

SUREX 2022

精元電腦 永續報告書






精元電腦股份有限公司
SUNREX TECHNOLOGY CORPORATION

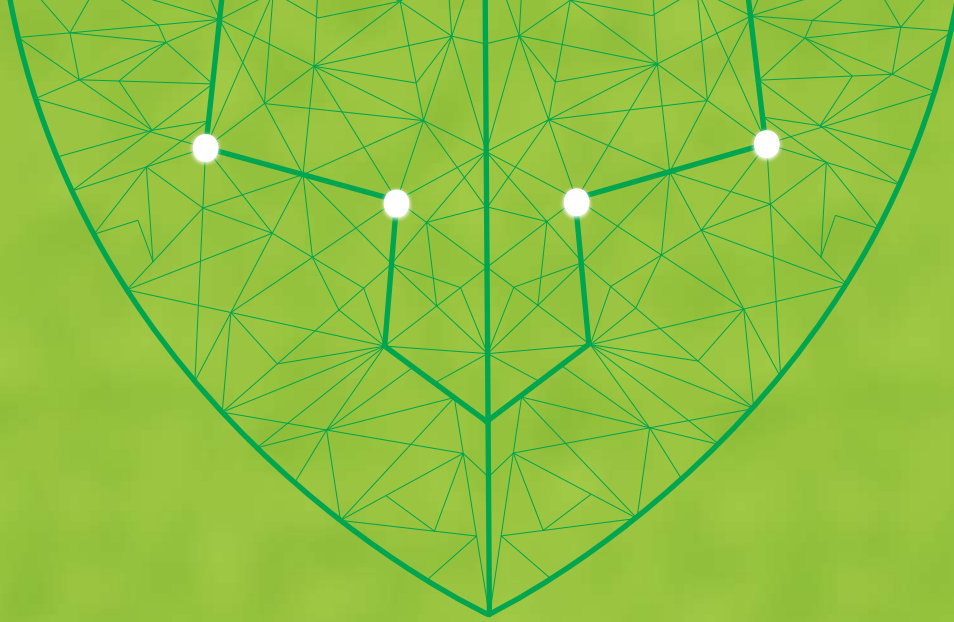
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People-oriented--

`Sunrex Technology Corp has been operating for dozens of years, pursuing the manufacturing method of "People-Oriented and Ware Are For Conveying Truth".

To create products that are ergonomic and non-toxic and non-hazardous. In response to climate change, we will accompany the global economy to grow and thrive in a sustainable environment!



NB keyboard



NB leather keyboard



NB backlit keyboard



mouse



gaming keyboard



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00 *About this book*



Purpose of this report

Sunrex Corporation (herein after referred to as the Company or our Company) issued the Corporate Sustainability Report with the primary purpose of presenting to stakeholders (including shareholders, investors, employees, customers, government, community, media, environmental groups). Through this report, we hope to report in detail on our practices and achievements in promoting sustainable development to all stakeholders who have long been interested in Sunrex. We also hope that all of Sunrex's stakeholders will offer their corrections, and we will accept the corrective comments from all sectors so that Sunrex can continue to operate and grow sustainably.

Report written in accordance with

This report is based on the GRI Standards published by the Global Reporting Initiative (GRI) and adopts the Core disclosure principles and the SEHK's Code of Conduct for the Preparation and Filing of Sustainability Reports by Listed Companies as its main framework. We also refer to the United Nations 2030 Sustainable Development Goals (SDGs), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). Disclosures (TCFD), the Company's strategies, goals, measures and performance indicators related to major themes are disclosed.

The scope of the report

The scope of this report covers all of Sunrex's Taiwan headquarters and all of its plants (including its headquarters in Taiwan and its Daya Plant, its Chongqing factory in China, its Jiangsu factory, its Shenzhen factory, its Changshu factory, and its Jiangxi factory), and all corresponding data in this report will be applied to international common metrics. The operating results in this report are presented in New Taiwan dollars based on Sunrex's consolidated financial statements.

Information and Data Quality

The information in this report was provided by each unit after approval by the supervisor, submitted to our Sustainable Development Task Force for compilation and editing, and finally approved by the Chairman of the Board of Directors for final publication. The statistical data disclosed in this report were obtained from our own statistics and survey results, and are presented in the usual way of numerical description. The financial statements in this report are in New Taiwan dollars, and the performance related to occupational safety and health is expressed in terms of international common indicators.



Editorial Statement of the Report

The information disclosed in this report is for 2022 (January 1, 2022 to December 31, 2022), and the release date is June 2022 (issued annually).

The Sustainability Report helps companies identify and address ESG issues and risks to achieve sustainable development. Therefore, in order to promote sustainable management and social responsibility, we are responsible for the sustainable development strategy of each relevant unit and various projects to promote social responsibility. We hope that in the process of building sustainable development, we will also fulfill our corporate social responsibility and take on the responsibility of corporate citizenship in addition to profit-making.

The government has clearly released the policy goal of 2050 net zero carbon emissions and passed the Climate Change Act, which means that future leading companies should not only play a leading role in the business field, but also become leaders in sustainable development. The ESG unit is responsible for coordinating the planning of economic, environmental and social issues arising from operational activities, convening a meeting of first-level executives to discuss the resolution, and then sending it to the board of directors to report on the handling of the situation, so that all levels of executives and employees of the company can work together to promote and implement matters related to corporate sustainable development.

Contact Person

The information in this report is mainly for the year 2022, and the data before 2021 is used as reference data. The Corporate Sustainability Report is published regularly every year on our official website. If you have any comments on this ESG Sustainability Report, you are welcome to contact us through the following methods

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Words from the operator

Since Sunrex was founded, the company has persevered with its commitment to product quality, actively explored market needs, and continuously introduced new products and services to reward consumers and society with quality products and services.

In 2022, the computer keyboard market continued to rise in labor and manufacturing costs, the overall competition in the notebook computer keyboard market was intense, and the external environment was still difficult, but we still achieved growth and progress during this year of challenges and changes, thanks to the tireless efforts of all employees and the support of all parties. In addition to maintaining key customers, Sunrex has capitalized on market trends, and has actively pursued new orders by leveraging its efficient supply chain and operational flexibility. In the notebook market, Sunrex already has a mature and robust product line, so we are not only committed to developing new products, but are also investing in multiple product categories to advance the development of a diverse product portfolio.

Sunrex will continue to adhere to its business philosophy of "finding quality customers, finding quality suppliers, and finding quality employees". We are committed to expanding OEM and ODM marketing, developing our core technologies, strengthening our R&D capabilities and competitiveness, controlling manufacturing and quality management, and establishing an effective cost control system to enhance our competitiveness as a leader and the world's largest manufacturer of input devices.

At the beginning of 2023, the world is gradually leaving the haze of the epidemic era, but the hot spot of the global warming greenhouse effect, including energy saving and carbon reduction policies, green energy and other trends are emerging. The governments of various countries are taking practical actions to respond to climate change and implement the goal of "2050 Net Zero Carbon Emission". Relevant policies such as the time pressure of carbon inventory and carbon neutrality, the imminent implementation of carbon border tax in the EU and the US, the green energy transformation in line with the countries, and the promotion of circular economy are not only international trends, but also important keys to the competitiveness of enterprises. Sunrex will do its utmost to lead all of its employees to continue to seize this wave of corporate transformation and upgrade opportunities, turn the impossible into the possible, fully satisfy the needs of stakeholders at home and abroad, and further polish Sunrex's leading position in the professional field!



Chairman of the Board
 TSAI, HUO-LU



0-1 Sustainable Performance

In 2015, the United Nations adopted and announced the 2030 Sustainable Development Goals (SDGs), a set of 17 core goals with 169 sub-targets and 230 indicators to address global challenges, including poverty, hunger, education, gender equality, energy, environment, climate change, peace and justice, and to guide global efforts toward sustainability.



With the spirit of "the pursuit of a fair society and continuous efforts for sustainable development," the Company responds to global sustainable development goals, leverages its corporate core competencies, responds to the five United Nations Sustainable Development Goals (SDGs), takes sustainable actions, and contributes to global sustainable development.



0-1.1 Sunrex echoes the United Nations Sustainable Development Goals (SDGs)



6-5 All-round employee health management, Sunrex echoes SDGs practices

Through health examination results, we compare and analyze questionnaires, items and examination results before and after health examinations in detail, and carry out a complete health control mechanism according to the type and degree of abnormality, so that employees can receive better health care and create an environment of "zero sickness and pain at work and a healthy life", allowing employees to enhance their health management ability and establish a health culture.

Our company is deeply aware that the growth of our company on a large scale is the work of each and every employee who is responsible and hardworking. Therefore, while developing our business, we do not forget to create a safe, healthy and trustworthy working environment for our hardworking employees.



6.4 Talent development and education and training, Sunrex echoes SDGs practices

Sunrex believes that its employees are the core of the company's important assets and the foundation of its sustainable operation. In order to create a diversified and autonomous learning environment, Sunrex also hopes to cultivate talented people who are optimistic, positive, professional, and innovative through a good training environment.



6.3 Employee compensation and benefits, Sunrex echoes SDGs practices

Sunrex complies with labor-related laws and regulations, and has established various salary, benefit, vacation, and retirement programs to protect employees' salaries and benefits and provide a quality and safe working environment so that employees can work with peace of mind.



6.7 Human Rights Policy, Sunrex echoes SDGs practices 6.6 Employee communication and care, Sunrex echoes SDGs practices 6.5 Safe working environment, Sunrex echoes SDGs practices

In order to create a fair and equitable work environment, Sunrex gives priority to local employees from the time of recruitment and does not differentiate in the hiring of personnel based on race, religion, color, nationality, gender, political affiliation, or background, and does not hire children.

Sunrex treats employees' rights and employee care with honesty and trust, establishes employee welfare committees, handles employee labor and health insurance, and provides employees and their families with the livelihood protection they deserve in accordance with laws and regulations. In order to ensure that employees can work without worries.

After the establishment of each plant, Sunrex has actively implemented the ISO 45001:2018 (Occupational Health and Safety Management Systems) Occupational Health and Safety Management Certification, using a professional and systematic management approach to implement the items required by the certification and prevent occupational accidents.



5.2 Responding to Climate Change, Sunrex Echoes SDGs Approach

Global climate change and energy management is one of the major issues and key risk items for Sunrex's sustainable development. Sunrex conducts physical and transformation risk and opportunity identification, as well as assessment of the likelihood of occurrence and analysis of the degree of impact, and recommends appropriate countermeasures to address the potential impact on its operations.



0-1.2 Sunrex ESG Vision and Goals for Sustainable Development

Sunrex's vision for sustainable development.

No. 1 in sustainability for global computer peripheral input device manufacturer ESG

Sunrex's Mission for Sustainable Development

Corporate sustainability meets three core stakeholders/customer satisfaction/employee rights/shareholder benefits

Sunrex's Sustainable Development Goals

Economic Goals



Business ethics, competitive behavior, and supply chain management are related to the stability and reputation of the company. We are committed to profitability, strengthening existing profitability and promoting product diversity and innovation.

Sunrex's Sustainable Development Goals

Environmental Goals



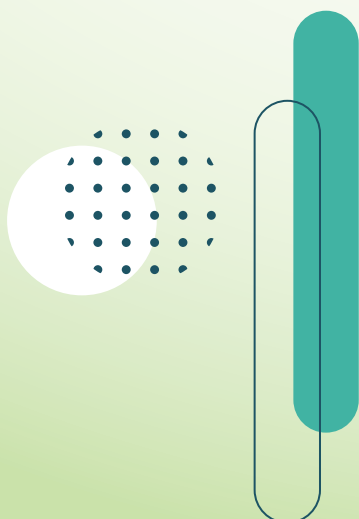
Prevention and control of environmental pollution such as greenhouse gas emissions, water and wastewater management, and biodiversity. We will implement low-carbon production and resource recycling in our value chain in order to achieve the goal of environmental sustainability.

Sunrex's Sustainable Development Goals

Social aspect goals



Customer welfare, labor relations, diversity and inclusion, and other stakeholders affected by the industry. We will take into account the diversified development of key stakeholders to achieve the impact of common and inclusive growth.



0-2 Sunrex TCFD Climate Risks and Opportunities Disclosure

Following the release of the Task Force on Climate-related Financial Disclosures (TCFD) in 2017, the TCFD provides recommendations for companies to follow when implementing issues related to climate change. The TCFD is an international group of financial auditors, business leaders and academics formed in 2015 to promote the disclosure of climate risks and opportunities in financial reporting.

TCFD's Climate Risk and Opportunity Disclosure Indicators include the following four orientations:

1. **Governance:** Assesses a company's governance structure and processes for climate risk management and response, including the role, responsibilities, and structure of climate change in corporate governance.
2. **Strategy:** Analyze the company's strategy and objectives for addressing climate change and how climate change is incorporated into its business strategy.
3. **Risk Management:** To assess the company's level of awareness and management of risks arising from climate change, including assessment and analysis of climate risks, establishment of coping mechanisms, and mitigation measures.
4. **Indicators and Targets:** Evaluate how the company incorporates environmental indicators and targets into its short-, medium- and long-term strategic planning, and continuously tracks improvements to achieve environmental sustainability goals.

The TCFD (Climate Related Financial Disclosure) is responsible for the policy, planning, implementation and review of the four core elements: governance, strategy, risk management, indicators and goals.

As TCFD is gradually gaining attention from governments, investors, and other business stakeholders, domestic manufacturing industry leaders are beginning to pay attention to the issue of climate change adaptation. In the face of unprecedented fear and uncertainty, the manufacturing industry is considered a key industry for achieving sustainability goals. Using the reporting framework recommended by the Task Force on Climate Related Financial Disclosures (TCFD), the Company describes the operation of the core elements of the TCFD (governance, strategy, risk management, and metrics and targets) as follows.

Governance

Climate risk and opportunity disclosure refers to the disclosure in a company's financial reports of the risks and opportunities it faces in the face of climate change. Specifically, these reports can include a company's commitment to reducing carbon emissions, an assessment of the impact of climate change, a detailed description of countermeasures, and how it manages and mitigates risks and exploits opportunities. Disclosing climate risks and opportunities can help investors and stakeholders better understand the climate risks and opportunities faced by companies, and thus make better investment and business decisions.



Strategies

The 17 Sustainable Development Goals (SDGs), officially launched by the United Nations on January 1, 2016, clearly cover the three dimensions of sustainable development, including "economic growth," "social harmony," and "environmental protection," and outline all aspects of global development from multiple perspectives, demonstrating the scale and ambition of the new approach. The scope and ambition of the new policy is demonstrated. As a corporate social citizen, Sunrex is actively concerned about the SDGs and hopes to reduce the sustainability challenges faced by humanity through its own promotion and participation.

Using the 17 SDGs of the United Nations, Sunrex identified three sustainability indicators (#3/#12/#13) related to Sunrex's computer peripheral industry and five sustainability indicators (#3/#4/#8/#11/#13) that overlap in part with Sunrex's own corporate characteristics, including

Goal-3 Good Health and Well-being

Goal-4 Quality Education

Goal-8 Decent Work and Economic Growth

Goal-11 Sustainable Cities and Communities

Goal-12 Responsible Consumption and Production

Goal-13 Climate Action

In total, there are six items and we consider the Life Cycle Assessment (LCA) of computer peripheral products, from raw materials, production, transportation, use, waste disposal and other processes, the environmental impact caused by the assessment, advocating the planning and computer peripheral products industry need to have the four characteristics of sustainability, low carbon, energy saving and circular economy, and actively promote green procurement, in order to achieve In addition, Sunrex actively promotes green procurement to achieve environmentally friendly and sustainable management policies and practices. Currently, Sunrex continues to strengthen the 12th indicator of ensuring sustainable consumption and production patterns.

TCFD has set the following objectives for climate risk and opportunity disclosure

- 1.To disclose information about the strategic and financial impacts of climate change on the business.
- 2.To disclose information on how the company identifies, assesses, and manages the risks associated with climate change.
- 3.To disclose information on how the company identifies, evaluates, and exploits business opportunities related to climate change.
- 4.Disclose information about the company's greenhouse gas emissions, including emissions in scope 1, 2 and 3.

Overall, TCFD's climate risk and opportunity disclosure metrics and objectives help companies better understand the impact of climate change on their business, so they can develop more effective response and management strategies

Risk Management

According to The Global Risks Report 2019 of the World Economic Forum (WEF), five of the top ten risks are environmental risks, namely, "extreme weather events," "failure of climate change mitigation and adaptation measures," "natural disasters," "man-made environmental disasters," and "biodiversity loss and ecosystem destruction. The "water crisis", which is one of the top 10 social risks, is also an environmental risk, so there are as many as six environmental risks, which clearly show the challenges that the world must face.

The promotion of TCFD is important for companies to disclose climate risks and opportunities. Disclosure facilitates communication and understanding between companies and investors, and helps companies better understand the risks and opportunities they face so they can develop more effective climate change response strategies. Disclosing climate risks and opportunities can also help companies reduce risk, improve efficiency and increase profits, while also promoting more sustainable economic development.

A special report published in 2018 by the UN's Intergovernmental Panel on Climate Change (IPCC) states that global carbon emissions must reach a net zero target by 2050 if global warming is to be kept within 1.5°C.

Metrics and Objectives

TCFD's Climate Risk and Opportunity Disclosure Indicators and Objectives are designed to help companies disclose their risks and opportunities in dealing with climate change, thereby improving transparency and sustainability, and helping investors and stakeholders better understand the climate risks and opportunities faced by companies.

Sunrex performs greenhouse gas inventory operations in accordance with ISO 14064-1 and has begun to commission third-party verification organizations to conduct effective verification work. At the same time, we are looking for possible reduction opportunities in the inventory process and implementing carbon neutral projects one by one. In order to meet the policy requirements of the computer peripheral industry to reduce carbon emissions year by year, Sunrex has incorporated environmental objectives into its short-, medium-, and long-term strategic planning within the organization, highlighting the implementation of low-carbon production and resource recycling in the green supply chain to achieve the goal of environmental sustainability. In response to the impact of climate change, Sunrex continues to strengthen its climate risk assessment and management to evaluate the opportunities and risks that climate change may bring.



0-2.1 Analysis of the Risk of Incorporating GRI Standards into TCFD

Sunrex follows the "Guidelines for the Preparation and Reporting of Sustainability Reports by Listed Companies" issued by the Taiwan Stock Exchange. Governance 3.0 - A Blueprint for Sustainability" issued by the Financial Supervisory Commission (FSC), which calls for enhanced sustainability reporting disclosure by reference to the TCFD, can link climate risk to corporate governance to enhance corporate information transparency.

The GRI Code describes climate change as an issue that is considered as part of a company's overall (environmental, social and governance) management capability and performance, while the TCFD focuses on a single climate theme, encouraging companies to include climate change-related risks and opportunities in their financial impact assessment and to disclose the extent of their impact on balance sheets, income statements and cash flow statements, in order to provide stakeholders with more The TCFD provides stakeholders with forward-looking information that is useful for decision making and can be used as one of the key indicators for evaluating the future valuation of a company.

Therefore, Sunrex has combined the TCFD and GRI criteria in this issue to report that companies will be able to effectively improve the quality of disclosures on climate change issues and demonstrate an integrated risk management mindset and strategy. The following table summarizes the differences between the current TCFD and GRI criteria.



Revealing Facets	Four core elements of TCFD	GRI 2021	
	Disclosure Project	Response Indicators (Sunrex Corp. Response Indicators)	Response Level
Governance	Board of Directors' Oversight of Climate Related Risks and Opportunities	2-12 Top Governance Unit's Role in Overseeing Shock Management (3.2 Governance Structure) 2-14 Corner of the highest governance unit in supervising impact management (3.2 Governance Structure)	Low match
	Management's role in assessing and managing climate-related risks and opportunities	2-9 Governance Structure and Composition (3.2 Governance Structure) 2-12 Role of Top Governance Unit in Overseeing Shock Management (3.2 Governance Structure) 2-13 Persons Responsible for Impact Management (3.2 Governance Structure)	Low match
Strategies	Short-, medium-, and long-term climate-related risks and opportunities identified by the organization	2-22 Sustainable Development Strategy Statement (0-1.2 Sunrex ESG Sustainability Vision and Goals)	Moderate match
	The impact of climate related risks and opportunities on the organization's business, strategic and financial planning	2-23 Policy Commitment (0-1.2 Sunrex ESG Sustainable Development Vision and Goals)	Low match
	Organize for strategic resilience and consider different climate-related scenarios	NA	Low match
Risk Management	Organizational processes for identifying and assessing climate-related risks	307 Compliance with laws and regulations on environmental protection (3.4 Risk management)	Moderate match
	Organizational processes for managing climate-related risks	2-25 The process of compensating for negative shocks (3.4 Risk Management)	Low match
	How the identification, assessment and management processes for climate related risks are integrated into the organization's overall risk management system	2-26 Mechanism for Seeking Advice and Raising Concerns (3.4 Risk Management)	Low match
Targets and Objectives	Indicators used by the organization to assess climate related risks and opportunities in accordance with the strategy and risk management process	300 Environmental Thematic Indicators(ch 5 Implementation of environmental protection)	High match
	Exposing greenhouse gas emissions and associated risks	305-1~305-3 Greenhouse gas emissions(ch 5.3 greenhouse gas management)	High match
	The objectives used by the organization to manage climate-related risks and opportunities, and performance in meeting those objectives	300 Environmental Thematic Indicators(ch 5 Implementation of environmental protection)	High match

Table I. TCFD and GRI criteria fusion analysis



0-2.2 TCFD Risk Continuity Operations PDCA

Through the concept of the PDCA management cycle, Sunrex continuously identifies climate risks and opportunities for TCFD, and uses them to understand the opportunities and risks that will be generated by future resource inputs. Over time, climate risks will continue to be transformed into opportunities. The following are Sunrex's forecasts for climate change-related risks and opportunities:

	Major risks of climate change	Potential impact on operations or finances	Management Practices
Risk	Carbon emissions	Increase in overhead costs. Increase in capital expenditures. Increase in research and development costs.	<ul style="list-style-type: none"> ✧ Carry out real carbon reduction and make it known to supply chain members through SBTi commitments ✧ Set short-, medium- and long-term carbon reduction targets, and adjust targets and goals on a rolling basis ✧ Establish a team of technical experts for net-zero emissions and plan a roadmap to keep track of the results
	Carbon Fee	Increased overhead costs. Limited sales growth.	<ul style="list-style-type: none"> ✧ In the future, the carbon levy will be passed on to upstream and downstream manufacturers in order to require the supply chain to reduce carbon together.
	Renewable Energy Regulations	Direct cost increase. Penalties from the government. Restricted sales growth.	<ul style="list-style-type: none"> ✧ Actively procure green power certificates as carbon neutral targets and enhance corporate image ✧ Promote all specific programs for energy saving and carbon reduction in order to comply with policies and regulations earlier ✧ Set self-green energy goals to keep pace with competitors and the world

	Major risks of climate change	Potential impact on operations or finances	Management Practices
Opportunities	Low Carbon Energy	Increased brand value. Reduced carbon cost. Increase in market orders.	<ul style="list-style-type: none"> ✧ Increase the rate of low-carbon energy use and produce products with a low carbon footprint ✧ The time has come to reduce reliance on traditional fossil fuels and to pursue economic development and carbon emissions as well.
	The rise of green materials	Reduced Carbon Costs. Enables renewable energy. Policy compliant net zero.	<ul style="list-style-type: none"> ✧ Early access to low-carbon raw material sourcing, in line with policy requirements and brand regulations ✧ Strengthen the resilience to adapt to climate hazards and reduce risks by continuing normal operations
	Green Manufacturing is coming	Improved competitiveness. Emerging Technologies. Green Value Chain.	<ul style="list-style-type: none"> ✧ Increasing demand for sustainable products and brand purchasing relationships ✧ Low-carbon solutions are introduced to reduce carbon emissions from manufacturing processes ✧ Research and development of low-carbon products for early deployment of new demand

TCFD Climate Related Financial Disclosure Continuity of Operations Plan

(1) Continuity of Operations Plan (Plan).

The Continuity of Operations Group (COG) assesses factors that are highly risky in relation to TCFD's climate and develops a Continuity of Operations Plan (Plan) after a determination by the Chairman and General Manager. Based on the risk assessment, the plan develops an emergency response plan and a business recovery plan. The Emergency Response Plan is to plan for emergency response in the early stages of a disaster, so that the emergency response team can function and minimize damage; the Business Recovery Plan is to continue to progress through the aftermath of the incident and gradually begin recovery efforts.

(2) Implementation of the continuous operation plan (Do)

The contents of the ongoing TCFD operation plan include: the list of the ongoing operation plan team and contact numbers, the contact list of external organizations, the list of important machinery and equipment, the list of important suppliers, the list of important customers, the IT (server room) ongoing plan...etc. in order to effectively restore the important functions necessary for the company's operation and to reduce the loss of company personnel and property.

(3) Continuity of Operations Check and Action Plan Development

The BCP is regularly tested on an annual basis, depending on actual demand, to familiarize departments with the BCP contingency or recovery process and to ensure that it can be implemented in the event of a disaster, and to revise the BCP on an annual basis with the results of exercises or other information to ensure that the scope and nature of the plan is appropriate to the company's current and future needs.

In the future, this report will continue to explore the contextual analysis of TCFD and the practices of benchmark companies, and analyze the reference guidelines for climate related information disclosure in the preparation of ESG sustainability reports, so as to guide Sunrex to strengthen the disclosure of climate related information, master international disclosure practices and reporting requirements, and smoothly converge with international standards. Through understanding the concept and structure of TCFD, and becoming familiar with climate change scenario estimation, related risk assessment, and financial disclosure, Sunrex will master the practical and reporting requirements of "climate related information disclosure" in sustainability reports, and cultivate a multi-faceted perspective and experience and professional knowledge in dealing with climate change and sustainable development issues.

01 *Sustainable Development*



1.1 Sustainable Development Management Mechanism

In order to effectively integrate corporate sustainable development plans, Sunrex has designed and planned the company's sustainable development management mechanism, which includes the design, implementation, and evaluation of strategies, policies, plans, and actions based on sustainable development in the business process, in order to achieve balanced development in the social, economic, and environmental aspects. The Sustainable Development Task Force is responsible for the collection and compilation of all project data.

1.1.1 Sustainable Development Team

In order to integrate and promote sustainable development, Sunrex has designated the management department as the executive unit for sustainable development, and is responsible for the company-wide strategy development and performance monitoring of sustainable development, as well as the preparation of a perpetual report, which is regularly reported to the Board of Directors. In order to implement the implementation and management of corporate sustainable development, the Company has established the "Sustainable Development Task Force". The Sustainable Development Task Force is responsible for the formulation of corporate sustainable development policy direction and promotion plans, as well as overseeing their implementation, and regularly reports to the Board of Directors on the results of corporate sustainable development implementation.

1.1.2 ESG Operational Audits

Sunrex designs appropriate internal control and regulation systems for operations that may have potential risks. The supervisor of each department is responsible for identifying risks, human resources is responsible for training, each department is responsible for implementation and management, and auditing is responsible for verifying the implementation and revision of the relevant mechanisms. The audit unit regularly evaluates the management effectiveness of the internal control mechanism and performs related audits accordingly, and reports the audit results to the Audit Committee and the Board of Directors on a regular basis to enable management to understand the current status of the Company's operations and to achieve management objectives. 2022 has been conducted on key laws and regulations and the Company's integrity management to achieve the Company's goal of sustainable management.



1.2 Stakeholder Agreement

Sunrex values the rights and opinions of its stakeholders and conducts long-term negotiations with them, including prior negotiations on the preparation of sustainability reports, open and direct communication channels to listen to their needs and continuous follow-up afterwards. Although Sunrex does not currently have a labor union or a group agreement, Sunrex allows employees to express their opinions through regular communication meetings, labor-management meetings, and welfare committee meetings to effectively solve employee problems. Sunrex not only provides information on environmental protection, social harmony, and corporate governance, but also continuously reviews and improves the performance of sustainable corporate development by understanding the concerns of its stakeholders.

1.2.1 Stakeholder identification and classification

In accordance with the GRI Standards of the Global Sustainability Reporting Institute and the AA 1000 SES verification standards, we continue to optimize and systematize our materiality analysis model and follow this process to identify and analyze issues as important indicators for our short-, medium-, and long-term sustainability strategies and as a basis for revealing material themes in our ESG Corporate Sustainability Report.

Through multiple channels and mechanisms, we continuously listen to stakeholder feedback and use the AA1000 SES-2015 Five Principles (Dependability, Responsibility, Concern/Tension, Influence, and Multiple Perspectives) to identify seven key stakeholder categories: employees, shareholders and investors, customers, suppliers, financial institutions, local residents, and government agencies.

◆ **Internal stakeholder identification process: Sunrex's key stakeholders were identified through internal questionnaires distributed to different department heads. 13 copies of the internal questionnaires were returned, and the importance of the stakeholders were identified as follows:**

Internal Identification Importance Ranking	1	2	3	4	5	6	7
Stakeholder	Client	Shareholder/ Investor	Staff	Supplier	Financial Institution	Government Unit	Local Resident

The top three in order of importance after stakeholder identification are: customers, shareholders/investors, and Staffs.



1.3 Analysis of major issues

In this report, we use the critical issue analysis process to identify the sustainability issues that are of concern to stakeholders and use them as a reference base for information disclosure to achieve the goal of effective communication. Through the process of effective collaboration with stakeholders, Sunrex has become an important cornerstone for sustainable corporate development.

Sunrex follows the GRI Standards (GRI Standards) of the Global Reporting Initiative (GRI) to identify, evaluate, confirm, and review the materiality of our reports to identify the areas disclosed in our reports as well as the major internal and external sustainability challenges facing our company, and to comprehensively review the effectiveness of our sustainable operations in four steps: identification, ranking, confirmation, and review.

01 (Identification)
 Based on the GRI guidelines, international initiatives, the United Nations sustainability goals, the company's business goals, and executive interviews and employee insights, we have compiled a list of sustainability issues for Sunrex Technology Corp. The issues of economic growth, environmental protection and social responsibility were selected.

02 (Sorting)
 After identifying the issues, we conducted a questionnaire survey to assess the level of concern for sustainability issues and the impact of internal employees on operations by shareholders and investors, suppliers, corporate customers, social groups/community residents, government/authorities, and employees. In addition, we conduct stakeholder surveys to assess the level of concern about sustainability issues and the level of impact of internal employees on operations.

03 (Confirmation)
 A matrix of material issues was formed through a process of ranking, combining the results of internal and external questionnaires and a weighted analysis by the Chairman of the Board of Directors to jointly identify material issues and use the GRI Standards as a basis for disclosing specific topics in the Corporate Sustainability Report
 We will also ensure that we are responsive to the needs of our stakeholders.

04 (Viewing)
 The ESG Sustainability Report is based on the GRI Standards, and management has established management guidelines and indicators for material issues identified.

We analyzed the major issues of Sunrex through 4 major steps, namely: identification, evaluation, confirmation, and review.

First, in Step 1: Identification, the responsible unit of the Sustainable Development Task Force convened an internal meeting to select the topics of concern, communication channels and frequency according to the GRI Standards Topics and Standard Disclosures, and compiled a list of topics as shown in the table below.

Stakeholder	Concern topics	Communication channels	Communication frequency
Client	<ul style="list-style-type: none"> ◆ Customer Service Management ◆ Network Security ◆ Climate change response 	<ul style="list-style-type: none"> ◆ Quality management audit ◆ Site Visit ◆ Official public information, telephone number ◆ E-mail, satisfaction survey 	<ul style="list-style-type: none"> ◆ Annual regular customer audits ◆ Regular customer satisfaction survey ◆ Meeting to review depending on the situation ◆ QBR is held from time to time
Shareholder/ Investor	<ul style="list-style-type: none"> ◆ Short-, medium- and long-term development strategies ◆ Corporate governance and internal control ◆ Risk Management ◆ Operational performance 	<ul style="list-style-type: none"> ◆ Shareholders' Meeting ◆ Official public information such as: Shareholders' Corner (Disclosure of Revenue and Dividend) 	<ul style="list-style-type: none"> ◆ Regular or unscheduled annual shareholders' meetings
Staff	<ul style="list-style-type: none"> ◆ Labor-employment relationship ◆ Occupational Safety and Health ◆ Labor relations ◆ Employee Welfare and Salary ◆ Labor Rights ◆ Protection ◆ Workplace equality and diversity ◆ Energy Management ◆ Waste management 	<ul style="list-style-type: none"> ◆ Multiple complaint channels: Employee mailbox, employees directly to all levels of supervisors to put forward their views or complaints ◆ Two-way communication between management levels: Communication meetings between managers and supervisors ◆ Labor-management meetings, welfare committee meetings 	<ul style="list-style-type: none"> ◆ At any time or annually at regular or irregular intervals
Supplier	<ul style="list-style-type: none"> ◆ Occupational safety and health ◆ Supplier management 	<ul style="list-style-type: none"> ◆ Site visits and grading ◆ Quality Management Audit ◆ Public information on the website ◆ Supplier Hotline ◆ E-mail, satisfaction survey 	<ul style="list-style-type: none"> ◆ Annual periodic supplier audits ◆ Regular supplier appraisal ◆ Meeting to review depending on the situation
Financial Institution	<ul style="list-style-type: none"> ◆ Operational Performance ◆ Corporate Governance and Internal Control 	<ul style="list-style-type: none"> ◆ Site Visit ◆ Official public information, telephone, Email, credit check 	<ul style="list-style-type: none"> ◆ Regular financial and tax audits
Government Unit	<ul style="list-style-type: none"> ◆ Compliance with environmental regulations ◆ Water management ◆ Hazardous substance management ◆ Climate change response 	<ul style="list-style-type: none"> ◆ Participate in seminars of government agencies ◆ Visit and inspection on site ◆ Written checks, official notices ◆ Public information on the official website, telephone ◆ E-mail 	<ul style="list-style-type: none"> ◆ Monthly, quarterly, yearly or from time to time
Community Residents	<ul style="list-style-type: none"> ◆ Community Involvement and Social Welfare 	<ul style="list-style-type: none"> ◆ Site visits to address the needs of residents 	<ul style="list-style-type: none"> ◆ At any time or annually at regular or irregular intervals



Step 2: Evaluation (ranking): The responsible unit of the Sustainable Development Task Force will discuss with the first-level executives to evaluate the degree of economic, environmental and social impact of the issues, and then rate and rank them.

Step 3: Confirm that we have defined the four principles of report content in accordance with GRI Standards: 2021, including Stakeholder Inclusiveness, Materiality, Sustainability Context, and Completeness, to evaluate the identified critical topics. Secondly, the ranked list of materiality and significant topics in this report was approved by senior decision makers in accordance with GRI Standards.

2021 defines the six principles of report quality:

- (1) (Accuracy) 、
- (2) (Balance) 、
- (3) (Clarity) 、
- (4) (Comparability) 、
- (5) (Reliability) and
- (6) (Timeliness) 、

In accordance with the principles, we will start to compile and disclose the management policies and performance of various issues.

Step 4: Review, in identifying materiality themes and boundaries Based on stakeholders' concerns about materiality and the extent to which the company's immediate or potential impact is high, medium, or low in the report, stakeholder feedback is collected after the release of this report to prepare for the next ESG Sustainability Report and to facilitate identification in the next reporting cycle.



1.3.1 Steps for analysis of major issues

In 2022, we introduce materiality analysis in the preparation of the Corporate Sustainability Report. By identifying the categories of stakeholders based on the AA1000 SES Stakeholder Engagement Standard, we will further identify the sustainability issues of concern and interest to stakeholders and facilitate effective communication with them.



1.3.2 Significant issues identification method

At the same time, the results of the rating of the issues determine the major issues of concern to each stakeholder, as well as the classification, identification and ranking of the major issues that have the greatest impact on the company immediately or potentially.

1.4 Management of major issues

In the face of drastic changes in the external market, customer requirements, and global corporate sustainability, the Company has selected 20 major issues as its 2022 Report based on the issues in the GRI Guidelines and after discussion and consensus with internal executives, focusing on the key ESG items and future planning that are important to the Company's operation. The Company has selected 20 major issues as the key management issues for the 2022 Report.

The Company's decisions on major issues were made by consulting with internal and external stakeholders on the extent of their concerns about the issues and feedback from internal executives on the impact or influence of the issues on the Company's sustainable operations. Sunrex first conducts a questionnaire survey of its stakeholders to understand the extent to which different stakeholders are concerned about issues. In addition, internal managers evaluate the significance (likelihood and severity) of the potential impact of each issue on the company. The impact level of each issue was selected as "general concern" and "significant concern" by comparing the scores of the two aforementioned indicators.

Sustainable theme for 2022:

Sustainable theme	
2-1 Corporate Governance and Internal Control	3-4 Employee Benefits and Wages
2-2 Risk Management	3-5 Labor Rights Protection
2-3 Short-, Mid- and Long-term Development Strateg	3-6 Workplace Equality and Diversity
2-4 Operational Performance	3-7 Community Involvement and Social Welfare
2-5 Supplier Management	4-1 Climate Change Response
2-6 Network Security	4-2 Compliance with Environmental Regulations
2-7 Customer Service Management	4-3 Energy Management
3-1 Labor-Employment Relations	4-4 Waste Management
3-2 Occupational Safety and Health	4-5 Water Management
3-3 Labor Relations	4-6 Hazardous Substance Management

1.4.1 Stakeholder Concern Survey

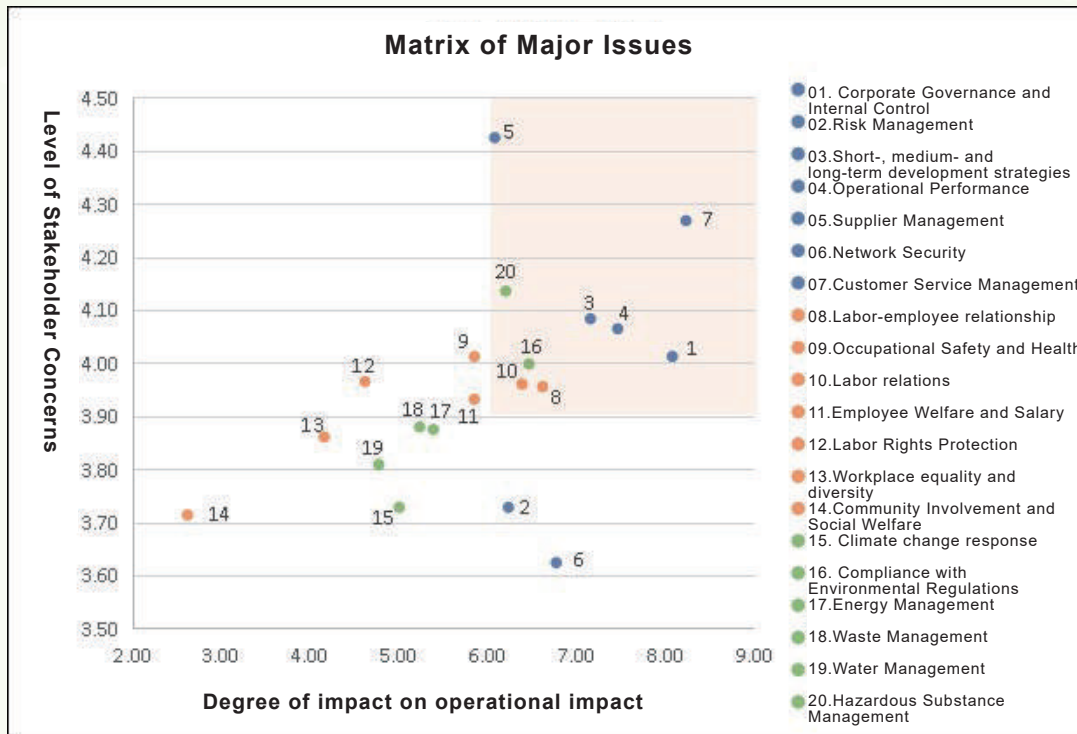
In order to understand the extent to which stakeholders are concerned about the theme of sustainable development, we conducted a survey by means of a questionnaire. We also surveyed our executives on the impact of each sustainability theme on the environment, society and management, and used it as a reference for prioritization.





1.4.2 Analysis of significant issue matrix

After analyzing the questionnaires collected from our internal executives, we identified nine highly significant issues, with scores of "High" on both the X-axis "Impact or influence of sustainability issues on the company's sustainable management" and the Y-axis "Stakeholders' concern for the issue. The company's management approach and actions in response to these issues are divided into environmental, social, and governance aspects as follows:



The process of identifying material issues is based on GRI standards and guided by its reporting principles and defined report content. Based on the GRI Sustainability Reporting Guidelines published by the Global Reporting Initiative (GRI), we compiled the above-mentioned topics through internal and external questionnaires, taking into account the company's operations and industry characteristics, and summarized the sustainability topics. The seven themes are "Sustainable Management," "Corporate Governance," "Honest Management," "Product Innovation," "Environmental Protection," "Happy Workplace," and "Social Co-prosperity," respectively, and Sunrex's management and current situation in the areas of corporate governance, the environment, and society for 111 years.

02 *Corporate Governance*



2.1 About Sunrex Technology Corp

Sunrex Technology Corp., Ltd. is an establishment that has existed for nearly 50 years. It has experienced many trials of changes in the external environment, and now it has grown much stronger. The following information describes Sunrex's business history and records which the enterprise has amassed over the years.

2.1.1 Introduction of Sunrex Technology Corp., Ltd.

Sunrex Technology Corp., Ltd. was established in 1975 and officially listed in 1999. It is currently the world's largest notebook computer keyboard manufacturer. From the onset, Sunrex Technology Corp. has been committed to providing high-quality products and excellent services as its goal. This is not limited to only creating high-value products for customers, but also making Sunrex itself gradually move towards occupying the leadership position in this industry.

Sunrex has a huge production team, with remarkable experience and high flexible production capacity planning. With the growing demand for notebook computers, this team's performance under work pressure in meeting supply demands of customers remains outstanding. At the same time, Sunrex invests a large amount of R&D resources every year, continuously researches and introduces new technologies/applications, actively assists customers in innovating products, and demonstrates the strength of professional ODM and OEM. The well-known vertical integration of Sunrex, provides customers with a one-stop service. From mold design, spraying, SMT to assembly, all can be completed independently in the factories within the group. With the trend of increasingly tight electronic product development schedules, Sunrex successfully created a solid leading position by taking advantage of the time and cost advantages brought about by vertical integration.

In addition to notebook computer keyboards, Sunrex is also involved in the research and development of various HID (Human Interface Devices), including desktop keyboards/mouse, handwriting tablets, presentation devices, etc. Technology has won the favor of major brands, and has been continuously participating in the production of related peripheral products such as tablet PCs and AIOs for several years, providing consumers with excellent experience in a low-cost but high-quality way.

In recent years, Sunrex has invested more in the research and development of consumer electronics products in other fields, hoping to create another industry peak after the notebook computer keyboard. Sunrex Technology Corp. takes Taiwan as the technology research and development/marketing/management center, which leads the production bases all over the mainland, and delivers high-quality products to every corner of the world with precise delivery management. Since the establishment of the company, the professional management team led by Chairman HUO-LU TSAI, has continuously made Sunrex Technology Corp.'s turnover achieve success. During the global financial crisis in 2009, which resulted in a trend in revenue decline in most companies, the company's revenue increased by 44.7%.



Sunrex Technology Corp. future aspirations is to continue improving in this industry, by providing customers with high-quality and high value-added products. It aims to utilize the company's resources to develop more peripheral products, with the hope that in the next 10 years, Sunrex Technology Corp. can be in the consumer electronics industry.

The basic information about the company is as follows:

Basic Company Information	
Company Name	Sunrex Technology Corp.
Nature of Company Ownership	Listed Companies(Stock Code) 2387
Capital Amount	NT\$1,952,510 thousand
Main products	<ul style="list-style-type: none"> ◆Design, manufacture and sale of hardware and software for computers and ancillary equipment. ◆Design and manufacture of keyboard plastic injection keys and molds for domestic and foreign sales. ◆Design, development, manufacture and sale of systems, application software and computer communication controllers.
Date of Establishment	1991/07/22
Chairman / General Manager	HUO-LU TSAI/ MING-ZE LI
Operations Headquarters	No. 475, Section 4, Changping Road, Dafengli, Daya District, Taichung City.
2022 Consolidated Revenue	NT\$24,571,786 thousand

2.1.2 Sunrex Company Operation Headquarters:

Headquarters: 475, Section 4, Changping Road, Daya District, Taichung City

Telephone Number : 04-2568-6983

Fax: 04-2568-3429

2.1.3 Operating bases at home and abroad

Country / region	Country / Location
Taiwan	Daya District, Taichung City
China	Chongqing factory, Jiangsu factory, Shenzhen factory, Changshu factory, Jiangxi factory.



Sunrex Technology Corp., Ltd. was publicly listed in Taiwan in 1999, later on, Sunrex Group established large-scale branches in Shanghai, Shenzhen, Jiangsu, and Jiangxi. In 2007, a new factory was established in Changshu and Jiangsu. The Changshu factory is an enterprise which demonstrates production management, and it is also the headquarters of R&D and operation in China's mainland .

2.1.4 History of the Company's Major Events

Year	Content of major deeds
1975~1991	Jingmo Technology Co., Ltd. was Taiwan's first manufacturer to introduce double-shot technology and began to produce desktop computer peripheral products & notebook computer keyboards. Sunrex Technology Corp., Ltd. was formally established with a capital of 198,000,000 yuan. The main business is exclusive design, development, manufacturing, processing and trading of computers and ancillary hardware equipment, also operation of various computers and telephone keyboards.
1992~1999	Preliminary purchase of automated production equipment to increase production capacity to 8,000 units per month. The new high-function multimedia product HB 370 MX was put into mass production, which greatly improved the company's image and the profitability of product sales. Purchased land in Daya to integrate three factories into one, and established Taichung Daya Factory and Shenzhen Factory. The company went public on January 25, 1999.
2000~2015	Mass production of key products: 1. laptop keyboard KB990305 2. Portable hard disk storage device (USB) 3. Audio-visual multimedia personal computer (ADS III) KB982202 4. Portable hard disk storage device (IEEE1394) KB001519 5. TEN K/B KBN-211 officially mass-produced. In 2002, the merger of Sunrex Technology Corp. and Jingmo Technology Co., Ltd. was completed. The merged Jingmo Technology Co., Ltd. increased capital and issued 52,916,417 ordinary shares, with a total amount of NT\$529,164,170. Other factories such as the Jiangsu factory, Jiangxi factory, Changshu factory, Chongqing factory, and the acquired Quanta Shanghai Techway factory, were all set up. In 2007, the company began investing in automatic production.
2016~2020	Developed and invested in new product stylus technology and touchpad.
2021~	Expand non-China layout, integrate existing radio frequency, Bluetooth module and optical technology.



2.1.5 Chronicle of Corporate Events

As the world's largest notebook computer keyboard manufacturer, the average annual output value has reached tens of billions of Taiwan dollars. In 2022, the shipment of Sunrex's non-notebook keyboard product line will increase, coupled with the support of the exchange rate, both revenue and profit will hit record highs. The annual consolidated revenue will be about 24.572 billion yuan, with an annual growth rate of 2.14%. Earnings per share after tax approx. will be 7.48 yuan, with a cash dividend of RMB 3.5 yuan per share.

2001~Future

2010	Sunrex's Chongqing plant was established.
2007	Sunrex's Changsho plant was established.
2006	Commenced automatic production.
2005	Merger and acquisition of Quanta's Techway plant in Shanghai
2003	First in market share of notebook computer keyboards Sunrex's Jiangxi plant was established.
2002	Merger of Sunrex Technology Corp. and Sunmold Technology
2001	Sunrex's Jiang Su plant was established.

1991~2000

1999	Sunrex was officially listed on the Taiwan Stock Exchange. Established Taichung Chung Cheng Factory
1997	American Sunrex Corporation was founded.
1995	Taichung Daya factory was established.
1993	Shenzhen factory established
1991	Sunrex Corporation was established.



1981~1990

1990	Started production of notebook computer keyboards.
1986	Established Taichung Shuinan factory
1983	Commenced production of desktop computer peripherals

1975~1980

1980	The first Taiwanese manufacturer introduced dual injection technology.
1975	Founded by JME Group



2.1.6 Glory affirmation and important results

- ◆ 2011 SONY Green Partner Certificate
- ◆ 2010 Computex Design & Innovation Awards
- ◆ 2010 Wistron Best Supplier
- ◆ 2009 Forbes Asia Region's Top 200 Under A Billion USD
- ◆ 2001 FIC Preferred Vendor Award
- ◆ 1999 Inventec Partners in Progress Reward
- ◆ 1999 MiTAC's Most valued Partner
- ◆ 1998 Recognized as an Outstanding Supplier by Twinhead
- ◆ 1995 FIC Preferred Vendor Award
- ◆ 1994 Arima Best Supplier





2.2 Product Introduction

Sunrex is the world's largest manufacturer of notebook computer keyboards. It focuses on creativity and is committed to providing high-quality products and excellent services. It seeks to reach the highest profit margin by actively researching and developing new products. In 1995, the company obtained ISO9001 certification and established a wider network of worldwide agents. Providing better computer services not only creates high-value products for customers, but also enables Sunrex itself to gradually become an industry leader.

2.2.1 Notebook computer keyboard

As the world's leading manufacturer of notebook computer keyboards, Sunrex Technology Corp. provides customers with full-size complete solutions, from palm-sized PDAs to large-sized mobile computers, all of which can be provided by Sunrex's professional design team with various exclusive solutions. It also provides patents and technologies to assist customers in meeting design requirements.

The scissors structure is the mainstream keyboard design element in the current market. As early as the 1990s, Sunrex began to independently develop the scissors structure and successfully obtained a patent. Through the continuous accumulation of research and development experience, we are able to introduce new ones every year, with a value of up to 1,000, having more than 10,000 times of pressing life and excellent feel, creating an unprecedented user experience for mobile keyboard devices.



Through the company's years of experience in cooperating with the world's top ten PC brands and various ODMs, the company's R&D team regularly develops various keyboards for customers with different attributes, and keeps improving on the appearance, function and structure of these products. Complete products meet customer expectations and are mass-producible.





防水鍵盤
Waterproof/Anti-Spill Keyboard

Provides different levels of waterproof design



防震鍵盤
Shockproof Keyboard

Provides different levels of waterproof design



金屬Key
Metal Key

Provides different levels of waterproof design



水晶Key
Crystal Key

Provides different levels of waterproof design



低行程結構
Low Stroke Key Structure

Provides different levels of waterproof design



迷你剪刀腳結構
Mini Scissor Structure

Provides different levels of waterproof design



雷射雕刻技術
Laser Printing Technology

Provides different levels of waterproof design



背光鍵盤
LED Backlight Keyboard

Provides different levels of waterproof design



高耐磨印刷技術
High Durability Printing Technology

Provides different levels of waterproof design

Sunrex upholds a professional attitude towards customer service, in areas of complete development, design, verification testing and mass production and shipment of products to customers in the shortest period.

2.2.2 Desktop computer keyboard and mouse

With the professional technology and one-stop production process established by the notebook computer keyboard, the company has successfully transplanted this advantage to the desktop keyboard/mouse in a vertically integrated manner, from the early traditional desktop computer. Today's widely popular AIO peripheral products are one of Sunrex Technology Corp.'s rich OEM experience. The desktop computer peripheral products provided by Sunrex Technology Corp cover various categories, such as the most common wired/wireless keyboard and mouse, HTPC multimedia keyboard, leather keyboard for tablet, touch keyboard, gaming keyboard and mouse, and even the 3D Air keyboard and mouse. They are all included in Sunrex's diversified product line.



The competitive advantage of Sunrex vertical integration:

- 01 Integrated production of all major components within the Group to provide customers with total product solutions.
- 02 Provide high quality products.
- 03 Provide more flexible/fast delivery flexibility.
- 04 To provide customers with more cost competitive products.
- 05 To provide customers with comprehensive product support services by integrating professional design and R&D advantages, and to provide customers with customized products for various applications.
- 06 Improve the protection of customer confidential information.

The company provides a complete set of solutions for customers to choose, and customers can freely match various solutions according to the planned product positioning. In addition to the existing components in the market, Sunrex will regularly launch new applications for selection every quarter, so that customers' products can have the most innovative technology to distinguish competitors in the same market. In addition to OEM services, Sunrex will integrate R&D resources every year to launch innovative products by itself, saving huge development costs for customers. In the past few years, the products launched have not only been well received, but also highly accepted by the market. They even won the Design & Innovation Award at Computex in 2010 for their highly innovative mini multimedia keyboard.



有線產品
Wired Solution - USB, PS/2



無線產品
Wireless Solution - IR, 2.4GHz,
Bluetooth



滑鼠Sensor
Mouse Sensor - Optical, Infrared
Rays, Laser



其他HID產品
Presenter



相容作業系統
Compatible OS - Windows,
Android, Mac, iOS



指向裝置
Point Device on Keyboard -
Trackball, Touchpad, Point Stick,
OFN



The new future products and services which will be designed include ultra-thin cold light and other functional input devices. The research and development of these products are mainly divided into six categories:

(1) Keyboard devices (Keyboard Family):

The product line includes notebook computer keyboards, ultra-thin keyboards, fold-able keyboards, Bluetooth keyboards, tablet computer external keyboards, and mechanical keyboards.

(2) Pointing devices:

Mouse, rocker mouse, laser pointing mouse Touch Pad and Stick Point Module °

(3) Tablet PC: Tablet, etc., capacitive pen

(4) Crystal keyboard dual-shot case for double-shot technology application.

(5) Wireless module technology includes: 900 MHz, 433MHz, 315MHz, 2.4GHz and Bluetooth application technology. New product assembly and application, including handwriting tablet and i-beacon (IoT application), etc.





2.2.3 Business Scope

The company's business products in 2022 are mainly notebook keyboards, which accounts for 90% of the company's products. Other products (including thin/wireless/PDA keyboards, mouse, touchpads, Microsoft pens, and fiber optic lenses, etc.) account for 10%.

he sales ratio of each major product:

Main Product Category	Operating ratio
Keyboard device	82%
Other devices (Writing tablet, pointing device, etc.)	18%
Total	100%

Currently, these products are mainly sold with other commodities:

Product Category	Marketing area
Laptop Keyboard	China, USA, Brazil, Netherlands, Malaysia, Germany, Taiwan, Hungary
Other electronic products	China, USA, Germany, France, Korea, Netherlands, UK, Singapore, Czech Republic, Hungary

2.2.4 Operation Overview

With the challenges of the post-pandemic market in 2023, also the efforts towards maintaining customer relationships, and increasing the proportion of non-keyboard products such as; backlight modules, touchpad modules and stylus, the company's overall revenue performance still remains above the average level in the industry. Although possessing such performance, the company still strives for higher performances in revenue.

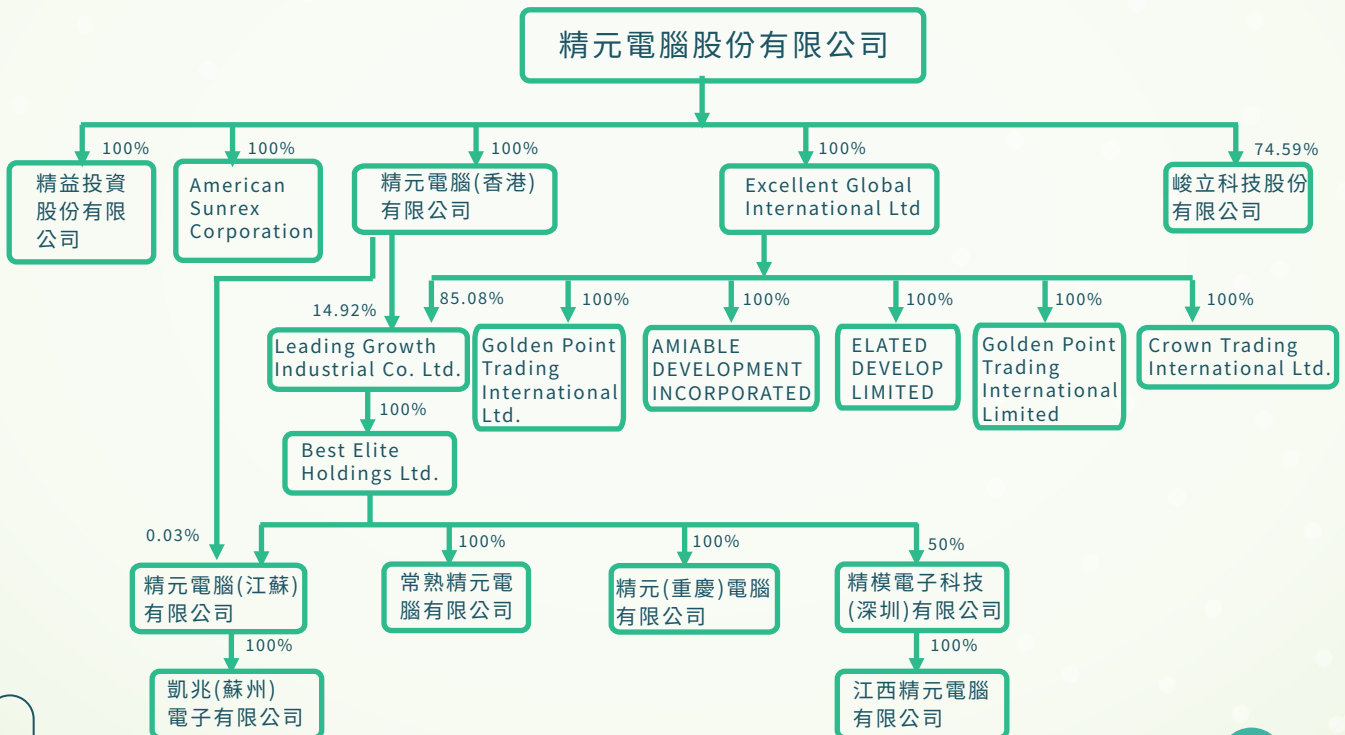




Country / Region	Location	Operating department	Operation content
Taiwan	Daya District, Taichung City	Head office	<ul style="list-style-type: none"> ◆ Marketing / R&D ◆ Logistics/Finance/Administration
China	Shenzhen	Jingmo Electronic Technology (Shenzhen) Co., Ltd.	<ul style="list-style-type: none"> ◆ Mainly produces computer peripheral input devices ◆ Supply of OEM/ODM desktop keyboards in China ◆ Construction area: 42,000 m2 ◆ Product category: <ol style="list-style-type: none"> (1) keyboard (2) Flat panel displays (3) Mouse and tablet (4) External controller and storage device (5) Touchpad
	Jiangsu	Sunrex Technology (Jiangsu) Corp. Ltd.	<ul style="list-style-type: none"> ◆ Sunrex main production line ◆ Construction area: 120,000 m2 ◆ Product category: <ol style="list-style-type: none"> (1) Laptop keyboard (2) Ultra-thin desktop keyboards (3) Mobile phone keypad (4) Rubber molding for light guide plate
	Jiangxi	Jiangxi Sunrex Technology Corp. Ltd.	<ul style="list-style-type: none"> ◆ Base for parts production and assembly ◆ Construction area : 60,000 m2 ◆ Product category: <ol style="list-style-type: none"> (1) Laptop keyboard (2) Foldable keyboard
	Changshu	Changshu Sunrex Technology Corp. Ltd.	<ul style="list-style-type: none"> ◆ Base for IMR case and keyboard production ◆ Construction area: 60,000 m2 ◆ Product category: <ol style="list-style-type: none"> (1) Laptop keyboard (2) Ultra-thin desktop keyboards (3) IMR keyboard and case
	Chongqing	Sunrex (Chongqing) Technology Corp. Ltd.	<ul style="list-style-type: none"> ◆ Officially began production on December 2010. ◆ This new factory was established in response to the needs of manufacturing HP notebook. ◆ Its establishment is to improve competitiveness, especially when compared to sea transportation of products, it saves 24 days on inland shipping to Europe.

2.2.5 Other important operating policies

In addition to self-research and development of new products, the company has also diversified its product portfolio through reinvestment and so many other ways. It has gotten rid of the challenges of focusing revenue excessively on a single product. This was done to enable the company to thrive in the ever changing competitive environment of this industry, and also to master the operations of business reinvestment, which is crucial for the steady growth of the company. Currently there are 5 companies integrated as one company, which are Jingyi Investment Co., Ltd., American Sunrex Corporation, Sunrex Technology (Hong Kong) Co., Ltd., Excellent Global International Ltd., and Junli Technology Co., Ltd. The organizational chart of these related companies is as follows .





2.3 Expertise process

(1) INJECTION SHOP (plastic injection)

Plastic injection is one of Sunrex's important assets, and it is also Sunrex's technology. Sunrex's factories have many injection equipment of different tonnages, and the products that can be injected range from precision parts to casings, to meet the needs of customers with extremely high flexibility.



(2) IN-HOUSE TOOLING SHOP (Mold Design, EDM, Mold Trimming)



(3) IN-HOUSE MEMBRANE FABRICATION (Key Components of Membrane Keyboard)

Membrane is one of the key components of membrane keyboards, and Sunrex owns a membrane manufacturing department. In addition to fully mastering key technologies, it can also avoid the problem of insufficient production capacity of outsourcing manufacturers during peak seasons.



(4) PAINTING & PRINTING SHOP (Paint coating and printing equipment)

The company's spraying factory has complete spraying and printing equipment, and all complicated spraying and printing processes can be completed independently using resources in the factory.



(5) SMT WIRE



(6) ASSEMBLY LINES

The company's assembly line is composed of well-trained employees, and each station has a detailed SOP to assist the production line personnel to complete product assembly. Each line will be equipped with one or two quality inspection stations to ensure that the production quality can be maintained at the best state.



Assembly Line

Function Test Station

Automatic Optical Inspection

Major ODM / OEM

The company has been committed to product development and have conducted several researches over the years, engineered towards reliable product design and development. These developments range from specification establishment, project evaluation, design proposal to subsequent product verification, reliability testing and so many others. All these are indications of Sunrex's professionalism.

 **2.4 Sustainability Management System**

Sustainability management system is the company's ability to assess its impact on the environment, society and economy to ensure its sustainable development. Sustainability management systems are often based on international standards such as ISO 14001 (Environmental Management Systems) and other related standards and norms.

The company has a complete internal control management system through the following three management systems;



1. Internal control system and ERP

This establishes an internal control system in accordance with the "Guidelines for the Establishment of an Internal Control System for Public Offering Companies and relevant laws and regulations. It establishes a clear internal organizational structure, reporting system, and appropriate authority and responsibility. The internal control system covers the control cycle of all operating activities such as sales, production, procurement, financing, salary, fixed assets, computer information, investment, research and development, as well as other important control operations and management methods. It also imports the ERP system to strengthen operation control, improve efficiency and information quality.

2. ISO management system and other related certifications.

In line with product quality and business needs, this system establishes a quality management system that complies with regulations to ensure product quality and meet the green product certifications of Europe, America and Japan.

The following items are approved or recognized by the competent authority:

- (1) ISO 9001:2015 Quality Management System
- (2) ISO 14001:2015 Environmental Management System
- (3) ISO 45001:2018 Occupational Safety and Health Management Standards
- (4) ISO 14064 Organizational Greenhouse Gas Inventory
- (5) IECQ QC080000
- (6) RBA Responsible Business Alliance

Each factory has passed the approval project.

Certified	Taiwan	Chongqing	Jiangsu	Shenzhen	Jiangxi	Changshu
ISO 9001:2015	✓	✓	✓	✓	✓	✓
ISO 14001:2015		✓	✓	✓	✓	✓
ISO 45001:2018		✓	✓	✓	✓	
ISO 14064-1		✓	✓			
ISO 27001		✓				
IECQ QC 080000		✓	✓	✓	✓	✓
RBA Management Manual		✓	✓	✓		✓

3. Internal Control Management System

The company adheres to the principles of the corporate culture, core values of employees, and professional ethics. It does this through the practice of the business philosophy of "finding good customers, finding good manufacturers, and finding good employees". All these activities take place with the effective operations of the internal control system, ISO management system and other management systems. These systems improve the effectiveness of operation, management, and product quality, which achieves the business goals and missions of the enterprise.

2.4.1 Enterprise Certification

Providing customers with high-quality products and services has always been Sunrex's unchanging philosophy. In addition to growing through internal self-learning, we also obtain more credible recognition through external assistance. Therefore, we have continuously obtained third-party certification, conveying the message that Sunrex has been systematized/organized in terms of system, production, and management, and has become a reliable long-term partner.

In order to cooperate with the policy of customer brand, Sunrex fully cooperates with the introduction of strict green product certification of customers in Europe, America, Japan and other places, becoming one of the few PC peripheral suppliers that can obtain certification from multiple brand customers at the same time.

Currently, each factory of the company has successively passed the following certifications:

ISO9001 \ IECQ QC080000 \ ISO14001 \ OHSAS18001 \ ISO14064-1 \ RBA VAR



03 *Integrity Management*



3.1 Operational Performance

In 2022, Sunrex's consolidated operating income was NT\$24,571,786,000. From the consolidated income statement for the past three years, it can be seen that Sunrex has grown steadily in its operating performance. The financial statements of Sunrex's revenue in the past three years are as follows:

Unit: NT\$ thousand

project	Annual Financial Income Statement		
	2020	2021	2022
Operating revenue	21,179,505	24,058,229	24,571,786
Non-operating income	105,932	130,968	644,174
Operating cost	17,840,977	21,160,005	21,232,076
Operating expenses	1,331,100	1,350,452	1,728,341
Finance costs	426,321	258,050	135,075
Gross operating profit	3,858,931	2,898,224	3,339,710
Net profit before tax	1,687,039	1,420,690	2,120,468
Current net profit	1,293,318	1,039,013	1,563,714
Cash dividends	390,502	585,753	683,379
Net profit margin	6.11	4.32	6.36
Earnings per share (NT\$)	6.39	5.31	7.48

Note 1: The above financial information has been checked and certified by accountants.

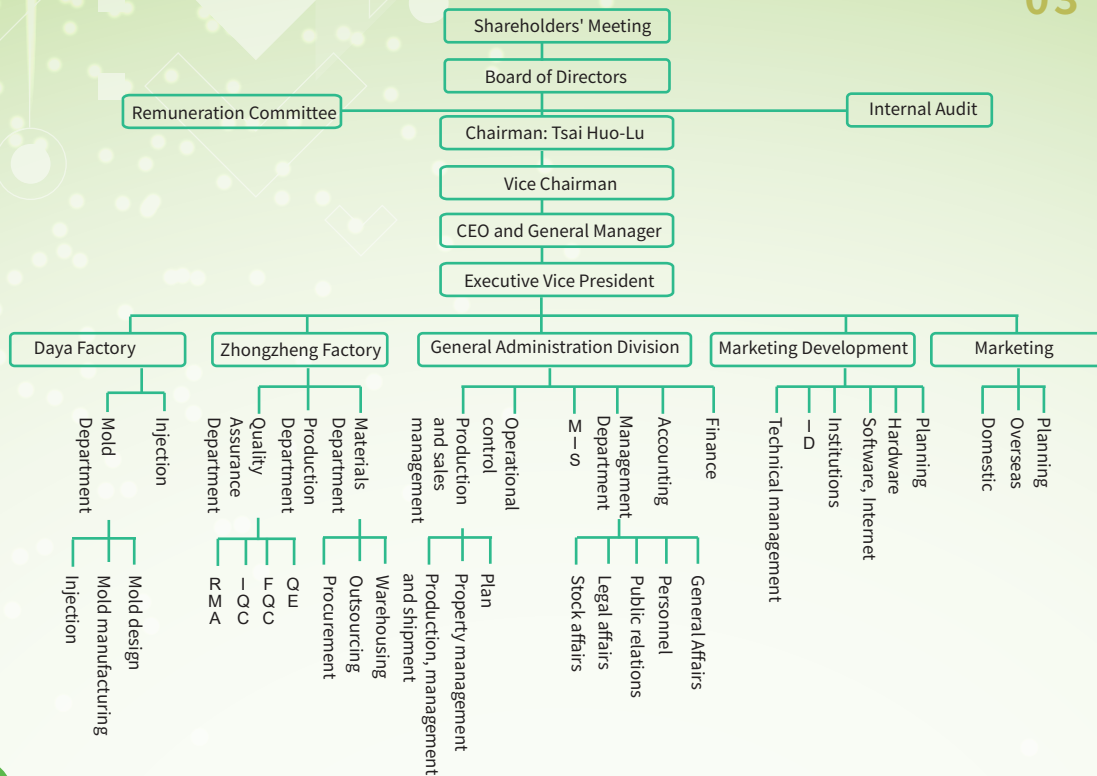




3.2 Governance Structure

Organization

Department	Major Responsibilities
General Manager's Office	To oversee product planning, business auditing, finance, and the formulation of business objectives and goals. The Implementation and tracking of various management rules and regulations.
Internal audit	Responsible for safeguarding assets and improving the validity of accounting information to achieve business objectives.
Remuneration Committee	Improves the company's directors and managers' remuneration system. Also ensuring that the company's results and operations are in line with laws and regulations.
Management Department	Overall management of the company's personnel, stock affairs, general affairs, public relations and other work.
Accounting Department	Responsible for the overall accounting operation and management of the company.
MIS	Overall management and maintenance of the company's information system.
Finance Department	Establishment and operation of relevant financial and investment risk and control mechanisms.
Marketing Department	Overall management of domestic and foreign sales, establishment of marketing bases and product promotion. Electronics, research mechanism, and development of the company's new products.
Department of Marketing Development	Responsible for domestic and foreign sales, establishment of marketing bases and product promotion.
Materials Department	Manages material procurement, processing, warehousing, transportation and distribution. Also disposes of idle scrap to increase turnover.
Department of Production and Marketing Management	<ul style="list-style-type: none"> ◆ Divided into production management, warehousing, material control, procurement and outsourcing. Overall management of the company's production order scheduling, inventory management, material progress, raw material procurement, outsourcing processing, etc. ◆ Manages the shipping work of the company's product order review and product delivery.
Operational Control	The control in management is to measure the implementation of the plan according to the set standard, and to ensure the correctness and realization of the plan's goal. This is achieved by making corrections to deviations from implementing the plan.
Quality Assurance Department	Overall management of the company's product quality control, assurance and work improvements.
R&D Division	Responsible for new product development, design changes and mechanical development.
Mold Department	Responsible for mold manufacturing, inspection and maintenance.
Injection department	Responsible for the manufacturing and processing of injection products, also the maintenance of production equipment.



3.2.1 Shareholders' Meeting and Board of Directors

Investor Relations

Sunrex values the opinions of its investors and shareholders, and has established a spokesperson system and a contact window for investor relations. Sunrex also holds regular shareholders' meetings and board meetings to enhance the immediacy and transparency of information disclosure and to protect the rights of investors and shareholders. If investors need to know the latest revenue growth of the Company, the Company not only publishes monthly revenue reports, but also holds annual shareholders' meetings where shareholders can submit motions in writing to the Company at the annual shareholders' meetings in accordance with the Company Law: Shareholders can click on the Operations, Finance and Shareholders sections (showing income and dividends). Shareholders and investors can also contact investors with questions and suggestions. For relevant information, please refer to the official website: <https://www.sunrex.com.tw/ir.php> Investor Zone or Public Information Observatory.

Board of Directors' Functions and Meeting Rules

The Board of Directors is the highest governance unit of the Company and the center of major operational decisions. Its responsibilities include appointing and supervising the Company's management, overseeing operational performance, preventing conflicts of interest, ensuring that the Company exercises its authority in accordance with various laws and regulations in the Articles of Incorporation and resolutions of the shareholders' meeting, and safeguarding the rights and interests of shareholders.



Currently, the board of directors meet at least once a quarter, and the company's management reports to the board of directors on operating performance to prevent conflicts of interest, and the board of directors decides on future business guidelines and major policies. The Company has also formulated a number of internal regulations including the Code of Ethical Conduct and the Code of Business Conduct with Integrity to continuously strengthen corporate governance. Currently, the Board of Directors consists of four directors and three independent directors. In order to effectively implement corporate governance, the Company has stipulated in its Articles of Incorporation that the number of independent directors shall not be less than three and shall be elected by the shareholders from the list of independent director candidates. The professional qualifications, shareholdings, restrictions on concurrent employment, nomination and election of independent directors, and other matters to be complied with, shall be in accordance with the relevant regulations of the competent security authorities.

Remuneration Committee and Audit Committee

In order to strengthen corporate governance, the Company's Board of Directors approved the establishment of a Compensation Committee on December 16, 2011, which oversees the performance evaluation of directors and managers, the salary and compensation policy and system, and the employee bonus plan, etc. The Compensation Committee has three members and meets twice a year to make recommendations to the Board of Directors from a professional and objective perspective for its decision making.



3.2.2 Board of Directors' Organization

Sunrex's Board of Directors is composed of seven directors (including independent directors) in accordance with its bylaws, all of whom have the necessary experience in business, finance, accounting, or corporate operations to guide the future direction of the company. The Board of Directors periodically evaluates the certified public accountants and replaces them in accordance with relevant regulations to ensure their independence.

Board of Directors

In accordance with the Company's Articles of Incorporation, the Board of Directors is composed of seven directors (including independent directors), all of whom are elected by the shareholders' meeting and have the ability to act, and three independent directors to oversee the Company's operations. Under the leadership of all directors, we have achieved significant results in both management strategy and information transparency. For more information on the Company's diversification policy and its implementation, please visit the Investor section on the Company's website or the Market Observation Post System.



1. Directors' and Independent Directors' Academic Qualifications and Shareholder Structure

Shareholder Structure

Number of people	1	2	32	73	15,083	15,191
Number of shares held	2,100,000	1,044,000	58,412,406	3,487,398	130,207,247	195,251,051
Shareholding ratio	1.0755%	0.5347%	29.9166%	1.7861%	66.6871%	100.00%

3.2.3 Remuneration Committee and Audit Committee

In order to evaluate the management's operating performance, the Company performs the following duties faithfully with the attention of good managers in accordance with the organizational rules and responsibilities, and discusses the policies, systems, standards and structures related to directors' remuneration, dividend distribution, salary adjustments, and employee performance bonuses at the meetings.

Remuneration Committee

Sunrex established a remuneration committee on December 16, 2011 to assist the board of directors in implementing and evaluating the company's overall remuneration and welfare policies, as well as the remuneration of managers. The Compensation Committee consists of 3 members.



Job title	Name
Convener	YUAN-CHING KUO
Committee member	YU-LING PENG
Committee member	YUAN-FU WU

Audit Committee

Sunrex established an Audit Committee on June 17, 2022, consisting of all independent directors, to assist the Board of Directors in strengthening the Company's internal control mechanism and improving the performance of corporate governance. The Audit Committee consists of three members.

Job title	Name
Convener	YUAN-CHING KUO
Committee member	YU-LING PENG
Committee member	YUAN-FU WU



3.2.4 Corporate Governance Score

Scope of Evaluation	Evaluation Methodology	Evaluation Content	Evaluation Period
1. Board of Directors 2. Members of the Board of Directors 3. Functional Committee (Remuneration Committee, Audit Committee)	Based on the responses to questionnaires and actual meetings of the Board of Directors and functional committee members of the Company.	The Company's Board of Directors is responsible for the following matters: the quality of Board decisions, the composition and structure of the Board, the selection and continued education of directors, and internal control. They participate in the company's operations, the recognition of functional committee responsibilities, the improvement of the quality of functional committee decisions, the composition of functional committees, the selection of members and internal control.	Once a year



3.2.5 Internal Audit System

Internal Audit Responsible Unit and Key Responsibilities

The Company has established an audit department directly under the Board of Directors in accordance with the law, and performs audit operations in an independent and objective way to ensure the achievement of the following objectives:

- (1) Effectiveness and efficiency of operations.
- (2) The report is reliable, timely, effective and complies with relevant regulations.
- (3) Compliance with relevant laws and regulations.

The audit unit provides management with an understanding of potential risks, evaluates the implementation of the Company's internal control system, and ensures the integrity and effectiveness of the internal control system. They provide relevant investigation, evaluation or consulting services to assist the Board of Directors and senior management in fulfilling their corporate governance responsibilities.

Audit scope

- (1) Auditing of each operating cycle.
- (2) Propose post-performance audit of operations.
- (3) Protect assets, improve the effectiveness of accounting information, and achieve business goals.

3.2.6 Membership of the Association

Sunrex participates in the Taiwan Mold and Die Industry Association and the Taichung Computer Industry Association.

Name of school (association) or occupational group	Position title
Taiwan Mold and Die Industry Association	Member
TaiChung Computer Association	Member

3.3 Integrity Management

Integrity is the life of an enterprise and the root of sustainable development. In Sunrex's pursuit of corporate growth, we must have an unwavering commitment to integrity! Integrity is the only important factor that runs through Sunrex's business activities.

3.3.1 Business Philosophy

Since its establishment, Sunrex has taken "finding good customers, finding good manufacturers, and finding good employees" as the common management philosophy of its employees. As a result, the company has a competitive and large production team, and has successfully created a solid leading position with its rich production experience and highly flexible production capacity planning.

3.3.2 Company Culture

Sunrex's management philosophy and the spirit of sustainable development, "efficiency, fairness, and benevolence," have led to the establishment of an excellent corporate culture and the creation of exceptional business performance. Our concept of professionalism and integrity, excellence and innovation, and becoming the "No. 1 global input equipment manufacturer" are the goals that the company pursues on a sustainable basis.



3.3.3 Integrity Management Code

Article 1. Purpose and Scope of Application

This Code is formulated for the purpose of establishing a corporate culture of integrity and sound development of the Company and to provide a reference framework for the Company to establish sound business operations. The Company has established the Code of Conduct on Integrity with reference to this Code, which is applicable to its subsidiaries, consortium corporations that directly or indirectly contribute more than 50% of their funds and other institutions or corporations with substantial control (hereinafter referred to as group corporations and organizations).

Article 2 Prohibition of dishonest conduct

No director, audit committee, officer, employee, appointee or person having substantial control over the Company (hereinafter referred to as a person having substantial control) shall, in the course of engaging in business, directly or indirectly, offer, promise, demand or accept any improper advantage or commit any other dishonest act in violation of good faith, wrongfulness or breach of fiduciary duty in order to obtain or maintain an advantage (hereinafter referred to as dishonest act). The following are examples of dishonest conduct. The aforementioned acts are intended for public officials, candidates for political office, political party or party officials, as well as any public or private enterprise or organization and its directors (board members), audit committee, managers, employees, material controllers or other interested parties.

Article 3 - Pattern of Interest

The term "benefit" in this Code refers to anything of value, including money, gifts, commissions, positions, services, favors, rebates, etc., in any form or name. However, this does not apply when the benefit is a normal social courtesy and is occasional and does not affect specific rights or obligations.

Article 4 Compliance with laws and regulations

The Company shall comply with the Company Act, the Securities and Exchange Act, the Business Accounting Act, the Political Contribution Act, the Corruption Control Act, the Government Procurement Act, the Conflict of Interest in Public Office Act, the regulations related to listing on the stock exchange, or other laws and regulations related to business practices, as a basic prerequisite for conducting business in good faith.

Article 5 Policy

The Company shall establish policies based on integrity, transparency and accountability, and establish good corporate governance and risk control mechanisms in order to create a sustainable business environment.

Article 6 Prevention Program

The Company's ethical management policy shall clearly and thoroughly set forth specific ethical management practices and programs for the prevention of dishonest conduct (hereinafter referred to as the prevention program), including operating procedures, behavioral guidelines, education and training. The Company shall establish a prevention program that complies with the laws and regulations of the jurisdictions in which the Company and its group companies and organizations operate. The Company is encouraged to communicate with employees, labor unions, significant business contacts or other stakeholders in the process of developing the prevention program.

Article 7 Scope of Prevention Program

The Company shall analyze the business activities within the scope of business that have a higher risk of dishonest acts, and strengthen the related preventive measures when formulating the prevention plan. The Company shall establish a prevention plan that covers at least the following behaviors:

1. Giving and accepting bribes.
2. Providing illegal political donations.
3. Improper charitable donations or sponsorships.
4. Offering or accepting unreasonable gifts, entertainment or other improper benefits.
5. Violation of business secrets, trademark rights, patent rights, copyrights and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Products and services that directly or indirectly damage the rights, health and safety of consumers or other stakeholders during research and development, procurement, manufacture, provision or sale.

Article 8 Commitment and Implementation

The Company and its group companies and organizations shall state in their bylaws and external documents their policy of operating with integrity, and the commitment of the Board of Directors and management to actively implement the policy of operating with integrity. They are to do so in their internal management and business activities.

Article 9 Integrity in business activities

The Company shall conduct its business activities in a fair and transparent manner based on the principle of integrity. The Company shall consider the legitimacy of its agents, suppliers, customers or other business counterparties and whether they are involved in dishonest acts before making business transactions, and shall avoid making transactions with those involved in dishonest acts. Contracts signed between the Company and its agents, suppliers, customers or other business counterparties shall include provisions for compliance with the policy of good faith management and for termination or cancellation of the contract at any time in the event of dishonest conduct by the counterparties.

Article 10 Prohibition of Bribery and Acceptance of Bribes

The Company and its directors, audit committee, officers, employees, appointees and substantially all persons under their control shall not offer, promise, request or receive, directly or indirectly, any improper benefits of any kind from customers, agents, contractors, suppliers, public officials or other interested parties in the performance of their business.

Article 11 Prohibition of Illegal Political Contributions

The Company, its directors, audit committee, managers, employees, appointees and persons under their substantive control shall make direct or indirect contributions to political parties or organizations or individuals involved in political activities in accordance with the Political Contributions Act and the Company's internal procedures, and shall not use them for commercial gain or trading advantage.

Article 12 Prohibition of improper charitable donations or sponsorships

The Company and its directors, audit committee, officers, employees, appointees and persons under their substantive control shall comply with relevant laws and regulations and internal operating procedures regarding charitable donations or sponsorships, and shall not offer bribes in disguise.

Article 13 Prohibition of unreasonable gifts, hospitality or other improper benefits

The Company and its directors, audit committee, officers, employees, appointees and substantially all persons under their control shall not offer or accept, directly or indirectly, any unreasonable gift, hospitality or other improper advantage in order to establish a business relationship or influence the conduct of business transactions.

Article 14 Prohibition of Infringement on Intellectual Property Rights

The Company, its directors, audit committee, managers, employees, appointees and persons under their substantive control shall comply with the laws and regulations related to intellectual property, the Company's internal operating procedures and contractual provisions, and shall not use, disclose, dispose of, damage or otherwise violate intellectual property rights without the consent of the owner of the intellectual property rights.

Article 15 Prohibition of unfair competition

The Company shall conduct its business activities in accordance with relevant competition laws and regulations and shall not fix prices, manipulate bids, limit production and quotas, or share or divide markets by allocating customers, suppliers, operating areas, or types of business.

Article 16 Prevention of products or services to the detriment of stakeholders

The Company and its directors, audit committee, officers, employees, appointees and persons in effective control shall comply with relevant laws and regulations and international standards in the development, procurement, manufacture, provision or sale of products and services. They shall ensure the transparency and security of information on products and services, formulate and disclose its policies for the protection of the rights and interests of consumers or other stakeholders, and implement them in its operations so as to prevent products or services from directly or indirectly harming the rights, health and safety of consumers or other stakeholders. In order to prevent products or services from directly or indirectly harming the rights, health and safety of consumers or other stakeholders, the Company shall comply with relevant laws and regulations and international standards to ensure the transparency and security of information on products and services, formulate and disclose its policies on the protection of the rights and interests of consumers or other stakeholders, and implement them in its operation activities. In principle, if there is evidence that the products or services are hazardous to the safety and health of consumers or other interested parties, the products or services should be recalled or discontinued immediately.

Article 17 Organization and Responsibility

The Company's directors, audit committee, managers, employees, appointees and persons in effective control shall exercise due care and diligence as good stewards to supervise the Company. They shall prevent dishonest acts and review the effectiveness of their implementation and continuous improvement from time to time to ensure the implementation of the policy of honest management.

The Company shall establish a special unit under the Board of Directors to be responsible for the formulation and supervision of the implementation of policies and preventive programs for integrity management, and shall be responsible for the following matters and report to the Board of Directors on a regular basis:

1. Assist in integrating integrity and ethical values into the company's management strategy and establish measures to ensure honest management in accordance with laws and regulations.
- (2) To establish programs to prevent dishonest conduct and to establish standard operating procedures and behavioral guidelines related to work operations in each program.
- (3) Planning internal organization, establishment and duties, and placing mutual supervision and check mechanism for business activities with higher risk of dishonest behavior within the business scope.
- (4) Promotion and coordination of integrity policy promotion training.
- (5) The planning of the prosecution system to ensure the effectiveness of enforcement.
- (6) Assist the board of directors and management in checking and evaluating the effective operation of the preventive measures established to implement honest management, and regularly evaluate and report on the compliance of the relevant business processes.

Article 18 The laws and regulations for business execution shall be followed

The Company's directors, audit committee, managers, employees, appointees and persons in effective control of the Company shall comply with the laws and regulations and precautionary programs in the execution of their business.

Article 19 Circumvention of Interests

The Company shall establish a conflict of interest prevention policy whereby it identifies, monitors and manages the risk of conflicts of interest that may lead to dishonest acts and provides appropriate channels for directors, audit committee, managers and other interested parties attending or present at the board of directors to proactively state whether they have potential conflicts of interest with the Company.

The directors, audit committee, managers and other interested parties attending or participating in the board of directors' meetings shall explain the important contents of their interests at the current board of directors' meeting if they have an interest in the motions listed in the board of directors' meeting or the legal entity they represent, and shall not join in the discussion or vote if it is harmful to the Company's interests. The Directors shall also exercise self-discipline and shall not fail to support each other.

No director, audit committee, manager, employee, appointee or person in effective control of the Company, shall by virtue of his or her position or influence in the Company, improperly benefit himself or herself, his or her spouse, parent, child or any other person.

Article 20 Accounting and Internal Control

The Company shall establish an effective accounting system and internal control system for business activities with a higher risk of dishonest acts. It shall not have external accounts or keep secret accounts, and shall review the system from time to time to ensure that the design and implementation of the system are continuously effective.

Article 21 Operating procedures and conduct guidelines

The Company shall establish operating procedures and conduct guidelines in accordance with the provisions of Article 6, to specifically govern the matters to be observed by directors, audit committee, managers, employees and persons in effective control in the execution of their business, which shall cover at least the following matters:

1. Criteria for determining the provision or receipt of improper benefits.
2. Procedures for handling legitimate political contributions.
3. To provide proper procedures and monetary standards for charitable donations or sponsorships.
4. The rules for avoiding conflicts of interest related to duties, and the procedures for reporting and handling them.
5. Confidentiality of confidential and commercially sensitive information obtained in the course of business.
6. The regulations and procedures for dealing with suppliers, customers and business partners involved in dishonest conduct.
7. Procedures for handling violations of the Code of Business Integrity.
8. Disciplinary action against violators.

Article 22 Education, Training and Assessment

The Chairman, President or senior management of the Company shall regularly communicate the importance of integrity to directors, employees and appointees. The Company shall periodically conduct educational training and orientation for directors, audit committee, managers, employees, appointees, and persons in positions of decision making. It shall invite those who are engaged in business activities with the Company, to participate and fully understand the Company's expectations, policies, prevention programs, and consequences of dishonest practices. The Company shall integrate its integrity management policy with employee performance appraisal and human resources policies, and then establish a clear and effective reward and punishment system.



Article 23 Prosecution System

The Company shall establish a specific whistleblower system and shall actually implement it, the contents of which shall cover at least the following matters:

- (1) To establish and announce an internal independent whistleblower mailbox or hotline or to entrust other external independent organizations to provide a whistleblower mailbox or hotline for the use of internal and external personnel of the Company.
- (2) Assign the person or unit responsible for receiving reports, and if the report involves a director or a senior executive, it shall be reported to the independent director or the audit committee, and the type of report and the standard operating procedures for its investigation shall be established.
- (3) The prosecution of the case, the investigation process, the results of the investigation and the production of relevant documents recorded and preserved.
- (4) The identity of the prosecutor and the confidentiality of the contents of the report.

Article 24 Disciplinary and Complaint System

The Company shall specify and announce the disciplinary and complaint system for violation of the regulations on integrity management. It shall immediately disclose on the it's intranet site the title, name, date of violation, content of the violation, and the circumstances of handling the violation.

Article 25 Information Disclosure

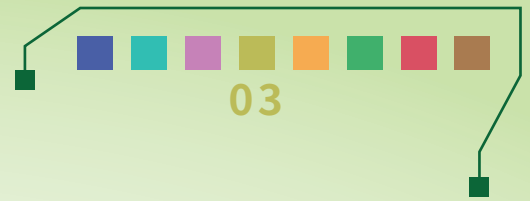
The company shall establish quantitative data to promote integrity management. It shall continuously analyze and evaluate the effectiveness of the integrity policy, and disclose its integrity management measures, implementation status, and previously disclosed quantitative data and promotion results on the company's website, annual report, and public prospectus. It shall disclose the contents of the Code of Conduct on Integrity Management on the public information system.

Article 26 Review and Amendment of Integrity Management Policies and Measures

The Company shall keep an eye on the development of domestic and international regulations related to integrity management. It shall encourage directors, audit committee, managers and employees to make suggestions to review and improve the Company's policies and measures for managing integrity. This is to enhance the effectiveness of the Company's implementation of integrity management.

Article 27 Implementation

The Company's Code of Conduct on Integrity shall be implemented after being approved by the Board of Directors. After that, it shall be submitted to the Shareholders' Meeting. The same procedure shall be followed when it is amended.



3.3.4 Code of Ethical Conduct

Article 1 Purpose and Basis

In order to guide the directors and managers of the Company to behave ethically and to make the stakeholders of the Company more aware of the ethical standards of the Company, it is necessary to establish a code of ethical conduct, and I hereby establish this code to be followed.

Article 2 Content covered

The content of the regulation includes the following eight items:

(i) Prevention of Conflicts of Interest:

The Company's officers shall conduct their business in an objective and efficient manner and shall not use their positions with the Company to the improper advantage of the following persons or businesses. The Company's officers shall conduct their business in an objective and efficient manner to avoid using their positions in the Company to improperly benefit

(1) Relatives, including oneself, spouse or second degree relatives.

(2) An enterprise in which the person in the preceding paragraph enjoys a substantial financial interest, directly or indirectly.

(3) A company in which the person himself/herself is also the chairman, director or senior manager.

The Company shall pay special attention to the lending of funds, significant asset transactions, import (sales) transactions, or the provision of guarantees to the persons or enterprises listed in the preceding paragraph.

(ii) Avoidance of Opportunities for Personal Gain:

The Company shall refrain from any director or manager who: (1) has an opportunity for personal gain through the use of Company property or information or through the ease of his or her office; (2) obtains personal gain through the use of Company property or information or through the ease of his or her office; or (3) competes with the Company. When the Company has an opportunity to make a profit, it is the responsibility of the directors, audit committee or managers to increase the legitimate and lawful benefit that the Company can obtain.

(iii) Duty of confidentiality:

A director or manager shall be under an obligation of confidentiality with respect to information about the Company itself or its importing (selling) customers, except where disclosure is authorized or required by law. Information that should be kept confidential includes all unpublished information that could be used by competitors or leaked to the detriment of the Company or its customers.

(iv) Fair Trade:

A director or manager shall treat the Company's import (sales) customers, competitors and employees fairly and shall not obtain improper benefits through manipulation, concealment, misuse of information obtained in the course of his or her duties, misrepresentation of material matters or other unfair dealing practices.

(v) Protection and proper use of the Company's assets:

It is the responsibility of each director or manager to protect the Company's assets and to ensure that they are used effectively and legally for official purposes, and that theft, negligence or waste will directly affect the Company's ability to make profit.

(vi) Compliance with regulations:

The Company shall strengthen compliance with the Securities and Exchange Act and other laws and regulations.

(vii) Encourage the reporting of any illegal or unethical conduct:

The Company shall reinforce the promotion of ethical concepts within the Company and encourage employees to report suspected or discovered violations of laws and regulations or the Code of Ethical Conduct to the Audit Committee, managers, internal auditors or other appropriate personnel. To encourage employees to report violations, the Company shall establish a specific reporting system that allows anonymous reporting and lets employees know that the Company will make every effort to protect the whistleblower from retaliation.



(viii) Disciplinary measures:

In the event that a director or manager violates the Code of Ethical Conduct, the Company shall handle the case in accordance with the disciplinary measures set forth in the Code of Ethical Conduct, and shall immediately disclose on the Public Information Observatory System, the date of violation, the cause of violation, the criteria for violation, and the circumstances under which the violation was handled. The Company shall also establish a complaint system to provide avenues of redress for those who violate the Code of Ethical Conduct.

Article 3 Procedures for Exemptions

The Code of Ethical Conduct established by the Company requires that a waiver of the Company's Code of Ethical Conduct for directors or managers must be approved by a resolution of the Board of Directors and that information regarding the date of the Board of Directors' approval of the waiver, the objections or reservations of the independent directors, the duration of the waiver, the reasons for the waiver, and the criteria for the waiver be disclosed immediately on the Public Information Observatory System so that shareholders can evaluate the appropriateness of the Board of Directors' resolution to discourage arbitrary or questionable waivers of the Code, and to ensure that any waiver of the Code has an appropriate control mechanism to protect the Company.

Article 4 Disclosure Method

The Company shall disclose its code of ethical conduct on the Company's website, annual reports, public statements and the Public Information Observatory System, also when it is amended.

Article 5 Implementation

The Company's Code of Ethical Conduct shall be approved by at least more than half of all members of the Audit Committee, approved by the Board of Directors, and submitted to the shareholders' meeting for implementation, and shall be amended in the same manner.

If the Code of Ethical Conduct is not approved by more than half of all members of the Audit Committee, it shall be implemented by the approval of at least two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors' meeting.

All members of the Audit Committee referred to in the first paragraph and all directors referred to in the preceding paragraph shall be counted as those who are actually in office.



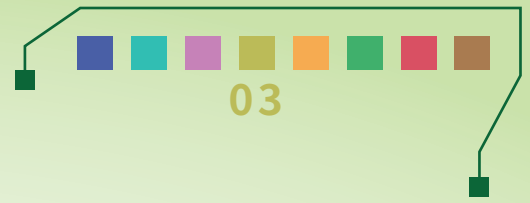
3.3.5 Political Contributions

The company is politically neutral and does not make political contributions to any party or candidate.



3.3.6 Violation of social and economic laws and regulations

In 2022, the Company did not violate the environmental protection, social and economic fields, or failed to comply with the information and labeling of products and services and marketing communications regulations.



3.3.7 Anti-competitive behavior

The Company's production and sales prices depend on the market and the price of the raw material sources. Also, there is no price cutting competition or monopoly.

3.3.8 Articles of Association

Article 1: The Company shall be organized in accordance with the provisions of the Company Act as a joint stock company and shall be named Sunrex Technology Corp.

Article 2: The business of the Company is as follows:

- 1.Design, manufacture, sale, and maintenance of computer and ancillary equipment software and hardware.
- 2.Design and manufacture of microcomputers for domestic and foreign sales.
- 3.Design and development of system software and application software for domestic and foreign sales.
- 4.Development, design and manufacture of computer communication control equipment and control circuit boards for domestic and foreign sales.
- 5.Development, design and manufacture of electronic computers and other electronic products for domestic and foreign sales.
- 6.Development and design of telephones, telephone answering machines, and other communication products and components for domestic and foreign sales.
- 7.Design and manufacture of keyboards, plastic injection keys and their molds for domestic and foreign sales.
- 8.CC01050 Manufacture of data storage and processing equipment.
- 9.F401030 Manufacturing output industry.
- 10.Manufacture and sale of various precision molds (plastic steel molds, die-casting molds).
- 11.Manufacture and sale of various plastic injection products (two-color keypad, keyboard, plastic utensils).
- 12.Processing, manufacturing and trading of plastic slippers, plastic shoes, sports shoes, etc.
- 13.CC01070 Wireless communication machinery and equipment manufacturing.
- 14.C804020 Manufacturing of industrial rubber products.
- 15.CC01060 Wired communication machinery and equipment manufacturing industry.
- 16.F107140 Wholesale of plastic raw materials.
- 17.F113010 Machinery wholesale business.
- 18.F113030 Wholesale of precision instruments.
- 19.F113070 Wholesale of telecommunication equipment.
- 20.F118010 Wholesale of information software.



21.F119010 Wholesale of electronic materials.

22.F401010 International trade industry.

23.F401021 Import of radio frequency equipment for telecommunication control.

24.Except for licensed businesses, businesses that are not prohibited or restricted by laws and regulations may be operated.

Article 2-1: The Company may make external guarantees for its business needs.

Article 3: The Head Office shall be located in Taichung City, Taiwan Province. If necessary, the Board of Directors may, by resolution of the Board of Directors, establish branches in Taiwan and abroad in accordance with the law.

Article 4: The announcement of the Company shall be made in accordance with Article 28 of the Company Act.



3.4 Risk Management



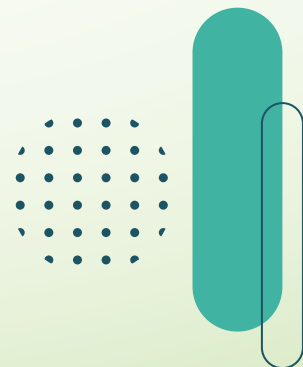
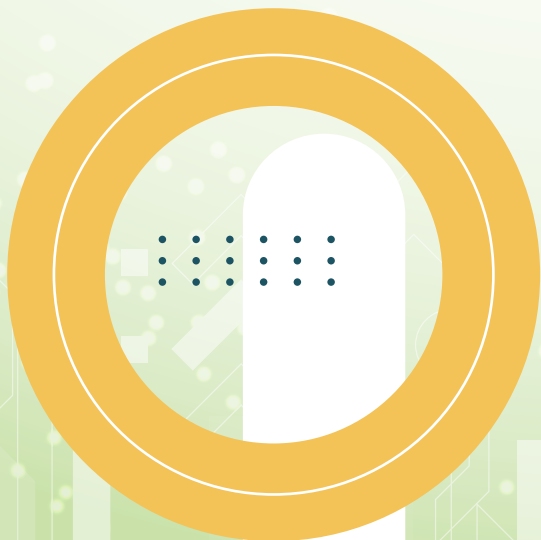
Risk Analysis and Management

Factors that significantly affect sustainable operations include: regulatory compliance, corporate governance risk, climate change, operational risk, green procurement risk, and supply chain carbon reduction risk. Sunrex evaluates each of these risks as low, medium, or high risk, and develops different contingency and recovery plans for sustainable operations.

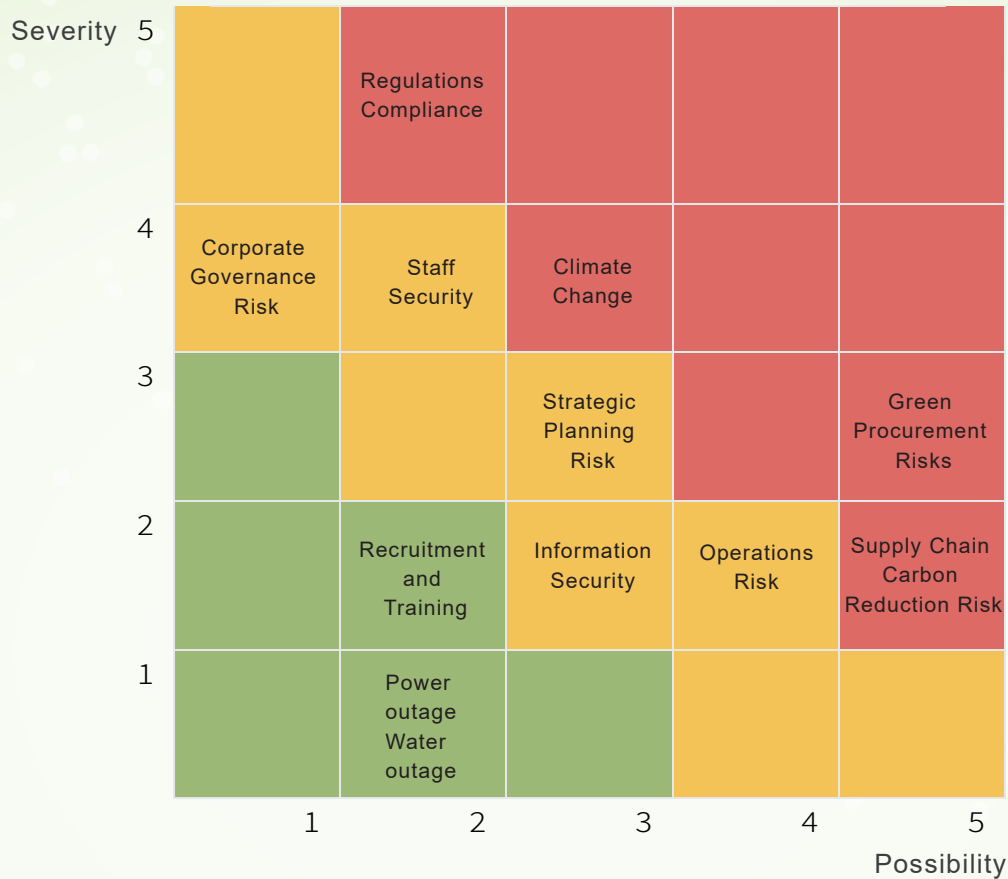
(1) Low Risk: If a situation occurs, it will be handled by each responsible manager and the results will be reported to the Continuity Operations Group.

(2) Medium risk: The Continuity Operations Group will decide whether a Business Continuity Plan (BCP) should be formulated.

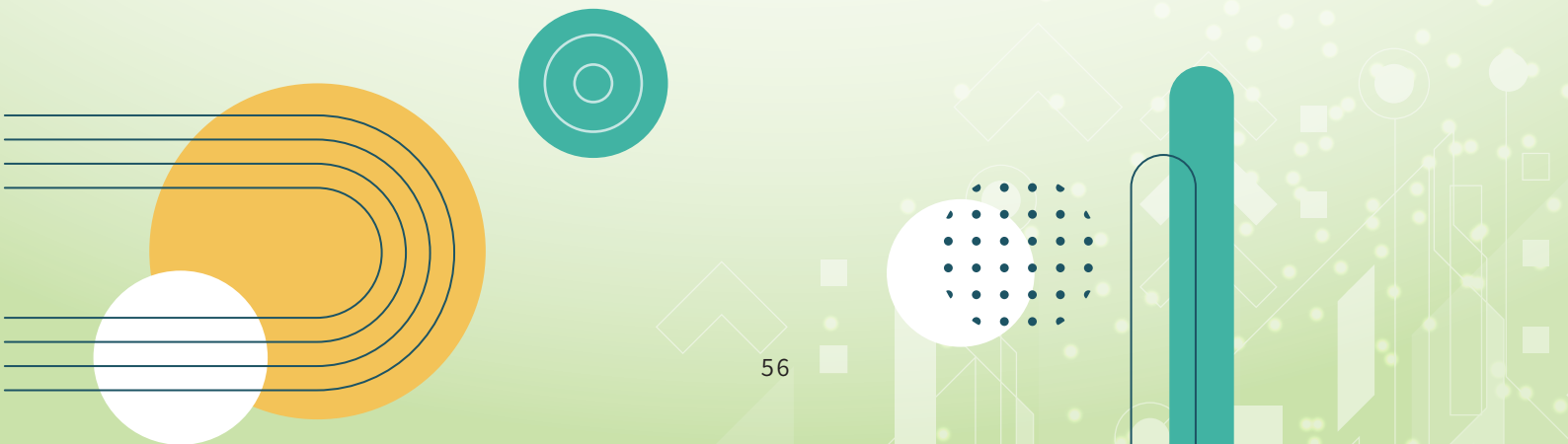
(3) High risk: If a situation occurs, the emergency response and business recovery plan of the BCP will be activated.



Risk analysis chart: red area - high risk, yellow area - moderate risk, green area - low risk



Sunrex's risk management policy: Recently, Sunrex has been affected by the global greenhouse effect, which has resulted in energy saving and carbon reduction risks. Secondly, Sunrex's daily operations are affected by a number of financial risks, including the risk of green supply chain and the risk of carbon emission applications from brand owners exporting to the European Union and the United States. The Board of Directors has written principles for overall risk management and also provides written policies for specific areas and issues, such as climate change response, green procurement, carbon reduction requirements for brand owners, EU-US export risk, and other new forms of risk management.





Risk Category	Risk Management Approach
Climate Change Risk	Gradual energy saving and carbon reduction for all employees and the whole plant to achieve 2050 net zero emissions
Green Procurement Risk	The company is gradually investing in the development of new raw materials and processes, and moving towards low-carbon manufacturing of goods to ensure compliance with the Green Procurement Act.
Supply Chain Carbon Reduction Risk	The company is prepared to initiate a carbon inventory at any time to meet the requirements of brand owners.

3.4.1 Risk Management Related Organizations

The management of the Company's operational risks is divided into relevant management units according to the nature of their operations, as described below:

(1) Management Department: Responsible for risk management of personnel and natural disasters, property risk management, legal management of risks, and compliance with relevant governmental laws and policies to ensure the continued operation of the company and the safety of its assets.

(2) Finance Department: Overseeing operational decisions, responsible for financial adjustment and operation, evaluating investment effectiveness, establishing hedging mechanisms, and ensuring the effectiveness of internal control to achieve reliability of financial reporting, operational effectiveness, efficiency and compliance with relevant laws and regulations, with the aim of reducing financial and strategic risks.

(3) Information Department: Responsible for network planning, construction, maintenance of network information security control and protection measures, and continuous maintenance of network quality to reduce network operation and information security risks.

3.4.2 Network and Information Security

In order to reduce network security risks and maintain the security of company and customer data, the Information Technology Department is responsible for network and information security control and protection, continuously strengthening the control mechanism, including firewall, spam filtering, anti-virus software and other software and hardware installations to reduce the occurrence of computer viruses and malicious attacks on the network; setting system access privileges in different levels and regularly changing user passwords; and introducing Flowmon monitoring system into the internal network to quickly detect and resolve network anomalies. Flowmon monitors the internal network to quickly detect and resolve network anomalies, continuously reviews and adjusts network and information security protection measures, and adopts appropriate information security technologies and equipment in a timely manner to reduce Sunrex's operational risks arising from network and information security.

3.4.3 Responsibility for Conflict Minerals (Metals) Procurement Policy

Metal mining has brought enormous economic benefits to developed and developing countries, such as accelerating economic growth, improving quality of life and optimizing public infrastructure. At the same time, mining also brings many negative social and environmental impacts. We recognize that the benefits of mining come at the cost of social and environmental problems. Human rights abuses and conflicts over conflict minerals have drawn the attention of international advocacy groups such as the RBA (Responsible Business Alliance), and Sunrex has declared and pledged not to accept the use of metals from substandard smelters in conflict zones and to require suppliers to comply with Sunrex's Responsible Minerals/Metal Procurement Policy.

- ◆ Do not use metals from illegal mines and metals mined in poor working conditions.
- ◆ Require upstream suppliers not to use metals from illegal mines in the Democratic Republic of Congo.
- ◆ Trace back all metals involved in "blood mines" such as gold (Au), palladium (Pd), tantalum (Ta), tin (Sn), and tungsten (W) contained in our products to identify the mines where these metals are found.
- ◆ Cooperate with Sunrex and Sunrex's customers to investigate the source of metals to ensure that metals from illegal mines are not used.

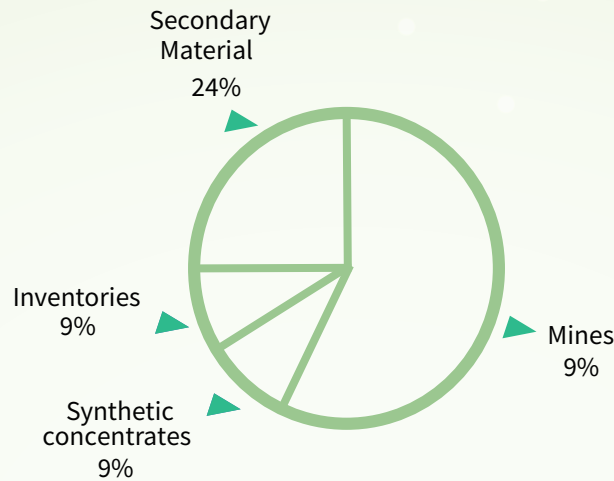
3.4.4 Metals used in electronic components and sources

The following table summarizes the main metals used in electronic components. The use of cobalt, gold, tantalum, tin, palladium and tungsten, which are sourced from illegal mines in the Democratic Republic of Congo, has raised social and environmental concerns among end-users and NGOs.

Electronic Components	Metals to be used
Solder	Sn
PCB	Cu, Sn, Au, Pd
Capacitance	Al, Ta, Pd
HDD	Co, Ni
Electrical resistance	Pd, Sn, Ta
IC	Au, Sn, Co, Wu
Battery	Co, Ni
Connector	Sn, Au, Pd
Wire and Cable	Cu



There are various sources of metals, including recycled metals, raw ores and stock-piled metals, with raw ores being the main source. Take tantalum as an example, the main sources are shown in the figure:



Main sources of tantalum



3.4.5 Brand customers and Sunrex requirements

As a global citizen, Sunrex has sworn and pledged not to accept the use of metals from conflict mines and to require suppliers to sign a "Declaration of Non-Use of Conflict Metals" to ensure that all products supplied to Sunrex Technology Corp. are conflict-free. Sunrex's customers are also very concerned about the social and environmental problems caused by conflict minerals. In order to meet the requirements of its customers and fulfill its corporate social and environmental responsibilities, Sunrex has required its suppliers to meet the following criteria in their metal supply chains:

1. Not to use metals from illegal mines and metals mined in poor working conditions.
2. Require upstream suppliers not to use metals from illegal mines in the Democratic Republic of the Congo.
3. To trace back all metals involved in "blood mining", such as gold (Au), palladium (Pd), tin (Sn), tantalum (Ta) and tungsten (W), contained in all products, to identify the mining sites of these metals.
4. To cooperate with Sunrex and Sunrex's customers to initiate metal source investigation to ensure that metals from illegal mining areas are not used.

04 *Product Innovations*





4.1 Product Innovations

The Company attaches importance to product innovation by developing new products or improving existing products to meet market demand and improve corporate competitiveness, which is achieved through technological improvements, design innovations, functional enhancements, and cost reductions.



4.1.1 Future Development of Products

In the modern business environment of sustainable development, successful product innovation can help customers expand market share, increase profits, and enhance brand image and customer loyalty. Sunrex has the advantage of vertical integration and is committed to technology development and product innovation to produce high-quality products that will continue to enhance the company's competitiveness for future growth. The following is an overview of Sunrex's technology, research and development:

Main Products

- (1) Mini Scissor Structure: The mini scissor foot structure minimizes the size of the keyboard, and its keyboard guide plate has passed the quality certification of APPLE, a well-known brand.
- (2) Laser Printing Technology.
- (3) LED Backlight Keyboard: Sunrex offers a wide range of backlight solutions with high brightness and high uniformity for customization.
- (4) High Durability Printing Technology: A special process is used to form a transparent and hard protective coating on the keycap surface.
- (5) Waterproof/Anti-Spill Keyboard: Available in different waterproof levels.
- (6) Shockproof Keyboard: Specially enhanced structural design to achieve shock-proof, fall-proof function.
- (7) Low Stroke Key Structure: Ultra-thin keyboard - industry-leading ultra-low travel.
- (8) Metal Key: Available in a variety of metal materials and finishes.
- (9) Crystal Key: Double material injection is used to achieve the purpose of beauty and durability.



Other Products

- (1)Wired Solution
USB, PS/2
- (2)Wireless Solution
IR, 2.4GHz, Bluetooth
- (3)Mouse Sensor
Optical, Infrared Rays, Laser
- (4)Point Device on Keyboard
Trackball, Touchpad, Point Stick, OFN
- (5)Compatible OS
Windows, Android, Mac, iOS

Patent Performance

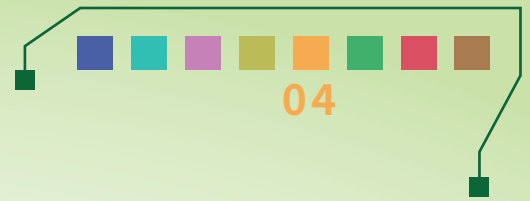
Sunrex's patent applications and licenses for 2022 are a demonstration of Sunrex's R&D capabilities over the past year. Sunrex is committed to strengthening its innovative R&D capabilities and applying for patents to protect the intellectual property rights of its R&D results, and the number of patent applications for 2022: 61 and the number of patents granted: 34.

◆Number of patents filed and obtained in 2022:

	Discovery	New type	Design	Total
Number of patent applications	18	42	1	61
Number of Patents Awarded	1	32	1	34

◆ The approved patents for 2022 are as follows
(including the 2021 application):

Patent Name	Patent Area	Patent Category	Application Day	Certificate No.
Keycap Device	China	New type	2022/10/27	18258313
Pushbutton device with	Taiwan	New type	2022/09/23	M635536
pressure-sensitive feedback	China	New type	2022/09/19	CN218214075U
Territorial Touch Device	China	New type	2022/07/26	17978541
Shake-reducing key devices	Taiwan	New type	2022/07/19	M633827
Shake-reducing key devices	China	New type	2022/07/08	17650718
Key-linked balancing device	China	Implementation of the new type	2022/06/28	17521372
Touchpad device	Taiwan	New type	2022/06/27	M632457
Key-linked balancing device	China	Implementation of the new type	2022/06/23	CN217506523U
Elastic metal sheeting device	Taiwan	New type	2022/06/22	M632025
Touchpad device	China	Implementation of the new type	2022/06/22	CN217467635U
Touchpad device	China	Implementation of the new type	2022/06/20	CN217767305U
Holster keyboard device	Taiwan	New type	2022/06/15	M632010
Elastic metal sheeting device	Taiwan	New type	2022/06/14	M635238
Touchpad device	Taiwan	New type	2022/06/10	M633122
Press the touchpad device	China	New type	2022/05/19	17607811
Glass touch installation with waterproof film	China	New type	2022/04/28	17040147
Backlight Module	China	Implementation of the new type	2022/04/27	17106870
Push touchpad device	Taiwan	New type	2022/04/26	M631146
Glass touch device with waterproof membrane	Taiwan	New type	2022/04/20	M633305
Backlight Module	Taiwan	New type	2022/04/12	M633294
Backlight Module	China	New type	2022/04/01	17045882
Backlight Module	Taiwan	New type	2022/03/29	M629934
Microstructured spectroscopic key device	China	New type	2022/03/28	17018888
Long keypad device	China	New type	2022/03/24	17128431
Microstructured spectroscopic key device	Taiwan	New type	2022/03/16	M628831
Illuminated keyboard word key device	China	New type	2022/03/16	16854666
Long keypad device	Taiwan	New type	2022/03/07	M629833
Illuminated keyboard word key device	Taiwan	New type	2022/03/02	M628765
Thin Film Circuit Boards	China	Implementation of the new type	2022/02/10	16795531
Keyboard's long-key device	Taiwan	Discovery	2022/02/09	I788221
A universal touchpad	China	Implementation of the new type	2022/01/27	CN216697134U
Thin Film Circuit Boards	Taiwan	New type	2022/01/27	M627840
Button support device	Taiwan	Design	2021/12/13	D219239

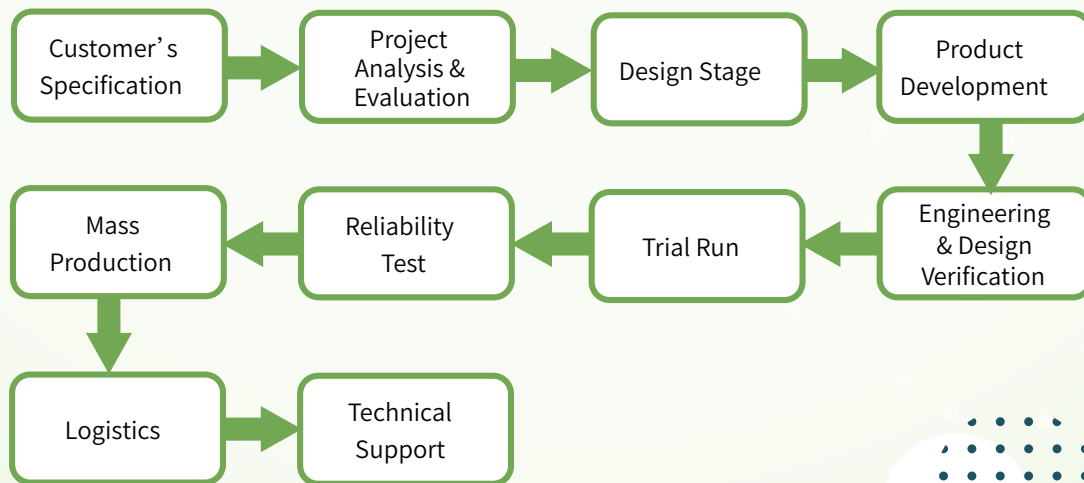


4.2 Professional OEM / ODM

Our company has the professional ability of OEM and ODM, OEM (Original Equipment Manufacturer) means original equipment manufacturer, ODM (Original Design Manufacturer) means original design manufacturer. Sunrex has a high degree of vertical integration capability, from product development, design, production to after-sales service, we provide one-stop solutions to ensure that our customers' needs are met. Our OEM service produces high quality products according to customers' needs and specifications, and our ODM service provides customers with a complete set of product development and manufacturing services, from design to production to meet customers' needs, and has provided many customers with quality products and services that have gained widespread praise and trust.

Our OEM services cover the steps of customer requirement analysis, design development, engineering design verification, pilot production, reliability testing, mass production, logistics and technical support. During this process, our professional team ensures that every detail, from customer-supplied specifications to the final product, meets strict quality standards.

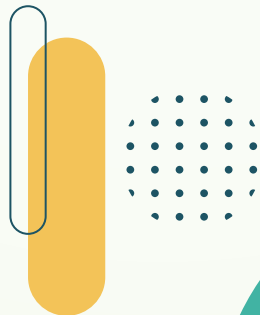
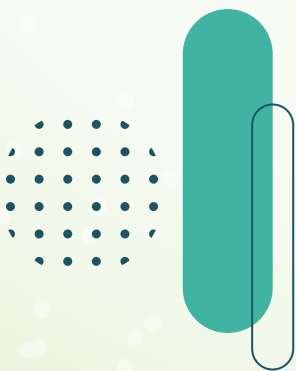
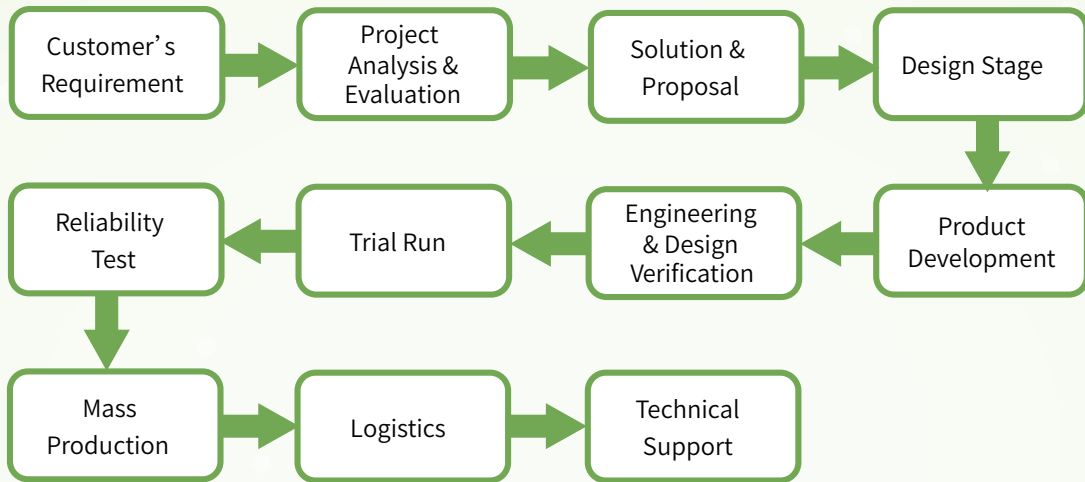
OEM PROCESS





Our ODM service process includes customer requirement analysis, solution design, product design, reliability testing, trial production, product development, engineering verification, mass production, logistics and technical support, etc. Through our excellent product development team and experienced engineers, we ensure that our products can meet customer requirements and market demands.

ODM PROCESS





4.3 Supplier Management

Sunrex's supplier management involves the relationship between domestic and foreign suppliers, including ESG's green supply chain management for sustainable development. The suppliers that Sunrex works with are required to pass the supplier evaluation and inspection before they are formally qualified as Sunrex suppliers. During the inspection process, in addition to understanding the process capability of the suppliers, Sunrex places more emphasis on the quality of their supplies and the stability of their delivery time, and at the same time, the concept of cooperation between Sunrex and its suppliers is closely linked and communicated.

Due to the complexity and high degree of customization of the purchased products, in order to diversify risks and reduce purchasing costs, the procurement strategy and selection of suppliers are based on the "Supplier Approval and Evaluation Procedures", which stipulates that suppliers are regularly evaluated by purchasing and quality assurance on a monthly basis to ensure delivery and quality stability of suppliers and to understand the process capability of suppliers. Each raw material delivered to Sunrex is required to be accompanied by a certification report from a third-party testing agency to prove that it is free of safety concerns before it can be approved. Manufacturers that fail to meet the requirements must make improvements within a certain period of time, and then a review mechanism is used to determine whether the delivery can be resumed. The Quality Assurance Department conducts evaluation planning, including:

- (1) The evaluation method of "written examination" and "on-site audit" shall be adopted.
- (2) Additional evaluation items for various types of suppliers.
- (3) Coordinate the arrangement of the evaluation members and the time of participation.
- (4) Prepare the required documents and forms in advance.

4.3.1 Supplier classification management

Suppliers are managed in four categories.

1. After the evaluation score reaches 80 points or more (Grade A), the supplier will be confirmed as a qualified supplier and will be registered on the Approved Vendor List (AVL) after both parties sign the procurement base contract.
2. Evaluation score of 70 points or more (Grade B) is included in the observation and counseling of suppliers.
3. The evaluation score of 60 or above (Grade C) is classified as a counseling provider, and is ready to come back.
4. A supplier with an evaluation score of 60 or less (Grade D) will be classified as unqualified.

4.3.2 Supplier communication methods

We hope to work with suppliers on a win-win basis to ensure that they meet ethical and environmental standards and processes. In addition to regularly evaluating suppliers' quality, delivery accuracy, and cooperation, we also communicate with them at any time.

4.3.3 Supplier Review and Evaluation System

Regular evaluation items and their percentage: Quality (40%), Laboratory (20%), Delivery (20%), Service (20%).

1. Quality assessment score = 20 points for supplier's delivery quality and supplier's quality operation procedure. The full score is 20 points for defective materials found in the supplier's delivery products, process and client side, 2 points for each process complaint, 4 points for each process stoppage, and 10 points for each client complaint.
2. The laboratory will test and evaluate the harmful substances of the products delivered by the suppliers at the beginning of each month, and the score will be 20 points for each month.
3. Delivery assessment of purchasing staff to suppliers.
4. The full score for the service evaluation is 20 points, and the points will be deducted according to the following standards. For the best price advantage, 20 points, 15 points for the second best, and so on, the total score will be evaluated by the purchasing personnel.

Periodically assess the results of the evaluation and formulate corresponding disposal measures.

- Preferred supplier: Regular evaluation score of 80 points or more (Grade A), six consecutive months as A grade supplier, priority in procurement and purchase of materials.
- Observation of suppliers: Regular evaluation score of 70 points or more (Grade B), case counseling for them, incoming material inspection by general inspection standards.
- Counseling suppliers: regular assessment score of 60 points or more (Grade C), resident counseling, delivery can require suppliers to provide quality control external inspection related proof.
- Unqualified supplier: If the regular assessment score reaches below 60 (Grade D), and if the supplier fails to reach the passing standard in the following month after counseling by our quality control and engineering, the supplier will be removed from AVL and the qualified supplier qualification will be canceled.

The assessment levels are as follows:

Grade	Total Score	Comments
Priority (Grade A)	100~80 points or more	Prioritize the purchase of newly developed components
Observation (Grade B)	79~70 points	Maintain order volume and conduct case counseling
Counseling (Grade C)	69~60 points	Listed as a mentor and lowered order quantity
Unqualified (Grade D)	Below 60 points	Failure to achieve a passing grade in the following month. Qualified supplier qualification will be canceled.

4.3.4 Sustainable Supply Chain Management and Implementation Policies

The products and services provided by suppliers not only have a direct and tangible impact on products, services and operations, but also indirectly affect the company's image and reputation or become a potential risk. Therefore, in order to promote the sustainable development of the industry and supply chain, we have developed supplier-related management standards to jointly implement CSR and create a sustainable value chain. There are three major management policy guidelines:

1. Inspection and auditing: For companies with more than 30% of delivery of major materials, refer to the "Environmental Occupational Health and Safety and RBA objectives, indicators and management program procedures" and request the company to define its target indicators, and have the procurement list and audit plan, and have the quality control issue the "audit checklist" in advance for on-site auditing after self-evaluation by the company. The audited missing issues are followed up and closed after the vendor provides measures of improvement.
2. RoHS Compliance and Halogen Free (BFR/PVC/Halogen free) products, related commitment letter, composition list and test report requirements.
3. The RBA Code of Conduct and education training are provided by the Responsible Business Alliance. In order to grasp the degree of implementation of environmental protection, ethical integrity, protection of labor rights, work environment and safety and health management system of suppliers, and to encourage suppliers to develop materials and processes that reduce environmental impact.

4.3.5 Supplier signs integrity pledge

The Company requires its suppliers to sign an "Integrity Undertaking", in which the Company undertakes to strictly comply with all rules and regulations set by Sunrex regarding the integrity management of its trading partners and not to invite, contract, offer any bribes or give any other improper benefits (such as joint venture, cooperation, profit sharing by internal or external collusion or other similar acts) to any Sunrex personnel or their related persons or designees, nor to directly or indirectly benefit Sunrex. We shall not directly or indirectly profit from any of the above acts by Sunrex's Technology personnel or their related persons or designees.

4.3.6 RBA Management

In order to maintain the environment, safety, human rights, and health of the entire supply chain, and to enable sustainable development, Sunrex has implemented an RBA management system to fulfill its social responsibility by requiring suppliers to sign a code of conduct, a social responsibility pledge, and an RBA pledge, etc. Sunrex also sets an example by having its Changshu 、 Shenzhen and Chongqing plants audited by a verification unit and by issuing a Validated Audit Report (VAR) with a silver rating.



Promote social responsibility system standards, such as RBA, to suppliers and make commitments.

In order for Sunrex to comply with social responsibility management systems such as RBA, suppliers are required to comply with the following social responsibility guidelines:

1. We do not use and do not support the use of child labor; we do not use and do not support the use of labor related to slavery, human trafficking, etc.
2. The phenomenon of forced labor, such as the seizure of identity cards and withholding of deposits, is prohibited.
3. Continuously improve the working environment, improve the mechanism of health and safety, and enhance the health and safety awareness of employees through training and other means.
4. Respect for employee participation in labor unions and employees' right to collective bargaining.
5. Discrimination against employees and the imposition of unlawful disciplinary measures are prohibited.
6. Comply with the provisions of the Labor Law and various laws and regulations, continuously improve working hours and rest and leave arrangements, and strive to create a legal and reasonable wage accounting system, and carry out accounting and payment in accordance with the law.
7. When Sunrex needs to conduct social responsibility monitoring activities on suppliers, suppliers should actively assign supervisors to participate and organize.
8. For the non-conformities identified in Sunrex's social responsibility assessment, the supplier will actively identify the causes and, where feasible, actively organize its resources to carry out corrective actions (including corrective actions and compensatory actions).

05 *Implementation of environmental protection*



5.1 Environmental Protection Policy

The Company's Environmental Protection Policy is a set of policies and actions to protect the natural environment and reduce the impact on the environment. The environmental protection policy not only meets the company's social and ethical requirements, but also contributes to the sustainability and competitiveness of the company.

As a leading manufacturer of notebook computer keyboards, Sunrex is always concerned about environmental issues as it expands its production scale, and is constantly thinking of ways to reduce the impact of its products on the ecological environment. In recent years, major markets such as North America, the European Union, and Japan have all enacted legislation to strictly regulate the materials used in their products, in an effort to allow consumers to use them in a safe and secure environment. In response to this issue, Sunrex has followed in the footsteps of its brand customers and gradually introduced green product production, starting from the design and research and development side, all the way to the final procurement of parts and components, using the most stringent process control to achieve the demand for all green products. In addition to being non-toxic and lead-free, it has been Sunrex's long-standing green policy to increase the recycling rate of its products to reduce the environmental damage caused by permanent waste.

Sunrex complies with environmental laws and regulations and international standards to appropriately protect the natural environment, and strives for environmental sustainability in the execution of its business activities. Sunrex is committed to the goal of environmental sustainability in the execution of its business activities. Sunrex enhances the efficiency of resource utilization and uses recycled materials that have a low impact on the environment so that global resources can be used sustainably. In addition, we will establish an appropriate environmental management system according to the nature of our business activities, and have specialized environmental management units or personnel to promote and maintain environmental management related systems, and organize training courses for management and employees to care for the environment.

1.Promote the reduction of the impact on its own operating environment

Sunrex continues to reduce the environmental impact of its living and office areas through simple energy savings such as:

- (1)Sunrex has invested heavily in the promotion of comprehensive e-services, allowing the Group's official correspondence, document filing, and data circulation to be communicated quickly through the ERP system and saving the considerable costs spent on copying and paper each year.
- (2)The photocopying paper used in the office is mainly recycled paper with an environmental certification mark.



- (3) Encourage colleagues to recycle single-sided photocopying paper and then photocopy the reverse side, and implement the reuse of envelopes within the company to save paper resources.
- (4) Thoroughly implement waste separation and set up a resource recovery office in order to do our best for the environment.
- (5) We ask our employees to turn off the lights when they leave the meeting room, during lunch break and at the end of the day to save energy.
- (6) Advise colleagues to use water-saving faucets or reduce the amount of water in the washroom.

2. Considering the impact on ecological benefits, promoting and educating the concept of sustainable consumption to reduce the impact of the company's operations on the natural environment, and engaging in sales and service operations in accordance with the following energy-saving and carbon-reducing methods:

- (1) Reduce resources and energy consumption of products and services, and increase the performance of products and services.
- (2) Reduce the discharge of pollutants, toxic substances and waste, and dispose of waste properly.
- (3) Increase the recyclability and reuse of raw materials or products.
- (4) To maximize the sustainable use of renewable resources.
- (5) By reducing the use of resources and recycling, we can achieve the effective use of resources and waste reduction.
- (6) Continuously promote electricity saving, fuel saving, carbon reduction and pollution prevention to reduce environmental impact.

3. Reduce resource waste and pollution

Sunrex strives to reduce resource waste and pollution to achieve sustainable development and protect the environment. In order to improve the efficiency of water resources, the company will make proper and sustainable use of water resources and establish relevant management measures. At the same time, we plan to build and strengthen relevant environmental protection treatment facilities to avoid polluting water, air, and land, and to do our utmost to reduce the adverse effects on human health and the environment by adopting the best feasible pollution prevention and control technology measures.

We will pay attention to the impact of climate change on our operating activities and, based on our operating conditions and greenhouse gas inventory results, develop strategies to save energy and reduce carbon and greenhouse gas emissions in order to reduce the impact of our operations on the natural environment.

Sunrex's main environmental considerations are based on its current scale of operation and characteristics, power and energy consumption and waste emissions. Since the start of its operation, Sunrex has built and verified its internationally recognized ISO 14001 environmental management system and ISO 14064-1 organizational greenhouse gas inventory to uphold the concept and policy of environmental protection and sustainable management. Sunrex promises to comply with all environmental regulations and requirements promulgated by the central and local authorities as the most basic principle in its operations, which are to improve energy efficiency, to reduce greenhouse gas emissions, to reduce waste generated in its operations with the concept of source reduction and reusable resources, and to continue to improve its environmental performance at the operating and management levels to fulfill its responsibility to maintain the environment and to co-prosper with the earth.

In addition, Sunrex has set up a dedicated (part-time) unit for sustainable development, which is managed by the top manager of the General Management Office, and reports to the board of directors on the company's environmental protection and employee safety practices. We hope that by improving our internal environment and effective environmental protection measures, we can improve our operational performance and bring a positive effect to the external environment and the industry.

Reducing resource waste and pollution is an important task for the Company to achieve sustainable development and protect the environment. In the future, the Company will formulate more appropriate policies and systems to encourage and support employees to participate in environmental protection, strengthen supply chain management, realize the maximum utilization of resources and reduce the impact on the environment, so as to achieve the goal of sustainable development.

5.1.1 Green Products

Green products are products that have less impact on the environment and health during production, use and disposal. Green products not only meet the requirements of environmental protection, but also satisfy the needs of consumers for health and safety. As a leading manufacturer of notebook computer keyboards, we are always concerned about the environmental issues that come along with the expansion of our production scale, and we are constantly thinking about how to reduce the impact of our products on the ecological environment.



In recent years, major markets such as North America, the European Union and Japan have been legislating nonstop, to strictly regulate the materials used in their products, in an effort to keep consumers in a safe and secure environment.

The company is gradually moving towards the production of green products with the following important features.

1. Adopt green design and consider environmental and health factors from the product design stage, such as reducing the use of harmful substances and improving the durability of products.
2. Use green raw materials and supply chain to ensure that product materials and suppliers meet environmental and health requirements and minimize environmental impact.
3. We have introduced green production processes and energy-saving technologies to reduce the impact on the environment and improve the efficiency of resource utilization.
4. Passed product certification and labeling, such as green mark, environmental certification, etc.

Each raw material delivered to Sunrex is required to be accompanied by a certification report from a third-party testing agency to prove that it is free of safety concerns before it can be approved. Manufacturers that fail to meet the standards must make improvements within a certain period of time, and then a review mechanism is used to determine whether or not delivery can be resumed.

For a long time, Sunrex has been following in the footsteps of its brand-name customers in introducing lead-free products to ensure that the products that consumers purchase are not toxic. Subsequently, when the European Union fully implemented the RoHS (Restriction of Hazardous Substances Directive) in July 2006, Sunrex took the initiative to convert all products manufactured in its factories to safe products that comply with the RoHS standard and to use its strict IQC system to strengthen control of incoming materials, and to block any risky raw materials. In recent years, in order to meet the rising trend of environmental awareness in the world and to respond to the environmental policies of its brand customers, Sunrex has actively introduced BFR/PVC/Halogen free products with more stringent regulations to further safeguard the health of consumers and create truly non-toxic and non-hazardous green products.

5.2 Energy Saving and Carbon Reduction

In order to fulfill Sunrex's commitment to a sustainable environment, we uphold the concept of responsible production strategy in our sustainability strategy blueprint, with green operations and low-carbon products as our environmental sustainability strategy guidelines. We will continue to promote energy saving, carbon reduction, and greenhouse gas management to improve energy efficiency, reduce the impact of production on the environment, and enhance our resilience to sustainability issues.

In response to the international standards of the United Nations Framework Convention on Climate Change and the Kyoto Protocol, we will do our best to protect the environment and preserve the earth and fulfill our corporate responsibilities. In order to make effective use of energy and reduce greenhouse gas emissions, each year, we promote the use of energy-saving lamps and air-conditioning equipment, and plan for lighting, electrical systems and air conditioning systems. To realize the concept of energy saving and carbon reduction, we have replaced all the lighting fixtures in the office area and R&D lab with energy-saving ones.

Sunrex's short, medium, and long-term energy saving and carbon reduction goals and plans for the future:

- (1) Short-term goal (less than 1 year): Continuously monitor energy and greenhouse gas emissions from operational activities and build awareness of energy saving and carbon reduction among employees.
- (2) Medium-term goals (1~3 years): Reference to the international standard ISO 14064-1 greenhouse gas inventory and reduction standards for the management of the Sunrex of greenhouse gases.
- (3) Long-term goal (more than 3 years): To develop a sustainable energy-saving and carbon-reducing mechanism suitable for Sunrex's operational activities.

Through the adoption of energy-saving and emission reduction technologies and measures, Sunrex has been able to reduce carbon emissions in recent years, thereby mitigating the effects of global climate change, which not only meets environmental requirements, but also helps to enhance Sunrex's sustainability and competitiveness. The following is a description of Sunrex's plant-wide energy conservation and carbon reduction related measures for the year 2022:

Energy saving and carbon reduction related measures in 2022

Factory	Scope of Implementation	Energy saving and carbon reduction measures
Chongqing Factory	Production Line, Warehouse	The warehouse replaced 380 LED energy-saving lamps.
	All Factory	The water temperature at the outlet of the chilled water mainframe was increased from 16°C to 20°C.
	Staff Dormitory	Staff dormitory fixed-frequency air conditioning to variable-frequency air conditioning, a total of 30 units will be replaced in 2022.
	Spraying workshop	The hot air of the exhaust gas of the spraying workshop oven was transformed to be used in the inner loop, and a total of 10 units were transformed.
Jiangsu Factory	Staff Dormitory	Replaced 171 LED energy-saving light bulbs.
	Mold workshop	Replaced the single air conditioner in the mold workshop with a central air conditioner.
Shenzhen Factory	All Factory	Replaced 400 pieces of LED energy-saving light bulbs.
	Air compressor room	Air compressor frequency conversion.
Changshu Factory	All Factory	Air compressor replacement, change to variable frequency air compressor to automatically adjust the pressure.
	Factory-wide central air conditioning range	Central air-conditioning module replacement, after replacement, energy efficiency is improved and electricity consumption is reduced.
	Production Shop/Office	No special temperature and humidity control for production workshops and offices: from 18°C to 16°C in winter and from 25°C to 27°C in summer.
	Production workshop, warehouse, office area	Replaced 600 pieces of LED energy-saving lamps.
Jiangxi Factory	All Factory	Replaced 550 LED energy-saving light bulbs.
	Factory	Newly purchased a 75KW energy-saving inverter air compressor

5.2.1 Green Plant Design

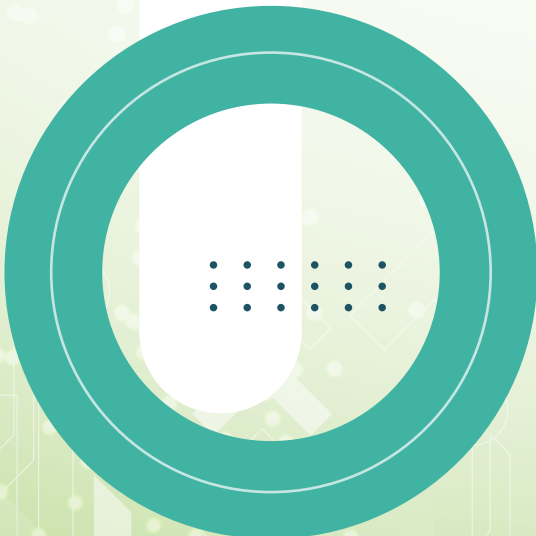
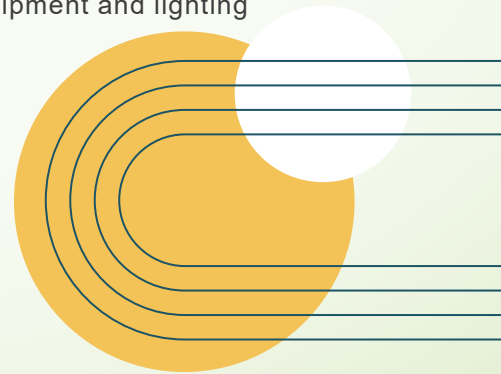
The green factory design takes into account the requirements of environmental protection and energy saving to achieve sustainable development. All of our production rooms are designed with high ceilings and enhanced ventilation and air exchange functions, so that except for specific production areas, we can reduce room temperature without relying on air conditioning or fans. Large windows or floor-to-ceiling windows are used in the factory and reception halls, allowing sunlight to penetrate freely, reducing the number of lighting fixtures used and saving electricity consumption.

We continue to promote the concept of green building and sustainable development, encourage and support our employees to participate in environmental protection activities, and further promote green production and consumption in order to achieve the goal of sustainable development.

5.2.2 Energy Consumption Control

Our company promotes energy consumption control to reduce energy consumption through management and control in the production and operation process to achieve the goal of energy saving and emission reduction. For example, the air conditioners in the office and production workshops are managed on a fixed time temperature and location basis. In addition, the air conditioning equipment and the location of the air outlet are also professionally designed to achieve the purpose of cooling in the shortest possible time.

The production and testing equipment of the production line will only operate during production. When the operators leave the operating machine at the end of the day, they will follow the SOP operation to turn off the power of all equipment and lighting fixtures to avoid energy wastage.





5.2.3 Energy-saving products

The energy-consuming products used in our daily life and work, such as lighting, air conditioning, computers, etc., use energy-saving technology and designed consumables to reduce energy consumption and carbon emissions, thus achieving the goal of energy saving and emission reduction. For example, energy saving is the procurement requirement for factory lighting equipment. Factories are gradually replacing old lamps with LED energy-saving lamps, which not only greatly increase the brightness of lighting, but also reduce the power load of factories, and the high service life of LEDs slows down the replacement of lamps, thus truly achieving energy saving and environmental protection.

5.2.4 Material recovery

We recycle the waste and scrap generated during the production or consumption process to achieve the effective use of resources and reduce environmental pollution through recycling. For example, we have a complete control system to reduce the environmental impact of the waste materials/waste generated during production. For plastics, the production unit collects the waste materials and regranulates the usable parts to be used as raw materials for testing non-volume products. The rest of the materials, such as electronic and metal consumables, which cannot be recycled in the factory, will be disposed of by professional vendors to achieve the goal of zero pollution.

5.2.5 E-paper

The Company is using electronic technology and digital products to reduce the amount of paper used, thereby achieving energy savings and environmental goals. The Company has invested heavily in the promotion of total e-business, which allows the Group to communicate quickly through the ERP system for correspondence, document filing, and data flow, and to save the considerable annual cost of copying and paper.





5.3 Greenhouse Gas Management

After countries around the world declared to achieve net zero carbon emissions by 2050, greenhouse gas management has become one of the important ways for companies to achieve low carbon emissions, green house development and to protect the environment. Sunrex's greenhouse gas management, monitors, evaluates, and manages carbon emissions to reduce the impact of global climate change and achieve the goal of green, low-carbon, and sustainable development by reducing carbon emissions and increasing carbon absorption. Therefore, each year, Sunrex headquarters conducts an inventory of carbon emissions for all of its branches, and the specific data is illustrated in the following table:

◆ Greenhouse Gas Emission Statistics for Sunrex in 2022

	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	Total volume
Individual greenhouse gas emissions (t-CO ₂ e/year)	99,876.41	810.64	11.36	23.99	0.00	0.00	100,722.40

◆ Greenhouse gas emission statistics by region in 2022

Annual greenhouse gas emissions	Taiwan	China	Total
Scope 1 (metric tons CO ₂ e)	161.70	2,279.23	2,440.93
Scope 2 (metric tons CO ₂ e)	1,478.68	96,802.79	98,281.47
Total Emissions in Categories I and II (metric tons CO ₂ e)	1,640.37	99,082.02	100,722.40

◆ Greenhouse gas emission statistics for the years 2020 ~ 2022

3.98% reduction in greenhouse gas emission intensity in 2022 compared to 2021

Annual greenhouse gas emissions	2020	2021	2022
Scope 1 (metric tons CO ₂ e)	2,762.57	2,691.66	2,440.93
Scope 2 (metric tons CO ₂ e)	95,072.66	99,943.66	98,281.47
Total Emissions in Categories I and II (metric tons CO ₂ e)	97,835.23	102,635.32	100,722.40
Emission intensity (metric tons CO ₂ e /NTD million revenue)	4.62	4.27	4.10

Notes:

- 1.Scope 1 is direct greenhouse gas emissions (refers to the greenhouse gas emissions generated by the use of different equipment owned or controlled by the company. Such as the production process of equipment boilers and trucks of gas and diesel, septic tank fumes, water heater use and other sources of emissions).
- 2.Scope 2 is indirect greenhouse gas emissions (refers to the purchase or acquisition from a third party, such as external power use, and the use of various energy sources within the organization, including electricity, heat or steam, etc.), the indirect emissions of greenhouse gases generated.

The company's greenhouse gas emissions are calculated using the "emission coefficient method" as the main source. The main source is the "2006 IPCC National Greenhouse Gas List Guidelines" provided by the emission coefficients to compile the total data for calculation, and the coefficients announced by the National Development and Reform Commission of China for the calculation of purchased electricity in China. The current EPA standardized warming potential (GWP) should be used for the 100-year scale, cited version as IPCC. AR4 Assessment Report - "IPCC Fourth Assessment Report (2007)".

◆ **Sunrex Technology Corp. greenhouse gas carbon reduction targets:**

Climate change and the greenhouse effect have been identified as one of the biggest challenges facing countries, governments, businesses and people in the coming decades. The implementation of greenhouse gas emission control should be implemented at different levels, such as the state, industry and individual enterprises. The company's greenhouse gas emissions set carbon reduction targets, greenhouse gas reduction targets in 2030 is expected to meet the warming control within 1.5 °C. GHG inventory base year is 2020, set a 10-year carbon reduction target, Scope 1 and Scope 2 to 2030 to reduce emissions by 32%, per million revenue emissions intensity reduction of 43.2%.



5.4 Wastewater Management

Our wastewater management is the process of collecting, treating and discharging the discharged wastewater in order to reduce the harm to the environment and public health. In Taiwan, most of the plants are domestic wastewater, so they are directly discharged. In mainland China, the wastewater from each plant is collected and treated through the process of treatment facilities, and regular water quality tests are conducted for the plants to effectively control and stabilize the quality of the discharged water. These are the discharge standards.

Wastewater management includes wastewater treatment, discharge and monitoring, etc. By 2022, the discharge water quality of each plant will be much better than the regulatory standards for biochemical oxygen demand (BOD), chemical oxygen demand (COD) and suspended solids (SS).

◆The water pollution testing items and results of each plant are listed below

Water Pollution Testing Items	Emission standard (ppm)	Annual average monitoring value (ppm)				
		Chongqing Factory	Jiangsu Factory	Shenzhen Factory	Changshu Factory	Jiangxi Factory
Chemical oxygen demand COD (mg/L)	500	134.00	111.00	85.00	94.00	37.00
Biochemical oxygen demand BOD (mg/L)	300	34.90	41.30	85.00	24.40	7.50
Suspended solids SS (mg/L)	400	50.00	26.00	8.00	14.50	14.10

5.4.1 Water Resource Management

The purpose of our water management is to ensure the sustainable use of water resources and to protect the ecological function of water resources and the health of the aquatic ecosystem. In Taiwan, our plants are used for the water supply system of air-conditioning equipment and general domestic water, and the discharge of domestic wastewater has no significant impact on the environment. In mainland China, due to the actual production activities, the water recycling in our plants is mainly process recycling, in order to increase the frequency of reuse of water resources, reduce the consumption of water resources, and cherish the earth's water resources.

The company has adopted the ISO 14001 management system as the basis for water resource management, and continues to promote water conservation measures. This includes the replacement and renewal of old pipelines, water switching and water inspection, increasing water recycling and reuse measures, and strengthening the daily management of each plant, such as education and promotion. This is in order to reduce the use of recycled water in basic plant facilities, such as air conditioning and air pressure, and the use of water for employees' livelihood. In terms of water withdrawal, the following table shows the amount of water withdrawal in 2022:

◆ 2022 Regional Water Withdrawal Statistics

Area	Taiwan	China
Annual water withdrawal (metric tons)	8,533	981,014

◆ Historical water withdrawal statistics

Year	2021	2022
Annual water withdrawal (metric tons)	879,175	989,547

◆ Implementation of water conservation measures at each factory in 2022

Water Conservation Measures	Estimated annual water savings
Central air-conditioning condensate utilization in Shenzhen factory.	420 tons
Changshu factory sink faucet, to increase water saving.	500 tons
Recycling and reuse of spraying wastewater in Chongqing factory.	18,000 tons
Recycling and reuse of injection cooling water in Chongqing factory.	700 tons
Dissolved water recycling for toilet flushing in Jiangsu factory.	5,400 tons
Jiangxi factory injects cooling water for reuse.	3,200 tons



5.5 Waste Management

Our company manages waste by collecting, transporting, treating and utilizing the waste generated from daily production and daily life in order to reduce the harm to the environment and human health. Based on the responsibility to protect the earth and the environment from pollution and damage, we entrust the disposal of waste to qualified vendors and do not transport it overseas.

In addition to entrusting incineration or reuse treatment to qualified removal processors, Sunrex also adheres to the concept of responsible production and conducts regular audits of treatment operators to ensure proper treatment. In addition, Sunrex also cooperates with suppliers to reuse some of its resource-based waste. Sunrex not only complies with environmental protection laws and regulations with no record of violations, but also fully complies with government environmental protection regulations and undergoes random inspections by government agencies from time to time.

Waste management is an important area of environmental protection and public health, requiring the joint participation of the government, enterprises and the public to manage and treat waste in a scientific and rational manner to ensure the sustainable development of the environment and the protection of human health. The following is an example of the company's hazardous waste treatment model at the Jiangsu plant.

Sunrex's Jiangsu factory - hazardous waste treatment and other related treatment measures and methods:

<https://www.sunrex.com.tw/hazardouswaste/>

Sunrex Technology (Jiangsu) Co.
Hazardous Waste Pollution Prevention and Control Measures

1. Set up an independent special warehouse for hazardous waste to store hazardous waste.
2. Liquid hazardous waste stored in ton drums and covered, storage, transportation must take effective safety precautions to prevent leaks and fire accidents.
3. Solid hazardous waste should be sorted, closed and stored centrally in special packaging containers, In order to prevent leakage, spread and contamination during storage and transportation.
4. Hazardous waste labels are affixed to the hazardous waste, indicating the name, number, type, quantity, date and the need for special instructions.
5. During long-term storage of hazardous waste, the container must be covered and tightly closed.
6. When containing hazardous waste, the waste should not be more than the packaging or container, and should use an effective sealing method, so that the packaging or container is sealed tightly.
7. Each workshop will be sent to the company's hazardous waste warehouse on a regular basis every day from the place of production of hazardous waste in accordance with the requirements of the classified hazardous waste.

8. Hazardous waste storage points, temporary storage of hazardous waste to have the relevant signs and tight sealing measures to prevent non-workers from access to hazardous waste.
9. Once the loss of hazardous waste, leakage, fire and other accidents, take emergency measures in a timely manner, and activate the emergency plan, the implementation of rescue and handling work, while reporting to the relevant responsible person.
10. Establish a table of hazardous waste, registration of the date, type, quantity or weight of hazardous waste, disposal and the signature of the relevant personnel to maintain records for inspection.
11. Hazardous waste is accepted by qualified organizations or units designated by the environmental protection department, with which the company signed a hazardous waste transfer agreement, and in accordance with the relevant provisions to fill out and maintain the transfer of waste forms. It is strictly forbidden to transfer, buy and sell hazardous waste by the relevant personnel.
12. Hazardous waste disposal process:
 - a. The waste generator is required to classify the hazardous waste.
 - b. Waste collectors regularly collect and transport the waste within the department to a centralized location and storage containers.
 - c. Fill out the transfer of hazardous waste forms.
 - d. hazardous waste transported to designated disposal sites, and pay the hazardous waste treatment fee, statistics reported to government agencies waste management department.
 - e. Proper storage of hazardous waste transfer forms.

06 *Happy Workplace*



6.1 Management Mindset

Sunrex's senior management attaches importance to the establishment of an ESG management mindset among all employees, and expects the entire company to integrate internal management and future development strategies with sustainable environment, social and governance (ESG) as the core, in order to achieve sustainable corporate development and long-term corporate social responsibility value creation.

Sunrex's ESG management mindset encompasses the following areas:

- 1.Environment: Consider the environmental impact of your business activities, such as greenhouse gas emissions, water management and waste management. Measures should be taken to reduce these impacts and to find sustainable solutions.
- 2.Social: Consider the impact of business activities on society, such as on employees, customers, suppliers and local communities. Measures should be taken to protect and promote human rights, labor rights and fair trade, etc
- 3.Governance: Consider the impact of a company's governance structure and operating practices on its long-term growth. This includes aspects such as transparency, accountability, ethical standards and regulatory compliance.

Sunrex and its employees walk side by side to realize Sunrex's core values and vision of sustainable management. Therefore, Sunrex values the career development of every employee, regardless of gender, rank, or department, and strives for and promotes outstanding talent with a focus on overall development.

In addition, we provide equal employment opportunities and create a good working environment to help our employees to develop their professionalism, creativity and potential, and require our supervisors to take care of our employees to achieve a win-win business cycle for both employees and the company. As an international company, we abide by the laws and regulations of each country, establish a human rights policy, commit to and protect the rights and interests of all employees, establish a comprehensive management system for the care of employees, strictly comply with labor-related laws and regulations, and follow the RBA Code of Conduct and all applicable employment laws and international standards in all regions of operation, including the protection of freedom of association, privacy, prohibition of forced labor, child labor, and any improper employment and discrimination. We comply with the RBA Code of Conduct and all applicable employment laws and international standards in all areas of operation, including those that protect freedom of association, privacy, prohibit forced labor, child labor, and any improper employment and discrimination.

By providing employees with a healthy and safe working environment, diverse and open channels of labor-management communication, fair evaluation and promotion, a sound training and development system, employee benefits, and an open and transparent management system, Sunrex allows employees to contribute their abilities and performances without fear, and also creates a warm and harmonious working atmosphere to build a deep foundation for sustainable business operations. Sunrex's employee care strategies are summarized in the following chart:

Proper care	All employees are well taken care of and their employment rights are protected.
Compensation and Benefits	We have a sound system of salary, leave attendance and employee benefits, and we respect the freedom of employment of our employees.
Human Rights Policy	Strictly comply with the provisions of labor laws, including the prohibition of child labor, the prohibition of any form of forced and compulsory labor, freedom of association, privacy, and any improper employment. forced and compulsory labor, freedom of association, privacy, and any improper employment.
Prohibition of Discrimination	We do not discriminate against any employee on the basis of gender, race, geography, age, disability, sexual orientation, nationality, political affiliation, association, or participation in a club.
Communication Mechanism	Set up effective employee communication channels, collect employee opinions and improve the internal operation of the company.

6.1.1 Employee Code of Conduct and Ethics

The Code of Conduct and Ethics is a code of conduct and ethical standards that a company requires its employees to follow to ensure that their behavior both inside and outside the company is consistent with the company's expectations and values. The Company's Code of Employee Conduct or Ethics sets forth the relevant employee conduct or ethics practices and regulations in the Personnel Management Rules for all employees of the Company to follow. A summary of the relevant practices, codes and "work rules" are as follows:

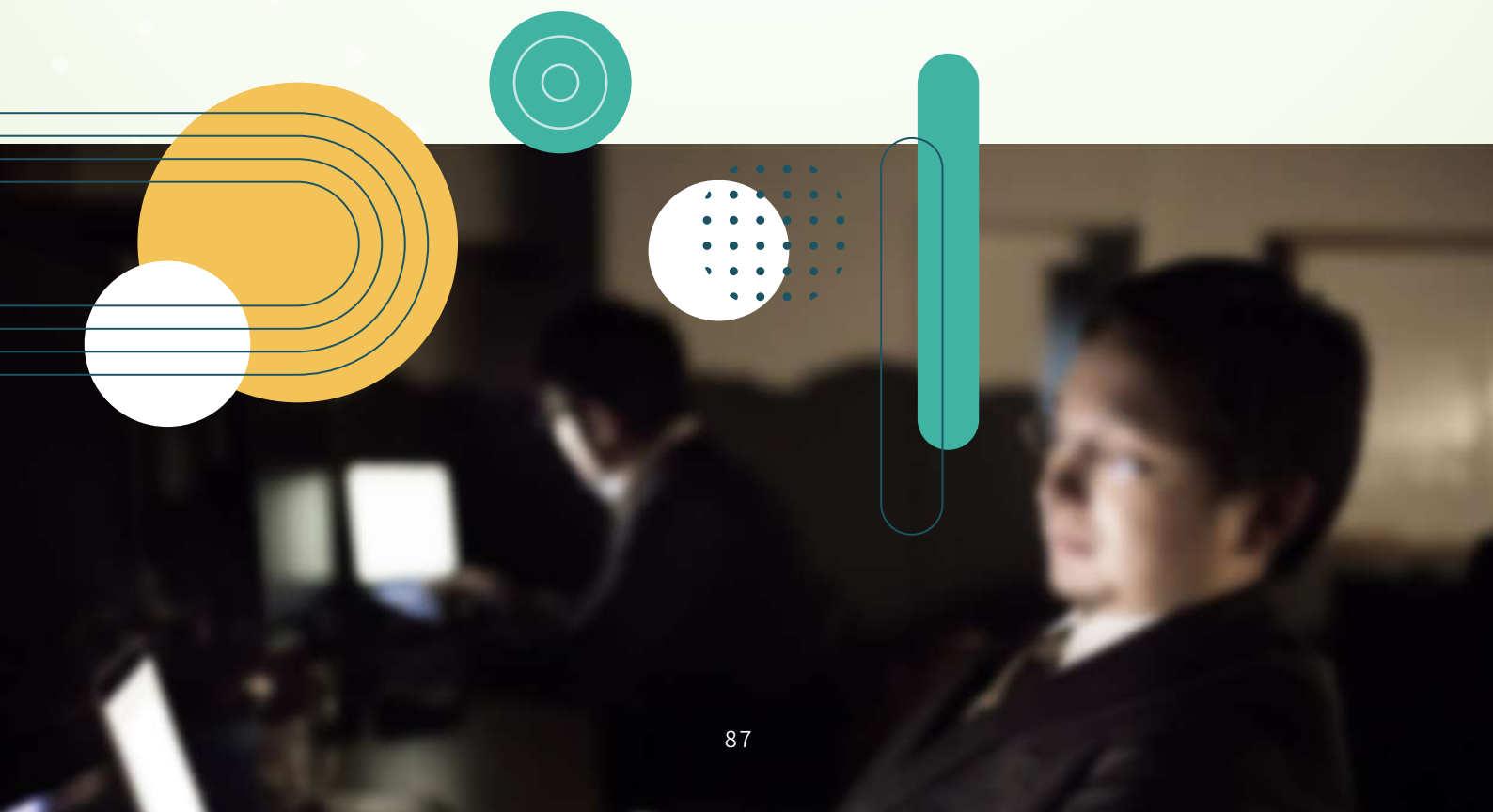
- 1.The code of ethics for employees is outlined below:
 - a.In addition to complying with governmental laws and regulations, the Company shall comply with all regulations and temporary announcements or notices issued by the Company, and shall work together to serve the Company.



- b. The Company must exercise due diligence in maintaining the confidentiality of important documents, especially in protecting the Company's intellectual property rights and trade secrets.
 - c. You may not use your authority to solicit property, kickbacks or gifts from vendors.
 - d. The Company shall cooperate with each other in a harmonious manner, and shall be careful in what it says and does, and shall strictly prohibit abusive language, fighting, causing trouble, disturbing the order, obstructing public safety, or any other behavior that could damage the reputation of the Company.
 - e. The Company's staff and employees shall abide by the rules and regulations of the Company and perform the rights and responsibilities conferred by the Company.
 - f. We shall take care of public properties and shall not waste or damage them, and shall compensate for any damage or loss due to negligence.
2. We comply with the relevant government labor laws and regulations and employ a majority of young talent over the age of 20. Preference is given to those who live in the local area.

6.1.2 Minimum Notice Period for Operational Changes

Sunrex treats its employees better than the content of the Labor Standards Law, so that they can receive the life protection they deserve at work and have peace of mind in all aspects of their lives. In accordance with the Labor Standards Law, Sunrex specifies the minimum notice period for labor changes in its work rules, and both employers and employees comply with the rules and regulations.



6.2 Employee Structure

Sunrex's employee and organizational structure have been expanded in recent years as Sunrex's production bases have expanded and local employees have been hired for supervisory positions. Based on the principle of talent diversification, Sunrex actively seeks out talented individuals with relevant talents through the human resources organizations in its locations, hoping to create the highest value for Sunrex and its customers by utilizing the characteristics of different cultural backgrounds in each location.

In addition to recruiting talent from outside, Sunrex will conduct regular internal evaluations at local sales locations and promote employees to key positions through performance evaluations and supervisor recommendations, which not only creates opportunities for promising employees, but also significantly increases loyalty and reduces turnover, thus retaining good talent within the Group. The number of new hires and departures are as follows:

6.2.1 Staff Structure

The following table shows the structure of Sunrex's employees. The management executives are the president, vice president, and above; the senior executives in Taiwan are at the manager level or above; and in mainland China, where the main production factories are located, Taiwan executives and managers are classified as senior executives.

Year		2022				2021				2020			
Category	Headcount ratio	Number of females and Percentage		Number of males and Percentage		Number of females and Percentage		Number of males and Percentage		Number of females and Percentage		Number of males and Percentage	
	Job Category	Management	3	0.04%	19	0.23%	2	0.01%	24	0.12%	3	0.02%	20
Executive Staff		29	0.35%	137	1.67%	25	0.12%	131	0.65%	22	0.11%	151	0.77%
Middle Management Staff		31	0.38%	77	0.94%	84	0.42%	171	1.00%	88	0.45%	165	0.84%
Administrative Staff		941	11.49%	1,168	14.27%	1,109	5.52%	1,280	6.37%	937	4.75%	1,104	5.59%
Production staff		3,116	38.06%	2,666	32.56%	7,445	37.07%	9,815	48.86%	7,540	38.21%	9,702	49.17%
Total:		4,120	50.32%	4,067	49.68%	8,665	43.14%	11,421	56.86%	8,590	43.53%	11,142	56.47%

Employee Age Ratio (by region and gender)

The ratio of age group of employees is the ratio of the number of employees of different age groups to the total number of employees. The ratio of male to female employees in Taiwan is approximately 2:1, while the ratio in Mainland China is approximately 1:1.

Year		2022							
Region		Taiwan				China			
Number of people		Number of females and Percentage		Number of males and Percentage		Number of females and Percentage		Number of males and Percentage	
Age group		Percentage		Percentage		Percentage		Percentage	
Age	Under 30 years of age	14	5.22%	18	6.72%	1,343	16.96%	1,928	24.35%
	31~40 years of age	16	5.97%	34	12.69%	1,416	17.88%	1,290	16.29%
	41~50 years of age	23	8.58%	83	30.97%	1,153	14.56%	528	6.67%
	Over 51 years of age	22	8.21%	58	21.64%	135	1.70%	126	1.59%
Total:		75	27.98%	193	72.02%	4,047	51.1%	3,872	48.9%

Statistics of resigned colleagues

The statistics of the number of resigned employees of the company in 2022 are as follows. The company has no direct employees in Taiwan, so only the number of indirect employees resigned in Taiwan is counted.

	Taiwan		China	
	Number of males	Number of females	Number of males	Number of females
Number of Indirect employee turnover	29	9	282	357
Number of direct employee turnover	0	0	12,092	9,940

Statistics of new colleagues in each region

The number of direct employees under the age of 30 accounts for the highest percentage of the total number of new employees in the Company's mainland region in 2022, with more than 40% of the new employees being male and nearly 25% being female.

2022 New employee hire in China										
Gender	New Employee Attributes	Age								Subtotal
		Number and percentage of people under 30 years old		Number and percentage of people 31-40 years old		Number and percentage of people 41-50 years old		Number and proportion of people over 50 years old		
Male	Direct Employees	10,140	42.04%	3,302	13.69%	357	1.48%	18	0.07%	13,817
	Indirect Employees	183	0.76%	57	0.24%	16	0.07%	1	0.00%	257
Female	Direct Employees	5,779	23.96%	2,912	12.07%	1,010	4.19%	13	0.05%	9,714
	Indirect Employees	232	0.96%	91	0.38%	11	0.05%	0	0.00%	334

The Company had no direct employees in Taiwan in 2022, and the largest number of new indirect employees were those under the age of 30, accounting for 50% of the total number of new employees.

2022 New employee hire in Taiwan										
Gender	New Employee Attributes	Age								Subtotal
		Number and percentage of people under 30 years old		Number and percentage of people 31-40 years old		Number and percentage of people 41-50 years old		Number and percentage of people over 50 years old		
Male	Direct Employees	0	0%	0	0%	0	0%	0	0%	0
	Indirect Employees	3	15%	1	5%	6	30%	0	0%	10
Female	Direct Employees	0	0%	0	0%	0	0%	0	0%	0
	Indirect Employees	7	35%	2	10%	1	5%	0	0%	10

Employees' general educational background

Year		2022			
Region		Taiwan		China	
Number of people		Number of females	Number of males	Number of females	Number of males
Category					
Master's degree or above		9	36	1	8
Bachelor's Degree		25	80	147	250
Others		41	77	3,899	3,614



Number of employees dispatched by physical, mental or foreign personnel

In accordance with the international standard GRI 405 Diversity and Gender Equality of Opportunity, the number of physical, mental and expatriate employees to be promoted in the Company's Mainland Region in 2022 will continue to increase.

Year		2022			
Region		Taiwan		China	
Number of people		Number of females	Number of males	Number of females	Number of males
Category					
Disabled Employee		0	0	7	17
Employment of foreign personnel		0	1	1	22
Dispatch Employee		0	0	227	98

6.2.2 Staff recruitment

Sunrex carefully selects quality employees every year in the recruitment process. In our company, every employee is an important asset, and it has been our long-held belief to provide appropriate employee care, a sound salary system, a safe working environment, and a perfect promotion pipeline. Sunrex sincerely invites professionals from all walks of life to join this family, to work together for our ideals, to continue our glorious record and to create a bright future.

6.3 Compensation and Benefits

Sunrex complies with labor-related laws and regulations and establishes various salary, benefit, vacation, and retirement programs to protect employees' salaries and benefits and to provide a quality and safe working environment so that employees can work and earn with peace of mind.

In addition, in order to actively cultivate core talent and improve the quality of its employees, Sunrex has perfected its system for continuous learning of relevant professional knowledge and skills. We believe that our employees are valuable assets to our company, so Sunrex actively nurtures and trains talented people with a people-oriented approach in the hope that they can contribute to the industry in the future.

In addition to providing an open, fair and smooth promotion pipeline to enable junior employees to plan their career early, we will also provide opportunities for employees with excellent performance to be assigned to management positions in overseas locations to help them strengthen their management skills and nurture the professional managers of tomorrow.

Sunrex has always maintained compensation and benefit packages that are superior to those of its peers in the hope of attracting and retaining talented employees.

Therefore, Sunrex selects the best compensation and benefit strategies and programs to take care of its employees each year based on demand and budget.

6.3.1 Remuneration policies

Sunrex's remuneration policies seeks to take care of the stable foundation of employees' lives. Therefore, Sunrex's salary standards are based on the basic salary announced in the Labor Standards Law and the Basic Wage Review Law, and are determined by academic background, professional knowledge and ability, and individual performance.

Sunrex develops the best remuneration policies to retain talent based on business characteristics and cultural values. In addition, Sunrex evaluates and adjusts its remuneration policies annually to ensure fairness and effectiveness, to meet changes in the external environment and to provide reasonable remuneration and benefits to its employees.

6.3.2 Employee Benefit System

Sunrex provides a series of benefits and subsidies to its employees to improve their quality of life and job satisfaction and to enhance their loyalty and sense of belonging to the company. Sunrex has established an employee welfare committee in accordance with the law and allocates employee welfare funds in proportion to its operating income as a means of promoting employee welfare measures and enhancing employee orientation and labor harmony. The following table summarizes the employee welfare items:

Employee Benefit Items
<p>◆ Statutory benefits: The company provides pension, labor insurance, health insurance, occupational accident insurance, special leave, regular free health checkups, childcare leave without pay, maternity leave and maternity examination leave for women, spouse's companionship leave, and sick leave for occupational accidents (including transportation to and from work), Maternity leave and maternity examination leave for women, paternity leave for spouses, and sick leave for work-related injuries (including travel to and from work)...etc.</p>
<p>◆ Employee Benefits: We provide employee benefits such as wedding and funeral gifts, Spring Festival, Mid-Autumn Festival and Dragon Boat Festival gifts, birthday gifts, maternity allowances, and free basic labor health checkups once every three years. Employee benefits in overseas factories include five insurance and one pension (pension insurance, medical insurance, unemployment insurance, maternity insurance, work injury insurance and housing fund), commercial insurance, supplementary work injury insurance, accident insurance, discounted dormitory fees, monthly meal subsidies, free Chinese food and dinner, free night snacks and sub snacks for night shift staff, free work clothes and work caps, etc.</p>

About employee health checkups: In order to promote the physical and mental health of employees, Sunrex encourages employees to participate in general health checkups at their own expense, and if there are in-service employees engaged in particularly hazardous health operations, each factory will provide the relevant employees with special health checkups, Tin dioxide, nitrogen dioxide, manganese and its compounds, toluene, xylene, ethylbenzene, ethyl acetate, butyl acetate, acetone, butanone, isopropyl alcohol, isoflurane, isopropyl alcohol, high frequency magnetic field, n-heptane, radiation, etc.

6.3.3 Health Communication

Sunrex is committed to promoting employee health through health communication within the company, which in turn improves employee efficiency and productivity. Therefore, Sunrex selects appropriate health communication methods based on business characteristics and employee needs to improve employee health awareness and wellness, achieve corporate development goals, and create a healthier, more positive work environment.

As one of the key players in the supply chain of PC peripheral components, Sunrex has established a people-oriented corporate safety culture in the construction of the working environment. In addition to employing special on-site service nurses to provide employees with health consultation, Sunrex also takes into consideration that most of its employees work outside of their hometowns and are inevitably homesick due to the unfamiliar environment.

6.3.4 Insurance and Retirement System

Sunrex's insurance and retirement systems provide employees with important livelihood protection, which can help reduce their financial burden and improve their quality of life. Sunrex treats employees' rights and employee care with honesty and trust, establishes employee welfare committees, handles employee labor and health insurance, and provides employees and their families with the livelihood protection they deserve in accordance with laws and regulations. In order to enable employees to work without worries, Sunrex's factories contribute to each employee's retirement fund in accordance with the statutory retirement system in each region. For employees under the New Pension System, the Company contributes 6% of their actual salaries to their individual labor pension accounts each month.

Retirement matters are handled in accordance with the Labor Standards Law and the Labor Pension Act. In accordance with the Labor Standards Law, Sunrex has established a defined benefit retirement plan that applies to all regular employees with years of service prior to the implementation of the Labor Standards Law on June 30, 2005, and to employees who elect to continue to be subject to the Labor Standards Law after the implementation of the Labor Standards Law. In order to protect the retirement life of employees and to comply with the Labor Standards Law, employees may retire under one of the following circumstances:

- (1) Aged 60 or older after 10 years of service.
- (2) Those who have worked for at least fifteen years and have reached the age of fifty-five.
- (3) Those who have worked for more than twenty-five years.
- (4) In case of special circumstances, if the general manager approves, the employee may also apply for retirement after 20 years of service.

Currently, some employees in our Taiwan facility are subject to the old labor retirement system. With respect to the retirement benefits of employees under the old system, Article 3 of the Labor Standards Law stipulates that the labor retirement reserve shall be contributed by the business unit on a monthly basis within 2% of the total monthly salary; for employees under the new system, 6% of the monthly salary shall be contributed to the pension fund.

6.3.5 Parental leave

Sunrex's parental leave policy provides employees with peace of mind when they have children, helping them to have sufficient time and resources to care for their children while maintaining job stability and life balance. In 2022, there were two employees in Taiwan who were eligible for the parental leave policy, and the number of employees who applied for and were reinstated from their jobs, as well as the application and reinstatement rates, are shown in the table below:

Category	Female	Male	Total
(a) 2022 Number of Eligible Applicants	1	1	2
(b) Actual number of applicants in 2022	1	0	1
(c) Estimated number of people to be reinstated in 2022	0	0	0
(d) Actual number of reinstatements in 2022	0	0	0
(e) Actual number of reinstatements in 2021	2	0	2
(f) 2021 Number of people working continuously for one year after reinstatement	1	0	1
Parental leave application rate b/a	100%	0%	50%
Parental leave reinstatement rate d/c	-	-	-
Parental leave stay rate f/e	50%	-	50%

*Childcare leave reinstatement rate = the actual number of male (female) employees who will be reinstated in 2022 after a childcare leave without pay / the number of male (female) employees who should be reinstated in 2022 after a childcare leave without pay X 100%

*Childcare stay rate = the number of male (female) employees who will return to work in 2022 after a break in pay in 2021 / the actual number of male (female) employees who will return to work after a break in pay in 2021 X 100%

6.4 Talent Development

Sunrex attaches importance to employee training and development to improve the professionalism and quality of its employees, while providing the company with an excellent talent pool and promoting corporate development. Sunrex believes that employees are the company's valuable assets, and therefore we actively nurture and train talented people with a people-oriented approach in the hope that they can contribute to the industry in the future. In addition to providing a smooth promotion path that is open and fair, so that junior employees can plan their careers early, we also provide opportunities for employees with excellent performance to be assigned to management positions in overseas locations to help them strengthen their management skills and nurture the professional managers of tomorrow.

Sunrex believes that employees are the core of the company's important assets and the foundation of its sustainable operation. In order to create a diversified and autonomous learning environment, Sunrex also hopes to develop outstanding employees who are optimistic, positive, professional, and innovative through a good training environment, and encourages employees to participate in various training programs to increase their competitiveness. The management departments of each facility conduct supervisory training courses from time to time each year in the hope that all supervisors at or above the level of section chief will be able to perform better in the management of their departments after participating in the activities.

The course content is not only limited to professional training, but also the building of e-knowledge and leadership skills are one of the main training contents. In addition to internal education and training, the training courses are also interspersed with visits to external organizations in the hope of stimulating innovative thinking in organizations of different cultures and industries, and applying them to the workplace. The training courses for each staff stage are as follows:

1. Internal training: Colleagues act as lecturers in their areas of expertise to impart their own experience and professional knowledge; training is conducted at different stages, such as for new recruits; the company also adopts different training programs, such as basic training on employee duties, general professional knowledge (personal data protection law, trade secret law, information accounting process, etc.), in order to achieve the best results.
2. Training for new staff: Explain the organization and system, work rules and job descriptions, and conduct regular assessment and supervision.
3. External training: Employees can enroll themselves in professional courses offered by corporate management consultants, education and training institutions and government agencies, such as R&D, production process, quality management, professional training and self-education for employee duties, etc. The company provides annual subsidies for external training for employees.
4. Professional development: We encourage our outstanding colleagues to pursue degrees in well-known academic institutions in China and continue to learn relevant knowledge and skills in the workplace.

2022 cumulative hours of education and training

Education and training programs can improve the professionalism and vocational ability of employees, enhance the competitiveness and development potential of the company, and at the same time provide the company with a better talent pool and promote corporate development. The following table shows Sunrex's cumulative education and training hours for 2022.

Category		Taiwan	China
Job Category	Head of Operations Management	28	42
	Senior Executive	52	2,228
	Middle Level Supervisor	140	11,622
	Administrative Staff	206	181,981
	Production staff	0	350,341

We believe that "talent" is the most important core value of an enterprise, and that sustainable operation depends on professional management personnel. Therefore, we have established a sound talent development mechanism with resources, encouraged lifelong learning and knowledge sharing, assisted in planning learning programs that meet individual characteristics, scheduled education and training according to functions, and established a fair evaluation mechanism to identify talent and promote employees to develop their potential and apply their learning.

Summary of our system for staff development and training:

- (1) We plan "training management procedures" to maximize the potential of each employee through human resource training.
- (2) The annual training operations are in-house training and internal training for each department.
- (3) Sunrex's training statistics for 2022 regarding employee anti-corruption and RBA-related courses are as follows:

Anti-corruption and RBA related courses and hours

Our anti-corruption and RBA (Responsible Business Alliance Code of Conduct) related courses are designed to help company and organization leaders, managers and employees understand the importance and value of anti-corruption and sustainable supply chains, as well as related laws, regulations, standards and best practices. Below is a statistical breakdown of the company's anti-corruption and RBA-related courses and hours in 2022.



Course Type	Training hours for 2022
Anti-corruption, internal information material handling procedures, international antitrust compliance and corporate law related courses	2,040
RBA Responsible Business Alliance Code of Conduct related courses	26,144

Our RBA training photos



Anti-corruption and social responsibility training photos



6.5 Occupational Health and Safety

Sunrex's implementation of occupational health and safety management is the foundation for achieving sustainable development, helping to ensure the health and safety of its employees, improve workplace productivity and efficiency, and enhance the competitiveness and sustainability of the company. Based on the principle of human rights, Sunrex strives to provide a safe and healthy work environment so that every employee can enjoy personal protection while working diligently. In the company, all employees are given equal employment opportunities regardless of gender, religion, or party affiliation, and a good working environment is created to ensure that employees are free from discrimination and harassment, while supervisors are required to be caring at all times so that employees can complete their work in a physically and mentally free environment. As an international company, we abide by the laws and regulations of each country.

Social laborer safety

***Based on the spirit of human rights
We are committed to providing a
safe and healthy work environment***



Sunrex emphasizes occupational health and safety, focusing on areas of workplace health, safety and welfare of workers, including designing and implementing workplace safety standards, identifying and controlling hazards and risks in the workplace, providing the necessary training and education, and ensuring that employees can perform their jobs safely.

The company attaches great importance to the assessment and control of safety and health risks in its overall operations. Not only does the company regularly conduct hazard identification and related risk inventory, assessment, control and review of the working environment, but each facility also conducts annual testing of the working environment in accordance with local laws and regulations. In addition to a complete safety and health plan in accordance with laws and regulations, we compare and analyze in detail the results of health inspections, the questionnaires, items and inspection results before and after health inspections, and carry out a complete health control mechanism according to the type and degree of abnormality, so that employees can receive better healthcare, in order to create an environment of "zero sickness and pain at work and healthy life", so that employees can improve their health management ability and establish a health culture.

Sunrex's goal for occupational health and safety is to prevent and reduce accidents, illnesses and injuries in the workplace to ensure the health and safety of its employees. This is not only beneficial to the employees themselves, but also helps to improve workplace productivity and efficiency, reduce production costs, and enhance the reputation and competitiveness of the company.

Sunrex is deeply aware that the growth of an enterprise on a large scale is the result of the efforts of each and every one of its dedicated and hardworking employees. Therefore, while developing our business, we do not forget to create a safe, healthy and trustworthy working environment for our hardworking employees. Sunrex has actively implemented the "ISO 45001:2018 (Occupational Health and Safety Management Systems) Occupational Health and Safety Management Certification" in all of its factories since its establishment, and has applied a professional and systematic management approach to implement the items required by the certification to prevent occupational accidents from occurring. According to ISO 45001:2018, the following key points are managed:

- (1) Planning hazard identification, risk audit and risk control.
- (2) ISO management plan.
- (3) Delineation of structure and responsibilities.
- (4) Training, understanding and competency.
- (5) Consultation and communication.
- (6) Operational Control.
- (7) Emergency Prevention and Response.
- (8) Effectiveness measurement, monitoring and improvement.

Sunrex provides adequate protection measures for the work environment and employee safety: In order to protect the health and safety of its employees, Sunrex has made proper plans for the workplace as follows:

Work Environment

1. Our company attaches great importance to the safety of the working environment of employees and conducts fire drills from time to time to ensure the safety of the lives of our employees and to deal with emergencies with ease in order to achieve the ultimate goal of zero disaster.
2. We also have a code of practice for employee safety and health to protect the work environment and employee safety, and require all employees to comply with the implementation.
3. The design and decoration of the office is designed to provide the most comfortable and safe working environment for employees, and security systems and monitors are installed at the entrance and exit.



4. The cleaning company regularly tidies up and disinfects the workplace on a regular basis, keeping it neat and clean to maintain a comfortable and bright working environment.

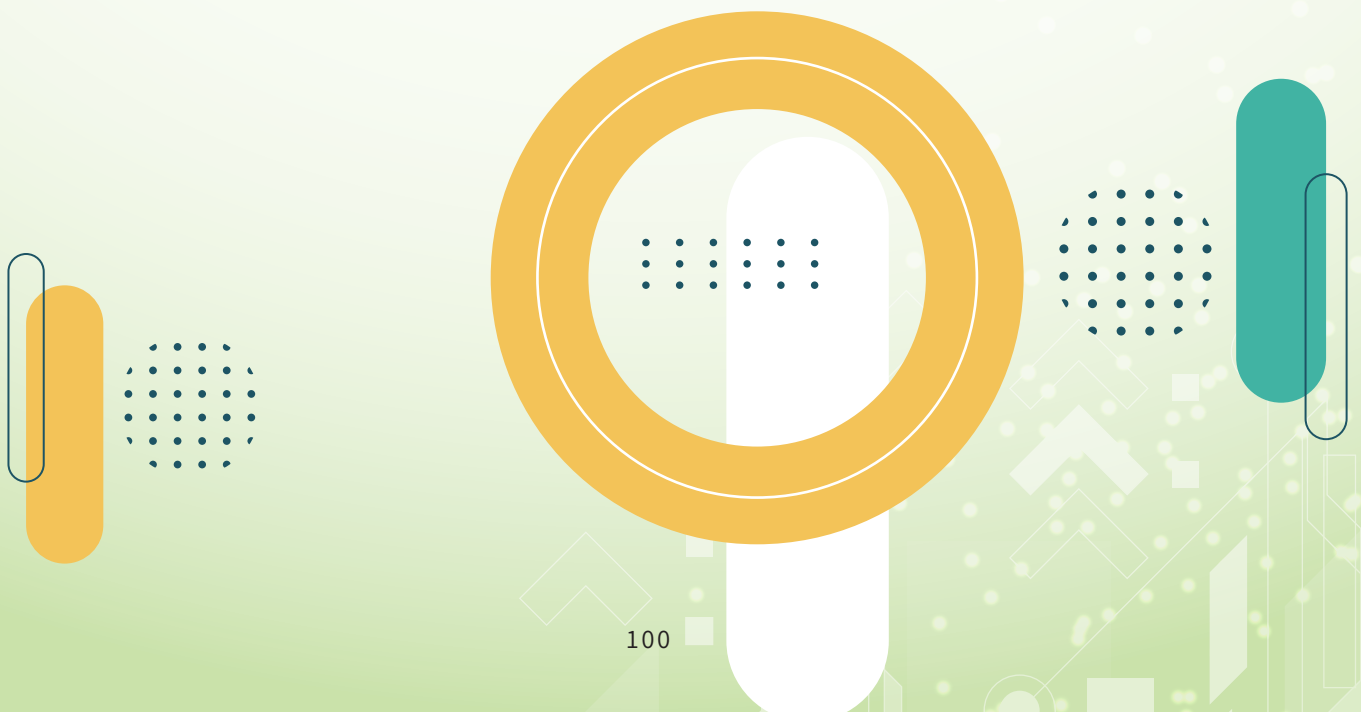
Diversified health promotion, continuous improvement and innovation

1. Promote occupational health and safety concepts: We share relevant information through education, training, safety and health promotion.
2. In terms of fire prevention and evacuation, we conduct monthly independent inspections of fire prevention and evacuation equipment, implement fire prevention and evacuation drills every six months, and hold annual emergency response drills and first aid training for various disasters in order to prevent accidents from occurring.
3. Continuous inspection of operations to identify high-risk or hazardous sites or environments, and regular control and improvement measures for related projects or working environments.
4. Employees' pre-employment health checks and annual regular health checks.

6.5.1 Annual safety and health management plan

Sunrex has established a sound occupational health and safety management system and set up an occupational health and safety department for occupational health and safety professionals who are responsible for formulating and implementing corresponding policies and measures to ensure the health and safety of workers.

Project Objective: In order to prevent occupational disasters and to protect the safety and health of all people, the Labor Safety and Health Management Plan has been formulated. The plan is to ensure the safe operation of factories (laboratories) and other places to achieve the goal of zero major occupational disasters.



◆ The 2022 Safety and Health Management Plan projects are listed below:

Item	Project	Details of implementation
1	Identification, evaluation and control of work environment or operational hazards.	Work environment or operational hazards identification, identification.
		Risk assessment of work environment or operational hazards.
		According to the hazard identification, risk assessment results to determine the control measures.
2	Management of machinery, equipment or apparatus.	Management of high pressure gas specific equipment.
		Check high pressure gas specific equipment.
3	Hazardous and harmful substances labeling and general knowledge.	Update of substance safety information sheets.
		Produce lists, labels and other forms of warnings for hazardous substances.
4	Setting standards for safety and health operations.	Formulation (revision) of safety and health operation standards according to factory requirements.
5	Regular inspection, key inspection, operation checkpoint and onsite inspection.	Regular inspection, key inspection, operation checkpoint
		Operational checkpoints and on-site inspections
6	Safety and Health Education Training	Safety and health education training for foreign workers.
		Labor Safety and Health On-the-job Education and Training (Statutory Return Training).
		First Responder Training.
7	Management of personal protective equipment.	General principles of safety and health protective equipment, timing of wearing, selection of protective equipment, cleaning and storage, use period, etc.
8	Health Screening, Health Management and Health Promotion.	Physical examination for new workers
		Regular health checkups for inservice workers
9	Emergency response measures.	First aid and emergency response drills and training.
10	Management of drinking water for employees	

In addition, Sunrex regularly commissions qualified fire prevention and repair organizations to inspect and repair fire prevention and response facilities at office locations, participate in fire prevention and response drills, and conduct emergency evacuation drills. Sunrex trains its employees to reduce disasters and evacuate people in the quickest way possible in times of crisis.

6.5.2 Occupational disaster prevention and control mechanism

Sunrex provides employees with a safe and healthy work environment, thereby reducing the risk of accidents and injuries and promoting productivity and efficiency in the workplace. Regular fire equipment inspections are conducted at all of Sunrex's group locations, and disaster prevention drills are held at the factory level to train employees to reduce disasters and evacuate people in the most effective manner in times of crisis. Since its establishment, the company has had few occupational accidents and has placed emphasis on the prevention of occupational hazards, including physical factors (such as noise, vibration, radioactivity and chemicals), biological factors (such as pathogens), psychological and social factors (such as stress, work pressure and occupational violence), and the design and organization of the workplace (such as working hours, work intensity and work schedules) that may cause occupational hazards. The Company's practice of occupational health and safety combines knowledge and skills from various fields of science, technology, management and sociology, and takes measures to prevent and control related risks. 2022 statistics of occupational hazards in the Company are described below.

2022 Occupational Injury Statistics

In 2022, Sunrex had no major occupational accidents, no occupational illnesses, and zero fatalities. The major occupational injuries were caused by traffic accidents during employees' commute to and from work, and accidents that occurred during business operations. The company and its immediate supervisors were able to fully grasp the situation and provided care and attention by phone or in-person visits at the time of their accident.

Year		2022	
Region		Taiwan	China
Working Hours & Frequency			
Disabling Injury Frequency Rate, FR		0	0.367
Disabling Injury Severity Rate, SR		0	14.48
Occupational Disease Rate		0	0
Total working hours		533,856	32,668,676
Total		33,202,532	



Calculation formula description:

1. Disabling Injury Frequency Rate, FR = Number of Incapacity Injury Victims/Total Work Hours Experienced*1,000,000 (in millions of work hours).
2. Disabling Injury Severity Rate, SR = total number of days lost/total number of hours worked*1,000,000 (in millions of working hours).
3. Occupational disease rate = number of occupational patients/total hours worked*1,000,000 (in millions of man-hours).
4. Total number of hours worked = number of people in the area * annual working days * daily working hours.

Our company has established a management system and methodology to ensure the health and safety of workers in the workplace, including policies, procedures and practices aimed at identifying and assessing hazards and risks in the workplace, and we use ISO 45001 to help manage the following key points:

<ul style="list-style-type: none"> • Planning hazard identification, risk audit and risk control 	<ul style="list-style-type: none"> • Consultation and Communication
<ul style="list-style-type: none"> • OHSAS Management Plan 	<ul style="list-style-type: none"> • Operational Control
<ul style="list-style-type: none"> • Segmentation of structure and responsibilities 	<ul style="list-style-type: none"> • Emergency Prevention and Response
<ul style="list-style-type: none"> • Training, Understanding and Competence 	<ul style="list-style-type: none"> • Effectiveness measurement, monitoring and improvement

6.6 Employee Relations

Sunrex has a harmonious and smooth relationship with its employees, with no barriers to communication. This includes cooperation, communication, mutual trust and respect between the company and its employees, as well as the benefits, salaries, training and promotion opportunities provided by the company.

6.6.1 Labor-Management communication

In order to maintain harmonious labor relations and promote labor-management cooperation, the Company takes the rights and interests of employees into consideration and allows employees to reflect their opinions to the personnel unit through e-mail so that employees can speak freely and their rights and interests can be protected. The following are the Company's policies and the actual situation:



- 1.The Company has always attached importance to labor relations, therefore, no labor disputes have occurred, and no losses have been suffered due to labor disputes.
- 2.We have established good communication channels between employers and employees to promote rational and harmonious labor relations. In the future, if there are no other factors outside of the changes in labor relations, there should not be any monetary loss.

A positive and healthy employee relationship can help the company establish a good corporate culture and image, attract outstanding talents, and improve employee satisfaction and morale. The Company properly plans its human resources management system, complies with labor-related laws and regulations, examines whether human resources are reasonably allocated, reviews the related personnel system, pays attention to employee welfare, provides an excellent working environment and takes care of employees' lives, and smooths communication channels to promote harmonious labor relations.

6.6.2 Labor-Management Relations

Sunrex's labor relations are clear and unambiguous, including the rights and obligations between workers and managers, as well as the negotiation and negotiation process between the parties to ensure the rights and interests of workers and the development of the enterprise. Sunrex actively believes that healthy labor-management relations can help enterprises improve productivity and efficiency, enhance their competitiveness and ability to develop sustainably, while safeguarding the rights and interests of laborers and ensuring social harmony and stability. Therefore, Sunrex has developed the following practices to promote labor relations:

- 1.Employee welfare measures: All employees are enrolled in labor insurance and health insurance, and an employee welfare committee has been established. Employees are given gift certificates on birthdays and special holidays, congratulations and condolences on weddings and funerals, a bonus system for employees, year-end bonuses, and maternity leave for maternity examinations during pregnancy for female employees in accordance with government regulations, and the number of days for male employees to accompany them during maternity leave has been relaxed.
- 2.Training and training system: The company holds training for new employees to help new employees enter the workplace more quickly. On-the-job training is held from time to time for existing employees.

3. Retirement system: In accordance with the Labor Standards Law and the Labor Pension Act, a certain percentage of total salary is contributed to a monthly retirement fund, which is deposited in a special account at the Central Trust Bureau and the Labor Insurance Bureau.
4. Other important agreements: The Company has always maintained a harmonious relationship between employees and employers through rational communication, and has established an employee welfare committee to plan employee welfare matters.

Sunrex values good labor relations and conducts ongoing, constructive dialogue and negotiation between employees. These dialogues and negotiations include wages and benefits, labor conditions, work safety, employee training and promotion, labor laws and regulations, and more. Sunrex develops fair and transparent labor policies and systems, provides employees with good working conditions and benefits, establishes a positive and healthy corporate culture and values, and enhances employees' sense of belonging and loyalty.

6.6.3 Employee Care

Sunrex provides care and concern for its employees by providing the necessary support and assistance to ensure their physical and mental well-being, as well as their job satisfaction. In order to enable employees to feel the care and concern for them at an important stage of their lives, and its determination to become a happy company, Sunrex has gradually promoted various welfare programs through the Welfare Committee, such as travel subsidies, family care support, women's welfare measures, and group insurance, to establish a comprehensive workplace-friendly environment and employee care programs.

Sunrex's care for its employees not only improves employee efficiency and performance, but also helps to reduce employee turnover and increase employee loyalty. In this era of knowledge exposure, Sunrex encourages its employees to participate in a variety of training programs to increase their competitiveness. The management departments of each factory organize training courses for supervisors from time to time each year, in the hope that all supervisors at the level of section chief or above will be able to perform better in the management of their departments after participating in the activities. Through employee care, we aim to improve employee satisfaction and morale, contribute to the productivity and efficiency of the company, reduce employee turnover, and enhance the competitiveness and sustainable development of the company.

6.7 Equal Rights and Grievance Handling

Sunrex fully practices equal rights and benefits, and every employee enjoys the same rights and treatment regardless of race, gender, age, religion, disability, sexual orientation, and other factors. In Sunrex's workplace, every employee has the opportunity to receive equal access to job opportunities, pay, training opportunities, promotion opportunities, etc., and to be treated fairly and reasonably.

In order to create a fair and equitable work environment, Sunrex gives priority to local employees from the time of recruitment and does not differentiate in the hiring of personnel based on race, religion, color, nationality, gender, political affiliation, or background, and does not hire children.

Sunrex actively handles grievances. If employees encounter unfair treatment, discrimination, harassment, or other problems, they can seek resolution by filing a complaint with the company through formal or informal channels. In order to establish good corporate workplace harmony and employee grievance channels, Sunrex continues to aim for "zero" major employee grievances, such as unfair and discriminatory complaints, in the hope that employees can make every effort to work with the company toward sustainable excellence. The Company has smooth labor-management communication channels and harmonious employee relations, and no major grievances will occur from 2020 to 2022.

6.7.1 Respect for Gender in the Workplace

Sunrex respects gender in the workplace and treats both men and women with equality, fairness, and respect, eliminating gender discrimination, increasing job satisfaction, and creating an equal workplace environment. In order to provide a safe working and consultation environment for all employees (including employed and dispatched workers) and job seekers, Sunrex takes appropriate preventive, corrective, disciplinary, and treatment measures to protect the rights and privacy of the individuals involved.

The Company emphasizes that sexual harassment is prohibited in the workplace and provides channels for complaints to prevent any person (including supervisors, employees, customers, etc.) from using sexually explicit, coercive or sexually discriminatory words or behavior to create a hostile, coercive or offensive work environment that violates or interferes with the dignity, personal freedom or performance of employees in the performance of their duties; or to prevent supervisors from using sexually explicit or implicit words or behavior that violates or interferes with the dignity, personal freedom or performance of employees in the workplace.



The Company shall not make any express or implied sexual demands, sexually explicit or sexually discriminatory words or actions against former employees or job applicants in exchange for the establishment, continuation, change or distribution of labor contracts, allocation, compensation, performance appraisal, promotion, demotion, rewards or punishment. The Company's efforts to achieve gender respect in the workplace are not only in accordance with ethical and legal requirements, but also to prevent sexual harassment in the workplace, protect employees from the threat of sexual harassment, establish a friendly work environment, and promote the concept of gender equality between supervisors and employees. In the event of sexual harassment or suspected sexual harassment, we shall immediately review and improve our prevention and control measures.

If sexual assault or sexual harassment is found or received, the Company will, depending on the severity of the case, transfer, demote, reduce salary, discipline or otherwise dismiss the complainant's counterpart in accordance with the work rules and other relevant regulations. If criminal liability is involved, the Company shall assist the complainant in filing a complaint. If sexual harassment is proven to be a false accusation, Sunrex will, depending on the severity of the case, impose appropriate discipline or treatment on the complainant in accordance with the work rules and other relevant regulations.

- (1) To protect the rights and privacy of the victims.
- (2) To maintain or improve the security of the space in which the victim is located.
- (3) Punishment of perpetrators.
- (4) Other prevention and improvement measures.

◆ **The number of complaints of sexual harassment in the workplace in recent years is as follows**

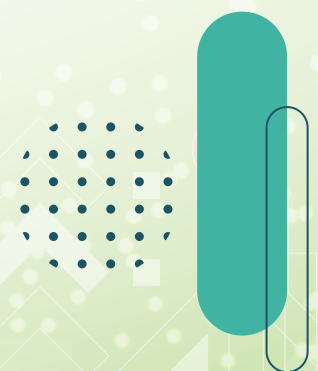
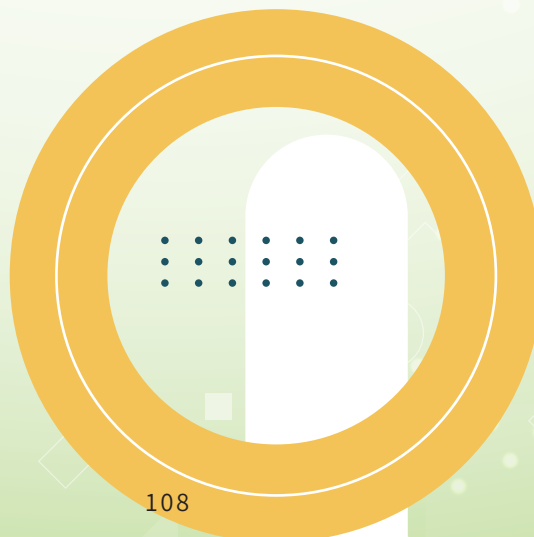
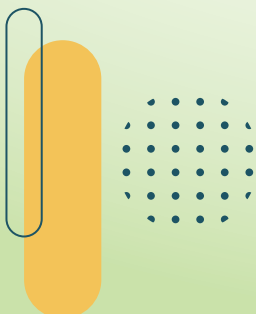
Project	2020	2021	2022
Number of Sexual Harassment Incidents	0	0	0



6.7.2 Protecting Pregnant Female Employees

The Company has a primary responsibility for the protection of pregnant employees. Pregnant female employees require special attention and care to ensure their health and safety, as well as to protect their rights at work. All female employees at Sunrex are entitled to the protections provided by law, and unit supervisors will make appropriate adjustments to the work content of female employees according to their physical condition so that they are treated with respect. After the birth of a child, the company protects the job and welcomes colleagues to return to work, so that employees do not have to worry about the impact on their work while having the joy of having a new child. The following are ways to protect the rights of pregnant female employees:

1. Provide adequate health and safety protection to ensure the physical health and safety of pregnant female employees, such as providing necessary protective safety equipment and workplace adjustments, etc.
2. Provide flexible work arrangements and leave systems to enable pregnant female employees to balance their work and life needs, such as providing exemptions for overtime and night work.
3. Provide appropriate training and guidance to help pregnant female employees understand the physical changes and health conditions during pregnancy and how to maintain a good working condition.
4. Ensure the privacy and confidentiality of personal information of pregnant female employees, and refrain from discrimination, harassment and rejection of them.
5. Provide pregnant female employees with the necessary subsidies and benefits, such as sick leave, maternity leave, and breastfeeding leave during pregnancy.
6. Establish anti-discrimination and anti-harassment policies and mechanisms to protect pregnant female employees from discrimination and harassment.
7. Establish an effective communication mechanism to ensure that pregnant female employees can fully communicate and negotiate with the company to ensure that their rights are protected.





6.7.3 Prohibition of Child Labor

Sunrex prohibits child labor and does not employ child laborers under the legal working age to protect the rights and interests of children. The prohibition of child labor is an issue of great importance to the International Labor Organization, the United Nations and the governments of various countries, and is a responsible act for Sunrex.

In the spirit of humanity and compliance with the Labor Standards Act, Sunrex insists on not employing child labor to ensure that underage youth can grow up in a physically and mentally healthy environment. During the hiring process, interviewers will strongly educate job applicants about the company's policy of prohibiting child labor, and at the same time strictly control the identity check process to eliminate any possibility of employing child laborers with forged documents.

6.7.4 Prevention of forced labor

Forced labor is a serious violation of labor rights, human rights and social justice. The company does not force workers to perform work involuntarily, and the company has implemented a number of measures to minimize the risk of forced labor in its operations and among its suppliers, including slavery and human trafficking, which are absolutely not permitted. These measures include, but are not limited to, vendor contracts, training, and communication, as well as RBA audits for verification. If any evidence of forced labor is brought to the Company's attention, the Company will take immediate action and, if necessary, terminate the relationship.

07 *Social Co-prosperity*



7.1 Social Responsibility

Sunrex fulfills its corporate social responsibility by not only pursuing profits, but also by assuming responsibility for society and the environment. Specifically, Sunrex respects the rights and interests of its employees, protects the environment, fulfills its social obligations, improves product quality, and promotes public welfare in order to achieve Sunrex's sustainable development in the economic, social, and environmental fields.

Sunrex's approach to social responsibility includes establishing a sound corporate social responsibility management system, supporting social welfare, actively participating in environmental protection, promoting employee development and welfare, optimizing supply chain management, and complying with laws and regulations. Sunrex adheres to the core concept of corporate social responsibility, implements the spirit of ESG (Environment, Social, Governance) for sustainable development (efficiency, fairness, and benevolence), operates its business, strengthens corporate governance, and fulfills its corporate citizenship responsibilities.



Sunrex supports the full practice of corporate social responsibility, and more companies are making social responsibility an important strategy for corporate development as a way to improve their corporate image, enhance market competitiveness, and reduce risks and costs, while also being able to contribute to society and the environment.

At Sunrex:

1. We support our employees to participate in environmental protection, community participation, and social contribution activities, and to fulfill our social responsibility through corporate citizenship by complying with all laws and regulations.



2. We are committed to improving the efficiency of resource utilization, using recycled materials with low impact on the environment, and properly storing business waste in separate categories and entrusting it to waste disposal institutions approved by the state authorities.
3. We adhere to international environmental standards, by developing green and environmentally friendly, fire-resistant, flame-resistant, low-smoke, non-toxic products that comply with the RoHS (Restriction of Hazardous Substances) directive of the European Union.
4. We actively encourage our employees to participate in community activities and give back to the society through the participation of the Welfare Committee in public welfare activities.
5. From time to time, we respond to the public welfare activities initiated by all walks of life, and actively maintain the environment of the community by cleaning and setting up street lights and signage.



7.2 Social Responsibility Policy

Sunrex's social responsibility policies are designed to promote sustainable development in three areas which are economy, society, and the environment, and to implement corporate social responsibility. These policies can cover all aspects of the entire company, including internal management, production, product development, environmental protection, employee training, and community involvement.

Sunrex's social contributions: Based on the concept of "what is taken from society is used for society," Sunrex's social responsibility policy is based on the actual situation and development needs of the company, and it formulates policies and measures that are consistent with the company's core values and business strategies. Therefore, while Sunrex pursues the goal of sustainable corporate management, it also considers the needs and interests of its stakeholders and establishes a comprehensive policy implementation and monitoring mechanism. We also hope that Sunrex will be able to set a good example by participating in various public welfare activities, linking with internal colleagues and even extending to society as a whole, so that more people will pay attention to and participate in social welfare.

Social Services: We actively clean and maintain the environment of the community, and provide streetlights and signage.

Human rights protection: All employees enjoy the same work rights regardless of race, gender, or age, and we provide opportunities for free expression and development in order to ensure respect for all employees.

Health and Safety: In order to take care of the physical and mental health of our employees, we arrange health checkups for our employees so that they can be aware of their own health conditions and in turn care for and strengthen their physical health.

7.3 Social Responsibility Regulation

Sunrex's Code of Social Responsibility mainly covers the company's responsibilities to employees, consumers, suppliers, the environment and society. In view of the growing demand for corporate social responsibility in recent years, Sunrex has been fulfilling its social responsibility based on its core values, business ethics, and laws and regulations, integrating corporate management, products, production processes, and social contributions to specifically respond to the needs of its stakeholders. As a member of society, the Company is deeply aware that what is taken from society should also be given back to society. Therefore, in order to promote sustainable corporate management and fulfill social responsibility, the Company is committed to striking a balance between promoting economic, environmental protection and social participation. The ESG unit is responsible for coordinating the planning and promotion of economic, environmental and social responsibility issues arising from operational activities, and reporting the situation to the Board of Directors, so that all employees of the company can work together to promote and implement CSR-related issues.

1. Promoting Corporate Governance

The Board of Directors of the Company, in order to fulfill its duty of care as a good manager, supervises the fulfillment of corporate social responsibility and regularly reviews the effectiveness of implementation and continuous improvement, to ensure the implementation of corporate social responsibility policies.

The management approach has the following three points:

- (1) To propose a CSR mission or vision, and to formulate relevant policies and systems.
- (2) Incorporate CSR into the company's operational activities and development direction, and approve specific CSR promotion plans.
- (3) To ensure the timeliness and correctness of CSR-related information disclosure.

In order to improve the management of CSR, the Company has set up a special (part-time) unit to promote CSR, which is responsible for proposing and implementing CSR policies or systems and reporting to the Board of Directors on a regular basis. The Company also respects the rights of stakeholders, identifies the Company's stakeholders and identifies related issues, and sets up a special area on the Company's website to understand the reasonable expectations and needs of stakeholders through appropriate communication, and to respond to the important CSR issues of concern to all sectors.

2. Developing a Sustainable Environment

Sunrex complies with environmental laws and regulations and relevant international standards and regulations to appropriately protect the natural environment and achieve environmental sustainability in the execution of its business activities. Sunrex strives to improve the efficiency of resource utilization and use recycled materials that have a low impact on the environment so that global resources can be used sustainably. In accordance with the nature of our operations, we have established an appropriate environmental management system, and our dedicated environmental management unit or personnel will promote and maintain the environmental management system, and organize environmental education courses for our management and employees.

Sunrex considers the impact on sustainable ecology, promotes and educates the concept of "sustainable consumption," and engages in sales and service operations in accordance with the following principles to reduce the impact of corporate operations on the ecological environment:

- (1) Increase the performance of products and services.
- (2) To reduce direct and indirect resource and energy consumption of products and services.
- (3) To increase the recyclability and reuse of raw materials or products themselves and their surrounding materials.
- (4) To maximize the sustainable use of renewable resources.
- (5) To reduce the emission of pollutants, toxic substances and waste, and to dispose of hazardous waste legally and properly.

In order to improve the efficiency of water resources, we will make proper and sustainable use of water resources and establish relevant management measures. The water recycling in our factory is mainly process recycling to increase the frequency of water reuse, reduce the consumption of water resources, and cherish the earth's water resources. We will also do our best to reduce the adverse effects on human health and the environment, and adopt the best pollution prevention and control technology.

At the same time, we are concerned about the impact of climate change on business operations, and based on the operating conditions and greenhouse gas inventory results, we will formulate strategies for energy saving and carbon reduction and greenhouse gas reduction in order to reduce the impact of our operations on the natural environment.

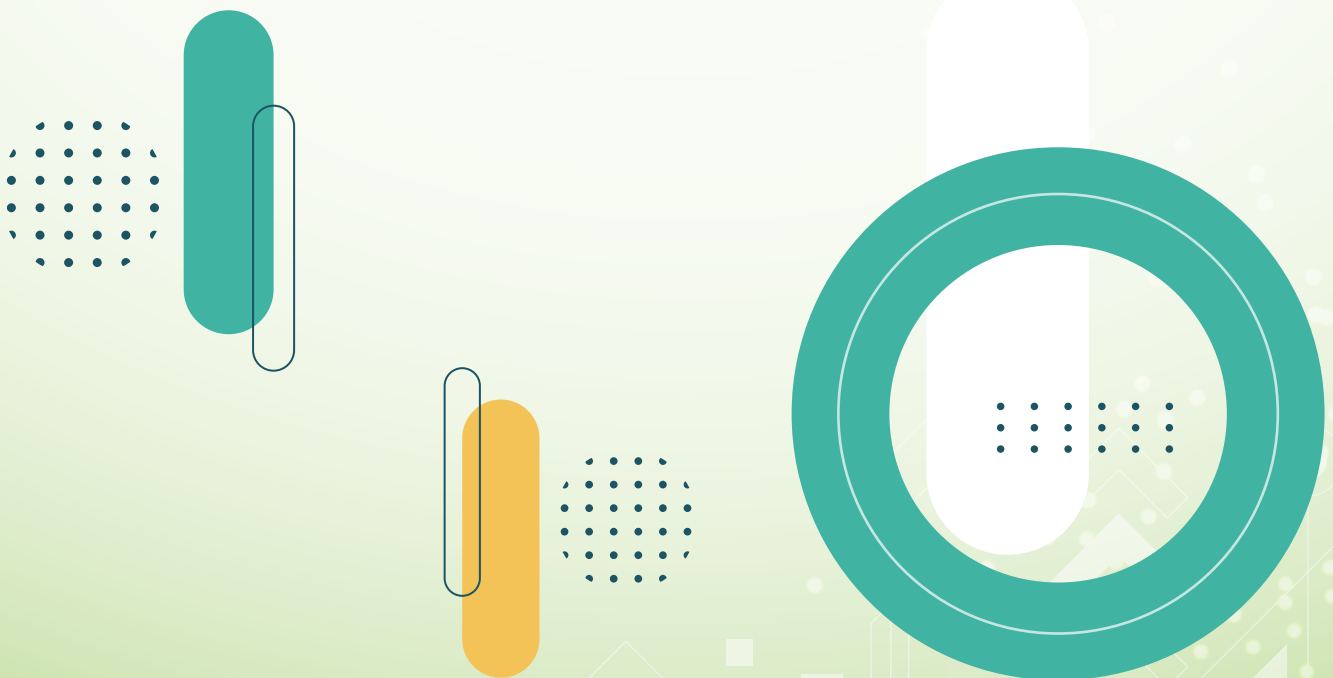
3. Emphasis on Labor Human Rights, Working Environment and Ethics

Sunrex complies with the Gender Equality Act, the Employment Service Act, and the Labor Rights Act, and strictly prohibits inappropriate harassment and bullying in the workplace. New employees sign a "Consent Form for the Collection, Processing, and Use of Personal Information" when they report for work, and in addition to disclosing the company's use of personal information, Sunrex also does its best to protect the privacy of employees' personal information. The following is a summary of the measures to emphasize labor human rights, work environment and ethics:

- (1) We comply with relevant labor laws and regulations, protect the legal rights and interests of our employees, and respect internationally recognized basic labor human rights principles, including freedom of association, the right to collective bargaining, care for the disadvantaged, prohibition of child labor, elimination of all forms of forced labor, elimination of discrimination in employment and employment, etc., without jeopardizing the basic rights of workers.
- (2) The Company's human resources policy does not discriminate on the basis of gender, race, age, marital and family status, and provides equal opportunities for compensation, employment conditions, training and promotion.
- (3) To provide information on employee regulations from time to time so that employees are aware of their rights under the labor laws of the countries in which we operate.
- (4) We have established regular channels of communication and dialogue with our employees so that they have the right to receive information and express their opinions on the management activities and decisions of the company. If employees report inappropriate bullying or sexual harassment by supervisors, we have established whistleblower protection measures to protect the privacy of complainants.
- (5) To provide a safe and healthy working environment for employees, including the provision of necessary health and first aid facilities, and to reduce the risk factors for employee safety and health to prevent occupational disasters.
- (6) Regularly implement safety and health education and training, as well as physical health checks for employees.
- (7) Transparency of information: The company's website: <https://www.sunrex.com.tw/ir.php>, an investor zone, publishes information about the financial performance of business activities, as well as corporate social responsibility.
- (8) Fair Trade, Advertising and Competition: Employees are required to comply with the provisions of the Fair Trade Act, which prohibits insider trading and prohibits conflicts of interest and profit-making. The Company shall not engage in unfair competitive practices such as fixing prices, collusive bidding, limiting production and quotas, or sharing or dividing markets by allocating customers, suppliers, operating areas, or types of business.



- (9) Protection and Respect for Intellectual Property Rights: Employees are required to sign a labor contract that includes a "Letter of Agreement for Respect and Protection of Intellectual Property Rights" and a "Protection of Business Secrets" clause, which specify the requirements for the protection of intellectual property rights. This is not only to protect the rights and interests of the company's tangible assets and intangible intellectual property, but also to reduce the company's losses and ensure sustainable development.
- (10) Protection of personal privacy: The "Information Equipment and E-mail Information Security Management Regulations" stipulate security measures such as employee computer access rights and passwords to regulate the privacy protection requirements of customers, vendors or employees' personal information. To provide transparent and effective consumer complaint procedures for its products and services, and to handle consumer complaints fairly and promptly.
- (11) To ensure the quality of products and services in accordance with government regulations and industry standards. The Company shall comply with government regulations and relevant international standards in the marketing and labeling of its products and services, and shall not deceive, mislead, defraud, or in any other way undermine consumer trust or harm consumer rights.
- (12) The Company evaluates the impact of its business operations on local communities and increases the employment of appropriate local manpower to enhance community recognition. The Company complies with all relevant government regulations and has no record of violations of economic and social laws or fines.





7.4 Social Responsibility Implementation

Sunrex implements social responsibility through consistent actions across the company to fulfill its social, environmental and economic responsibilities. Sunrex attaches importance to corporate ethics and has established the following relevant rules and regulations in accordance with the "Code of Corporate Governance for Listed and OTC Companies":

- (1) Rules of Procedure of the Shareholders' Meeting
- (2) Rules of Procedures of the Board of Directors
- (3) Method of Election of Directors
- (4) Procedures for the Acquisition and Disposal of Assets
- (5) Procedures for endorsement and guarantee
- (6) Procedures for lending funds to others
- (7) Rules for Supervision and Management of Subsidiaries
- (8) Procedures for handling material internal information
- (9) Code of Conduct for Integrity
- (10) Regulations for prevention of insider trading
- (11) Code of ethical conduct for directors and managers
- (12) Code of Corporate Social Responsibility
- (13) Audit Committee Organizational Procedures
- (14) Code of Corporate Governance
- (15) Organizational Rules of the Compensation Committee
- (16) Standard Operating Procedures for Handling Directors' Requests
- (17) Procedures for Reporting Illegal and Unethical or Dishonest Conduct
- (18) Information management rules and regulations
- (19) Management of related party transactions
- (20) Risk management policies and procedures

Sunrex's social responsibility implementation is effectively implemented and monitored through the formulation of corresponding policies and measures, and the establishment of corresponding management and monitoring mechanisms. At the same time, the company maintains communication and collaboration with stakeholders to jointly promote the practice and development of corporate social responsibility.

Appendix I GRI Content Index

Statement of Use	Sunrex published its 2022 Sustainability Report in accordance with GRI standards, with data from January 1 to December 31, 2022.		
GRI 1 Versions Used	GRI 1: Foundation 2021		
GRI Industry Standards Application	None		
GRI 2 General Criteria Disclosures			
Indicators	Disclosure Items	Corresponding chapter	Page Number
The Organization and its Reporting Practices			
2-1	Organizational Details	About Sunrex	23
2-2	Entities Included in the organizations sustainability reporting	The scope of the report	1
2-3	Reporting period, frequency and contact point	Information and Data Quality Contact Person	2
2-4	Restatements of information	Information and Data Quality	2
2-5	External Assurance	This report is not supported by external warranties/confirmations.	
Activities and Workers			
2-6	Activities, Value Chains and Other Business Relationships	Supplier Management	66
2-7	Employees	Employee Structure	88
2-8	Workers who are not employees	Employee Structure	88
Governance			
2-9	Governance structure and composition	Governance Structure	41
2-10	Nomination and selection of the highest governance body	Shareholders' Meeting and Board of Directors	42

2-11	Chair of the highest governance body	Shareholder's Meeting and Board of Directors	42
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainable Development Management Mechanism	15
2-13	Delegation of responsibility for managing impacts	Sustainable Development Management Mechanism	15
2-14	Role of the highest governance body in sustainability reporting	Risk Management Related organizations	57
2-15	Conflicts of Interest	Code of Ethical Conduct	52
2-16	Communication of critical concerns	Governance Structure	41
2-17	Collective knowledge of the highest governance body	Corporate Governance Score	45
2-18	Evaluation of the performance of the highest governance body	Confidential non-disclosure of subsidiaries	
2-19	Remuneration policies	Remuneration Committee and Audit Committee Compensation and Benefits	44, 91
2-20	Process to determine remuneration	Confidential non-disclosure of subsidiaries	
2-21	Annual total compensation ratio	Governance Structure	41
Strategy, Policy and Practice			
2-22	Statement on Sustainable Development Strategy	Words from the operator Sunrex ESG Vision and Goals for Sustainable Development	3,6
2-23	Policy commitments	Integrity Management Sustainability Management System Product Innovation	46,36, 61
2-24	Embedding policy commitments	RBA Management	66
2-25	Processes to remediate negative impacts	Environmental Protection Policy	71
2-26	Mechanisms for seeking advice and raising concerns	Integrity Management	46

2-27	Compliance with laws and regulations	Integrity Management Integrity Management Code	46, 47
2-28	Membership associations	Governance Structure	41
Stakeholder Communication			
2-29	Approach to stakeholder engagement	Stakeholder Agreement	16
2-30	Collective bargaining agreements	Not Applicable	
GRI 3 Major Topics			
3-1	Process to determine material topics	Analysis of major issues	17
3-2	List of material topics	Analysis of major issues	17
3-3	Management of material topics	Management of major issues	20
Indicators	Disclosure Project	Corresponding Chapters	Page Number
201 Economic Performance			
201-1	Direct economic value generated and distributed	Operational Performance	33
201-3	Defined benefit plan obligations and other retirement plans	Compensation and Benefits	76
202 Market image			
202-2	Proportion of senior management hired from the local community	Employee Structure	88
205 Anti-corruption			
205-3	Confirmed incidents of corruption and actions taken	Integrity management	46

302 Energy			
302-1	Energy consumption within the organization	Energy saving and carbon reduction	75
302-3	Energy Intensity	Energy saving and carbon reduction	75
302-4	Reduction of energy consumption	Energy saving and carbon reduction	75
305 Emissions			
305-1	Direct (Scope I) greenhouse gas emissions	Greenhouse Gas Management	79
305-2	Energy Indirect(Scope 2) greenhouse gas emissions	Greenhouse Gas Management	79
305-4	Intensity of greenhouse gas emissions	Greenhouse Gas Management	79
305-5	Reduction of greenhouse gas	Greenhouse Gas Management	79
306 waste			
306-1	Water discharge by quality and destination	Wastewater Management	81
306-2	Waste by type and disposal method	Waste Management	83
308 Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	Supplier Management	66
401 Employment			
401-1	New Employee hire and employee turnover	Employee Structure	88
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Benefits	91
401-3	Parental leave	Compensation and Benefits	91
402 Labor/ Managment Relations			
402-1	Minimum notice period regarding operational changes	Management Mindset	85
403 Occupational Health and Safety			
403-1	Occupational health and safety management system	Occupational Health and Safety	98

403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	98
403-3	Occupational Health Services	Occupational Health and Safety	98
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	98
403-5	Worker training on occupational health and safety	Occupational Health and Safety	98
403-6	Promotion of worker health	Occupational Health and Safety	98
403-7	Prevention and mitigation occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	98
403-8	Workers covered by an Occupational Safety and Health Management System	Occupational Health and Safety	98
403-9	Word-related injuries	Occupational Health and Safety	98
404 Training and Education			
404-1	Average hours of training per year per employee	Talent Development	94
404-3	Percentage of employees receiving regular performance and career development reviews	Talent Development	94
405 Employee Diversity and Equal Opportunity			
405-1	Diversity of Governance bodies and Employees	Employee Structure	88
406 Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	Equal Rights and Grievance Handling	106
412 Human Rights Assessment			
412-2	Employee training on human rights policies or procedures	Equal Rights and Grievance Handling	106
414 Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria.	Supplier Management	66

Appendix II. SASB Index : Hardware

TOPIC	CODE	METRIC	Sunrex Response Content
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	>>For more information, please refer to Ch 4.1 Product Innovation and Ch 4.2 Professional OEM/ODM
Employee Diversity & Inclusion	TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	>>For more information, please refer to Ch 6.2 Staff Structure
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	>>For more information, please refer to Ch 5.1 Hazardous Substance Management.
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Sunrex products are electronic components that are not directly applicable to the EPEAT/ENERGYSTAR specification.
	TC-HW-410a.3	Percentage of eligible products, by revenue, certified to an energy efficiency certification	
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered; percentage recycled	>>For more information, please refer to Ch 5.2 Material Recovery and Ch 5.5 Waste Management.

Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	>> For related information, please refer to Ch 4.3 Supplier Management
	TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	>> For related information, please refer to Ch 4.3 Supplier Management
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	>> For related information, please refer to Ch 3.4 Conflict of Responsibility Minerals (Metals) Procurement Policy
Activity Metrics			
CODE	ACTIVITY METRIC	Sunrex Response Content	
TC-HW-000.A	Number of units produced by product category	>>For more information, please refer to Ch 4.2 Product Management	
TC-HW-000.B	Area of manufacturing facilities	>>For more information, please refer to Ch 2.1 About Sunrex . As of the end of 2022, the head office is located in Daya District, Taichung City and the manufacturing facilities include five plants in Chongqing, Jiangsu, Shenzhen, Changshu and Jiangxi, with a total factory area of 328,500 m2 (square meters).	
TC-HW-000.C	Percentage of production from owned facilities	>>For related information, please refer to Ch 4.2 Product Management A small number of products are assembled to meet the customer's order requirements and are designated to be manufactured by outsourced vendors, but the actual percentage cannot be disclosed to the public.	

Appendix III. Comparison table of TCFD disclosure contents

Structure	Suggested Disclosures	Corresponding page number
Governance	<p>✧ The Company has established the "Sustainable Development Task Force" under the Board of Directors, which reports regularly to the Board of Directors. The members of the Task Force are the heads of each department, who are responsible for promoting environmental sustainability, social participation and management, assisting in the promotion of responsible duties and internal verification.</p>	07,10
Strategies	<p>✧ In assessing the environmental impact caused by the processes of raw materials, production, transportation, use, and waste disposal, we advocate that the planning and steel industry should have the four major functions of sustainability, low carbon, energy saving, and circular economy. We also actively promote green procurement in order to achieve environmentally friendly and sustainable management practices and actions.</p>	08
Risk Management	<p>✧ "Extreme weather events", "failure of climate change mitigation and adaptation measures", "natural disasters", "man-made environmental disasters", and "loss of biodiversity and ecosystem destruction" are very clear examples of the risks and challenges that the world must face together in the future.</p>	09,12
Targets and Objectives	<p>✧ Sunrex has carried out voluntary greenhouse gas inventories at home and abroad in accordance with ISO 14064-1, and has begun to work on energy conservation and carbon reduction, and has achieved results. Sunrex has incorporated clear quantitative goals for the environment into its short-term, medium-term, and long-term strategic planning within the organization.</p>	09