



2022

CASWELL INC.
ESG Report



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Message from the Chairman

***/* To all stakeholders who deeply care about our efforts in the field of sustainability:**

2022 marks the advent of the post-pandemic era. Despite signs of a gradual recovery of the global economy, a high level of uncertainty continues to pervade the global market against the backdrop of the prolonged Sino-US Trade War, the impact of international trade protectionism, and rising raw material prices caused by inflation. Our management team embraces risk-based thinking coupled with proactive promotion of new market applications and product mix enhancement with the ultimate goal of securing stable financial growth and meeting the expectations of our stakeholders.

From our perspective, sustainable corporate development encompasses sound corporate governance with equal emphasis on the balanced interests of our stakeholders, responsible supply chain management, the fulfillment of environmental sustainability, and fulfillment of social responsibility. We uphold our social responsibility vision which involves a simultaneous focus on our core business operations and injection of resources into all aspects of sustainable corporate development. In addition, we monitor sustainable development trends and evaluation standards and review our implementation results on an ongoing basis. Ultimately, we strive to intensify our interactions with our stakeholders and highlight the results of our efforts in the field of sustainable development through the publication of sustainability reports.

High-quality corporate governance is the cornerstone of sustainable development. We espouse a business philosophy characterized by ethical corporate management, legal compliance, and commitment to social responsibility. Furthermore, we strive to maximize our governance performance through our board of directors and functional committee operations. We are firmly committed to sound corporate governance and pursuit of sustained revenue and profit growth. We also place high emphasis on environmental protection, employee rights and interests, supply chain sustainability, social welfare, and the balanced interests of all stakeholders. Moreover, we honor our corporate social responsibility and actively give back to society in all our countries and regions of operation. Finally, we integrate our operational and management resources and actively invest in innovative R&D on the foundation of our sustainable development strategy blueprint. Our ultimate goal is to accelerate the transition to a low-carbon economy through clean manufacturing and services by teaming up with our strategic up-and-down-stream supply chain partners and by harnessing cross-sector and transnational cooperation.



Message from the Chairman

Our achievements in the field of corporate governance in 2022 can be summarized as follows:

- ✓ Annual revenue of NT\$ 4.983 billion, marking a YoY annual growth of 7%
- ✓ With a view to strengthening our capabilities in the field of sustainable development, we formed a Sustainability Committee in 2022 to expedite the formulation and implementation of sustainable development strategies and thereby realize industrial sustainability (the President reports the implementation status in board meetings).
- ✓ Publication of the 2022 Sustainability Report
- ✓ Implementation of climate risk governance with reference to the TCFD framework
- ✓ Successful adoption of the ISO/IEC 27001 Information Security Management System to safeguard information security
- ✓ Appointment of a Corporate Governance Officer to enhance the corporate governance practices and operations of the Board of Directors

In response to the impact of global climate change, we rely on the ISO 14001 Environment Management System and heed the call of the government to implement energy conservation, carbon reduction, and pollution prevention. In 2022, we adopted the ISO 14064-1 GHG Inventory and Emission Management System. Furthermore, we persist in our efforts to enhance our environmental performance and implement green management in the three dimensions of green design, green procurement, and green manufacturing. The ultimate goal lies in the development of green products, preservation of ecological environments, conservation of energy, improved resource recovery and reuse, and ongoing progress on the path toward low-carbon manufacturing and environmental sustainability. Our annual achievements in the environmental dimension are as follows:

- ✓ Completion of ISO 14064-1:2018 GHG Inventories and third-party verification and assurance
- ✓ Energy savings of 6,798KWh resulting from the purchase and installation of new inverter air conditioning units



Message from the Chairman

Our efforts in the social inclusion dimension are based on the unshakeable conviction that our employees are our greatest asset. We therefore regard it as our primary task to provide them with a safe, healthy, and harmonious work environment. In the field of professional training, we spare no effort to offer management and functional training for all ranks and levels of the company. In the health management dimension, we protect the health of our employees through regular health checks, health and safety lectures organized on an annual basis, provision of fitness facilities, and encouragement of a wide range of club activities. With a view to facilitating communications with our employees, we convene labor-management meetings on a quarterly basis and have physical and electronic (internal network/mailboxes) communication channels in place as a reference for improvements implemented by the company and individual units. The goal is to enable our employees to unleash their talents at the workplace unburdened by worries. All our employees harness our limited resources in all regions of operation to maximize our capabilities in the field of assistance to underprivileged groups and thereby generate a stabilizing force in society. In 2022, we made dedicated efforts in the social welfare dimension by taking concrete action through industry-academic collaboration, donations to the underprivileged, community care activities, and encouragement of joint participation by our business partners, employees, and close friends and relatives.

Looking ahead, our management team and all staff members will remain true to our original aspiration. We will continue to uphold our work ethos characterized by diligence and dedication. In the face of ever-changing business models and activities worldwide, we maintain our deep commitment to the planning of management approaches and closely monitor the latest trends in the semiconductor, information security, and electric vehicle industries as well as in the fields of 5G core network architecture, open radio access network (ORAN), AI, and smart manufacturing and smart city applications. In line with the global goal of net zero CO2 emissions, we actively implement sustainable development measures. The increased operational efficiency resulting from the newly acquired Global Operations and R&D Center in Xinzhuang, the relocation of our corporate HQ, and the spatial reorganization of our Xinzhuang Operation Center is highly conducive to the sustainable development of our business operations based on a social environment-friendly approach. We strive to share our achievements and contributions to the common good with all our stakeholders.

Chairman photo and signature



Editorial Policy

This Sustainability Report, which covers the period from January 1 to December 31, 2022, is the first of its kind published by Caswell, Inc (below referred to as "Caswell"). It discloses our performance in the governance, economic, social, and environmental dimensions based on sustainability indicators. With a view to ensuring full disclosure of our achievements in the field of sustainable development and accurate presentation of the results of our communications with stakeholders, we have relied on the latest version of the GRI Standards, the TCFD framework, the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (as required by the competent authority). This report has been compiled in line with the spirit of the UN Sustainable Development Goals (SDGs). It clearly demonstrates our firm commitment to report our strategies and activities in the economic, environmental, and social dimensions to our stakeholders in a conscientious manner and our unwavering determination to fulfill our social responsibility and foster sustainable development.

Description of the Report Review Process

The information and data disclosed in this report has been compiled and organized by the Corporate Sustainability Committee under direct supervision of the President. Each committee member gathers information on sustainability issues in the economic, environmental, and social dimensions. We rely on diversified channels to gain a clear understanding of issues of concern to stakeholders and employ stakeholder engagement and analytical processes to identify material topics affecting the company. Based on these topics, we collect and organize information pertaining to management approaches and performance which is reviewed and confirmed by the Sustainability Committee. Finally, it is disclosed to our stakeholders through public channels upon approval by the Chairman and the President. All financial data presented in this report has been extracted from annual financial statements audited and attested by KPMG Taiwan. We have passed third-party verification audits for the ISO 9001 International Quality Management System, the TL 9000 Telecommunications Industry Quality Management System, the ISO 14001 Environmental Management System, the ISO 28000 Supply Chain Security Management System, the ISO 45001 Occupational Health and Safety Management System, and the ISO 14064-1 GHG Inventories. With a view to enhancing the quality of disclosures in this report, GREAT Certification has been commissioned to verify the disclosed data pursuant to the requirements of the AA1000 Type I (Moderate) Assurance Standards (AA1000AS v3) to ensure conformity to the requirements set out in the GRI Standards 2021. A verification statement has been acquired and included in the Appendix for reference purposes.

Editorial Policy

Report Preparation Principles and Outline

We convened a Sustainability Committee meeting for the determination of material topics based on the results of impact assessments of issues of concern to stakeholders gathered in a questionnaire survey with reference to industry requirements, key economic, environmental, and social issues on the international stage, and our own operating strategy. The implementation results were disclosed in this report upon approval by the committee chair.

Our consolidated financial statements represent the main reference for data pertaining to performance in the economic and financial management dimensions as revealed in this report. Financial data presented in the report is recorded in New Taiwan Dollars. The scope of disclosure for environmental and social performance indicators includes the Xinzhuang Operation Center, the Shulin R&D Center, and the Hsinchu R&D Center. Overseas business locations and joint ventures have been deliberately excluded from the scope of disclosure. If the provided information exceeds the reporting scope which is limited to our operating sites in Taiwan, a detailed explanation will be given in the respective chapter.

Report Preparation Management Process

Stage	Topic	Competent Unit
Gathering of issues	1. Determination of stakeholders 2. Gathering of issues of concern	Sustainability Committee
Determination of material topics	1. Assessment of the degree of impact on stakeholders in the economic, environmental, and human dimensions 2. Assessment of the degree of impact on internal operations 3. Resolution adopted by a Sustainability Committee meeting	Sustainability Committee
Compilation and organization	Compilation of management approaches and performance information	Sustainability Committee
Preparation of the first draft	Report compilation	Sustainability Committee
Review and finalization	Internal review of the report	Sustainability Committee
Publication	Reporting to the President/ publication	Sustainability Committee



Editorial Policy

Publication Date and Frequency

Caswell releases reports on an annual basis. Publication dates are as follows:

Previous issue: NA (this report is the first of its kind released by Caswell)

This issue: September 2023

Next issue: June 2024

Restatement of Information

Since this is our first Sustainability Report, there is no information for the previous year. Consequently, there is no need for restatement to account for major organizational or other changes within the reporting period or reporting scope.

Contact Method

We have made this report available to all interested parties on the corporate website in electronic format in Traditional Chinese in line with the worldwide trend of eco-friendly, paperless operations to fulfill our responsibility as a corporate citizen.

Caswell official website:

<https://www.cas-well.com/about/corporate/>



Please don't hesitate to contact us if you have any questions or suggestions regarding this report.

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New Taipei City 242047, Taiwan

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Website: <https://www.cas-well.com/>

01 About CASwell >>>>>>>>>>

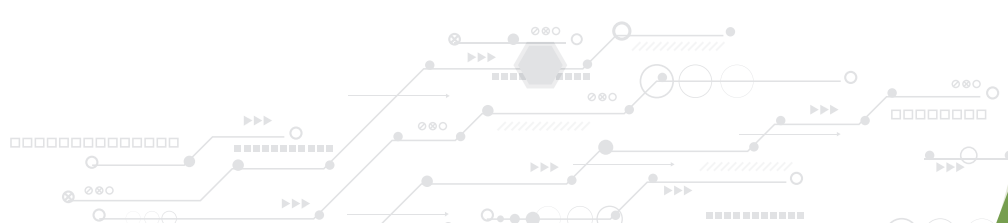


1.1 Company Profile

1.2 Sustainability Vision & Strategy

1.3 Participation in External Organizations and Response to International Initiatives

1.4 Stakeholders and Material Topics



► 1.1 Company Profile

CASwell, Inc. was founded in 2007 and became a subsidiary of Ennoconn Group in 2014. The company's shares were officially listed on the Taiwan Stock Exchange in 2018 (Stock Code: 6416). We specialize in networking, information, and communication applications and continue to maintain a leadership position in the field of products, applications, and technological innovation. In addition to the provision of integrated hard- and software platforms featuring professional and innovative design technologies and validation services, we have built a customer dedicated-owned logistics service and management network spanning the whole world. We are firmly committed to optimizing our production efficiency and product quality to gain the ability to offer all-in-one, integrated service solutions and improve overall customer satisfaction.

We have been able to maintain steady and sustained growth in sync with the development of the networking and cloud industry by relying on solid relationships with up- and downstream businesses and customers in the networking, information, and communication industry chain forged over a long time, a firm grasp of future trends and vital technologies, deployment of overseas operationng sites and key partners, and the unrelenting efforts of all staff members. We remain deeply committed to our positioning in the industry as a leading system platform provider in the cyberworld. Our ultimate goal is to integrate ideal technology and platform solutions into daily lives and thereby realize our vision of creating unlimited possibilities in our lives. We also strive to enable our employees to make valuable contributions to the company and accumulate achievements by harnessing their own strengths and talents in a blissful corporate culture characterized by "knowledge, hope, happiness, focus, and active listening." In the field of sustainability issues, we fully comply with the needs of our international customers in the field of business development and actively cooperate with Ennoconn Group, our parent entity. We are determined to effect positive change and take concrete actions in response to Net Zero Carbon Declarations with the goal of achieving sustainable operations and honing our international competitiveness.

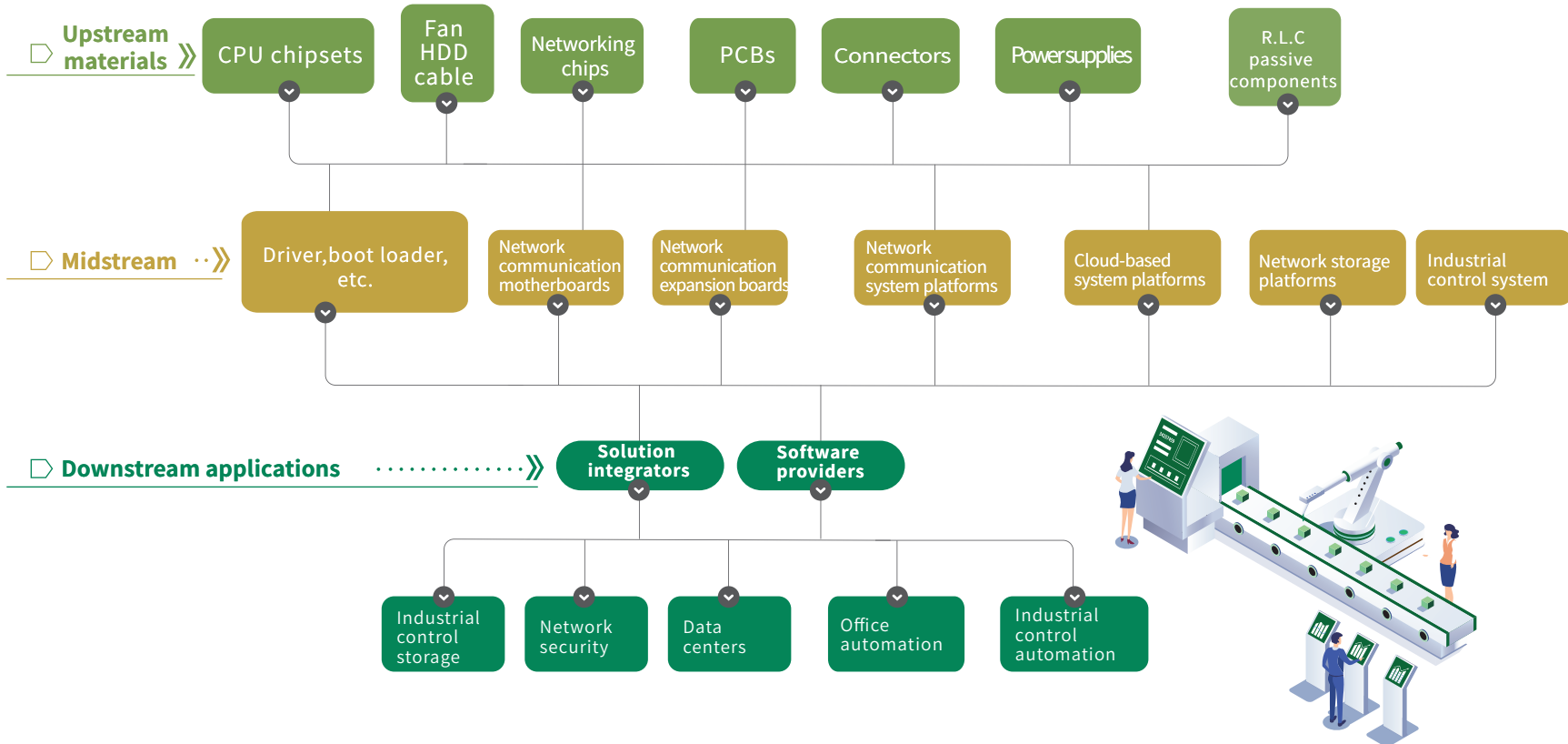
Company Name	CASwell, Inc.
Industry	Network Security Appliance Communications Technology and Internet Industry (Listed Publicly in TWSE industry indices Publicly listed on TWSE)
HQ Location	8F, No.242, Boai St., Shulin Dist., New Taipei City (Note1)
Stock Code	6416.TW
Date of Establishment	April 2007
Operating Sites	Number of Operating Sites (3) Xinzhuang: No. 11, Da'an Rd., Xinzhuang District, New Taipei City Shulin: 8F, No.242, Boai St., Shulin Dist., New Taipei City Hsinchu: 3F + 5F, No. 32, 5F, No. 32-1, Guangming 9th Rd., Zhubei City, Hsinchu County
Workforce in Taiwan	263 (Note2)
Main Products/Services	Network Security and Management (NSM) Products Software-Defined Networking (SDN) Products Network-Attached Storage (NAS) Products Industrial Control and Automation (ICA) Products Cloud Computing Service Product Line (CCS)
Output in 2022	Network and Communication Security Products: 75,885PCS Other Network and Communication Products: 92,197PCS
Total Capital	NT\$ 733 million
Revenue in 2022	NT\$ 4.983 billion

Note1 ► The company's operating headquarters has been moved to the 12th floor, No. 308, Jianguo 1st Road, Xinzhuang District, New Taipei City in August 2023

Note2 ► Employee statistics last updated on December 31, 2022

Industry Value Chain >>>>>>>>>>>>>>

The upstream sector of our industry which is similar to that of general industries or computer manufacturers encompasses essential chips, industry-grade ICs, connectors, and related peripheral components (networking ICs represent the most essential components). As a midstream business, we focus on system platforms and proprietary drivers for customer applications that facilitate the rapid development of integrated all-inclusive solutions by our customers. Downstream applications which mostly fall into the three categories of network security, data centers, and office automation, are sold to corporate customers by software providers independently or in cooperation with system integrators.



Deeply Devoted Attitude

All CASwell staff members are actively committed to developing and sustaining the Company's leadership position in the field of innovative technology, manufacturing excellence, comprehensive global logistics services, and fruitful collaboration with customers. At the same time, all CASwell employees are passionate about their work and greatly enjoy solving the problems they are presented with. The results of working with our CASwell staff will exceed your wildest expectations if you are willing to explore new paths.

Rapid Product and Technology Development

We implement brand-new solutions for our customers in a more time-to-market rapid and flexible manner and provide them with top-quality products and devices by relying on our profound experience in the field of networking solution design and development, the cutting-edge technologies of our independent R&D team, and our close cooperative relations with Intel and our industry partners.

Customer Service Flexibility

In contrast to many manufacturers and competitors who are only able to provide the first three layers of network and communication technologies and structures, CASwell offers its customers a wider range of functionality. For instance, transportation functions are already integrated in its highly professional projects and solutions. This increases the reliability of our software and facilitates more intimate cooperation and optimized support for our customers.

► 1.2 Sustainability Vision & Strategy

CASwell We have made an unwavering commitment to reach the promoting sustainable corporate development of the enterprise. Our Board of Directors has ratified Sustainable Development Best Practice Principles, which clearly stipulate the Company's obligation to exercise corporate governance, foster a sustainable environment, preserve public welfare, and enhance disclosure of corporate sustainable development information. We strictly abide by all requirements set out in these principles and embrace a spirit of the common good and mutual benefit. We are therefore firmly dedicated to realizing sustainability concepts in our operational decisions and daily operations through concrete actions in the fields of ethical management-based corporate governance, care for employees, emphasis on environmental issues, and community care with the ultimate goal of fulfilling our social responsibility and creating sustainability value.

Sustainability Committee

We formed a Sustainability Committee in 2022 in consideration of the fact that sustainable development encompasses the environmental, social, and corporate governance (below referred to as ESG) dimensions. This committee which is composed of the President, who serves as committee chair, and numerous senior executives of different departments jointly reviews the current status of the company, plans medium- and long-term sustainability goals, and regularly reports implementation conditions and results of adopted action to the Board of Directors. The state of sustainable development was reported to the board on August 10 and November 9, respectively.

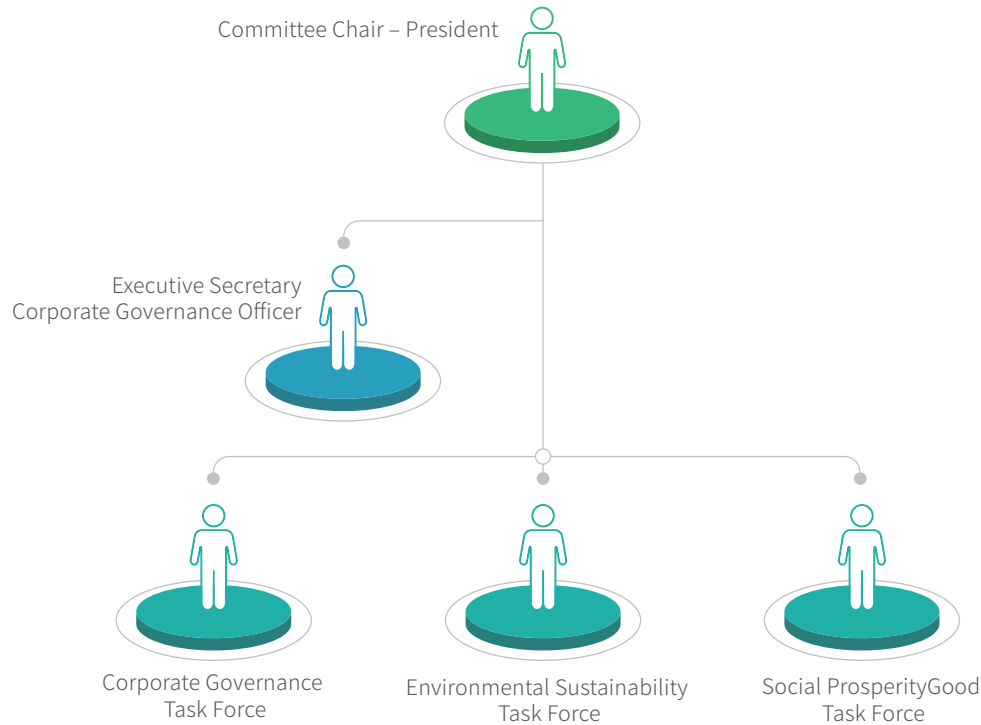
Special task forces have been established under the committee and the responsible competent departments have been put in charge of gathering issues of concern to stakeholders in the environmental protection, occupational safety, supply chain management, labor rights, operating performance, and corporate governance dimensions. We have further set up a dedicated stakeholder section on our corporate website to demonstrate our respect for stakeholder rights and interests and facilitate the provision of adequate responses to core sustainability issues of concern to our stakeholders.

Sustainable Development Best Practice Principles



Dedicated stakeholder section





Sustainability Committee Functions

- ✔ Stipulation of sustainable corporate development tasks, targets, and strategies
- ✔ Promotion and supervision of sustainable corporate development tasks
- ✔ Review of the results of sustainable corporate development tasks
- ✔ Handling of other matters pertaining to sustainable corporate development
- ✔ Review of Sustainability Report

Responsibilities of the Committee Chair

- ✔ Formulation of sustainable development policies
- ✔ Supervision of policy execution and Sustainability Report preparation by Sustainability Committee members
- ✔ Annual reporting of the state of sustainable development operations to the Board of Directors

As a rule, the Sustainability Committee convenes every six months for the discussion of implementation targets and results of each task force. Meeting frequency is adjusted in a flexible manner as required in line with environmental or regulatory changes. These meetings are attended by all committee members on a routine basis. The Committee Chair may, at his/her discretion, invite task force members to participate in such meetings if deemed necessary for the discussion of proposals. A record is created of all adopted resolutions and items approved by the committee. In 2022, the committee enacted an amendment to the Sustainable Development Best Practice Principles and determined the composition of the Sustainability Committee. A report was delivered to the Board of Directors on November 9, 2022. The ultimate goal is to reinforce the implementation of sustainable development, enhance the disclosure of sustainability-related information, and strengthen information security through the operations of the Sustainability Committee. We harness the spirit of the PDCA management cycle to ensure continued progress and growth on the path toward sustainable development.

Sustainability Committee Task Forces and respective sustainability issues

Corporate Governance Task Force	Risk management, internal audits, economic performance, information security, supply chain sustainability, legal compliance, ethical corporate management, board governance practices
Environmental Sustainability Task Force	Green products, energy management, GHG emissions, climate change, water resource management, product safety and responsibility, waste management
Social Good Task Force	Training & education, employee diversity and equal opportunities, occupational health & safety, customer services, employee-employer relations, human rights policies, social welfare activities

Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as a universal call to action. The 17 SDGs and 169 targets serve as a guiding principle for the practice of sustainable development by all UN member nations and enterprises all over the world until 2030.

We incorporate SDGs into the Company's business strategies. This involves the expansion of traditional, economic performance-centered modes of thought by incorporating various dimensions such as an equal emphasis on environmental protection, various forms of legal compliance, enhanced employee compensation to retain outstanding talent, elimination of workplace inequality, GHG emissions, and calling on suppliers to engage in concerted efforts for the improvement of workplace environments and employee compensation.

Looking ahead, we strive to make more contributions to the realization of SDGs in fulfillment of our corporate social responsibility.



SDGs	Targets	Our Responses
 <p>1 NO POVERTY</p>	<p>1.4 Ensure that all men and women, in particular the poor and the vulnerable, have equal rights and access to economic resources.</p>	<ul style="list-style-type: none"> • Provision of highly competitive salaries and benefits that exceed legal requirements to enable employees to work with dignity and raise the economic standard of living of individuals and families • Adequate adjustments of employee salaries based on profitability to strengthen attachment of employees to the Company
 <p>4 QUALITY EDUCATION</p>	<p>4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations</p> <p>4.7 Advocate education for sustainable development and sustainable lifestyles, human rights, gender equality, and promotion of a culture of peace and non-violence</p>	<ul style="list-style-type: none"> • Scheduling of competency training for employees with different work attributes to give every staff member the opportunity to receive occupational training • Planning of training courses on sustainable development, workplace gender equality, and labor rights and encouragement of staff participation
 <p>5 GENDER EQUALITY</p>	<p>5.1 End all forms of discrimination against all women and girls everywhere</p> <p>5.4 Recognize and value unpaid care and domestic work through the provision of social protection policies</p>	<ul style="list-style-type: none"> • No gender-based discrimination in hiring, performance evaluation, and promotion • Entitlement to unpaid parental leaves irrespective of gender
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>8.7 Prohibit child labor and eradicate forced labor</p> <p>8.8 Protect labor rights and promote safe and secure working environments for all workers, in particular female workers and those in precarious employment</p>	<ul style="list-style-type: none"> • No gender-based discrimination in hiring, performance evaluation, and promotion • Adequate adjustments of employee salaries based on profitability to strengthen attachment of employees to the Company • Respect for labor rights including prohibition of child labor and any form of workplace discrimination • Adequate adjustment of work contents of maternal employees according to the law to ease workloads and ensure proper protection • Implementation of an occupational health and safety management system to enhance workplace safety

SDGs	Targets	Our Responses
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>9.5 Encouragement of innovation and substantial increase of the number of research and development workers and public and private research and development spending</p>	<ul style="list-style-type: none"> Year-by-year increase of R&D expenditures (NT\$ 235,202,000 in 2022)
 <p>10 REDUCED INEQUALITIES</p>	<p>10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, religion or economic or other status</p> <p>10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices</p>	<ul style="list-style-type: none"> Recruitment, performance evaluation, and promotion mechanisms are not based on criteria associated with differences in physiological or psychological conditions Establishment of a whistleblowing channel for employees and adoption of sound procedures for the protection of whistleblowers
 <p>13 CLIMATE ACTION</p>	<p>13.2 Integrate climate change measures into national policies, strategies, and planning^a</p>	<ul style="list-style-type: none"> As of 2022, we conduct climate change-related risk management and disclose relevant information in our Sustainability Reports with reference to the TCFD requirements^a
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>16.6 Develop effective, accountable and transparent institutions at all levels</p> <p>16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels</p>	<ul style="list-style-type: none"> Reinforcement of corporate governance, implementation of an internal control system to ensure compliance by practitioners with company rules and regulations, and establishment of an independent whistleblowing channels and sound reporting procedures Ongoing communication with stakeholders to gain a clear understanding of their demands and expectations for the Company and regular reporting to the board

▶ **1.3 Participation in External Organizations and Response to International Initiatives**

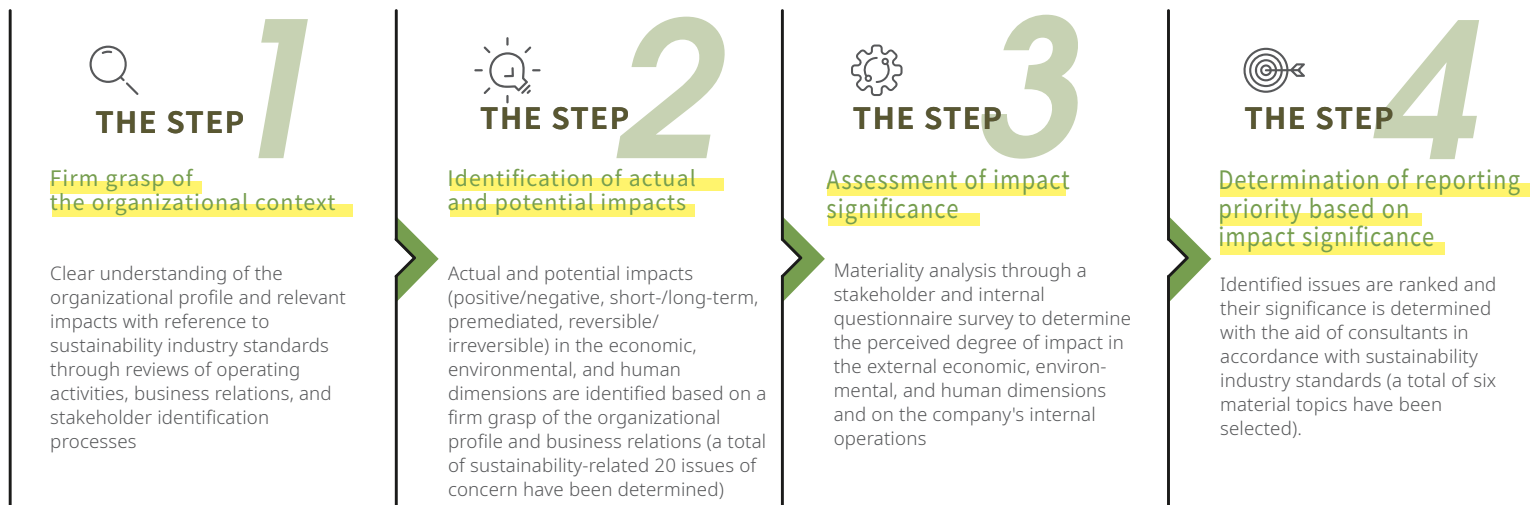
In addition to sharpening our industrial competitiveness, we take the initiative in communicating with all stakeholder groups. Through participation in industry-related associations and positive interactions with their members, we gain a clear understanding of the latest industry trends.

Name of external association	Status
Taiwan Cloud Industry Association	Founding Member
Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	Member

The rising emphasis on climate-related issues worldwide has impelled businesses to initiate actions aimed at the mitigation of climate change. As of 2022, we actively respond to the TCFD (Task Force on Climate-related Financial Disclosures) initiative and disclose strategies and measures adopted by the company to cope with climate change in line with TCFD guidelines and recommendations. We shoulder our social responsibility and maintain our steadfast commitment to realizing the vision of a transition to a low-carbon economy.

▶ **1.4 Stakeholders and Material Topics**

Stakeholder and Material Topic Identification Procedures >>>>>>>>>>>



1.4.1 Firm grasp of the organizational context

Confirmation of major stakeholders and communication >>>>>>>>>>>>>>



Our pursuit of corporate sustainability is paired with a strong emphasis on the voice of our stakeholders. We view all individuals or groups who have potential major impacts on our operations as our stakeholders. Our Sustainability Committee has identified the following seven stakeholder categories in accordance with the five principles (Dependency, Responsibility, Influence, Diverse Perspectives, and Tension) of the AA1000 Stakeholder Engagement Standard (SES): Employees, Customers, Suppliers, Government Agencies, Banks, Shareholders/Investors, and Communities.





In consideration of the fact that issues of concern to each major stakeholder category vary depending on stakeholder identities, we provide sustainable development-related information on our official website and communicate with our stakeholders via direct, open channels. The goal is to gain a firm grasp of stakeholder demands and expectations and provide real-time responses. We are firmly committed to win-win cooperation with our stakeholders in pursuit of our vision of corporate sustainability. We also conduct ongoing reviews and constantly improve our performance in the sustainable corporate development dimension. The state of stakeholder communications is reported to the Board of Directors on an annual basis as a key reference for sustainability strategy planning. Our sector standards have not yet been released by GRI. However, pursuant to the industry-based SASB Standards, we belong to the Technology & Communications Hardware Industry and according to the TWSE industry indices, we are a Communications Technology and Internet business. Issues of concern have been gathered, organized, and classified as a reference for sustainability risk impacts in accordance with the aforementioned sector standards and stakeholder demands.

Stakeholder Communication Channels and Issues of Concern >>>>>>>>>>

Major stakeholder categories	Significance for the company	Issues of concern	Communication channels	Communication frequency	Communication records
<p>Government Agencies</p>	<p>Government agencies supervise and assess legal compliance practices of the Company</p>	Legal compliance	Market Observation Post System Corporate Governance Evaluations Competent authority investigations Policy information meetings Official correspondence	As required Annually Annually As required As required	Market Observation Post System Corporate Governance Evaluations Plant audits and operation surveys Official document system Official document system
		Information security			
		Anti-corruption			
		Occupational health & safety			
		Energy management			
		Waste management			
		GHG emissions			
<p>Shareholders</p>	<p>Since our investors are our main financial supporters, we are firmly committed to safeguarding their rights and interests and treating them in a fair and equitable manner, while ensuring that they have a full understanding of major company matters and guaranteeing their right to participate in decision-making processes.</p>	Innovative R&D	Market Observation Post System	As required	Non-scheduled announcements/ material information/shareholders' meeting announcements
		Legal compliance	Monthly revenues, quarterly financial statements	Annually	Monthly revenues, quarterly financial statements
		Anti-corruption	Shareholders' meeting	Annually	Shareholders' meeting minutes
		Economic performance	Official website, phone, E-MAIL	As required	Dedicated investor section and mailbox
		Risk management	Investor conference	Annually	Investor conference briefing

Stakeholder Communication Channels and Issues of Concern >>>>>>>>>>

Major stakeholder categories	Significance for the company	Issues of concern	Communication channels	Communication frequency	Communication records
 Suppliers	We maintain positive interactions with our supply chain partners to ensure a stable supply of raw materials, other materials, and services. In addition, jointly adopted	Supply chain sustainability	Supplier/subcontractor conferences	As required	Meeting minutes/ e-Mail/phone/Webex..
		Energy management	Meetings of contractor consultative organizations	Annually	Meeting minutes
		Legal compliance	Construction health and safety reminders	As required	Letter of Commitment to Health, Safety, and Environmental Protection
		Economic performance	Supplier/subcontractor audits	Annually	Audit reports
		Information security	Supplier questionnaires	As required	Declaration of Non-Use of Prohibited and Restricted Substances Prohibited and Restricted Substance Surveys
 Customers	Customers represent the our main revenue source. We are therefore deeply committed to providing our customers with safe, high-quality products and after-sale services. Maintenance of high customer satisfaction is conducive to increased customer-company identification.	Supply chain sustainability	Customer meetings	As required	e-Mail/phone/Webex..
		Legal compliance			
		Information security	Customer satisfaction surveys	Annually	Customer satisfaction survey questionnaires
		Customer services	Customer audits	As required	Customer suggestion mailbox
		Innovative R&D	Customer questionnaires	As required	Customer-related questionnaires
Economic performance					
Anti-corruption					
Occupational health & safety					
Risk management					
Waste management					
Energy management					
Human rights policies					
Product safety and responsibility					
Financial impacts of climate change					
Water resource management					

Stakeholder Communication Channels and Issues of Concern >>>>>>>>>>

Major stakeholder categories	Significance for the company	Issues of concern	Communication channels	Communication frequency	Communication records
<p>Employees</p>	<p>Employees represent an indispensable backbone for our operations. We therefore pledge to provide workplace environments that guarantee the mental and physical health of employees and are conducive to diversified development. The goal is to ensure that they can perform their work duties in a worry-free manner</p>	<p>Economic performance Diversity and equal opportunities Employee-employer relations Training & education Legal compliance Occupational health & safety Human rights policies</p>	Labor-management conference	Quarterly	Meeting minutes
			Employee grievance mailbox	As required	Suggestion mailbox
			Employee Welfare Committee meetings	Monthly	Meeting minutes
			Departmental meetings and performance interviews	As scheduled	Weekly reports (in line with departmental needs)
			Internal announcements	As required	Performance appraisal forms
			Health and safety committee meetings	Quarterly	Meeting minutes
<p>Banks</p>	<p>Banks represent the main source of working capital. Intensive communications and interactions with banks are a key prerequisite for the acquisition of stable and competitive working capital and sustainable operations.</p>	<p>Economic performance Legal compliance Energy management Innovative R&D Local communities Financial impacts of climate change</p>	<p>Dealings with banks and visits</p>	<p>As required</p>	<p>Key meeting minutes, e-mail, phone</p>
<p>Communities</p>	<p>We strive to promote the common social good Social Prosperity Common Good as one of our core objectives in the field of sustainability. We are also firmly committed to giving back to society and thereby increase its positive influence on society.</p>	<p>Local communities Legal compliance Financial impacts of climate change Energy management Waste management Water resource management</p>	<p>Community meetings Donation drives and social welfare activities</p>	<p>As required</p>	<p>E-mail, phone, physical meetings, corporate website</p>

1.4.2 Identification of Actual and Potential Impacts

We gather issues of concern through communications between our departments and major stakeholders in the course of daily operations and activities. After a process of condensation, organization, and classification, the Sustainability Committee has identified 20 core sustainability issues with reference to the industry-based SASB Standards, the TWSE industry indices, and the GRI topic-specific disclosures (GRI Universal Standards 2021). Sustainability Committee members conduct assessments to determine actual and potential positive and negative impacts of identified issues in the economic, environmental, and human dimensions.

1.4.3 Determination of Reporting Priority Based on Assessed Impact Significance

Our Sustainability Committee has distributed online questionnaires regarding the 20 sustainability issues with assessed positive and negative impacts to major stakeholders who returned a total of 69 valid completed questionnaires. The goal was to derive stakeholder scores indicating the degree of impact of sustainability issues in the governance, environmental, and human dimensions. Online questionnaires were also distributed to 12 senior executives of the Company to obtain assessments and scores indicating the degree of impact of each sustainability issue on our operating activities and business relations and in the governance, environmental and social dimensions. A material topic matrix was then created based on the aggregated scores. Finally, the material topics for this year were selected based on Sustainability Committee discussions. It was confirmed that the Company should prioritize disclosure of six material topics in the environmental, social, and economic dimensions this year. This report provides detailed information on the management approaches and disclosure items for each material topic.

Sustainability Issue	Positive Impact	Negative Impact	Actual/Potential
Information Security	✓		Actual
Customer Services	✓		Actual
Employee-Employer Relations	✓		Actual
Training & Education	✓		Actual
Supply Chain Sustainability	✓		Actual
Innovative R&D	✓		Actual
Product Safety and Responsibility	✓		Actual
Legal Compliance	✓		Actual
Economic Performance	✓		Actual
Occupational Health & Safety	✓		Actual
Risk Management	✓		Actual
Energy Management	✓		Actual
Employee Diversity and Equal Opportunities	✓		Actual
Financial Impacts of Climate Change	✓		Actual
GHG Emissions		✓	Potential
Waste Management	✓		Actual
Anti-Corruption	✓		Actual
Human Rights Policies	✓		Actual
Local Communities	✓		Actual
Water Resource Management	✓		Actual

Dimension	Material impact
Environmental	GHG emissions
Social	Employee-employer relations, occupational health & safety
Governance	Information security, legal compliance, innovative R&D

1.4.4 List of Material Topics

Dimension	Material Topic	Positive/negative impact on CASwell	Internal boundaries	External boundaries						Corresponding GRI Standards	Disclosure in this report
			Company	Shareholders /investors	Suppliers	Customers	Competent authority	Banks	Communities		
Environmental	GHG Emissions	The enactment of the Climate Change-Related Financial Impact Act and the imposition of carbon fees are expected to result in rising operating costs, which is a potential negative impact.	●			●	●	●	●	302-1~302-5 305-1~305-5	3.1 Energy Management
Governance	Legal Compliance	Legal compliance is the cornerstone of our efforts in the field of corporate sustainability. No major legal violations occurred in 2022. This is an actual positive impact.	●	●		●	●			2-27	2.2 Ethical Corporate Management and Legal Compliance
Governance	Information Security	We continue to invest significant resources to reinforce information security. No major information security incidents occurred in 2022. This is an actual positive impact.	●			●	●			Self-defined material topic	2.5 Information Security
Governance	Innovative R&D	We continue to roll out high-quality products to satisfy customer needs. This is an actual positive impact.	●	●		●				Self-defined material topic	2.3 Risk Management
Social	Occupational Health & Safety	CASwell provides its employees with a safe and healthy workplace environment so they can perform their work duties in a worry-free manner. No major occupational injuries occurred in 2022. This is an actual positive impact.	●		●	●	●			403-1~403-10	4.3 Occupational Health & Safety
Social	Employee-employer relations	We provide our employees with salaries and benefits in excess of the legal requirements set out in the Labor Standards Act to reduce staff turnover. This is an actual positive impact.	●	●			●			401-1~401-3	4.2 Optimal Utilization of Talent

02

Responsible Governance >>>>>>>>>>



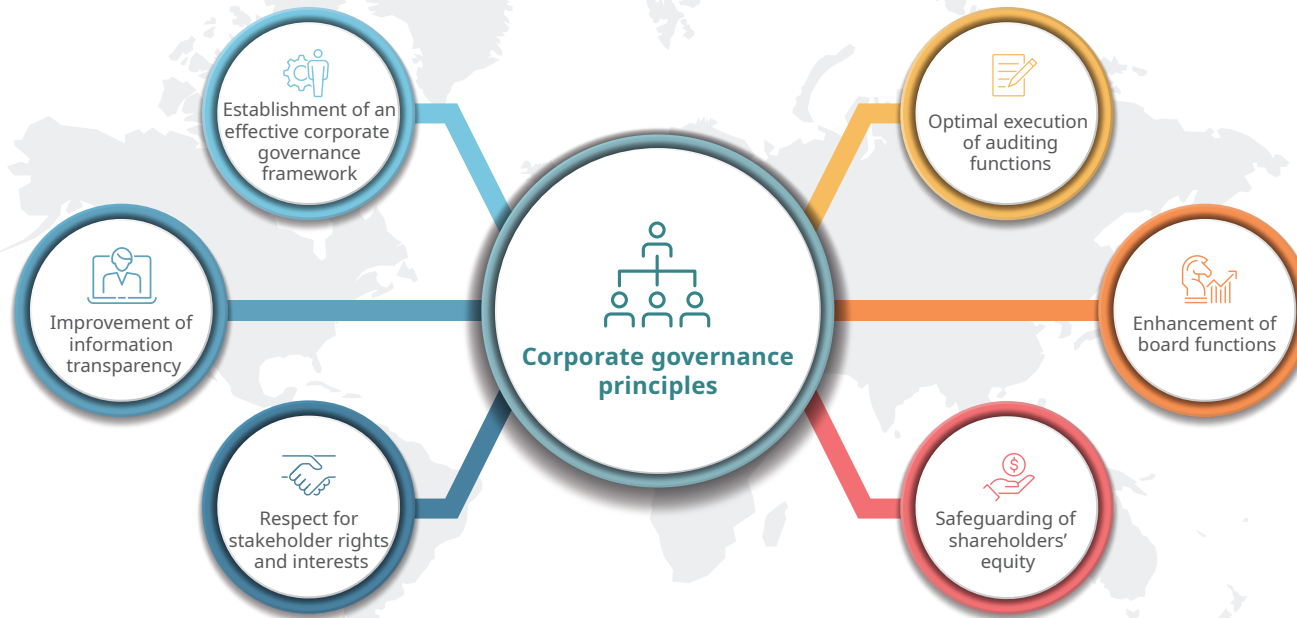
- 2.1 Governance Practices
- 2.2 Ethical Corporate Management and Legal Compliance
- 2.3 Risk Management
- 2.4 Climate Change Governance
- 2.5 Information Security
- 2.6 Products and Operation Performance
- 2.7 Customer Services and Supply Chain Sustainability



Solid corporate governance is based on the foundation of sound board operations and effective risk control. Good governance not only contributes to the mitigation of business risks but also to the company's overall competitiveness and brand value creation. Ethical corporate management can be achieved through a corporate culture based on integrity and accountability and strict legal compliance with applicable laws. In addition, an excellent corporate governance framework ensures robust business development and safeguarding of investor and stakeholder rights and interests.

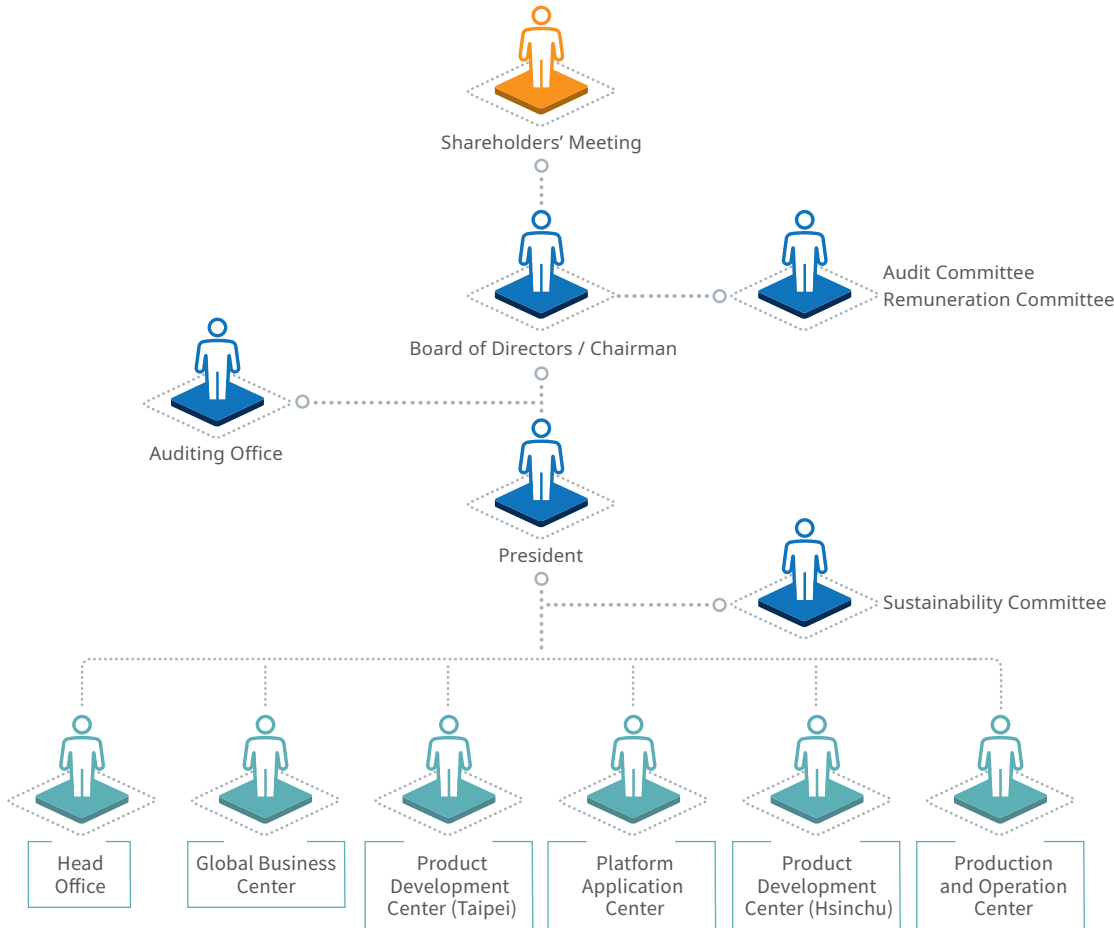
CASwell Shareholders' Meetings which are composed of all shareholders adopt resolutions on major company matters and receive reports from the Board of Directors on a regular basis. Our Shareholders' Meetings and Board of Directors represent our highest decision-making and governance bodies, respectively. All board members faithfully exercise their duty of care as good administrators. They plan business policies, review financial performance, and ensure that all company operations adhere to applicable laws. The Chairman of the Board is responsible for the setting of strategic goals by the board, while the President is in charge of the planning and management of daily operations, corporate sustainability, and strategy development. The President also supervises the delivery of reports to the Board of Directors by the management team. The powers and functions of the Chairman and President are clearly defined and demarcated.

Furthermore, the financial statements of the company are audited and attested by a CPA. All legally required information is provided in an accurate and timely manner. Looking ahead, we will persist in our efforts to improve board operations, enhance information transparency, and gradually incorporate sustainable governance strategies into our governance framework.



► 2.1 Governance Practices

Governance Structure >>>>>>>>>>>>>>



Governance unit functions	
Unit	Functions and responsibilities
Audit Committee	Assistance to the Board of Directors in the exercise of supervisory functions in the field of accounting, auditing, financial, and reporting procedures and the quality and reliability of financial control
Remuneration Committee	Optimization of the remuneration system for directors and managerial officers (appointment by board resolution, duly convened meetings)
Auditing Office	<ul style="list-style-type: none"> Participation in and supervision of internal control system design Audits of the adequacy and effectiveness of the internal control system Guarantee of a suitable extent and quality of internal control system operations Other matters to be executed pursuant to applicable laws and regulations
President	<ul style="list-style-type: none"> Overall planning of management approaches and decision-making processes, execution of board resolutions, and direction of department heads Designation of management representatives, participation in management review meetings, and confirmation of the implementation status of the quality system

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Governance unit functions	
Unit	Functions and responsibilities
Sustainability Committee	Supervision and management of the implementation of sustainable corporate development policies; commitment to sustainable development and promotion of sustainability policies in the environmental, social, and governance dimensions
Head Office	<ul style="list-style-type: none"> Finance Department: Fund management, handling of accounting and tax affairs, preparation of financial statements and management reports Management Department: Management and inventories of fixed assets, maintenance and management of multi-functional office devices, procurement, maintenance, and payment requests for general purpose supplies/equipment IT Department: Planning and system adoption, autonomous system development, database maintenance, host hardware and network system maintenance HR Department: Personnel appointment and dismissal, adjustment of duties, resignation/retirement, performance appraisals, rewards and penalties, insurance, salaries & benefits
Global Business Center	<ul style="list-style-type: none"> Network Communication Division: Development of new markets and customers and product promotion, presentation, and sales Strategic Account Division: Promotion, presentation, and sale of products to strategic accounts, management and operation of overseas warehouses for strategic accounts New Product Division: Development of new markets and customers and product promotion, presentation, and sales

Governance unit functions	
Unit	Functions and responsibilities
Product Development Center (Taipei)	<ul style="list-style-type: none"> Electronics R&D Department: Hardware product design, development, testing, and validation, design changes, and provision of technical support to the Sales Department and Production Center Firmware R&D Department: Firmware product design, development, testing, and validation, design changes, and provision of technical support to the Sales Department and Production Center Product Planning Department: Market surveys, design planning, control of R&D progress and product costs Document Management Department: Management of documents pertaining to systems and R&D technologies, creation and maintenance of BOM for R&D units, preservation and maintenance of ISO quality manuals and procedures, forms, and regulations of each unit Mechanism R&D Department: System mechanism design and development, packaging material design, and provision of technical support to the Product Planning and Sales Departments and the Production Center
Product Development Center (Hsinchu)	<ul style="list-style-type: none"> Electronics R&D Department: Hardware product design, development, testing, and validation, design changes, and provision of technical support to the Sales Department and Production Center Firmware R&D Department: Firmware product design, development, testing, and validation, design changes, and provision of technical support to the Sales Department and Production Center

Governance unit functions

Unit	Functions and responsibilities
Production and Operation Center	<ul style="list-style-type: none"> • Management Department: Procurement, production and material management, and supervision and management of all production-related matters • Manufacturing Department: Manufacturing of products that meet relevant quality requirements in line with order demands and production schedules with the goal of achieving the company's operational goals • Engineering Department: Undertaking of technology transfer of new products, direction of production line operations, production troubleshooting, and repair of defective products • Material Department: Receipt, inspection, and acceptance of incoming materials, feedstock preparation for production lines, shipping operations, and sales assistance • QC Department: Quality judgment and control for incoming goods, parts, and components and quality control of finished goods • Taiwan HUB: Purchase and shipping operations for strategic accounts • Product Repair Department: RMA return merchandise tracking and management, application for required materials, expense statistics and management, delivery of RMA reports as requested by customers
Platform Application Center	<ul style="list-style-type: none"> • Software Engineering Department: Development of drivers, software design, and software-related technical support • Application Engineering Department: Provision of technical support to sales units, provision of product use instructions to customers, verification of product issues reported by customers, research on product applications and safety • System Engineering Department: Design, development, and validation of system products, provision of technical support to the Production Center, creation of technical documents and data for products, resolution of product issues reported by customers • Quality Engineering Department: Software validation and release, development of production line testing systems, assistance in the resolution of customer development/usage issues, and development of automated diagnostic tools • QA Department: Revision and amendment of procedures pertaining to quality certification and management systems, revision management, provision of different types of quality reports to customers, tackling and tracking of anomalies

Note: The Chairman and President positions of this company are not held by the same person



2.1.1 Board of Directors

We have established a sound corporate governance system pursuant to the R.O.C. Company and Act and other applicable regulations. With a view to reinforcing protection of shareholders' equity and enhancing board functions, board member requirements have been clearly stipulated in our Corporate Governance Best Practice Principles. We have adopted fair, impartial, and transparent procedures for the nomination and election of qualified board candidates. Meritocratic principles are implemented through regular board elections. Board diversity including, but not limited to, clearly prescribed standards in the two dimensions of basic criteria and values and professional expertise and skills (i.e., knowledge, skills, and competence required for the performance of duties) represents another main consideration. The Board of Directors, which currently consists of seven directors (including three independent directors), possesses extensive experience and professional competence in various industries, accounting, and finance and keeps its finger on the pulse of the latest industry trends. The three independent directors have ample experience and professionalism in the fields of finance, management, and technology. In addition, we place utmost emphasis on gender equality in the composition of our Board of Directors. We currently have one female director who accounts for 14.3% of the total board membership.



The Board of Directors is responsible for the planning of business strategies and is fully accountable to the shareholders and other stakeholders. All directors faithfully discharge their duties, perform the duty of care of good administrators, and exercise their powers in a prudent manner. Unless it is explicitly stipulated in applicable laws, by-laws, or regulations that shareholders' meeting resolutions are required, the execution and planning of Company operations and governance system operations are handled pursuant to board resolutions. All directors exhibit a high degree of self-discipline in the implementation of recusal principles when board meetings are convened pursuant to the Rules of Procedure for Board Meetings stipulated by the Company. If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director must state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director must not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item. Said director may also not exercise voting rights as proxy for another director.

With a view to ensuring effective risk management and increasing the willingness of industry professionals to serve as directors, we purchased liability insurance for directors, supervisors, and managerial officers with a coverage of US\$ 5 million from Shinkong Insurance Co., Ltd. The coverage encompasses the company and its subsidiaries with the directors and managerial officers as the main insured parties. The goal is to protect the Company, directors, and managerial officers against liability risks and expenses arising from alleged improper conduct in the exercise of their duties and enable our directors to conduct their business in a worry-free manner. We also strive to reduce and spread the risk of material damage to the company and shareholders caused by wrongful or negligent acts of directors.

The Board of Directors convenes at least once a quarter pursuant to the Rules of Procedure for Board Meetings to review the business performance of the Company, discuss key strategic issues, and engage in communication on material incidents involving economic, environmental, and social impacts, risks, and opportunities in accordance with Procedures for Handling Material Inside Information. Competent units responsible for follow-up handling of relevant matters as confirmed in such meetings deliver tracking reports on adopted actions in the next scheduled meeting. Prior to the forwarding of proposals and reports to board members, unit(s) responsible for board meeting procedures review relevant contents in advance to determine whether an interested party relationship requiring recusal exists and remind involved parties accordingly. A total of five board meetings were held in 2022 and 24 announcements of material information were made on the Market Observation Post System (MOPS). For more information, please refer to the Market Observation Post System website at twse.com.tw. Major board resolutions are described on P46~47 of the Annual Report.

Nomination and election procedures for the Board of Directors and functional committees >>>>>>>>>>>>

- 01

Qualifications and requirements
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Formal invitation and data review
- 03

Board resolutions

A candidate nomination system has been adopted for the election of our directors (including our independent directors). The board accepts recommendations of professionals in different fields as director/independent director candidates submitted by incumbent directors/independent directors. Unit(s) responsible for board meeting procedures determine whether or not recommended candidates meet one of the professional qualification requirements, together with at least five years’ work experience, as stipulated in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. They further review whether or not such candidates meet relevant independence criteria.

The Chairman formally invites recommended persons who have passed the aforementioned reviews to stand as director/independent director candidates. Upon acceptance of the invitation, candidates are requested to fill out the education and professional experience declaration for directors/independent directors and attach copies of the highest diploma or equivalent credit certificate as well as resignation/employment certificates issued by current or previous employers.

Director/independent director candidate nominations are submitted to the Board of Directors for discussion. Upon approval by board resolution, such candidates are officially nominated for election at a shareholders’ meeting. Elections are conducted pursuant to the Rules for Election of Directors.



Board diversity statistics /Year		2020		2021		2022	
		Number	Percentage	Number	Percentage	Number	Percentage
<div style="display: flex; align-items: center;"> Gender </div>	Male	6	85.71%	6	85.71%	6	85.71%
	Female	1	14.29%	1	14.29%	1	14.29%
<div style="display: flex; align-items: center;"> Age </div>	60 and above	1	14.29%	2	28.57%	2	28.57%
	51-59	5	71.42%	4	71.43%	5	71.43%
	50 and below	1	14.29%	1	14.29%	—	—
<div style="display: flex; align-items: center;"> Education </div>	Graduate School	5	71.43%	5	71.43%	5	71.43%
	Junior College/ University	2	28.57%	2	28.57%	2	28.57%

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Advanced training for directors and board performance evaluations

With a view to enhancing the standards of ethical conduct of our staff members and implementing ethical corporate management, we have adopted a Code of Ethical Conduct, Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct. These principles and procedures encompass the following: Prevention of conflicts of interest and pursuit of personal gain, confidentiality obligations, fair dealing, protection and appropriate use of company assets, compliance with applicable laws and regulations, encouraged reporting of any illegal conduct or violations of the Code of Ethical Conduct, and corresponding disciplinary measures. The implementation of relevant principles is subject to approval by the Board of Directors and reporting to the independent directors and the shareholders’ meeting. Anti-corruption policies must be communicated and made known to all employees. We also actively urge all directors to comply with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. They are further required to attend 6 hours of advanced training on corporate governance-related topics (e.g., finance, risk management, business, commerce, legal affairs, accounting, and sustainability) or the internal control system and financial reporting responsibilities during their terms of office. In addition, we arrange training courses on corporate sustainability, corporate governance, legal compliance, risk management, anti-money laundering, and counter-terrorism financing for all employees and directors.

Status of advanced training for directors in 2022 >>>>>>>>>>>>>>

Title	Name	Date	Organizer	Course title	Training hours per course	Annual advanced training hours	Sustainability-related
Representative of juristic person director	Steve Chu	2022/06/22	Taiwan Academy of Banking and Finance	Corporate Governance and Corporate Sustainability Workshop	3	6.0	V
		2022/05/12	TWSE	International Twin Summit (Online Forum)	2		
		2022/03/10	TWSE	Discussion of Independent Directors from an International Perspective and Annual Shareholders' Meeting in 2022	1		
Representative of juristic person director	Aven Lou	2022/09/22	Taiwan Corporate Governance Association	Obligations and Responsibilities of Companies and Directors/Supervisors as stipulated in the Securities and Exchange Act	3	6.0	V
		2022/08/25		The Mindset of Investors – Discussion of Corporate Sustainability Transformations from the Perspective of ESG Investment and Financing	3		
Representative of juristic person director	Nelson Tsay	2022/09/22	Taiwan Corporate Governance Association	Obligations and Responsibilities of Companies and Directors/Supervisors as stipulated in the Securities and Exchange Act	3	6.0	V
		2022/08/25		The Mindset of Investors – Discussion of Corporate Sustainability Transformations from the Perspective of ESG Investment and Financing	3		

Title	Name	Date	Organizer	Course title	Training hours per course	Annual advanced training hours	Sustainability -related
Director	Reaforl Hong	2022/08/25	Taiwan Corporate Governance Association	The Mindset of Investors – Discussion of Corporate Sustainability Transformations from the Perspective of ESG Investment and Financing	3	9.0	V
		2022/04/22	Taiwan Institute for Sustainable Energy-Center for Corporate Sustainability	Taishin 2030 Sustainability & Net Zero Summit – Transform to Net Zero	3		
		2022/03/09	Taiwan Institute of Directors	Leaders Academy Forum - Relaunch in a New Reality – A New Digitized Taiwan	3		
Independent Director	James Huang	2022/10/20	Taiwan Corporate Governance Association	Latest Amendments to the Company Act – Trends and Analysis	3	6.0	V
		2022/08/25		The Mindset of Investors – Discussion of Corporate Sustainability Transformations from the Perspective of ESG Investment and Financing	3		
Independent Director	Jennifer Shao	2022/10/20	Taiwan Corporate Governance Association	Latest Amendments to the Company Act – Trends and Analysis	3	6.0	V
		2022/08/25		The Mindset of Investors – Discussion of Corporate Sustainability Transformations from the Perspective of ESG Investment and Financing	3		
Independent Director	Benny Wang	2022/10/11	TWSE, Taipei Exchange	Release of Guidelines for the Exercise of Powers by Independent Directors and the Audit Committee and Advocacy Meeting for Directors/Supervisors	3	12.0	V
		2022/08/2	Taiwan Corporate Governance Association	The Mindset of Investors – Discussion of Corporate Sustainability Transformations from the Perspective of ESG Investment and Financing	3		
		2022/01/11	Securities & Futures Institute	Sharing of Corporate M&A Practices – Focus on Hostile Takeovers	3		
		2022/01/07		Global Risk Awareness – Opportunities and Challenges in the Next Decade	3		

We have formulated Rules for Performance Evaluation of Board of Directors. Pursuant to the power and authority provisions set forth in Article 4 of the Remuneration Committee Charter, performance evaluations for the respective year must be carried out in the first quarter of the following year. Such appraisals are conducted in form of self-evaluation questionnaires covering the following items: board meeting attendance rate, preparation for meetings and participation in discussions on proposals, interactions with the management team, compliance with applicable laws and best practice principles, corporate governance enhancement, ongoing advanced training on corporate governance-related topics, understanding of the Company, its management team, and its subsidiaries, and other items specified by the competent authority and the Board of Directors. The main goal of these evaluations lies in a regular review of director and managerial officer performance. With a view to enhancing the independence of such evaluations, our commission teams are composed of members of external independent bodies or external experts and scholars who conduct assessments at least once every three years. The results of self-evaluations of board and functional committee (Remuneration and Audit Committee) performance in 2022 were excellent. These results were reported to the Board of Directors on March 9, 2023.

In 2022, our efforts to implement ESG are still in early stages, and we haven't yet linked ESG development goals and performance to board director and managerial officer compensations. We will persist in our efforts to monitor the latest trends in this area. Once we reach a higher maturity level in this field, we will deliberate with the Remuneration Committee how to incorporate sustainability performance into the scope of compensation assessments.

Promotion of Corporate Governance

Our Board of Directors ratified the concurrent appointment of the CFO as Chief Corporate Governance Officer on November 9, 2022. The main duties and responsibilities of this officer can be summarized as follows: handling of matters related to board and shareholders' meetings, preparation of board and shareholders' meeting minutes, assistance in director appointments and advanced training, provision of information required for the discharge of duties by directors, assistance in legal compliance, and other matters as stipulated in our Articles of Incorporation or relevant contracts.

Stakeholder consultation and grievance channels

With a view to realizing the core values of our ethical management-based culture, we have adopted a Whistleblowing System and Report Handling Procedures with clearly defined reporting channels and investigation procedures pursuant to the provisions set forth in Article 23 of our Corporate Governance Best Practice Principles. The goal lies in the full implementation of our Ethical Corporate Management Best Practice Principles and protect the legitimate rights and interests of whistleblowers.



Dedicated stakeholder section

In addition, we are actively committed to gaining an in-depth understanding of stakeholder demands and providing responses to issues of concern to stakeholders on an ongoing basis. We therefore maintain positive interactions with all stakeholder groups through a dedicated liaison in the context of our daily business activities. In addition to the company profile and product information pages on our official website, we have set up a dedicated stakeholder section. Diversified communication channels such as e-mail boxes and hotlines are in place to facilitate communication between stakeholders and the Company and thereby foster a free flow of internal/external opinions and information and ensure the satisfaction of stakeholder demands in a timely manner. The stakeholder section can be accessed via the following QR Code:



Whistleblowing System and Report Handling Procedures

2.1.2 Audit Committee

We have established an Audit Committee pursuant to the provisions set forth in our Articles of Incorporation and Article 3 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies. This Committee is composed of three professionally detached independent directors. Audit Committee operations ensure that our corporate operations are in conformity with government decrees and applicable regulations. The Committee further performs supervisory duties in the following areas:

A total of five committee meetings with an attendance rate of 100% were convened in 2022. For more details on our Audit Committee operations please refer to P.24-25 of our Annual Report.

- ✓ Fair presentation of financial statements
- ✓ CPA appointment (dismissal), independence, and performance
- ✓ Effective implementation of internal control
- ✓ Compliance by the Company with relevant laws and regulations
- ✓ Control of existing or potential risks affecting the Company

2.1.3 Remuneration Committee

A Remuneration Committee has been set up pursuant to the provisions set forth Article 14-6 of the Securities and Exchange Act and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange to perfect our corporate governance and remuneration system for directors and managerial officers. This Committee conducts professional and objective assessments of our remuneration policies and systems for directors and managerial officers. In addition, a Remuneration Committee Charter has been adopted for compliance by all involved personnel.

Director compensation is paid pursuant to the provisions set forth in Article 20 of the Articles of Incorporation. These compensations are determined based on income before tax (earnings before tax prior to distribution of employee and director compensations). If a profit is recorded, no less than 5% should be set aside as employee compensations and no more than 1% should be appropriated as director compensations. If the Company has accumulated losses, an adequate amount should be retained to offset such losses prior to the allocation of employee and director compensations as specified above. Existing surpluses in annual final accounts are used, on a priority basis, for the payment of Profit-seeking Enterprise Income Tax and to offset accumulated losses. 10% of the remaining balance is set aside as legal reserves, and an additional amount may be appropriated as a special reserve as deemed necessary. After taking account of such appropriations, the Board of Directors formulates a proposal for the distribution of surpluses in the current year together with undistributed accumulated earnings of previous years. This proposal is submitted to the shareholders' meeting for deliberation and approval.

Annual remunerations for managerial officers include salaries, bonuses, and special bonuses based on distribution of surpluses. All salaries and compensations are determined with reference to typical pay levels adopted by peer companies, taking into consideration the reasonableness of the correlation between remuneration and individual performance, the company's business performance, and future risk exposure. Recommendations are submitted to the Board of Directors accordingly as a key reference for the decision-making process.

A total of two Remuneration Committee meetings with an attendance rate of 100% were convened in 2022. For more details on the operations of the committee please refer to P.33-34 of our Annual Report.



▶ 2.2 Ethical Corporate Management and Legal Compliance

2.2.1 Ethical Corporate Management

All CASwell departments rely on routine channels to engage in regular interactions with stakeholders. If there is a danger of material negative impacts arising from dealings between stakeholders and the company, competent departments initiate due diligence of the financial status of involved stakeholders. The results of such investigations are reported to the Chairman who assesses the necessity of reporting the matter to the Board of Directors based on the actual results and the extent of the danger for our operations. Finally, the Board of Directors adopts a resolution regarding the due diligence report submitted by the respective department and hands the matter over to competent departments for follow-up handling. No such potential negative incidents occurred in 2022.

Consequently, there is no record of reports to the Board of Directors. We are fully aware of the fact that financial due diligence is insufficient to accurately determine impacts generated by such interactions. We will therefore assess the necessity to include legal compliance records of stakeholders and environmental and labor rights dimensions into the scope of such due diligence. The goal is to optimize due diligence and strengthen the role of the Board of Directors when dealing with such material negative impacts.

Our organizational culture and core values are founded on legal compliance and integrity first. We conduct business in line with our spirit of uprightness and law abidance. We place utmost emphasis on the moral character of our employees to ensure the implementation of ethical corporate management concepts in our company. Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct have been adopted to stress our core corporate values of uprightness, innovation, discipline, positivity, customer trust and our sacred mission of forging global connections with innovation and care as the main driving force. The Head Office fills the role of the Ethical Management Promotion Unit. It assists the management level in audits and assessments of preventive measures to facilitate implementation of ethical corporate management and conducts regular evaluations of relevant business processes. Annual progress in the implementation of ethical corporate management is reported to the Board of Directors in the first meeting in the following year. New hires are educated on relevant concepts by the HR Department during onboarding to cultivate integrity awareness on the part of our employees. We also require our management level to lead by example and strictly observe integrity principles with the ultimate goal of shaping an integrity-based corporate culture in a subliminal manner.

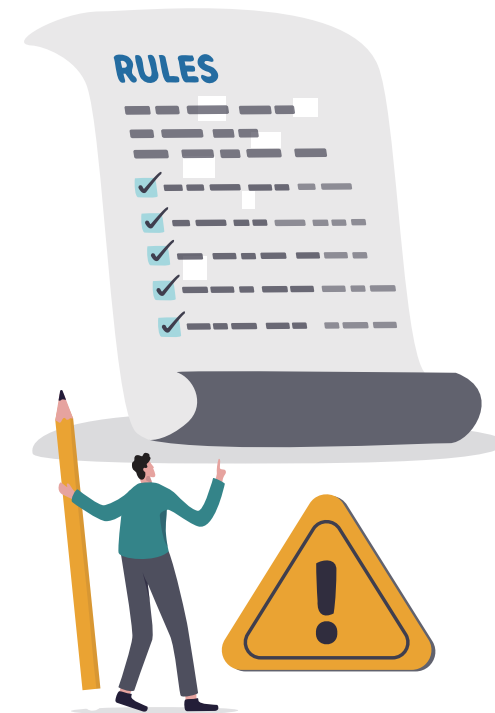
In addition, we gave grievance/whistleblowing channels in place to enable stakeholders to report relevant incidents. These reports are processed and registered by dedicated personnel, which is followed by the initiation of investigations. No whistleblower reports were received in 2022. Furthermore, we have formed a Corporate Governance Task Force under the ESG Committee, which is responsible for the design and review of grievance channels and received reports. We currently assess the necessity of engaging in communications and discussions on this matter in the context of stakeholder communication meetings organized by customers and suppliers as a reference for improvements to this grievance mechanism.



2.2.2 Legal Compliance

Material Topic	Legal Compliance
Policies/Commitment	We are firmly committed to compliance with applicable laws and regulations in all our operating activities and constantly monitor domestic and international policies and laws with a potential impact on our operations to ensure full legal compliance and build a law-abiding corporate culture
Goal	No record of major legal violations in the respective year
Responsible Department/ Grievance Mechanism	<ul style="list-style-type: none"> Responsible Department: Head Office Grievance Mechanism: E-mail
Invested Resources	<ul style="list-style-type: none"> Corporate governance dimension: We have established an Ethical Management Promotion Unit, which is responsible for the formulation and execution of ethical management policies. A report on the implementation status is submitted to the Board of Directors and disclosed on the official website on an annual basis. We have adopted Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct as a solid foundation for compliance by employees and stakeholders. Employee dimension: The management level leads by example and provides guidance to all employees to ensure that relevant business conduct adheres to laws and company policies, rules, and regulations. We further strive to reinforce the compliance awareness of all staff members through training on applicable laws and regulations. ESH dimension: We have implemented the ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System (OHSMS) and have established a law identification and management system for relevant and applicable OHS and environmental laws, rules, and regulations to effectively implement legal compliance.
Assessment Mechanism	<ul style="list-style-type: none"> In 2022, a total of 13 managerial officers signed the Statement of Compliance with Ethical Corporate Management Policies (signing rate of 100%) In 2022, there was no record of major violations in the dimensions of ethical corporate management, anti-competition, commercial accounting, environmental protection, labor rights, occupational health and safety, product liability, social economy, customer privacy, and customer health and safety.

Note: The term “record of major legal violations” refers to imposed fines in excess of NT\$ 200,000.



Legal compliance is the cornerstone of corporate security and sustainable development. Effective legal compliance not only helps prevent malpractices and reduce losses associated with manpower, time, and funds invested in judicial investigations, fines, litigation, and negative news coverage but also enhances the corporate image and thereby attracts high-quality independent directors, employees, and transaction counterparties. This creates a win-win situation for the Company, its shareholders, and its stakeholders. In the corporate governance dimension, we have established an Audit Committee, which is in charge of monitoring the financial status and internal control system of the Company in addition to the formulation of Rules of Procedure for Board of Directors Meetings with the goal of enhancing board functions.

In the field of employee management, the establishment of a whistleblowing channel has been paired with leadership by example by the management level. We require every staff member to ensure that his/her business conduct adheres to applicable laws and polices and internal regulations of the company. Internal control operations aim to ensure legal compliance by all units. In the employee training dimension, we administer training on laws and regulations with a potential impact on the execution of business operations by employees in different units and at different levels of the organization to ensure that our operations conform to all legal requirements. We also safeguard the legitimate labor rights and interests of our employees pursuant to labor laws and regulations.


As for the ESH dimension, we implement environmental management systems and abide by the EU RoHS Directive. In addition to requiring our suppliers to provide materials that are free from hazardous substances, we refrain from using raw materials that contain hazardous chemicals for our production processes. We ensure full compliance with RoHS and hazardous substance management for supplier raw materials. Our plants have emergency response plans and emergency response command centers in place and have formed emergency response task forces. In case of emergencies, the emergency response task force is responsible for the adoption of response measures and follow-up handling. In addition, we are deeply committed to providing all our employees with a safe and reasonable work environment and safeguarding their rights and interests. We also provide them with regular health and safety training which covers necessary health and first-aid facilities. The ultimate goal is to minimize risk factors for employee health and safety and prevent occupational accidents.

► 2.3 Risk Management

Risk management is conducted in a dedicated manner by different departments in accordance with their unique characteristics. Identification, analysis, and quantification of potential internal risks by individual units represents the first step of the risk management process. Adoption of adequate methods to control, cope with, manage, and monitor such risks constitutes the second step. This is followed by the formulation of countermeasures for identified high-risk items which are implemented in line with risk properties in a centralized or decentralized manner to ensure effective and timely control of high risks.





Risk Management

Risk	Risk description	Risk countermeasures
 Environmental Sustainability	GHG emissions	<ul style="list-style-type: none"> • Implementation of ISO 14064-1 GHG Inventories and setting and enforcement of emission reduction targets • Promotion of energy conservation and carbon reduction projects, short-term assessment of energy storage systems and renewable energy sources, and implementation of clean energy concepts and increased usage of renewable energy
	Rising energy costs	Promotion of energy conservation and carbon reduction projects, short-term assessment of the adoption of energy storage systems and solar power, and implementation of clean energy concepts and increased usage of renewable energy
	Climate change	<ul style="list-style-type: none"> • Water shortages caused by water rationing and rotating water cuts represent our core issue in the field of water resource management. We therefore collect data on reservoir water statuses and implement monitoring of water consumption trends to maintain a firm grasp of actual water consumption. We also promote water conservation measures in our daily operations. • With a view to mitigating the impact of storms, we establish a Typhoon Command Center when a typhoon warning is announced to gain a firm grasp of the typhoon path and conditions in our plants. Typhoon forecasts are announced in our plants to give our employees a clear understanding of the current status of the typhoon and facilitate the adoption of countermeasures with the goal of minimizing the impact of typhoons. In case of flooding, the Typhoon Command Center dispatches personnel who adopt adequate response measures to clear the flooding. Follow-up restoration work is carried out after flooding recedes.
	Supplier operation issues	<ul style="list-style-type: none"> • We have a supplier management system in place and request all suppliers to sign a statement pledging compliance with our supply chain management policy. We further plan to conduct due diligence/audits of the environmental and social performance of suppliers in 2023. • In the future, we plan to gain a firm grasp of management approaches and the degree of implementation of sustainable development by suppliers. We continue to encourage suppliers to prioritize management ethics, safeguard labor rights, emphasize work environments, safety, and health, and develop materials and processes with greatly diminished environmental impacts.



Risk Management

Risk	Risk description	Risk countermeasures
 <p>Common Social Good</p>	Occupational health and safety	<ul style="list-style-type: none"> • Implementation of ISO 45001 Occupational Health and Safety Management System operations and enhancement of workplace safety through the adoption of risk-based thinking • Administration of occupational health and safety training for new hires and active employees • Stipulation of on-site operation directions, Ergonomic Hazard Prevention Guidelines, Abnormal Workload-Triggered Disease Prevention Guidelines, and Occupational Health and Safety Work Principles complemented with machinery-related training, engineering improvements, or provision of PPE to ensure effective control of hazards
	New communicable diseases	<ul style="list-style-type: none"> • Formation of a special task force • Ongoing monitoring of epidemic-related information and timely adjustments in line with laws and regulations enacted by the government • Implementation of a deputy mechanism • Implementation of an epidemic prevention measure mechanism for new communicable diseases
	Labor shortages	Internal professional competency training, creation of multiple external recruitment channels, and cooperation with academic circles in technology development and talent cultivation to counteract manpower shortages resulting from industry and environmental factors
 <p>Corporate Governance</p>	Ethical risks	Adoption of Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct to implement relevant operations
	Information security risks	<ul style="list-style-type: none"> • Formulation of information security policies and implementation procedures • Establishment of an internal information security organization • Strengthening of soft- and hardware architecture through comprehensive deployment of Endpoint Detection & Response (EDR) software and adoption of Multi-Factor Authentication (MFA) and encryption software • Regular asset risk inventories, vulnerability scans, and recovery plan drills • Ongoing implementation of a system backup mechanism • Employee training to reinforce information security risk awareness • Regular review of network security/permission control measures

▶ **2.4 Climate Change Governance**

The TCFD (Task Force on Climate-related Financial Disclosures) framework can be divided into the core elements of governance, strategy, risk management, metrics & targets. Our Sustainability Committee members identify climate-related risks and opportunities, formulate follow-up contingency strategies, and deliver regular reports to the Board of Directors, which monitors implementation strategies.



2022 Short-, Medium-, and Long-Term Climate-Related Risk and Opportunity Chart

No.	Climate-Related Risks	Risk Level	Time Frame	No.	Climate-Related Opportunities	Opportunity level	Time Frame
R1	Increased pricing of GHG emissions	High	Short- and medium-term	O1	Reduced water usage and consumption	Medium	Medium- and long-term
R2	Enhanced emissions-reporting obligations	Medium	Short-term	O2	Use of more efficient production and distribution processes	Medium	Medium- and long-term
R3	Mandates on and regulation of existing products and services	Medium	Short-term	O3	Use of recycling	Medium	Medium- and long-term
R4	Substitution of existing products and services with lower emissions options	Medium	Medium- and long-term	O4	Move to more efficient buildings	Medium	Medium- and long-term
R5	Costs to transition to lower emissions technology	Medium	Short- and medium-term	O5	Use of more efficient modes of transport	Medium	Short-, medium-, and long-term
R6	Changing customer behavior	Medium	Short- and medium-term	O6	Use of lower-emission sources of energy	Medium	Medium- and long-term
R7	Changes in precipitation patterns and extreme variability in weather patterns	Medium	Medium- and long-term	O7	Development and/or expansion of low emission goods and services	High	Short-, medium-, and long-term
R8	Increased severity of extreme weather events such as cyclones and floods	High	Medium- and long-term	O8	Use of new technologies	Medium	Medium- and long-term
R9	Increased cost of raw materials	Medium	Short- and medium-term	O9	Participation in carbon market	Medium	Medium- and long-term
R10	Rising mean temperatures	Medium	Medium- and long-term	O10	Shift toward decentralized energy generation	Low	Medium- and long-term
R11	Rising sea levels	Medium	Medium- and long-term				

Climate-related financial impacts and contingency measures

Risks and opportunities	Financial impacts and contingency mechanism
Increased pricing of GHG emissions	The Climate Change Response Act, which will take effect in 2024, empowers the central competent authority to impose carbon fees in stages against Direct and Indirect GHG Emission Sources (high-emission products). Potential financial impacts associated with this risk dimension include increased operating costs. However, in consideration of the fact that CASwell is not a high carbon-emitting enterprise, the financial and operational impact of this dimension is not expected to be too severe. In addition to the ongoing implementation of GHG inventories, we plan to expand their scope to include all subsidiaries of the group. We are also determined to initiate assessments regarding purchases of green power, biomass energy, and carbon credits and maintain our efforts in the setting of carbon reduction targets.
Changes in precipitation patterns and extreme variability in weather patterns	The rising frequency of extreme weather events such as typhoons and torrential rain could result in flooding of office buildings and plant areas and impacts on our operations, but potential financial impacts have been determined to be low. Adopted contingency measures include the ongoing maintenance of sewage systems and formulation of emergency response plans for typhoons and torrential rains with the goal of minimizing acute risks. Waterproofing projects have been completed and natural disaster insurance has been effected for the company's buildings and plant areas. Maintenance of pumps and drainage facilities is carried out on a monthly basis. The operational impact of this risk dimension is therefore not expected to be too severe.
Development and/or expansion of low emission goods and services	The fact that our products conform to international environmental/energy efficiency requirements is highly conducive to revenue generation and maintenance of a moderate financial impacts. The contingency strategy in this dimension focuses on the development of high-performance, low-carbon, and high-quality products, investments in future-oriented technologies and patent development, and expansion of pollution-free industry chains.

Goal by 2035
Implementation plans to ensure achievement of the 30% carbon reduction.

- ☑ Green procurement practices and purchase of eco-label certified infrastructure equipment (implementation schedule: 2023-2035)
- ☑ Annual energy conservation projects for key facilities (2023~2030)
- ☑ Adoption of solar power generation and renewable energy purchases (2030~2035)

▶ **2.5 Information Security**

We have adopted a sound information security management policy to ensure the confidentiality, integrity, and availability of our information assets in conformity with applicable legal requirements. The goal is to satisfy the demands of our stakeholders, protect product and service information, prevent losses caused by unauthorized access, alteration, use or disclosure or natural disasters, ensure continuity of important business operations, and fulfill our pledge to our shareholders.

Information security policy

A sound information security policy has been implemented to guarantee data, system, equipment, and network security, ensure confidentiality, integrity, availability, and legality of all information assets, and protect such assets against internal and external threats of an intentional or accidental nature in conformity with applicable laws, regulations, and contractual obligations. We strive to achieve the following policy goals by relying on the joint efforts of all staff members:

- ☑ Information asset confidentiality and integrity
- ☑ Data access in line with department functions and regulations
- ☑ Information system continuity
- ☑ Prevention of unauthorized alteration or use of data and systems
- ☑ Regular execution of information security audits to ensure effective information security management
- ☑ Remote backup of information systems based on risk levels to ensure data security
- ☑ Ongoing strengthening of security defense capabilities to cope with the increasing diversity of network applications and guard against information security threats

Material topic	Information security
Policy	Guarantee of data, system, equipment, and network security and confidentiality, integrity, availability, and legality of all information assets; protection of such assets against internal and external threats of an intentional or accidental nature in conformity with applicable laws, regulations, and contractual obligations
Goal	Zero major information security incidents every year
Responsible Department/ Grievance Mechanism	<ul style="list-style-type: none"> • Responsible Department: Information Security Management Committee • Grievance Mechanism: IT Department Extension Number E-Mail: Miles.lee@cas-well.com
Invested Resources	<ul style="list-style-type: none"> • Execution of information security training, education, and audits • Implementation of information and network security controls • Implementation of data access controls • Regular data backup and organization of disaster recovery drills
Assessment Mechanism	<ul style="list-style-type: none"> • No record of major information security hazards and incidents in 2022 • No record of penalties or fines imposed by the competent authority as a result of breach of personal customer and employee information due to leakage of confidential information in 2022 • No deficiencies detected in an external audit of account privileges conducted by a CPA in 2022

Information security management approaches

Our IT Department, which is the competent unit in the field of information security operations, is responsible for the formulation of information security management approaches, the planning and execution of information security protection, and the propagation and implementation of information security policies. We adopt various information security protection measures to protect our information assets against internal and external information security threats and enhance the overall security of the IT environment.



Category	Description	Content
Internet information security controls	Prevention of external intrusions	<ul style="list-style-type: none"> • Installation of a firewall • Regular AV scanning of computer systems and data storage media • Regular review of network service items and tracking of anomalies
Data access controls	Prevention of data leakage	<ul style="list-style-type: none"> • Safekeeping of computer equipment by dedicated personnel and definition of account and password criteria • Granting of different access privileges based on job functions • Revocation of privileges of transferred personnel • Deletion or overwriting of confidential or sensitive data and proprietary software prior to scrapping of equipment • Remote login and management of information systems is subject to adequate approval procedures
Response and recovery mechanism	Data backup and regular checks	<ul style="list-style-type: none"> • Annual system recovery drills • Establishment of a system and remote backup mechanism • Regular reviews of computer network security control measures • Communication of information security information to employees as deemed necessary to raise their information security awareness • Annual execution of non-scheduled information and network security checks • Regular examination of emergency response plans

▶ 2.6 Products and Operational Performance

Material Topic	Innovative R&D												
Policies/Commitment	Innovation excellence and ongoing supply of products and services that add convenience to the lives of customers all over the world												
Goal	<ul style="list-style-type: none"> • Technology enhancement— Maintenance of the company’s technological leadership position • Real-time customization— Satisfaction of customer expectations in the field of TTM (Time to Market) 												
Responsible Department/ Grievance Mechanism	<ul style="list-style-type: none"> • Responsible Department: Product Development Center • Grievance Mechanism: A dedicated stakeholder section has been set up on the official website and designation of a customer liaison to facilitate product-related customer inquiries 												
Invested Resources	R&D expenditures of NT\$ 235.202 million accounting for 4.72% of our annual revenues in 2022												
Assessment Mechanism	<ul style="list-style-type: none"> • Non-scheduled R&D project meetings <p>R&D achievements in 2022:</p> <table border="1"> <thead> <tr> <th>Product line</th> <th>Completed project</th> </tr> </thead> <tbody> <tr> <td>Network Security & Management</td> <td>Rack-mounted (CAR-2090 & CAR-4070 & CAR-4080) product series based on Intel Comet lake, Raptor lake, or AMD Ryzen 7000AM5</td> </tr> <tr> <td>Software Definition</td> <td>Desktop, fanless (CAF-0110, CAF-026D) series based on Intel Elkhart Lake & Intel Denverton Refresh CPUs</td> </tr> <tr> <td>Industrial Control & Automation</td> <td>Rugged Din-Rail products based on MediaTek CPUs ESL Gateway (CAG-0100) High-density, 2U High Chassis, 96GbE independent network port product (COS-2501) High-density, industrial-grade, wide-temperature, fanless network server product (COS-2504)</td> </tr> <tr> <td>Cloud Computing</td> <td>Rack-mounted (CAR-5056 MX) telecom switch product based on Intel High-end Cascadelake-SP, Barefoot Switch, and FPGA CPUs</td> </tr> <tr> <td>Networking Modules</td> <td>Trusted Platform Module (TPM-9672-000) based on InfineonSLI9672 chip, LOM-2600 (Intelligent Platform Management Interface LOM-2600), and Aspeed AST2600 chip</td> </tr> </tbody> </table>	Product line	Completed project	Network Security & Management	Rack-mounted (CAR-2090 & CAR-4070 & CAR-4080) product series based on Intel Comet lake, Raptor lake, or AMD Ryzen 7000AM5	Software Definition	Desktop, fanless (CAF-0110, CAF-026D) series based on Intel Elkhart Lake & Intel Denverton Refresh CPUs	Industrial Control & Automation	Rugged Din-Rail products based on MediaTek CPUs ESL Gateway (CAG-0100) High-density, 2U High Chassis, 96GbE independent network port product (COS-2501) High-density, industrial-grade, wide-temperature, fanless network server product (COS-2504)	Cloud Computing	Rack-mounted (CAR-5056 MX) telecom switch product based on Intel High-end Cascadelake-SP, Barefoot Switch, and FPGA CPUs	Networking Modules	Trusted Platform Module (TPM-9672-000) based on InfineonSLI9672 chip, LOM-2600 (Intelligent Platform Management Interface LOM-2600), and Aspeed AST2600 chip
Product line	Completed project												
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Networking Modules	Trusted Platform Module (TPM-9672-000) based on InfineonSLI9672 chip, LOM-2600 (Intelligent Platform Management Interface LOM-2600), and Aspeed AST2600 chip												

Intellectual property management

We provide our R&D and IP personnel with IPR-related training on an annual basis to enhance their IPR-related competencies and reinforce their IPR protection awareness and competence.

We also have a patent-related incentive system in place to encourage all employees to eagerly engage in innovation, apply for patents, actively promote our patents (including patent applications), and thereby strengthen our competitiveness. The goal is to reward innovation and recognize contributions in the field of intellectual property.

Valid patents as of 2022

Patent name	Patent type	Application region	Period of validity
Adjustable, rack-mounted improved structure	Utility model	Taiwan	Dec.1, 2012~Jun. 18, 2022
Smart automatic boot device	Invention	Taiwan	Oct. 21, 2015~Aug. 1, 2033
Variable-bandwidth switch device	Utility model	Taiwan	Nov. 21, 2015~Jun. 1, 2025
Customized connector device with shared PCIe x16 and PCIe x8 slots	Utility model	Taiwan	Dec. 1, 2016~Dec. 1, 2026
Improved packet processing method for virtual switches	Invention	Taiwan	Mar. 11, 2018~Feb. 23, 2036
Smart power management device	Utility model	Taiwan	Oct. 11, 2017~Jun. 18, 2027
Smart power management device	Utility model	China	Jun. 22, 2017~Jun. 22, 2027
Customized connector device with shared PCIe x16 and PCIe x8 slots	Utility model	China	Apr. 18, 2017~Apr. 18, 2027
Smart automatic boot device	Invention	China	Aug. 9, 2013~May 28, 2033
Multi-slot quick installation expansion module structure	Utility model	Korea	Nov. 7, 2013~Nov.7, 2023
Improved packet processing method for virtual switches	Invention	USA	Jan.17, 2017~Jan. 27, 2037
Wireless backup communication expansion module	Invention	Taiwan	Jan. 11, 2021~Aug. 21, 2039
Bearing tray structure installed in racks	Utility model	Taiwan	New application submitted in 2022



Operating performance

Looking back on 2022, we managed to record positive results, driven by favorable factors such as our new operational deployment strategy, our active promotion of new market applications, the improvement of product mixes, and the depreciation of the NT dollar, despite adverse external impacts including the Russia-Ukraine War, the Sino-US Trade Conflict, and the COVID-19 pandemic. Our consolidated net operating revenue reached NT\$ 4,982,672,000 in 2021, which represents an increase by NT\$ 308,728,000 (equaling a growth rate of 7%) over the total amount of NT\$ 4,673,944,000 in the previous year. Net profit after tax rose from NT\$ 219,556,000 in 2021 to NT\$ 428,332,000 in 2022, which marks a growth rate of 95%.

Operating performance 2020-2022

Unit: 1,000 NTD

Item	2020	2021	2022
Total operating revenue (Note1)	5,465,855	4,673,944	4,982,672
Total operating costs (Note2)	4,317,359	3,749,078	3,860,631
Gross profit (loss)	1,148,496	924,866	1,122,041
Operating expenses	600,358	619,119	619,472
Operating income (loss)	548,138	305,747	502,569
Non-operating revenue and expenses	3,244	17,073	72,949
Pre-tax income (net loss)	551,382	322,820	575,518
Income tax expense (or benefit)	134,545	82,755	122,985
Basic EPS	5.29	3.0	5.85
Employee wages and benefits (Note3)	365,340	339,162	363,050
Payments to providers of capital (Note4)	203,477	266,697	146,378
Payments to government (Note5)	85,613	118,699	36,654
Community investments (Note6)	12	6	12
Economic value retained (Note7)	494,054	200,302	575,947

Note1 The term "Revenues" is defined as net sales plus revenues derived from financial investments and sales of assets.

Note2 The term "Operating Costs" is defined as cash payments made outside the organization for materials, product components, facilities, and services purchased.

Note3 The term "Employee Wages and Benefits" is defined as total payroll (including employee salaries and amounts paid to government institutions on behalf of employees) plus total benefits (excluding training, costs of protective equipment or other cost items directly related to the employee's job function).

Note4 The term "Payments to Providers of Capital" is defined as dividends to all shareholders, plus interest payments made to providers of loans.

Note5 The term "Payments to Government" is defined as all of the organization's taxes plus related penalties paid at the international, national, and local levels. Organization taxes can include corporate, income, and property.

Note6 The term "Community Investments" is defined as community donations and direct costs of social programs, including care for underprivileged groups and sponsorship of arts and cultural events.

Note7 The term "Economic Value Retained" is defined as 'direct economic value generated' less 'economic value distributed'.

▶ **2.7 Customer Services and Supply Chain Sustainability**

Customer services

We focus on innovative R&D and are firmly committed to satisfying the needs and demands of our customers through the prompt delivery of innovative products and services. We fully comply with the ISO 9001 Quality Management System standards to meet the requirements of our customers. Finally, we have established customer service processes with the goal of enhancing our professional service quality in all dimensions and thereby gain the trust of our customers and achieve lasting profitability.

We urge our business units to adopt a proactive approach in the handling and implementation of corrective action and improvements for all issues to ensure effective handling of customer complaints and maximize customer satisfaction through provision of excellent services and effective solutions for all problems they are facing. We engage in discussions and analyses to mitigate or prevent conditions that affect product quality or result in quality anomalies. Customers can provide feedback or file complaints via relevant business channels.

In 2022, we received no customer complaints associated with socioeconomic and legal non-compliance including violations in the dimensions of marketing and labeling, product safety, and hazardous substances.

Implementation status in 2022

- Completion of the annual survey and scoring of key material suppliers and occupational health & safety and environmental management as well as execution of guidance and corrective measures for suppliers with poor implementation performance or suspected risks
- Release and dissemination of the latest information on environmental laws and regulations among suppliers via the green product management system as required and urging of suppliers to assess product conformity with applicable regulations

Supply chain sustainability

We have made an unwavering commitment to an alliance for mutual prosperity and growth with our supply chain partners on the foundation of sustainability concepts. In addition, we intensify partnerships with our suppliers to extend advocacy of environmental protection, health & safety, and ethical concepts to the up- and downstream of the supply chain. We also strive to maximize our positive influence on suppliers by harnessing our purchasing power with the ultimate goal of creating high-quality, CSR-oriented business models in cooperation with our supply chain.

In the field of supplier assessment, we not only emphasize basic quality and delivery time requirements but also attach high importance to the implementation of standards in the five major sections of the RBA Code of Conduct (labor, health and safety, environment, business ethics, and conformity management system) by our suppliers to facilitate the joint creation of a green supply chain and provision of excellent work environments.

Concrete courses of action to ensure fulfillment of corporate social responsibility encompass the following four stages:

- ✓ Selection of high-quality suppliers and cooperation partners based on key criteria in the three dimensions of management systems, management standards, and management concepts
- ✓ Establishment of cooperation modes that conform to core concepts with reference to the RBA Code of Conduct and enlistment of supply chain partners to participate in the development of such cooperation modes and their implementation and execution in order to enhance their management capabilities and facilitate building of a green supply chain in cooperation with suppliers
- ✓ Ongoing control of supply chain risks through supplier self-evaluations with the aid of appraisal forms paired with a regular on-site audit and inspection mechanism to ensure high implementation performance on the part of suppliers and facilitate identification of high-priority targets for non-scheduled reviews and inspections to determine current supplier status in a systematic manner
- ✓ Mutual prosperity and growth through proactive sharing of the latest environmental protection-related information with suppliers, implementation of RBA improvement guidelines, advocacy of the concept of suppliers as an extension of our business operations, and building of momentum for learning, growth, and mutual exchanges

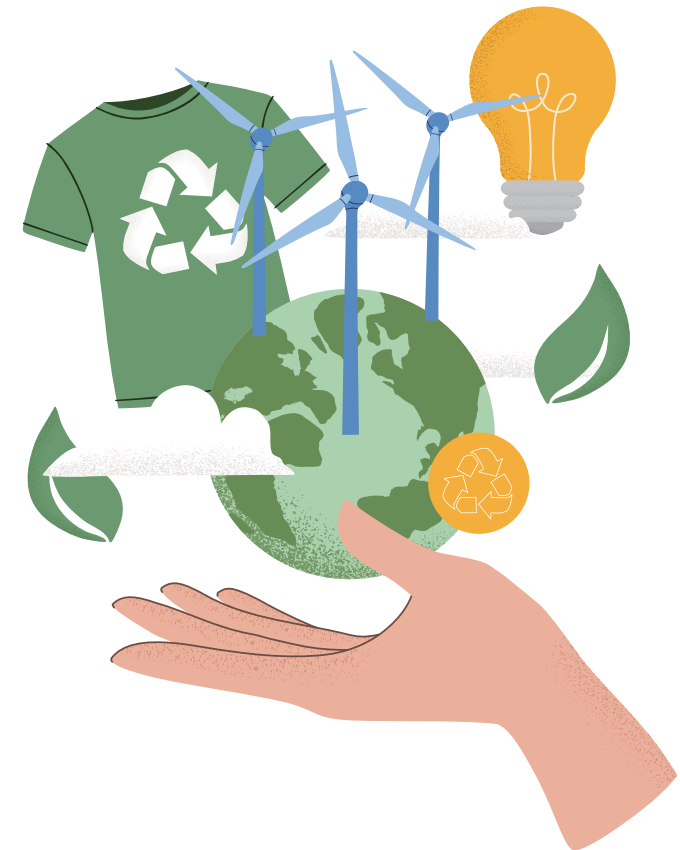
03 Environmental Sustainability >>>>>>>>>>









- 3.1 Climate Impact Management
- 3.2 Water Resource Management
- 3.3 Waste Management
- 3.4 Energy Management

CASwell is in pursuit of balanced development, we heed the call for environmental protection. In the resource and equipment dimension aspects, we actively engage in green procurement in line with government policies. As for product operations, we strive to reduce energy consumption and environmental damage through green product design. On our official website, we make a formal pledge to the public to implement environmental protection and workplace safety. Internally, we raise environmental awareness through training and education. We are firmly committed to promoting energy conservation and carbon reduction in the context of a green industry chain and adopt environmental sustainability actions as our core policy in the field of corporate sustainability.

Material Topic	GHG Emissions
Policies/Commitment	Energy conservation, carbon reduction, and global sustainability
Goals	<ul style="list-style-type: none"> • Implementation of GHG inventories • 30% reduction of carbon emissions by 2035 • Carbon neutrality in 2045
Responsible Department/ Grievance Mechanism	<ul style="list-style-type: none"> • Responsible Department: Environmental Sustainability Task Force • Grievance Mechanism: Dedicated stakeholder section on the official website enable all stakeholders to raise relevant issues
Invested Resources	<ul style="list-style-type: none"> • Adoption of ISO 14064-1 GHG Inventories and third-party verification • Conversion to inverter-type AC in the data center, which has resulted in power savings of 6,798KWh and emission reductions of 3.46 metric tons CO₂e
Assessment Mechanism	<ul style="list-style-type: none"> • Annual review of results in a Sustainability Committee meeting and submission of a report to the Board of Directors • Completion of the 2022 GHG inventory



Dimension	Approaches
 <p>Energy conservation</p>	<ul style="list-style-type: none"> • Maximization of energy effectiveness and decrease of energy consumption through energy conservation programs and projects on an annual basis and integration of year-by-year reduction of energy consumption into management objectives to fulfill our responsibility as a corporate citizen • Setting the AC temperature in office areas to 26°C to reduce carbon emissions • Turning off lights in office areas for one hour during lunch break • Conversion to motion sensitive lighting in key public areas
 <p>Waste reduction</p>	<ul style="list-style-type: none"> • Promotion of garbage sorting and setting up of recycling bins to achieve waste reduction • Promotion of disposable tableware bans to decrease domestic waste amounts • Implementation of industrial waste reuse to realize the concept of a circular economy • Industrial waste is controlled in accordance with applicable laws to be sorted and stored based on chemical properties prior to commissioning of waste disposal businesses approved by the competent authority
 <p>Water resources</p>	<p>Water conservation in office areas is achieved through installation of water-saving faucets and toilets in office areas</p>
 <p>Green procurement</p>	<ul style="list-style-type: none"> • Localized procurement policy • Selection of low-carbon raw materials, equipment, and facilities that conform to legal requirements laid out in environmental laws
 <p>GHG reduction</p>	<ul style="list-style-type: none"> • Execution of GHG inventories and regular monitoring of target achievement status • Setting of long-term emission reduction targets and carrying out of relevant projects on an annual basis • Promotion of paperless operations through use of electronic forms
 <p>Emergency response</p>	<p>CASwell has emergency response plans and emergency response command centers in place and have formed emergency response task forces. In case of emergencies, the emergency response task force is responsible for the adoption of response measures and follow-up handling with the goal of mitigating environmental and social impacts. Emergency response training and fire drills are conducted on a semi-annual basis. Simulation exercises carried out by the drill task force aim to hone the emergency response and self-protection capabilities of our staff members. The goal is to give them the ability to adopt adequate countermeasures before the disaster spreads and thereby minimize impacts and harm arising from such crises.</p>

▶ 3.1 Energy Management

In view of the shortage of global energy sources, we place strong emphasis on energy management to prevent unjustified waste and rising operating costs. Diesel for generators, gasoline for company vehicles, and purchased electricity represent the main energy sources utilized by the Xinzhuang Operation headquarter, the Shulin R&D Center, and the Hsinchu R&D Center.

CASwell-Energy use statistics >>>>>>>>>>>>

Year	Electricity (kWh)	Electricity (GJ)	Diesel (L)	Diesel (GJ)	Gasoline (L)	Gasoline (GJ)	Total energy consumption (GJ)
2020	1,088,489	3,918.56	—	—	7,823.97	255.46	4,174.02
2021	1,324,455	4,768.04	—	—	9,029.05	294.81	5,062.84
2022	1,363,180	4,907.45	10.41	0.37	9,857.60	321.86	5,229.68

Unit: GJ



Note 1kWh equals 3.6 million Joules, 1Kcal is equivalent to 4,186 Joules, and GJ is the abbreviation for 10⁹ Joules. Gasoline consumption in 2020 and 2021 was estimated based on fuel expenses of NT\$ 32.5 per liter. Calorific values are based on the GHG Emission Factor Management Table (V. 6.0.4) released by the Taiwanese Environmental Protection Administration. The calorific value of diesel and gasoline are 8,400Kcal/L and 7,800Kcal/L, respectively.

CASwell- Energy intensity >>>>>>>>>>>> Unit: GJ/million dollars in revenue

Year	Revenue	Electricity	Diesel	Gasoline	Total energy consumption
2020	5,466	0.717	—	0.047	0.764
2021	4,674	1.020	—	0.063	1.083
2022	4,983	0.985	0.000074	0.065	1.050

Energy conservation achievements in recent years

Year	Energy conservation project	Generated energy savings
2021	Turning off lights in office areas for one hour during lunch break	Power savings 1070 fluorescent tubes*20W*265h /1000W=5,671KWh or 20.42GJ, emission reduction of 2.85 metric tons CO2e
2022	Conversion to inverter-type AC in the data center	Power savings Decrease of annual power consumption from 20726 kWh to 13928 kWh, savings of 6,798 kWh or 24.47GJ, emission reduction of 3.46 metric tons CO2e



▶ 3.2 Water Resource Management

Our water use and water withdrawal source varies based on operating site characteristics. Running water utilized for domestic purposes represents the main water withdrawal source of the Xinzhuang Operation headquarter, the Shulin R&D Center, and the Hsinchu R&D Center sites in northern Taiwan. None of these sites is located in a water stress zone. Our operations do not generate any significant environmental impacts on water resources or ecosystems at the water source.

Water withdrawal amount >>>>>>>>>>

Year	2020	2021	2022
Running water	11.32	11.68	7.99

Unit: million liters

▶ 3.3 Waste Management

No hazardous waste is generated in our processes. All industrial waste categories (waste electronic components, production scraps and tailings, defective items, and waste PCBs) are collected, treated, and disposed of by qualified businesses. In 2022, there was no record of penalties issued by the competent authority as a result of violations of applicable provisions set forth in waste management laws and regulations

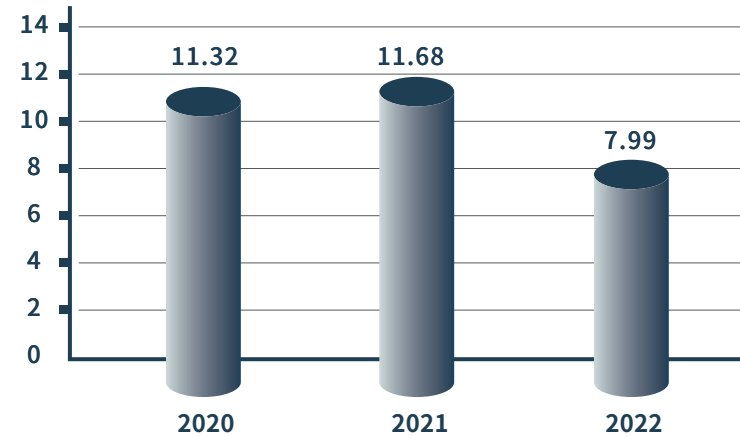
Off-site disposal of industrial waste by qualified waste collection and disposal businesses

Waste category	2020	2021	2022	Terminal disposal
Waste electronic components, production scraps, defective items	0.59	0.25	0.165	Recycled
Waste PCBs	0.177	0.13	0.145	Recycled
Total off-site disposal amount	0.767	0.38	0.31	

waste disposal amount in metric tons

Water withdrawal in recent years

Unit: million liters



▶ 3.4 GHG Management

Greenhouse gases which cause extreme climate events represent one of the most pressing environmental issues facing the world. Despite the fact that CASwell is not a major energy user, we are firmly committed to making contributions to the common goal of GHG reductions in fulfillment of our responsibility as a member of the global community. We have been conducting GHG inventories pursuant to the ISO 14064-1 standards since 2022. The results of these inventories are verified by accredited third-party certification bodies. We strive to gain a clear understanding of the current state of GHG emissions through annual inventories and formulate emission reduction initiatives and goals in line with the Greenhouse Gas Reduction and Management Act and thereby ensure ongoing progress toward net-zero emissions. Due to the fact that we don't use any traditional refrigerant-based cooling systems (all cooling devices employ eco-friendly refrigerants), we don't generate any ODS (ozone-depleting substance) emissions.

Note ▶ The Greenhouse Gas Reduction and Management Act was renamed to Climate Change Response Act on February 15, 2023.

Direct GHG emissions Scope1

The main direct emission sources owned or controlled by us are diesel, gasoline, and cooling equipment.

Energy Indirect Scope2 and other indirect GHG emissions Scope3

Our indirect GHG emissions mainly result from purchased electricity. Power is consumed by equipment, office areas, and public areas. Other indirect emissions (Scope 3) have been determined through inventories of raw material and product transportation.

CASwell emission statistics broken down by emission source categories >>>>>>>>>>>

Emission source category		Scope 1	Scope 2	Scope 3	Total emission equivalent
		Direct emissions	Energy indirect	Other indirect	
2022	Emission equivalent (metric tons CO ₂ e /year)	55.5763	693.8588	3,761.3215	4,510.7566
	Gas Ratio (%)	1.23	15.38	83.39	100%

Note1 ▶ With reference to the GHG Emission Factor Management Table (V. 6.0.4) released by the Taiwanese Environmental Protection Administration, the adopted emission factors for diesel and gasoline are 2.6060KgCO₂/L and 2.2631KgCO₂/L, respectively. Since the electricity emission factor for 2022 has not been officially announced yet, we have adopted the factor of 0.509Kg applicable to 2021.

Note2 ▶ The external verification of the GHG emission amount in 2022 has already been completed. The verification statement which was acquired in June 2023 has been attached to this report.



Direct emissions of seven major greenhouse gas >>>>>>>>>>>>>>

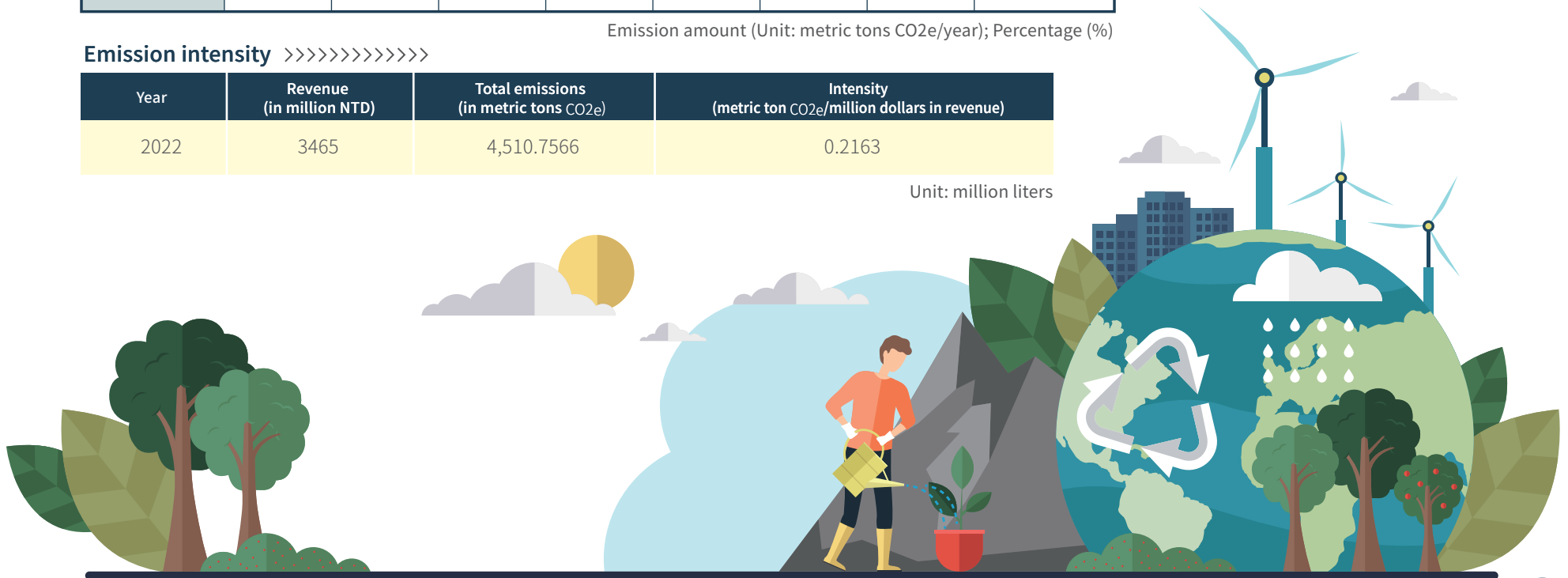
Category	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Total
Emission amount	22.3362	19.6573	0.7032	12.8796	0.0000	0.0000	0.0000	55.5763
Percentage	40.19%	35.37%	1.27%	23.17%	0.00%	0.00%	0.00%	100.00%

Emission amount (Unit: metric tons CO₂e/year); Percentage (%)

Emission intensity >>>>>>>>>>>>>>

Year	Revenue (in million NTD)	Total emissions (in metric tons CO ₂ e)	Intensity (metric ton CO ₂ e/million dollars in revenue)
2022	3465	4,510.7566	0.2163

Unit: million liters



04 Common Social Good >>>>>>>>>>



4.1 Staff Structure

4.2 Optimal Utilization of
Employee's Talent

4.3 Occupational Health and Safety

4.4 Social Engagement

Material Topic	Employer/Labor Relationship
Policy	<ul style="list-style-type: none"> • Providing competitive compensation and welfare system • Zero obstacles for labor/management communication
Goal	0 case for labor/management dispute during the year
Responsible Department /Report Mechanism	<ul style="list-style-type: none"> • Contact Window: Department of Human Resources • Email: john.chen@cas-well.com
Resources Invested	<ul style="list-style-type: none"> • Recruitment of freshmen and holding of on-job training • Quarterly holding of labor/management meeting • Holding of group recreational activities, freshmen workshop and offering travel subsidy.
Assessment Mechanism	<ul style="list-style-type: none"> • Labor/Management Committee holds labor/management meeting once every three months for communications of matters with respect to labor conditions, company operation information, labor activities, welfare and so on. • There were no cases of labor/management dispute for 2022.



CASwell emphasizes employee's labor rights, builds up a happy and safe work environment, provides colleagues with friendly and equal work opportunities, implements equal gender policy and creates a mutual-respect atmosphere. The Company provides market-competitive compensation standards for the purpose of enhancing colleague's cohesiveness towards the Company, reducing personnel turnover rate and ensuring the Company operation's stable development. Through the holding of various training courses from time to time, CASwell solidifies colleague's professional skills and enhances their competitiveness in workplace. Transparent promotion channels allow colleagues to expect possibilities for future occupational career development. Good interaction between labor and management ensures that colleagues are able to speak freely in labor/management meeting while expressing their opinions. The Company's goodwill response also obtains consensus between labor and management. In addition, CASwell's fulfillment of ISO 45001 occupational health and safety management system operation as well as strengthening of the Company's management performance on occupational health and safety have protected employee's physical and mental health effectively. Lastly, what is taken from the society is then given back to the society. In addition to its one after another outstanding operation performances, CASwell is also aggressively engaged in charity activities and caring for disadvantaged groups to fulfill its social responsibility.

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► 4.1 Staff Structure

CASwell treats its employees fairly. Through various equal-rights measures, the Company eliminates any labor conditions which may lead to workplace inequality in order to protect colleague's labor rights.

Human Rights Protection

CASwell emphasizes employee's rights in its shaping of a friendly environment which protects human rights. In accordance with principles disclosed in International Bill of Human Rights of "Universal Declaration of Human Rights," "United Nations Global Compact," "United Nations Guiding Principles on Business and Human Rights" and International Labor Organization's "Declaration on Fundamental Principles and Rights at Work," the Company recognizes internationally-recognized fundamental human rights which include respect employee's freedom of association, care for disadvantaged groups, prohibition of child labor, elimination of various forms of forced labor, abolition of discrimination on employment and retention, prohibition of any behavior infringing and violating human rights, protection of gender equality, fair treatments to all employees, and so on. CASwell's compensation policy also protects employee's determination of compensation from differences based on individual's gender, age, ethnic, religion or political stance.

In the meantime, CASwell complies with labor rights laws and regulations from respective business operation sites and promotes important messages of human rights protection and labor rights to new employees and existing employees. Additionally, CASwell also provides report channels for employees to use. Responsible personnel will conduct due diligence once a report is received. Personal information for reporting individuals will be kept confidential. In the event that a report is verified as true, the Company commits that no unfavorable treatments will be imposed to reporting individuals. There is no human rights violation record for CASwell in 2022.

Employee Statistics

All of CASwell's employees are for non-fixed term contracts (i.e., full-time employees). The Company provides long-term and stable work conditions which allow employees to fully dedicate themselves to work without any concern. This assists in protecting employee's economic life. The Company's senior and experienced management leads young teams to march forward. Manpower structure is stable and there is no concern of manpower shortage.

Percentage in CASwell's retention of local talents for senior management in Taiwan business operations is 100%. This indicates that the Company is willing to collaborate with local community in exploring talents and attracting talents to work in the neighborhood. It is helpful in obtaining local community's recognition as well as further enhancing local economic conditions.

Statistics/Year		2020		2021		2022	
Total Employee ^{Note1}		279		250		263	
Employment Contracts ^{Note2}		Non-Fixed Term	Fixed Term	Non-Fixed Term	Fixed Term	Non-Fixed Term	Fixed Term
Gender	Male	146	0	132	0	140	0
	Female	133	0	118	0	123	0
Region	Taiwan	279	0	250	0	263	0
	Offshore	0	0	0	0	0	0
Employment Type ^{Note3}		Full-Time	Part-Time ^{Note4}	Full-Time	Part-Time ^{Note4}	Full-Time	Part-Time ^{Note4}
Gender	Male	145	1	131	1	139	1
	Female	132	1	117	1	122	1
Region	Taiwan	277	2	248	2	261	2
	Offshore	0	0	0	0	0	0

^{Note1} This is based on the total number of employees at the end of the year (12/31).

^{Note2} Employment contracts are classified into non-fixed term contract employees (full-time duty) and fixed-term contract employees.

^{Note3} Employees are classified into full-time employees (weekly work hours reaching statutory work hours upper limit) and part-time employees (weekly work hours less than statutory work hours upper limit. These are personnel with partial workhours such as student-workers and hourly workers).

^{Note4} Employees without guaranteed work hours: These are employees without the Company's guaranteed minimum or fixed work hours. Their work status depends on the Company's demands. However, the Company does not have any contractual obligations to provide daily, weekly or monthly minimum or fixed work hours to such employees. In terms of temporary employees, the Company may not disclose this information if there are no such employees in the Company.

^{Note5} There are a total of 2 non-employee workers in the Company: 1 for cleaning and 1 for security.

Diversity Statistics/Year				2020		2021		2022	
				Number of Employees	%	Number of Employees	%	Number of Employees	%
Employee	Direct	Gender	Male	9	3.23%	8	3.20%	8	3.04%
			Female	45	16.13%	40	16.00%	42	15.97%
		Age	30 -	18	6.45%	12	4.80%	12	4.56%
			30 - 50	35	12.54%	35	14.00%	37	14.07%
			50 +	1	0.36%	1	0.40%	1	0.38%
	Indirect	Gender	Male	136	48.75%	124	49.60%	132	50.19%
			Female	89	31.90%	78	31.20%	81	30.80%
		Age	30 -	50	17.92%	36	14.40%	36	13.69%
			30 - 50	159	56.99%	149	59.60%	155	58.94%
			50 +	16	5.73%	17	6.80%	22	8.37%

Statistics for New and Resigned Employees/Year		2020		2021		2022	
		Total	%(Note)	Total	%(Note)	Total	%(Note)
New Employees							
Age	30 -	46	67.65%	20	41.67%	36	75.00%
	30 - 50	41	21.13%	28	15.22%	65	33.85%
	50 +	2	11.76%	1	5.56%	3	13.04%
Gender	Male	37	25.52%	24	18.18%	37	26.43%
	Female	52	38.81%	25	21.19%	67	54.47%
Resigned Employees							
Age	30 -	33	48.53%	34	70.83%	31	64.58%
	30 - 50	37	19.07%	45	24.46%	59	30.73%
	50 +	1	5.88%	2	11.11%	1	4.35%
Gender	Male	28	19.31%	38	28.79%	29	20.71%
	Female	43	32.09%	43	36.44%	62	50.41%

Note **New Entry Rate** = (Total number of new employees of that category in current year / Total number of employees for that category at end of current year)*100%
For instance, female employee new entry rate = (Total number of female new employees for current year / Total number of female employees at end of current year)*100%.
Turnover Rate= (Total number of resigned employees for that category in current year /Total number of employees for that category at end of current year)*100%.
For instance, turnover rate for employees less than 30 years old= (Number of resigned employees less than 30 years old for current year / Number of employees less than 30 years old at end of current year)*100%.



► **4.2 Optimal Utilization of Talent**

Comprehensive and solid human resource is the key to CASwell's sustainable operation. To attract talents, the Company provides market-competitive compensation and benefits and encourages employees who create excellent performance and long-term contribution. The Company upholds the concept of treating employees fairly in planning transparent performance review and disciplinary system. This creates a good atmosphere of fair competition among colleagues and they are willing to invest more time and energy on work performance. Additionally, this has further shaped CASwell's corporate culture which attracts talents to work for the Company. In the meantime, colleagues become more cohesive towards the Company and participate aggressively in the Company's matters. In terms of promotion channels, employees with good work performance will receive promotion opportunities after the Company's promotion information has become transparent and open. This will bring about colleague's atmosphere to imitate performance exemplar and the Company will therefore be able to cultivate more talents. The Company also sets up education and training programs and makes arrangement for employee's learning so that colleagues can continue to grow in their respective professional fields and fulfill their self-values. Lastly, CASwell has established diversified channels for dialogue and communication with colleagues. This allows colleagues to reflect their views in due time and the Company will also respond in goodwill. Both parties of labor and management have therefore maintained harmonious and trustworthy interaction.

Compensation and Benefits

CASwell determines employee's compensation based on achievement rate for annual operation target and the Company's profit performance for the purpose of providing colleagues with market competitive compensation treatments better than those of local regulations. To ensure that CASwell colleagues' work performance can be reflected appropriately on their personal compensation, all colleagues regularly accept reviews on performance and occupational development. Review result will be included in considerations of employee's workplace promotion and development. This allows colleagues with certain special skills to become professionals in those fields through their own effort while employees with management capability and leadership potential can become management level. This creates ample space for colleague's occupational career development.

Overall, personal years of service, academic background and previous experience as well as professional capability are the main consideration factors for CASwell employee's determination of compensation. There are no differential treatments in compensation determination from an individual's physical or mental differences. With employees' years of service in the Company getting longer, they have become seasoned in industry knowledge and experiences. The Company is also willing to share its profits with colleagues. It ensures that employees can lead a free of concern personal financial life at a time when they contribute their expertise to the Company. This enhances colleague's cohesiveness and sense of belonging to the Company.

In terms of comparison percentage between basic salary and overall compensation for indirect employee of different genders in CASwell, basic salary and overall compensation between male and female are basically the same. Additionally, in terms of salary for basic level personnel, standard salaries for CASwell's non-management personnel, regardless of their genders, are all higher than local minimum wage.

Furthermore, to facilitate colleague's work efficiency, CASwell provides colleagues with multiple benefit measures and comfortable work environment. Through the holding of various employee benefit activities from time to time, this not only alleviates colleague's work pressure but it also enhances good interaction among colleagues. Meanwhile, under considerations that employees can also take care of their family development while working, employees are encouraged to take parental leave to optimize their care for whole families.



Year-End Party Photo



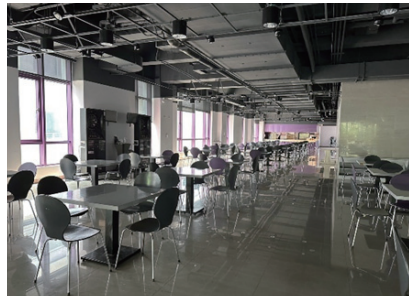
Year-End Party Photo



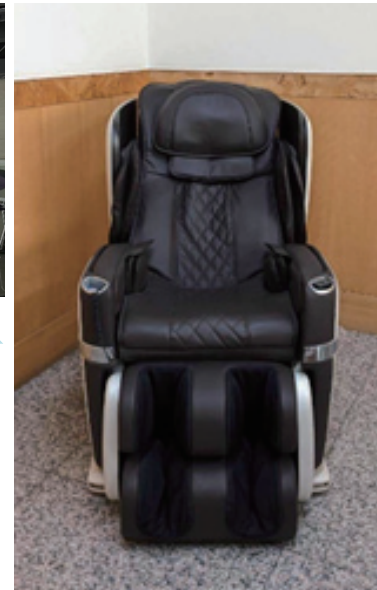
Barbecue Event



Barbecue Event



Comfortable Dining Environment



Pressure-Relieving Massage



Lounge

Benefit Items for Full-Time Employees

- Group Accident Insurance
- Subsidy for Wedding/Funeral/Birth
- Cash Bonus for Three Major Holidays, Year-End Bonus, Performance Bonus
- Health Check, Employee Travel Subsidy, On-Job Training Subsidy
- Referral Cash Bonus
- Years of Service Cash Bonus
- Birthday Cash Bonus
- Patent Cash Bonus



Employee Parental Leave/Year	Gender	2020	2021	2022
Total number of employees that were entitled to parental leave	Male	3	7	5
	Female	2	5	11
Total number of employees that applied for parent leave	Male	0	0	0
	Female	0	1	4
Total number of employees due to return to work after taking parental leave (A)	Male	0	0	0
	Female	0	0	4
Total number of employees that did return to work after parental leave (B) (including early reinstatement)	Male	0	0	0
	Female	0	0	3
Return to work rate (B/A)	Male	0	0	0
	Female	0	0	75%
Total number of employees retained 12 months after returning to work following a period of parental leave (C)	Male	0	0	0
	Female	0	0	0
Retention Rate (C/Previous Year B)	Male	0	0	0
	Female	0	0	0

Lastly, to protect employee's financial plan for retirement, the Company complies with regulations of Labor Pension Act and contributes 6% of salary in accordance with "Monthly Contribution Classification of Labor Pension" to labor pension account established by Bureau of Labor Insurance. In 2022, NTD7,975,000 had already been contributed to employees' labor pension accounts in 2022.

Talent Incubation.....

For CASwell, key to corporate sustainable operation lies in employee's continuous learning and growing. Education and training is a critical path to ensure that human resource capital can continue to increase value. Therefore, CASwell has always emphasized its training on employees. Overall learning and development strategy is to use on-job training as a basis which is then supplemented with freshman training, professional training and management level training as a framework for the purpose of establishing a comprehensive education and training system in accordance with annual targets and different business needs.

To enhance colleagues' professional skills, CASwell establishes training plans in accordance with the Company's development needs and fulfills training goals accordingly. This ensures longer occupational career for employees and the Company is also able to benefit from achievements obtained from colleague's growth and improvement. Through internal training's continued passing of occupational skills and experience to related departments, the Company assists colleagues in setting up learning and development direction which shall serve as a basis for colleague's drafting of personal occupational career plan.

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Upon freshmen's onboarding, designated personnel will promote the Company's various internal regulations, systems and related knowledge on occupational safety. This is followed by special trainings conducted by these freshmen's departments. CASwell aggressively encourages colleagues to take professional courses within their scopes of business. With the focus of colleague's continued growth, the Company provides diversified learning channels to allow colleagues to exploit their professionalism and fulfill themselves. Respective departments establish their education and training programs based on their now needs and implement education and training accordingly. Colleague's learning including internal and external training. For internal training, respective departments will arrange personnel to lecture in their departments based on actual business needs. In terms of external training, respective departments will submit applications based on their business needs. Once applications are approved, designated personnel will be dispatched to participate in courses held by external institutes. Colleagues participating in such training will later share their training thoughts with other colleagues after the training. This allows related personnel to utilize what they learn from the training. To echo the diversification trend for education and training in recent years and allow colleagues to touch on information of even more perspectives, CASwell encourages colleagues to participate in language and social communication courses held by external institutes. Manufacturing and production management course was launched in 2022. This management course shared operational practices with respective production lines and allows whole operation to run more smoothly. However, this training has been decreased significantly from the impact of pandemic.

Statistics/Year		2020	2021	2022
Average Training Hours Per Employee (Note 1)		3.78	7.3	5.19
Average Training Hours for Gender-Based Employees (Note 2)	Female	3.65	6.03	4.26
	Male	3.89	8.45	6.01
Average Training Hours for Category-Based Employees (Note 3)	Direct	1	0.73	1.87
	Indirect	4.44	8.87	5.97



- Note1** Average training hours for all employees is (Total training hours for all employees for current year / Total number of employees at end of current year)
- Note2** Average training hours per female employee is (Current year total training hours for female employees / Total number of female employees at end of current year)
- Note3** Average training hours for respective category employees is (Current year total training hours specific category employee/ Total number of employees for specific category at end of current year)

Performance Review

To ensure that colleague's work performance can be reflected appropriately on personal compensation, all employees accept performance review every year. Results from the review will be included in considerations for employee's occupational promotion and development. It allows colleagues possessing special technological expertise to become professionals in those fields through their own efforts, and employees with management capability and leadership potential to be promoted to management level. This provides huge development potential for colleague's occupational career.

Employees Reviewed in 2022		Number of Employees Reviewed	Total Number of Employees	Percentage
Gender	Male	126	263	47.91%
	Female	108		41.06%
Employee Category	Direct	45		17.11%
	Indirect	189		71.86%

Note Review Percentage=Number of employees reviewed for specific category/Total number of employees at year end. Employees with less than 6 months of employment at the time of review are not included in the review.

Labor/Management Communication

Smooth communication between labor and management assists in facilitating labor/management collaboration. It allows employees to understand the Company's operation plan, business outlines and market situation. Meanwhile, it also allows the Company's management to better understand employee's labor terms so that the Company can better establish a friendly workplace based on employee's needs. CASwell complies with regulations and its internal human resource administration also complies with local regulations of various business sites. The Company holds one labor management meeting at least once every three months as required by laws. Management representatives include general manager and head of human resource while labor representatives are elected by employees as a whole. Labor management relationship is coordinated through this meeting. Both parties communicate on a regular basis and labor management collaboration is enhanced accordingly. This allows employees as a whole to express their opinions and strive for better labor conditions from the Company. Labor status has therefore been improved effectively.

In the meantime, CASwell also established diversified communication channels. Through two-way communication, employees are able to fully express their opinions and the Company can therefore respond in due time and implement policies which are transformed one by one from employee's suggestions. Labor management relationship in CASwell in recent years is harmonious and there are no cases of labor/management disputes.

In the event that employees are laid off or there are changes of work locations because of factory shutdown and establishment of new factory, a 60-day advance report to Bureau of Labor of local government and compliance with announced schedule will be enforced in accordance with the "Act of Protection of Employees during Massive Redundancy." There are no such cases within the last three years.

► 4.3 Occupational Safety and Health

To provide a healthy work environment and ensure worker's safety, CASwell passed ISO45001 2018 certification in October of 2019 and established environmental safety and health management system in accordance with ISO, promoted occupational safety and health, implemented occupational disaster prevention and handling as well as drafted related management guidelines for various environmental protection measures such as waste storage and management for the purpose of safeguarding employee's physical safety and preventing environmental pollution. Scopes for management system, regulation verification and internal audit all include all workers and non-employee workers in Xinzhuang Operation Center, Shulin and Hsinchu R&D Center. ISO 45001 2018 certification was passed through verification by TUV NORD.



We hereby commit to providing customers with high quality and safe products and services that comply with related regulations and standards, doing our best in preventing occupational disasters, working towards friendly workplace through health promotion and fulfilling a corporate's social responsibility.

CASwell works aggressively and is devoted to promoting labor safety and health and health promotion. To reduce occurrence of occupational disaster, the Company complies with occupational safety and health management system and international requirements for social responsibilities and continues to improve employee and non-employee's safety and health in work environment, prevent occupational injury and disease and reduce dangerous factors in work environment for the purpose of compliance with labor safety and health regulations and requirements as well as creation of a quality, safe and healthy corporate workplace.



Comprehensive Occupational Safety and Health Management System

- ☑ Fulfill danger identification and risk management assessment and establish control project for implementation.
- ☑ Regular implementation of regulation identification and promotion of safety and health regulations every year to ensure compliance with regulations.
- ☑ Occupational Disaster Prevention Plan" is drafted each year and implementation is conducted based on the project in order to reduce occurrence of occupational disaster.
- ☑ The Company retains internal security personnel responsible for daily patrol and automatic inspection items (including safety check on electricity consumption) and assistance in handling irregularity. Implementation of automatic inspection: The Company establishes automatic inspection plan on electronic equipment, fire-fighting facilities and operation environment and works aggressively to detect potential dangerous factors and improve related deficiencies for the purpose of controlling risks effectively.
- ☑ Danger identification is conducted on colleague's operations. Personal protective equipment (safety shoes, safety goggles, anti-shock glove, and so on) is provided to operations with relatively higher danger (such as general affairs).
- ☑ Drills of group fire-fighting, self-defense against disaster, utilization of AED and first-aid training are conducted regularly to enhance colleague's capability to handle emergency.
- ☑ The Company complies with "Implementation Guidelines for Labor Work Environment Monitoring" and commissions qualified operation environment monitoring institutes, which are recognized by Ministry of Labor, to conduct operation environment monitoring. Monitoring on CO2, noise operation and illumination environment is conducted every half a year. Colleagues are notified via intranet and result will serve as Ministry of Labor's basis of reference for improvement and energy saving measures for respective environments.
- ☑ First-aid personnel are equipped in offices across respective zones. Duplicated training is enforced on responsible personnel as required.
- ☑ Promotion and inspection on electricity safety and utilization of chemicals are conducted regularly. In terms of occurrence of occupational disaster, related promotions produced after investigation are sent to employee's internal mailboxes regularly for education purpose.

Danger Identification, Risk Assessment and Incident Investigation

The Company has established processes for danger identification and risk assessment. For items that may cause impact and danger to environment and safety, preparations are conducted during daily operations and response is initiated immediately at the time when disaster strikes. Hazards frequently encountered in the Company are as follows:



Type of Injury	Responding Mechanism
Crush Injury by Operation Cart	Provide safety shoes to employees to reduce foot injury.
Injury from Prolonged Standing	Movable mat, waist support, electric screwdriver and equipment hanging roller are provided accordingly.
Human Factors Engineering Cut Injury	Safety gloves are provided accordingly.

In addition, the Company has established incident investigation management process and complies with process in Incident report, investigation, statistics, report and improvement follow-up, or, in operations of inviting personnel from related departments for review meeting. After general manager's approval, occupational safety and health target projects will be established and responsible departments will be requested to implement accordingly. Labor safety personnel will be responsible for tracking effectiveness of implement result.

Promotion of Healthy Workplace

With changes in society and economy, International Labour Organization (ILO) and World Health Organization (WHO) promote that labor's workplace safety and health service are labor's fundamental rights. CASwell echoes ILO and WHO's spirit and complies with regulations in establishing "Health Management Program." With the concept of prevention is better than cure and through various health promotion activities and service, the Company cares about every employee's physical and mental health and builds up a safe, happy and friendly workplace. Since the adoption of the Program, a total of 762 individuals have benefited from its services This program provides comprehensive health care for employees to safeguard their mental and physical well-being on and off worksites. The Company complies with Regulations of Labor Health Protection in rendering doctor/nurse on-site service for the purpose of enhancing employee's maintenance of good and harmonious health interaction in physiological, mental and social fields as well as implementing health management program. Contents of service include employee health check, health education, health consultation and assessment, health promotion questionnaire survey, operation danger mitigation in workplace and work resumption/allocation assessment after disease/injury.

The Company provides annual free health check. In 2022, a total of 166 employees have completed health check.

Professional Team	Core Competency
 Professional Specialist Physician	Professional specialist physician will be stationed at the factory once every month to offer real-time medical consultation on medical new knowledge, health check report issues, contagious disease, occupational disease or severe disease, assistance on employee's duty resumption after recovery from dangerous incident as well as factory inspection.
 Professional Nurse	General and emergent physiological care, injury/sickness classification, physical fitness test, employee special health check, health consultation, health care and management and health promotion activities.



Statistics and Analysis of Occupational Disaster ..

Statistics and analysis based on employee occupational disaster, injury and disease are displayed in the following table. For 2020–2022, there are no cases of death caused by occupational injury or occupational disease (including recordable occupational disease). The Company has achieved the target of zero occupational disaster.

Note 1: Severe Occupational Injury: This means death or inability or difficulty to recover within 6 months to health conditions prior to injury which is caused by occupational injury. However, statistics shall exclude the number of dead employees.

Note 2: Recordable Occupational Injury or Disease: This means occupational injury or disease from any of the following situations such as death, departure from duty, work under restriction or work transfer, medical treatment beyond first aid, or loss of consciousness, or severe injury or disease diagnosed by doctor or other licensed medical care professionals (even though it won't lead to death, departure from duty, work under restriction or work transfer, medical treatment beyond first aid or loss of consciousness). However, these data and statistics should include the number of dead employees.

Statistics/Year		2020	2021	2022
Total Work Hours Ended		540,192	526,376	497,008
Death Caused by Occupational Injury	Number of Employees	0	0	0
	Percentage	0	0	0
Severe Occupational Injury Note1	Number of Employees	0	0	0
	Percentage	0	0	0
Recordable Occupational Injury Note2	Number of Employees	0	0	0
	Percentage	0	0	0
Occupational Disease	Number of Employees	0	0	0
	Percentage	0	0	0
Recordable Occupational Disease	Number of Employees	0	0	0
	Percentage	0	0	0

COVID-19 Severe Contagious Disease Prevention and Management

Target and focus for 2022 occupational safety and health are all related to COVID-19 pandemic prevention which includes operations of pandemic prevention discussion meeting and pandemic alert important announcement, daily implementation of employee body temperature measurement and health condition autonomous report, factory internal subdivision mechanism, colleague vaccination survey, visitor control measures, environment cleaning and sanitization, and so on. We have established the following protection mechanisms related to employee and visitor:



Colleague Care

- ✓ Starting from May 5th, security guard will take all colleagues' body temperature when they enter (including by car or motorcycle or on foot) Shulin Factory. All colleagues are requested collaborate and wait patiently. For employees unable to enter factory because of body temperature over 37.5°C, they are requested to notify their management immediately and necessary measures will be adopted. Management receiving such notice are requested to report to HR accordingly.
- ✓ Masks are required when entering the factory and are strictly forbidden to be taken off unless necessary (excluding drinking or eating).
- ✓ Management of respective departments are requested to care about their subordinates from time to time, and are requested to take immediate actions and report to HR in the event of colleague's fever or physical uncomfortable situations.
- ✓ During colleague's off days, please avoid going to movie theater or crowded places in order to reduce the risk of being infected. When taking public transportation vehicle, please do wear masks and wash hands diligently to keep hands clean.
- ✓ Respective management are requested to care about if colleagues have browsed "Positive case's public site activity history released by the Center Endemic Command Center," and please report to HR immediately and discuss necessary handling measures if the answer is yes.
- ✓ Colleagues with physical discomfort are requested to take a leave and stay at home. In the event of positive case, related colleagues (including the ones in the same department, with seat distance within one meter, having close contact, having participated in joint meeting, and so on) shall arrange 14-day work-from-home immediately.
- ✓ **The Company will activate the following pandemic prevention measures in the event of aggravated pandemic situation:**
Division of Operation: Management of respective departments have already been requested to plan on different operation locations (the Company and home) for personnel.
 Teleworking indirect employees need to obtain approval from supervisors when they have to access the Company's office areas to perform official duties (e.g., operation of equipment). All public machines and equipment need to be sanitized immediately after being used.



Safety on Visitor/
Vendor's Visit

- ✓ Starting from the day of pandemic prevention announcement, please suspend all unnecessary visits (including domestic and offshore clients, vendors and so on). Instead, it is recommended to use measures such as communication software and video conferencing for such visits. In case of special needs, please submit application for approval from center level management.
- ✓ All meetings shall avoid using meeting rooms and proceed instead in guest tables in the lobby where air ventilation is much better. Both parties shall all put on masks during meeting process. In the event of necessity in using 1st floor meeting room, colleagues (users) shall be responsible for conducting sanitization immediately after meeting room is used. In case of borrowed common items (ex. white-board marker, projector), colleagues (users) shall assist in conducting sanitization at the time when these items are returned. Lobby counter is equipped with sanitization items and alcohol for use accordingly.



Safety on Visitor/ Vendor's Visit

- ✓ All guest tables in lobby will be registered for management purpose. Counter will request all visitors to fill in information of entry/exit time, contact number, travel history and colleagues visited for the purpose of tracking contact history of all attending individuals. Visit will be rejected if visitor has record of travelling abroad or contact history within the last 14 days.
- ✓ Two-step body temperature measure and control will be enforced to all visitors. For the first step, body temperature will be taken and hand sanitization will be implemented at the security office. For the 2nd step, body temperature will be taken at the counter. A dot sticker will be affixed to visitors with temperature lower than 37.5°C for identification purpose. Sticker colors will be changed daily for the convenience of identification.
- ✓ External personnel for receiving or delivering cargo will also apply Article 3 requirement before entering factory. They will first register information at security office. Back-door security guard will take body temperature and check if mask is worn and if hand cleaning/sanitization is conducted before allowing visitors to enter.
- ✓ For interview, it is recommended to use video conferencing/communication software (Line or Skype) or other measures for such interview



Factory Environment Cleaning

- ✓ Factory will install alcohol spray at elevator entrance of respective floors for colleagues to use.
- ✓ Colleagues (users) are requested to complete cleaning and sanitization on lobby guest tables and meeting rooms after using them. Lobby counter is equipped with sanitization materials and alcohol for use accordingly.
- ✓ **Enhanced regular sanitization on public environment:**
 - Personal work area:** Colleagues are requested to clean by themselves. It is recommended to conduct one cleaning per week on office desk and chair, computer and telephone.
 - Public area:** Cleaning staff will assist in the cleaning of aisle, stairway and handle, lobby, meeting room aisle, water dispenser button, dining room table and chair, education and training room, parking lot, door handle, passenger and freight elevator (handrail and button) and toilet. Factory manager is requested to arrange necessary sanitization of factory production area.
- ✓ **Environment Ventilation:**
 - Only one window closest to toilet in each floor will be opened, and announcement of "Opened in accordance with pandemic prevention" will be posted. Meanwhile, indoor pre-cooling air blow time will be extended accordingly.
 - Entrance doors for respective floors remain opened during office hours to avoid being touched by personnel (1st floor entrance door and automatic doors for production line and 7th floor are excluded).
 - Entrance door for 1st floor restaurant remains "opened" during dining time (only pre-cooling air blow time is adjusted to be same as dining time).
 - During dining time for 2nd floor restaurant, only one window on the side of pool table is opened (pre-cooling air blow time is adjusted to the same as dining time) and other windows remain closed.

► 4.4 Social Engagement

Being a member of the whole society, a corporate has an inter-reliance relationship with investor, employee, local community and other stakeholders. Through the measure of presenting an example, CASwell exploits its influence and fulfills its corporate social responsibility. We collaborate with local groups in respective business sites to ensure that resources can really be provided to those in need. The Company is dedicated to making the society even better.

Care-Free Vegetable/Fruit Serial Events

Enterprises are invited to actually participate in the process of packaging and delivering vegetable/fruit to orphanage. This allows orphanage children to have fresh and care-free in-season vegetable/fruit each week.

Fruit Packaging

Green Box Association staff explain packaging process first. Participating individuals receive half-hour briefing and training at the toxic-free warehouse for guidelines and explanation of today's mission.

Material Delivery

Warehouse staff offers guidance and assistance to solve problems encountered during packaging. After packaging is completed, fruits will be delivered to designated orphanage.



“Reindeer Children Home”

- Fund Raising and Christmas Gift Donation Event

Objects Donated:

- ✦ Swimming Earplugs
- ✦ Bicycle Helmet
- ✦ Kitchen Scale
- ✦ Facial Cleanser
- ✦ Slotted Spoon
- ✦ Christmas Gift



05 Appendix >>>>>>>>>>



GRI Content Index

TCFD Index

SASB Standards for the

Telecommunication and Networking

Industry

Climate-related Information of

TWSE/TPEX-Listed Companies

Appendix 1: GRI Standards Content Index

Topic	Disclosure	Description	Corresponding chapter	Page	Omission/Remark
GRI 2: General Disclosures 2021					
The organization and its reporting practices	2-1	Organizational details	1.1 Company Profile	P.09	
	2-2	Entities included in the organization's sustainability reporting	Editorial Policy	P.05	
	2-3	Reporting period, frequency and contact point	Editorial Policy	P.05	
	2-4	Restatements of information	Editorial Policy	P.05	N/A since this is the first report issued by the Company
	2-5	External assurance	Editorial Policy	P.05	
Activities and workers	2-6	Activities, value chain and other business relationships	1.1 Company Profile	P.09	
	2-7	Employees	4.1 Staff Structure	P.58	
	2-8	Workers who are not employees	4.1 Staff Structure	P.58	
Governance	2-9	Governance structure and composition	2.1 Governance Practices	P.26	
	2-10	Nomination and selection of the highest governance body	2.1 Governance Practices	P.26	
	2-11	Chair of the highest governance body	2.1 Governance Practices	P.26	
	2-12	Role of the highest governance body in overseeing the management of impacts	2.1 Governance Practices/2.3 Risk Management	P.26/38	
	2-13	Delegation of responsibility for managing impacts	2.1 Governance Practices/2.3 Risk Management	P.26/38	
	2-14	Role of the highest governance body in sustainability reporting	1.2 Corporate Vision & Strategy	P.11	
	2-15	Conflicts of interest	2.1 Governance Practices	P.26	
	2-16	Communication of critical concerns	2.1 Governance Practices	P.26	
	2-17	Collective knowledge of the highest governance body	2.1 Governance Practices	P.26	
	2-18	Evaluation of the performance of the highest governance body	2.1 Governance Practices	P.26	
	2-19	Remuneration policies	2.1 Governance Practices	P.26	
	2-20	Process to determine remuneration	2.1 Governance Practices	P.26	
	2-21	Annual total compensation ratio	—	—	Highest annual compensation information is confidential

Topic	Disclosure	Description	Corresponding chapter	Page	Omission/Remark
GRI 2: General Disclosures 2021					
Strategy, Policies and Practices	2-22	Statement on sustainable development strategy	Message from the Chairman	P.02	
	2-23	Policy commitments	1.2 Corporate Vision & Strategy	P.11	
			2.2 Ethical Corporate Management and Legal Compliance	P.36	
			2.5 Information Security	P.43	
			4.1 Staff Structure	P.58	
	2-24	Embedding policy commitments	1.2 Corporate Vision & Strategy	P.11	
			2.2 Ethical Corporate Management and Legal Compliance	P.36	
			2.5 Information Security	P.43	
			4.1 Staff Structure	P.58	
	2-25	Processes to remediate negative impacts	2.1 Governance Practices	P.26	
2.3 Risk Management			P.38		
2-26	Mechanisms for seeking advice and raising concerns	2.1 Governance Practices	P.26		
2-27	Compliance with laws and regulations	2.2 Ethical Corporate Management and Legal Compliance	P.36		
2-28	Membership associations	1.3 Participation in External Organizations and Response to International Initiatives	P.16		
Stakeholder Engagement	2-29	Approach to stakeholder engagement	1.4 Stakeholders and Material Topics	P.16	
	2-30	Collective bargaining agreements	4.2 Optimal Utilization of Talent	P.60	
GRI 3: Material Topics 2021					
Material Topics	3-1	Process to determine Material Topics	1.4 Stakeholders and Material Topics	P.16	
	3-2	List of material topics	1.4 Stakeholders and Material Topics	P.16	

Topic	Disclosure	Description	Corresponding chapter	Page	Omission/Remark
GRI 3: Material Topics 2021					
★ Compliance with Laws and Regulations					
GRI 3: Material Topics 2021	2-22	Management of material topics	2.2 Ethical Corporate Management and Legal Compliance	P.36	
★ Innovative R&D					
GRI 3: Material Topics 2021	2-22	Management of material topics	2.6 Products and Operational Performance	P.45	
★ Information Security					
GRI 3: Material Topics 2021	2-22	Management of material topics	2.5 Information Security	P.43	
Economic Aspects					
Financial Performance					
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	2.6 Products and Operational Performance	P.45	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due	2.4 Climate Change Governance	P.41	

Topic	Disclosure	Description	Corresponding chapter	Page	Omission/Remark
Environmental Aspects					
Energy Resources Management					
GRI 302: Energy 2016	302-1	Energy consumption within the organization	3.1 Energy Resources Management	P.52	
	302-3	Energy intensity	3.1 Energy Resources Management	P.52	
	302-4	Reduction of energy consumption	3.1 Energy Resources Management	P.52	
Water Resource Management					
GRI 303: Water and effluents 2018 Management Approach	303-1	Interactions with water as a shared resource	3.2 Water Resource Management	P.53	
	303-3	Water withdrawal	3.2 Water Resource Management	P.53	
★ GHG Emissions					
GRI 3: Material Topics 2021	3-3	Management of material topics	3 Environmental Sustainability	P.50	
	305-1	Direct (Scope 1) GHG emissions	3.4 GHG Management	P.54	
	305-2	Energy indirect (Scope 2) GHG emissions	3.4 GHG Management	P.54	
	305-3	Other indirect (Scope 3) GHG emissions	3.4 GHG Management	P.54	
	305-4	GHG emissions intensity	3.4 GHG Management	P.54	
	305-5	Disclosure 305-5 reduction of GHG emissions	3.1 Energy Resources Management	P.52	
Waste Management					
GRI 306: Waste 2020	306-3	Waste generated	3.3 Waste Management	P.53	
	306-4	Waste diverted from disposal	3.3 Waste Management	P.53	
	306-5	Waste directed to disposal	3.3 Waste Management	P.53	

Topic	Disclosure	Description	Corresponding chapter	Page	Omission/Remark
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Social Aspects

★ Employment

GRI 3: Material Topics 2021	3-3	Management of material topics	4. Common Social Good	P.57	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	4.1 Staff Structure	P.58	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Optimal Utilization of Talent	P.60	
	401-3	Parental leave	4.2 Optimal Utilization of Talent	P.60	

Labor/Management Relations

GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	4.2 Optimal Utilization of Talent	P.60	
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★ Occupational health and safety

GRI 3: Material Topics 2021	3-3	Management of material topics	4.3 Occupational Health and Safety	P.64	
GRI 403: Occupational health and safety 2018 Management Approach	403-1	Occupational health and safety management system	4.3 Occupational Health and Safety	P.64	
	403-2	Hazard identification, risk assessment, and incident investigation	4.3 Occupational Health and Safety	P.64	
	403-3	Occupational health services	4.3 Occupational Health and Safety	P.64	
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.3 Occupational Health and Safety	P.64	
	403-5	Worker training on occupational health and safety	4.3 Occupational Health and Safety	P.64	
	403-6	Promotion of worker health	4.3 Occupational Health and Safety	P.64	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3 Occupational Health and Safety	P.64	

Topic	Disclosure	Description	Corresponding chapter	Page	Omission/Remark
Social Aspects					
★ Occupational health and safety					
GRI 403: Occupational health and safety 2018	403-8	Workers covered by an occupational health and safety management system	4.3 Occupational Health and Safety	P.64	
	403-9	Work-related injuries	4.3 Occupational Health and Safety	P.64	
Talent Development and Retention					
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	4.2 Optimal Utilization of Talent	P.60	
	404-3	Percentage of employees receiving regular performance and Career development reviews	4.2 Optimal Utilization of Talent	P.60	
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	2.1 Governance Practices	P.26	
			4.1 Staff Structure	P.58	

Appendix 2: TCFD Index

Aspect	TCFD Disclosures	Corresponding chapter	Page
Governance	Description on the Board's oversight on climate-related risks and opportunities.	2.4 Climate Change Governance	P.41
	Describe management's role in assessing and managing climate-related risks and opportunities.	2.4 Climate Change Governance	P.41
Strategy	Describe the climate-related risks and opportunities the company has identified over the short, medium, and long term.	2.4 Climate Change Governance	P.41
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	2.4 Climate Change Governance	P.41
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios.	2.4 Climate Change Governance	P.41
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	2.4 Climate Change Governance	P.41
	Describe the organization's processes for managing climate-related risks.	2.4 Climate Change Governance	P.41
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	2.4 Climate Change Governance	P.41
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	2.4 Climate Change Governance	P.41
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	2.4 Climate Change Governance	P.41
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2.4 Climate Change Governance	P.41

Appendix 3: Taiwan Stock Exchange (TWSE) Sustainability Indicators for the Telecommunication Services Industry

No.	Accounting Metric	Category	Disclosure Status	Unit of Measur
1	Total energy consumed, percentage grid electricity, percentage renewable	Quantitative	3.1 Energy Resources Management Purchased electricity represents the sole energy source in this category; renewable energy is currently not utilized	Gigajoules (GJ), Percentage (%)
2	Total water withdrawn and total water consumed	Quantitative	3.2 Water Resource Management	Cubic meters (m ³)
3	Amount of hazardous waste generated, and percentage recycled	Quantitative	3.3 Waste Management	Metric tons (t), Percentage (%)
4	Description of occupational accident categories, casualty numbers, and rates	Quantitative	4.3 Occupational Health and Safety	Rate (%), Number
5	Product Lifecycle Management: Weight of end-of-life products and e-waste recovered, percentage recycled (Note 1)	Quantitative	3.3 Waste Management	Metric tons (t), Percentage (%)
6	Description of the management of risks associated with the use of critical materials	Qualitative	2.7 Customer Services and Supply Chain Sustainability We refrain from the use of conflict minerals. All our products conform to the requirements of the management system for prohibited and restricted substances and the RoHS and REACH directives. Relevant risks are controlled through supplier management.	NA
7	Amount of legal and regulatory fines and settlements associated with anti-competitive practices	Quantitative	There was no litigation or incurred loss associated with such practices	Reporting currency
8	Product output by major product category	Quantitative	Network and Communication Security Products : 75,885PCS Other Network and Communication Products: 92,197PCS	Varies depending on product category

Appendix 4: Climate-related information of TWSE/TPEX-Listed Companies

Risks and opportunities for the Company generated by climate change and adopted response measures

Item	Corresponding chapter in this report
1. Description on the Board and Management's oversight and governance on climate-related risks and opportunities.	2.4 Climate Change Governance
2. Description on how the identified climate risks and opportunities impact the company's business, strategies, and finance (short, mid, long-term).	2.4 Climate Change Governance
3. Description on the impact extreme climate events and transitional actions have on finance.	2.4 Climate Change Governance
4. Description on how the climate risk identification, assessment, and management process is integrated in the overall risk management system.	2.4 Climate Change Governance
5. Should scenario analysis is used to assess the company's resilience in face of climate change risks, explanations on the scenario, parameters, hypothesis, analysis factors and major financial impacts should be provided.	2.4 Climate Change Governance
6. Should there be transitional programs in response to managing climate-related risks, please explain the program's content and metrics and targets used to identify and manage physical and transitional risks.	2.4 Climate Change Governance
7. Should the internal carbon pricing is used as the planning tool, the pricing mechanism should be explained	Internal carbon pricing has not been implemented yet
8. Should climate-related targets are in place, information such as their scope of action, GHG emissions, planned timeline, and yearly achieved progress should be stated; for targets achieved through carbon offset and RECs, the source of offset amount and number of RECs should be stated	2.4 Climate Change Governance
9. Carbon inventory and assurance efforts	3.4 GHG Emissions

Scope	Total emissions (in metric tons CO ₂ e)	Intensity (metric ton CO ₂ e/million dollars in revenue)	Assurance body	Description of assurance status (verification statement)
Scope 1			GREAT Certification	We have passed the verification in July 2023
Parent	54.9315	0.011		
Subsidiary	--	--		
Scope 2				
Parent	693.6251	0.139		
Scope 3				
Parent	3,761.2810	0.754		

Appendix 5: Third Party Verification Statement



Independent Assurance Statement Based on 2022 Sustainability Report of Caswell Inc.

Statement No.: 2307091

Caswell Inc. (hereinafter referred to as Caswell) and GREAT International Certification Co., Ltd. (hereinafter referred to as GREAT) are independent companies and organizations. Except for the evaluation and verification of the company's 2022 sustainability report, GREAT has no financial relationship with Caswell.

The purpose of this independent assurance statement (hereinafter referred to as the Statement) is only to serve as the conclusion of guaranteeing the relevant matters within the scope defined in the following relevant Caswell's Sustainability Report, and not for other purposes. Except for the independent assurance statement for fact verification, GREAT does not bear any relevant legal or other responsibilities for the use of other purposes, or anyone who reads this independent assurance statement.

This independent assurance statement is based on the conclusions made by the relevant information verification provided by Caswell to GREAT. Therefore, the scope of the review is based on and limited to the content of the information provided. GREAT believes that the information content is complete, accurate and precise. Any questions about the content of this independent assurance statement or related matters will be answered by Caswell.

The Scope of Assurance

The verification scope of Caswell and GREAT agreement includes:

- The contents of the entire sustainability report and all operating performance of Caswell from January 1, 2022 to December 31, 2022;
- According to the type 1 of AA1000 Assurance Standard v3, evaluate the nature and degree of Caswell's compliance with the AA1000 Accountability Principles (2018), excluding the verification of the reliability of the information/data disclosed in the report
- This statement is made in Chinese and translated into English for reference.

Verification Opinion

We summarize the content of Caswell's sustainability report, and provide a fair standpoint of Caswell's related operations and performance. We believe that the specific performance indicators of Caswell in 2022, such as economy, society, environment and corporate governance, are presented correctly. The performance indicators disclosed in the report demonstrate Caswell's expectations and efforts to identify and satisfy stakeholders.

Our verification work is carried out by a group of teams with verification capabilities according to the AA1000 Assurance Standard v3, as well as the planning and execution of this part of the work to obtain the necessary information data and instructions. We believe that the evidence provided by Caswell is sufficient to show that its reporting method and self-declaration in accordance with the AA1000 Assurance Standard v3 and its 2018 appendix are in line with the GRI Sustainability Reporting Guidelines.

Verification method

To gather the evidence relevant to the conclusions, we performed the following:

- To conduct a senior management review of issues from external parties related to Caswell's corporate policies to confirm the appropriateness of the statement in this report;
- To Discuss with the managers of Caswell about the way of stakeholder participations, and have no direct contact with external stakeholders;
- To interview with employees related to the preparation of the sustainability report and information provision;
- To audit the performance data of Caswell on a sampling basis;
- To evidence supporting the claims made in the review report;
- To Review the management process of the principles of inclusivity, materiality, responsiveness, and impact described in the company report and its related AA1000 Accountability Principles (2018).

Conclusion

The results of a detailed review of the AA1000 Accountability Principles (2018) including inclusivity, materiality, responsiveness, impact and GRI sustainability reporting standards are as follows:

- **Inclusivity**



Caswell has established a process of cooperation with employees, customers, suppliers, government agencies, banks, shareholders/investors, and community etc., and will launch a series of stakeholder activities in 2022, involving Economy, Environment, Society and a series of major themes. In terms of our professional opinion, this report covers the inclusivity issues of Caswell.

- Materiality

The report has stated that Caswell focuses on Environment, Society and Economy topics, and identified 6 major topics including emission of greenhouse gases, employment relations, occupational health and safety, information security, regulations compliance, innovative research and development, etc. In terms of our professional opinion, this report appropriately covers the materiality issues of Caswell.

- Responsiveness

Caswell responds to requests and opinions from stakeholders. Implementation methods include numerous internal and external stakeholder communication mechanisms, as an opportunity to provide further responses to stakeholders, and to promptly respond to stakeholder concerns. In terms of our professional opinion, this report covers the responsiveness issues of Caswell.

-Impact

Caswell has identified and fairly demonstrated its impact with balanced and effective measurement and disclosure. Caswell has established a process for monitoring, measuring, evaluating and managing impacts, which helps to achieve more effective decision-making and results management within the organization. In terms of our professional opinion, this report covers the impact issues of Caswell.

-GRI Guidelines

Caswell provides the self-declaration of compliance with the GRI Sustainability Reporting Standards and relevant information. Based on the results of the review, we confirm that the report refers to the social responsibility and sustainability of the GRI Sustainability Reporting Standards. Relevant disclosure items for developments have been disclosed, partially disclosed, or omitted. In terms of our professional opinion, this self-declaration covers Caswell's social responsibility and sustainability themes.

Assurance level

According to the AA1000 Assurance Standard v3 and its 2018 Appendix, we have verified that this Statement is a moderate level of assurance, as described in the scope and methods of this Statement.

Responsibility

The responsibility of the sustainability report, as stated in this Statement, is owned by the person in charge of Caswell. The responsibility of GREAT is solely to provide professional opinions based on the scope and methods described, and to provide an independent assurance statement for the stakeholders.

Ability and Independence

GREAT is composed of experts in various management system fields. The verification team is composed of members with professional background, who have received training in a series of sustainable development, environmental and social management standards such as AA1000AS v3, ISO 9001, ISO 14001 and ISO 45001, and are qualified as lead auditors.

On behalf of the assurance team JULY 13th, 2023

GREAT International Certification Co., Ltd.

Taiwan, Republic of China

Signed by General Manager

W. J. Chen



CASWELL
Complete Your Solutions

