

NICHING INDUSTRIAL CORPORATION

利機企業股份有限公司

2024 SUSTAINABILITY REPORT

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About this report

Report boundaries and disclosure period (GRI 2-2)

The management of Niching Industrial Corp. (hereinafter referred to as " Niching Industrial " or "the Company") attaches great importance to the company's sustainable development and has prepared a sustainability report from 2024 and published it annually on the Company's website (from 2025). <https://www.niching.com.tw/esg-detail/organization/> .

This annual report covers the business system and activities of the Taiwan headquarters of Niching Industrial and does not include the joint declaration of subsidiaries for the time being. For matters and data that cannot be published in this report, as well as relevant information about the content of this report. Some information is different, such as finance, greenhouse gas emissions...The boundaries of information coverage will be specifically indicated in each annual report.

The information and data in this report covers the above operations, and the disclosure period is from January 1, 2024, to December 31, 2024. Environmental and social performance.

The report complies with regulations, standards and principles.

The information disclosure direction of this report is in accordance with the TPEX "Operational Regulations for the Preparation and Filing of Sustainability Reports by TPEX Listed Companies", and refers to the Global Sustainability Reporting Initiative (GRI) every year The company's sustainability report for the previous year discloses the material themes and impacts of the economy, environment, and people (including their human rights), disclosure items, and reporting requirements, and also uses the Sustainability Accounting Standards Board (SASB). The Task Force on Climate-related Financial Disclosures (TCFD) is compiled by the Task Force on Climate-related Financial Disclosures (TCFD), and the relevant provisions can be referenced in the index of the annex to the report.

The Company prepares reports in accordance with the "Code of Practice for Sustainable Development of TPEX Listed Companies" and "Corporate Environmental, Social and Governance (ESG) Information Disclosure and Reporting Practices" and adopts the framework of Integrated Reporting (IR) as a reference basis for reporting information disclosure and consideration of material issues.

Data Calculation Benchmarks and Third-Party Verification/ Verification (GRI 2-5)

The financial data is audited and confirmed by Deloitte and is calculated in New Taiwan dollars.

ISO 9001, ISO 14001, ISO 45001 are verified by ARES international certification body.

Other data disclosed are partly from the results of Niching's own statistics and surveys. And presented with international common indicators, if there is an estimate, it will be noted in the relevant chapters.

Contact (GRI 2-3)

If you have any suggestions in the content of the report, you are welcome to contact us.

Address: Room 5E, No.767, Sec 4, Taiwan Blvd., Taichung, Taiwan

Tel : +886-4-23588966 Ext : 61163

E-mail : esg@niching.com.tw

Reporting period (GRI 2-3)

According to the new version of the GRI 2021 standards, the first edition is planned to be released in 2024, and the sustainability report from the previous five years will be released in 2028, disclosing the goals and achievements of the company's sustainable development. Among them, greenhouse gas inventory has begun to conduct internal self-inventory and disclose it in this report and plans to follow government regulations to pass third-party verification for individual companies in 2028 and third-party verification for subsidiaries in 2029.

Current Chinese version: Issued in August 2025 (2024 Sustainability Report).

Last release: None

Next release: Expected to be released in August 2026

Information reorganization (GRI 2-4)

This report has been prepared in accordance with the GRI 2021 standard since 2024, and there is currently no update, correction or recompilation information. The QR code for the download link of the sustainability report is as follows:



1 Sustainability

1.1 Chairman's words

(GRI 2-11 、 GRI 2-22 、 GRI 2-23)

Take sustainability as our ambition and move towards a better future.

"Sustainability is not only a company's commitment to society, but also a responsibility to future generations."

In today's world of intensifying global climate change and the rapid reshaping of social values, companies no longer only define success by their financial performance, but also need to be measured by environmental friendliness, social responsibility and integrity governance.

Niching deeply understands that only by deeply rooting sustainable development in the corporate genes can they gain a foothold in turmoil and grow in change. Adhering to the vision of "building a trustworthy and trustworthy enterprise that realizes dreams based on integrity, innovation", the concept of ESG sustainability is incorporated into the company's overall business strategy. From the promotion of carbon reduction actions, the construction of a happy workplace, to the strengthening of information transparency and corporate governance, every effort is a concrete manifestation of our responsibility for the future.

In terms of the environment, we actively take stock of our carbon footprint and set carbon reduction targets. On the social side, we promote diversity, talent development and social giving programs to create an inclusive, healthy and nurturing working environment. In terms of governance, we adhere to information transparency and risk control to ensure the steady growth of the company and continue to strengthen the trust of shareholders and stakeholders.

Promoting sustainability is not a short-term strategy, but a long-term project related to future competitiveness.

We know that this road will not be smooth sailing, but it is the right path worth adhering to. The meaning of sustainability is not only about changing today, but also about leaving a better world for future generations.

Looking forward to the future, Niching will continue to deepen ESG sustainable actions, prove it with substantive results, and work with all partners to jointly write a new chapter of corporate growth and social benefit.



張瑞軍

Chairman of Niching Industrial

1.1.1 Implementation of commitments (CEO's words)

(GRI 2-24 · SASB incorporated into policy commitments)

Belief leads action and brings warm changes to the world.

"Every small choice of a company determines what the world will look like in the future."

On the road to sustainability, the most important thing is not resources, nor technology, but faith.

It is the persistence in our hearts that is responsible for the future and goodwill to the world that drives the birth of every action.

In Niching, every small change ranges from energy conservation and carbon reduction to public welfare participation; From transparent governance to the construction of a happy workplace, it is because we believe that becoming a warm enterprise is a truly powerful enterprise.

❖ From the inside out, create warm growth

Niching is people-oriented, starting from internal culture, to build the cornerstone of sustainable growth. We not only value financial performance, but also the happiness of employees, the trust of customers and the sense of social identity. At the employee level, we promote diversity and inclusion policies, providing a child-friendly environment, women's leadership training, and career development support. In terms of products and services, we think about how to reduce environmental impact, enhance social value, and practice responsible innovation.

❖ Create corporate resilience with sustainable actions

Sustainability is not a breakthrough in a single field, but an improvement in the overall competitiveness of an enterprise. Through systematic sustainable management, Niching reduces risks and enhances customer and supplier trust and market competitiveness.

❖ Let corporate influence become a force for social change

Looking ahead, Niching will further:

Deepen net-zero actions and set carbon reduction targets.

Expand ESG education and training to make every opportunity person a sustainability driver.

Promote green finance cooperation and expand sustainable capital market links.

Continue to strengthen the vision of common good and grow together with local communities.

We hope that Niching is not only representatives of economic growth, but also promoters of positive social change.

Sustainability is a path that requires patience, faith, and countless small actions.

Niching will continue to take goodwill as the driving force and actions as proof and move towards a common good future.



CEO of Niching Industrial



1.2 About Niching Industrial

❖ 30+ years of semiconductor material integration expert

Niching was established in 1993. In the year, with excellent business physique, it quickly became one of the top 100 electronic channel service providers in China. In 2008, it was officially listed on the OTC (code name 3444). We provide professional and efficient sales channels in high-tech industries such as semiconductors, flat panel displays, light-emitting diodes, green energy, and nanotechnology.



Niching is not only a successful channel provider but also extends the depth and breadth of business operation through the establishment of its own brand and technology. In 2005, the nanomaterials laboratory was officially established to develop independent technology and successfully develop Chinese people. The first fully self-made touch nano silver paste. Through years of hard work and investment, we have successfully established a strong R&D team, committed to the innovation and integration of semiconductor materials.

This combination of a superior agency role and our own R&D technology allows us to be unique in the field of semiconductor materials. Become an expert in semiconductor material integration. Be able to meet the changing needs of your customers more flexibly and keep up with them. Competitiveness in the semiconductor field.

❖ Outstanding performance and sustainable business philosophy

Niching adheres to the principle of "rapid growth, steady profits" and is committed to seeking the greatest interests for customers, shareholders, original factories, and colleagues.

We believe that the value of an enterprise lies not in its size, but in its operating effectiveness, with outstanding EPS performance from 2015 to 2024, with a compound annual growth rate of CAGR=92% and share the results of operations with shareholders and employees. While improving business performance and profitability, we also take sustainable development as our mission, integrate ESG into management practices and development strategies, and strive to create long-term value for all stakeholders.





The pursuit of excellence in quality, environmental responsibility and employee health and safety has been successfully achieved ISO 9001 quality control ISO 14001 environmental management as well ISO 45001 Occupational Health and Safety Management Certification. These certifications are not only a mark, but also a commitment to our customers, partners and employees, ensuring that our business activities meet the

highest standards while integrating corporate development into the sustainable development of society, the environment and people.

We will continue to work hard, continuously improve and innovate, and strive to build a more reliable and socially responsible benchmark enterprise, and work together to create a better future.

1.3 Sustainable development management mechanism (GRI 2-12、GRI 2-14)

In order to realize the vision and goals of sustainable development, the convener of the Company's Sustainability Development Promotion Team is the general manager, and the heads of business, procurement, R&D, manufacturing, human resources, finance, audit and welfare committees are convened as members to coordinate the promotion of the company's sustainable development-related affairs and the editing of sustainability reports. Every year, the Sustainability Development Promotion Team is convened to formulate the annual ESG implementation priorities, focus on the annual corporate sustainability development axis and overall performance planning, and report to the board of directors on the effectiveness of various sustainable development tasks to ensure the achievement of sustainable development goals.

◆ Focus of the operation of the Sustainable Development Group in 2024

Content	Unit	Time
The 2024 Sustainability Report was prepared for the first time. 1. Kick-off meeting of the sustainable development team 2. Analysis of the scope and major issues of the preparation of the sustainability report	The kick-off meeting was attended by 25 people. Sustainability Group	10/9 12/11
Greenhouse gas inventory and verification schedule planning status, and control the implementation content and progress on a quarterly basis	board of directors	03/07、05/10 08/07、11/06
Integrity management implementation report and intellectual property management plan report Information and communication security implementation status report, risk management implementation status report	board of directors	11/6

1.3.1 Stakeholders (GRI 2-16)

Stakeholder identification is carried out in accordance with the five principles of AA1000 Stakeholder Engagement Standards (SES): responsibility, dependence, influence, multiple perspectives, attention and other characteristics, and the main stakeholder is confirmed to be a shareholder/Investors, employees, customers, suppliers, government/regulators, and external personnel (including the community and media).

1.3.2 Investor Communication (GRI 2-16)

The Company has set up a website (www.niching.com.tw) to disclose financial and corporate governance information.

The Company designates a dedicated person to be responsible for the collection and disclosure of company information, implements a spokesperson system, and discloses legal people on the Company's website.

The Company's annual financial reports, first, second and third quarter financial reports and monthly operations are all ahead of the specified deadline announcement.

In 2024, it will be invited to participate in legal conferences held by financial institutions such as Fubon, Cathay Pacific, and SinoPac Gold, and a total of three physical legal conferences and one online legal conference will be held to solicit opinions from all walks of life as a reference for the board of directors' strategy to operate the company.

1.3.3 Stakeholder Communication and Material Topic Management (GRI 2-26)

Niching not only takes care of employees and ensures the interests of investors but also pursues the sustainable development of the company. In order to ensure sustainable development Planning and decision-making, in addition to maintaining interaction with stakeholders in various forms for daily business, on the official website Establish an external communication mailbox to establish transparent and effective multiple communication channels with all stakeholders to attract the attention of stakeholders major issues are introduced into the sustainable development strategy of enterprises as reference indicators for formulating relevant plans.

Stakeholders	Focus on the issue	Communication channels and frequency	Stakeholder communication performance
shareholder investor	Product quality/R&D Operating financial performance risk management Information and communication security Customer service management	Regular Shareholders' Meeting (annually). Corporate briefing and press release (irregular). Quarterly and annual financial reports (quarterly/annually). In accordance with the regulations of the competent authority Important information (irregular). Company website and public information observatory (permanent). Investor hotline, investor mailbox (permanent). cherry@niching.com.tw	The Public Information Observatory released 33 major Chinese messages in 2024. A regular shareholders' meeting was held. Invited to participate in 4 corporate briefings. The implementation of the risk management committee is announced on the company's website

employee	Employee benefits and payroll Labor/employment relations Career development and education and training Occupational safety and health Talent recruitment and retention	Staff Welfare Committee (quarterly). Newcomer symposium (irregular). Performance interviews and appraisals (every six months). Opportunity and small profit learning platform (monthly). Education and training (irregular). Announcements on various management measures and changes in rewards and punishments (irregular). Company website (permanent). vicky_sun@niching.com.tw	Held 4 meetings of the Welfare Committee Welfare activities such as family days, employee trips, clubs, and road runs are held. Won the 2022 Happy Enterprise Silver Medal Award of 1111 Human Resources Bank
client	Occupational safety and health risk management Supply chain management. Customer service management Hazardous substance management	Customer satisfaction survey (annually). Business visits (irregular). Participate in semiconductor exhibitions (annually). Company website/contact us (irregular). Telephone and letter communication (irregularly). addam@niching.com.tw	Obtained the certification of "ISO 14001 Environmental Management System" and "ISO 45001 Occupational Safety and Health Management System." Design green products and reduce the use of hazardous substances in products
vendor	Customer service management Information and communication security Labor/employment relations risk management Operating financial performance	Please purchase the job (as required). Supplier evaluation (First Trade/Once a Year). Regular supplier audits Supplier meetings addam@niching.com.tw	Continue to promote green supply chains, requiring suppliers to pass quality management system verification and control the use of raw materials. The company's website discloses the implementation of information and communication security, and there are no major information security incidents

government institution	Greenhouse gas management Product quality/R&D Customer service management Environmental policy and management system Sustainable development strategy	Government agency studies, advocacy, courses, etc. (irregular). Official correspondence (irregular). Supervision and inspection by the competent authority (irregular). Competent authorities visit and exchange (irregularly). Timely response and suggestions to relevant government laws and regulations. Organize education and training to implement legal compliance concepts and behaviors (irregularly). Contact Window anita@niching.com.tw	21% to 35% of TPEX listed companies in the 11th corporate governance evaluation. The 2023 R&D investment deduction has been approved and continues to be applied
exterior personnel (Including community) and the media).	Operating financial performance Occupational safety and health risk management Employee benefits and payroll Community Engagement and Social Welfare	Interact with various offices and management committees (irregularly). Publish press releases (monthly). Participate in social welfare (irregularly). Company website/E-mail Contact Window vicky_sun@niching.com.tw	Monthly operational information is published. Relevant operating results and development trends are released from time to time. Participate in the tree planting activity of you and me

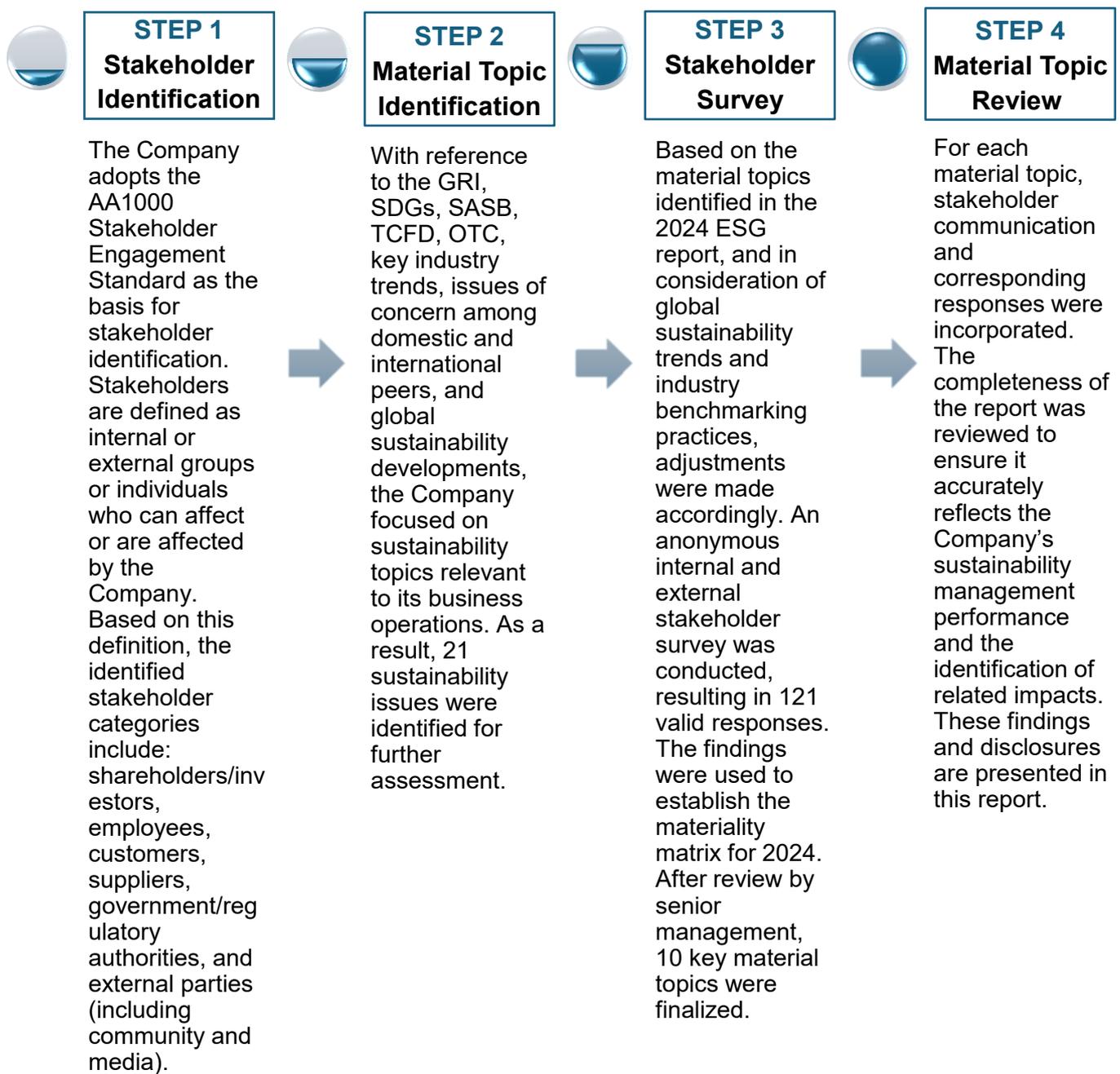
1.4 Stakeholders agree. (GRI 2-29)

1.4.1 Stakeholder identification

Niching continues to interact and communicate with stakeholders to establish a response mechanism for sustainability issues and follow the five principles of AA1000 Stakeholder Engagement Standards (SES): responsibility, dependence, influence, diversity of perspectives, and attention to identify stakeholders. Six major categories of important stakeholders were identified, namely shareholders/investors, employees, customers, suppliers, governments/regulators, external personnel (including the community and media), etc.

1.4.2 Process for determining material topics (GRI 3-1)

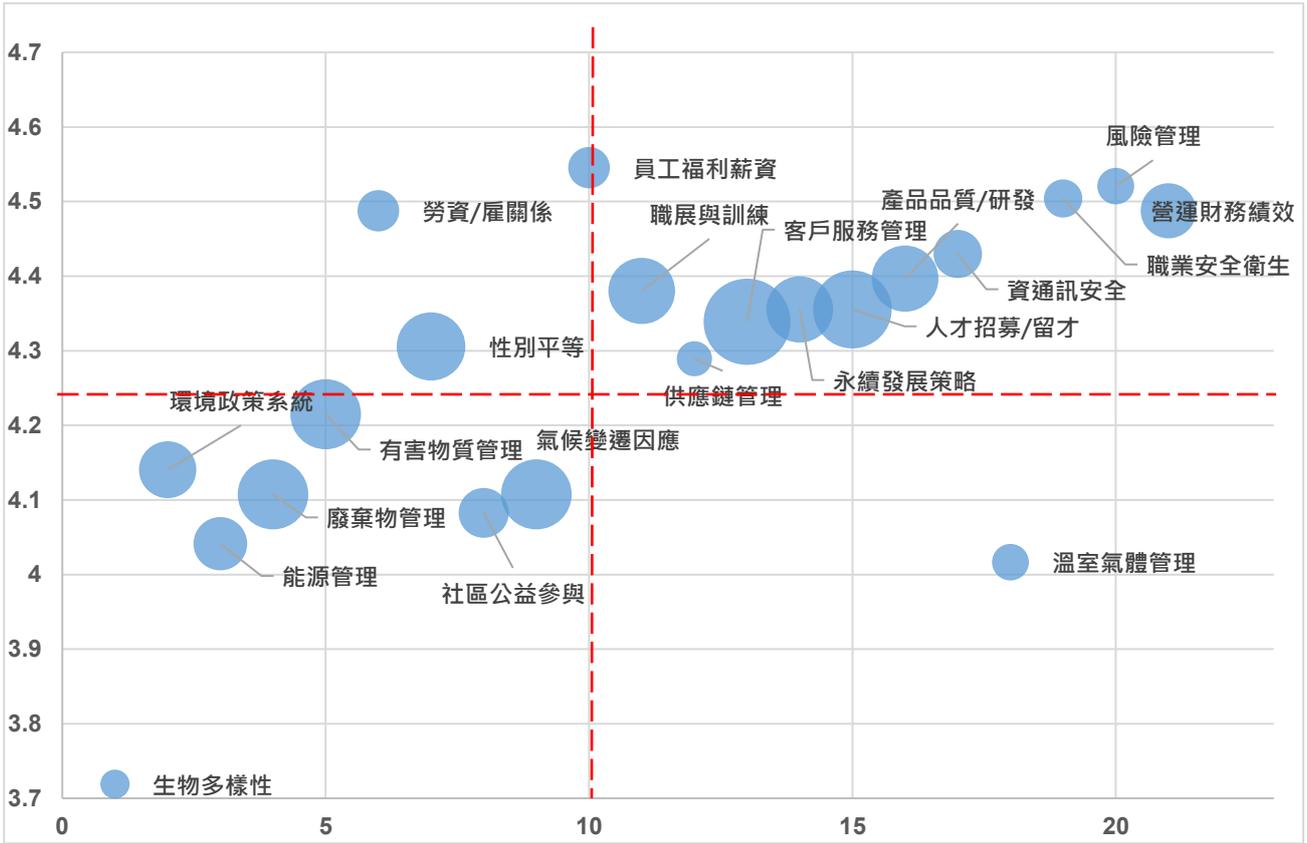
Based on the considerations listed in the GRI Standards, Niching follows the four-stage process of materiality identification in GRI Standards 2021 and uses the degree of impact as an indicator to evaluate the materiality of the topic.



1.4.3 List of sustainability issues

E	S	G
1-1. Environmental policy and management system 1-2. Greenhouse gas management 1-3. Energy management 1-4. Waste management 1-5. Management of hazardous substances 1-6. Biodiversity	2-1. Labor/employment relations 2-2. Gender equality 2-3. Occupational safety and health 2-4. Talent recruitment and retention 2-5. Employee benefits and salaries 2-6. Career development and education and training 2-7. Community Participation and Social Welfare	3-1. Operating financial performance 3-2. Sustainable development strategy 3-3. Risk management 3-4. Product quality/R&D 3-5. Customer service management 3-6. Supply chain management. 3-7. Climate change response 3-8. Information and communication security

1.4.4 The statistical results of the list of material topics (GRI 3-2、GRI 3-3)



After cross-analysis of the severity of impact and the attention of stakeholders, and cross-analysis of the degree of concern of stakeholders and the degree of operational impact, due to the low impact of the operating characteristics of the enterprise on the environment, the following 10 issues are listed as material issues, and the relevant management disclosure:

- G** 3-1. Operating financial performance
- 3-2. Sustainable development strategy
- 3-3. Risk management
- 3-4. Product quality/R&D
- 3-5. Customer service management
- 3-6. Supply chain management
- 3-8. Information and communication security
- S** 2-3. Occupational safety and health
- 2-4. Talent recruitment and retention
- 2-6. Career development and education and training

1.4.5 Impact of material themes on value chains (GRI 2-6 、GRI 2-25 、
GRI 2-13 、GRI 414-2)

◆ The impact of major themes on the value chain of Niching in 2024

Major topics sort	Shock description	Value chain shocks							GRI Standards	Management policy disclosure chapter
		upstream			Company operations			downstream		
		vendor	exterior	government	Advantageous opportunities	employee	investor	client		
1	Operating financial performance				■		●		GRI 201	2.2 Operational performance
2	risk manage			□	■		■		GRI 201	1.5 risk management
3	Occupational safety and health			○	●	■	□		GRI 403	4.2 Occupational safety and health
4	Information and communication security	□			■	□	■	□	(Custom Theme).	2.5 information security
5	Product quality/R&D			○	●		○	●	GRI 416	2.2 Product quality and safety

6	Talent recruitment and retention	A good labor-employment relationship can improve the centripetal force of employees, improve talent retention, improve work efficiency, and enhance the company's competitiveness			○	●	●	■		GRI 401	4.1 Human development	
7	Sustainable development strategy	While improving business performance and profitability, we take sustainable development as our mission and integrate ESG into management practices and development strategies. to create long-term value		○	●	●		○		GRI 2-22	1.1 Chairman words	
8	Customer service management	Unable to grasp customer needs and provide all-round customer service. affecting operating financial performance	□				■		□	■	GRI 416 GRI 418	2.3 Customer relationship management
9	Supply chain management	Urge suppliers to fulfill their corporate social responsibilities, implement environmental protection, energy conservation and carbon reduction, and attach importance to human rights, and jointly establish a sustainable supply chain for stable development	●		○	●			○		GRI 204 GRI 308 GRI 414	2.4 supply chain Sustainability management
10	Career development and education and training	Deeply cultivate talents and strengthen the core technologies of employees, and expand their horizons to strengthen and maintain the company's core competitiveness		●		●	●		○		GRI 404	4.3 Education and Discipline

●Positive substantive impact ○Positive potential impact ■Negative substantive impact □ negative potential impact

1.5 Risk Management Policy

1.5.1 Risk management policy for major events.

Niching has established a comprehensive risk management system, the purpose of which is to protect the rights of stakeholders, and takes sustainable operation as the highest goal of the company's operation, identifies major potential risks and formulates corresponding risk control and risk response mechanisms, so that it can minimize the impact and impact of risks within its control, so as to reasonably ensure the achievement of the company's goals. Including ISO 9001 and ISO 14001 internal and external issues and stakeholder demand expectations identification and risk assessment management, ISO 14001 environmental assessment, TCFD climate change risk action, etc. General manager or management representative regularly reviews and formulates improvement plans to ensure that the effectiveness of risk management continues to improve.

1.5.2 A description of risk management associated with the use of critical materials.

Niching's key materials (silver paste) have developed a multi-channel purchase plan, and the relevant risks are within an acceptable range.

1.5.3 Risk management

In order to implement risk management of corporate operations, the Board of Directors established a Risk Management Committee in 2022, under which a risk management team is set up to coordinate and direct the promotion and operation of the risk management plan. The risk management team reports the work plan and implementation results to the Risk Management Committee and the Board of Directors every year, and the Audit Office conducts audits of risk management operations to ensure effective operation and implementation of the Company's risk management.

◆ Risk management organizational structure



◆ Risk identification and response measures

The Company's risk management process includes risk identification, risk analysis, risk assessment, risk response, supervision and review mechanisms, linking the degree of risk impact with short, medium and long-term operating objectives.

Considering the company's size, business characteristics, risk nature and operational activities, through the promotion of the "Board of Directors, Risk Management Committee and Risk Management Group", risk management is linked to the company's strategy and goals, and each risk is divided into environmental issues (E), social issues (S) and corporate governance issues (G). Use the risk matrix chart to understand the possibility of risk events and the severity of the impact on the company's operations, define the priority and risk level of risks, select the company's major risk projects, improve the comprehensiveness, foresight and completeness of risk identification results, adopt corresponding risk management strategies according to the risk level, and advocate and carry out corresponding risk control and response downwards to reasonably ensure the achievement of the company's strategic objectives.

1.6 Echo the SDGs

In line with the 17 sustainable development goals developed by the United Nations, Niching produces high-quality products with professional technology while focusing on future development, hoping to achieve stable performance growth every year to create more local employment opportunities. In addition to promoting economic growth, we are also concerned about the impact of global climate change and global warming on the environment and natural ecology. In the process of continuing to focus on our own business, based on the organization's own core competencies, we hope to echo the United Nations Sustainable Development Goals and achieve the vision of sustainable and common prosperity.

SDGs indicators	Implementation results in 2024	Report chapter
	<p>Provide employees with biennial health check-ups. In 2024, we formulated subsidy measures for club management and individual sports. In 2024, a tree planting event was held, with a total of 42 employees and 26 relatives and friends participating in the grand event, accumulating a total of 22.85 million steps in two months. Participate in external road running activities, with a total of 15 employees and 2 relatives and friends participating in 2024. The results were recognized by the Sports Administration of the Ministry of Education and obtained the "Sports Enterprise" certification.</p>	4.2
	<p>Provide a variety of online course content on the internal learning platform and provide subsidies for external training expenses. In 2024, the average training hours per employee will be 9.87 hours.</p>	4.3

SDGs indicators	Implementation results in 2024	Report chapter
 <p>4 教育品質</p>	<p>Encourage middle-aged and elderly employees to make good use of government resources to improve their functions and accumulate 84 hours of training in 2024.</p>	
 <p>5 性別平等</p>	<p>Female employees: 41.10%; Female supervisors: 34.78% 100% of male and female employees are subject to performance appraisal.</p>	4.1
 <p>8 尊嚴就業 與經濟發展</p>	<p>Advocate for human rights and non-discrimination policies. A human rights policy advocacy course is held every October. In 2024, 68 people will complete training. The completion rate of employees is 100%. Establish induction training for new employees and online learning programs for new employees and hold new employee symposiums every six months to help new employees quickly understand the company's positive interactions. There were no labor disputes in 2024.</p>	4.4
 <p>10 減少不平等</p>	<p>Promotion and salary adjustment are carried out regularly according to performance twice a year. There were no appointments based on gender in FY2024 promotion and other unequal events.</p>	4.1
 <p>13 氣候行動</p>	<p>In 2024, the greenhouse gas inventory of the Taiwan plant has been completed, and the subsidiary is expected to begin preparations for the relevant inventory operations in 2025. Family Day 2024 encourages the use of eco-friendly tableware. In 2024, a walking tree planting activity will be held, and a total of 32 trees will be adopted and planted. At the same time, green plants were given to the participating employees' families to arouse their attention to the natural environment and conservation. In 2024, a total of \$30,000 was donated to environmental protection groups to provide environmental education for school children.</p>	3.1
 <p>16 和平正義與 有力的制度</p>	<p>Establish an external communication mailbox on the official website to establish transparent and effective multiple communication channels with all stakeholders.</p>	1.3

2 Sustainable governance

2.1 Company Profile

(GRI 2-1 、 GRI 2-9 、 GRI 2-27 、 GRI 2-28)

- **Established:** 1993
- **Capital:** 440 million (NTD)
- **Listed on the Stock Exchange:** 2008
- **Business Locations:** Taichung, Hsinchu, Kaohsiung, Suzhou
- **Business Segments:**
 - **Sales Agency of Advanced Materials:** Semiconductor, FPD, and LED-related materials, components, and equipment.
 - **R&D technology & manufacture:** Materials such as touch silver paste and low-temperature sintered silver paste.

Locations



Headquarters

- Room 5E, No. 767, Sec. 4, Taiwan Blvd., Taichung, 40755, Taiwan [Map](#)
- TEL : +886-4-23588966
- FAX : +886-4-23588968



Hsinchu Office

- 2F-2, No. 20, Tai Yuen Street, Chupei City, Hsinchu County, Taiwan [Map](#)
- TEL : +886-3-6116888
- FAX : +886-3-6116989



Kaohsiung Office

- 6F-6, No.12, Fuxing 4th Rd., Qianzhen Dist., Kaohsiung City ,Taiwan [Map](#)
- TEL : +886-7-8618808
- FAX : +886-7-8618809



Suzhou Office

- Block C#01-03/04, No.5 Xing Han Street, Suzhou 215021 China [Map](#)
- TEL : +86-512-67639369
- FAX : +86-512-67639389

Organization chart



■ Operations of each major department

Department	Business Responsibilities
Chief Executive Officer's Office	<ol style="list-style-type: none"> 1. Decision-making: Responsible for formulating corporate strategies, plans, and policies to achieve the organization's goals and mission. Regularly review operational performance and formulate corresponding measures to improve and adjust strategies and plans. 2. Establish corporate culture: Responsible for establishing corporate culture and values, promoting collaboration and communication within the organization, and creating a positive, efficient, and self-transcendent corporate culture.
General Manager's Office	<ol style="list-style-type: none"> 1. Responsible for the planning, proposal, implementation, review and adjustment of the company's operating policy and business strategy. 2. Supervise the implementation of the annual business plan of each department and coordinate the operation between departments. 3. Risk management: Responsible for managing the company's risks, assessing and monitoring potential risks, ensuring that the company remains stable and competitive in an uncertain and changing environment.
Audit room	Responsible for auditing and tracking the company's internal control system and proposing internal control improvement suggestions and audit reports.
STN Group	<ol style="list-style-type: none"> 1. Taiwan Sales Unit: Responsible for the promotion, sales and customer service of carrier board agent products. 2. Operation Unit: Provide customer technical support, quality inspection and management, handle customer problems and ensure customer satisfaction, and promote successful application and sales of products.
Access Business Division	<ol style="list-style-type: none"> 1. Responsible for the promotion, sales and customer service of products as an agent to achieve the company's overall strategic goals. 2. Responsible for industrial analysis, development of new products or new agents, formulation of marketing strategies, and provision of industrial analysis and product market research information required for operation.
Overseas Business Division	Responsible for the operation and performance management of overseas investment business.
Advanced Materials Division	<ol style="list-style-type: none"> 1. Responsible for the promotion, sales and customer service of its own products to achieve the company's overall strategic goals. 2. Responsible for producing and manufacturing its own products, formulating production plans, ensuring that products meet standards and customer needs, and developing and implementing quality control procedures.
R&D Office	Responsible for patent management and development of proprietary technologies and products, including the analysis and execution of product projects in cooperation with external parties.
finance Information Office	Responsible for financial scheduling, fund management, stock affairs handling, accounting processing, financial report preparation, tax declaration, external announcement, overall information environment and system planning and execution, and information security management.
Operating Support Office	Responsible for the company's human resource management, talent development, general administration, logistics management, procurement, international trade operations, public relations, advertising and marketing and other businesses.

■ List of major events of the year

Year	event
1993	Niching was founded in Taichung City
1995	Set up a Hsinchu operating base
2003	Established the Kaohsiung factory to expand the operation field of manufacturing
2004	Established a business base in China.
2005	Signed a contract with Hitachi Cable of Japan to cooperate with COF and bag OEM testing processes
2007	SIMMTECH and its person in charge invested 10% of the company's equity, and both parties became strategic partners.
2008	Officially listed on the OTC (stock code: 3444).
2011	Together with Mr. Diao of Jiao Tong University, he obtained a patent for 'dye-sensitized solar cell and manufacturing method'.
2012	"High-efficiency nano-titanium dioxide slurry manufacturing technology" patent filing
2013	Actively develop its own nano-silver technology and apply it to the field of touch panels
2014	Established a new nano silver factory in Hsinchu and obtained ISO 9001:2008 certification Won the A+ Award in the Information Disclosure Evaluation of Listed and OTC Listed Companies
2015	It once again won the A+ Award in the Information Disclosure Evaluation of Listed and OTC Listed Companies Method OF PREPARING SILVER NANOWIRE obtained a US patent
2016	"Colloidal electrolyte formulation for dye-sensitized solar cells" has been successfully patented
2017	The Kaohsiung office moved to the Kaohsiung Software Technology Park
2018	Actively develop NPM technology and successfully put it into the functional textile market
2020	Establish its own brands Narrate and Nico to promote environmentally friendly wear-resistant and flame-retardant fiber masterbatches
2021	Obtained the patent of the Republic of China for 'flame retardant and wear-resistant composite materials'
2022	Won the Gold Award of Happy Enterprise selected by 1111 Human Resources Bank Commonwealth magazine selected the 'Top 2000 Enterprises Survey' and ranked 147th in the industry profit margin
2023	ISO 14001 and ISO 45001 certified
2024	The company has signed a contract to purchase the 27th floor of Lianhua Zhongwei Building (under construction) for the planning and application of the green building label from the operation headquarters of the enterprise
2024	Won the 'Sports Enterprise Certification' issued by the Sports Administration of the Ministry of Education (valid period: 2024/11/1-2027/10/31). Participated in the signing of the "TALENT, in Taiwan Talent Sustainability Action" alliance and obtained the 2024 "TALENT Sustainability Action Alliance Label"
2025	Continue to respond to the signing of the "TALENT, in Taiwan Talent Sustainability Action" alliance and obtain the 2025 "TALENT Sustainability Action Alliance Label"

- The list of public associations participating in 2024 is as follows :

Name of the association	Take on the role
Taichung City Rock Association	member
Rotary Club of Taichung City South District	member
Taiwan Science and Technology Industrial Park Electrical and Electronics Industry Association	member

2.1.1 Board of directors

2.1.1.1 Board Diversity Policies, Goals, and Achievements (GRI 2-10)

The board of directors of the company shall guide the company's strategy, supervise the management level, and be responsible to the company and shareholders, and ensure that the board of directors exercises its functions and powers in accordance with laws and regulations, the provisions of the company's articles of association or the resolution of the shareholders' meeting.

The structure of the board of directors of the Company shall determine the appropriate number of board seats of five or more in accordance with the company's business development scale and the shareholding of major shareholders, taking into account practical operational needs.

The composition of the board of directors should consider diversity, except that directors who are also managers of the company should not exceed one-third of the number of directors, and formulate appropriate diversity policies for their own operations, operating patterns and development needs, including but not limited to the following two criteria:

Basic conditions and values: gender, age, nationality and culture, etc., of which female directors should reach one-third of the board seats.

Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

Board members should generally possess the knowledge, skills and competencies necessary to perform their duties. In order to achieve the ideal objectives of corporate governance, the Board of Directors as a whole should have the following capabilities:

1. Operational judgment ability.
2. Accounting and financial analysis skills.
3. Management ability.
4. Crisis handling ability.
5. Industrial knowledge.
6. International market view.
7. Leadership ability.
8. Decision-making ability.

The specific management goals and achievements of the diversification policy:

Management objectives	Achievement
Add one female director	Election when not achieved/the next general re-election

Management objectives	Achievement
Independent directors have not been re-elected	Election when not achieved/the next general re-election
Adequate diversity of professional knowledge and skills	Election when not achieved/the next general re-election
The number of independent directors exceeds one-third of the number of directors	Reached
The number of directors who concurrently serve as managers does not exceed 1/3 of the board seats	Reached

The implementation of the diversity policy of board members is as follows:

The Company has 7 directors, including 3 independent directors, 14% are employees, 14% are foreign directors, and 43% are independent directors. The term of office of the three independent directors is 1 year, 6 years and 15 years respectively; 1 director is over 70 years old, 3 directors are 60-70 years old, and 2 are 50-60 years old 1 under 40 years old; All have different expertise in various fields, such as leadership, decision-making, operational judgment, business management, accounting and financial analysis, crisis management, industry knowledge and international market view. SimTech is a listed company in South Korea, and its representative is the chief financial officer, with operational judgment, accounting and financial analysis, crisis management, industry knowledge and international market outlook. Zhang Jiaying, an independent director, has served as a senior executive in banking, securities and related industries and has completed the establishment of factories in China, so the current business consulting company has the above expertise. Independent director Shi Singsong has qualifications such as accountant, university lecturer and special assistant to the chairman, director of an Indonesian company, and is familiar with operational judgment, accounting and financial analysis, business management and international market outlook. Independent Director Choi Doming is a university professor with rich research experience and professional skills and can effectively convey complex concepts and ideas to promote the innovation and development of enterprises.

2.1.1.2 Seats of independent directors

condition name	Professional qualifications and experience	Independence situation	He also serves as an independent director of other public companies
Independent Director Zhang Jiaying	Work experience required for business, legal, finance, accounting or corporate business. He is currently an independent director of Xiangyi Electronic Industry Co., Ltd., an independent director of Ming Xi Business Co., Ltd., the head of Peer Zhiyuan Management Consulting Co., Ltd., and Qingcheng Investment Co., Ltd. The person in charge of the company and the independent director of Yuchen System Technology Co., Ltd.	(1) Not an employee of the company or its affiliates. (2) Directors and supervisors who are not directors of the company or its affiliates (3) Natural person shareholders who are not his/her spouse, minor children, or natural person shareholders who hold more than 1% of the total issued shares of the company or the top 10 shareholders in the name of others. (4) Spouses, relatives within the second degree of kinship, or direct blood relatives within the third degree of kinship who are not the persons listed in the preceding three paragraphs. (5) A director, supervisor or employee of a legal person shareholder who does not directly hold more than 5% of the total issued shares of the company, the top five shareholders, or a corporate shareholder who appoints a representative to serve as a director or supervisor of the company in accordance with Article 27, Paragraph 1 or Paragraph 2 of the Company Act.	3
Independent Director Shi Singsong	Work experience required for business, legal, finance, accounting or corporate business. He is currently a director of Baihe Indonesia Co., Ltd. and a special assistant to the chairman of Baihe International Co., Ltd.	(6) More than half of the directors' seats or voting shares of the company are directors, supervisors or employees of other companies controlled by the same person (7) A director, director, supervisor, supervisor, or employee of another company or institution that is not the same person or spouse as the chairman, general manager, or equivalent position of the company.	0
Independent Director Cai Dumping	Work experience required for business, legal, finance, accounting or corporate business. He is currently the Director of the Company.	(8) Directors (directors), supervisors (supervisors), managers or shareholders holding more than 5% of the shares of a specific company or institution that does not have financial or business dealings with the company. (9) Professionals, sole proprietors, partnerships, business owners, partners, partners, directors (directors), supervisors (supervisors), managers and their spouses of companies or institutions who provide audits for companies or affiliates or whose cumulative remuneration does not exceed NT\$500,000 in the past two years. (10) There is no spouse or kinship within the second degree of kinship with other directors. (11) There are none of the circumstances under Article 30 of Company Law. (12) Article 27 of the Company Law stipulates that the government, legal person or their representative shall be elected.	0

2.1.1.3 Director Attendance and Performance (GRI 2-18)

The board of directors held 6 meetings in 113 years, and the attendance of directors is as follows :

Title	name	Actual attendance Times	Commissioned Number of seats	Actual attendance rate (%)
Chairman	Chun-Hui Chang	6	0	100%
Director	Wei-Sen Chang	6	0	100%
Director	Hung-Chi Chang	6	0	100%
Director	SimTech Holdings Representative: Lee Kyung-so	1	5	17%
Independent Director	Chia-Hsing Chang	6	0	100%
Independent Director	Ming-Tsung Shih	6	0	100%
Independent Director	Tu-Ming Tsai	6	0	100%

I. If the operation of the board of directors occurs under any of the following circumstances, the date, period, content of the proposal, opinions of all independent directors, and the handling of the opinions of the independent directors shall be stated.

1. Matters listed in Article 14-3 of the Securities and Exchange Act: An audit committee has been established, so it is not applicable.
2. In addition to the matters, other matters of the board of directors that are objected to or qualified by independent directors and have a record or written notice: None.

II. The directors' enforcement of the recusal of the proposal of interest shall specify the name of the director, the content of the proposal, the reason for the recusal of the interest, and the status of participation in voting.

board of directors Date/Period	Content of the motion	Interests avoid directors	Reasons for profit avoidance	Voting status
113.03.07 The 16th session 11th	1. Distribution of directors' remuneration and managerial employee remuneration in 112. 2. The remuneration structure and payment number of directors and managers in 113.	1. All directors 2. All directors	Because it has a stake in itself	Individual abstinence from exercising voting rights
113.12.26 The 16th session 16th	1. 113 annual manager's year-end reward case.	Director Zhang Hongjie	Because it has a stake in itself	Individual abstinence from exercising voting rights

III. Information on the evaluation cycle and period, scope, method, and content of the board of directors' self-evaluation,

Evaluation period	It is performed annually		During the assessment	113.01.01~113.12.31
Quality	Scope	Evaluation method	Evaluate the content	
Individual directors	Individual Directors	Individual board members self-evaluate	Grasp of the company's goals and tasks, awareness of directors' responsibilities, degree of participation in the company's operations, internal relationship management and communication, professional and continuous education of directors, and internal control	

board of directors	board of directors	The board of directors has internal self-evaluation	participation in the company's operations, improving the quality of board decision-making, board composition and structure, selection and continuing education of directors, internal control
Audit Committee	Audit Committee and individual audit committee members	The internal self-evaluation of the Audit Committee and the self-evaluation of the members of the Audit Committee	Participation in the company's operations, awareness of the responsibilities of the audit committee, improvement of the quality of audit committee decision-making, composition and selection of members of the audit committee, and internal control
Salary commission	Remuneration Committee and individual Remuneration Committee	The internal self-evaluation of the Remuneration Committee and the self-evaluation of the Remuneration Committee and the Remuneration Committee are self-evaluated	Participation in the company's operations, awareness of the responsibilities of the remuneration committee, improvement of the quality of remuneration committee decision-making, composition of the remuneration committee and selection of members
risk management commission	Risk Management Committee and individual risk management committee members	The internal self-assessment of the risk management committee and the self-evaluation of the risk management committee	The degree of participation in the company's operations, the awareness of the responsibilities of the risk management committee, the improvement of the decision-making quality of the risk management committee, the composition and selection of members of the risk management committee

The evaluation results are as follows: (1 represents very poor, 2 represents poor, 3 represents average, 4 represents excellent, and 5 represents excellent).

■ Performance evaluation of individual director members

Among the 23 indicators of the evaluation items, the average score of each aspect was 4.77 points/total score of 5 points.

Evaluating the project	Question number	Average score
A. Mastery of the company's goals and tasks	3	5.00
B. Awareness of directors' responsibilities	3	4.90
C. degree of involvement in the company's operations	8	4.61
D. Internal relationship management and communication	3	4.48
E. professional and continuing education of directors	3	4.90
F. Internal controls	3	5.00
Total/average score	23	4.77

■ Board performance evaluation.

Among the 45 indicators of the evaluation items, the average score of each aspect was 4.90 points/total score of 5 points.

Evaluating the project	Question number	Average score
A. degree of involvement in the company's operations	12	4.80
B. Improve the quality of board decision-making	12	4.92
C. Composition and structure of the board of directors	7	4.96
D. Election and Continuing Education of Directors	7	4.92
E. Internal controls	7	5.00
Total/average score	45	4.90

■ Audit Committee

Among the 21 indicators of the evaluation items, the average score of each aspect was 4.98 points/total score of 5 points.

Evaluating the project	Question number	Average score
A. degree of involvement in the company's operations	4	4.92
B. Functional committee responsibilities awareness	4	5.00
C. Improve the quality of decision-making of functional committees	7	5.00
D. The composition and election of members of the functional committee	3	5.00
E. Internal controls	3	5.00
Total/average score	21	4.98

■ Remuneration Committee

Among the 18 indicators of the evaluation items, the average score of each aspect was 4.98 points/total score of 5 points.

Evaluating the project	Question number	Average score
A. degree of involvement in the company's operations	4	4.92
B. Functional committee responsibilities awareness	4	5.00
C. Improve the quality of decision-making of functional committees	7	5.00
D. The composition and election of members of the functional committee	3	5.00
Total/average score	18	4.98

■ Risk Management Committee

Among the 18 indicators of the assessment items, the average score of each aspect was 4.87 points/total score of 5 points.

Evaluating the project	Question number	Average score
A. degree of involvement in the company's operations	4	4.75
B. Functional committee responsibilities awareness	4	4.75
C. Improve the quality of decision-making of functional committees	7	5.00
D. The composition and election of members of the functional committee	3	4.89
Total/average score	18	4.87

2.1.1.4 Directors' training hours are in line with the key points of continuing education (GRI 2-17)

In order to enhance the functions of board members, in accordance with the "Guidelines for the Implementation of Continuing Education for Directors of Listed and OTC Companies" and relevant regulations, actively participate in relevant continuing education courses, and keep abreast of the development of economic, environmental, and social norms at home and abroad, including: finance, risk management, business, business, accounting, law, corporate governance, integrity and ethics, and sustainable development and other continuing education courses to maintain the core values and professional advantages and capabilities of the board of directors.

In 2024, the number of training hours of board members will reach the statutory

standard (6 hours), with an average of 6.43 hours of training for each director, and the total number of training hours will be 45 hours.

The number of hours of further study in recent years

annual	2022	2023	2024
Number	7	7	7
Number of hours of further study	45	45	45
Average number of hours of training	6.43	6.43	6.43

2.1.1.5 Female Directors Seats and Proportions

As promised by the chairman, the company currently has no female directors, and plans to retain at least one seat at the general re-election of the shareholders' meeting in June 2025, with reference to the following board of directors' Specific management objectives of diversification policy:

Management objectives	Achievement
Add one female director	Not achieved/expected to be elected in the next general re-election
Independent directors have not been re-elected	Not achieved/expected to be elected in the next general re-election
Adequate diversity of professional knowledge and skills	Not achieved/expected to be elected in the next general re-election
The number of independent directors exceeds one-third of the number of directors	Reached
The number of directors who concurrently serve as managers does not exceed 1/3 of the board seats	Reached

2.1.1.6 Conflicts of Interest of Board Members (GRI 2-15)

The information on the relationship between the top 10 shareholders of the Company and their related parties or spouses or relatives within the second degree of kinship is as follows:

As of 14 April 2024; Unit: Shares;%

name	Myself Holdings		The top ten shareholders have related people with each other. or a spouse or a relative within the second degree of kinship	
	Number of shares	%	name	relationship
Juta Investment Co., Ltd.	3,867,071	8.6%	CHANG HUNG CHI	Its chairman is the Company. Director and Chief Executive Officer

name	Myself Holdings		The top ten shareholders have related people with each other. or a spouse or a relative within the second degree of kinship	
	Number of shares	%	name	relationship
Simmtech Holdings Co., LTD	1,954,506	4.3%	Se Ho Chun	A major shareholder of Simmtech Holdings
Se Ho Chun	1,954,505	4.3%	Simmtech Holdings	A major shareholder of Simmtech Holdings
CHANG HUNG CHI	1,834,866	4.1%	CHANG CHUN HUI CHANG SHAO EN CHANG TING YU	Relatives within the second degree of kinship
Ching Wen Chang	1,778,500	4.0%	CHANG KUN HSIANG	Relatives within the second degree of kinship
CHANG SHAO EN	1,543,213	3.4%	CHANG HUNG CHI CHANG TING YU	Relatives within the second degree of kinship
CHANG TING YU	1,391,486	3.1%	CHANG HUNG CHI CHANG SHAO EN	Relatives within the second degree of kinship
CHANG KUN HSIANG	1,274,149	2.8%	Ching Wen Chang	Relatives within the second degree of kinship
CHAN WEI MING	1,242,000	2.8%	-	-
CHANG CHUN HUI	1,234,872	2.7%	CHANG HUNG CHI	Relatives within the second degree of kinship

The number of shares held by the company, its directors, supervisors, managers, and enterprises directly or indirectly controlled by the company in the same reinvested enterprise, shall be combined and calculated as follows:

December 31,2024 ; Unit: thousand shares ; %

Reinvest in business	The Company invests		directors, supervisors, managers, and directly or indirectly control the investment of the enterprise		Comprehensive investment	
	Number of shares	%	Number of shares	%	Number of shares	%
Advanced Corporation	1,800	100%	0	0	1,800	100%
STNC Hong Kong Holdings Limited.	490	49%	510	51%	1,000	100%
Liteng International Technology Co., Ltd	633	30%	0	0	633	30%
Advanced Processing Equipment Technology Co., Ltd.	283	6%	0	0	283	6%
Jingcai Industrial Co., Ltd	336	12%	0	0	336	12%
Global Simmtech Co., Ltd.	148	1%	0	0	148	1%
Qiangfang Technology Co., Ltd	435	15%	0	0	435	15%
Ming Junyuan Fine Technology Co., Ltd	2,121	6%	0	0	2,121	6%
Yaoru Technology Co., Ltd	1,360	17%	0	0	1,360	17%

2.1.2 Functional Committee

In order to effectively play the functions of the Board of Directors, improve its supervisory functions and strengthen the management mechanism, under the organizational structure of the Board of Directors, the Remuneration and Remuneration Committee, the Audit Committee and the Risk Management Committee are established in accordance with their powers and functions.

❖ Audit Committee

It consists of 3 independent directors, 1 of whom have accounting and financial expertise. The committee assists in supervising the proper presentation of the company's financial statements, the appointment (dismissal) of certified public accountants, the independence and performance evaluation, the effective implementation of the company's internal controls, the company's compliance with relevant laws and rules, and the control of existing or potential risks of the company. A total of 6 meetings will be held in 2024, with an overall

attendance rate of 100% of the members.

job title	name	Actual attendance	Number of delegated attendances	Actual attendance
Independent Director	Ming-Tsung Shih	6	0	100%
Independent Director	Chia-Hsing Chang	6	0	100%
Independent Director	Tu-Ming Tsai	6	0	100%

◆ Salary and Remuneration Committee

Composed of 3 independent directors, it assists the board of directors in implementing and evaluating the company's overall remuneration and welfare policies, as well as the remuneration of directors and managers, from a professional and objective perspective, and regularly makes recommendations to the board of directors for its decision-making reference. In 2024, a total of 3 meetings were held, and the overall attendance rate of members reached 100%.

job title	name	Actual attendance	Number of delegated attendances	Actual attendance
Independent Director	Ming-Tsung Shih	3	0	100%
Independent Director	Chia-Hsing Chang	3	0	100%
Independent Director	Tu-Ming Tsai	3	0	100%

◆ Risk Management Committee

Composed of the CEO of the Company and two independent directors, to establish the Company's corporate governance and implement risk management in corporate operations, the Committee has a risk management team under the Committee to coordinate and direct the promotion and operation of the risk management plan, and the management and employees of various departments under it participate in the promotion and implementation. The risk management team shall submit its work plan and implementation results to the Committee annually. A total of one meeting will be held in 2024, with an overall attendance rate of 100% of the members.

job title	name	Actual attendance	Number of delegated attendances	Actual attendance
Independent Director	Ming-Tsung Shih	1	0	100%
Independent Director	Chia-Hsing Chang	1	0	100%
Independent Director	Tu-Ming Tsai	1	0	100%

2.1.3 Tax

2.1.3.1 Tax Policy (GRI 207-1)

Our tax approach ensures that all regions of the Group's operations comply with local tax laws and regulations, maintain a high degree of transparency in the tax filing process, comply with the latest legal requirements and best practices, and ensure that all tax decisions are based on business substance and long-term value creation. The Company entrusts Deloitte Zhongjing United Accounting Firm to audit and declare profit-seeking enterprise income tax.

2.1.3.2 Tax Governance, Control, and Risk Management (GRI 207-2)

Our tax governance structure includes the supervision of the board of directors and the execution of a professional tax team to ensure that all tax activities comply with the company's policies and regulatory requirements. We conduct regular tax risk assessments to identify and manage potential tax risks and implement appropriate risk mitigation measures.

2.1.3.3 Stakeholder Communication and Management of Tax-Related Issues (GRI 207-3)

If interested parties have concerns about taxation or finance, or need to communicate, they can contact us in the contact information (<https://www.niching.com.tw/esg-detail/stakeholder/>) on the Company's official website.

2.1.4 Country reports (GRI 207-4)

Except for financial information, this report does not contain information on overseas subsidiaries other than Niching.

2.1.5 Economic performance (GRI 201-1)

2.1.5.1 The direct economic value generated and distributed by the organization.

1. Operating income (including products)

The total operating income of the consolidated financial report in 2024 is as follows:

Unit: thousand yuan

project	2024
Total turnover	1,153,486
After-tax surplus	107,452
earnings per share	2.39

2. The main contents of the business are as follows:

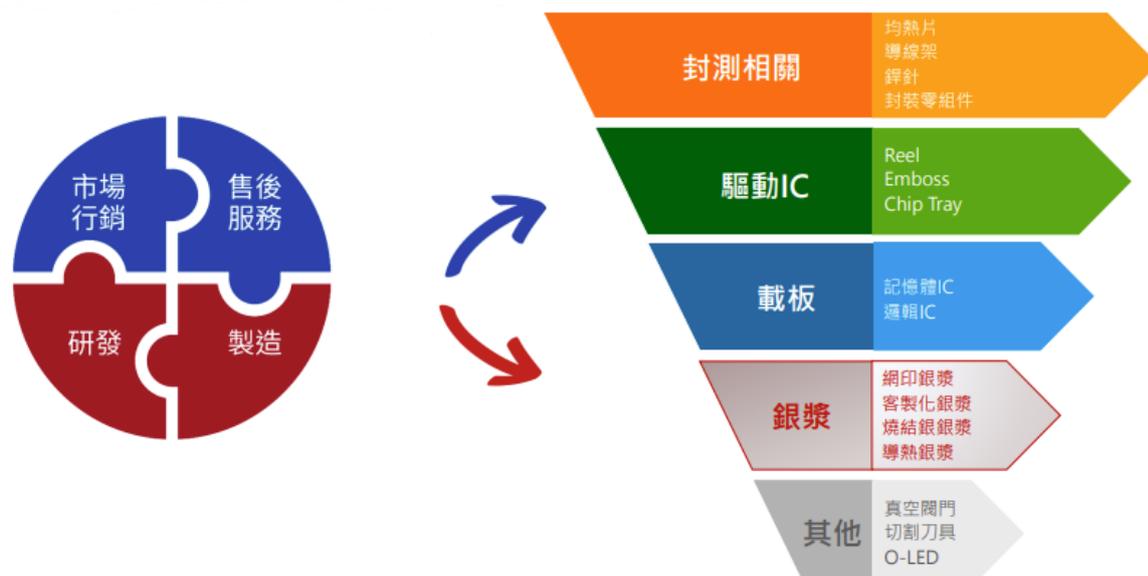
- (1) Sales of materials and equipment related to the semiconductor industry.
- (2) Sales of LCD and LED-related materials and equipment in the optoelectronic industry.
- (3) Sales of materials related to emerging high-tech fields and green energy industries.
- (4) Manufacture and sale of nanotechnology-related materials.

2. Operating income is divided according to industry category, and the statistics are as follows:

Unit: thousand yuan

Main commodities	2024
Semiconductor products	698,171
Optoelectronic products	432,811
Other products	22,504
Total	1,153,486

4. The application fields of the main commodities are distinguished as follows:



2.1.5.2 Financial impacts and other risks and opportunities arising from climate change (GRI 201-2)

There will be no financial losses due to extreme climate change in 2024, please refer to Section 3.2 for specific climate change risk analysis and actions.

2.1.5.3 Define benefit plan obligations with other retirement plans (GRI 201-3)

In accordance with the provisions of the Labor Standards Act, the Employee Retirement Reserve Supervisory Committee was formed, and the Retirement Reserve Supervisory Committee was formed to allocate retirement reserves at 2% of the total salary every month, and at the same time deposited into the special account of the Labor Retirement Reserve of Nicheing Bank in the name of the committee, and appointed an actuary to issue an actuarial report on employee pensions, 2024. The present value of the defined benefit obligations allocated for the year is NT\$41,063 thousand, and the fair value of the plan assets is NT\$18,344 thousand, which has met the requirements of government laws and regulations, and the Company expects to pay the amount of allocation to the defined benefit plan within one year after the reporting date of the 2024 fiscal year to be 465 thousand yuan. In addition, since July 2005, in accordance with government laws and regulations, the employer has adopted the personal pension account system, and the employer allocates

6% of the monthly salary of the labor to the employee's personal account of the Labor Insurance Bureau, and the employee can also choose to contribute 0%~6% of the pension to the personal pension account according to his or her own wishes. In 2024, the amount of pension expenses recognized for the determined contribution plan is NT\$3,835 thousand.

2.1.5.4 Taken from Government Financial Grants (GRI 201-4)

In 2024, he applied to the labor department for the subsidy plan to promote work-life balance and obtained an approved subsidy amount of NT\$20,000 in May 2024. Implement the promotion of the Family Day activities according to the plan and receive the subsidy in September 2024 with a revenue of NT\$10,000.

2.1.5.5 Infrastructure Investment and Development and Impact of Support Services (GRI 203-1)

According to Chapter 3.2 of Climate Change Risk and Action Analysis, there will be no impact and action on infrastructure investment and support services caused by climate change in 2024.

2.1.5.6 Significant indirect economic shocks (GRI 203-2)

According to Section 3.2 of Climate Change Risk and Action Analysis, there will be no financial/economic impact caused by climate change in 2024.

2.2 Product Quality and Safety (SASB Indicator: Product Lifecycle Management).

2.2.1 Product research and development status

客製化銀漿		燒結銀膠		高導熱銀膠
IOT	車用電子	IGBT / GaN / SiC	高功率LED	MOSFET
				
<ol style="list-style-type: none"> 1.快速固化 2.高導電性 3.低功率損耗 	<ol style="list-style-type: none"> 1.高附著強度 2.高信賴性 	<ol style="list-style-type: none"> 1.適用大尺寸 (>8X8 MM)晶片 2.超高散熱性 (>200W/MK) 	<ol style="list-style-type: none"> 1.超高散熱性 (150~200 W/MK) 2.高信賴性 3.175°C燒結銀 	<ol style="list-style-type: none"> 1.高導熱性 2.高韌性 3.高信賴性

R&D projects	Technical features and product applications	Future results
Customization Silver paste	Based on many years of experience in the development of silver paste, we have developed an isotropic conductive adhesive with fast curing characteristics and can be applied to electronic component construction. In the future, we will continue to find new application markets, expand the product line and application fields of anisotropic conductive adhesives, and convert them into future marketing momentum.	In 113, it entered the supply chain of major American manufacturers and is undergoing final product verification. It is expected to continue to expand its product line and supply.
Nano sintering Silver glue	Establish its own nano-silver and formulation technology and develop low-temperature sintered silver suitable for large-size chip packaging, which is a rare feature product in the market. It can be applied to high-end packaging products such as high-power components, high-speed computing components, and power amplifiers.	In 2013, it has passed a number of customer certifications and is undergoing small-scale trial production and is actively expanding to more domestic and foreign customer application products to expand the market and product line.
High thermal conductivity Silver paste	High heat dissipation dies bonding materials used in LED/semiconductor packaging. With high heat dissipation (>30W/make) and high adhesion strength, it provides packaged components to meet the needs of high life and high reliability and is used in automotive power components and LED lights.	It has been verified by Niching LED and power component manufacturers. Actively promote the introduction of client mass production to strive for more profits.

2.2.2 Product production and sales

In addition to producing self-developed silver paste-related products, Niching also acts as an agent for the sales of materials and equipment related to semiconductors, optoelectronics and other industries.

Production value

Unit: Thousand/thousand units

Production value		2024		
Main products:	unit	Capacity	yield	Output
Self-developed products	KG	3,180	438	9,216

Sales value unit: Thousand/thousand units.

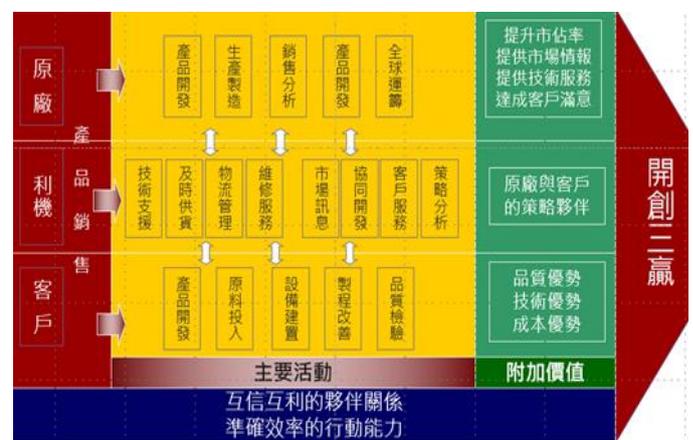
	quantity	value
Semiconductor products	349,302	587,505
Optoelectronic products	48,438	401,830
Other products	628	20,229
Labor income		143,922
total	398,368	1,153,486

2.3 Customer Relations management

2.3.1 Enterprise value and development elasticity

Niching is located in the semiconductor, optoelectronic and green energy supply chain, with a complete marketing organization and five major advantages, professional analysis of future market trends and scale, in response to different business cycles, give full play to the value of the trading platform, create a full range of service quality, and create a win-win value for the company, suppliers and customers.

And in an era where new trends may subvert existing industries at any time, channel agents can change product lines at any time according to industrial needs, gain real-time insight into industry trends, and grasp new business opportunities. In addition to channel agency capabilities, we are also committed to cultivating innovation capabilities, starting from nanotechnology, investing in the development of next-generation materials and cultivating manufacturing capabilities, striving for blue ocean business opportunities, and implementing dual-core competitiveness.



2.3.2 Provide safe, high-quality materials, products and services (GRI 416-1、GRI 416-2、GRI 417-1、GRI 417-2、GRI 417-3)

We are committed to ensuring that our products do not have negative health and safety impacts on our customers and end users throughout their lifecycle. We systematically assess the potential hazards of products during the design, production, delivery and use stages, and strictly comply with regulatory requirements.

The products in 2024 all met health and safety standards, and there were no related violations or major customer complaints. And ensure that all product marketing information

and labeling are accurate, authentic and compliant, and there is no false or misleading publicity. All product documentation (e.g. SDS, TDS) and packaging labeling comply with global and local regulations and are regularly reviewed and updated.

In 2024, the company did not have any penalties or major complaints due to non-compliance with marketing or labeling.

2.3.3 Complaints of proven violation of customer privacy or loss of customer data (GRI 418-1)

Niching attaches great importance to customer privacy, formulates personal information management measures, and formulates strict personal information management policies to ensure the security and confidentiality of customer information. The Company has established a comprehensive information security management mechanism, including data encryption, access rights control and internal audit system, to ensure that all personal data is used only for lawful, specific and necessary purposes.

To strengthen personal information protection, the company conducts information security and personal information protection training for employees from time to time to ensure that relevant personnel understand the personal information management norms and risk prevention measures, and continuously optimize the information security mechanism to reduce personal information risks and safeguard customer rights and trust.

In 2024, the company did not have any major customer privacy or personal information leakage incidents.

2.4 Supply chain sustainability management.

2.4.1 Environmental criteria are used to screen new suppliers (GRI 308-1、GRI 308-2)

The company establishes and implements supplier management measures in accordance with the ISO 9001 quality management system to strengthen the quality stability and sustainability of the supply chain. For raw material suppliers, the company implements a supplier evaluation operation once a year, and the evaluation period is one year, and none of the 8 suppliers in this evaluation have any negative (major environmental impact) records or situations. We will ensure that our suppliers continue to meet our quality and sustainability requirements.

The supplier evaluation criteria cover the following three aspects:

I. Quality performance: including quality stability and pass rate of raw material delivery.

Microoperations: refers to the degree of supplier cooperation, communication efficiency and enthusiasm in problem handling.

Ayegreen Product Management Capabilities: Possess environmental protection product development and compliance management capabilities to support the company's green manufacturing goals.

2.4.2 Procurement expenditure ratio from local suppliers (GRI 204-1)

Three of the four major suppliers are from local suppliers, with a procurement value ratio of 24% in 2024.

2.4.3 Results of supplier management (evaluation %, audit items, audit results) (GRI 414-1)

According to the ISO 9001 quality management system, the evaluation results are divided into two categories: qualified and unqualified. For suppliers whose evaluation results are unqualified, the company will provide necessary guidance and improvement suggestions according to their situation, and if they still cannot meet the required standards after counseling, the partnership will be terminated to maintain the overall stability and sustainable development of the supply chain. In 2024, 8 raw material suppliers will be evaluated, all of which meet the qualified supplier standards. We also invited suppliers to sign the "CSR Supplier Communication and Questionnaire", and in 2024, 4 respondents were willing to cooperate with the company in complying with the RBA 8.0 international standard for corporate social responsibility, and the rest 4 companies have not yet replied, and after assessing that the risk of violating corporate social responsibility is not high, we will continue to work with our supplier partners on the road of sustainable development. Through the above institutionalized management process, the company is committed to building a responsible supply chain system that complies with the principles of sustainable development and works with its supply partners to move towards a green future.

2.5 Information security

❖ Cyber security risk management framework

The Company has established a Cyber Security Group to implement cyber security management, with senior executives (Manager level or above), information team engineers, audit team auditors, responsible for supervision, operation and maintenance and audit, Matters to be implemented by the Cyber Security Group:

Establish and supervise information and communication security standards.

Implementation and coordination of information and communication security operations.

Information security emergency handling and supervision.

Review and improvement of information and communication security incidents.

Implementation and audit of relevant information security matters.

Hold regular information security meetings.

If the audit team of the Company finds deficiencies, it immediately requires the audited unit to propose relevant improvement plans and report them to the board of directors and regularly track the results of the improvements to reduce internal information security risks.

Information security work adopts the PDCA (Plan-Do-Check-Act) cycle management to ensure that reliability goals are achieved and continuous improvement.

❖ Information and communication security policy

In order to ensure the safe and stable operation of the Company's information and communication operations, provide reliable information and communication services, and smoothly promote the Company's various businesses, in line with the information and communication security management operations, the Company's information and communication security policy will implement the following policy principles.

Take into account information security and ease of use.

Avoid internal and external information security risks.

Ensure that services are stable and available.

Achieve sustainable enterprise operation.

There will be no information security and personal information leakage incidents in 2024.

2.6 Integrity management

2.6.1 Operating sites where corruption risk assessments have been conducted (GRI 205-1)

Corruption risk assessments have been conducted at all operating bases within the jurisdiction of Niching, and high-risk (should be conducted) anti-corruption control and education and training positions include board members, full-time personnel such as business/procurement/management and department heads.

2.6.2 Communication and training on anti-corruption policies and procedures (GRI 205-2)

Niching has established the "Code of Ethical Management", "Ethical Management Operating Procedures and Conduct Guidelines" and "Corporate Governance Practice Code", which clearly regulate the ethical management policy, and set out the "Work Rules" and "Employment Contract" related to integrity, as well as the "Internal and External Personnel Reporting Regulations for Illegal (Including Corruption) and Unethical Behavior", and there are clear and detailed regulations on operating procedures, conduct guidelines, education and training, punishment and complaint systems for violations, etc.

The company has an evaluation mechanism for suppliers and customers in accordance with internal control, and the rights and obligations of both parties are detailed in the contract conclusion process, and there are confidentiality clauses and non-bribery clauses and other integrity clauses. An independent audit unit is set up to regularly audit the operation of each department, and the project audit mechanism is activated when necessary. If illegal behavior is discovered, the audit unit will collect evidence in real time, report to senior management, and follow up to ensure that the company's operations comply with integrity and regulatory requirements. There were no corrupt incidents in 2023 and 2024.

In order to ensure that relevant personnel are truly aware of, comply, and implement the implementation of the company's ethical management documents, the company regularly provides directors with the competent authority's promotion documents on ethical management, and organizes internal and external education and training including ethical management content according to the situation. 62 people will complete training in 2023, and 68 people will complete training in 2024. The completion rate of employees is 100%.

2.6.3 Confirmed Corruption Incidents and Actions Taken (GRI 205-3)

There will be no corruption incidents in 2024, and no action will be taken.

2.6.4 Legal Proceedings for Anti-Competitive Conduct, Antitrust and Monopolistic Conduct (GRI 206-1)

No legal proceedings or actions taken for anti-competitive.

2.6.5 Violation of laws and regulations in the social and economic field (GRI 419-1)

In 2024, the Company did not have any violations of laws and regulations in the social and economic fields.

3 Sustainable environment

3.1 Greenhouse gas

3.1.1 Greenhouse gas management strategies, methods, and targets (GRI 305-1、GRI 305-2)

In response to the global trend of carbon reduction and achieving the goal of corporate sustainable development, the company has been actively conducting independent inventory of Scope 1 and Scope 2 greenhouse gas emissions since 2024 to ensure a comprehensive understanding of the sources of emissions and gradually formulate effective emission reduction actions. Emissions from official vehicle fuel consumption have been controlled by PetroChina Card since 2025, and strict vehicle usage records have been established to track the fuel consumption of official vehicles and calculate their carbon emissions. Including self-consumption electricity in production facilities and electricity consumption in public areas, included in Scope 2 emission statistics to ensure the integrity of the inventory scope.

Ton.CO2e	2024
Category 1	109.163
Category 2	304.729
Total	413.893

Specific actions for inventory and management

❖ Data transparency

All emissions data will be included in the annual ESG report, and the specific emissions of Scope 1 and Scope 2 and their trends will be publicly disclosed.

❖ Monitoring and improvement

Assign a professional team to monitor emission data, make suggestions for improvement of emission sources, and implement relevant emission reduction measures.

3.1.2 Other indirect (scope 3) greenhouse gases (GRI 305-3)

In 2024, only Scope 1 and 2 will be inventory, and the Company will follow the "Operational Measures for the Preparation and Filing of Perpetual Reports for Tex Listed Companies" issued by the Securities Trading Center of the Republic of China.

3.1.3 Greenhouse gas emission intensity (GRI 305-4)

In the business model, Niching mainly takes channel agency as its core business, supplemented by the production of silver paste by nano factories as the product production link. In the face of increasingly stringent environmental protection requirements around the world, the company adheres to the responsibility of reducing environmental impact and is committed to reducing the unit gas emissions of products to a very low level to achieve sustainable development goals.

❖ Low-carbon characteristics of channel agents

As the company's core business, greenhouse gas emissions mainly come from office operations and logistics. Due to the low production activities and relatively low direct

emissions, this provides a good foundation for the company in environmental management.

❖ **Environmental protection advantages of nano factory production of silver paste**

The company's nano factory adopts high-efficiency equipment and environmentally friendly process technology, which significantly reduces energy consumption and greenhouse gas emissions in the production process.

CO ₂ e	2024
Public apportionment	0.3504
Special allocation	0.0051
Total	0.3555

3.1.4 Emissions of ozone-depleting substances (GRI 305-5)

We are continuously committed to integrating environmental protection into product production and business operations, especially for the process and raw material use of nano factories and have adopted a number of environmental protection measures to ensure that the unit gas emissions of products are minimized.

❖ All raw materials currently used in the nano factory are non-fluorinated substances, which completely avoids the problem of fluoride escaping in the process

These chemicals often have a significant impact on global warming potential (GWP).

❖ This policy not only reduces greenhouse gas emissions, but also complies with international environmental standards, demonstrating the company's high selection of raw materials degree of responsibility.

In 2024, only fluorine-containing refrigerants were used at the air conditioning and air conditioning ends, and their greenhouse gas emissions are shown in the table below.

Ton.CO ₂ e	2024
Fluorinated greenhouse gases	83.467

3.1.5 Volatile organic compounds (GRI 305-6)

To achieve its commitment to environmental responsibility and sustainable development, the company regards reducing greenhouse gas emissions as the primary goal of its operations and production management, especially for the procurement and collection of volatile organic compounds (VOCs), and strictly controls the procurement and use of volatile organic compounds (VOCs) to comprehensively reduce unit gas emissions of products.

❖ The company adopts a strict screening mechanism in the procurement of volatile organic compounds, giving priority to raw materials with low or no VOCs to reduce potential greenhouse gas emission sources.

❖ Establish a VOCs collection review mechanism to ensure that all usage links comply with internal norms and best practices.

❖ Strengthen employee training to enhance environmental awareness in the use of VOCs and reduce unnecessary volatile losses.

The procurement volume of volatile organic compounds in 2024 is shown in the table below:

Volatile organic compound name	2024(KG)
ANON	135
MEK	105
Ethanol 75%	30
95% ethanol	120
acetone	15

3.1.6 Nitrogen oxides (NOx), sulfur oxides (Sox), and other significant gas emissions (GRI 305-7)

The company adheres to the business philosophy of environmental sustainability and continuously optimizes emission management in the operation and production process. According to the latest test results

The company has shown excellent environmental performance in official vehicles and factory operations, further consolidating the cornerstone of low-carbon operations.

✚ Emission management of official vehicles

❖ Vehicle management in compliance with regulations

According to the results of recent vehicle inspections, all of the company's official vehicles fully comply with emission regulations and standards.

Regular maintenance and emissions testing of vehicles ensure a low carbon footprint during operation, avoiding unnecessary emissions issues.

❖ Future vehicle upgrade plan

The company is evaluating the feasibility of gradually introducing new energy vehicles, such as electric vehicles or hybrids, to further reduce greenhouse gas emissions during vehicle use.

✚ Factory exhaust emissions management

❖ The company's factory does not produce any exhaust gas emissions during operation, showing the efficient combination of environmental protection technology and production management.

3.2 TCFD Climate Change Action (GRI 201-2)

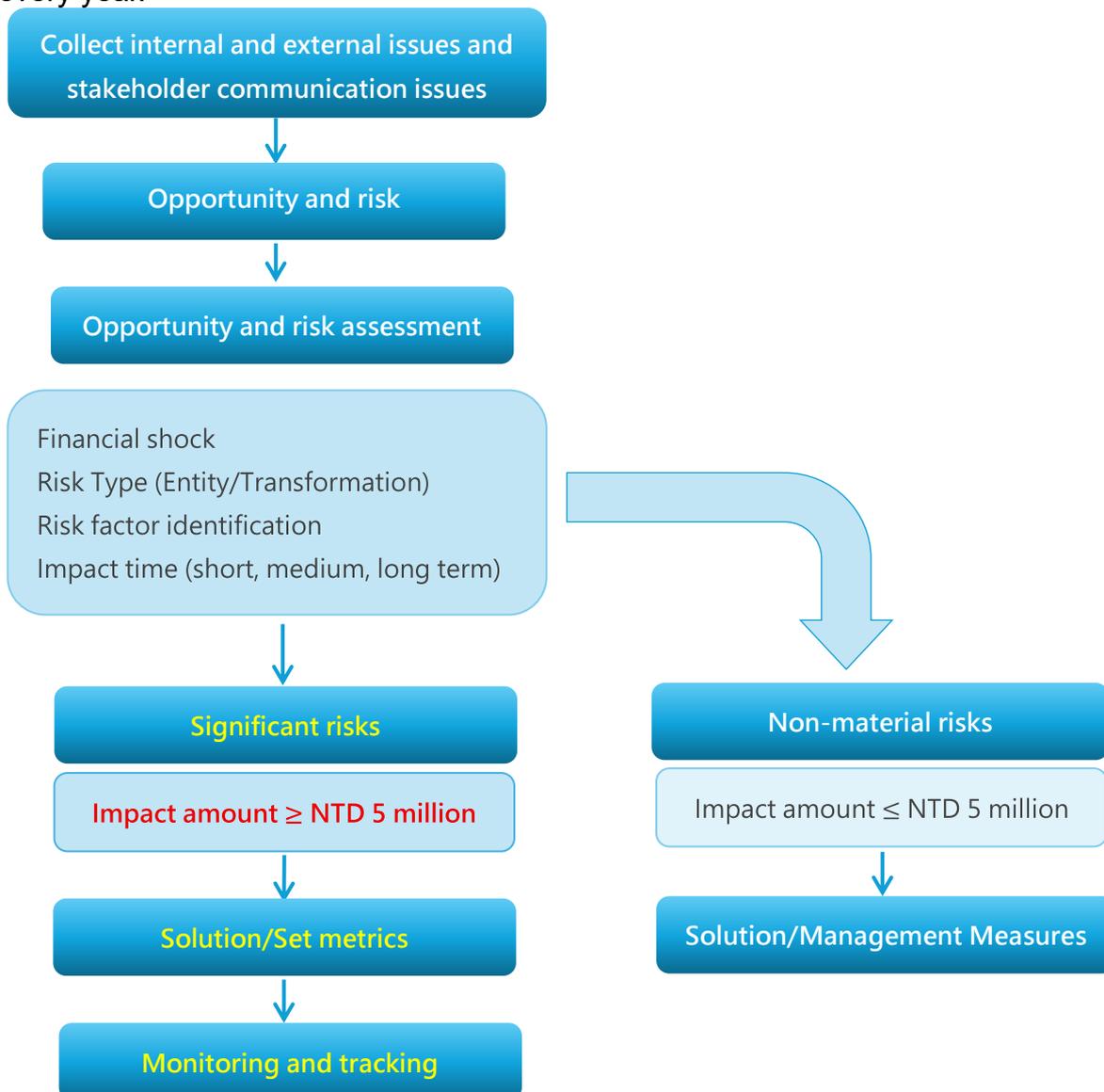
3.2.1 Identification of climate change risks and opportunities

Leverage companies identify risks and opportunities on climate issues and establish effective management mechanisms. Every year, through environmental considerations and risk opportunity management procedures, the technical department and the management department mainly participate to collect relevant topic information as the basis for risk assessment, and each department examines and evaluates the relevance and risk degree of the company's operational risks from their own professional perspectives.

3.2.2 Climate change risk assessment

The assessment method refers to the recommendations of the TCFD report (Recommendations of the Task Force on Climate-related Financial Disclosures, June 2017), and considers transition risks (policy and legal/market/technology/reputation) and physical risks (general and urgent); When the amount of financial shock exceeds NTD5 million yuan (95% probability occurs in a single year), it is classified as a company-level risk (with substantial financial impact).

We analyze all possible management plans and set indicators, which can be divided into eliminating risks, reducing risks, and diversifying risks. The management strategy (plan) established through risk identification shall be included in the supervision and management every year.

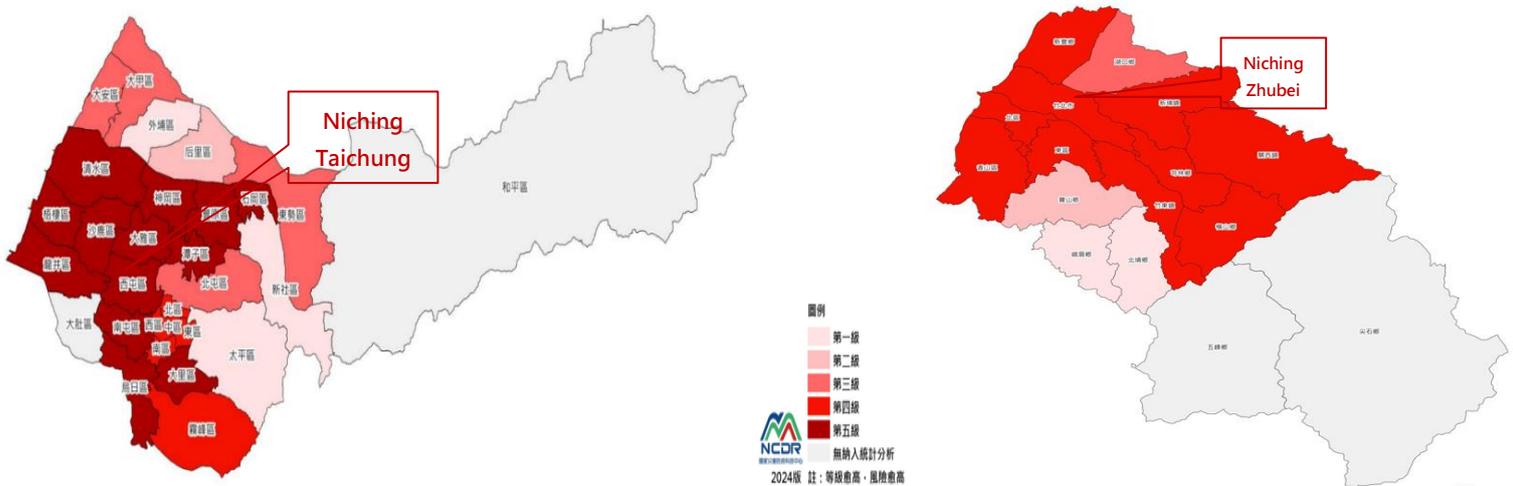


3.2.3 Climate change scenario simulation

Referring to the guidance of the "Strategy" section of the TCFD Proposal, we analyze the impact of operational transformation and physical impact that we may suffer in the face of climate stress while considering different climate-related scenarios.

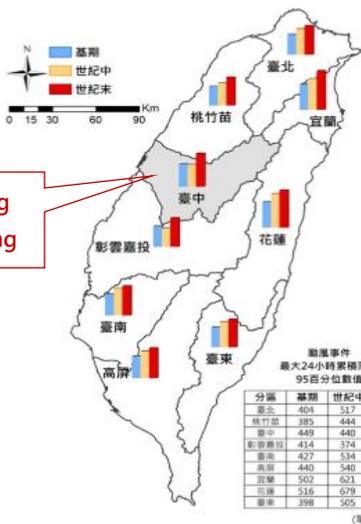
❖ RCP entity risk scenario :

Under RCP scenario simulation, we use the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) to simulate the RCP online8.5 RCP (Representative Concentration Path), the most severe case encountered. For temperature and precipitation changes, in RCP8.5, the temperature increased by up to 2°C, and the maximum precipitation change was 0.51mm/day. ATin the case of temperature changes, in the worst case of RCP8.5, the temperature rises by up to 1.67°C, which will result in an increase in power consumption of less than 1% and an increase in total energy costs of no more1%, which is an acceptable financial impact.



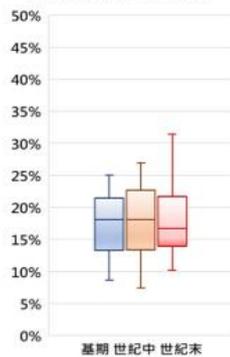
淹水臺中RCP8.5情境淹水發生機率

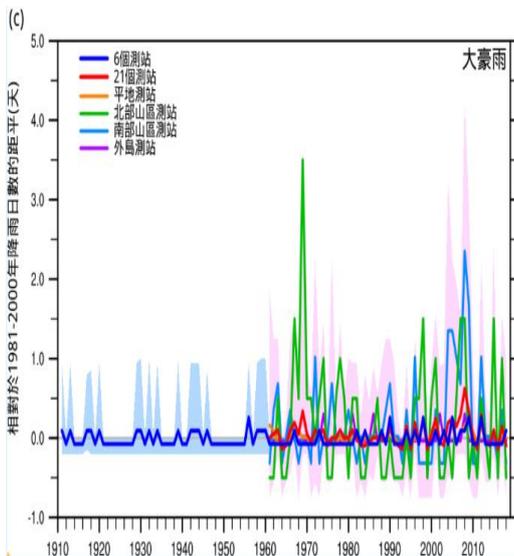
最大24小時累積雨量95百分位數值(區域平均), 臺中地區基期為449mm、世紀中為440mm、世紀末為666mm, 颱風事件極端平均雨量呈現增加趨勢。衝擊分析成果展示0.5m以上淹水發生機率變化趨勢, 基期至世紀中變化幅度呈現持平, 至世紀末方有些微增加之趨勢。



模式基期: 1979-2008
 未來推估: 2039-2065(世紀中)
 2075-2099(世紀末)
 模式數量: 1(動力降尺度)
 資料版本: V3.3

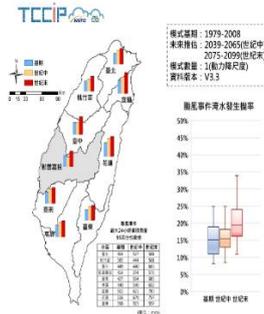
颱風事件淹水發生機率





【淹水】淹水發生機率
RCP8.5, 影響範圍

最大24小時累積雨量95%百分位數(區域平均)：影響區域最高為414mm，最低為374mm，區域平均為376mm。影響區域中極低平均雨量至低位中位數減少，並以此作為考量區域標準。衝擊分析結果顯示0.5m以內淹水發生機率增加趨勢，甚至至世紀中變遷區域中，並以此作為有明顯增加之趨勢。



本圖係由TCCIP資料可取得，相關圖說與數據請向該機構查詢參考使用。本圖係根據IPCC第五次評估報告之氣候變遷，並非由本公司之資料，如有錯誤與遺漏，請向TCCIP查詢。

3.2.4 Climate change financial impact assessment

After discussion and evaluation by the Sustainability Development Promotion Team (Convenor: General Manager), the financial impact of the Company's climate change and other risks and opportunities, as well as countermeasures, are as follows:

Risk category	Type	Risk items	Potential financial implications
Transformation Risks	statute policy	Greenhouse gas inventory regulations for listed companies	Risk: In response to the greenhouse gas inventory policy of listed companies, greenhouse gas inventory will be conducted in the factory area. Based on the inventory results, priority will be given to replacing old equipment to reduce potential greenhouse gas emissions.
	statute policy	Labor...Environmental regulations continue to be strict	Risk: Increased operating costs.
	technology risk	New product development of key material suppliers	Opportunity: Waste silver paste is a high-value substance that can be recycled.
	market risk	Energy costs are rising, resources are scarce	Risk: Increased operating costs
	supply risk	Severe weather (heavy rain) supply/transportation disruption	Risk: Supplier locations may be disrupted in the event of severe weather (heavy rain).
	Goodwill risk	There is negative news about gas changes in the company	Risk: Negative reports or failure to invest in environmental protection may affect the perception of investors and customers.

Entity Risk	instantly risk	Extreme weather disasters such as typhoons, heavy rainfall floods, and water scarcity can disrupt supply chains, affecting production operations or equipment damage	Risks: Natural disasters can disrupt commuting, damage equipment, and increase operating costs, impacting company operations.
	long-term risk	The power supply is unstable, and the atmospheric temperature is rising	Risk: Rising average temperatures lead to increased electricity consumption and carbon emissions. Unstable power supply can lead to operational suspension or equipment damage, increasing operating costs.

3.2.5 Climate change response strategy actions

Risk category	Type	Risk items	Respond to strategic actions
Transformation Risks	statute policy	Greenhouse gas inventory regulations for listed companies	Conduct greenhouse gas inventory and verification 1. Identify high-energy-consuming equipment and manage it accordingly. scheme2. Continue to promote process improvement, energy conservation and emission reduction policies. and action plan formulation
	statute policy	Labor...Environmental regulations continue to be strict	Comply with government regulations and norms
	technology risk	New product development of key material suppliers	Continue to work closely with key material suppliers to understand the development timeline of low-carbon materials
	market risk	Energy costs are rising, resources are scarce	Promote carbon reduction plans (complete replacement of LED lamps in Hsinchu offices and factories by 2025).
	supply risk	Severe weather (heavy rain) supply/transportation disruption	Preliminary inspection of suppliers and customers did not report the heavy rain disaster, and there was no response strategy for the time being

	Goodwill risk	There is negative news about gas changes in the company	The probability of occurrence is very small, and there is no response strategy for the time being
Entity Risk	instantly risk	Extreme weather disasters such as typhoons, heavy rainfall floods, and water scarcity can disrupt supply chains, affecting production operations or equipment damage	There is no risk of flooding in the area where the company is located (Taichung, Hsinchu, Kaohsiung), and there is no response strategy for the time being
	long-term risk	The power supply is unstable, and the atmospheric temperature is rising	The energy consumption of the company's products is very low, and the impact on the rise of atmospheric temperature is weak, so there is no response strategy for the time being

3.2.6 Climate change risk management plans, targets and indicators

Risk category	Type	Risk items	Management plans, goals and indicators	Budget
Transformation Risks	statute policy	Greenhouse gas inventory regulations for listed companies	Greenhouse gas inventory will begin in 2024, and third-party verification will be conducted in 2026	About NT\$350,000
	statute policy	Labor...Environmental regulations continue to be strict	The number of major defects in external audit is 0	
	technology risk	New product development of key material suppliers	Not at the moment	
	market risk	Energy costs are rising, resources are scarce	The number of replacement light groups is estimated to be 184 The annual estimated electricity saving is 3769.36 kWh, and the carbon reduction is estimated to be 1.787 tons. CO2e	About NT\$400,000

	supply risk	Severe weather (heavy rain) supply/transportation disruption	High-risk (potentially flooded) vendors/agents /customers set up safety stock or contingency plans	
	Goodwill risk	There is negative news about gas changes in the company	Acceptable risk for the time being.	
Entity Risk	instantly risk	Extreme weather disasters such as typhoons, heavy rainfall floods, and water scarcity can disrupt supply chains, affecting production operations or equipment damage	Acceptable risk for the time being.	
	long-term risk	The power supply is unstable, and the atmospheric temperature is rising	Electricity intensity %.	

3.2.7 Climate change risk improvement

❖ Climate risk assessment and response measures:

After conducting a voluntary greenhouse gas inventory, third-party verification of the greenhouse gas inventory is expected to be conducted in 2026 to ensure the transparency and credibility of the data.

❖ Overall strategic focus:

- ✧ Focus on the identification and optimization of high-energy consumption heads and cooperate with carbon emission management to improve energy efficiency.
- ✧ Establish specific implementation results based on external verification, capital investment, and actual carbon reduction actions.
- ✧ Assess other potential climate risks on a rolling basis and adjust response strategies as appropriate.

❖ Continue to promote process improvement, and formulate energy conservation and emission reduction policies and action plans

- ✧ Evaluate energy-saving opportunities and analyze technical feasibility of the process.
- ✧ Energy conservation and emission reduction policies and implementation plans continue to be reviewed, improved and adjusted on a rolling basis, and strive to move towards energy conservation and carbon reduction.

❖ Carbon reduction plan clearly promotes:

- ✧ Focus on high-carbon source projects (process, lighting, equipment)
- ✧ Clarify annual goals to promote carbon reduction actions (such as replacing T5 with LED).
- ✧ Combined with external inspection, internal KPI management, and policy guidance, we ensure the implementation of the overall ESG effectiveness.

3.3 Energy (resource) management

3.3.1 Energy Use and Obtaining Energy Management Certification (GRI 302-1)

Through accurate energy management and data analysis, all employees of the company continue to improve energy efficiency and reduce environmental impact. Based on the company's annual energy usage, calculating electricity consumption and annual fuel consumption of official vehicles through the unit calorific value table of energy products, and obtaining relevant energy consumption and carbon emission data to support continuous improvement plans.

Sources and calculation methods of energy use data

- ✧ Electricity consumption data
 - ✓ The company regularly records annual electricity consumption, covering the consumption of production, office and public facilities.
 - ✓ Convert electricity consumption into corresponding calorific value and carbon emissions based on the unit calorific value table of energy products, providing a comprehensive overview of energy use.
- ✧ Annual fuel consumption of official vehicles
 - ✓ Fuel consumption data for official vehicles is aggregated annually and broken down by fuel type, such as gasoline or diesel.
 - ✓ The calorific value of fuel and its corresponding greenhouse gas emissions are calculated using the calorific value table of energy products as an important basis for evaluating vehicle energy efficiency. The calculation result of calorific value is shown in the table below.

One billion joules	2024
Electric calorific value	552.884
Calorific value of gasoline for vehicles	88.522
Total	641.406

3.3.2 Energy consumption outside the organization (GRI 302-2)

In line with the requirements of the Taiwan Stock Exchange, the Company plans to invent greenhouse gas emissions in categories 3, 4, 5 and 6 in accordance with ISO 14064-1 in 2026 and has issued a questionnaire to conduct a preliminary survey of suppliers.

3.3.3 Energy Efficiency Improvement Policy (GRI 302-4)

The company actively responds to the global trend of energy conservation and carbon reduction and continues to promote various energy optimization solutions to reduce carbon emissions and improve energy efficiency. Recently, the company has taken a series of measures for air conditioning temperature management and lamp upgrade plans to lay the foundation for achieving sustainable business goals.

✚ Energy conservation and carbon reduction measures

❖ Air conditioning temperature management

- ✧ In production and office environments, air conditioning temperature settings are strictly controlled to ensure that energy consumption is reduced while meeting employee comfort.
- ✧ Through the precise regulation of the air conditioning system, it has successfully

reduced excess electricity waste and improved overall energy efficiency.

❖ **Lamp upgrade plan**

- ✧ Lighting renovation of Hsinchu factory and office
- ✧ The company plans to fully upgrade the existing T5 energy-saving lamps to more efficient LED lamps, which is expected to cost 400,000 yuan.
- ✧ When completed, the program will reduce CO2e emissions by 1.787 metric tons per year, equivalent to the amount of carbon absorbed by planting about 100 trees, significantly reducing the carbon footprint of operations.

❖ **Benefit evaluation**

- ✧ LED lamps consume less energy, last longer, and have lower maintenance costs than traditional T5 lamps, bringing long-term environmental benefits and economic returns to the company.

✚ **The benefits of energy conservation and carbon reduction in 2025 are expected as follows :**

project	2025
Energy saving degree	3,769
Ton.CO2e	1.787

3.3.4 Use recycled material policies.

The company's products are subject to product characteristics and technology, and the extraction of silver elements from raw materials (silver paste) occurs in the upstream raw material supply stage and cannot be identified, and recycled materials cannot be used in the company's process stage.

3.3.5 Reduce energy requirements for products and services (GRI 302-5)

At present, the most energy-consuming link in the process is the power part of the equipment. Although we are actively managing it, it is difficult to significantly reduce electricity consumption due to the nature of the process itself. However, reducing energy consumption is still the direction we are working towards. In the future, when purchasing new machines, priority will be given to their energy efficiency, and low energy consumption will be regarded as one of the important indicators for evaluation, in order to gradually improve overall energy efficiency and reduce the impact on the environment.

3.3.6 Percentage of purchased electricity and spontaneous self-consumption energy utilization

100% of the Company's electricity consumption is purchased from Taiwan Electric Power Company, and the Company does not have a self-consumption energy (renewable energy) utilization rate of 0.

3.3.7 Energy intensity (GRI 302-3)

The company's self-produced products account for 1.44% of the total operating income of silver paste products, which is converted into 20.0047 kWh of electricity/kg per kilogram of silver paste products silver paste products. $642888 \text{ kWh} * 1.44\% / 462.77 = 20.0047 \text{ kWh}$.

Product energy density	2024
Silver paste (kgCO2e/kg).	20.0047

3.3.8 Water resources management (GRI 303-1 、GRI 303-2 、GRI 303-3)

❖ Water consumption management and continuous optimization

The company adheres to the core value of environmental sustainability and continues to promote water management and optimization measures. Thanks to the efforts of the process and R&D units, the water consumption of the factory has been minimized, and the water consumption of each district office has been included in the overall management, and the accurate tracking and improvement of water consumption data has been achieved through the establishment of a database.

❖ Water management measures

❖ Reduction of process water consumption

- ✓ Through process improvements and technological upgrades, the company has effectively reduced the water demand in the production process.
- ✓ Water recycling technology is used to ensure that water resources are maximized while avoiding unnecessary waste.

❖ Office water consumption management

- ✓ Incorporate water consumption in office areas into daily management and reduce unnecessary water loss by formulating water standards and promoting water-saving behaviors.
- ✓ Regularly inspect pipelines and facilities to eliminate water leakage and other phenomena to ensure the efficient operation of water facilities.

❖ Establishment of a water use database.

- ✓ Establish a comprehensive water consumption database to accurately record and analyze water consumption in each region.
- ✓ The application of the database not only provides real-time water consumption monitoring but also supports the formulation and evaluation of future water use strategies.

The water consumption of each district in 2024 is shown in the table below :

Water usage	2024
Kaohsiung Office	31
Taichung Office	1,797
Hsinchu Nano Factory	707
Hsinchu Office	1,317

3.3.9 Water discharge (GRI 303-4)

All the company's factories and bases in Níching do not have sewage discharge sources listed by the local environmental protection bureau, only domestic sewage discharge has no discharge data, and all factories and bases have septic tanks that comply with regulations.

3.3.10 Water intensity (GRI 303-5)

The turnover ratio of the company's self-made products to distributed products is 1.44% and 98.56%, of which 1.44% of the water consumption of the Hsinchu Nano Plant and the rest of the office. Calculated as the water consumption of self-made products, the water consumption per kilogram of the company's self-made products is 16 CMD (degrees) of water.

Water tightness (degrees/kg homemade product).	2024
Distribution	3,100
Self-made products (including R&D).	752
Water tightness (degrees/kg homemade product).	0.0016

3.3.11 Water management or reduction targets (GRI 303-1)

In process management, Niching has always adhered to the principles of environmental friendliness and efficient use of resources, and actively optimized water demand and management strategies. Due to the very low water consumption of the process itself, there is currently no need to generate recycled water for reuse.

3.3.12 Management of mutual impacts and drainage-related impacts of shared water resources (GRI 303-1、GRI 303-2)

During its operations, Niching has always adhered to the commitment to environmental protection and regarded water resource management as one of its priorities. Due to the efficient design and management of the process, the company does not produce wastewater in production and daily operations, so no production wastewater is discharged into the environment.

- ✧ Actively adopt low-water consumption and zero-discharge process technologies to ensure that water resources are fully absorbed or recycled.
- ✧ By continuously optimizing the production process, the demand for water resources is further reduced, eliminating the possibility of wastewater generation.

3.4 Waste management

The company and all branches have established and implemented waste removal plans in accordance with government environmental regulations.

3.4.1 Waste generation and waste-related significant impact (GRI 306-1)

The company does not use toxic chemicals listed by the government, and the use of general chemicals is controlled in accordance with government regulations and occupational safety and health requirements, and there is no significant impact.

3.4.2 Management of Significant Waste-related Impacts (GRI 306-2)

◆ Hazardous waste management and zero generation commitment

In 2021, the company successfully achieved the goal of zero hazardous waste generation and applied to the Environmental Protection Bureau of the Taichung City Government for deregulation, demonstrating a high commitment to environmental protection and sustainable use of resources.

◆ Current situation analysis

- ✧ Low waste generation
- ✓ Due to the low scale and establishment of the factory, the amount of general waste generated in production and daily operations is very small.
- ✧ Unified treatment of domestic waste

- ✓ All generated domestic waste is uniformly managed and treated by Taiyuan Science and Technology Park, which is known for its strict Waste treatment standards and professionalism to ensure that the waste treatment process meets environmental standards.
- ✓ This cooperation model effectively reduces the management burden of waste treatment within the company and ensures waste treatment compliance and environmental protection, without the need to hire a professional handling company.
- ✓ The current general waste treatment needs of the Hsinchu plant are entirely responsible for the park, and there is no need to hire additional professional environmental protection workers Company processing.

3.4.3 Office waste management policies or reduction targets

❖ Waste recycling management and commitment to improve recycling rate

Niching attaches great importance to waste sorting and recycling management and ensures waste through effective internal measures and external collaboration; the continuous improvement of waste recycling rate has made positive contributions to the sustainable use of resources and environmental protection.

❖ Current situation and measures

✧ Classification and recycling management

- ✓ The recyclable waste generated by the company and the factory is classified in detail according to the following three categories:

Paper: including discarded documents, wrapping paper, etc.

Plastic: such as beverage bottles, plastic packaging, etc.

Metal and glass: including waste metal parts and glass containers.

- ✓ Through clear classification management, the efficiency and quality of resource recovery are improved.

✧ Transparency of recycling records

- ✓ Establish a waste recycling record table and record the amount of each type of waste recycled in detail.

- ✓ The record table is not only convenient for internal monitoring but also provides reliable data support for external audits.

✧ Specialized recycling treatment

- ✓ All recyclable waste is properly disposed of by environmentally qualified professional recycling units to ensure that resources are reused effectively.

3.4.4 Waste generation, transfer and direct disposal (GRI 306-3 、 GRI 306-4 、 GRI 306-5)

The waste generated by the Company can be divided into two categories: "non-hazardous waste" and "hazardous industrial waste" and is divided into recyclable and non-recyclable according to the disposal method. In addition to implementing garbage classification, all types of waste are declared, classified and stored in accordance with local regulations, and

qualified manufacturers are entrusted to assist in cleaning, disposal and recycling, and regular manufacturer review and audit mechanisms are used to ensure that waste is properly disposed of. Due to the very small amount produced, they are currently stacked in the Hsinchu plant, weighing less than 8 kg, and the percentage cannot be calculated. Currently, only non-hazardous waste (domestic waste) is available at each of our sites, and the actual weight of the waste is not included in the following waste output statistics table. Starting in 2025, the company will sort and recycle paper, plastic, metal, and glass, and will count in detail the number of relevant outputs transferred to the community management committees of each site, which will be included in the disclosure information in next year's sustainability report.

3.5 Material management

3.5.1 Major product production by product category (GRI 301-1)

Industry	pcs
Semiconductor	349,302
Optoelectronic industry	48,438
Nano and others	628
Total	398,368

Semiconductor	
Main products	Important use or function
Closed beta related (Capillary 、 Machine Tool 、 Lead Frame 、 Heat Sink)	<p>Capillary (solder pins for packaging) and Machine Tool (components for packaging):</p> <p>Provide customers with Bonding Capillary, Bonding Wedge, Flip chip Bond Tool and Die Bonding Tool related components such as: welding needles, steel nozzles, ejector pins, rubber tips , nozzles, dispensing, paint glue, dipping consumables and solutions, and accept customer commissions to make small ceramics and other materials for customers' special customized products. The main equipment mainly used in the packaging process, such as die bonding machines, chip loaders, picking machines, wire welding machines, and precision components of flipping machines, such equipment and materials are used in semiconductor packaging, LED packaging, and optoelectronic packaging.</p>
	<p>Dual Row QFN Lead frame:</p> <p>It is a bridge for IC chip signal transmission to the outside world, and its purpose is to carry chips, signal transmission and heat dissipation.</p> <p>Heat Sink (IC Package Vapor Chamber):</p> <p>The heat generated during chip operation is quickly conducted through the vapor chamber to ensure that the IC can continue to function normally.</p>

<p>Various memory carrier boards (FMC、eMMC/imp、LGA、POP、BOC)</p>	<p>FMC (Memory Card Base): An external memory card for a mobile device.</p> <p>eMMC/imp (Embedded Multimedia Card Carrier Board Multi-Chip Stacked Carrier Board): An IC substrate used in smartphones and tablets equipped with flash memory.</p> <p>LGA (Planar Gate Array Carrier Board): A multi-chip stacked embedded memory module used on a handheld device.</p> <p>POP (Package Stacked Carrier Board): A memory packaging substrate on smartphones, tablets, and mobile devices, which is used in 2D packaging with application processors or baseband chipsets.</p> <p>BOC (Substrate for Advanced DRAM Packaging): A memory IC substrate used in personal computers or electronic communication products.</p>
<p>Various logic IC carrier boards (FC CSP、FBGA/MCP、LGA、SIP)</p>	<p>FC CSP (flip chip packaging substrate): It is used in products with small packaging size and high electrical requirements, such as mobile devices, networking equipment, smartphones, consumer electronics, digital video broadcasting, etc.</p> <p>FBGA/MCP (Fine Pitch Spherical Lattice Array Multi-Chip Stacked Carrier Board): Substrate used in ICs in wireless communications, mobile devices, or consumer electronics.</p> <p>LGA (Planar Gate Array Carrier Board): Generally used for radio and mobile phone frequency transmission, it is the most important element in the field of wireless communication, such as power amplifier modules, radio transceivers, Bluetooth functions and other products. In addition, the handheld device is equipped with a multi-chip stacked embedded memory module.</p> <p>SIP (System-in-Package Carrier Board): Provides semi-system-level packaging technologies such as heterogeneous chip packaging integration, power management modules, microelectromechanical devices, biosensing, and Wi-Fi/Bluetooth modules to meet the needs of thin, light, and short products.</p>
<p>Optoelectronic</p>	
<p>Driver IC related (IC/Chip Tray、Emboss、Shipping Reel)</p>	<p>IC/Chip Tray: COG die delivery tray.</p> <p>Emboss (spacer belt for packaging COF tape): A spacer protection belt for transporting and winding COF tape.</p> <p>Shipping Reel: COF tape is a winding reel for shipping.</p>
<p>OLED light-emitting material</p>	<p>The key material of OLED panels is widely used in mobile phones, tablets, NB PCs, automobiles, and TVs.</p>
<p>Nano and others</p>	
<p>Nano silver related products (Nano Ag</p>	<p>Screen Printing Paste, Printing Paste for Laser Etching: Conductive circuits for touch panels.</p> <p>Sintering Ag Paste (Sintered Silver Paste):</p>

related products)	<p>MOSFETs (Metal-Oxide-Semiconductor Field-Effect Transistors).</p> <p>PMIC (Power Management Integrated Circuit).</p> <p>Power modules</p> <p>It is a key component in circuit control and electronic equipment. These include white goods, handheld devices, electric vehicles, 5G infrastructure, and industrial controls.</p> <p>TIM (Thermal Interface Materials): Thermally conductive (interface) materials used between chips and vapor chambers, mainly used in CPU/GPU devices, wireless transmitters and automotive electronics, etc.</p>
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3.5.2 Use recycled materials (GRI 301-2)

The silver powder used by our company is a recyclable material, but due to the characteristics of the product, it is not possible to obtain the proportion of recycled silver elements used in the silver powder purchased. Channel products are classified as non-recyclable products.

3.5.3 Recycled products and their packaging materials (GRI 301-3)

In 2024, the Company purchased a total of 444 kilograms of silver powder, and a total of 41 kilograms of waste silver paste generated during the production process have been handed over to qualified units for recycling and further reuse in subsequent processes. Through resource recycling and reuse, we improve material usage efficiency and reduce resource waste, demonstrating our commitment to circular economy and environmental sustainability.

3.5.4 Violation of environmental regulations (GRI 307-1)

In 2024, Niching did not violate environmental protection regulations.2

4 Sustainable society

4.1 Human development

4.1.1 Average employee benefits expenditure (GRI 401-2)

In order to protect the rights and interests of employees and enhance the company's centripetal force, we provide a complete welfare system for full-time employees, in addition to the basic rights such as labor and health insurance, special leave, maternity leave, parental leave and other basic rights of laws and regulations, and also provide a variety of employee benefits, such as newcomer's leave, free snack cabinet and coffee bar, employee travel, family day, health check-up...In 2024, it was awarded the 'Sports Enterprise Certification' issued by the Sports Administration of the Ministry of Education and the 'Opportunity Talent Sustainable Action Alliance Label' by Tianxia Learning.

Basic benefits	<ul style="list-style-type: none"> ● Flexible commuting ● Travel subsidies for employees with more than 10,000-yuan, themed family days, irregular employee dinners, and club activities. ● Three festival gifts, wedding and funeral subsidies, birthday gift certificates, parking space subsidies, foreign training subsidies, and community subsidies ● Family care leave, paternity leave, maternity check-up leaves, menstrual leave, maternity leave, etc. stipulated in accordance with the Labor Standards Act ● Employee life insurance, group insurance, and dependents preferential self-pay items
furlough	<ul style="list-style-type: none"> ● Newcomers join the company for 30 days ~ 6 months, and enjoy 3 days of special leave than the Labor Standards Act ● Holidays, special leave, public leave for marriage, funeral and sickness, and parental leave shall be granted mutatis mutandis in accordance with the provisions of the Labor Standards Law.
pension system	<ul style="list-style-type: none"> ● Those who apply the old system of the Labor Standards Act: Pension is allocated at the rate of 2% of the total wages of workers every month and is deposited in a special account in the name of the Labor Pension Reserve Supervisory Committee in Nicheing Bank. The balance of this account in 2024 is NT\$18,343,717. ● For those who apply the new system of the Labor Pension Ordinance: According to the labor pension contribution rate of 6% of the monthly salary of the worker, and according to the monthly wage contribution scale approved by the Executive Yuan, the pension expenses recognized in 2024 will be NT\$3,835,094.
Reward and reward sharp	<ul style="list-style-type: none"> ● Employee dividends and year-end bonuses ● annual business performance bonus ● Quarterly business profit bonuses ● Annual Business Growth Bonus ● Year-end performance achievement bonus ● New product bonuses ● R&D project bonus
Health promotion	<ul style="list-style-type: none"> ● Health check-up for all employees ● Half-day high-quality health check-up
Fully equipped	<ul style="list-style-type: none"> ● A variety of coffee and tea bars ● A snack cabinet to relieve cravings. ● A social hall that stimulates creativity and productivity ● Ergonomic seat ● Bright and warm office environment ● Nursing room for women ● A reading room that can be charged at any time
Welfare payment	<ul style="list-style-type: none"> ● Source of funds: 0.5% of the employee's monthly salary and 0.05% of the company's total monthly operating income, deposited into a special account and managed by the "Employee Welfare Committee" established by both labor and management. In 2024, the company allocated 563,237 yuan for welfare funds. ● Scope of expenditure: allowances for weddings, funerals, and maternity, festival bonuses, subsidies for company and departmental activities, etc.

4.1.2 Full-time employee salary for non-supervisory positions (GRI 2-21)

The Company discloses the "average salary" and "median salary" of full-time employees who do not hold supervisory positions to make information more transparent and strengthen corporate social responsibility. Annual variable salaries will be affected by overall operating performance. According to the data released by the Financial Supervisory Commission, in 2024, the average salary of full-time employees who do not hold supervisory positions will be 1.162 million yuan, ranking 3rd among 15 OTC companies in the electronic channel industry in China and 107th among 816 OTC listed companies in Taiwan, indicating that the overall employee salary of Niching is at the top of the industry. Unit: thousand NTD

Year	2022		2023		2024	
	Number of employees	52		52		60
The average salary of full-time employees who do not hold supervisory positions	1095	+3%	973	-11%	1162	+19%
Median salary of full-time employees who do not hold supervisory positions	1023	+12%	882	-14%	870	-1%

4.1.3 Percentage of female managers in management positions (GRI 405-1)

The company adheres to the principle of gender equality, continues to optimize the career development environment for female employees, gives full play to the potential and advantages of female employees, and realizes the common growth and sustainable development of the company and employees.

Year	2024
Percentage of women in the entire workforce	41.10%
Percentage of women in management	34.78%

4.1.4 Parental leave (GRI 401-3)

The implementation of the company's parental leave in 2024 is as follows:

Year	2024	
	Man	Woman
The total number of employees entitled to parental leave	1	0
The total number of employees who actually use parental leave	0	0
The total number of employees who returned to work during the reporting period after taking parental leave	not applicable	not applicable
The total number of employees who have completed parental leave and are still employed twelve months after returning to work	not applicable	not applicable
Percentage of employees who returned to work or remained after parental leave by gender	not applicable	not applicable

4.1.5 Employee care and communication

In the company's sustainable development journey, employees are always the most asset. We deeply recognize that employee well-being, growth, and satisfaction are not only a core manifestation of corporate social responsibility, but also a key factor in driving continuous progress in the environmental, social, and governance fields. We are committed to creating a caring and open work environment for the mutual prosperity of the company and its employees.

Pipeline	frequency	object	2024 times	2024 people
Newcomer symposium	At least once every 1 year	CEO, general manager, new employee	1	14
Monthly meeting	Once a month	General Manager and general staff	12	912

4.1.6 New and former employees (GRI 401-1、GRI 402-1)

2024	New employees		Departing employees	
	Number	%	Number	%
male	11	68.75%	3	100%
female	5	31.25%	0	0%
Total	16	100%	3	100%

2024	New employees		Departing employees	
	Number	%	Number	%
Under 30 years old	2	12.5%	0	0%
30-50 years old	13	81.25%	3	100%
Over 50 years old	1	6.25%	0	0%
Total	16	100%	3	100%

To ensure the rights and interests of employees, the Company complies with the relevant laws and regulations of the Labor Standards Act and will comply with labor laws and regulations in advance in the event of a major change in operations or termination of the employment relationship with employees.

In 2024, there were no major operational changes that seriously affected the rights and interests of employees, and there were no significant terminations of labor contracts.

2024	proportion
turnover rate	1.97%
Voluntary turnover rate	1.97%

4.1.7 Local hiring

Niching adheres to the principle of localization and gives priority to the recruitment of local residents for the recruitment of new grassroots personnel based on the principle of giving back to the local area. The statistics for local employment in 2023 and 2024 are as follows:

2024	proportion
Hsinchu (peach bamboo seedlings).	93.88%
Taichung (Zhongshan).	88.24%
Kaohsiung (South Gaping).	85.71%

4.2 Occupational safety and health

4.2.1 Occupational Safety and Health Management System (GRI 403-1)

To maintain the safety and health of employees and prevent the occurrence of occupational accidents, the Company has established and implemented an occupational safety and health management system in accordance with the Occupational Safety and Health Act and

the international standard ISO 45001. We are committed to identifying and controlling potential risks in the workplace, strengthening safety education and training, enhancing employee safety awareness, and conducting regular internal audits and management reviews to continuously improve management effectiveness. Through systematic management and continuous improvement mechanisms, we create a safe and healthy working environment, achieve corporate sustainability goals, and demonstrate the company's concrete practice of ESG sustainability commitment.

4.2.2 Hazard Identification and Risk Assessment (GRI 403-2)

In accordance with the ISO 45001 occupational safety and health management system standard, ES-P005 hazard identification risk assessment management procedures have been formulated to implement relevant work, and specific identification will be carried out in 2024, 173 assessments assessing the following hazards, risks, and control measures.

4.2.3 Worker Participation, Consultation and Communication on Occupational Safety and Health (GRI 403-4)

To protect the rights and interests of employees, the company cooperates with labor-management meetings to discuss relevant occupational safety and health matters in accordance with the requirements of the "Occupational Safety and Health Management Measures". There is also 1 occupational safety and health administrator.

The company continuously plans, implements, evaluates and improves the occupational safety and health environment to improve the level of safety and health management and achieve safety management goals. If the employee believes that the working environment may lead to injury or illness, he or she can also apply to his or her immediate supervisor for a transfer to another position, and protect the employee from arbitrary intimidation, threats, or termination of the employment contract in accordance with the "Work Rules" formulated by the Company.

4.2.4 Worker training on occupational safety and health (GRI 403-5)

In order to manage the health of employees and prevent the occurrence of occupational diseases and accidents, we comply with relevant laws and regulations such as the "Labor Safety and Health Act", "Labor Health Protection Rules", and "Labor Standards Act", and refer to the ISO 45001 occupational safety and health management system, establish a systematic management structure to ensure the working environment and employees' personal safety. For new employees and R&D and manufacturing colleagues, we provide necessary occupational safety and health training. In 2024, 9 newcomers will join the company and complete general safety and health education and training courses with 18 hours of work. 3 new R&D personnel completed the occupational safety and health management education and training (applicable to R&D and production) course, with 6 hours of manpower, all of which were 100% completed.

4.2.5 Worker health promotion (GRI 403-3 、 GRI 403-6)

Healthy employees are the best asset of the company, and Niching provides regular employee health check-ups, provides a comfortable working environment, and holds various themed activities every year to promote the physical and mental health of employees, and formulates club management and personal sports subsidy measures in 2024. The results were recognized by the Sports Administration of the Ministry of Education and obtained the "Sports Enterprise" certification.

◆ Health checks

Once every two years, the company's dedicated department carefully plans a half-day health check-up to the hospital, so that employees can control their health. In addition, further health check-up items are implemented for senior management, and special items are reviewed annually due to the special needs of manufacturing and R&D departments to maintain the health of employees and assist employees in grasping their physical condition as a reference for dietary choices and appropriate exercise items.

◆ Ergonomic Chair

Ergonomic chairs with better support, comfort and durability have been fully introduced to create a friendly environment for employees to live and work comfortably, and to prevent health problems caused by poor posture caused by sitting for a long time.

◆ Theme activities

Every year, the company organizes colleagues to participate in external road running activities, and in 2024, a total of 15 employees and 2 relatives and friends will participate. In 2024, an online walking event and tree planting event will be held, with a total of 42 employees and 26 relatives and friends from the north, central and southern regions participating in the grand event, accumulating for a total of 2 months 22.85 million steps and adopted and planted 32 trees.

4.2.6 Prevent and mitigate occupational health and safety impacts directly related to business relationships (GRI 403-7)

The company has established and strictly implemented ISO 45001 compliant contractor procurement management procedures to ensure that all contractors can work together to maintain high standards of occupational safety and health performance when providing services or performing operations.

At the initial stage of contractor introduction, we conduct qualification assessments and screening, review their safety management capabilities, and incorporate safety specifications into the contract terms. Conduct hazard identification and risk assessment with the contractor before operation and provide site safety information. During the operation, special personnel are assigned to conduct safety supervision and coordination to ensure that they comply with the specifications. All occupational safety and health incidents involving contractors are included in the investigation and analysis to ensure that effective preventive measures are taken to jointly improve the safety level of the overall supply chain.

4.2.7 Workers covered by the Occupational Safety and Health Management System (GRI 2-7 、 GRI 2-8 、 GRI 403-8)

The number of workers covered by the occupational safety and health management system is based on the number of employees on 2024/12/31.

Factory	Number of employees	Number of non-employees	subtotal	Covered proportions
Hsinchu office	49	3	52	70.27%
Taichung Office	15	0	15	20.27%
Kaohsiung Office	7	0	7	9.46%
Total	71	3	74	100%

4.2.8 Number and proportion of occupational accidents (GRI 403-9)

There were no occupational accidents in 2024.

4.2.9 Occupational Diseases and Fire Incidents (GRI 403-10)

Within the scope of the Company's operation and management rights, there were no occupational diseases or fire incidents in 2024.

4.3 Training and education

4.3.1 The average number of hours of training per employee per year (GRI 404-1)

In today's sustainable business environment, employee training is not only a key factor in enhancing corporate competitiveness, but also an important demonstration of corporate social responsibility. We are committed to providing comprehensive and targeted training to meet the personal development needs of our employees. Niching encourages employees to carry out diversified learning in management, general knowledge, professional and other aspects through online courses, internal and external training, independent learning, etc.

2024			
By gender	Average training hours	By category	Average training hours
All employees	9.87	All employees	9.87
Female employees	10.73	Governance layer	6.75
Male employees	9.72	General employees	10.25

4.3.2 Staff Function Enhancement and Transition Assistance Program (GRI 404-2)

To implement diversity and inclusion in the workplace and respond to the "Employment Promotion Act for the Middle-aged and Elderly", the company encourages employees to develop a second specialty, in addition to providing online learning resources on the learning platform from time to time. It includes topics such as Korean language learning, management skills, and efficient work, and actively shares information about external courses and lectures through the internal community, provides external training subsidies, and makes good use of government resources (such as policy-based on-the-job training courses for industrial talent investment programs).) to improve employee functions, with a total of 84 hours of training in 2024.

4.3.3 Percentage of employees who receive regular performance and career development reviews (GRI 404-3)

To effective and real-time performance management, Niching conducts a performance management cycle every six months, including goal setting, performance guidance and development, and performance appraisal. Management and employees clearly set work goals through two-way communication, and in the process, combined with continuous feedback and guidance, assist employees in adjusting their work direction and improving execution efficiency. The performance evaluation results are also used as an important basis for employee promotion, reward and career development, thereby establishing a performance-oriented management culture that takes into account fairness, and motivating employees to grow together with the company. 100% of employees will receive performance appraisals in 2024.

4.4 Human rights, diversity and equal opportunities

(GRI 405-1 、 GRI 412-1)

The Company supports and complies with three important International Human Rights Codes, including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights, the International Labor Convention, which has been ratified by more than two-thirds of the ILO Member States, and January 1999 On the 31st, UN Secretary-General Koffi Anan proposed the "Global Compact" and other internationally recognized basic human rights norms and opportunities and laws and regulations in various parts of China.

In 2010, the Company formulated policies that comply with business ethics, environment, social issues, human rights and other public policy commitments with reference to international labor conventions, the United Nations Universal Declaration of Human Rights, and other norms. We are committed to creating an environment that respects human rights and is committed to all employees.

❖ Human rights management principles

- ✓ Everyone has the right to life, liberty and personal security; They enjoy equal rights and freedoms without distinction of race, color, sex, language, religion, political opinion, or other opinions or nationalities.
- ✓ Torture or cruel, inhuman or derogatory treatment or punishment shall not be imposed on any person.
- ✓ Child labor and any form of forced or compulsory labor are prohibited.
- ✓ Comply with local labor regulations.

❖ Ensure fair opportunities

- ✓ Provide fair employment, salary and promotion opportunities.
- ✓ Do not discriminate, harass, or treat any employee unfairly.

❖ Promote harmonious relationships

- ✓ Continue to promote the concept of corporate integrity and oppose all forms of fraud and bribery.
- ✓ We provide a safe and healthy working environment and continue to conduct regular health checks.
- ✓ Labor-management meetings are held irregularly, and labor-management communication channels are smooth.
- ✓ Provide diversified activities to maintain harmonious relationships among colleagues.

❖ Provide a safe working environment

- ✓ Continue to promote ISO14001 and ISO45001 efforts to reduce environmental hazards, implement occupational safety and health management, and continue to achieve zero accidents.
- ✓ Support and implement preventive application reduction to reduce environmental hazards, such as the implementation of electronic paper use reduction programs.
- ✓ Various education and training courses are held from time to time and implemented in daily and production operations.

4.4.1 Discrimination incidents and improvement actions taken by the organization. (GRI 406-1)

There were no discrimination complaints in 2024.

4.4.2 Workers' freedom of association and possible risks to group consultation (GRI 2-30 、 GRI 407-1)

The company establishes a welfare committee in accordance with the articles of association of the employee welfare committee, with 100% participation of employees, and handles annual employee self-improvement activities/family day/wedding and funeral

subsidies/welfare payment/ birthday gifts, etc. Representatives are appointed by employees of each department to hold a meeting of the Welfare Committee at least once a quarter to discuss relevant affairs. Any opinions and voices of colleagues can be reflected to the committee members at any time and fully put forward them at the meeting to fully protect the rights and interests of labor. In order to ensure the safety of participating employees and their families, qualified contractors will be selected, and travel insurance will be applied. In 2024, Niching will also formulate subsidy measures for clubs and individual sports, encouraging employees to form their own clubs and provide financial subsidies, and special personnel will review activity planning, irregular evaluation, and counseling the effectiveness of clubs. A total of 4 clubs will be established in 2024.

4.4.3 Significant risks of child labor in our operating sites and suppliers (GRI 408-1 、 GRI 412-3)

In 2024, Niching will manage in accordance with the RBA 8.0 standard and issue a comprehensive questionnaire on the supply chain, advocating relevant corporate social responsibility requirements in the supply chain and obtaining 4 suppliers related to Niching's manufacturing activities. The supplier replied that 100% agreed to comply with the relevant regulations.

4.4.4 Sites and suppliers with significant risk of forced or forced labor incidents (GRI 409-1)

Through online searches and questionnaires conducted in 2024, suppliers do not have operating bases and suppliers with significant risks of forced or compulsory labor incidents.

4.4.5 Incidents involving violations of Indigenous peoples' rights (GRI 411-1)

We operate in urban areas and are not involved in violations of Indigenous rights. There are no special provisions for indigenous people in recruitment, and all legal residents and foreign employees are treated equally.

4.4.6 Staff training on human rights policies or procedures (GRI 412-2)

The Company encourages its partners, including suppliers, to sign human rights and sustainability clauses, and to jointly strive to pay attention to human rights issues and pay attention to the management of related risks.

We are also committed to protecting human rights and actively promoting human rights education and promotion, providing a safe and healthy working environment, and promoting issues such as human rights management principles, fair opportunities, harmonious relationships, and a safe working environment to create a friendly working environment that is respectful and inclusive.

Current employees (including senior managers, part-time and work-study students) hold the "Human Rights Policy Advocacy Course" (0.5-hour online course) every October. 62 people will complete training in 2023, and 68 people will complete training in 2024. The completion rate of employees is 100%.

4.4.7 Security personnel are trained in human rights policies or procedures (GRI 410-1)

The company has communicated sustainability issues and GRI 410-1 standards with its property management company and urged assistance in filling out the stakeholder issue communication questionnaire, and no violations of human rights policies were found.

4.5 Market position and equal opportunities for employee diversity

4.5.1 Employee Salary vs. Local Average Wage (GRI 2-19 、GRI 2-20 、GRI 202-1 、GRI 405-2)

The salary standard is determined according to their position, professional ability, academic experience, and years of service, and refers to the adjustment of salary levels in the same industry market and region. The compensation structure includes fixed salaries, allowances, bonuses, benefits, employee compensation, severance or retirement benefits, etc., which are approved in accordance with relevant laws and regulations and internal personnel management systems. Fixed salary and allowance are issued according to personal academic experience, professional ability and position; Variable compensation is closely linked to individual performance and company operating results to motivate managers to continue to create corporate value.

The Remuneration Committee shall set and regularly review the performance evaluation standards, annual and long-term performance targets of the Company's directors and managers, as well as the policies, systems, standards and structure of remuneration and remuneration after the resolution of the Board of Directors to ensure fairness, reasonableness and compliance with laws and regulations. In fiscal 2024, the Remuneration Committee held three meetings and disclosed the results of individual performance evaluations of directors and managers, as well as the relevance and reasonableness of the content and amount of individual remuneration and the performance evaluation results, in the annual report, and reported to the shareholders' meeting.

The average salary of male and female grassroots employees is about 2% of the statutory minimum wage⁵ times, indicating that the company gives a competitive salary.

In addition, according to the results of the Ministry of Labor's gender labor statistics query, the ratio of male and female recurring remuneration of Niching in 2024 is 1.40:1, which is slightly higher than the statistical average in Taiwan due to the characteristics of the industry.

4.5.2 Proportion of residents employed at senior management levels (GRI 202-2)

Niching attach importance to localized operation and actively promotes local employment opportunities and social integration. All executives are residents, accounting for 100%, which not only demonstrates the company's trust and importance in local talents, but also helps to strengthen the understanding of the local market and culture, improving decision-making efficiency and corporate competitiveness.

4.6 Community relations

4.6.1 Operational activities through local community communication, impact assessment and development plans

Niching adheres to the spirit of taking from society and giving back to society, actively fulfilling corporate social responsibility, and making the environment sustainable."

, "humanistic care" and "physical and mental health" are the three core directions of community participation. We hope to create positive value for society through practical actions and promote sustainable and co-prosperous development. The activities in 2024 are as follows:

Activity items	Lohaus Family Day Running with the Moon Activities Walking Tree Planting Activities Environmental Education Public Welfare Donations
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Number of activities	4
Amount of input	402,000
Number of participants	185 people
Remark	Employee travel was postponed due to the typhoon



2024家庭日



2024健步種樹



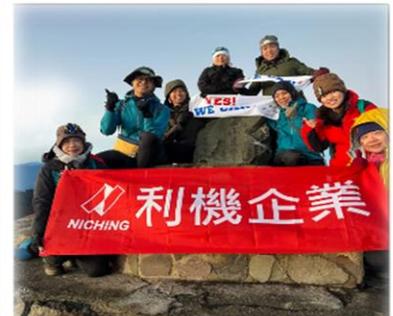
2024路跑活動



2023家庭日



2023泳渡日月潭



2023玉山挑戰

4.6.2 Operational activities that have a significant actual or potential negative impact on the local community (GRI 413-1、413-2)

Each of the operating bases of the company is in an office building and cooperates with the management regulations of the building management committee to ensure that its business activities do not cause interference or negative impact on the surrounding community. The Company does not have polluting or high-risk production lines, and there is no odor, noise or other disturbance during operation, nor does it have an actual or potentially significant negative impact on the local community. Niching will continue to operate in compliance and be friendly to the community to reduce the risk of impact on the environment and community.

4.6.3 Political Contributions (GRI 415-1)

The company adheres to the principle of political neutrality and does not encourage employees to discuss or comment on political issues in the workplace, and there will be no political donations in 2024.

Appendix

Appendix 1: GRI 2021 Guidelines Indicator Index

Statement of Use	Niching is prepared in accordance with the GRI standards, and the disclosure period is from January 1, 2024, to December 2024March 31st
GRI uses versions	GRI 1: Fundamentals 2021
GRI industry guidelines apply	-

GRI Standards and Classifications	No	Number	GRI Guidelines	This report section	Page number
GRI 2(2021) General disclosure	1.	2-1	Organizational details	2.1	17-32
	2.	2-2	Entities included in organizational sustainability coverage	About this report	1
	3.	2-3	Reporting period, frequency and contact person	About this report	2
	4.	2-4	Information recompilation	About this report	2
	5.	2-5	External assurance/assurance	About this report	1
	6.	2-6	Activities, value chains, other business relationships	1.4.5	12-13
	7.	2-7	Employee	4.2.7	59
	8.	2-8	Non-employee workers	4.2.7	59
	9.	2-9	Governance structure and composition	2.1	17-32
	10.	2-10	Nomination and selection of the highest regulatory body	2.1.1	20-29
	11.	2-11	Chairman of the highest governing unit	1.1	3
	12.	2-12	The role of the highest governance unit in overseeing shock management	1.3	6
	13.	2-13	The person in charge of shock management	1.4.5	13
	14.	2-14	The role of the highest governance unit in sustainability reporting	1.3	6

GRI Standards and Classifications	No	Number	GRI Guidelines	This report section	Page number
GRI 2(2021) General disclosure	15.	2-15	Conflict of interest	2.1.1.6	27-28
	16.	2-16	Communicate key major events	1.3.1、1.3.2	6-7
	17.	2-17	The group intelligence of the highest governance unit	2.1.1.4	26
	18.	2-18	Performance evaluation of the highest governance unit	2.1.1.3	23-26
	19.	2-19	Remuneration policy	4.5.1	63
	20.	2-20	Compensation determination process	4.5.1	63
	21.	2-21	Annual gross compensation ratio	4.1.2	56
	22.	2-22	Statement of Sustainable Development Strategy	1.1	3
	23.	2-23	Policy commitments	1.1	3
	24.	2-24	Incorporate policy commitments	1.1.1	4
	25.	2-25	Procedures for remedying negative shocks	1.4.5	12-13
	26.	2-26	Mechanisms for seeking advice and raising concerns	1.3.3	7
	27.	2-27	Compliance	2.1	17-30
	28.	2-28	Membership in the public association	2.1	20
	29.	2-29	Stakeholders agree on a policy	1.4	9
30.	2-30	Group agreements	4.4.2	62	
GRI 3 Major topics	31.	3-1	The process of deciding on major topics	1.4.2	9-10
	32.	3-2	List of major topics	1.4.4	11
	33.	3-3	Major topic management	1.4.4	11
GRI 201 Economic performance	34.	201-1	The direct economic value generated and distributed by the organization	2.1.5	30-31
	35.	201-2	Financial impacts and other risks and opportunities arising from climate change	2.1.5.2、3.2	31、40-47

GRI Standards and Classifications	No	Number	GRI Guidelines	This report section	Page number
	36.	201-3	Define benefit plan obligations and retirement plans	2.1.5.3	31
	37.	201-4	Taken from government financial subsidies	2.1.5.4	32
GRI 202 Market positioning	38.	202-1	The ratio of the standard salary to the local minimum wage for grassroots staff of different genders	4.5.1	63
	39.	202-2	The proportion of residents who are employed as senior managers	4.5.2	63
GRI 203 Indirect economic shocks	40.	203-1	Infrastructure investment and support services development and impact	2.1.5.5	32
	41.	203-2	significant indirect economic shocks	2.1.5.6	32
GRI 204 Procurement practice	42.	204-1	Proportion of procurement expenditure from local suppliers	2.4.2	35
GRI 205 Anti-corruption	43.	205-1	Operating sites where corruption risk assessments have been conducted	2.6.1	37
	44.	205-2	Communication and training on anti-corruption policies and procedures	2.6.2	37
	45.	205-3	Confirmed corruption incidents and actions taken	2.6.3	37
GRI 206 Anti-competitive behavior	46.	206-1	Legal actions for anti-competitive conduct, antitrust and monopolistic conduct	2.6.4	37
GRI 207 Tax	47.	207-1	Tax policy	2.1.3.1	29
	48.	207-2	Tax governance, control and risk management	2.1.3.2	29-30
	49.	207-3	Stakeholder communication and management of tax-related issues	2.1.3.3	30
	50.	207-4	Country reports	2.1.4	30
GRI 301 Material	51.	301-1	The weight or volume of the material used	3.5.1	52
	52.	301-2	Use recycled materials	3.5.2	53
	53.	301-3	Recycled products and their packaging materials	3.5.3	54
	54.	302-1	Energy consumption within the organization	3.3.1	47
	55.	302-2	Energy consumption outside the organization	3.3.2	48

GRI Standards and Classifications	No	Number	GRI Guidelines	This report section	Page number
GRI 302 Energy	56.	302-3	Energy intensity	3.3.7	49
	57.	302-4	Reduce energy consumption	3.3.3	48
	58.	302-5	Reduce the energy demand of products and services	3.3.5	48
GRI 303 Water and flowing water	59.	303-1	The mutual influence of shared water resources	3.3.8 · 3.3.12	49-50
	60.	303-2	Management of drainage-related shocks	3.3.8 · 3.3.12	49-50
	61.	303-3	Water withdrawal	3.3.8	49-50
	62.	303-4	Displacement	3.3.9	50
	63.	303-5	Water consumption	3.3.10	50
GRI 304 Biodiversity	64.	304-1	The organization's owned, leased or managed operations or adjacent areas are located in environmental reserves or other areas of high biodiversity value	no such situation	-
	65.	304-2	activities, products and services that have a significant impact on biodiversity	no such situation	-
	66.	304-3	Protected or rehabilitated habitat	no such situation	-
	67.	304-4	Habitats affected by operations include species on the IUCN Red List and National Conservation List	no such situation	-
GRI 305 Emission	68.	305-1	Direct (Scope 1) greenhouse gas emissions	3.1.1	38
	69.	305-2	Energy indirect (Scope 2) greenhouse gas emissions	3.1.1	38
	70.	305-3	Other indirect (Scope 3) greenhouse gas emissions	3.1.2	38
	71.	305-4	Greenhouse gas emission intensity	3.1.3	38-39
	72.	305-5	Reduction of greenhouse gas emissions	3.1.4	39
	73.	305-6	Emissions that destroy the ozone layer	3.1.5	39
	74.	305-7	Nitrogen oxides (NOx), sulfur oxides (Sox), and other significant gas emissions	3.1.6	40

GRI Standards and Classifications	No	Number	GRI Guidelines	This report section	Page number
GRI 306 Castoff	75.	306-1	Waste generation has significant impacts related to waste	3.4.1	51
	76.	306-2	Management of significant waste-related impacts	3.4.2	51
	77.	306-3	Waste generation	3.4.4	52
	78.	306-4	Disposal and transfer of waste	3.4.4	52
	79.	306-5	Direct disposal of waste	3.4.4	52
GRI 307 Compliance with environmental protection	80.	307-1	Violation of environmental regulations	3.5.4	54
GRI 308 Supplier environmental assessment	81.	308-1	Screen new suppliers using environmental criteria	2.4.1	35
	82.	308-2	The negative impact of the supply chain on the environment, and the actions taken	2.4.1	35
GRI 401 Labor and employment relations	83.	401-1	New and former employees	4.1.6	57
	84.	401-2	Benefits provided to full-time employees (excluding temporary or part-time employees).	4.1.1	55
	85.	401-3	Parental leave	4.1.4	56
GRI 402 Labor relations	86.	402-1	Minimum notice period for operational changes	4.1.6	57
GRI 403 Occupational safety and health	87.	403-1	Occupational safety and health management system	4.2.1	57-58
	88.	403-2	Hazard identification, risk assessment, and accident investigation	4.2.2	58
	89.	403-3	Occupational health services	4.2.5	59
	90.	403-4	Worker participation, consultation and communication related to occupational safety and health	4.2.3	58
	91.	403-5	Occupational safety and health related worker training	4.2.4	58
	92.	403-6	Worker health promotion	4.2.5	59
	93.	403-7	Prevent and mitigate the impact of occupational safety and health directly related to business relationships	4.2.6	59
	94.	403-8	Workers covered by the Occupational Safety and Health Management System	4.2.7	59-60

GRI Standards and Classifications	No	Number	GRI Guidelines	This report section	Page number
	95.	403-9	Occupational injury	4.2.8	60
	96.	403-10	occupational disease	4.2.9	60
GRI 404 Training and education	97.	404-1	The average number of hours of training per employee per year	4.3.1	60
	98.	404-2	Staff Function Enhancement and Transition Assistance Program	4.3.2	60
	99.	404-3	Percentage of employees who undergo regular performance and career development reviews	4.3.3	60
GRI 405 Employee diversity and equal opportunities	100.	405-1	Diversity of governance units and employees	4.1.3 、 4.4	56 、 61
	101.	405-2	The ratio of women to men's base salary plus compensation	4.5.1	63
GRI 406 No discrimination	102.	406-1	incidents of discrimination and actions taken to improve the organization	4.4.1	61
GRI 407 Freedom of association and group consultation	103.	407-1	Workers' freedom of association and group consultation may be at risk	4.4.2	62
GRI 408 Child labor	104.	408-1	Significant risks to the use of child labor at our operating sites and suppliers	4.4.3	62
GRI 409 Forced or compulsory labor	105.	409-1	Operating sites and suppliers with significant risk of forced or forced labor incidents	4.4.4	62
GRI 410 Preserve practice	106.	410-1	Security personnel are trained in human rights policies or procedures	4.4.7	62
GRI 411 Indigenous rights	107.	411-1	Incidents involving violations of the rights of indigenous peoples	4.4.5	62
GRI 412 Human rights assessment	108.	412-1	Operations that are subject to human rights reviews or human rights impact assessments	4.4	61
	109.	412-2	Staff training in human rights policies or procedures	4.4.6	62
	110.	412-3	Significant investment agreements and contracts that contain human rights provisions or have undergone human rights review	4.4.3	62
GRI 413	111.	413-1	Operational activities through local community	4.6.2	64

GRI Standards and Classifications	No	Number	GRI Guidelines	This report section	Page number
local community			communication, impact assessment and development plans		
	112.	413-2	Operations that have a significant actual or potential negative impact on the local community	4.6.2	64
GRI 414 Supplier Social Assessment	113.	414-1	New suppliers screened using social criteria	2.4.3	35-36
	114.	414-2	Negative social shocks in the supply chain and actions taken	1.4.5	13
GRI415 Public policy	115.	415-1	Political donations	4.6.3	64
GRI 416 Customer health and safety	116.	416-1	Assess the health and safety impacts of product and service categories	2.3.2	35
	117.	416-2	Violations of health and safety regulations related to products and services	2.3.2	35
GRI 417 Marketing and labeling	118.	417-1	Requirements for product and service information and labeling	2.3.2	35
	119.	417-2	Incidents that do not comply with the Information and Labeling Regulations for Products and Services	2.3.2	35
	120.	417-3	Incidents that do not comply with regulations related to marketing communications	2.3.2	35
GRI 418 Customer privacy	121.	418-1	Confirmed complaints of invasion of customer privacy or loss of customer information	2.3.3	35
GRI 419 Socio-economic compliance with regulations	122.	419-1	Violation of laws and regulations in the social and economic fields	2.6.5	37

Appendix 2: Financial Supervisory Commission Sustainability Disclosure Index Electronic Channel Industry

No	Index	Types of indicators	This report section	Unit	Remark
I.	Total energy consumption, percentage of purchased electricity and renewable energy utilization	quantify	3.3.1	Billion joules (GJ), percentage (%)	
II.	Total water withdrawal and total water consumption	quantify	3.3.8	Thousand cubic meters (m ³).	
III.	The weight of the hazardous waste generated and the percentage of recycling	quantify	3.4.4	metric tons (t), percentage (%)	
IV.	Describe the type, number and ratio of occupational accidents	quantify	4.2.8	Ratio (%), Quantity	
V.	Disclosure of product life cycle management: including the weight of scrapped products and electronic waste and the percentage of recycling (Note 1).	quantify	3.5.2	metric tons (t), percentage (%)	
VI.	A description of risk management associated with the use of critical materials	Qualitative description	3.5.1	not applicable	
VII.	The total amount of monetary losses resulting from legal proceedings related to the Anti-Competitive Conduct Ordinance	quantify	2.6.4	Report on currencies	
VIII.	Main product output by product category	quantify	3.5.1	Varies by product type	

Appendix 3: SASB Index - Sustainability Accounting Standards Board Standards Semiconductor Industry

Category	SASB code	Index	Units of measurement	This report section	Page number
Greenhouse gas inventory	TC-SC-110a1	Scope 1 greenhouse gas and perfluorinated compound emissions	quantify	3.1 Greenhouse gases	38-40
	TC-SC-110a2	Area 1: Long-term and short-term greenhouse gas management, understanding strategies and target achievement	qualitative		38-40
Process energy management	TC-SC-130a1	Total energy consumption, grid energy ratio, renewable energy ratio	quantify	3.3 Energy management	47-49
Water resource management	TC-SC-140a1	Total water withdrawal, water consumption and their respective proportions in water-stressed areas	quantify	3.3.8 Water resources management	49-50
Waste management	TC-SC-150a1	The amount of hazardous waste in the process and the percentage of recycling	quantify	3.4 Waste management	50-52
Occupational safety and health	TC-SC-320a1	Describe efforts to assess, monitor, and reduce employee exposure to hazards	qualitative	4.2 Occupational safety and health	57-60
	TC-SC-320a1	The number of property losses caused by violations of legal procedures related to employee health and safety	quantify		60
Recruitment and management of a highly skilled workforce worldwide	TC-SC-330a1	Percentage of foreign employees/overseas employees	quantify	4.1 Human resource development	59
Product life Cycle management	TC-SC-410a1	The proportion of product revenue containing 62,474 substances	quantify	-	-
	TC-SC-410a2	The overall system-level energy efficiency of the processor:(1) servers (2) desktops (3) laptops	quantify	-	-
Source of raw materials	TC-SC-440a1	Describe the risk management methods for critical raw materials	qualitative	3.5 Material management	52-54
Intellectual property protection and competition	TC-SC-520a1	The amount of property loss caused by legal proceedings related to anti-competitive conduct	quantify	-	-
Output	TC-SC-000A	Varies by product type	quantify	2.2 Product quality and safety	33
Own facility output	TC-SC-000B	100%	quantify	2.2 Product quality and safety	33

Appendix 4: TCFD Index Climate-related Information Disclosures

Category	Index	This report section	Page number
Governance	Board and Management Oversight of Climate-related Risks and Opportunities	3.2	40-47
	Role of Management in Assessing and Managing Climate-related Risks and Opportunities	3.2	40-47
Risk Management	Financial Impacts of Extreme Weather Events and Transition Actions Integration of Climate Risk into Overall Risk Management Framework	3.2	40-47
	Scenario Analysis for Assessing Climate Resilience	3.2	40-47
Strategy	Transition Plans and Metrics for Managing Climate-related Risks	3.2	40-47
	Internal Carbon Pricing Mechanism and Pricing Basis	-	-
Metrics and Targets	Climate-related Targets, Scope of Activities, GHG Emissions, and Use of Carbon Offsets or Renewable Energy Certificates (RECs)	3.2	40-47
	GHG Inventory, Assurance Status, Reduction Targets, Strategies, and Action Plans	3.1 3.3	47-50

Appendix 5: Internal Verification Report

利機企業股份有限公司 2024 年度 ESG 永續報告書內部查證報告

查證標的：利機企業 2024 年 ESG 永續發展報告書
內部查證版 A06，2025 年 5 月 15 日發行

查證遵循標準：AA1000 AS v3 版本

查證程序：利機企業永續發展報告書編制管理程序

查證日期：2025 年 6 月 11~25 日

查證人員：邱智芳、陳賢玲、吳易展、戴偉淦、孫麗瑄、邱淑華

為了收集與做成結論有關的證據，我們執行了以下工作：

1. 對來自外部相關方的議題關於 ESG 政策，於 2025 年 1 月 2 日至 2025 年 2 月 26 日進行了相關方議題問卷調查結果的審閱。
2. 訪談與企業社會責任管理、報告書編制及資訊提供有關的責任人員。
3. 審查有相關議題有關的包容性、重大性、回應性與衝擊性的符合程度與風險。
4. 審查所提供報告書的統計數據與文字說明之真實性與正確性。
5. 審查有關符合 GRI Standard 2021、SASB、TCFD 應揭露指標之要求。
6. 共查證 122 項揭露指標，發現 4 項不符合、5 項改善建議，已保存相關查證過程記錄備查。

審查結論：

1. 符合程度 3.76 (滿分 5 分)，為類型 I、中度保證 等級。
2. 所有不符合均已改正及驗證無誤，無保留事項。

能力與獨立性聲明：

1. 所有查證人員均已接受利機智庫 AA1000 內部查證人員培訓 6 小時並已保存相關培訓紀錄。
2. 本次查證之查證人員均遵守獨立性原則，無查證自身編制之指標/紀錄情況。

利機智庫資深顧問 劉信泰
2025 年 6 月 26 日

