



2024 TAI-TECH
Tai-Tech Advanced
Electronics ESG Report
Sustainability Report

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About this Report

Welcome to reading the Sustainability Report (hereinafter referred to as “the Report”) issued by Tai-Tech Advanced Electronics Co., Ltd. (hereinafter referred to as “Tai-Tech” or “the Company”). The 2024 Sustainability Report is the fifth report released by Tai-Tech. We publish electronic versions in both Chinese and English on the ESG section of the Company’s official website. This report discloses the concrete results of Tai-Tech’s ESG implementation in 2024. In the future, the Sustainability Report will continue to be published annually to meet the expectations of all sectors regarding the Company’s sustainable operation.

Disclosure of ESG Information

Disclosure category	Scope of Coverage
Period	The disclosure is for the year 2024. In consideration of the integrity of the information disclosed, if part of the content refers to the operating activities of different years, it will be explained in the text of this report.
Restatements of information	The statistics for new hires and resignations in Chapter 4.2.2 were incorrectly calculated as percentages for 2022 and 2023. This report corrects the data for the previous two years.
Operating locations	<ul style="list-style-type: none"> ● Taiwan (Taoyuan Headquarters) ● China (Kunshan Plant, Taipaq Plant)
Financial performance	Data of the Company's consolidated financial statements
ESH and Employee Performance	<ul style="list-style-type: none"> ● Taiwan (Taoyuan Headquarters) ● China (Kunshan Plant, Taipaq Plant)
Public welfare performance	<ul style="list-style-type: none"> ● Taiwan (Taoyuan Headquarters) ● China (Kunshan Plant, Taipaq Plant)
This Report and Consolidated Financial Statements Boundary's Difference	<p>The companies not included in the consolidated financial statements are as follows:</p> <ul style="list-style-type: none"> ● NORTH STAR INTERNATIONAL LIMITED ● TECHWORLD ELECTRONICS SINGAPORE PTE. LTD. ● JDX Technology Co., Ltd.

Basis for Preparation

This report has been prepared in accordance with the 2021 edition of the GRI Standards issued by the Global Reporting Initiative (GRI), and complies with the Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE/TPEx Listed Companies (hereinafter referred to as the Regulations). It discloses the climate-related information in Appendix II of the Regulations, and voluntarily discloses the sustainability disclosure indicators in Appendix 1 of the Regulations as well as the requirements of the Sustainability Accounting Standards Board (SASB). It explains Tai-Tech's management approaches and performance in major topics such as environment, people (including human rights), and economy. Appendix I GRI Content Index, Appendix II Sustainability Disclosure Indicators for the Electronic Components Industry, Appendix IV SASB Content Index for Electrical & Electronic Equipment, and Appendix V Climate-related Information for TPEx Listed Companies are provided in the annex for stakeholders' reference.

Information confirmation

The financial information disclosed in this report adopts consolidated financial data to better present group performance. It has been audited and certified by PricewaterhouseCoopers Taiwan (PwC Taiwan) in accordance with the International Financial Reporting Standards (IFRS), and is uniformly expressed in NT\$ thousand. Only energy intensity and greenhouse gas emissions intensity are expressed in NT\$ million. Environmental, health and safety, and employee data are presented by each operation site, and the data is compiled by each operation site and confirmed by the responsible department heads. The data is calculated using internationally accepted indicators.

Tai-Tech has formulated the Sustainability Report Preparation and Verification Procedures. The responsible department first reviews the accuracy of the report's contents before submitting it to the ESG Committee to confirm that the report has completely covered all material topics.

To enhance the quality of sustainability information disclosure, Tai-Tech appointed a third-party institution, PricewaterhouseCoopers Taiwan, to conduct assurance in accordance with the ROC Financial Supervisory Foundation's Standard No. 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" for certain ESG information, and obtained a limited assurance report. Please also refer to Appendix 3 of this report.

To meet the needs and expectations of internal and external stakeholders, such as meeting customer needs, ensuring the physical and mental health and safety of employees, and reducing negative impact on the environment, we have actively introduced various management systems and risk management concepts in recent years to continuously improve and enhance and maintain the effectiveness of various systems in pursuit of sustainable operation of the Company.

Release frequency

Date of initial publication: September 2021
Date of previous publication: August 2024
Current publication date: August 2025
Next publication date: August 2026

Management System

Taoyuan Headquarters	Certification Body
ISO 9001:2015	TUV
ISO 14001:2015	TUV
IATF 16949	TUV
ISO 45001:2018	TUV
ISO 14064-1	Crowe (TW) CPAs
ISO 14067	TUV

TAIPAQ Plant	Certification Body
ISO 9001:2015	AFAQ
ISO 14001:2015	Amtivo Group
IATF 16949	AFAQ
ISO 45001:2018	Amtivo Group
ISO 14064-1	Bureau Veritas Certification (Beijing) Co., Ltd.
ISO 14067	Bureau Veritas Certification (Beijing) Co., Ltd.

Kunshan Plant	Certification Body
ISO 9001:2015	AFAQ
ISO 14001:2015	AFAQ
IATF 16949	AFAQ
ISO 45001:2018	AFAQ
ISO 14064-1 (Note)	Under planning

Note: Kunshan Plant is currently in the evaluation and planning stage for ISO 14064-1.

Feedback

If you have any suggestions or advice regarding this report, please feel free to provide your valuable comments or contact us directly:

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ESG website: <https://esg.tai-tech.com.tw/>



Tai-Tech ESG Website



Management system certificates

Message from the Chairman

To our stakeholders who care about Tai-Tech's sustainable development:

In 2024, the global landscape remains filled with uncertainties and challenges. The rise in geopolitical tensions, the continuation of regional conflicts, the ongoing reshaping of global supply chains, and pressures from labor shortages and rising costs have introduced unprecedented complexity into industry operations. However, within these challenges, Tai-Tech sees opportunities. The rapid growth of emerging applications such as artificial intelligence and automotive electronics has fueled strong resilience and growth potential in the information and electronics industry. As a key part of the supply chain, the passive components industry has also benefited from this trend.

In response to industry dynamics, Tai-Tech has always adhered to the principle of stable operations, continually deepening R&D innovation, upgrading smart manufacturing, and steadfastly fulfilling its ESG (Environmental, Social, Governance) commitments. We believe that sustainable development is the cornerstone of long-term corporate prosperity. Over the past year, the Company has not only focused on strengthening its operational structure and financial performance, but also achieved concrete progress in the three key areas of environmental protection, social care, and corporate governance—steadily advancing toward the goal of sustainability excellence.

I. Stable Operations: Building Robust Competitive Resilience

Despite pressure from weak end-market demand, Tai-Tech has concentrated on high value-added markets, actively promoted automation, and expanded its global footprint. Through product portfolio optimization and customer structure improvement, the Company has continued to deliver impressive operational results:

- Annual consolidated revenue reached NT\$5.506 billion, an increase of 24.2% year-over-year
- Net income after tax reached NT\$747 million, an annual growth of 26%
- Earnings per share (EPS) reached NT\$7.33, returning to a growth trajectory

To establish a more flexible and geographically diversified capacity configuration, our Malaysian plant is expected to officially enter mass production in the first half of 2025, complementing our existing sites in Taiwan and China. At the same time, the Company continues to implement digital management systems and enhance process efficiency, effectively improving product quality and operational performance.

II. Environmental Sustainability: Fulfilling Carbon Reduction Commitments through Action

In response to the global trend toward net-zero transition and customer demands for a green supply chain, Tai-Tech actively strengthens its environmental management system by integrating carbon reduction initiatives into every aspect of design, manufacturing, procurement, and operations. Major accomplishments in 2024 include:

- The overall waste reuse and recycle rate was 78.28%.
- Achieved 100% in-house treatment of high-concentration waste liquids with zero environmental violations throughout the year
- Annual electricity saving rate of 1.48%, amounting to 597.6 kWh saved

In product design, Tai-Tech focused on developing high-frequency, high-temperature-resistant, and low-power-consumption products, particularly magnetic components for use in electric vehicles, AI servers, and high-speed computing applications. In 2024, we expanded the use of high-efficiency, high-inductance inductors and adopted MOSFETs with lower on-resistance (RDS(on)). These developments currently account for 6% of all R&D projects, demonstrating our commitment to energy saving and carbon reduction through product innovation. Furthermore, the Company has partnered with supply chain partners to join the green supply chain movement. We have been recognized by the Ministry of Environment for eight consecutive years as an outstanding green procurement unit. We require all suppliers to provide 100% declarations of compliance with RoHS and REACH regulations and certificates of non-hazardous substances, striving to enhance green sustainability throughout the supply chain. We also strictly enforce a “conflict-free minerals” policy, utilize international supply chain tools to monitor upstream mineral sources, and require all suppliers to sign compliance declarations to ensure our procurement sources are free from links to armed conflicts or human rights risks.

III. Social Care: People-Oriented and Community Co-Prosperity

Tai-Tech firmly believes that the value of a company originates from its “people” and “community.” In 2024, the Company increased its investment in employee care, occupational health and safety, education and training, and community welfare:

- Female employee ratio reached 64.64%
- Overall employee satisfaction score reached 93.72%
- Zero cases of major occupational accidents
- Education and training program implementation rate 100%
- Awarded the Bronze Medal by the Workforce Development Agency, Ministry of Labor, under the Talent Development Quality Management System (TTQS)
- Average annual training hours per employee increased year by year: Taoyuan Headquarters: 20.35 hours; Taipaq Plant: 24.08 hours; Kunshan Plant: 29.47 hours
- Donations: Taoyuan Headquarters: NT\$1,153.5 thousand; Taipaq Plant: RMB 57.5 thousand

IV. Strengthening Governance: Enhancing the Quality of Sustainability Decision-Making

Sound corporate governance is the foundation of long-term sustainable development. Tai-Tech continues to optimize its governance structure and internal control systems. Key achievements in 2024 include:

- Ranked in the top 6–20% in corporate governance evaluation results for TPEX-listed companies in both 2023 and 2024
- Board of Directors attendance rate reached 100%, with quarterly reviews of corporate governance performance
- All directors completed annual training on internal controls and ethical business practices
- The Sustainable Development Committee not only tracks progress on greenhouse gas inventory on a quarterly basis but also regularly reviews the achievement rates of ESG Key Performance Indicators (KPIs)

In terms of information security, the Company completed the construction of its information security policy system, clearly defining organizational responsibilities, risk management procedures, incident reporting mechanisms, and emergency response plans. We also introduced an information risk assessment mechanism and an audit tracking system. In 2024, 100 new employees completed information security education and training, covering topics such as cybersecurity awareness, social engineering prevention, and personal data protection.

Starting in the second half of the year, we began implementing ISO 27001:2022 Information Security Management System, aiming to enhance employees' cybersecurity awareness and the Company's organizational resilience through a comprehensive management framework.

V. Future Outlook: Advancing Toward a Global Benchmark through Innovation and Responsibility

Looking ahead, Tai-Tech will continue to focus on the following four core actions to strengthen corporate resilience and advance toward sustainability excellence:

- R&D Innovation: Continue deepening technological R&D and actively develop magnetic components for high-end applications such as electric vehicles, AI servers, and high-speed communications to enhance product value and market competitiveness
- Deepening Carbon Management: In line with ISO 14064 and ISO 14067 principles, comprehensively promote organizational carbon emissions and product carbon footprint inventories, gradually build a scientific carbon reduction management system, and set specific and feasible carbon reduction targets and actions
- Governance Upgrade: Continue improving the transparency and consistency of sustainability disclosures, enhance alignment with international standards such as GRI and TCFD, and strengthen the sustainability governance framework
- Shared Growth with Employees: Promote a diverse and inclusive talent development mechanism, foster gender equality and cross-generational collaboration, and build a cohesive and innovative corporate culture

Tai-Tech's vision is to become the most trusted and sustainable global leader in the field of magnetic components. In the future, the Company will continue to respond to the expectations of society and investors through concrete actions and measurable performance, working hand in hand with all stakeholders to achieve the shared goals of "innovation, sustainability, and mutual prosperity."

Tai-Tech Advanced Electronics Co., Ltd. Thank you sincerely for your support and attention!



About Tai-Tech Advanced Electronics

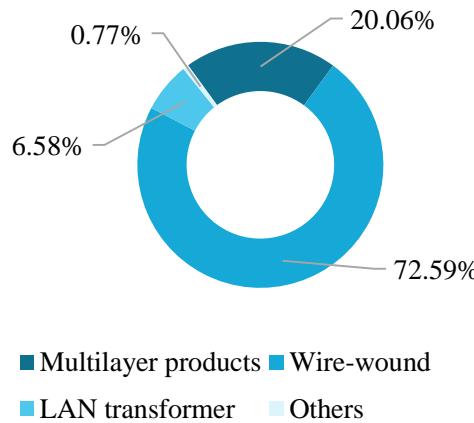
Company Profile



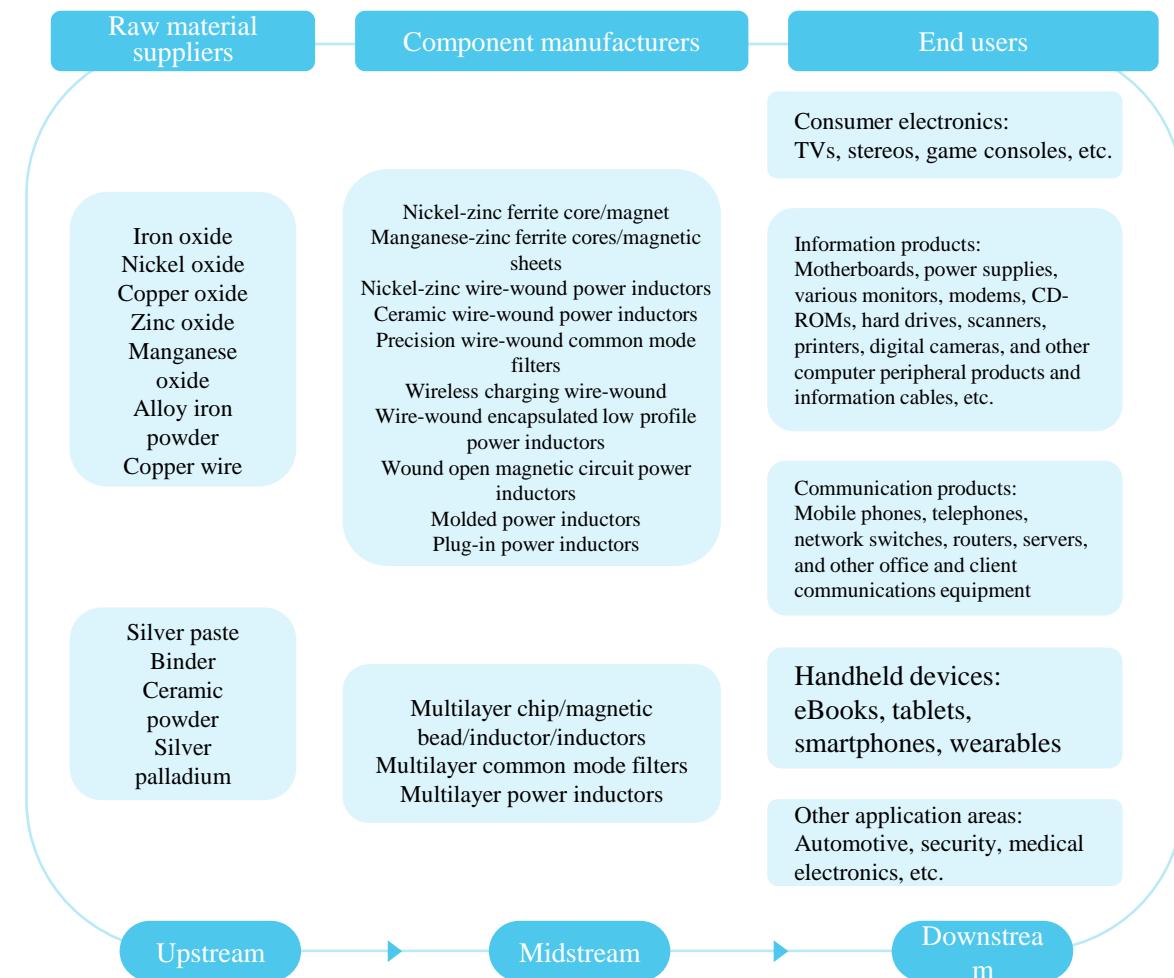
Provider	Tai-Tech Advanced Electronics Co., Ltd.	Location of Headquarters	No.1 You 4th Rd., Yangmei Dist., Taoyuan City, Taiwan
Industry Classification	OTC Electronic Components	SASB Industry Classification	Resource transformation / appliance and electronic equipment
Main Sites of Operations	Taiwan (Taoyuan Headquarters) China (Kunshan Plant, TAIPAQ Plant) Malaysia (Johore Bahru) <small>Note: It is expected to be mass-produced in the first half of 2025.</small>	Proportion of operating revenue by region	Taiwan: 23.55% China: 60.21% Others: 16.24%
Capital	NT\$1,020,340 thousand	Revenue of Current Year	NT\$5,506,106 thousand
Total number of employees	2,353 persons	Major products	Production and sale of magnetic materials and power inductors
Shareholding structure ratio	Domestic corporate shareholders: 29.32% Domestic individual shareholders: 57.73% Foreign institution and individual shareholders: 12.95%	Major products production volume	Wire-wound products: 3,128,312 thousand pieces Multilayer products: 20,609,549 thousand pieces LAN transformers: 108,766 thousand pieces

Tai-Tech Advanced Electronics Co., Ltd. has been operating for more than 40 years since its predecessor, North West Electric Engineering Industry Co., Ltd., was established. With years of experience in magnetic material technology and vertically integrated manufacturing capabilities, the Company has competitive advantages in diverse power inductor products and highly automated production capabilities, and therefore has laid a solid foundation in the power inductive and magnetic components industry. In terms of product portfolio, our three major categories of products are multilayer products, wire-wound products, and LAN transformers.

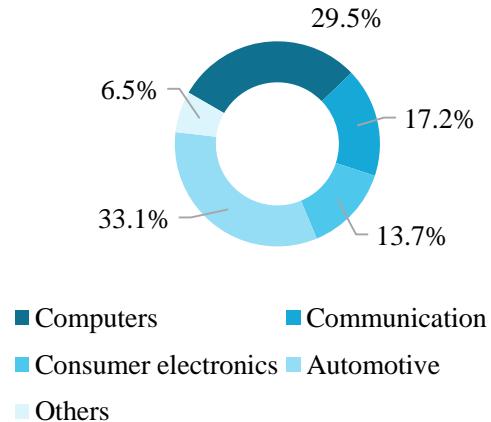
Main product revenue ratio



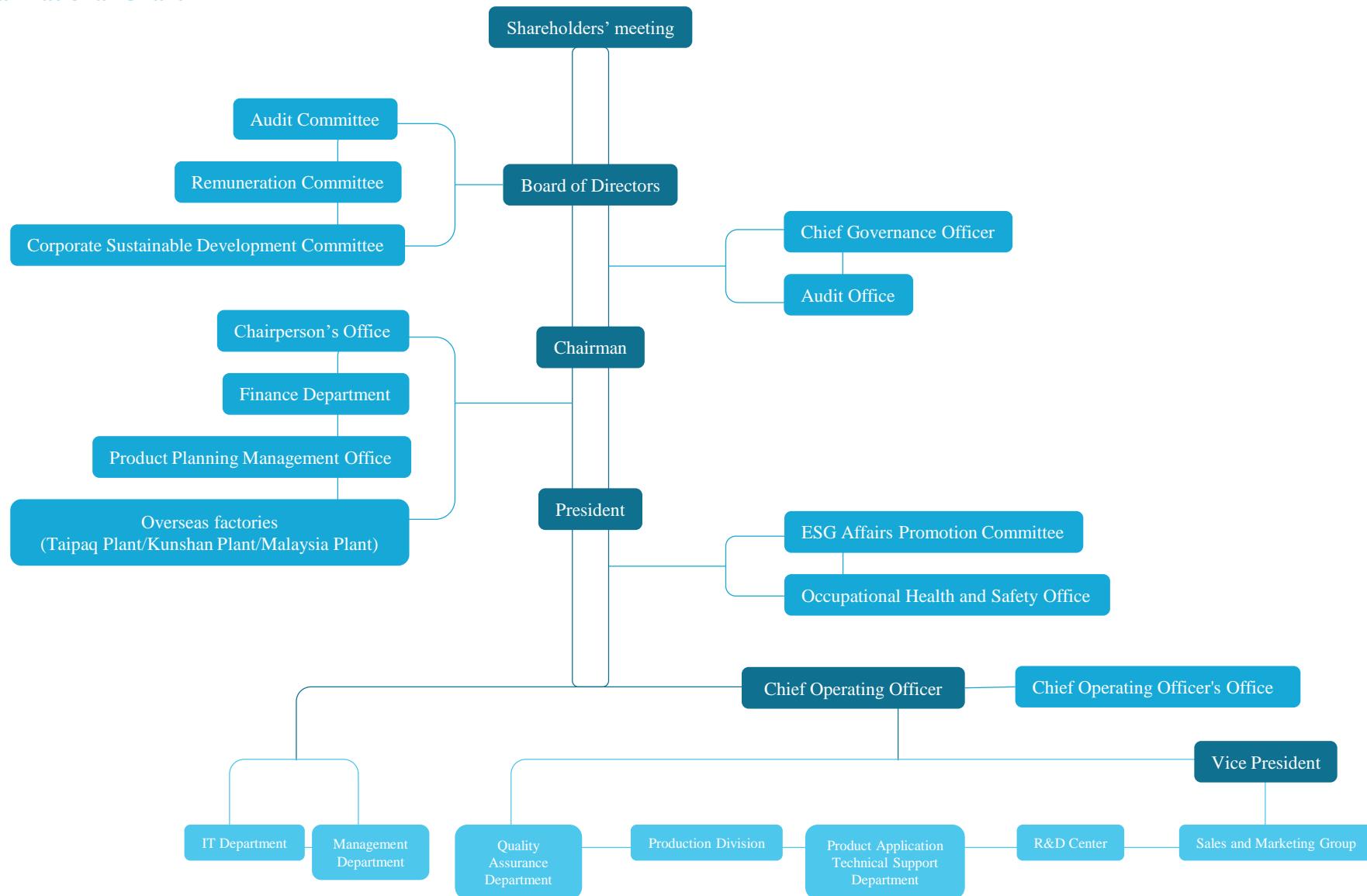
Tai-Tech is at the midstream of the industry chain



Percentage of product application areas



Organizational Chart



Operational Approach

As the functions of electronic products continue to evolve and the specifications of magnetic and power inductor components continue to be improved, electronic products are higher speed, lighter, thinner, shorter, and smaller. Thus, Tai-Tech's main products have been developed in the direction of high frequency, thinning, low loss, high power, and high current resistance. In addition, in response to the global trend of automated production, we consider automated production in the early design stages of the development of each product. With rising environmental awareness in the market, green requirements for electronic components have become more stringent. The above-mentioned trends will shape the future direction of the Company's product development.

In response to the trend of smart manufacturing and green factories, we have steadily promoted our own annual management goals for energy conservation, water conservation, and waste reduction over the years. In the future, we will continue to invest in pollution prevention, energy conservation, and waste reduction to actively reduce the impact of our operating procedures on the environment, while developing first-class durable products with low energy consumption. We will also leverage our strong research and development (R&D) and manufacturing capabilities accumulated over the years to provide clients and the market with the most competitive and forward-looking solutions.

The Company is committed to building a corporate system that is flexible, stable and innovative, and instantly meets market demand by shortening delivery cycles, reducing operating costs and improving product quality. In addition, we will actively cultivate creative and executive talents, strengthen market analysis capabilities, and implement corporate social responsibility and sustainable management goals to ensure the Company's short-term performance improvement and long-term stable growth, creating maximum value for shareholders.

Core values

 Focus on our
 core business

 Pragmatic
 Management

Mission

 Provide customers with high-quality
 magnetic component products and services

Create value for stakeholders

Operational Goals

Short-term	<p>Looking forward to 2025, while the policy direction of the new U.S. government remains unclear and the geopolitical situation remains volatile, uncertainty persists in the global political and economic environment. However, with global inflation gradually easing and international consumption expenditure steadily rising, the momentum for economic recovery remains promising. Driven by continuous innovation in artificial intelligence, automotive electronics, and other technologies, the demand and specifications for electronic components will inevitably rise, bringing simultaneous growth in industry output value and added value. Tai-Tech expects that the information and electronics industry will continue to build on the solid foundation laid in 2024, ushering in more opportunities and challenges in 2025. In light of this relatively optimistic outlook, the Company will leverage its core competencies with more professional technology and superior products, focusing on the aforementioned growth markets, with the aim of achieving double-digit percentage revenue growth in 2025 compared to 2024.</p>
Mid-term	<p>In the upcoming years, TAI-TECH will actively plan and develop automotive grade electronics, network communication, high-speed digital computation, and AI. For product development, the Company will focus on satisfying the demands of the aforementioned application fields and will aim at the development direction of miniaturized products, and products of high frequency, high speed, high current resistance, increased working temperature, as well as increased product performance and reduction of current loss. The Company will also continue to increase product added value and optimize the sales mix of EMI, signal inductors, and power inductors, thereby increasing the shipment proportion of niche products, further boosting gross margin performance and supporting profitability. In the next five years, the goal will be higher than the average growth rate of sales and profits of industry peers.</p>
Long-term	<p>The planning for future product line will also be executed based on the consideration of the international political and economic status change risk. The Company will expand the production line capacity in the headquarter plant in Taiwan and will continue to focus on the core business along with the practical management philosophy, enhancement of ESG implementation, in order to head toward sustainable operation and to achieve the vision of world first-class power inductor supplier with best effort.</p>

Business Development Plan

Tai-Tech follows the guiding principle of "focusing on competitive advantage markets, enhancing innovation capabilities and operational resilience, prudently responding to industry risks, and achieving sustainable growth."

- Short-term
- Risk Management Strategies
 1. Stabilization of the diversified production base layout: Arrange the production capacity of the company's 3+1 production bases, and clearly define the products produced by each factory, production capacity, customer arrangements, and the positioning of each factory within the Group.
 2. Competitive response: Improve production efficiency and reduce manufacturing and operating costs to counter pricing pressure; strengthen market brand influence, enhance brand value and customer loyalty, and reinforce non-price competitiveness; strengthen patent portfolio and actively pursue patent applications; conduct in-depth analysis and early warning on competitors' patents to avoid risks of passive defense or potential infringement.
 3. Market early warning: Adopt the project management model, we establish dynamic analysis systems for key markets, predict terminal market fluctuations in advance, and adjust sales and production plans as soon as possible.
 - Seize business opportunities strategy
 1. Product innovation: Develop differentiated and high value-added products; continue to develop and upgrade specifications of EMI application components; continue to develop and upgrade specifications of power inductor components; in terms of automotive electronics, continue to develop high-reliability products that meet automotive standards; continue to develop related components required by the AI application market; increase the resources of the development and technical support teams to speed up the introduction of the Company's new products to customers.
 2. Market focus: Focus on EMI applications, automotive electronics and network communication applications, and AI application markets.
 3. Sales expansion: Strengthen regional market layout, including emerging markets in the Indo-Pacific and European and American markets.
 4. Production line expansion: The capacity expansion of some product lines shall be timely and meet customer order requirements.
 5. Strengthen product quality: Continuously improve the manufacturing mindset of colleagues with the goal of "zero defect" or "Oppm" to provide customers with high-quality products.
 - Strategies to improve operational power conservation rate
 1. Digital transformation: Continue to strengthen the deployment of digital management systems (such as MES, IoT, Power BI, combat information systems, etc.); introduce AI technology to optimize production processes, improve production efficiency and yield; increase the layout of the Company's product line automation lines; strengthen intelligent warehousing and logistics systems, and improve the transparency, efficiency and accuracy of the Company's warehousing and shipment management.
 2. Cost optimization: Improve process, yield, and efficiency to reduce unit cost; continue to reduce the cost of raw materials, cores, consumables, and other materials, and continue to develop alternative material solutions.
 - Strategies to enhance operational resilience
 1. Strengthen team capabilities and establish a connection between performance appraisal and company strategy execution results.
 2. Internal training: Continuously strengthen internal education and training to enhance the competitiveness of colleagues.
 3. Promotion of ESG-related affairs: Dedicated staff will track regulatory changes and customer requirements to ensure that the Company responds quickly; promote related projects based on the annual key performance indicators set in the annual ESG report.
 4. Enhance information security protection mechanism.

Long-term

Tai-Tech sets its core objective as "becoming the preferred global supplier of magnetic components," with the following strategic directions:

- We will continue to enhance the added value of our products and increase the shipment share of niche products through continuous optimization of our product portfolio, thereby effectively increasing the overall gross profit margin and further consolidating the Company's profitability.
- In response to the uncertainty of the international political and economic environment, the Company's future production line layout will focus on expanding the production capacity of its main plant in Taiwan, and strategically strengthen the production capacity layout in third places outside Taiwan and mainland China based on customer demand to mitigate geopolitical risks and maintain operational flexibility.
- Adhering to the business philosophy of focusing on core business and pragmatic management, we actively strengthen the execution of various environmental, social and governance (ESG) principles, pursue sustainable management, and strive to realize the corporate vision of becoming a world-class inductor supplier.

Participation in External Associations

In addition to enhancing the competitiveness of our core business, we actively participate in relevant associations and organizations to communicate and brainstorm new ideas with businesses in the same industry and connect the influences of various companies and organizations to deepen our social participation.

Taoyuan Headquarters	Identity	TAPAQ Plant	Identity	Kunshan Plant	Identity
Taiwan Electrical and Electronic Manufacturers' Association	Members	Jiangsu Province Environment Federation	Members	Environmental, Safety and Health Association of Kunshan City, Jiangsu Province	Members
Association of Cubs Industry, Taoyuan City	Members	Suqian City High-Tech Enterprises Association	Members	Taiwanese Chambers of Commerce of Kunshan City, Jiangsu Province	Members
Taoyuan City Industrial Association	Members	Taiwan Compatriot Investment Enterprises Association of Suqian City	Director		
Taiwan Passive Component Industry Association	Director	Suqian City Work Safety Association	Members		
		Si-Hong County Charity Federation	Members		



Sign onto external initiatives

The ESG Sustainability Initiative is a public initiative of E.SUN Bank and like-minded corporate partners to implement ESG concepts and actions, and promote the United Nations SDGs sustainable development goals, hoping to exert greater influence and create a better society. In order to demonstrate Tai-Tech's determination to implement ESG to the public, we have also actively responded to E.SUN Bank's call to sign the Sustainable Development Initiative.



ESG Awards and Honors in Recent Years

ESG Awards for Taoyuan Headquarters | ESG Awards for Plants in China



Certificate of
Appreciation for
Planting Adoption



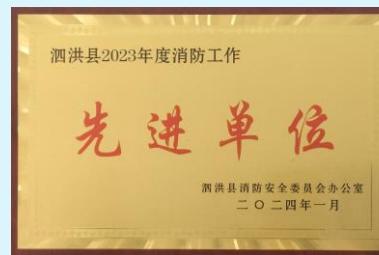
Taoyuan City Government - Green Procurement
Excellence Award



2022 Jiangsu Province Water-Saving
Enterprise



2023 Ethical Enterprise



2023 Si-Hong County Advanced Unit
for Fire Protection



2023 Suqian City Healthy
Enterprise



Member of Suqian City Work
Safety Association



Certificate of Membership of
Si-Hong County Charity
Federation

Corporate Sustainable Development

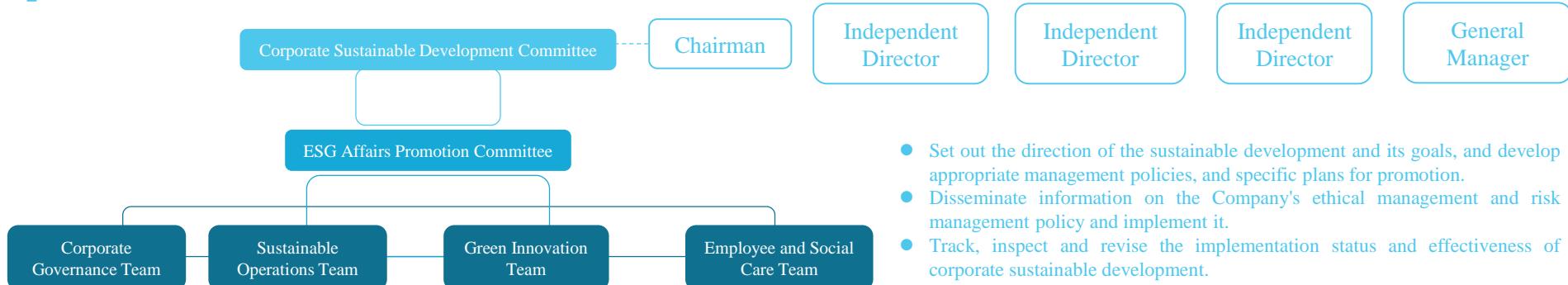
Corporate Sustainable Development Committee

First of all, in order for Tai-Tech to actively manage internal sustainability information and implement a systematic cross-departmental cooperation mechanism for the execution and planning of sustainability initiatives, the Board of Directors has successively approved the “Sustainable Development Best Practice Principles” and the “Corporate Sustainable Development Committee Charter.” The Board authorized the establishment of the Corporate Sustainable Development Committee (hereinafter referred to as the “ESG Committee”), composed of the Chairperson, three independent directors, and the General Manager. The Chairperson serves as the Chair of the ESG Committee. All committee members possess a strong understanding of and professional capabilities in sustainability, and they regularly attend external courses related to corporate sustainability. In addition, the General Manager's Office has established the Sustainable Development Affairs Committee (hereinafter referred to as the “ESG Affairs Committee”). The ESG Affairs Committee has functional teams led by department heads. The General Manager would authorize each of the team leader to manage related topics to corporate governance, sustainable operations, green innovations and employee and societal care and so on functions. We also address stakeholders' expectations in a timely manner. Each team reports to the General Manager on a regular basis, so that the senior management can grasp the progress of ESG implementation in real time and coordinate the provision of necessary resources.

The ESG Committee convenes meetings twice a year. Before the meeting begins, the executive secretary issues a meeting opening notice. Each team leader is requested to compile stakeholders' opinions and submit them to the executive secretary for compilation. The meeting then discusses and reaches a resolution during the ESG committee meeting. Finally, the matters are submitted to the Chairperson for approval. After the preparation of the ESG report, the General Manager will convene an ESG Committee meeting to confirm that the report for release for the current year has covered all ESG material topics. Furthermore, to ensure the quality and accuracy of the ESG information disclosed externally, the Company has established procedures for the preparation and verification of the sustainability report and incorporated these procedures into the internal control system.

The Company also arranges for the General Manager to report on ESG implementation progress to the Board of Directors at least once a year. The Board evaluates the feasibility of the sustainability strategies proposed by the ESG Committee, monitors ESG implementation progress, and, when necessary, offers recommendations to prompt the management team to make adjustments. The Company discloses its sustainability achievements in a timely manner through the Annual Report presented at the Shareholders' Meeting and on the Company's official website. In 2024, prior to submitting the ESG Report, Tai-Tech had the draft approved by the Board of Directors, enabling the Board to be substantively involved in the Company's ESG practices.

Organizational Structure



Sustainable Development Best Practice Principles



ESG Affairs Promotion Committee Charter

Sustainable Development Implementation Outcomes

Sustainability Topics		Achievements in 2024	Future goals
Green Innovation	Energy Management	<ul style="list-style-type: none"> In 2024, the electricity saving was 597.6 kWh Average annual electricity savings rate 2015-2024: 1.48% 	<ul style="list-style-type: none"> Complete average annual electricity saving rate of 1% specified by the Bureau of Energy of the government. Introduce ISO 50001 energy management system and obtain certification Review renewable energy construction plan to effectively reduce energy consumption
	Water Resources Management	<ul style="list-style-type: none"> The reduction of the proportion of core process water consumption from 72% to 70%. In 2024, the core process water consumption ratio reduced by 12.24%, accounted for 57.76% of the total water consumption, with the reduction of tap water of 12,795 tons. In 2024, the recycling rate of ROR wastewater was 14.61%, reducing 13,131 tons of tap water. 	<ul style="list-style-type: none"> In 2025, reduced the ratio of core process water consumption to 70% In 2025, maintained the ROR wastewater recycling rate above 10%. Verify goal achievement rate with ISO 14001
	Green Product	<ul style="list-style-type: none"> Expand the use of high-efficiency, high-inductance power inductors and MOSFETs with lower on-resistance RDS(on). Currently, 6% of the total R&D projects have been completed. 	<ul style="list-style-type: none"> By selecting components, we use high-efficiency power inductors to reduce the temperature of the hottest part of the motherboard by about 10%, and lower on-resistance RDS(on) to reduce the temperature of MOSFETs. Continue to introduce high-efficiency power management active ICs, MOSFETs with low-loss power inductors and low R-ds(on) on new models, and investigate circuit optimization and the latest parts selection from time to time. Improve product energy efficiency to achieve the goal of energy saving through research and development of software and hardware. Continue to cooperate with upstream manufacturers to develop active and passive materials for green design and accumulate green design resources.
	Sustainable Supply Chain	<ul style="list-style-type: none"> During the cooperation between the Company and suppliers, the suppliers were not involved in any serious adverse environmental and social impacts. Adoption of the GRI Environmental and Social Topic Guidelines, screening 100% of new suppliers. In 2024, the local procurement ratio was 56% In 2024, the local procurement ratio of raw materials was 59% In 2024, the green procurement amount reached NT\$24,479 thousand 	<ul style="list-style-type: none"> During the annual supplier audit, suppliers must fill out the supplier audit checklist and return it. If any records of serious adverse impact on the environment or society are found during the transaction or collaboration period, business dealings with such suppliers will be terminated immediately Suppliers are requested to provide certificate for zero-use of hazardous substances, and the Company also submits materials to third party for inspection to implement two-stage controls in order to ensure that products comply with the standards 100%.

Sustainability Topics		Achievements in 2024	Future goals
Employee and Social Care	Occupational Safety and Health	<ul style="list-style-type: none"> ● No major deficiencies from the audit results in 2024 ● Passed the audit for ISO45001 occupational safety and health management system certification ● 5 units of machine safety protection ● 1 case of facility safety improvement 	<ul style="list-style-type: none"> ● Continue to maintain ISO 45001 system certification ● Perform inspection periodically with all department heads once monthly ● Report safety and health matters and internal compliance assessment during monthly meeting ● Number of accident-free working hours reaches 600 thousand hours ● Implement safety observation on internal operations, and perform safety improvement
	Human rights protection	<ul style="list-style-type: none"> ● The total number of hours of human rights training for employees across all plant areas reached 1,848.5 hours, with an average of 2.67 hours per new hire and 1.76 hours per existing employee. ● No human rights infringement incidents occurred in 2024. 	<ul style="list-style-type: none"> ● The average hours of employee human rights training was 2 hours or more. ● Include human rights protection clauses in all supplier contracts at all levels ● 100% of suppliers receiving human rights education and training
	Employee Care	<ul style="list-style-type: none"> ● The average annual salary increase rate for employees reached 3.4%. ● The salaries of full-time, non-managerial employees at all plants have increased compared to the previous year. ● External institutions were commissioned to conduct employee satisfaction surveys, achieving a satisfaction rate of 93.72% and a questionnaire response rate of 84.72%. ● Employee retention subsidy amounted to NT\$10,081 thousand for the year ● No work reduction or unpaid leave throughout the year 	<ul style="list-style-type: none"> ● Employee satisfaction rate reached 70%, and questionnaire response rate reached 95% in 2025 ● No work reduction or unpaid leave in 2025 ● Promote at least one new/optimized employee benefits policy each year ● Engage an external organization to conduct employee satisfaction surveys.
	Talent Cultivation	<ul style="list-style-type: none"> ● Education and training program implementation rate 100% for the year ● Awarded the Bronze Medal by the Workforce Development Agency, Ministry of Labor, under the Talent Development Quality Management System (TTQS) 	<ul style="list-style-type: none"> ● Implementation rate of the education and training plan $\geq 94.6\%$ ● In 2027, the Company received the Silver Medal for the Talent Quality-management System (TTQS) presented by the Workforce Development Agency, Ministry of Labor
Sustainable Governance	Customer Service	<ul style="list-style-type: none"> ● Taoyuan Headquarters and Kunshan Plant distributed questionnaires to the top 20 customers by transaction amount (including alternative customers), achieving a 100% response rate, with average scores of 93.13 and 92.41, respectively. ● The three-year overall average customer satisfaction score has remained above 93.25 points. ● In Q2, the Company completed the implementation of the Responsible Business Alliance (RBA). 	<ul style="list-style-type: none"> ● Customer satisfaction survey average score above 90 points ● The Company continues to maintain the effective operation of the Responsible Business Alliance (RBA).

Sustainability Topics	Achievements in 2024	Future goals
Ethics and Integrity	<ul style="list-style-type: none"> Conducted internal and external education and training on ethical management for a total of 1,548.5 hours A total of 88 new employees reporting to training for a total of 318 hours 495 current employees participated in general training, totaling 247.5 hours All employees sign the Code of Ethics New suppliers signed the Integrity Commitment Letter: 24 at Taoyuan Headquarters, 46 at Qingbang Plant, and 16 at Kunshan Plant The number of integrity violation cases accepted was 0. The General Manager reported to the Board of Directors on the implementation of ethical conduct 	<ul style="list-style-type: none"> All new and current employees must undergo integrity training Employee Code of Integrity signing rate to reach 100% Each site requires 100% of new suppliers to sign the Integrity Commitment Letter Enhance suppliers' ethical commitment requirements, and implement supplier ESG evaluation No integrity violation cases received The General Manager reports to the Board of Directors on the implementation of ethical conduct at least once per year
Innovation and R&D	<ul style="list-style-type: none"> NT\$101,490 thousand invested in R&D Obtained 14 patents in total Accumulated 102 valid patents New product sales accounted for 4.33% of overall revenue The application of TLVR server equipment continues to increase. 	<ul style="list-style-type: none"> Establish systematic development process and R&D database, develop high-end products satisfying market demands, improve market visibility and competitiveness, enhance computer aided design capability Obtain the opportunities on early design-in for high-end and overseas products, in order to develop advanced and high-end products
Product Liability	<ul style="list-style-type: none"> All products comply with the EU's product safety requirements (REACH/RoHS) No major deficiencies were found during internal audit/customer audit 	<ul style="list-style-type: none"> Establish reliability annual verification plan Internal product hazard substance tests, submit each product to SGS to test hazardous substances annually Introduce green raw materials for all raw materials All products comply with EU REACH/RoHS requirements
Information security protection	<ul style="list-style-type: none"> Execute the upgrade of information security software and hardware, and the total investment for information security construction is about NT\$5,000 thousand. Organized 100 new employees' information security training, averaging 0.5 hours per person, and 100% completion rate External professional training for IT personnel for 3 people, 24 hours per person Completed core system vulnerability scans, penetration tests, and disaster recovery drills, and improved high-risk items. No major information security incidents affecting the Company's operations 	<ul style="list-style-type: none"> New recruits, information and communication system operators, information security personnel, and mail service users should complete the information security training courses required by the company. Vulnerability scanning, penetration testing, and disaster recovery drills are performed on the core information and communication system every year, and subsequent improvements are made. Major information security incidents: ≤ 2 incidents per year Implement ISO 27001 information security management system in all factories, obtain certificates, and continue to maintain the effectiveness of the system

Stakeholder Engagement

We attach great importance to interaction with stakeholders. Regardless of the impact caused by Tai-Tech or the impact on Tai-Tech, as the organizations, groups, or individuals are all Tai-Tech's stakeholders. To focus on communication, we have identified seven categories of stakeholders with reference to the five main principles of dependency, responsibility, influence, diverse perspective, and tension under the AA1000 Stakeholder Engagement Standard (SES): government agencies, shareholders, clients, employees, suppliers/contractors, media and banks. For these seven categories of major stakeholders, with respect to the special topics of concerns, Tai-Tech reviews the risks and opportunities in our operations to develop feasible responses and action policies for their main issues of concern. The Company refers to the opinions of stakeholders to formulate the corporate sustainability management policy and vision, and the General Manager arranges to report the two-way communication between stakeholders and the Company to the Board of Directors once a year.

Major Stakeholders		Concerned topic	Communication channel/frequency	2024 Communication Statistics
Government Agencies	<p>Significance to Tai-Tech Government agencies' supervision and audits on the Company's compliance practices</p> <p>Responsible Department/Contact Information Ms. Fan, Jiang from Management Department adminis@tai-tech.com.tw</p>	<p>Energy Management Water Resources Management Waste Management Greenhouse Gas Management Occupational Safety Legal Compliance</p>	<p>Competent Authority Policy Advocacy Meetings / Irregular</p> <p>Telephone, Email, Official Documents / Irregular</p> <p>On-site Audits / Irregular</p>	<ul style="list-style-type: none"> ● Government Labor and Human Rights Seminars: 1 in-person session, 4 online sessions ● ESG Briefings: 3 in-person meetings ● Occupational Safety and Health Labor Inspections: 3 times ● Local Labor Bureau Labor Inspections: 2 times ● Official Correspondence with Government Agencies: 203 incoming documents, 21 outgoing documents
	<p>Significance to Tai-Tech Shareholders are the Company's supporters. The Company shall protect their rights and interests, treat all investors fairly, and they have the right to be fully informed of material matters.</p> <p>Responsible Department/Contact Information Ms. Lee, Shareholder Affairs invest@tai-tech.com.tw</p>	<p>Operational performance Ethical Management Legal Compliance Information security protection Climate Change</p>	<p>Email / Irregular</p> <p>General Shareholders' Meeting / Annually</p> <p>Investor Conference / Irregular</p> <p>Financial Statements / Quarterly</p> <p>Annual Report / Annually</p> <p>Investor Section on Official Website / Monthly</p> <p>Market Observation Post System of TWSE / Irregularly</p>	<ul style="list-style-type: none"> ● Shareholders present at the General Shareholders' Meeting represented 58.11% of total shares ● Investor hotline received 42 calls ● Organized 5 investor conferences ● Received 30 emails from investors
	<p>Significance to Tai-Tech The bank loan allows the Company to continue investing in energy-saving equipment, maintain product competitiveness, and create more revenue for the Company.</p> <p>Responsible Department/Contact Information Ms. Ho from Accounting Department acc@tai-tech.com.tw</p>	<p>Legal Compliance Waste Management Product safety Ethics and Integrity Operational performance Climate Change</p>	<p>Email / Irregular</p> <p>Visits / From time to time</p> <p>Communication software / Irregularly</p>	<ul style="list-style-type: none"> ● 621 emails ● Conducted 30 interviews

Major Stakeholders		Concerned topic	Communication channel/frequency	2024 Communication Statistics
Customer	<p>Significance to Tai-Tech We emphasize the importance of customer needs. When customers put forward requirements, we are committed to providing the best solutions and high-quality products to meet customer expectations.</p> <p>Responsible Department/Contact Information Mr. Hsieh, Sales and Marketing Business Group sales@tai-tech.com.tw</p>	Ethical Management Legal Compliance Operational performance Innovation and R&D Product safety Customer Service Information security protection Greenhouse Gas Management	Client video conference / Irregularly Business Visits / Irregular Customer Satisfaction Survey / Annually Telephone, Email / Irregular Communication Software / Weekly	<ul style="list-style-type: none"> Customer Satisfaction Survey for the Current Year: Questionnaire recovery rate: 100%; Average score: 93.13 points Note: The survey content covers four aspects—quality, delivery, technology R&D, and price and sales services Participation in ESG Symposia Hosted by Customers: 3 in-person session, 4 online sessions
Employees	<p>Significance to Tai-Tech The growth of Tai-Tech is due to the efforts of employees. Therefore, establishing good labor-management relations and smooth communication channels is an important factor for maintaining stable operations of the Company.</p> <p>Responsible Department/Contact Information General Manager: g110@tai-tech.com.tw , internal extension, and employee suggestion box</p>	Legal Compliance Ethical Management Operational performance Remuneration and Benefits Human rights protection Occupational Safety Labor-Management Communication Talent Cultivation	General Manager's Email, Employee Suggestion Box / Irregular Labor-Management Meetings / Quarterly Employee Welfare Committee / Quarterly Occupational Safety and Health Committee / Quarterly Anonymous Employee Satisfaction Survey / Irregular	<ul style="list-style-type: none"> Number of cases received via General Manager's email: 0 Number of cases received via Employee Suggestion Box: 0 Labor-Management Meetings held: 4 times Employee Welfare Committee: Convened 4 meetings, with 2 extraordinary motions Occupational Safety and Health Committee Meetings: 4 times Conducted 1 time of employee satisfaction anonymous survey Employee satisfaction survey averaged 93.72% Number of employee-reported occupational safety and health issues: 7 cases
Suppliers/ Contractors	<p>Significance to Tai-Tech Tai-Tech is committed to working with suppliers and distributors under the collaborative structure to jointly create a complete sustainable value chain.</p> <p>Responsible Department/Contact Information Ms. Wang from the Procurement Section procurement@taitech.com.tw</p>	Sustainable Supply Chain Green Product Raw Material Management Human rights protection Ethical Management Waste Management Climate Change	Telephone, email, communication software / Irregular Supplier audit checklist / Annually External audit operations of business waste cleaning contractors / Irregular	<ul style="list-style-type: none"> ESG Assessment Forms signed by 18 suppliers Supplier audit checklist: 35 suppliers in total, 11 for product Undertaking of Anti-corruption signed: 24 suppliers in total, 5 for product A total of 83 contractors signed safety undertaking External audit on 4 industrial waste contractors
Media	<p>Significance to Tai-Tech Maintain good communication channels with the media to convey complete corporate information and brand image.</p> <p>Responsible Department/Contact Information Spokesperson Mr. Tseng james-t@tai-tech.com.tw</p>	Legal Compliance Public Welfare Participation	Email / Irregular Media Interviews / Irregular Press Releases / Irregular	<ul style="list-style-type: none"> Approximately 6 media interviews conducted each quarter 6 telephone call 5 investor conference Approximately 2 press releases issued each quarter

Identification of Major Themes

To accurately capture the sustainability issues that major stakeholders are concerned about and understand the level of impact of each issue on them, we collect the sustainability issues raised by major stakeholders in the routine business dealing process of each department. The committee converged and compiled, referring to the 2021 edition of the GRI Standards and ESG reports of peers, to summarize 20 sustainability issues covering the economy, environment, and people (human rights) to ensure that the sustainability information disclosed by Tai-Tech meets the requirements of the GRI for completeness and diversity of requirements.

ESG Sustainability Issues

Environment

E

Water Resources Management
Energy Management
Greenhouse Gas Management
Waste Management
Sustainable Supply Chain
Raw Material Management
Green Product
Climate Change

Population
(human rights)

S

Remuneration and Benefits
Labor-management communication
Occupational Safety
Talent Cultivation
Human rights protection
Public Welfare Participation

Economic aspect

G

Ethics and Integrity
Operational performance
Innovation and R&D
Information security protection
Product Liability
Customer Service

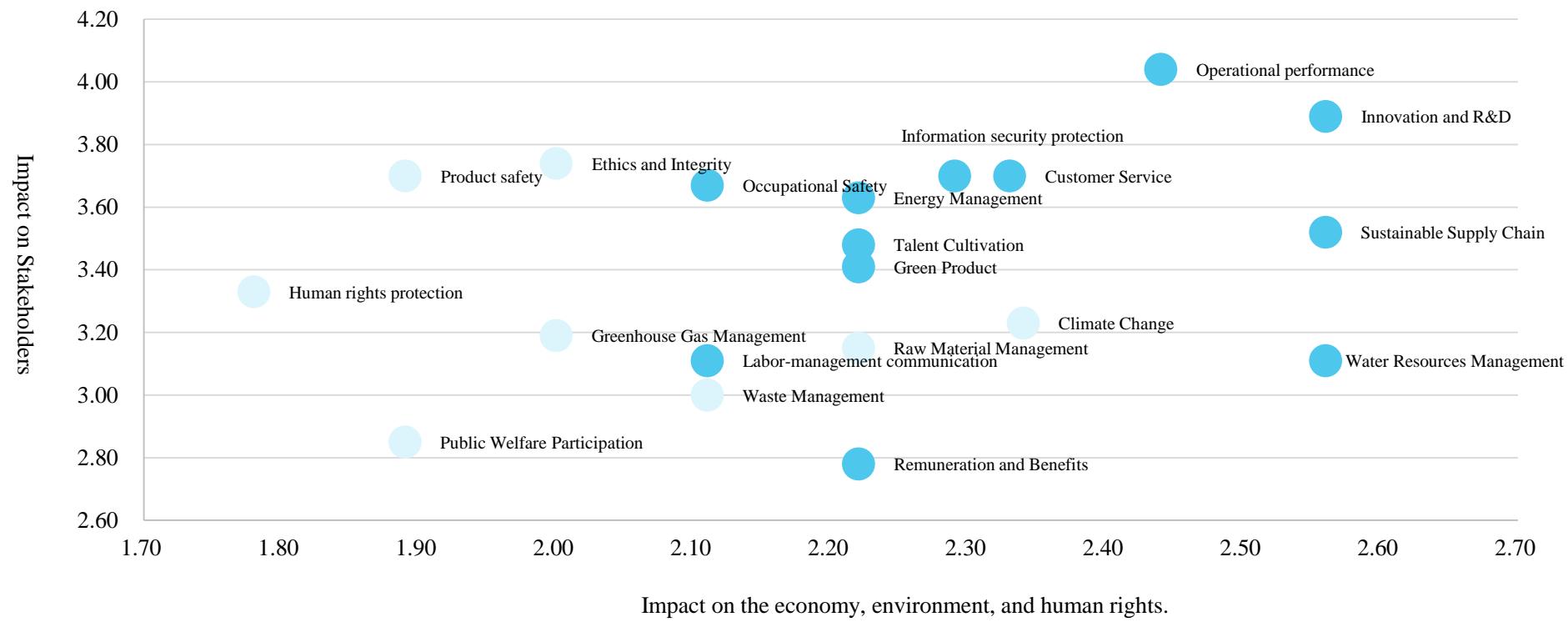
Note: Corporate governance, risk management, and legal compliance fall within the scope of required disclosures in the GRI Standards: 2021. Therefore, although they are not included in the list of sustainability issues, they will still be disclosed in this report.

Secondly, Tai-Tech invited key stakeholders to complete a stakeholder questionnaire via an online survey. A total of 35 questionnaires were collected, including 11 from shareholders, 4 from employees, 9 from customers, 10 from suppliers/contractors, and 1 from others. The questionnaire results provided scores reflecting the degree of impact that each sustainability issue has on major stakeholders. Then, nine senior executives at Tai-Tech evaluated and scored each issue based on its significant internal or external impact on the economy, environment, and people (including human rights). Using the principle of double materiality—considering both the level of impact on key stakeholders and the level of internal/external impact on Tai-Tech—the scores were compiled into a materiality matrix. The ESG Affairs Promotion Committee subsequently held discussions and prioritized the top four issues within each of the three dimensions: economic, environmental, and social (human rights). This process confirmed the 12 material topics that the Company should prioritize for disclosure in 2024, listed in order as follows: Innovation and R&D, Operational Performance, Sustainable Supply Chain, Customer Service, Information Security, Energy Management, Water Resource Management, Occupational Safety, Talent Development, Green Products, Labor-Management Communication, and Compensation and Benefits. This report will outline the management approaches and performance indicators for each of these material topics.

Material Topics Identification Process



Material Topic Matrix Diagram



Sorting	2023 Material Topics	2024 Material Topics	Compare	Sorting	2023 Material Topics	2024 Material Topics	Compare
1	Operational performance	Innovation and R&D	↑1	7	Occupational Safety	Water Resources Management	Newly Added
2	Innovation and R&D	Operational performance	↓1	8	Energy Saving and Carbon Reduction	Occupational Safety	↓1
3	Product Liability	Sustainable Supply Chain	↑6	9	Sustainable Supply Chain	Talent Cultivation	Newly Added
4	Customer Service	Customer Service	-	10	Human rights protection	Green Product	↑1
5	Remuneration and Benefits	Information security protection	Newly Added	11	Green Product	Labor-management communication	Newly Added
6	Ethics and Integrity	Energy Management	↑2	12	Waste Management	Remuneration and Benefits	↓7

Chapters Corresponding to Material Topics

Material Topics	Significance to Tai-Tech ★ Positive Impact / ▲ Negative Impact	Internal	External				Corresponding GRI Topic Guidelines	Disclosure Chapter
		Company	Shareholders	Customer	Suppliers/Contractors	Banks		
Innovation and R&D	★ The Company is committed to the product R&D and technology innovation, and continues to expand product application field, in order to increase the lead from competitors and to establish firm leading advantages.	●	●	●		●	Custom Topics (Innovation-1)	2.1.2
Operational performance	★ Good operational performance can not only improve the Company's profitability, provide better employee benefits to attract and retain outstanding employees, but also provide better quality products and services to attract more customers and improve the Company market share of our products, thereby creating greater profits for shareholders.	●	●			●	GRI 201: Economic Performance 2016 (201-1~201-3)	1.1.5 3.1.1 4.3.6
Sustainable Supply Chain	★ The Company values the topic of corporate sustainability. With regard to the management of the supply chain, we have built the Company's supply ecological chain with the strategy of "like-minded, symbiotic, co-prosperous, and local" and built the supply chain's ESG resilience.	●		●	●	●	GRI 204: Procurement Practices 2016 (204-1) GRI 308: Supplier Environmental Assessment 2016 (308-1, 308-2) GRI 414: Supplier Social Assessment 2016 (414-1, 414-2)	2.2.4
Customer Service	★ Customers are the main source to the revenue of the Company, and the Company values product quality, delivery, technology R&D and sales service as the highest commitment to customers. Maintaining high customer satisfaction on the Company will be beneficial to continue winning customer recognition of the Company.	●	●	●		●	Custom Topics (Customer-1)	2.3.1
Remuneration and Benefits	★ With sound remuneration and benefit system, retention of outstanding personnel can be achieved, and greater outstanding talents can also be attracted to join Tai-Tech.	●					GRI 202: Market Position 2016 (202-1) GRI 401: Employment 2016 (401-1~401-3) GRI 405: Employee Diversity and Equal Opportunity 2016 (405-2)	4.2.2 4.3.1 4.3.2 4.3.3

Material Topics	Significance to Tai-Tech ★ Positive Impact / ▲ Negative Impact	Internal Company	External				Corresponding GRI Topic Guidelines	Disclosure Chapter
			Shareholders	Customer	Suppliers/Contractors	Banks		
Information security protection	★ In the face of increasingly severe information security threats in recent years, the Company has invested considerable resources in information security to build a robust information security protection network, effectively safeguarding the confidentiality of data for both the Company and its customers.	●	●	●		●	Custom Topic (Information Security-1)	1.1.6
Energy Management	★ As climate change gradually becomes more severe, controlling energy at the source has become an industry trend. The Company has also made great efforts in its daily operations to implement energy-saving measures and continues to achieve the government's target of an average annual electricity saving rate of 1% for large energy users.	●	●	●		●	GRI 302: Energy 2016 (302-1~302-5)	2.1.3 3.2.1
Water Resources Management	★ Water conservation helps the Company reduce water expenses and treatment costs. Poor water resource management may lead to water supply risks, increased costs, and even production line shutdowns, which could affect the Company's operations. The Company has implemented water resource control measures to address future climate risks.	●					GRI 303: Water and Effluents 2018 (303-1~303-5)	3.3
Occupational Safety	★ As employees contribute to the Company, the Company shall protect the physical and mental well-being of employees. Employee safety is the Company's unchanging commitment. In the event of an accidental occupational accident, it may result in interruption of the Company's operations and a decrease in productivity, as well as damage to the image and related legal liabilities.	●		●		●	GRI 403: Occupational Health and Safety 2018 (403-1~403-10)	4.5
Talent Cultivation	★ The talent cultivation is a core key to the Company's long-term development and competitiveness. Cultivating employees' professional abilities can improve overall work efficiency and innovation, thereby strengthening the Company's competitiveness in the industry.	●	●	●			GRI 404: Training and Education 2016 (404-1~404-3)	4.4.1 4.4.3
Green Product	★ To satisfy customers' high emphasis on the environment, the Company introduces the green concept at all stages of the product life cycle to reduce the negative impact on the overall environment.	●		●	●		GRI 302: Energy 2016 (302-4, 302-5) Custom Topics (Green-1)	2.1.3 3.2.1
Labor-management communication	★ Harmonious labor-management relations are key to establishing a stable working environment, promoting productivity, and reducing labor disputes. Good labor relations not only boost employee morale but also support the Company's long-term development and enhance its social image.	●					GRI 402: Labor/Management Relations 2016 (402-1)	4.3.4

Chapter 1_Sustainable Governance

□ 2024 Key Performances

**Consolidated
operating
revenue
5,506,106
thousand**

The Company's consolidated revenue: NT\$5,506,106 thousand

**Responsible
Business
Alliance
RBA**

Introduced the Responsible Business Alliance (RBA)

**Governance
Evaluation
6~20%**

Corporate governance evaluation: ranked in the 6%~20% range among TPEx-listed companies

**NT\$5,000
thousand**

Approximately NT\$5,000 thousand invested in information security

**565.5
Hours**

Total number of integrity training hours for new and current employees reached 565.5 hours

1.1 Robust Governance

- 1.1.1 Corporate Governance
- 1.1.2 Ethics and Integrity
- 1.1.3 Legal Compliance

1.2 Risk Management

- 1.1.4 Internal control
- 1.1.5 Operational Performance
- 1.1.6 Information Security

1.1_Robust Governance

The shareholders' meeting is composed of all shareholders. It makes decisions on major issues of the Company and listens to the reports of the Board of Directors on a regular basis. It is the highest decision-making body of the Company while the Board of Directors is the highest governing body. All Board members fulfill the duty of care as good administrators and plan the Company's business policies and review the financial performance and ensure that the Company's operations comply with various laws and regulations. In order to improve corporate governance and strengthen the Company's competitiveness, the Board of Directors has established an Audit Committee and a Remuneration Committee to improve the operation of the Board of Directors. There is also an independent Audit Office under the Board of Directors, which audits and reports the audit results to the Audit Committee and the Board of Directors.

Tai-Tech attaches great importance to corporate governance, pursues sustainable growth and ethical management, and continues to strengthen the corporate governance structure. We uphold information transparency and an effective internal control system to protect the rights and interests of stakeholders. In accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, the Company weighs the Company's overall operating activities, designs and implements an internal control system, and reviews it at any time to respond to changes in the internal and external environment to ensure the continued effectiveness of the design and implementation of the internal control system. Hence, a comprehensive management mechanism was built to improve operational performance and achieve the goal of sustainable development.

At the same time, the Company's financial statements are regularly audited and certified by accounting firms, and various information disclosures required by laws and regulations can be accurately and timely completed. The responsible personnel are responsible for the disclosure of the Company's information to the public, and a spokesperson system has been established to ensure various material information can be disclosed in a timely and fair manner for shareholders and stakeholders to refer to the Company's financial and business-related information.

Striving to continue to pursue progress in corporate governance, Tai-Tech has appointed the Manager of the Accounting Department to hold concurrent position as the Head of Corporate Governance in November 2022. Her responsibilities are to handle matters related to the Board of Directors and shareholders' meetings, prepare the minutes of the Board of Directors and shareholders' meetings, assist directors in taking office and continuing education, provide directors with the information needed to perform duties, and assist directors in complying with laws and regulations and more. Tai-Tech was ranked among the top 6% to 20% of all listed OTC companies in the 2023 and 2024 corporate governance evaluations under the leadership of the corporate governance officer.

Scope of Action by the Head of Corporate Governance

- Corporate governance supervisor up to 18 hours of training
- The average number of hours of continuing education per director is 6 hours
- In August 2024, the Company purchased directors and supervisors liability insurance with an insured amount of US\$ 5 million.
- In the 11th Corporate Governance Evaluation for 2024, the Company ranked in the 6%–20% range among TPEx-listed companies.

1.1.1_Corporate Governance

Tai-Tech adheres to the business philosophy of focusing on the core business and pragmatic management. In addition to actively recruiting outstanding talents to the Board of Directors to assist with business management, we duly implement compliance and strengthen corporate governance through the operation of the board's performance evaluation, the Audit Committee, and the Remuneration Committee, to protect each shareholder's rights and interest effectively.



Corporate Governance
 Best Practice
 Principles

The Board of Directors regularly participates in ESG projects

- The General Manager shall report to the Board of Directors at least once per year on the following items:
 1. Annual sustainable development implementation status
 2. Annual ethical management performance
 3. Annual information security protection overview
 4. Annual stakeholder engagement outcomes with the Company
- The ESG report shall be submitted to the Board of Directors for resolution prior to public disclosure and annual upload.

Board of Directors

The Board of Directors is responsible for drawing the Company's business strategy and being accountable to shareholders and other stakeholders. The directors faithfully perform their duties and exercise good managerial care, exercising their functions and powers in a prudent manner, and have an impact on the execution of the Company's business and the operations and arrangements of various governance systems. Except for matters that shall be resolved by the shareholders' meeting according to law or the Articles of Incorporation, they shall be resolved by the board of directors. Tai-Tech's Articles of Incorporation stipulates that a candidate nomination system shall be adopted for the election of directors. Periodic re-election shall be conducted in accordance with the principle of meritocracy. Meanwhile, according to the Corporate Governance Best Practice Principles, the selection of directors shall consider diversity, including but not limited to basic requirements and values, professional knowledge and skills, and generally possess the knowledge, skills, and attainments necessary to perform their duties.

Tai-Tech's Board of Directors is the highest governance body of the Company, consisting of 9 directors, including 6 directors and 3 independent directors, serving a three-year term. The current term of the Board is from June 21, 2022, to June 20, 2025. There are no directors concurrently serving as managers. Among the 9 directors, 8 are of Taiwanese nationality. In line with the Company's global development, the proportion of directors with international backgrounds will be gradually increased in the future. Additionally, none of the independent directors has served more than three consecutive terms. Among the 9 directors of the Board of Directors, those specializing in operational judgements, business management, leadership and decision making, and crisis management include director Ming-Yen Hsieh, director Yu-Hsiang Yu Hsieh, director CHEN CHIN SHENG, director Chien-Jung Lin, director Kuei-Kuang Huang, director Chih-Cheng Hung, and director Yu-Tsun Li. Director Yang-Pin Shen specializes in accounting and finance, and director Yi-Chun Chiang specializes in law. The two directors offer useful advice on matters related to accounting, finance, and law as well as corporate governance. In terms of age, the age distribution of current directors is diverse, including middle-aged and senior people, ensuring that the board of directors strikes a balance between experience inheritance and innovative perspectives.

In 2024, the Board of Directors convened a total of 7 meetings. The attendance rate of members is shown in the table below:

Board Member

Note: For detailed information such as education, experience, concurrent positions, and operation-related regulations of Board members, please refer to the 2024 annual report of the Shareholders' Meeting of Tai-Tech or the Company's official website.

Title	Name	Actual attendance rate	Concurrently serving as a director	Industry and ESG-related background and experience
Chairman	Ming-Yen Hsieh	100%	0	Industry and Management
Director	Yu-Hsiang Yu Hsieh	100%	0	Industry
Director	Chin-Sheng Chen	100%	0	Industries and International Markets
Director	Chien-Jung Lin	86%	0	Industry and Management
Director	Chih-Cheng Hung	100%	0	Management
Director	Kuei-Kuang Huang	100%	0	Industry and Management
Independent Director	Yu-Tsun Li	71%	0	Industry
Independent Director	Yang-Pin Shen	100%	2	Finance
Independent Director	Yi-Chun Chiang	100%	1	Legal

3 independent
directors
33.3%



2 female
directors
22.2%



Age of the 5
directors
Under 60 years old
55.6%



In addition, the Company values gender equality in the composition of the Board of Directors. Currently, there are two female directors, accounting for approximately 22%. The proportion of female directors does not exceed one-third because the Company has historically prioritized professional competence and experience in director selection, limited by the gender ratio of talent with a professional background in the electronic component industry. The Company recognizes the importance of female directors to the diversity of the Board and will actively promote and increase the participation of female directors in the future, including expanding the selection scope of director candidates and setting specific goals.

Statistics on Director Diversity

	Male	Female		Aged 50 - 60	60 or above		Graduate school	Junior college	Others
Gender	7 persons	2 persons	Age	5 persons	4 persons	Educational background	5 persons	1 persons	3 persons
	77.8%	22.2%		55.6%	44.4%		55.6%	11.1%	33.3%

Note: Percentage of female directors = (Number of female directors at the end of the year/Number of directors at the end of the year)*100%

To construct a good operating system for the Board of Directors, improve the supervision function, and ensure that independent directors can maintain independence when performing business, the Board of Directors of Tai-Tech has passed the "Procedures for Board of Directors Meetings" to clearly define the scope of directors' responsibilities for compliance. Directors shall uphold the spirit of self-discipline and recuse themselves from conflicts of interests. For those who has a stake in board matters and the directors themselves or the juristic person they represent, besides providing an explanation on the important contents of the interests at stake at the board meeting, and if there is harm to the interests of the Company, the director shall recuse himself/herself from discussions and voting, and may not exercise voting rights on behalf of other directors.

To effectively manage risks and increase the willingness of professionals to serve as directors, the Company has purchased US\$5 million liability insurance for directors and managers to eliminate worries for directors and reduce and spread the risks caused by directors' mistakes or negligence. Hence, it lowers the risk of material damage to the Company and shareholders.

At the same time, during daily operations, Tai-Tech's various departments maintain communication and interaction with stakeholders through routine channels to identify potential issues and areas of concern. If a stakeholder or sustainability issue is deemed to pose a significant negative impact on the Company's operations, reputation, or financial condition, the relevant responsible department will initiate a due diligence process. This investigation covers, but is not limited to, areas such as financial condition, legal compliance, environmental protection, and labor and human rights. The results of the investigation are submitted to the General Manager and the Chairperson for review. The Chairperson, based on the nature of the issue and its potential impact on the Company, will decide whether to escalate the matter to the Board of Directors for discussion. If the Board determines that the issue is material, it will review the investigation report, pass a resolution, and assign a responsible department to carry out follow-up countermeasures and improvement plans, thereby safeguarding the Company's sustainable operations and the interests of all stakeholders. Additionally, the Company holds two ESG Committee meetings annually. During these meetings, the General Manager reports internal and external ESG issues to the Chairperson and three independent directors, and also arranges to report ESG implementation progress to the Board of Directors. As of the end of 2024, the Company has not encountered any material negative incidents requiring escalation to the Board of Directors. Lastly, to further enhance the Company's competitiveness and meet customer requirements, Tai-Tech proactively introduced the Responsible Business Alliance (RBA) in the second quarter of 2024.



Rules of the Procedure for
 Board of Directors' Meetings



Resolutions of the Board of
 Directors

Continuing Education of Directors

Tai-Tech considered various legal compliance and governance practice issues that directors may face when participating in the company's operational decision-making. The head of corporate governance arranged for directors to take relevant professional courses. In 2024, all directors received a total of 54 hours of continuing education, and each director received 6 hours of continuing education, of which 100% are studies related to corporate sustainability. In the future, the Head of Corporate Governance will also continue to plan courses related to corporate sustainability for directors. Tai-Tech believes that under the leadership of the Board of Directors with ethical governance and extensive industry experience, the Company's operations will be more vigorous, and the Company will continue to make great strides on the road of sustainable development.

Performance Evaluation of the Board of Directors

To implement corporate governance and enhance the functions of the Board of Directors, Tai-Tech formulated the “Regulations for Performance Evaluation of Board of Directors of Tai-Tech Advanced Electronics Co., Ltd.” in accordance with the “Corporate Governance Best Practice Principles” for TWSE/TPEx Listed Companies, to carry out director performance evaluation procedures. The performance evaluation shall be conducted at least once a year, as per regulations, in the form of internal self-evaluation of the Board of Directors, self-evaluation of directors, and peer evaluation. For every three years, the evaluation is conducted by an external professional independent institution or external experts and scholars. The evaluation results shall be submitted to the Board of Directors for review and improvement, and the relevant information shall be revealed in the annual report. The Board of Directors' performance evaluation results will be adopted as a reference for the selection or nomination of directors, and the individual directors' performance evaluation results will be used as the basis for determining their remuneration. The most recent external evaluation was conducted in 2023. The Company commissioned the Taiwan Corporate Governance Association to carry out a professional assessment of the Board of Directors and its functional committees. The overall evaluation results were rated as excellent, indicating that the operations of the Company's Board of Directors and functional committees are sound. The Company continues to make improvements based on the recommendations provided in the external evaluation report, moving toward the goal of further strengthening Board operations to enhance the effectiveness of corporate governance.

Self-evaluation (questionnaire)

Year	2022	2023	2024
Board of Directors	98.4	98.4	96.5
Audit Committee	97.9	97.9	92.1
Remuneration Committee	99.6	99.6	85.6
Sustainable Development Committee	N/A	N/A	95.8

External assessment (questionnaire, on-site visit)

Year	2022	2023	2024
Board of Directors and functional committees	-	-	Excellent

Remuneration Committee

To improve Tai-Tech's remuneration system for directors and managers, and to evaluate the business performance of directors and managers and whether the remuneration they received is fair and reasonable, the Board of Directors passed the Remuneration Committee Charter and established a Remuneration Committee under the Board of Directors. Independent directors shall take up more than half of the seats of the Committee. Currently, all 3 committee members are independent directors. In 2024, three meetings were held, and the attendance rate of all members of the Remuneration Committee meeting reached 100%.



Remuneration Committee
Charter



Remuneration Committee
meeting minutes

Articles of Incorporation

- Where there are earnings in the final account, no less than 6% shall be allocated as employee compensation, either in cash or in shares, as resolved by the Board of Directors - employees qualified for such compensation include employees from affiliated companies who meet certain criteria; and no higher than 2% shall be allocated as remuneration for directors and supervisors. The distribution of employee remuneration and director remuneration shall be approved by a special resolution of the board of directors and reported to the shareholders' meeting.

Director Remuneration Policy

- According to the Company's Remuneration Regulations for Directors, the Remuneration Committee may determine the remuneration for directors performing their duties based on the level of participation and contribution of individual directors, with reference to the general standard of the industry in the industry.
- According to the Company's Articles of Incorporation, if the Company makes a profit in a year, no more than 2% of it shall be allocated as director remuneration. In addition, the Company, being it in profit or loss, must pay independent directors a monthly fixed amount of compensation for their performance of duties. Such compensation may be adjusted by the Remuneration Committee by looking at the extent of their participation in the Company's operations and the value of their contribution. Independent directors do not participate in the distribution of profit-sharing remuneration to directors.

In addition, to comply with the requirements of the competent authorities, Tai-Tech expects to have the shareholders' meeting approve the amendment to the Articles of Incorporation in 2025, which will add the stipulation that if the Company has a profit, a certain percentage will be allocated as remuneration or distributed as bonuses to the employees, hoping to further improve the remuneration and treatment of the employees.

Managers' Remuneration Policy

- According to the employee remuneration management regulations, various work allowances and bonuses are specified to show compassion and reward employees for their hard work at work. Relevant bonuses are also approved based on the Company's annual operating performance, financial status, operating status and personal performance.
- According to the Articles of Incorporation, if the Company makes a profit in a year, no less than 6% of the pre-tax profit of the year shall be appropriated as employee compensation (to be distributed in the middle of the following year), and a fixed percentage of the after-tax profit of the year shall be appropriated as year-end bonus. The Company's operating performance and results are appropriately reflected in the employee's remuneration, and the payment is paid based on the employee's performance.
- The results of the performance evaluation conducted by the Company in accordance with the Employee Performance Evaluation Regulations are used as the reference for the distribution of manager bonuses. The manager performance evaluation items are divided into two parts:
 - Organizational performance related to financial indicators: Allocation of planned work and evaluation of achievement results according to the Company's established organizational goals.
 - Non-financial indicators: The fulfillment of the Company's core values and operational management capabilities, innovation (driving corporate change) capabilities, leadership team coordination and cooperation capabilities, material problem analysis and decision-making capabilities, authorization and supervision, and the ability to assist colleagues in their growth.
- The Company has not yet linked the personal remuneration of managers to the Company's overall ESG performance. In the future, the Company will refer to the reference guidelines formulated by the competent authorities and assess the Company's internal ESG implementation maturity. The method for evaluating manager remuneration and ESG performance will be discussed and formulated, which will substantially strengthen the participation of managers in corporate sustainable operations.

Audit Committee

The Audit Committee assists the Board of Directors in supervising the quality of the Company's accounting, auditing, financial reporting processes and financial control, and submits the evaluation results to the Board of Directors for discussion. Tai-Tech's Board of Directors has passed the Audit Committee Charter to set up an Audit Committee under the Board of Directors. All independent directors serve as the audit committee members, one of whom is the convener, and at least one person has accounting or financial expertise. At least one meeting is convened every quarter. In 2024, the Audit Committee held 7 meetings, attendance rate of all independent directors reached 100%.

Moreover, communication between independent directors and internal audit supervisors and accountants have direct communication channels, and communication is good. The Company also invites accountants and audit supervisors to attend meetings of the Audit Committee, and invites relevant department heads to attend as needed. Audit supervisors submit audit reports to the independent directors in accordance with the regulations and report to the Audit Committee. In 2024, 9 meetings were held between independent directors and the internal audit officer, and 3 meetings were held between independent directors and accountants. As for the overall operation results, the communication between independent directors, the internal audit officer, and accountants was smooth and not obstructed.



Corporate Sustainable Development Committee

To pursue sustainable corporate operations, Tai-Tech, with the approval of the Board of Directors, adopted the "Sustainable Development Best Practice Principles" and the "Corporate Sustainable Development Committee Charter," and established the Board-level Corporate Sustainable Development Committee (hereinafter referred to as the "ESG Committee"). The ESG Committee is composed of the Chairperson, three independent directors, and the General Manager, with the Chairperson serving as the Committee Chair. For details on its specific operations, please refer to the chapter "Corporate Sustainable Development / Corporate Sustainable Development Committee" in this report.

1.1.2_Ethics and Integrity

Significance to Tai-Tech

Based on the principle of ethics, with the establishment and implementation of regulations and systems, any unethical conduct is prohibited, and the ethical management awareness of the Company is enhanced, in order to reduce the risk of financial and reputation loss due to violation of ethics.

Commitments and Policies

- The management is also committed to implement properly in internal management and business activities
- To establish the corporate culture of ethical management, sound development, and to establish proper business operations

Short-term Goal

- Diverse communication and establishment of stakeholder communication channel
- Enhance suppliers' ethical commitment requirements, and implement supplier ESG evaluation

Mid- and Long-term Goal

- Suppliers continue to sign the Letter of Undertaking of Integrity
- Request all employees and board members to participate in education and training related to ethics

Responsible department |

Management Department

Complaint Mechanism |

Website Mailbox

Supplementary Topic_Ethics and Integrity

Resources invested in the current year

- Regular internal and external education and training on integrity-related topics are conducted, including subjects such as "integrity, ethics, sustainable development, legal regulations, corporate governance, internal control and auditing, accounting systems, personnel policies, regulatory compliance, and prevention of insider trading." In 2024, a total of 979 participants attended these sessions, accumulating a total of 1,548.5 training hours.
- Statistics on internal training for general integrity education:

88 new recruits	495 employees
318 hours in total	248.5 hours in total

- Number of new suppliers who signed the Integrity Commitment Letter:

Taoyuan Headquarters	TAIPAQ Plant	Kunshan Plant
24	46	16

2024 Evaluation Results

- Employee Code of Integrity signing rate to reach 100%
- All new and current employees must undergo integrity training
- Each site requires 100% of new suppliers to sign the Integrity Commitment Letter
- No integrity violation cases received
- The General Manager reports to the Board of Directors on the implementation of ethical conduct at least once per year

With the goal to establish a corporate culture of ethical management, sound development, and establish good business operations, the Board of Directors has approved the Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct, and the Board of Directors and senior management are also committed to implementing internal management and business activities. The Management Department is a full-time unit dedicated to promoting ethical management. It regularly summarizes the business contents and submits it to the General Manager to report the ethical management policy, prevention of unethical behavior, and supervision implementation status at least once a year to the Board of Directors. In addition, internal and external stakeholders can consult the Company on ethical regulations or express their opinions through different channels.



Ethical Corporate Management
Best Practice Principles



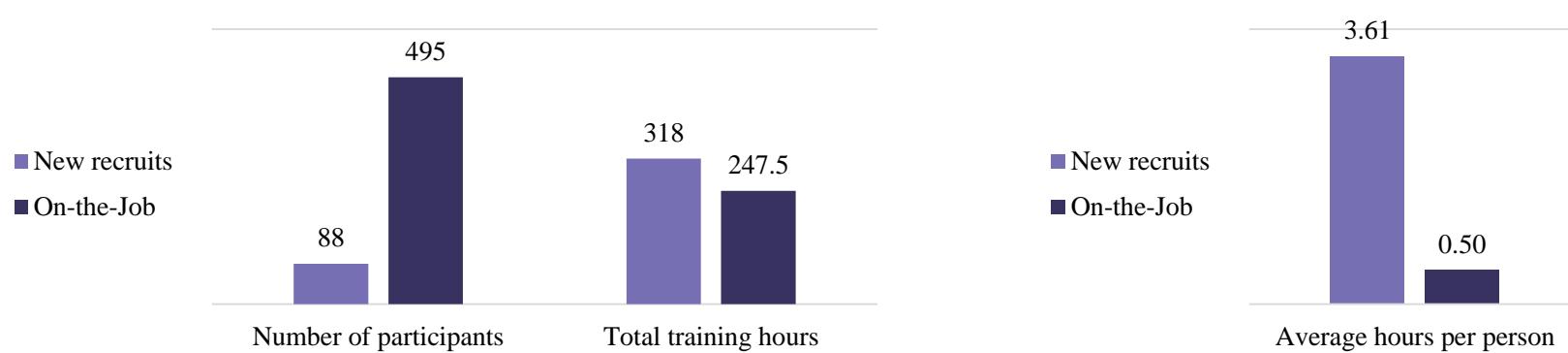
Codes of Ethical Conduct



Procedures for Ethical Management
and Guidelines for Conduct

Tai-Tech regularly promotes the Company's integrity-related policies and procedures to all or newly appointed members of the Board of Directors, all employees (including new hires), and transaction partners. New employees receive onboarding training that includes integrity-related content, while existing employees participate in general education training. All employees are required to sign the Code of Integrity. Additionally, Tai-Tech is gradually extending its integrity requirements to supply chain partners. Throughout the year, the signing rate of the Integrity Commitment Letter among new suppliers reached 100%.

Ethical Training Statistics



1.1.3_Legal Compliance

Supplementary Topics_Legal Compliance

Significance to Tai-Tech

Porker compliance with government laws and regulations is essential to normal operation of the Company, and in case where the Company violates laws and regulations, it may cause significant damage to the finance and corporate image.

Commitments and Policies

- Legal compliance is the foundation to corporate sustainable operation
- Implementation of Regulations and Management Mechanisms
- Track and regularly audit compliance with relevant regulations and immediately make improvements
- Strictly comply with various regulatory requirements and keep up-to-date with regulatory developments.

Short-, Mid- and Long-term Goal

- Zero violations of social, economic, and environmental protection regulations or fines during the Company's operations.

Resources invested in the current year

- In response to the amendment of the “Three Gender Equality Acts,” the Company comprehensively updated and revised the Work Rules and submitted them to the Taoyuan City Government for approval. A total of 600 printed copies of the revised Work Rules were distributed to employees.
- The Taoyuan Plant conducted “Sexual Harassment and Unlawful Infringement Prevention” training for employees, with 122 participants and a total of 197.5 training hours.

2024 Evaluation Results

- No penalties for major violations occurred.

Note: A major violation refers to a single fine of more than NT\$100,000.

Responsible department | Management
 Department, Accounting Department,
 Audit Office **Complaint Mechanism** |
 Each Department's Extension

Legal compliance is the foundation of corporate operations. In addition to promoting ethical internal regulations and requiring employees to sign the Code of Ethics when new employees report to work, Tai-Tech has a wide variety of laws and regulations. The departments are aware of the latest developments in the amendment of relevant laws and regulations, and then conduct internal and external training for colleagues in their respective departments to ensure that the Company's operations are in compliance with various laws and regulations.

Firstly, in terms of personnel management, Tai-Tech has formulated relevant internal integrity regulations to promote the Company's core values of honesty and integrity. At the same time, Tai-Tech has also explicitly stated its integrity policy on its website, and the Board of Directors and senior management actively implement its commitments to the integrity policy, and fulfil them in internal management and business activities. Through a series of internal policy formulation, implementation, self-review, smooth reporting channels, and whistleblower protection mechanisms, a comprehensive legal compliance firewall is built; the management sets an example, and requires every employee to ensure the Company's business conducts comply with laws and regulations, the Company's policies and internal regulations, and the compliance is reviewed through annual internal control reviews and internal audits. Through the above measures, the Company's management and employees can reduce the risk of violating the law when engaging in business activities, resulting in participate in industrial competition based on the principles of integrity and fairness, create a corporate culture of legal compliance, and establish a trustworthy and respected corporate reputation.

Furthermore, in terms of personnel training, in order to improve colleagues' awareness of professional ethics and legal compliance, Tai-Tech has complied with laws and regulations and personnel training regulations, and the responsible department has conducted various internal and external education and training on the laws and regulations involved in its business. Corresponding training contents are provided for different business responsibilities, including training for new employees and professional training for departments, so that colleagues can keep abreast of the latest developments in laws and regulations.

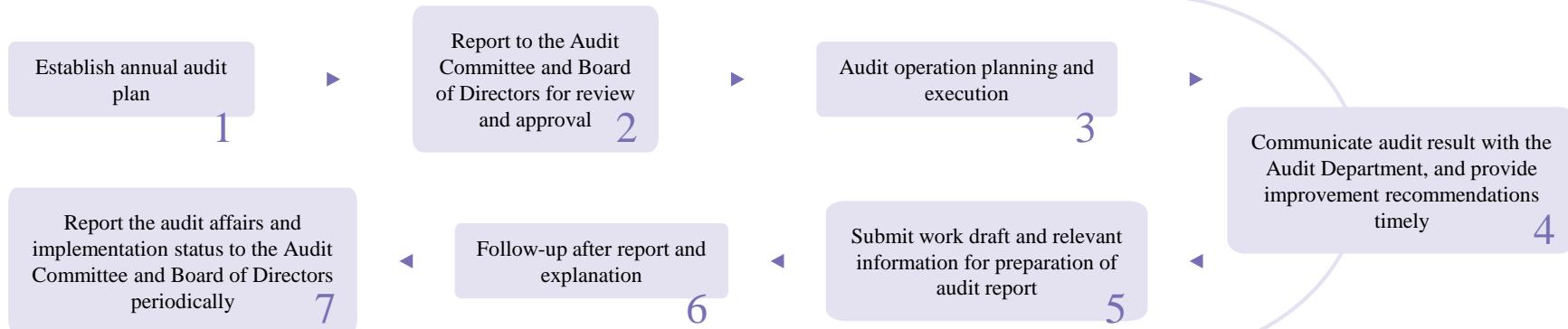
Finally, in terms of environmental health and safety, the Company's responsible department is responsible for ensuring that the Company meets the requirements of local environmental protection, human rights, and occupational safety regulations throughout the product life cycle, and adopts various control measures to avoid environmental pollution, human rights infringement, or occurrence of an occupational accident. By introducing the environmental management system and occupational safety management system and continuing to maintain the effective operation of the system, Tai-Tech's overall legal compliance practice did not involve any incidents related to corporate governance, securities trading, environmental protection, labor human rights, marketing labeling, and so on records of major violations of product safety in 2024.

1.1.4 Internal control

The purpose of the Company's internal audit is to assist the Board of Directors and managers in inspecting and reviewing the deficiencies of the internal control system, measuring the effect and efficiency of operations, and providing improvement suggestions in a timely manner to ensure the continuous and effective implementation of the internal control system and as a basis for the review and amendment of the internal control system. In accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, Tai-Tech has established an effective internal control system by considering its own operating activities, and reviewed and improved the system at any time to cope with changes in the Company's internal and external environment and ensure that the design and implementation of the internal control system are effective continuously. To ensure that the auditors perform the audit work with impartiality and detachment, Tai-Tech has established an independent audit office under the board of directors according to the law and has appointed two auditors. The "Corporate Governance Best Practice Principles" stipulate that the appointment and dismissal of the audit chief should be submitted to the board of directors for resolution. In addition, the appointment and dismissal, evaluation, and remuneration of internal auditors should be signed by the chief audit officer and reported to the Chairperson for approval.

Besides conducting the self-assessment of the Company's internal control system, the Board of Directors and management review the self-assessment results of each department and the audit report of the Audit Office at least annually. Chief Auditor will attend the Board meetings to report on the audit executions adhering to the regulations, and report to the independent directors on the implementation status of internal audits and internal control operations. Furthermore, in order to strengthen the professional capabilities of the auditors, the Company arranges continuous training for auditors and participates in internal audit workshops organized by institutions designated by the competent authorities to improve and maintain their audit quality and implementation effectiveness. The overall training hours exceeded the legal requirements. In addition, the Company complies with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies," and formulated the "Sustainability Report Preparation and Assurance Procedures" in the second half of 2024. Sustainability information is reviewed through the internal control system, and the sustainability information disclosed in this report is audited before the end of each year in accordance with the annual audit plan.

The Company continuously monitors the implementation of various operating systems through the auditors, and has established an effective accounting system and internal control system under the regular internal control review conducted by CPAs to lay a solid foundation for sustainable development. In 2024, the total number of audit items was 682, with a 100% audit compliance rate.



1.1.5_Operational Performance

Material Topic_Operational Performance

Significance to Tai-Tech

Good operational performance can improve the Company's profitability, provide better employee benefits to attract and retain outstanding employees, and provide customers with better quality products and services to attract more customers and enhance the market share. This in turn can maximize profit for shareholders and enhance the Company's image, thereby attracting more investors and customers. In view of the above, the meaning of emphasizing operational performance to the Company is to assist the Company to realize long-term success and sustainable development.

Commitments and Policies

Improve operational performance and strengthen the Company's competitiveness to achieve long-term success and sustainable development.

- Expand the breadth of innovative application markets and international market deployment.
- Continue to develop new products, upgrade existing products, and expand product portfolios to meet the evolving needs of the end market.
- Activation of idle production capacity; optimization of production processes, improvement of efficiency and yield rate, and reduction of costs.
- Further improvement of the "zero defect" quality mindset.
- Accelerate the Company's operational upgrading through digital transformation and the introduction of smart manufacturing.
- Continue to invest resources to strengthen the implementation of ESG-related affairs.

Short-term Goal

- Continuous growth of revenue; consolidated product gross margin>25%, net profit ratio>13%
- Automotive grade electronics market application ratio> 35%
- Ratio of R&D expense over revenue>3.3%
- Return on equity (%)>12%

Mid- and Long-term Goal

- Continue to increase the product added value and optimize product combination, in order to increase the output ratio of niche products, thereby further improving gross margin performance and profit performance.
- The future production line planning will also consider the risk of international political and economic changes, in order to increase the production lines of the main factories in Taoyuan.
- Continue to focus on the core business, adopt the business philosophy of stable and practical management, enhance the implementation of ESG, continue to head toward sustainable operation, and achieve the vision of the first class of power inductor supplier worldwide with best effort.

Resources invested in the current year

- Ratio of R&D expenses to revenue: 1.84%
- Total number of employees: 2,353

2024 Concrete Results

- Ratio of new product sales to revenue: 4.33%
- Revenue composition by product category:

Multilayer products	Wire-wound products	LAN transformers
20%	70% or more	9%

Assessment results

- Monthly Group Business Meeting
- Management monthly report review
- Board of Directors review reports of quarterly report and annual report

2024 Financial Results

- Revenue: NT\$5,506,106 thousand
- Earnings per share (EPS): NT\$7.33

 Responsible Department |
 General Manager's Office

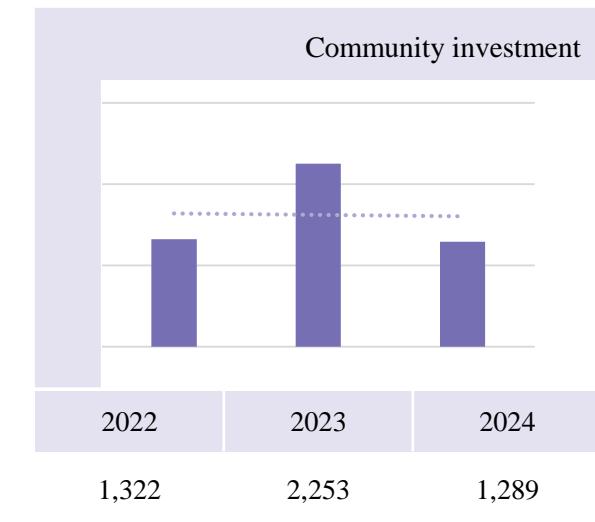
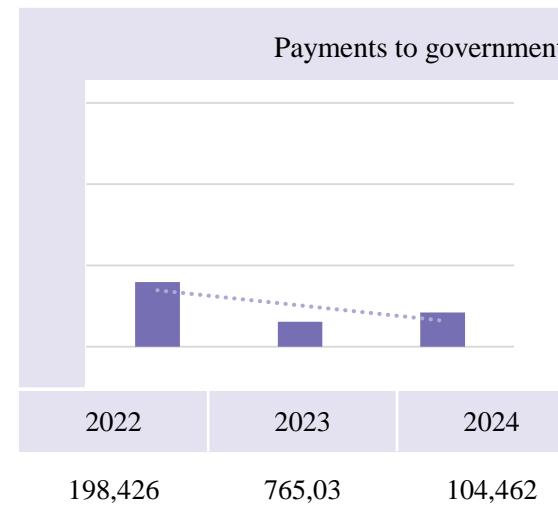
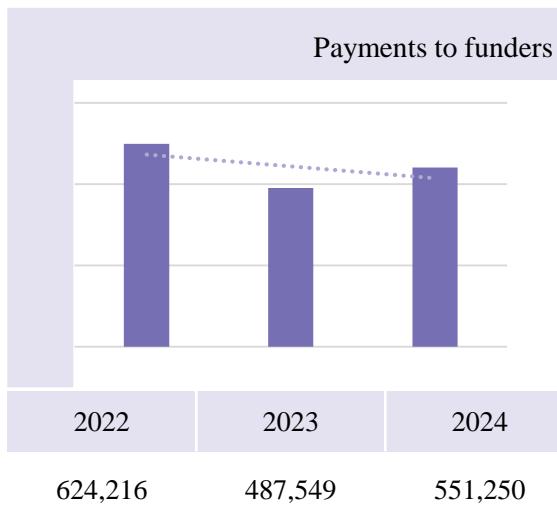
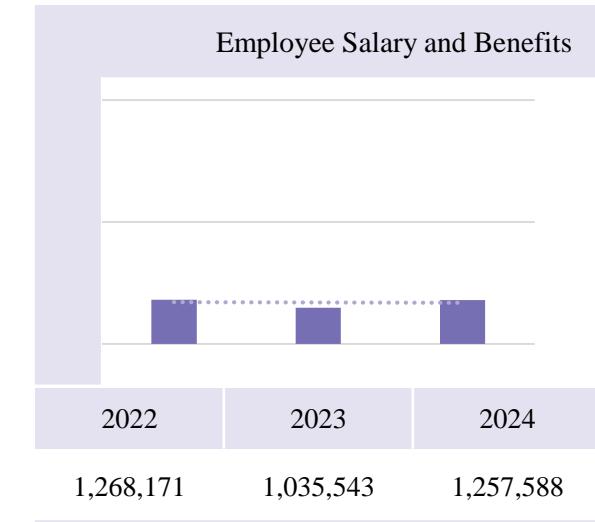
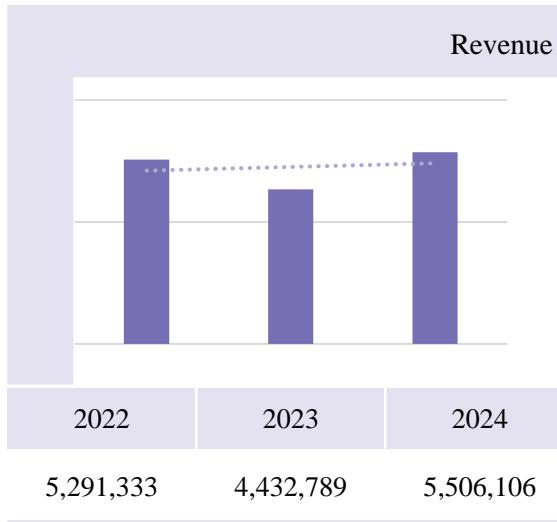
 Complaint Mechanism |
 General Manager's mailbox

Good operational performance holds multiple meanings for the Company and serves as the cornerstone for achieving long-term success and sustainable development. First, outstanding performance can significantly enhance the Company's profitability, optimize resource allocation, and reduce operating costs, thereby generating stable cash flow for the Company. This not only increases the Company's return on investment but also makes shareholder investments more attractive. Second, solid performance enables the Company to provide higher-quality products and services, improving customer satisfaction and loyalty, and further expanding market share. At the same time, excellent performance can create better benefits and development opportunities for employees, attract and retain outstanding talent, and foster a positive and efficient corporate culture. In addition, stable operational performance can strengthen the Company's market competitiveness and brand image, attract more investors and partners, and promote the Company's expansion in both domestic and international markets. In summary, good operational performance is not only key to the Company's short-term success but also lays a solid foundation for long-term competitive advantage and sustainable development, reflecting the Company's multi-faceted value commitments to shareholders, employees, and customers.

Tai-Tech's main products are power inductor components. In terms of industry category, we are classified under the passive component industry. The Company is one of the few domestic professional manufacturers of magnetic and power inductor components that can simultaneously produce multiple such components of different types with different materials for different application fields. In 2024, the global landscape remains filled with uncertainties and challenges. The rise in geopolitical tensions, the continuation of regional conflicts, the ongoing reshaping of global supply chains, and pressures from labor shortages and rising costs have introduced unprecedented complexity into industry operations. However, within these challenges, Tai-Tech sees opportunities. The rapid growth of emerging applications such as artificial intelligence and automotive electronics has fueled strong resilience and growth potential in the information and electronics industry. As a key link in the supply chain, the passive component industry has also benefited from this trend. Tai-Tech continues to optimize its product designs, manufacturing processes, and materials to improve the performance and reliability of existing products, thereby increasing its market share in the high-end segment. Finally, the Company has invested heavily in the improvement of R&D capabilities, especially the development of popular products suitable for the current market such as AI servers. By doing this, we hope to incorporate our innovative products into customers' solutions at the early stage of design. With the vigorous development of high-speed computing, artificial intelligence, high-speed networking, 5G technology, Internet of Things, and future cars, we have high expectations and confidence in the potential growth of these areas. The Company will continue to make use of our core expertise, continue to innovate, and develop next-generation products to meet the needs of these growing markets.

Financial Data

Unit: NT\$ thousand



1.1.6_Information Security

Material Topic_Information Security Protection

Significance to Tai-Tech

Information security protects the Company's business secrets and customers' trade secrets. If an information security incident occurs accidentally, and the data of the Company or customers is leaked, the Company may face penalties from the competent authorities and customer trust in the short term, while loss of goodwill and customer orders will occur in the long term.

Commitments and Policies

With the goal of "zero information security incidents", we will strengthen various information security measures according to the latest external environment and information security threats to ensure the security of the Company's information environment.

- Strengthen employees' awareness of information security and require employees to participate in information security training to raise the awareness of information security throughout the Company.
- Strictly abide by information security measures, comply with all internal regulations on information security, and evaluate and adjust regularly.
- Protect the confidentiality, integrity, and availability of the Company's sensitive information and information communication systems, and strictly prohibit unauthorized access and tampering.
- Regularly perform information security internal audits to ensure compliance with information security regulations.

Short-term Goal

- Core Information and Communication Systems: Vulnerability scanning, penetration testing, and disaster recovery drills are performed on the core information and communication system every year, and subsequent improvements are made.
- The Taiwan Headquarters has obtained ISO 27001:2022 Information Security Management System certification and continues to maintain the effectiveness of the system.
- Major information security incidents: ≤ 2 incidents per year.
- Continuous improvement of information security: The deficiencies identified in the audit should be improved before the next audit, and the number of deficiencies that have not been improved before the next audit is ≤ 2 .
- Personnel Education and Training:

New recruits	Information and Communication System Operator	Dedicated Information Security Personnel	Email Service Users
After joining the company	At least once per year	At least once per year	At least once per year
General Information Security Course	Internal Information Security Course	External Professional Information and Communication Security Courses	Social Engineering Drills

Mid- and Long-term Goal

- Subsidiaries have implemented the ISO 27001:2022 Information Security Management System, obtained certification, and continue to maintain the effectiveness of the system.
- Major information security incidents: ≤ 2 incidents per year.
- Continuous improvement of information security: The deficiencies identified in the audit should be improved before the next audit, and the number of deficiencies that have not been improved before the next audit is ≤ 2 .

Resources invested in the current year

- The information security organization continues to operate and regularly reports information security updates to the Chief Information Security Officer at monthly meetings and submits reports to the Board of Directors.
- A budget was allocated for firewall updates, licensing of information security software and hardware procurement, ISO 27001 consulting and certification, and information security testing projects, totaling approximately NT\$5,000 thousand.
- Information security training for new employees reached 100 person-times, with an average of 0.5 hour per person and a 100% completion rate; external advanced training for IT personnel reached 3 person-times, with an average of 24 hours per person.
- The IT Department was expanded from 4 to 9 personnel, including 2 dedicated information security staff.
- To comply with the requirements of ISO 27001:2022, the Group revised its information security policies and procedures and rectified related equipment in the server rooms.

2024 Evaluation Results

- Annual information audits are conducted by external accountants to review the compliance of various information processes, and no major deficiencies have been found in recent years.
- Customer information audits have also shown no major violations.
- No major information security incidents affecting Company operations have occurred in recent years.
- The General Manager reports the status of information security protection to the Board of Directors at least once a year.

Responsible Department |
General Manager's Office, IT Department

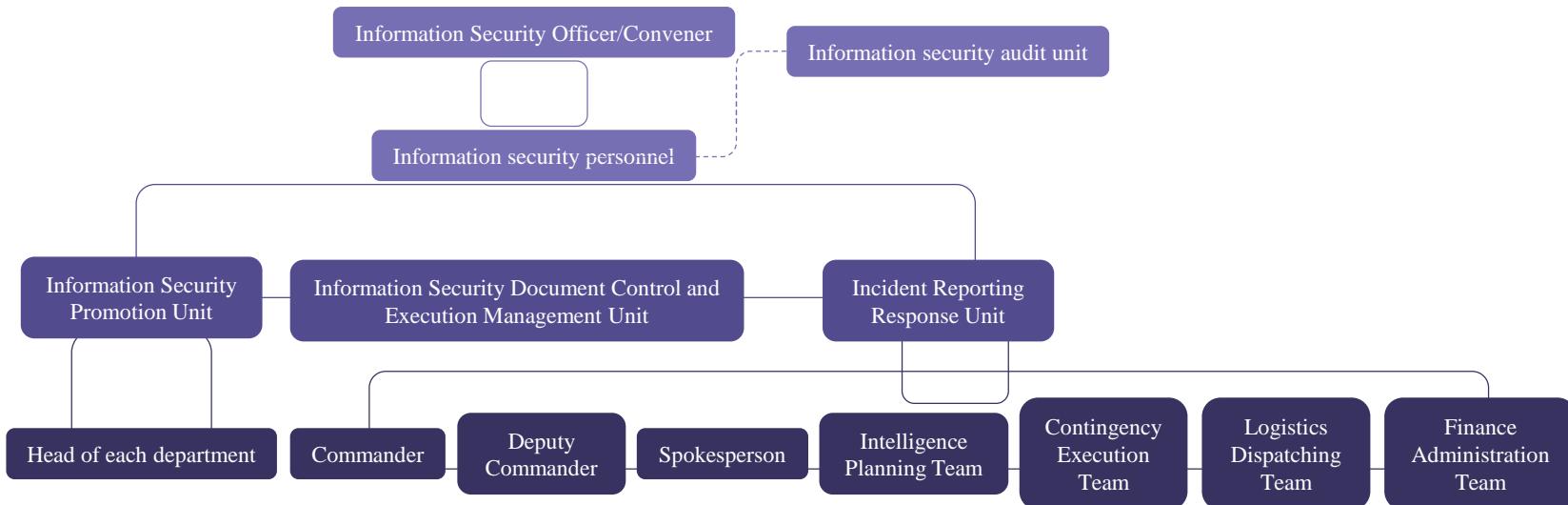
Complaint Mechanism |
General Manager's mailbox

Information security protection is critically important to Tai-Tech. It not only safeguards the Company's key assets but also helps prevent potential business and legal risks, thereby enhancing the Company's competitiveness in the market. Information security represents both an opportunity and a risk for the Company. Its importance has become an unavoidable and essential issue for corporate management. To address this, Tai-Tech established the Information Department under the General Manager's Office. As of 2024, the department includes 9 personnel, among whom 2 are dedicated information security staff. The Information Department is responsible for drafting information security policies, which are submitted to the General Manager for approval before being officially published and implemented. In addition to building firewalls for the network and server rooms and configuring and using internationally certified antivirus software for each endpoint computer, the Company also performs local and remote cross-backup of various data. All commercial software currently used by the Company has maintenance contracts signed with the manufacturers. In the event of information security problems, in addition to being able to be eliminated within the Company immediately, professional manufacturers are also available for assistance. The servers in the server room have been replaced with hyper-converged infrastructure (HCI) servers in recent years, and the power facilities in the server room have also been improved, such as the completion of the UPS system, ATS power switching system, and dedicated backup generators for the server room. It also ensures the enhancement of performance, and gives an added layer to the protection of information security. At the same time, the Company scans the core information and communication systems for vulnerabilities and performs penetration tests every year to make subsequent improvements to the high-risk items after testing. In addition, the Company conducts disaster recovery drills for the core systems every year, and produces drill reports to strengthen colleagues' response to information security emergencies.

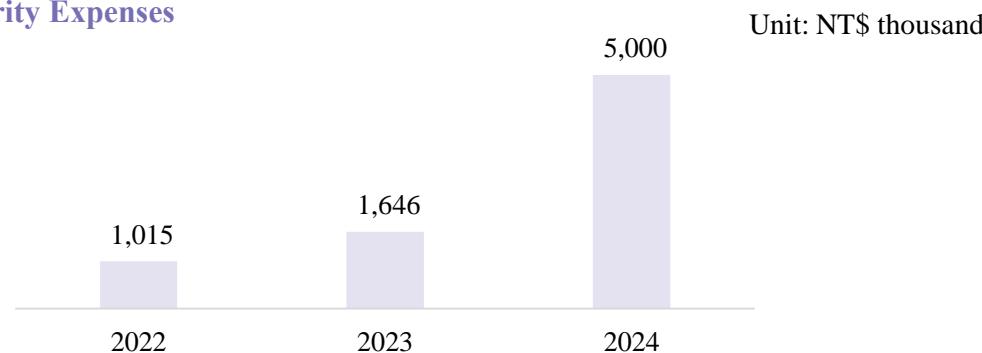
The Company also implements information security education and training for internal colleagues, and requires general or professional training for new recruits, system operators, personnel in charge of information security, and email service users. In addition to advising colleagues on information security issues via email from time to time, the IT Department also conducts social engineering drills by the end of the fourth quarter every year to raise employees' information security awareness. The Company also engages external agencies to conduct information audits every year. The audit results are all in compliance with the requirements and there are no major deficiencies. In recent years, the Company has not received any complaints about violations of customer privacy or loss of customer data.

In pursuit of effective management of information security issues, the Board of Directors has appointed the General Manager as the information security supervisor to convene the Information Security Management Promotion Committee (hereinafter referred to as the Information Security Committee). The members are heads of various departments. Meetings are held to deepen the awareness of information security in each department, and the General Manager regularly reports to the Board of Directors on the implementation of information security for the year. The various information security protection measures within the Company aim to restore the operational risks caused by information security in the shortest time possible and minimize the damage.

Information Security Management Promotion Committee



Information Security Expenses



Given the large, wide, and constantly changing information security scope, Tai-Tech Advanced Electronics is continuously seeking various resources to enhance the aspect and depth of information security risk management. Beyond this, we will simultaneously comply with government regulations, strengthen the organizational structure of information security, protect the rights and interests of investors, and gradually advance toward the goal of sustainable business operations.

Information security routine management measures

Personnel security assessments

- Each department shall implement appropriate security assessment procedures for personnel who can access confidential and sensitive information or systems and personnel who will be granted special access permissions to the systems due to work, and strengthen work assessments before assigning tasks.
- When an employee resigns, his/her access to all the information and systems at the unit shall be canceled immediately; this shall be included in the department's necessary procedures for changing job.

Daily operations security management

- Only legal software with intellectual property rights can be used. The use of unauthorized legal software shall be prohibited.
- Necessary measures shall be taken to prevent the intrusion of computer viruses, and computer virus prevention software with complete functionality shall be selected carefully and maintained and updated regularly.

Equipment Security Management

- The equipment shall be placed in an appropriate location and protected to reduce risks caused by environmental insecurity, and reduce the chance of unauthorized access to the systems.
- A standby power supply shall be set up, and the response measures for the failure of the uninterruptible power system shall be included. Additional strengthened security measures shall be taken for more important systems.

Computer system security management

- Information security incidents shall be managed properly in accordance with the internal control system's information security checks in the computer operation cycle, and the check results shall be recorded.
- The Company shall appoint different personnel responsible for the management, design, and execution of important information services, respectively, and establish a mechanism of mutual checks and balances to avoid illegal or improper use of data or systems.

Network Security Management

- A security control mechanism for the computer network system shall be established to ensure the security of data transmitted through the network, protect connected operations, and prevent unauthorized system access.
- The use of illegal or inappropriate information that violates copyrights or morals, or hinders the normal operation of the network system shall be prohibited.

Business sustainable operation plan

- A backup system and a remote backup mechanism shall be set up to ensure that important businesses continue to operate in the event of an accident occurring to the information system, data files, or personnel.
- System restoration plan management regulations shall be formulated, and disaster restoration drills shall be conducted from time to time.

1.2 Risk Management

Tai-Tech believes that only by accurately identifying the risks faced by an enterprise and planning accordingly is necessary for an enterprise to move toward sustainability in the fast-changing business market. To this end, the Company conducts environmental, demographic (human rights), and economic risk assessments based on the ESG materiality principles, identifies dual material ESG risks of the organization, and formulates risk management strategies to minimize potential threats to the lowest level. The General Manager reports to the Board of Directors at least once a year on the implementation of the Company's risk management.

Note: For the risk assessment method of ESG materiality, please refer to the report's/corporate sustainable development/material topic identification section.

Risk Identification and Management Strategy

Description of risk	Risk Management Strategy (Response Measures)	Material Topics
 Energy intensity cannot be reduced	<p>Taiwan Plant</p> <ul style="list-style-type: none"> Participated in external events on energy saving and carbon reduction topics, effectively assessed feasibility, and introduced suitable measures into plant operations. During production operations, evaluated feasible replacement plans when phasing out components, selecting high-performance equipment to achieve energy savings. Introduced an air compressor load monitoring system to effectively manage equipment operation conditions and performance distribution, thereby saving electricity. Reduced and eliminated equipment from high electricity-consuming processes by outsourcing those operations, lowering overall electricity consumption within the plant. <p>China Plant</p> <ul style="list-style-type: none"> During production operations, selected high-efficiency equipment for component replacement to conserve electricity. 	
 Excessive industrial waste was generated during manufacturing processes.	<ul style="list-style-type: none"> Implemented in-house waste reduction projects to reduce the generation of waste sludge. Evaluated raw materials in the manufacturing process for potential reuse, effectively reducing waste and supporting the economic circular reuse of materials. 	

		Description of risk	Risk Management Strategy (Response Measures)	Material Topics	
Sustainable Environment	<div style="display: flex; justify-content: space-around; align-items: center;"> Energy Management Green Product </div> <p>Low utilization rate of renewable energy</p>	<p>The intensity of greenhouse gas emissions cannot be reduced</p>	<ul style="list-style-type: none"> Participate in external renewable energy use events, effectively assess the feasibility of various solutions, and introduce them into factory operations. 		
			<p>Taiwan Plant</p> <ul style="list-style-type: none"> Through ISO 14064-1 greenhouse gas inventory and external verification, reasonable emission data is collected to analyze root causes and formulate improvement measures. Introduce the air compressor load monitoring system to effectively manage equipment operation and performance distribution. Each unit shall formulate KPI performance management for energy conservation and mitigate carbon emissions. <p>China Plant</p> <ul style="list-style-type: none"> Introduced ISO 14064-1 greenhouse gas inventory and passed external verification, collecting reasonable emission data to analyze causes and determine corrective actions. Assess the feasible solutions for replacement of parts during production operation, select and use high performance equipment for replacement, in order to reduce carbon emissions. 		
	<p>Increase of waste treatment volume / Reduction of recycling rate</p>		<ul style="list-style-type: none"> Continued to maintain the effectiveness of the ISO 14001 environmental management system. Effectively analyze various waste types and data according to the internal waste management procedure, in order to review the cause of abnormality. Participate in external waste recycling and reduction issues, assess the feasibility of measures, and introduce them into factory operations. 		
			<ul style="list-style-type: none"> In case of water shortage, emergency water-saving measures are implemented for high-consumption processes. The management department coordinates with water truck companies for supplemental supply. 		
	<p>Water shortage</p>		<ul style="list-style-type: none"> In case of typhoon or flood, each department staff cooperates with the employees of the same commute route and arranges driving personnel to assist with the commute to/from work. For migrant workers, the human resource agency assists with the commute to/from work. The facility and safety/health personnel inspect the internal building and structure related safety operations. 		
			<ul style="list-style-type: none"> Conduct regular identification of applicable environmental protection regulations. Maintain effective operation under ISO 14001 environmental management system, and undergo annual external audits to significantly reduce risks of non-compliance. 		
Operational Performance	<div style="display: flex; justify-content: space-around; align-items: center;"> Innovation and R&D </div> <p>Insufficient R&D energy</p>		<ul style="list-style-type: none"> In case of insufficient senior level of human resource, continue to collaborate with external institutions in professional job allocation and discuss with human resource department to seek appropriate manpower continuously, and continue to implement relevant education and training in order to increase internal competency. For shortages or quality concerns in mid-level personnel, continue promoting internal and external training to improve employee quality, and coordinate with HR to seek suitable manpower. In case of poor quality new employees, due to the impact of the overall greater environment, the personnel interviews focus on intellectual development related scores, and on-job education and training is arranged after assuming job positions in the plant. 		

Description of risk		Risk Management Strategy (Response Measures)	Material Topics
Operational performance	Information security protection	<ul style="list-style-type: none"> ● Tai-Tech adjusted the organizational structure of the Information Department to report directly to the General Manager. ● Establish "Regulations for Information Security Event Reporting and Response" to explicitly specify the accident level, reporting process and handling methods. ● Plan the mutual backup between system database, and perform remote backup schedule, in order to support the system recovery. ● Perform information system "Accident recovery drill" annually, and output relevant drill reports. ● Set up ATS response system and install power generator for the server room, in order to ensure that the operation is not affected by the electricity shortage. ● Install firewall and update the anti-virus software of each terminal periodically, and continue to plan the information security enhancement measures of AD, MDR, vulnerability scanning, penetration testing, and social engineering drills. ● CPA performs information audit annually, and the external reviews each information process for compliance with the standards and systems. ● Implement internal information security education and training periodically in order to enhance personnel information security awareness. 	
	Information security incident		
	Sustainable Supply Chain	<ul style="list-style-type: none"> ● Short-term risks: Abnormalities in the supplier's production line, unstable quality, shortage of raw materials. Countermeasures: Monitor the status of the production line, perform repairs and maintenance in a timely manner, arrange personnel audits, and find new suppliers. Predictive procurement of frequently used raw materials and commodities to prevent shortages. Establish a diversified supply chain to avoid dependence on a single or a few suppliers, and seek multiple qualified sources to diversify risk. Specify the quality standards, delivery time, and responsibility for delays in the supply contract. ● Medium- and long-term risks: Abnormal transportation interruption and price fluctuations of raw materials and commodities. Strategy: Establish various transportation methods to handle accidents, such as air freight or express delivery. Evaluate the feasibility of establishing a local supply chain. Reach and maintain good relationship with suppliers, establish long-term supply contracts, and control price fluctuations according to MOQ to ensure timely remedial measures in case of production line interruption. Establish long-term cooperative relationships with major suppliers, provide technical support and resource assistance, and enhance their resilience. 	
	Sustainable Supply Chain	<ul style="list-style-type: none"> ● Supplier admission standards are defined, including requirements on quality, legal compliance, environmental impact, and labor rights. ● Regular supplier audits are conducted, with increased frequency for high-risk suppliers. ● Crisis clauses are included in contracts to provide alternatives if suppliers fail to perform due to legal issues or operational shutdowns. ● Supplier performance data is digitalized, with KPIs such as on-time delivery rate, product pass rate, and compliance status. Low-scoring suppliers receive support for improvement, and replacements are considered if necessary. ● On-site audits are performed to ensure that production processes, equipment, and personnel meet standards. ● Enforce the Responsible Procurement Guidelines to avoid the use of materials from unknown sources, including conflict minerals. ● Suppliers are required to meet international sustainability standards such as ISO 14001, SA8000, or the RBA Code of Conduct. ● Supply chain risk management measures are reviewed and updated annually to identify and address emerging risks. 	

Description of risk		Risk Management Strategy (Response Measures)	Material Topics
Operational performance	Operational performance	<ul style="list-style-type: none"> Uphold the principle of service customers, designate responsible sales specialists and assistants to perform field visits actively, and adopt the methods of video conference, e-mail, telephone and communication software to provide normal and smooth communication channels, in order to assist customers in solving and inquiring product order problems, and to also assist customers for the time from order placement to product delivery waiting time. Irregularly organize various technology exchange and demand seminars via remote online meetings in order to interact, understand and obtain the latest demands and feedbacks from customers and then use them as the basis for new product development. Conduct customer satisfaction survey on top 20 major customers and 3 automotive accessory customers annually, and the survey content includes quality, delivery, technology R&D, price and sales service, etc. Survey assessment is performed on four aspects, and for the result of the customer satisfaction survey, relevant items of relatively lower customer evaluation scores are reflected to the relevant quality assurance, production, R&D and business departments properly for review, in order to be used as the reference for improvement of future satisfaction. 	
	Violation of Ethics and Integrity	<ul style="list-style-type: none"> Internal integrity regulations are in place and implemented accordingly, and reporting channels and reporting handling procedures are established. Senior management sets an example for employees through their own behavior and creates a work environment that emphasizes integrity and ethics. Requiring all employees to sign the Code of Ethics. Education on relevant topics is organized during the education and training for new employees. One time of ethical management and anti-corruption education and training is organized annually for on-job employees. Event investigation statistical table is performed monthly, which is reported by the Management Department to the Audit Office. Investigate the reported violations and take corresponding measures based on the investigation results. 	
	Product Liability	<ul style="list-style-type: none"> Strengthen communication with customers to improve product competitiveness and adjust the Company's production plan to meet customer needs. Monitor hazardous substance management system operation, convene environmental management promotion review meetings, review international environmental protection regulations and laws, set up HSF goal, implement hazardous substance reduction plan, and perform environmental restricted substance control plan. When the customer submits requests on specific environmental technology standards, the Company shall comply and satisfy customer demands. In case of discovery of abnormality of hazardous substance, it is necessary to report to the management and customers and to execute instructions made by the management for the irregular products. Optimize product quality and return/exchange process mechanism. 	
	Human Rights Violations	<ul style="list-style-type: none"> Establish and announce a zero-tolerance policy, clearly defining workplace misconduct and sexual harassment. Establish grievance channels and encourage employees to report misconduct. Employee training includes preventive measures and grievance mechanisms. Regular employee satisfaction, work environment, and workplace culture surveys are conducted annually, along with risk assessments to identify potential infringement risks. Prompt and impartial investigation and handling of grievances. Provide psychological counseling and legal support to victims. Regularly review and improve policies and procedures based on case handling experience and employee feedback. 	

Description of risk		Risk Management Strategy (Response Measures)	Material Topics
Occupational Safety	Taiwan Plant	<ul style="list-style-type: none"> Continue to maintain the effectiveness of the ISO 45001 Occupational Health and Safety Management System. Conduct a comprehensive legal compliance audit once a year and check for legal updates monthly. Conduct at least one workplace safety risk assessment annually to identify potential risk factors. Implement regular safety education and training and track training outcomes. Conduct fire drills twice annually to enhance coverage and effectiveness. Inspect dormitories quarterly and require the execution of fire drills. Clearly delineate high-risk areas in the workplace with prominent warning signs and access control measures. Conduct fire drills simulating multiple scenarios (e.g., chemical leaks, electrical fires) to ensure preparedness for different types of incidents. Develop and regularly update emergency response procedures, including evacuation plans and emergency contact lists. Establish a quick-response incident reporting system to ensure that incidents can be handled quickly when they occur. Conduct effective post-incident investigations. 	Employee Care
	Occupational accidents/ fires	China Plant	<ul style="list-style-type: none"> Continue to maintain the effectiveness of the ISO 45001 Occupational Health and Safety Management System. Establish an Occupational Safety and Health Committee chaired by the General Manager, with meetings held quarterly to review occupational safety and health matters. Perform occupational safety and health risk assessment annually, and discuss issues during safety and health committee meetings. Perform field compliance inspection monthly and irregularly.
Remuneration and Benefits	Labor shortage, High employee turnover rate	<ul style="list-style-type: none"> Retain key talents and improve employee retention through employee benefits and career development opportunities. Offer options such as flexible working hours to attract and retain employees. Optimize workflows through automation and digital transformation to reduce reliance on manpower. Provide skill improvement and multi-function training to enable employees to take on a variety of job roles. Establish a talent reserve pool through internal promotion and talent development plans. 	Employee Care
	Employees' Competency Misalignment with Job Requirements	<ul style="list-style-type: none"> Clearly define the core skills, knowledge, and attitudes required for each position. Use systematic performance evaluations to identify gaps between current and required competencies. Continuously design and implement professional skill development courses by integrating internal training with external resources (e.g., in-person classes, online learning platforms), and launch mentoring projects. Set measurable learning objectives and regularly track progress and provide feedback. 	Employee Care

Description of risk	Risk Management Strategy (Response Measures)	Material Topics
Employee Care Labor-management communication Labor disputes	Taiwan Plant <ul style="list-style-type: none"> The Company has established and publicly disclosed a comprehensive Anti-Workplace Bullying and Sexual Harassment Policy, which includes definitions of misconduct, disciplinary measures, and grievance procedures. Explicitly prohibits all forms of human rights violations and includes such acts under the Company's zero-tolerance policy. Provides anonymous reporting channels such as hotlines and email, enabling victims and informants to report incidents. Ensure the anonymity and security of employees reporting issues and handle related issues quickly. An independent investigation committee is in place to guarantee fairness and objectivity during complaint investigations, and to prevent conflicts of interest. Regularly reviews existing policies and procedures to ensure compliance with the most current legal requirements. Conducts anti-bullying and sexual harassment training for all employees at least once annually, covering behavioral boundaries, prevention strategies, and response measures. Uses anonymous surveys and employee satisfaction questionnaires to identify potential risks of bullying or harassment in the workplace. Engages third-party institutions to assist in the investigation of sensitive cases to ensure independence and impartiality. Applies clear and reasonable disciplinary actions—such as warnings, demotions, or terminations—based on investigation results. Offers psychological counseling resources to victims to support emotional recovery and rebuild workplace confidence. Performs follow-up on resolved cases to ensure issues are fully addressed, and continues monitoring behavior in the departments or among individuals involved. Documents incidents as internal learning material to prevent recurrence of similar events. Publicly shares anonymized summaries of case outcomes and improvement actions with employees each year, reinforcing the Company's commitment to human rights. 	
	China Plant <ul style="list-style-type: none"> Labor contracts clearly stipulate wages, working hours, and employee benefits, and fully comply with national labor laws and regulations to ensure that employee rights and interests are properly protected. A well-established labor dispute resolution mechanism allows employees to voice dissatisfaction and needs through official grievance channels. The HR or management team addresses these issues in a timely manner and works with employees to reach resolutions. A complete labor management system is in place, with clearly defined responsibilities and rights outlined in labor contracts and employee handbooks, reducing the risk of labor disputes. The Company maintains open communication with employees, promptly gathers their feedback and concerns, and actively investigates issues to ensure fairness and legal compliance in decision-making. Employees are provided with necessary training to help them understand their rights and responsibilities. 	

Description of risk	Risk Management Strategy (Response Measures)	Material Topics
<div style="display: flex; align-items: center;"> <div style="flex: 1; padding: 10px; border-right: 1px solid #ccc; margin-right: 10px;"> Employee Care <div style="border: 1px solid #ccc; border-radius: 50%; padding: 5px; text-align: center; font-weight: bold;">Occupational Safety</div> </div> <div style="flex: 1; padding: 10px;"> Overworked employees </div> </div>	<ul style="list-style-type: none"> ● Digitized working hours management system to monitor employees' daily and monthly working hours in real time to ensure compliance with the working hours regulations of the Labor Standards Act. ● A burnout alert mechanism has been established: when an employee's monthly working hours exceed 80 hours, the system cross-checks with the list of individuals at high risk for cardiovascular diseases. If a match is found, a physician consultation is arranged. When necessary, a warning is issued and the supervisor is notified to follow up. ● Reasonably adjust shifts and schedules to avoid employees working long night shifts or multiple consecutive days. ● A job rotation system is implemented for high-risk tasks to reduce the stress burden on individual employees. ● Clear and publicly accessible management regulations are in place to ensure that employees receive a 15-minute break after every four hours of continuous work. ● Encourage employees to make full use of annual leave, sick leave and other welfare holidays to avoid long-term and high-intensity work. ● Annual comprehensive health checkup for all employees. ● Promote health promotion activities such as exercise challenges, healthy eating lectures, mental health workshops, etc. to enhance employees' health awareness. ● A care mechanism has been established to conduct regular one-on-one meetings with employees to understand the sources of work-related stress and their psychological needs. ● Internal awareness campaigns are conducted on the hazards of overwork and corresponding preventive measures, improving employees' self-awareness and self-protection. ● Establish an employee suggestion and complaint mechanism to facilitate employees to report problems such as excessive work pressure or unreasonable work arrangements. Ensure the anonymity and security of employees reporting issues and handle related issues quickly. 	

Chapter 2_Business Growth

□ 2024 Key Performances

**Patents
14 letters**

14 patents were obtained in the current year, with a cumulative total of 102 valid patents

**Satisfaction
93.13 points**

Customer satisfaction survey at Taoyuan Headquarters scored 93.13 points

**New
Products
4.33%**

Revenue from new product sales accounted for 4.33% of total revenue

**ESG
Evaluation
80%**

Over 80% of suppliers were subject to ESG assessments

**Research and
development expenses
101,490 thousand**

NT\$101,490 thousand invested in R&D

**Green
Procurement
24,479
thousand**

The amount of green procurement reached NT\$24,479 thousand

2.1 Innovation Capabilities

- 2.1.1 Intellectual Property Management
- 2.1.2 R&D energy
- 2.1.3 Green Design

2.2 Supply Chain Management

- 2.2.1 Sustainable Supply Chain Strategy
- 2.2.2 Management of key raw materials
- 2.2.3 Local Procurement
- 2.2.4 Supplier management and regulation
- 2.2.5 Green Procurement

2.3 Market Operation

- 2.3.1 Customer Relationship Maintenance
- 2.3.2 Quality Management
- 2.3.3 System and Management System
- 2.3.4 Quality Improvement Project
- 2.3.5 Relationship Management and Recognition

2.1_Innovation Capabilities

Material Topic_Innovative R&D

Significance to Tai-Tech

The Company is committed to the product R&D and technology innovation, and continues to expand product application field, in order to increase the lead from competitors and to establish firm leading advantages.

Commitments and Policies

The Company is equipped with comprehensive R&D team and technologies, and adopts systematic development procedure to establish product R&D database, in order to develop diverse and high-end new products, to synchronously develop new products with high-end and overseas customers jointly, thereby improving product design-in opportunity and competitiveness.

- Develop high-standard, low-loss, high-efficiency new products.
- Assist sales to provide response to various technical specification issues encountered by customers
- Enhance magnetism theory

Short-term Goal

- Establish a systematic development process and R&D database to develop high-end products that meet market demands, enhance market visibility and competitiveness, and strengthen computer-aided design (simulation) capabilities.

Mid- and Long-term Goal

- Secure early design-in opportunities with high-end IC design centers and overseas customers to develop more advanced and high-spec products.

Responsible department

| R&D Center

Resources invested in the current year

- Increase automotive quality system training courses, maintain new product or derivative product project progress, and synchronously improve the R&D capability of R&D personnel through intensive review meetings. Properly use R&D and quality tools of computer aided design and automotive product requirements, etc., in order to new product R&D quality and efficiency. In addition, use of scientific and statistical method to systematically analyze characteristics of newly developed products and the relationship between material and structural design. Establish material, process and product design database, and improve product development efficiency and quality through computer aided design technology.
- Enhance magnetic material and reliability theory, respond to demand and provide technical support timely, gain customer trust and obtain project opportunity, in order to enter the market international giant manufacturers and to become one of the world-class giant manufacturers.

2024 Evaluation Results

- The Taoyuan Headquarters was granted 6 patents; the Taipaq Plant was granted 8 patents.
- A total of 102 valid patents have been accumulated, representing a 16% increase compared to the previous year.
- Revenue from new product sales accounted for 4.33% of total revenue
- Automotive application products increased significantly
- The application of TLVR/SEPI inductors in server equipment has begun to rise.

Complaint mechanism

| Through the sales, quality assurance hotline, product safety and consistent representative contact information

2.1.1_Intellectual Property Management

Tai-Tech is clearly aware that having top-rated technological capabilities is an important prerequisite for winning clients' trust in the ever-changing electronics industry. To consolidate our core technologies, we have long developed product capabilities surpassing our competitors in the industry through a patent layout, and we specialize in meeting clients' needs and joint research and development to provide the market with the best solutions, while applying for patents to maintain our long-term competitiveness actively. As for the system, we have set up a dedicated unit in charge of patent management, formulated patent application management regulations, and established relevant application management procedures, while providing employees with rewards for active application for patents to cope with the fierce market competition. In 2024, the cumulative number of valid patents was 102 patents.

Patent Application Management Process

Step 1

Applicant files an application
 Approved by the General Manager

Step 2

Legal Affairs or other dedicated units
 It involves acceptance by external entities

Step 3

Entrust an external entity for
 patent application

Step 4

Obtain a patent

The application form together
 with relevant materials are
 submitted for approval

Patentability criteria evaluation
 Resolution on whether to
 recommend a case for patent
 application and country of
 application

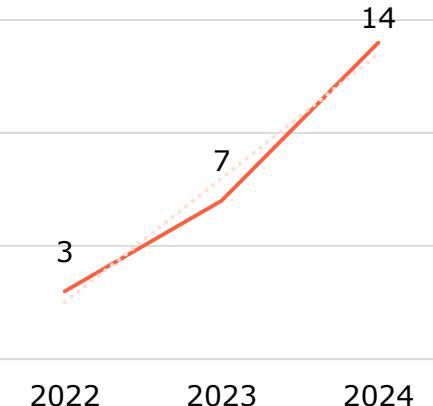
Entrust a professional firm to file a
 patent application
 Assist the firm in preparing
 specifications and handling other
 application matters

Regularly maintain and evaluate the
 patented technology

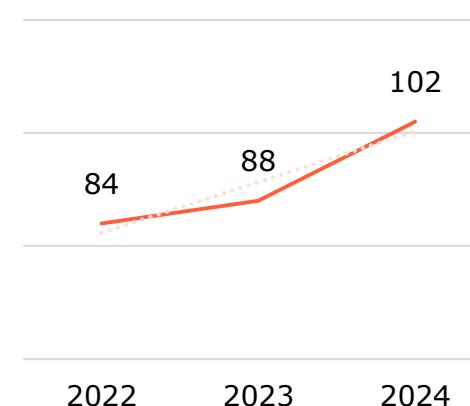
Successfully developed products and technologies

Product line	Summary description
ACM	Auto grade signal communication common mode filter
APO2012	Power inductors for coaxial cable signal power common use
SNLU	Inductors for automotive intermittent circuits
PASU	Automotive tire pressure monitoring power inductors
HFZ1608/2012	Low-resistance high-current chip power inductors
TXF	Power inductors for high-speed network module
TLVR	Power inductors for Servers
THMA/THMC	Automotive inductors

Number of patents obtained



Number of cumulative valid patents

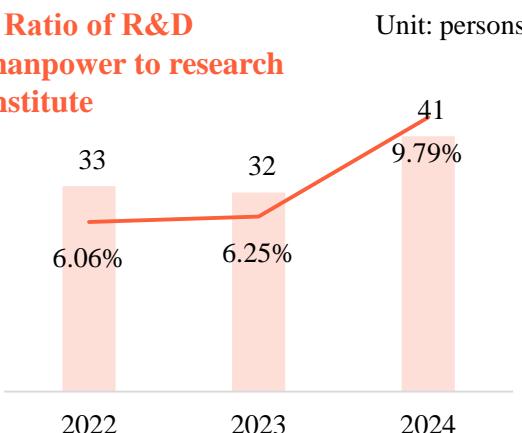


2.1.2_R&D energy

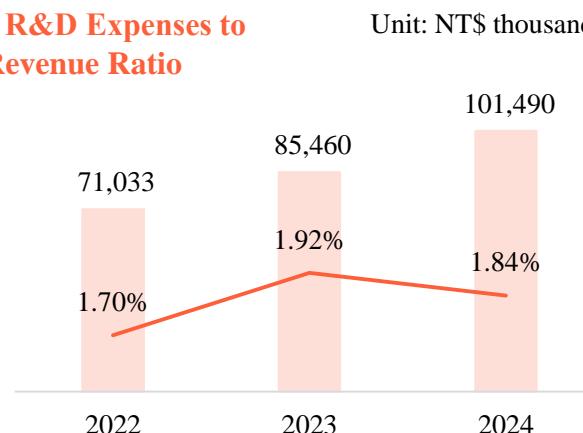
Tai-Tech's innovation and R&D momentum mainly come from the feedback received from interaction with clients. Through the extensive network of clients developed over the years, the Company can stay on the cutting edge of market trends, design products as per clients' needs, and provide the most competitive solutions. In 2024, the Company invested about NT\$101,490 thousand in R&D; R&D expenses accounted for 1.84% of the overall revenue; new product sales accounted for 4.33% of the revenue.

We focus on the R&D of passive components. Based on the development of new materials, product automation, and production process optimization, we aim to develop products with higher specifications. In addition, due to the industry's commitment to transitioning to a low-carbon economy, the Company is dedicated to developing low-Rdc, high-efficiency, low-power products to meet low-carbon requirements. As for business opportunities arising from green energy, we continue to develop products for electric vehicle applications and have gradually occupied a niche in the power management and the battery management module markets.

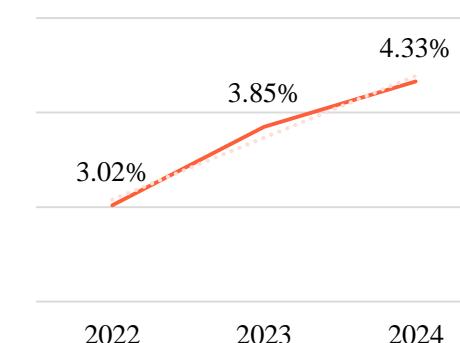
Ratio of R&D manpower to research institute



R&D Expenses to Revenue Ratio



Ratio of new product sales to revenue



Product Development Blueprint

Multi-process technology

We continue to introduce high-efficiency innovative processes, such as new integrally-formed molding technology and multilayer metal-laminate processes.

Flexible and large-scale processes

For different technologies, application products are developed, such as wireless Bluetooth earphones, auto grade signal transmission, network, innovative LAN transformers, and high-speed transmission interfaces (USB3.1/HDMI2.1).



Vertically integrated production

Improved product design to keep up with the latest specifications and trends in the international market, with the development of capacitive network filter high-speed applications (10G/25G/40G) and small-size applications, etc.

Materials technology

Developed innovative material applications such as new molded power inductors (special materials), amorphous metal powders, and micro metal powders, to alleviate the impact on the environment and improved product performance.

2.1.3_Green Design

Material Topics_Green Products

Significance to Tai-Tech

Through technological innovation, we bring opportunities for the Company to reduce production costs, while complying with regulations and government policies, and reducing risks. Our efforts not only focus on satisfying the current market, but also focus on the Company's long-term economic benefits, promote sustainable development, and lay a solid foundation for the future of the enterprise.

Commitments and Policies

Actively promote the research and development of green products to promote sustainable development. We are committed to developing products that meet the highest environmental standards through technological innovation, in order to fulfill our commitment to environmental protection and social contribution.

Short-term Goal

- Hardware: By selecting components, we use high-efficiency power inductors to reduce the temperature of the hottest part of the motherboard by about 10%, and lower on-resistance RDS(on) to reduce the temperature of MOSFETs.

Mid- and Long-term Goal

- Continue to introduce high-efficiency power management active ICs, MOSFETs with low-loss power inductors and low R_{ds(on)} on new models, and investigate circuit optimization and the latest parts selection from time to time. Improve product energy efficiency to achieve the goal of energy saving through research and development of software and hardware.
- Continue to cooperate with upstream manufacturers to develop active and passive materials for green design and accumulate green design resources.

Resources invested in the current year

- Increase the proportion of green products in all commodities to reduce energy consumption.
- Strengthen marketing and publicity: Demonstrate the advantages and value of green products to consumers through marketing and publicity to increase consumers' awareness and trust in green products.
- Increase capital investment: Invest sufficient capital to support the research and development, production, and marketing of green products to ensure product quality and market competitiveness.
- When the product is under a high-current load of 40A, the performance increases by 1.33%, saving 1.63mW of power consumption per power inductor.

2024 Evaluation Results

- Expand the use of high-efficiency high-inductance inductors and MOSFETs with lower on-resistance RDS(on). Currently, 6% of the total R&D projects have been completed. They would be continued for use into the future. There are limits to the features of the materials. Hence, we will collaborate with suppliers to develop materials for better efficiency in future.
- SEPI power inductors have completed 7 of the most major specifications in the market.

Responsible department

| R&D Center

Complaint mechanism

| Wei-Hsuan Luo happy@tai-tech.com.tw Ext.:1395

We tap into our excellent R&D and innovation capabilities to incorporate green concepts into product R&D and design. For example, in the product design and the production stages, we reduce the size of components, develop low-loss materials, and improve product application efficiency, to achieve energy conservation in the product use stage. Moreover, the Company's production and R&D units all have energy conservation projects in place, such as reducing coil winding time by using high-speed machines, improving overall process efficiency, and achieving energy conservation and carbon reduction.

In terms of products, to take advantage of the thriving development of green products, we tap into our advantages in material development and design to continue to expand our product portfolios of high-efficiency and low-power inductors, and provide clients with products that meet the features of low energy consumption for application in emerging fields, such as electric vehicles and servers. This also allows the Company to be part of the overall low-carbon economic supply chain.

□ Green Concept Products

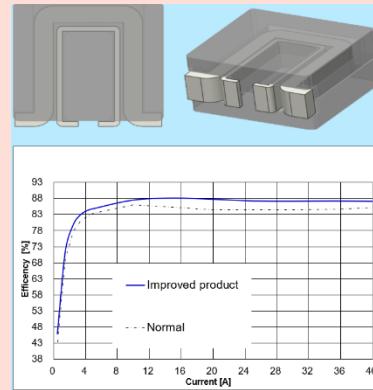
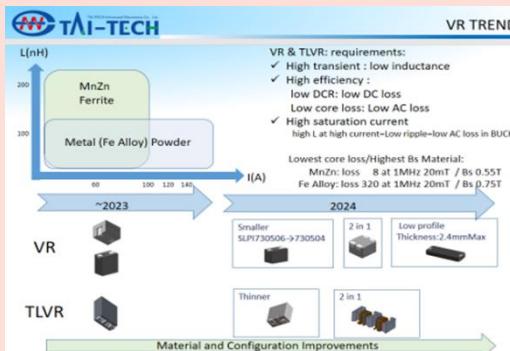
Our pursuit of excellence in technology never stops. We have long focused on developing more energy-efficient product lines to reduce their potential impact on the environment during the product life cycle. Choosing to adopt Tai-Tech's solutions means choosing to stand on the side of environmental protection to strive to create a better future for all. Since 2021, computer simulation-aided design and advanced product loss measurement systems have been introduced to reduce product energy consumption.

In 2022, V2 power inductor for DDR was developed. The comparison between the new low-loss material and the power inductors of the best performance in 2021 indicates that based on the estimation of the (load) during use, it is able to further increase 0.5% of performance, and each power inductor is able to save 0.61mW/pcs (Note 1). For the calculation of 10 million units of computers, and each computer being used for 8 hours per day, when 2 DDR modules are installed per computer with each module installed with two power inductors, then it is able to save approximately 70,272K joules/8hrs (Note 2).

Invest Resources in Green Products

Year	2022	2023	2024
R&D Manpower	33 persons	32 persons	41 persons
R&D budget (NT\$ thousand)	80,890	76,900	85,460
Green Product Sales As a percentage of operating revenue	100%	100%	100%

The excellent performance of low energy consumption power inductor components has helped clients create greater value



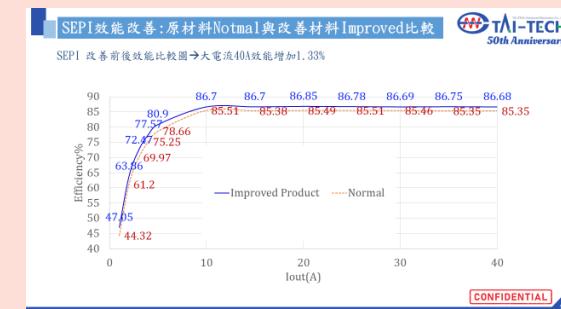
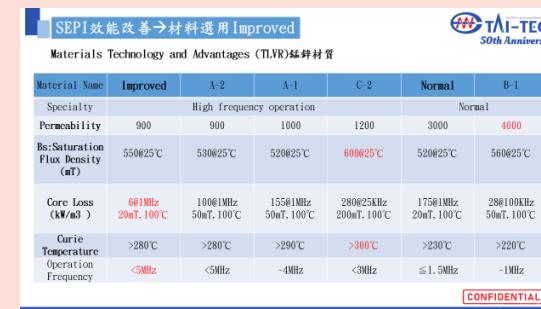
Note 1: 0.61mW/pcs = $3.5A^2 \times 0.01 \times 0.5\%$

Note 2: 70272K = 10000000 computers * 8HRS * 2DDR5 * 2 * 0.61mW / 1000 * 3600

In 2023, the Trans Inductor Voltage Regulator (TLVR) inductor was developed to use a coupled inductor in series to tune the inductor to increase the coupling current and rapidly increase the current response, making it more capable of coping with the new generation of servers with increasingly higher power consumption due to its high coupling advantage. The goal is to achieve extremely fast transient response without sacrificing other key performance parameters. By increasing the transient response, a large amount of output capacitance can be reduced. The reliability of the circuit is improved, and the cost of the capacitor is reduced.

A comparison between the new TLVR low-loss material and the best performing power inductors in 2022 shows that the performance can be further improved by 1.94% under the estimated operating time (heavy load), and each power inductor can save 0.776W/pcs (Note 3). Based on a calculation of 10 million computers, with each computer operating 8 hours per day and containing 8 inductors, approximately 1,787,904 megajoules (MJ) can be saved per 8 hours (Note 4).

In 2024, Tai-Tech developed SEPI inductors. Compared with the best-performing inductors in 2023 using new low-loss materials, under estimated usage conditions (heavy load), performance can be further improved by 1.33%, saving 1.63 milliwatts (mW) per inductor. Based on a calculation of 10 million computers, each equipped with 8 inductors and used for 8 hours daily, this results in an estimated energy savings of 3,755,520 kilojoules (KJ) per 8 hours (Note 5).



Note 3: 0.776W/pcs = 40W×1.94%

Note 4: 1,787,904MJ = 10,000,000 computers × 8 hrs × 8 inductors × 40W ÷ 1000 × 3600

Note 5: 1.63mW/pcs = 3.5A² × 0.01 × 1.33%, 3,755,520KJ = 10,000,000 × 8 hrs × 8 SEPI × 1.63mW/pcs ÷ 1000 × 3600

2.2_Supply Chain Management

Material Topic_Sustainable Supply Chain

Significance to Tai-Tech

A sustainable supply chain is a fundamental cornerstone for achieving the Company's sustainable development. It not only helps the Company effectively reduce supply chain risks and ensure operational stability and resilience but also reflects the Company's commitment to environmental, social, and governance responsibilities. Promoting a sustainable supply chain contributes to enhancing the Company's brand image and market competitiveness, and also enables shared value creation with suppliers—fostering a win-win situation across economic benefit, social well-being, and environmental protection.

Commitments and Policies

Tai-Tech is committed to integrating sustainability principles into supply chain management:

- Compliance and Transparency: Strictly abide by local regulations and international standards to ensure transparent and fair transactions.
- Green and Environmental Protection: Promote suppliers' adoption of low-carbon production models and gradually increase the use of eco-friendly materials.
- Labor Rights Protection: Ensure respect for human rights and labor rights, and prohibit child labor, forced labor, and discrimination.
- Ethical Management: Require all suppliers to sign an Integrity Commitment Letter, eliminating bribery and corruption.
- Collaboration and Support: Collaborate with suppliers on capability building to implement sustainable development comprehensively.

Assessment mechanism

- Audit Coverage: Track supplier ESG audit progress quarterly and review achievement rates annually.
- Commitment Signing Data: Regularly update and publicly disclose the completion status of Integrity Commitment Letters signed by new suppliers.
- Capability Enhancement Evaluation: Establish supplier project performance KPIs—such as training participation rates and improvement project completion rates—and conduct annual reviews.

Short-term Goal

- Achieve 50% supplier sustainability audit coverage: Complete ESG audits for 20 suppliers, focusing on compliance, environmental impact, and human rights protection.
- 100% of new suppliers to sign the Integrity Commitment Letter: Ensure that all newly onboarded suppliers sign the Letter.
- Complete at least 5 supplier ESG capability enhancement projects: Provide project-based guidance and training to improve suppliers' environmental and social responsibility capabilities.

Mid- and Long-term Goal

- 100% supplier ESG audit coverage: By 2030, complete on-site ESG audits for all suppliers and establish a comprehensive supplier sustainability documentation system.
- Supply Chain Carbon Neutrality Program: By 2030, reduce total supply chain carbon emissions by 50% and encourage key suppliers to set their own carbon neutrality goals.
- Increase supplier sustainability engagement: By 2030, collaborate with over 80% of suppliers on sustainability projects to enhance overall supply chain resilience and environmental capacity.
- Green Procurement Ratio to Reach 30%: By 2030, achieve a 30% share of eco-friendly or low-carbon products and materials in the Company's procurement portfolio.

Resources invested in the current year

- ESG Assessment Forms signed by 18 suppliers
- 46 suppliers listed on the supplier audit checklist
- External audit on 4 industrial waste contractors
- Undertaking of Anti-corruption signed by 29 new suppliers

2024 Evaluation Results

- No major deficiencies identified in internal or customer audits
- No suppliers were involved in serious adverse environmental or social impacts during transactions or cooperation
- Local procurement ratio of goods was 56%
- The local procurement ratio of raw materials was 69%
- Green Procurement Amount reached NT\$24,479 thousand

Responsible Department

| Procurement Section, Management Department

Complaint Mechanism

| Department extension, email

2.2.1_Supply Chain Strategy

Frequent global risk events have underscored the importance of honoring our commitments to customers and effectively managing the impacts of uncertainty. Tai-Tech prioritizes supply chain resilience by implementing risk diversification strategies for key raw material sources, ensuring that more than two suppliers are maintained for each material to avoid significant impacts from potential shortages. Tai-Tech's approach to sustainable supply chain management is rooted in the core concept of corporate social responsibility. We are committed to achieving a balanced development across economic growth, social harmony, and environmental protection, thereby promoting corporate sustainability. We firmly believe that only by upholding ethical business practices and working hand in hand with our suppliers and partners can we generate truly broad and lasting influence. As such, the Company extends its corporate responsibility expectations across the entire supply chain and seeks to collaborate with suppliers to comply with international sustainability standards and relevant regulations, while actively practicing the following principles:

Human Rights and Labor Rights Protection	Labor Health and Safety	Environmental Protection and Green Management	Ethical Corporate Management and Code of Ethical Conduct
<ul style="list-style-type: none"> ● Respect and protect the fundamental rights of every employee; eliminate all forms of forced labor, child labor, and discrimination. ● Ensure suppliers comply with the International Labour Organization (ILO) Core Conventions and relevant human rights standards, and provide a dignified, fair, and equal workplace for all employees. 	<ul style="list-style-type: none"> ● Require suppliers to strictly follow Occupational Safety and Health Management System Standards and local safety regulations to ensure workplace safety. ● Support suppliers in implementing safety training, hazard prevention measures, and health promotion programs to protect employee life and health. 	<ul style="list-style-type: none"> ● Promote adherence to Environmental Management System Standards and related domestic and international environmental regulations to reduce environmental impacts during operations. ● Encourage suppliers to adopt sustainable materials and production processes, and implement measures such as energy saving, carbon reduction, and waste minimization to jointly maintain ecological balance. 	<ul style="list-style-type: none"> ● Enforce strict compliance with ethical principles, prohibiting bribery, corruption, and conflicts of interest. ● Ensure all suppliers sign an Integrity Commitment and establish transparent transaction and cooperation mechanisms to foster a fair competitive environment.

Tai-Tech aims to build a symbiotic, co-prosperous, and localized supply ecosystem through the following strategies:



2.2.2 Management of key raw materials

To keep our commitments to clients and reduce raw material risk, Tai-Tech's corresponding strategic measures to handle possible key raw material risks are shown below:

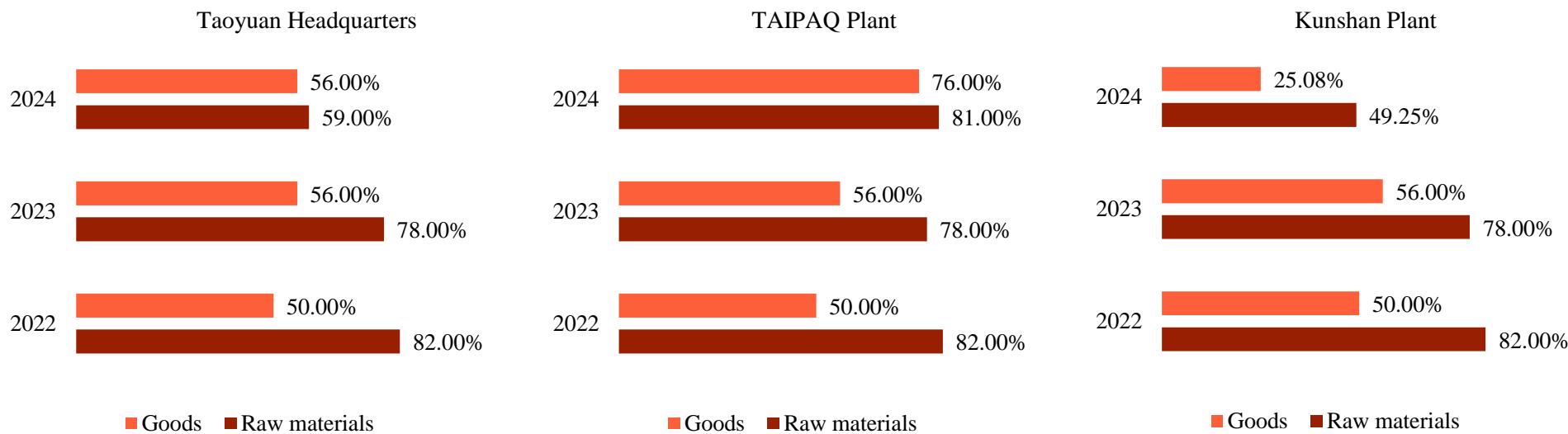
Key Raw Materials	Powder	Silver paste	Enamelled wire	Ferrite cores
Type of Risk	<ul style="list-style-type: none"> ● Risk of delivery delay via distributor ● Affected by international metal raw material price fluctuations 	<ul style="list-style-type: none"> ● International heavy metal price fluctuations 	<ul style="list-style-type: none"> ● International heavy metal price fluctuations 	<ul style="list-style-type: none"> ● Whether the quality meets the client's needs ● Delivery shipping risks
Corresponding measures	<ul style="list-style-type: none"> ● Seek a secondary supplier or alternative material ● Place long-term orders to ensure supply source and price stability 	<ul style="list-style-type: none"> ● Place stock orders in advance 	<ul style="list-style-type: none"> ● Place stock orders in advance and find a secondary supplier 	<ul style="list-style-type: none"> ● Place orders in advance and seek a secondary supplier or alternative materials

Note: Tai-Tech defines key raw materials as those that are essential in the production process and are exposed to risks of supply constraints.

2.2.3 Local Procurement

In 2022, the quantity of equipment transferred back from the Taipaq Plant and repurchased from overseas subsidiaries was relatively high, resulting in a decrease in the local procurement amount for that year. Tai-Tech will continue to plan and implement local procurement strategies or seek alternative suppliers to reduce transportation-related risks and carbon emission issues.

Ratio of Local Procurement Amount



2.2.4 Supplier management and regulation

As Tai-Tech's operations have expanded to the global market, we assume more risks and responsibilities. We comply with the local laws and regulations as the basic principle of a series of operating activities from planning, procurement, manufacturing, and distribution to after-sales services. We also follow the international organization standards and initiative trends by incorporating the spirit of the Responsible Business Alliance Code of Conduct into the Company's overall supply chain management strategy. We have thus formulated the guidelines for the entire supply chain to follow in the major dimensions of labor, health and safety, environment, ethics, and management systems, to lead our business partners to jointly create the maximum values for the environment and society.

To further ensure the sustainable development of the supply chain, Tai-Tech not only conducts comprehensive due diligence on the financial condition of its suppliers but has also established the “Tai-Tech Supplier Code of Conduct.” This Code enables a thorough review and evaluation of supplier compliance in areas such as regulatory adherence, environmental sustainability, and labor and human rights protection. Through this Code, we aim to establish a shared responsibility platform with suppliers to drive continuous improvement throughout the supply chain ecosystem. Tai-Tech conducts regular evaluations of its suppliers to prevent unethical business practices. Furthermore, we are progressively incorporating ethical conduct clauses into contracts with all trading partners. Regarding occupational safety, we have formulated the Contractor Management Procedures, and the Occupational Safety and Health Office regularly sends emails regarding relevant occupational safety and health matters to engage with supply chain partners. Regarding environmental protection issues, we have formulated the Green/Environmental Product Specifications Operating Procedures, which will be provided to suppliers to sign and return when new specifications are recognized, to urge suppliers to follow the latest green standards. During the annual supplier audit, suppliers must fill in the supplier audit checklist and return it. If any records of serious adverse impact on the environment and society are found during the transaction or collaboration period, business dealings with such suppliers will be terminated immediately.

Secondly, Tai-Tech has adopted a conflict-free mineral procurement policy, and the procurement documents all specify the requirement for zero use of conflict minerals. We support RBA’s and GeSI’s strategies and approaches to conflict minerals, and have adopted the Conflict Minerals Reporting Template released by the EICC/GeSI Extractives working group and its supporting management tools released by the RBA-GeSI joint working group to investigate whether our suppliers implement the above policy. Regarding hazardous substances, we have implemented a zero-tolerance policy and follow internal procurement management regulations. Our suppliers must provide certificates of zero use of hazardous substances. We will also send the substances for inspections and testing, double-checking to ensure that the products are 100% in compliance with standards. An annual supplier audit shall be conducted in accordance with the Company’s supplier audit regulations. If our important raw material suppliers have any deficiencies in the key audit items, they shall respond with an improvement plan within 10 days and a re-evaluation date within one month of the improvement. If a supplier fails to meet standards in the re-evaluation, we will cancel its eligibility and stop purchasing from it. If the on-site audit cannot be conducted due to COVID-19 or other force majeure reasons, document reviews or online auditing will instead be conducted.

In recent years, Tai-Tech has increasingly embedded responsible business conduct into its organizational and supply chain operations. We have implemented the following key actions with our partners:

- Commenced ESG due diligence on key suppliers. In the year, more than 20 suppliers were scheduled for comprehensive evaluation and audit, and the scope of implementation is being gradually expanded.

2023

- Only financial due diligence was conducted on counterparties to preliminarily assess their stability and compliance.

2022

2024

The following specific goals have been completed:

- The supplier management policy was revised to require suppliers, based on their scale and the transaction amount between both parties, to progressively implement environmental, occupational safety, or human rights-related management systems.
- A total of 18 suppliers signed the ESG assessment form, confirming their commitments and practices in environmental, social, and governance aspects.
- A total of 46 suppliers completed the supplier audit checklist, providing a comprehensive review of their compliance and sustainability management measures.
- A total of 29 new suppliers signed the Integrity Commitment Letter, further strengthening the foundation of ethical business cooperation.

Major audit items on the supplier audit checklist

Quality control system

Quality control organization and whether quality control system certification is obtained

Manufacturing Capabilities

Review operators' qualifications and production processes

Business Management

Check whether personnel education and training is held; the factory environment is inspected, and finances are stable

Laws and regulations and customer requirements

Assess the organization, talent, and measures of environmental management and zero use of conflict minerals

Instruments and Methods of Analysis

Check whether there is a documented procedure to control inspection, measurement, calibration of testing equipment

Training and Education

Check whether there are education and training documents and plans related to environmental protection

Raw Material Management

Check whether a mechanism to distinguish green products from non-green ones is established

Incoming Material Quality Control

Check whether the incoming material inspection documents (standard inspection procedure or SIP) contains records of inspection and environmental restricted substances

Outgoing Product Quality Control

Check whether there is an identification method in place for green products

Document Control

Check whether there is a documented process to define the engineering drawing purpose and specification changes to conduct version control and keep quality records

Technological Capabilities

Review the design process and R&D personnel assignment

Machinery and Equipment

Check whether a maintenance and inspection system is established

Traceability Mechanism

Check whether a manufacturing control system is established

Cooperation and Service

Check whether a declaration or a survey form is signed and returned

Design Engineering

Check whether there are changes to environmental restricted substance management regulations

Defective Goods Control

Check whether there are documented defective goods control procedures in place

Outsourcing and Supplier Management

Check whether there is an appropriate supplier rating system to track suppliers' key performance indicators

Process Quality Control

Check whether the operating procedures for preventing pollution and the mixing of prohibited substances have been established

Internal Review

Check whether there is a documented procedure stipulating the audit plan and the responsibilities and requirements of audits

The review of written materials contains 19 dimensions. In addition to the suppliers' self-evaluation, the Company's evaluation is included to ensure the rigorous nature of the overall evaluation mechanism; meanwhile, we encourage supply chain partners to transform and upgrade themselves actively to create greater values in the overall industry chain. In addition, for the newly added suppliers at home and abroad, Tai-Tech has adopted the environmental/social standards to screen. Tai-Tech will continue to enhance the cooperation relationship with supply chain partners, and will implement the supplier ESG survey form properly. In addition, the Company will work together on various major issues to meet our stakeholders' expectations.

Screening of New Suppliers Using Environmental/Social Standards | Supplier ESG Audit

Taoyuan Headquarters	2022	2023	2024
Number of New Suppliers	14	9	15
Number Screened	14	9	10
Screening Percentage	100%	100%	66.67%

Taoyuan Headquarters	2022	2023	2024
Number of Suppliers	32	46	22
ESG Self-Assessments	28	42	18
ESG On-Site Audits	0	20	4
Overall Audit Rate	87.50%	91.30%	81.82%

TAIPAQ Plant	2022	2023	2024
Number of New Suppliers	5	4	7
Number Screened	5	4	7
Screening Percentage	100%	100%	100%

TAIPAQ Plant	2022	2023	2024
Number of Suppliers	41	39	49
ESG Self-Assessments	46	39	42
ESG On-Site Audits	26	18	19
Overall Audit Rate	54.55%	60.87%	85.71%

Kunshan Plant	2022	2023	2024
Number of New Suppliers	1	0	0
Number Screened	1	0	0
Screening Percentage	100%	0%	0%

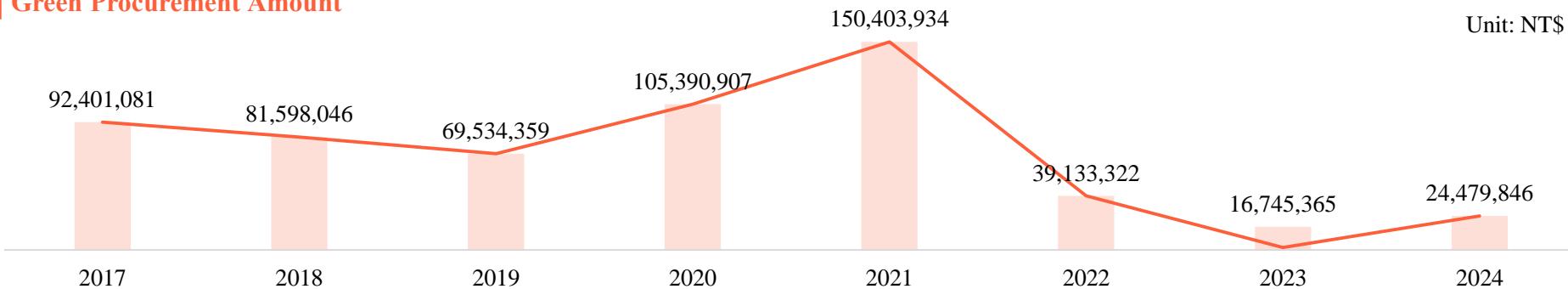
Kunshan Plant	2022	2023	2024
Number of Suppliers	0	16	16
ESG Self-Assessments	0	16	16
ESG On-Site Audits	0	10	10
Overall Audit Rate	0%	100%	100%

In the future, Tai-Tech will continue to audit and assess the performance of suppliers, and provide appropriate guidance and support to help suppliers enhance their sustainable management capabilities. We are committed to implementing the spirit of sustainable development in every aspect, and to working hand in hand with suppliers and all stakeholders to contribute to the harmonious coexistence of the economy, society, and the ecological environment.

2.2.5_Green Procurement

To establish a more resilient supply chain strategy and implement relevant supplier management regulations, Tai-Tech has incorporated sustainable procurement strategies into its procurement practices. For raw material procurement, the Company actively selects sources with environmental protection or green certification labels and is committed to working together with suppliers to enhance corporate social responsibility, contributing to the environment and society in which we all live. In 2024, Tai-Tech's green procurement amount reached NT\$24,479 thousand. For eight consecutive years, Tai-Tech has been publicly recognized by the Environmental Protection Administration (restructured as the Ministry of Environment) as an "Outstanding Private Enterprise and Organization Unit in Green Procurement." In the future, we will continue to plan and implement local procurement to reduce carbon emissions generated during transportation and to promote economic opportunities in the regions where our operation sites are located.

Green Procurement Amount



Certificate of Commendation from the Environmental Protection Administration for Outstanding Suppliers in Green Procurement



2017

2018

2019

2020

2021

2022

2023

2024

Note: As the trophy for 2024 has not yet been issued, a photo of the 2023 trophy is used as a substitute

2.3 Market Operation

Material Topic_Customer Service

Significance to Tai-Tech

Customers are the main source to the revenue of the Company, and Tai-Tech values product quality, delivery, technology R&D and sales service as the highest commitment to customers. Maintaining high customer satisfaction on the Company will be beneficial to the Company in order to continue to seek customer recognition.

Commitments and Policies

- Establish service-oriented operation model and optimize service process, in order to improve customer trust and achieve win-win situation.
- Apply innovative technology control and improve product quality, and cooperate with customers, in order to provide products and services satisfying demands.

Short-term Goal

- Value customer demands, provide excellent customer services.
- Provide value to customers, and resolve customer complaints to prevent loss of customer trust.
- Customer satisfaction survey average score above 90 points.

Mid- and Long-term Goal

- Establish win-win service partnership with customers.

Resources invested in the current year

- Uphold the principle of service customers, designate responsible sales specialists and assistants to perform field visits actively, and adopt the methods of video conference, e-mail, telephone and communication software to provide diverse communication channels for daily exchanges, in order to assist customers in solving and inquiring product order problems, and to also assist customers for the time from order placement to product delivery waiting time.
- The frequency of visits and communication with major customers depends on customer needs, with visits conducted more than once per week. In addition, remote online meetings are held from time to time to conduct various technical exchanges and demand seminars, enabling interaction with customers to understand and gather customer needs and feedback.

2024 Evaluation Results

- For the top 20 customers by transaction amount (including alternate customers), a customer satisfaction survey was conducted. The questionnaire recovery rate was 100%, and the average score at the Taoyuan Main Plant reached 93.13 points.
- The customer satisfaction survey average scores for the last three years were all above 93.25 points

Responsible Department

| Sales and Marketing Business Group, and each customer's dedicated account representative

Complaint Mechanism

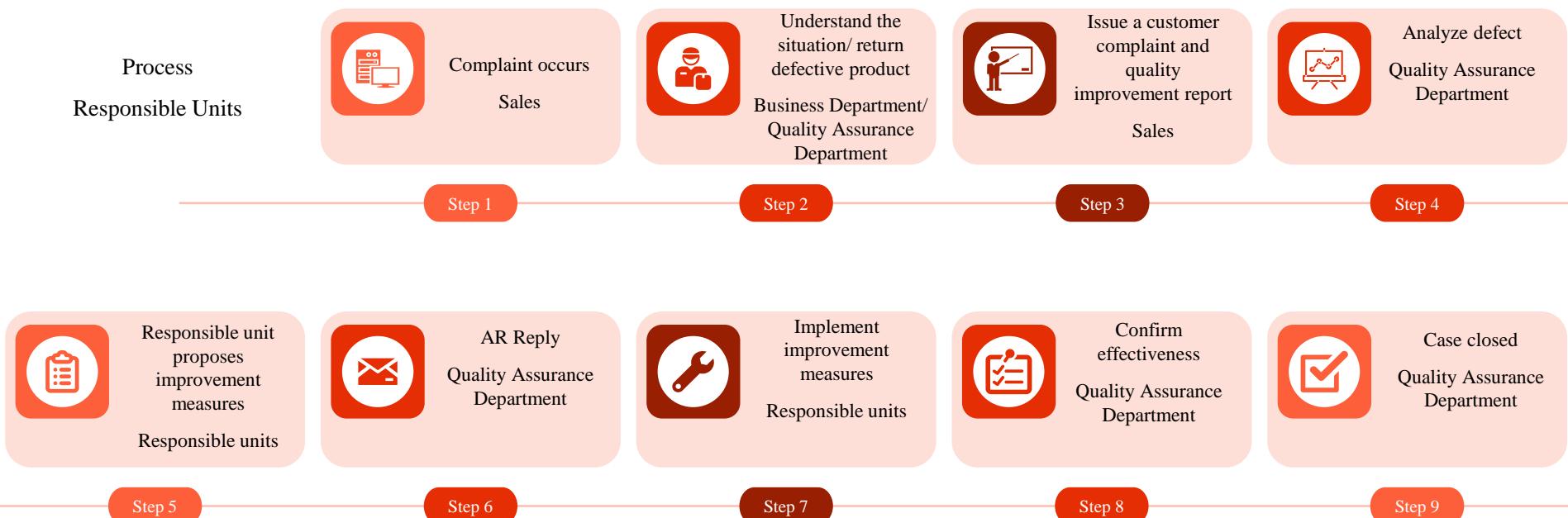
| sales@tai-tech.com.tw

2.3.1 Customer Relationship Maintenance

After years of endeavors in the field of passive components, Tai-Tech is one of the few companies in the industry with the ability to manufacture and sell various types of power inductors and provide customized products to clients. With a transformed business model, Tai-Tech can no longer be defined as a traditional contracted manufacturer. Working closely with clients to develop products and markets, and provide them with high value-added solutions is the key to the company's foothold in this fiercely competitive market. In recent years, our customer service has progressed to the stage where we develop products with clients, including component design, engineering verification, and after-sales service. We provide services to improve customer stickiness from the initial stage of product development. The Company also has a professional laboratory and a professional team of engineers to provide clients with services, including verification reports. Tai-Tech has transcended the framework of simply manufacturing products, and instead runs on a manufacturing service model.

Under this new business model, Tai-Tech is committed to enhancing the interaction with clients and conducting systematic management to effectively keep abreast of clients' feedback. We have formulated the internal Customer Complaint Response Procedures to establish a complete interdepartmental response mechanism for customer complaint risks to ensure that each client's advice and criticism are duly handled quickly to meet their needs and gain their trust. We analyze and review the content of their complaint and put forward countermeasures and improvement reports to prevent the same incident from recurring and promote our after-sales services and improve product quality. In the past 3 years, the Company has not leaked, lost, or damaged customer data, nor received any complaints from customers.

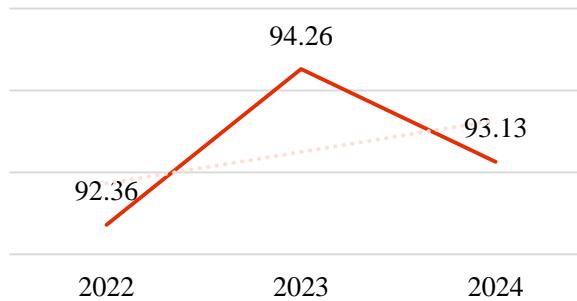
Customer Complaint Response Process



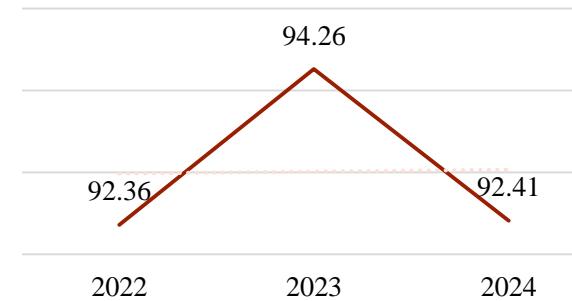
In addition to a complete customer complaint response mechanism, Tai-Tech has established the Client Satisfaction Operating Procedures to conduct client satisfaction surveys. The Company's sales staff will give the customer satisfaction questionnaire to clients to conduct client satisfaction surveys through visits or by fax or e-mail each year to evaluate the four dimensions of "quality", "delivery", "technological research and development", and "price and sales service". In 2024, the Taoyuan headquarters and the Kunshan plant issued questionnaires to the top 20 customers (including potential customers) based on transaction amount, achieving a 100% recovery rate. The average questionnaire scores were 93.13 and 92.41, respectively, with an overall average satisfaction score of over 93.25 points for the past three years. This represents the strong recognition from major customers for Tai-Tech.

Customer Satisfaction Survey Score

Taoyuan Headquarters



Kunshan Plant



Note: The Taipaq Plant did not conduct a customer satisfaction survey.

Note: The full score of the customer satisfaction survey is 100, and the Company's target value is above 90.

According to the "Customer Satisfaction Operating Procedures", we have established a continuous improvement and tracking mechanism based on the results of the questionnaires collected to instantly keep abreast of customers' feedback and market trends, which has allowed us to adjust our operational strategies flexibly strengthen the overall business resilience.

Tai-Tech focuses on client-oriented services. After using regular client satisfaction surveys to confirm the results, the company also pays attention to comments from external agencies, reviews client privacy, and attaches great importance to information confidentiality. Tai-Tech will continue to conduct surveys, improve client satisfaction, and pay attention to customer privacy. The goal is to build willingness and confidence for clients to maintain long-term cooperation and customer relationships.

Customer satisfaction questionnaire handling process

Information obtained from the survey is used as the reference for subsequent management and improvement information of each department



Receive completed
questionnaires



President reviews and
approves questionnaire results



Analysis of items
with low points



Relevant departments propose
an improvement plan



Take the initiative to
respond to clients

2.3.2 Quality Management

Supplementary Topics_Product Safety

Significance to Tai-Tech

The Company has been committed to the cultivation of outstanding talents for a long period of time, and through verification of reliability of each stage and green products, the Company continues to improve product quality and safety, in order to ensure product competitiveness.

Commitments and Policies

Satisfy customer demands:

- Our “products” are able to meet the specifications set by customers
- Our “services” can meet the contractual agreements made with customers.
- The Company’s “operations” and “processes” must fulfill the requirement of upstream engineering guaranteeing downstream engineering.
- Ensure solid self-assurance of quality.

Short-term Goal

- Establish reliability annual verification plan
- Conduct in-house hazardous substance testing on products; each product is submitted annually to SGS for hazardous substance testing to ensure compliance with customer specifications
- Expected to obtain ISO 17025 certification in Q2 2025

Mid- and Long-term Goal

- Introduce green raw materials for all raw materials
- 100% of products comply with the international requirements of REACH/RoHS standards
- Reliability laboratory to obtain ISO 17025 certification

Resources invested in the current year

- Use of green products, complying with product safety requirements (REACH / RoHS):

REACH

RoHS

Investment amount:
NT\$569,620

Investment amount:
NT\$231,650

2024 Evaluation Results

- No major deficiencies were found during internal audit/customer audit
- KPIs for customer complaint rate, hazardous substance testing, and 0KM defect rate all met targets
- 100% completion rate of reliability test scheduling

Responsible Department

Quality Assurance Division

Complaint Mechanism

Wei-Lun Huang, leo1982@tai-tech.com.tw, ext. 1230

Providing clients with reliable products and services is at the core of Tai-Tech's competitiveness. We have long upheld the quality policy of meeting clients' needs and provided them with the best quality and specifications.

In the spirit of our quality policy, we have constantly improved the quality of our products, and formulated corresponding key performance indicators (KPI) according to this policy, and our overall quality management system is based upon using quantitative indicators to ensure that our product quality meets clients' expectations. Every year, we set and review the annual quality KPI in the management review, in line with the Company's overall business policy and quality KPI, and request relevant departments to cooperate with the execution, review, and follow-up.

Tai-Tech's manufacturing and management quality are in alignment with international standards. To reinforce our foundation in the field of automotive electronics, to enter the supply chain of world-class automobile manufacturers, and seize emerging opportunities from electric vehicles, we have obtained the IATF automotive industry quality management system certification (IATF 16949: 2016), which covers design and development, production, installation, and service regulations, proving that we have top-rated capabilities to provide automotive electronic component solutions.

Quality policy: Meeting clients' needs

Products

Our "Products" can meet customer specifications



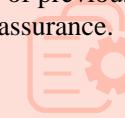
Services

Our "Services" satisfy the terms of the contract with the customer



Operating process

"Operations" or "Services" within the Company must meet the requirements of previous process and post-process assurance.



Quality

We conduct quality assurance properly



2.3.3 System and Management System

Tai-Tech has introduced ISO 9001: 2015 quality management system structure comprehensively and continued to be certified. We have established management and evaluation mechanisms, including leadership, planning, software and hardware resources, operation and production, performance evaluation, and continuous improvement, and we have the Quality Assurance Department within the organization to be responsible for product inspection and abnormality, clients' complaint response, quality audit and certification, instrument calibration and management, and after-sales service. As the management representative authorized by the General Manager, the head of the Quality Assurance Department is responsible for implementing a quality assurance system under ISO 9001: 2015 and IATF 16949: 2016 to ensure the implementation of the client-oriented policy, to improve our overall business performance and client satisfaction.

With the above management systems, we have established the Product Identification and Traceability Procedures and the Non-conforming Product Control Procedures to ensure that all products and materials are traceable, and raw materials, materials, or products that are non-conforming or may not meet the requirements can be identified, labeled, isolated, and handled immediately. To prevent further processing or misuse from causing non-conformities to occur again, we will do our best to ensure that every product and part produced by Tai-Tech can meet the test of the market.

In addition to complete quality management procedures, we invest resources and manpower to implement quality improvement projects every year, and explore the issues related to the processes or the products to break through the current bottlenecks we encounter. We also continue improving efficiency and enhancing our own technological capabilities through current situation analyses, improvement countermeasures, and effect verification. Tai-Tech has been able to build diverse and innovative product lines upon years of experience, which is the key to winning our clients' trust and reflects our performance in implementing our quality management system.

ISO 9001:2015



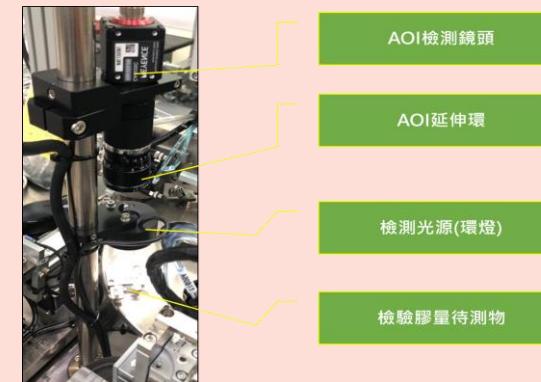
IATF 16949:2016



2.3.4_Quality Improvement Project

Quality Management

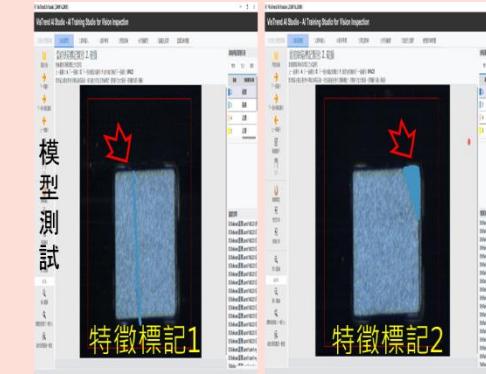
1. High-frequency power inductor manufacturing process with the introduction of upper computer function, and the entire station uses barcode to scan work orders. The system automatically import the production criteria, in order to prevent manual criteria setting error. In addition, it also includes the function of personnel, material use criteria scanning and verification, and lot number with traceable checks.
2. High-frequency power inductor manufacturing process with the introduction of assembly line along with the installation of winding machine AI visual inspection to replace the manual inspection and material receiving, in order to comply with the fully automated equipment process management.
3. Automated AI appearance inspection testing packaging machine is installed to replace radiational manual inspection, in order to prevent any appearance defect output due to manual inspection error, such that the labor cost can be reduced, and the automated process can be achieved, thereby increasing customers' faith on the Company's products.
4. The reliability laboratory has applied for ISO 17025 certification and is expected to obtain it in Q2 2025, increasing customer confidence in the products.



Automated Data Collection and Analysis

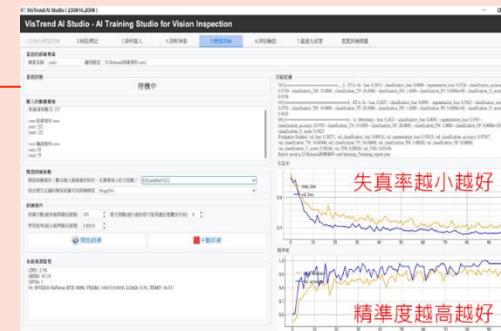
Develop Industry 4.0; adopt smart machine networking; use Big Data collection and analysis; and make products more effective and competitive in design, development, manufacturing, sales, etc., to improve productivity and quality while creating higher added value.

1. Introduce automotive welding end surface tension SPC to reduce manual operation
2. Introduce testing packaging machine SPC to automatically save the production characteristic readings of each unit, and to achieve automatic control of CPK/PPK requirements
3. Introduce tension gauge with digital display to automatically control the tension standards for different cable diameters
4. The establishment of the war room enables real-time monitoring of the production process



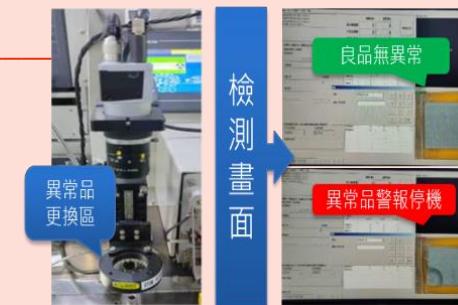
Production Data Dashboard Management

1. The production activity information feedback is timely and efficient and has the “self-discipline” ability
2. Bulletin board data moves with logistics, making information flow integrated into logistics and easy to manage
3. Production inventory is low, and quality is controlled
4. Expose many problems in production and promote continuous enterprise improvement



Automated In-Line Inspection

After testing and packaging, a 2x magnifying glass inspection is conducted, and automatic inspection equipment is used instead of manual inspection, to prevent defective products from flowing out to clients due to personnel fatigue or negligence. The cost of inspection per item can be reduced to NT\$0.0142.



□ Promotion and Prospect of Tai-Tech Industry 4.0

Improve operational efficiency and decision-making information transparency

Since 2021, Tai-Tech has continued to actively invest in equipment and production line upgrades to maintain cutting-edge manufacturing capabilities and adopted external resources for a comprehensive software and hardware upgrade to ensure that our products and services align with the latest trends in the industry. The first stage of on-site production process integration has been completed, the production visualization and quality traceability mechanism have been established, and the production line efficiency and control performance are optimized through mobile device connection operations.

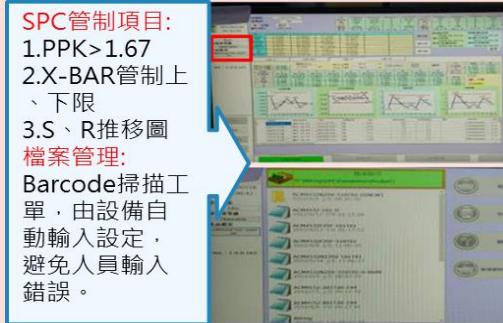
Improved Production Information Collection Efficiency

We have replaced the traditional production information manual transcription using mobile devices with QR CODE applications. This effort can increase information collection immediacy and credibility while improving data analysis and Big Data applications.

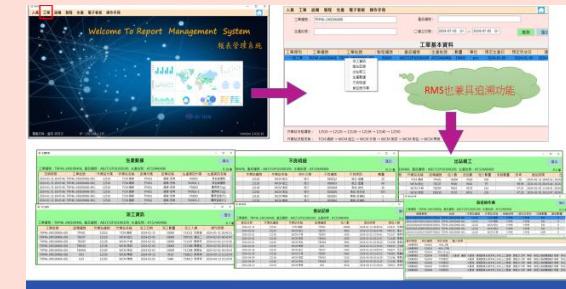


Production Management Enhancement and Information Transparency

Prevent neglect and negligence caused by human factors via maintenance schedule reminders and regular production equipment inspections, and ensure the production lines operate according to specifications. With the introduction of MES and electronic bulletin boards, real-time production status data can be obtained through the system for analysis.

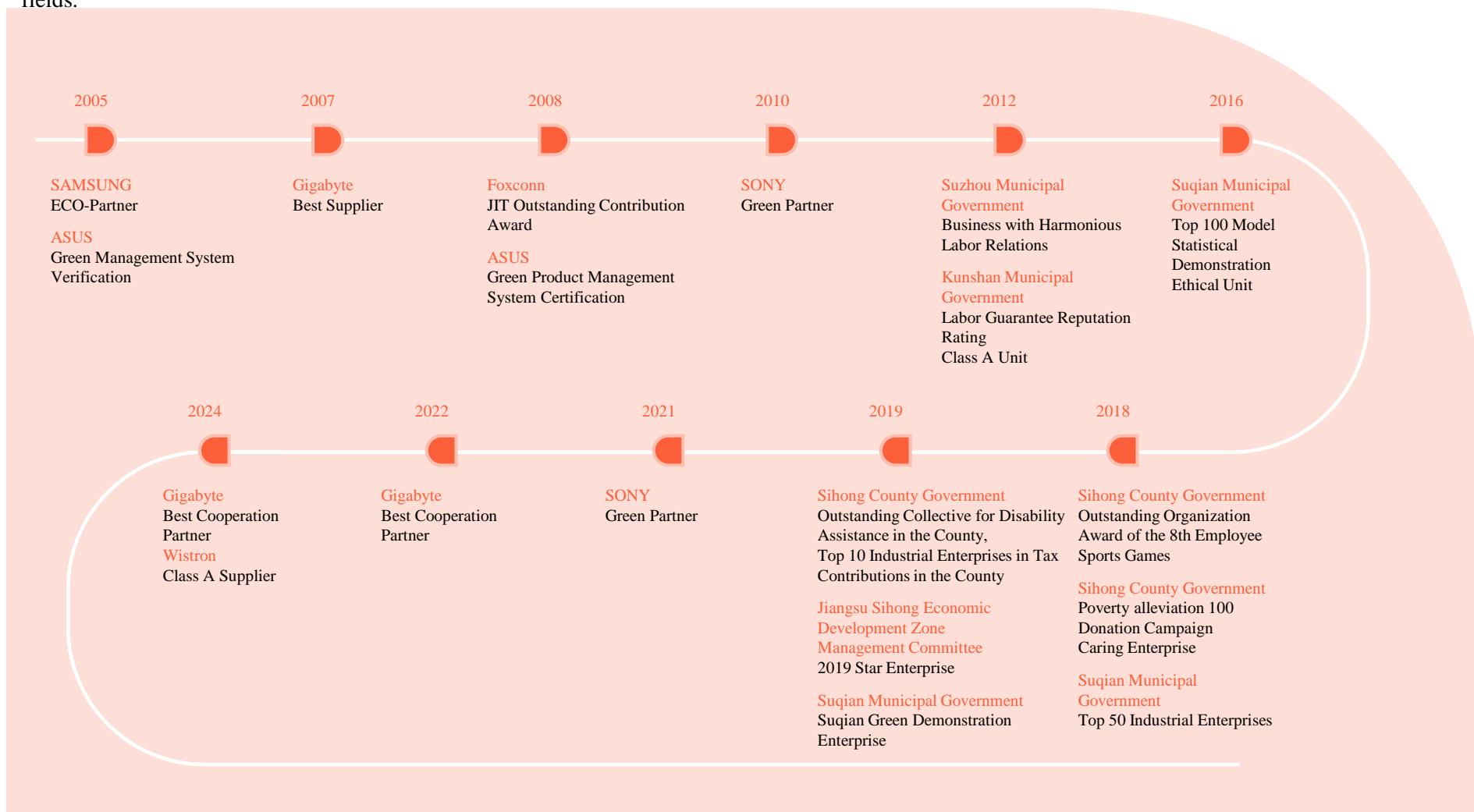


Tai-Tech intends to increase its efforts in recent years to gradually construct a machine network environment and collect and manage various production data under the full automation principle. The goal is to ensure that higher production quality and better traceability standards are used to comprehensively improve the automated production line environment. The relevant data is combined with the Business Intelligence tools analysis to provide an operational reference. We aim to meet high-quality product demands for items such as automotive grade electronics.



2.3.5 Relationship Management and Recognition

Over the years, Tai-Tech and its subsidiaries have maintained positive interactions with various stakeholders around the world and are committed to building a solid and reliable corporate image. Through the endeavors of Tai-Tech's entire team, we have repeatedly obtained recognition and certifications from important stakeholders of the government agencies and industry chain clients and also demonstrated our specific governance achievements in the ESG fields.



Recognized by Customers



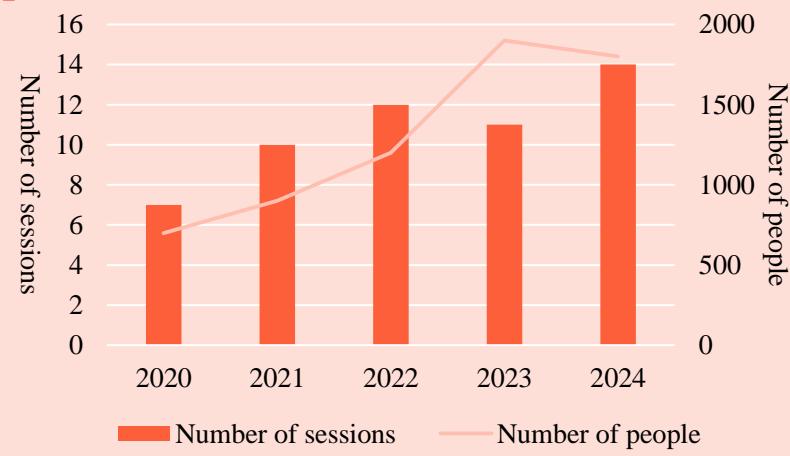
Tai-Tech participated in the sustainable supply chain briefing of the key customer, Inventec Group. We are willing to work hand in hand with our customers to jointly invest resources and promote the sustainable development of the entire industrial chain.

□ Strengthening Online Services and Building Application Simulations

Conduct webinars, provide application simulations, and interact closely with business partners

Tai-Tech has actively enhanced its technical service capabilities in response to rapidly changing market trends. Tai-Tech understands that traditional business and technical personnel visits or face-to-face meetings are not enough to maintain close interaction with business partners successfully. In addition to continuous face-to-face communication with customers, we have regularly held online seminars to discuss various topics since 2020. We also invited external consultants to learn about product technical issues and trends to make progress with our clients. Establish product application online program and simulation testing capabilities, and reduce the technical threshold for clients to select products. Properly implement common-good philosophy for growth together with customers through actual actions and resource investment, and more than 6,000 persons-time have participated in the meetings organized over the past years.

■ Status of Technical Seminars Held in Recent Years



2024 Webinar with Internal and External Participants

Date	Technical Exchange Course	Lecturer	Number of people	Date	Technical Exchange Course	Lecturer	Number of people
1/31	Concept and Practice of Power Inductors	Norton	64	7/30	Buck Power Inductor Selection	Norton	138
2/21	TLVR & Coupled Inductor Concept	Norton	200	8/27	Buck frequency compensation	Norton	115
3/06	TVS Concept	Norton	130	9/24	TLVR Concept	Norton	126
3/27	Solid Capacitor Concept	Norton	162	10/29	TVS Concept	Norton	100
4/24	Concept and Practice of LAN Transformers	Norton	93	11/12	MLV Concept	Norton	63
5/29	Protection Component (MLV) Concept	Jeff	112	11/26	Inductor Concept	Norton	132
6/26	General System Circuit	Norton	131	12/26	CS Concept and Countermeasures	Norton	121

Product Application Simulation Test

We have established component transient current tolerance, component noise analysis, magnetic field distribution, and other product application simulation test technologies to satisfy clients' various application doubts. For example, the current tolerance specification for general power inductor components is rated based on continuous use over long periods. But in actual use, there will be instantaneous high currents (short-time super currents). The instantaneous high currents generated also vary by application or design within the same application, so application simulations must be conducted according to the clients' conditions, which general component manufacturers lack.



Product Application Online Program

Active online functions that are known to use the product name to estimate the magnetic loss and the appropriate product recommended under application conditions. In 2023, additional product functions were provided.



Chapter 3_Green Environment

□ 2024 Key Performances

**Annual
electricity
saving rate**
1.48%

In 2024, electricity savings were 597.6 kWh; the average annual electricity saving rate from 2015 to 2024 was 1.48%.

**Recovery
rate**
78.5%

In 2024, the overall waste reuse and recycling rate was 78.5%, which did not meet the target. The main reason was an increase in the total amount of general waste that could not be recycled. Efforts will continue to reduce waste and seek reusable solutions. In 2024, 100% of hazardous electroplating wastewater was treated in-house, meeting the zero off-site disposal target.

Reuse rate
6.23%

Continued collection of material powder recycling data. Through the powder screening process, larger-particle, high-quality powder after screening was collected and fed back into the material manufacturing process for addition and re-manufacturing. In 2024, the material powder recycling and reuse rate was 6.23%, reducing waste output by 1.877 tons.

**Water
reduction**
**12,795
tonnes**

Achieved the goal of reducing the proportion of water used in core processes from 72% to 70%. In 2024, the proportion of core process water use fell by 12.24% to 57.76% of total water use, reducing tap water consumption by 12,795 tonnes. The ROR wastewater recycling and reuse rate in 2024 was 14.61%, which did not reach the target of 15%, reducing 13,131 tons of tap water. This is mainly due to the introduction of a process with poor water quality, which reduced production capacity and low water consumption, and the water production rate of the RO water purification machine was improved without excessive ROR wastewater.

3.1 Climate change risks and opportunities

3.2 Energy conservation and carbon reduction

- 3.2.1 Energy consumption
- 3.2.2 Greenhouse gas inventory

3.3 Water Resource Management

3.4 Waste Management

3.5 Pollution Prevention

- 3.5.1 Environmental management system
- 3.5.2 Air pollution control

3.1 Climate change risks and opportunities

In recent years, climate change has become a common problem faced by all mankind. In addition to the increasingly significant negative impact on our daily life, it has caused a huge impact on enterprises. In view of this, Tai-Tech refers to the Task Force on Climate-related Financial Disclosures (TCFD) released by the international Financial Stability Board (FSB) in 2017 to review and assess our current risks and opportunities arising from climate change, and devise countermeasures.

TCFD Suggested Disclosures

Governance

- a) The Board's oversight of climate-related risks and opportunities:

The Chairperson serves as the Chair of the Sustainability Committee. The Board of Directors holds regular meetings each year. During these meetings, the General Manager reports on the performance of ESG and climate change-related issues, impact assessments, and progress toward sustainability goals.

- b) The role of management in assessing and managing climate-related risks and opportunities:

- A cross-departmental Sustainable Environment Task Force is established to identify climate risks and to assess and respond to climate impacts within each department's scope of responsibility.

- The General Manager is the highest-ranking executive responsible for climate issues. Leading the first-level supervisors, the General Manager implements climate change-related management tasks and reports to the Board of Directors.

- An Environmental Sustainability Committee is established, with the highest-ranking executive serving as convener, to promote green operations and enhance environmental management performance and risk control.

Strategy

- a) Short-, medium-, and long-term climate-related risks and opportunities identified by Tai-Tech.
- b) The impacts of climate-related risks and opportunities on Tai-Tech's business, strategy, and financial planning.

Physical Risk	Transition risk
Long term	Market
Rainfall (rainwater) and climate pattern extreme change	Increase of raw material cost

Potential financial impact

1. Increase of operating cost (such as insufficient water of hydroelectric power station or insufficient cooling water of nuclear power plant or fossil-fuel power station)
2. Increase of infrastructure cost (such as facility damage)
3. Decrease of revenue due to reduction of sales volume/output
4. Increase of insurance fee and assets located at "high risk" area facing insurance enrollment difficulty

Potential financial impact

1. Decrease of product and service demand due to change of consumer preference
2. Increase of production cost due to changes of investment cost (such as energy, water) and output demand (such as waste treatment)
3. Unexpected energy cost change
4. Revenue portfolio and source change
5. Asset re-pricing (such as fossil fuel storage, land valuation, security valuation)

Countermeasures

When the probability of rainfall is extremely small, in case of water shortage at the internal of the plant, adopt the internally established emergency water saving measures for manufacturing processes with relatively large water consumption, and the Management Department assists to contact external water supply truck company to perform water supply operation.

Countermeasures

Place long-term order for raw materials in order to secure the supply source and price, and actively seek second supplier or alternative material, increase local procurement opportunity to reduce carbon emissions.

Opportunity	Opportunity	Opportunity
Resource efficiency	Resource efficiency	Resource efficiency
Use production and distribution processes of higher efficiency	Recycle and reuse	Reduce water usage and consumption

Potential financial impact

1. Reduce operating cost (such as through the methods of increasing efficiency and reducing cost)
2. Increase production capacity, and increase revenue
3. Increase fixed asset values (such as high performance buildings)
4. Implement management and planning beneficial to the labor force (such as improvement of sanitation and safety, employee satisfaction), and reduce cost

Countermeasures

- Increase of production efficiency:
1. Introduce automatic inspection machine to improve the inspection capability and to replace manual inspection, in order to reduce inspection cost
 2. After network equipment's speed has been increased through production line project proposal, the winding machine has been increased from 12k to 18k, an increase of approximately 33%
 3. Plating wire single drum is progressively changed to double drum, in order to increase the production benefits by two folds and to reduce cost

Distribution process optimization:

1. Select appropriate distribution strategy according to the customer demand, location, service standard and cost, in order to optimize distribution process and to reduce transportation cost.

Countermeasures

For each waste disposal method adopted by the internal of the plant, the Environmental Protection room personnel effectively seek external transfer, reuse and recycle treatment methods.

Countermeasures

Through the in-plant water analysis chart, the water consumption of the core production process has been reduced by 3% year by year and the ROR wastewater has been introduced for reuse to reduce the water discharge relatively.

- c) Tai-Tech demonstrates strategic resilience and considers different climate-related scenarios

1. Based on the 2° C scenario published by the International Energy Agency (IEA), we simulate and analyze the impact of future climate change, and set Science-Based Targets (SBT) and estimate future carbon reductions as a reference for operational strategy adjustments.

2. The severity of extreme weather events such as typhoons and floods is expected to increase in the mid-to-late 21st century: Climate change will intensify typhoons and heavy rainfall, potentially exposing the Company's operating locations to natural disasters and causing business disruptions or personnel injuries and fatalities.

	SSP1-2.6	SSP5-8.5
e)	<p>The average annual total rainfall in Taiwan increased by approximately 12%, 16%</p>	<p>The average annual total rainfall in Taiwan increased by approximately 15%, 31%</p> <p>The number of typhoons affecting Taiwan will decrease by approximately 15%, 55%, and the proportion of strong typhoons will increase by about 100%, 50%</p>
	<p>The maximum daily rainfall intensity increased by approximately 15.7%, 15.3% on average</p>	<p>The maximum daily rainfall intensity increased by approximately 20%, 41.3% on average</p> <p>Typhoon rainfall change rate will increase by about 20%, 35%</p>

3. Average temperature rise in the mid-to-late 21st century:

	SSP1-2.6	SSP5-8.5
	<p>The annual average temperature may increase by 1.3° C, 1.4° C</p>	<p>The annual average temperature may rise by over 1.8° C, 3.4° C</p>
	<p>The number of days with temperatures of 36° C or higher increased by approximately 6.8, 6.6 days</p>	<p>The number of days with temperatures of 36° C or higher increased by approximately 8.5, 48.1 days, with a more significant increase observed in urban areas compared to other regions</p>

Risk Management

- a) Tai-Tech's climate-related risk identification and assessment process

Collects future development trends in climate from external markets, regulations, technologies, and physical conditions, and lists the Company's potential climate risks and opportunities. After considering the degree of impact and the likelihood of occurrence, material climate risks and opportunities are identified. Then, relevant climate risks are converted into financial figures, and items with the potential to cause financial impact are identified as significant risks and opportunities. These are prioritized based on their likelihood and severity, and corresponding countermeasures are established. For risks with higher assessment results, a separate climate scenario analysis is conducted to consider the current operational layout and calculate their potential financial impact.

- b) Tai-Tech's climate-related risk management process

Begins with the Environmental Sustainability Team identifying key risks, followed by discussions with relevant business units to explore appropriate countermeasures. The risk assessment is then reported to the Audit Committee and the Board of Directors for oversight.

- c) How the identification, assessment, and management of climate-related risks are integrated into Tai-Tech's overall risk management system

Climate change is incorporated as a material topic for corporate sustainable development and identified as a key material risk. Risk management plans are implemented across all plants, outlining countermeasures for operations, products, and supply chain management. We continuously refine environmental climate change risk management and integrate it with the company's overall risk management system.

Occupational Indicators and Targets

- a) Indicators used by Tai-Tech to assess climate-related risks and opportunities, in line with strategy and risk management processes

Regarding climate change mitigation, the Company's primary quantitative assessment indicator is greenhouse gas emissions per unit of operating revenue, alongside indicators for renewable energy usage, water consumption per unit of operating revenue, and waste reduction.

- b) Scope 1, Scope 2, and Scope 3 greenhouse gas emissions and related risks

Starting in 2023, we continue to conduct Scope 1 and Scope 2 GHG inventories and obtain ISO 14064 verification. Beginning in 2023, the inventory scope is expanded to include all categories within Scope 3.

The greenhouse gas emissions in 2024 (metric tons of CO₂e) are as follows:

Scope 1	Scope 2	Scope 3
467.9592	10,414.7960	2,221.7835

- c) The targets used by the Company to manage climate-related risks and opportunities, and performance against those targets

During the development of low-carbon products and services, the Company is committed to improving its own and its customers' energy and resource efficiency, setting carbon reduction, waste reduction, and water conservation targets to comprehensively reduce environmental impact.

- From 2024, the Company links relevant climate indicators to KPIs.
- The management goals for 2024 are as follows:

Topic	Carbon emissions	Energy	Waste	Water resources
Base year	2023	2015	2022	2022
2024 Management Objectives	per NT\$ million of revenue Carbon emissions reduced by 22% (Scope 1 + 2)	Accumulated annual electricity consumption 11% reduction	5% absolute reduction	10% absolute reduction in water consumption

3.2_Energy Saving and Carbon Reduction

Supplementary Topic_Energy Saving and Carbon Reduction

Significance to Tai-Tech

As energy saving and carbon reduction under the impact of climate change is the future trend and the impact on the ecology becomes more prominent, Tai-Tech is committed to energy saving and carbon reduction in daily practices, and also continues to complete government's promotion on the average annual electricity reduction of 1% for users of large energy consumption.

Commitments and Policies

We adhere to the concepts of maintaining the natural environment and implementing green activities. We aim to fulfill our corporate social responsibility and sustainable management concepts by implementing an environmental management system.

- Establish, implement and maintain an environmental management system
- Commit to industrial waste reduction, pollution prevention, and continuous improvement work
- Comply with relevant environmental laws and regulations and customer requirements
- Promote the concept of green design, implementing waste classification and removal management to improve environmental performance
- Through communication, advocacy and education training, make all employees aware of the importance of environmental management
- Communicate environmental protection information to relevant parties

Short-term Goal

- Implement air compressor power saving measures starting in 2025, based on air compressor power load analysis.
- Perform feasibility assessment on parts replacement for high performance equipment during internal operation

Mid- and Long-term Goal

- Complete average annual electricity saving rate of 1% specified by the Bureau of Energy of the government.
- Introduce ISO 50001 energy management system and obtain certification
- Review renewable energy construction plan to effectively reduce energy consumption

Resources invested in the current year

- The cost of replacing the LED-T5 lamps with straight-line panel lamps is NT\$28.8 thousand.

2024 Evaluation Results

- The annual electricity saving was 597.6 kWh
- Average annual electricity savings rate 2015-2024: 1.48%

3.2.1_Energy consumption

Unit: GJ

Taoyuan Headquarters	2022	2023	2024
Gasoline (external)	236.02	256.45	222.48
Diesel (external)	316.54	347.89	345.24
Liquefied petroleum gas (internal)	4,622.94	5,505.02	6,159.92
Purchased electricity (internal)	110,230.38	80,761.40	75,897.30
Total	115,405.88	86,870.75	82,624.93
Percentage of externally purchased electricity	95.52%	92.97%	91.86%
TAIPAQ Plant	2022	2023	2024
Gasoline (external)	191.31	357.45	377.27
Purchased electricity (internal)	119,152.67	106,286.26	139,781.60
Total	119,343.98	106,643.70	140,158.87
Percentage of externally purchased electricity	99.84%	99.66%	99.73%
Kunshan Plant	2022	2023	2024
Gasoline (external)	116.29	54.38	71.48
Purchased electricity (internal)	23,590.07	26,716.06	29,171.41
Total	23,706.36	26,770.44	29,242.89
Percentage of externally purchased electricity	99.51%	99.80%	99.76%

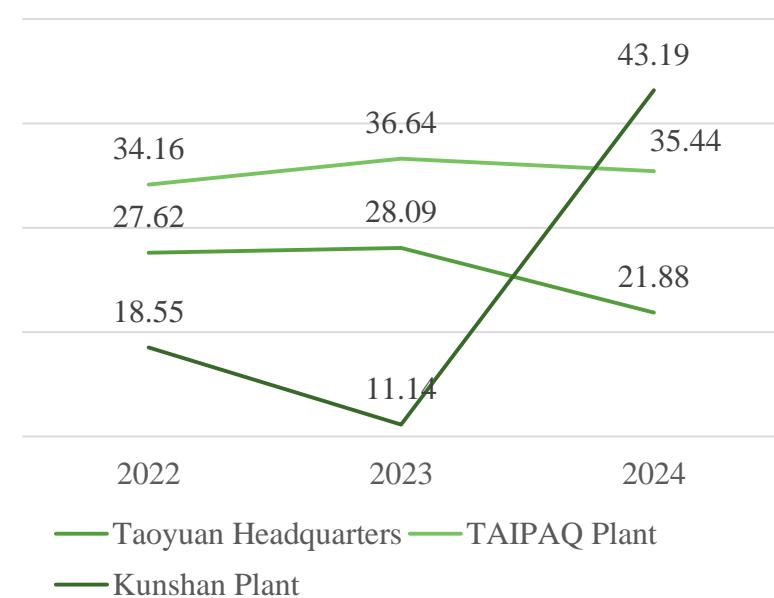
Note 1: Tai-Tech Advanced Electronics does not use purchased coal or purchased steam and renewable energy in Taiwan region and for the subsidiaries in China.

Note 2: Calorific value of purchased electricity: Taoyuan Headquarters 3.6 MJ/kWh; Plants in China 3,596 kJ/kWh.

Note 3: For energies other than the externally purchased electricity, the conversion is subject to the calorific value table per product unit announced by the Bureau of Energy, Ministry of Economic Affairs. The calorific values of automotive grade gasoline, diesel, and LNG are 7,800 kcal/L, 8,400 kcal/L, and 9,000 kcal/L, respectively. The conversion of greenhouse gas emissions adopts 1 cal = 4.1868 J as announced. For each plant in China, the automotive grade gasoline is 0.7475 KG/L, and the calorific value of gasoline: 1KG = 43,070 kJ, according to the Energy Statistics Knowledge Manual (prepared by the Business and Communication Department, National Bureau of Statistics of China).

Revenue Intensity

Unit: NT\$ million



And revenue intensity	2022	2023	2024
Taoyuan Headquarters	27.62	28.09	21.88
TAIPAQ Plant	34.16	36.64	35.44
Kunshan Plant	18.55	11.14	43.19

Energy Saving Measures and Benefit Analysis

As climate change has become a global concern with an increasingly significant impact on life, Tai-Tech has striven to save energy in day-to-day operations, such as organizing green office activities. Although Tai-Tech has not participated in and declared "2050 Net Zero Emission", it continues to focus on greenhouse gas reduction as its future sustainable development indicator and long-term planning strategy, with the current goal of cooperating with the government's policy for large energy users to achieve an average annual electricity saving rate of 1%, and will assess other reduction measures in the long-term in the future.

Tai-Tech's energy consumption mainly refers to the purchased electricity, gasoline/diesel and liquified petroleum gas, and also cooperates with the government's policy on promotion of energy saving for users of large energy consumption. In 2020, the Company recognized three-month air system pipeline integration to save 200HP air compressor and new installation of 3 units of 100HP energy-saving air compressors, such that the electricity saving of the that year was 426,425 kWh. In 2021, the Company expanded the production capacity with the purchase of 7 units of 100HP new energy-saving air compressors, and the electricity saving of that year was 278,906.25 kWh. In 2022, the Company recognized six-month newly purchased 7 units of 100HP air compressors and newly purchased 2 units of 100HP energy-saving air compressors, and the electricity saving of that year was 398,437.50 kWh. The energy-saving plan implemented by Qingbang Plant in 2024: To improve efficiency and reduce power consumption, an assembly process technology upgrade was launched to combine the WCM single product 2012 and 3216 semi-finished products into a single unit. This optimization allows the production of two assembly machines of different models to be consolidated into one. Previously, 46 assembly machines were needed for the assembly process; after the upgrade, only 23 are required. If the average monthly electricity consumption per machine is 243 kWh, then the plan can reduce annual electricity consumption by $243 \times 23 \times 12 = 67,068$ kWh.

Reduction of energy consumption

Unit: kWh

2022	2023	2024
398,437.50	139,453.13	597.60

Reduction of greenhouse gas emissions

Unit: metric tons CO2e

2022	2023	2024
202.8	69.03	0.30

Lower the energy demand of products and services

The excellent performance of low energy consumption power inductive components has helped clients create greater value. Our pursuit of excellence in technology never stops. We have long focused on developing more energy-efficient product lines to reduce their potential impact on the environment during the product life cycle. Choosing to adopt Tai-Tech's solutions means choosing to stand on the side of environmental protection to strive to create a better future for all. Since 2021, computer simulation-aided design and advanced product loss measurement systems have been introduced to reduce product energy consumption.

In 2022, V2 power inductor for DDR was developed. The comparison between the new low-loss material and the power inductors of the best performance in 2021 indicates that based on the estimation of the (load) during use, it is able to further increase 0.5% of performance, and each power inductor is able to save 0.61mW/pcs ^(Note 1). For the calculation of 10 million units of computers, and each computer being used for 8 hours per day, when 2 DDR modules are installed per computer with each module installed with two power inductors, then it is able to save approximately 70,272K joules/8hrs ^(Note 2).

In 2024, Tai-Tech developed SEPI inductors. Compared with the best-performing inductors in 2023 using new low-loss materials, under estimated usage conditions (heavy load), performance can be further improved by 1.33%, saving 1.63 milliwatts (mW) per inductor ^(Note 3). For the calculation of 1 million computers, each used for 8 hours per day and equipped with 8 inductors, this can save approximately 137,076,480 K joules/8 hrs ^(Note 4).

Saved energy consumption

Unit: KJ/8hrs

2022	2023	2024
7,0272	28,2240	137,076,480

Note 1: $0.61\text{mW/pcs} = 3.5\text{A}^2 \times 0.01 \times 0.5\%$

Note 2: $70,272\text{K} = 10,000,000 \text{ computers} \times 8\text{HRS} \times 2\text{DDR5} \times 2 \times 0.61\text{mW} / 1,000 \times 3,600$

Note 3: $1.63 \text{ mW/pcs} = 3.5\text{A}^2 \times 0.01 \times 1.33\%$, where the energy consumption per SEPI (I_R) \times efficiency improvement % = the saved power.

Note 4: $137,076,480 \text{ K} = 1,000,000 \text{ computers} \times 8 \text{ hrs/day} \times 365 \text{ days} \times 8 \text{ pcs/computer} \times 1.63 \text{ mW (saved per SEPI)} \div 1,000 \text{ (converted to watts)} \times 3,600 \text{ (watt-hours converted to joules)}$.

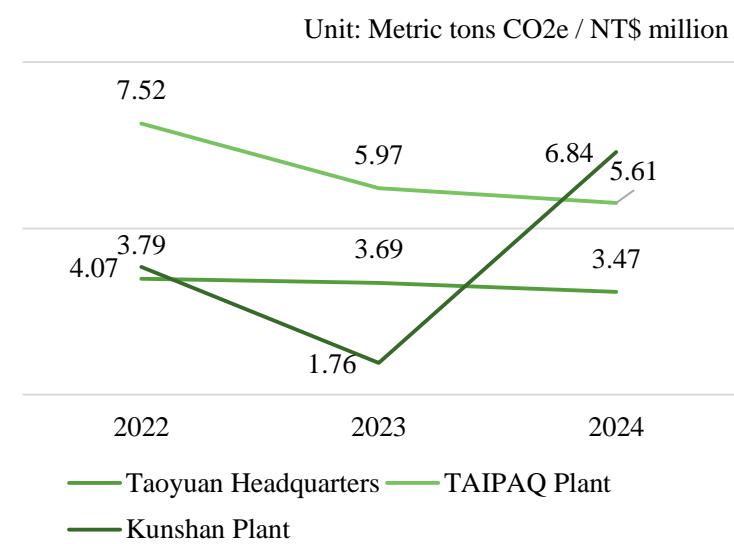
3.2.2 Greenhouse gas inventory

The Taoyuan headquarters began voluntarily disclosing direct and indirect greenhouse gas emissions in 2020, and in the 2022 Sustainability Report this disclosure was extended to subsidiaries, including the data of the previous two years. The Taoyuan headquarters and the Qingbang Plant both passed independent third-party verification of the greenhouse gas inventory for the 2023 and 2024 inventory scopes. Tai-Tech's statistics and disclosure of various energy consumption – gasoline, diesel, and liquefied natural gas, as well as purchased electricity – show the greenhouse gas emissions for the past three years as follows:

Greenhouse gas emissions

		Unit: metric tons CO ₂ e		
		2022	2023	2024
Direct ^(Note 1) Greenhouse Gas	Taoyuan Headquarters	256.33	401.27	467.96
	TAIPAQ Plant	12.99	344.10	323.79
	Kunshan Plant	7.90	4.48	4.87
	Sub-total	277.22	749.85	796.62
Indirect ^(Note 1) Greenhouse Gas	Taoyuan Headquarters	15,585.35	11,082.26	10,414.80
	TAIPAQ Plant	26,246.06	19,045.91	20,858.40
	Kunshan Plant	5,196.24	3,866.12	4,626.38
	Sub-total	47,027.65	33,994.29	35,899.58
Other indirect Greenhouse Gas	Taoyuan Headquarters	-	2,373.94	2,221.78
	TAIPAQ Plant	-	5,514.93	5,928.24
	Kunshan Plant	-	0	0
	Sub-total	-	7,888.87	8,150.02
Group total		47,304.87	42,633.01	44,846.22

Greenhouse gas emissions intensity



Emission intensity ^(Note 2)	2022	2023	2024
Taoyuan Headquarters	3.79	3.69	3.47
TAIPAQ Plant	7.52	5.97	5.61
Kunshan Plant	4.07	1.76	6.84

Note 1: (a) Taoyuan Headquarters uses the EPA's Greenhouse Gas Emission Factor Management Table, version 6.0.4, with Scope 1 emission factors of 2.2631 kg CO₂e/L for gasoline, 2.606 kg CO₂e/L for diesel, and 1.7529 kg CO₂e/L for liquefied natural gas. Scope 2 emissions are calculated using Taiwan Power Company's 2022 electricity emission factor of 0.495 kg CO₂e/kWh.

(b) For plants in Mainland China, Scope 2 emissions are based on the 2022 national grid average carbon emission factor of 0.5703 t CO₂e/MWh. The gasoline emission factor is calculated as $18.9 \times 10^{-3} \times 0.98 \times 44/12 \text{ t CO}_2\text{e/GJ}$.

Note 2: Total emissions of each plant (Metric tons CO₂e) / sales amount of each plant (million NT\$).

3.3 Water Resource Management

Material Topics_Water Resource Management

Significance to Tai-Tech

Although Tai-Tech's geographical location faces no immediate risk of water shortage, we are well aware that water resources are hard to come by, and are committed to water conservation and water recycling measures.

Commitments and Policies

We adhere to the concepts of maintaining the natural environment and implementing green activities. We aim to fulfill our corporate social responsibility and sustainable management concepts by implementing an environmental management system.

- Establish, implement and maintain an environmental management system
- Commit to industrial waste reduction, pollution prevention, and continuous improvement work
- Comply with relevant environmental laws and regulations and customer requirements
- Promote the concept of green design, implementing waste classification and removal management to improve environmental performance
- Through communication, advocacy and education training, make all employees aware of the importance of environmental management
- Communicate environmental protection information to relevant parties

Resources invested in the current year

- Input wastewater facility maintenance cost: NT\$3 thousand
- Operating expenses for wastewater input (including chemical fees) NT\$5,025 thousand

2024 Evaluation Results

- Achieved the reduction of the proportion of core process water consumption from 72% to 70%. The core process water consumption ratio reduced by 12.24%, accounted for 57.76% of the total water consumption, with the reduction of tap water of 12,795 tons.
- The recycling and reuse rate of ROR wastewater was 14.61%, which did not reach the target of 15%, reducing 13,131 tons of tap water. This is mainly due to the introduction of a process with poor water quality, which reduced production capacity and low water consumption, and the water production rate of the RO water purification machine was improved without excessive ROR wastewater.

Short-term Goal

- In 2025, reduced the ratio of core process water consumption to 70%
- In 2025, maintained the ROR wastewater recycling rate above 10%.
- Verify goal achievement with ISO14001

Mid- and Long-term Goal

- Review wastewater recycle system and rainwater recycle plan in order to cope with the risk of water shortage during drought
- Participate in water saving related topic meetings, and effectively assess applicable internal measures

Tai-Tech is located in the non-arid or water-deficient area of Taoyuan District, and the risk of water shortage is 10-20%. Although there is no immediate risk of water shortage, we know water resources are hard to come by, hence, we are committed to water conservation and water recycling. The wastewater discharged from the production operation is treated in the factory and released into the industrial area's sewage and sewer system, eventually leading to the Shezi river from Tianxinzai Valley through special pipes.

Water consumption statistics

Unit: millions of liters

Taoyuan Headquarters		Total water withdrawal	Total water discharge	Water consumption
2022	Youth Industrial Park Plant	127.40	88.46	38.94
	Jinchang Plant	8.29	6.63	1.66
	Zhongli Plant	0.43	0.34	0.09
	Zhongyuan Plant	0.49	0.39	0.10
	Total	136.60	95.82	40.78
2023	Youth Industrial Park Plant	88.82	55.93	32.89
	Jinchang Plant	4.61	3.69	0.92
	Zhongli Plant	0.44	0.35	0.09
	Zhongyuan Plant	0.24	0.19	0.05
	Total	94.11	60.16	33.95
2024	Youth Industrial Park Plant	89.86	58.35	31.51
	Jinchang Plant	3.71	2.96	0.75
	Zhongli Plant	0.36	0.29	0.07
	Zhongyuan Plant	0.37	0.30	0.07
	Total	94.30	61.90	32.40

TAIPAQ Plant	Total water withdrawal	Total water discharge	Water consumption
2022	45.31	19.90	25.41
2023	38.97	22.64	16.33
2024	62.85	21.82	41.03

Note: The water withdrawal source for TAIPAQ Plant is Si-Hong Jitai Tap Water Supply Plant; the drainage area is the Si-Hong Development Zone Sewage Plant

Kunshan Plant	Total water withdrawal	Total water discharge	Water consumption
2022	15.71	8.35	7.36
2023	19.26	7.97	11.29
2024	19.07	8.36	10.71

Note: Kunshan Plant draws water from Kunshan Economic and Technological Development Zone Water Supply Company; drainage source is Kunshan Development Zone Electroplating Center

Note 1: Water intake = water source cited in the organization's operations, except for the Youth Industrial Park Plant, which uses a master water meter, all other plant water sources are all from third-party entities (tap water). In 2022, the plants in Taoyuan Headquarters started to include the tap water consumption of other business locations.

Note 2: Discharge volume = water withdrawal after the organization's operations, and the final water source discharged through the treatment facility. Except for the Youth Industrial Park Plant, which uses tap water, the other plants are calculated according to the industrial zone regulations for tap water*0.8.

Note 3: Water consumption = water intake - drainage water and water source consumed by other methods

Tai-Tech's wastewater discharge operation is located within the jurisdiction of the industrial area. There is a wastewater treatment facility in the factory, and its treatment process is operated according to the Wastewater Treatment Procedure, and the content of the water measures permit. We have also complied with the relevant provisions of the Industrial Zone Sewer System and the Water Pollution Prevention and Control Law. The goal is to ensure that the discharge water quality meets the discharge water standards set by the industrial zone discharge water testing standard and to develop pollution prevention measures to reduce operational impact risks.

Emission/discharge substance statistics

Unit: mg/L

Taoyuan Headquarters	Total suspended solids	Biochemical oxygen demand	Chemical oxygen demand
Effluents standard	480	400	640
2022	12.82	35.00	NA
2023	18.38	31.82	NA
2024	34.21	NA	98

Note: According to the effluents standard of Youth Industrial Park

TAIPAQ Plant	Total suspended solids	Biochemical oxygen demand	Chemical oxygen demand
Effluents standard	400	300	500
2022	7.00	9.50	32.00
2023	8.91	4.00	37.59
2024	13.60	8.63	30.00

Note: Due to the implementation of new standard "Discharge Standard of Water Pollutants for Electronics Industry" in October 2022, the COD standard has been changed from the original $\leq 80\text{mg/L}$ to $\leq 500\text{mg/L}$

Kunshan Plant	Total suspended solids	Chemical oxygen demand
Effluents standard	30	50
2022	0.36	17.60
2023	NA	15.3
2024	NA	15.5



The sources of water withdrawal of Taoyuan Headquarters are all freshwater and based on the WRI Aqueduct water stress data analysis, belonging to area with no water stress.



Taoyuan Headquarters Wastewater Treatment Facilities

3.4_Waste Management

Supplementary Topics_Waste Management

Significance to Tai-Tech

Tai-Tech is committed to maintaining the safety and health of personnel and protecting the environment and ecology. Accordingly, we will continue to follow relevant environmental protection and occupational safety and health laws and regulations, implement continuous improvement, practice surplus material recycling and regeneration, prevent pollution, implement resource saving and regeneration, reduce industrial waste and promote friendly neighborhood and community, in order to establish indicators for environmental protection and sustainable operation.

Commitments and Policies

We adhere to the concepts of maintaining the natural environment and implementing green activities. We aim to fulfill our corporate social responsibility and sustainable management concepts by implementing an environmental management system.

- Establish, implement and maintain an environmental management system
- Commit to industrial waste reduction, pollution prevention, and continuous improvement work
- Comply with relevant environmental laws and regulations and customer requirements
- Promote the concept of green design, implementing waste classification and removal management to improve environmental performance
- Through communication, advocacy and education training, make all employees aware of the importance of environmental management
- Communicate environmental protection information to relevant parties

Short-term Goal

- In 2025, the overall waste reuse and recycle rate increased by 1%
- In 2025, maintained the introduction of 100% of harmful electroplating waste liquids into the factory for treatment to achieve zero pollution to the environment.
- Participate in waste reduction related topics, and assess internal application feasibility timely
- In 2025, the ratio of remaining material powder re-fed into manufacturing process of the process total output reuse and recycle rate increased by 1%.

Mid- and Long-term Goal

- Waste total weight reduction reaches above 3%

Resources invested in the current year

- The expenses for waste removal and disposal was NT\$3,786 thousand

2024 Evaluation Results

- The overall waste reuse and recycling rate was 78.28%, which did not meet the target. This is mainly due to the increase in the total amount of general waste that could not be recycled. We will work hard to reduce waste and find solutions that can be reused.
- The hazardous electroplating waste liquid with the introduction of internal treatment reached 100%, which has complied with the goal of zero disposal.
- Material powder recycling rate was 6.23%, reducing waste output by 1.877 tons.

Responsible department

Environmental Protection Office, Factory Affairs Section, Administration Department

Complaint mechanism

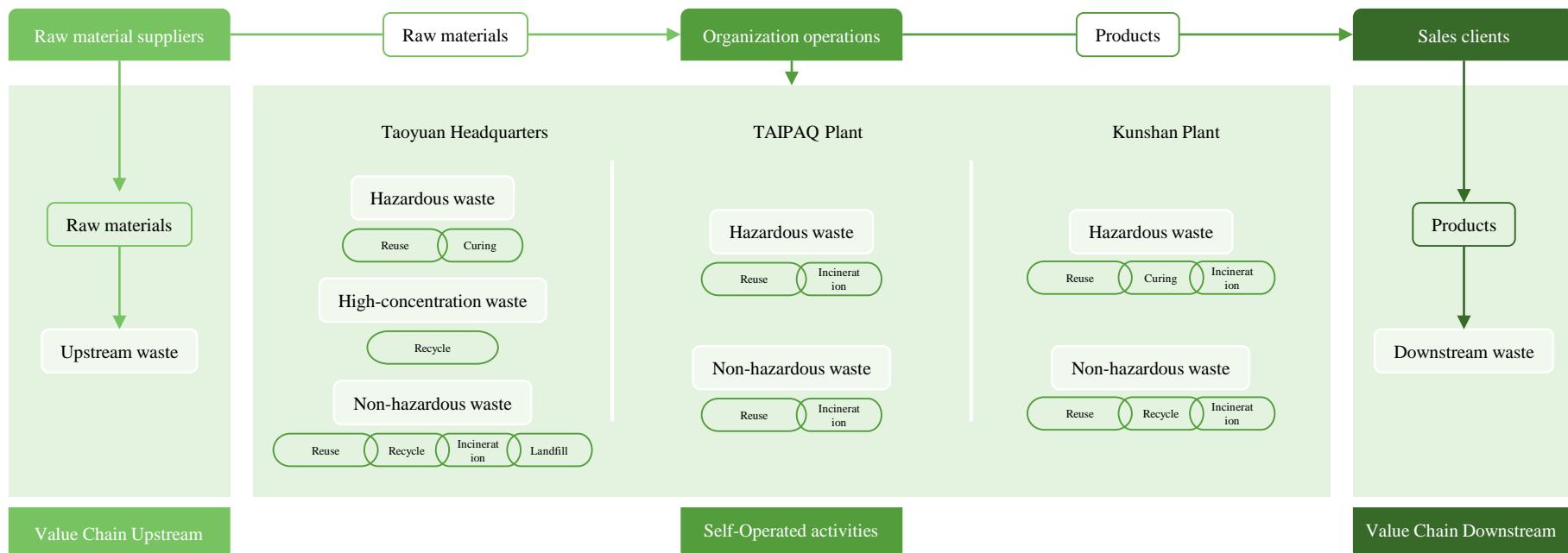
Shen-Hsing Chiang manage02@tai-tech.com.tw ext. 1346

Tai-Tech is part of the electronic components industry and is committed to the R&D and manufacturing of magnetic materials and power inductor components-related products. We strictly comply with environmental laws and regulations, from raw material input and manufacturing processes to product output and waste disposal. Moreover, the Company has actively invested in development and innovative thinking, adjusted manufacturing parameters, evaluated technical improvements, and implemented a raw material source reduction policy.

According to the internal TEAW2012 Waste Management Procedure, the Company signs contract with qualified removal and disposal institution entrusted, and the Environmental Protection office schedules the implementation of waste external audit operation annually and also obtains relevant audit supporting documents. The Environmental Protection Office personnel screens wastes entering the plant in order to retain waste resource reuse and development of convertible resources for reuse. Wastes generated by Tai-Tech are general industrial wastes, and the industrial wastes mainly refer to waste lubricant oil, rolling sludge generated from metal heat treatment (BAL), annealing pickling (APL) and rolling (CRM and CGL) procedures and sludge after wastewater treatment. In addition, there are wastes of domestic waste of employees and non-process generated waste woods (packaging materials) and waste plastics, which are entrusted to qualified disposal contractor for treatment. For the waste lubricant oil, since the output volume is not great, it is presently stored inside the plant, and after it has reached the disposal volume, it is disposed and treated altogether.

The wastes generated during operations are divided into hazardous and non-hazardous wastes (general wastes). General wastes are domestic wastes generated in the office, people's livelihood wastes, waste saggers derived from the production process, waste plastics, etc. Hazardous wastes are generated during the production process, including electroplating sludge, waste liquid, waste filter element, electronic waste components, etc. The relevant waste output flow chart is shown in the table below:

Waste Output Flow Chart



The Company strictly complies with the “Waste Disposal Act” for overall waste disposal. The organization’s waste disposal plan requires cooperation and signed contracts with specialists approved by the competent authority to ensure legal waste disposal. The Company has implemented waste classification management in accordance with the “Waste Management Procedure”, and scheduled regular industrial waste treatment inspection and evaluation in accordance with the “Annual Industrial Waste Audit Plan” to effectively prevent improper waste disposal. The goal is to reduce the risk of operating impacts and environmental harm. There were no incidents of leakage throughout the Company’s operations in 2024.

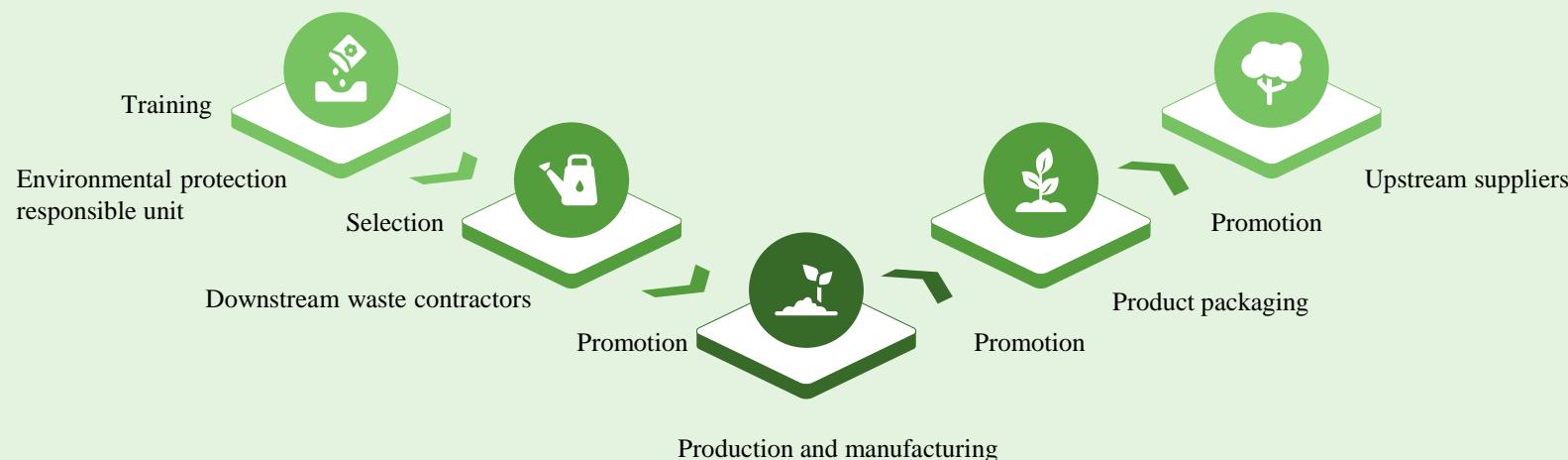
After rigorous waste classification treatment, if there is still waste that cannot be recycled and reused, Tai-Tech Headquarters complies with relevant requirements of environmental protection regulations to adopt the incineration and landfill methods for treatment. The general wastes of Tai-Tech at the plants in China includes: waste cartons, waste plastics and waste metals with the adoption of recycle and reuse method; domestic waste is uniformly collected at the waste transfer station of the industrial park area; harmful wastes (hazardous wastes) include: electroplating sludge, tin-containing sludge, nickel-containing sludge, and small amount of waste oil. Such type of hazardous wastes are transferred to qualified comprehensive use treatment institution for harmless treatment. Furthermore, other hazardous wastes include: waste activated charcoal, waste glue, and waste filter, which are transferred to qualified treatment unit for incineration.

□ Recycling and Reuse Column

Improve Overall Waste Recycling via the Circular Economy Concept

Tai-Tech promotes the circular economy, which the special Environmental Protection Unit first implements within the organization. The goal is to select and create downstream waste manufacturers and introduce business waste into feasible recycling and reuse programs. Currently, the recycling rate outcome for electroplating sludge and electroplating waste liquid was most significant.

Tai-Tech will gradually expand to target wastes from manufacturing, product packaging, upstream suppliers, etc., to increase overall waste reuse and recycling, while minimizing waste sources through cross-departmental communication and advocating circular economy initiatives. The goal is to fulfill corporate social responsibility and adhere to the business philosophy of sustainability.



Waste Statistics of Taoyuan Headquarters

Unit: metric tonnes

	Waste item	2022	2023	2024	Treatment method	Offsite/onsite treatment
Hazardous industrial waste	Electroplating sludge	144.27	142.75	116.03	Reuse	Offsite
	Dust collected	19.21	25.31	8.28	Curing	Offsite
	Waste electroplating filter elements	9.04	6.23	2.60	Curing	Offsite
	Plastic empty chemical buckets	1.28	0.68	1.22	Reuse	Offsite
	Electroplating waste liquid	305	333	171.3	Recycle	Onsite
	Waste solvent	0.00	0.00	0.00	Physical	Offsite
	Waste electronic components, scraps, and defective products	8.92	9.95	5.854	Reuse	Offsite
		4.02	0.00	0.00	Physical	Offsite
	Sub-total	491.73	517.92	305.28	-	-
	Total amount recycled	457.72	486.38	294.40	-	-
Taoyuan Headquarters	Recovery rate	93.08%	93.91%	96.44%	-	-
	Waste paper	30.14	26.02	28.75	Recycle	Offsite
		0	0	1.4	Incineration	Offsite
	Scrap iron cans, scrap aluminum cans, waste PET bottles	0.79	0.80	0.79	Recycle	Offsite
		4.81	5.09	9.75	Recycle	Offsite
	Waste plastic	5.36	5.36	23.46	Incineration	Offsite
		5.36	5.36	23.46	Incineration	Offsite
	Scrap iron (iron scrap and scrapped equipment)	6.11	7.26	32.26	Recycle	Offsite
	Scrap copper wire	9.00	3.65	6.69	Recycle	Offsite
	Waste light tubes	0.10	0.10	0.10	Recycle	Offsite
	Kitchen waste	2.40	2.40	2.40	-	Offsite
	Domestic waste	19.96	21.35	30.87	Incineration	Offsite
	Waste timber	7.95	6.31	6.49	Reuse	Offsite
	Waste sagger and workstation plates	0.00	0.00	0.00	Landfill	Offsite
	Non-hazardous single scrap metal-core	0.00	14.5	11.13	Landfill	Offsite
	Waste lubricant oils	0.00	0.00	0.00	Physical	Offsite
	Night soil	25.93	37.61	25.11	-	Offsite
	Sub-total	112.55	130.45	179.20	-	-
	Total	604.29	648.37	484.48	-	-

TAIPAQ Plant Waste Statistics

Unit: metric tonnes

TAIPAQ Plant	Hazardous industrial waste	Waste item	2022	2023	2024	Treatment method	Offsite/onsite treatment
		Tin-containing sludge	11.98	0.79	9.34	Reuse	Offsite
		Electroplating sludge	128.62	104.81	113.41	Reuse	Offsite
		Nickel-containing sludge	11.87	8.50	11.09	Reuse	Offsite
		Waste oil	0.76	1.35	1.48	Reuse	Offsite
		Waste rags and packaging drums	10.59	6.25	6.59	Incineration	Offsite
		Waste activated charcoal	15.77	13.38	8.99	Incineration	Offsite
		Testing waste liquid	0.24	0.18	0.32	Incineration	Offsite
		Waste glue	1.10	2.96	1.36	Incineration	Offsite
		Cleaning waste liquid	0.00	0.00	0.00	Incineration	Offsite
		Waste residue from scrubbers	0.00	1.49	2.04	Incineration	Offsite
		Sub-total	180.92	139.69	154.61	-	-
		Recycled weight	-	115.44	135.31	-	-
		Regeneration ratio	-	82.64%	87.52%	-	-
	General industrial waste	Cartons	134.03	140.69	169.40	Reuse	Offsite
		Scrolls	2.81	2.18	3.21	Reuse	Offsite
		Waste iron powder	16.23	-	12.84	Reuse	Offsite
		Waste iron and accessories	21.00	27.80	9.64	Reuse	Offsite
		Iron barrel	12.06	9.65	12.48	Reuse	Offsite
		Scrap copper wire	0.00	49.89	5.59	Reuse	Offsite
		Waste saggers	7.43	3.60	2.52	Reuse	Offsite
		Waste electronic components, scraps, and defective products	73.95	32.62	16.28	Reuse	Offsite
		Domestic waste	-	49.89	112.02	Incineration	Offsite
		Sub-total	267.51	316.31	343.98	-	-
		Total	448.42	456.00	498.59	-	-
		Total Recycled Weight	-	381.86	367.28	-	-
		Percentage of total recycled content	-	83.74%	73.66%	-	-

Kunshan Plant Waste Statistics

Unit: metric tonnes

Kunshan Plant	Hazardous industrial waste	Waste item	2022	2023	2024	Treatment method	Offsite/onsite treatment
		Electroplating sludge	187.63	18.88	19.86	Reuse	Offsite
			4.36	0.00	0.00	Curing	Offsite
		Electroplating waste filter/ rag/ activated charcoal	13.27	9.69	10.81	Incineration	Offsite
		Plastic empty chemical buckets	2.09	2.32	2.42	Reuse	Offsite
		Electroplating waste liquid	200	4.40	3.25	Reuse	Offsite
		Waste solvent/waste liquid from scrubbers	0.00	13.60	18.00	Reuse	Offsite
		Sub-total	407.35	48.89	54.34	-	-
		Recycled weight	-	39.20	43.53	-	-
		Regeneration ratio	-	80.18%	80.11%	-	-
Kunshan Plant	General industrial waste	Waste paper	34.56	32.14	33.01	Recycle	Offsite
		Waste light tubes	0.10	0.20	0.10	Recycle	Offsite
		Kitchen waste	2.40	3.60	4.90	-	Offsite
		Domestic waste	3.42	7.00	9.00	Incineration	Offsite
		Waste timber	5.16	6.20	6.50	Reuse	Offsite
		Sub-total	45.64	49.14	53.51	-	-
		Total	452.99	98.03	107.85	-	-

3.5 Pollution Prevention

3.5.1 Environmental management system

Tai-Tech has continued to obtain ISO14001:2015 environmental management system certification. Each year, the Company holds environmental management review meetings to review resolutions, assess the previous year's environmental goal achievement rates and environmental plans, and communicate relevant information from various departments. In addition, the environmental management system operation and implementation are achieved through internal and external audit operations.

In addition, the Company also complies with all environment-related laws and regulations. In 2024, there was no occurrence of violation related to hazardous waste storage. The improvement strategy is: Increase control items using ISO14001 environmental management system and use ISO14001 and internal control audit for mutual verification. Require each department to report the storage days for various wastes during monthly meetings to prevent the violation from recurring.

Environmental Management Policy and Commitment

The Company's environmental management policy aims to maintain the natural environment, implement green activities, and formulate the six environmental management commitments below:

- Complies with environmental laws and clients' requirements
- Establishes and maintains an environmental management system
- Conveys environmental information to relevant parties
- Is committed to continuous improvement work, such as industrial waste reduction and pollution prevention
- Strengthens employees' awareness of environmental management through awareness-raising events and training
- Promotes green design concepts to duly implement waste classification and disposal management

ISO 14001:2015



3.5.2_Air pollution control

Tai-Tech factory discharges volatile gas, organic solvent gas, and granular pollution source waste gas. We have obtained a fixed pollution source operation permit issued by the competent authority and operates air pollution control equipment in accordance with its content and operating parameters. Inspections for the pollutants generated by the Company's operations at the discharge outlets were conducted during our permit extension in accordance with regulations. The Company's exhaust gases have met local environmental protection regulations, and there were no air pollution violations in 2024.

Tai-Tech's air pollution testing data shows that the exhaust gas emitted during operations has a very low impact on the local ecological environment. We will continue to pay attention to air pollution prevention, the best feasible technologies, emissions that may destroy the atmospheric ozone layer, and other related issues, to ensure that the organization's operations generate no unnecessary risks.

Air Pollution Emissions

Unit: metric tonnes

Taoyuan Headquarters	2022	2023	2024
Nitrogen oxides (NOx)	0.28	0.33	0.37
Sulfur oxides (SOx)	0.02	0.03	0.03
Persistent organic pollutants	3.11	2.69	N/A
Suspended particles	0.27	0.22	0.22

TAIPAQ Plant	2022	2023	2024
Volatile Organic Compounds	0.80	0.46	0.98
Particulate matter	0.26	0.53	N/A

Note: In 2022, the particle emissions of Qingbang Plant increased by five times greater was mainly due to the new environmental evaluation on the construction expansion item in 2022, such that the particle discharge was further added. Originally, DA004/DA005 were the particles required to be counted; however, after 2022, the particles of DA001/DA002 are further included for the counting of the particles. As a result, the particle emissions increased in comparison to the emissions of last two years.

Kunshan Plant	2022	2023	2024
Sulfuric acid mist	0.62	0.56	N/A
Hydrogen chloride	0.54	0.48	N/A

Chapter 4_Harmonious Communities

□ 2024 Key Performances

**1848.5
Hours**

1848.5 hours of human rights training in all plants

**TTQS
Bronze
Medal**

Awarded the Bronze Medal by the Workforce Development Agency, Ministry of Labor, under the Talent Development Quality Management System (TTQS)

**Satisfaction
93.72%**

Employee satisfaction 93.72%

**Satisfaction
4.61**

Employees' satisfaction with the Company's overall training goals reached an average of 4.61 points

**Implemen
tation rate
100%**

Education and training program implementation rate 100%

4.1 Human rights protection

4.2 Overview of the Team

4.2.1 Employee Diversity Statistics
4.2.2 Data on New and Resigned Employees

4.3 Employee Care

4.3.1 Remuneration system
4.3.2 Benefits policy
4.3.3 Nursing care
4.3.4 Labor-management communication
4.3.5 Employee Satisfaction Survey
4.3.6 Retirement Protection

4.4 Human Capital

4.4.1 Talent Cultivation
4.4.2 Education & Training Satisfaction Rate
4.4.3 Periodic Performance Evaluation which were

4.5 Friendly Workplace

4.5.1 Occupational Safety and Health Management System
4.5.2 Risk assessment and control
4.5.3 Accident investigation process and subsequent improvement
4.5.4 Occupational health services
4.5.5 Occupational Safety and Health Worker Participation and Training

4.6 Care for Society

4.1_Human rights protection

Supplementary Topics_Human Rights Protection

Significance to Tai-Tech

To protect the rights and interests of employees, create a friendly environment where human rights are protected, and respect universal fundamental human rights, including freedom of assembly and association, care for disadvantaged groups, prohibition of child labor, prohibition of forced labor, elimination of all forms of employment discrimination, and abide by the Company's policies and procedures. Comply with the labor laws and regulations of the operation location and eliminate any infringements and violations of human rights.

Commitments and Policies

- Human rights issues are taken into consideration in all aspects of the Company's operations. The Company will continue to provide stakeholders with diverse communication channels to ensure that they can express their opinions freely and safely. The Company will also respond to stakeholders' suggestions.

Resources invested in the current year

- Human Rights General Training:

221 new hires	780 current employees
478 hours in total	1370.5 hours in total

Short-term Goal

- Promote at least one diversity and inclusion project by 2025.

Mid- and Long-term Goal

- 100% supplier acceptance rate for human rights audits.

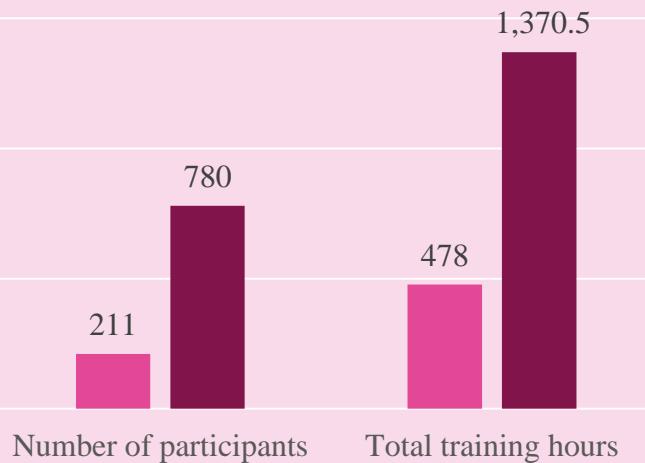
2024 Evaluation Results

- Human rights training coverage rate reached 100%.
- No human rights violations occurred.
- Legal awareness courses for supervisors.
- Organize cultural activities to foster a friendly and inclusive workplace.

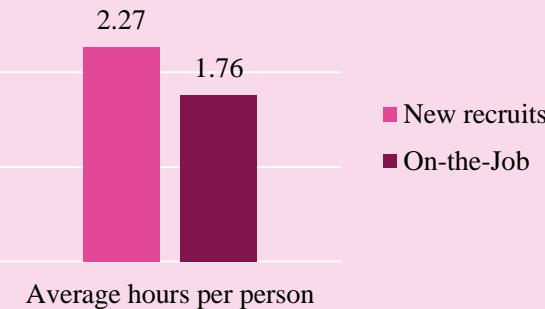
Tai-Tech complies with the core principles of international conventions such as the “Universal Declaration of Human Rights,” the “United Nations Global Compact,” the “United Nations Guiding Principles on Business and Human Rights,” and the International Labor Organization’s “Declaration on Fundamental Principles and Rights at Work.” In accordance with labor and human rights regulations, the Company reiterates that important messages such as human rights protection and labor rights and other information for new recruits and employees which are promoted from time to time. Employees are not given any form of differential treatment due to their gender, gender-orientation, race, age, marital status, family situation, religion, political inclination, nationality, appearance, disability, or union membership. The Company values occupational safety and health. In addition to complying with laws and regulations to ensure that the working environment of colleagues meets safety and health, the Company has also established necessary health and first aid facilities and provides employees with regular health checkups, occupational safety education courses, and health seminars which are organized to ensure the safety of employees, effectively reduce the risk of occupational accidents, prevent overwork, implement health protection for pregnant employees, and ensure their physical and mental health and work-life balance. The Company is committed to creating a dignified, safe, equal, and harassment-free work environment.

Tai-Tech issued the human rights policy and implemented related management regulations in June 2022 with the approval of the Chairperson, and translated them into different language versions. Since 2023, each plant has been successively audited by customers for RBA compliance, and improvement plans have been proposed to address audit deficiencies, all of which received customer approval for closure. In addition, the Company has been successively organizing human rights training courses at its various plants. The Company has also established the “Regulations for the Prevention, Correction, Complaint, and Punishment of Sexual Harassment in the Workplace” in response to the Act of Gender Equality in Employment. When an employee experiences sexual harassment, they may file a complaint through the sexual harassment prevention hotline or e-mail. The Company’s Internal Grievance Committee (composed of seven members, at least half of whom are female) handles the process in a fully confidential manner. In 2024, the Company had no record of human rights violations and internal or external human rights complaints.

Human Rights Training Statistics



■ New recruits
■ On-the-Job



Note: The average training hours are calculated as total training hours for employees divided by the number of employees actually participating.

4.2 Overview of the Team

4.2.1 Employee Diversity Statistics

In accordance with the human rights policy, Tai-Tech respects gender equality, cares for disadvantaged groups, prohibits child labor, and eliminates all kinds of workplace discrimination, and confirms that the human resources policy does not have differential treatment based on gender, race, socioeconomic class, age, marital and family status, and thoroughly implements employment opportunities with equal and fair employment conditions, compensation and benefits, training, evaluation, and promotion opportunities.

Hence, the Company pays attention to the employees' diverse backgrounds. In addition to recruiting people with disabilities in accordance with the laws to ensure their employment opportunities, we employ people from other disadvantaged groups, such as indigenous people and new immigrants. In 2024, Tai-Tech's factories had a total of 2,353 employees. The company uses the following table to disclose the gender, age, and other diversity indicators of employees.

Total number of employees (Note)	
2022	2054
2023	1822
2024	2353

Note: Employee statistics are based on data as of December 31 of the year.

Employee Employment Type Statistics

Employment contract (Note 1)	2022		2023		2024		Type of employment (Note 2)	2022		2023		2024	
	Non-fixed term	Fixed term	Non-fixed term	Fixed term	Non-fixed term	Fixed term		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Taoyuan Headquarters	Male	227	3	225	4	224	3	Taoyuan Headquarters	Male	228	2	227	2
	Female	287	1	269	2	268	2		Female	288	0	270	1
	Sub-total	514	4	494	6	492	5		Sub-total	516	2	497	3
TAIPAQ Plant	Male	1	405	4	329	86	474	TAIPAQ Plant	Male	405	1	329	4
	Female	43	929	56	788	219	921		Female	929	43	788	56
	Sub-total	44	1,334	60	1,117	305	1,395		Sub-total	1,334	44	1,117	60
Kunshan Plant	Male	0	38	0	39	0	45	Kunshan Plant	Male	38	0	39	0
	Female	0	120	0	106	0	111		Female	120	0	106	0
	Sub-total	0	158	0	145	0	156		Sub-total	158	0	145	0

Note 1: Employment contracts are divided into employees with non-fixed-term contracts and employees with fixed-term contracts. For plants in China, due to the local regulatory requirements, employees with the number of years of service for less than 10 years sign fixed-term labor contract (i.e. contract renewed every 3 years, and continuous employment is evaluated upon maturity of employment period), and for employees with the number of years of service reaching 10 years and above, employees perform self-evaluation on whether they are to be changed to non-fixed term labor contract.

Note 2: Employment is divided into full-time employees (the working hours per week reach the legal upper limit of working hours) and part-time employees (the working hours per week do not reach the legal maximum working hours).

Note 3: The change in the number of employees at the plants in mainland China is relatively large, mainly due to order fluctuations and adjustments to the Company's human resource policies.

Statistics on Employee Diversity at Taoyuan Headquarters

	Direct employees	2022		2023		2024	
		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Gender	Male	137	26.45%	124	24.80%	125	25.15%
	Female	203	39.19%	177	35.40%	170	34.21%
Age	Under 30 years old	112	21.62%	99	19.80%	116	23.34%
	30–49 years old	186	35.91%	160	32.00%	137	27.57%
Educational background	50 or above	42	8.11%	42	8.40%	42	8.45%
	Graduate school	0	0.00%	0	0.00%	0	0.00%
Educational background	Junior college/college/university	39	7.53%	30	6.00%	27	5.43%
	Others	301	58.11%	271	54.20%	268	53.92%
Indirect employees		2022		2023		2024	
	Indirect employees	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
		93	17.95%	105	21.00%	102	20.52%
Gender	Male	85	16.41%	94	18.80%	100	20.12%
	Female	21	4.05%	29	5.80%	25	5.03%
Age	Under 30 years old	129	24.90%	136	27.20%	139	27.97%
	30–49 years old	28	5.41%	34	6.80%	38	7.65%
Educational background	Graduate school	9	1.74%	16	3.20%	17	3.42%
	Junior college/college/university	142	27.41%	156	31.20%	159	31.99%
	Others	27	5.21%	27	5.40%	26	5.23%

Note 1: Percentage of direct employees under the age of 30 = (total number of direct employees under the age of 30 at the end of the year/total number of employees at the end of the year)*100%

Note 2: Percentage of indirect employees with a graduate degree = (Total number of indirect employees with a graduate degree in the current year/Total number of employees at the end of the year)*100%

Statistics on Employee Diversity in Taipaq Plant

TAIPAQ Plant	Category	Sub-Category	2022		2023		2024	
			Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
TAIPAQ Plant	Gender	Male	311	22.57%	283	20.64%	447	26.29%
		Female	669	48.55%	687	50.11%	804	47.29%
	Age	Under 30 years old	144	10.45%	233	16.99%	368	21.65%
		30–49 years old	767	55.66%	673	49.09%	788	46.35%
		50 or above	69	5.01%	64	4.67%	95	5.59%
	Educational background	Graduate school	0	0.00%	0	0.00%	0	0.00%
		Junior college/college/university	34	2.47%	34	2.48%	78	4.59%
		Others	946	68.65%	936	68.27%	1173	69.00%
TAIPAQ Plant	Indirect employees	2022		2023		2024		
		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage	
		Male	95	6.89%	96	7.00%	113	6.65%
		Female	303	21.99%	305	22.25%	336	19.76%
		Under 30 years old	75	5.44%	85	6.20%	99	5.82%
		30–49 years old	296	21.48%	289	21.08%	325	19.12%
	Educational background	50 or above	27	1.96%	27	1.97%	25	1.47%
		Graduate school	0	0.00%	0	0.00%	0	0.00%
		Junior college/college/university	73	5.30%	86	6.27%	112	6.59%
	Direct employees	Others	325	23.58%	315	22.98%	337	19.82%

Statistics on Employee Diversity in Kunshan Plant

Kunshan Plant	Category	Sub-Category	2022		2023		2024	
			Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Kunshan Plant	Gender	Male	26	16.46%	24	16.55%	30	19.23%
		Female	73	46.20%	67	46.21%	73	46.79%
	Age	Under 30 years old	13	8.23%	10	6.90%	19	12.18%
		30–49 years old	75	47.47%	61	42.07%	64	41.03%
		50 or above	11	6.96%	20	13.79%	20	12.82%
	Educational background	Graduate school	0	0.00%	0	0.00%	0	0.00%
		Junior college/college/university	3	1.90%	1	0.69%	5	3.21%
		Others	96	60.76%	90	62.07%	98	62.82%
Kunshan Plant	Category	Sub-Category	2022		2023		2024	
			Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
	Gender	Male	12	7.59%	15	10.34%	15	9.62%
		Female	47	29.75%	39	26.90%	38	24.36%
	Age	Under 30 years old	9	5.70%	4	2.76%	3	1.92%
		30–49 years old	48	30.38%	44	30.34%	44	28.21%
		50 or above	2	1.27%	6	4.14%	6	3.85%
	Educational background	Graduate school	0	0.00%	0	0.00%	0	0.00%
		Junior college/college/university	18	11.39%	19	13.10%	19	12.18%
		Others	41	25.95%	35	24.14%	34	21.79%

Employment of local residents as senior executives

Operating locations	Senior executives	Employment of local residents as senior executives	Proportion
Taoyuan Headquarters	36 persons	36 persons	100%
TAIPAQ Plant	8 persons	5 persons	62.50%
Kunshan Plant	2 persons	2 persons	100%
Total	46 persons	43 persons	93.48%

Note: Senior executives are supervisors at the managerial level (inclusive) or above of the Company.

Female employees and female supervisors

Operating locations	Female employees	Proportion	Managerial female employees	Proportion
Taoyuan Headquarters	270 persons	54.33%	6 persons	16.67%
TAIPAQ Plant	1,140 persons	67.06%	0 persons	0.00%
Kunshan Plant	111 persons	71.15%	0 persons	0.00%
Total	1,521 persons	64.64%	6 persons	13.04%

Workers who are not employees

Total number of non-employee workers	
2022	393
2023	99
2024	318

Note 1: Workers who are not employees are defined as those who do not have a direct employment relationship with the Company but provide services for the Company.

Note 2: Other types include on-site technical consultants, security personnel, contracted factory doctors, and sewage plant operators.

Note 3: The statistics are based on the number of people as of December 31 of the current year.

Statistics of workers who are not employees

Year	2022		2023		2024		
	Contract type	Dispatch	Others	Dispatch	Others	Dispatch	Others
Taoyuan Headquarters	Male	7	6	4	6	3	6
	Female	3	1	2	1	3	1
	Sub-total	10	7	6	7	6	7
TAIPAQ Plant	Male	1	22	1	8	86	0
	Female	43	8	56	5	219	0
	Sub-total	44	30	57	13	305	0
Kunshan Plant	Male	0	8	0	0	0	0
	Female	0	0	0	0	0	0
	Sub-total	0	8	0	0	0	0
Job type		Operators	Others	Operators	Others	Operators	Others
Taoyuan Headquarters	Male	7	6	4	6	3	6
	Female	3	1	2	1	3	1
	Sub-total	10	7	6	7	6	7
TAIPAQ Plant	Male	1	22	1	8	86	7
	Female	43	8	56	5	219	8
	Sub-total	44	30	57	13	305	15
Kunshan Plant	Male	0	8	0	0	0	0
	Female	0	0	0	0	0	0
	Sub-total	0	8	0	0	0	0

4.2.2 Data on New and Resigned Employees

With the growth of the Company's business and scale, we continue to recruit talent in various fields through job banks, internal recommendations, dispatch work agencies, and government's employment service stations. In 2024, for all plant sites of Tai-Tech, there were a total of 2,304 new employees, and a total of 1,967 employees resigned. The detailed distribution by age and gender is shown in the table below.

New and resigned employees of Taoyuan Headquarters

Taoyuan Headquarters			2022		2023		2024	
Newly hired employees	Age	Under 30 years old	Number of people	Proportion	Number of people	Proportion	Number of people	Proportion
		30 to 49 years old	35	11.11%	41	13.85%	42	15.22%
		50 or above	1	1.43%	0	0.00%	2	2.50%
	Gender	Male	31	13.48%	45	19.65%	53	23.35%
		Female	54	18.75%	46	16.97%	49	18.15%
	Educational background	Graduate school	1	11.11%	4	25.00%	1	5.88%
		Junior college/ college/ university and above	24	13.26%	32	17.20%	27	14.52%
		Others	60	18.29%	55	18.46%	74	25.17%
Resigned employees	Age	Under 30 years old	48	36.09%	43	33.59%	31	21.99%
		30 to 49 years old	58	18.41%	62	20.95%	67	24.28%
		50 or above	4	5.71%	4	5.26%	7	8.75%
	Gender	Male	51	22.17%	47	20.52%	55	24.23%
		Female	59	20.49%	62	22.88%	50	18.52%
	Educational background	Graduate school	2	22.22%	0	0.00%	0	0.00%
		Junior college/ college/ university	18	9.94%	23	12.37%	27	14.52%
		Others	90	27.44%	86	28.86%	78	26.53%

Note: The percentages for 2022 and 2023 were originally miscalculated; therefore, the data for the previous two years have been corrected in this report.

Statistics on New and Resigned Employees of Taipaq Plant

TAIPAQ Plant		2022		2023		2024		
		Number of people	Proportion	Number of people	Proportion	Number of people	Proportion	
New employees	Age	Under 30 years old	690	315.07%	669	365.57%	1433	306.85%
		30 to 49 years old	402	37.82%	346	37.24%	676	60.74%
		50 or above	6	6.25%	5	4.35%	24	20.00%
	Gender	Male	292	71.92%	283	79.27%	716	127.86%
		Female	806	82.92%	737	89.88%	1417	124.30%
	Educational background	Graduate school	0	0.00%	0	0.00%	0	0.00%
		Junior college/college/university and above	86	80.37%	128	94.81%	313	164.74%
		Others	1012	79.62%	892	85.60%	1820	120.53%
Resigned employees	Age	Under 30 years old	982	448.40%	566	309.29%	1256	268.95%
		30 to 49 years old	637	59.92%	438	47.15%	520	46.72%
		50 or above	17	17.71%	23	20.00%	28	23.33%
	Gender	Male	496	122.17%	307	85.99%	540	96.43%
		Female	1140	117.28%	720	87.80%	1264	110.88%
	Educational background	Graduate school	0	0.00%	0	0.00%	0	0.00%
		Junior college/college/university	189	176.64%	113	83.70%	244	128.42%
		Others	1447	113.85%	914	87.72%	1560	103.31%

Note: The percentages for 2022 and 2023 were originally miscalculated; therefore, the data for the previous two years have been corrected in this report.

Note 1: New hire rate = (Total number of new employees of a specific category in the year ÷ Total number of employees of that specific category at the end of the year) × 100%

For example, new female hire rate = (Total number of new female employees in the year ÷ Total number of female employees at the end of the year) × 100%

For example, new hire rate of employees under the age of 30 = (Total number of new employees under 30 in the year ÷ Total number of employees under 30 at the end of the year) × 100%

Note 2: Turnover rate = (Total number of resigned employees of a specific category in the year ÷ Total number of employees of that specific category at the end of the year) × 100%

For example, turnover rate of employees under the age of 30 = (Total number of resigned employees under 30 in the year ÷ Total number of employees under 30 at the end of the year) × 100%

Statistics of new and resigned employees of Kunshan Plant

Kunshan Plant		2022		2023		2024		
		Number of people	Proportion	Number of people	Proportion	Number of people	Proportion	
New employees	Age	Under 30 years old	20	90.91%	20	142.86%	20	90.91%
		30 to 49 years old	37	30.08%	24	22.86%	46	42.59%
		50 or above	10	76.92%	6	23.08%	3	11.54%
	Gender	Male	30	78.95%	24	61.54%	26	57.78%
		Female	37	30.83%	26	24.53%	43	38.74%
	Educational background	Graduate school	0	0.00%	0	0.00%	0	0.00%
		Junior college/college/university and above	7	33.33%	4	20.00%	5	20.83%
		Others	60	43.80%	46	36.80%	64	48.48%
Resigned employees	Age	Under 30 years old	31	140.91%	14	100.00%	12	54.55%
		30 to 49 years old	63	51.22%	45	42.86%	43	39.81%
		50 or above	14	107.69%	4	15.38%	3	11.54%
	Gender	Male	43	113.16%	15	38.46%	20	44.44%
		Female	65	54.17%	48	45.28%	38	34.23%
	Educational background	Graduate school	0	0.00%	0	0.00%	0	0.00%
		Junior college/college/university	7	33.33%	8	40.00%	2	8.33%
		Others	101	73.72%	55	44.00%	56	42.42%

Note: The percentages for 2022 and 2023 were originally miscalculated; therefore, the data for the previous two years have been corrected in this report.

Note 1: New hire rate = (Total number of new employees of a specific category in the year ÷ Total number of employees of that specific category at the end of the year) × 100%

For example, new female hire rate = (Total number of new female employees in the year ÷ Total number of female employees at the end of the year) × 100%

For example, new hire rate of employees under the age of 30 = (Total number of new employees under 30 in the year ÷ Total number of employees under 30 at the end of the year) × 100%

Note 2: Turnover rate = (Total number of resigned employees of a specific category in the year ÷ Total number of employees of that specific category at the end of the year) × 100%

For example, turnover rate of employees under the age of 30 = (Total number of resigned employees under 30 in the year ÷ Total number of employees under 30 at the end of the year) × 100%

4.3_Employee Care

Supplementary Topic_Employee Care

Significance to Tai-Tech

All employees are partners. They respect others, trust each other, work together to exert the strength of teamwork, inspire a pioneering spirit, and pursue higher goals. These are the keys to corporate sustainability. With sound remuneration and benefit system, retention of outstanding personnel can be achieved, and greater outstanding talents can also be attracted to join the team of Tai-Tech.

Commitments and Policies

- Establish competitive and fair remuneration and evaluation system, and provide diverse employee welfare and retirement benefits, in order to achieve the business philosophy of mutual respect, cohesion and joint growth.

Short-term Goal

- Promote at least one new/optimized employee benefits policy each year.

Mid- and Long-term Goal

- Become a company that employees are proud of, and continue to attract and retain outstanding talents.

Resources invested in the current year

- The average annual salary increase rate for employees reached 3.4%.
- The subsidies for employee retention amounted to NT\$10,081 thousand for the whole year.
- Invested NT\$245,000 thousand to purchase a new plant to serve as the R&D center and expand the employee recreational area.

2024 Evaluation Results

- The employee satisfaction rate is 93.72%, and the questionnaire response rate is 84.72%.
- No work reduction or unpaid leave.
- Promote performance system reform to enhance the fairness of the evaluation process.
- In 2023 and 2024, the company commissioned a third party to conduct employee satisfaction surveys for two consecutive years.

4.3.1 Remuneration system

Tai-Tech's salary and remuneration policy for our employees is subject to the employee's individual ability, contribution to the Company, performance, and the consideration for the Company's future operational risks. We do not treat our employees differently due to his/her gender, age, race, or other factors.

According to the Company's Articles of Incorporation, no less than 6% of the annual profit should be appropriated as employee remuneration, and the board of directors will determine the distribution in shares or cash (to be distributed in the middle of the following year). We also distribute year-end bonuses at a fixed percentage of the year's earnings after tax. Business performance and results are reflected in employee compensation appropriately.

Full-time non-managerial employees' salaries

Unit: NT\$ thousand			
Taoyuan Headquarters	Number of employees	Average annual salary	Median annual salary
2023	506	680	580
2024	487	793	683
Difference	-19	+113	+103

Unit: RMB

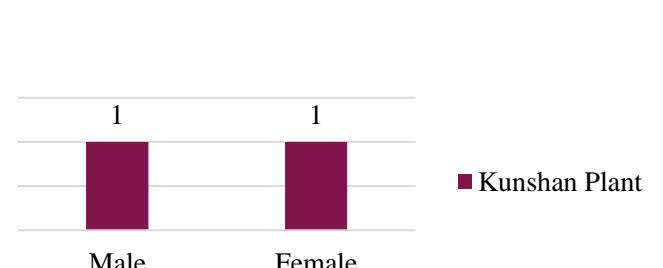
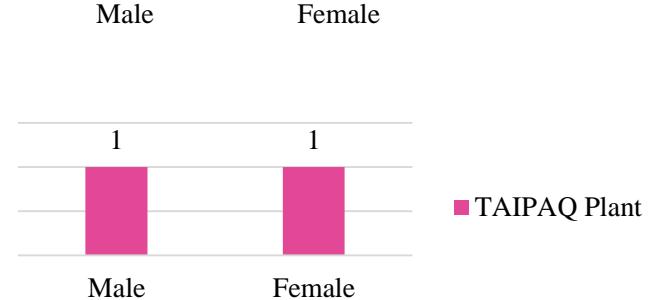
TAIPAQ Plant	Number of employees	Average monthly salary	Median monthly salary
2023	1,177	5,150	4,650
2024	1,395	5,801	4,823
Difference	+218	+651	+173

Unit: RMB

Kunshan Plant	Number of employees	Average monthly salary	Median monthly salary
2023	145	6,989	6,764
2024	156	7,202	7,233
Difference	+11	+213	+469

Note: The salaries of employees of the Taoyuan Headquarters are calculated based on the annual salary, and the unit is NT\$ thousand; the salaries of the employees of TAIPAQ Plant and Kunshan Plant are calculated based on the monthly salary, and the unit is RMB.

Ratios of standard entry level wage by gender compared to local minimum wage



Note 1: Tai-Tech's entry-level personnel refers to direct personnel.

Note 2: The standard salary refers to the basic approved salary for direct personnel.

Basic Salary and Remuneration Ratio

Taoyuan Headquarters		2022		2023		2024	
		Male	Female	Male	Female	Male	Female
Executives	Basic salary ratio	1.32	1	1.30	1	1.15	1
	Remuneration	1.29	1	1.37	1	1.15	1
Non-executives	Basic salary ratio	1.09	1	1.03	1	1.06	1
	Remuneration	1.13	1	1.04	1	1.08	1

TAIPAQ Plant		2022		2023		2024	
		Male	Female	Male	Female	Male	Female
Executives	Basic salary ratio	1	1	1	1	1	1
	Remuneration	1.25	1	1.14	1	1.23	1
Non-executives	Basic salary ratio	1	1	1	1	1	1
	Remuneration	0.86	1	1.01	1	1.17	1

Kunshan Plant		2022		2023		2024	
		Male	Female	Male	Female	Male	Female
Executives	Basic salary ratio	1.10	1	1	1	1	1
	Remuneration	1.10	1	1.08	1	1.12	1
Non-executives	Basic salary ratio	1.20	1	1.03	1	1.01	1
	Remuneration	1.20	1	1.37	1	1.18	1

Note 1: Executives are defined as personnel at or above the subsection level (inclusive).

Note 2: Basic salary refers to the minimum fixed amount paid for employees' performance of job duties, excluding any additional compensation, such as overtime pay, bonus or various allowances

Note 3: Remuneration refers to the amount of basic salary plus additional amount paid to workers; "additional amount paid to workers" include seniority allowance, bonus (including cash and equity), benefits, overtime pay, compensatory leave and other allowances (such as traffic allowance, living expense allowance, childcare allowance)

4.3.2 Benefits policy

To attract outstanding talent and retain critical talent, Tai-Tech has formulated a comprehensive and excellent employee benefits policy, and in accordance with the law has established the Employee Welfare Committee to be responsible for the planning and implementation of employee benefits. We actively protect employees' basic benefits in cooperation with laws and regulations and have set many measures that are superior to what is stipulated in law, such as employee group insurance, employee gatherings for each department, personal leave for new employees (one day per month without influencing the perfect attendance record), education scholarships for employees' children, and share allotment for employee subscription.

As for our work environment, we have set up electric scooter charging stations in the plants in line with the local government's policy, while working with convenient store to set up smart vendor machines in the plants for employees to buy beverages, desserts, bread, and rice balls during breaks to reward their hard work.

Furthermore, to encourage and commend senior employees, the Company has set up a system to present a gold medal to an employees' service for five (five multiple) years, to recognize their contribution.

Full-time employee benefits

Taoyuan Headquarters			TAIPAQ Plant		Kunshan Plant
Marriage/funeral subsidy	Year-end dinner party and lottery	Medical rooms, breastfeeding rooms	Marriage/funeral subsidy	Year-end dinner party and lottery	Year-end bonus
Holiday bonuses/gift vouchers	Employee bonus	Childbirth allowance	Holiday bonuses/gift vouchers	Medical rooms, breastfeeding rooms	Regular health checkups that are better than what the regulations require ^(Note)
Year-end bonus	Gold medal for five-year (or multiples of five years) of services	Employee travel	Year-end bonus	Childbirth allowance	Birthday gift money/gift
Regular health checkups that are better than what the regulations require ^(Note)	Retention Bonuses	Employee club subsidy	Regular health checkups that are better than what the regulations require ^(Note)	Employee travel	
Employee stock option	Employee introduction bonus	On-the-job training subsidy	Birthday gift money/gift	Employee dorm	
Employee and relative scholarship	Mentorship bonus	Employee dorm			
Birthday gift money/gift	Hospitalization consolation money	Department gatherings			

Note: The Company provides health examination superior to the regulatory requirements, and one time of health examination for official employees onboard of the job for one full year is provided annually. The health examination items include statutory items and additional abdominal ultrasound test. Furthermore, for employees of special hazardous working area but with seniority not qualifying for the Bureau of Labor Insurance - Labor insurance preventive occupational disease health examination subsidy, the Company provides out-of-pocket special hazardous operation examination

Full-time employee benefits



Employee travel



Department gathering/year-end party



Outdoor sports facilities



Basketball court



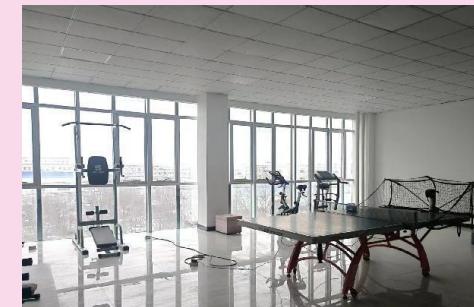
Mother's Day event – Carnation/cake exchange



Smart coffee machine


 Gold medal for five-year
 (or multiples of five years) of services

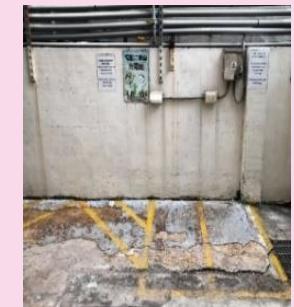

Smart vending machines



Gym



Employee dorm


 Electric scooter
 charging stations

4.3.3 Nursing care

In 2024, 26 employees at Tai-Tech's Taoyuan Headquarters were eligible for parental leave, of whom 6 applied. The reinstatement rate for male employees was 100%, and for female employees was 50%. The retention rate for female employees was 85.71%.

Statistics on Employee Parental Leave at Taoyuan Headquarters

Taoyuan Headquarters	Gender	2021	2022	2023	2024
Number of employees qualified for parental leave without pay	Male	23	17	16	14
	Female	22	18	14	12
Number of employees applying for parental leave without pay	Male	0	0	0	2
	Female	5	8	7	4
Number of employees required for reinstatement after maturity of parental leave without pay (A)	Male	0	0	0	1
	Female	2	4	7	2
Number of employees who were reinstated after maturity of parental leave without pay (B) (including early reinstatement)	Male	0	0	0	1
	Female	2	4	7	1
Reinstatement rate	Male	0%	0%	0%	100%
	Female	100%	100%	100%	50%
The parental leave without pay matured in the previous year and number of employees still in service 12 months after reinstatement	Male	0	0	0	0
	Female	3	2	4	6
Retention rate	Male	0%	0%	0%	0%
	Female	100%	100%	100%	85.71%

Note 1: The number of employees qualified for parental leave without pay is calculated based on the number of male and female employees that have applied for maternity leave or paternity leave in the past three years.

Note 2: Reinstatement rate = (Total number of employees actually reinstated in that year / Total number of employees required for reinstatement in that year) *100%

Note 3: Retention rate = (Total number of employees continue to be employed after the maturity of parental leave without pay of last year and 12 months after the reinstatement / Number of employees actually reinstated in last year) *100%

Note 4: The data for 2021 to 2024 is disclosed as the parental leave without pay statistics span across years.

4.3.4 Labor-management communication

Material Topic Labor-Management Communication

Significance to Tai-Tech

Labor-management communication is a key cornerstone for fostering internal harmony and enhancing employee engagement and a sense of belonging. An efficient labor-management communication mechanism not only helps resolve internal conflicts, but also strengthens employees' recognition and support of the Company's decisions, enhancing overall productivity and corporate competitiveness. Meanwhile, a transparent and fair communication model can strengthen the Company's reputation among stakeholders and provide solid support for sustainable development.

Commitments and Policies

Through continuous improvement and an employee advocacy system, the Company has not only optimized the labor-management communication mechanism but also created a corporate culture of total participation and joint creation. The Company is committed to establishing a transparent and equal labor-management communication mechanism, and to:

- Respect for employees' rights: Respect employees' opinions and suggestions, and ensure their participation in decision-making.
- Transparent management: Provide clear and open information on business operations to ensure transparency and accuracy in communication.
- Diverse communication channels: Establish diverse labor-management communication platforms, including routine meetings, anonymous suggestion boxes, and digital communication tools, to ensure all employee voices are heard.
- Continuous improvement: Periodically review and optimize the labor-management communication mechanism to ensure its effectiveness and adaptability to the needs of both labor and management.
- Formulate employee initiative improvement measures and encourage employees to propose suggestions for improving work processes, safety measures, business efficiency, and the workplace environment.

Short-term Goal

- Establish a labor-management communication platform: Complete the setup of an online communication platform and employee opinion survey tools, ensuring the platform reaches all employees.
- Hold routine labor-management meetings: Quarterly labor-management meetings will be held to discuss key issues such as working hours, remuneration, and benefits, and to record meeting resolutions and improvement progress.
- Employee satisfaction survey: An employee satisfaction survey is conducted annually, covering communication effectiveness, work environment, and welfare benefits, among other areas. The target satisfaction rate is maintained at 80% or higher.
- Communication training: Provide communication skills and conflict management professional training to management and labor representatives, completing training for 100% of relevant personnel.

Mid- and Long-term Goal

- Build a cooperative labor-management culture: Establish a cooperative labor-management culture by 2030, achieving a labor-management conflict rate of less than 2% (based on annual dispute resolution figures).
- Promoting labor-management meetings throughout the supply chain: By 2028, labor-management communication mechanisms will be extended to suppliers, with the goal of implementing regular labor-management communication mechanisms for 100% of major suppliers, ensuring harmony and stability within the supply chain.

Resources invested in the current year

- Hold quarterly labor-management meetings.
- The Welfare Committee meets once a quarter.
- Organize 1 Occupational Safety and Health Committee meeting.
- Conduct 1 employee satisfaction survey.

2024 Evaluation Results

- Regularly track the number of labor-management meetings held, participation rates, and the implementation of resolutions to ensure communication issues are addressed.
- Employee satisfaction survey: An annual employee satisfaction survey is conducted to analyze overall communication effectiveness and optimize areas with satisfaction levels below the standard.

Responsible department |
Management Department

Complaint mechanism | Manager's mailbox (extension), President's mailbox (extension), and employee opinion box

Tai-Tech has always been committed to harmonious labor-management relations. The Company adopts a two-way and open approach to interact positively with employees. One session of labor-management is convened quarterly, with five representatives from both sides. The highest ranking of employer representative attending the meeting is the President, and the labor representatives attending the meeting include CEO's Office, President's Office, Financial Department, Sales Division, Production Division I, Production Division II, Quality Assurance Department, R&D Center, Management Department, Safety and Health Office. The Company has responded in good faith to the suggestions and opinions raised by labor representatives during the meeting. Tai-Tech has also set up physical employee suggestion boxes internally, as per the Employee Suggestion Box Management Regulations. Employees can specify their opinions and suggestions in writing, put them in the employee suggestion box, or send them directly to the President by e-mail. Employees' opinions are handled in person and responded to appropriately by the President, and we promise to keep the information on the employees who raise such opinions confidential. If an employee puts forward a useful proposal for the Company's operation and management, those whose proposals have been adopted by the Company with effective results will be rewarded appropriately and commended publicly after we obtain such employees' consent. However, if such employees have any concerns and want to remain anonymous, we will respect their wishes and will not make it public.

Tai-Tech respects labor rights and interests, encourages employees' freedom of association, and is open to employees' unionization. Currently, only Kunshan Plant has established a labor union among its plants. All employees in this plant are union members. The Company's personnel administration operations comply with local labor laws and regulations. In recent years, there have been no mass layoffs, nor have there been any unilateral changes to employees' work locations or job content.

4.3.5 Employee satisfaction survey

Tai-Tech performs an anonymous employee satisfaction survey every year to determine their level of satisfaction regarding the Company's environment, executives, colleagues, salary, remuneration, job content and personal development. At the same time, the Company has set up an employee suggestion box and management procedures for occupational safety and health regulations and stakeholder requirements to ensure that stakeholders can freely and smoothly express their opinions to the Company.

The purpose of the internal employee satisfaction survey is to communicate more intimately with each employee and understand their true thoughts. The survey is conducted anonymously, and colleagues are free to express their ideas or suggestions. After the colleagues fill in the information, the Company will compile it and send it to the appropriate corresponding units for response and feedback. The goal is to improve colleagues' willingness to participate in the survey by making it clear that their opinions are appreciated.

4.3.6 Retirement protection

According to the Labor Standards Act and the Labor Pension Act, employees in Tai-Tech Taoyuan Headquarters who joined before June 30, 2005 (inclusive) are entitled to the old retirement pension system. The Company had already allocated the funds in full in 2017, which was approved by the Taoyuan City Government Department of Labor As of March 31, 2022, the Company has fully settled and paid the old pension system.

For those eligible for the new pension system, the Company shall allocate 6% of the monthly salary for labor insurance to individual employee pension accounts. In addition, employees may also voluntarily allocate 0%~6% to their individual retirement fund accounts. Employees can apply for retirement if they meet the statutory retirement conditions, and according to law, the retirement benefits in individual accounts can be withdrawn after reaching the age of 60.

Pension system



Note: The full score of the employee satisfaction survey is 100%.

Defined benefits plan

- By adhering to the requirements set forth in the "Labor Standards Act," the Company has established its own defined retirement benefits plan, which is applicable both to the service years of all regular employees rendered before the enforcement of the "Labor Pension Act" on July 1, 2005, and to the service years of all employees who elected to continue applying the Labor Standards Act after the implementation of the "Labor Pension Act."

- According to the "Labor Standards Act," pension benefits are calculated based on the employee's length of service and the average salary for the 6 months prior to retirement.

Defined contribution plan

- The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, under the name of the Independent Retirement Fund Committee
- The Company has established the Employee Retirement Regulations according to the provisions of the "Labor Pension Act" and pension is appropriated for depositing in the individual account at the Bureau of Labor Insurance.

4.4_Human Capital

Material Topics_Talent Cultivation

Significance to Tai-Tech

Talent development and cultivation are factors critical to the sustainability of an enterprise. Tai-Tech pays attention to employee function development and is committed to systematic talent cultivation to strengthen organizational capabilities and competitiveness.

Commitments and Policies

- In addition to providing the mandatory training required by law, the Company's units have also proposed training for development based on the Company's business directions, annual goals, feedback from other stakeholders, and employee functional gaps. The Company will also continue to encourage and support employees' diversified learning, build employee education and training programs, in order to improve the organization's competitiveness and competency.

Short-term Goal

- Number of major deficiencies or related penalties from various audits in 2025: 0 cases.
- The implementation rate of the education and training plan in 2025 reached 95.2%
- Continue to promote at least one talent development project.

Mid- and Long-term Goal

- In 2022 and 2024, the Company received the Bronze Medal for the Talent Quality-management System (TTQS) presented by the Workforce Development Agency, Ministry of Labor. According to the fundamental of various indicators of TTQS, the Company will continue to optimize all aspects, and it is expected to receive the Silver Medal certification within 5 years.

Resources invested in the current year

- Annual training expenses: NT\$1,431 thousand.
- Implementation of the performance system optimization project.
- The Company received the Bronze Medal for the Talent Quality Management System (TTQS) presented by the Workforce Development Agency, Ministry of Labor (awarded upon the Company's first participation in the evaluation).

2024 Evaluation Results

- Number of major deficiencies or related penalties from various audits: 0 cases.
- Education and training program implementation rate 100%.

4.4.1_Talent Cultivation

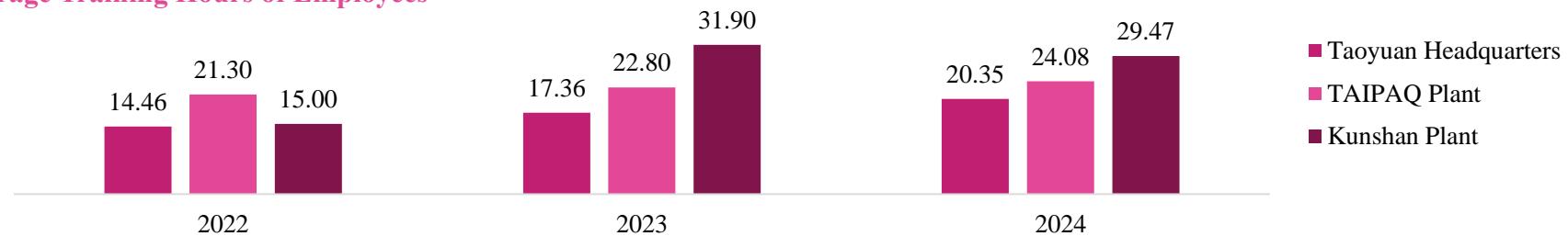
Tai-Tech pays attention to employee career planning and is committed to talent cultivation. Training procedures have been established. When new employees report, the Administration Section of Management Department will publicize the company profile, various personnel rules and regulations, and occupational safety legal requirements. Special training will be provided by the department to which the new employee belongs. The Company actively encourages employees to take professional courses within the scope of their duties, and provides diversified learning channels with the continuous growth of employees as the main focus. After each department proposes training needs every year, the Administrative Section of the Management Department compiles the education and training plan for the following year. The continuing education of employees is divided into internal and external training. For internal training, each department arranges personnel to give lectures according to actual business needs. For external training, the departments will submit applications based on business needs. After approval, they will assign dedicated personnel to participate in courses organized by external organizations. After the employees participate in the training, they will share their training experiences with other employees in the department to improve the overall workplace ability of employees and allow employees to demonstrate their professionalism and for self-achievements.

Average Training Hours by Employee Category

Year	2022		2023		2024	
	Gender	Female	Male	Female	Male	Female
Taoyuan Headquarters	11.01	18.77	11.24	24.60	16.63	24.78
TAIPAQ Plant	20.40	17.60	22.20	19.10	24.20	22.50
Kunshan Plant	15.00	15.00	24.82	38.14	26.57	36.32

Year	2022		2023		2024	
	Rank	Executives	General employees	Executives	General employees	Executives
Taoyuan Headquarters	34.60	11.31	40.95	13.00	42.23	16.03
TAIPAQ Plant	23.50	19.50	20.20	22.30	22.10	24.20
Kunshan Plant	18.00	15.00	42.00	27.10	46.70	28.05

Average Training Hours of Employees



Note 1: Training hours per person is the total number of training hours for all employees in the year/the total number of employees at the end of the year.

Note 2: The average training hours of female employees is the total number of training hours of female employees in the year/total number of female employees at the end of the year.

Note 3: The average number of training hours of each type of employee refers to the total number of training hours of the type of employees in that year / total number of the type of employees at the end of that year. The executives refer to personnel above the rank of deputy section chief and above.

4.4.2_Education & Training Satisfaction Rate

In various education and training, besides assessing the trainees, trainees' opinions and suggestions on the training process are also an indispensable part of optimizing the training system. Therefore, we have conducted "Education and Training Opinion Questionnaire surveys" on 4 aspects: course content, lecturers, personal gains, and other suggestions^(Note). In 2024, the implementation rate of the education and training plan was 100%; the average employee satisfaction with the Company's overall training goals (out of 5 points) reached 4.61 points.

Note: The first three aspects of the education and training opinion survey were filled out with a five-point Likert scale (choices range from very dissatisfied to very satisfied). The fourth aspect was open-ended to understand the trainees' suggestions on the course. The full score of the survey was 5 points.

Plan for Training
 and Education
 Implementation rate
 100%



Training
 Satisfaction Rate
 4.61



4.4.3_Periodic Performance Evaluation

To ensure that the employee evaluation system complies with the principles of objectivity and fairness, and to motivate employees and improve work performance, the Company has established the Regulations for the Evaluation of Employees' Performance. In 2024, the Taoyuan Headquarters conducted regular performance evaluations for all employees, while the Qingbang Plant and Kunshan Plant conducted regular evaluations only for supervisors.

Scope of Performance Evaluation

2024		Gender		Employee type	
		Male	Female	General employees	Executives
Taoyuan Headquarters	Number of employees evaluated	225	270	415	80
	Total number of employees	227	270	415	82
TAIPAQ Plant	Number of employees evaluated	20	12	0	32
	Total number of employees	474	921	1363	32
Kunshan Plant	Number of employees evaluated	5	7	0	12
	Total number of employees	45	111	144	12

Note: Qingbang Plant and Kunshan Plant only conduct evaluations for supervisors.

Rate of Performance Appraisal

2024		Gender		Employee type	
		Male	Female	General employees	Executives
	Taoyuan Headquarters ^(Note)	99.12%	100%	100%	97.56%
	TAIPAQ Plant	4.22%	1.30%	0%	100%
	Kunshan Plant	11.11%	6.31%	0%	100%

Note: The main reason for the evaluation rate at the Taoyuan Headquarters not reaching 100% is that some personnel had not yet completed their evaluation cycle since joining the Company.

4.5_Friendly Workplace

Significance to Tai-Tech

Occupational safety is the key cornerstone for protecting employee health and productivity and promoting the sustainable development of the enterprise. The safety and well-being of employees are the most important assets of a company. A safe working environment not only boosts employee morale and efficiency, but also reduces the risk of work-related injuries, legal disputes, and business interruptions. Meanwhile, actively promoting occupational safety demonstrates the Company's commitment to its employees and stakeholders, while also strengthening its brand image and competitiveness to attract more high-quality talent and partners.

Short-term Goal

- Continue to maintain ISO 45001 system certification.
- Perform inspection periodically with all department heads once monthly.
- Report safety and health matters and internal compliance assessment during monthly meeting.
- 3 sets of workplace monitoring systems for special chemicals.
- Equipment safety engineering improvement.
- Improvement of facility safety (A1F opening).
- Production of educational training videos.

Mid- and Long-term Goal

- Number of accident-free working hours reaches 600 thousand hours.
- Implement safety observation on internal operations, and perform safety improvement.

Responsible Department | Occupational Health and Safety Office

Material Topic _ Occupational Safety and Health

Commitments and Policies

The Company regards occupational safety as one of the core values of sustainable operation and is committed to providing a safe and healthy work environment to protect the physical and mental health and safety of all employees. Based on the core policy of "compliance with laws and regulations, education and training, full participation, health care, risk management, and continuous improvement," we are committed to implementing occupational safety policies at all levels of the Company and in all business activities to ensure that all employees work in a safe and healthy environment. Through the participation and continuous improvement of all employees, we are committed to achieving our safety goal of "zero accidents and zero injuries" and setting a benchmark for responsible corporate citizenship among all stakeholders.

Resources invested in the current year

- NT\$74,500 for access control in hazardous areas.
- NT\$87,950 for equipment safety improvement.
- NT\$22,500 for facilities safety improvement.

2024 Evaluation Results

- No major deficiencies from the audit results.
- Passed the audit for ISO45001 occupational safety and health management system certification.
- Access control for special hazardous areas (three zones).
- Machine safety protection (five units).
- Facility safety improvement (one case).
- Production of educational training videos (three videos).
- Automated inspection digitalization.

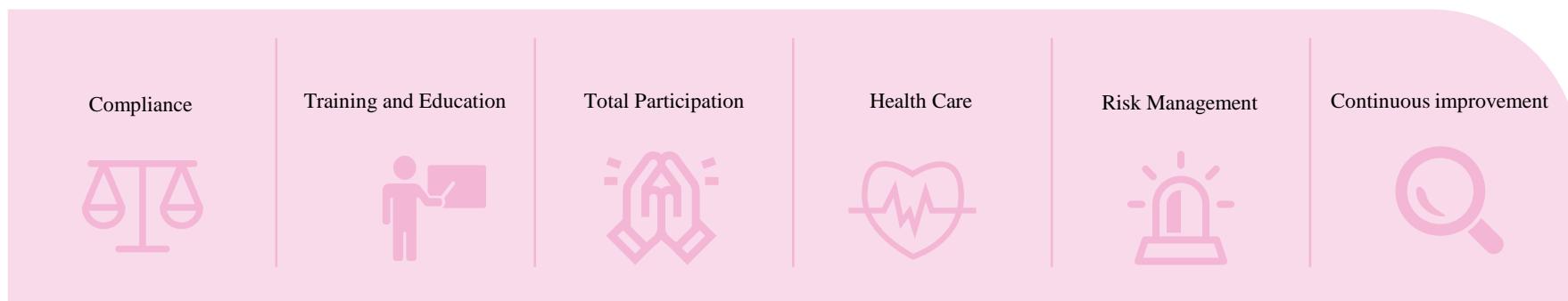
Complaint Mechanism | Fu-Rong Wu manage07@tai-tech.com.tw ext. 1377

4.5.1_Occupational Safety and Health Management System

We attach great importance to industrial safety, health, and hygiene. The ISO45001 occupational safety and health management system was implemented in 2019, and an external institution was commissioned for audit verification. The management system audit result in 2024 indicated no major deficiencies.

The Company adheres to the spirit of "total participation, promotion and communication, and injury prevention." The scope of ISO 45001 covers all employees and contractors at both the Taoyuan Headquarters and plants in China, with no personnel excluded. The headcount, as of December 31, 2024, includes all 514 employees, 4 security personnel, and 4 wastewater treatment personnel. To fulfill and improve our commitment to occupational safety and health, we have developed occupational safety and health policies, implemented occupational safety and health protection measures in the Company's working environment, and formulated employee personal safety protection measures. The Company provides the following specific measures:

Occupational safety and health policies



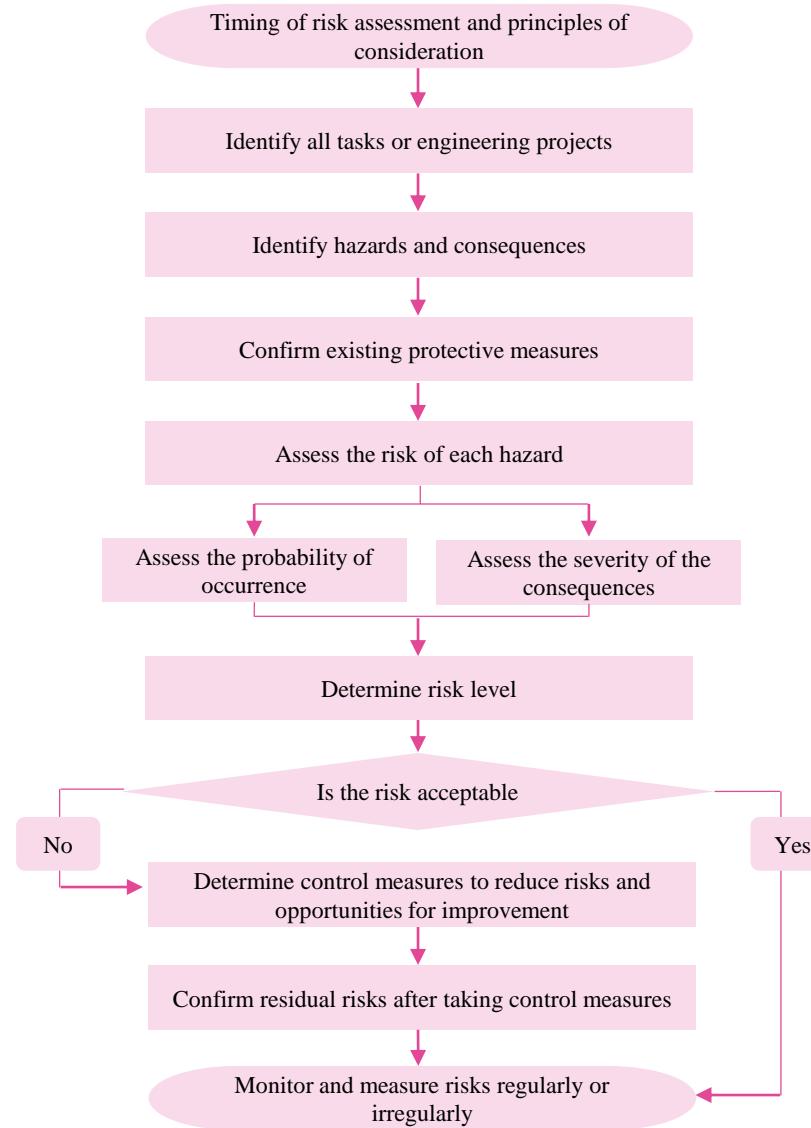
4.5.2_Risk assessment and control

Tai-Tech has formulated the “Occupational Safety and Health Risk Assessment Operating Procedures” according to the risk assessment guidelines promulgated by the Occupational Safety and Health Administration of the Ministry of Labor. The goal is to ensure occupational safety and health, protect the safety of all employees and other workers of the Company, in order to prevent personnel safety and health hazards caused by operations and facilities of the Company. The goal is to control risks to an acceptable level through continuous safety and health hazard identification, risk assessments, and project management improvements.

During recruitment and on-the-job education and training, the Company has repeatedly emphasized the content of Article 18 of the Occupational Safety and Health Act to ensure employee safety. The goal is to educate employees to escape to a safe area independently in the event of immediate danger without worrying about punishment.

According to the OH&S risk assessment process and the risk level determination, the two major elements of determining the risk level are the possibility of a hazard and the severity of the consequences. Routine or non-routine operations must follow the risk assessment evaluation process to divide all in-plant tasks into 5 risk levels. Corresponding control measures must be taken according to different risk levels to eliminate hazards and minimize risks.

Occupational Health and Safety Risk Assessment Process



Risk Level Determination Table

Risk Level		Countermeasures
5	Extremely high risk	An unacceptable risk level. We will review the integrity of existing protection and control measures immediately, and continue to set out improvement plans.
4	High risk	Barely acceptable risk level. Each unit must prioritize improvement to this level of risk when drawing up a management plan to further review and determine improvement measures.
3	Medium risk	A temporarily acceptable risk level, but we need to pay attention to the current control situation.
2	Low risk	An acceptable risk level. We manage it using the existing method.
1	Ignorable risk	Such risks can be ignored without the need for improvement.

Special operation classification management

2024	Noise	Dust	Nickel	Ionizing radiation
Level 1 control	7	16	13	7
Level 2 control	1	22	28	4
Level 3 control	0	0	0	0
Level 4 control	0	0	0	0
Total number of people	8	38	41	11

Note: For Level 2 personnel, personal health guidance will be implemented according to the laws

4.5.3 Accident investigation process and subsequent improvement

To actively reduce the probability of accidents, TAI-TECH Advanced Electronics has established relevant handling procedures and incident investigation mechanisms after an accident occurs, so that employees can report an accident according to the "Emergency Response Procedures". An investigation team is formed to carry out a formal investigation according to the severity of the disaster to investigate the cause of each accident in detail.

We aim to improve project management through accident investigation reports and risk assessments. The goal is to establish safety barriers and widen the distance between employees and hazard factors to ensure the safety of employees.

Prevention in advance is always better than remediation afterward, so we are also committed to follow-up improvement measures. Colleagues will pass the accident report detailing the cause of the accident and the improvement method to other departments so they can also learn from the experience and prevent the same incident from occurring again.

Accident Investigation Process



After an accident occurs, the unit where the accident occurred shall fill out an accident notification form within twelve hours (one hour for severe accidents), which shall also be signed by the head of the unit, and the Occupational Safety and Health Office must be informed. In the event of a severe occupational injury (such as death accident or more than three victims affected by the accident), it is necessary to report to the competent authority within eight hours.

After an accident occurs, the unit where the accident occurred should carry out a preliminary investigation immediately and send the accident investigation report to the Occupational Safety and Health Office within one week. The office will then organize an accident investigation team to conduct a formal investigation based on the accident investigation level.

All investigation reports need to be submitted to the General Manager for approval, and tracking and improvement need to be conducted as per the Corrective and Preventive Measures Management Procedures.



Statistics on Occupational Injuries of Taoyuan Headquarters Employees and Non-employees

Year	2022		2023		2024	
Total number of working hours lapsed	1246920		1198874		1385054	
Ratio calculated according to every 200,000 working hours	Number of people	ratio	Number of people	ratio	Number of people	ratio
Death accident due to occupational injury	0	0	0	0	0	0
Severe occupational injury	0	0	0	0	0	0
Recordable occupational injury	7	1.12	8	1.33	2	0.29
Occupational disease	0	0	0	0	0	0
Recordable occupational disease	0	0	0	0	0	0

Note 1: Traffic accidents that occurred to employees when commuting to and from work are not included in the calculation.

Note 2: Occupational injury ratio calculation equation = (Number of employees subject to occupational injuries / Total number of working hours lapsed) * 200,000 working hours

Note 3: Recognition of occupational accidents is subject to the local Ministry of Labor.

Types of occupational injuries and occupational diseases among employees/non-employees of Taoyuan Headquarters

Year	2022	2023	2024	Hazard causes and improvement description
Work-related injuries	Jamming	6	4	1 Equipment improvements with the addition of blocking panels.
	Human factor	2	1	0 Enhance human factor hazard knowledge during on-job education and training
	High and low temperature contact	0	0	0 Modify equipment procedure and provide insulation gloves.
	Biological	1	0	0 -
	Falling	1	0	1 Uniformly place the fixed plastic film and secure the storage box.
	Objects falling down	0	3	0 Establish standard procedures for setting item placement areas and limiting stack heights.
Occupational disease	Overwork	0	0	0 -

Statistics on Occupational Injuries of Employees/Non-employees in Taipaq Plant

Year	2022		2023		2024	
Total number of working hours lapsed	5231122		2539241		4517981.5	
Ratio calculated according to every 200,000 working hours	Number of people	ratio	Number of people	ratio	Number of people	ratio
Death accident due to occupational injury	0	0	0	0	0	0
Severe occupational injury	0	0	0	0	0	0
Recordable occupational injury	2	0.08	4	0.32	2	0.09
Occupational disease	0	0	0	0	0	0
Recordable occupational disease	0	0	0	0	0	0

Note 1: Traffic accidents that occurred to employees when commuting to and from work are not included in the calculation.

Note 2: Occupational injury ratio calculation equation = (Number of employees subject to occupational injuries / Total number of working hours lapsed) * 200,000 working hours

Note 3: Recognition of occupational accidents is made by the local work-related injury certification center.

Types of Occupational Injuries and Occupational Diseases Among Employees/Non-employees of Taipaq Plant

Year	2022	2023	2024	Hazard causes and improvement description
Work-related injuries	Fall injury	0	0	0
	Cutting injury	1	2	0
	Crush injury	1	2	0
	Mechanical injury	0	0	1
	Burn injury	0	0	1
Occupational disease	Overwork	0	0	0

Statistics on Occupational Injuries of Kunshan Plant Employees and Non-employees

Year	2022		2023		2024	
Total number of working hours lapsed	478728		462996		516500	
Ratio calculated according to every 200,000 working hours	Number of people	ratio	Number of people	ratio	Number of people	ratio
Death accident due to occupational injury	0	0	0	0	0	0
Severe occupational injury	0	0	0	0	0	0
Recordable occupational injury	0	0	0	0	0	0
Occupational disease	0	0	0	0	0	0
Recordable occupational disease	0	0	0	0	0	0

Note 1: Traffic accidents that occurred to employees when commuting to and from work are not included in the calculation.

Note 2: Occupational injury ratio calculation equation = (Number of employees subject to occupational injuries / Total number of working hours lapsed) * 200,000 working hours

Note 3: Recognition of occupational accidents is made by the local work-related injury certification center.

Types of occupational injuries and occupational diseases among employees/non-employees of Kunshan Plant

Year	2022	2023	2024	Hazard causes and improvement description
Work-related injuries	Fall injury	0	0	0
	Cutting injury	0	0	0
	Burn injury	0	0	0
Occupational disease	Overwork	0	0	0

4.5.4 Occupational health services

To ensure that the physical and mental health of employees is properly taken care of, the Company, exceeding the legal standards, engages contracted occupational medicine specialists, who work together with full-time labor health service nurses and occupational safety and health personnel to safeguard employee health. The Company has formulated the “Labor Health Service Plan” in accordance with the Occupational Safety and Health Act and the Labor Health Protection Rules, and implements four major health service plans to achieve the following goals:

- Meet statutory health examination requirements and establish a health management classification system.
- Strengthen workplace hazard prevention measures to protect employees' work safety and physical and mental health.
- Conduct health education and health promotion activities based on needs assessments.

Health checkup

General health checkup management

1. Conduct general health checkups and special health checkups in accordance with legal requirements
2. Health services exceeding legal standards:
 - With employees' consent, provide an annual health checkup exceeding legal standards and add additional examination items (e.g., abdominal ultrasound).
 - Select medical institutions accredited for labor physical and health examinations, and require them to provide a comparative report of the past three years' health data to help employees track health trends.
3. Health management classification: Full-time nurses and contracted occupational physicians provide health management based on examination data.

General checkup	Number of people to be examined according to laws and regulations ^(Note 1)	Number of people examined according to laws and regulations	Examination rate ^(Note 2)	Number of people examined exceeding legal requirements ^(Note 3)	Total number of people examined ^(Note 4)	Percentage of total employees ^(Note 5)
2024	14	13 ^(Note 6)	95%	305	318	63.7%

Note 1: Number of people required to undergo a health examination as stipulated by laws and regulations.

Note 2: Number of people examined ÷ Number of people to be examined × 100%.

Note 3: Refers to the number of employees who, due to company policy or benefits, voluntarily underwent a health examination beyond legal requirements.

Note 4: Number of people examined according to regulations + Number of people examined exceeding legal requirements.

Note 5: Total number of people examined ÷ total number of employees (calculated based on 499 employees as of October 2024) × 100%.

Note 6: Employees not receiving examination were Taiwanese staff assigned to station in China, and they did not return to Taiwan for health examination

Special health hazard operations management

For special health hazards in the Company's production process (such as noise, dust, nickel, ionizing radiation, etc.):

- Environmental monitoring: Regularly conduct workplace environment monitoring to ensure compliance with safety standards.
- Special operations health checkups: Conducted annually according to legal requirements, with health guidance provided according to classification management principles. According to regulations, employees meeting Level 2 management standards are provided with occupational physician guidance; in 2024, no employees required Level 3 management or above.
- Workplace health and safety promotion: Publish educational materials on prevention for specific hazards in the plant.

Special checkup	Item	Number of people to be examined according to laws and regulations	Number of people examined according to laws and regulations	Examination rate	Total number of employees receiving examination	Percentage of total employees
2024	Noise operations: 8 person-times Ionizing radiation: 11 person-times Nickel: 41 person-times (+1 due to change of operation) Dust: 38 person-times (+1 due to change of operation)	65	65	100%	65	13.0%

Four major labor health protection plans

Occupational Maternity Health Protection Plan

Purpose: Protect the health and work safety of female employees of childbearing age, pregnant, postpartum, and breastfeeding.

- Encourage proactive reporting of pregnancy status and adjust work scope as needed.
- Provide contracted obstetrics and gynecology services, parking spaces for pregnant women, and breastfeeding rooms.
- Provide health care and health education according to individual needs to ensure effective workplace maternal protection.

Abnormal workload-induced disease prevention plan

Purpose: Prevent cardiovascular disease and health risks induced by abnormal workloads.

- Establish a classification management system and provide health care and occupational physician guidance.
- Implement health tracking and care based on workload and health examination data.

Note 1: 58 people were subsidized by the government for occupational injury examinations; 7 people who had not yet reached one year of service by the end of 2024 had their examinations paid by the Company.

Note 2: Changes in operation are not subject to classification.

Ergonomic hazard prevention plan

Purpose: Prevent repetitive musculoskeletal disorders and ergonomic hazards.

- On-site inspections by the occupational physician with recommendations for environmental improvements.
- Work posture guidance and health education activities, posting of promotional materials to reduce workplace hazards.
- Conduct posture correction and muscle relaxation courses.

Prevention plan for unlawful infringement during duty

Purpose: Create a safe, non-violent working environment and protect employees' rights.

- Post statements prohibiting workplace violence and sexual harassment.
- Conduct hazard identification and prevention education and training, and provide complaint and reporting channels.

Health Promotion Report

Employees are a company's most valuable asset, and their health is the cornerstone of a company's sustainable development. Only healthy employees can maintain excellent work performance. The Company is well aware of this, so not only does the Company publish health promotion letters monthly, but also actively promotes various health promotion activities. To encourage employees to participate in these activities, the Company's senior executives personally lead the activities, hoping to arouse the employees' personal health awareness and form the good habit of healthy living.

Health Promotion Activities

Date	Health Promotion Activities	Number of participants	Satisfaction Survey	Employee Feedback and Suggestions
03/07/2024	Get Moving for Better Health While Working at a Desk	25	Satisfied	<ul style="list-style-type: none"> 1. All employees were eligible to participate 2. Fun and engaging; stretching exercises immediately provided a feeling of muscle relaxation 3. Improvement noted for tense muscles
06/04/2024	Eye Relaxation and Health Seminar	30	Satisfied	
07/16/2024	The Shoulder Killer – Frozen Shoulder	16	Satisfied	
08/06/2024	2024 Tai-Tech Blood Donation and Charity Event	27		
09/07/2024	Tai-Tech Bowling Competition – Preliminary Round	62 <small>(Note 1)</small>		<p>Note 1: Number of participating employees only; excludes customers, staff, and relatives.</p>
09/21/2024	Tai-Tech Bowling Competition – Semi-final & Final Rounds	20 <small>(Note 2)</small>		<p>Note 2: Number of participants only; excludes staff and relatives.</p>

Advocacy Courses

Date	Advocacy courses	Number of participants	Satisfaction Survey
04/23/2024	Supervisor Sensitivity Enhancement: Workplace Illegal Infringement and Sexual Harassment Prevention	69	Satisfied
05/17/2024	General Employee: Workplace Illegal Infringement and Sexual Harassment Prevention	52	Satisfied
06/26/2024	CPR + AED Operation Instruction Education and Training	15	Satisfied

Health Promotion Activities



Eye Relaxation and Health Seminar



The Shoulder Killer – Frozen Shoulder



Get Moving for Better Health While Working at a Desk

Health Education Promotional Materials



5月17日
為世界高血壓日



西北跟醫法小學堂

西北臺積電科技股份有限公司
健康促進宣導文章



衛福部
「15-45歲青壯世代心理健康支持方案」
8月1日起上路



□ Mother's Day event

This year, we specially organized a Mother's Day event to share the warmth of the festival with employees and let them feel the company's care and support. During the month of Mother's Day, we invited colleagues to share cherished memories with their mothers and elders, and during Mother's Day week, we presented cakes to employees to celebrate this loving and grateful holiday. In addition, senior executives personally delivered carnations to employees in each unit, so everyone could feel the festive spirit and care on this special occasion.



□ Christmas event

This Christmas, we planned a warm and diverse celebration for all employees, including foreign workers, so they could feel the festive atmosphere and the company's care beyond their busy work schedules. On the day of the event, company supervisors dressed up as Santa Claus and personally delivered candy and blessings to each employee. They also interacted in multiple languages to ensure that colleagues from different cultural backgrounds could enjoy the joy and warmth of the holiday.

Through this event, we hoped that every employee could experience the festive joy and see the company's commitment to diversity and inclusion. In the future, the Company will continue to hold more employee-centered activities to foster a healthy, happy, and culturally inclusive work environment.



□ Bowling competition

To give employees an opportunity to focus on their health amidst their busy work lives, we organized a bowling competition, aiming to help them relax both physically and mentally through a fun activity. This event not only helped improve employees' physical and mental well-being, but also enhanced teamwork and collaboration among colleagues, further strengthening the company's cohesion.

Everyone participated enthusiastically, cheering for one another and offering mutual support. This brought colleagues closer and created a pleasant, harmonious atmosphere. At the awards ceremony, the venue was filled with laughter and joy. Every participant felt a sense of achievement and recognition, making these wonderful moments the most cherished memories of the event.



□ Blood Donation for Public Welfare

In addition to caring for employees, the Company actively engages in public welfare activities to demonstrate its corporate social responsibility. This year, we encouraged employees to take part in blood donation activities, contributing to society while experiencing a sense of value and fulfillment from helping others. Through such initiatives, the Company seeks to further strengthen employees' awareness of social responsibility. We believe that caring for society not only benefits the community, but also fosters a positive and warm corporate culture by uniting employees.



4.5.5_Occupational Safety and Health Worker Participation and Training

Tai-Tech has established an Occupational Safety and Health Committee in accordance with the Occupational Safety and Health Act to ensure the work safety and health-related measures of workers, and regularly review the safe environment and operating modes in the factory.

The Company implements 3 hours of new employee education and training for all new employees when they report for duty, including occupational safety and health and emergency response training. At least 4 sessions of safety and health related education and trainings are organized annually according to the annual plan, past accident cases and employee demands, etc. The Company generally holds regular emergency response and fire drills every 6 months. The goal is to enable employees to quickly organize, mobilize, and take corrective actions in the event of an accident to effectively control the disaster.

The Company also provides relevant education and training for common hazards in the factory to enhance employees' safety and health knowledge and attitude, encourage employees to develop good safety and health habits, and shape a safety and health culture. For special hazards, in addition to the implementation of relevant education and training for special workplace, emergency accident drill and understanding of hazards are also promoted.

Education and Training Records in 2024

Course	Number of trainees	Number of hours arranged	Total number of hours
Safety and health education and training for new employees	125	3	375
Safety and health education and training for on-job employees	83	3	249
Safety and Health Committee Education and Training	15	3	45
ISO 45001 System Procedure Description and Usage Timing	9	2	18
Chemical Hazards and Emergency Response	31	3	93
Workplace Illegal Infringement Prevention Seminar (All Employees)	51	1	51
Workplace Illegal Infringement Prevention Seminar (Management)	69	2	138
AED Operation and First Aid Practices	15	1	15
Traffic Safety Promotion	30	2	60
Breathing Protection Education and Training	49	3	147
Electrical Safety and Fire Prevention	32	3	96



AED Operation and First Aid Practices

4.6_Care for Society

As a member of society as a whole, an enterprise is interdependent with investors, employees, local communities, and other stakeholders. Tai-Tech has exerted its influence to fulfill its corporate social responsibility by setting an example for others to follow. We collaborate with local groups to make the most effective use of resources of kindness and strive to make society a better place.

■ Taoyuan Headquarters Public Welfare Achievements

2024	Funds for public welfare activities	Amount (NT\$ thousands)
1	Taitung National Chenggong Commercial Fisheries Vocational School Youth Baseball Team	500
2	Sponsorship of 600 Love Food Boxes in Taoyuan City (Ling Jiou Mountain Buddhist Society Charity Foundation)	180
3	Response to Taipei Exchange's Support for the 1919 Food Bank Activity	200
4	Donation of 3D (AI) Laboratory System Usage License to Yong An Junior High School, Taoyuan City	74.5
5	Donation of 3D (AI) Laboratory System Usage License to Dapo Junior High School, Taoyuan City	78
6	Taishin Bank Charity Foundation (Corporate Client Charity Donation)	50
7	Sponsorship of Charity Sale for Noordhoff Craniofacial Foundation – 400 Charity Desk Calendars	71
Total		1153.5

■ Occupational Public Welfare Achievements of Taipaq Plant

2024	Funds for public welfare activities	Amount (RMB thousand)
1	Condolences to Employees Experiencing Poverty and Disability	7.371
2	Condolences to Impoverished Households in the Community	5.5
3	Condolences for Employee Death in a Traffic Accident	20
4	Condolences to Sihong County Fire Brigade	6.94
5	Teachers' Day Condolences to County Experimental Primary School	7.41
6	Teachers' Day Condolences to Tongzhou School	5.382
7	Public welfare activity for sending warmth to the nursing home	4.909
Total		57.512

□ Taoyuan Headquarters Public Welfare Achievements

Campus Sports Development

Tai-Tech actively participates in the development of local communities by donating funds, mobilizing corporate volunteers, or investing in other public welfare services. Sponsored the Taitung National Chenggong Commercial Fisheries Vocational School Youth Baseball Team with a total amount of NT\$500 thousand.



Sponsoring a charity project for the promotion of remote health care for the elderly in rural areas.

Tai-Tech and Ling Jiou Mountain Charity Foundation jointly sponsored 600 food boxes for Taoyuan City, totaling NT\$180 thousand.

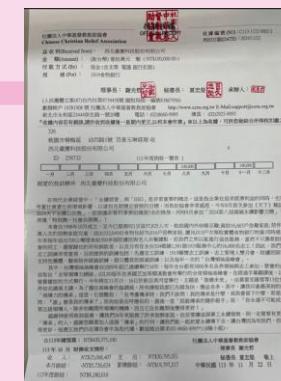


Sponsorship of 3D Laboratory System License for Remote Schools

Tai-Tech separately sponsored the 3D laboratory system license fee for Yongan Junior High School in Taoyuan City (NT\$74.5 thousand) and Dapu Junior High School (NT\$78 thousand).

Support for 1919 Food Bank

Tai-Tech responded to the Taipei Exchange's call to support the 1919 Food Bank activity with a donation of NT\$200 thousand.



感謝西臺灣助學計畫獎送愛(Ai)
獎助永安國中及大坡國中獲得桃園市全市學力優等~榮耀
永安跟大坡拿下一二名。分別拿到10萬&8萬獎勵。
以上好消息跟捐款人報告分享~

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Blood Donation Activity

Tai-Tech and Hsinchu Blood Donation Center jointly organized a blood donation activity. The company provided electronic gift certificates and other gifts to encourage participation. 27 people participated and successfully donated 35 bags of blood.



Participation in Stranded Whale and Dolphin Rescue Activities

Tai-Tech's club members actively responded to the call from the Chinese Association of Whale and Dolphin Conservation to participate in stranded whale and dolphin rescue, assisting in nighttime health monitoring and recording physiological data.



Sponsored Charity Sale of the Noordhoff Craniofacial Foundation

Tai-Tech sponsored the charity sale of 400 public welfare desk calendars, totaling NT\$71 thousand.



Donation to the Taishin Bank Public Welfare Foundation

Tai-Tech donated NT\$50 thousand to the Taishin Bank Public Welfare Foundation.



□ Public Welfare Achievements of Taipaq Plant

Condolences to Impoverished Employees

The Management Department visited the homes of impoverished employees and offered collective condolences to employees with disabilities, providing RMB 7.3 thousand.



Condolence Payment

Distributed RMB 20 thousand to the family of an employee who died in a traffic accident during commuting.

Community Care

The Management Department purchased daily necessities and other supplies for 10 impoverished elderly individuals in nearby buildings and Chonggang Community, providing RMB 5.5 thousand in condolence funds.

Condolences to the Si-Hong County Fire Brigade

Purchased 150 boxes of food supplies for the Sihong County Fire Brigade to express sincere greetings to frontline firefighters and provide summer heat relief, totaling RMB 6.94 thousand.



Public welfare condolence activities on Teacher's Day & Mid-Autumn Festival

Purchased 328 bags of rice (valued at RMB 12.792 thousand) to provide festive condolences to all faculty and staff of Sihong County Experimental Primary School and Sihong Tongzhou Experimental School.



Public welfare activity for sending warmth to the nursing home

Sponsored performance activity expenses totaling RMB 4.9 thousand.



Appendix 1_GRI Content Index

Statement of Use	GRI 1 adopted	Applicable GRI Standards
Tai-Tech Advanced Electronics's report content for the period from January 1 to December 31, 2024 has been disclosed according to the GRI Standards	GRI 1: Foundation 2021	N/A

Topic	Disclosure Item	Chapter	Page
GRI 2: General Disclosures 2021			
The organization and its reporting practices	2-1 Organizational details	About Tai-Tech / Company profile	9
	2-2 Entities included in the organization's sustainability reporting	About the Report / ESG Information Disclosure	3
	2-3 Reporting period, frequency and contact point	About the Report / ESG Information Disclosure, Publication Frequency, and Feedback	3/4/5
	2-4 Restatements of information	About the Report / ESG Information Disclosure	3
	2-5 External guarantee/assurance	About the Report / Basis of Preparation & Information Confirmation	4
Activities and workers	2-6 Activities, value chain and other business relationships	About Tai-Tech / Company profile	9
	2-7 Employees	4.2.1 Employee Diversity Statistics	100
	2-8 Workers who are not employees	4.2.1 Employee Diversity Statistics	100
Governance	2-9 Governance structure and composition	1.1.1 Corporate Governance/ Board	27/28
	2-10 Nomination and selection of the highest governance body	1.1.1 Corporate Governance/ Board	27/28
	2-11 Chair of the highest governance body	1.1.1 Corporate Governance/ Board	27/28
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Sustainability / Corporate Sustainable Development Committee 1.1.1 Corporate Governance/ Board	16 27/28
	2-13 Delegation of responsibility for managing impacts	Corporate Sustainable Development/ Stakeholder Communication	16/20
	2-14 Role of the highest governance body in sustainability reporting	Corporate Sustainability / Corporate Sustainable Development Committee 1.1.1 Corporate Governance/ Board	16 27/28
	2-15 Conflicts of interest	1.1.1 Corporate Governance/ Board	27/28

Topic	Disclosure Item	Chapter	Page
Governance	2-16 Communication of critical concerns	1.1.1 Corporate Governance/ Board	27/28
	2-17 Collective knowledge of highest governance body	1.1.1 Corporate Governance/Remuneration Committee	27/31
	2-18 Evaluation of the performance of the highest governance body	1.1.1 Corporate Governance/Remuneration Committee 4.3.1 Remuneration system	27/31 109
	2-19 Remuneration policies	Reasons for omission/compulsory explanation: Confidentiality regulations / Remuneration is a confidential item of the Company.	
	2-20 Process to determine remuneration	Corporate Sustainability / Corporate Sustainable Development Committee 1.1.1 Corporate Governance/ Board	16 27/28
	2-21 Annual total compensation ratio	1.1.1 Corporate Governance/ Board	27/28
Strategy, policies and practices	2-22 Statement on sustainable development strategy	Message from the Chairman	6
	2-23 Policy commitments	2.2.1 Supply Chain Strategy 4.1 Human rights protection	59 98
	2-24 Embedding policy commitments	2.2.4 Supplier management and regulation 4.1 Human rights protection	61 98
	2-25 Processes to remediate negative impacts	Corporate Sustainable Development/ Stakeholder Communication 1.2 Risk Management	16/20 44
	2-26 Mechanisms for Seeking Advice and Raising Concerns	Corporate Sustainable Development/ Stakeholder Communication	16/20
	2-27 Legal Compliance	1.1.3 Legal Compliance	35
	2-28 Membership in associations	About Tai-Tech/Involvement in External Associations	14
Stakeholder engagement	2-29 Approach to stakeholder engagement	Corporate Sustainable Development/ Stakeholder Communication	16/20
	2-30 Collective bargaining agreements	Omissions / Necessary explanation: Not applicable / The company does not have collective bargaining agreements with employees, but communicates with them through labor-management meetings. Labor relations have been harmonious in recent years, with no labor disputes.	
GRI 3: Material Topics 2021			
Material Topics	3-1 Process to determine material topics	Corporate Sustainability/ Identification of Material Topics	16/22
	3-2 List of Material Topics	Corporate Sustainability/ Identification of Material Topics	16/22

	Topic	Disclosure Item	Chapter	Page
Economic aspect				
★ Economic Performance	GRI 3: Material Topics 2021 GRI 201: Economic Performance 2016	3-3 Management of Material Topics	1.1.5 Operational Performance Home Page	37
		201-1 Direct economic value generated and distributed	1.1.5 Operational Performance	37
		201-2 Financial implications and other risks and opportunities due to climate change	3.1 Climate change risks and opportunities	79
		201-3 Defined benefit plan obligations and other retirement plans	4.3.6 Retirement protection	116
		201-4 Financial assistance received from government	Reasons for omission / Reasons for explanation: Information unavailable / The Company has not yet collected relevant information while preparing the report.	
★ Market position	GRI 3: Material Topics 2021 GRI 202: Market Position 2016	3-3 Management of Material Topics	4.3 Employee Care Home Page	108
		202-1 Ratios of standard entry level wage by gender compared to local minimum wage	4.3.1 Remuneration system	109
		202-2 Proportion of senior management hired from the local community	4.2.1 Employee Diversity Statistics	100
★ Procurement Practices	GRI 3: Material Topics 2021	3-3 Management of Material Topics	2.2 Supply Chain Management Home Page	58
	GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	2.2.3 Local Procurement	61
★ Information Security Protection	GRI 3: Material Topics 2021	3-3 Management of Material Topics	1.1.6 Information Security Home Page	40
	Custom Topics	Information security-1 Information security investment in the current year	1.1.6 Information Security	40
★ Innovation and R&D	GRI 3: Material Topics 2021	3-3 Management of Material Topics	2.1 Innovation Capabilities Home Page	52
	Custom Topics	Innovation-1 Invest energy in R&D	2.1.2 R&D energy	54
★ Customer Service	GRI 3: Material Topics 2021	3-3 Management of Material Topics	2.3 Market Operation Home Page	66
	Custom Topics	Customer -1 Customer Satisfaction Survey	2.3.1 Customer Relationship Maintenance	67
Environmental aspect				
★ Energy	GRI 3: Material Topics 2021 GRI 302: Energy 2016	3-3 Management of Material Topics	3.2 Energy Conservation and Carbon Reduction Home Page	82
		302-1 Energy consumption within the organization	3.2.1 Energy consumption	83
		302-2 Energy consumption outside of the organization	3.2.1 Energy consumption	83

	Topic	Disclosure Item	Chapter	Page
★ Energy	GRI 302: Energy 2016	302-3 Energy Intensity	3.2.1 Energy consumption	83
		302-4 Reduction of energy consumption	3.2.1 Energy consumption	83
		302-5 Reduce product and service energy demands	2.1.3 Green Design 3.2.1 Energy consumption	55 83
★ Water and effluents	GRI 3: Material Topics 2021	3-3 Management of Material Topics	3.3 Water Resource Management Home Page	86
		303-1 Interactions with water as a shared resource	3.3 Water Resource Management	86
	GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	3.3 Water Resource Management	86
		303-3 Water withdrawal	3.3 Water Resource Management	86
		303-4 Water dispense	3.3 Water Resource Management	86
		303-5 Water consumption	3.3 Water Resource Management	86
Emissions	GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	3.2.2 Greenhouse gas inventory	85
		305-2 Energy indirect (Scope 2) GHG emissions	3.2.2 Greenhouse gas inventory	85
		305-3 Other indirect (Scope 3) GHG emissions	Reasons for omission / compulsory explanation: Not applicable / The Company has not yet conducted a complete Scope 3 inventory.	
		305-4 GHG emissions intensity	3.2.2 Greenhouse gas inventory	85
		305-5 Reduction of GHG emissions	3.2.2 Greenhouse gas inventory	85
		305-6 Emissions of ozone-depleting substances (ODS)	Reasons for omission / compulsory explanation: Not applicable/ The Company does not discharge related substances	
		305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Reasons for omission / compulsory explanation: Not applicable/ The Company does not discharge related substances	
Waste	GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	3.4 Waste Management	89
		306-2 Management of significant waste-related impacts	3.4 Waste Management	89
	GRI 306: Waste 2020	306-3 Waste generated	3.4 Waste Management	89
		306-4 Waste diverted from disposal	3.4 Waste Management	89

	Topic	Disclosure Item	Chapter	Page
Waste	GRI 306: Waste 2020	306-5 Waste directed to disposal	3.4 Waste Management	89
★ Suppliers Environmental assessment	GRI 3: Material Topics 2021	3-3 Management of Material Topics	2.2 Supply Chain Management Home Page	58
★ Suppliers Environmental assessment	GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	2.2.4 Supplier management and regulation	61
		308-2 Negative environmental impacts in the supply chain and actions taken	2.2.4 Supplier management and regulation	61
★ Green Product	GRI 3: Material Topics 2021	3-3 Management of Material Topics	2.1.3 Green Design Home Page	55
	Custom Topics	Green-1 Annual Green Design Achievement	2.1.3 Green Design 3.2.1 Energy consumption	55 83
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★ Employment	GRI 3: Material Topics 2021	3-3 Management of Material Topics	4.3 Employee Care Home Page	108
		401-1 New employee hires and employee turnover	4.2.2 Data on New and Resigned Employees	105
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.3.2 Benefits policy	111
		401-3 Nursing care	4.3.3 Nursing care	113
		Salary-1 The number of full-time employees of non-executives, the average and median salary of full-time employees of non-supervisory positions, and the difference between the aforementioned three values with the values of last year shall be disclosed	4.3.1 Remuneration system	109
★ Labor/management relations	GRI 3: Material Topics 2021	3-3 Management of Material Topics	4.3.4 Labor-Management Communication Home Page	114
	GRI 402: Labor management relations 2016	402-1 Minimum notice periods regarding operational changes	4.3.4 Labor-management communication	114
★ Occupational Safety and Health	GRI 3: Material Topics 2021	3-3 Management of Material Topics	4.5 Friendly Workplace Home Page	120
		403-1 Occupational Safety and Health Management System	4.5.1 Occupational Safety and Health Management System	121
		403-2 Hazard identification, risk assessment, and incident investigation	4.5.2 Risk assessment and control	121
		403-3 Occupational health services	4.5.4 Occupational health services	127
		403-4 Worker participation, consultation, and communication on occupational health and safety	4.5.4 Occupational health services	127

	Topic	Disclosure Item	Chapter	Page
★ Occupational Safety and Health	GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	4.5.5 Occupational Safety and Health Worker Participation and Training	134
		403-6 Promotion of worker health	4.5.4 Occupational health services	127
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.5.3 Accident investigation process and subsequent improvement	123
	GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	4.5.1 Occupational Safety and Health Management System	121
		403-9 Occupational injuries	4.5.3 Accident investigation process and subsequent improvement	123
		403-10 Occupational disease	4.5.3 Accident investigation process and subsequent improvement	123
★ Training and education	GRI 3: Material Topics 2021	3-3 Management of Material Topics	4.4 Human Capital Home Page	117
		404-1 Average hours of training per year per employee	4.4.1 Talent Cultivation	118
	GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	4.4.1 Talent Cultivation	118
		404-3 Percentage of employees receiving regular performance and career development reviews	4.4.3 Periodic Performance Evaluation	119
		3-3 Management of Material Topics	4.3 Employee Care Home Page	108
★ Employee diversity and equal opportunity	GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	1.1.1 Corporate Governance/ Board 4.2.1 Employee Diversity Statistics	27/28 100
		405-2 Ratio of basic salary and remuneration of women to men	4.3.1 Remuneration system	109
★ Supplier Social Assessment	GRI 3: Material Topics 2021	3-3 Management of Material Topics	2.2 Supply Chain Management Home Page	58
Customer health and safety	GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	2.2.4 Supplier management and regulation	61
		414-2 Negative social impacts in the supply chain and actions taken	2.2.4 Supplier management and regulation	61
	GRI 416: Customer health and safety 2016	416-1 Assess the health and safety impacts of product and service categories	2.3.2 Quality Management	69
		416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	2.3.2 Quality Management	69
Customer privacy	GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.3.1 Customer Relationship Maintenance	67

Appendix 2_Sustainability Disclosure Indicators of the Electronic Component Industry

Disclosure is made in accordance with Table 1-12 of Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Indicator	Disclosure in 2024	Unit
— Total energy consumption, Percentage of externally purchased electricity percentage and renewable energy usage	<ul style="list-style-type: none"> ● The total energy consumption of the Taiwan Plant was 82,624.93 GJ ● Total energy consumption of TAIPAQ Plant 140,315.87 GJ ● Total energy consumption of Kunshan Plant 29,275.58 GJ <p>The percentage of purchased electricity for the three plants is 0%.</p> <p>The utilization rate of renewable energy in the three plants is 0%.</p>	Quantification Gigajoules (GJ), Percentage (%)
II Total water withdrawal and water consumption	<ul style="list-style-type: none"> ● The Taiwan Plant's total water withdrawal was 94,302 m³, total discharge was 61,910 m³, and total water consumption was 32,390 m³ ● TAIPAQ Plant's total water withdrawal was 62,850 m³, total discharge was 21,820 m³, and total water consumption was 41,030 m³ ● Kunshan Plant total water withdrawal of 19,950 m³, total water discharge of 8,970 m³, and total water consumption of 10,980 m³ 	Quantification Thousand cubic meters (m ³)
III Weight of hazardous waste generated and recycling percentage	<ul style="list-style-type: none"> ● Taiwan Plant total waste of 484.49 tons, hazardous waste of 294.40 tons, hazardous waste recycle ratio of 96.44 % ● Taipaq Plant total waste of 498.59 tons, hazardous waste of 154.61 tons, hazardous waste recycle ratio of 87.52 % ● Kunshan Plant total waste of 110.77 tons, hazardous waste of 59.66 tons, hazardous waste recycle ratio of 77.72 % 	Quantification Metric ton (t), Percentage (%)
IV. Description of the type, number of people, and percentage of occupational accidents	<ul style="list-style-type: none"> ● With the deduction of traffic accidents during commuting, the total number of occupational accidents at the Taiwan Plant resulting in more than one day of disability was 2 cases, involving 2 injured employees. The types of occupational accidents were entanglement and falling, with an incidence rate of 0.1603%. ● With the deduction of traffic accidents during commuting, the total number of occupational accidents at the Taipaq Plant resulting in more than one day of disability was 2 cases, involving 2 injured employees. The types of occupational accidents were mechanical injury and burns, with an incidence rate of 0.1335%. ● With the deduction of traffic accidents during commuting, the total number of occupational accidents at the Kunshan Plant resulting in more than one day of disability was 0 cases, involving 0 injured employees, with an incidence rate of 0%. 	Quantification Percentage (%), Quantity

Indicator		Disclosure in 2024	Unit
V.	Disclosure of product life cycle management: Including the weight of end-of-life products and electronic waste, and the percentage of recycling	<ul style="list-style-type: none"> The weight of electronic waste in the Taiwan Plant was 5.854 metric tons. The amount of recycled waste was 5.854 metric tons, and the recycling percentage was 100%. The weight of electronic waste in the Taipaq Plant was 32.624 metric tons. 32.624 metric tons were recycled, and the recycling percentage was 100%. Relevant waste from Kunshan Plant is transferred to TAIPAQ Plant for centralized treatment. 	Quantification Metric ton (t), Percentage (%)
VI.	Description of risk management related to the use of key materials	<ol style="list-style-type: none"> To expand the sources of the supply chain, there is a need to not only find a second supplier, but also to diversify into different geographical locations or different suppliers to reduce the dependence on a single supplier. At the same time, establish good supplier relations is essential to ensure transparency and smooth communication in the supply chain. Due to the impact of international metal raw material price fluctuation, place long-term order to secure the supply source and price. Consider the social and political risks in the raw material production areas, such as political stability, labor issues, changes in regulations, and formulate corresponding countermeasures, including communication and cooperation with local governments and stakeholders. 	Qualification description N/A
7	Total amount of pecuniary losses resulting from legal proceedings related to the Anti-Competitive Conduct Act	None	Quantification Reporting currency
8	Production volume of main products according to product type	<p>Taiwan Plant</p> <ul style="list-style-type: none"> Wire-Wound: 1,176,090 K PCS (excluding 22 K for personal use) LAN transformers: 74,504 K PCS Multilayer products: 658,450 K PCS Ferrite core (DR/SP): 85,082 K PCS (excluding self-use 773,181 K) Multilayer products material: 164 tons (excluding 6 ton for self-use) <p>The Group</p> <ul style="list-style-type: none"> Multilayer products: 20,609,549 K PCS Wire-Wound: 3,128,312 K PCS (excluding 323 K for personal use) LAN transformer 108,766 K PCS (excluding self-use 9,317 K) 	Quantification K PCS, Tons (t)

Appendix 3_CPA's Assurance Statement



會計師有限確信報告

西北臺慶科技股份有限公司 公鑒：

貴會綜字第 24010829 號

本會計師受西北臺慶科技股份有限公司（以下簡稱「貴公司」）之委任，對 貴公司選定民國 113 年度永續報告書之關鍵績效指標（以下簡稱「所選定之關鍵績效指標」）執行確信程序。本會計師業已確信坡事，並依據結果出具有限確信報告。

標的資訊與適用基準

本確信案件之標的資訊係 貴公司上開所選定之關鍵績效指標，有關所選定之關鍵績效指標及其適用基準詳列於 貴公司民國 113 年度永續報告書之「確信項目彙總表」，前述所選定之關鍵績效指標之報導範圍關於永續報告書之「報告書範例與邊界」段落述明。

管理階層之責任

貴公司管理階層之責任係依照適用基準編製永續報告書所選定之關鍵績效指標，且設計、付諸實行及維持與所選定之關鍵績效指標編製有關之內部控制，以確保所選定之關鍵績效指標未存有導因於舞弊或錯誤之重大不實表達。

先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相對性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

會計師之獨立性及品質管理

本會計師及本事務所已遵循會計師職業道德規範有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。

本事務所適用品質管理準則 1 號「會計師事務所之品質管理」，該品質管理準則規定會計師事務所設計、付諸實行及執行品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令有關之政策或程序。

1
貴誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
110208 臺北市信義區基隆路一段 333 號 27 樓
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan
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會計師之責任

本會計師之責任係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」規劃及執行有限確信案件，基於所執行之程序及所獲取之證據，對第一段所述 貴公司所選定之關鍵績效指標是否存有重大不實表達取得有限確信，並作成有限確信之結論。

依據確信準則 3000 號之規定，本有限確信案件工作包括評估 貴公司採用適用基準編製永續報告書所選定之關鍵績效指標之妥適性、評估所選定之關鍵績效指標導因於舞弊或錯誤之重大不實表達風險、依情況對所評估風險作出必要之因應，以及評估所選定之關鍵績效指標之整體表達。有關風險評估程序（包括對內部控制之瞭解）及因應所評估風險之程序，有限確信案件之範圍明顯小於合理確信案件。

本會計師對第一段所述 貴公司所選定之關鍵績效指標所執行之程序係基於專業判断，該等程序包括查詢、對流程之觀察、文件之檢查是否適當之評估，以及與相關紀錄之核對或調閱。

基於本案情況，本會計師於執行上述程序時：

- 已對參與編製所選定之關鍵績效指標之相關人員進行訪談，以瞭解編製前述資訊之流程，以及攸關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，已對所選定之關鍵績效指標採取樣本進行測試，以取得有限確信之證據。

相較於合理確信案件，有限確信案件所執行程序之性質及時間不同，其範圍亦較小，故於有限確信案件所取得之確信程度亦明顯低於合理確信案件中取得者。因此，本會計師不對 貴公司所選定之關鍵績效指標在所有重大方面，是否依照適用基準編製，表示合理確信之意見。

此報告不對民國 113 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信。

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有限確信之結論

依據所執行之程序及所獲取之證據，本會計師並未發現第一段所述 貴公司所選定之關鍵績效指標在所有重大方面有未依照適用基準編製之情事。

其它事項

貴公司網站之維護係 貴公司管理階層之責任，對於確信報告於 貴公司網站公告後任何所選定之關鍵績效指標或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資誠聯合會計師事務所

會計師 吳 健 家



中華民國 114 年 8 月 11 日

3

Assurance Statement Summary Table

No.	Assurance subject	Applicable benchmarks	Page						
1	<ul style="list-style-type: none"> In 2024, the total energy consumption of the Taiwan Headquarters was 82,624.93 GJ, with purchased electricity accounting for 91.86%. The total energy consumption of the Taipaq Plant was 140,158.87 GJ, with purchased electricity accounting for 99.73%. The total energy consumption of the Kunshan Plant was 29,242.89 GJ, with purchased electricity accounting for 99.76%. Tai-Tech Advanced Electronics does not use purchased coal or purchased steam and renewable energy in Taiwan region and for the subsidiaries in China. <p>Note: For energy sources other than externally purchased electricity, the conversion is subject to the calorific value table per product unit announced by the Bureau of Energy, Ministry of Economic Affairs. The calorific values of automotive grade gasoline, diesel, and LNG was based on the announcement by the Bureau of Energy. The calorific value of China's gasoline was based on the Energy Statistics Knowledge Handbook.</p>	<ul style="list-style-type: none"> The Taiwan Headquarters calculated the total energy consumption for 2024 based on the details of CPC's fleet card for refueling, the bills from Taipower, and the purchase order of liquefied petroleum gas. The statistics of the total energy consumption of TAIPAQ and Kunshan Plants in 2024 were based on the Jiangsu value-added tax invoices issued by State Grid Jiangsu Electric Power Engineering Consulting Co., Ltd. and Sinopec Sales Co., Ltd.. 	83						
2	<ul style="list-style-type: none"> In 2024, the total tap water withdrawal for the Taiwan Headquarters was 94.30 million liters, with total water consumption at 32.40 million liters. The total tap water withdrawal for the Taipaq Plant was 62.85 million liters, with total water consumption at 41.03 million liters. The total tap water withdrawal for the Kunshan Plant was 19.07 million liters, with total water consumption at 10.71 million liters. <p>Note: Water consumption = total water withdrawal - total water discharge</p>	<ul style="list-style-type: none"> The total tap water withdrawal in 2024 was calculated according to the water fee payment certificates from the water company of each location. The statistics of the annual discharge in 2024 were based on the water meters of the sewage treatment plants in each region. If there was no water meter installed, the discharge volume was calculated by taking the water withdrawal volume * 80% according to the Regulation for the Use and Management of Sewage System in the Youth Industrial Park. 	87						
3	<ul style="list-style-type: none"> In 2024, the Taiwan Headquarters generated 305.28 metric tons of hazardous waste, with a recycling rate of 96.44%. The Taipaq Plant generated 154.61 metric tons of hazardous waste, with a recycling rate of 87.52%. The Kunshan Plant generated 54.34 metric tons of hazardous waste, with a recycling rate of 80.11%. 	<ul style="list-style-type: none"> The Taiwan Headquarters calculated the weight of hazardous waste generated in 2024 according to the 3-part receipts reported and filed with the Resource Circulation Administration, Ministry of Environment - Industrial Waste Recycling Control. The TAIPAQ Plant and the Kunshan Plant calculated the weight of the hazardous waste generated in 2024 according to the Department of Ecology and Environment of Jiangsu Province - Jiangsu Province Solid Waste Management Information Declaration System. 	92 93 94						
4	<ul style="list-style-type: none"> Tai-Tech Group's relevant occupational injury definitions and calculation methods and 2024 statistical results: <table border="1"> <thead> <tr> <th>Taoyuan Headquarters</th> <th>TAIPAQ Plant</th> <th>Kunshan Plant</th> </tr> </thead> <tbody> <tr> <td>0.29%</td> <td>0.09%</td> <td>0%</td> </tr> </tbody> </table> <p>Note: Occupational injury rate = Number of people of occupational injuries / Total number of working hours X200,000</p>	Taoyuan Headquarters	TAIPAQ Plant	Kunshan Plant	0.29%	0.09%	0%	<ul style="list-style-type: none"> Statistical basis for number of people of occupational injuries: The number of occupational accidents for Taiwan Headquarters is calculated based on the Ministry of Labor's Occupational Disaster Report System; the numbers for Taipaq Plant and Kunshan Plant are calculated based on statistics from the local social security bureau's occupational injury recognition center. Total number of working hours: It includes the working hours of official employees and dispatch personnel as well as the overtime hours, which was calculated by the Human Resource Department. Ratio was calculated according to the 200,000 working hours specified in GRI403-9. 	124 125 126
Taoyuan Headquarters	TAIPAQ Plant	Kunshan Plant							
0.29%	0.09%	0%							

Note: The scope of assurance body listed in this table refers to
 Taiwan Headquarters: Tai-Tech Advanced Electronics Co., Ltd.
 TAIPAQ Plant - Sub-subsidiary Tai-Tech Electronics (Si-Hong) Co., Ltd. of Tai-Tech Advanced Electronics
 Kunshan Plant - Sub-subsidiary Tai-Tech Precision Electronics (Kunshan) Co., Ltd. of Tai-Tech Advanced Electronics

Appendix 4_SASB Content Index

Tai-Tech is classified according to the SICs® in the Electrical and Electronic Equipment

Topic	Standard No.	Disclosure Item	Disclosure in 2024
Energy Management	RT-EE-130a.1	Total energy consumed (GJ)	<ul style="list-style-type: none"> The total energy consumption of the Taiwan Plant was 82,624.93 GJ Total energy consumption of TAIPAQ Plant 106,525.61 GJ Total energy consumption of Kunshan Plant 24,443.56 GJ
		Percentage grid electricity (%)	<ul style="list-style-type: none"> The parent company's Taiwan Plant externally purchased 75,897.3 GJ of electricity, accounting for 91.86% of energy consumption. Subsidiary Taipaq Plant purchased electricity of 106,168.16 GJ, accounted for 99.66 % of energy consumption Subsidiary Kunshan Plant purchased electricity of 24,377.66 GJ, accounted for 99.73 % of energy consumption
		Percentage renewable (%)	Proportion of renewable energy use of each of three plants 0%
Hazardous industrial waste	RT-EE-150a.1	Amount of hazardous waste generated (metric tons), recyclable percentage (%)	<ul style="list-style-type: none"> Kunshan Plant total waste of 483.087 tons, hazardous waste of 305.284 tons, hazardous waste recycle ratio of 60.94 % Taipaq Plant total waste of 455.99683 tons, hazardous waste of 139.688 tons, hazardous waste recycle ratio of 25.32 % Kunshan Plant total waste of 98.0259 tons, hazardous waste of 48.8859 tons, hazardous waste recycle ratio of 39.99 %
	RT-EE-150a.2	Reportable leakage incident (case) and recovered quantity (KG)	0
Product safety	RT-EE-250a.1	Number of recalls issued; total units recalled	0
	RT-EE-250a.2	Property damage due to product safety-related lawsuits	None
Product lifecycle management	RT-EE-410a.1	Percentage of revenue from products that comply with IEC 62474 standards (%)	0%
	RT-EE-410a.2	Percentage of revenue from products that meet the Energy Star standard (%)	0%
	RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products	0

Topic	Standard No.	Disclosure Item	Disclosure in 2024
Raw material source	RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	<ol style="list-style-type: none"> 1. To expand the sources of the supply chain, there is a need to not only find a second supplier, but also to diversify into different geographical locations or different suppliers to reduce the dependence on a single supplier. At the same time, establish good supplier relations is essential to ensure transparency and smooth communication in the supply chain. 2. Due to the impact of international metal raw material price fluctuation, place long-term order to secure the supply source and price. 3. Consider the social and political risks in the raw material production areas, such as political stability, labor issues, changes in regulations, and formulate corresponding countermeasures, including communication and cooperation with local governments and stakeholders.
Business ethics	RT-EE-510a.1	Description of strategies and measures against bribery, corruption, and anti-competitive behavior	The Company has established the Anti-corruption Management Regulations and the Anti-corruption Incident Investigation and Management Operation Procedures
	RT-EE-510a.2	Property loss due to corruption and bribery-related litigation	None
	RT-EE-510a.3	Property loss due to litigation related to anti-competitive practices	None
Activity Indicator	RT-EE-000.A	Number of units produced by product category	<p>Taiwan</p> <ul style="list-style-type: none"> ● Wire-Wound: 1,176,090 K PCS (excluding 22 K for personal use) ● LAN transformers: 74,504 K PCS ● Multilayer products: 658,450 K PCS ● Ferrite core (DR/SP): 85,082 K PCS (excluding self-use 773,181 K) ● Multilayer products material: 164 tons (excluding 6 ton for self-use)
	RT-EE-000.B	Number of employees	<p>The Group</p> <ul style="list-style-type: none"> ● Multilayer products: 20,609,549 K PCS ● Wire-Wound: 3,128,312 K PCS (excluding 323 K for personal use) ● LAN transformer 108,766 K PCS (excluding self-use 9,317 K) <ul style="list-style-type: none"> ● Taiwan Headquarters: 497 people ● TAIPAQ Plant: 1,700 employees ● Kunshan Plant: 156 employees

Appendix 5_Climate-related Information of TPEx-listed Companies

Disclosure is made in accordance with Table 2 of Rules Governing the Preparation and Filing of Sustainability Reports by TWSE/TPEx Listed Companies

- | | |
|---|--|
| 1. Describe the supervision and governance of Board of Directors and the management on climate-related risks and opportunities. | 6. If there is a transformation plan for management of climate-related risks, explain the plan content, and the indicators and targets used for identifying and managing physical risks and transformation risks. |
| 2. Describe how the climate risks and opportunities identified affect the business, strategy and finance of the company (short, medium and long term). | 7. If the internal carbon pricing is used as a planning tool, it is necessary to explain the price establishment basis. |
| 3. Describe the impact of extreme climate events and transformation action on finance. | 8. If climate-related target is set, it is necessary to explain the information of activities, greenhouse gas emissions scope, schedule plan and annual achievement progress covered. If carbon offset or renewable energy certificates (RECs) are used to achieve relevant goals, it is necessary to explain the source or quantity of the carbon reduction offset or the quantity of renewable energy certificates (RECs). |
| 4. Describe how to integrate the climate risk identification, assessment and management processes in the risk management system. | 9. Greenhouse gas inventory inspection and assurance status (To be filled in separately in 1-1). |
| 5. If the scenario analysis is used to assess the resilience against the climate change risk faced, it is necessary to explain the scenario, parameters, assumptions, analysis factors used and main financial impacts. | |

Implementation

Although Tai-Tech currently does not have a climate governance organization, in the future, we will establish a governance unit in line with the TCFD framework, and raise this issue to the board level as the basis for the Company to set out countermeasures against climate change. In view of the potential risks and opportunities arising from climate change, the Company has conducted preliminary assessment and identification and the results are as follows:

Risks	Physical Risk		Transition risk
Item	Long term		Market
Topics	Rainfall (rainwater) and climate pattern extreme change		Increase of raw material cost
Potential financial impact	1. Increase of operating cost (such as insufficient water of hydroelectric power station or insufficient cooling water of nuclear power plant or fossil-fuel power station) 2. Increase of infrastructure cost (such as facility damage) 3. Decrease of revenue due to reduction of sales volume/output 4. Increase of insurance fee and assets located at “high risk” area facing insurance enrollment difficulty		1. Decrease of product and service demand due to change of consumer preference 2. Increase of production cost due to changes of investment cost (such as energy, water) and output demand (such as waste treatment) 3. Unexpected energy cost change 4. Revenue portfolio and source change 5. Asset re-pricing (such as fossil fuel storage, land valuation, security valuation)
Countermeasures	When the probability of rainfall is extremely small, in case of water shortage at the internal of the plant, adopt the internally established emergency water saving measures for manufacturing processes with relatively large water consumption, and the Management Department assists to contact external water supply truck company to perform water supply operation.		Place long-term order for raw materials in order to secure the supply source and price, and actively seek second supplier or alternative material, increase local procurement opportunity to reduce carbon emissions.
Indicators and Targets	Production operations without interruption and water shortage		Zero material shortage and stock-out

Opportunity	Opportunity	Opportunity
Item	Resource efficiency	Resource efficiency
Topics	Recycle and reuse	Reduce water usage and consumption
Potential financial impact	1. Reduce operating cost (such as through the methods of increasing efficiency and reducing cost) 2. Increase production capacity, and increase revenue 3. Increase fixed asset values (such as high performance buildings) 4. Implement management and planning beneficial to the labor force (such as improvement of sanitation and safety, employee satisfaction), and reduce cost	
Countermeasures	For each waste disposal method adopted by the internal of the plant, the Environmental Protection room personnel effectively seek external transfer, reuse and recycle treatment methods.	Through the in-plant water analysis chart, the water consumption of the core production process has been reduced by 3% year by year and the ROR wastewater has been introduced for reuse to reduce the water discharge relatively.
Indicators and Targets	Increase in-plant reuse by 1%.	Reduce water consumption by 3%

1-1 The Company's Greenhouse Gas Inventory and Assurance in the Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

■ Data on GHG by type

Scope 1		2023	2024
LNG	Youth Industrial Park Plant in Taiwan	80,360 kg	89,920 kg
Gasoline	Parent Company (Taiwan Plant)	7,852.83 liters	6,812.47 liters
Diesel	Parent Company (Taiwan Plant)	9,891.80 liters	9,774.40 liters
Gasoline	Subsidiary (TAIPAQ Plant)	11,065.57 liters	11,718.43 liters
	Subsidiary (Kunshan Plant)	2,040 liters	2,220.18 liters

Scope 2		2023	2024
Purchased electricity	Youth Industrial Park Plant in Taiwan	19,156,000 kWh	18,750,000 kWh
	Other locations of Taiwan-based Plants	3,277,721 kWh	2,332,583 kWh
	Subsidiary (TAIPAQ Plant)	29,523,960 kWh	38,871,413 kWh
	Subsidiary (Kunshan Plant)	6,779,104 kWh	6,779,104 kWh

Greenhouse gas emissions and intensity

Metric tons CO ₂ e		2023	Ratio	2024	Ratio
Scope 1	Parent company (Taoyuan headquarters)	401.27	53.51%	467.96	59.24%
	Subsidiary (TAIPAQ Plant)	344.1	45.89%	316.98	40.13%
	Subsidiary (Kunshan Plant)	4.48	0.60%	4.95	0.63%
	Sub-total	749.85	1.76%	789.89	1.71%
Scope 2	Parent company (Taoyuan headquarters)	11,082.26	32.60%	10,414.80	25.57%
	Subsidiary (TAIPAQ Plant)	19,045.91	56.02%	25,075.95	61.58%
	Subsidiary (Kunshan Plant)	3,866.12	11.37%	5,233.17	12.85%
	Sub-total	33,994.29	79.74%	40,723.92	87.93%
Scope 3	Parent company (Taoyuan headquarters)	2,373.94	30.09%	2,221.78	46.30%
	Subsidiary (TAIPAQ Plant)	5,514.93	69.91%	2,576.61	53.70%
	Subsidiary (Kunshan Plant)	0	0	0	0%
	Sub-total	7,888.87	18.50%	4,798.39	10.36%
Group total		42,633.01	100%	46,312.2	100%
Metric tons CO ₂ e / NT\$ million		2023	Ratio	2024	Ratio
Energy Intensity	Parent company (Taoyuan headquarters)	3.69	32.81%	3.47	18.98%
	Subsidiary (TAIPAQ Plant)	5.97	51.51%	7.07	38.68%
	Subsidiary (Kunshan Plant)	1.76	15.68%	7.74	42.34%
	Group total	11.24	100%	18.28	100%

Note 1: (a) Data on the Taiwan-based plant of the parent company was based on the EPA's GHG Emission Factor Management Table (version 6.0.4), which indicates a gasoline emission factor of 2.2631kg CO₂e/L; a diesel emission factor of 2.606kg CO₂e/L; and an LNG emission factor of 1.7529 kg CO₂e/L under Scope 1. Scope 2 emissions are based on the Taiwan Power Company's electricity emission factor in 2022, which was 0.495kg CO₂e/kWh. (b) For subsidiaries, Scope 1 emission factors for automotive gasoline were 0.7475 kg/L and 2.9848 tCO₂e/t.

Note 2: Total GHG emissions (metric tons CO₂e) ÷ Sales revenue (million currency units) for each plant.

1-1-2 Greenhouse Gas Assurance Information

Tai-Tech Advanced Electronics currently has no planned internal carbon pricing, no use of carbon offsets or Renewable Energy Certificates (RECs). All ISO 14064-1 greenhouse gas inventories show that the parent company's Taiwan factory completed the third-party verification for 2023-2024, and the subsidiary Qingbang factory completed the third-party verification for 2023.

1-2 Greenhouse gas reduction goals, strategies and concrete action plans

Although Tai-Tech has not participated in or declared the "2050 Net Zero Emission" initiative, it continues to focus on greenhouse gas reduction as its future sustainable development indicator and long-term planning strategy, with the current goal of cooperating with the government's policy for large energy users to achieve an average annual electricity saving rate of 1%, and will evaluate other reduction measures in the long term in the future.

Year	Electricity savings (kWh)	Emission reduction (kg CO ₂ e)	Annual electricity saving rate
2023	139,153.10	68,880.78	0.72%
2024	597.6	295.21	0%

Note 1: The implementation measures for 2022 are to purchase two 100HP energy-saving air compressors and recognize the implementation measures for 2021; the implementation measures for 2023 are to recognize the implementation measures for 2022; and the implementation measures for 2024 are to replace office lamps with low-wattage energy-saving panel lamps.

Note 2: Taiwan's electricity emission coefficient is 0.509 kg CO₂e/kWh in 2022, 0.495 kg CO₂e/kWh in 2023, and 0.494 kg CO₂e/kWh in 2024.