

2024Year Promotion of sustainable development and Deviation from Sustainable Development Best-Practice

Principles for TWSE/TPEX Listed Companies and reasons thereof

Current items	Implementation Status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Has the Company established a governance framework dedicated to promoting sustainability and has it delegated full-time (part-time) functional units to promote corporate sustainability? Has the Board of Directors authorized senior management to deal with it and how does the Board of Directors supervise it? (For TWSE/TPEX listed companies, the status of implementation should be reported instead of compliance or interpretation.)	V		<p>1. The Company has established a Sustainable Development Task Force, with Chairman Mr. CHOU, WAN-SHUN serving as the Chief Convener. The task force includes one Executive Secretary and is further divided into functional sub-groups focusing on business management, environmental sustainability, green products, labor rights, and social engagement. Each functional sub-group is composed of department heads, with one member appointed as the group leader.</p> <p>2. The 2023 Sustainability Report was reviewed and approved by the Board of Directors on May 30, 2024, and was published on the Market Observation Post System (MOPS) and the Company's website before June 27, 2024.</p>	No material discrepancy
II. Does the Company implement the risk assessment of environmental, social, and corporate governance issues related to corporate operations and establish relevant risk management policies or strategies	V		With respect to environmental, social and corporate governance aspects and issues related to the Company's operations, the Company reviewed the organization's operational activities, business relationships, and the process	No material discrepancy

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based on the principle of materiality? (Note 2) (For TWSE/TPEX listed companies, the status of implementation should be reported instead of compliance or interpretation.)			of identifying stakeholders, in order to gain an understanding of the overall situation of the organization and related impacts, and identify the sustainable stakeholders. Based on the overall overview of the organization and business relationships, the Company identified the actual and potential impacts on the economy, the environment, and the population. The Company identified issues of concern for materiality analysis, and conducted risk assessment and planning, including risk identification, risk analysis and assessment, risk response and control, and risk monitoring.			
			Major issues		Scope of Risk Assessment	Description
			Sustainable Environment		Greenhouse gas emission continues to increase	Risk Management Strategy: 1. Identify regions, processes, or facilities with high carbon emissions 2. Implement risk control measures targeting the identified areas, processes, and equipment 3. Continuously monitor the effectiveness of risk controls and implement improvements Response measures: 1. Improve manufacturing scheduling and optimize production procedures to enhance energy efficiency, reduce high-emission processes, and minimize energy waste 2. Timely replacement of outdated, inefficient, high-emission machinery and equipment 3. During phased replacement of air

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				conditioning systems, prioritize energy-efficient, inverter-based units with Class 1 energy labels to reduce electricity consumption, improve energy utilization efficiency, and mitigate potential future operational cost increases related to carbon taxes or emissions trading 4. Adopted the ISO 14064-1 Greenhouse Gas Inventory Standard, with third-party verification successfully completed
			Sustainable Environment	Effluent discharge continues to increase Risk Management Strategy: 1. Monitor wastewater recycling processes 2. Upgrade and improve wastewater recycling equipment 3. Enhance wastewater recycling technologies Response measures: As of 2024, the Company has achieved an average wastewater recycling rate of 80%, representing a high industry benchmark. Efforts will continue to maintain this level of efficiency going forward.
			Employee Care	Overload (long-term work) Risk Management Strategy: 1. Ensure compliance with, and promote awareness of, labor and human rights laws and regulations 2. Properly plan production processes and personnel allocation 3. Adopt flexible human resource management practices Response measures: 1. The management unit actively promotes and enforces compliance with labor-related laws and emphasizes the need to prevent excessive working hours 2. Strengthen rolling management mechanisms to closely monitor order volumes, production progress, and capacity utilization, allowing for timely manpower adjustments 3. The Human Resources Department should maintain a clear understanding of labor market conditions and cultivate strong relationships with staffing agencies, enabling the Company to

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					dynamically adjust workforce levels based on order volume and production needs—thereby preventing overtime and improving overall labor efficiency	
			Employee Care	Occurrence of occupational disasters	Risk Management Strategy: 1. Prioritize employee well-being 2. Provide comprehensive safety education 3. Strengthen employee support and care Response measures: 1. Prioritizing Employees: The Company holds regular labor–management meetings, where labor representatives raise relevant topics for discussion. Resolutions and the progress of their implementation are communicated to all employees via the internal network. 2. Safety Education: Standardized operating procedures are established, and comprehensive operational manuals are provided. Workplace safety education is promoted on an ongoing, ad hoc basis. 3. Employee Care: (1) Listen to employees’ views: Quarterly labor–management meetings as well as online and offline employee suggestion boxes. (2) Legal employee care: A sound labor insurance/health insurance system, and a complete pension system. (3) Medical care and consultation: Free annual health examination for all employees, and a medical room and on-site medical staff. (4) Sharing the burden on the dual-career family: Childcare subsidies, unpaid parental leave, paternity leave, family care leave, and breastfeeding rooms.	
			Operating performance	Occurrence of information security incidents	Risk Management Strategy: 1. Enforce comprehensive information security management 2. Enhance employees’ awareness and knowledge of information security 3. Conduct ongoing audits and monitoring of cybersecurity practices Response measures: 1. Strictly implement the Company’s	

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					<div>Information Security Management Regulations</div> <div>2. Ensure the security of the Company’s data, systems, equipment, and networks</div> <div>3. Strengthen the overall level of information security to support uninterrupted business operations</div> <div>4. Optimize both internal and external network security defenses</div> <div>5. Promote information security awareness among employees and ensure compliance with internal security protocols</div> <div>6. Conduct regular and ad hoc information security audits by designated audit and information security personnel</div>	
			Operating performance	Supply chain interruption	<div>Risk Management Strategy:</div> <div>1. Conduct thorough and prudent supplier evaluations</div> <div>2. Foster long-term, sustainable partnerships</div> <div>Response measures:</div> <div>To maintain proactive and sustainable cooperation with suppliers, the Company adopts the following measures</div> <div>1. Prioritize partnerships with suppliers certified under ISO 9001 and ISO 14001</div> <div>2. Require all suppliers to comply with the Responsible Business Alliance (RBA) Code of Conduct</div> <div>3. Conduct annual performance evaluations of qualified suppliers</div>	
III. Environmental issues						
(I) Does the Company establish an appropriate environmental management system based on its industrial characteristics?	V		The Company has established appropriate management systems tailored to the characteristics of its industry, including the ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, ISO 14064-1 Greenhouse Gas			No material discrepancy.

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			Inventory Standard, and IECQ QC 080000 Hazardous Substance Process Management System. These systems have been effectively implemented and strictly followed each year in accordance with their respective standards and requirements.	
(II) Does the Company endeavor to upgrade the efficient use of available energy, and use environmentally friendly materials?	V		<p>1. The Company is committed to the promotion and improvement of a sustainable environment. Through promotion and implementation, the Company improves the efficiency of reuse of resources, achieves its goals, such as those of energy conservation and waste reduction, and mitigates the impact posed to the environment. Details will be disclosed in the Sustainability Report.</p> <p>2. The Company has appointed qualified businesses to recycle and dispose of waste resources to mitigate the burden on the environment.</p>	<p>No material discrepancy.</p> <p>The Company's 2023 Sustainability Report has been publicly disclosed on the Company's website.</p>
(III) Does the Company assess the potential risks and opportunities posed by climate change to the enterprise, both now and in the future, and take responsive measures related to these issues?	V		The Company will complete the identification and verification of climate change risks and opportunities, and formulate management plans for key risks and opportunities, this year. The General Administration will evaluate, follow up and manage the Company's risks and opportunities of climate change continuously and report them to the Board of Directors on a regular basis.	<p>No material discrepancy.</p> <p>The Company's 2023 Sustainability Report has been publicly disclosed on the Company's website.</p>

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(IV) Does the Company make statistics on greenhouse gas emissions, water consumption, and total waste weight in the past two years, and formulate policies for energy conservation, greenhouse gas reduction, water reduction, or other waste management?	V		It also recycles resources, reduces waste, and manages and controls water and power consumption per the ISO 14001 environmental management system. However, greenhouse gas emissions have been disclosed in the Sustainability Report.	No material discrepancy. The Company's 2023 Sustainability Report has been publicly disclosed on the Company's website.
IV. Social issues (I) Does the Company formulate relevant management policies and procedures in accordance with relevant laws and the International Bill of Human Rights?	V		The Company holds labor-management meetings regularly, in which labor representatives put forth relevant issues for discussion, and notifies all employees of the resolutions adopted at such meetings and implementation progress of the resolutions through the internal network.	No material discrepancy.
(II) Does the Company establish and implement proper employee benefit measures (including the salary, holidays, and other benefits) and reflect the corporate business performance or achievements in the employee remuneration?	V		<ol style="list-style-type: none"> 1. The Company has formulated the relevant employee welfare measures, and also regulated the employee remuneration in the Articles of Incorporation to share the operating results with the employees. 2. The Group has established Performance Bonus Distribution Guidelines, ensuring that operating performance is appropriately reflected in employee remuneration. 3. According to the Article 17 of the Company's Articles of Incorporation, the Company shall deduct the 	No material discrepancy.

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			<p>remuneration distributed to employees and directors from the income before tax of the current fiscal year first, followed by compensating the accumulated loss amount. Where there is any remaining amount after such deduction, no less than 10% of such amount shall be appropriated as the remuneration to employees and no more than 3% of such amount as the remuneration to directors. The distribution of the employee remuneration in shares or cash shall be executed in accordance with the resolution of the Board of Directors' Meeting attended by more than two-thirds of the Directors and the consents of a majority of the attending Directors. In addition, report to the shareholders' meeting shall also be made. Employees are entitled to receive employee remuneration distributed in the form of shares or cash, and the subjects may be employees of the parent or subsidiaries of the Company meeting certain specific requirements.</p> <p>4. The Company has implemented employee shareholding trust since September 2024.</p>	
(III) Does the Company provide employees with a safe and healthy work environment, and provide	V		<p>1. The Company performs tests and inspection of work environment every six months, and organizes employee</p>	No material discrepancy.

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employees with regular safety and health education?			<p>health examination every year, while regularly holding fire safety awareness-increasing activities as per the laws.</p> <p>2. In addition to setting up an occupational safety and health unit according to law, the Company has continued to pass the ISO 45001 occupational safety and health management system, and carried out the occupational safety and health education and training for new employees and in-service employees and contractors' personnel to ensure the safety and health of employees.</p> <p>3. For the time being, the effective period of the Company's ISO 45001:2018 occupational safety and health management system commences from September 28, 2023 to September 27, 2026.</p>	
(IV) Is an effective career development and training program established for employees by the Company?	V		The Company has established employee education and training operating procedures, and each unit can organize internal and external training sessions based on the needs at work.	No material discrepancy.
(V) Does the Company comply with related laws and international practices in regard to customer health and safety, customer privacy, marketing and	V		1. The Company has passed certification for the ISO 9001 quality management system and ISO 14001 environmental management system to ensure that its	No material discrepancy.

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labeling of its products and services, and does it have related consumer protection policies and complaint procedures in place?			<p>products and services comply with relevant global regulations and standards. Meanwhile, customer privacy and data security are protected under the “Privacy Policy.”</p> <p>2. The Company has established the “Customer Management Procedures” and provided the information about the contact person for stakeholders on the Company’s website to provide customer with services and protect consumers’ or customers’ interests and rights.</p>	
(VI) Does the Company establish the supplier management policy to require suppliers to comply with relevant regulations on issues of environmental protection, occupational safety and health, or labor rights, and the status of implementation?	V		<p>The Company has established the Supplier Evaluation and Performance Management Procedures, which requires suppliers to comply with the Hazardous Substance Free (HSF) standards and environmental protection laws and regulations.</p> <p>The Company has also formulated supplier social responsibility management procedures. Through the promotion of suppliers' awareness toward social responsibility and execution of the written undertaking, and the regular assessment on suppliers by the virtue of the supplier RBA audit form, the Company urges the suppliers to understand the spirit of social responsibility and respond to</p>	No material discrepancy.

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			the company's social responsibility management activities. This is expected to achieve a green and sustainable supply chain.	
V. Does the Company refer to the international standards or guidelines for report preparation to prepare its sustainability report and other reports that disclose its non-financial information? Have the aforesaid reports been assured or certified by a third-party verification agency?	V		<p>In accordance with applicable regulations, the Company has been preparing and submitting the Chinese version of its Sustainability Report since 2023. The 2022 and 2023 reports have been completed and published on the Company's website. All reports are prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards, Sector Standards, and Topic Standards.</p> <p>The Company has not yet completed the inventory and assurance of GHG under Scope 1 and Scope 2; therefore, there is no assurance or assurance opinion from a third-party certifying unit for the time being.</p>	<p>No material discrepancy.</p> <p>The Company's 2023 Sustainability Report has been publicly disclosed on the Company's website.</p>
<p>VI. If the Company has established its own sustainable development principles based on "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies," please describe any discrepancy between the principles and their implementation:</p> <p>The Company established its Sustainable Development Best-Practice Principles in accordance with the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and prepared its Sustainability Report in accordance with Taiwan Stock Exchange Corporation Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. Now, it is actively working in the direction set by the Principles.</p>				
<p>VII. Other information material to the understanding of sustainable development:</p> <p>The Company's Board of Directors adopted the "Sustainable Development Committee Charter" on March 4, 2025. All relevant information will be published on the Company's website: http://www.i-chiun.com.tw/.</p>				