction target for the Group and develop low-carbon products and services in order to address the market demands brought by climate change .	<ul style="list-style-type: none">To align with the requirements from the government and the collaboration requests from other corporate stakeholders in order to cope with climate change altogether .To keep pushing reduction policies	
Supply Chain Management	<ol style="list-style-type: none">To reach 70% signing rate of the Supplier Code of Conduct .To reach 44% of local procurement percentage .	<ol style="list-style-type: none">To reach 75% signing rate of the Supplier Code of Conduct .To reach 47% of local procurement percentage .	<ol style="list-style-type: none">To reach 80% signing rate of the Supplier Code of Conduct .To reach 50% of local procurement percentage .	   

※Baseline Year: 2022

Management of Material Topics	In light of the rapid changes within the modern environment , Solteam has set up policies to evaluate and control the material risks that we may face in the economic , environmental , and social aspects . By preparing ourselves to counteract any of the risks at any time , we not only reduce costs , but also fulfill our part in environmental sustainability and implement the sustainable goals for green manufacturing .				
Scope of Material Topics	Impact	Policy Commitment	Specific Action Plan	Assessment Method	Indicator and Target
Energy Management	(+) Cutting down on production costs and potential carbon fees (+) Reducing GHG emissions (+) Aligning with customers' needs to elevate customer satisfaction (-) Possible increase in operating costs due to inappropriate management .	1 . Minimizing energy consumption and reducing energy costs to enhance energy efficiency . 2 . Upgrading Company image ; creating competitive edges ; and achieving the goals for environmental protection , energy conservation , and carbon reduction .	Reducing energy costs and minimizing environmental pollution to enhance energy efficiency .	Taking group-wide GHG inventory ; setting up goals for energy efficiency enhancement ; and assessing the achievement status using energy intensity .	To enhance the efficiency of energy utilization .
Risk Management	(-) Business interruption (+) Effective risk management	Formulating the Group's risk management policy ; establishing the risk management organization , where the General Manager serves as the highest overseer of risk management , and the supervisors from each business units , functioning units , and regions serve as the frontliners of risk management , to detect , identify , evaluate , and formulate the relevant strategies ; and reviewing as well as monitoring such at operational meetings on a regular basis	We formulated the "Group's Risk Management Policy" in September 2023 to serve as the highest guiding principle of the Company's risk management . The General Manager (highest supervisor of risk management) assigned the corporate governance officer to report the implementation of risk management to the Board of Directors in November 2023 .	1 . Each responsible unit is to exercise risk controls over the risks faced by their daily operations , respectively . 2 . Cross-department or cross-factory risk assessment is to be conducted in the event of a critical incident involving cross-departments or cross-factory premises . The General Manager or his designee will take charge of directing and coordinating the matter , identifying the feasible strategy for preventive crisis , and drafting the handling procedures as well as recovery schemes for the crisis .	1 . To establish standards of procedures and risk management regulations to minimize operational risks . 2 . Internal auditing personnel to perform regular audits to reduce chances of deficiency .
Climate Risk	(+) Mitigation of climate change (+) Effective employment of energy resources (+) Effective management of GHG emissions	1 . Setting up carbon-reducing goals based on the results of GHG inventory . 2 . Aligning with the requirements from the government and the collaboration requests from other corporate stakeholders in order to cope with climate change altogether .	Setting up carbon-reducing goals based on the results of GHG inventory .	Assessing the risks of climate change based on future climate , policies , and Company development .	1 . Drafting management policies related to supplier sustainability ; to complete climate risk assessment ; and to set up carbon-reducing goals . 2 . To develop low-carbon products and services to cope with the market demands brought by climate change .

Management of Material Topics	In light of the rapid changes within the modern environment , Solteam has set up policies to evaluate and control the material risks that we may face in the economic , environmental , and social aspects . By preparing ourselves to counteract any of the risks at any time , we not only reduce costs , but also fulfill our part in environmental sustainability and implement the sustainable goals for green manufacturing .				
Scope of Material Topics	Impact	Policy Commitment	Specific Action Plan	Assessment Method	Indicator and Target
Supply Chain Management	(+) Stable operation of the supply chain (-) Prolonged lead time due to geopolitical or other risks .	Drafting management policies related to supplier sustainability and increasing the signing rate of Supplier Sustainable Development Code of Conduct .	1 . Conducting supplier audits . 2 . Signing the “Hazardous Substance Free (HSF) Agreement” and the “Declaration of Environmental Substances Management . ” 3 . Implementing local procurement .	1 . Performing scheduled or unscheduled audits on suppliers to inspect the normal operations of suppliers . 2 . Accessing to the list of supplier’s monthly quality status from the quality assurance unit , so that the purchasing staff may assess whether to continue our partnership according to suppliers’ scores and ratings .	1 . A total of 112 suppliers passed the supplier assessment in 2023 . 2 . To reach 78 % of supplier assessment rate . 3 . 75 % signing rate of “Hazardous Substance Free (HSF) Agreement” and the “Declaration of Environmental Substances Management . ” 4 . The percentage of local procurement in 2023 was 42 % .
Appeal Procedures	Solteam has set up the following “Methods and Channels for Complaints” to prevent unethical conduct such as acceptance of rebates and improper benefits : Please send complaints to sol_credit@solteam . com . tw ; or mail to the “Audit Office” at the address of 7F-2-3 , No . 888 , Jingguo Road , Taoyuan District , Taoyuan City , R . O . C . 33051 .				
Stakeholder Engagement	The Company communicates and interacts with stakeholders on a scheduled and non-scheduled basis ; discloses the interaction status in the Sustainability Report as well as on Solteam’s sustainability website ; and adjusts Solteam’s relevant strategies and objectives based on the opinions of stakeholders . 				

5.1 Climate Risks and Governance

TCFD, GRI 2-13, and GRI 201-2

TCFD Governance

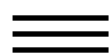
Solteam’s quality assurance unit has set up the ISO-14064-1 Greenhouse Gases Inventory Team and introduced the greenhouse gas inventory project in 2022. As for climate-related risk assessment, currently each department evaluates the possible risks and discusses them in management meetings. Then, upon approval of the Chairman, a task force is set up based on the degree of risk impact which consists of the General Manager, as the highest supervisor of risk management, and the managerial officers at the level of deputy general manager. The task force follows up on the risk impact at their monthly meetings, regularly reports to the Board of Directors, and, until the risks have been mitigated to a bearable range, transfers the projects to the internal auditing department for further follow-up. Solteam plans to establish the Climate Change Task Force within three years from now. In addition to inventories and tracing on possible risks and opportunities, the team will assess the financial impact resulted from the relevant risks and opportunities, and formulate carbon-reducing roadmaps as well as net-zero goals based on the status of greenhouse gas emissions. The Task Force will present its findings to the Sustainable Development Committee on a quarterly basis and report the progress to the Board of Directors annually.

TCFD Strategy/Risk Management

Through the TCFD framework, Solteam’s Sustainable Development Office collects relevant information from each department to identify climate-related risks and opportunities, and evaluates the likelihood of the occurrence of impacts, the degree of impacts, and the significance of the impacts, which serves as the basis for the subsequent climate risk management. Subsequently, in accordance with the risk management system, the Task Force assesses and formulates contingency plans as well as management objectives, and reports to the Board of Directors in accordance with the risk management procedures.

The transitional risks for the current fiscal year were managed by dedicated personnel in each department. External professionals were consulted when necessary. The physical risks were managed through regular drills in accordance with emergency response measures. Opportunities were identified through the daily interactions between the business/R&D units and customers for a better grasp on the development tendency of future industries. The assessment of climate-related risks and opportunities is regularly discussed in management meetings to enhance cross-departmental collaboration, cope with the impact of climate risks, and seize opportunities immediately.

Aspect		▲ Risk/ ○ Opportunity	Likelihood of Impact Occurrence	— Negative/ + Positive Financial Impact	Impact Level	Management and Countermeasures	Connection with Material Topics
Transitional Risk	Policies and Regulations	▲ General environmental regulations	Likely	— Increase in operating costs generated by compliance and declaration	Medium to Low	1 . Entrusting a third-party organization to conduct inspections of waste gas and waste water in factory premises on a regular basis . 2 . Handling waste by a third-party professional manufacturer . 3 . Designating a third-party professional for guidance to formulate a greenhouse gas reduction plan and implement the relevant measures . 4 . Actively participating in external seminars and courses to enhance relevant knowledge and skills .	3 . 4 Regulatory Compliance 5 . 1 Environmental Management 5 . 2 Sustainable Supply Chain 4 . 2 Technological Innovation and Patent Deployment
		▲ Air pollution control ▲ Uncertainty due to new regulations or lack of regulations ▲ Cap and Trade/emissions trading ▲ Carbon tax/carbon fees ▲ Product labeling regulations and standards ▲ Fuel tax/energy tax		— Renewal or replacement of existing equipment due to policy changes — Fines resulted from non-compliance or omitted declaration — Additional taxation — Increase in expenses on R&D and manufacturing process optimization — Increase in education and training costs			



Aspect		▲ Risk/ ○ Opportunity	Likelihood of Impact Occurrence	— Negative/ + Positive Financial Impact	Impact Level	Management and Countermeasures	Connection with Material Topics
Transitional Risk	Market	▲ Increase in raw material costing ▲ Changes in customer behaviors ▲ Growing concerns from stakeholders	Most Likely	— Increase in invested costs (energy and raw materials) — Decrease in the demands for existing products due to changes in consumers' preference	Medium to High	1 . Stable R&D capacity every year . 2 . Continuously communicating with customers to understand the needs of customers and industries . 3 . Regularly participating in exhibitions to understand the tendency as well as technology in the industry .	4 . 1 Customer Service 4 . 2 Technological Innovation and Patent Deployment
		▲ Increasing frequency in extreme climate incidents , such as typhoon , flood , and drought	Unlikely	— Inaccessibleness by personnel , interruptions of raw material transport , etc .	Medium to Low		
Physical Risk	Long-term Effects	▲ Extreme rainfall or changes in the pattern of rainfall ▲ Energy scarcity due to extreme weather	Likely	— Decrease or interruption in production capacity due to difficulty in obtaining water or energy — Increase in capital expenditures such as the purchase of generators or water storage equipment	Medium	Assessing the efficiency of establishing power generation and water storage equipment and maintaining them on a regular basis .	5 . 1 Environmental Management 5 . 2 Sustainable Supply Chain
		○ Recycle and reuse ○ Use of a production model with a higher efficiency ○ Regular discussion about transportation methods and adjustments on shipping routes	Somewhat Likely	+ Minimizing scrapes to reduce production costs + Optimizing manufacturing process and enhancing the employment efficiency of energy resources to increase income . + Centralized delivery to reduce operating costs	Medium	1 . Mixing virgin materials with regrind materials and putting them into production after being verified their stability . 2 . Enhancing production efficiency . 3 . Encouraging innovation to improve energy efficiency .	5 . 1 Environmental Management 5 . 2 Sustainable Supply Chain 4 . 2 Technological Innovation and Patent Deployment
Opportunity	Product and Service	○ Product R&D , innovation , and customization ○ Technological assistance during customer transitions	Most Likely	+ Satisfying customer demands by researching , developing , or improving products to increase revenue + Meeting the requirements of climate adjustments through new resolutions in order to increase revenue + Solving customers' problems through provision of technological assistance in order to increase revenue	Medium to High	1 . Stable R&D capacity every year . 2 . Continuously communicating with customers to understand the needs of customers and industries . 3 . Regularly participating in exhibitions to understand the tendency as well as technology in the industry .	4 . 1 Customer Service 4 . 2 Technological Innovation and Patent Deployment
		○ Launch to new markets	Most Likely	+ Entering new and emerging markets to increase revenue + Expanding the probability of market scale	Medium to High	1 . Continuing technological innovation and launching to the electric vehicles market . 2 . Continuously communicating with customers to understand the needs of customers and industries .	4 . 1 Customer Service 4 . 2 Technological Innovation and Patent Deployment

5.2 Environmental Management

Environmental sustainability is one of the major concerns for Solteam in the supply chain. In addition to complying with relevant regulations and aligning with international standards, it is also a crucial issue to achieve the net-zero goal with our customers. Therefore, with the belief of manufacturing services, Solteam aims to manage the energy and resource usage as well as the emission and waste treatment of the headquarters and each factory with higher standards, and considers the following items in our operational activities and decision-making to minimize the impact of operation-related activities on the society and the environment.



1 Reducing the energy and resource consumption during the course of production and service.




2 Maximizing the usage of recyclable resources.



3 Enhancing the recyclability and reuse of products and the relevant raw materials.

Environmental Management Policy (Amount: NT\$ Thousand)


Expenses on
Air Pollution Management



2021	2022
742	3,039

2023
218

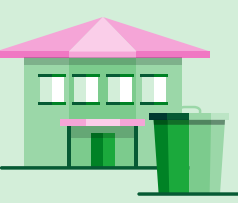
Expenses on
Wastewater Management



2021	2022
643	466

2023
406

Expenses on
Waste Management



2021	2022
1,445	1,359

2023
672

5.2.1 Energy GRI 302-1, GRI 302-2, GRI 302-3, GRI 302-4, GRI 302-5, and SASB-RT-EE-130a.1

Solteam actively promotes energy conservation and carbon reduction, and carries out basic operations such as GHG emissions inventory and registration, and has introduced the ISO14064-1 greenhouse gases inventory at organization level to assist in the gradual establishment of greenhouse gas emissions management capabilities. Adhering to the philosophy of manufacturing service industry, the Company responds in a timely manner to the impacts of climate change and greenhouse gas control, and fulfill social responsibilities to maintain our advantages in the industry and achieve the sustainable development goals. In the meantime, we also remind employees to save energy, reduce carbon emissions, and cherish energy in daily operations, jointly contributing our part for the environment.

Solteam has promoted the following policies in recent years in order to accomplish the goals of energy conservation and reduction on greenhouse gas emissions :

1 Equipment Synchronization

Equipment immediately stops running when the power supply is turned off to avoid equipment idling and reduce energy consumption.

2 Fixed Time and Temperature

Avoiding additional energy consumption through time setting and temperature control.

3 Auto Lighting Control

Adapting an auto lighting control to the outdoor lighting at night to achieve energy-saving effect.

4 Replacement of Equipment

Replacing old equipment and planning for equipment integration to optimize the use of energy consumption.

5 Installment of Air Circulator

Replacing air conditioning with air circulators to enhance refrigeration effect.

6 Review on Monthly Electricity Bills

In case of an unusual event, the reason for abnormality shall be analyzed and addressed by improvement plans.

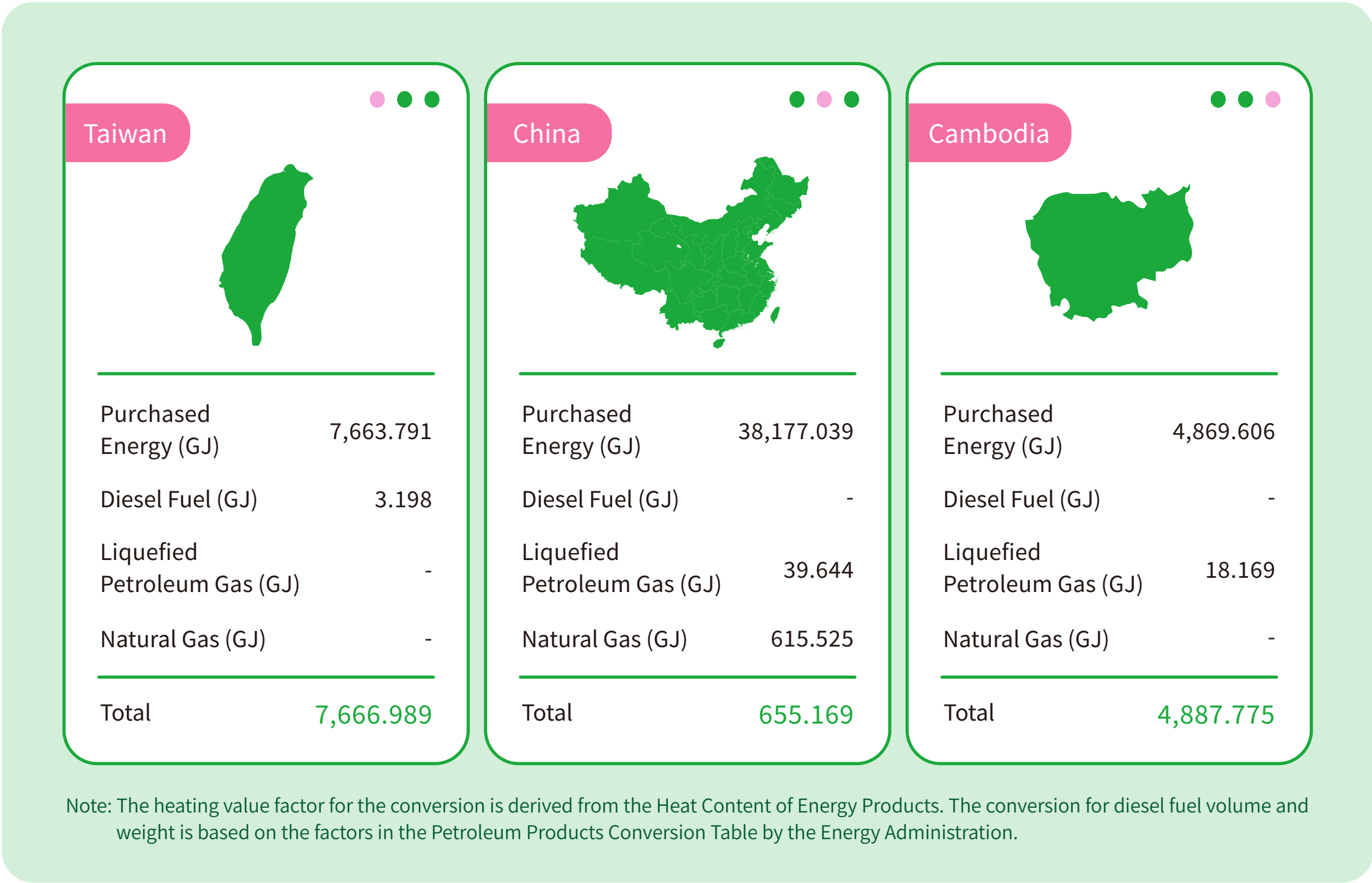
7 Earth Hour Lights Out for One Hour

Turning off the lights for one hour at noon every day as a practical response to energy conservation and carbon reduction.

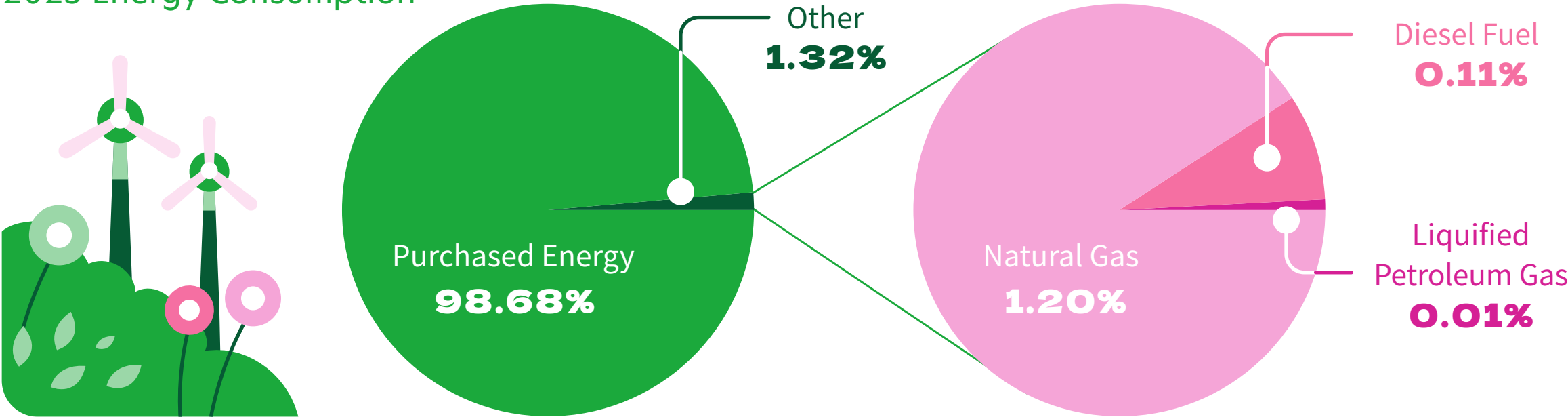


Energy Consumption

Solteam’s energy consumption by regions in 2023 is as follows:



2023 Energy Consumption

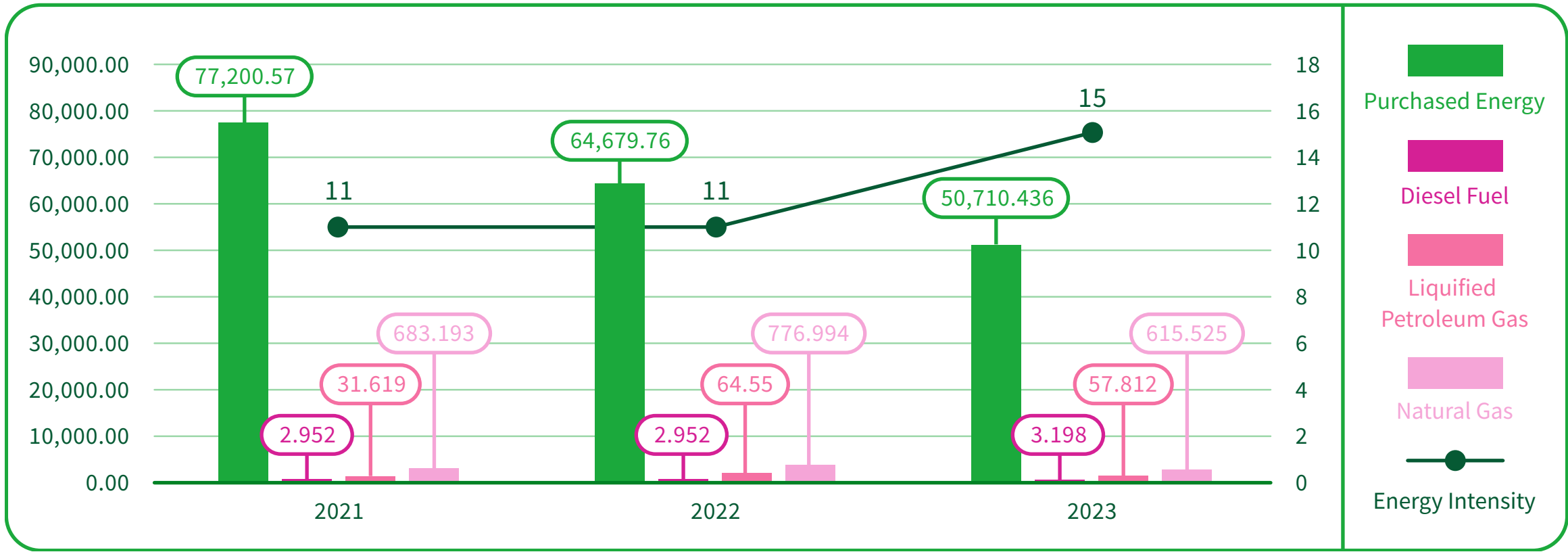


Solteam's energy consumption for the entire Group from 2021 to 2023 is as follows:

	2021	2022	2023
Purchased Energy (GJ)	77,200.567	64,679.764	50,710.436
Diesel Fuel (GJ)	2.952	2.952	3.198
Liquefied Petroleum Gas (GJ)	31.619	64.550	57.812
Natural Gas (GJ)	683.193	776.994	615.525
Total	77,918.331	65,524.260	51,386.971
Intensity Value (million revenue)	6,912	5,976	3,413
Energy Intensity (GJ/million revenue)	11	11	15

Note: The scope of disclosure of energy usage from 2021 to 2022 has been extended to include the South China Factory and the Cambodia Factory, comparing with that of the Sustainability Report in the previous year.

Energy Consumption from 2021 to 2023



Solteam's energy intensity increased by 4 GJ/million revenue in 2023, comparing with that in 2022. The reason is that the global economic recession has led to a decrease in the overall output, which further results in the increase of energy intensity. In the future, we will keep monitoring and formulating energy-saving measures to improve the efficiency of energy usage and achieve energy conservation as well as carbon reduction.

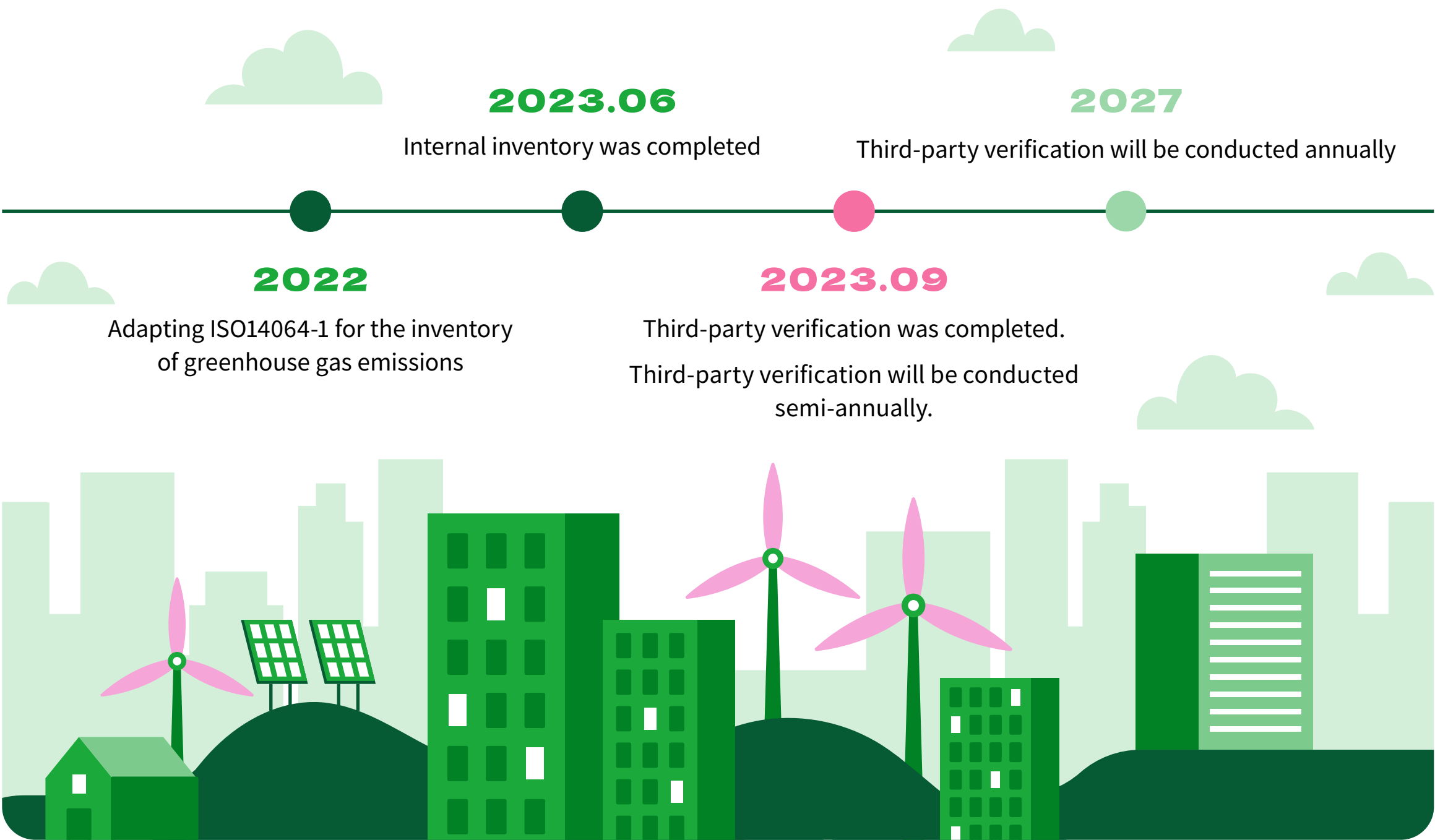
5.2.2 Greenhouse Gas Emissions

GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, and GRI 305-5

2023 Inventory

Solteam has adapted ISO14064-1 for the inventory of greenhouse gas emissions in 2022. An internal inventory was completed in June 2023; whereas a third-party verification was completed in September 2023. Solteam plans to conduct an inventory annually and a third-party verification semi-annually. From 2027 onwards, third-party verification will be conducted annually.

This year, Solteam continued to implement ISO14064-1 for the inventory of greenhouse gas emissions in 2023. The scope of the current inventory mainly includes the headquarters, the Dayuan factory, and the East China factory; whereas the category of the inventory covers categories 1 to 4. In the future, we will draft and formulate reduction scheme for greenhouse gases, plans on the relevant goals, encourage energy-saving proposals in all factory premises, and keep moving towards 2050 Net-zero Emissions.



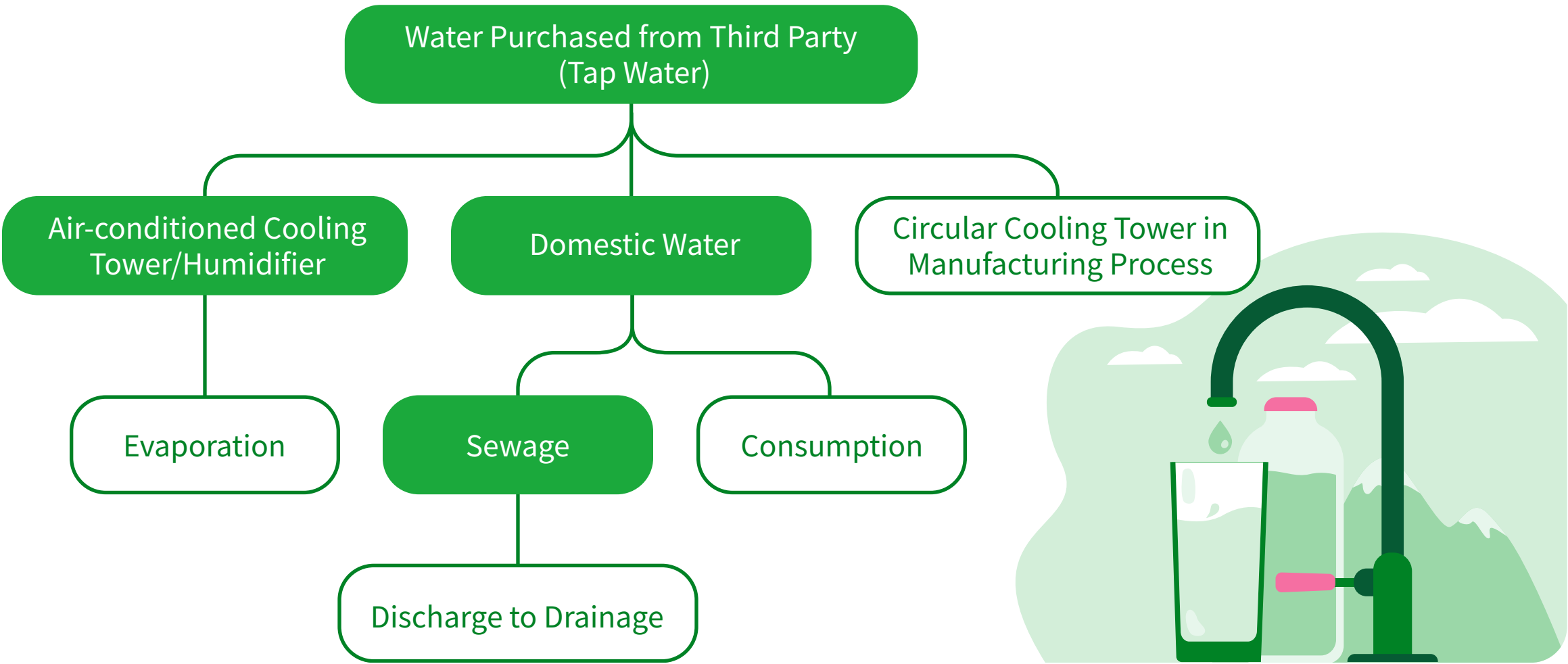
Greenhouse gas emissions in 2023

2022 (Verified)			2023 (Yet Verified)		
					
Greenhouse Gases	Taiwan	East China Factory	Greenhouse Gases	Taiwan	East China Factory
Category 1	71.7936	74.9204	Category 1	70.7330	82.4187
Category 2	205.8371	3,776.0862	Category 2	197.9567	2,550.3318
Category 3	805.3479	116.3941	Category 3	732.7275	73.1062
Category 4	39.3067	546.1731	Category 4	37.7542	547.0131
Total	1,122.3123	4,503.5738	Total	1,039.1714	3,252.8698
Intensity Value (million revenue)	5,976		Intensity Value (million revenue)	3,413	
Intensity of Greenhouse Gas Emissions	0.9414		Intensity of Greenhouse Gas Emissions	1.2576	

Note: The unit for greenhouse gas emissions is metric ton (CO₂e).

5.2.3 Water GRI 303-1, GRI 303-2, and GRI 303-3

Solteam’s products are primarily electronic parts and components and does not involve in water consumption on large scale in the production; therefore, is not considered a major water consumer. In addition to the domestic water consumption required during operations, the major water consumption comes from the cooling towers used in the manufacturing process, air-conditioned cooling towers, and humidifiers. Hence, our goal for water resources management focuses on water conservation.



Solteam currently promotes the following water-saving measures:

- 1**

Promotion of Water Conservation

Posting cautionary signs about water usage to remind our colleagues of avoidance of wasting water resources.
- 2**

Statistics of Water Consumption

Calculating water consumption per capita on a monthly basis; and, if it exceeds the target consumption, assembling the relevant departments to discuss improvement plans.
- 3**

Water Recirculation

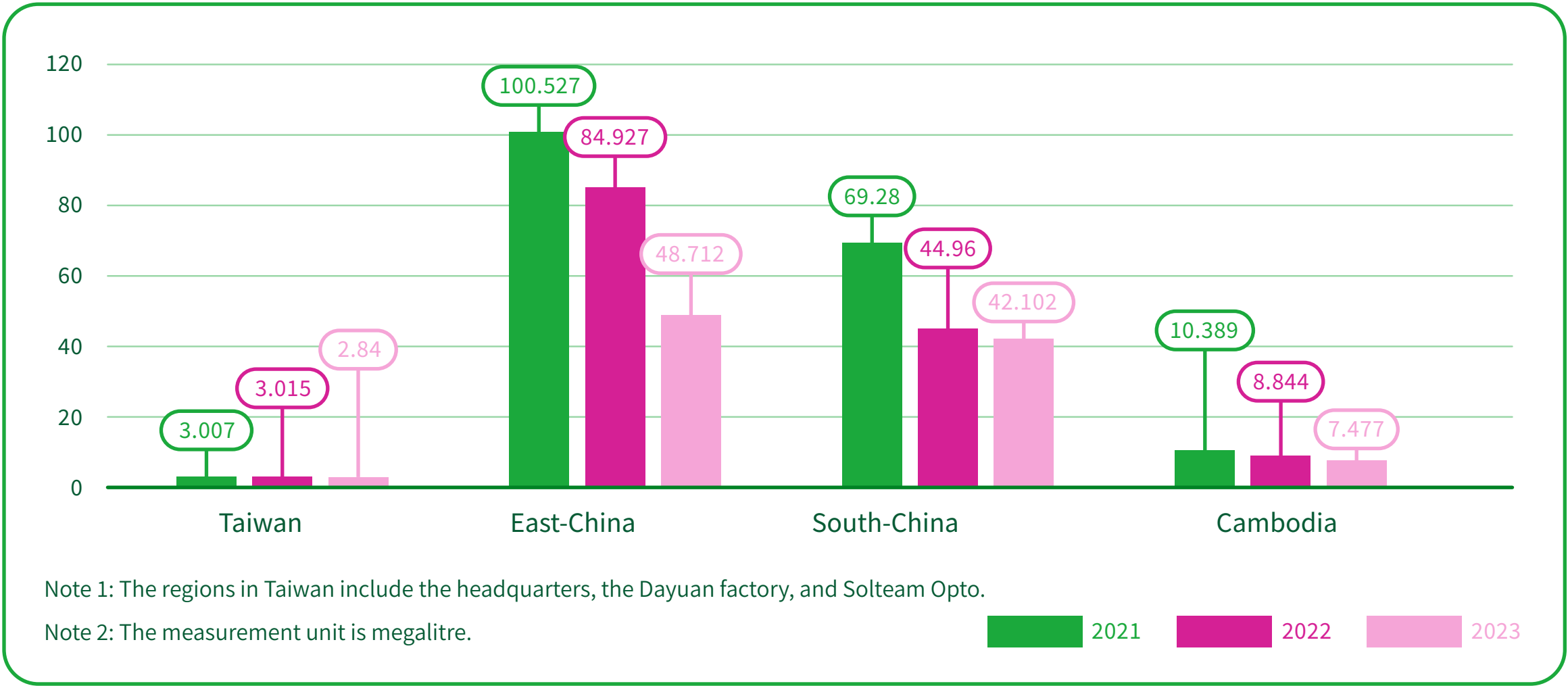
Introducing water recirculation for areas with higher water consumption and improving operations to achieve water-saving effects.
- 4**

Installment of Cooling Towers

Operating in a cyclic manner to prevent water content from evaporation.

The water resources of each factory are taken from local water treatment plants. With our evaluation on the World Resources Institute’s Aqueduct Water Risk Atlas, the factories in Taiwan are located in the low-risk zone of water stress; the South China factory is located in the medium-risk zone of water stress; the East China factory and the Cambodia factory are located in the high-risk zone of water pressure. The information on water intake of each factory is as shown below.

Information on Water Intake



Wastewater Treatment

Only domestic wastewater was discharged from Solteam’s factories, which was treated in accordance with local laws and regulations. In 2023, the wastewater discharge standards in all factory premises did not violate any laws or regulations of wastewater treatment or environmental protection. The drainage-related measures implemented during the current year is as follows:

- 1.Installing water quality auto testing devices to air-conditioned cooling towers; and performing drainage replacement when the water quality exceeds the standard value.
- 2.Polishing and cleansing wastewater; collecting wastewater on a fixated spot once every month; and handing over to a third party for treatment before discharging in compliance with the laws and regulations.
- 3.Domestic water is filtered and discharged through septic tank. The water quality is also monitored by the system at the exit end of the treatment plant.

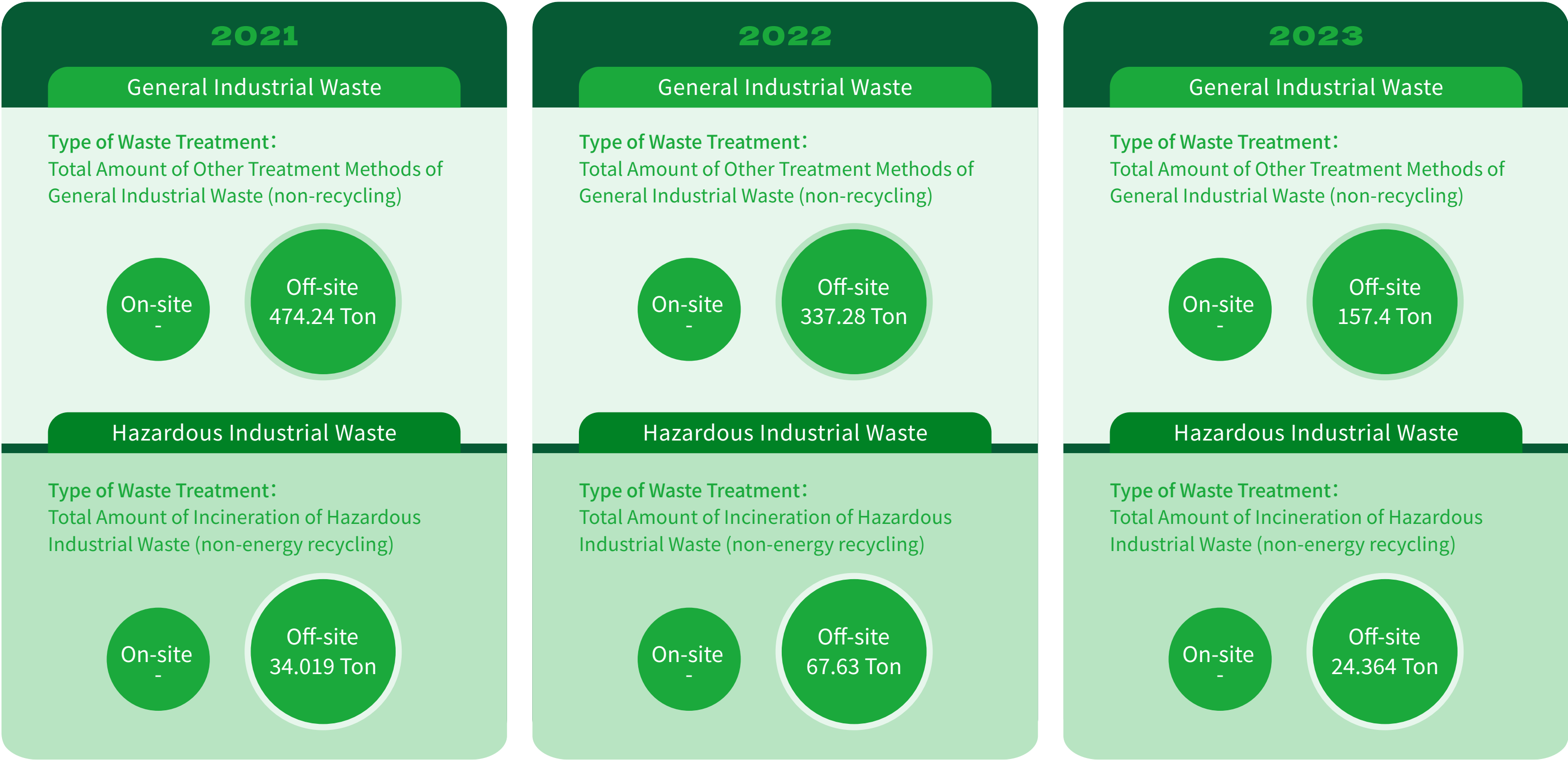
5.2.4 Waste Management

GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5, SASB-RT-EE-150a.1, and SASB-RT-EE-150a.2

The waste generated by Solteam in the course of the operation mainly consists of domestic waste and a small amount of general industrial waste, which are removed and declared in accordance with the waste disposal regulations stipulated by the governments of the countries in which the factories are located. Some of the waste is hazardous industrial waste, which is disposed of in accordance with the relevant laws and regulations, and is transported by professional vendors with operating permits.

Additionally, since plastic granules are used for injection during parts of the manufacturing process, our treatment approach for the scrapes generated from the process is to recycle and mix them with virgin materials in a certain proportion, evaluate the stability in laboratories, and put them into the production process, so as to minimize the generation of waste.

Solteam's waste treatment in the recent three years is as the following:



Definitions for Recycling Treatment are as follows:

- 1.Preparation for Reuse: Recycled waste is inspected, cleaned or repaired to be reused for its original purpose.
- 2.Recycling: Through immediate treatment, recycled waste is made into recycled materials.
- 3.Other Recycling Treatment: Any recycling method other than the two mentioned above is classified as other recycling treatment.

Definitions for Non-recycling Treatment are as follows:

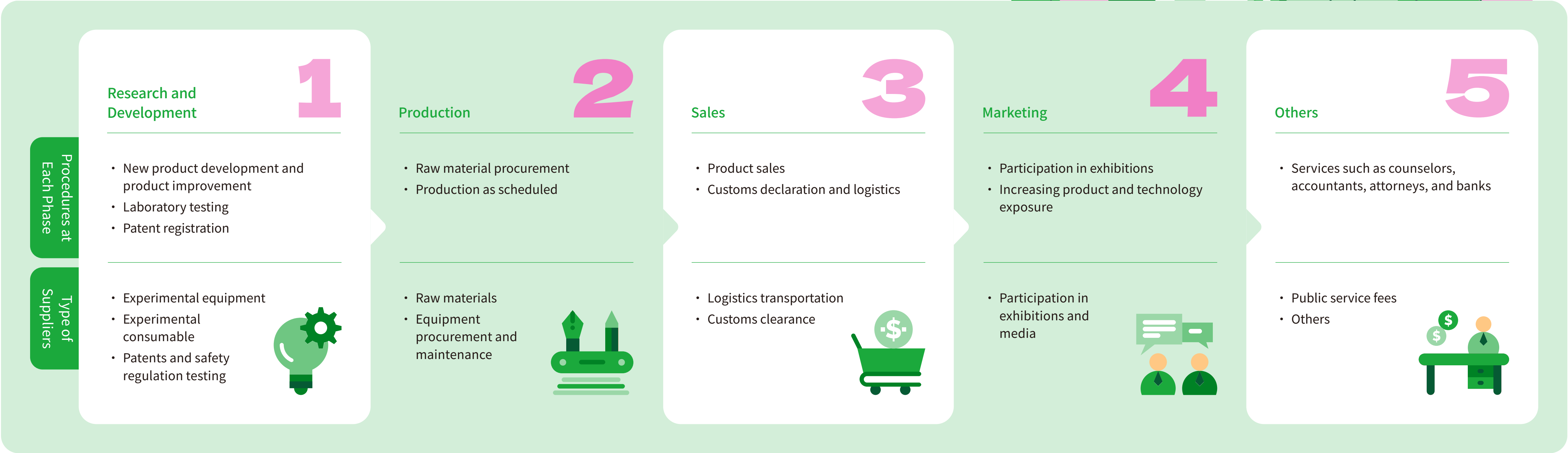
- 1.Incinerated Energy Recovery: Waste is treated by incineration after exit from the factory, which includes energy recovery.
- 2.Incinerated Non-energy Recovery: Waste is treated by incineration after exit from the factory, which does not include energy recovery.
- 3.Landfill Treatment: Wastes is directly disposed of through landfill without being treated by incineration after exit from the factory.
- 4.Other Treatment Methods: Any treatment method other than the three mentioned above is classified as other treatment method.



5.3 Sustainable Supply Chain

5.3.1 Sustainable Supply Value Chain

Suppliers are Solteam’s important partners in maintaining a sustainable operation. In response to the ever-changing international situation, Solteam has established a tenacious supply value chain and formulated a comprehensive series of supply chain management policies. Solteam’s supply value chain in 2023 is presented as follows:



GRI 414-2

Affected by the international situation as well as climate change in recent years, the instability of raw materials supply has been drastically increased. To prevent delayed delivery due to unstable supply of raw materials, which may further affect the Company’s goodwill, Solteam actively develops secondary suppliers and establishes a substitute material system. We also adjust the safety stock replenishment system in a timely manner to keep the supply chain transparent and diversified and to minimize the risk of supply chain disruption.

5.3.2 Management Policy and Risk Assessment for Supply Chain

GRI 308-1, GRI 308-2, and SASB-RT-EE-440a.1

Supply Chain Management

To allow a sustainable development in the supply chain, Solteam stipulates a supply chain management policy to supervise suppliers' compliance with regional laws and regulations, promote suppliers' goals in alignment with the society as well as the environment, and further facilitate our core value of the supply chain management.

Additionally, to ensure the quality of the Company's products and to protect the safety of end-consumers and the rights of customers, Solteam has been promoting the sustainable supply chain management system. Through regular audits on suppliers and raw materials, we ensure that the raw materials provided by the suppliers comply with the EU regulations on prohibited substances, such as RoHS and REACH, to demonstrate Solteam's emphasis on the accountability for product safety.

Prior to a procurement process, Solteam requires suppliers to sign the supplier HSF indemnification agreement, the warranty for environmental management substances, and the supplier quality agreement; while the medical material factory requires suppliers to sign the quality agreement. In 2023, the suppliers' signing rate for the entire Group reached 75%.

In 2023, the supplier management policy was adjusted to include attention to human rights issues, occupational safety, health, and hygiene, as well as environmental protection issues. The description is as follows:

Suppliers shall comply with local labor and environmental laws and regulations, the ROHS, the REACH, and other green policies as well as relevant ISO standards.



Suppliers are encouraged to obtain ISO 9001, ISO 14001, IATF 16949, and other relevant certificates that align with Solteam's products. We also seek suppliers who share the same philosophy and are willing to grow mutually and dedicate to innovation for the creation of a win-win situation.



We introduce the strategy of diversified materials, market-sharing materials, and alternative materials, and evaluate whether they meet the Company's basic standards in terms of quality, cost, delivery, cooperation, and service, and prioritize partnership with manufacturers with better flexibility in communication and willingness to discuss, in order to avoid the risk of supply chain disruption.



Risk Assessment

On the way to the development of a sustainable supply chain, Solteam continues to assess and control the supply chain risks according to risk categories.

The categories of supply chain risks in 2023 are as follows:

1

Risk of supply chain disruption



2

Costing risk



3

Procurement risk



4

Quality risk



5

Risk of market competitive conflicts



6

Risk of organization's internal operation and process



7

Risk of natural and environmental factors



To reduce the impact of the above risks and the supply chain disruptions on the Company's operations, it is necessary to avoid single-source procurement when selecting suppliers, and to select the most suitable partner by consulting, comparing, and negotiating with various parties in terms of price, cost, technology, quality, and service.

5.3.3 New Supplier Selection and Assessment

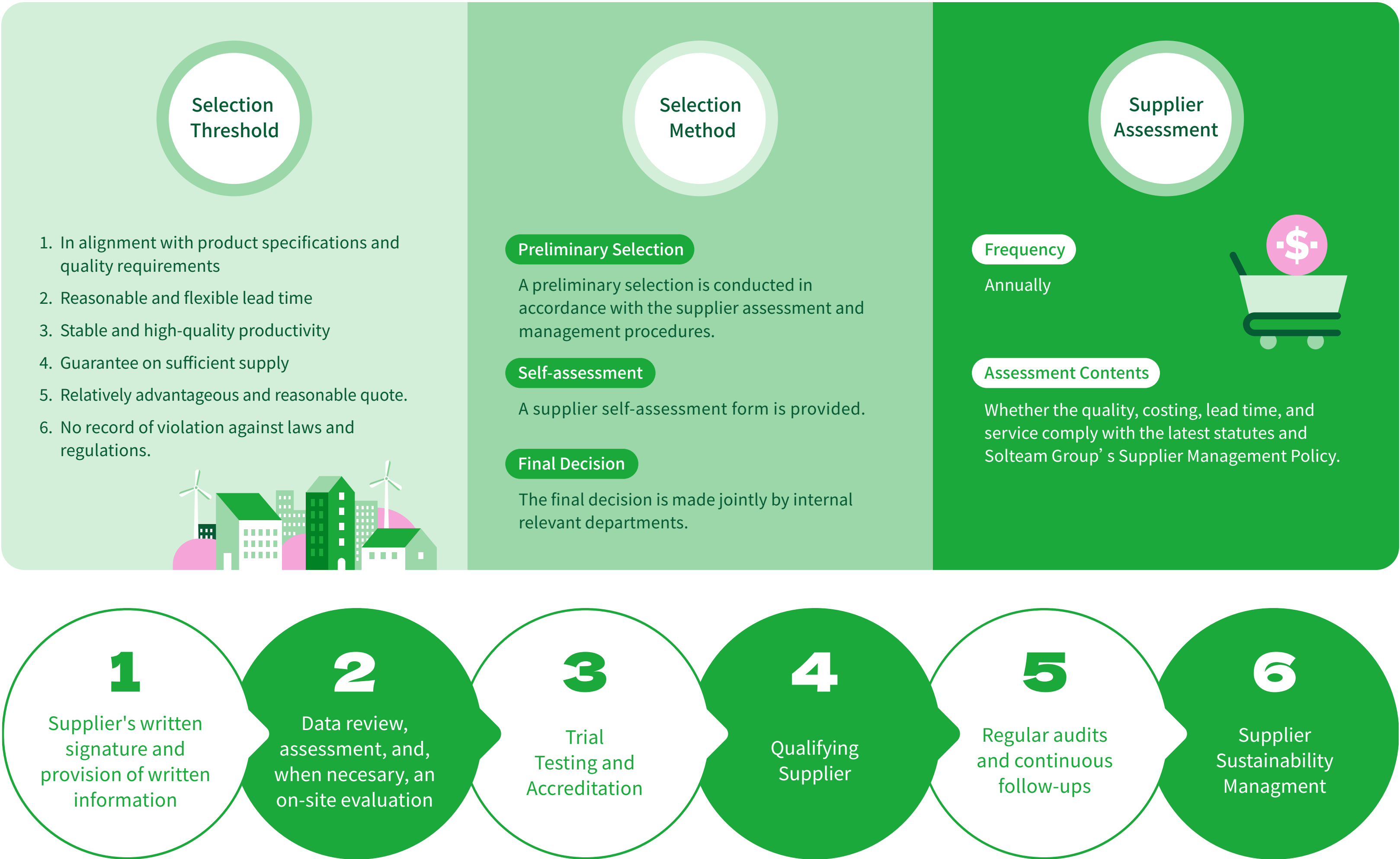
During the selection of potential suppliers, those that are suitable will be made into a list. Then, a comprehensive parts risk assessment will be conducted by the R&D and Quality Assurance Departments; whereas a supplier risk assessment will be conducted by the Procurement Department. After a joint evaluation, a target supplier will be selected and the relevant evaluation information will be obtained from the supplier.

The new supplier's information is reviewed and evaluated by Purchasing, R&D, and Quality Assurance. Then, the Quality Assurance Department reviews the evaluation results to determine if the new supplier meets Solteam's supplier standards, and upon approval register it in the Qualified Supplier List.

Prior to formal procurement, we conduct price inquiry, price comparison, and price negotiation procedures according to the internal control process. After confirming the purchasing vendor, we sign a quality agreement and an integrity commitment with the vendor, and carry out the final approval procedures according to the approval process for components, and conduct regular audits as well as follow-up on the vendor after commencement of the transaction.

When selecting a supplier for a transaction, who is not directly designated by the customer, Solteam not only considers its production capacity, pricing conditions, and quality, but also evaluates its risk of material disruptions and the management system. Designated or not, it is necessary to confirm whether the supplier has any record of violation of laws and regulations, including violation of human rights issues (labor disputes), occupational safety, health and hygiene, as well as environmental protection.

The detailed process for the supplier selection and assessment in 2023 is as below:



5.3.4 Supplier Assessment and Performance

To effectively control supplier risks, Solteam’s Material, Quality Assurance, Manufacturing, and Research and Development Departments conduct regular supplier assessment every year, including supplier self-assessment and on-site inspections. The assessment also covers supplier qualification checks, such as system certification and internal management, etc. The Group’s assessment process in 2023 is as follows:

Assessment Criterion	1. Product quality and improvement on abnormality: Delivered products must comply with requirements. 2. Lead time: Performance on lead time schedules and excess freight. 3. Supplier’s timeliness for abnormality handling: Such as duplication, return and exchange, improvement measures, etc. 4. Supplier’s capability of manufacturing technology, service cooperation, and ability of spontaneity to customer complaints. 5. Compliance with HSF and sustainable operation.
Assessment Method	1. Vendors are to fill out the supplier assessment survey reports. 2. An on-site inspection is conducted after a written review.
Assessment Frequency	New Suppliers: An on-site inspection or a written review, in principle. Existing Suppliers: As scheduled in the suppliers’ annual audit plan.
Assessment Results	112 suppliers across the year were evaluated by the Group, representing a ratio of approximately 76%.

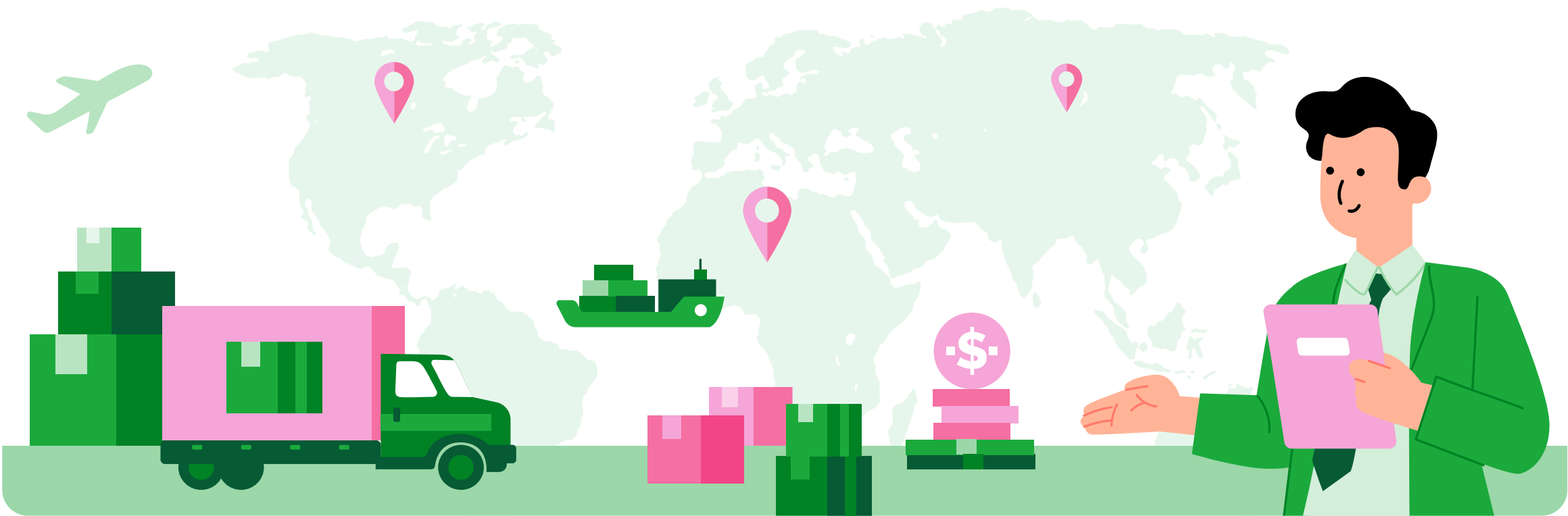
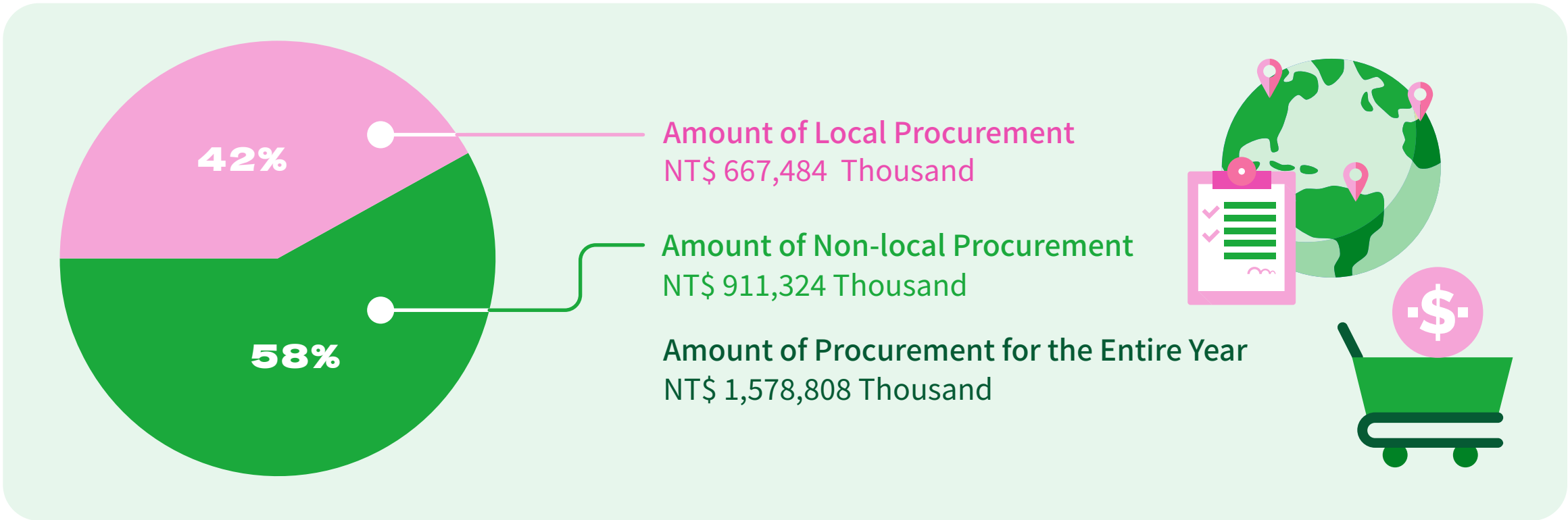
The scope of the actual visits covers supplier system certification and internal management measures, including procurement and incoming material management, process management, shipment management, warehouse management, environmental substance control, as well as relevant documentation.

Management Item	Current Status	Estimated Target for the Next Year
Ratio of Audits on Tier 1 Suppliers	78%	82%
Ratio of On-site Inspections on Tier 1 Crucial Suppliers	80%	90%
Ratio of On-site Inspections on High-risk Vendors	100%	100%

5.3.5 Local Procurement GRI 204-1

For Solteam, suppliers located in the same country as the factories are considered as local suppliers. Solteam's main operating production premises are located in China, Cambodia, and Taiwan, etc. In addition to price, cost, technology, quality, and service, short chain (prioritizing local supply chain) is also an important consideration when choosing a partner supplier. Short-chain supply can significantly shorten transportation routes, save time, and reduce carbon emissions, thus contributing to the goal for net-zero. We dedicated ourselves to the planet by continuously and actively improving the resilience of our supply chain and marching towards sustainability hand in hand with the overall supply chain.

The amount of local procurement in 2023 is as follows:



CHAPTER 06

Diverse Social Inclusion




6.1	Manpower Capital	073
6.2	Social Welfare Activities	081



GRI 2-26 and GRI 3

Material Topics	Objectives for 2024 (Short-term)	Objectives for 2026 (Mid-term)	Objectives for 20230 (Long-term)	Corresponding SDGs
Human Resources Management	<ul style="list-style-type: none"> To provide sufficient professional training for the talents required by Solteam at the present stage in order to strengthen their abilities and Solteam's competitiveness in the industry . 	<ul style="list-style-type: none"> To keep deploying future talents of various occupations ; and to facilitate the connection between industry and academia . 	<ul style="list-style-type: none"> To continuously invest in talent recruitment and training development ; and attract as well as retain excellent talents with competitive remuneration and welfare . 	
Human Rights	<ul style="list-style-type: none"> To continually implement the Code of Conduct - Responsible Business Alliance (RBA) , relevant international covenants , and local statutes . To implement human rights policy without any violation of human rights . 	<ul style="list-style-type: none"> To build a diverse , equal , inclusive , and respectful work environment to enhance employ loyalty . No violation of human rights . 	<ul style="list-style-type: none"> To keep achieving the goal of no violation against human rights . 	
Occupational Safety and Health Management	<ul style="list-style-type: none"> To accumulate less than 18 occupational safety accidents in the year . To provide labors the necessary safety and health protection pursuant to the provisions of Occupational Safety and Health Act To prevent the risk of occupational accidents due to unsafe behaviors and condition by implementing the work safety procedures . 	<ul style="list-style-type: none"> To accumulate less than 12 occupational safety accidents in the year . To ensure that the equipment and environment of the workplace comply with the regulations ; and to provide education and training on labor safety and health as well as disaster prevention , including work safety procedures and information on possible hazards . 	<ul style="list-style-type: none"> To accumulate less than 6 occupational safety accidents in the year . To promote the Occupational Safety and Health Management Systems and the Environmental Management Systems ; to enforce the management cycle of safety and health planning , auditing , and improving ; to implement a comprehensive safety and health management ; and to create a safe and comfortable working environment . 	
Labor Relations	<ul style="list-style-type: none"> To establish diverse communication channels . 0 incidents of labor dispute and violation of labor statutes . 	<ul style="list-style-type: none"> No incidents of labor dispute and violation of labor statutes . 	<ul style="list-style-type: none"> Diversified employee care and welfare activities No incidents of labor dispute and violation of labor statutes . 	

Management of Material Topics	Talents are an important capital of Solteam and the footstone of the Company's stable and sustainable operation . In addition to talent selection and employment , talent retention has always been an important task for corporate sustainable operation . The department heads and the Human Resources Department must build a structure for retaining and nurturing talents , establish a better personnel management system and measures , and improve the management capabilities of supervisors in order to retain key talents for the Company and to achieve the goal of corporate sustainable development .				
Scope of Material Topics	Impact	Policy Commitment	Specific Action Plan	Assessment Method	Indicator and Target
Occupational Safety and Health Management	(+) Creation of a safe workplace (-) Occupational Safety Hazard	We arrange safety and health education and training for our employees through unscheduled physical or online courses or external training . In addition , we require our contractors to present their training materials following the "Safety and Health Management Procedures for Contractors" to ensure the safety and health of our employees within the Company .	1 . No material industrial accidents . 2 . Implementing the Labor Health Services and Protective Measures for the Physical and Mental Health of Laborers in accordance with the law ; and cooperating with the visits by personnel of occupational safety and health , human resources management , and relevant government departments .	1 . Evaluation and planning 2 . Hazards Identification and Control 3 . Environmental risk control 4 . Follow-ups and reviews	1 . The annual cumulative number of occupational safety accidents is less than the target number of short- , mid- , and long-term accidents . 2 . To provide labors the necessary safety and health protection in the workplace pursuant to the provisions of Occupational Safety and Health Act . 3 . To prevent the risk of occupational accidents due to unsafe behaviors and condition by implementing the work safety procedures . 4 . To promote the Occupational Safety and Health Management Systems and the Environmental Management Systems ; to enforce the management cycle of safety and health planning , auditing , and improving ; to implement a comprehensive safety and health management ; and to create a safe and comfortable working environment .
Human Rights	(+) Enhancement of stakeholders' trust	Fulfilling corporate social responsibility and safeguarding the basic human rights as well as relevant interests of employees .	1 . Following the International Human Rights Conventions ; protecting our colleagues' freedom of association ; no discrimination against employees on the basis of gender , age , marital status , race , and political party ; and prohibiting child labor . 2 . Endeavoring to the establishment of a friendly and equal workplace ; and providing employees with salaries and benefits that meet or even exceed the minimum regulatory requirements . 3 . Promoting a clear understanding of employees' rights and the Company's human rights policy .	1 . Implementing human rights policy with zero violation of human rights . 2 . Complying with the Code of Conduct - Responsible Business Alliance (RBA) , relevant international covenants , and local statutes .	1 . To formulate and follow human rights policies 2 . To build a diverse , equal , inclusive , and respectful work environment to enhance employ loyalty . 3 . No violation of human rights .

Management of Material Topics	Talents are an important capital of Solteam and the footstone of the Company's stable and sustainable operation . In addition to talent selection and employment , talent retention has always been an important task for corporate sustainable operation . The department heads and the Human Resources Department must build a structure for retaining and nurturing talents , establish a better personnel management system and measures , and improve the management capabilities of supervisors in order to retain key talents for the Company and to achieve the goal of corporate sustainable development .				
Scope of Material Topics	Impact	Policy Commitment	Specific Action Plan	Assessment Method	Indicator and Target
Human Resources Management	(+) Complete talent cultivation system (-) In the face of talent shortage	1 . Transforming the academic researches to industrial momentum and deploying in talent market in advance to elevate the overall competitiveness of the Company . 2 . Continuously identifying and cultivating key talents ; fortifying the organization's capabilities by diverse talent development programs ; and implementing the strategy of "Appropriate talents for appropriate positions ." 3 . Offering advantageous compensation and welfare programs ; providing careers and environments with sustainable development to attract and retain outstanding talents .	1 . Talent cultivation system 2 . New employee orientation 3 . Industry-academia collaboration	1 . Promoting employee education and training 2 . Establishing innovative and diverse channels for recruitment	1 . To provide sufficient professional training to equip the Company with competitive edges in the industry . 2 . To keep deploying future talents of various occupations ; and to facilitate the connection between industry and academia . 3 . To continuously invest in talent recruitment and training development ; and attract as well as retain excellent talents with competitive remuneration and welfare .
Labor Relations	(-) In the face of talent shortage	1 . Continuing to establish more comprehensive employee care and welfare . 2 . Respecting labor relations management to ensure that the Company is averted from risks of professional brain drain , labor-management confrontation , insufficient teamwork , and inability to garner consensus and to minimize the operational risks to the Company brought by labor relations .	1 . Diverse and smooth communication channels . 2 . Proper employee care systems	1 . Establishment of employee suggestions box to communicate on employees' rights . 2 . Diverse employee care and welfare activities .	1 . No labor disputes . 2 . Maintaining salary conditions that exceed the laws and regulations . 3 . Persistently upgrading to a more comprehensive employee welfare .
Appeal Procedures	Solteam has set up the following "Methods and Channels for Complaints" to prevent unethical conduct such as acceptance of rebates and improper benefits : Please send complaints to sol_credit@solteam . com . tw ; or mail to the "Audit Office" at the address of 7F-2-3 , No . 888 , Jingguo Road , Taoyuan District , Taoyuan City , R . O . C . 33051 .				
Stakeholder Engagement	The Company communicates and interacts with stakeholders on a scheduled and non-scheduled basis ; discloses the interaction status in the Sustainability Report as well as on Solteam's sustainability website ; and adjusts Solteam's relevant strategies and objectives based on the opinions of stakeholders . 				

6.1 Manpower Capital

Talents are the most important assets and the competitive advantages of Solteam. With the employment principle of meritocracy, suitability, and appropriateness, talents are able to fully demonstrate their expertise and bring their skills into full play. Being treated as family members, our employees can work peacefully and care-free and thrive with the Company, which has always been the goal for the Company’s sustainable operation.

6.1.1 Employee Recruitment, Compensation, and Welfare

GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 401-2, GRI401-3, GRI402-1, GRI405-1, and RT-EE-000.B

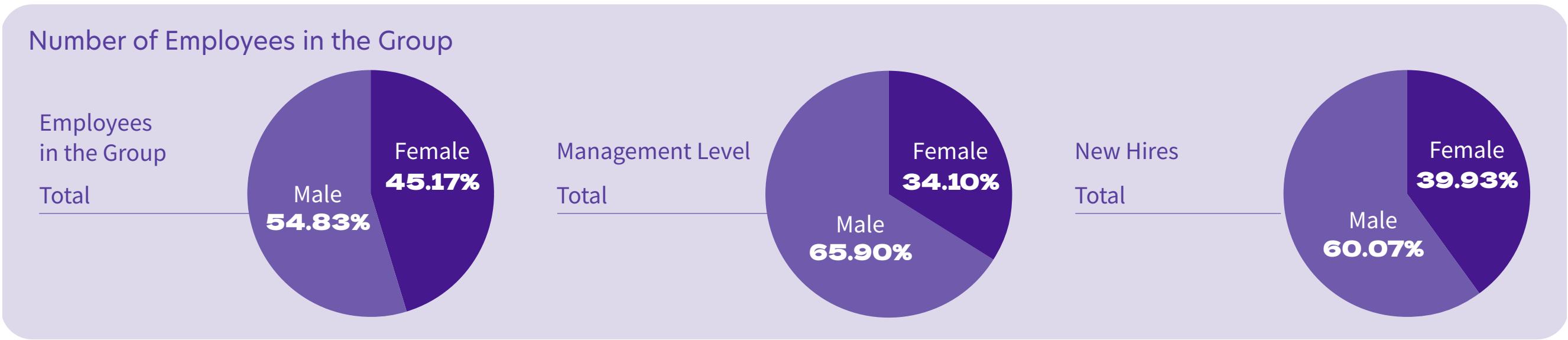
Solteam embodies the responsibility of respecting and protecting human rights and abides by the labor laws and regulations in each global location of the Company while eliminating any aggression upon human rights in order to create a diversified, open, equal, and harassment-free working environment. We appoint talents of the right caliber regardless of their backgrounds; and treat every employee with acceptance and respect. We emphasize the uniqueness of our employees and the contribution of their individual strengths to ensure Solteam’s sustainable growth in the industry.

Manpower Structure

The Company has consistently maintained stability in our workforce structure over the years, focusing on recruiting and retaining outstanding talents, while also implementing talent development programs. We conduct pre-employment training and internal job training for new employment in accordance with employee training regulations to provide them with the skills required for their jobs. Also, we recruit excellent talents with a fair, open, and transparent recruitment system. In addition to maintaining diversity and equal opportunities, we do not engage in discrimination based on ethnicity, color, age, gender orientation, race, disability, pregnancy, religion, political affiliation, union membership, or marital status in hiring.

Statistics on the Nature of Employees (Note)

In 2023, the total number of employees of the entire Solteam Group was 786, of which 431 (54.83%) were male and 355 (45.17%) were female, with an average ratio of men to women and a balanced development of gender. The proportion of female executives in the management was 34.10%, which shows that we talents were appointed by meritocracy and that fair development opportunities were entitled for all regardless of gender. The proportion of new male and female employees accounted for 60.07% and 39.93%, respectively, demonstrating Solteam’s emphasis on protecting gender equality in employment and creating fair competition as well as development opportunities. Moreover, a total of 2 physically and mentally challenged employees were hired at the end of 2023 in accordance with the provisions of the “People with Disabilities Rights Protection Act.”



The total number of employees of the entire Solteam Group

Regions	Taiwan	China	Asia-Pacific	Taiwan	China	Asia-Pacific
Nature of Employees	Male			Female		
Fixed Term Contracts	0	265	224	1	232	157
Non-fixed Term Contracts	147	19	2	110	12	4
Total	147	284	226	111	244	161
Full-time	147	279	226	110	243	161
Part-time	0	5	0	1	1	0
Total	147	284	226	111	244	161

Statistics on New Hires

Age \ Regions	Taiwan	China	Asia-Pacific	Taiwan	China	Asia-Pacific
	Male			Female		
Under 30 Years Old	1	531	107	0	316	60
30-50 Years Old	6	197	30	3	167	18
50 Years Old and Above	2	0	0	0	4	1
Total	9	728	137	3	487	79

Statistics on Employee Turnover

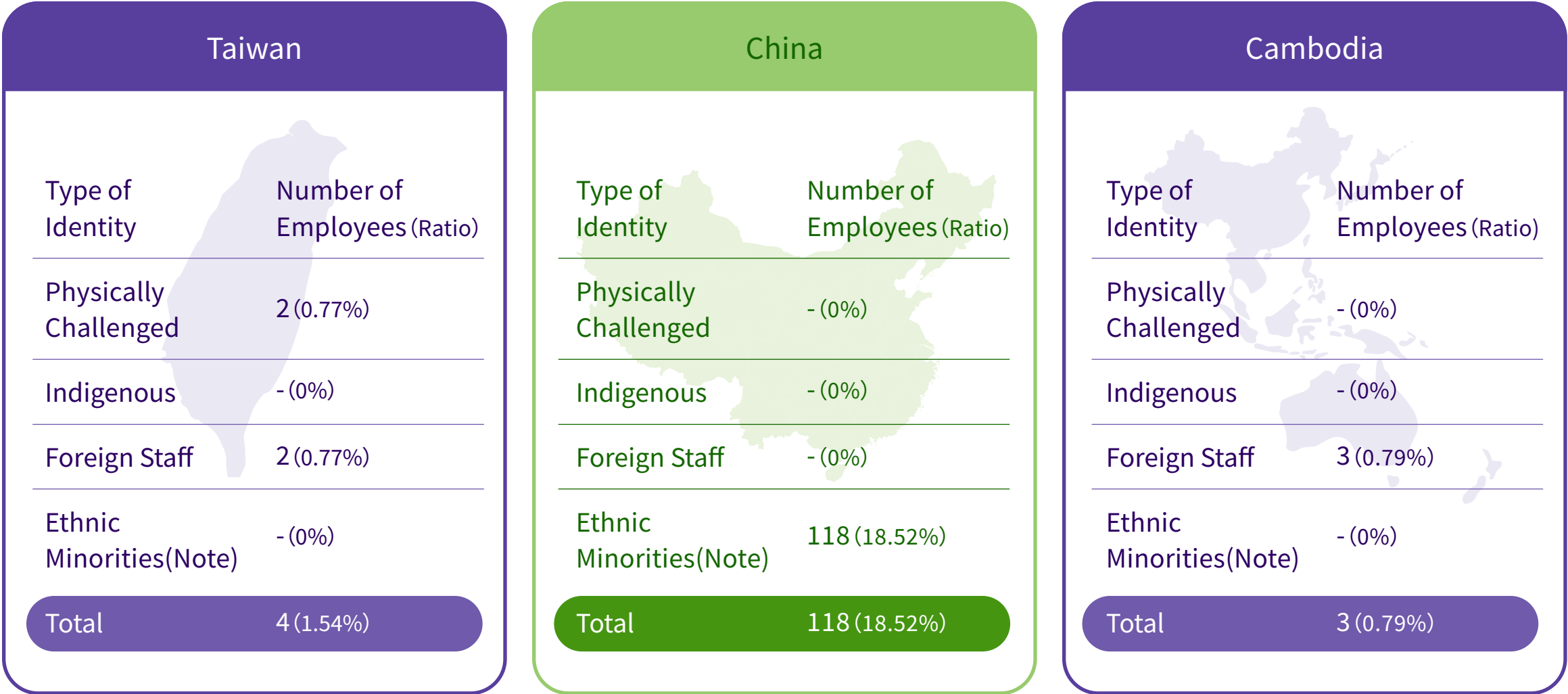
Age \ Regions	Taiwan	China	Asia-Pacific	Taiwan	China	Asia-Pacific
	Male			Female		
Under 30 Years Old	4	516	46	4	308	32
30-50 Years Old	10	245	24	9	213	16
50 Years Old and Above	5	3	1	0	8	1
Total	19	764	71	13	529	49

※Note: The number of employees in Taiwan include Solteam (incl. Dayuan) and its subsidiary (Solteam Opto, Inc.); whereas the Asia-Pacific refers to Asian regions including the operating locations in South-East Asia, except for Taiwan and China.

Employee Structure



Diverse Employee Composition



※Note: Except for the Han Chinese, all other ethnic groups in China are considered ethnic minorities.



Employee Benefits

Talents are the most important assets for Solteam. In order to attract, motivate, and retain outstanding talents, we offer a variety of benefits that satisfies the needs of our employees.

The Company has the “Employee Welfare Committee” in place that convenes meets regularly to discuss about employee benefits and supervise the employment of the benefit bonuses. Employees may apply for various benefit allowances through the online system. Additionally, the Company has set up the “Solteam Employee Stock Ownership Trust,” which new employees can directly apply to join, with employees contributing a fixed amount of money each month and the Company allocating a certain percentage of incentive payment, providing an additional channel of savings for employees.

Comprehensive Coverage to Keep Employee Minds from Worries

In order to help employees better manage their physical health, we have been organizing employee health check-ups as required by law. At the same time, the Company also covers the expenses of labor insurance, national health insurance, occupational hazard insurance coverage along with monthly contribution to employee pensions. In addition, we also offer group insurance for our employees to include the coverage for life insurance, accident insurance, medical insurance, and cancel insurance so as to make the overall protection more comprehensive and allow employees to keep their minds from worries.

Different Subsidies to Satisfy Different Needs of Employees

We are aware that life is unpredictable and anything might happen, which is why in addition to various bonuses and subsidies such as congratulatory gifts for marriage, maternity subsidies, education scholarship for our colleagues and their children, hospitalization grants, funeral and bereavement subsidies, and gifts for housewarming. We strive to offer suitable aid to employees at the appropriate occasions. Moreover, we also provide bonuses for festivals, the Labor’s Day, and employee birthdays to express our gratitude to our employees for their diligent contribution to the Company.

Life-work Balance

In addition to the statutory leaves, in order to enable our colleagues to take care of their families and work, Solteam provides a flexible shift system, whereby our colleagues can flexibly choose their own shifts according to their own and family circumstances. Furthermore, the Employee Welfare Committee also organizes company trips or travel subsidies on a yearly basis so that all employees can relax through such activities and resources and return to their posts with full energy. Solteam has also established policies related to unpaid leaves to jointly create a friendly and nurturing work environment.

Employee Remunerations

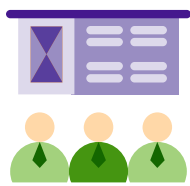
To attract, motivate, and retain excellent talents, the Company annually adjusts salaries, distributes employee dividends and year-end bonuses based on the Company's profit-making and employees' performance. We also provide various welfare measures and foreign language allowance as an encouraging reward.

The remuneration variations and incentive system is as follows:



Employee Dividend/Year-end Bonus

According to the Company's compensation structure, which consists of fixed salary and variable salary, the Company determines the remunerations based on the job responsibilities within the Company and the degree of contribution to the Company. The Company's remuneration procedures not only consider the Company's overall operating performance and the future development of the industry, but also reflect individual performance and contribution when granting the remuneration.



Proposal Bonus

To encourage our colleagues in diverse thinking and proposals for breakthroughs in research and development technology, optimization of administrative processes, etc., each proposal that has been approved by the direct supervisor will be awarded a bonus in accordance with the incentive scheme.



Foreign Language Allowance

To encourage our employees in the advancement of foreign language abilities, we follow the implementation procedures for foreign language allowances and provide foreign language allowances for those who have obtained language certificates a certain level of proficiency.



Employee Remuneration

Solteam has stipulated in the Articles of Incorporation that 3%~10% of the net profit before tax shall be contributed to employees' remunerations if the Company makes profits in that year. In 2023, Solteam contributed 6.6% of the net profit before tax, which accrued to NT\$27,488 thousand, as employees' remunerations.

The employee benefits for the most recent three years are summarized below:

Unit: NT\$ Thousand

Item	2021	2022	2023
Compensation Expenses	239,416	224,619	183,487
Director Remunerations	30,793	18,637	7,745
Post-retirement Benefits	10,028	10,103	10,296
Labor and Health Insurance Expenses	16,426	17,610	18,781
Share-based Payment	-	-	5,278
Total of Employee Benefits Expenses	296,663	270,969	225,587

※Note: Information derived from the Unconsolidated Financial Statements of Solteam).

Salary of Non-management Full-time Employees

GRI2-21

In 2023, there were 208 non-management full-time employees in Solteam with the average salary of NT\$861 thousand and the median salary of NT\$763 thousand. The numbers are calculated in accordance with the regulations of the Taiwan Stock Exchange, which excludes executive officers (managers) and employees eligible for exemption. For those not employed by the Company for a full year, the data is prorated, and the profit-sharing amount is on a profit-year basis.

Fiscal Year	2021	2022	2023
Number of Persons	190	204	208
Average Salary	1,111	975	861
Median Salary	927	827	763

※Note: Data derived from Solteam's factories in Taiwan.

Solteam emphasizes on the communication with employees and conducts performance evaluation interviews with all employees every year. In 2023, the interview rate was 100%. Although there is no collective agreement (e.g., unions) yet, we still encourage employees to reflect their personal needs through interviews or complaint mailboxes and put forward relevant suggestions through the Employee Welfare Committee. In the event of alternation in the rights and interests of employees due to significant operational changes where a labor contract requires termination, such matters shall be handled in accordance with the local policies and regulations of each factory.

6.1.2 Employee Education and Training

GRI404-1, GRI404-2, and GRI404-3

Solteam has a long-term planning for professional training. In addition to the training of professional and managerial skills, the Company also trains our colleagues to communicate and collaborate with overseas clients face-to-face in order to broaden the international perspective and polish the ability of international experience. Besides, the Company encourages colleagues to strengthen their foreign language skills and provides foreign language allowances as a reward for those who have obtained foreign language certification and applied their foreign language expertise to work. Colleagues can discuss with their supervisors to draw up their own education and training programs based on their current abilities and work objectives and strengthen their professional and technical skills through practical experience, peer exchanges, teaching by senior colleagues and supervisors, and course sessions. Moreover, the Company also has an education and training platform with learning resources for employees to learn freely. The course contents contain not only professional and technical training, but also soft skills development.

In 2023, Solteam’s colleagues participated in the education and training held by external organizations, including courses related to sustainability and expertise. The statistics on the training hours are listed below:

Management Level	2021		2022		2023				
	Male (Hour)	390	Male (Hour)	1,267	Male (Hour)	1,163			
	Female (Hour)	268	Female (Hour)	590	Female (Hour)	786			
	Total Hours Spent by the Management Level		658	Total Hours Spent by the Management Level		1,857	Total Hours Spent by the Management Level		1,949
	Total Number of the Management Level		120	Total Number of the Management Level		136	Total Number of the Management Level		242
	Average Training Hours of the Management Level		5.48	Average Training Hours of the Management Level		13.65	Average Training Hours of the Management Level		8.05

Non-management Level	2021		2022		2023				
	Male (Hour)	618	Male (Hour)	3,835	Male (Hour)	2,749			
	Female (Hour)	559	Female (Hour)	2,245	Female (Hour)	2,621			
	Total Hours Spent by the Non-management Level		1,177	Total Hours Spent by the Non-management Level		6,080	Total Hours Spent by the Non-management Level		5,370
	Total Number of the Non-management Level		288	Total Number of the Non-management Level		459	Total Number of the Non-management Level		1,311
	Average Training Hours of the Non-management Level		4.09	Average Training Hours of the Non-management Level		13.25	Average Training Hours of the Non-management Level		4.10

6.1.3 Employee Health Care

GRI403-2, GRI403-3, GRI403-4, GRI403-6, GRI403-8, GRI403-9, and GRI403-10

Personal Health Management

In Taiwan, Solteam provides complimentary health checkups for all employees every three years, of which the results of the health checkups are analyzed by on-site physicians and registered nurses. Those who are on the risk list are given health consultation and further follow-ups by on-site medical practitioners. In Cambodia, the health checkup is conducted once every two years by arranging physical examination for employees at partner hospitals.

In China, we conduct annual physical and health examination for employees who involve in chemicals, fumes, and noise projects and who take posts at welding, soldering, glue encapsulating, fumes, and injection molding. We also arrange job-based physical examination for newly-recruited employees and exit-employment physical examination for departed employees.

On the other hand, Solteam has an occupational physician and a nurse practitioner required by law to assist in grading employee health risks, arranging health consultations for high-risk cases, detecting potential risks in the working environment, and providing improvements for the working environment. The occupational physician visits the factories once every 2 months for 2 hours each time; whereas the occupational nurse practitioner visits the factories 6 times per month for 2 hours each time. A total of 60 employees were served in 2023.



- A total of **575** employees participated in the physical examination of Solteam Group.



Fostering Psychological Health

On the visits to the factories every week, professional registered nurses provide complimentary psychological and health services with proper privacy protection to relieve employees' physical and mental stress. Employees can make appointments for one-on-one individual counseling with the professional registered nurses directly, of which the costs are fully covered by the Company with no limit on the number of times.

6.1.4 Employee Occupational Safety

GRI403-1

Solteam has set up a dedicated Health and Safety Unit as required by law, which is in charge of looking after labor's safety and health management, introducing appropriate management systems, discussing the precautions and improvements of environment safety, and coordinating as well as planning the regulations related to safety and health, in order to ensure our colleagues' safety in the workplace. Other than that, Solteam has also established a medical team to organize the participation in the on-the-job refresher training for first-aid personnel and occupational safety and health, and to obtain the relevant certification. In 2023, a total of 33 individuals participated in the training.

GRI403-5 and GRI403-7

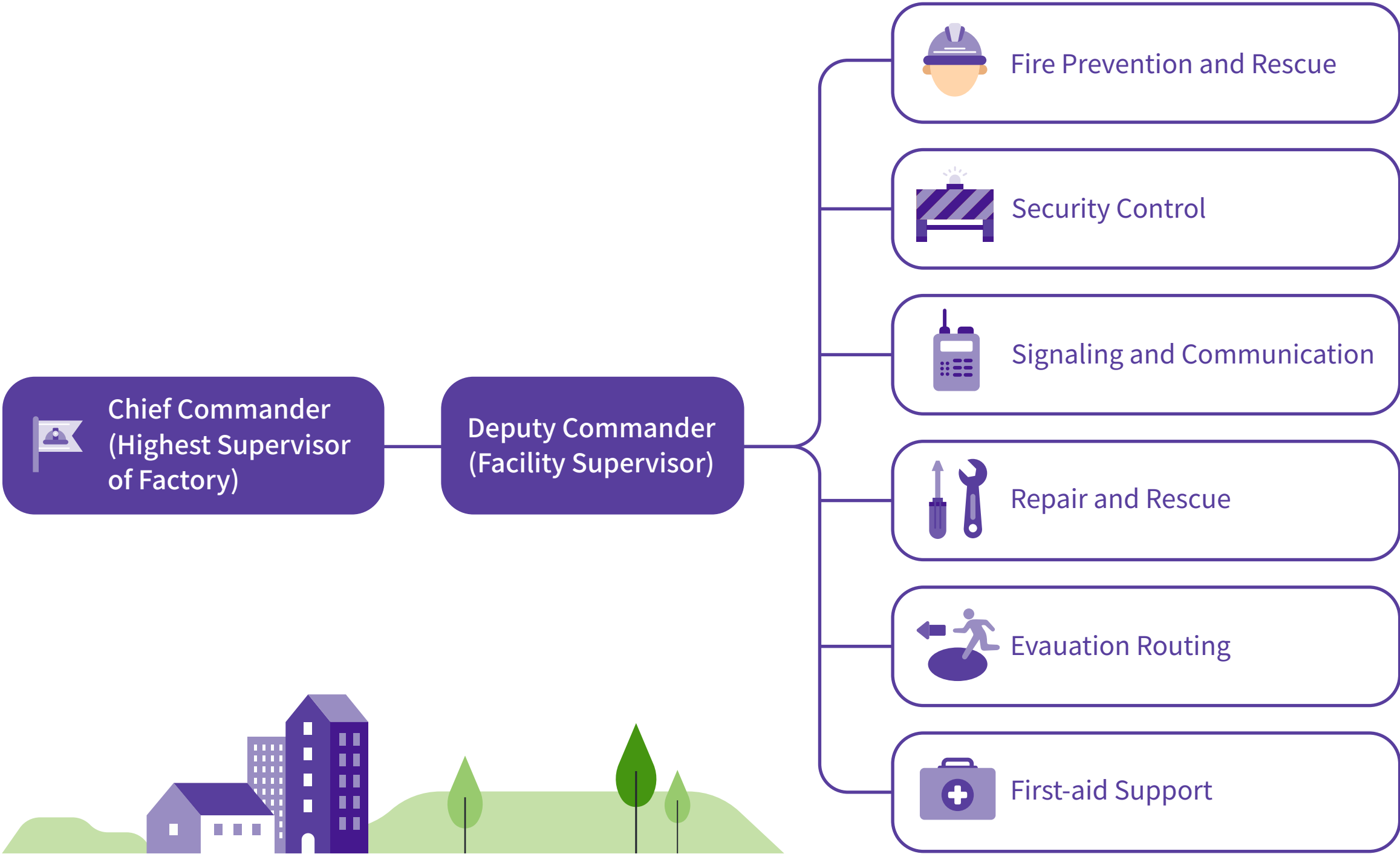
In order to guarantee the safety of workplace operations, all employees shall receive occupational safety education and training prior to employment or transfer. Additionally, Solteam arranges unscheduled safety and health education and training for relevant personnel, which includes not only internal physical training courses, but also online courses or participation in external training sessions, in order to strengthen employees' concept of workplace safety and minimize the risk of workplace safety. Moreover, Solteam conducts the workplace environmental monitoring once a year and provides personal protective equipment to employees in the positions involving occupational hazards in order to enhance workplace safety and avoid the possibility of occupational injuries. In 2023, there were no occupational safety incidents in the entire Group of Solteam.

In addition, employees of our contractors are required by the "Contractor Construction Safety and Health Management Procedures" to present their training documents, ensuring the safety and health of contractors' employees within the Company.

Solteam holds fire drills once a year and fire prevention seminars twice a year to strengthen employees' adaptability to emergencies. To avoid disasters, Solteam also conducts regular inspections on various fire-fighting equipment, safety equipment, and disaster prevention equipment.

Moreover, Solteam carries out environmental disinfection semi-annually or annually in order to keep of various viruses and mosquitoes and minimize the risk of employee health and safety.

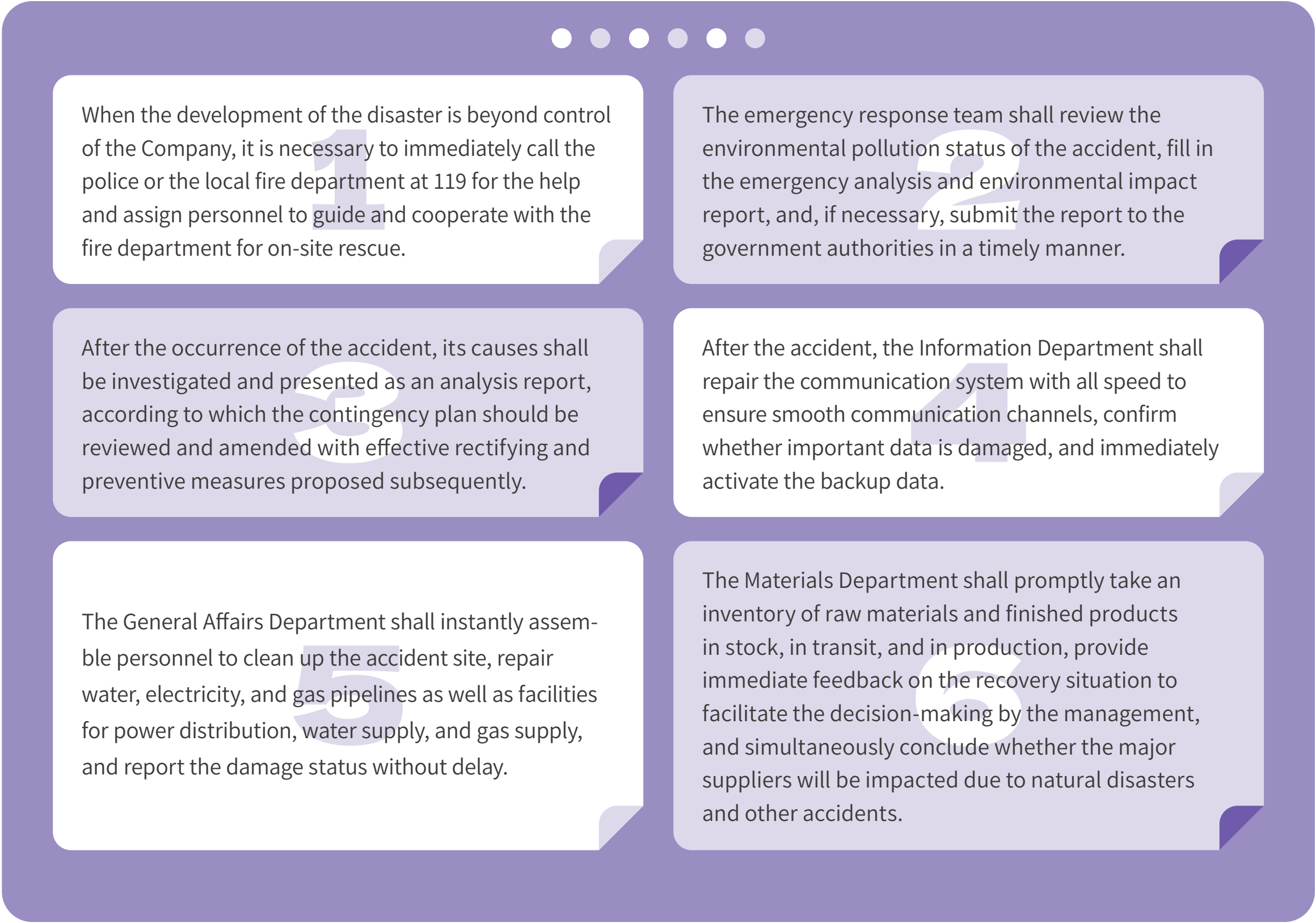
Emergency Response Team



Chain of Command for Emergency Response

Once a disaster is noticed, the duty supervisors and the emergency response commander shall be notified instantly. The commander shall assemble the members of the emergency response team to the scene immediately and organize a personnel evacuation from the disaster scene promptly, where the members of the emergency response team shall follow the command and perform their respective functions without delay to assist in the evacuation. After evacuating from the scene to the designated gathering point, a head count shall be conducted immediately and reported back to the emergency response commander. Upon completion of the evacuation, the emergency response team then immediately carries out fire rescue measures, disconnect the electric switches, and rescue important properties depending on the development of the disaster.

External Communication



Contingency Management

Contingency management is formulated targeting natural disasters, chemical leakage, communicable disease prevention, fire control, failure of critical equipment, production emergencies, and customer returns. Competent departments carry out contingency management according to each emergency and resume production at the earliest. Specific contingency management is as described in the “Emergency Response Control Procedures.”

6.1.5 Human Rights

GRI2-23, GRI2-24, GRI2-25, GRI406-1, GRI408-1, GRI409-1, GRI412-1, and GRI412-2

Solteam approves of and voluntarily complies with the internationally-recognized human rights standards and principles, including the spirit and basic principles of human rights protection as revealed in the “Universal Declaration of Human Rights,” the “United Nations Global Compact,” the “International Labour Conventions,” and the “Code of Conduct – Responsible Business Alliance (RBA).” Our human rights policies are formulated in alignment with the guiding principles of the aforementioned norms to embody the responsibility of respecting and protecting human rights and adherence to the labor laws and regulations in each global location of the Company and to eliminate any aggression upon human rights. Furthermore, Solteam and partners such as suppliers build cooperation modes according to the “Supplier Sustainable Development Code of Conduct” to jointly follow and safeguard the rights of both parties in the aspects of labor, health and safety, environment, ethics, and management systems and to create a comfortable and healthy working environment.

The scope of Solteam’s human rights policy, which is applicable to Solteam, its domestic and overseas subsidiaries, and other related corporate organizations with substantial control, is described below:

- 1 Safeguard the human rights in workplace
- 2 Reasonable compensation and work conditions
- 3 Offer a healthy and safe workplace with work-life balance
- 4 Promote labor-management harmony and support freedom of association
- 5 Protect personal data
- 6 Provide a work environment with zero harassment
- 7 Prohibition of engagement in violations of human rights



Human Rights on the Company Website

The Company will regularly assess the level of human rights risks and will formulate improvement as well as reinforcement measures according to the level of risk. Solteam has also set up work-related regulations in accordance with the “Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace” in order to protect employees’ rights as well as a workplace free of harassment. The relevant regulations are posted on the Company’s intranet for employees’ reading and inquiry at any time. In 2023, the completion rate of the training related to human rights policy was 100% with a total of 99 training hours. To ensure compliance with corporate social responsibility and ethical norms, there is no situation of forced labor, illegal human trafficking, slavery. We also implement employment standards, that meet the minimum age limit required by local laws, and the stringent prohibition of child labor. There were no cases of child labor in 2023. In the future, we will continue to comply with the relevant regulations in order to protect the physical and mental health as well as the human rights of all employees.

Employee Appeal Policy

Solteam provides employees with a whistleblowing approach in order to facilitate communication and fully support an open and transparent culture with morals and integrity. Internal employees and external personnel are encouraged to report any non-compliance with laws and regulations or Solteam’s related policies through the relevant whistleblowing channels. Anonymous reporting is permitted in order to avert the occurrence of problems such as improper supervision, inequity, workplace sexual harassment, or other workplace suggestions, etc., to implement the Code of Ethical Conduct and the Ethical Corporate Management Best-Practice Principles established by Solteam, and ensure the legitimate rights and interests of the whistleblower and the relevant personnel.

There were no cases of employee appeals in 2023.

Appeal Procedures

The name, department, and title of the whistleblower must be specified with specific evidence, such as receipts, contracts, letters, and videos/photographs enclosed. Solteam protects with all efforts the confidentiality of the whistleblower, the personnel involved in the investigation, and the contents of the investigation, so that they are not treated unfairly.

Appeal Channels

Complaints shall be sent to sol_credit@solteam.com.tw or mailed to the “Audit Office” at the address of 7F-2-3, No. 888, Jingguo Road, Taoyuan District, Taoyuan City, R.O.C. 33051.



- The completion rate of the training related to human rights policy was **100%** with a total of **99** training hours.



6.2 Public Welfare Activities

Solteam upholds “Plebeianized Management, Professional Leadership, Transparent Operations, and Focus on Environmental Protection” as our corporate philosophies in hopes that we are able to reach balance in the economic, environmental, and social development and achieve the goals for sustainable development. Hence, Solteam actively participates in social welfare and environmental protection campaigns, hoping to help the minority and solve the most demanded and pressing problems with all our efforts. In the meanwhile, we are giving company earnings back to the society and the environment and expressing the relevant ideas to our stakeholders, so as to create a virtuous cycle.

6.2.1 Public Welfare Activities

To realize the philosophy of giving back to the society and the environment, the Company organized or participated the following public welfare campaigns in 2023:

Collaboration on the “National Compassionate Science and Technology Innovation Competition”

Since 2017, the Tzu Chi Foundation has organized the “FUN Big Vision, Thinking to the Future” youth innovation promotion project to provide the support and stage that young people need. In order to encourage young people to have the courage to pursue their dreams and practice themselves, the “National Compassionate Science and Technology Innovation Competition” is held. Not only does it guide young people aged between 18 to 35 to plant the idea of goodness and act on accordingly, it also allows them to actually act on the initiative of global sustainable development. As of 2023, the competition has entered the seventh session and continues to encourage colleges and high schools to submit contributions. The competition continues its focus on environmental protection, and chooses charity or medical research as the theme of research and development. Participants are to give full play to philanthropy and creativity and develop environmentally-friendly, innovative, practical, friendly, approachable end products in alignment with the United Nations Sustainable Development Goals (SDGs). In that way, the influence of the competition can be maximized in order to solve problems related to charity or medical care and to finally create a more amicable, lovely, innovative, and humanistic social circle.



Collaboration on the “National Compassionate Science and Technology Innovation Competition”

Donation Box for Love, Receipts Contribution, Donation to Temples

Hand in hand with employees, vendors, and customers, Solteam delivers love and care to every corner of the world in need. We make unscheduled donation in the forms of invoices and changes to the Maria Social Welfare Foundation in support of the four major services provided by the Foundation for the mentally and physically challenged in the areas of nutrition, medical care, education, and employment.

By setting up donation boxes for love, we encourage employees to participate in environmental protection and caring activities for the underprivileged and incorporate social responsibility into our corporate culture in order to achieve co-prosperity among the Company, employees, and the social environment.

In addition, Solteam also actively participates in folk activities and makes regular donations to temples every year, continuing to make efforts and contributions in the area of social responsibility.



TPEX Family Joins Hands in Support of 1919 Food Bank

In 2023, Solteam responded to the Joins Hands in Support of 1919 Food Bank by donating 1,000 catties of rice to help economically disadvantaged families. Through the volunteer service of rice-packing, employees were able to participate in the rice-packing process in person and work with their family members for the common good. We also look forward to bringing more positive influences to the society and the community through the volunteer activities.

In addition to cooperating with the Taipei Exchange and the 1919 Food Bank, we also collaborated with other partners in this event. For instance, the Farmers' Association purchased rice from local small-in-size farmers and distributed snack boxes ordered from the Children Are Us Bakery at the end of the event. Another example is that the products at the "ABRAZO" run by the Down Syndrome Foundation were chosen as the souvenirs for the event. Through these acts, the public welfare campaign achieved its maximum effect and helped more social service organizations in need!



1919 Food Bank in Bali



Responding to the Child Sponsorship of the Reindeer Children Home and Visiting Local Orphanages

In 2023, Solteam committed ourselves to the Child Sponsorship of the Reindeer Children Home, taking one step at a time to care for underprivileged children who have lost their parents or been abused and donating two children's sponsorship every year. Additionally, the employees in the Cambodia factory also visited the local orphanage, joining hands in caring for and accompanying the children's healthy growth.



6.2.2 Social Influence

Apart from the above public welfare activities, Solteam also persists in investing resources to assist specific organizations and give back to particular communities every year.

Concrete Actions in Support of Social Enterprise

Expressing gratitude through gift-giving during festivals has become the most common custom nowadays. Solteam cooperates with social enterprise and public welfare organizations when purchasing gifts. In this way, celebrating festivals is not only about giving gifts to important people for Solteam, but also about exerting our social influence and giving back to the society directly through practical actions. In the future, Solteam will keep fulfilling the idea of “A drop of water given in need shall be returned with a burst of spring,” spreading warmth to every corner of the society and making every festival meaningful.

Organizations of Procurement

The Garden of Hope Foundation

The Garden of Hope Foundation set up the Sweetheart Workshop to assist with female victims of violence in obtaining employment and a steady source of income. The Company indirectly helped increase their income by purchasing Mid-autumn gift boxes from the Sweetheart Workshop, expressing great warmth through little action.

Amount

NT\$ **136.3**

Thousand

Organizations of Procurement

Suan-Lian Pear

This is a social enterprise formed by a group of teachers and students from Chung Yuan Christian University. By cooperating with local small farmers, it not only produces fresh fruits with good quality, but also protects the economic income of the disadvantaged industries. By purchasing from the team of Suan-lian Pear, we were able to give back to the farmers and the school, achieving a positive cycle through our action and developing community recreation.

Amount

NT\$ **23**

Thousand

Joining Carbon-reducing Campaign

Based on the research by Greenpeace, 2.4 kilograms of carbon emissions can be reduced if a Taiwanese does not consume meat for one day. Even, 56,510 metric tons of carbon can be reduced if all Taiwanese avoid meat for one day!

Therefore, we can reduce our meat diet with practical actions and contribute our part in mitigating the impact of climate change just by going meat-free one meal in a day or one day in a week, or even, by simply choosing proteins with less carbon emissions.

Solteam has commenced the Monthly Vegan Day event since July 2023. A total of 209 vegan lunch boxes have been ordered for the campaign. We hope to not only consume healthy food, but also reduce carbon emissions through a change of diet.

CO₂ ↓



Industry-academia Collaboration

The spirit of industry-academia collaboration is to satisfy or create the needs of enterprises through the abundant capacities of research and development in the academia, to establish an interactive platform for close resource integration under the guidance of the government or non-government organizations, to accelerate the replenishment of professional engineers and high-value-added talents spanning numerous industrial fields with the ability of software and hardware integration and practical skills, and to promote the development of industrial innovation.

Through industry-academia collaboration, the academic and research capacity can be combined with the military service system in order to provide a well-planned and comprehensive talent cultivation program that transforms academic research into industrial momentum. On top of that, job opportunities are also provided through government agencies, of which the employment incentives offer a steady employment for young people and help expand the channels for talent recruitment. With an early deployment in the talent market, Solteam is able to upgrade the overall competitive edges.

No.	Collaborating Party	Collaboration Project and Mode
1	Lunghwa University of Science and Technology	Enterprises provided challenging internship opportunities to facilitate students' professional growth and employment opportunities, and to realize the goals of talent cultivation and sustainable development.
2	Yuan Ze University	
3	National Taiwan University	
4	Asia University, Taiwan	
5	NTU TPIDC Digital Transformation and Sustainable Development Industry-University Alliance	Staff was sent to attend project training courses on digital transformation, corporate sustainability, and strategic innovation.
6	Department of Conscription Administration, Ministry of the Interior	With advance planning of research and development deployment as well as early intake of quality research and development talents, we are able to pioneer in industrial development.
7	Office of Employment Services and Vocational Training, Taoyuan City Government	We collaborated with governmental organizations to provide employment opportunities, and deployed the talent market in advance to enhance the overall competitiveness of the Company.
8	Taiwan Jobs	
9	Taoyuan City Industrial Association	We provided various corporate talents training, occupational safety and health certificates, and training consulting services.
10	Ming Chuan University	Colleagues were invited to serve as part-time instructors to develop the skills and knowledge required for the future and to realize the goal of integrating learning and use.
11	Buddhist Tzu Chi Charity Foundation	We sponsored the "National Compassionate Science and Technology Innovation Competition," which focuses on environmental protection and chooses charity or medical research as the R&D theme. Participants were to give full play to philanthropy and creativity and inject new blood of creativity into research and development, and stimulate endless innovative thinking.
12	Chung Yuan Christian University	Industry-academia Collaboration Research Project of the National Science and Technology Council.

NTU TPIDC Digital Transformation and Sustainable Development Industry-University Alliance

In 2023, Solteam participated in NTU’s Digital Transformation and Sustainable Development Industry-university Alliance, hoping to establish a credible learning and sharing platform through the collaboration and participation of the alliance partners as well members, to strengthen the digital transformation and sustainable management capabilities of Taiwanese industries and enterprises, and to enhance corporate competitive advantages. In 2023, Solteam participated in the following activities of NTU’s Digital Transformation and Sustainable Development Industry-university Alliance:

Name of Activity	Hours of Participation	Number of Participants from Solteam	Total Hours of Participation
Business and Policy Seminar	2.5	2	5
Business and Policy Seminar-Green Transition Topics	2.5	2	5
Business and Policy Seminar-Digital Transition	3	2	6
Business and Policy Seminar-Presentation on Topics Related to Technological Innovation Policy , Technology Industry Development , and Innovative Business Model	2.5	2	5

By participating in the activities mentioned above, Solteam not only enhances our development and promotion of the knowledge as well as the methodologies regarding digital transition, sustainable development, and strategic innovation, but also accelerates the Company’s digital and green transition. Moreover, Solteam is able to upgrade the market competitiveness of both the industry and the Company through academic seminars, practical sessions, project forums, and the relevant talent cultivation and training. Last but not least, the industry-academia collaboration promotes the interaction, observation, and learning of academic and practical knowledge among industries, the government, the academia, and research institutes; and provides business opportunities to expedite industrial upgrading.



Ming Chuan University

In order for students to receive both academic and industry experience in the learning course of product design, Ming Chuan University has recruited industry professionals as part-time instructors in sophomore's mandatory course on basic product design and junior’s mandatory course on product design, bringing practical experiences into the curriculum. Our colleagues of the Mechanical Design Department possess rich experience in product design and have participated in the basic product design courses in person for nearly three years, from which the students have benefited greatly. Additionally, the mode of industry-academia collaboration facilitates the partnership between universities and enterprises, setting a foundation for the nurture of more talents with practical capability and innovative spirit.

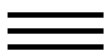


Our colleagues of the Mechanical Design Department instruct in the theoretical knowledge related to basic mechanical design in the classroom.



Our colleagues of the Mechanical Design Department demonstrate the mechanical design and operating principles of various products in the practical exhibition.

What is taken from the society should also be used in the society. Solteam has always actively engaged and spared no effort in giving back to the society. Although Solteam is not able to benefit everyone in the society, we still do our utmost to help those who are in need, regardless of the collective or individuals, ethnic groups or categories. In the years to come, Solteam will continue our efforts in giving back to the society in order to create a positive social influence.



Appendix

7.1 GRI Index and Relevant Data

Disclosed Item	Description		Disclosing Chapter /Description	Page No.
GRI 2: General Disclosures 2021				
GRI 2-1	The organization and its reporting practices	Organizational details	1.1 Corporate Sustainability Strategy and Vision	
GRI 2-2		Entities included in the organization’ s sustainability reporting	Foreword	
GRI 2-3		Reporting period, frequency and contact point	Foreword	
GRI 2-4		Restatements of information	5.2 Environmental Management	
GRI 2-5		External assurance	Foreword	
GRI 2-6	Activities and workers	Activities, value chain and other business relationships	1.1 Corporate Sustainability Strategy and Vision	
GRI 2-7		Employees	6.1 Manpower Capital	
GRI 2-8		Workers who are not employees	6.1 Manpower Capital	
GRI 2-9	Governance	Governance structure and composition	3.1 Corporate Governance Structure	
			3.2 Corporate Sustainability Management	
GRI 2-10		Nomination and selection of the highest governance body	3.1 Corporate Governance Structure	
GRI 2-11		Chair of the highest governance body	3.1 Corporate Governance Structure	
GRI 2-12		Role of the highest governance body in overseeing the management of impacts	3.1 Corporate Governance Structure	
GRI 2-13		Delegation of responsibility for managing impacts	5.1 Climate Risks and Governance	
GRI 2-14		Role of the highest governance body in sustainability reporting	3.1 Corporate Governance Structure	
GRI 2-15		Conflicts of interest	3.1 Corporate Governance Structure	
GRI 2-16		Communication of critical concerns	3.3 Risk Management	
GRI 2-17		Collective knowledge of the highest governance body	3.1 Corporate Governance Structure	
GRI 2-18		Evaluation of the performance of the highest governance body	3.1 Corporate Governance Structure	

Disclosed Item	Description		Disclosing Chapter /Description	Page No.	
GRI 2-19	Governance	Remuneration policies	3.1 Corporate Governance Structure		
GRI 2-20		Process to determine remuneration	3.1 Corporate Governance Structure		
GRI 2-21		Annual total compensation ratio	6.1 Manpower Capital		
GRI 2-22		Statement on sustainable development strategy	Foreword		
GRI 2-23		Policy commitments	6.1 Manpower Capital		
GRI 2-24		Embedding policy commitments	6.1 Manpower Capital		
GRI 2-25		Processes to remediate negative impacts	6.1 Manpower Capital		
GRI 2-26		Strategy, policies and practices	Mechanisms for seeking advice and raising concerns	Foreword	
				Chapter 3 Ethical Corporate Governance	
	Chapter 4 Safety and Customer Service Innovation				
	Chapter 5 Green Manufacturing				
		Chapter 6 Diverse Social Inclusion			
GRI 2-27		Compliance with laws and regulations	3.4 Regulatory Compliance		
GRI 2-28		Membership associations	1.4 External Initiatives		
GRI 2-29		Approach to stakeholder engagement	2.1 Materiality Analysis		
GRI 2-30		Collective bargaining agreements	6.1 Manpower Capital		
GRI 3: Material Topics 2021					
GRI 3-1	Material Topics	Process to determine material topics	2.1 Materiality Analysis		
GRI 3-2		List of material topics	2.1 Materiality Analysis		
GRI 3-3		Management of material topics -Ethical Management/Business Ethics	Chapter 3 Ethical Corporate Governance		
GRI 3-3		Management of material topics -Economic Performance	Chapter 3 Ethical Corporate Governance		
GRI 3-3		Management of material topics -Corporate Governance	Chapter 3 Ethical Corporate Governance		
GRI 3-3		Management of material topics -Customer Relationship Management	Chapter 4 Safety and Customer Service Innovation		
GRI 3-3		Management of material topics -Information Security Management	Chapter 3 Ethical Corporate Governance		

Disclosed Item	Description		Disclosing Chapter /Description	Page No.
GRI 3-3	Material Topics	Management of material topics -Product Quality and Safety	Chapter 4 Safety and Customer Service Innovation	
GRI 3-3		Management of material topics -Risk Management	Chapter 5 Green Manufacturing	
GRI 3-3		Management of material topics -Human Resources Management	Chapter 6 Diverse Social Inclusion	
GRI 3-3		Management of material topics -Human Rights	Chapter 6 Diverse Social Inclusion	
GRI 3-3		Management of material topics -Supply Chain Management	Chapter 5 Green Manufacturing	
GRI 3-3		Management of material topics -Innovation Management	Chapter 4 Safety and Customer Service Innovation	
GRI 3-3		Management of material topics -Labor Relations	Chapter 6 Diverse Social Inclusion	
GRI 3-3		Management of material topics -Occupational Safety and Health Management	Chapter 6 Diverse Social Inclusion	
GRI 3-3		Management of material topics -Energy Management	Chapter 5 Green Manufacturing	
GRI 3-3		Management of material topics -Climate Risks	Chapter 5 Green Manufacturing	
GRI 200: Topic-Specific Standards Disclosure-Economy				
GRI 201-1	Economic Performance: 2016	Direct economic value generated and distributed	1.1 Corporate Sustainability Strategy and Vision	
GRI 201-2		Financial implications and other risks and opportunities due to climate change	5.1 Climate Risks and Governance	
GRI 201-3		Defined benefit plan obligations and other retirement plans	2023 Financial Statements	NA
GRI 300: Topic-Specific Standards Disclosure-Environment				
GRI 302-1	Energy: 2016	Energy consumption within the organization	5.2 Environmental Management	
GRI 302-2		Energy consumption outside of the organization	5.2 Environmental Management	
GRI 302-3		Energy intensity	5.2 Environmental Management	
GRI 302-4		Reduction of energy consumption	5.2 Environmental Management	
GRI 302-5		Reductions in energy requirements of products and services	5.2 Environmental Management	
GRI 303-1	Water and Effluents: 2018	Interactions with water as a shared resource	5.2 Environmental Management	
GRI 303-2		Management of water discharge-related impacts	5.2 Environmental Management	
GRI 303-3		Water withdrawal	5.2 Environmental Management	

Disclosed Item	Description		Disclosing Chapter /Description	Page No.
GRI 305-1	Emissions: 2016	Direct (Scope 1) GHG emissions	5.2 Environmental Management	
GRI 305-2		Energy indirect (Scope 2) GHG emissions	5.2 Environmental Management	
GRI 305-3		Other indirect (Scope 3) GHG emissions	5.2 Environmental Management	
GRI 305-4		GHG emissions intensity	5.2 Environmental Management	
GRI 305-5		Reduction of GHG emissions	5.2 Environmental Management	
GRI 305-6		Emissions of ozone-depleting substances (ODS)	Not applicable as there is no such matter.	
GRI 305-7		Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable as there is no such matter.	
GRI 306-1	Waste: 2020	Waste generation and significant waste-related impacts	5.2 Environmental Management	
GRI 306-2		Management of significant waste-related impacts	3.4 Regulatory Compliance	
GRI 306-3		Waste generated	5.2 Environmental Management	
GRI 306-4		Waste diverted from disposal	5.2 Environmental Management	
GRI 306-5		Waste directed to disposal	5.2 Environmental Management	
GRI 307-1	Environmental Compliance: 2016	Non-compliance with environmental laws and regulations	3.4 Regulatory Compliance	
GRI 308-1	Supplier Environmental Assessment: 2016	New suppliers that were screened using environmental criteria	5.3 Sustainable Supply Chain	
GRI 308-2		Negative environmental impacts in the supply chain and actions taken	5.3 Sustainable Supply Chain	
GRI 400: Topic-Specific Standards Disclosure-Society				
GRI 401-1	Employment: 2016	New employee hires and employee turnover	6.1 Manpower Capital	
GRI 401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.1 Manpower Capital	
GRI 401-3		Parental leave	6.1 Manpower Capital	
GRI 402-1	Labor/Management Relations: 2016	Minimum notice periods regarding operational changes	6.1 Manpower Capital	
GRI 403-1	Occupational Health and Safety: 2018	Occupational health and safety management system	6.1 Manpower Capital	
GRI 403-2		Hazard identification, risk assessment, and incident investigation	6.1 Manpower Capital	
GRI 403-3		Occupational health services	6.1 Manpower Capital	
GRI 403-4		Worker participation, consultation, and communication on occupational health and safety	6.1 Manpower Capital	

Disclosed Item	Description		Disclosing Chapter /Description	Page No.
GRI 403-5	Occupational Health and Safety: 2018	Worker training on occupational health and safety	6.1 Manpower Capital	
GRI 403-6		Promotion of worker health	6.1 Manpower Capital	
GRI 403-7		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.1 Manpower Capital	
GRI 403-8		Workers covered by an occupational health and safety management system	6.1 Manpower Capital	
GRI 403-9		Work-related injuries	6.1 Manpower Capital	
GRI 403-10		Work-related ill health	6.1 Manpower Capital	
GRI 404-1	Training and Education: 2016	Average hours of training per year per employee	6.1 Manpower Capital	
GRI 404-2		Programs for upgrading employee skills and transition assistance programs	6.1 Manpower Capital	
GRI 404-3		Percentage of employees receiving regular performance and career development reviews	6.1 Manpower Capital	
GRI 405-1	Diversity and Equal Opportunity: 2016	Diversity of governance bodies and employees	6.1 Manpower Capital	
GRI 405-2		Ratio of basic salary and remuneration of women to men	Not disclosed yet	
GRI 406-1	Non-discrimination: 2016	Incidents of discrimination and corrective actions taken	6.1 Manpower Capital	
GRI 408-1	Child Labor: 2016	Operations and suppliers at significant risk for incidents of child labor	6.1 Manpower Capital	
GRI 409-1	Forced or Compulsory Labor: 2016	Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.1 Manpower Capital	
GRI 412-1	Human Rights Assessment: 2016	Operations that have been subject to human rights reviews or impact assessments	6.1 Manpower Capital	
GRI 412-2		Employee training on human rights policies or procedures	6.1 Manpower Capital	
GRI 412-3		Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not applicable as there is no such matter.	
GRI 414-1	Supplier Social Assessment: 2016	New suppliers that were screened using social criteria	5.3 Sustainable Supply Chain	
GRI 414-2		Negative social impacts in the supply chain and actions taken	5.3 Sustainable Supply Chain	
GRI 418-1	Customer Privacy: 2016	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.1 Customer Service	

7.2 SASB Index and Relevant Data-Electrical & Electronic Equipment

Topic	Code	Metric	Category	Disclosure Chapter	Description	Page No.
Energy Management	RT-EE-130a.1	(1)Total energy consumed(GJ)	Quantitative	5.2 Environmental Management	51,386.971(GJ)	
		(2)percentage grid electricity(%) and	Quantitative	5.2 Environmental Management	99.68%	
		(3)percentage renewable(%)	Quantitative	5.2 Environmental Management	None	
Hazardous Waste Management	RT-EE-150a.1	Amount of hazardous waste generated(T) and percentage recycled(%)	Quantitative	5.2 Environmental Management	24.364 metric tonnes of hazardous waste	
	RT-EE-150a.2	Number and aggregate quantity of reportable spills(kg) and quantity recovered(kg)	Quantitative		Not applicable as there is no relevant matter.	
Product Safety	RT-EE-250a.1	Number of recalls issued and total units recalled	Quantitative		Not applicable as there is no relevant matter.	
	RT-EE-250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety.	Quantitative		Not applicable as there is no relevant matter.	
Product Lifecycle Management	RT-EE-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative		Not applicable as there is no relevant matter.	
	RT-EE-410a.2	Percentage of eligible products(%), by revenue, certified to the Energy Star® Standards	Quantitative		Not applicable as there is no relevant matter.	
	RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products	Quantitative		Not applicable as there is no relevant matter.	
Materials Sourcing	RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	5.3 Sustainable Supply Chain	Avoiding single-source procurement when selecting suppliers; and selecting the most suitable partner in terms of price, cost, technology, quality, and service.	
Business Ethics	RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Discussion and Analysis	3.5 Ethical Corporate Management	Formulating regulations related to ethical corporate management; and requesting the Board members as well as senior managerial officers to sign the declaration for compliance of ethical corporate management.	
	RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative		Not applicable as there is no relevant matter.	
	RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative		Not applicable as there is no relevant matter.	
Activity Metrics	RT-EE-000.A	Number of units produced by product category	Quantitative		Please refer to the Annual Report for details.	
	RT-EE-000.B	Number of employees	Quantitative	6.1 Manpower Capital	A total of 786 employees in the entire Group	

7.3 Third-party Verification





solteam

trusty solutions for life

7F-2, No. 888, Jingguo Rd., Taoyuan Dist., Taoyuan City.

ESG@solteam.com.tw

886-3-316-2168