

ICHIA TECHNOLOGIES INC.

2023 SUSTAINABILITY REPORT



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Facts of Report

In accordance with the GRI Standards 2021, ICHIA TECHNOLOGIES, INC. (ICHIA) has issued the Sustainability Report for this year. The Report discloses our strategies, management structure, and achievements on material sustainability topics and explains how we have responded to the expectations of stakeholders and created environmental and social influence on the overall value chain. In the future, ICHIA will continue to disclose information on corporate governance, society, and environmental sustainability to inform the public of the overall operational performance of ICHIA and our vision for continuous improvement.

Report Preparation Principles

The Report has been prepared in compliance with the requirements of the new GRI Standards (2021) and has adopted the sustainability metrics of the Sustainability Accounting Standards Board (SASB) and the TCFD framework. For details, please refer to Attachment 1_GRI Content Index, Attachment 2_SASB Content Index, Attachment 3_Sustainability Disclosure Indicators, and Attachment 4_Risks and Opportunities of Climate Change to the Company and Relevant Response Measures Taken by the Company to the Report.

Disclosure Period

The Report discloses the actions and performance of ICHIA in the corporate governance, social, and environmental sustainability aspects of corporate social responsibility in 2023 (January 1, 2023 to December 31, 2023), and responds to the issues of stakeholders' concern.

Scope of the Report

The financial data presented in the Report is from the financial statements on consolidated revenue, while the non-financial data covers corporate governance, environmental, and social performance. The Report also describes the performance of our production and operating locations, including

- Headquarters (hereinafter referred to as ICHIA Linkou Headquarters)
- ICHIA TECHNOLOGY (SUZHOU) CO., LTD (hereinafter referred to as ICHIA Suzhou Factory)
- ZHONGSHAN ICHIA ELECTRONICS CO., LTD (hereinafter referred to as ICHIA Zhong Shan Factory)

The production base in Penang, Malaysia accounts for less than 3% of the Group's revenue and production scale. Therefore, only the factory area is disclosed, and its corporate governance, environmental, and social performance are not disclosed in the Report.

Report Verification

The financial data in the Report is based on the information of the consolidated financial statements disclosed to the public after being verified by Deloitte Taiwan.

The Company's ISO 14001 Environmental management system, ISO 14064-1: 2018 GHG inventory, ISO 45001 Occupational health and safety management system, and ISO 50001 Energy management system have all been verified by a third-party verifier.

Contact Information

You are very welcome to read our 2023 Corporate Sustainability Report. The Report has been submitted for the GRI Content Index Service, SASB Content Index Service, and Material Issue Disclosure Service. We will continue to issue a Sustainability Report every year, and the next issue will be in August 2025.

If you have any suggestions or comments about the Report, you are welcome to contact us.

ICHIA TECHNOLOGIES INC.

ESG Sustainability Team



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• Embarking on ICHIA's Journey to Sustainability

To our stakeholders and partners Concerned about the sustainable development of ICHIA: Extreme climate and changes in the global political and economic situation have driven all walks of life to seek stability in the changing environment. Through the introduction of ESG, we can co-exist and prosper with all our stakeholders and partners. It is also one of our important responsibilities as a global citizen.

In 2010, we announced our "Corporate Social Responsibility Policy" to fulfill our social responsibility as a corporate citizen and promote integrity, energy conservation, carbon reduction, and care for the underprivileged in a forward-looking manner. In 2022, in line with the global trend of sustainable operations, we combined our CSR achievements made over the past more than ten years with the spirit of the UN SDGs to integrate ESG work into the internal business strategy of the Company, including corporate governance and policy, environmental protection, emissions and waste reduction, talent cultivation, and social and community co-prosperity. In the same year, the ESG Sustainability Team was formed to plan, promote, and integrate the Company's internal and external environment-related activities. In accordance with the Taiwan Stock Exchange's "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," the ESG Sustainability Team will also be responsible for the preparation for the establishment of the "Sustainable Development Committee" in the Board of Directors. In 2023, ICHIA Group released its first "Sustainability Report," which aims to disclose the current status and future plans of the Group's sustainability work to all stakeholders and partners who care about ICHIA. In 2024, we will integrate the requirements of RBA 8.0 again and make continuous improvements to clarify the Company's core values, cement the corporate organizational culture, and realize the Company's brand value.

E/Environmental

Energy conservation, carbon reduction, and environmental protection are important tasks for the benefit of future generations. Since the day of establishment, ICHIA Group has been deeply aware of the importance of these tasks, and has always adhered to its social responsibility. Carbon reduction: The Group's goal is to reduce carbon emissions by 30% by 2030. Through the introduction of ISO 14064-1, the Group has taken inventory of GHG emissions, and formulated a specific carbon reduction plan based on the inventory results. The GHG emissions in 2023 were 28.05% lower than those in 2021 (baseline year).

Energy management: The ISO 50001 energy management system has been introduced to improve energy efficiency. The energy use intensity in 2023 was reduced by 12.20% compared to 2022. At the same time, the Company has continued to plan short-, mediumand long-term green power procurement plans and paid attention to the evolution of energy storage equipment. In 2023, the green power purchased by the Suzhou Factory accounted for 20% of its total power consumption.

Waste, wastewater, air pollution, etc.: We implement strict control in accordance with the regulations of competent authorities.

Through the above goals and practical measures, we hope to jointly reduce GHG emissions, protect the environment, and fulfill our responsibility as a member of the global village.

S/Social

ICHIA Group has spared no effort in investing in social care, cultural education, and community services. More than a decade ago, the Group made donations to establish the "ICHIA Charity Foundation" and "ICHIA Education Foundation" to assist many disadvantaged groups in improving their life and educational attainment. The Group also pays attention to the cultivation of international athletes and sponsors relevant sports events. In 2023, we invested a total of more than NTD 3 million in social, arts and cultural, and public welfare activities. By organizing various parent-child activities for environmental cleaning, environmental experience, and sustainability education, we allow colleagues to understand how to contribute to local revitalization and environmental sustainability through practical actions of themselves and the Company, so as to achieve a diverse, equal, and inclusive society. In terms of enhancing employee benefits, the Operations Headquarters has developed an "Employee Stock Ownership Trust" to allow employees to fully enjoy stable income as a shareholder and assist them in planning for their retirement. In the future, we will continue to introduce other plans to the Group's factories to achieve our goal of cherishing, appreciating, and retaining talent.

G/Governance

ICHIA Group's consolidated revenue for the full year of 2023 was NTD 8.561 billion, an increase of 12% over the previous year; the consolidated gross profit margin was 15%; the consolidated operating net profit was NTD 483 million; the consolidated net profits after tax were NTD 465 million; and the earnings per share was approximately NTD 1.56. In response to the reorganization of the global supply chain and the needs of customers, ICHIA continues to develop internationally. In addition to the existing production sites, we continue to expand our production facilities in Southeast Asia. In 2023, we also established a trading company in Vietnam, and planned to build a second production base in Malaysia to meet future customer needs and respond to changes in the international situation.

To focus on the future trends of the world, in 2023, we conducted an organizational consolidation to combine the core manufacturing technology of mechanism integrated components and electronic integrated components. We also launched the "Automotive Module Solution (AMS)" to transform ICHIA from a supplier of key components to a supplier of automotive module solutions. We place high importance on quality, efficiency, and global logistics to compete with competitors, and pay more attention to integrated and one-stop solutions to reduce supplier management costs for customers in design, production, integration and assembly while providing value-added services.

2023 marks the 40th anniversary of ICHIA Group. With "Move towards Excellence with 40 Years of Experience" as the vision, despite various and challenging environmental changes, we have actively implemented the promotion of ESG-related policies and strengthened risk management to respond early to sustainability transformation and find new opportunities for future businesses. We will continue to pursue innovation and excellence, uphold the philosophy of "Integrity & Honesty," "Dedication," "Innovation," and "Achievement," seek shareholder interests, and create long-term value for all stakeholders, moving toward the goal of corporate sustainability.



CEO: Eric Tseng

Chairman: Benny Huang





2023 Key Performance Highlights of ICHIA

Corporate Governance Performance

- 1. In 2023, the cumulative annual revenue reached NTD 8.561 billion, and the consolidated net profit before tax was NTD 549 million, setting a new high in the past 9 years and demonstrating the strong resilience and core competitiveness of ICHIA in operations management.
- 2. In 2023, there were no illegal acts or corruption incidents in violation of the principle of integrity.
- 3. The Company's corporate governance ranking in 2023 rose to the 51%-65% range.

Sustainable Supply Chain Performance

- 1. In 2023, a total of 67 new suppliers were evaluated, all of which were screened based on environmental and social standards.
- 2. ICHIA has continued to promote local procurement. The achievements in 2023 are as follows:
- (1) Percentage of local procurement for the Mechanical Vertical Integration (MVI) Business Group

Year	ICHIA Linkou Headquarters	ICHIA Suzhou Factory	ICHIA Zhong Shan Factory
2023	99.54%	99.75%	97.66%

(2) Percentage of local procurement amount for the Electrical Vertical Integration (EVI) Business Group

Year	Year ICHIA Linkou Headquarters ICHIA Suzhou F	
2023	44.43%	31.57%

Note: The Zhong Shan Factory does not have an EVI Business Group.

Sustainable Environmental Performance

- 1. GHG emissions: The Category 1+Category 2 GHG emissions in 2023 decreased by about 28.05% compared to 2021.
- 2. Energy: The energy use intensity in 2023 was reduced by 12.20% compared to 2022 The Suzhou Factory's solar power generation and purchased green power in 2023 accounted for more than 20% of its total power consumption The Zhong Shan Factory's solar power generation in 2023 accounted for about 10% of its total power consumption.
- 3. Water stewardship: The water use intensity and total sewage discharge intensity in 2023 were reduced by 7.06% and 11.80%, respectively, compared to 2022.
- 4. Waste: In 2023, the waste clearance and disposal contractors did not violate any laws and regulations. The overall waste recycling rate reached 66.35%.

Employee Care and Community Engagement Performance

- 1. In 2023, the number of employees eligible for unpaid parental leave was 107, and the number of employees actually applying for such leave was 105, with an application rate of 98%, and the reinstatement rate was 100%. ICHIA has long provided a comprehensive employee care mechanism to allow employees with childcare needs to balance work and family.
- 2. Since 2022, the ICHIA Linkou Headquarters has been awarded the "Badge of Accredited Healthy Workplace" by the Health Promotion Administration of the Ministry of Health and Welfare, which has earned ICHIA the recognition of the public sector for providing employees with an excellent and healthy workplace environment and improving workplace health and the standard of living.
- 3. In 2023, the number of total training hours of our employees was 47,717, and the average training hours per employee were over 34 hours.



• Corresponding SDGs

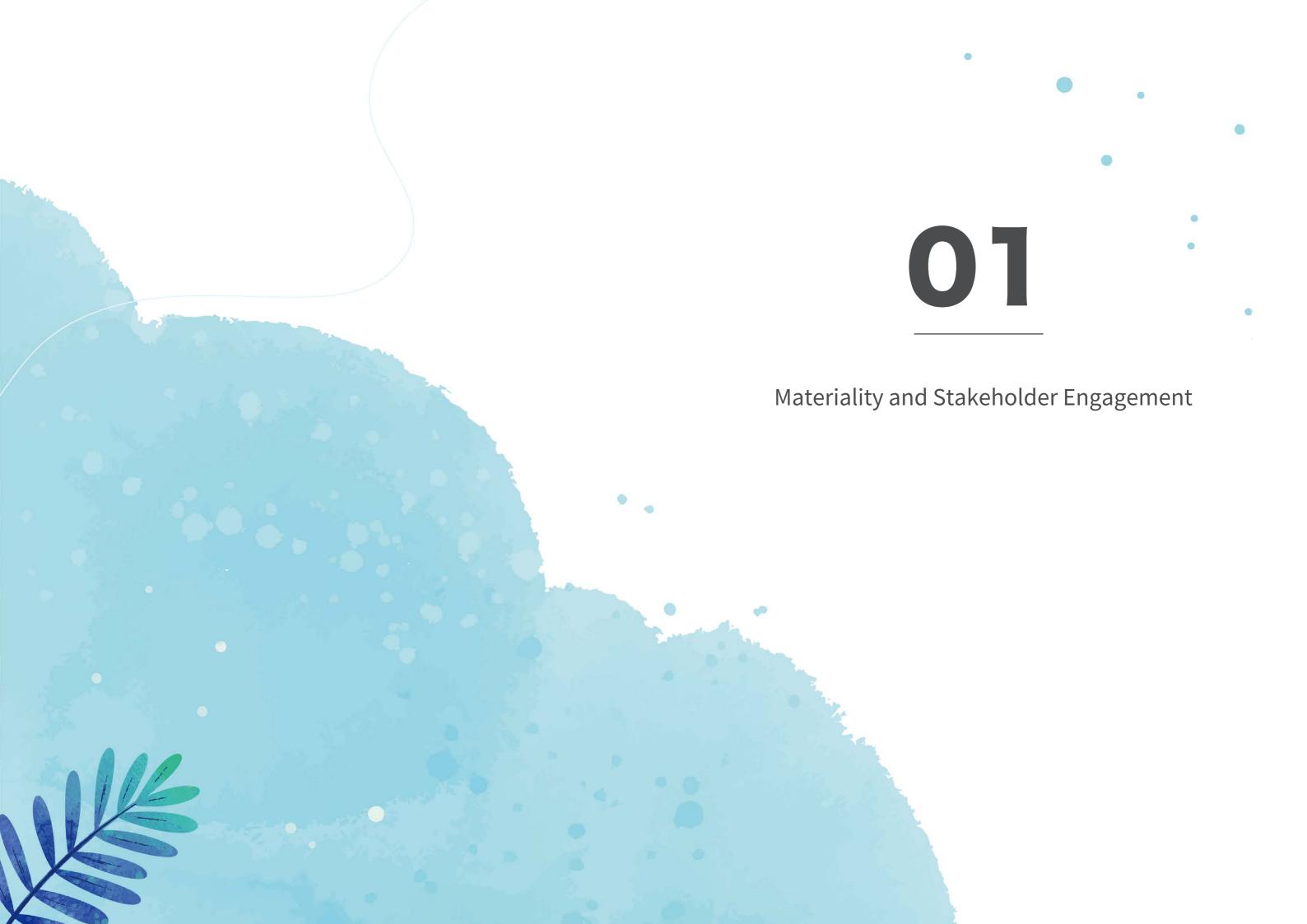
SDG	ICHIA's Practices Corresponding to the SDG	Corresponding Chapter
3 GOOD HEALTH AND WELL-BEING	To create a high-quality leisure environment, we provide employees with a full range of sports and leisure venues, such as the medical center, swimming pool, and various club activities. We also offer a sound and considerate childcare environment and parental leave policy, as well as the	5.5 Occupational
Ensure healthy lives and promote well-being for all at all ages	infirmary equipped with a medical team, regular health checkups, and lectures on health-related topics. We strive to provide the most comprehensive employee care, the safest and healthiest working environment, and sound education and training. We also pay attention to the physical and mental conditions of each employee at all times.	Health

SDG	ICHIA's Practices Corresponding to the SDG	Corresponding Chapter
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	We have established the "Employee's Training and Education Regulations." Every year, we introduce education and training courses, propose training plans according to the needs of each department, and make improvements according to this system to continuously optimize the professional competencies of employees. Based on employees' professional fields and positions, and in line with the Company's operational goals and human rights policies and guidelines, we build learning blueprints for different modules, supplemented by on-the-job training (OJT), job rotation, knowledge sharing (KM system), soft skill development, and other arrangements, to unleash the potential and develop the strength of our employees, allowing them to advance and grow together with the Company.	5.3 Talent Development

SDG	ICHIA's Practices Corresponding to the SDG	Corresponding Chapter
8 DECENT WORK AND ECONOMIC GROWTH		5.1.1
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Based on employees' career development and the Company's business strategy, ICHIA recruits outstanding talent from all over Taiwan through various channels, including collaborating with colleges and universities for industry-academia training courses and cooperating with the government's employment promotion plan.	Diverse Workforce Structure and Distribution 5.1.2 Recruitment

SDG	ICHIA's Practices Corresponding to the SDG	Corresponding Chapter
12 RESPONSIBLE CONSUMPTION AND PRODUCTION		
Ensure sustainable consumption and production patterns	We adhere to the core principle of "people orientation" for the R&D of related products, and conduct in-depth market trend research for user-oriented product planning and development. Our overall R&D process integrates fundamental scientific theories with existing technology to reduce excessive waste of resources in the seven stages of new product development: new product strategic planning, creative concept development, product concept screening and evaluation, business feasibility analysis, product design and development, product testing and verification, and product commercialization, enhance customization technology, and thereby introduce cross-domain thinking into product integration.	3.1 Green Product Design

SDG	ICHIA's Practices Corresponding to the SDG	Corresponding Chapter
Take urgent action to combat climate change and its impacts	In response to the challenges and risks caused by extreme weather, ICHIA actively carries out corresponding assessment and management work to keep the Company moving towards the goal of sustainable operations. With reference to the TCFD framework, we have planned and reviewed our climate change strategies and actions in terms of governance, strategy, and risk management, and then developed corresponding indicators and set goals to disclose the Company's information on climate change and our interaction and relationship with stakeholders.	4.1 Climate Change and GHG Management



1.1 Stakeholder Communication and Response

Stakeholders' expectations are the key to corporate sustainability and success. Having exchanges with stakeholders, understanding their needs and expectations, and responding to them not only can help us review and plan short-, medium- and long-term strategies, but also can create value for stakeholders and unlock new business opportunities for sustainable operations.

According to the five aspects of the AA1000 Stakeholder Engagement Standard (AA1000 Stakeholder Engagement Standard 2015): dependence, influence, responsibility, diverse perspectives, and tension, we have identified our major stakeholders by materiality. We have further assessed the significance of material issues in terms of corporate governance, environmental, and social impacts based on the major stakeholders, which serves as a reference for the planning of sustainable development strategies and the basis for the information disclosed in the Report. Based on this principle, our major stakeholders have been defined as: investors (shareholders, the Board of Directors), competent authorities, customers, suppliers, employees, financial institutions, and the media. Through multiple channels for regular exchanges and engagement, we understand the expectations of stakeholders, which are used as an information source for sustainability issues and impact assessments:

Stakeholder	Communication Mechanism and Frequency	Actions Taken
Investors (including shareholders and the Board of Directors)	[Regular] Shareholders' meeting (once a year), Board of Directors' meeting (six meetings in 2023), annual report (once a year), ESG report (once a year), financial statements (quarterly) [From time to time] Company website	Provide investors with open and transparent operational information and assist investors in understanding the Company's long-term strategic goals and prospects. Create stable profits and ROI while demonstrating good performance in sustainable governance.
Competent authorities	【From time to time】 Market Observation Post System (MOPS), official documents, policy advocacy meetings, on-site audits	Conduct immediate rectification and develop preventive measures and procedures for non-compliance incidents. Disclose operational information on the MOPS on a regular basis.

Stakeholder	Communication Mechanism and Frequency	Actions Taken
Customers	<pre>[Regular] Internal quality and review meetings, customer satisfaction surveys [From time to time] Business visits, various business</pre>	Adopt a market-oriented growth strategy and actively develop new products to meet customers' needs in the face of the challenges of high competition in the global industry and the China-US trade war.
Suppliers	Regular meetings, audits, evaluations, and guidance for suppliers [From time to time] Supplier complaint channels and technical seminarsmeetings, technical seminars	Continue to work with supplier partners to reduce the impact on the environment from the procurement of raw materials and production technology reforms (such as changing from electroplating to vapor deposition and from spraying to IML), continuously expand the key niche products of each factory to increase their added value and create high value-added products, and develop and sell products in the blue ocean market.
Employees	[Regular] Labor-management meetings, monthly/weekly meetings/labor conferences in each factory [From time to time] Direct supervisors, the personnel of the Sustainability Management Division, company bulletin board, employee suggestion mailbox, employee forums, employee complaint channels, training courses, and policy advocacy meetings	Value and respect the voices of employees, and establish various communication channels so that employees can keep abreast of the Company's dynamics and express any opinions or concerns on workplace-related matters.

1.2 Identification of Material Issues

We refer to the four-stage materiality identification process in the latest GRI Standards (2021) to define the method for identifying material issues. In accordance with the AA 1000 Accountability Principles Standard, we have identified material issues based on the four principles of inclusivity, materiality, responsiveness, and impact. We have also used specific issues from the SDGs, TCFD, and SASA as the basis for stakeholder communication and feedback to further assess the significance of material issues in terms of corporate governance, environmental, and social impacts as a reference for the planning of sustainable development strategies.

Implementation Steps	Implementation Details
Step 1. Identify communication targets	In accordance with the five aspects of AA1000 Stakeholder Engagement Standard (AA1000SES): influence, concern, responsibility, dependency, and diverse perspectives, we sent stakeholder identification questionnaires to colleagues. After the statistical results were approved by the ESG Sustainability Team, 7 major stakeholder groups were identified: investors (shareholders, the Board of Directors), competent authorities, customers, suppliers, employees, financial institutions, and the media.
Step 2. Collect sustainability issues	 References GRI Sustainability Reporting Standards. Task Force on Climate-Related Financial Disclosures (TCFD). 17 SDGs and their 169 targets. Sustainability Accounting Standards Board (SASB). During stakeholder communication, the ESG Sustainability Team compiled and listed 25 sustainability issues.
Step 3. Assess the level of impact and influence of stakeholders	After stakeholders with close ties and influence were identified, the ESG Sustainability Team assessed the level of impact and influence of the 7 types of stakeholders on the 25 sustainability issues through the "2023 ESG Questionnaire for the Stakeholders of ICHIA TECHNOLOGIES," and a total of 203 valid questionnaires were returned.

Implementation Steps	Implementation Details
Step 4. Determine material issues	After the ESG Sustainability Team reviewed the results of the assessment in Step 3 and made adjustments accordingly, 6 sustainability issues of high concern were selected as the material issues of the year and reported to the Board of Directors.
Step 5. Assess the significance of impacts	After Step 1 to Step 4 were performed and completed from December 2023 to January 2024, the ESG Sustainability Team further assessed the level of impact of the 6 material issues on corporate governance, the environment and society, scored the issues based on their positive/negative impacts, and understood the impact boundary and the level of involvement of the material issues in the value chain through impact assessment questionnaires. After this step, we confirmed that all the 6 material issues have significant impacts.
Step 6. Confirm the ranking of the issues and disclosure content	The ESG Sustainability Team will describe in the Report the response strategies, short-, medium-, and long-term goals, results and performance, and management approaches for the material issues in accordance with the reporting requirements for each topic. The 6 material issues correspond to a total of 7 GRI topics.

✓ Collection of Sustainability Issues

We integrated international sustainability standards and regulations (GRI, TCFD, SASB, etc.), the UN SDGs, and stakeholder interaction into 25 sustainability-related issues.

Environmental (E)	Social (S)	Corporate Governance (G)
 Water resource management Biodiversity Air pollution control Energy and resource management GHG emissions management Green product management Waste and circular economy 	 Talent recruitment and retention Talent development and training Human rights Diversity and equity Social engagement and care Workplace digital transformation Occupational health and safety - safety risk control for zero disasters and business continuity management Occupational health and safety - control for zero work-related ill health and physical and mental 	 ESG risk management Supply chain management Legal compliance Customer relationship management Financial performance Product and technology R&D Product safety and quality Integrity management Board governance Information security

Quantification of Questionnaire Results

According to the stakeholder questionnaire results, 2 issues have higher environmental (E) impacts, 2 issues have higher social (S) impacts, and 2 issues have higher governance (G) impacts, as shown in the table below. The ESG Sustainability Team ranked the material issues based on the level of their impacts and will describe in the Report the response strategies, short-, medium-, and long-term goals, results and performance, and management approaches for the material issues in accordance with the reporting requirements for each topic.

Environmental (E)	Social (S)	Corporate Governance (G)
 Green product management Energy and resource management 	 Talent development and training Occupational health and safety - safety risk control for zero disasters and business continuity management 	 Product and technology R&D Product safety and quality

For the 6 material issues, the ESG Sustainability Team conducted a comprehensive assessment of the level and likelihood of their actual/potential, positive/negative impacts on the economy, environment, and society for compilation.

(1) Quantification of impacts:

Relevant units scored each material issue on a range of 1 - 5 points based on the level of their positive and negative impacts on the economy, environment, and governance, and the ESG Sustainability Team compiled the scores. Examples are shown below:

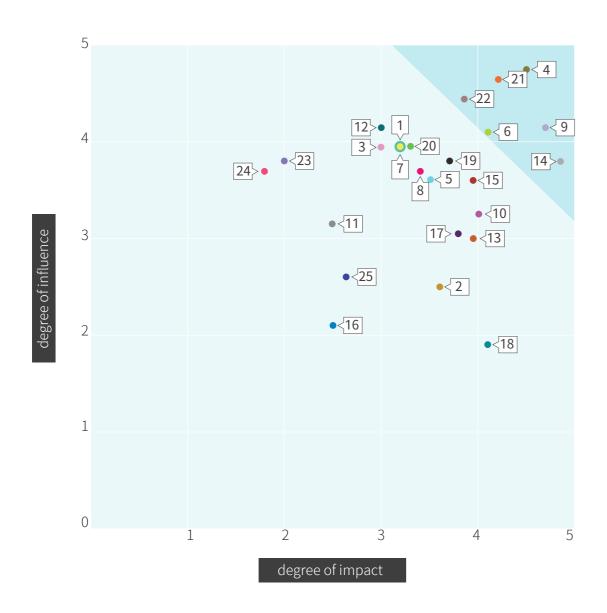
	Environmental (example)				
Material Issue	Level of Impact		Likelihood		
	Positive	Negative	Positive	Negative	
Climate change and energy management	4	2	4	5	

	Social (example)				
Material Issue	Level of	- Impact	Likelihood		
	Positive	Negative	Positive	Negative	
Talent attraction and retention	5	3	4	2	

	Corporate Governance (example)				
Material Issue	Level of	f Impact	Likelihood		
	Positive	Negative	Positive	Negative	
Economic performance	5	3	5	3	

(2)Ranking by impact:

The ESG Sustainability Team quantified the impact of the 6 material issues, and obtained the following assessment results after considering the recommendations of the management team:



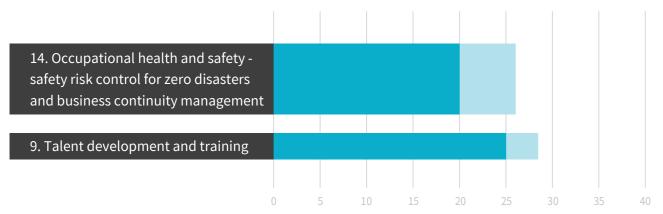
 1. Water resource management 	• 21. Product and technology R&D
2. Biodiversity	• 22. Product safety and quality
3. Air pollution control	23. Integrity management
 4. Energy and resource management 	• 24. Board governance
5. GHG emissions management	• 25. Information security
• 6. Green product management	
7. Waste and circular economy	
8. Talent recruitment and retention	
9. Talent development and training	
• 10. Human rights	
• 11. Diversity and equity	
• 12. Social engagement and care	
• 13. Workplace digital transformation	
14. Occupational health and safety - safety	
risk control for zero disasters and	
business continuity management	
• 15. Occupational health and safety - control	
for zero work-related ill health and	
physical and mental health protection	
• 16. ESG risk management	
• 17. Supply chain management	
• 18. Legal Compliance	
• 19. Customer relationship management	
20. Financial performance	

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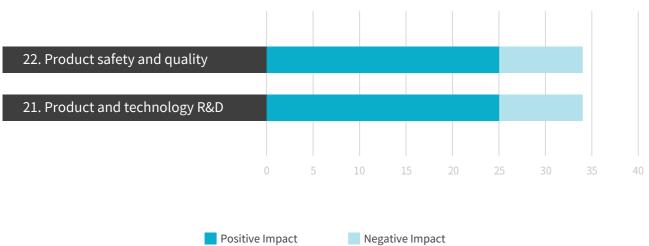
Environmental Impact



Social Impact

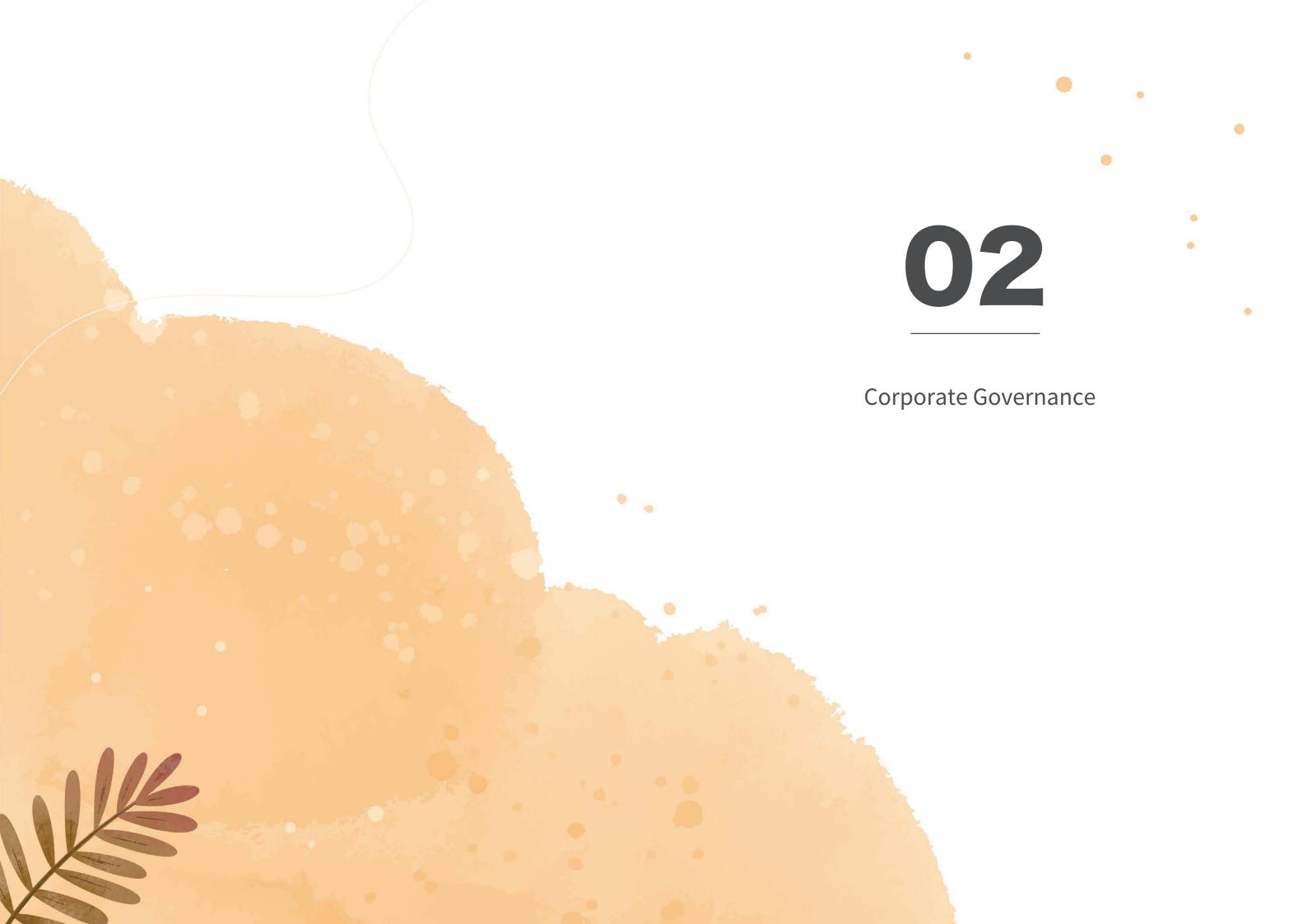


I Governance Impact



Scope of Impact of Material Issues

			●Direct impact	tribut	ing imp	oact	ОВи	ısines	s relatio	nship
				Level	of Invo	olvem	ent aı	nd Sco	ope of In	npact
Aspect	Material Issue	Material Topics	Corresponding Chapter	Investors	Competent authorities	Customers	Suppliers	Employees	Financial institutions	Media
nental	Energy and resource management	GRI 302 Energy GRI 303 Water and Effluents	4.1.4 Energy Management 4.3 Water Stewardship	•	•	•	0	•	•	0
Environmental	Green product management	GRI 2-6 Activities, value chain and other business relationships	3.1 Green Product Design 3.2 Supply Chain Management	©	0	•	0	•	•	0
Social	Occupational health and safety - safety risk control for zero disasters and business continuity management	GRI 403 Occupational Health and Safety	5.5 Occupational Safety	0	•	•	0	•	0	©
	Talent development and training	GRI 404 Training and Education	5.3 Talent Development	0	0	0	•	•	0	0
Governance	Product and technology R&D	GRI 2-6 Activities, value chain and other business relationships	3.1 Green Product Design 3.2 Supply Chain Management	•	0	•	•	•	•	©
99	Product safety and quality	GRI 2-23 Policy commitments	Letter from Our Management	•	•	•	•	•	•	0



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■ Corporate Governance Performance

- 1. In 2023, there were no illegal acts or corruption incidents in violation of the principle of integrity.
- 2. The Company's corporate governance ranking in 2023 rose to the 51%-65% range.

■ Future Strategic Goals

1. Economies of scale for production

The Group is a professional supplier of electronic components. In recent years, the Group has continued to transform and develop its business in the field of automotive products. The Group's related products have achieved economies of scale and gained presence in the industry. Continuous growth in the depth and breadth of product sales will help maximize the benefits of economies of scale, thereby creating a barrier to entry into the industry.

2. Global logistics model

In addition to Taiwan, the Company has production sites and marketing centers overseas including China, Malaysia, and Vietnam to not only serve customers nearby, but also gather market information, adjust production capacity, and reduce production costs to mitigate the operational risk generated by the China-US trade war.

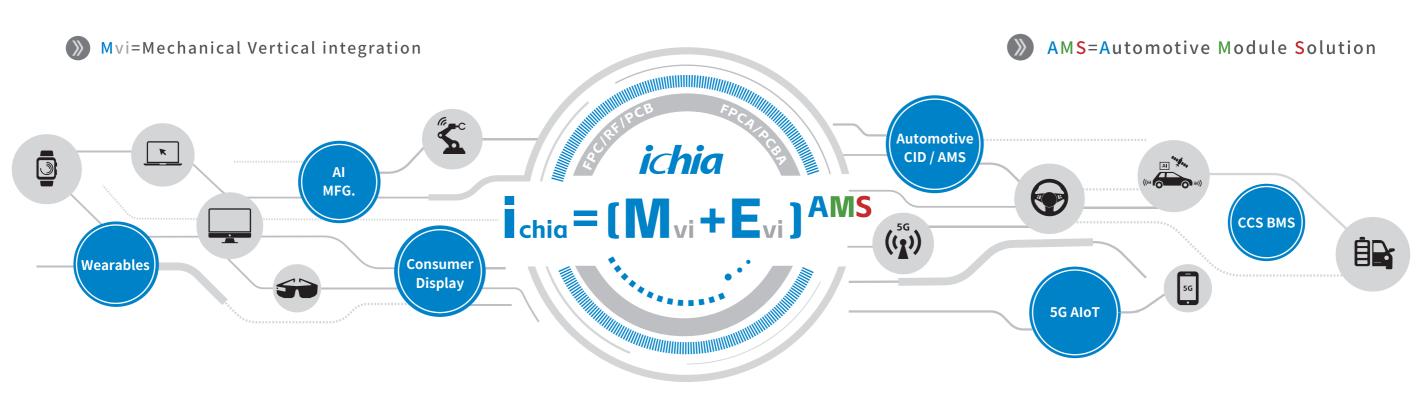
2.1 Company Profile

Established in November 1989, ICHIA is headquartered in Hwa Ya Technology Park, Guishan District, Taoyuan City. After 40 years of hard work and management, the Company has developed into a multinational enterprise with production bases in Suzhou and Zhongshan in China, as well as Malaysia. Based on the business philosophy of "Integrity & Honesty," "Dedication," "Innovation," and "Achievement," ICHIA faces market dynamics head-on by constantly making adjustments and corrections, continuously moving towards sustainable operations.

	Basic Information		
Company name	ICHIA TECHNOLOGIES INC.		
Date of establishment	ate of establishment November 1989		
Location of headquarters	No. 268, Huaya 2nd Rd., Guishan Dist., Taoyuan City, Taiwan		
Major production locations	ICHIA's Global Operations Management Headquarters (Linkou Factory) (Factory area: about 290,545 square feet) ICHIA Suzhou Factory (Factory area: about 1,442,364 square feet) ICHIA Zhong Shan Factory (Factory area: about 358,797 square feet) ICHIA Malaysia Factory (Factory area: about 76,048 square feet)		
Paid-in capital	NTD 3,075,366 thousand		
Revenue in 2023	NTD 8,561,414 thousand		
Main products	Mechanism integrated components, electronic integrated components, in-vehicle module solutions		

With years of efforts of all employees, in addition to the stability of overall operations, we are also better than our peers in terms of profitability. As we value every employee, in addition to a comprehensive benefit system and a good working environment, we also provide room for learning and growth. Every employee of ICHIA has the opportunity to demonstrate their strengths in their respective careers. ICHIA will continue to adhere to the philosophy of sustainability and integrityethical corporate management, provide customers with services of the highest quality, and achieve growth in the Company's revenue and profits to give back to shareholders, employees, and society.

Based on the existing two major business groups, MVI Business Group and EVI Business Group, we established the AMS Business Group in 2023 to transform the Company from a supplier of key components to a supplier of automotive module solutions. We place high importance on quality, efficiency, and global logistics to compete with competitors, and pay more attention to integrated and one-stop solutions to reduce supplier management costs for customers in design, production, integration and assembly while providing value-added services.



Evi=Electrical vertical integration

■ ICHIA's Current Main Business Items

Main Products	Purpose and Description	
Mechanism integrated components	Automotive interior and exterior trims, waterproof structural parts, wearable modules, light guide modules, phone buttons, smart home appliance parts, mechanism and electronic integrated modules, metal alloy products, thermal modules, mold design and processing.	
Electronic integrated components	Products such as FPC, PCB, and RF to be assembled in smart phones, automotive interior trims, wearable products, touch panels, high-end cameras, notebook computers, displays, and other electronic products; they can be assembled with other components through the SMT process.	
Automotive module solutions	New module solutions integrated with the above two integrated components, including central touch control modules, overhead control modules, door ambient lighting panels, on-screen knobs, and steering wheel touch modules.	

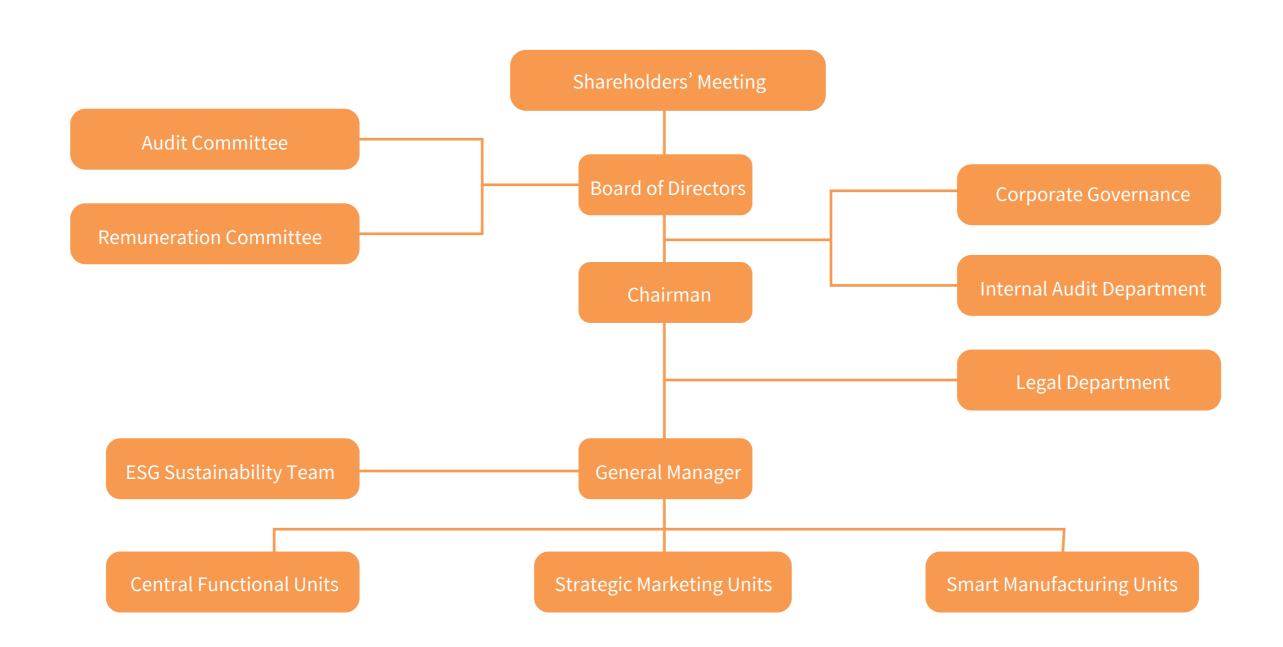
2.2 Global Logistics

After 40 years of hard work and management, ICHIA has developed into a multinational enterprise with production bases in Suzhou and Zhong Shan in China, as well as Malaysia, Hungary, and Mexico. In response to rapid changes in the global economy and industrial development, we have also considered to expand our business to Southeast Asia. Since 2023, we have planned to build our second factory in Kulim Hi-Tech Park in Malaysia.

By setting up production bases and marketing centers overseas, we can not only serve customers nearby, gather market information, adjust production capacity, and reduce production costs, but also win the trust of customers with flexible shipping locations and shorter delivery times.



- © 2.3 Governance Structure
- 2.3.1 Administrative Organizational Structure



■ Business Scope of Each Department

Department	Business Scope Description
Corporate Governance	Implement corporate governance and legal compliance; provide directors and independent directors with the information needed to execute their duties; handle matters related to board meetings and shareholders' meetings.
Internal Audit Department	Establish, revise and review the internal audit system, and examine, review and audit the internal control system (for both domestic and overseas subsidiaries).
Legal Department	Responsible for corporate legal affairs, auditing and managing contracts, etc.
ESG Sustainability Team	Strive for various issues of concern to stakeholders, including in the five aspects of corporate governance, customer relationship and supplier management, sustainable environment, employee care, and social engagement. Communicate with stakeholders from time to time, pay attention to issues of concern to them, and respond to these issues in a timely manner.
Central Functional Units	Covering the Company's general affairs, factory operations, the ADM Center, Financial & Accounting Center, IT Center, and other units, the Central Functional Units are responsible for the planning and execution of procedures related to human resources, education and training, finance, accounting, stock affairs, budgets, affiliated enterprise management, as well as the construction of information environments and the maintenance of information exchange mechanisms and information security.
Strategic Marketing Units	Responsible for the logistics, R&D, and marketing management of the Company's products.
Smart Manufacturing Units	Responsible for the production and quality management of the Company's products.

	Boundary Coverage				
Investor	Subsidiary name	Business nature			
ICHIA TECHNOLOGIES	ZHONGSHAN ICHIA ELECTRONICS CO., LTD	Manufacturing, processing and trading of various electronic components and materials for various electronic and telecommunication computers.			
INC.	ICHIA TECHNOLOGY (SUZHOU) CO., LTD	Manufacturing and sale of rubber, plastic keypads and flexible printed circuit boards.			

• 2.3.2 Operations of the Board of Directors

Since 2011, ICHIA has successively established the "Remuneration Committee" and "Audit Committee" in accordance with the relevant laws and regulations. The directors and members are elected according to the relevant regulations on a regular basis to make the best decisions that contribute to the sustainable development of ICHIA.

According to the "Corporate Social Responsibility Best Practice Principles," the Company appoints professionals with rich business or academic experience in various industries as board members, taking their gender, age, nationality and cultural background into account. The Board of Directors held 6 meetings in 2023, and the attendance rate of all directors was 100%. The Board of Directors is responsible for reviewing and supervising the Company's decision-making on major issues related to the economy, society, and the environment to maximize the benefits for the Company's shareholders. In addition, if a director or the juristic person he/she represents has a stake any agenda item, the director shall explain the important content of the stake at the current meeting. If the stake is likely to prejudice the interests of the Company, the director shall be abstain from discussion and voting on the item and shall not exercise voting rights on behalf of other directors.

Title	Name	Gender	Education	Main Experience
Chairman	Benny Huang	Male	EMBA, National Taiwan University (Undergraduate)	Chairman of ICHIA Group; Chairman of ICHIA HOLDINGS (B.V.I) CO., LTD.; Chairman of ICHIA USA INC.; Chairman of ICHIA HOLDINGS (H.K.) CO., LTD.; Chairman of ICHIA UK LTD.; Director of ICHIA TECHNOLOGIES (MALAYSIA) SDN. BHD.; Chairman of Fa La Li Investment Co., Ltd.; Chairman of Creative Investment Co., Ltd.
Director	Huang Li Lin	Female	Department of Economics, Fu Jen Catholic University Completion of the MBA program of National Chung Hsing University	Vice Chairman of ICHIA Group; General Manager of ICHIA HOLDINGS (B.V.I) CO., LTD.; Director of ICHIA USA Inc.; Director of ICHIA RUBBER INDUSTRY (M) SDN BHD; Director and Managerial Officer of ICHIA Technologies Hungary Limited Liability Company; Director of ICHIA TECHNOLOGY (SUZHOU); Director of ZHONGSHAN ICHIA; Director of ICHIA HOLDINGS (H.K.)CO., LTD.; Chairman of SOGAI Investment Co., Ltd.

Title	Name	Gender	Education	Main Experience
	Huang Tzu Cheng	Male	Pacific Western University	Chairman of I-SHENG ELECTRIC WIRE & CABLECo., Ltd. Chairman of DRAGONJET CORPORATION
Director	Department	Department of Physics, Tamkang University	CEO of ICHIA Group; Chairman of ICHIA TECHNOLOGY (SUZHOU); Chairman of ZHONGSHAN ICHIA; Chairman of ICHIA TECHNOLOGIES (MALAYSIA) SDN. BHD.	
	Chen Tai Jan	Male	Ph.D., Department of Atmospheric and Environmental Sciences, State University of New York at Albany, USA	Distinguished Chair Professor, National Taiwan University Chairman of Chinese Culture University
Indepen-	Huang Chin Ming Male Department of Electronic Engineering, National Chiao Tung University	Chairman of CHROMA ATE Inc. Chairman of DynaScan Technology Corp. Director of I SHENG ELECTRIC WIRE & CABLECo., Ltd. Director of Twoway Communications, Inc. Director of Tian Zheng International Precision Machinery Co., Ltd.		
dent Director	Hsu Wan Lung	Male	President of Chinese Professional Management Association of Hsinchu, Consultant of the Industry-Academia Alliance for Internet Finance Innovation of the National Science and Technology Council; Consultant of the National Tsing Hua University Digital Economy Technology Innovation R&D and Application Program	President of Chinese Professional Management Association of Hsinchu, Consultant of the Industry-Academia Alliance for Internet Finance Innovation of the National Science and Technology Council; Consultant of the National Tsing Hua University Digital Economy Technology Innovation R&D and Application Program

✓ Independence and Diversity of the Board of Directors

Independence of the Board of Directors:

The Company has 3 independent directors, accounting for 43% of total directors. In accordance with the regulations governing listed companies, the Company has obtained a written statement from each director confirming their eligibility for election and the independence of theirs and their immediate family from the Company, and that they do not violate Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

The Company has established a performance evaluation system for the Board of Directors, and conducts internal self-evaluation of the Board of Directors and self-evaluation for board members once a year. The self-evaluation results are disclosed in the Company's annual report after being reported to the Board of Directors.

Diversity:

The 7 members of the Company's Board of Directors for the 13th term as a whole are equipped with the abilities of operational judgment, crisis management, industry knowledge, financial and accounting analysis, business management, international market perspective, leadership, and decision-making. Chairman Benny Huang, Vice Chairman Huang Li Lin, Director Huang Tzu Cheng, Independent Director Huang Chin Ming, Director and CEO Eric Tseng have years of practical experience in corporate management. Independent Director Chen Tai Jan holds a teaching position at a national university and is equipped with professional knowledge, management and teaching experience. Independent Director Hsu Wan Lung, who has been engaged in industry-academia collaboration for many years, has extensive experience.

All board members are Taiwanese, and their age distribution is as follows: 1 aged 51-59 years, 3 aged 61-69 years, and 3 aged 71-79 years; including one female director, accounting for 14%.

✓ Remuneration policy for directors and managerial officers

(I) Remuneration policy, standard, and package:

For the remuneration of the Company's directors, according to the Company's Articles of Incorporation, no more than 3% of the current pre-tax profit before deduction of employee remuneration and director remuneration for the year shall be set aside as director remuneration. In accordance with the "Board of Directors' Performance Evaluation Measures," the Company conducts regular performance evaluations covering six aspects: (1) Understanding of the Company's goals and missions (2) Awareness of directors' duties (3) Participation in the Company's operations (4) Internal relationship management and communication (5) Professionalism and continuing education of directors (6) Internal control.

For the remuneration of the Company's managerial officers, according to the Company's Articles of Incorporation, no less than 1% of the current pre-tax profit before deduction of employee remuneration and director remuneration for the year shall be set aside as employee remuneration. The performance evaluation for managerial officers covers three parts: (1) Duties of each managerial officer (2) Achievement of the performance goals for the current year (3) Contribution to the Company.

The remuneration package is as specified in the Remuneration Committee Charter and includes cash remuneration, stock options, dividends and shares, retirement benefits or severance pay, various allowances, and other substantive incentive measures.

(II) Process to determine remuneration

The performance of the Company's directors and managerial officers is linked to the Company's business performance indicators. Their remuneration and individual performance are subject to annual evaluation and review by the Remuneration Committee and the Board of Directors. The Board of Directors, board members, and the members of various functional committees received ratings of "Excellent" or higher for the performance self-evaluation in 2023, indicating sound operation as a whole. According to the results of the managerial officer performance evaluation in 2023, the performance of all managerial officers met or exceeded the set targets. The above evaluations took into account an individual's performance achievement rate and contribution to the Company, as well as the overall operational performance of the Company, future risks and development trends in the industry. In addition, the remuneration system has been reviewed in a timely manner based on the actual business status and in accordance with the relevant laws and regulations to provide reasonable remuneration. The remuneration to directors and managerial officers in 2023 was determined through performance evaluation, submitted to the Remuneration Committee for deliberation, and referred to the Board of Directors for resolution.

(III) Correlation with business performance and future risks

The review of the payment standard and system related to the Company's remuneration policy uses the Company's overall operations as the main consideration, and the payment standard is determined based on performance achievement rates and contributions to improve the overall organizational efficiency of the Board of Directors and managerial officers. In addition, reference is made to the remuneration standards in the industry to ensure that the remuneration of the Company's management is competitive om the industry, so that outstanding management talent can be retained.

Important decisions of the Company's management are made after balancing various risk factors. The performance of related decisions is reflected in the Company's profitability. There is a positive correlation between management's remuneration and the performance of risk control.

Remuneration paid to directors, general managers, and deputy general managers by the Company and subsidiaries includes long-term incentives, and is in the form of cash, shares, or stock options. The remuneration is not fully paid in the year when there are earnings, and the actual value of the remuneration is related to future stock prices, that is, the directors, general managers, and deputy general managers will assume future business risks together with the Company and subsidiaries.

In 2023, the remuneration of the Company's General Manager was 18 times the median salary of employees.

■ Total Remuneration Paid in the Most Recent Two Years as a % of the Net Profits After Tax

Item	The Company				All Companies in Consolidated Financial Statements			
	202	22	2023		2022		2023	
Title	Total (NTD thousand)	Perce- tage	Total (NTD thousand)	Perce- tage	Total (NTD thousand)	Perce- tage	Total (NTD thousand)	Perce- tage
Remuneration to directors	8,960	2.51%	10,360	2.23%	8,960	2.51%	10,360	2.23%
Remuneration to general manager and deputy general manager	18,040	5.05%	41,625	8.95%	19,806	5.54%	44,005	9.46%
Net profits after tax	357,407	-	465,261	-	357,407	-	465,261	-

✓ Performance Evaluation for the Board of Directors

In order to implement corporate governance and improve the functions and efficiency of the Board of Directors, the "Board of Directors' Performance Evaluation Measures" have been formulated to stipulate that the Board of Directors shall conduct at least one performance evaluation for the Board of Directors, board members, and functional committees every year. The evaluation covers the following aspects: participation in the Company's operations, the election and continuing education of directors, and internal control. In the future, external evaluations will be conducted to evaluate the performance of the Board of Directors from a more objective perspective.

Evaluation Cycle	Evaluation Scope	Evaluation Method	Evaluation Content and Results
Once a year	Board of Directors Individual board members Functional committees	I. Self-evaluation of the Board of Directors II. Self-evaluation of board members III. Self-evaluation of functional committees (Audit Committee and Remuneration Committee)	 Evaluation content: I. Self-evaluation of the Board of Directors 1. Participation in the Company's operations. 2. Improvement of the Board of Directors' decision-making quality. 3. Composition and structure of the Board of Directors. 4. Election and continuing education of directors. 5. Internal control. II. Self-evaluation of board members 1. Understanding of the Company's goals and missions. 2. Awareness of directors' duties. 3. Participation in the Company's operations. 4. Internal relationship management and communication. 5. Professionalism and continuing education of directors. 6. Internal control. III. Self-evaluation of functional committees 1. Participation in the Company's operations. 2. Awareness of functional committees' duties. 3. Improvement of functional committees' decision-making quality. 4. Composition and member election of functional committees. 5. Internal control. Evaluation results: The Company completed a performance evaluation for the Board of Directors, board members, Remuneration Committee, and Audit Committee in December 2023. The evaluation results were presented at the board meeting held on March 11, 2024. Ratings of "Excellent" or higher were given for the evaluation, indicating sound operation as a

(I)Self-evaluation of the operational performance of the Board of Directors:

There were a total of 45 indicators, and the result showed that the operation as a whole was sound.

Aspect of the Self-evaluation	Evaluation Item	Score in 2023
A. Participation in the Company's operations	12 items	4.92
B. Improvement of the Board of Directors' decision-making quality	12 items	4.96
C. Composition and structure of the Board of Directors	7 items	4.86
D. Election and continuing education of directors	7 items	4.92
E. Internal control	7 items	4.98

(II)Self-evaluation of the performance of board members:

There were a total of 23 indicators. The average score of each director participating in the self-evaluation for each item was calculated, and the result showed that the operation as a whole was excellent and sound.

Aspect of the Self-evaluation	Evaluation Item	Score in 2023
A. Understanding of the Company's goals and missions	3 items	4.95
B. Awareness of directors' duties	3 items	4.90
C. Participation in the Company's operations	8 items	4.82
D. Internal relationship management and communication	3 items	4.76
E. Professionalism and continuing education of directors	3 items	4.76
F. Internal control	3 items	5

(III) Self-evaluation of the operational performance of functional committees:

There were a total of 26 indicators, and the result showed that the operation as a whole was sound.

Aspect of the Self-evaluation	Evaluation Item	Score in 2023
A. Participation in the Company's operations	4 items	4.75
B. Awareness of functional committees' duties	8 items	4.71
C. Improvement of functional committees' decision-making quality	7 items	4.81
D. Composition and member election of functional committees	4 items	5
E. Internal control	3 items	5

✓ Continuing Education for the Board of Directors

Corporate Governance

According to the requirements of the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies, new directors are advised to receive at least 12 hours of continuing education in the year they take office and at least 6 hours of continuing education every year thereafter.

In 2023, directors received a total of 67 hours of continuing education, with an average of 9.57 hours per director, 6 hours higher than the recommended legal threshold. In the future, the Company will continue to arrange diversified external training courses to enhance directors' professionalism, make them perform their duties faithfully and the duty of care as a good administrator, and give full play to the functions of business decision-making, leadership, and supervision.

Title	Name	Date	Organizer	Name of Course	Hours
	Renny	2023/12/15	Corporate Operating and Sustainable Development Association	Board Compliance Practices, Directors' and Supervisors' Legal Responsibilities, and Case Studies	3
Chairman	Benny Huang 2023/06/02		Chinese National Association of Industry and Commerce	2023 Taishin Net Zero Summit	3
Vice Chairman	2023/08/18 Huang Li Lin		Taiwan Corporate Governance Association	Net Zero Sustainability Talent Incubation Course (Northern Taiwan) - Corporate Low-carbon Transformation Strategies	9
CHallinaii	111	2023/06/02	Chinese National Association of Industry and Commerce	2023 Taishin Net Zero Summit	3
	Huang	2023/09/04	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	3
Director	Tzu Cheng 2023/04/27		Taiwan Stock Exchange	Briefing on the Sustainable Development Action Plans for TWSE and TPEx Listed Companies	3
Director	Eric Tseng	2023/11/11	Commerce Development Research Institute	ESG Leaders II - Practical Course for Directors and Supervisors/Business Owners (Afnor International Certification Course)	12

Title	Name	Date	Organizer	Name of Course	Hours
	Hsu Wan-	2023/06/15	Securities and Futures Institute	Advanced Practical Seminar for Directors (Including Independent Directors) and Chief Corporate Governance Officers - Performance Evaluation for the Board of Directors	3
director	Lung	2023/04/25	Accounting Research and Development Foundation	How the Board of Directors and Senior Supervisors Review the ESG Sustainability Report	3
		2023/02/21	Taiwan Institute for Sustainable Energy	SASB Standards and Implementation Practices	8
Indonon		2023/09/04	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	3
Indepen- dent director	Huang Chin- Ming	2023/05/23	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - Review and Analysis of Financial Statements by Directors and Supervisors	3
Indones		2023/09/27	Taiwan Investor Relations Institute	Empowering the Board of Directors to Become a Key Force in Leading Sustainable Governance	5
Independent Chen Taidirector Jan	Tai-	2023/09/04	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	3
un eccoi		2023/06/02	Chinese National Association of Industry and Commerce	Training for Directors and Supervisors - 2023 Taishin Net Zero Summit	3

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• 2.3.3 Audit Committee

The Company's Audit Committee consists of 3 independent directors and aims at assisting the Board of Directors in supervising the quality and integrity of the Company's execution of accounting, auditing, financial reporting procedures, and financial control. The Audit Committee holds meetings on a regular basis, and the matters that it deliberates on mainly include:

- 1. Review of financial statements.
- 2. Assessment of the effectiveness of the internal control system.
- 3. Independence, appointment, and remuneration of CPAs.
- 4. Significant asset transactions.
- 5. Loaning of funds.
- 6. Revision of the procedures for loaning funds and the procedures for the acquisition or disposal of assets, and establishment of risk management policies and procedures.
- 7. Matters concerning directors' personal interests.
- 8. Management of existing or potential risks to the Company.
- 4 Audit Committee meetings were held in 2023. The attendance of the Audit Committee members is as follows:

Title	Name	Number of Attendances (as a Non-voting Participant) in Person	Number of Attendances by Proxy	Actual Attendance (as a Non-voting Participant) Rate	Remarks
Convener	Huang Chin-Ming	4	0	100%	None
Committee member	Chen Tai-Jan	4	0	100%	None
Committee member	Hsu Wan-Lung	4	0	100%	None

2.3.4 Remuneration Committee

The Company has set up a Remuneration Committee in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange." The Committee consists of 3 independent directors with a tenure of 3 years and holds at least 2 meetings every year. It is responsible for examining and determining if the Company's internal salary system complies with laws and regulations and is good enough to attract and retain outstanding talent.

The Committee shall faithfully perform the following duties and powers with the due care of a good administrator, and submit recommendations to the Board of Directors for discussion. However, recommendations regarding the remuneration of independent directors are submitted to the Board of Directors for discussion, provided that the remuneration of supervisors has been specified in the Articles of Incorporation or the shareholders' meeting has resolved to authorize the Board of Directors to determine the remuneration:

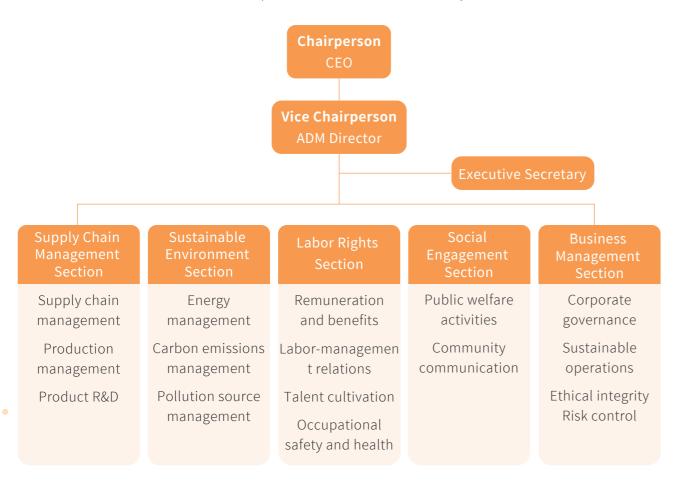
- 1. Regularly review the Company's "Remuneration Committee Charter" and propose revisions.
- 2. Establish and regularly review the annual and long-term performance goals and remuneration policies, systems, standards, and structures for the Company's directors, supervisors, and managerial officers.
- 3. Regularly assess the achievement of the performance goals of the Company's directors, supervisors, and managerial officers, and determine the content and amount of their individual remuneration.
- 3 meetings were held in 2023. The actual attendance of the committee members is as follows:

Title	Name	Number of Attendances (as a Non-voting Participant) in Person	Number of Attendances by Proxy	Actual Attendance (as a Non-voting Participant) Rate	Remarks
Convener	Huang Chin-Ming	3	0	100%	None
Committee member	Chen Tai-Jan	3	0	100%	None
Committee member	Hsu Wan-Lung	3	0	100%	None

2.3.5 ESG Sustainability Team

The establishment of a "Sustainable Development Committee" for the Company is still under planning. As a preliminary step, the "ESG Sustainability Team" has been formed with the personnel of each unit concurrently serving as members. Its organizational structure is shown in the figure below. The ESG Sustainability Team is chaired by the CEO, with the Director of the ADM Center serving as the vice chairperson. The head of the Administrative Management Department has been appointed as the executive secretary of the team.

The Company's ESG Sustainability Team is committed to various issues of concern to stakeholders, including in the five aspects of corporate governance, customer relationship and supplier management, sustainable environment, employee care, and social engagement. The team reviews international norms every year to ensure compliance with international standards at all times. Communicate with stakeholders from time to time, pay attention to issues of concern to them, and respond to these issues in a timely manner.



2.3.6 Association Membership and Initiatives

As a major domestic manufacturer of flexible printed circuits, ICHIA has been a long-time corporate member of the Taiwan Electrical and Electronic Manufacturers' Association and the Taiwan Printed Circuit Association. Recently, with global climate change and the global ESG trend, we have continued to pay attention to the development of various major ESG initiatives and joined to become their member if appropriate. In addition to externally declaring that we have the determination and power to contribute to the earth and society, we hope that these associations can bring the industries and peers together to make a modest contribution to our environment and society. In recent years, the Zhong Shan Factory was the first in the Group to obtain RBA certification. In 2023, we joined the Taiwan Climate Partnership in the hope to realize the vision of sustainable corporate development through collective power.

Organization	Position
Taiwan Electrical and Electronic Manufacturers' Association	Member
Taiwan Printed Circuit Association (TPCA)	Member
Republic of China Employee Welfare Development Association	Employee welfare committee member
Responsible Business Alliance (RBA)	Zhong Shan Factory passed the on-site audit and obtained the VAP Recognition
Taiwan Climate Partnership	Member
CDP Global Environmental Information Research Center (Formerly known as the Carbon Disclosure Project)	Responding to the CDP Investor Questionnaire in response to the "CDP Commit to Action" initiative

C 2.4 Operational Performance

2023 was still a year full of challenges for ICHIA. Despite many challenges such as the persistent impact of geopolitics, global economic slowdown, weak demand for consumer products, and even the impact of supply chain destocking, ICHIA's management team delivered an outstanding performance with perseverance and hard work! ICHIA Group's consolidated revenue for the full year of 2023 was NTD 8.561 billion, an increase of 12% over the previous year; the consolidated gross profit margin was 15%; the consolidated operating net profit was NTD 483 million; the consolidated net profits after tax were NTD 465 million; and the earnings per share was approximately NTD 1.56. The profit for the year bucked the trend and grew by 30%, achieving another good operational performance.

Looking ahead, for the development of the automotive electronics market, with the realization of software-defined vehicles, the importance and value of automotive electronics systems will continue to increase, and the industrial structure will continue to change, making the supply chain develop towards cross-sector collaboration and the strengthening of software and hardware integration capabilities. In addition to developing our business in the market of automotive-related products, we will also actively expand modular products and provide customers with one-stop service solutions to grow market share and enhance product competitiveness, moving towards the vision of becoming a global leader in modular product solutions.

Item	2022	2023
Operating revenue	7,654,149	8,561,414
Operating costs	6,611,844	7,287,462
Gross gross profits	1,042,305	1,273,952
Operating expenses	678,069	791,340
Operating profits	364,236	482,612
Non-operating incomes and expenses	110,981	65,871
R&D expenses	217,561	267,214
Net profits before tax	475,217	548,483
Income tax expenses	117,810	83,222
Net profits for the period	357,407	465,261
Earnings per share (NTD)	1.20	1.56

Unit: NTD (thousand)

Note: Please refer to the Company's annual report for details.

C 2.5 Acting with Integrity and Compliance

• 2.5.1 Integrity as a Core Value

"Integrity & Honesty," "Dedication," "Innovation," and "Achievement," are the core values that we value the most. Since the establishment of the Company, all the employees, from the Chairman to bottom-level employees, have adhered to these values and have been diligent in their work.

All employees at the managerial level and above are required to sign a "Job Commitment and Guarantee Letter" to remind them that they are aware of the Company's business secrets and are obliged to keep them confidential to protect the interests of the Company and shareholders. The Company also prohibits taking advantage of positions to obtain or accept improper gains. In the annual employee performance evaluation, in addition to professional skills, we also pay attention to the scoring of the "Core Competency" item, which covers the three aspects of honesty and integrity, dedication and enthusiasm, and innovation. Employees list their actual achievements and supervisors review them to instill the corporate culture into our employees.

In terms of suppliers, to become a qualified supplier of ICHIA, all suppliers must sign the "Sustainable Supplier Principles," which requires suppliers to strictly comply with the laws and regulations of each country and our internal regulations when dealing with us and prohibits them from being involved in any conduct that is illegal, inappropriate, or detrimental to ICHIA's image, reputation, and rights and interests. Except for the transaction conditions and prices stated in the contracts, purchase orders and other documents of transactions, suppliers shall not promise, request, or pay any bribe or other improper gains to the Company's employees or their related parties or designees; directly or indirectly take advantage of the Company's employees or their related parties or designees to make a profit; and entice the Company's employees or their related parties to accept or fabricate false price negotiation information, affect transaction prices or the conduct of transactions, or engage in any conduct that constitutes a breach of duty or is detrimental to the interests of ICHIA for improper gains.

ICHIA puts the spirit of integrity into practice both internally and externally. This has been the case in the past and will continue to be in the future.

• 2.5.2 Whistleblowing and Complaint Systems and Channels

In accordance with the Company's "Employee Suggestion and Complaint Management Regulations," we have set up whistleblowing and complaint channels to allow employees to put forward reasonable opinions and suggestions and have them handled and responded in a timely manner. Through this management system, we have strengthened the Company's integrity and established complete internal and external communication platforms to grasp and respond to employees' suggestions, reports, and complaints timely. We also hope to use multiple communication channels to ensure adequate two-way communication between managers and employees and facilitate the promotion of labor issues and information on ethical integrity. The channels are as follows:

- 1. "Employee Complaint Mailbox": Each factory has a physical suggestion box and a dedicated email address for complaints, which are shown as follows. The responsible units are the ADM Center and the HR head of each factory.
 - Linkou Factory 1999.hr.LK@ichia.com
 - Suzhou Factory 1999.hr.SZ@ichia.com
 - Zhong Shan Factory 1999.hr.ZS@ichia.com
- 2. "Supplier, Consumer or Customer Complaint Mailbox": We have a dedicated email address (ichia.legal@ichia.com) in place, and the responsible unit is the ADM Center.
- 3. Relevant measures to prevent violation in the performance of duties: According to Articles 46, 55, and 56 of the "ICHIA Work Rules," the ADM Center is responsible for review and handling. We have ensured communication and advocacy between supervisors and employees and protected whistleblowers from workplace violence. No such incidents occurred in 2023.

02 Corporate Governance

4. Management measures related to sexual harassment prevention, complaints, and disciplinary actions in the workplace: According to Article 46 of the "ICHIA Work Rules," the ADM Center is responsible for accepting, investigating, and reviewing complaints. We foster a gender-friendly working environment and strictly prohibit any form of sexual harassment. We have established relevant management procedures to create a friendly and safe working environment for our employees. In addition, the information of complainants is strictly protected during these management procedures to protect their rights and interests. No complaints of sexual harassment were received in 2023.

"Employee Interviews": According to the Company's "Employee Performance Evaluation Management Regulations," each factory shall hold 2 meetings (midterm/first half of the year, final/second half of the year) of employees and their direct supervisors or senior supervisors every year, and the ADM Center is in charge of and cooperates with all relevant units in holding the meetings.

The established management measures and procedures described above have defined relevant investigation units and standard operating procedures to ensure that the identity of the whistleblower or the person making a direct complaint is not disclosed and that the content of the report and the investigation data are kept strictly confidential. The Company has implemented the principles of whistleblower protection and confidentiality of investigations (whistleblower clause) in accordance with various established management procedures and regulations to protect any person reporting in good faith and any whistleblower against retaliation for reporting for whistleblowing or making complaints. All reports will be verified. Internal and external reports and complaints made in good faith are encouraged according to the established procedures and regulations to implement the policy of integrity.

In addition to the above whistleblowing and complaint channels for the Group's internal stakeholders, external suppliers, units, individuals, and other stakeholders, we have also set up a "Complaint Mailbox" and an external "Hotline," which are applicable to all companies (including their group enterprises) having procurement transactions with the Company and their directors/supervisors, shareholders, managerial officers, employees, persons with substantial control or other stakeholders (hereinafter referred to as "external parties"). We hope that through the whistleblowing and complaint mechanism, we can implement more thoroughly our supplier cooperation and human rights commitment and policy guidelines.

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In accordance with the requirements of Article 26 of the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities," the occurrence of the following conditions is deemed a significant critical incident and shall be communicated and reported to the Board of Directors:

- 1. Disasters, collective protests, strikes, environmental pollution, cybersecurity incidents, or other significant incidents that cause major damage or impact on the Company;
- 2. A work stoppage, suspension of operations, business closure, order is issued or pollution-related permits are canceled or withdrawn by relevant authorities;
- 3. The cumulative amount of fines for a single incident is NTD 1 million or more. In 2023, no significant critical incidents occurred in ICHIA.

Attachment

• 2.5.3 Legal Compliance

Compliance with laws and regulations is the fulfillment of corporate social responsibility and one of the keys to sustainable operations. Our products and services are distributed all over the world. In order to ensure compliance with the relevant laws and regulations around the world, we pay close attention to the formulation and development of laws and regulations that may affect the Company. We conduct identification and management for laws and regulations related to operations, environmental protection, and occupational safety and health in accordance with ISO 9001, ISO 14001, and ISO 45001 to implement legal monitoring. In case of administrative cases resulting in penalties or significant incidents seriously affecting the Company's operations, they must be disclosed in the sustainability report, achieving balanced reporting and information transparency.

Throughout 2023, there were no violations resulting in penalties.

© 2.6 Information Security Management

Cybersecurity has received increasing attention from the business community and government agencies in recent years. Hacker attacks causing huge losses to enterprises have happened from time to time. Our management framework for cybersecurity risk control, cybersecurity policy, specific management plans, and resources invested in cybersecurity management are described as follows:

• 2.6.1 Organizational Structure and Information Security Policy

The Intelligence Promotion Center is an independent department not subordinate to the user unit. It is responsible for coordinating and implementing information security policies, disseminating information security messages, raising employees' information security awareness, and collecting and improving the technology, products, or procedures of the organizational information security management system. It is also in charge of promoting the digital transformation of working hours. The Intelligence Promotion Center cooperates with the Company's audit unit to conduct information security audits, including internal audits and external audits. It also implements information security management mechanisms for the management of network security, computer information and file security, device security, email security, and information system control and access.

This can ensure the security of the Company's systems, equipment, computer information and files, and networks, and create a safe and trustworthy computerized operating environment to protect the Company's interests and the sustainable operation of each unit's information system.

The scope of information security includes computer system security management, network security management, system access control, information asset security management, physical and environmental security management, and information security audits.

2.6.2 Information Security Principles and Standards

In order to prevent computer virus attacks and infections on information systems and files, detection and prevention measures shall be adopted, and an active intrusion detection system shall be established for intrusion and malicious attacks to ensure computer data security. To prevent natural disasters or major man-made events that will cause disruption to important information assets and key business or communication systems of the Company, a policy for the sustainable operation of information systems shall be established. Relevant regulations that employees shall abide by:

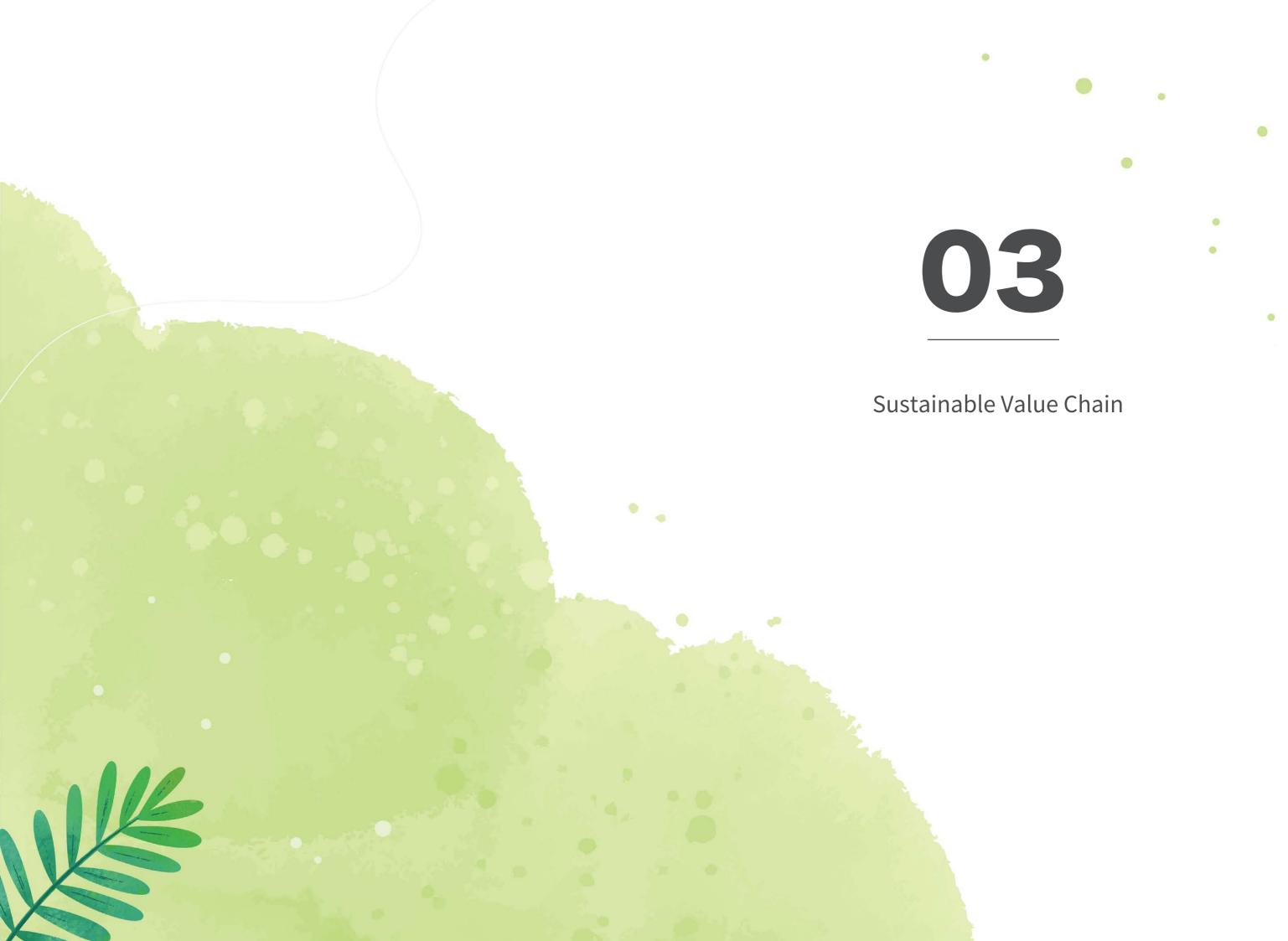
- (1) Computer data and equipment shall not be arbitrarily destroyed, taken out, lent, or improperly modified to maintain data integrity.
- (2) The Company's policies for sending and receiving emails and surfing the Internet shall be abided by, and software not approved by the IT department and unlicensed software shall not be installed without authorization.
- (3) After accessing the mainframe, exit the mainframe after completing the work or when not using the mainframe for a long time to prevent the leakage of confidential data, damage by others, or crashes.
- (4) ICT equipment shall be placed in a place where it is easy to access and far away from tea, coffee, sunlight, or humidity. Use protective covers for equipment in acid-base environments to prolong its life.
- (5) When computer equipment fails to work normally, the user shall notify the IT unit immediately for inspection or maintenance.

In addition, we also invest resources in cybersecurity management, including optimizing various server hardware equipment, strengthening the operation of the backup mechanism, and introducing a desktop management system to accurately grasp the application scope of equipment. The Company conducts phishing email drills and education and training from time to time; an information security officer and information security personnel have been appointed to obtain information security certificates to strengthen the Company's information security management.

With these efforts, there were no business damage caused by major information security incidents in 2023.

2.6.3 Specific Management Plans for Information Security

Plan	Specific Measures
Internet security control	 (1) Install firewalls. (2) Implement email security control. (3) Scan computer systems and data storage media for viruses regularly. (4) Use various network services in accordance with the information security policy.
Data access control	 (1) Have computer equipment kept by designated personnel and set an account and password. (2) Grant different access permissions according to competencies. (3) Cancel the permissions of transferred personnel. (4) Remove or overwrite confidential and sensitive data, and licensed software before equipment is scrapped. (5) Limit the use of portable access devices to data transmission in the Company's operating environment.
Response and recovery mechanism	 (1) Establish a system backup mechanism and implement off-site backup. (2) Regularly review the emergency response plan. (3) Regularly review the computer network security control measures. (4) Maintain and evaluate collaboration with third-party partners to improve the recovery mechanism.
Emergency reporting procedures	When an information security incident occurs, the unit where it occurs shall notify the Security Team of the Information Center, which will determine the type of the incident, identify the problem, handle the incident immediately, and leave a record.



Performance Goal	Performance in 2022	Performance in 2023
New green products with low-pollution	All materials we used are halogen-free, except for materials specified by customers	We began collaborating with customers to introduce green materials and collaborative design
Sustainable resource utilization and development	We worked with 4 vendors in the recycling of packaging materials	The Company planned to introduce plastic neutralization, packaging material recycling, and green transportation
Inclusion of labor rights, environmental protection, and safety and health management in selection and audit criteria for suppliers	 1. 100% of our suppliers signed the "Social Responsibility Pledge. 2. Among the audited suppliers, no supplier was disqualified due to their corporate social responsibility or environmental safety and health management system performance. 	 A supplier conference was held to invite suppliers to work together towards sustainability Supplier partners were invited to sign the "Sustainable Supplier Principles."

Goal for 2024	Details
New green products with low-pollution	We will continue to work with customers to introduce green collaborative design
Sustainable resource utilization and development	We will continue to promote plastic neutralization, packaging material recycling, and green transportation
Inclusion of labor rights, environmental protection, and safety and health management in selection and audit criteria for suppliers	 We will continue to invite supplier partners to sign the "Sustainable Supplier Principles." We will expand the team for on-site supplier audits.

3.1 Green Product Design

For the businesses that we are currently developing, we adhere to the core principle of "people orientation" for the R&D of related products, and conduct in-depth market trend research for user-oriented product planning and development. Our overall R&D process integrates fundamental scientific theories with existing technology to reduce excessive waste of resources in the seven stages of new product development: new product strategic planning, creative concept development, product concept screening and evaluation, commercial feasibility analysis, product design and development, product testing and verification, and product commercialization, enhance customization technology, and thereby introduce cross-domain thinking into product integration.



▲ Green Product Process Development

With the rising social awareness of environmental protection and the increasingly stringent and complex environmental regulations in various countries, ICHIA continues to invest R&D resources in providing leading process technologies and design solutions to help customers successfully and quickly introduce green products that meet market needs and win opportunities in today's challenging market environment.

• 3.1.1 MVI Business Group

In terms of the green product design and development of our mechanism integrated components, in addition to optimizing the green elements of our existing products, we also continue to work closely with customers to develop products rich in green elements and introduce our own green manufacturing technology, including the silicone UV modification technology, solid-state silicone injection technology, and the technology for the research and development of alternative product materials. This can not only meet customer needs for environmental protection, but also maintain our leading position in the industry by continuously promoting green technology innovation.

The UV modification technology developed by ICHIA involves the direct exposure of silicone to light. Compared with the original hand-sprayed coating technology, the UV modification technology eliminates the ink spraying process, reduces environmental pollution, and improves product quality, such as improved tensile resistance and dust resistance coefficient, reduced dimensional error and risk of allergies. In comparison with the traditional hydraulic technology, the solid-state silicone injection technology can cut the consumption of raw materials by 5% and increase the yield rate by 2-3%, reducing waste of resources and lowering product production costs. The UV modification technology has been used in mass production since 2017, and the solid-state silicone injection technology was officially introduced for mass production in 2021.

In terms of the R&D of alternative materials, in view of the difficulty or low level of material recycling for some products, our MVI Business Group has continued to invest in the development of relevant alternative materials, such as replacing some silicone and rubber products with eco-friendly non-woven fabrics, and has made proposals to customers to gain their support and adoption. Through the refinement of the manufacturing process and the research and development of alternative product materials, we not only provide customers with diversified green products and solutions, but also increase our competitiveness in the market.

3.1.2 EVI Business Group

With the rise of mobile communication and cloud technology, flexible printed circuits (FPCs) have been widely used in smart phones, tablet computers, wearable products, automotive products, etc., surpassing other products at a groundbreaking speed. The advancement of technology has led to the continuous expansion of the functions of various products, but the products are developing towards the trend of lightness, thinness, and miniaturization, which has gradually increased the demand for FPCs.

The physical characteristics of FPC products, which are lightness, thinness, and small size, make their waste volume different from that of traditional rigid PCBs. Under the current wave of environmental protection and sustainability, our EVI Business Group has also continued to invest in the green introduction of related products, including the use of lead-free, halogen-free, and conflict mineral-free eco-friendly raw materials. We work with external manufacturers in some energy-consuming production processes, and use recyclable and easily decomposable packaging materials for less waste. We also choose third-party logistics companies with green transportation for shipment, not only to help customers reduce the carbon footprint of products, but also to add value to our products.

• 3.1.3 Development of Recycling Technology

The technical products of the Company mainly focus on the end market - human-machine interfaces. With the 3Rs of Reduce, Reuse, and Recycle as the practical principle, we aim to reduce the consumption of materials, adopt processes with low emissions, and implement efficient testing, and will continue to collaborate with customers in the design, integration, and development of key components for end products - energy storage equipment, electric vehicles, and connected consumer products, achieving a triple-win situation for the Company, customers, and the market.



▲ ICHIA's Practice of the 3R Cycle

In the face of the impact of global warming, all industries pay more and more attention to energy conservation and carbon reduction. We have actively introduced the concept of green environmental protection into our processes, products, services and philosophies to contribute • to the global environment and meet customers' requirements for green products. The Company has actively introduced the concept of environmental protection into raw materials, parts, auxiliary materials or packaging materials and effectively used energy and resources to reduce the environmental impact caused by product activities and services.

In terms of practical implementation, ICHIA has implemented the recycling of functional plastic materials, and conducted green technology development for two major plastic materials: halogen-free and non-toxic PI (polyimide) materials and biodegradable silicone materials. PI is one of the main materials of FPCs. We use an additive process for green technology development. Compared with the traditional circuit board manufacturing process, the additive process can reduce the consumption of raw copper foil and achieve low consumption. The development of etching technology can reduce the production of waste liquid copper. In terms of performance testing, the squareness of the copper cross-sectional area of circuits can be improved, thereby stabilizing the impedance stability of circuit connections. Silicone is one of the materials used in the functional plastic parts of consumer products. We have adopted a green silicone synthesis technology for development. Compared with traditional plastic materials, it can improve biodegradability and thereby realize the value of recycling. Our processes developed for recycling plastics and liquid silicone have been applied to large international customer projects. They were introduced for trial production and mass production in 2023.

In addition, for the disposal of complex functional plastic waste generated from the manufacturing process, as the process technology involves mostly multi-material integration, it is difficult to reuse the waste using physical recycling methods. Hence, for the disposal of FPC and silicone waste from the factories, the thermal cracking method is mainly used for chemical circulation, and then the products of thermal cracking are recycled into fuel for reuse.

■ICHIA's Green Manufacturing Development Projects

Business Group	Project Name	Description	Expected Goals	
Mechanism integrated components	Green Silicone Synthesis Technology	Silicone synthesis	• Enhanced biodegradability	
Electronic integrated components	Biodegradable Green Technology	Development of green process technology and etching process development through biodegradable silicone materials and additive processes	 Reduced consumption of raw copper foil Reduced generation of waste liquid copper Improved squareness of copper cross-sectional area of circuits Stabilized circuit connections for impedance stability 	
Group-wide	Thermal cracking	Use of the thermal cracking method for chemical circulation, and recycling of the products of thermal cracking into fuel	• Ponlacoment of part of fuels	

3.2 Supply Chain Management

For the Company's supply chain management, in addition to the manufacturing stage, we also improve our procurement process from the source as well as the management mechanism of subsequent processes to ensure the thorough implementation of various tasks.

The introduction and inventory of relevant ISO management systems by the two major business groups of the Group, and the implementation of the audit management of existing and new suppliers can help improve the quality and efficiency of the Company's products, enhance ICHIA's brand visibility, and expand our market share. At the same time, relevant efforts can also assist supplier partners to grow on a green, eco-friendly, and sustainable development path.

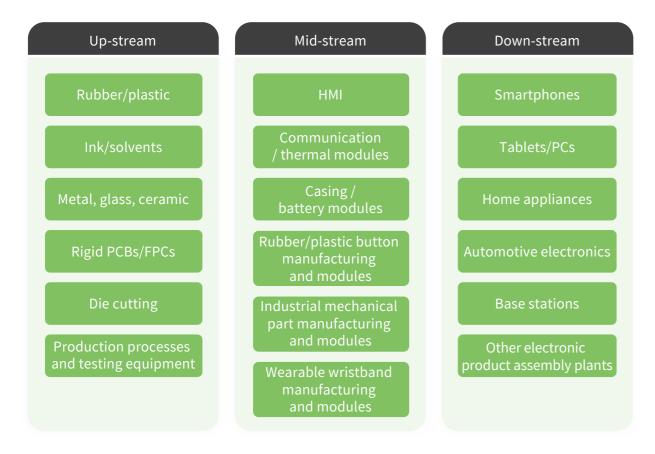
With strong promotion over the past three years, including comprehensively introducing halogen-free materials, adopting packaging material recycling, and requiring all suppliers to sign the "Social Responsibility Pledge" that includes a "Non-Use of Conflict Metals" clause, as well as the continuous auditing of existing suppliers for corporate social responsibility and environmental, safety and health management systems, we ensure that the raw materials supplied by suppliers meet the Company's quality characteristics requirements, including CSR, RoHS, and hazardous substance-free (HSF) regulations and customer requirements, in order to enhance the productivity, competitiveness, and brand value of the Company.

In the future, we will continue to work with supplier partners to reduce the impact on the environment from the procurement of raw materials and production technology reforms (such as changing from electroplating to vapor deposition and from spraying to IML), continuously expand the key niche products of each factory to increase their added value and create high value-added products, and develop and sell products in the blue ocean market. In addition, in order to improve the energy efficiency of products and reduce their environmental impact, green design evaluation of products will be conducted along the life cycle of the products, such as the environmental benefits of each stage from raw materials, manufacturing, transportation, and use to disposal. Through the continuous development and application of sustainable materials, as well as the volume reduction, material reduction, weight reduction, and reuse of products and packaging materials, we hope to achieve the vision of producing non-toxic, zero-waste, and zero-environmental impact products.

• 3.2.1 Overview of Supply and Procurement

✓ MVI Business Group

The main products of the MVI Business Group include buttons of various materials (plastic, rubber, metal) and wearable device accessories, mechanical parts, and modules, which are currently the midstream products of various electronics, wearable devices, automotive accessories, and industrial products. The upstream of the industry chain consists mainly of suppliers of various raw materials, while the downstream consists mostly of assembly plants for various end products.



▲ Overview of the Upstream and Downstream of the MVI Business Group Supply Chain

The MVI Business Group's overall manufacturing process involves adding bridging agents and pigments to silicone or plastic, performing processes such as hot pressing or injection molding, punching, printing, laser engraving, spraying, modification, and PVD, and assembling metal and circuit boards to make various silicone, plastic and rubber products or modules. The three main raw materials used are silicone plastics and semi-finished products, circuit boards, and hardware. If customers have no special requirements, our factories mainly conduct local procurement.

At present, all our major raw material suppliers are well-known domestic and foreign companies with a certain level of quality. The Company has cooperated with various suppliers for many years and maintained good partnerships. We also actively seek new purchase sources to reduce the risk of a single source of raw materials. In addition, ICHIA continues to promote procurement localization, which can not only save costs and keep track of delivery dates, but also reduce carbon emissions during transportation and ensure local employment opportunities for each factory. In 2023, the percentage of local procurement of all factories reached over 97%.

■ Percentage of Local Procurement for the MVI Business Group

Year	Linkou Headquarters	Suzhou Factory	Zhong Shan Factory
2021	54.26%	98.99%	98.48%
2022	63.50%	99.54%	97.96%
2023	99.54%	99.75%	97.66%

Note: We determine whether a purchase is made locally based on if the purchase is "imported" or undergoes "customs clearance." (calculated based on the purchase amount)

✓ EVI Business Group

For the EVI Business Group, the main product is FPCs, which are mainly used in various mobile devices, panels, and various electronic products. FPCs are in the downstream of the FPC industry chain and are the main source of revenue for ICHIA.

ICHIA is currently in the downstream of the FPC industry chain. From the perspective of the entire FPC manufacturing industry chain, the upstream consists of suppliers of various raw materials required for circuit board manufacturing; the midstream suppliers are flexible copper clad laminate (FCCL) manufacturers; and the downstream vendors are various FPC manufacturers. Finally, FPCs are delivered to major brand manufacturers for the assembly of various products.



▲ Overview of the Upstream and Downstream of the EVI Business Group Supply Chain

The raw materials used for the main product of the EVI Business Group are FCCLs, protective coatings, stiffener films, etc. The suppliers of these materials are famous international and domestic companies with a certain level of quality. If customers have no special requirements, our factories mainly conduct local procurement.

■ Percentage of Local Procurement Amount for the SVI Business Group

Year	Linkou Headquarters	Suzhou Factory
2021	88.29%	43.86%
2022	75.69%	32.88%
2023	44.43%	31.57%

Notes: 1. We determine whether a purchase is made locally based on if the purchase is "imported" or undergoes "customs clearance." (calculated based on the purchase amount)

2. The Zhong Shan Factory does not have products related to electronic integrated components.

• 3.2.2 Supply Chain Management Mechanism

In addition to raw materials, equipment, engineering, waste disposal, and transportation, our suppliers also include those supplying cleaning, catering, and security services. To cope with various risks in the supply chain, ICHIA has formulated comprehensive ISO and green quality management systems for the above suppliers. In line with the development of corporate sustainability of the Company and suppliers, all our suppliers must pass evaluations with respect to the environment, labor, human rights, and society. Moreover, the Company has established and maintained good and stable partnerships with suppliers, grasped supply chain risks through the strengthening of audit management in the face of future challenges, and helped with guidance and improvement to work together with supply chain partners to achieve corporate sustainable development.

• 3.2.2.1 Evaluation Mechanism for New Suppliers

In response to the current ESG and industrial trends of going green, protecting the environment, and being eco-friendly, the Company screens new suppliers to control the quality and reliability of subsequent cooperation from the source in order to meet the Company's sustainable development needs and customer requirements.

In terms of the evaluation mechanism, ICHIA has established comprehensive ISO and green quality management systems to evaluate new suppliers. New suppliers are required to provide basic and contract information and be certified to ISO 9001 and ISO 14001. They must also sign the "Sustainable Supplier Principles," including 5 documents, namely the "Integrity Pledge," "Social Responsibility Pledge," "Confidentiality Pledge," "Declaration of Non-use of Conflict Minerals," and "Environmental Protection Policy Guarantee Letter." In addition, the suppliers must conduct self-evaluation with the "Supplier Quality Audit and Evaluation Form" and "Green Product Supplier Evaluation Form," and then undergo audits.

ICHIA requires all major raw material suppliers to sign the "Declaration of Non-use of Conflict Minerals" to declare and guarantee that they do not acquire gold, tantalum, tungsten, cobalt, tin, or palladium through anarchist or illegal groups, through mining in the conflict zone of the Democratic Republic of the Congo, or through illegal smuggling. The metals exported from the following countries (i.e., "conflict zones") are not "conflict-free": Democratic Republic of the Congo, Rwanda, Uganda, Burundi, Tanzania, and Kenya.

■ ICHIA's New Supplier Survey

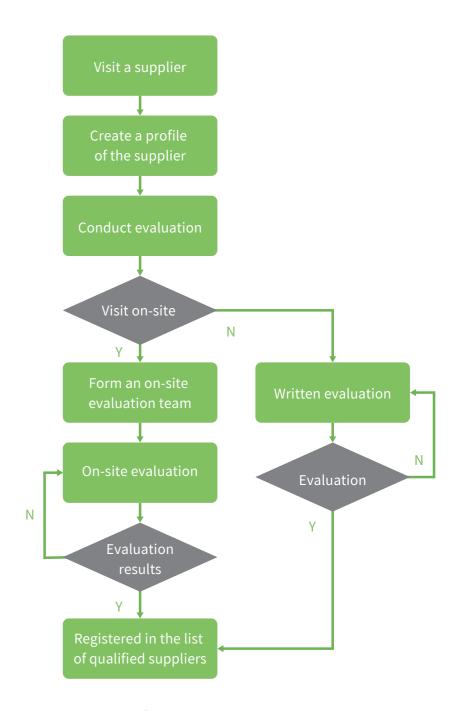
Item	Survey Content					
1	Company registration certificate, profit-seeking enterprise registration certificate					
2	Factory registration certificate					
3	Passed ISO 9001					
4	Passed ISO 14001					
5	Passed IATF 16949*					
6	Sustainable Supplier Principles (including Integrity Pledge, Social Responsibility Pledge, Confidentiality Pledge, Declaration of Non-use of Conflict Minerals, and Environmental Protection Policy Guarantee Letter)					
7	Supplier quality agreement					
8	Processing outsourcing contract*					
9	Purchase contract*					
10	Supplier Quality Audit and Evaluation Form					
11	Green Product Supplier Evaluation Form*					

Note: *Suppliers may be required to sign part of the above, depending on the Company's cooperation with them.

In terms of level determination, based on the evaluation of the above 11 audit items, if the overall score reaches 80% or above, and the score of individual items is greater than 60%, the supplier will be approved to be listed in our list of qualified suppliers and may collaborate and deal with the Company normally. On the other hand, if the overall score does not reach 80% or the score of individual items is less than 60%, the Company will suspend collaboration with the supplier, and evaluations will be conducted after improvements are made to meet the standards. If there are special circumstances, the CEO will make a decision, and the Company will collaborate with the supplier in a limited time period and in a restricted manner. In 2023, a total of 67 new suppliers were evaluated, all of which were screened based on environmental and social standards.

■ ICHIA's Evaluation of New Suppliers in the Past Three Years

					Achievem	ent Status		
	Level	Description	20	21		22	2023	
	2070.	2 esempaism	Number of suppliers	Percentage	Number of suppliers	Percentage	Number of suppliers	Percentage
Qualified	The overall score is 80% or higher, and the score of individual items is higher than 60%	Qualified suppliers enter the list of qualified suppliers for normal collaboration.	132	100%	141	100%	67	100%
Disqualified	The overall score is below 80% or the score of individual items is less than 60%	No collaboration for the time being. If collaboration is required under special circumstances, an application shall be submitted for collaboration in a limited time period and in a restricted manner according to relevant procedures.	0	0%	0	0%	0	0%



▲ ICHIA's New Supplier Selection Process

• 3.2.2.2 Regular Evaluation of Existing Suppliers

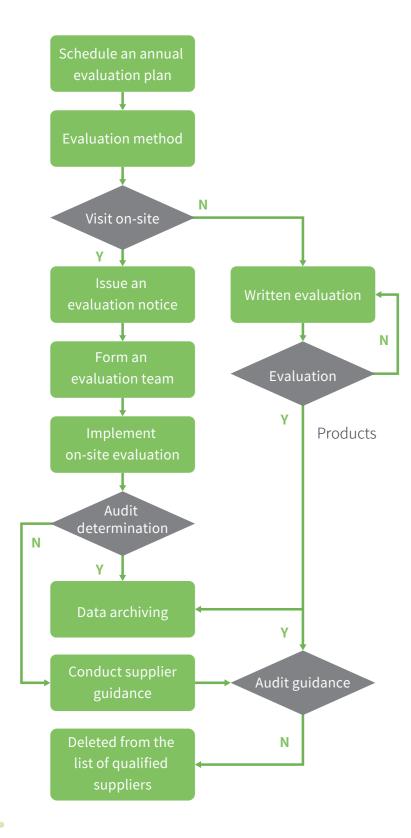
The raw materials supplied by suppliers will directly affect our products, services and operations, and the social responsibilities and behavior of the suppliers will also indirectly affect the reputation or potential risks to the Company. Therefore, in addition to evaluating new suppliers in advance, we also conduct evaluation for suppliers of the current year on a regular (monthly, yearly) basis, include the performance of suppliers in terms of labor rights, environmental protection, and safety and health management in the evaluation and audit items, and then formulate improvement measures based on the evaluation results and assist the suppliers in their continuous improvement, hoping to improve the sustainable management structure of the supply chain, reduce the operational risk in the supply chain, and establish partnerships for sustainable growth.

Regarding the "Supplier Audit and Evaluation," the Company forms an evaluation team for different suppliers every year. The team members include quality control, production management, factory affairs, procurement and other units, and personnel from other units may be included as needed. If the audit score reaches 90 (inclusive) or higher (Level A) (provided that the prices are equal), the supplier will be prioritized; if the score is between 80-89 (Level B), procurement will remain normal; if the score is between 70-79 (Level C), guidance will be given (if a supplier is rated Level C for 2 consecutive months, we will reduce procurement from the supplier, provide it with guidance, and request it to conduct on-site review for improvement; if it is rated Level C for 3 consecutive months, it will be directly downgraded to Level D); if the score is between 0-69, the supplier will be requested to make improvement within the specified time frame. If the score is still below 60 after re-auditing, the supplier will be disqualified. The evaluation process covers 10 management aspects and CSR (corporate social responsibility) to understand the current status of suppliers through related audit operations and help deal with their difficulties and grow together.

■ ICHIA's Supplier Audit and Evaluation in the Most Recent 2 Years

	Level	Description	Achievement Status (Times)		
		2	2022	2023	
Level A	Premium: 90 and above	Strengthening the area and scope of collaboration with the supplier	2,320	2,162	
Level B	Excellent: 80-89	Improving trading conduct	759	479	
Level C	Guidance: 70-79	If specific results are not achieved within the specified time frame, the supplier will be directly downgraded to Level D	5	1	
Level D	Limited: 0-69	The supplier will be disqualified, and the Company will not purchase materials from the supplier	1	2	

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Sustainable Value Chain



▲ Existing Supplier Evaluation Process

3.3 Customer Relationship Management

Customer relationship management and the maintenance of customer satisfaction are the important basis for the Company to continuously improve products and services. With the focus on meeting customer needs and innovation, ICHIA provides customers with satisfactory product quality and comprehensive high-quality sales services. The "Customer Satisfaction Survey Form" is regularly issued to customers every year. We analyze customer feedback on products and customer complaints, and use customer feedback and survey results as an important basis for improving customer relationship development to facilitate subsequent improvements.

• 3.3.1 MVI Business Group

For the customer satisfaction survey of the MVI Business Group, the total satisfaction score for customers (companies), overall rating, and the rating of individual items are calculated based on the questionnaire survey results.

■ Customer Satisfaction Survey Results for the MVI Business Group

	ltem	2022年	2023年	Customer Satisfaction
	iteiii	Average score	Average score	Level
	Product quality (including satisfaction with product GP/RoHS/HSF)	8.88	8.71	Satisfied
Products	Product delivery	8.35	8.38	Satisfied
Floudets	Product development progress	8.54	8.43	Satisfied
	Timeliness and responsiveness of product technical support	8.95	8.70	Satisfied
	Sales personnel's service ability and timeliness	9.49	9.46	Satisfied
Personnel	Customer service personnel's service ability and timeliness	9.51	9.71	Satisfied
reisoillet	Quality control personnel's service ability and timeliness	8.98	9.04	Satisfied
	Financial personnel's service ability and timeliness	8.90	9.21	Satisfied
Company	Degree of cooperation with your company's requirements	8.63	9.00	Satisfied
Company	Overall rating of the service for your company	8.56	8.83	Satisfied
	Annual overall average	8.88	8.95	Satisfied

Notes: 1. The scores for the above items are calculated as follows:

- Total score = Sum of the score of each item given by an individual responding company ÷ Number of items.
- Overall rating = Sum of the total scores given by individual responding companies ÷ Total number of responding companies.
- Rating of each item = Sum of the scores of the 10 items of the questionnaire \div Total number of responding companies.
- 2. Submission of an analysis form is applicable if the rating of a single item by an individual customer is lower than 5 (exclusive); if an individual customer expresses dissatisfaction with a single item through verbal description; if the average satisfaction score of an individual customer is less than 7 (exclusive); if the average satisfaction of all customers for a single survey item is less than 7 (exclusive).

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The overall result of the customer satisfaction survey of the MVI Business Group in 2023 was "Satisfied" with an average score of 8.95. The "Personnel" category was the most satisfied, fully representing that customers were satisfied with our services and timely response capabilities.

Regarding customer satisfaction survey results, on the premise that customers rated rationally and gave valid responses, the responsible departments shall collect relevant data to implement countermeasures and make improvements, and submit the "Improvement Countermeasure Analysis Form" to the sales department within 5 working days (from the day the sales personnel send an email requesting countermeasures), and the managers of the responsible departments shall confirm the improvements for case closure. If the overall evaluation of internal and external performance is feasible, comparison with competitors or leading companies shall be carried out. After review by top management, relevant information shall be promptly reported to the manufacturing, quality assurance, technology, and related departments. Finally, the General Manager and relevant supervisors review the analysis report and propose required improvements, which will be tracked and adjusted by the sales and relevant personnel regularly.

Our customer satisfaction feedback surveys show that customers have been "satisfied" with ICHIA over the years, indicating a good interaction and collaboration model with customers has been established. We will continue to improve in this regard to provide customers with better service quality.

• 3.3.2 EVI Business Group

For the EVI Business Group, the calculation method for customer satisfaction surveys is different from that of the MVI Business Group. The evaluation method includes a 5-point scale and qualitative description. Customers give a rating of 1 to 5 based on their actual satisfaction with each item. In order to prevent customers' opinions from being limited by the scores, the customer feedback survey form also provides qualitative description columns for people, events, time, and materials so that the customers can effectively express their opinions.

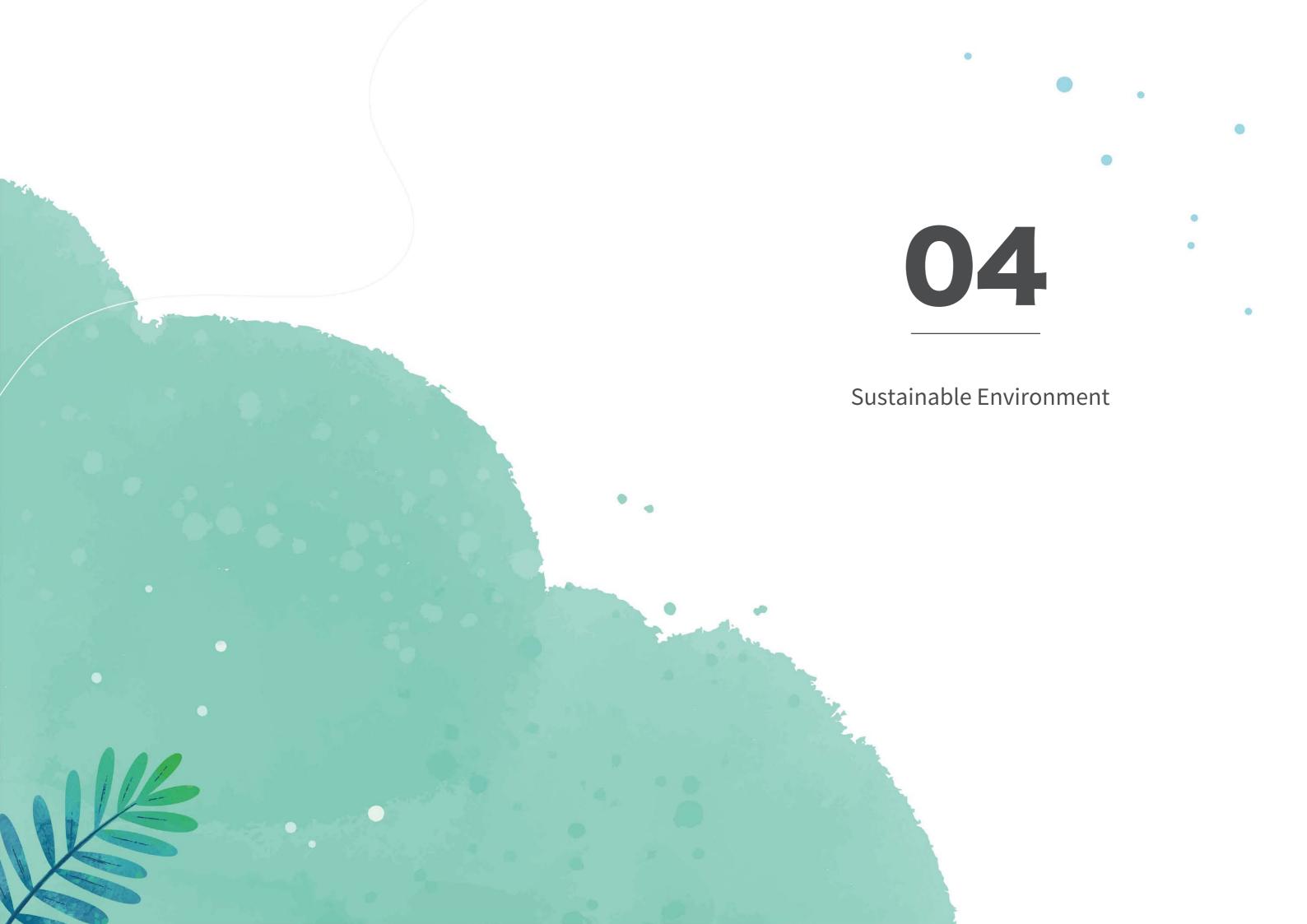
After the customer satisfaction survey mechanism mentioned above is established, and the survey forms are distributed, the sales unit will compile and evaluate the survey results one month after distributing the forms, and present the total score in the "Customer Satisfaction Survey Analysis."

■ Customer Satisfaction Survey Results for the EVI Business Group

Customer Satisfaction	No.	Survey Content	Average Score
	1	Overall impression	4.75
	2	Timely answering of calls	4.50
Overall impression	3	Get answers quickly	4.38
overact impression	4	Meet my needs as much as possible	4.88
	5	Enthusiastic and cordial service	4.88
	6	Dedicated to environmental protection	4.63
	1	Product design	4.63
	2	Engineering capabilities to support new product development	4.63
	3	Product quality	4.38
	4	Problem analysis capabilities	4.50
	5	Product reliability	4.50
	6	Quality problem-solving efficiency	4.63
Product satisfaction	7	On-time delivery	4.75
	8	Delivery flexibility	4.75
	9	After-sale service	4.63
	10	Reply to customer needs, documents, and reports	4.63
	11	Timeliness of response to new product process capability review	4.63
	12	Price performance	4.50
	13	HSF cooperation	4.50
	14	HSF achievement	4.50
		Annual overall average	4.61

Note: The questionnaire survey used a 5-point scale, with 1 indicating very dissatisfied, 2 indicating dissatisfied, 3 indicating fair, 4 indicating satisfied, and 5 indicating very satisfied.

For the 2023 customer satisfaction survey of the EVI Business Group, questionnaires from all customers having transactions with the Company and accounting for 90% of the Company's total turnover were returned. The overall customer satisfaction survey result was "Satisfied" with an average score of 4.61. Items with lower scores will be considered those requiring continuous improvement.



Aspect	Material Issue	Management Approach and Its Elements	Management Approach Evaluation
	Green product management	 Manage in accordance with international regulatory requirements Collaborate with suppliers to establish a green supply chain Develop eco-friendly raw materials and low-carbon processes 	1. Strictly manage suppliers according to the "Supplier Evaluation and Management Procedure" and conduct supplier evaluation on a regular basis to control the quality of raw materials from the source.
Environmental	Energy and resource management	 Implement energy management planning in accordance with the ISO 50001 energy management system. Make short-, medium- and long-term green power procurement plans after 2024 Introduce smart meters and monitoring systems for major public equipment Control GHG emissions and formulate carbon reduction measures. 	 Hold weekly ESG meetings to ensure the implementation of energy management. Introduce smart meters and monitoring systems for major factory equipment to monitor electricity consumption and formulate more effective energy conservation and carbon reduction policies. Pass an ISO 14064-1 audit and set reasonable and effective goals.

Sustainable Environmental Performance

- 1. GHG emissions: The Category 1+Category 2 GHG emissions in 2023 decreased by 28.05% compared to 2021
- 2. Energy: The energy use intensity in 2023 was reduced by 12.20% compared to 2022 The Suzhou Factory's solar power generation and purchased green power in 2023 accounted for more than 20% of its total power consumption The Zhong Shan Factory's solar power generation in 2023 accounted for about 10% of its total power consumption
- 3. Water stewardship: The water use intensity and total sewage discharge intensity in 2023 were reduced by 7.06% and 11.80%, respectively, compared to 2022.
- 4. Waste: In 2023, the waste clearance and disposal contractors did not violate any laws and regulations. The overall waste recycling rate reached 66.35%.

Future Strategic Goals:

- 1. GHG emissions management: The Category 1+Category 2 GHG emissions in 2023 decreased by 28.05% compared to 2021
- 2. Water resource management: Improve water resource efficiency through diverse water resource utilization plans (condensate water, rainwater, reclaimed water, and grey water recycling technologies).
- 3. Use of renewable energy: Pay continuous attention to internal and external environmental changes and energy development trends, and review short-, medium- and long-term green power plans from time to time.

4.1 Climate Change and GHG Management

In order to implement corporate sustainable operations, each factory of ICHIA has conducted a comprehensive ISO14064-1:2018 GHG inventory and implemented ISO 50001 energy management system measures since 2021 to demonstrate the Group's determination to move towards sustainable operations.

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• 4.1.1 Climate Change Response and Management Policies

In response to the challenges and risks caused by extreme weather, ICHIA actively carries out corresponding assessment and management work. With TCFD as the strategic framework, we carry out planning from the aspects of governance, strategy, and risk management and establish corresponding metrics, hoping to achieve a better world for the common good of the environment and society through the management of various risks from climate change.

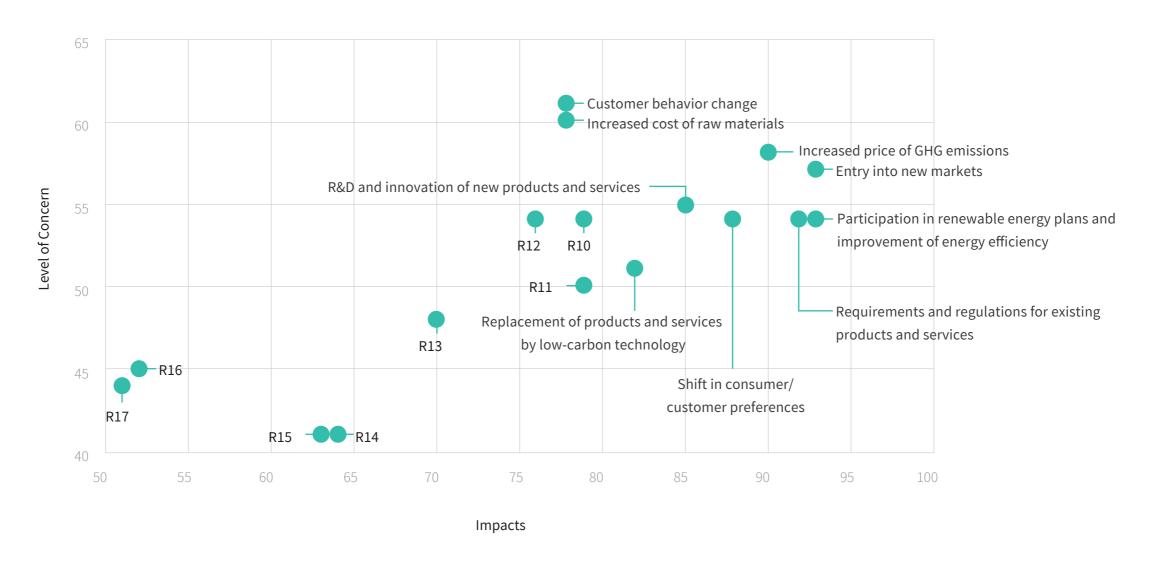
ICHIA's Strategies and Actions

Core Framework	Strategy and Action
Governance	 For preparations for the establishment of the "ESG Sustainability Committee" subordinate to the Board of Directors, the CEO serves as the chairperson of the team. With reference to the TCFD guidelines, we manage risks in the four stages of identification, assessment, management, and supervision. Through the participation of all units, the ESG Sustainability Team, and the Board of Directors, we can grasp the risks of climate change to the Company and the Company's management mechanisms, management status, and performance.
Strategy	• We inventory internal issues caused by climate change with reference to the TCFD framework, collect feedback from internal supervisors, score the scope and level of impact from climate change on corporate operations, and conduct cross-unit discussions and research on items with higher impacts and plan countermeasures.
Risk management	• In accordance with the management approach established in the "governance" regulations, through the internal process management of the Company, the active participation of each organization, audits (ESG Sustainability Team and the Board of Directors), we grasp the risks of climate change to the Company and the Company's management status and performance.
Metrics and targets	 In terms of GHG emissions, water resource management, energy management, and waste management, we set climate-related metrics and implement them strictly to achieve performance objectives. GHG emissions management: Reduce GHG emissions by 3.3% annually from the baseline year of 2021, cut GHG emissions by at least 30% by 2030, and achieve net-zero by 2050. Programmatically introduce ISO 14067 Product Carbon Footprint standard to manage the carbon emissions of the Company's products in the internal management stage of the Company. Use of renewable energy: Pay continuous attention to internal and external environmental changes and energy development trends, and review short-, medium-and long-term green power plans from time to time. Water resource management: Improve water resource efficiency through diverse water resource utilization plans (condensate water, rainwater, reclaimed water, and grey water recycling technologies).

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• 4.1.2 Climate Change Risk Identification and Implementation Goals

In response to the risks and challenges from climate change that affect corporate operations, our ESG Sustainability Team refers to the TCFD metrics to inventory the Company's internal issues caused by climate change, and conducts a questionnaire survey on internal supervisors to understand the impact and likelihood (5 levels) of risks to the Company in order to draw a matrix to grasp the situation and develop relevant countermeasures. The metric is shown as below:



▲ ICHIA's Climate Change Risk Matrix

Туре	Po	olicies and regulation	าร	Corporate reputation			External risks		
ltem	Requirements and existing products a	_		Shift in consumer/customer preferences			Supply chain risk		
Short-, Medium-, and Long-term Impacts	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Risk Description	international re 2. Customers activ	etent authorities' req gulatory requiremen vely require compliar relevant regulations	ts become stricter. nce of products and	Customers are concerned about whether a company plans carbon reduction measures and carbon reduction effectiveness.			Due to geopolitics and various political and economic changes, raw material costs remain high.		
Response Strategy	 Pay attention to international and domestic ESG development trends and related regulations, and develop relevant countermeasures in advance. Establish a green supply chain with upstream, midstream and downstream partners. 			 Publish a sustainability report and disclose carbon emission testing data every year. Strengthen climate risk assessment and formulate response strategies. Plan to introduce the TCFD sustainability framework and strictly implement carbon reduction measures. 			 Communicate and collaborate with customers to enhance local procurement capacity. Actively develop local raw material sources, and work with supply chain partners to jointly develop relevant alternative raw materials. 		
Financial Impact	Increased operatir	ng costs		Damage to reputation and image Stock price fluctuation			Increased cost of raw materials		

Туре		Market risk								
ltem	Increased price of GHG emissions			Customer behavior change			Replacement of products and services by low-carbon technology			
Short-, Medium-, and Long-term Impacts	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term	
Risk Description	As an amendment to the "Climate Change Response Act" has been passed in Taiwan and other countries have begun to announce and implement carbon fees, carbon taxes, and other import and export management measures, product costs have increased.			With the rising awareness of sustainability, customers tend to use low-carbon products or products expected to use more eco-friendly raw materials.			Whether the enterprise invests in green R&D and provides low-carbon products and services.			
Response Strategy	 Strictly monitor GHG within the organization, set carbon reduction targets, and ensure strict implementation. Pay continuous attention to the issues of carbon rights and carbon fees. 			 Improve existing processes to improve production efficiency, reduce production waste, and increase productivity and yield. Pay continuous attention to plastic neutrality and carbon neutrality issues. 			 Improve existing product processes and gradually introduce green design and production. Develop green processes to improve quality while ensuring environmental protection and low carbon emissions. Pay continuous attention to changes in market consumption preferences and regulations. 			
Financial Impact	Increased operatir	ng costs		Increased R&D	costs		Increased R&D and manufacturing costs			

	Туре	Market opportunity				Market opportunity	,	Re	esource utilization effi	ciency
	Item	Entry into new markets			R&D and innovation of new products and services			Participation in renewable energy plans and improvement of energy efficiency		
a	Short-, Medium-, nd Long-term Impacts	Short-term Medium-term Long-term		Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term	
	Risk Description	Monitor mobile device and electric vehicle market changes and growth trends.			As the market demand for new technologies such as AI, 5G and Internet of Things, automotive electronics, and new energy vehicles is increasing, we develop new products and create new product lines to help customers mitigate material shortage in the supply chain.			Improving the efficiency of production and energy resource utilization can not only reduce the organization's medium and long-term operating costs, but also achieve the goal of carbon reduction.		
	Response Strategy	 In 2023, we expanded our business to the fields of automotive modules and thermal modules, actively moving towards the goal of becoming an automotive module solution supplier. Expand the recruitment of cross-disciplinary engineers and sales personnel. 			 Pay continuous attention to domestic and foreign industry development trends. Seek customers in new fields and work with them to develop new technology products. 			 Proactively plan short-, medium- and long-term green power purchase plans and strengthen collaboration with green energy suppliers. Install smart meters introduce a smart management system to monitor energy consumption performance in real time. 		
Financial Impact Customer diversification			Increased reveni Improved profita Market presence	ability		Reduced medium- and long-term operating costs				

• 4.1.3 GHG Inventory

In accordance with the ISO 14061-1:2018 standard, we have completed inventory and compiled records. Through the inventory process and results, we can grasp the GHG emissions of our major production bases around the world, propose feasible plans for GHG reduction, and strictly follow the carbon reduction targets to slow down global warming.

We adopt the "operational control approach," and the inventory in 2023 covers the Linkou Headquarters, Suzhou Factory in Jiangsu, and Zhong Shan Factory in Guangdong. All emission sources of the above three factories disclosed are fully owned by the Group, and their facility-level GHG emissions and removals are aggregated using the operational control approach. All three factories have passed ISO 14064-1 third-party verification. The Category 1+Category 2 GHG emissions in 2023 were reduced by 28.05% compared to 2021.

The GHG emissions inventory boundary covers the above three factories, including their direct GHG emissions and indirect GHG emissions identified as significant. The Company's reporting boundary includes the following:

■ Scope of ICHIA Group's GHG Inventory

	- W.O	Inventory Scope				
Factory	Full Company Name	2021	2022	2023		
Linkou Headquarters	ICHIA TECHNOLOGIES INC.	Category 1 to Category 6				
Suzhou Factory	ICHIA TECHNOLOGY (SUZHOU) CO., LTD	Category 1 to Category 6				
Zhong Shan Factory	ZHONGSHAN ICHIA ELECTRONICS CO., LTD	Category 1, Category 2	Category 1 t	o Category 6		

■ Category 1 and Category 2 GHG Emissions

Unit: tCO₂e/year, NTD (million)

Factory	Liı	Linkou Headquarters		Suzhou Factory		Zhong Shan Factory			Total			
Year	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Category 1	1,042.16	485.09	33.4480	1,730.89	1,447.81	1,302.78	168.95	198.17	139.93	2,942.00	2,131.07	1476.16
Catagony	9,320.05	10,109.61	8,934.42	35,277.97	36,415.07*	32,421.29	10,888.29	7,909.19	5,745.48	55,486.31	54,433.87*	47,101.19
Category 2			0,334.42		32,897.57*	25,885.09			3,143.40		50,916.37*	40,564.99
Category 1	10 262 21	10 504 70	8,967.87	27 000 00	37,862.88*	33,724.07	11.057.24	0.107.20	E00E //1	F0 420 21	56,564.94*	48,577.35
+Category 2	10,362.21 10,594.70	8,961.81	37,008.86	34,345.38*	27,187.87	11,057.24	8,107.36	5885.41	58,428.31	53,047.44*	42,041.15	
		Category 1+Category 2									7.39*	
	Total GHG emission intensity (tCO ₂ e/total revenue)							9.02	9.02 6.93*	4.91		

Note: Suzhou Factory purchased and used external green energy in 2022 and 2023. According to its ISO 14064-1 report, its Category 2 data in 2022 and 2023 is divided into location-based (excluding green power) and market-based (after using green power).

■ Other Indirect GHG Emissions (Category 3 to Category 6)

Unit: tCO₂e/year

Headquarters and Factories	Linkou Headquarters			Suzhou Factory			Zhong Shan Factory		
Year	2021	2022	2023	2021	2022	2023	2021	2022	2023
Category 3 indirect GHG emissions from upstream transportation	120.09	127.83	132.06	123.50	172.69	1,106.7		101.57	325.06
Category 4 indirect GHG emissions from products used by the organization	926.89	1,011.026	1071.96	727.64	668.24	14,582.89	(No data	2,735.98	1764.22
Category 5 indirect GHG emissions from the use of the organization's products	0.00	0.00	0.00	0.00	0.00	0.00	available)	0.00	0.00
Category 6 other indirect emissions	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00

Note: Zhong Shan Factory did not inventory Category 3 to Category 6 emissions in 2021.

• 4.1.4 Energy Management

ICHIA's factories mainly use purchased electricity. Other fuels used include natural gas, gasoline, diesel, etc., which are mainly used for company vehicles, forklifts, kitchens, canteens, and dormitories. The total energy consumption in 2023 was 289,416.19 GJ, and the energy use intensity in 2023 was reduced by 12.20% compared to 2022.

1. Energy consumption by factory in 2023

Item/Facto	Linkou Headquarters	Suzhou Factory	Zhong Shan actory	Total	
Quantitative indicators	Unit	2023	2023	2023	2023
Electricity consumption	MWh/year	10,677.31	54,562.92	10,074.00	75,314.23
Electricity consumption	GJ/年	38,444.72	196,459.25	36,272.44	271,176.41
Natural gas (NG)	Cubic meters/year	0.00	536,586.00	0.00	536,586.00
consumption	GJ/年	0.00	17,975.63	0.00	17,975.63
Caralina assaumation	1,000 liters/year	0.61	3.35	3.50	7.46
Gasoline consumption	GJ/年	19.98	109.29	114.40	243.66
Discologogymptica	1,000 liters/year	0.09	0.50	0.00	0.58
Diesel consumption	GJ/年	3.07	17.42	0.00	20.49
Total energy consumption	GJ/年	38,467.77	214,561.59	36,386.84	289,416.19

*Note 1: Calculated with reference to the latest heat content of energy sources announced by the Energy Administration, such as: electricity heat content: 860 kcal/kWh, natural gas heat content: 8,000 kcal/m3

4.2 Increase of Energy Efficiency

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We pay continuous attention to production and operational activities and schedule the introduction of relevant improvement work and equipment replacement. In addition, through the introduction of smart meters and monitoring systems for major public equipment, as well as the ISO 50001 energy management system, we can grasp the energy consumption and equipment operation efficiency of the entire factory in real time, effectively shorten the time for anomaly identification and response, and achieve effective energy conservation.

Moreover, the Company plans green power generation and green energy procurement. For example, both the Suzhou Factory and the Zhong Shan Factory have installed solar power generation systems. In terms of green energy introduction, in 2023, the total purchased green power of Suzhou Factory reached 20% of its total power consumption, and the solar power generation of Zhong Shan Factory accounted for about 10% of its total power consumption. In the future, the three factories in Taiwan and China will continue to negotiate with green energy providers to acquire the most appropriate green energy at the most reasonable price.

Regarding the implementation of the ISO 50001 energy management system, the Suzhou Factory was certified to ISO 50001:2018 in 2021. With the guidance and assistance of the consultant team, each factory has gradually introduced a smart energy management platform.

■ ICHIA's Energy Conservation Improvement Measures

Factory	2023 Energy Conservation Improvement Measures
Linkou Headquarters	 Completed frequency conversion modification of air compressors Planned the introduction of air-conditioning cooling water systems, cooling towers, boilers, heat pumps, and cold and heat exchange systems Conducted lighting energy-saving modification and gradually replaced existing light with LED lamps Tracked compressed air leaks Introduced green processes and refined and improved existing processes Installed smart meters Replaced all chillers with energy-saving pumps Introduced an energy and operation monitoring interface system"
Suzhou Factory	 Connected the solar power generation system to the grid Purchased renewable energy Installed smart meters Tracked compressed air leaks Introduced green processes and refined and improved existing processes Installed operation monitoring systems (thermometers and flow meters with networking capabilities) for major public equipment Introduced an energy and operation monitoring interface system
Zhong Shan Factory	 Connected the solar power generation system to the grid Purchased renewable energy Tracked compressed air leaks Introduced green processes and refined and improved existing processes Installed operation monitoring systems (thermometers and flow meters with networking capabilities) for major public equipment Introduced an energy and operation monitoring interface system







▲ Suzhou Factory's green power certificate

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4.3 Water Stewardship

• 4.3.1 Water Resource Management and Recycling

"Water" is an important resource for the circuit board industry. However, climate change and extreme weather have caused uneven rainfall around the world. In response to various water consumption risks, the Company has established risk response policies and procedures for management, evaluated and analyzed the risks of various water resource uses and wastewater treatment, and monitored water withdrawal and discharge to ensure normal water consumption in the factories for normal operations, thereby improving the Company's tolerance to risks from the use of water resources. The water use intensity in 2023 was reduced by 7.06% compared to 2022.

Unit: m³ (1,000 liters)

■ Utilization of Water Resources

Factory	Water Resource Type	2023				
	Tap water	122,743				
Linkou Headquarters	Recycled water	0				
	Total	122,743				
	Tap water	612,819				
Suzhou Factory	Recycled water	343,156				
	Total	955,975				
	Tap water	55,291				
Zhong Shan Factory	Recycled water	3,638				
	Total	58,929				
	1,137,647					
Water use in	Water use intensity (tap water (m³)/NTD thousand of revenue)					

• Note: The revenue is in NTD.

We monitor and manage the production water consumption and tap water supply in each factory. The Suzhou Factory has a "reclaimed water recycling system" that treats the cleaning wastewater in the production line into soft water or pure water, which is then returned to the production site for use. With the system, more than 300,000 tons of tap water can be saved every year. The Zhong Shan Factory is equipped with air conditioning condensation and water dispenser reverse osmosis wastewater recycling systems. The systems can recycle more than 3,000 tons of water per year for toilet flushing, which has been praised by the local government.

• 4.3.2 Wastewater Treatment and Management

In order to fulfill the social responsibility of environmental protection and friendliness to the community, the three major factories of ICHIA Group have been equipped with wastewater treatment systems to monitor the discharge quality and ensure that the effluent quality meets regulatory standards. The wastewater from the Linkou Headquarters is treated internally and then collected and sent to the sewage facility of Hwa Ya Technology Park for centralized management. The wastewater from the Suzhou Factory and the Zhong Shan Factory is treated by their in-house wastewater treatment facilities and eventually legally discharged into the Fengjin River (Jinshanbang) in Suzhou City and the Bagongli River in Zhongshan City. We continue to optimize wastewater treatment. In the future, each factory will gradually introduce a reclaimed water recycling system to reduce the generation of wastewater. We will also keep track of the water consumption of each process in order to improve water use and treatment efficiency. The total sewage discharge intensity in 2023 was 11.80% lower than that in 2022.

■ Sewage Discharge Volume and Intensity

Unit: cubic meters (m³)/thousand of revenue (NTD)

Factory	Discharge Destination	2023		
Linkou Headquarters	Sewage treatment facility in the park	115,232		
Suzhou Factory	Suzhou Factory Surface water body + local sewage treatment facility			
Zhong Shan Factory	Surface water body + local sewage treatment facility	48,067		
	Total	519,130		
	Total sewage discharge intensity	60.64		

4.4 Waste Management

ICHIA manages waste through "source control, generation statistics, and diverse treatment methods." Each factory commissions qualified vendors to dispose of their waste, and there is no illegal disposal. In 2023, the waste clearance and disposal contractors were not in breach of laws or contracts, and the Group's factories disposed of waste in accordance with local environmental protection regulations. In 2023, the overall waste recycling rate reached 66.35%. The table below shows the amount of waste generated and how the waste was treated:

■ Overview of Waste Treatment in ICHIA's Factories in 2023

Unit: tons, NTD 10,000

定量指標/廠區		Linkou Headquarters		Suzh	nou Factory	Zhon	Total	
Year		2023	Final disposal method	2023	2023 Final disposal method		2023 Final disposal method	
ral	Reusable	77.61	Physical treatment	432.132	/	104.38	Selling for reuse	614.12
General	Nonreusable 49.827		Incineration	878.63	Incineration /landfill	11	Incineration	939.46
	Total	127.437	/	1,310.76	/	115.38	/	1,553.58
ous waste	Reusable	1.825	Reuse of waste as raw materials	1728.578	/	19.69	Reuse	1,750.09
Hazardous	Nonreusable	100.54	Incineration/landfill	138.15	/	20.82	Incineration	259.51
Haz	Total	102.365	/	1,866.73	/	40.51	/	2,009.60

Notes: 1. The expenses of Linkou Headquarters are in NTD, and those of the Suzhou Factory and Zhong Shan Factory are in RMB.

4.5 Air Pollution Control

To maintain air pollution control inside and outside the factories, we keep track of the sources of air pollutant emissions and continue to improve raw materials, processes, and production technology to promote air pollution reduction. Air pollution from the production of FPCs is composed of acid, alkali, and volatile organic waste gas. Each factory is equipped with high-efficiency equipment and air pollution scrubbers for treatment before discharge. The Company continues to improve air emissions quality in three major aspects: source management, process improvement, and back-end treatment.

■ Non-GHG Emissions Statistics

Unit: kg

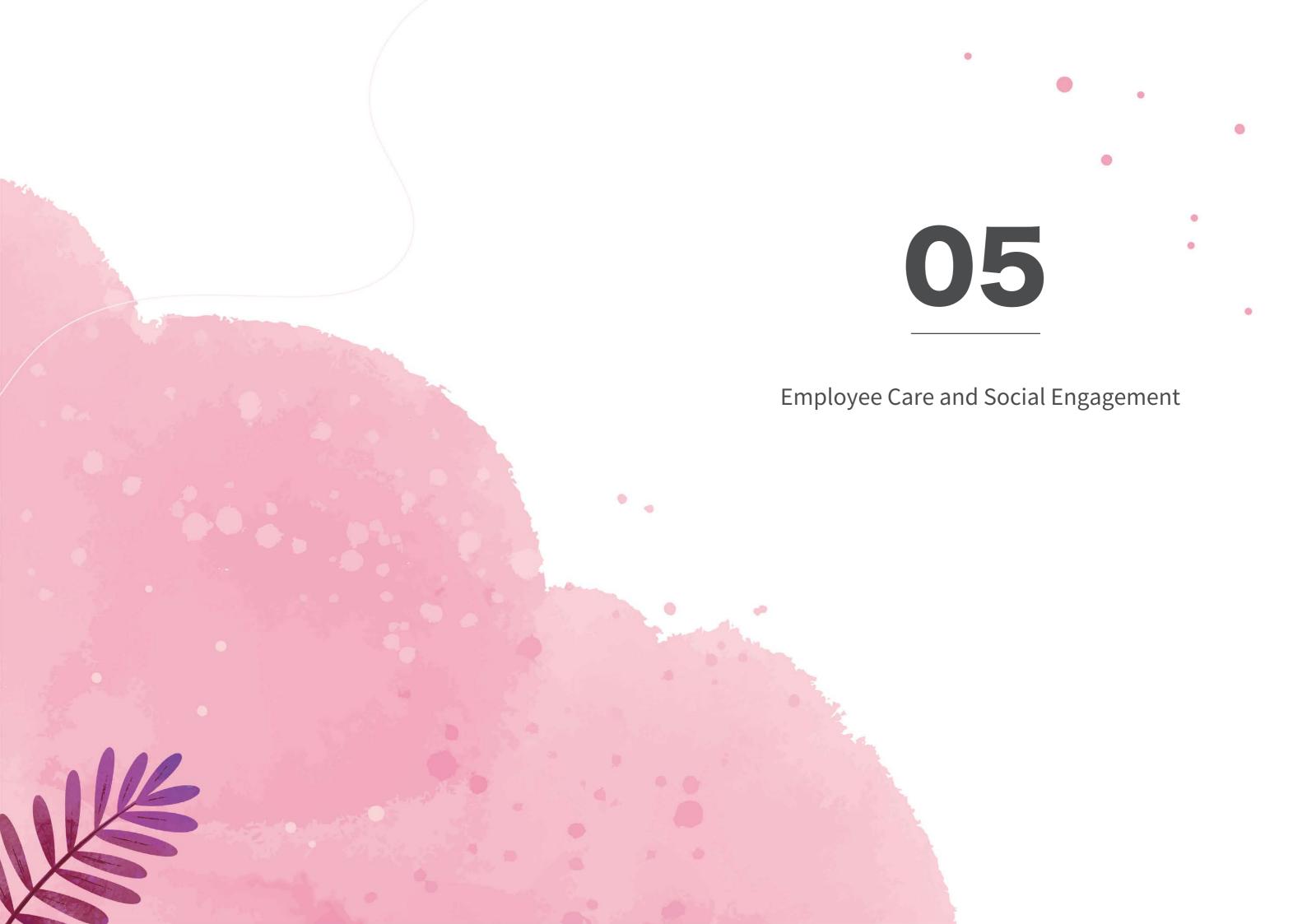
Pollutant	Linkou Headquarters*	Suzhou Factory	Zhong Shan Factory
Tottutant	2021~2023	2023	2023
Nitrogen oxides (NOx)	864/年	1,309	0
Sulfur oxides (SOx)	4,570 / 年	13	0
Total suspended particulates (TSP)	42 / 年	57	0
Volatile organic compounds (VOCs)	1,536/年	3,822	34,942
Other non-GHG emissions	1,790/年	2,168	0
Total	8,802 / 年	7,368	34,942

Source: The emissions reported by each production site to the local government have met the specified testing and reporting standards according to local regulations.

Notes: 1. The various pollutant data of the Linkou Headquarters represent the effective treatment capacity of the air pollution treatment facility rather than the actual emissions in the current year.

2. Other air pollutants include lead, cadmium, mercury, hexavalent chromium, and HAPs from their compounds whose emissions are extremely low under the "Standards for Air Pollutant Emission from Stationary Pollution Sources" of the Environmental Protection Administration. Executive Yuan.

^{2.} The total expenses are in NTD and calculated based on the spot exchange rate on the last trading day of each year (RMB:NTD was 1:4.302 in 2023).



Aspect	Material Issue	Management Approach and Its Elements	Management Approach Evaluation
	Talent attraction, retention and development	We have established the "Employee's Training and Education Regulations" to plan training courses based on job requirements, encourage employees to take on-the-job training in various fields, and provide them with a variety of books to improve their job competencies.	Through the establishment of the "Knowledge Management (KM)" and "e+ Toolbox" systems, employees are also prompted to learn and share new knowledge and regulatory updates in the sustainable supply chain.
Social	Occupational safety and health management	Standard operating procedures have been established for workplace safety and employee health management, and all new employees are required to receive relevant knowledge training and pass tests. The Company organizes employee safety and health education and training and simulation drills every year on a regular basis to	Every year, reviews, audits, and related management procedures are conducted in accordance with ISO 45001 and ISO 14001. Preventive and other necessary measures are also implemented in advance through regular and continuous hazard source assessment and identification, as well as risk assessment. We also regularly organize education and training on occupational health and safety to provide employees with the knowledge of laws for self-protection and allow them to understand the Company's management procedures, thereby maintaining high occupational safety and health standards in each factory.

Employee Care Performance

- 1. In 2023, the number of employees eligible for unpaid parental leave was 107, and the number of employees actually applying for such leave was 105, with an application rate of 98%, and the reinstatement rate was 100%. ICHIA has long provided a comprehensive employee care mechanism to allow employees with childcare needs to balance work and family.
- 2. Since 2022, the ICHIA Linkou Headquarters has been awarded the "Badge of Accredited Healthy Workplace" by the Health Promotion Administration of the Ministry of Health and Welfare, which has earned ICHIA the recognition of the public sector for providing employees with an excellent and healthy workplace environment and improving workplace health and the standard of living.
- 3. In 2023, the number of total training hours of our employees was 47,717, and the average training hours per employee were over 34 hours.

Future Strategic Goals

- 1. Regarding employee education and training, in the short term, we will organize education and training that boost company cohesion to reduce the turnover rate and increase the retention rate. We will also continuously expand the scope of education and training to include entry-level supervisors, middle supervisors, and senior supervisors to narrow the gap in the Company's management roles.
- 2. For employee care, our short-term goal is to facilitate the adaptation of new employees to the Company, hoping to enhance their sense of security in the Company. Our long-term goal is to establish an employee care system in order to boost employees' recognition of the Company.

6 5.1 Workforce Overview

• 5.1.1 Diverse Workforce Structure and Distribution

ICHIA has nearly 3,000 employees all over the world, working together to support the big family. In compliance with the "Labor Standards Act," the "Labor Law," "Labor Contract Law," "Social Insurance Law," and "Provisions on the Prohibition of Using Child Labor" of the People's Republic of China, and other relevant national laws and regulations, we have established a human resource management system for our locations in Taiwan, Suzhou and Zhong Shan to ensure that our employees enjoy reasonable working conditions and a safe and healthy working environment.

In 2023, in response to the ESG development trend, we valued "diversity, equity, and inclusion," strengthened the culture of diversity and inclusion, and paid attention to the issue of gender equality. The proportion of our female employees worldwide was about 44%, and the proportion of our female senior supervisors (deputy directors, deputy factory directors, and above) was 28%. In the future, we will continue to prohibit the use of race, gender, age, religion, political stance, sexual orientation, physical or mental disability, or nationality as criteria for employee retention, working hours, salary and benefits, performance evaluation, and promotion in accordance with the RBA (Responsible Business Alliance) Code of Conduct, the International Labor Convention, and the Global Sullivan Principles, and we will also ensure accurate compliance with local laws and standards in different regions.

In 2023, there was no incident of violating labor laws or employing child labor at ICHIA.

■ Workforce structure and distribution in 2023 (as of December 31, 2023)

Overview and Distribution of ICHIA's Global Workforce in 2023

Factory		Linkou Factory	Suzhou Factory	Zhong Shan Factory	Glo	bal
Number of employees/po	ercentage	Number of employees	Number of employees	Number of employees	Number of employees	
	Male	84	404	157	645	23%
Percentage of employees with indefinite contracts	Female	129	217	228	574	20%
(permanently employed) (%)	Others	0	0	0	0	0%
	Total	213	621	385	1,219	43%
	Male	3	911	19	933	33%
Percentage of employees with fixed-term contracts	Female	7	641	28	676	24%
(contract employees) (%)	Others	0	0	0	0	0%
	Total	10	1,552	47	1,609	57%
	< 16 years	0	0	0	0	0%
(01)	old	35	983	59	1,077	38%
Age and percentage (%)	17-30 years	168	1,179	326	1,673	59%
	old	20	11	47	78	3%
	31-50 years	87	1,315	176	1,578	56%
Total number of employees	old	136	858	256	1,250	44%
at the end of the year	> 50 years	0	0	0	0	0%
	old	223	2,173	432	2,828	100%

■ Diversified Employment of ICHIA Group in 2023

Category\Factory	Linkou Factory	Suzhou Factory	Zhong Shan Factory
Employees with disabilities	2	1	8
Foreign employees	39	5	4
Indigenous and minority employees	1	33	27

Employee Care and Community Engagement

• 5.1.2 Recruitment

Based on employees' career development and the Company's business strategy, ICHIA recruits outstanding talent from all over Taiwan through various channels, including collaborating with colleges and universities for industry-academia training courses and cooperating with the government's employment promotion plan.

Recruitment Mechanism	 According to the Employee Recruitment and Selection Regulations. Applicable to: Linkou Headquarters, and employees sent to the Suzhou Factory and Zhong Shan Factory. The HR department coordinates talent needs and formulates an annual human resources plan. Post vacancy information through diverse recruitment channels. Recruit and review in accordance with local regulations and based on the needs of each unit.
Transfer	 As suggested by the unit head and the HR department. The unit head will first ask the employee for consent. After consent is obtained, the HR unit fills out a personnel change application form and has it signed by the head of the unit that the employee will be transferred from and the head of the unit that the employees will be transferred to.
Resignation/ unpaid leave mechanism	 Give notice of resignation/unpaid leave within the notice period required by local laws and regulations. The HR department assists in conducting exit interviews to understand the reasons and try to retain the employee. Appoint replacements to respond to staff turnover and avoid causing impact on operations due to staff resignation/paid leave.

■ New Hire Rate (by Gender, Region, and Age) Unit: %

Gender	Age	Linkou Factory	Suzhou Factory	Zhong Shan Factory	
	< 16 years old	0	0	0	
Male	17-30 years old	0.67	66.05	6.08	
mate	31-50 years old	0.88	30.34	4.88	
	> 50 years old	0.07	0	0.04	
	< 16 years old	0	0	0	
Famala	17-30 years old	0.39	30.91	6.61	
Female	31-50 years old	0.99	15.91	3.68	
	> 50 years old 0.07		0	0.11	
	New hire rate	3.08	143.21	21.39	

Overall Turnover Rate (by Gender, Region, and Age) Unit: %

Gender	Age	Linkou Factory	Suzhou Factory	Zhong Shan Factory
	< 16 years old	0	0	0
Mala	17-30 years old	0.95	78.18	7.89
Male	31-50 years old	2.93	23.8	6.44
	> 50 years old 0.25		0.07	0.25
	< 16 years old	0	0	0
Female	17-30 years old	1.2	40.45	7.28
remate	31-50 years old	1.98	12.62	5.09
	> 50 years old	0.11	0	0.67
	Turnover rate	7.43	155.13	27.62

^{*}Employees with indefinite contracts: The [full-time employees] of the headquarters and the employees of the Suzhou Factory and Zhong Shan Factory except [fixed-term employees].

^{*} Employees with fixed-term contracts: The "dispatched workers" of the headquarters and the "contract workers" and other indirect employees who have not signed an indefinite contract of the Suzhou Factory and Zhong Shan Factory.

^{*} Indigenous peoples and ethnic minorities are as defined by local governments.

• 5.1.3 Unpaid Parental Leave

We offer substantial care and attention to employees in need of childcare, including unpaid parental leave and relevant benefits and subsidies. In 2023, the number of employees eligible for unpaid parental leave was 107, and the number of employees actually applying for such leave was 105, with an application rate of 98%, and the reinstatement rate was 100%. ICHIA has long provided a comprehensive employee care mechanism to allow employees with childcare needs to balance work and family.

■ Statistics on the Number of Employees on Unpaid Parental Leave in 2023

Factory		Linkou Factory		Suzhou Factory		Zhong Shan Factory	
Gender	Male	Female	Male	Female	Male	Female	2023
Number of employees eligible for unpaid parental leave	0	5	22	80	0	0	107
Number of employees applying for unpaid parental leave in the current year	0	3	22	80	0	0	105
Number of employees who should be reinstated (A)	0	2	18	20	0	0	40
Number of people actually reinstated in the current year (B)	0	2	18	20	0	0	40
Reinstatement rate (B/A) %	N/A	100%	100%	100%	N/A	N/A	100%
Number of employees reinstated from unpaid parental leave in the previous year (C)	0	0	18	12	0	0	30
No. of employees who was reinstated from unpaid parental leave in the previous year and had served for one year in the current year (D)	0	0	7	3	0	0	10
Retention rate (D/C) %	N/A	N/A	39%	25%	N/A	N/A	33%

5.2 Talent Attraction and Retention

• 5.2.1 Employee Remuneration

For the salary of ICHIA Group's employees, the HR unit determines salary standards based on the market salary level and the Company's operation status and organizational structure. Remuneration is determined based on employees' individual professional competencies, job duties, performance, and goal achievement. The salary of new employees does not differ based on gender, race, party membership, ideology, religion, sexual orientation or marital status. In addition, according to the "ICHIA Corporate Social Responsibility Policy," the salary of our employees around the world must be higher than the minimum wage set by local governments, and their professional skills and positions shall be taken as the core criteria for salary determination.

■ Employee Salary and Benefit Expenses

Factory	Linkou Headquarters					
Year	2022	2023	Rate of change			
Average salary of non-managerial employees	538	592	+10.04%			
Median salary of non-managerial employees	439	493	+12.30%			
Average employee salary expense across all factories	719	884	+22.95%			
Average employee benefit expense	844	1,012	+19.91%			

Unit: NTD (thousand)

Note: This table only presents the expenses of Linkou Headquarters. The salary expense of each factory is their confidential information and will not be disclosed.

Note: In 2023, the annual salary of the highest paid individual in ICHIA a was 18 times the median annual salary of all employees. (The salary includes employee remuneration, bonuses, employee dividend, and benefit funds)

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• 5.2.2 Performance Evaluation System

A sound performance evaluation system is equipped with objective performance standards, fair evaluation procedures, reasonable evaluation results, and continuous system improvement. Supervisors regularly evaluate and provide feedback on the actual work results of employees. In addition to praising employees with outstanding performance to boost morale, they also identify potential employees for career planning and assist them in their growth. In order to encourage employees to keep improving, the annual performance evaluation results are used as the main basis for salary adjustment, bonus distribution, appointment, dismissal, transfer, training and development, and work improvement.

Through comprehensive performance management, organizational goals, personal goals, and talent development are closely linked to improve the Company's operational performance.

■ Employee Performance Evaluation Items (as shown in the figure below)

After the first 6 months of new employees Official employment/extended HR sends an Evaluator prepares Review by Review by upper manageme evaluation form probationary a report supervisor HR sends an Employee Approval by upper Basis for promotion, salary Review by adjustment, bonus distribution. etc. self-evaluation evaluation form supervisor manageme

★ In 2023, 100% of employees completed the evaluation.

• 5.2.3 Employee Benefits

We offer diverse benefits and services to employees in an effort to provide every one of them with comprehensive care and convey our care and concern. The basic employee benefits of each factory are as follows:

-	. ,	
Factory	Linkou Headquarters	Suzhou Factory, Zhong Shan Factory
Festival activities	Vouchers/gift boxes for the three major festivals, as well as Labor Day, Women's Day, Father's Day gifts	Gift distribution on major festivals, mountain climbing activities on May 1st, plum-picking events, Mid-Autumn Festival fairs, annual parties, etc.
Recreational venues	Employee dormitory, swimming pool, sauna, gym, table tennis room, billiard room	Employee dormitory, basketball court, table tennis room, billiard room, e-sports room
Employee insurance	Labor insurance, employment insurance, and national health insurance Group insurance: All employees are covered by the insurance, and the premiums are paid by the Company	Medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, housing provident fund
Retirement system	Pension contributions are made to the Central Trust of China or the employee's personal pension account in accordance with the Labor Standards Act, the Labor Pension Act, and the Regulations Governing the Early Retirement of Employees. Employee stock ownership trust - After full-time employees have served for six months, they can determine their monthly contribution amount to purchase the Company's shares in a fixed amount on a regular basis, and the Company gives an incentive 100% equivalent to the monthly contribution to purchase the Company's shares every month.	Contributions are made based on the statutory percentage to the endowment Insurance scheme
Employee assistance program	Employee wedding and funeral/emergency relief and condolence program	Employee wedding and funeral/emergency relief and condolence program
Others	Birthday gifts, company trip subsidies, meal subsidies, pa subsidies, discounts at designated stores, Family Day, fair	

■ Recreational facilities

















■ Gift distribution for the three major festivals





▲ Dragon Boat Festival

▲ Mid-Autumn Festival



▲ Lunar New Year









▲ Winter solstice



▲ Company trip integrated with ESG: 2023 Yilan Green Expo "Sustainability Maze"

In addition to the basic benefits, ICHIA Group also cares about the physical and mental health of employees and organizes a number of sports events. To keep pace with the times, the Group also held e-sports competitions and skin care/makeup/nutrition courses in 2023, with the preferences and interests of young people taken into account, striving to help employees achieve work-life balance and enjoy life after work.









▲ Zhong Shan Factory's billiards competition

ICHIA's sports events:



▲ "Fighting Cup" employee table tennis competition







▲ Zhong Shan Factory's "group running" every Thursday

✓ Care for Foreign Employees

There are 39 Filipino colleagues in the Linkou Factory. The daily communication channels are smooth, and interpreters or employees with English skills are appointed to communicate with them to ensure smooth communication. Considering the differences in their eating habits, ICHIA remodeled the staff canteen to create a new cooking section and add a refrigerator, so that the foreign employees can cook meals they like to relieve homesickness, creating a Happy Migrant Kitchen. In addition, for foreign employees who have worked in Taiwan for three years and intend to stay in the job, the Company will pay their subsequent monthly brokerage service fees to increase their retention willingness.



5.3 Talent Development

• 5.3.1 Diversified Training Courses

We value employee development, and regard talent cultivation and development as a competitive advantage. We have planned a complete education and training system and development training courses to help employees improve their professional capabilities, management capabilities, and growth.

In order to create core competitive advantages and implement organizational strategies and personal performance development, we have established the "Employee's Training and Education Regulations." Every year, we plan overall training courses according to the training plans proposed by each department based on their needs. Based on employees' professional fields and positions, and in line with the Company's operational goals and human rights policies and guidelines, we build learning blueprints for different modules, supplemented by on-the-job training (OJT), job rotation, knowledge sharing (KM system), soft skill development, and other arrangements, to unleash the potential and develop the strength of our employees, allowing them to advance and grow together with the Company.

The curriculum structure is described below:

1. Orientation training

In order for new hires to quickly get to know ICHIA, orientation training is arranged on their first day of reporting at work. In addition to the traditional oral teaching method, the "E-Learning" video teaching method is also used to allow new hires to quickly fit in the unfamiliar environment and familiarize themselves with the Company's workplace culture through three aspects.

- (1) Basic understanding: Courses such as "Group Profile", "Introduction to the Personnel System", and "Introduction to the Company's Benefit Policy" are provided to assist new hires in fitting in and adapting to ICHIA's environment.
- (2) Environment introduction: Courses such as "System Description" and "Internal Environment Introduction" are provided to help new hires become familiar with the new environment.
- (3) Corporate governance: Courses such as "Ethical Business Best Practice Principles (including Anti-collusion and Prevention of Conflicts of Interest)", "Human Rights Commitment Promotion," and "Personal Data Protection Policy" are provided to help new hires understand the Company's regulations.

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2. Professional skill training

With the focus on strengthening the professional skills of colleagues in each department, the Company plans professional courses and relevant certification training in various fields, supplemented by various general courses and seminars, to improve the Company's overall knowledge production capability and core competitiveness.

- (1) Professional courses: We design and conduct on-the-job education and training for each field, such as "Stimulation of R&D Creativity" for R&D personnel, "Sales Presentation Skills" for sales personnel, and "Project Management" for project managers. 4 to 7 professional courses are designed for each field, allowing colleagues to further improve their professional capabilities and give full play to their strengths in their positions. In addition, for the "ICHIA Management Course," one session is held in the first and second half of each year. The course focuses on training within industry (TWI) to enhance the management capabilities of manufacturing site supervisors in three aspects: job instruction, job improvement, and job relations. The management trainees recruited in the spring and autumn each year are trained through the "ICHIA Excellence Course" given by internal lecturers, hoping to continuously inject more talent into the Company.
- (2) General courses: Various general courses are offered every year according to the goals of the Company and the Group, so that colleagues can improve their hard skills and soft skills at the same time, such as "Language Training", "Communication Skills", and "Emotions and EQ management" etc. The "Health Seminar", "Firefighting Training", "First Aid Training", "Sexual Harassment Prevention Seminar", "Anti-Workplace Bullying", etc. are also held regularly every year to enhance employees' awareness of environmental hygiene, safety, and health. In recent years, as the awareness of environmental sustainability has been on the rise, the Group has introduced "Sustainability Courses" and "RBA 8.0," and actively cultivated seed personnel for "ISO14064-1 Carbon Inventory."

In addition, through the establishment of the "Knowledge Management (KM)" and "e+ Toolbox" systems, employees are also prompted to learn and share new knowledge and regulatory updates in the sustainable supply chain. We have designed an online learning path for various internal education and training and the supplier training seminars organized by customers to not only improve the professional capabilities of corporate social responsibility team members, but also even teach or share relevant requirements and regulations with supply chain partners, hoping to take this opportunity to reinforce sustainable education and lifelong learning.

3. Management skill training

Supervisors are divided into entry-level supervisors, middle supervisors, and senior supervisors according to their job grade. Supervisors at each level have their necessary capabilities according to their management scope and level of participation in the Company's decision-making. Hence, we have developed on-the-job education and training based on the necessary capabilities.

- (1) Senior supervisors: Develop their leadership, decision-making, and innovation skills, and launch the "Leadership and Command", "Systematic Thinking and Decision-making", "Innovative Thinking and Creative Management" courses.
- (2) Middle supervisors: Develop their team management, staff development, and planning capabilities, and launch the "Talent Selection and Interview Skills", "Staff Guidance and Motivation", and "Employee Problem Discovery and Solving" courses.
- (3) Entry-level supervisors: Develop their problem-solving, presentation, and guidance skills, and launch the "Problem Analysis and Solving", "Expression and Presentation Skills", and "Work Guidance Skills" courses.

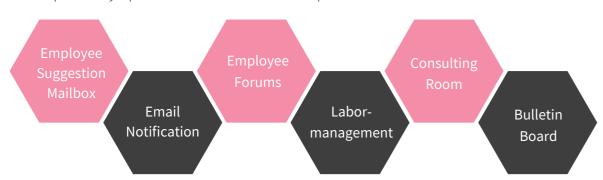
■ Implementation of Education and Training

Factory	l	Linkou Factory			Suzhou Factory			Zhong Shan Factory				
Year	20)22	20	23	20)22	20)23	20)22	20)23
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Average training hours for management roles (per person)	32	39	30.7	18.5	108	104	170	167	22	22	16	22
Average training hours for general roles (per person)	12	5	14.5	5.5	44	38	28	26	27	27	18	18
Average training hours for dedicated personnel (per person)	5	1	19.2	6.8	22	18	25	22	8	0	8	0
Total training hours of all employees	5	00	1,2	285	32,	,552	43,	651	3,0	026	2,	781

5.4 Open-style Management System

• 5.4.1 Smooth Communication Channels

ICHIA Group values and respects the voices of employees, and establishes various communication channels so that employees can keep abreast of the Company's dynamics and express any opinions or concerns on workplace-related matters:



The Suzhou Factory and Zhong Shan Factory of the Company promote employee communication and care through labor unions. Member representatives are elected according to the "Provisions on the Work of Election of Entry-level Labor Union Organizations" of China, and internal meetings are held from time to time to achieve sound communication. The operation of the labor union of each factory is detailed in the table below.

■ Operation of Labor-management/Enterprise Union

Factory	Linkou He	adquarters	Suzhou	Factory	Zhong Shan Factory		
Factory	2022	2023	2022	2023	2022	2023	
Total number of employees	215	225	2,291	2,173	608	432	
Member representatives	Held in the form labor-manageme (5 management and 5 labor repre	ent meetings representatives	16	20	39	31	
Percentage of representatives	4.65%	4.44%	0.44%	0.46%	1.64%	2.31%	

There is no labor union formed at the Linkou Headquarters. The benefits and rights of employees are explained in the Company's management regulations and resolved at quarterly labor-management meetings. In addition, we have also set up an employee care mailbox in line with the philosophy of "fairness, integrity, trustworthiness and transparency", so that all unethical conduct can be anonymously disclosed and managed. The employee care mailbox is a disclosure channel not only for employees of ICHIA Group, but also for all upstream and downstream stakeholders, directors, managerial officers, and shareholders of ICHIA Group, through which they can directly report relevant information to the management team and CEO.

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In order for every stakeholder to understand how to use the employee care mailbox, ICHIA Group holds at least one briefing for various stakeholders every year separately or together with the supplier conference, and publicizes the information to colleagues in each factory. For our supplier partners, responsible persons attending the supplier conference must bring their company seal to sign the Sustainable Supplier Principles to demonstrate their commitment to integrity, anti-corruption, and compliance with corporate social responsibilities.

 Labor-management agreements and their implementation: The Company has established good communication channels and an employee suggestion mailbox, and formulated comprehensive relevant regulations for employee incentives, training benefits, and retirement. Our labor-management relations have always been harmonious.

5.5 Occupational Health

We value the health of our employees, believe that "work capability = health = corporate competitiveness", and cling to the belief that employees are an indispensable part of a successful enterprise. In line with the philosophy that employees are a precious asset, all our factories have been certified to the ISO 45001 occupational health and safety management system.







▲ All factories of the Group have been certified to the ISO 45001 occupational health and safety management system

To create a high-quality leisure environment, we provide employees with a full range of sports and leisure venues, such as the medical center, swimming pool, and various club activities. We also offer a sound and considerate childcare environment and parental leave policy, as well as the infirmary equipped with a medical team, regular health checkups, and lectures on health-related topics. We strive to provide the most comprehensive employee care, the safest and healthiest working environment, and sound education and training. We also pay attention to the physical and mental conditions of each employee at all times.

To create a sound sports culture in the workplace, we encourage employees to develop exercise habits, organize body sculpting, fat-loss competitions, and sports training courses, and actively participate in the "Sports Enterprise Certification" of the Sports Administration, Ministry of Education for sports lectures and technology-based physical fitness testing services, effectively improving the physical fitness of employees and making healthy employees a driving force behind the Company.

On the other hand, since 2023, the ICHIA Linkou Headquarters has been awarded the "Badge of Accredited Healthy Workplace" by the Health Promotion Administration of the Ministry of Health and Welfare, which has earned ICHIA the recognition of the public sector for providing employees with an excellent and healthy workplace environment and improving workplace health and the standard of living.

Attachment

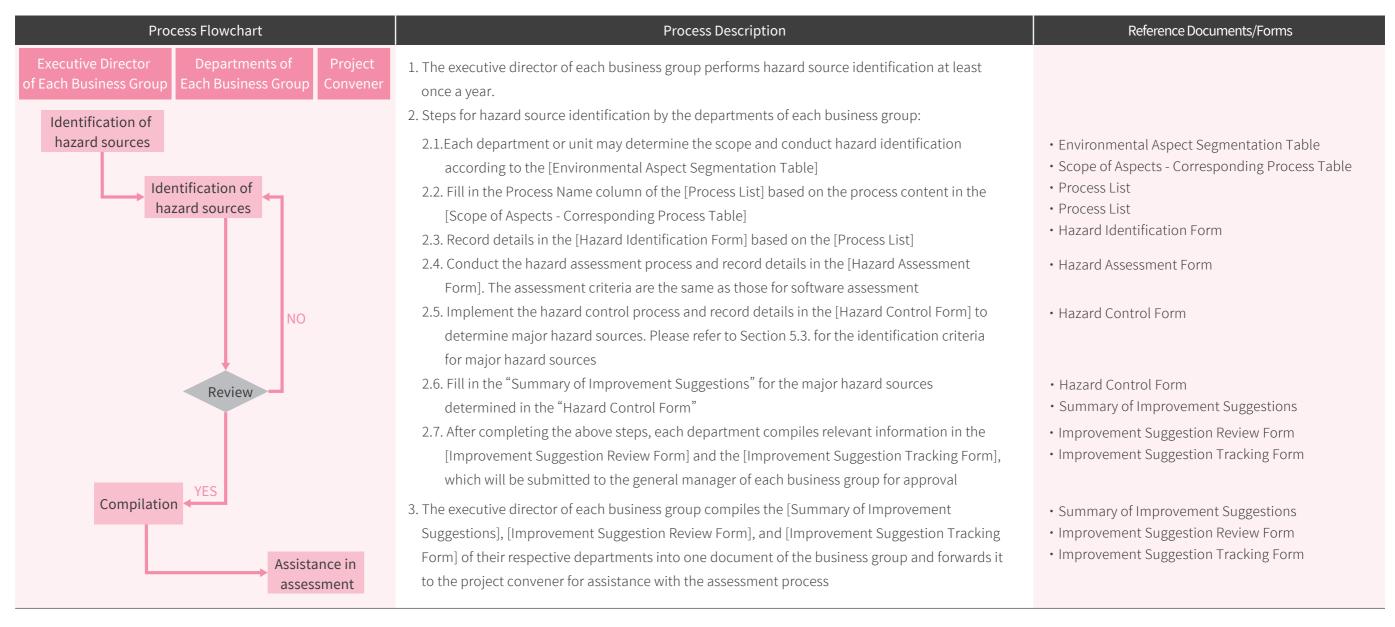
▲ Awarded the "Badge of Accredited Healthy Workplace" by the Health Promotion Administration, Ministry of Health and Welfare



▲ ICHIA Fat Loss Competition

5.6 Occupational Safety

In order to effectively implement occupational safety and health management in each factory of ICHIA, we strive to prevent all personnel safety and health hazards of various operating procedures, activities, products, services, and facilities that may cause worker injuries or accidents and reduce health and financial losses for various types of personnel. Every year, reviews, audits, and related management procedures are conducted in accordance with ISO 45001. Preventive and other necessary measures are also implemented in advance through regular and continuous hazard source assessment and identification, as well as risk assessment. We also regularly organize education and training on occupational health and safety to maintain high occupational safety and health standards in each factory, thereby increasing their operational and production efficiency.



▲ ICHIA's Hazard Source Assessment Process Flowchart

In addition, in accordance with the management procedures of ISO 45001, all factories of the Group have established "Emergency Preparedness and Response Management Procedures." In the event of fire, chemical leakage, air pollution accidents, natural disasters (such as earthquakes, typhoons, heavy rain, severe epidemics), production emergencies, or occupational safety and health emergencies (such as disruption of public facilities, labor shortages, major equipment failures, collective strikes by workers, bomb response incidents, collective food poisoning), the factories must handle and report the incidents according to the procedures stipulated in the "Emergency Preparedness and Response Management Procedures" in the correct order. After the incidents come to a close, the factories shall compile relevant records and review the causes, handling methods, and handling results. The plan may be revised if necessary according to actual conditions to minimize the probability of occurrence of related incidents.

In the past two years, the number of work-related accidents and injuries of each factory of the Group increased. The main reason was that with the increased number of working hours, some employees did not follow the work process. We have conducted internal reviews and strengthened internal education and training to reduce the occurrence of related accidents.

■ Statistics on Work-related Accidents and Injuries by Factory

Factory	Linkou He	adquarters	Suzhou	Factory	Zhong Sha	an Factory
Year	2022	2023	2022	2023	2022	2023
Disabling injury frequency rate (FR)	13.95	0.19	0	0	3.07	3.65
Disabling injury severity rate (SR)	48	0	0	0	630.88	1,039.04
Frequency severity index	0.818	0	0	0	44.01	60.41
Number of days lost	21	1	612	180	822.00	854.06
Number of accidents	6	1	6	15	4	4
Total working hours	429,880	448,200	3,658,072	3,658,210	1,302,944	821,973
Percentage of fatalities due to work-related injuries	0	0	0	0	0	0
Occupational disease rate (ODR)	0%	0%	0%	0%	0%	0%

Note: The work-related injuries in the statistics refer to work-related injuries occurring within the factory premises. Absence rate (AR) = Number of hours absent on sick leave/Total working hours \times 100% (treated as sick leave, work-related injury leave, and menstrual leave)

Calculation method:

- 1. Disabling injury frequency rate (FR) = Number of disabling injuries*106/Total hours worked.
- 2. Disabling injury severity rate (SR) = Number of days lost due to disabling injuries*106/Total hours worked.
- 3. Frequency severity index = $\sqrt{(FR*SR/1000)}$.
- 4. Occupational disease rate (ODR) = Total number of people with occupational diseasesx106/Total hours worked

In order to firmly instill a culture of safe production in the Group, all factories of the Group hold the weekly "ESG and Production Safety Meeting" and the monthly "ESG Meeting" to regularly examine their safety production status and review and evaluate the measures related to occupational safety and the plans for preparation in advance. In addition, all factories of the Group organize various occupational safety-related drills on a regular basis, so that employees can familiarize themselves with various risk response and handling procedures. When a disaster occurs, they are able to use the most appropriate means to minimize the risk of damage. When the risks of various disasters in each factory are reduced, employees and society can feel at ease, and production efficiency, product quality and market reputation will be effectively improved.

■ Occupational Safety and Health Education Meetings and Training Items for Factories

Training Item	Participants
1. General ESH education and training	New hires
2. Orientation training	New hires
3. Weekly ESG and Production Safety Meeting	Safety Director
4. Monthly ESG Meeting	Supervisors of each factory
5. On-the-job safety education (fire prevention, chemicals)	All employees of each factory
6. Fire drills in factories	All employees of each factory
7. Education for external contractors (suppliers, chemicals, canteen meals)	Contractors
8. Professional training: including retraining for first aid personnel, forklift operators, organic solvent operation supervisors, and safety and health operation supervisors	Professionals
9. Anti-fraud, traffic, and drowning safety training	Each factory

5.7 Social Engagement

1. Industry-academia Collaboration

ICHIA and Yuan Ze University signed a three-year memorandum of cooperation on the "Program for Green Energy, Energy Storage, and Energy Conservation to Create a Sustainable Business Environment with Net-Zero Carbon Emissions" in 2022 to establish a long-term partnership and share educational resources in training cross-disciplinary talent in green energy, energy storage, energy conservation and carbon reduction. In addition, the Company continues to recruit interns through joint campus and department recruitment campaigns organized with multiple colleges and universities in Taoyuan and puts them in appropriate positions to nurture the future pillars of ICHIA from the entry level.





▲ ICHIA's campus recruitment

5 Employee Care and Community Engagement

2. Arts, Culture, and Social Welfare

With the philosophy of taking from and giving back to society, we firmly believe that the responsibilities of an enterprise should include its commitment to society.

- ✓ Long-term support for arts and cultural activities to cultivate colleagues' artistic and cultural literacy
 - Collaborated with Barry You, a ceramic artist, to exhibit his ceramic sculpture works at the "ICHIA Art Museum"
 - Worked with AAEON Foundation to set up the "ICHIA Art Corridor," with works on display changing regularly





Sustainable social engagement

To advance social welfare locally, ICHIA Group invested approximately NTD 3 million in social engagement in 2023:

- Mountain clean-ups: "I Love Guishan Mountain Clean-up Campaign," "Suzhou Gejiawu Mountain Clean-up Campaign," "Torch Volunteer Activity for Environmental Health"
- Teamed up with the Society of Wilderness to organize the "Nankang River Clean-up Campaign"
- Purchased charity desk calendars
- Sponsored the training of national golf players
- Enterprise Fry Donation Campaign for Environmental Protection in the Suzhou High-tech Zone
- Donation to the "Ci Yue Charity Foundation" founded by the President of Senao International to take care of the health of the underprivileged and care for disadvantaged families



▲ I Love Guishan Mountain Clean-up Campaign



▲ Participated in the Society of Wilderness's "Nankang River Clean-up Campaign"





▲ Suzhou Gejiawu Mountain Clean-up Campaign



▲ Enterprise Fry Donation Campaign for Environmental Protection in the Suzhou High-tech Zone





▲ Torch Volunteer Activity for Environmental Health



Attachment 1

Attachment 1 GRI Content Index

Statement of Use	ICHIA has published the 2023 Sustainability Report in accordance with the GRI Standards, and the data and information cover January 1, 2023 to December 31, 2023.
GRI Version Used	GRI 1:Foundation 2021
Statement of Use of GRI Industry Standards	None

	GRI 2					
Indica- tor	Disclosure Requirements	Report Chapter or Description	Description Omitted	Page No.		
1. Org	anization and reporting					
2-1	Organizational details	2.1 Company Profile		15		
2-2	Entities included in the organization's sustainability reporting	Facts of Report		02		
2-3	Reporting period, frequency, and contact point	Facts of Report		02		
2-4	Restatements of information	None				
2-5	External assurance	Facts of Report		02		
2. Act	ivities and workers					
2-6	Activities, value chain, and other business relationships	3.1 Green Product Design 3.2 Supply Chain Management		33 36		
2-7	Employees	5.1.1 Diverse Workforce Structure and Distribution		59		
2-8	Workers who are not employees	(No statistics available)				
3. Gov	vernance					
2-9	Governance structure and composition	2.3.1 Organizational Structure		18		
2-10	Nomination and selection of the highest governance body	2.3.2 Operations of the Board of Directors		20		
2-11	Chair of the highest governance body	2.3.2 Operations of the Board of Directors		20		
2-12	Role of the highest governance body in overseeing the management of impacts	2.3.2 Operations of the Board of Directors		20		
2-13	Delegation of responsibility for managing impacts	2.3.2 Operations of the Board of Directors		20		

GRI 2					
Indica- tor	Disclosure Requirements	Report Chapter or Description	Description Omitted	Page No.	
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2-14	Role of the highest governance body in sustainability reporting	2.3.5 ESG Sustainability Team		26	
2-15	Conflicts of interest	2.3.2 Operations of the Board of Directors		20	
2-16	Communication of critical concerns	2.5.1 Integrity as a Core Value		28	
2-17	Collective knowledge of the highest governance body	2.3.2 Operations of the Board of Directors		20	
2-18	Evaluation of the performance of the highest governance body	2.3.2 Operations of the Board of Directors		20	
2-19	Remuneration policies	2.3.4 Remuneration Committee		25	
2-20	Process to determine remuneration	2.3.4 Remuneration Committee		25	
2-21	Annual total compensation ratio	5.2 Talent Attraction and Retention		61	
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2-22	Statement on sustainable development strategy	Letter from Our Management		03	
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2-26	Mechanisms for seeking advice and raising concerns	2.5.1 Integrity as a Core Value		28	
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2-30	Collective bargaining agreements	5.4 Open-style Management System		68	

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GRI 3 Material Topics 2021				
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3-1	Process to determine material topics			09
3-2	List of material topics	Materity and Stakeholder Engagement		09
3-3	Management of material topics			09

GRI Content Index Disclosure	Chapter	Page No.			
Topic Standards 200/300/400					
GRI 200 Economic					
GRI 201 Economic Performance (2016)					
201-1 Direct economic value generated and distributed	2.4 Operational Performance	27			
GRI 204 Procurement Practices (2016)					
204-1 Proportion of spending on local suppliers	3.2.1 Overview of Supply and	37			
GRI 300 Environmental					
GRI 302 Energy (2016)					
302-1 Energy consumption within the organization	4.1.4 Energy Management	53			
302-3 Energy intensity	4.1.4 Energy Management	53			
302-4 Reduction of energy consumption	4.1.4 Energy Management	53			
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303-3 Water withdrawal	4.3 Water Stewardship	55			
303-4 Water discharge	4.3 Water Stewardship	55			
303-5 Water consumption	4.3 Water Stewardship	55			
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305-1 Direct (Scope 1) GHG emissions	4.1.3 GHG Inventory	51			
305-2 Energy indirect (Scope 2) GHG emissions	4.1.3 GHG Inventory	51			
305-3 Other indirect (Scope 3) GHG emissions	4.1.3 GHG Inventory	51			
305-4 GHG emission intensity	4.1.3 GHG Inventory	51			
305-5 Reduction of GHG emissions	4.2 Increase of Energy Efficiency	53			
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3 environmental criteria	3.2.2 供應鏈管理機制	38
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	5.2 Talent Attraction and Retention	61
901-3 Parental leave 5	5.1.3 Unpaid Parental Leave	61
GRI 403 Occupational Health and Safety (2018)		
03-1 Occupational health and safety management system	5.5 Occupational Health	69
03-2 Hazard identification, risk assessment, and ncident investigation	5.6 Occupational Safety	71
03-3 Occupational health services	5.5 Occupational Health	69
	5.4 Open-style Management System	68
03-5 Worker training on occupational health and safety	5.6 Occupational Safety	71
03-6 Promotion of worker health	5.5 Occupational Health	69
03-8 Workers covered by an occupational health and afety management system	5.6 Occupational Safety	71
03-9 Work-related injuries	5.6 Occupational Safety	71
03-10 Work-related ill health	5.6 Occupational Safety	71
GRI 404 Training and Education (2016)		
04-1 Average hours of training per year per employee	5.3 Talent Development	66

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Topic Standards 200/300	/400	
GRI 400 Social		
GRI 405 Diversity and Equal Opportunity		
405-1 Diversity of governance bodies and employees	5.1.1 Diverse Workforce Structure and Distribution	59
GRI 414 Supplier Social Assessment		
414-1 New suppliers that were screened using social criteria	3.2.2 Supply Chain Management Mechanism	38
GRI 418: Customer Privacy (2016)		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.6 Information Security Management	30

Attachment 2 SASB Content Index

Indicator	ndicator No. Indicator D		Chapter	Page No.
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	N/A	
Employee Diversity and Inclusion	TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for management and all other employees	5.1.1 Diverse Workforce Structure and Distribution	59
	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	3.2 Supply Chain Management	36
Product Lifecycle	TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	N/A	
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	4.4 Waste Management	56
	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	3.2 Supply Chain Management	36
Supply Chain Management	TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	3.2 Supply Chain Management	36
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	3.2 Supply Chain Management	36
	TC-HW-000.A	Number of units by product category	2.2 Global Logistics	17
Industry Activities	TC-HW-000.B	Area of manufacturing facilities	2.1 Company Profile	15
	TC-HW-000.C	Percentage of production from owned facilities	2.1 Company Profile	15



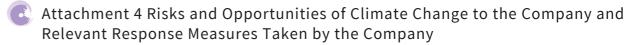
Attachment 3 Sustainability Disclosure Indicators

Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (26 January, 2024)

Table 1-14 Sustainability Disclosure Indicators - Other Electronic Industries

No.	Indicator	Indicator Type	Annual Disclosure	Unit	Page No.	
1	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy)	Quantitative	4.1.4 Energy Management	Gigajoules (GJ), percentage (%)	53	
2	Total water withdrawn, total water consumption	Quantitative	4.3.1 Water Resource Management and Recycling	Thousand cubic meters(m³)	55	
3	Total hazardous waste generated and percentage recycled	Quantitative	4.4 Waste Management	Metric tons (t) Percentage (%)	56	
4	Types of, number of employees in and rate of occupational accidents	Quantitative	5.6 Occupational Safety	Percentage (%), quantity	71	
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled (Note 1)	Quantitative	4.4 Waste Management (No relevant statistics available)	Metric tons (t) Percentage (%)	56	
6	Description of the management of risks associated with the use of critical materials	Qualitative description	3.2 Supply Chain Management	N/A	36	
7	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	None	Reporting currency		
8	Production by product category	Quantitative	2.1 Company Profile	Varies by product category	15	

Note 1: Descriptions including the sale of scraps and the recycling and processing of waste shall be provided.



Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (26 January, 2024)

Table 2 Risks and Opportunities of Climate Change to the Company and Relevant Response Measures
Taken by the Company

Taken by the Company				
ltem	Implementation status			
Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.	4.1.1 Climate Change Response and Management Policies			
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy, and finances (short-, medium-, and long-term).	4.1.1 Climate Change Response and Management Policies			
3. Describe the financial impacts of extreme climate events and transition actions.	4.1.1 Climate Change Response and Management Policies			
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4.1.1 Climate Change Response and Management Policies			
5. If scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions, analysis factors, and major financial impacts used.	4.1.1 Climate Change Response and Management Policies			
6. If there is a transition plan in place to manage climate-related risks, describe the content of the plan, and the metrics and targets used to identify and manage physical and transition risks.	4.1.1 Climate Change Response and Management Policies			
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be described.	No internal carbon pricing is used			
8. If climate-related targets are set, the activities covered, the scope of GHG emissions, the planned schedule, and the progress of each year shall be described; if carbon offsets or renewable energy certificates (RECs) are used to achieve the related targets, the source and quantity of the carbon reduction credits offset or the quantity of the RECs used shall be described.	4.1.1 Climate Change Response and Management Policies			
9. GHG inventory and assurance status, and reduction targets, strategies, and specific action plans	4.1.3 GHG Inventory			

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