

精元電腦

2023 永續報告書 SUSTAINABILITY
SUNREX TECHNOLOGY CORPORATION

ESG



CONTENTS

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!

00 About This Report

0.1 Explanation of this Report	5
0.2 Words from the Operator	6
0.3 Sustainable Performance	7

01 Sustainable Management

1.1 Sustainable Development Management Mechanism	11
1.2 Stakeholder Engagement	11
1.3 Analysis of Major Issues	12
1.4 Major Issues Management	15

02 About Sunrex

2.1 About Sunrex	19
2.2 Product Introduction	23
2.3 Expertise Process	28
2.4 Sustainability Management System	29

03

Operations and Governance

3.1 Operating Performance	33
3.2 Governance Structure	33
3.3 Integrity Operations	37
3.4 Risk Management.....	42

04

Product Innovations

4.1 Product Innovations	46
4.2 Professional ODM/OEM.....	48
4.3 Supplier Management.....	49

05

Environmental Implementation

5.1 Environmental Protection Policy	54
5.2 Energy Saving and Carbon Reduction	56
5.3 Greenhouse Gas Management	58
5.4 Wastewater and Water Resources Management	60
5.5 Waste Management	62
5.6 Climate Change Response and Adaptation	62

06

Happy Workplace

6.1 Management Mindset.....	75
6.2 Employee Structure: Implementing Diversity and Equality Principles ..	76
6.3 Compensation and Benefits ..	79
6.4 Employee Training	81
6.5 Occupational Health and Safety Management	83
6.6 Employee Relations.....	87
6.7 Equal Rights and Grievance Management	88

07

Social Co-Prosperity

7.1 Social Responsibility	92
7.2 Social Responsibility Policy ...	92
7.3 Social Responsibility Guidelines ..	93
7.4 Social Responsibility Implementation	95

Appendix

1 GRI Content Index.....	97
2 SASB Content Index	100
3 TCFD Content Index.....	101

ch.00

About this Report

- 0.1 Explanation of this Report
- 0.2 Words from the Operator
- 0.3 Sustainable Performance

► 0.1 Explanation of this Report

The relevant information regarding the preparation of the 2023 Sustainability Report (hereinafter referred to as "Report") by Sunrex Technology Corporation (hereinafter referred to as "Sunrex" or "Company") is as follows:

PURPOSE	Sustainability Report of Sunrex, the main purpose of this report is to disclose the Company's goals towards sustainable development, as well as our commitments, strategies, and performance in the areas of Environment, Social, and Governance (ESG) over the past year. 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.
REFERENCE	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 .
PERIOD and SCOPE	The information disclosed in report covers the Company's headquarters and all its subsidiary plants, including the Taiwan headquarters, Daya plant, as well as the Chongqing, Jiangsu, Shenzhen, Changshu, and Jiangxi plants in China. From January 1 to December 31, 2023, in the dimensions of "Corporate Governance," "Environmental Protection," and "Social Engagement," this report details the philosophies and performance in execution.
INFORMATION and DISCLOSURE	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 .
EDITING STATEMENT	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 .

The government has explicitly announced the policy goal of achieving net-zero carbon emissions by 2050 and has passed the Climate Change Response Act. In the future, leading companies must not only play a leadership role in the business field but also become leaders in sustainable development. Therefore, successfully undergoing ESG transformation is one of the necessary conditions for corporate sustainable development. The responsible ESG department of our company coordinates and plans the economic, environmental, and social issues arising from operational activities. It convenes meetings with first-level supervisors to discuss decisions, which are then reported to the board of directors for further action. This encourages all levels of management and employees to work together to promote and implement matters related to corporate sustainable development.

The information in this report mainly for the year 2023, and the data before 2023 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:

Address : No. 475, Section 4, Changping Road, Dafeng Village, Daya District, Taichung City, Taiwan
Website : <http://www.Sunrex.com.tw/>
Contact : Mr. Guan-Ting Chen
Phone : (04) 2568-6983
Fax : (04) 2568-3429

► 0.2 Words from the Operator



**SUNREX TECHNOLOGY CORPORATION
CHAIRMAN**

As a part of society, Sunrex upholds the pursuit of social fairness and continuously endeavors towards sustainable development. And pays attention to sustainable development trends domestically and internationally actively. Sunrex has established core objectives of “Implementing Corporate Governance and Value Creation,” “Resource Management and Environmental Friendliness,” and “Creating a Happy Workplace and Social Participation,” and have linked these objectives to major issues. And assess the risks and opportunities associated with each issue, and formulate relevant strategies and practices, aiming to balance the interests of stakeholders while achieving corporate sustainability and environmental sustainability goals.

CHAIRMAN

Implementing Corporate Governance and Value Creation

It is undeniable that 2023 was a year characterized by significant changes and challenges. The global economic landscape faced challenges stemming from elevated inflation and interest rates, amplified economic sanctions between the United States and China (including bans on chips and rare earth metals), and escalating geopolitical tensions like the Russia-Ukraine conflict, conflicts in the Gaza Strip, and the Red Sea crisis. Consequently, economic performance did not align with initial expectations. According to IMF report, global economic growth declined from 3.5% in 2022 to 3.1% in 2023, with end-product demand also weakened by economic and political factors. Despite facing numerous difficulties and challenges in 2023, Sunrex achieved outstanding operational performance with earnings per share of NT\$6.50, driven by the relentless efforts of all employees and the support from various parties.

Forward to 2024, market challenges remain severe. Our company will effectively implement corporate governance and strengthen operational deployment. In terms of corporate governance, we will continue to enhance the functions of the board of directors and strengthen internal control systems. In terms of operations, we will leverage efficient supply chain management and operational flexibility advantages to steadily advance our existing product lines. Meanwhile, the Company continues to invest in new product research and development, as well as in various product categories, to provide diversified offerings, aiming to create sustainable value for the Corporation.

Resource Management and Environmental Friendliness

Sunrex has formulated a series of policies and actions to protect the environment and reduce its impact, including:

1. Promote Energy Saving and Carbon Reduction:
Continuously control the energy consumption and greenhouse gas emissions from operational activities and raise employee awareness about energy saving and carbon reduction. In 2023, the greenhouse gas emission intensity for Scope 1 and Scope 2 decreased by 13.41% compared to 2022.
2. Reduce Resource Waste and Pollution:
Recycle and reuse waste materials and byproducts generated during production and consumption processes. Through circular recycling, we strive to achieve efficient resource utilization and reduce environmental pollution.
3. Manage Water Resources, Wastewater, Waste, and Hazardous Substances.
4. Implement Green Product Certification, becoming one of the few PC peripheral suppliers certified by multiple brand clients. Currently, our plants have successively obtained the following certifications:
ISO9001, IECQ QC080000, ISO14001, OHSAS18001, ISO14064-1, RBA VAR

Creating a Happy Workplace and Social Participation

Employees are our most important partners in our journey toward becoming a world-class company and achieving sustainable development. We value the career development of each employee, regardless of gender, rank, or department, focusing on comprehensive growth and striving to recognize and promote outstanding talent.

Additionally, our company creates a positive work environment to help employees utilize their expertise, creativity, and potential. We also encourage our managers to lead with care, ultimately achieving a win-win operational cycle for both employees and the company.

Sunrex will continue to deepen its core business, utilize fundamental technologies to establish long-lasting and unique competitive advantages, and invest in research and development for innovation, committed to creating value for various stakeholders. In the process of Company operation, Sunrex will continue to implement energy conservation and carbon reduction, promote resource management, advance green and environmentally friendly production processes compliant with EU ROHS environmental regulations, and address the risks and opportunities brought about by climate change. The Company will strive to enhance its contribution to the environment, society, and economy, achieving a sustainable future for all.

► 0.3 Sustainable Performance

0.3.1 Sunrex responds to the United Nations Sustainable Development Goals. (SDGs)

The United Nations adopted and announced the “2030 Sustainable Development Goals” (Sustainable Development Goals, SDGs) in 2015. The SDGs consist of 17 core goals, which encompass 169 specific targets and 230 indicators, addressing issues such as poverty, hunger, education, gender equality, energy, environment, climate change, peace, and justice. They cover three major dimensions of sustainable development: economic growth, social harmony, and environmental protection, providing a diverse perspective on various aspects of global development. The SDGs guide governments, businesses, and individuals to achieve sustainable development goals through their actions and decisions.









Reference : United Nations Sustainable Development Goals (SDGs)

As a part of society, Sunrex upholds the pursuit of social fairness and continuously endeavors towards sustainable development. As a part of society, Sunrex upholds the pursuit of social fairness and continuously endeavors towards sustainable development.

Identify three sustainable development indicators related to the computer peripheral product industry that Sunrex belongs to based on the 17 Sustainable Development Goals (SDGs) outlined by the United Nations (Goals 3, 12, and 13), as well as five sustainable development indicators followed by the company itself based on its corporate characteristics (Goals 3, 4, 8, 10, and 13). The indicators include:

- Indicator 03 Good Health and Well-Being.
- Indicator 04 Quality Education.
- Indicator 08 Decent Work and Economic Growth.
- Indicator 10 Reduced Inequalities.
- Indicator 12 Responsible Consumption and Production.
- Indicator 13 Climate Action.

SDGS core goal	Sunrex implements practices in response to the SDGs.	Chapter
 <p>SDGS Indicator 3 GOOD HEALTH AND WELL-BEING</p>	<p>The Company employs contracted on-site nurses who conduct health examinations. Through detailed analysis of health check-up results, including pre- and post-examination questionnaires, items, and test results over the years, a comprehensive health management mechanism is implemented based on the type and severity of abnormalities. This ensures that employees receive more comprehensive care for their health, aiming to create a “work without illness, life with health” environment, and enhance employees’ ability to manage their health autonomously. The Company deeply acknowledges that achieving scalable growth is attributed to the dedication and perseverance of every employee. Therefore, while advancing our business, we also endeavor to create a safe, healthy, and trustworthy work environment for our hardworking staff.</p>	<p>6.5 Workplace Health and Safety Management</p>
 <p>SDGS Indicator 4 QUALITY EDUCATION</p>	<p>The Company recognizes employees as crucial assets and the cornerstone of sustainable operations. Therefore, we strive to cultivate a diverse and autonomous learning environment. We aim to foster outstanding talents with optimism, proactiveness, professionalism, and innovation through excellent training opportunities. Sunrex encourages employees to participate in various training programs to enhance their competitiveness.</p>	<p>6.4 Employee Training</p>
 <p>SDGS Indicator 8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>The Company is committed to creating a fair and just working environment. From talent recruitment, we prioritize hiring local employees and ensure that there is no discrimination based on factors such as race, religion, color, nationality, gender, political inclination, or background. Additionally, we do not employ child labor. The Company upholds integrity in treating employees’ rights and welfare. We have established a Welfare Committee to handle labor and health insurance matters, providing employees and their families with the necessary life security in accordance with regulations. This ensures that employees can work with peace of mind and without worries. Upon establishment in each factory, the Company actively implements the “ISO 45001: 2018 (Occupational Health and Safety Management Systems)” certification, utilizing a systematic management approach to fulfill the requirements of each certification, thereby preventing occupational accidents.</p>	<p>6.5 Workplace Health and Safety Management 6.6 Employee Profile 6.7 Equal Rights and Grievance Management</p>
 <p>SDGS Indicator 10 REDUCED INEQUALITIES</p>	<p>The Company complies with labor regulations and establishes various regulations regarding salaries, benefits, leaves, retirement, etc., prioritizing employee compensation and welfare. It provides a high-quality and safe working environment, ensuring employees receive fair remuneration and can work with peace of mind.</p>	<p>6.3 Compensation and Benefits</p>
 <p>SDGS Indicator 12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>The Company has established a quality management system in accordance with regulations to meet product quality and business requirements, ensuring product quality and compliance with green product certifications in Europe, the United States, and Japan. Currently, each of our factories has successively obtained the following certifications: ISO9001, IECQ QC080000, ISO14001, OHSAS18001, ISO14064-1, RBA VAR.</p>	<p>2.4 Sustainability Management System</p>
 <p>SDGS Indicator 13 CLIMATE ACTION</p>	<p>Climate change and energy management are major issues and key risk items for Sunrex’s sustainable development. In response to the potential operational impacts, we conduct identification of physical, transitional risks and opportunities, as well as probability assessments and impact analyses. Subsequently, we deliberate on appropriate response measures.</p>	<p>5.6 Climate Change Adaptation and Mitigation</p>

0.3.2 Vision and Goals for Sustainable Development of Sunrex



Sustainable Development Vision

Global computer peripheral input equipment manufacturer No.1 in ESG sustainable development



Sustainable Development Commitment

Relative Parties/Customer Satisfaction/Employee Rights Protection/Shareholder Profitability/Environmental Conservation/ Sustainable Growth



Sustainable Development Goals: Economic Goals

Sunrex upholds the pursuit of social fairness and continuously endeavors towards sustainable development. We implement company governance and value creation, leveraging our core competencies to address the United Nations Sustainable Development Goals (SDGs). Additionally, we take sustainable actions to contribute to global sustainability, actively monitoring sustainable development trends both domestically and internationally.



Sustainable Development Goals: Environmental Goals

Sunrex strives to prevent and control environmental pollution, including greenhouse gas emissions, water and wastewater management, biodiversity preservation. We implement resource management and environmentally friendly practices throughout our value chain to achieve environmental sustainability goals.



Sustainable Development Goals: Social Goals

Sunrex prioritizes creating a happy workplace and engaging in social participation. We care about customer welfare, labor relations, diversity, and inclusion, considering the interests of stakeholders affected by the industry. Our goal is to foster the diverse development of key stakeholders, fostering inclusive growth collectively.



ch.01

Sustainable Management



- 1.1 Sustainable Development Management Mechanism
- 1.2 Stakeholder Engagement
- 1.3 Analysis of Major Issues
- 1.4 Major Issues Management

▶ 1.1 Sustainable Development Management Mechanism

Sunrex effectively integrates its corporate sustainable development plans by designing and implementing a sustainable development management mechanism. This mechanism encompasses the integration of sustainability into the company's operations, including the design, implementation, and evaluation of strategies, policies, plans, and actions based on sustainable development principles to achieve a balanced development across social, economic, and environmental aspects. The Company primarily entrusts the "Sustainable Development Team" with the responsibility of collecting, compiling, and drafting all project-related information.

1.1.1 Sustainable Development Team

Sunrex has established a "Sustainable Development Team" as the decision-making, implementing, and supervisory body for sustainable development initiatives. The Chairman of the Board serves as the convener, with the General Manager as the deputy convener, and the management department as the executor. The "Sustainable Development Team" is tasked with devising comprehensive strategies to promote sustainable development across the company, spearheading the development and management of initiatives, and ensuring their effective implementation. Additionally, the team regularly reports on the company's progress in sustainable development to the Board of Directors.

1.1.2 ESG Operational Audit

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 Engagement

Sunrex values the rights and opinions of stakeholders and conducts long-term engagement activities through diverse channels. This includes pre-engagement for compiling sustainability reports, open and direct communication channels during engagement, and continuous follow-up afterward. Stakeholders primarily include customers, shareholders and investors, employees, suppliers, financial institutions, government agencies, and local residents. The company establishes appropriate communication channels according to the attributes and needs of each stakeholder to understand their concerns and convey specific actions taken by the company in corporate sustainability. This is done to address stakeholders' expectations. The "Sustainable Development Team" regularly reports the communication status and content to the senior management team each year.

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:

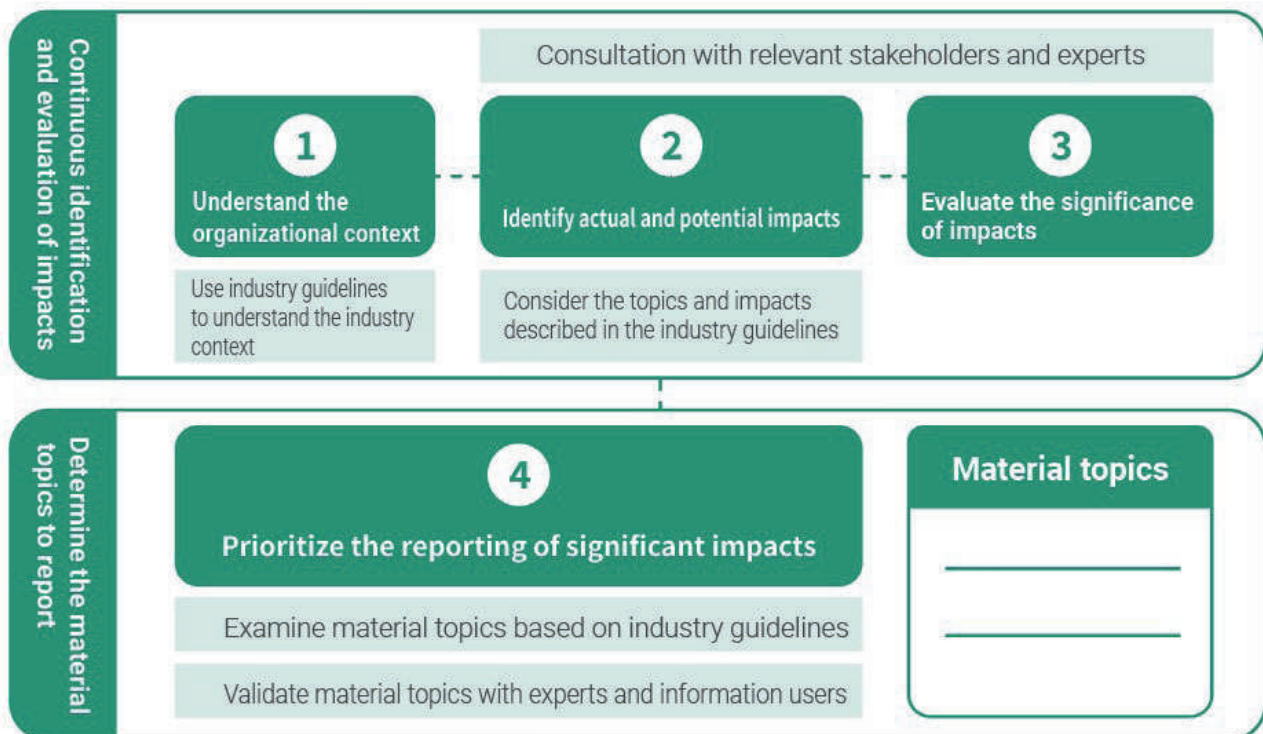
The top three in order of importance after stakeholder identification are customers, shareholders/investors, and staffs.

PROCEDURE	STAKEHOLDERS	SIGNIFIANCE
1	Customers	Sunrex adheres to the principle of customer first, striving to provide customers with the best product quality and services.
2	Shareholders and Investors	Sunrex is dedicated to achieving stable profitability and investment returns, while also striving for excellent sustainable governance performance.
3	Employees	Sunrex values the opinions of its employees, cultivating their professional skills in line with its business philosophy and corporate vision. It provides employees with a positive work environment, aiming to be an excellent employer by its workforce.
4	Suppliers	Suppliers and Sunrex collaborate to build a mutually beneficial value chain, reinforcing cooperation focused on Environmental, Social, and Governance (ESG) balance. We strive to develop innovative business models in collaboration with our suppliers to enhance sustainable competitiveness.
5	Financial Institutions	Financial institutions and Sunrex collaborate to build a mutually beneficial value chain. Sunrex strengthens its cooperation with financial institutions to enhance environmental, social, and governance (ESG) balance, fostering the creation of new business models to boost sustainable competitiveness.
6	Government Agencies	Sunrex complies with laws and regulations and cooperates with government policies, actively leveraging its leadership brand to drive progress.
7	Local Residents	Sunrex fulfills its corporate social responsibility by actively addressing environmental and social issues, creating positive impact.

► 1.3 Analysis of Major Issues

Sunrex values the expectations and feedback of stakeholders, including customers, shareholders and investors, employees, suppliers, financial institutions, government agencies, media, and community residents. Apart from examining the impacts that organizational activities and business partnerships may have, we also communicate with stakeholders through various channels to understand and identify the issues they are concerned about. The company conducts significant theme assessments and reviews annually and presents the results to the Board of Directors, along with reports on the internal and external risks that relevant business operations may face.

The significant themes for the year 2023 in this report follow the analysis process outlined in “GRI 3 : Significant Themes 2021 Guidelines.” Throughout the analysis process, we adhere to the principles of stakeholder inclusivity, sustainability context, significance, and completeness. The analysis procedure for significant themes is divided into ①understanding the organizational context, ②identifying actual and potential impacts, ③assessing impact significance, and ④prioritizing reporting of the most significant impacts.



Through a significant analysis process, significant issues for Sunrex in 2023.

STEP 1 Understanding the organizational context	Sunrex identifies significant stakeholders based on the sustainability context of its operations, products or services markets, and business relationships.
STEP 2 Identifying actual and potential impacts	In 2023, the gathering of issues involved both internal and external sources. External sources referred to international sustainability standards and norms (such as GRI guidelines, SDGs, TCFD), as well as industry sustainability development trends. Internal sources stemmed from stakeholder engagement processes, based on feedback obtained through various communication channels. Through comprehensive data analysis, the Sustainable Development Team compiled a total of 21 sustainability issues, including: economic issues (6 items), social issues (8 items), and environmental issues (7 items). They also formulated a questionnaire on significant issues to assess the impact and influence on the economy, environment, and society
STEP 3 Assessing impact significance	Sunrex conducts a survey filled out by stakeholders to assess the impact severity and likelihood of various issues. Based on the survey results, Sunrex determines the significance of the impacts, with a total of 50 valid responses collected.
STEP 4 prioritizing reporting of the most significant impacts	The Corporate Governance and Sustainable Development Team members conduct issue review, ranking each issue based on its significance of impact. Subsequently, major themes are submitted to senior management for confirmation. In response to the identified significant issues, GRI Standards are utilized as the basis for disclosure in sustainability reports, ensuring a proper response to stakeholder needs. Management establishes policies and indicators for addressing these significant issues.

1. Understanding the organizational context

Sunrex considers the types of operational activities (including production, sales, and research and development), the markets for products or services (Taiwan and China regions), business relationships (customers and suppliers), and industry characteristics to identify 7 major stakeholders who may be affected by organizational activities. These stakeholders include customers, shareholders and investors, employees, suppliers, financial institutions, government agencies, media, and community residents. The "Sustainable Development Team" of our company is responsible for convening internal meetings, referring to international standards such as the GRI Guidelines and SDGs, as well as industry trends, and engaging in dialogue with stakeholders to compile a list of issues. The stakeholder engagement process includes identifying key concerns, communication channels, and communication frequency as detailed in the table below.

STAKEHOLDERS	CONCERNED TOPICS	COMMUNICATION METHODS	COMMUNICATION FREQUENCY
Customers	<ul style="list-style-type: none"> • Customer service management • Internet security • Climate change response • Anti-discrimination, Anti-corruption and Anti-bribery policy 	<ul style="list-style-type: none"> • Quality management audit • Site visits • Official public information, telephone number • Email, satisfaction survey 	<ul style="list-style-type: none"> • Regular annual customer audits • Regular customer satisfaction survey • Meeting to review depending on the situation • QBR is held from time to time
Shareholders and Investors	<ul style="list-style-type: none"> • Short, medium and long-term development strategies • Corporate governance and internal controls • Risk management • Operational performance 	<ul style="list-style-type: none"> • Shareholders' meeting • Official public information such as Shareholders' Corner (Disclosing of Revenue and Dividend) 	<ul style="list-style-type: none"> • Regular or unscheduled annual shareholders' meetings
Employees	<ul style="list-style-type: none"> • Employment relations • Occupational safety and health • Labour relations • Employee benefits and salaries • Protection of labor rights and interests • Equality and diversity in the workplace • Energy management • Waste management 	<ul style="list-style-type: none"> • Multiple grievance methods: employee mailboxes, employees can directly submit comments or grievances to supervisors at all levels • Management-Level Bilateral Communication: Meetings between managers and above • Labor-management meetings and welfare committee meetings 	<ul style="list-style-type: none"> • At any time or annually at regular or irregular intervals

Table of The stakeholder engagement process (continued).

Suppliers	<ul style="list-style-type: none"> Occupational safety and health Supplier management 	<ul style="list-style-type: none"> On-site visits and evaluation and grading Quality management audit Official website public information Supplier hotline Email, satisfaction survey 	<ul style="list-style-type: none"> Regular annual supplier audits Regular supplier evaluation Conduct review meetings depending on the situation
Financial Institutions	<ul style="list-style-type: none"> Operational performance Corporate governance and internal controls 	<ul style="list-style-type: none"> On-site visits Official website public information, phone number Email, credit survey 	<ul style="list-style-type: none"> Regular financial and tax reviews
Government Agencies	<ul style="list-style-type: none"> Comply with environmental regulations Sewage management Hazardous substances management Climate change response 	<ul style="list-style-type: none"> Attending government agency seminars On-site visits and inspection Written verification and official notification Official website public information, phone number Email 	<ul style="list-style-type: none"> Monthly, quarterly, yearly or irregular inspections
Local Residents	<ul style="list-style-type: none"> Community participation and social welfare 	<ul style="list-style-type: none"> On-site to address the concerns of local residents 	<ul style="list-style-type: none"> At any time or annual, regularly or irregularly

2. Identifying actual and potential impacts

To understand the concerns and expectations of key stakeholders regarding Sunrex promotion of various sustainability issues, the company conducted a sustainability issue questionnaire survey. The questionnaire was divided into economic aspects (6 sub-issues), social aspects (8 sub-issues), and environmental aspects (7 sub-issues). Starting from November 2023, each department invited stakeholders they interacted with to fill out an electronic questionnaire survey regarding their degree of concern, positive impacts, and negative impacts on each issue. Additionally, the Company internally sent impact assessment questionnaires to core managers of each department to assess the degree of impact various issues have on the company's operations, thus identifying actual and potential impacts. The survey received a total of 50 valid responses.

3. Assessing impact significance

The "Sustainable Development Team" and first-level supervisors evaluate the degree of impact of various sustainability issues on the economy, environment, and society based on the feedback results from the questionnaire. They assign scores and rank the issues accordingly, establishing significance thresholds.

4. Prioritizing reporting of the most significant impacts

The "Sustainable Development Team" selects 12 issues from the 21 sustainability issues based on the scoring results and significance thresholds, designating them as major themes for the year 2023. These major themes are subsequently reported to senior management and the Board of Directors. Following approval from senior decision-makers, reporting and disclosure are conducted in accordance with the six principles defining reporting quality outlined in the GRI Standards: 2021.

- (01) Accuracy
- (02) Balance
- (03) Clarity
- (04) Comparability
- (05) Reliability
- (06) Timeliness

► 1.4 Major Issues Management

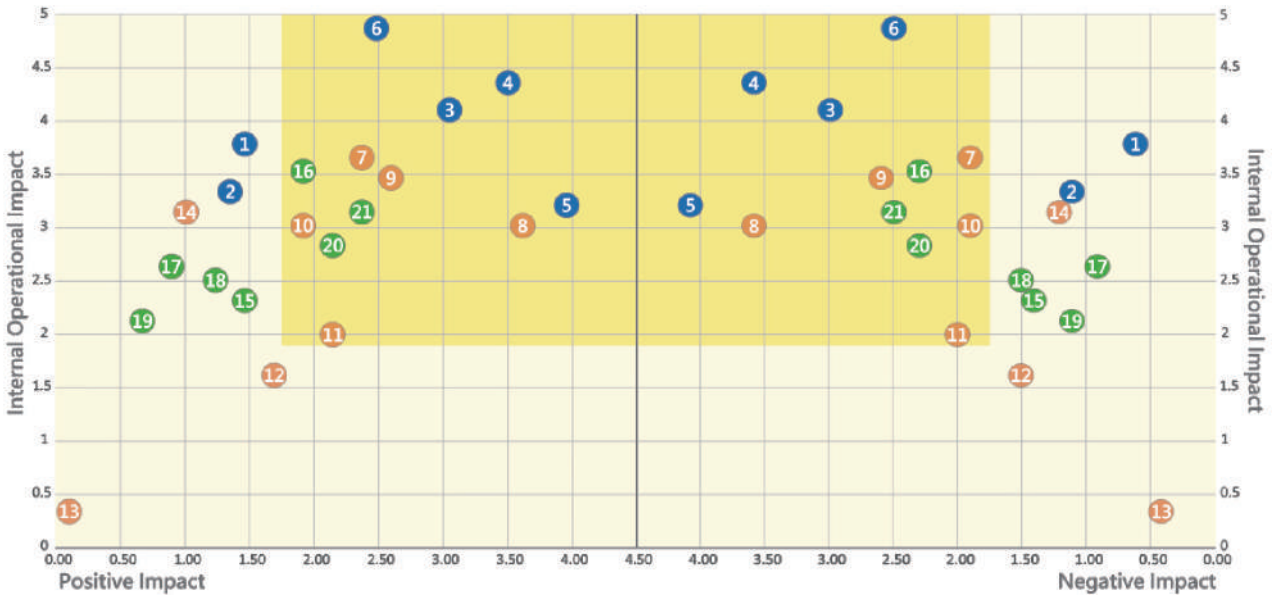
1.4.1 Survey on topics of concern to stakeholders

The establishment of concern topics is primarily based on international sustainability standards and norms (GRI Guidelines, SDGs, TCFD), as well as trends in industry sustainability development. Internally, it is based on stakeholder engagement processes, obtaining feedback through various communication channels. After comprehensive data analysis, the Sustainable Development Team has compiled a total of 21 sustainability issues, including 6 economic issues, 8 social issues, and 7 environmental issues. Below is the list of sustainability issues:

	Concern Topics	Compare GRI Impact Issues
Economic Aspects	1. Corporate Governance and Internal Controls	GRI 2: General Disclosures 2021 GRI 205: Anti-corruption 2016 GRI 206: Anti-competitive Behavior 2016
	2. Risk Management	GRI 2-27: Compliance with laws and regulations 2021
	3. Short, Medium and Long-term Development Strategies	GRI 2: General Disclosures 2021
	4. Operational Performance	GRI 201: Economic Performance 2016
	5. Supplier Management	GRI 308: Supplier Environmental Assessment 2016 GRI 414: Supplier Social Assessment 2016
	6. Internet Security	GRI 418: Customer Privacy 2016
Social Aspects	7. Employment Relations	GRI 401: Employment 2016
	8. Occupational Safety and Health	GRI 403: Occupational Health and Safety 2018
	9. Labour Relations	GRI 402: Labor/Management Relations 2016
	10. Employee Benefits and Salaries	GRI 401: Employment 2016
	11. Protection of Labor Rights and Interests	GRI 401: Employment 2016
	12. Equality and Diversity in the Workplace	GRI 405: Diversity and Equal Opportunity 2016
	13. Community Participation and Social Welfare	GRI 413: Local Communities 2016
	14. Grievance Procedure	GRI 406: Non-discrimination 2016
Environmental Aspects	15. Climate Change Response	GRI 305: Emissions 2016
	16. Comply with Environmental Regulations	GRI 2-27: Compliance with regulations 2021
	17. Energy Management	GRI 302: Energy 2016
	18. Waste Management	GRI 306: Waste 2020
	19. Water Management	GRI 303: Water and Effluents 2018
	20. Hazardous Substances Management	GRI 305: Emissions 2016 GRI 306: Waste 2020
	21. Product Material Management and Development	GRI 301: Materials 2016

1.4.2 Analysis of the degree of attention and impact of significant issues through a matrix.

Sunrex distributed assessment questionnaires to stakeholders regarding the 21 sustainability issues. These questionnaires evaluated the "positive impact degree," "negative impact degree," and "internal impact degree" of each issue. A total of 50 questionnaires were collected. Based on standardized scores, Sunrex generated a matrix chart of significant issues. The X-axis was designated for "positive impact level" and "negative impact level," while the Y-axis represented "internal impact level." Through analysis of the significant issues matrix chart, Sunrex determined the dimensions of major information disclosure, facilitating communication of the company's sustainability strategy and direction to stakeholders. Additionally, by utilizing the significant issues matrix chart, Sunrex gained insights into the operational impact of each issue to mitigate operational risks.



- ### Corporate Governance Issues
- 1 Corporate Governance and Internal Controls
 - 2 Risk Management
 - 3 Short, Medium and Long-term Development Strategies
 - 4 Operational Performance
 - 5 Supplier Management
 - 6 Internet Security

- ### Social Issues
- 7 Labour Relations
 - 8 Occupational Safety and Health
 - 9 Employment Relations
 - 10 Employee Benefits and Salaries
 - 11 Protection of Labor Rights and Interests
 - 12 Equality and Diversity in the Workplace
 - 13 Community Participation and Social Welfare
 - 14 Grievance Procedure

- ### Environmental Issues
- 15 Climate Change Response
 - 16 Comply with Environmental Regulations
 - 17 Energy Management
 - 18 Waste Management
 - 19 Water Management
 - 20 Hazardous Substances Management
 - 21 Product Material Management and Development

1.4.3 Identify Major Issues that should be Prioritized for Disclosure

The Sustainable Development Team synthesizes feedback from stakeholders regarding the positive and negative impacts of issues, as well as opinions from internal managers on the impacts of these issues on the company's sustainable operations. The scoring results are then ranked, and the management team integrates the actual or potential impacts of various sustainability issues on the economy, environment, and society. From the 23 sustainability issues, 12 are selected as major themes for the year 2023, categorized into seven main themes: "Sustainable Management," "Company Overview," "Operations and Governance," "Product Innovation," "Environmental Implementation," "Happy Workplace," and "Social Prosperity." These themes are aligned with the information disclosure needs of the company's stakeholders and serve as the basis for reporting in the sustainability report.

Sustainable Topics	Corresponding Sections of the Sustainability Report	Impact Dimensions
Supplier Management	4.3 Supplier management	Economic aspects
Operational Performance	3.1 Operational performance	Economic aspects
Internet Security	3.4.3 Internet and information security	Economic aspects
Corporate Governance and Internal Controls	3.2 Governance structure	Economic aspects
Occupational Safety and Health	6.5 Safe working place	Social aspects
Labour Relations	6.6.1 Labor-management communication 6.6.2 Labour relations	Social aspects
Protection of Labor Rights and Interests	6.7 Equal Rights and Grievance Management	Social aspects
Employee Benefits and Salaries	6.3.2 Employee welfare program	Social aspects
Product Material Management and Development	5.2.4 Material recycling Ch3.4.4 Conflict Minerals (Metals) sourcing policy	Environmental aspects
Hazardous Substances Management	5.1.2 Hazardous substance management	Environmental aspects
Comply with Environmental Regulations	5.1 Environmental protection policy	Environmental aspects
Climate Change Response	5.6 Climate change response and adaptation	Environmental aspects



ch.02

About Sunrex

- 2.1 About Sunrex
- 2.2 Product Introduction
- 2.3 Expertise Process
- 2.4 Sustainability Management System

► 2.1 About Sunrex

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

Sunrex Technology Co., Ltd. was founded in 1975 and officially listed in the Taiwan Stock Exchange in 1999. It is currently the world's largest notebook computer keyboard manufacturer. Since its very inception, Sunrex has strived to provide the highest quality products and the most exceptional service. It has since then not only created high-value products for its customers, but has also ushered itself toward gradually becoming the industry leader.

Sunrex has a huge production team with a wealth of production experience as well as flexible capacity planning, allowing Sunrex to provide stable production quantities that meet customer requirements even under the pressure of continuous year-over-year notebook computer sales growth. In addition, Sunrex continues to invest heavily in R&D resources each year, continuously conducting research and implementing new technologies / applications, thereby proactively helping its customers achieve new product innovations, showing its capabilities as an ODM as well as an OEM services provider. Sunrex's long-renowned vertical integration capabilities provide customers with a one-stop-shop for the services that they need, from mold design, to spraying, to SMT and assembly, all steps of the production process can be completed independently in Sunrex's factories. In the face of the trend of shortening development cycles for electronic products, Sunrex has successfully established a strong industry-leading position for itself in the industry by fully taking advantage of the time and cost advantages obtained through its vertical integration capabilities.

In addition to keyboards for notebook computer, Sunrex also engages in the research and development of various HID (Human Interface Devices), including desktop keyboards/mouse, handwriting tablets, presentation devices, etc. Sunrex has also successfully obtained the trust of various large brand names by establishing strong and stable production power as well as advanced technological capabilities. Sunrex 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. For the future, Sunrex will continue to cultivate our core business, providing customers with high-quality, high value-added products. Leveraging our group's resources, we will explore more peripheral products. We aspire to shine in the consumer electronics industry in the next decade.

Basic information of Sunrex

Company Name	Sunrex Technology Corporation
Date of Establishment	1991/07/22
Stock Code	2387
Industry Category	Computer and peripheral equipment industry
Capital Amount	NT\$1,952,510 thousands
Business Items	<ul style="list-style-type: none"> • Design, manufacturing, processing and trading of computers and ancillary equipment software and hardware. • Design and manufacture of various keyboard plastic injection keys and molds for domestic and foreign sales. • Design, development, manufacturing and trading of systems, application software and computer communication controllers.
Main Products(2023)	Notebook computer keyboards (73%)Thin/wireless keyboards, mice, trackpads, stylus pens, backlight modules, etc.(27%)
Chairman/General Manager	TSAI, HUO-LU / LI, MING-TSE
Headquarters	No. 475, Section 4, Changping Road, Dafengli, Daya District, Taichung City
2023 Consolidated Revenue	NT\$ 21,614,782 thousand

2.1.2 Sunrex Operations Headquarters

Headquarters No. 475, Section 4, Changping Road, Daya District, Taichung City

Telephone 04-2568-6983

Fax 04-2568-3429

2.1.3 Domestic and International Operations Sites

Headquarters No. 475, Section 4, Changping Road, Daya District, Taichung City

China

Jing Mo Electronic Technology (Shenzhen) Co., Ltd. Xinqiao 3rd Industrial Zone, Shajing Town, Baoan District, Shenzhen

Sunrex Technology (Jiangsu) Co., Ltd. Fenhu Economic Development Zone, Lucu Town, Wujiang City, Jiangsu Province

Changsu Sunrex Technology Corp. Yantai Rd., High-tech Industrial Park, Changshu Economic Development Zone, Jiangsu Province

Sunrex (Chongqing) Computer Co., Ltd. 1st Floor, No. 1 Fushun Avenue, Bishan County, Chongqing

Sunrex Technology (Jiangxi) Co., Ltd. Lulin Industrial Zone, Guangfeng County, Jiangxi Province

Kay Zhao (Suzhou) Electronics Co., Ltd. South of Fenyue Road, Lili Town, Wujiang District, Suzhou City



Chongqing Plant



Wujiang Plant



Shenzhen Plant



Changsu Plant



Jiangxi Plant

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	EVENTS
1975-1991	<ul style="list-style-type: none"> 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 was formally established with a capital of NT\$198,000,000. 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	<ul style="list-style-type: none"> Preliminary purchase automated production equipment to increase production capacity to 8,000 units per month. The mass production of HB 370 MX, a new high-performance multimedia product, has greatly improved the Company's image and profitability of product sales. Purchased the land for the new factory in Daya, and integrated the three factories into one. Established the Taichung Daya plant and the Shenzhen plant. The Company's stock was officially listed on the stock exchange on January 25, 1999.
2000-2015	<ul style="list-style-type: none"> Mass Production of Key Products: <ol style="list-style-type: none"> Notebook computer keyboard KB990305 Portable storage device (USB) Audio-Visual multimedia personal computers (ADSIII)KB982202 Portable storage device (IEEE1394)KB001519 TEN K/B KBN-211 was officially mass produced. Completed the merger with JME Group in 2002, Capital increased and issued 52,916,417 common shares, totaling NT\$ 529,164,170. And established the Jiangsu, Jiangxi, Changshu and Chongqing plants. Acquired the Techway plant in Shanghai from Quanta in 2005. Commenced automated production in 2006.
2016-2020	Developed and invested in new products including handwriting pen technology and touchpads.
2021-Future	Expanded beyond China, integrating existing wireless RF, Bluetooth modules, and optical technology.

2.1.5 Chronicle of Corporate Events

As the world's largest manufacturer of notebook computer keyboards, Sunrex Computer achieved an average annual output value of several billion Taiwanese dollars. In 2023, the shipment growth of non-notebook keyboard products, coupled with favorable exchange rates, resulted in record-high revenue and profit. The consolidated revenue for the year was approximately NT\$ 21.615 billion, with an after-tax earnings per share of NT\$6.50. A cash dividend of NT\$3 per share was distributed.

2001~Future

YEAR	EVENTS
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

YEAR	EVENTS
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 was established.
1991	Sunrex Corporation was established.

1981~1990

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

1975~1980

YEAR	EVENTS
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.



金屬 Key Metal Key
(various types of metal keys as well as different surface textures and feels are provided)



水晶 Key Crystal Key
(dual injection technology is used to achieve both a high level of aesthetic and durability)

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.



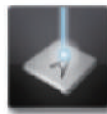
防水鍵盤
Waterproof/Anti-Spill Keyboard
Provides designs with different levels of waterproof abilities.



迷你剪刀腳結構
Mini Scissor Structure
The smallest possible scissor structure- minimizing keyboard size.



防震鍵盤
Shockproof Keyboard
Specially enhanced structure provide protection from shock and impact.



雷射雕刻技術
Laser Printing Technology
Engraving text on top of sprayed paint with laser engraving technology.



金屬 Key
Metal Key
Provides various types of metallic materials as well as different surface textures and feels.



背光鍵盤
LED Backlight Keyboard
Providing Sunrex's customized high-brightness, highly even, diverse backlighting solutions.



水晶 Key
Crystal Key
Dual injection technology provides both high-quality aesthetics and durability.



高耐磨印刷技術
High Durability Printing Technology
Using special processes to form strong yet transparent protective covering layers on the surface of the key caps.



低行程結構
Low Stroke Key Structure
The super-thin keyboard- providing industry-leading super low-stroke designs.

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 product. |
| 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



其他 HID 產品
Presenter



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



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



滑鼠 Sensor
Mouse Sensor-Optical,Infrared Rays,Laser



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:

- (01) Keyboard devices (Keyboard Family):
The product line includes notebook computer keyboards, ultra-thin keyboards, foldable keyboards, Bluetooth keyboards, tablet computer external keyboards, and mechanical keyboards.
- (02) Pointing Device: Mouse, rocker mouse, laser pointing mouse Touch Pad and Stick Point Module.
- (03) Tables PC: Tablet, etc., capacitive pen.
- (04) Crystal keyboard dual-shot case for double-shot technology application.
- (05) 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

In 2023, Sunrex's primary business was notebook computer keyboards, accounting for 73% of total revenue. Other products (including slim/wireless/PDA keyboards, mice, touchpads, Microsoft pens, and fiber optic lenses) accounted for 27%.

Proportion of main products :

PRODUCTS	PROPORTION
Keyboard devices	73%
Other devices (Writing tablet, pointing device, etc.)	27%
Total	100%

Currently, these products are mainly sold with other commodities:

PRODUCTS	PROPORTION
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 Operational 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.

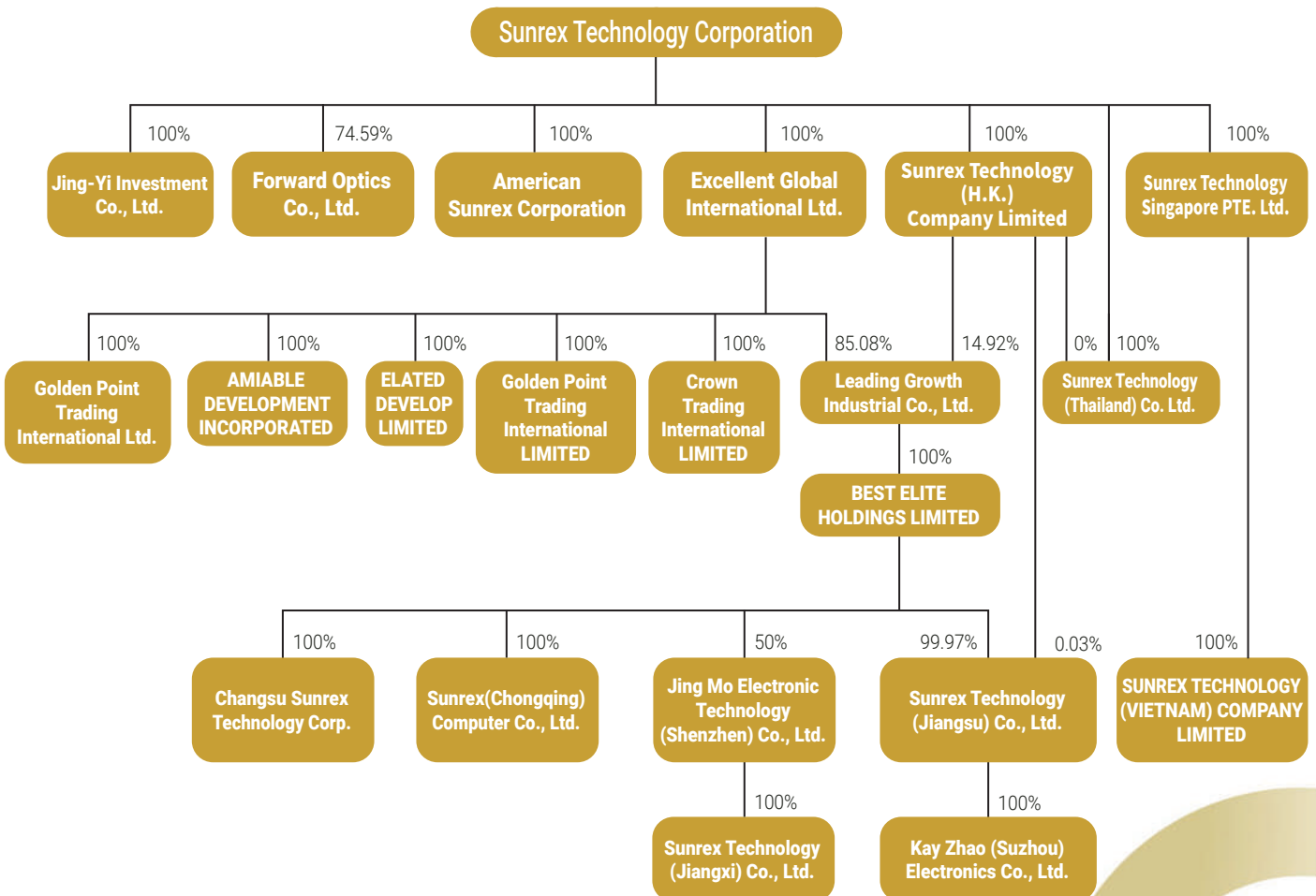
Country/Region	Location	Operating Department	Operation Content
Taiwan	Daya District, Taichung City	Head office	<ul style="list-style-type: none"> • Marketing/R&D • Logistics/Finance/Administration
China	Shenzhen	Jing Mo Electronics Technology (Shenzhen) Co., Ltd.	<ul style="list-style-type: none"> • Mainly produces computer peripheral input devices • Supply of OEM/ODM desktop keyboards in China • Construction area:42,000 m² • Products category: <ol style="list-style-type: none"> (1) Keyboard (2) Flat panel displays (3) Mouse and tablets (4) External controllers and storage device (5) Touchpad
	Jiangsu	Sunrex Technology (Jiangsu) Co., Ltd.	<ul style="list-style-type: none"> • Sunrex main production line. • Construction area:120,000m² • Products 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	Sunrex Technology (Jiangxi) Co., Ltd.	<ul style="list-style-type: none"> • Base for parts production and assembly and assembly. • Construction area:60,000 m² • Products category: <ol style="list-style-type: none"> (1) Laptop keyboard (2) Foldable keyboard
	Changshu	Changsu Sunrex Technology Corp.	<ul style="list-style-type: none"> • Base for IMR case and keyboard production. • Construction area:60,000 m² • Products category: <ol style="list-style-type: none"> (1) Laptop keyboard (2) Ultra-thin desktop keyboards (3) IMR keyboards and case
	Chongqing	Sunrex (Chongqing) Computer Co., 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, Electric Discharge Machining (EDM), and mold Trimming



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

Membranes 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

(7) 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 Relevant 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:

- (01) ISO 9001:2015 Quality Management System
- (02) ISO 14001:2015 Environmental Management System
- (03) ISO 45001:2018 Occupational Health and Safety Management Standards
- (04) ISO 14064-1: Organizational Greenhouse Gas Inventory
- (05) ISO 27001: Information Security Management
- (06) IECQ QC 080000
- (07) RBA: Responsible Business Alliance

Each Factory has passed the approval project :

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

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



Ch. 03

Operations and Governance

- 3.1 Operating Performance
- 3.2 Governance Structure
- 3.3 Integrity Operations
- 3.4 Risk Management



▶ 3.1 Operating Performance

In 2023, Sunrex's consolidated operating income was NT\$21,614,782 thousand. 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: NTD thousand)

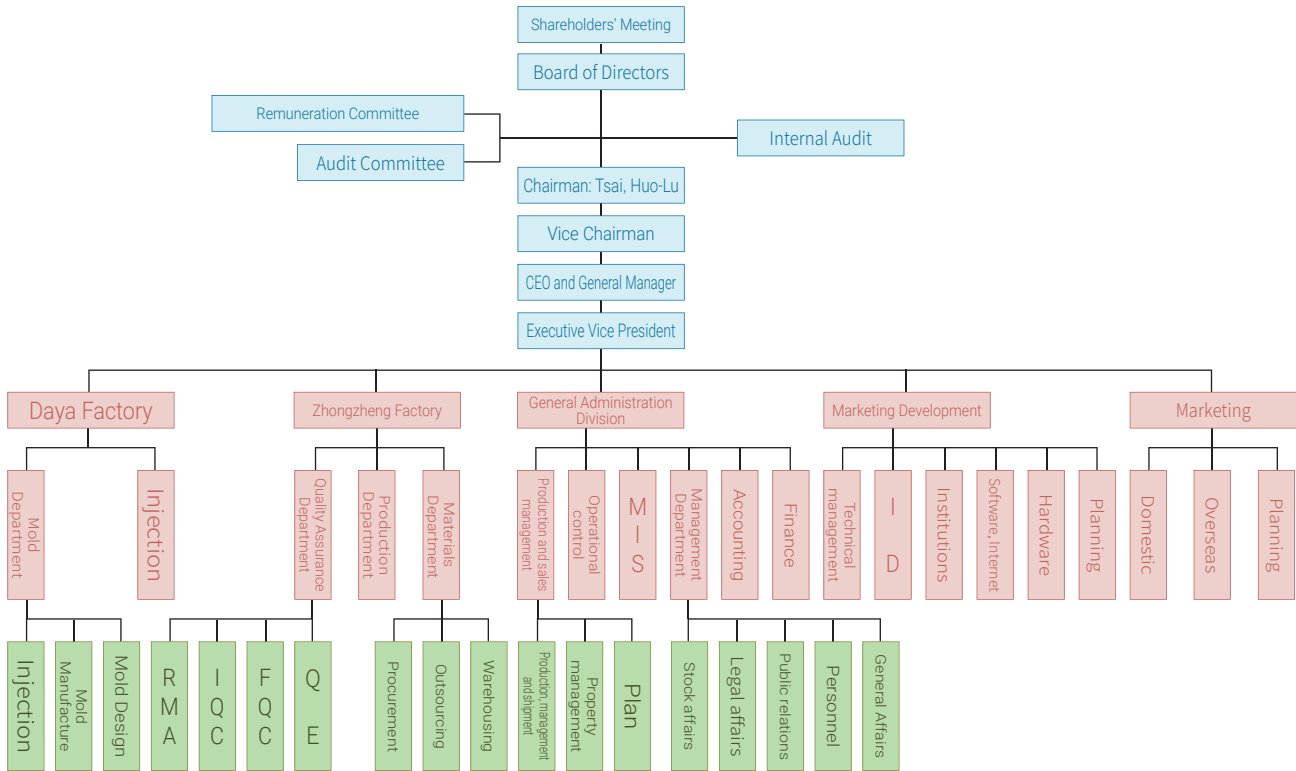
	2021	2022	2023
Operating revenue	24,058,229	24,571,786	21,614,782
Operating cost	21,160,005	21,232,076	18,220,442
Operating profit	2,898,224	3,339,710	3,394,340
Operating expenses	1,350,452	1,728,341	1,737,524
Operating net profit	1,547,772	1,611,369	1,656,816
Finance costs	-127,082	509,099	132,878
Net profit before tax	1,420,690	2,120,468	1,789,694
Current net profit	1,039,013	1,563,714	1,227,216
Net profit margin	4.32%	6.36%	5.68%
Earnings per share	5.31	7.48	6.50
Cash dividends	585,753	683,379	585,753

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

▶ 3.2 Governance Structure

Organization

Department	Major Responsibilities
General Manager 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 risks 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.
Development of Marketing Department	Responsible for domestic and foreign sales, establishment of marketing bases and product promotion.
Material 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 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.

3.2.2 Board Functions and Organization

Functions

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.

The Chairman of the Board, as the head of the highest governing body of the company, is elected by a majority vote of at least two-thirds of the directors present, with the majority of attending directors consenting. In accordance with laws, bylaws, shareholder meetings, and board resolutions, the Chairman executes all affairs of the company.

The Board of Directors currently convenes at least once every quarter, where the company's management team reports on operational performance and measures to prevent conflicts of interest. The board also deliberates on future business policies and significant policies. The company has also established various internal regulations, including the "Code of Ethical Conduct" and Ethical Corporate Management Procedure," to continually strengthen corporate governance.

Organization

The Board of Directors of Sunrex 7 directors, including independent directors, as stipulated in the company's bylaws. To ensure effective corporate governance, the company's bylaws require that the number of independent directors shall not be fewer than three, and they are selected from the list of candidates nominated by the shareholders' meeting. The qualifications, shareholding, concurrent positions, nomination and election procedures, and other related matters concerning independent directors are conducted in accordance with relevant regulations of the security's regulatory authority. The election of directors at Sunrex follows a candidate nomination system, where individuals with legal capacity are appointed by the shareholders' meeting. Each term considers whether the candidates align with the company's development plans and diversification of board members, and qualified professionals are regularly appointed to strengthen the board's functions. The current board consists of 4 directors and 3 independent directors, all of whom possess professional experience in business, finance, accounting, or corporate affairs, contributing significantly to the company's operational strategy and information transparency under the leadership of the entire board.

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. Educational Qualifications of Directors and Independent Directors :

Occupation	Name	Main Educational Qualifications
Chairman	Tsai Huo-Lu	National Taipei institute of Technology
Director	Tai-Tseng Shu-Ping	High school of business (Vice Chairman)
Director	Tseng Su-E	High school of business (The Company Division Chief)
Director	Li Ming-Tse	Institute of industrial engineering, Tunghai University (General Manager of the Company)
Independent Director	Peng Yu-Ling	Graduate School of Accounting, National Taichung University of Science and Technology CPA, HongXing Accounting
Independent Director	Kuo Yuan-Ching	Ph.D., Department of Business Administration, National Chiayi University and Executive Consultant, Deming Consulting
Independent Director	Wu Yuan-Fu	Department of Accounting, National Taiwan University Sunshine & Co., CPAs

2. Diversity and independence of the Board of Directors :

Director/Supervisor Name	Diversification Core Items	Gender	Part-time employee of the company	Age				Length of term of independent directors		Ability						
				40 to 50	51 to 60	61 to 70	71 to 75	Less than 3 years	6 to 9 years	Business management	Leadership and decision	Industry knowledge	Financial accounting	Crisis management	International market	
Tsai Huo-Lu		M	✓				✓			✓	✓	✓	✓	✓	✓	✓
Tsai-Tseng Shu-Ping		F	✓				✓			✓	✓	✓	✓	✓	✓	✓
Tseng Su-E		F	✓				✓			✓	✓	✓	✓	✓	✓	✓
Li Ming-Tse		M	✓	✓						✓	✓	✓	✓	✓	✓	✓
Peng Yu-Ling		F		✓					✓	✓	✓	✓	✓	✓	✓	✓
Kuo Yuan-Ching		M		✓					✓	✓	✓	✓	✓	✓	✓	✓
Wu Yuan-Fu		M		✓				✓		✓	✓	✓	✓	✓	✓	✓

3.2.3 Remuneration Committee and Audit Committee

To strengthen corporate governance, Sunrex established the Compensation Committee on December 16, 2011, approved by the Board of Directors. The committee's scope includes overseeing the performance evaluation and compensation policies and systems for directors and executives, as well as employee dividend plans. Comprising three members, the Compensation Committee is composed of all independent directors, who carry out their duties with due care as prudent managers and faithfully fulfill their responsibilities according to the organizational regulations. The Compensation Committee convenes at least twice a year to discuss matters such as director and executive compensation, dividend distribution, salary adjustments, employee performance bonuses, and related policies, systems, standards, and structures. It provides professional and objective recommendations to the Board of Directors for decision-making.

To enhance corporate governance, Sunrex established the Audit Committee on June 17, 2022, to audit the company's internal systems, assisting the Board of Directors in improving corporate governance effectiveness.

Remuneration Committee

Sunrex established the 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	Kuo, Yuan-Ching
Committee member	Peng, Yu-Ling
Committee member	Wu, Yuan-Fu

Audit Committee

Sunrex established the 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	Kuo, Yuan-Ching
Committee member	Peng, Yu-Ling
Committee member	Wu, Yuan-Fu

3.2.4 Corporate Governance Score

As a listed company, Sunrex is required to disclose information regarding the evaluation cycle, period, scope, methods, and contents of its self-assessment (or peer assessment) of the Board of Directors. The execution of the board evaluation is as follows:

Evaluation Scope	Evaluation Method	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

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:

Internal Audit Responsible Department and Main Responsibilities

- (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 & Die Industry Association and TaiChung Computer Association

Name of school (Association) or Professional Organization	Position Title
Taiwan Mold & Die Industry Association	Member
TaiChung Computer Association	Member

▶ 3.3 Integrity Operations

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 benef

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

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 its 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 contents of the regulations include the following eight items:

(i) Prevention of Conflict 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 with 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 during 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 2023, 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.

▶ 3.4 Risk Management

3.4.1 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.

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.

3.4.2 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.

3.4.3 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.

3.4.4 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. In accordance with the latest version of the RBA Code of Conduct published on the RBA website, Sunrex has established the "Supplier Code of Conduct Agreement." This agreement requires suppliers to adhere to our responsible minerals/metals procurement policy and to reasonably ensure that the tantalum, tin, tungsten, and gold in their products do not directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo or adjoining countries/regions that commit severe human rights abuses. Suppliers must conduct due diligence on the source and chain of custody of these minerals and provide customers with information on the due diligence measures taken, as requested.

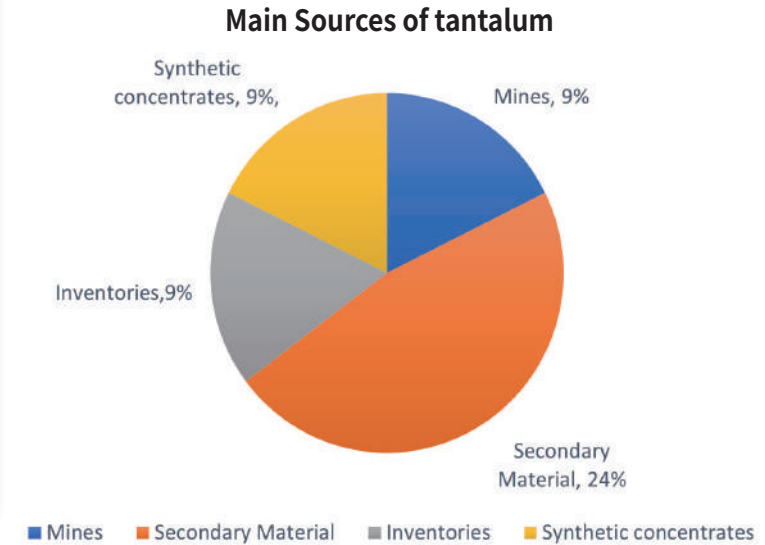
3.4.5 Metals used in electronic components and sources

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	Ai, Ta, Pd
HDDE	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 stockpiled metals, with raw ores being the main source. Take tantalum as an example, the main sources are shown in the figure:



3.4.6 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.



ch.04

Product Innovations

- 4.1 Product Innovation
- 4.2 Professional ODM/OEM
- 4.3 Supplier Management

▶ 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:

- (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 shockproof, 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 2023 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 2023: 56 and the number of patents granted: 26.

Number of patents filed and obtained in 2023:

	Discovery	New Type	Design	Total
Number of patent applications	25	31	0	56
Number of patents Awarded	3	23	0	26

The approved patents for 2023 are as follows (including the 2022 application):

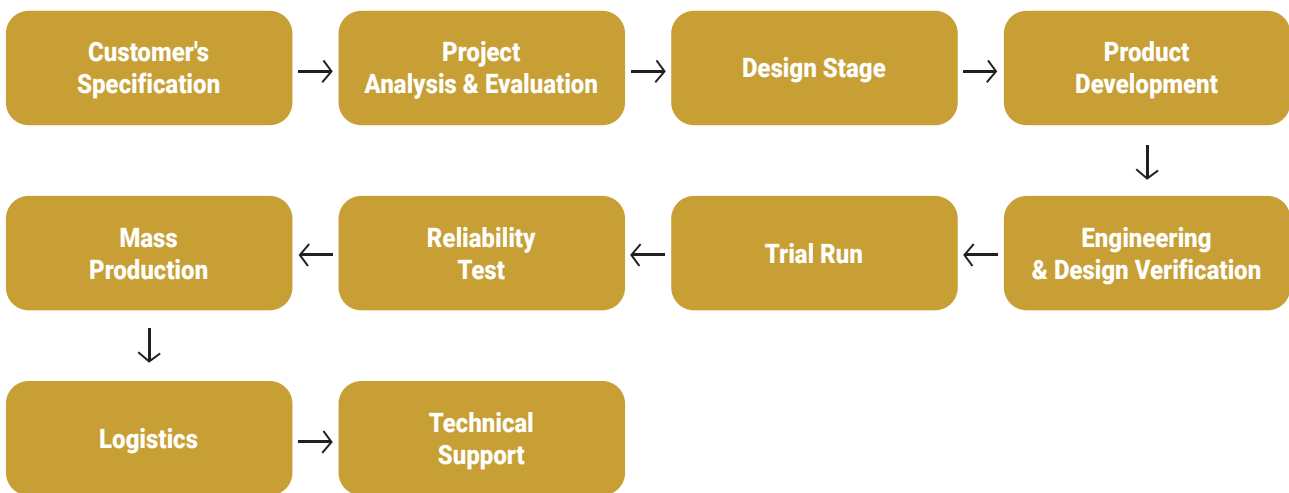
Patent Name	Patent Area	Application Day	Certificate No.	Patent Category
Key device for backlit keyboard	US	2023/1/4	US11908639B1	Invention
Reinforced silicone bowl structure	Taiwan	2023/1/17	M641066	New type
A scissor-foot button structure that prevents aluminum plate hook deformation	China	2023/2/16	CN219476542U	Implementation of the new type
A shock-absorbing key structure	China	2023/2/21	CN219842914U	Implementation of the new type
Global touch device (extension case)	Taiwan	2023/2/21	I829541	Invention
Mouse device with side two-way scrolling function	Taiwan	2023/2/21	M645522	New type
Mouse device with side two-way scrolling function	China	2023/3/1	CN219392630U	Implementation of the new type
A new type of luminous keyboard module structure	China	2023/3/8	CN219873270U	Implementation of the new type
A keyboard module with integrated telecommunications and lighting functions	China	2023/3/21	CN220105659U	New type
A high-strength seesaw button structure	China	2023/3/29	CN219873272U	Implementation of the new type
A high-strength seesaw button structure	China	2023/3/29	CN219873272U	New type
A keyboard cable bending and forming mechanism	China	2023/3/29	CN220177909U	Implementation of the new type
A scissor-foot key structure with high tactile feedback	China	2023/4/10	CN219842916U	Implementation of the new type
An efficient bonding structure between plastic buttons and metal	China	2023/4/13	CN220106332U	Implementation of the new type
Electromagnetic stylus	Taiwan	2023/4/17	M644541	New type
Low travel key linkage balancing device	Taiwan	2023/4/17	M645300	New type
Color changing keyboard with color sensing	China	2023/4/24	CN219778753U	New type
Low travel key linkage balancing device	China	2023/4/26	20047630	New type
Electromagnetic stylus	China	2023/5/25	CN219872334U	New type
Mouse device with side pressure-sensitive unit	Taiwan	2023/5/26	M645133	New type
Mouse device with side pressure-sensitive unit	China	2023/6/7	CN220323864U	New type
illuminated keyboard	China	2023/6/26	CN220065518U	New type
illuminated keyboard	Taiwan	2023/6/27	M649262	New type
Strong frame construction for touchpad mounting	Taiwan	2023/8/15	M648696	New type
Strong frame construction for touchpad mounting	China	2023/8/17	CN220419879U	Implementation of the new type
Touchpad device	Taiwan	2023/9/1	M649077	New type
illuminated keyboard	US	2023/9/7	US11929217B1	Invention

▶ 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.

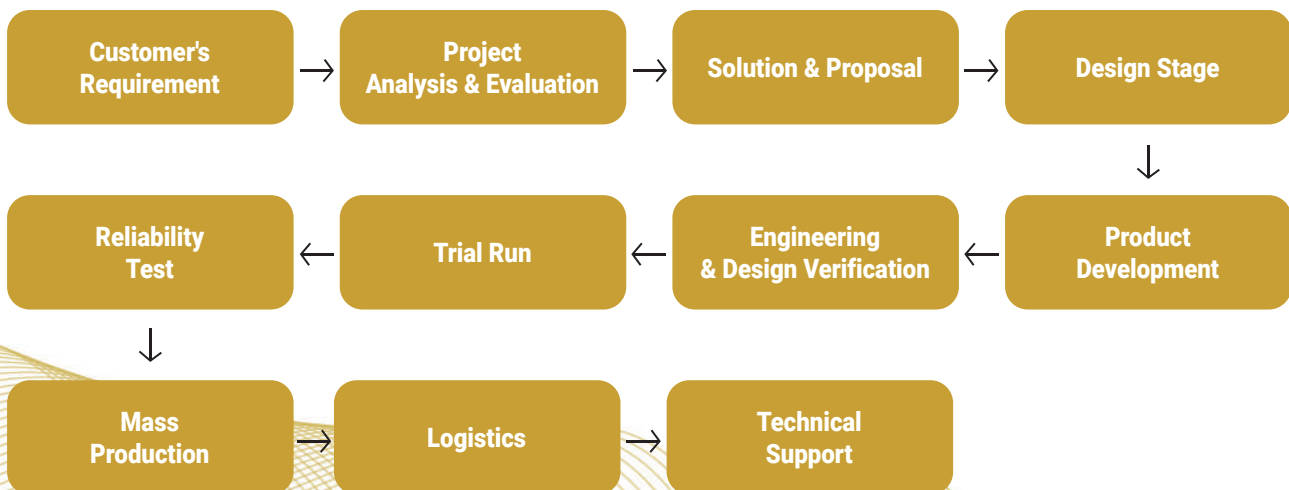
Our OEM services cover the steps of customer requirement analysis, design development, engineering design verification, pilot production, reliability testing, mass production, logistics and technical support. During this process, our professional team ensures that every detail, from customer-supplied 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 Suppliers sign the “Supplier Code Agreement”

Sunrex requires suppliers to sign the “Sunrex Supplier Code Agreement.” The content of the Supplier Code is primarily based on version 7.0 (2021) of the “Responsible Business Alliance (RBA) Code of Conduct” and also references standards such as the “UN Universal Declaration of Human Rights,” Social Accountability International (SAI), and the Ethical Trading Initiative (ETI). Suppliers are required to commit that the working conditions they and their supply chains or subcontractors provide are safe, that employees are treated with respect and dignity, and that production processes meet environmental responsibility requirements. Additionally, suppliers must ensure that all activities comply with government laws, regulations, and statutes.

4.3.7 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).

ch.05

Environmental Implementation

- 
- A hand is shown from the bottom, palm up, holding a single, vibrant green leaf. The background is a soft-focus field of green leaves, creating a bokeh effect. The lighting is natural, highlighting the texture of the hand and the vein structure of the leaf.
- 5.1 Environmental Protection Policy
 - 5.2 Energy Saving and Carbon Reduction
 - 5.3 Greenhouse Gas Management
 - 5.4 Wastewater and Water Resources Management
 - 5.5 Waste Management
 - 5.6 Climate Change Response and Adaptation

► 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:

- (01) 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.
- (02) The photocopying paper used in the office is mainly recycled paper with an environmental certification mark.
- (03) 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.
- (04) Thoroughly implement waste separation and set up a resource recovery office in order to do our best for the environment.
- (05) 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.
- (06) 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:

- (01) Reduce resources and energy consumption of products and services, and increase the performance of products and services.
- (02) Reduce the discharge of pollutants, toxic substances and waste, and dispose of waste properly.
- (03) Increase the recyclability and reuse of raw materials or products.
- (04) To maximize the sustainable use of renewable resources.
- (05) By reducing the use of resources and recycling, we can achieve the effective use of resources and waste reduction.
- (06) 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.

- (01) 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.
- (02) Use green raw materials and supply chain to ensure that product materials and suppliers meet environmental and health requirements and minimize environmental impact.
- (03) We have introduced green production processes and energy-saving technologies to reduce the impact on the environment and improve the efficiency of resource utilization.
- (04) Passed product certification and labeling, such as green mark, environmental certification, etc.

5.1.2 Hazardous Substance Management

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 2023:

Energy saving and carbon reduction related measure in 2023

Factory	Scope of Implementation	Energy saving and carbon reduction measures
Headquarter	Workspace	Replaced old water-cooled air conditioners with inverter air conditioners.
Chongqing Factory	Production Line	Add 22 ceiling-mounted air conditioners to replace the central air conditioning during non-peak periods.
	Staff Dormitory	Replaced 24 old air conditioners in the employee dormitory with inverter air conditioners in 2023.
Jiangsu Factory	All Factory	Replaced 171 60W energy-saving lights in the lobby and restrooms with 20W LED lights.
	Distribution Room	Replaced old oil-immersed transformers.
Shenzhen Factory	Air compressor room	Added variable frequency control for cooling water.
Changshu Factory	Workshop	Replaced with 18W energy-saving light tubes.
	All Factory	Added water-saving faucets.
	All Factory	Enhanced air conditioning equipment inspections, promptly repairing leaks and faults, and purchased refrigerant recovery machines for use in replacing and repairing air conditioning compressors.

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

Policies and Commitments	Governance Organization	Management Methods	Management Indicators
<p>The Company places great importance on greenhouse gas management, continuously managing energy use and improving equipment efficiency.</p> <p>We also consistently promote greenhouse gas inventories to achieve our reduction targets.</p>	<p>The Company's "Sustainable Development Team."</p> <p>Management and dedicated environmental departments at each plant.</p>	<p>Optimization of processes and equipment.</p> <p>Conduct greenhouse gas inventories in compliance with ISO 14064-1 or relevant regulatory standards.</p> <p>Continue to promote greenhouse gas reduction measures.</p>	<p>Reduction of greenhouse gas emissions.</p>

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 2023**

Annual Greenhouse gas emissions	Taiwan	China	Total
Scope 1 (metric tons CO ₂ e)	55.77	2,455.09	2,510.86
Scope 2 (metric tons CO ₂ e)	1,254.26	72,917.41	74,171.67
Total Emissions in Scope 1 and 2 (metric tons CO₂e)	1,310.03	75,372.50	76,682.53

◆ **Greenhouse Gas Emission Statistics For The Years 2021~2023**

13.41% reduction in greenhouse gas emission intensity in 2023 compared to 2022

Annual Greenhouse gas emissions	2021	2022	2023
Scope 1 (metric tons CO ₂ e)	2,691.66	2,440.93	2,510.86
Scope 2 (metric tons CO ₂ e)	99,943.66	98,281.47	74,171.67
Total Emissions in Scope1 and 2 (metric tons CO₂e)	102,635.32	100,722.40	76,682.53
Emission intensity (metric tons CO₂e /NTD million revenue)	4.27	4.10	3.55

Notes :

1. Scope 1 is direct greenhouse gas emissions (refers to the greenhouse gas emissions generated using 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 and Water Resources Management

Policies and Commitments	Governance Organization	Management Methods	Management Indicators
<p>The Company recognizes the limited nature of water resources and is committed to ensuring their sustainable use.</p> <p>We continuously improve wastewater treatment efficiency to reduce environmental impact.</p>	<p>The Company's "Sustainable Development Team."</p> <p>Management and dedicated environmental departments at each plant.</p>	<ul style="list-style-type: none"> ◆ Implement additional water recycling measures and continuously promote conservation efforts, including replacing and upgrading old pipelines, inspecting and monitoring water usage, adding water resource recycling and reuse measures, and enhancing daily management at each plant, such as through education and awareness campaigns. ◆ Drainage: Improve wastewater treatment efficiency and regularly review the quality of treated water. 	<p>Water Intake: Total water intake from all sources (tap water, groundwater, industrial water).</p> <p>Recycling: Amount of water recycled.</p> <p>Discharge: Wastewater treatment compliance rate (%).</p>

5.4.1 Water Resource 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)	2023 Annual average monitoring value (ppm) in 2023				
		Chongqing Factory	Jiangsu Factory	Shenzhen Factory	Changshu Factory	Jiangxi Factory
Chemical oxygen demand COD (mg/L)	500	39.50	29.00	24.00	23.00	147.00
Biochemical oxygen demand BOD(mg/L)	300	136.00	8.40	24.00	5.70	9.10
Suspended solids SS (mg/L)	400	29.00	15.00	10.00	8.50	8.23

5.4.2 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 2023 was 890,799 metric tons, compared to 989,547 metric tons in 2022. This represents a decrease of 98,748 metric tons or a 10% reduction.

◆ 2023 Regional Water Withdrawal Statistics

Item	Area	Taiwan	China
Annual water withdrawal (metric tons)		12,393	878,406

◆ Historical water withdrawal statistics

Item	Year	2022	2023
Annual water withdrawal (metric tons)		989,547	890,799

◆ Implementation of water conservation measures at each factory in 2023

Water Conservation Measures	Estimated annual water savings
Central air-conditioning condensate utilization in Shenzhen factory.	150 tons
Posted water-saving signs in the factory area, replaced sanitary ware in restrooms with water-saving fixtures, intensified inspections, and promptly repaired or replaced components upon discovering leaks in Changshu factory.	300 tons
Continued to recycle water for injection molding and spraying and replaced toilet flush tanks with energy-saving ones in Chongqing factory.	18,700 tons
Posted water-saving promotional materials in the factory area and installed water-saving spray nozzles in Jiangsu factory.	-
Established a recycling water tank in the workshop in Jiangji factory.	50,000 tons

◆ The amount of water recycled and reused by the group in 2023

Item	Amount of water recycled and reused in 2023
Recycled and Reused	17,251,904 tons

► 5.5 Waste Management

Policies and Commitments	Governance Organization	Management Methods	Management Indicators
The Company values natural resources and actively promotes waste reduction and proper waste management.	The Company's "Sustainable Development Team." Management and dedicated environmental departments at each plant.	<ul style="list-style-type: none"> Strengthen waste recycling and reuse. Continuously promote source separation and waste reduction. Proper handling and tracking of waste. 	Hazardous industrial waste recycling volume and proper disposal rate.

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. At each plant, waste is divided into hazardous waste and general waste. The Taiwan headquarters, which has no production lines, generates only general household waste, which is disposed of by qualified vendors. No hazardous waste is generated. Similarly, general household waste from the China factory is also disposed of by qualified vendors. Hazardous waste mainly comes from the production process of products. In 2023, a total of 304.03 metric tons, including paint residue, sludge, and waste packaging barrels, were generated. All of these were entrusted to professional vendors for recycling and disposal, achieving a proper disposal rate of 100%.

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.

► 5.6 TCFD Climate Change Response and Adaptation

The global warming caused by greenhouse gas emissions poses significant risks to the global economy and will impact numerous economic sectors and industries. To assist market participants in obtaining consistent, comparable, reliable, and comprehensive information to understand the risks and opportunities businesses face due to climate change and to assess businesses' operational resilience in response to climate change for appropriate investment planning and effective asset allocation, the Financial Stability Board (FSB) established the Task Force on Climate-related Financial Disclosures (TCFD) in 2015. The TCFD has released reports such as the "Recommendations of the TCFD (2019)," "Implementing the Recommendations of the TCFD (2021)," and "Guidance on Metrics, Targets, and Transition Plans (2021)" to help design a set of guidelines for disclosing and implementing climate-related financial information for use by companies when preparing disclosure information.

The TCFD recommends that companies identify significant climate risks through four core elements: governance, strategy, risk management, and metrics and targets. Furthermore, they should disclose quantified financial impacts of climate-related risks and opportunities.

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.

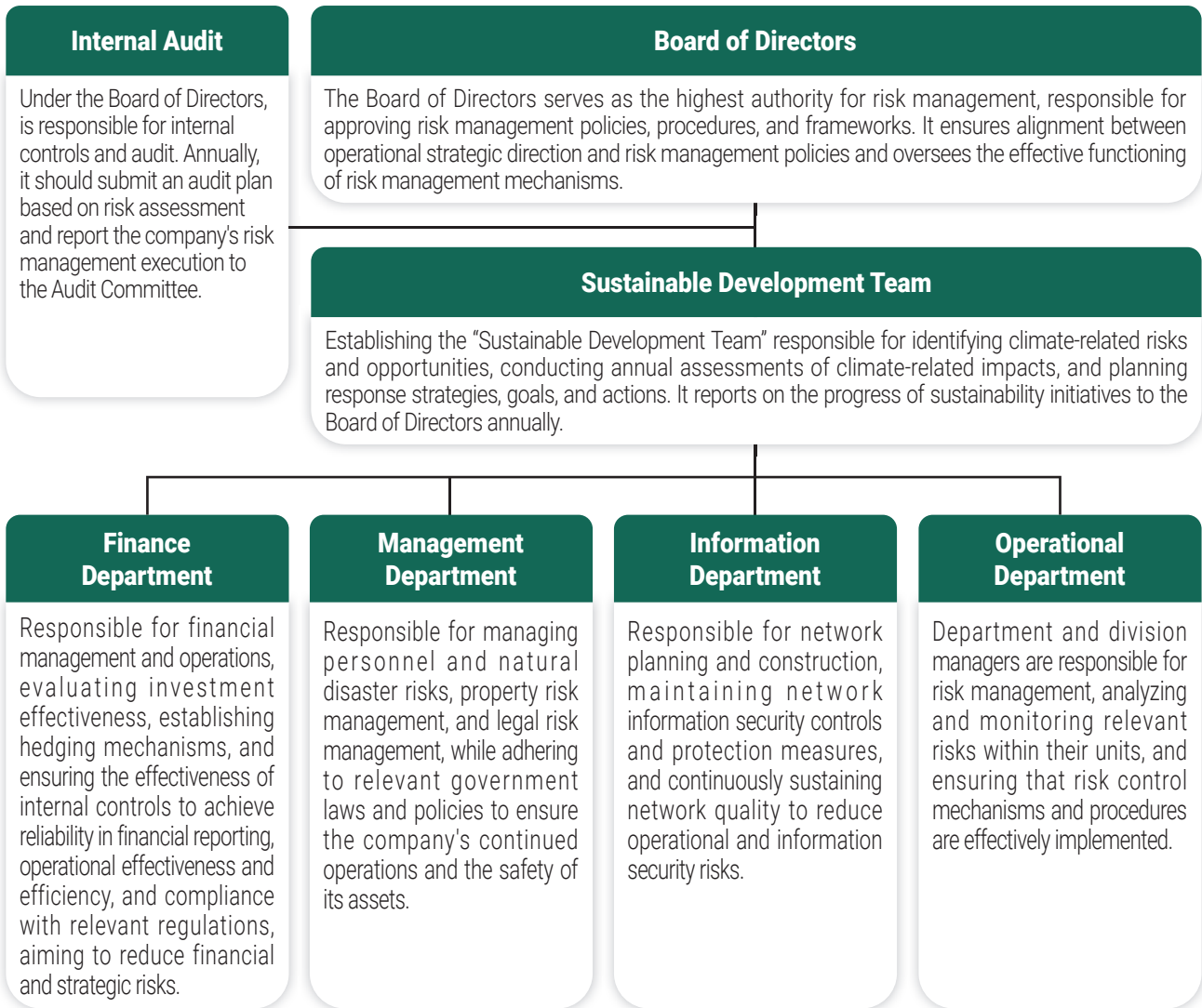
Sunrex places a strong emphasis on the impacts of climate change and proactively responds to the TCFD's recommendations on climate-related financial disclosure. The Company's "Sustainable Development Team" is responsible for the policy, planning, implementation and review the four core elements (governance, strategy, risk management, indicators, and goals). It regularly reports to the Board of Directors and conducts internal verification work. The members of this task force are appointed by the Chairman and consist of executives responsible for business operations and project management. Further details on Sunrex's implementation of climate information are provided in the subsections below.

5.6.1 Climate Governance

A. Board and Management oversight and governance of climate-related risks and opportunities

1. Sunrex places the Board of Directors as the highest supervisory body for climate issues, overseeing the overall climate strategy and monitoring senior management's execution of climate-related risk management and key performance. The execution department is the "Sustainable Development Team," convened by the management department, which conducts comprehensive assessments and analyses annually, including various risk scenarios, including climate-related risks, to develop response and adaptation strategies.
2. The company has established the "Risk Management Policy," which has been approved by the Board of Directors. The Board of Directors serves as the highest decision-making body for risk management. To strengthen climate-related risk management, relevant management systems and standards have been established.
3. 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.

B. Climate Risk Management Organization and Structure



5.6.2 Climate Strategy

A. Recognize Climate Risks and Opportunities

Regarding the core objectives of strategy, TCFD recommends disclosing significant information about the potential and actual impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning. The recommended disclosures include :

1. The climate-related risks and opportunities identified by the organization in the short, medium and long term.
2. The impact of the identified climate-related issues on the organization's business, strategy, and financial planning.
3. The organization's strategic resilience considering different climate-related scenarios.

With the support of the management hierarchy, Sunrex integrates climate-related risks and opportunities in reference to the TCFD framework, along with procedures such as IECQ QC080000 (Hazardous Substance Process Management System), ISO14001 (Environmental Management System), and ISO14064-1 (Greenhouse Gas Inventory Standard), to effectively integrate management mechanisms. Annually, through internal and external environmental risk assessment procedures, the Research and Development Department, Manufacturing Department, and the Sustainable Development Team participate collaboratively. They gather relevant information on issues to serve as the basis for risk assessment. Each department examines and evaluates the relevance and severity of each issue to the company's operational risks from various perspectives.

The possible short-, medium-, and long-term climate-related risks and opportunities identified in 2023 are as follows :

Impact degree					
5	07	08		02	01
4				09 10	
3	06		11		03
2		13	04 14	05 12	
1					
	1	2	3	4	5 Possible

Climate Issues

01 The rate of carbon tax or carbon fee is increased.

02 The national renewable energy policy requires increasing the proportion of renewable energy input.

03 Sustainability-related regulations have increased, increasing operating costs.

04 Not investing in technologies for low-carbon transformation misses the trend of investing in low-carbon research and development.

05 Changes in customer behavior (such as increased consumer awareness of climate and changing product demands).

06 A company deemed not environmentally friendly by customers or society.

07 Extreme weather events such as typhoons, earthquakes, and droughts have seriously increased, leading to production shutdowns.

08 Extreme weather impacts supplier operations, causing supply interruptions or delays.

Opportunity Issues

09 The demand for sustainable products increases, and low-carbon goods and services are developed or increased.

10 Customer demand for environmentally friendly products has increased, and new product research and development and innovation have been carried out.

11 Improve the energy efficiency of factory equipment and offices.

12 Through the introduction of new products or services. Reduce the impact of global climate change risks.

13 Enter new sustainability-related industries or markets.

14 Introduction of renewable energy.

B. Financial impact of extreme climate events and transition actions

Major extreme climate events identified in 2023 and the financial impact of transformation actions.

Risk Issue 01: Increase in carbon tax or carbon fee rates

Situational narrative	The EU plans to gradually implement a carbon border adjustment mechanism starting in 2023, with a formal carbon border tax slated for implementation from 2026. Similarly, our country is also expected to levy carbon fees on the electricity and large manufacturing industries starting from the fiscal year 2024.
Potential financial impact	The company's products are sold by customers in the EU, and with the forthcoming full implementation of the carbon border tax, there is a potential risk of customers passing on the tax burden, leading to increased costs.
Risk response measures	<ol style="list-style-type: none"> 1. Plan early for the adoption of renewable energy. 2. Execute an energy management system continuously and introduce various energy-saving measures actively to reduce waste. 3. Replace inefficient facilities, actively managing and implementing necessary replacements for major energy-consuming equipment such as air conditioning, compressed air, and lighting to reduce greenhouse gas emissions.

Risk Issue 02: Aligned with the national renewable energy policy, there is a need to increase the proportion of investment in renewable energy.

Situational narrative	Regulations require the expansion of renewable energy installations or the payment of fees.
Potential financial impact	Green power procurement costs increase.
Risk response measures	<ol style="list-style-type: none"> 1. Evaluate green power procurement sources from multiple parties and increase procurement volume year by year to avoid short-term impacts. 2. Evaluate setting up energy storage facilities.

Risk Issue 03: Sustainability-related regulations increase, increasing operating costs

Situational narrative	Domestic and foreign climate-related regulations are tightening, increasing compliance costs.
Potential financial impact	It must be dynamically adjusted at any time and operating costs will increase.
Risk response measures	Keep abreast of changes in policies and regulations and respond to them in advance.

Risk Issue 08: Extreme weather impacts production or supplier operations

Situational narrative	The probability of extreme weather events such as typhoons, earthquakes, and droughts is increasing, causing production shutdowns or affecting supplier operations.
Potential financial impact	Affect production and shipping schedules.
Risk response measures	Prepare a second source of supply for each key component to strengthen the resilience of the supply chain.

Opportunity Issue 09: Increased demand for sustainable/low-carbon products, development or increase of low-carbon goods and services

Situational narrative	Customers' requirements for the company's use of environmentally friendly materials and green energy have increased, and their demand for sustainable/low-carbon products has increased.
Potential financial impact	Meet customer needs for sustainable products and increase operating income.
Risk response measures	<ol style="list-style-type: none"> 1. Pay attention to customer dynamics, maintain good interaction with customers, and develop products that meet customer needs in a timely manner. 2. Continue to invest in R&D resources, establish recyclable and low-energy design capabilities, and develop low-carbon products. 3. Increase the use of green energy.

Opportunity Issue 10: Customer demand for environmentally friendly products has increased, leading to the development and innovation of new products.

Situational narrative	Customer demand for environmentally friendly products has increased, leading to the development and innovation of new products.
Potential financial impact	Obtain new market opportunities and increase operating income.
Risk response measures	Continue to invest R&D resources to develop low-carbon products.

C. Analysis of climate conditions

(i) Definition of climate change risks

The IPCC defines climate change risk as the interaction of vulnerability, exposure, and hazards. Hazard refers to climate-related physical events, trends, or their physical impacts that can cause loss of life, injury, or other health impacts, as well as damage and loss to property, infrastructure, livelihoods, service provision, ecosystems, and environmental resources. Exposure refers to the position and location that may have adverse effects on human life, livelihoods, species or ecosystems, environmental services and resources, infrastructure, economy, social and cultural assets. Vulnerability refers to the tendency and predisposition to be adversely affected. Vulnerability encompasses various concepts, including sensitivity, susceptibility to disaster, and lack of coping and adaptation capacity.

Risk value = Hazard x Vulnerability x Exposure

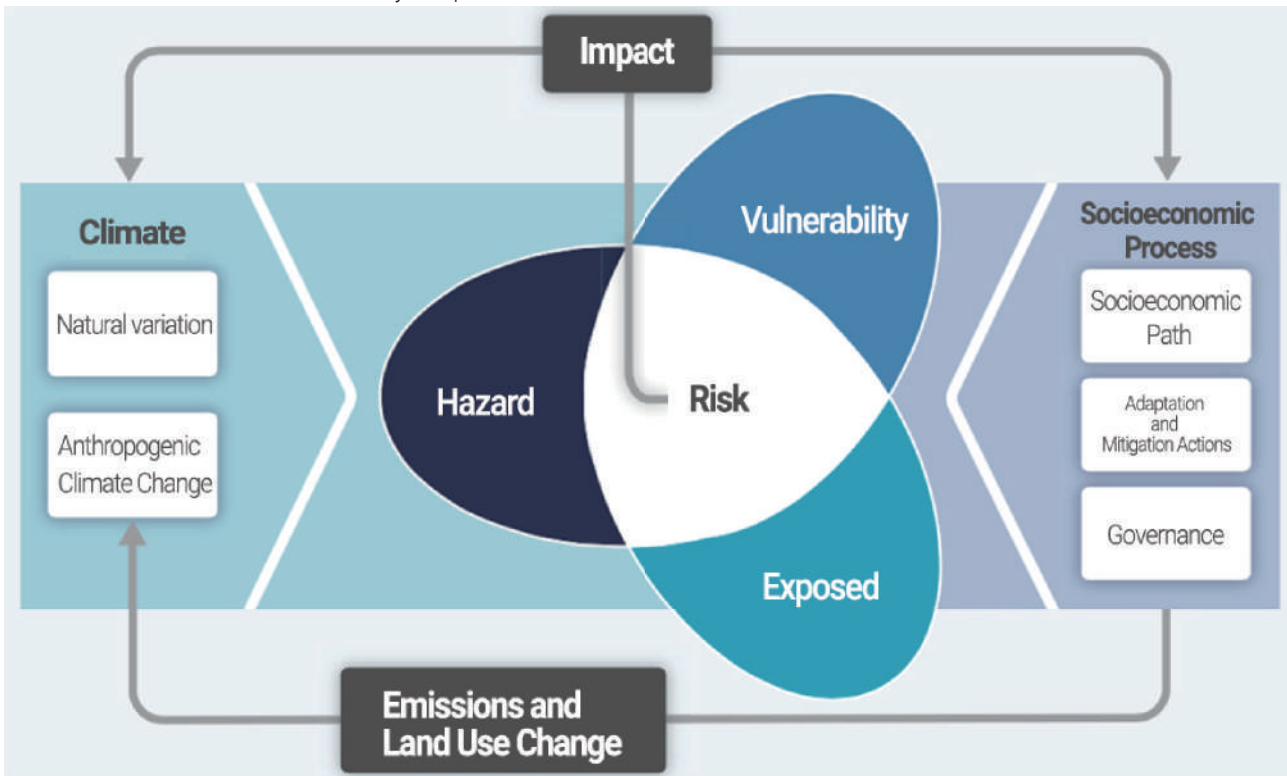


Figure : IPCC-AR5 core concepts of risk, vulnerability, exposure and hazard

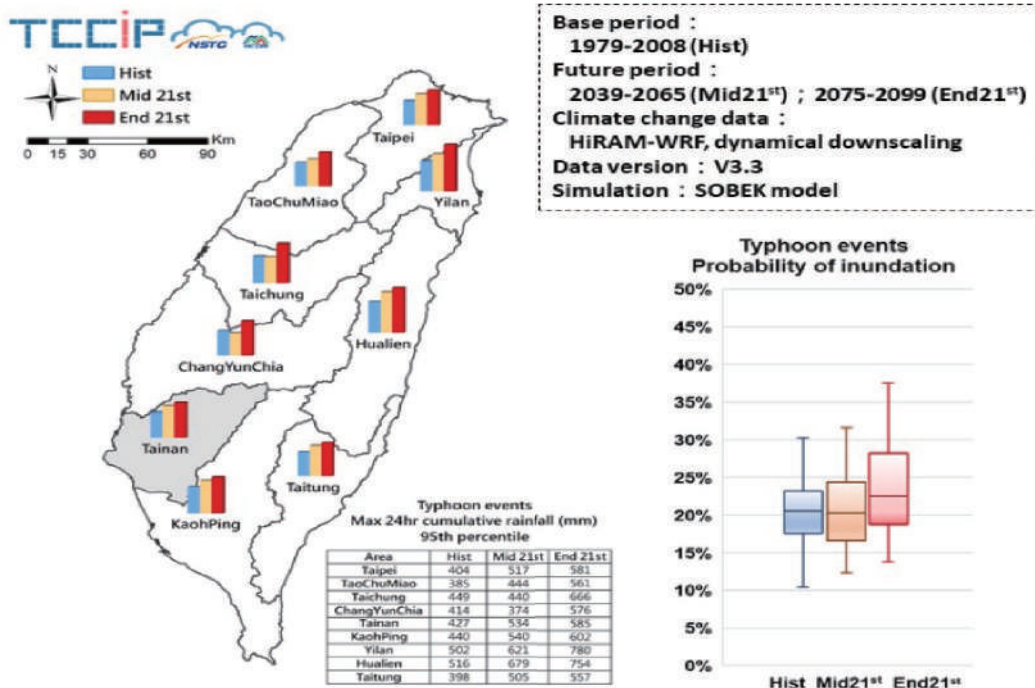
Hazard degree: probability and potential scale of climate disasters. Vulnerability: the degree of vulnerability to the impacts of climate change.	High	3	Medium (3)	High (6)	High (6)
	Medium	2	Low (2)	Medium (4)	High (6)
	Low	1	Low (1)	Low (2)	Medium (3)
			1	2	3
			Low	Medium	High
			Exposure: Indicates the impact after occurrence		

(ii) Situation analysis

Following the IPCC definition, Sunrex assesses the risks of flooding and water shortages under extreme climate conditions. The data primarily references the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), the National Science and Technology Council (NSTC), and the National Science and Technology Center for Disaster Reduction (NCDR). Multiple climate models are used for scenario simulations to avoid potential biases in the outcomes.

1. Flood Risk

Sunrex's headquarter is located in the Taichung area. According to the Flood impact index map provided by TCCIP, under the RCP8.5 warming scenario, the maximum 24-hour accumulated rainfall of the 95 percentile in Taichung (regional average) is projected to 449mm in the baseline period, 440mm in the mid-century, and 666mm at the end of the century. There is an increasing trend in the average rainfall of extreme typhoon events.



The impact analysis shows that the probability of flooding exceeding 0.5 meters remains relatively stable from the baseline period to the mid-century, with a slight increasing trend towards the end of the century. Additionally, Sunrex is located in the Daya District of Taichung City. According to the flooding susceptibility map for Taichung City, under conditions of heavy rainfall of 650 millimeters within 24 hours, the flooding depth in the Daya District typically ranges from 0.3 meters to 0.5 meters. Therefore, the actual risk of flooding in the Daya District is not considered significant.

Risk event	Hazard degree	Vulnerability degree	Exposure degree	Risk assessment results	Countermeasures
Flood	Low	Low	Low	Low risk	<p>Short term: Keep abreast of typhoon or rainstorm warnings issued by meteorological units so that relevant trade transactions can be arranged in advance to avoid operational interruptions or delays caused by disasters.</p> <p>Long term: Regularly inspect and evaluate the natural disaster prevention measures and processes at operating sites, invest in equipment to increase defense capabilities, and strengthen hardware defense to improve organizational disaster prevention resilience.</p>

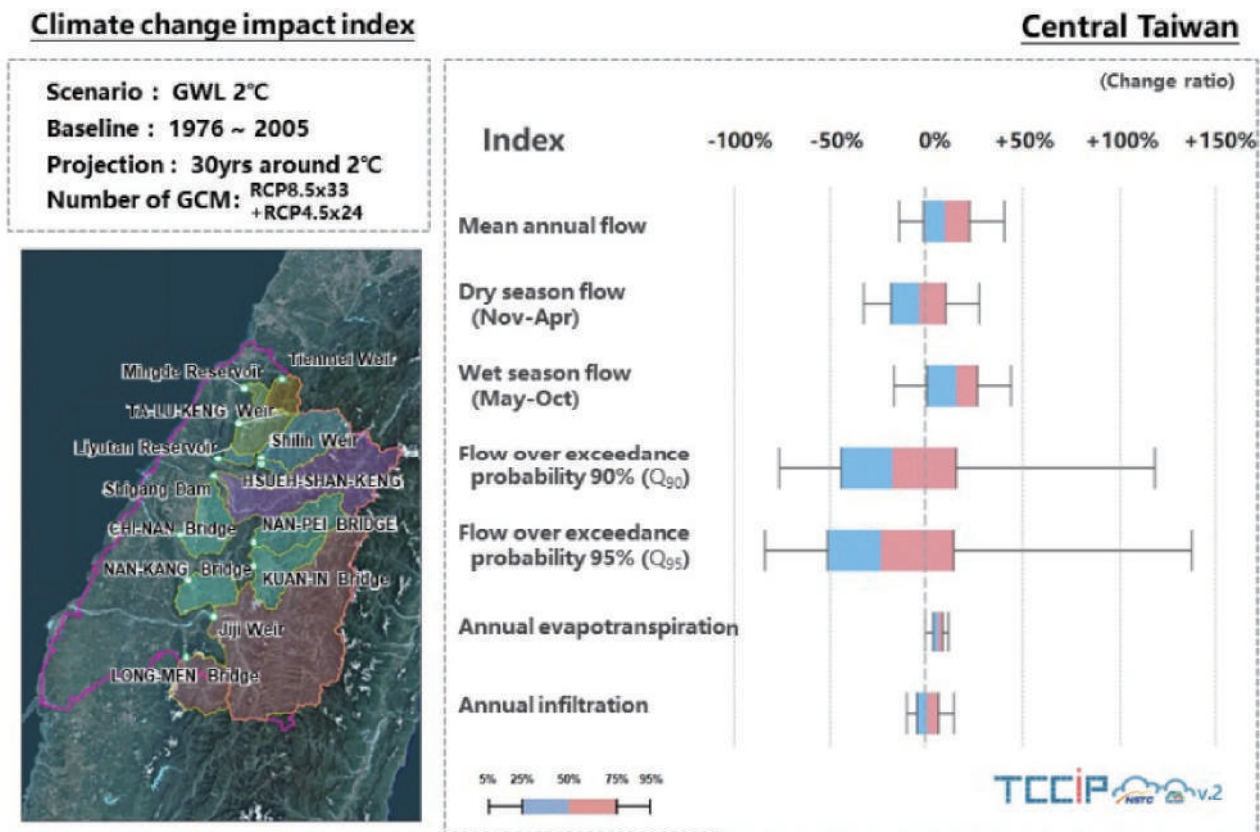
2. Water resources

In the future scenario of 2°C warming in the central region, the change rate of impact indicators relative to the base period (1976-2005) is as follows:

	Average Flow	Dry Season Flow	Wet Season Flow	Folw Q90	Folw Q95	Monthly evapotranspiration	Monthly infiltration
First Quartile (Q1)	-1.18%	-17.75%	0.64%	-43.72%	-50.45%	3.71%	-4.52%
Median (Q2)	9.52%	-3.49%	15.60%	-17.43%	-23.33%	6.13%	0.60%
Third Quartile(Q3)	22.49%	10.22%	26.48%	15.56%	14.34%	8.59%	6.45%

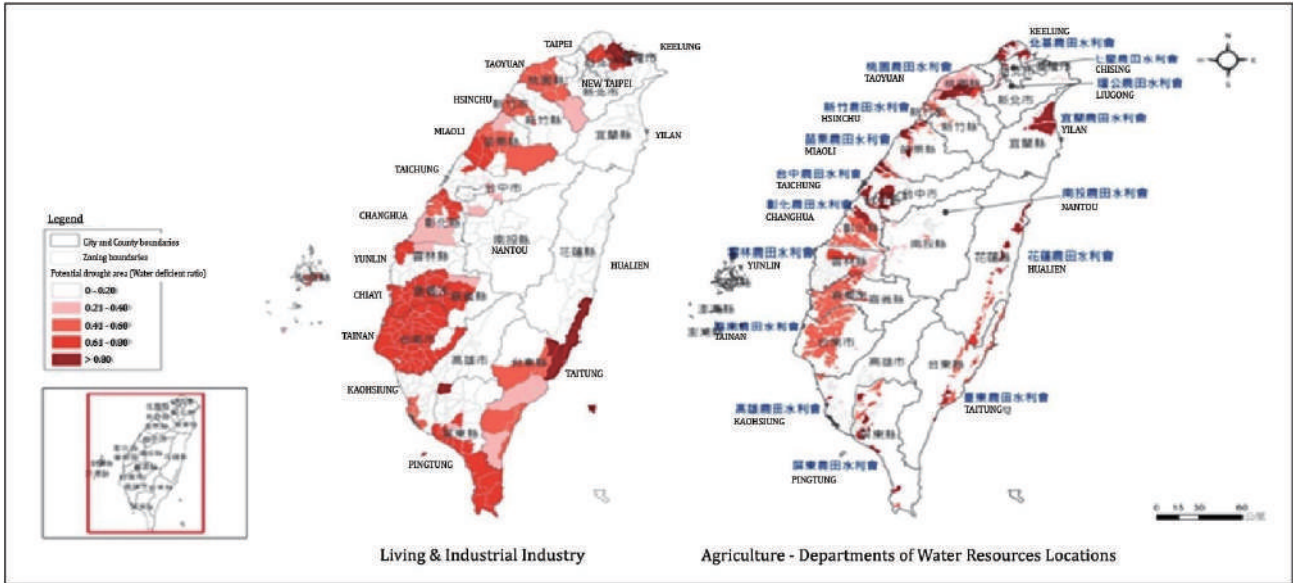
Climate change water impact map

Water Resources-Impact Index Maps



Drought disasters in Taiwan exhibit regional differences, particularly in the disparity of water availability between wet and dry periods (total rainfall ratio). This trend becomes increasingly pronounced from north to south, with the water ratio during wet and dry periods being 6:4 in the northern region, 8:2 in the central region, 9:1 in the southern region, and 8:2 in the eastern region. The probability, duration, and cycle of drought occurrences also exhibit similar spatial trends, indicating a higher risk of drought in the southern region compared to the northern region.

The Water Resources Agency of the Ministry of Economic Affairs simulated the water shortage rate for domestic and industrial sectors in Taiwan under the worst-case scenario of severe drought (annual flow rate at Q90 and reservoir water level at the severe lower limit). The agency then produced drought susceptibility maps. The results indicate that, in terms of domestic and industrial sectors, urban areas in the northern region as well as certain towns in Chiayi, Tainan, and Taitung are classified as high drought susceptibility areas.

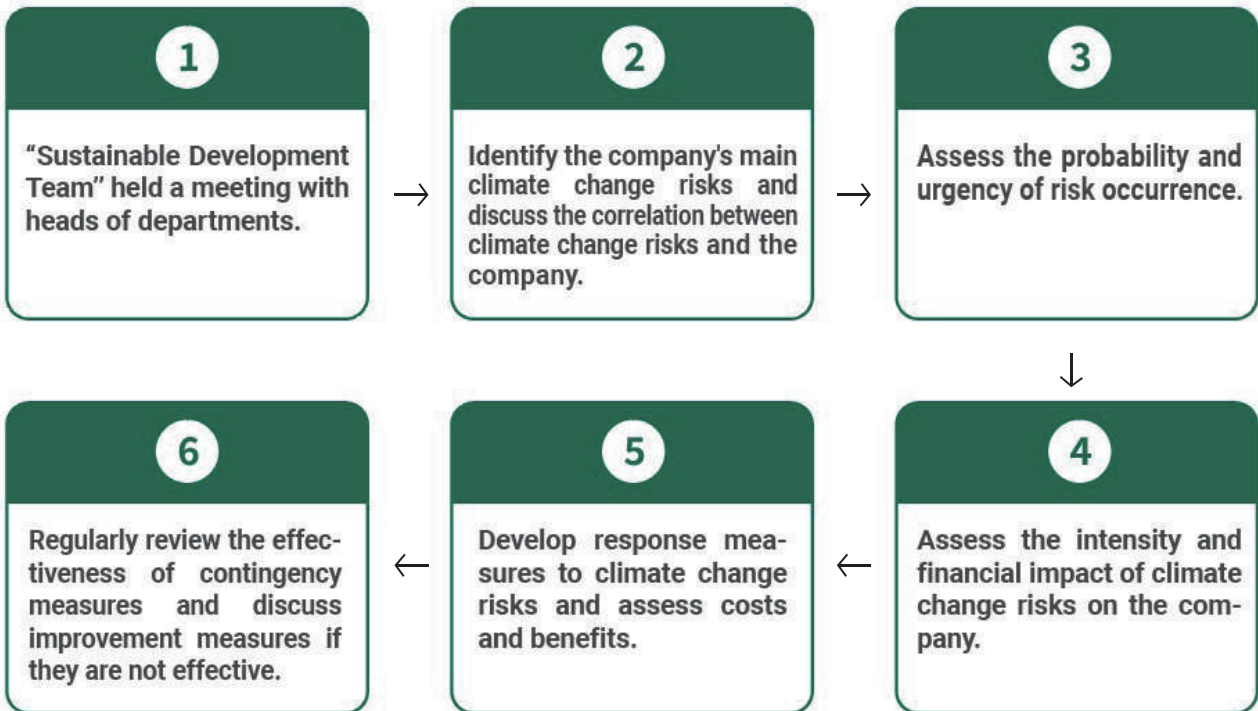


Risk event	Hazard degree	Vulnerability degree	Exposure degree	Risk assessment results	Countermeasures
Drought	Low	Low	Low	Low risk	Short term: Water tanker replenishes water. Long term: Added water recovery equipment and large water storage machines.

5.6.3 Risk Management

A. Climate-related risk management systems and processes

Members of the "Sustainability Team" of Sunrex identify climate-related risks and opportunities, formulate follow-up response strategies, and report regularly to the board of directors every year, and the board of directors monitors the implementation results.



B. Climate risks and opportunities response strategies

The short-term, medium-term, and long-term climate-related risks identified for the fiscal year 2023, along with the corresponding response strategies, are as follows :

Risk	Type	Period	Risk issues	Impacts	Response Strategies
Transition risk	Policies and regulations	Short term	Increase in carbon tax or carbon fee rates.	Increased costs of greenhouse gas emissions	Continuously execute an energy management system, actively implement various energy-saving measures, and engage in substantial carbon reduction efforts, along with committing to SBTi. This commitment will be communicated to supply chain members. Establish short, medium, and long-term carbon reduction goals and adjust indicators and targets on a rolling basis. Formulate a team of technical experts for achieving net-zero emissions and develop a roadmap for implementation to track progress effectively.
		Medium term	National renewable energy policy must invest in renewable energy	Increase in outsourced operating costs.	Planning and installation of renewable energy equipment. Purchase green electricity certificates as a target for carbon neutrality.
		Long term	Sustainability-related regulations increase, increasing operating costs.	Operating costs of low-carbon transition.	Energy transition policy
	Technology	Medium term	Not investing in technologies for low-carbon transformation and missing out on the trend of investing in low-carbon R&D.	Increased costs of investing in low-carbon products and new process technologies.	Work closely with upstream and downstream manufacturers and evaluate the feasibility of R&D projects.
	Market	Medium term	Changes in customer behavior (such as increased consumer awareness of climate change and changing product needs).	Decrease in orders.	Continue to invest in innovative research and development to reduce product energy consumption. Use green packaging materials.
Physical risk	Reputation	Medium term	A company deemed not environmentally friendly by customers or society.	Carbon reduction results are not as good as expected, thus affecting reputation.	Continue to promote the issue of carbon reduction. Set up communication channels and actively respond to issues of concern to stakeholders.
		Short and Medium term	Extreme weather conditions such as typhoons, earthquakes, and droughts have seriously increased, leading to production shutdowns.	Average temperatures continue to rise, resulting in increased energy consumption.	Continue to promote the issue of carbon reduction. Set up communication channels and actively respond to issues of concern to stakeholders.
	Extreme climate	Short and Medium term	Extreme weather impacts supplier operations, causing supply interruptions or delays.	Interruption of supply of raw materials.	Understand the status of suppliers, improve safety stock, and activate second suppliers.

Note : The short term is defined as from now to 2025; the medium term is 2026-2030; the long term is 2031-2050

Possible climate-related opportunities identified in the short, medium and long term in 2023

Types	Issues	Related Opportunities	Response Methods
Product/Service	Promote low-carbon green manufacturing	Increased demand for sustainable products.	Promote green production, increase the ratio of low-carbon energy use, and produce products with low carbon footprints.
	Customer demand expands	Increased customer demand for environmentally friendly products.	Develop related products based on market and customer needs.
	Enter new markets	Enter new sustainability-related industries or markets.	Monitor market dynamics, assess internal and external resources, and seek appropriate entry timing.
Resource efficiency	Energy efficiency	Improve energy efficiency of factory equipment and offices.	Replace outdated equipment, introduce high-efficiency facilities, and enhance overall energy operational efficiency of machinery and factory.
	Renewable energy introduction	Diversification of energy use.	Seek high-quality renewable energy supply sources.
Operational resilience	Operational diversity	Through the introduction of new products or services. Reduce the global impact of climate change risks	Make key technology the core and develop new products or services across disciplines to increase operational diversity and enhance organizational flexibility.

5.6.4 Indicators and Targets

Indicators and targets for managing climate-related risks

The TCFD climate risk and opportunity disclosure indicators and goals aim to help businesses disclose their climate change-related risks and opportunities, thereby enhancing transparency and sustainability and aiding investors and stakeholders in better understanding the climate risks and opportunities faced by the company. Sunrex follows ISO 14064-1 for greenhouse gas inventory operations and has begun commissioning third-party verification agencies to conduct effective verification work, with each factory gradually obtaining qualified verification statements. Meanwhile, during the inventory process, potential reduction opportunities are sought, and carbon neutrality promotion projects are implemented one by one. In order to comply with the comprehensive annual carbon reduction policy requirements of the computer peripherals industry, the company incorporates environmental goals into its short, medium, and long-term strategic planning within the organization, highlighting low-carbon production and resource recycling in the green supply chain to achieve environmental sustainability goals. The company continues to strengthen climate risk assessment and management to address the impacts of climate change, assessing both opportunities and risks that climate change may bring. Sunrex utilizes the PDCA management cycle concept to continuously identify climate risks and opportunities according to TCFD, helping to understand the opportunities and risks generated by future resource inputs, which is crucial for the company's sustainable development. Over time, climate risks are being converted into opportunities.



ch.06

Happy Workplace

6.1 Management Mindset

6.2 Employee Structure - Implementing Diversity and Equality Principles

6.3 Compensation and Benefits

6.4 Employee Training

6.5 Occupational Health and Safety Management

6.6 Employee Relations

6.7 Equal Rights and Grievance Management

▶ 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 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:

I. The code of ethics for employees is outlined below:

- ① 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.
- ② 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.
- ③ You may not use your authority to solicit property, kickbacks or gifts from vendors
- ④ 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.
- ⑤ 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.
- ⑥ 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.

II. 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 - Implementing Diversity and Equality Principles

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 in 2023 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. In 2023, a total of 93 local residents were employed as executives or above in Taiwan and Mainland China, accounting for approximately 50.27% of the total.

Year		2023				2022				2021			
Headcount ratio Category		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	0.03%	23	0.26%	3	0.04%	19	0.23%	2	0.01%	24	0.12%
	Executive Staff	29	0.32%	130	1.44%	29	0.35%	137	1.67%	25	0.12%	131	0.65%
	Middle Management Staff	32	0.36%	87	0.97%	31	0.38%	77	0.94%	84	0.42%	171	1.00%
	Administrative Staff	790	8.78%	1040	11.55%	941	11.49%	1,168	14.27%	1,109	5.52%	1,280	6.37%
	Production staff	3,501	38.90%	3,366	37.40%	3,116	38.06%	2,666	32.56%	7,445	37.07%	9,815	48.86%
Total:		4,355	48.38%	4,646	51.62%	4,120	50.32%	4,067	49.68%	8,665	43.14%	11,421	56.86%

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		2023							
Region		Taiwan				China			
Age group		Number of females and Percentage		Number of males and Percentage		Number of females and Percentage		Number of males and Percentage	
Age	Under 30	2	0.73%	11	4.03%	1,434	16.43%	2,357	27.01%
	31~40	11	4.03%	50	18.32%	1,528	17.51%	1,312	15.03%
	41~50	8	2.93%	26	9.52%	1,182	13.54%	626	7.17%
	Over 51	56	20.51%	109	39.93%	134	1.54%	155	1.78%
Total:		77	28.20%	196	71.80%	4,278	49.01%	4,450	50.99%

Statistics of resigned colleagues

The statistics of the number of resigned employees of the company in 2023 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 females	Number of males	Number of females	Number of males
Number of Indirect employee turnover	7	17	362	382
Number of direct employee turnover	0	0	5,983	9,228

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 2023, with more than 40% of the new employees being male and nearly 25% being female.

2023 New employee hire in China

Gender	New Employee Attributes	Age								Subtotal
		Over 30 years old		31-40 years old		41-50 years old		Over 50 years old		
		Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	
Male	Direct	7,411	44.34%	1,783	10.67%	253	1.51%	36	0.22%	9,483
	Indirect	243	1.45%	167	1.00%	73	0.44%	22	0.13%	505
Female	Direct	3,430	20.52%	1,795	10.74%	688	4.12%	113	0.68%	6,026
	Indirect	391	2.34%	213	1.27%	88	0.53%	8	0.05%	700

The Company had no direct employees in Taiwan in 2023, and the largest number of new indirect employees were those 41-50 years old, accounting for 50% of the total number of new employees.

2023 New employee hire in Taiwan

Gender	New Employee Attributes	Age								Subtotal
		Over 30 years old		31-40 years old		41-50 years old		Over 50 years old		
		Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	
Male	Direct	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0
	Indirect	4	15.38%	5	19.23%	8	30.77%	3	11.54%	20
Female	Direct	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0
	Indirect	2	7.69%	1	3.85%	3	11.54%	0	0.00%	6

Employees' general educational background

Year	2023			
	Region	Taiwan		China
Group of people	Number of females	Number of males	Number of females	Number of males
Master's degree or above	7	37	1	8
Bachelor's Degree	29	87	257	351
Others	41	72	4,020	4,091

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 2023 will continue to increase.

Year	2023			
	Region	Taiwan		China
Group of people	Number of females	Number of males	Number of females	Number of males
Disabled Employee	1	0	7	17
Employment of foreign personnel	1	1	0	1
Dispatch Employee	0	0	94	23

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	
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.
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.

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 2023, there were 3 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) 2023 Number of Eligible Applicants	2	1	3
(b) Actual number of applicants in 2023	2	0	2
(c) Estimated number of people to be reinstated in 2023	3	0	3
(d) Actual number of reinstatements in 2023	0	0	0
(e) Actual number of reinstatements in 2022	0	0	0
(f) 2022 number of people working continuously for one year after reinstatement	0	0	0
Parental leave application rate b/a	100%	0%	66.67%
Parental leave reinstatement rate d/c	0%	-	0%
Parental leave stay rate f/e	-	-	-

* Childcare leave reinstatement rate = the actual number of male (female) employees who will be reinstated in 2023 after a childcare leave without pay / the number of male (female) employees who should be reinstated in 2023 after a childcare leave without pay X 100%

* Childcare stay rate = the number of male (female) employees who will return to work in 2023 after a break in pay in 2022 / the actual number of male (female) employees who will return to work after a break in pay in 2022 X 100%

► 6.4 Employee Training

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.

2023 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 2023.

Category		Taiwan	China
Job Category	Head of Operations Management	28	39
	Senior Executive	21	2,206
	Middle Level Supervisor	105	5,138
	Administrative Staff	182	3,926
	Production Staff	0	16,732

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 2023.

Course Type	Training hours for 2023
Anti-corruption, internal information material handling procedures, international antitrust compliance and corporate law related courses	6,774
RBA Responsible Business Alliance Code of Conduct related courses	19,410

Anti-corruption and social responsibility training photos



► 6.5 Occupational Health and Safety Management

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.

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

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.

1. 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.
2. 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.
3. We plan “training management procedures” to maximize the potential of each employee through human resource training.

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 2023 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 on-site 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.
9	Emergency response measures.	Regular health checkups for in-service workers.
10	Management of drinking water for employees.	First aid and emergency response drills and training.

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. 2023 statistics of occupational hazards in the Company are described below.

Promotion of Diverse Health, Continuous Improvement through Innovation

In 2023, 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	2023	
Region Working Hours & Frequency	Taiwan	China
Disabling Injury Frequency Rate, (FR)	0	0.34
Disabling Injury Severity Rate, (SR)	0	34.75
Occupational Disease Rate	0	0
Total Working Hours	551,552	25,866,494
Total :	26,418,046	

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:

ISO45001	
Planning hazard identification, risk audit and risk control	Consultation and Communication
OHSAS Management Plan	Operational Control
Segmentation of structure and responsibilities	Emergency Prevention and Response
Training, Understanding and Competence	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 Management

Sunrex supports and adheres to relevant laws and regulations, including the “Universal Declaration of Human Rights,” “International Covenants on Human Rights,” “Global Compact,” and “Labor Standards Act.” The company has established related management policies such as the “Anti-Discrimination Management Procedure,” “Harassment and Abuse Management Procedure,” and “RBA Management Manual” to eliminate discrimination and protect employees' legal rights.

6.7.1 Anti-Discrimination Management Policy	
Scope	Sunrex fully practices equal rights and benefits, and every employee enjoys the same rights and treatment in matters such as hiring, training, promotion, salary, dismissal or retirement, 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.
Occupational Department	<ol style="list-style-type: none"> Both company personnel and external parties, including social groups, have the right to supervise or file complaints regarding company behavior. The administrative department, as an internal functional body of the company, supervises discriminatory behavior and handles complaints.
Procedure	<ol style="list-style-type: none"> The company shall not engage in or support any form of discrimination against employees in matters of hiring, training, compensation, promotion, dismissal, or retirement based on race, color, age, gender, sexual orientation, gender identity and expression, race or ethnicity, disability, pregnancy, religion, political affiliation, membership in social groups, protected veteran status, protected genetic information, or marital status. The company shall not interfere with employees' rights to observe beliefs, norms, or requirements related to race, social class, nationality, religion, disability, gender, sexual orientation, or union affiliation. When necessary and feasible, the company shall provide appropriate spaces for religious activities to prevent employees from being discriminated against based on their religious beliefs. The company does not tolerate any coercive, threatening, abusive, or exploitative sexual harassment, including gestures, language, and physical contact. Employees shall never be subjected to discriminatory medical examinations, such as pregnancy tests. Any company management personnel (including security staff) found to have engaged in discriminatory behavior shall be subject to disciplinary action by the company.
Handles Grievances	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 2023.

6.7.2 Harassment and Abuse Management Prohibition

Scope	Sunrex provides all personnel (including employees, dispatched workers, etc.) and job applicants with a work and consultation environment free from sexual harassment. Appropriate preventive, corrective, disciplinary, and handling measures are implemented to protect the rights and privacy of the individuals involved.
Occupational Department	The management department, as an internal functional body of the company, supervises harassment or abuse behavior and handles complaints.
Procedure	<ol style="list-style-type: none"> 1. All employees are prohibited from subjecting others to sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal insults, as well as from threatening to engage in such behavior. 2. Department heads are not allowed to physically punish or publicly humiliate employees for mistakes or errors in their work or personal lives. It is strictly forbidden to use violence, threats, or illegal restrictions on personal freedom to force labor, or to insult, physically punish, beat, illegally search, or detain employees. 3. In the case of serious disciplinary or illegal actions, or deliberate causing of significant economic losses, the matter will be referred to the superior labor and personnel department or public security authorities for handling according to the law. 4. The company should not oppose or suppress employees' dissatisfaction with the management. Employees can lodge complaints directly with the management department or the general manager, either verbally or in writing, or by submitting a complaint letter to the suggestion box. The management department will investigate and respond to employee opinions or complaints within one week.
Handles Grievances	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <ol style="list-style-type: none"> (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	2021	2022	2023
Number of Sexual Harassment Incidents	0	0	0

6.7.3 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.

An aerial photograph of a winding river flowing through a dense, lush green forest. The river curves from the top left towards the bottom right, creating a graceful S-shape. The trees are vibrant green, with some hints of yellow and orange, suggesting an early autumn setting. The lighting is soft, creating a serene and natural atmosphere.

ch.07

Social Co-Prosperity

- 7.1 Social Responsibility
- 7.2 Social Responsibility Policy
- 7.3 Social Responsibility Guidelines
- 7.4 Social Responsibility Implementation

▶ 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.

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 the 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

GRI Appendix

Appendix 1 GRI Content Index
Appendix 2 SASB Content Index
Appendix 3 TCFD Content Index



► Attachment 1 General Guidelines : General Disclosure

Statement of Use	Sunrex published its 2023 Sustainability Report in accordance with GRI standards, with data from January 1 to December 31, 2023.		
GRI1 Versions Used	GRI 1: Foundation 2021		
GRI Industry Standards Application	None		
GRI 2 Versions Used	GRI 2: General Criteria Disclosures 2021		
Indicators	Disclosure Items	Corresponding chapter	Page Number
The Organization and its Reporting Practices			
2-1	Organizational Details	2.1 About Sunrex	19
2-2	Entities Included in the organization's sustainability reporting	0.1 Report Description-Reporting Purpose	05
2-3	Reporting period, frequency and contact point	0.1 Report Description-Reporting Purpose	05
2-4	Restatements of information	There were no changes in the nature of business and measurement methods during the reporting period.	-
2-5	External Warranties/Confirmations	This report is not supported by External warranties/confirmations.	-
Activities and Workers			
2-6	Activities, Value Chains and Other Business Relationships	2.2 Product introduction and operation overview 2.3 Process expertise 4.3 Supplier Management	23 28 49
2-7	Employees	6.2 Employee Structure-Implementing Diversity and Equality Principles	75
2-8	Workers who are not employees	6.2 Employee Structure-Implementing Diversity and Equality Principles	75
Governance			
2-9	Governance structure and composition	3.2 Governance Structure	33
2-10	Nomination and selection of the highest governance body	3.2.2 Shareholders' Meeting and Board of Directors	34
2-11	Chair of the highest governance body	3.2.2 Shareholders' Meeting and Board of Directors	34
2-12	Role of the highest governance body in overseeing the management of impacts	1.1 Sustainable Development Management Mechanism	11
2-13	Delegation of responsibility for managing impacts	1.1 Sustainable Development Management Mechanism 3.4 Risk Management	11 42
2-14	Role of the highest governance body in sustainability reporting	1.3 Analysis of major issues	12
2-15	Conflicts of Interest	3.3.4 Code of Ethical Conduct	41
2-16	Communication of critical concerns	3.2 Governance Structure	33
2-17	Collective knowledge of the highest governance body	3.2.4 Corporate Governance Score	36
2-18	Evaluation of the performance of the highest governance body	Confidential non-disclosure of Subsidiaries	-

Indicators	Disclosure Items	Corresponding chapter	Page Number
Governance (continue)			
2-19	Remuneration policies	3.2.3 Remuneration Committee and Audit Committee 6.3 Compensation and Benefits	36 79
2-20	Process to determine remuneration	Confidential non-disclosure of subsidiaries	-
2-21	Annual total compensation ratio	3.2 Governance Structure	33
Strategy, Policy and Practice			
2-22	Statement on Sustainable Development Strategy	0.2 Words from the operator 0.3.2 Sunrex ESG Vision and Goals for Sustainable Development	6 9
2-23	Policy commitments	2.4 Sustainability Management System 3.3 Integrity Operations 4.1 Product Innovation	29 37 46
2-24	Embedding policy commitments	4.3.7 RBA Management	51
2-25	Processes to remediate negative impacts	5.1 Environmental Protection Policy 5.1.2 Hazardous substance management 5.2 Energy saving and carbon reduction 5.2.1 Green plant design 5.2.2 Energy consumption control 5.2.3 Energy-saving products 5.2.4 Material recovery 5.2.5 E-paper	54 56 56 57 57 58 58 58
2-26	Mechanisms for seeking advice and raising concerns	3.3 Integrity Operations	37
2-27	Compliance with laws and regulations	3.3 Integrity Operations	37
2-28	Membership associations	3.2.6 Membership associations qualifications	37
Stakeholder Communication			
2-29	Approach to stakeholder engagement	1.2 Stakeholder Agreement	11
2-30	Collective bargaining agreements	Not Applicable	-
GRI 3 Versions Used	GRI 3: General Criteria Disclosures 2021		
3-1	Process to determine material topics	1.3 Analysis of major issues	12
3-2	List of material topics	1.2 Stakeholder Agreement	11
3-3	Management of material to pics	1.2 Stakeholder Agreement	11

Specific topic disclosure

Indicators	Disclosure Items	Corresponding chapter	Page
201 Economic Performance 2016			
201-1	Direct economic value generated and distributed	3.1 Operational Performance	33
201-3	Defined benefit plan obligations and other retirement plans	6.3 Compensation and Benefits	78
202 Market Image 2016			
202-2	Proportion of senior management hired from the local community	6.2 Employee Structure- Implementing Diversity and Equality Principles	75
205 Anti-corruption 2016			
205-3	Confirmed incidents of corruption and actions taken	3.3 Integrity Operations	37
301 Materials 2016			
301-2	Use renewable materials	5.1.1 Green products	55
301-3	Recycled products and packaging materials	5.2.4 Material recovery	58
302 Energy 2016			
302-1	Energy consumption within the organization	5.2 Energy saving and carbon reduction	56
302-3	Energy Intensity	5.2 Energy saving and carbon reduction	56
302-4	Reduction of energy consumption	5.2 Energy saving and carbon reduction	56
303 Water and Effluents 2018			
303-2	Management of water discharge related impacts	5.4 Wastewater and Water Resources Management	60
303-3	Water withdrawal	5.4 Wastewater and Water Resources Management	60
305 Emissions 2016			
305-1	Direct (Scope 1) greenhouse gas emissions	5.3 Greenhouse Gas Management	58
305-2	Energy Indirect (Scope 2) greenhouse gas emissions	5.3 Greenhouse Gas Management	58
305-4	Intensity of greenhouse gas emissions	5.3 Greenhouse Gas Management	58
305-5	Reduction of greenhouse gas	5.3 Greenhouse Gas Management	58
306 Waste 2020			
306-1	Waste generation and significant waste-related impacts	5.5 Waste Management	60
306-2	Management of significant waste-related impacts	5.5 Waste Management	62
308 Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	4.3 Supplier Management	49
401 Employment 2016			
401-1	New Employee hire and employee turnover	6.2 Employee Structure- Implementing Diversity and Equality Principles	75
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.3 Compensation and Benefits	78
401-3	Parental leave	6.3 Compensation and Benefits	78
403 Labor/ Management Relations 2018			
403-1	Occupational health and safety management system	6.5 Occupational Health and Safety	82
403-2	Hazard identification, risk assessment, and incident investigation	6.5 Occupational Health and Safety	82
403-3	Occupational Health Services	6.5 Occupational Health and Safety	82
403-4	Worker participation, consultation, and communication on occupational health and safety	6.5 Occupational Health and Safety	82
403-5	Worker training on occupational health and safety	6.5 Occupational Health and Safety	82
403-6	Promotion of worker health	6.5 Occupational Health and Safety	82
403-7	Prevention and mitigation occupational health and safety impacts directly linked by business relationships	6.5 Occupational Health and Safety	82
403-8	Workers covered by an Occupational Safety and Health Management System	6.5 Occupational Health and Safety	82
403-9	Work-related injuries	6.5 Occupational Health and Safety	82

Indicators	Disclosure Items	Corresponding chapter	Page
404 Training and Education 2016			
404-1	Average hours of training per year per employee	6.4 Talent Development	81
404-3	Percentage of employees receiving regular performance and career development reviews	6.4 Talent Development	81
405 Employee Diversity and Equal Opportunity 2016			
405-1	Diversity of Governance bodies and Employees	6.2 Employee Structure	75
406 Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	6.7 Equal Rights and Grievance Management	88
414 Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria.	4.3 Supplier Management	49

► Attachment 2 ▾ 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 5.1.2 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 ENERGYSTAR®.	
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered; percentage recycled.	For more information, please refer to Ch 5.2.4 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 3.4.4 Conflict of Responsibility Minerals (Metals) Procurement Policy.

Activity Metrics		
Code	Disclosure Items	Sunrex Response Content
TC-HW-000.A	Number of units produced by product category.	For related information, please refer to Ch 4.2 Professional ODM / OEM.
TC-HW-000.B	Area of manufacturing facilities.	For related information, please refer to Ch 2.1 About Sunrex. As of the end of 2023, 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 m ² (square meters).
TC-HW-000.C	Percentage of production from owned facilities.	For related information, please refer to Ch 4.2 Professional ODM / OEM 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.

► Attachment 3: Comparison Table of TCFD Disclosure Contents

Structure	Suggested Disclosures	Corresponding Page Number
Governance	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.	62-64
Strategies	In assessing the environmental impact caused by the processes of raw materials, production, transportation, use, and waste disposal, we advocate that the planning 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.	64-70
Risk Management	"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.	70-72
Target and Objectives	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.	72

精元電腦

2023 永續報告書 SUSTAINABILITY
SUNREX TECHNOLOGY CORPORATION