



2022 Sustainability Report



Honor, Innovation, and Sustainability

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Right Way Industrial 2022 Sustainability Report

A Message from the Management

With the experience in dealing with the WTO, Right Way Industrial Co., Ltd. has gradually transformed into an export-oriented company engaged in sales business primarily in the United States, Europe, Japan and Southeast Asia. In order to achieve the continuous and stable supply to customers, undoubtedly, the most important thing is to receive the recognition from world-class car manufacturers or industrial customers. Especially, the parts, such as engine and chassis, are those warranting safety in the automotive industry; therefore, their importance should not be ignored. We are committed to keep improving corporate governance to ensure that the Company's business activities comply with laws, regulations, and ethical standards. We value transparency and accountability and strive to create value for shareholders, employees, and the society.

Environmental Sustainability:

We are committed to reducing the Company's carbon emissions and also mitigating the impact on the natural environment. We achieve our environmental goals by reducing energy and resource consumption, adopting renewable energy, and increasing the recycling rate. We hope to further strengthen environmental protection awareness and actions in the future.

Partnership:

We value our relationship with suppliers and customers. We are committed to providing customers with high-quality products and excellent services. Meanwhile, we encourage our suppliers to adopt manufacturing methods in line with environmental protection and social responsibility.

Employee and social impact:

We respect the rights and interests of employees and value their training and development. We are committed to complying with international human rights laws and regulations to prevent violations of human rights. Meanwhile, we also value the relationship with the community and participate in community activities for contribution proactively.

Outlook:

In the future, we will continue to strengthen the connection between sustainability issues and management, implement carbon inventory and disclosure, assess the risks over climate change to our business, and strive to achieve environmental and social sustainable development.

We will continue to strengthen corporate social and environmental responsibility, and keep improving and innovating our products and services to meet the needs of customers and the market. In the meantime, we will also work with our partners to establish more stable and sustainable supply chain relationship, and strengthen employees' training and development in human resource management, so that the employees can better their contribution to the Company. We will further strengthen the relationship with the community, participate in community activities and social contributions proactively, and feed back to the society in various manners, in order to grow with the society.

At last, we believe that through continuous efforts and innovation, we will be able to achieve sustainable development and long-term success. We are committed to continuing to uphold the concept of sustainable development, pursuing excellence and innovation, and achieving sustainable economic, social and environmental development.

General Manager Russel Lou

A handwritten signature in black ink that reads "Russel Lou".

About this Report

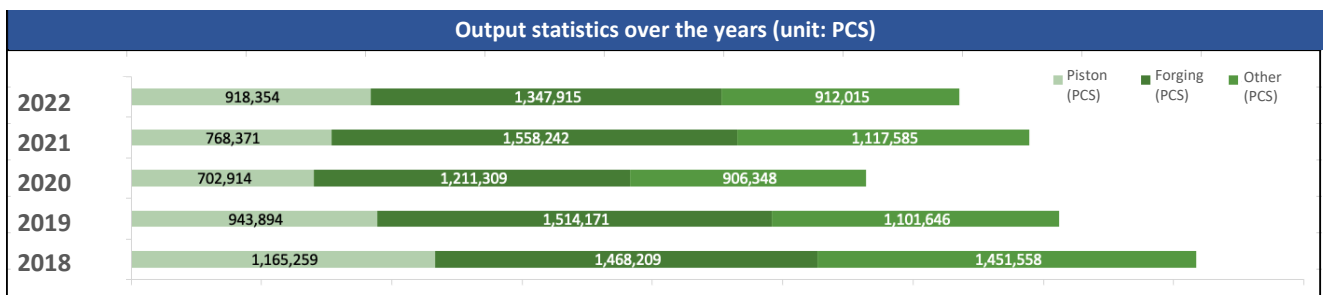
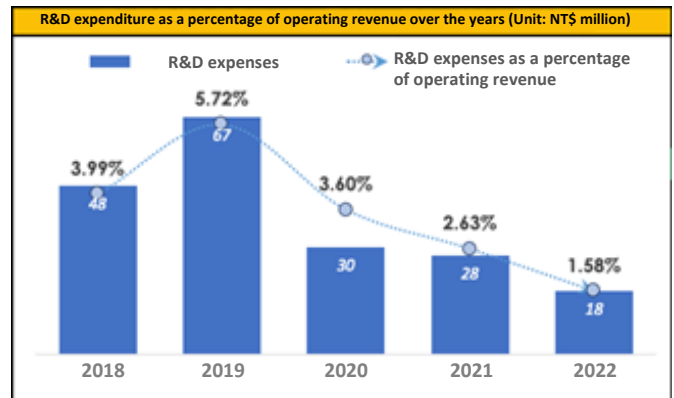
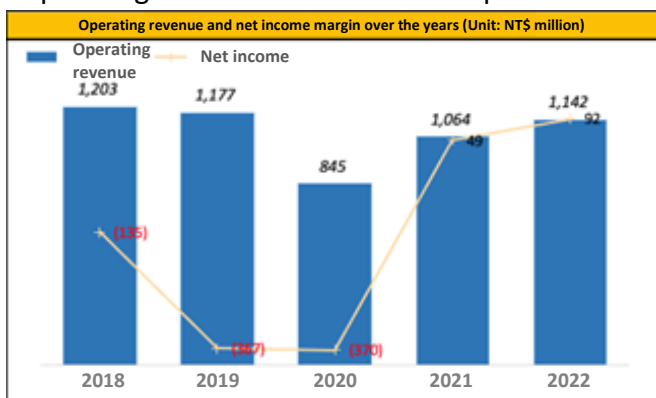
Right Way Industrial Co., Ltd. (hereinafter referred to as “Right Way Industrial”) keeps introducing new technologies and resources. In addition to technical cooperation with the Industrial Technology Research Institute and multiple international leading manufacturers in Japan, the USA and Germany, it also expands its product lines to automotive connecting rods, fasteners, suspension control arms and steering joints, steering ball joints, tie rods, and other industrial parts, such as compressor, motor and pump casings, suspension and brackets, etc.. With the expanded operations and expectations towards the relationship with stakeholders, sustainable development plans are launched to review the operating environment and risks, in order to establish visions and goals in accordance with the operational strategies for sustainable management. The 2022 Sustainability Report (hereinafter referred to as the “Report”) is the first sustainability disclosure report issued by Right Way Industrial. The relevant information prepared is stated as following:

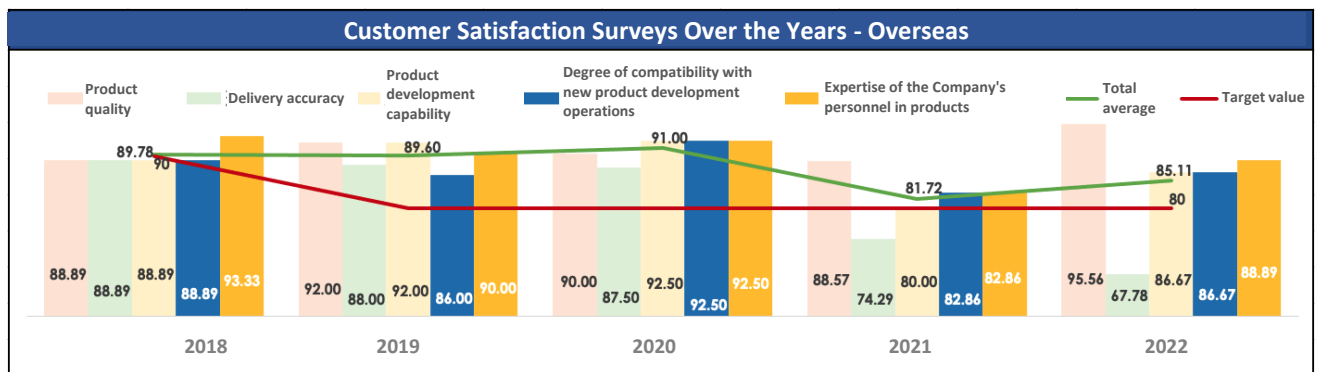
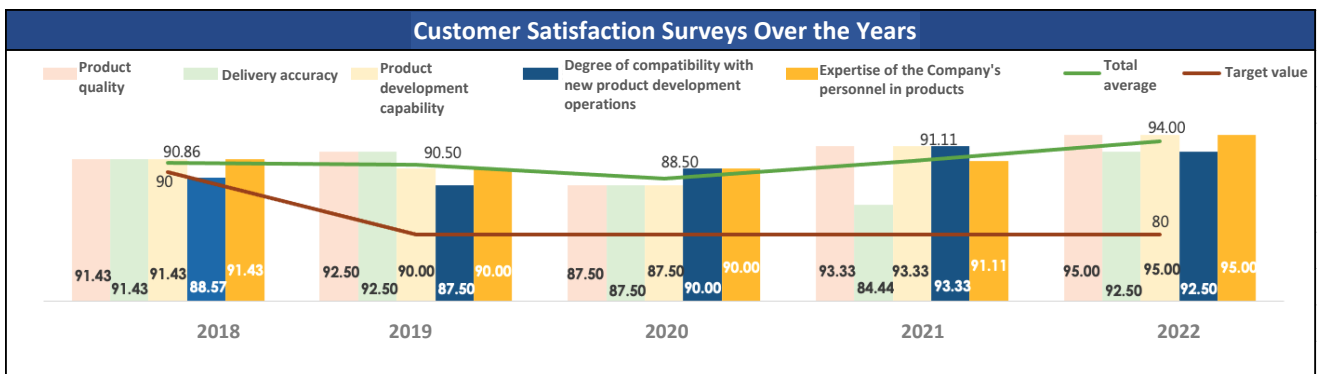
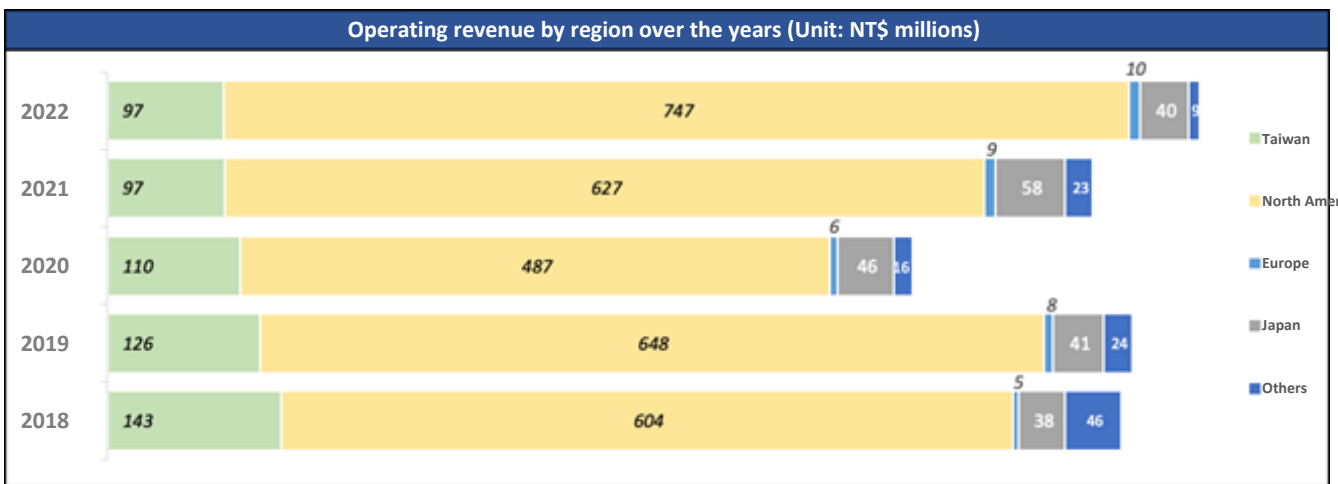
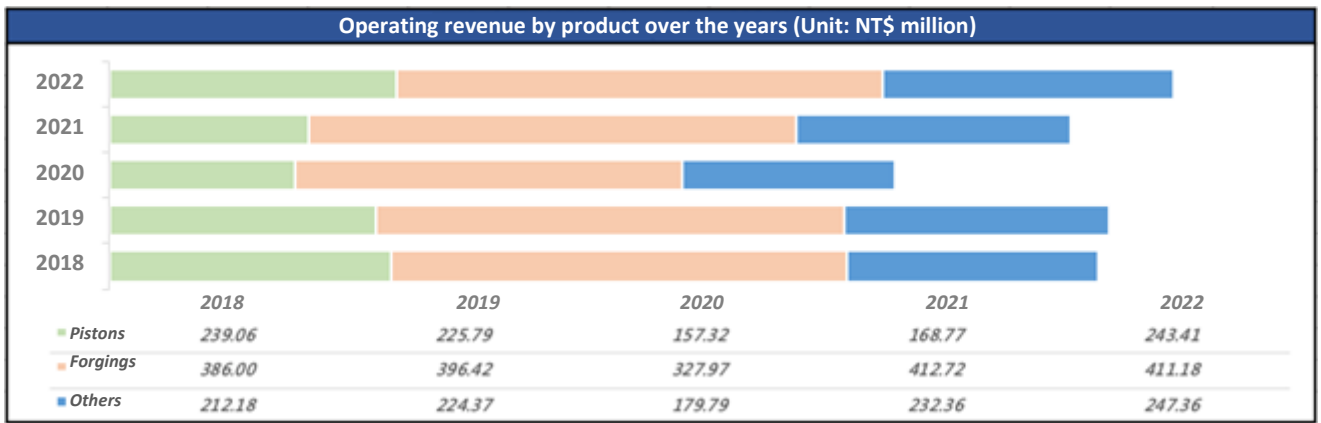
Scope of disclosure	<p>The Report is issued once per year, and for the first time currently. The scope of the information covers the period from January 1 to December 31, 2022, in order to provide the overall disclosure of economic, social, and environmental performance of the operating activities of Right Way Industrial. The main business locations of Right Way Industrial include Rende District, Tainan City and Shah Alam in the suburbs of Kuala Lumpur. With respect to the Malaysia factory, as only the GHG inventory information is disclosed, such information will not be provided in the Report separately. Meanwhile, in consideration of the comparability of information, in principal, only the data available for the past three years are disclosed. Notwithstanding, considering that no related information was collected via the system or there was no complete information in the past, only certain performance information available in the past one or two years will be disclosed, if it is impossible to verify the accuracy of data.</p>
Compliance with Regulations	<p>The stakeholder identification procedures for the Report follow the AccountAbility Organization’s AA1000 Stakeholder Engagement Standards (AA1000 SES) and the AA1000 v3 standards developed based on the accountability principle for the implementation of relevant information preparation procedures. Meanwhile, based on the GRI Standards published by the Global Reporting Initiative (GRI) as the reference disclosure standards, it conducts the management procedures for material sustainability issues.</p> <p>In consideration of the sustainability disclosure trend, Right Way Industrial has adopted the Sustainability Accounting Standards Board (SASB) as the core topic of the Report to prepare the Report. Meanwhile, Right Way Industrial also discloses additional information on the issues of concern of stakeholders and the related sustainability rating.</p>
Report Audit and Assurance	<p>The data or information disclosed in the Report is provided by the responsible departments, confirmed by the ESG report preparation team, sent to the heads of each department, and then reviewed by the General Manager for approval via the internal audit procedure. In 2023, it appointed Legendary & Steadfast Accountancy (LSA) to provide the limited assurance in accordance with the “ISAE 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information.” The assurance report is disclosed on Page 76 of the Report .</p>
Management Approach	<p>The data and financial performance in the Report are disclosed based on the financial report certified by CPAs. All financial figures are expressed in New Taiwan dollar and the financial data are disclosed in accordance with the IFRSs. The other data in the report are disclosed based on the information and statistics gathered by Right Way Industrial independently, which are expressed in the a custom manner and rounded off in principle.</p> <p>The data or information disclosed in the Report were provided by the responsible departments, and then the Report was prepared by the report preparation team. The completed Report was sent to each department head and the General Manager for confirmation, then subject to the review and approval by the General Manager, and disclosed on the official website of Right Way Industrial upon completion of the internal audit procedure.</p>
Contact Information	<p>Should you have any questions about the Report, or have any suggestions for Right Way Industrial, please feel free to contact us in the following manner.</p> <p>Company address: No. 1015, Zhongzheng West Rd., Dajia Vil., Rende Dist., Tainan City Tel. No.: 886-6-2664101 Email: Don.Huang@rightway.tw Company website: www.rightway.com.tw</p>

Sustainability Performance in 2022

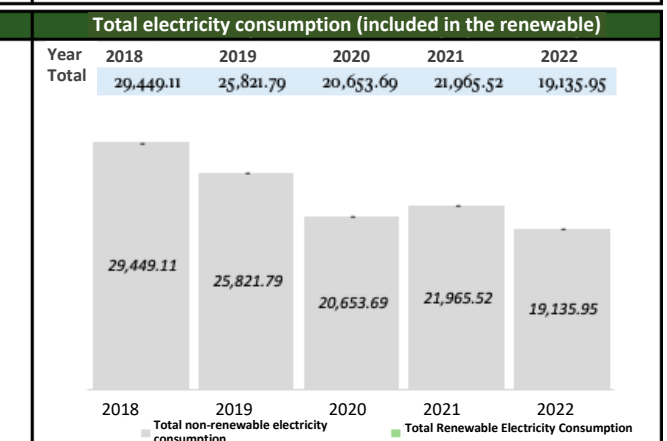
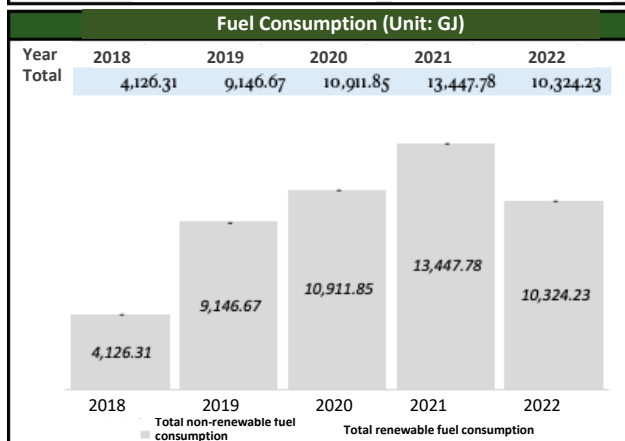
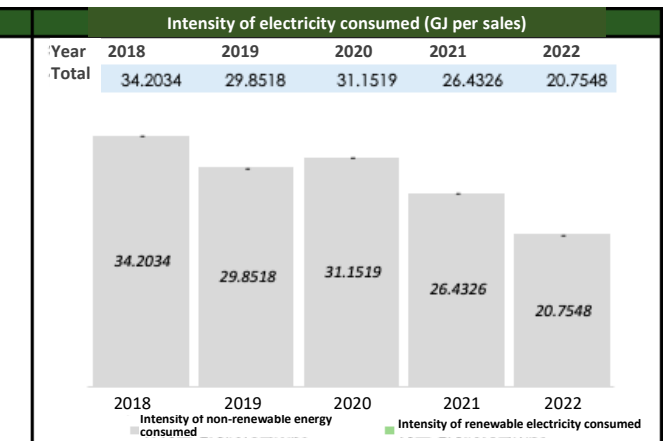
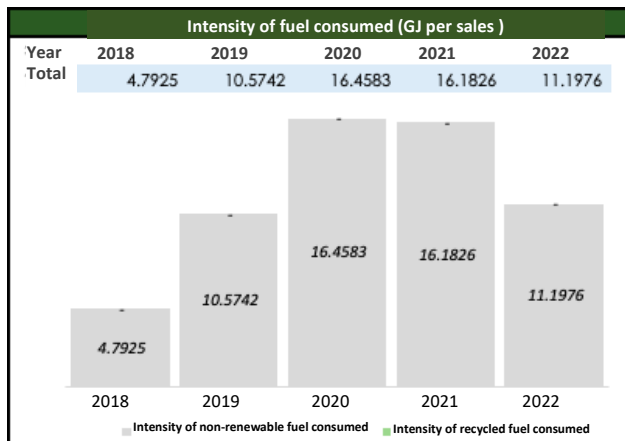
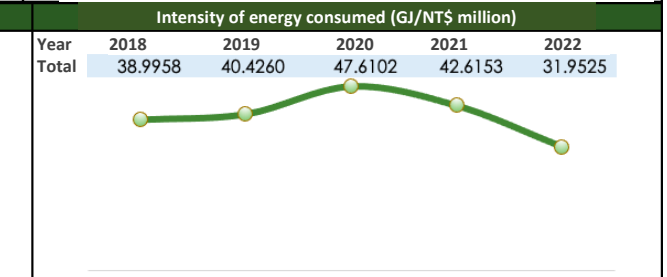
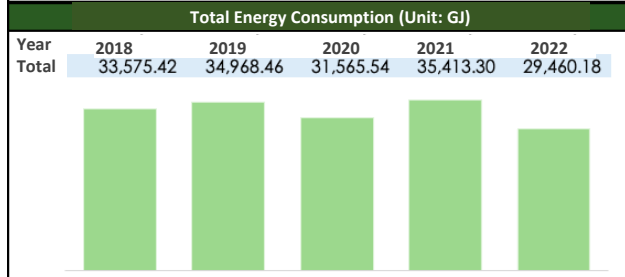
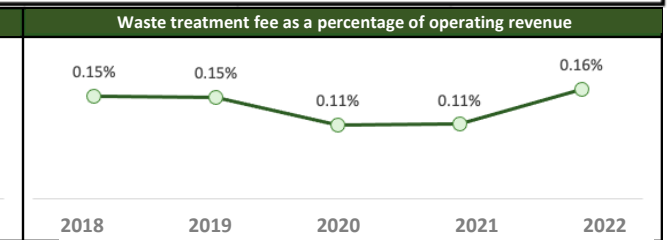
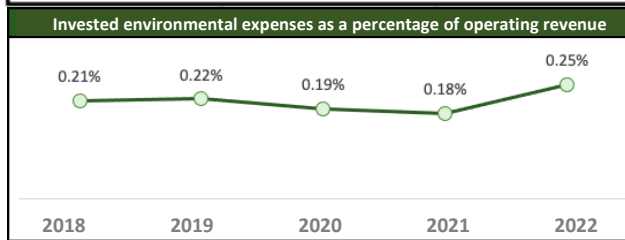
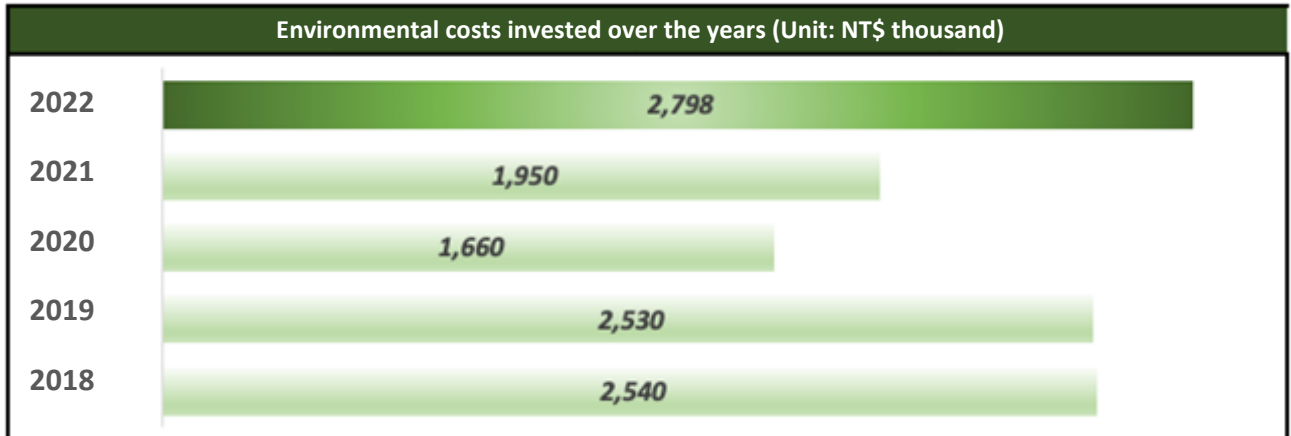
Orientation	Key Performance
Governance	<ul style="list-style-type: none"> It has grown for two consecutive years, with 2022 consolidated operating revenue reaching NT\$1.14 billion, increasing by 7.3% from the previous year. The domestic customers' satisfaction level increased by 3.2% from the previous year, and overseas customers' satisfaction level by 4.2% from the previous year. Regularly organize corporate governance, anti-corruption, and ethical management training for directors to ensure no corruption incidents incurring during the reporting year.
Environment	<ul style="list-style-type: none"> The intensity of energy consumed (GJ per sales) was reduced by 25%, intensity of electricity consumed by 21.5%, and intensity of fuel consumed by 30.8%, from the previous year. The intensity of water withdrawal (ML per sales) was reduced by 9.62% from the previous year. A GHG inventory project was planned to inspect the GHG emissions in 2022.
Society	<ul style="list-style-type: none"> Formulate human rights policies and conduct human right-related education and training for all employees. In recent years, the raise has ranged from 1% to 3%. Right Way Industrial plans another raise in 2023. Invest in new businesses and create 80~100 job opportunities locally.

Corporate governance and economic performance:

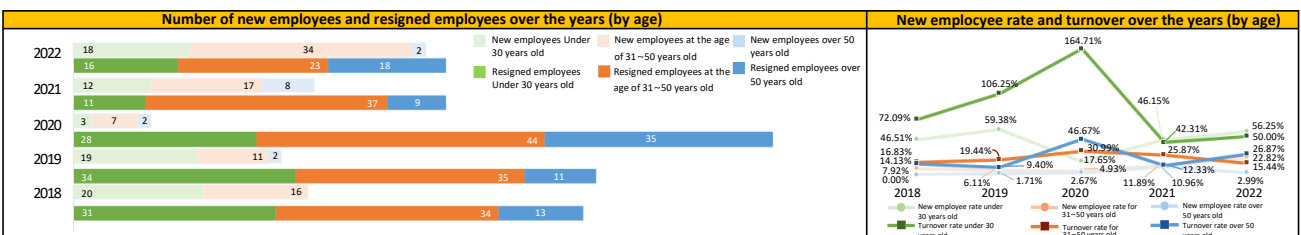
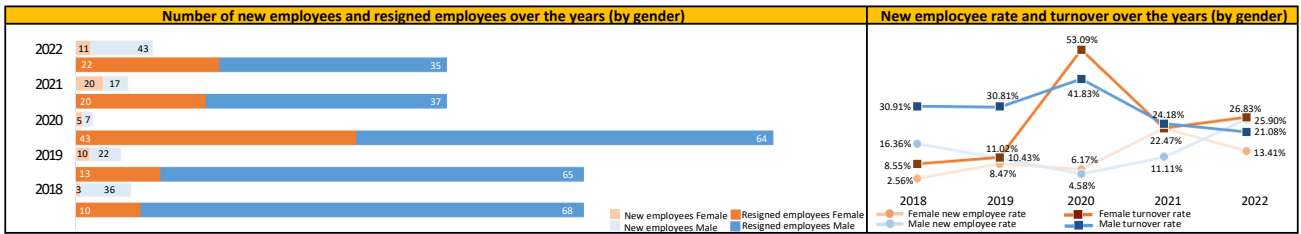
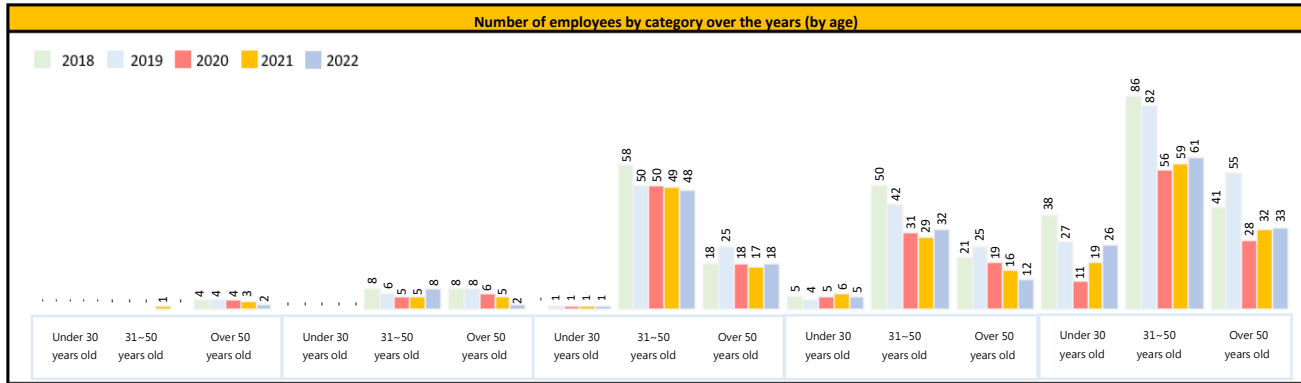
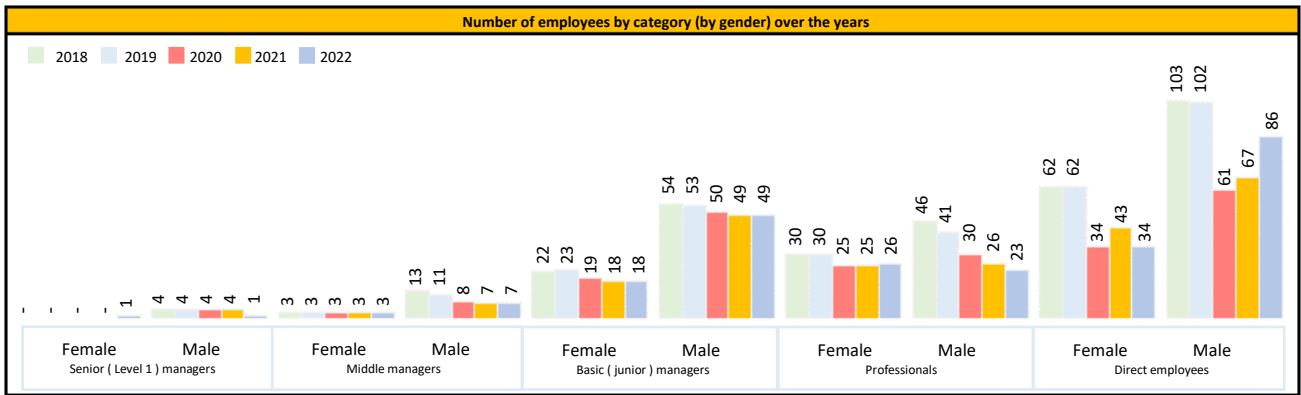
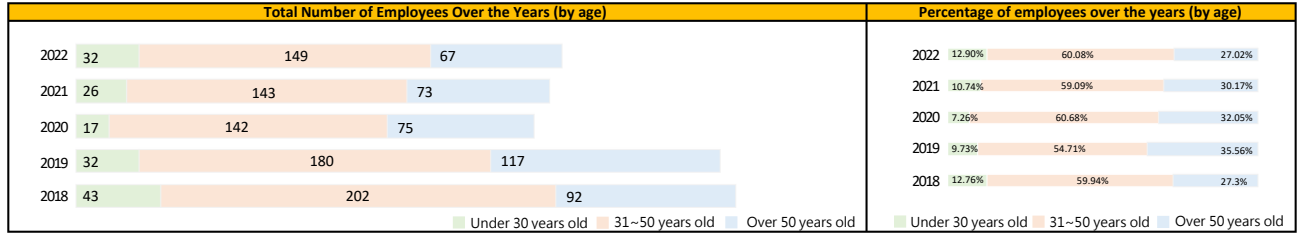
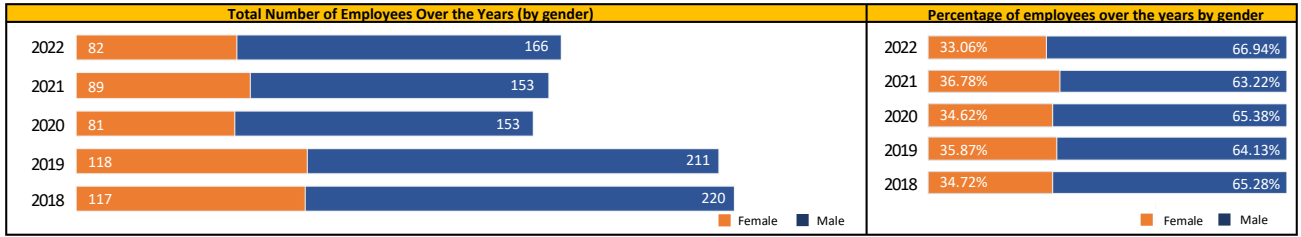


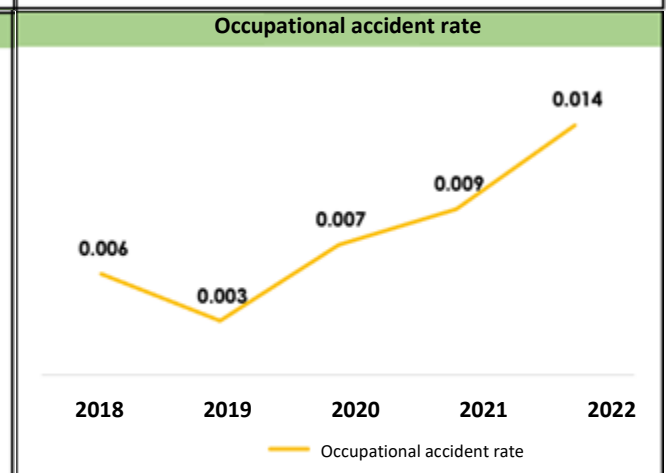
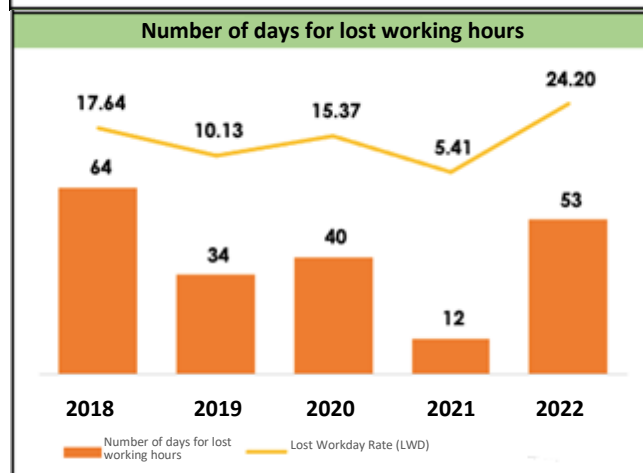
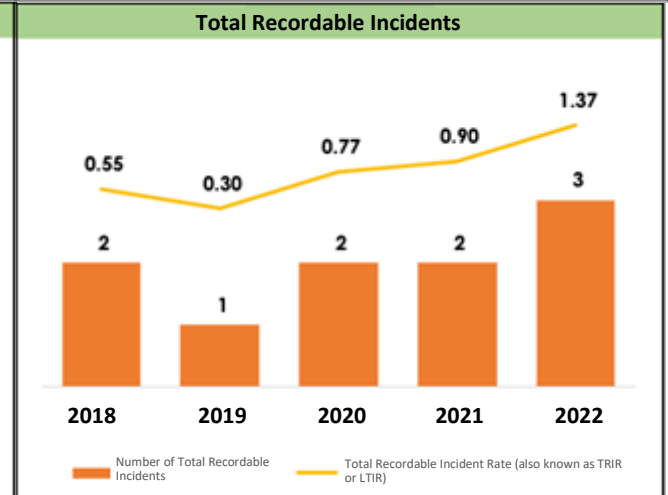
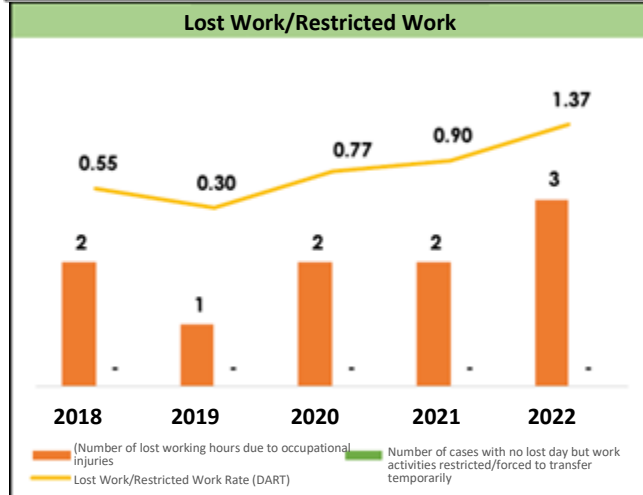
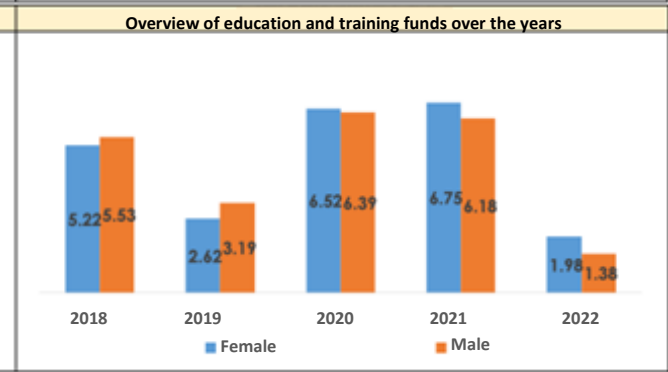
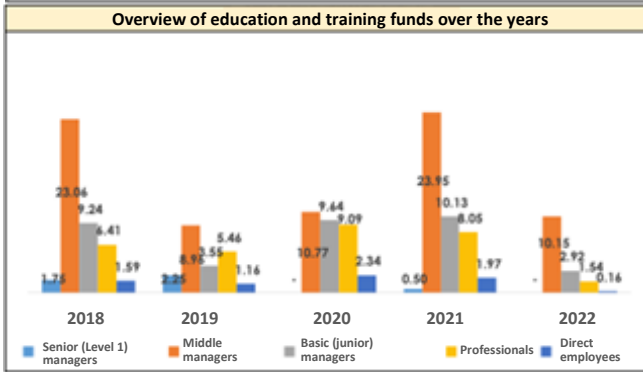
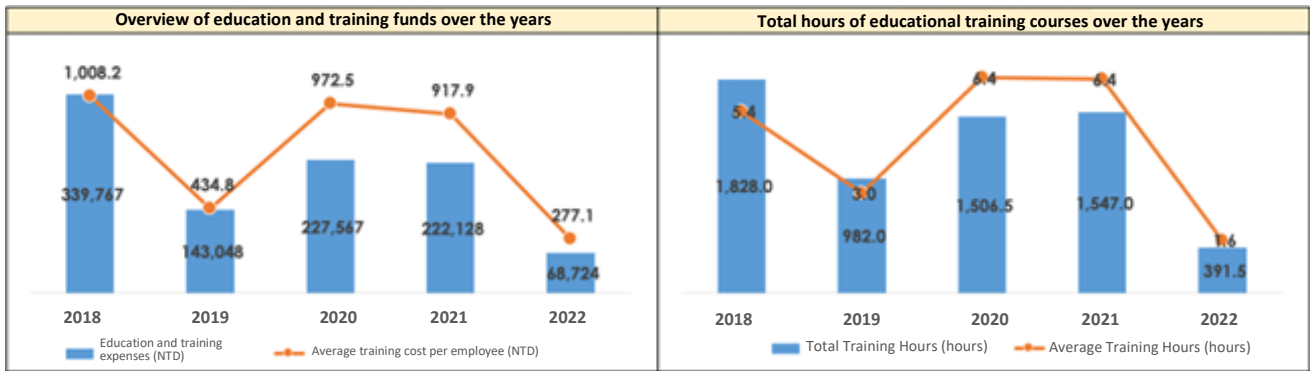


Environmental Performance:



Social Performance:





1. About Right Way Industrial

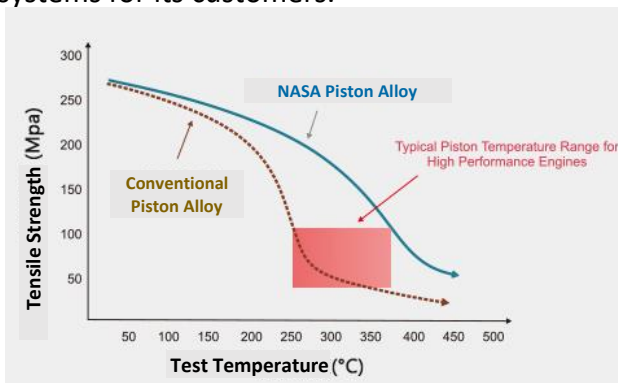
1-1 Company Overview

Right Way Industrial was founded in Tainan, Taiwan in 1964 to provide the automotive industry and other industries with high-quality castings and forgings, as well as complete product development and manufacturing services from engineering design to mass production. The Group's productivity primarily focuses on aluminum alloy gravity casting, HPDC high pressure casting, aluminum alloy forging, steel forging, surface treatment (anode, galvanization and coating, etc.) and precision finishing.

In the spirit of "Honor, Innovation and Sustainability," Right Way Industrial keeps introducing new technologies and resources. In addition to technical cooperation with the Industrial Technology Research Institute and multiple international leading manufacturers in Japan, the USA and Germany, it also expands its product lines to automotive connecting rods, fasteners, suspension control arms and steering joints, steering ball joints, tie rods, and other industrial parts, such as compressor, motor and pump casings, suspension and brackets, etc.. It invests in expansion of the scale of the plant and purchase of various computerized high-tech production equipment, in order to reduce production costs and shorten delivery period significantly. The long-established quality control system and professional technical personnel of Right Way Industrial ensure that every part that leaves the factory complies with international standards (subject to strict certification by IATF16949:2016 and ISO14001). The key to the success of its manufacturing operations is its insistence on providing customers with the most robust services with the highest product quality.

Right Way Industrial supplies goods to OEM customers primarily. Notwithstanding, it also provides the same professional services to customers in the after-sale service market. Its after-sale service is always proud of providing OE-level quality products to the independent product agents in the after-sale market. Relying on the solid foundation laid by the efforts of Right Way Industrial in developing the automobile and motorcycle industry over several decades, it has been definitively capable of working as an ODM. For the time being, it is working as a manufacturer of complex and high-tech parts for cars, ATV, snow cars, motorcycles, private yachts, vessels and gasoline/diesel trucks in the world. So far, Right Way Industrial has an output of millions of casting or forging parts needed by pistons, connecting rods, and steering and suspension systems for its customers.

Company name	Right Way Industrial Co., Ltd.
Stock Code	1506
Chairman	Li-Yun Hsieh
Date of establishment	1965/03/13
Time to market	1980/08/11
Corporate Headquarters	No. 1015, Zhongzheng W. Rd., Dajia Neighborhood, Rende Dist., Tainan City 717-44
Business Locations	Taiwan and Malaysia
Market service	Europe, America, Asia and Africa
Product line	Castings, forgings and system cabinets
Paid-in capital	NT\$2.78 billion (until the end of 2022)
Number of Employees	248 persons (until the end of 2022)
Operating revenue scale	NT\$1.14 billion (2022)

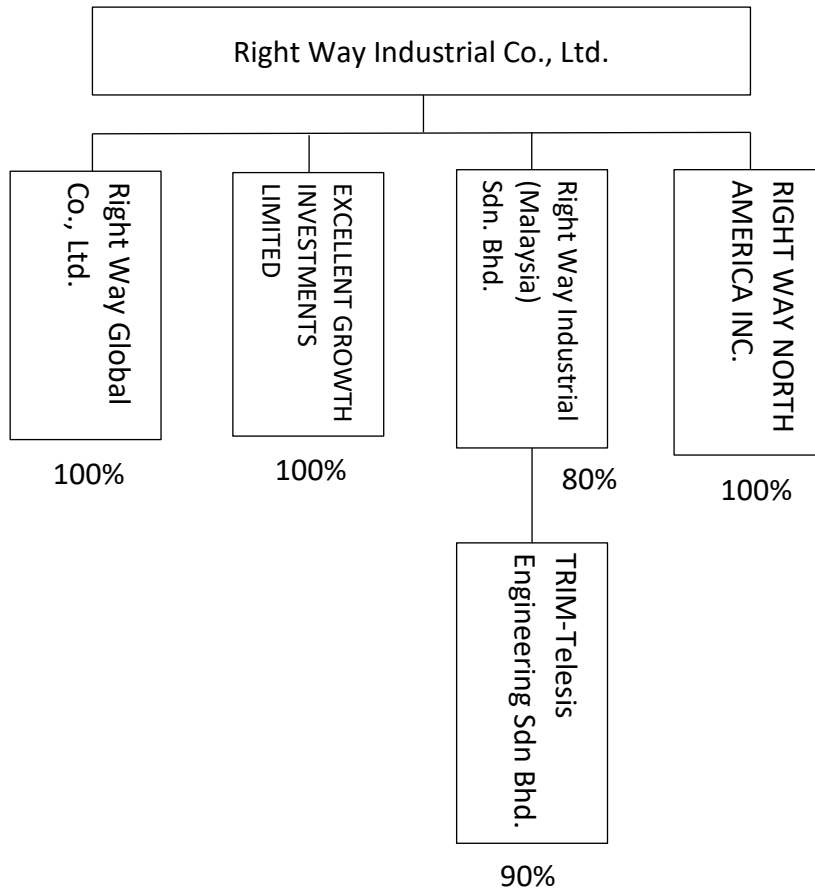


High temperature strength comparison between NASA and normal alloy



NASA Alloy Forged Piston

Right Way Industrial Investment Structure



Scope of Disclosure in the Sustainability Report

Category	Investment Entity	Level of disclosure and non-disclosure
The parent company, and the subsidiaries engaged in manufacturing, logistic and sales operations	<ul style="list-style-type: none"> ● Entities of Right Way Industrial Co., Ltd. ● Right Way Industrial (Malaysia) Sdn. Bhd. 	100% disclosure
Subsidiaries engaged in operating activities, such as investment, only	<ul style="list-style-type: none"> ● Right Way Industrial Co., Ltd. ● EXCELLENT GROWTH INVESTMENTS LIMITED ● TRIM-Telesis Engineering Sdn Bhd. ● RIGHT WAY NORTH AMERICA INC. 	As a holding company that invests and controls the affiliated companies, its business activities never involve environmental and social issues and it only discloses financial information. No relevant information may be disclosed.



Milestone

Year	Summary
1965	Right Way Industrial Co., Ltd. was established, primarily engaged in the production and processing of pistons.
1966	The Ministry of Economic Affairs approved the technical cooperation between Right Way Industrial and Art Metal. Mfg. Co., Ltd. to produce pistons.
1973	The Ministry of Economic Affairs approved the technical cooperation between Right Way Industrial and Yayoi Forging Co., Ltd. to produce automobile transmission parts. Technical cooperation with Japan 555 Trademark Yayoi Forging Co., Ltd. to produce vehicle tie rods and ball joints
1980	Listing of the Company stocks
1989	Invest in incorporation of Right Way Industrial (Malaysia) Sdn Bhd.
1996	Invest in incorporation of Right Way Auto Parts (Fuzhou) Co., Ltd.
2002	Pass the ISO-14001 environmental management system verification.
2004	Accredited with ISO/TS 16949:2002 Honored with the "Outstanding Supplier Gold Award" from FORD Worldwide
2006	Honored with the 2005 Excellent Performance and Excellent Resale Vendor Awards from China Motor Corporation.
2007	Honored with the "BRP 2007 Supplier Recognition Program" Medal
2008	Honored with 2007 Export Quality Excellence Award from China Motor Corporation.
2010	Honored with Outstanding Achievement in Routine Management by Sanyang Motor Honored with the 2009~2010 Outstanding Manufacturer Award from ROTAX Honored with the 2010 Outstanding Quality Manufacturer Award from BRP Honored with the 2010 Quality Progress Award from CMC
2011	Honored with the Excellent Manufacturer Award by Yulon Motor and CMC Awarded by Tainan City Government as the Business Unit for Harmonious Labor-Management Relations
2012	Honored with the Excellent Supplier Award by CMC
2013	Honored with "Excellent Supplier" and "Excellent Quality" by "Jasper Engines & Transmissions"
2015	Honored with the 2015 Routine Performance Award from Sanyang Motor Honored with two awards, namely the Annual Silver Medal Award and the Quality Zero Defect Award from Arctic Cat
2021	Awarded by as the Business Unit for Harmonious Labor-Management Relations in Tainan City
2022	Brighton-Best (Ta Chen International, Inc.) joined the Right Way Industrial management team.

Guilds and Associations

Right Way Industrial participates in the "Taiwan Transportation Vehicle Manufacturers Association" proactively, in order to uphold the spirit of service, professionalism and efficiency, establish good and long-term relations with peers, enhance mutual benefits, improve industrial technology, and strengthen international competitiveness. Meanwhile, it also joins the "Taiwan Forging Association" to jointly research and promote the application of forging technology and facilitate industrial exchanges.



Corporate Sustainability Policy

Right Way Industrial advocates and implements the RBA Code of Conduct, including due diligence and risk pre-warning related to business operations and human rights. Meanwhile, given this, Right Way Industrial has established the Corporate Social Responsibility Policy Statement and made it public on the Company's website to enable all stakeholders to understand the determination of Right Way Industrial to achieve the sustainable development.

The Statement is also promoted and trained at all levels within Right Way Industrial, and implemented in the routine operations, including the engagement with stakeholders, such as the selection and evaluation of suppliers. Right Way Industrial will never allow its employees or trading counterparts to violate the Statement. If any violations are found, or should there be any questions or suggestions, please feel free to contact the Company at: Don.Huang@rightway.tw. We will protect the whistleblower's information, conduct detailed investigation, and reply as soon as possible.



Right Way Industrial Social Responsibility Management Policy Statement

正道工業股份有限公司 企業社會責任管理政策聲明書 Corporate Responsibility Declaration

正道經營理念：本公司為恪守法令及遵守道德規範之企業，除遵循公司法外，並秉持「榮譽、創新、永續」之企業經營宗旨，以「團隊誠信服務、奉獻卓越經營、善盡企業責任」之經營理念，且制定推動各項道德規範政策，建立良好之公司治理及風險控管機制，為公司之永續經營發展。

Business philosophy of Right Way: We are an enterprise that strictly abides by laws and regulations and adheres to ethical standards. In addition to following the company law, we also adhere to the business purpose of "honor, innovation and sustainability", and use "team integrity services, innovation pragmatic, and perform corporate responsibility" as our business philosophy, and formulate and promote various ethics policies, establish good corporate governance and risk control mechanisms, as our sustainable development of the company.

正道工業對製造、銷售相關產品與服務客戶應遵循過程中，遵循下列的行為準則：

1. 不使用童工，也不接受任何供應商或分包商使用童工。
Do not use child labor or accept any supplier or subcontractor to use child labor.
2. 尊重從業員自由，禁止任何形式之強迫勞動，不接受任何供應商或分包商使用強迫勞動。
Respect the freedom of workers, prohibit any form of forced labor, and do not accept the use of forced labor by any supplier or subcontractor
3. 提供安全衛生之工作和生活條件，確保從業員的安全和健康。
Provide safe and healthy working and living conditions to ensure the safety and health of employees
4. 鼓勵勞資合作，尊重從業員意見。
Promote labor-management cooperation and respect the opinions of employees
5. 提供平等和公平的工作環境，禁止任何形式之歧視行為。
Provide an equal and fair working environment and prohibit any form of discrimination
6. 尊重從業員的基本人權，禁止任何形式之侮辱人格的行為。
Respect the basic human rights of workers and prohibit any form of insulting personality
7. 合理安排生產計畫，合理安排從業員的工作時間和休息休假。
Reasonably arrange the production plan, reasonably arrange the working hours and rests of the employees
8. 提供合理的薪資福利，至少滿足從業員的基本需要。
Provide reasonable salary and benefits, at least meet the basic needs of employees
9. 尊重從業員自由結社及集體談判權。
Respect the right of employees to associate freely and collective bargaining
10. 組織管理運作遵守符合政府及國際相關法規/公約，並持續追求改善進步。
Organizational management operation pursues compliance with relevant government and international regulations / conventions, and continues to pursue improvements.

正道工業對相關供應商於提供本公司產品及服務過程中，亦將要求其支持正道工業社會責任政策及行為準則，並確實遵守。We will also require relevant suppliers to support the company's social responsibility policies and codes of conduct in the process of providing the company's products or services, and strictly abide by it.

實施項目 Implementation	內容 Description	備註 Remark
友善職場 Friendly workplace	<ol style="list-style-type: none"> 1. 環境常保衛生、明亮、通風。 The environment is always hygienic, bright and ventilated. 2. 注重建物安全，不定期檢修。 Pay attention on the safety of building and regular maintenance. 3. 尊重多元性別文化。 Respect for multiculturalism. 4. 反職場騷擾：本公司依職業安全衛生法規定，及維護本公司全體人員於職場上避免遭受不當之對待，訂定職場不法侵害防治計畫，並於職場中公布。 Anti-workplace bullying: We are in accordance with the Occupational Safety and Health Law, maintain that all employees of the company avoid being treated inappropriately in the workplace, establishes a prevention plan of workplace illegal infringement, and announces it at the workplace. <p>此外，本公司遵守職業平等及職場中權以及反歧視精神，並投保各項公共意外責任保險、職業災害員工團體保險等，並定期體檢及勞工工會訂團體協約。</p> <p>In addition, we abide by the spirit of equality in employment, workplace equality, and anti-discrimination, and insures such as public accident liability insurance, occupational disaster insurance, and employee group insurance, and signs group agreements with unions in accordance with the group agreement law.</p>	<p>榮獲勞動部及台南市政府及高雄市政府頒發「友善職場」及「最佳企業獎」。</p> <p>We were awarded by the Ministry of Labor and the Tainan Municipal Government for signing a group agreement. And won the Tainan Municipal Government's praise for excellent labor relations</p>

實施項目 Implementation	內容 Description	備註 Remark
職業安全 Occupational safety	<p>本公司每年定期提供員工免費健康檢查，並設置工人人員對全體員工實施安全與健康教育，及致力於提供員工安全與健康之必要資訊，預防職業上可能隱藏之危險災害，另廠內勞工健康服務護理人員也提供必要急救設備、措施，並與中大型醫院簽署急救醫師合作契約，由該院指派符合中央機關認可之醫師，於合約期間每月指定時間至本公司提供員工健康管理諮詢服務、醫療顧問、醫療轉介等服務。</p> <p>We regularly provide employees with free health checks every year, and sets up safety and health personnel to implement safety and health education for all employees, and is committed to reducing the hazards to employees' safety and health, preventing dangerous occupational disasters, and in-house labor Health service nurses also provide necessary first aid equipment and measures. And signed a contract with the medium and large hospitals for physicians in the factory. The hospital will assign physicians that meet the requirements of the central authority to provide medical consultation, medical consultants, and medical referrals for employees' health management during the contract period every month.</p> <p>設有職業安全衛生管理委員會，定期檢核執行環境/職業安全衛生/職業安全衛生管理制度，預防職業、傳染工安風險，並於110年建立 ISO-45001：2018 職業安全衛生管理系統。</p> <p>Set up an occupational safety and health management committee to regularly review and implement the environmental/occupational safety and health /process safety management system to prevent occupational disasters and reduce work safety risks, we also established ISO-45001 2018 Occupational Health and Safety Management Systems (OHSMS) in 2021.</p>	
環境保護 Environmental protection	<p>本公司環安衛政策 Occupational Health and Safety Management Policy</p> <ol style="list-style-type: none"> 1. 遵守法規 2. 風險管理 3. 節能減廢 4. 全員參與 5. 目標達成 6. 健康促進 7. 持續改善 <p>1. Compliance with the regulations 2. Risk Control 3. Energy saving and waste reduction 4. Full participation 5. Reach the goal 6. Health promotion 7. Continuous improvement</p> <p>(1) 為善盡環境保護及照顧同仁安全健康之企業責任，並基於對環境保護的自覺，及污染防治等管理之需求，和環境社會責任之職責，本公司於民國 91 年依據 ISO-14001 國際標準的要求事項建立環境管理系統，並於當年9月通過 ISO-14001 環境管理系統認證，隨後於民國 94 年通過 ISO-14001：2004 國際版認證，並於 101 年通過 ISO 9000 國際標準輸入 ISO45001：14718049 版之系統，以訂定環境永續目標及定期檢討進度，於 107 年通過 ISO-14001：2015 年新版環境管理系統。</p> <p>(1) In order to fulfill the corporate responsibility of protecting the environment and caring for the safety and health of colleagues, and based on the consciousness of environmental protection, pollution prevention and management, and the responsibility of environmental protection and social responsibility, we have established an environmental management system based on ISO-14001 in accordance with the requirements of international standards, and passed the ISO-14001 environmental management system certification in September of 2002, and subsequently passed the ISO-14001:2004 renewal and certification in 2005. In addition, RCM cleaner production was incorporated into ISO45001 811718049 in 2012. In order to set environmental sustainability goals and regularly review progress, ISO-14001:2015 new version of the environment management system was approved in 2018.</p> <p>(2) 提供員工乾淨、安全無虞之飲用水，定期委託環保署認可之機構依法規要求數量對飲用水做大腸桿菌數之水質檢測；並對供水設備進行定期保養與消毒。</p> <p>(2) Provide employees with clean and safe drinking water, and regularly entrust agencies approved by the Environmental Protection Agency to perform water quality testing on the Escherichia coli in drinking water by regulations; and regularly maintain and disinfect water supply equipment.</p> <p>(3) 承諾在公司之各項產品、活動及服務過程中，對於產生之廢棄物、廢氣、廢水、廢物等毒性化學物質與能源消耗等可能造成的環境影響，及對產生之廢棄物、廢氣、廢水、廢物等毒性化學物質管理方案求改善整體的環境永續性而提供環境品質。</p> <p>(3) Commitment during the company's various products, activities and services, the possible environmental impact of waste, waste gas, waste water, operation toxic chemicals and energy resources consumption, and set goals and targets to control of the risk of harm, and use specific management solutions to improve overall environmental safety performance and thus environmental quality.</p>	
永續經營 Sustainable development	<p>為永續經營，並善盡地球村成員義務，本公司致力於以下項目：</p> <p>In order to sustainably operate and fulfill the obligations of the Global Village members, we committed to the following projects:</p> <ol style="list-style-type: none"> 1. 不使用衝突礦區(CMR)原料用於所有製程，並同步要求供應商聲明以修護此義務。 Do not use conflict mining area (CMR) raw materials in all processes, and simultaneously require suppliers to make declarations to comply with this obligation 2. 尋找綠色生產機會，針對綠色能源、循環使用水資源、推動節能減碳。 Find green production opportunities, use green energy, recycle water resources, and promote energy conservation and carbon reduction <p>遵守道德規範：遵守法令、反賄賂、誠信經營、回饋社會。</p> <p>Ethical issues: compliance with laws, anti-bribery, integrity management, giving back to society</p>	

總經理 (General Manager):

Link to "Right Way Industrial Co., Ltd. Social Responsibility Management Policy Statement"
<https://www.rightway.com.tw/index.php?option=module&lang=cht&task=pageinfo&id=797&index=2>

1-2 Introduction to Products

The customers of Right Way Industrial are mostly international leading companies, namely leading manufacturers engaged in different industries. We provide to OEMs, tier-1 depots, and after-sale service parts dealers, etc., such as, ATV, snowmobile, jet ski, and marine engines for recreational vehicles; the general vehicles including automobiles, commercial vehicles and motorcycles; non-automotive and Air-conditioning compressors for industrial use, agricultural and heavy-duty machinery, mowers and snow blowers, oil, gas and pumps; automobiles and commercial vehicles of the tier-1 manufacturers; automobiles and race cars in the after-sale parts market.

The main products are divided into castings and forgings. In terms of castings, we provide castings with low hole, high performance, and excellent strength through gravity casting and high and low pressure casting technologies. Right Way Industrial is equipped with internal X-ray inspection equipment, so that the internal condition of casting nest in the blank aluminum casting may be verified via X-ray inspection to ensure the quality and strength of castings. We own the most advanced mechanical processing plant that can create various automotive and other industrial parts for our customers, and provide excellent aluminum casting products of consistent quality. Whether it is cast aluminum or cast iron, we can use different casting techniques to form the materials for the automotive and other industrial applications, such as, piston (aluminum re-casting), connecting rod (aluminum die-casting), steering bracket (aluminum re-casting), steering bracket (aluminum recasting, cast iron), industrial compressor casings (aluminum recast), and industrial pump casings (aluminum recasting) and other products.

For forgings, Right Way Industrial is capable of producing various forgings to satisfy the needs of customers. Right Way Industrial started with the production of Pistons. It owns the top precision processing technology for metal products. Right Way Industrial is more capable of providing high-quality forging and processing products. All iron forging blanks are subjected to magnetic particle testing to ensure structural integrity, strength and quality. Aluminum alloy forgings have excellent mechanical properties, high stability, and the advantage residing in lightweight. All aluminum forging blanks are subjected to fluorescence inspection to ensure that there are no forging marks and integrity of the parts and structural strength and reliability required by them. Our product development process is integrated from engineering design to manufacturing and quality assurance, so we also provide a full range of services to meet customers' needs for high-quality product development. Irrelevant with steel or aluminum alloy materials, we can use different forging technologies to form them in automobiles and other industrial applications. For example, Piston (aluminum forging), engine connecting rod (steel forging), steering knuckle (steel forging), suspension control arm (aluminum forging, steel forging), steering ball joint and tie rod (steel forging).

In response to the requirements under environmental protection laws and regulations, we have successively proposed to the OEM center that the surface treatment process for parts should be changed from hexavalent chromium to trivalent chromium. So far, 4 car models of CMC have been encounter and mass production is in progress.



1-3 Overview of Operations

Performance of Operating Activities

SASB operating activity indicators				
Indicator No.	Indicator item	2020	2021	2022
TR-AP-000.A	(1) Total quantity manufactured (unit: pieces)	2,820,571	3,444,198	3,178,284
TR-AP-000.B	(2) Gross manufacturing weight (unit: metric tons)	2,085	2,643	2,425
TR-AP-000.C	(3) Areas occupied by manufacturing plants (Unit: m ²)	22,380	22,380	22,380

Market Overview

Taiwan's auto parts and components industry owns a complete supply chain primarily consisting of small-and-medium-sized enterprises. The auto parts and components industry has the advantages residing in various and small amount of products and flexible manufacturing. In recent years, manufacturers have continuously invested in R&D and improved the production technology, and own international competitiveness enough to enter the international supply chain of auto manufacturers. The slowdown of the global market, overcapacity, and execution of free trade agreements with countries in various regions have affected the auto parts industry far greater than OEMs. The development of auto parts and components are oriented towards modularization, intelligentization, electrification, and lightweight. In response to the demand for low-price, small and multi-purpose vehicles in emerging countries, and the diversified needs for high-value automotive parts and components, new energy, and electric vehicles in advanced countries, Taiwan's auto parts manufacturers should orient their development towards modularization or system functions. Only by building smart manufacturing technology, enhancing the added value of products and establishing an international division of labor, the manufacturers can maintain industrial competitive advantages and corporate profits.

Return to the fundamentals of product competitiveness, continue to develop high-precision and high-value components, and assist manufacturers in R&D through the government's project resources and corporate capacity, which will increase competitiveness and reduce the impact of low-cost product competition in other countries. Looking to the future, in order to expand the scale of the export market, in addition to making breakthroughs in international trade negotiations, it is very important for Right Way Industrial to make more efforts to develop overseas markets and improve product competitiveness, and continue to invest the R&D of new technologies. We believe that with the efforts of all departments, Right Way Industrial will have the ability and position to compete with other manufacturers. It is expected that the export market will continue to expand, and Right Way Industrial will become one of the world's leading suppliers of automotive parts and components.

The Company and its subsidiaries are primarily engaged in the business lines including manufacturing, processing, trading, and import and export of auto and motorcycle parts and components. The main operating revenue as a percentage by region is specified as following:

By product	Unit: NT\$ thousand					
	2020	Percentage (%)	2021	Percentage (%)	2022	Percentage (%)
Pistons	164,820	19.51	181,895	17.09	275,312	24.12
Forging	418,844	49.57	533,548	52.02	541,172	47.40
Others	261,225	30.92	328,694	30.89	325,134	28.48

Territory	Unit: NT\$ thousand					
	2020	Percentage (%)	2021	Percentage (%)	2022	Percentage (%)
Mainland China	122,760	15%	151,672	14%	88,575	8%
Taiwan	244,326	29%	293,122	28%	270,520	24%
Malaysia	74,656	9%	88,594	8%	135,593	12%
the United States	255,603	30%	335,359	32%	433,456	38%
Other countries	147,544	17%	195,390	18%	213,474	19%
Total operating revenue	844,889	100%	1,064,137	100%	1,141,618	100%

Operational Performance

In 2022, due to the recovery of the overall economy and customer orders, and the strong appreciation of the US dollar, the consolidated operating revenue of Right Way Industrial reached NT\$1.14 billion, a growth by 7.3% over the previous year. The consolidated income (Unit: NT\$ million) of Right Way Industrial over the years is as follows:

Operating revenue and profit or loss over the years (Unit: NT\$ million)					
	2018	2019	2020	2021	2022
Operating revenue	1,203	1,177	845	1,064	1,142
Operating costs	1,138	1,104	795	910	939
Gross profit	65	73	50	154	203
Operating expenses	273	349	194	185	187
Selling expenses	61	68	36	33	34
Administrative expenses	140	163	127	118	136
R&D expenses	48	67	30	28	18
Expected credit impairment loss	23	50	1	6	(1)
Operating income	(207)	(276)	(144)	(31)	16
Non-operating revenue (expense)	55	(93)	(223)	83	87
Net profit before tax	(153)	(368)	(367)	52	103
Income tax expense	(18)	(1)	3	3	11
Net income from continuing operations	(135)	(367)	(370)	49	92
Gains from discontinued operations	0	0	(160)	14	0
Net income	(135)	(367)	(370)	49	92
Other comprehensive income (net)	2	(19)	(12)	(17)	23
Total comprehensive income	(133)	(387)	(382)	32	115
Basic earnings per share (NTD)	(0.95)	(2.52)	(2.19)	0.26	0.43
GRI-specific disclosed expenses (Unit: NT\$ million)					
Employee salary and benefits	331	332	246	235	243
Interest and dividend expense	29	39	30	23	11

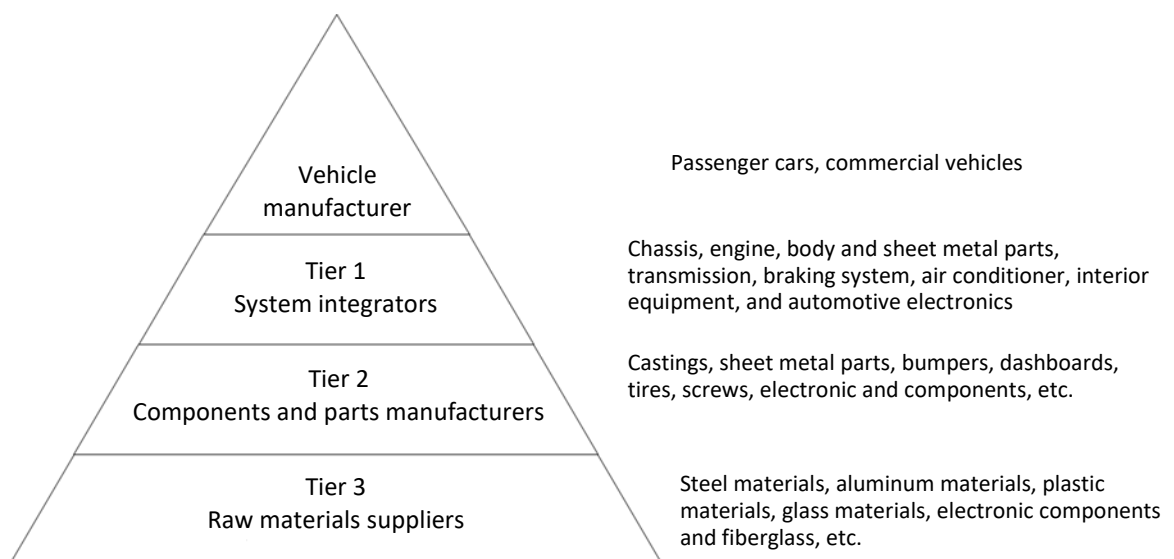
Roles in the Industry Chain

The automobile industry and the parts and components industries form a typical System of Central-Satellite Factory. The central factories contract the spare parts operations to Tier 1 satellite factories, such as engine, body, power, air conditioner, and automotive electronics system manufacturers. Tier 1 satellite factories then subcontract the detailed parts operations to Tier 2 and Tier 3 satellite factories, so as to form a multi-level pyramid-shaped division of labor structure. Taiwan's auto industry, whether in the manufacturing quality of complete vehicles or parts and components, is very close to the advanced country's standard, universally recognized internationally. Notwithstanding, with the rapid emerging of the vehicle industry in China and Southeast Asia, it provides a good opportunity for Taiwan to enter the vehicle and component industry. Adequate planning may enable the scale of Taiwan's auto industry to expand significantly; otherwise, the auto industry emerging through cooperation of foreign car groups and Mainland China might come back to haunt Taiwan's auto industry. The point of decision is whether the auto industry in Taiwan can grasp the key technologies in a timely manner, enabling relevant players to establish the core capacity and develop differentiated products of technical significance.

In terms of the global vehicle market, auto makers have established a stable satellite supply system of parts and components. It is not easy to change the stable satellite supply system. It is very difficult for emerging suppliers to launch into the satellite supply system already established by the center factories; therefore, they can only seek to launch into the after-sale and maintenance market. Therefore, how to develop high value-added products with market differentiation in a timely manner in the domestic parts and components industry, or how to enter the System of Central-Satellite Factory as early as possible will be an important factor for the booming of Taiwan's parts and components industry.

Regarding anti-competitive behaviors, anti-trust and monopolistic behaviors, Right Way Industrial complies with the requirements under national and international laws and regulations, and has established the fair trade requirements in the Code of Ethical Conduct to expressly prohibit such business behaviors. Meanwhile, the product industries invested by Right Way Industrial comprise medium-sized manufacturers; therefore, price monopoly or joint pricing with peers is not likely to take place in the industry.

Structure of the upstream and downstream segments of the auto industry



New Business Planning and Future Development

After evaluation by senior executives on the market and economic benefits, and after inviting stakeholders including the local supply chain to discuss, Right Way Industrial confirmed and decided to develop a new business and invest in the manufacturing of system cabinets at Rende factory premises, including the plant and manufacturing equipment. It is expected to start the pilot run and mass production in Q2 of 2023 with a maximum production capacity of 50,000 cubic feet/day, which will create 80-100 local job opportunities.

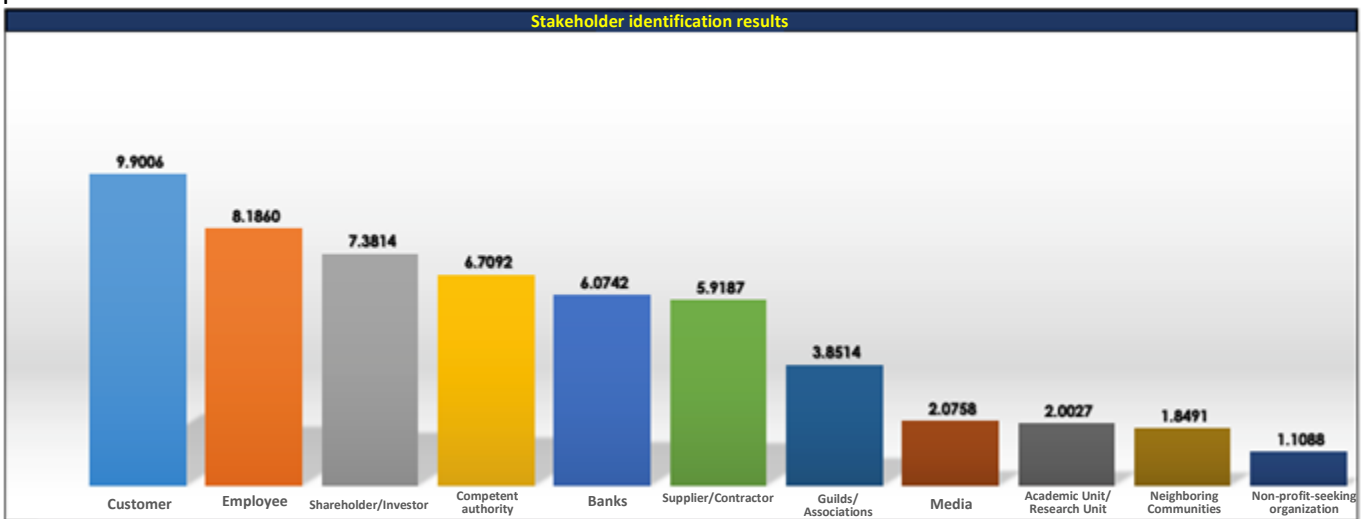
2. Sustainability Issue Management

2-1 Identifying Important Stakeholders

Based on the five major principles upheld by the AA1000 Stakeholder Engagement Standard, namely Dependency, Responsibility, Tension, Influence and Diverse Perspectives, Right Way Industrial examines the connection of stakeholders with Right Way Industrial to discuss and analyze the issues at the major issue analysis meeting with the stakeholders. In 2022, Right Way Industrial identified 4 types of key stakeholders, namely customers, employees, shareholders, and competent authorities.

2-2 Important Stakeholder Engagement

Right Way Industrial values the rights and interests and opinions of stakeholders very much, and has open and direct communication channels with stakeholders to ensure effective and favorable results in communication with stakeholders, and to understand and respond to their concerns in a timely manner. Notwithstanding, Right Way Industrial will continue to review and improve our sustainable development performance.



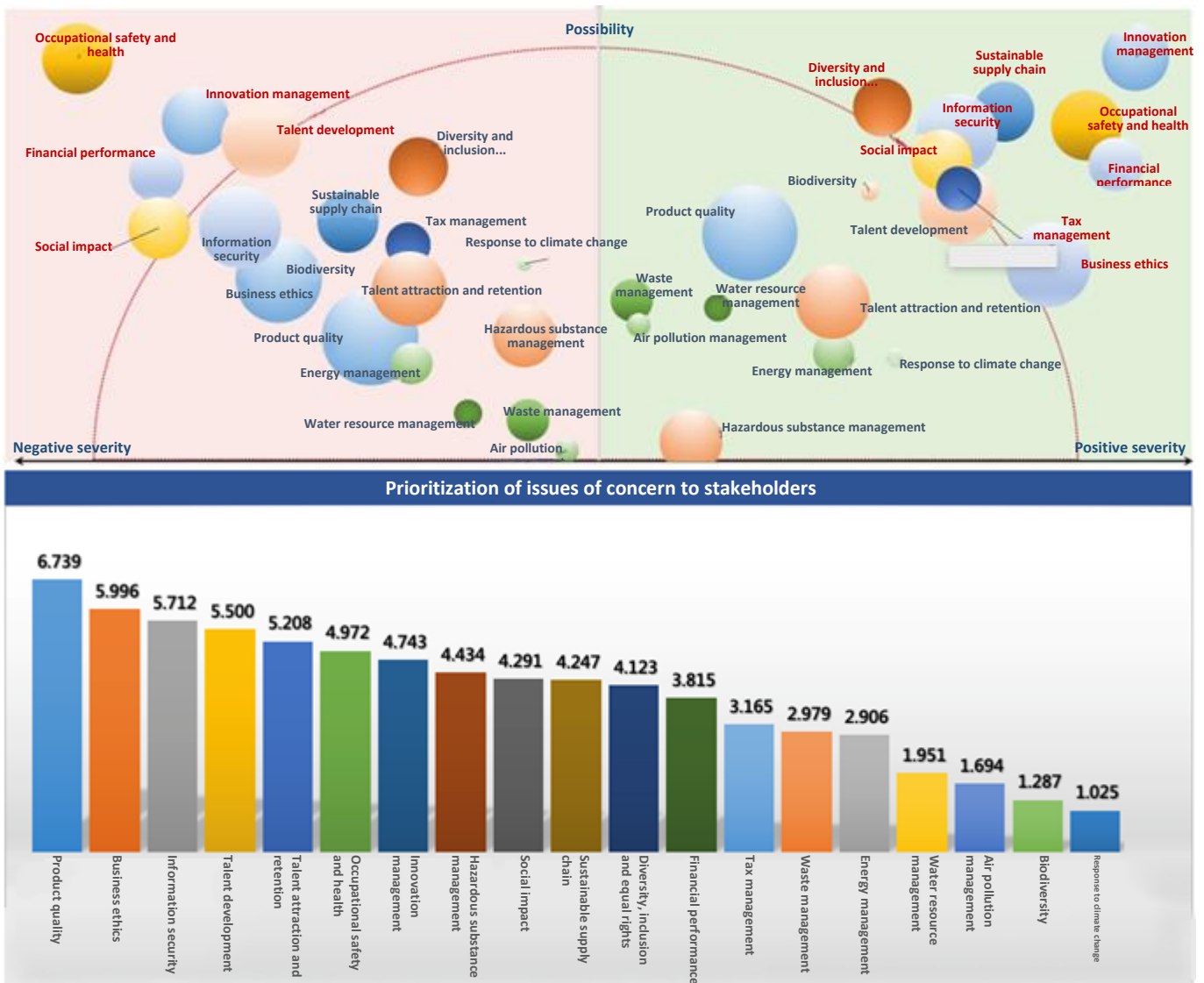
Type of Stakeholder	Customer
What it means to Right Way Industrial	Customers lay the core foundation of the Company's sustainability. We are committed to satisfying customers' needs, working with them to achieve technological innovation, and creating business growth.
Responsible department	Marketing, Quality Assurance Unit
Engagement Method/Frequency	Customer satisfaction survey (annual) Customer audit (from time to time)
Engagement Outcomes	Customer relationship management, product quality followup and improvement

Type of Stakeholder	Employee
What it means to Right Way Industrial	Employees are the Company's most important assets. With their efforts in product innovation and R&D, they are the key stakeholders of Right Way Industrial to maintain its leading technology to drive the Company's continuous operation and growth.
Responsible department	Management Dept.
Engagement Method/Frequency	Employee Welfare Committee (quarterly) Performance interview (twice a year) Education and training (from time to time) Labor-management meetings (quarterly) Public notice via Intranet or internal email (from time to time) Employee Complaint Mailbox/Welfare Committee Opinion Mailbox (from time to time)
Engagement Outcomes	Irregular public notices for employee benefits (health checkups, group insurance, etc.), welfare committee's information, education and training course information and performance management operations, etc. Collect employees' feedback via the employee complaint and opinion mailboxes

Type of Stakeholder	Shareholders and investors
What it means to Right Way Industrial	Shareholders and investors make investment in Right Way Industrial, who focus on the Company's operations and sustainable development. The Company continues to build information transparency to protect shareholders' rights and interests and share operating results with them.
Responsible department	Finance Dept.
Engagement Method/Frequency	Investor conferences (from time to time) Shareholders' Meeting (annually) Market Observation Post System/Announcements on the Company's Website (from time to time)
Engagement Outcomes	Through the shareholders' meeting, and the investor conference convened from time to time, the Company explains its business performance to investors and answers to the issues concerned by them. Announcement of real-time important messages, such as corporate governance, business performance and other relevant information that shareholders and investors are concerned about.

Type of Stakeholder	Competent authority
What it means to Right Way Industrial	The competent authority focuses on the Company's compliance results in terms of economic, environmental and social aspects, and promotes industrial development and resource assistance.
Responsible department	Sales Dept.
Engagement Method/Frequency	Announcement via Market Observation Post System (from time to time) Official correspondences (from time to time)
Engagement Outcomes	Participation in policy promotion meetings convened by the competent authority from time to time In response to the supervision and audit by the competent authority

2-3 Identification of Material Sustainability Issues



In addition to continuing to communicate with stakeholders, Right Way Industrial also follows the GRI Guidelines and Stakeholder Engagement Standards to survey key stakeholders on their issues of concern. The level of concern of the stakeholders and level of sustainability impact were summarized based on the level of impact of these issues on the sustainability of Right Way Industrial, and the results were mapped into a risk matrix to disclose the management approach and performance in the sustainability report.

After discussion by the sustainability report disclosure team, the 5 major issues, i.e. “product quality,” “business ethics,” “information security,” “talent development,” and “talent attraction and retention,” were disclosed as material issues in the Report, which were also reported to senior executives and confirmed as the topics of disclosure in the Report of this year.

Material Issue Management Policy

The identified material issues correspond to the GRI Sustainability Reporting Standards, and each department confirms the indicators, management policies, and performance results that should be disclosed, and completes the outcome in the Report. The corresponding aspects and management policies of sustainability-related issues are coordinated by the General Manager and senior executives.

Stakeholders	Major Issues of Concern	Responding Sections
Customer	<ul style="list-style-type: none"> Product quality Business ethics Hazardous substance management Information security 	3-3 Product Quality and Safety 4-3 Ethical Corporate Management 3-3 Product Quality and Safety 4-4 Information Security Management
Employee	<ul style="list-style-type: none"> Product quality Financial performance Talent development Talent attraction and retention Diversity, inclusion and equal rights 	3-3 Product Quality and Safety 1-3 Operational Overview 6-2 Talent Development 6-1 Talent Attraction and Retention 6-3 Employee Relations
Shareholders	<ul style="list-style-type: none"> Product quality Financial performance Information security Talent attraction and retention 	3-3 Product Quality and Safety 1-3 Operational Overview 4-4 Information Security Management 6-1 Talent Attraction and Retention
Competent authority	<ul style="list-style-type: none"> Business ethics Information security Product quality Sustainable supply chain 	4-3 Ethical Corporate Management 4-4 Information Security Management 3-3 Product Quality and Safety 3-4 Suppliers and Raw Materials Management

Issue Category	Scope and Degree of Impact	Management Policy
Product quality	Quality is the lifeblood of Right Way Industrial and one of the foundations of sustainable business development. Any quality issue will pose a threat to consumer safety and will directly affect the Company's financial performance.	All the production lines of Right Way Industrial passed the certification of IATF 16949:2016 quality system. For the development of new products, we strictly follow the spirit and requirements upheld by the APQP development procedure, and establish a complete process from product development to mass production to ensure that the quality, development time schedule, and production cost targets are all met.
Business ethics	The Company engages in business activities based on the principles of fairness, honesty, trustworthiness, and transparency, implements the ethical management policy, and prevents possible impacts posed by unethical behaviors proactively, in order to solidify the management foundation for sustainable business development.	Right Way Industrial has established its "Ethical Corporate Management Best Practice Principles" according to the law, which applies to all employees. It clearly defines that all employees of the Company shall not directly or indirectly offer, promise, request or accept any improper benefits, or commit other unethical behaviors against ethical management, laws or fiduciary duty during the process of business activities, in order to gain or maintain benefits.
Information security	Nowadays, the acquisition and distribution of information are becoming increasingly convenient, which are not only the advantages but also threats to business operations. Only proper management can achieve a balance between information security and convenient information.	For Right Way Industrial, the IT Department is responsible for the "Operating Procedure for Management of Information Security" and the Finance Department is responsible for the "Operating Procedure for Handling of Internal Material Information and Prevention of Insider Trading" to jointly maintain the Company's information security management. There are regular internal education and training and software and hardware testing and drills to ensure that self-protection is sufficient to deal with threats for internal and external information disclosure.
Talent development	Employees are the Company's largest assets. We strive to attract, train and retain the best talents, provide a challenging and good working environment and encourage colleagues to achieve self-growth and continue their professional education,	Right Way Industrial provides employees with sufficient training to enable them to do what they are good at. The contents of career development include pre-job training, on-the-job training, special skills and professional certifications, personal career planning, and cultivation of operational management talents. The Company also complies with the relevant labor laws and regulations and

Issue Category	Scope and Degree of Impact	Management Policy
	in order to affect the Company's competitiveness in the constantly changing market positively.	formulates the overall remuneration policy and structure to attract, encourage, reward and retain outstanding talents.
Talent attraction and retention	Right Way Industrial strives to become the world's leading professional manufacturer of lightweight metal forming. Only with the assistance of outstanding talents, Right Way Industrial may meet the different needs from customers. Recruiting and retaining outstanding employees is one of the key factors to the sustainable development of Right Way Industrial.	The Company's personnel selection and employment are free from discrimination due to race, gender, nationality, religion, social class, physical disability, sexual orientation, political stance or age, etc.. Employees can enjoy generous welfare measures, including group insurance, education and training courses, annual and festival bonuses, employee training, subsidies for domestic and overseas travels, rewards for outstanding and senior colleagues, club activities and employee welfare committees, etc. The Company also has an employee opinion mailbox and conducts employee satisfaction survey twice a year to provide a smooth communication channel and allow employees to provide constructive opinions at any time.

GRI Topics and Report Chapters Corresponding to Material Issues

Issue category	GRI Material Topics	Corresponding Chapter
Product quality	416 Customer Health and Safety 2016 417 Marketing and Labeling 2016	3-3 Product Quality and Safety
Business ethics	2-15 Conflict of Interest 2-27 Legal Compliance 205 Anti-corruption 2016 206 Anti-competitive Behavior 2016 207 Taxation 2019	4-1 Corporate Governance 4-2 Tax Governance 4-3 Ethical Corporate Management
Information security	418 Customer Privacy 2016	4-4 Information Security Management
Talent development	404 Training and Education 2016	6-2 Talent Development
Talent attraction and retention	401 Employment Relations 2016	6-1 Talent Attraction and Retention

3. SASB Issues of Concern

3-1 Energy management

Disclosure Topic: Energy Management				
Indicator No.	Indicator item	2020	2021	2022
TR-AP-130a.1	(1) Total energy consumption (including fuel and electricity) (GJ)	31,565.54	35,413.3	29,460.18
	(2) Percentage of electricity consumption to total energy consumption	65.43%	62.03%	64.96%
	(3) Percentage of renewable energy consumption to total energy consumption	0	0	0

Energy management

Right Way Industrial exercises proper control over the tap water, well water, electricity, fuel oil, gas, packaging materials, mechanical equipment, handling, and transportation vehicles used internally to reduce energy waste, effectively analyze energy use and consumption, and identify major energy use and consumption areas to review and identify opportunities to improve energy performance. The scope of energy control includes the Company's equipment consuming water and electricity, fuel, forklifts and trucks.

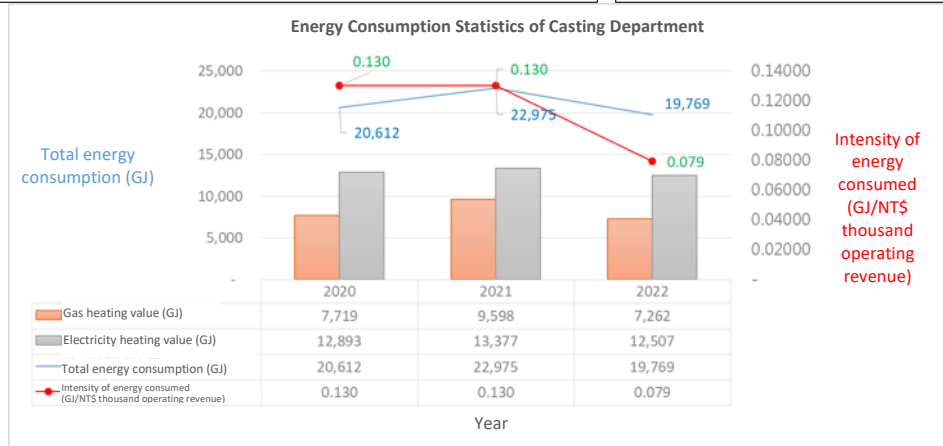
The key points of the current regulations governing energy management are stated as following:

- I. Lighting equipment: The work area and office shall have sufficient brightness. Other non-operating areas shall be closed or only illuminated in the manner that does not affect personnel safety. Meanwhile, the staff shall turn off the switch at any time when leaving, in order to save electricity.
- II. Air conditioners: The air conditioners in offices, conference rooms, and workplaces shall be maintained at a suitable temperature setting. Air conditioners shall not be turned on when the room temperature is below 25°C, and shall be adjusted or turned off appropriately when there are fewer staff or when the staff leave.
- III. Production machine and equipment, forklifts, and trucks: The production unit and material unit shall regularly maintain production machine and equipment, forklifts, and trucks to maintain smooth operation of the machine, increase efficiency and reduce electricity consumption.
- IV. Water conservation: Each user unit has formulated relevant regulations on water conservation to control the clean water used by machines, equipment, and various processes as well as the domestic water used by personnel.
- V. Fuel oil, gas, natural gas, and chemicals: Joint assessment on process improvement or alternative measures to achieve the goal of saving other public energy and reducing operating costs.
- VI. Energy-saving control over company vehicles and forklifts: Set the speed of company vehicles and the safe driving speed of forklifts at the plant premises, and formulate regular vehicle maintenance plans, maintenance and management, in order to effectively control the Company's assets and increase the service life of vehicles .

Energy conservation measures and results

The main energy-conservation projects items in 2022 included the centralized operation of the holding furnace and mitigation of the use of boilers. The casting unit implemented a change in the working hours, shifting from 8 hours per day for 5 days a week, totaling 40 hours per week, to 12 hours per day for 4 days a week, maintaining a total of 40 working hours per week. This change aimed to decrease energy consumption related to boiler operation and heating for one day. The centralized operation of the insulation furnace resulted in approximately 158,112 kWh of electricity and 84,155m³ of gas savings in 2022. In 2023, the improvement of lighting fixtures is planned, and the improvement of air compressors is planned in 2024.

Year	Items	Contents	Annual equivalent energy conservation (GJ)
2022	Holding furnace	Centralize operation and mitigate the use of boilers	569.20
2023	Improvement of lighting fixtures	Gradually replaced with LED lights, using all of the offices and new plants; if the lights in other areas are damaged, they will be replaced with LED lights.	To be calculated
2024	Improvement of air compressors	Centralized air compressors are applied by new factory premises. One or two centralized air compressors are maintained at the old factory premises, which can be used in parallel at any time.	To be calculated



The Casting Dept. is the Piston Casting Unit of Right Way Industrial. The energy used primarily refers to purchased electricity and liquefied petroleum gas (LPG). The purchased electricity is primarily purchased from the Taiwan Power Company. Energy consumption in 2022: electricity 12,507 GJ, liquefied petroleum gas 7,262 GJ, total energy consumption during the reporting period 19,769 GJ, energy consumption intensity 0.079 GJ/thousand revenue, a decrease of 14.0% compared with 2021, optimized production lines for some products. By increasing the hourly output, the converted energy consumption intensity is significantly reduced, demonstrating the implementation of energy conservation.

The solar power generation unit was installed on the roof 7 years ago and 3 years ago based on the lease. The solar power generation unit installed 7 years ago adopts the fixed monthly rent, so no power generation statistical data are available. The capacity of the solar power generation unit installed 3 years ago was 1,489.2KW, with the total power generation from 2019 to February 2023 as 6,068,754 kWh. The total power generation throughout 2022 was 1,926,931 kWh. In the future, Right Way Industrial will re-evaluate the area where solar energy equipment may be installed, and consider the mode of power generation for self-use.

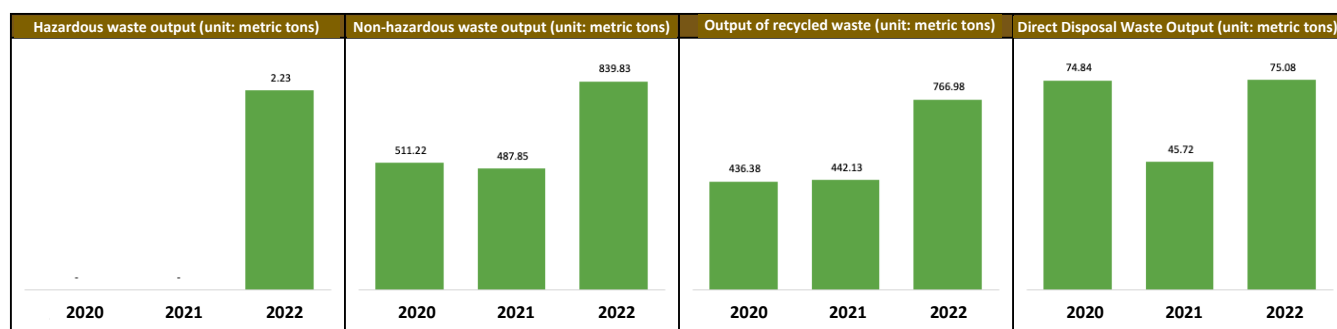
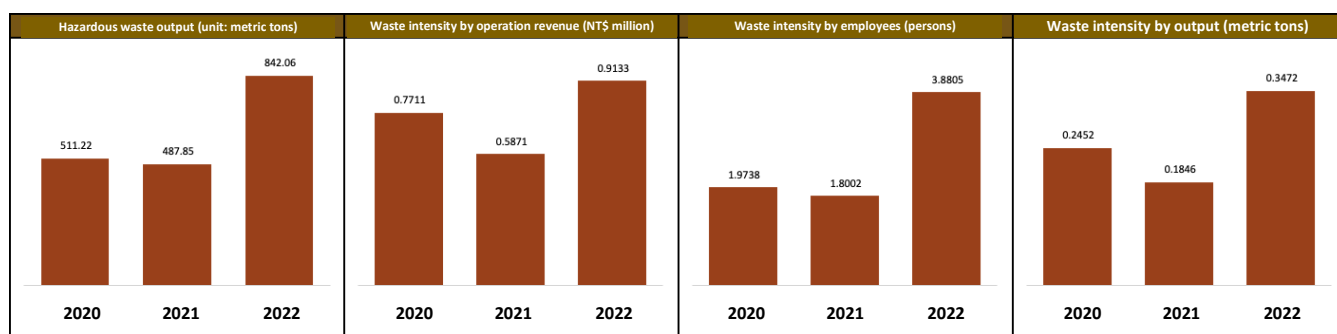
3-2 Waste Management

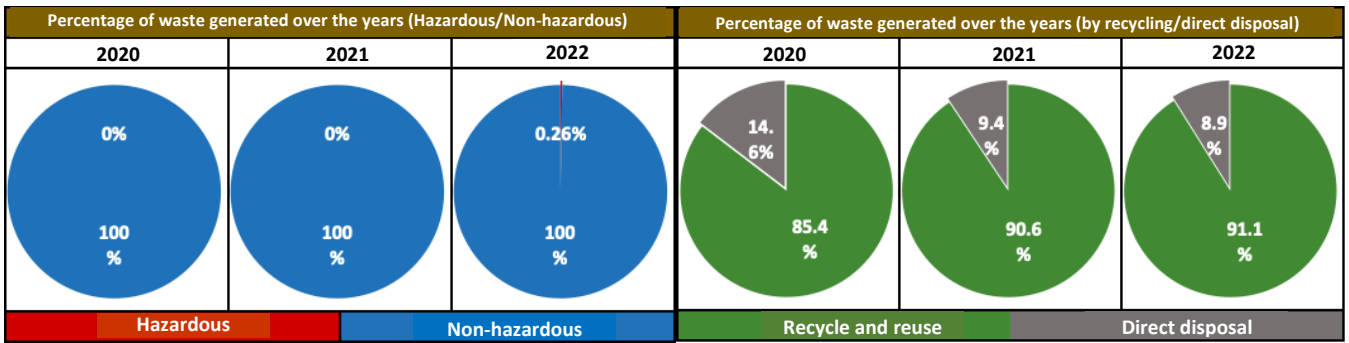
Disclosure Topic: Waste Management				
Indicator No.	Indicator item	2020	2021	2022
TR-AP-150a.1	(1) Total weight of waste generated from manufacturing (unit: metric tons)	511.22	487.85	842.06
	(2) Percentage of hazardous waste in total waste	0%	0%	0.26%
	(3) Percentage of recycled weight in total weight of waste	85.4%	90.6%	91.1%

Waste Output

The waste generated by Right Way Industrial may be categorized into the following three types, which are declared, cleared and disposed of in accordance with environmental protection laws and regulations. The general waste and living garbage D-1801 are incinerated primarily in the incinerators in Gangshan, Dingjin and Renwu. No violations committed in 2022.

1. Recyclable waste: Waste materials such as iron and aluminum from production processes are collected and treated as scraps. The other wastes, such as lubricants, paper and waste plastics, are collected for recycling.
2. General industrial waste: Domestic garbage D-1801 (incineration), waste sludge D-0902 (landfill), waste furnace slag D-1201 (landfill), waste oil sludge D-1799 (heat treatment), waste ceramics R-0403 (recycling) and collected dust D-1099 (bury).
3. Hazardous Industrial Waste: Cleaning Naphtha C-0301 (Incineration).



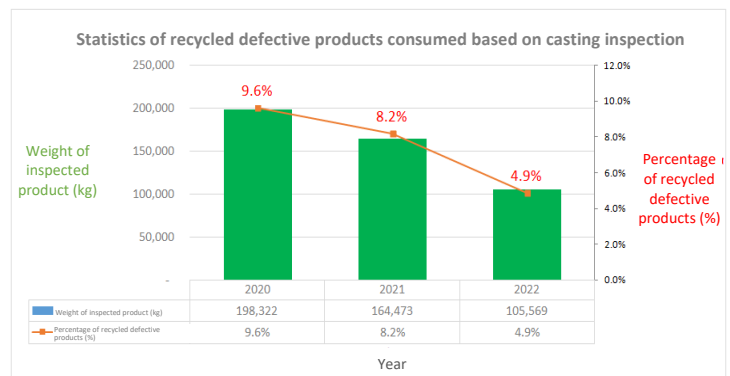


Waste recycling

The Casting Products Department has three types of waste that can be recycled and reused, namely aluminum castings, inspected defective products, and processing aluminum scraps. The disposal methods are re-melting for reuse and sale of scraps. In response to the Company's internal improvement of casting quality, the number of recovered defective products found in the inspection has gradually decreased for the most recent three years. If there are defective products or waste mixed with oil and foreign matter during the processing, waste disposal service suppliers will be invited to assist in cleaning and proper disposal of the same. For example, scrap iron and scrap aluminum are collected and sold by recycling service suppliers in the plant.

The sales statistics about scraps and other recycled goods are stated as following.

Recycled quantity over the Years (metric tons)			
Recycled Items	2020	2021	2022
Ceramics	-	-	9.15
Paper box	10.06	10.81	21.02
Plastic box	1.32	0.32	2.04
Iron scrap	275	269	583
Aluminum scrap	138	150	132
Waste wood pallets	12	12	19.77



Waste reduction

Right Way Industrial continues to carry out the corrective action to reduce waste output and disposal costs. Currently, the main projects in progress at the site are specified as following:

1. Lubricating oil for static recovery and increase in the turnover rate to reduce the cost of lubricating oil disposal and treatment;
2. Iron and aluminum impurities in waste oil are treated separately and reused after filtration. Aluminum cutting oil is then squeezed to purify the oil;
3. Leftover composted for reuse;
4. The recycling and reuse of Cleaning Naphtha is planned to be carried out in 2023 to reduce the cost of disposal and treatment of Cleaning Naphtha.

3-3 Product Quality and Safety

Disclosure Topic: Product Safety				
Indicator No.	Indicator item	2020	2021	2022
TR-AP-250a.1	(1) Total number of recall incidents	0	0	0
	(2) Total quantity of recalled products	0	0	0
	(3) Percentage of voluntary recalls	0	0	0
	(4) Percentage of involuntary recalls	0	0	0

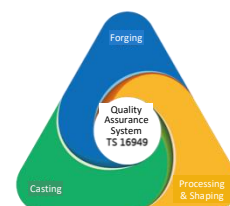
Quality Policy

Right Way Industrial takes into account internal and external issues in the corporate environment and the requirements of stakeholders during the design and establishment of the quality management system, and defines the scope of the quality management system with procedural documents to establish each process, including the Company's on-site and external locations. The drawings and specifications of the products of Right Way Industrial are provided by the customers. Right Way Industrial implements the process development, manufacturing and production. Therefore, the parts related to product design are not included into the system.

Through the implementation of the quality system, the quality policy is in place to ensure that the Company's product quality meets customers' requirements. It may apply to all units of the Company engaged in quality system activities. Based on the ISO-9001:2015 CNS 12682 & IATF 16949:2016, and the requirements under RoHS, and in the spirit of continuous improvement on the management cycle, the Company has established and documented its quality manual, procedures and operating standards, implemented and maintained the same, and kept improving their effectiveness. Right Way Industrial has assessed the special requirements of customers within the scope of its quality management system, in order to respond to customers' needs.

Right Way Industrial implements PDCA and continuous improvement in its daily operations to provide products and services that meet customers' expectations. The products used by the automaker must pass the customer's product inspection before mass production. Right Way Industrial is committed to emphasizing product safety in its quality policy. The quality policy is as follows:

- Quality is the life of Right Way Industrial
- Quality comes from production, not inspection.
- Quality never compromises.



Right Way Industrial products belong to the safety components of automobiles and motorcycles. In accordance with the IATF 16949 international quality standard and the important security requirements (CC, SC) and drawings and size required by customers, at the stage of development, it discusses FMEA and designs process control parameters, and the quality control plan (QC), inspection standards, and operating standards are all controlled by continuing the design parameters at the stage of development. The raw materials procurement (materials analysis), process inspection, shipping inspection and related tests all follow the strict quality control in accordance with the quality control plan, and the test on product safety life (durability testing, etc.) and relevant environmental regulations, such as REACH, RoHS, etc., is conducted regularly.

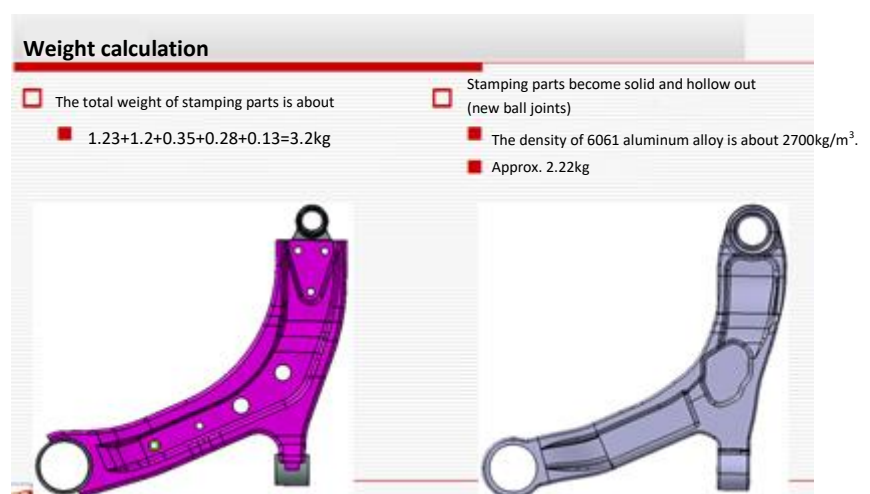
Right Way Industrial continues to work with domestic and foreign auto and motorcycle components and parts, industrial parts and central plant customers. By meeting the needs of customers for IMDS (International Material Data System) declaration and certification and no use of conflict minerals, Right Way Industrial gradually reduces corporate carbon emissions and move towards the sustainable supply chain. By working with suppliers at different stages, Right Way Industrial keeps reviewing the processing methods and optimizing the process, in order to emphasize on the seamless connection between upper and lower segments of the project and meticulous quality control with strict and quality reliability certification and strive to achieve the production of correct and standard products to meet customers' needs and improve customers' satisfaction level in one time.

Product Development













All product designs and materials are collaboratively developed and designed according to the customer's specifications. At the initial stage of product design, Right Way Industrial will discuss with the customer for product design review, and then provide the customer with the initial sample for assembly and testing, and then discuss with the customer any areas for optimization. Products will comply with customers' specifications and international specifications, such as blank specifications (e.g. ASTM B85 Standard Specification for Aluminum-Alloy Die Castings and ASTM B917 Heat Treatment of Aluminum-Alloy Castings from All Processes), processing specifications (ISO-2768 General tolerance), and environmental protection specifications (RoHS 2011/65/EU). In addition to the international norms, the customers will set forth their product specifications subject to the special requirements, e.g. blanks, processing, appearance and environmental protection requirements, as well as compliance with the local laws and regulations of the selling countries, include product and service information and labeling regulations. The automakers will also propose specifications according to the national requirements of the selling countries. It will be submitted for testing and mass production upon customers' acknowledgement.

In order to reduce the GHG emissions, customers are increasingly promoting lightweight products and electric vehicles. Right Way Industrial focuses on the lightweight design and development of vehicle chassis parts and reduce the weight of a vehicle by replacing iron parts with aluminum parts. In addition to saving energy and reducing carbon emissions, electric vehicles can also be driven for longer distances with the same electricity volume.

In the product design and development stage, the R&D department of Right Way Industrial will first provide product feasibility assessment data to discuss with customers the specifications that can be undertaken, in order to reduce the product the defective rate from initial development until mass production. At the stage of development, development engineers discuss the tool design with the production department, in order to improve the efficiency of process. At the stage of sampling and trial production, development engineers collect the problems in the trial production process and discuss them with the development team for improvement. The yield rate of trial production and sampling reaches about 90%, and then the production department engages in the mass production. At the stage of mass

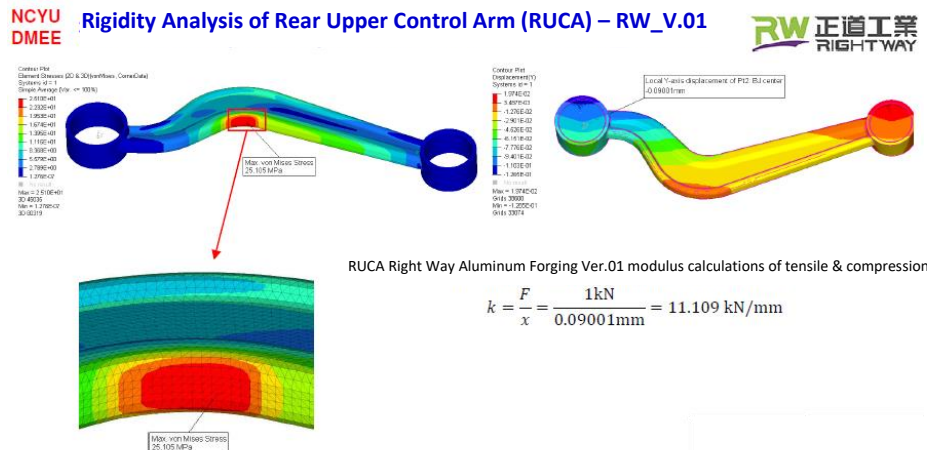


production, the production department continues to optimize and improve the products to increase the yield rate.

Process	Steel forging	Aluminum casting	Aluminum forging
Product	C/R 	piston 	knuckle 
	balance shaft 	manifold 	control arm 
	nozzle bracket 	oil pump 	housing 
	tie rod 	housing 	eyelet 
Specifications	<ul style="list-style-type: none"> ASTM A711 Specification for Steel Forging Stock ASTM A788 Specification for Steel Forgings, General Requirements JIS G0306 Steel forgings - General technical requirements DIN EN 10243 Steel die forgings – Tolerances on dimensions ISO-2768 General Tolerance ASME Y14.5 GD&T Standard RoHS 2011/65/EU 	<ul style="list-style-type: none"> ASTM B85/B85M-18e1 Standard Specification for Aluminum-Alloy Die Castings ASTM B85 Standard Specification for Aluminum-Alloy Die Castings JIS H5202 アルミニウム合金鋳物 Aluminum-Alloy Castings ASTM B917 Heat Treatment of Aluminum-Alloy Castings from All Processes ISO-2768 General Tolerance ASME Y14.5 GD&T Standard RoHS 2011/65/EU 	<ul style="list-style-type: none"> ASTM B247 Standard Specification for Aluminum and Aluminum-Alloy Die Forgings, Hand Forgings, and Rolled Ring Forgings SAE AMSQQ367E Aluminum Alloy Forgings SAE AMSA22771D Aluminum Alloy Forgings, Heat DIN EN 586 Aluminium And Aluminium Alloy Forgings ISO-2768 General Tolerance ASME Y14.5 GD&T Standard RoHS 2011/65/EU

Topic Research

For the development of new materials or new technologies, Right Way Industrial often asks for help from professors in the Metal Industries Research & Development Centre and some universities to help us reduce errors during the testing and verification process. We have applied for patents and development subsidies from professional institutions for some of our innovative technologies. Meanwhile, we also provide our on-site data to postgraduate students for special research and discussion.



RUCA Right Way Aluminum Forging Ver.01 modulus calculations of tensile & compression:

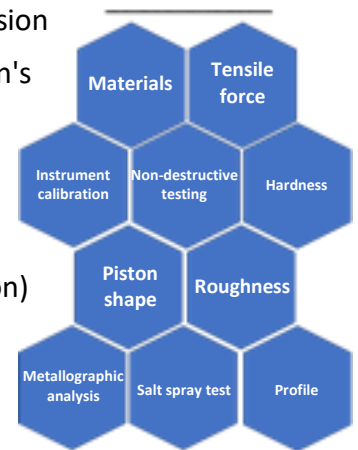
$$k = \frac{F}{x} = \frac{1 \text{ kN}}{0.09001 \text{ mm}} = 11.109 \text{ kN/mm}$$

We are engaging in some industry-academia collaboration projects with National Cheng Kung University, Kun Shan University, Feng Chia University, National Kaohsiung First University of Science and Technology, and Metal Industries Research & Development Centre. These projects help us exchange the experience in the academic and factory management practices and corporate management. Encourage the transfer and sharing of academic knowledge, create long-term partnership and opportunities, and promote innovation and creativity. Right Way Industrial provides internship opportunities, lean special research projects, and train future outstanding talents in traditional industries through the industry-academia cooperation.

Laboratory Management and Measuring Technology

Scope of internal experiment capability

The measurement laboratory of Right Way Industrial uses precision instruments for measurement and periodic calibration, including Japan's Mitutoyo three-dimensional, Japan Mitutoyo horizontal projector, Japan Mitutoyo roughness and contour measuring machine, Germany SPECTRO spectrometer, OLYMPUS metallographic microscope, and universal testing machine, Germany MU 2000 X-RAY, Japan ACCRETECH (Tokyo Precision) RONDOCM 54SD-N, Rockwell hardness tester, Vickers hardness tester and many other instruments to ensure that product design and size will not pose any impact to the use of the product. In terms of product functions, the Company's laboratory uses special testing machines to conduct the tests, including hardness test, tensile strength test, salt spray test, and durability test, to achieve the commitment of "zero defect quality," ensure product safety, and protect the consumers' lives and property.



Chemical Product Management

For the chemical product management, Right Way Industrial establishes, based on the Ministry of Labor's "Regulations for the Labeling and Hazard Communication of Hazardous Chemicals," the "Operating Standards for the Management of Hazardous Chemicals," and the list of hazardous chemicals and the database of safety data sheets. It also declares the chemicals via the Permit and Report of Chemicals platform, in accordance with the "Regulations for Governing Designating and Handling of Priority Management Chemicals," "Regulations Governing Designation and Handling Permission of Controlled Chemicals" and "Operating Handbook for Management of Chemical Control Banding." When samples are sent to customers for confirmation, a Material Safety Data Sheet (MSDS) will be attached thereto for customers' review.

Improvement of Proposals

Given the globalized competitive environment, efficiency improvement and cost reduction are identified as indispensable capabilities. Therefore, Right Way Industrial has established a proposal and rationalization committee to optimize processes and strengthen corporate competitiveness based on the collective wisdom of employees. The organizational design proposed to be improved consists of mid-level executives, and the chairperson is elected from the supervisors holding the position as managers and may be reelected for no more two terms. The relationship between orders and benefits will be reconfirmed by the management level during the benefit evaluation. The primary review members consist of 5th job rank staff (unit head), and the rationalization members consist of 6th job rank staff (section) or higher, and the proposed improvement will combine with the performance.

The scope of the proposal also covers the environment, environmental protection, safety and health, so that employees can work at ease and comfortably, indirectly participate in the Company's management and improve the quality of the working environment. In order to encourage employees to submit proposals, Right Way Industrial has formulated measures to encourage employees to think about it. In addition to setting basic rewards, additional bonuses will be granted to those who demonstrate outstanding improvement results. Through continuous improvement, a win-win situation that strengthens the Company's physique and employees receive feedback may be achieved.

Year	Number of proposals	Number of adopted proposals	Improvement benefits (NT\$ ten thousand)
2020	169	133	431.3
2021	90	79	127.8
2022	88	73	137.8

Quality Improvement

Right Way Industrial implemented the spirit of continuous improvement of the quality management system and embarked on the optimization of quality-related issues in 2022. The main contents include the following three items, including cost control, reduction of customer complaints, and multi-skilled worker training, all of which have achieved the goals by default.

Item No.	Work Objectives	KPI	Implementation Overview
1	Cost of control over external quality failure	0.083% of total cost of goods sold	The actual average cost of external failure in 2022 was 0.02%.
2	Reduce customer complaints against quality	Customer complaint rate under 0.16% of total shipments.	The customer complaint rate in 2022 was 0.054%. 6 complaints from customers.
3	Multi-skilled worker training	Rotation ratio among junior staff: over 30%	In 2022, the rotation rate for different functions of grassroots staff was 35.3%

In 2023, in addition to continuing the improvement plans prepared in 2022, Right Way Industrial will prepare two more quality improvement plans, in order to improve the laboratory's capabilities and to further enhance the quality awareness, and achieve perfect quality management.

Item No.	Improvement plan	Improvement Objectives
1	Cost of control over external quality failure	0.079% of total cost of goods sold
2	Reduce customer complaints against quality	Customer complaint rate under 0.12% of total shipments
3	Multi-skilled worker training	Rotation rate for different functions of junior staff is more than 30%
4	Enhancement of measuring capabilities of laboratory instruments	Laboratory instrument measurement software upgrade rate over 80%
5	Enhancement of quality awareness of employees	Quality awareness board dissemination and education and training

Customer Audit

Right Way Industrial quality system accepts customers' on-site audit each year, in order to conduct the focus audit on quality system and finance. It will be asked to complete the self-assessment form before the audit, covering the sustainability-related aspects and plant's physical risk. Then, the audit

shall be conducted based on the results specified in the self-assessment form. Due to the impact posed by the pandemic in recent years, remote video audits have been adopted primarily. No major deficiencies were found in the audit results in 2022.

Customer Satisfaction Level

The unit prices of products provided by the industries in Taiwan do not have a competitive advantage compared to those in Southeast Asian countries. Therefore, the Company needs to attract customers from other areas. The Company is committed to providing customers with the best services, identifying customers as the first priority, and consolidating customer satisfaction and loyalty through services.

In September each year, Right Way Industrial selects customers with an annual transaction volume of more than US\$100,000 for a satisfaction survey. The target is set as 92 points. The average score in 2022 was higher than 96 points. Right Way Industrial has won several outstanding supplier awards from customers in recent years. However, due to the pandemic in the past two years, the customer has canceled the planning of supplier conferences and the award ceremony of outstanding suppliers.

● Domestic Customer Satisfaction Level

Customer Satisfaction Questionnaire	2020	2021	2022
Product quality	87.50	93.33	95.00
Delivery accuracy	87.50	84.44	92.50
Product development capability	87.50	93.33	95.00
Degree of compatibility with new product development operations	90.00	93.33	92.50
Expertise of the Company's personnel in products	90.00	91.11	95.00
Overall Satisfaction Level	89.00	91.00	94.00
Setting of Goal	80.00	80.00	80.00
Questionnaire recovery rate (%)	73.00	75.00	80.00

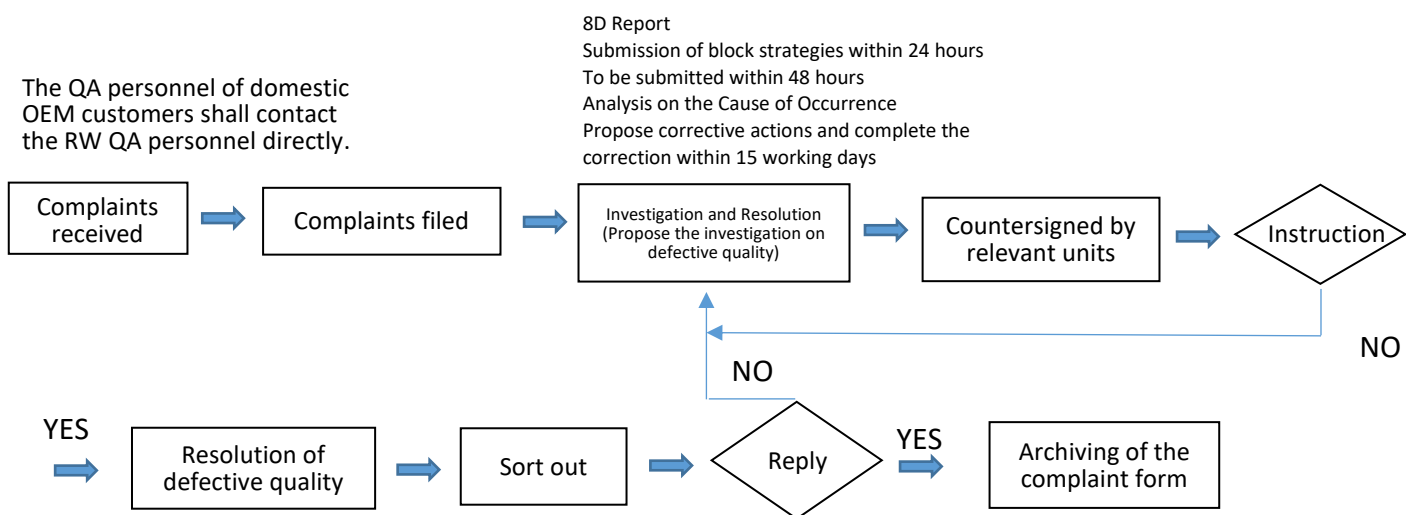
● Foreign Customer Satisfaction Level

Customer Satisfaction Questionnaire	2020	2021	2022
Product quality	90.00	88.57	95.56
Delivery accuracy	87.50	74.29	67.78
Product development capability	92.50	80.00	86.67
Degree of compatibility with new product development operations	92.50	82.86	86.67
Expertise of the Company's personnel in products	92.50	82.86	88.89
Overall Satisfaction Level	91.00	81.72	85.11
Setting of Goal	80.00	80.00	80.00
Questionnaire recovery rate (%)	62.00	64.00	82.00

Customer Complaint Management

Right Way Industrial adheres to the concept of growing together with customers. When customers provide feedback, the feedback will be classified by the responsible personnel as the complaints, and the personnel will complete the "Customer Complaint Handling Record Form" and register the same for

management. After approval by the unit supervisor, if necessary, the Form will be forwarded to the QA unit for analysis and disposal, together with the complained products. The QA personnel shall conduct tests on related items based on the reasons of customers' complaints, complete the test results and appraisal opinions, and submit the same to the technical unit, production unit and other responsible units for comments, and then submit them to the General Manager for approval. In principle, the other responsible units will have the QA unit determine the case based on the reasons of the customers' complaints. The complained products shall be handled in the manner authorized by the General Manager. Notwithstanding, the special requirements and time limit provided by the customers, if any, shall apply. If there are no special factors, the complaints shall be settled within 7 working days. When customers complain about the 8D report format, it is necessary to submit prevention countermeasures within 24 hours and cause analysis report within 48 hours, and then complete the improvement strategies within 15 working days. With the efforts of employees of Right Way Industrial, the number of customer complaints in 2022 reduced by 9 cases from the previous year. That is, the customer complaint rate was cut by half. In 2022, there were no violations of customer privacy or loss of customer data, product health and safety hazards, and violations of product and service information and labeling laws and regulations, and marketing communication-related laws and regulations.



Customer Complaints Statistics	2020	2021	2022
Number of Cases	22	15	6
Customer Complaint Rate for Total Shipments	0.195%	0.130%	0.064%

Conflict Minerals

Right Way Industrial requires suppliers to sign the Letter of Undertaking for Conflict Minerals every 3 years, in order to meet the needs of customers for IMDS declaration and certification and no use of conflict minerals. For raw material suppliers, a total of 10 suppliers signed the Letter of Undertaking at the end of 2019. The Letter of Undertaking was issued to a total of 16 suppliers. As a result, the total of 16 suppliers all executed the Letter of Undertaking in 2022, i.e. the response rate by 100%.

3-4 Supplier and Raw Materials & Supplies Management

Right Way Industrial is used to dealing with its suppliers in good faith and free from any violations of laws. In order for our supplier partners to have a clearer understanding of the ethical management of Right Way Industrial, the “Supplier Code of Conduct” has been formulated in 2022 and disclosed to all supplier partners.

Disclosure subject: Raw materials and supplies procurement				
Indicator No.	Indicator item	2020	2021	2022
TR-AP-440a.1	Descriptions about risk management associated with the use of key materials	Right Way Industrial conducts the assessment on risk over procurement of key raw materials in accordance with the internal risk management procedure. The possible risks include the limit on procurement volume, pricing, manufacturing bottlenecks, and goodwill. Different risk mitigation strategies are implemented separately.		

Supplier Management

The Company is a Tier 1 qualified supplier engaged in the OEM of automobiles and motorcycles. The Company's main products are aluminum castings, aluminum forgings, and iron forgings. The supply chain is mainly based on metal-related products, and there are more than 200 domestic and foreign suppliers. The suppliers are divided into those of raw materials and supplies, trade, outsourced processing, packaging materials, hardware and miscellaneous goods, and molds, blades, fixtures and jigs.

Category	Contents	Weight
Type of raw materials	Aluminum ingots, steel materials, blanks, accessories and sand cores	75%
Trade category	Trade commodity	12%
Outsourced processing	Heat treatment, electroplating, coating, processing, anode, sand blasting, fluorescent inspection	9%
Packaging materials, hardware and miscellaneous goods	Pallets, cages, packing materials and factory supplies	3%
Blades, fixtures & jigs	Molds, blades, fixtures and jigs	1%

Raw materials & supplies, outsourced processing and trade are divided into 13 categories subject to the product attributes, including iron forging, cast iron, aluminum forging, piston, die casting, recasting, coating, anodizing, electroplating, processing, heat treatment, welding and grinding. The key suppliers refer to those with high technical threshold and low replaceability. There are about 25 key suppliers, and the purchase amount accounts for 82% of the total purchase amount.

The Company has established the “Supplier Management Procedures” to evaluate products, environmental and social responsibility, and human rights. Right Way Industrial conducts the evaluation primarily based on the quality management system. The selection process consists of the evaluation on product conformity, uninterrupted supply of goods, and related quality and delivery performance, and fulfillment of the corporate social responsibility of the Company and suppliers. If the supplier has the IATF 16949 quality certification system, ISO 14001 environmental management system, ISO 45001 occupational safety and health management system and other contributions to the environment, they may be listed as qualified suppliers. Evaluated as Grade B or above.

Newly developed suppliers shall go through the documentary review and approval. Meanwhile, a supplier development team shall be established. The procurement unit serves as the convener, and the members shall consist of personnel from the quality assurance, technical, industrial safety and other units to conduct the on-site assessment on new suppliers. The supplier evaluation form consists of nine major assessment indicators, including quality assurance, process control, engineering management, material supply control, resolution of abnormality in quality, education and training, finished goods shipping management, environmental considerations, and HSE management. An order may be placed only after

the new suppliers pass the supplier evaluation. A total of 3 new suppliers selected in 2022 have gone through the on-site evaluation and were held satisfying the safety and environmental protection requirements.

Audit on Supplier

To ensure that the products and services provided by the suppliers meet the requirements, QA personnel arrange supplier manufacturing process audit plans every year according to the Operating Standards for Engineering Monitoring. One to two audits are conducted per month, and engineering monitoring and audit as well as product audits are carried out. Meanwhile, the annual evaluation on suppliers' QA system is conducted against the suppliers with average monthly amount of procurement dependence exceeding NT\$200,000, and also key suppliers selected as the targets of annual supplier evaluation. The evaluation is organized by the QA personnel each year, which, together with the procurement and technical units, shall conduct the supplier evaluation from September to December, and notify the suppliers within 10 days prior to the evaluation. Auditors conducting the annual supplier evaluation shall understand the supplier's process technology and product requirements and have the competence of second-party auditors. The evaluation shall be implemented item by item based on the second-party audit method and spirit. The evaluation results are recorded in the annual supplier evaluation score sheet for each item. The evaluation results are divided into five grades, namely AA, A, B, C and D. In the annual supplier's total scores, 40% for the total scores of the supplier performance assessment, 10% for exemption from inspection, 10% for the number of deliveries, 10% for acquisition of ISO 9001 or IATF 16949 certification, 15% for the delivery achievement rate, and 15% for the cost matching rate. The annual evaluation is a plus/minus item, with AA grade +3 points, A grade +2 points, B grade +1 point, C grade -1 point, and D grade -2 points. For suppliers rated as D, they will be asked to apply stricter quality control and receive counseling services in the next 6 months. If the suppliers' performance still does not meet the Company's requirements and the suppliers fail to improve it, the procurement personnel shall apply for approval of termination of the transactions upon evaluation.

Due to the impact posed by the pandemic in 2022, Right Way Industrial conducted the on-site construction audits against 9 suppliers and annual evaluation on 5 suppliers, for a total of 14 suppliers. With a total annual evaluation score of 80.5, a total of 67 suppliers were evaluated, and no negative environmental impacts from the supply chain were found. There are no risks related to human rights, such as freedom of association, child labor, and forced labor. In 2021, a total of 66 suppliers were included in the annual general supplier evaluation with an overall average score of 80. None of the suppliers with a grade of D, and the suppliers of grade C will also be counseled, such as reviewing process technical problems to overcome product quality non-conformity, or on-site process monitoring to confirm process stability in order to improve.

Supplier Counseling

In 2022, when preparing for the operation of the new business, Right Way Industrial transferred the existing iron and aluminum forging business to suppliers. At the early stage of the transfer, the quality of forged blanks could not meet the demand, so the technical meeting continued the discussion. Meanwhile, a visit is paid to the supplier's site to verify the forging equipment, mold problems, forging temperature and time control, hardness and impurities, and gradually improve and pass the OE customer's engineering monitoring before the transfer. The defective rate at the initial stage of mass production was 30%~50%. After continuous feedback of problems, the rate has been improved as less than 5%. In the future, we also hope to communicate with different process suppliers, constantly review the processing procedures and optimize the process, such as reducing the carrier for rework and rework or fine-grained process arrangement, in order to complete products that meet the standards at one time, meet customers' needs and gradually reduce the number of enterprise's carbon emissions and move towards sustainable supply chain management.

Local Procurement

Right Way Industrial has been producing castings, forgings, and processing for more than 50 years. In addition to cultivating its own technical capabilities and consolidating product quality as its core business philosophy, it also seeks to grow together with long-term suppliers in order to pursue corporate sustainability. Right Way Industrial is deeply rooted in Taiwan. So far, it has adopted local procurement as its procurement policy, hoping to support local industries and create job opportunities. Local procurement also has the advantages residing in more flexible supply and quick response time, and can also reduce energy consumption during transportation, and also transportation expenses. The local procurement amount accounts for 92%.

Year	Percentage of Local Procurement Suppliers	Money-to-money ratio
2022	93%	92%
2021	93%	95%
2020	94%	99.6%
2019	92%	92%

4. Other Governance Issues

4-1 Corporate Governance

Right Way Industrial always values the rights and interests of shareholders. In order to effectively protect the rights and interests of investors, it achieves the robust overall management of the Board of Directors to exercise the supervision and management functions, improves the information transparency, strengthens the internal audit function, and presents financial data honestly, hoping to ensure the rights and interests of stakeholders and the sustainable development of the Company. Meanwhile, the Company is invited to participate in the investor conference organized by Yuanta Securities every year to explain the current status and prospects of the Company's operations.

Composition and Operation of the Board of Directors

The Board of Directors of Right Way Industrial is elected through shareholder meetings, adhering to the provisions of the Company Act and the Company's Articles of Incorporation. Each director serves a term of 3 years. The current board was appointed on June 21, 2022, with a total of 9 directors. Among them, 1 member is female, accounting for 11.11% of the board, and 3 directors are independent. Age-wise, 1 director is in the 31-40 age group, 2 directors are in the 41-50 age group, and the remaining 6 directors are all aged 60 or above. Right Way Industrial conducted a full re-election of directors at the shareholders' meeting in June 2022, and Ta Chen International, Inc. joined the management team of Right Way Industrial.

The Board of Directors exercises its powers in accordance with relevant laws and regulations, the Company's Articles of Incorporation and the Rules of Procedure for Board of Directors Meetings. Based on professional expertise and abundant industrial experience in various fields, each director fulfill his/her supervisory and management responsibilities, aim to perfect the Company's operating system and protect investors' interest and right as his/her own responsibility, exercise their powers with a high degree of self-discipline and prudence, and execute the Company's business development and important decisions honestly. The Board of Directors will also invite CPAs to attend the Board meeting to report and communicate with the directors face-to-face. A total of 9 Board meetings have been held in 2022. The following refers to the Board members' information and annual attendance records by the end of 2022. The average attendance rate was 96%.

Right Way Industrial is a listed company. The Board of Directors is the supreme governance body of the Company, and the Board of Directors is responsible for the election and nomination of senior managers. Two functional committees, the Audit Committee and Remuneration Committee, are established under the Board of Directors to assist the Board of Directors in fulfilling its supervisory duties. The organizational charter of each committee has been approved by the Board of Directors, and the committee's activities and resolutions are regularly reported to the Board of Directors.

Title	Name	Gender	Main work experience (educational background)	Number of actual attendance	Actual attendance rate
Chairman	Li-Yun Hsieh 1	Female	Department of Banking, Tatung College of Business Chairman, Ta Chen Stainless Pipe Co., Ltd.	5	100%
Director	Russel Lou 1	Male	Department of Business Administration, NTU General Manager, Right Way Industrial Co., Ltd.	9	100%
Director	Chien-Te Li 1	Male	Graduate Institute of Business Administration, Tunghai University Finance Manager, Brighton-Best International (Taiwan) Inc.	5	100%
Director	Sheng-Tien Chiu 1	Male	Department of Accounting, National Cheng Kung University	5	100%

			Financial Assistant Vice President, Ta Chen Lung Mei Home Life Co., Ltd.		
Director	Jui-Tsai Kuo	Male	Department of Financial Management, Tatung Institute of Technology Assistant Vice President of Sales, Ta Chen Stainless Pipe Co., Ltd.	5	100%
Director	Po-Han Chen	Male	Department of Public Finance, NCCU Internal Auditing Manager, Ta Chen Lung Mei Home Life Co., Ltd.	5	100%
Independent Director	Ming-Chang Shen	Male	Department of Business Administration, Fu Jen Catholic University Senior Assistant Vice President, Core Pacific Securities Co., Ltd.	5	100%
Independent Director	Kuan-Hsiang Wang	Male	NTU Administrative Leadership Program (40 credits for three school years) Director General of Department of General Affairs, Ministry of Finance	4	80%
Independent Director	Yen-Hsiu Yeh	Male	Department of Business Administration, Fu Jen Catholic University Director, Tung Ying Industrial Co., Ltd.	5	100%
2 Chairman	Chien-Ting Kuo	Male	Fu Jen Catholic University Manager of Consumer Banking Dept., EnTie Commercial Bank	4	100%
2 Director	Ming-Hsiang Li	Male	China University of Technology Director, Dingsheng Capital Co., Ltd.	4	100%
2 Director	Fu-Pin Ke	Male	Vanung University Chairman, Rui Xin Insurance Broker Co., Ltd.	2	50%
2 Director	Hsuan-Chi Liu	Male	Chungyu University of Film and Arts Director, Formosa Optical Technology Co., Ltd.	4	100%
2 Director	Jo-Kai Li	Female	Department of Applied Foreign Languages, Shih Chien University Assistant Manager, Entertainment Management Dept., Le Day Multimedia Co., Ltd.	4	100%
2 Independent director	I-Mao Pang	Male	Master in Organic Materials Engineering, Tokyo Institute of Technology Senior Advisor, Lee and Li, Attorneys-at-Law	4	100%
2 Independent director	Chien-Chung Lin	Male	Department of Law, National Chung Hsing University Deputy General Manager, Chi-Fu Trading Co., Ltd.	4	100%
2 Independent director	Chin-Yuan Lin	Male	Department of Business Administration, NCCU Assistant Vice President of Actuary and Commodity Department, Union Insurance Company	4	100%

Note: 1. Representative of Brighton-Best International (Taiwan) Inc.

2. Resigned directors and independent directors after the re-election by the shareholders' meeting in June 2022

Some of the important resolutions of the Board of Directors are listed in the table below. For more important resolutions of the Board of Directors, please refer to ["2022 Important Resolutions of the Board of Directors."](#)

Date of Board meeting	Name of proposal reported to the Board of Directors
2022.03.18	"Discussion issues" Amendment to the Company's "Articles of Incorporation" "Discussion issues" Amendment to certain provisions of the "Procedures for Acquisition or Disposal of Assets"

2022.08.11	“Discussion issues” Passed the Company’s adoption of the “GHG Accounting and Verification Schedule Planning.”
2022.11.11	“Discussion issues” Passed the establishment of the corporate governance-related management regulations, amendments to the Procedures for Handling Material Inside Information and Prevention of Insider Trading, establishment of the Articles of Association for Audit Committee, amendments to the “Internal Control System, and establishment of the related management regulations and “Enforcement Rules of Internal Audit.”

Continuing Education of Directors

Continuing education for directors is to establish a mechanism and channel for directors to further education and learning related information and maintain its core values and professional advantages and capabilities. Right Way Industrial provides corporate governance refresher courses organized by competent authorities and private institutions from time to time for directors and supervisors to refer and choose. Below is the training courses and training courses for directors in 2022 hours, the compliance with the essential hours of further education is 100%.

Course name	Hours	Directors participating in the course
Global Economic Outlook and Investment Strategies	3	Li-Yun Hsieh, Russel Lou, Chien-Te Li, Po-Han Chen, Sheng-Tien Chiu, Jui-Tsai Kuo, Ming-Chang Shen, Kuang-Hsiang Wang, Yen-Hsiu Yeh
Competitiveness vs. survivability under ESG trends and strategies	3	Li-Yun Hsieh, Russel Lou, Chien-Te Li, Po-Han Chen, Sheng-Tien Chiu, Jui-Tsai Kuo, Ming-Chang Shen, Kuang-Hsiang Wang, Yen-Hsiu Yeh
Audit Practices of Subsidiaries	6	Jui-Tsai Kuo
Reading, Analysis and Application of Financial Statements	6	Po-Han Chen and Sheng-Tien Chiu
How do directors and supervisors supervise the Company's satisfactory risk management and internal control	3	Yen-Hsiu Yeh
The role of independent directors in corporate operations and corporate governance	3	Yen-Hsiu Yeh
Impact posed by climate change and sustainable development on corporate internal control from the perspective of ESG risk	6	Chien-Te Li

Mechanisms for Avoiding Conflicts of Interest

The Board of Directors convenes a meeting at least once a quarter. In 2022, a total of nine meetings were convened.

If any director or the juristic person represented by the director has a stake in the discussion issues at the meetings, he shall explain the stake to the Board of Directors, and recuse himself from any voting. The important resolution will also be disclosed on the Market Observation Post System (MOPS) immediately.

Audit Committee and Remuneration Committee

In order to assist the Board of Directors in evaluating and supervising the remuneration level of the Company's directors and managers, the “Remuneration Committee Organization Charter” has been formulated and then the “Remuneration Committee” was established. Meanwhile, it also established the Audit Committee and formulated the Audit Committee Organization Charter. After the full re-election of directors on June 22, 2022, the Audit Committee elected 3 independent directors to serve as the audit members to assist the Board of Directors in fulfilling its responsibility to supervise the Company's accounting, auditing, financial reporting processes, and the quality and integrity of financial control. The Remuneration Committee has elected three members, with Ming-Chang Shen as the convener

responsible for determining the performance evaluation, remuneration and remuneration of directors, supervisors, and managers. The members of the Audit Committee and the Remuneration Committee and their meeting attendance in 2022 are stated as follows:

Audit Committee	Title	Name	Required frequency of attendance	Number of actual attendance	Attendance by Substitution	Actual attendance rate
	Independent Director	Ming-Chang Shen	5	5	0	100%
	Independent Director	Kuan-Hsiang Wang	5	4	0	80%
	Independent Director	Yen-Hsiu Yeh	5	5	0	100%
	Independent Director	I-Mao Pang	4	4	0	100%
	Independent Director	Chien-Chung Lin	4	4	0	100%
	Independent Director	Chin-Yuan Lin	4	4	0	100%

Remuneration Committee	Title	Name	Required frequency of attendance	Number of actual attendance	Attendance by Substitution	Actual attendance rate
	Independent Director	Ming-Chang Shen	2	2	0	100%
	Independent Director	Kuan-Hsiang Wang	2	2	0	100%
	Independent Director	Yen-Hsiu Yeh	2	2	0	100%
	Independent Director	I-Mao Pang	1	1	0	100%
	Independent Director	Chien-Chung Lin	1	1	0	100%
	Independent Director	Chin-Yuan Lin	1	1	0	100%

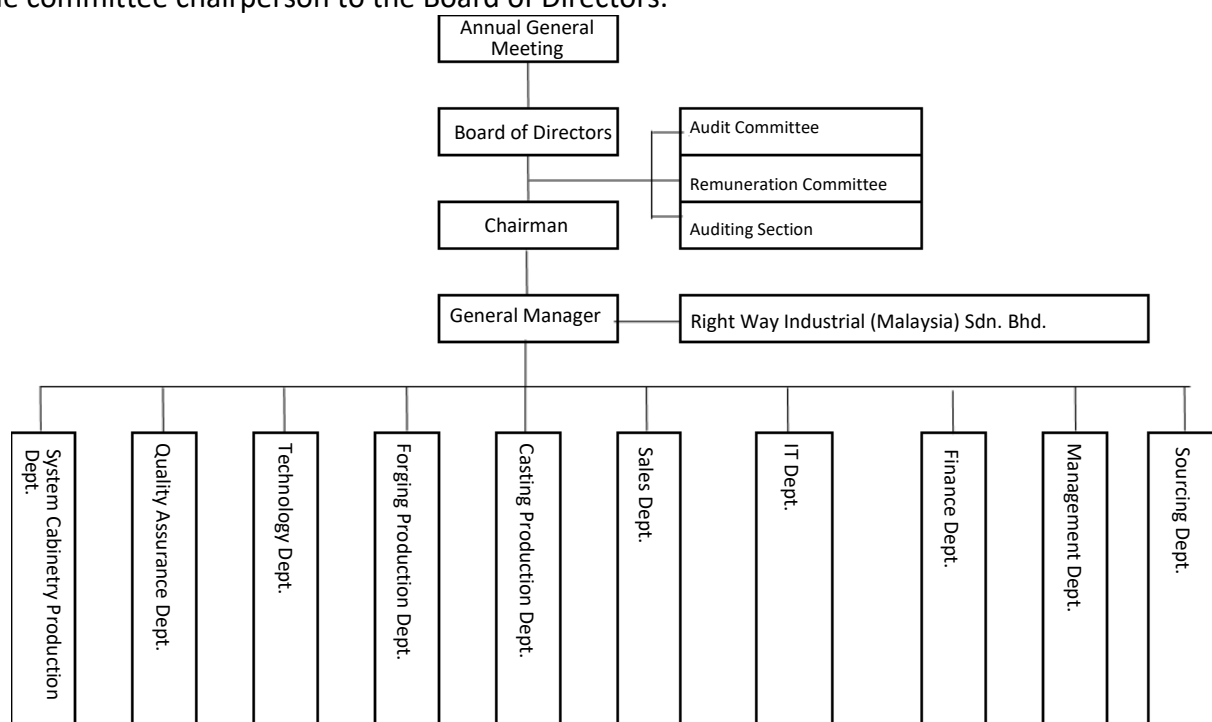
Procedures for Handling Material Inside Information

In order to establish a good mechanism for handling and disclosure of material inside information of Right Way Industrial, avoid improper information disclosure, and ensure the consistency and accuracy of information disclosed to the public, the "Procedures for Handling Material Inside Information" has been formulated, which are applicable to the directors, managers and employees of Right Way Industrial. The three principles for the disclosure of material inside information are:

- I. Information shall be disclosed in an accurate, complete and timely manner;
- II. There should be a basis for information disclosure;
- III. The information shall be disclosed fairly.

Organizational Structure

Right Way Industrial adopts a flat organizational structure, emphasizes operational flexibility and efficiency, takes the promotion and expansion of distribution platforms as the core of operation, and insists on targets and quick responses. In terms of corporate governance, the Board of Directors of Right Way Industrial has established the Audit Committee and the Remuneration Committee to assist the Board of Directors in fulfilling its supervisory duties. The organizational charter of each committee has been approved by the Board of Directors, and the committee's activities and resolutions are regularly reported by the committee chairperson to the Board of Directors.



Department	Department's functions
General Manager	Follow the decisions made by the Board of Directors, responsible for the Company's operations per instruction given by the Chairman, take charge of the overall planning on the development and supervision of each department's business, execute plans, preside over management meetings and resolve various motions proposed at meetings.
Sales Dept.	Marketing and promotion at the customer end, PR communications inside and outside the Company, and sales at home and abroad.
Quality Assurance Dept.	Responsible for planning, promoting, executing and confirming quality matters.
Technology Dept.	Responsible for new product valuation, production technology, maintenance of machine and equipment, product development and mold design, etc.
Production Dept.	Casting production: The Independent Cost Center is responsible for manufacturing and processing pistons and gravity casting parts, facility management, and quality and cost control. Forging production: The Independent Cost Center is responsible for manufacturing forging parts, facility management, and quality and cost control. System cabinetry: The Independent Cost Center is responsible for manufacturing the system cabinetry, facility management, and quality and cost control.
Management Dept.	Responsible for the management system and planning of various management regulations, HR, education and training, general affairs, safety at factory premises, legal contracts, labor safety and environmental safety, etc.
Finance Dept.	Responsible for shareholders service, financial scheduling, cash cashier, accounting treatment, taxation/financial settlement and cost analysis, shareholders' meeting matters, and matters related to the Board of Directors (including Audit Committee and Remuneration Committee).

Sourcing Dept.	Responsible for materials & supplies, finished goods inventory management, procurement, production scheduling planning and logistics.
IT Dept.	Responsible for computer hardware and access to networks in the factory, information security, computer system maintenance & support, modification of system programs, process improvement and streamlining, etc.

Performance Evaluation on the Board of Directors and Remuneration Policy

In order to improve the remuneration system for the directors and managers of Right Way Industrial, the “Remuneration Committee Organization Charter” has been established for compliance. The remuneration includes cash compensation, stock options, bonus shares, retirement benefits or severance pay, various allowances and other substantive incentives. The Remuneration Committee evaluates the Company's directors and managers' remuneration policies and systems in a professional and objective manner, and makes recommendations to the Board of Directors for its decision-making reference. It also regularly reviews the annual and long-term performance goals and the remuneration policies, systems, standards and structures of the Company's directors and managers to ensure that they are in line with the Company's sustainable development needs. It also regularly evaluates the achievement of ESG performance targets of the Company's directors and managers, and establishes the contents and amount of their individual remunerations.

In 2022, the ratio of the total annual total remuneration to the General Manager to the annual total remuneration to the employees' median total salary (excluding the general manager) was 12.07 times. All employees were active and had their salary growth percentages calculated over the two years, 2021 and 2022. Then, they were prioritized to get the median. The ratio of the General Manager's salary growth percentage to the median of employee salary growth was 9.14 times. Said remuneration includes basic monthly salary and variable bonus (excluding stock ownership trust). In order to prevent the salary growth of employees who have not received the remuneration of a full year (those who were new employees recruited in 2021 or those who resigned in 2022) from becoming negative value and failure to calculate the salary growth the employees who were active throughout 2021 and 2022 were excluded lest the statistical results of the median should be different from the actual situation.

Note:

Annual total compensation ratio =

$$\frac{\text{(Annual total compensation of the highest – paid individual (General Manager))}}{\text{Median annual total compensation of all employees (excluding the General Manager)}}$$

Annual total compensation change ratio =

$$\frac{\text{Percentage increase in annual total compensation of the highest – paid individual (General Manager)}}{\text{Median percentage increase in annual total compensation of all employees (excluding the General Manager)}}$$

Risk Management

In order to establish a comprehensive risk management system and stable business operations to move toward the goal of sustainable development, Right Way Industrial has formulated the risk management regulations covering “financial risk,” “operational risk,” “information security risk,” “environmental risk,” and “other risks,” including the entire range of risks that may have direct and indirect economic impacts on stakeholders and the economy, such as risks over climate change and human rights. The Board of Directors is the highest decision-making body of the industrial risk management of Right Way Industrial. It is responsible for approving risk management policies and important risk management systems and supervising the implementation of risk management systems, in order to ensure the effectiveness of risk management. The Audit Committee proposes improvements of the Company's risk management policy design, and supervises the implementation of risk management to ensure the effective implementation of the internal control system. Finance Department is dedicated

to executing the risk management and is responsible for coordinating related departments to proceed with the risk management. Auditing Department prepares the annual audit plan based on the risk assessment results each year, and implements the audit on each system according to the plan to ensure compliance. Each business unit is directly responsible for the initial risk discovery, assessment and control. It shall fully understand the risks faced by the business lines which it is responsible for and shall be responsible for supervising and controlling the relevant risks over the units subordinated to it. The risk management procedures include the identification, measurement, response, monitoring and reporting of various risks. Risk management-related information is disclosed on the Company's website in accordance with the information disclosed by the competent authorities.

Financial Impacts and Other Risks and Opportunities Arising from Climate Change

In the past, the location of Right Way Industrial in Rende was flooded to the 2nd floor and thereby caused the interruption in business for two months and the loss amounting to tens of millions dollars. We firmly believe that this is a consequence of climate change. Right Way Industrial went through the crisis safely. In order to mitigate the impact posed by extreme weather, Right Way Industrial has formulated a natural disaster response mechanism, including the evaluation of the current factory building and reinforced with diagonal bracings, arrangement of supervisors on duty, and preparation for sandbags and flood gates according to the typhoon level as announced. As a result, it invested more than NT\$2 million. Besides, due to the government's active river remediation, no business interruption has been caused by flooding so far. In the future, Right Way Industrial will continue to look for the way to use renewable or low-carbon energy to mitigate the impact posed by climate change jointly with the society.

Internal Audit

Right Way Industrial has established an independent internal audit unit under the supervision of the Board of Directors directly. It also appoints qualified and appropriate full-time internal auditors according to the Company's scale, business conditions, management needs, and other relevant laws and regulations. The auditors shall uphold the spirit of detachment, independence, and objectivity to perform their duties. Report to the Chairman and independent directors on a monthly basis or when necessary, and attend the Company's regular Board of Directors meetings and make audit reports.

The internal auditors prepare the annual audit plan based on the risk assessment results each year, including the items to be audited each month, in order to check the internal control system of the Company, and shall attach the working paper and related information to prepare the audit report. The deficiencies and abnormalities found in the internal control system should be tracked after the report is approved to prepare a follow-up report, in order to ensure that the relevant units have taken appropriate corrective actions.

Pursuant to the competent authority's regulations, the internal audit unit shall audit derivative transactions on a monthly basis, and audit endorsements/guarantees, commitments and contingencies, and loaning of funds on a quarterly basis. It shall submit the follow-up report on correction of the deficiencies found in the previous audit per three months. It also implements self-inspection on the internal control system every year to improve the Company's operating performance. Meanwhile, in accordance with the provisions of the "Regulations Governing Establishment of Internal Control Systems by Public Companies," the audit report and audit follow-up report are submitted to the independent directors of the Company before the end of the following month upon completion of the audit report.

4-2 Tax Governance

Tax Policy

Right Way Industrial seeks to improve tax risk management, is committed to information transparency, legal compliance, and supports the government's preferential tax policies to promote local economic development and industrial innovation, and formulate the overall tax policy. In terms of tax management, Right Way Industrial will continue to work on the following aspects:

- I. Ensure that the decision-making-related tax assessment is jointly participated by professional internal tax and external experts with appropriate qualifications and experience.
- II. The Company's major decisions have been included in the tax assessment, and the approval level has been escalated to the Company's top managerial officer.
- III. Information transparency in tax reporting enables tax disclosure to be handled in compliance with relevant regulations and standards, such as submission of the transfer pricing reports to the tax authorities.
- IV. Transactions between affiliated companies comply with transfer pricing practices.
- V. In response to the relevant major regulatory requirements under the global anti-tax avoidance trend, avoid using tax havens or low-tax countries for tax planning for the purpose of improper tax avoidance.
- VI. Interact with tax authorities in an honest, honest, respectful, and fair manner based on mutual trust, information transparency, and legal compliance, and voluntarily raise material tax issues so that both taxpayers and tax collectors can focus on the effective use of information.

Tax Payment Status

Right Way Industrial's business locations are situated in Taiwan and Malaysia, which pay various taxes in compliance with local laws and regulations each year. All operations in Taiwan have been subject to the income tax calculated at the statutory tax rate. In previous years, due to the impact posed by Sino-US trade and COVID-19, the Group's operating overview declined more than the previous years and loss credit was made available. Therefore, Right Way Industrial didn't pay the income tax. Therefore, the difference between the cash tax rate and the effective tax rate in the consolidated financial statement is a timing difference (temporary difference).

Unit: In Thousands of New Taiwan Dollars

Income tax-related information	2021	2022
Net profit before tax	38,033	103,304
Income tax expense	2,934	11,398
Nominal effective tax rate	7.7%	11.03%
Income tax paid	456	154
Cash effective tax rate	1.2%	0.14%

Governance Principles and Risks

Follow the internal control process to identify, assess and manage tax risks arising from changes in laws and regulations, and have the Audit Committee supervise the implementation of internal control systems, such as accounting, taxation, and financial reporting procedures.

Transfer Pricing Management

The transactions between Right Way Industrial and its affiliated companies follow the regular transactions principles and the "Regulations Governing Assessment of Profit-Seeking Enterprise Income

Tax on Non-Arm's-Length Transfer Pricing ." A CPA firm shall be retained to issue the transfer pricing report.

4-3 Ethical Corporate Management

Ethical Corporate Management Policy

Any directors, managers, employees, agents, or persons with substantial controlling power of the Company shall not directly or indirectly offer, promise, request or accept any improper benefits, or commit other unethical behaviors against ethical management, laws or fiduciary duty during the process of business activities. In order to engage in business activities under the principles of fairness, honesty, trustworthiness, and transparency, to implement the ethical management policy, and to actively prevent unethical behavior, Right Way Industrial has formulated various relevant codes of conduct, and continues to pay attention to domestic and foreign policies and laws that have potential impacts on the Company's business and finance. Various corporate governance regulations and measures were formulated in a timely manner, and the internal audit unit also regularly audits legal compliance. To ensure that directors and managers strictly abide by the code of conduct and ethical code when engaging in business activities, the Company has established the "Director's and Managers' Code of Ethical Conduct" and "Ethical Corporate Management Best Practice Principles" and the "Code of Conduct and Ethical Corporate Management Procedure and Guidelines" and the whistle-blowing system, as the standard of conduct for each director to junior staff of the Company. The work rules also stipulate that no violation of ethics or acceptance of bribe from vendors or customers is allowed. If any violation of ethics or acceptance of bribe is found, whistle-blowing can be made through the telephone or e-mail (reporting box) radial to the contact person. Upon verification of the investigation, and the work rules shall apply. There were no complaints against violations of the code of conduct, such as corruption incidents, during the reporting period.

Promotion, Education and Training

Right Way Industrial conducts 100% anti-corruption risk assessment and education and training for all business locations. No major risk was found upon the assessment. The Company has adopted a zero-tolerance policy against corruption and bribery, unfair competition, leaks, infringements, and insider trading. If any employee is found to have violated the code of professional conduct or internal regulations through the whistle-blowing mechanism or internal audit inspections it is necessary to record, investigate and impose penalties on, the violations according to the relevant requirements. Regular education and training on corporate governance, anti-corruption, and ethical management have been organized for directors since 2022, and employee education and training has been scheduled in 2023.

Legal Compliance

To ensure that there are no anti-corruption incidents, the "Continuing Education Course for Issuers, Securities Firms, and Stock Exchanges" was organized to implement insider trading prevention training, legal compliance measures, and a whistle-blowing system. There were no violations during the reporting period.

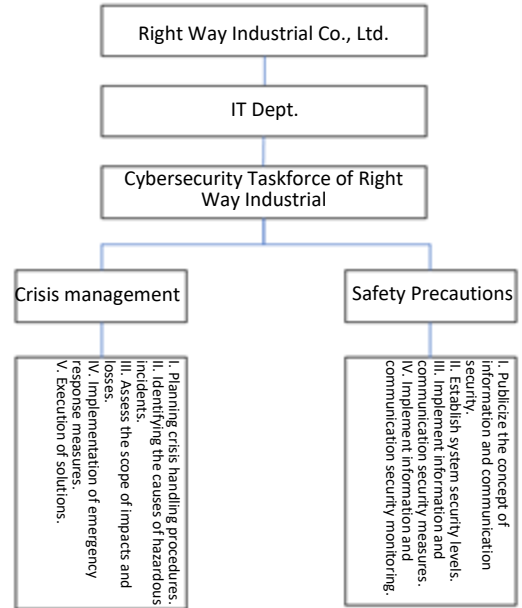
4-4 Information Security Management

Right Way Industrial’s IT Department is the unit in charge of information security. This unit has one IT supervisor and one professional IT personnel responsible for formulating internal information security policies, planning information security operations, and promoting and implementing information security policies, in order to provide reliable information services and continue to improve the information security awareness among all colleagues. In order to prevent the Company's information system and data from operational risks and hazards such as improper use, disclosure, tampering, and destruction, the Chief Information Officer serves as the convener of the “Cyber Security Response Team” in accordance with the Company's internal “Operating Standards for Data Processing,” The chief information officer shall serve as the convener, and the information officer as team members, and one emergency contact person is established to be mainly responsible for implementing information and communication security prevention and emergency response related measures.

The information security policies are stated as follows in accordance with the Company's internal “Operating Procedure for Management of Information Security,” and information security work is promoted accordingly.

1. Establish the information security management regulations in line with laws and customers’ needs.
2. Protect the confidentiality, completeness and availability of the Company’s and customers’ information.
3. Include the common sense that information security is everyone's responsibility into the Company's culture.
4. Provide a safe information operating environment to ensure the Company’s sustainable operation.

The organizational structure and management of Right Way Industrial "Cyber Security Team"



According to the development of the information security policy, the management axes can be divided into “system and regulation,” “use of technology” and “personnel training”.

1. System and regulations: The Company has set forth the letter of undertaking for access to the information system, which must be executed by supervisors at the management level and above/specific system users who need the computer system administrator’s access authority. The regulations governing sensitive data and intellectual property protection will be adjusted according to the Company in a timely manner, if necessary.
2. Application of technology: In order to prevent various external information security threats, the Company not only adopts a multi-layered network architecture design, but also builds various information security protection systems, such as central anti-virus systems and email filtering systems, to enhance the security of the overall information environment. sexuality.
3. Personnel training: The Company regularly sends information security promotion emails to all employees at least twice a year, and sends more than 12 hours of information security-related professional courses to information security personnel every year.

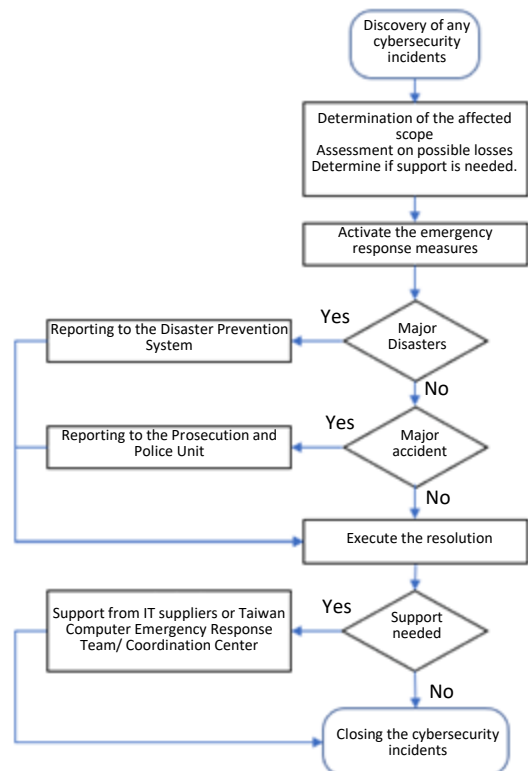
Right Way Industrial regularly reviews the internal information security regulations, analyzes internal risks based on asset value, vulnerabilities, threats, and impacts, and formulates security measure enhancement items based on risk assessment results to refine and enhance the overall information security environment. The information security management measures implemented by the Company include the following:

Items	Explanation	Related measures
Authority administration	Personnel account, authority management, system operation	Please complete the "Authority Network Request Form" will be automatically sent to the IT Department for creation of an account upon approval of the related supervisor.
Cyber Threat Protection	Defense against internal and external network attacks	An external network firewall is built, and each computer is equipped with a central version of anti-virus software to automatically update virus patterns.
System availability	Upgrade the availability of the primary system and measures to be taken in case of service interruption	Software and hardware maintenance contracts are signed each year, and system restoration drills are conducted at least once a year.

In consideration of the increasingly rigid challenges of information security, in addition to the annual routine information security training for all employees, the focus of future information security enhancements of Right Way Industrial will include information system vulnerability scanning, penetration testing, social engineering drills, and simulation of external attacks, EDR off-site testing of remote backups of servers, and understanding the possibility of TISAX being required for preparation for the mid- to long-term.

In the event of an information security incident, Right Way Industrial has established a cybersecurity reporting procedure, and the reporting and handling of the information security incident shall be carried out in accordance with the requirements for the procedure. There were no major information security incidents during the reporting year.

Operational Procedures for Reporting Hazardous Cyber Security Incidents and Emergency Response



5. Other Environmental Issues

5-1 Environmental Policy

Right Way Industrial Co., Ltd. is a manufacturer of high-quality castings and forgings for the automotive industry and other industries. The Company continues to improve the ESH performance by preventing environmental pollution, predicting dangers and eliminating disasters, and protecting employees' physical and mental health. In order to achieve a healthier environment, Right Way Industrial spares no effort to fulfill its social responsibilities and achieve the goal of sustainable operations. We are committed to the following principles to implement the ESH management system:

1. Compliance: Comply with all applicable ESH regulations and other requirements.
2. Risk management and control: Promote the ESH management system and risk management improvement measures, and implement the ESH risk control to strengthen risk control.
3. Energy conservation and waste reduction: Cherish all assets and energy, improve the efficiency of pollution prevention, promote industrial waste reduction, and create high-quality green products.
4. Total Involvement: Support workers and stakeholders to consult and participate, and receive appropriate responses and protection.
5. Goal achievement: Ensure the goal is achieved and provide the required resources.
6. Health promotion: Improve the health of all employees through health promotion and management.
7. Continuous improvement: Implement the ESH management system to achieve sustainable operations.

In recent years, in recognition of our sense of responsibility and mission as a global citizen, we have even incorporated the concept of green environmental protection into our development, design and production and manufacturing, and invested great effort in resource utilization, pollution prevention, recycling and waste reduction. Because of such dedication and insistence, Right Way Industrial has become the first manufacturer in the Republic of China to receive the CNS mark from the Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs. The Company has also passed multiple international quality certifications, and awarded various certificates of excellence year after year. With a number of product patents, Right Way Industrial has not only established a good reputation and leading position in the industry, but also won the unanimous trust and respect from its customers.

Environmental Management System

The first external certification of the Company's ISO 14001 environmental management system took place in 2002, and the most recent external certification took place on June 12, 2023, which is valid until July 10, 2026.

Relevant routine education and training programs are organized on a regular basis every year. In 2022, only 1 person participated in an external environmental course and 2 internal training sessions were arranged and attended by 40 participants.

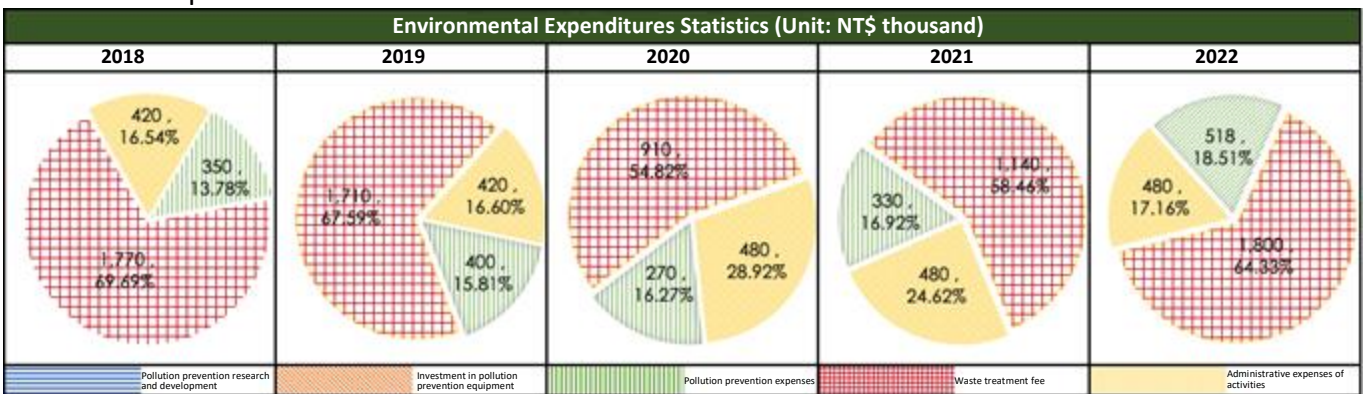
A total of 38 employees of Right Way Industrial have passed the ISO 14001 environmental management system internal auditor training to strengthen the professional function of internal audit and implement the effectiveness of the management system. The following refers to a list of environmental management related courses held in 2022.

Item No.	Course name	Class Method	Shift schedule	Hours	Trainees
1	Education and Training in terms of Environment	External Employment	1	3	All departments
2	Education and training on air pollution control equipment operation and emergency response handling	Internal Hiring	1	2	Casting Section, Anode Treatment Personnel

3	Education and training on wastewater control equipment operation and emergency response handling	Internal Hiring	1	2	Anode Treatment Personnel
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Environmental Protection Expenditure

In order to avoid possible environmental pollution caused by pollutants during factory operations, energy conservation and carbon reduction, waste disposal, pollution prevention equipment, etc., are evaluated and included in the environmental protection expense item. In 2022, Right Way Industrial mainly invested in the reduction and reuse of waste. In 2023, a budget has been prepared for the implementation of the greenhouse gas inventory plan, including further improving the replacement of high-energy-consuming equipment, improving process efficiency and increasing efficiency, and reducing carbon emissions. Integrate the ISO 14001 environmental management system with the GHG inventory business proactively, and plan the annual GHG inventory (ISO 14064-1) by an external verification unit for continuous improvement.



GHG Emissions

Right Way Industrial started to plan its GHG emission inventory in 2022. On the one hand, it started to understand the relevant regulations and requirements, and on the other hand, it prepared to invest in the resources and manpower required for the inventory to initiate the GHG emission inventory in 2022.

The inventory showed that the total emission was 8,080.9980 metric tons of CO₂e, and the overall emission intensity was 12.7620 metric tons of CO₂e/NT\$ million; the Scope 1 emissions were 1,667.0708 tons of CO₂e, accounting for 21% of the overall emissions, and the Scope 2 emissions were 6,413.9272 metric tons of CO₂e, accounting for 79% of the total emission. In the future, we will gradually plan the inventory of Scope 3, setting of the base year, and reduction target.

GHG emissions		tCO ₂ e	
Factory premises	Summation	Percentage	
Taiwan	3222.9949	40%	
Malaysia	4858.0031	60%	
Total Emissions	8080.9980	100%	

GHG emissions		tCO ₂ e		
Factory premises	Direct Emissions	Indirect Emissions from Energy		
Taiwan	591.7729	18%	2631.2220	82%
Malaysia	1075.2979	22%	3782.7052	78%
Total	1667.0708	21%	6413.9272	79%

Seven major GHG emissions									tCO ₂ e
Factory premises	CO ₂	CH ₄	N ₂ O	PFCs	HFCs	SF ₆	NF ₃	Others	Summation of Factory Premises
Taiwan	3182.7238	2.9792	0.7644	0.0000	28.8531	0.0000	0.0000	7.6744	3222.9949
Percentage	99%	0%	0%	0%	1%	0%	0%	0%	100%
Malaysia	4844.0246	0.6356	1.0101	0.0000	2.7288	0.0000	0.0000	9.6040	4858.0031
Percentage	100%	0%	0%	0%	0%	0%	0%	0%	100%

Direct and energy indirect GHG emissions								tCO ₂ e	
Factory premises		1.1	1.2	1.3	1.4	1.5	2.1	2.2	Summation of Factory Premises
Taiwan		532.6055	19.9526	0.1197	39.0951	0.0000	2631.2220	0.0000	3222.9949
	Percentage	17%	1%	0%	1%	0%	82%	0%	100%
Malaysia		1040.3327	22.5855	0.0429	12.3368	0.0000	3782.7052	0.0000	4858.0031
	Percentage	21%	0%	0%	0%	0%	78%	0%	100%

Biodiversity

The Site of Right Way Industrial is located on habitats that are not under protection or restoration and are not areas of high biodiversity value. The manufacturing activities, emissions, and waste required for the operation all comply with the legal requirements, and there are no incidents that endanger the natural ecology or species, nor do they cause changes to the natural ecology. Appropriate planting and greening have been carried out inside the factory to make the factory premises of Right Way Industrial am more natural and ecological.

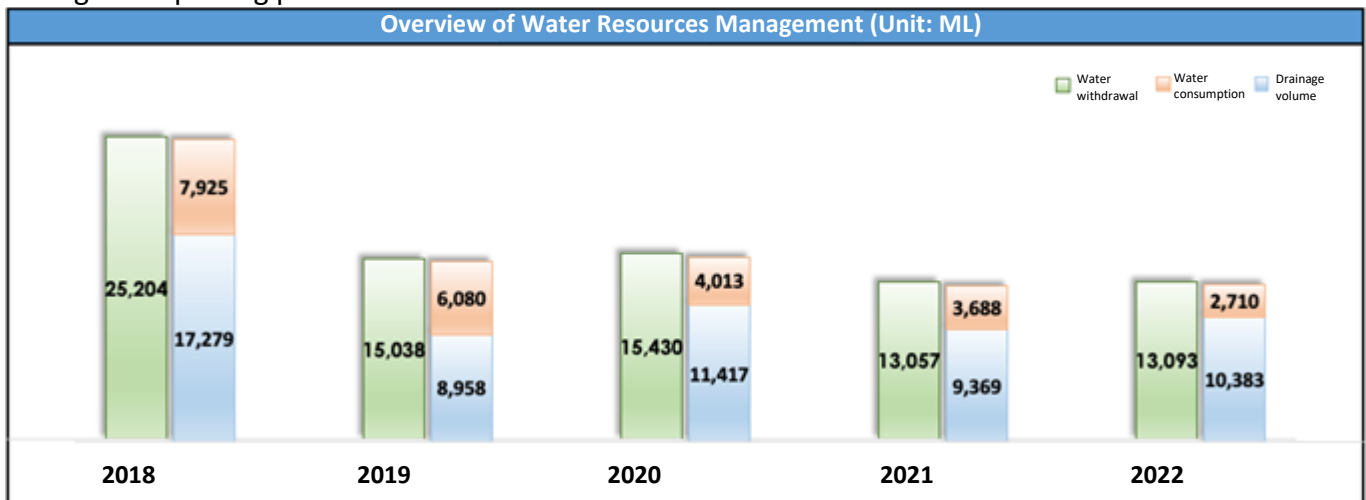
5-2 Water Resource Management

Water Withdrawal Information

All water drawn by Right Way Industrial is from the Taiwan Water Corporation and the source of water is the Tsengwen Reservoir. According to the WRI water resource risk analysis, Tainan is not an area of water stress. Meanwhile, as a professional manufacturer of vehicle parts casting and processing, it is a secondary processing industry without high pollution. It is equipped with wastewater treatment and dust collectors for pollution source prevention, and strengthens the supervision of environmental protection personnel based on on-site operations. Professional training and equipment operation skills are entrusted to an EPA-approved testing organization for unscheduled inspections. Therefore, with proper prevention and control engineering treatments, it fully meets the emission standards required by the EPA.

Water Discharge Management

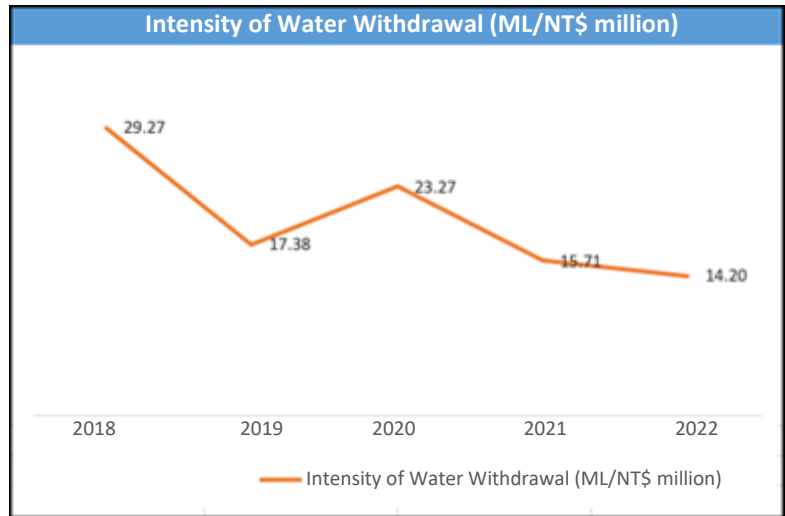
Upon approval of the competent authority, the wastewater shall be discharged in accordance with the "Effluent Standards for Metal Surface Treatment Industries," with a chemical oxygen demand (COD) of 100mg/l and a suspended solids concentration of (SS) is 30mg/l, and the pH value is 6 to 9. Right Way Industrial has two wastewater treatment equipment units that are inspected twice a year for sedimentation, stratification neutralization, and removal of suspended solids. Discharge outlets are equipped with daily water meters, and the wastewater is tested by a qualified inspection company. The discharged water quality complies with laws and regulations, and the Environmental Protection Administration regularly tests the quality of wastewater at discharge outlets. No violations were found during the reporting period.



Test Item	Tested value	Testing Unit	Test Item	Tested value	Testing Unit
Declaration of drainage volume	1434	Cubic meters/declared interval	pH	7.4	
Chemical oxygen demand (mg/L)	39.2	mg/l	Volume of water (CMH)	2	CMH
Water temperature (Celsius)	28.1	Celsius	Oil & Fat	0	mg/l
Fluoride	0.4	mg/l	Ammonia nitrogen	0	mg/l
Arsenic	0.001	mg/l	Nitrate Nitrogen	0.02	mg/l
Dissolved iron	0.2	mg/l	Lead	0	mg/l
Copper	0.07	mg/l	Zinc	0	mg/l
General network	0	mg/l	Nickel	0.05	mg/l
Suspended solid (mg/L)	23.5	mg/l			

Water Consumption and Conservation Plan

The tap water of Right Way Industrial is primarily applied to the anodization process and cooling water after casting stripping, and then supplies the domestic and drinking water for the Company's employees. The difference between the water withdrawal and drainage volume primarily result from the cooling water tower escape, domestic wastewater, and waste sludge, etc. The use of recycled water accounts for 6% of all water consumption. In 2022, the water consumption of Rende Plant was 13,093 metric tons/year. The



recycled water consumption of cooling towers is 30 metric tons/day, for 240 days per year. The capacity of the recovery pool is 10 metric tons. In terms of water use, Right Way Industrial is equipped with the water recycling facilities, and the recycling rate is about 6%. The Company continues to implement various water-conservation measures, including leak testing to improve the water loss of pipelines, and water-conservation valves installed in toilets to reduce the water supply. In 2022, the Company will continue to implement the water-conservation measures that have been implemented, in order to make contribution to water conservation.

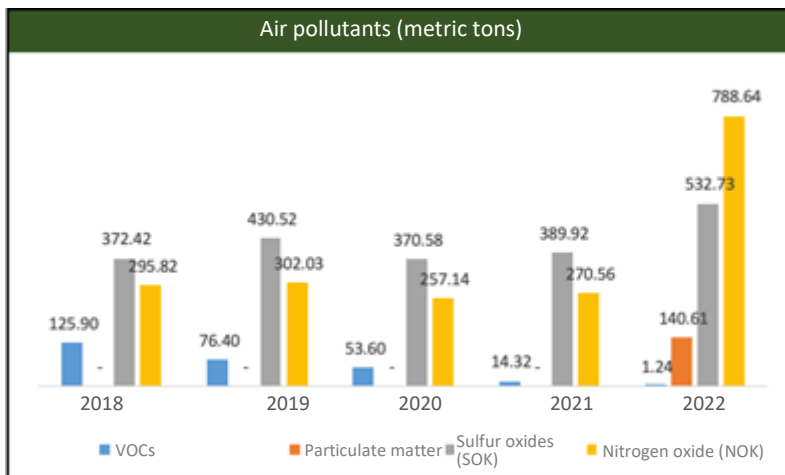
5-3 Air Pollution Control

Air Pollution Management

The overall types of air pollution of Right Way Industrial are VOCs, TSP, NOx and Sox. In order to comply with the environmental protection laws and regulations, such as the “Regulations for the Reporting and Management of Air Pollutant Emissions from Fixed Pollution Sources of the Company,” Right Way Industrial calculates the emission of air pollutant according to laws, and regularly discloses the estimated air pollutant emission, consumption of raw materials, fuels and products used in the process online. According to Article 6 of the Air Pollution Control Act, the frequency of air pollution inspection of Right Way Industrial is once every 5 years. All inspections are conducted in accordance with the relevant regulations.

In 2022, among the air pollutants reported by Right Way Industrial, the emission of volatile organic compounds (VOCs) was 0.00124 metric tons, TSP 0.14 metric tons, NOx 0.789 metric tons, and SOx 0.532 metric tons, i.e. 1.46224 metric tons in total. Air pollutants are mainly generated by the casting and sand blasting processes, and the main pollutant refers to NOx. The Company has installed qualified air pollution prevention and control equipment in accordance with laws. Replacement of filtration consumables and regular inspections once every 5 years are committed to reducing pollutant concentrations to meet the air pollution standards. There were no violations found in 2022.

In 2022, due to the change of the site location of the M04 sand blasting process and reduction of the quantity of equipment, the permit was changed, and the commissioning test was conducted based on the results of the change. The results were found comply with the relevant requirements. The other parts remain unchanged.



6. Other Social Issues

6-1 Talent Attraction and Retention

Talent Employment Policy

Right Way Industrial not only serves our customers, but also our employees. We recognize and reward the efforts and outstanding performance of our employees, and provide continuing education and learning opportunities for our team members. Based on the concept of humanized management and profit sharing, Right Way Industrial implements a human resource management system driving incentives, growth, and achievement, and invites outstanding talents from different fields to join Right Way Industrial and work together to make both parties' dream come true.

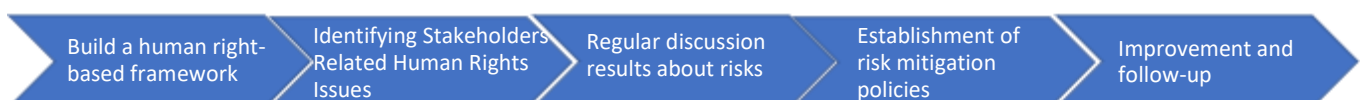
The employment principles are stated as following:

The Company prohibits discrimination in employment. At the time of employment, it will not discriminate employees based on race, class, language, ideology, religion, political affiliation, nationality, place of birth, gender, sexual orientation, age, marriage, appearance, facial features, disability, zodiac sign, blood type or any trade union membership, unless otherwise provided in laws.

Respect the workers' human rights, freedom of religion and freedom of association, prohibit forced labor, abuse, verbal bullying, corporal punishment, harassment and other inhumane behaviors. Employees are provided with equal talent development, education and training. If an employee is treated unfairly in the workplace, such as workplace bullying or workplace sexual harassment, the work rules shall apply.

Right Way Industrial respects and supports internationally recognized human rights norms and principles, including the "Universal Declaration of Human Rights," "United Nations Global Compact" and "Declaration of Fundamental Principles and Rights at Work" of the International Labor Organization. The Company complies with the laws applicable within the jurisdiction where the Company is located, and formulates the human rights policies in accordance with the "United Nations Guiding Principles on Business and Human Rights," in order to perform the human rights-related education and training for all employees and begin planning the human right risk assessment.

Identification and Evaluation Process



Employee Diversity

Right Way Industrial expects itself to become a professional global leader in lightweight metal forming. We are always looking for capable and motivated talents to meet the different needs from customers. We have been able to successfully operate for more than 50 years because of the hard work and dedication of each colleague. Employees are the Company's largest assets. We strive to attract, train and retain the best talents, provide a challenging and good working environment.

A majority of the employees of Right Way Industrial are 31~50 years old, accounting for 60.08% of the total employees. Employees under the age of 30 years old account for about 12.9%, and employees over the age of 51 years old account for about 27.02%. Therefore, all of them form a young and middle-aged team. By gender, male employees account for about 66.94% and female employees account for about 33.06%. Most male employees are working at the production line, while most female employees are working in the office.

Total Number of Employees Over the Years (by gender)		2018	2019	2020	2021	2022
Number of People	Female	117	118	81	89	82
	Male	220	211	153	153	166
	Total	337	329	234	242	248
Percentage	Female	34.72%	35.87%	34.62%	36.78%	33.06%
	Male	65.28%	64.13%	65.38%	63.22%	66.94%
Total Number of Employees Over the Years (by age)		2018	2019	2020	2021	2022
Number of People	Under 30 years old	43	32	17	26	32
	31~50 years old	202	180	142	143	149
	Over 50 years old	92	117	75	73	67
	Total	337	329	234	242	248
Percentage	Under 30 years old	12.76%	9.73%	7.26%	10.74%	12.90%
	31~50 years old	59.94%	54.71%	60.68%	59.09%	60.08%
	Over 50 years old	27.30%	35.56%	32.05%	30.17%	27.02%

100% of senior executives of Right Way Industrial are local residents. Male managerial positions account for about 72.15%, and female managerial positions account for about 27.85%. Male non-managerial positions account for about 64.5% , while non-managerial positions account for about 35.5%. Right Way Industrial takes care of disadvantaged personnel, and hires 4 persons with disabilities, including 1 female and 3 male workers. Labor contracts are primarily indefinite, and all employees are full-time workers. The Trade Union of Right Way Industrial has communicated with the Company for many times. In order to consider the employment cost and protect the rights and interests of employees as full-time workers, the job vacancy shall be primarily filled up by migrant workers or workers recruited externally. No staffing is required for the time being.

		2018	2019	2020	2021	2022
Senior (Level 1) managers	Female	-	-	-	-	1
	Male	4	4	4	4	1
Middle managers	Female	3	3	3	3	3
	Male	13	11	8	7	7
Basic (junior) managers	Female	22	23	19	18	18
	Male	54	53	50	49	49
Professionals	Female	30	30	25	25	26
	Male	46	41	30	26	23
Direct employees	Female	62	62	34	43	34
	Male	103	102	61	67	86

		2018	2019	2020	2021	2022
Senior (Level 1) managers	Under 30 years old	-	-	-	-	-
	31~50 years old	-	-	-	1	-
	Over 50 years old	4	4	4	3	2
Middle managers	Under 30 years old	-	-	-	-	-
	31~50 years old	8	6	5	5	8
	Over 50 years old	8	8	6	5	2
Basic (junior) managers	Under 30 years old	-	1	1	1	1
	31~50 years old	58	50	50	49	48
	Over 50 years old	18	25	18	17	18
Professionals	Under 30 years old	5	4	5	6	5
	31~50 years old	50	42	31	29	32
	Over 50 years old	21	25	19	16	12
Direct employees	Under 30 years old	38	27	11	19	26
	31~50 years old	86	82	56	59	61
	Over 50 years old	41	55	28	32	33

		2018	2019	2020	2021	2022
Permanent employees	Permanent employees (irregular) (female)	117	112	79	73	78
	Permanent employees (irregular) (male)	176	167	134	121	160
Temporary employees	Temporary employee (fixed-term contract) (female)	-	6	2	16	4
	Temporary employee (fixed-term contract) (male)	44	44	19	32	6
Employees with non-guaranteed hours	Employees without guaranteed hours (female)	-	-	-	-	-
	Employees without guaranteed hours (male)	-	-	-	-	-
Dispatched personnel	Dispatched personnel	25	15	20	-	-
Full-time employees	Full-time employee (female)	117	118	81	89	82
	Full-time employee (male)	220	211	153	153	166
Part-time employees	Part-time employee (female)	-	-	-	-	-
	Part-time employee (male)	-	-	-	-	-

Orientation for New Recruits

Right Way Industrial has designed the “New Hire Orientation Checklist” for new hires. After reporting on for duty, each new employee shall first conduct work safety education, and the unit supervisor will assign a facilitator to help new employees understand the Company’s safety, quality, company policies, employee rights and interests, company introduction, internal procedures, etc., and then conduct training and performance evaluation for individual departments.

Within three months upon the on-board, the HR unit will organize general education and training for newcomers, introducing the Company's core values, products, and processes, in order to enable them to have a comprehensive knowledge about the Company. Each unit supervisor conducts functional inspections based on the different duties to be performed by each employee, strengthen the defective training and gradually enrich various professional knowledge and skills, and record the training date and time, trainer, and training evaluation results. For the following grades: I: Beginner, L: Familiar, U: Can operate independently, O: Can be instructed. The same shall be submitted to relevant department head for approval to confirm the effectiveness of the training and the training results will be used as the basis for new employee evaluation. The evaluation shall begin one month prior to the expiration date of the probationary period. The probation period is 90 days, and the evaluation period for department heads will be extended. The evaluation procedure for new recruits is included in the labor contract, and 100% of the employees shall go through the performance result.

Employee Turnover

Right Way Industrial recruited 54 new employees in 2022, and 57 of them resigned, including 5 retirees, and 52 resigned voluntarily. The turnover rate in 2022 was 22.98%, and the average turnover rate in the past 5 years was 27.12%. When employees apply for resignation, their supervisors and HR will conduct exit interviews to understand the reasons for the employees' resignation, assess or approve the application, issue a resignation procedure contact form and a computer file retention checklist, and implement job handover and departure procedures. The HR unit gathers monthly statistics on the severance rate and reports them to the management meeting.

The reasons for resignation in 2022 were analyzed and categorized: personal factors 39.12%, salary and welfare-related 26.08%, others 23.9%, and retirement planning 10.9%. The Company has analyzed and improved salary and welfare, and made a salary adjustment in January 2023 by 6% - 8%, and a significant decrease in the severance rate compared to the same period last year.

		2018	2019	2020	2021	2022
New employees	Female	3	10	5	20	11
	Male	36	22	7	17	43
	Total	39	32	12	37	54
Resigned	Female	10	13	43	20	22
	Male	68	65	64	37	35
	Total	78	78	107	57	57
Employees who resigned voluntarily	Female	8	13	21	19	21
	Male	57	60	41	31	31
	Total	65	73	62	50	52
		2018	2019	2020	2021	2022
New employee rate	Female	2.56%	8.47%	6.17%	22.47%	13.41%
	Male	16.36%	10.43%	4.58%	11.11%	25.90%
	Total	11.57%	9.73%	5.13%	15.29%	21.77%
Turnover rate	Female	8.55%	11.02%	53.09%	22.47%	26.83%
	Male	30.91%	30.81%	41.83%	24.18%	21.08%
	Total	23.15%	23.71%	45.73%	23.55%	22.98%
Voluntary resignation rate	Female	6.84%	11.02%	25.93%	21.35%	25.61%
	Male	25.91%	28.44%	26.80%	20.26%	18.67%
	Total	19.29%	22.19%	26.50%	20.66%	20.97%

		2018	2019	2020	2021	2022
New employees	Under 30 years old	20	19	3	12	18
	31~50 years old	16	11	7	17	34
	Over 50 years old	-	2	2	8	2
Resigned employees	Under 30 years old	31	34	28	11	16
	31~50 years old	34	35	44	37	23
	Over 50 years old	13	11	35	9	18
Employees who resigned voluntarily	Under 30 years old	29	38	24	10	16
	31~50 years old	24	24	24	33	21
	Over 50 years old	12	11	14	7	15

		2018	2019	2020	2021	2022
New employee rate	Under 30 years old	46.51%	59.38%	17.65%	46.15%	56.25%
	31~50 years old	7.92%	6.11%	4.93%	11.89%	22.82%
	Over 50 years old	0.00%	1.71%	2.67%	10.96%	2.99%
Turnover rate	Under 30 years old	72.09%	106.25%	164.71%	42.31%	50.00%
	31~50 years old	16.83%	19.44%	30.99%	25.87%	15.44%
	Over 50 years old	14.13%	9.40%	46.67%	12.33%	26.87%
Voluntary resignation rate	Under 30 years old	67.44%	118.75%	141.18%	38.46%	50.00%
	31~50 years old	11.88%	13.33%	16.90%	23.08%	14.09%
	Over 50 years old	13.04%	9.40%	18.67%	9.59%	22.39%

Transfer Mechanism

In order to develop the careers of our employees in a balanced manner, Right Way Industrial has an internal transfer mechanism in place. When an internal position is vacant, an internal announcement will be issued internally to recruit the talent for the position. A survey on reassignment will be issued in November each year. The questionnaire is processed confidentially and sent to the General Manager for review, in order to properly arrange the employees' career development.

Performance Appraisal

Right Way Industrial conducts the performance evaluation twice a year. Vice General Manager and above, and the chairman of the labor union are exempted from the evaluation. The performance evaluation shall be conducted on the rest of employees, regardless of gender, and distribute the grade subject to each department's performance. Meanwhile, at the end of the performance evaluation, it performs the performance interview with the employees whose performance is rated as C to demand that they should make improvement, or eliminate weak ones.

Remuneration System

Right Way Industrial adopts the principle of equal pay for equal work. The salary of employees depends on their education background, experience, professional ability, and work performance. No discrimination based on gender, religion, race, nationality and political affiliation, etc., will take place. The pay and labor conditions are guaranteed to fully comply with local labor laws and international human rights standards. The starting salary for the most entry-level employees, who are natives, without relevant work experience is NT\$27,000, regardless of gender, which is 1.07 times the base pay, NT\$25,250, under the Labor Standards Act in 2022. The annual raise is set subject to the business performance and individual performance. The more outstanding performance is, the higher raise is, in order to achieve the incentive effect. The average raise has been 1%~3% in recent years. In 2023, the Company will also plan a structural salary adjustment to strengthen its competitiveness in the labor market.

Remuneration Category	Basic salary		Basic salary plus remuneration	
	Female	Male	Female	Male
Supervisors other than Level 1 supervisors	0.91	1	0.99	1
Non-managerial officers	0.96	1	0.97	1

Salary of full-time non-managerial employees (NT\$ Thousand)					
	2018	2019	2020	2021	2022
Average number of employees	343	334	274	238	216
Average salary	479	468	479	521	550
Median salary	413	425	426	466	518

Employee Benefits

The benefits enjoyed by Right Way Industrial employees are divided into six categories: health, living, festivals, insurance, learning, and seniority, such as life insurance, medical insurance, disability insurance, employer liability insurance, parental leave, retirement system, and employee shareholding, etc. The benefits that are superior to those provided under law include long-term bonus, annual diligence bonus (multiple times of 5 years), free Chinese food & overtime meal, employee travel, and model employee.

Pension System

Unit: NT\$ thousand	
Present value of defined benefit obligation	(313,773)
Fair value of planned assets	379,826
Net defined benefit assets	66,053
Net defined benefit liabilities	0

Items	Right Way Industrial's benefits measures
Health	Health education and care for workers, monthly on-site doctor consultations, and annual health checkups.
Daily life	Supply of lunch and overtime meals without charge, wedding gift money, funeral funds, merchants, contracted kindergartens, and employee trips.
Festivals	Lunar New Year gift money, Dragon Boat Festival gift money, Mid-Autumn Festival gift money and gifts, and birthday gifts
Insurance	Labor and health insurance, group insurance, employer liability insurance
Learning	Labor education and training, professional skills training
Seniority	Long-term bonus, annual diligence bonus (multiple times of 5 years), and model employee

Employees who may apply the "Labor Pension Act" shall contribute 6% of the monthly salary to their personal pension account established by the Bureau of Labor Insurance. Employees may voluntarily contribute 0% to 6% as the monthly pension fund according to their wishes. The pension funds are

allocated to individual pension accounts, and the voluntary contributions of employees may be fully deducted from the total comprehensive income of the year.

Meanwhile, the “Labor Standards Act” may apply. 5% of the employee's total salary is appropriated on a monthly basis as the pension fund and deposited in a special account in the name of the Labor Retirement Reserve Supervisory Committee of Right Way Industrial Co., Ltd. The Retirement Reserve Fund Supervisory Committee shall pay the pension in accordance with laws after deliberation at the meeting.

Childcare Leave

Right Way Industrial implements a childcare leave without pay system in accordance with the “Act of Gender Equality in Employment.” Any qualified applications, including employees, may apply for it. In 2022, 2 employees applied for the leave, 1 employee expected to be reinstated, and 1 employee was actually reinstated, and the reinstatement rate was 100%. No one was reinstated in 2021, so the retention rate at the anniversary of reinstatement was 0%.

Year	2018		2019		2020		2021		2022	
Gender	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Number of employees eligible for unpaid childcare leave in the current year (A)	6	9	9	11	9	13	3	9	4	8
Number of employees applying for unpaid childcare leave (B)	3	-	2	-	3	-	1	-	1	1
Number of employees expected to be reinstated in the current year (C)	2	-	1	-	2	-	1	-	1	-
Number of employees reinstated actually (D)	1	-	-	-	-	-	-	-	1	-
Number of active employees within 12 months after reinstatement (E)	1	-	1	-	-	-	-	-	-	-
Reinstatement rate upon expiration of leave without pay (D/C)	50%	-	-	-	-	-	-	-	100%	-
Retention rate at anniversary of reinstatement (E/D of the previous year)	100%	-	100%	-	-	-	-	-	-	-

Note 1: The calculation basis of the number of employees eligible for child care leave is based on the number of employees who have worked for 6 months or more and their children have reached the age of 3 in the current year .

Note 2: One female colleague was reinstated in 2017 and she has held the position for one year in 2018.

6-2 Talent Development

Education and Training Planning

Right Way Industrial has a well-established human resource management system upholding “screening, selecting, educating, using, and retaining” principles. It selects suitable talents according to the job description and provides them with sufficient training to enable them to exert their strengths and help us retain good talents. We have established a dedicated education and training unit. New recruits must undergo the orientation training. On-the-job training will be based on the needs of the job and the successor training plan. Education and training on job functions and operational management will be combined with job development to explore the potential of each person. We aim to make the best use of our talents for the effective operation of the organization and the improvement of customer service quality. HR conducts annual education and training needs survey, job function inspections, special skills and professional certification retro-training each year, and arranges the education and training plan for next year for implementation. It is expected that employees will be able to perform better after receiving sufficient and appropriate education and training. Therefore, we also strive to provide employees with learning motivation to link education and training with the evaluation and promotion systems.

The training materials are also improved based on actual business needs. For example, the HR Committee has added the annual important topics to the education and training materials based on the experience in conducting audit against international automakers.

Some professional operations require professional licenses, such as X-RAYS, cranes, forklifts, environmental safety, labor safety and occupational nurses, etc. We arrange annual plans for professional technicians to receive regular training. Meanwhile, Right Way Industrial organizes business administration-related courses especially for grassroots officers, in order to cultivate their problem analysis and improvement planning capabilities, as well as strengthen internal communication and teamwork cohesion, and achieve sustainable corporate development. We believe that each employee has the most suitable career development. Combining the interests and functions of employees and working with the Company's business development goals, we create a learning culture and stimulate the potential of individuals and the organization. Employees in different professional fields can receive appropriate training to strengthen their professional skills and improve their abilities. Through a variety of learning channels and abundant training resources, each employee can improve their professional capabilities and enjoy self-growth.

Due to the impact posed by the pandemic for the recent three years, in order to avoid cluster infection, it would decrease education and training courses held to avoid the risk of cluster infection. The total number of hours of classes in 2022 was 103.5 hours, and the training expenditure totaled NT\$68,724.

Education and training expenses over the years	2018	2019	2020	2021	2022
Education and training expenses (NTD)	339,767	143,048	227,567	222,128	68,724
Total number of sessions (echelon)	69	56	62	44	24
Total course hours (hours)	616.5	320.5	278.5	152.5	103.5
Total Training Hours (hours)	1,828.0	982.0	1,506.5	1,547.0	391.5
Total Attendance (Person-time)	447	340	597	510	102
Average training cost per employee (NTD)	1,008.2	434.8	972.5	917.9	277.1
Average Training Hours (hours)	5.4	3.0	6.4	6.4	1.6

		Summary Table of Education and Training Hours					Summary table of average education and training hours				
		2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Education and Training Hours	Senior (Level 1) supervisor (female)	-	-	-	-	-	-	-	-	-	-
	Senior (Level 1) supervisor (male)	7.0	9.0	-	2.0	-	1.75	2.25	-	0.50	-
	Mid-level executive (female)	58.0	43.5	48.5	71.0	50.5	19.33	14.50	16.17	23.67	16.83
	Mid-ranking supervisor (male)	311.0	82.0	70.0	168.5	51.0	23.92	7.45	8.75	24.07	7.29
	Basic level (entry level) supervisor (female)	329.5	136.5	241.5	277.0	80.0	14.98	5.93	12.71	15.39	4.44
	Senior (junior) supervisor (male)	373.0	133.5	424.0	401.5	115.5	6.91	2.52	8.48	8.19	2.36
	Professional (female)	190.5	92.5	125.5	196.0	25.0	6.35	3.08	5.02	7.84	0.96
	Professional (male)	297.0	295.0	374.5	214.5	50.5	6.46	7.20	12.48	8.25	2.20
	Direct staff (female)	32.5	36.5	113.0	57.0	7.0	0.52	0.59	3.32	1.33	0.21
Direct staff (male)	229.5	153.5	109.5	159.5	12.0	2.23	1.50	1.80	2.38	0.14	
Statistics on training hours by rank	Senior (Level 1) managers	7.0	9.0	-	2.0	-	1.75	2.25	-	0.50	-
	Middle managers	369.0	125.5	118.5	239.5	101.5	23.06	8.96	10.77	23.95	10.15
	Basic (junior) managers	702.5	270.0	665.5	678.5	195.5	9.24	3.55	9.64	10.13	2.92
	Professionals	487.5	387.5	500.0	410.5	75.5	6.41	5.46	9.09	8.05	1.54
	Direct employees	262.0	190.0	222.5	216.5	19.0	1.59	1.16	2.34	1.97	0.16
Training hours by gender	Female	610.5	309.0	528.5	601.0	162.5	5.22	2.62	6.52	6.75	1.98
	Male	1,217.5	673.0	978.0	946.0	229.0	5.53	3.19	6.39	6.18	1.38

6-3 Employee Relations

Employee Communication Channels

In order to achieve effective communication with employees and solve the difficulties encountered by the employees or put forward suggestions, the Company has established a labor-management negotiation mechanism in accordance with the law, and set up a variety of employee communication channels, listen to the employees' voices, and ensure the negotiation rights of all employees, in order to continue improving our practices in a Friendly Workplace. The communication channels of Right Way Industrial are as smooth as in previous years. In addition to the routine promotion, other promotional activities will be conducted when the trade union holds an event to strengthen the mutual understanding of issues between employees and employers. Meanwhile, there were no incidents of discrimination and violations of the freedom of assembly and association in 2022.

Communication channel	Communication method
Company intranet	<ul style="list-style-type: none"> ● Publicity of government decrees
All types of e-mails	<ul style="list-style-type: none"> ● Employee complaint mailbox: Accepting various inquiries, suggestions, and complaints ● Welfare committee opinion mailbox: Accepting various benefits-related suggestions and feedback ● Mailbox for illegal infringement upon the workplace ● Ethical violation reporting mailbox
Other communication channels	<ul style="list-style-type: none"> ● Employee satisfaction survey ● Labor-management meeting ● Welfare committee meeting ● Training for new employees ● Performance interviews between employees and supervisors ● Publicity when the trade union holds an event

Employee Satisfaction Survey

Right Way Industrial conducts employee satisfaction survey every six months. If employee satisfaction level is below 85 points, the General Manager will convene a review meeting. The Management Dept. will propose improvement suggestions based on the issues reported by the employees and submit them to the General Manager for approval. In recent years, most opinions have focused on the raise. The management have promised a comprehensive raise in 2023. In 2022, we conducted two employee satisfaction surveys in 1H and 2H of the year. The average overall satisfaction level in 1H of the year was 86 points, and 91 points in 2H. There were 2 employee feedback cases and a 100% closure rate. Notwithstanding, no complaints against violations in workplace or violations of the ethical management were received.

Collective Bargaining Agreements

Right Way Industrial has established the Labor Union (Fu-Lao-Zi-Huan-Zi No.1000412577). Meanwhile, the Company will appoint representatives of labors and the management to convene the labor-management meeting periodically pursuant to the Labor Standards Act, and have the Union's members and the management engage in irregular two-way communication meeting. Meanwhile, each employee has executed the indefinite labor contract. The labors and management have executed the collective bargaining agreement (Tainan City Government's approval No.: Nan-Shi-Lao-Zi-Zi No. 1111423525) on November 1, 2022.

Since the Labor Union was established on June 25, 1994, it has been organizing team leaders and cadres training and labor education training from time to time to strengthen the union’s organization and labor awareness. Members' proposals or labor-management-related issues are discussed at the meeting. The Company organizes labor education and training for the union members in March and April of each year to strengthen their knowledge of labor issues. It also organizes the union membership meeting in July and August of each year, reviews the execution of the collective bargaining agreement in November each year, and makes adjustment based on laws, union’s and labor’s opinion, and practices. When there is a dispute over the rights and interests of the Company and the union, and both parties fail to reach agreement through negotiation, the union may convene a special meeting. After a majority of the members approve the strike, there must be a cooling-off period of 60 days before the actual strike. 99.5% of Right Way Industrial’s employees are unionized. Employees who are not unionized are also entitled to the conditions under the collective bargaining agreement.



Regulations of Right Way Industrial

6-4 Safety and Health

Occupational Health and Safety Management System

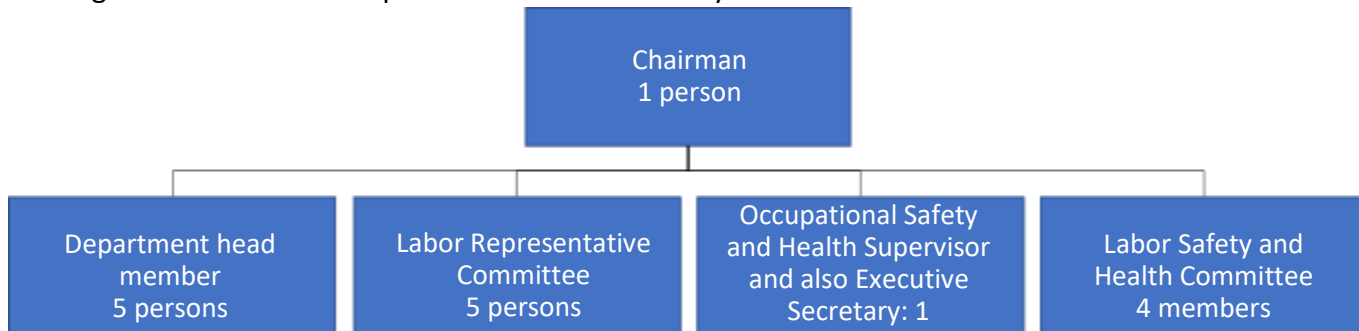
Right Way Industrial has set up the Labor Safety Section under supervision of the General Manager, which is exclusively responsible for the formulation and plan management of the Company's ESH management system, as well as the implementation of the ESH management system. There were no safety and health related violations in 2022. Right Way Industrial has established the ISO 45001 Occupational Safety and Health Management System in 2021, covering 100% of the workers working at the Right Way Industrial’s headquarters in Taiwan. It is scheduled to implement third-party external certification procedures in 2024.

EHS Policy
Legal Compliance
Risk Control
Energy Conservation and Carbon Reduction
Total Involvement
Goal achievement
Health promotion
Continuous improvement

Occupational Safety and Health Committee

In accordance with the “Regulations Governing Occupational Safety and Health Management,” Right Way Industrial has set up an occupational safety and health committee to hold regular meetings, once a quarter. The General Manager acts as the committee chairman. 15 committee representatives and 5 labor representatives (33% of the total members) shall be appointed. It is required by law that labor representatives shall account for at least one-third of the members. The Committee provides employee communication, participation, and consultation on the requirements of the Occupational Safety and Health Act and related matters, tracks the annual Occupational Safety and Health management plan, and reviews the effectiveness of training.

The organization of the Occupational Health and Safety Committee is stated as follows:



Hazard identification, risk assessment and accident investigation

Right Way Industrial complies with the spirit of ISO 45000 to implement hazard identification and risk assessment in the workplace. According to the assessment results, aluminum casting is a high-risk operation, and measures to prevent and mitigate directly related occupational safety and health impacts are formulated based on the assessment results.

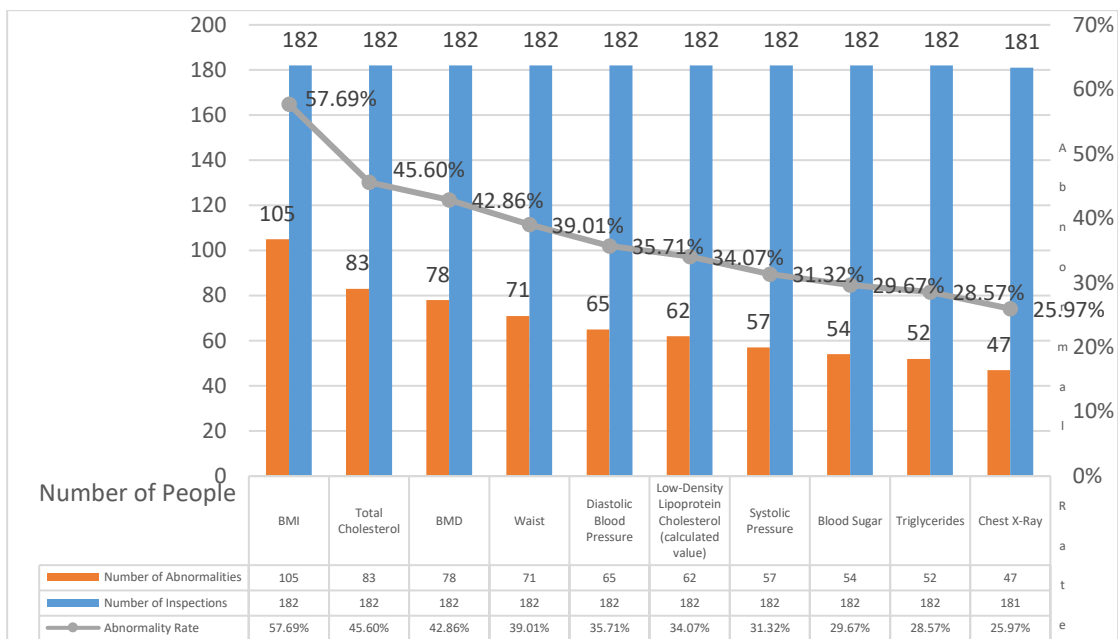
When an accident occurs, it can effectively and quickly report, handle and complete the accident investigation. In the accident investigation of Right Way Industrial, the Occupational Safety and Health Committee organizes an investigation team to conduct the investigation on root causes and formulates corrective and preventive measures to ensure the implementation of corrective measures to avoid recurrence of similar accidents.

In 2022, the main improvements included the construction of partitions in the electrical box, and the renewal and underground construction of the main power cables at the factory premises. Meanwhile, prevent occupational hazards and protect the safety and health of workers; identify unsafe environments and unsafe behaviors in the workplace through safety inspections, and provide various machinery, equipment or environmental sanitation to make suggestions for improvement, and assist with on-site improvements. In 2022, a total of 16 defective cases were found in the inspection, and improvement proposals were carried out for 16 defect inspections. The cumulative non-disaster man-hours reached 42,000, and 2 emergency response drills were conducted.

Occupational health services and health promotion activities

Employees are the Company's important assets. The Company values the employees' health and installs the breastfeeding rooms and AEDs. The factory nurses are full-time and the factory physician comes to the factory premises once every two months to provide health consultation. Health and safety seminars are held once or twice every six months. The health promotion will also be conducted through posters from time to time. Health checkups which are superior than that provided under laws will be conducted once a year. According to the Labor Health Protection Rules, in addition to regular health checkups, annual health checkups shall also be conducted against the workers with special health hazards, especially the special hazardous health operations including noise, dust, high temperature, ionizing radiation and n-hexane operations, etc., in accordance with laws. The number of persons to accept the checkup was 220 in 2022. Less the number of employees who recuperated due to illness or foreign employees who returned home to visit relatives, the total number of persons to accept the checkup became 194. The health checkup report was managed by cardiovascular disease, hyperlipidemia and hyperglycemia under three levels. The second level report refers to an abnormal report requiring health education, and the third level report requiring colleagues to assist in arranging occupational doctor consultation or assisting in arranging hospital visits and tracking. According to the follow-up report, a total of 34 colleagues were assisted in the consultation with the occupational physician in 2022.

“Health checkup report abnormality rate in 2022”



The special health checkup for the employees working in a specific area consists of noise, high temperature, dust, ionizing radiation and n-hexane inspections. The report is classified into 4 levels by the organizer, where the Level 1 stands for normal, the Level 2 for verbal or health education, the Level 3 assistance in arrangement of re-inspections. Upon determination of the level, the work will be assigned accordingly. In 2022, a total of 123 persons accepted the checkup. a total of 123 individuals underwent health checkups. Among them, 4 individuals were identified with Level 3 noise-related issues, and 4 individuals with Level 2 high-temperature-related concerns. All of them have sought medical consultation or visited the occupational physician as arranged by the Company.

Occupational Safety and Health Education and Training

To ensure the avoidance of unnecessary occupational hazards, Right Way Industrial effectively implements training and safety promotion. The following refers to the safety and health education and training implemented in 2022. A total of 193 persons were involved in the safety promotion.

Item No.	Course name	Class Method	Shift schedule	Hours	Person/time	Trainees
1	General safety and health education and training	Internal Hiring	4	3	12	New employees
2	General Hazard Education and Training	Internal Hiring	1	3	20	Personnel involved in the use, storage, and disposal of hazardous chemicals
3	Fire and Protection Corps Education and Training (Fire)	Internal Hiring	2	3	41	The Company's employees
4	Importance of screening for “three-hypers + kidney disease + four cancers”	External Employment	1	4	16	The Company's employees
5	Heat Hazard Protection Education and Training	External Employment	1	3	17	The Company's employees

6	Emergency escape drills and response	Internal Hiring	2	2	41	The Company's employees
7	Automated external defibrillator (AED) education and training	Internal Hiring	1	2	21	First-aid service personnel
8	Oil Spill Emergency Response Education and Training	Internal Hiring	1	2	3	Personnel from Casting Production Department and Forging Production Department
9	Natural Disaster Emergency Response Education and Training	Internal Hiring	1	2	5	The Company's employees
10	ISO 45001 Automatic Inspection Checklist Presentation Conference	Internal Hiring	1	2	17	All departments

Occupational Injuries and Diseases

In 2022, there were 3 pinch injuries of the Company and the injured were all of the Company's employees. There were no fatalities, no occupational diseases, and no non-employee accidents during the year. In addition to reporting occupational injury statistics on a monthly basis as required by law, the Company also conducts root-cause analysis and improvement measures for accidents. Re-training on occupational safety for employees is also enhanced to prevent recurrence of the same incident.

According to the accident statistics, the frequency of pinch injuries at Right Way Industrial is the highest. The Production Line and Safety Section have initiated a special review on such type of disaster. The possible pinch points of the production line will be inventoried, and safety protection measures will be improved and hazard warning signs will be posted, in order to ensure the safety of personnel. In addition to using the accident statistics to assist in risk assessment on the workplace, Right Way Industrial will also research the implementation of a safety proposal and Near Miss case reporting system. Through the participation of all employees in safety proposals and Near Miss case reporting, the Company may discover the potential hazards in the workplace as much as possible and improve them.

Employee	2018	2019	2020	2021	2022
Annual work hours	725,744.0	671,264.0	520,496.0	444,008.0	437,984.0
Number of occupational injury fatalities	-	-	-	-	-
Number of serious occupational injuries	-	-	-	-	-
Number of lost working hours due to occupational injuries	2	1	2	2	3
Number of cases with no lost day but work activities restricted/forced to transfer temporarily	-	-	-	-	-
Number of injury cases with no lost day and no work activities restricted	-	-	-	-	-
Number of Near Miss	-	-	-	-	-
Number of days for lost working hours	64	34	40	12	53
Number of Total Recordable Incidents	2	1	2	2	3

Employee	2018	2019	2020	2021	2022
Occupational injury fatality rate	-	-	-	-	-
Serious occupational injury rate	-	-	-	-	-
Total Recordable Incident Rate (also known as TRIR or LTIR)	0.55	0.30	0.77	0.90	1.37
Lost Work/Restricted Work Rate (DART)	0.55	0.30	0.77	0.90	1.37
Near Miss Frequency Rate (NMFR)	-	-	-	-	-
Lost Workday Rate (LWD)	17.64	10.13	15.37	5.41	24.20
Occupational accident rate	0.006	0.003	0.007	0.009	0.014

6-5 Social Impact

From the bottom of our hearts, we believe in the basic value of honesty and hope to become a good corporate citizen. Right Way Industrial's commitment to corporate social responsibility lies in “doing the right thing” for our employees. Employees are committed to feeding back to their local communities. Programs that enhance and improve people's lives may make the communities in which we operate more attractive places to live and work. We also help stimulate economic development through initiatives such as the Education Alliance with universities. As a technology-focused organization, we value the need to nurture and encourage youth fascination with elements of science and management education. These university programs also benefit local communities, particularly in developing nations, which rely in part on quality educational opportunities to attract new residents, drive economic activity, and improve living standards.

Right Way Industrial launched community care activities under the Community Engagement Plan in 2022, such as donation to Taiwan Fund for Children and Families, Tainan and participation in the Tainan Civil Defense Group's regular participation in regional scenario planning or troop exercises. In the future, it will adhere to the management philosophy for feeding back to the society when continuing to participate in community activities to enhance the corporate identity.

7. Appendix

7-1 GRI Content Index

7-1-1 GRI Statement of Use

Statement of Use	Right Way Industrial Co., Ltd. has reported the information in reference to that quoted in the GRI Content Index from January 1, 2022 to December 31, 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundations 2021

7-1-2 GRI 2: General Disclosure 2021

Indicator	Disclosure Item	Corresponding Chapter of the Report		Page number	Explanation
The organization and its reporting practices					
2-1	Detailed information of the organization	1	About Right Way Industrial	8	
2-2	Entities included in the organization's sustainability reporting		About the Report	2	
2-3	Reporting period, frequency, and contact person		About the Report	2	
2-4	Restatement of information				The Report is issued for the first time.
2-5	External Assurance/Assurance			76	
Activities and workers					
2-6	Activities, value chains, and other business relationship	1-3	Overview of operations	13	
2-7	Employee	6-1	Talent attraction and retention	52	
2-8	Workers who are not employees	6-1	Talent attraction and retention	52	
Governance					
2-9	Governance structure and composition	4-1	Corporate Governance	35	
2-10	Nomination and selection of the highest governance body	4-1	Corporate Governance	35	
2-11	Chair of the supreme governance body	4-1	Corporate Governance	35	
2-12	The role of the highest governance body in overseeing the management of impacts	4-1	Corporate Governance	35	
2-13	Person in charge of impact management	4-1	Corporate Governance	35	
2-14	Highest governance body's role in sustainability reporting	4-1	Corporate Governance	35	
2-15	Conflict of Interests	4-1	Corporate Governance	35	
2-16	Communicating key and significant events	4-1	Corporate Governance	35	
2-17	Group Intelligence of the Highest Governance Unit	4-1	Corporate Governance	35	

Indicator	Disclosure Item	Corresponding Chapter of the Report		Page number	Explanation
2-18	Performance evaluation of the highest governance body	4-1	Corporate Governance	35	
2-19	Remuneration policy	4-1	Corporate Governance	40	
2-20	Remuneration decision process	4-1 6-1	Corporate Governance Talent attraction and retention	40 57	
2-21	Annual total compensation ratio	4-1	Corporate Governance	40	
Strategy, policies and practices					
2-22	Statement of Sustainable Development Strategy	1-1	Company Overview	8	
2-23	Policy Commitment (Responsible Business Behavior, Respect for Human Rights)	1-1	Company Overview	11	
2-24	Incorporate policy commitments	1-1	Company Overview	11	
2-25	Procedures for Remediating Negative Impacts	1-1	Company Overview	11	
2-26	Mechanisms for seeking advice and raising concerns	1-1	Company Overview	11	
2-27	Legal Compliance	4-3	Ethical Corporate Management	43	
2-28	Membership of associations	1-1	Company Overview	10	
Stakeholder engagement					
2-29	Stakeholder Engagement Policy	2-2	Important Stakeholder Engagement	16	
2-30	Collective bargaining agreements	6-3	Employee relations	60	

7-1-3 GRI 3: Material Topics 2021

Indicator	Disclosure Item	Corresponding Chapter of the Report		Page number	Explanation
3-1	Process for Determining Major Topics	2-3	Identification of Material Sustainability Issues	18	
3-2	List of Material Topics	2-3	Identification of Material Sustainability Issues	18	
Major Topic 1: Product quality					
3-3	Major Topic Management	2-3	Identification of Material Sustainability Issues	18	
GRI 416: Customer Health and Safety 2016					
416-1	Assess the health and safety impacts of product and service categories	3-3	Product Quality and Safety	25	
416-2	Violations of health and safety regulations for products and services				No such event
GRI 417: Marketing and Labeling 2016					

Indicator	Disclosure Item	Corresponding Chapter of the Report		Page number	Explanation
417-1	Requirements for product and service information and labeling	3-3	Product Quality and Safety	26	
417-2	Incidents of non-compliance with information and labeling regulations for products and services				No such event
417-3	Incidents of non-compliance with regulations governing marketing communications				No such event
Major Topic 2: Business Ethics					
3-3	Major Topic Management	2-3	Identification of Material Sustainability Issues	18	
2-15	Conflict of Interests	4-1	Corporate Governance	37	
2-27	Legal Compliance	4-3	Ethical Corporate Management	43	
GRI 205: Anti-Corruption 2016					
205-1	Operations that have undergone corruption risk assessments	4-3	Ethical Corporate Management	43	
205-2	Communication and training on anti-corruption policies and procedures	4-3	Ethical Corporate Management	43	
205-3	Confirmed incidents of corruption and actions taken				No incident of corruption
GRI 206: Anti-competitive Behavior 2016					
206-1	Legal actions involving anti-competitive behavior, anti-trust, and monopoly practices				No such event
GRI 207: Tax 2019					
207-1	Tax policy	4-2	Tax Governance	42	
207-2	Tax governance, control and risk management	4-2	Tax Governance	42	
207-3	Stakeholder engagement and management of tax-related issues	4-2	Tax Governance	42	
207-4	Country-by-country reporting	4-2	Tax Governance	42	
Major Topic 3: Information Security					
3-3	Major Topic Management	2-3	Identification of Material Sustainability Issues	18	
GRI 418: Customer Privacy 2016					
418-1	Substantiated complaints about violations of customer privacy or loss of customer data				No such event
Major Topic 4: Talent Development					
3-3	Major Topic Management	2-3	Identification of Material Sustainability Issues	18	
GRI 404: Training and Education 2016					
404-1	Average hours of training per year per employee	6-2	Talent development	59	

Indicator	Disclosure Item	Corresponding Chapter of the Report		Page number	Explanation
404-2	Programs for upgrading employee competency and transition assistance programs	6-2	Talent development	58	
404-3	Percentage of employees receiving regular performance and career development reviews	6-1	Talent attraction and retention	56	
Major Topic 3: Talent Attraction and Retention					
3-3	Major Topic Management	2-3	Identification of Material Sustainability Issues	18	
GRI 401: Employment Relations 2016					
401-1	New Hires and Hires	6-1	Talent attraction and retention	55	
401-2	Benefits provided to full-time employees only (excluding temporary or part-time employees)	6-1	Talent attraction and retention	57	
401-3	Childcare leave	6-1	Talent attraction and retention	58	

7-1-4 Indicator Items for All Topics

Indicator	Disclosure Item	Corresponding Chapter of the Report		Page number	Explanation
GRI 201: Economic Performance 2016					
201-1	Direct economic value generated and distributed by the organization	1-3	Overview of operations	13	
201-2	Financial impacts and other risks and opportunities arising from climate change	4-1	Corporate Governance	41	
201-3	Defined benefit plan obligations and other retirement plans	6-1	Talent attraction and retention	57	
201-4	Financial subsidies received from the government				No subsidy
GRI 202: Market Image 2016					
202-1	Ratio of standard salary to local minimum wage for grassroots employees by gender	6-1	Talent attraction and retention	57	
202-2	Percentage of local residents employed as senior management	6-1	Talent attraction and retention	53	
GRI 204: Procurement Practices 2016					
204-1	Proportion of spending from local suppliers	3-4	Supplier and raw materials & supplies management	34	
GRI 205: Anti-Corruption 2016					
205-1	Operations that have undergone corruption risk assessments	4-3	Ethical Corporate Management	43	
205-2	Communication and training on anti-corruption policies and procedures	4-3	Ethical Corporate Management	43	
205-3	Confirmed incidents of corruption and actions taken				No incident of corruption
GRI 206: Anti-competitive Behavior 2016					
206-1	Legal actions involving anti-competitive behavior, anti-trust, and monopoly practices				No such event

Indicator	Disclosure Item	Corresponding Chapter of the Report		Page number	Explanation
GRI 207: Tax 2019					
207-1	Tax policy	4-2	Tax Governance	42	
207-2	Tax governance, control and risk management	4-2	Tax Governance	42	
207-3	Stakeholder engagement and management of tax-related issues	4-2	Tax Governance	42	
207-4	Country-by-country reporting	4-2	Tax Governance	42	
GRI 302: Energy 2016					
302-1	Energy consumption within the organization	3-1	Energy management	21	
302-2	Energy consumption outside the organization	3-1	Energy management	21	
302-3	Energy intensity	3-1	Energy management	5	
302-4	Reduce energy consumption	3-1	Energy management	21	
302-5	Reduce the energy requirements of products and services	3-1	Energy management	21	
GRI 303: Water and Effluents 2018					
303-1	Mutual impacts of shared water resources	5-2	Water resource management	49	
303-2	Management of water discharge-related impacts	5-2	Water resource management	49	
303-3	Water withdrawal	5-2	Water resource management	49	
303-4	Drainage volume	5-2	Water resource management	49	
303-5	Water consumption	5-2	Water resource management	49	
GRI 304: Biodiversity 2016					
304-1	Business locations owned, leased, or managed by the organization or its adjacent areas are located in environmental protection zones or other areas of high biodiversity value	5-1	Environmental policy	48	
304-2	Significant impacts of activities, products, and services on biodiversity				No impact
304-3	Habitats protected or restored				Non-protected area
304-4	Species in the habitats affected by the operations that are included in the IUCN Red List and the National Protection List				No such species
GRI 305: Emissions 2016					
305-1	Direct (Scope 1) GHG emissions	5-1	Environmental policy	47	
305-2	Energy indirect (Scope 2) GHG emissions	5-1	Environmental policy	47	
305-4	Intensity of GHG emissions	5-1	Environmental policy	47	
305-7	Nitrogen oxides, sulfur oxides and other significant air emissions	5-3	Air Pollution Control	50	

Indicator	Disclosure Item	Corresponding Chapter of the Report	Page number	Explanation
GRI 306: Waste 2020				
306-1	Waste generation and significant waste-related impacts	3-2	Waste management	23
306-2	Management of significant waste-related impacts	3-2	Waste management	23
306-3	Waste Generation	3-2	Waste management	23
306-4	Disposal and diversion of waste	3-2	Waste management	24
306-5	Direct Disposal of Waste	3-2	Waste management	24
GRI 308: Supplier Environmental Assessment 2016				
308-1	Use of environmental criteria to screen new suppliers	3-4	Supplier and raw materials & supplies management	32
308-2	Negative environmental impacts of the supply chain and actions taken	3-4	Supplier and raw materials & supplies management	32
GRI 401: Employment Relations 2016				
401-1	New Hires and Hires	6-1	Talent attraction and retention	55
401-2	Benefits provided to full-time employees only (excluding temporary or part-time employees)	6-1	Talent attraction and retention	57
401-3	Childcare leave	6-1	Talent attraction and retention	58
GRI 402: Labor/Management Relations 2016				
402-1	Minimum notice period for operational changes	6-3	Employee relations	60
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational Health and Safety Management System	6-4	Safety and Health	61
403-2	Hazard identification, risk assessment, and accident investigation	6-4	Safety and Health	62
403-3	Occupational Health Services	6-4	Safety and Health	62
403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	6-4	Safety and Health	61
403-5	Worker training related to occupational safety and health	6-4	Safety and Health	63
403-6	Worker health promotion	6-4	Safety and Health	62
403-7	Prevention and mitigation of occupational health and safety impacts directly related to business relationships	6-4	Safety and Health	62
403-8	Workers covered by the occupational safety and health management system	6-4	Safety and Health	61
403-9	Occupational injury	6-4	Safety and Health	64
403-10	Work-related ill health	6-4	Safety and Health	64

Indicator	Disclosure Item	Corresponding Chapter of the Report		Page number	Explanation
GRI 404: Training and Education 2016					
404-1	Average hours of training per year per employee	6-2	Talent development	59	
404-2	Programs for upgrading employee competency and transition assistance programs	6-2	Talent development	58	
404-3	Percentage of employees receiving regular performance and career development reviews	6-1	Talent attraction and retention	56	
GRI 405: Employee Diversity and Equal Opportunity 2016					
405-1	Diversity of governance units and employees	4-1	Corporate Governance	35	
		6-1	Talent attraction and retention	52	
405-2	Ratio of basic salary and remuneration of women to men	6-1	Talent attraction and retention	57	
GRI 406: Non-Discrimination 2016					
406-1	Discrimination incidents and corrective actions taken by the organization				Non-discriminatory incidents
GRI 407: Freedom of Association and Collective Bargaining 2016					
407-1	Operations or suppliers at risk for freedom of association and group bargaining				No such risk
GRI 408: Child Labor 2016					
408-1	Significant risks of child labor at business locations and suppliers				No such risk
GRI 409: Forced and Compulsory Labor 2016					
409-1	Operations and suppliers at significant risk of incidents of forced and compulsory labor				No such risk
GRI 410: Security Practices 2016					
410-1	Security personnel receiving training on human rights policies or procedures	6-1	Talent attraction and retention	52	
GRI 411: Indigenous Peoples' Rights 2016					
411-1	Incidents involving violations of indigenous rights				No such event
GRI 412: Human Rights Assessment 2016					
412-1	Operations that have undergone human rights reviews or human rights impact assessments	4-1	Corporate Governance	41	
412-2	Employee training on human rights policies or procedures	1-1	Company Overview	11	
412-3	Material investment agreements and contracts that contain human rights clauses or that have undergone human rights screening	3-4	Supplier and raw materials & supplies management	32	
GRI 413: Local Communities 2016					
413-1	Operations with local community engagement, impact assessments, and development plans	1-3	Overview of operations	15	

Indicator	Disclosure Item	Corresponding Chapter of the Report		Page number	Explanation
413-2	Operational activities with significant actual or potential negative impact on the local community				No negative impact
GRI 414: Supplier Social Assessment 2016					
414-1	New suppliers are screened using social criteria	3-4	Supplier and raw materials & supplies management	32	
414-2	Negative social impacts in the supply chain and actions taken				No such event
GRI 415: Public Policy 2016					
415-1	Political contributions				No political contributions
GRI 416: Customer Health and Safety 2016					
416-1	Assess the health and safety impacts of product and service categories	3-3	Product Quality and Safety	26	
416-2	Violations of health and safety regulations for products and services				No such event
GRI 417: Marketing and Labeling 2016					
417-1	Requirements for product and service information and labeling	3-3	Product Quality and Safety	26	
417-2	Incidents of non-compliance with information and labeling regulations for products and services				No such event
417-3	Incidents of non-compliance with regulations governing marketing communications				No such event
GRI 418: Customer Privacy 2016					
418-1	Substantiated complaints about violations of customer privacy or loss of customer data				No such event

7-2 SASB Index

SASB operating activity indicators				
Indicator No.	Indicator item	2020	2021	2022
TR-AP-000.A	(1) Total quantity manufactured (unit: pieces)	2,820,571	3,444,198	3,178,284
TR-AP-000.B	(2) Gross manufacturing weight (unit: metric tons)	2,085	2,643	2,425
TR-AP-000.C	(3) Areas occupied by manufacturing plants (Unit: m ²)	22,379.75	22,379.75	22,379.75
Disclosure Topic: Energy Management				
Indicator No.	Indicator item	2020	2021	2022
TR-AP-130a.1	(1) Total energy consumption (including fuel and electricity) (GJ)	31,565.54	35,413.3	29,460.18
	(2) Percentage of electricity consumption to total energy consumption	65.43%	62.03%	64.96%
	(3) Percentage of renewable energy consumption to total energy consumption	0	0	0
Disclosure Topic: Waste Management				
Indicator No.	Indicator item	2020	2021	2022
TR-AP-150a.1	(1) Total weight of waste generated from manufacturing (unit: metric tons)	511.22	487.85	842.06
	(2) Percentage of hazardous waste in total waste	0%	0%	0.26%
	(3) Percentage of recycled weight in total weight of waste	85.4%	90.6%	91.1%
Disclosure Topic: Product Safety				
Indicator No.	Indicator item	2020	2021	2022
TR-AP-250a.1	(1) Total number of recall incidents	0	0	0
	(2) Total quantity of recalled products	0	0	0
	(3) Percentage of voluntary recalls	0	0	0
	(4) Percentage of involuntary recalls	0	0	0
Disclosure subject: Raw materials and supplies procurement				
Indicator No.	Indicator item	2020	2021	2022
TR-AP-440a.1	Descriptions about risk management associated with the use of key materials	Right Way Industrial conducts the assessment on risk over procurement of key raw materials in accordance with the internal risk management procedure. The possible risks include the limit on procurement volume, pricing, manufacturing bottlenecks, and goodwill. Different risk mitigation strategies are implemented separately.		
Disclosure topic: Raw material consumption efficiency				
Indicator No.	Indicator item	2020	2021	2022
TR-AP-440b.1	Percentage of recyclable products in total product sales	Right Way Industrial products cannot be recycled. Not applicable.		
TR-AP-440b.2	Percentage of recycled or remanufactured inputs			
Disclosure Topic: Designing for Fuel Efficiency				
Indicator No.	Indicator item	2020	2021	2022
TR-AP-410a.1	(1) Total turnover of products that can improve fuel efficiency and/or reduce emissions during the use stage	Right Way Industrial is only for OEM business but does not participate in design and development. Not applicable.		
Disclosure topic: Competitive behavior				
Indicator No.	Indicator item	2020	2021	2022
TR-AP-520a.1	Total pecuniary losses as a result of litigation related to anti-competitive conduct	Not applicable, as no such event occurred.		

7-3 GHG Inventory and Assurance Status

Right Way Industrial is a company with a capital of less than NT\$5 billion. According to the Sustainable Development Roadmap, it has not yet reached the timeframe for mandatory inventory. The GHG emission information in the Report was inventoried according to ISO 14064-1. The operational boundary includes Scope 1 and Scope 2. For the organizational boundary and assurance scope of the inventory, please refer to the “Organizational Boundary Descriptions” as shown in the table.

GHG emissions (Scope 1 and Scope 2)

Scope 1				
Scope of emissions	Total Emissions (Metric tons CO ₂ e)	Intensity (Metric tons CO ₂ e/NT\$ million)	Assurance institution	Descriptions about assurance
Consolidated financial statements of the Company	1,667.0708	4.7737	Not assured	
Parent company	591.7729			
Subsidiary in Malaysia	1,075.2979			
Scope 2				
Scope of emissions	Total Emissions (Metric tons CO ₂ e)	Intensity (Metric tons CO ₂ e/NT\$ million)	Assurance institution	Descriptions about assurance
Consolidated financial statements of the Company	6,413.9272	5.6183	Not assured	
Parent company	2,631.2220			
Subsidiary in Malaysia	3,782.7052			

Note 1: Scope 1 or 2 emission intensity of the consolidated financial statement company = Scope 1 or Scope 2 emission intensity of the consolidated financial statement company ÷ Operating revenue of the consolidated financial statement

Note 2: Scope 1 or 2 emission intensity of parent company = parent company's Scope 1 or 2 emissions ÷ operating revenue in parent company only financial statement

Descriptions about the Organizational Boundaries

By Business Location	Descriptions about business locations	Inventory	Assurance	Excluded
Consolidated financial statements of the Company	The “emissions of the Company with financial statements” in said table refers to the emissions of all business locations that have been inventoried. Except for the business locations that account for less than 5% of total emissions, all of the companies in the consolidated financial statements have been included.			
Parent company	Tainan Headquarters	●		
Subsidiary in Taiwan	RIGHT WAY GLOBAL CO., LTD. (the company registration canceled on February 21, 2023)			●
Malaysia	Attributed to Right Way Industrial (Malaysia) Sdn Bhd, the main manufacturing site in Malaysia.	●		
	TRIM-Telesis Engineering Sdn Bhd.			●
the United States	Attributed to Right Way North America, Inc.			●
China	Excellent Growth Investments Limited, an investment holding company.			●
	Fuzhou Assured Brake Systems Co., Ltd. (Note) (already sold on January 1, 2023)			●
Scope of Exclusion	Explanation			
TRIM Malaysia	No physical business locations during the reporting year			
the United States	The actual business location of the subsidiary in the United States is a leased unmanned warehouse, which is only used as a warehouse for finished goods, and all the electricity expenses during the use of the warehouse are included in the rent.			
China	It is a holding company without a physical business location.			

INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

The Board of Directors and Stockholders
Right Way Industrial Co., Ltd.

We have performed a limited assurance engagement on the selected subject matter information (see Appendix) in the Sustainability Report (the “Report”) of Right Way Industrial Co., Ltd. (the “Company”) for the year ended December 31, 2022.

Responsibilities of Management for the Report

Management is responsible for the preparation of the Report in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI), and for such internal control as management determines is necessary to enable the preparation of the Report that are free from material misstatement.

Auditors' Responsibilities for the Limited Assurance Engagement Performed on the Report

We planned and conducted our work on the selected subject matter information (see Appendix) in the Report in accordance with the Statements of Assurance Engagements Standards No. 3000 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the Accounting Research and Development Foundation of the Republic of China to issue a limited assurance report on the preparation, with no material misstatement in all material respects, of the Report. The nature, timing and extent of procedures performed in a limited assurance engagement are different from and more limited than a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We applied professional judgment in the planning and conduct of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

1. Obtaining and reading the Report.
2. Inquiring management and personnel involved in the preparation of the Report to understand the policies and procedures for the preparation of the Report.
3. Inquiring the personnel responsible for the preparation of the Report to understand the process, controls, and information systems in the preparation of the selected subject matter information.
4. Analyzing and examining, on a test basis, the documents and records supporting the selected subject matter information.

Inherent Limitations

The subject information included non-financial information, which was under more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

Independence and Quality Controls

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which contains integrity, objectivity, professional competence and due care, confidentiality and professional behavior as the fundamental principles. In addition, the firm applies Statement of Quality Management Standard No. 1 “Quality Management for Public Accounting Firms” issued by the Accounting Research and Development Foundation of the Republic of China and, accordingly, requires to design and implement quality management system, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected subject matter information in the Report is, in all material respects, not prepared in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI).

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partner on the limited assurance report is Wei-Jer Lo.

Legendary & Steadfast Accountancy
Tainan, Taiwan
Republic of China
June 16, 2023

Notice to Readers

For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of selected subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report and summary of selected subject matter information shall prevail.

SUMMARY OF SELECTED SUBJECT MATTER INFORMATION

#	GRI Standards No. / SASB Standards No.	Descriptions of Indicators	Corresponding Section	Applicable Criteria
1.	GRI 401-1 : 2016	New employee hires and employee turnover	6-1 Talent Attraction and Retention	Total number and rate of new employee hires and employee turnover during the reporting period, by age group and gender, of the Company.
2.	GRI 403-9 : 2018	Work-related injuries	6-4 Safety and Health	The number and rate of fatalities as a result of work-related injury, high-consequence work-related injuries and recordable work-related injuries, the main types of work-related injury, and the number of hours worked for all employees and workers of the Company.
3.	GRI 404-1 : 2016	Average hours of training per year per employee	6-2 Talent Development	Average hours of training that the Company's employees have undertaken during the reporting period, by gender and employee category.
4.	SASB TR-AP-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	3-1 Energy Management	Total energy consumed, percentage grid electricity and percentage renewable by the Company.
5.	SASB TR-AP-150a.1	(1) Total amount of waste from manufacturing, (2) percentage hazardous, (3) percentage recycled	3-2 Waste Management	Total amount of waste from manufacturing, percentage hazardous, percentage recycled by the Company.