

2023

# KINSUS TECHNOLOGY

2023 ESG Sustainability Report

2023 ESG Sustainability



景碩科技股份有限公司

KINSUS INTERCONNECT TECHNOLOGY CORP.



# Table of Contents

## 00

### Statement from Top Management 2

Message from the Chairman-Sustainable Development Strategy

### Summary and Scope of the Report 3

## 01

### Practice Sustainable Management 5

1.1 Stakeholder Organization and Identification	6
1.2 Communication Analysis and Generation Process of Issues of Concern to Stakeholders	9
1.3 Sorting and Response after Identification of Material Topics	12
1.4 Influence of Sustainable Management	16
1.5 Fulfilling the United Nations Sustainable Development Goals	22
• KINSUS's Directions and Actions towards Sustainable Development Goals listed in the ESG Sustainability Report	23

## 02

### Corporate Governance & Integrity Management 24

2.1 Company at A Glance	26
2.2 Corporate Governance	30
2.3 Integrity Management	38
2.4 Business Philosophy, Ethics and Compliance	40
2.5 Internal Audit and Management Verification System	43
2.6 Information Security	46
2.7 Risk Management System	50
2.8 Affirmation and Glory	52

## 03

### Operational Performance, Customer Service and Product Quality 54

3.1 Operational Performance and Challenges	56
3.2 Tax Policy	62
3.3 Customer Operation and Service	62
3.4 Customer Privacy	64
3.5 Product Quality and Delivery	65

## 04

### Sustainable Supply Chain Management 68

4.1 Supplier Management Policy and Commitment	70
4.2 Industrial Supply Chain	70
4.3 Supplier Management	71
4.4 Relationship and Philosophy with Suppliers	74
4.5 Supplier Implementation of Social Responsibility	75
4.6 Ethical Procurement	76

## 05

### Green Production 78

5.1 Environmental Policies and Commitments	83
5.2 Climate Change and Low-carbon Manufacturing	84
5.3 Renewable Energy and Resource Conservation/Efficiency	86
5.4 Water Resource Management	87
5.5 Waste Management	91
5.6 Air Pollution Prevention and Control	92
5.7 Promotion of Environmental Sustainability	93
5.8 Environmental Greening and Beautification	96

## 06

### Friendly Workplace 98

6.1 Talent Policy and Commitment	100
6.2 Human Resource Structure	101
6.3 Talent Cultivation and Development	105
6.4 Salary and Benefits	108
6.5 Human Rights Protection: Listening to Employees ' Voices	114
6.6 Workplace Health and Safety	120
6.7 Comprehensive healthcare	143

## 07

### Shared Prosperity with Society 151

7.1 Policy and Management	152
7.2 Participation in External Organizations	155
7.3 Social Welfare Activities	155

## 08

### Appendix

Appendix 1: ESG Performance	158	Appendix 3: SASB Comparison Table	167
Appendix 2: GRIs Standards Comparison Table	160	Appendix 4: Independent Assurance OpinionStatement	169

## Message from Top Management



### Sustainability Strategy

The Russia-Ukraine war has continued for over two years, compounded by the recent Israel-Hamas conflict and increasing military threats in the Indo-Pacific region. Geopolitical instability, coupled with the ongoing US-China trade tensions, has led to sustained global inflation. In this volatile external environment, economic activity has weakened due to inflationary pressures, resulting in stagnant or declining business operations.

To address the introduction of the Carbon Border Adjustment Mechanism (CBAM) by the European Union, which began a trial phase in October 2023, and the domestic imposition of carbon fees set to commence in 2025, Taiwan's government upgraded the Environmental Protection Administration to the Ministry of Environment in August 2023. In the same month, the Carbon Trading Exchange was established in Kaohsiung. Regulations now mandate that listed companies must provide ISO 14064 greenhouse gas inventory reports starting in 2024, detailing greenhouse gas and CO<sub>2</sub> emissions. Concurrently, legislative efforts are underway to align with EU carbon tariff standards, heightening environmental awareness and implementing comprehensive short, medium, and long-term energy-saving and carbon reduction policies to ensure sustainable corporate development.

Kinsus is a leading company in Taiwan's IC substrate industry, catering to both domestic and international markets. Facing the global economic downturn, the semiconductor industry is primarily focusing on inventory reduction, leading to a decrease in new procurement projects. This has necessitated prioritizing cost-saving measures due to limited revenue growth opportunities. Additionally, as regulations on greenhouse gas emissions become increasingly stringent both domestically and internationally, energy conservation,

carbon reduction, and the use of renewable green energy have become the new norm for sustainable corporate development. ESG (Environmental, Social, and Governance) now impacts the Company's survival and competitiveness. Since the establishment, Kinsus has been actively promoting environmental protection and energy-saving policies and management strategies. We are committed to providing a safe and healthy working environment for our employees and encourage them to take concrete actions to protect the environment and give back to the community. We also invite external stakeholders to participate in these efforts to amplify the social impact and achieve the goal of "shared prosperity." Kinsus is steadfast in the commitment to advancing ESG and sustainable development.

Adhering to the core values of "Integrity, Thrift, and Lean," Kinsus focuses on system-in-package (SiP) substrates, RF module packaging substrates, and flip-chip ball grid array (FCBGA) substrates. Despite achieving a record revenue in 2022, the Company's operations faced significant challenges and declines in 2023 due to economic downturns driven by geopolitical instability. The Company dedicated R&D, manufacturing, and marketing teams continuously strive for perfection, working diligently to innovate our IC substrate products and market them globally.

The journey to sustainable corporate development is long, but the all Kinsus employees are committed to contributing to a green environment. We diligently uphold the principles of "Integrity in Business, Corporate Governance, Environmental Stewardship, Social Responsibility, and the Pursuit of Sustainable Operations."

# Summary and Scope of the Report

## Summary

The content of this report is prepared in accordance with the guidance and framework of the Global Report Initiative (GRI) Standards. It provides a detailed introduction to Kinsus Interconnect Technology Corporation (referred to as "Kinsus Technology," "Kinsus," "the Company," or "we") and its fulfillment of corporate social responsibility. The report highlights our commitment to sustainable management practices, corporate governance, integrity management, operational performance, customer service and product quality, sustainable supply chain management, green production for environmental protection, safe and healthy working environments, and social prosperity. This is the ninth Corporate Social Responsibility report generated by the Company, and our aim is to provide reliable and transparent information to the public, taking into consideration the topics of concern to investors in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" of the Stock Exchange. Various information is simultaneously published on the Company's website to facilitate two-way communication with internal and external stakeholders. We anticipate a growing demand from stakeholders for the disclosure of non-financial information, so we strive to enhance the transparency and credibility of the Company's management policies and data related to sustainable development by presenting a comprehensive view.

This report can be accessed and downloaded on the Company's official website at the following URL: <https://www.kinsus.com.tw/>

## Report Period

The report presents data from January 1, 2023, to December 31, 2023, with the information disclosing Kinsus Technology's sustainability management in the aspects of the organization and identification of stakeholders, communication and analysis of issues of concern, sorting and response to material topics, Influence of sustainable management, and risk evaluation of material topic. It also covers fulfilling the United Nations Sustainable Development Goals, ongoing operational plans, as well as management policies and action performance regarding significant ESG issues. Kinsus's ESG report will be revised and published on a yearly basis with the aim to communicate with our readers regarding any revisions and updates.

## Coverage

The scope of this report is based on the organizational coverage set by Kinsus Technology, including:

**| Shih-Lei Factory (Headquarters) No. 1245, Zhonghua Rd., Xinwu Dist., Taoyuan City**  
**| Tsing-Hua Factory: No. 810, Zhonghua Rd., Xinwu Dist., Taoyuan City**  
**| Xing-Feng Factory: No. 526, Sec. 2, Jianxing Rd., Xinfeng Township, Hsinchu County**  
**| Yu-Shih Factory: No. 580, Gaoshi Rd., Yangmei Dist., Taoyuan City**

This report focuses on Kinsus Technology's four domestic factories. (The Xing-Feng Factory consists of Factory1 and Factory2, collectively referred to as the Xing-Feng Factory. Only in the Environmental Health and Safety section are the data for Factory1 and Factory2 disclosed separately.) The report does not include performance data for other subsidiaries in Taiwan and China. The disclosure is made for Kinsus's employees, external customers, suppliers, and investors. General language and numerical values are used throughout the report, while financial figures are presented in New Taiwan Dollars (NTD) or thousands of NTD.

## Principles and Guidelines

The sustainability report adopts international common standards, including GRI, TCFD, SASB, as well as the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies of Taiwan, to continuously strengthen the comparability of performance and the substance of the report. The abovementioned standards are as follows:

- ◆ Global Reporting Initiative (refer to GRI Standards: 2021)
- ◆ TCFD: Task Force on Climate-related Financial Disclosures



- ◆ SASB: Sustainability Accounting Standards Board: Resource Transformation Standards for hardware manufacturing industry's
- ◆ Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of CSR by TWSE Listed Companies
- ◆ Revision of Corporate Social Responsibility practice principles for listed and OTC firms by Dec. 23th ,2022: ESG Report

## Changes in reports

There are no major changes in the Company's 2023 ESG sustainability report.

## Ensure the Accuracy of Public Information

Public ESG related information has a significant impact on stakeholders, so it is crucial for us to pay attention to every detail and ensure the correctness and completeness of public information.

### • Internal Confirmation:

Unless specifically noted, all currency units in this report are expressed in New Taiwan Dollars, and numbers are rounded to two decimal places.

In order to highlight medium and long-term trends, some indicators in this report provide continuous data from 2021 to 2023.

Every information, data, review and verification information disclosed in this report has been documented and reviewed by the relevant departments. It has been confirmed and approved by supervisor and reviewed by top management.

### • External Confirmation:

**Financial data:** Ernst & Young Global Limited (EY)

**ESG Sustainability Report:** the verification process has been conducted by DNV using AA1000 AS v3 to implement Type I moderate assurance level verification the requirements of the GRI Standards: 2021 standard have been taken into account during the verification process (refer to Appendix 4 for details).

## Publication Frequency

The report is generated on an annual basis.

The current edition (2023) is scheduled to be released by June 2024.

The last edition was released in June 2023.

The next edition is planned to be released by August 2025.

## Contact

**Contact:** Human Resources Department of KINSUS INTERCONNECT TECHNOLOGY CORP.

**Address:** No. 1245, Zhonghua Rd., Xinwu Dist., Taoyuan City

**TEL:** 03-4871919#22311 & 23501

**FAX:** 03-4870046

**E-mail:** polochen@kinsus.com.tw & chrischen@kinsus.com.tw



# 01

## Practice Sustainable Management

- 1.1 Stakeholder Organization and Identification
- 1.2 Communication Analysis and Generation  
Process of Issues of Concern to  
Stakeholders
- 1.3 Sorting and Response after Identification  
of Material Topics
- 1.4 Influence of Sustainable Management
- 1.5 Fulfilling the United Nations Sustainable  
Development Goals
- KINSUS's Directions and Actions towards  
Sustainable Development Goals listed in  
the ESG Sustainability Report

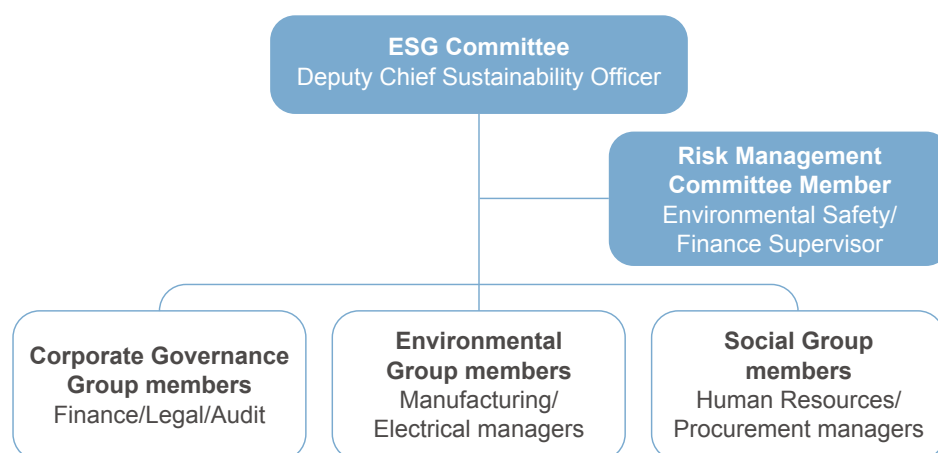


# 1.1 Stakeholder Organization and Identification

## 1.1.1 ESG Organization and Responsibilities

Kinsus has made relevant regulations according to Corporate Governance Best Practice Principles and has recognized that sustainable business practices require in-depth and comprehensive discussions with stakeholders over the long term. Therefore, Kinsus actively establishes communication channels with various stakeholders to understand and address their concerns. By continuously focusing on and responding to stakeholder issues, Kinsus allows for timely adjustments and modifications to its sustainable business goals. Furthermore, the Company fully discloses its commitments and contributions in corporate governance, economic aspects, environment, and social dimensions, demonstrating its dedication to promoting sustainability and fulfilling corporate social responsibilities. Kinsus strives to actively respond to the expectations of the public and showcase its societal impact.

The Company established the ESG Committee (hereinafter referred to as the ESG Committee) as the executive unit. The heads of relevant departments serve as members of the corporate governance group (including the economic group), the environmental group, and the social group (including the supply chain, employees, and communities). The Deputy Chief Sustainability Officer of the ESG Committee supervises and manages and reports to the Board of Directors on a quarterly basis. The Board of Directors reviews the implementation of the sustainable development strategy and action plan proposed by the sustainable management office and supervises adjustments when necessary. The Board of Directors considers its organizational structure as shown below:



The ESG Committee is a cross-departmental communication platform, responsible for planning, implementing and controlling various action plans, integrating and supervising the implementation progress and effectiveness of the three major aspects of corporate governance, society and the environment, ensuring the effectiveness of horizontal and vertical communication of the organization, and practicing sustainable development.

Responsibilities of the committee:

- (1) establish ground rules and strategies for annual corporate sustainable development plan;
- (2) plan and implement various activity plans for corporate 's sustainable development and risk management;
- (3) track and review the implementation and effectiveness of the corporate sustainable development plan;
- (4) make decisions on other matters related to sustainable development such as ESG corporate governance, environment, and society;
- (5) hold a review meeting every six months to make alignment across the Company on sustainable development and activities promotion and implement ESG-related business and participate in related activities at work.

The organization of the above-mentioned ESG committee, the key ESG work items and responsible units of each category are as follows:

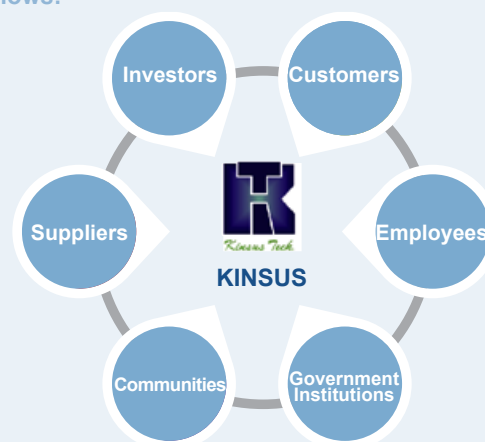
Categories			Key ESG Work Items	Responsible Unit
Corporate Governance	Corporate Governance		Corporate governance - financial management system Integrity management	Heads of Financial Department and Corporate Governance
			Various management systems: financial/ISO/personnel management, etc.	
			Ethical management system: compliance with regulations, professional ethics, anti-corruption and bribery, etc.	HR Department/ Employees at all levels/ Labor Representative
			Information security	Information Technology Department
			Risk management(climate change/ environmental, health and safety/ operation )	ESG Committee, Safety & Health Department
			Customer privacy	Business Department
			Sustainable Development Management Mechanism and Objectives	ESG Committee
			Grievance Mechanism - employees/ customers/suppliers/shareholders	Human Resources Department /Business Department /Audit Office/ Spokesperson
	Economy		Business performance	Business Department
Environment	Environmental Management/ Energy conservation and Carbon Reduction		Energy management Greenhouse gas management (Carbon Emissions) Water resource management	Safety & Health Department
			Sewage/exhaust Gas/waste management Work Environment Management System	Safety & Health Department Facility Engineering Department
			Public area management system	Facility Engineering Department
Society	Product	Supplier	Supply chain management (including contractors)	Material Department and Facility Engineering Department
		Product safety and customer service satisfaction	Product quality and safety Customer service and satisfaction Customer relationship management	Business Department, Quality Assurance Department
		Product quality Management and delivery	Product quality management system Key processes and control methods of quality management Yield rate and delivery date of product quality	Quality Assurance Department
	Employee Management	Employee management Mechanism/Labor-management Relations/Health and Safety	Staff selection and retention management Salary and benefits and talent cultivation Labor and management relations	HR Department
			Occupational health and safety	Safety & Health Department
	Community and Charity Activities		Neighborhood in the local community	General Affairs Department
			Give back to the community and public welfare activities	



## 1.1.2 Identification of Major Stakeholders

Kinsus identified six major stakeholders based on the six screening principles: "Responsibility," "Influence," "Proximity," "Dependency," "Representation," and "Policy and Strategic Intent" during the ESG Committee meeting. These stakeholders include investors (shareholders), employees, customers, suppliers, communities, and government institutions. Through various communication channels, Kinsus listens to the voices of stakeholders, collects their issues of concern regarding the Company, and acknowledges and responds to their expectations.

• The major stakeholders of the Company are as follows:









## 1.1.3 Communication Channels for Major Stakeholders

Kinsus discloses corporate social responsibility on the Company website, and the corresponding windows and contacts of the six major stakeholders. The corresponding contact windows and their concerns are as follows:

Category	Contact window and its concerned issues & complaint channels
For Employees	<b>Contact window:</b> Human Resources Department <b>Email:</b> polochen@kinsus.com.tw <b>Topics of concern:</b> Salary and benefits, training and development, safety and health, promotion channels, etc. <b>Complaint channels</b> <b>TEL:</b> +886-3-4871919 #22311 <b>Mailbox:</b> polochen@kinsus.com.tw <b>Complaint Hotline:</b> +886-3-4871919 #27885 <b>Email:</b> hr@kinsus.com.tw
For Customers	<b>Contact window:</b> Business Department <b>ABF Email :</b> henrylee@kinsus.com.tw <b>BT Email :</b> mangoliu@kinsus.com.tw <b>Topics of concern:</b> Product quality and delivery, customer privacy, customer service and satisfaction, etc.
For Suppliers	<b>Contact window:</b> Material Department <b>Email:</b> kellyher@kinsus.com.tw <b>Topics of concern:</b> Procurement specifications, green procurement, supplier management, etc.
For Investors	<b>Contact window:</b> Spokesperson <b>Email:</b> jackmu@kinsus.com.tw <b>Topics of concern:</b> Operational performance, corporate governance, risk management, shareholder rights, information disclosure, etc.
For Government Institutions	<b>Contact window:</b> Safety & Health Department <b>Email:</b> jonathanfan@kinsus.com.tw <b>Topics of concern:</b> Compliance with regulations, corporate governance, safety and health, environmental protection, etc.
For Communities	<b>Contact window:</b> General Affairs Department <b>Email:</b> charleshsueh@kinsus.com.tw <b>Topics of concern:</b> Environmental protection, community relations, public welfare activities (including donations, sponsorships), etc.

## 1.2 Communication and Analysis of Issues of Concern to Stakeholders and Process to Determine Material Topics

Kinsus collects sustainability-related issues based on sustainable development goals, industry norms and standards, and organizational annual objectives. Through various communication channels with stakeholders, represented by different departments, regular or ad hoc exchanges are conducted to assess the impact of the Company's operations and whether they will have an impact on the Company's operations. A total of 26 stakeholder concerns have been identified, with any duplicates counted as one. The detailed list is as follows:

Stakeholder	Issues of Concern	Main Communication Channel	Communication Frequency
 Investors	Business performance, corporate governance, risk management, compliance with regulations, shareholder rights, information disclosure, morals and ethics, human rights protection	<ul style="list-style-type: none"> <li>• Board of Directors</li> <li>• Shareholder's meeting / annual report</li> <li>• Public Disclosure on Market Observation Post System</li> <li>• Corporate website</li> <li>• Investor Conferences</li> </ul>	<ul style="list-style-type: none"> <li>• At least 4 sessions / year</li> <li>• 1 session / year</li> <li>• 1 time / year</li> <li>• Monthly / quarterly / yearly</li> <li>• Timely</li> </ul>
 Employees	Salary and benefits, promotion channels, training development, labor-management relations, health and safety	<ul style="list-style-type: none"> <li>• Two-way Communication Session</li> <li>• Labor-management Meeting</li> <li>• Education and Training Courses</li> <li>• Internal website / email notification / official document announcement / complaint mailbox</li> </ul>	<ul style="list-style-type: none"> <li>• Irregular</li> <li>• 1 time per season</li> <li>• Irregular</li> <li>• Irregular</li> </ul>
 Customers	Product quality and delivery, customer service and satisfaction, customer privacy, compliance with regulations, energy conservation and carbon reduction	<ul style="list-style-type: none"> <li>• Customer Complaint Handling and Response</li> <li>• Customer Satisfaction Survey</li> <li>• Client Meeting</li> <li>• Phone / email / website</li> </ul>	<ul style="list-style-type: none"> <li>• Irregular</li> <li>• Annual</li> <li>• Irregular</li> <li>• Irregular</li> </ul>
 Suppliers	Procurement specifications, green procurement, supplier management, waste management, energy conservation and carbon reduction	<ul style="list-style-type: none"> <li>• Written audit</li> <li>• Written / on-site evaluation</li> <li>• On-site audit</li> </ul>	<ul style="list-style-type: none"> <li>• Irregular</li> <li>• 1 time / year</li> <li>• 1 time / year</li> </ul>
 Government Institutions	Compliance with regulations, corporate governance, health and safety, environmental protection, energy conservation and carbon reduction, risk management, information disclosure, waste management, water resource management	<ul style="list-style-type: none"> <li>• Official letter/ telephone consultation</li> <li>• Attend advocacy meetings</li> <li>• Regulatory briefing</li> <li>• Competent authority visits</li> </ul>	<ul style="list-style-type: none"> <li>• Irregular</li> <li>• Irregular</li> <li>• Irregular</li> <li>• Regular / irregular</li> </ul>
 Communities	Environmental Protection, community relations, public welfare activities (including donations and sponsorships)	<ul style="list-style-type: none"> <li>• Environmental protection advocacy meeting</li> <li>• Public welfare activities</li> </ul>	<ul style="list-style-type: none"> <li>• Irregular</li> <li>• Irregular</li> </ul>



Refer to the GRI Sustainability Reporting Standards (GRI Standards) to analyze the identified topics through the steps of identification, prioritization, validation, and review. Confirm the scope of material topics for disclosure and address the sustainability challenges faced internally and externally. Conduct a comprehensive review of sustainability performance. The process for generating material topics is as follows:

# 01

## Identification



- Summarize 14 sustainability-related topics through the following channels, to be used as the scope for material topic identification.
- List different stakeholders' sustainability concerns based on daily business and work experiences.
- Review material topics of domestic and international industry peers and global sustainability trends.
- Ensure the objectivity, completeness, and inclusiveness of material topics by reviewing the materiality matrix from the previous report.

Explain the method for prioritizing material topics as follows:

- Evaluate each ESG issue based on two key dimensions: "The degree of impact on the economy, environment, and human rights caused by the corporate" and "the level of stakeholder concern."
- In 2023, gather stakeholder feedback through internal ESG committee meetings. Allow the ESG committee members to assess the impact of the identified topics on internal operations.



# 02

## Prioritization

# 03

## Validation



- Ensure the principles of GRI completeness and stakeholder inclusiveness. Strengthen the link between annual material topics and core functions. Have ESG committee members review preliminary material topics based on international benchmark analysis, trends, and business development strategies.
- Convene the ESG committee to confirm the 14 "material topics" and 9 "secondary topics," with 3 other topics. These 14 material topics will define the scope of materiality disclosure in the report. Respond to these topics in the report as per GR: 2021 3-1 to 3-3 provisions, confirming their value and assessing potential risks.

- Continuously review the materiality matrix in the next report. Strengthen communication with stakeholders to confirm whether adjustments are needed for future materiality matrices.



## Review

# 04

## 1.2.1 Identification and Direct Impact Analysis of Stakeholders' Concerns

The significant considerations of each relevant issue corresponding to stakeholders are identified in terms of corporate governance, economic aspects, environmental aspects, and social aspects (including human rights/people). The direct or indirect impacts on both internal and external areas of the enterprise are identified and analyzed for the level of concern among stakeholders. These are then prioritized.

The 2023 ESG Committee determined the direct or indirect impacts of the concerns as follows:

● Direct Impact    ◎ Indirect Impact

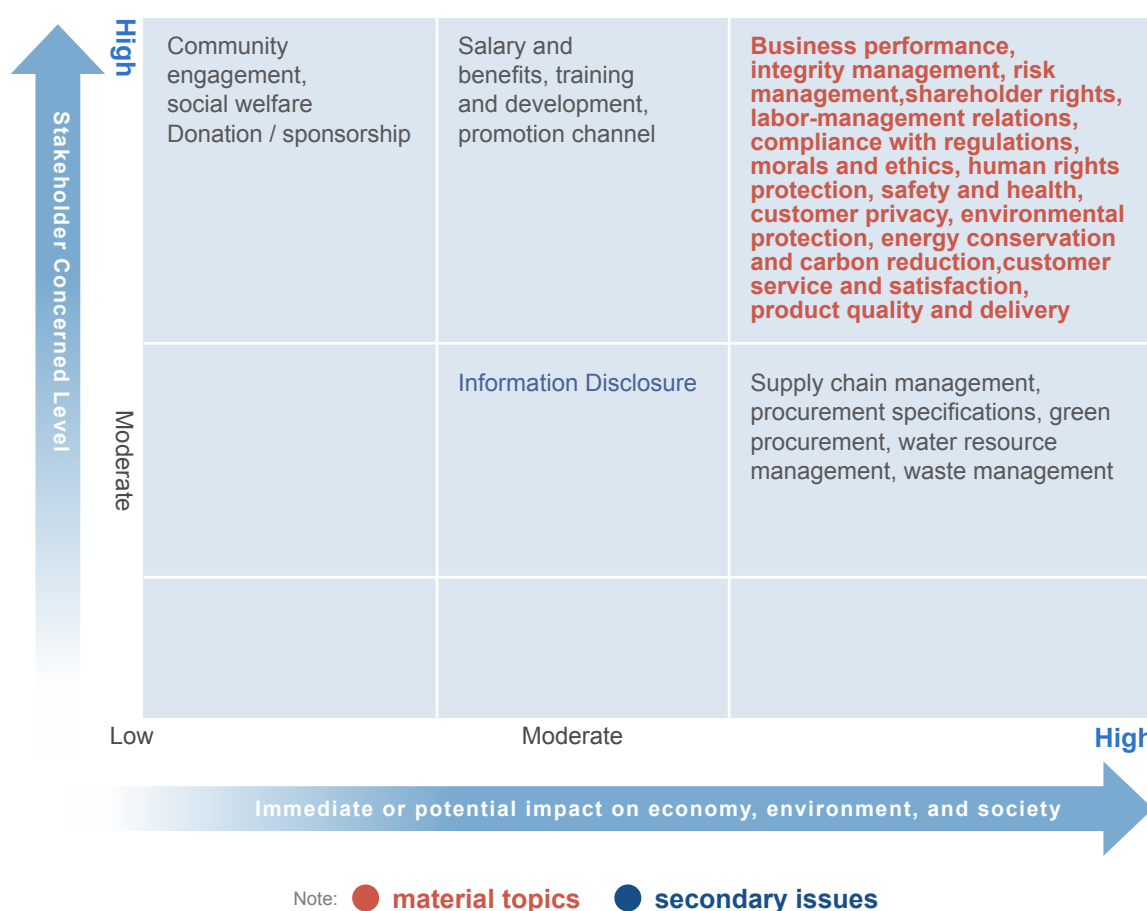
Issue Facets Concerned by Stakeholders		Issues of Concern Connotation Analysis	Internal Scope		External Scope				
			Organization	Employees	Shareholders	Customers	Suppliers	Government Institutions	Communities
Corporate Governance		Integrity Management	●	●	●	●	●	●	
		Compliance with regulations	●	●	●	●	●	●	
		Morals and Ethics	●	●	●	●	●	◎	
		Risk Management	●	●	●	●	●	◎	
		Human Rights Protection	●	●	●	●	●	●	
		Information Disclosure	●	●	●			●	
Economic Aspects	Investors	Business Performance	●	●	●	●	●	◎	
		Shareholders' rights	●	●	●	●	●	●	
	Customers	Product Quality and Delivery	●	●	●	●	●		
		Customer Service and Satisfaction	●	●	●	●	●		
		Customer Privacy	●	●	●	●	●	◎	
	Suppliers	Procurement Specifications	●	●		●	●		
		Green Procurement	●	●		●	●		
		Supply Chain Management	●	●		●	●		
Environmental Aspects		Environmental Protection	●	●		●	●	●	◎
		Waste Management	●	●			●	●	◎
		Water Resource Management	●	●		●		●	
		Energy conservation and Carbon Reduction	●	●		●	●	●	
Social Aspects	Labor Management in the Company	Labor-Management Relations	●	●	●	●		●	
		Salary and Benefits	●	●	●			●	
		Promotion channel	●	●			●	◎	
		Training Development	●	●			●	◎	
		Health and Safety	●	●	●	●	●	●	
	Community Relation	Community Involvement	●	●					●
		Social Welfare Activities	●	●					●
		Donation, Sponsorship	●		●				●

Note: The above table analyses the importance of 26 items regarding the concerned issues of the Company in its internal scope (organization and employees) and external scope (shareholders, customers, suppliers, government institutions, communities, etc.), with 5[●]attention issues, listed as material topics, as shown in light blue mark, totaling 14 items. In addition to responding to material and secondary issues and making a risk assessment and management of each material topic [see 4.2.3 Risk Management of Material topics for details] and list management such as [Appendix 2-1]; 3[●]and 1[◎]5[●]are listed as secondary issues, as shown in light gray mark, totaling 9 items. The responses only answer to those material and secondary issues.



## 1.3 Sorting and Response after Identification of Material Topics

Based on the identification results of stakeholders, the ESG Committee convened a meeting to discuss the stakeholder concerns, the level of stakeholder engagement, and the immediate or potential impacts on the economy, environment, and society in relation to the 2022 ESG Sustainability Report. The ESG Committee conducted a review meeting on January 18, 2024, to prioritize the key stakeholder concerns for 2023, considering industry examples and making appropriate adjustments and revisions in 2023. The meeting records were reviewed and approved by the Deputy Chief Sustainability Officer. Among the 26 identified focus issues, adjustments were made, and the 14 material and 9 secondary disclosure issues in 2023 is shown in the form below:



## 1.3.1 Responses to Material and Secondary Issues

In 2023, 14 material topics and 9 secondary issues were identified, and the summary management actions and related measures are explained as follows:

Item	GRI Standards	Importance to Kinsus	Promote Measures
<b>Corporate Governance and Economic Aspect</b>			
<b>Corporate Governance - Shareholders' Equity - Integrity Management</b>	2-18: Evaluation of the performance of the highest governance body 201: Economic performance 2-15: Conflicts of interest	Ensuring shareholder satisfaction is a crucial task for the Company. The performance evaluation of the highest governance body reflects the Company's sustained profitability. Implementing the integrity management policy is very important for the Company to establish credibility and reputation.	Establish the Company's Articles of Association to clearly define shareholder dividends. Established "Integrity Management Procedures".
<b>Risk Management</b>	<b>2-25: Processes to remediate negative impacts</b> <b>TCFD: Task Force on Climate-related Financial Disclosures</b>	Facing the operational and environmental risks encountered by global enterprises, it is essential to establish a risk management mechanism that can respond swiftly, minimize losses, and continuously safeguard the interests of stakeholders, including the financial impacts and risks associated with climate change.	According to the "Risk Analysis and Management Operating Procedures" and "Continuous Supply Plan" to control the operational impact and damage caused by risks, and implement relevant countermeasures.
<b>Compliance with laws and regulations</b>	<b>2-27: Compliance with laws and regulations</b>	Integrity management is the policy, the basis for establishing Company trust, reputation and word of mouth.	Integrity operation needs to be practiced through compliance with laws and regulations, the formulation of Anti-Corruption and Bribery systems and Avoidance of Interest policies.
<b>Ethics</b>	<b>2-15: Conflict of Interest</b>	In order to build a more complete corporate integrity management, formulate relevant norms of employee ethics and morality, avoid conflicts of interest, and create a sustainable business environment.	Formulate the "Code of Ethics" and "Integrity Management Procedures" for employees and stakeholders to follow.
<b>Information Disclosure</b>	<b>2-3 ~ 2-5 General Disclosures</b>	The Company publishes annual financial report and ESG Sustainability Report Content, Make Information Public.	Open and transparent annual Financial Report and ESG Sustainability Report.
<b>Business Performance</b>	201: Economic Performance 202: Market Presence	Business performance achieves the goal of sustainable operation by making continuous profits, expanding new customers and increasing market share, and creating new job opportunities.	Keep abreast of the economic situation and increase capital expenditure in a timely manner. Expand customers and market share. Control costs and expenses.
	207: Tax	Collection terms are important to companies. Payment terms are important for suppliers.	Establish customer and supplier collection and payment management permissions or methods.
	416-2: Customer Health and Safety 417: Marketing and Labeling Product Quality and Delivery	Customers attach great importance to product quality and delivery It is also an important factor in building trust and good reputation with customers.	Passed ISO 9001 quality management system certification and quality assurance procedures and operating standards.
<b>Customer Service and Satisfaction</b>	<b>416-2: Customer Health and Safety</b> 417: Marketing and Labeling Product Quality and Delivery	Customer service and satisfaction with products is an important factor to establish trust and good reputation with customers.	Regularly conduct annual customer satisfaction survey, and ask responsible units to take action on complaints and requirements from customers within a time limit.

Item	GRI Standards	Importance to Kinsus Technology	Promote Measures
------	---------------	---------------------------------	------------------

### Corporate Governance and Economic Aspect

Product Quality	<b>416-2: Customer Health and Safety</b> 417: Marketing and Labeling Product Quality and Delivery	Customers attach great importance to product quality and delivery time, which is also an important factor for building trust and good reputation with customers.	Passed ISO9001 quality management certification (procedures, operating standards, etc.) and maintain its effectiveness.
Customer Privacy	41 8: Customer Privacy	Understand the customer's requirements and standards for the Company and formulate purchase orders and contracts to implement the protection of customer privacy.	Establish the "Personal Data Security Maintenance Operation Management Measures" and "Fair competition and information disclosure management procedures" for both parties to follow.
Purchasing Specifications	204: Procurement Practices 414: Supplier Social Assessment	The raw material procurement policy is mainly based on manufacturers in Taiwan, and the selection of new manufacturers should comply with environmental protection and social responsibility regulations.	Formulate the "Supplier Social Responsibility Code of Conduct" and sign the "Corporate Social Responsibility Code of Conduct Statement" with suppliers and contractors for compliance.
Green Procurement	414: Supplier Social Assessment	Procurement Policy: Do not purchase raw materials from hazardous substances, conflict metals and forced labor regions or countries.	Passed QC080000 Hazardous Substance Management System and suppliers passed Social Responsibility Assessment.
Supply Chain Management	308-1: Supplier Environmental Assessment 414: Supplier Social Assessment	The sustainable development of the cause promoted by KINSUS. It is necessary to establish a partnership with each manufacturer in the supply chain, and each supplier must also abide by the environmental and social responsibility laws and regulations.	Formulate Supplier Management Operating Procedures, establish mutual trust and stable partnerships with suppliers, grow together, and build a sustainable supply chain.

Item	GRI Standards	Importance to Kinsus Technology	Promote Measures
------	---------------	---------------------------------	------------------

### Environmental Aspect

Energy Conservation and Carbon Reduction	305-1,2: Carbon Emissions <b>2-27: Compliance with laws and regulations</b>	In response to global environmental protection trends and the development of the country's overall greenhouse gas reduction strategy, grasp the Company's greenhouse gas emissions.	Reduce oil and electricity consumption for energy efficient management.
Environmental Protection	302-4: Reduction of energy consumption 303-1,2,3: Water and Effluents 306-3: Waste 308: Supplier Environmental Assessment 414: Supplier Social Assessment	Measures to reduce greenhouse gas emissions, sewage and effluent, and waste treatment and disposal comply with environmental regulations; environmental and social responsibility assessments should be conducted for upstream and downstream suppliers.	Effectively reduce power consumption, and comply with the laws and regulations for wastewater testing and waste classification according to the ISO 14001 Environmental.
Waste Management	<b>306-3: Waste</b> 2-27: Compliance with laws and regulations	Sewage and waste violate environmental laws and regulations. If the Company is fined, it will affect the reputation and corporate image.	Comply with the laws and regulations for wastewater testing and waste classification according to the ISO 14001 Environmental.
Water Resource Management	303-1,2,3: Water and Effluents 2-27: Compliance with laws and regulations	Improve water resources management measures to reduce water shortage crisis, implement water management and reduction, and improve recycling and reuse.	Management System According to the use of water, conduct wastewater recycling under the categories of cooling water tower, process wastewater and domestic water.



Item	GRI Standards	Importance to Kinsus Technology	Promote Measures
<b>Social Aspect</b>			
<b>Labor-management Relations</b>	<b>401: Employment Relationship</b> <b>402: Labor/Management Relations</b> <b>405: Diversity and Equal Opportunity</b>	The Company regards employees as its most important partners and aims to create a working environment characterized by harmony, challenges, sustainable learning and growth, diversity, and equality.	Provide an industrially competitive overall salary and welfare system, as well as a harmonious working environment, so as to unite Kinsus's employees.
<b>Human Rights Protection</b>	406: Non-discrimination 408: Child Labor 409: Forced or Compulsory Labor	Comply with relevant laws and regulations such as the "Labor Standards Act" and "Act of Gender Equality in Employment" and the "Regulations for Foreign Workers Management" to protect labor rights.	Formulate <b>"Work Rules"</b> and <b>"Sexual Harassment Prevention Measures, Complaints and Punishment Measures"</b> and provide them to the Labor Bureau for approval, including regulations of human rights protection, forced labor and sexual harassment.
<b>Safety and Health</b>	403: Occupational Health and Safety	Comply with the "Occupational Safety and Health Act" and provide employees with a safe, healthy, high-quality and friendly workplace.	Formulate the <b>"Operation Instructions for Prevention and Management of Ergonomic Hazards"</b> and establish a hazard identification and control mechanism.
<b>Salary and Benefits</b>	2-18: Remuneration policies 2-19: Process to determine remuneration 2-21: Annual total compensation ratio	Provide industry-competitive overall remuneration strategies and systems to attract and retain outstanding talents.	Formulate the <b>"Salary Management Measures"</b> for supervisors at all levels to follow.
<b>Training and Development</b>	404: Training and Education, Performance Assessment	Establish a mechanism that focuses on the development of employees and supplemented by performance evaluation, and cultivates and develops the personal capabilities of employees.	Formulate the <b>"Employee Performance Appraisal Measures"</b> for supervisors at all levels to follow.
<b>Promotion Channel</b>	404: Training and Education, Performance Assessment 405: Diversity and Equal Opportunity	Establish a mechanism that focuses on developing employee capabilities, supplemented by performance assessment, cultivates and develops employee capabilities, and regularly handles employee promotion and salary adjustments to establish diversity and equal opportunities.	Formulate the <b>"Employee Promotion Management Measures"</b> Every year, supervisors at all levels will report employees with outstanding performance to be promoted to supervisors or rank positions.

# 1.4 Influence of Sustainable Management

## 1.4.1 Material Topics in Kinsus's Value Chain Relationship

Note: ◎ Full disclosure ▲ Partial disclosure

Material topics	GRI Standards Specific Topics SASB Code Clause - Hardware	Upstream	Kinsus's products			Downstream	Operational Importance			
		Procurement Stage	IC Substrate SIP /PBGA	FCCSP/CSP	RF modules/ FCBGA	Customer use	Revenue Growth	Customer Satisfaction	Employee Morale	Operational Risk
Operating Profit										
Business Performance	201 Economic Performance 202 Market Presence 416 Product Safety	○	○	○	○	○	○	○	○	○
Customer Service and Satisfaction	417 Product Service TC-HW-230a.1 Product Safety	○	○	○	○	○	○	○		
Product Quality	TC-HW-410a.1 ~3 Product Lifecycle Management	○	○	○	○	○	○	○	○	○
Corporate Governance										
Integrity Management		○					○	○	○	○
Shareholders' Equity	2-9 Governance structure and composition 2-15 Conflicts of Interest 2-25 Procedures to remediate negative impacts						○	○		○
Risk Management	418 Customer Privacy TC-HW-230a.1 Product Safety	▲				▲	○	○	○	○
Customer Privacy						○		○	○	○
Green Production										
Compliance		○	○	○	○	▲	○	○	○	○
Environmental Protection	305-1,2,7 Carbon Emissions 307 Environmental Compliance 306 Waste	○	○	○	○	▲	○	○	○	○
Energy Conservation and Carbon Reduction	2-27 Compliance with environmental regulations	○	○	○	○	▲		○	○	○
Friendly Workplace										
Labor-management Relations	401 Employment 402 Labor/Management Relations							○	○	○
Human Rights Protection	406 Non-discrimination 408 Child Labor 409 Forced or Compulsory Labor	▲				▲		○	○	○
Ethics	412 Human Rights Assessment 403: Occupational Health and Safety	▲				▲		○	○	○
Safety and Health	TC-HW-330a.1 Employee Diversity and Inclusion		○	○	○			○	○	○

### 1.4.2 Risk Management of Material topics

In 2023, the seriousness and possibility of risk occurrence of 14 material topics were identified, and their risk considerations, risk assessment and management measures are analyzed and explained in the following table:

**Risk Consideration** ★ **Strategy** ● **Operation** ◆ **Hazard**

Business Performance	Integrity Management	Risk Management
<p>Operating performance surplus</p> <p>★ ●</p> <p>There is a surplus in operating performance this year</p>	<p>Integrity management, professional ethics and compliance with laws and regulations are important beliefs in the Company's operations</p> <p>◆</p> <p>The Company formulates systems such as the code of integrity management, code of ethics, etc., and signs labor contracts and publicity training to prevent and reduce the probability of occurrence, and set up complaint mechanisms and channels to facilitate timely handling.</p> <p>Reporting or media news reports of violations of integrity management or ethics will seriously affect The Company's reputation and image affect the customer's order single wish.</p>	<p>The Company follows financial, environmental and labor, and safety-related laws and regulations, and there are few illegal incidents</p> <p>●</p> <p>The Company has formulated risk management systems such as: "Continuous Supply Plan" and "Risk Analysis and Management Operation Procedures" to respond to the risks of the Company's operations and reduce the impact of risks after they occur</p> <p>If there is a business risk, the impact and loss on the enterprise will be assessed according to the size of the event, and hierarchical management will be carried out.</p>
<p>Please refer to this report [ 2. Corporate Governance and Integrity Management ]</p>	<p>Please refer to this report [ 2.3 Integrity Management, 2.4 Business Philosophy, Ethics and Compliance ]</p>	<p>Please refer to this report [ 2.7 Risk Management System ]</p>

Risk Assessment and the Management Measures

### Probability of Risk Occurrence>>>

Likelihood Category	Percentage
Almost Certain	10%
Highly Likely	80%
Possible	30%
Unlikely	50%
Highly Unlikely	10%

**Risk Severity>>>**

Severity Level	Approximate Number of Cases
Severe Disaster	10,000,000
Severe	8,500,000
Moderate	6,500,000
Mild	4,500,000
Very Mild	2,500,000



Risk Consideration ★ Strategy ● Operation ◆ Hazard

Risk Assessment and the Management Measures	Law to Follow	Shareholders' Equity		Labour Relations
	<p>The Company abides by various laws and regulations, and operates with integrity as its policy</p> <p>◆◆</p> <p>The Company formulates the system of anti-corruption, bribery, and benefit avoidance, and strictly implements it to avoid corruption and bribery .</p> <p>If there is a situation of violating laws and regulations or operating in good faith, it will seriously affect the Company's reputation and image, and affect the willingness of customers to place orders</p> <p>Please refer to this report  <b>[ 2.3 Integrity Management, 2.4 Business Philosophy, Ethics and Compliance ]</b></p>	<p>Operating performance surplus pay dividends</p> <p>★●</p> <p>There is a surplus in operating performance this year</p>	<p>Operating performance loss no dividends</p> <p>★●</p> <p>In 2023, there will be an increase in inventory to be digested. possible loss</p> <p>Consumer demand is weak, the customer suspends placing orders or cancels some orders, and the business unit plans to actively develop new customers</p>	<p>The Company establishes a harmonious labor-management relationship, attaches importance to the rights and interests of employees, listens to voices, and appeals mechanisms</p> <p>●</p> <p>The Company has established labor-management conferences, employee welfare committees and other labor-management communication channels to promote harmonious labor-management relations, and has set up appeal mechanisms and channels to facilitate timely handling and resolution of labor-management disputes.</p> <p>If there is a disharmonious labor-management relationship, it will affect departmental collaboration and efficiency at the least, and internal and external complaints at the worst, affecting corporate image.</p> <p>Please refer to this report  <b>[ 6.5 Human Rights Protection: Listening to Employees' Voices ]</b></p>

Probability of Risk Occurrence>>>

Almost Certain				
Highly Likely	●			
Possible			●	
Unlikely				●
Highly Unlikely		●		

Risk Severity>>>

Severe Disaster				
Severe				
Moderate	◆			
Mild			◆	◆
Very Mild		◆		

**Risk Consideration** ★ Strategy ● Operation ◆ Hazard

Risk Assessment and the Management Measures	Human Rights Protection	Health and Safety	Ethics	
	<p>The Company complies with labor laws and RBA human rights guidelines, and no human rights violations have occurred</p> <p>● ◆</p> <p>Formulate "Work Rules" and "Sexual Harassment Prevention Measures, Complaints and Punishment Measures" and submit them to the Labor Bureau for approval, including provisions on human rights protection, forced labor and sexual harassment</p> <p>If a human rights violation occurs, it will affect departmental collaboration and efficiency at the least, and seriously affect the brand reputation</p> <p>Please refer to this report [ 6.5 Human Rights Protection: Listening to Employees' Voices ]</p>	<p>The Company abides by the "Occupational Safety and Health Work Code", implements hazard identification and risk assessment, and establishes a healthy and safe working environment</p> <p>●</p> <p>The Company formulated the "Occupational Safety and Health Work Code" and its organizational staffing, and submitted it to the official for record, and passed the ISO 45001 occupational safety and health management system certification passed</p> <p>If a safety and health incident occurs, the employee may be injured and lose working hours, or the death may be serious occupational accident Improving within a time limit due to official sanctions, affecting reputation</p> <p>Please refer to this report [ 6.6 Workplace Health and Safety, 6.7 Health Care, 6.8 Health Promotion Activities ]</p>	<p>The Company should abide by business ethics</p> <p>●</p> <p>Kinsus formulates the code of integrity management according to the law and other formulations for compliance</p>	<p>Employees should abide by professional ethics</p> <p>●</p> <p>We formulate systems such as "Work Rules" and professional ethics, for employee management to follow</p>
	<p>If an enterprise or employee violates ethics and professional ethics, the official judgment or the employee will be punished Punishment will seriously affect the Company's internal and external image and reputation</p>			
	<p>Please refer to this report [ 6. Friendly Workplace ]</p>			

**Probability of Risk Occurrence>>>**

Almost Certain				
Highly Likely				
Possible		●		●
Unlikely				
Highly Unlikely	●		●	

**Risk Severity>>>**

Severe Disaster				
Severe				
Moderate				
Mild		◆		◆
Very Mild	◆		◆	



### Risk Consideration ★ Strategy ● Operation ◆ Hazard

Risk Assessment and the Management Measures	Environmental Protection	Energy Conservation and Carbon Reduction	Product Quality and Delivery
	<p>The Company complies with relevant environmental laws and regulations, and incidents of violating environmental laws rarely occur</p> <p>●</p>	<p>The Company complies with relevant environmental laws and regulations, effectively reduces electricity consumption and purchases green electricity</p> <p>● ◆</p>	<p>The quality and yield rate of the product is low and does not meet the customer's requirements</p> <p>● ◆</p>
	<p>The Company has passed the "ISO 14001 Environmental Management System" certification, and attaches great importance to environmental protection: waste water, waste gas, waste</p>	<p>The Company has passed the "ISO 14001 Environmental Management System" certification, effectively reducing electricity consumption, and cooperate with the government policy to purchase green electricity, regularly Sewage testing compliance, waste legal disposal</p>	<p>If the yield rate of the product does not meet the customer's requirements, the customer will return the product or demand compensation, which will cause a great impact on the Company's financial loss and reputation</p>
	<p>If there is a disharmonious labor-management relationship, it will affect departmental collaboration and efficiency at the least, and internal and external complaints at the worst, affecting corporate image</p>	<p>In the event of illegal incidents, official sanctions will be imposed within a time limit and fined by the government. In serious cases, it will cause employee injuries and other occupational accidents, which will affect the Company's reputation</p>	<p>the yield rate of the product manufacturing process, resulting in product scrapping and affecting Customers and Company Operations</p>
	<p>Please refer to this report  <b>[ 5.1 Environmental Policies and Commitments, 5.2 Climate Change and Low-carbon Manufacturing ]</b></p>	<p>Please refer to this report  <b>[ 5.1 Environmental Policies and Commitments, 5.2 Climate Change and Low-carbon Manufacturing ]</b></p>	<p>Please refer to this report  <b>[ 3.5 Product Quality and Delivery ]</b></p>

### Probability of Risk Occurrence>>>

Almost Certain			
Highly Likely		●	●
Possible			
Unlikely	●		
Highly Unlikely			

### Risk Severity>>>

Severe Disaster			
Severe			
Moderate		◆	◆
Mild	◆		
Very Mild			

Note: Climate Risk 1 and Climate Risk 2 refer to risk response methods in response to climate change.



**Risk Consideration** ★ **Strategy** ● **Operation** ◆ **Hazard**

Risk Assessment and the Management Measures	Customer Privacy	Customer Service and Satisfaction	
	Companies should abide by laws and regulations and corporate ethics, and try their best to protect customer privacy and data  ●  KINSUS has formulated a code of business ethics and other regulations for compliance  We try our best to protect the privacy of employees and customers	Good customer service and high satisfaction  ●	Customers complain and are not satisfied  ● ◆
		Kinsus regularly conducts customer satisfaction surveys and handles customer complaints in a timely manner	Customers have complained about the handling or mishandling, have poor satisfaction and no follow-up orders
	In case of leakage of customer privacy, at least it will be punished by officials or employees, and at worst it will affect the Company's internal and external image and reputation, and affect customers' willingness to place orders	If the customer service and satisfaction is poor, the customers might reduce future orders or cancel orders, in serious cases, which will affect the Company's operating performance	
	Please refer to this report [ 3.4 Customer Privacy ]	Please refer to this report [ 3.3 Customer Operation and Service ]	

**Probability of Risk Occurrence>>>**

Almost Certain	
Highly Likely	
Possible	●
Unlikely	
Highly Unlikely	●

**Risk Severity>>>**

Severe Disaster	
Severe	
Moderate	
Mild	◆
Very Mild	◆

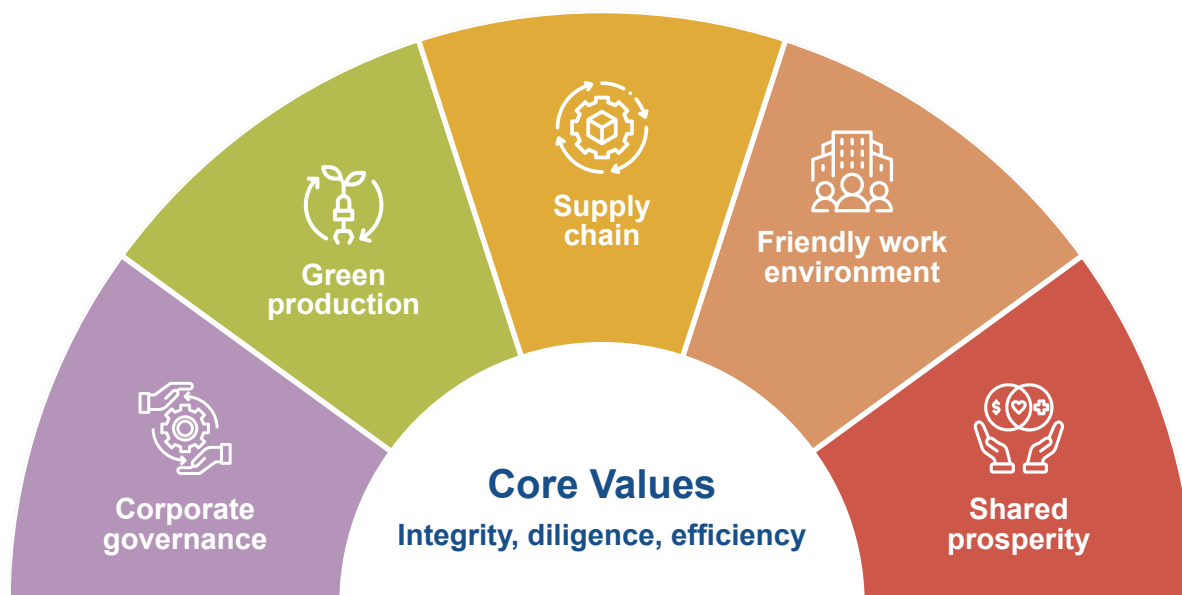
## 1.5 Fulfilling the United Nations Sustainable Development Goals

Kinsus is committed to achieving the United Nations Sustainable Development Goals (SDGs) and continues to focus on six SDGs: SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 6 (Clean Water and Sanitation), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action). Through economic, environmental, and social initiatives, Kinsus sets its goals and management measures for 2023 to actively contribute to sustainable impact.

Company Goals	Management Measures	Corresponding to SDGs Goals	Corresponding Chapter
<b>Economic side</b>			
<b>Correspondence to SDGs goals: 12 Responsible Consumption and Production 13 Climate Action</b>  			
Disclosing relevant information and cooperating with the government to promote corporate governance blueprint	Disclosure of Company non-financial information, refer to the international general report preparation standards and obtain third-party verification.	12.b	Summary and Scope of the Report
Addressing Climate Change and Energy Supply Risks, actively identify the risks brought by climate change, and continuously control the impact and damage of extreme weather on operations	Develop adaptation policies and solutions for real risks such as floods, typhoons, power outages, and rising temperatures, actively implement relevant countermeasures, ensure rapid recovery of operations following a disaster	13	2.7 Risk Management System 5 Climate change risk, TCFD and management, strategy and performance
<b>Environment</b>			
<b>SDGs target correspondence: 06 Clean Water and Sanitation 13 Climate Action</b>  			
Promote water and energy conservation	In addition to water quality monitoring, the cooling water tower, process wastewater and water for people's livelihood and other categories, for waste water recycling.	06	5.4 Water Resource Management
Scope 1 and 2 introduce greenhouse gas scope 3 inventory and verification work	Obtain DNV Company inspection statement	13	5.2 Environmental Performance and Low-carbon Manufacturing 5.3 Renewable Energy and Resource Conservation/ Efficiency
<b>Social Aspect</b>			
<b>Correspondence to SDGs goals: 03 Health and Safety 04 Quality Education 05 Gender Equality</b>   			
Enhance the knowledge and skills of new and existing employees	The Company's common regulations such as personnel regulations, safety and health regulations and other important management regulations; entering the working environment is handed over to the supervisor for training at work, until no homework errors occur, to work independently, to ensure product and work quality	04	6.3 Talent Cultivation and Development
Promoting occupational safety and Health Self-inspection and management measures, prevent disasters in the factory and reduce risks	Based on the "ISO 45001 Occupational Safety and Health Management System" and relevant occupational safety laws and regulations, formulate occupational safety and health work rules, identify hazardous operations, establish independent inspection and safety operation standards, and prevent various potential hazardous accidents	03	6.6 Workplace Health and Safety 6.7 Health Care 6.8 Health Promotion Activities
Prohibition of gender discrimination in recruitment, appointment, salary, promotion, training, etc.	The Company's "Work Rules" are submitted to the Labor Bureau of the county and city government for approval and record. It clearly stipulates the prohibition of gender discrimination policies and systems	05	6.1 Talent Policy and Commitment

## • Kinsus's Sustainable Development Goals in the Direction and Actions of ESG Sustainability Report

The five major ESG directions are as follows



The Company implements ESG actions



### Environmental

#### Kinsus Actions

- Establishing a sustainable green environment
- Energy conservation, carbon reduction, and low-carbon manufacturing
- Renewable energy and efficient energy utilization
- Supporting renewable energy and recycling
- Pollution prevention and compliance with environmental regulations

### Social

#### Kinsus Society Actions

- Friendly and inclusive workplace
- Talent cultivation and development
- Healthy and safe environment
- Competitive salary and benefits
- Community public welfare/caring for the underprivileged

### Governance

#### Kinsus Actions

- Sustainable growth and profitability
- Customer service and satisfaction
- Responsible green procurement
- Establishing a sustainable supply chain
- High-quality corporate governance and ethical business practices





# 02

## Corporate Governance & Integrity Management

- 2.1 Company at A Glance
- 2.2 Corporate Governance
- 2.3 Integrity Management
- 2.4 Business Philosophy, Ethics and Compliance
- 2.5 Internal Audit and Management Verification System
- 2.6 Information Security
- 2.7 Risk Management System
- 2.8 Affirmation and Glory

- Kinsus has identified integrity in business operations, risk management, and compliance with regulations as material topics and objectives in terms of sustainable corporate governance. The short, medium, and long-term indicators for these material topics in sustainable corporate governance are as follows:

	Short-term Indicators (2023~2024)	Medium-term Indicators (2025~2028)	Long-term Indicators (2029+)
<b>Corporate Governance</b>	The ranking of corporate governance evaluation is within 35 % of all listed companies	The ranking of corporate governance evaluation is within 35 % of all listed companies	The ranking of corporate governance evaluation is within 35 % of all listed companies
<b>Legal Compliance</b>	No violations of company law or tax regulations	No violations of company law or tax regulations	No violations of company law or tax regulations

## • The Objectives and Performance of Material Topics: Corporate Governance and Integrity Management

Kinsus is committed to corporate governance and sustainable business management, based on the principles of integrity, transparency, compliance with regulations, and improving operational performance. We strive to enhance internal controls, personnel management mechanisms, and obtain ISO management system certifications. We promote a high-quality corporate culture that aligns with our business philosophy and ethical standards. The material topics, objectives, and performance targets that we have set are as follows:

### Corporate Governance

Goal of 2024	Goal of 2023	Performance Achievement of 2023
The ranking of corporate governance evaluation reaches within 35% of all listed companies	The ranking of corporate governance evaluation is within 35% of all listed companies	The corporate governance evaluation ranking range is within 35% of all listed companies → <b>Achieved</b>

### Legal Compliance

Goal of 2024	Goal of 2023	Performance Achievement of 2023
No violations of Company Act or tax regulations	No violations of Company Act or tax regulations	No violations → <b>Achieved</b>

## 2.1 Company at A Glance

Kinsus Interconnect Technology Corp. was established in September 2000, with its headquarters located in Xinwu District, Taoyuan City. There are four factories in Taiwan: Shih-Lei Factory, Tsing-Hua Factory, Xing-Feng Factory and Yu-Shih Factory. These plants are primarily engaged in the manufacturing and sales of substrates for IC packaging.

Since the establishment, Kinsus has adhered to the concept of "satisfying customers and pursuing excellence" and is heading towards the research and development direction that leads the market in terms of technology. We aim to improve profits by surpassing competitors in technology and products, and we strive to grasp trends in order to develop new-generation products.

**Company Name| Kinsus Interconnect Technology Corp.**

**Headquarters Location| No. 1245, Zhonghua Rd, Xinwu Dist., Taoyuan City**

**Establishment Date| September 2000**

**Chairman| Sih-Jheng Liao**

**CEO| Scott Chen**

**Capitalization| NTD 4,544,671,000 (2023.12.31)**

**Number of Employees| 5,561 (2023.12.31)**





## 2000

**September** : The company was established with an initial authorized share capital of NTD 2.5 billion and a contributed capital of NTD 1.2 billion. Kinsus mainly produces integrated circuits ball grid array (BGA) substrate for integrated circuits and other products

## 2013

**March** : Xing-Feng Factory was purchased at the following address: No. 526, Sec. 2, Jianxing Rd., Xinfeng Township, Hsinchu County

**April** : Selected as one of the 2012 Deloitte Asia Pacific Top 500 High-Tech and High-Growth Enterprises

**May** : Ranked 116th in profit rate and 158th in revenue among Taiwan's top 1,000 manufacturing companies by "CommonWealth Magazine"

## 2015

**May** : Ranked 139th in revenue and 56th in net income after-tax among the top 2,000 manufacturers in Taiwan by "CommonWealth Magazine"

## 2019

**March** : Acquired and cancelled 78,640 shares of restricted stock for employee rights, and issued 598,500 shares of restricted stock for employee rights as part of the capital reduction. Cancellation and the paid-up capital after issuance was NTD 4,513,609,000

**October** : The subsidiary, Pegavision Corporation, was officially listed on the Taiwan Stock Exchange Corporation

## 2022

**August** : 1,932,000 shares of restricted stock for employee rights were issued, and the paid-up capital after issuance was NTD 4,527,761,000

## 2012

**May** : Ranked 108th in profit rate and 162nd in revenue among Taiwan's top 1,000 manufacturers by "CommonWealth Magazine"

## 2014

**April** : Xing-Feng Factory officially started construction

**May** : Ranked 720th in market capitalization among the top 1,000 companies in China, Taiwan and Hong Kong by "Business Today"

## 2018

**August** : 4,841,000 shares of restricted stock for employee rights were issued, and the paid-up capital after issuance was NTD 4,508,410,000

## 2021

**February** : Yu-Shih Factory was purchased at the following address: No. 580, Gaoshi Rd., Yangmei Dist., Taoyuan City

## 2023

**March** : Acquired and cancelled 5,000 shares of restricted stock for employee rights, and issued 1,448,000 shares of restricted stock for employee rights as part of the capital reduction. Cancellation and the paid-up capital after issuance was NTD 4,542,191,000.

**May** : 280,000 new shares with restricted employee rights were issued, and the paid-in share capital after issuance was NTD 4,544,991,000.

**August** : 24,500 new shares with restricted employee rights purchased, canceled and reduced capital, and the paid-in share capital after cancellation was NTD 4,544,746,000.

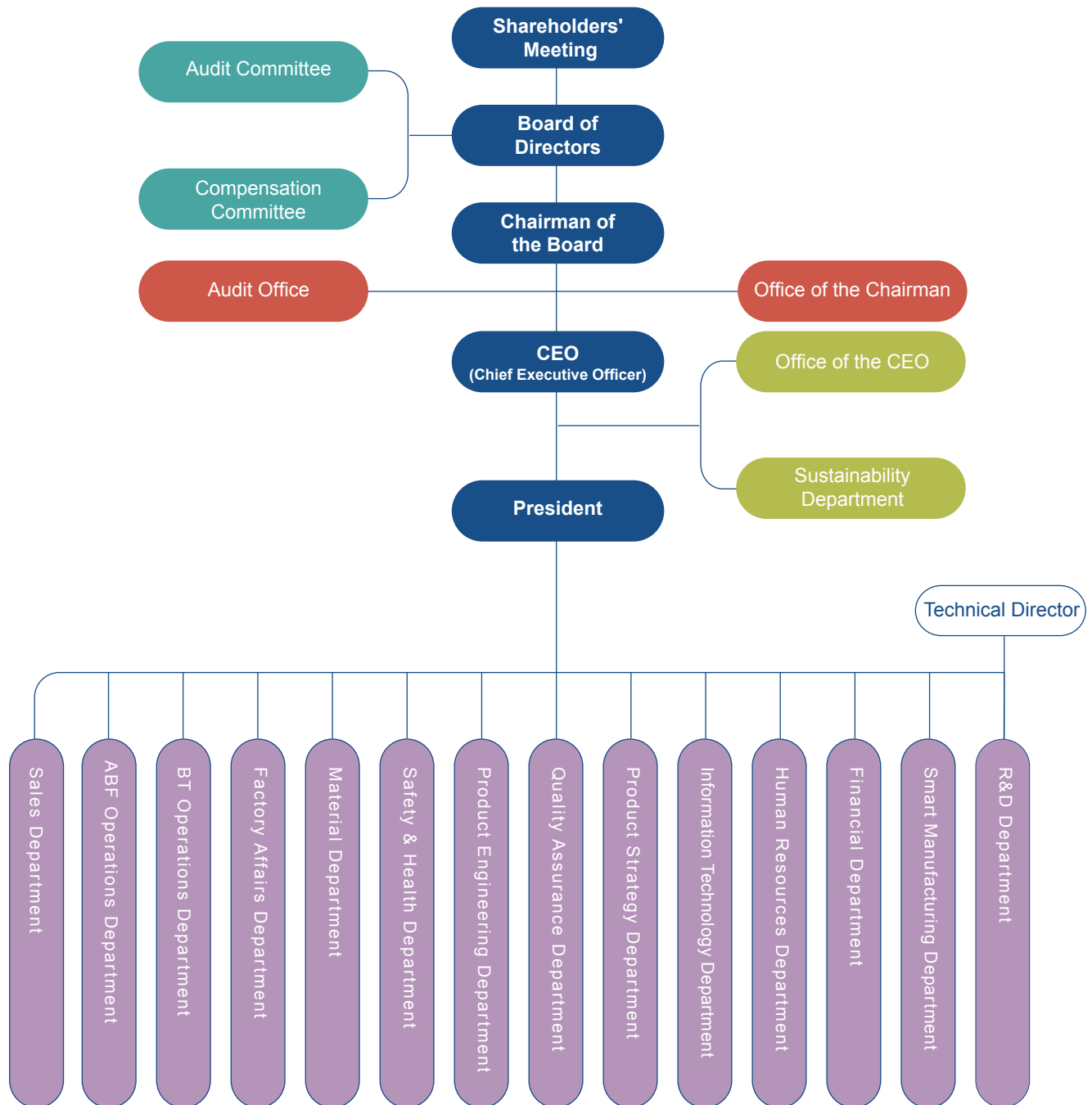
**November** : 7,500 new shares with restricted employee rights purchased, canceled and reduced capital, and the paid-in share capital after cancellation was NTD 4,544,671,000.

## 2.1.1

## Company Establishment and Key Events in the Last 10 Years



## 2.1.2 Organizational Structure



## 2.1.3 Business of Each Main Department

Department	Responsibilities
<b>CEO and President</b>	Comprehensively manage the company's business objectives, strategies and performance, formulate the company's long-term development policy, organize, supervise and promote the business promotion and implementation of various departments. Responsible for the formulation of business plans, management and analysis of business performance, investment analysis and benefit evaluation, research and control of cost reduction, research and improvement of process automation, preparation of annual budgets, business management of overseas investment enterprises, promotion and planning of other important projects, performance evaluation, research and analysis of process capacity and standard working hours, and formulation of rationalization standards for process personnel. Legal affairs will review contracts, handle legal disputes and compliance matters, and manage intellectual property such as patents.
<b>Sustainability Department</b>	Responsible for promoting the company's three sustainable management goals in terms of environment, society and corporate governance, implementing net zero carbon emissions, renewable energy, and developing green substrates.
<b>Audit Office</b>	Conduct audits and provide improvement suggestions for related systems and implementations such as the company's internal rules and procedures.
<b>Technical Director</b>	Advanced product development, equipment automation, new plant equipment construction planning.
<b>Safety &amp; Health Department</b>	Responsible for safety and health management and industrial safety control to ensure compliance with environmental, safety, and health-related regulations and requirements.
<b>R&amp;D Department</b>	Responsible for product, design, and development business, coordinating the formulation and implementation of overall technical research and development plans.
<b>Smart Manufacturing Department</b>	Responsible for planning automation systems, automation development, smart manufacturing-related businesses, and the introduction of the Smart Manufacturing Factory EAP platform in accordance with process production needs.
<b>Financial Department</b>	Responsible for financial accounting and stock affairs-related business.
<b>Human Resources Department</b>	Organize human resources planning, recruitment and appointment, salary management, training and development, employee services and employee relationship
<b>Information Technology Department</b>	Responsible for the installation and maintenance of various software and hardware of information systems, and developing the company's digital transformation and smart manufacturing technology application capabilities.
<b>Product Strategy Department</b>	Planning product marketing strategies and business development goals according to operational objectives and needs. Formulating annual and quarterly sales plans and making adjustments based on market conditions.
<b>Quality Assurance Department</b>	Responsible for the formulation and implementation of quality policies, objectives and systems to ensure product quality and reliability to meet customer's needs
<b>Product Engineering Department</b>	Responsible for product design and manufacturing, providing related tooling software and hardware, establishing systems for product design and production information, and developing and implementing computer-aided design systems.
<b>Material Department</b>	Responsible for production scheduling, shipping scheduling, raw material management, transportation, warehousing, import and export and customs bonded business
<b>Factory Affairs Department</b>	Responsible for the integrated operation and management of factory facilities maintenance and plant safety maintenance, and coordinating the support and allocation of factory personnel among different plant areas.
<b>BT Operations Department</b>	Responsible for achieving the work goals of various departments related to BT product manufacturing in each plant area, performance management, cost control analysis and improvement, production strategy planning, production planning, production technology enhancement, yield analysis and improvement, production equipment management, and maintenance.
<b>ABF Operations Department</b>	Responsible for achieving the work goals of various departments related to ABF product manufacturing in each plant area, performance management, cost control analysis and improvement, production strategy planning, production planning, production technology enhancement, yield analysis and improvement, production equipment management, and maintenance.
<b>Sales Department</b>	Responsible for the sales and market promotion of the company's products, promoting the achievement of annual and medium-to-long-term performance goals for each product line.

## 2.2 Corporate Governance

### Material Topics: Corporate Governance and Shareholder Rights

#### Management Guidelines

- **Corporate Governance Policy:** Comply with the Company Act and relevant business regulations, and allow the company's board of directors to operate normally
- **Shareholders' rights and interests' policy:** operating profit without loss, ensuring shareholders' rights and interests
- **Goals and targets:** the key issues for the successful operation of enterprises, and the governance system jointly supported by managers, employees and shareholders
- **Commitment:** Use due diligence and early warning communication methods to implement the company's principles and protect stakeholders' benefits
- **Management measures:**
  - (1) Establish a "Corporate Governance Principles" system to ensure the structure, agenda and obligations of the Board of Directors
  - (2) Comply with legal norms and requirements, and perfect the members of the Board of Directors
  - (3) In order to seek professionalism in business decision-making, the composition of the Board of Directors has diverse academic experience
  - (4) Adhere to integrity management and commit to sustainable governance to create value for shareholders
  - (5) Update important news any time in Market Observation Post System to protect shareholders' rights

#### Responsibility

- **External Liability:** Company Act, Securities and Exchange Act, Business Entity Accounting Act
- **Internal system:** Integrity Management Operating Procedures and Principles of Conduct Guidelines, Endorsement Guarantee Operating Procedures, Capital Loans to Others Personnel Operating Procedures, Procedures for Acquiring or Disposing of Assets, Company Articles of Association, Ethical Principles of Conduct, Integrity Management Principles, Principles of Practice for Corporate Governance, Principles of Practice for Corporate Social Responsibility, Operational Procedures for Preventing Insider Trading

#### Performance

- The 2023 corporate governance evaluation result was within **35%**. There are no incidents corrected by the stock exchange in 2023.
- The average attendance rate of the board of directors in 2023 will reach **97.78%**.
- The 2022 corporate governance assessment results are **21% ~ 35%**.

Based on the concept of integrity, diligent, and efficiency, Kinsus strives for sustainable and stable operation, and focuses on the potential development of employees, cultivates the tacit understanding of cooperation and innovation ability, and then builds an excellent team that is simple and can exert great effectiveness for the enterprise, continuously injecting new competitive niches into the enterprise, becoming the benchmark of the industry.

Since the establishment, Kinsus has been committed to providing customers with high-quality and efficient services, fostering a simple and uncomplicated corporate culture, and striving to become a leading company with high growth and high performance.

- Image: The 2023 (112) annual shareholders' meeting



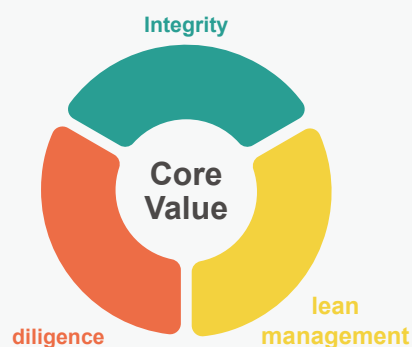
## 2.2.1 Core Value and Corporate Vision

Core value: **Integrity**, **diligence**, and **lean management**, the right way of steady operation.

Cultivate and stimulate the unlimited potential of employees, and jointly create excellent team performance.

Continuous improvement, and strive to maximize customer satisfaction.

Joining the world-class green high-tech leadership group, and making real contribution for the human society and environment.



## 2.2.2 Governance Department

### • Board of Directors

The Chairman of Kinsus is Mr. Sih-Jheng Liao, and the general manager is Mr. Scott Chen. Kinsus held the eighth director election at the annual general meeting of shareholders on July 12, 2021, and held a board meeting on the same day to elect the new Chairman as Mr. Sih-Jheng Liao. The Board of Directors of Kinsus has 9 directors, including 3 independent directors. The election of directors adopts a candidate nomination system which should include professional or management backgrounds, such as electronics, computer communications, financial accounting, and business management, and the Board of Directors will propose director candidates List of directors. Directors' remuneration shall be appropriated in accordance with the company's operating conditions and the Articles of Association, and the distribution shall be reported to the shareholders' annual meeting.

The company's directors with employee status account for 44%, independent directors account for 33%; one independent director has a tenure of less than 3 years, and two independent directors have a high degree of professional governance and Business management ability, so the tenure of directors is more than 9 years; 4 directors are over 70 years old, 3 directors are 61-69 years old, and 2 directors are under 60 years old. The average age of directors is over 50 years old.

The Board of Directors operates in accordance with the "Board Meeting Rules." They convene board meetings at least once every quarter to thoroughly review the company's operational performance and discuss future development strategies. The directors adhere to a high level of self-discipline. If an agenda item involves their own interests, they follow the provisions of Article 32 of the "Board Meeting Rules" and "Decision-Making Procedures" in the "Principles of Practice for Corporate Governance". Article 32 states that "Directors of the company should exercise a high level of self-discipline. If a director or a legal entity represented by a director has an interest in an agenda item listed at a board meeting, they should explain the important details of their interest at the meeting. If there is a risk of harm to the company's interests, they shall not participate in the discussion and voting, and they should abstain from discussion and voting, and shall not exercise the voting rights of other directors on their behalf. The matters for directors to abstain from shall be clearly stipulated in the board meeting rules."

#### The responsibilities of our company's board of directors include:

1. Auditing the company's operational plans.
2. Auditing the annual and semi-annual financial reports.
3. Establishing or amending internal control systems and assessing their effectiveness.
4. Establishing or revising procedures for significant financial transactions such as acquisition or disposal of assets, derivative transactions, lending of funds to others, endorsing or guaranteeing for others.
5. Auditing the issuance, offering, or private placement of equity-related securities.
6. Appointing or dismissing the heads of finance, accounting, or internal audit departments.
7. Auditing donations to related parties or significant donations to non-related parties.
8. Promoting the vision, strategy, and timeline verification for sustainable operations.
9. According to Article 14-3 of the "Securities and Exchange Act", other laws and regulations, specified matters should be submitted to the shareholders' meeting or the Board of Directors for approvals.



## • Education Background of Board Members

Chairman and Deputy Chief Strategy Officer		<a href="#">Main Experience (education)</a>
<b>Sih-Jheng Liao</b>	M	Tatung Institute of Technology, Honorary Doctor of Business Chief Operating Officer of Pegatron Corp.
Director and Chief Strategy Officer		<a href="#">Main Experience (education)</a>
<b>Zi-Xian Tong</b>	M	Electrical Engineering, National Taipei University of Technology Chairman of Pegatron Corporation
Director		<a href="#">Main Experience (education)</a>
<b>Peter Kuo</b>	M	Electrical Engineering, National Taipei University of Technology President of Unicap Electronics
Director and President		<a href="#">Main Experience (education)</a>
<b>Scott Chen</b>	M	Physics, National Tsing Hua University General Manager of Kinsus Interconnect Technology Corp.
Director		<a href="#">Main Experience (education)</a>
<b>Asuspower Investment Co. Ltd. Representative: Jeff Chang</b>		Mechanical Engineering, National Central University Equipment Design Manager, Manz AG Taiwan
Director		<a href="#">Main Experience (education)</a>
<b>Jeff Chang</b>	M	Same as the above
Director		<a href="#">Main Experience (education)</a>
<b>Asustek Investment Co. Ltd. Representative: Guang-Zhi Zheng</b>		Computer Science and Information Engineering, Tamkang University General Manager and Chief Executive Officer of Pegatron Corporation
Director		<a href="#">Main Experience (education)</a>
<b>Guang-Zhi Zheng</b>	M	Same as the above
Independent Director		<a href="#">Main Experience (education)</a>
<b>Hui-Huang Wu</b>	M	Director and President of Universal Scientific Industrial Co. Director of the Taiwan Electrical and Electronic Manufacturer's Association
Independent Director		<a href="#">Main Experience (education)</a>
<b>Jin-Cai Chen</b>	M	Public Administration, University of San Francisco Group Chairman of Namchow Group

Note: Guang-Zhi Zheng was appointed as the corporate director representative on August 1, 2023.

## • Further Study Status of Members of the Board of Directors

In addition to members of the Board of Directors having relevant industrial background and practical experience in operation and management, in 2022, all directors of the company will follow the regulations of "Implementation Points of Training for Directors and Supervisors of Listed OTC Companies" and disclose them regularly. Course content includes financial accounting, financial laws, regulations, ESG and professional ethics and legal responsibilities, etc., the study hours for directors are as follows:

Job title	Name	2023 Advanced Study Hours	2022 Advanced Study Hours
Chairman	Sih-Jheng Liao	12	12
Director	Zi-Xian Tong	12	12
Director	Peter Kuo	6	12
Director	Scott Chen	6	6
Director	Asuspower Investment Co. Ltd. Representative: Jeff Chang	-	-
Director	Jeff Chang	6	6
Director	Asustek Investment Co. Ltd. Representative: Guang-Zhi Zheng	-	-
Director	Guang-Zhi Zheng	6	note
Independent Director	Hui-Huang Wu	12	9
Independent Director	Jin-Cai Chen	7.5	13.5
Independent Director	Ming-Yu Lee	6	6

Note: Guang-Zhi Zheng was appointed as the corporate director representative on August 1, 2023.

## • Diversification of the Board of Directors

The background of the members of the Board of Directors of the company covers professional fields such as operational management, computer communication, physics, chemical engineering, machinery, electronic engineering and financial accounting, and they have the knowledge, skills and accomplishments necessary to perform their duties, including operational judgment, industry experience, leadership decision-making and operational judgment, etc.

Diversity Items>	Operational Manage	Accounting	Business	Crisis Management	Industry Knowledge	Internationality Market View	Lead Decision Making	Operational Judgment
Sih-Jheng Liao	✓		✓	✓	✓	✓	✓	✓
Zi-Xian Tong	✓		✓	✓	✓	✓	✓	✓
Peter Kuo	✓		✓	✓	✓	✓	✓	✓
Scott Chen	✓		✓	✓	✓	✓	✓	✓
Jeff Chang	✓		✓	✓	✓	✓	✓	✓
Guang-Zhi Zheng	✓		✓	✓	✓	✓	✓	✓
Hui-Huang Wu	✓		✓	✓	✓	✓	✓	✓
Jin-Cai Chen	✓	✓	✓	✓	✓	✓	✓	✓
Ming-Yu Lee	✓	✓	✓	✓	✓	✓	✓	✓

## • Director Remuneration

According to Article 24 of Kinsus' bylaws, if the company generates profits in a given fiscal year, a maximum of 1% shall be allocated for director remuneration. The proposal for the distribution of director remuneration should be presented in the annual shareholder meeting report. Kinsus has established the "Director Remuneration Payment Regulations," which stipulate that directors and independent directors who do not hold positions within the group receive fixed compensation regardless of the company's financial performance. For directors who hold positions within the group, their remuneration is calculated based on their position within the company, representation as a director of subsidiary companies, and their level of involvement in the company's operations, taking into account a comprehensive assessment. Reasonable compensation is provided accordingly. The proposed director remuneration, as mentioned above, is subjected to the recommendation of the Compensation Committee and subsequent approval by the Board of Directors in accordance with the regulations.

## • Operation of the Board

In 2023, the Board of Directors held a total of 5 meetings. The attendance of directors is as follows:

Job Title	Name	Actual Attendance Frequency	Entrusted Attendance Frequency	Actual Attendance Rate (%)
Chairman	Sih-Jheng Liao	5	0	100%
Director	Zi-Xian Tong	5	0	100%
Director	Peter Kuo	5	0	100%
Director	Scott Chen	5	0	100%
Director	Jeff Chang	5	0	100%
Director	Guang-Zhi Zheng	2	0	100%
Director	Gui Qin Hu	2	0	67%
Independent Director	Hui-Huang Wu	5	0	100%
Independent Director	Jin-Cai Chen	5	0	100%
Independent Director	Ming-Yu Lee	5	0	100%
Average Attendance:		--	--	97.78%

Note: Guang-Zhi Zheng was appointed as the corporate director representative on August 1, 2023.

In 2022, the Board of Directors held a total of 5 meetings. The attendance of directors is as follows:

Job Title	Name	Actual Attendance Frequency	Entrusted Attendance Frequency	Actual Attendance Rate (%)
Chairman	Sih-Jheng Liao	5	0	100%
Director	Zi-Xian Tong	5	0	100%
Director	Peter Kuo	5	0	100%
Director	Scott Chen	5	0	100%
Director	Jeff Chang	5	0	100%
Director	Shirley Hu	5	0	100%
Independent Director	Hui-Huang Wu	5	0	100%
Independent Director	Jin-Cai Chen	4	1	80%
Independent Director	Ming-Yu Lee	5	0	100%
Average Attendance:		--	--	97.78%

## • Performance Evaluation

In order to enhance corporate governance and the efficiency of our board of directors, the Company has established performance objectives in accordance with Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. On December 30, 2019, the Company implemented the "Board of Directors Performance Evaluation Procedures," which were subsequently revised to "Board and Functional Committee Performance Evaluation Procedures" on July 31, 2023, to align with governance practices and operational needs.

At the end of each fiscal year, the executive unit collects relevant information on board activities and distributes self-assessment questionnaires such as the "Board Performance Assessment Self-Assessment Questionnaire," "Board Member Assessment Self-Assessment Questionnaire," and "Functional Committee Performance Assessment Self-Assessment Questionnaire." These questionnaires are then centrally collected by the coordinating unit, and the evaluation results based on the criteria outlined in Article 8 are recorded and reported to the board.

Overall, the operations of the board and functional committees have been effective, with most evaluation indicators receiving positive ratings. The Company will continue to strengthen the efficiency of board and committee operations to uphold corporate governance standards.

According to the Board and Functional Committee Performance Evaluation Procedures, an external professional independent organization or team of external experts and scholars should be appointed at least once every three years to conduct a board performance evaluation. In 2023, the Company engaged Diwan Financial Advisory Services Co., Ltd., an independent external professional organization, to conduct an external evaluation of our board's performance. The organization and its executing experts maintain independence from our company with no business relationships. The assessment period was from January 1, 2022, to December 31, 2022, and the evaluation process integrated document review, self-assessment questionnaires, and on-site interviews provided by the company. It also utilized board meeting records, current internal policies, supplementary documents, and publicly available information. The evaluation report was issued on July 31, 2023, with an assessment result of excellent.

The performance evaluation results were reported to the board on January 29, 2024.

## • Audit Committee

Effective internal control systems and audits are the foundation of corporate governance. To maintain the integrity of the company's internal control, accounting, and financial independence, Kinsus established the Audit Committee in 2012 in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee is composed of all independent directors as required by law. The Board of Directors formulated the "Audit Committee Charter" in compliance with relevant regulations for the guidance and operation of the Audit Committee. The Audit Committee consists of three independent directors: Hui-Huang Wu, Jin-Cai Chen, and Ming-Yu Lee.

In accordance with the regulations, the Audit Committee meets at least once every quarter and is responsible for reviewing the appropriateness of expressing financial statements, appointing or remunerating auditors and ensuring their independence, ensuring the effective implementation of internal control within the company, ensuring compliance with relevant laws and regulations, and managing existing or potential risks within the company.

### Matters considered by the Audit Committee mainly include:

1. Revise the internal control system and assess the effectiveness of the internal control system.
2. Amending the acquisition or disposal of assets, engaging in derivatives transactions, lending funds to others, endorsing or providing guarantees for others, procedures for handling major financial and business activities of the certificate.
3. Significant asset or derivative commodity transactions, significant capital lending, endorsement or provision of guarantees.
4. Issuance of securities with the nature of equity.
5. Independent assessment, appointment, dismissal or remuneration of certified accountants.
6. Appointment and dismissal of financial, accounting or internal audit supervisors.
7. Financial statements.
8. Proposals on business reports, profit distribution or loss compensation.



In 2023, the Audit Committee held a total of 5 meetings, and the attendance status is as follows:

Job Title	Name	Actual Attendance Frequency	Entrusted Attendance Frequency	Actual Attendance Rate (%)
Convener	Hui-Huang Wu	5	0	100%
Member	Jin-Cai Chen	5	0	100%
Member	Ming-Yu Lee	5	0	100%
<b>Average Attendance:</b>		--	--	100%

In 2022, the Board of Directors held a total of 5 meetings. The attendance of directors is as follows:

Job Title	Name	Actual Attendance Frequency	Entrusted Attendance Frequency	Actual Attendance Rate (%)
Convener	Hui-Huang Wu	5	0	100%
Member	Jin-Cai Chen	4	1	80%
Member	Ming-Yu Lee	5	0	100%
<b>Average Attendance:</b>		--	--	93.33%

## • Compensation Committee

According to Article 14-6 of the Securities and Exchange Law, Kinsus set up the Compensation Committee in 2011. The company's board of directors resolved to appoint members of the fifth Compensation Committee on July 12, 2021. The term of office of the current committee is July 2021. From July 12 to July 11, 2024, it is composed of the Convener and the Independent Director, Hui-Huang Wu; the Independent Director, Jin-Cai Chen; and the Independent Director, Ming-Yu Lee.

**The terms of reference of the Compensation Committee are as follows, and the proposed recommendations will be submitted to the Board of Directors for discussion:**

1. Regularly review this regulation and propose amendments.
2. Formulate and regularly review the policies, systems, standards and structures for the performance evaluation and remuneration of directors and managers of the company.
3. Regularly evaluate and determine the remuneration of directors and managers of the company.

In 2023, the Compensation Committee held a total of 3 meetings, and the attendance status is as follows:

Job Title	Name	Actual Attendance Frequency	Entrusted Attendance Frequency	Actual Attendance Rate (%)
Convener	Hui-Huang Wu	3	0	100%
Member	Jin-Cai Chen	3	0	100%
Member	Ming-Yu Lee	3	0	100%
<b>Average Attendance:</b>		--	--	100%

In 2022, the Compensation Committee held a total of 4 meetings, and the attendance status is as follows:

Job Title	Name	Actual Attendance Frequency	Entrusted Attendance Frequency	Actual Attendance Rate (%)
Convener	Hui-Huang Wu	4	0	100%
Member	Jin-Cai Chen	3	1	75%
Member	Ming-Yu Lee	4	0	100%
<b>Average Attendance:</b>		--	--	91.67%

## • Corporate governance evaluation and improvement goals

This year's corporate governance evaluation result is within 35%, the priority improvement items and measures as follows:

At present, there are 3 independent directors in the company, 1 of which has a tenure of less than 3 years, and 2 independent directors have a term of more than 9 years because of their high professional governance and management capabilities. In order to improve the effectiveness of the Board of Directors and enable independent directors to be objective exercising powers, the future reelection will consider the tenure of independent directors, so as to achieve the goal of independent directors serving no more than three consecutive terms.

## • Information Disclosure

Kinsus has an official website (<http://www.kinsus.com.tw/>), which discloses the company's basic information, products and financial information, and has a spokesperson and a proxy spokesperson who are responsible for handling and responding to matters related to shareholders' rights and interests, except irregularly hold briefing sessions for legal persons, or through investment forums held by legal persons, announce and explain the operating conditions and future prospects in the meetings, and upload relevant information to the "Market Observation Post System" for the reference of stakeholders. In addition, Kinsus regularly discloses information about our business activities, organizational structure, financial condition and operating performance in accordance with relevant applicable regulations and prevailing industry practices.

## 2.3 Integrity Management

Kinsus engages in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. In order to implement the integrity management policy and actively prevent dishonest behavior, in accordance with the "Principles of Integrity Management of Listed OTC Companies" and the relevant laws and regulations of the company and the group where the company operates, establish integrity management operating procedures and behavior guidelines to specifically regulate the matters that the company's personnel should pay attention to when performing business.

Kinsus designates the Human Resources Department as a dedicated unit, and allocates sufficient resources and qualifies personnel to handle the revision, implementation, interpretation, consulting services and notification content registration and filing of the operating procedures and behavior guidelines and other related operations and supervision. The Human Resources Department is in charge of the following matters:

- 1 Assisting in the integration of integrity and moral values into the company's business strategy, and cooperating with laws and regulations to formulate relevant anti-fraud measures to ensure honest management.
- 2 Analyzing and assessing the risk of dishonest behavior within the scope of business from time to time, and formulating a plan for preventing dishonest behavior based on this, and formulating standard operating procedures and behavior guidelines related to work and business in each project.
- 3 Planning the internal organization, staffing, and responsibilities, and establishing mechanisms for mutual supervision, checks and balances for business activities within the scope of business with a relatively high risk of dishonesty.
- 4 Promotion and coordination of integrity policy publicity and training.
- 5 Planning the reporting system to ensure the effectiveness of implementation.
- 6 Assisting the Board of Directors and the management to check and evaluate whether the preventive measures established in the implementation of integrity management are operating effectively, and regularly evaluate the compliance status of relevant business processes and prepare reports.
- 7 Preparing and properly preserving the integrity management policy and its compliance statement, implementation and execution status and other relevant documented information.

### 2.3.1 Integrity Management Business Operations

Before Kinsus establishes commercial relationships with others, Kinsus should firstly evaluate the legitimacy of agents, suppliers, customers or other business contacts, integrity management policies, and whether they have ever been involved in dishonest behavior records, so as to ensure the fairness of their business operations, transparent and will not ask for offer or accept bribes.

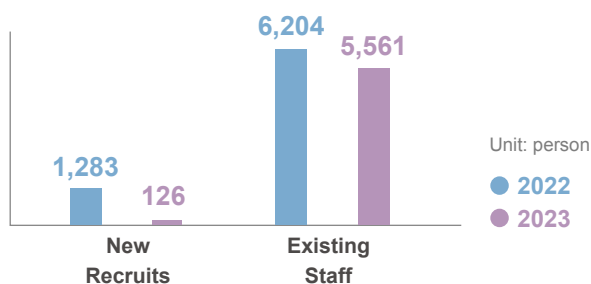
When Kinsus conducts the assessment in the preceding paragraph, it may adopt appropriate inspection procedures to examine its business contacts with regard to the following items, so as to understand their integrity management status:

- 1 The company's country, place of operation, organizational structure, operating policies, and place of payment.
- 2 Does the enterprise have established a policy of integrity management and its implementation?
- 3 Does the place where the enterprise operates belong to a country with a high risk of corruption?
- 4 Is the business of the enterprise an industry with a high risk of bribery?
- 5 The long-term operating conditions and goodwill of the enterprise.
- 6 To consult its business partners for their opinions on the company.
- 7 Does the enterprise have ever been involved in dishonest acts such as bribery or illegal political donations?



## 2.3.2 Implementation Results

Kinsus conducts regular employee education and training, including the promotion of the concept of integrity management, and the establishment of anonymous reporting channels for colleagues to understand and abide by, and to improve the effectiveness of the company's implementation of integrity management.



### • Report /Complaint Mechanism

Kinsus focuses on respecting human rights, protecting intellectual property, and preventing improper benefit transmission from harming the rights and interests of the company, customers and suppliers. In order to ensure the implementation of integrity management, Kinsus has set up an independent audit department to perform internal audit operations on a regular or irregular basis every year, and set up a convenient and smooth complaint channel for internal and external stakeholders to report and respond appropriately, so as to reduce the company's operational risks and establish a good interaction model with stakeholders.

**Implementation results in 2023: No supervisor or employee violated the principle of integrity.**

## 2.4 Business Philosophy, Ethics and Compliance

### 2.4.1 Business Philosophy

The core value of the company: integrity, diligence, and lean management, that is, the business philosophy, and the pursuit of profit and surplus as the biggest goal. Kinsus is committed to ensuring the company's information transparency, creating higher added value of products, and striving to improve team professionalism and leadership management ability to continuously improve operational performance.

### 2.4.2 Ethics and Compliance

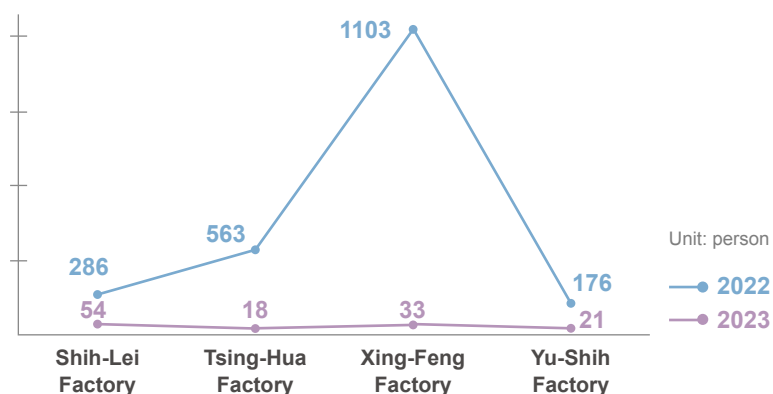
**Policy: Comply with corporate ethics, professional ethics and laws and regulations**

#### Management Guidelines

- **Goal and target:** the process of continuous growth and sustainable operation, achieving economic scale and improving the overall competitiveness of the enterprise. The process complies with ethics and economics, environment and labor, safety and health related laws and regulations, as well as corporate ethics and professional ethics.
- **Commitment:** use due diligence and early warning communication methods to abide by corporate ethics, professional ethics and legal compliance. Also, protect the rights and interests of stakeholders.
- **Management measures:**
  - (1) Establish an effective internal control system and management system to implement the company's clean and integrity management.
  - (2) Comply with relevant laws, regulations and requirements, and cooperate with the government to jointly promote the sustainable development of the electronics manufacturing industry.
  - (3) Pay attention to corporate ethics and employee professional ethics, and respect intellectual property rights and privacy of individuals or customers.
  - (4) Strengthen communication with all stakeholders, and strive to meet the expectations of stakeholders for the company's sustainable operation.

Kinsus values the integrity and honesty of its employees. To uphold these principles, the company has established various policies and procedures, including the "Principles of Ethics," "Professional Principles of Conduct," "Integrity Management Procedures," and "Operational Procedures for Preventing Insider Trading." The "Principles of Ethics" is signed by the Chairman of the Board and is publicly disseminated through the company's official website (<https://www.kinsus.com.tw/zh-TW/Download/csr-policies>) and posted internally. It is used to promote corporate social responsibility and ethics-related education and training within the organization. Furthermore, all new employees are required to sign the "Commitment to Integrity, Honesty, and Confidentiality" upon joining the company, aiming to prevent any corrupt practices.

New recruits in the last two years: the number of people promoted through the RBA:



The number of people to communicated in 2022: 286 people in Shih-Lei Factory, 563 people in Tsing-Hua Factory, 1,103 people in Xing-Feng Factory, 176 people in Yu-Shih Factory, with a total of 2,128 people.

The number of people who communicated in 2023: 54 people in Shih-Lei Factory, 18 people in Tsing-Hua Factory, 33 people in Xing-Feng Factory, 21 people in Yu-Shih Factory, with a total of 126 people.

All business partners who deal with each other also follow the "Principles of Ethics," Professional Principles of Conduct, "and "Integrity Management Procedures," which express the highest standard of integrity and implement the corporate culture and business philosophy of "integrity management".

## • Anti-Bribery and Anti-Corruption

Kinsus has established the "Integrity Management Procedures" to ensure the normal business operation, maintain fair competition, and regulate commercial purchasing and sales activities. These procedures prohibit any form of corruption, extortion, embezzlement, or other illicit practices. They clearly define the guidelines for all of Kinsus' business activities and interactions with external parties. This includes engagements with government departments, negotiations with customer representatives for orders, customer quality control inspections, impartial product testing, quality control audits, and other related activities. The procedures explicitly forbid the provision or acceptance of improper gains, such as kickbacks, promotional fees, advertising expenses, service fees, reimbursement of various costs, or the provision of domestic or international travel, either directly or indirectly, outside of the transaction.

In 2023, Kinsus conducted a corruption and bribery risk assessment for all operational locations through the RBA self-assessment questionnaire. The assessment results indicated no significant corruption or bribery risks and no incidents of bribery or corruption occurred.

## 2.4.3 Compliance

Kinsus adheres to laws and regulations, regularly collects and consolidates relevant legal requirements for examination. In case of any additions or revisions, the responsible units promptly review the existing business models and practices for compliance and assist in disseminating government regulations to all departments. To safeguard the company's legal rights and interests, Kinsus organizes legal courses, creates legal materials, and enhances employees' legal knowledge.

The following table shows whether the company had any violations of relevant important legal sources, internal regulations, or procedures in relation to corporate governance, environment, economic, and social regulations in 2023:

Category	Relevant Important Sources of Law in Taiwan	The company's Corresponding Measures or Procedures	Violations in 2023
<b>Corporate Governance</b>	The Company Act, the Principles of Practice for Corporate Governance, the Principles of Integrity Management of Listed OTC Companies, the Articles of Association of the Audit Committee, the Organization Rules of the Compensation Committee	The Company Articles of Association, the Code of Business Conduct, the Code of Integrity Management and Measures for Reporting and Complaints.	Kinsus acted in accordance with the law, so no major monetary fines or other nonmonetary penalties have been imposed.
<b>Employee</b>			
Labor rights and conditions	The Labor Standards Act, the Employment Service Act, the Gender Equality in Employment Act, the Labor Insurance Act, the Labor Pension Act, the National Health Insurance Act, the Employee Welfare Fund Act, the Rules of Absence for Workers, the Implementation Measures for Labor-Management Meetings, etc.	Approval of work rules Labor-management conference representative list verification The Appointment Operating Procedures, the Resignation Management Procedures, the Salary Management Procedures, the Employee Rewards and Punishments Action Guidelines, etc. Labor human rights test for new recruits	In 2023, there were two government penalty cases.  No labor incidents happened in the Company's operating bases and important suppliers.
Health and Safety	The Occupational Safety and Health Act, the Enforcement Rules of Occupational Safety and Health Act, the Rules for Labor Health Protection, the Rules for Labor Safety and Health Facilities, the Rules for Labor Safety and Health Education and Training, etc.	Occupational Safety and Health Code of Practice Verification Occupational safety and health organization and personnel verification ISO 45001 Occupational Health Management System and related procedures	The company has no record of violating health and safety regulations or being fined.



Category	Relevant Important Sources of Law in Taiwan	The company's Corresponding Measures or Procedures	Violations in 2023
Environment	The Basic Environmental Act, the Climate Change Response Act, the Waste Disposal Act, the Resource Recycling Act, the Air Pollution Control Act, the Noise Control Act, the Drinking Water Management Regulations, the Effluent Standards, the Water Pollution Control Act and its implementation rules, etc.	ISO 14001 Environmental Management System and related procedures, SOP and forms, including waste treatment procedures, noise control procedures, drinking water management procedures, wastewater management procedures, etc. Implementation of ISO 14064 Greenhouse Gas Inventory System and Issuance of Greenhouse Gas Inventory Report.	In 2023, there were one government penalty cases.
Economy	The Fair-Trade Act, the Patent Act, the Copyright Act, the Intellectual Property Act, the Trade Secret Protection Act, the Computer Processing Personal Data Protection Act, etc.	Labor contract, code of professional ethics Personnel related management system.	The Company had no record of violating economic and social regulations and did not been fined.
Society	The Civil Code, the Communicable Disease Control Act, the Sexual Harassment Prevention Act.		
Product	The Fair-Trading Act, the Computer Processing Personal Data Protection Act QC 080000 Hazardous Substance Process Management System.	ISO 9001 Quality Management System and related procedures, SOP and forms, implemented QC 080000 or RoHs system, effective control hazardous substances to meet international standards and to avoid harming consumers.	The Company did not been fined and compensated by customers for leaking customer privacy. The Company complied with the marketing and communication act and had no violations of laws and regulations. Also, no violations of health and safety regulations for products and services

In 2023, all penalty cases were resolved by completing the required improvements within the stipulated deadlines as per official requirements. Moving forward, opportunities such as educational training sessions and internal meetings will be utilized to disseminate correct legal information to colleagues.

## 2.5 Internal Audit and Management Verification System

### 2.5.1 Internal Audit

In order to fully examine and evaluate the effectiveness of internal control, measure the effectiveness and efficiency of operations, the reliability of reports, and real-time efficiency, transparency and compliance with laws and regulations, Kinsus has set up an independent internal audit unit, the Audit office, which is belonging to the Board of Directors.

#### Internal Audit

##### Management Guidelines

- **Scope:** Check and evaluate the adequacy and effectiveness of the internal control system of each department in the company and the efficiency of operating activities.
- **Targets:** The audit targets include the business that each unit of the company is responsible for.
- **Management measures:**

##### Planned

The Audit Office will formulate the audit plan for the next year according to the laws and regulations and the risk assessment results before the end of each year. After drawing and submitting to the Board of Directors for discussion and approval, the audit plan will be executed as the basis of the audit work.

##### Project-specific

Depending on business needs, the company's senior executives or the supervisors of the Audit Office designate the audit topic and time. Audit personnel shall carry out the inspection of various audit operations within the determined time.

#### • Audit process

Formulate the annual audit plan according to the risk assessment results, and implement the audit work according to the annual audit plan.



Execute project audits as needed and provide management level with timely knowledge of existing deficiencies or potential risks.



Issue an audit report after performing the audit work and put forward suggestions and improvement methods.



Continuously track and improve the audit missing items, and make tracking reports on a quarterly basis until the completion of the improvement is confirmed.



After the audit report and follow-up report are submitted, they should be submitted to the independent directors for reviewing before the end of the next month after the completion of the audit project.



The audit work is conducted based on the results of risk assessment. An annual audit plan is formulated and executed after approval by the Board of Directors. The purpose of the audit is to provide management level with information on the operation status of internal controls. Special audits are carried out as necessary. Any deficiencies identified are communicated effectively with the audited units, allowing the management level to understand the current deficiencies or potential risks.

After conducting the audit procedures, the internal audit department prepares written audit reports and follow-up reports. In addition to regular reporting to the Board of Directors during quarterly meetings, they also report to the Chairman and the Audit Committee on a monthly basis or as necessary.

**In 2023, there were three deficiencies, all of which have been fully rectified, with no major internal control deficiencies. The statement of effective internal control system was disclosed in the annual report, and the necessary regulatory filings were made in accordance with the applicable laws and regulations.**

- Audit operation management uses P-D-C-A to manage the operation cycle operation as shown in the figure below:



## 2.5.2 Internal Management System

The Board of Directors and management of Kinsus establish internal management systems in accordance with the "Guidelines for Establishing Internal Control Systems for Publicly Traded Companies" and relevant legal regulations to enhance operational effectiveness and product quality.

The internal management system is mainly divided into the following three items:

### (1) Internal control system

The internal control system covers the entire operations of the company, including the functions related to planning, organizing, and controlling in the management aspect, as well as the nine major cyclic procedures and standard measures adopted in the areas of sales, production, procurement, financing, payroll, fixed assets, computer information, investment, and research and development. These are all within the scope of the internal control system. The main objective is to achieve "facilitating effective operational activities within the organization."

### (2) ISO Management System

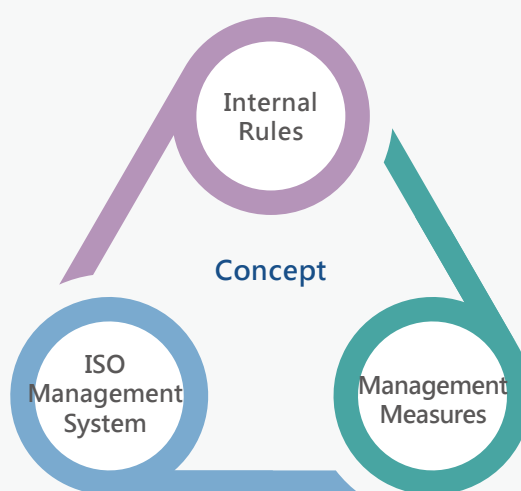
To address issues related to production, quality, and the environment, the company has established ISO management systems. Currently, Kinsus has obtained the following ISO certifications: ISO 9001 for quality management, ISO 14001 for environmental management, ISO 45001 for occupational health and safety management, and ISO 14064 for self-assessment of greenhouse gas emissions.

### (3) Various Management Measures

For high operational risk items such as personnel management system, credit management operations, and expense approval authority, Kinsus has established relevant management procedures to mitigate operational risks.

The three internal control management systems, including the internal control system, ISO management systems, and various management procedures, are based on compliance with regulations, integrity in business operations, ethical values, corporate culture, and business philosophy. These systems ensure the effective operation and continuous improvement of the organization. They also align with Kinsus' commitment to sustainable business practices, and aim to enhance operational efficiency, product quality, and value-added services, ultimately achieve the company's vision and mission of sustainable business operations.

- The diagram of the internal control management system is as follows:



**Laws Compliance, Integrity Management,  
Ethical Principles, Corporate Culture**



## 2.6 Information Security

### • Information Security Risk Management Framework

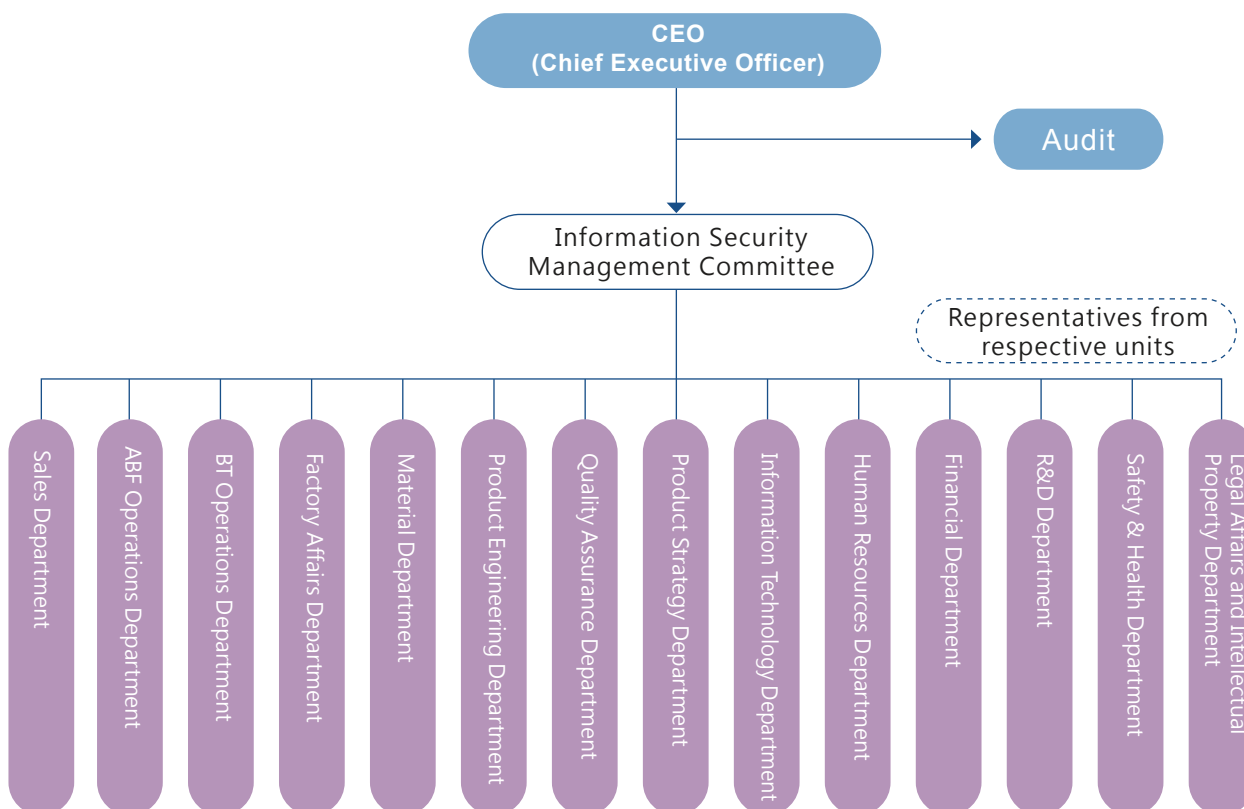
Based on the concerns of internal and external stakeholders, KINSUS has established the "Information Security Management System" in accordance with international standards and legal requirements related to information security management operations and personal data protection. This system ensures that the company's information and communication infrastructure and information systems comply with requirements for confidentiality, integrity, availability, and legality. Through the continuous improvement cycle of the PDCA (Plan-Do-Check-Act) management model, the company integrates and strengthens its information security management system. The implementation of information security management in 2023 was reported to the Board of Directors by the convener of the management committee on December 26, 2023.

### • Information security management overall policy

The CEO of the company has appointed an Information Security Management Representative to establish an internal Information Security Management Committee. This committee is responsible for formulating the company's information security management policies and establishing dedicated units, managers, and personnel for information security. They plan and implement information security operations within the company.

### 2.6.1 Information Security Management Organization

The company has set up a dedicated information security management unit, supervisors and personnel responsible for the promotion and management of information security. About information security, the full management committee is as follows:



Kinsus's information security management policy is to "provide a reliable information security management operating environment to ensure the continuous normal operation of the company's business and achieve the company's information security management goals." After review and approval by the CEO, it will be released for implementation.

## 1

## Purpose

- (1) Implement the company's information security management policy.
- (2) Import information security management system.
- (3) Improve the quality of the company's information security management.
- (4) Strengthen the company's information security management response capabilities.
- (5) Reach the measurement indicators of information security management policy.

## 2

## Scope of application



>> Shih-Lei Plant  
(headquarters)



>> Tsing-Hua Plant



>> Xing-Feng Plant



>> Yu-Shih Plant

## 3

## Goal

The information security management objective of Kinsus is to "ensure the confidentiality, integrity, and availability of organizational business-related information and communication systems and provide continuous and reliable services." To ensure the effective implementation of the company's information security management system and meet the operational needs of the company, all operational processes should be regularly reviewed, assessed, and adjusted based on the company's information security management objectives.

## 2.6.2 Information Security Management Measures



Institutional / Method of Education Publicity

### Targets

1. Optimize information security policies and optimize information security operation specifications
2. Information security policy / regulation of promotion and education and training.

### Actions

1. The Information Security Management System (ISMS) has been implemented and is effective, with ISO 27001 certification obtained for information security management.
2. Ongoing implementation of cybersecurity training for new employees, promoting themed cybersecurity awareness through the EIP portal and screen protection programs.
3. Conduct social engineering drills to strengthen colleagues' awareness of information security.



#### Network Security Protection

##### Targets

1. Make sure the network from running smoothly.
2. Prevent hacker invasion and damage.

##### Actions

1. Establish a multi-layered cybersecurity defense and monitoring system.
2. Yu-Shih Plant implemented "Zscaler".
3. Continuously improve network security device management strategies and optimize control operation processes.



#### Email Safety Control

##### Targets

1. Reduce the risk of external security mail into colleague's mailbox.
2. Protect company intellectual property and sensitive data from leakage.

##### Actions

1. Implement an advanced email defense management system.
2. Continue to optimize the review mechanism for external mail delivery.
3. Integrate AI technology for auditing and managing outgoing emails.



#### Device Safety Protection

##### Targets

1. Protect the company's internal information equipment from virus attacks or malicious intrusion.
2. Protect the company's sensitive information.

##### Actions

1. Build virus software protection endpoint equipment (PC / NB, computer)
2. NB / PC equipment display content implanted in the floating watermark function, the source of warning information can be traced
3. System privilege account management system import, strengthen the system account management security
4. Continuous improvement of the system A weaknesses control projects



#### Disaster Preparedness

##### Targets

1. Integrity and compliance of data backup.
2. System backup and aid startup capability.

##### Actions

1. Established a cloud backup system to improve the abnormal strain capacity.
2. Performed the disaster preparedness system drill operation.
3. Optimized the switching operation efficiency of the backup system and shortened the emergency operation time.
4. The cloud backup system and off-site network storage backup system in Yu-Shih Plant reduce emergency activation time.

## 2.6.3 Information Security Management Effectiveness



### Institutional / Method of Education Publicity

1. Achieved ISO 27001 international information security certification, establishing multiple management standards.
2. Completed information security eLearning courses for new employees, with a total of 457 participants and a 100% pass rate.
3. Conducted four awareness sessions on information security policies, threat identification, and mobile office security defenses.
4. Executed two social engineering drills.



### Network Security Protection

1. The invasion defense system blocked the external invasion threat, and the effective block and defending rate reached 100%
2. The number of interruptions of production units due to security threat was 0.
3. The information security incident like system intrusion was 0.



### Email Safety Control

1. No incidents of risky emails reported in the Company in 2023.
2. The auditing of outgoing emails has been upgraded from manual sampling to 100% AI-based inspection.



### Device Safety Protection

1. 100% installation rate of endpoint protection software on PCs and notebooks, and 100% installation rate on information service hosts.
2. No virus infections or intrusions on IT/OA equipment, with machine virus incidents continuously improved to an average of 1 per quarter.
3. Managed login privileges for information system hosts and network management equipment, with no exceptions for account login incidents.
4. System vulnerability improvement rate reached 92.68%.



### Disaster Preparedness

1. Conducted two data center service failure drills and one backup data recovery drill, with results meeting expectations.
2. Conducted one Yu-Shih Plant on-premise system failure drill, activating the cloud backup system and off-site backup mechanism to ensure critical system services were restored within the expected timeframe.



## 2.7 Risk Management System

### • Risk Management

To strengthen the functions of the Board of Directors and the risk management mechanism, our company has established the "Risk Management Procedures," which have been approved by the Board of Directors. These procedures outline the risk management policy, risk categorization, effective identification, analysis and assessment, control measures, and management processes. Continuous monitoring of various risk factors is included, assessing their likelihood and severity to enhance the risk awareness of all employees. The aim is to control various risks within acceptable levels, ensuring the integrity, effectiveness, and optimal efficiency of risk management.

**Risk Management Mission:** To establish and maintain an effective risk management system and continuously improve it, reducing operational costs, ensuring sustainable profitability, and creating a high-quality work environment to achieve the company's sustainability goals. The objectives, targets, commitments, and management measures are outlined in the following table:

#### Material issues→Risk Management Policy: Prevention is more important than remedy to reduce losses

##### Management Policy

- **Target:** Monitor global economic conditions, climate change, and energy supply risks to proactively develop company strategies and adjust operational models. Prioritize prevention over remediation and actively implement relevant response measures.
- **Commitment:** Closely monitor global industry trends and climate change, adjusting development goals and business strategies in a timely manner to mitigate potential risks.
- **Management measures:**

##### Planned

Conduct annual fire drills and emergency evacuations to reduce the risk of injury in case of a fire. During the summer typhoon season, have an emergency response team ready to address and manage disaster occurrences.

##### Project-Based

Establish a "Risk Group" within the ESG Sustainability Committee to regularly assess the severity and likelihood of risks related to climate change, internal and external operations, and significant issues. This proactive approach helps prevent or mitigate the impact of potential losses or severe damage to the Company.

To comply with laws and regulations, demonstrate operational capabilities, reduce the probability of accidents, and minimize asset losses, Kinsus considers sustainable development and risk management as top priorities in expanding our business. To ensure the comprehensive integration of these principles into our operations, we take proactive control actions to manage and respond to uncertainties. We will continue to establish relevant systems for enterprise risk management and enhance employees' awareness of risk management. Our goal is to actively identify, assess, and manage risks and uncertainties, aiming for continuous improvement in risk management practices throughout the organization.

## 2.7.1 Risks and Opportunities

Risk Factor	Threaten	Countermeasures
Industry Competition	<p>Since the BGA carrier board and packaging technology will change due to the chip design the product life cycle is relatively short.</p> <p>Since the BT base material is Mitsubishi's proprietary material, if faced with Mitsubishi's production capacity tightening, it will inevitably affect product shipments and customer loss.</p>	<p>In the future, Kinsus will develop various flip-chip substrates, ultra-thin substrates, and high-density substrates in accordance with the packaging types, and at the same time extend existing patented technologies to gain market opportunities. In addition to continuing to maintain a good relationship with the existing BT base material factories, in order to avoid the risk of shortage that may be caused by the concentration of suppliers, at the same time, parallel development and testing of related substitutes is carried out to maintain a stable supply of main raw materials.</p>
Customer Correspondence	Market price fluctuations affect relationships with customers	Provide customers with new value with the most advanced high-quality products, and promise to provide the necessary resources for continuous operation management to ensure that customers' operations remain normal.
Business Operations	Unforeseen or unpredictable incidents or natural disasters can impact operational conditions, create financial burdens, or introduce other risks.	Establish emergency response plans and business continuity plans, and conduct regular drills to enhance personnel response capabilities, reduce business interruption time, and mitigate the impact and effects of disruptions.
Environmental, Health, and Safety Management	Physical risks due to climate change are continuously increasing. With the development of product patents and technology, necessary expansion of facilities and the use of chemicals and equipment on production lines have become increasingly important.	<p>Through the implementation of management systems, effectively manage energy consumption during operations to reduce carbon emissions and waste, thereby minimizing environmental impact.</p> <p>And providing a safe workplace environment, delivering training and emergency drilling are based on risk categories, and protect employee safety. This reduces potential risks in office and operational environments to ensure uninterrupted business activities.</p>
Employee Ethics	There are possible incidents of labor and moral hazards during the company's operation process. Once the incident occurs, it may cause damage to the company's goals, personnel, assets, environment and image, or cause these consequences at the same time.	Identify and analyze the risks that the company may face in advance, and then take advanced control measures and continuous monitoring and improvement procedures to minimize the possibility of potential risks and minimize the impact on the company's goals.
Supply Chain	In order to stabilize the supply of goods and ensure the quality of raw materials, the company does not easily change suppliers after evaluation and trial production.	Building a common ESG goal to establish a highly competitive supply chain with suppliers through regular audit activities, management reviews and procedures to ensure that continuous operation management is effective.
Information Security	With the development of science and technology, the information security risks faced by the company are increasing day by day.	Relevant personnel must abide by the "Intellectual Property Rights Act", "Computer Processing of Personal Data Protection Act" and the contract regulations with customers when implementing the matters regulated by the policy. Carry out information security control, including physical security, system security, electronic document preservation and other measures. Promise to fully protect the intellectual property rights and personal data of customers.

## 2.8 Affirmation and Glory



Occupational Safety and Health Administration, Ministry of Labor -The corporate sustainability report discloses proactive assessment of occupational health and safety indicators.



ESG Promotion Award by TSMC



Texas Instruments' 2023 Outstanding Supplier Award.



ASE Best Supplier 2023





# 03

## Operational Performance, Customer Service and Product Quality

- 3.1 Operational Performance and Challenges
- 3.2 Tax Policy
- 3.3 Customer Operation and Service
- 3.4 Customer Privacy
- 3.5 Product Quality and Delivery

## Kinsus's vision: to become the world's leading supplier of IC substrates and a provider of comprehensive packaging technology solutions.

Kinsus is a professional carrier Full Process Workshop, providing customers with full-process services from circuit design, photomask production, substrate production, to automatic electrical testing. The plan is to meet the needs of global customers for advanced technology and product portfolio, assist customers in high-end product development and stable mass production supply, and become a trusted strategic partner for customers. At the same time, provide customers with good service and high satisfaction, assist the sustainable operation of important supply chains, and create maximum performance and profits. The short-, medium-, and long-term plans for business performance and customer service related to material topics are as follows:

	Short-term indicators (2023~2024)	Medium-term indicators (2025~2028)	Long-term indicators (2029+)
<b>Business Performance</b>	Maintain customer satisfaction above 70 points	Maintain customer satisfaction above 70 points	Maintain customer satisfaction above 70 points
<b>Law Compliance</b>	Violations of product or fair-trade regulations: 0	Violations of product or fair-trade regulations: 0	Violations of product or fair-trade regulations: 0
	Violation of customer privacy or information security regulations: 0	Violation of customer privacy or information security regulations: 0	Violation of customer privacy or information security regulations: 0

### • Material topics, Goals and Performance:

In order to achieve steady growth in operating performance and provide customers with good service and high satisfaction, KINSUS has set goals for material topics with results as follows:

#### Business Performance

2023 Target	2023 Performance	2024 Target
70 points or more	83 points → <b>Achieved</b>	Maintain customer satisfaction above 70 points

#### Compliance with Regulations

2023 Target	2023 Performance	2024 Target
Violation of product or fair-trade regulations:0	0 → <b>Achieved</b>	Violation of product or fair-trade regulations:0
Violation of customer privacy or information security regulations: 0	0 → <b>Achieved</b>	Violation of customer privacy or information security regulations: 0

## 3.1 Operational Performance and Challenges

### Material Topics → Operational Performance Policy: Improving Quality to Increase Profits

#### Management Policy

- **Goals and targets:** Starting from fundamental environmental protection, social responsibility, and corporate governance, we aim to cultivate a deeply rooted corporate culture. Reduce waste to balance cost expenditure, improve quality to increase profits.
- **Commitment :** Utilize due diligence and early warning communication methods , complying with the Responsible Business Alliance (RBA) Code of Conduct, regulations, and government requirements.
- **Management measures:**
  - (1) Comply with applicable laws and regulations, and protect employee rights and labor rights.
  - (2) Provide a safe and suitable working environment, ensuring the physical and mental health of employees.
  - (3) Advocate for energy conservation, resource conservation, and environmental protection.
  - (4) Establish management systems to reduce risks related to labor, health and safety, environment, and ethics, and commit to continuous improvement to implement corporate social responsibility.
  - (5) Continue to focus on IC substrate manufacturing to drive company growth, consolidate Kinsus's industry advantages, and continuously contribute to society, achieving a vision of shared prosperity with society.

#### External Liability

Company Act, Securities and Exchange Act, Business Entity Accounting Act

#### Internal system

Integrity Management Operating Procedures and Principles of Conduct Guidelines, Endorsement Guarantee Operating Procedures, Capital Loans to Others Personnel Operating Procedures, Procedures for Acquiring or Disposing of Assets, Company Articles of Association, Ethical Principles of Conduct, Integrity Management Principles, Principles of Practice for Corporate Governance, Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, Operational Procedures for Preventing Insider Trading.

Following the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies" and relevant laws and regulations, directors and supervisors participate in corporate governance-related courses. Kinsus Interconnect Technology Corporation was established in September 2000, with its headquarters located in Xinwu District, Taoyuan City. In Taiwan, there are four factories: Shih-Lei factory, Tsing-Hua factory, Xing-Feng factory, and Yu-Shih factory. The company primarily engages in the manufacturing and sales of substrates for IC packaging.

Since KINSUS Technology establishment, the company has been adhering to the concept of "satisfying customers and pursuing excellence", and is heading towards the direction of technology-led market research and development. It aims to improve profits by surpassing competitors in technology and product innovation, and grasp trends to develop new-generation products.

KINSUS's operating strategy is as follows according to different functions:



KINSUS Technology is a professional high-end printed circuit board manufacturing company. Our core business objectives are to provide a safe working environment, effectively prevent occupational hazards, fulfill environmental protection responsibilities, and practice green operations. We strive to enhance our production equipment, process technology, and production efficiency. We ensure effective management of raw materials and finished products and adhere to ISO 9001 and ISO 14001 standards to achieve quality objectives.



Existing Customers: Provide market-competitive products and services. Potential New Customers: Actively develop potential customer groups in related applications of printed circuit boards using new technologies. End-User Customers: Establish direct connections with end-user customers and introduce products as specified by manufacturers.



We acquire land and construct facilities in Yu-Shih Factory to actively expand the production capacity of ABF FC-BGA boards. We cater to the demand for ultra-thin boards, SiP modules, and antenna modules, and ensure adequate capacity for BT boards to accommodate product design changes. In the mid-term, we continuously develop basic semiconductor requirements such as miniaturization of line width, hole diameter, and thickness. In the long term, we aim to develop complex technologies such as high-frequency material systems, embedded active/passive components, and direct chip integration to maintain the competitiveness of our products and technologies.



We adopt a flattened organizational structure and strengthen project-oriented organizational frameworks to improve operational efficiency. Internally, we enhance on-the-job training for employees, and externally, we actively recruit talented individuals to enhance the company's competitive advantage.



Maintain a healthy financial structure and establish strong foundations in sales, production, and research and development. We plan short, medium, and long-term fund allocation methods to maximize returns on capital.

The company's main products are used as chip carriers during semiconductor assembly and as a channel for external circuit connections. They are raw materials or carrier components in the packaging industry. The sales targets are mainly IC packaging, design and system companies at home and abroad.

The company's IC substrates are sold all over the world. The main production bases are located in Taiwan (Taoyuan, Hsinchu) and mainland China (Suzhou). There is a branch in California, US, and there are agent service offices in Seoul, Korea and Muar, Malaysia to provide more complete and timely communication and customer service.



• The classification of main products is as follow:

Main products	Purpose/Function
<b>System-in-Package Substrate ( SiP )</b>	System-in-Package is a system platform that assembles multiple heterogeneous chips, sensing elements, passive elements, etc. into one package. Its applications include " multi-chip module (MCM)" , " multi-chip package (MCP)" , " stacked chip package " , " package-in-package (PiP)" , and " embedded component carrier " . System-in-package provides IC system designers with another computing function integration solution besides " system-on-chip (SoC)" . It has the advantages of integrating heterogeneous chips from different sources, smaller and thinner, and faster market entry.
<b>RF Module Package Carrier Board ( RF Modules )</b>	Numerous and diverse cloud applications and colorful multimedia content have become the key content of life in the digital age. This type of demand requires a huge communication bandwidth, which of course also increases the demand for many mobile phone communication frequency bands. In order to meet the communication needs in human life in the future, frequency band integration and the launch of more advanced communication protocols will continue to be carried out. What appears on the handheld device or cloud device is more power amplifiers and front-end RF modules. The RF module packaging substrate is slightly different from most digital circuit designs. It requires higher design experience and skills, and requires more stringent process control.
<b>Flip Chip Ball Gate Array Package Substrate (FCBGA)</b>	For packages with very high output / input pins, such as chips such as microprocessors or image processors, the flip-chip ball gate array package has very excellent performance and cost advantages. In the packaging of such chips with thousands of pins, it is almost impossible for the wire-bonding packaging technology to compete with the flip-chip packaging technology in terms of both performance and cost. In the various application fields of cloud technology, the demand for servers and data centers is ubiquitous. They all need to have powerful computing functions, and the number of pins on chips is also continuously increasing. Flip chip ball gate array packaging has become a mainstream technology.
<b>Flip Chip Scale Package Substrate ( FCCSP )</b>	Smartphones have become a device owned by everyone nowadays. The powerful computing power and network access capabilities required by them are driving the rapid increase of IC functions and the number of pins. When the number of chip output / input pins continues to increase, the flip-chip chip-level package will further increase the display cost advantage. Recently, the manufacturing cost of the bumps on the wafer has also continued to decrease, which also promotes a faster reduction of the packaging cost. Today, flip-chip scale packaging has become the mainstream packaging technology for high-pin-count ICs, such as application processors for handheld devices.
<b>Wire Bonded Chip Scale Package Substrate ( CSP )</b>	Thin, light and small has always been the development trend of various handheld devices, which drives the miniaturization of components and parts. Thinner and smaller ICs Packaging has become a basic technical requirement for components of handheld devices. Under these requirements, wafer-scale packaging has become the most mainstream packaging technology for internal components of handheld devices.
<b>Plastic Ball Gate Array Package Substrate ( PBGA )</b>	This is the most basic ball gate array substrate used in wire bonded packaging, and its basic material is a resin-impregnated copper foil substrate with glass fibers. The plastic ball gate array package substrate can be applied to a chip package with a relatively high pin count. When the function of the chip is upgraded, usually with the increase of the number of output / input pins, the traditional lead frame package structure becomes insufficient, and the plastic ball gate array package substrate provides a cost-effective solution.
Other main applications of the above products are as follows:	<div>1. Personal computer field, including desktop, Notebook and Chrome computers.</div> <div>2. Consumer electronics and optoelectronic products for communication and general household or personal use.</div> <div>3. Applications of 5G communication, artificial intelligence, cloud network, Internet of Things, and automated robots.</div>

• The collection diagram of each product category and application is as follows:



23%

**Mobile Devices**

Smartphones, Tablets, Ultrabooks, Wearables



64%

**Consumer Electronics**

PC, Smart Appliances, Audio/ Video Entertainment



2%

**Industrial Applications**

Sensors, Controllers



10%

**Automotive Applications**

Navigation, Infotainment, Smart Driver Assist



1%

**Medical Applications**

Patient Monitoring, Diagnostics

With the gradual increase in the penetration rate of smart phones, the overall smart phone market has entered a plateau period. KINSUS continues to invest in R&D and develop successful technologies and products to enable continuous growth in business performance.

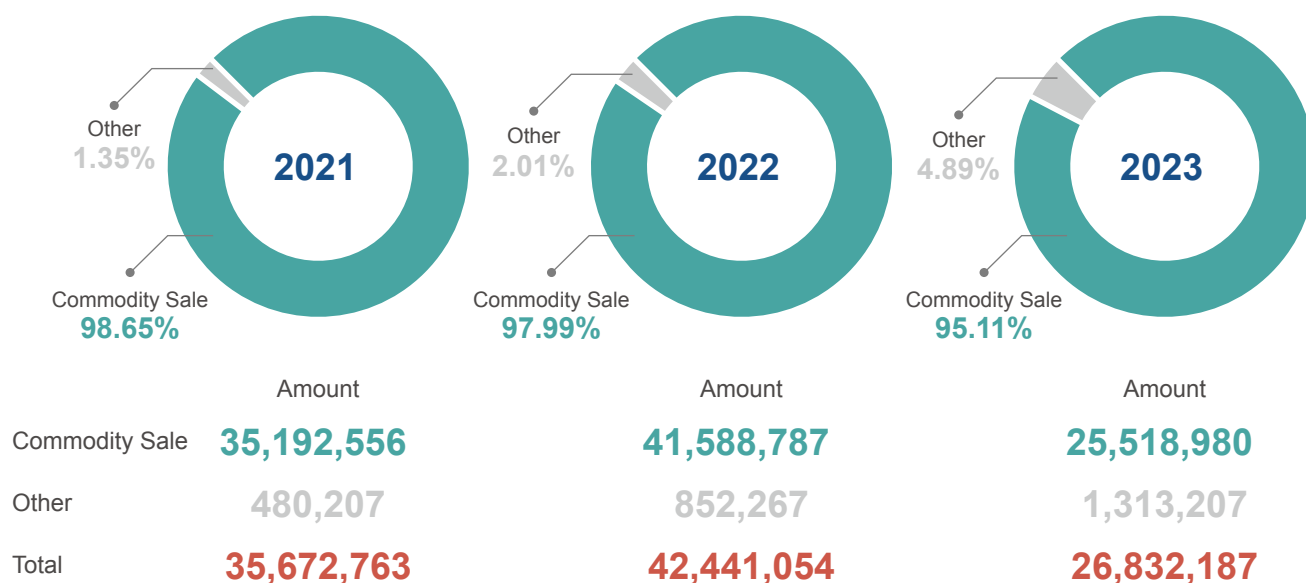
• The operating results of generating and distributing direct economic value in the last three years are as follows:

Unit: NT\$ thousand

Project	2021	2022	2023
Consolidated Turnover	35,672,763	42,441,054	26,832,187
Operating Profit	10,525,845	15,711,556	6,757,506
Net Profit before Tax	5,163,911	10,091,874	1,426,085
Net profit after Tax	4,492,108	7,933,470	1,170,402
Other Comprehensive Income	(24,269)	102,874	(98,057)
Total Comprehensive Benefit	4,467,839	8,036,344	1,072,345
Earnings per Share	8.56	15.47	0.11
Debt Ratio	43.50%	46.56%	49.84%
Return on Equity	14.45%	22.10%	3.00%
Shareholding Ratio of Directors and Supervisors	25.48%	25.38%	25.33%

## • Proportion of main products to revenue in the last three years

Unit: NT\$ thousand



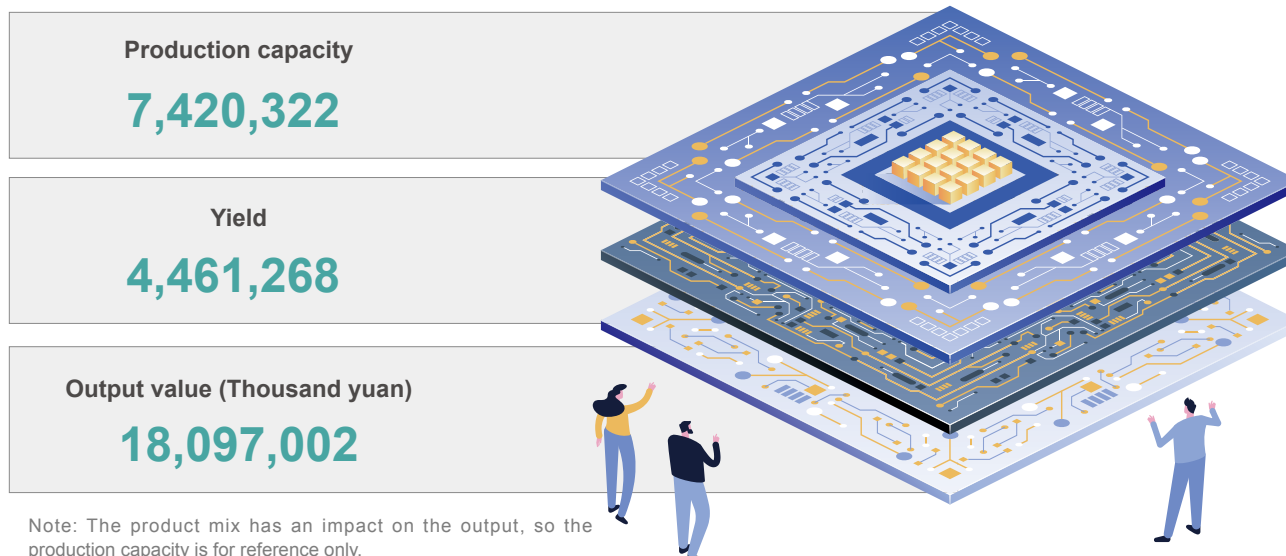
## • Production capacity, output and output value by product category

### Production Value Table

Year:2023

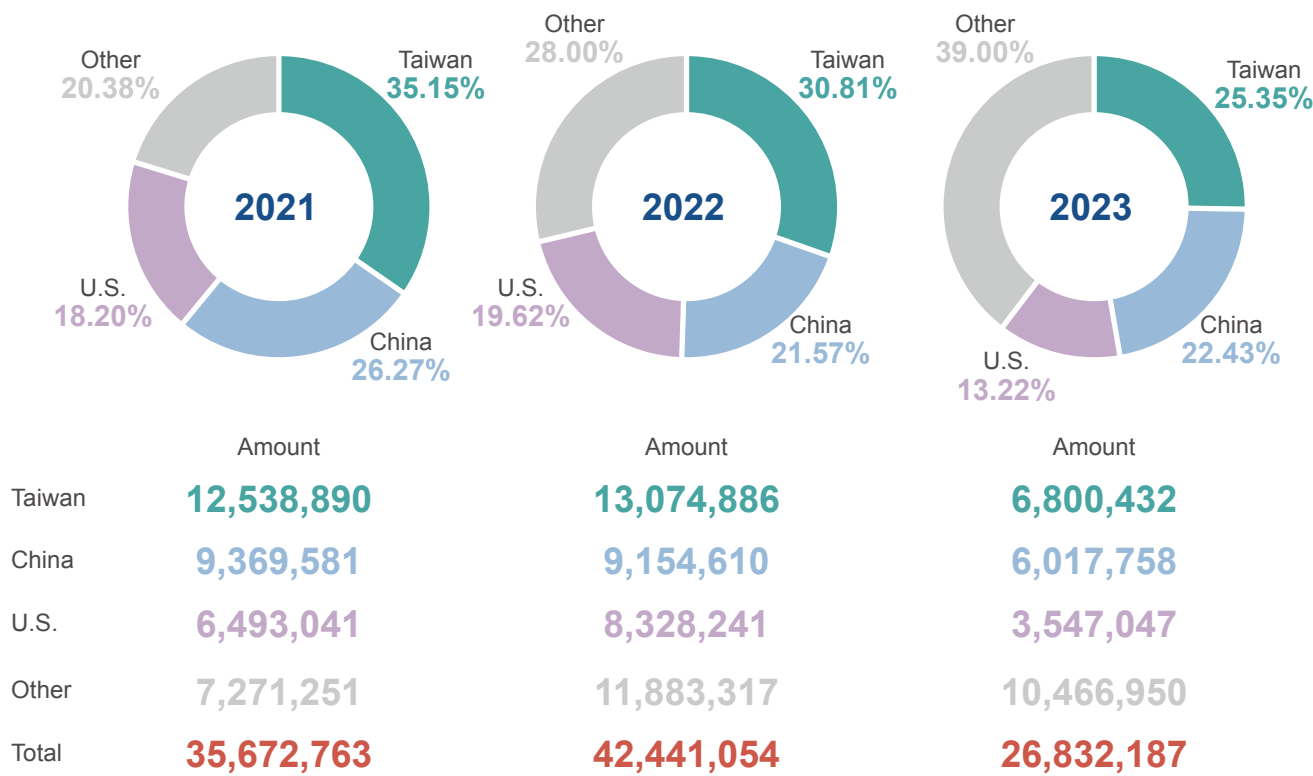
Main Commodity:Carrier board

Unit: thousand PCS, NT\$ thousand



• The sales amount and proportion of major products in each region in the last three years

Unit: NT\$ thousand



• Employee salaries and benefits, the economic value of distribution of funds paid to contributors

Unit: NT\$ thousand

Project	2021	2022	2023
Operating cost	25,146,918	26,729,498	20,074,681
Employee salary and welfare expenses (Note)	7,983,557	9,266,364	6,631,696
Pay income tax	178,391	978,976	1,202,628
Pay dividends	450,847	2,443,311	3,438,175
Pay interest on bank loans	65,126	151,377	288,078

Note: It refers to salary expenses, labor and health insurance expenses, pension expenses and other employee welfare expenses.

• Diversification of marketing regions:

In 2023, the sales distribution of our company's business was as follows: Taiwan accounted for the highest percentage at 25.35% of total revenue, followed by China at 22.43%, and the United States at 13.22%. The top three regions accounted for a significant 61% of our sales. In the future, we plan to expand our customer base to other countries or regions such as Korea, Southeast Asia, or local customers in Europe. This strategy aims to diversify our market and mitigate risks by reducing reliance on a single region. It will help minimize the impact of localized outbreaks and city lockdowns, which can disrupt both human and logistics flows and potentially lead to delays in delivery, thereby causing losses for the company.



## 3.2 Tax Policy

Our company supports tax policies that promote corporate product and technological innovation, as well as sustainable development. We are committed to controlling tax risks, pursuing sustainable development, and fulfilling corporate social responsibility. KINSUS makes the following commitments:

- All significant operational decisions comply with relevant laws and regulations, and tax risks are evaluated accordingly.
- We adhere to the OECD Base Erosion and Profit Shifting (BEPS) Action Plan, ensuring that profits are generated by companies with economic substance and obtaining tax residency in the respective jurisdictions, in accordance with local tax regulations.
- We do not engage in transactions solely for the purpose of tax avoidance in low-tax jurisdictions.
- Financial reporting complies with applicable laws and regulations, and tax information is fully disclosed as required.
- Based on integrity, we establish a relationship of mutual respect and effective communication with tax authorities in the jurisdictions where we operate.

**In 2023, the Company complied with tax policies and regulations and did not incur any penalties from regulatory authorities.**

## 3.3 Customer Operation and Service

### Material Topic→ Customer Service and Satisfaction Policy : Manage Customer Relationships with Care and Improve Their Service Satisfaction

#### Management Policy

- **Objective and Target:** Regular and irregular management of customer relationships and services to ensure customer orders are not lost and continuously improve satisfaction.
- **Commitment :** Utilize due diligence and early warning communication methods, comply with applicable business regulations and ethical standards, and protect customer privacy.
- **Management measures:**
  - (1) Conduct regular customer satisfaction surveys to achieve the goal of sustainable operation and growth, and record the results.
  - (2) Include customer satisfaction survey and improvement results in management review and promptly address and improve issues.
  - (3) Develop short, medium, and long-term plans to enhance customer satisfaction and ensure a continuous flow of customer orders.

#### • Customer maintenance and satisfaction survey

According to the operational procedure SBM03000 for customer satisfaction surveys, customer satisfaction surveys are conducted regularly. These surveys are carried out every six months or quarterly by members of the sales department through personal visits, fax, email, or postal mail.

The process involves the following steps:

- Customers complete the customer satisfaction survey form.
- The results of the customer satisfaction survey and improvement measures are included in the management review and evaluation.

Customer satisfaction surveys are crucial in achieving the key goals of sustained operation and growth. With the aim of enhancing customer satisfaction, KINSUS makes effective use of Enterprise Resource Planning (ERP) and procurement platforms as management systems, actively promoting a win-win philosophy among customers, suppliers, and KINSUS.

KINSUS strives to provide optimal solutions in terms of cost, quality, and service (including delivery time) and regularly conducts customer satisfaction surveys. These surveys serve as a cornerstone for the long-term development of the business.



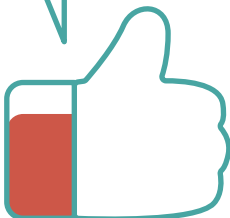
• The results of customer satisfaction surveys in 2022 and 2023 are as follows:

Project	2022	2023
Average Satisfaction	77	83
Target Value	70	70
Status	Achieved	Achieved

• Customer feedback and handling:

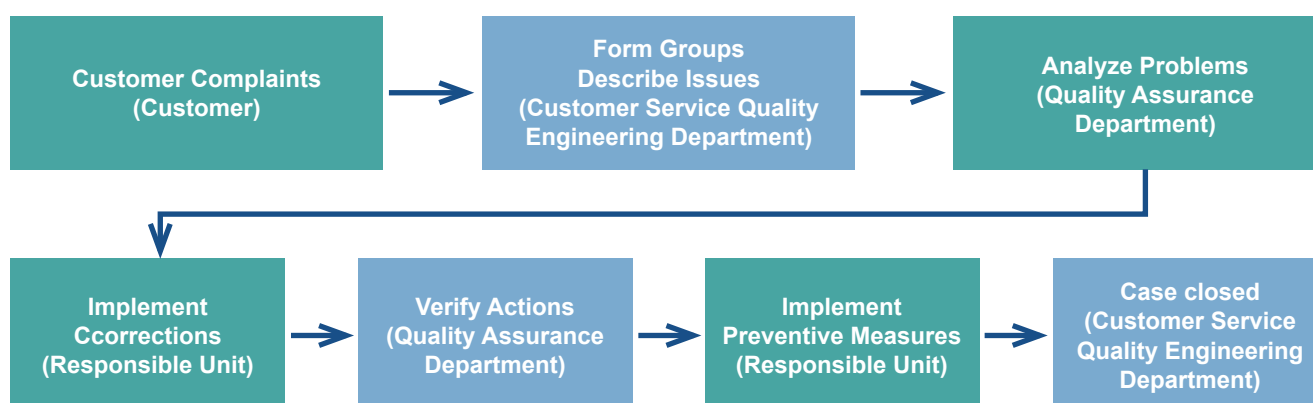


In order to promptly address customer inquiries and needs, in addition to the standard operating procedures followed by the Sales Department and Quality Assurance Department, our company has established a message system on the official website. Customers can directly provide feedback through various channels such as the sales service hotline and email address provided on the website. We ensure that all customer demands are promptly addressed. Furthermore, upon receiving complaints, the company immediately forwards the feedback to the internal departments for processing, aiming to protect the customers' rights and interests.



## • A brief flow chart of the customer complaint handling mechanism:

- (1) When customers complain or provide feedback, the customer service quality engineering department initiates the customer complaint handling process. They are responsible for identifying and addressing any abnormal issues raised by customers to reduce the recurrence of similar incidents and the number of customer complaints.
- (2) In the event of a customer complaint, depending on the situation, an 8D problem-solving methodology is employed to establish an improvement team to identify the root cause of the problem. Short-term and long-term countermeasures are implemented for improvement, and the effectiveness of the actions is evaluated. Through personnel retraining, an internal culture of continuous improvement is fostered to consistently enhance the quality of KINSUS products.



## 3.4 Customer Privacy

At the beginning of the cooperation between KINSUS and the client, in order to ensure that the business secrets disclosed by both parties can be properly protected and used by the other party, KINSUS requires the client to sign a confidentiality agreement. Employees and cooperating customers and partners must uphold the moral policy of "strictly protecting personal privacy and protecting the business information security of customers and suppliers". Customer Privacy Policy and Management Guidelines:

### Material Topic→Customer Privacy

#### Management Policy

- **Policy:** Provide strict protection for customer privacy and confidential information.
- **Goal and Target:** Consolidate the good partnership with customers and expand the scope of business.
- **Commitment :** Using due diligence and early warning communication methods, the customer is an important partner of KINSUS. The customer privacy and confidential information are strictly protected.
- **Management measures:**
  - (1) The product output process complies with international laws and regulations; ensure product and service safety; provide channels for customer complaints to protect customer privacy and rights.
  - (2) The customer provides the design to KINSUS, which is converted into the customer code in the factory to prevent the leakage of the direct customer's information. After production, the internal part number is further converted to the in-factory part number to facilitate communication.
  - (3) Each relevant unit in the factory has a special information area dedicated to the unit, and other units without authorization are not allowed to read it.
  - (4) During 2023, KINSUS was not fined nor compensated to customers for leaking customer privacy.

## 3.5 Product Quality and Delivery

### Material Topic → Product Quality and Delivery

#### Management Policy

- **Quality Policy:** Satisfying Customers, Pursuing Excellence.
- **Goal and Target:** Improve the yield rate of various products, meet customer requirements for product quality and accurate delivery.
- **Commitment :** Use due diligence and early warning communication methods to meet customer requirements for product quality, safety, and accurate delivery.
- **Management measures:**
  - (1) The product output process complies with international regulations and Taiwan laws.
  - (2) Improve the yield rate of various products to ensure the quality, safety and delivery of products that meet customer requirements.
  - (3) Provide channels for customer complaints to protect customer privacy and rights.

Based on the most important issues of operation and management, our company insists on paying attention to and caring about quality management. We promise that the quality management measures are as follows:

**The entire company's workflow, from order taking, planning, procurement, to shipping and after-sales service, is dedicated to continuously improving and enhancing quality and technology. The goal is to prevent defects, reduce variation and waste, and ensure that customers are fully satisfied with product features, pricing, quality, delivery time, and service. By achieving comprehensive customer satisfaction, the company aims to enhance its operational performance and achieve sustainable business operations.**

We prioritize the safety and health impact of customers in product usage and continuously evaluate and improve at every stage of product development, certification, and customer experience. This commitment is reflected in the quality of our products, aiming to enhance their safety and reliability.

Based on international product environmental regulations, industry standards, and customer requirements regarding the prohibition/limitation of hazardous substances, we have established the "Hazardous Substances Control Procedures." This standard serves as a strict control measure for all components and materials, setting the standard for the management of prohibited/limited chemical substances from suppliers, meeting both customer and regulatory requirements for hazardous substances in products. We have established a hazardous substance team to re-examine various aspects such as awareness, materials, production, and inspection, going beyond material introduction and monitoring of production processes and incoming shipments. Through advocacy and education, we strengthen employees' awareness of environmental regulations, incorporating the spirit and requirements of RoHS into daily operational management. As a result, no violations of health and safety regulations regarding products and services occurred in 2023. We comply with international regulations, customer requirements, and environmental trends. We review the current state of hazardous substance management and update the management standards to protect the Earth's environment and reduce the impact on the ecosystem. The quality control department implements raw material and supplier management, establishing a system for monitoring raw material characteristics and enhancing the inspection capabilities for incoming materials' quality.

The quality control department promotes continuous improvement of the quality management system within various internal organizations, aiming to reduce product defects, enhance process control, detect abnormalities early, and prevent quality incidents from affecting customers.

We provide product quality training courses and quality improvement projects to enhance employees' problem-solving capabilities.





The principles of quality management include the "Three Don'ts" and the "Three Dos," supported by specific management measures:

**Three Don'ts: Do not produce defective products, do not accept defective products, do not release defective products.**

- **The basic requirements:**

- (1) Don't produce defective products: Strictly adhere to operating procedures and standards.
- (2) Don't allow defective products to flow out: Ensure effective inspection and prevention of defective product leakage.
- (3) Don't accept defective products: Strengthen inspection to reject defective products at the pre-production stage.

**Three Practices - External Focus: Simplify workflows, standardize workflows, automate workflows.**

- **The basic requirements:**

- (1) Simplification of work processes: Strictly implement operational standards.
- (2) Institutionalization of work processes: Standardizing work methods, steps, and precautions to ensure consistency.
- (3) Automation of work processes: Implementing systems that automate work tasks, reducing the likelihood of human errors.

**Three Practices - Internal Focus: Attention to detail in work execution; Strict adherence to discipline in work execution; Determination in consistent work execution.**

- **The basic requirements:**

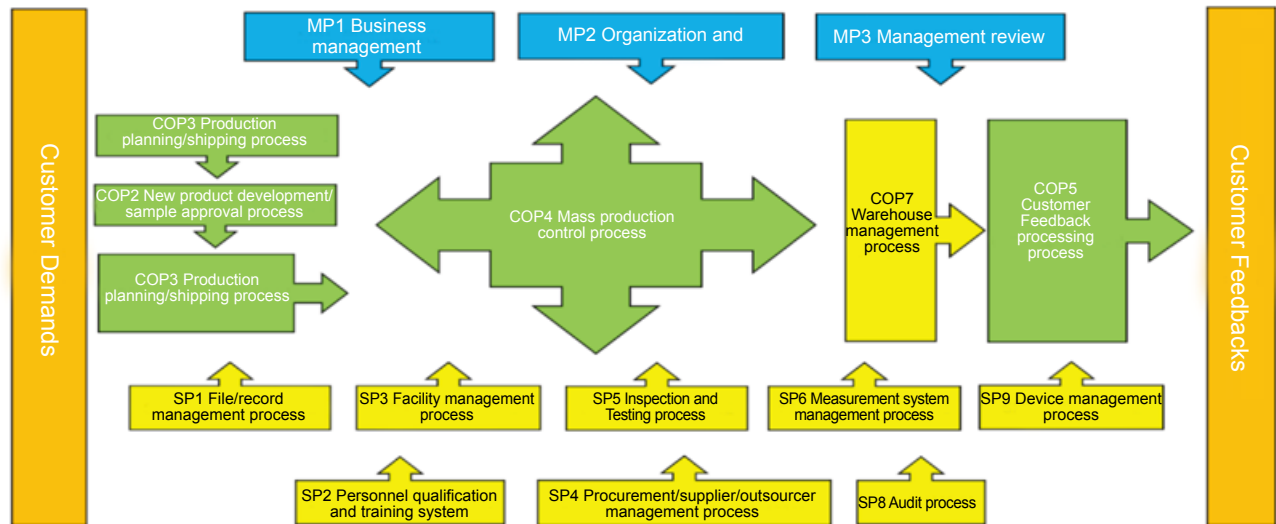
- (1) Attention to detail in work execution: Thoroughly reviewing the SOP and understanding the product history before commencing the task.
- (2) Strict adherence to discipline in work execution: Following the WI during the operation and promptly reporting any problems or issues.
- (3) Determination in consistent work execution: Monitoring the quality status after completing the task and continuously seeking opportunities for improvement.

**Three Dos Principle:**

- (1) Comply with international regulations and Taiwan laws,
- (2) Meet customer specifications for the health and safety of products and services, and
- (3) Label product and service information accurately.

## • Quality management process

**Quality management process system diagram**



The overall average yield rate in 2023 is 82.4%. The average yield rate of three important products is listed as follows:

Product Type	Jan,23	Feb,23	Mar,23	Apr,23	May,23	Jun,23	Jul,23	Aug,23	Sep,23	Oct,23	Nov,23	Dec,23	Average
CSP	84.0%	81.0%	80.4%	85.2%	83.3%	83.4%	85.0%	83.4%	84.5%	84.1%	82.8%	83.6%	83.5%
HG	77.9%	79.5%	80.6%	82.4%	81.8%	75.7%	80.0%	83.0%	77.6%	81.3%	80.2%	79.1%	80.1%
PBGA	86.6%	82.7%	82.0%	79.5%	83.6%	82.2%	83.6%	86.5%	84.5%	86.6%	85.3%	84.3%	83.5%

**In 2023, the company did not have violations of laws and regulations in which products and services comply with customers' health and safety requirements for products and services.**



# 04

## Sustainable Supply Chain Management

- 4.1 Supplier Management Policy and Commitment
- 4.2 Industrial Supply Chain
- 4.3 Supplier Management
- 4.4 Relationship and Philosophy with Suppliers
- 4.5 Supplier Implementation of Social Responsibility
- 4.6 Ethical Procurement

In order to establish a sustainable supply chain, KINSUS, in addition to complying with laws and regulations and ethical procurement, puts more effort in assisting the sustainable operation of the supply chain and plans short-term, medium- and long-term sustainable management goals and work plans as follows:

	Short-term Indicators (2023~2024)	Mid-term Indicators (2025~2028)	Long-term Indicators (2029+)
Sustainable Supply Chain	The average score of qualified suppliers is above <b>80</b>	The average score of qualified suppliers is above <b>92</b>	The average score of qualified suppliers is above <b>95</b>
	Increase the proportion of local procurement amount Raw materials up to <b>59.00 %</b> Spare parts up to <b>99.00%</b>	Increase the proportion of local procurement amount Raw materials up to <b>59.40 %</b> Spare parts up to <b>99.60%</b>	Increase the proportion of local procurement amount Raw materials up to <b>60.00 %</b> Spare parts up to <b>99.80%</b>
	Carry out self-assessment among the medium risk suppliers according to the "Supplier Social Responsibility Assessment Form", <b>12</b> completed	Carry out self-assessment among the medium risk suppliers according to the "Supplier Social Responsibility Assessment Form", <b>18</b> completed	Carry out self-assessment among the medium risk suppliers according to the "Supplier Social Responsibility Assessment Form", <b>20</b> completed
Legal Compliance	Follow the Responsible Alliance Code of Conduct <b>100%</b> compliance rate for non-use of hazardous substances	Follow the Responsible Alliance Code of Conduct <b>100%</b> compliance rate for non-use of hazardous substances	Follow the Responsible Alliance Code of Conduct <b>100%</b> compliance rate for non-use of hazardous substances
	Follow the Responsible Alliance Code of Conduct Due diligence for suppliers "responsible minerals " Investigation, <b>100%</b> utilization rate of compliant minerals	Follow the Responsible Alliance Code of Conduct Due diligence for suppliers "responsible minerals " Investigation, <b>100%</b> utilization rate of compliant minerals	Follow the Responsible Alliance Code of Conduct Due diligence for suppliers "responsible minerals " Investigation, <b>100%</b> utilization rate of compliant minerals

### • Material topics, goals and performance:

In order to achieve compliance with laws and regulations and ethical procurement, more importantly, to establish a sustainable supply chain operation, we have set material topics and goals with performance as follows:

2023 Goals	2023 Performance	2024 Goals
The average score of qualified suppliers is above 80	The average of 96points → <b>Achieved</b>	The average score of qualified suppliers is above 80
Increase the proportion of local procurement amount Raw materials up to 59.00 % Spare parts up to 99.00%	Increase the proportion of local procurement amount Raw materials up to 59.38% → <b>Achieved</b> Spare parts up to 99.86% → <b>Achieved</b>	Increase the proportion of local procurement amount Raw materials up to 59.00 % Spare parts up to 99.00%
11 suppliers completed the social responsibility assessment form	21 suppliers completed the social responsibility assessment form → <b>Achieved</b>	12 suppliers completed the social responsibility assessment form
100% compliance rate for non-use of hazardous substances	100% compliance rate → <b>Achieved</b>	100% compliance rate for non-use of hazardous substances
"Responsible minerals " due diligence, 100% utilization rate of compliant minerals	100% utilization rate of compliant minerals → <b>Achieved</b>	"Responsible minerals " due diligence, 100% utilization rate of compliant minerals



## 4.1 Supplier Management Policy and Commitment

### Material Topic→Supplier Management Policy: Establishing a Sustainable Supply Chain

#### Management Policy

- **Goal and Target:** Committed to maintaining long-term cooperative relationships with domestic and foreign suppliers, and establishing mutual trust and stable.  
A sustainable supply chain that reduces the risk of operational disruption through partnerships.
- **Commitment :** Ensure suppliers provide raw materials and parts to the company are qualified suppliers, and ensure that suppliers meet the specifications and conditions of the company's raw materials and parts.
- **Management measures:**
  - (1) Formulate supplier management operating procedures, conduct supplier quality assessment and RBA social responsibility audit, and delivery management to ensure qualified supplier management.
  - (2) Regularly hold supplier conferences, maintain good interaction and message transmission with them, and create a win-win cooperative relationship.
  - (3) Increase the proportion of local purchases to reduce energy consumption.
  - (4) Make major suppliers promise to implement social responsibilities, conduct self-assessment and on-site audits, and implement environmental protection.
  - (5) Raw materials do not purchase hazardous substances or comply with RoHs international standards, and the use of conflict zone minerals is prohibited.

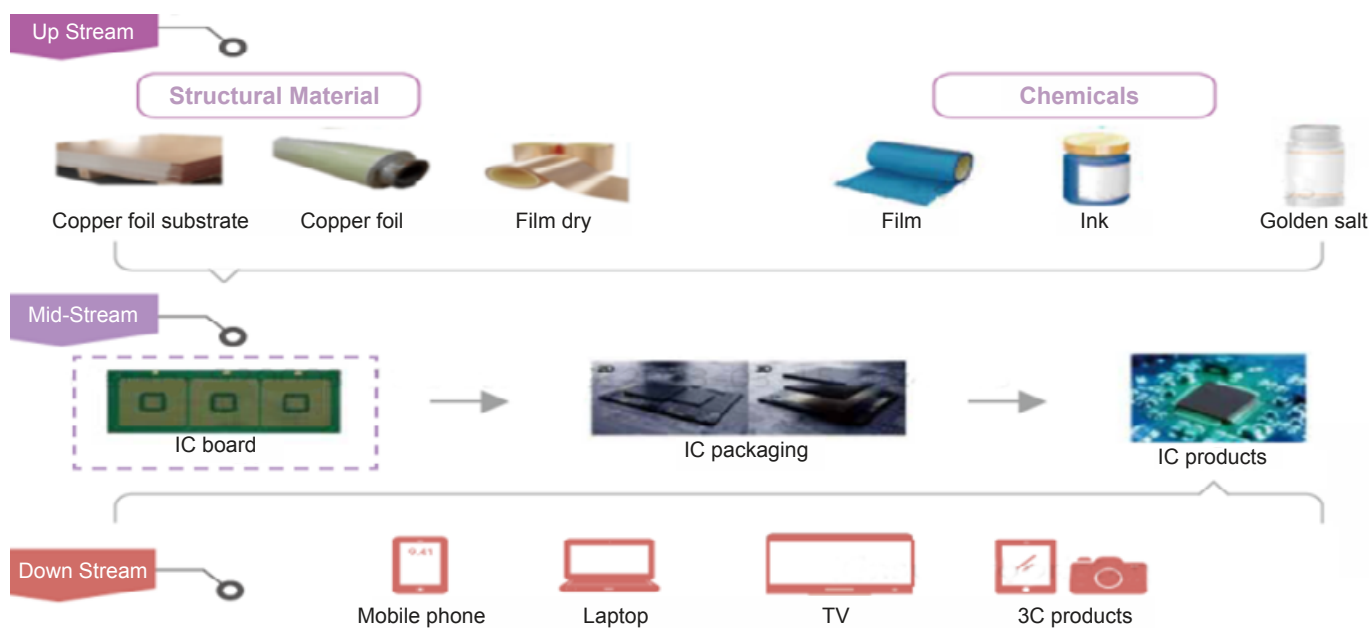
#### Responsibility:

**External Responsibility:** Conflict Minerals

**Internal Systems:** Supplier Management Operation Procedure, Engineering Contractor Management Operation Procedure, Supplier Corporate Social Responsibility Code of Conduct, Customer Satisfaction Evaluation Operation Procedure.

## 4.2 Industrial Supply Chain

The supply chain of the Printed Circuit Board (PCB) industry, abbreviated as PCB, is as shown in the diagram below. The upstream consists of material providers in the PCB industry, including structural materials (copper substrate, copper foil, film), and chemicals (dry film, ink, gold salt). The midstream includes IC carrier board, IC packaging, and IC finished product manufacturers, while the downstream consists of customers of various electronic products. Due to the special requirements of IC carrier boards in terms of material properties and processes, the main raw materials still rely on imports. However, Japanese raw material suppliers have been actively establishing factories in other overseas regions such as Thailand, Malaysia, and Taiwan in response to the supply chain disruption caused by the 2011 earthquake in Japan. Looking back at 2019, the global political and economic outlook was highly uncertain due to the US-China trade war, coupled with the impact of the COVID-19 pandemic leading to a slowdown in demand. In 2020, the strong demand for 5G technology drove the overall production of PCBs, ranging from base station antenna design, network equipment, servers, to end products such as 5G smartphones. Our company has maintained a good partnership with upstream suppliers, providing them with regular demand forecasts for a quarter or more to ensure material availability and production capacity planning. This allows us to ensure a secure upstream supply of raw materials.



## 4.3 Supplier Management

### • Supplier evaluation system



To carefully select suppliers, we have established a procedure for choosing qualified suppliers and implemented appropriate management and evaluation processes. This ensures that our raw material and component suppliers meet our requirements in terms of product quality, delivery time, price, and technical capabilities. We also emphasize continuous improvement to ensure a stable supply source and minimize the risk of production disruption due to supply shortages. Through these efforts, we aim to build a trusting and stable partnership with our suppliers, fostering mutual growth and establishing a sustainable supplier relationship.

When introducing new suppliers, the procurement department takes on the role of convening the evaluation team. The evaluation team is composed of relevant departments and is responsible for conducting the evaluation process. Our company requires all suppliers to submit their basic information, supplier wire transfer information form, and sign integrity declaration, confidentiality commitment, conflict-free minerals guarantee, and corporate social responsibility code of conduct statement in accordance with the specified requirements.

KINSUS has established a supplier management system and regulations. Regular supplier evaluations, self-checks, or on-site audits are conducted to ensure compliance. KINSUS actively maintains long-term cooperative relationships with suppliers to reduce costs, achieve fast and flexible delivery, enhance product competitiveness, maximize profits, and create a win-win situation.

### New Supplier Introduction

- Perform written audits or field assessments for new suppliers
- The supplier quality management system for direct materials and potions is based on ISO9001
- Candidate suppliers are required to sign a clean transaction closure letter, a confidentiality commitment letter, a conflict-free mineral guarantee, and a statement of corporate Social Responsibility Code of Conduct
- Only those who meet the requirements of Kinsus can become Kinsus's

### Qualified Supplier Evaluation

- Quarterly evaluation of direct/indirect material suppliers
- Evaluate items including quality, delivery, price and technology (direct materials)
- The evaluation score is C, and corrective measures should be proposed and improved within a deadline
- If the rating score is D twice in a row, trading will be stopped

### Qualified Supplier Audit

- At the end of each year, based on the supplier evaluation results of the previous four seasons, the next year's [Annual Supplier audit plan] will be formulated.
- The audit project includes operation management, and corrective measures should be proposed and improved within a time limit for non-conformance
- The result of the audit is a C-level supplier, and corrective measures should be put forward for non-conformance and improvement within a time limit
- The result of the audit is a Grade D supplier, and the qualification of qualified supplier is revoked

Judgment and disposal of new supply evaluation results:

A	B	C	D
Rating Score <b>Score <math>\geq 90</math></b>	Rating Score <b>90 &gt; Score <math>\geq 80</math></b>	Rating Score <b>80 &gt; Score <math>\geq 70</math></b>	Rating Score <b>Score &lt; 70</b>
Judgment and Disposal Listed as a qualified supplier	Judgment and Disposal Suppliers are to be evaluated, non-conformities can be responded to in writing with improvement measures, and after approval, they can be included as qualified suppliers	Judgment and Disposal Suppliers to be evaluated, non-conformities need to propose corrective measures, and on-site audits before mass production After approval, they can be listed as qualified suppliers	Judgment and Disposal Listed as an unqualified supplier

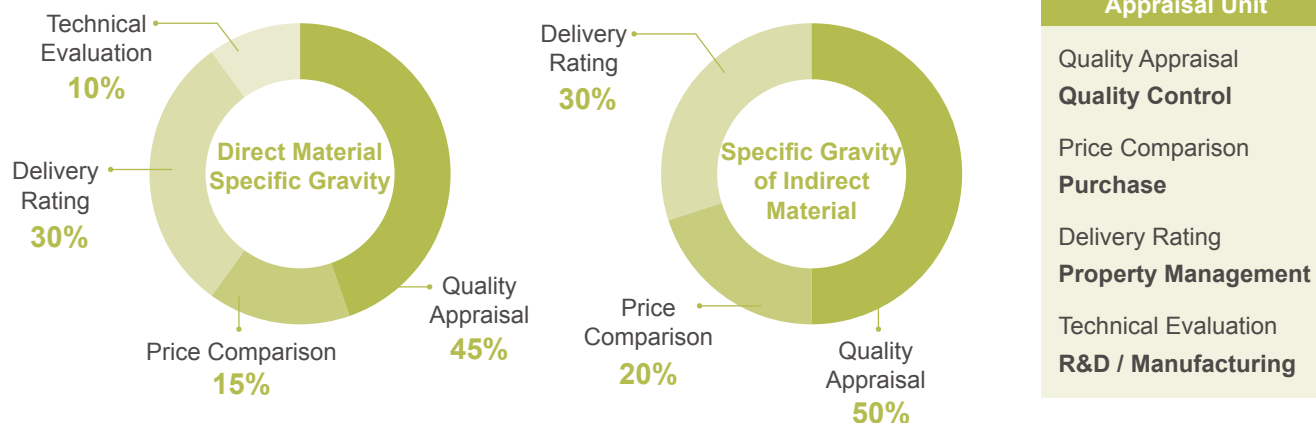
After being listed as an unqualified supplier, if the follow-up supplier can propose an improvement plan, it can still be re-evaluated according to the demand situation.

- In 2023, no new suppliers were added, ensuring no negative environmental impact.

Grade A	Grade B	Grade C	Grade D	Total
0	0	0	0	0

## • Supplier Management Goals

Evaluation of qualified suppliers:



Judgment and disposal of evaluation results:

A	B	C	D
<b>Rating Score</b> <b>Score <math>\geq 90</math></b>	<b>Rating Score</b> <b><math>90 &gt; \text{Score} \geq 80</math></b>	<b>Rating Score</b> <b><math>80 &gt; \text{Score} \geq 70</math></b>	<b>Rating Score</b> <b>Score &lt; 70</b>
<b>Judgment and Disposal</b>	<b>Judgment and Disposal</b>	<b>Judgment and Disposal</b>	<b>Judgment and Disposal</b>
1. High-quality suppliers 2. Announced on the supplier platform for praise	1. General suppliers 2. Normal transaction 3. Require and encourage suppliers to continue to improve, such as getting an A in the new quarterly appraisal, and increase the order ratio if the demand can be met	1. Suppliers that need to be improved 2. It is necessary to propose corrective measures and improve within a time limit 3. Consider reducing the order quantity 4. Hold a QBR review meeting or conduct on-site audits to understand its improvement status	1. Improve the first deadline and consider reducing the order quantity 2. Two times in a row, stop trading

Number and grade of raw material suppliers in 2023:

Year>>>2023

Grade A	Grade B	Grade C	Grade D	Total
113	2	0	0	115

## • Qualified supplier audit work:

Determine the frequency of the audit plan based on the performance of the supplier evaluation, and formulate the supplier audit plan for the next year.

Auditors	Major Missing	Minor Deletion	Recommendations	Number of Outstanding Cases	Case Closure Rate
28	0	35	68	0	100%



## 4.4 Relationship and Philosophy with Suppliers

KINSUS cooperative suppliers are divided into suppliers according to procurement types: Raw material suppliers, equipment suppliers, spare parts suppliers, engineering suppliers, resident/waste suppliers, general suppliers, etc.

Currently qualified suppliers:

Domestic  
companies

**1,064**  
companies

accounted for

**97.1 %**

Total

foreign companies

**32**  
companies

accounted for

**2.9 %**

**1,096** companies

Supplier Type	Total Number of Suppliers	Proportion
Raw Material	227	20.7%
Equipment	250	22.8%
Spare parts	261	4.4%
Engineering	48	23.8%
Onsite/Waste	55	5.0%
General	255	23.3%
Total	1,096	100%

### • Local procurement

In terms of procurement strategy, KINSUS chooses excellent local suppliers. This refers to suppliers whose manufacturing facilities are located in the same country as KINSUS's production sites, such as the Shih-Lei Plant, Tsing-Hua Plant, Yu-Shih Plant, and Xing-Feng Plant. KINSUS has made efforts over the years to prioritize the development of local suppliers, implementing material localization to reduce unnecessary air or sea transportation costs and minimize the carbon footprint generated during material shipping. This not only fulfills the environmental responsibility of energy conservation and carbon reduction but also directly reduces procurement costs.

The proportion of local procurement amounts for raw materials and spare parts suppliers in 2023 is shown in the following table:

	Raw Material Supplier	Spare Parts Supplier
Year>>>2022	<b>59.37%</b>	<b>99.73%</b>
Year>>>2023	<b>59.38%</b>	<b>99.86%</b>

## 4.5 Supplier Implementation of Social Responsibility

The company adheres to the Responsible Business Alliance (RBA) Supplier Code of Conduct as the fundamental values for managing the supply chain. This code includes provisions on labor, health and safety, environmental standards, business ethics, and management systems, aiming to ensure a safe working environment for suppliers, respect and dignity for employees, environmentally friendly business operations, and adherence to ethical practices. The company requires suppliers to minimize risks related to environmental issues, human rights/labor, corporate ethics, labor standards, and potential production disruption resulting from strikes. It seeks to establish a mutually beneficial and harmonious relationship with suppliers based on coexistence and prosperity.

KINSUS requires new supplier partners to adhere to the RBA Code of Conduct and sign a "Corporate Social Responsibility Code of Conduct Statement," committing to conducting all activities in compliance with relevant laws and ethical standards. We explain to suppliers KINSUS's sustainability management policy and ensure their sustainable development performance meets the requirements of various management systems through regular audits, ensuring that suppliers consistently meet our expectations.

Corporate Social Responsibility Code of Conduct Statement	Supplier Social Responsibility Management Evaluation Form
<p>• Key content:</p> <ol style="list-style-type: none"> <li>1. Compliance with the Supplier Code of Conduct to ensure a safe working environment in the supply chain and ensure that employees are treated with respect. Implementation of business activities that comply with environmental and ethical requirements, and adherence to this code in various aspects such as labor, health and safety, environment, business ethics, and management systems, in order to uphold labor rights and provide dignity and respect.</li> <li>2. Establishing a healthy and safe working environment that prohibits the use of child labor (at or below the minimum legal employment age in the respective country/region).</li> </ol>	<p>According to the statement provided, the following design is based on the key content:</p> <p>A Supplier Social Responsibility Management Assessment Form will be developed to allow suppliers to self-assess and verify their compliance with the sub-items listed in the form under the five main categories: labor, health and safety, environment, ethical standards, and management systems. Suppliers will evaluate whether they have implemented and taken improvement actions for each specific item in the form.</p>

Based on supplier risk assessment, regular on-site assessments or written evaluations are conducted. For identified deficiencies during the assessment, suppliers are required to submit improvement plans within a specified timeframe. Once confirmed by the KINSUS assessment team, the cases are closed.

In 2023, a total of 19 suppliers with high-risk profiles, including raw material suppliers, on-site contractors, and hazardous waste disposal providers, are scheduled for on-site assessments. KINSUS successfully completed audits for all 19 suppliers, achieving a 100% completion rate.

Raw Material Supplier	Contractors for On-site Personnel	Hazardous Business Waste Processor	Total
5	9	5	19

Note 1: High risk:

- (1) Raw material suppliers and top 20 domestic manufacturers with annual transaction value
- (2) Contractors of personnel stationed in the factory
- (3) manufacturers of hazardous industrial waste disposal

Auditors	Major Missing	Minor Deletion	Recommendations	Number of Outstanding Cases	Case Closure Rate
19	0	42	12	0	100%

## • Self-Assess of Supplier Social Responsibility

In addition to the on-site assessment, KINSUS also provides a social responsibility self-assessment form for medium-risk suppliers. Evaluate its positive and specific norms for environmental protection, labor rights and conditions, safety and health, so as to implement the supplier's corporate social responsibility.

Note: Moderate risk:

- (1) Raw material suppliers and top 20 foreign manufacturers or (their) agents with annual transaction value.
- (2) Top 10 domestic equipment manufacturers of equipment and annual transaction value.
- (3) Top 10 domestic engineering manufacturers of engineering and annual transaction value.
- (4) Non-hazardous industrial waste disposal manufacturers.

• In 2023, 21 suppliers completed the KINSUS of the supplier social responsibility assessment form (12 suppliers in 2022):

Number of Self-evaluators	Finished	Unfinished	Completion Rate
50	21	29	42%

## • Supplier environmental protection, social responsibility mechanism and delivery management:

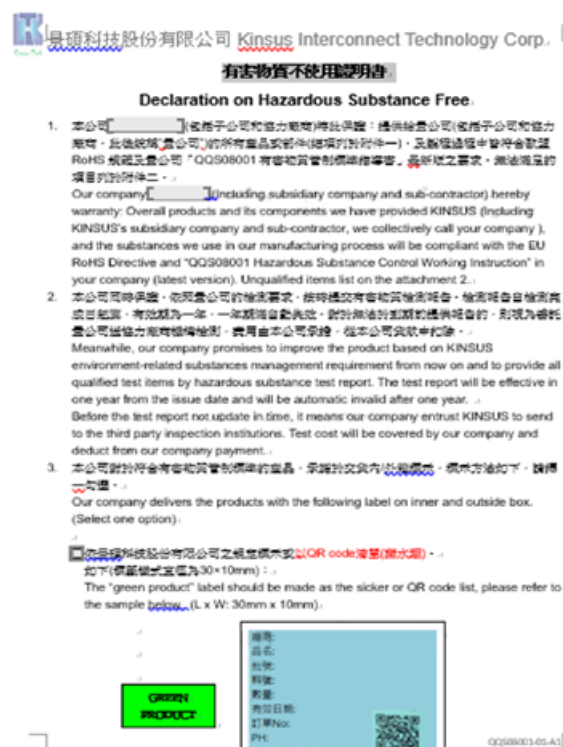
Suppliers involved in engineering works and maintenance at various company-owned facilities are required to comply with the purchasing contracts and related requirements. In addition to the supplier standards and requirements, environmental and safety personnel conduct environmental professional audits based on the "Supplier Management Operation Procedure Manual" and the "Contractor Environmental and Occupational Health and Safety Management Guidelines" for procurement operations.

The new supplier guarantees that its manufacturing facility management, product manufacturing processes, and the products or services provided do not violate any relevant laws and regulations. In the purchasing contract, it is ensured that the production, manufacturing, labeling, packaging, storage, handling, transportation, import/export, delivery, installation, commissioning, or service provision processes of the products fully comply with all applicable laws and regulations of the relevant countries.

## 4.6 Ethical Procurement

### • No hazardous substances are used

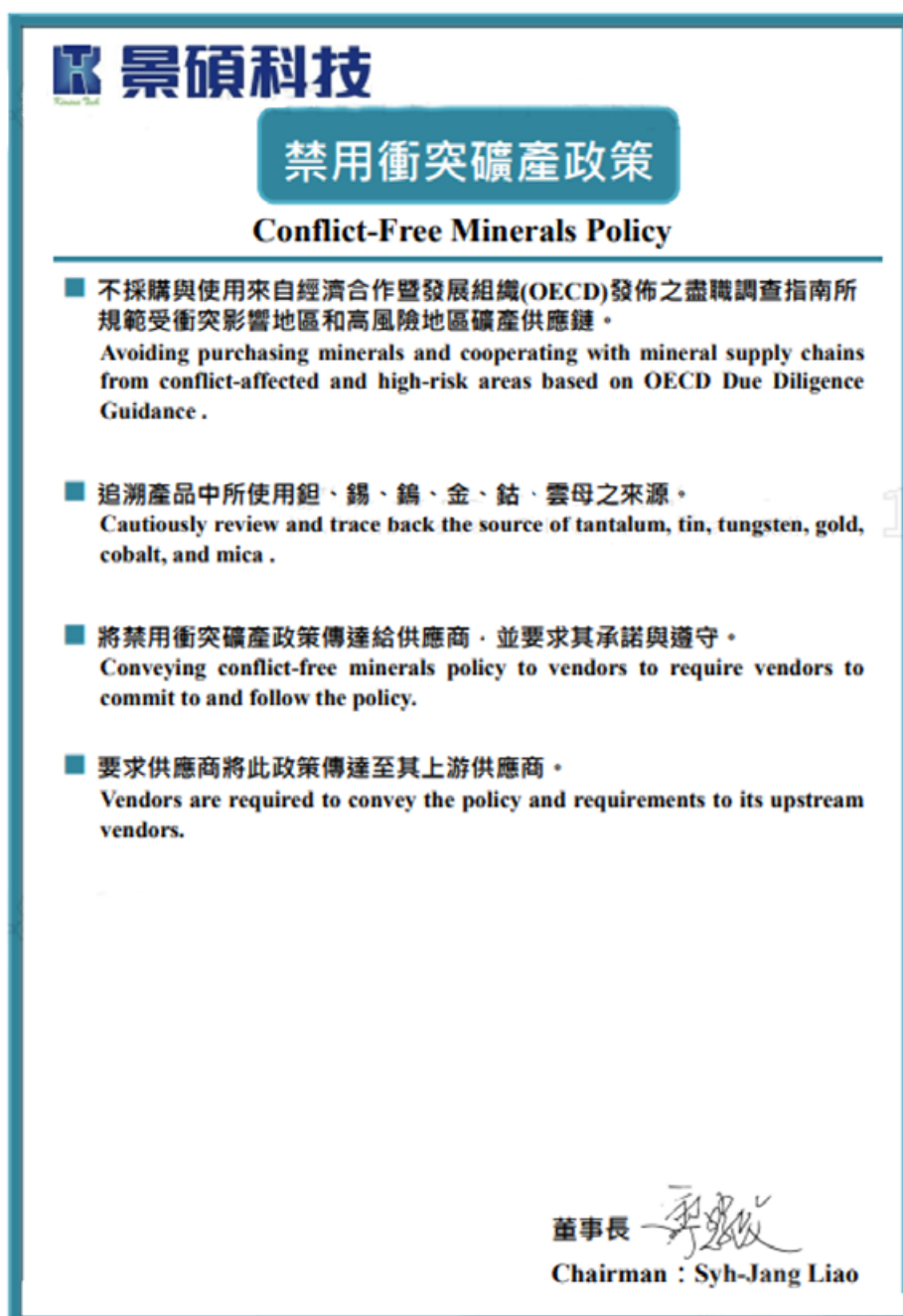
Since customers provide their own specifications, KINSUS fully adheres to customer requirements. Suppliers are required to sign a declaration of non-use of hazardous substances and provide RoHS test reports to assure customers that products do not contain REACH and SVHC substances.



## • Responsible mineral procurement:

KINSUS strictly adheres to the Responsible Business Alliance (RBA) and commits to not purchasing or using minerals from conflict-affected and high-risk areas. The company conveys its policy of prohibiting the use of conflict minerals to its suppliers and requires their commitment and compliance. KINSUS also mandates that suppliers extend this policy to their upstream suppliers, ensuring the responsible sourcing of tantalum, tungsten, tin, gold, cobalt, and mica used in the products. This commitment reflects KINSUS's dedication to corporate social responsibility.

KINSUS has announced to apply conflict-free-minerals not only on its website but also incorporated it into supplier management. Suppliers are required to sign a Non-use Conflict Minerals Guarantee, ensuring that all materials, products, or components delivered to KINSUS do not contain conflict metals, either directly or indirectly. This commitment emphasizes KINSUS's dedication to responsible sourcing and its efforts to prevent the use of minerals that may contribute to conflict or human rights abuses.





The background of the slide features a hand holding a small globe with a tree growing on it, symbolizing green production. The entire image is tinted green. A semi-transparent green rectangle with a white dot pattern is positioned on the right side, containing the page number and title.

# 05

## Green Production

- 5.1 Environmental Policies and Commitments
- 5.2 Climate Change and Low-carbon Manufacturing
- 5.3 Renewable Energy and Resource Conservation/Efficiency
- 5.4 Water Resource Management
- 5.5 Waste Management
- 5.6 Air Pollution Prevention and Control
- 5.7 Promotion of Environmental Sustainability
- 5.8 Environmental Greening and Beautification



Climate change is one of the environmental issues of current concern to the United Nations, governments, society, and the business community. In accordance with the Task Force on Climate-related Financial Disclosures Recommendation (TCFD) established by the International Financial Stability Board in 2019, Kinsus has formulated the following indicators and targets for corporate governance, strategy, and risk management as outlined in the table below:



#### Management Level

#### Kinsus's Response Measures

- The ESG Sustainability Committee conducts risk identification, prioritization, and response measures. It regularly reports to the Board of Directors and senior management to review the effectiveness of risk management, providing decision-making and guidance.

#### Governance

- Based on the results of discussions and resolutions made by the Board of Directors, the ESG Sustainability Committee formulates policies and improvement goals. It mandates relevant units to adjust operations accordingly. The Committee periodically or ad-hoc reports to the Board of Directors on the implementation status of climate change issues, ensuring that the Board understands and manages the climate change risks faced by the company.

#### Strategy

- Assessment, classification, and prioritization of substantial risks posed by climate change to Company assets are conducted. Response strategies, precise preventive measures, and emergency response plans are established. In the event of a crisis or disaster, appropriate response measures and recovery plans are immediately proposed to mitigate potential impacts and damages.
- In terms of transition risks, the Company aligns with the trend of energy diversification and complies with the regulations and goals of the Renewable Energy Development Act. Planning and projects for purchasing renewable energy and investing in green energy certificates are carried out.

#### Risk Management

- Following the framework of the TCFD, climate risks are identified through reports from international institutions, industry analysis, and relevant regulations. The intensity of financial or strategic impacts and the likelihood of their occurrence are weighted to determine the magnitude of the risk. Risk issues are prioritized based on their importance.

#### Indicators and Targets

- Greenhouse gas emissions reduction
- Continuous reduction of air pollution emissions
- Development of renewable energy sources such as solar power
- Strengthening the resilience and effectiveness of the Company's response to climate change

• Facing the issue of climate change, Kinsus's short, medium, and long-term indicators for environmental management are as follows:

	Strategies	Short-term Indicators (2023~2024)	Mid-term Indicators (2025~2028)	Long-term Indicators (2029+)
Climate Change and Energy Conservation	Implementation of Energy Conservation and Carbon Reduction Project	Electricity savings of 3 million kWh per year	Electricity savings of 3 million kWh per year	Electricity savings of 2 million kWh per year
	Strengthening Climate Resilience: Production disruption due to climate-related disasters	0 days	0 days	0 days
	Greenhouse Gas Emission Reduction: (Energy Saving and Carbon Reduction Projects)	1,485 tons of CO <sub>2</sub> e/year	1,485 tons of CO <sub>2</sub> e/year	990 tons of CO <sub>2</sub> e/year
	Procurement of Renewable Energy (Carbon Reduction Benefits)	4.6 million kWh of electricity	Above 4.6 million kWh of electricity, subject to adjustment based on renewable energy supply	Above 4.6 million kWh of electricity, subject to adjustment based on renewable energy supply
Waste	No Violations of Waste Regulations	No Violations	No Violations	No Violations
	Proper Handling: 100% of waste is managed by certified entities	100% of waste is managed by certified entities	100% of waste is managed by certified entities	100% of waste is managed by certified entities
	Resource Recycling Rate	> 82%	> 82.5%	> 83%
Air Pollution	No Violations of Air Pollution Regulations	No Violations	No Violations	No Violations
	Compliance with Wastewater Discharge Regulations: In accordance with regulations	In accordance with regulations	In accordance with regulations	In accordance with regulations
Water Resources	Improvement in Water Recovery Rate	> 5.5%	> 5.5%	> 5.5%
	Water Management: No production losses due to water restrictions	Production losses: 0 PCS	Production losses: 0 PCS	Production losses: 0 PCS
Regulatory Compliance: No Violations of Environmental Regulations		No Violations	No Violations	No Violations

## • Objectives and Performance of Major Topics

Kinsus is committed to fulfilling its environmental protection responsibilities and becoming a sustainable development enterprise. It continuously improves based on the above-mentioned short, medium, and long-term energy conservation and carbon reduction indicators, as well as related implementation plans (as shown in the table below), to reduce potential impacts on society and the environment.

### Climate Change and Energy Conservation

2023 Target	2023 Performance	2024 Target
Electricity Savings: 3 million kWh (Estimated Savings Based on Energy Saving and Carbon Reduction Projects)	8.837 million kWh	3 million kWh
0 day of production interruption caused by weather disasters	0 days	0 days
Greenhouse Gas Emission Reduction: 1,500 tons of CO <sub>2</sub> (Estimated Savings Based on Energy Saving and Carbon Reduction Projects)	4,365.4 tons	1,485 tons
Procurement of 4.3 million kWh of renewable energy	4.3 million kWh	4.6 million kWh

### Waste management

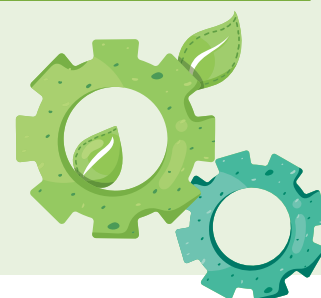
2023 Target	2023 Performance	2024 Target
Resource Recycling Rate: ≥82%	84.2%	82%
No Violations of Waste Environmental Regulations	0 cases	0 cases

### Air Pollution

2023 Target	2023 Performance	2024 Target
No Violations of Waste Environmental Regulations	0 cases	0 cases

### Water Resources Management

2023 Target	2023 Performance	2024 Target
0 Violations of Wastewater Discharge in Compliance with Regulations	1 cases	0 cases
Water Recycling Rate: ≥8.5%	5.4%	5.5%
Production Loss due to Water Restrictions: 0 PCS	0 PCS	0 PCS



- Based on TCFD climate risk measurement standards, the major risk types related to climate change, potential operational impacts, and adaptation methods are as follows:

Risk Type	Potential Operational Impacts	Adjustment Methods
Substantial Risks	<ul style="list-style-type: none"> <li>Earthquake</li> <li>Flood</li> <li>Fire</li> <li>Typhoon</li> <li>Chemical disasters/wastewater discharge</li> <li>Drought</li> <li>Power outage</li> <li>Power surge</li> <li>Water shortage</li> <li>Extreme Temperatures</li> </ul>	<ul style="list-style-type: none"> <li>Impact on production capacity, increased operating costs, and decreased revenue.</li> <li>Inability to deliver on schedule or interrupted deliveries, resulting in customer penalties.</li> <li>Fines for regulatory noncompliance.</li> </ul>
	<ul style="list-style-type: none"> <li>Increase in Power Consumption.</li> <li>Increase in greenhouse gas emissions.</li> </ul>	<ul style="list-style-type: none"> <li>Establish comprehensive water resource management.</li> <li>Diversify production bases or plan product insurance to increase compensation costs.</li> <li>Increase water storage capacity to support 3-5 days (3 days during drought).</li> <li>Prepare water trucks to support plants experiencing water shortages.</li> <li>Inspect and check process equipment in each plant.</li> <li>Implement wastewater management policies in compliance with environmental regulations.</li> </ul>
		<ul style="list-style-type: none"> <li>Prepare water trucks to support plants experiencing water shortages.</li> <li>IT is equipped with an Uninterruptible Power System (UPS) to support power, and voltage compensation systems.</li> <li>Automatic generator activation for emergency power needs, including fire emergencies.</li> <li>Develop emergency response plans to shorten recovery time and reduce production losses.</li> </ul>
Transition Risks	Emission control	<ul style="list-style-type: none"> <li>Increased operating costs (Impact of purchasing green electricity, carbon fees, carbon taxes, etc.)</li> <li>Increase emissions</li> </ul>
	Development of Green Processes	<ul style="list-style-type: none"> <li>Increased operational costs (process improvement, process rationalization, and intelligent enhancement of energy use efficiency).</li> </ul>
		<ul style="list-style-type: none"> <li>Replace old high-energy-consuming equipment with energy-efficient products.</li> <li>Evaluation and control of hazardous gas emissions in production processes.</li> <li>Managed and improved related measures by the ESG Sustainability Committee.</li> <li>Strengthened implementation of green processes in energy-saving and water-saving facilities.</li> <li>Selected suppliers from the green supply chain.</li> </ul>

## Environmental Risk



### Energy Saving and Carbon Reduction

#### Control Measures

- Achieve an annual energy saving target of 3 million kWh through greening of the plant and equipment improvements
- Reduce the use of disposable tableware by providing environmentally friendly utensils.
- Replace old equipment and plan to purchase energy-efficient equipment and implement improvement projects.



### Water Resources

#### Control Measures

- Maximize water resource efficiency through recycling, water quality management, and pollution prevention, aiming for a yearly recycling rate of over **5.5%**

5.1 Environmental Policies and Commitments 5.2 Climate Change and Low-carbon Manufacturing  
 5.3 Renewable Energy and Resource Conservation/Efficiency 5.4 Water Resource Management  
 5.5 Waste Management 5.6 Air Pollution Prevention and Control 5.7 Promotion of Environmental Sustainability  
 5.8 Environmental Greening and Beautification



### Waste Management

#### Control Measures

- Total waste generated in 2023 was 11,699.6 metric tons
- Establish the "Waste Management Operating Procedures" to regulate the classification, collection, storage, and disposal processes of industrial waste
- Increase the proportion of recyclable waste and reduce incineration of non-recyclable waste

Environmental management expenditure in 2023: NTD 160,929,242.

For details, please see the 2023 Kinsus Environment-related Expenses and Benefits Table / P.13

## 5.1 Environmental Policies and Commitments

In terms of environmental policy, Kinsus is committed to fulfilling its environmental protection responsibilities and becoming a sustainable development enterprise by continuously improving and striving to:

#### Compliance with Regulations

Comply with relevant environmental regulations and strive to meet international environmental standards.

#### Waste Reduction in Production

Continuously promote waste reduction in production to fulfill the commitment to pollution prevention.

#### Green Energy Production

Newly established factory areas comply with green building standards and continuously enhance measures for energy conservation and carbon reduction.

#### Recycling Strategy

Review and assess the recycling and reuse of water, metals, plastics, and chemicals used in company activities. Raise awareness among employees about the importance of resource recycling and promote environmental concepts and literacy.

Kinsus has established an appropriate environmental management system based on ISO 14001:2015 (as shown in the diagram on the right) and has designated a dedicated unit responsible for environmental management and maintenance.

In response to the risks of climate change and energy supply, Kinsus actively identifies the risks posed by water-related disasters, droughts, typhoons, power outages, and water shortages. It regularly manages the operational impacts and damages caused by extreme weather events. The company implements adaptation policies and solutions to address climate risks and takes proactive measures in response.

In 2023, the Company did not receive any penalties from regulatory authorities for violations of environmental regulations.





5.1 Environmental Policies and Commitments    5.2 Climate Change and Low-carbon Manufacturing  
 5.3 Renewable Energy and Resource Conservation/Efficiency    5.4 Water Resource Management  
 5.5 Waste Management    5.6 Air Pollution Prevention and Control    5.7 Promotion of Environmental Sustainability  
 5.8 Environmental Greening and Beautification

## 5.2 Climate Change and Low-carbon Manufacturing

### • Climate Change

With the adoption of the Paris Agreement by the United Nations, climate change has become a crucial issue that governments and businesses worldwide must prioritize. Kinsus recognizes the potential economic and social impacts of climate change and considers environmental factors throughout the product lifecycle. The Company develops preventive measures for climate change to mitigate climate impacts and external costs.



### • Greenhouse Gas Policy and Emissions

Due to the impact of greenhouse gases, the Earth's climate and environment have experienced drastic changes. This has led to frequent droughts and floods in both the northern and southern hemispheres. The average global temperature has already risen by nearly 1 degree Celsius, significantly affecting economic development in various regions. As a responsible global citizen, Kinsus conducts a greenhouse gas emissions inventory for the year 2023 in accordance with the ISO 14064-1:2018 standard. The Company has also set goals for sustainable development in energy conservation and carbon reduction to gain a comprehensive understanding of its emissions and to establish targets for future improvement.

Kinsus's 2023 greenhouse gas inventory was primarily based on the factory as a unit. The organizational boundary was established to encompass 100% operational control and included five factory areas, including Shih-Lei factory, Tsing-Hua factory, Xing-Feng factory1, Xing-Feng factory2 and Yu-Shih Factory. The inventory scope also extended to employee dormitories within and outside the plant areas. Due to adjustments in the organizational boundary, 2022 was set as the baseline year for the inventory. The inventory considered seven categories of greenhouse gases, namely carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>). It's important to note that the fuels used in categories 1 and 2 of the inventory did not contain any biomass components.

The quantified results of the Company's greenhouse gas inventory are as follows:

#### Category 1

Direct greenhouse gas emissions

**13,287.057** metric tons CO<sub>2</sub>e

#### Category 2

Indirect energy-related emissions (excluding upstream emissions from electricity generation)

**224,552.9364** metric tons CO<sub>2</sub>e

( accounting for 94.413% of the total )

Total greenhouse gas emissions:

**237,839.9934** metric tons CO<sub>2</sub>e

5.1 Environmental Policies and Commitments    **5.2 Climate Change and Low-carbon Manufacturing**  
 5.3 Renewable Energy and Resource Conservation/Efficiency    5.4 Water Resource Management  
 5.5 Waste Management    5.6 Air Pollution Prevention and Control    5.7 Promotion of Environmental Sustainability  
 5.8 Environmental Greening and Beautification

Year Category	2022			2023		
	Direct Emissions Sources (Category 1)	Indirect Energy-related Emissions Sources (Category 2)	Total	Direct Emissions Sources (Category 1)	Indirect Energy-related Emissions Sources (Category 2)	Total
1. Natural Gas Consumption (cubic meters)	1,459,807.6451	-	-	1,150,395.0968	-	-
1-1 Emissions Equivalent (metric tons CO <sub>2</sub> e/year)	2,765.6591	-	2,765.6591	2,280.4659	-	2,280.4659
2. Diesel Fuel Consumption (liters)	38,022.89	-	-	31,245.83	-	-
2-1 Emissions Equivalent (metric tons CO <sub>2</sub> e/year)	100.4952	-	100.4952	82.5895	-	82.5895
3 Electricity Consumption (million kWh)	-	499.57	-	-	454.5606	-
3-1 Emission Equivalent (metric tons CO <sub>2</sub> e/year)	-	254,282.148	254,282.148	-	224,552.9364	224,552.9364
4. Other Emissions Equivalent (metric tons CO <sub>2</sub> e/year)	13,347.2811	-	13,347.2811	10,924.0016	-	10,924.0016
Total Emissions Equivalent (metric tons CO <sub>2</sub> e/year)	<b>16,213.4354</b>	<b>254,282.1480</b>	<b>270,495.583</b>	<b>13,287.057</b>	<b>224,552.9364</b>	<b>237,839.9934</b>
<b>Percentage(%)</b>	<b>5.994</b>	<b>94.006</b>	<b>100.000</b>	<b>5.587</b>	<b>94.413</b>	<b>100.000</b>

Note: GWP values used are from the IPCC Sixth Assessment Report: 2021

Note: In 2022 and 2023, indirect greenhouse gas emissions sources (categories 3-6) were audited but not disclosed. Quantified items include 3.1 upstream freight transportation, 3.2 downstream freight transportation, 4.1 emissions from purchased (consumable) products, and 4.3 emissions from solid and liquid waste.

Note: The data of year 2022 covers Shih-Lei factory, Tsing-Hua factory, Xing-Feng factory1, and Xing-Feng factory2; the data of year 2023 range additionally includes Yu-Shih Factory.

## 5.3 Renewable Energy and Resource Conservation/ Efficiency

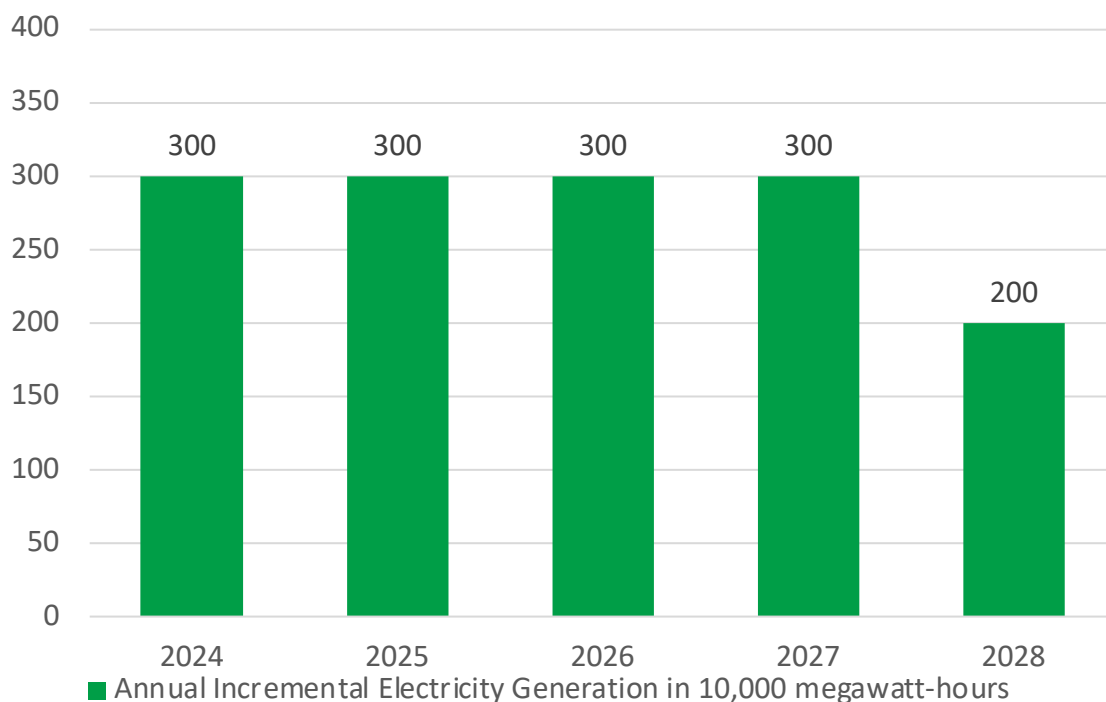
### • Renewable energy

The company responds to the management of greenhouse gas emission reduction to achieve CO<sub>2</sub> reduction goals. In 2023, we continued to improve energy efficiency and implement greening initiatives in the factory to effectively control carbon emissions. By 2050, we aim to synchronize with government policies by using renewable energy and reducing indirect CO<sub>2</sub> emissions from electricity consumption, thus realizing a sustainable future for the environment.

In response to the regulations issued by the Ministry of Economic Affairs: Power users above a certain contract capacity are required to set up renewable energy power generation equipment management methods. Kinsus actively completed the signing of green energy purchase contracts in 2022 and fulfilled the obligation to install capacity in accordance with regulatory requirements ahead of schedule in 2023. The scale of these contracts reaches a power generation capacity of 4.3 million kWh per year, equivalent to a reduction of 2,124 tons of carbon emissions.

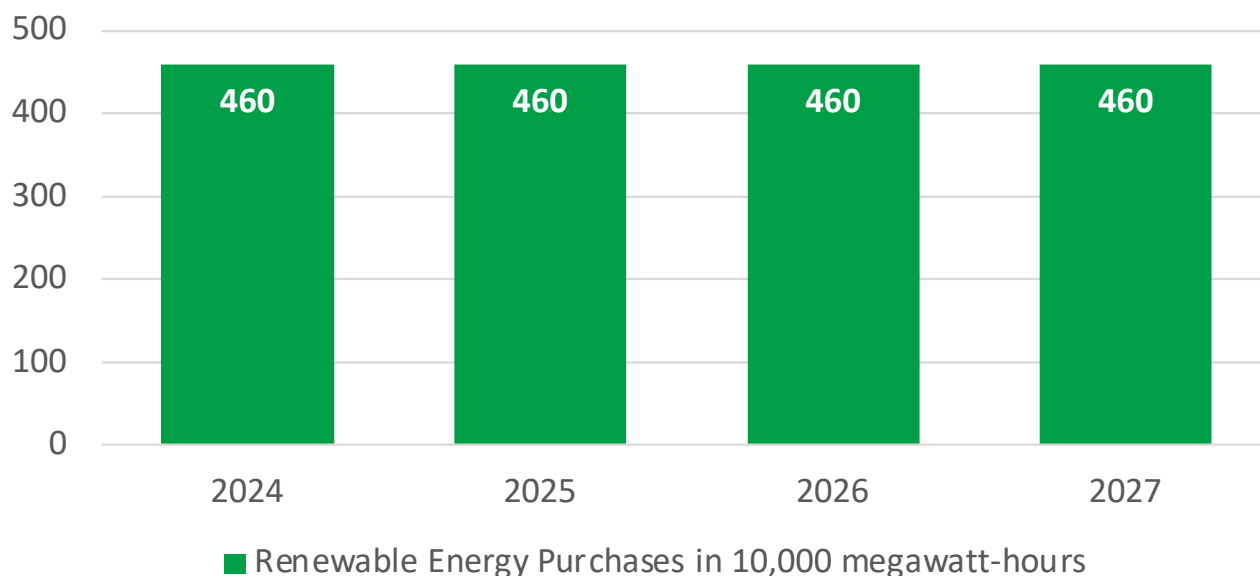
To achieve the policy of using renewable energy by 2050, Kinsus has initiated a transition in its energy structure and plans to increase the procurement of renewable energy to 4.6 million kWh per year starting in 2024.

### Electricity Saving Goals for 2024-2028



Energy Saving Goals	Short-term	Mid-term			Long-term
Year	2024	2025	2026	2027	2028~
Annual Incremental Electricity Generation (in 10,000 megawatt-hours)	300	300	300	300	200

## Renewable energy purchasing volume 2024~ 2027



Year	2024	2025	2026	2027
Renewable Energy Purchase Amount (in 10,000 megawatt-hours)	460	460	460	460

Note: The green electricity procurement contract was signed from 2023 to 2027, with subsequent adjustments based on market demand.

## 5.4 Water Resource Management

### • Water Resource Risk Management

Key indicators for water resource risk management include water supply quantity and environmental discharge water quality. Kinsus identifies water risks within its factory areas and establishes comprehensive emergency response procedures. It also expands regional water resource sources and promotes the reuse of recycled water.

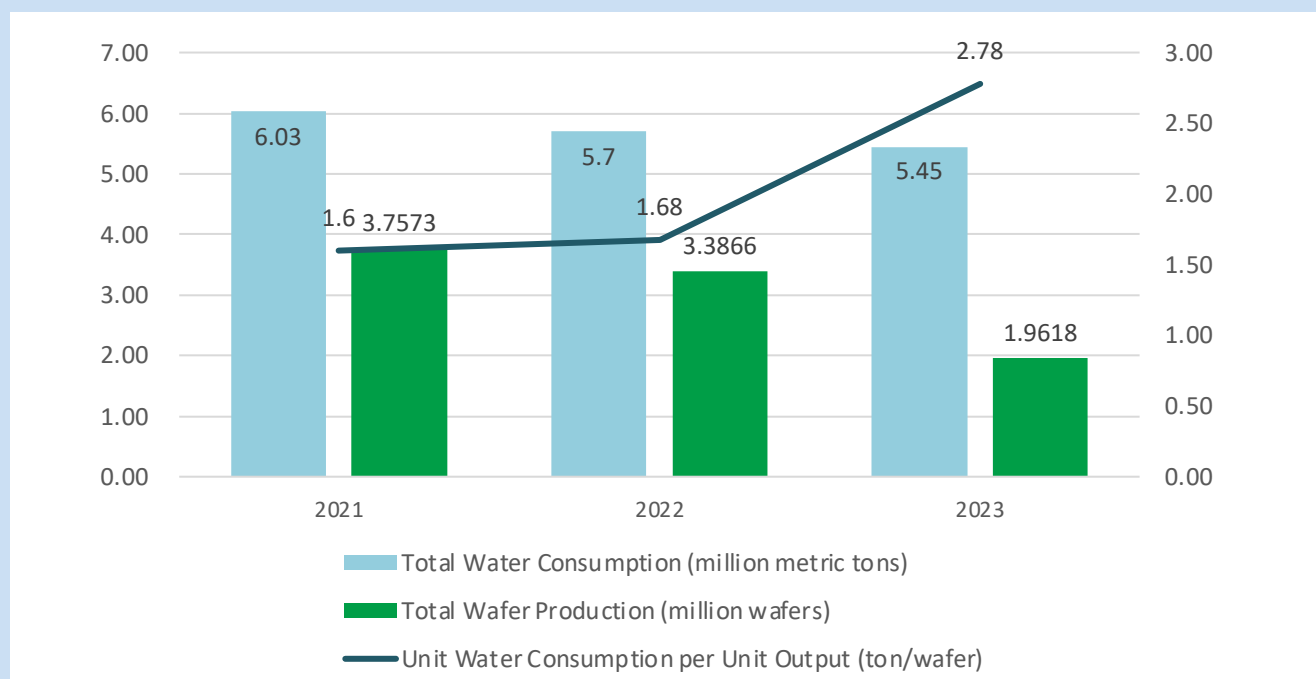
Water Resource Risk	Type >>>	Potential Operational Impact >>>	Adjustment Methods >>>
	<ul style="list-style-type: none"> <li>• Drought or Water Scarcity</li> <li>• Flood Risk</li> <li>• Untreated Wastewater Discharge</li> </ul>	<ul style="list-style-type: none"> <li>• Affect production capacity, increase operating costs and decrease the revenues.</li> <li>• Failure to deliver or interrupt delivery on schedule.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish comprehensive water resource management and control measures</li> <li>• Increase water storage capacity to support 3-5 days (3 days during drought)</li> <li>• Water trucks to support water-deficient areas</li> <li>• Regular inspection of process equipment in all factories</li> <li>• Wastewater management policies in compliance with environmental regulations</li> </ul>

## • Water Resource Usage

Kinsus is located in an industrial area classified as a moderate water resource risk zone. The main water source is primarily from the Shihmen Reservoir. The daily water usage in the factories ranges from approximately 1,258 to 5,926 metric tons. In 2023, the total water usage in all factory areas was 5.45 million metric tons. The water consumption in the past two years is shown in the following table:

Unit: metric ton(s)

Item \ Year	2022			2023				
	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory1	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory1	Xing-Feng Factory2	Yu-Shih Factory
Tap Water Volume	907,447	2,148,755	513,743	348,232	1,526,692	461,629	817,124	199,926
Groundwater Volume	595,333	743,047	792,663	552,559	636,405	652,172	0	259,410
Total	<b>5,700,988</b>			<b>5,454,149</b>				
Total	4,117	7,923	3,579	2,468	5,926	3,052	2,239	1,258



Year	2021	2022	2023
Total Water Consumption (million metric tons)	6.03	5.70	5.45
Total Wafer Production (million wafers)	3.7573	3.3866	1.9618
Unit Water Consumption per Unit Output (ton/wafer)	1.60	1.68	2.78

Note: The data of 2022 covers Shih-Lei factory, Tsing-Hua factory, and Xing-Feng factory1; the data of 2023 range additionally includes Xing-Feng factory2 and Yu-Shih Factory. The two factories were in the trial operation stage that year, resulting in increased water consumption per unit of production capacity.



## • Water Saving Measures

Kinsus is committed to continuous improvement and innovation in water conservation. Through water conservation measures, we aim to achieve efficient use of resources while actively seeking new opportunities for water-saving.

### (1) Cooling Tower Management:

- Enhancing water quality concentration to reduce discharge.
- Monitoring water quality and assessing chemical treatments.
- Utilizing reverse osmosis (RO) concentrated water in cooling towers and washing towers to minimize water usage at the source.

### (2) Periodically promoting water-saving awareness and information among employees.

According to operational statistics from 2022 to 2023, the annual water recycling rate has been maintained at

**5%** or above.

**2022**  
Recycling Rate  
**8.2%**

**2023**  
Recycling Rate  
**5.4%**

Note: The source of recycled water is RO regeneration wastewater and process recycled water. The recycling rate is calculated as the total amount of recycled water in each plant divided by the total water consumption.

Note: The data of 2022 covers Shih-Lei factory, Tsing-Hua factory, and Xing-Feng factory1; the data of 2023 range additionally includes Yu-Shih Factory.

Note: Due to limited land, Xing-Feng factory2 cannot install related water recycling facilities.

## • Wastewater Management Measure

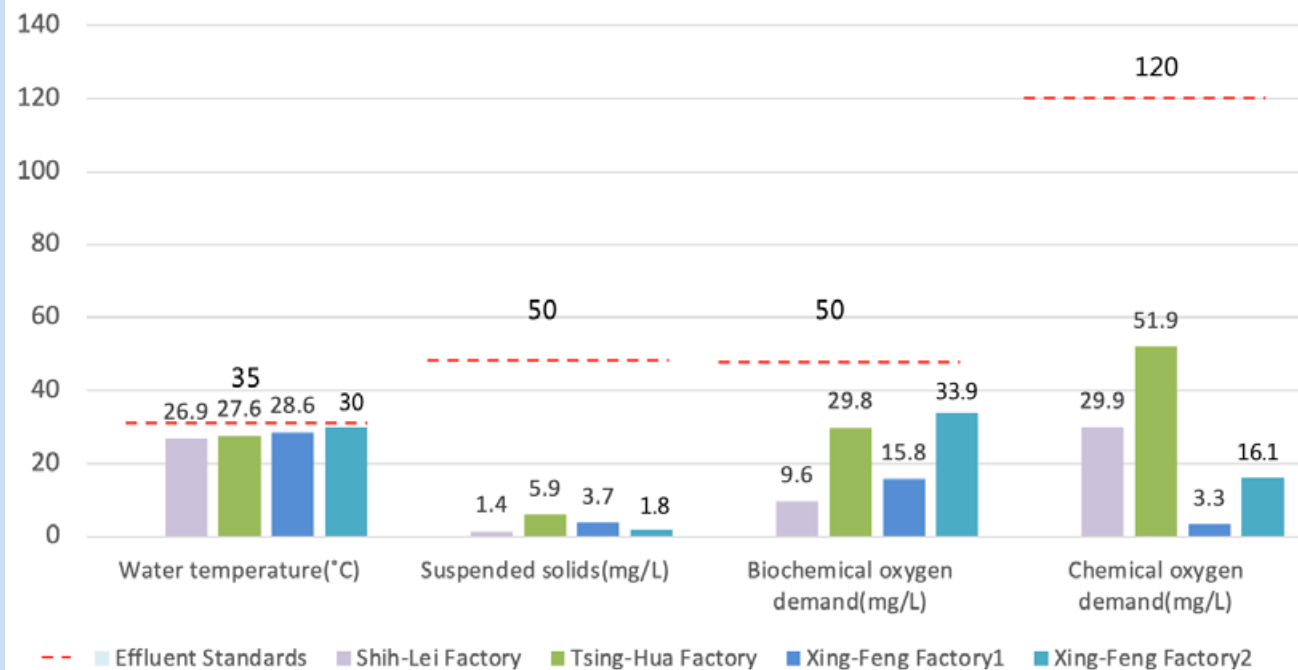
Kinsus's factories regularly monitor wastewater and ensure that the discharged water quality exceeds regulatory standards. We committed to staying informed about and complying with domestic environmental regulations. This proactive approach allows Kinsus to adapt to and stay ahead of environmental requirements and trends in the industry.

Industrial wastewater is sampled and analyzed by qualified testing organizations every quarter in accordance with the Water Pollution Control Act. The results are submitted through wastewater testing declaration forms and reported to the local environmental authorities for verification. Throughout 2023, there were no violations of wastewater discharge standards, and no pollution impact on the surrounding environment was observed.

KINSUS has installed automatic continuous monitoring facilities at the discharge outlets throughout its factory. Daily self-testing of the wastewater quality is conducted, and external testing is carried out at least four times per year. The data from these tests are used to calibrate and ensure the stability of the online monitoring instruments. The following is the report containing the wastewater quality testing data from the factory areas.

Testing Frequency/Testing Items (unit)	General Water Quality (once/3 months)				
	pH Value	Water Temperature (° C)	Suspended Solids (mg/L)	Biochemical Oxygen Demand (mg/L)	Chemical Oxygen Demand (mg/L)
Environmental Protection Agency discharge water standards	6~9	35 以下	50	50	120
Shih-Lei Factory	7.3	26.9	1.4	9.6	29.9
Tsing-Hua Factory	7.6	27.6	5.9	29.8	51.9
Xing-Feng Factory1	7.4	28.6	3.7	15.8	3.3
Xing-Feng Factory2	7.7	30	1.8	33.9	16.1

## Average Results of Outsourced Testing for Effluent and Emission Standards in 2023



Note: The data in the above table is in compliance with the Water Pollution Control Measures and Test Reporting Management Regulations. The parameters for water quality are tested every three months, and the average values are calculated to one decimal place.

Note : The effluent items not listed in the above table are all tested in accordance with the Water Pollution Control Measures and Test Reporting Management Regulations, and meet the Effluent Standards stipulated by the Bare Printed Circuit Boards Manufacturing Industry.



### • Water Pollution Prevention Measures:

- (1) Rolling review and management using the PDCA (Plan-Do-Check-Act) cycle to address process changes and reduce environmental impacts from pollution sources.
- (2) Treatment equipment is designed with an N+1 redundancy system, ensuring stable operation 24 hours a day and 365 days a year. Real-time monitoring systems record operational parameters, and if the values exceed predefined thresholds, immediate alerts will be triggered.

## 5.5 Waste Management

Kinsus has established an internal "Industrial Waste Management Procedure" that focuses on environmental considerations from the perspective of product life cycle. This procedure regulates the classification, collection, storage, and disposal of industrial waste. The aim is to use management measures to remove waste, improve environmental hygiene, and prevent the proportional increase of waste production as the production capacity grows, thus avoiding environmental threats.



### Requirements for Suppliers

Reusable packaging containers are preferred, and if non-reusable containers are used, they must be made of recyclable materials. Waste generated during the supply process should be recyclable or classified as officially recyclable waste.



### Requirements for Production

Source control is implemented for production materials, avoiding the use of raw materials and equipment materials that cannot be effectively handled by current environmental technologies. Reviewing the recycling and reuse of process raw materials/waste is emphasized to reduce unnecessary resource waste and promote circular reuse.



### Requirements for Employees

Employees receive environmental, safety, and health education and training on their first day of work. They are educated on waste sorting, aiming to raise the environmental, safety, and health awareness and competence of every employee. Waste bins are placed at designated locations along employee routes, in tea rooms, vending machine areas, etc., to facilitate independent sorting of recyclable waste. Each location should have at least five or more waste sorting categories, contributing to sustainable environmental practices and making a social impact.



### Requirements for Waste Treatment and Recycling

The suitability of waste treatment channels is reviewed annually, and environmentally friendly disposal methods are preferred when selecting waste treatment contractors. In 2022, the proportion of waste treated by incineration accounted for 18.12% of the total waste, which decreased to 15.85% in 2023. The proportion of waste recycling increased from 81.88% to 84.15%.

### • Transforming Waste into Energy

Starting from 2023, the Company plans to actively promote the conversion of product waste from incineration to the production of auxiliary fuel rods. This continuous conversion of waste into renewable energy aims to contribute to the well-being of the planet.



The following table provides statistics on recyclable and non-recyclable waste in the past two years:

Waste Classification	Hazardous	2022			2023		
	Year	General Industrial Waste	Hazardous Industrial Waste	Proportion	General Industrial Waste	Hazardous Industrial Waste	Proportion
	Final Disposal Method	Quantity (tons)		Percentage	Quantity (tons)		Percentage
Non-recyclable Waste	Incineration, Solidification and landfill	1,877.49	587.26	18.12%	1,094.25	446.75	15.85%
					*300.44		
Recyclable Waste	Reused (Thermal Treatment)	1.46	-	0.01%	0.80	-	0.01%
	Reused (Chemical Treatment)	0.07	357.51	2.63%	0.12	155.69	1.34%
	Reused (Physical Treatment)	954.47	22.32	7.18%	755.06	0.86	6.51%
	Reused (Solidification Treatment)	-	-	0.00%	-	-	0.00%
	Reuse by Regulation	616.80	7,555.22	60.07%	404.86	7,038.98	64.07%
	Declared Reuse	1,631.30	-	11.99%	1,420.31	-	12.22%
	Subtotal	3,204.10	7,935.05	81.88%	2,581.15	7,195.53	84.15%
Total:		5,081.59	8,522.31	100.0%	3,975.84	7,642.28	100.0%

**Kinsus 2023 Policy Objective: Under the goal of "Resource Recycling," we aim to achieve a recycling rate of 82%.**

Note 1: The data of 2022 covers Shih-Lei factory, Tsing-Hua factory, and Xing-Feng factory<sup>1</sup>; the data of 2023 range additionally includes Xing-Feng factory<sup>2</sup> and Yu-Shih Factory.

Note 2: The \* symbol indicates the weight of non-recyclable waste processed into auxiliary fuel rods.

## 5.6 Air Pollution Prevention and Control

### • Air Pollution Management

In recent years, governments worldwide have increasingly recognized the importance of improving air quality, and air pollution has become a significant environmental concern globally. Kinsus has been proactive in planning and implementing air pollution prevention measures since the establishment of its factories, in response to the global trend. Through internal audits, self-examination, and effective preventive maintenance, training, and operations, the Company ensures effective pollution control. KINSUS is committed to continuous improvement in pollution prevention and hazard prevention. In 2023, there were no violations of the Air Pollution Control Act.

### • Optimization of Air Pollution Control Equipment

- (1) Pre-assessment of potential harmful pollution factors during the production process to minimize environmental impacts.
- (2) Installation of comprehensive air pollution control systems such as dust collectors and wet scrubbers to prevent odors and reduce pollutant emissions, effectively suppressing the occurrence of air pollution.
- (3) To ensure the uninterrupted operation of pollution control equipment 24 hours a day throughout the year, all air pollution control devices are equipped with back-up systems (N+1 design). This ensures zero failure of pollution control equipment and enables stable and continuous monitoring of pollutant emissions.

## 5.7 Promotion of Environmental Sustainability

Kinsus aims at environmental sustainability and continuously promotes the following measures to reduce waste generation and reduce the use of original resources to promote the concept of green circulation.

### • Environmental Specialist Appointment

In response to rapid environmental changes and the need for effective prevention and control of environmental pollution, Kinsus complies with the requirements of the Environmental Protection Administration (EPA) requirements to appoint environmental specialist To minimize the impact on the environment and human health in the event of accidents, these specialists possess the necessary expertise in various types of pollution prevention and control. They regularly participate in external training organized by the EPA to enhance their capabilities in pollution prevention and equipment management.

Type	Required Specialist Numbers	Shih-Lei Factory	Tsing-Hua Factor	Xing-Feng Factory1	Xing-Feng Factory2	Yu-Shih Factory	Result
Wastewater	3 personnel (dedicated unit)	3	3	3	3	3	✓
Air Pollution	1 dedicated personnel	1	1	1	1	1	✓
Waste	1 dedicated personnel	1	1	1	1	1	✓
Toxic Substances	1 general-level personnel	1	-	1	1	1	✓
	1 personnel each for operational and technical levels	-	2	-	-	-	✓

### • Environmental Management Policy

In recent years, the significance of environmental protection has been increasingly recognized, leading to higher demands for environmental management. Additionally, emission standards for various pollutants have been gradually raised. Since its establishment in September 2000, Kinsus has invested hundreds of millions of New Taiwan Dollars in purchasing pollution control equipment and replacing outdated equipment. We have also adopted energy-efficient equipment to fully engage in pollution prevention and control efforts and work towards the sustainable goal of energy conservation and carbon reduction.

2023 Kinsus Environment-related Expenses and Benefits Table is as follows:

Unit: New Taiwan Dollars (NT\$)

Year	2023					Benefits Item
Item	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng factory1	Xing-Feng factory2	Yu-Shih Factory	
Water Quality Testing Fee	817,870	877,230	717,920	309,420	278,630	The water quality testing fee includes testing of raw wastewater, rainwater, and drinking water to ensure compliance with the Water Pollution Control Act and provide employees with qualified drinking water, prioritizing employee health.
Industrial Waste Disposal Fee	4,598,101	23,796,110	6,436,215	3,546,519	1,889,419	Compliance with laws and regulations: Proper disposal of industrial waste generated from business productions and employees.
Air Pollution Fee	0	32,815	2,548,598	1,790,219	0	Compliance with laws and regulations: Maintaining the normal operation of equipment to effectively improve air quality.
Water Pollution Fee	336,114	1,605,876	345,243	7,331	0	Compliance with laws and regulations: Reducing soil and groundwater pollution.
Improvement of Energy Equipment Fee			109,355,639			Projects such as the replacement of the main chiller unit at Shih-Lei Factory, the replacement of the 350HP air compressor at Tsing-Hua Factory, and the installation of new air conditioning units at Xing-Feng Factory have collectively achieved energy saving and carbon reduction across 22 initiatives.
Management Cost	77,286	150,429	251,843	833,415	327,000	Verified through management systems to achieve environmental sustainability KPIs.
<b>Total Environmental Expense</b>			<b>160,929,242</b>			



## • Greening of the Factory Area and Organic Composting

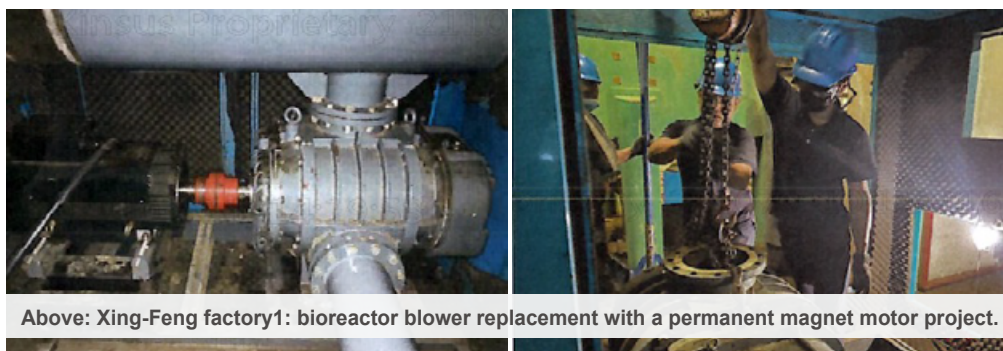
Each factory area has a large area of tree planting, utilizing the collected fallen leaves as organic fertilizer. This practice helps maintain soil structure and increase its nutrient capacity. The non-toxic and easily biodegradable nature of organic composting reduces environmental pollution and enhances land friendliness. Additionally, the emission of “phytoncides” by trees is known to have stress-relieving and rejuvenating effects. Incorporating these elements into daily life also contributes to improving the physical and mental well-being of employees.

## • Energy-saving Activities and Promotion

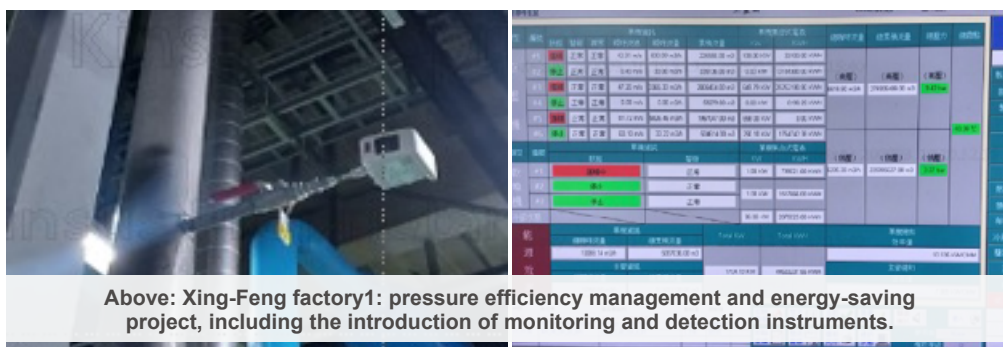
Efforts to promote energy conservation, reduce power consumption, and minimize carbon emissions are actively pursued. This includes replacing lighting fixtures with energy-efficient LED lights, utilizing motion-sensing lighting, and installing variable frequency devices in factories, and implementing solar power systems in new factories as effective measures to save electricity.



Above: Shih-Lei factory: MAU air conditioning duct replacement project.



Above: Xing-Feng factory1: bioreactor blower replacement with a permanent magnet motor project.



Above: Xing-Feng factory1: pressure efficiency management and energy-saving project, including the introduction of monitoring and detection instruments.

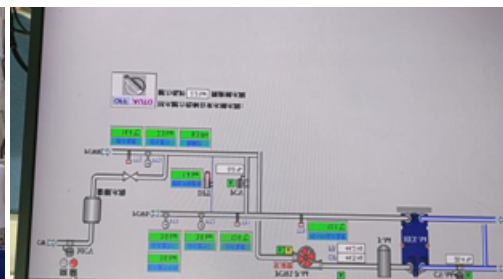
5.1 Environmental Policies and Commitments    5.2 Climate Change and Low-carbon Manufacturing  
 5.3 Renewable Energy and Resource Conservation/Efficiency    5.4 Water Resource Management  
 5.5 Waste Management    5.6 Air Pollution Prevention and Control    5.7 Promotion of Environmental Sustainability  
 5.8 Environmental Greening and Beautification



Above: Xing-Feng factory1: installation of exhaust fans and central control screen.



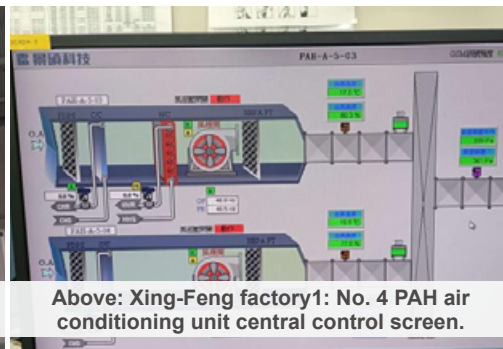
Above: Xing-Feng factory1: new No. 4 PCW water pump in the machine room.



Above: Xing-Feng factory1: PCW central control screen.



Above: Xing-Feng factory1: No. 4 PAH air conditioning unit.



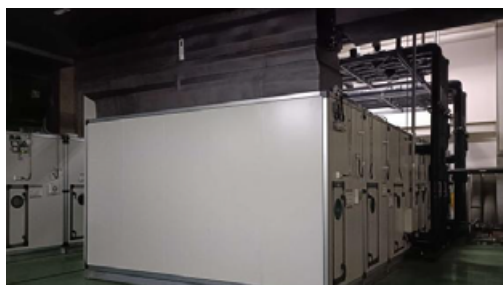
Above: Xing-Feng factory1: No. 4 PAH air conditioning unit central control screen.



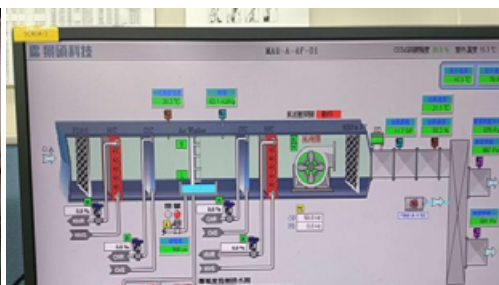
Above: Xing-Feng factory1: installation of flow meters for air conditioning.



Above: Xing-Feng factory1: PCW central control screen.



Above: Xing-Feng factory1: new MAU air conditioning unit.



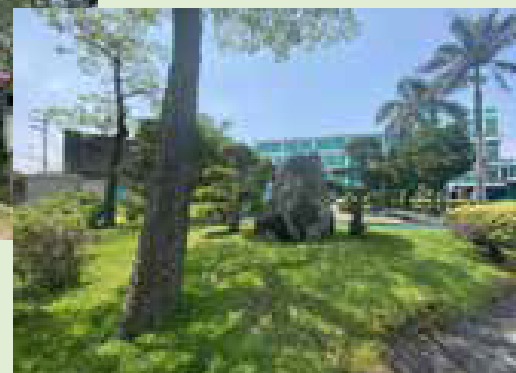
Above: Xing-Feng factory1: MAU air conditioning unit central control screen.

## 5.8 Environmental Greening and Beautification

In response to the rapid development of the industry, Kinsus established the Shih-Lei Factory in Xingwu District in 2000, Tsing-Hua Factory in 2004, and Xing-Feng Factory in Hsinchu in 2014. Besides increasing the business volume of the Xingwu Factory, these expansions also created more employment opportunities in Taoyuan and Hsinchu areas. When establishing the factories, Kinsus not only obtained environmental assessments and approvals from the local Environmental Protection Departments, but also focused on beautifying the environment, purifying the air, and reducing the emissions of harmful gases to promote a healthy working environment. Due to frequent pedestrian and vehicle traffic within the factory premises, Kinsus has enhanced tree planting along the main roads at the factory entrances and around the buildings. This not only improves air quality but also enhances employee happiness, resulting in minimal impact on biodiversity from the operations, products, and services of each factory. In addition, we have created diverse ecological habitats within the green areas by constructing ecological ponds, enriching the ecological foundation. The unique characteristics of the greening and beautification plans for each of the three factories are as follows:

### • Shih-Lei Factory

Green Area: 281 Taiwanese pings (≈929.186 square meters), including a 51 pings (≈168.786 square meters) koi fish pond. The green plants mainly consist of evergreen plants with some flowering plants, providing different scenery throughout the year. The koi fish pond houses 80 carefully selected koi fish, adding a dynamic atmosphere to the garden. When viewed from a higher location, the company logo "K" can be seen cleverly integrated into the pond. Additionally, two sky gardens have been created at the Shih-Lei Factory, providing more recreational spaces and visually comfortable environments for employees.







### • Tsing-Hua Factory

Green Area: 336 Taiwanese pings (≈1,110.816 square meters). The green plants mainly consist of evergreen plants with some flowering plants, providing different scenery throughout the year. The green areas are distributed around parking lots and administrative areas, enhancing the greenery in the view of visitors entering the factory entrance and during employee commuting hours, showcasing the Company's commitment to greening and beautification efforts.



### • Xing-Feng Factory

Green Area: 1,900 Taiwanese pings (≈6,279.174 square meters), including a 23 pings (≈76.018 square meters) koi fish pond. The green plants primarily consist of evergreen forest trees complemented by dwarf shrubs and flowering plants, creating multi-level green landscapes. Two Southern Pine pavilions are also built, designed with the concept of relaxation, to enhance the practicality of the green space and not just its aesthetic appeal, allowing employees to enjoy the greenery and completely unwind in nature during breaks and after work.



# 06

## Friendly Workplace

- 6.1 Talent Policy and Commitment
- 6.2 Human Resource Structure
- 6.3 Talent Cultivation and Development
- 6.4 Salary and Benefits
- 6.5 Human Rights Protection:  
Listening to Employees ' Voices
- 6.6 Workplace Health and Safety
- 6.7 Comprehensive healthcare



As part of its sustainable mission, Kinsus Interconnect Technology Corp. focuses on creating a friendly workplace, which encompasses significant issues related to personnel management, such as attracting and retaining talents (salary and benefits), employee training and development, labor relations, human rights protection, and safety and health. The short-term, medium-term, and long-term indicators for these areas are presented in the following table:

	Short-Term Indicators (2023~2024)	Medium-Term Indicators (2025~2028)	Long-Term Indicators (2029+)
Labor Relations	Employee Feedback Closure Rate <b>100%</b>	Employee Feedback Closure Rate <b>100%</b>	Employee Feedback Closure Rate <b>100%</b>
	Total Turn Over Rate $\leq 20\%$	Total Turn Over Rate $\leq 20\%$	Total Turn Over Rate $\leq 20\%$
	Retention Rate with salary Suspension $\geq 80\%$	Retention Rate with salary Suspension $\geq 80\%$	Retention Rate with salary Suspension $\geq 80\%$
	Retention Rate of Newly Hired Taiwanese Employees (3 Months Retention) $\geq 80\%$	Retention Rate of Newly Hired Taiwanese Employees (3 Months Retention) $\geq 80\%$	Retention Rate of Newly Hired Taiwanese Employees (3 Months Retention) $\geq 80\%$
Training & Development	Average Training Hours Per Person: <b>8H</b> Passing Rate of New Employee Training Exam: <b>100%</b>	Average Training Hours Per Person: <b>10H</b> Passing Rate of New Employee Training Exam: <b>100%</b>	Average Training Hours Per Person: <b>12H</b> Passing Rate of New Employee Training Exam: <b>100%</b>
Human Rights Protection	Workplace Wrongful Assault/ Bullying: <b>0 Cases</b>	Workplace Wrongful Assault/ Bullying: <b>0 Cases</b>	Workplace Wrongful Assault/ Bullying: <b>0 Cases</b>
	Employee Complaints/Mediation: <b>1 Case</b>	Employee Complaints/Mediation: <b>1 Case</b>	Employee Complaints/Mediation: <b>1 Case</b>

## • Performance and Objectives of Material Topics:

At Kinsus Interconnect Technology Corp., we are committed to establishing a friendly workplace and adhering to GRI standards. We strive to create an environment that cares for employees, fulfills our responsibility in talent selection and retention, and serves as a driving force for sustainable development and continuous growth. Based on important aspects such as labor relations, training and development, human rights protection, ethics, and health and safety, we have developed short-term indicators and related implementation plans. We present the performance targets and achievements for the past two years in the table below. Our aim is to retain talented individuals who are suitable and have development potential, thereby enhancing the company's sustainability and competitiveness.

### Labor Relations

2023 Target	2023 Performance	2024 Target
Employee Feedback Closure Rate 100%	Employee Feedback Closure Rate 100% → <b>Achieved</b>	Employee Feedback Closure Rate 100%
Total Turnover Rate $\leq 20\%$	Total Turnover Rate 19.4% → <b>Achieved</b>	Total Turnover Rate $\leq 20\%$
Retention Rate with Salary Suspension $\geq 80\%$	86% → <b>Achieved</b>	Retention Rate with Salary Suspension $\geq 80\%$

### Training & Development

2023 Target	2023 Performance	2024 Target
Retention Rate of Newly Hired Taiwanese Employees (3 months Retention) $\geq 80\%$	Retention Rate 76.9 % → <b>Not Achieved</b>	Retention Rate of Newly Hired Taiwanese Employees (3 months Retention) $\geq 80\%$
Average Training Hours Per Person $\geq 8H$ Passing Rate of New Employee Training Exam 100%	15.92 H → <b>Achieved</b> 100% → <b>Achieved</b>	Average Training Hours Per Person $\geq 8H$ Passing Rate of New Employee Training Exam 100%

## 6.1 Talent Policy and Commitment

6.2 Human Resource Structure

6.3 Talent Cultivation and Development

6.4 Salary and Benefits

6.5 Human Rights Protection: Listening to Employees' Voices

6.6 Workplace Health and Safety

6.7 Comprehensive healthcare

## Human Right Protection

2023 Target	2023 Performance	2024 Target
Workplace Wrongful Assault/Bullying: 0 Cases	Workplace Wrongful Assault/Bullying: 1 Case → <b>Not Achieved</b>	Workplace Wrongful Assault/Bullying: 0 Cases
Employee Complaints/Mediation: 1 Case	Employee Complaints/Mediation: 1 Case → <b>Achieved</b>	Employee Complaints/Mediation: 1 Case

## 6.1 Talent Policy and Commitment

**Talent Management Policy: Establishing a friendly workplace and a safe and healthy working environment, laying a solid foundation for sustainable operations.**

### Policy and Measures

• **Objectives:** Promote harmonious labor relations, attract and retain outstanding talents, provide competitive salary and benefits, training and development opportunities, and fair promotion, making employees partners in the company's sustainable development.

• **Commitment :** Utilize due diligence investigations and proactive communication methods, commit to human rights protection, establish a sound training and development system, construct diverse and open channels of labor-management communication, ensure a safe and healthy working environment, and foster a warm and harmonious work atmosphere.

• **Management measures:**

- (1) Comply with labor laws and occupational health and safety regulations, safeguard employees' legal rights, and respect and protect basic labor rights.
- (2) Provide a work environment of gender equality, equal rights, and free from discrimination and harassment.
- (3) Offer equal employment and training opportunities regardless of gender, religion, race, nationality, or political affiliation.
- (4) Provide employees with a safe and healthy working environment, ensuring their rights to safety and health are legally protected.
- (5) Fair compensation and benefits, reasonable and objective performance evaluation, and salary adjustment processes.
- (6) Establish effective training and development programs, career development plans, and promotion schemes.
- (7) Establish channels for employee communication and dialogue, promptly address and resolve employee issues.
- (8) Legally participate in labor insurance and health insurance, allocate employee welfare funds for organizing welfare activities.
- (9) Respect employees' freedom and rights to assembly and association, protect employees' ability to openly communicate with management about work conditions without fear of retaliation, threats, or harassment.
- (10) Establish an employee complaint channel to handle general complaints, sexual harassment, bullying, and other incidents.

→ Complaint Channel: Human Resources Department Email: [hr@kinsus.com.tw](mailto:hr@kinsus.com.tw)  
Complaint Tel: +886-3-4871919 Ext. 27885

Kinsus Interconnect Technology Corp. complies with labor-related regulations and has established "Work Rules" and "Occupational Safety and Health Work Guidelines and Organizational Structure and Personnel Establishment." These documents have been submitted to the competent government agencies for approval, ensuring legal labor conditions and safeguarding the rights of employees in terms of safety and health. We also adhere to the provisions of the "RBA Responsible Business Alliance Code of Conduct," providing employees with a healthy and safe working environment, establishing diverse and open channels of labor-management communication. This is complemented by fair compensation and promotion, a comprehensive training and development system, fostering employees' professional ethics and protecting trade secrets, a sound welfare system, and creating a warm and harmonious work atmosphere. Through a transparent and incentive-based profit-sharing system, we enable employees to contribute their abilities and performance with peace of mind, fostering mutual growth and development, and laying a solid foundation for sustainable operations.

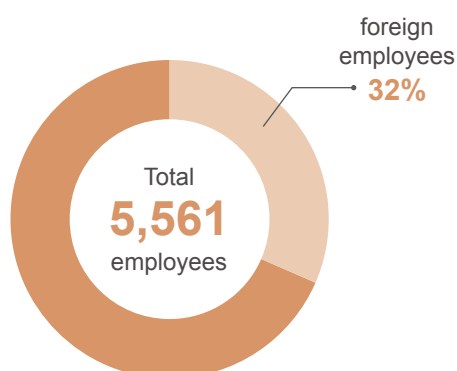
## • Sustainable Business Development Policy

Kinsus Interconnect Technology Corp. upholds the principle of integrity in business operations and embraces the philosophy of "Only with talents, never depreciate." We strive to provide reasonable working conditions and comprehensive employee benefits, taking full care of the physical and mental well-being of our employees, enabling them to focus wholeheartedly and enjoy their work. We are committed to implementing a sustainable business development policy that encompasses environmental protection, employee care, a friendly workplace, shared prosperity in society, integrity management, and the participation of all employees.

To enhance labor rights, we not only comply with Taiwan's Labor Standards Act and relevant laws but also have established work rules that are filed and approved, internal regulations on preventing sexual harassment, anti-corruption and bribery measures, and complaint procedures. We have also established management mechanisms to safeguard the rights of our colleagues, ensuring their opinions are fully expressed. Each factory area has a dedicated "complaint mailbox" and displays information on the complaint hotline. Additionally, we have implemented personal data protection mechanisms, adhering to the principle of non-retaliation, to prevent any unfair treatment of individuals. We are committed to maintaining a positive labor-management relationship and implementing various personnel management systems that promote a friendly workplace and care for our employees. In line with the policy direction of caring for employees and creating a friendly workplace, we pledge to implement the following eight human rights policies:

No Employment of Child Labor Under the Age of 15	Prohibiting Any Form of Forced Labor.	Respecting Employees' Freedom of Association and Collective Bargaining Rights.	Prohibiting Any Form of Discrimination, Harassment, and Retaliation.
Providing Reasonable Salary and Benefits.	Offering Diverse Communication Channels to Maintain Harmonious Labor Relations.	Providing a Safe Working Environment and Establishing Preventive Measures.	Ensuring Employment Opportunities For Individuals With Disabilities.

## 6.2 Human Resource Structure



As of December 29, 2023, Kinsus Interconnect Technology Corp. had a total of 5,561 employees. Among them, foreign employees accounted for 32%, including nationals from the Philippines, Vietnam, Malaysia, Indonesia, Hong Kong, Thailand, and other countries. We are committed to providing a diversified employment environment. The company does not impose restrictions or use contract-based coercion on foreign employees, nor does it engage in any form of forced labor, confinement, contract bondage, or pledging (including debt pledging) of foreign employees. We do not unlawfully withhold identity documents, passports, residence permits, or money. Our employment practices are based on the voluntary agreement of foreign employees. Additionally, all our employees are full-time, and we do not have any employees with no guaranteed working hours.

We respect the differences among our employees. In our employee management system, we adhere to labor principles and rights. During the recruitment process, our HR personnel verify the employees' true age to ensure that employees are at least 15 years old when they join the company. If any individual below the age of 15 is discovered, immediate actions are taken to address the issue, including child labor remediation measures, and relevant units and company representatives are notified. Furthermore, we adhere to the International Labour Organization (ILO) regulations and local laws regarding maternity protection, ensuring that pregnant employees are not engaged in hazardous or harmful work to protect the health of both the mother and the fetus. Maternity leave and breastfeeding periods are entitled to the welfare benefits stipulated by the government, and we provide breast feeding rooms and friendly parking spaces. Additionally, Kinsus Interconnect Technology Corp. provides job opportunities for individuals with disabilities and the minority groups. We exclude all forms of employment discrimination and forced labor, striving to create a friendly working environment and strengthen communication and connection between the company and its employees.

There were no significant operational changes in 2023. To encourage diversity and promote an equal employment environment, interviews are conducted based on individual capabilities and suitability for the position, without differentiation based on gender, religion, race, nationality, or political affiliation.

(1) The distribution of the workforce at Kinsus Interconnect Technology Corp. in the past two years is shown in the table below:

		2022				2023			
Category	Item	Female		Male		Female		Male	
		Number of People	Percentage%	Number of People	Percentage%	Number of People	Percentage%	Number of People	Percentage%
Non-Fixed Term Contracted Employees	Direct Staff	923	14.87%	1,389	22.39%	882	15.86%	1,299	23.36%
	Indirect Staff	408	6.6%	1,078	17.4%	398	7.2%	1,114	20.03%
Fixed Term Contracted Employees	Foreign Employees	1,138	18.3%	1,069	17.2%	861	15.48%	763	13.72%
	Trainees/ Contracted Employees	56	0.9%	140	2.3%	30	0.5%	77	1.4%
Dispatch Workers		0	0%	3	0.04%	40	0.7%	97	1.7%
Total Employees		2,525	40.67%	3,679	59.33%	2,211	39.76%	3,350	60.24%
Grand Total :		6,204 People				5,561 People			
Employees (By Age)	Below 30 Years Old	1,019	16.4%	1,129	18.2%	738	13.27%	830	14.93%
	31~50 Years Old	1,385	22.3%	2,385	38.4%	1,341	24.11%	2,326	41.83%
	Above 51 Years Old	121	2%	165	2.7%	132	2.4%	194	3.5%
Job Grade Distribution	Senior Executives	18	0.3%	74	1.2%	18	0.3%	85	1.5%
	Middle-Level Managers	97	1.6%	376	6.1%	111	2%	406	7.3%
	General Employees	2,410	38.8%	3,229	52.1%	2,082	37.44%	2,859	51.41%
Grand Total :		6,204 People				5,561 People			

Remarks: 1. Direct Staff: Production line or process technician.

2. Indirect Staff: Administrative or managerial personnel.

3. Trainees: Students employed under contract through school-industry cooperation or internships.

4. Middle-Level Managers: Senior Deputy Manager (Technical), Senior Deputy Manager (Administrative), Deputy Manager (Technical), Deputy Manager (Administrative), Senior Director (Grade 4 to Grade 6), Director (Grade 4 to Grade 6), Deputy Director (Grade 4 to Grade 6), Project Manager.

5. Senior Executives: Grade 7 and above.

(2) The Composition By Age and Job Grade Distribution Is Shown In The Table Below:

Year	Item	Senior Executives		Middle-Level Managers		General Employees		Total
		Female	Male	Female	Male	Female	Male	
2022	Below 30 Years Old	0	0	9	16	859	937	1,821
	Ratio	0%	0%	2%	3%	15%	17%	29%
	31~50 Years Old	11	40	86	334	1,439	2187	4,097
	Ratio	12%	44%	18%	71%	26%	39%	66%
	Above 51 Years Old	7	34	2	26	112	105	286
	Ratio	8%	37%	0.4%	6%	2%	2%	5%
Total Number of People:		18	74	97	376	2,410	3,229	6,204

Year	Item	Senior Executives		Middle-Level Managers		General Employees		Total
		Female	Male	Female	Male	Female	Male	
2023	Below 30 Years Old	0	0	14	32	724	798	1,568
	Ratio	0%	0%	30%	70%	48%	52%	28%
	31~50 Years Old	12	46	94	339	1,235	1,941	3,667
	Ratio	21%	79%	22%	78%	39%	61%	66%
	Above 51 Years Old	6	39	3	35	123	120	326
	Ratio	13%	87%	8%	92%	51%	49%	6%
Total Number of People:		18	85	111	406	2,082	2,859	5,561

Remarks: 1. Middle-Level Managers: Senior Deputy Manager (Technical), Senior Deputy Manager (Administrative), Deputy Manager (Technical), Deputy Manager (Administrative), Senior Director (Grade 4 to Grade 6), Director (Grade 4 to Grade 6), Deputy Director (Grade 4 to Grade 6), Project Manager.

2. Senior Executives: Grade 7 and above.

3. Age proportion calculation: Sum of male and female for the respective rank / Total number of employees in that rank.

## 6.2.1 Talent Recruitment and Mobility

With the rapid advancement of semiconductor technology and continuous improvement in PCB technology and materials, we are constantly investing in research and development, expanding our team size, and broadening our product range. We strive to add new product lines and enhance the quality and quantity of our products.

Interconnect Technology Corp. primarily recruits local talents. However, for our main operating locations in Taiwan, we consider both the need for technical development and the diversity of talents. In addition to recruiting professionals and fresh graduates locally, we also focus on recruiting special expertise from overseas. In 2023, we had a total of 166 foreign white-collar colleagues, and we recruited 12 foreign white-collar colleagues within the company during that year. This not only increases workplace diversity but also provides us with more specialized talents. Looking ahead, we will continue to cultivate and develop professional talents.

Talents are a vital asset for Kinsus Interconnect Technology Corp. In addition to creating a challenging and rewarding work environment, we determine salary levels based on employees' backgrounds, professional knowledge, technical skills, and years of experience. We recruit suitable and stable talents and have established comprehensive personnel management systems, including competitive overall compensation strategies, talent development and training mechanisms, performance evaluation and promotion processes, diverse welfare programs, and statutory retirement systems.

To enhance the quality of domestic talents and cultivate young talents, we are committed to promoting diverse education possibilities and providing development platforms for students at various stages within and outside the formal education system. We aim to align learning resources with the industry, actively working towards achieving the SDG4 goal of quality education.

We actively promote collaboration with universities and research institutes. In 2023, we signed agreements with National Central University, Chung Yuan Christian University, and National Dong Hwa University, aiming to jointly promote the deepening and development of the smart industry and semiconductor substrate talent cultivation. The university cooperation program focuses on "industry-academia research cooperation," "curriculum collaboration," and "career guidance." Through supporting faculty recruitment, offering industry expert courses, hosting lectures, organizing competitions, providing scholarships, and engaging in groundbreaking industry-academia collaborative research projects, we assist top university students and faculty worldwide in transforming integrated circuit designs into physical chips, actively fostering the next generation of talent in the semiconductor industry. Moreover, we actively participate in student activities; in 2023, we supported the graduation exhibition "Miao" of the Department of Arts and Design at National Dong Hwa University, taking concrete actions to support and encourage students' professional development.



Regarding other talent sources in 2023, we recruited a total of 3 individuals from government employment service centers. In 2024, we will continue to target top talents with relevant science, technology, engineering, and mathematics backgrounds or interdisciplinary integration abilities to develop higher-level PCBs. As semiconductor applications continue to grow, we actively collaborate with major universities on internship programs. This not only fosters students' creativity, understanding of the PCB process, and improvement optimization skills but also facilitates their connection with the industry, further showcasing our efforts to the world. In 2023, a total of 30 interns joined our "Internship Program," with female students accounting for 33% of the intern population. After the internship, 5 interns (approximately 17% of the total) received pre-employment offers based on their excellent performance.

Every year, Kinsus Interconnect Technology Corp. formulates its business plan, and each department determines its manpower needs and direction for the new year. They submit their manpower requests to the Human Resources department based on actual needs. The Human Resources department disseminates job vacancy information and internal transfer information through various recruitment channels. Upon receiving this information, employees can pursue internal transfers to develop new expertise, facilitating their personal career development along different career paths. In 2023, there were a total of 9 internal transfers. We actively nurture talents through employee referrals. Candidates referred by employees gain a better understanding of the company and position before joining, and their attachment and loyalty to the company are often stronger. Employee referrals are an actively expanded recruitment channel. In 2023, there were 34 employees hired through internal referrals, accounting for 4.5% of the total workforce.

• **The Recent Two-Year Data on the Proportion of Newly Hired and Turn Over Rate Among Male and Female Employees Is Presented in the Following Table:**

2022							2023				
Category      Item		Head Count and Ratio					Head Count and Ratio				
		Female	Ratio	Male	Ratio	Age Ratio	Female	Ratio	Male	Ratio	Age Ratio
Newly Hired	Below 30 Years Old	418	41%	403	36%	62%	24	3%	52	6%	61%
	31~50 Years Old	202	15%	283	12%	37%	14	1%	33	1%	37%
	Above 51 Years Old	2	2%	10	6%	1%	1	0%	2	0%	2%
Newly Hired Ratefor Male/ Female		23.92%		18.45%			1.76%		2.59%		
Total:		1,318 People/100%					126 People/100%				
Annual Average Newly Hired Rate:		21.2%					2.3%				
Turn Over	Below 30 Years Old	277	27%	427	38%	38%	191	26%	253	31%	41%
	31~50 Years Old	269	19%	499	21%	21%	242	18%	356	15%	55%
	Above 51 Years Old	10	8%	31	19%	19%	15	11%	22	11%	4%
Newly Hired Ratefor Male/ Female		22.02%		26.01%			20.26%		18.84%		
Total:		1,513 People/100%					1,079 People/100%				
Annual Average Turnover Rate:		24.4%					19.4%				

Remarks: (1) Newly hired are defined as employees who joined in 2023 and completed a minimum of 3 months of service.

(2) The calculation of the age proportion of newly hired: Using employees aged 30 and below as an example, it is calculated as the count of newly hired aged 30 and below divided by the count of employees of the same gender and age in the respective year.

(3) The calculation of the age proportion of turnover: Using employees aged 30 and below as an example, it is calculated as the count of departures aged 30 and below divided by the count of employees of the same gender and age in the respective year.

(4) The calculation of the subtotals by gender is based on the example of the newly hired. It is calculated as the total count of newly hired employees of the specific gender divided by the count of employees of the same gender in the respective year.

(5) The calculation of the female or male newly hired or turn over rate is based on the count of newly hired or turn over of the specific gender divided by the count of employees of the same gender and age in the respective year.

(6) The calculation of the total proportion is based on the example of newly hired. It is calculated as the total count of newly hired divided by the total count of employees in the respective year.

## • Employment of People with Disabilities

According to Taiwan's "Persons with Disabilities Rights Protection Act," the number of people with disabilities employed by the company should not be less than 1% of the total workforce. If the weighted total falls short of the standard, the company is required to regularly pay a "subsidy for the shortfall" to the Employment Fund for People with Disabilities under the supervision of the labor authority.

We provide full-time job opportunities to individuals with disabilities. As of the end of 2023, we have employed a total of 50 individuals with disabilities, including 29 with mild disabilities, 13 with moderate disabilities, and 8 with severe or profound disabilities. In accordance with regulations, we employ an adequate number of colleagues with disabilities, taking concrete actions to support their employment opportunities and potential for development. We arrange suitable job content based on their physical and mental conditions, creating a diverse and inclusive corporate environment and culture.

We prioritize employee welfare, fostering a win-win mindset between labor and management and maintaining harmonious labor relations.

In 2023, no labor disputes occurred that resulted in any financial losses.

## 6.3 Talent Cultivation and Development

Employees are valuable assets to the company. At Kinsus Interconnect Technology Corp., we not only strive for continuous improvement in professional capabilities but also design relevant training programs based on the specific needs of our employees. In addition, we provide an e-learning platform to create a self-directed learning environment for all employees, enabling them to continuously enhance their expertise and skills in order to achieve the goal of sustainable business operation.

Category	Summary
Management Training	Based on different job levels, a series of courses are implemented in alignment with the company's strategy. Senior executives focus on courses related to strategy, goal setting, and leadership. Middle managers focus on courses related to subordinate development, teamwork, and communication. Frontline supervisors focus on courses related to daily work management and deployment management.
Professional Skills Training	Including courses related to product knowledge, manufacturing processes and technologies, quality systems, and the five core areas.
Quality Assurance Training	Various quality systems and activities aimed at enhancing quality awareness.
Onboarding Training	Onboarding general basic training for new employees, including work rules, quality, cybersecurity, and work safety awareness. For new engineers, "Stellar Program" that includes on-the-job training (OJT), product and quality systems, statistical applications, and group activities to accelerate their integration into the Kinsus Interconnect Technology Corp.'s culture and work environment.
Environment, Health and Safety Training	Training on environmental protection, occupational safety and health, and health promotion for both new and existing employees.
Project Training	To enhance organizational effectiveness and achieve sustainable operations, the following projects are implemented: (1) OKR (Objectives and Key Results) (2) Talent Pipeline Development (3) Competency-based HR system.

Under the framework of sustainable business strategy, we have developed the composition and structure as shown in the diagram on the right. In terms of talent development, we began planning the succession talent pipeline in 2020 and started preparations for implementing a competency-based talent development framework in 2021. Through the use of technology tools for assessment, comparison, and analysis of competencies, along with systematic development plans, we can effectively enhance organizational competitiveness. In the new year, we will continue to cultivate high-potential employees, key experts, and successors to achieve sustainable business goals.



In response to environmental changes and the future development of products and technologies, the training framework and systems are designed in alignment with the company's operations and employee development. The overall employee training implementation can be divided into two main parts: (1) workplace mentoring system in conjunction with on-the-job training and (2) a combination of online courses and physical seminars. As of the end of 2023, the Kinsus Academy online platform has a total of 443 course materials and over 1,100 knowledge-sharing resources, with over 93,000 logins for digital learning.

To maintain competitiveness, we plan various training activities every year, including management communication series, professional skill enhancement, and more. We provide diverse learning resources through multiple channels to enhance employee capabilities. Colleagues have expressed that the company's arranged courses are aligned with job requirements, enhancing individual work efficiency. The annual post-training satisfaction rate exceeds 89 points, achieving the goal of integrating training and utilization.



### • Staff Training Hours:

In 2023, the total training hours for employees amounted to 88,547 hours. With a total headcount of 5,561 employees, the average training hours per person for the year were 15.92 hours. Additionally, the education and training expenses for the previous year amounted to NT 3,347,143, resulting in an average training cost NT 227.26 /per person.

Category		Total Training Hours	Participants	Number of Employee	Average Training Hours
Employee Gender	Female	27,270	5,155	2,211	12.33
	Male	61,277	9,573	3,350	18.29
Employee Category	Direct	23,136	3,316	3,975	5.82
	Indirect	65,408	11,407	1,586	41.24
All Employees	Managerial Level	5,580	1,620	250	22.32
	Non Managerial Level	82,967	13,108	5,311	15.62
Annual Average Training Hour:			15.92 Hours		

Note: Annual Average Training Hours = Total Training Hours / Number of Employees at the end of the year = (5,580 + 82,967) / 5,561 = 15.92 hours.

Kinsus Interconnect Technology Corp. has designed its education and training system with different structures for new employee training and on-the-job training, considering the overall environment, company's future development, and the transition of personnel positioning.

**New Employee Training Mechanism:** To familiarize new employees with the environment, job responsibilities, and facilitate their integration into the company culture, regular pre-employment training courses are conducted. The frequency and duration of these training sessions are adjusted flexibly based on actual needs. The pre-employment training courses for new employees include company introduction, personnel regulations and welfare systems, cybersecurity awareness, labor safety and health introduction, human rights promotion, etc., totaling 8 hours of training.

## 6.3.1 Performance Management and Employee Development

### (1) Employee Career Development

Performance evaluation contributes to a robust human resources system and further enhances the overall operational framework of the company. Kinsus Interconnect Technology Corp. conducts assessments for newly hired employees after their three-month probation period, guiding supervisors and colleagues to understand their performance in terms of behavior, results, and personal attributes. The evaluation assesses their work capabilities, attitudes, and integration into the company's culture.

Supervisors carry out fair, reasonable, and objective performance evaluations in accordance with established standards, ensuring that every team member clearly understands their role and strives to meet performance requirements for their respective positions. Employees are provided with clear work objectives and future performance improvement guidelines, aligning them with the overall operational goals.

In 2023, a total of 113 newly hired Taiwanese employees participated in the annual performance evaluation, with no differentiation based on gender. The purpose of the evaluation is not only to emphasize the consensus between employees and supervisors regarding work goals but also to focus on developing employee capabilities while assessing performance. The primary objective is to cultivate and enhance employees' individual abilities, enabling them to acquire proficiency in their roles, thereby enhancing the company's competitiveness and overall organizational efficiency. This aims to build a strong foundation for the company's future success.

Performance evaluation statistics for Taiwanese newly hired employees in the past year are presented in the following table:

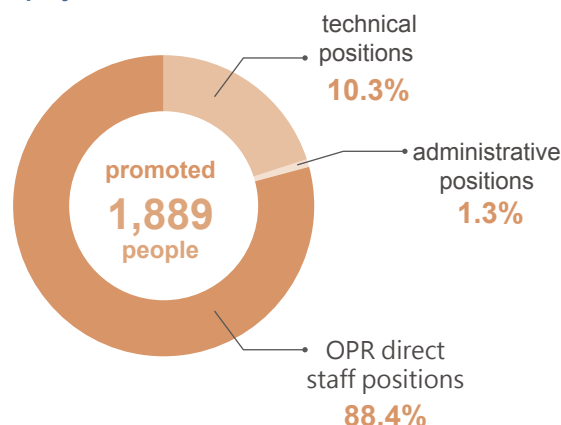
2023

Total of **113** newly hired Taiwanese Staff

	Number of People Evaluated		Ratio	
Job Category	Male	Female	Male	Female
Indirect Staff	2	1	1.8%	1.8%
Direct Staff	78	21	69%	27.4%
Total:	80	33	70.8%	29.2%

### (2) Performance Evaluation and Career Development for Existing Employees

In addition to the newly hired, the company conducts performance evaluations every six months based on job levels to monitor work performance and determine bonus allocations. The evaluation rate for all employees, excluding the newly hired ones, is 100%. Furthermore, based on supervisor evaluations, attendance, and individual performance, employees who demonstrate outstanding work performance are recommended for promotion by supervisors at different levels. **In 2023, a total of 1,889 employees were promoted, accounting for 10.3% in technical positions, 1.3% in administrative positions, and 88.4% in OPR direct staff positions.**



## 6.4 Compensation and Benefits

### 6.4.1 Compensation and Benefits Policy and Performance

#### Compensation and Benefits Policy: Competitive Compensation and Benefits to Attract and Retain Talent.

##### Management Measure

- **Objectives and Targets:** Taking into account industry competitiveness, overall economy, and sustainable business considerations, the company has established a "Compensation and Benefits System" to provide competitive compensation and benefits that attract and retain talent.
- **Commitment:** Through diligent research and proactive communication methods, the company ensures a sound employee compensation and benefits system, allocating profits as employee dividends.
- **Management measures:**
  - (1) Provide a stable employee compensation structure in accordance with the company's compensation management system.
  - (2) Allocate employee welfare funds in accordance with the provisions of the "Employee Welfare Fund Regulations" and organize welfare activities.
  - (3) Conduct performance evaluations and interviews to improve work behavior and skills, as well as cultivate and develop employees' individual abilities.

Kinsus Interconnect Technology Corp. determines its salary levels based on employees' educational background, professional knowledge and skills, years of experience, and individual performance. The wages paid to employees comply with all applicable wage laws, including those related to minimum wage, overtime hours, and statutory benefits. There is no gender-based wage discrimination, and employees are compensated equally regardless of their gender, race, religion, political stance, marital status, or affiliation with labor unions or associations. However, due to differences in job positions, educational qualifications, experience, and departmental divisions, there may be slight variations in the salary ratio between male and female employees.

In addition to the basic salary and holiday bonuses, the company also provides flexible variable compensation based on its operational performance, including monthly profit-sharing bonuses, quarterly performance bonuses, employee rewards, long-serving employee benefits, and exemplary employee recognition. These incentives are designed to motivate employees and retain outstanding talents. Annual salary adjustments are determined based on employees' job positions and performance evaluations, with specific items and amounts for salary adjustments being proposed.

In 2023, the salary of entry-level employees is determined based on their educational qualifications, without any gender-based differences. The following table shows the comparison of basic-level employees' salaries to the statutory minimum wage and the gender ratio of general employees and mid-to-senior-level managers over the past two years:

#### Year >>>2023

Category	Average Starting Salary for Fresh Graduates	Comparison of Starting Salary to Statutory Minimum Wage in 2022	Remarks
Direct Staff	31,433	1.19	Calculated based on G1-3 technician position: basic salary + job allowance + transportation allowance + meal allowance + day and night shift allowance
Indirect Staff	27,500	1.04	Calculated based on G1-3 administrative assistant (8 hours): basic salary + job allowance + transportation allowance + meal allowance

Note: The statutory minimum wage in Taiwan for 2023 is NT\$26,400.



Year >>>2023

Salary Grade- Job Level	Gender	Regular Employees	Mid-Level Managers	Senior Managers
Base Salary	Female	1.00	1.00	1.00
	Male	1.13	1.05	1.16
Average Salary	Female	1.00	1.00	1.00
	Male	1.13	1.05	1.16

Data Source: HR Department, Kinsus Interconnect Technology Corp.

Note: "Base Salary" includes basic salary, job allowance, transportation allowance, technical allowance, and meal allowance.

Note: "Average Salary" includes basic salary, job allowance, transportation allowance, technical allowance, meal allowance, shift allowance, tax-exempt overtime, and taxable overtime.

## 6.4.2 Compensation System for the Board of Directors and Senior Executives, and Operation of the Compensation Committee

According to Article 24 of the Kinsus Interconnect Technology Corp. Bylaws, if the company generates profits in a fiscal year, at least 10% of the profits should be allocated as employee compensation, and the director's compensation should not exceed 1%. The proposed director's compensation and employee compensation shall be recommended by the Compensation Committee, approved by the Board of Directors, and reported in the annual shareholders' meeting report. Kinsus Interconnect Technology Corp. has established the "Director's Compensation Payment Regulations," which stipulate that directors who do not hold positions within the group shall receive fixed compensation regardless of the company's profit or loss. Directors who hold positions within the group shall receive reasonable compensation based on their positions, representation as directors of subsidiaries, and level of involvement in company operations. Manager's compensation is determined based on their job level, administrative or technical role, and individual performance. The policies, standards, and composition of director and manager compensation are discussed by the Compensation Committee, which submits its recommendations to the Board of Directors.

## 6.4.3 Retirement Benefits

The retirement pension system of Kinsus Interconnect Technology Corp. is based on the "Labor Standards Act" and the "Labor Pension Act" to protect the rights and benefits of employees in receiving retirement pensions in the future.

### Retirement Qualifications

Employees may voluntarily retire if they meet one of the following conditions

1. Employees who have served for fifteen years or more and have reached the age of fifty-five.
2. Employees who have served for twenty-five years or more.
3. Employees who have served for ten years or more and have reached the age of sixty.

We may enforce mandatory retirement for employees under the following circumstances if they meet one of the following conditions

1. Employees who have reached the age of sixty-five.
2. Employees who have lost mental capacity or physical disabilities and are incapable of performing their duties.

### Payment Standards

(Under the old retirement pension system)

For employees with less than fifteen years of service, two times the base salary is provided for each year of service. For employees with more than fifteen years of service, one times the base salary is provided for each year of service, up to a maximum of forty-five times the base salary. For employees with less than six months of service, the payment is calculated based on half a year, while for those with six months or more of service, the payment is calculated based on one year. Employees who are forced to retire and have mental incapacity or physical disabilities caused by job duties shall receive a retirement pension of 20% in addition to the aforementioned provisions.

### Calculation of Base Salary

(Under the old retirement pension system)

The retirement pension base salary is calculated based on the average salary of the preceding six months before retirement.

### Payment Timing

When a retired employee meets the criteria for voluntary retirement, the retirement pension shall be paid in full within thirty days from the retirement date. If it is not feasible to pay the pension in a lump sum, it may be paid in installments after approval by the competent authority.

### Other Provisions

Retired employees are required to fill out a retirement application form, which will be approved before payment. For employees subject to mandatory retirement, the respective units shall sign and approve the retirement procedures. The right of employees to claim retirement benefits expires if not exercised within five years from the month following retirement.

### New Retirement Pension Contribution

The company deducts a percentage of each employee's salary according to a graded table and deposits it into the individual retirement account at the Labor Insurance Bureau at a rate of 6% of their salary.

In compliance with the Labor Standards Act, Kinsus Interconnect Technology Corp. monthly allocates "retirement reserve funds" to be deposited in a trust fund account with the Bank of Taiwan. Regarding the implementation of the new retirement system in 2005, all employees have the option to choose between the old and new systems. For employees who choose the old system, the company allocates an amount equivalent to 2% of their total salary to the old retirement pension. Based on the previous year's actuarial report on retirement pensions, the accounting department calculates the total amount to be allocated for the old retirement pension for the entire following year and spreads it evenly over twelve months. If the monthly allocation of 2% of the salary is lower than the average monthly allocation, the accounting department supplements the retirement pension allocation to match the estimated amount by the actuary. For employees who choose the new system, the company contributes 6% of the insured salary to the individual retirement pension account. Employees may also voluntarily contribute to their retirement pension within the range of 6% of their monthly salary, and the voluntarily contributed portion can be fully deducted from their total annual comprehensive income.

In addition, insurance benefits are provided to employees according to relevant laws and regulations. Statutory insurances include labor insurance, national health insurance, and company group insurance.

## 6.4.4 Parental Leave

Category	Gender	2021	2022	2023
Number of Employees Eligible for Parental Leave in the Year	Male	228	211	203
	Female	223	186	214
	Total	451	397	417
Number of Employees Applying for Parental Leave in the Year	Male	10	20	13
	Female	34	30	39
	Total	44	50	52
Number of Employees Expected to Return to Work in the Year (A)	Male	8	15	17
	Female	24	32	40
	Total	32	47	57
Number of Employees Returning to Work in the Year (B)	Male	5	8	13
	Female	19	20	26
	Total	24	28	39
Return Rate (B/A)	Male	63%	53%	76%
	Female	79%	63%	65%

Category	Gender	2021	2022	2023
Number of Employees from Previous Year's Parental Leave Expected to Return and Actually Returned (C)	Male	5	5	8
	Female	10	19	20
	Total	15	24	28
Number of Employees from Parental Leave Continuing Employment for over 12 Month (D)	Male	4	4	7
	Female	10	15	17
	Total	14	19	24
Retention Rate (D/C)	Male	80%	80%	88%
	Female	100%	79%	85%

Note: Return rate = Number of employees returning to work (B) / Number of employees expected to return to work (A) \* 100%.

Retention rate = Number of employees continuing employment after 12 months of parental leave (D) / Number of employees who returned to work after parental leave (C) \* 100%.

### 6.4.5 Diverse Welfare and Benefit System

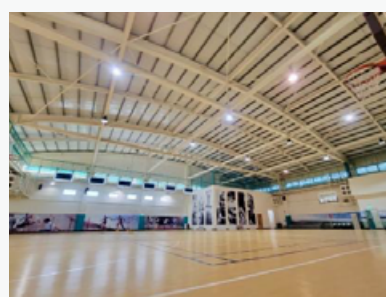
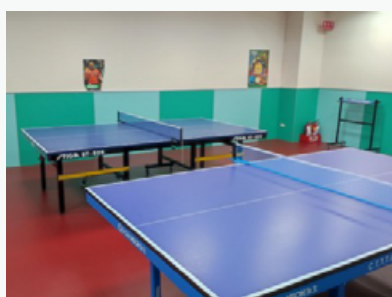
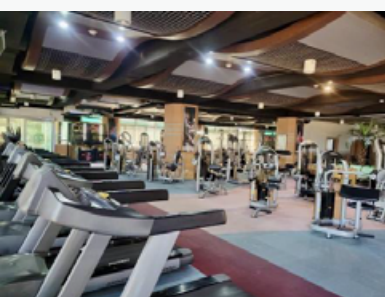
We believe that only with a high-quality living standard can employees achieve maximum efficiency in their work. In addition to providing a safe and comfortable working environment, we also value the leisure and recreational lives of our employees. The Employee Welfare Committee is established in compliance with the law to implement various welfare measures and manage employee benefits. Our diverse and comprehensive welfare programs include creating an artistic environment, providing meals, uniforms, accommodation, parking, leisure and entertainment facilities, and childcare services. We aim to ensure that every employee enjoys a healthy work-life balance, promote interpersonal communication among employees, and boost morale and cohesion.

#### • Leisure and Entertainment:

Both Shih-Lei and Tsing-Hua plants have fitness centers with a total area of 729 square meters. The facilities include indoor basketball courts, badminton courts, various fitness equipment, yoga studios, dance studios, KTV rooms, table tennis rooms, pool rooms, indoor golf and resting areas with lounge chairs. These facilities allow employees to take a break and relax during their leisure time.

#### Usage of Recreation Centers>>>>

	Shih-Lei Plant	Tsing-Hua Plant	Xing-Feng Plant
2023 Recreation Centers Usage	72,551	48,132	Not Counted
2023 Fitness Equipment Usage	46,221	48,132	Not Counted



## • Comprehensive Welfare and Benefits

The Welfare Committee, in addition to setting up recreational activity centers to encourage colleagues to exercise and maintain their health, also provides other benefits such as travel subsidies, club subsidies, festival bonuses, and year-end party events. This allows life to be more than just work and enables colleagues to enjoy a diverse and enriching lifestyle. The Welfare Committee promotes the following activities and benefits:

Item	Content	Number of Participants/Beneficiaries	Invested Amount
Domestic Employee Travel Subsidy	Encouraging employees to travel and relax, the company provides an annual travel subsidy of NT\$5,000 and NT\$2,000 per person for employees who have worked for at least 3 months, allowing them to plan their own travel itineraries	8,020 people	NT 29,370,000
Foreign Employee Travel Subsidy	Organizing annual travel activities for foreign employees, through itinerary planning and employee voting, selecting the most desired travel destinations for enjoyable experiences with colleagues and friends	2,061 people	NT 5,152,500
Club Activity Subsidy	Encouraging employees to develop their interests and hobbies, each club can apply for a subsidy of up to NT\$20,000 per quarter to support club activities, with an annual maximum limit of NT\$80,000	170 people	NT 381,402
Holiday Gift Vouchers	To enhance employee well-being, gift vouchers of NT\$2,000 per person are distributed during the Spring Festival, Labor Day, Dragon Boat Festival, and Mid-Autumn Festival	23,042 people	NT 66,573,500
Wedding/Funeral Assistance Fund	Providing assistance funds for employees who have worked for at least 3 months for weddings, childbirth, hospitalization, and funerals (including parents/grandparents)	963people	NT 2,845,500
Employee Birthday Gift Vouchers	Celebrating employees' birthdays by distributing gift vouchers to those who have worked for at least 3 months	5,661 people	NT 5,661,000
Affiliated Merchant Discounts	Enhancing employee benefits and providing consumer discounts by establishing agreements with 149 businesses and hotels	Applicable to all employees.	---
Vendor Stall Service	Open for vendors to apply for stalls to sell their products at the factory restaurant from Monday to Friday, allowing interested employees to make purchases during their break time	Applicable to all employees.	---
Year-end Lucky Draw Event	Organizing a large-scale year-end banquet event featuring performances by artists, employee performances, catering, and the highly anticipated lucky draw activity	4,134 people	NT 31,384,387



### • Kinsus Interconnect Technology Corp. Kindergarten

In order to provide convenient childcare for employees and achieve a balance between work and personal life, Kinsus Interconnect Technology Corp. established our own kindergarten, Kinsus Kindergarten, in September 2012. It is the first corporate-affiliated kindergarten in Taoyuan City after the integration of childcare services. The kindergarten is equipped with state-of-the-art facilities and equipment, meeting the latest standards for kindergartens. In October 2020, the kindergarten relocated to a new campus.

The childcare services are available from 7:30 AM to 9:00 PM, and there is a 30-minute window for employees who finish work at 8:30 PM to pick up their children. This allows the children to leave the kindergarten calmly with their parents. The kindergarten also provides dinner and extended care services, ensuring that parents can work with peace of mind. The monthly fee for each child of an employee is NT\$7,500 (with a company subsidy of NT\$2,000 per person). For the third child, the monthly fee is halved to NT\$3,750 per person. Over the years, this benefit has been extended to 979 employee children, with a total subsidy amount of NT\$26,938,600.

Year of Subsidy	2021	2022	2023
Subsidize Amount/NT	2000	2000	2000
Number of Beneficiary /People	103	100	102
Total/NT	NT 2,472,000	NT 2,400,000	NT 2,448,000



### • Introduction to Kindergarten Facilities

The kindergarten occupies two floors. The first floor consists of classrooms for younger age groups and an indoor/outdoor play area. The second floor is dedicated to classrooms for older age groups and an outdoor playground. The second floor offers a larger space that is thoughtfully designed with an artistic touch, providing a comfortable environment for children to unleash their creativity and promote safe and healthy growth.





• Other Employee Benefits And Subsidies Are Listed As Table Below:

Allowance Subsidies	Other Benefits
<ul style="list-style-type: none"> <li>Travel Allowance: <b>NT\$5,000</b> per person for local workers, <b>NT\$7,500</b> per person for foreign migrant workers</li> <li>Holiday Bonuses: <b>NT\$2,000</b> gift vouchers for each holiday</li> <li>Marriage, Funeral, and Celebration Assistance Fund</li> <li>Club Subsidies: Up to <b>NT\$80,000</b></li> </ul>	<ul style="list-style-type: none"> <li>Meal Allowance for working days: NT\$40 per meal per person</li> <li>Convenience Store Discount: 15% off on all items</li> <li>Affiliated Stores: Total of 157 stores</li> <li>Sports programs organized by the Welfare Committee</li> <li>Free massage services</li> </ul>

## 6.5 Human Right Protection: Listen To Our Employees

### Policy for Human Rights Protection: Diversity, Equality, Promoting Labor-Management Harmony, and Valuing Human Rights

#### Management Measure

- **Objectives and Targets:** Creating a diverse, equal, and challenging work environment that promotes harmony, learning, growth, and mutual respect.
- **Commitment:** Utilizing diligent investigations and proactive communication methods to establish a harmonious work environment that promotes gender equality, diversity, and respect for human rights.
- **Management measures:**
  - (1) Providing equal employment opportunities regardless of gender, religion, race, nationality, or political affiliation.
  - (2) Allocating employee welfare funds in accordance with the "Employee Welfare Fund Regulations" for participation in labor insurance and health insurance.
  - (3) Conducting fair, reasonable, and objective performance evaluations.

### 6.5.1 Human Rights

We comply with labor laws and have established regulations for managing foreign migrant workers to ensure the labor rights and interests of our employees. We are committed to 100% compliance with relevant labor regulations and openly disclose our labor policies in accordance with the Responsible Business Alliance (RBA) guidelines. We also require our suppliers to sign a declaration of commitment to corporate social responsibility, prohibiting the employment of child labor, the engagement of young workers in hazardous work, and the practice of forced labor. We conduct regular assessments of forced labor risks.

The "Employee Hiring and Dismissal Procedures" explicitly state that we strictly prohibit the use of any form of coercion, imprisonment, contractual bondage, prison labor, pledge labor (including debt bondage), trafficking, and slave labor. Employment must be voluntary for all employees. For foreign migrant workers, in addition to complying with labor laws, we have specific regulations in place to safeguard their labor rights. The management department conducts regular assessments of risks related to violations of labor rights, such as discrimination, forced labor, and child labor. If any violations occur, the risks and control measures are disclosed to the management to ensure that similar situations do not happen in the future.

### Prohibition of Forced Labor

**Risk Assessment** | Internal control of working hours

**Implementation** | No coercion or intimidation for unwilling individuals to perform work or overtime

**Measures Taken** |

- Control of working hours
- Tracking of consecutive and holiday attendance
- Providing channels for feedback

### Prohibition of Child Labor

**Risk Assessment** | Verification of age (over 16) during interviews using identification cards

**Implementation** | No employment of child labor under the age of 16

**Measures Taken** |

- HR department verifies age using identification cards during interviews
- Carefully assess when receiving/collecting resumes

### Elimination of Unlawful Discrimination

**Risk Assessment** | Disclosure of non-discrimination principles in interviews, employee training, compensation, and promotion according to Taiwanese labor laws

**Implementation** | No inquiries about irrelevant personal information during interviews with new candidates; prohibition of verbal discrimination among colleagues or between colleagues and supervisors

**Measures Taken** | Regularly review of regulations and internal management systems for compliance with legal requirements

### WorkPlace Health and Safety

**Risk Assessment** |

- Identification of hazards and risk assessment→High-risk job positions should be placed under management.
- Implement occupational disease prevention and promote the physical and mental health of employees.

**Implementation** | Establish a company safety culture and create a friendly working environment.

**Measures Taken** |

- Establish measures for personal safety and protection of the working environment.
- Provide medical assistance and on-site doctor services.
- Conduct personnel education and training programs and raise awareness.

### Promotion of Work-Life Balance

**Risk Assessment** | Promote interpersonal interaction among colleagues through participation in leisure activities and strive to maintain a healthy work-life balance and employee well-being.

**Implementation** | The welfare committee organizes travel, handicraft, and sports-related activities.

**Measures Taken** | Enhance internal promotional channels, encourage employee participation, and distribute participant questionnaires after the activities to improve future events and increase engagement.

Kinsus Interconnect Technology Corp. refers to international labor conventions and the Responsible Business Alliance (RBA) Code of Conduct, and is committed to complying with relevant labor laws in Taiwan. We have developed guidelines for labor rights protection management, including working hours and wages, humane treatment, non-discrimination, prevention of workplace bullying, and freedom of association. These guidelines aim to prevent non-voluntary labor, address and prevent sexual harassment, protect maternal rights in the workplace, and prevent unlawful infringement of job responsibilities.

The "Employee Hiring and Termination Guidelines" clearly state that no form of coercion, imprisonment, contractual bondage, prison labor, pledging (including debt bondage), trafficking, or slave labor will be used. Employment must be voluntary. Specific regulations have been established for the management of foreign migrant workers to ensure their labor rights and protection. The management department regularly assesses the risk of forced labor and, in cases of violation, discloses the information to relevant supervisors and provides reminders to prevent similar situations in the future.

To ensure that every employee fully understands labor rights and corporate social responsibility policies and measures, the HR department conducts labor rights assessments for new employees and evaluates the effectiveness of employee training.

#### (1) Training

On the day of new employee onboarding, we arrange training on corporate social responsibility and labor rights policies. Through videos, presentations, and personnel explanations, employees gain a deeper understanding and knowledge of human rights-related laws and regulations, as well as awareness of their own rights and complaint channels.

#### (2) Assessment

To ensure that employees have absorbed the content of the training, a written test is conducted after the training. Employees must pass the standard to be considered qualified. If the score falls below the standard, additional training is scheduled for employees to retrain and fully understand labor rights and other entitlements.

### • Implementation of Various Human Rights Indicators In The Past Two Years:

2022  
&  
2023

No discrimination incidents occurred

Freedom of association was not prohibited

No significant incidents of hiring child labor occurred

No major incidents of coercion or forced labor occurred

### 6.5.2 Human Rights and Anti-Discrimination

Kinsus Interconnect Technology Corp. strictly prohibits any form of sexual harassment, sexual abuse, physical or mental punishment, coercion, or verbal abuse towards employees. If an employee has concerns regarding company policies or the conduct of executives, they may submit a written complaint following the "Employee Reporting and Complaint Handling Procedures," which will be handled by the Human Resources Department responsible for addressing discrimination incidents.

The Human Resources Department maintains an independent and objective approach and promptly investigates any reported incidents. If the investigation confirms the validity of the complaint, appropriate disciplinary actions will be taken against the responsible party, and the outcome will be communicated to the complaining employee.



Thanks to effective mechanisms and controls, no discrimination cases were reported in 2023. Furthermore, we engage in human rights communication and training initiatives. For instance, new employees are required to sign documents as part of their orientation training, electronic reminders are sent through the digital document system, on-site personnel and suppliers are asked to sign ethical commitments, and confirmation is sought during customer audits. All new employees undergo relevant training on an annual basis, and in 2023, the training coverage rate reached 100%.

### 6.5.3 Freedom of Association

We respect and protect the legal rights of employees to form or join organizations, engage in collective bargaining, and participate in peaceful assembly. We commit to treating employees who participate in such activities without any discrimination or unequal treatment, and we do not use rewards or intimidation to control or attempt to control employees. The company shall not interfere with the establishment of statutes and rules, the selection of representatives, organizational management and activities, or the development of plans by employees. Under an open association system, employees are free from retaliation, threats, and harassment and can openly communicate with the company on work and management-related issues. While Kinsus Interconnect Technology Corp. Employees have not established a labor union, the company still provides open communication channels.

### 6.5.4 Shortest Notice Period for Operational Changes

When significant operational changes are imminent that will affect employees' employment rights and various labor conditions, the company complies with the Labor Standards Act and adheres to the following shortest notice periods for terminating employment contracts:

A ten-day notice is provided for employees who have served the company for more than three months but less than one year

A twenty-day notice is provided for employees who have served the company for more than one year but less than three years

A thirty-day notice is provided for employees who have served the company for more than three years

### 6.5.5 Diverse Communication Channels

We provide various communication channels to promote communication and coordination between labor and management, gain deeper insights into employee satisfaction with management and welfare systems, and maintain good labor-management relations. Since its establishment, harmonious labor-management relations have been maintained, and there have been no incidents resulting in losses due to labor disputes. The likelihood of future losses resulting from labor disputes is estimated to be extremely low.

Furthermore, through the labor-management meetings, employee representatives can express their suggestions and opinions on specific issues and reach consensus with the company through discussions on the agenda, ensuring smooth communication channels. Additionally, the Employee Welfare Committee and Occupational Safety and Health Committee have been established in compliance with the law and are officially operational after being approved by the competent authority. Currently, the labor-management meetings are held regularly on a quarterly basis, and the Employee Welfare Committee and Occupational Safety and Health Committee also have regular meetings. Each labor-management communication organization fulfills its responsibilities and communicates on different issues, collectively promoting harmonious and mutually beneficial labor-management relations for coexistence and prosperity.

With comprehensive communication channels and a diverse, two-way, and open feedback mechanism, we implement effective handling and response to the voices of our colleagues. Through fair, confidential, and prompt processes, we resolve doubts among employees, fostering a good labor-management relationship.

## • Diversified Channels of Labor-Management Communication

We respect the employees' right to freedom of assembly and association granted by law. Occupational safety and health committees and employee welfare committees are established in accordance with the law, as shown in the following table:

Subject	Host	Frequency	2023 Feedback
<b>ESG Sustainable Development Committee Meeting</b>	Deputy Sustainability Officer Kevin Huang	Twice a year (once per quarter in 2024)	0 case
<b>Labor-Management Meeting</b>	Deputy Sustainability Officer Kevin Huang	Once per quarter	111 cases
<b>Complaint/ Whistleblowing Review Committee Meeting</b>	Senior Manager Bing Ze Li	As Needed	1 case
<b>Sexual Harassment Review Committee Meeting</b>	CEO Scott Chen	As Needed	Non conducted

### 6.5.6 Employee Whistle-Blowing /Complaint Mechanism

#### • At Kinsus Interconnect Technology Corp., we listen to and actively improve upon the feedback from our employees.

We have established labor-management meetings in each of our five plants. These meetings consist of five representatives from management and five representatives from the labor side. The labor representatives are directly elected by all employees, with the top five vote-getters serving as the labor representatives. The purpose of these labor-management meetings is to coordinate labor-management relations, promote collaboration between labor and management, and proactively address various labor-related issues through a labor-management consultation system. The basic principle of these meetings is to encourage voluntary consultation and cooperation between labor and management, thereby enhancing communication, reducing conflicts, fostering consensus, and harnessing the collective wisdom and potential of both sides to work towards implementing decisions.

#### • We create a friendly working environment

- Regularly maintaining the parking lot to provide employees with convenient parking spaces.
- Optimizing the environment and signage of waste storage areas to facilitate safe and hygienic use by employees.
- Conducting regular driving safety seminars for foreign colleagues to enhance road safety awareness.
- Implementing mosquito control measures.
- Other initiatives.



## • Topics discussed in the labor-management meetings

- Regular announcements and reminders regarding various types of bonuses.
- Employee annual check-ups and health consultation services.
- Employee remuneration distribution.
- Promotion and organization of various employee activities, including the annual banquet.
- Release of the annual calendar.
- Establishing online communication channels for employees, such as various social media platforms, to facilitate real-time two-way communication.

## • Employee Suggestion Box

We have set up an employee suggestion box in the workplace for employees to express their suggestions and opinions. We encourage employees to follow the regular management system and channels to address issues. However, for the following matters, employees may directly submit them through the Employee Suggestion Box:

- Discrimination, harassment, and abuse.
- Prevention of forced labor and involuntary servitude.
- Management and protection of foreign workers in the context of labor agency recruitment.
- Working hours, wages, benefits, and labor contracts.
- Freedom of association and collective bargaining.
- Occupational health and safety management, accident management, and emergency preparedness and response.
- Dormitory and cafeteria management.
- Hazardous waste management, wastewater management, stormwater management, air emission management, and industrial noise management.

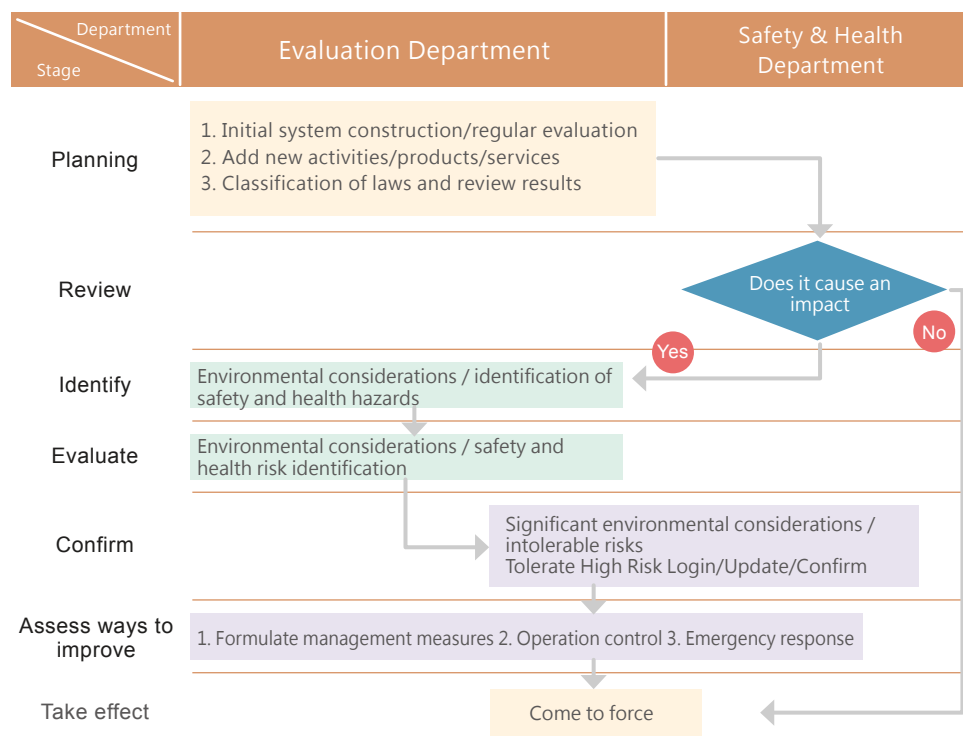
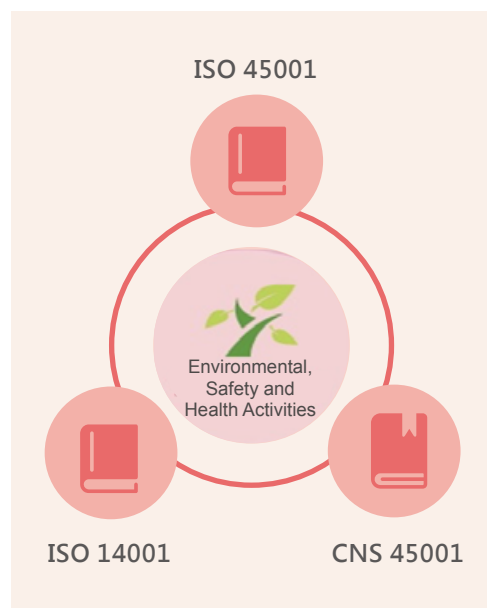
We adhere to the principle of maintaining information confidentiality. Employees or potential employees who, in good faith, bring forth any questions, suggestions, complaints, or appeals to their supervisors or managers or participate in any related investigations or resolutions, will not face dismissal, blacklisting, discrimination, harassment, intimidation, retaliation, or any other adverse employment decisions.

## 6.6 Workplace Health and Safety

Kinsus has established an "Occupational Safety and Health Management System" in accordance with the law. This system includes safety and health management policies and training, self-inspection of production equipment, workplace environmental monitoring, internal safety and health audits, health check-ups and medical care, emergency response and drills, occupational accident management and legal reporting, as well as subcontractor management and construction audits.

The self-management measures for occupational safety and health include pre-employment training for new employees, on-the-job training, and certification training. Potential hazards are identified and classified to control and manage risks. Standard operating procedures for safe machine operation are implemented to reduce employee risks. Necessary protective measures or personal protective equipment are provided. Workplace environmental monitoring, emergency response and evacuation drills, regular health check-ups, and proactive care are carried out. In the event of an accident, timely medical care is provided, and internal safety and health audits are conducted to prevent internal disasters and minimize risks. Continuous improvement of safety and health work is emphasized.

Kinsus's environmental, safety, and health management system is planned, reviewed, identified, evaluated, confirmed, and continuously improved based on various regulations, international standards such as ISO 45001, ISO 14001, CNS 45001, and company standards. The process and implementation effectiveness are shown in the diagram below:



In order to establish a sustainable development corporate, the short-term, medium-term and long-term indicators of material topics such as safety and health in the friendly workplace, one of the sustainable tasks of Kinsus, are as follows:

	Short-Term Indicators (2023~2024)	Medium-Term Indicators (2025~2028)	Long-Term Indicators (2029+)
Health and Safety	The completion rate of hazard identification and risk assessment in each department is 100%	The completion rate of hazard identification and risk assessment in each department is 100%	The completion rate of hazard identification and risk assessment in each department is 100%
	100% completion rate of training for high-risk operators	100% completion rate of training for high-risk operators	100% completion rate of training for high-risk operators
	Health check participation rate 90%	Health check participation rate 90%	Health check participation rate 90%
	Major occupational accidents for employees (excluding death) ≤ 5 cases/year	Major occupational accidents for employees (excluding death) ≤ 4 cases/year	Major occupational accidents for employees (excluding death) ≤ 3 cases/year
	Occupational diseases caused by chemical exposure maintained 0 case	Occupational diseases caused by chemical exposure maintained 0 case	Occupational diseases caused by chemical exposure maintained 0 case
	Disabling injury frequency ≤ 3 Disabling injury severity ≤ 30	Disabling injury frequency ≤ 2.8 Disabling injury severity ≤ 28	Disabling injury frequency ≤ 2.5 Disabling injury severity ≤ 25

### • Material topics, goals and performance:

Kinsus is committed to creating a friendly workplace environment that cares for and supports its employees. It takes responsibility for nurturing and retaining talents, serving as a driving force for the company's sustainable development and continuous growth. Based on the significant issues related to safety and health stated above, short-term indicators and corresponding implementation plans have been developed. The performance targets and achievements for the past two years are shown in the table below:

#### Safety and Health

2023 Target	2023 Achievement Rate	2024 Target
Passed ISO 45001 occupational Safety and health system verification	Passed the ISO 45001 system Verification → <b>Achieved</b>	Passed ISO 45001 occupational Safety and health system verification
100% of new employees participate in education and training	100% → <b>Achieved</b>	100% of new employees participate in education and training
100% completion rate of training for high-risk operators	100% → <b>Achieved</b>	100% completion rate of training for high-risk operators
100% completion rate of hazard identification and risk assessment in each department	100% → <b>Achieved</b>	100% completion rate of hazard identification and risk assessment in each department
90% Health check participation rate	100% → <b>Achieved</b>	90% Health check participation rate
Major occupational accidents for employees (excluding death) ≤ 5 cases/year	1 case/year → <b>Achieved</b>	Major occupational accidents for employees (excluding death) ≤ 5 cases/year
Occupational diseases caused by chemical exposure maintained 0 cases	0 cases → <b>Achieved</b>	Occupational diseases caused by chemical exposure maintained 0 cases
Disabling frequency rate ≤ 3 Disabling injury severity rate ≤ 30	Disabling frequency rate 1.91 → <b>Achieved</b> Disabling injury severity rate 27 → <b>Achieved</b>	Disabling frequency rate ≤ 3 Disabling injury severity rate ≤ 30

Note: \*1 Disabling frequency rate (FR) = (number of disabling injuries x 1,000,000) / employee hours of exposure

\*2 Disabling injury severity rate (SR) = (days lost in a year due to accidents x 1,000,000) / employee hours of exposure

## 6.6.1 Safety and Health Policy, Risk Assessment and Accident Investigation

### Material topics → Safety and Health Policy: [Zero Occupational Accidents]

#### Management Measure

- **Objectives and Targets:** Assess, improve, or control risks and opportunities, prioritize prevention over remediation, and enhance occupational safety and health performance.
- **Commitment:** Provide employees with a safe, healthy, and high-quality workplace, while ensuring the safety of contractors and visitors.
- **Management measures:**
  1. Adhere to the "ISO 45001 Occupational Health and Safety Management System" and the "Occupational Safety and Health Act" as standards.
  2. Comply with occupational safety and health laws and other requirements, establish hazard identification, and reduce occupational safety and health risks.
  3. Implement an occupational safety and health system, including self-inspection and management.
  4. Provide occupational safety and health education and training, emergency response drills and exercises, and workplace environmental monitoring.

Kinsus aims to effectively manage activities, products, and services related to environmental safety and health. Based on regulatory requirements and standards such as CNS 45001, ISO 14001, and ISO 45001, Kinsus has established an environmental safety and health management system to continuously improve environmental safety and health performance. The company strives to provide a safe working environment for employees, dispatched personnel, and contractors, and create a high-quality workplace where employees can enjoy their work and have a fulfilling life outside of work.

In response to the publication of the international Occupational Health and Safety Management System ISO 45001 in March 2018, Kinsus completed the transition verification process for the ISO 45001 Occupational Health and Safety Management System in 2019. This year's verification scope covered three factory areas: 5,561 employees from Shih-Lei Factory, Tsing-Hua Factory, Xing-Feng Factory1, Xing-Feng Factory2 and Yu-Shih Factory (including dispatched personnel, total 5,810 people), contractors, and dispatched personnel involved in routine and non-routine operations. Risk assessments were conducted based on the AES01000 "Environmental Impact and Occupational Safety and Health Hazard Assessment Operating Procedure," identifying annual intolerable and high-risk items. The main categories were chemical and equipment/machinery hazards, and countermeasures were developed to achieve the goal of risk reduction. In 2023, based on an understanding of on-site needs, ongoing safety-related activities and projects were implemented to enhance on-site safety environment and reduce occupational incidents, thus avoiding the impact of accidents on production.



## • Emergency Response and Accident Investigation

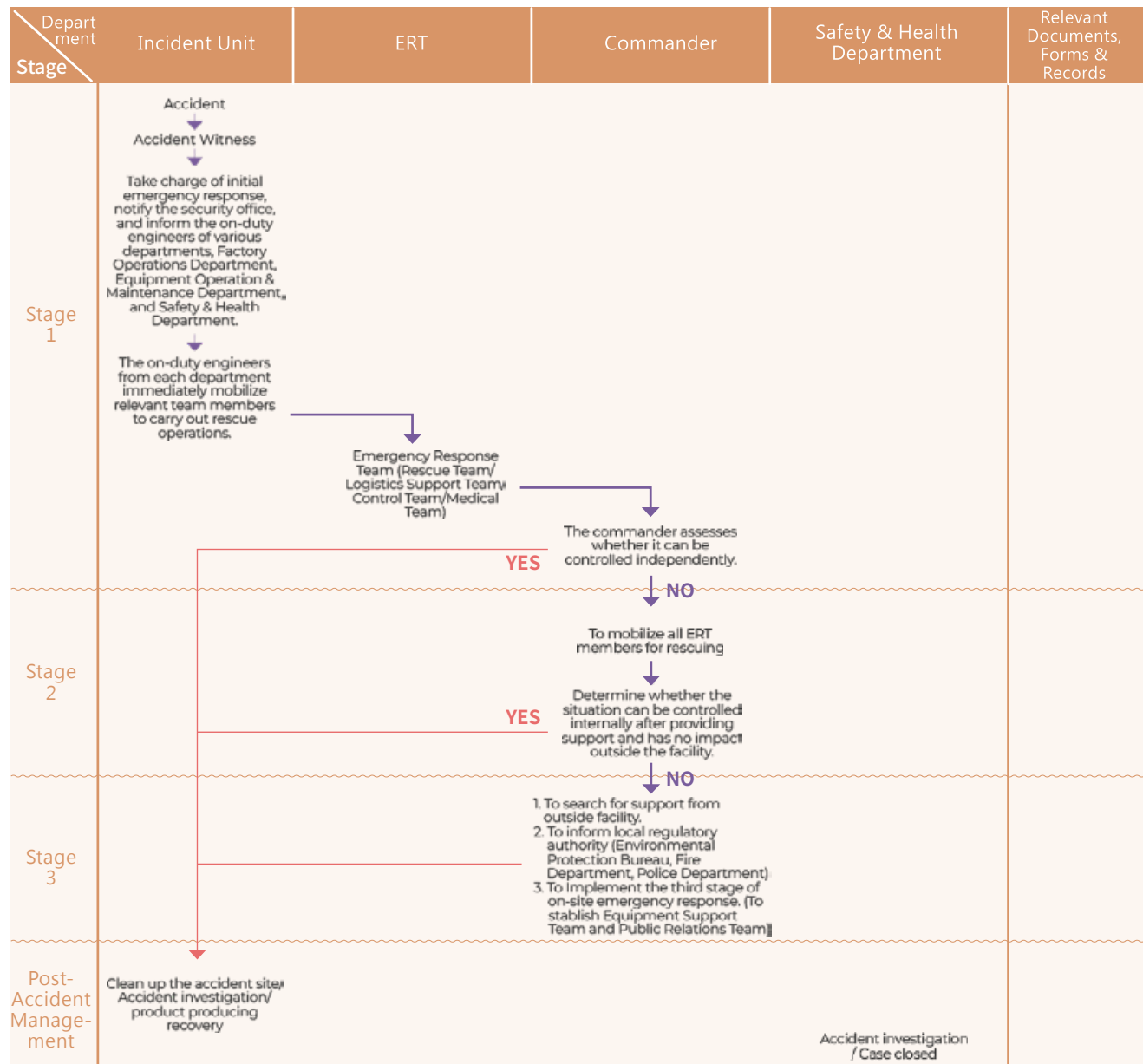
Employees, dispatched personnel, and contractors are all entitled to the right to evacuation in hazardous situations. In the event of personnel injury during operations, the handling process follows the company's procedure manual AES05002 "Guidelines for Emergency Incident Handling Management," and accident investigation and improvement measures are implemented. Contractors are required to comply with legal requirements, join the agreement organization, and complete hazard notification before commencing operations, ensuring safe operations.

**In 2023, there were 2,961 on-site contractors across all Factory areas, and no significant occupational accidents occurred.**

Factory Area	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory (including Xing-Feng I and Xing-Feng II)	Yu-Shih Factory (since June)
Number of Contractors	<b>773</b>	<b>770</b>	<b>984</b>	<b>434</b>

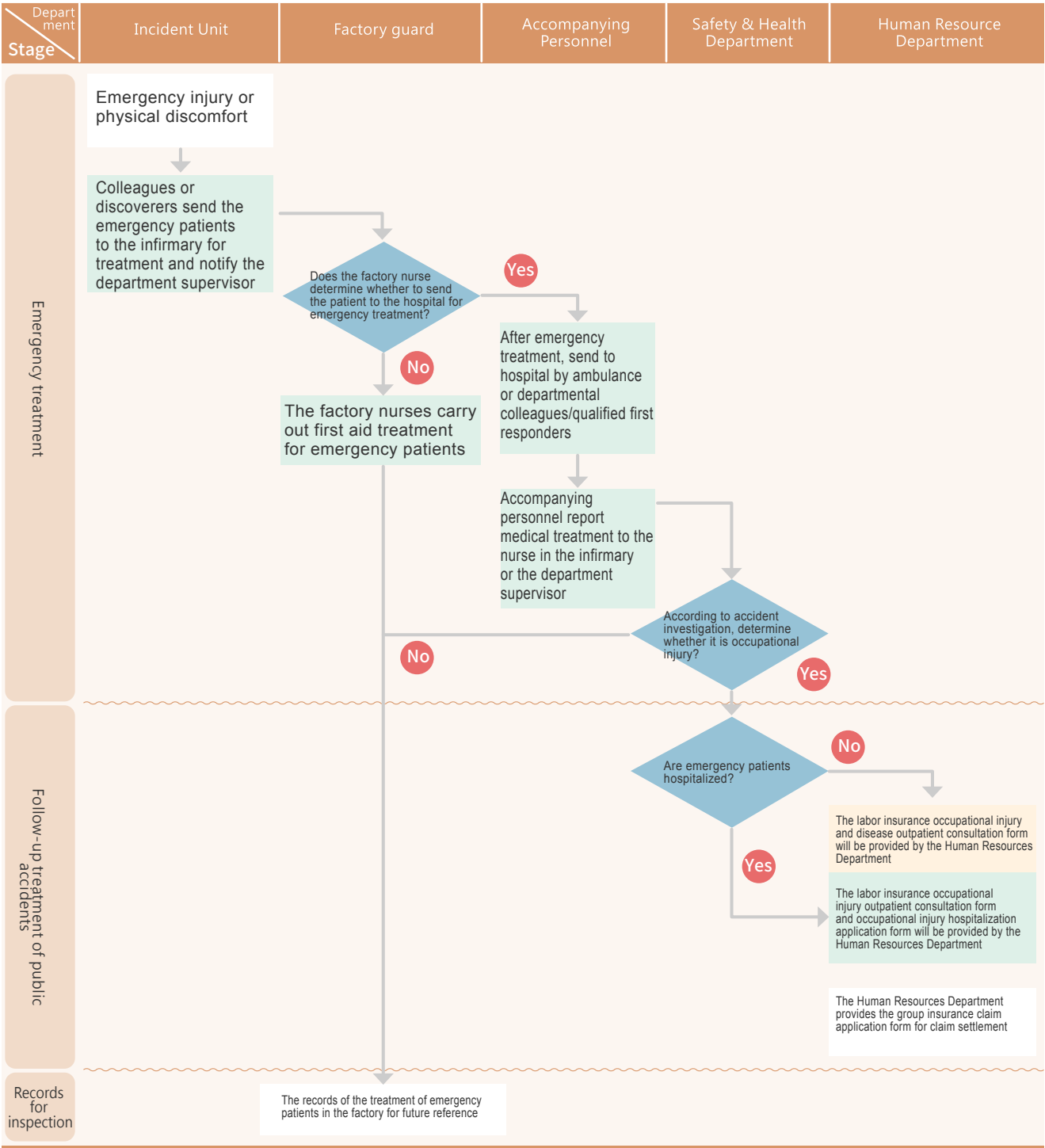
Note: Major occupational accidents are defined as those unable to attend work for more than 180 days.

## • Accident Response Phase Flow Chart (Including Emergency Response)





• Personnel Injury Treatment Flow Chart (Including Accident Investigation)



## 6.6.2 Occupational Safety and Health Committee

Kinsus is committed to reducing the risk of accidents in its business activities and implementing safety and health measures systematically and continuously. The company has established an Occupational Safety and Health Committee in compliance with the law, with labor representatives accounting for more than one-third of the committee. The committee is responsible for formulating occupational safety and health regulations, occupational safety management plans, hazard identification, risk assessment, application of graded control, accident investigation, auditing, and decision-making regarding the use of contractors and subcontractors. The Occupational Safety and Health Committee meets once every quarter, with a total of four meetings held in 2023 (Yu-Shih Factory holds meetings from Q3).

### • Occupational Safety Committee Labor-Management Committee Composition Ratio is as follows:

Personnel	Year Site	2021			2022			2023		
		Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory (Note 1)
Total Number of Committee Members		23	20	26	22	20	51	27	24	46
Number of Labor Representatives		11	10	11	10	10	23	10	10	20
Proportion of Labor Representation ( % )		47.83	50	42.31	45.46	50	45.09	37.04	41.6	43.47
										46.67

Note 1: Xing-Feng Factory refers to the Xing-Feng Factory1 and Xing-Feng Factory2

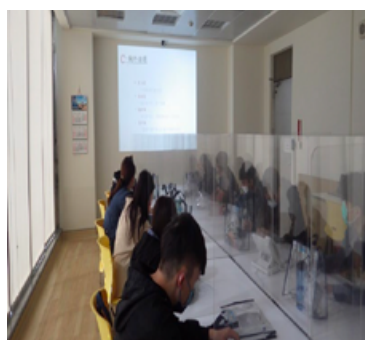
### • Statutory Professional Certificate Personnel for Occupational Safety and Health Protection:

When building a new factory or partially rebuilding it, relevant units such as manufacturing, management, information and security all conduct safety and health risk assessments.

The Kinsus Safety & Health Department has allocated the required number of personnel, and the number of professional security personnel with statutory certificates in 2023 is as follows:

<b>Occupational Safety and Health Specialist (Class A)</b>	<b>Occupational Safety and Health Specialist (Class B Technician)</b>	<b>Nurse</b>
Number of People _____ <b>8</b>	Number of People _____ <b>13</b>	Number of People _____ <b>9</b>
<b>Manager of Occupational safety and health affairs (Type A)</b>	<b>Fire Prevention Manager</b>	<b>First responders</b>
Number of People _____ <b>9</b>	Number of People _____ <b>9</b>	Number of People _____ <b>108</b>

The number of legal certificates of the above-mentioned professional safety and health personnel (including Shih-Lei Factory, Tsing-Hua Factory, Xing-Feng Factory1, Xing-Feng Factory2 and Yu-Shih Factory) is in compliance with relevant occupational safety regulations.



### • Occupational Safety and Health Education and Training:

In 2023, Kinsus conducted internal training primarily focused on occupational safety and health education for new employees and ongoing training for existing employees. The total number of employees trained in the four Factory areas was 3,182, with a total of 12,823 hours of internal training completed. Regarding external training, the emphasis was on fulfilling the legal requirements for periodic retraining for personnel engaged in specific tasks such as organic and specialized operations, as well as those operating dangerous machine. The total number of employees receiving external training in the four Factory areas was 254, with a total of 3,229 hours of training completed. The total cost for external training was 1,274,663 TWD.

Moving forward, Kinsus will continue to promote and organize occupational safety and health education and training programs to comply with legal requirements.

The number of classes, number of people and hours of safety and health education training in the past year are as follows:

Annual Hours etc. Site	Internal Training in 2023		Foreign Training in 2023	
	Person-Times	Total Hours	Person-Times	Total Hours
Shih-Lei Factory	68	375	27	251
Tsing-Hua Factory	144	702	45	398
Xing-Feng Factory (Note 1)	138	492	113	1,780
Yu-Shih Factory	65	486	69	800
General Safety and Health Education Training	2,513	7,539	—	—
Total Number of People/Hours:	2,928	9,594	254	3,229
Total Hours of Internal and External Training:	12,823			
Annual Average Training Hours (Note 2) :	2.306 Hours			

Note 1: Xing-Feng Factory refers to Xing-Feng Factory1 and Xing-Feng Factory2.

Note 2: Annual average training hours = total internal and external training hours / total number of employees at the end of December of the current year (5,561).

## • 2023 Occupational Safety and Health Education and Training: (Non-resident vendors)

Project	Number of Contractors	Number of Trainees	Total Hours of Training
Hazard Notification Training	169	2,760	2,760

## • Occupational Safety and Health Management of Suppliers

In accordance with our company's procedure "APR06000 Code of Conduct for Corporate Social Responsibility," an annual corporate social responsibility audit is conducted on major raw material suppliers and waste disposal facilities in our supply chain. Through on-site evaluations of suppliers, we aim to promote continuous improvement of occupational safety and health management systems.

### 6.6.3 Measurement of Working Environment

#### • Working Environment Measurement:

In 2023, Kinsus conducted environmental monitoring in various factory areas. A total of 28 parameters were monitored, with Shih-Lei Factory having 256 monitoring points, Tsing-Hua Factory having 479 points, Tsing-Hua Factory1 having 367 points, Tsing-Hua Factory2 having 267 points, and Yu-Shih Factory having 265 points.

Moving forward, we will continue to monitor the hazardous factors related to physical and chemical properties in the work areas, aiming to provide a safe and healthy environment for our employees. However, for the monitoring results of four parameters, namely carbon dioxide, illumination, noise (dosage), and noise (direct reading), please refer to the following table:

## Year>>> 2023

Serial number	Measurement Items	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory1	Xing-Feng Factory2	Yu-Shih Factory	Allowable Concentration
1	Carbon Dioxide	513~1721	472~925	443~1055	436~972	422~975	5000ppm
2	Illumination	305~653	324~431	62~1842	112~1113	348~575	50~1000 Lux (Note 1)
3	Noise (Dose)	60.4~82.9	69.9~85.6	58.5~85.3	57.5~89.1	68.8~83.6	90dBA
4	Noise (Direct Reading)	75.3~86.2	76.5~88.2	77.5~88.8	72.4~85.1	67.2~94.0	90dBA

Note 1: Refer to the standard value of Article 313 of the Regulations for the Occupational Safety and Health Equipments and Measures, and Article 4 of the Standard for Visual Function Protection for Workers Engaged in Precision Operations.

## 6.6.4 Occupational Accident Statistics

### 1. Occupational Accident Statistics

According to the regulations of the Occupational Safety and Health Act, Kinsus is required to report monthly occupational accident statistics analysis through online submission. In the event of a workplace safety incident, the relevant supervisors are immediately notified according to the reporting process. An accident investigation and analysis are promptly conducted, and improvement measures are implemented to prevent similar incidents from recurring. The most common types of disabling injuries in the factory are typically associated with being caught, crushed, or coming into contact with hazardous substances.

Based on the analysis of the lost workday case rate over the past three years, the number of disabling injuries in 2023 slightly decreased compared to the previous two years. However, due to the higher number of lost days per disabling injury case, the overall figures were higher than in the previous two years. The company has identified areas for improvement through the analysis of occupational injury incidents and has initiated onsite improvement activities. For example, the "Implementation of Safety Officer Certification System" has been promoted, and the "Safety and Health Performance Evaluation System" in the workplace continues to be operational. The goal is to achieve continuous improvement and enhancement.

### • Analysis of the ratio of working days and hours lost due to occupational accidents in the last three years :

Year	2021		2022		2023	
Item	Female	Male	Female	Male	Female	Male
Total Working Days	536,203	829,331	617,696	898,872	557,475	819,062
Total Hours Worked	4,927,431	7,677,096	4,941,546	7,190,978	4459,800	6552,496
Total Hours of Absence (Note 5)	46,658	56,673	64,971	78,738	173,147	130,241.5
Number of Disabled People	11	21	5	25	5	13
Total Disabling Injury Lost Days	75	98	10	154	110	99
Work Fatalities	0	0	0	0	0	0

## • Analysis of Employee Injury Rate:

The analysis of the lost workday rate is shown in the table below. It reflects similar trends in the injury rate, absenteeism rate, and the ratio of lost workdays. Additionally, there have been zero cases of occupational diseases in the company over the past two years, indicating that workplace injuries have not led to the occurrence of occupational diseases.

Year	2021		2022		2023	
Item	Female	Male	Female	Male	Female	Male
Injury Rate (IR) (FR) (Note 1)	0.45	0.55	1.01	3.34	1.12	1.98
Occupational Disease Rate (ODR) (Note 2)	0	0	0	0	0	0
Lost Days Ratio (LDR) (Note 3)	3.04	2.55	2.02	21.42	24.66	15.1
Absence Rate (Note 4)	8.5	7	11	9	3.88	1.98

Note 1: IR is calculated by disabling injury frequency (FR): (total number of disabling injuries/total working hours) x1,000,000 (excluding commuting accidents)

Note 2: ODR=(number of occupational diseases identified in the year/total working hours)x1,000,000

Note 3: LDR=(total lost days of disability injuries/total working hours) x1,000,000 (excluding commuting accidents)

Note 4: Absenteeism rate (AR) = [ (work injury leave + sick leave + menstrual leave and other leave hours) ÷ total experienced working hours ] ×100%, of which work injury leave includes hours of leave for commuting to and from get off work due to traffic accidents

Note 5: Including hours of absence due to commuting traffic accidents

## • Analysis of Non-Employee Job Loss Ratio (Resident manufacturers):

The analysis of the Lost Workday Case Rate for non-employees over the past three years is shown in the following table. In 2023, the total number of workdays, work hours, lost-time injury cases, and total lost workday cases for both males and females have decreased. This indicates a decreasing severity of work-related injuries in 2023. Furthermore, there have been no cases of occupational diseases or work-related fatalities during this period.

Year	2021		2022		2023	
Item	Female	Male	Female	Male	Female	Male
Total Working Days	40098.66	40733.05	35059	27108	31665.5	29601.5
Total Hours Worked	353632.74	253888.27	313182	242205	280158.2	257432.8
Number of Disabled People	1	4	0	0	0	0
Total Days Lost for Disabling Injuries	2	18	0	0	0	0
Total Number of Occupational Diseases	0	0	0	0	0	0
Work Fatalities	0	0	0	0	0	0

## • Analysis of Non-Employee Injury Rate :

According to the analysis of the Lost Workday Case Rate for non-employees, as shown in the table below, the work-related injury rate (in 2023) is the same as last year. The overall lost workday case rate (in 2023) is also the same as last year. The trends of these three indicators are consistent. Additionally, there have been no cases of occupational diseases among non-employees in the past two years. This indicates that work-related accidents have not led to the occurrence of occupational diseases among dispatched workers.





Year	2021		2022		2023	
Item	Female	Male	Female	Male	Female	Male
Injury Rate (IR) (FR) (Note 1)	5.59	2.87	0	0	0	0
Occupational Disease Rate (ODR) (Note 2)	0	0	0	0	0	0
Lost Days Ratio (LDR) (Note 3)	25.18	5.74	0	0	0	0

Note 1: IR is calculated by disabling injury frequency (FR): (total number of disabling injuries/total working hours) x1,000,000 (excluding commuting accidents)

Note 2: ODR=(number of occupational diseases identified in the year + total working hours)×1,000,000

Note 3: LDR=(total lost days of disability injuries/total working hours) x1,000,000 (excluding commuting accidents)

## 2. Occupational Safety Violations

In 2023, the Northern Region Occupational Safety Center conducted routine audits at Xing-Feng Factory<sup>1</sup> in June and November; Xing-Feng Factory<sup>2</sup> and Yu-Shih Factory in August.

Kinsus Interconnect Technology Corp.:  
A total of 7 improvement items and has been completed requirement of improvement before the deadline.

Contractor:  
A total of 2 fines and halting production for once. All have been improved.

6.1 Talent Policy and Commitment 6.2 Human Resource Structure

6.3 Talent Cultivation and Development 6.4 Salary and Benefits

6.5 Human Rights Protection: Listening to Employees' Voices 6.6 Workplace Health and Safety

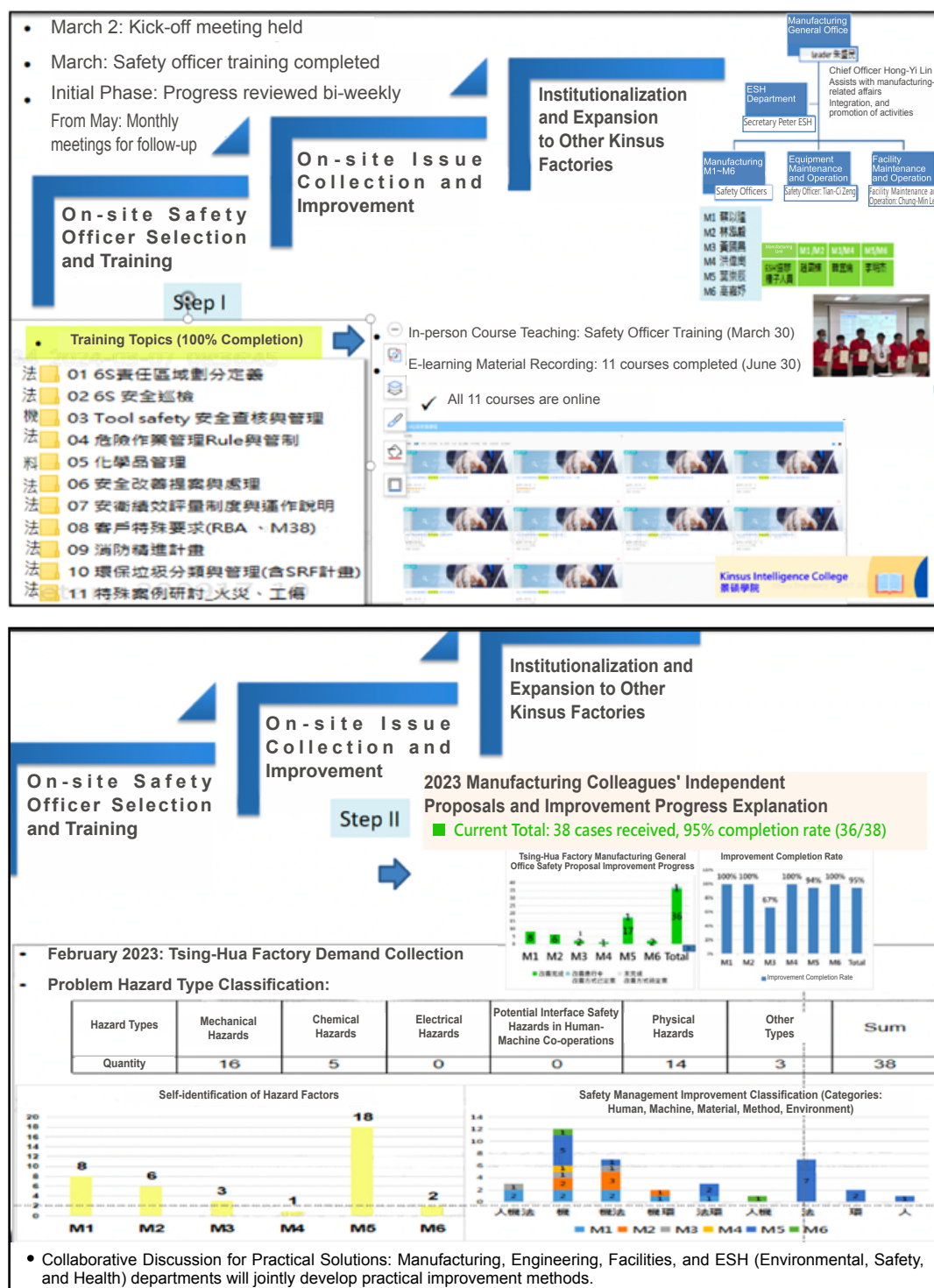
6.7 Comprehensive healthcare

## 6.6.5 Occupational Safety and Health and Loss Prevention Related Activities

### 1. Occupational Safety and Health Education and Training (E-learning):

In order to effectively reduce the occurrence of occupational accidents among employees, Kinsus has adopted a different approach by using E-learning to convey safety awareness and concepts, aiming to enhance employees' safety consciousness. In the year 2022, priority was given to the implementation of E-learning for personnel involved in equipment maintenance and troubleshooting, with post-training assessments conducted to evaluate the learning effectiveness and track progress.

#### • 2023 Safety Officer Safety and Improvement Plan Implementation Status



1

## Course Structure

- ✓ Basic safety concepts and requirements
- ✓ PPE introduction and wearing regulations
- ✓ Types of basic hazard factors
- ✓ Life-saving terms and regulations for troubleshooting
- ✓ Past cases 'Lesson Learn'
- ✓ Exception handling regulations for key institutions

## Equipment maintenance staff\_on a mission



2

## Course Structure

- ✓ Mechanical hazard
- ✓ Chemical hazard
- ✓ Electrical hazard
- ✓ Potential interface security hazards of human-machine working together
- ✓ Safe maintenance or repair of large transfer mechanism

## Safe missions\_safety maintenance and troubleshooting



## • Training result

→Number of People Passing the Training

Number of People  
Passing the Training  
(Person) (Note)

**94** people

Note: Passing the training means that a passing score of 90 points is required.

## 2. Damage Prevention Performance

Sustainable development is an important goal of Kinsus. A considerable amount of resources and management methods have been invested in the management of fire damage prevention, hoping to prevent fire incidents. Kinsus has two indicator management methods for fire damage prevention: "Infrared Thermographic Inspection of Electrical Equipment" and "Equipment Over-temperature Protection Inspection." These inspections are carried out in coordination with the factory maintenance and equipment maintenance and operation departments on a weekly basis to detect abnormal conditions of equipment and control fire risks.

In 2023, Tsing-Hua Factory implemented the Fire Safety Self-Improvement Plan with the aim of enhancing fire protection functions. Future construction applications will adopt single-point or zonal isolation of fire alarms instead of shutting down the entire building. Additionally, a "re-alarm" function will be added to prevent incidents similar to the Taipei Cashbox fire case. Improvement items include: "fire extinguisher equipment," "evacuation escape equipment," "fire alarm equipment (detectors)," and "smoke exhaust equipment."

### (1) Infrared Thermographic Inspection of Electrical Equipment

The abnormality of electrical equipment is the main cause of fire accidents. The signs of abnormality can be found through the current heating status and then preventive improvement can be implemented. According to the NFPA standard, the overheating rules of each electrical component are defined. The detection range includes the main power supply system, public equipment power system equipment, and production power supply. The system equipment is inspected by thermal imaging equipment every week, and it is completed once a quarter. Since 2019, the random inspection rate of the security department (ESH) has been strengthened.

In 2023, the spot check rate has reached 100%. A total of 16,266 pieces of electrical equipment were inspected in the three factory areas, and 20 pieces of abnormality were detected, all of which have been improved to prevent abnormal power fire incidents.

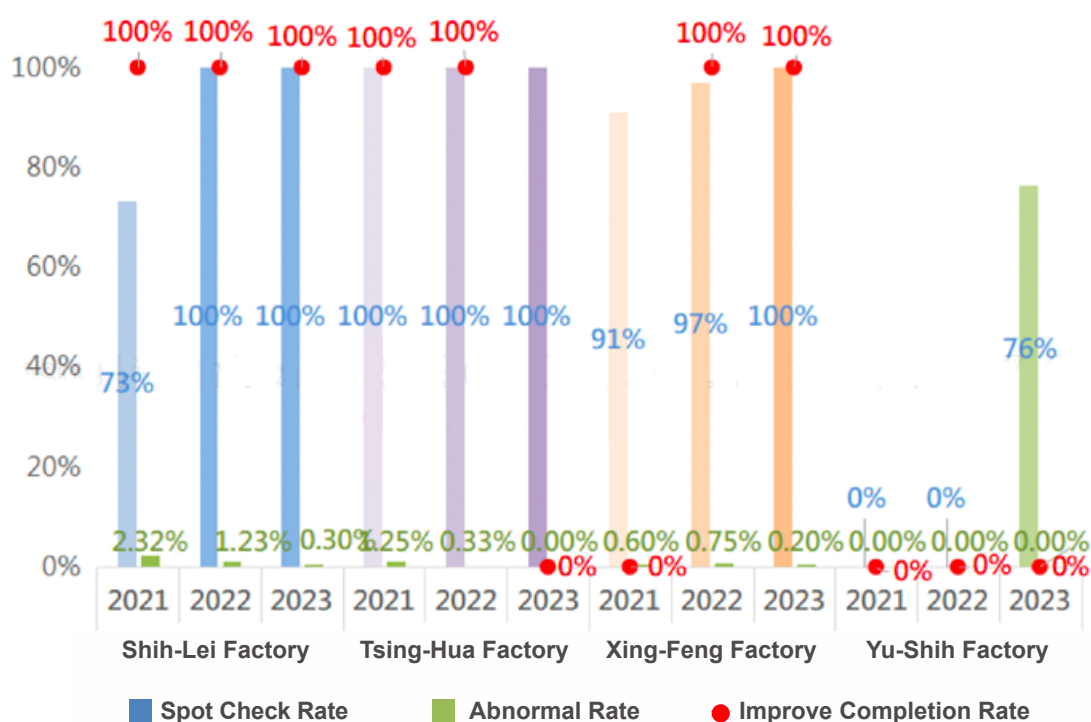
Factory Site	Year	Detection Quantity	ESH Quantity of Sampling	ESH Spot Check Rate (Note 1)	Number of Abnormal Cases	Abnormal Rate (Note 2)	Number of the Completed Improvement	Improve Completion Rate (Note 3)
Shih-Lei Factory	2021	2716	1995	73%	63	2.32%	63	100%
	2022	2607	2607	100%	32	1.23%	32	100%
	2023	2032	2032	100%	6	0.30%	6	100%
Tsing-Hua Factory	2021	6252	6252	100%	78	1.25%	78	100%
	2022	6388	6388	100%	21	0.33%	21	100%
	2023	6183	6183	100%	0	0.00%	-	-
Xing-Feng Factory	2021	3849	3504	91%	23	0.60%	23	100%
	2022	7091	6879	97%	53	0.75%	53	100%
	2023	7112	7112	100%	14	0.20%	14	100%
Yu-Shih Factory	2021	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
	2023	939	939	100%	0	0.00%	-	-

Note 1: ESH spot check rate = (ESH spot check quantity/detection quantity) x 100%

Note 2: Abnormal rate = (Number of abnormal pieces/Number of inspections) x 100%

Note 3: Improve completion rate = (number of completed improvements/number of abnormal pieces) x 100%

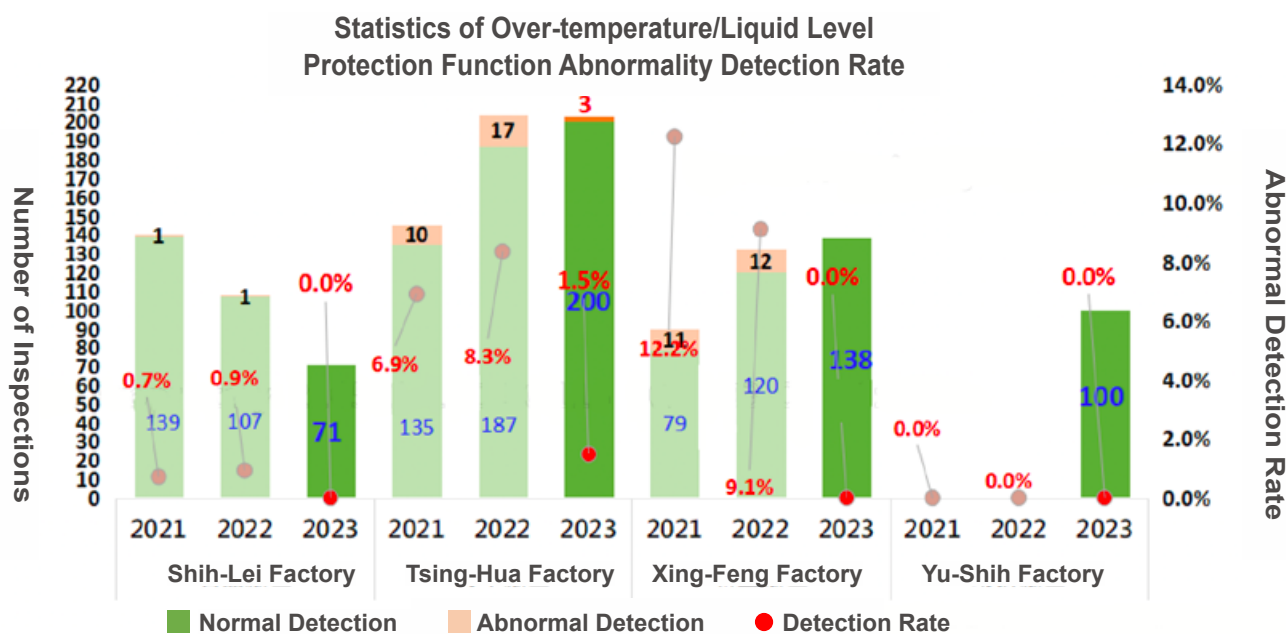
**Detection Trend Chart of Infrared Thermographic Inspection of Electrical Equipment**





## (2) Equipment Over-Temperature Protection Inspection

At least one inspection of the heating protection system of production equipment is carried out every year, and the inspection items are temperature protection relay, solid state relay (SSR), liquid level control system, and abnormal alarm system, so as to prevent the failure of the temperature control of the heating element of the equipment, dry heating and other heating abnormal conditions. In 2023, there are 509 units (Note 1) inspected for four factories, and detected 3 abnormal cases, all of which have been improved.



Note 1: Calculation of the number of random tests: normal numbers of random tests + abnormal numbers of random tests

Note 2: Detection rate = [abnormal number of sampling test / (normal number of random testing + abnormal number of random testing)] × 100%

## (3) Implementation of the Self-Initiated Fire Safety Improvement Management Plan

Selected Items	Planning Methods	Execution	Results Verification
<div>Selected Items</div> <div>Planning Methods</div> <div>Overall Improvement Rate</div>			
<b>Firefighting Equipment</b>	<ul style="list-style-type: none"> <li>Fire Extinguishers: Annual inspection and registration (weighing for CO<sub>2</sub> required).</li> </ul>		<ul style="list-style-type: none"> <li><b>Firefighting Equipment: Reduced by approximately 80%</b> (111 incidents in 2022/22 incidents in 2023).</li> </ul>
<b>Evacuation Escape Equipment</b>	<p>"Signage Equipment" and "Emergency Lighting": Two self-inspections per year.</p> <ul style="list-style-type: none"> <li>Annual Discharge Inspection</li> <li>Discharge performance inspection every six months (coordinated with factory operations).</li> </ul>		<ul style="list-style-type: none"> <li><b>Signage Equipment: Reduced by approximately 20%</b> (236 incidents in 2022/188 incidents in 2023).</li> <li><b>Emergency Lighting: Reduced by approximately 50%</b> (147 incidents in 2022/73 incidents in 2023).</li> </ul>
<b>Fire Alarm Equipment (Detectors)</b>	<ul style="list-style-type: none"> <li>Fire Alarm Control Panel: Weekly inspection for signal anomalies.</li> <li>Factory-wide Spot Checks: Complete each area once a year, monthly review of implementation results.</li> </ul>		<ul style="list-style-type: none"> <li><b>Fire Alarm Equipment: Reduced by approximately 37%</b> (649 incidents in 2022/407 incidents in 2023).</li> </ul>
<b>Smoke Exhaust Equipment</b>	<ul style="list-style-type: none"> <li>Strengthen Integrity Management of "Smoke Curtain Barriers".</li> </ul>		<ul style="list-style-type: none"> <li><b>Smoke Exhaust Equipment: Reduced by approximately 75%</b> (191 incidents in 2022/51 incidents in 2023).</li> </ul>



#### (4) Safety and Health Performance

In order to enhance employees' sense of importance and participation in the company's safety and health culture, a safety and health performance system for each factory will be tried and established in 2021. The targeted departments are mainly divided into direct units (manufacturing, equipment, factory affairs) and indirect units (property management, quality control, general affairs), and the scoring items and benchmarks are set, as shown in the following table:

Item	Grading Items		Basic Points (Note 1)	Plus and Minus Points	Total Points (Note 2)
1	Industrial Safety Accident	Violation of Operating Regulations	85 Points	-5	>70 Points
		No Work Rules Violated (Negligence)		-2	
2	False Alarm	Violation of Operating Regulations		-3	
		No Work Rules Violated (Negligence)		-1	
3	Missing Inspection	Internal and External Audit (item)		-1	
4	Security Operations (Reports, Surveys, Checklists, Meeting Attendance...)	Submitted on Time		2	
		Late Submission (Within One Week)		-1	
		Overdue (More Than One Week)		-3	
5	Self-Management (Item)	League of Ideas		2	

Note 1: The basic score is the starting benchmark score.

Note 2: If the quarterly monthly average (total score) does not reach 70 points, the department will be required to submit an improvement report.

#### • The results of safety and health performance in 2023 are shown in the table below:

Unit	K1 Manufacturing	K2 Manufacturing	K5AB Manufacturing	K5C Manufacturing	K6 Manufacturing	Equipment Maintenance and Operation	Facility Maintenance and Operation	Materials Management	Quality Control	General Affairs
January	●	●	●	●	●	●	●	●	●	●
February	●	●	●	●	●	●	●	●	●	●
March	●	●	●	●	●	●	●	●	●	●
April	●	●	●	●	●	●	●	●	●	●
May	●	●	●	●	●	●	●	●	●	●
June	●	●	●	●	●	●	●	●	●	●
July	●	●	●	●	●	●	●	●	●	●
August	●	●	●	●	●	●	●	●	●	●
September	●	●	●	●	●	●	●	●	●	●
October	●	●	●	●	●	●	●	●	●	●
November	●	●	●	●	●	●	●	●	●	●
December	●	●	●	●	●	●	●	●	●	●

● Scores below starting score (>80 points) for three consecutive months

● Scores above starting score (<80 points) for three consecutive months

● Scores below 80 in any of the past three months

Through the above safety and health performance evaluation system, the implementation status of safety and health activities in each department can be quantified, and it is expected that the enhanced reward mechanism will be implemented in 2023, so that the employees can actively participate in safety and health activities and strive for honor.

### 6.6.6 Emergency Response and Drills

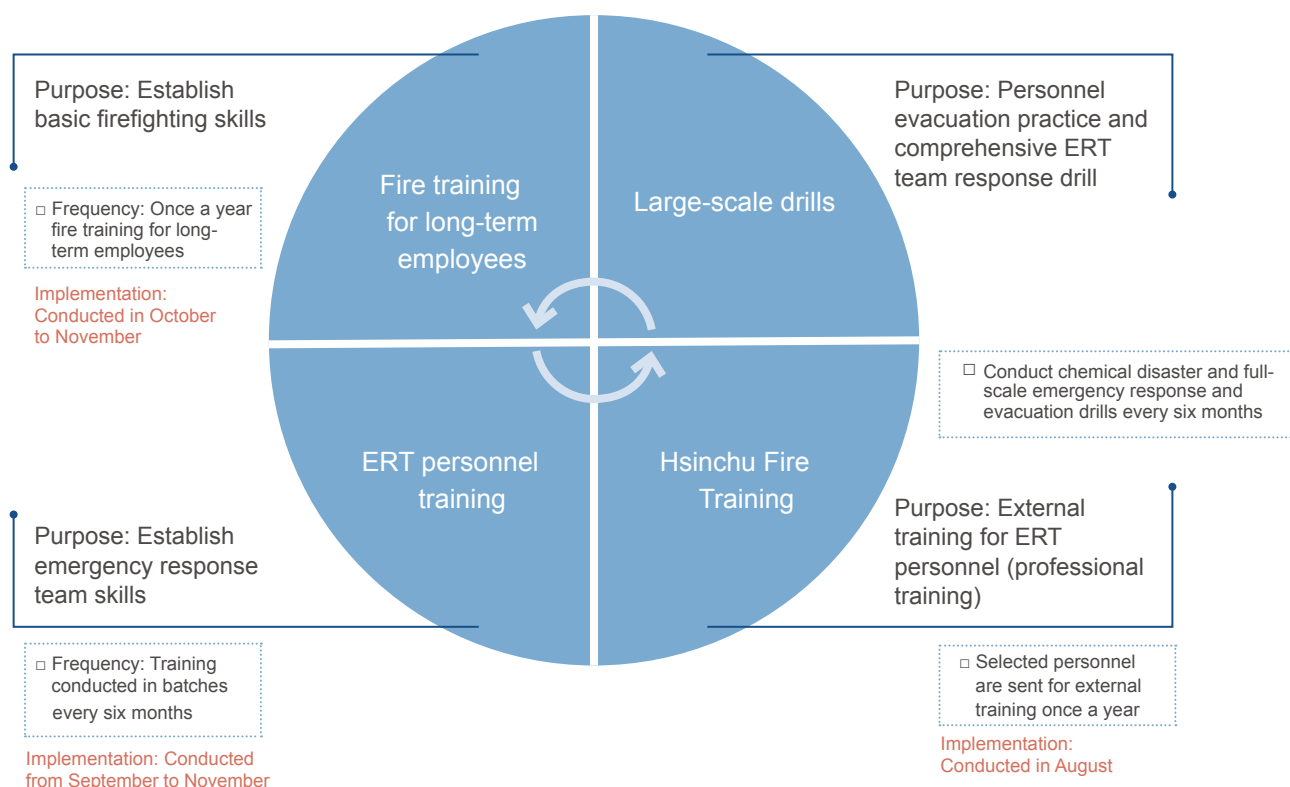
Kinsus has established good accident notification and emergency response, accident investigation and improvement procedures to reduce the impact and risk on life, property and the environment when an emergency occurs, to ensure the safety of employees, and to maintain the sustainable operation of the company. Special plans are made every year carry out all kinds of emergency response training and drills, hoping to effectively deal with accidents, reduce the loss of personnel and property, and prevent accidents from recurring.

2023 Emergency Response Training and Drill Plan:

Kinsus's 2023 emergency response training and drill plan revolves around four main pillars: fire training for long-term employees, ERT personnel training, professional external training at the Hsinchu Fire Training Center for ERT personnel, and large-scale drills to enhance various firefighting and emergency response capabilities of employees. The implementation status of each training and drill, as well as the facilities configured for the emergency response center, are as follows:

#### • Emergency response training and drill plan revolves around four main pillars

- Three main pillars completed: fire training for long-term employees, large-scale drills, ERT personnel training, Hsinchu fire training (professional firefighting training)
- Large-scale drills



## 1. Emergency response training

### (1) Emergency Response Team Training (ERT)

Implement emergency response team personnel training every six months, training in personal protective equipment wearing, fire extinguishing equipment operation, emergency response procedures, confirmation of evacuation guidance routes, emergency care, notification from competent authorities, etc., and training for commanders' response capabilities, 2023 seven sessions were carried out in four factory areas in a year, and a total of 1,044 people from day and night shifts participated in the training.

## (2) Long-Term Employee Education and Training

In order to effectively control fire accidents at the first stage, so as to minimize the severity and damage, each employee needs to receive education and training for long-term employees every 2 years. The training content includes safety and health knowledge, fire extinguisher and fire hydrant operation, etc. Skills to prevent employees from being too unfamiliar with the actual operation of fire extinguishing equipment. In 2023, three training sessions were implemented in the four factory areas, and a total of 416 people on day and night shifts will participate.

## (3) Professional Rescue and Fire-Fighting Training

Strengthen the emergency response skills of the ERT rescue and fire-fighting team. Every year, members of the rescue and fire-fighting team are sent to the Minghu fire training site in Hsinchu to implement various professional rescue and fire-fighting skills training. Wearing training, turbine nozzle fire extinguishing operation training, fire scene combustion chamber simulation training, 3 levels of training will be implemented in 2023, and a total of 56 trainers will participate.

- In 2023, the Emergency Response Training and Drills in Each Factory Area are summarized in the following table:

Factory		Shih-Lei Factory		Tsing-Hua Factory		Xing-Feng Factory		Yu-Shih Factory		Total
Year/ Number		Number of Participants in 2023 H1 Drills	Number of Participants in 2023 H2 Drills	Number of Participants in 2023 H1 Drills	Number of Participants in 2023 H2 Drills	Number of Participants in 2023 H1 Drills	Number of Participants in 2023 H2 Drills	Number of Participants in 2023 H1 Drills	Number of Participants in 2023 H2 Drills	Total Number of Participants
Emergency Training	Professional Rescue and Firefighting Training	10		12		12		23		57
	Emergency Response Team Training (ERT)	36	33	167	165	215	375	-	53	1,044
	Long-Term Employee Education and Training	80		141		195		-		416
	Unannounced Drill	18	10	16	15	39	24	-	-	122
	Dormitory Fire Drill	25	35	65	35	856	862	-	-	1,878
	Large-Scale Comprehensive Drill in the Factory Area	200	188	58	50	215	382	-	208	1,301

## 2. Emergency Response Training Performance

- Professional firefighting training (Hsinchu fire training: all factory employees participate in the training)



6.1 Talent Policy and Commitment 6.2 Human Resource Structure

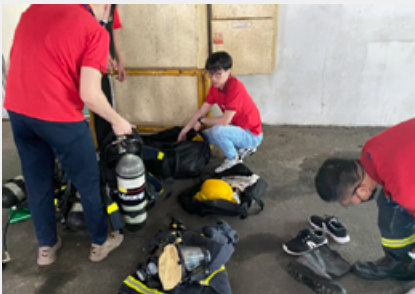
6.3 Talent Cultivation and Development 6.4 Salary and Benefits

6.5 Human Rights Protection: Listening to Employees' Voices 6.6 Workplace Health and Safety

6.7 Comprehensive healthcare

## • Rescue fire drill (ERT)

### Shih-Lei Factory



### Tsing-Hua Factory



### Xing-Feng Factory



### Yu-Shih Factory





6.1 Talent Policy and Commitment

6.2 Human Resource Structure

6.3 Talent Cultivation and Development

6.4 Salary and Benefits

6.5 Human Rights Protection: Listening to Employees' Voices

6.6 Workplace Health and Safety

6.7 Comprehensive healthcare

## • Education and training for long-term employees

### Shih-Lei Factory



### Tsing-Hua Factory



### Xing-Feng Factory





6.1 Talent Policy and Commitment 6.2 Human Resource Structure

6.3 Talent Cultivation and Development 6.4 Salary and Benefits

6.5 Human Rights Protection: Listening to Employees 'Voices' [6.6 Workplace Health and Safety](#)

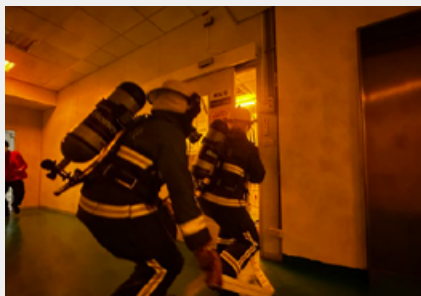
6.7 Comprehensive healthcare

## • Unannounced drill

### Shih-Lei Factory



### Tsing-Hua Factory

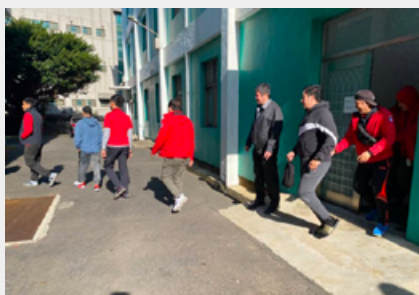


### Xing-Feng Factory



## • Dormitory evacuation & fire drill

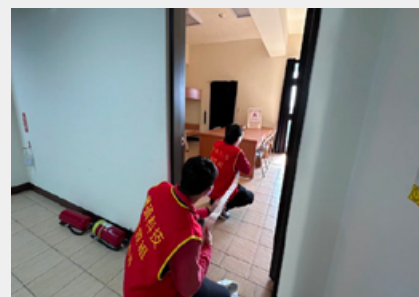
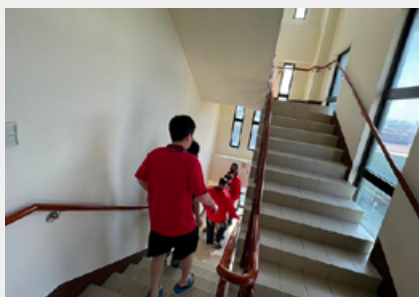
### Shih-Lei Factory



### Tsing-Hua Factory



### Xing-Feng Factory





6.1 Talent Policy and Commitment 6.2 Human Resource Structure

6.3 Talent Cultivation and Development 6.4 Salary and Benefits

6.5 Human Rights Protection: Listening to Employees' Voices 6.6 Workplace Health and Safety

6.7 Comprehensive healthcare

## • Total evacuation & large-scale fire drill

### Shih-Lei Factory



### Tsing-Hua Factory



### Xing-Feng Factory



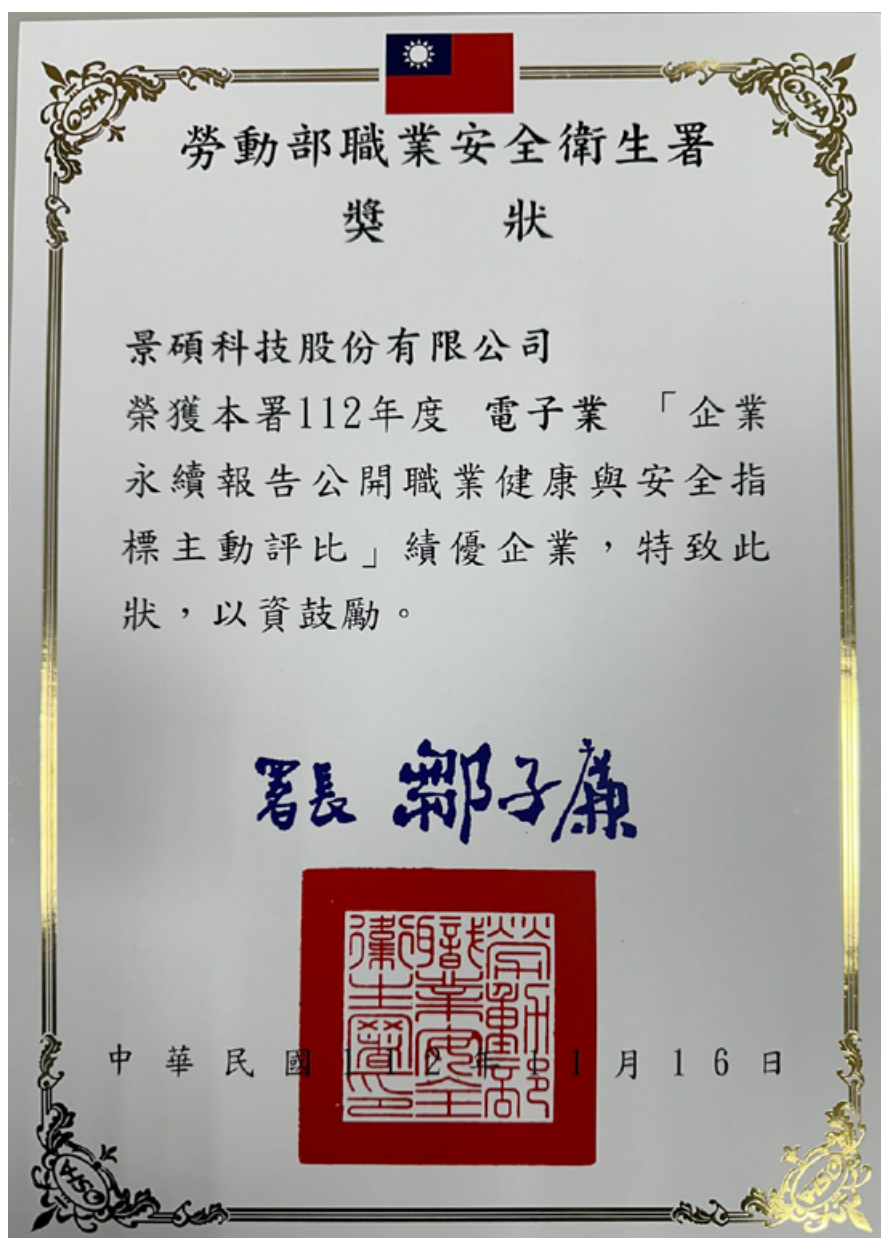
### Yu-Shih Factory



• **Kinsus was honored as one of the top 10% outstanding enterprises in the "Corporate Sustainability Report Disclosure of Occupational Health and Safety Indicators Proactive Evaluation" for 2023.**

The Ministry of Labor's Occupational Safety and Health Administration (OSHA) held the "Healthy Workforce Sustainable Leading Enterprise Commendation Ceremony" on November 16th, where Kinsus received recognition for its outstanding performance in promoting workplace physical and mental health, occupational safety and health management, and employee welfare and care. This year, OSHA collaborated with the Global Corporate Sustainability Forum (GCSF) for the first time, hosting the "Promoting Sustainable Health and Safety in the Workplace Results Presentation" at the Grand Hotel in Taipei. Deputy Director Jin-Long Zhu delivered a speech and presented awards, publicly commending various excellent enterprises.

This year's evaluation by OSHA included 330 listed companies and 94 over-the-counter companies in Taiwan. Using the Global Reporting Initiative GRI 403 2018: "Occupational Health and Safety" indicators and the Sustainability Accounting Standards Board (SASB) indicators, Kinsus's outstanding performance earned it a place among the top 10% of enterprises.



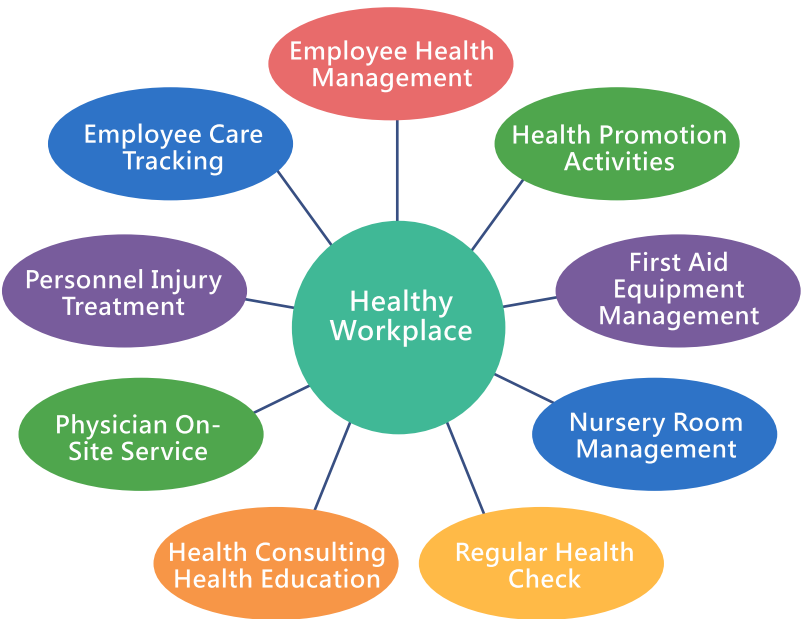
6.7 Comprehensive Healthcare

6.7.1 Dedicated Medical Care, Comprehensive Protection

"A safe, healthy, and friendly workplace" is Kinsus's commitment to its employees. In accordance with the Occupational Safety and Health Act and the Rules for Labor Health Protection, we have formulated a health service management plan, continuously implementing it across four major areas: health care, occupational health care, disease prevention, and health promotion. Each factory area has a medical room, staffed by nine full-time occupational health nurses and on-site occupational disease specialists. Various health promotion activities and services are conducted to care for every employee. The services include occupational health examinations, occupational disease prevention, health education promotion, occupational injury management, work environment assessment, and health monitoring. In 2023, there were a total of 168 occupational medical service sessions, amounting to 504 service hours, serving a total of 4,209 persons.

Year	2021			2022			2023			
Site Item	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory (Factory1 & 2)	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory (Factory1 & 2)	Yu-Shih Factory
Service Times	36	72	36	36	72	48	36	72	48	36
Service Time (Hours)	108	216	108	108	216	144	108	216	144	108
Number of Service	4,138			3,587			4,209			

Note: In 2023, Yu-Shih Factory was included in the statistics, so the number of persons served has increased.





## 6.7.2 Employee Health Risk Prevention

### 6.7.2.1 Health Checkups

Kinsus places great importance on the health and safety of its employees. In accordance with the "Labor Health Protection Rules," we conduct general health checkups for employees annually, providing a frequency of checkups that exceeds regulatory requirements. Every employee is scheduled for a health checkup and an electronic evaluation questionnaire once every two years. Employees engaged in particularly hazardous work undergo special health checkups annually according to the items specified in the "Labor Health Protection Rules," and these are managed on a tiered basis.



Occupational Specialist Physician On-site Health Services

The results of the health checkups are classified according to Kinsus's health management system. Full-time occupational health nurses proactively notify employees of any abnormalities found in their health checkups and arrange for specialized occupational medicine physicians to provide medical guidance. Follow-up re-examinations at hospitals and continuous monitoring are also arranged to ensure subsequent improvement. Additionally, through the electronic health management system, employees who are transferred between factory areas receive uninterrupted medical care and follow-up. In 2023, health checkups were conducted for employees, with 1,387 receiving general checkups, 1,002 undergoing special operational checkups, and 582 receiving both general and special checkups. The total number of employees checked was 2,971, achieving a 100% participation rate.

### 6.7.2.2 Maternal Employee Health Protection Plan

Kinsus has implemented a management mechanism for the identification and risk assessment of maternal health hazards. Upon learning of an employee's pregnancy or return to work within one-year postpartum, occupational safety and health personnel and unit supervisors complete the "Maternal Health Protection Work Hazard Assessment Form," while the employee completes the "Health Status Self-Assessment Form." Dedicated occupational health nurses provide educational information related to pregnancy and postpartum care and arrange consultations with occupational specialist physicians to assess the impact of work on maternal health. Based on these assessments, employees receive the "Maternal Health Protection Consultation and Work Suitability Recommendation Form." In 2023, the maternal protection care rate was 100%, with 152 maternal care visits.

	2021	2022	2023
Maternal Care Visits	95	97	152

Note: 1. In 2023, Yu-Shih Factory was included in the statistics, so the number of care instances has increased.



Breastfeeding Room (Exterior)



Breastfeeding Room (interior)

comfortable seating, adequate lighting, and air conditioning, all compliant with the "Standards for the Establishment and Management of Lactation Rooms in Public Places." Additionally, these rooms feature bulletin boards with childcare columns on breastfeeding and child care, dedicated refrigerators for storing breast milk, bottle brushes, water dispensers, educational brochures, and manuals. Kinsus actively supports postpartum employees in balancing their work and family responsibilities with peace of mind.

To safeguard the needs of pregnant and postpartum employees, Kinsus provides specialized access gates, dedicated parking spaces for pregnant employees, and maternity armbands during pregnancy. The company also encourages postpartum employees to continue breastfeeding their newborns by providing 60 minutes of lactation time during work hours. Each factory area is equipped with a lactation room offering a spacious, comfortable, and private breastfeeding-friendly environment. These rooms include access control, high-privacy curtains, emergency communication equipment,

### 6.7.2.3 Abnormal Workload-Induced Disease Prevention Plan

Each year during employee health checkups, Kinsus conducts a risk identification and assessment of abnormal workload. Employees are screened based on personal risk factors, and high-risk employees are prioritized for consultations and health guidance with occupational specialists. Other employees receive relevant health information from dedicated occupational health nurses. In 2023, a total of 29 high-risk employees were identified, with a 100% consultation and care rate.

### 6.7.2.4 Human Factors Hazard Prevention Plan

Annually, during health checkups, employees' complete questionnaires, and new hires fill out the "Nordic Musculoskeletal Questionnaire (NMQ)" to assess perceived musculoskeletal symptoms. Monthly attendance and sick leave diagnoses are used to create a human factors management tracking overview. Employees with NMQ scores of  $\geq 3$  (indicating potential hazards) are referred to occupational medicine specialists to identify symptom causes and provide improvement suggestions. Occupational health nurses continue to monitor and track improvements. If the specialist determines the case is work-related, occupational safety and health personnel use checklists to observe operations and, if necessary, implement administrative or engineering controls. In 2023, 24 employees were identified as having potential hazards based on the NMQ analysis. Following consultations, none were found to have work-related issues.

### 6.7.2.5 Major Disease Care and Management

A major disease tracking table is established based on monthly attendance records, and records are maintained in the electronic health management system. Occupational health nurses provide one-on-one health care and education, ensuring continuous care and follow-up when employees transfer between factory areas. On-site occupational physicians offer advanced health consultations and care. In 2023, a total of 30 individuals received care, with a 100% consultation and care rate.

### 6.7.2.6 Major Disease Care and Management

In accordance with occupational safety and health guidelines, Kinsus has established a major infectious disease prevention management guide and regularly provides information on the prevention of statutory infectious diseases and influenza. Despite the easing of the COVID-19 pandemic in 2023, Kinsus remains committed to internal and external pandemic prevention measures, implementing rolling management in line with government measures and supporting pandemic prevention through donations of medical supplies. In 2023, Kinsus donated 10,000 home rapid test kits to national public welfare organizations and local institutions, helping to protect public health and mitigate the pandemic's impact.



### 6.7.3 Health Promotion and Sustainable Well-being

Kinsus is dedicated to the health and well-being of its employees, promoting a series of workplace health promotion activities aimed at increasing awareness of healthy lifestyles. Activities include blood donation drives, weight loss competitions, health lectures, exercise classes, and stress-relief seminars, fostering a healthy workplace atmosphere. In 2023, Kinsus held a total of 41 health promotion activities.

Number	Activity Names Blood Donation Activities	Activity Duration	Number of Participants in the Last Three Years		
			2021	2022	2023
1	Blood Donation Activity	3 hours	161 ppl	179 ppl	165 ppl
2	Smoking Cessation Classes and Smoking/Betel Nut Lectures		--	--	30 ppl
3	Cancer Screening Activities	3 hours	--	--	130 ppl
4	Weight Loss Activities	2.5 months	118 ppl	382 ppl	178 ppl
5	Exercise Courses	1 hour	--	51 ppl	120 ppl
6	Nutrition Lectures	1 hour	--	--	115 ppl
7	Stress Relief Seminars	1 hour	--	--	117 ppl
8	Ergonomic Prevention and Vision Care Seminars	1 hour	--	--	61 ppl

Note: Participation numbers increased in 2023 due to the inclusion of Yu-Shih Factory.

#### 6.7.3.1 Blood Donation Activities

Blood donation is vital for saving lives and ensuring sustainability. Kinsus collaborates with the Hsinchu Blood Center twice a year to organize blood donation drives at each factory. Blood donation vehicles and professional staff are on-site to facilitate voluntary participation from all employees, regardless of race. In 2023, six workplace blood donation drives were held, with 165 employees participating, collecting 241 bags of blood, totaling 60,250 cc. This activity not only contributes to society but also promotes employee health through enhanced metabolism.



#### 6.7.3.2 Smoking and Betel Nut Cessation and Cancer Screening Activities

To assist employees in quitting smoking and betel nut use, and to improve their health, Kinsus invited the Xin-Wu District Health Center of Taoyuan City to Tsing-Hua Factory and the Xin-Feng Township Health Center of Hsinchu County to Xing-Feng Factory to conduct smoking cessation classes. Professional nurses shared experiences and case studies. These activities also extended to oral cancer and colorectal cancer screenings, raising health awareness and disease prevention among employees. In 2023, 30 employees participated in smoking cessation classes and lectures, with an overall satisfaction rate of 93.5%; 130 employees participated in cancer screening activities.



6.1 Talent Policy and Commitment

6.2 Human Resource Structure

6.3 Talent Cultivation and Development

6.4 Salary and Benefits

6.5 Human Rights Protection: Listening to Employees' Voices

6.6 Workplace Health and Safety

6.7 Comprehensive healthcare

### 6.7.3.3 Weight Loss Activities

In 2023, a three-month workplace weight loss activity titled "Cut the Fat in Half" was organized to encourage employees to manage their weight through healthy lifestyle practices. An autonomous points system was used to motivate employees to exercise at least three times a week for 30 minutes each session, walk 10,000 steps daily for a week, or accumulate 42 kilometers weekly. A Line community was created to promote healthy eating and exercise, fostering peer support. The activity included exercise classes and nutrition lectures to promote healthy eating and proper exercise. In the individual category, 178 participants lost a total of 504.3 kilograms; in the team category, 27 teams lost a total of 361.2 kilograms. Despite lower participation compared to previous years, the average weight loss per individual was 4.71 kilograms, higher than in 2023, and the average weight loss per team was 13.38 kilograms. The activity received strong support and praise from senior management, who initiated a senior management weight loss competition. A total of 44 senior managers participated, losing a total of 253.35 kilograms.

Category/Weight (kg)	2021	2022	2023
Individual Participants	98 ppl	244 ppl	178 ppl
Weight Loss (kg)	352.5kg	535.2kg	504.3kg
Team Participants	63 ppl	138 ppl	81 ppl
Weight Loss (kg)	274.5 kg	269.7 kg	361.2kg



### 6.7.3.3.1 Exercise Courses and Nutrition Lectures

The "Cut the Fat in Half" weight loss activity included a series of health courses and lectures aimed at improving employees' knowledge of dietary calories and nutrition, and promoting proper exercise concepts. We invited a Western-style rowing coach to offer classes such as "Office Exercise" and "Burn Fat and Get Moving," which included aerobic and strength training exercises. These classes were well-received, with eight exercise sessions held in 2023, attended by 120 participants, with an overall satisfaction rate of 93.9%. For healthy eating, nutritionists from the Taoyuan City and Hsinchu County Health Bureaus were invited to teach employees about healthy eating habits through interactive games and hands-on activities. Courses included "Nutrition Knowledge + Interactive Games," "Nutrition Lecture + Colorful Salad Jar Making," and "Eating Out vs. Home Cooking," which were taught by the canteen nutritionist at Xing-Feng Factory. These sessions emphasized the importance of balanced dietary structures and were beneficial for personal health and reducing food waste.

In 2023, six nutrition lectures were held, attended by 115 participants, with an overall satisfaction rate of 94.1%. Additionally, healthy meal boxes (168 Kcal) were introduced every Tuesday in the cafeteria, with 1,273 sold since June 27, which were well-received by employees.

Course Types	Course Name	Instructor	Sessions	Participants	Satisfaction Rate
Exercise	Office Exercise	Fitness Coach	4	120	93.9%
	Burn Fat and Get Moving		4		
Nutrition	Nutrition Knowledge + Interactive Games	Taoyuan City Health Bureau	3	115	94.1%
	Nutrition Lecture + Salad Jar Making	Hsinchu County Health Bureau	1		
	Eating Out vs. Home Cooking	Nutritionist from Institution Food	2		





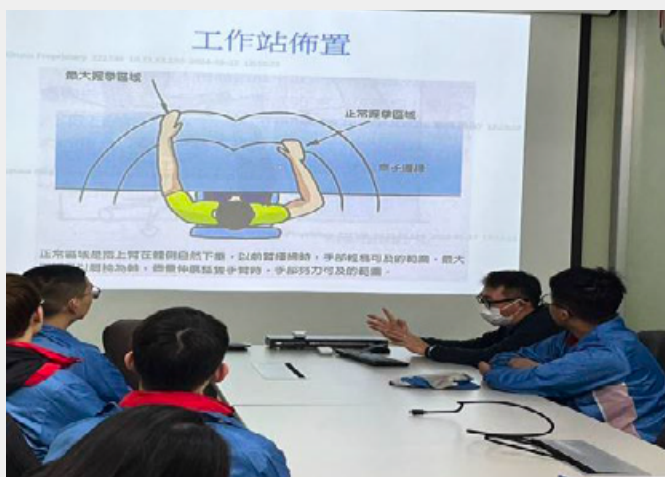
### 6.7.3.3.2 Stress Relief Seminars

Employee mental health is one of our top health indicators. In 2023, we organized aromatherapy massage stress relief courses titled "Relaxation with Aromatherapy." Certified CPA aromatherapists taught employees how to use essential oils for massage and stress relief. A total of four aromatherapy stress relief sessions were conducted, with 117 participants and an overall satisfaction rate of 82.8%. Through these stress relief seminars, we aim to provide employees with healthy and effective ways to relieve stress, fostering a pleasant work environment and promoting a balanced mental and physical health.



### 6.7.3.3.3 Ergonomic Prevention and Vision Care Seminars

Occupational disease specialists conducted seminars on workplace muscle soreness prevention and vision care, aiming to help employees understand the causes of muscle soreness, prevention and treatment techniques, and the importance of protecting their vision. The content covered the importance of correct posture and effective ways to relieve muscle soreness. In 2023, five seminars were held, attended by 61 participants, with an overall satisfaction rate of 94.1%.



### 6.7.4 Healthy Workforce, Sustainable Competitiveness

In 2023, Kinsus focused on enhancing employee health, increasing various health promotion activities compared to previous years. We not only focus on the physical and mental health of our employees but also strive to create a positive, inclusive, and healthy work environment. These efforts contribute to increased employee productivity and job satisfaction and demonstrate the company's commitment to employee well-being and responsibility. Shih-Lei Factory, Tsing-Hua Factory, and Xing-Feng Factory (including Xing-Feng Factory1 and Xing-Feng Factory2) received the "Workplace Health Promotion Certification" from the Ministry of Health and Welfare in 2023. Moving forward, we will continue to promote workplace health, address the physical and mental needs of employees, enhance employee satisfaction, and grow and progress together with our employees.







# 07

## Shared Prosperity with Society

- 7.1 Policy and Management
- 7.2 Participation in External Organizations
- 7.3 Social Welfare Activities

At Kinsus Interconnect Technology Corp. Interconnect Technology Corp., we focus on three main aspects for social prosperity: industry-academia cooperation, social welfare, and caring for the underprivileged. Short-term, medium-term, and long-term indicators have been set, as shown in the table below:

	Short-Term Indicators (2023~2024)	Medium-Term Indicators (2025~2028)	Long-Term Indicators (2029+)
<b>Social Welfare</b>	Organize 2 Campus Lectures	Organize 4 Campus Lectures	Organize 8 Campus Lectures

### • Material Topics Objectives and Performance

Kinsus Interconnect Technology Corp. Interconnect Technology Corp. Interconnect Technology Corp.'s primary focus for social prosperity includes industry-academia cooperation, social welfare, and caring for the underprivileged. The objectives and achievements for the past two years are as follows:

#### Social Welfare

2023 Objectives	2023 Achievement Rate	2024 Objectives
Organize 2 Campus Lectures	3 → <b>Achieved</b>	Organize 2 Campus Lectures

## 7.1 Policy and Management

The ESG Committee at Kinsus Interconnect Technology Corp. Interconnect Technology Corp. is established based on the company's commitment to corporate social responsibility, following the standards and requirements of the Responsible Business Alliance (RBA) Code of Conduct. The committee drives various social responsibility activities and ensures that the performance data of sustainable operations and social responsibility achievements are presented in the ESG sustainability report.

### • Formation of ESG Committee

The organization, members, responsibilities, and discussion topics of the ESG Committee are outlined in the table below:

Category	Annual Operational Projects
Chairman	Vice Chief of Sustainability Officer
Committee members	Representatives from respective departments
Responsibilities	<ul style="list-style-type: none"> <li>Establishing the strategic direction for corporate sustainable development, annual planning of sustainable development activities</li> <li>Monitoring and reviewing the implementation and direction of the corporate sustainable development plan, making decisions on other ESG-related matters</li> </ul>
Discussion Topics	<p>Conduct a biannual review meeting to collectively plan relevant issues and business initiatives for corporate sustainable development.</p> <p>Provide an annual report to the Board of Directors on the execution achievements of the current year.</p>

## • Corporate Social Responsibility Policy

Kinsus Interconnect Technology Corp. Interconnect Technology Corp.'s overall ESG policy on social responsibility is divided into six key areas: environmental protection, friendly workplace, employee care, shared social prosperity, integrity management, and full participation.

### 1. Friendly Workplace and Employee Care

To enhance labor rights, Kinsus Interconnect Technology Corp. Interconnect Technology Corp. complies with the "Labor Standards Act" and relevant laws. The company establishes internal rules and regulations, including the filing of work rules, prevention of sexual harassment, anti-corruption and bribery measures, fair trade practices, and complaint procedures. Kinsus Interconnect Technology Corp. Interconnect Technology Corp. also sets up management mechanisms to safeguard the rights and interests of employees and encourages open expression of opinions. Each factory has a "complaint mailbox," and a personal data protection mechanism is in place to prevent unfair treatment and maintain a good labor-management relationship.

## • Emphasis on Labor Rights, Working Environment, and Ethical Standards

Kinsus Interconnect Technology Corp. Interconnect Technology Corp. adheres to labor rights legislation such as the "Gender Equality in Employment Act" and the "Employment Service Act." The company has implemented measures and disciplinary procedures to prevent and address sexual harassment and unlawful infringement of employees' rights while also signing a "Consent Form for the Collection, Processing, and Use of Personal Data" during employee registration. Kinsus Interconnect Technology Corp. Interconnect Technology Corp. not only discloses the purpose of using personal data but also protects the privacy of employees' personal information.

Summary of Measures Regarding RBA Code of Conduct in Regulatory Compliance, Labor Rights, Working Environment, and Ethical Standards:

- (1) Compliance with relevant labor laws to protect employees' legal rights and respect internationally recognized principles of labor rights, including freedom of association, collective bargaining rights, care for vulnerable groups, prohibition of child labor, elimination of forced labor, and eradication of employment discrimination, without infringing upon the basic rights of workers.
- (2) The company's human resources policies ensure equal treatment regardless of gender, race, age, marital status, or family circumstances, and promote equality in remuneration, employment conditions, training, and promotion opportunities.
- (3) Establish channels for regular communication and dialogue with employees, ensuring their rights to access information and express opinions on the company's management activities and decision-making. Protection measures for whistleblowers reporting inappropriate bullying or sexual harassment by supervisors have been established to ensure that complainants are not concerned about retaliation.
- (4) Provide employees with a safe and healthy working environment, including necessary health and emergency facilities, and strive to reduce factors that may endanger employees' safety and health to prevent occupational hazards. Regular safety and health education and training, as well as health check-ups, are conducted for employees.
- (5) Information transparency: The company's website, <https://www.Kinsus.com.tw/zh-TW/Download/financial-information>, provides information on financial performance, corporate social responsibility, and other business activities in the investor services section.
- (6) Fair trade, advertising, and competition: Employees are required to comply with fair trade laws, strictly prohibiting insider trading and conflicts of interest. The company engages in business activities in accordance with relevant competition regulations, strictly adhering to anti-monopoly and anti-trust practices such as prohibiting fixed pricing, bid-rigging, production restrictions, quotas, market-sharing, or any unfair competition practices related to the allocation of customers, suppliers, operational areas, or business types.
- (7) Personal privacy protection: The company sets security measures for employee computer usage permissions and passwords, and enforces privacy protection requirements for customer, vendor, or employee personal data. Transparent and effective consumer complaint procedures are implemented, ensuring fair and prompt handling of consumer complaints, and strict compliance with relevant regulations to respect consumer privacy rights and protect the personal data provided by consumers.
- (8) The company conducts marketing and labeling of products or services in compliance with government regulations and relevant international guidelines, prohibiting deceptive, misleading, fraudulent, or any other behavior that undermines consumer trust or harms consumer rights.

- Kinsus Interconnect Technology Corp. complies with various relevant government regulations, with no records of violations of economic and social regulations or instances of being fined.



## 2.Social Prosperity and Employee Engagement:

The company participates in public welfare activities and cares for socially disadvantaged groups. It places great importance on environmental resources and protection, actively promoting greening initiatives and energy conservation in its factories. During the production process, it adopts green and non-hazardous substances and classifies and lawfully handles waste to minimize the generation of substantial waste that harms the environment of our green planet.

Furthermore, to implement corporate social responsibility, the Kinsus Interconnect Technology Corp. Interconnect Technology Corp. maintains continuous communication and engagement both internally and externally. It organizes regular education and training programs to foster employee consensus and compliance with relevant corporate social responsibility standards. Employees are encouraged to actively participate in these initiatives.

### • Campus Recruitment Workshops

#### 1. Job Fairs and Campus Recruitment Workshops:

2023 we organized	<b>17</b>	job fairs on campuses	Total	<b>1,278</b>	attendees.
2023 we held	<b>15</b>	workshop sessions for campus recruitmen	Total	<b>854</b>	attendees.



Campus Recruitment 1



Campus Recruitment 2

### • Providing Local Job Opportunities

We have provided employment opportunities for a total of 2,055 individuals in the surrounding areas of neighboring companies. This initiative not only contributes to the local economic development but also helps foster a good relationship between the community and the company, resulting in a win-win situation.

Area	Xinwu District	Guanyin District	Yangmei District	Pingzhen District	Zhongli District	Xing-Feng Township	Hukou Township	Zhubei City
Employment	<b>450</b>	<b>272</b>	<b>418</b>	<b>219</b>	<b>282</b>	<b>193</b>	<b>140</b>	<b>81</b>

## 7.2 Participation in External Organizations

In order to effectively harness the power of the industry and stay updated on industry developments, Kinsus Interconnect Technology Corp. actively participates in domestic industry associations as a member. It engages in various symposiums and seminars organized by these associations, fostering close interaction and exchange with the industry. Together, we collaborate to shape the prosperity of the industry.

Organization Participate	Role
Taiwan Printed Circuit Association (TPCA)	Member
Taiwan Electrical and Electronic Manufacturers' Association	Member
Taipei Computer Association	Member
Taoyuan Industrial Federation	Member
Taoyuan Police Support Association	Member
Monte Jade Science and Technology Association Taiwan	Member
Taoyuan City Industries Association	Member
Association of Clubs Industry Taoyuan City	Member

## 7.3 Social Welfare Activities

- The operational direction and promotional measures of ESG in social welfare activities

>>>2022

Category	Item
<b>Social Welfare</b>	Mid-Autumn Festival Gift Boxes Orders (Taiwan Foundation for the Blind, Baby Development Center, Yu Cheng Social Welfare Foundation)
<b>Local Community</b>	Funding for Shih-Lei Community Visiting Activities Organized by Shih-Lei Community Development Association
	Environmental Protection Volunteer Training Activity in Shih-Lei Village
	Funding for Mid-Autumn Festival Event hosted by Tsing-Hua Environmental Volunteers
	Funding for Double Nine Festival Elderly Appraisals Event- hosted by Xingu Songbai Association
	Funding for Double Nine Festival Elderly Appraisals Event- hosted by Xingu Songbai Association
	Training activity for environmental volunteers in Tsing-Hua Neighborhood
	Sponsorship for Mid-Autumn Festival Evening Party at Jian Xing Neighborhood, Qi Ding Village, Xing-Feng Township, Hsinchu County
<b>Temples</b>	Qi Ding Community Development Association, Xing-Feng Township, Hsinchu County - Members' Meeting and Year-end Gathering
	Sponsorship for Self-Improvement Activity Event at Qi Ding Fu De Temple Development Association, Xing-Feng Township, Hsinchu County
	Opera Performance at Yong Ning Temple, Xing-Feng Township
	Da-Pu Fu De Temple (K5A) in Qi Ding Village

Category	Item	
Police and Fire Department	Funding for observation and study of community watch team in Shih-Lei Village	
	Members Assembly Event hosted by Volunteer Police and Civil Defense Association, Xing-Feng Township	
	Sponsorship for activities hosted by Xing-Feng Volunteer Fire Department - Xing-Feng Branch	
	Sponsorship for firefighting equipment and gear for Hsinchu County Volunteer Fire Department - Headquarters	
Donation Amount		\$2,528,500

## &gt;&gt;&gt;2023

Category	Item	
Social Welfare	Mid-Autumn Charity Gift Box Orders (Down Syndrome Foundation, Hsin-Lu Social Welfare Foundation, Keelung Parents' Association for Persons with Intellectual Disabilities)	
	Charity Fundraising - Finding a Home for the Handicapped Children	
	Shared Market (Donation to Huashan Foundation)	
Local Community	Tsing-hua Community Environmental Volunteer Inauguration Meeting	
	Shih-Lei Community Development Association 2023 Observation and Study Activity	
	Shih-Lei Environmental Volunteer 2023 Observation and Study Activity	
	Funding for Qinhua Environmental Volunteers Mid-Autumn Festival Party	
	Funding for the Chongyang Festival Senior Celebration by the Xin-Wu District Songbai Association	
	Funding for the Chongyang Festival Senior Recognition Event by the Xin-Wu Elderly Association	
	Funding for the Chongyang Festival Senior Celebration by Shih-Lei Community	
	Xin-Feng Township Qiding Community Development Association Member Meeting and Year-End Social Dinner	
	Sponsorship for Qiding Village Chief and Resident Cultural and Recreational Observation Activities in Xin-Feng Township	
	Sponsorship for Qiding Village Jianxing Home Mid-Autumn Festival Party in Xin-Feng Township	
Temples	Renovation of the Earth God Temples in Shih-Lei Neighborhoods 1 and 2	
	Sponsorship for the Qiding Fude Temple Development Association Self-Strengthening Activity in Xin-Feng Township	
	New Year Blessing and Wealth Prayer Ceremony by the Changchun Fude Temple Development Association in Xin-Feng Township	
	Peace Opera at Yongning Temple in Xin-Feng Township	
	Mid-Autumn Festival by the Changchun Fude Temple Development Association in Xin-Feng Township	
	Qiding Village Dapu Fude Temple Mid-Autumn Festival Party (K5A)	
	Dapu Fude Temple	
Police and Fire Department	Shih-Lei Community Neighborhood Watch 2023 Observation and Study Activity	
	Xin-Feng Township Volunteer Police and Civil Defense Association Member Meeting	
	Sponsorship for Xin-Feng Township Volunteer Firefighters Activity	
	Sponsorship for Xin-Feng Township Volunteer Fire Brigade Equipment and Supplies	
Donation Amount		\$2,669,448

**Social Welfare**

Helping charities provide assistance and care to those in need, making society more harmonious and compassionate.

**Local Community**

Assisting neighborhoods with the necessary funds for organizing various activities through donations. This not only allows community residents to enjoy pleasant festive events but also demonstrates care and support for the community, working together for its development and progress.

**Temples**

Promoting community cohesion and interaction while spreading positive energy and cultural traditions. Temple activities can also attract more tourists and visitors, contributing to the local economy.

**Police and Fire Department**

Training the skills and knowledge of police and fire departments, strengthening community safety measures. Providing funds for the purchase of firefighting equipment and gear improves response efficiency and safety. By donating to support these teams and organizations, community cohesion and interaction are enhanced, allowing everyone to contribute to community safety and development.

**Social Welfare Event  
(including donations)****Local Community Event  
(including donations)**



# 08

## Appendix

Appendix 1: ESG Performance  
Appendix 2: GRIs Standards Comparison Table  
Appendix 3: SASB Comparison Table  
Appendix 4: Independent Assurance  
OpinionStatement

### Appendix 1: ESG PERFORMANCE for TCFD

Category	Sustainability Indicators	Unit	2021	2022	2023
Corporate Governance	35% Corporate Governance Evaluation Ranking among all listed companies	%	6~20%	21~35%	21~35%
	Attendance rate of the Board of Directors Meeting $\geq$ 95%	%	96%	97%	97.78%
Risk Management	Completion rate of risk assessment for various departments	%	100%	100%	100%
	Annual Emergency Fire Escape Drill $\geq$ 2 times/year	times	2	2	2
Customer Satisfaction	Customer Satisfaction Rate $\geq$ 70%	%	77%	77%	83%
	Customer complaints regarding unauthorized personal or order data breach	Case	0	0	0
Legal compliance	Violations of corporate laws or tax regulations	Case	0	0	0
	Violations of customer privacy or information security regulations	Case	0	0	0
	Violations of product or fair trade regulations	Case	0	0	0

Category	Sustainability Indicators	Unit	2021	2022	2023
Legal compliance	Violations of air pollution and environmental protection regulations	Case	0	0	0
	Violations of wastewater discharge regulations	Case	0	0	0
	Violations of waste management regulations	Case	0	0	0
	Violations of labor and occupational safety and health regulations	Case	0	2	2
Supply Chain Management	Average score of supplier evaluation maintained at $\geq 80$	Point	92	95	96
	Number of units implementing CSR self-assessment forms: $\geq 11$	Unit	11	12	21
	Compliance rate for the procurement of raw materials free from harmful substances and conflict minerals	100%	100%	100%	100%
Green Production	Electricity conservation $\geq 3$ million kilowatt-hours	kilowatt-hours	210	292	876.5
	Installation of 4.3 million kilowatt-hours renewable energy	kilowatt-hours	430	430	430
	Reduction of greenhouse gas emissions $\geq 1,500$ tons of CO <sub>2</sub> /year	Ton CO <sub>2</sub> /year	--	1,486	4,388.8
	Enhancement of climate resilience: Production disruption caused by climate disasters	0 days	0	0	0
Water Resource Management	Water recycling rate $\geq 5.5\%$	%	--	8.2%	5.4%
	Water management: production losses due to water restrictions	PCS	--	0PCS	0PCS
Waste Management	Resource recycling rate: $\geq 80\%$	%	--	81.88%	84.3%
	Waste disposal: handled by legal operators: 100%	100%	100%	100%	100%
Labor Relations	Retention rate of newly hired Taiwanese employees (after 3 months): $\geq 80\%$	%	--	73.4%	76.9%
	Total employee turnover rate $\leq 20\%$	%	39.3%	24%	19.4%
	Maternity leave retention rate $\geq 80\%$	%	90%	79%	87%
	Average annual employee training hours $\geq 8$ Hours	Hours	10.11	12.04	15.92
Human Right	Workplace misconduct/bullying cases 0 case	%	0	0	1
	Employee complaints/mediation cases 1 case	Case	0	1	1
Health and Safety	ISO 45001 occupational health and safety system verification	Pass	Pass	Pass	Pass
	100% participation rate of new hires in occupational health and safety education training	%	100%	100%	100%
	Participation rate in health check-ups $\geq 90\%$	%	92%	90%	100%
	Achievement rate of training for high-risk operation personnel: 100%	%	100%	100%	100%
	Number of major occupational accidents $\leq 5$ cases per year (excluding fatalities)	Case /year	3	3	1
	Achievement rate of hazard identification and risk assessment in each department 100%	%	100%	100%	100%
	Maintaining 0 cases of occupational diseases caused by chemical exposure	Case /year	0	0	0
	Disabling Injury Frequency Rate $\leq 3\%$	%/ year	2.73%	2.25%	1.91%
	Disabling Severity Rate $\leq 30\%$	%/ year	20	27	27

**Disclaimer: Kinsus Interconnect Technology Corp. references the GRI Guidelines for reporting (reporting period: January 1 to December 31, 2023).**

**Using GRI 1 Universal Standards 2021**

**Applicable GRI Industry Guidelines: N/A**

## Appendix 2: GRI Standards (2021) and 2023 ESG Report Corresponding Index

General Disclosure (2-1~2-30)			
GRI Standard	ESG Corresponding Chapter	Page	Remark
<b>Organization and Reporting</b>			
2-1 Organizational Details	2.1 Organization Details	26	
2-2 Entities included in the organization's sustainability reporting	<ul style="list-style-type: none"> <li>Report Summary and Scope</li> <li>Coverage</li> </ul>	3 3	
2-3 Report period, frequency and contact window	<ul style="list-style-type: none"> <li>Report Period</li> <li>Publication Frequency</li> <li>Contact Window</li> </ul>	3 4	
2-4 Restatements of information	<ul style="list-style-type: none"> <li>Changes in reporting</li> </ul>	4	
2-5 External assurance	<ul style="list-style-type: none"> <li>Ensuring the accuracy of disclosed information</li> <li>External assurance</li> </ul>	4	
<b>Activities and Employees</b>			
2-6 Activities, value chain and other business relationships	3.1 Operational Performance and Challenges 3.3 Customer Management and Service	56 62	
2-7 Employees a. Report the total number of employees, and a breakdown of this total by gender and by region b. Report the total number of different categories of employees	6.2 Human Resources Structure Distribution of manpower of the last two years	101	
2-8 Workers who are not employees	Distribution of manpower of the last two years	101	
<b>Governance</b>			
2-9 Governance structure and composition	2.2 Corporate Governance 2.2.2 Governance Structure <ul style="list-style-type: none"> <li>Board of Directors</li> </ul>	30 31	The ESG Committee of our company is not a functional committee under the Board of Directors. It is authorized by the Chairman and led by the Vice Chief Sustainability Officer, who is appointed by the CEO.
2-10 Nomination and selection of the highest governance body	2.2 Corporate Governance <ul style="list-style-type: none"> <li>Annual General Meeting of Shareholders</li> </ul> 2.2.2 Governance Structure <ul style="list-style-type: none"> <li>Board of Directors</li> </ul>	30 31	Director elections follow a candidate nomination system.
2-11 Chair of the highest governance body	2.2.2 Governance Structure <ul style="list-style-type: none"> <li>Board of Directors</li> </ul> Authority of the Board of Directors	31	The Chairman of the Board also serves as the Deputy Chief Strategy Officer, leveraging their extensive industry experience to enhance the company's operational efficiency. Major proposals are discussed and reviewed by the Board of Directors, who possess professional knowledge and extensive industry experience, enabling effective oversight

## General Disclosure (2-1~2-30)

GRI Standard	ESG Corresponding Chapter	Page	Remark
<b>Governance</b>			
<b>2-12 Role of the highest governance body in overseeing the management of impacts</b> a. Highest governance body and senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and objectives b. Highest governance body in overseeing the organization's due diligence and other processes	Duties of the Board of Directors: 2.3 Integrity management 2.4 Business Philosophy and Ethics 2.1.2 Organizational Structure 2.1.3 Responsibilities of Key Departments	31 38 40 28 29	8. Vision, Strategy, and Verification timeline for Promoting Sustainable Corporate Governance Annually report to the Board of Directors on stakeholder communication, including shareholders, employees, customers, communities, regulatory authorities, and suppliers.
<b>2-13 Delegation of responsibility for managing impacts</b> a. The highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people b. Process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people.	2.1.2 Organizational Structure 2.1.3 Responsibilities of Key Departments  2.7 Risk Management System	28 29  50	The Chairman of the ESG Committee is authorized by the Chairman of the Board and appointed by the CEO, with the Vice Chief Sustainability Officer serving as the chairperson. Each department is responsible for relevant content and promotion of their respective business areas. Our company's risk management process includes risk identification, risk analysis, risk assessment, risk response, risk monitoring and review, and risk reporting and disclosure. Each department evaluates and discusses potential and emerging risks related to environmental, social, and corporate governance issues, considering the frequency of occurrence, impact level, and degree of control.
<b>2-14 Role of the highest governance body in sustainability reporting</b> a. Report whether the highest governance body is responsible for reviewing and approving the reported information b. If the highest governance body is not responsible for reviewing and approving the reported information, including the organization's material topics, explain the reason for this	Duties of the Board of Directors: 8. Vision, Strategy, and Verification timeline for Promoting Sustainable Corporate Governance.	31	The Board of Directors serves as the strategic planning unit for ESG, with the Sustainability Management Office overseeing the management, and the ESG Committee responsible for implementing the Code of Conduct for listed companies.
<b>2-15 Conflicts of interest</b> a. Describe the processes for the highest governance body to ensure that conflicts of interest is prevented and mitigated b. Report whether conflicts of interest are disclosed to stakeholders	Integrity management 2.3.2 Effectiveness of Implementation • Whistleblowing/Complaint Mechanism	38 39	The Code of Conduct for Listed Company integrity management.
<b>2-16 Communication of critical concerns</b> a. How critical concerns are communicated to the highest governance body	Duties of the Board of Directors 1.1.1 ESG Organization and Responsibilities	31	8. Vision, Strategy, and Verification timeline for Promoting Sustainable Corporate Governance. We formulate risk management policies for significant risk issues and control risk changes through regular review meetings. This ensures the effectiveness of risk management plans and related operations while identifying business opportunities associated with these risks. These insights are used to develop the company's strategic development plans, and regular reports on operations are presented to the Board of Directors.
<b>2-17 Collective knowledge of the highest governance body</b> a. Report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development	2.2.2 Governance Structure: Educational and professional background of board members Board diversity	2	• Training Status of Board of Directors Members
<b>2-18 Evaluation of the performance of the highest governance body</b> a. Describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people.	• Board of Directors' Operational Status 1.1.1 ESG Organization and Responsibilities	2 6	8. Vision, Strategy, and Verification timeline for Promoting Sustainable Corporate Governance. Our Board of Directors conducts an annual performance evaluation in accordance with the Performance Evaluation Measures for the Board of Directors and Functional Committees. Additionally, for the year 2023, we have engaged an external professional independent organization, Diwan Financial Advisory Service Co., Ltd, to carry out an external performance evaluation of the Board of Directors and Functional Committees.



GRI Standard	ESG Corresponding Chapter	Page	Remark
<b>Governance</b>			
<b>2-19 Remuneration policies</b>	2.2.2Governance Structure • Director's remuneration • Remuneration Committee 6.4.1 Compensation and Benefits Policy and Performance	31 34 36 108	Compensation and Benefits Policy: Competitive compensation and benefits to attract and retain talent.
<b>2-20 Process to determine remuneration</b> a. Process for designing its remuneration policies.	2.2.2Governance Structure • Director's remuneration • Remuneration Committee 6.4.1 Compensation and Benefits Policy and Performance Compensation and Benefits Policy 6.4.2 Compensation System for the Board of Directors and Senior Management	31 34 36 108  109	
<b>2-21 Annual total compensation ratio</b>	Comparison of Entry-Level Employee Wages to Legal Minimum Wages in 2023 and the Gender Ratio of General Employees to Middle and Senior Management Over the Past Two Years	108	
<b>Practice of Strategy and Policy</b>			
<b>2-22 Statement on sustainable development strategy</b> a. A statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development.	0_Statement from Chairman – Sustainable Development Strategy	2	
<b>2-23 Policy commitments</b> a. Describe its policy commitments for responsible business conduct b. Describe its specific policy commitment to respect human rights	6.1 Talent Cultivation Policy and Commitment • Corporate sustainable development policy	100	Commitment to Implement Eight Human Rights Policies
<b>2-24 Embedding policy commitments</b> a. Describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships	• List and management of 14 material topics	163	
<b>2-25 Processes to remediate negative impacts</b> a. Negative impacts that the organization identifies it has caused or contributed to. b. Describe its approach to identify and address grievances.	6.5 Human Right Protection: Listen to our employees 6.5.4 Diverse Communication Channels 6.5.6 Employee Whistleblowing/ Complaint Mechanism	114 117 118	
<b>2-26 Mechanisms for seeking advice and raising concerns</b>	1.2 Communication and Analysis of Concerns from Stakeholders	9	Communication Channels for Stakeholder Concerns
<b>2-27 Compliance with laws and regulations</b> a. Report the total number of significant instances of non-compliance with laws and regulations during the reporting period	2.4.3 Legal compliance	41	
<b>2-28 Membership associations</b>	7.2 Participation of external organizations	155	
<b>Stakeholder</b>			
<b>2-29 Approach to stakeholder engagement</b> a. Describe its approach to engaging with stakeholders	1.1 Stakeholder Organization and Identification 1.2 Communication and Analysis of Concerns from Stakeholders	6 9	

GRI Standard	ESG Corresponding Chapter	Page	Remark
<b>Stakeholder</b>			
<b>2-30 Collective bargaining agreements</b> a. Report the percentage of total employees covered by collective bargaining agreements	6.5 Human Right Protection: Listen to our employees	114	No Collective Agreements, but Labor-Management Meetings
<b>Material Topics</b>			
• Material Topics	1.2.2 Identification of Stakeholder Concerns and Direct Impact Analysis	11	
3-1 Process to determine material topics	1.3 Prioritization and Response to material topics	12	
3-2 List of material topics	1. Sustainability Management	5	
a. List of Material Topics	1.4.1 Influence of Sustainable Business	16	
b. Report changes to the list of material topics	1.4.2 Risk Management of Material Topics	17	
	• Report Summary and Scope	3	
	• Changes in reporting	4	
3-3 Management of Material Topics	• List and management of 14 Material Topics	163	Appendix 2-1

## • List of 14 Material Topics and Corresponding ESG Chapters

Item	GRI Standards	ESG Corresponding Chapter	Page	Remark
<b>1. Operational Performance</b>				
201	Topic Disclosure	3.1 Operational Performance and Challenges • Operational strategies and management	56	Operational Performance Policy Management
201-1	Direct economic value generated and distributed	• Operating Results of Generating and Distributing Direct Economic Value in the Past Three Years	-	• Percentage of Revenue Derived from Units Produced by Product Category
201-2	Financial implications and other risks and opportunities due to climate change	5. Green Production • Types of Climate Change Risks, Potential Operational Impacts, and Adaptation Methods	79	Governance, Strategy, Risks, and Key Performance Indicators related to Climate Change
201-3	Defined benefit plan obligations and other retirement plans	6.4.1 Compensation and Benefits Policy and Performance 6.4.2 Retirement Scheme 6.4.4 Diversified Welfare System	108 109 111	
201-4	Financial assistance received from government	3.2 Tax Policy	62	
202	Market Presence	• Operational strategies and management policy	-	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	6.4.1 Compensation and Benefits Policy and Performance Comparison of Entry-Level Employee Wages to Legal Minimum Wages in 2023 and the Gender Ratio of General Employees to Middle and Senior Management Over the Past Two Years	108	
202-2	Proportion of senior management hired from the local community	7.1 Policies and Management Systems • Providing Employment Opportunities for the Community	152	
207	Tax	3.2 Tax Policy	62	
416-2	Customer Health and Safety	4.6 Ethical Procurement	76	Free from harmful substances and conflict minerals

Item	GRI Standards	ESG Corresponding Chapter	Page	Remark
<b>1.Operational Performance</b>				
417	Marketing and Labeling: Requirements for product and service information and labeling	3.5 Product Quality and Delivery	65	
<b>2. Integrity management</b>				
2-15	Conflict of Interests	2.3 Ethical Business Practice 2.3.1 Integrity management 2.3.2 Effectiveness of Implementation • Whistleblowing/Complaint Mechanism	38 38 39	Policy and system of ethical business practice
<b>3.Risk Management</b>				
2-25	Processes to remediate negative	6.5 Human Right Protection: Listen to our employees 6.5.4 Diverse Communication Channels 6.5.6 Employees Whistleblowing/ Complaint Mechanism	114  117 118	
TCFD	Task Force on Climate-Related Financial Disclosure	<b>5. Green Production</b> • Types of climate change risks, potential operational impacts, and adaptation methods	79	Governance, Strategy, Risks, and Key Performance Indicators related to Climate Change
<b>4. Shareholder's Rights and Interests</b>				
2-18	Evaluation of the performance of the highest governance body	• Board of Directors' Operational Status 1.1.1 ESG Organization and Responsibilities	31 6	
201	Economic Performance: Topic Disclosure	3.1 Operational Performance and Challenges • Operational strategies and management policy	56	Operational Performance Policies and Management
201-1	Direct economic value generated and distributed	• Direct economic value generated and distributed in the past three years	-	• Percentage of Revenue Derived from Units Produced by Product Category
201-2	Financial implications and other risks and opportunities due to climate change	<b>5. Green Production</b> • Types of climate change risks, potential operational impacts, and adaptation methods	79	Governance, Strategy, Risks, and Key Performance Indicators related to Climate Change
201-4	Financial assistance received from government	3.2 Tax Policy	62	
<b>5.Labor Relations</b>				
401	Labor Relations: Topic Disclosure	6.1 Talent Cultivation Policy and Commitment	100	
401-1	New employee hires and employee turnover	6.2 Human Resources Structure	2	
401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	6.4 Compensation and Benefits 6.4.3 Retirement Scheme 6.4.5 Diversified Welfare System	101 116 117	
401-3	Parental leave	6.4.4 Parental leave	110	
402	Labor Relations: Topic Disclosure	6.1 Talent Cultivation Policy and Commitment	100	
402-2	Discrimination Incidents and Corrective Actions Taken by the Organization	6.5.4 Minimum Notice Period for Operational Changes	117	

Item	GRI Standards	ESG Corresponding Chapter	Page	Remark
5.Labor Relations				
404	Training and Education	6.3 Talent Training and Development 6.3.1 Performance Management and Employee Development	105 107	
405	Diversity and Equal Opportunities: Topic Disclosure	6.1 Talent Cultivation Policy and Commitment	100	
405-1	Diversity of governance bodies and employees	6.5 Human Right Protection: Listen to our employees	114	
405-2	Ratio of basic salary and remuneration of female to male	6.4.1 Compensation and Benefits Policy and Performance	108	
6.Legal Compliance				
2-27	Legal Compliance	2.4.3 Legal Compliance	41	
7.Morals and Ethics				
2-15	Conflict of Interests	2.4 Business Philosophy, Ethics, Legal compliance. 2.4.1 Business Philosophy 2.4.2 Ethical Principles legal compliance • Anti-bribery and Anti-corruption	40 40 40 41	
8.Human Right Protection				
406	Non-discrimination: Topic Disclosure	6.5.1 Human Right Protection	114	
406-1	Incidents of discrimination and corrective actions taken	6.5.2 Human Rights and Non-discrimination Implementation of human rights indicators in the past two years	116	
408	Child Labor Operations and suppliers at significant risk for incidents of child labor	We are committed to implementing eight human rights policies 1. No employment of child labor under the age of 15.	116	
409	Forced or Compulsory Labor: Topic Disclosure	6.5.1 Respect for human rights	114	Our company's operations have no incidents of forced or compulsory labor.
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Implementation of various human rights indicators over the past two years	-	
9.Health and Safety				
403	Occupational health and safety: Occupational health and safety management system	• Major Occupational Safety and Health Policies and Management Principles	120	Implementation of ISO 45001 International Standard for Occupational Health and Safety Management System • Flowchart for Risk Assessment Occurrences/Duration of On-site Medical Service by Physicians and Nurses in the last three years • Occupational Safety and Health Educational Training
403-1	Hazard identification, risk assessment, and incident investigation	6.7 Comprehensive healthcare	143	
403-2	Occupational health services	6.6.2 Occupational Safety and Health Committee.	125	
403-3	Worker participation, consultation, and communication on occupational health and safety	6.7.3 Health Promotion and Sustainable Well-being	146	
403-4	Worker training on occupational health and safety	6.6.3 Workplace Environment Measurement.	127	
403-5	Promotion of worker health	6.6.6 Emergency Response and Drills	135	
403-6	Prevention and mitigation of Occupational health and safety impacts			
403-7				
403-8	Workers covered by an occupational health and safety management system	6.6.2 Occupational Safety and Health Committee.	125 127	• Number of Occupational Health and Safety Certifications • Occupational Accident Statistics for the Past Three Years • No Cases of Occupational Diseases in 2023 Health Examinations
403-9	Work-related injuries	6.6.4 Occupational Accident Statistics.	144	
403-10	Work-related illness	6.7.2 Employee Health Risk Prevention		



Item	GRI Standards	ESG Corresponding Chapter	Page	Remark
10. Customer Privacy				
418	Customer Privacy: Topic Disclosure	3.4 Customer Privacy Policy and Management Principles.	64	Policy: Protection of Customer Privacy • No Instances of Customer Privacy Breach Resulting in fines or compensation for Kinsus Interconnect Tech Corp. in 2023.
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	We adhere to the ethical policy of "Personal Privacy data protection and the confidentiality of Customer and Supplier Business Information."	-	
11. Environmental Protection				
302-4	Reduction of energy consumption	Short/Medium/Long-Term Energy Saving Goals (Reduction)	80	
303	Water and Effluent: Topic Disclosure	5.4 Water Resources Management	87	• Measures for Preventing Water Pollution • Water Consumption chart for the last two years
303-1	Interactions with water as a shared resource Management of water discharge related impacts Water withdrawal	• Water Resources Risk Management.	87	
303-2		• Wastewater Management Measures.	89	
303-3		5.4 Water Resources Management	87	
		• Water Resources Utilization • Water Conservation Measures	88 89	
306	Effluent and Waste: Topic Disclosure	5.1 Environmental Protection Policy and Commitment	83	Establishment of Business Waste
306-3	Waste Generated	5.5 Waste Management. Requirements for waste disposal and recycling. • Converting waste into energy	91	Management Procedures Waste Statistics for the Past Two Years.  Outsourcing waste management to legal contractors.
308	Supplier Environmental Assessment: Topic Disclosure	4.1 Policy and commitment of supplier management	70	Preparation of Supplier Management Operational Manual for Supplier Quality Assessment and RBA Social Responsibility Audits (including Environmental aspects)
308-1	New suppliers that were screened using environmental criteria	4.5 Social responsibilities of supplier	75	
308-2	Negative environmental impacts in the supply chain and actions taken			
		Note: Through the "Code of Conduct for Social Responsibility," suppliers are required to comply with sustainability standards, including environmental impact issues. In the year 2023, a total of 21 questionnaires were collected for assessment. Suppliers with potential risks will be continuously requested to make improvements. (19 suppliers were evaluated on-site but not included in GRI 414.)		
414	New suppliers that were screened using social criteria: Topic Disclosure	4.1 Policy and commitment of supplier management	70	1. We have developed a Supplier Management Operating Procedures Manual to conduct RBA social responsibility audits (including social responsibility) for new suppliers 2. We take actions such as reminders and audits regarding working hours, safety, labor disputes, and other related issues concerning their employees for suppliers located in the local area.
414-1	New suppliers that were screened using social criteria	4.5 Social responsibilities of supplier	75	
414-2	Negative social impacts in the supply chain and actions taken	A total of 19 suppliers identified as high-risk were assessed on-site in 2023. (21 questionnaires were not included in GRI 308.)		
12. Energy Saving and Carbon Reduction				
302	Energy: Topic Disclosure	5.1 Environmental Protection Policy and Commitment	83	
302-1	Energy consumption within the organization Energy consumption outside of the organization Energy intensity Reduction of energy consumption Reductions in energy requirements of products and services	5.2 Climate Change and Low-Carbon Manufacturing	84	
302-2		• Greenhouse Gas Policy and Emissions		
302-3				
302-4				
302-5				
305	Emission: Topic Disclosure	5.1 Environmental Protection Policy and Commitment	83	
305-1	Direct (Scope 1) GHG emissions	5.2 Climate Change and Low-Carbon Manufacturing	84	
305-2	Energy indirect (Scope 2) GHG emissions			

Item	GRI Standards	ESG Corresponding Chapter	Page	Remark
<b>13. Customer Service and Satisfaction</b>				
416	Topic Disclosure	3.3 Customer Management and Service	83	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.6 Ethical Procurement 3.5 Product Quality and Delivery Management Policy	76 65	Free from harmful substances and conflict minerals
417	Topic Disclosure	3.5 Product Quality and Delivery	65	
417-1	Requirements for product and service information and labeling	Management Measures for Product Quality and Delivery • Three-Dos principle: Comply with customer requirements for the health and safety specifications of products and services, as well as the labeling of product and service information.	66	
<b>14. Product Quality and Delivery Date</b>				
417	Marketing and Labeling: Topic Disclosure	3.5 Product Quality and Delivery	65	
417-1	Requirements for product and service information and labeling	Management Measures for Product Quality and Delivery • Three-Dos principle: Comply with customer requirements for the health and safety specifications of products and services, as well as the labeling of product and service information.	66	
416	Customer Health and Safety: Topic Disclosure	3.3 Customer Management and Service	62	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.6 Ethical Procurement 3.5 Product Quality and Delivery Management Policy	76 65	Free from harmful substances and conflict minerals

## Appendix 3: SASB Index

### Hardware Manufacturing Industry: Sustainability Accounting Standards Board and 2023 ESG Report Corresponding Index

Topic	Code	Accounting Metrics	Category	Unit of Measurement	Chapter/ Page
<b>Product Security</b>	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Discussion/ Analysis	N/A	2.6 Information Security
<b>Employee Diversity &amp; Inclusion</b>	TC-HW-330a.1	Percentage of gender and racial/ ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Quantitative	Percentage (%)	6.2 Distribution of manpower structure 2023 Distribution of manpower structure (1) Direct Labor : Female/Male Ratio 15.86% / 23.36% (2) Indirect Labor : Female/ Male Ratio (Include Managerial Personnel) 7.2% / 20.03% (3) Foreign Labors : Female/Male Ratio 15.48% / 13.72%

Topic	Code	Accounting Metrics	Category	Unit of Measurement	Chapter/ Page
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage (%)	N/A
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Quantitative	Percentage (%)	N/A
	TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	Quantitative	Percentage (%)	N/A
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Quantitative	mt Percentage (%)	N/A
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Quantitative	Percentage (%)	Supplier VAP (Vendor Assessment Program) audit has not been implemented. Instead, we dispatch personnel to conduct audits at suppliers in accordance with RBA (Responsible Business Alliance) standards.
	TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	Quantitative	Speed	<ul style="list-style-type: none"> <li>Implementation of Social Responsibility Self-Assessment for Suppliers</li> <li>In 2023, Kinsus Interconnect Tech Corp. completed social responsibility self-assessment for 21 medium-risk suppliers, with a completion rate of 42%. On-site audits and the implementation of improvements for identified issues have not been actioned yet.</li> </ul>
Material Procurement	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Discussion/ Analysis	N/A	<b>4.6 Ethical Procurement /5- 6 ~ 7</b> <ul style="list-style-type: none"> <li>Non-Usage of Harmful Substances</li> <li>Responsible Mineral Procurement</li> </ul>

Table 2: Activity Metrics

Topic	Code	Accounting Metrics	Category	Unit of Measurement	Chapter/ Page
Product Lifecycle Management	TC-HW-000.A	Number of units produced by product category	Quantitative	Quantity	<b>3.1 Operational Performance and Challenges</b> •Production Capacity, Output, and Value by Product Category/ 3-5(Note: Product composition may affect output, so output figures are provided for reference only)
	TC-HW-000.B	Area of manufacturing facilities	Quantitative	Square Meter m <sup>2</sup>	Not Counted
	TC-HW-000.C	Percentage of production from owned facilities	Quantitative	Percentage (%)	Not Counted

## Appendix 4: Independent Assurance Opinion Statement

**DNV**

**Independent Assurance Statement**

**Scope and Approach**

Kinsus Interconnect Technology Corp. ("Kinsus" or "the Company") commissioned **DNV Business Assurance Co., Ltd.** ("DNV") to undertake independent assurance over the 2023 Sustainability Report for the year ended 31 December 2023 ("the Report").

The Report is prepared with reference to the reporting principles and requirements of the Global Reporting Initiative (GRI) Standards, which also serve as the basis of our verification. We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing the evaluation of reporting principles with a Type 1, Moderate level of assurance, according to the AA1000 Assurance Standard v3. The Report also incorporated the relevant sustainability reporting guidelines, such as Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, Marine Transportation SASB Standards, and TCFD.

We understand that the reported financial data and information are based on the data from the Company's Annual Report and Accounts, which are subject to a separate independent audit process. The Green House Gases Emission has been verified by third party, we tested transposition from these sources to the report. The review of financial data and GHG data is not within the scope of our work.

**Responsibilities of the Directors of Kinsus and of the Assurance Providers**

The Directors of Kinsus have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of Kinsus; however, our statement represents our independent opinion and is intended to inform all of Kinsus' stakeholders.

DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

DNV's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

**Basis of Our Opinion**

A multi-disciplinary team of sustainability and assurance specialists performed work at the Company level. We undertook the following activities:

- Review of the current sustainability issues that could affect Kinsus and are of interest to stakeholders.
- Review of Kinsus' stakeholder engagement approach and recent outputs.
- Review of information provided to us by Kinsus on its reporting and management processes relating to the Principles.
- Interviews with selected senior managers responsible for the management of sustainability issues and review of selected evidence to support the issues discussed.
- Visits to Kinsus' headquarter in Taoyuan to assess processes and systems for preparing data and implementing sustainability strategies.
- Review of supporting evidence for key claims and 2023 data in the Report, as reported information beyond 2023 is not within the scope of the current engagement. Our checking processes were prioritised according to materiality, and we based our prioritisation on the materiality of issues at the consolidated corporate level.
- Review of the processes for gathering and consolidating the data and, for a sample, checking the data consolidation. Where data of financial performance had been checked by another third party, we tested the transposition from these sources to the Report.
- An independent assessment of Kinsus' reporting according to the Global Reporting Initiative (GRI) Sustainability Reporting Standards.
- The verification was conducted based only on the Chinese version Report.

**DNV**

**Opinion**

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe Kinsus' adherence to the Principles. In terms of reliability of the performance data, in accordance with Moderate level assurance requirements, nothing came to our attention to suggest that these data have not been properly collated from the information reported at the operational level nor that the assumptions used were inappropriate.

**Observations**

Without affecting our assurance opinion, we also provide the following observations:

- According to GRI standard, the significance of an impact is the sole criterion to determine whether a topic is material for reporting. Kinsus can reconsider the need to report on identified sub-material topics, or it can group identified sub-material topics into material topics to help align reporting with GRI standard.
- For the Climate-related Financial Disclosures, it is suggested to further analyse the specific financial impacts, that can weaken companies' market position, resulting in lower revenues, higher costs, and narrower margins.
- With the global goal of net-zero emissions in 2050, it is recommended that carbon reduction targets take the total carbon emissions in the base year as the baseline, set short-term and long-term carbon reduction targets, and corresponding carbon reduction roadmap.

**Stakeholder Inclusiveness**

The Company has identified the expectations of stakeholders through internal mechanisms in dialogue with different groups of stakeholders. The stakeholder concerns are identified and documented, and the significant sustainability issues identified through this process are reflected in the Report.

**Sustainability Context**

The Report provides an accurate and fair representation of the level of implementation of related corporate sustainability policies and refers the content requirements of the GRI Standards.

**Materiality**

The process developed internally has not missed out any significant, known material issues, and these issues are fairly covered in the Report. A methodology has been developed to evaluate the priority of these issues.

**Completeness**

The Report covers performance data reference the GRI Standards indicators that are identified as material within the Company's reporting boundary. The information in the Report includes the Company's most significant initiatives or events that occurred in the reporting period.


**Accuracy and Reliability**


The Company has developed the data flow for capturing and reporting its sustainability performance. In accordance with Moderate level assurance requirements, we conclude that no systematic errors were detected which causes us to believe that the specified sustainability data and information presented in the Report are not reliable.


**Impact and Responsiveness**

The Company presents the impacts related to its identified material topics by measuring and monitoring impacts through appropriate performance metrics demonstrating outcomes and outputs of its value creation processes. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Impact and Responsiveness.

**For and on behalf of DNV Taiwan**  
Date: 13 June 2024

  
Chun-Nan Lin  
Lead Verifier  
Business Assurance  
DNV Taiwan  
Statement Number: C688643-2023-AG-TWN-DNV

  
David Hsieh  
District Manager,  
Business Assurance  
DNV Taiwan

 **AA1000**  
Licensed Assurance Provider  
000-10