

Stock Code: 3679



Nishoku Technology Inc.

2024

SUSTAINABILITY REPORT





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Message from the Chairman

2024 is a key year for Nishoku to demonstrate growth and resilience. Despite the challenges of inflation, geopolitics, and supply chain uncertainties, our team continued to drive process automation and smart production, while focusing on product upgrades and differentiation. This enabled us to achieve operating revenue of NT\$4.26 billion in 2024, a 21.4% increase year-over-year. Gross profit margin increased from 26% to 31%, resulting in improved operational health and a significant increase in profitability.

Following from the establishment of the Sustainable Development Promotion Team in 2023, the Company will further make sustainable development one of its core development projects in 2024. In addition to disclosing ESG-related information in accordance with the GRI Standards, the TCFD framework has also been adopted to systematically identify and assess climate-related risks and opportunities, enhancing information disclosure transparency and risk management capabilities.

In terms of the environment, the Company has completed its first GHG inventory and launched a medium- and short-term carbon reduction action plan, including the introduction of energy-saving production equipment, the use of water-based coating technology, the replacement of old machines with electric injection machines, and the expanded adoption of renewable energy. The proportion of green power usage in 2024 has reached 15% of total power consumption, and the company has set an annual increase target of 5%.

In order to strengthen overall sustainable supply chain management, the Company also collaborates with upstream and downstream partners to promote the adoption of environmentally friendly materials, recycling and reuse mechanisms, and product life cycle management, to reduce the carbon footprint of processes and products. Starting from 2024, the Company will implement the internal "Sustainable Learning Program" to incorporate ESG concepts into employee training and promote sustainability awareness within the organizational culture.

In 2024, the Company has steadily entered its next stage of development through the simultaneous advancement of operational optimization and its sustainability strategy. In the future, we will continue to adhere to the principle of prudent management, integrating technological innovation and sustainable practices to enhance overall corporate value and fulfill our corporate social responsibility, as we strive towards long-term stability and shared prosperity.



Piao-Fu Chen, Chairman of Nishoku Group

陳 保 福



About This Report

■ Reporting Boundary and Scope

This report presents the promotion and performance of social sustainable development of the Company covering corporate governance and ethical management, customer service and product quality, occupational health and safety, operational strategy and economic performance, friendly workplace, climate strategy, and other aspects for the period from January 1, 2024 to December 31, 2024.

NISHOKU TECHNOLOGY INC. (hereinafter referred to as "Nishoku" or ("the Company"), the Company and its 7 subsidiaries (collectively referred to as "Nishoku" or "the Group") hereby present this report covering social, environmental, and economic indicators. These three indicators are disclosed based on the entities within the consolidated financial statements, presented in a group format. Any discrepancies in the scope of disclosure will be noted in the report.

The statistical data disclosed in this report are the results of the Company's own statistics and surveys, and are presented using internationally accepted indicators. If there are estimates, it will be noted in the relevant chapters.

Entity	Relation with the Company	Location	Principal Activities	Abbreviation
NISHOKU TECHNOLOGY INC.	the Company	Taiwan	Manufacturing and sales of plastic products and dies	NISHOKU / the Company / Taipei Plant
NISHOKU BOUEKI CO., LTD.	the subsidiary	Taiwan	Trading Company	NISHOKU BOUEKI
NISHOKU TECHNOLOGY VIETNAM CO., LTD.	the subsidiary	Vietnam	Produces dies and plastic products	Vietnam Plant / Vietnam subsidiary, together with NISHOKU and its other subsidiaries, is collectively referred to as 「NISHOKU」 / 「the Group」
SUN NICE LIMITED (SAMOA)	the subsidiary	Samoa	Holding Company	Together with Nishoku Technology and its other subsidiaries, collectively referred to as 「NISHOKU」 / 「the Group」
SAME START LIMITED (ANGUILLA)	the subsidiary	Anguilla	Trading Company	Together with Nishoku Technology and its other subsidiaries, collectively referred to as 「NISHOKU」 / 「the Group」
NISHOKU HONG KONG HOLDING LIMITED	the subsidiary	Hong Kong	Holding Company	Together with Nishoku Technology and its other subsidiaries, collectively referred to as 「NISHOKU」 / 「the Group」
SUN NICE LIMITED (BVI)	the subsidiary	British Virgin Islands	Holding Company	Together with Nishoku Technology and its other subsidiaries, collectively referred to as 「NISHOKU」 / 「the Group」
KUNSHAN NISHOKU PLASTIC ELECTRONIC CO., LTD.	the subsidiary	China Kunshan	Manufacturing and sales of plastic products and dies	Kunshan Plant / Mainland China Subsidiary Kunshan / NISHOKU (Kunshan) / together with Nishoku Technology and other subsidiaries.

Note1: The liquidation and cancellation of the subsidiary (Shenzhen) has been completed on December 10, 2024. If any specific indicator disclosure refers to the Shenzhen subsidiary in Mainland China, the statistical period only covers the year 2023.

■ Information Quality

Category	Content	Company	Assurance / Verification / Certification / Validation	Year / Validity Period
Financial Information	The annual financial report is prepared in accordance with the International Financial Reporting Standards (IFRSs) endorsed and issued into effect by the Financial Supervisory Commission, and the Regulations Governing the Preparation of Financial Reports by Securities Issuers.	Consolidated group	KPMG	2024 / 1 / 1~2024 / 12 / 31
Quality management	ISO 9001 Certification of quality and quantity management system	the Company	Intertek	2023 / 8 / 9~2026 / 8 / 14
		KUNSHAN NISHOKU PLASTIC ELECTRONIC CO., LTD.	Qualityaustria	2024 / 7 / 2~2027 / 7 / 1
		NISHOKU TECHNOLOGY VIETNAM	SGS UNITED KINGDOM LIMITED.	2023 / 2 / 16~2026 / 2 / 16
	IATF 16949 Certification of quality and quantity management system	KUNSHAN NISHOKU PLASTIC ELECTRONIC CO., LTD.	Qualityaustria	2024 / 7 / 2~2027 / 7 / 1
Environmental Information	ISO 13485 Medical device quality management system	KUNSHAN NISHOKU PLASTIC ELECTRONIC CO., LTD.	Beijing Hua Guang Certification of Medical Devices Co.,Ltd	2025 / 3 / 27~2028 / 3 / 26
		the Company	Intertek	2023 / 8 / 9~2026 / 8 / 14
		KUNSHAN NISHOKU PLASTIC ELECTRONIC CO., LTD.	Qualityaustria	2024 / 7 / 10~2027 / 7 / 21
Occupational Safety and Health Information	ISO 45001 Occupational health and safety management system	NISHOKU TECHNOLOGY VIETNAM	SGS UNITED KINGDOM LIMITED.	2023 / 3 / 6~2026 / 3 / 6
		KUNSHAN NISHOKU PLASTIC ELECTRONIC CO., LTD.	Qualityaustria	2023 / 8 / 14~2026 / 8 / 13

Note: For third-party verification certificates and photos, please refer to the appendix.

■ Reporting Period and Cycle

Reporting period	The information disclosure period in this report is from January 1, 2024 to December 31, 2024, which is the same as the reporting period of the financial statements. The report was released on August 28, 2025.
Reporting cycle	Nishoku is scheduled to issue its Sustainability Report annually in August.

■ External Guarantee or Assurance

To ensure the transparency and accuracy of the information disclosed by NISHOKU, selected information in the sustainability report was independently assured with limited assurance by Crowe (TW) CPAs according to the Assurance Standard 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" of the Republic of China.

■ Opinion Feedback and Responsible Unit

Responsible unit	Financial and Accounting Division
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Telephone	02 2998 3578
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About NISHOKU

■ Operational Overview

Operation Overview

On June 27, 1980, Nishoku Technology Inc. was incorporated. The Taiwan Headquarters was established in Xinzhuang District, New Taipei City. The Group is mainly engaged in the design and development of precision plastic molds and single and dual-material plastic injection parts. The application fields include NB-use components, computer peripheral equipment components, tablet computer accessories, headphones and their components, audio, video equipment, POS card readers, barcode scanners, GPS device components, home appliance components, automotive lamp housing, dashboards components, and so on export products. Nishoku has 3 operating locations in Taiwan, China, and Vietnam, with a total of 3,243 employees.

Operating Revenue

In 2024, the Company's consolidated revenue was NTD 4,259,658 thousand, and the net profit after tax was NTD 869,119 thousand. Plastic injection components accounted for the highest proportion of the Company's business for 92.9%; of which information products accounted for 59.37%; consumer products for 3.41%, other products for 25.89%, and automotive products for 4.25. For more information on financial performance, please refer to the Company's 2024 annual report.

Main Product Categories	Applied Products
IT Products	Application products for mouse, NB / PC / Tablet
Auto Products	Automotive interior and exterior parts, grips, lamp housings, console bezel center control panel
Consumer products	Headphones, stereo
Other products	Video equipment, POS card swipe machines, barcode scanners, home appliance appearance parts, etc.

2024 Sales Amount by Region (City/Country)

Unit: NTD thousand

Region/Country	Product/Service	Operating Revenue
North America		2,210,259
Asia	Molds and plastic components	287,768
Europe		1,761,631
Total		4,259,658

2024 Production Output and Value Table

Unit: set; thousand pieces; NTD thousand

Primary Products	Production Capacity	Production Volume	Production Value
Molds	(Note 1)	424	312,302
plastic components	(Note 1)	337,953	2,833,939
Total	(Note 1)	(Note 2)	3,146,241

Note 1: The Company's mold-opening equipment is put into use according to the situation of orders and there are many different types of equipment. Products of plastic components are mostly non-standard products with various types, so the complex of each manufacturing process is different. Product capacity therefore was unable to be counted.

Note 2: Due to different unit measurements used, the total is not applicable.

Value Chain Overview

The Company is mainly engaged in the design and development of precision molds and the production of plastic injection components. In the plastic injection parts industry, it is a midstream manufacturer. The upstream raw materials are high temperature resistant plastic raw materials including PP (polypropylene), ABS (propylene-butadiene-styrene copolymer), PMMA (polymethyl methacrylate), PC (polycarbonate) and PU (Polyurethane). The raw material suppliers are mainly well-known domestic and foreign manufacturers and given by the long-term well-maintained supply relationship the Company has built with its suppliers over the years, the situation of material shortages is unlikely to happen. In addition, the application of the Company's plastic components products is wide including information, communications, consumer electronics, household appliance industry, medical equipment and automotive components industry, etc. The connection between upstream and downstream industries is shown as follows:

01 Upstream



02 Midstream



03 Downstream



Suppliers

In 2024, Nishoku worked with more than 1,121 suppliers. The main categories of procurement are raw materials, assemblers, expense suppliers, Equipment manufacturers, outsourcing manufacturers, and others. Key suppliers are then identified based on the procurement amount and criticality of each category. "Key suppliers" are the suppliers with annual procurement of raw materials and assembly parts at greater than NTD 50 million. There are 4 suppliers under this category, accounting for about 18% of all suppliers. In 2024, the total procurement amount was approximately NTD 2,087,312 thousand, and the item with the highest procurement expenditure was raw materials. The plastic parts and components of Nishoku have a wide range of applications. In 2024, the Company's downstream customers mainly include the information, communication, consumer electronics, home appliance industries, medical equipment, and auto parts and components industries.

Supplier Category	Location of Suppliers	Number of Suppliers	Purchase Amount (NTD thousand)	Procurement Ratio (%)
Raw Materials	Taiwan	39	122,586	6%
	China	122	414,995	20%
	Vietnam	29	60,165	3%
	Others	8	192,442	9%
Assembly Parts	Taiwan	6	73,932	4%
	China	83	307,368	15%
	Vietnam	11	6,473	0%
	Others	1	12	0%
Expense	Taiwan	125	15,719	1%
	China	462	379,560	18%
	Vietnam	142	146,928	7%
	Others	1	135	0%
Equipment	Taiwan	36	17,492	1%
	China	47	111,485	5%
	Vietnam	1	108,653	5%
	Others	5	122,352	6%
Outsourcing	Taiwan	2	6,242	0%
Others	Taiwan	1	61	0%
Total		1,121	2,087,312	100%

Supplier Category	Number of key suppliers	Number of non-key suppliers	Total
Raw materials	2	196	198
Assembly parts	0	101	101
Expense	0	730	730
Equipment	2	87	89
Outsourcing	0	2	2
Others	0	1	1
Total	4	1,117	1,121

Membership associations

Nishoku actively participates in industry-related public organizations, associations, and non-profit organizations at home and abroad. In addition to promoting industrial exchange and development, we also pay attention to important issues such as technological innovation, corporate governance, environmental sustainability, human rights, and supply chain management. In 2024, we participated in 5 relevant domestic and foreign public organizations, associations, and non-profit organizations, with an expenditure of about NTD 37,000.

List of Participating Associations			
Name of Industry Association	Major Activities	Position Held	Amount (NTD)
The Council of Taiwanese Chambers of Commerce in Viet Nam	World Taiwanese Chambers of Commerce	Membership	9,634
Kunshan Taiwanese Chambers of Commerce	Policy promotion	Membership	8,909
Zhangpu Township Safety Production Association, Kunshan City	Activities related to safety production	Vice Chairman Unit	0
Taiwan Mold & Die Industry Association	Domestic and foreign exhibitions / business opportunities information exchange	Membership	6,000
TAIWAN STOCK AFFAIRS ASSOCIATION (TWSAA)	Exchange of information on policies, regulations, and current affairs	Membership	13,000

01

Sustainable Future

- 1.1 Sustainability Strategy and Objectives
- 1.2 Stakeholders and Communication and Engagement
- 1.3 Materiality Analysis



1.1 Sustainability Strategy and Objectives

■ Commitment and Significance of Sustainable Development

Corporate Social Responsibility and Sustainable Development Processes and Strategies

Regarding the corporate social responsibility and sustainable development of Nishoku, we incorporate the concept of sustainability into the operation of all company mechanisms and promote key issues that are in line with global sustainability trends. We review the overall environment and stakeholders' expectations, and integrate corporate operational development goals, planning the Company's corporate social responsibility strategies, hoping to deepen the integration of the organization and value chain, improve ESG performance, and gradually achieve the goals of strengthening governance, development and innovation, and setting an example.

Policies and Regulations Related to Responsible Business Conduct

We strictly abide by responsible business conduct. In order to implement a corporate culture of integrity and meet the expectations of investors and other stakeholders, the Board of Directors will approve and promulgate ethical and integrity-related charters, formulate policy regulations, standards, procedures, guidelines for conduct, and related grievance systems to require the employees of the Company and of subsidiaries, and business partners to abide by the regulations to prevent unethical behavior, hoping to shape the Company's culture of integrity and accountability. Our commitment to ethical standards is reflected in all business activities. The Company conducts operations based on the principles of fairness, honesty, trustworthiness and transparency. In order to implement the ethical corporate management policy, and actively prevent unethical conducts, suppliers or contractors are required to sign the "Commitment of Ethics and Integrity," with a current signing rate of 92.11%.

Nishoku complies with TWSE/TPEx listing, or other laws and regulations related to commercial activities. On the premise of ethical corporate management, we continue to track changes in domestic and foreign laws and regulations to assess the potential risks and impacts to the Company, and examine whether there are corresponding regulations within the Company based on the results of legal identification to ensure that the Company's policies and regulations are appropriate.

Code of Responsible Business Conduct		Approving Authority	Document QR code
Ethical Corporate Management	To establish a corporate culture of ethical management and sound development, we have established a good corporate governance and risk control mechanism to create a sustainable business environment. The Company has established important internal regulations such as the "Ethical Corporate Management Best Practice Principles," "Ethical Corporate Management Procedures and Code of Conduct," "Code of Ethics," and "Code of Ethics and Conduct" to regulate the behavior of corporate governance officers and employees. Provisions on recusal due to conflicts of interests, supervision and checks and balances mechanisms, the whistleblowing system, and disciplinary actions serve as an important basis for the Company to implement ethical corporate management and implement ethical governance management and strategies.	This policy shall be implemented upon approval by the Board of Directors.	 The Articles of Incorporation of Nishoku
Human Rights Commitments and Policies	Nishoku strictly abides by the labor-related laws and regulations of the locations of its operations to protect the legal rights of employees and abide by various international human rights conventions such as the "United Nations Global Compact," the "United Nations Universal Declaration of Human Rights," and the "International Labor Organization Declaration of Fundamental Principles and Rights at Work." The spirit and basic principles of human rights protection disclosed in the Covenant fully reflect the responsibility to respect and protect human rights, and to treat all employees with dignity and respect, including contractors and interns.	The relevant regulations shall be implemented upon approval by the Board of Directors.	 "Respect for Human Rights and Labor Rights"
Sustainable Development Best Practice Principles	To fulfill corporate social responsibility and promote economic, environmental, and social progress to achieve the goal of sustainable development, the Company formulates its Sustainable Development Best Practice Principles with reference to the "Sustainable Development Best Practice Principles for TWSE / TPEx Listed Companies" jointly developed by the Taiwan Stock Exchange and the Taipei Exchange (TPEx), incorporating sustainable ESG into the Company's business activities. The Company also pays attention to the development of domestic and foreign sustainable development-related standards and changes in the corporate environment at all times and reviews and improves the sustainable development of the Company accordingly. It is a goal to enhance the effectiveness of promoting sustainable development.	This code shall be implemented upon approval by the Board of Directors.	 "Sustainable Development Best Practice Principles"

Embedding Policy Commitments

On June 27, 2024, Nishoku established the Sustainable Development and Risk Management Committee in accordance with Article 9 of the "Sustainable Development Best Practice Principles," Article 4 of the "Sustainable Development and Risk Management Committee Charter," and with reference to Article 10 of the "Risk Management Best Practice Principles for TWSE/TPEx Listed Companies." The Committee comprises of Director Piao-Fu Chen, Director Chien-Sheng Tsai, Independent Director Horng-Chang Lin, Independent Director Chih-Cheng Wang, and Independent Director Chih-Chieh Tsai. Director Chih-Chieh Tsai was elected as the convener. All Committee members possess professional knowledge and skills related to corporate sustainability and will participate in the supervision of related matters based on their experience.

The Sustainable Development and Risk Management Committee has established a Sustainable Development Promotion Team chaired by the Chairman of the Board of Directors and the CFO as the executive secretary. The Team is mainly responsible for formulating the policies and implementation of various ESG projects. It has established five major promotion teams, and the convener of each team is filled by the top management of the corresponding department. Currently, the five major teams are: Corporate Governance Team, Environmental Sustainability Team, Operations Management Team, Social Engagement Team, and Employee Care Team. Currently, the five sub-teams focus on three key areas annually: strengthening corporate governance, fostering a sustainable environment, and upholding public welfare. They identify material issues relevant to the company's operations and stakeholders, develop corresponding strategies and annual action plans, and monitor the implementation of sustainable development initiatives. The team reports to the Board of Directors at least four times per year.

Advocacy and Promotion of Responsible Business Behavior

To ensure that the employees of Nishoku understand and implement the Company's policy commitments, ethical management and professional ethics, environmental protection, and labor rights, the Company requires employees to participate in regular education and training courses every year. Irregular promotion is also made through posters placed within the office and factory areas, the Company's internal website and internal e-mail to raise employees' awareness of professional ethics and legal compliance, we regularly educate our employees and promote the concept of ethical management to all employees as a way of incorporating these concepts into the employees' daily duties. The Company regularly utilizes the cycle of the Board of Directors meeting to promote the "Ethical Corporate Management Best Practice" and "Ethical Code of Conduct" to the Board of Directors and the management to let them understand the importance. In 2024, the Company organized education and training on ethical management and professional ethics for employees. A total of 69 people participated in the 4 sessions training, with a training completion rate of 100%, and a total of 117 hours.

At the same time, Nishoku also requires business partners to abide by the Supplier Code of Conduct. When introducing new suppliers, they are asked to sign the Letter of Commitment of Integrity. The Company also communicates with the suppliers every time they participate in the Company's business activities and communicates the Company's code of conduct requirements to suppliers through supplier rating.



1.2 Stakeholders and Communication and Engagement

To fulfill corporate social responsibility, we should pay attention to the rights and interests of stakeholders, pay attention to environmental, social and corporate governance issues while pursuing sustainable operation and profitability, and incorporate them into the Company's management guidelines and operating activities to achieve sustainable operations objectives. The Group uses the following platforms to communicate with stakeholders to understand the reasonable expectations and needs of stakeholders. Whether it is internal or external issues such as economic, social, or environmental questions, complaints, or suggestions, the Group will uphold the principle of integrity for appropriate handling and providing feedback or improvement plans to achieve effective communication.

■ Identification of Stakeholders

With reference to the five aspects (dependency, responsibility, influence, diverse perspectives, and attention) of the AA1000 Stakeholder Engagement Standard (SES), all new employees (including management) of the Company were given the stakeholder survey. We have identified 6 categories of major stakeholders through the survey, and have established diverse and smooth communication channels according to the attributes of each group to obtain their concerns and feedback, which will be used as an important reference for the Company to formulate sustainable development strategies and goals in the future. Information on the channel, frequency, and focus of communication with stakeholders.

■ Stakeholder Communication Channels

Stakeholders	Significance to the Company	Issues of Concern	Communication Channels and Response Methods	Frequency of Communication	Communication Outcome and Response	Consultation Window
 Customers	Customers are important partners of Nishoku and are considered are top priority. We listen to their needs, provide professional services, and provide high-quality, trustworthy, and safe products. Through constant innovation and grasping industry trends, we work together to achieve customer goals and enhance the Company's competitiveness.	<ul style="list-style-type: none"> Business strategy and economic performance Customer service quality Product Quality and Safety Green Products and Innovative Services Whether the price and technical capabilities meet customer needs The client engages a third party to investigate ESG-related requirements Information security and privacy protection Customer Relationship Management Supply Chain Management 	<ul style="list-style-type: none"> Official website, phone interview, face-to-face interview, video conference, official correspondence, communication software, telephone After-sales service tracking Customer satisfaction survey Customers request third-party investigation (annual review) 	Immediately Quarterly Every year	<ul style="list-style-type: none"> The overall customer satisfaction average rate was 99.95 points in 2024. Cooperate with and satisfy customers' control requirements for heavy metals and prohibited chemical substances in products. Contact information is provided on the Company's website to establish a smooth communication channel between customers and the Company. 	Manager Lynn Kuo sales@nishoku.com.tw

Stakeholders	Significance to the Company	Issues of Concern	Communication Channels and Response Methods	Frequency of Communication	Communication Outcome and Response	Consultation Window
 Employee	<p>Employees are an important asset of Nishoku. To actively attract and cultivate outstanding talents, in addition to providing a competitive salary and welfare system, we also create a work environment where employees can feel respected, safe, and stable, and to be able to forge ahead and grow together.</p>	<ul style="list-style-type: none"> • Talent appointment and retention • Occupational health and safety • Employee Care and Labor Protection 	<ul style="list-style-type: none"> • Education and training • Employee Welfare Committee • Legal compliance promotion or administrative announcements on the intranet or e-mail. • Departmental meeting • Labor-management meeting • Health Seminar and Consultation 	<p>Irregularly</p> <p>Immediately</p> <p>Every year</p> <p>Monthly</p>	<ul style="list-style-type: none"> • Group-wide training totaled 26,911 persons in 2024, and the cumulative training hours totaled 47,734 hours in 2024. • To protect the work safety and health of employees, we cooperate with hospitals in nearby areas to hire contracted medical nurses to provide on-site services every month. Contracted medical staff to provide on-site services for 3 hours each month, and employees are arranged to take turns for health assessment and advice. A total of 50 people were arranged this year. • Each plant conducts annual employee health checkups. In March 2024, Taipei Plant organized a regular health checkup for all employees, including advanced health checkup for senior employees. A total of 76 people were arranged. In 2024, 336 and 893 employees from Kunshan Plant and Vietnam Plant have undergone the health checkup. In total, 1,305 Nishoku employees received health checkups in 2024. • The Employee Welfare Committee arranges various employee activities, such as gatherings for dinner and employee trips. In 2024, the Employee Welfare Committee meeting was held at the Taiwan location eight times. • Employees may communicate with the Company through labor-management meetings regarding various operations and working environments so as to maintain healthy interaction between the labor and management. A total of five labor-management meetings were held in 2024. • Taiwan Headquarters distributed birthday gifts to 87 people, with a total amount of NTD 43,500, and Holiday cash gifts to 164 people with a total amount of NTD 229,600. • We provided incentive plans for full-time employees to get married and have children, and the marriage and childbirth welfare program subsidized one person. • In 2024, Vietnam was severely affected by Typhoon Yagi. The typhoon destroyed homes and was accompanied by heavy rainfall, causing severe flooding and landslides in the north. Out of concern for our employees and a desire to provide assistance, the company issued subsidies to affected employees at our Vietnam Plant, totaling 22,754,754 Vietnamese Dong (USD 898.90). 	<p>Associate Manager Leon Kao (nsk_hr@nishoku.com.tw)</p>

Stakeholders	Significance to the Company	Issues of Concern	Communication Channels and Response Methods	Frequency of Communication	Communication Outcome and Response	Consultation Window
 Shareholders and investors	Shareholders and investors are the driving force behind the growth and sustainable value enhancement of Nishoku. While actively developing, the Company also takes into account the rights and interests of shareholders, including transparently disclosing the Company's business management strategies and financial policy information to investors, in order to gain support from shareholders and investors, and to effectively achieve the goals of investors.	<ul style="list-style-type: none"> Corporate Governance and Ethical Management Business strategy and economic performance Legal Compliance Corporate image Information transparency 	<ul style="list-style-type: none"> Investor conference Annual General Meeting of Shareholders 	Every year	<ul style="list-style-type: none"> The shareholders' meeting will be held on June 13, 2024, to explain the Company's annual operating results to investors. The notice of the 2024 shareholders' meeting includes a QR code for the online live broadcast, allowing investors to view the meeting remotely. Shareholders' unscheduled phone calls and emails about material issues were responded to. On August 14, 2024, the Company participated in the "Institutional Seminar held by SinoPac Securities" on disclosing financial performance and corporate prospects. Regularly disclose the Company's financial performance through the MOPS, annual reports, and the Investors section of the Company's website. Monthly and quarterly disclosures of the Company's revenue, quarterly reports, and annual reports. Announce material information on the MOPS from time to time to inform investors of material decisions of the Company in a timely manner. In 2024, a total of 30 material information disclosures were made. Held 6 meetings of the Board of Directors in 2024. 	Associate Vice President Sammi Lin (ir@nishoku.com.tw)
			<ul style="list-style-type: none"> Telephone, email 	Immediately		
			<ul style="list-style-type: none"> Release material real-time information through the MOPS. Investor section on the Company's website. 	Immediately		

Stakeholders	Significance to the Company	Issues of Concern	Communication Channels and Response Methods	Frequency of Communication	Communication Outcome and Response	Consultation Window	
 Suppliers and Contractors	Suppliers and contractors are new and important strategic partners of Nishoku. By trusting each other with our suppliers and partners, we have established a good relationship of cooperation and mutual trust in a fair and transparent way of cooperation.	<ul style="list-style-type: none"> Legal Compliance Supply Chain Management Information security and privacy protection 	<ul style="list-style-type: none"> Email communication 	Irregularly	<ul style="list-style-type: none"> Regular supplier evaluations are conducted every year. Through open and transparent evaluations and investigations by relevant units, better cooperation plans are determined based on the evaluation results. In 2024, we completed the evaluation of 142 suppliers, and classified suppliers into four levels: A, B, C, and D according to the evaluation management procedures. From time to time, we request relevant environmental testing data such as RoHS, halogen, and non-use of hazardous substances to ensure that raw materials comply with relevant regulations. Provision of test reports for various substances. 	Associate Manager Carrie Wu (supplier@nishoku.com.tw)	
			<ul style="list-style-type: none"> On-site audits of new suppliers 				
			<ul style="list-style-type: none"> Supplier Evaluation 	Every year	<ul style="list-style-type: none"> Sign relevant cooperation agreements immediately before cooperation to ensure that cooperation is based on mutual trust and mutual assistance, and establish a confidentiality mechanism. In 2024, 92.11% of new suppliers signed the Letter of Commitment. 		
			<ul style="list-style-type: none"> Signing of the Confidentiality Agreement and the Integrity Commitment 	Immediate signing			

Stakeholders	Significance to the Company	Issues of Concern	Communication Channels and Response Methods	Frequency of Communication	Communication Outcome and Response	Consultation Window
 Government department	<p>We maintain smooth and effective communication channels with relevant government units. In addition to complying with the relevant regulations of government agencies and actively cooperating with policy implementation, we also keep abreast of the latest regulatory trends through two-way communication to promote the positive development of the Company and the industry.</p>	<ul style="list-style-type: none"> • Legal Compliance • Talent development • Policy advocacy • Corporate Governance and Ethical Management 	<ul style="list-style-type: none"> • Email or phone communication • Public hearings, seminars, or briefings 	<p>Irregularly</p> <p>Every year</p>	<ul style="list-style-type: none"> • Every year, the Taiwan office participates in the talent training and development project, the Corporate Human Resource Enhancement Program proposed by the government, and receives subsidies for meeting the standard of training occupancy rate every year. • The Company complies with the Company Act, the Securities and Exchange Act and relevant regulations for listing and TWSE/TPEx listing to implement the Company's ethical corporate management. We also pay attention to the development of relevant regulations at home and abroad, and review and improve the Company's ethical corporate management policies and promotion measures. • Comply with the regulations or laws of the competent authority regarding insider trading, and the Company educates directors, managers, and employees at least once a year. • Participate in promotional meetings held by the Stock Exchange from time to time. • Ranked between 21% and 35% of listed companies in the 9th Corporate Governance Evaluation of Taiwan Stock Exchange. • The Company conducts timely and positive communication with government agencies, including the Environmental Protection Bureau, the Emergency Response Management Bureau, the Integrated Enforcement Bureau, the Organization and Human Resources Bureau, the Technology Development Bureau, the Economic Trust Commission, the Economic Promotion Bureau, the Labor Union, and the Market Supervision and Management Bureau, in order to comply with laws and regulations and implement government policies, and to protect the best interests of shareholders. 	Associate Vice President Sammi Lin (ir@nishoku.com.tw)

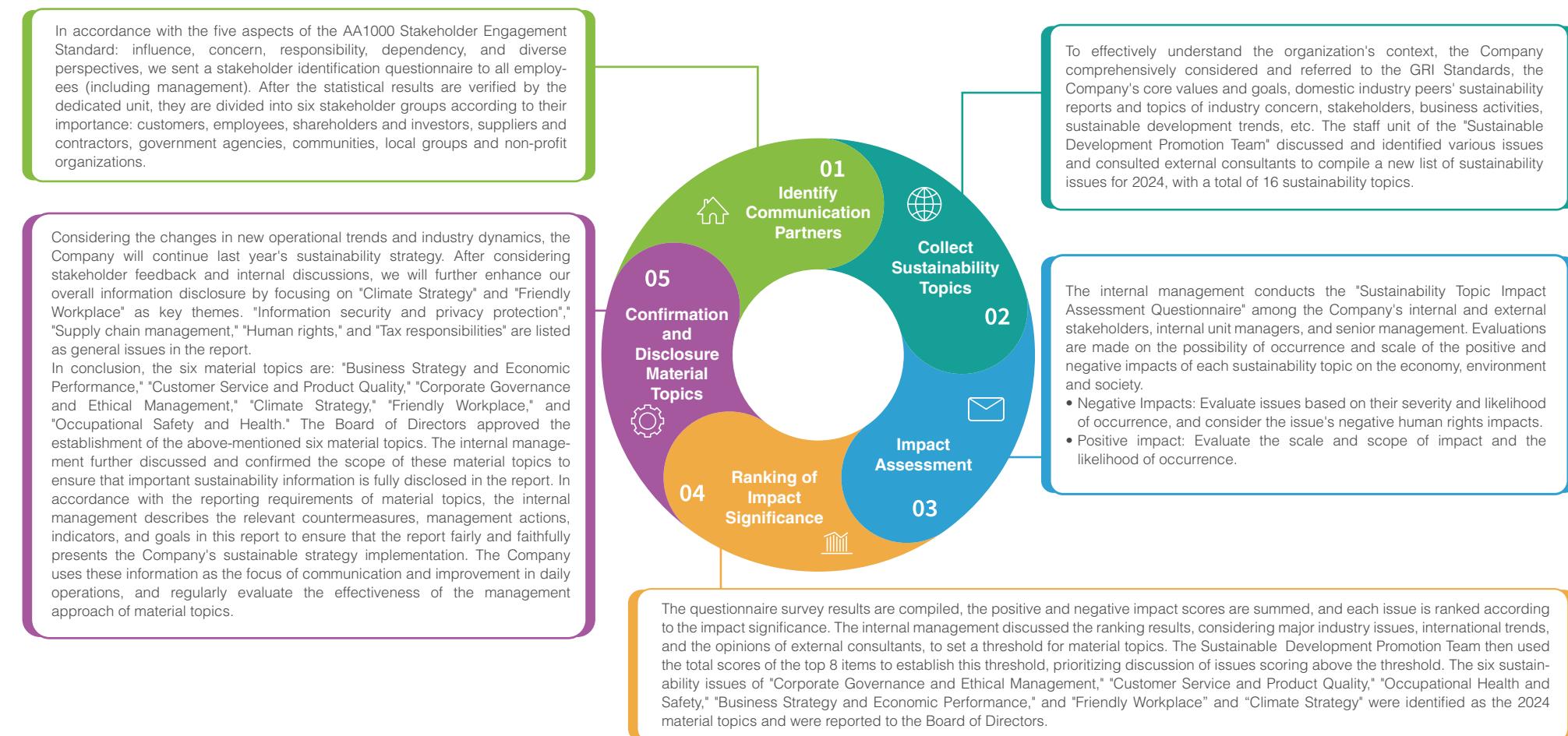


Stakeholders	Significance to the Company	Issues of Concern	Communication Channels and Response Methods	Frequency of Communication	Communication Outcome and Response	Consultation Window
 Communities, local groups, and non-profit organizations	<p>To maintain the sustainability of the earth, Nishoku has assembled various resources, maintained good communication with neighboring residents and local groups, and developed and implemented improvement plans. At the same time, we have been supporting disadvantaged groups on a long-term basis, actively participating in community development, and implementing diversified concrete actions giving back to society and enhance its positive influence on society.</p>	<ul style="list-style-type: none"> • Social Welfare Participation • Community engagement and communication • Arts and cultural activities • Volunteer promotion • Public welfare promotion 	<ul style="list-style-type: none"> • Email or phone communication 	<p>Monthly</p> <p>Every year</p>	<ul style="list-style-type: none"> • Regular donations are made to public welfare organizations, including official donation channels, such as the Genesis Social Welfare Foundation, the Mennonite Social Welfare Foundational, scholarships for the district office, and donations to the earthquake relief in Hualien. The cumulative amount of donations in 2024 was NTD 1.47 million. • The Vietnam Plant sponsored activities at two local village temples and donated NT\$40,000 to 10 needy families within the villages. • The Taiwan Headquarters visited the representatives of the vicinity areas near the plants to understand local needs. We also visited the fire brigade six times to understand the matters that must be coordinated with fire safety and assist in fire safety promotion at the plants. • We have sponsored the Xinzhuang District Joint Scholarships for outstanding local students for many years to encourage the cultivation of local talents. We have sponsored the Xinzhuang District Talent Development Program for 13 years. The cumulative sponsorship amounted to NTD 850 thousand, and a total of 128 people received scholarships. • Long-term support for disadvantaged groups in rural areas to enhance digital learning opportunities in rural areas. The Company has participated in KPMG's used notebook donation campaign for 17 consecutive years. In 2024, the Company joined forces with 17 other companies to donate 290 units of used computers to 45 Digital Opportunity Learning Centers (DOCs) and social welfare organizations, hoping to reduce the learning gap between urban and rural areas. 	<p>Associate Manager Leon Kao (nsk_hr@nishoku.com.tw)</p>

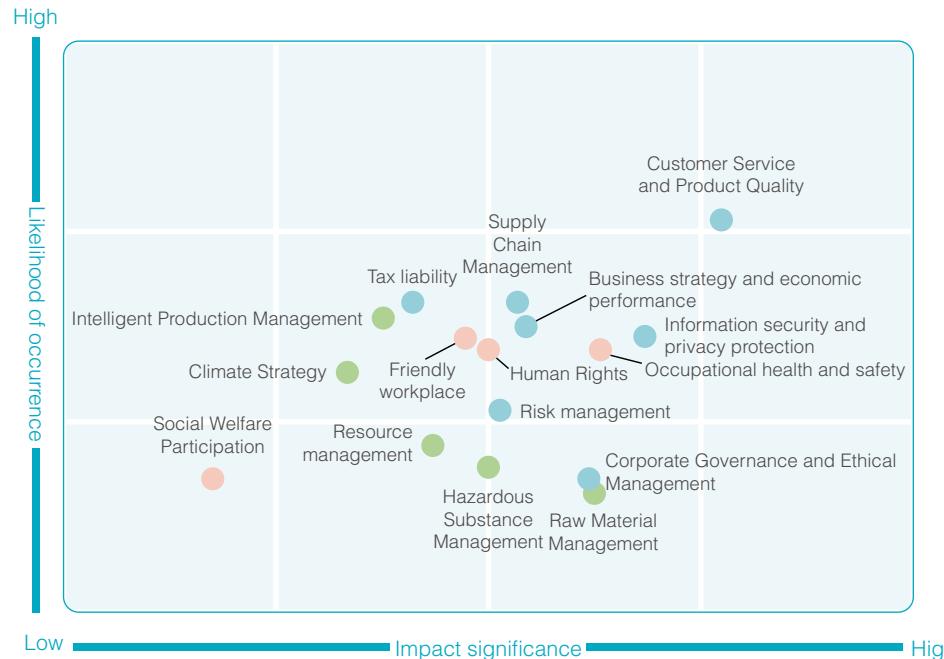
1.3 Materiality Analysis

■ Material Topic Identification Process

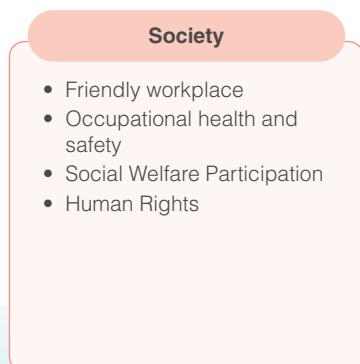
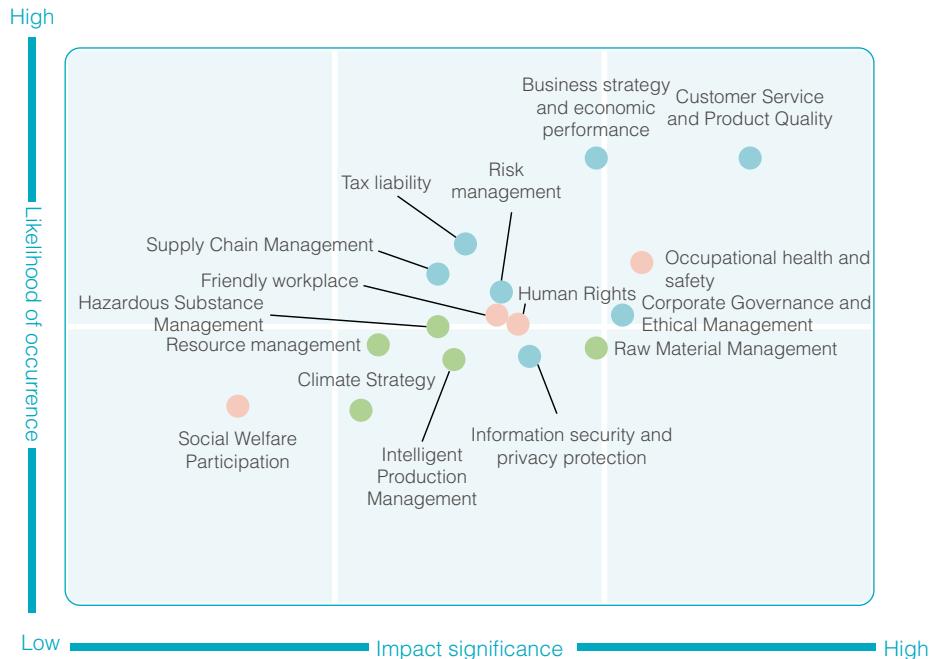
To understand the impact of stakeholders' assessment of Nishoku on the sustainability issues, and to review the results of the organization of corporate sustainable management, the following five steps are taken to communicate with the stakeholders and identify the material topics :



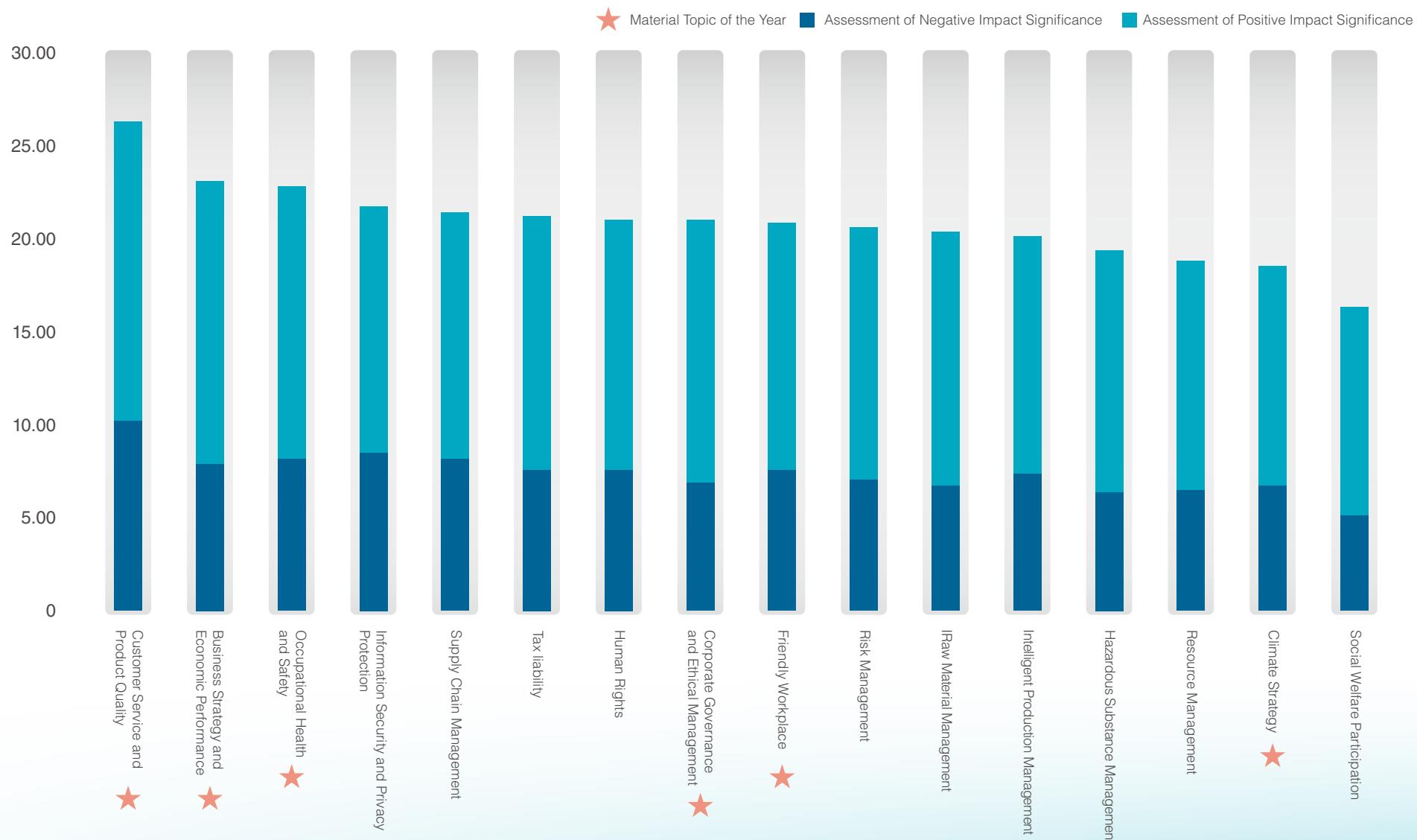
Negative Impact Matrix



Positive Impact Matrix



Assessment of Positive and Negative Impact Significance



■ Explanation of the Adjustment of the Material Topics for the Current Year

The Sustainable Development Promotion Team of Nishoku has reviewed the materiality analysis process, referencing domestic and foreign industry trends, clarifying the meaning of each sustainability issue, and appropriately adjusting the scope of disclosure. The material topics disclosed this year are adjusted as follows:

Material Topic	Change of Direction	2023 Topic Change Description
Friendly Workplace	Consolidated into Material Topics	Nishoku adopts the principle of placing the right talents in the right positions as the foundation for job assignments. The company is committed to enhancing employee well-being and fostering a friendly workplace. Accordingly, the themes of "Employee Care and Labor Protection" and "Talent Capital" have been consolidated under the major topic of "Friendly Workplace."
Resource Management	Changed to General Issues	After considering the Company's development policy and the level of concern among all stakeholders regarding this issue, the Company has identified it as a general matter and will continue to track its management mechanisms and related actions.

Identified Material Topics



Business strategy and economic performance



Customer Service and Product Quality



Corporate Governance and Ethical Management



Occupational health and safety



Friendly workplace



Climate Strategy



Table of Material Topics and Value Chain Boundaries

● Direct Impact ● Indirect Impact

Orientation	Corresponding SDG sustainability goals	Material Topics	Value Chain Boundary Impact			Corresponding GRI Standards
			Upstream	Nishoku operations	Downstream	
Governance / Economy		Business strategy and economic performance	●	●	●	<ul style="list-style-type: none"> 201-1 Direct economic value generated and distributed by the organization 201-3 Defined benefit plan obligations and other retirement plans 201-4 Financial subsidies received from the government 207-1 Approach to tax 207-2 Tax governance, control, and risk management 207-3 Stakeholder engagement and management of concerns related to tax
		Corporate Governance and Ethical Management	●	●	●	<ul style="list-style-type: none"> 205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices 405-1 Diversity of governance bodies and employees 415-1 Political contributions
		Customer Service and Product Quality	●	●	●	<ul style="list-style-type: none"> 416-1 Assessment of the health and safety impacts of product and service categories 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services 417-1 Requirements for product and service information and labeling 417-2 Incidents of non-compliance concerning product and service information and labeling 417-3 Incidents of non-compliance concerning marketing communications 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data
Environment		Climate Strategy	●	●	●	<ul style="list-style-type: none"> 201-2 Financial implications and other risks and opportunities due to climate change 302-1 Energy consumption within the organization 302-3 Energy intensity 302-4 Reduction of energy consumption 305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-4 GHG emission intensity 305-5 Reduction of GHG emissions

● Direct Impact ● Indirect Impact

Orientation	Corresponding SDG sustainability goals	Material Topics	Value Chain Boundary Impact			Corresponding GRI Standards
			Upstream	Nishoku operations	Downstream	
Society	 	Friendly workplace		●		<ul style="list-style-type: none"> • 202-2 Proportion of senior management hired from the local community • 401-1 New employee hires and employee turnover • 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees • 401-3 Parental leave • 402-1 Minimum notice periods regarding operational changes • 404-1 Average hours of training per year per employee • 404-2 Programs for upgrading employee skills and transition assistance programs • 404-3 Percentage of employees receiving regular performance and career development reviews • 405-1 Diversity of governance bodies and employees • 405-2 Ratio of basic salary and remuneration of women to men • 406-1 Incidents of discrimination and corrective actions taken • 411-1 Incidents of violations involving rights of indigenous peoples
		Occupational health and safety		●		<ul style="list-style-type: none"> • 403-1 Occupational health and safety management system • 403-2 Hazard identification, risk assessment, incident investigation • 403-3 Occupational Health Services • 403-4 Worker participation, consultation, and communication on occupational health and safety • 403-5 Worker training on occupational health and safety • 403-6 Promotion of worker health • 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships • 403-8 Workers covered by an occupational health and safety management system • 403-9 Work-related injuries • 403-10 Work-related ill health

02

Sustainable Management

- 2.1 Business Strategy and Economic Performance
- 2.2 Corporate Governance and Ethical Management
- 2.3 Information Security and Privacy Protection



2.1 Business Strategy and Economic Performance

■ Management of Material Topics - Business Strategy and Economic Performance

Material Topics	Business Strategy and Economic Performance		
Impact Description	<p>Positive impact: By expanding the customer market through high-quality products and services, we can increase stakeholders' trust in the Company and their willingness to invest in the Company.</p> <p>Negative Impact: If business operations are poorly managed, it may disrupt the Company's ongoing operations, threaten sustainable development, and result in losses for stakeholders.</p>		
Policy/Commitment	<p>We aim to pursue the best interests of all shareholders and employees and continue to generate stable profits and sustainable operations.</p>		
Take Action	<p>Set strategic goals every year based on industry changes, and cooperate with budget control to regularly monitor the budget achievement rate to keep abreast of the company's operations.</p>		
Tracking and Evaluation Mechanism	<p>Monthly business management meetings are held to track, analyze, and review the achievement of the business plan and performance.</p>		
Management Objectives	Short-Term Goals (2026) 1. to build the 4th-phase factory 2. Steady Profits and Sustainable Operations	Medium-Term Goals (2028) Expand new markets and create profits	Long-Term Goals (2030) 1. Promote global deployment 2. Promote the Group's new business expansion
Annual Performance	<p>1. With the uncertainties of macroeconomic environment, the Company's revenue and profit still outperformed in 2024. The Company's 2024 consolidated operating revenue totaled NT\$4.259 billion, a year-on-year increased of 21%, and our annual gross margin increased to 31%; our earnings per share after tax were NT\$13.85, a year-on-year decrease of NT\$6.08.</p> <p>2. The Company was rated as one of the Top 2000 enterprises by CommonWealth Magazine and one of the Top 100 Computer Peripherals and Components Enterprises, we were ranked 684nd in the manufacturing industries and 77th among 131 computer peripherals and components manufacturers.</p> <p>With professional technology and eager service, we offer the best choices to and create more brilliant performance with customers.</p>		
Stakeholder Engagement	<p>Stakeholders such as shareholders / employees / customers / suppliers:</p> <p>1. The Company's operational performance can be understood through the annual report and instant information on the MOPS.</p> <p>2. Shareholders/employees/customers/suppliers can provide feedback and suggestions through the annual shareholders' meeting and corporate briefing.</p>		

■ 2.1.1 Direct Economic Value Generated and Distributed

Direct Economic Value Generated and Distributed by the Organization

Item	2022	2023	2024
Operating Revenue	3,927,929	3,508,729	4,259,658
Non-operating income (expense)	503,684	199,541	425,255
Direct economic value generated (A)	4,431,613	3,708,270	4,684,913
Operating cost	2,996,260	2,592,872	2,944,014
Expenditures on salaries and benefits of employees (employment expenses)	270,274	251,172	275,455
Payments to capital contributors	630,242	472,802	630,222
Payments to the government	250,559	183,704	378,991
Community investment ^(Note 3)	1,071	1,233	1,539
Direct economic value distributed (B)	4,148,406	3,501,783	4,230,221
Economic value retained (A-B)	283,207	206,487	454,692
Profit before tax	960,202	670,801	1,248,110
Earnings after tax	709,643	487,097	869,119
Earnings (loss) per share (NTD)	11.32	7.77	13.85

Note:

1. These are the consolidated financial statements of Nishoku, which have been audited by KPMG Taiwan.
2. In case the company has yearly profit, at least 1% shall be appropriated as staff reward and no more than 5% as rewards for directors and supervisors in accordance to the Articles of Incorporation. In 2024, NTD 30,000 thousand and NTD 12,075 thousand were appropriated, respectively, and the remuneration distributed accounted for 2.40% and 0.97% of the net profit before tax, respectively.
3. See the donation amount disclosed in the annual report.
4. To avoid double counting, personnel expenses have been deducted by the portion already included in operating costs.

Defined Benefit Plan Obligations and Other Retirement Plans

Retirement System and Implementation

The Company has established the Employee Retirement Management Measures in accordance with provisions stipulated in the Labor Standards Act and Labor Pension Act. The Measures regulate the retirement terms for employees and pension distribution standard as a means to implement the retirement system and at the same time looking after our employees after they retire. In accordance with the Labor Pension Act, the Company contributes 6% of the labor pension to the employee's individual labor pension account with the Bureau of Labor Insurance, which meets the requirements of the government's laws and regulations. In addition to the 6% contribution to the pension fund, employees may choose to contribute any amount from 0% - 6% as contribution to their personal pension account according. In addition, for other foreign subsidiaries included in the main body of the consolidated financial statements, pension contributions shall be made according to the labor laws and regulations of the respective countries of incorporation and shall be recognized based on the pension amount that should be contributed in the current period. Annuity insurance and retirement incentives are in the recent plans to provide employees with more diversified and better long-term retirement plans. The pension expenses of the consolidated company under the pension allocation policy for 2023 and 2024 are NTD 42,055 thousand and NTD 41,855 thousand, respectively.

Financial Subsidies Received from the Government

In 2024, the new company, Nishoku Kunshan Plant, received a government subsidy of NTD 70,804 thousand. Among them, the explanation for the main subsidy is that a high-tech enterprise refers to an enterprise in the "High-Tech Field with Key Support of the State" that continues to conduct research and development and transforms technological achievements to form the enterprise's core independent intellectual property rights. The government provides high-quality enterprises with preferential income tax reduction and exemption policy.

After obtaining the qualification of a high-tech enterprise of Jiangsu Province in 2012, the Company was entitled to the corporate income tax rate reduction from 25% to 15% for three years. Since then, The Kunshan Plant has subsequently been granted this corporate income tax rate reduction every three years, and again in November 2024, qualifying it for income tax rate reduction between 2024 and 2027. Consequently, the tax rate reduction for 2024 amounted to NT\$64,620 thousand. Additionally, in 2024, the Chinese government provided a further 5% corporate income tax rate reduction for high-tech enterprises, of which the Kunshan Plant received NT\$1,814 thousand in reduction.

Moreover, in early 2024, facing a complex external environment and domestic transformation pressures, the Chinese government proposed five key plans, with a particular focus on enhancing technological innovation to promote the modernization of the industrial system. This plan aims to support leading enterprises in optimizing and integrating their industrial, innovation, and value chains, and to encourage small and medium-sized enterprises (SMEs) to specialize in innovative products. Consequently, the Kunshan plant applied for and received a subsidy of NT\$2,227 thousand from Jiangsu Province as a specialized SME. Additionally, the Kunshan government provided incentives to SMEs that invested more than RMB 5 million in equipment and software purchases in 2023, totaling NT\$1,187 thousand in 2024.

■ 2.1.3 Tax Management

Approach to Tax

The Company's tax management organizational structure has the Accounting Department as the tax management unit, which performs tax declaration and payment in accordance with the relevant laws and regulations of each country, and reports the tax-related implementation status to the Chief Financial Officer on a quarterly basis. Tax policies are reviewed by the CFO and adjusted in a timely manner in accordance with changes in tax laws and regulations, taking into account the impact on various stakeholders, and formulating tax governance policies and transfer pricing policies to ensure the Company's overall tax burden is optimized.

All major transactions and decisions are subject to tax risk assessment, taking into account risk control and the impact of sustainable value. We seek a cooperative relationship with the tax authorities that is respectful, transparent, and trustworthy, as well as a corporate structure that is in line with commercial substance. We do not abuse tax structures.

The Company's Board of Directors is the highest governing body for tax risk management. The Audit Committee is responsible for supervising tax risk management. The Audit Office also arranges annual audits based on risk assessments of unfavorable factors. The results are reported to the Audit Committee and the Board of Directors regularly each year. The Company ensures compliance with tax laws and regulations through the internal control mechanism, and fulfills the corporate governance responsibility of the Board of Directors in overseeing tax management.

Through the professional services provided by external tax consulting agencies, we strengthen professional knowledge and effectively supervise and control the risks arising from changes in tax laws and regulations that affect the Company's operations. Moreover, each year, we regularly review the compliance of each operating base at home and abroad with the tax laws and regulations of the respective countries and the tax payments.

The Company's Tax Policies:



The financial report information is transparent, and the tax disclosure is handled in accordance with the relevant regulations and standards.



Transactions between affiliated companies are disclosed according to the arm's length principle, and the Company is committed to complying with the transfer pricing regulations of the tax laws and regulations of the regions where it operates.



Comply with the tax laws and regulations of all locations where we operate, correctly declare and pay taxes, and prepare supporting documents.



Use legal and transparent tax incentives, and do not use methods that violate the spirit of the law to save tax.



Assess the relevant risks and adopt appropriate strategies when making and implementing tax decisions.

Tax Governance, Control, and Risk Management

To protect the rights and interests of all stakeholders, the Company has formulated codes of conduct, including the Code of Ethical Conduct, Ethical Management Procedures and Guidelines, Ethical Corporate Management Best Practice Principles, and Corporate Governance Best Practice Principles. There is a whistleblowing system and procedures to report illegal taxation or unethical matters. Every year, the Company appoints professional and independent CPAs approved by the Board of Directors to audit, certify, and declare the profit-seeking enterprise income tax of each operating site at home and abroad.

Stakeholder Communication and Management of Concerns Related to Tax

To maintain a cooperative relationship of mutual respect, transparency, and trust with the tax authorities, the tax concerns of stakeholders are disclosed timely and transparently in the stakeholders' section, the shareholders' section, and the financial information page of the Company's official website.



2.2 Corporate Governance and Ethical Management

■ Management of Material Topics - Corporate Governance and Ethical Management

Material Topics	Corporate Governance and Ethical Management							
Impact Description	Positive impact: Implement legal compliance, strengthen corporate governance, and adhere to ethical management to prevent derivative litigation. Negative Impact: Improper corporate governance may lead to disputes that impact the company's image and reputation, increase operating costs due to fines and compensation, cause customer loss, and impact the company's operations.							
Policy/Commitment	Formulate the Corporate Governance Best Practice Principles, Ethical Corporate Management Best Practice Principles, Ethical Management Procedures and Conduct Guidelines, Code of Ethics, and Human Rights Policy, implement quarterly insider trading prevention awareness sessions, propose a Human Rights Statement, and require suppliers to sign an Integrity Commitment.							
Take Action	1. In addition to formulating various management codes of conduct for relevant units to follow in accordance with the laws and regulations and internal management needs, the risk management policies and procedures were revised in 2023 to strengthen the Audit Committee's supervisory powers and responsibilities for risk management, the Company established the Sustainable Development and Risk Management Committee in June 2024, to identify possible future risks. By optimizing the governance structure and risk handling process, the Company is better able to respond to the impact and have the ability to continue operations when risks occur. 2. In order to implement corporate governance and enhance the functions of the Company's Board of Directors, the Company will conduct an external performance evaluation of the Board of Directors every three years, starting in 2024.							
Tracking and Evaluation Mechanism	<table border="1"> <thead> <tr> <th>Evaluation Items</th><th>Internal Evaluation Mechanism</th><th>External Evaluation Mechanism</th></tr> </thead> <tbody> <tr> <td> 1. Compliance/Insider Trading 2. Operation of the Board of Directors and functional committees 3. Ethical Corporate Management/ Anti-corruption 4. Disclosure of financial information 5. Follow the Corporate Governance 3.0 policy </td><td> 1. To protect the rights and interests of all stakeholders, the Company has formulated codes of conduct such as the Code of Ethical Conduct, Ethical Corporate Management Procedures, and Guidelines for Conduct. A reporting system and a suggestion box have been established for reporting illegal tax or unethical matters. We have established the "Reward and Disciplinary Management Regulations" to incorporate ethical corporate management into employee performance evaluations and built a clear and effective disciplinary system. 2. Twice a year to review the systematic performance evaluation of employees using multiple indicators. 3. The person in charge of corporate governance reviews the release of material information of important resolutions of the Board of Directors to ensure the legitimacy and accuracy of the content of material information to protect the trading information of investors. 4. The Internal Audit Office has incorporated the risk considerations of corporate governance and ethical management when preparing the annual audit plan and implemented relevant internal control audits according to the audit plan to ensure the implementation of anti-corruption. 5. Functional committees such as the Audit Committee and the Remuneration Committee shall exercise professional and independent supervisory functions. </td><td> 1. Judicial system. 2. Evaluation report of the institutional investor. 3. Evaluation of the performance of executive directors by an external independent institution. 4. Regularly audit, certify, and report through professional and independent CPAs approved by the Board of Directors. 5. Every year, the Corporate Governance Evaluation Center considers the corporate governance evaluation indicators that are adjusted according to the material topics that investors are concerned about. </td></tr> </tbody> </table>	Evaluation Items	Internal Evaluation Mechanism	External Evaluation Mechanism	1. Compliance/Insider Trading 2. Operation of the Board of Directors and functional committees 3. Ethical Corporate Management/ Anti-corruption 4. Disclosure of financial information 5. Follow the Corporate Governance 3.0 policy	1. To protect the rights and interests of all stakeholders, the Company has formulated codes of conduct such as the Code of Ethical Conduct, Ethical Corporate Management Procedures, and Guidelines for Conduct. A reporting system and a suggestion box have been established for reporting illegal tax or unethical matters. We have established the "Reward and Disciplinary Management Regulations" to incorporate ethical corporate management into employee performance evaluations and built a clear and effective disciplinary system. 2. Twice a year to review the systematic performance evaluation of employees using multiple indicators. 3. The person in charge of corporate governance reviews the release of material information of important resolutions of the Board of Directors to ensure the legitimacy and accuracy of the content of material information to protect the trading information of investors. 4. The Internal Audit Office has incorporated the risk considerations of corporate governance and ethical management when preparing the annual audit plan and implemented relevant internal control audits according to the audit plan to ensure the implementation of anti-corruption. 5. Functional committees such as the Audit Committee and the Remuneration Committee shall exercise professional and independent supervisory functions.	1. Judicial system. 2. Evaluation report of the institutional investor. 3. Evaluation of the performance of executive directors by an external independent institution. 4. Regularly audit, certify, and report through professional and independent CPAs approved by the Board of Directors. 5. Every year, the Corporate Governance Evaluation Center considers the corporate governance evaluation indicators that are adjusted according to the material topics that investors are concerned about.	
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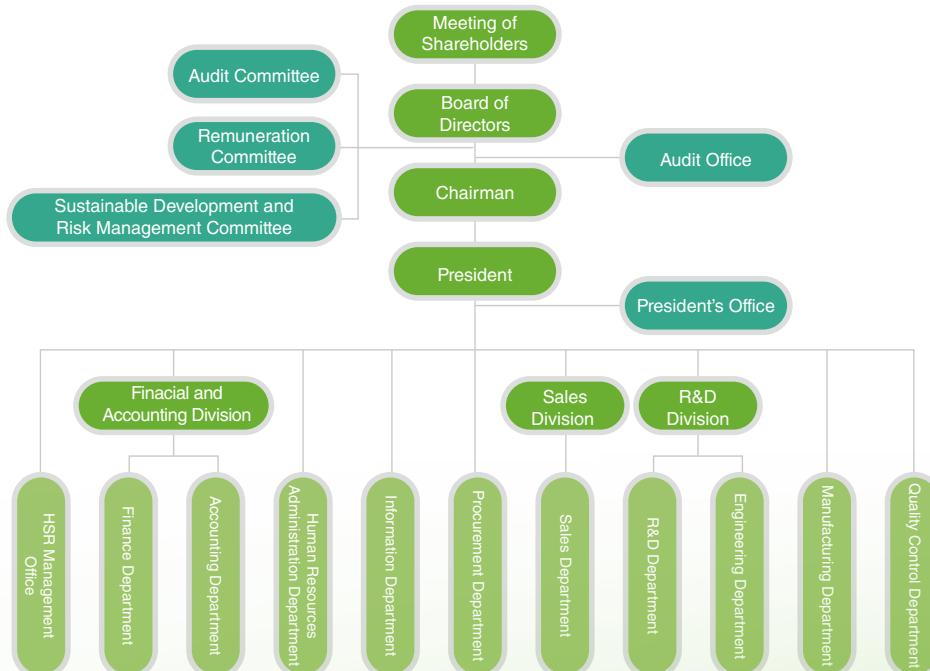
	Short-Term Goals (2026)	Medium-Term Goals (2028)	Long-Term Goals (2030)
Management Objectives	<ol style="list-style-type: none"> 1. Strictly abide by laws and regulations related to ethical corporate management; there have been no violations such as corruption or political donations. 2. The Company proactively prepared the Chinese and English versions of the Sustainability Report and approved it by the Board of Directors before it was mandatory by law. 3. Establish the Sustainable Development and Risk Management Committee as a functional committee to strengthen the board's supervision of sustainable development and risk management. 	<ol style="list-style-type: none"> 1. Women shall make up at least 25% of the board of directors. 2. The Sustainability Report has been certified by a third party. 	<ol style="list-style-type: none"> 1. Raise the ranking range of listed companies in the corporate governance evaluation to over 6% - 20%. 2. For material issues of concern to stakeholders, risk management is used to reduce opportunity costs or increase economic performance.
Annual Performance	<ol style="list-style-type: none"> 1. 2024 Corporate Governance Evaluation_Ranking Range of Listed Companies: 21% - 35%. 2. Female directors shall hold at least two seats on the board of nine directors to account for at least 22.22% of the director seats. 3. In June 2024, the Company received a performance evaluation certification from an independent third party. 4. Suppliers or third-party contractors signed the Letter of Commitment to Honesty and Integrity, reaching 92.11%. 5. The Company established the Sustainable Development and Risk Management Committee and the Sustainable Development Promotion Team in June 2024. 6. No violations related to corruption or political contributions occurred in 2024. 7. The first Chinese version of the 2023 ESG Sustainability Report was completed in August 2024, one year ahead of the timeline required by the competent authority. 8. The first English version of the ESG Sustainability Report was completed in November 2024. 		
Stakeholder Engagement	<ul style="list-style-type: none"> • Government Department: The Company attaches great importance to legal compliance and regularly communicates with government agencies through participation in public hearings or briefings. In addition, we participate in the government's talent training and development project: Corporate Human Resources Enhancement Program (Taiwan) every year. We meet the standard of training occupancy rate every year to help the government continue to improve the quality of human resources and accumulate national human capital. • Shareholders and Investors: The Company communicates with investors through the annual shareholders' meeting and investor conference, and publishes material information in real-time on the MOPS, and cooperates with the participation in the seminars of the competent authorities to achieve two-way smooth and positive communications with stakeholders. • Suppliers: When new suppliers are added, they are required to sign a non-disclosure agreement and a letter of commitment to integrity. The Company conducts supplier evaluations every year, and evaluates better cooperation plans based on the results of an open and transparent evaluation survey by relevant units. In 2024, supplier evaluation was completed for 142 suppliers and the suppliers were classified into four grades: A, B, C, and D according to the evaluation management procedures. • Customer: The Company places great importance on listening to its customers. With customer needs at the core, we strive to enhance customer satisfaction and deliver greater value, aiming to become a trusted partner. We respond promptly to all issues raised through customer feedback and implement corresponding improvements to build trust and strengthen satisfaction. Regular customer satisfaction surveys are conducted to systematically gather and analyze feedback. Based on the results, we prepare formal reports and propose improvement measures, with ongoing tracking to ensure effectiveness. 		

■ 2.2.1 Organization of Corporate Governance

Governance Structure and Composition

As the Company's highest governance body, the Board of Directors of Nishoku has established the Audit Committee and the Remuneration Committee to assist the Board of Directors in supervising and reporting their activities, proposals, and related resolutions to the Board of Directors on a quarterly basis. In terms of sustainability strategy management, the Sustainable Development and Risk Management Committee has been established to regularly report to the Board of Directors on sustainable development and risk control matters. The Board of Directors is also the highest management organization for decision-making and supervision of economic, environmental, and social issues. When deciding important issues, it will consider economic, environmental, and social issues and their impacts, risks, and opportunities, and opinions from stakeholders.

Corporate Governance Structure Chart



Board of Directors

The main duties of the Board of Directors of Nishoku include guiding the company's strategies, supervising the management, and being accountable to the company and shareholders. The Board of Directors exercises its powers in various operations and arrangements of the corporate governance system in accordance with the relevant laws and regulations, the Company's Articles of Incorporation, and the resolutions of the shareholders' meeting to maintain independence and to be accountable to the shareholders' meeting. According to Article 13 of the Company's Articles of Incorporation, the Board of Directors has a total of 9 directors, of which 3 are independent directors with a term of 3 years, and they are eligible for re-election. The 3 independent directors account for 33.3% of the board. There are 6 non-independent directors, accounting for 66.7% of the board. Please refer to the 2024 Annual Report _Introduction of Board of Directors for the names, gender, term of office, major education and experience of board members and positions held in other companies. The Board of Directors meeting is convened at least once a quarter, and a total of six meetings were held in 2024.

As the Company's highest governance body, the Board of Directors of Nishoku is responsible in the supervision and management of the Company's performance and risk management on economic, environmental, and social topics, including sustainability strategy issues and key material events, and makes the final decision. The Board of Directors has appointed the President as chairman of the impact management (Risk Management Promotion Team), and the CFO as executive secretary to coordinate related matters. The CFO must report on the management status of the Company's economic, environmental, and human impact to the Board of Directors annually. The Board of Directors will consider economic, environmental, and social topics and their impacts, risks, and opportunities, as well as the opinions of stakeholders when resolving important matters. The Company's sustainability report is reviewed by the Chairman to ensure that it covers all material topics. The 2024 sustainability report was approved by the board of directors on July 25, 2025.

Diversity of the Board of Directors

The candidate nomination system is adopted for the election of directors. According to Paragraph 3, Article 20 of the Company's "Corporate Governance Best Practice Principles", the composition of the Board of Directors shall consider diversity and formulate an appropriate diversity ratio based on its own operations, business models and development needs. The policy should include but not be limited to the following two aspects: I. Basic requirements and values: gender, age, nationality, and culture. II. Professional backgrounds: Experience in different industries such as law, accounting, industry, finance, marketing or technology, professional skills and industry experience, academic professional backgrounds, and taking into account gender, age, nationality and other cultural diversity, including 2 female directors for the diversity of the Board of Directors. For information on the main experiences of the members of the Board of Directors and other important positions, please refer to "[Implementation of Corporate Governance](#)" of the Company's 2024 Annual Report.

Title	Name	Nationality	Gender	Age	Board meeting attendance rate in2024(%)
Chairman	Jin Hong Investment Limited Rep.: Chen, Piao-Fu	Republic of China (Taiwan)	Male	Above 51 years old	100%
Director	Heng Sheng Investment Limited Rep.: Tsai, Chien-Sheng	Republic of China (Taiwan)	Male	Above 51 years old	100%
Director	Cyuan Guan Investment Limited Rep.: Chang, Wen-Hsien	Republic of China (Taiwan)	Male	Above 51 years old	100%
Director	Ji Teng Investment Limited Rep.: Wu, Ying-Lan	Republic of China (Taiwan)	Female	Above 51 years old	100%
Director	Jhan Yu Investment Limited Rep.: Hsieh, Hsin-I	Republic of China (Taiwan)	Male	Aged 30-50	100%
Director	Chang Shun Investment Limited Rep.: Fan, Chia-Wen	Republic of China (Taiwan)	Female	Aged 30-50	100%
Independent Director	Lin, Horng-Chang	Republic of China (Taiwan)	Male	Above 51 years old	100%
Independent Director	Wang, Chih-Cheng	Republic of China (Taiwan)	Male	Above 51 years old	100%
Independent Director	Tsai, Chih-Chieh	Republic of China (Taiwan)	Male	Above 51 years old	100%

Diversity of the Board of Directors

Name	Title	Gender	Nationality	Term (Years)	Age	Disadvantaged groups	Stakeholder relation Representative	Professional Competencies in Industry Experience								
								Accounting/ Finance	Law	Hotel/ tourism	Technology and electronics	Manufacturing	The ability to make judgments about operations.	Decision-making ability.	Knowledge of the industry.	Crisis management ability.
Chen, Piao-Fu	Chairman	Male	Republic of China (Taiwan)	3	>50	-	The employees of the Company					V	V	V	V	V
Tsai, Chien-Sheng	Director	Male	Republic of China (Taiwan)	3	>50	-	The employees of the Company					V	V	V	V	V
Chang, Wen-Hsien	Director	Male	Republic of China (Taiwan)	3	>50	-	The employees of the Company					V	V	V	V	V
Wu, Ying-Lan	Director	Female	Republic of China (Taiwan)	3	>50	-	The employees of the Company	V				V	V	V	V	V
Hsieh, Hsin-I	Director	Male	Republic of China (Taiwan)	3	30-50	-	-					V	V	V	V	V
Fan, Chia-Wen	Director	Female	Republic of China (Taiwan)	3	30-50	-	-	V	V			V	V	V	V	V
Lin, Horng-Chang	Independent Director	Male	Republic of China (Taiwan)	3	>50	-	-	V	V	V		V	V	V	V	V
Wang, Chih-Cheng	Independent Director	Male	Republic of China (Taiwan)	3	>50	-	-				V	V	V	V	V	V
Tsai, Chih-Chieh	Independent Director	Male	Republic of China (Taiwan)	3	>50	-	-	V			V	V	V	V	V	V

Note:

1. 78% of board members are aged over 50, while 22% are between 30 and 50 years old. The average tenure of all board members is 8.3 years.
2. To ensure diversity in stakeholder representation, all board members represent various stakeholders such as senior citizens, employees, and investors.
3. For details on the names, gender, tenure, major education and professional background, positions held in other companies, and other board experiences of the board members, please refer to [the Company's annual report](#).
4. 78% (7 members) of the board are male, and 22% (2 members) are female. The Company will make efforts to increase the number of female board members to achieve the diversity target.

Audit Committee

To improve organizational values, strengthen supervision and management functions, and implement financial review and control to help the company achieve strategic goals, Nishoku has established an "Audit Committee" with three independent directors as members of the Audit Committee. In 2024, the Audit Committee convened a total of six meetings. The average attendance of the committee members was 100%. Please refer to "The operation status of the Audit Committee" of the 2024 Annual Report of the Company for the information and operation status of relevant members of the Audit Committee.

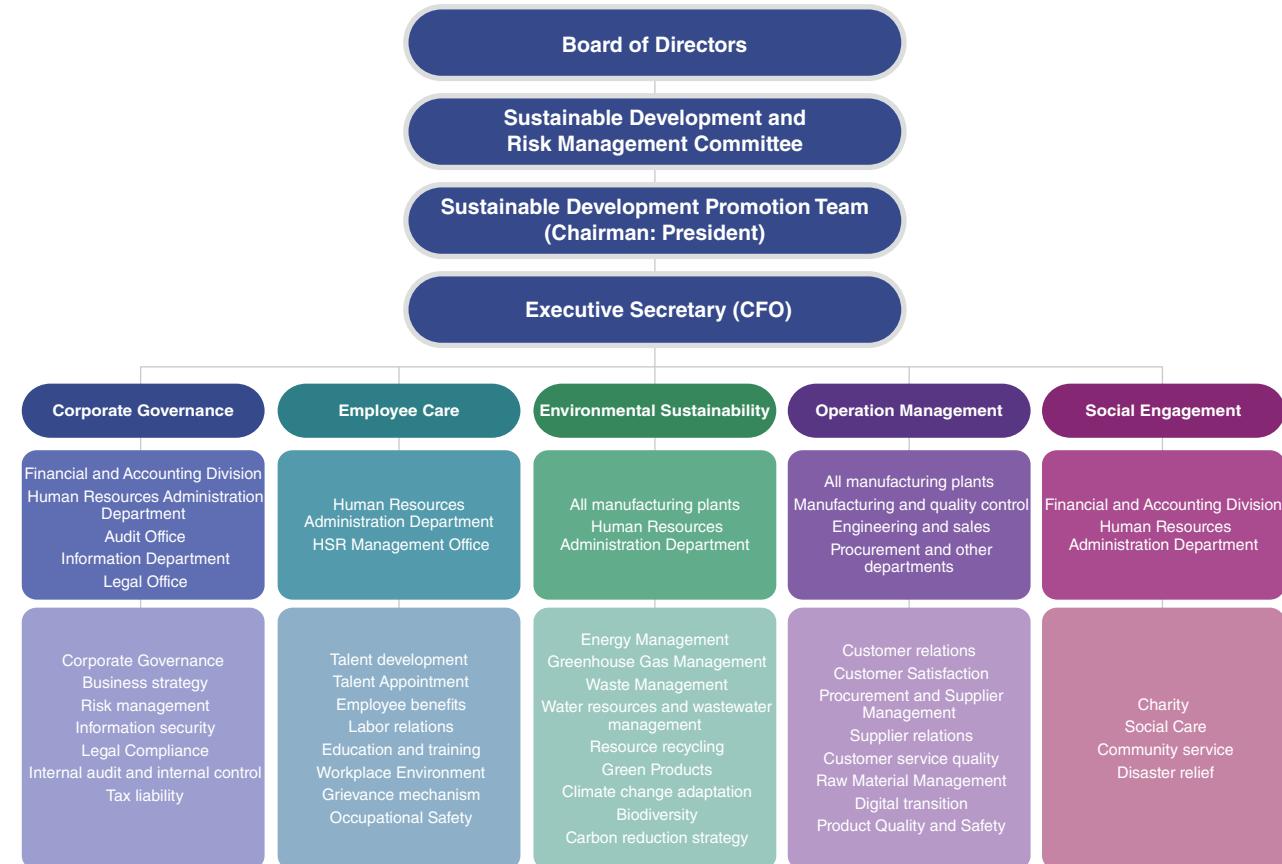
Remuneration Committee

To create a fair and benefit-sharing organizational environment where the remuneration and performance are linked for all employees, the Company's Remuneration Committee is committed to assisting the management department in establishing a fair remuneration and performance system. The Company aims to create higher value by balancing the value with the experience of the experts and committee members. Directors and managers are required to refrain from engaging in behaviors that exceed the Company's risk appetite in pursuit of remuneration and implement a competitive incentivized remuneration system. Only in this way can we attract and retain the best talent, continuously improve business performance, and further enhance our long-term competitiveness and sustainable management capabilities. Nishoku has established a "Remuneration Committee" with 3 independent directors serving as members of the Remuneration Committee. In 2024, the Remuneration Committee convened twice, with an average attendance rate of 100%. Please refer to "The operation status of the Remuneration Committee" of [the Company's 2024 annual report for the information and operation status of the relevant members of the Remuneration Committee](#).

Sustainable Development and Risk Management Committee

In order to implement the Sustainable Development Goals, Nishoku has established the Sustainable Development and Risk Management Committee in June 2024. The committee comprises of three independent directors and two directors, all of whom possess professional knowledge and expertise in corporate sustainability and actively participate in oversight leveraging their experience.

The Sustainable Development and Risk Management Committee has established a Sustainable Development Promotion Team chaired by the Chairman of the Board of Directors and the CFO as the executive secretary. The Team is mainly responsible for formulating the policies and implementation of various ESG projects. It has established five major promotion teams, and the convener of each team is filled by the top management of the corresponding department. Currently, the five major teams are: Corporate Governance Team, Environmental Sustainability Team, Operations Management Team, Social Engagement Team, and Employee Care Team. Currently, the five sub-teams focus on three key areas annually: strengthening corporate governance, fostering a sustainable environment, and upholding public welfare. They identify material issues relevant to the company's operations and stakeholders, develop corresponding strategies and annual action plans, and monitor the implementation of sustainable development initiatives. In 2024, the Sustainable Development and Risk Management Committee convened three meetings, with an average attendance rate of 100% among committee members.



Chair of the Highest Governance Body

The Board of Directors is currently in its 15th term, and Piao-Fu Chen serves as the Chairman of the Board of Directors. As a member of the management team and concurrently acting as the Chief Strategy Officer, Mr. Chen ensures strong and consistent leadership for the Company and plans and executes long-term business strategies more efficiently. To ensure the independence of corporate operations, directors or the legal entity they represent must regularly declare conflicts of interests and accept the supervision of independent directors if they have an interest in the matters of the meeting.



■ 2.2.2 Operation of the Board of Directors

Nomination and Selection of the Highest Governance Body

The candidate nomination system is adopted for the election of the directors of Nishoku in accordance with Article 192-1 of the Company Act, and shareholders who hold 1% or more of the Company's total number of issued shares may submit a list of candidates to the Company by law. The directors are then elected by shareholders at the annual general meeting. In the nomination and selection of director candidates, the diversity of the composition of the directors is taken into consideration, including basic criteria such as gender, age, nationality, and culture, as well as professional knowledge, background, and industry experience, so that the Company's elected directors have the necessary knowledge, skills and accomplishments, as well as extensive management experience in economic, environmental, and social issues and related impacts. To maintain the independence of the Board of Directors, independent directors are appointed and selected in accordance with the "Company Act" and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

Board of Directors Training

To enhance the professional knowledge and skills of directors, Nishoku arranges annual professional courses on corporate governance, economic, environmental, and social issues for directors based on the characteristics of the industry, the Company's development strategy, and the directors' educational backgrounds. For the information on the continuing education of the Board of Directors (including participating directors, training dates, course information, organizer, and hours).

Continuing Education for Directors						
Title	Name	Date of Continuing Education	Organizer	Name of Class		Training Hours
Chairman	Chen, Piao-Fu	2024 / 06 / 27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management- Integrating Strategies Development and ESG Risk Management		3
Chairman	Chen, Piao-Fu	2024 / 11 / 01	Taiwan Corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence		3
Director	Tsai, Chien-Sheng	2024 / 06 / 27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management- Integrating Strategies Development and ESG Risk Management		3
Director	Tsai, Chien-Sheng	2024 / 11 / 01	Taiwan Corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence		3
Director	Chang, Wen-Hsien	2024 / 06 / 27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management- Integrating Strategies Development and ESG Risk Management		3
Director	Chang, Wen-Hsien	2024 / 11 / 01	Taiwan Corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence		3
Director	Wu, Ying-Lan	2024 / 06 / 27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management- Integrating Strategies Development and ESG Risk Management		3
Director	Wu, Ying-Lan	2024 / 11 / 01	Taiwan Corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence		3
Director	Fan, Chia-Wen	2024 / 06 / 27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management- Integrating Strategies Development and ESG Risk Management		3
Director	Fan, Chia-Wen	2024 / 11 / 01	Taiwan Corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence		3
Director	Hsieh, Hsin-I	2024 / 06 / 27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management- Integrating Strategies Development and ESG Risk Management		3
Director	Hsieh, Hsin-I	2024 / 11 / 01	Taiwan Corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence		3
Independent Director	Lin, Horng-Chang	2024 / 06 / 27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management- Integrating Strategies Development and ESG Risk Management		3

Continuing Education for Directors						
Title	Name	Date of Continuing Education	Organizer	Name of Class		Training Hours
Independent Director	Lin, Horng-Chang	2024 / 11 / 01	Taiwan Corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence		3
Independent Director	Wang, Chih-Cheng	2024 / 06 / 27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management- Integrating Strategies Development and ESG Risk Management		3
Independent Director	Wang, Chih-Cheng	2024 / 11 / 01	Taiwan Corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence		3
Independent Director	Tsai, Chih-Chieh	2024 / 06 / 27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management- Integrating Strategies Development and ESG Risk Management		3
Independent Director	Tsai, Chih-Chieh	2024 / 11 / 01	Taiwan Corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence		3

Remuneration Policy for the Board of Directors and Senior Management

In accordance to the Articles of Incorporation of Nishoku, in circumstances where the Company has an annual profit, the Company shall appropriate remuneration of no less than 1% and no higher than 5% to the employees and directors, respectively. However, the company's accumulated losses shall first have been covered.

The amount of remuneration depends on the degree of participation and contribution value of each director, and is determined according to the relevant results of the performance of directors which is regularly evaluated pursuant to the "Procedures for the Board of Directors Performance Evaluation" and the current industry standards, while taking into account the Company's overall operating performance, future risks in the industry and development, to give reasonable remuneration. The Chairman's performance is measured based on the results of annual operating indicators of the Company's operations, corporate governance and financial results of the Company, including but not limited to pre-tax net income, corporate governance evaluation, etc. All of the above remuneration amounts are approved by the Board of Directors after deliberation by the Remuneration Committee, and shall not exceed the limit specified in the Company's Articles of Incorporation.

The policies for the payment of remuneration to managers, namely, the "Management Regulations Governing Appointment and Remunerations of Managerial Officers," and "Regulations for Wage Management" clearly stipulate various work allowances and bonuses to show compassion and reward employees for their efforts at work. The remuneration is mainly divided into two major components, (I) The financial indicators are based on the Company's annual operating performance, financial position, and

operating status, as well as the manager's target achievement status; and, (II) The non-financial indicators are based on the time invested by individuals and the responsibilities undertaken and individual performance approval for the practice of core management functions and performance in other positions.

Where the Company has an annual profit, pursuant to Article 20 of the Company's Articles of Incorporation, at least 1% shall be appropriated as employee remuneration". The performance evaluation is conducted pursuant to the "Management Regulations for Employee's Performance Management and Appraisal," the results of which are used as a reference for issuing managerial officers' remunerations. The appraisal includes the results of project or task target execution (or including the achievement of KPI), core functions, and management performance (management functions), to calculate the remunerations for managerial officers' performance. The said payments are determined after deliberated by the Remuneration Committee and resolved by the board of directors.

The performance evaluation of directors and managers and the reasonableness of their remuneration are reviewed and evaluated by the Remuneration Committee and the Board of Directors every year. Remuneration to senior managers takes into consideration their individual performance achievements and contributions, the overall operational performance of the Company and the commitment to promoting sustainable development through ESG initiatives when setting annual targets relevant to their duties. Such targets include, but are not limited to, achieving key ESG indicators such as greenhouse gas emissions reduction, energy conservation, talent recruitment and retention rates, product quality and safety, and customer service satisfaction. Additionally, the remuneration system is periodically reviewed in accordance with relevant regulations, and evaluation is made for the performance achievement rate as the basis for remuneration evaluation.



ESG Key Indicators for Senior Managers

Scope of Indicator	Weight	Detail
Financial Indicator	20%	The Company's financial performance and comparative industry performance, such as ROE, ranking of the ROE among peers, budget achievement, total assets, and revenue performance, etc.
Strategic Indicator	50%	The goals developed by the Company based on its mid- and long-term strategies such as digital transformation, achievement of the sustainability commitment, and response and adaption to major topics.
Sustainability and Internal Control Indicators	30%	The Company is committed to fulfilling the three major sustainability commitments, namely ethical corporate management, compliance with laws and regulations, and risk control, and fulfilling the ESG practices (including care for climate risks and promotion of the net zero concrete action indicator as 10%).
Management Indicator	Additional items to be taken into consideration	Include the human resource indicators and promote the talent development and occupational safety and health.

The retirement benefit system is the same as that of other employees, and they are handled in accordance with the laws and regulations. For information on the remuneration, bonuses, severance pay, and pensions of directors and managers, please refer to "Remuneration Paid to Director and Compensation Paid to President and Vice President" of the 2024 Annual Report of Nishoku.

Process to Determine Remuneration

For the remuneration procedures, besides referring to the overall operational performance of the company, reasonable remuneration is given based on the individual's performance achievement rate and contribution to the company's performance. The relevant remuneration is submitted to the Remuneration Committee for review and the Board of Directors for resolution. The Company constantly reviews the changes in the global economy, international financial environment, and industrial economy, estimates the Company's future operational development, profitability, operational risks, and changes in relevant laws and regulations, and reviews the remuneration system in a timely manner to ensure balance in the Company's sustainable operation and risk control. Currently, only internal stakeholders are involved in the design and decision-making of the remuneration policy. Please refer to [the Company's remuneration resolutions](#).

The Company's remuneration is paid in accordance with the "Articles of Incorporation". The Company's Articles of Incorporation are subject to the approval of the annual general meeting of shareholders, and the distribution of remuneration to employees and directors for the previous year must be reported at the annual general meeting

of shareholders. The remuneration proposal for 2024 was approved by the shareholders' meeting held on May 29, 2025. The Company has established a Remuneration Committee under the Board of Directors. It is of the same rank as the Audit Committee and is composed of three independent directors. It reviews and adjudicates the remuneration of the highest governance unit and senior management in a fair and reasonable manner.

Annual Total Compensation Ratio

2024 Annual Total Compensation Ratio

Plant	Taipei Plant	Kunshan Plant	Vietnam Plant
Ratio of the annual total compensation of the highest-paid individual to the median annual total compensation of all employees	14.2:1	6:1	10.78:1
Ratio of the percentage increase in annual total compensation of the highest-paid individual to the median percentage increase in annual total compensation of all employees	25.1:1	3:1	1.50:1

Notes:

1. Annual total compensation includes: salary, bonuses, stock awards, options, non-equity incentive plan compensation, retirement pay, and others.
2. For the average and median salaries of full-time employees in non-managerial positions, and the year-over-year changes in the above data, please refer to the MOPS. (<https://mops.twse.com.tw/mops/#/web/t100sb15>).

Conflicts of Interest

In accordance with Article 206 of the Company Act, Nishoku has explicitly stipulated in the "Rules of Procedure for Board of Directors Meetings" that if a director (or the legal entity represented by the director) has a conflict of interest in a proposal, the director shall disclose the material aspects of such interest at the same Board meeting, and shall recuse themselves from both discussion and voting recusal, and shall not act as a proxy to vote on behalf of other directors. For details on the recusal of Board members (including the dates of the Board meetings, directors required to recuse themselves, proposal content, reasons for recusal, and participation in voting), please refer to [the Implementation of Corporate Governance in the Company's 2024 Annual Report](#).



Communication of Critical Concerns

In addition to the regular meetings of the committees and reports to the Board of Directors, the Company's management regularly provides the Company's important reports and information to the directors (explained below), and communicates any key material events at any time.

Finance and Accounting Department	Monthly financial information and quarterly financial reports	Total of 6 times in 2024
Internal Audit Department	Quarterly internal audit reports	Total of 6 times in 2024
Sustainable Development Promotion Team	Annually Sustainability Report Report on the implementation of sustainable management matters quarterly.	Total of 3 times in 2024

In 2024, the Company published a total of 30 material information announcements on the Market Observation Post System (MOPS), primarily related to financial matters and corporate governance. For further details, please refer to [the Company's material information disclosures on MOPS](#).

Evaluation of the Performance of the Board of Directors

To enhance the operational efficiency of the Board of Directors, the Company has established the Board of Directors Performance Evaluation Policy in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and incorporated sustainability indicators including corporate governance, economic, environmental, and social indicators to ensure fulfilling the responsibilities in the sustainability events. According to the "Board of Directors Performance Evaluation Regulations," the performance of the Board of Directors is evaluated once a year. The self-evaluation is conducted through questionnaires, and it is specified that "the evaluation shall be carried out by an external professional independent institution or external expert team at least once every three years." The results of the performance evaluation of the Board of Directors shall be completed before the end of the first quarter of the following year. For the performance evaluation results, please refer to "[the Board Performance Evaluation](#) of the Company's 2024 Annual Report.

In 2024, the Company commissioned the Taiwan Corporate Governance Association, an independent professional institution, to conduct an external evaluation of the Board of Directors' effectiveness (from April 1, 2023, to March 31, 2024). The Association and its executive experts have no business relationship with the Company, ensuring their independence. The evaluation was conducted through an online self-assessment questionnaire and on-site visits by an evaluation team comprised of independent and experienced executive committee members and specialists. The Taiwan Corporate Governance Association issued the report on June 7, 2024, and the Company has submitted the overall evaluation results, recommendations, and proposed actions to the Board of Directors meeting on July 31, 2024.

■ 2.2.3 Legal Compliance

We have established the Ethical Corporate Management Best Practice Principles to regulate the Company's employees who shall not directly or indirectly offer, promise, request, or accept any illegitimate benefits when engaging in business activities. In 2024, the Company did not have any material violations of social and economic-related laws ^(Note) and regulations. The Company and its employees have not been penalized against antitrust, conflicts of interest, money laundering or insider trading, product safety, environmental protection, labor, etc., nor have the Company been involved in any litigation related to corporate governance, anti-competitive behavior, or antitrust and monopoly laws and regulations and losses. Furthermore, the Group-wide legal education and training was conducted by the Legal Office each year, focusing on ethical management, integrity commitment, commercial bribery, and intellectual property. The training has been held 4 times in 2024, with 117 hours of promotion.



Major violations are defined by the criteria

the amount of fines imposed is over NTD 1 million.

■ 2.2.4 Ethical Corporate Management

Operations Assessed for Risks Related to Corruption

In 2024, risk assessments were conducted in accordance with the risk management policies and procedures approved by the Board of Directors, including corporate governance and ethical management. The assessment was conducted in writing based on the principle of materiality. The coverage bases include: Taiwan Headquarters, Kunshan in China, and Vietnam. The coverage rate was 100%, and no major anomalies were found.

The Human Resources and Administration Department, Legal Affairs Office and Finance Department jointly formed the "Task Force for Promoting Ethical Management" with Vice President Wu, Ying-Lan as the convener assisting the Board of Directors in overseeing the implementation, conducting business pursuant to relevant management regulations, to ensure the implementation of the Ethical Corporate Management Best Practice Principles. Regular reporting is made to the board of directors on a regular basis for at least once a year.



(1) The board of directors has approved the "Ethical Corporate Management Best Practice Principles" in 2011, and the "Procedures for Ethical Management and Guidelines for Conduct" in 2021, to clearly specify the policies and conduct regulations for ethical management.

- No providing or acceptance of bribes.
- No providing illegal political contributions.
- No improper charitable donations or sponsorship.
- No offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
- No misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
- No engaging in unfair competitive practices.
- No damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

(2) For the Company's directors and senior management to understand and practice the principle of ethical corporate management, the "Ethical Statement" has been included in the document that new directors and senior management of the Company should sign.

(3) The Company's Audit Office has incorporated the risk considerations of corporate governance and ethical management when preparing the annual audit plan, implemented relevant internal control audits according to the audit plan, and reported the audit results to the Audit Committee and the Board of Directors on a regular basis.

(4) Set up suggestion box
The Company has established and announced the internal independent reporting mailbox on the Company's website or intranet for the use of internal and external personnel. Bonuses will be distributed to internal and external personnel who report dishonest conduct or misconduct based on the severity of the report. Rewards are given as encouragement. The manager of the unit accepting the report will keep the identity of the whistleblower and the content of the report confidential, and the whistleblower shall not be improperly punished due to the reporting.

(5) • Compliance with laws and regulations

The Company adheres to the principle of fair trade and competition, conducts fair competition in the competitive evaluation process, and does not discriminate against or deceive suppliers and customers. It does not exclude its competitors from fair competition and legitimate business using improper methods, does not fabricate and spread false facts to damage competitors' reputation. The Company evaluates the legitimacy and integrity policies of agents, suppliers, customers, or other business partners before establishing business relationships with others, and whether they have any record of unethical conduct to ensure fair and transparent business practices; and we do not ask for or accept bribes abiding by the principles of relevant laws and regulations of including but not limited to securities, labor and employment, bribery, copyright, trademark, business secret, employment harassment, occupational health and safety, erroneous or ambiguous financial information, or misuse of company property, and so on. Anyone can report any violations discovered to the company under the "whistleblowing system and procedures." In addition, the Company's Audit Office incorporates the risk considerations of corporate governance and ethical management when preparing the annual audit plan, and implements relevant internal control audits according to the audit plan to ensure the implementation of anti-corruption.

In 2019, the EU passed the Whistleblower Protection Act, which represents an important indicator of anti-corruption. In addition to the aforementioned "Ethical Corporate Management Best Practice Principles" and "Ethical Corporate Management Operating Procedures and Guidelines for Conduct," the Company has also formulated relevant regulations to follow, including the "Procedures for the Prevention of Insider Trading," "Code of Ethical Conduct," "Corporate Governance Best Practice Principles," "Code of Professional Ethics and Conduct," and "Rules and Procedures of Board of Director Meetings" are disclosed on the Company's website and the MOPS, and on the Company's intranet. The Company continues to communicate with all employees over the Company's determination, policies, preventive plans and the consequences of violating the principles of "integrity and trustworthiness, incorruptible management, and fair trade", as well as the consequences of violating unethical conduct. The procurement unit is requested to constantly promote these principles to the suppliers and contractors, and at the same time the company regularly educates its directors, managers, and employees on the prevention of insider trading.

(6) • Whistleblowing system

- (1) Establish and announce the internal independent reporting mailbox for the use of internal and external personnel.
- (2) Designate personnel or units responsible for handling reports. Reports involving directors or senior management shall be reported to the independent directors, and standard operating procedures for investigations shall be established.
- (3) After the investigation of the reported case is completed, the follow-up measures should be taken according to the severity of the case, and if necessary, the report should be reported to the competent authority or transferred to the judicial authority for investigation.
- (4) Records and retention of the acceptance of the whistleblowing case, the investigation process, the investigation results, and the preparation of related documents.
- (5) The identity of the whistleblower and the content of the report will be handled in a confidential and responsible manner, and measures to protect the whistleblower from being improperly handled due to the reporting situation.

• Whistleblower Protection System

The Company has established regulations prohibiting any reported person from retaliation against other whistleblowers (the Company's employees / suppliers). Relevant personnel handling the report shall declare in writing that the identity of the whistleblower and the content of the report are kept confidential in accordance with the relevant regulations, and promises to protect whistleblowers from being improperly punished due to reporting.

Communication and Training about Anti-Corruption Policies and Procedures

To embed ethical management in the Company's culture, the Company hopes to prevent operational risks arising from unethical behavior through continuous promotion and education and training. In 2024, there were no violations of corporate governance, ethical conduct, or incidents involving corruption. The locations covered include: Taiwan Headquarters, Kunshan, Shenzhen, China, and Vietnam. The implementation status of ethical corporate management promotion, training, and communication is as follows:

A. Education, Training, and Promotion of Directors and Employees

In addition to participating in external education and training related to ethical corporate management topics (including courses on fraud risk practice and management, corporate governance, professional ethics and legal responsibility, accounting system and internal control, etc.). The Group's Legal Office provides legal education and training on course contents relating to ethical management, integrity commitment, business bribery, intellectual property rights and so on. At the same time, ethical corporate management promotion training is also provided for new employees. In 2024, a course on "New Thinking in Enterprise Risk Management Integrating Strategic Development and ESG" and "Trends and Risk Management of Digital Technology and Artificial Intelligence" was held for board members. All 9 board members completed the training. In addition, ethical management training was also conducted across all plants. the total number and percentage of participants are as follows depending on the region and the type of employee:

Region		Employee Category	
		Management level	Non-management level
Taiwan	Number of Participants	10	16
	Total number of members	30	59
	Participation percentage	33%	27%
Kunshan	Number of Participants	6	19
	Total number of members	66	1,540
	Participation percentage	9%	1%
Vietnam	Number of Participants	-	531
	Total number of members	40	1,508
	Participation percentage	-%	35%
Total	Number of Participants	16	566
	Total number of members	136	3,107
	Participation percentage	14%	21%

Note: In 2024, a total of 26 employees at the Taipei Plant participated in training related to ethical corporate management, accounting for 29% of the workforce.

B. Supplier Integrity Commitment

Based on the principles of fairness, honesty, trustworthiness and transparency, the Company conducts the business. In order to implement the ethical corporate management policy, and actively prevent unethical conducts, suppliers or contractors are required to sign the "Commitment of Ethics and Integrity," as many as 92.11%.

The total number and percentage of suppliers participating by region are as follows:

Region		Suppliers/third-party suppliers
Taiwan	Number of participating companies	41
	Total number of new suppliers	44
	Participation percentage	93.18%
Kunshan	Number of participating companies	21
	Total number of new suppliers	23
	Participation percentage	91.30%
Vietnam	Number of participating companies	8
	Total number of new suppliers	9
	Participation percentage	88.89%
Total	Number of participating companies	70
	Total number of new suppliers	76
	Participation percentage	92.11%

Note: The signing of the Letter of Undertaking of Integrity and Ethics is governed by the internal management regulations of each plant. Suppliers who obtain technical drawings and other confidential, proprietary information from the Company in connection with the supply of specific goods or services are required to sign the undertaking.

C. Regular Inspection

The Company has established the "Reward and Punishment Management Regulations," incorporating ethical management into employee performance appraisal and human resources policies, to establish a clear and effective discipline system.

Mechanisms for Seeking Advice and Raising Concerns

We have established the Audit Office, which is responsible for coordinating the formulation, supervision, and implementation of the Company's responsible business conduct policies and regulations, as well as the investigation and punishment of reported cases. The Audit Office reports to the Board of Directors and the Audit Committee at least once a year on the business ethics, legal compliance, reported events and so on matters. To improve the supervisory function of corporate governance, the Company has established internal and external consultation and reporting channels. Employees and other stakeholders are informed of the consultation and reporting channels through annual education and training, internal emails, and publicity on the Company's official website.

 External Channels	An anonymous reporting mailbox is available on the official website	ethical@nishoku.com.tw
	Whistleblower Mailbox	ethical@nishoku.com.tw
	Employee complaint mailbox	nsk_hr@nishoku.com.tw

Upon receiving a report, the Company immediately arranges for the responsible unit to investigate the case according to the nature of the case, and properly records and follows up on the handling. The identity of the whistleblower, the content of the report, and the investigation participant shall be kept confidential to prevent unfair treatment or retaliation. For confirmed cases, the Company will take the necessary legal actions, including terminating the employment contract or business relationship and taking necessary legal actions, depending on the circumstances. At the same time, publicity measures for ethical corporate management (including insider trading) and the Company's internal e-mail publicity will be adopted to provide employees with awareness and prevent similar incidents from happening again.

If there is any violation of ethical corporate management or responsible business practices, employees can also report and submit their opinions to the management immediately through the Company's internal physical suggestion box, email, or the stakeholder section on the official website. External stakeholders who are aware of violations of ethical corporate management or business ethics may report the violation through the hotline set up by the Company or the Stakeholders section on the official website.

When stakeholders submit their opinions through the exclusive email of the stakeholder section, the information will be sent to the corresponding dedicated contact point through the system, and the dedicated contact point must report the processing progress within the specified time. The Company regularly conducts compilation, statistics and tracking of processing progress each month.

2.3 Information Security and Privacy Protection

■ Information Security and Privacy Protection Management

To ensure the information security of Nishoku, the Company has established the "Information Security Policy and Regulations" to protect the information security of employees, customers, and suppliers. In 2024, the Company did not experience any major information security incidents, nor were there any cases of customer data breaches, system interruptions, or operational losses caused by information security issues.

Cybersecurity Policy Objectives

- 1 Maintain the continuous operations of various information systems.
- 2 Prevent hackers and various viruses from invading and destroying.
- 3 Prevent intentional improper and illegal use by humans.
- 4 Prevent the leakage of confidential and sensitive data.
- 5 Avoid negligence and incidents made by humans.
- 6 Maintain security in the physical environment.

Cybersecurity Risk Framework

To strengthen the information security management of Nishoku, and ensure data, system, and network security, the Company established a dedicated cybersecurity unit to be responsible for managing the overall operation and management unit, management system and core system of the company's information security, in 2023. The Company comprehensively promotes information security policies from its information security architecture, internal management process, audit and control, confidential information management, and more aspects. The dedicated unit ensures that the Company can grasp information security risks in advance, implement information security maintenance and operation, establish a rapid response team, and continue to establish and promote the establishment, implementation and improvement of the information security management system. The information security dedicated unit regularly reports to the Board of Directors every year on the Company's information security governance, the implementation performance of the information security management system, and the matters to be improved. The most recent report was submitted to the Board of Directors on December 26, 2024.

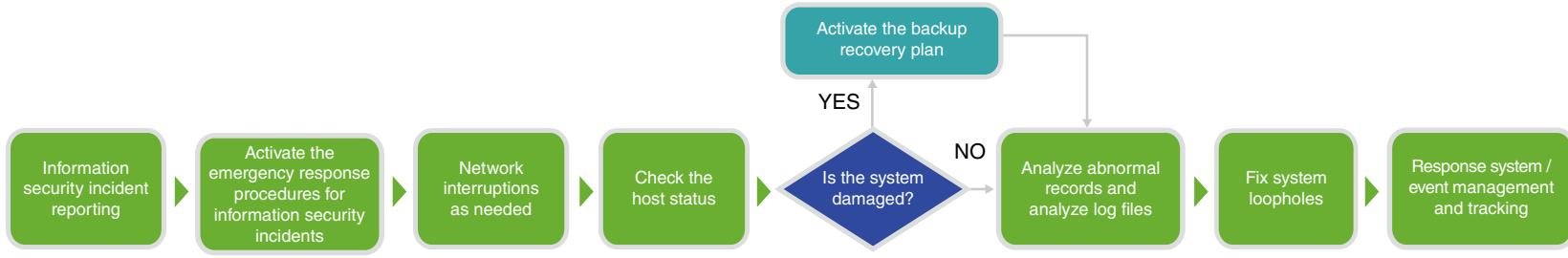
Department of Information Security

Considering the Company's scale and operational status, the current staffing includes one dedicated Chief Information Security Officer and one dedicated information security personnel. The information security personnel have obtained Level 1 and Level 2 Information Security Engineer Certifications issued by the Ministry of Economic Affairs. In addition, the auditors of the Audit Office (with ISO 27001 information security auditor certification) also regularly audit the control operations of information security.

Cybersecurity Control Measures and Management Plans

To ensure the confidentiality, integrity, and availability of information assets, we have formulated strategies to prevent, detect, and respond to information security risks. The specific information security management solutions are as follows:

Computer Device Security Management	<ul style="list-style-type: none">1. The Company's computer mainframes and various application servers, as well as other equipment are installed in the dedicated data centers. The access control of the data centers adopts the induction card for entrance and exit, and the access are logged for reference.2. The air conditioners in the data centers have backup mechanisms to keep the computer equipment running in a stable environment with appropriate temperature and humidity; the HFC-23 environmental gas automatic fire extinguishing system is employed and it is to be applied to fires caused by general factors or appliances.3. The mainframes in data centers are equipped with uninterruptible power supply and voltage stabilization equipment, and are connected to the power supply system of generators provided by the Company's building, to avoid crashes caused by sudden power failure from Taipower, or to ensure that the operation of the computer application systems will not be interrupted during a temporary power failure.
Network and System Security	<ul style="list-style-type: none">1. the entrance to connect the external network is installed with the enterprise-level firewalls to prevent illegal intrusion by hackers.2. Taipei Group Headquarters and overseas plants: the connection operation of Kunshan, Shenzhen and Vietnam plants uses the Multi-Level Protection Scheme (MLPS) to prevent illegal capture during data transmission.3. When logging into the Company's intranet remotely to access the ERP system, an SSLVPN account must be applied for. Login is only valid for use through the secure method of SSLVPN, and the use records are left for audit.4. The internet conduct management and filtering equipment are configured to control the internet access, block access to harmful or network addresses and content prohibited by policy, to strengthen network security and prevent bandwidth resources from being improperly occupied.5. The Company's corporate website is maintained by a third party contracted by the Company, and the Company's cloud server is protected by a comprehensive information security protection mechanism.6. In addition to the IDS and IPS, in order to prevent the DDoS attack, the Cloud WAF network application program is adopted to set up a firewall. Based on the realization of the big data capability of cloud security, the Company has set up a defense mechanism for OWAS attacks such as SQL injection, cross-site scripting xss, common Web server add-on bugs, trojan horses uploading, and unauthorized core resource access, to prevent malicious traffic from intruding into the website by filtering massive malicious CC attacks. In the face of the threat of DDoS attacks, the Company has established traffic monitoring, static page switching, traffic cleaning and other defense mechanisms to ensure the normal operation of the website.
Antivirus and Management	<ul style="list-style-type: none">1. Endpoint protection software is installed in the server and the terminal computer devices, and the virus codes are automatically updated to ensure that the latest viruses would be blocked, while detecting and preventing the installation of potentially threatening system execution files.2. The email server is equipped with email anti-virus and spam filtering mechanisms, to prevent viruses or spam from entering the user's PC.
Access Control	<ul style="list-style-type: none">1. For using of each application system, the system access application procedure stipulated by the Company must be followed; upon the approval of the accountable officer, the information department will establish a system account, and each system administrator will authorize the access based on the applied functions before the access is granted.2. The password setting of an account requires appropriate strength and digits; the password must contain alphabets, numbers, and symbols for being valid.3. When implementing the resignation (leave) procedures, the Information Department must be informed to delete the accounts at each system.

Ensuring the Sustainable Operation of Systems	<ol style="list-style-type: none"> System backup: a cloud-based backup system is built, and a daily backup mechanism is adopted. In addition to uploading a copy to the cloud-based storage service, Microsoft OneDrive, another set of copy is stored in the data center, to ensure the security of the system and data. Disaster recovery drills: the drill is conducted for each system annually. After the restoration datum point is selected, the data are sent from the backup media to be restored in the system mainframe, and the user unit will confirm the accuracy of the restored data in writing, to ensure the accuracy and validity of the backup media. Execute every year vulnerability scans or penetration tests on core systems. Two data lines are leased from the telecommunication provider. Through the bandwidth management equipment, the two lines are used in parallel to backup each other, to ensure that the network communication is not interrupted. In line with the Taiwan Stock Exchange's release of the "Information Security Management Guidelines for Listed and OTC Companies," we have joined the Taiwan Computer Emergency Response Team (TWCERT) to periodically receive threat intelligence and promptly address and patch vulnerabilities that pose security risks.
Promotion, Education, and Training of Information Security	<ol style="list-style-type: none"> Reminding promotion: the employees are required to change password regularly, to keep the account secure. Seminar promotion: the information security related trainings are conducted for the internal employees every year.
Information Security Incident Management	<ul style="list-style-type: none"> Standard Procedures for Information Security Incident Response  <pre> graph LR A[Information security incident reporting] --> B[Activate the emergency response procedures for information security incidents] B --> C[Network interruptions as needed] C --> D[Check the host status] D --> E{Is the system damaged?} E -- YES --> F[Activate the backup recovery plan] F --> G[Analyze abnormal records and analyze log files] G --> H[Fix system loopholes] H --> I[Response system / event management and tracking] E -- NO --> G </pre> <p>The Company is a listed company. In accordance with Article 4, Paragraph 26 of the "Procedures for the Verification and Disclosure of Material Information of Companies with Listed Securities" of Taiwan Stock Exchange, in the event of a material information security incident, apart from following the Company's information security emergency reporting and response measures, a significant announcement should be issued. If the estimated loss, after deducting the compensation amount calculated according to insurance contracts in Article 11, exceeds 20% of the Company's equity of NTD 300 million, the incident should be reported by the Information Security Unit to the convener of the Board of Directors and approved by the Company's spokesperson system before convening a press conference to explain the material information. There were no material information security incidents in 2024.</p>

Strengthening Employees' Awareness of Information Security

To raise employees' awareness of information security, the Company has implemented employee information security education and training. In 2024, a total of 30 people participated and a total of 18 sessions for total 95.5 hours of training were delivered. In addition, information security education and promotion is conducted on a monthly basis, the content includes: cyberattacks, phishing, commercial e-mail monitoring, ransomware, etc., and employees are required to change system passwords regularly on a quarterly basis to maintain account security. Information security promotion and training are as follows:

Month	Topic of Advocacy
Jan	The five most concerning Internet security news topics in 2023. How many tricks have you caught?
Feb	Is your password easy to guess? Information security experts point out "15 super common combinations": vulnerable to hackers
Mar	ASRC 2023 Email Security Trends Review
Apr	Google urgently launches high-risk 0-day update for Chrome browser
May	"World Password Day" Nine of the top ten passwords commonly used by Taiwanese people can be cracked in less than a second! Desktop passwords like "ji394su3" are not safe either
Jun	ASRC Email Security Watch Q2 2024
Jul	The largest scale in history! Hackers exposed nearly 10 billion passwords, learn 4 anti-theft methods quickly
Aug	The three major enterprise information security risks in the first half of 2024: ransomware, APT and AI-related threats
Sep	On September 3, hackers targeted the SSL VPN systems of security vendors as bait, intending to spread malicious programs.
Oct	ASRC Email Security Watch Q3 2024
Nov	Hackers hide in ZIP files, be careful of emails hiding killers
Dec	Ranking of the 10 Worst Passwords of 2024

Education and Training	Implementation Outcome
Education and training for dedicated personnel of dedicated units	The dedicated personnel of the Information Security Unit participate in relevant education and training courses from time to time to continuously improve their professional knowledge and timely adjust information security prevention measures and hardware upgrade plans in response to the advancement of information technology. The external training courses attended by the dedicated personnel in 2024 included two "iPAS Industry Smart Transformation Practice Workshop - Intermediate Information Security Planning and Protection Practice," "Taiwan Information Security Reporting and Response Annual Meeting", as well as other information security education and training courses, with a total of 19.5 hours of training and a total of 3 participants.
Internal education and training	In 2024, a total of 4 conferences were held: "VMware Basic Concept," "Corporate Network Basic Concept and Practice," "Mail Filter Software and E-mail System Operation Training," "How to Judge the Social Engineering and Prevention Measures of E-mail," for a total of 15 hours.
New employee training	All new employees shall complete an information security and protection training course.
Regular drills	In 2024, we held one email social engineering drill and one disaster recovery drill.



03

Innovation Value

- 3.1 Customer Service and Product Quality
- 3.2 Sustainable Production Management
- 3.3 Intelligent Production Management
- 3.4 Supply Chain Management



3.1 Customer Service and Product Quality

■ Management of Material Topics - Customer Service and Product Quality

Material Topics	Customer Service and Product Quality			
Impact Description	Negative Impact: Poor customer service and product quality, failure to integrate with the current sustainable trends and deepening environmental protection processes or materials will affect customers' willingness to cooperate and bring operational risks to the Company. Positive impact: Providing high-quality products to enhance customer satisfaction and strengthen brand reputation. Introducing environmentally friendly processes or materials in response to market demands to enhance market competitiveness.			
Policy/Commitment	Quality First, Satisfaction Guarantee, Customer First, Prompt Service, Improvement First, Continuous Transcendence			
Take Action	1. Regular education and training to improve overall service quality. 2. Accelerate the introduction of production line automation to improve production efficiency. 3. Regular meetings are held to discuss improvement plans for production defects and efficiency improvement.			
Tracking and Evaluation Mechanism	1. Annual customer satisfaction survey. 2. Annual defect rate below 2%.			
Management Objectives	Short-Term Goals (2026) <ul style="list-style-type: none"> 1. Maintain the overall customer service satisfaction score of ≥ 95. 2. Increase the utilization rate of the water-based spray painting process to 50% of the total spray paint. 		Medium-Term Goals (2028) <ul style="list-style-type: none"> 1. Maintain the overall customer service satisfaction score of ≥ 95. 2. Increase the use of environmentally friendly materials (PCR) to account for 30% of the overall material consumption. Long-Term Goals (2030) <ul style="list-style-type: none"> 1. Maintain the overall customer service satisfaction score of ≥ 95. 2. Sustained and steady growth of 5% in annual performance. 	
Annual Performance	1. The 2024 customer satisfaction survey reached a score of 99.5 points. 2. In 2024, 50% of the Group's spray paint body is made of water-based paint. 3. The Kunshan plant and the Vietnam plant will account for 21.62% and 31.25% of PCR material consumption, while the Taipei plant will account for 25.85% of the total consumption in 2024.			
Stakeholder Engagement	<ul style="list-style-type: none"> Customers: <ul style="list-style-type: none"> 1. The internal production efficiency and quality improvement of the factory can not only improve its own production efficiency, but also provide more competitive products to customers. Promote the benefits of cooperation between both parties, thereby making customers more willing to cooperate. 2. Responding to all problems reported by customers in a timely manner and making corresponding improvements can increase customer trust and satisfaction, thereby enhancing customers' willingness to cooperate in transactions. Quarterly customer satisfaction surveys are conducted via telephone, in-person visits, teleconference, formal writing and so on methods to communicate with customers. The average satisfaction score was 99 points. Suppliers: <ul style="list-style-type: none"> 1. Collaborate with suppliers to provide products that meet current environmental requirements and customer quality requirements, so as to achieve the quality of products shipped, increase customer satisfaction scores, and thereby enhance customers' willingness to cooperate. 			

■ 3.1.1 Product Quality and Safety

The Nishoku Group has always been involved in customers' early stage development operations, grasps excellent technology development in a timely manner, and uses advanced computer analysis systems to reduce the number of mold trials and improve mold accuracy to win customers' trust with high quality. Furthermore, automated equipment is used for rigorous production operations, combined with high-speed plastic injection molding equipment to enhance production efficiency and competitiveness. At the same time, to encourage employees to invent and innovate, we also apply for patents for related innovative processes to secure intellectual property, win and increase potential markets in the future, and increase economic benefits. In every step of the production process, the Nishoku Group upholds the importance that customers place on product quality. From product R&D to the production process, professional quality personnel strictly control the entire production process to maintain stable and high-quality products to meet customer needs.

Due to the increasing importance of environmental protection issues, the raw materials used in all products of the Nishoku Group are selected after discussion with customers. They must comply with the latest environmental protection and health requirements of laws and regulations, such as: ISO 14001 environmental management system, ISO 9001 quality management system certification, TS 16949 Quality management system certification, ISO 13485 medical equipment quality management system certification, and many other international certifications, and also comply with the requirements of the EU Restriction of Hazardous Substances Directive and REACH regulations. In addition, since the selection of product materials is required to comply with the requirements of current environmental protection laws and regulations, 100% of the products of Nishoku will post relevant environmental protection labels, such as RoHS, HF, etc according to customer requirements. In 2024, there were no incidents of non-compliance concerning the health and safety impacts of products and services, product and service information and labeling regulations, nor marketing communication-related regulations for Nishoku.

■ 3.1.2 Customer Service

Customer Rights Policy and Complaint Channels

Although the Company is in the manufacturing industry and does not directly sell products to end consumers, it still values customer rights, controls hazardous substances in its products, and ensures their health and safety in use. This is to ensure that products and services do not cause direct or indirect harm to consumers or other stakeholders. To protect the rights and interests of customers and enhance the effectiveness of complaint handling, the Company has established a specific "Customer Management Service Procedure" including customer relationship maintenance and communication, and transparent complaint acceptance and handling processes. A channel is provided on the "Stakeholder Area" of the Company's website for customers and stakeholders to reflect issues

regarding product quality, service, or infringement of rights and interests. Please refer to the Company's website and Section [1.2 Stakeholder Engagement and Communication](#), of [this report for customer communication and complaint contact information](#).

Customer Complaint Procedure

To resolve customer questions and needs in a timely manner, customer complaints are handled by a dedicated unit according to the "Customer Management Service Procedures" and the "Corrective and Preventive Action Procedures." When a quality abnormality occurs, the responsible department will analyze the cause, take timely corrective and preventive action, and confirm the effectiveness of the improvement results to ensure the problem is resolved. If necessary, internal investigations and cross-departmental meetings will be initiated to continuously optimize product and service quality.

Customer data and privacy protection

The Company is committed to protecting customer information security to safeguard customer rights and interests. The Company has established the "Regulations for Management of Confidential Customer Information" to protect customer privacy and confidential information. Access to confidential and sensitive customer data related to client projects requires internal approval to ensure the protection of customer privacy rights. In 2024, there was no violation of customer privacy or loss of customer data, and no information security-related complaints were received.

Customer Satisfaction Survey and the Education and Training

In order to strengthen customer relations and service quality, we conduct at least one customer satisfaction survey every year according to the "Customer Satisfaction Management Procedure," covering aspects such as delivery quality, price, on-time delivery, problem-solving ability, feedback efficiency, and personnel professionalism. For key customers, we conduct quarterly customer service satisfaction surveys, and the average score over the last five years has been 91-99 points. In 2024, the average customer satisfaction score was 99.5 points, indicating a high level of customer recognition of the Company's overall services.

At the same time, the Company conducts monthly education and training sessions on service items, lasting approximately half an hour to one hour, to ensure front-line personnel possess the professional knowledge and positive service attitude needed to enhance customer satisfaction and build trust, ultimately achieving the target for overall customer satisfaction. In response to customer feedback, we communicate through various channels such as phone calls, in-person visits, video conferences, and formal correspondence. We provide timely responses and improvements to further strengthen customer willingness to collaborate and build long-term partnerships. In the future, we will continue to use complaint data and statistical trend analysis as the basis for improving quality and enhancing service, and to demonstrate our corporate responsibility.

3.2 Sustainable Production Management

In terms of environmental protection, Nishoku has always adhered to its business philosophy. In recent years, in response to issues such as environmental protection, energy conservation and carbon reduction, we have also worked with customers to achieve the goal of using environmentally friendly raw materials while producing plastics. If possible, the Company will strive to use environmentally friendly water-based paints in the production process and continue to expand the scope of PCR raw materials.

The Nishoku Group collaborates with customers and manufacturers to develop the water-based spray coating process to reduce carbon emissions and the production of environmentally harmful substances. At the same time, this process must meet the customers' requirements for product specifications and quality. In addition, the Nishoku Group works with customers and manufacturers to select PCR materials to reduce carbon emissions and the generation of environmentally harmful substances. At the same time, suitable materials are found for different product categories to meet customers' requirements for product strength and quality. At present, 50% of the spray paint of the Nishoku Group is made of water-based paint.

The Kunshan Plant in China, and the Vietnam Plant, the main operating area of the Nishoku Group, accounts for more than 60% of the group's annual plastic consumption. The Kunshan Plant's consumption of PCR raw materials has increased year by year since 2021. In 2024, the PCR material consumption accounted for 11.27% of the total consumption of the plant, and they mainly used in the production of camera series and notebook computer peripheral accessories. The Nishoku Group will continue to research the use of environmentally friendly materials with customers to jointly promote energy conservation, carbon reduction, and environmental protection.

Percentage of PCR Raw Materials Used in the Main Operating Area

Unit: KG

Item	Plant	2022	2023	2024	Remarks
Raw material consumption	Kunshan Plant	3,334,208	2,863,237	2,986,056	Computer mouse, Camera series, Laptop accessories
	Vietnam Plant	1,641,833	1,885,135	2,337,303	
PCR raw material consumption	Kunshan Plant	365,802	322,806	645,513	Computer mouse, Camera series, Laptop accessories
	Vietnam Plant	156,854	443,661	730,436	
PCR raw material consumption ratio	Kunshan Plant	10.97%	11.27%	21.62%	
	Vietnam Plant	9.55%	23.53%	31.25%	

3.3 Intelligent Production Management

Nishoku not only meets customer needs through outstanding quality but also remains committed to continuously optimizing production processes and advancing industrial technology. At the Kunshan Plant, automated mold production lines were progressively introduced starting in 2018. By 2021, the plant completed the construction of a smart mold workshop and successfully achieved fully automated "lights-off" production, reducing manpower by 16%. Leveraging the I-Quicker intelligent system, the plant improved the overall efficiency of CNC electrode processing by 17.7%, CMM electrode measurement by 16.7%, and EDM electrode discharge by 38.3%, resulting in an overall mold process efficiency increase of 35.6%, while also enhancing mold precision. To replicate this success, the Vietnam Plant initiated an evaluation of intelligent mold production in 2023 and officially implemented the same system in August 2024. Intelligent production management not only helps optimize the cost structure effectively but also enhances product quality to meet customers' high standards.

In addition to smart mold production, Nishoku has also achieved a high degree of automation across its plastic manufacturing processes. The total number of employees has decreased by 28%, from a peak of 4,534 to 3,243, while revenue has continued to grow. The Company has adopted the MES (Manufacturing Execution System) to monitor and adjust production in real time, reducing delays caused by information asymmetry and manual errors. Automated data collection and processing have enhanced process controllability, shortened production cycles, and further improved management efficiency.



3.4 Supply Chain Management

Supply Chain Management Strategy

The Company evaluates and inspects the condition of suppliers in accordance with the Company's "Supplier Management Measures", "Supplier Evaluation Management Procedures", "Supplier Questionnaire", and "Inspection Form of Environmental Quality Assurance System for Suppliers". For new suppliers, the Group requires them to provide relevant certificates and documents, and conducts reviews regarding integrity, labor rights, environmental management, restricted substances, and conflict minerals, as the basis for inclusion on the qualified list. For existing suppliers, a comprehensive evaluation is conducted annually to ensure continued compliance with the Group's sustainability policies and regulatory requirements.

Management System and Evaluation Mechanism

In order to strengthen supplier management and risk control, the Company has formulated and implemented the following systems and tools:

Supply Chain Management Regulations	Supplier Cooperation Conditions and Management Principles.
Supplier Evaluation	Clearly define the new supplier review and existing supplier's regular evaluation process.
Supplier Survey Sheet	
Supplier Environmental Quality Assurance System Inspection Checklist	Used as the basis for supplier initial review and environmental compliance assessment.

All suppliers signed the contract with the commitment of complying with the Company's environmental policies including compliance of laws and regulations, reduction of impact, continuous improvement, implementation of education, and communication. If a supplier is involved with unlawful incident, the Company may terminate its contract. Where a supplier, customer or an entity which the Company does business with is suspected to have violated the Company's CSR policies which has made a significant impact on the environment and society, the business relationship between 2 parties may be considered to be terminated.

Comply with Laws and Regulations and International Trends

In response to increasingly stringent global environmental regulations, particularly the EU RoHS (Restriction of Hazardous Substances) and WEEE (Waste from Electrical and Electronic Equipment), Nishoku actively promotes green supply chain management, requiring its suppliers to provide lead-free products and fully implement prohibited substance control. All suppliers must submit declarations of compliance with REACH and RoHS regulations, ensuring their products do not contain prohibited chemicals or heavy metals and publicly disclosing relevant information.

Supplier Evaluation System

The purpose of the system is to carefully select qualified suppliers to ensure that the raw materials, equipment, and components provided meet the product specifications, and that they are available at reasonable prices and in the right quality, quantity, and timeliness to meet production needs.



Supplier Risk Assessment and Due Diligence

Annual Evaluation Method:

To strengthen supply chain resilience and improve risk identification capabilities, Nishoku conducts an annual evaluation of suppliers that provide raw materials and components related to production. The evaluation assesses not only product quality and delivery performance but also places significant emphasis on sustainable development management. This includes criteria such as labor and human rights, environmental management, restricted substance control, non-hazardous materials, and conflict-free minerals.

Based on the evaluation results, appropriate actions are taken. The evaluation scores are categorized into four levels: A, B, C, and D, as shown in the table below. These results are reviewed and submitted by the procurement department to the President for approval and serve as a basis for future cooperation and risk control measures.

Evaluation Grading

Grade	Score	Action
A	90 or above	1. Increase the order quantity or commissioning quantity as appropriate. 2. Give priority to produce the Company's development samples.
B	89 ~75	No action.
C	74 ~60	1. Decrease the order quantity or commissioning quantity as appropriate. 2. The purchasing shall will notify the supplier of a deadline for improvement, and if no improvement is made within the deadline, the supplier will be disqualified.
D	59 or below	Disqualify the vendor and do not work together for 2 years.

Implementation of the Group Evaluation in 2024

Year of Evaluation	Evaluation Grade				
	Number of Suppliers Graded A	Number of Suppliers Graded B	Number of Suppliers Graded C	Number of Suppliers Graded D	Total Number of Suppliers Evaluated
2024	91	51	-	-	142
	64%	36%	-%	-%	100%

Supplier Environmental and Social Evaluation Results

Nishoku fully recognizes the importance of supply chain management to sustainable corporate development and is committed to establishing long-term partnerships with suppliers that uphold social responsibility and environmental awareness. To ensure transparency and accountability within the supply chain, Nishoku follows international sustainable supply chain management standards to implement a supplier social and environmental responsibility assessment mechanism. The company has established rigorous supplier selection and management procedures and continues to monitor supplier performance on an ongoing basis.

In response to the newly implemented strict review system, three suppliers were identified in 2024 as potentially posing social risks. The primary reason was their unwillingness to sign the "Ethical and Integrity Commitment Letter," failing to meet the Company's sustainable supply chain management standards. Upon discovery, all contract fulfillment was immediately suspended, and following an internal review, the cooperation with these suppliers was formally terminated to uphold the Company's commitment to corporate social responsibility and environmental protection.



Environmental Impact Assessment	Taipei Plant	Kunshan Plant	Vietnam Plant	2024 the Group
Number of new suppliers added this year	44	62	47	153
Number of new suppliers screened using environmental criteria	44	33	40	117
Percentage of new suppliers screened using environmental criteria	100%	53%	85%	76%
Total number of suppliers	339	671	249	1,259
Number of suppliers assessed using environmental criteria	44	33	40	117
Percentage of suppliers assessed using environmental criteria during the reporting period	13%	5%	16%	9%
Number of suppliers identified as having a significant actual or potential negative impact on the environment	-	-	-	-
Number of suppliers identified as having a significant actual or potential negative impact on the environment that have shown improvement	-	-	-	-
Percentage of suppliers identified as having a significant actual or potential negative impact on the environment that have shown improvement	-%	-%	-%	-%
Number of suppliers identified as having a significant actual or potential negative impact on the environment, whose cooperation relationship has been terminated	-	-	-	-
Percentage of suppliers identified as having a significant actual or potential negative impact on the environment, whose cooperation relationship has been terminated	-%	-%	-%	-%

Supplier Social Evaluation	Taipei Plant	Kunshan Plant	Vietnam Plant	2024 the Group
Number of new suppliers added this year	44	62	47	153
Number of new suppliers screened using social criteria	44	23	9	76
Percentage of new suppliers screened using social criteria	100%	37%	19%	50%
Total number of suppliers	339	671	249	1,259
Number of suppliers assessed using social criteria	44	23	9	76
Percentage of suppliers assessed using social criteria during the reporting period	13%	3%	4%	6%
Number of suppliers identified as having a significant actual or potential negative impact on society	2	1	-	3
Number of suppliers identified as having a significant actual or potential negative impact on society that have shown improvement	-	-	-	-
Percentage of suppliers identified as having a significant actual or potential negative impact on society that have shown improvement	-%	-%	-%	-%
Number of suppliers identified as having a significant actual or potential negative impact on society, whose cooperation relationship has been terminated	2	1	-	3
Percentage of suppliers identified as having a significant actual or potential negative impact on society, whose cooperation relationship has been terminated	100%	100%	-%	100%

Local Supplier

The Company continues to promote local procurement and cooperates with local suppliers to promote the local economy and reduce transportation energy consumption. Please refer to the following for the proportion of procurement expenses from local suppliers in key operating locations for 2024::

Region	TAIWAN	CHINA	VIETNAM
Local Supplier Procurement Ratio (%)	32.43%	99.33%	92.28%

Note:

1. The definition of local supplier refers to suppliers with factory registrations and operation locations in the same country as the Company.
2. Our important operating locations are Taiwan, China, and Vietnam.

Critical Materials Risk Management

Nishoku primarily engages in the design of precision plastic molds and the manufacturing of plastic injection components. Its products are widely applied in industries such as information technology, telecommunications, automotive, and medical devices. The company's key materials mainly consist of various types of engineering plastics, including PP (polypropylene), ABS, PMMA, PC (polycarbonate), and PU (polyurethane).

Risk Identification and Management Mechanism

The Sustainable Development and Risk Management Committee has been established to coordinate the assessment and management of operational risks, including risks related to the supply and price fluctuations of key materials. The main types of risks identified by the Company include:

- **Supply chain concentration and geopolitical risks:** The supply of some plastics is concentrated in specific regions. Geopolitical conflicts or trade restrictions could lead to supply disruptions.
- **Price volatility risk:** The price of plastic raw materials fluctuates significantly due to international oil prices and market demand.
- **Environmental protection and regulatory risks:** Some materials may be subject to environmental regulations, such as regulations on volatile organic compound (VOC) emissions.
- **Reputation risk:** If a supplier is involved in environmental pollution or labor disputes, it may affect the company's brand image.

Risk Mitigation Strategy

Adopt multiple strategies to reduce key material risk:

- **Diversified supplier management:** Work with over 1,259 suppliers and conduct key assessments and management for suppliers with annual procurement amounts exceeding NT\$50 million.
- **Long-term cooperation and contract protection:** Establish long-term partnerships with major raw material suppliers to ensure a stable supply.
- **Materials substitution and process innovation:** Promoting water-based coating processes reduces reliance on high-VOC materials, and continuous research and development focuses on eco-friendly alternatives.
- **Inventory and procurement strategies:** Establish safety stock for high-risk materials and adjust procurement timing based on market trends.
- **Supply Chain Due Diligence:** Implementation of a supplier evaluation system to ensure compliance with environmental and social responsibility standards.



04

Green Operations

4.1 Climate Strategy
4.2 Resource Management



4.1 Climate Strategy

■ Management of Material Topics - Climate Strategy

Climate Strategy			
Material Topics	Impact Description	Policy/Commitment	
Take Action	Tracking and Evaluation Mechanism	Management Objectives	
	<p>Negative Impact: In the face of global climate anomalies, extreme weather events such as typhoons, floods, and flooding (heavy rainfall) cause the Company's production capacity to decrease (such as production suspension, transportation difficulties, supply chain interruption), etc.</p> <p>Positive impact: Faced with the rising awareness of environmental protection around the world, the Company evaluates the replacement of high energy consumption or high carbon emission equipment or processes, and invests in technology to develop low-carbon products or services to win the favor of customers.</p>	<p>We are committed to continuing to pay attention to international climate change issues for a long time, promoting energy conservation and carbon reduction, and implementing energy conservation in all operating plants.</p>	
	<p>Promote various energy-saving measures and management plans to reduce energy consumption and impact on the environment.</p>	<p>Review and analyze the electricity consumption of each plant every year, evaluate the effectiveness of energy management to confirm whether energy-saving actions have been implemented, and propose a review, change, and reduction strategy for items with poor performance improvement.</p>	
	<p>Short-Term Goals (2026)</p> <ol style="list-style-type: none"> 1. Reduce greenhouse gas emissions by 5% yearly. 2. The reduction target is a 5% reduction in emissions per million revenue (NTD). 	<p>Medium-Term Goals (2028)</p> <ol style="list-style-type: none"> 1. Reduce greenhouse gas emissions by 5% yearly. 2. The reduction target is a 10% reduction in emissions per million revenue (NTD) compared to the base year 2023. 3. Completed the verification of ISO 14064 greenhouse gas emissions for the parent company 	<p>Long-Term Goals (2030)</p> <ol style="list-style-type: none"> 1. Reduce greenhouse gas emissions by 5% yearly. 2. The reduction target is a 15% reduction in emissions per million revenue (NTD) compared to the base year 2023. 3. Completed the ISO 14064 greenhouse gas emissions verification for the consolidated company.
Annual Performance	<ol style="list-style-type: none"> 1. According to the government's schedule, the greenhouse gas inventory of all the Group's operating sites is implemented and completed ahead of schedule. 2. The Company's Kunshan Factory obtained ISO 14064 verification for its GHG inventory in September, 2024. 3. The Company's Kunshan Plant purchased a total of 11 energy-saving electric injection molding machine units in 2024. If the machine is put into production in whole, the annual total benefit is expected to reduce process energy use by 116,160 kWh, reducing carbon by 57.5 mt, equivalent to planting of about 104 camphor trees each year. 4. In 2024, the Company's Vietnam Factory purchased 20 units of energy-saving equipment, such as shredder machine, stamping machine, and molding machine, which helped save the electricity by 93,305 kWh in the current year, equivalent to a reduction of carbon emission by 46 mt, about planting of 84 camphor trees. It is expected to save electricity by 444,053 kWh each year, equivalent to a reduction of carbon emission by 220 mt, about planting of 399 camphor trees. 5. Kunshan plant purchased green power for 10,914.000000 (MWh); Vietnam plant purchased green power for 4,253.000000 (MWh), in 2024. 		
Stakeholder Engagement	<ul style="list-style-type: none"> • Suppliers: Promote greenhouse gas management-related matters with suppliers, and work with supplier partners to implement energy conservation and carbon reduction. • Customers: Promote various energy-saving measures and greenhouse gas management plans in accordance with the requirements of the international supply chain and customers. 		

■ 4.1.1 Climate Governance

Possible financial impact of climate change risks has become one of the major issues of concern to stakeholders. Nishoku has realized the importance of climate risk management and is proactively establishing the Group's countermeasures against climate change, hoping to mitigate the impact on the industry chain caused by the climate. We follow the TCFD to disclose climate-related financial risks and opportunities under the four major frames, namely climate topic governance, climate-related risks and opportunities identification and response strategies, risk management, indicators and goals, in order to assess the possible impact on our operations, and formulate response strategies and management guidelines and achieve the goal of corporate sustainable operation.

Risk Management Organizational Structure and Operation

In order to ensure proper management of climate-related risks and opportunities, the Board of Directors is designated by the Company as the highest governing body for risk management. The Board of Directors supervises the Company's overall decision-making on climate change-related issues. On June 27, 2024, the Board of Directors resolved to pass the Sustainable Development and Risk Management Committee Charter and establish the Sustainable Development and Risk Management Committee. The Committee members were appointed per the resolution of the Board of Directors, including Chairman Piao-Fu Chen, Director Chien-Sheng Tsai, Independent Director Horng-Chang Lin, Independent Director Chih-Cheng Wang and Independent Director Chih-Chieh Tsai. The Sustainable Development and Risk Management Committee serves as the main management level. The "Sustainable Development Promotion Team" and "Risk Management Promotion Team" are established under the Committee. The Chairman and the President of the Company act as the convener of each team, and the CFO as the Executive Chief of each team to manage the climate change issues through the cross-department management. The related data and results are regularly reported to the Sustainable Development and Risk Management Committee based on the promotion results. The Sustainable Development and Risk Management Committee reports the discussion results to the Board of Directors.



Status of Operation	
1	The Sustainable Development Promotion Team discusses and identifies the climate change risk and opportunity issues, and provide them to the Risk Management Promotion Team for formulation of risk countermeasures and followup.
2	The Risk Management Promotion Team reports to the Sustainable Development and Risk Management Committee the identified risks and implementation result thereof, and related countermeasures.
3	The Sustainable Development and Risk Management Committee reviews and approves the climate risk management results reported to it regularly, and reports to the Board of Directors the decision management implementation results to the Board of Directors regularly.
4	The Board of Directors decides the strategy and supervises and governance.

■ 4.1.2 Climate Risk Opportunity Identification, Assessment, and Strategies

In terms of the identification of climate-related risks and opportunities, Nishoku follows the suggestions of TCFD to have the Sustainable Development Promotion Team to collect the information about international trends and take an inventory of the climate-related risks and opportunities among peers and compile the climate-related risk and opportunity checklist; then, according to the measurement by questionnaire, the Sustainable Development Promotion Team and Risk Management Promotion Team engages in the discussion. The impact lengths relating to the strategy and operation of Nishoku are defined as short-term as 1-3 years, medium-term as 3-5 years, and long-term as 5-10 years. The key climate risks and opportunities are identified as follows:

Key Climate Risks and Opportunities Identified

Types of Risks and Opportunities		Risk Items	Possible Time of Occurrence	Impact on the Company's strategy, Operation and Finance	Response Strategies of the Company	Potential Financial Impact of the Response Plan
Transformation Risks	Policies and regulations	Requirements and supervision of existing products and services	Short-term	In response to GHG reduction and management regulations, it is necessary to improve the energy efficiency of business locations and increase the cost of green electricity certificate subscription	Phase out high-energy-consuming production, air-conditioning, and office equipment, and promote in-plant carbon reduction; increase operational efficiency through routine operational improvements to achieve energy conservation.	Increase in capital expenditure, increase or disposals of assets, increase in liabilities
	Technology	Costs of low-carbon technology transformation	Medium-term	Increased capital expenditures for technology development	Introduce the Manufacturing Execution System (MES) into the manufacturing process to automate and manual labor reporting, precisely control the processing time and scheduling, and effectively improve production efficiency.	Increase in capital expenditure
	Market	Changes in customer behavior	Short-term	Products and services currently provided do not meet market demand and are phased out if energy-intensive or carbon-emissions are high, resulting in loss of customers.	Expand low-carbon procurement sources and seek renewable energy suppliers; integrate upstream and downstream industries, formulate process emission reduction plans, and develop green processes.	Increase in capital expenditure
Physical Risk	Immediacy	Power interruption caused by extreme weather events such as typhoons, floods, and flooding (heavy rainfalls)	Long-term	Production capacity decline (such as production suspension, extension of planning consent, transportation difficulties, supply chain interruption)	Review plans to install solar power generation equipment and purchase energy storage cabinets; or moderately increase the inventory	Increase in capital expenditure
Opportunities	Resource efficiency	Use more efficient production and distribution processes	Medium-term	Reduce operating costs (e.g. through efficiency improvement and cost reduction)	Replace energy-consuming forklifts and automobiles, introduce low-carbon manufacturing process equipment, and select low-carbon emission transportation products.	Decrease in operating costs, increase in capital expenditure, increase in or scrapping of assets, increase in liabilities
	Products and services	R&D and innovation for developing new products and services	Short-term	Increase revenue through demand for low-carbon products and services	Reduce carbon emissions and energy costs through the application, investment or development of new energy technologies	Increase in capital expenditure and revenue
	Market	Entrance into new markets	Short-term	Entering new and emerging markets (e.g. working with the government and development banks) to increase revenue	Expand new markets and industrial transformation through the innovation of products or services; develop low-carbon sustainable products with suppliers and customers.	Increase in operating revenue

Climate Risk Management System

To implement climate risk management, the Sustainable Development Promotion Team and Risk Management Promotion Team jointly conduct regular risk identification and evaluation and relevant response measures and plans based on the timeline of the possible impacts of climate change, the possibility of risk occurrence, and the impact on the Company's operations and finances to ensure sustainable development. The Sustainable Development Promotion Team provides the identification of climate change to the Risk Management Team. The Risk Management Team tracks the progress of promotion and reports to the Sustainable Development and Risk Management Committee. The Committee in turn reports the matters to the Board of Directors for decision-making.

Identification and Assessment Process for Climate Change-Related Risks and Opportunities

Based on the TCFD framework, we have compiled a list of relevant risks and opportunities based on the external environment such as the current international attitudes to climate change, local government regulations, and the impact of climate change on internal company strategic goals, products and services, and the supply chain. In the medium and long term, the likelihood of risk occurrence and its impact on the Company's strategy, operation and finance will be assessed and the key risks and opportunities determined after internal discussions.



■ 4.1.3 Climate-Related Indicators and Targets

(I) Corporate strategies in response to climate change or GHG management

In addition to the Company, the overseas production locations of Nishoku Group - Kunshan, Shenzhen and Vietnam all uphold the notion of co-existence with the Earth by continuing to promote energy-saving and GHG emission reduction measures.

The CO₂ emission from power consumption is the main source of the Company's greenhouse gas emission. Therefore, the Company's energy-saving and carbon-reduction plan is prepared based on energy conservation as the focus. Meanwhile, the Company has established relevant provisions for policies on the energy saving and carbon reduction, greenhouse gas emission reduction, reduction of water usage or other waste management in the "Corporate Sustainable Development Best Practice Principles," and also implements such policies thoroughly.

(II) Corporate GHG emission reduction targets

Nishoku Group promised that setting 2023 as the baseline year, it will reduce the greenhouse gas emission intensity by 20% under Scope 1 and Scope 2 and by 5% under Scope 3 by the recent target year, 2030. Meanwhile, with respect to the emission reduction action under Scope 3, we will demand that the suppliers should provide the carbon emission data related to their power consumption as the reference for future carbon emission management under Scope 3.

(III) Budgets and plans for the reduction of corporate GHG emissions

1. Energy-saving measures at the production end: Reduction of process energy consumption, increase of equipment efficiency and energy management, etc.

2. Office energy saving measures:

- (1) Group's headquarter building obtained the U.S. Green Building Council LEED green building golden class certification in June 2012.
- (2) Office environment adjusts the air conditioning depending upon the season and the temperature is set at 26 degree Celsius constantly in order to reduce the power load.
- (3) The office machine will shut down automatically for 15 minutes.
- (4) Promote the habit of turning off lights whenever they don't need the lights, closing power sources, and using natural light sources as much as possible.
- (5) The Company regularly maintains and repairs lighting and air-conditioning equipment with large power consumption in the office, and continuously reviews and replaces high energy-consumed equipment and energy-saving measures.
- (6) Enhance the maintenance and regular maintenance of various electrical appliances, and replace electrical equipment with expired user life and daily regular energy saving inspections, in order to reduce power consumption and carbon dioxide emissions.
- (7) Promote employees to use stairs instead of elevators.
- (8) Employees are encouraged to reduce the use of disposable cutlery and bring their own cutlery to reduce waste.

3. Others:

- (1) Use document electronic signing and approval system to perform electronic signing approval, thereby reducing the paper usage amount, and promote the use of recycled papers.
- (2) Properly execute recycle management and resource classification of wastes, such kitchen wastes, metal/aluminum/glass bottles, waste papers and plastic bottles, etc., and appoint professional personnel to be responsible for the treatment and classification of wastes.

4. Continue to evaluate the feasibility of purchasing renewable energy:

Our company promotes various energy reduction measures by selecting highly efficient and energy-saving equipment to reduce energy consumption in the production process. We continuously increase the use of renewable energy to optimize energy efficiency.

(IV) Carbon reduction effect brought by the Company's products or services to customers or consumers

The Company is expected to join the "Private Sector and Group Green Procurement" promoted by the Ministry of Environment. In the future, the Company's Procurement Department will be required to purchase products or services that meet the requirements of the Ministry of Environment, including 9 types of labels and 34 types of labels, in order to reduce environmental impact and support the green life together.

Energy Conservation and Carbon Reduction Solutions

Production end energy-saving measures	To enable key operational sites to use energy more efficiently, we replace outdated high-energy-consuming equipment with new ones, striving to create low-energy-consuming factory facilities. Kunshan Plant : In 2024, we purchased 11 energy-saving electric injection molding machines and merged workshops to reduce peripheral auxiliary equipment and electricity consumption. We replaced diesel forklifts with electric forklifts to reduce diesel usage. Vietnam Plant : In 2024, we purchased 19 new energy-saving electric injection molding machines and replaced 4 air compressors to achieve energy conservation.
Office energy saving measures	1. The office machine will shut down automatically for 15 minutes. 2. Promote the habit of turning off lights whenever they don't need the lights, closing power sources, and using natural light sources as much as possible. 3. Continue to replace T5 lamps with LED lamps. 4. Three leased company cars for headquarters use have been replaced with electric vehicles, and charging piles have been installed. 5. Employees are encouraged to reduce the use of disposable cutlery and bring their own cutlery to reduce waste. 6. The head office window is fitted with heat insulation film to prevent radiant heat from entering the room, thereby reducing indoor energy consumption.
Renewable energy usage measures	Purchased Renewable Energy Certificates (RECs) since 2020. In 2024, a total of 15,167,000 kWh of RECs have been purchased, accumulating a total of 43,718,000 kWh.



U.S. Green Building Council LEED Gold Certification



4.1.4 Energy Consumption

The company's energy consumption includes purchased electricity, diesel, and gasoline. Purchased electricity accounts for the largest share of consumption, primarily used for assembling plant components and powering air conditioning systems. Gasoline is mainly used for company vehicles, and diesel is used for forklift trucks. The total energy consumption in 2024 was 280,420.4859 GJ, a 10.49% increase from the 253,802.04 GJ total in 2023, primarily due to increased overall business volume and subsequent electricity usage.

Nishoku continues to seek ways to increase energy consumption and actively respond to the requirements of stakeholders such as suppliers by reducing energy consumption and purchasing green power certificates. In 2024, the Kunshan Plant purchased 10,914.000000 MWh of green power certificates, and the Vietnam Plant purchased 4,253.000 MWh of green power certificates.

Category	Unit	2022			2023			2024			
		Annual consumption	Energy consumption (GJ)	Energy intensity (GJ/ NTD million)	Annual consumption	Energy consumption (GJ)	Energy intensity (GJ/ NTD million)	Annual consumption	Energy consumption (GJ)	Energy intensity (GJ/ NTD million)	
Non-renewable fuels	Gasoline (covering both 92/95)	Liters (L)	26,760.00	873.94	0.22	29,591.64	966.42	0.28	52,966.45	1,729.8101	0.41
	Diesel	Liters (L)	27,540.00	968.60	0.25	109,255.04	3,842.59	1.10	120,291.30	4,230.7413	0.99
	Liquefied Petroleum Gas (LPG)	Liters (L)	-	-	-	8,998.00	249.97	0.07	17,643.69	490.1549	0.12
	Coal	Kilogram (KG)	-	-	-	13.22	0.34	-	-	-	-
Purchase and use	Electricity	Kilowatt hour (kWh)	44,074,571.00	158,704.60	40.40	56,433,464.90	203,206.75	57.92	60,918,386.00	219,356.1427	51.50
	Renewable Energy (including Renewable Energy Certificates)	Kilowatt hour (kWh)	8,085,000	29,112.63	7.41	12,646,000	45,535.97	12.98	15,167,000	54,613.6369	12.82
Total			189,659.77	48.28		253,802.04	72.35		280,420.4859	65.84	
Proportion of Purchased Electricity in Total Energy Consumption	(%)		83.68%			80.07%			78.22%		
Renewable Energy Usage Ratio	(%)		15.35%			17.94%			19.48%		

Note:

1. The scope of inventory in 2022 included Kunshan (self-inventory) and Shenzhen (verified by a third party).
2. The scope of the 2023 inventory covered the parent company in Taipei, the Vietnam subsidiary, the China subsidiary Shenzhen, all of which conducted self-inventory, and the China subsidiary Kunshan (verified by a third party).
3. The scope of the 2023 inventory covered the parent company in Taipei, the Vietnam subsidiary, all of which conducted self-inventory, and the China subsidiary Kunshan (verified by a third party); the liquidation and cancellation of the Shenzhen subsidiary has been completed in 2024. Therefore, there is no statistics for the Shenzhen subsidiary.
4. The energy consumption calculation coefficient (calorific value) is based on the "Energy Product Calorific Value Table" published by the Bureau of Energy, Ministry of Economic Affairs. Electricity 860 kcal/kWh, gasoline 7,800 kcal/L, diesel 8,400 kcal/L, liquefied petroleum gas 6,635 kcal/L, coal 6,080 kcal/KG; 1 (kcal) is calculated at 4.187 (kJ) 6; 1,00,000 kilojoules (kJ) = 1 gigajoule (GJ).
5. The energy consumption calculation coefficient (calorific value) is based on the "Energy Product

Calorific Value Table" published by the Bureau of Energy, Ministry of Economic Affairs. Electricity 860 kcal/kWh, gasoline 7,800 kcal/L, diesel 8,400 kcal/L, liquefied petroleum gas 6,635 kcal/L, coal 6,080 kcal/KG; 1 (kcal) is calculated at 4.187 (kJ) 6; 1,00,000 kilojoules (kJ) = 1 gigajoule (GJ).

6. The figures are rounded to the second decimal place.
7. The intensity in 2022, 2023 and 2024 is calculated based on the consolidated revenue of NTD 3,927 million, NTD 3,508 million and NTD 4,259 million, respectively.
8. The Company does not use renewable energy as fuel and does not sell energy.
9. Formula for calculating the proportion of purchased electricity in total energy consumption: Purchased electricity consumption / Total energy consumption.
10. Formula for calculating the proportion of renewable energy used: Renewable energy consumption / Total energy consumption
11. The 2023 energy consumption data has been revised mainly due to the receipt of third-party verification data for the Kunshan Plant in September 2024, which corrected the consumption figures.
12. The 2022 energy consumption data has been revised mainly due to the omission of renewable energy consumption in 2022, and the figures have been corrected accordingly.

■ 4.1.5 Greenhouse Gas Emissions

Greenhouse gas emissions at Nishoku are mainly from Scope 2 (Purchased electricity), accounting for over 90% of the total in the last three years. In 2024, increased business volume led to higher electricity consumption, which in turn resulted in a rise in total greenhouse gas emissions. We anticipate that implementing energy-saving programs will continue to drive progress toward our greenhouse gas reduction goals.

Greenhouse Gas Emissions	2022	2023	2024	Unit: Ton CO ₂ e
Scope 1 emissions	115.944	871.775	688.158	
Scope 1 intensity (tCO₂e/NTD million)	0.030	0.248	0.162	
Scope 2 emissions	31,354.070	28,261.848	35,574.241	
Scope 2 intensity (tCO₂e/NTD million))	7.982	8.055	8.351	
Scope 3 emissions	-	117.553	156.823	
Scope 3 intensity (tCO₂e/NTD million)	-	0.034	0.037	
Sum of Scope 1, Scope 2, and Scope 3 emissions	31,470.014	29,251.175	36,419.222	
Sum of Scope 1, Scope 2, and Scope 3 intensity (tCO₂e/NTD million)	8.012	8.337	8.550	

Note:

1. Scope 1 Statistical scope: gasoline (official vehicle), diesel, types of greenhouse gases included: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O).
2. Scope 2 Statistical scope: Mainly the electricity consumption from the Taiwan Electric Power Company/China Electric Power Company/Vietnam Electric Power Company, and the type of gas included: CO₂.
3. Scope 3 Statistical scope: Emissions from upstream and downstream goods transportation and distribution, emissions from business travel, emissions from solid or liquid waste disposal, and tap water emissions.
4. The scope of statistics in 2023 is: the parent company, the Kunshan/Shenzhen subsidiaries in China, and the subsidiaries in Vietnam.
5. In 2022, the sources of the conversion factors for Scope 1 and Scope 2 are:

Parent company: Greenhouse gas emission factor management table version 6.0.4 announced by the Environmental Protection Administration and the electricity carbon emission factor announced by the Energy Administration, Ministry of Economic Affairs.

Kunshan, a subsidiary in China: "Guidelines for Accounting and Reporting Greenhouse Gas Emissions by Chinese Chemical Manufacturers (Trial)" issued by the National Development and Reform Commission
Shenzhen, a subsidiary in China: Shenzhen Municipal Standardization Technical Document SZDB/Z 69 "Organizational Guidelines for Quantifying and Reporting Greenhouse Gas Emissions"

- Shenzhen Standardization Technical Guidance Document SZDB/Z 70 "Organizational Greenhouse Gas Emissions Verification Guidelines"
- "Technical Guidelines for Greenhouse Gas Emissions Verification of Organizations"

Vietnam Subsidiary: "Greenhouse Gas Protocol"

6. The sources of conversion factors for Scope 1, Scope 2, and Scope 3 in 2023 and 2024 are as follows:

Parent Company: Greenhouse Gas Emission Factor Management Table Version 6.0.4 announced by the Environmental Protection Administration, and the electricity emission factor announced by the Bureau of Energy, Ministry of Economic Affairs (Taiwan).

Kunshan Subsidiary (China):

- ISO 14064-1:2018 – Greenhouse Gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals

- ISO 14064-3:2018 – Greenhouse Gases – Part 3: Specification with guidance for the verification and validation of greenhouse gas statements
- Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions from Chemical Production Enterprises in China (Trial Version), 2021 IPCC Guidelines for National Greenhouse Gas Inventories CO₂ Emission Factors for Electricity in 2021 and 2022 issued by the National Bureau of Statistics of China
- China Product Life Cycle Greenhouse Gas Emission Factor Database, UK Government GHG Conversion Factors for Company Reporting (2023 and 2024 Editions)
- Engineering Construction Standards and Specifications
Vietnam Subsidiary (Vietnam): The Greenhouse Gas Protocol
- 7. GHG emissions are compiled based on operational control.
- 8. The figures are rounded to the third decimal place.
- 9. In response to the "Roadmap for the Sustainable Development of Listed Companies" that regulates the inventory check schedule of each company, the greenhouse gas emissions data in 2023 was collected independently, and the inventory information is planned to be disclosed in 2026 which does not surpass the 2026 base year. Disclosure will also be made for the 2027 annual reduction targets, strategies, and specific action plans.
- 10. 2023 is the first year that the Company publishes its ESG report. Hence, it is set as the base year.
- 11. The data refers to the IPCC Sixth Assessment Report published in 2021 to select the applicable GWP value for each greenhouse gas.
- 12. The data is systematically derived from the oil purchase records, Taiwan Power Company's electricity consumption data, upstream and downstream goods transportation lists, OA system business travel data, waste disposal records, and water bills, among others, and then calculated based on the global warming potential (GWP) ratio, the emission factor method, and the mass balance method.
- 13. The intensity in 2022, 2023 and 2024 is calculated based on the consolidated revenue of NTD 3,927 million, NTD 3,508 million and NTD 4,259 million, respectively.
- 14. The liquidation and cancellation of the Shenzhen subsidiary has been completed in 2024.
- 15. The 2023 greenhouse gas inventory information was revised primarily due to the receipt of third-party verification data for the Kunshan Plant in September 2024, correcting Scope 1 and Scope 2 emissions and adding Scope 3 emissions.

4.2 Resource Management

■ Resource Management Policy

Nishoku Group has established and maintained its environmental management practices in accordance with the ISO 14001 Environmental Management System, ensuring compliance with environmental laws, regulations, and relevant environmental requirements at its operating sites. In addition, we continue to move towards the goals of "zero pollution and zero disaster".

Issues of Concern	Strategy	Short-Term Goals	Medium and Long-Term Goals	Implementation in 2024
Water Resource	Implementing daily water conservation management.	<ul style="list-style-type: none"> The average annual water consumption per person decreased by 1% compared to the previous year. Formulate the regulations for the management of water resources at the Taipei Plant. 	<ul style="list-style-type: none"> The average annual water consumption per person decreased by 1% compared to the previous year. 	<ul style="list-style-type: none"> In 2024, per capita water consumption decreased by 21.94% compared to the previous year.
Waste	Sign contracts with waste removal and transportation contractors, and pay close attention to the operation and management of the contractors.	<ul style="list-style-type: none"> Waste is reduced by 1% compared to the previous year. 	<ul style="list-style-type: none"> Waste is reduced by 1% compared to the previous year. 	<ul style="list-style-type: none"> In 2024, the Group's total waste generation increased by 20.2% compared to the previous year, primarily due to increased operating revenue, but waste intensity decreased by 0.9% compared to the previous year.



■ 4.2.1 Water Resource Management

Water Management

The scope of new water management currently includes Taipei Factory, Kunshan Factory, and Vietnam Factory. The Company regards water resources as an important environmental and operational issue. Although water resources are not used in direct manufacturing processes, products still require indirect use of water resources. For example, cooling water towers are used for heat dissipation of air conditioners and production equipment, and water for people's livelihood. The reliance on water is still quite high. The water resources of the Company's Taipei Factory, Kunshan, and Vietnam are mainly obtained from third-party water (tap water) and a small amount of rainwater (rainwater harvesting equipment in the factory) even though some factories are located in locations where water resources are not scarce, such as in Taiwan where there is sufficient rainfall.

However, the uneven distribution of water resources, coupled with the frequent torrential rains and water shortages caused by climate change in recent years, have also invisibly exacerbated the complexity of water resource management. Therefore, the Company continues to monitor water usage, reduce unnecessary waste, and formulate concrete measures to reduce water consumption.

The Company conducted a water stress risk assessment using the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI), a globally recognized nonprofit organization. The risk levels for each operating site are as follows: Low-Medium in Taipei Plant, High in Kunshan Plant, and Medium-High in Vietnam Plant. With the exception of Taipei Plant, which is classified as Low-Medium risk, Kunshan Plant and Vietnam Plant are both located in areas with Medium-High or higher risk. While the assessment indicates that our products do not directly use water resources, they do rely on indirect water usage, such as cooling towers for air conditioning and production equipment, and domestic water. Despite this indirect usage, no water shortages or flooding have occurred at any of our facilities to date, resulting in an overall low risk profile. The Company continues to implement water conservation measures.

Water Resource Use

The main water source of the Group is tap water; we do not use rainwater or groundwater. Our water usage complies with local regulations, and our water intake does not have a significant impact on the water source. The water is mainly used for cooling and recycling water for air conditioners and production equipment, and domestic water for employees. The water discharged is mainly through employee domestic sewage. The discharged water is primarily domestic sewage, which is treated by a sewage treatment facility before being discharged into the sewage sewer system.

Water Stress Index

Region	Taipei Plant	Kunshan Plant	Vietnam Plant
Water stress index	Low to Moderate (20%~40%)	high (60%~80%)	Moderate to high (40%~60%)
Source of water withdrawal	Third-party water (Municipal water)	Third-party water (Municipal water)	Third-party water (Municipal water)

Water withdrawal and Water Consumption in the Last 3 Years

Unit: Million liters

Taipei Plant			Kunshan Plant		Vietnam Plant		Nishoku Group	
Water Withdrawal	2023	2024	2023	2024	2023	2024	2023	2024
Water Discharge	3.919	3.264	137.479	126.212	51.394	70.330	192.792	199.806
Water Consumption	3.919	3.264	137.479	126.212	51.394	56.264	192.792	185.740
Water Withdrawal Intensity	-	-	-	-	-	14.066	-	14.066
Water Withdrawal Intensity	-	-	-	-	-	-	0.055	0.047

Note:

1. The calculation of water intake shall be based on the statistics of the 12-month water bills provided by the local tap water company in each plant area for the current year, and classified as freshwater according to the classification standard.
2. The operating locations of the Group include offices and manufacturing factories. However, the production process mainly focuses on electronic module assembly, mold development and manufacturing, and plastic injection, and does not involve cleaning, cooling towers, or high water consumption processes. Water is mainly used for employees' daily life and to replenish the air conditioning system. Process water accounts for a very small proportion of total water use, and there is no significant water content in the products or notable evaporation loss. Based on the above, the company has adopted the principle that water withdrawal is equivalent to water discharge for estimation purposes.
3. intensity of water withdrawal= Total water withdrawal for the year / Consolidated operating revenue of Nishoku; Unit: Million liters / NTD million
4. The intensity in 2023 and 2024 is calculated based on the consolidated revenue of NTD 3,508 million and NTD 4,259 million, respectively.
5. The Kunshan and Vietnam plants have adopted 2023 as the full baseline year.
6. The scope of statistics for 2023 and 2024 includes the Taipei, Kunshan, and Vietnam plants. The water resources of the Taipei Plant are mainly used as cooling and recycling water for air conditioners and production equipment, and employees' domestic water, while the water resource usage of Kunshan Plant and Vietnam Plant are the same as the Taipei Plant.
7. 1 unit of water = 1,000 liters = 1 metric ton of water; 1 million liters = 1,000 cubic meters (1,000 m³).
8. The water withdrawal of the Kunshan plant has been externally verified.

Promote Water Conservation and Water Recycling

Although Nishoku is not a major water user, the company remains committed to diligent water resource management. With 2023 as the base year, Nishoku Group has set a goal to reduce water intensity by at least 20% over the next five years, with a 14.55% reduction in water intensity in 2024 compared to 2023. We will continue to promote measures to improve water resource utilization efficiency.

Water Conservation Action Plan

1	Regular inspection	Strengthen daily inspections of relevant water facilities and record the relevant water consumption values. If there is an abnormality, it will be analyzed and dealt with immediately to avoid wasting water resources.
2	Collaborate with the value chain	Coordinate with customers and try to use the process mode that has the least impact on the environment (which can save water for production), such as raw material adjustment, etc.
3	Promotion of water-saving equipment	<ol style="list-style-type: none"> 1. To save water resources, we have started with our own actions within the plants, such as installing aerators at faucets and promoting the use of water-free urinals. 2. Water used in toilets and equipment is reused as equipment water. 3. Specific water equipment for equipment cooling circulation and air conditioning system chiller water.
4	Immediate response	Emergency response to the source of water leakage to reduce the invisible loss of water resources.

Taipei Factory's effluent management approach and implementation plan are divided into three aspects:

1

Reduce effluent discharge through process adjustment and optimization

2

Treatment efficiency management: Replacing outdated appliances gradually to prevent abnormal emissions

3

Increase the concentration ratio of cooling circulating water to reduce water consumption

After effluent treatment in the Taipei Plant, the treated effluent is discharged into the New Taipei City Municipal Sewerage Pipeline in accordance with the effluent standards for public sewage systems ^(Note), where it is treated in a centralized manner at the Bali Sewage Treatment Plant, and finally discharged into the ocean through a 6.6-kilometer discharge pipe with a marine discharge machine.

Note: The discharge water standard of the public sewage sewer system:

Item	PH	SS	BOD5	COD	Coliform Bacteria
Unit	None	mg/L	mg/L	mg/L	CFU/100 ml
Limit value	6~9	50	50	150	300,000

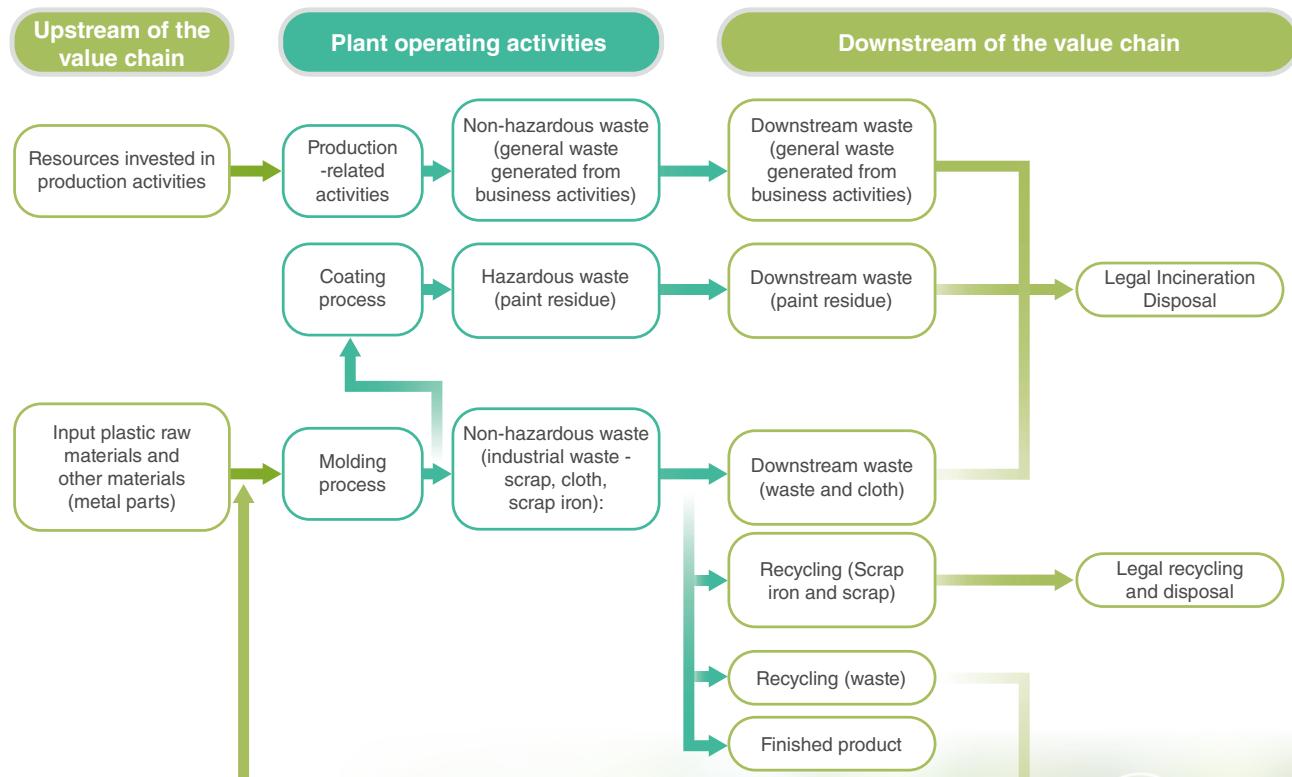


■ 4.2.2 Waste Management

Waste Management

The waste collected by the Group can be divided into non-hazardous waste (domestic waste, recyclable waste, and general industrial waste) and hazardous waste (paint sludge). To reduce waste generation, we strive to minimize the use of disposable items in our daily operations, implement proper waste sorting and recycling, and maximize resource reuse to achieve a circular economy. Waste disposal will be carried out in accordance with local government regulations, and a resource recycling mechanism will be implemented alongside regular self-audits. Waste disposal is outsourced to qualified waste disposal contractors, and relevant management measures and practices are confirmed. Waste clearance contractors will regularly clean up waste in the factory area based on the factory's waste output.

 Management Standard	<ul style="list-style-type: none"> • Government regulations • International Management Standards • Customer requirements
 Reduction Strategy	<ul style="list-style-type: none"> • Reduce waste at the source and practice it in daily life • Optimize the manufacturing process to reduce waste output
 Disposal Management	<ul style="list-style-type: none"> • Entrust qualified vendors to handle • Periodic follow-up and audit



Waste Disposal Methods

When non-hazardous waste is generated, it is sorted according to the waste management procedures and the regulations for the sale of waste products and scraps by the responsible personnel into recycled and non-recyclable waste (downstream waste). The recyclable waste is recycled directly into the production process or retained in stock after physical treatment. In the past 3 years, the recycling rate has reached more than 24%. The part that cannot be recycled (downstream waste) is declared according to the government's regulations, and then physically shredded and stored in a designated location in the plant, and subsequent disposal according to the law. Downstream waste (cloth, waste) that cannot be recycled and reused is cleared and transported by contractors that are approved by the government to qualified processors for treatment (incineration). The relevant government forms and GPS are available for the disposal and incineration process to avoid environmental impact caused by illegal incidents. The monthly waste volume is classified and counted by the responsible personnel, and a unified contact window made reports to the government website. Currently, the relevant data collection does not exceed the waste generated by the company's own business activities.

When hazardous waste is generated, it is managed according to the waste management procedures by dedicated personnel in a specific area. When sorting, collecting, clearing, and disposing of hazardous waste, the personnel wears appropriate protective equipment to avoid causing harm to human bodies. The waste clearance and transportation is carried out by qualified companies approved by the government to transport the wastes to qualified waste treatment operators (for incineration) for disposal. The relevant clearance, transportation, and incineration processes are all documented with relevant government forms and GPS vehicle tracking to prevent illegal incidents from causing environmental impact. The monthly waste volume is classified and counted by the responsible personnel according to the hazardous industrial waste recognition standards, and then reported to the government website through a unified contact window.

Waste Generated

The scope of waste management includes the Taipei Plant, Kunshan Plant, and Vietnam Plant. The total amount of waste in 2024 was 1,467.091 metric tons, a 31.8% increase compared to 2023; waste intensity was 0.344 metric tons per million dollars of operating revenue, a 8.5% increase compared to 2023.

Unit : Ton (t)

Category	Items	2023			2024		
		Disposal and Transfer		Direct Disposal	Disposal and Transfer		Direct Disposal
		Recycling and reuse (On-site)	Other recycling operations (Off-site)	Incineration (Off-site)	Recycling and reuse (On-site)	Other recycling operations (Off-site)	Incineration (Off-site)
Hazardous Waste	Paint Residue	-	-	166.430	-	-	143.898
	Subtotal	-	-	166.430	-	-	143.898
	Total	166.430			143.898		
Non-Hazardous Waste	Scrap	759.212	-	161.394	884.144	-	2.446
	Waste Cloth	-	-	0.040	-	-	20.523
	Scrap Iron	16.200	-	-	-	79.276	-
	General Waste Generated From Business Activities	-	-	10.110	-	-	301.260
	Others	-	-	-	-	6.554	28.990
	Subtotal	775.412		171.544	969.974		353.219
	Total	946.956			1,323.193		
Total Amount of Waste		1,113.386			1,467.091		
Percentage of Waste Recycling and Reuse		69.64%			60.27%		
Percentage of Waste Recycling		69.64%			66.12%		
Hazardous Percentage of Waste Recycling		-%			-%		
The Intensity of Waste		0.317			0.344		

Note:

- 2023 includes Taipei Plant, Kunshan Plant, and Vietnam Plant.
- Percentage of Recycling and reuse waste recycling : weight of recycled Recycling and reuse waste in the waste generated /total weight of the waste generated, rounded off to two decimal places.
- Percentage of waste recycling = weight of recycled waste in the waste generated /total weight of the waste generated, rounded off to two decimal places.
- Percentage of hazardous waste recycling : weight of recycled hazardous waste in the waste generated /total weight of hazardous waste, rounded off to two decimal places.
- The intensity of waste = Total waste for the year / Consolidated operating revenue of Nishoku; Unit: Million liters / NTD million
- The intensity in 2023 and 2024 is calculated based on the consolidated revenue of NTD 3,508 million and NTD 4,259 million, respectively.
- Non-hazardous Waste – Others, Kunshan Plant: Includes waste mineral oil, waste resin, waste activated carbon, and waste packaging containers. Vietnam Plant: Includes waste metal packaging, iron shavings, copper shavings, and waste oil.

Waste Reduction Measures	Increase the value of waste reuse	<ul style="list-style-type: none"> • Increase waste recycling through public tendering • Actively promote waste recycling and reuse to extend the life cycle of materials
	Waste reduction at source	<ul style="list-style-type: none"> • Promote reducing the use of disposable items, such as reusable utensils (cups) and eco-friendly bags

05

People Orientation

5.1 Talent Capital

5.2 Human Rights

5.3 Employee Care and Labor Protection

5.4 Occupational Health and Safety



■ Management of Material Topics - Friendly Workplace

Material Topics	Friendly Workplace		
Impact Description	<p>Negative Impact: Failure to provide good employee benefits and career development opportunities resulting in recruitment difficulties and employee attrition, affecting the Company's competitiveness.</p> <p>Positive impact: Provide high-quality employee benefits and work environment, improve employee satisfaction, attract and retain outstanding talents, and increase productivity. We also continuously enhance employee professional knowledge and management skills to foster collaboration between customers and original suppliers.</p>		
Policy/Commitment	<p>Continue to grow, create excellence, and create the best environment to attract and retain talents.</p> <p>Employees are important partners in the Company's sustainable development. The Company is committed to creating an equal, diverse, and healthy work environment.</p>		
Take Action	<ul style="list-style-type: none"> Train employees with diverse competencies, and regularly organize internal and external professional training courses to ensure that employees can continuously update their professional knowledge. Formulate a clear career development path for employees and provide opportunities for promotion and horizontal development. <ul style="list-style-type: none"> Adhering to the principle of fairness and non-discrimination, we provide equal employment and development opportunities, industry-competitive remuneration, and diverse welfare measures. 		
Tracking and Evaluation Mechanism	<ul style="list-style-type: none"> The Education and Training Committee reviews the annual training results and makes adjustments and improvements through feedback. Employees' feedback is understood through relevant channels such as the employee suggestion box and labor-management meetings. 		
Management Objectives	<p>Short-Term Goals (2026)</p> <ol style="list-style-type: none"> The average number of training hours per employee per year has increased by 10% compared to 2024. Maintain a 100% participation rate in all education and training. Employees are encouraged to apply for external training courses and relevant continuing education. The Company will provide subsidies after review. Maintain the number of employee complaints at zero. Maintain the number of labor law violations at zero. Formulate a human rights due diligence policy. 	<p>Medium-Term Goals (2028)</p> <ol style="list-style-type: none"> The average number of training hours per employee per year has increased by 10% compared to 2026. Education and training satisfaction above 90%. Continue to improve talent cultivation through diversified learning platforms such as physical and online courses. Maintain the number of employee complaints at zero. Maintain the number of labor law violations at zero. Promote the establishment of preventive remedial measures and adaptation plans for human rights risks. 	<p>Long-Term Goals (2030)</p> <ol style="list-style-type: none"> The average number of training hours per employee per year has increased by 10% compared to 2028. Obtained the bronze medal or above in the Talent Development Quality Management System (TTQS). Continue to revise the performance evaluation process, establish a fair and comprehensive talent cultivation system, and achieve the goal of corporate sustainable management. Establish industry-academia collaboration projects. Maintain the number of employee complaints at zero. Maintain the number of labor law violations at zero. Continue to strengthen human rights risk identification.
Annual Performance	<ul style="list-style-type: none"> 100% participation rate in education and training. Group-wide training in 2024: 26,969 persons. <ul style="list-style-type: none"> In 2024, there were no cases of discrimination, no violations of laws involving the use of child labor, no violations of laws involving forced or compulsory labor, and no incidents of violations involving rights of indigenous peoples. In 2024, we held five domestic and overseas employee labor-management meetings and held eight employee welfare committee meetings. 		
Stakeholder Engagement	<p>Employees :</p> <ol style="list-style-type: none"> Regularly organize education and training for employees to provide feedback, so that the work environment and welfare system can be improved through direct communication and exchange. The management is responsible for formulating and implementing employee training, motivation and development plans, and evaluating and improving the effectiveness of action plans. <p>3. The HR Department is responsible for employee recruitment, employee care, career development plans, and performance evaluation.</p> <p>4. Hold labor-management meetings to listen to employees' needs so that they can receive comprehensive attention and care and fully express their opinions.</p> <p>5. According to the "Group Human Rights and Employee Policy", anyone can report any unfair behavior to the Company's senior management through the reporting system.</p> <p>6. The Company is committed to improving the facilities at the workplace and encouraging employees to participate in sexual harassment prevention education seminars.</p>		

5.1 Talent Capital

■ 5.1.1 Talent Development

Education and Training

Nishoku is committed to providing employees with a comfortable working environment, adequate education and training, and diverse career development opportunities. The stable development of employees is also an important indicator of the Company's efforts. Internal and external training courses cover diverse courses on occupational safety, law, and business. The courses are provided to employees to enhance their core or professional abilities for their work functions. The Company's core values are to enable its employees to demonstrate their strengths in an appropriate environment and to engage in continuous improvement.

Training System	Mechanism Description
New Recruit Training	<ul style="list-style-type: none"> Assist new employees in getting familiar with the work environment, understanding the Company's business philosophy and corporate culture, and integrating into the new team.
General Knowledge Courses	<ul style="list-style-type: none"> Legal, ethical management, human rights, health seminars, etc.
Professional Job Skills Training	<ul style="list-style-type: none"> Each unit shall enhance its department's functions, professional knowledge, and skills. To ensure that direct labor and personnel with specific qualifications possess the basic skills required to operate the machinery and equipment within their respective units, and to cultivate employees' multiple professional skills.
Information Security Training	<ul style="list-style-type: none"> Information security risk and prevention measures courses.
Environment and Safety Education and Training	<ul style="list-style-type: none"> Accident prevention, disaster drills, and knowledge of hazardous chemicals.
Training on Management Competencies	<ul style="list-style-type: none"> Plan training programs for senior, mid-level, and junior managers to enhance their management skills and develop the professional management talent the Company needs.
External Training Institutions	<ul style="list-style-type: none"> Participate in training and seminars organized by external institutions such as government agencies and academic groups as required for work. The relevant information shall be submitted according to the feedback items designated by the unit supervisor and the Human Resources Administration Department on the external training application form.
Assistance Program for Retired Employee Transition	<ul style="list-style-type: none"> Assist in providing internal (external) department training, consultation, etc. Consultant for re-hiring retired senior executives.

Employee Training Results

We value the continuous development of our employees' professional capabilities and are committed to providing diverse training resources to support their career growth. The Company hopes supervisors will lead the effort to foster a positive learning environment in the workplace, encouraging team members to pursue continuous education and self-improvement, ultimately enhancing the organization's overall learning capacity and competitiveness. The average employee training hours for each plant in 2024 are as follows:

Employee Training Hours Statistics	Taipei Plant			Kunshan Plant			Vietnam Plant		
	Male	Female	Overall	Male	Female	Overall	Male	Female	Overall
Average class hours at different levels	Management level	8	20	12	13	15	14	8	11
	Non-management level	6	8	7	13	13	13	5	3
Average class hours for different employee categories	Indirect	7	13	9	8	9	9	7	7
	Direct	5	5	5	4	3	4	5	3

Note 1: Management level refers to supervisors at the section (deputy) manager level and above.

2024 Employees' Further Education Training System and Its Actual Execution (Nishoku Group)

Item	Total number of people	Total hours	Total expenses	Unit: NTD
New recruit training	1,441	1,443		
Professional job skills training	14,729	32,737.5	106,690	
Total	16,170	34,180.5		

Implementation of Important Professional Competency Training Programs in 2024

Item	Detail
Project Name1	Internal audit training program
Descriptions of the project	<p>In order to strengthen the professional competence of internal auditors, so as to reasonably ensure the effective and continuous implementation of the internal control system and risk management mechanism.</p> <p>The target of the project is the personnel of the internal audit department. As of the end of 2024, the total number of hours of the internal audit training program courses have reached 90 hours.</p> <p>3 people for the external training courses for a total of 54 hours;</p> <p>For the internal training courses, the personnel of the Headquarters' Audit Office provides the training session to 3 internal auditors of overseas subsidiaries for a total of 36 hours each month.</p>
Engagement	In 2024, the participation rate of employees in the Audit Office was 100%.
Project Name2	Internal promotion and preparation of the sustainability-related reports to disclose training plans
Descriptions of the project	<p>In order to improve the professional ability of the internal team in preparing the report on sustainability and ensure the reasonableness and integrity of the data on sustainability.</p> <p>The target of the project is the personnel of the financial accounting department. As of the end of 2024, the total number of hours of the internal promotion and preparation of sustainability-related report to disclose the training plans have reached 75 hours.</p> <p>10 sessions for the external training courses for a total of 62 hours;</p> <p>The internal training courses are mainly contracted to professional consultants, and supervisors who complete external training, for a total of 3 sessions and 13 hours.</p>
Engagement	In 2024, the participation rate of employees from the financial accounting department was 100%.
Project Name3	Internal Cybersecurity Training Program
Descriptions of the project	<p>In order to improve the information personnel's expertise, maintain the confidentiality, integrity and availability of the Company's information, and build a continuous and improved information security environment.</p> <p>The target of the project is the personnel of the information department. As of the end of 2024, the total number of hours of the internal cybersecurity training program courses have reached 95.5 hours.</p> <p>The external training course for cybersecurity consists of 11 sessions for total 34 hours.</p> <p>6 sessions for the external / internal general education training courses on information for a total of 61.5 hours;</p>
Engagement	In 2024, the participation rate of employees from the information department was 100%.



Various internal and external training courses were arranged to enhance employee competency in 2024. Please refer to the table below for details.

Plant	Employee Training Program	Program Description	Quantitative Results (Example: Number of sessions and study hours in the current year)	Employee participation rate
Taipei Plant	Occupational Safety Training	The training includes safety regulations for knife and fire use, safety education and training for the forming workshop, fire training and self-defense drills, noise protection education and training, in-service education and training for first aid personnel, the 2024 factory chemical safety management joint briefing, special occupational safety and health education and training for operators of fixed cranes with a lifting capacity of 0.5 metric tons or more but less than 3 metric tons, crane (refresher) training, and forklift (refresher) training.	Number of sessions: 10, Study hours: 175.5 hours	100%
Taipei Plant	Legal Training	The training includes lawyer education and training for the first and second halves of the year, legal education and training, a stock affairs briefing, legal practice for sales personnel, an introduction to Vietnam's tax system, and a briefing on labor and occupational accident insurance regulations.	Number of sessions: 12, Study hours: 89.5 hours	100%
Taipei Plant	Sales Training	The training content includes ISO 9001:2015 quality management system internal auditor training, ESG code of conduct regulations, and digital marketing communication techniques – effective communication without face-to-face meetings, thinking maps: workplace and business success secrets, SABIC PCR recycled material introduction and issue analysis, and the secrets to high-efficiency sales promotion – courses are offered.	Number of sessions: 13, Study hours: 73 hours	100%
Kunshan Plant	Safety Training	The training includes safety production responsibility systems, production safety, 5S training, emergency response to electric shock accidents, and fire drills, to enhance employees' safety awareness and prevention efforts.	Number of sessions: 50, Study hours: 75.5 hours	100%
Kunshan Plant	Quality and Quantity Training	The training includes quality awareness training, training on quality standards for stamped products, and shipping inspection procedures, to enhance employees' quality awareness and ensure shipments meet customer requirements.	Number of sessions: 32, Study hours: 32 hours	100%
Kunshan Plant	System Training	The training includes diverse training modules such as the latest sales cycle, risk control and hidden hazard investigation & remediation, and a project manager learning summary. This aims to achieve efficient operations and sustainable development, ultimately enhancing overall corporate competitiveness.	Number of sessions: 3, Study hours: 69 hours	100%
Kunshan Plant	RBA Training	Through training, employees can understand, ensure the Company's environmental safety, and protect the rights and basic interests of the Company's employees.	Number of sessions: 5, Study hours: 5 hours	100%
Vietnam Plant	System Training	To promote the development of the Company, we aim to strengthen the organizational structure, improve the management level, and achieve efficient operation and sustainable development. It will involve multiple aspects such as organizational structure optimization, process reengineering, and talent cultivation, in order to achieve the goal of enhancing the overall competitiveness of the enterprise.	Number of sessions: 4, Study hours: 13 hours	100%
Vietnam Plant	Quality and Quantity Training	Enhance employees' quality awareness and ensure that shipments meet customer requirements.	Number of sessions: 2, Study hours: 16 hours	100%
Vietnam Plant	Safety Training	Enhance employees' safety awareness and safety precautions.	Number of sessions: 1, Study hours: 69.5 hours	100%

Transition and Assistance Programs

Nishoku's severance pay is calculated according to the standards of the Labor Standards Act for severed employees, and severance pay is reported according to regulations, so that the relevant departments of the Labor Bureau can provide official employment assistance plans based on the reported data. In addition, based on the "Survey on the Intention to Continue to Work at Retirement Age", employees who wish to continue working after retirement will be given suitable jobs, with jobs that are highly relevant to their original jobs being considered first.

According to local labor laws, the Kunshan Plant in China allows the Company to negotiate with individual employees to continue working until age 55, provided they have reached the age of 50. In 2024, a female employee negotiated to postpone her retirement until age 55.

Performance Evaluation

The performance evaluation system is the core of the Company's talent management. The Company implements overall employee performance and career development assessments, with regular performance evaluations conducted annually. The results of these evaluations will serve as the primary basis for salary adjustments, bonus allocation, and work improvement initiatives. In 2024, Nishoku Group will conduct performance evaluations for employees with at least three months of service (inclusive). Performance evaluations were completed by 100% of employees in all operating centers in both June and December 2024.

Evaluation System



■ 5.1.2 Talent Appointment and Retention

Proportion of Senior Management Hired from the Local Community

The senior management of Nishoku is responsible for making decisions regarding the development of the organization's operational strategies. The percentage of local residents employed as senior management at each important business location is 100% in Taiwan, 64% in Kunshan, and 8% in Vietnam.

Percentage of Local Residents Hired as Senior Management in 2024 (Region)

Item	Taiwan	Kunshan	Vietnam
Number of Local Senior Management	6	9	1
Number of Senior Management	6	14	12
Percentage	100%	64%	8%

Note: "Senior management" in Taiwan refers to managers, and it refers to employees and representatives of department heads and above level for overseas bases. Key operating locations of Nishoku include Nishoku Technology Inc. in Taiwan; KUNSHAN NISHOKU PLASTIC ELECTRONIC CO., LTD. in Kunshan, China; and NISHOKU TECHNOLOGY VIETNAM Co., Ltd. in Vietnam.



New Employee Hires and Employee Turnover

2024															
Region	Age	Newly Recruits						Resigned Employees							
		Male	%	Female	%	Subtotal	%	Male	%	Female	%	Subtotal	%		
Taiwan	<30 years old	-	-%	-	-%	21	23.60%	1	1.12%	-	-%	24	26.97%		
	Aged 30 - 50	9	10.11%	10	11.24%			11	12.36%	7	7.87%				
	>50 years old	2	2.25%	-	-%			1	1.12%	4	4.50%				
Kunshan	<30 years old	44	2.74%	24	1.49%	224	13.95%	74	4.61%	60	3.74%	361	22.48%		
	Aged 30 - 50	82	5.11%	70	4.36%			104	6.47%	122	7.60%				
	>50 years old	1	0.06%	3	0.19%			-	-%	1	0.06%				
Vietnam	<30 years old	711	45.93%	474	30.62%	1,743	112.60%	650	41.99%	428	27.65%	1,580	102.07%		
	Aged 30 - 50	269	17.38%	275	17.76%			242	15.63%	251	16.22%				
	>50 years old	2	0.13%	12	0.78%			2	0.13%	7	0.45%				
Subtotal number of employees in Taiwan										89					
Subtotal number of employees in Kunshan										1,606					
Subtotal number of employees in Vietnam										1,548					
Total number of employees										3,243					
Total number of new employees										1,988					
Rate of new recruits (%)										61%					
Total number of employees resigned										1,965					
Total turnover rate (%)										61%					

■ 5.1.3 Talent Overview and Management

Manpower Structure

As of the end of 2024, the Company has 3,243 employees, including 1,991 full-time employees, accounting for 61% of the overall headcount, and 1,252 non-regular employees (fixed-term contract workers), accounting for 39% of the overall headcount. During the reporting period, there has been no significant fluctuation in the number of employees and non-employees.

With business locations in Taiwan, China, and Vietnam, the Company employs more than 95% of its employees locally. We have complied with the labor-related local laws and regulations of the competent government agencies and have never employed child labor. If foreigners are hired, they will be handled according to the relevant regulations of local laws and regulations to ensure legality and compliance.

We value diversity and tolerance in the workplace. We recruit employees and determine their salaries and benefits regardless of gender, age, nationality, race, religion, or position. The male to female ratio is 51:49, demonstrating a gender-balanced workforce structure.

In addition to regular employees, the Company also engaged 3,810 non-employee workers (such as outsourced, hourly factory personnel) in 2024 to assist with production and operations. There was no significant fluctuation in the number of such workers during the reporting period, indicating stability and flexibility in the Company's human resource allocation.

2024 Structure of the Global Workforce (by gender and work area)

Category	Group	Male		Female		Subtotal by group		Taiwan		China		Vietnam		Subtotal by group	
		Number of People	Percentage in this group	Number of People	Percentage in this group	Number of People	Percentage in this group	Number of People	Percentage in this group	Number of People	Percentage in this group	Number of People	Percentage in this group	Number of People	Percentage in this group
Employment contract	Permanent Employees	1,007	61%	984	62%	1,991	61%	89	100%	959	60%	943	61%	1,991	61%
	Temporary Employees	641	39%	611	38%	1,252	39%	-	-%	647	40%	605	39%	1,252	39%
	Employees without guaranteed hours	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
Type of employment	Full-time	1,648	100%	1,595	100%	3,243	100%	89	100%	1,606	100%	1,548	100%	3,243	100%
	Part-time job	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%

Note: The number of employees is based on the actual headcount, calculated as of the end date of the reporting period (December 31, 2024).

5.2 Human Rights

■ 5.2.1 Human Rights Policy

To implement the corporate philosophy of respecting human rights, the Company complies with domestic labor and related laws and regulations, and has formulated the Group Human Rights and Employee Policy, which was approved by the Board of Directors and announced as the highest guiding principle for the human rights governance at Nishoku. The Company supports and adheres to the principles and spirit disclosed in international human rights conventions such as the United Nations Universal Declaration of Human Rights, the Global Compact, and the International Labor Organization's Declaration of Fundamental Principles and Rights at Work to implement the ESG policy and mission. The scope of application covers all members of the Company and their suppliers and partners.

Each policy commitment is proposed and drafted by the relevant affairs department. After optimization and discussion by the Sustainable Development Promotion Team, it is submitted to the Board of Directors for review and approval. The Company will announce the policy commitment in a timely manner. The policy commitments apply to the overall operating activities of the Company, its subsidiaries, and business partners (including suppliers).



Group Human Rights and Employee Policy

■ 5.2.2 Human Rights Due Diligence

To fulfill our commitment to human rights, the Company has established the Human Rights Due Diligence Procedures for Nishoku. Every year, we review our operations, value chain, new business activities (e.g. mergers and acquisitions, joint ventures) and other related activities by paying attention to social trends and questionnaire surveys, followed by identifying and evaluating groups at risk and potential human rights issues to better implement human rights policies.

Five Steps of Human Rights Due Diligence:

1 Formulate human rights policies

To fulfill corporate social responsibility and implement human rights protection, the Company has formulated applicable human rights policies to eliminate human rights violations.

2 Human Rights Risk Identification

Members of the Sustainable Development Promotion Team identify and confirm human rights-related issues such as work-related injuries, occupational safety and health, and discrimination.

3 Risk Assessment and Result Analysis

Assess the risk level of various human rights issues through the use of risk assessment tools.

4 Formulation of relevant management measures

Inventory relevant human rights items in the value chain and formulate mitigation and remedial measures.

5 Tracking and Deficiency Improvement

Track the results and evaluate the effectiveness of corrections to effectively manage human rights.

■ 5.2.3 Communication Channels for Implementation of Human Rights Issues

The Company has established diverse communication and grievance channels to effectively implement human rights protection, including:



Compliance Promotion

The Company conducts legal compliance advocacy via the intranet or announcements on a quarterly basis. The Company conducts anti-discrimination, anti-sexual harassment, and anti-bullying education and training campaigns to provide a quality workplace that upholds human rights.



Suggestion Box and Online Mailbox

According to the Company's "Group Human Rights and Employee Policy" 「Labor Management Policy and Implementation Standards」, a suggestion box has been set up within the Company to provide employees with a channel to express their opinions or file complaints to senior supervisors or the Company's top management.



Labor-Management Meeting

Establish good communication channels and hold labor-management meetings regularly to ensure the rights and interests of both parties.

5.3 Employee Care and Labor Protection

■ 5.3.1 Employee Diversity and Inclusion

Employee Diversity

The Company upholds the core values of being "people-oriented", hoping to create an equal workplace. The salary difference between men and women in non-management positions, and the total salary difference between men and women are all within 10%, and the difference in the ratio of basic salaries and remuneration of women to men in management positions is relatively large, mainly due to the difference in the content of the powers, responsibilities and duties of the work. The ratio of male and female employees is gradually becoming equal, with male employees accounting for 51% and female employees accounting for 49% of all employees. In terms of cultivating management talents, we attach importance to management characteristics and skills. Regardless of gender or group, we actively promote outstanding employees with outstanding performance and actively support employees to improve. In 2024, the number of new female supervisors (deputy chief) or higher will reach 53 persons, accounting for 39% of all supervisors. For our commitment to social corporate responsibility, in terms of talent recruitment, we recruit employees with disabilities. In 2024, there is one employee with disabilities at the supervisor (deputy) director level or above, accounting for 0.7% of all supervisors.

2024 Ratio of Basic Salary and Remuneration of Women to Men

Operating Location:	Taipei Plant			Kunshan Plant			Vietnam Plant		
	Employee Category	Salary	Wage	Total compensation	Salary	Wage	Total compensation	Salary	Wage
Managerial position	1.14 : 1	1.16 : 1	1.15 : 1	1.53 : 1	1.15 : 1	1.47 : 1	1.16:1	2.29:1	1.53:1
Non-management positions	1.02 : 1	0.68 : 1	0.92 : 1	1.26 : 1	1.42 : 1	1.26 : 1	0.93:1	0.99:1	0.96:1

Note:

1. Total compensation = salary + remuneration
2. In the above compensation ratio, the remuneration for women is all 1.
3. Managerial positions refer to section chief (or deputy section chief) level and above.

Information on Salaries of Full-Time Employees in Non-Management Positions (Taipei Head Office)

Unit: Persons / NTD thousand

Non-Managerial Full-Time Employees	Number of Employees	Average Salary	Median Salary
2023	61	717	654
2024	60	755	694
YoY (%)	-1.66%	5.29%	6.11%

Note : There were no significant changes in the average or median salaries of non-managerial full-time employees compared to the previous year.

Age Distribution by Position Category in 2024

Age Range	<30 years old		Aged 30 - 50		>50 years old	
Title /Sex	Male	Female	Male	Female	Male	Female
Managers	-	-	71	48	12	5
Professional/Assistants	135	101	341	201	34	29
Technicians	632	479	399	710	14	32
Percentage of Managers(%)	-%	-%	2.2%	1.5%	0.4%	0.2%
Percentage of Professional/ Assistants (%)	4.2%	3.1%	10.5%	6.2%	1.0%	0.9%
Percentage of Technicians (%)	19.5%	14.8%	12.3%	21.9%	0.4%	0.9%

Note: %, indicates the proportion of the total workforce (%)

Employee Type (number of people)		2024		Percentage of Employees (%)
People with Disabilities	Male	<30 years old	-	-%
	Male	Aged 30 - 50	1	0.03%
	Male	>50 years old	-	-%
People with Disabilities	Female	<30 years old	-	-%
	Female	Aged 30 - 50	-	-%
	Female	>50 years old	1	0.03%

Note: %, indicates the proportion of the total workforce (%)

2024 Group Employee Distribution by Country and Gender

Age	<30 years old		Aged 30 - 50		>50 years old	
Region / SEX	Male	Female	Male	Female	Male	Female
Taiwan (ROC)	2	-	31	35	10	11
China	194	120	584	665	49	24
Vietnam	571	460	196	259	1	31
Total	767	580	811	959	60	66
Percentage of Total Staff (%)	24%	18%	25%	30%	2%	1%

Employee Benefits

Nishoku Taipei has established the Staff Welfare Committee with welfare funds set aside each month. Representatives are selected by both labor and management to be in charge of matters in connection to employee welfare so as to reach the goal of a harmonious working environment as well as bringing all employees together. The protection and benefits provided by the Company and the Welfare Committee include:

1 The purchase of labor insurance, National Health Insurance and Group Insurance.

2 Holds employee health examinations performance by qualified hospitals, ensuring the health of employees.

3 Established the employee canteen, providing meals for employees.

4 Employees are given wedding, childbirth, holiday and birthday cash gifts, plus wedding cash gifts and childbirth incentives for NTD 12,000 for each child.

5 Funeral and hospital subsidies.

6 Free car and motorbike parking spaces for colleagues.

7 Periodical employee trips.

8 Holds education and training inside and outside the plant from time to time.

9 Year-end parties and lucky draws.

10 Advanced health check for senior employees and managers.

11 In addition to the pension fund issued in accordance with the Labor Standards Act, the Company also provides a pension fund for employees who apply for retirement in accordance with the Labor Standards Act, and organizes the retirement farewell party.

12 **12** In addition to the menstruation leave that women are entitled to under the Labor Standards Act, the Company also provides the following support programs for female employees;

- Pregnancy and childbirth: 56 days of maternity leave in accordance with the law, 7 days of maternity examination leave, and the leave of rest in accordance with the doctor's orders.

- Parenting: In addition to 7 days of family care leave per year, female employees are entitled to breastfeeding rooms, breastfeeding breaks, and parental leave systems in accordance with the "Act of Gender Equality in Employment." We also provide female employees with measures to assist in reinstatement after childbirth, and offer them suitable work as needed.

Parental Leave

In accordance with the Act of Gender Equality in Employment and the Regulations for Implementing Parental Leave Without Pay in Taiwan, employees who meet the requirements may apply for unpaid parental leave as needed. As of the end of 2024, there were no employees who met the criteria, and no employees returned from such leave. Due to regional regulations in China, parental leave was introduced in 2022. Couples who have a child in accordance with policy are entitled to 10 days of paid parental leave each year for each child until the child reaches the age of three. In Vietnam, maternity leave is granted for six months before and after childbirth, with a maximum of two months taken before delivery, as stipulated by local labor laws.

Parental Leave Without Pay Statistics in Taiwan

Parental leave statistics	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Number of employees qualified for parental leave in the current year (A)	-	3	1	-	-	-
Number of applications for parental leave actually taken in the current year (B)	-	2	1	-	-	-
Application Rate (B/A)	-%	67%	100%	-%	-%	-%
Number of employees on parental leave requiring reinstatement in the current year (C)	-	2	-	-	-	-
Number of employees who applied for reinstatement in the year (D)	-	1	-	-	-	-
Reinstatement rate (D/C) ^(Note)	-%	50%	-%	-%	-%	-%
Number of employees reinstated in the previous year (E)	-	-	-	1	-	-
Number of employees reinstated for one year in the previous year (F)	-	-	-	1	-	-
Retention rate (F/E)	-%	-%	-%	100%	-%	-%

■ 5.3.2 Labor Relations

Minimum Notice Periods for Operational Changes

If the labor contract is terminated in accordance with the Labor Standards Act and the "Factory Rules and Work Rules," its notice period shall be as specified in the following subparagraphs:

- (I) If the employee has worked continuously for more than 3 months but less than 1 year, he/she shall be given a notice of 10 days in advance.
- (II) If the employee has worked continuously for more than 1 year but less than 3 years, he/she shall be given a notice of 20 days in advance.
- (III) If the employee has worked continuously for more than 3 years, he/she shall be given a notice of 30 days in advance.

If there are major operational changes or countermeasures that affect employees' rights and interests, they will be fully communicated through labor-management meetings before implementation, and employees will be informed through announcements or notified in advance according to laws and regulations.

The Kunshan Plant in China and the Vietnam Plant operate in compliance with the respective local labor laws and regulations.

Collective Bargaining Agreements

We have not established a labor union or collective bargaining agreement. We communicate with employees through labor-management meetings and diverse methods on a regular basis. In the future, the Company will continue to maintain good interactions with labor unions, abide by local labor laws and regulations, and continue to communicate with employees to create a win-win environment for labor and management harmony. Kunshan Plant and Vietnam Plant have established labor unions, but the labor unions of the two plants have not yet proposed to the Company for collective agreement negotiation. Therefore, they have not yet signed the collective bargaining agreement with the Company.



5.4 Occupational Health and Safety

■ Management of Material Topics - Occupational Health and Safety

Material Topics	Occupational Health and Safety		
Impact Description	Negative Impact: The workplace health and safety management is insufficient, increasing the risk of occupational accidents which involve legal liability and work suspension, and harming the physical and mental health of employees and business operations. Positive impact: Ensure the provision of a safe and healthy work environment for employees, strengthen employee health management, and reflect the importance of Occupational Health and Safety to maintain the Company's competitiveness.		
Policy/Commitment	Ensure a safe and healthy working environment and care for the health of employees so that they are treated with respect and dignity.		
Take Action	Worker health examination / health management, safety and health education and training, and work environment monitoring.		
Tracking and Evaluation Mechanism	1. Monthly management report to track the status of industrial safety incidents. 2. Regular internal audits are conducted to ensure compliance with laws and regulations.		
Management Objectives	Short-Term Goals (2026) <ul style="list-style-type: none"> 1. Maintain zero casualties from industrial safety incidents. 2. Occupational safety and health education and training completion rate of 100%. 3. Continue to revise Factory Rules and Work Rules, replace equipment that may endanger labor safety, and improve workplace facilities. 4. Continue to obtain ISO 45001 Occupational Health and Safety Management System certification. 	Medium-Term Goals (2028) <ul style="list-style-type: none"> 1. Maintain zero casualties from industrial safety incidents. 2. Occupational safety and health education and training completion rate of 100%. 3. Continue to promote health consultation and care activities, hire health instructors, promote workplace health, and enhance workplace health and safety culture. 4. Continue to obtain ISO 45001 Occupational Health and Safety Management System certification. 	Long-Term Goals (2030) <ul style="list-style-type: none"> 1. Maintain zero casualties from industrial safety incidents. 2. Occupational safety and health education and training completion rate of 100%. 3. Continue to promote health consultation and care activities, promote workplace health, and enhance workplace health and safety culture. 4. Continue to obtain ISO 45001 Occupational Health and Safety Management System certification, and improve occupational health and safety management system.
Annual Performance	1. No employee suffered from work-related ill health in 2024. 2. A total of 1,229 special health examinations were conducted across all plants in 2024.		
Stakeholder Engagement	Employee: 1. Occupational safety-related regulations are communicated through the Occupational Safety Committee and labor-management meetings to ensure workplace safety and provide a channel for employees to express their opinions. 2. Organize relevant health and safety education and training to promote the establishment of occupational health and safety culture and awareness among employees. Government agencies: Participate in government agencies' briefings to identify and understand the latest relevant laws and regulations. Other stakeholders: Stakeholders can review the relevant laws and regulations and compliance operations on the website and the annual report, and can contact them through the communication channel on the website.		

■ 5.4.1 Healthy and Safe Workplace

Occupational Health and Safety Management System

According to Article 12-2 of the "Occupational Health and Safety Management Regulations," the number of workers in Taipei Factory (including Nishoku Technology Inc., Nishoku Boueki Co., Ltd.) has not reached more than 200 employees in Category I business, and the occupational health and safety management system has not yet been implemented. In addition, the operating bases that have obtained the ISO 45001 Occupational health and safety management system certification include the Kunshan Plant (Kunshan Nishoku Plastic Electronic Co., Ltd.), and the Vietnam Plant (Nishoku Technology Vietnam Co., Ltd.).

Nishoku implements occupational health and safety management. In accordance with the Ministry of Labor's "Occupational Safety and Health Act" and "Occupational Health and Safety Management Regulations," the "Labor Health and Safety Work Rules" have been formulated, which apply to all operating activities, products, services, and all tasks. Workers who are not employees are contractors who have signed a contract with the Company, including security and cleaning. The Kunshan Plant and the Vietnam Plant have formulated relevant work rules in accordance with the relevant local laws and regulations.

Hazard Identification, Risk Assessment, and Incident Investigation

The Taipei Plant follows the Technical Guidelines for Risk Assessment issued by the Occupational Safety and Health Administration (OSHA) under the Ministry of Labor and regularly conducts occupational hazard identification and safety risk assessments. A total of seven major hazards have been identified, including occupational diseases, noise exposure, UV operations, molding processes, alcohol lamp usage, shredders, and chemical substances. In response to these risks, the Plant implements targeted management and control measures, along with related safety promotion and training programs. Fire safety drills and industrial safety training are carried out at least twice a year. Currently, all identified hazards are addressed with appropriate countermeasures. The Occupational Safety and Health Committee regularly reviews and discusses improvements to mitigate high-risk activities in the workplace, thereby ensuring a safer working environment and safeguarding employee health.

The Taipei Factory, Kunshan Factory, and Vietnam Factory conduct fire safety drills according to local laws and regulations every year. In addition, we hold an internal audit for the occupational health and safety management system (ISO 45001) once a year. Auditors must complete at least 16 hours of internal training before they can audit each other's auditors of other departments. In accordance with local regulations, annual occupational hazard identification is implemented in accordance with local regulations,

risk assessments are conducted and submitted to the local government for approval. The audit scope includes the Kunshan, Shenzhen, and Vietnam factories. The audit is to ensure the quality of the occupational hazard identification and risk assessment procedures, and the adequacy of the competence of the personnel. In 2024, the drills and audit results of the Kunshan Plant, Shenzhen Plant, and Vietnam Plant were in compliance with laws and regulations, and we are committed to maintaining a good operating environment and conducting regular inspections to ensure the health and safety of employees.

ISO 45001 Occupational Health and Safety Management System

Plant	Certificate validity period
Kunshan Plant	2026 / 8 / 13
Vietnam Plant	2026 / 3 / 6

Accident Reporting and Reporting Procedures

When an occupational safety incident occurs to a group employee, the employee should immediately report to their unit supervisor or the management department. In-plant medical personnel (first aid personnel) will then assess the severity of the injury and provide preliminary first aid. Meanwhile, the labor safety and health unit (Management Department) conducts accident investigations and reports according to the procedures outlined in the "Labor Safety and Health Work Rules" and the "Accident Report, Investigation and Handling System" to minimize losses and prevent recurrence. The company gives employees the right to report and withdraw from work when there is an immediate danger. The employer must not dismiss, adjust the position of, or stop paying the wages to the employee for the period of work done or other improper punishment.



Occupational Health Services

The physical and mental well-being of employees is one of the key indicators of corporate sustainability. The Taipei Plant arranges general labor health examinations every two years, which exceeds current legal requirements. For employees at all plants who are engaged in work with specific health hazards—such as exposure to noise, dust, or ionizing radiation—the Company provides annual special health examinations in accordance with legal regulations. If any follow-up management is deemed necessary by the physician after the examination, the Company will provide adequate information regarding medical treatment. In compliance with regulations, the Company employs qualified occupational health professionals (contracted physicians and nurses) to visit the plant once a month and deliver at least three hours of health-related services. These services include: analysis of health examination results and guidance, health education, health consultation and assessment, health promotion, evaluation and suggestions for workplace environmental improvements, return-to-work or job accommodation assessments after illness or injury, periodic reports to the employer, and recommendations on occupational health services—all aimed at maintaining employee health. As a token of appreciation for the dedication and contributions of senior employees and managerial staff, the Company additionally offers advanced health examinations at teaching medical centers, providing more comprehensive protection to safeguard their health. To express gratitude for the dedication of senior employees and managerial staff, the Company also offers advanced health examinations at teaching medical centers. This additional benefit ensures more comprehensive health protection for its valued employees.

In 2024, the Taipei Plant conducted general labor health examinations for 66 employees, advanced health examinations for 10 employees, and provided on-site health consultation and care for 50 employees. In addition, for employees engaged in operations with specific health hazards—such as exposure to noise, dust, or ionizing radiation—special health examinations were provided in full compliance with legal requirements. The total number of health examinations reached 1,229, achieving a 100% completion rate.

Number of Occupational Health Services Provided in 2024

Plant	Special Health Examinations	General Health Examinations	Advanced Health Examinations	On-site Health Consultation & Care
Taipei Plant	-	66	10	50
Kunshan Plant	336	-	-	-
Vietnam Plant	893	-	-	-

Note: The Company originally scheduled to conduct its annual special operation health examination at the Taipei Plant. However, due to internal staffing adjustments and a delay in the external testing unit's schedule, the examination has been postponed to the first quarter of 2025. Although the Company was unable to perform the inspections within the scheduled timeframe, it has strengthened on-site inspections and temporary protective measures during the extended period to ensure employee health is not affected.

In accordance with the "Written Statement on the Prevention of Illegal Harm Prevention in the Workplace" announced by each plant to prevent the employees from suffering the following illegal workplace abuse, and provide relevant grievance channels according to the statement.

- (I) Illegal physical injury (e.g. beating, scratching, punching, kicking, etc.).
- (II) Psychological abuse (e.g. threats, bullying, harassment, verbal abuse, etc.).
- (III) Illegal language abuse (e.g., intimidation, interference, discrimination, etc.).
- (IV) Sexual harassment (e.g., inappropriate sexual implication and behavior).
- (V) Stalking and harassment.

Occupational Health and Safety Management Unit

Occupational safety and health management units and personnel are established in each plant in accordance with the law. These units, along with relevant management departments, form management meetings to regularly provide advice, review, and coordinate on safety and health policies, including how to reduce workplace hazards and provide employees with a safe and healthy work environment, in order to maintain workplace safety and health. They are also responsible for accident investigation and notification following occupational accidents. In 2024, the Kunshan Plant held 4 meetings, while the Vietnam Plant held 12. We will continue to strengthen workplace safety management through cross-departmental communication.

Plant items	Taipei Plant	Kunshan Plant	Vietnam Plant
Number of members	8	11	6
Number of labor representatives	3	1	1
Proportion of labor representatives	37.5%	9.1%	16.7%

To ensure employee health and workplace safety, Nishoku has established a dedicated occupational safety and health management unit responsible for planning, implementing, and supervising the company's occupational safety and health policies and measures. Its main responsibilities include:

1	Suggestions on the occupational health and safety policies formulated by the employer.
2	Coordinate and recommend occupational health and safety management plans.
3	Review the health and safety education and training implementation plan.
4	Review the operating environment monitoring plan, monitoring results and measures to be taken.
5	Review health management, work-related ill health prevention, and health promotion matters.
6	Review various health and safety proposals.
7	Review the self-inspection and health and safety audit matters of business units.
8	Review the preventive measures for mechanical, equipment, or raw material / material hazards.
9	Review the occupational disaster investigation report.
10	Assess the performance of on-site health and safety management.
11	Review the health and safety management matters of the contractors.
12	Other matters related to occupational health and safety management.

Worker Training on Occupational Health and Safety

To prevent occupational disasters and protect the health and safety of workers, the Company enhances workers' awareness of occupational hazards through education and training, and strengthens the management and inspection of risks in the workplace. For employees whose work involves the use of fire, knives, cranes, corresponding training courses are provided to the employees so that they are equipped with the relevant safety awareness and expertise.

The Company also provides paid free training during working hours, including occupational hazard prevention and inspection practices, fire safety education and training, and general labor on-the-job education and training. We organize fire safety education and training twice a year. Lecturers from external associations provide lively lectures and drills to let employees fully understand how to respond to disasters.

Promotion of Worker Health

To create a healthy and friendly workplace environment, the company has launched a comprehensive employee care program with 4 major aspects, including testing, care, health education, and promotion. The goal is to encourage employees to cultivate health awareness and inspire family members to get involved.



Testing

At Nishoku, we believe that the physical and mental health of our employees is the company's long-term value. We provide advanced health checkup plans for employees based on their seniority and relevant regulations, allowing employees to focus on their family, physical, mental, and spiritual health outside of work. The goal is to substantially enhance employees' well-being and work performance to enhance employee cohesion, enhance corporate competitiveness, create a healthy workplace, and drive the Company's economic development. In 2024, to take care of the health of the Company's officers and senior employees, the Taipei Factory specially formulated an advanced health examination plan. 10 people were examined at a cost of approximately NTD 344,250.

The Taipei Plant has installed blood pressure monitors on the ground floor, allowing employees to regularly self-monitor their blood pressure and heart rate, stay informed about their health, and proactively prevent cardiovascular risks.



Care

Nishoku has deployed qualified on-site special medical personnel in accordance with the law and identified the following occupational safety hazard factors: We identify and screen risk cases from four aspects: "anthropogenic hazards", "illnesses induced by abnormal workload", "maternal health protection", and "unlawful infringement" to develop preventive plans to reduce the chance of employee health risks.

In 2024, the Taipei Factory provided health consultation and care for 50 people (7 newcomer care, and 43 abnormal data on health checkups and prevention plan questionnaires).



Health Education

From time to time, the Company produces health promotion materials and promotes the government's four major types of cancer screening. Through mailbox announcements, employees can understand the causes and symptoms of diseases and relevant free government screening resources to understand their physical conditions and create a win-win situation for the Company and employees.



Promotion

Encourage employees to start from the company's efforts to promote the use of less elevators and more stairs; and to be healthy, we must move. We also promote vaccinations and healthy stress-relieving massages, and provide related expenses subsidies. The physical and mental health of employees are the company's greatest wealth.

Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships

The Company has formulated the contractor health and safety management regulations. When we make a business commitment with the contractors, we will request them to abide by the "Contractor Construction Occupational Health and Safety Regulations" and sign the "Construction Cooperation Consent". The signing rate in 2024 was 100%. Contractors shall be notified of the hazards of operation and fill in the "Special Operation Application Form", and the construction can only be carried out after approval. During the construction operation, daily construction site inspections shall be strengthened. If there are incompliance to the relevant health and safety regulations, the leading construction unit shall fill out the "Notice to Contractors in Violation of the Construction Regulations" and request the contractor to make improvements immediately. After the completion of the project, the supervision unit shall complete the "Special Operation Application Form" to effectively prevent the contractor's operation accidents and personnel injuries.

Work-Related Injuries and Ill Health

According to the Company's internal statistics, the highest proportion of occupational accidents are occupational injuries and commuting accidents. The main cause of occupational injuries is the unsafe behavior of workers, which is often closely related to employees' safety awareness and risk perception. To reduce the risk of occupational injuries, Nishoku continues to strengthen occupational safety education and behavior management. Through regular education and training, we enhance employees' awareness of and ability to prevent potential risks. From the correct use of small tools such as blades to the operation of safety protection mechanisms on large equipment, the Company has established clear specifications. It emphasizes that key safety devices, such as protective switches, must not be disabled or adjusted without authorization to ensure workplace safety.

In terms of commuting safety, internal analysis shows that most commuting accidents are related to "rushing" behavior. In order to reduce the risk of accidents occurring to employees while commuting to work, the Company has implemented a 15-minute flexible buffer time system, encouraging employees to wait an extra traffic light cycle and avoid rushing, thereby preventing commuting accidents from the source.

In 2024, the number of occupational injuries in the Taipei Plant was 0, the number of occupational injuries in the Kunshan Plant was 5, and the number of occupational injuries in the Vietnam Plant was 1, and the number of commuting accidents was 1 (the number of commuting accidents in compliance with the GRI guidelines), the number of persons was 6, accounting for 0.19% of the total number of employees of the group, which did not achieve the goal of zero disasters. In response to occupational safety improvements, the department will conduct training to enhance awareness of safety precautions during work and commuting. This includes reinforcing safety measures in the workplace and emphasizing traffic safety awareness to ensure the safety of colleagues during work and commuting, leading towards achieving the goal of zero accidents.

We equip employees with high incidence and high-risk work-related ill health with appropriate personal protective equipment to protect them. Health checkups to prevent work-related ill health are also arranged, operating environment monitoring is implemented for the workplace, and employees with abnormal detection values are tracked and managed. We provide the necessary individual health consultation, care and guidance to enable employees to keep track of their health status. In 2024, there were no cases of occupational diseases in any of the Nishoku plants.

For "non-employee" workers whose work and/or workplace is controlled by the Nishoku, there were no occupational accidents occurring in 2024. The number of deaths caused by work-related injuries, the number of serious work-related injuries, and the number of recordable work-related injuries were all 0. Nishoku continues to carry out hazard communication training and awareness programs to create a zero-accident workplace and ensure a safe working environment.

Statistics on work-related injuries and ill health (all employees)			Taipei Plant			Kunshan Plant			Vietnam Plant		
			Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal
Number of occupational accidents	(A)		-	-	-	3	1	4	1	-	1
Commuting accidents under GRI guidelines	(B)		-	-	-	0	1	1	-	-	-
Total working hours	(C)		58,104	85,504	143,608	1,945,664	1,921,584	3,867,248	1,855,416	1,748,328	3,603,744
Total number of workdays	(D)		7,263	10,688	17,951	243,208	240,198	483,406	231,927	218,541	450,468
Disabling Frequency Rate (FR)	(E)	(E) = (A) / (C) X 1,000,000	-	-	-	1.54	0.52	1.03	0.53	-	0.27
Lost work days	(F)		-	-	-	168	-	168	36	-	36

Statistics on work-related injuries and ill health (all employees)	Taipei Plant			Kunshan Plant			Vietnam Plant				
	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal		
Disabling Injury Severity Rate (SR)	(G)	(G) = (F) / (C) X 1,000,000	-	-	-	86	-	43	19	-	9
Number of serious work-related injuries (excluding deaths)	(H)		-	-	-	-	-	-	-	-	-
Serious occupational injury rate	(I)	(I) = (H) / (C) X 1,000,000	-	-	-	-	-	-	-	-	-
Number of deaths caused by occupational injuries	(J)		-	-	-	-	-	-	-	-	-
Occupational injury fatality rate	(K)	(K) = (J) / (C) X 1,000,000	-	-	-	-	-	-	-	-	-
Number of recordable work-related injuries	(L)	(K) = (A) + (B)	-	-	-	3	2	5	1	-	1
Recordable work-related injuries rate	(M)	(M) = (L) / (C) X 1,000,000	-	-	-	1.54	1.04	1.29	0.53	-	0.27
Number of deaths caused by work-related ill health	(N)		-	-	-	-	-	-	-	-	-
Death rate due to work-related ill health	(O)	(O) = (N) / (C) X 1,000,000	-	-	-	-	-	-	-	-	-
Total number of recordable work-related ill health incidents (including the number of deaths)	(P)		-	-	-	-	-	-	-	-	-
Recordable Work-Related Ill Health Rate (ODR)	(Q)	(Q) = (P) / (C) X 1,000,000	-	-	-	-	-	-	-	-	-
Number of absent days	(R)		-	-	-	168	-	168	36	-	-
Absence Rate (AR)	(S)	(S) = (R) / (D) X 100%	-%	-%	-%	0.07%	-%	0.03%	0.02%	-%	-%
Annual number of occupational accidents	(T)		-	-	-	3	2	5	1	-	1
Total number of employees at year-end	(U)		43	46	89	808	798	1,606	797	751	1,548
Occupational injury rates as defined by ESG disclosure standards	(V)	(V) = (T) / (U) X 100%	-	-	-	0.38%	0.25%	0.31%	0.13%	-	0.06%

Note:

1. The scope of employee statistics includes all employees of the Taipei Plant, Kunshan Plant, and Vietnam Plant.
2. The scope of statistics on "workers" includes all non-employees whose jobs and/or workplaces are controlled by the organization.
3. Number of occupational accidents: Refers to the illness, injury, disability of workers caused by buildings, machinery, equipment, raw materials, materials, chemicals, gases, vapors, dusts, etc., or operational activities, or other occupational causes or death.
4. In 2024, the main types of occupational accidents were crush injuries, falling injuries, and commuting accidents..
5. Disabling frequency rate (FR) = (Number of occupational accidents/Total working hours) x 1,000,000, rounded to the nearest two decimal places.
6. Disabling Injury Severity Rate (SR) = (Number of days lost/Total working hours) x 1,000,000, rounded to the nearest two decimal places.

7. Number of serious work-related injuries: Refers to injuries that cannot be recovered by workers (such as amputation), or injuries that cannot return to the pre-injury state of health within six months.
8. Rate of serious work-related injuries = (Number of cases of serious work-related injuries/Total work hours) X 1,000,000, rounded to the nearest two decimal places.
9. Recordable number of work-related injuries: Refers to the number of recordable work-related injuries (including commuter accidents as defined by the GRI guidelines), including the number of deaths and the number of serious work-related injuries.
10. Recordable work-related injuries rate = (Number of recordable work-related injuries / Total work hours) X 1,000,000, rounded to the nearest two decimal places.
11. Absence Rate (AR) = (Total number of absent days / Total number of workdays) X 100%.

2024 Statistics on Work-Related Accidents

Types of work-related accidents	People	Percentage (%)
Crush, impact injuries	2	33%
Clipping and rolling hazards	1	17%
Stabbed, cut, abrasion	1	17%
Traffic accidents	2	33%
Total	6	100%



06 Social Engagement

6.1 Social Welfare Participation



6.1 Social Welfare Participation

Nishoku Group actively invests corporate resources in community care and public welfare activities to practice the corporate concept of "giving back to society". The Group participates in public welfare activities, cares for humanity, education and other important aspects of society, giving back to the community to fulfill its corporate social responsibility and promote corporate sustainable development. For example, we provide financial support for children of the Taiwan Fund for Children and Families, donate computers to remote areas, give the breakfast fee for vulnerable children of the Eden Social Welfare Foundation, sponsor the performances of the Papermill Theater and hire people with disabilities. In addition to the achievements over the years, these are just the beginning of our contribution to social welfare. In 2024, a total of NTD 1,539,418 was donated.

We will continue to care for public welfare organizations and extend our care to disadvantaged corners of society to fulfill our social responsibilities.

Local Community Care

The Nishoku Group is headquartered in Xinzhuang District, New Taipei City. Since the completion of its plant in 2011, the Group has participated in the "Xinzhuang District United Scholarship and Financial Aid Program" through the Xinzhuang District Office. This program, primarily supporting students in public and private universities and high schools, aims to encourage outstanding, underprivileged, or emergency-need students in the district to pursue academic excellence and moral integrity, while cultivating future talent for both the local community and the nation. The Company has been committed to this talent cultivation initiative for 13 consecutive years. In 2024, it sponsored scholarships for an additional 7 students, bringing the cumulative sponsorship amount to NTD 850,000 and benefiting a total of 128 students.



In order to implement community care, the Company's Vietnam Plant participated in the winter relief activities through the Taiwanese Chamber of Commerce in Haiphong, Vietnam, and donated fund to the temple fairs in 2 villages and 20 poverty-stricken villagers. In September 2024, Vietnam suffered from Typhoon Yagi. The Company, out of the intent to extend care and assistance, called on the employees to donate charity fund and also granted the corresponding amount to provide the relief to the colleagues of Vietnam Plant who were victims in the disaster.

In addition, Nishoku makes unscheduled visits to representatives of local groups and fire brigades adjacent to the plant to learn about material topics of concern to the local community. We also implement fire safety countermeasures and implement precautions for employees in the plant, hoping to keep the community safe and happy, and prevent risks of major hazards inside or outside the plant.

Care for Rural Communities

As part of its corporate social responsibility to care for disadvantaged groups and reduce the learning gap between urban and rural areas, Nishoku, together with 17 other companies, generously responded to KPMG's 2024 "Delivering Love Through Technology" second-hand computer donation campaign. A total of 290 used computers were jointly donated to 45 Digital Opportunity Centers (DOCs) and social welfare organizations. Since the launch of this initiative, Nishoku has supported the donation of second-hand computers for 17 consecutive years, providing a total of 413 devices to remote DOCs, rural schools, and social welfare institutions. This effort has not only helped rural communities gain better access to learning resources and opportunities, but also improved the quality of care provided by social welfare organizations to disadvantaged individuals. Through participating in this meaningful campaign, the Company hopes to inspire more enterprises to join in and contribute to narrowing the urban-rural gap together.



Care for Vulnerable Groups

We actively engage in initiatives to care for disadvantaged groups, demonstrating our commitment and responsibility to society. In order to give back to society and help those in need, we are holding a charity event through donations and a charity sale, spreading warmth and care to all corners of society. The "Love and Cherish" charity sale event held at the Taipei Plant this year saw enthusiastic participation from our colleagues, who generously donated used items in near-new condition to demonstrate their care for society and environmental awareness. All proceeds from the fundraising sale on the day of the event were fully donated to the Genesis Social Welfare Foundation to support their long-term care services for people in a vegetative state and disadvantaged families. We hope this contribution will inject more positive energy into society.



Social Emergency Relief

On April 3, 2024, a 7.2 magnitude earthquake occurred in Hualien, which was the largest earthquake since the 921 Earthquake in 1999. The earthquake caused casualties, damage to buildings and roads, and severe damage across various areas. We express our deepest condolences for the loss of precious lives and, in response to the "0403 Hualien Earthquake Relief Fund," donated NT\$150,000 to the relief fund account, hoping to do our part to help those affected overcome this hardship. National Tung Hua University was also severely damaged by the earthquake, resulting in extensive damage to many facilities, including the College of Science and Technology, teaching facilities, student dormitories, and offices, with an estimated loss of NT\$2 billion. In response to the "0403 Hualien Earthquake - Donation for Rebuilding National Tung Hua University" relief effort, the Company donated NT\$100,000 to the disaster relief account, hoping to accelerate campus reconstruction and assist students in improving their living conditions.

Donation

Item	Name of the recipient institution	Contents of the donation project	Amount in NTD
1	Genesis Social Welfare Foundation	Charitable donations	20,000
2	Mennonite Social Welfare Foundation	Regular donation of Mennoite supplies, ordering company: Home	58,977
3	Buddhist Puxian Social Welfare Foundation of Yilan County	Regular donation of supplies to Puxian, manufacturer: Wujie Township Farmers Association	60,800
4	Hualien Bethesda Nursing Institute, Hualien County Christian Missionaries	Charitable donations	60,000
5	Taiwan Fund for Children and Families	Support for 5 Children from the Family Support Program	65,000
6	Xinzhuang District Office, New Taipei City	Scholarships for 7 people	50,000
7	Private Huiming Blind Child Welfare Association is attached to the Christian Huiming Blind Welfare Association of Taichung City	Charitable donations	60,000
8	The Chiayi Diocese of Chiayi County is attached to the Chiayi Diocese of the Catholic Church	Charitable donations	60,000
9	Huashan Social Welfare Foundation	New Year Meal Donation for Disadvantaged Elderly (Mobility, Dementia, and Dependency Loss)	75,000
10	Happy Mount Colony, New Taipei City	Charitable donations	30,000
11	Daxin Elementary School, Xinhua District, Tainan City (Sinhua Digital Opportunity Center)	Charitable Donation – Replacement of Old Computers	20,000
12	Fuyuan Elementary School, Ruisui Township, Hualien County (Ruisui Digital Opportunity Center)	Charitable Donation – Replacement of Old Computers	10,000
13	Xinwu Elementary School, Xinwu District, Taoyuan City	Charitable Donation – Replacement of Old Computers	20,000
14	Penghu County Magong City Guangrong Community Development Association (Penghu County Magong City Digital Opportunity Center)	Charitable Donation – Replacement of Old Computers	20,000
15	Gaoliao Community Development Association, Yuli Township, Hualien County	Charitable Donation – Replacement of Old Computers	20,000

6.1 Social Welfare Participation

Item	Name of the recipient institution	Contents of the donation project	Amount in NTD
16	Zhishan Social Welfare Foundation	Charitable donations	50,000
17	World Vision Taiwan	Support for 5 African Girls by 2024	42,000
18	Renewal Foundation Taiwan	Charitable Donations	50,000
19	Private Xuan-Kuan Caring Home, Nantou County	Charitable donations	59,760
20	Andrew Charity Association	New Year's Eve Dinner and Peace of Mind Program	78,000
21	Aboriginal Kaulahan Cultural Association	Support for Taiyuan Bookstore	50,000
22	Kids' Bookhouse Foundation	Charitable Donation – Children's Self-Sufficiency Project	50,000
23	Taiwan Music Creation Association	Charitable Donation – Warm Meal Sponsorship and Loving Support for Underprivileged Children	60,000
24	The Chiayi County Private Mindao Home, affiliated with the Chiayi Diocese of the Catholic Church	Charitable donations	50,000
25	The Mustard Seed Christian Foundation	Charitable donations	50,000
26	Taiwan Si'an Charity Service Association	Charitable donations	50,000
27	National Dong Hwa University	Hualien Disaster Relief: Reconstruction Support for Dong Hwa and Dahu	100,000
28	Disaster Relief Foundation	2024 Hualien Earthquake Relief	150,000
29	Taiwan Chamber of Commerce in Haiphong, Vietnam	Winter Relief Activities	VND 15,000,000 Equivalent to NTD 19,500
30	Donation activity for Vietnam factory damaged by YAGI typhoon	Subsidy for Losses Incurred by Affected Employees	VND 22,754,754 Equivalent to NTD 29,581
31	Two temple fairs held in a small village in Vietnam	Charitable donations	VND 10,000,000 Equivalent to NTD 13,000
32	20 people from the poor villages in Vietnam	Charitable donations	VND 6,000,000 Equivalent to NTD 7,800
Total			\$1,539,418

Appendix



GRI Index

SASB Industry – TECHNOLOGY &
COMMUNICATIONS/Hardware

Appendix_1-12-Sustainability_Disclosure_
Indicators-Electronic_Parts/Components_Industry

Table 2 - Climate-related Information

Limited Assurance Report and Summary of
Assurance Items

GRI Index

Statement of Use	The content of the report for the period from January 1, 2024 to December 31, 2024 has been reported in accordance with the GRI Standards.
GRI Version	GRI 1 : Foundation 2021
Application of GRI Industry Standards	Not applicable GRI Industry Standards

GRI 2: General Disclosures 2021

The Organization and Its Reporting Practices

Disclosure Item	Corresponding chapter	Page
2-1 Organizational details	About Nishoku	6
2-2 Entities included in the organization's sustainability reporting	About This Report	4
2-3 Reporting period, frequency and contact point	About This Report	4
2-4 Restatements of information	If there are any restatements of past information in this report, they will be explained in the text.	-
2-5 External assurance	About This Report	4

Activities and Workers

2-6 Activities, value chain and other business relationships	About Nishoku	6
2-7 Employees	5.1 Talent Capital	66
2-8 Workers who are not employees	5.1 Talent Capital	66

Governance

2-9 Governance structure and composition	2.2 Corporate Governance and Ethical Management	27
2-10 Nomination and selection of the highest governance body	2.2 Corporate Governance and Ethical Management	27
2-11 Chair of the highest governance body	2.2 Corporate Governance and Ethical Management	27

Disclosure Item	Corresponding chapter	Page
2-12 Role of the highest governance body in overseeing the management of impacts	2.2 Corporate Governance and Ethical Management	27
2-13 Delegation of responsibility for managing impacts	2.2 Corporate Governance and Ethical Management	27
2-14 Role of the highest governance body in sustainability reporting	2.2 Corporate Governance and Ethical Management	27
2-15 Conflicts of Interest	2.2 Corporate Governance and Ethical Management	27
2-16 Communication of critical concerns	2.2 Corporate Governance and Ethical Management	27
2-17 Collective knowledge of the highest governance body	2.2 Corporate Governance and Ethical Management	27
2-18 Evaluation of the performance of the highest governance body	2.2 Corporate Governance and Ethical Management	27
2-19 Remuneration Policies	2.2 Corporate Governance and Ethical Management	27
2-20 Process to determine remuneration	2.2 Corporate Governance and Ethical Management	27
2-21 Annual total compensation ratio	2.2 Corporate Governance and Ethical Management	27
2-22 Statement on sustainable development strategy	Message from the Chairman	3
Strategy, Policies and Practices		
2-23 Policy Commitments	1.1 Sustainability Strategy and Objectives	10
	5.3 Employee Care and Labor Protection	73
2-24 Embedding policy commitments	1.1 Sustainability Strategy and Objectives	10
	5.3 Employee Care and Labor Protection	73
2-25 Processes to remediate negative impacts	2.1 Business Strategy and Economic Performance	24
	2.2 Corporate Governance and Ethical Management	27
	3.1 Customer Service and Product Quality	44
	4.1 Climate Strategy	52

GRI Index	SASB Industry: – TECHNOLOGY & COMMUNICATIONS/Hardware)	Appendix_1-12-Sustainability_Disclosure_Indicators-Electronic_Parts / Components_Industry	Table 2 - Climate-related Information	Limited Assurance Report and Summary of Assurance Items
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Disclosure Item	Corresponding chapter	Page
2-25 Processes to remediate negative impacts	5. People Orientation	64
	5.4 Occupational Health and Safety	76
2-26 Mechanisms for seeking advice and raising concerns	2.2 Corporate Governance and Ethical Management	27
2-27 Legal Compliance	2.2 Corporate Governance and Ethical Management	27
2-28 Membership associations	About Nishoku	6

Stakeholder Engagement

2-29 Approach to stakeholder engagement	1.2 Stakeholders and Communication and Engagement	12
2-30 Collective bargaining agreements	5.3 Employee Care and Labor Protection	73

GRI 3: Material Topics 2021

Disclosure item	Corresponding chapter	Page
3-1 Process to determine material topics	1.3 Materiality Analysis	17
3-2 List of Material Topics	1.3 Materiality Analysis	17

Disclosures on Material Topics

Business Strategy and Economic Performance			
GRI Standards	Disclosure Item	Corresponding Chapter	Page
GRI 3 : Material Topics 2021	3-3 Management of Material Topics	2.1 Business Strategy and Economic Performance	24
GRI 201 : Economic performance 2016	201-1 Direct economic value generated and distributed by the organization	2.1 Business Strategy and Economic Performance	24
	201-3 Defined benefit plan obligations and other retirement plans	2.1 Business Strategy and Economic Performance	24
	201-4 Financial subsidies received from the government	2.1 Business Strategy and Economic Performance	24

GRI Standards	Disclosure Item	Corresponding Chapter	Page
GRI 207 : Tax 2019	207-1 Approach to tax	2.1 Business Strategy and Economic Performance	24
	207-2 Tax governance, control, and risk management	2.1 Business Strategy and Economic Performance	24
	207-3 Stakeholder engagement and management of concerns related to tax	2.1 Business Strategy and Economic Performance	24
Corporate Governance and Ethical Management			
GRI 3 : Material Topics 2021	3-3 Management of Material Topics	2.2 Corporate Governance and Ethical Management	27
GRI 205 : Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	2.2 Corporate Governance and Ethical Management	27
	205-2 Communication and training about anti-corruption policies and procedures	2.2 Corporate Governance and Ethical Management	27
	205-3 Confirmed incidents of corruption and actions taken	2.2 Corporate Governance and Ethical Management	27
GRI 206 : Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.2 Corporate Governance and Ethical Management	27
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.2 Corporate Governance and Ethical Management 5.3 Employee Care and Labor Protection	27 73
GRI 415 : Public Policy 2016	415-1 Political contributions	The Company made no political contributions in 2024.	-
Customer Service and Product Quality			
GRI 3 : Material Topics 2021	3-3 Management of Material Topics	3.1 Customer Service and Product Quality	44
GRI 416 : Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3.1 Customer Service and Product Quality	44
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	3.1 Customer Service and Product Quality	44
GRI 417 : Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	3.1 Customer Service and Product Quality	44
	417-2 Incidents of non-compliance concerning product and service information and labeling	3.1 Customer Service and Product Quality	44
	417-3 Incidents of non-compliance concerning marketing	3.1 Customer Service and Product Quality	44
GRI 418 : Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.1 Customer Service and Product Quality	44
Climate Strategy			
GRI 3 : Material Topics 2021	3-3 Management of Material Topics	4.1 Climate Strategy	52

GRI Standards	Disclosure Item	Corresponding Chapter	Page
GRI 201 : Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	4.1 Climate Strategy	52
GRI 302 : Energy 2016	302-1 Energy consumption within the organization	4.1 Climate Strategy	52
	302-3 Energy intensity	4.1 Climate Strategy	52
	302-4 Reduction of energy consumption	4.1 Climate Strategy	52
GRI 305 : Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.1 Climate Strategy	52
	305-2 Energy indirect (Scope 2) GHG emissions	4.1 Climate Strategy	52
	305-4 GHG emission intensity	4.1 Climate Strategy	52
	305-5 Reduction of GHG emissions	4.1 Climate Strategy	52
	Friendly Workplace		
GRI 3 : Material Topics 2021	3-3 Management of Material Topics	CH5 People Orientation	64
GRI 202 : Market presence 2016	202-2 Proportion of senior management hired from the local community	5.3 Employee Care and Labor Protection	73
GRI 401 : Employment 2016	401-1 New employee hires and employee turnover	5.3 Employee Care and Labor Protection	73
	401-2 Benefits provided to full-time employees that are not provided to temporary or part- time employees	5.3 Employee Care and Labor Protection	73
	401-3 Parental leave	5.3 Employee Care and Labor Protection	73
GRI 402 : Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	5.3 Employee Care and Labor Protection	73
GRI 404 : Training and Education 2016	404-1 Average hours of training per year per employee	5.1 Talent Capital	66
	404-2 Programs for upgrading employee skills and transition assistance programs	5.1 Talent Capital	66
	404-3 Percentage of employees receiving regular performance and career development reviews	5.1 Talent Capital	66
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	5.3 Employee Care and Labor Protection	73
	405-2 Ratio of basic salary and remuneration of women to men	5.3 Employee Care and Labor Protection	73

GRI Standards	Disclosure Item	Corresponding Chapter	Page
GRI 406 : Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	5.3 Employee Care and Labor Protection	73
GRI 411 : Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	There has been no occurrence of incidents of violations involving rights of indigenous peoples for the Company in 2024.	-
Occupational Health and Safety			
GRI 3 : Material Topics 2021	3-3 Management of Material Topics	5.4 Occupational Health and Safety	76
GRI 403 : Occupational health and safety 2018	403-1 Occupational health and safety management system	5.4 Occupational Health and Safety	76
	403-2 Hazard identification, risk assessment, incident investigation	5.4 Occupational Health and Safety	76
	403-3 Occupational Health Services	5.4 Occupational Health and Safety	76
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.4 Occupational Health and Safety	76
	403-5 Worker training on occupational health and safety	5.4 Occupational Health and Safety	76
	403-6 Promotion of worker health	5.4 Occupational Health and Safety	76
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4 Occupational Health and Safety	76
	403-8 Workers covered by an occupational health and safety management system	5.4 Occupational Health and Safety	76
	403-9 Work-related injuries	5.4 Occupational Health and Safety	76
	403-10 Work-related ill health	5.4 Occupational Health and Safety	76

Disclosures on Other Material Topics			
Supply Chain Management			
GRI Standards	Disclosure item	Corresponding chapter	Page
GRI 204 : Procurement Practices 2016	204-1 Proportion of spending on local suppliers	3.4 Supply Chain Management	47
GRI 308 : Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	3.4 Supply Chain Management	47
	308-2 Negative environmental impacts in the supply chain and actions taken	3.4 Supply Chain Management	47
GRI 414 : Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	3.4 Supply Chain Management	47
	414-2 Negative social impacts in the supply chain and actions taken	3.4 Supply Chain Management	47
Resource Management			
GRI 303 : Water and Effluents 2018	303-1 Interactions with water as a shared resource	4.2 Resource Management	59
	303-2 Management of water discharge-related impacts	4.2 Resource Management	59
	303-3 Water withdrawal	4.2 Resource Management	59
	303-4 Water discharge	4.2 Resource Management	59
	303-5 Water consumption	4.2 Resource Management	59
GRI 306 : Waste 2020	306-1 Waste generation and significant waste-related impacts	4.2 Resource Management	59
	306-2 Management of significant waste-related impacts	4.2 Resource Management	59
	306-3 Waste generated	4.2 Resource Management	59
	306-4 Waste diverted from disposal	4.2 Resource Management	59
	306-5 Waste directed to disposal	4.2 Resource Management	59

SASB Industry – TECHNOLOGY & COMMUNICATIONS/Hardware

Topic	Indicator No.	Nature	Unit	Indicator No.	Report content or description						
Product safety	Description of approach to identifying and addressing data security risks	Discussion and Analysis	Not applicable	TC-HW-230a.1	Please refer to " CH2 Sustainable Management ", Information Security and Privacy Protection Management						
Employee diversity and inclusion	(1) executive management, (2) technical personnel, and (3) all other employees.	Quantitative	Gender and Diversity Group Percentage (%)	TC-HW-330a.1	Category / Gender	Male (Headcount)	Male (%)	Female (Headcount)	Female (%)	Diverse Groups (Headcount)	Diverse Groups (%)
					Executive Management	5	63%	3	37%	-	-%
					General Management	78	61%	50	39%	-	-%
					General staff	510	61%	331	39%	-	-%
					Direct Labor Employees	1,045	46%	1,221	54%	-	-%
					Note: Executive Management refers to Section Manager level and above.,,General Management refers to Assistant Section Manager level and above.						
Product Life Cycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Revenue from products containing specified materials as a percentage of total revenue (%)	TC-HW-410a.1	The Company is not a B2C company and does not produce complete products; therefore, this indicator is not applicable to it.						
	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Quantitative	Revenue from products meeting or equivalent to EPEAT standards as a percentage of total revenue (%)	TC-HW-410a.2	The Company is not a B2C company and does not produce complete products; therefore, this indicator is not applicable to it.						
	Products Conforming to Energy Efficiency Certifications as a Percentage of Operating Revenue	Quantitative	Percentage of revenue (%)	TC-HW-410a.3	The Company is not a B2C company and does not produce complete products; therefore, this indicator is not applicable to it.						

Topic	Indicator No.	Nature	Unit	Indicator No.	Report content or description
Product Life Cycle Management	Weight of end-of-life products and e-waste recovered, percentage recycled	Quantitative	Weight of recycled products and e-waste (tons); Recycling rate (%)	TC-HW-410a.4	Our products are sold directly to businesses. We do not recycle products and have no related statistical data
Supply chain management	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all suppliers and (b) high-risk suppliers (conflict minerals)	Quantitative	Percentage (%)	TC-HW-430a.1	
	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority nonconformances, and (b) other non-conformances	Quantitative	Ratio	TC-HW-410a.2	The Company has not yet conducted RBA audits (VAP) for Phase 1 suppliers, so no relevant disclosures are available. In the future, we will continue to evaluate the feasibility of implementing relevant regulations.
Material procurement	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	Not applicable	TC-HW-440a.1	Please refer to " CH3 Innovation Value ", Supply chain Management

Business activity indicators	Category of Indicator	Unit	Indicator No	Report content or description
Number of units produced by product category	Quantitative	Number	TC-HW-000.A	Refer to the " Operational Overview " for the main product output by revenue product category.
Area of manufacturing facilities	Quantitative	Square metres (m ²)	TC-HW-000.B	No disclosure of business secrets.
Percentage of production from owned facilities	Quantitative	Percentage (%)	TC-HW-000.C	100% of the Company's products are self-produced.

Appendix_1-12-Sustainability_Disclosure_Indicators-Electronic_Parts / Components_Industry

	Indicator	Category of Indicator	Unit	Response	Page
1	Total energy consumption, percentage of purchased external electricity, and renewable energy utilization rate	Quantitative	Billion Joules (GJ), percentage (%)	Refer to "CH4 Green Operations", Energy Consumption	57
2	Total water intake and total water consumption	Quantitative	Thousand cubic meters (M3)	Refer to "CH4 Green Operations", Water Resource Management	60
3	Weight of generated hazardous waste and recycling percentage	Quantitative	Metric tons (t), percentage (%)	Refer to "CH4 Green Operations", Waste Management	63
4	Description of occupational accident categories, number, and ratio	Quantitative	Ratio (%), Quantity	Refer to "CH5 People Orientation ", Occupational Injuries	80
5	Disclosure of product life cycle management: weight of scrapped products and electronic waste and recycling percentage ^(Note1)	Quantitative	Metric tons (t), percentage (%)	Our products are sold directly to businesses. We do not recycle products and have no related statistical data	-
6	Description of risk management related to the use of key materials	Qualitative description	Not applicable	Refer to "CH3 Innovation Value", Supply chain Management	50
7	Total monetary loss due to legal proceedings related to anti-competitive behavior regulations.	Quantitative	NT	Not applicable in 2024	-
8	Production volume by main product category	Quantitative	Varies by product category	Refer to the "Foreword "for the main product output by revenue product category.	6

Note1 : Descriptions including the sale of scraps and the recycling and processing of waste shall be provided.

Table 2 - Climate-related Information

	Item	Report Chapter	Page
1	Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.	4.1 Climate Strategy	52
2	Describe how the identified climate risks and opportunities affect the company's business, strategy and finance. (Short-term, medium-term, long-term).	4.1 Climate Strategy	52
3	Describe the financial impact of extreme climate events and transition actions.	4.1 Climate Strategy	52
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4.1 Climate Strategy	52
5	If scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	The Company has not yet adopted the scenario analysis of climate change.	-
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.	4.1 Climate Strategy	52
7	If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	The Company has not yet implemented an internal carbon pricing mechanism.	-
8	If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year shall be explained. If carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, the exchange, the source and quantity of carbon reduction credits or the quantity of Renewable Energy Certificates (RECs) shall be stated.	4.1 Climate Strategy	52
9	Greenhouse Gas Inventory and Assurance Status and Reduction Targets, Strategies, and Specific Action Plans (To be filled in separately in 1-1 and 1-2).	4.1 Climate Strategy Assurance of GHG emissions for 2023 and 2024 is shown in the following table	-

1-1 Greenhouse Gas Inventory and Assurance Status in Recent Two-year

State the amount of greenhouse gas emissions (tCO₂e), intensity (tCO₂e/NTD million), and data coverage for the most recent two years.

Provide a description of the assurance of the most recent two years, including the scope of assurance, assurance institution, assurance criteria, and assurance opinion.

Inventory year : 2024/01/01 ~ 2024/12/31

Scope 1	metric tons of CO ₂ e	Density (metric tons of CO ₂ e/per million dollars)	Assurance Institution	Description of Assurance Status
Parent company	8.408	0.162	Internal inventory	NA
Subsidiary (Kunshan)	495.044		ASIM Certification (Shanghai) Co., Ltd.	ISO-14064-3 Reasonable assurance level
Subsidiary (Vietnam)	184.706		Internal inventory	NA
Emission (tCO ₂ e) Total	688.158		Intensity based on 2024 consolidated revenue of NTD 4,259.658 million	
Scope 2	metric tons of CO ₂ e	Density (metric tons of CO ₂ e/per million dollars)	Assurance Institution	Description of Assurance Status
Parent company	608.584	8.351	Internal inventory	NA
Subsidiary (Kunshan)	20,767.126		ASIM Certification (Shanghai) Co., Ltd.	ISO-14064-3 Reasonable assurance level
Subsidiary (Vietnam)	14,198.531		Internal inventory	NA
Emission (tCO ₂ e) Total	35,574.241		Intensity based on 2024 consolidated revenue of NTD 4,259.658 million	
Scope 3	metric tons of CO ₂ e	Density (metric tons of CO ₂ e/per million dollars)	Assurance Institution	Description of Assurance Status
Subsidiary (Kunshan)	156.823	0.037	ASIM Certification (Shanghai) Co., Ltd.	ISO-14064-3 Reasonable assurance level
Note	1. Intensity based on 2024 consolidated revenue of NTD 4,259.658 million 2. The parent company, and subsidiary (Vietnam) did not conduct the inventory under Scope 3.			

(Note) The liquidation and cancellation of the subsidiary (Shenzhen) has been completed on December 10, 2024. Therefore, the relevant information is no longer disclosed in said table.

Inventory year : 2023/01/01 ~ 2023/12/31

Scope 1	metric tons of CO ₂ e	Density (metric tons of CO ₂ e/per million dollars)	Assurance Institution	Description of Assurance Status
Parent company	23.472	0.248	Internal inventory	NA
Subsidiary (Shen-zhen)	6.250		Internal inventory	NA
Subsidiary (Kunshan)	698.112		ASIM Certification (Shanghai) Co., Ltd.	ISO-14064-3 Reasonable assurance level
Subsidiary (Vietnam)	143.941		Internal inventory	NA
Emission (tCO ₂ e) Total	871.775		Intensity based on 2023 consolidated revenue of NTD 3,508.729 million	
Scope 2	metric tons of CO ₂ e	Density (metric tons of CO ₂ e/per million dollars)	Assurance Institution	Description of Assurance Status
Parent company	606.670	8.055	Internal inventory	NA
Subsidiary (Shen-zhen)	3,391.360		Internal inventory	NA
Subsidiary (Kunshan)	19,867.238		ASIM Certification (Shanghai) Co., Ltd.	ISO-14064-3 Reasonable assurance level
Subsidiary (Vietnam)	4,396.580		Internal inventory	NA
Emission (tCO ₂ e) Total	28,261.848		Intensity based on 2023 consolidated revenue of NTD 3,508.729 million	
Scope 3	metric tons of CO ₂ e	Density (metric tons of CO ₂ e/per million dollars)	Assurance Institution	Description of Assurance Status
Subsidiary (Kunshan)	117.553	0.034	ASIM Certification (Shanghai) Co., Ltd.	ISO-14064-3 Reasonable assurance level
Note	1. Intensity based on 2023 consolidated revenue of NTD 3,508.729 million 2. The parent company, subsidiary (Shenzhen), and subsidiary (Vietnam) did not conduct the inventory under Scope 3.			

1-2 GHG Reduction Targets, Strategies and Specific Action Plans

Describe the GHG reduction base year and data, reduction targets, strategies, and specific action plans, as well as the status of achievement of the reduction targets.

Please refer to CH4 Green Operations - 4.1 Climate Strategy



Statement of Independent Third-party Verification Opinion

Nishoku Technology Inc. (Taipei Plant)



ISO 9001
Certification of quality and quantity management system



ISO 14001
Environment management system

KUNSHAN NISHOKU PLASTIC ELECTRONIC CO., LTD. (Kunshan Plant)



ISO 9001
Certification of quality and quantity management system



ISO 14001
Environment management system



ISO 45001
Occupational health and safety management system

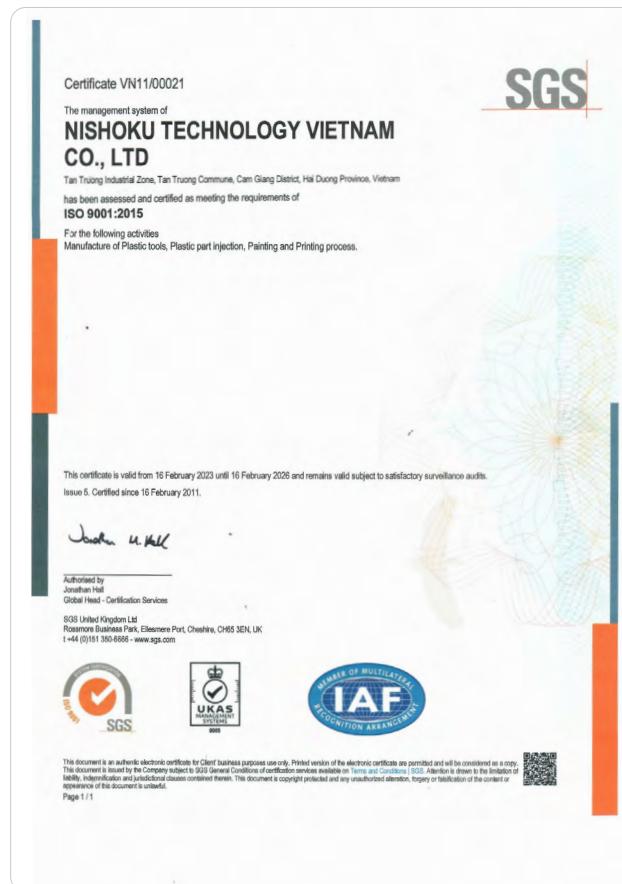


IATF 16949
Certification of quality and quantity management system



ISO 13485
Medical device quality management system

NISHOKU TECHNOLOGY VIETNAM CO., LTD. (Vietnam Plant)



ISO 9001

Certification of quality and quantity management system



ISO 14001
Environment management system



ISO 45001

Occupational health and safety management system

Limited Assurance Report and Summary of Assurance Items



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Independent Auditors' Limited Assurance Report

To : Nishoku Technology Inc.

We have performed and completed limited the assurance procedures on the performance indicators selected by Nishoku Technology Inc. (hereinafter, the "Company") in the Company's 2024 sustainability report (hereinafter, the "Report") and issued a limited assurance report in this regard.

Subject Matter Information and Applicable Standards

Regarding the performance indicators selected by the Company (hereinafter, the "Subject Matter Information") and the applicable standards, please refer to Appendix 1, Summary Table of Subject Matter Information, for details.

Management's Responsibility

Management is responsible for preparing the Subject Matter Information in accordance with the Taiwan Stock Exchange Corporation "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" and the general standards, industry standards and topic-specific standards issued by the Global Reporting Initiatives (GRI). Management is also responsible for maintaining necessary internal controls related to the preparation of the Subject Matter Information to ensure that it is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities

We conducted our work on the Subject Matter Information (refer to Appendix 1 for details) in accordance with the Standard on Assurance Engagement TWSAE 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" to issue a limited



assurance report on whether the Subject Matter Information is free from material misstatement. Compared to a reasonable assurance engagement, the nature and timing of procedures performed under a limited assurance engagement are different, and the scope is also smaller. Therefore, the assurance level obtained from a limited assurance engagement is significantly lower than that of a reasonable assurance engagement.

We applied professional judgment in the planning and conduct of our work to obtain evidence supporting limited assurance on the Subject Matter Information. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include:

- Inquiries of management and relevant personnel involved in preparing the Subject Matter Information to understand the policies, processes, internal controls, and information systems used in preparing the Subject Matter Information, thereby identifying areas where material misstatements may exist;
- Performing procedures such as inspection, verification, re-execution, and analytical procedures on selected samples of the Subject Matter Information to obtain evidence that supports limited assurance.

Inherent Limitations

Since many assurance items are the non-financial information, they are subject to more inherent limitations compared to financial information assurance. Therefore, the interpretation of the relevance, materiality, and accuracy of such information may involve more significant management judgments, assumptions, and interpretations. Different stakeholders may also interpret such information differently.

Independence and Quality Control Standards

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Account in the Republic of China, which contains integrity, objectivity, professional competence and due care, confidentiality and professional behavior as fundamental principles.

We apply Statement of Quality Management Standard 1 "Quality

Limited Assurance Report and Summary of Assurance Items



Management for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China, and accordingly requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information in the Report are, in all material respects, not prepared in accordance with the applicable standards.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the Subject Matter Information or applicable standards applied after the issuance date of this assurance report.

The engagement partners on the assurance procedures resulting in this independent auditors' limited assurance report are Lin, Chih-Lung and Chen, Chao-Hui.

Crowe (TW) CPAs

Taipei, Taiwan, Republic of China

December 18, 2025

Notice to Readers

For the convenience of readers and for information purpose only, the independent auditors' limited assurance report has been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report shall prevail.



Appendix 1

Summary Table of Subject Matter Information

No.	Assurance Item	Indicator Description	Corresponding Section	Applicable Standard
1	Taiwan Stock Exchange Corporation "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" Article 4, Appendix 1-12, Item 1	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate	4.1.4 Energy Consumption	Total energy consumption, percentage of purchased electricity in total energy consumption, and percentage of renewable energy in total energy consumption in 2024
2	Taiwan Stock Exchange Corporation "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" Article 4, Appendix 1-12, Item 2	Total water withdrawal and total water consumption	4.2.1 Water Resource Management	Total water withdrawal and total water consumption in 2024
3	Taiwan Stock Exchange Corporation "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" Article 4, Appendix 1-12, Item 3	Weight of hazardous waste generated and recycling percentage	4.2.2 Waste Management	Weight and recycling percentage of hazardous waste generated in 2024
4	Taiwan Stock Exchange Corporation "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" Article 4, Appendix 1-12, Item 4	Description of occupational accident categories, number of people, and ratios	5.4.1 Healthy and Safe Workplace	Types, number of people, and rate of occupational accidents in 2024
5	Taiwan Stock Exchange Corporation "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" Article 4, Appendix 1-12, Item 8	Primary production volume by product categories	Operational Overview	Production volume by product categories in 2024



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