



**2024**

Environmental Social Governance

**ChenFull International Co., Ltd.**

**ESG Report**

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# 1. About This Report

## 1.01 Letter from the Chairman

### Review of 2024: Advancing Through Change, Innovating Through Responsibility

Looking back on 2024, it was a year filled with challenges and reflection. Rising geopolitical tensions—including the ongoing Russia-Ukraine war and the Israel-Palestine conflict—caused fluctuations in energy prices, inflationary pressures, and supply chain restructuring, which had profound impacts across industries. Enterprises were driven by external factors to reevaluate their resilience and long-term sustainability.

Under such uncertainty, Chenfull adhered to stable management principles and responsive strategies to guarantee reliable production and uphold delivery commitments to customers.

We deeply understand that corporate sustainability relies not only on financial performance, but also on trust and responsible practices toward our stakeholders. We are propelled by customer expectations, employee commitment, supplier collaboration, social accountability, and shareholder trust. We actively listen and respond to stakeholder's concerns—from ESG disclosures, information transparency, and social engagement to carbon management and risk control—striving for balance and collective success.

Geopolitical conflicts further disrupted global supply chain stability. Chenfull proactively implemented supply chain diversification strategies, strengthened cooperation with key suppliers, and increased investment in local supply chains to reduce reliance on a single source, building a more resilient production system. A stable and reliable supply chain is not only essential to risk management but also a core competitive strength for corporate resilience.

We firmly believe that talent is our greatest asset. Chenfull is committed to fostering a diverse and inclusive workplace, encouraging innovation and personal growth. We continuously invest in internal training, skill enhancement, and talent development programs, hoping every team member can find value and realize their aspirations here. Organizational cohesion and a commitment to learning are the foundations for thriving in volatile markets.

Guided by our core values—Integrity, Proactiveness, Innovation, and Breakthrough—we strengthen organizational insight and agility, focus on key capabilities in each product and engineering project, reinforce lean processes and service enhancements, and create long-term value with customers and partners through resource integration and co-development.

Looking to the future, we will embrace transformation with greater determination and pursue sustainability with foresight. Together with our stakeholders, we strive for stability amid uncertainty and a better future built on responsibility.

ChenFull International Co., Ltd

A handwritten signature in blue ink, appearing to read "Alice Chang", is placed above a horizontal line.

Chairman, Alice Chang

## 1.02 About Chenfull

### 1. Company Profile

Chenfull International Co., Ltd. (hereinafter referred to as “Chenfull” or “the Company”) was founded in April 1982. Upholding the business philosophy of Integrity, Proactiveness, Innovation, and Breakthrough, the Company was publicly listed on the Taipei Exchange (TPEx) in 2004. With a professional engineering service team and strong core technical capabilities, Chenfull provides comprehensive facility system engineering services for the high-tech industry.

#### (1) Facilities Engineering Business (Engineering Division)

We provide integrated facility system engineering services for high-tech industries and are recognized for exceptional quality management, positioning ourselves as a leading expert in system integration.

Main Services and Products: Facility system engineering, Cleanroom equipment and ductwork, Hook up engineering, Equipment installation/removal ductwork, On-site facility support services, and Ducting products.

**Exhaust system****Hook Up****SUS304 Ducts with Teflon Coating**  
**SUS304 Ducts****Exhaust system****(2) Shoe Machinery Business (Machinery Division)**

The “ChenFeng” shoe-machinery brand possesses leading capabilities in electromechanical integration design, automation, and system R&D. Its mission is to develop high-quality products that meet customer needs. The division maintains long-term strategic partnerships with major global footwear brands to stay aligned with industry trends.

## Shoe Pressing Machine



## Toe / Seat &amp; Heel Lasting Machine



## Cutting machine



## (3) Subsidiary – Chenfull Precision Co., Ltd. (hereinafter “Chenfull Precision”)

Chenfull Precision specializes in precision components, subsystem manufacturing, and module integration, including semiconductor process equipment components, optoelectronic flat-panel display equipment, aerospace structural and engine components. It has established a complete one-stop service platform and has become one of the key suppliers in the global semiconductor and optoelectronic equipment supply chain.

Main Services and Products:

A. Semiconductor precision components:

Precision manufacturing, testing, and sub-assembly of chambers for CVD, PVD coating, and etching equipment in wafer manufacturing.

B. Display equipment:

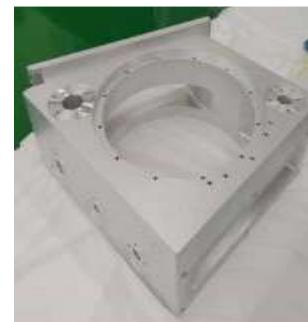
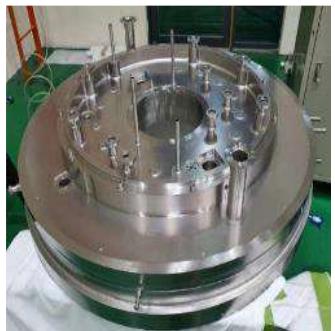
Precision processing of PVD and CVD equipment chambers for panel manufacturing, including welding, machining, surface treatment, assembly, testing, and measurement.

C. Aerospace structural & engine components:

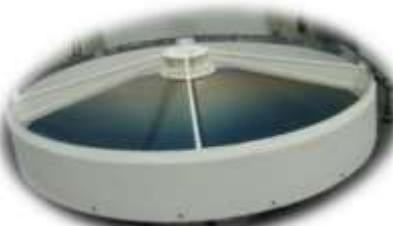
Precision manufacturing of aircraft components, engine cases, housings, and engine system parts, including machining, surface treatment, assembly, and measurement.



Optoelectronic Equipment - PVD Gen 3.5 ~ Gen 10.5, OLED Gen 6 8.7, CVD Gen 3.5 ~ Gen 10.5



Semiconductor - SUS Chambers, Aluminum Chambers, Module Assembly, Transfer Chamber, Load Lock Chamber



Aerospace - Aeronautical Satellite, Antenna Network components, Carbon Antenna of Radio telescope, B787/B737 Structure Parts, Engine Case, CFM56-5, CFM56-7, LEAP-1B, Vane Outlet Guide, Compressor Engine Case

The Company encourages employees through the values of “Integrity, Proactiveness, Innovation, and Breakthrough,” actively attracts talent to strengthen the organization, and emphasizes robust local growth.

Company Name	ChenFull International Co., Ltd.
Company Type	TPEx-listed Company
Date of Establishment	April 28, 1982

Headquarters	12F, No.107, Sec. 4, Zhongxiao E. Rd., Da'an Dist., Taipei City
Registered Address	No. 9-1, Lane 187, Guandong Rd., Hsinchu City
Industry Category	Other Electronics Industry; adjusted to Semiconductor Industry on June 2, 2025
Main Products/Services	Parent company: Shoe-machinery business & Facilities engineering business  Subsidiary: Chenfull Precision (Electric Machinery Industry; adjusted to Semiconductor Industry on June 2, 2025)
Paid-in Capital	TWD 1.138 billion (as of 2024/12/31)
Net Sales	TWD 2,967,516 thousand (2024 consolidated financial statements)
Employees	323 (excluding subsidiaries)

## 2. Overview of the Value Chain

### (1) Engineering Division:

The Company specializes in various facility system ducting projects for semiconductor and optoelectronic factories and is well recognized in the field. Our expertise in ducting design and layout surpasses general industry standards. To respond promptly to customer needs and provide 24/7 technical support and maintenance services, we have service locations in Taoyuan, Hsinchu, Taichung, and Tainan, enabling on-site support within one hour for customer facilities.

### (2) Machinery Division:

The ChenFeng brand is a leading name in the global footwear-manufacturing industry. Leveraging aerospace-grade quality control capabilities, we are committed to developing and manufacturing premium shoe-making equipment. We have built long-term and stable strategic partnerships with well-known global brands. The value of the brand lies in our insistence on high-quality manufacturing, combining traditional Taiwanese shoemaking craftsmanship with modern technology to produce equipment with superior performance and stability. Our mission is to provide the best shoe-making equipment to global footwear manufacturers, continue innovating, and promote advancement in shoemaking processes.

Please refer to Section 4.04 Supplier Management for details.

Value Chain	Category	Quantity	
		Engineering Division	Machinery Division
Supplier	Agent	5	0
	Wholesaler	21	231
	Distributor	42	
	Contractor	143	84
	Both contractor & distributor	18	0
	Manufacturer	85	0
Customer	Enterprise	37	221
Customer	End user	0	0
Other Business Relationships	Other Business Partner	0	0

## 1.03 Report Information

### 1.03.1 Basis of Preparation

This report is prepared in reference to Global Reporting Initiative (GRI) Standards and Taipei Exchange “Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies.” A full GRI index can be found in the Appendix.

### 1.03.2 Reporting Period & Frequency

- Reporting period: January 1 to December 31, 2024, consistent with the consolidated financial statements.
- Frequency: Published annually and available on the Company website. (<https://www.chenfull.com.tw/>)
- Publication date of this report: August 2025

### 1.03.3 Reporting Boundary & Scope

1. Included Locations (by function):

(1) Machinery Division

Production & administrative site – Tanzih Plant:

No. 21-12, Longxing Ln., Sec. 2, Fengxing Rd., Tanzih Dist., Taichung City

(2) Engineering Division

A. Production Center – Dayuan Plant

No. 245, Changfa Rd., Dayuan Dist., Taoyuan City

B. Administrative Offices

Taipei Office – 12F, No.107, Sec.4, Zhongxiao E. Rd., Da'an Dist., Taipei City

Nankan Office – 9F, No.99, Sec.1, Nankan Rd., Luzhu Dist., Taoyuan City

Hsinchu Office – No.9, Ln.187, Guandong Rd., Hsinchu City

Taichung Office – No.22, Ln.600, Sec.4, Zhongqing Rd., Daya Dist., Taichung City

Tainan Office – No.68, Ln.57, Yangming Rd., Shanhua Dist., Tainan City

C. Construction Sites & Warehouses

Longtan Site – No.78, Fuxing Rd., Longtan Dist., Taoyuan City

Zhunan Site – No.28, Dapu St., Zhunan Township, Miaoli County

Renwu Warehouse – No.351, Fengren Rd., Renwu Dist., Kaohsiung City

Dayuan Warehouse – No.200, Changfa 1st Rd., Dayuan Dist., Taoyuan City

Zhunan Warehouse – Lot No.1038, Dapu Section, Zhunan Township, Miaoli County

Renwu Warehouse – No.351, Fengren Rd., Renwu Dist., Kaohsiung City

## 2. Link to consolidated financial statements:

[https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co\\_id=8383&year=113&seamon=&mtype=A&](https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=8383&year=113&seamon=&mtype=A&)

3. The scope of this report does not yet include ChenFull Precision, ChenFeng Machinery & Enterprise Co., Ltd. (hereinafter referred to as "ChenFeng Machinery"), nor Dongguan ChenFeng Machinery Co., Ltd. (hereinafter referred to as "Dongguan ChenFeng"), which is indirectly invested through ChenFull Holding Co., Ltd. and New Opportunity Limited.

## 4. Aligned with the Company's dedicated sustainability roadmap:

Starting from fiscal year 2027, the ESG Report will incorporate audit information from the consolidated entity (ChenFeng Machinery). As Dongguan ChenFeng entered liquidation at the end of 2024 and has ceased operations, it will not be included in this or future reporting periods. Subsidiary ChenFull Precision, which is also publicly listed, prepares its own ESG Report in accordance with regulatory requirements. Following the sustainability roadmap, it engages an independent third-party assurance provider within the statutory timeframe to conduct verification.

### Basis of Data Calculation

Financial Data	Extracted from CPA-certified consolidated financial statements (TWD).
Environmental Data	GHG emissions follow ISO 14064-1:2018 (Scope 1 & Scope 2).
Other Data	Water use & waste data sourced from verifiable site documentation.

## 1.03.4 Restatements of Information

No restatement of information for 2024.

## 1.03.5 External Assurance

No third-party assurance obtained for this report.

According to the Company's sustainability roadmap, assurance will begin in 2026

## 1.03.6 Responsibility for this Report

Contact Information:

ChenFull International Co., Ltd.

Contact: Manager Jasper Lin

Tel: +886-2-6626-3000 ext.3052

Email: Jasper.Lin@chenfull.com.tw

ESG Website: <https://www.chenfull.com.tw/Chenfull/esg301>

Address: 12F, No.107, Sec. 4, Zhongxiao E. Rd., Taipei City

***This English-version report is a translation of the Chinese version. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.***

## 2. Sustainable Operations

### 2.01 Sustainability Strategy

To pursue sustainable development, the Company follows the UN Sustainable Development Goals (SDGs) and incorporates sustainability principles into management policies and employee awareness training.

We aim to work together with stakeholders to achieve excellence across environmental, social, and governance (ESG) dimensions.

### 2.02 Sustainability Governance

To fulfill corporate social responsibility, establish robust governance, align with global trends, and move toward sustainable operations, the Company established the ESG Committee on December 14, 2022, supported by ESG Steering Team.

#### 1. ESG Committee

(1) Chairman: Alice Chang

Members: Director Nico Hsu, Independent Directors Shan-Shan Hsiao and Xu-Hui Hsu

(Note: Independent Director Hsu resigned on Dec. 31, 2024; Independent Director Zhang-Zhong Yin was appointed on May 7, 2025).

(2) Responsibilities: Review ESG policy goals, strategies, and action plans; oversee implementation of CSR and ESG initiatives; assess execution progress.

## 2. ESG Steering Team

(1) Composition: Vice President of engineering division, Vice President of machinery division, and managers from relevant departments.

Total members: 6, chaired by Vice President Ying-Chun Chang.

(2) Responsibilities: Track action plan progress and performance; consolidate business unit execution results; prepare the ESG Report; identify risks and implement controls; facilitate knowledge-sharing on sustainability topics.

The Company has established the following ESG-related policies and regulations:

- Ethical Corporate Management Principles
- Code of Ethical Conduct
- Procedures for Handling Material Inside Information
- Risk Management Policies and Procedures
- Whistleblowing Procedure
- Organizational Charter of the ESG Committee
- Sustainability Practices Guidelines

The Committee reports ESG execution results to the Board of Directors annually. The Board reviews progress, evaluates strategy effectiveness, and instructs adjustments when necessary. The ESG Steering Team under the Committee identifies ESG material issues, sets management strategies and goals, and compiles the ESG Report. The team reports execution status annually to the ESG Committee.

## 2.02.1 Sustainability Governance

The Company established the ESG Committee and its subordinate ESG Steering Team to fulfill CSR and embed sustainability in operations.

### Committee Responsibilities

- (1) Establish sustainability policies
- (2) Set annual sustainability plans and strategic directions
- (3) Review, oversee sustainability & risk management execution, and report to the Board
- (4) Supervise sustainability disclosures and review the report
- (5) Oversee sustainability practices and related Board instructions

### Team Responsibilities

- (1) Track action plan progress & evaluate performance
- (2) Consolidate execution results across business units
- (3) Identify and manage risks
- (4) Share sustainability knowledge & best practices
- (5) Report risk management status regularly

## 2.02.2 Operations

The ESG Committee reported to the Board on Dec. 24, 2024. The Board evaluated sustainability topics such as energy-saving measures, gender equality, and fair employment, requiring the responsible units to set goals and review progress regularly.

When major ESG incidents occur (e.g., major complaints, serious negative impacts), the Committee must report investigation results and mitigation measures to the Board.

In 2024:

- ESG Committee Meetings: 1
- Member attendance rate: 100%

The ESG Committee submitted the following to the Board:

- 2024 Intellectual Property Management Report
- 2024 Risk Management Operations Report
- 2024 Ethical Corporate Management Execution Report

## **2.03 Board of Directors and Functional Committees**

### **2.03.1 Role and Achievements of the Board of Directors in Sustainability Governance**

To strengthen the Board's supervisory function and enhance management effectiveness, the Company has established three functional committees under the Board: Audit Committee, Remuneration Committee, and ESG Committee.

Each committee is accountable to the Board and submits proposals for Board deliberation.

#### **1. Audit Committee**

- Composed of 4 Independent Directors
- Convener: Xu-Hui Hsu
- In 2024: 6 meetings, attendance 92%
- Responsibilities:
  - (1) Supervise business execution and financial status
  - (2) Review financial statements
  - (3) Assist the Board in performing supervisory duties
  - (4) Ensure compliance with Company Act, Securities and Exchange Act, and other laws

## 2. Remuneration Committee

- Composed of 3 Independent Directors
- Convener: Shan-Shan Hsiao
- In 2024: 2 meetings, attendance 83%
- Responsibilities:
  - (1) Review remuneration policies for directors and managers
  - (2) Provide recommendations to the Board
  - (3) Ensure compliance with regulations and protect shareholders' rights

## 3. ESG Committee

- Members: Chairman Alice Chang, Director Nico Hsu, Independent Directors Shan-Shan Hsiao, Xu-Hui Hsu
- Convener: Alice Chang
- In 2024: 1 meeting, attendance 100%
- Responsibilities:
  - (1) Establish sustainability policies
  - (2) Set annual sustainability plans and strategic directions
  - (3) Review sustainability and risk management performance; report to Board
  - (4) Supervise ESG disclosure and review the ESG Report
  - (5) Oversee sustainability practices or Board-assigned sustainability tasks

### **2.03.1.1 Sustainability Governance Role and Oversight**

#### 1. Board Oversight of Sustainability Initiatives

The Board provides long-term strategic guidance and bears supervisory responsibilities. Each year, the ESG Committee evaluates material ESG issues and the company's business vision to formulate sustainability strategies and report progress to the Board.

The process includes:

- Distributing stakeholder surveys
- Identifying ESG-related economic, environmental, and social impacts
- Analyzing material issues and risks

The ESG Steering Team provide risk information for business unit heads to formulate mitigation measures. As a regular practice, the team convenes meetings at least annually to review changes in risks and management. The Committee then consolidates information and submits it to the Board.

## 2. Sustainability Reporting Management

Each year, the ESG Committee assigns the ESG Steering Team to collect ESG information, which managers then review for accuracy. The data is compiled and submitted to the Board of Directors, and upon approval, the ESG Report is published.

### **2.03.1.2 Oversight of Sustainability Performance Evaluation**

#### 1. Governance Performance:

##### (1) 2024 Consolidated Results

Revenue: TWD 2.968 billion, ↑ 12.9% from 2023 (TWD 2.628 billion).

Gross margin: 31.38%, ↑ 7.49% from 2023 (23.89%).

Net income after tax: TWD 394 million

EPS: TWD 3.50

(2) The Machinery Division showed strong growth in 2024 after organizational transformation.

The Engineering Division also maintained slight revenue growth.

## (3) 2025 Outlook

Machinery: benefit from global health/fitness boom; strengthen partnerships and competitiveness

Engineering: actively participate in AAS facility engineering tenders and complete exhaust/ducting/onsite maintenance projects

Expectation: stable revenue growth and increased profitability in 2025

## (4) Key Economic Indicators (Unit: TWD thousand)

Category	Item	2024 Year	2023 Year
Generated Economic Value	Operating Revenue	2,967,516	2,628,431
	Operating Profit (Loss)	533,561	261,822
	Non-operating Income & Expenses	103,800	40,923
Distributed Economic Value	Operating Costs	2,036,230	2,000,424
	EPS	3.50	1.49
	Cash Dividend per Share	2.50	1.50
	Stock Dividend per Share	0	0
	Income Tax	118,950	58,320
	Employee Salaries & Benefits	687,682	683,480
	Community Investment	2,170	1,876
Retained Economic Value	Retained Earnings	1,320,112	1,093,584

## 2. Social Performance:

## (1) "Take from society, give back to society"

The Company encourages volunteering and organizes social care activities such as blood donation, book donation, elderly and orphanage care, etc. With over 25 years of adoption sponsorship for Taiwan Fund for Children and Families and over 10 years of support for Taichung Huei-ming Home for Blind Children, the company was granted Certificates of Appreciation in recognition of its long-term commitment to social responsibility.

## (2) Chenfull 2024 Public Welfare Activities

- 12/15: Chenfull Saxophone Band & Taichung School for the Visually Impaired charity performance
- 12/01: Taiwan Fund for Children and Families "Light and Brilliance" charity event
- 09/21: Da'an Wenliao Fishing Port beach cleanup
- 06/01: Huei-ming Home for Blind Children Dragon Boat Festival event
- 03/22-26: "Old Shoes Save Lives" donation campaign
- 02/04: HuaShan Social Welfare Foundation Lunar New Year elderly care visits

## (3) In 2024, the Company received multiple appreciation certificates for charity efforts from:

- Taiwan Fund for Children and Families
- HuaShan Social Welfare Foundation
- Huei-ming Home for Blind Children
- Taichung School for the Visually Impaired



(4) Collaborated with the AAEON Foundation on the “Artistic Light – Arts Promotion Program for Rural Schools” in Taichung. Employees volunteer as guides, leading children in artistic exploration since 2020.

(5) Sponsored the “Future and Hope” Celebrity Lecture Series, inspiring youth to pursue their dreams.

(6) Sponsored Vox Nativia Taiwan for Indigenous children education.

“Radiating Brilliance, Infinite Splendor” 2024 Year-End Charity Event



### 3. Environmental Performance:

(1) The Company focuses on sustainability and regulatory compliance. It has completed ISO14064-1 Scope 1 and Scope 2 greenhouse gas inventory, and established GHG reduction policies and quantitative indicators.

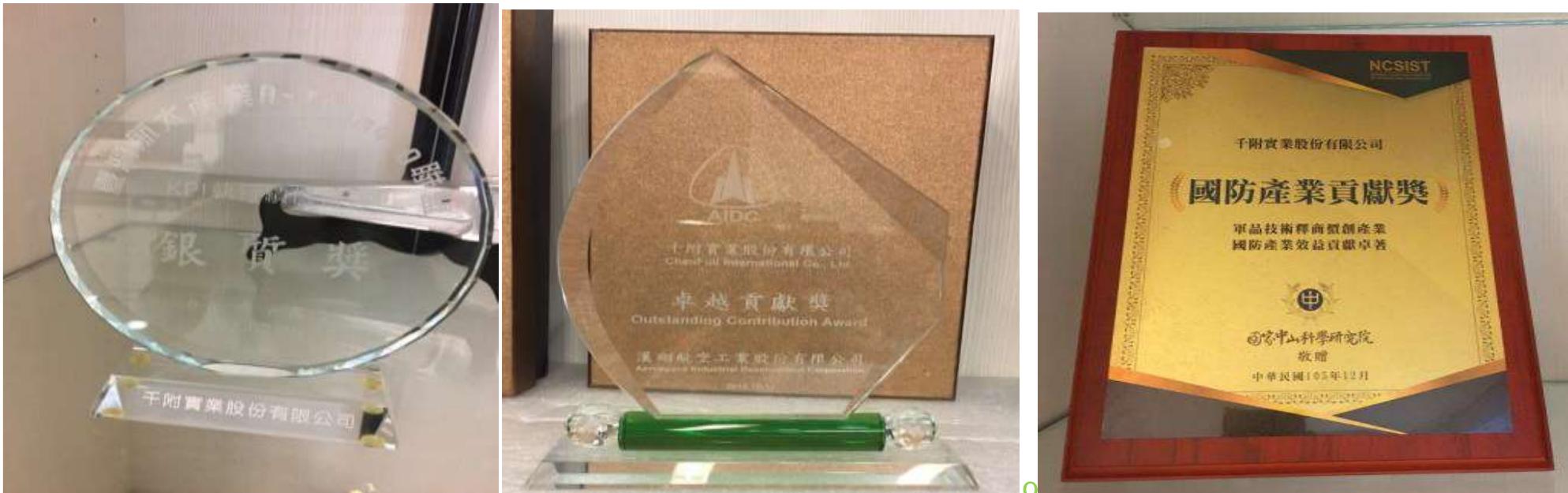
Site	GHG Emissions & Water Consumption – 2024		
	Scope 1		Scope 2
	Stationary Combustion (ton CO <sub>2</sub> e)	Mobile Combustion (ton CO <sub>2</sub> e)	Electricity (ton CO <sub>2</sub> e)
Dayuan Plant	120.5844	41.0137	212.2718
Tanzih Plant		6.4983	1,965.1320
Taipei Office		6.9057	3.7111
Nankan Office			30.8676
Hsinchu Office		4.7778	57.3596
Taichung Office		4.3668	9.4973
Tainan Office		1.9332	29.7736
Construction Sites & Warehouses		0.4644	32.7175
Total	120.5844	65.9599	2,341.3305

Total emissions listed: 2,527.8748 tons CO<sub>2</sub>e, representing 98.39% of total emissions in 2024 (2,569.22 tons). Remaining 1.61% (process-related emissions) are immaterial and not listed separately. Six construction sites and warehouses are combined due to low emission contribution (1.29%).

(2) The Company has also established policies for GHG reduction, water conservation, and waste management. These are detailed in Section 6.01 Climate Change – Targets & Indicators.

#### 4. Honors and Recognition

- (1) 2018 – “KPI Excellence Silver Award” from Aerospace Industry A Team 4.0
- (2) 2018 – “Outstanding Contribution Award” from AIDC (Aerospace Industrial Development Corporation)
- (3) 2016 – “National Defense Industry Contribution Award” from National Chung-Shan Institute of Science and Technology



### 2.03.1.3 Continuing Education in Sustainability

The Company arranges annual training for directors to enhance knowledge in corporate governance, economic, environmental, and social issues, strengthening the Board's risk-management capabilities.

In 2024, all directors collectively completed 48 hours of training. Each director completed at least 6 hours. The board's training activities can be found on page 15 of the company's 2024 Annual Report. ESG-related courses are listed below.

Director ESG Training Participation – 2024

Type	Title	Name	Date	Organizer	Course Title	Hours
Online	Chairman	Alice Chang	2024 07/03	Cathay Financial Holdings	2024 Cathay Sustainable Finance & Climate Change Summit	6
Online	Director	Chia-Sheng Hsu	2024 07/03	Cathay Financial Holdings	2024 Cathay Sustainable Finance & Climate Change Summit	6
In-person	Director	Nico Hsu	2024 11/19	Taiwan Institute for Sustainable Energy	7th GCSF Global Corporate Sustainability Forum	6
Online	Director	Yong-Hui Chang	2024 12/20	Taiwan Corporate Governance Association	Essential Knowledge for Directors and Supervisors to Protect Themselves: Understanding How Perpetrators Exploit Irregular Transactions and Related-Party Transactions	3
			2024 12/17	Taiwan Corporate Governance Association	Executive Remuneration & ESG Performance System Design	3
Online	Independent Director	Shan-Shan Hsiao	2024 07/03	Cathay Financial Holdings	2024 Cathay Sustainable Finance & Climate Change Summit	6
In-person	Independent Director	Chiu-Ling Lu	2024 08/03	Independent Directors Association Taiwan	How Institutional Investors View ESG Governance	3
			2024 08/03	Independent Directors Association Taiwan	Cross-border M&A Legal Planning and Risk Management	3
In-person	Independent Director	Zhang-Zhong Yin	2024 11/20	Securities & Futures Institute	Trade Secret Protection	3
			2024 11/19	Chung-Hua Institution for Economic Research	Outlook 2025: Domestic, Global & Cross-strait Economic Trends	3
In-person	Independent Director	Xu-Hui Hsu	2024 10/18	Securities & Futures Institute	2024 Insider Trading Prevention Seminar	3
			2024 10/30	Corporate Operating and Sustainable Development Association	Corporate M&A Equity Investment Planning & Joint Venture Agreements	3

## 2.03.2 Board Composition and Operations

### 1. Board Diversity

Chenfull's 2024 Board consists of 8 directors, including 4 independent directors.

Collectively, the Board possesses expertise in: business judgment leadership, decision-making management, international perspective, crisis management, and industrial experience. Details can be found on page 14 of the company's 2024 Annual Report.

The Board of Directors has formulated a diversity policy regarding its composition, which is disclosed on the company's website and Market Observation Post System. The policy is implemented in accordance with Article 20 of the company's "Corporate Governance Best Practice Principles," which stipulates that the composition of the Board should take diversity into consideration. The company places significant emphasis on gender equality in the composition of the Board, with female directors accounting for half of its members.

## 2. Board Independence

Although Independent Director Shan-Shan Hsiao has served more than three terms, her industry experience and professionalism fit the Company's needs. All other independent directors have served less than 3 consecutive terms.

All board members are nationals of the Republic. As of the end of 2024, the Board consisted of four directors and four independent directors, with independent directors accounting for 50% of the total membership. As of the end of 2024, two directors were aged 41–50, one director was aged 51–60, four directors were aged 61–70, and one director was aged 71–80.

## 3. Professional Development

The Board of Directors consists of eight members, including four independent directors. The directors possess extensive experience in business judgment and management, enabling them to provide professional and unique insights into the company's operational decisions. To achieve the ideal objectives of corporate governance, the Board as a whole is expected to possess the following competencies: (1) business judgment, (2) accounting and financial analysis, (3) business management, (4) crisis management, (5) industry knowledge, (6) international market perspective, (7) leadership, and (8) decision-making.

All directors completed their required minimum 6 hours of training in 2024 (total 48 hours). Training details are disclosed in the 2024 Annual Report (page 15).

#### 4. Board Performance Evaluation

To enhance governance and operational effectiveness, the Company conducts annual performance evaluations covering the Board as a whole, individual directors, and functional committees. 2024 performance evaluations were submitted to the Board on March 3, 2025.

##### Results:

- Board of Directors: 99% (Significantly Exceeds Expectations and no further comments)
- Individual Directors: 98% (Significantly Exceeds Expectations and no further comments)
- Remuneration Committee: 97% (Significantly Exceeds Expectations and no further comments)
- Audit Committee: 96% (Significantly Exceeds Expectations and no further comments)

##### Evaluation scale:

≥ 90%: Significantly Exceeds Expectations

80–89%: Exceeds Expectations

70–79%: Meets Standard

< 70%: Needs Improvement

Full results are disclosed in Annual Report pages 22 & 27.

#### 5. Director & Executive Remuneration

Articles of Association, Article 19: If the Company has profit for the year, after covering cumulative losses, it shall distribute:

- (1) Board remuneration up to 2% of profit
- (2) Employee remuneration no less than 2% (in stock or cash; may include employees of subsidiaries)

The distribution of directors' and employees' remuneration shall be resolved by the Board of Directors and subsequently reported to the Shareholders' Meeting. Executive remuneration includes fixed salaries and performance bonuses. Salaries are determined with reference to industry standards, as well as factors such as job title, rank, academic and professional background, expertise, and responsibilities; performance

bonuses include financial metrics (revenue, net income) and non-financial metrics (department performance improvements). Based on the allocation principles recommended by the Remuneration Committee and the company's current profitability, the Chairman approves the distribution in accordance with business performance.

### 2.03.2.1 Board Composition Diversity

Current Board term: May 30, 2024 – May 29, 2027

Total directors: 8

Female directors: 4 (50%)

Detailed information on individual members (such as gender, age, and concurrent positions held within the company or other companies) can be found on pages 6–8 of the 2024 Annual Report.

Board Structure

Category	Sub-category	Percentage
Gender	Male	50%
	Female	50%
Age	41-50	25.00%
	51-60	12.50%
	61-70	50.00%
	71-80	12.50%

### 2.03.2.2 Board Operations

As a general rule, the Board of Directors holds meetings on a quarterly basis.

Board meetings in 2024: Regular meetings: 4; Extraordinary meetings: 3; Total: 7; Average attendance rate: 91.07%.

### 2.03.2.3 Nomination & Selection

The Company uses the Candidate Nomination System for both directors and independent directors. Board members are elected by the Shareholders' Meeting for a three-year term. Selection criteria include: independence Professional background, relevance to company operations, and board diversity

Process:

1. Shareholders nominate candidates during the nomination period
2. Corporate governance officer reviews independent director candidates' qualifications and report to the board
3. Board conducts final approval of candidates

### 2.03.2.4 Conflict of Interest

1. The Chairman previously served concurrently as the President. On March 3, 2025, the Board of Directors approved the appointment of Ms. Shu-Yuan Huang as President, effective March 31, 2025.

Board Meeting Rules (Art. 14) and Organizational Charter of the ESG Committee (Art. 9) state: If a director's interests conflict with the Company's, he/she must disclose the conflict and recuse from discussion and voting. No director may exercise voting rights on behalf of another. Meeting minutes must record the conflict and recusal. In 2024, no agenda items involved director conflicts of interest.

2. Conflicts of interests are disclosed in:

The cross-shareholding status with other stakeholders, as well as information regarding major shareholders and related parties, has been disclosed in the Company's 2024 Standalone Financial Statements (Related Party Transactions: pages 56–58) and in the 2024 Annual Report (page 57: Top 10 shareholders who are related parties; page 60: List of major shareholders). These documents have also been uploaded to the Market Observation Post System.

The Company's "Procedures for Acquisition or Disposal of Assets" includes Article 10, which specifically sets out the "Evaluation and Operational Procedures for Related Party Transactions," stipulating the matters that must be submitted to the Board of Directors for approval or ratification.

## 2.03.2.5 Remuneration Policy

### 1. Director Remuneration Structure & Determination

Articles of Association, Article 19 stipulates that if the Company generates profit in a given year, directors' remuneration shall not exceed 2% of the profit for that year. The principles for determining directors' remuneration shall take into consideration the remuneration levels commonly adopted in the industry. For details regarding directors' remuneration in 2024, including the remuneration ranges and payment standards, please refer to pages 17–18 of the Company's 2024 Annual Report.

The remuneration system for the Company's senior management is proposed by the Remuneration Committee for approval by the Board of Directors. In addition to fixed salaries and retirement benefits, performance bonuses are calculated based on the extent to which various performance indicators are achieved. For details regarding senior management remuneration and remuneration ranges for 2024, please refer to pages 18–19 of the Company's 2024 Annual Report.

- No clawback mechanism

The Company does not have a clawback mechanism for directors' remuneration in place. However, to ensure corporate sustainability and ethical business conduct, if any director or employee is penalized for misconduct, and such misconduct results in significant losses to the Company, the Company will pursue legal action and seek compensation in accordance with the law.

- Linkage Between Remuneration and ESG Performance

The Company has not incorporated ESG strategic objectives into the variable remuneration of directors, nor into the ESG performance evaluation criteria for senior management.

- Senior Management Resignation and Retirement Policies

The resignation notice requirements for the Company's senior management are handled in accordance with the provisions of the Labor Standards Act of Taiwan. The number of notice days and the calculation method for severance payments are the same as those for other employees. Except for statutory severance, no additional payments or in-kind benefits are provided to departing directors or senior management.

In addition, the Company has established a Retirement Policy for Managers. Managers who meet the eligibility requirements for retirement must apply six months in advance and obtain approval. Other retirement-related arrangements are consistent with those applicable to general employees.

## 2. Salary Ratio Disclosure

In 2024, the ratio of the total annual remuneration of the Company's highest-paid individual to the median of the total annual remuneration of all employees (excluding the highest-paid individual) was 5.19:1. The primary differences were in salary and employee bonuses, which accounted for 51% and 30% of the executive's remuneration, respectively.

The ratio of the percentage increase in total annual remuneration of the highest-paid individual to the percentage increase in the median total annual remuneration of all employees (excluding the highest-paid individual) was 1.51:1. The main factor contributing to the increase was the year-end bonus and employee profit-sharing, with the highest-paid individual receiving a maximum increase of 26.66%, compared with a 17.63% increase for the employee median.

### Salary Ratio

Item	2024	2023
Highest-paid individual vs employee median	5.19	5.46
Increase ratio (highest-paid vs employee median)	1.51	2.29

## 2.03.3 The Structure and Operation of Functional Committees

### 1. Remuneration Committee

The Company's Remuneration Committee consists of three members, all of whom are Independent Directors, with a male-to-female ratio of 1:2. The current term of the Remuneration Committee is from August 12, 2024 to May 29, 2027. The Committee is required to convene at least two meetings per year. In 2024, the Remuneration Committee held a total of two meetings, with an overall attendance rate of 83%. For detailed information on each member and the operation of the Committee, please refer to pages 33–37 of the Annual Report.

## 2. Audit Committee

The Company's Audit Committee consists of four members, all of whom are Independent Directors, with a male-to-female ratio of 1:1. The current term of the Audit Committee is from May 30, 2024 to May 29, 2027. The Audit Committee is required to convene at least once every quarter. In 2024, the Audit Committee held a total of six meetings, with an overall attendance rate of 92%. For detailed information on each member and the operation of the Committee, please refer to pages 22–24 of the Annual Report.

## 3. Stakeholders and Material Topics

### 3.01 Stakeholder Engagement

The Company refers to the five key principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES 2015)—Dependency, Responsibility, Tension, Influence, and Diverse Perspectives—to identify groups or organizations that have an impact on the Company or are affected by the Company. Based on this assessment, the stakeholders directly related to the Company are listed in the table below.

To understand and respond to the concerns of stakeholders, the Company provides various communication channels to facilitate stakeholder engagement. These channels enable stakeholders to express their opinions at any time, allowing the Company to gain insight into the sustainability issues they value and to provide appropriate responses.

#### Stakeholder Communication Mechanisms and Key Concerns

Stakeholder	Relationship	Channels	Frequency	Key Concerns	Outcomes
Employees	Employees are the Company's most important assets and the core of its competitiveness.	1. Employee section and feedback mailbox on the Company website 2. Onsite/electronic bulletin boards 3. Labor-management meetings	1. As needed 2. As needed 3. Quarterly 4. Quarterly 5. General meetings (semi-annually) / Management meetings (monthly) /	<ul style="list-style-type: none"> <li>• Workplace environment</li> <li>• Talent development and training</li> <li>• Remuneration and benefits</li> </ul>	<ul style="list-style-type: none"> <li>• 70 employee training sessions</li> <li>• 4 labor-management meetings</li> <li>• 4 quarterly newsletters issued</li> </ul>

		4. Company quarterly newsletters 5. Regular meetings	Onsite staff meetings (quarterly)	<ul style="list-style-type: none"> <li>• Occupational safety and health           <ul style="list-style-type: none"> <li>• Internal/external training programs</li> <li>• Human rights protection</li> <li>• Employee clubs</li> </ul> </li> </ul>	
Shareholders / Investors	Any global institutional or individual investors who have invested or intend to invest in the Group.	1. Financial reports/material information 2. Shareholders' meeting 3. Investor conferences	1. Quarterly 2. Annually 3. As needed	<ul style="list-style-type: none"> <li>• Economic performance           <ul style="list-style-type: none"> <li>• Compliance with financial and labor laws</li> <li>• Occupational health and safety</li> <li>• Financial soundness and sustainable development</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 26 material information released via MOPS</li> <li>• 1 annual shareholders' meeting held</li> <li>• Over 50 investor inquiries answered via phone/email</li> <li>• Attended in 1 investor conference</li> </ul>
Customers	Customers are the Group's primary source of economic value. The Group provides high-quality products and services based on customer needs.	1. Business department visits 2. Customer service mailbox 3. Customer satisfaction surveys 4. Phone and email communication 5. Participation in product exhibitions to understand customer and market trends 6. Customer onsite visits	1. As needed 2. As needed 3. Annually 4. As needed 5. As needed 6. As needed	<ul style="list-style-type: none"> <li>• Products and services           <ul style="list-style-type: none"> <li>• Anti-competitive behavior</li> <li>• Compliance with environmental laws</li> <li>• Competitive advantages</li> <li>• Marketing and labeling</li> <li>• Labor and human rights</li> <li>• Customer privacy</li> <li>• Green product design</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Maintained close communication with customers to ensure product compliance</li> <li>• Completed annual customer satisfaction evaluations and periodic surveys</li> <li>• Supported customer annual audits</li> <li>• Continued improvement of operating procedures</li> </ul>
Suppliers / Contractors	Supply raw materials required for Group operations; the Group	1. Weekly meetings 2. Supplier/contractor visits	1. Weekly 2. As needed 3. Annually	<ul style="list-style-type: none"> <li>• Procurement strategy</li> </ul>	<ul style="list-style-type: none"> <li>• 100% signing rate for newly added suppliers on the CSR Commitment Letter</li> </ul>

	collaborates with suppliers to establish a sustainable supply chain.	3. Business continuity planning drills		● Labor grievance mechanism ● Supply chain management	
Media	Media serve as a communication bridge between the Group and its stakeholders by delivering timely corporate information and strengthening corporate image.	1. Press releases 2. Official corporate website	1. As needed 2. As needed	● Economic performance ● Financial soundness and sustainable development ● Products and services	● More than 5 media exposures ● Corporate website updated as needed
Society	Concerned with the Group's support for education and arts, cultivation of new-generation talents, and overall social impact.	1. Cooperation with educational institutions to cultivate talent 2. Participation in environmental protection activities such as beach cleanups 3. Participation in cultural and social care activities, supporting charity projects 4. Communication and assistance as needed	1. Annually 2. As needed 3. According to annual plans 4. As needed	● Occupational health and safety ● Compliance with environmental laws	● Over 100 participants in the "Earth Hour" lights-off carbon reduction event ● Annual procurement to support sheltered workshops ● Co-organized rural elementary school Dream Project with AAEON Foundation ● Over 40 years of child sponsorship through the Taiwan Fund for Children and Families, recognized by the President of the Republic
Government / Industry Associations	The Group complies with local government regulations and prohibits unlawful activities, while maintaining constructive interaction with authorities.	1. Financial reports/material information announcements 2. Participation in relevant meetings	1. Quarterly 2. As needed	● Regulatory compliance ● Environmental pollution ● Taxation ● Competitive advantages ● Employment conditions	● Participation in several industry associations, including: Taiwan Footwear Manufacturers Association, Taiwan Association of Machinery Industry, SEMI, and HTFA, assisting members with business expansion and subsidy applications

All of the above matters are coordinated by the Company's dedicated IR personnel in collaboration with the respective responsible departments.

### 3.02 Process for Determining Material Topics

To more accurately identify the issues of concern to our stakeholders, we follow the reporting principles of the GRI Standards and the International Integrated Reporting Framework. Taking into account the nature of the Company's operations, we apply a scientific methodology to determine material topics.

The procedure is outlined as follows:

#### 1. Understand the organizational context

The scope of our company's operations involves the production and provision of key component products. As the manufacturing industry has significant impacts on resource consumption and emissions, environmental sustainability is a critical issue of concern for us. In addition, manufacturing typically features complex supply chains, including suppliers and contractors; therefore, supply chain management is also an important area that requires our attention.

In understanding the organizational context, the company has assessed stakeholders closely related to our operations. Based on the five principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES), we categorize our stakeholders into seven groups: employees, shareholders/investors, customers, suppliers/contractors, media, society, and government/industry associations. By reviewing international sustainability trends and our internal communication processes with various organizational units and stakeholders, we have consolidated the ESG topics relevant to the company.

#### 2. Identify actual and potential impacts

Based on two key principles—the level of stakeholder concern and the level of operational impact—we determine the priority ranking of sustainability topics. To obtain a representative sample for assessing the “level of stakeholder concern,” we conducted a questionnaire survey targeting stakeholders to collect their views. For assessing the “level of operational impact,” senior management evaluated the potential impacts of each topic. The results of both evaluations were then integrated into the materiality matrix.

### 3. Assess the significance of impacts

We assess and prioritize each topic based on two key principles: the level of stakeholder concern and the level of operational impact. For the assessment of stakeholder concern, we conducted a questionnaire survey targeting key stakeholders to ensure that the collected topics are representative.

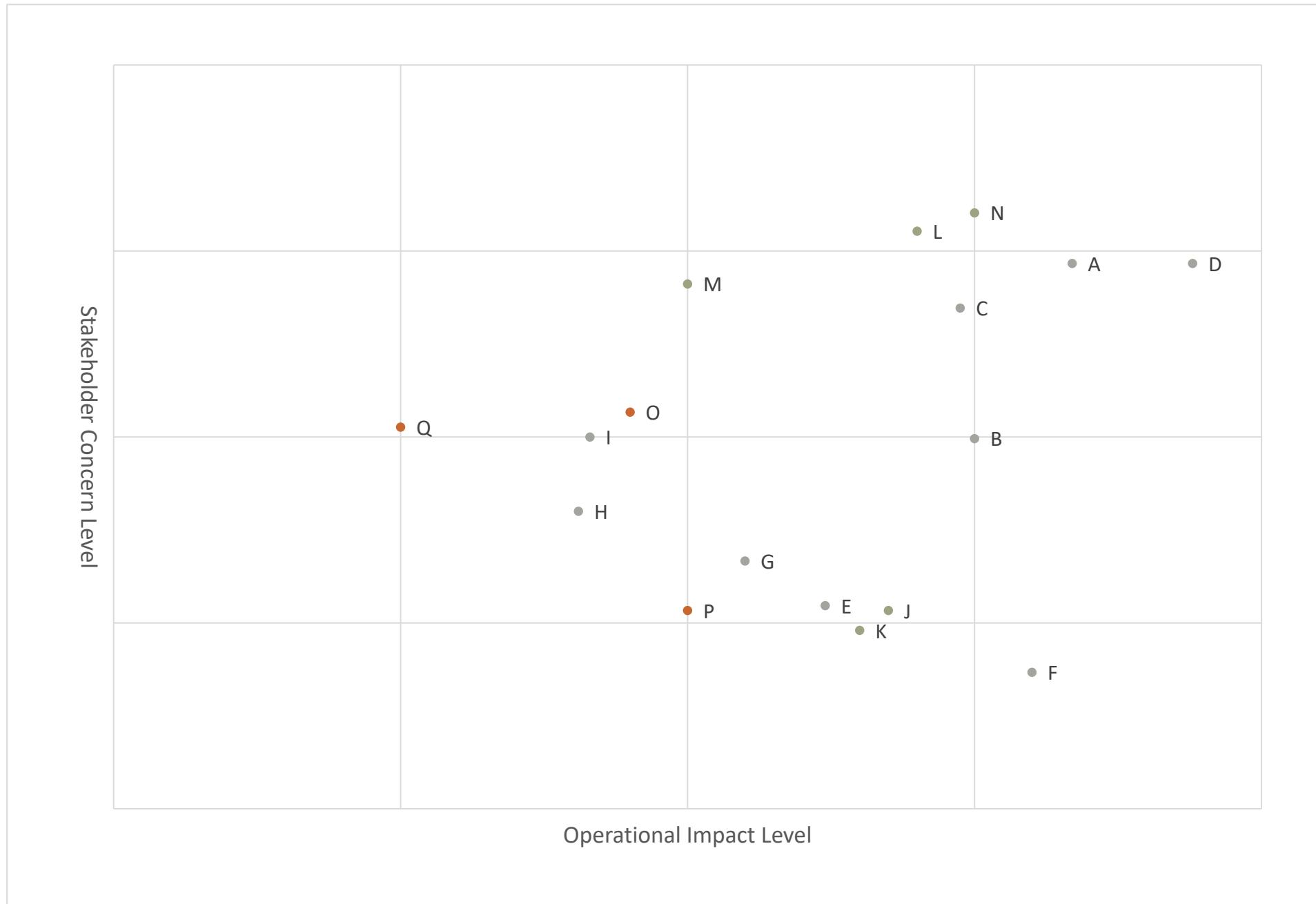
For evaluating the operational impact, senior management reviewed each topic by considering its potential influence and associated risks. The results were then consolidated into the materiality matrix, allowing stakeholders to understand the impacts of various topics across the value chain. This matrix also serves as a foundation for strengthening the company's sustainability management.

### 4. Prioritize the reporting sequence of the most significant impacts

After review by the ESG Steering Team and confirmation through discussions with senior management, key material topics were identified. These topics will be prioritized for disclosure in the ESG report and further integrated into our sustainability strategies and action plans. This ensures that the company continues to create value while making positive contributions to society and the environment.

These material topics will not only be disclosed in the report but will also serve as priority areas for our future sustainability management, enabling more sustainable operations and growth. We will continue to collaborate with stakeholders to address these topics and work together to create a better future.

### 5. As there were no significant changes in the company's operations, the materiality assessment results from previous years were retained for the current year.



## Sustainability Topic Ranking

Sustainability Topic	Code	Sustainability Topic	Code	Sustainability Topic	Code
Corporate Governance	A	Ethical Standards	G	Gender Equality	M
Risk Management	B	Recycle and Reuse	H	Occupational Safety and Health	N
Integrity Management	C	Water Resources Management	I	Employee Diversity	O
Financial Performance	D	Greenhouse Gas Emissions	J	Human Rights	P
Sustainable Supply Chain Management	E	Energy Management	K	Social Engagement	Q
Customer Satisfaction Survey	F	Employee Care	L		

After joint discussions among the members of the ESG Committee, Corporate Governance, Risk Management, and Sustainable Supply Chain Management were identified as the company's material topics. Based on these material topics, subsequent material issues were derived and further discussed accordingly.

### 3.03 List of Material Topics

The ESG Committee consolidated the significance of sustainability impact assessments and the level of stakeholder concern to identify and determine the company's material topics. Compared with the previous year, there were no changes to the material topics. For the issues associated with each material topic, discussions were conducted across various risk dimensions, including human resources risk, external environmental risk, corporate risk, information technology risk, financial risk, and tax risk.

The list of material topics

2024 Major Topics List	Previous Year Major Topics List	Explanation of Change
Risk Management	Risk Management	Same
Supply Chain Management	Supply Chain Management	Same
Talent Development	Talent Development –Human Resources Risk	Same
Cybersecurity & Privacy Management	Information Technology Risk	Same

### 3.04 Management of Material Topics

The Company assesses the nature of impacts associated with each material topic, focusing on related risks and formulating corresponding policies and management actions. Dedicated units propose feasible policies and implementation measures. The management approaches and mitigation actions for each major risk category are explained as follows:

In November 2024, the ESG Steering Team, with the support of senior management, consolidated the key risk issues faced by the Company during the year and evaluated their impact on business operations. Ultimately, six primary risk dimensions were identified: Human Resources Risk, External Factors Risk, Corporate Risk, Information Technology Risk, Financial Risk, and Tax Risk.

In addition, based on topics discussed in management meetings held throughout the year, relevant issues were compiled and detailed per risk category to establish the Risk Assessment Checklist. A total of 12 members of senior management reviewed each risk item and assessed it by selecting the frequency of occurrence and level of impact. The checklist includes the following content:

#### 1. Human resource risk

- (1) Loss of company talent leading to inadequate transfer of knowledge and experience.
- (2) Insufficient experienced personnel, affecting project execution efficiency and cost reduction efforts.
- (3) Workforce gaps and aging employee structure.
- (4) Labor shortage and recruitment challenges.
- (5) Low order visibility may impact internal operations, resulting in layoffs or unpaid leave, thereby increasing human resources risk.
- (6) Declining birth rates intensify labor market competition, making recruitment and retention difficult; challenges in developing talent for international business and specialized functions.

#### 2. External factors risk

- (1) Economic downturn leading to a significant reduction in workload and decline in business performance.
- (2) Impact of the pandemic on import/export operations resulting in shortages of raw materials.
- (3) Geopolitical tensions—such as those between the U.S., China, and Taiwan—affecting economic stability.

- (4) Economic slowdown causing reduced capital expenditure in the semiconductor and electronics industries, leading to lower market demand.
- (5) Uncertainty in economic recovery momentum.
- (6) Shift in market regions, with customers no longer specifically requiring Taiwan-made equipment.

### 3. Corporate operational risk

- (1) Changes in order direction due to onboarding of new customers.
- (2) Fluctuation in raw material prices.
- (3) Decline in corporate competitiveness.
- (4) Industrial relocation resulting in reduced orders for footwear machinery and engineering services.
- (5) Uncertainty regarding the effectiveness of the company's overall business strategy.
- (6) Potential shortage of energy supply or increase in electricity rates may affect production costs and reduce competitiveness.
- (7) Rapid industry changes with no current leading strategy to capture forward-looking innovation opportunities.

### 4. Information technology risk

- (1) Insufficient level of digitalization, resulting in high operational costs.
- (2) Cybersecurity concerns.

### 5. Financial risk

Significant maintenance or enhancement costs are required to comply with ESG requirements.

### 6. Tax risk

The impact of carbon taxation reduces willingness to invest in equipment, while workforce shifts toward industries related to greenhouse gas emissions management.

Finally, based on the senior executives' assessment results, the corresponding "Frequency of Occurrence" and "Impact Level" for each of the aforementioned risk categories were selected and compiled into the following assessment outcome:

Risk Category / Entity	Frequency of Occurrence	Impact Level
Human resource risk	66%	65%
External factors risk	55%	65%
Corporate operational risk	47%	49%
Information technology risk	53%	43%
Financial risk	48%	33%
Tax risk	39%	39%

The ESG Steering Team invited the supervisors from each unit to formulate actionable improvement strategies for the next three years, specifically addressing the aforementioned assessment results (especially the top four risks in Impact Level: Human Resources Risk, External Factors Risk, Corporate Operational Risk, and Information Technology Risk):

## 1. Human resource risk

### (1) Opportunity for automation technology development

(Implementation of automatic welding machines in the production department).

### (2) Strengthen on-the-job training to lower the learning curve for projects.

### (3) Establish a Lessons Learned and Knowledge Management (KM) mechanism.

### (4) Increase the proportion of foreign workers to ensure stability of the production workforce.

### (5) Establish a support program to facilitate the flexible deployment of personnel across different regional offices.

### (6) Establish a welfare policy plan that is substantially more attractive compared to industry peers.

## 2. External factors risk

### (1) Strengthen business activities at all on-site plant locations, continuously and gradually increasing market share for each "on-site factory."

### (2) Continuously qualify as a "certified supplier" for other non-TSMC technology companies (competing in the non-TSMC market).

### (3) Continuously accumulate qualifications as a "certified material supplier" for foreign technology companies, establishing future opportunities for quotation and cooperation with clients.

### (4) Establish overseas supply chains, develop local construction contractors, and link opportunities for ducting component sales.

### (5) Continuously participate in international technology exhibitions to accumulate international visibility and reputation.

(6) Cultivate talent with language skills and international working experience to meet future international trade and multinational cooperation opportunities.

### 3. Corporate operational risk

- (1) Convert outsourced components to in-house production to enhance competitiveness.
- (2) Continuously strengthen extension project designing and project management talent.
- (3) Enhance the capability for in-house product and service design to create opportunities in extension projects related to exhaust-gas treatment equipment.

### 4. Information technology risk

- (1) Although some internal documents have electronic versions, the current workflow still requires printing and manual signatures by supervisors. The approval process can be digitized so that daily review procedures are logged in the online system, and supervisors can approve through an electronic approval process. After approval, the documents can be stored electronically on the company's file server for future reference.
- (2) The company's current mail server, Microsoft Exchange Server 2010, reached end of support on October 13, 2020. Microsoft is expected to release a new version of Exchange Server in 2025. At that time, the company will upgrade the mail server along with Active Directory (AD) (budget already allocated) to reduce the cost and difficulty of migrating the system to the cloud.
- (3) Before the upgrade, the company will strengthen internal and external defense capabilities, such as using firewalls to control external connections, using the SPAM SQR email filtering platform for communication with external email sources, installing antivirus software on employees' computers, and using Windows Server Update Services (WSUS) to distribute system updates internally.
- (4) Continue to conduct cybersecurity awareness campaigns and training to reinforce employees' cybersecurity awareness through ongoing repetition.

## 4. Governance

### 4.01 Ethical Corporate Management

#### 4.01.1 Ethical Management Philosophy, Policies, and Codes of Conduct

The Company has established ethical management policies with reference to the “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEX Listed Companies.”

Related preventive measures and post-incident remedial mechanisms have been developed for specific risks, and an independent supervisory unit is responsible for following up on case handling to ensure compliance with ethical management standards and objectives. The Ethical Corporate Management Principles take effect after approval by the Board of Directors.

## 1. Ethical Corporate Management Policies and Plans

- (1) The Company has established the “Ethical Corporate Management Principles”, which clearly regulate the standards that directors, independent directors, managers, employees, appointees, and substantial controllers must follow when performing business activities.
- (2) The Company promotes its core values—Integrity, Proactiveness, Innovation, Breakthrough—through the corporate website and quarterly newsletters. To ensure that directors, independent directors, managers, and all employees act in accordance with ethical standards, the Company has also established the “Code of Ethical Conduct” and the “Service Guidelines in Employee Work Rules.” These documents explicitly define ethical policies and implementation requirements.
- (3) In accordance with the Ethical Corporate Management Principles, the Code of Ethical Conduct, and the Internal Control Systems, the Company defines standards for ethical behavior, including:

Principles of honesty and credibility, prevention of conflicts of interest, prohibition of self-benefiting behavior, confidentiality responsibilities, fair trade, safeguarding and responsible use of company assets, legal compliance, and encouragement to report unethical or unlawful behavior. Employees who violate these standards shall be handled according to laws or Company regulations and must be publicly announced as a warning.

- (4) All commercial activities must be conducted in a fair and transparent manner. Before engaging in business transactions, the Company reviews the legality and integrity records of agents, suppliers, customers, and other counterparties. Kickbacks, bribery, or improper benefits are strictly prohibited.

## 2. Implementation of Relevant Regulations and Progress Update

Identity	Timing	Documents to Sign	Signing Rate
New Employee	Upon Joining	Employment Contract, Intellectual Property Ownership and Confidentiality Agreement, Employee Confidentiality and Non-Compete Agreement, Employee Code of Conduct Agreement.	100%
Current Employee	Scheduled in 2025 to sign agreements related to Intellectual Property Ownership and Confidentiality, Employee Confidentiality and Non-Compete Agreement, and Employee Code of Conduct Agreement.		
Governance and Management	Upon Appointment	Directors and President have signed the Integrity Management Statement.	100%
New Supplier	Before Contract	Machinery Division: Confidentiality and Commissioned Processing Contract, Supplier Product Warranty Terms, and Supplier Social Responsibility Commitment. Engineering Division: Supplier Social Responsibility Commitment.	100%/88%
Existing Supplier	Upon Contract	Machinery Division: Confidentiality and Commissioned Processing Contract, Supplier Product Warranty Terms, and Supplier Social Responsibility Commitment. Engineering Division: Depending on the nature of the contract, sign relevant engineering operation specifications.	100%

### 3. Enforcement of Ethical Corporate Management

- (1) The Company requires all business partners to commit to prohibiting bribery, improper benefits, or kickbacks, and to jointly comply with ethical business clauses.
- (2) The ESG Steering Team, under the ESG Committee, is responsible for implementing ethical corporate management. Its duties include:

Developing ethical management regulations in line with laws

Establishing communication and whistleblowing mechanisms

Promoting ethical policies

Assisting the Board and management in evaluating implementation effectiveness and risk mitigation

- (3) The Team reports its implementation status to the Board at year-end. The 2024 report was submitted on December 24, 2024. 2024 Results: Zero unethical events (Complaints: 0, Whistleblowing mailbox reports: 0, Fraud/Corruption cases: 0)

4. The implementation status for Fiscal Year 2024 is as follows:

(1) Supplier Commitments

The company's integrity policy was promoted through the Supplier Management Platform.

69 new suppliers signed the Supplier Social Responsibility Commitment Letter.

(2) Training and Education

57 individuals participated in New Employee Orientation.

6 individuals participated in New Manager Training.

The company's Administration Department conducted mandatory courses, including topics such as Intellectual Property, Business Ethics, and the Implementation of Trade Secret Management for Corporate Employees, resulting in a total of 308 people trained.

(3) Employee Commitment

100% of employees sign the Employee Code of Conduct (related to integrity) upon onboarding.

(4) Codes and Policies

The company has established a "Code of Ethical Conduct" and "Ethical Corporate Management Principles" to regulate personnel to handle official duties objectively, prevent conflicts of interest, and proactively report any potential conflicts of interest with the company.

(5) Internal Control and Audit

Each department reviews relevant internal control systems and operating procedures to prevent dishonest conduct by company personnel. Furthermore, the company's internal audit function conducts periodic and non-periodic checks on the compliance of internal control systems, compiling the audit reports for submission to the Board of Directors.

## (6) Integrity Promotion

Integrity is a core principle of the company's operating philosophy. The company regularly promotes its code of ethics and operating philosophy internally to employees. Externally, the company regularly invites suppliers to attend the Supplier Convention to ensure they fully understand the company's integrity management regulations.

### 5. Operation of the Company's Whistleblowing System

(1) The Company has established a "Whistleblowing Procedure" and announced a whistleblowing mailbox

(audit@chenfull.com.tw) for use by both internal and external parties. Reports from internal employees, customers, suppliers, and contractors are handled by the Audit Office, while reports from shareholders, investors, and other stakeholders are handled by the Office of the Chairman.

(2) The "Whistleblowing Procedure" clearly defines the reporting process. In addition to committing to keeping whistleblowers' identities and supporting evidence confidential, the Legal and Human Resources departments may provide assistance when necessary.

(3) The "Whistleblowing Procedure" stipulates the confidentiality of whistleblowers' identities and commits to protecting whistleblowers from improper treatment as a result of filing a report.

### 6. Enhancing Information Disclosure

(1) The Company's corporate governance regulations related to the "Ethical Corporate Management Principles" have been disclosed on the Market Observation Post System (MOPS).

(2) The Company has established and complies with the "Ethical Corporate Management Principles," and no deviations have been identified to date.

(3) The Company and its business partners operate in accordance with the Board-approved "Code of Ethical Conduct" and "Ethical Corporate Management Principles," which are also incorporated into contractual terms.

### 7. Education and Promotion on Insider Trading Prevention Regulations

The Company has published the full content of the “Procedures for Handling Material Inside Information” on its corporate website (Corporate Governance section). The procedures specify that insiders are prohibited from trading the Company’s shares during blackout periods—30 days before the announcement of the annual financial statements and 15 days before the announcement of each quarterly financial report. The Company conducts at least one annual training or awareness session for directors, managers, and employees regarding the procedures for handling material inside information.

- (1) In January 2024, the Company provided guidance to board members, managers, and other insiders on the Procedures for Handling Material Inside Information, including the rules on prohibited trading.
- (2) In December 2024, indirect labor received training through e-learning, while direct labor were briefed by their supervisors. The training explained the definition and concepts of insider trading, as well as relevant legal prohibitions and case studies, to strengthen awareness of insider trading prevention, establish control procedures, implement effective preventive measures, and enhance corporate governance.
- (3) Throughout 2024, board members were notified of meeting dates via email, and insiders were informed of the blackout periods prior to the announcement of each quarterly financial report to prevent accidental violations of insider trading restrictions.

#### Commitment to the Integrity Management Policy

Policy Regulations	Reference Documents	Approving Authority	Executing Unit	Publication Link
Ethical Corporate Management Principles	-	Board of Directors	All Operating Units and the Board of Directors	<a href="https://www.chenfull.com.tw/Chenfull/esg210">https://www.chenfull.com.tw/Chenfull/esg210</a>

## 4.02 Risk Management

The Company’s risk control is divided into three levels (mechanisms). The responsible units constitute the first mechanism, which is required to identify, assess, and design preventive measures for initial operational risks. The second mechanism is the ESG Steering Team formed by the management team, responsible for assessing the feasibility of implementation plans, making decisions, and coordinating and directing various risk assessments and risk management initiatives. The third mechanism involves review by the ESG Committee and supervision by the Board of Directors.

The organizational structure of the Company's risk management is as follows:

1. Board of Directors: Establishes risk management policies, frameworks, and culture, and ensures the effectiveness of the risk management mechanisms.
2. Senior Management: Responsible for business decision-making and planning, executing the Board's risk management decisions, and coordinating cross-departmental risk management interactions and communications to reduce strategic risks.
3. Audit Office: Conducts regular audits of each business unit in accordance with the Company's internal control and audit plans to verify proper implementation of risk control. Prepares audit reports based on the audit results and tracks follow-up improvements.
4. ESG Committee: Regularly receives reports from the Company's ESG Steering Team, supervises the effectiveness of the Company's risk management execution, and reports the status of risk management operations to the Board of Directors.
5. ESG Steering Team: Led by the Corporate Governance Officer, the team identifies risk factors and conducts risk control to enhance the efficiency of command, coordination, self-assessment, and execution within the risk management organization. It also reports the status of risk management operations to the ESG Committee on a regular basis.
6. Business Units: Each functional management unit is a member of the risk management task force, responsible for carrying out daily risk management activities and performing self-assessments of risk control activities.

#### **4.02.1 Risk Management Mechanism**

Through the existing organizational structure and internal control mechanisms, the Company identifies various risk scenarios and establishes corresponding management approaches to enhance risk oversight. Risk management is conducted to address uncertainties in business operations, assess risks from different sources, and implement effective supervision and control to reduce or avoid any risks that may potentially harm the interests of the Company. The Company's risk management covers financial risk, cybersecurity risk, operational risk, human resources risk, policy risk, tax risk, and climate change risk. The early-warning indicators and response measures for each type of risk are as follows:

1. Financial Risk

- (1) Foreign Exchange Risk: Some of the Company's foreign-currency-denominated accounts receivable and accounts payable are in the same currency, which provides a natural hedging effect for certain positions. The Company continues to monitor market exchange rate trends and, under a conservative principle, adjusts its foreign currency asset positions to conduct foreign exchange hedging.
- (2) Interest Rate Risk: The Company is exposed to fair value interest rate risk due to its fixed-rate time deposits and bank borrowings. However, since the borrowings are at fixed interest rates and no derivative financial instruments are used, the risk arising from interest rate fluctuations is limited.

## 2. Cybersecurity Risk

- (1) Cybersecurity Concerns: The Company regularly backs up internal data, strengthens network cybersecurity controls and protective measures, and establishes backup mechanisms to prevent cyberattacks.
- (2) Enhancement of Cybersecurity Training: The Company provides training programs to reinforce employees' awareness and understanding of cyber security risks.

## 3. Operational Risk

- (1) Emergency and Disaster Risk: The Company implements its internal "Emergency Response Plan," forming response teams composed of various teams according to the severity level. These teams carry out emergency actions to minimize operational risks.
- (2) Procurement and Price Fluctuation Risk: The Company carefully evaluates the estimated costs when undertaking projects and develops long-term relationships with reliable subcontractors. During production, it closely monitors changes in procurement and outsourcing prices to effectively reduce the risks associated with price fluctuations.
- (3) Equipment Risk: The Company conducts regular inspections, maintenance, and replacement of equipment in accordance with internal regulations to ensure stable operation of machinery and equipment.

## 4. Tax Risk

The Company operates and expands its business across Taiwan while complying with the tax laws of the Republic of China. Any adverse changes in tax laws and regulations may increase the Company's effective tax rate and negatively impact business performance. To effectively manage tax risks, the Company follows internal control procedures to identify, assess, and manage tax risks arising from regulatory changes and operational

activities, and appropriately measure, manage, and control such risks.

## 5. Human resource risk

**Employee Recruitment:** The Human Resources Department continuously monitors domestic and international policies and regulations, taking necessary corresponding measures. Regular care is provided to employees, and evaluation plans are established for promotion channels and salary adjustment mechanisms to achieve talent retention.

## 6. Policy Risk

- (1) **Policy Change Risk:** Each department periodically monitors policy and legal changes relevant to its operations and sends personnel to attend briefings held by government agencies. Departments evaluate whether to implement corresponding measures and ensure that the Company's operations comply with laws and regulations.
- (2) **Enhancing Awareness of Risk for New Employees:** New hires are informed about the Company's key risks and the precautions.
- (3) **Regular Internal Risk Communication:** The Company periodically educates employees on operational risks, integrating market dynamics and trends to strengthen awareness and understanding of the Company's risk culture.

## 7. Climate Change Risk

- (1) **Water Conservation / Carbon Reduction:** Climate change may lead to water shortages. The Company actively promotes water-saving measures internally and, in coordination with the Central Taiwan Science Park, invests in wastewater treatment equipment. Regarding carbon reduction, the Company's main source of emissions is electricity usage. Efforts to mitigate this include replacing outdated equipment, upgrading facility lighting, and promoting energy-saving practices to reduce the risks of climate change.
- (2) **Regulatory Risks Related to Climate Change:** In response to climate-related risks, global regulations and agreements are becoming increasingly stringent. The Company continuously monitors relevant domestic and international laws and proactively aligns its operations with emerging industry trends to fulfill its corporate sustainability responsibilities.
- (3) **Physical Risks from Climate Change:** Climate change may cause environmental anomalies, such as continuous rainfall, droughts, or sudden temperature fluctuations, which could increase resource consumption, impact the Company's supply chain and facility operations, or raise disaster recovery costs. To address this, the Company continues to implement energy-saving and carbon-reduction measures, annually tracks relevant

energy-saving data for monitoring, and educates suppliers and facilities on carbon and water resource management to enhance awareness of climate change risks.

(4) Opportunities from Climate Change: With global businesses focusing on the circular economy and rapid climate change, there are opportunities in renewable energy, energy efficiency, and low-carbon product innovation for new markets. The Company will continue to promote environmental protection through electricity, water, and energy conservation measures.

**Corporate Strategies for Addressing Climate Change and Greenhouse Gas Management:** In response to climate change, the Company has been implementing various energy-saving and carbon-reduction measures. At the same time, it conducts greenhouse gas inventories and continuously monitors energy-consuming equipment to minimize the impact of its operations on the natural environment.

#### 4.02.2 Regulatory Compliance

The Company adheres to relevant environmental laws and operational regulations. In the fiscal year 2024, no significant violations of laws and regulations (with fines below TWD 1 million) or monetary sanctions occurred.

#### 4.03 Participation in various associations and organizations

The Company continues to participate in industry-related associations, exchanging industry knowledge, information, and practical experience with peers and professionals. This engagement aims to collectively respond to changes in the international environment and to enhance industry standards. The following lists the associations in which the Company participates that are relevant to its business or operational locations.

Association / Organization	Membership Status
Changfa Industrial Park Association, Dayuan District, Taoyuan City	General Member
Taiwan Footwear Manufacturers Association	General Member
Taiwan Association of Machinery Industry	General Member
Semiconductor Equipment and Materials International (SEMI)	General Member
Taiwan High-Tech Facility Association (HTFA)	General Member

#### 4.04 Supplier Management

##### 1. Value Chain

## (1) Engineering Division

**A. Supplier System:** Suppliers are mainly categorized into three types: materials, engineering subcontracting, and MRO (Maintenance, Repair, and Operations). In 2024, there were 107 material suppliers, 113 engineering subcontractors, and 94 MRO suppliers, totaling 314 suppliers.

### B. Key Customers and Markets:

**Hook up Engineering:** The Company has been active in this field since 1996, with engineering achievements spanning the IC, TFT-LCD, optoelectronics industries, and related upstream and downstream sectors. Over the years, the Company has accumulated experience with more than 15,000 installations. To provide enhanced service to customers, emergency repair centers have been established in Hsinchu and Tainan, offering 24/7, year-round rapid and immediate support.

**Cleanroom Systems:** The Company has gained extensive experience in cleanroom engineering. Through internal training and team integration, we have undertaken turnkey projects for both domestic and international cleanroom construction and facility systems. By providing controlled environments and facilities tailored to production process requirements, stable cleanroom conditions can improve product yield, allowing us to deliver comprehensive plant construction integration.

**Space Planning:** Key considerations in space planning include the sequence and characteristics of various ducting installations, scheduling duct assembly according to cleanroom construction timelines, reference elevations for installation, coordination between ducting routes and production equipment, review of duct and fitting dimensions, and final comprehensive layout review.

**Exhaust Systems:** The Company is a pioneer in developing FM-certified fireproof and corrosion-resistant exhaust ducts in Taiwan. Over the years, we have accumulated substantial experience in process exhaust main systems and hook up projects. The primary function of process exhaust systems is to treat heat, corrosive gases, toxic gases, and organic solvents generated during production, ensuring that emissions meet environmental standards before release into the atmosphere.

**Gas Systems:** The High-Purity Gas Engineering Department serves clients across the semiconductor industries, optical industries, petro-chemical industries, food industries, hospitals, sanitation industries, as well as research centers and laboratories. The department is equipped with precision welding machines (e.g., CAJON, ARC) and multiple pipeline testing instruments, including pressure testers, leak testers, moisture

analyzers, particle analyzers, and oxygen analyzers, to ensure optimal engineering quality and meet customer needs. The team consists of 150 skilled personnel. The department will continue to uphold rigorous engineering management, precise schedule control, high-quality construction, rapid emergency response, and superior after-sales service to meet all customer expectations.

**Chemical Systems:** The Company has accumulated extensive experience in chemical supply ducting systems for the semiconductor and flat-panel display industries. Over the years, we have collaborated with Japanese and Korean chemical system suppliers to enhance our system designing and planning capabilities. Our design philosophy emphasizes simplicity of operation, competitive pricing, and high safety standards. To ensure safety, the systems are designed in accordance with domestic health and safety regulations as well as international standards such as SEMI, NFPA, and FM, with enhanced real-time monitoring for emergency response in the event of chemical leaks (acid, alkali, or organic solvents) or fire. The Company is well-regarded for its plant utility ducting systems for semiconductor and optoelectronic facilities. Shared fluids within the chemical systems, such as exhaust, drain, CDA, N<sub>2</sub>, and DI water ducting, are planned and configured with greater professionalism than typical system providers, ensuring comprehensive service to clients. To quickly respond to customer needs, service points are established in Taoyuan, Hsinchu, Taichung, and Tainan, all reachable within one hour. Services are available 24/7, 365 days a year, providing comprehensive technical support and maintenance.

C. Compared with the previous year, there were no significant changes in the composition of the value chain of the Engineering Division.

## (2) Machinery Division

**A. Supplier System:** Suppliers are mainly categorized into three types: material processing, market-demand procurement, and MRO (Maintenance, Repair, and Operations). In 2024, there were 84 material processing suppliers, 188 market-demand procurement suppliers, and 43 MRO suppliers, totaling 315 suppliers. The suppliers primarily provide the main machinery components, main structures, and key structural parts, with welding and casting as the core processing methods. All partner suppliers are major suppliers of Taiwan's large machine tool industry, offering stable quality and extensive experience from long-term collaboration, ensuring excellent compatibility.

**B. Key Customers and Markets:** Our main customers are well-known manufacturers in Taiwan and international shoe brands. The ChenFeng brand has long been a leader in the footwear equipment industry. Backed by aerospace-level quality control, we are dedicated to producing top-tier shoe manufacturing equipment and have established long-term strategic partnerships with globally recognized brands. The value of our brand lies in our commitment to high-quality manufacturing, combining traditional Taiwanese shoemaking craftsmanship with modern innovative technologies to create high-performance and reliable equipment. Our mission is to provide the global footwear industry with the finest shoe

manufacturing equipment, continuously advance shoemaking processes, become the preferred choice worldwide, and consistently deliver exceptional quality and innovative machinery to our customers.

C. Compared with the previous year, there were no significant changes in the value chain composition of the Machinery Division.

## 2. Proportion of Procurement Expenditure

(1) **Engineering Division:** In 2024, there were 314 qualified suppliers, with 77% of procurement sourced locally (the remainder mainly sourced from the Americas and Europe).

(2) **Machinery Division:** In 2024, there were 315 qualified suppliers, with 59% of procurement sourced locally (overseas procurement mainly concentrated in mainland China, accounting for approximately 40% in 2024).

(3) In total, the above-mentioned suppliers number 629. Local procurement refers to suppliers or vendors based in Taiwan.

## 3. Evaluation Criteria and Audit Status

(1) **Supplier Selection:** Most suppliers are long-term partners. When procurement needs arise, selection is based on the QCDS principles (Quality, Cost, Delivery, Service).

(2) **Supplier Evaluation:** The procurement department conducts supplier audits and inspections regularly on a monthly basis and irregularly as part of operations, according to QCDS. This ensures ongoing management and control of suppliers to maintain stable product quality and smooth supply chain operations.

(3) **Supplier Risk Management:** During daily interactions and inspections, the procurement department monitors suppliers' product quality, production progress, as well as operational and financial status, in accordance with QCDS. If a supplier is found to have significant risks in product quality or operations, a replacement mechanism is initiated to maintain uninterrupted supply.

(4) **Supplier Audit Management:** During daily visits, the procurement department observes visible operational risks at supplier factories. Continuous communication is maintained with suppliers to ensure that long-term cooperation is based on stable operational planning, while gradually raising suppliers' awareness of social responsibility.

**(5) Conflict Minerals Management:** Neither the Engineering Division nor the Machinery Division has any applicable issues related to conflict minerals.

In 2024, annual audits were completed for 69 suppliers, accounting for approximately 11% of all suppliers. The audits mainly covered general evaluation items, including cost improvement, order fulfillment rate, frequency of abnormalities, and responsiveness to development or urgent orders. This year, five suppliers were selected for assessments of environmental and social impacts. Based on the evaluation results, if any supplier shows negative impacts, a replacement mechanism would be activated during routine supplier management. According to this year's audit results, no suppliers were found to have negative impacts.

The types of environmental and social impact audits conducted by the company on suppliers are briefly summarized as follows:

Phase 1 – Assessment

Selected publicly listed companies as the target for this year's supplier evaluation. Based on available information, an overall assessment was conducted on each company's management approach toward environmental and social responsibilities, as well as the planning and disclosure of their actual implementation.

Phase 2 – Communication and Improvement

Based on the assessment results, suppliers are contacted to discuss areas for improvement. These improvement plans include water resource management, air pollution and emission control, energy management, green products/green business development, waste and recycling management, and climate change response.

The results of this year's environmental and social impact assessments of suppliers are as follows:

Item	Environmental Impact Assessment	Social Impact Assessment
Total number of selected suppliers	5	5
Number of suppliers identified with (or potentially having) negative impacts	0	0
Number of suppliers agreeing to implement improvements	0	0
Number of suppliers whose cooperation was terminated	0	0

Environmental impact assessment includes: water resource management, air pollution and emission control, energy management, green products/green business development, waste and recycling management, and climate change response. Social impact assessment includes: talent recruitment and remuneration, occupational safety and health, social care and community engagement, employee training and career development, and labor-management relations.

## 5. Social

### 5.01 Human Resource Development

#### 5.01.1 Human Rights Policy and Commitment

##### 1. Human Rights Commitment

The company adheres to the core principles of international standards and local regulations, including the Responsible Business Alliance Code of Conduct (RBA), the UN Global Compact (UNGC), the UN Universal Declaration of Human Rights, and the UN Human Rights Norms for Business. In accordance with the UN Guiding Principles on Business and Human Rights, the company has established its Human Rights Policy. We are committed to safeguarding human rights, ensuring that all daily operations and business activities comply with these requirements, and expect our suppliers, business partners, customers, and other stakeholders involved in our business operations to do the same.

The company integrates human rights considerations into all aspects of its operations, covering employees, customers, suppliers, business partners, and the social environments where the company operates. We will continue to provide stakeholders with diverse communication platforms and channels to ensure they can freely and safely express their opinions, and we will respond to their suggestions. The company will adhere to the following management principles to ensure the effective implementation of its Human Rights Policy.

##### 2. Scope of Application

- (1) Comply with local laws at operational sites and provide a safe working environment.
- (2) Prohibit forced labor, child labor, and human trafficking.
- (3) Provide equal employment opportunities and remuneration without discrimination based on race, gender, sexual orientation, age, nationality, political affiliation, religion, marital status, or physical disability.
- (4) Respect employees' rights to freely associate, peacefully assemble, and engage in collective bargaining.
- (5) Provide a safe, sanitary, and healthy working environment.
- (6) Respect privacy and ensure that the collection and use of personal data comply with legal requirements.

- (7) Oppose all forms of discrimination, bullying, and harassment.
- (8) Practice responsible sourcing and production to ensure no conflict minerals are present in the supply chain.
- (9) Conduct regular human rights risk assessments to identify potential risks in operational activities.
- (10) Establish mitigation and remediation measures to reduce human rights risk impacts.
- (11) Regularly disclose the governance status of human rights issues to maintain transparency.

### 3. Training and Education

To raise awareness of human rights protection among all employees, the company conducts annual human rights training, which is also extended to all business partners to reduce the occurrence of human rights incidents. In 2024, a total of 719 participants attended the courses, accumulating 2,105 training hours.

### 4. Implementation of the Human Rights Policy: Risk Mitigation Measures

Item	Specific Measures	Affected Parties
Workplace Health & Safety	Established a EHS Center to strengthen a safety culture among employees. The company has formulated the "Contractor Safety and Health Management Measures" and "High-Risk Operations and Contractor Management" to ensure the safety management of contractors' work.	All employees, contractors
Fair Employment	According to the company's "Employment Management Measures," all employees are to be treated fairly. Discrimination based on race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disability, health check results, or prior union membership is strictly prohibited.	All employees
Prohibition of Sexual Harassment	The company has established a "Declaration Against Workplace Sexual Harassment," "Sexual Harassment Prevention, Complaint, and Disciplinary Measures," and a "Sexual Harassment Complaint Form" to strictly prohibit sexual harassment in the workplace.	All employees
Prohibition of Forced Labor	In accordance with the company's "Employment Management Measures," the company shall not employ involuntary or forced labor.	All employees
Physical and Mental Health & Work-Life Balance	Established various clubs (e.g., film, cycling, badminton, basketball, saxophone) with appropriate subsidies to encourage employee participation, fostering emotional connections and mental well-being. Organized events such as year-end parties and anniversaries to strengthen employee cohesion.	All employees

## 5. Communication Platforms, Mitigation, and Remediation Measures

To ensure the comprehensive implementation of its human rights commitments, the company established a "Whistleblowing Measures" policy in 2020. This policy clearly defines reporting channels, handling procedures, protection of whistleblowers, and recusal mechanisms for investigations. It provides measures for employees facing potential human rights issues or any illegal acts and violations of the Code of Ethical Conduct and Ethical Corporate Management Principles. A dedicated whistleblowing mailbox (audit@chenfull.com.tw) has been set up for internal and external personnel, managed by the Audit Office. In 2024, no complaints, reports, or notifications of corruption or fraud were received.

To ensure accurate reporting of infringements, the company maintains a whistleblowing mailbox. When potential violations are identified, the company investigates according to established procedures and reports findings at the monthly management meetings. In addition to implementing appropriate disciplinary and corrective actions, the company also conducts regular follow-ups on reported incidents.

### Human Rights Policy Explanation

Human Rights Policy	<p>The company will adhere to the following management principles to ensure the effective implementation of its Human Rights Policy:</p> <ul style="list-style-type: none"> <li>- Comply with local laws at operational sites and provide a safe working environment.</li> <li>- Prohibit forced labor, child labor, and human trafficking.</li> <li>- Provide equal employment opportunities and remuneration without discrimination based on race, gender, sexual orientation, age, nationality, political affiliation, religion, marital status, or physical disability.</li> <li>- Respect employees' rights to freely associate, peacefully assemble, and engage in collective bargaining.</li> <li>- Provide a safe, sanitary, and healthy working environment.</li> <li>- Respect privacy and ensure that the collection and use of personal data comply with legal requirements.</li> <li>- Oppose all forms of discrimination, bullying, and harassment.</li> <li>- Practice responsible sourcing and production to ensure no conflict minerals are present in the supply chain.</li> <li>- Conduct regular human rights risk assessments to identify potential risks in operational activities.</li> <li>- Establish mitigation and remediation measures to reduce human rights risk impacts.</li> <li>- Regularly disclose the governance status of human rights issues to maintain transparency.</li> </ul>
Highest Decision-Making Body for the Policy	ESG Committee and Management Team

Supervisory Unit	Board of Directors and Audit Committee
Review Frequency	Annually
Applicable Parties	All employees, customers, suppliers, and contractors
Investigation or Communication Mechanism	Establish a whistleblowing mailbox
Mitigation and Remediation Measures	Complaints are handled in accordance with the company's "Whistleblowing Measures" through the whistleblowing mailbox (audit@chenfull.com.tw). The company conducts investigations following established procedures and reports the findings at the monthly management meetings for disciplinary actions and improvements.
Policy Commitment Link	Human Rights Policy Link: <a href="https://www.chenfull.com.tw/Chenfull/esg208">https://www.chenfull.com.tw/Chenfull/esg208</a>

## 5.01.2 Workforce Composition

### 5.01.2.1 Employee Structure

#### 1. Employee Composition

As of the end of 2024, the company had a total of 323 employees, with a gender ratio of 64% male and 36% female. Female managers accounted for approximately 16.67% of all management positions.

Over the past two years, the company's overall workforce has remained relatively stable (339 employees in 2023, with a year-to-year difference of less than 5%). Female managers accounted for approximately 17.85% of all management positions in 2023.

Employee Structure for 2024 and 2023 (Unit: Persons)

Category	Full-Time Employees		Part-Time Employees		Regular Employees		Temporary Employees		All Employees	
Year	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Male	206	219	0	0	205	217	1	2	206	219
Female	117	120	0	0	116	120	1	0	117	120
Other (Self-Identified by Employees)	0	0	0	0	0	0	0	0	0	0
Total Number of Employees	323	339	0	0	321	337	2	2	323	339

Regular Employees: Employment contracts are of indefinite duration (open-ended contracts).

Temporary Employees: Employment contracts are of fixed duration (fixed-term contracts).

Full-Time Employees: Employees whose weekly working hours meet the local legal definition of full-time employment.

Part-Time Employees: Employees whose weekly working hours do not meet the local legal definition of full-time employment.

Non-Guaranteed Hours Employees: Employees with variable weekly working hours, such as on-call staff.

The company does not employ non-guaranteed hours employees.

#### Number of Employees by Region

Category	Full-Time Employees		Part-Time Employees		Regular Employees		Temporary Employees		All Employees	
Year	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Taipei	13	14	0	0	13	14	0	0	13	14
Taoyuan	90	105	0	0	90	105	0	0	90	105
Hsinchu	71	77	0	0	69	75	2	2	71	77
Taichung	98	100	0	0	98	100	0	0	98	100
Tainan	48	42	0	0	48	42	0	0	48	42
Kaohsiung	2	0	0	0	2	0	0	0	2	0
Overseas	1	1	0	0	1	1	0	0	1	1

Regular Employees: Employment contracts are of indefinite duration (open-ended contracts).

Temporary Employees: Employment contracts are of fixed duration (fixed-term contracts).

Full-Time Employees: Employees whose weekly working hours meet the legal definition of full-time employment.

Part-Time Employees: Employees whose weekly working hours do not meet the legal definition of full-time employment.

Non-Guaranteed Hours Employees: Employees with variable weekly working hours, such as on-call staff.

The company does not employ non-guaranteed hours employees.

### 5.01.2.2 Non-Employee Structure

The cleaning and sanitation operations at the Taipei office and Tanzi Plant, as well as the security personnel at the Tanzi and Dayuan Plants, are managed by contractors. The number of non-employee workers at the company has no significant change over the past two years.

#### Non-Employee Structure

	2024		2023	
	Contract Workers	Dispatched Workers	Contract Workers	Dispatched Workers
Male	0	5	0	5
Female	0	3	0	2
Other	0	0	0	0
Total Number of Workers	0	8	0	7

### 5.01.3 Collective Agreement

1. The company does not have a labor union.
2. To reward long-term service and foster employee engagement, while encouraging savings and the accumulation of long-term compound benefits, the company established the “ChenFull International Co., Ltd. and Affiliates Employee Shareholding and Welfare Savings Association Charter” and formed the “ChenFull International Co., Ltd. and Affiliates Employee Shareholding and Welfare Savings Association” (hereinafter referred to as the Shareholding Association). Employees who voluntarily allocate a portion of their monthly salary to participate in the Shareholding Association will receive an equivalent matching contribution from the company. All funds are entrusted to the trustee, Yuanta Commercial Bank Co., Ltd., for management and utilization according to the association’s charter. Participating employees may later receive the rewards or company shares in accordance with the charter and its rules.

## 6. Environmental Aspects

### 6.01 Climate Change

#### 1. Climate Oversight and Governance Structure

The company established the ESG Committee on December 14, 2022, to strengthen strategies and management in response to climate change. Under the ESG Committee, an ESG Steering Team has been formed, composed of senior executives from various departments to ensure a comprehensive integration of climate-related risks and opportunities.

The main responsibilities of the ESG Steering Team include formulating and implementing strategies and actions related to climate change, such as reducing greenhouse gas emissions, setting greenhouse gas targets, and improving energy efficiency. The team is chaired by the head of the business division, ensuring the effective promotion and implementation of climate-related policies and systems.

#### 2. Climate Strategy

The company refers to the annual Global Risks Report published by the World Economic Forum (WEF) to understand that climate and ecological crises are among the greatest risks facing the world. In addition to monitoring domestic and international policy developments, the company also considers the "Taiwan 2050 Net-Zero Emission Path and Strategies" released by the National Development Council in March 2022 to formulate relevant plans.

The company has identified climate risks and opportunities, as well as the impacts of these items or transitional actions on its business, strategy, and finances.

In conducting climate risk data assumptions and analyses, the company references the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) and applies the SSP1-2.6 and SSP5-8.5 scenarios.

Scenario	Projected Increase in Annual Average Temperature	
	Mid-21st Century	End of 21st Century
SSP1-2.6	1.7	1.8
SSP5-8.5	2.4	4.4

Based on the selected climate change scenarios, the company identifies foreseeable risks and opportunities through discussions among departmental managers, consolidating information and analyzing related risks and opportunities. At the same time, the company considers its existing resources, international trends, and regulatory changes to develop feasible preventive measures, thereby mitigating risks and capturing opportunities.

### Strategy and Actions

Governance	Strategy	Risk Management	Indicators and Targets
<ul style="list-style-type: none"> <li>ESG Committee: Reviews the targets, strategies, and action plans of ESG policies; oversees the implementation of corporate social responsibility and sustainable management initiatives; and evaluates execution status.</li> <li>ESG Steering Team: Tracks the progress and performance of action plans; consolidates the execution status of each business division and prepares the ESG report; identifies risk factors and manages risks to ensure the efficiency of the risk management organization's coordination, self-assessment, and execution; and provides experience sharing on sustainability issues in relevant areas.</li> </ul>	<ul style="list-style-type: none"> <li>Based on internal assessments, the company identifies short-, medium-, and long-term climate-related risks and opportunities and their impacts on the organization's operations, strategy, and financial planning.</li> <li>Climate-related risks are defined as short-term (less than 5 years), medium-term (5–10 years), and long-term (more than 10 years).</li> <li>Significant climate risks and opportunities are assessed internally to evaluate their potential operational impacts on ChenFull and to plan future management measures and strategies.</li> </ul>	<ul style="list-style-type: none"> <li>ChenFull integrates the concept of climate risk into its operations and business activities by identifying potential climate-related risks and opportunities, analyzing their impacts, and evaluating appropriate responses. Based on the characteristics and impact levels of each risk or opportunity, the company implements a centralized management approach with tiered execution to effectively control risks and seize opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Comply with government environmental and energy laws, regulations, and requirements, while monitoring the impact of climate change on business operations. Regularly review environmental and energy-saving targets and continuously improve environmental management performance.</li> </ul>

### 3. Identification, Assessment, and Management of Climate-Related Risks

After collecting climate change-related data and information, the ESG Steering Team conducts cross-functional organizational communications to assess the impacts of climate-related events on the company's operations and value chain activities. Using indicators such as physical risks, transition risks, and opportunities, the company evaluates both immediate and long-term patterns, and examines the risks or opportunities affecting different regions. This process identifies the financial implications and relevance of each risk and opportunity for the company.

#### (1) Risk Identification – Physical Risks

Category	Risk Factor	Impact Duration	Notes
Environmental	Increased frequency and intensity of extreme weather events such as typhoons, strong winds, and torrential rain.	Short-term	Immediate
Environmental	Rise in average temperature	Long-term	Non-immediate

The most direct operational impact of the aforementioned physical risks lies in the occupational hazards faced by personnel during off-site assignments and outdoor work procedures. The Company has established strict safety regulations for outdoor operations.

For example, for outdoor construction on rooftops:

- A. **Rainy weather:** Any level of rainfall results in suspension of outdoor work; only non-outdoor tasks may be performed.
- B. **Wind speed limit:** Work is suspended when wind speeds reach Level 5 or above.
- C. **Temperature limit:** Outdoor work is suspended when the temperature reaches 40°C.

Therefore, to cope with increasingly harsh physical working environments—particularly during high-temperature summer seasons or periods prone to typhoons and heavy rainfall—the Company not only strengthens schedule management and coordination with clients, but also implements stricter safety controls for outdoor construction, enhances employee training, and reinforces occupational safety supervision. At the same time, the Company may also incur additional costs related to maintaining work quality and preventing occupational accidents.

#### (2) Risk Identification – Transition Risks

Category	Risk Factor	Impact Duration	Description
Regulations	Carbon fee implementation	Medium to long term	Not immediate
Technology	Equipment upgrades and personnel skill enhancement required for production optimization	Short term	Immediate
Market	Increasing requirements for ESG data quality and sustainability	Medium term	Not immediate
Supply Chain	Rising raw material procurement costs	Short term	Immediate
Energy	Rising energy prices	Medium term	Not immediate

In response to these transition risks, the Company closely monitors regulatory developments and incorporates them into its operational strategies. On the technical aspect, the Company focuses on evaluating data related to production-phase losses and enhancing employee training to improve adaptability to production line environments and operational efficiency.

Regarding ESG requirements, in addition to complying with regulations by engaging third-party organizations to verify emission data in the statutory reporting year, the Company proactively strengthens employees' energy-saving awareness through internal management policies and seeks opportunities to adopt renewable energy and implement energy-efficient equipment and measures. Through these efforts, the Company aims to actively adjust to and address the transition risks brought by extreme climate conditions.

### (3) Opportunity Identification

Category	Opportunity Factor	Impact Duration
Production Line Optimization	Improving production scheduling to reduce unnecessary losses and inefficient output	Short to medium term
Service Assurance	Despite limitations from extreme weather and other environmental factors, maintaining flexible and timely coordination with clients to complete targeted tasks, thereby increasing customer trust and loyalty	Medium to long term
Energy Sources	Using renewable energy and adopting energy-saving measures	Medium to long term
Corporate Culture	Cultivating employees' energy-saving awareness and culture of sustainability	Short to medium term

The opportunities identified represent the directions in which the Company is currently making efforts. However, to fully obtain the benefits brought by these opportunities, even with the implementation of related actions and initiatives, the resulting effects are not immediately visible. It

will take years of accumulation before meaningful quantitative outcomes can be demonstrated—particularly in cultivating customer trust and executing production line optimization and achieving its results.

At the same time, fostering corporate awareness and culture related to energy saving—such as paper recycling and paper reuse—presents challenges in generating objective data, and requires early promotion and long-term cultivation as key focus targets.

The Company has accumulated many years of experience in service assurance and building customer trust. Upholding a spirit of integrity, pragmatism, and proactiveness—combined with management's continued commitment to sustainability issues—the Company is confident in further enhancing service quality and effectively coping with the opportunities and challenges posed by climate change to the industry.

#### 4. Scenario Analysis

As mentioned earlier, the Company conducted a climate change scenario analysis with reference to the IPCC's AR6 report, based on the SSP1-2.6 and SSP5-8.5 scenarios.

(1) Under the SSP1-2.6 scenario: The increase in global average temperature is projected to be effectively controlled within 2°C before the end of the century.

A. Scenario Assumptions: The world will regard climate change as a critical issue and actively pursue sustainable development. High-efficiency technologies will be adopted, accompanied by strong environmental awareness and action to slow the pace of climate change. Inevitably, stricter regulations and measures will be implemented.

B. Explanation of Response Strategies:

– According to the Taiwan Climate Change Assessment Report Update, released on August 10, 2021, by Taiwan Climate Change Projection Information and Adaptation Knowledge Platform, based on Central Weather Bureau observation data, Taiwan's annual average temperature increased by about 1.6°C from 1911 to 2020, with accelerated warming trends over the past 50 and 30 years. Therefore, even under a relatively optimistic global scenario, Taiwan must respond cautiously given the abnormal weather events and frequency observed in recent years.

- In response, the Company recognizes the importance of managing transition risks, particularly by investing additional manpower, equipment, and technologies to adjust operational processes. These adjustments are aimed at meeting stricter environmental regulations and standards while aligning with the increasingly environmentally conscious market demand.

(2) Under the SSP5-8.5 scenario: The increase in global average temperature exceeds 4°C before the end of the century.

A. This represents a pessimistic projection, corresponding to a global environment and regulatory system characterized by high emissions and ineffective sustainability efforts. Energy systems remain heavily dependent on fossil fuels, with no effective measures to mitigate climate change, resulting in catastrophic impacts on ecological and economic systems. Greenhouse gas emissions continue to rise, leading to significant increases in atmospheric concentrations of CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O, creating the most severe global warming conditions.

B. Explanation of Response Strategies:

According to the aforementioned Taiwan Climate Change Assessment Report Update published in 2021, Taiwan's abnormal weather events and frequency are expected to worsen under a more pessimistic global scenario. Under this scenario, the Company faces more challenging physical risks:

- Operational risks: The increased frequency of extreme weather events will more easily cause damage to machinery and equipment, raising maintenance costs and increasing capital expenditures (e.g., acquiring new equipment).
- Occupational risks: Employees will face elevated risks related to attendance and outdoor operations, especially during high-temperature summer seasons. In addition to strengthening schedule management and client coordination, the Company also adheres to the Ministry of Labor's Occupational Safety and Health Administration's Guidelines for Prevention of Heat Hazards in High-Temperature Operations to rigorously ensure workplace safety, enhance employee training, and reinforce occupational safety supervision. At the same time, the Company will face higher costs associated with maintaining work quality and preventing hazards.

## 5. Data Analysis

Impact Estimation / Scenario	Expenditures for the Current Year	Increase in Costs	
	2024	SSP1-2.6	SSP5-8.5
Compared to this year's cost and expense increase (%)	-	20%	50%
Estimated increase in equipment maintenance costs under extreme weather	863,425	172,685	431,713
Estimated increase in ESG-related expenditures (e.g., energy-saving measures and related maintenance costs)	1,340,523	268,105	670,262
Estimated cost to maintain project schedules during months with frequent extreme weather (e.g., overtime pay)	4,193,990	838,798	2,096,995
Total	6,397,938	1,279,588	3,198,969
Total operating costs and expenses for this year / Proportion of each cost	1,226,965 Thousand TWD	0.10%	0.26%

The Company has conducted financial estimates based on the aforementioned scenarios. These include costs associated with equipment repair due to extreme weather, refrigerant refilling, maintenance of renewable energy equipment. Additionally, overtime costs required to complete projects on schedule under extreme weather conditions have been estimated. The estimated increases in costs and expenses are calculated using 2024 figures as the baseline, applying different increase rates of 20% (reasonable expectation) and 50% (extremely pessimistic) to assess the differences in incremental costs. Even under these scenarios, the estimated increases do not reach 1% of the total operating costs and expenses for the year, which amount to TWD 1,226,965 thousand. Therefore, the quantified results of these estimates are considered immaterial.

## 6. Target Indicators

Based on the Company's short-, medium-, and long-term key strategies for climate-related risks and opportunities, indicators covering greenhouse gas emissions, energy usage, and water consumption have been established to monitor and track management effectiveness. Detailed information is as follows:

### (1) Performance Results: Comparison of Data for the Two Years

## A. Greenhouse Gases

In 2024, the Company's total greenhouse gas (GHG) emissions amounted to 2,569.22 metric tons of CO<sub>2</sub>e. Scope 1 (direct GHG emissions) accounted for approximately 227.89 metric tons of CO<sub>2</sub>e, while Scope 2 (energy indirect GHG emissions) accounted for approximately 2,341.33 metric tons of CO<sub>2</sub>e. The GHG emission intensity was 1.8215 metric tons of CO<sub>2</sub>e per million in revenue.

In 2023, the Company's total greenhouse gas (GHG) emissions amounted to 955.16 metric tons of CO<sub>2</sub>e. Scope 1 (direct GHG emissions) accounted for approximately 318.94 metric tons of CO<sub>2</sub>e, while Scope 2 (energy indirect GHG emissions) accounted for approximately 636.22 metric tons of CO<sub>2</sub>e. The GHG emission intensity was 0.7646 metric tons of CO<sub>2</sub>e per million in revenue.

## B. Water Consumption

In 2024, the total annual water consumption was 11.291 thousand cubic meters.

In 2023, the total annual water consumption was 9.485 thousand cubic meters.

## C. Waste Management

In 2024, the total annual waste generated was 90.479 metric tons, of which 79.373 metric tons were general waste.

In 2023, the total annual waste generated was 161.3 metric tons, all of which were general waste.

### (2) Greenhouse Gas Reduction Policies and Implementation Results:

A. Baseline Data: The carbon emissions for the baseline year 2022 totaled 5,240.92 metric tons of CO<sub>2</sub>e.

B. Reduction Target: Starting in 2025, the greenhouse gas emission intensity per unit of revenue will be reduced by 2% every five years.

#### C. Implementation Measures:

- Reducing Energy Consumption: Implement an energy management program, promote energy-saving practices such as turning off lights when not in use, enhance building energy efficiency, adopt energy-efficient lighting and air-conditioning systems, and utilize high-efficiency manufacturing equipment.
-

- Promoting Sustainable Transportation: Encourage low-carbon modes of transportation—such as walking, cycling, and public transit—to reduce the use of private vehicles and lower carbon emissions.
- 
- D. Achievement Status: In 2024, the GHG emission intensity per unit of revenue was 1.8215 metric tons of CO<sub>2</sub>e per thousand NTD, compared with 2.658 metric tons of CO<sub>2</sub>e per thousand NTD in 2022, representing a 31% reduction relative to the 2022 baseline.

(3) Water Consumption Reduction Policy:

- A. Baseline Data: The carbon emissions associated with water consumption in 2022 were 1.734 thousand cubic meters.
- B. Reduction Target: Reduce carbon emissions associated with water consumption by 1% by 2025.
- C. Implementation Measures:
  - Installation of Smart Water Meters: Install smart water meters within the plant to detect leaks or abnormal water usage.
  - Improving Water Efficiency: Install water-saving devices, use low-flow toilets, and adjust irrigation schedules.
  - Water Recycling and Reuse: Implement rainwater harvesting systems and reuse domestic water where feasible.
  - Improving Piping Infrastructure: Repair leaking pipelines and optimize water pressure.
- D. Achievement Status: In 2024, the carbon emissions associated with total annual water consumption were approximately 2.6308 metric tons of CO<sub>2</sub>e, representing an increase compared with the 2022 baseline.

(4) Waste Management Policy:

- A. Baseline Data: The total waste generated in 2022 was 141.92 metric tons.
- B. Reduction Target: Reduce total waste generation by 1% by 2025.
- C. Implementation Measures:
  - (a) Reduction: Promote reduction of packaging, encourage paper-saving practices, and use biodegradable materials.
  - (b) Recycling: Set up recycling stations and encourage employees to sort and recycle waste.
  - (c) Reuse: Promote waste-to-resource initiatives, support sustainable development practices, and enhance waste cleanup efforts.
- D. Achievement Status: In 2024, the total annual waste generated was 90.479 metric tons, representing a 36% reduction compared with 2022.

## 7. Appendix

### 7.01 Appendix I: GRI Content Index

Number	Disclosure Item	Corresponding Section	Page	Notes/Remarks
General Disclosures				
GRI 2: General Disclosures 2021				
2-1	Organizational details	Report Information	3-6	
2-2	Entities included in the organization's sustainability reporting	Reporting Boundary & Scope	7-8	
2-3	Reporting period, frequency and contact point	Reporting Period & Frequency	7	
2-4	Restatements of information	Restatements of Information	8	
2-5	External assurance	External Assurance/Verification	8	
2-6	Activities, value chain and other business relationships	Supplier Management	36-39	
2-7	Employees	Human Resources Structure	42-43	
2-8	Workers who are not employees	Human Resources Structure	43-44	
2-9	Governance structure and composition	Board Members and Diversity	19-20	
2-10	Nomination and selection of the highest governance body	Nomination and Selection	20	
2-11	Chair of the highest governance body	Conflict of Interest	20	
2-12	Role of the highest governance body in overseeing the management of impacts	Role and Oversight of Sustainability Management	12-16	
2-13	Delegation of responsibility for managing impacts	Governance Structure for Promoting Sustainability	10-11	
2-14	Role of the highest governance body in sustainability reporting	Role in Sustainability Reporting	12	
2-15	Conflicts of interest	Conflict of Interest	20	
2-16	Communication of critical concerns	Operations and Execution	9-11	
2-17	Collective knowledge of the highest governance body	Continuous Learning for Sustainability	17-18	
2-18	Evaluation of the performance of the highest governance body	Evaluation of Sustainability Management Performance	12-16	
2-19	Remuneration policies	Remuneration Policy	21	
2-20	Process to determine remuneration	Remuneration Policy	21	
2-21	Annual total compensation ratio	Remuneration Policy	21-22	

2-22	Statement on sustainable development strategy	Management Philosophy and Sustainability Strategy / Message from Management	1	
2-23	Policy commitments	Policies, Actions Taken, Performance Goals and Indicators	39-42	
2-24	Embedding policy commitments	Policies, Actions Taken, Performance Goals and Indicators	39-42	
2-25	Processes to remediate negative impacts	Measures to Remediate Negative Impacts and Effectiveness	42	
2-26	Mechanisms for seeking advice and raising concerns	Code of Conduct, Policies, and Practices	30-32	
2-27	Compliance with laws and regulations	Compliance	35	
2-28	Membership associations	Participation in Associations	35-36	
2-29	Approach to stakeholder engagement	Stakeholder Engagement	22-24	
2-30	Collective bargaining agreements	Collective Bargaining Agreements	44	
Material Topics				
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	Process for Determining Material Topics	25-27	
3-2	List of material topics	List of Material Topics	27	
3-3	Management of material topics	Policies, Actions Taken, Performance Goals and Indicators	27-30	
Economic Aspect				
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	Economic Performance	13	
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Risks and Opportunities & Company Responses	46-48	
201-3	Defined benefit plan obligations and other retirement plans	Economic Performance		

201-4	Financial assistance received from government	Economic Performance		
GRI 203: Indirect Economic Impacts 2016				
203-1	Infrastructure investments and services supported	Investments in Infrastructure and Service Support		
203-2	Significant indirect economic impacts	Investments in Infrastructure and Service Support		
GRI 204: Procurement Practices 2016				
204-1	Proportion of spending on local suppliers	Supplier Management	36-39	
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	Integrity Governance		
205-2	Communication and training about anti-corruption policies and procedures	Integrity Governance	31-32	
205-3	Confirmed incidents of corruption and actions taken	Integrity Governance	32	
GRI 206: Anti-competitive Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Anti-competitive Practices		
GRI 207: Tax 2019				
207-1	Approach to tax	Tax	29, 34	
207-2	Tax governance, control, and risk management	Tax	34	
207-3	Stakeholder engagement and management of concerns related to tax	Tax	29, 34	
207-4	Country-by-country reporting	Tax		
Environmental Aspect				
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	Energy Usage	15-16	
302-3	Energy intensity	Energy Usage	49	

302-5	Reductions in energy requirements of products and services	Energy Usage	49-50	
GRI 303: Water and Effluents 2018				
303-1	Interactions with water as a shared resource	Water Management / Reduction Targets		
303-2	Management of water discharge-related impacts	Water Management / Reduction Targets		
303-3	Water withdrawal	Water Usage	49	
303-4	Water discharge	Water Usage		
303-5	Water consumption	Water Usage		
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions	15-16	
305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions	15-16	
305-3	Other indirect (Scope 3) GHG emissions	Greenhouse Gas Emissions		
305-4	GHG emissions intensity	Greenhouse Gas Emissions	15-16	
305-5	Reduction of GHG emissions	GHG Management Strategies, Methods, and Targets	49-50	
305-6	Emissions of ozone-depleting substances (ODS)	Greenhouse Gas Emissions	15-16	
GRI 306: Waste 2020				
306-1	Waste generation and significant waste-related impacts	Waste Management / Reduction Targets	50	
306-2	Management of significant waste-related impacts	Waste Management / Reduction Targets		
306-3	Waste generated	Waste Generation		
306-4	Waste diverted from disposal	Waste Generation		
306-5	Waste directed to disposal	Waste Generation		
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	Supplier Management	38-39	
308-2	Negative environmental impacts in the supply chain and	Supplier Management	38-39	

	actions taken			
Social Aspect				
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	Human Resources Structure		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights and Benefits		
401-3	Parental leave	Employee Rights and Benefits		
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	OHS Policies	40-41	
403-2	Hazard identification, risk assessment, and incident investigation	OHS Policies	46	
403-3	Occupational health services	OHS Policies		
403-4	Worker participation, consultation, and communication on occupational health and safety	OHS Policies		
403-5	Worker training on occupational health and safety	OHS Policies	40	
403-6	Promotion of worker health	OHS Policies	41	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	OHS Policies		
403-8	Workers covered by an occupational health and safety management system	OHS Policies		
403-9	Work-related injuries	Work-related Injuries		
403-10	Work-related ill health	Work-related Injuries		
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	Employee Training and Development	40	
404-2	Programs for upgrading employee skills and transition assistance programs	Employee Training and Development		
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Training and Development		
GRI 405: Diversity				

and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	Board Members and Diversity		
405-2	Ratio of basic salary and remuneration of women to men	Employee Rights and Benefits	19-20	
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406-1	Incidents of discrimination and corrective actions taken		40-41	
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk			
GRI 408: Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor		40-42	
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409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		40-42	
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	Local Communities		
413-2	Operations with significant actual and potential negative impacts on local communities	Local Communities		
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	Supplier Management	38-39	
414-2	Negative social impacts in the supply chain and actions taken	Supplier Management	29-30	
GRI 416: Customer				

Health and Safety 2016				
416-1	Assessment of the health and safety impacts of product and service categories	Customer Health and Safety		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Health and Safety		
GRI 417: Marketing and Labeling 2016				
417-1	Requirements for product and service information and labeling	Marketing and Labeling		
417-2	Incidents of non-compliance concerning product and service information and labeling	Marketing and Labeling		
417-3	Incidents of non-compliance concerning marketing communications	Marketing and Labeling		
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy Protection		

#### Explanation of the GRI Content Index

Statement of Use	The report has been prepared in accordance with the GRI Standards and covers the period from January 1 to December 31, 2024.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	None

## 7.02 Appendix II: Climate-related Information

### Appendix II: Climate-related Information

Item	Description	Corresponding Chapter	Page Number
1	Describe the Board's and management's oversight and governance of climate-related risks and opportunities.	6.01 Climate Change	44–45
2	Describe how the identified climate risks and opportunities affect the company's business, strategy, and finances of the business (short, medium, and long term).	6.01 Climate Change	46–48
3	Describe the financial impacts of extreme weather events and transformative actions.	6.01 Climate Change	46–48
4	Describe how the climate risk identification, assessment, and management processes are integrated into the overall risk management system.	6.01 Climate Change	46–48
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts used should be described.	6.01 Climate Change	46–48
6	If there is a transition plan for managing climate-related risks, describe content of the plan and the indicators and targets used to identify and manage physical risks and transition risks.	6.01 Climate Change	46–48
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	6.01 Climate Change	—
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the sources and quantity of carbon credits or of RECs to be offset should be specified.	6.01 Climate Change	—
1-1-1	Greenhouse Gas Inventory Information	6.02.2 Greenhouse Gas Emissions	49–50
1-1-2	Greenhouse Gas Assurance Information	6.02.2 Greenhouse Gas Emissions	—
1-2	Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan	6.02.1 Strategies, Methods, and Targets for Greenhouse Gas Management	49–50

