

**YOKE**<sup>®</sup>

*Safety is our first priority*<sup>™</sup>

SAFETY IS OUR  
FIRST PRIORITY AND  
CORE CSR VALUE.

**2022**

Corporate ESG Report







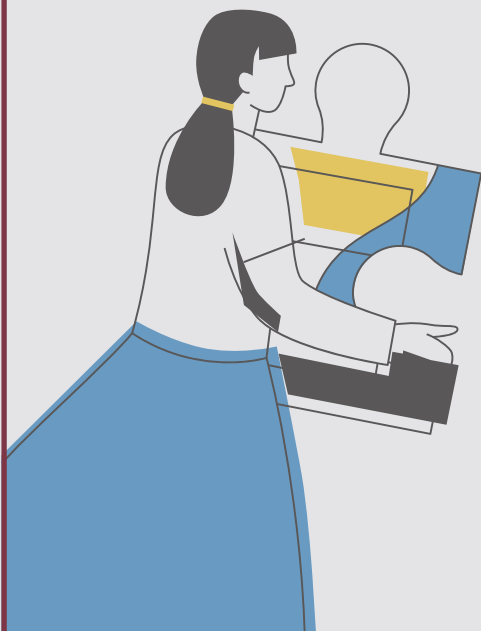
While a person can run fast, a group  
of people can go far

Time is on our side

Stevei Hong

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## Message from the management

Chairman

Steven Hong



Despite the nonstop escalation of inflation risk and energy and resource costs as a result of COVID-19 and geopolitical tension, the new balance between the pandemic and economic development was gradually regained due to the popularization of vaccines and the relevant measures in 2022. By maintaining steady operations in instability, we have gotten revenues back to the level before the pandemic and maintained growth for two years. As a result, the 2022 revenues increased by 29.26% over 2021 to NT\$3.649 billion. Through continuously overcoming all adversities amidst various unfavorable factors, our management team made various improvements based on the direction of implementation of various strategies and plans.

Committed to raising the overall value of safety, we continue the “Tech for Safety” safety digitization plan to enhance the safety of worldwide workers with technology. In 2017 we pioneered the RFID-embedded safety industrial lifting components or installed the SupraTag chip on products to help customers optimize the source management, anti-counterfeit identification, and safety check of lifting components with cloud technology by retrieving data from digital chips via mobile app and achieve environmental protection and carbon reduction through paperless operation. In 2022, apart from equipping up to 74% of our products with RFID, we also developed a series of SupraTag products suitable for different lifting methods and for the safety regulations of different countries, hoping to popularize digital technology application in industrial lifting components through continuous physical and online promotions so as improve the working environment safety of different sectors. In personal fall arrest systems (PFAS), we captured in advance the latest international standards announced in 2022 to smoothly keep up with the new standards for over 95% of our products based on the revised tensile strength and categorization. Apart from demonstrating our efficient capture of and response to global regulatory trends, this also increased the faith in YOKE customers. After all, we are glad to see that our products meeting the latest regulatory requirements can keep global users safer at work. Additionally, we were awarded three awards at the Taiwan Excellence Awards for the “RFID carabiner, dielectric carabiner, and RFID tag” in 2022 to demonstrate our innovation capacity and industrial design capability.

As the core of the global and Taiwan ESG trend in 2022, net zero 2050 has given rise to various standards or policies. It is the seventh year since our first publication of the sustainability report. Changing neither the intent nor the attitude, making good products, taking care of employees, and fighting for the future together with suppliers are our way towards sustainability. Hence, we earned the Gold Award from the Corporate Health Responsibility (CHR) Award of the CommonHealth magazine in 2022 for our long-term care about employee safety and health.

Our vision at YOKE is to become a relevant player with stable profit margins and steady growth in the global market for industrial safety hooks, which we seek to demonstrate to our stakeholders. We shall continue to expand the market for industrial hoist hooks and protective safety gear while demonstrating the compatibility between “safety” and sustainability” to the world as our goals for the future.

Safety is our first priority. Our vocation is to allow everyone in the world to possess the right to safety, and to showcase to the world the results of compatibility between “safety” and “sustainability”, which has always remained the unwavering goal of YOKE.

In 2016 we started the “people-oriented” digital transformation to support the organization’s transition from the mindset of traditional industries with the knowledge of high-tech industries. We have been developing a “continual improvement culture” through projects including the Continual Improvement Team (CIT) over time for employees to develop accountability, proactivity, and problem-solving capability in employees. Then, through the assistance of various digital tools; rationalization, optimization, and standardization of operating procedures; and worktime reduction, we develop the organization’s quick response capability and so capture the business opportunities from global economic recovery.

In 2021, we further implemented the Total Improvement Suggestion reward system. In 2022, we received up to 2,446 suggestions for improvement directly from employees, with a monthly average of 1.07 suggestions per employee. The excellent suggestions created a benefit of about NT\$1.93 million. In recent years we have progressively implemented various digitization system tools, such as the product lifecycle management (PLM) system and statistical process control (SPC) system, to effectively support internal process improvement, such as product development, quality management, and process control, and extend to the customer relationship management (CRM) and supplier chain management (SCM) platforms to progressively enhance employee work efficiency and improve product and service quality through system connection and integration according to the strategic planning schedule.

Additionally, after the European Parliament passed the Carbon Border Adjustment Mechanism (CBAM) in 2022, the bill is on the verge of passage and effectuation, which is critical to the iron and steel industry. Although none of our existing product ranges is covered by the CBAM, due to our continuous expansion of the scope of product application, the likelihood of CBAM exposure will be higher than that of other industries, increasing the likelihood of significant impact on raw material costs. Additionally, at the rise of the global carbon reduction trend and demand, at this critical moment we are thinking the need for the assistance of an effective management framework to establish effective improvement mechanisms so as to address the carbon reduction issues and energy management. In addition to continuously performing GHG inventory, we already implemented and passed the certification of the ISO 50001 energy management system (EnMS) in 2022. We have also performed the carbon footprint quantification of three products based on ISO 14067 and are expected to run the third-party verification in 2023. In the future, we will engage in the assessment and improvement of product carbon reduction in greater depth and integrate environmentally sustainable design (eco-design) into new product development to lower the environmental impact of products in terms of hazardous substance elimination, product durability enhancement, and low-carbon packaging to make preparation for advance deployment so as to meet the future industry requirements and financial market concerns and continue various sustainability actions.



General Manager

Tom Lin

# YOKE Philosophy

## Vision

Building a world-class company with firm profits and steady growth in the industrial safety component business.

## Mission

To manufacture quality hooks and safety equipment and deliver superior safety protection for mankind regardless of time or place.

## Brand Story

YOKE means “connector,” and during our beginning as a trading company, YOKE symbolized the connection between the customers and the manufacturing end. Today, it embodies the inseparable connection between our products and safety. Red is the standard color for industrial safety and warning for personnel safety. At the same time, the globe represents our worldwide distribution and our inspiration to become a respectable company with steady profit and growth in the global industry of industrial safety hooks.



## Brand Slogan

“Safety is our first priority.” This is YOKE’s commitment to all YOKE product users. Delivering compliant products with reliable quality is the greatest assurance we have to offer for our customers.

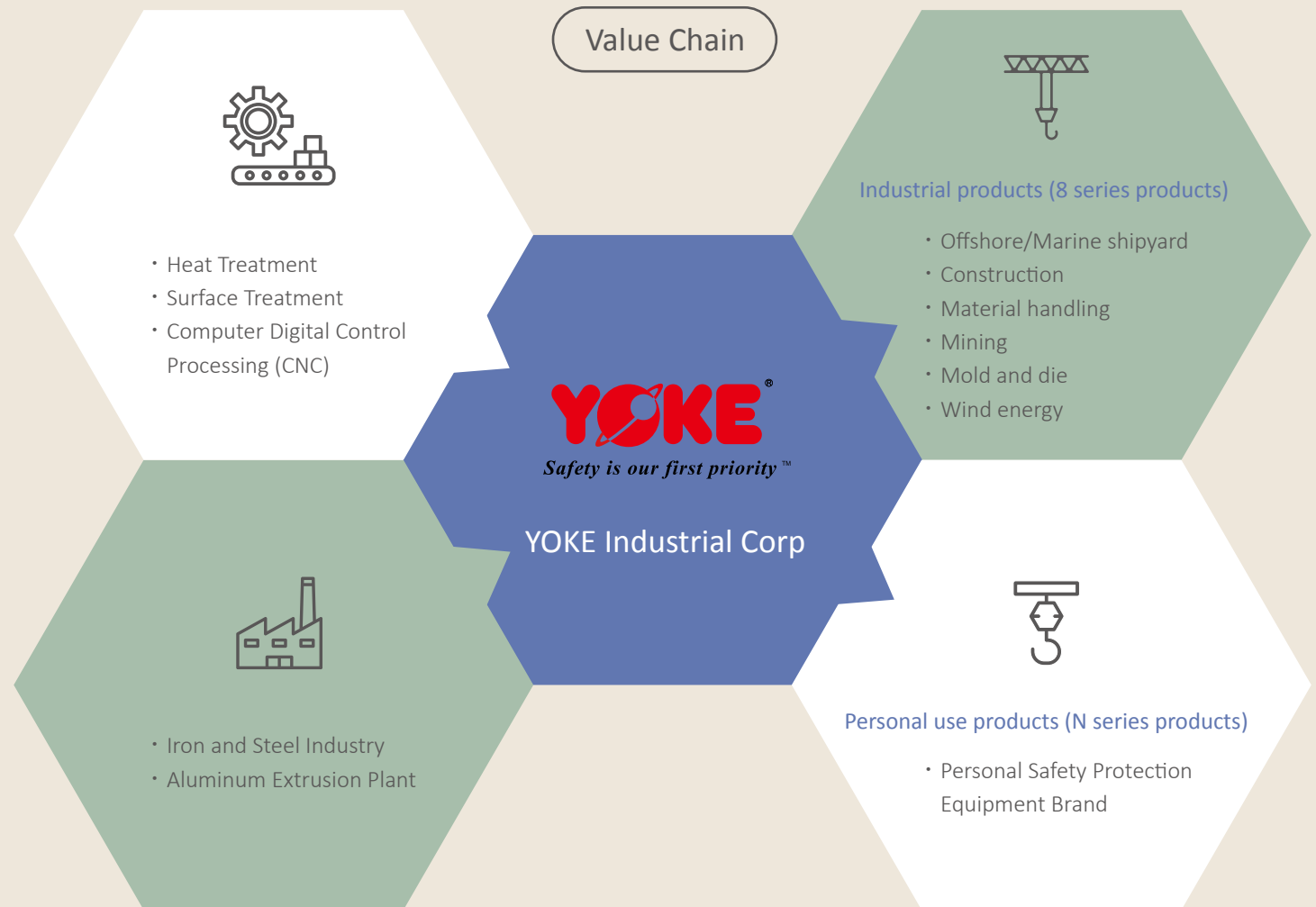
## Corporate sustainability policy

- Sustainability & Inclusion: Ethical management, legal compliance, mutual benefit with the society and engagement through communication
- Education & Growth: Total participation, reinforcement of awareness, internalization of training and continuous improvement
- Quality First: Innovative development, process improvement, quality refinement, and customer satisfaction
- Environmental Protection: Resource efficiency, energy/water conservation, emission, and waste reduction and pollution prevention
- Safety & Health: Safety first, health promotion, hazard prevention, balance between physical & mental well-being

## Creating a Safety Value Chain

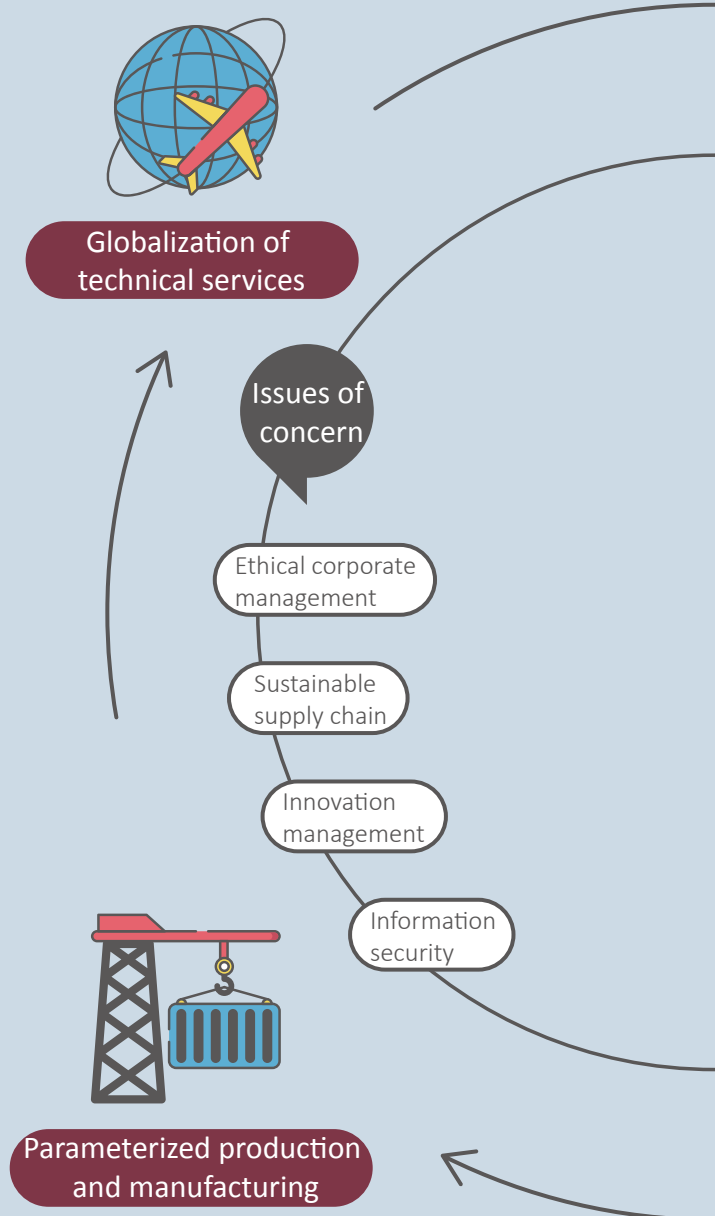
The primary materials that YOKE uses are iron and aluminum, which, after heat treatment, surface treatment, appearance modification and assembly, become the final products. Industrial products are sold through distributors in 41 countries around the world and are used in 6 industries; personal products are designed and manufactured for major brands around the world. In the past 5 years, the average local procurement rate of YOKE reached 98.11%, and the main material suppliers and outsourcing service providers are all manufacturers in Taiwan.

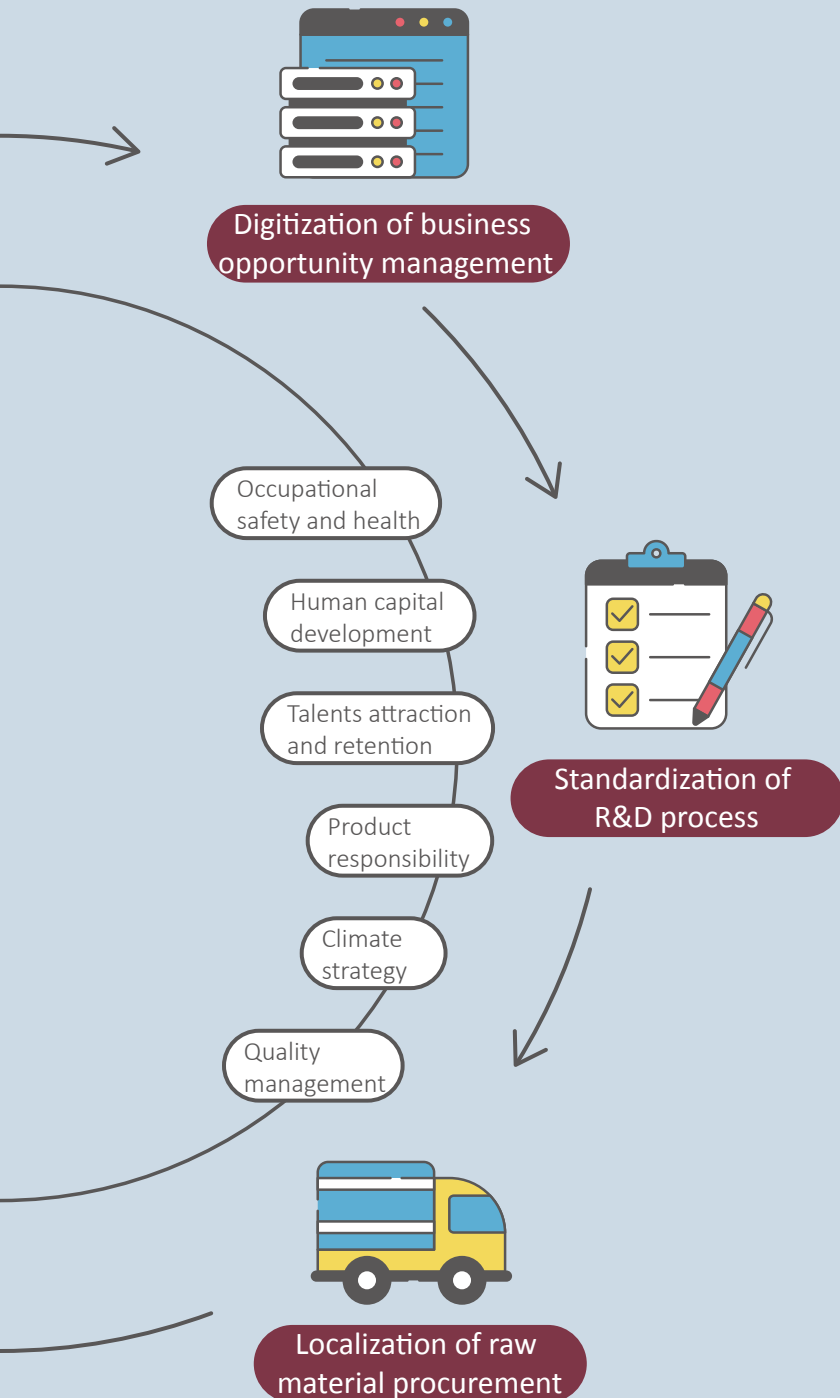
We operate on the management philosophy of creating safety value and through our investments in six major forms of capital inputs and relevant efforts made through different value-added activities in our operations. We hope to create short-, medium- and long-term safety value expected by all stakeholders through our outcomes.



















## Capital Input and Output

| Capital               | Description  | Inputs for 2022   |
|-----------------------|--|---|
| Financial Capital     | Through outstanding operation and management capacities, we strive for optimal financial performance.  | <ul style="list-style-type: none"> <li>Capital: NT\$1.154 billion</li> <li>R&amp;D expenses: NT\$88.57 million</li> </ul>   |
| Manufacturing Capital | By pursuing optimal process efficiency, we aim to achieve optimal manufacturing efficacy and yield rate.   | <ul style="list-style-type: none"> <li>Continuous improvement of product compliance and laboratory testing capabilities</li> <li>Reduction of the interval between downtime and recovery time of critical equipment by promoting the TPM project.</li> </ul>  |
| Human Capital         | Selection of suitable talents and commitment to employee growth and development while providing competitive wages and benefits.  | <ul style="list-style-type: none"> <li>449 full-time employees</li> <li>Minimum starting salary at NT\$32,000 for Taiwan employees.</li> <li>Production of 60 e-learning courses for knowledge management digitization.</li> <li>Implementation of the total suggestion system and monthly commendation of highlighted examples.</li> <li>Initiation of the safety and health management performance evaluation with various occupational safety KPIs.</li> </ul> |
| Natural Capital       | Through various energy resource improvement projects, we have committed to reducing the input of steel, energy, water, and waste generation.   | <ul style="list-style-type: none"> <li>Invested in four continuous improvement projects.</li> <li>Implemented two water conservation measures in response to water shortages.</li> </ul>  |
| Intellectual Capital  | Enhance product competitiveness by implementing industrial safety "digitization", continuously expanding the application of high-strength materials, acquiring mechanism design patents, and passing product validation. | <ul style="list-style-type: none"> <li>Continuously implemented industrial safety "digitization".</li> <li>Continuously engaged in four industry-academia collaboration projects.</li> <li>Filed 17 patent applications.</li> </ul>   |
| Social Capital        | By promoting the upgrade of local industries, we facilitate mutual growth for relevant sectors and give back to neighboring communities with the profit from our erations.   | <ul style="list-style-type: none"> <li>Reduced local procurement by NT\$424 million over 2021 without decoupling local procurement.</li> <li>Continuously engaged in collaborative improvement with strategic partners.</li> <li>Invested NT\$2.04 million in various programs to promote social co-prosperity.</li> </ul>  |





| Outputs for 2022   | Outcomes for 2022  | Corresponding chapter   |
|--|--|---|
| <ul style="list-style-type: none"> <li>Revenues up by 29.26% over 2021 to NT\$3.649 billion.</li> </ul>  | <br> <ul style="list-style-type: none"> <li>Expansion of overseas presence, already with subsidiaries or joint ventures in 7 countries.</li> </ul>   | 3-2 Enhanced operational performance  |
| <ul style="list-style-type: none"> <li>Addition of two new international safety standards to shipped products.</li> <li>Reduction of monthly average repair time by 4.6 hours over 2021.</li> <li>Extension of MTBF by 607 hours</li> </ul>  | <br> <ul style="list-style-type: none"> <li>Completion of 21 individual improvement projects to save costs by NT\$752,300.</li> </ul>  | 4-3 Robust Quality Management<br>4-4 Outstanding Product Quality<br>7-6 Ongoing improvement of production procedures                                  |
| <ul style="list-style-type: none"> <li>Annual average output per person at NT\$8.129 million.</li> <li>Average hours of training increased by 3.88 hours over 2021.</li> <li>Monthly average of suggestions per person at 1.07 suggestions.</li> <li>Average number of lost days per lost-workday disabling injury case at 14 days.</li> </ul>               | <br><br><br><br> <ul style="list-style-type: none"> <li>Overall satisfaction of Taiwanese employees increased by 0.15 over 2021 to 3.58.</li> <li>Total benefits of improvement suggestions at NT\$1.93 million.</li> <li>By implementing the occupational safety and health management system over the past three years, the disabling injury frequency rate (DIFR) has been reducing each year, demonstrating the system's gradual effect.</li> <li>Awarded the Gold Award at the Corporate Health Responsibility (CHR) Awards.</li> </ul> | 6-1 Implementing employee care<br>6-2 Sourcing of outstanding talents<br>6-3 In-depth talent development<br>6-4 Enhancing ESH<br>6-5 Health promotion |
| <ul style="list-style-type: none"> <li>Reduced emissions by 99.92tCO<sub>2</sub>e through electricity conservation in 2022.</li> <li>Increased production capacity while reducing water consumption by 0.23ML.</li> </ul>  | <br><br> <ul style="list-style-type: none"> <li>Enhanced organizational operating resilience through energy and water conservation.</li> </ul>   | 7-5 Energy conservation and waste reduction<br>7-6 Ongoing improvement of production procedures   |
| <ul style="list-style-type: none"> <li>Developed 1,104 products in 69 ranges through product digitization by the end of 2022.</li> <li>Introduced six sets of plastic injection molds through industry-academia collaboration to reduce mold design changes by over 50%.</li> <li>Acquired 290 patents accumulatively in 2022.</li> </ul>                    | <br> <ul style="list-style-type: none"> <li>Transformed 74% of series 8 into embedded products.</li> <li>Accelerated product development to quickly respond to customer needs and reduce the lead-time from development to mass production.</li> </ul>   | 1-2 Product overview<br>1-5 R&D, innovation and growth  |
| <ul style="list-style-type: none"> <li>The 2022 local procurement reached 98.63%.</li> <li>Provided quality improvement guidance for one featured supplier and delivery punctuality guidance for 11 suppliers for delivery punctuality improvement.</li> <li>Provided education of safety at heights for elementary school teachers and students.</li> </ul> | <br> <ul style="list-style-type: none"> <li>Expanded capacity of the local hook industry and instilling safety concepts into the minds of children from an early age.</li> </ul>   | 8-2 Encouraging volunteer service<br>5-1 Leading industrial upgrades  |

## Awards in 2022



### Taiwan Institute for Sustainable Energy

Corporate Sustainability Report Awards –  
Traditional Manufacturing Gold Medal  
(awarded for six consecutive years)



### Taiwan Institute for Sustainable Energy

Taiwan Corporate Sustainability Awards -  
Outstanding General Performance Award  
(awarded for four consecutive years)



### 2022 GOOD DESIGN AWARD (Japan)

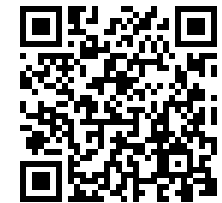


### CommonWealth Magazine

13th Place in Mittelstand Enterprises,  
Excellence in Corporate Social Responsibility  
(awarded for nine consecutive years)



### Taiwan Excellence Award



For the complete list of  
all awards YOKE has won



### Common Health Magazine

Corporate Health  
Responsibility (CHR) Awards  
(under 500 employees)



## Explanation to the preparation of Report

### Scope of disclosure

We began to prepare and publish the corporate sustainability report each year in 2016. The reporting period of the current report is January 1-December 31, 2022. The current issue will be published in August 2023. The previous issued was published in August 2022. This report primarily discloses the information regarding our economic, social, and environmental performance, as well as the social performance of the YOKE Charity Foundation. Additionally, as our Shanghai and Vietnam subsidiaries are merely our sales offices, they are not covered by in the disclosure boundaries, except the number of employees. Factories located in Taichung and Changhua are currently responsible for our major operations, and no separate disclosure will be made for these factories in the rest part of this Report. Additionally, in consideration of comparability of information, disclosures have been made primarily using data from the last five years, except for certain performance data not collected systematically, in which case only the 2022 data was reported.

### External assurance

This has been verified by SGS Taiwan Ltd. (SGS) in reference to the GRI Standards and the Moderate Assurance in Type 1, AA1000AS v3, to ensure compliance with the requirements for the Core disclosure principle of the GRI Standards (please refer to p.43 for the review report).

The information regarding the preparation of 2022 Corporate ESG Report (the "Report") of YOKE Industrial Corp. ("YOKE") is as follows:

### Basis of disclosure

This report has been prepared in accordance with the 2021 version of the Sustainability Reporting Standards (GRI Standards 2021) published by the Global Reporting Initiative (GRI), and the disclosures have been made in reference to the International Integrated Reporting Framework developed by The International Integrated Reporting Council (IIRC).

In 2020, we also referred to the framework established by the Sustainability Accounting Standards Board (SASB) and issued inquiries to all sectors applicable to YOKE to verify the Company's sustainability performance under the Resource Transformation (RT) Sector for Industrial Machinery & Goods (IG).



### Contact information

You may contact us using the following methods if you have any question regarding the Report or would like to raise any suggestions to YOKE.  
 Personnel in charge: Human Resource Department, Wan-Hsuan Chen  
 Company address: No. 39, Gongyequ 33rd Road, Xitun District, Taichung City 40768  
 Tel: 04-23508088 ext. 1227  
 Email: jessica\_chen@mail.yoke.net

## Description of disclosures

All sustainability information and performance disclosed in this report are also available on YOKE's CSR website at (<http://csr.yoke.net/>); financial data on products and operational performance has been disclosed based on financial reports audited by Deloitte Taiwan. Other data in this Report has been compiled by YOKE's Disclosure Team using descriptive statistics, rounded to the nearest integer. In this Report, localized purchases refer to purchases made in various parts of Taiwan, while other data pertain only to main operating locations including Taichung, Changhua and Nantou.

## Management

A Disclosure Team comprising select individuals from various departments was assembled specifically for the preparation of the Report. A Disclosure Committee comprising heads of various departments was then assembled to verify the disclosures made by the Disclosure Team. Once verified, information was consolidated by the Executive Officer of the Human Resources Department into a report. A Review Committee headed by the Division Director of the Human Resource Department was assembled to review the compiled report before submitting it for final approval from the Chairman and General Manager.



# 01

## About YOKE

1-1 Introduction to YOKE

Issue: Innovation management

1-2 Product overview

1-3 Business opportunity development

1-4 Business strategies

Issue: Environmentally Sustainable Design

1-5 R&D, innovation and growth



## 1-1 Introduction to YOKE

### Company Overview

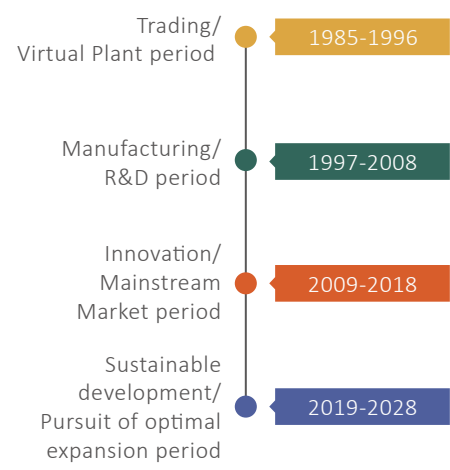
YOKE, the professional industrial lifting safety hooks manufacturer, was initiated in 1985. Driven by our mission to “manufacture quality hooks and safety equipment to deliver superior safety protection for mankind regardless of time and place,” we offer two primary product lines - the “8-series” of industrial lifting hooks and the “N-series” of personal safety equipment.

We started as a trading and virtual manufacturing company initially and started our global operations under our own brand YOKE in 1996. In 2017, we expanded our operations by establishing our factory 2 primary to produce fall protection safety products and fittings. Construction of our factory 3 began in 2019 as we incorporated aluminum processing to provide more diverse products for our clients. By the end of 2022, YOKE has set up subsidiaries in China and Vietnam and joint-ventures (JVs) in Germany, Canada, South Korea, Thailand, and Singapore to help with market cultivation. Through 98 worldwide distributors, we have actively promoted product sales and provided services.

|                     |   |
|---------------------|---|
| Name of Company     | YOKE Industrial Corp.   |
| Chairman            | Steven Hong   |
| Established in      | 1985  |
| Headquarters        | No. 39, Gongyequ 33rd Rd., Taichung Industrial Park, Xitun Dist., Taichung City   |
| Operation Site      | No. 39, Gongyequ 33rd Rd., Taichung Industrial Park, Xitun Dist., Taichung City<br>No. 10-1, Gongyequ 3rd Rd., Taichung Industrial Park, Xitun Dist., Taichung City (Factory 2)<br>No. 63, Xinggong Rd., Shengang Township, Changhua County (Factory 3) |
| Capital Size        | NT\$ 1.154 billion (as of 12/31/2022)   |
| Number of Employees | 449 (as of 12/31/2022)  |
| Revenue             | NT\$ 3.649 billion (2022)   |

### Path of development

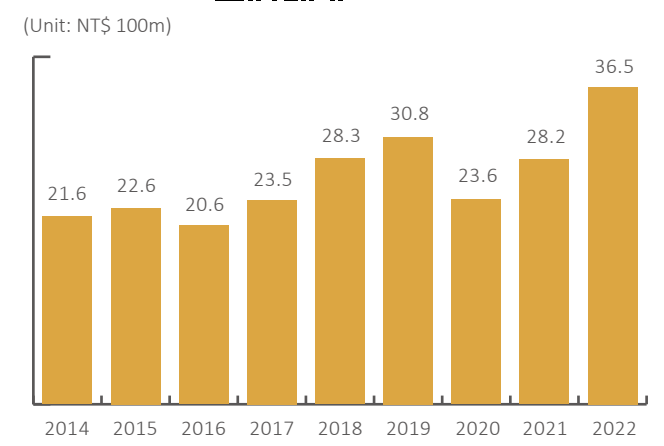
The path of YOKE’s development is characterized by four different phases, as the Company adjusted its operational model based on the concept of a “niche-based mainstream market.” In 2019, YOKE re-formulated its operational strategy to focus on optimal expansion. We are actively engaged in the transformation of product digitalization, from production history, maintenance, operation and use, etc., in line with global occupational safety standards, through platform integration, the application of cloud high-tech technology, and actively promote the digitization of industrial safety. In 2022 we began to implement carbon reduction in product design and manufacturing by integrating the international sustainability trend. In product design and manufacturing, apart from continuously removing hazardous substances (such as replacing hexavalent chromium with trivalent chromium) and reducing plastic packaging materials, we also implemented ISO 50001 EnMS and ISO 14067 product carbon footprint verification (CFV) so as to set up a foundation for carbon reduction for the long run through system establishment.



“Safety” is the core element for all safety hook products. As a proponent of “safety” as a value, we have embraced “pursuit of quality perfection, constant innovation and development, sustained management improvement and creation of customer satisfaction” as our management philosophy. And as such, we firmly believe that product safety and quality can only come from innovative R&D engineering, cutting-edge manufacturing technologies and prudent quality management. Apart from establishing stringent quality management systems, such as the API ISO 9001 QMS, API Spec Q1 and DNV ISO 9001, we also passed the type approval of various products in many countries, including passing the accreditation of the German Social Accident Insurance Association (DGUV), the American Bureau of Shipping (ABS), the Det Norske Veritas (DNV), and the Canadian Standards Association (CSA), as well as the UKCA standards of United Kingdom Accreditation Service (UKAS) taking effect in 2023.



Milestones  
Membership associations



## Issue: Innovation management

1

### Policy

“Aggressive innovation” is one of our core values. Based on the original intention of “creating sustainable safety value”, we make continual improvement to increase added value, enhance resource efficiency, and enrich R&D capacity through the three aspects of innovation: product innovation, process innovation, and open innovation.

2

### Commitment

- Sustainability & Inclusion: Ethical management, legal compliance, mutual benefit with the society and engagement through communication
- Education & Growth: Total participation, reinforcement of awareness, internalization of training and continuous improvement
- Quality First: Innovative development, process improvement, quality refinement, and customer satisfaction
- Environmental Protection: Resource efficiency, energy/water conservation, emission, and waste reduction and pollution prevention
- Safety & Health: Safety first, health promotion, hazard prevention, balance between physical & mental well-being

3

### Goal and target

- The “safety and durability” of products are our unchanged insistence. In recent years we have been promoting product innovative applications through “digital safety checks” to increase the proportion of RFID-embedded models in the 8 series.
- In response to revision of product standards, we make advance development of product revision to comply with the latest international standards of products.

4

### Responsibility

As the responsible units, the Product R&D Department and sales unit achieve innovation through the prediction of and response to the new international standards and customer requirements in collaboration with the procurement, production management, manufacturing, and QA units.

5

### Grievance system

- Continuously interact with customers during product development to understand their needs and schedule.
- Establish mechanisms for customer communication and customer service for customers to timely communicate problems or make suggestions for products or services and to timely respond to their needs.

6

### Action

- Continue to digitize industrial safety related products, including series 8 products (embedded) and digital tag products of various specifications.
- Implement the latest ANSI Z359.14-2021 self-retracting lifeline standard.

7

### Mechanisms for scoring management approach

Conduct periodic internal audits for various quality management systems along with routine external audits; the management review committee shall track the progress of various management projects and major department performance management indicators.

8

### Results of management approach assessment

- We have equipped 74% of series 8 products with embedded RFID. By introducing digital checks to industrial lifting components, each can save over 60 sheets of paper each year.
- The transition rate of the latest ANSI Z359.14-2021 self-retracting lifeline standard is up to 95%

9

### Corresponding GRI

Self-defined Topic

10

### Corresponding SDG



## 1-2 Product overview

### History of product development

We have adopted both progressive and leapfrog R&D for next-gen technologies to develop products with different specifications based on our observation of product application in different domains to enhance our products' added value while consolidating our market presence and expanding our market for product application.

Major products are divided into two series: 8 series and N series metal-processed products. Due to the big product differences of each series, the production volume of each series is disclosed by weight.

| Product series    | Annual production capacity for 2022 (in tons) |
|-------------------|---|
| 8 series products | 2,447.68                                      |
| N series products | 3,579.09                                      |
| Total             | 6,026.77                                      |

- Product name**
- Hoist
  - ML / MLA
  - Connection
  - Chain
    - WR
    - Webbing
  - Adjustment
  - Hook
  - Lifting Point
  - Object

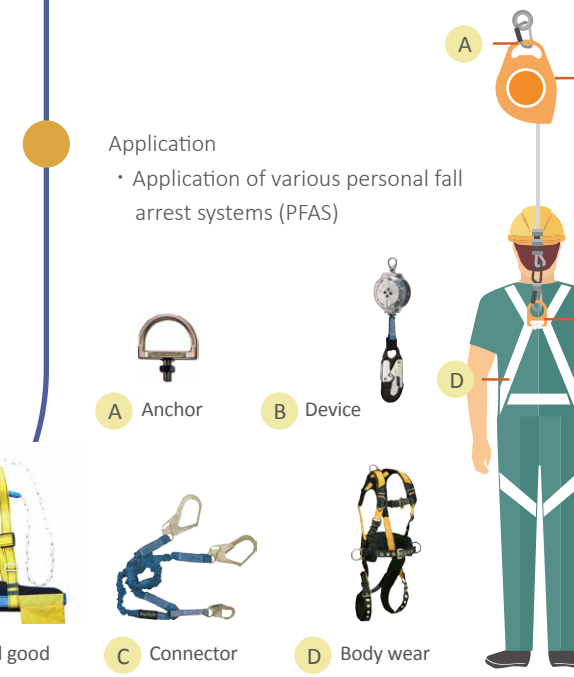
### 8 series products

- Brand
  - Own-brand YOKE
- Product Functions
  - Industrial lifting components and fittings for ensuring work safety
- Product category
  - Swivel hoist hook
  - Shackle
  - Angular contact swivel
  - Grade 80 lifting chain fittings
  - Grade 100 lifting chain fittings
  - Wire rope clip
  - Lifting point
  - Yellow snatch block
- Application
  - Offshore/Marine shipyard
  - Construction
  - Material handling
  - Mining
  - Mold and die
  - Wind energy



### N series products

- Brand
  - OEM products for world-leading PPE brands
- Product Functions
  - Safety components for fall protection and fittings for personal safety
  - In 2020, we set self retracting lifeline (SRL) as an individual series.
- Product category
  - Rope snaps (type increase)
  - D rings/buckles/adjusters
  - Steel/Aluminum components
  - Carabiners
  - Self retracting lifeline (SRL)
- Application
  - Application of various personal fall arrest systems (PFAS)



Finished good

A Anchor B Device C Connector D Body wear

## History of material development

The strength and hardness of steel are the foundation of product quality. We maintain continuous materials R&D to develop industry-leading high-strength alloy steel to broaden the scope of applications.

## Featured patented products

Recognition by various patents for focus on the technological optimization in industrial safety and continuous investment in R&D capacity.



1999

Strength 800 Mpa  
HRC 21

At the initial phase of manufacturing, YOKE used general market standard steel with strength and hardness, both compliant with the EN1677 specification.



2009

Strength 1000 Mpa  
HRC 43

Through material upgrades, YOKE became the first manufacturer to distribute Grade 1000 industrial safety hooks in Asia.



2019

Strength 1200 Mpa  
HRC 48

YOKE is one of the only four manufacturers in the world (and the only one in Asia) capable of producing Grade 1200 industrial safety hooks.



Handle protection  
patent design



360-degree rotation  
patent design



Lightweight  
patented design



Dielectric shielding  
patented design



Embedded RFID  
patented design

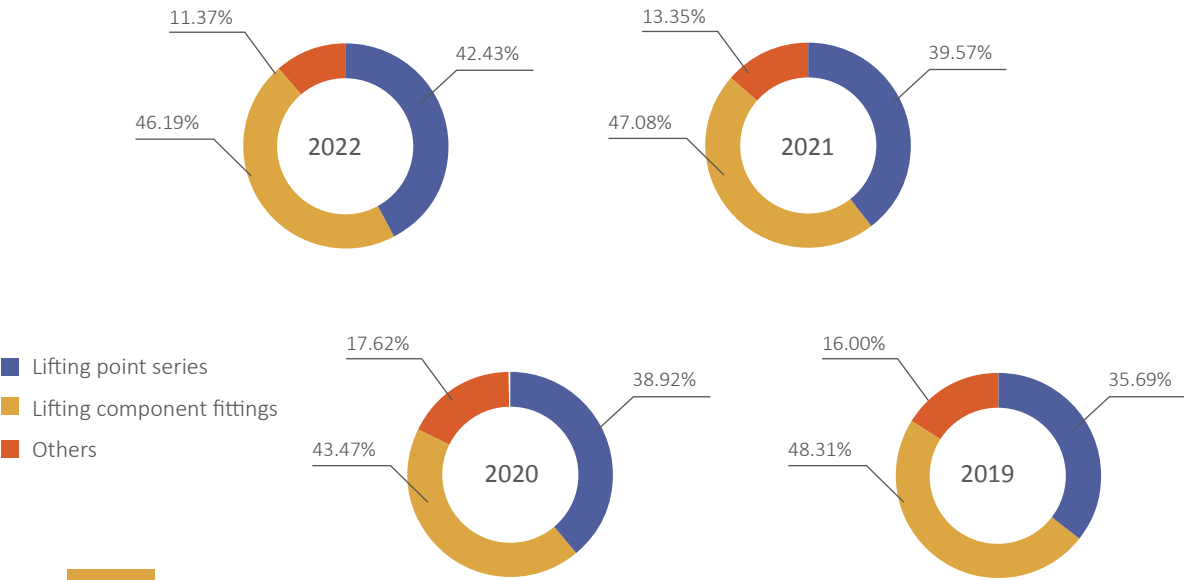
8 series products

The Company has been distributing its “8-series” products under its original brand of “YOKE,” and these products are mainly used in the chains, iron cables and lifting belts related to the handling and moving operations required by the working environment. In addition to setting up subsidiaries in China and Vietnam, we have also established JVs in Germany, South Korea, Thailand, and Singapore to continue expansion to the global market. Currently we collaborate with 98 distributors in 42 countries to provide customers with comprehensive channels and services.

In 2022, lifting component fittings were the most important product category in the 8 series, accounting for 46.19% of the annual revenue of 8 Series products. They covered the Grade 80, Grade 100, and Grade 120 SRL fittings. In the past two years, Grade 100 products have replaced the Grade 80 products to become the mainstream products.

When economic activities gradually recovered worldwide in the post-COVID era, the demand for lifting fittings has been increasing, and the 2022 order volume increased significantly by 17% over 2021. The rising safety demand and replacement rate and broader industrial applications are current market trends of related products. With the advantage in independent development, we reduce the long-term pain of industries and create new safety value through “digitization”.

8 Series Product Type Sales Ratio



## Product innovation: Digitization

It is necessary to check lifting safety equipment periodically to ensure use safety. As traditional manual inspections with paper forms may lead to failure in the total capture of product safety condition due to incomplete or missing records and the absence of a periodic inspection reminder, making lifting safety a pain point to business owners.

In 2017 we activated the SMART RFID project to embed digital chips (RFIDs) in products for users to retrieve data over mobiles to inject new safety value into industries with innovative application. Additionally, as it is necessary to label the specifications of safety equipment to facilitate periodic inspection, and readings in traditional tags using plastic or materials become illegible due to corrosion and erosion as time goes by, lifting components will become unusable. To solve this problem, we developed the stainless-steel SupraTag, a digital tag, in 2020. In 2022 we continue to develop derivative products using digital chips. By the end of 2022, we have completed 1,104 digital tags in 69 ranges, hoping to create a data-based safer and more convenient operation environment for worldwide end-users through the extensive use of our digital solution.

## 8-series products: Path to digitization development

### 2017-2018

YOKE-SMART RFID Project: started in 2017 and completed in 2018

- Embedding RFID in 8-series products

### 2019-2021

SupraTag Chip Development: Started in 2021

- RFID-embedded or SupraTag RFID-equipped products increased from 443 items in 2019 to 951 items in 2021.

### 2022

Continued the “digital” development theme: Set the application of “Supra Digital Chip” and the relevant reader products as the major development themes from product development, product manufacturing, product sales, to product marketing. A total of 970 YP, grade 100, and YSB products have been **embedded or equipped with RFID or SupraTag RFID**.

- Embedded: The proportion of 8-series products embedded with RFID increased to 74% in 2022, and 100% digital implementation is expected in 2023.
- SupraTag: Different types of SupraTag have been developed based on differences in functions (rivet or lifting methods) and explosion-proof characteristics and the differences in use habits and regulations of different regions and countries. Additionally, the SupraTag chip has passed a series of stringent tests, including the US MIL-STD 810H tests, IP68 ingress protection tests, the IK10 impact test of IEC 62262, the explosion-proof environment test in ATEX Directive 2014/34/EU, and CRES corrosion resistance test.
- By the end of 2022, we have developed a total of 1,104 items of digital products in 69 ranges, and over one million RFIDs have been shipped. By uploading the required information to the cloud, any enterprises and users can download product digital information through mobile app or with a reader, offering transparent and convenient access to product safety-related information to ensure optimum safety in use.

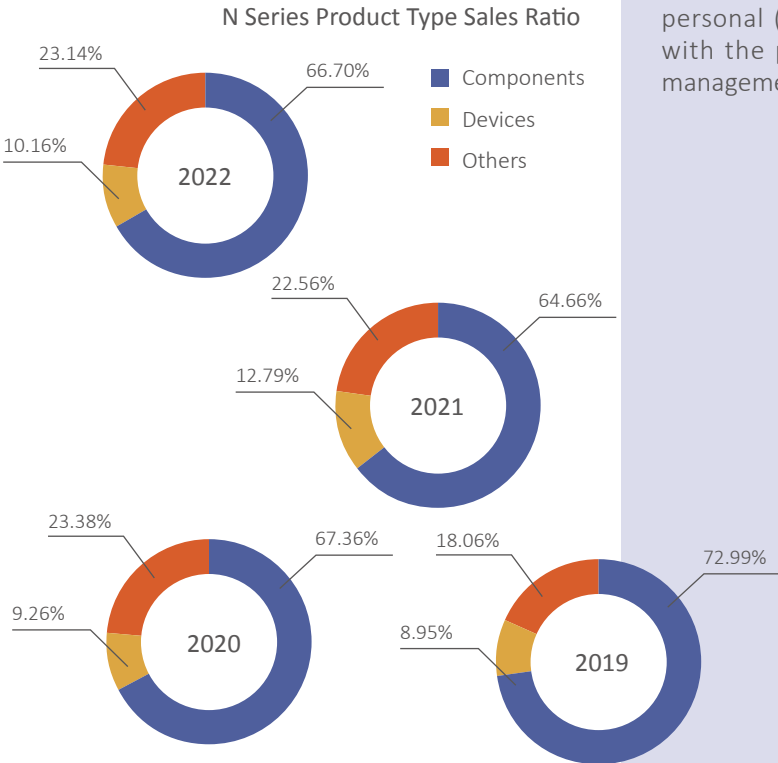
**YOKE (manufacturer):**  
cloud-based production history, while carrying out product anti-counterfeit identification.

**Customer (asset side):**  
Create a safe workplace for employees and bring them safety as a matter of course.

**Workers (users):**  
Quickly understand the safety status of the asset, obtain safety operation manuals before carrying out lifting operations, and perform pre-use spot checks.

N series products

The “N-series” products are combinations of hardware fittings designed mainly for personal work safety. We supply entire sets of equipment and components to the world’s major personal safety equipment brands. component of safety protection devices include aluminum fittings, hooks, tope snaps, D rings, buckles, and adjusters. Each part plays an important role in the protective devices worn by end-users. As a long-term suppliers of OEM components for branded manufacturers, we ensure steady supply. The proportion of component sales accounts for 66.70% of the N-series’ annual revenues, with rope snaps being the highest.



Product innovation: SRL innovation for compliance with ANSI 2022

To keep up with the needs of times and the habits of users, the American National Standards Institute (ANSI) announced the new ANSI/ASSP Z359.14-2021: Safety Requirements For Self-Retracting Devices For Personal Fall Arrest And Rescue Systems in 2022 to replace the ANSI/ASSE Z359.14-2014 - Safety Requirements For Self-Retracting Devices For Personal Fall Arrest and Rescue Systems. A version update not only suggests that the market will begin to use products meeting the new standards and retire products using the existing standards, it also means that the new standards can keep users safer.

Hence, apart from making immediate response to the standard update and engaging the personal SRL personal (SRL-Ps) adjustment, we also discussed with the product development, QA, production management, and other units how to manufacture

products that meet the new standards and can smoothly pass certification so as to make advance response to the new market trends and so to enhance customer trust and dependency. By the end of 2022, apart from implementing the ANSI Z359.14-2021 standard to all SRL products, we have smoothly switched up to 95% of products to the latest standards.

Changes in standard update: Apart from the raising the standard for the static tensile strength, ANSI also adds new Class designations, Class 1 (anchor at or above the D-ring) or Class 2 (anchor above or below the D-ring), to each SRL category based on the “use behavior”. Classification by use behavior facilitate users to make intuitive judgements more easily and so to prevent work-related hazards.

| Specifications             | Z359.14-14 (old)   |          | Z359.14-21 (new)  |                                |
|----------------------------|--|----------|---|--------------------------------|
| Statistic tensile strength | 3000 lbs   |          | 3600 lbs  |                                |
| Classification             | By free fall distance                                      |          | By use behavior (anchorage)   |                                |
|                            | CLASS A  | CLASS B  | Above: Anchor at or above the D-ring  | Below: Anchor below the D-ring |
| Free fall distance         | 24INCHES   | 54INCHES | 42INCHES  |                                |
| Features                   | Measure the height of work for users to make the decision. |          | Classify by the anchor position for users to quickly determine the product choices. |                                |

### 1-3 Business opportunity development

#### Market development

Through the distribution system, distributors assist with the local sales of the 8 series products and provide local customers with timely service and support. YOKE enlist the assistance of specific distributors in various regions by functioning as our Worldwide Distribution Center (WDC). By analyzing the historical sales data, we were able to predict the status of distribution in said regions. By taking inventory management and production lead time for planned production, we preemptively ship the forecast sales volume to our WDCs across different regions.

World-leading PPE brands are major clients for the N-series featuring OEM products, sales representatives must maintain constant

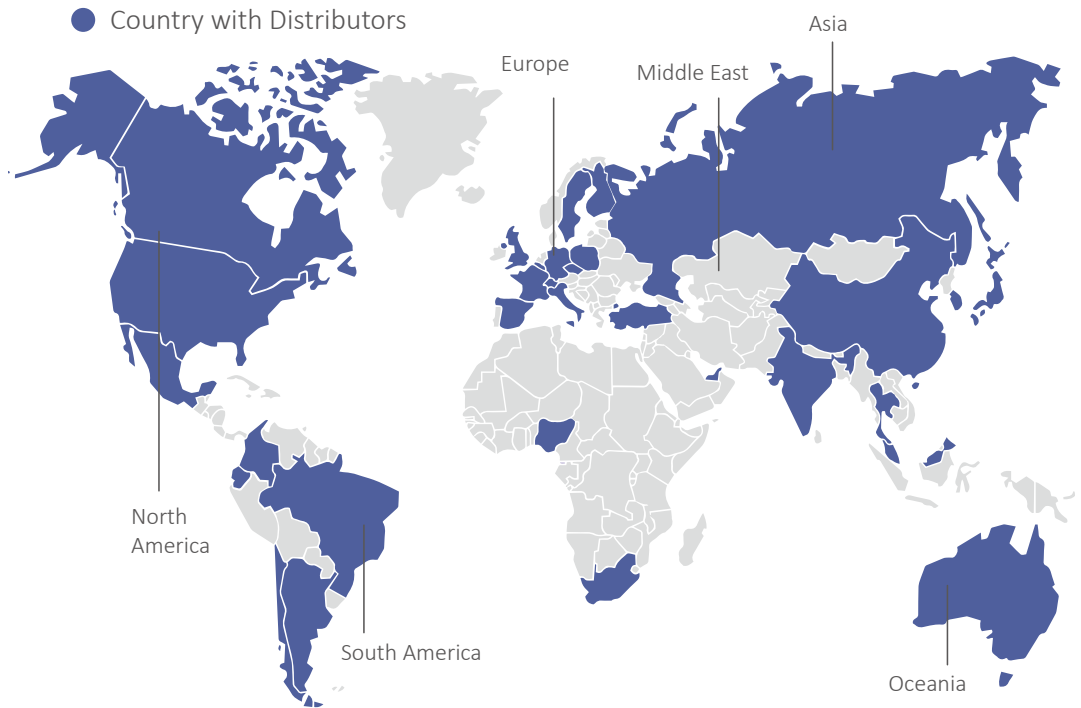
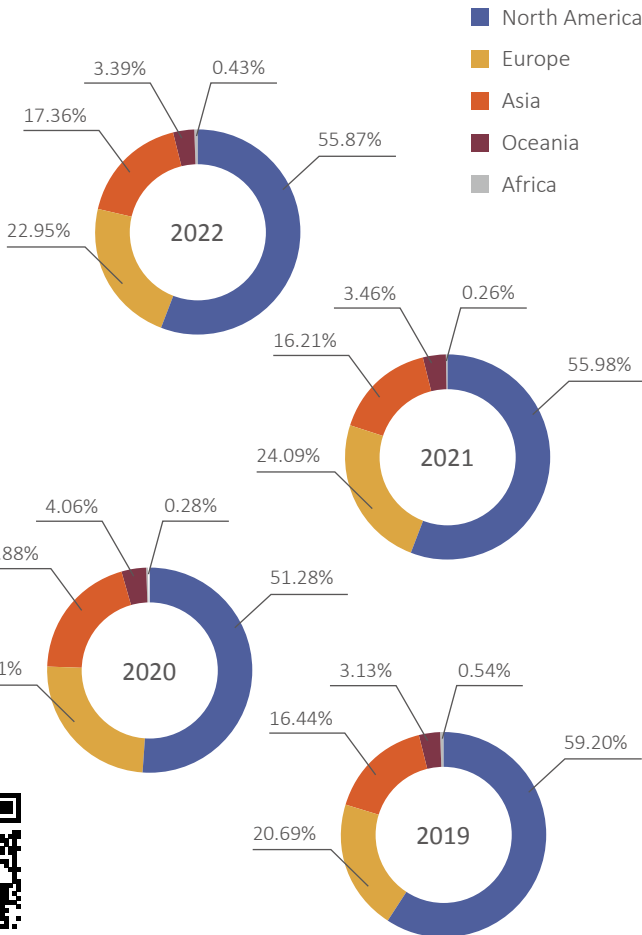
communication and discussion with customers to better understand their product development needs and provide them with our latest products so as to create more business opportunities and improve the quality of customer service.

In addition to setting up the Shanghai subsidiary (Yoke Lifting Equipment Shanghai), to integrate sales in mainland China, in 2018, we have also established JVs with local distributors progressively in Germany, South Korea, Thailand, and Singapore to enhance local market cultivation. After setting up the Vietnamese subsidiary in 2020, we further increased the strength of market cultivation for the 8-Series product to develop the local market. By the end of 2022, own-branded “YOKE” products have been distributed to 42 countries across eight continents through 96 dealers.

#### Product sales regions

In 2022 North America was still the main sales region, accounting for 55.87% of the total sales, and there was no significant sales change in other regions.

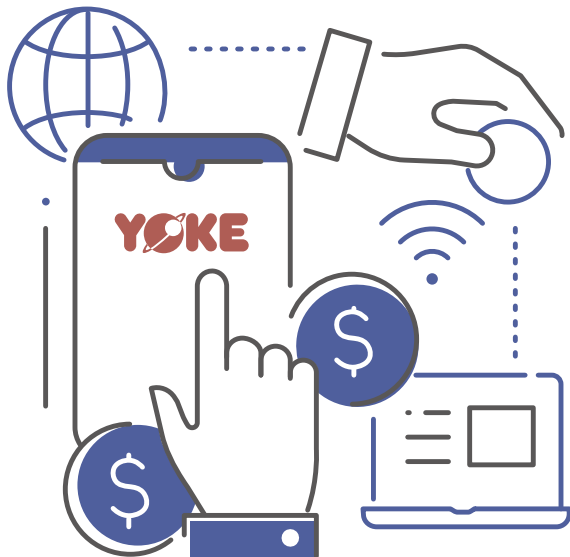
Product Sales Proportion (by region)



WDC Distribution Model

## Branding and education and training

Currently, own-branded “YOKE” (8 series) products are mainly distributed to Europe, with a 2022 sales proportion accounting for 43.79%. We aim to raise the sales in North America to 25% in 2023. The application of industrial lifting components and fittings is extensive, such as the automated industries, machine tools, automobile industry, plastic and rubber mold industry, petroleum industry, and so on, they all need quality lifting products. In the past, we promoted our brand image through participation in domestic and overseas exhibitions, physical visits, physical education and training, and so on. When physical contacts were prevented by COVID-19, we switched to videoconferencing, which also allowed real-time service. In the post-COVID era, we combined physical activities with online tools for worldwide customers to receive the latest information through interaction with greater flexibility.



## Physical activities

Promoting the SupraTag chip and other digital solutions was the focus of physical activities in 2022. Through practical experience, we allowed customers to link the SupraTag with industrial applications so as to start a new trend for SupraTag application in the lifting industry and any possible industries.

In addition to participating in trade fairs, we also held three “e-summits” in Taiwan in 2022 to share the best practices of YOKE products with partners through interactive experience exchange. As these summits attracted 200 applicants, this suggests that the shortcoming of using paper in traditional equipment management is the long-term pain point of industries, and the summits have successfully created a new topic in industries to put a new climax to digital product promotion.

At the e-summit held in Singapore in November 2022, Singaporean port operators were targeted as our target customers. Three week after the summit, these customers started to use the SupraTag chip and the compatible RiConnect software. Apart from maximizing the summit’s benefits, we hope that our digital solutions can begin to influence the Singaporean market through the external networking effect.



### Trade fairs:

In 2022 we engaged in 22 domestic and overseas trade fairs. Over the years, we have participated in trade fairs held in over a dozen countries, including the USA, the UK, Germany, the Netherlands, Norway, Japan, South Korea, and others.

e-Summit:  
Taiwan, Singapore

### Equipment safety management pain point of industries

- Unable to maintain a full record of equipment failure.
- Unable to make quick retrieval of equipment’s IPQC inspection and maintenance records.
- Lack SOPs for periodic professional equipment IPQC inspections.
- No IPQC inspection reminder mechanisms and lack IPQC inspection specifications.
- Low-efficiency reporting processes of equipment failures found in IPQC inspection.
- Unable to resolve and comply with the legal and audit requirements.

## e-Learning education and training tools

Apart from offering high-quality safety equipment, we also provide long-term education and training for worldwide customers and dealers to ensure the operation safety of end-users. In the past, we used to provide product education and training for customers onsite or online through the sales team based on the needs of customers. Due to the limitation of labor or timing with customers, the effective of systematic learning was unachieved, and no learning path could be recorded.

In 2022 we teamed up with the US educational partner Industrial Training International (ITI) to plan e-learning education and training courses in nine languages over the Learning Management System (LMS). Through the planning and production of these systematic e-learning courses, we allow customers to access systematic e-learning courses to understand YOKE products better and our safety insistence and brand value.

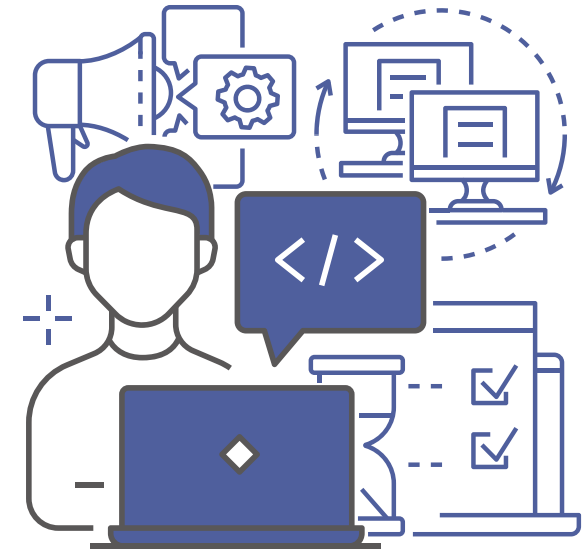
Apart from enabling customers to learn ubiquitously, record the learning path, and possess complete learning files, LMS also automatically generate a certificate of completion after learners complete all the courses and training so as to motivate the self-learning of customers.

We co-developed the Learning Management System with ITI.

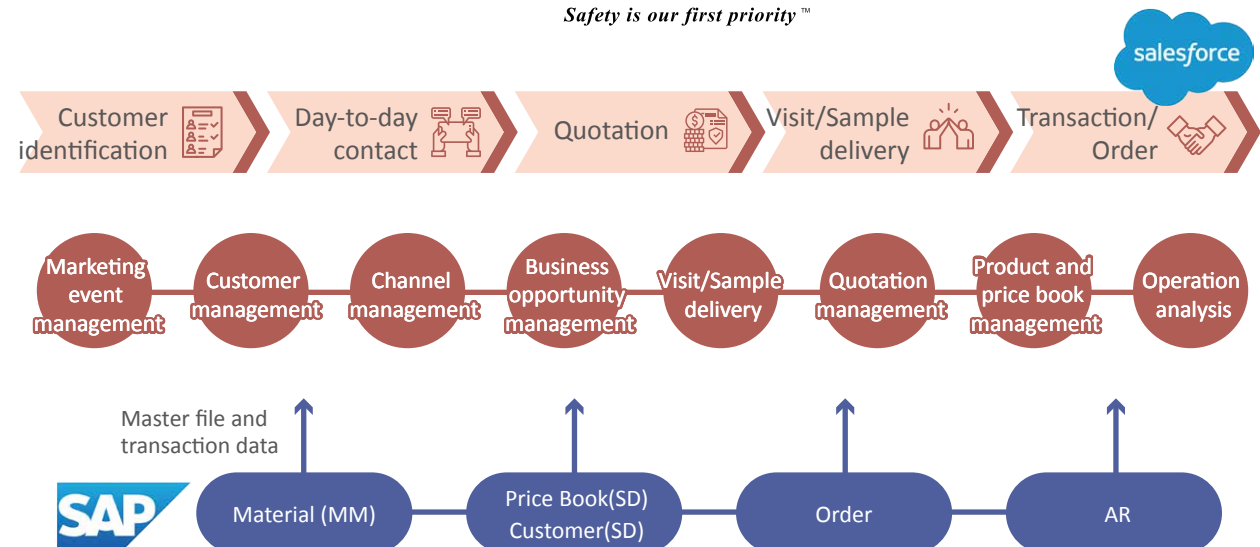
Multilingual (9 languages) systematized courses with learning path records and certificate of completion.

## Business opportunity management

To effectively cultivate new customers, we strengthen the management of potential customers and existing customers through the customer relationship management (CRM) system. Through the system's precision analysis of potential customers and their product needs, and alongside customer education and training, conference calls, and onsite visits, we enhance the transaction rate. In the last three years, transactions have been successfully made with nearly 30% of filed potential customers to create a revenue of over NT\$30 million, demonstrating the significant benefits of system implementation. The factors causing transaction failure can be further divided into quality, price, delivery time, strategic order rejection, and difficulty in obtaining end-customer responses. Then, we run macroeconomic market analysis for the reference of improving operations.



**YOKE**  
Safety is our first priority™



## 1-4 Business strategies

Demonstrating “safety” and “sustainability” achievements to the world is our unchanged missions and goals. From technology, products, processes, organizations, to marketing, our pursuit of continual improvement of sustainable safety value is evident.

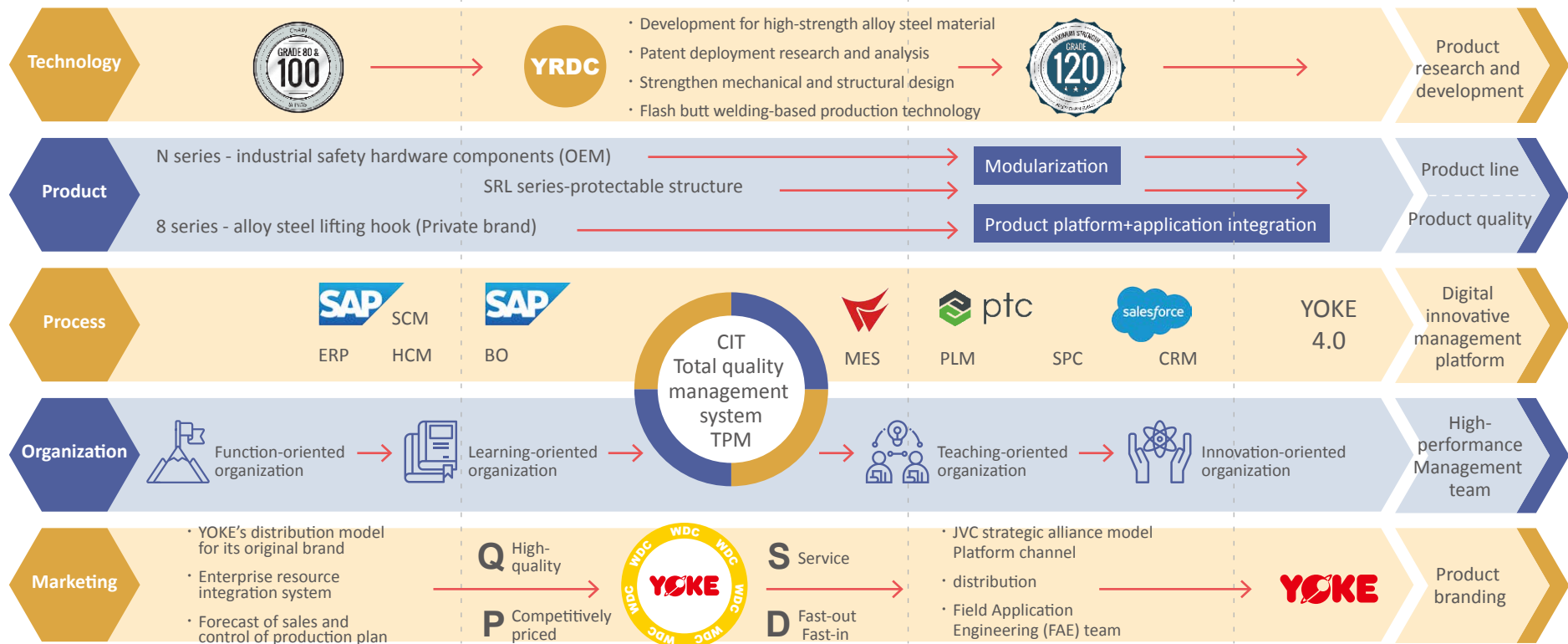
We demonstrate both leadership and innovative thinking in technology and products. To continuously pursue a business model that brings new value to “safety”, in addition to the R&D and patent deployment of materials strength and structure design, as an integrated innovator of the industrial safety industry, we have got a head start over digital solutions in recent years to extend “safety” from products to onsite applications to eliminate the

long-term potential crisis and pain point of using paper records for maintenance and inspections in industrial lifting operation to start a silent reform in the traditional lifting component industry to renew the industrial thinking with digital technology.

Domestically, through the “people-oriented” digital transformation in 2016, we progressively developed a “continual improvement culture” with the Continual Improvement Team (CIT), established the common language for the Eight Disciplines (8D) Problem Solving, improved the problem discovery and solving capabilities of employees to enhance production efficiency while empowering employees at the same time. Over the years, we have been introducing various digital tools to support domestic product development and improve the manufacturing process control and extending them to CRM and supplier management so as to

assist employees in enhancing work efficiency and improving service equality and develop a quality culture with positive thinking with digital tools.

“Quality products, competitive prices, fast in, and fast out” is our business strategy. “Quality products and competitive prices” means to remove excessive quality, provide customers with internationally certified products, and remove unnecessary waste to produce products meeting international safety standards with competitive prices. “Fast in and fast out” means to provide quality products for customers to distribute around the world through customer and channel deployment, and give value back to the customers using the supply chain pricing strategy to maintain a steady partnership with customers and suppliers to achieve smooth, unfettered, and efficient distribution.



## Issue: Environmentally Sustainable Design

1

### Policy

Integrate “environmentally sustainable design” into new product development, emphasize the value of personal safety, and include the responsibility for reducing carbon emissions and environmental impacts throughout the product life cycle.

2

### Commitment

- Sustainability & Inclusion: Ethical management, legal compliance, mutual benefit with the society and engagement through communication
- Education & Growth: Total participation, reinforcement of awareness, internalization of training and continuous improvement
- Quality First: Innovative development, process improvement, quality refinement, and customer satisfaction
- Environmental Protection: Resource efficiency, energy/water conservation, emission, and waste reduction and pollution prevention
- Safety & Health: Safety first, health promotion, hazard prevention, balance between physical & mental well-being

3

### Goal and target

The “safety and durability” of products are our unchanged insistence. We continue to include carbon reduction and hazardous substance removal in product design and manufacturing processes to practice responsible consumption and responsible production.

4

### Responsibility

As the responsible units, the Product R&D Department and sales unit achieve innovation through the prediction of and response to the new international standards and customer requirements in collaboration with the procurement, production management, manufacturing, and QA units.

5

### Grievance system

Stakeholders can provide their feedback and lodge complaints through our internal meetings, staff comment boxes, e-mails, or the “Contact us” page on YOKE’s website. With the exception of internal meetings, feedbacks/complaints are handled anonymously to protect the rights and interests of the complainant.

6

### Action

- Replace surface coating from hexavalent chromium with trivalent chromium
- Enhance SRL durability, adopt modular design, and provide overseas maintenance and repair personnel with professional training
- Optimize the packaging design for N-series products
- Implement carbon footprint verification (CFV)

7

### Mechanisms for scoring management approach

Conduct periodic internal audits for various quality management systems along with routine external audits; the management review committee shall track the progress of various management projects and major department performance management indicators.

8

### Results of management approach assessment

- Replaced the surface coating of all 8-series products with eco-friendly coating materials and trivalent chromium zinc.
- Enhanced the durability of all SRL products to retraction over 20,000 times.
- Used low-carbon packaging methods and reduced packaging materials.
- Received the first CFV guidance in 2022H2 on three products, which will pass CFV in July 2023.

9

### Corresponding GRI

Self-defined Topic

10

### Corresponding SDG



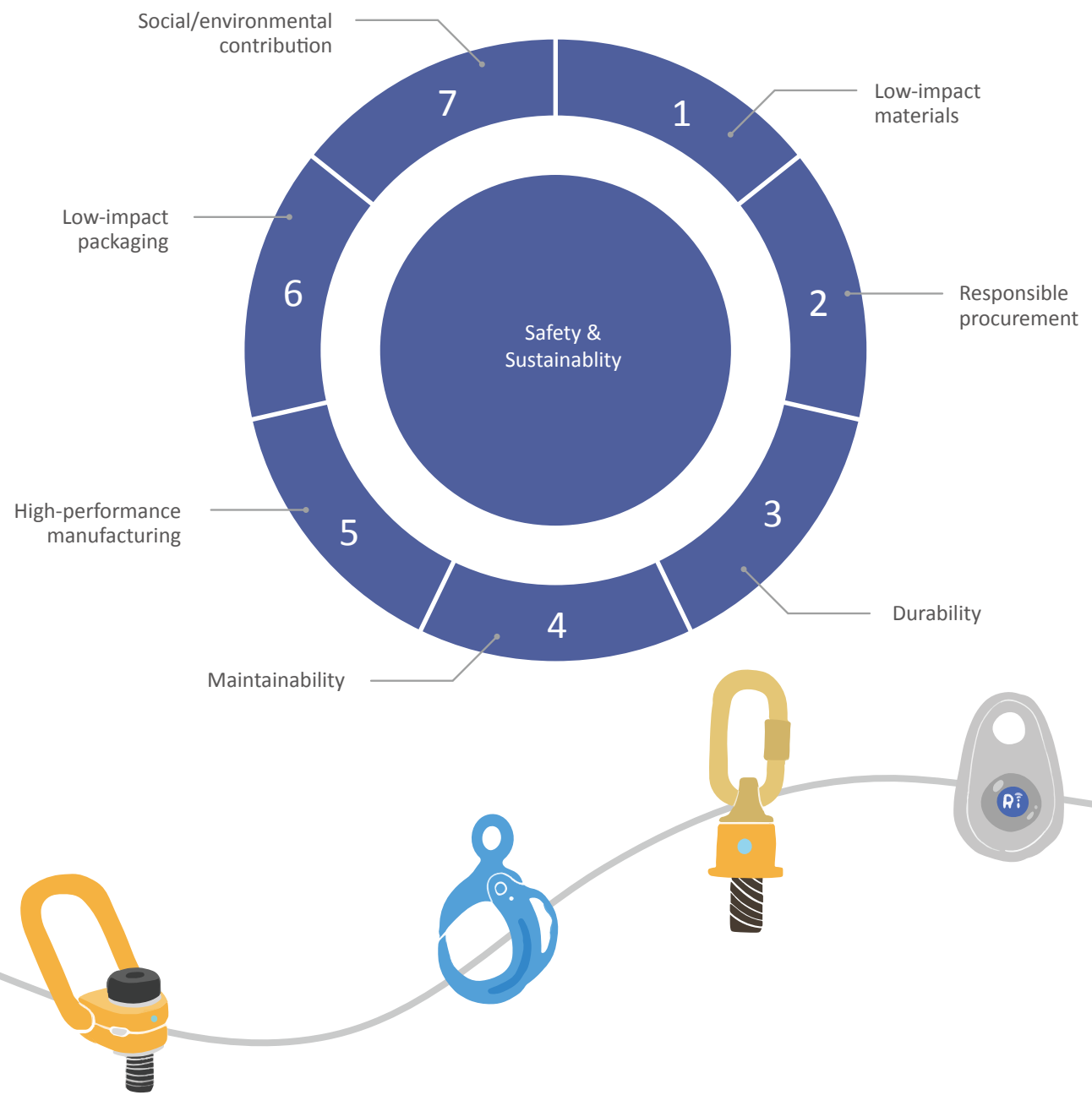
## 1-5 R&D, innovation and growth

### Environmentally Sustainable Design

“Safety is our first priority.” This is YOKE’s commitment to all YOKE product users. Delivering compliant products with reliable quality is the greatest assurance we have to offer for our customers. “Sustainability” is the new value we empower to safety products. We began the CPV guidance in 2022 to understand the carbon emissions at each stage of the product’s life cycle with actual scientific data to provide a reference for future product development and process improvement.

Right from the product development stage, through materials selection, product function design, packaging design, manufacturing, and user use stages, we continue to assess to increase the social and environmental contributions of products through design to reduce environmental impacts and so to demonstrate the sustainability value.

In 2022 we adopted the design for manufacturability (DfM) and design for assembly (DfA) assessment methods to enhance project efficiency by 5% over 2021. Improving materials investment at the beginning of development through design also increase the process yield rate. In 2023 we began to establish the relevant sustainability design guidelines to practice design for sustainability (Dfs).



| 8-series products: Outcomes in environmentally sustainable design |  |  |
|---|--|--|
| Type  | Product improvement  | Sustainability performance   |
| Social/<br>environmental<br>contribution                          | Enable users to significantly reduce paper consumption through the “completely paperless” operation of 8-series products equipped with RFID. | <ul style="list-style-type: none"> <li>• With RFID, end-users can significantly reduce paper for printing production records, operation instructions, and inspection forms in traditional operation.</li> <li>• In reducing paper consumption, assuming that each lifting component will output over 60 pages of reports in a year, as we produce over 4,000 lifting components each year, RFID-equipped lifting components can reduce paper consumption by over 12.4 billion sheets.</li> </ul> |
| Low-impact materials  | Increase the proportion of eco-friendly trivalent chromium in electroplating to voluntarily eliminate hazardous substances.                  | Hexavalent chromium is a chemical substance used on surface coating to prevent corrosion. Currently, it has been banned in some countries or has become a voluntarily banned chemical substance. We began to replace coating materials with the eco-friendly trivalent chromium for all parts of lifting products from 2020.   |

| N-series products: Outcomes in environmentally sustainable design |  |   |
|---|--|---|
| Type  | Product improvement  | Sustainability performance  |
| Durability  | Update product standards to enhance durability                   | Adopted the latest ANSI Z359.14-2021 standard for all SRL products and implemented process improvement methods to enhance retraction durability to over 20,000 times.   |
| Maintainability   | Adopted the modular design to facilitate maintenance and repair. | SRL products after use must be shipped back to the manufacturers for maintenance and inspection each year based on safety and relevant legal requirements. With the modular design, as well as the specialty tools and testing equipment for overseas distributors and professional for overseas maintenance and repair personnel, the maintenance and repair capacity was increased by over three times. |
| Low-impact packaging  | Packaging design optimization                                    | Full-time packaging designers were hired to remove large cartons/wooden boxes and bubble bags from SRL packaging in 2022. Reduced the consumption of corrugated paper by about 14kg and plastics by about 0.04kg for each pallet, i.e., approximately 12,516kg of corrugated paper and 36kg of plastics each year.  |

## Product carbon footprint

To understand the GHG emissions throughout the product life cycle and their environmental impact, we implemented the first guidance on ISO 14067:2018 product carbon footprint quantification in 2022H2. We will pass third-party verification in July 2023.

CFV was performed on three target products to calculate their carbon emissions from raw materials through manufacturing. Through CFV, apart from reviewing the manufacturing process, we listed the data of the raw materials obtaining, forms of transportation, energy and resource activities to understand the GHG emissions within the product’s life cycle. Through data collection, we reviewed energy and resource consumption in the production process for the reference of future process improvement and product development improvement so as to realize a lower-emission, environmentally sustainable production process.

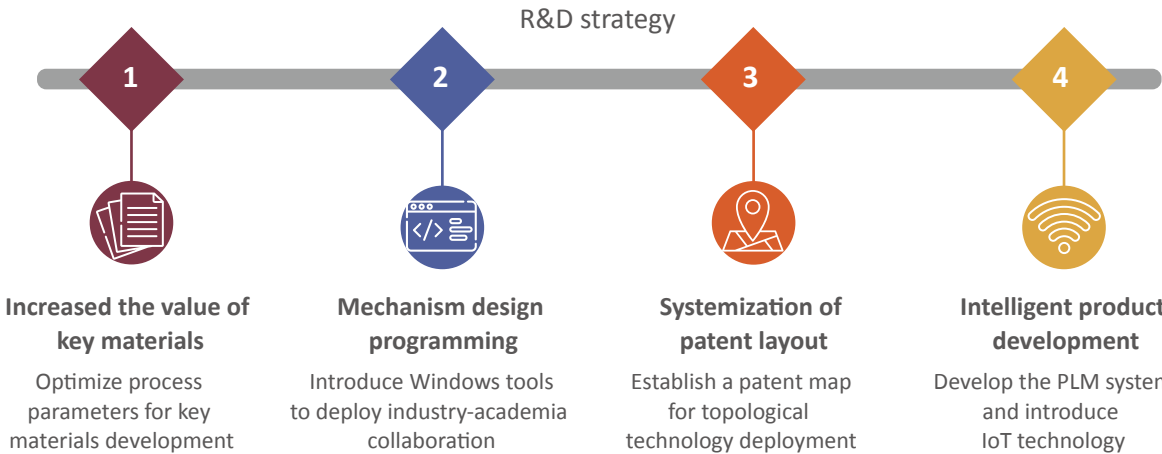


Product Development Management

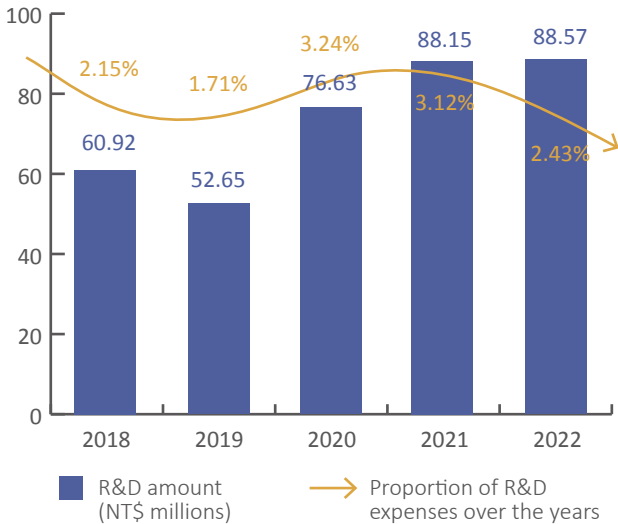
We implement the R&D strategy in a top-down manner. Each month the general manager hosts the Product Strategic Development Committee meeting to review quality in terms of four major aspects. After the review of the management review meeting hosted by the general manager, resolutions are implemented. In 2022 we invested a R&D fund of NT\$88.57 million. The average R&D investment over the past five years was about 2.52% of the revenues to strengthen our R&D capacity.

Direction of Product R&D review

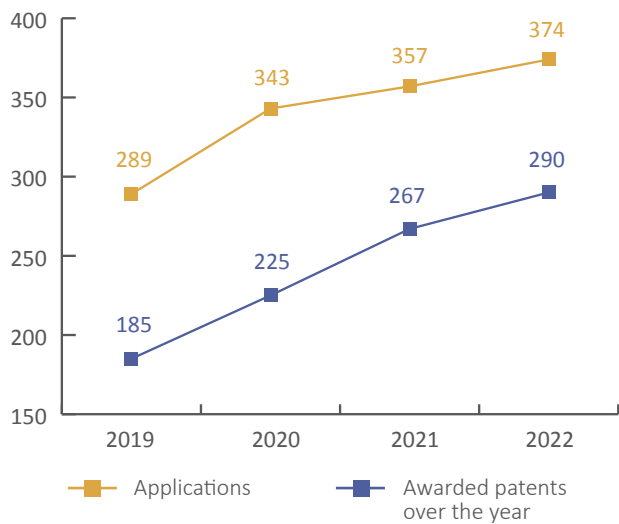
- New product development/ certification/patent layout review
- Formulate strategies for intelligent development of new products
- Monitor and review the effectiveness of new product development implementation
- Review development budget



The amount and proportion of R&D investments



Number of patents applied for and awarded

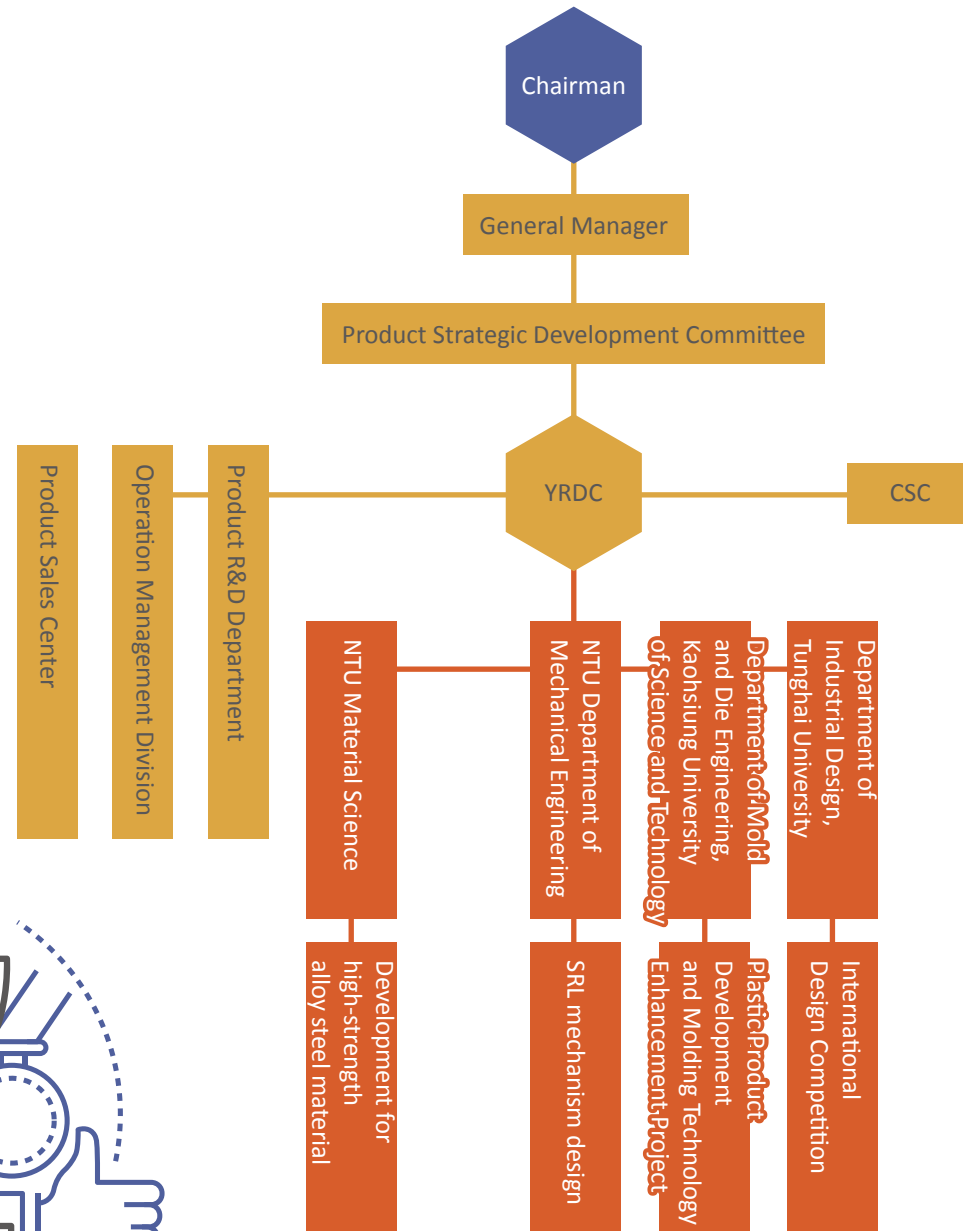


## Industry-academia cooperation projects

Apart from developing SRL mechanisms, materials, and plastic mold flow, The R&D Center maintains collaboration with the Department of Industrial Design of Tunghai University to enhance aesthetic quality of products and so to participate in world-leading product design awards. In 2022, three of our products won the GOOD DESIGN Design Award of Japan, raising our international visibility of our products.

Core technology, organization, and resources are the three major themes of our R&D deployment. Through close collaboration with the academia and by promoting internal education and training, we achieved an all-win collaboration model favoring YOKE, academic research, and education-to-employment (E2E) so as to create maximum safety value.

We have been working closely with academic and research institutions to strengthen our core technologies through industry-academia collaboration and maintaining collaboration with National Taiwan University and National Kaohsiung University of Science and Technology, including four industry-academia collaboration projects in 2022. We also hired scholars and experts in related fields to conduct collaborative technology R&D emphasizing the market-oriented commodification of R&D outcomes, as well as upgrading the technical capacity of the whole industry chain. Chairperson, General Manager



## Fruits of industry-academia collaboration

Through regularly holding technology discussion meetings with the professors and graduate students engaging in industry-academia collaboration, we brainstorm technology innovation for product applications upon the academic foundation. In 2022 we collaborated with the Kaohsiung University of Science and Technology in the design of the double-layer structure and local reinforcement structure of SRL shells. They were applied to improve six sets of plastic injection molds to reduce mold design changes by over 50%. We also assessed give new plastic materials, and one of them can reduce deformation by up to 42% to effectively enhance product assembly efficiency.

## YOKE 2020 PLM Project Phase IV in 2022

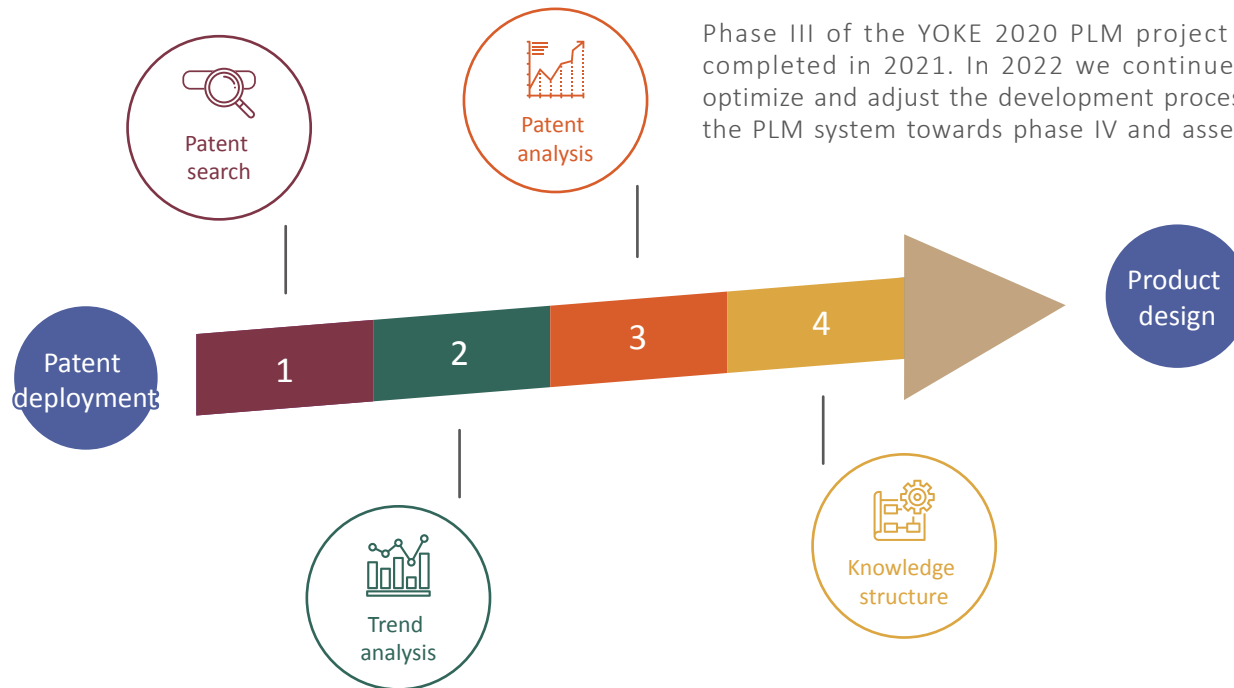
In conjunction with our future operational objectives to create an inter-system management platform for corporate innovation, the Company initiated the “YOKE 2020 PLM” project as a component of our improvement for the R&D process. It is a four-stage process with 3 specific goals: The 1st goal is to integrate all detailed information of design, optimize existing processes so that we can boost our overall R&D efficacy; the 2nd goal is to connect and retain all relevant product information between all departments during the process of product development in order to maximize the effectiveness and benefit of R&D resources. The 3rd and final goal of the project is to incorporate all information from all nodes of production by integrating all personnel, data and systems as we pave the way for Industry 4.0.

Phase III of the YOKE 2020 PLM project was completed in 2021. In 2022 we continued to optimize and adjust the development process of the PLM system towards phase IV and assessed

and implemented engineering change (EC) management, outputting three key points for the design change process:

- 1.Added the process control of engineering change action (ECA) to the design change process.
- 2.Established the ECN Scheduling Plan to plan and schedule EC with the engineering change notice for the related units to keep up with the EC through the ECN.
- 3.Established the “ECA Control List” to keep track on the status of ECA and set delay notification to keep up with the ECA with an organized list.

In conclusion, by combining the objectives in the past three phases, we will implement the PLM EC module in 2023Q2 to integrate into the PLM platform for management the materials version control mechanism, drawings control mechanism, and the scope of design change to prevent version inconsistency during the EC process. Patent deployment research and analysis



# 02

## Creating Sustainable Values

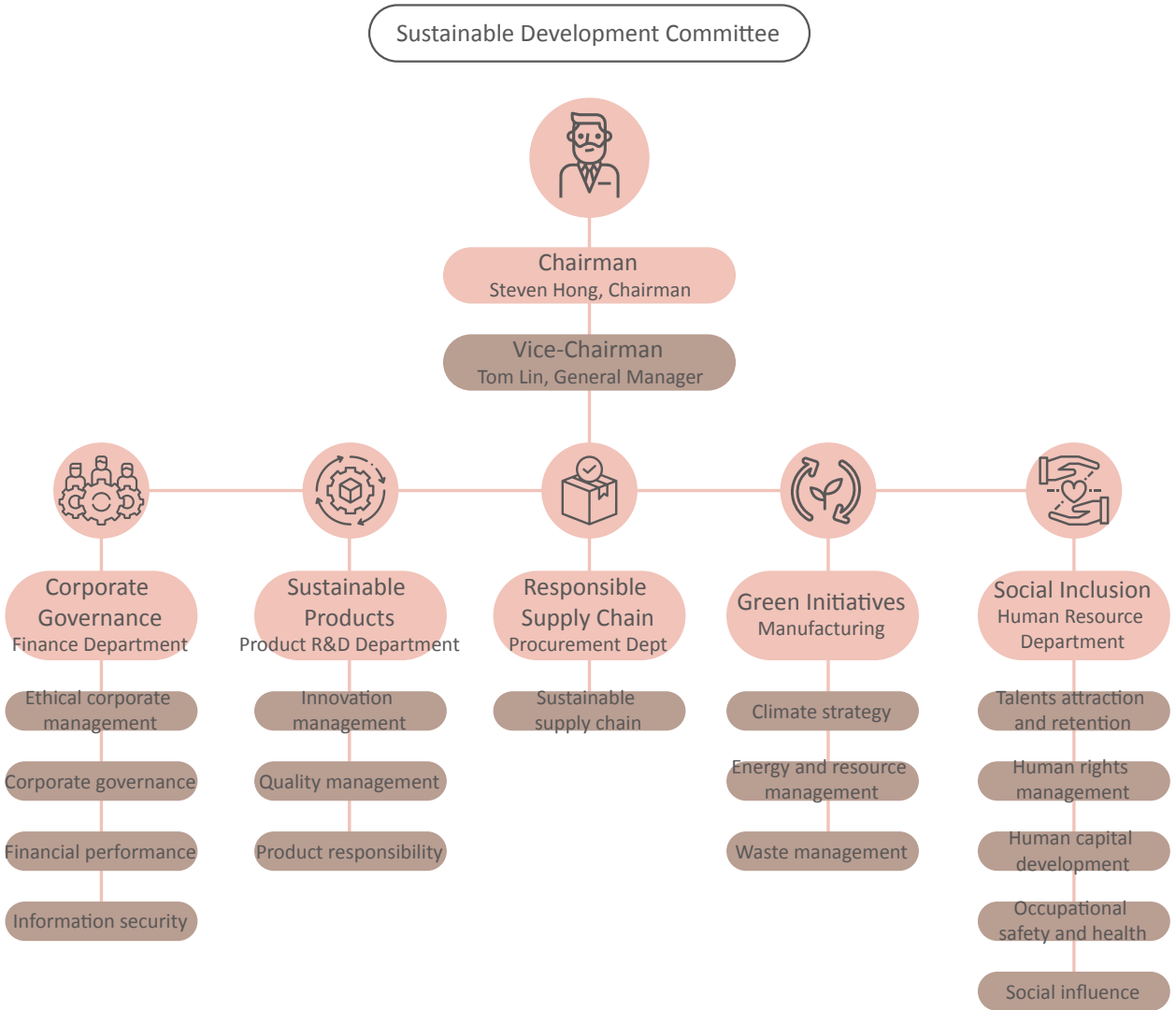
- 2-1 Sustainable Development Organization and Management
- 2-2 Understand the organization's context
- 2-3 Identify and disclose the significance of impacts of issues
- 2-4 Correspondence of material issues
- 2-5 GRI Content Index
- 2-6 SASB Disclosure Index
- 2-7 United Nations Sustainable Development Goal (SDGs) Index
- 2-8 Climate change related (TCFD) disclosure index
- 2-9 External assurance certificate



## 2-1 Sustainable Development Organization and Management

We established its Sustainable Development Committee (SDC) with five working groups in 2019, with the chairman being the committee chair, the general manager the vice committee chair, and managers and above officers the committee members. SDC holds the Sustainability Strategy Meeting in each October to set targets for material topics for disclosure for each working group to implement corresponding action plans. The Committee also meets quarterly to report on the status of target implementation

In addition, we have also arranged regular workshops on relevant topics of sustainability for the committee so that committee members can gain more knowledge on sustainability and learn from other benchmark enterprises. To enhance the awareness of the value of corporate sustainability in employees, we began the Introduction to Corporate Sustainable Development course in the training for new employees in 2021. In 2022 we began to plan required courses on enhancing sustainability awareness for administration in 2023. At the beginning, indirect personnel (officers and general professional employees) will be the target trainees. Then, we will transform them into e-learning courses to develop a consensus for all employees and enhance the sustainability awareness in management at all levels so as to develop a sustainability culture.



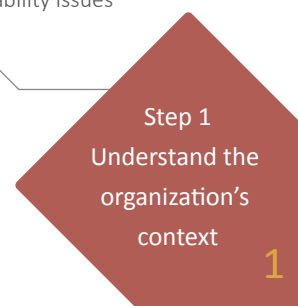
## Process for identifying material sustainability issues in 2022

Each year we periodically identify material sustainability issues to provide an important reference for setting short-, medium-, and long-term goals in our business strategies. In 2022, we prioritized the material sustainability issues and assessed the significance of their impacts in accordance with the four steps to determine material topics in the GRI Universal Standards 2021.

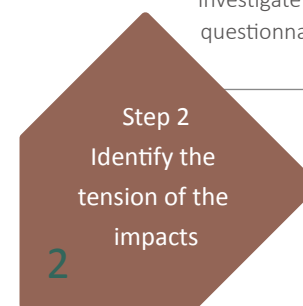
First, based on our operational activities and business relationships, the stakeholder profile, and the sustainability context, we gathered information of the relevant sustainability issues; identified key stakeholders; analyzed the significance of the actual or potential impacts of our operations on the economy, environment, and people, including on their human rights; and combined with the results of stakeholder engagement. Then, material sustainability issues are validated after SDC discussion. Lastly, after reviewing the scope of impact and management boundaries of each issue, the management approaches and targets were defined for the reference of the future disclosure of sustainability information.



- Identify key stakeholders (4 groups)
- Gather sustainability issues (19 topics)



- Identify actual and potential impacts (SDC and relevant core officers)
- Investigate the tension of stakeholders (165 questionnaires)



- Assess the severity of the impacts (actual or potential benefits/losses)
- Assess the likelihood of the impacts
- Refer to the tension of stakeholders



- Prioritize material issues for disclosures (validated 10 material issues)
- Validate the scope and aspects of the impacts
- Correspond to GRI topics/disclosure indicators (corresponding to 15 GRI topic standards and 3 self-defined topics)
- Correspond to SASB industry metrics: Resource Transformation-Industrial Machinery and Goods

## 2-2 Understand the organization's context





### Identify Important Stakeholders

We maintain constant interaction with stakeholders to build a communication and response mechanism on sustainability issues. We also identify stakeholders through the five attributes of stakeholders : responsibility, influence, tension, dependency, and diverse perspectives of AA1000 SES. After the departmental assessment and discussion a few years ago, we determined the key stakeholder groups.

After the further discussion of the importance of stakeholders at the 2022 SDC meeting, we discovered that our interaction with “scholars/students” had reduced in the last two years following the acquisition of important outcomes and reduction of the scope of industry-academia collaboration. Hence, they were excluded from the stakeholder groups in 2022. Eventually, we finalized the following four stakeholder groups: shareholders, customers, employees, and suppliers.

### Engagement with key stakeholders

Each identified stakeholder group had different significance in and interactions with our operational activities. Additionally, different departments engaged with stakeholders through various methods of communication. In 2022 we continued with various methods of communication and engagement and output various results.





| Types of stakeholders  | Accountable departments     | Implications to YOKE  | Method/frequency of engagement  | Results   |
|--|-----------------------------|---|---|---|
|  Shareholders:<br>Guardian of safety value    | Finance Dept                | YOKE commits financial, intellectual, manpower, manufacturing, social and environmental capital into establishing its distinctive safety awareness. | Shareholders' meeting (annual)<br>Board of directors meeting (quarterly)<br>Strategy meetings (annual)                    | Two meetings of shareholders and seven Board meetings were held in 2022, and one strategy meeting was held at the end of the year to verify the annual operating objectives for 2023.   |
|  Customers:<br>Promoter of safety value      | Business Development Center | Purchasing YOKE's products help promote safety awareness to industrial applications and individuals and to far corners of the world.                | Exhibition/video conference with customers<br>Customer satisfaction survey (annual)<br>Complaint handling (at any time)   | Trade fair participations: 8 Sales Dept 22 times and N Sales Dept one time.<br>Maintained intensive communication with customers through videoconferencing, accelerated product development schedule, and effectively enhanced work efficiency. The 2022 customer complaint closure rate was 100% |
|  Employees:<br>Enforcer of safety value     | Human Resource Department   | Through responsible R&D, manufacturing and supporting service, YOKE makes safety an inherent value of all its products.                             | Safe and health committee (quarterly)<br>Labor-management conference (quarterly)<br>Employee satisfaction survey (annual) | In 2022, four Safety and Health Committee meetings and four labor-management meetings were held. The overall satisfaction rating of Taiwanese employees was 3.58 out of 5.  |
|  Suppliers:<br>Collaborator of safety value | Procurement Dept            | Working with YOKE helps improve a business' product capabilities and brings value (in the form of added safety) to the overall industry.            | Supplier Evaluation (annual)<br>Supplier Audit (annual)<br>Supplier Counseling (project)                                  | In 2022, we evaluated 21 suppliers and audited 238 suppliers.   |

In consideration of the significance to YOKE of individual stakeholder groups, the sustainability issues that concern them, and their expectations, by combining the idea of sustainable impact assessment, we included their opinions in managing each sustainability issue to get twice the result with half the effort so as to maximize the power of sustainability through collaboration with stakeholders.

### Gathering sustainability issues

Based on our value creation process (link: Create Safety Value Chain) and the engagement with key stakeholder groups and with reference to the global disclosure criteria or standards for sustainability reports (GRI, SASB, TCFD Recommendations) and the properties of manufacturing industries and related external information for sustainability reports, we determined 19 sustainability issues for impact analysis.



| Stakeholders   | Introspection and response  | Short-term plan   | Long-term strategy   |
|--|---|---|--|
| <br>Shareholder | To establish links to environment, society, and corporate governance through the aspect of operational strategy to build a foundation and momentum for sustainable development. Instead of short-term profits, we will focus on our pursuit of long-term optimization regarding stakeholder interests.  | Continue to optimize and systematize R&D management, accelerate R&D and enhance competitiveness, and continue industry-academia collaboration to help upgrade technical competency to build a more competitive operational environment and product advantages and so break through market adversities and grow against the tide.  | We will continue to promote the market demand for Grade 120 high strength alloy steel products and optimize the manufacturing process through industry-academia cooperation and smart manufacturing, so as to reduce the use of materials and consumption of YOKE products and move towards sustainable manufacturing.           |
| <br>Customer    | With a focus on user safety, we create safety value for products through R&D, procurement, and manufacturing and enforce the management of sustainability issues and validation of product standards to provide customers with trustworthy safety products and corporate commitment.  | Continuously maintain a high-standard quality management system to meet the customer's product expectation; complete the tests for product accreditation of the UKCA standards established by the UKAS after Brexit to meet the product shipping requirements and so to protect the life safety of end-users.   | We will continue to optimize the marketing power of Salesforce and SAP ERP to grasp customer needs and market trends; we will continue to improve our internal environment and promote various measures for sustainable development to create a sustainable enterprise and build a sustainable brand image in the hook industry. |
| <br>Employee    | Starting from competence management, we strive to recruit suitable talents while planning a comprehensive mentor system to help new employees acclimatize themselves to their work environment. In addition, YOKE invests in education and training to equip employees with the necessary professional skills and provides physiological and psychological care to enhance the workplace. | We shall continue to implement our mentor system, promote our Experts Academy while implementing factory skill assessment; apart from giving equal treatment to employees, the introduction of our Employee Assistance Program (EAP) and by providing timely care for our employees, we seek to create a premium workplace that will motivate our employees to be passionate about their work.              | In light of YOKE's 2028 operational growth strategy, we will continue to improve upon our talent recruitment and compensation management, attract outstanding talents and foster positive labor relations through comprehensive talent development planning and execution whilst building a friendly and healthy workplace.      |
| <br>Supplier  | Working with our suppliers to jointly construct and shape the domestic industry for safety hooks has always been YOKE's long-term goal for local commitment. And as such, we provide management and customized assistance mechanism for our suppliers in order to bolster their competitiveness in the market.  | To invite key material suppliers to participate in the developmental phase for new products so as to accelerate product development. In addition, we will provide online queries for long-term orders through production scheduling so that suppliers can estimate their quantity and delivery of shipments for relevant production arrangements to be made to improve the rate and accuracy of deliveries. | To expand the scope of depth of collaborative improvement with our strategic partners while establishing a supplier information platform to provide information in real time, which will facilitate supplier operation improvement, bolster their competitiveness, and promote overall growth for the industry.                  |

## 2-3 Identify and disclose the significance of impacts of issues

### Identify actual and potential impacts

SDC and the relevant core officers analyzed the impacts of the above 19 sustainability issues to identify the significance of the actual or potential and positive and negative impacts of our operations on the economy, environment, and people, including on their human rights.

### Investigate the tension of stakeholders

We distributed questionnaires to key stakeholder groups to investigate the tension of sustainability issues of each stakeholder group. Based on the 165 valid responses, we analyzed and consolidated the results and output the prioritization of sustainability issues that concerned each stakeholder groups for the management to understand the tension of individual sustainability issues on stakeholders.



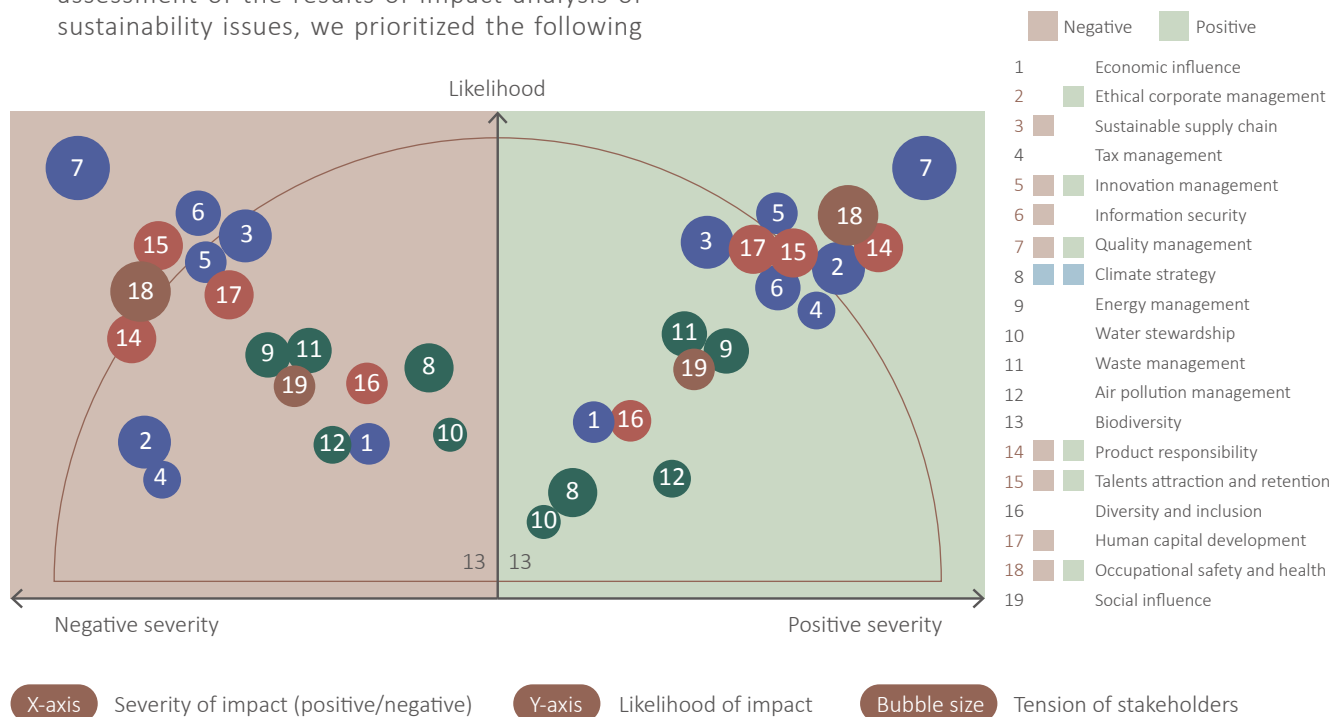
### Impact analysis of sustainability issues

After the “severity” and “likelihood” analysis of individual sustainability issues, and the significance assessment of positive and negative impacts during the “severity” analysis, SDC and the relevant core officers assigned the highest severity score to issues with actual or potential human rights risk. Additionally, we also produced a 3D impact analysis matrix of sustainability issues in consideration of the tension on individual issues of stakeholders as a tool for assessing the significance of impact of sustainability issues in the future.

### Prioritize material issues for disclosure

After the comprehensive discussion and assessment of the results of impact analysis of sustainability issues, we prioritized the following

ten material issues for disclosures: ethical corporate management, sustainable supply chain, innovative management, quality management, product responsibility, talent attraction and retention, human capital development, occupational safety and health, information security, and climate strategy. Although “climate strategy” was originally not a material issue as per the matrix analysis, in consideration of the trend of net zero emissions, after discussion officers at the meeting decided to include it as an issue required priority concern and management as in the previous years.



## 2-4 Correspondence of material issues















### Defining the reporting boundaries

After reviewing the standards of the 31 topics in the GRI Standards, we corresponded them to the material issues and selected the standards of 15 relevant GRI topics and 3 self-defined topics. The Disclosure Team convened meetings to review how each material issue impacts YOKE and the value

chain, which led to the conclusion of setting the boundary of disclosure on YOKE as an individual entity, with the scope of impact varying slightly for each issue.



| Material Issue                   | Correspondence to 2021  | Scope of impact |          |          |      | Impact Aspect |             |        |              | Correspondence to GRI Topic Standards  |
|----------------------------------|---|-----------------|----------|----------|------|---------------|-------------|--------|--------------|--|
|                                  |   | YOKE Operations | Customer | Supplier | User | Economy       | Environment | People | Human Rights |  |
| Ethical corporate management     | Integrity and business ethics   | ●               | ●        | ●        |      | ●             |             | ●      |              | 205 Anti-corruption (2016)   |
| Innovation management            | New for 2022  | ●               |          |          |      | ●             | ●           | ●      |              | Self-defined Topic   |
| Quality management               | Responsible product sale and safety commitments   | ●               | ●        |          | ●    | ●             | ●           | ●      |              | 416 Customer health and safety (2016)  |
|                                  |   |                 |          |          |      |               |             |        |              | 417 Marketing and labeling (2016)  |
| Sustainable supply chain         | Traceability and localized purchase   | ●               | ●        | ●        |      | ●             | ●           | ●      |              | 204 Procurement practice (2016)  |
| Talents attraction and retention | Fair and reasonable employers-employee relations<br>Respect and assurance for employees' human rights | ●               | ●        |          |      | ●             |             | ●      | ●            | 201 Economic performance - pension plan (2016)   |
|                                  |   |                 |          |          |      |               |             |        |              | 202 Market presence (2016)   |
|                                  |   |                 |          |          |      |               |             |        |              | 401 Employers-employee relations (2016)  |
|                                  |   |                 |          |          |      |               |             |        |              | 405 Diversity and equal opportunity (2016)   |
|                                  |   |                 |          |          |      |               |             |        |              | 402 Labor/management relations (2016)  |
|                                  |   |                 |          |          |      |               |             |        |              | 406 Non-discrimination (2016)  |
| Human capital development        | On-job learning and growth  | ●               | ●        | ●        |      | ●             |             | ●      |              | 404 Training and education (2016)  |
| Occupational safety and health   | Safety and health in the work environment   | ●               | ●        |          |      | ●             |             | ●      | ●            | 403 Occupational health and safety (2018)  |
| Climate strategy                 | Countermeasure of climate change  | ●               | ●        | ●        |      | ●             | ●           |        |              | 201 Economic performance - Financial implications and other risks and opportunities due to climate change 2016 |
|                                  |   |                 |          |          |      |               |             |        |              | 305 Emissions 2016   |
| Product responsibility           | New for 2022  | ●               | ●        | ●        |      | ●             | ●           | ●      |              | Self-defined Topic   |
| Information security             | New for 2022  | ●               |          |          |      | ●             |             | ●      |              | Self-defined Topic   |

| Material topics for disclosure   | Implications and impacts to YOKE   | Duration of impact |                         |           | Corresponding SDG  |   |
|----------------------------------|--|--------------------|-------------------------|-----------|--|---|
|                                  |  | Actual             | Potential future impact |           |  |   |
|                                  |  |                    | Within one year         | 2-3 years |  | Over 3 years  |
| Ethical corporate management     | Positive: Our clientele includes world-leading brands of safety lifting components and fittings with stringent requirements for the business integrity of suppliers. YOKE, with well-known enterprises as its operating benchmark, continues to promote “Accountability and integrity” as its 5A core values. We expect all senior management and colleagues to comply with the provisions of the law and the company’s internal regulations.<br>Negative: Base on the integrity and responsibility corporate culture and the relevant mechanisms, failure in compliance with the relevant codes of conduct of an individual may affect organizational reputation and operations.  |                    |                         | ●         |  <br> |   |
| Innovation management            | Positive: “Aggressive innovation” is one of our 5A core values, with which we continuously create sustainable safety value for worldwide industries. As lifting components are products critical to safety, global complete quality management system regulations and product safety standards are established to ensure product quality and safety. By selling products worldwide with a good reputation, we combine internal and external R&D capacity to maintain industry leadership to inject new safety value to products. In recent years, we have provided suppliers with active guidance to improve their manufacturing capabilities and operational capacity to increase overall industry competitive strengths through collaboration.<br>Negative: Failing to continue product and process innovation for self-contentment with existing advantages and overlooking the need for level pegging of suppliers may affect the company’s long-term competitiveness. |                    | ●                       |           |    |   |
| Quality management               |  | ●                  |                         |           |  |   |
| Sustainable supply chain         |  |                    | ●                       |           |  |    |
| Talents attraction and retention | Positive: Sustained operational growth hinges on the joint effort of all employees and only by building a competitive human resources system and comprehensive safety and health environment will we be able to inspire our colleagues to take joy in their work and commit to their careers. Additionally, we understand that labor-management harmony and valuing the human rights at work and physical and mental health employees are indispensable to build a friendly workplace.<br>Negative: Failing to properly manage talents development within the organization, ensure work safety, and respect human rights may affect talents attraction and retention to further affect overall organization development.   | ●                  |                         |           |    |   |
| Human capital development        |  | ●                  |                         |           |  |    |
| Occupational safety and health   |  |                    | ●                       |           |  |   |
| Climate strategy                 | Positive: Advance consideration of the directions and goals of business transition to reduce transition impacts and create of business opportunities through mitigation and adaptive management.<br>In response to climate change, apart from energy conservation and emissions reduction, we also actively engage in materials R&D and process improvement to reduce investment in plain iron resources and consumption of the relevant materials. We also include the responsibilities within the product life cycle in the design and actively implement product CFV to enhance operational competitiveness in the long run.<br>Negative: Failing to make forward-looking analysis and address climate-related issues from the viewpoint of risk management may miss the opportunity for low-carbon transition, thus restricting by climate-related regulations or receiving physical impacts.  |                    |                         | ●         |    |   |
| Product responsibility           |  |                    |                         | ●         |  |  |
| Information security             | Positive: When strengthening corporate competitiveness through digital transformation, we can also continuously prepare for the impacts and counteractions of information security risks, improve the relevant hardware and software, and enhance the information security awareness of employees at the same time to lower the impact of potential information security threats and so to ensure operational security.<br>Negative: Failing to build sufficient mechanisms to for information security protection may need to face the losses or operational impacts from information security threats.   |                    | ●                       |           |   |   |

## 2-5 GRI Content Index

### GRI Statement of Use

|                                   |  |
|-----------------------------------|--|
| Statement of Use                  | YOKE Industrial Corporation has reported in accordance with the information quoted in the GRI Content Index of the GRI Standards for the period from 1 January 2022 to 31 December 2022. |
| GRI 1 used                        | GRI 1: Foundation 2021   |
| Applicable GRI Sector Standard(s) | NA   |



### GRI 2: General Disclosures 2021

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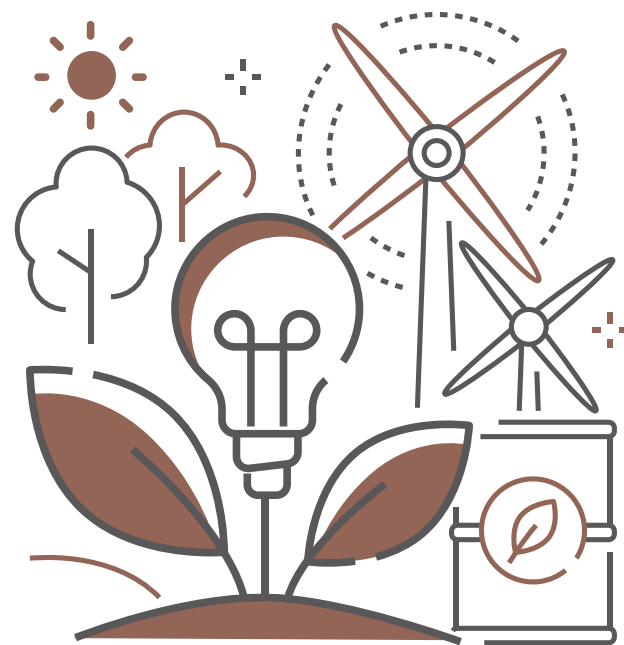
## GRI 3: Material Topics 2021

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| Number of Disclosure                          | Title of Disclosure   | Corresponding Report Section |   | Page |
|---|---|------------------------------|---|------|
| 404-1   | Average duration of training each employee receive each year                                  | 6-3                          | Talent Development and Nourishment at Depth | 81   |
| 404-3   | Percentage of employees receiving regular performance and career development reviews          | 6-3                          | Talent Development and Nourishment at Depth | 81   |
| GRI 405: Diversity and equal opportunity 2016 |   |                              |   |      |
| 405-1   | Diversity of governance bodies and employees  | 3-1                          | Sound Corporate Governance                  | 45   |
|   |   | 6-3                          | Talent Development and Nourishment at Depth | 81   |
| 405-2   | Female-to-male ratio of basic salary plus remuneration  | 6-1                          | Implement employee care                     | 74   |
| GRI 406: Non-discrimination 2016              |   |                              |   |      |
| 406-1   | Incidents of discrimination and corrective actions taken                                      | 3-5                          | Ethical corporate management                | 54   |
|   |   | 6-2                          | Sourcing of Outstanding Talents             | 77   |
| GRI 416: Customer health and safety 2016      |   |                              |   |      |
| 416-1   | Assessment of the health and safety impacts of product and service categories                 | 4-4                          | Outstanding Product Quality                 | 62   |
| 416-2   | Incidents of non-compliance concerning the health and safety impacts of products and services | 4-4                          | Outstanding Product Quality                 | 62   |
| GRI 417: Marketing and labeling 2016          |   |                              |   |      |
| 417-1   | Requirements for product and service information and labeling                                 | 4-2                          | Improve product labeling                    | 60   |
| 417-2   | Non-compliance with product and service information labeling requirements                     | 3-5                          | Ethical corporate management                | 54   |
| Self-defined topic: Innovation management     |   |                              |   |      |
| IM1   | Proportion of use of digital products   | 1-2                          | Product overview                            | 15   |
| IM2   | Proportion of products that meet the latest regulations                                       | 1-2                          | Product overview                            | 15   |
| Self-defined topic: Product responsibility    |   |                              |   |      |
| PS1   | Replacement of hazardous substances   | 1-4                          | Business strategies                         | 23   |
| PS2   | Packaging reduction design  | 1-4                          | Business strategies                         | 23   |
| Self-defined topic: Information security      |   |                              |   |      |
| IS1   | Rate of completion of information security education and training                             | 3-4                          | Information security management             | 51   |

## Voluntary Disclosure

| Number of Disclosure | Title of Disclosure                                   |     | Corresponding Report Section                  | Page |
|----------------------|---|-----|---|------|
| GRI 302: Energy 2016 |   |     |   |      |
| 302-1                | Energy consumption within the organization            | 7-5 | Adopt energy conservation and waste reduction | 102  |
| 302-3                | Energy intensity                                      | 7-5 | Adopt energy conservation and waste reduction | 102  |
| 302-4                | Reduction of energy consumption                       | 7-5 | Adopt energy conservation and waste reduction | 102  |
|                      |   | 7-6 | Ongoing improvement of production procedures  | 106  |
| GRI 306: Waste 2020  |   |     |   |      |
| 306-1                | Waste Generation and Waste-Related Significant Impact | 7-5 | Adopt energy conservation and waste reduction | 102  |
| 306-2                | Management of Significant Waste-related Impacts       | 7-5 | Adopt energy conservation and waste reduction | 102  |
| 306-3                | Waste generation                                      | 7-5 | Adopt energy conservation and waste reduction | 102  |
| 306-4                | Disposal and transfer of waste                        | 7-5 | Adopt energy conservation and waste reduction | 102  |
| 306-5                | Waste directed to disposal                            | 7-5 | Adopt energy conservation and waste reduction | 102  |




## 2-6 SASB Disclosure Index

| Sector type      | Resource Transformation   |  |      |
|------------------|---|--|------|
| Name of industry | IG Industrial Machinery & Goods   |  |      |
| Code             | Accounting metric   | Corresponding chapter/description  | Page |
| RT-IG-130a.1     | Disclosure of the following information on energy consumption:<br>(1) Total energy consumed (including fuel, power)<br>(2) Percentage of grid electricity<br>(3) Percentage renewable   | For details on energy consumption, refer to “7-5 Energy conservation and waste reduction.” Power consumed by YOKE is 100% supplied by Taiwan Power Company and YOKE has not used renewable energy thus far (0%).   | 102  |
| RT-IG-320a.1     | Disclosure of the following information on occupational injuries:<br>(1) Total recordable incident rate (TRIR)<br>(2) Fatality rate<br>(3) Near miss frequency rate (NMFR)  | 6-4 Enhancing ESH  | 86   |
| RT-IG-410a.1     | Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles  | YOKE products are industrial products that do not require power to operate, and as such, are not applicable to the disclosure of fuel economy.   |      |
| RT-IG-410a.2     | Sales-weighted fuel efficiency for non-road equipment   | YOKE products are industrial products that do not require power to operate, and as such, are not applicable to the disclosure of fuel economy.   |      |
| RT-IG-410a.3     | Sales-weighted fuel efficiency for stationary generators  | YOKE products are industrial products that do not require power to operate, and as such, are not applicable to the disclosure of fuel economy.   |      |
| RT-IG-410a.4     | Sales-weighted emissions of the following:<br>(1) nitrogen oxides (NOx),<br>(2) particulate matter (PM) emissions for:<br>(a) marine diesel engines<br>(b) locomotive diesel engines<br>(c) on-road medium- and heavy-duty engines<br>(d) and other non-road diesel engines | YOKE products are industrial products that do not require power to operate, and as such, are not applicable to the disclosure of emissions.  |      |
| RT-IG-440a.1     | Describe the management of risks associated with the use of critical materials  | Critical materials (crude iron rod) used for all YOKE products contain no traces of precious metal. There is no risk of supply restriction as to the critical materials we use are jointly developed by YOKE and our suppliers. In other words, the likelihood of a supply shortage is very low. |      |
| RT-IG-440b.1     | Revenue from remanufacturing products and remanufacturing services  | YOKE products are primarily related to personal safety and cannot be recycled for reuse and the Company does not provide remanufacturing services. And as such, this metric is not applicable.   |      |
| RT-IG-000.A      | Number of units produced by product category  | In light of the differences in our product categories, the comparison in units produced carries limited significance. And as such, we have chosen to disclose the revenues from products by category as featured in “1-2 Product Overview.”  | 15   |
| RT-IG -000.B     | Number of employees   | A total of 449 full-time employees at the end of 2022  |      |

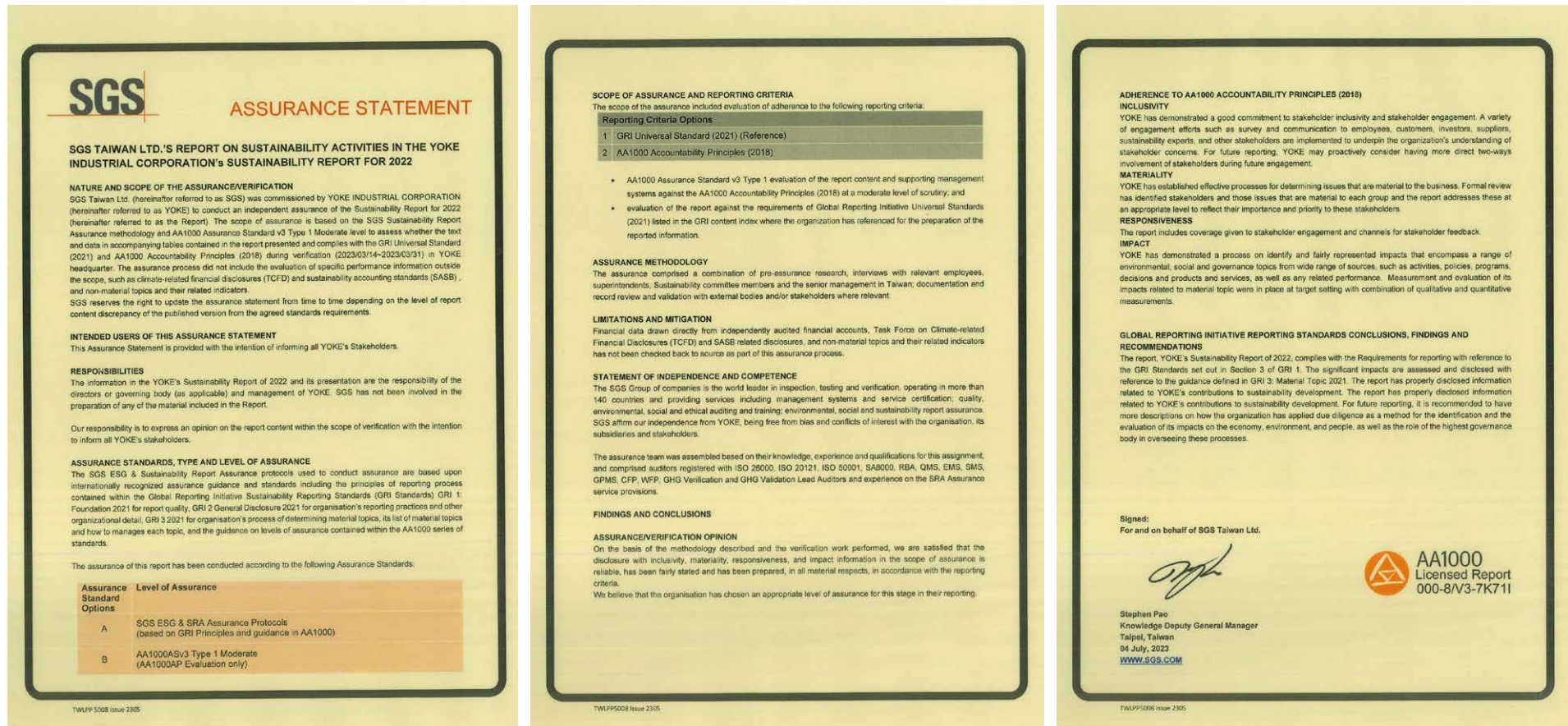
## 2-7 United Nations Sustainable Development Goal (SDGs) Index

| Sustainable development goal  | Corresponding chapter                            | Page |
|---|--|------|
| <b>3</b> GOOD HEALTH AND WELL-BEING<br>                | 1-2 Product overview                             | 15   |
|   | 1-4 Business strategies                          | 23   |
|   | 4-2 Improving product labeling                   | 60   |
|   | 6-4 Enhancing ESH                                | 86   |
|   | 6-5 Health promotion                             | 93   |
|   | 8-2 Encouraging volunteer service                | 112  |
| <b>4</b> QUALITY EDUCATION<br>                         | 5-2 Reinforcing supplier management              | 70   |
|   | 6-3 In-depth talent development                  | 81   |
|   | 8-1 Investment in youth empowerment              | 111  |
| <b>5</b> GENDER EQUALITY<br>                           | 6-1 Implementing employee care                   | 74   |
|   | 6-2 Sourcing of outstanding talents              | 77   |
|   | 6-3 In-depth talent development                  | 81   |
| <b>7</b> AFFORDABLE AND CLEAN ENERGY<br>               | 7-5 Energy conservation and waste reduction      | 102  |
|   | 7-6 Ongoing improvement of production procedures | 106  |
| <b>8</b> DECENT WORK AND ECONOMIC GROWTH<br>          | 1-5 R&D, innovation and growth                   | 27   |
|   | 5-1 Leading industrial upgrades                  | 68   |
|   | 6-2 Sourcing of outstanding talents              | 77   |
| <b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE<br> | 1-5 R&D, innovation and growth                   | 27   |
|   | 4-4 Outstanding Product Quality                  | 62   |
|   | 8-1 Investment in youth empowerment              | 111  |
| <b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION<br> | 1-2 Product overview                             | 15   |
|   | 4-3 Robust Quality Management                    | 61   |
|   | 4-4 Outstanding Product Quality                  | 62   |
|   | 7-5 Energy conservation and waste reduction      | 102  |
| <b>16</b> 和平與正義制度<br>                                | 3-1 Sound Corporate Governance                   | 45   |
|   | 3-5 Ethical corporate management                 | 54   |

## 2-8 Climate change related (TCFD) disclosure index

| Promotional structure  | Disclosure item   | Corresponding chapter   | Page |
|--|---|---|------|
| <br>Governance        | Describe the Board of director oversight of climate-related risks and opportunities   | 7-1 Climate-related financial disclosures   | 98   |
|  | Describe management's responsibilities in assessing and managing climate-related risks and opportunities  | 7-1 Climate-related financial disclosures   | 98   |
| <br>Strategies        | Describe the short-, medium- and long-term climate-related risks and opportunities identified by the organization   | 7-3 Risk assessment for climate change  | 100  |
|  | Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning                                 | 7-2 Strategies for climate change   | 99   |
|  | Consider describing the resilience of an organization's strategy in different climate-related situations, including 2°C or lower temperature scenarios          | YOKE will consider the relevant introduction of measures in accordance with the Company's maturity in climate change management |      |
| <br>Risk Management   | Describe the process of identifying and assessing climate-related risks   | 7-3 Risk assessment for climate change  | 100  |
|  | Describe the process of managing climate-related risks in an organization   | 7-3 Risk assessment for climate change  | 100  |
|  | Describe how processes to identify, assess and manage climate-related risks fit into the overall risk management of the organization                            | Plan to implement the climate risk management process from 2023   |      |
| <br>Goal and target | Disclosure of metrics used by organizations to assess climate-related risks and opportunities in accordance with their strategies and risk management processes | Progressively establish goals and set metrics for implementation strategies from 2020   |      |
|  | Disclosure Scope 1, Scope 2 and Scope 3 (if applicable) greenhouse gas emissions and associated risks   | 7-4 Goals and achievements  | 101  |
|  | Describe the goals and achievement of the organization's goals for managing climate-related risks and opportunities   | 7-4 Goals and achievements  | 101  |
|  |   |   |      |

## 2-9 External assurance certificate



# 03

## Creating safety value for shareholders

3-1 Sound Corporate Governance

3-2 Enhanced operational performance

3-3 Establishing Risk Management

Issue: Information security

3-4 Information security management

Issue: Ethical corporate management

3-5 Ethical corporate management



### 3-1 Sound Corporate Governance

#### Board of directors

Currently, the Board is composed of three directors and one supervisor. In 2021, directors and the supervisor were re-elected at the meeting of shareholders in accordance with the Company Act and the Articles of Incorporation, each with a term of office for three years. In age distribution, one board member is aged under 50 years old, while three members are aged over 50 years old.

The board of directors exercises its authority in accordance with laws, the Articles of Incorporation and Board of Directors Conference Rules. The directors and supervisors with their extensive industry experience help supervise the Company's operations. In the future, we will assess the need for training courses based on the organizational development and in response to the relevant trends of sustainability governance.

After its establishment, the Sustainable Development (ESG) Committee periodically reports the achievements of various sustainability-related projects to the chairman. After approval, projects are promoted and implemented, and important work items are also included in the agenda of the report to the Board. YOKE hires one professional manager as the general manager to implement the Company's overall operations and sustainability-related projects and periodically reports the operational achievements to the Board. The last report was presented in December 2022.

| Title  | Representative | Gender | Academic and career background   | Required attendance | Actual attendance |
|--|----------------|--------|--|---------------------|-------------------|
| Chairman   | Steven Hong    | Male   | EMBA, National Chengchi University<br>YOKE Industrial Corp. - Chairman             | 5                   | 5                 |
| Director   | Susan Yen      | Female | National Taichung Institute of Technology<br>YOKE Industrial Corp. - Vice Chairman | 5                   | 5                 |
| Director   | Marcus Hung    | Male   | National Chung Hsing University<br>YOKE Industrial Corp. - Vice General Manager    | 5                   | 5                 |
| Supervisor   | Yen, Kuo-Chen  | Male   | Kai Nan Vocational High School<br>Industry Consultant                              | 0                   | 0                 |
| <div>Note</div> <p>The Board has been elected by law. Currently, it is formed primarily with the members of the founding family. It prioritizes corporate sustainable development when making decisions, maximizes business value for shareholders, and values engagement with various stakeholder groups.</p> |                |        |  |                     |                   |

#### Organization



## 3-2 Enhanced operational performance

### Information transparency

At present, YOKE is not a public company. Our participation in Commonwealth Magazine's Excellence in Corporate Social Responsibility and voluntary preparation of sustainability reports have both been an effort from the Company to improve its operations through transparent disclosure of information as we learn from the optimal business models adopted by other exemplary companies.

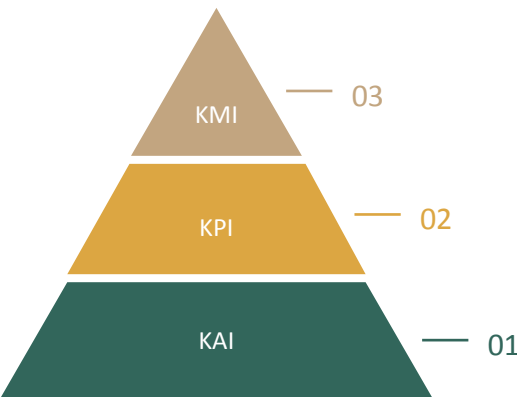
Through the integration of SAP ERP, YOKE has been able to complete all closing procedures in 1 business day each month. 15 days before each month, senior executives would convene a management meeting to review the operating performance to focus on problematic issues and immediately formulate corresponding improvement measures.

### Budget management process

At the end of each year, the management discusses with each department on their proposed annual budgets and targets in accordance with the medium and long-term goals before verifying the annual plans for individual departments. The management also engages each department in KPI confirmation meetings, during which they lay out all performance indicators from R&D progress, production yield, production efficiency to goals of supporting departments.

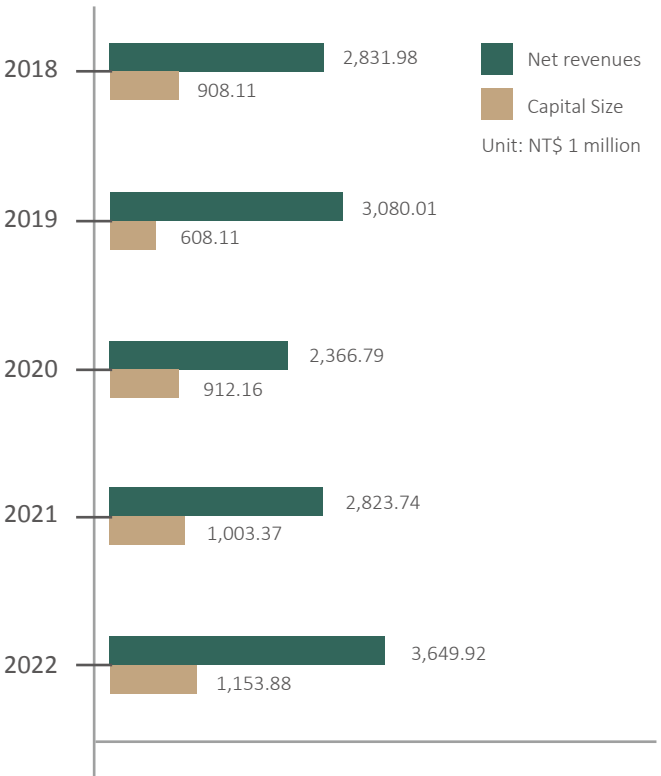
Our existing performance management mechanism covers eight strategic issues and spreads out over three tiers in accordance with the Company's annual strategies to derive our Key Management Index (KMI). These are then expanded to derive the Company's annual operational goals while the General Manager refers back to the Company's operation approach to determine relevant Key Performance Index (KPI) at the corporate level. The KPIs are to be reported by department managers

during the monthly management meetings in which the General Manager and the management team will review and evaluate the status of achievement for follow-up. Each department will establish its corresponding Key Activity Index (KAI) at the department level to be implemented. The KAIs shall be related and instrumental to the achievement of KPIs and they will be included as a component of department managers' personal performance evaluation. Under the department, KAIs would be the personal KPI for individual employees to create a complete and closed circuit that ties the Company's annual strategic goals and operational goals together. The review is reported monthly, and the PDCA improvement mechanism is activated if the target is not met.



### Financial performance

All YOKE employees have put "safety" at the top of their priority and committed whole-heartedly to reduce product launch time while satisfying all standards and quality specifications. The Company's improvement in financial performance has been the combined result of increased productivity and yield rate and reduced production cost and wastage. YOKE generated NT\$3.649 billion in revenue in 2022, which represented a 29.26% increase over 2021. In addition, there are no applications for government-related grant programs in 2022 and no government grant income.



### 3-3 Establishing Risk Management

#### Risk Management Mechanism

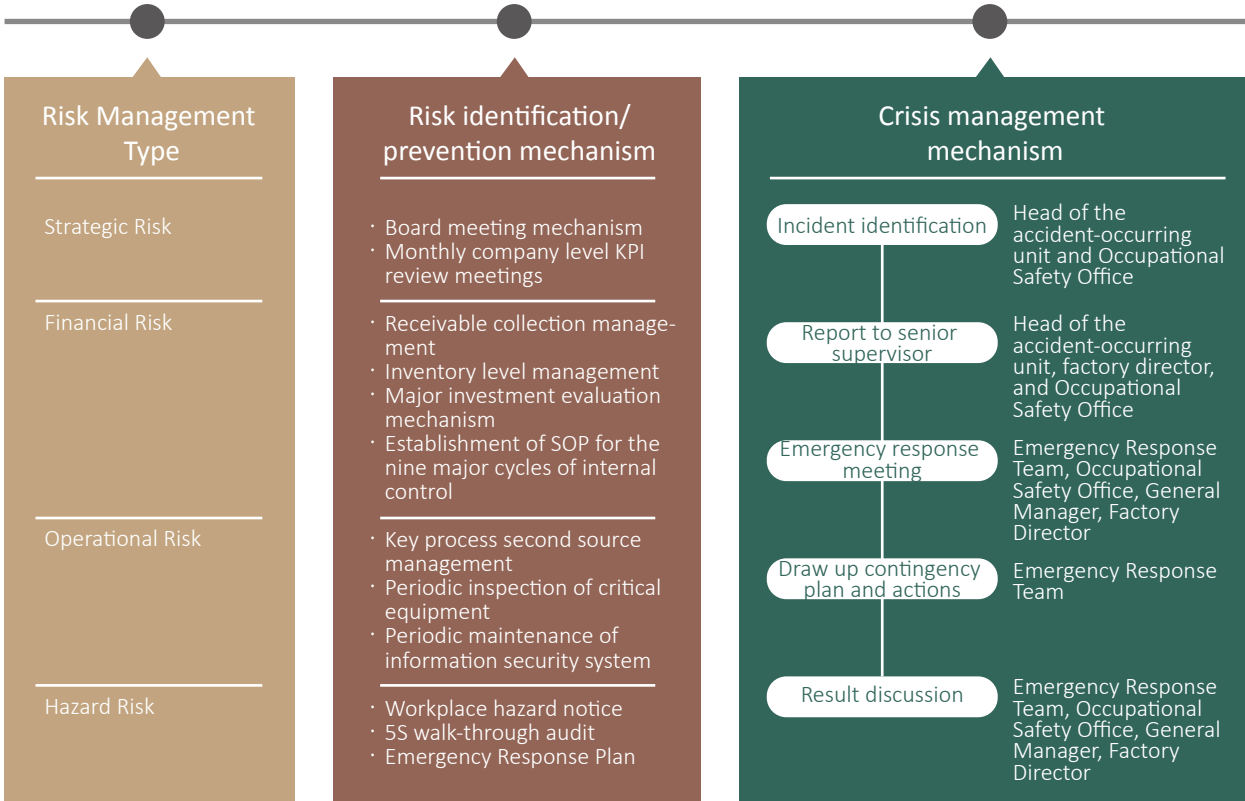
With the post-epidemic era, more variables have been added to the already fast-changing domestic and international business environment, and YOKE has established a risk management mechanism to classify risks into four categories: decision risks, financial risks, operational risks, and hazard risks, etc. The risk identification and prevention mechanism has been developed for each type of risk, and a crisis management mechanism has been established to fully implement risk management operations in order to maintain long-term stable operations.

#### Risk Tracking Program

In addition to the above-mentioned management of major risks, YOKE also implements risk items that are less likely to occur but may still cause certain risks in its daily operations, and conducts regular tracking and review to reduce operational risks.

YOKE's products are sold worldwide, which makes exchange rate and the interest rate the two regularly monitored risks for the Finance Department to ensure that our revenues do not fluctuate to the point that results in major losses. Through cash flow management, the Company ensures that an adequate amount of cash and cash equivalents are maintained to meet its operational requirements while mitigating the impact of cash flow fluctuation. The Finance Department manages liquidity risk by monitoring bank credit limits, thereby preventing the risks of a customer defaulting while protecting the Company's credits.

YOKE carefully assesses the credit risk of customers or distributors that it conducts businesses with in various parts of the world. Trade terms are imposed depending on the credit risk of the location and the counterparty involved. For new



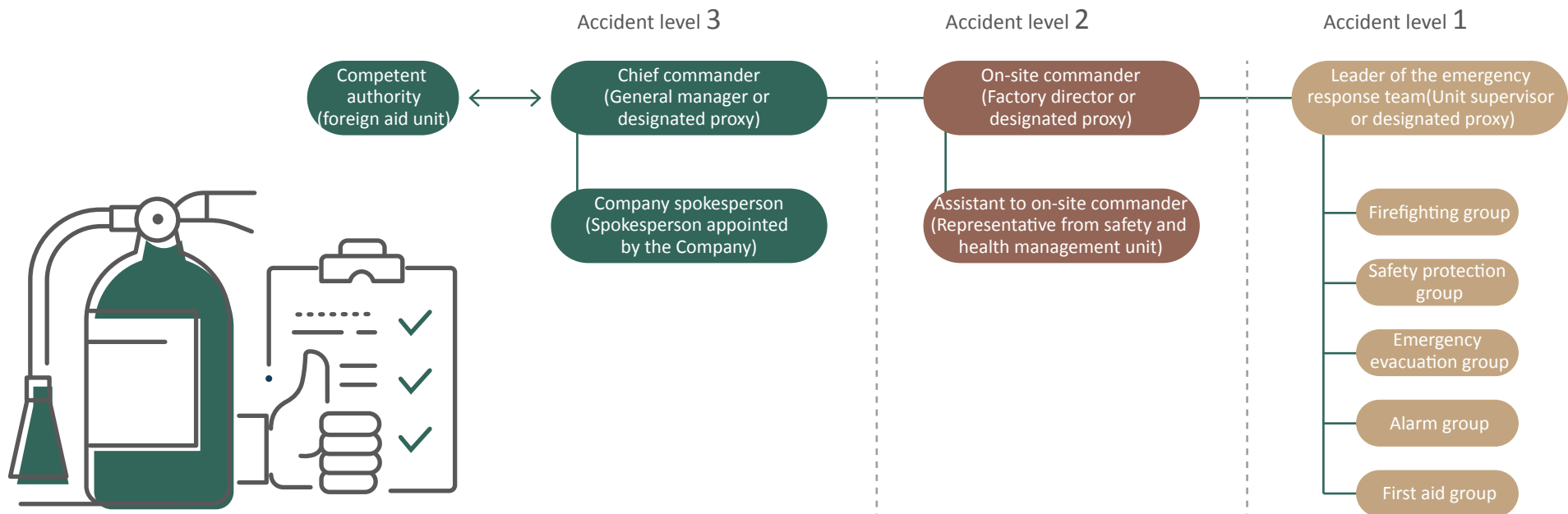
customers, first-time transactions are conducted on a payment-before-shipment basis; change of payment terms for subsequent transactions may be considered depending on the customer's credibility and transaction outcome. YOKE will temporarily withhold shipment if any account receivable is uncollected when due, and in doing so mitigates the risk of loss caused by bad debt.

As YOKE's retailers operate across many parts of the world, and as such, legal issues are one of the areas that require attention. With regards to patent rights, YOKE works with patent specialists to

avoid the act of infringement. Due to the nature of YOKE's global development, Any major transaction relating to operation is conducted with the help of an internationally allied law firm as YOKE's legal counsel in order to avoid losses or violations due to unfamiliarity with foreign laws. For domestic legal affairs involving transactions and collaborations, the Company seeks comprehensive and professional counsel and assistance from local law firms.

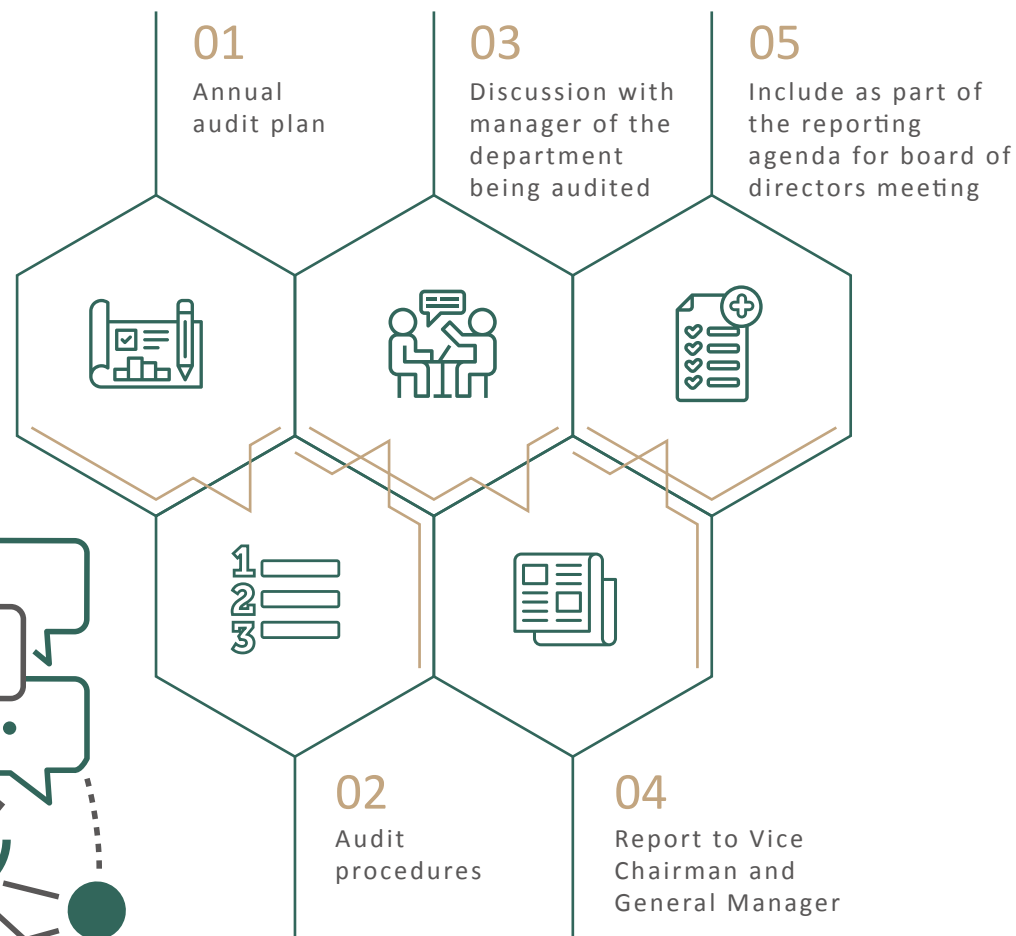
## Emergency response capabilities

In order to respond correctly and effectively in case of emergency so as to minimize injury, property damage, environmental impact, or disruption of operation, we developed an emergency management plan to cover occupational and natural disasters (i.e. typhoon, earthquake), power outages, fires, the outbreak of infectious diseases. The plan also established an “emergency response organization” and a 24-hour emergency response duty roster. Messages and information shall be relayed through mobile phones to the relevant personnel according to the accident level. To enhance our emergency response capacity, we periodically organize disaster prevention drills and relevant training courses. In 2022, we drilled chemical spills and earthquakes in factories.



## Audit mechanism

As YOKE is not a publicly listed company, we are not legally required to establish a dedicated audit department or personnel. Nevertheless, out of respect for corporate governance, YOKE has appointed audit personnel directly under the board of directors similarly to what public companies do and established specific internal control mechanisms as guidelines to supplement the Company's internal management. At the end of each year, the annual audit plan for the following year would be established. The annual audit plan is the framework in which our various monthly audits are implemented and once completed, an audit report has to be verified by the manager of the department being audited to validate the integrity of the report before reporting to the Vice Chairman and General Manager on a monthly basis. Various defects and oversights, along with the recommended actions of improvement, will also be followed up to track the status of rectification for the departments involved. Lastly, audit reports will be included as part of the reporting agenda for the board of directors meeting.



## Issue: Information security

1

### Policy

Establish related information security procedures and periodically implement information security audits to ensure the proper implementation of information security.

2

### Commitment

- Sustainability & Inclusion: Ethical management, legal compliance, mutual benefit with the society and engagement through communication
- Education & Growth: Total participation, reinforcement of awareness, internalization of training and continuous improvement
- Quality First: Innovative development, process improvement, quality refinement, and customer satisfaction
- Environmental Protection: Resource efficiency, energy/water conservation, emission, and waste reduction and pollution prevention
- Safety & Health: Safety first, health promotion, hazard prevention, balance between physical & mental well-being

3

### Goal and target

Ensure information security training and plan information security management mechanisms and protection measures.

4

### Responsibility

As the responsible unit, the MIS Department continuously optimize the information service process while enhancing the capability of information security protection at the same time.

5

### Grievance system

Stakeholders can provide their feedback and lodge complaints through our internal meetings, staff comment boxes, e-mails, or the "Contact us" page on YOKE's website. With the exception of internal meetings, feedbacks/complaints are handled anonymously to protect the rights and interests of the complainant.

6

### Action

- Update external firewalls and firewall equipment.
- Complete information security training for specific departments

7

### Mechanisms for scoring management approach

The management committee is responsible for tracking the progress of various projects and performance management indicators of key departments.

8

### Results of management approach assessment

- Completed the update of external firewall equipment.
- Completed two information security training sessions for specific departments, with a completion rate of 77%.

9

### Corresponding GRI

Self-defined Topic

10

### Corresponding SDG



### 3-4 Information security management

We began digital transformation in recent years to enhance process efficiency and optimize management processes. As the degree of digitization increases, it is necessary improve our information security protection against external information security threats at the same time. Through building management mechanisms, personnel training, and protection tests and drills, we continuously optimize information security management. Currently, we are planning our information security management policy and will include information security issues, scenario drills and information security assessment, and audit results in our consideration and continual improvement in 2023 to review the integrity and suitability of policies and protection measures, build complete information security protection capability, and raise the information security awareness and response capability of employees.

#### Draw up information security management policy

- Establish relevant information security procedures to ensure the confidentiality, integrity, and availability of information assets.
- Protect the information of business activities from unauthorized access.
- Protect the information of business activities from unauthorized alteration and ensure information accuracy and integrity.
- Ensure the continuity of information operation.
- Periodically implement information security audits to ensure the proper implementation of information security.

### 2022 information security management mechanism

| Information security management items | Implementation measures  |
|---------------------------------------|--|
| Physical management                   | <ul style="list-style-type: none"> <li>· Automated monitoring and management of servers and network equipment in the server room.</li> <li>· Migrate important system services to the cloud and set up a VPN to control use.</li> </ul>  |
| System management                     | <ul style="list-style-type: none"> <li>· Split control by segment and separate intranet and extranet management.</li> <li>· Networking and instant messenger (IM) software management: Controlled use.</li> <li>· Periodic password change and multi-factor authentication (MFA).</li> <li>· Annual vulnerability scan and remediation of vulnerabilities.</li> <li>· Disaster recovery (DR) drills every year.</li> <li>· Email protection mechanism: Apply advanced threat protection (ATP) to the email accounts of important staff.</li> </ul> |
| Hardware protection                   | <ul style="list-style-type: none"> <li>· Two-tier firewall: We updated our firewall equipment in 2022 and plan to update to the two-tier firewall structure in 2023 to enhance protection.</li> <li>· Control of private computer use: No use of private computer equipment in the Company.</li> <li>· Storage equipment control: No unauthorized USB storage device can be used.</li> <li>· Optimize data backup: Periodic corporate data backup and synchronous cloud data backup for offsite backup.</li> </ul>                                 |
| Others                                | <ul style="list-style-type: none"> <li>· Strange email reminder: Block business email compromise (BEC).</li> <li>· Dual circuit redundancy: Ensure uninterrupted networking service.</li> </ul>  |

## Information security training

We request new employees to sign the “Integrity and Probity Commitment” and “Non-Disclosure Agreement” on the date of arrival to promise compliance with the Code of Business Conduct and Ethics and protect and keep confidential of all corporate information. Additionally, we arrange information security education and training within three months after the date of arrival for new employees to understand our information security policy and management measures. For newly promoted supervisors, we publicize the department-related information security policy and management measures based on the department duty. Additionally, we already arranged two email information security education and training for specific departments with intensive external email contact in 2022. The training completion rate was 77%.

From 2023, we will publicize information security to all employees once a quarter and arrange information security drills for specific units once every six month to maintain the information security awareness of employees and keep them away from threatening network behavior.

## Information security tests and drills

### Disaster recovery (DR) drills

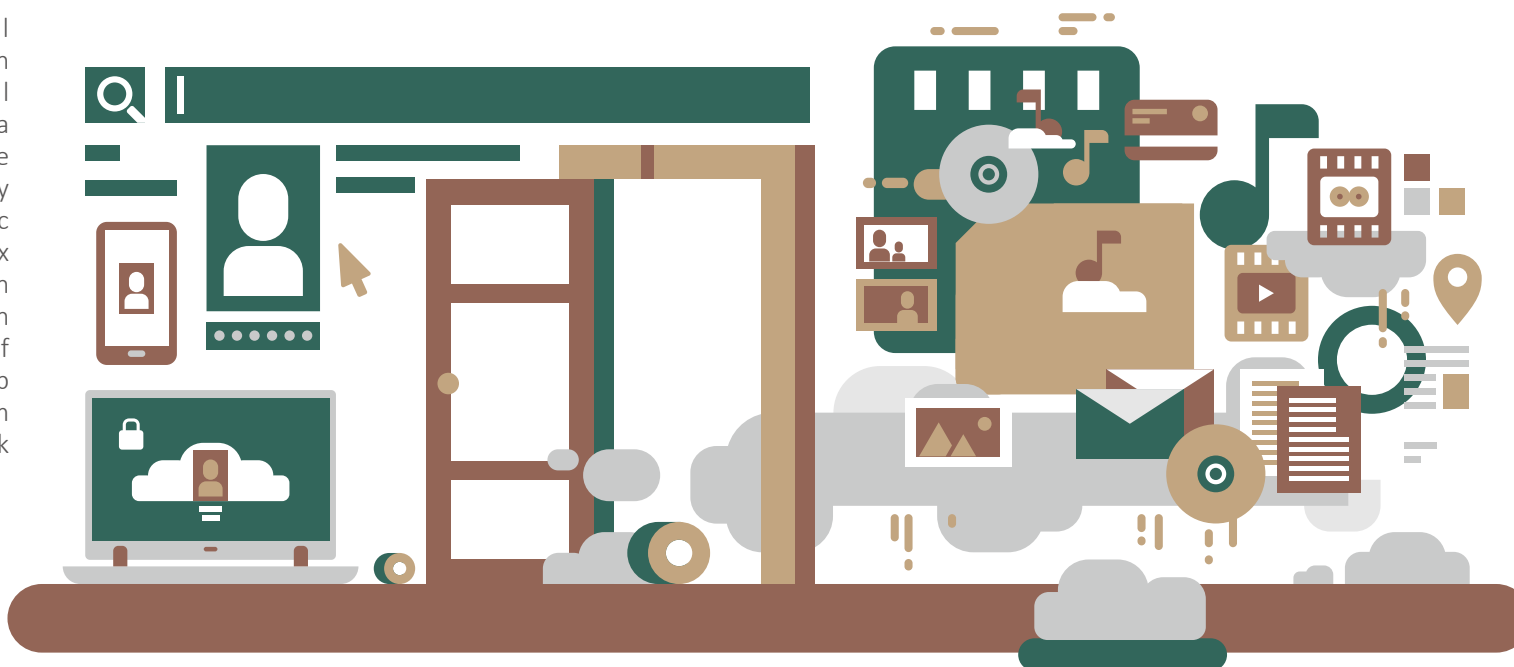
Once a year, the DR test performs on the backup data of important system services to ensure backup quality. DR should be completed within 24 hours.

### Endpoint equipment protection

- Periodically scan hardware vulnerabilities in the information environment and patch critical loopholes.
- Build the periodic update mechanism for third-party software in addition to the standard OS update.
- Periodically check the privilege of internal account and abnormal access in the information environment.

### Network communication protection

- Draw up external attack defense plans (e.g., prevention of injection exploits and malicious website defacement) on the supplier platform.
- Periodically check the account privilege and effectiveness of external suppliers and customers and plan the periodic password change mechanism.
- Drill social engineering once and arrange one information security education course every six months to enhance the information awareness of employees.
- Assess and introduce the third-party cloud spam solution to enhance email security filtering capability



## Issue: Ethical corporate management

1

### Policy

Continue to promote our core values of 5A and help employees internalize these values in their conduct; comply with pertinent domestic and foreign regulations in accordance with the principles of ethical management.

2

### Commitment

- Sustainability & Inclusion: Ethical management, legal compliance, mutual benefit with the society and engagement through communication
- Education & Growth: Total participation, reinforcement of awareness, internalization of training and continuous improvement
- Quality First: Innovative development, process improvement, quality refinement, and customer satisfaction
- Environmental Protection: Resource efficiency, energy/water conservation, emission, and waste reduction and pollution prevention
- Safety & Health: Safety first, health promotion, hazard prevention, balance between physical & mental well-being

3

### Goal and target

- To achieve full implementation of 5A core values for all employees
- To comply with domestic and foreign regulations and various product specifications to make zero violations.

4

### Responsibility

The Human Resource Department is responsible for affairs relating to our core values and with regards to legal compliance, depending on the specific regulation in question, responsible units include the Human Resource Department, Finance Department, Quality Assurance Department and the Occupational Safety Office. Implementation results serve as the criteria for annual performance evaluation for the department (supervisor) and individual employees and they are linked to performance bonuses.

5

### Grievance system

Stakeholders can provide their feedback and lodge complaints through our internal meetings, staff comment boxes, e-mails, or the "Contact us" page on YOKE's website. With the exception of internal meetings, feedbacks/complaints are handled anonymously to protect the rights and interests of the complainant.

6

### Action

To disseminate the philosophy and ideologies behind our 5A core values in orientation training for new employees and elaborate on YOKE's code of conduct

7

### Mechanisms for scoring management approach

5A serves as a component of core competence assessment under employees' performance evaluation, which in turn functions as the validation mechanism for conducts that are in line with the 5A core values for all employees.

8

### Results of management approach assessment

We had zero violations in 2022.

9

### Corresponding GRI

205 Anti-corruption (2016)  
GRI 2-27

10

### Corresponding SDG

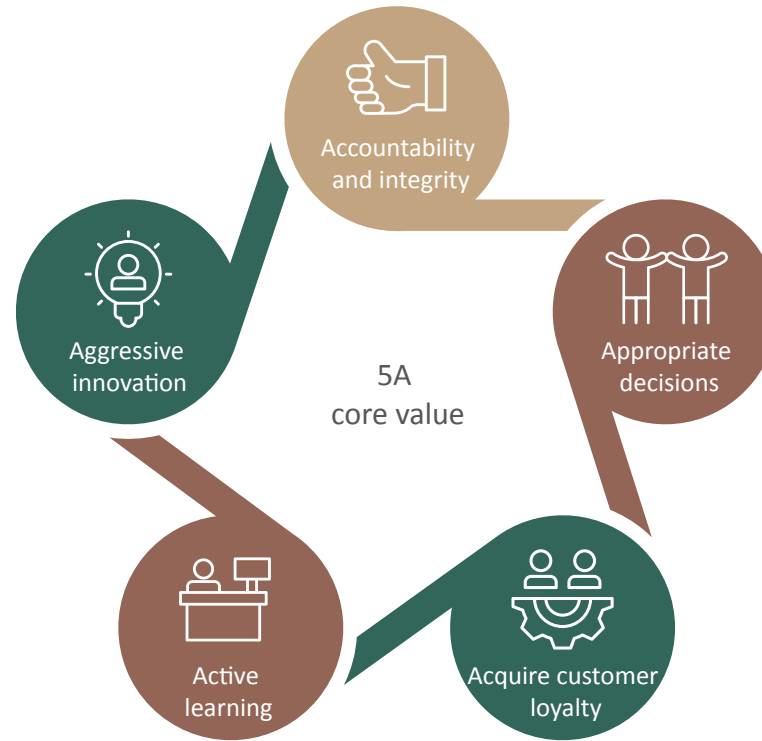


### 3-5 Ethical corporate management

#### 5A Core values

The 5A the core value of our code of conduct, and “accountability and integrity” comes the first. We request new employees to sign the “Integrity and Probity Commitment” on their arrival to promise compliance with the Code of Business Conduct and Ethics and not to engage in any improper conduct, such as illegal and unethical behavior, unfair competition, bribery, and corruption. Additionally, new employees must accept the orientation training that includes the 5A core value. In 2022, the rate of both signing the commitment and completing the orientation training was 100%

Through the performance management system, we periodically assess the compliance and practice of the 5A core value of each employee to ensure that the corporate culture featuring “accountability and integrity, appropriate decisions, acquire customer loyalty, active learning, and aggressive innovation” in the daily work and decisions.



Definitions of  
5A core values

## Compliance

YOKE complies with domestic regulations in all its business operations. The Company also pays constant attention to policy trends, and reviews and revises internal policies or procedures where applicable to conform with the latest regulations. As a result, YOKE has been able to monitor and respond appropriately to changes in key policies and laws, whether local or abroad. YOKE had complied with pertinent laws and internal policies on economic, environmental and social aspects throughout 2022. There had been no violation concerning anti-corruption, finance, marketing communication, product information/labeling, labor laws or environment, and neither was the Company fined by competent authority for any violation.

With regards to product specifications, YOKE has an R&D Department that keeps a close eye on the world's standard developers and maintains good interaction with them to obtain news on the latest changes. As soon as new standards are issued, the Company conducts internal product reviews and makes design changes accordingly in order to deliver products with up-to-date specifications to customers.

## Grievance mechanism

YOKE has opinion boxes, e-mail, and sexual harassment complaint hotline available for employees to raise opinions or complaints. All opinions are collected and verified by the Human Resource Department before they are forwarded to relevant personnel of the responsible department. Replies are made collectively by the Human Resource Department. External parties can also lodge a complaint or provide their input via the "Contact us" section on YOKE's website. In addition to classifying opinions by stakeholders' issues of concern (i.e. sales, procurement, human resource) and assigning dedicated personnel to collect and handle each category, feedbacks relating to internal misconducts such as corruption are directed to senior officers for confidentiality and more effective investigation/handling in the future. We had received zero complaints in 2022.



# 04

## Creating values of safety for customers

Issue: Quality management

4-1 Excellent customer service

4-2 Improve product labeling

4-3 Robust Quality Management

4-4 Outstanding Product Quality



## Issue: Quality management

1

### Policy

Implement and promote our quality management system and laboratory management system; ensure our product design and manufacturing are in line with pertinent international product specifications.

2

### Commitment

- Sustainability & Inclusion: Ethical management, legal compliance, mutual benefit with the society and engagement through communication
- Education & Growth: Total participation, reinforcement of awareness, internalization of training and continuous improvement
- Quality First: Innovative development, process improvement, quality refinement, and customer satisfaction
- Environmental Protection: Resource efficiency, energy/water conservation, emission, and waste reduction and pollution prevention
- Safety & Health: Safety first, health promotion, hazard prevention, balance between physical & mental well-being

3

### Goal and target

Implementation of quality system management

4

### Responsibility

Our 8 Sales Department and N Sales Department shall be responsible for customer service, while our designated FAEs shall provide relevant technical support at the customer/distributor's establishment to provide service or training. The Quality Assurance Department shall be responsible for customer complaints and affairs pertaining to our quality management system and laboratory management.

5

### Grievance system

Stakeholders can provide their feedback and lodge complaints through our internal meetings, staff comment boxes, e-mails, or the "Contact us" page on YOKE's website. With the exception of internal meetings, feedbacks/complaints are handled anonymously to protect the rights and interests of the complainant.

6

### Action

- In response to Brexit, we applied for UKCA product certification in 2022 to fulfill the demand of UK customers.
- Reduce customer turnover through continual improvement based on CV reports.

7

### Mechanisms for scoring management approach

Conduct periodic internal audits for various quality management systems along with routine external audits; the management review committee shall track the progress of various management projects and major department performance management indicators.

8

### Results of management approach assessment

- We began UKCA product certification in June 2022 and have completed all the required procedures. We expect to obtain the certificate in February 2023.
- Customer turnover reduced to 0.39%

9

### Corresponding GRI

416 Customer health and safety (2016)  
417 Marketing and labeling (2016)

10

### Corresponding SDG



4-1    Excellent customer service

Technical services

Since the introduction of the field application engineer (FAE) service in 2017, the number of FAE team members has increased to four in 2022, and the scope of service has expanded to the U.S., Mexico, Canada, China, India, and the Middle East. We have also equipped two FAEs in the Vietnam subsidiary to provide field application services for the Vietnamese market. The mission of FAE is to let regional distributors understand and correctly use YOKE products. By offering regional education and training, FAEs enable customers' sales teams to understand specifications and standards such as the EN 1677 (Components For Slings - Safety) and ASME B30 (Safety Standard for Cranes and Related Equipment). Through the education and communication of FAEs, customers can maintain the optimal use and optimal condition of YOKE

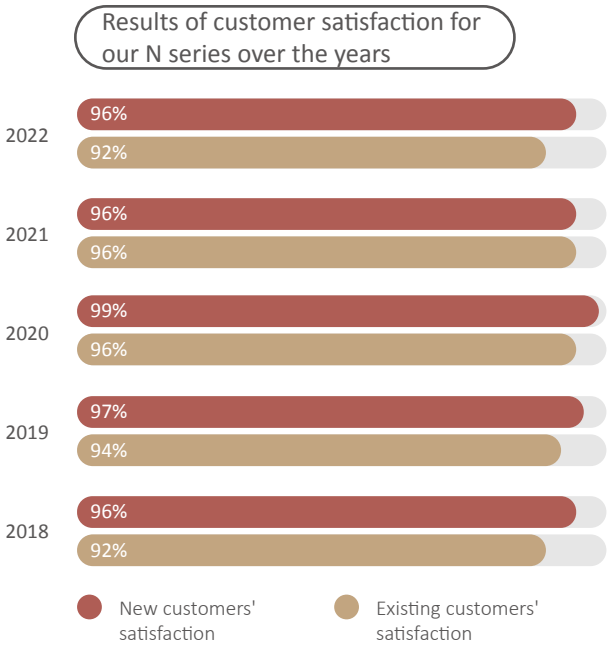
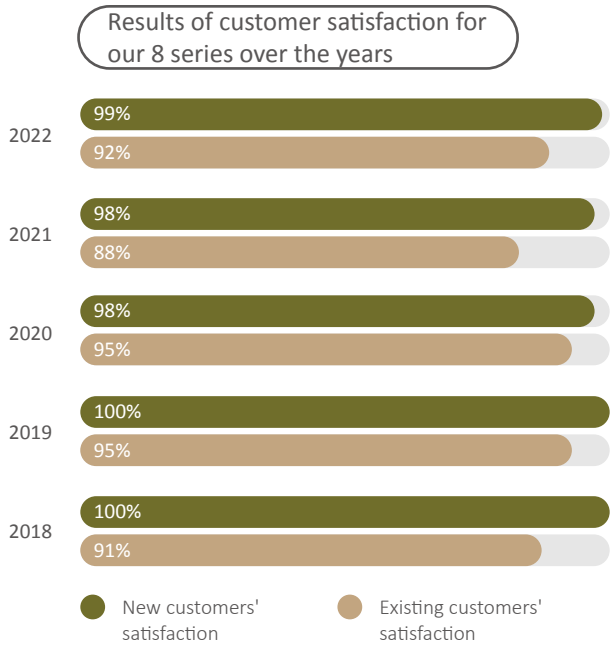
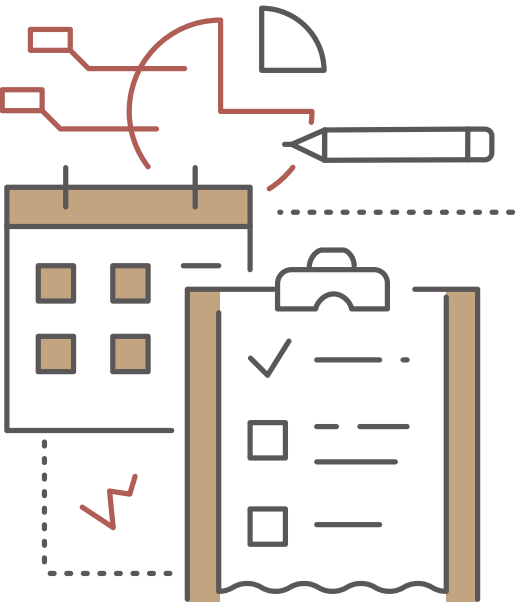
industrial lifting components. The involvement of our FAE team not only improves customer service quality and product stability but also enhances distributors' knowledge about YOKE products.

Customer satisfaction

Each year, the 8 Sales Department selects the top 35 existing customers, top 3 new customers, and specific key customers for further development based on annual sales ranking. In comparison, the N Sales Department picks 7 existing top customers from various regions and all new customers from the current year to take part in the customer satisfaction survey. In 2020, we introduced the electronic questionnaire automatically delivered through the CRM system to save time and verify the status of customer clicks to effectively enhance the response rate. The questionnaires were collected

and analyzed to generate a report presented during the monthly quality meeting for review.

In 2022, we distributed 92 customer satisfaction questionnaires (8 series: 38 and N series: 54) and collected 58 responses (8 series: 24 and N series: 34). The satisfaction with 8 series increased from 88% in 2021 to 92% in 2022, and the satisfaction of new customers increased from 98% to 99%. The satisfaction of both existing and new customers of the N Sales Department maintained at over 92%. With regard to the dissatisfaction over the delivery time of new products as a result of the longer development time and customer communication time, we will continue to shorten the development time of new products to continuously enhance customer satisfaction.

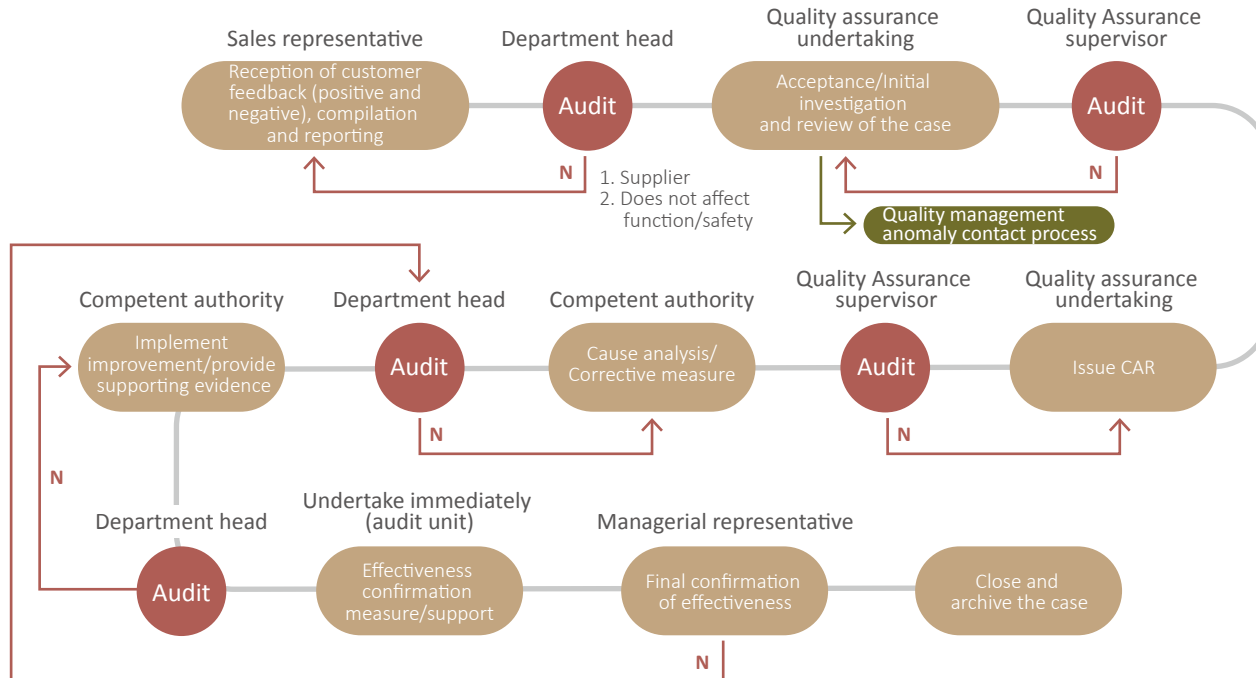


## Complaint handling

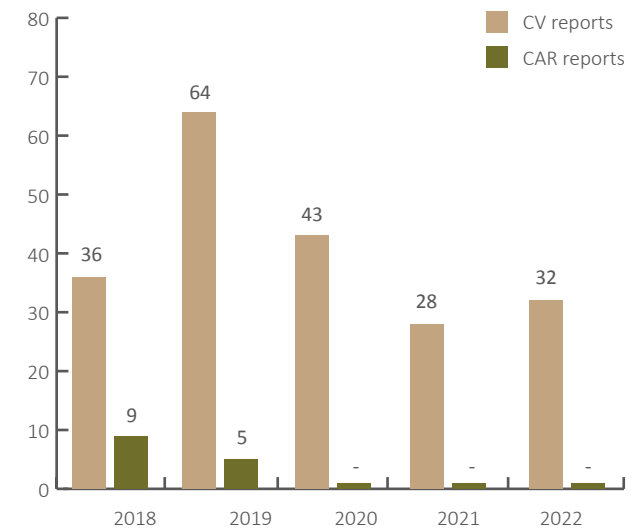
As soon as customers provide their feedback, a responsible sales representative would create an entry of Customer Voice (CV) in the system and provide a preliminary response within 24 hours. Meanwhile, the Company will convene a review meeting within three days upon receiving the complaint to determine the responsible department and how the complaint shall be rectified and resolved. The customer would then be notified of how the Company has handled the complaint before closing the case. If the issue in question had compromised safety or functionality, a separate Correction Action Report (CAR) would be issued to activate the abnormal quality management process. Once issued, the CAR can only be closed after corrections are proven to have been made and passed review.

- There were 32 CV reports in 2022, four more than 2021.
- There was no CAR report in 2022, the same as that of 2021.
- Product appearance was the major complaint in CV reports in 2022:
- Product appearance was the major feedback in CV reports. Analysis showed that “appearance variation and human error” were the main reasons for failure in error detection. Through industry-academia collaboration, we conducted the crystalline phase analysis with the scanning electron microscope (SEM) and energy dispersive spectrometer (EDS) to narrow the scope of failure in error detection and make custom adjustments based on the customer requirements.

- The development process and design modification through customer discussion over the SRL were the feedback in some CV reports. To fully retain customer feedback, we followed up the relevant feedback through CV reports, thus increasing the number of CV reports.
- Despite the slight increase in CV reports in 2022, the actual customer turnover rate due to customer complaints reduced significantly from 0.76% in 2019 to 0.39% in 2022 through continual customer service improvement. The target for 2023 is 0.2%



Statistics on customer feedback over the years (no. of feedback)

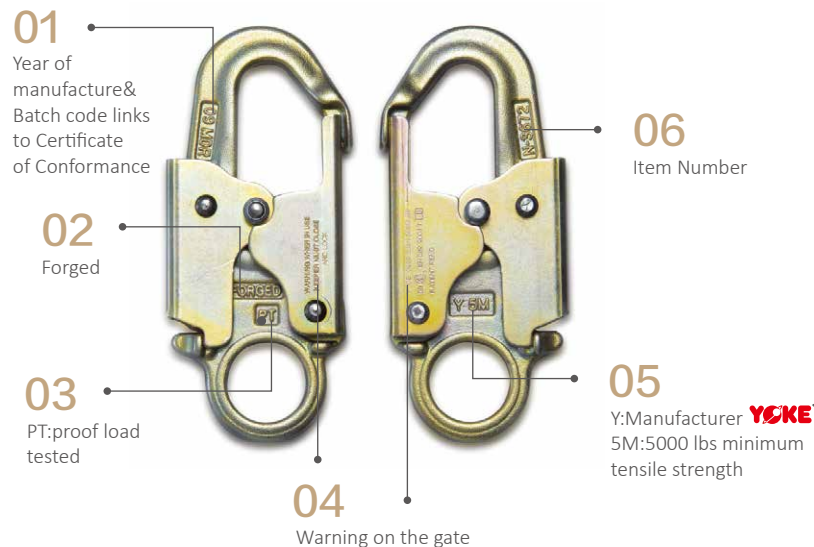


## 4-2 Improve product labeling

### Product labeling

YOKE has adopted an automated warehouse storage system for precise control of inventorying and shipping operations. Through a barcode printing system, product information to be included in the packing box is printed out directly. The automatic warehousing system is designed to identify the boxes automatically by barcodes to expedite shipping and make it convenient for customers to extract information upon receipt of goods.

There are strict regulations governing product labeling for industrial safety lifting and safety protection. The name/trademark of manufacturer, the applicable regulation code, the manufacture lot number/year, and the force bearing direction/loading capacity, among other information (the required information to be shown differs slightly according to regulations for different product lines) must be labeled. During the development of products, YOKE already completes proper designs and inspections regarding the appearance treatment process flow for die/laser engraving to



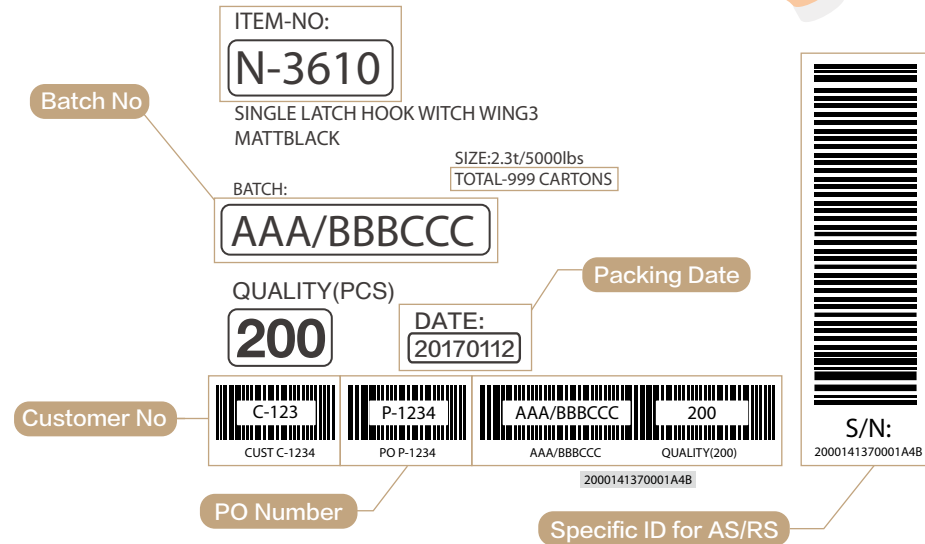
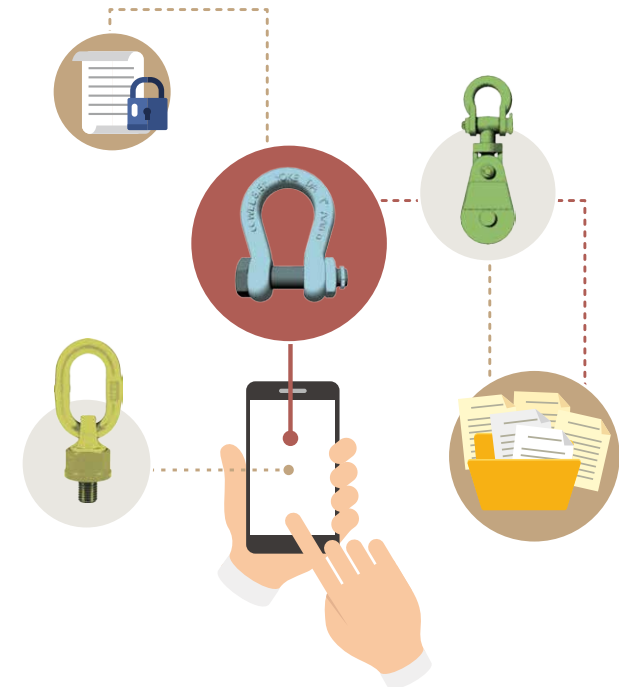
ensure that products are labeled in compliance with applicable regulations.

### Product lineup digital-assisted product labeling and document provision

To solve the long-time hidden safety problems in the industrial lifting industry, such as product labeling failure, missing paper safety operation instructions, personnel's failure in long-term implementation of equipment safety check before use, we started the product lineup digitization project in 2017. By embedding the RFID chip in products and through the support of cloud software, we store manufacturer production records (traceability), safety operation instructions, and equipment safety check records on the cloud and systemically manage component use time, inspection schedules, and inspection methods with digital tools to enhance industry safety.

With the app from our partner RiConnect, customers can quickly access manufacturer information, RFID's unique code and serial number, product traceability information, manufacturer compliance certificate, product operation instructions, and product inspection records before

use over the smartphone or easy reader to enhance the convenience and safety of product use and achieve paperless operation for environmental protection.



## 4-3 Robust Quality Management

### Quality management system

We introduced our quality management system certification back in 1997 and more than 20 years have gone by. The latest revision in July, 2020 was to complete the ISO 9001:2015 review and obtain the DNV GL Business Assurance Co. (DNV G.L.) certification (first verified in 2006).

In light of the prominent safety issues concerning safety buckles and in order to accommodate customer demands and the discrepancies between different quality management systems, YOKE continued to adopt API SPEC Q1, a quality management system developed by the American






Petroleum Institute (API), as a set of standards developed for oil and gas industries and ISO 9001 quality management system (API QMS:2015).

For personal protection gears, we have also obtained certification for Article 11B. SATRA, a UK-based certifier, conducts annual reviews at YOKE's factories and renews our certification.

### Factory Manufacturing Certification

In addition to our quality management system, our manufacturing factories have also been certified by dedicated verification agencies in accordance with our customers' needs as we boost our products' competitiveness.

Factory certifications that we have obtained and remained valid include accreditation by the American Bureau of Shipping (ABS) and the China Classification Society (CCS). YOKE is reviewed and verified each year by these two certifiers.

| Certifier   | Beginning year of certification | System within period of validity | Certifier   | Beginning year of certification | Certified product  |
|---|---------------------------------|----------------------------------|---|---------------------------------|--|
|  DNV GL | 2006                            | ISO 9001                         |  ABS  | 2001                            | Manufacturing assessment-Loose Gear, Lifting Device, Lifting Frame, Hooks, Connecting Links and Shackles |
|  API   | 2007                            | API QMS, API Spec Q1             |  CCS | 2016                            | Forged Anchor Shackle, Hook and Light Snatch Block   |
|  SATRA | 2011                            | Article 11B                      |   |                                 |  |

## 4-4 Outstanding Product Quality

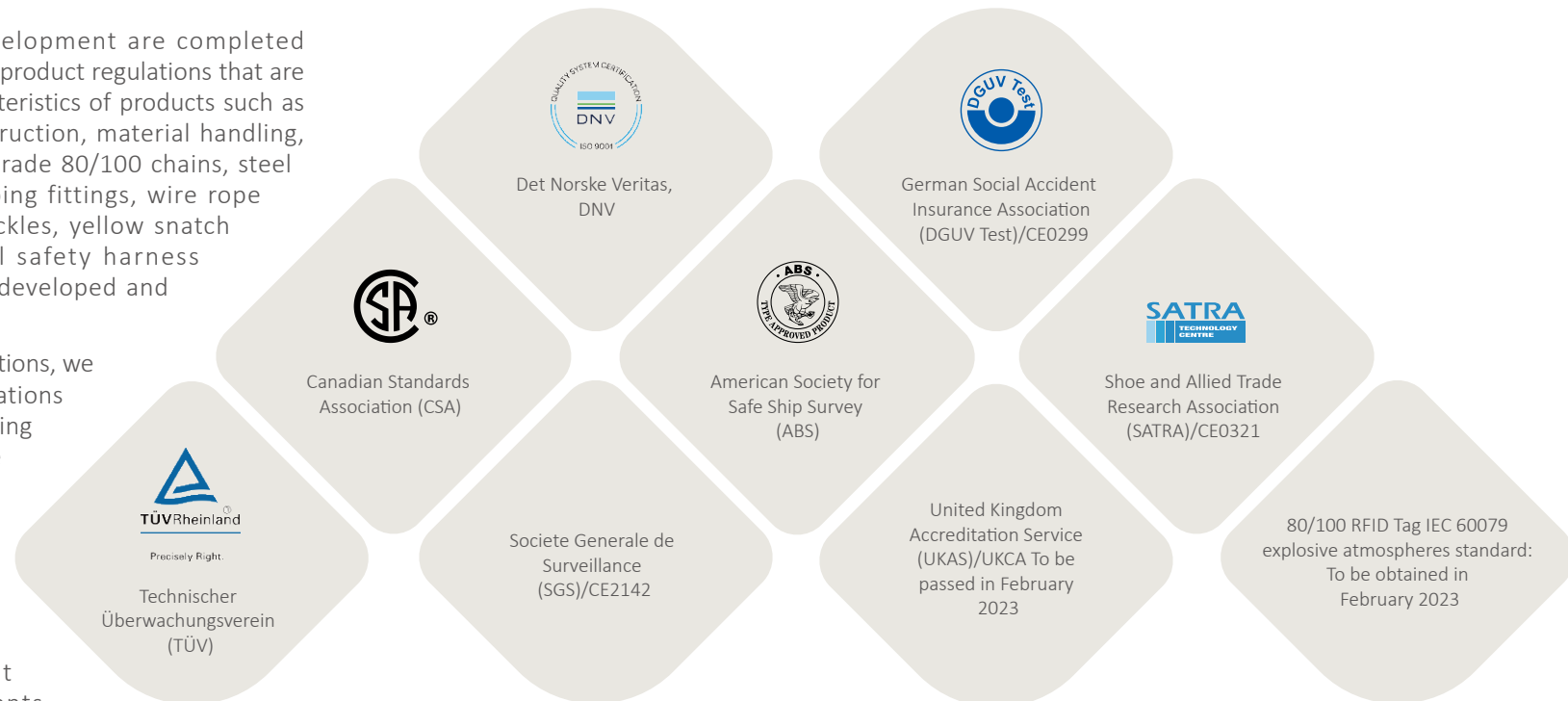
### Path of Quality Development

When implementing “Total Quality Management” (TQM), we emphasize our insistence on quality, continual improvement, technology innovation, and “customer first” principle, based on our business philosophy and customer needs. We focus on the management of processes and details while continuously improving management, R&D, and marketing so as to advance towards the vision of “building an international business of industrial safety lifting components with steady profit and growth”. The realization falls into four phases, and the processes and achievements of implementation are as follows.

### Product Regulations

After design and development are completed according to applicable product regulations that are reflective of the characteristics of products such as offshore energy, construction, material handling, and mining-oriented Grade 80/100 chains, steel wire ropes, and webbing fittings, wire rope terminal sockets, shackles, yellow snatch blocks, and personal safety harness fittings are designed, developed and manufactured.

As is required by regulations, we have submitted applications to the following certifying institutions to have the mechanical testing (pulling force) completed for products in respective series in order to ensure that products meet regulatory requirements and the needs of customers:



Protect Testing and Validation

Product safety regulations promoted by relevant international organizations have always been the focus of attention for YOKE. As such, the Product R&D Department has been maintaining positive interactions with said organizations. In addition, YOKE has established rigid internal control over the versions of international standards so that we can keep track of related information as soon as the regulations are supplemented or revised. In response to Breixt, we applied for UKCA product certification announced by the United Kingdom Accreditation Service (UKAS) in 2022. Original implementation was scheduled on July 1, 2023, and we postponed it to December 31, 2024 in November 2022. We have made an alternative plan. In 2022 we reviewed the applicable product series of the UKCA standard and filed an application for certification. We expect to pass the certification in February 2023.

For applicable products in the N series, we will send all customers a completed product for testing and validation before they place any orders. Over 80% of the four major categories of 8 series products have passed international certification. The certification of other 8 series products will be continued at the request of customers to ensure compliance with the product certification requirements of customers and sales markets.

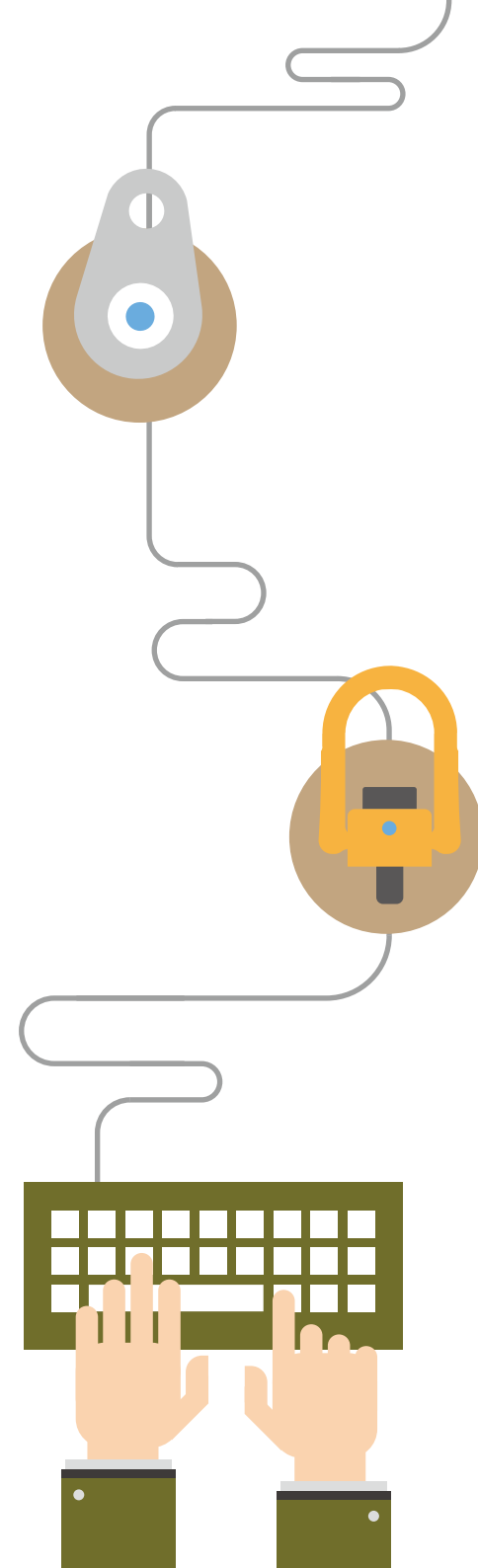
In order to ensure the safety and protection of users, in addition to the aforementioned quality management systems, factory qualifications, and product qualifications mentioned above, YOKE has had its products covered by liability insurance, with insured value up to USD 5 million for more than 10 years to offer even more additional protection to users. No incident related to product safety undermining YOKE’s corporate image was reported in 2022.

Change of standards

Most of the products distributed by YOKE are required to be compliant with specific product specifications established by relevant international institutions. And as such, the Quality Assurance Department will check existing laws, regulations and specifications on a quarterly basis and prior to external audits to ensure we are up to date with the latest versions. In the event of a change in product standards, the Product R&D Department is required to compile a difference analysis report that identifies and assesses risks to the quality of products manufactured. And after performing relevant tests for the changes in question, the department then needs to explain to the Product Center, the Quality Assurance Department and manufacturing-related personnel about the changes involved in order to mitigate the impact of changes on the Company and its products. After we have confirmed the feasibility of the proposed changes, we would either go with the product design or initiate a change.

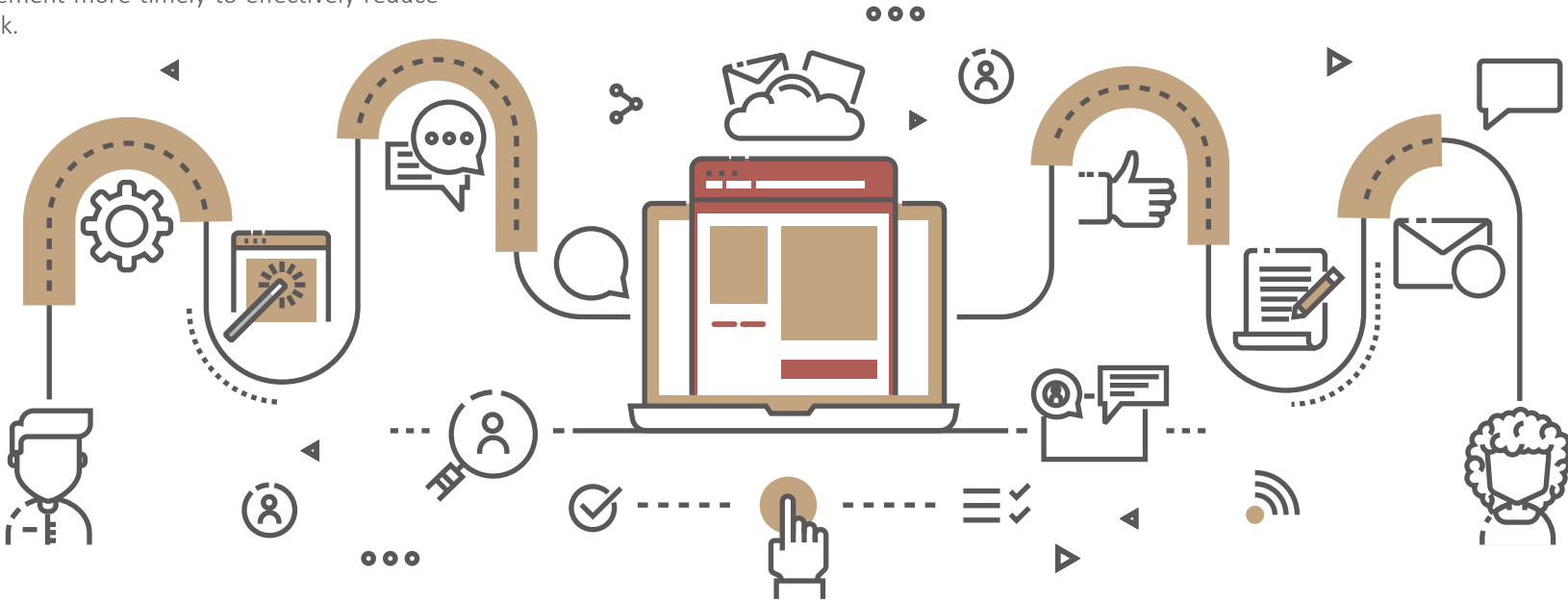
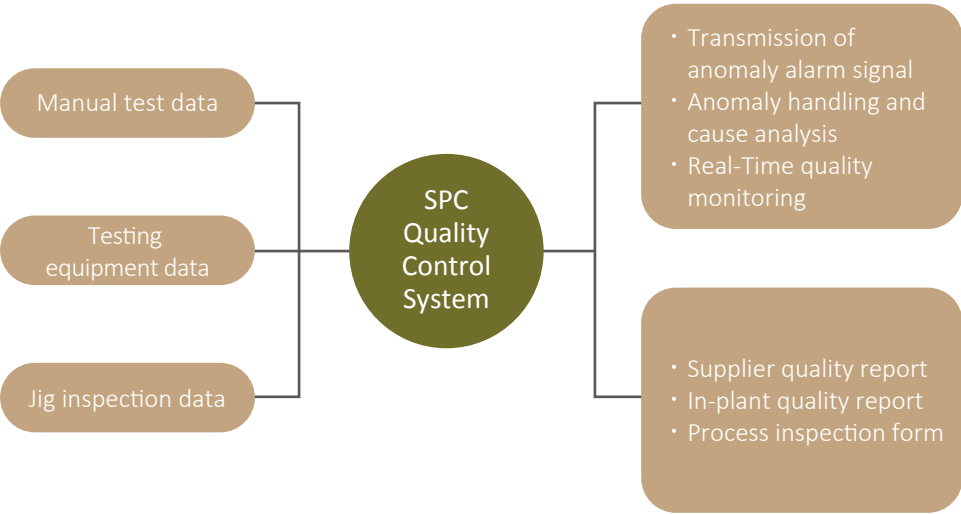
In response to the product and market demand, products shipped in 2022 corresponded to three 8 Series specifications (ISO 16625:2013, DVS 2901-1, DVS 2901-3), two N Series specifications (EN 353-1 2018 and ANSI Z359.16-2016), and one SRL series specification (DIN 19427: 2017).

By the end of 2022, the product specifications under control included 62 product specifications for 8 Series, 34 specifications for N Series and SRL series, and 34 standards for systems and testing. Some policymakers have actually contacted us to decide whether a specific revision of a standard/policy was feasible before proceeding with the actual change. Additionally, the applicability of ANSI Z359.14-2021 was scheduled in 2022. Although it was postponed to August 2023, we have advanced the production specification switch in advance.



# Digitization for quality control

In order to enhance the efficiency of quality control, we continues to expand the scope of the SPC system. After completing the laboratory test and the material incoming quality control (IQC) inspection in 2019, we introduced in-process quality control (IPQC) inspection and final quality control inspection (FQC) in 2020 while integrating our laboratory apparatus into the MES system in our factory. In 2021, we continued to improve method of use and our processes, reducing the consumption for nearly 100,000 forms. In 2022, we further introduced the SPC system into onsite quality monitoring in conjunction with the onsite monitoring and measurement station to perform the first article size inspection and periodic sampling test. We also synchronously uploaded the results to the report system to facilitate product anomaly report. By activating the risk lost control, we made risk management more timely to effectively reduce anomaly risk.

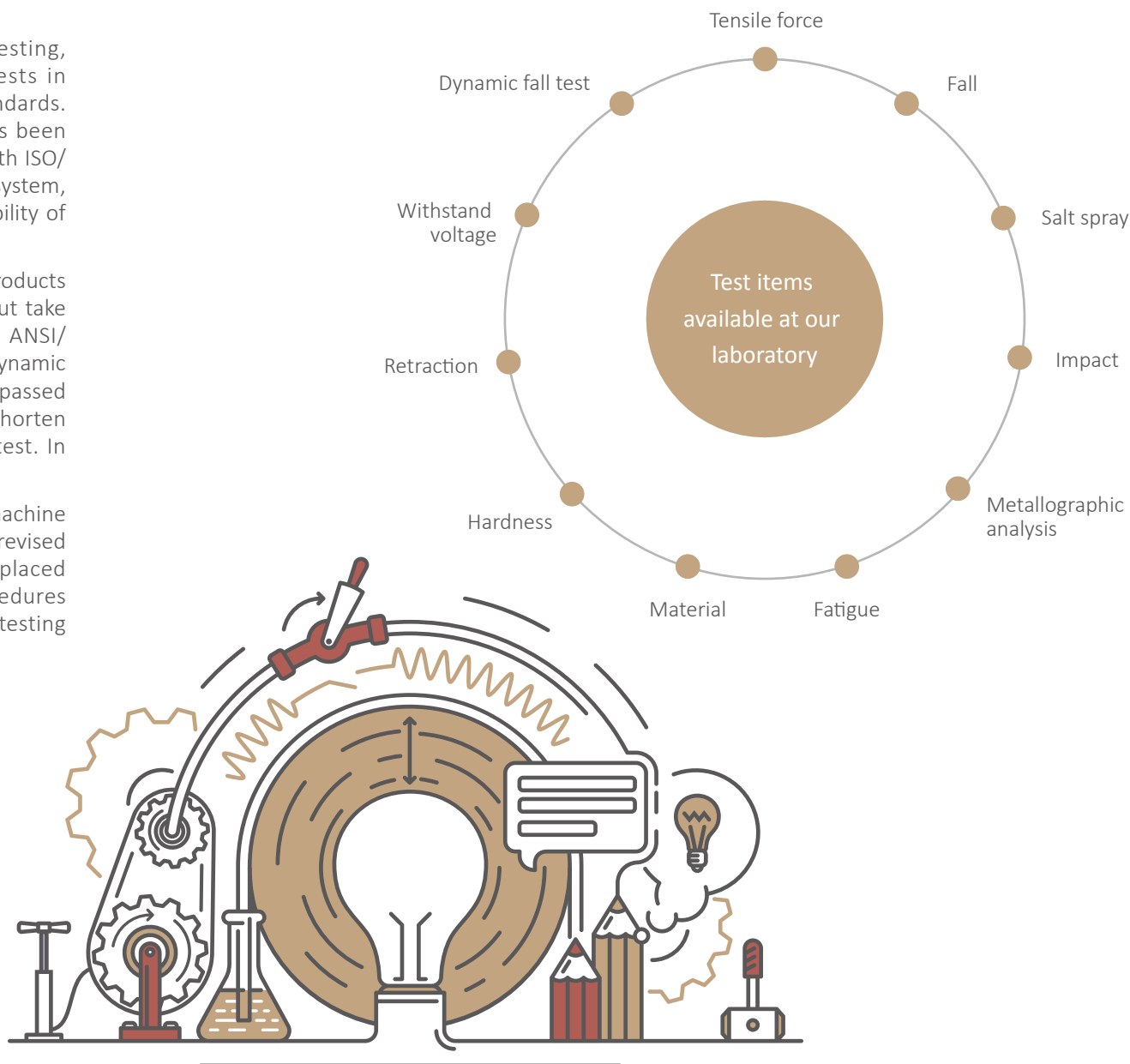


## Laboratory setup

Based on the priority of product safety testing, the laboratory conducts 11 validation tests in accordance with international product standards. For more than 10 years, the laboratory has been performing product testing in accordance with ISO/IEC 17025 laboratory quality management system, in order to enhance the accuracy and credibility of laboratory testing.

As we used to run the dynamic fall test of products through overseas laboratories, it would about take 2-3 months to finish the test. To meet the ANSI/ASSE Z359.14 requirements, we added the dynamic fall test item to our laboratory in 2020 and passed the certification of ISO/IEC 17025:2017 to shorten the lead-time and reduce the cost of the test. In 2023 we will renew the certificate.

As the original 10-mt tensile force testing machine in the laboratory could not comply with the revised ANSI Z359.18 testing specifications, we replaced the machine and improve the testing procedures in January 2022 to effectively improve the testing capacity of the laboratory.



# 05

## Creating Safety Value for the Supply Chain

Issue: Sustainable supply chain

5-1 Leading industrial upgrades

5-2 Reinforcing supplier management



## Issue: Sustainable supply chain

1

### Policy

Assist suppliers in strengthening their operations through process improvement and management practices to maintain a high percentage of local procurement policies

2

### Commitment

- Sustainability & Inclusion: Ethical management, legal compliance, mutual benefit with the society and engagement through communication
- Education & Growth: Total participation, reinforcement of awareness, internalization of training and continuous improvement
- Quality First: Innovative development, process improvement, quality refinement, and customer satisfaction
- Environmental Protection: Resource efficiency, energy/water conservation, emission, and waste reduction and pollution prevention
- Safety & Health: Safety first, health promotion, hazard prevention, balance between physical & mental well-being

3

### Goal and target

- To maintain local purchases at above 96%
- Promote green product procurement

4

### Responsibility

The Procurement Department is responsible for procurement-related affairs and supplier management and Product R&D Department, Production Control Department, Quality Assurance Department and MIS Department to jointly promote the establishment of supplier-related collaboration process and information platform.

5

### Grievance system

Stakeholders can provide their feedback and lodge complaints through participation in relevant meetings, e-mails, or the "Contact us" page on YOKE's website. With the exception of internal meetings, feedbacks/complaints are handled anonymously to protect the rights and interests of the complainant.

6

### Action

- Supplier Information Platform Enhancement Project (Medium-term project)
- Strategic partner collaborative improvement project
- Green procurement implementation project

7

### Mechanisms for scoring management approach

Assess our supplier audit procedure through our quality management system; the management review committee shall track the progress of various management projects and major department performance management indicators.

8

### Results of management approach assessment

- The proportion of local procurement in 2022 reached 98.63%.
- A total of 17 projects complied with green procurement, with a total amount of NT\$2.54 million.

9

### Corresponding GRI

204 Procurement practice (2016)

10

### Corresponding SDG

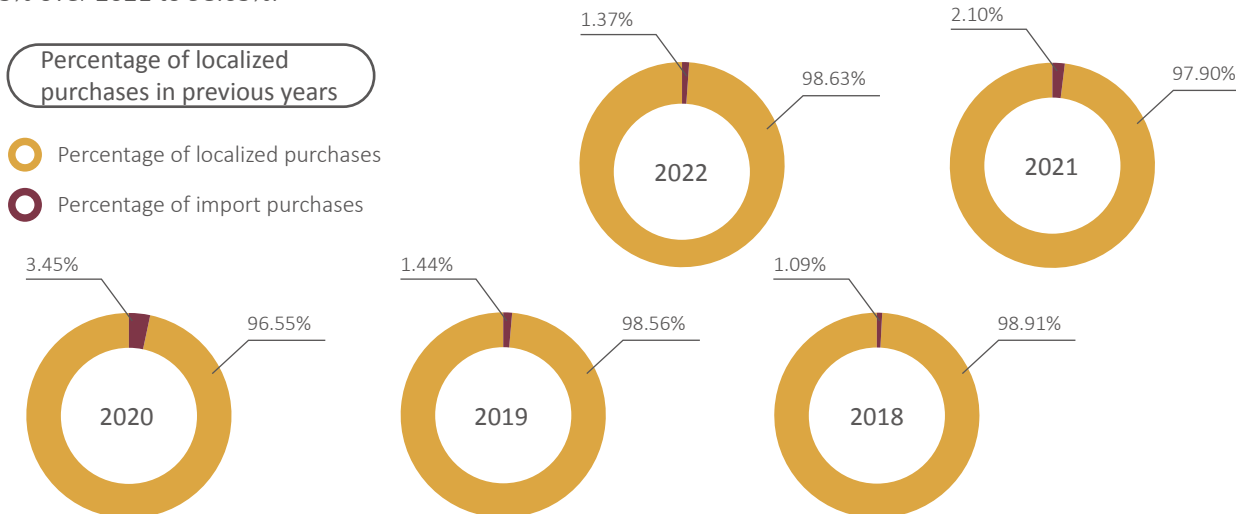


## 5-1 Leading industrial upgrades

For more than 30 years of our operations in Taiwan, YOKE has placed technical know-how and product competitiveness as its top priority. However, product competitive advantage exists in a company's know-how and supply chain partners that work alongside YOKE. For this reason, YOKE has adopted the principle of making localized purchases and treating suppliers as business partners. In addition to fulfilling corporate social responsibilities in its own capacity, YOKE also guides suppliers in making ongoing improvements to product quality and production efficiency. Ultimately, we view optimized production procedures and product quality as the foundation for corporate sustainability.

### Implement local procurement

With the strategy of promoting an industrial cluster for forging and thermal treatment for supplier management, YOKE has been working with long-term suppliers for mutual growth in pursuit of sustainable business operation. We have been maintaining local procurement over time. In 2022 the proportion of local procurement increased by 0.73% over 2021 to 98.63%.



### Supplier information platform

To expedite supplier-related processes, YOKE has introduced its supplier information platform and planned to introduce new functions over the years to strengthen our two-way information transmission and exchange. In 2022 we integrated the product lifecycle management (PLM) map into the supplier platform for suppliers to retrieve the map while confirming the purchase order (PO) to prevent errors caused by information out of sync and production. In 2022 we also maintained the supplier basic data, optimized the PO management process, and reviewed the process and information columns. System optimization is expected to be completed in 2023Q2. Additionally, we plan to integrate the supplier claim process into the supplier platform in 2023H2 for suppliers to check the accounts and make the claim process more clear and convenient.



## Strategic partner collaborative improvement

In 2020, we launched the Major Supplier Quality Management Guidance Project, QA supervisors taking charge of the project and professional engineers being the liaisons. Through the weekly quality meeting, we helped suppliers to make in-depth improvement of quality management and implementation. From 2020, we continuously provided guidance for two suppliers. In 2022 we added one focus supplier for guidance. The number of customer complaints and IQC rejection of suppliers receiving guidance reduced by 46.15% and 52.86% respectively to help reduce the cost of internal failures.

In 2022 we provide guidance on production scheduling and delivery time for 11 forging service suppliers with unstable delivery punctuality. Through online co-scheduling, we verified the production progress with suppliers every day and made immediate anomaly verification and solution to improve the delivery punctuality of suppliers from 67.28% to 86.53%.

For raw materials that have to be tested with salt spray, although some manufacturers have acquired salt spray test machines, due to the inconsistency in their test methods, we had to redo the tests and that led to repeated work and wasted time. And as such, we introduced improved testing techniques for suppliers in 2019. For suppliers that pass our audit, YOKE would simply accept the test data they provide during IQC so as to spare the suppliers from having to provide samples and the time investment required for both parties. The techniques also helped suppliers detect anomalies prior to shipping to rectify the issue in time. In 2022, we continued to track the delivery irregularities of our suppliers, and counted 818 salt spray tests conducted by our suppliers, and there were no quality abnormalities that required returns, effectively improving the follow-up process and delivery quality (reducing returns). In 2022, we continued to track the delivery irregularities of our suppliers, and no abnormalities in quality required return after the sampling inspection of incoming shipments throughout the year.

When the Environmental Protection Administration (EPA) tightening the limit of ammonia nitrogen intensity in electroplating wastewater in 2021, the electroplating quality of electroplating service suppliers reduced. After discussing with those suppliers, we solved the problem through medium change, i.e., using potassium as the dissociation solution, and reviewing various risks causing abnormal appearance deterioration to effectively enhance the yield and comply with the government regulations. Since the discharge water standard is gradually lowering the concentration limit of ammonia nitrogen in the discharge water, YOKE will continue to cooperate and improve with suppliers to avoid the problem of lower yield rate due to the wastewater factor in the future.

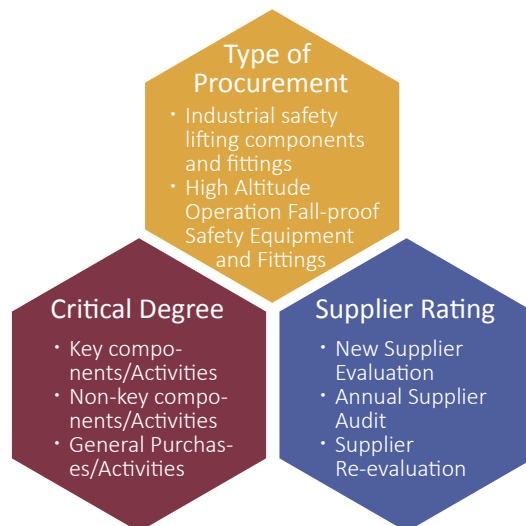


## 5-2 Reinforcing supplier management

### Supplier Management Mechanism

YOKE differentiates its procurements according to their nature (2 major categories) and degree of materiality (3 major categories; and purchases made with our outsourced processing service suppliers fall under the category of “activities”). With the exception of general purchases/activities, all suppliers involved in our procurements have been placed at different tiers with an assessment conducted at different frequencies - periodic assessment and annual audit. In addition, YOKE has also been assisting suppliers to achieve growth and upgrade so that we could collaborate and grow together to propel the industry chain for safety hook lifting components and high-altitude operation fall-proof safety equipment.

Starting from 2019 onward, we have drafted our supplier social responsibility commitment letter to be signed by suppliers and returned to YOKE. As of the end of 2022, of the 284 suppliers in our audit roster, 205 (72.18%) had signed and returned the commitment. In addition, all new suppliers are requested to sign the supplier social commitment before they can become qualified suppliers.



### Supplier Evaluation

New suppliers must pass our supplier assessment before YOKE may place orders with them. The assessment criteria include corporate liability-related management systems, promotion of energy-saving plans, availability of an internal/external mailbox for grievances, promotion of charity events, and prior punishments by competent authority for having violated economic, environmental, human resources, or product-related laws and regulations. In 2022, 3 suppliers passed our new supplier assessment.

In 2021, the supplier control procedures will be revised, and special process suppliers will be re-evaluated every 2 years, critical component suppliers will be re-evaluated every 3 years, and non-critical procurement suppliers will be re-evaluated more frequently if their quality and delivery time meet the standards set by YOKE, based on the significance of the procurement amount (one evaluation every 5 years for transactions amounting to NT\$10 million in the past year). In December 2022, 21 suppliers were re-evaluated and 100% of them met the requirements. By the end of 2022, a total of 284 suppliers have passed our assessment, though only 238 of them had actually had business with YOKE.

A supplier has to score 70 or higher in order to become a qualified supplier and registered in our list of qualified suppliers. Suppliers who scored 69 or lower were required to rectify their given issues or propose plans for rectification within 45 days to be eligible for the re-assessment process. Among those that failed to score 60 (Group E), they were required to submit their plans for rectification within 2 months and YOKE would assess the supplier 4 months later after the issue in question has been rectified. Suppliers who fail to achieve the required rectification shall be penalized in accordance with our procurement strategy - to have their order quantity reduced or remove them from

our list of qualified suppliers. In 2022, 21 suppliers were evaluated and passed the evaluation, with an average score of 81.05, up by 0.09% over 2021.

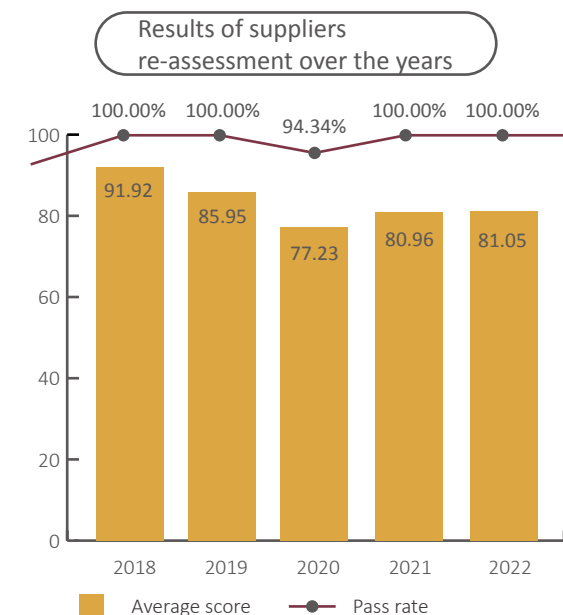
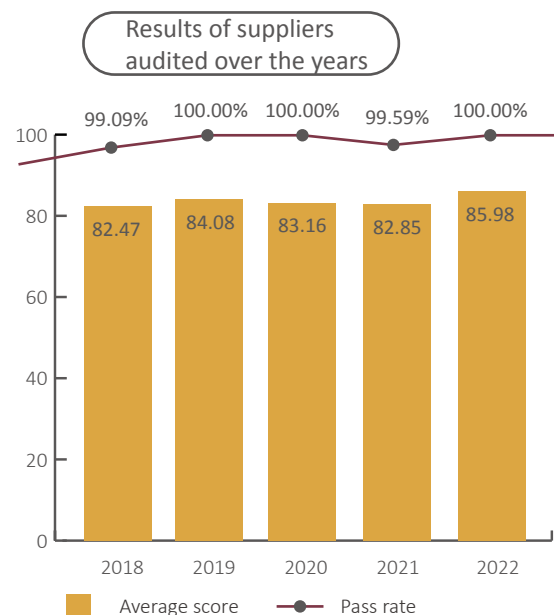
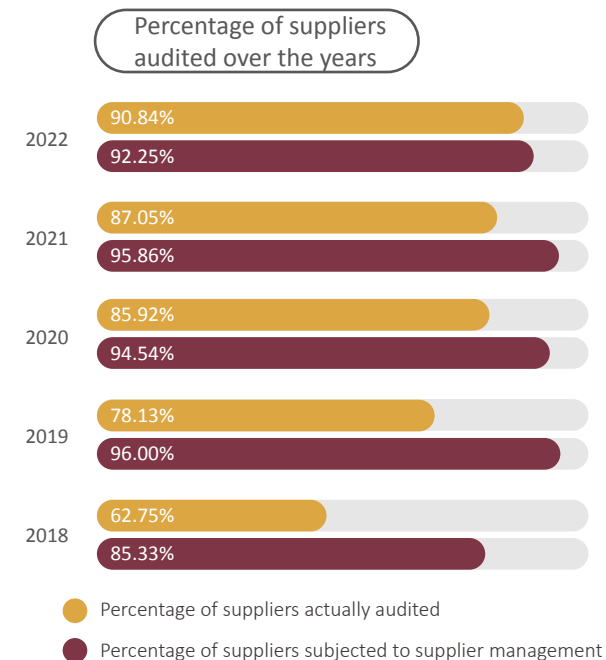
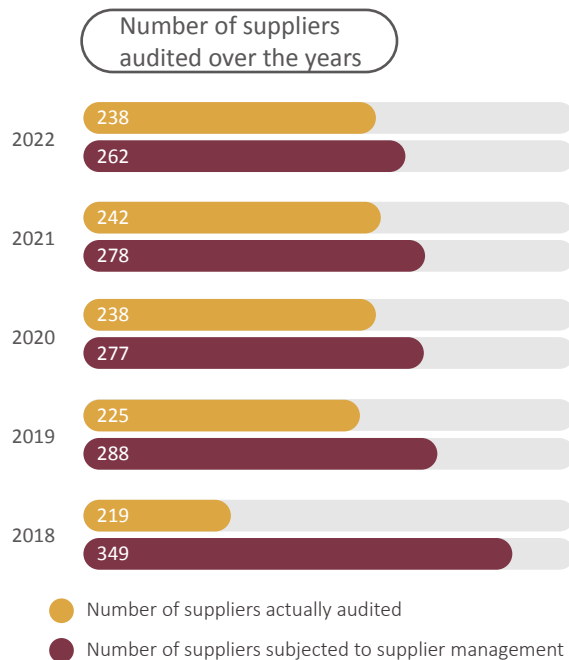


## Supplier annual written audit

The annual supplier audit only applies to critical and non-critical suppliers and the audit is conducted in the form of a written review of their quality, price, delivery, and service (QPDS). This audit takes place once a year and QPDS results of suppliers are reflected upon and discussed on a yearly basis. In order to be added to our list of qualified suppliers, suppliers must score 65 or higher in their annual audit. Suppliers who failed to score 65 points shall be identified as targets that require further on-site audit and assistance for rectification and will be required to address the situation within 2 months before the outcome of rectification is verified in 4 months' time. Suppliers who fail to make the rectifications shall be dealt with in accordance with YOKE's procurement strategies. In 2022, we had a total of 284 raw material suppliers, 262 of them were added to our list of qualified suppliers. All 238 audited suppliers passed the audit.

## Green procurement

To support the green consumption policy, we prioritized green procurement assessment on office supplies in 2019. Based on the demand and replacement frequency of individual departments, after price competition and bargaining, the Procurement Department progressively purchased items carrying the Green Mark of the Environmental Protection Administration. In 2022, we purchased 17 items meeting the green procurement requirements with a total of NT\$2.54 million. In the future, we will continue to increase the items and amount of green procurement each year.



# 06

## Creating safety value for employees

Issue: Talents attraction and retention

6-1 Implement employee care

6-2 Sourcing outstanding talents

Issue: Human capital development

6-3 Talent Development and Nourishment at Depth

Issue: Occupational safety and health

6-4 Fostering Safety, Hygiene and Environmental-friendliness

6-5 Health promotion



## Issue: Talents attraction and retention

1

### Policy

Complying with the domestic laws and regulations relating to labor rights, treating employees fairly and equally, and formulating fair and reasonable systems are our management basis for talents recruitment and retention.

2

### Commitment

- Sustainability & Inclusion: **Ethical management**, legal compliance, mutual benefit with the society and engagement through communication
- Education & Growth: Total participation, reinforcement of awareness, internalization of training and **continuous improvement**
- Quality First: Innovative development, process improvement, quality refinement, and customer satisfaction
- Environmental Protection: Resource efficiency, energy/water conservation, emission, and waste reduction and pollution prevention
- Safety & Health: Safety first, health promotion, hazard prevention, balance between physical & mental well-being

3

### Goal and target

- To keep the annual cumulative turnover rate below 20%
- Score more than 3.7 for employees' overall satisfaction survey
- Notify employees at the shortest notice in accordance with relevant laws and regulations in the event of significant operational risks

4

### Responsibility

The Human Resources Department is the responsible unit for matters relating to recruitment management, employee retention, labor-management relationship promotion, employee benefits and salary management.

5

### Grievance system

Stakeholders can provide their feedback and lodge complaints through our internal meetings, staff comment boxes, e-mails, or the "Contact us" page on YOKE's website. With the exception of internal meetings, feedbacks/complaints are handled anonymously to protect the rights and interests of the complainant.

6

### Action

Continuously strengthening the organizational commitment and enhancing the team cohesion of employees through the improvement suggestion system, ergonomic improvement, and new employee conference.

7

### Mechanisms for scoring management approach

The management committee is responsible for tracking the progress of various projects and performance management indicators of key departments

8

### Results of management approach assessment

- Although the rate of voluntary employee turnover in 2022 reduced by 25.40% over 2021 to 23.18%, the target was not accomplished. To improve the adaptation and retention of new employees, we organized new employee conferences in 2022 to listen to their needs through two-way communication so as to help them adapt to the new workplace environment as quickly as possible.
- In 2022 the overall employee satisfaction was 3.58. Items not reaching the KPI have been reviewed and improvements are under planning.
- There was no change in the number of employees due to significant operational risks in 2022.

9

### Corresponding GRI

201 Economic performance (2016)  
202 Market presence (2016)  
401 Employers-employee relations (2016)

402 Labor/management relations (2016)  
405 Diversity and equal opportunity (2016)  
406 Non-discrimination (2016)

10

### Corresponding SDG



## 6-1 Implement employee care

### Welfare

In addition to the benefits provided through Employee Welfare Committee, YOKE has been offering perks that are superior to those offered by our competitors and fellow tenants at the industrial park. It is our hope to give every employee the opportunity to work in a comfortable, elegant and stress-free environment through our employee care.

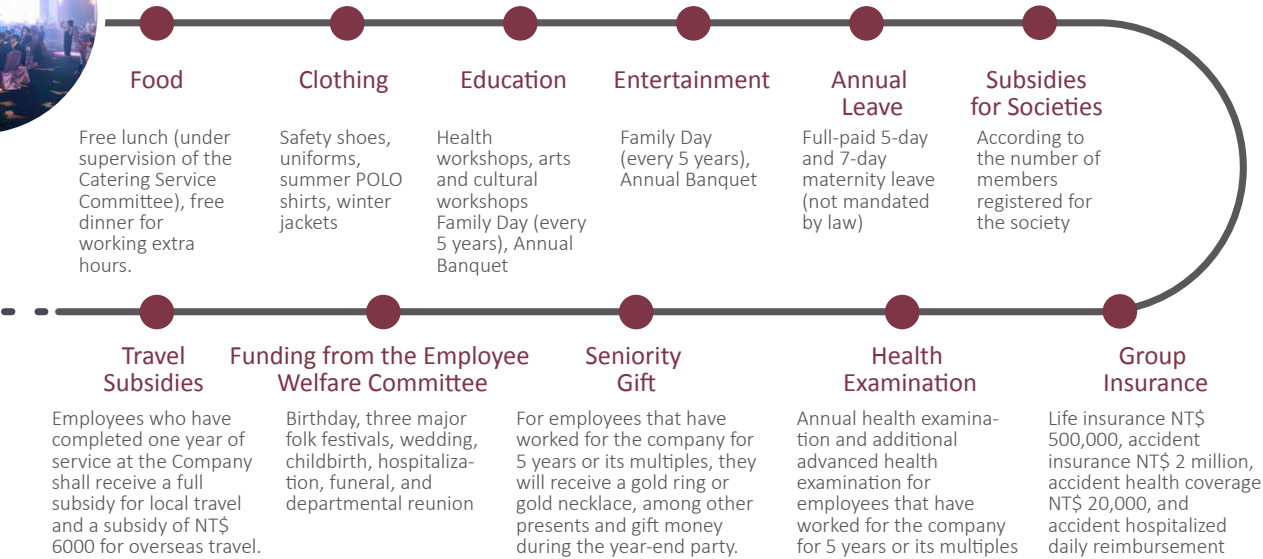


### Compensation Management

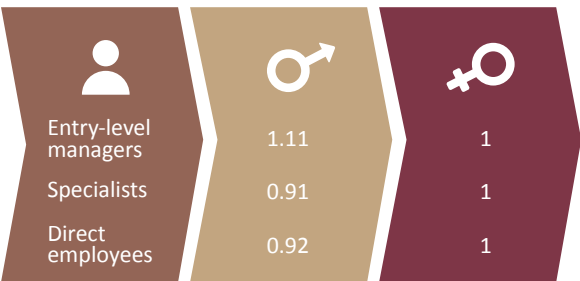
We pay employees with a market-competitive salary based on the nature of work and their education attainment and work experience. Except for paying foreign workers with the minimum wage as stipulated in the Labor Standards Act, we provided a starting salary for all domestic base-level employees at NT\$32,000 regardless of work experience and gender. Compared to the 2022 minimum wage at NT\$25,250 as stipulated in the Labor Standards Act, it was 1.27 times. We have revised the salary standard table to ensure that the rates are market-competitive. The salary of regular employees is at the market median (P50), while the salary of key talents is ahead of the market (P75). We set the margin of salary raise each year. After combining with the personal performance of employees, those with better performance will receive a higher raise to encourage performance. The average raise in 2022 was over 3%. Using all employees' basic monthly wage as the basis to calculate wage difference by gender, we took managers, specialists and direct employees as the cutoff for differentiation and our wage differences for different job tiers fell nicely within the 10% margin from one job tier to the next. In pension contribution, we conduct a pension actuarial assessment each year

in accordance with the International Accounting Standards. For employees selecting the plan under the Labor Standards Act (old system), we contribute 2-15% of the total amount of their salaries as the pension reserve to the pension special account at the Bank of Taiwan. In 2022,

we already made sufficient pension contribution under the Labor Standards Act. For employees to whom the new system applies, on the other hand, 6% of their monthly salary will be set aside to their personal retirement fund account as required by law.



#### Fixed Salary Ratios



#### Ratio of Fixed Salary Plus Compensation



**Note** Managers refer to section chief, head engineer/administrator, and sr. engineer/administrator and above; specialists include engineers/administrators of other grades; direct employees refer to production line workers. As the Company had only 2 female mid-level/senior managers. To prevent extreme statistical results caused by lack of samples, the salary ratio of middle and senior executives is not disclosed. In addition, the salary ratio is calculated by excluding new employees who have been employed for less than one year to avoid discrepancies in the data calculation.

## Incentive system

Various goals and targets have been set with bonus payments to incentivize relevant employees in different ways, thereby facilitating inter-departmental cooperation and help employees reach their full potential.

## Employee Communication

Neither a union has been established nor any collective bargaining agreement has been

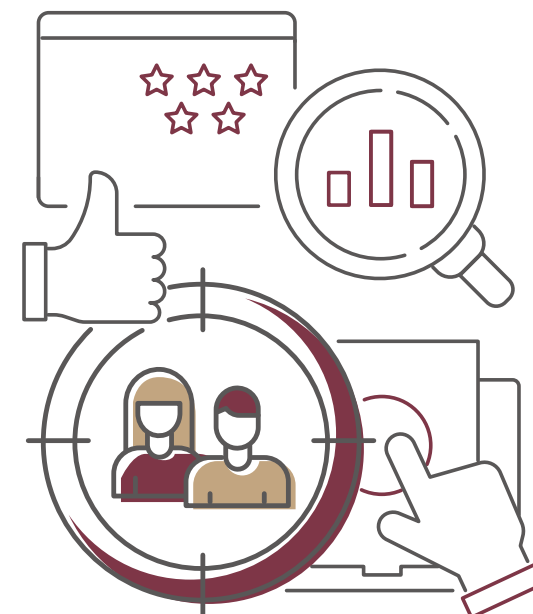
- 01 **Year-end bonus**  
Year-end bonuses are determined based on the annual revenue and target achievement level each year to motivate employees to grow.
- 02 **Sales bonus**  
The Sales Department sets specific sales targets and bonuses are awarded to employees who met their target.
- 03 **Patent bonus**  
The R&D Department sets specific goals for patent application and bonuses paid to employees when the patents in question have been awarded.
- 04 **Recommendation bonus**  
Employee recommendation reward.
- 05 **Competition bonus**  
When inter-departmental project teams achieve a specific given target, participants will receive bonus incentives (i.e. CIT bonus, TPM bonus)
- 06 **Role model commendation**  
Model Employee of the Year is publicly commended by the Company each year on Labor Day and the chosen employee will receive a medal along with the bonus
- 07 **Seniority bonus**  
At the end of each year, seniority bonus along with a gold token of appreciation is given to senior staffs who have worked at YOKE for more than five years

concluded so far. To protect the rights and interests of employees, we have implemented a constructive two-way communication mechanism to listen to the opinion of employees through multifaceted communication channels, such as periodic labor-management meetings, welfare committee meetings, and the employee suggestion box. In addition, we hold daily meetings with all employees to promote company policies. For new employees, we arrange education and training for "work attitude and concept" taught by the general manager to pass on the correct work attitude and 5A core values and conduct two-way communication and exchange. If there is a significant operational risk, we will notify the relevant employees in accordance with the minimum notice time of relevant laws and regulations. In 2022 no significant operational change was reported.



## Employee satisfaction

Each year, we carry out the 5-point scale survey to learn about employees' level of satisfaction with their work. By checking their level of satisfaction in three major areas of the actual work they perform, the compensation they receive and the work environment in general, the results would serve as a useful basis for subsequent improvements. The overall 2022 satisfaction increased by 0.15 over 2021 to 3.58. Aspect analysis shows that the top three satisfaction aspects include supervisor leadership, teamwork, and self-motivation. Employee suggestions are reported to the general manager every year, hoping to capture key problems and make improvements through investigation and so to retain key talents.



## Parental leave without pay

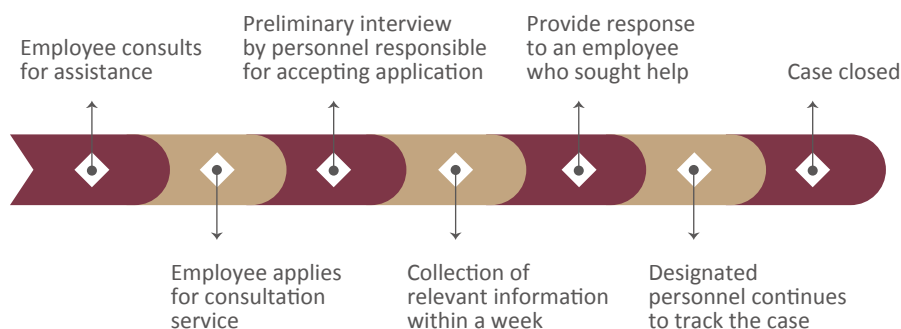
In accordance with the Act of Gender Equality in Employment, employees are entitled to the unpaid parental leave. In 2022, 17 employees applied for unpaid parental leave, (13 women, 4 men) the highest in the last five years; 14 employees due to return to work after taking parental leave; 7 employees did return to work after parental leave, with a return to work rate of 50%.

## Employee Assistance Program (EAP)

After reviewing various aspects of employee's work environment, safety and health, we have launched and promoted the Employee Assistance Programs (EAP) as a channel to review relevant internal hardware and facilities in order to plan the sensitivity training for managers from the perspective of employee psychology and life assistance and employee care training.

We continued to enhance the advocacy of EAP services and printed relevant information of our EAP services, sustainability policy, and contact information in small cards issued to new employees on their arrival. In 2022 we organized one "no worries" workshop with professional counselors. Before this workshop, another health workshop had been held for topic collection. Stress-relieving courses were then arranged based on the needs of employees. Professional counselors were invited to share "10-minute relaxation for life" in the stress-relieving course that helped employees to find their stressors, apply positive thinking, practice stress relieving, and manage emotions and relieve stress.

| Year  | 2018   |      | 2019   |      | 2020   |      | 2021   |      | 2022   |      |
|---|--------|------|--------|------|--------|------|--------|------|--------|------|
|   | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male |
| No. of employees qualified for unpaid parental leave (A)                                | 21     | 24   | 26     | 22   | 22     | 18   | 27     | 20   | 17     | 18   |
| No. of employees applied for unpaid parental leave (B)                                  | 2      | 0    | 4      | 0    | 5      | 1    | 5      | -    | 13     | 4    |
| No. of people expected to be reinstated in the current year (C)                         | 3      | -    | 4      | -    | 5      | -    | 4      | 1    | 12     | 2    |
| Actual No. of reinstated employees (D)  | 3      | -    | 3      | -    | 4      | -    | 3      | 1    | 6      | 1    |
| Number of reinstated employees who remained employed 12 months later (E)                | 4      | 2    | 2      | 0    | 2      | -    | 4      | -    | 1      | 0    |
| Percentage of employees reinstated from unpaid leave (D/C)                              | 100%   | -    | 75%    | -    | 80%    | -    | 75%    | 100% | 50%    | 50%  |
| Percentage of employees retained for one year after reinstatement (E)/previous year (D) | 100%   | 100% | 67%    | 0%   | 67%    | -    | 100%   | -    | 33%    | 0%   |



**Note** Female employees applying for 56 weeks of maternity leave and male employees applying for paternity leave during the span between the current year and two years before would be included in the calculation.

### Employee Assistance Program (EAP)

HR Department, EAP service representative  
ext. no: 1227

*Anything big or small to our employees' matters to YOKE!  
Through EAP, we are always on your side!*

Printed in September 2019



## Sourcing outstanding talents

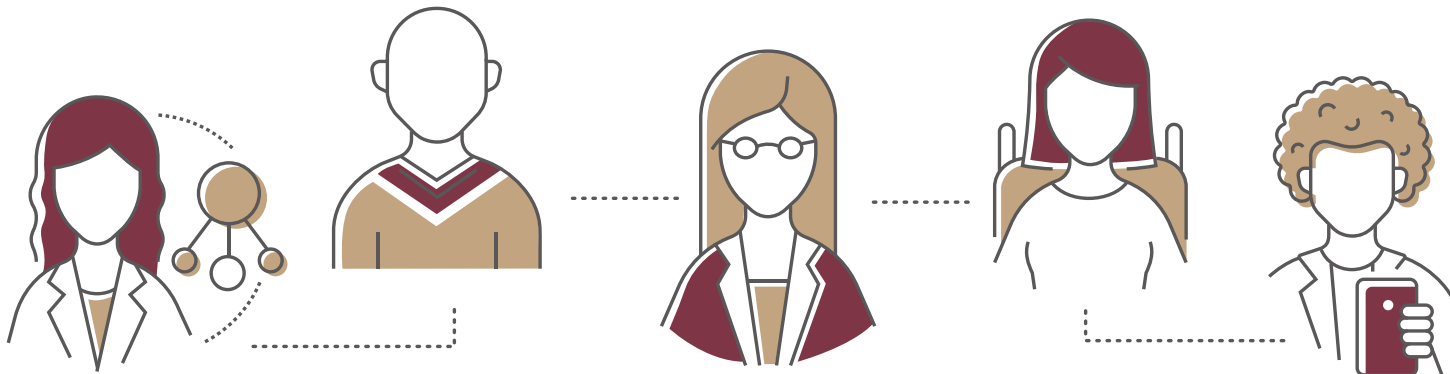
### Protection of Human Rights

We maintain respect and equality for employees. Hence, we abide by the relevant labor domestic laws and regulations and do not compel or threaten employees to work against their will by force, coercion, detention, or other illegal means. Apart from giving jobseekers equal job opportunity in accordance with the Employment Service Act, we stipulate in the Regulations for Recruitment and Employment that there will be no differential treatment in the recruitment, labor conditions, promotion and transfer, training, and benefits based on race, social class, thought, religion, political party, place of birth, gender, sexual orientation, age, marital status, appearance, and disabilities. The company disallows any discrimination in the workplace and has sexual harassment prevention and control measures in place and offers ways for the victims to file complaints in order to ensure a sexual harassment-free workplace for its people and for any job seekers. Employees can file complaints about infringed rights or improper treatment that cannot be reasonably addressed. Additionally, we have also included ESG advocacy in the orientation training for new employees to better understand environmental sustainability and corporate sustainability through the concise course contents.

We have also included the prevention and grievance mechanisms for workplace violence (bullying) in the course.

To progressively improve the work environment and accommodation for foreign employees, we have also established internal management systems and grievance channels for foreign employees and promoted them in the weekly morning assembly. On the foreign worker online service platform of human resources agencies, we have provided information relating to our work rules and important announcements, legal information, disease prevention publicity, occupational safety and health publicity videos and so forth, and alongside the resources for emergency contacts, clinic registration card, language learning, and other services. Through this online service platform, we help foreign workers adapt to the local life and improve existing communication channels. We also provide foreign workers with the same domestic travel benefit as local employees.

Through our commitment to build a workplace environment with mutual respect and equality, no complaint about discrimination or harassment was reported in 2022. In 2023 we will establish the human rights policy and code of conduct with reference to the international human rights principles and standards and then conduct due diligence investigation of human rights.



## Overview of Manpower

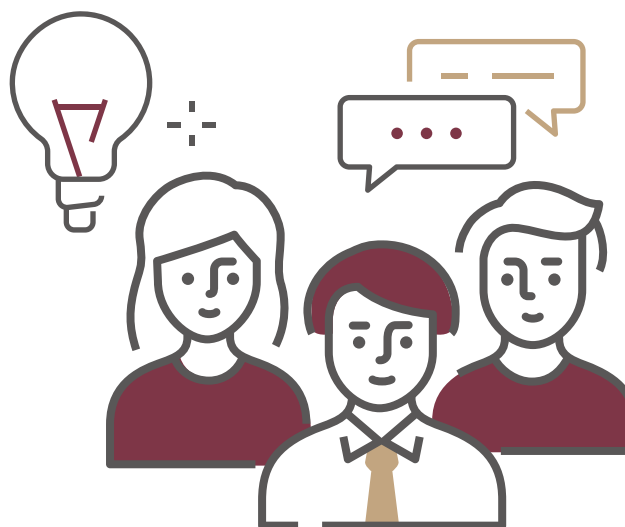
Full-time employment is our basic employment policy. By the end of 2022, neither contract employee nor time-guaranteed employee has been hired. Additionally, no child labor (under 16 years old) has even been hired. All employment have undergone strict interviews and age checks.

By the end of 2022, we have a total of 472 employees, including 449 employees at Taiwan HQ, 21 full-time employees at Yoke Lifting Equipment Shanghai, and two employees at Yoke Vietnam Co., Ltd. We hire local employees for all subsidiaries, with a local employment rate of 100%.

At Taiwan HQ, there were 149 full-time female employees (accounting for 33.18% of all employees). As factory jobs are labor-intensive, most direct labor was male (230 employees, accounting for 82.73% of all employees). After deducting the number of direct labor, the proportion of female employees (59.06%) was higher than that of male employees, and the proportion of female supervisors was up to 42.67%. In addition, over one half of employees hold a university or higher degree, accounting for 58.80% of all employees.

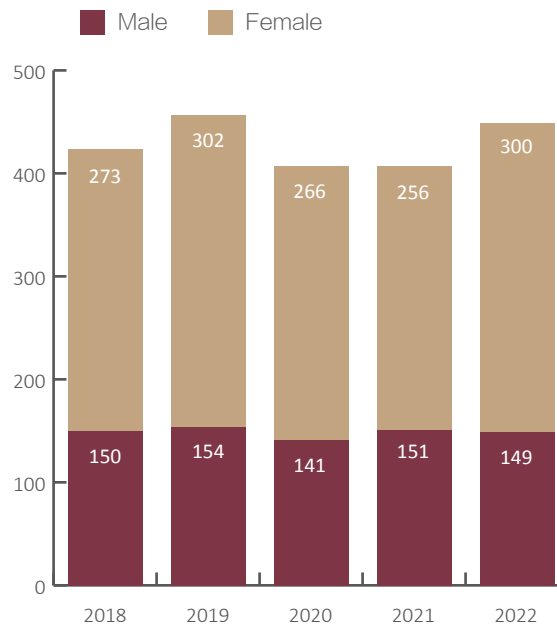
Among the 449 employees at Taiwan HQ, there were 105 Filipino and Thai foreign workers (direct labor), two indirect-labor supervisors (one British and one American), and three FAEs (one Indian, one Canadian, and one Mexican). At Taiwan HQ, the proportion of Taiwanese senior officers was 80.00%. In the Chinese and Vietnamese subsidiaries, all employees were local citizens.

The security work and cleaning service of Taiwan HQ have been sourced to professional service providers. In 2022, there were two cleaners and three security guards dispatched by these service providers.

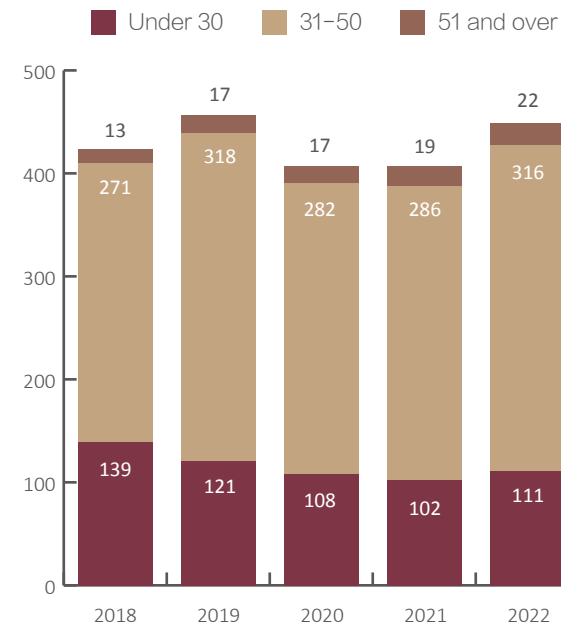


Comprehensive  
workforce statistics

Number of employee hires  
over the years (by gender)

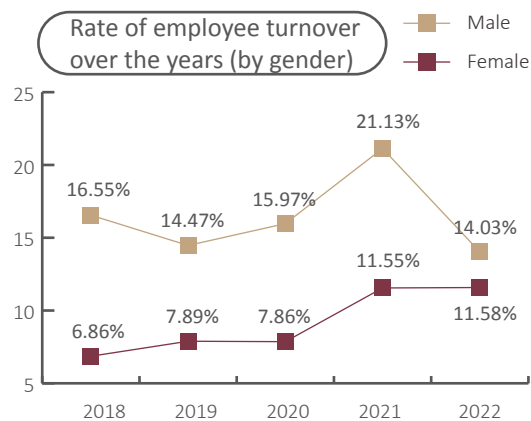
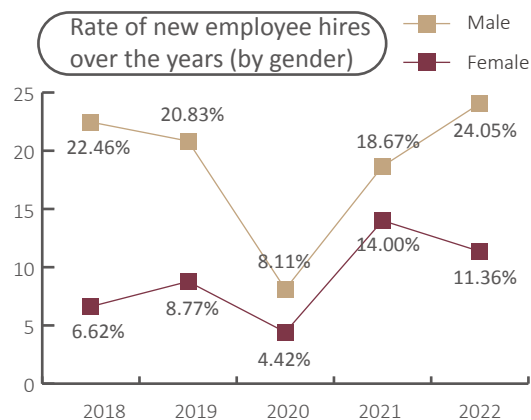


Number of employee hires  
over the years (by age)



## Employee turnover

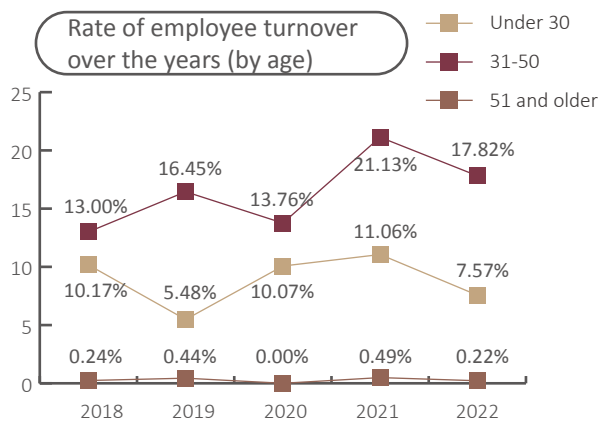
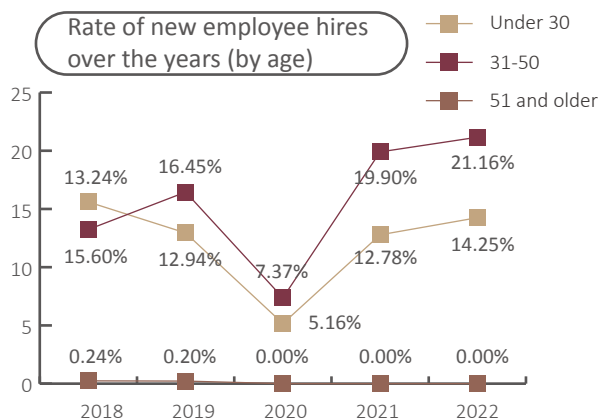
In 2022 there were 159 new employees, with a higher rate over 2021 of new employee hires at 35.41% to meet the production capacity demand. We also introduced the new employee conference in 2022 to listen their opinion and needs and ease their doubts. Additionally, new employees of different departments could exchange opinions at the conference to facilitate them to adapt to life at YOKE earlier. In 2022 we also improved the skills and raised the sense of honor of employees through measures including total participation in



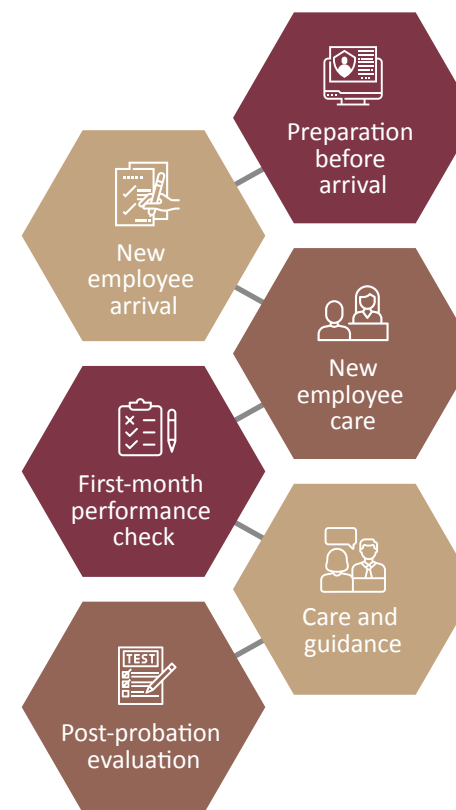
the improvement suggestion system, ergonomic improvement, and skill certification optimization. By doing so, we aim to build a more efficient operating environment through human-machine collaboration. The number and rate of employee turnover in 2022 were 115 employees and 25.61% respectively. The turnover rate reduced from 32.68% of 2021.

## Mentoring system

Establish a standard operating procedure for the mentorship system, including preparation for new



personnel before reporting to work, job adaptation/ acceptance, education and training, and care methods, and other procedures to establish clear practices to avoid excessive differences in the practices of different departments. New employees shall go through their “new employee care” process during the 2nd week after they have come onboard by having a 1-on-1 interview with their supervisor, who will take note of their feedback and follow up and make relevant improvements based on the feedback given. In 2022, we promoted the new employee conference for two-way communication to further listen to and give feedback to employees and provide them with care and assistance.



## Issue: Human capital development

1

### Policy

Various training shall be implemented based on the framework of TTQS in accordance with specific education and training as spelled out in our operational strategies. Results of employee training shall be duly verified and the effectiveness of courses subject to review.

2

### Commitment

- Sustainability & Inclusion: Ethical management, legal compliance, mutual benefit with the society and engagement through communication
- Education & Growth: Total participation, **reinforcement of awareness, internalization of training** and continuous improvement
- Quality First: Innovative development, process improvement, **quality refinement**, and customer satisfaction
- Environmental Protection: Resource efficiency, energy/water conservation, emission, and waste reduction and pollution prevention
- Safety & Health: Safety first, health promotion, hazard prevention, balance between physical & mental well-being

3

### Goal and target

The establishment of the knowledge management enables the effective acquisition, preservation, sharing, and future use of the Company's knowledge so as to accumulate organizational knowledge. We shared the knowledge of 12 items (one monthly).

4

### Responsibility

- The Human Resources Department takes charge of education, training, and performance evaluation. It plans required education and training courses by job grade and organize education and training according to the annual training program.
- It evaluate performance every six months and link achievements with the performance bonus.

5

### Grievance system

Stakeholders can provide their feedback and lodge complaints through our internal meetings, staff comment boxes, e-mails, or the "Contact us" page on YOKE's website. With the exception of internal meetings, feedbacks/complaints are handled anonymously to protect the rights and interests of the complainant.

6

### Action

Corporate Knowledge Review Meeting

7

### Mechanisms for scoring management approach

The management committee is responsible for tracking the progress of various projects and performance management indicators of key departments

8

### Results of management approach assessment

We shared corporate knowledge each month, up to 16 items in 2022, accomplishing the KPI.

9

### Corresponding GRI

404 Training and education (2016)

10

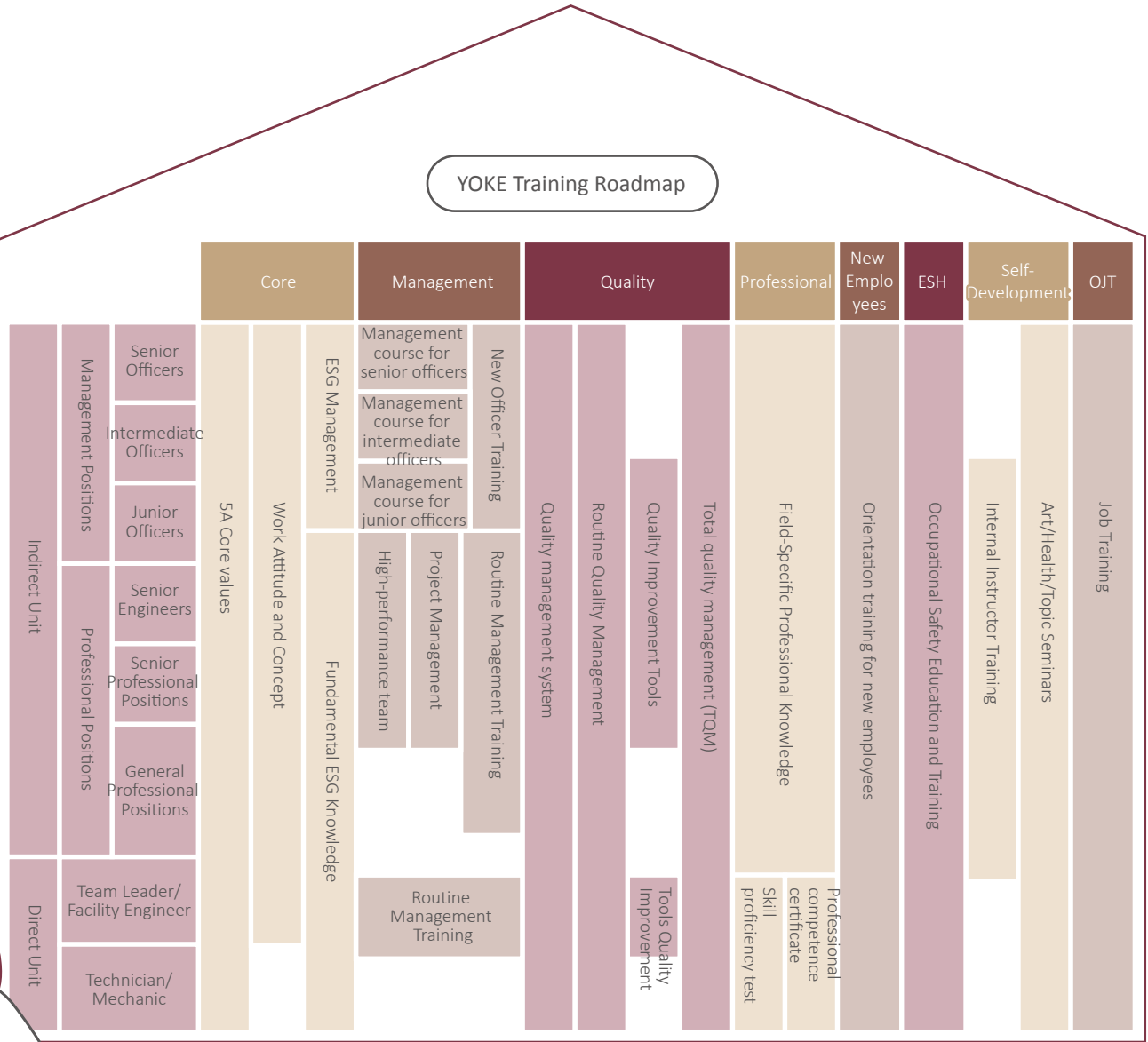
### Corresponding SDG





# Training roadmap

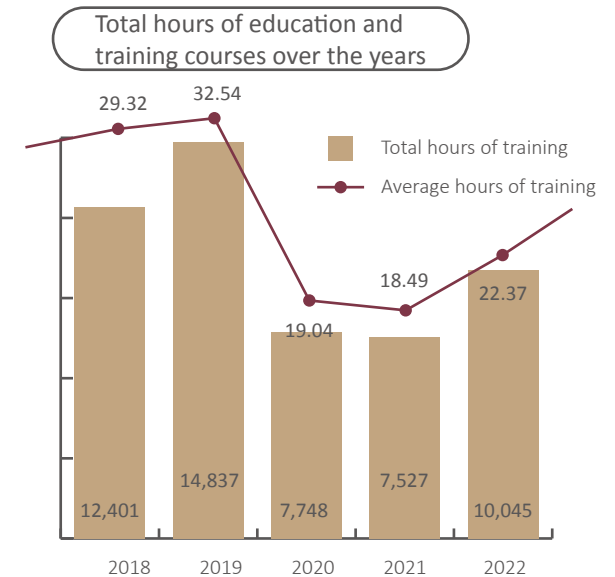
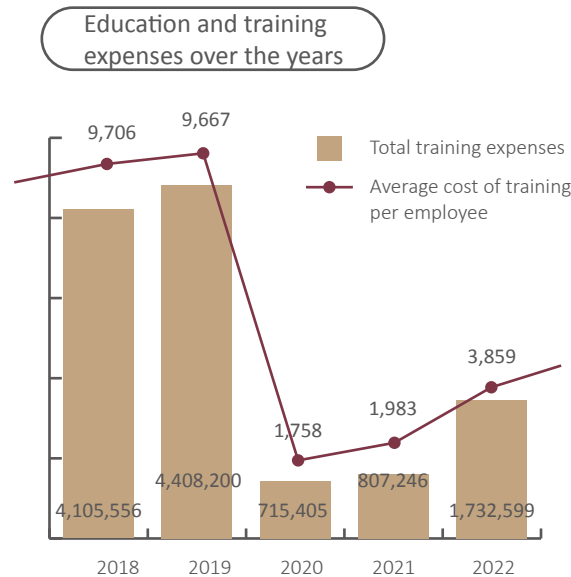
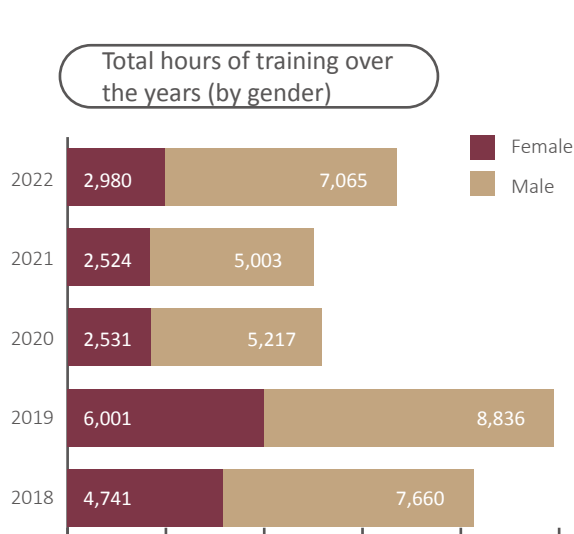
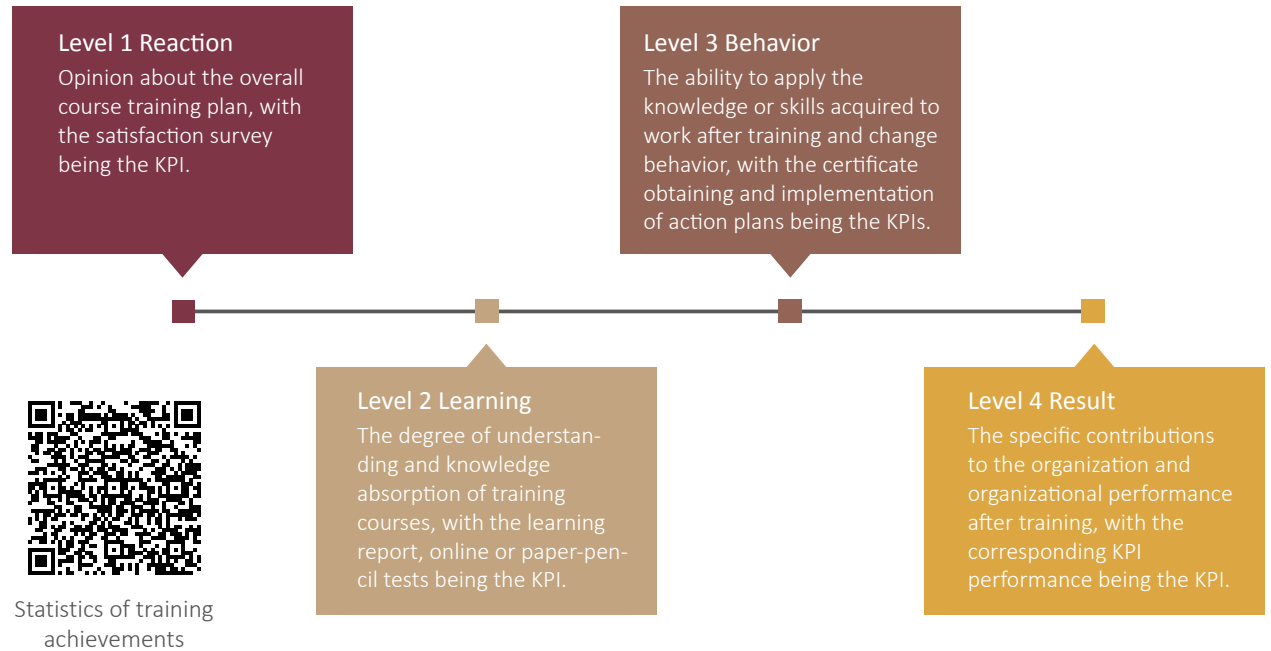
Training is implemented based on the operational strategies and talents deployment in correspondence to the organizational structure and vision. A comprehensive training roadmap is established based on the competence development needs. Courses are planned by job grade. Apart from planning required courses for professional training, quality control, and management, each year different training programs are offered in response to the future development strategies. In 2023 we will include corporate sustainability as a required core course in the management and professional training modules to enhance the ESG concept of employees and develop a total consensus. By combining complete education and training plan with performance and development, we provide employees with opportunities for promotion and job rotation so as to develop all-round talents.



## Achievement and effectiveness follow-up

In 2022 the total hours of training increased by 2,518 hours over 2021 to 10,045 hours, and the average hours of training per employee also increased by 3.88 hours over 2021 to 22.37 hours. Apart from minimizing group infection, e-learning education and training courses also created more learning opportunities for employees.

To verify learning effectiveness, we divided the assessment into four levels with reference to the Kirkpatrick Model: L1-Reaction, L2-Learning, L3-Behavior, and L4-Result. The assessment level is set according to the course planning. For example, L2 must be applied to all professional training courses, L3 to the 8D improvement courses, and L4 for process management courses. The effectiveness assessment aims to verify if employees can apply the knowledge and skills acquired from the courses to work so as to optimize all training programs.



## Skill proficiency test

To develop more skills and encourage employees to optimize manufacturing techniques through learning, we started the “skill proficiency tests” on the jobs of employees in 2017. These tests are divided into three levels: A, B, and C. They are combined with the OJT system to provide employees with education and training. Written and practical tests are given in fixed months. The validity of each test is one year. Employees must take the tests every year. In 2022 we reviewed the required skills of onsite units to design the test items for each level and determined the eligibility of applicants. In addition to the seniority limit, we also added the requirement to review the annual performance results of applicants applying for the Level B tests.

New employees for whom the skill proficiency test are applicable will be required to pass their Level A test within 3 months after they have come onboard to ensure the quality of their work. We have also combined the skill proficiency tests with the allowance scheme. Employees must pass the Level A test before they are eligible to apply for the Level B tests. Additionally, employees must pass the Level B tests before they are qualified to receive

the relevant allowances and skill badges. With this policy, we aim to encourage employees to learn and upgrade themselves aggressively. Skill proficiency tests have been implemented to all employees of the manufacturing units, QC units, test centers, and materials control units.

## Performance appraisal

We uphold our core values of 5A as the basis and central component of our code of conduct at YOKE. Through our performance management system, we endeavor to manifest our 5A values through our corporate culture. And as such, we conduct periodic performance review twice each year, with



“Management by behavior” (MBB) accounting for 30% of the review while “Management by objectives” (MBO) makes up the remaining 70%. In other words, MBB is the criterion that we use to assess employees’ demonstration of how much they were able to assimilate and implement the core values of 5A through their conduct. Through day-to-day supervision and observation, managers and supervisors engage their colleagues and subordinates in discussions and interactions relating to key performance indicators starting from the corporate level and cascading down to department and individual levels.

For employees with outstanding performance, apart from opportunities for promotion and wage adjustment, the Company also offers differentiated performance-based bonuses in the hopes of motivating employees to grow together with YOKE and achieve a win-win. YOKE's performance appraisal covers all employees below (excluding) the General Manager. However, new employees who have been onboard for less than 4 months have also been excluded due to concern for fairness. In 2022, a total of 411 employees (by July 31, 2022) participated in their performance appraisal, with a 100% completion rate. In 2022 we implemented the performance management system to enforce e-performance management. Both employees and officers can review performance settings and review achievements over the system at any time to enhance two-way labor-management communication, promote teamwork, and effectively capture employee performance. In 2023, we will introduce the Individual Development Plan (IDP) to help employees set their annual learning and development plans. We also plan training for competence gap to help employees improve competence and so to achieve the annual targets.

### Level A

Skill proficiency test: Three months after arrival or new employees or transferred employees  
Pass: 247 employees (after the policy change in 2022, direct labor was re-tested, accounting for 89% of all direct labor).

### Level B

Skill proficiency test: Employees passing the Level A test and meeting the seniority and performance requirements.  
Pass: 36 employees (accounting for 14.57% of employees passing the Level A test)

### Level C

Skill proficiency test: Employees passing the Level B test and meeting the seniority and performance requirements.  
Pass: None so far.

## Issue: Occupational safety and health

1

### Policy

To formulate safety and health promotional policies in accordance with the ISO 45001 occupational health and management system so that we can provide employees with a work environment that is secured, healthy and comfortable while continuing to inject relevant resources for the promotion of various systems and solutions for continuous improvement.

2

### Commitment

- Sustainability & Inclusion: Ethical management, legal compliance, mutual benefit with the society and engagement through communication
- Education & Growth: Total participation, reinforcement of awareness, internalization of training and continuous improvement
- Quality First: Innovative development, process improvement, quality refinement, and customer satisfaction
- Environmental Protection: Resource efficiency, energy/water conservation, emission, and waste reduction and pollution prevention
- Safety & Health: Safety first, health promotion, hazard prevention, balance between physical & mental well-being

3

### Goal and target

- Zero disabling injury incidents for 2022
- Maintain the validity of our ISO 45001 occupational safety and health management system certification

4

### Responsibility

Designated personnel in charge of occupational safety shall be responsible for the safety and health in the working environment, while designated personnel in charge of nursing care shall be responsible for employees' health. Implementation results serve as the criteria for annual performance evaluation for the department (supervisor) and individual employees and they are linked to performance bonuses.

5

### Grievance system

Stakeholders can provide their feedback and lodge complaints through our internal meetings, staff comment boxes, e-mails, or the "Contact us" page on YOKE's website. With the exception of internal meetings, feedbacks/complaints are handled anonymously to protect the rights and interests of the complainant.

6

### Action

- Encourage all departments to propose environmental and safety improvement items each month to optimize environmental safety management.
- Full inventory of safety devices and replace them with safer devices.

7

### Mechanisms for scoring management approach

ISO 45001 internal audit, periodic external audit

8

### Results of management approach assessment

- Three disabling injury incidents was reported in 2022. All were reviewed and closed after corrective measures.
- Maintained the validity of our ISO 45001 occupational safety and health management system certification in 2022.

9

### Corresponding GRI

403 Occupational health and safety (2018)

10

### Corresponding SDG



## 6-4 Fostering Safety, Hygiene and Environmental-friendliness

### Operation of the occupational safety and health management system

YOKE's ISO 45001:2018 occupational health and safety management system covers Factory 1 and Factory 2, including activities for production and non-production sites. For equipment, the certification covers equipment used for routine and non-routine operation activities, including access of non-YOKE personnel entering our premises and contracted personnel (i.e. security guard, gardener and janitors). Although the factory 3 was not covered by the certification in certificate renewal in 2022, its OH&S management mechanism has been operated in accordance with the current management systems.

| Description  | Full-time employees | Contractors |
|--|---------------------|-------------|
| ISO 45001 coverage   | 94.05%              | 1.10%       |
| Coverage of internal audit on occupational safety management | 98.02%              | 1.10%       |

We have established the Occupational Safety and Health Committee in accordance with the Regulations. Each members enjoys a term of office for two years. The committee holds a committee meeting quarterly. The general manager is the committee chair. The committee has 21 representatives, including 8 labor representatives (38.10%) and meeting the legal requirement that at least one third of all members are labor representatives. The Committee is responsible for communicating, participating and consulting on requirements and issues relating to pertinent occupational safety and health regulations, tracking YOKE's annual OHS management objectives and reviewing training outcomes.

At the end of each year, the Committee conducts OHS hazard identification and risk assessment by engaging all departments to adhere to corresponding internal processes to determine the steps of operation, frequency of operation, chances

for potential hazard and opportunities before taking existing protection and management measures into account in order to perform risk assessment and classification. The risk assessment is classified as unacceptable hazards and high risks and opportunities, and action planning is continued and included in the management plan for continuous tracking and management. In 2022, in addition to the management plans generated through risk assessment, a total of 28 management plans generated from other management measures were included in follow-up management. By the end of 2022, the follow-up of 19 plans was completed, and the rest will be completed in 2023. At the end of 2022, we started the occupational safety and health risk assessment for 2023, 18 management plans required for validation were produced. We will complete the full planning of and then implement these management plans and periodically follow up the progress of improvement. In the operation of our management system, we have continued to arrange for various training courses on OHS to fortify relevant personnel's professional competence and familiarity with our OSH management system.



Full description of our occupational safety management systems



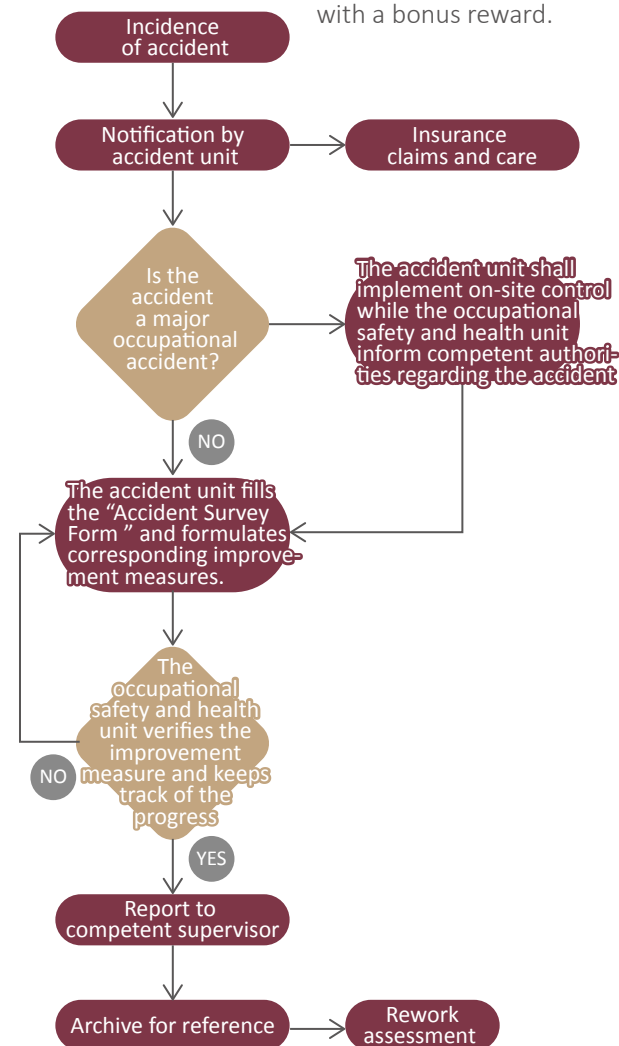
For non-routine hazards, such as adding or changing products/services/processes, resulting in changes in the work environment, work organization, work conditions, equipment or labor, one must complete the "Environmental Safety and Health Change Management Evaluation Application" to re-examine hazard identification and risk assessment for the operation in question. In 2021, a total of 36 applications closed (closure rate of 95%). The improvement of the other two applications need the flash butt welding machine that will only shipped to the factory in 2023. In 2022, there were 41 applications, and 14 applications were closed. We will continue to follow up the unclosed applications until their completion. This will continue in 2023. After the risk assessment, the item may no longer be listed as an unacceptable hazard. Instead, the best improvement plan for the mitigation of risk is to improve the implementation sequence of elimination, replacement, engineering, improvement and so forth in conjunction with personnel qualification, proper warnings, the use of protective equipment, supervision of measurement,

emergency response and relevant administrative measures to achieve continuous improvement and reduce risks.

During orientation training for new employees, we have made relevant advocacy on the right to refuse work in the event of emergencies with regards to labor safety. More specifically, should employees be exposed to imminent danger in their work environment, they are entitled to stop their work and retreat to a safe location provided they do not endanger the safety of other workers while doing so. And no disciplinary action will be given for refusal from work.

In accordance with ISO 45001 standards, YOKE has established its management procedure governing the investigation of accidents, which encompasses the identification of cause that led to the accident, hazard identification, measures for rectification and so forth and leading to continual care and follow-up as the basis for work resumption. Employees will not face disciplinary action for reporting specific working conditions that may cause harm or disease. Instead, the Company encourages all departments to propose environmental and safety improvement projects each month to optimize safety management of the work environment. In 2022 the

number of near misses increased significantly over 2021 to 13 reports, suggesting that employee have higher faith in the improvement suggestion policy. In addition, we have also established a reward mechanism for employees who identify and report potential risk events. On the 10th of each month, the Company will commend the reporting employee with a bonus reward.



## Safety management and improvement

We have divided the entire company premise into 21 regions, with each region assigned personnel responsible for inspecting the safety of the region. In addition, occupational safety personnel and supervisor will accompany the responsible personnel in the inspection of the region and convene review meetings on a monthly basis to discuss the observations made during the inspection and follow up on the improvements. We have also established scoring criteria for the designated personnel for the occupational safety region in order to achieve quantifiable management. If any defects found by the occupational safety personnel during the inspection can be improved immediately, it will be done within the shortest time. For those who need the assistance of other units, the assisting units will also complete the work in the shortest



time possible. Some of the improvement cases that take longer will also be tracked through the mode of management program to make the operation of the environmental safety and health management system more smooth.

In order to avoid misunderstanding due to language differences, we have been organizing morning meetings for foreign employees on Tuesdays. Apart from communicating YOKE's relevant policies and announcements, the meetings focused primarily on the advocacy of work safety. After all relevant information has been summarized and given to the translator for translation, the translation would be given to the manager responsible for the week's morning meeting and the representative of foreign employees for dissemination.

In 2022 we continue the performance evaluation of safety and health management rating activated in 2021. Based on the pass score of 60 points, we will add and deduct points correspondingly, linking safety and health suggestions, rating regional safety responsible person, and the management requirement of deficiencies related to the inspection by occupational safety personnel, etc., with each unit's independent safety and health education and training and promotion, and encourage the reporting of false alarm incidents, and the unit that reports them will be able to add points by proposing improvement policies. Additionally, we also added contractor management as a bonus item for all regional safety responsible personnel to help contractors with safety management during operation. The average score of 2022 increase significantly from 68 points in 2021 to 85 points, suggesting that in addition to maintaining safety and health, each unit is also committed to improving safety and health and implementing various additional points. Apart from enabling all units to maintain all fundamental safety and health items,

as the management performance rating can also encourage all units to implement safety and health activities, we will continue the rating in 2023 and will combine it with the performance evaluation of each supervisor.

To provide employees with a safer work environment, in 2022 we will further arrange the staff of Occupational Safety Office walk into each operation site to help observe work in collaboration with site supervisors to discover the hidden risks in operation, make improvement suggestions, and follow up the improvement in the form of an EHS program so as to make a closer tie of the ESH systems for better results. In 2022 a total of management plans were produced in this model, accounting for 25% of all management plans.

The factory safety and health of employees are our concerns and require improvement, and it is the same for contractors. Therefore, in 2022 we implemented the contractor safety and health management rating to rate the performance of 54 contractors. The results are: one contractor got an A (90 or higher points) and 53 contractors got a B (70-89 points). In addition to the deduction items in the past, we added a number of bonus items to encourage improvements, such as the safety and health education and training implemented by the contractors, group insurance covering the contractors' employees, and the reporting and improvement of the safety and health hazards of the contractors themselves. The base score for each contractor is 80 points, and the actual score is calculated each quarter to provide a reference for the annual contractor rating to ensure objectivity and impartiality. Each contractor is given 80 points and the points are settled quarterly. This is used as the source of the annual evaluation of the contractors in order to be more objective and fair.

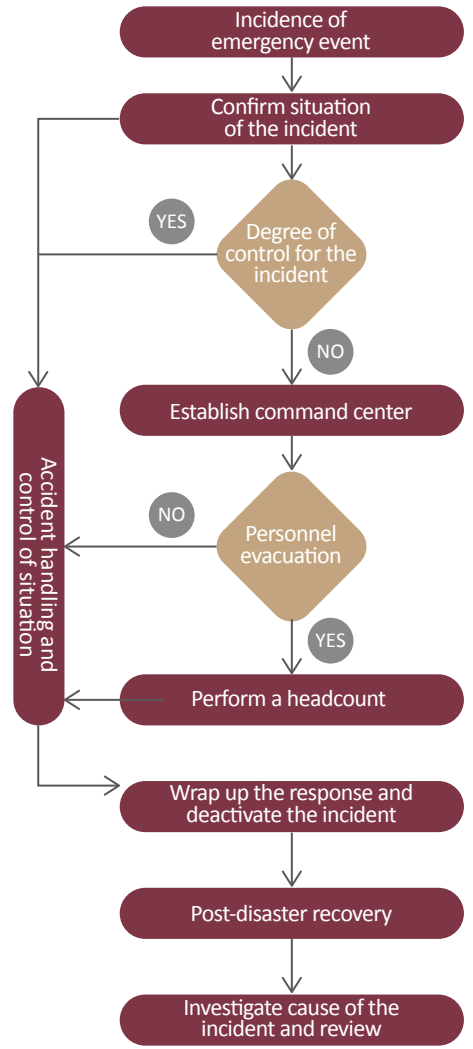
Safety Training

Each year we establish the annual occupational safety and health training program. Apart from the basic orientation training for new employees, we also arranged 10 OTJ and contractor training activities in 2022, with a total of 220 participants. In collaboration with the Procurement Department, we asked all major suppliers to sign and submit our “Manufacturer’s Occupational Safety Commitment” to be submitted. We also request new suppliers to sign the commitment before placing orders. In addition to the general requirements for operation safety, we also request contractors to arrange health checkups and safety and health education and training for their employees in compliance with the relevant occupational safety and health laws and regulations. Contractors are required to apply and be approved prior to construction, and are required to inform the contractor of the hazards

| Type of training    | Orientation training | On-the-job training | Contractor training |
|---------------------|----------------------|---------------------|---------------------|
| No. of sessions     | 53                   | 9                   | 1                   |
| No. of participants | 159                  | 40                  | 21                  |

of the contracted work prior to construction; all applications for construction were in electronic form from 2021 onward, and in addition to safety management, the concept of paperless environmental protection will be incorporated.

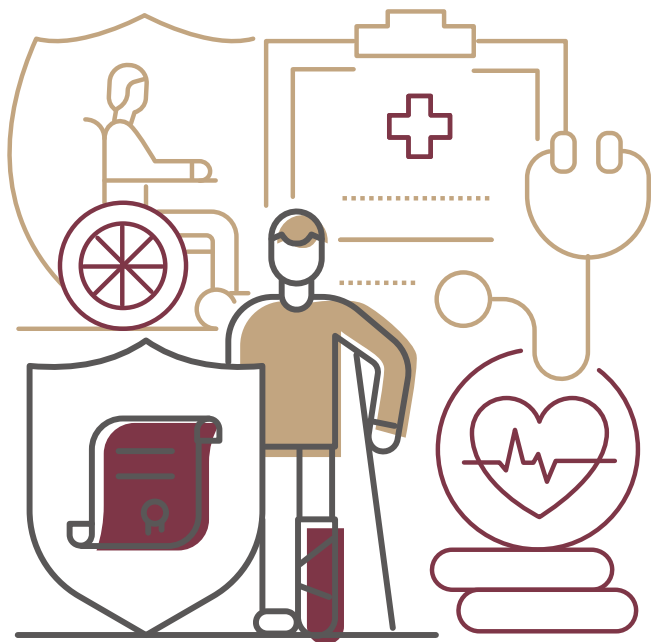
To get prepared for any emergencies, we have developed contingency processes for situations such as fire, earthquake, typhoon, power outage, accident of contractor operation, food poisoning, notifiable diseases/epidemic diseases or related injuries. Emergency drills are conducted every year to enhance the response capability of all employees. In 2022, all employees participated in the evacuation drills for fires, chemical spills, and earthquakes and the self-defense task force drills. In addition to continuing the pattern the routine fire drills, in 2023, will also plan individual contingency drills based on the attributes of each unit.



## Performance of safety management

We make it a point to keep track and follow up on incidents of disabling injuries so that we can track employees who have suffered disabling injuries and even minor injuries to provide proper care. In 2022 there were three disabling injuries reported, including pinch, cut, and one serious occupational accident. The average lost working days were 14 days, one day more than 2021. The root cause has been analyzed and improved properly.

In addition, we have had no cases of occupational diseases in the past and had zero fatalities caused by occupational diseases or disasters. In addition, there were no occupational disasters such as death, disability, or occupational diseases in 2022 for outsourced personnel. Additionally, we also disclosed the quantitative data of the total recordable incident rate (TRIR), near miss frequency rate (NMFR) as requested in the Sustainability Accounting Standards.



### 2022 Accidents and Corrective Action

1

A pinch accident on the index finger occurred at the Assembly II Section when a worker failed to remove the left hand off the riveting machine before stepping on the pedal for riveting. After the triage of the factory nurse, the section manager escorted the worker to seek medical attention. As the x-ray examination showed no sign of a bone fracture, the finger nail and bruise were removed.

The cause analysis in the accident investigation shows that workers needed to load the rivets manually on the component because there no rivet clamp was designed in the mold. As this is the root cause of the risk, we have modified the mold with a drawer design to keep the hands of workers away from the riveting area and so to prevent pinch again.

### 2022 Accidents and Corrective Action

2

A finger cut accident occurred at the aluminum section when the worker opened the door to unload the component during blade deceleration of the circular saw in a tailing cutting operation. The supervisor immediately escorted the worker to seek medication. This employee has returned to work at the same position. The job content has been accommodated based on the status of recovery.

The cause analysis in the accident investigation shows the worker has switch the machine to the manual mode to facilitate opening during blade deceleration. Further tests show that the machine's protective device (optical gate) works properly and will stop all action when opening the door. However, there is no emergency stop. To ensure the operation safety of employees, improvement has been made in two directors:

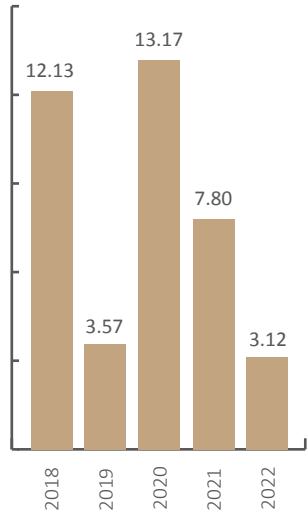
I. A full inspection of all existing machinery and draw up improvement plan:

- (1) The protective devices of a total of 423 machines in the shop have been checked, and 18 of them have safety doubts. Improvement will be completed in March 2023.
- (2) Machines with manual mode are controlled by privilege (safety key kept by special staff) to prevent unpermitted switch to the manual mode.

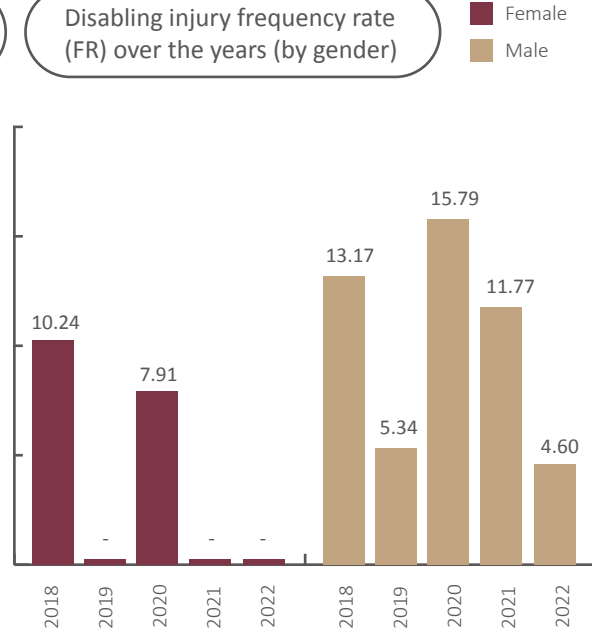
II. Procurement of new equipment with better protection and enhancement of personnel training.

- (1) To optimize operation, we purchased specialty machinery in December 2022, and it will be shipped in March 2023. It can keep workers away from the dangerous zone to enhance operation safety. Before the installation of the new machinery, tailing cutting will be suspended.
- (2) Continue to enhance safety and health training for employees to enhance their safety awareness and so to reduce operational risk.

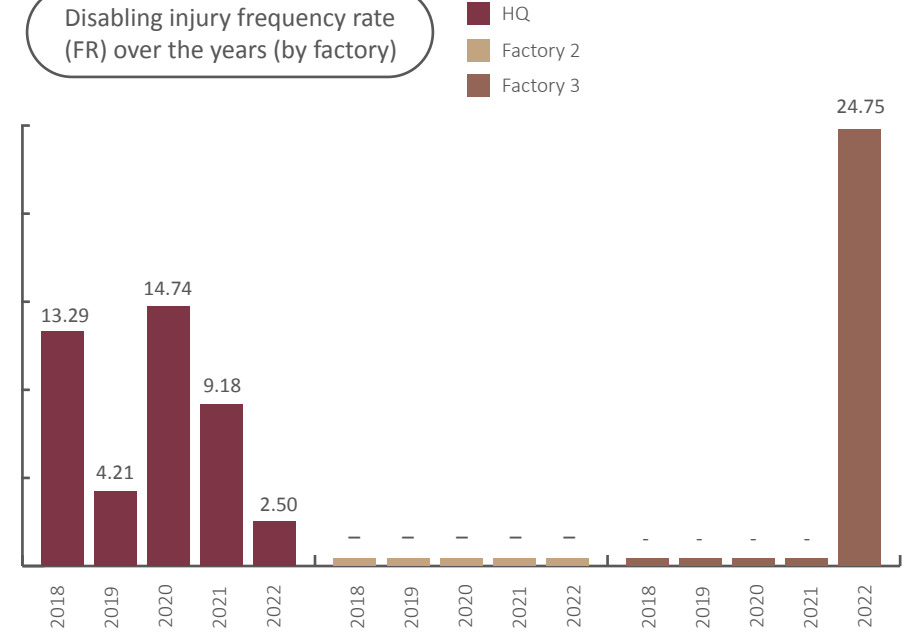
Disabling injury frequency rate (FR) over the years (total)



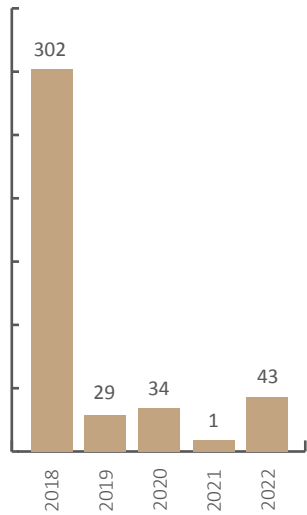
Disabling injury frequency rate (FR) over the years (by gender)



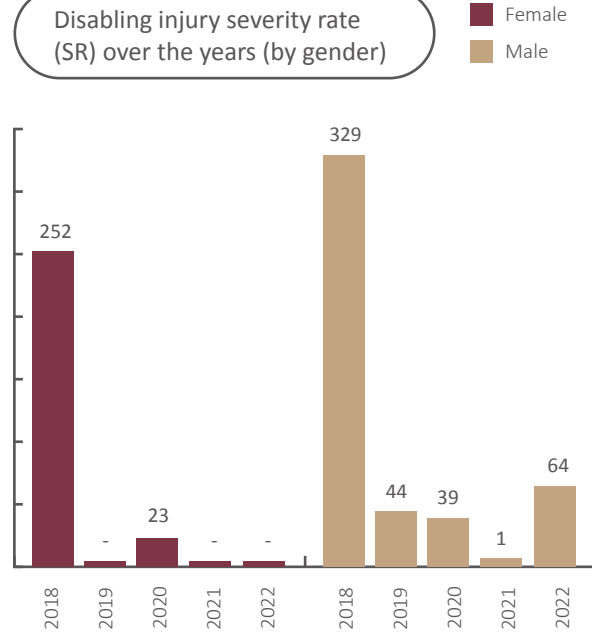
Disabling injury frequency rate (FR) over the years (by factory)



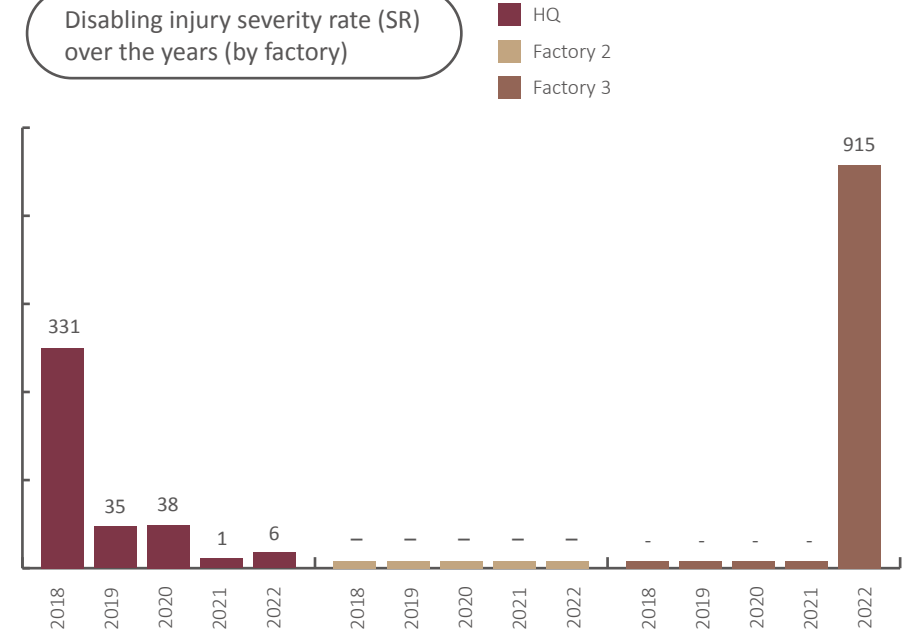
Disabling injury severity rate (SR) over the years (total)



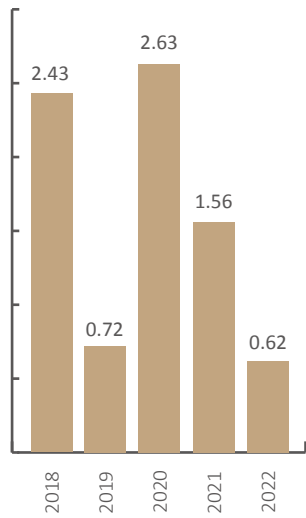
Disabling injury severity rate (SR) over the years (by gender)



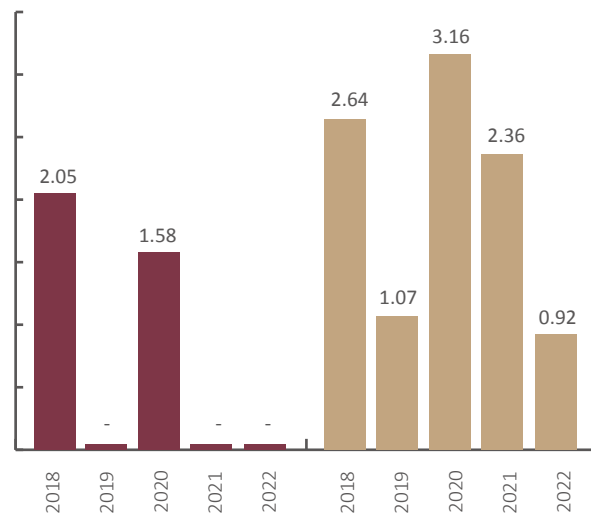
Disabling injury severity rate (SR) over the years (by factory)



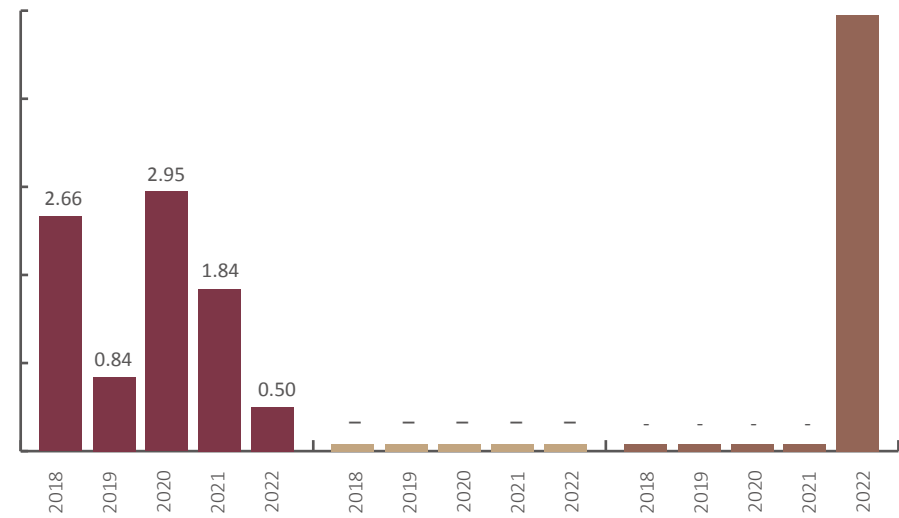
Total recordable incident rate (TRIR) over the years (total)



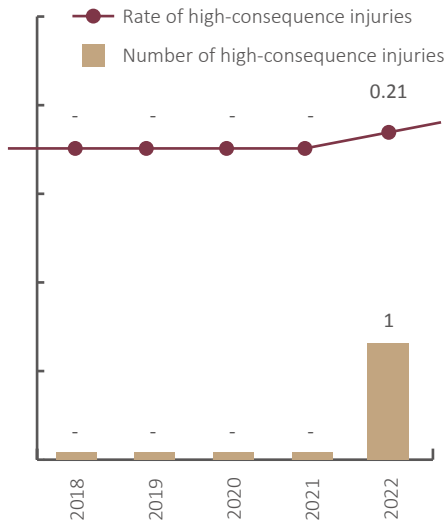
Total recordable incident rate (TRIR) over the years (by gender)



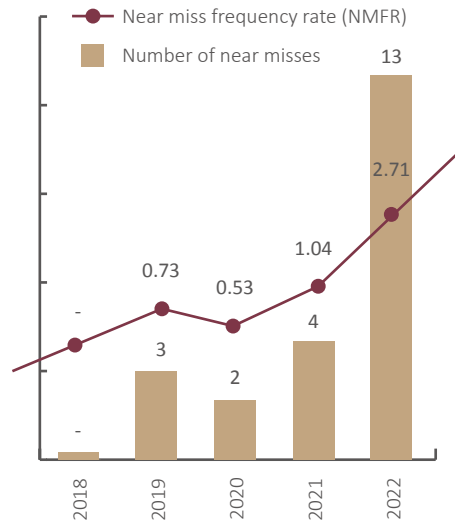
Total recordable incident rate (TRIR) over the years (by factory)



Rate of high-consequence injuries



Near miss frequency rate (NMFR) over the years



Note

1. Factory 3 became operational in 2019, and the statistics of relevant items were produced from the year of initiation.
2. Other indicators were calculated based on GRI using the following formulas (excluding incidents of transportation-related injuries):  

$$FR = \frac{\text{No. of occupational injuries} \times 106}{\text{Number of hours worked}}$$

$$SR = \frac{(\text{lost working days due to occupational injuries} \times 106)}{\text{Number of hours worked}}$$

$$\text{Total Recordable Incident Rate (TRIR)} = \frac{(\text{total number of employees with disabling injury} \times 200,000)}{\text{Number of hours worked}}$$

$$\text{Rate of high-consequence work-related injuries (excluding fatalities)} = \frac{(\text{Number of high-consequence work-related injuries} \times 200,000)}{\text{Number of hours worked}}$$

$$\text{Near-Miss Frequency Rate (NMFR)} = \frac{(\text{Number of near-misses} \times 200,000)}{\text{Number of hours worked}}$$
3. Total injury loss days" means the number of days the injured person is unable to resume work, excluding the day of the injury and the day of resumption of work, but shall include the number of days passed in-between (including Sunday, vacation or business stoppage days), and the number of days where no work can be done as a result of a disaster after the resumption of work; The number of loss of inability injury is the number of persons covered by the above-mentioned injured persons.
4. Incidents of near-misses have been introduced and recorded since the introduction of the ISO 45001 management system

## 6-5 Health promotion

### Health corporate citizen

We have been taking care of employees with empathy by providing them with a safe and healthy work environment and free healthy employee meals. We have also established a gym and a library in the facility.

A player piano is equipped in the HQ building to play elegant music for employees to relieve work stress. We also continue to optimize the operation environment out of the “people-oriented” mindset to reduce the workload of employees through human-machine collaboration with automated equipment. After receiving the “Corporate Health Responsibility (CHR) Award from CommonHealth Magazine in 2021, we were further awarded the Gold award in 2022.

### Health promotion

YOKE employs dedicated nursing staff in an effort to facilitate health promotion for all employees. In addition, they also manage employees’ health checks and tracking of anomalies. Employees’ health profiles are only accessible to caregivers and individual employee.

We arrange health checkups for employees every year. In 2022, a total of 384 employees were qualified for the checkup. Except for two employees on parental leave , in pregnancy, or for personal reasons, a total of 382 employees did received the checkup. The results placed 232 employees at grade 2 and 51 employees at grade 3. Based on the key items including cardiovascular and digestive system problems, checkup results are classified into three grades. As grade 2 is less critical, health education is arranged for the abnormal items. However, compulsory treatment and monthly follow-up are requested for grade 3 cases. Apart from arranging interviews with the factory health professionals

for them, we also consider the need for job accommodation. In 2022 we arranged in-house physician consultation for 75 employees.

For employees involved in special hazardous operations, we ask them to go through additional health examinations due to their exposure to noise, dust, or high temperature. Checkup hospitals classify checkup results into four grades and issue the checkup reports. Grade 1 cases are normal. Health education implemented orally or by health education emails or leaflets will be arranged for Grade 2 cases. Compulsory treatment and follow-up and grade verification are requested for Grade 3 cases. In 2022, special health checkups were arranged for 190 employees. The results show that there were 19 Grade 3 cases suffering from noise hazards, 28 Grade 2 cases suffering from dust hazards, and 27 Grade 2 cases suffering from high-temperature hazards. They all were referred to occupational medicine specialists for further assessment and diagnosis.

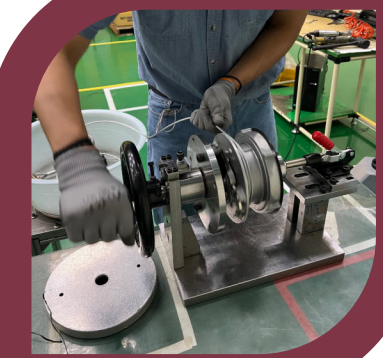
#### Process innovation: Ergonomic improvement with self-made jig (tools)

One part of the retraction lifeline of a SRL range needed “manual line winding”. As this part of line is long, sore hand occurs easily after long-time hand winding. After in-depth research, we optimized the process with electric winding and enhance protection with a protective cover and buffer. After the process improvement, apart from speeding up the winding for products of all sizes by 5 seconds, we receive no more “sore hand” complaint from employees at that station.

After improvement  
(electric winding)



Before improvement  
(manual winding)



### Program for Preventing Abnormal Workload-Triggered Disorders

With regard to the workload and mental health condition of employees, we ask them to fill in the scale for analysis. In 2022 a total of 345 employees filled out the scale. Additionally, in consideration of likelihood of cardiovascular diseases of employees in the next decade, we divided the score into four categories: good minor, moderate, and serious. In 2022, a total of 23 employees were found to be recommended for consultation and in need of consultation, and we had already arranged for them to be checked by the resident physician. We have also been tracking their record for receiving treatment and whether they were in need of adjustment in terms of work before relaying the physician's recommendation to the Human Resource Department for relevant assessments/adjustments to be made. For employees suffering from excessive stress, we have planned specific health promotional classes to help them alleviate their stress and feeling of burden. We would refer them to the Company's employee assistance program (EAP) for more personalized assistance for employees who require further assistance.

### Maternity Health Protection Program

We help employees in pregnancy and within one year after delivery identify and access potential hazards and risks. Employees are encouraged to report pregnancy early and proactively, and confirmed expectant mothers will receive a notification gift and non-slip indoor slippers. Additionally, priority parking spaces are provided for them to reduce the walking distance to the office after parking in consideration of the hardship of pregnant women. In 2022, a total of 6 employees consulted the in-house physician to verify that the content and work environment of their jobs and their personal health condition have no health hazards on them and their babies. As they all were graded 1 on the health checkup, no job accommodation or transfer was required.

### Workplace Violence/Bullying Prevention Program

To prohibit workplace discrimination, we have established the "Regulations for Prevention of Sexual Harassment" and "Workplace Violence/Bullying Prevention Program" to keep employees away from harassment. We have also established the relevant grievance channels. After receiving a grievance, the HR unit will form an investigation task force with related members to investigate, handle, follow up, review, and establish preventive measures for the case.



## Other health promotion activities



### Carbon reduction for Earth: Walking Campaign

To encourage employees to exercise regularly in the daily life, we combined power walking with World Earth Day in one eight-week walking campaign. Through the concerted efforts of all employees, we completed a total of 117,595,583 steps, equivalent to 68.6 rounds of Taiwan and 2.05 rounds of Earth.

### Health talks

To encourage employees to value the health of themselves and their family and enrich their health knowledge, we organized two health talks to share with them "how to take care of atopic dermatitis" and "embracing joint health with daily care" through medical specialists.

### Employee club activities

We have established the mountaineering club, road-running club, and badminton club with about 105 members, including many section managers and officers of higher ranks, as well as foreign employees. Regardless of position, age, and nationality, they promote friendship with one another and exercise. We also fund one time of external training each month for each club.

### Physical fitness test

We organized the physical fitness test in collaboration with external fitness centers to give exercise advice to employees. Together with the weekly aerobic and muscle strength classes, we encouraged employees to exercise based on the test results so as to understand the progress of their training and motivate themselves to exercise.



### Blood donation

We organized blood donations in collaboration with the Taichung Blood Center. In 2022 a total of 51 employees joined the activity and donated 75 bags of blood, each 250-ml.



### Workout environment

**Internal resources:** In addition to the gym of nearly 530m2 on the second floor of the administration building equipped with 60 sets of various fitness equipment, we have also built a yoga classroom on the 4th floor. Employees are entitled to the free use of the said facilities for indoor training after work. Apart from making full use of the gym equipment, we also hire professional trainers to give classes in the premises. In 2022 aerobic and muscle strength training classes were given weekly.  
**External resources:** In 2021 and 2022, we signed contracts with the Chaoma Civil Sports Center and North District Sports Center for employees to use the facilities there with discounts.



## 07

## Creating safety value for the environment

## Issue: Climate strategy

## 7-1 Climate-related financial disclosures

## 7-2 Strategies to climate change

### 7-3 Risk assessment for climate change

## 7-4 Goals and achievement

## 7-5 Adopt energy conservation and waste reduction

## 7-6 Ongoing improvement of production procedures



## Issue: Climate strategy

1

### Policy

Prudently access the risks of climate adjustment, promote response plans, adjust the Company's response capabilities, reduce potential operational losses, adopt TCFD's climate-related financial disclosure recommendations and gradually disclose our response information.

2

### Commitment

- Sustainability & Inclusion: Ethical management, legal compliance, mutual benefit with the society and engagement through communication
- Education & Growth: Total participation, reinforcement of awareness, internalization of training and continuous improvement
- Quality First: Innovative development, process improvement, quality refinement, and customer satisfaction
- Environmental Protection: Resource efficiency, energy/water conservation, emission, and waste reduction and pollution prevention
- Safety & Health: Safety first, health promotion, hazard prevention, balance between physical & mental well-being

3

### Goal and target

- To continue with TCFD climate change planning and propose a risk management solution
- Perform a routine inventory of our GHG emission and pass the ISO 14064-1:2018 audit

4

### Responsibility

The Sustainable Development Committee shall be responsible for the discussion and verification of strategies for climate change response before relevant department departments plan and execute accordingly.

5

### Grievance system

Stakeholders can provide their feedback and lodge complaints through our internal meetings, staff comment boxes, e-mails, or the "Contact us" page on YOKE's website. With the exception of internal meetings, feedbacks/complaints are handled anonymously to protect the rights and interests of the complainant.

6

### Action

- Implemented the ISO 50001 EnMS
- Implemented ISO 14067 product CFV

7

### Mechanisms for scoring management approach

The management committee is responsible for tracking the progress of various projects and performance management indicators of key departments

8

### Results of management approach assessment

- Passed ISO 50001 certification by SGS in November 2022
- Selected three items for ISO 14067 product CFV, third-party verification is scheduled in July 2023.

9

### Corresponding GRI

201 Economic performance (2016)  
305 Emissions 2016

10

### Corresponding SDG







## 7-1 Climate-related financial disclosures

### Promotion of the plan

In 2015, the United Nations adopted the "Paris Agreement" to set 17 Sustainable Development Goals (SDGs) to maintain global warming to within 2 degrees Celsius and help stakeholders identify and obtain corporate climate change related risks and opportunities, along with its impact and response information. The Financial Stability Board (FSB) of the international organization established the Task Force on Climate-related Financial Disclosures (TCFD) in 2016 and issued "Climate-Related Financial Disclosure Recommendations" in June 2017, which provides clearer disclosure guidelines for financial exposures related to climate change of global companies.

We have been paying close attention to global climate change trends. According to the TCFD disclosure proposal structure, from the four core elements of governance, strategy, risk management, indicators and targets, the company's sustainable development committee functions as the internal functional organization to manage climate risks and opportunities. Each year, through the collection and analysis of climate-related international trends, industry-focused issues and other information, we create an internal assessment questionnaire for climate-related risks and opportunities. Various department executives convene to help identify climate-related risks and opportunities that may cause a major impact on YOKE's financial standing.

### TCFD promotional structure

| Promotional structure   | 2022 Action Targets  | 2022 Implementation Content   |
|---|--|---|
| <br>Governance       | Raise the management's awareness for climate change response | The Chairman functions as the chairman of YOKE's Sustainable Development Committee, which meets quarterly to plan, execute, and review our sustainable development performance. In 2022, we emphasized fortifying the management's understanding and appreciation for climate change risk factors and boosted our executives' awareness for climate change response through training and education.   |
| <br>Strategies       | Introduction of TCFD structure                               | YOKE works with raw materials and processes that generate relatively higher volumes of GHG and in light of this fact, we had performed risk assessment in accordance with the risk items recommended by TCFD in order to determine the relevant distribution of climate related risks. In 2022, we focused on implementing the ISO 50001 energy management system and ISO 14067 product CFV to make a step forward to address climate change risks. In the future, we will continue to adjust our operational strategies to strengthen our climate adaptation capacity. |
| <br>Risk Management  | Identify risks and opportunities                             | Based on the climate-related risk types as recommended by TCFD, we examined the probability of occurrence for risks and opportunities along with their degree of impact as the strategic basis for our operational planning. We will continue to implement risk assessment on a yearly basis.   |
| <br>Goal and target | Greenhouse gas emissions disclosure                          | In accordance with ISO 14064-1:2018 greenhouse gas verification standard, the first greenhouse gas emissions verification was conducted in 2019, and the self-inventory of greenhouse gas emissions will continue to be conducted as the basis for continuous management of carbon emission reduction. After implementing the ISO 50001 energy management system in 2022, we will start setting targets for carbon reduction and energy conservation to activate our carbon reduction management.   |

| 2019  | 2020   | 2021  | 2022  | 2023 ~  |
|---|--|---|---|---|
| <ul style="list-style-type: none"> <li>Establishment of our Sustainable Development Committee</li> <li>Formulated TCFD promotional plan</li> <li>Assess climate related risks</li> <li>Introduce ISO 14064-1 inventory</li> </ul> | <ul style="list-style-type: none"> <li>Promoted aspects of governance and strategy</li> <li>Established GHG emission indicators</li> </ul> | <ul style="list-style-type: none"> <li>Promote various climate adjustment projects</li> <li>Establish specific management indicators for different targets</li> </ul> | <ul style="list-style-type: none"> <li>Introduction of ISO 50001</li> <li>Promote Carbon Footprint Inventory</li> </ul> | <ul style="list-style-type: none"> <li>Set energy reduction target</li> <li>Establish product Dfs guidelines</li> <li>Pass product CFV</li> </ul> |

## 7-2 Strategies to climate change

Response to climate change issues calls for long-term monitoring of both our internal and external environments as well as continuous evaluation of YOKE's adaptability so that we can respond with versatility. And as such, YOKE will integrate climate related issues into its operating strategies to manage relevant issues both qualitatively and quantitatively in accordance with the management's familiarity with each issue.



In climate change mitigation, we will continue to analyze and control internal energy use. Through the energy-efficient factory design, energy efficiency enhancement, and energy conservation, we proactively achieve our GHG reduction targets and address the climate change challenges. In addition, we will continue to pay close attention to relevant international research reports and industrial trends to analyze the potential risks and opportunities that may arise from climate change. Through the TCFD's recommended disclosure structure as the framework we incorporate into our operational planning for our internal response and adjustment, we shall contribute to mitigating climate change and adapting to the potential impact that climate changes may bring.

Based on our maturity in climate change management, in the future, we will conduct the response analysis of the "1.5°C scenario" announced in World Energy Outlook 2021 in 2021 by the International Energy Agency (IEA), an autonomous intergovernmental organisation of Organization for Economic Co-operation and Development (OECD).

In consideration of the climate-related risks and opportunities for the short, medium and long-term, we will progressively incorporate various risk issues in our operational plans in the future and keep track

on the government regulations, international trends, and practices of benchmark companies. In 2022, we reduced the impact and influence of climate change on us through measures for energy conservation and for product carbon emissions management with action plans such as implementing the ISO 50001 energy management system and the ISO 14067 CFV.

We already passed the SGS certification for the ISO 50001 EnMS in November 2022. Additionally, we have selected three items for the ISO 14067 product CFV and expect to pass third-party verification in 2023.

| Risk/<br>Opportunity   | Type                     | Risk/Opportunity item   | Potential financial impact                                     |
|--|--------------------------|---|--|
| <br>Risk          | Policies and regulations | Increased carbon pricing for GHG emission                             | Cost expenditure ↑   |
|  | Technology               | Replacement of existing products /services by low-carbon alternatives | Operating revenue ↓, Capital expenditure ↑                     |
|  |                          | Failure of new technology investment                                  | Cost expenditure ↑   |
|  | Market                   | Increase in raw material costs  | Cost expenditure ↑, Capital expenditure ↑                      |
|  |                          | Uncertainty in market information                                     | Operating revenue ↓, Inventory value ↓                         |
|  |                          | Change in customer behavior   | Operating revenue ↓  |
|  | Reputation               | Stigmatization of the industry  | Operating revenue ↓  |
|  |                          | Shift in consumer preferences   | Operating revenue ↓  |
|  | Extreme climate          | Incidents caused by extreme climates                                  | Cost expenditure ↑   |
|  |                          | Extreme climate patterns  | Cost expenditure ↑, Capital expenditure ↑                      |
| <br>Opportunity | Resource efficiency      | Efficient production and distribution processes                       | Operating revenue ↑, Cost expenditure ↓, Capital expenditure ↑ |
|  | Energy source            | Introduction of new technologies                                      | Operating revenue ↑, Cost expenditure ↓, Capital expenditure ↑ |
|  | Market                   | Access to new markets   | Operating revenue ↑  |
|  | Tenacity                 | Adopting energy-saving measures                                       | Cost expenditure ↓, Capital expenditure ↑                      |

### 7-3 Risk assessment for climate change

By referring to the recommended content for climate-related financial disclosure, we have conducted a three-dimensional quantitative assessment of our potential vulnerabilities, impacts and the likelihood of occurrence for each risk before classifying and ranking the risks based on the results of the analysis, thereby allowing us to identify potential opportunities and how we ought to respond. In the 2021 climate-related risk identification, senior officers found that increased costs of raw materials, increased pricing of GHG emissions, costs to transition to lower emissions technology, enhanced emissions-reporting obligations, and uncertainty in market signals are the five major risks. In the 2022 climate-related risk identification, these risks persisted and no re-assessment was required.

After the 2021 climate-related risk assessment, we have focused our management efforts on five areas: strengthening supply chain management, efficient production and sales processes, developing new low-emission technologies, implementing carbon emissions inventory and disclosure, and continuing to pay attention to the market demand for carbon



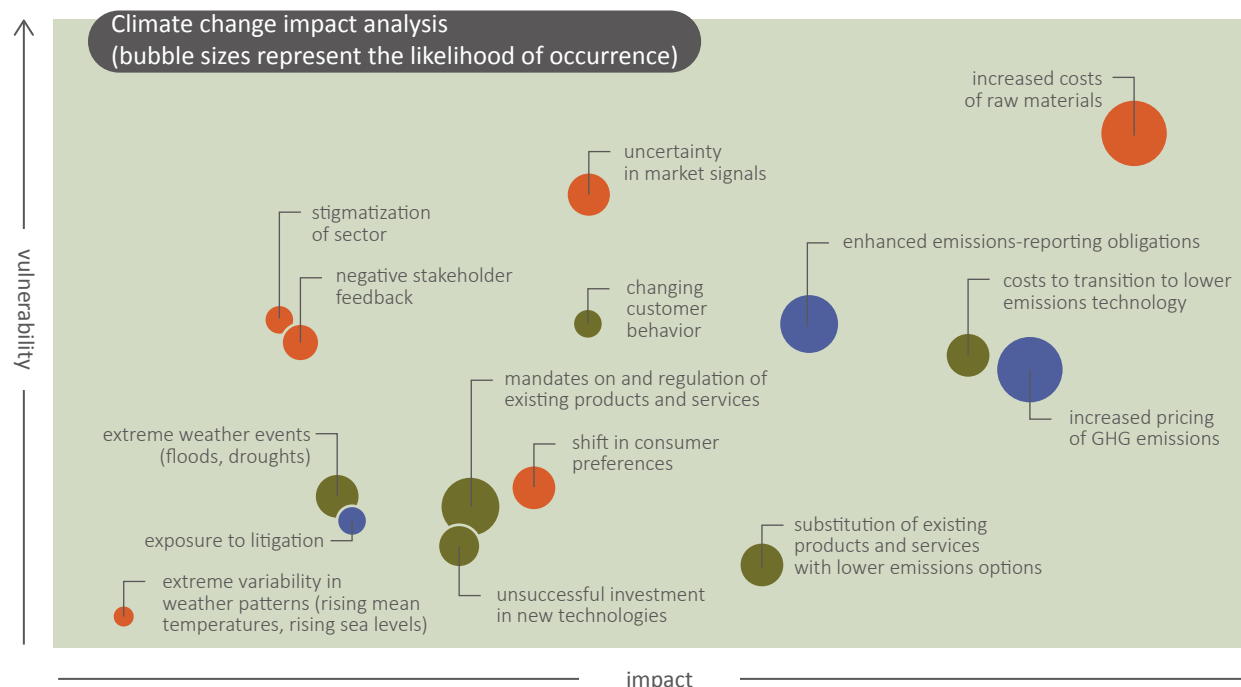
management, so as to enhance our climate change resilience.

- We monitor the climate change response and adaptability of the supply chain and continue to promote engage in supplier guidance and cooperation to improve the overall industry structure.
- Continuously improve the operation process of SAP ERP, strengthen the integration with peripheral systems, and promote high performance operation process.
- Continuously conduct greenhouse gas inventory and verification, set carbon reduction targets and

develop low-carbon technologies to reduce the impact of carbon pricing policies and enhance the resilience of business operations.

- Through our CRM system, we can explore potential business opportunities and grasp market trends to reduce the uncertainty of market information.

YOKE shall conduct further analysis on various risks and opportunities to formulate response strategies at the next level while striving for more extensive information disclosure that includes the potential financial impact that relevant risks and opportunities may have on our operation, revenues and expenditures.



**Note**

**Vulnerability:** YOKE's preparedness or adaptability to this risk (along the X-axis, greater indicates lower preparedness and adaptability)

**Impact:** the degree of operational impact on YOKE when this risk occurs (along the Y-axis, greater indicates the higher impact on operation)

**Probability:** the likelihood of this risk occurring within ten years (the size of the bubble is directly proportional to the chance of occurrence)

## 7-4 Goals and achievement

YOKE's first step towards climate change response began with our risk assessment and inventory of GHG emissions. The risk assessment enabled us to gain a preliminary understanding of the risks involved. At the same time, we sought to establish a functional set of performance indicators that we can rely on for climate change mitigation and adaptation through a standardized collection procedure of quantified data taken from our GHG inventory.

### GHG Inventory

The total emissions of Scopes 1 and 2 in 2022 were 7,672.50 tCO<sub>2</sub>e as verified by third-party assurance. With 2019 as the base year, total 2022 emissions increased by 42.36% or 2,283.01 tCO<sub>2</sub>e. Scope 1 emissions included by 42.88% or 95.47 tCO<sub>2</sub>e, and Scope 2 emissions by 42.34% or 2,187.53 tCO<sub>2</sub>e. Carbon emissions increased mainly because of the increased energy consumption due to the increased factory utilization rate after the global economic recovery, the increased self-production rate, and factory equipment expansion. The 2022 intensity GHG emissions was 2.10 tCO<sub>2</sub>/NTD million revenue.

Additionally, we inventoried Scope 3 emissions for the first time in 2021. Through assessment in compliance with ISO 14064-1:2018, we included the upstream emissions from "purchased goods" in the inventory. The 2022 emissions were 1,185.82 tCO<sub>2</sub>e.

| Year   | 2019                 | 2020                 | 2021                 | 2022                 |
|--|----------------------|----------------------|----------------------|----------------------|
| Operation Site   | Factory 1, Factory 2 | Factory 1, Factory 2 | Factory 1, Factory 2 | Factory 1, Factory 2 |
| Scope 1 (direct greenhouse gas emissions and removal)                          | 222.68               | 187.35               | 193.54               | 318.15               |
| Scope 2 (indirect greenhouse gas emissions from imported energy)               | 5,166.81             | 4,342.92             | 4,811.26             | 7,354.34             |
| Scope 1 and 2 combined   | 5,389.49             | 4,530.27             | 5,004.80             | 7,672.50             |
| Greenhouse emission intensity (metric tons of CO <sub>2</sub> e/ million NT\$) | 1.75                 | 1.91                 | 1.77                 | 2.10                 |
| Scope 3 (emissions from purchased goods)                                       | (Not inventoried)    | (Not inventoried)    | 999.74               | 1,185.82             |



- Note 1: Scopes 1, 2, 3 of the unit: metric tons of CO<sub>2</sub>e
- Note 2: The greenhouse inventory was implemented in accordance with ISO 14064-1:2018 version, and SGS has been commissioned to conduct the third-party verification.
- Note 3: Category 2 emissions are attributed to electrical power, and in 2022 we adopted the latest emission factor of 0.509 tCO<sub>2</sub>e/GWh as published by the Energy Bureau in 2021.
- Note 4: For fuel and refrigerant emission coefficients, we referred to Emission Factor Table 6.0.4 from the research summary of greenhouse gas emissions published by the Environmental Protection Agency, Executive Yuan.
- Note 5: We adopted the global warming potential as stated in the IPCC AR5 for the GWP in 2013.

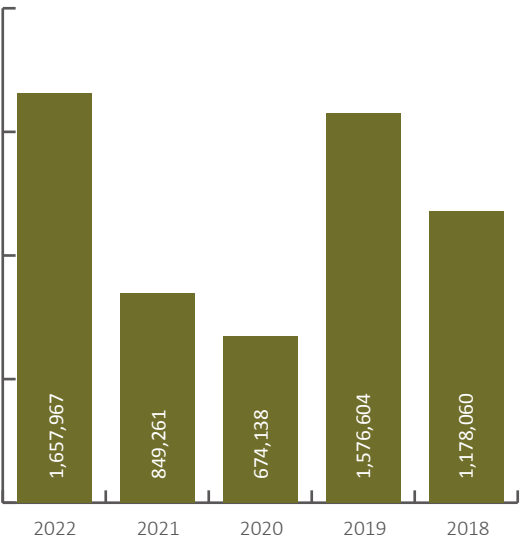
## 7-5 Adopt energy conservation and waste reduction

### Environmental Protection and Improvement

We started implementing the ISO 14001 environmental management system (EMS) in 2018 and passed the certification and obtained the certificate in 2019, setting a new milestone for continual environmental protection through the PCDA cycle.

The 2022 total cost of waste disposal (excluding domestic waste) was about NT\$1.658 million. As a result of capacity increase, waste also increased by 36.16MT to increase the disposal unit price and transportation cost by 70%. Hence, the disposal cost increased by NT\$808,700 over 2021 mainly because of the significantly increased disposal unit price of sand blast, weld dregs, oxide scales, and waste oil and the increased transportation cost by over 60% each time.

Cost of waste disposal over the years (NT\$)



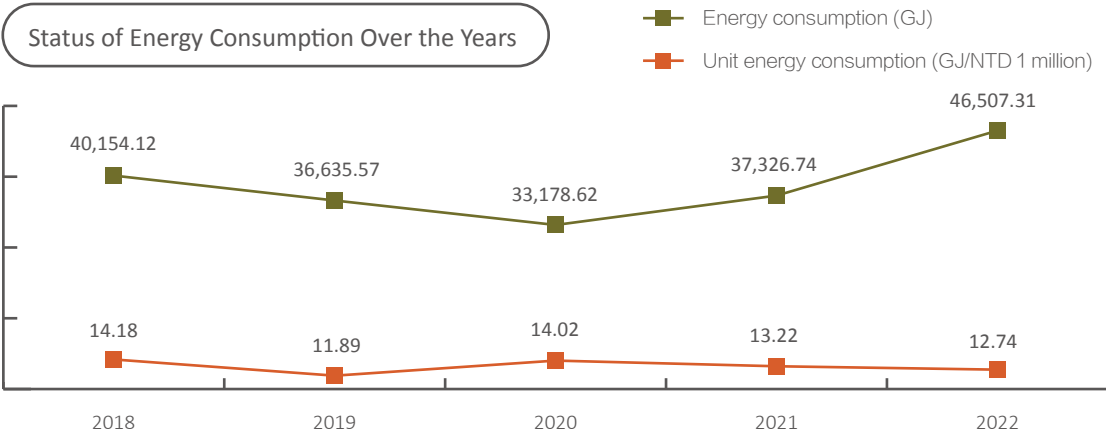
### Energy-Saving Accomplishment

The 2022 energy consumption converted into heat energy increased by 9,180.57 GJ (109 joules) over 2021 to 46,507.31 GJ. To cope with the increased orders, we purchased one new continuous furnace for the heat treatment process to enhance the self-production rate, leading to the increased electricity, gas, and diesel consumption over 2021.

In 2022, we continued to grade existing equipment to variable frequency conversion equipment and introduced energy-efficient equipment

and LED lamps. Based on the electricity saved from equipment replacement, we managed to save electricity by about 196.3 GWh of energy, equivalent to 9.9918 tCO<sub>2</sub>e (calculated based on the carbon emission factor of 0.509 tCO<sub>2</sub>e/GWh for public electricity sales in 2021 as published by the Energy Bureau of the Ministry of Economic Affairs in November 2022). This also means that we successfully achieved the target of saving 1% of electricity each year as spelled out by the Ministry of Economic Affairs consecutively for the past 5 years.

Status of Energy Consumption Over the Years



| Energy-efficient equipment replacement project in 2022                         | Yearly estimated power saving | Conversion to GHG emission reduction (Kg CO <sub>2</sub> e) |
|--|-------------------------------|---|
| New 100 hp inverter air-compression for Factory 1                              | 122,557                       | 62,382  |
| New 20 hp inverter air-compression for Factory 2                               | 38,134                        | 19,410  |
| Chiller replacement for Factory 2  | 27,375                        | 13,934  |
| Timer improvement of the drying machine of the plastic mold injection machine. | 8,237                         | 4,193   |
| Total power savings  | 196,303                       | 99,918  |

## Energy management system

In response to the international energy price and the rising importance of energy consumption to climate change, it is predictable that efficiency enhancement and effective management of energy will be the major issues for corporate sustainable development, and enhancing energy efficiency is the most economical and effective way.

We began implementing the ISO 50001:2018 EnMS in March 2022 to enhance energy efficiency through systemic management and smoothly passed the SGS certification in November 2022. We implemented four energy conservation and carbon reduction projects in 2022 to save electricity by up to 82,448 kWh or 1.2% each year. The target was accomplished smoothly.

In 2023 we will continue to optimize the energy management system in three aspects: (1) enhance cross-department collaboration and communication to raise the involvement in the energy management system of all departments to increase the relevant management forms; (2) enhance the education and training relating to energy management and conservation to enhance the awareness of the energy management system of employees in all departments, particularly the awareness of the requirements for certification plan, implementation, and record contents of energy conservation; and (3) enhance training for responsible internal auditing personnel so as to continuously achieve the energy conservation targets through the well-established management system.

## Water Management

We purchase water from Taiwan Water Company. It is withdrawn from the Shigang Reservoir at downstream Dajia River. The total water consumption in 2022 reduced by was 0.23 megaliters (ML) over 2021 to 19.21ML.

Process wastewater was 100% discharged to the wastewater treatment plant in the Taichung

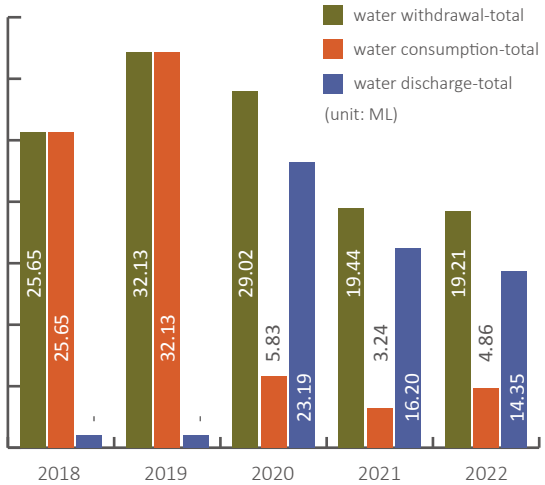
Industrial Park (no process water is used in the factory 3 located in Chuan Hsing Industrial Park). Process wastewater is treated in accordance with the "Table of the Intake Limits and National Wastewater Discharge Standards of Taichung Industrial Park Sewage Treatment Plant"(https://bit.ly/3bUVH5m) established by the Taichung Industrial Park before discharge. We also perform sampling test on the water quality from the treatment plant, with testing items including water temperature, pH, COD, and SS. The total wastewater discharged in 2022 was 14.35 ML. We did not pass the COD limit because of our failure in removing toe well bottom sludge. Apart from making immediate improvement, we also began removing well bottom sludge regularly.

| Inspection item   | pH value | COD   | SS  |
|---|----------|-------|-----|
| Regulatory standards  | 5~9      | 480   | 320 |
| Lowest inspection value   | 7.0      | 45    | 5.9 |
| Highest inspection value  | 8.7      | 1,407 | 210 |
| <div>Note</div> <p>The actual values of each test item have been derived from the actual emission data from each factory, with both the highest and lowest values disclosed. This accounts for the significant discrepancies in the data.</p> |          |       |     |

## Water conservation measures

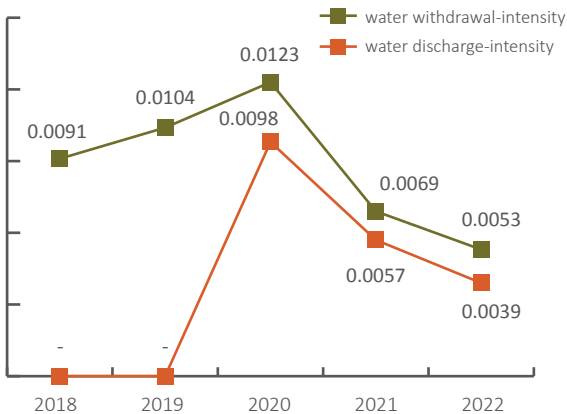
As we consume less water than the general industries, evaporation of the cooling water towers, evaporation of salt baths, and regular water changes are the main sources of water consumption. Taichung is not an area with water stress without related water impacts. In response to the climate change impact, we implemented water conservation. In 2022 we replaced the water-cooling compressors of the forging and heat treatment sections with air-cooling compressors; added water stabilizer to the aluminum alloy quenching tank to change water from once monthly into once annually. The intensity of water consumption in the last three years has been falling, suggesting that our water conservation measures are effective.

Water consumption over the years (unit: ML)



Note Total discharge (wastewater) data was not collected until 2019, and data for total water discharge and total water consumption is available only since 2020. Total water use = total water withdrawal - total water discharge.

Intensity of water consumption over the years



Note Water consumption intensity = (water withdrawal/discharge-total (in ML) in the year) ÷ revenues of the year (NT\$M)

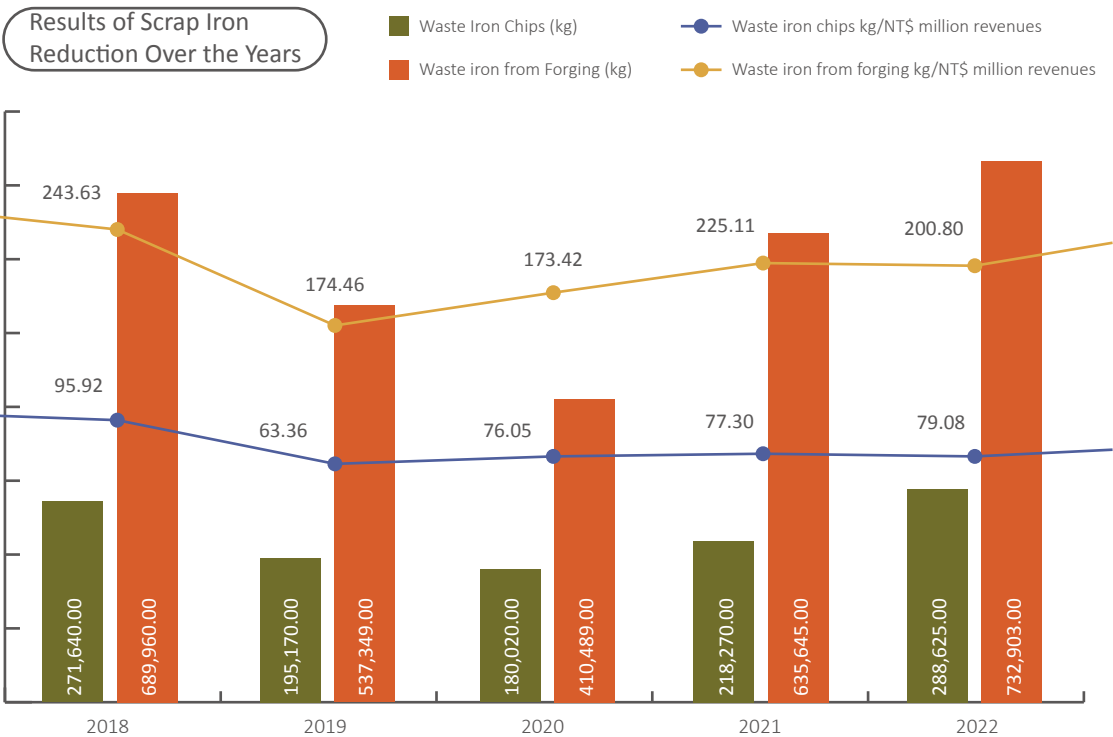
### Waste management

The industrial waste we produce in the manufacturing process are non-hazardous waste, and there are 3 types of direct disposal performed by outsourced vendors in 2022, and the end use of outsourcing is other treatment (physical treatment). The waste generated by YOKE will not cause significant impact to the environment. All wastes are removed through qualified vendors and checked through on-site or internal forms to confirm that the wastes are properly handled by the disposal operators to ensure that the wastes generated by YOKE will not cause significant impact on the environment. There are six types of recyclable waste, including waste forged steel, steel scrap, aluminum, aluminum scrap, plastics, and waste oil, all of them recycled. In 2022, waste directed for disposal in accordance with the methods stated in the EPA regulations increased by 36.16MT over 2021 to 101.78MT, mainly because of the increased production.

In addition, the promotion of 6S and CIT projects that went on over the years has been verified by examining the composition of scrap materials collected. We found waste iron from forging and waste iron chips to make up the bulk of the waste scrap iron. In 2022, the rate of orders increased, and so did the forging and processing capacity. By running at full capacity to fill urgent orders, the volume of both waste iron from forging as well as waste iron chips also increased, and the output of "forging scrap iron kg/NT\$ million revenues" also increased.

| Industrial waste category and code | Primary component                        | Disposal type (unit: MT) | Recycling    | Direct disposal        |
|------------------------------------|--|--------------------------|--------------|------------------------|
| D-1099                             | Dust particle                            | Disposal method          | Recycled use | Other disposal methods |
| D-1799                             | Scrapped oil mixtures                    | 2021                     | 880.94       | 65.62                  |
| D-2499                             | Furnace slag, oxide scale, welding dregs | 2022                     | 1,062.30     | 101.78                 |

**Note** As one new category of waste for recycling was added in 2022, the 2021 data was thus updated accordingly.



## Waste reduction achievements

### Reduction in forging scrap iron

Forging material diameter improvement tests were conducted. Through mold improvement and parameter change experiments, we successfully improved the forging material diameter of two product series in 2022. After the improvement, each item of these two series reduced waste iron production by 0.37kg and 0.02kg respectively. It is estimated that the reduction can be up to 6% after mass production validation in 2023.

### Reduction in packaging materials

Finished products (both were packed by plastic bags) were used previously in chain assembly. Employees needed to remove the plastic bags before assembly. Apart from causing unnecessary labor for rework, this also produces waste packaging materials. After changing to using semi-finished products, plastic bags were replaced by plastic barrels to reduce the unpacking labor and about 700 plastic bags a year.



### Mold life extension

To reduce mold wearing in the forging process, after adjusting the hardness of the mold saddle and materials, the life of the mold of one product has been increased from 6,000 times to 8,000 times of forging to extend the life by 33%.

### Rag reduction

We need to purchase rags with high oil absorbency to wipe off the grease stain on machinery, mold, or machines to harming equipment life or environmental safety. In 2022 we implemented rag reduction, checked the condition of oil leakage, and made improvement. Apart from reducing oil leakage, we also changed the habits of employees (e.g., containing oil with trays rather than wiping them off with rags). In 2022, the total rag purchase was 225kg, reduced by 7.5%.

## Green Culture

The green area connecting our administrative building and Factory 1 exceeds the legally required area and we have contracted a professional horticultural company to take care of the greening to enhance the landscape of the working environment. Not only that, YOKE has also adopted hill slopes near the Taichung Industrial Park area in an effort to improve the aesthetics of the industrial environment.

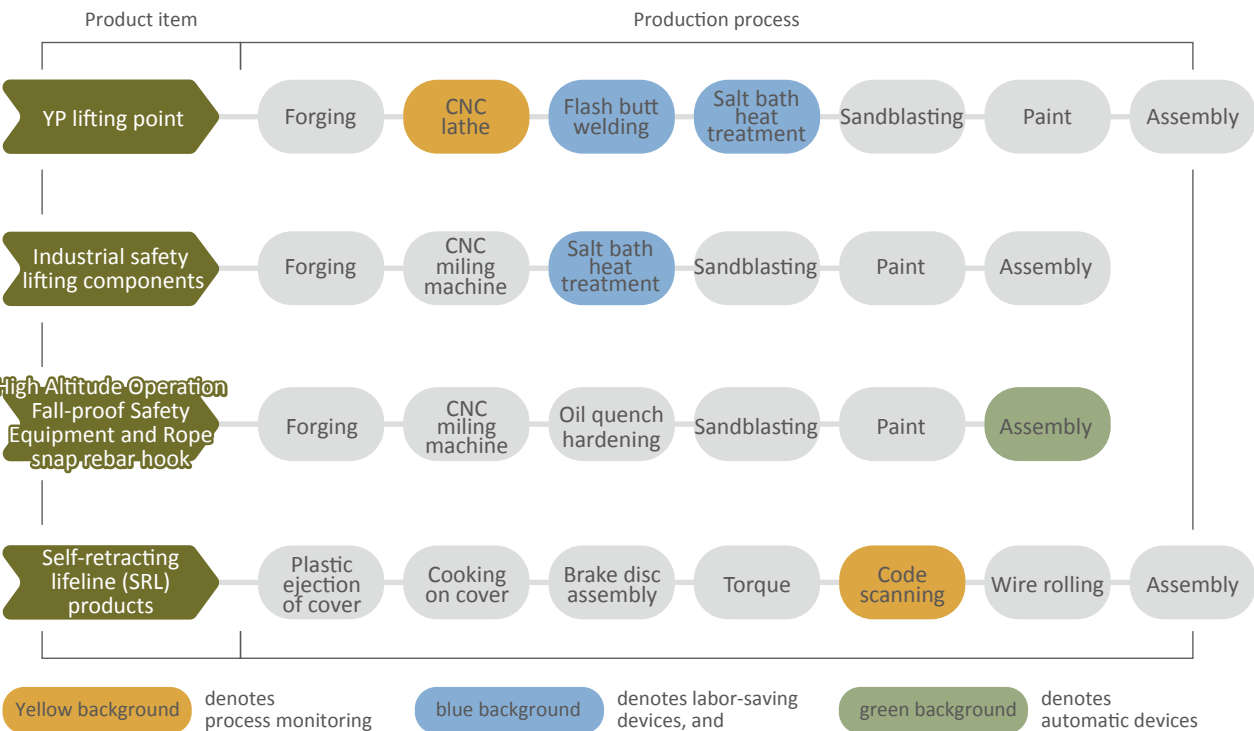
We have installed water-saving devices to the faucets for conservation and implemented schedules for lights-out periods in the office areas for light fixtures and air-conditioning within our premises. We have also set up patrol rosters for employees to take turns to inspect different parts of the building to ensure that the lights have been turned off. YOKE also promotes the classification of waste resources for recycling purposes on its premises and makes sure that each department properly classifies recyclable resources in the corresponding containers for waste disposal. In reduction of paper consumption, apart from calculating departmental paper consumption and publicity, we introduced the digital signage for the production lines to reduce paper consumption for printing. The introduction of digital signage increased from one production line in 2021 to 11 production lines in 2022.



## 7-6 Ongoing improvement of production procedures

### Manufacturing Process

YOKE's products can be separated into industrial safety lifting components and fall protection equipment. For industrial products, our production procedures focus more on the forging and thermal treatment of raw materials, while personal products focus more on torque and tension.



### e-Production management of Factory 2

To optimize production management, we introduced the MES system in Factory 2. Through the IoT, we bound the information of the relevant machines with orders to trace the lot number of abnormal materials and display the information on the digital signage so as to keep production lines updated with the actual condition. Apart from saving labor and time for manual reporting, e-reporting can reduce the risk of report errors. Through e-management, data generation in process monitoring is smoother to enhance production efficiency.

### Process Improvements

YOKE uses the total quality management system to continuously carry out quality improvement activities, promotes CIT improvement activities, and establishes the cultivation guidance system and the operation system of continuous improvement. By cultivating internal seed employees, the quality improvement practices are deepened within the company and implemented as part of the company's daily operations; systematic tools are introduced to make quality improvement activities more efficient and effective, and finally, innovation and improvement, team learning, and continuous learning become part of the corporate culture of YOKE to continuously improve and innovate, and also enhance customer satisfaction.



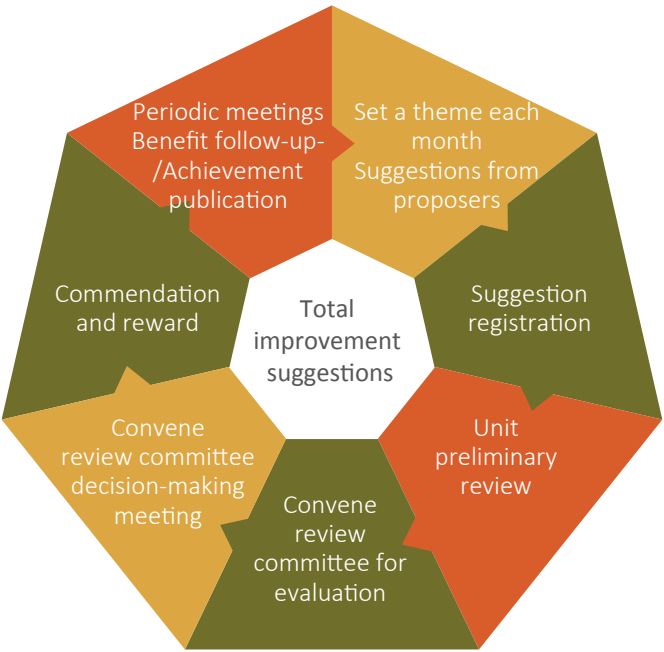
Process improvement projects and target correspondence

### Total improvement suggestions

We introduced the total improvement suggestion system in July 2021 to encourage direct labor to make one improvement suggestion each month. The unit head will conduct the preliminary review, and each unit select at least once highlight suggestion. Through the review of the assessment team, three excellent highlight suggestions were selected each month, and employees making the suggestion were commended at the morning assembly.

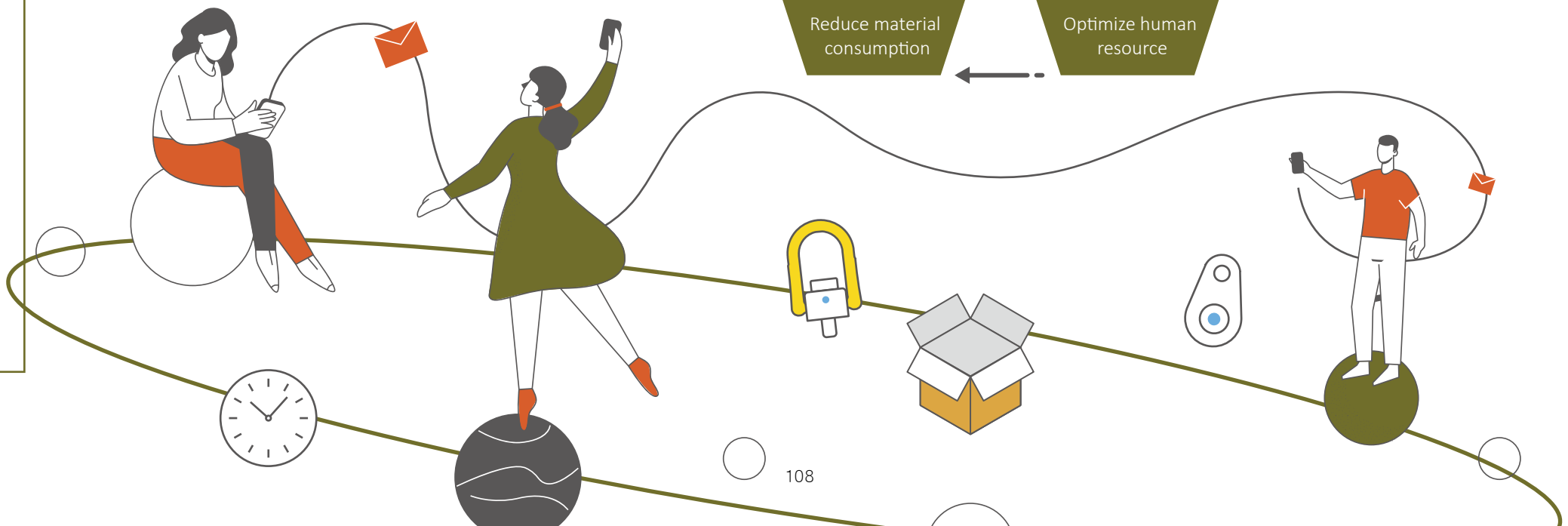
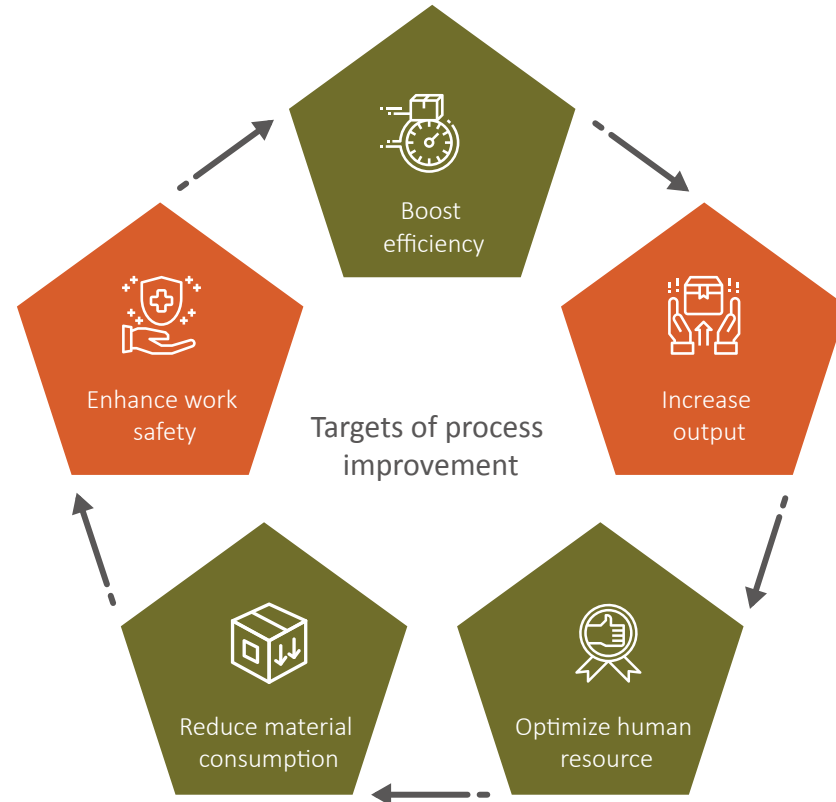
In 2022 director labor made 2,446 improvement suggestions in eight “objectives of improvement suggestions”. A total of 90 suggestions were reviewed for PDCA by the review committee to create benefits for up to NT\$1.93 million. The monthly average of suggestions per employee was 1.07 suggestions. Apart from commending the proposers of the three highlight suggestions each month, we also rewarded the Idea King Bonus to the employee making the most suggestions each month.

Reward individuals with outstanding performance in improvement suggestions for using various improvement tools to make specific improvements. This not only brings honors to individuals but also enables employees to develop the capability to find problems and make suggestions for improvement and so to make continual improvement part of our corporate culture to accumulate knowledge and capability to develop corporate sustainability.



## Total productive maintenance (TPM)

Building upon the foundation of promoting 6S that began in 2015, YOKE has examined various areas for improvement in the work environment from the aspects of man, machine, material, method, environment and safety and has gradually improved various standard operating procedures. With the groundwork set, we launched our Total Productive Management in 2019 in order to further enhance the efficiency and outcome of our manufacturing processes so that we can establish a solid foundation to bolster the Company's sales performance. Initially, we focused on the establishment of independent maintenance subcommittees and individual improvement subcommittees. Committees dealing with improvement issues at moderate or low difficulty have been classified as independent maintenance subcommittees, with the corresponding departments taking charge of the improvements.



Promoting planned maintenance KPIs was our focus in 2022. Through the project, we found 173 items with room for improvement on grade A important equipment, and the performance was outstanding . When implementing TPM, we can also achieve energy conservation by enhancing machine utilization rate and energy efficiency or reducing energy consumption through schedule adjustment, stock control, and personnel training.

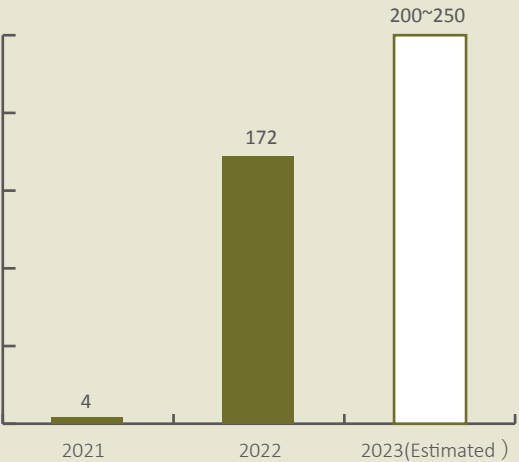
| Planned Maintenance KPI Promotion                               |   |
|---|---|
| Shorten mean time to recovery (MTTR) of important equipment     | The 2022 monthly MTTR reduced by 4.6 hours (50%) over 9.6 hours in 2021 to 4.6 hours.     |
| Extend mean time between failures (MTBF) of important equipment | The 2022 MTBF was extended by 607 hours (38.08%) over 1,594 hours in 2021 to 2,201 hours. |
| Reduce repair expenses  | Completed 21 individual improvement projects to save costs by NT\$752,300.                |



Management innovation:  
Equipment  
“e-check” pilot project

In have been promoting “product digitization” in recent years. After launching the SupraTag, we began implementing internal equipment management in 2021. By combining with RFID devices and digital platforms, we performed daily/weekly/monthly checks, maintained machine maintenance records, and reported anomalies. With big data management, we conducted preventive maintenance and implemented management policies. By the end of 2022, we already implemented total digital check for up to 172 machines. In the future, we will implement digital management on all production-related important equipment and include digital mechanisms in all new equipment, which is part of the criteria for inspection and acceptance. In the future, we hope to extend our implementation experience to equipment suppliers and establish equipment check/-maintenance document templates for other suppliers to download and use so as to continuously promote the application of digital check.

Number of equipment with digital check



# 08

## Creating safety value for the society

- 8-1 Investment in youth empowerment
- 8-2 Encouraging volunteer service
- 8-3 Promoting Mutual Prosperity



## 8-1 Investment in youth empowerment

### YOKE Scholarship

In order to encourage students in related departments to study hard, YOKE continued with its scholarship program to eligible students from the Department of Mechanical Engineering at National Cheng Kung University and the Department of Materials Science and Engineering at National Chung Hsing University. YOKE awards the NT\$ 300,000 scholarship on a yearly basis and statistics of the scholarships we offered various universities since 2002 reveal that more than NT\$ 10 million has been donated over the past 20 years, benefiting a total of 250 students. In 2022, we donated NT\$200,00 to the Hsing Wing Scholarship Program of National Chung Hsing University to provide scholarships for financially disadvantaged students so as to help them focus on study regardless of the financial issues during the study.

Apart from encouraging students, we have also established the “NTU College of Engineering Yoke

Distinguished Scholar Reward” to reward scholars with distinguished performance in guiding technology R&D and application, setting examples in academia, and making technology innovation. Starting from 2022, we will donate NT\$300,000 to the College of Engineering of National Taiwan University (NTU) for six consecutive years to reward distinguished scholars.

### Industry-academia internship program

We began joining the “Industry-Academia Partnership Training Program” organized by the Taichung-Changhua-Nantou Regional Branch of Work Development Agency and Taichung Industrial

High School in 2019 to recruit grade 12 students of the Department of Mechanical Engineering for internship at YOKE on fixed-term full-time employment contracts. By 2022, we have accepted seven students from Taichung Industrial High School. In order to help students put to use what they had learned in school and at the Bureau of Vocational Training, the interns were assigned to Processing Section for hands-on practice as they learned to operate CNC lathe and practical operational skills for milling machines. Such arrangement enables students to acquire useful skills and explore specific areas of expertise they may wish to pursue a career before they enter the employment market.

The Industry-Academia Partnership Training Program also reached out to students of four-year technical programs. In 2021, we joined the Industry-Academia Partnership Program” promotion organized by National Chin-Yi University of Technology (NCUT). For interns of Taichung Industrial High School with outstanding academic performance and interested in the industry-academia partnership program, we and Taichung Industrial High School will recommend them to NCUT to directly enroll on the Industry-Academia Partnership Program immediately after completing their grade 12 internship. In 2022, four students

decided to stay with us. Through this special program, students work at YOKE in the daytime and go to school on Fridays and Saturdays. Through the close collaboration of school education, we furthered the development of technical and vocational education and training (TVET) through “learning from doing and learning by doing” to secure steady workforce development and so to develop high-quality technical workforces for YOKE.

### Summer Internship Program

In 2022 we organized the summer internship program to recruit students from the relevant disciplines to practice at YOKE on a fixed-term full-time employment contract. We recruited 16 undergraduate and graduate students from six schools, such as National Taiwan University, National Cheng Kung University, National Chung Hsing University, and others. In the prospectus, we announced four research topics and the prerequisites for interested students to better understand the contents of the internship program. Additionally, we can also assign students to the relevant departments based on their areas of specialization after the acceptance.

We assigned senior staff of the respective departments as the mentor of interns. They were divided into four groups by expertise for the topic research. Apart from taking the common courses, we also designed topic-specific professional courses to facilitate the research of individual topics. After six weeks of education and internship, we invited teachers of different schools to the achievement presentation. The general manager, school teachers, and managers formed an evaluation panel to evaluate the presentation. The rank of each group was announced and bonuses were distributed afterwards. We held a forum on the last day of internship to listen to the ideas and suggestions for the program of interns for the reference of improvement of the future internship programs.



## 8-2 Encouraging volunteer service

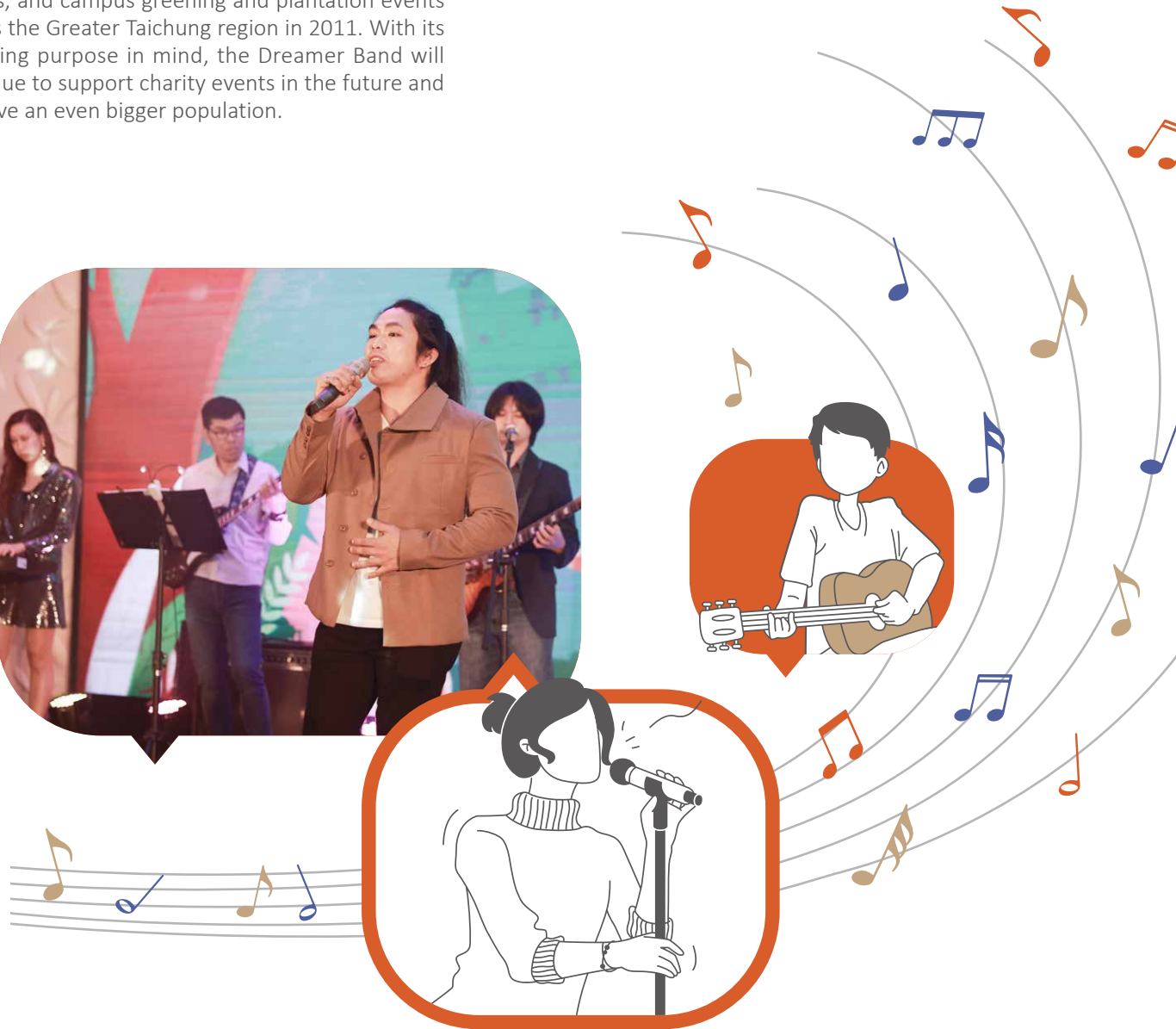
### Volunteer services

Everyone plays a different role in life. In order for employees to be able to play the role of “a helper” while reinforcing their interaction with the community, YOKE started to promote the corporate volunteering campaign at Taichung Veterans General Hospital in 2012. A headcount of official leave days is available so that employees may voluntarily rotate to work as a volunteer at Taichung Veterans General Hospital. In recent years, the Company has also been involved in supporting charity education at elementary schools and invited colleagues to take part as volunteers. The hope is that feeling a change in mood when helping others during their volunteer service will turn into positive energy for them to devote to daily work at the company. In consideration of the health risk of employees and business disruption risk during the pandemic in the last two years, we suspended the hospital volunteering services. During 2012-2020, over 1,200 employees joined the hospital volunteering services for a total of over 5,000 hours in accumulation.

### Volunteer Band

The story of YOKE’s “Dreamer Band” began in the summer of 2011. A group of people - music lovers at YOKE, dreamed about spreading the seeds of hope and courage through music that takes root in the hearts of the listeners and helping all lost, sad, and hurt hearts fly with courage again and live up to a dream of their own. In addition to shaping the aura for large and small events inside YOKE, an important mission of the band is to pass down YOKE’s love and hope and to encourage people by the power of music, particularly minorities so that they gain more positive energy.

Dreamer Band began performing in internal and external charity concerts, our educational charity events, and campus greening and plantation events across the Greater Taichung region in 2011. With its founding purpose in mind, the Dreamer Band will continue to support charity events in the future and to serve an even bigger population.



### 8-3 Promoting Mutual Prosperity

For more than 30 years since its initiation, YOKE has been adhering to the egoistic and altruistic belief of “giving back to society what is taken from it” from its operations. Out of our wish to do good and give back to society, we established the “YOKE Charity Fund” in April 2008. In 2019, as the main focus of the foundation has been gradually adjusted to education public welfare projects, therefore, the name of the foundation was changed to "YOKE Education Foundation" and continued to promote the "Elementary School Sustainable Education Support Project".

We set working at height safety the main theme of social influence promotion. In 2022 we co-organized the tree-climbing experiential course with Si Wei Elementary School and Tung Xing Elementary School in Taichung. We hired instructors with international professional tree climbing license to introduce the use of SRL, climbing saddle, lanyard, safety helmet, and carabiner to students through this experiential course. With full preparation before climbing, we enabled students to climb trees in the safest environment. As the coach explained the equipment's safety features and the tenacity and strength of trees, he helped the students put

on their safety equipment before they tried to reach the top of a tree with his instruction. Apart from focusing on the education for working at height safety, character education was another focus of the tree climbing activity. Students were divided into groups. Instructors guided group members to gear up through mutual support and collaboration. Students also climbed as high as they could through mutual encouragement to push themselves to the

limit so as to develop own faith in their unlimited potential.

In 2022 we signed up to the “Clean Air, Clean Mind; Conserving Soil, Storing Carbon more” action to support farmers to replace burning straws in the open with the “WIN WIN Rapid-Acting Straw Decomposing Powder”. We donated straw decomposing powder enough for use by up to 50 hectares of farmland to reduce air pollution and carbon emissions caused by burning straws to as to safeguard human health.



## Future prospects

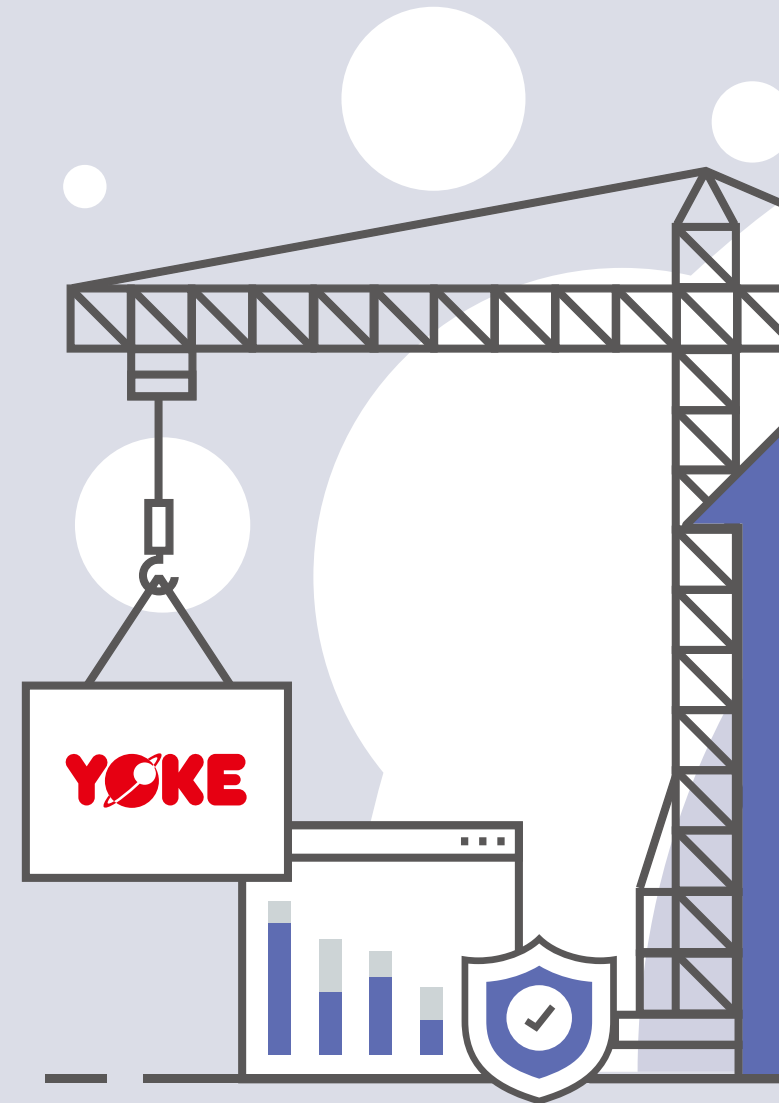
Over the last three years, COVID-19 has brought unprecedented changes to the human lifestyle and business operational model. With the fruit of the “people-oriented” digital transformation over the last few years, we have reviewed, improved, and integrated all operating processes to emphasize the efficiency of interdepartmental process connection. In the “continual development culture” established over time, all employees can make continual development and innovation of products and technologies to keep up with the trends so as to regain business growth and demonstrate our resilience against huge changes.

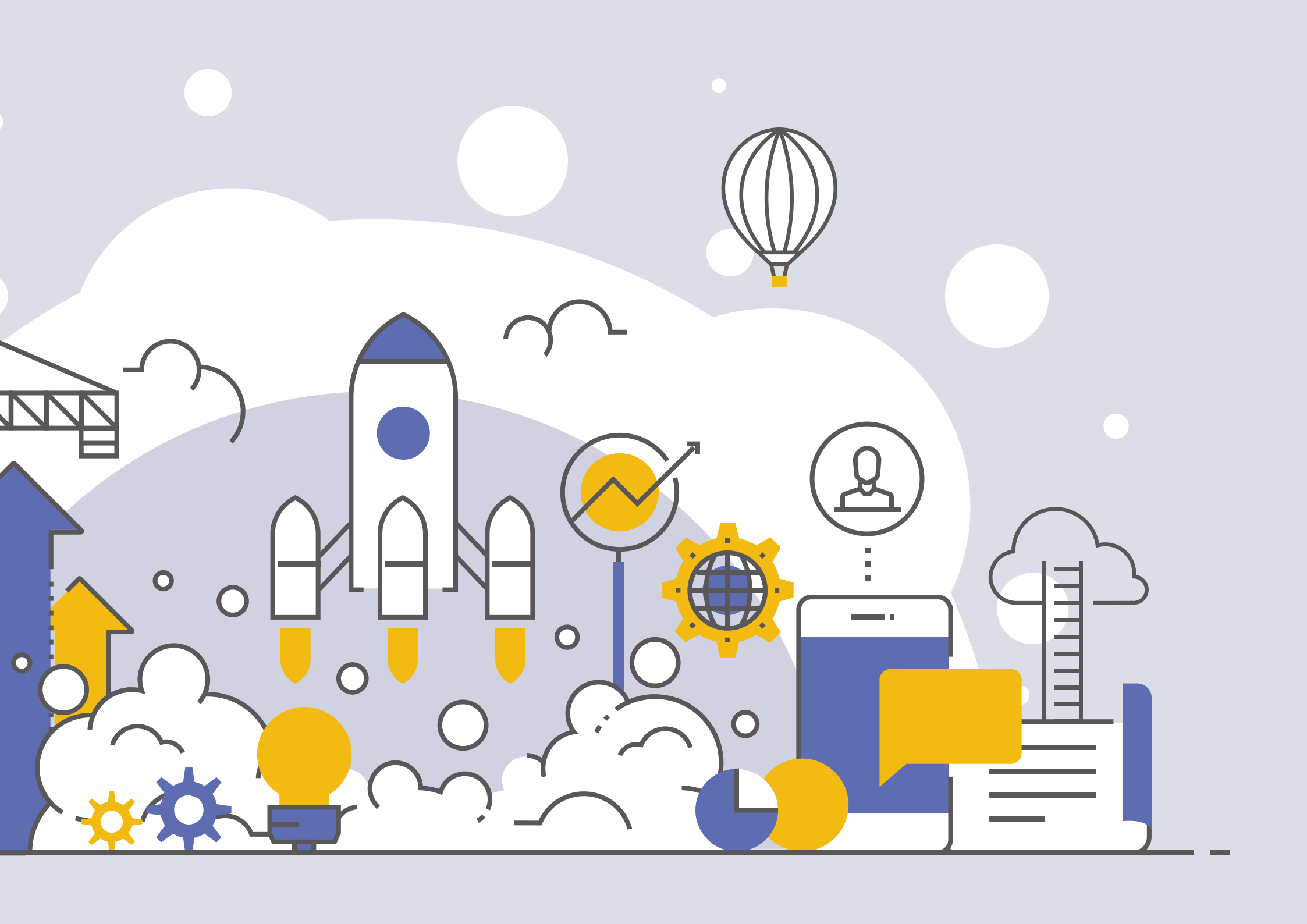
“People” is key to sustainability. To continuously retain and develop excellent talents, we started the YOKE Training Roadmap and the Individual Development Plan (IDP) in 2023 to help employees improve their capabilities to achieve the annual targets. We also make continual improvement of the operating environment with human-machine collaboration through improvement suggestions and ergonomic optimization. In response to the international trends, we have also started planning human rights due diligence and set sustainable development as a required course for employees to capture global trends and internalize sustainability in each part of their work.

In response to operations in the post-COVID era, “advance deployment” will become a new business normal. Hence, locating growth opportunities and reducing operational risks based on historical data and the future trends and changes in the industry will certainly be the key to future development. In accordance with the Global Risks Report of the World Economic Forum (WEF), climate

change is the severest chronic risk that requires effective mitigation and adaptation through global collaboration in the next decade. The policies of countries in the world, such as the EU’s Carbon Border Adjustment Mechanism (CBAM) and Taiwan’s regulations and carbon tax relating to “Net Zero 2050” after passing the Climate Change Response Act in 2023, will affect product sales and price changes. Facing the current sustainability issues, although our products are characterized by rigid demand, and the customer demand is both slower and less, we will continue to keep track on the potential operational impacts of the policies and regulations relating to GHG emissions. We will also continuously reduce carbon reduction in operations by enhancing energy efficiency, reducing carbon emissions through GHG inventory and the energy management system to lower environmental impact from the products. Through product CFP calculation, we will progressively enforce the production of low-carbon products.

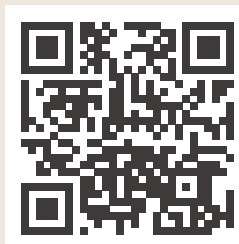
The decline of COVID-19, gradual global economic recovery, and global infrastructure investments will boost the demand for high-quality industrial lifting fittings, as well as the emphasize of occupational accident prevention in the international community and the revision of safety standards for SRL personal protective equipment will all benefit the YOKE’s long-term operations. Upholding “safety” and “sustainability”, we optimize the counteractions and contingency plans for each part of operations through steady operational planning. We will also actively challenge the uncertainties in the macro environment and seek opportunities for sustainable development.



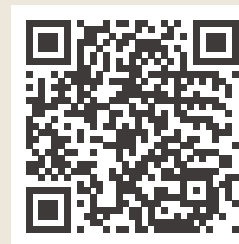




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