



2024

SUSTAINABILITY REPORT

Contents

00

Message from Top Management	3
Summary and Scope of the Report	5

01 Practice

1.1 Stakeholder Organization and Identification	9
1.2 Communication and Analysis of Issues of Concern to Stakeholders and Process to Determine Material Topics	13
1.3 Sorting and Response after Identification of Material Topics	17
1.4 Influence of Sustainable Management	21
1.5 Fulfilling the Sustainable Development Goals	26

02 Corporate Governance & Integrity Management

2.1 Company at A Glance	31
2.2 Corporate Governance	35
2.3 Integrity Management	43
2.4 Business Philosophy, Ethics and Compliance	45
2.5 Internal Audit and Management Verification System	49
2.6 Information Security	52
2.7 Risk Management System	57

03 Operational Performance, Stakeholders' Rights Customer Service and Product Quality

3.1 Operational Performance and Challenges	60
3.2 Tax Policy	65
3.3 Customer Relationship Management	66
3.4 Customer Privacy	68
3.5 Product Quality	69



04 Sustainable Supply Chain Management

4.1 Supplier Management Policy and Commitment	74
4.2 Industrial Supply Chain	76
4.3 Supplier Composition and Categories	76
4.4 Supplier Management	77
4.5 Ethical Procurement	82

05 Green Production

5.1 Climate Action	84
5.2 Environmental Policies and Commitments	92
5.3 Greenhouse Gas Emissions and Energy Resource Management	94
5.4 Renewable Energy and Resource Conservation / Efficiency	98
5.5 Water Resource Management	99
5.6 Waste Management	104
5.7 Air Pollution Prevention and Control	107
5.8 Promotion of Environmental Sustainability	107
5.9 Environmental Greening and Beautification	111

06 Friendly Workplace

6.1 Talent Policy and Commitment	113
6.2 Human Resource Structure	115
6.3 Talent Cultivation and Development	121
6.4 Compensation and Benefits	124
6.5 Human Right Protection: Listen To Our Employees	131
6.6 Workplace Health and Safety	137
6.7 Damage Prevention Performance	169

08 Appendix

Appendix 1: ESG PERFORMANCE	187
Appendix 2: GRI Standards (2021) and 2024 ESG Report Corresponding Index	190
Appendix 3: SASB Index	195
Appendix 4: ESG Disclosure Topics —Semiconductor Industry	197
Appendix 5: Climate-Related Disclosure	198
Appendix 6: Independent Assurance Statement	202

07 Shared Prosperity with Society

7.1 Social Engagement	180
7.2 Participation in External Organizations	181
7.3 Social Welfare Activities	182



Message from Top Management

Sustainability Strategy

In 2024, industries worldwide continue to face severe challenges arising from geopolitical tensions and inflationary pressures. Armed conflicts in the Middle East and Eastern Europe persist, while the intensifying technological and trade rivalry between the United States and China hampers global economic recovery under a high-interest-rate environment. Weak demand, compounded by rising electricity prices, the implementation of carbon fees, and growing concerns over power stability in Taiwan, has placed significant pressure on business operations. Furthermore, the global decarbonization movement has accelerated regulatory demands, compelling companies not only to enhance operational efficiency but also to strengthen resilience and sustainability strategies. The semiconductor industry currently stands at the intersection of inventory adjustment and technological transformation. With TSMC progressing toward 2nm volume production, Kinsus Technology has made substantial investments in recent years to meet the rising demand for advanced AI packaging substrates. These investments include building new production sites, upgrading existing facilities, enhancing R&D capabilities, and advancing equipment smartization and automation—embracing both the challenges and opportunities of transformation.

Kinsus remains dedicated to the innovative development of IC substrates, with a product portfolio that spans high-end applications such as System-in-Package (SiP) substrates, RF modules, and Flip-Chip Ball Grid Array (FCBGA) substrates. We firmly believe that technological innovation and environmental sustainability are not contradictory but complementary. By implementing green product management—including compliance with environmental regulations, hazardous-substance-free procurement, and green supply chain practices—we not only reduce environmental impact but also enhance product value and global competitiveness.

Amid global sustainability trends, Taiwan officially upgraded the Environmental Protection Administration to the Ministry of Environment in August 2023, strengthening carbon management and resource governance. From 2024, listed companies in Taiwan are required to conduct greenhouse gas inventories in accordance with ISO 14064-1, with a national carbon fee system to be implemented in 2025. Taiwan is also gradually aligning with global carbon pricing mechanisms. Kinsus has completed its GHG inventory and exceeded its previous carbon reduction targets. The Company has also obtained ISO 14067 product carbon footprint certification and is actively adopting renewable energy and energy-efficient systems in response to decarbonization and carbon pricing risks. Budgets are allocated based on emission hotspots to phase out high-energy-consuming equipment and replace it with energy-efficient technologies, improving electricity efficiency. In 2023, Kinsus achieved an energy saving of 4.73 million kWh and was recognized with the TSMC ESG Award. The Company continues to collaborate with TSMC to promote these results across its supply chain partners.

Kinsus has continued to strengthen its ESG governance structure. Since focusing on environmental sustainability topics in 2023, the Company has expanded its ESG coverage in 2024 to include corporate governance and risk management. The ESG Committee plays a key role in enhancing cross-departmental collaboration and drives progress on environment, social, governance, and climate-related goals. The Committee also reports its implementation status to the Board of Directors quarterly, reinforcing internal governance and continuous improvement. To further enhance the Company's risk management capabilities, a Risk Management Team was established in 2024. The team conducts a comprehensive review of governance-related risks and has implemented the ISO 27001:2022 information security management system,

increasing the integrity of the Company's cybersecurity framework and the protection of critical operational data. This also strengthens the protection of customer privacy and confidentiality. Moreover, Kinsus has reinforced sustainable supply chain auditing, continuously reviewing and improving on aspects such as labor rights, health and safety, and management systems, thereby fostering a resilient and responsible supply network.

Upholding the core values of "Integrity, Thrift, and Lean Operations," Kinsus is committed to enhancing corporate governance and transparency, safeguarding employee health and safety, and actively engaging in community welfare, education, and environmental initiatives. These efforts include promoting a digital transformation of occupational safety management—such as contractor management dashboards and RPA systems—as well as projects like "fire compartment improvement engineering" and "sprinkler systems in ducting and high-risk equipment areas," demonstrating our commitment to corporate social responsibility. In addition to maintaining robust employee benefits, the Company also offers education subsidies for employees' children. Sustainable development is not a short-term task but a long-term journey that must be undertaken in partnership with all employees and stakeholders. We will continue to operate with integrity and advance toward the vision of "Green Manufacturing, Responsible Supply Chains, and Shared Prosperity."

Amid rapid industry evolution and the global wave of sustainability, Kinsus will remain steady, agile, and innovative, injecting sustainable and efficient value into the global supply chain.



Chairman 廖賜政

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 eleventh 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

For the year 2024 (from January 1 to December 31, 2024), consistent with the financial reporting period, this report discloses Kinsus Technology's ESG sustainability management practices. It covers the identification and organization of stakeholders, communication and analysis of key topics, prioritization and response to material topics, evaluation of sustainability impacts and associated risks, alignment with the United Nations Sustainable Development Goals (UN SDGs), continuity planning, and the management approaches and performance metrics related to material ESG topics. Certain content has been enhanced to improve readers' understanding of the disclosed information. The Company will continue to revise and publish the ESG Report on an annual basis.

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
- ◆ Rules Governing the Preparation and Filing of Sustainability Reports by listed and OTC Companies
- ◆ Corporate Social Responsibility practice principles for listed and OTC firms

Changes in reports

Compared to the previous year's report, the following adjustments and enhancements have been made based on the latest sustainability disclosure trends and internal management needs:

| Update of Material Topics:

Material topics were re-identified in accordance with the GRI Standards 2021. A new stakeholder survey and materiality matrix analysis were conducted. For newly added topics, please refer to Section 1.2: Communication and Analysis of Stakeholders'

Concerns and Topic Identification Process. These updates reflect the Company's operational trends and external expectations.

| Improved Information Transparency:

Management approaches, objectives, and KPI tracking for each material topic are presented in the corresponding sections. Highlight sections have also been added to improve readability and stakeholder comprehension.

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 2022 to 2024.

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: The financial data presented in this report are based on the consolidated financial statements (including subsidiaries; refer to pages 20–23 of the 2024 Consolidated Financial Report), audited and attested by Ernst & Young CPAs.

ESG Sustainability Report: This ESG Report has been independently verified by the British Standards Institution (BSI), an international third-party assurance provider, in accordance with Type I of the AA1000AS v3 assurance standard. The Report complies with the disclosure requirements of the GRI Sustainability Reporting Standards. An independent assurance statement issued by BSI is provided in Appendix 6. Internationally recognized metrics have been adopted, and any estimations are disclosed in the relevant sections.

Publication Frequency

The report is generated on an annual basis.

The current edition (2024) is scheduled to be released by August 2025.

The last edition was released in August 2024.

The next edition is planned to be released by August 2026.

Contact Window

Contact: Sustainability Office of KINSUS INTERCONNECT TECHNOLOGYP.
CORP.

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

TEL: 03-4871919 #23501 Fax: 03-4871920

E-mail: chrischen@kinsus.com.tw



01

Practice Sustainable Management

- 1.1 Stakeholder Organization and Identification
- 1.2 Communication and Analysis of Issues of Concern to Stakeholders and Process to Determine Material Topics
- 1.3 Sorting and Response after Identification of Material Topics
- 1.4 Influence of Sustainable Management
- 1.5 Fulfilling the Sustainable Development Goals
 - Kinsus's Sustainable Development Goals in the Direction and Actions of ESG Sustainability Report
 - Kinsus Sustainability Goals — 2024 Performance Highlights



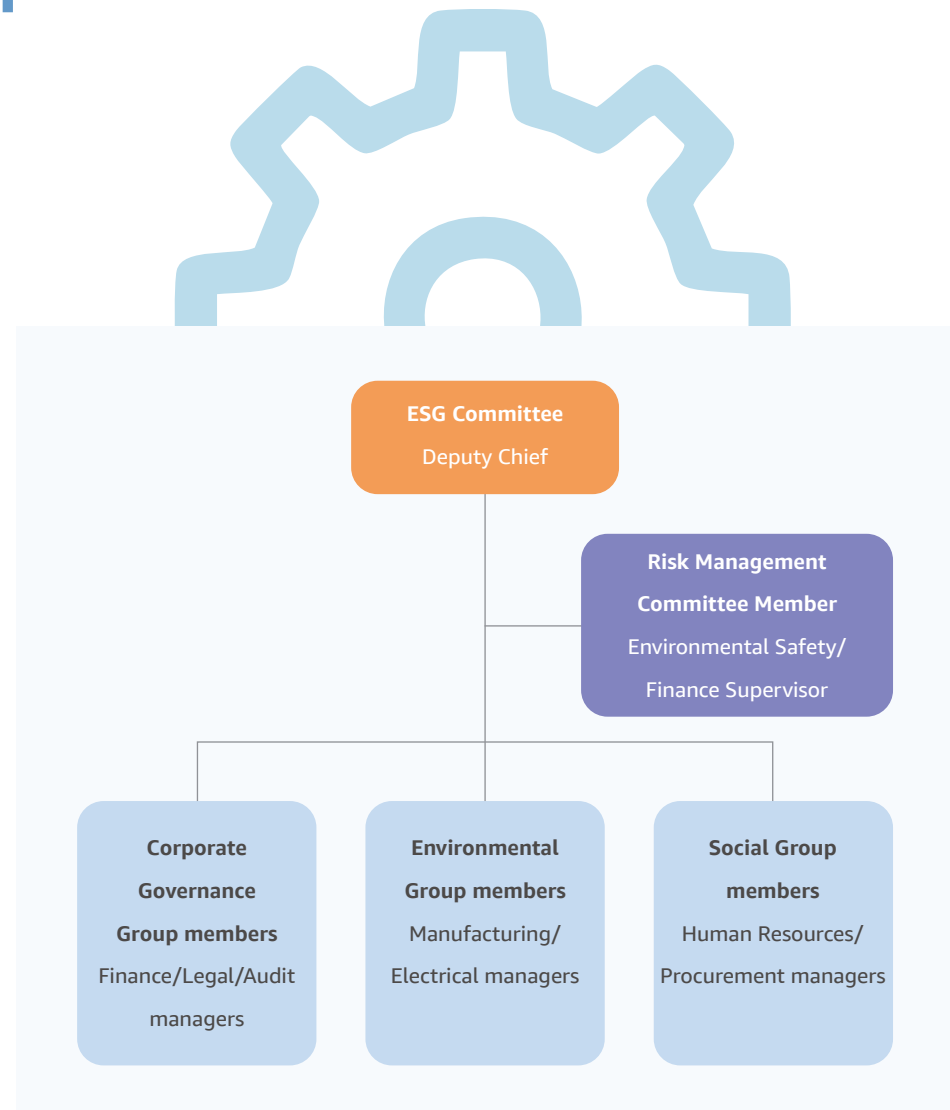
01 Practice Sustainable Management

1.1 Stakeholder Organization and Identification

1.1.1 ESG Organization and Responsibilities

Kinsus Technology has established relevant regulations in accordance with the Corporate Governance Best Practice Principles, recognizing that sustainable business operations require long-term, in-depth, and comprehensive engagement with stakeholders. Therefore, the Company actively establishes communication channels with various stakeholder groups to understand their concerns and maintain an ongoing focus on addressing material issues. This approach enables Kinsus to continuously revise and adjust its strategies for achieving sustainability goals as needed. Moreover, the Company is committed to full transparency in disclosing its efforts and contributions across corporate governance, economic performance, environmental stewardship, and social responsibility—including the protection of human rights. Through these actions, Kinsus demonstrates its determination to promote corporate sustainability and fulfill its corporate social responsibilities, while proactively responding to public expectations and enhancing its positive 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, including ESG corporate governance, economic performance, environmental stewardship, and social responsibility (including human rights).
- (5) Quarterly review meetings are convened to collectively discuss sustainability-related topics and evaluate the effectiveness of business initiatives. ESG-related tasks are carried out during regular operations, with participation in relevant activities.
- (6) Communication Procedure for Material Events with the Board of Directors: In addition to the Company's risk management mechanisms detailed in Section 2.7 of this Report, each department engages in routine communication with stakeholders through established channels. If a stakeholder issue or sustainability-related topic is identified as potentially posing significant adverse impact on the Company, the responsible department initiates due diligence. This investigation covers multiple aspects including financial implications, regulatory compliance, environmental concerns, and labor and human rights. The findings are reported to the General Manager and the Chairman. Based on the severity and potential harm to business operations, the Chairman determines whether the matter should be escalated to the Board of Directors. The Board then deliberates on the due diligence report and assigns execution to the appropriate department. No such potential major negative events occurred in 2024.



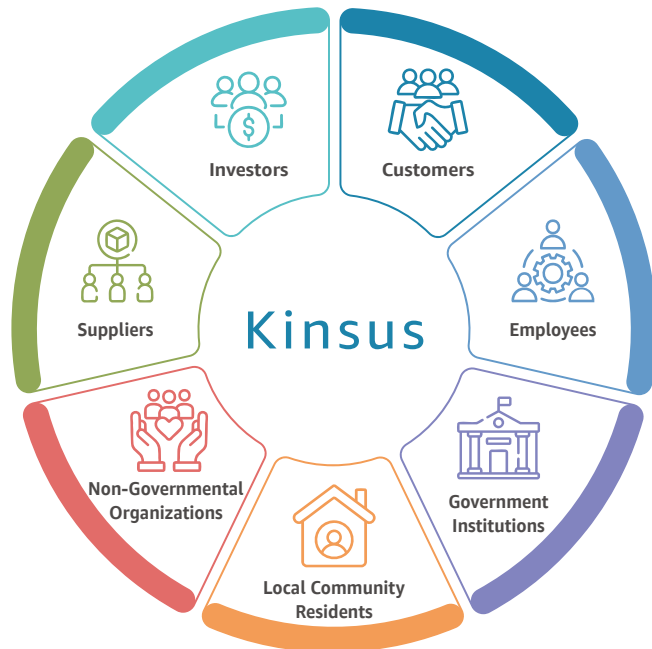
The organization of the above-mentioned ESG committee, the key ESG work items and responsible units of each category are as follows:

Categories		Key ESG Work Items	Responsible Unit	
Corporate Governance	Corporate Governance	Corporate Governance-financial Integrity management	Heads of Financial Department and Corporate Governance	
		Various management systems: financial/ISO/personnel management, etc.		
		Ethical Management System: Includes compliance with applicable laws and regulations, adherence to professional ethics, anti-corruption, and anti-bribery practices.	HR Department / Employees at all levels / Labor Representative	
		Information security	Information Technology Department	
		Risk management	ESG COMMITTEE, Safety & Health Department	
		Customer Privacy	Business Department	
		Sustainable Development Management Mechanism and Objectives	ESG COMMITTEE	
	Grievance Mechanism	Human Resources / Business Department / Audit Office / Spokesperson		
Economy	Business performance	Business Department		
Environment	Environmental Management// Energy conservation and Carbon Reduction	Greenhouse Gas Management (including carbon emissions)	Safety & Health Department	
		Workplace Environmental Management / System Energy Management Wastewater / Emissions / Waste Management Water Resource Management	Safety & Health Department Facility Engineering Department	
		Public area management system	Facility Engineering Department	
Society	Product	Sustainable Supply Chain Management	Material Department Facility Engineering Department	
		Product safety and customer relationship management	Business Department, Quality Assurance Department	
		Product quality Management and delivery	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	Facility Engineering Department	
Give back to the community and public welfare activities				

1.1.2 Identification of Major Stakeholders

Kinsus has identified seven key stakeholder groups based on six screening principles: Responsibility, Influence, Proximity, Dependency, Representation, and Policy/Strategic Intent. These stakeholders include investors (shareholders and banks), employees, customers, suppliers (including contractors), local community residents, government agencies, and NGOs / non-profit organizations / academic and research institutions. The Company actively listens to stakeholders through multiple communication channels, gathers stakeholder concerns, and responds to their expectations.

• The major stakeholders of the Company are as follows:



1.1.3 Communication Channels for Major Stakeholders

Kinsus has disclosed its corporate social responsibility information on the Company's official website, listing the communication channels and contact information for the seven key stakeholder groups. These are aligned with the respective material topics of concern. The relevant contact details are shown in the table below.

Category	Contact window and its concerned issues & complaint channels
For Employees	<p>Contact window: HR Department Email: polochen@kinsus.com.tw Topics of concern: Salary and benefits, training and development, safety and health, promotion channels, etc.</p> <p>Complaint channels TEL: +886-3-4871919 #22311 Complaint Hotline: +886-3-4871919 #27885 Mailbox: polochen@kinsus.com.tw Email: hr@kinsus.com.tw</p>
For Customers	<p>Contact window: Business Department Product Categories: ABF Email: henrylee@kinsus.com.tw Product Categories: BT Email: mangoliu@kinsus.com.tw Topics of concern: Product quality and delivery, customer privacy, customer service and satisfaction, etc.</p>
For Suppliers	<p>Contact window: Material Department Email: kellyher@kinsus.com.tw Topics of concern: Procurement specifications, green procurement, supplier management, etc.</p>
For Investors	<p>Contact window: Spokesperson Email: jackmu@kinsus.com.tw Topics of concern: Operational performance, corporate governance, risk management, shareholder rights, information disclosure, etc.</p>
For Government Institutions	<p>Contact window: Safety & Health Department Email: jonathanfan@kinsus.com.tw Topics of concern: Regulatory Compliance, Corporate Governance, Occupational Health and Safety, Environmental Protection, Labor Management Systems, etc.</p>
For Communities	<p>Contact window: Facility Engineering Department Email: charleshsueh@kinsus.com.tw Topics of concern: Environmental Protection, Community Relations, Public Welfare Activities (including Donations and Sponsorships), etc.</p>
For Non-Governmental Organizations	<p>Industry-Academia Collaboration Contact window: HR Department Email: polochen@kinsus.com.tw Non-Industry-Academia Collaboration Contact window: Sustainability Office Email: chrishchen@kinsus.com.tw</p>

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

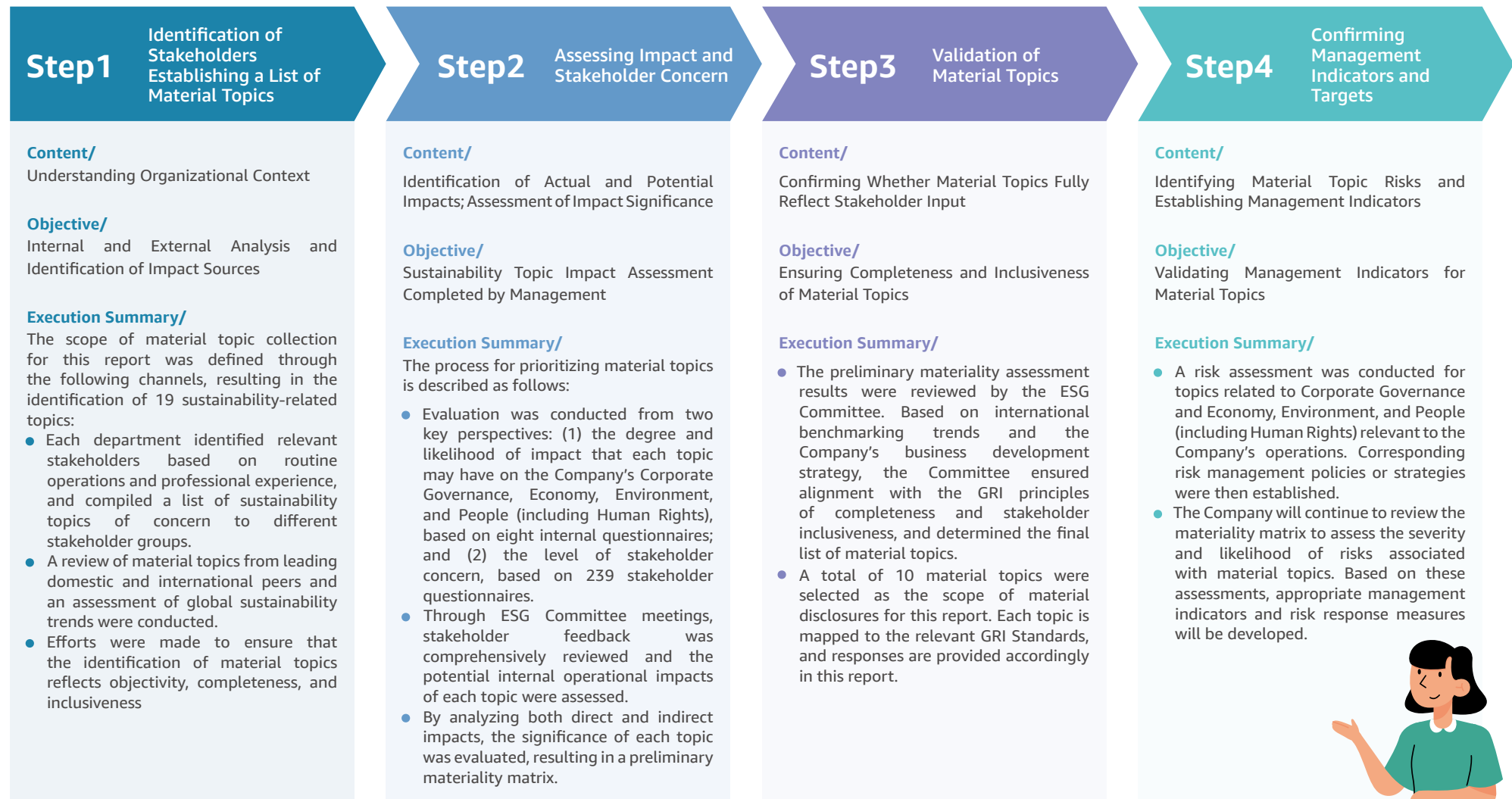
Kinsus collects sustainability-related issues based on sustainable development goals, industry norms and standards, and organizational annual objectives. Through various communication channels with stakeholders, represented by different departments, regular or ad hoc exchanges are conducted to assess the impact of the Company's operations and whether they will have an impact on the Company's operations. A total of 19 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, Regulatory Compliance, Integrity Management and Business Ethics, Human Rights Policy and Diversity & Inclusion	• Board of Directors	• At least 4 sessions / year
		• Shareholder's meeting / annual report	• 1 session / year
		• Public Disclosure on Market Observation Post System	• 1 time / year
		• Corporate website	• Monthly / quarterly / yearly
		• Investor Conferences	• Timely
Employees	Labor Relations, Talent Recruitment, Retention and Development, Occupational Health and Safety, and Health Promotion	• Two-way Communication Session	• Irregular
		• Labor-management Meeting	• 1 time per season
		• Education and Training Courses	• Irregular
		• Internal website / email notification / official document announcement / complaint mailbo	• Irregular
Customers	Product Quality, Customer Service and Satisfaction, Information Security, Regulatory Compliance, Energy Resource Management and Greenhouse Gas Emissions, Innovative Products and Services, and Green Manufacturing	• Customer Complaint Handling and Response	• Irregular
		• Customer Satisfaction Survey	• Annual
		• Client Meeting	• Irregular
		• Phone / email / website	• Irregular
Suppliers	Sustainable Supply Chain Management, Waste Management, Energy Resource Management and Greenhouse Gas Emissions	• Written audit	• Irregular
		• Written / on-site evaluation	• 1 time / year
		• On-site audit	• 1 time / year

Stakeholder	Issues of Concern	Main Communication Channel	Communication Frequency
Government Institutions	Regulatory Compliance, Corporate Governance, Occupational Health and Safety, Risk Management, Waste Management, Energy Resource Management and Greenhouse Gas Emissions, Labor Relations, Talent Recruitment, Retention and Development	• Official letter/ telephone consultation	• Irregular
		• Attend advocacy meetings	• Irregular
		• Regulatory briefing	• Irregular
		• Competent authority visits	• Regular / irregular
Communities	Environmental Protection, Social Engagement	• Environmental protection advocacy meeting	• Irregular
		• Public welfare activities	• Irregular
Non-Governmental Organizations	Energy Resource Management and Greenhouse Gas Emissions, Social Engagement, Information Security	• Industry-Academia Collaboration Activities	• Irregular
		• Sustainability-themed Seminars	• Irregular



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:



• The summary of changes in material topics between the previous year and 2024 is as follows:

2024 Material Topics List	2023 Material Topics List	Explanation of Changes
Business Performance and Shareholder Rights	Business Performance	Merged into Business Performance and Shareholder Rights
	Shareholder Rights	Merged into Business Performance and Shareholder Rights
Integrity Management and Business Ethics	Integrity Management	Merged into Integrity Management and Business Ethics
	Business Ethics	Renamed and merged into Integrity Management and Business Ethics Management and Business Ethics
Risk Management	Risk Management	Retained as a continuing material topic from 2023
Labor Relations, Talent Recruitment, Retention, and Development	Labor Relations	Added: Labor Relations, Talent Recruitment, Retention, and Development
Regulatory Compliance	Regulatory Compliance	Retained as is
	Human Rights Protection	Removed from the list
Occupational Health and Safety, and Health Promotion	Occupational Health and Safety	Renamed and expanded to include Health Promotion
Information Security	Customer Privacy	Added Information Security and integrated Customer Privacy
	Environmental Protection	Removed from the list
Climate Change Adaptation	Energy Conservation and Carbon Reduction	Renamed
Customer Relationship Management and Product Quality	Customer Service and Satisfaction	Renamed
	Product Quality	Merged into Customer Relationship Management and Product Quality
Sustainable Supply Chain Management		Retained as is

- 1.1 Stakeholder Organization and Identification
- 1.2 Communication and Analysis of Issues of Concern to Stakeholders and Process to Determine Material Topics**
- 1.3 Sorting and Response after Identification of Material Topics
- 1.4 Influence of Sustainable Management
- 1.5 Fulfilling the Sustainable Development Goals
- Kinsus's Sustainable Development Goals in the Direction and Actions of ESG Sustainability Report
- Kinsus Sustainability Goals – 2024 Performance Highlights

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 2024 ESG Committee determined the direct or indirect impacts of the concerns as follows:

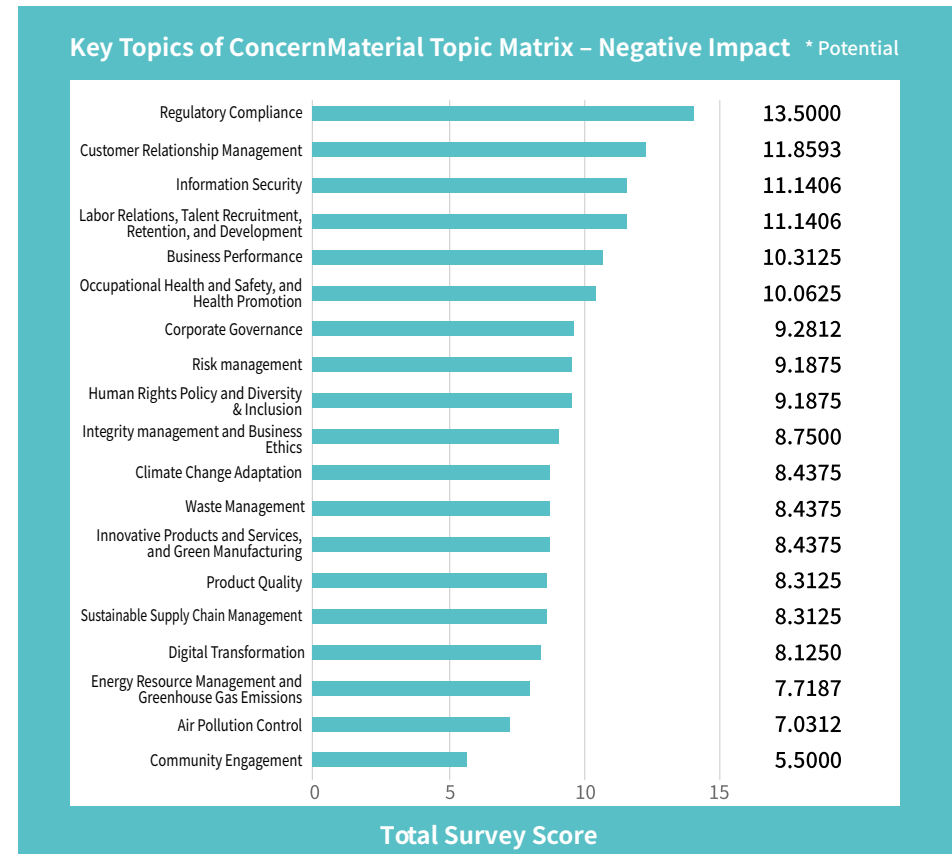
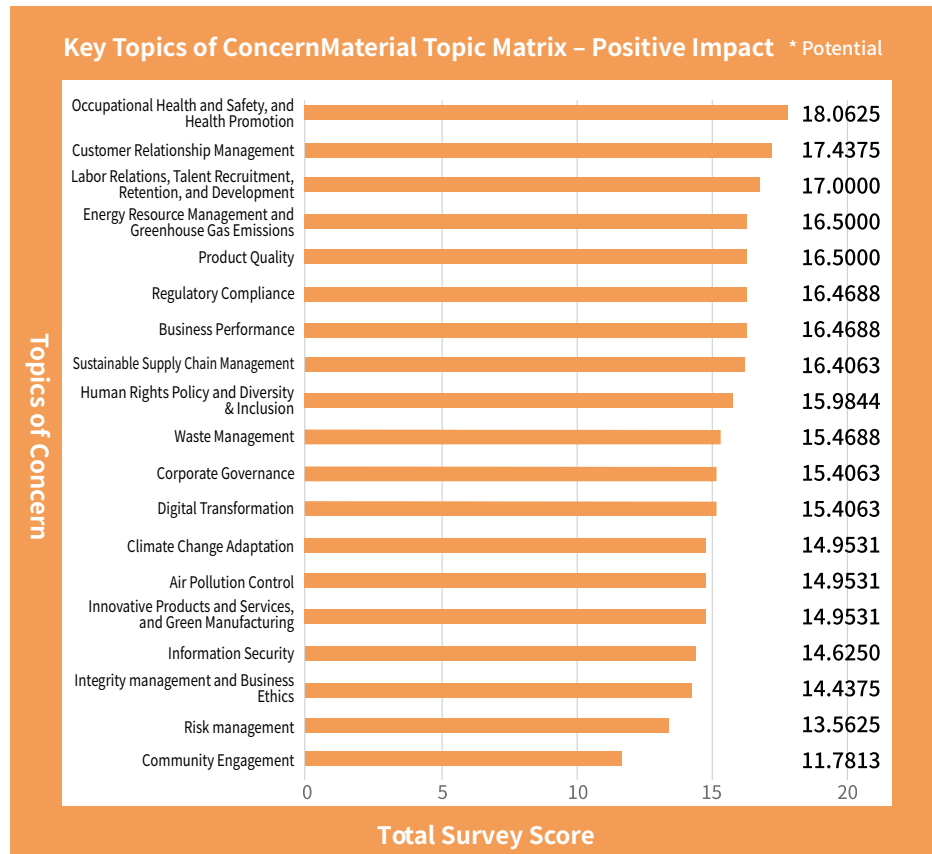
● Direct Impact ○ Indirect Impact

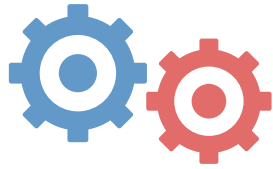
Aspect of Concern	Issues of Concern Connotation Analysis	Internal Scope		External Scope					
		Organization	Employees	Shareholders	Customers	Suppliers	Government Institutions	Community Residents / Non-Governmental Organizations	
Corporate Governance	Integrity management and Business Ethics	●	●	●	●	●	○		
	Regulatory Compliance	●	●	●	○	○	●		
	Information security	●	●	●	●	○	○		
	Risk management	●	●	●	●	●	○		
	Corporate Governance	●	●	○			○		
	Digital Transformation	●	○	○				○	
	Innovative Products and Services and Green Manufacturing	●	●		○				
Economic Aspects	Business performance and Shareholder Rights	●	●	●	○	○	○		
	Customer Relationship Management	●	●	●	●	○			
	Product Quality	●	●	○	●	●			
	Sustainable Supply Chain Management	●	●		●	●	○		
Environment	Climate Change Adaptation	●	●	○	●	●	●	○	
	Energy Resource Management and Greenhouse Gas Emissions	●	○		○		○		
	Air Pollutant Control	●	●				○	●	
	Waste Management	●	●				○	●	
Social Aspects	Personnel Management	Labor Relations, Talent Recruitment, Retention, and Development	●	●	●	○		●	○
		Human Rights Policy and Diversity & Inclusion	●	●	●			○	
		Occupational Health and Safety and Health Promotion	●	●		○	●	○	
	Community	Social Engagement	●	●					○

Explanation: The table above analyzes the level of importance assigned to 19 material topics by both internal (organization and employees) and external (shareholders, customers, suppliers, government agencies, communities, etc.) stakeholder groups. Topics marked with five levels of importance [●+○] are identified as material topics, as indicated in light blue. A total of 10 material topics were selected, with Customer Relationship Management and Product Quality combined as one. Responses are provided for both material and secondary topics. Each material topic is also subject to risk assessment and management, including positive and negative impact analysis, as detailed in Section 1.4.2 Risk Management of Material Topics. For the full list and management approach, please refer to Appendix 2-1.

1.3 Sorting and Response after Identification of Material Topics

In response to the stakeholder identification results, the ESG Committee convened to discuss the 2024 ESG Sustainability Report. The meeting focused on reviewing the material topics of stakeholder concern for 2024, assessing both the level of stakeholder concern and the actual or potential impact of each topic on the economy, the environment, and people (including human rights). Following the discussion, 19 sustainability-related topics were selected and distributed via a questionnaire. Based on the statistical results, topics were evaluated using combined scores derived from the degree of concern and the formula $\text{impact} \times \text{likelihood}$. The top-ranking topics were identified. In 2025, the ESG Committee will reconvene to review and integrate these findings with the prior year's material topics to ensure a holistic view of sustainability priorities. The final list of material topics for 2024 was documented in meeting minutes and submitted to the Deputy Chief Sustainability Officer for review and approval. A total of 10 material topics are disclosed for 2024. Survey Results Summary:

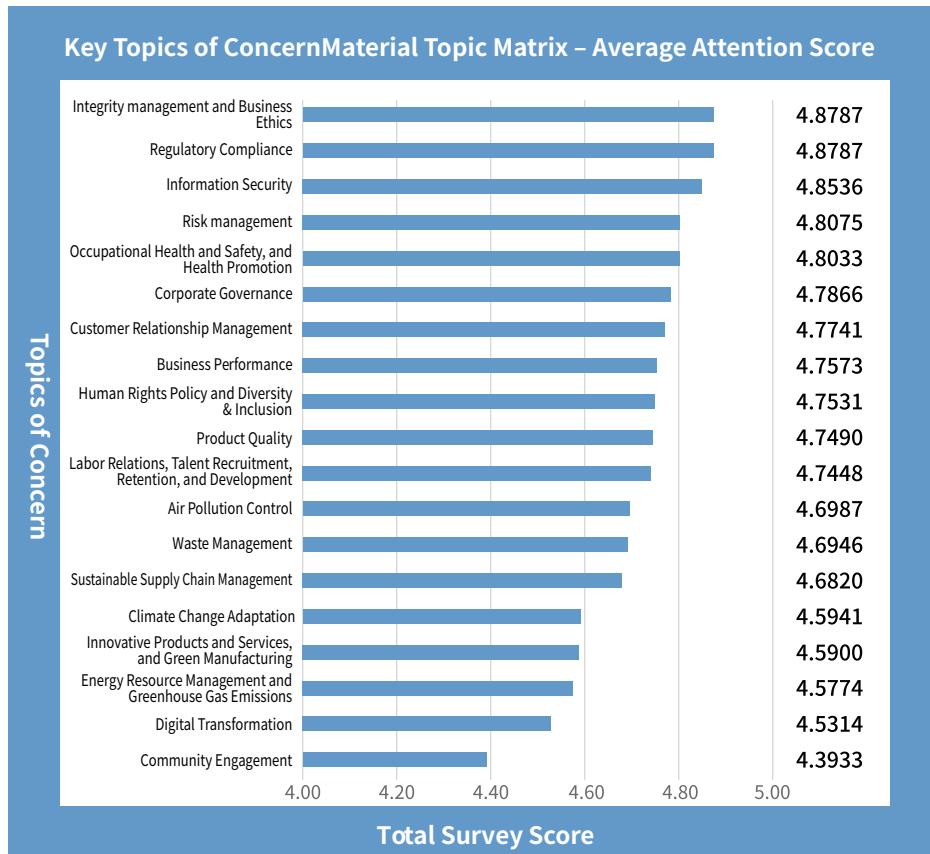




The survey indicated that stakeholder concerns were concentrated on the following topics: "Regulatory Compliance," "Customer Relationship Management," "Occupational Health and Safety, and Health Promotion," "Labor Relations, Talent Recruitment, Retention, and Development," "Business Performance," and "Information Security." All of these topics received composite scores exceeding 30 points. These focus areas span the three major ESG dimensions: Corporate Governance, Social Responsibility, and Operational Management. The results reflect stakeholders' high expectations regarding corporate compliance, employee well-being, financial stability, and information risk control. They also highlight the need for the Company to further strengthen both internal and external sustainability management efforts to uphold operational resilience and value chain accountability.

This year's assessment also consolidated several closely related material topics from 2023. Business Performance and Shareholder Rights were merged into a single topic. Integrity Management and Business Ethics (renamed from "Business Ethics") were integrated to improve classification consistency and management efficiency. Labor Relations and Labor Relations, Talent Recruitment, Retention, and Development were combined into a single unified topic to consolidate related sub-issues. Energy Conservation and Carbon Reduction was redefined as Climate Change Adaptation. Occupational Health and Safety was refined to Occupational Health and Safety, and Health Promotion to reflect an integrated approach. Customer Relationship Management and Product Quality were merged (with "Customer Service and Satisfaction" renamed to "Customer Relationship Management") to enhance representativeness and communication effectiveness.

Additionally, Sustainable Supply Chain Management and Information Security (which now includes the previously separate topic of Customer Privacy) were included as material topics for the first time. This reflects the increasing importance of supply chain management in strengthening operational resilience and ensuring sustainability accountability. It also underscores the need to enhance information security systems to protect both the Company's data assets and customer confidentiality.



1.3.1 Responses to Material Issues

In 2024, 10 material topics were identified, and the summary management actions and related measures are explained as follows:

• Corporate Governance/Economy Aspect

Item	GRI Standards	Importance to Kinsus	Promote Measures
Integrity Management and Business Ethics	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Implementing the Integrity Management policy is critical to building corporate reputation and stakeholder trust.	The Company has established Integrity Management Procedures.
Risk Management	3-3 Management of material topics	To address operational, environmental, and other risks faced by global enterprises, a comprehensive Risk Management mechanism must be established. This allows for timely responses to reduce losses, safeguard stakeholder interests, and manage 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
Regulatory Compliance	3-3 Management of material topics	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.
Business Performance and Shareholder Rights	201-1 Direct economic value generated and	Business performance achieves the goal of sustainable operation by making continuous profits, expanding new customers and increasing market share, and creating new job opportunities.	The Company Charter specifies the procedures for shareholder dividend distribution. We continuously monitor global economic conditions to adjust capital expenditures accordingly. Efforts are made to expand customer base and increase market share. Cost and expense controls are actively implemented. Clear authorization mechanisms or policies have been established for receivables and payables with customers and suppliers.
Customer Relationship Management and Product Quality	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services 417-1 Requirements for product and service information and labeling 417-2 Incidents of non-compliance concerning product and service information and labeling	Customer service and satisfaction with products is an important factor to establish trust and good reputation with customers.	Customer satisfaction surveys are conducted annually. Responsible departments are required to implement corrective actions within a specified timeframe for any complaints raised by clients. The Company has obtained ISO 9001 Quality Management System certification and adheres to documented quality assurance procedures and operational standards.
Information Security	418 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.

Item	GRI Standards	Importance to Kinsus	Promote Measures
Sustainable Supply Chain Management	308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria	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.

• **Environment**

Item	GRI Standards	Importance to Kinsus	Promote Measures
Climate Change Adaptation	201-2 Financial implications and other risks and opportunities due to climate change 305-1 Direct/Scope 1 GHG emissions 305-2 Energy indirect(Scope 2)GHG emissions 305-5 Reduction of GHG emissions	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.	To enhance energy efficiency, the Company implements projects focused on Energy Conservation and Carbon Reduction by reducing fuel and electricity consumption. These efforts are part of our broader strategy for the Reduction of Greenhouse Gas (GHG) Emissions.

• **Society**

Item	GRI Standards	Importance to Kinsus	Promote Measures
Employment, Labor Relations, Talent Recruitment, Retention, and Development	401 Employment 402-1 Minimum notice periods regarding operational changes 404-1 Average hours of training per year per employee 405 Diversity and Equal Opportunity	The Company regards its employees as its most important partners and is committed to fostering a harmonious, challenging, and continuously learning work environment that embraces diversity and equality. We provide a comprehensive and competitive compensation and benefits strategy within the industry to attract and retain outstanding talent. A development-oriented approach is adopted, supported by performance evaluation mechanisms, to cultivate employees' individual capabilities. Regular promotion and salary adjustment reviews are conducted to ensure equal and diverse opportunities across all levels.	To strengthen employee engagement and unity, Kinsus offers competitive total compensation and benefits, alongside a supportive and harmonious workplace environment. The following management systems have been established for consistent implementation by all levels of supervisors: The Compensation Management Guidelines, serving as the basis for salary planning and administration; The Employee Performance Evaluation Guidelines, to ensure fair and transparent assessments; The Employee Promotion Management Guidelines, under which supervisors annually nominate high-performing employees for promotion to managerial or higher-grade positions.
Occupational Health and Safety, and Health Promotion	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 "Operation Instructions for Prevention and Management of Ergonomic Hazards" and establish a hazard identification and control mechanism.

- 1.1 Stakeholder Organization and Identification
- 1.2 Communication and Analysis of Issues of Concern to Stakeholders and Process to Determine Material Topics
- 1.3 Sorting and Response after Identification of Material Topics
- 1.4 Influence of Sustainable Management
- 1.5 Fulfilling the Sustainable Development Goals
- Kinsus's Sustainable Development Goals in the Direction and Actions of ESG Sustainability Report
- Kinsus Sustainability Goals – 2024 Performance Highlights

1.4 Influence of Sustainable Management

1.4.1 Material Topics in Kinsus's Value Chain Relationship

Sustainability Mission	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 and Shareholder Rights	201-1 Direct economic value generated and	◎	◎	◎	◎	◎	◎	◎	◎	◎
Value Chain	Customer Relationship Management	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services 417-1 Requirements for product and service information and labeling 417-2 Incidents of non-compliance concerning product and service information and labeling	◎	◎	◎	◎	◎	◎	◎		
	Product Quality	308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria	◎	◎	◎	◎	◎	◎	◎	◎	◎
	Sustainable Supply Chain Management	TC-HW-230a.1Product Safety TC-HW-410a.1~3 Product Lifecycle Management	◎	◎	◎	◎	△	◎	◎	◎	◎
Corporate Governance	Integrity management and Business Ethics		◎					◎	◎	◎	◎
	Regulatory	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices						◎	◎		◎
	Risk	3-3 Management of material topics 418 Customer Privacy TC-HW-230a.1Product Safety	△				△	◎	◎	◎	◎
	Information						◎		◎	◎	◎

- 1.1 Stakeholder Organization and Identification
- 1.2 Communication and Analysis of Issues of Concern to Stakeholders and Process to Determine Material Topics
- 1.3 Sorting and Response after Identification of Material Topics
- 1.4 Influence of Sustainable Management
- 1.5 Fulfilling the Sustainable Development Goals
- Kinsus's Sustainable Development Goals in the Direction and Actions of ESG Sustainability Report
- Kinsus Sustainability Goals – 2024 Performance Highlights

Sustainability Mission	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
Sustainable Environment	Climate Change Adaptation	201-2 Financial implications and other risks and opportunities due to climate change									
		305-1 Direct/Scope 1 GHG emissions 305-2 Energy indirect(Scope 2)GHG emissions 305-5 Reduction of GHG emissions	◎	◎	◎	◎	△	◎	◎	◎	◎
Friendly Workplace	Employment, Labor Relations, Talent Recruitment, Retention, and Development	401 Employment 402-1 Minimum notice periods regarding operational changes 404-1 Average hours of training per year per employee							◎	◎	◎
	Occupational Health and Safety, and Health Promotion	405 Diversity and Equal Opportunity 403 Occupational Health and Safety TC-HW-330a.1 Employee Diversity & Inclusion		◎	◎	◎			◎	◎	◎

Note: ◎Full disclosure △Partial disclosure

- 1.1 Stakeholder Organization and Identification
- 1.2 Communication and Analysis of Issues of Concern to Stakeholders and Process to Determine Material Topics
- 1.3 Sorting and Response after Identification of Material Topics
- 1.4 Influence of Sustainable Management
- 1.5 Fulfilling the Sustainable Development Goals
- Kinsus's Sustainable Development Goals in the Direction and Actions of ESG Sustainability Report
- Kinsus Sustainability Goals – 2024 Performance Highlights

1.4.2 Risk Management of Material topics (Impact Analysis)

In 2023, the seriousness and possibility of risk occurrence of 10 material topics were identified, and their risk considerations, risk assessment and management measures are analyzed and explained in the following table:

	Business Performance and Shareholder Rights		Risk Management		Regulatory Compliance		Customer Relationship Management and Product Quality	
	<p>Positive Impact – Continuous optimization of financial structure and operational performance effectively enhances shareholder returns and market competitiveness. By implementing information disclosure mechanisms and robust shareholder communication, the Company ensures investors' right to know and participate, thereby strengthening capital market trust and the Company's long-term value.</p> <p>Negative Impact – Underperformance in business operations or lack of transparency in information disclosure may lead to stock price volatility, weakened investor confidence, and infringement on shareholder rights. Governance imbalance may result in internal control failures and market skepticism, ultimately affecting corporate reputation and future fundraising capabilities.</p>	<p>Positive Impact – Strengthening early warning mechanisms and response capabilities can effectively reduce the impact of unforeseen events on business operations.</p> <p>Negative Impact – Operational disruptions, financial losses, or regulatory violations may occur. The absence of effective risk response measures could delay reactions to emergencies, diminishing the Company's market competitiveness and stakeholder trust.</p>	<p>Positive Impact – The Company complies with all applicable regulations and treats Regulatory Compliance as a foundational policy across multiple material topics.</p> <p>Negative Impact – Any breach of legal compliance or issues related to Integrity Management would significantly damage the Company's reputation and image, potentially affecting customer willingness to place orders.</p>	<p>Positive Impact – Kinsus is highly committed to Product Quality and safety. The Company rigorously controls hazardous substances in production to comply with international environmental regulations and customer green product requirements. These efforts enhance corporate credibility and market competitiveness. Through systematic Customer Relationship Management, the Company establishes stable, long-term relationships that improve customer satisfaction and order stability.</p> <p>Negative Impact – Complaints about products or services and low satisfaction levels may result in order cancellations, affecting business performance. Quality disputes, product returns, or regulatory violations could erode customer trust and damage business reputation.</p>				
<p>Risk Considerations</p> <p>★ Potential Impact</p> <p>◆ Actual Impact</p>	◆	★	★	★	◆	◆	★	
	Please refer to this report [3. Business performance and Shareholder Rights, Customer Relationship Management and Product Quality]		Please refer to this report [2.7 Risk management System]		Please refer to this report [2.4 Business Philosophy, Business Ethics, and Regulatory Compliance]		Please refer to this report [3.3 Customer Relationship Management & 3.5 Product Quality]	
Degree of Risk Impact	4.25	3.75	3.875	3.5	4.25	4.5	4.5	4.125
Probability of Occurrence	3.875	2.75	3.5	2.625	3.875	3	4	2.875

- 1.1 Stakeholder Organization and Identification
- 1.2 Communication and Analysis of Issues of Concern to Stakeholders and Process to Determine Material Topics
- 1.3 Sorting and Response after Identification of Material Topics
- 1.4 Influence of Sustainable Management
- 1.5 Fulfilling the Sustainable Development Goals
- Kinsus's Sustainable Development Goals in the Direction and Actions of ESG Sustainability Report
- Kinsus Sustainability Goals – 2024 Performance Highlights

	Climate Change Adaptation		Information Security		Employment, Labor Relations, Talent Recruitment, Retention, and Development		Occupational Health and Safety, and Health Promotion	
	<p>Positive – Through greenhouse gas inventory and the implementation of energy-saving measures, the Company establishes a management approach aimed at achieving its greenhouse gas reduction targets.</p> <p>Negative Impact – If carbon reduction measures are not adopted, future carbon taxes imposed by government agencies may increase operating costs.</p>	<p>Positive Impact – Strengthening information security mechanisms improves the Company's ability to respond to internal and external threats, and builds trust among supply chain partners and customers.</p> <p>Negative Impact – Data breaches, system failures, or cyberattacks may result in business disruption, legal non-compliance, and serious damage to corporate reputation.</p>	<p>Positive Impact – The Company fosters harmonious Labor Relations, values employee rights, listens to employee feedback, and provides a Grievance Mechanism.</p> <p>Negative Impact – Challenges in talent recruitment, retention, and development may impair departmental collaboration and efficiency. In severe cases, they may hinder operations and damage corporate image.</p>	<p>Positive Impact – Enhancing workplace safety and health promotion measures effectively reduces the risk of occupational injuries. These efforts also improve employee well-being and job satisfaction, which strengthens overall productivity and organizational cohesion.</p> <p>Negative Impact – Workplace accidents or health issues may lead to operational risks, regulatory penalties, or reputational damage. Insufficient health management could increase absenteeism and employee turnover, raising personnel costs and business pressure.</p>				
<p>Risk Considerations</p> <p>★ Potential Impact</p> <p>◆ Actual Impact</p>	◆	◆	◆	★	◆	★	◆	★ ◆
	Please refer to this report [5. Green Production]		Please refer to this report [2. Corporate Governance and Integrity management]		Please refer to this report [6. Friendly Workplace]		Please refer to this report [6. Friendly Workplace]	
Degree of Risk Impact	4.125	3.375	4.5	3.875	4.25	3.875	4.25	3.5
Probability of Occurrence	3.625	2.5	3.25	2.875	4	2.875	4.25	2.875

■ 1.1 Stakeholder Organization and Identification ■ 1.2 Communication and Analysis of Issues of Concern to Stakeholders and Process to Determine Material Topics ■ 1.3 Sorting and Response after Identification of Material Topics
 ■ 1.4 Influence of Sustainable Management ■ 1.5 Fulfilling the Sustainable Development Goals ● Kinsus's Sustainable Development Goals in the Direction and Actions of ESG Sustainability Report ● Kinsus Sustainability Goals – 2024 Performance Highlights

	Integrity management and Business Ethics		Sustainable Supply Chain Management	
		Positive Impact – Institutionalized training and internal monitoring mechanisms reinforce employee alignment with Regulatory Compliance and a culture of integrity, helping to prevent fraud risks.	Negative Impact – Lack of a sound integrity management system or incidents of corruption, fraud, or conflicts of interest may severely damage the Company's reputation and result in legal liabilities.	Positive Impact – Through supplier evaluation mechanisms and responsible procurement policies, Environmental Protection, labor rights, and Business Ethics are integrated into supply chain management. This ensures partners meet sustainability standards and reduces operational risks.
Risk Considerations ★ Potential Impact ◆ Actual Impact	◆	★	◆	★
	Please refer to this report [2. Corporate Governance and Integrity management]		Please refer to this report [4. Sustainable Supply Chain Management]	
Degree of Risk Impact	4.125	3.5	4.375	3.5
Probability of Occurrence	3.5	2.5	3.75	2.375



1.5 Fulfilling the Sustainable Development Goals

• SDGs – 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.

•Economic Aspect



Correspondence to SDGs goals

Company Goals	Management Measures	Corresponding to SDGs Goals	Corresponding Chapter
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 5.1 Climate Action 5.2 Environmental Policy and Commitment

•Environment Aspect



Correspondence to SDGs goals

Company Goals	Management Measures	Corresponding to SDGs Goals	Corresponding Chapter
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	5.5 Water Resource Management
Scope 1 and 2 introduce greenhouse gas scope 3 inventory and verification work	Third-Party Assurance Statement Obtained	13	5.2 Environmental Policy and Commitment 5.3 Greenhouse Gas Emissions and Energy Resource Management

• Social Aspect



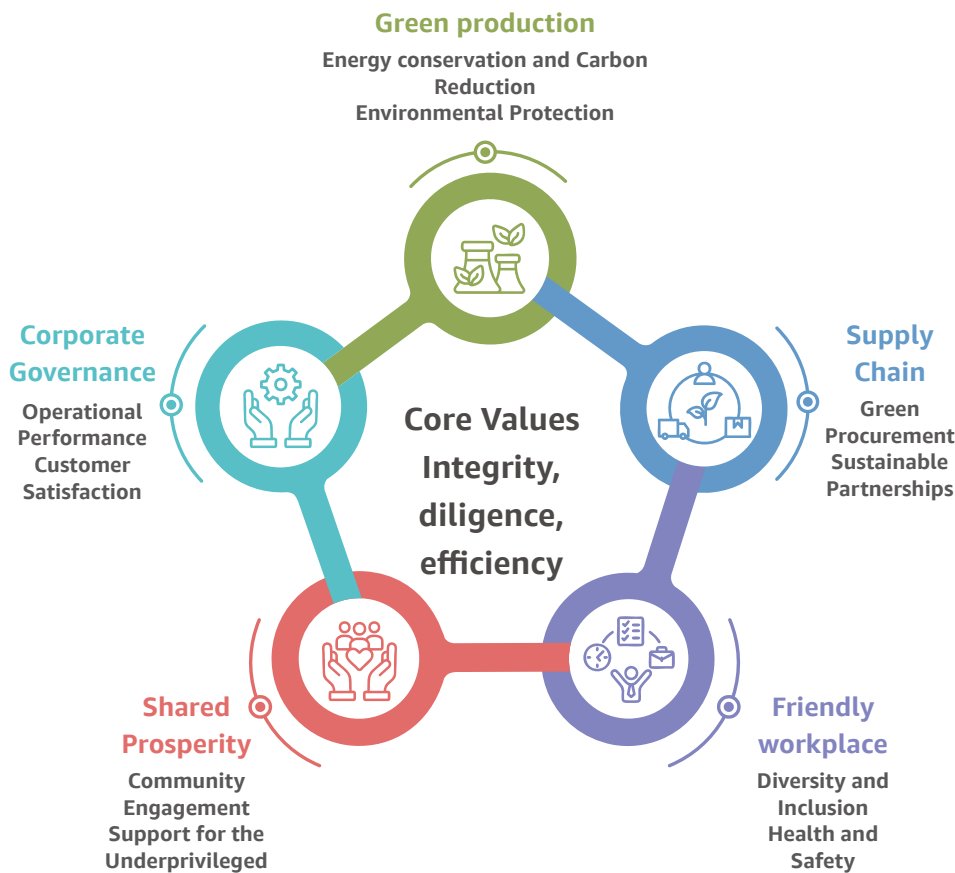
Correspondence to SDGs goals

Company Goals	Management Measures	Corresponding to SDGs Goals	Corresponding Chapter
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 Comprehensive Health Care
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

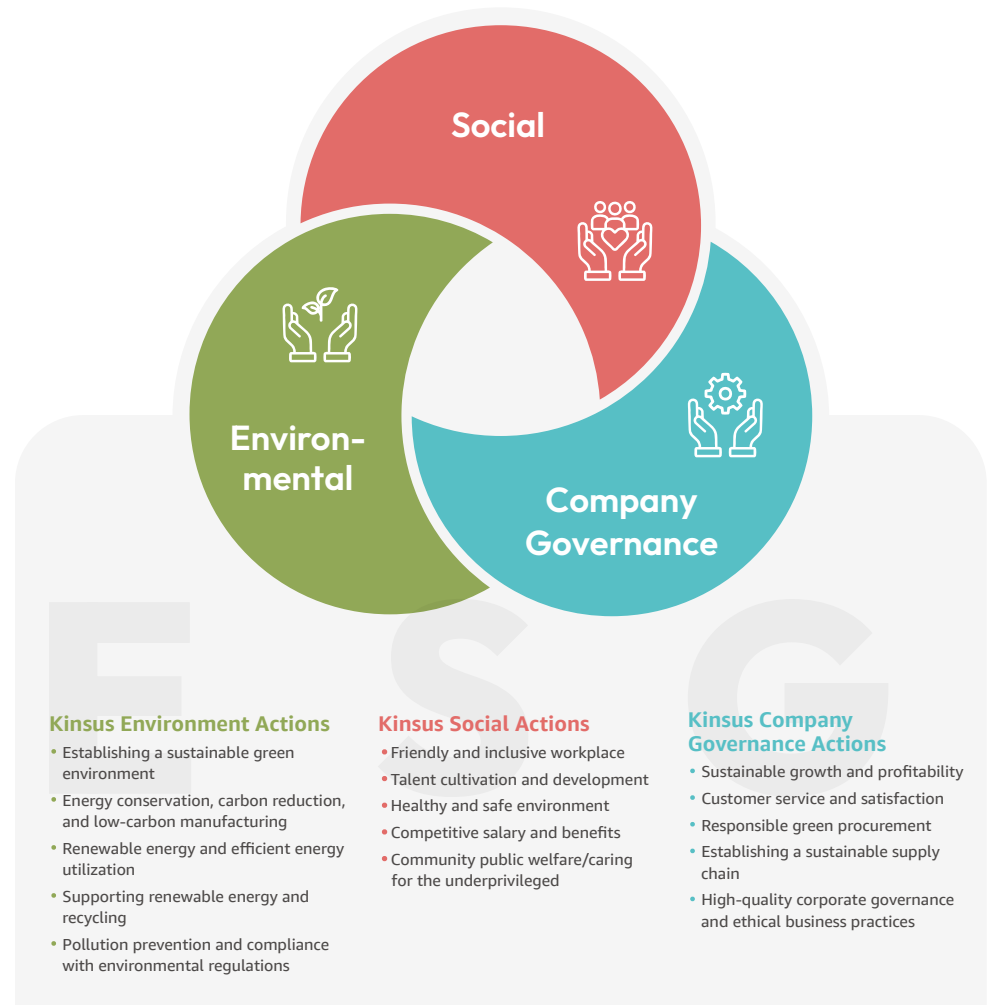


• Kinsus's Sustainable Development Goals in the Direction and Actions of ESG Sustainability Report

① The five major ESG directions are as follows:



② The Company implements ESG actions




• Kinsus Sustainability Goals – 2024 Performance Highlights

Climate Action

Implementation of 11 energy-saving initiatives

4.73 million kWh of electricity saved



Optimization of the CEDI ultrapure water system at the Young-Lion Plant

Improved system energy efficiency

GHG inventory and carbon footprint certification (ISO 14064-1 / ISO 14067)

Greenhouse gas emissions reduced by 2,337 metric tons CO₂e

Procurement of renewable energy and energy-efficient systems

Annual green power procurement: 4.6 million kWh

Information Security and Governance

Information security system upgraded (ISO 27001:2022)

System upgrade completed, enhancing operational resilience



Operation mechanism of the ESG Committee

Annual implementation progress reported to the Board of Directors



Sustainable Supply Chain

ESG audits and improvement actions in the supply chain

Supplier social responsibility assessment completion rate: 82.67%

Social Responsibility

Occupational safety digitalization (Dashboard/RPA, fire compartmentalization, water systems, etc.)

Ongoing promotion and reinforcement of occupational safety protection

Educational subsidies for employees' children

250 recipients of employee children's education subsidies



International Ratings and Awards Received

CDP Climate Change Rating

B Grade



CDP Water Security Rating

B - Grade



17th TCSA 2024 Corporate Sustainability Report –

Bronze Award



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



02 Corporate Governance & Integrity Management

Kinsus Technology's key sustainability management topics and objectives in corporate governance include integrity in business operations, risk management, and regulatory compliance. Guided by the principles of ethical business conduct and transparent information disclosure, the Company adheres to applicable laws and regulations, enhances operational performance, strengthens internal controls and personnel management mechanisms, and maintains certifications for ISO management systems. These efforts ensure alignment with the Company's core values and ethical standards, fostering a sound corporate culture. The highlights of corporate governance and sustainable management are summarized below:

Section Highlights

Information Security

Obtained **ISO 27001:2022** Information Security Management System Transition Certificate



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 factories 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 aims 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 4,566,591,000 (2024.12.31)
Number of Employees	6,401 (2024.12.31)

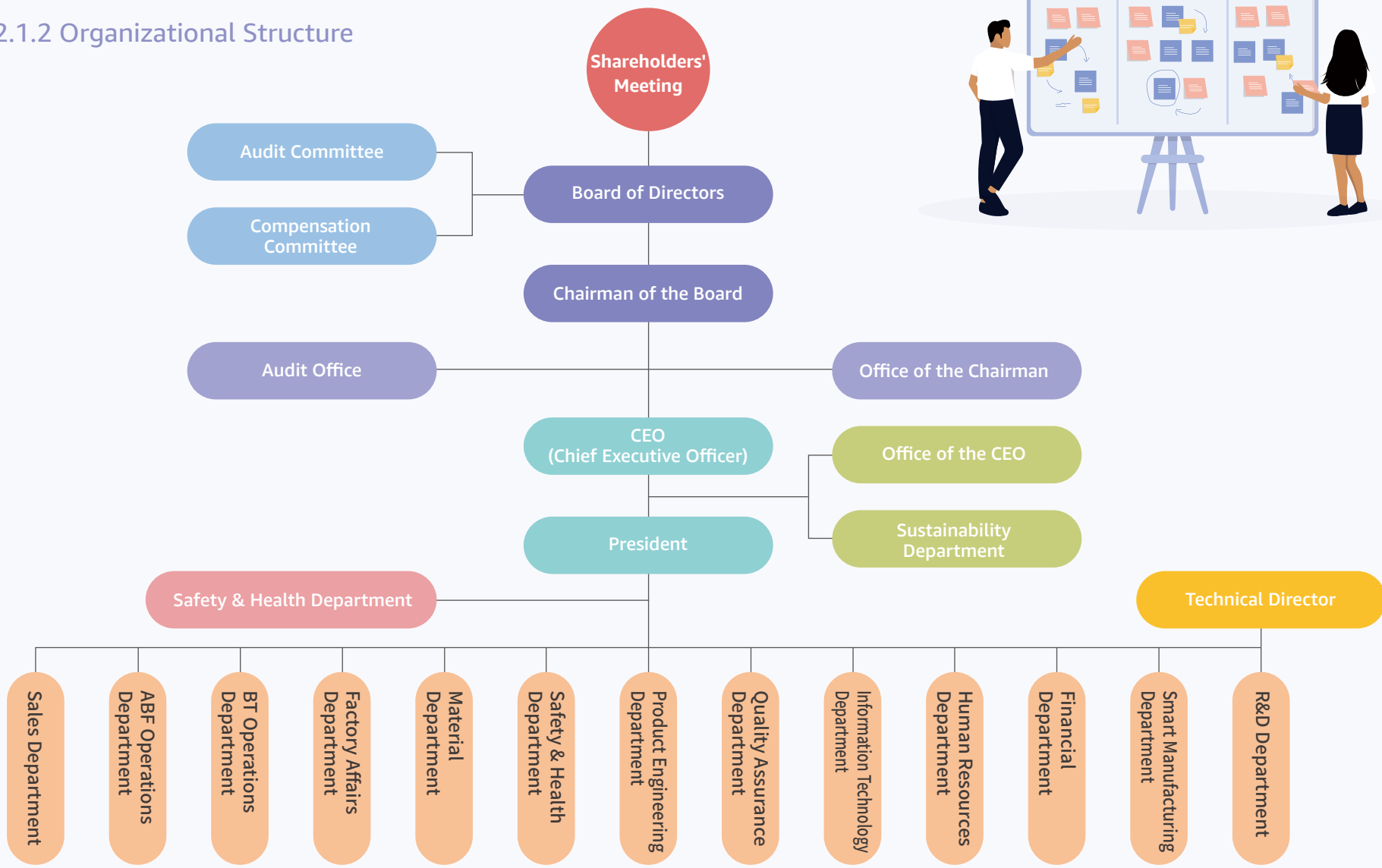
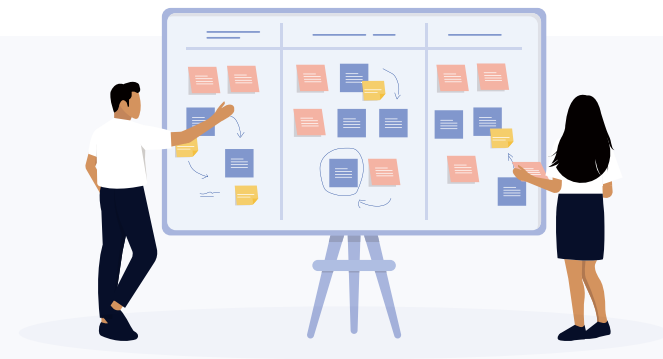


2.1.1 Company Establishment and Key Events in the Last 10 Years



- 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

2.1.2 Organizational Structure



2.1.3 Business of Each Main Department

CEO and President	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.	Information Technology Department	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.
Sustainability Department	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.	Product Strategy Department	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.
Audit Office	Conduct audits and provide improvement suggestions for related systems and implementations such as the company's internal rules and procedures.	Quality Assurance Department	Responsible for the formulation and implementation of quality policies, objectives and systems to ensure product quality and reliability to meet customer's needs
Technical Director	Advanced product development, equipment automation, new factory equipment construction planning.	Product Engineering Department	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.
Safety & Health Department	Responsible for safety and health management and industrial safety control to ensure compliance with environmental, safety, and health-related regulations and requirements.	Material Department	Responsible for production scheduling, shipping scheduling, raw material management, transportation, warehousing, import and export and customs bonded business.
R&D Department	Responsible for product, design, and development business, coordinating the formulation and implementation of overall technical research and development plans.	Factory Affairs Department	Responsible for the integrated operation and management of factory facilities maintenance and factory safety maintenance, and coordinating the support and allocation of factory personnel among different factory areas.
Smart Manufacturing Department	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.	BT Operations Department	Responsible for achieving the work goals of various departments related to BT product manufacturing in each factory 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.
Financial Department	Responsible for financial accounting and stock affairs-related business.	ABF Operations Department	Responsible for achieving the work goals of various departments related to ABF product manufacturing in each factory 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.
Human Resources Department	Organize human resources planning, recruitment and appointment, salary management, training and development, employee services and employee relationship.	Sales Department	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	<ul style="list-style-type: none"> • 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: <ol style="list-style-type: none"> (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	<ul style="list-style-type: none"> • 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 Sustainable Development, Operational Procedures for Preventing Insider Trading
Short-, Medium-, and Long-Term Goals	<ul style="list-style-type: none"> • From 2024 to 2030, the Company aims to rank within the top 35% of all listed companies in the Corporate Governance Evaluation.
Performance	<ul style="list-style-type: none"> • In 2024, the Company ranked within the top 21%–35% of all listed companies in the Corporate Governance Evaluation — Goal Achieved. • No corrective actions were issued by the Taiwan Stock Exchange in 2024.

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 2024 (113) annual shareholders' meeting**



2.2.2 Governance Department

• **Board of Directors**

Mr. Tzu-Cheng Liao serves as Chairman of Kinsus Technology, and Mr. Ho-Hsu Chen serves as President. On May 30, 2024, Kinsus Technology held its Annual General Shareholders' Meeting and conducted the election for the 9th Board of Directors. The term of office for the elected directors is three years, from May 30, 2024, to May 29, 2027. On the same day, the Board of Directors convened and elected Mr. Tzu-Cheng Liao as the new Chairman. The Board of Directors consists of nine members, including three independent directors. The election is conducted through a candidate nomination system. Nominees are required to possess professional or managerial backgrounds in relevant fields such as electronics, computer communications, finance and accounting, or business management. The list of candidates is proposed by the Board. Directors' remuneration is allocated based on the Company's operational performance and in accordance with its Articles of Incorporation. The distribution of remuneration is reported to the shareholders' meeting.

Directors who are also employees account for 44% of the Board. Independent directors account for 33%. There is one female director, accounting for 11%. Two independent directors have served terms of less than three years, and one independent director have served for three to nine years. In terms of age, two directors are over 70, six are between 61 and 69, and one is under 60. The average age of the Board is above 50 years old.

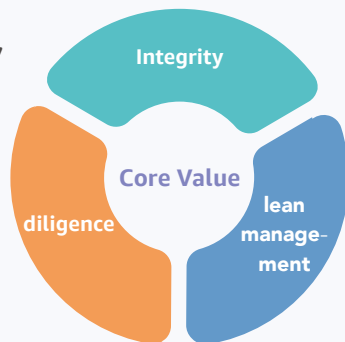
The Board of Directors operates in accordance with the "Board Meeting Rules." They convene board meetings at least once every quarter to thoroughly review the company's operational performance and discuss future development strategies. The directors adhere to a high level of self-discipline. If an agenda 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."

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.





• **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**

Title	Name	Main Experience (education)
Chairman and Deputy Chief Strategy Officer	Sih-Jheng Liao M	Tatung Institute of Technology, Honorary Doctor of Business Chief Operating Officer of Pegatron Corp. Senior Vice President of Unihan Holding Ltd
Director and Chief Strategy Officer	Zi-Xian Tong M	Electrical Engineering, National Taipei University of Technology Honorary Doctor of Engineering, National Taipei University of Technology Vice Chairman of ASUSTeK COMPUTER INC. Chairman of Pegatron Corporation Chairman of Kinsus Interconnect Technology Corp. Chairman of Pegavision Corporation
Director	Peter Kuo M	Electrical Engineering, National Taipei University of Technology President of Unicap Electronics Chairman of Kinsus Interconnect Technology Corp.
Director and President	Scott Chen M	Physics, National Tsing Hua University General Manager of Kinsus Interconnect Technology Corp. Manufacturing Manager, Motorola
Director	Asuspower Investment Co. Ltd. Representative: Jeff Chang	Mechanical Engineering, National Central University Equipment Design Manager, Manzan AG Taiwan President of Kinsus Interconnect Technology Corp.
Director	Jeff Chang M	Same as the above

- 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

Title	Name	Main Experience (education)
Director	Asustek Investment Co. Ltd. Representative: Hsiang-Hsiang Wu	Master of Business Administration, University of St. Thomas, USA Deputy Director, OFCO Industrial Corporation
Director	Hsiang-Hsiang Wu F	Same as the above
Independent Director	Ming-Yu Lee M	Master's Degree, Graduate Institute of Accounting, National Chengchi University Certified Public Accountant, Hung Tao CPA Firm Independent Director / Member of the Audit Committee / Member of the Remuneration Committee, Casetek Holdings Limited Director, Taiwan Provincial Industrial Association



Title	Name	Main Experience (education)
Independent Director	Liang-Gee Chen M	Ph.D., Institute of Electrical Engineering, National Cheng Kung University Founding Director, Graduate Institute of Electronics, National Taiwan University (NTU) Director, Electronics Research and Service Organization, Industrial Technology Research Institute (ITRI) Distinguished Professor, Department of Electrical Engineering, NTU Director, Creativity and Entrepreneurship Program, NTU Deputy Dean, College of Electrical Engineering and Computer Science, NTU Chair Professor, NTU Host of the 13th and 16th National Chair Professorship, Ministry of Education Vice President for Academic Affairs, NTU President, National Applied Research Laboratories (NARLabs) Political Deputy Minister, Ministry of Education Minister, Ministry of Science and Technology
Independent Director	Hocheng Hong M	Ph.D., Department of Mechanical Engineering, University of California, Berkeley President, National Tsing Hua University Deputy Minister, National Science Council, Executive Yuan Dean, College of Engineering, National Tsing Hua University Dean of Student Affairs, National Tsing Hua University Professor, Department of Power Mechanical Engineering, National Tsing Hua University

Note 1: The Company held a full re-election of Directors at the Annual General Shareholders' Meeting on May 30, 2024.
 Note 2: The current Directors concurrently hold positions in the Company and other entities. Please refer to the 2024 Shareholders' Meeting Annual Report (pp. 4-7) for details.

• Further Study Status of Members of the Board of Directors

In addition to possessing relevant industry backgrounds and practical experience in business management, all members of the Board of Directors of the Company have undertaken training in accordance with the "Implementation Rules for the Continuing Education of Directors and Supervisors of TWSE/TPEX Listed Companies." The Company also discloses such information on a regular basis. Training topics include financial accounting, financial regulations, ESG, professional ethics, and legal responsibilities. The training hours completed by the Directors are as follows:

Job title	Name	2022 Advanced Study Hours	2023 Advanced Study Hours	2024 Advanced Study Hours
President	Sih-Jheng Liao	12	12	15
Director	Zi-Xian Tong	12	12	12
Director	Peter Kuo	12	6	12
Director	Scott Chen	6	6	6
Director	Asuspower Investment Co. Ltd. Representative: Jeff Chang	-	-	-
Director	Jeff Chang	6	6	6
Director	Asustek Investment Co. Ltd. Representative: Hsiang-Hsiang Wu	-	-	-
Director	Hsiang-Hsiang Wu	Note 1	Note 1	6
Director	Asustek Investment Co. Ltd. Representative: Guang-Zhi Zheng	-	-	-
Director	Guang-Zhi Zheng	Note 2	6	Note 1
Independent Director	Ming-Yu Lee	6	6	6
Independent Director	Liang-Gee Chen	Note 1	Note 1	6
Independent Director	Hocheng Hong	Note 1	Note 1	12
Independent Director	Hui-Huang Wu	9	12	Note 1
Independent Director	Jin-Cai Chen	13.5	7.5	Note 1

Note 1: At the Annual General Shareholders' Meeting held on May 30, 2024, the Company conducted a full re-election of Directors.

Note 2: Guang-Zhi Zheng was appointed as the corporate director representative on August 1, 2023.

• Diversification of the Board of Directors

The professional backgrounds of the members of the Company's Board of Directors span various fields, including business management, computer communications, physics, chemical engineering, mechanical engineering, electronic engineering, and financial accounting. They possess the necessary knowledge, skills, and competencies required to perform their duties, including operational judgment, industry expertise, leadership, and decision-making capabilities. For detailed information regarding the members of the Board of Directors, please refer to the 2024 Annual Report (p.10).

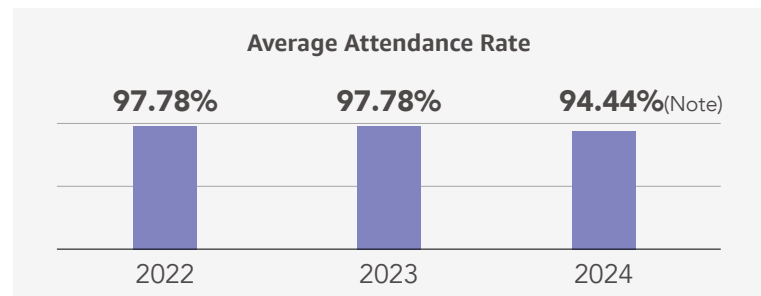
• Director Remuneration

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

For information regarding actual attendance and number of meetings attended, please refer to the 2024 Annual Report (p.19).



Note: The Company conducted a full re-election of Directors at the Annual General Shareholders' Meeting on May 30, 2024.

• Remuneration Policy and Explanation of How the Board of Directors and Executive Officers Evaluate Goals and Performance on Economic, Environmental, and Social Topics

At present, the Company has not yet linked its ESG goals and performance to the individual remuneration of Directors or executive officers. However, the Company will continue to monitor this issue and will consider its implementation once ESG initiatives become more mature.

• 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. The 2024 performance evaluation was reported to the Board of Directors on February 17, 2025.

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 2024 performance evaluation was reported to the Board of Directors on February 17, 2025, and also on January 29, 2024.

• Explanation of How the Board of Directors and Executive Officers Evaluate Performance on Economic, Environmental, and Social Topics

At present, the Company has not yet linked its ESG goals to the individual performance evaluations of the Board of Directors or executive officers. However, the Company will continue to monitor this topic and will consider its implementation once ESG practices are more fully developed.

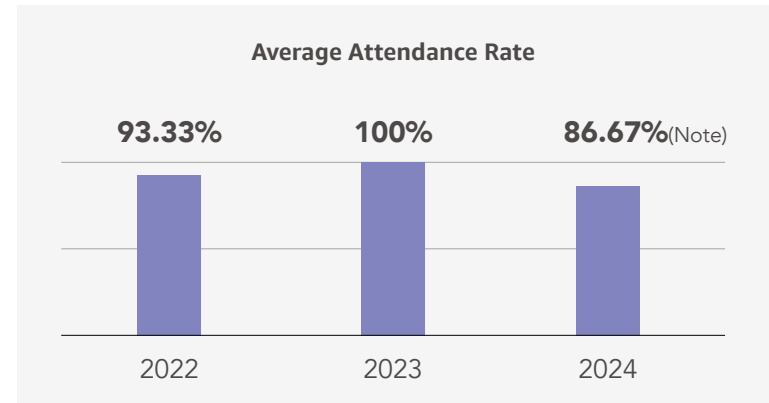
• Audit Committee

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. On May 30, 2024, the Board of Directors resolved to appoint the members of the fifth Audit Committee. The term of this Committee is from May 30, 2024, to May 29, 2027. The Committee is composed of all three Independent Directors: Ming-Yu Lee, Liang-Gee Chen, and Hong Hocheng. 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.

- For details regarding the actual attendance and number of meetings attended by members of the Audit Committee, please refer to the 2024 Annual Report (p.21).



Note: The Company conducted a full re-election of Directors at the Annual General Shareholders' Meeting on May 30, 2024.



• Compensation Committee

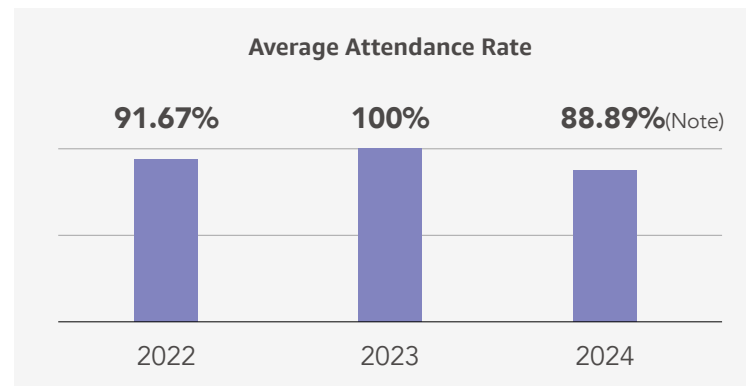
In accordance with Article 14-6 of the Securities and Exchange Act, Kinsus established the Remuneration Committee in 2011. On May 30, 2024, the Board of Directors resolved to appoint the members of the sixth term of the Remuneration Committee. The term of this committee runs from May 30, 2024, to May 29, 2027. The committee is composed of three Independent Directors: Convener Ming-Yu Lee, Liang-Gee Chen, and Hocheng Hong.

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.



- For information regarding the actual attendance and number of meetings attended by the members of the Remuneration Committee, please refer to the 2024 Annual Report (p.28).



Note: The Company conducted a full re-election of Directors at the Annual General Shareholders' Meeting on May 30, 2024.

• 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.

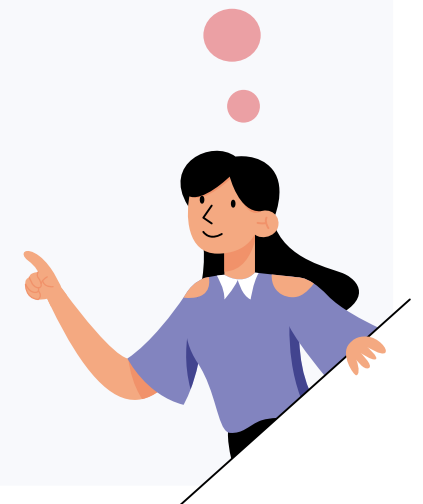


2.3 Integrity Management

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.



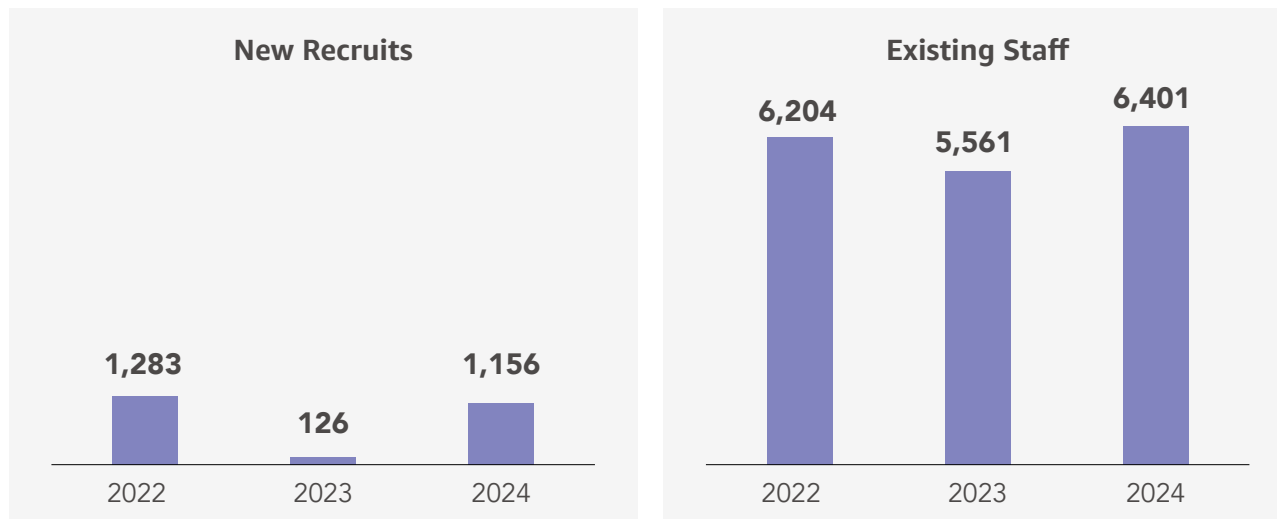
2.3.1 Integrity Management Business Operations

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.



Note: Due to operational adjustments in 2023, workforce recruitment decreased compared to previous years. Unit: person

• 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. Employees who become aware of any illegal conduct may file a complaint with the Audit Office or the Human Resources Department.

Implementation results in 2024: 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

Material Topic > Ethical Business Practices and Regulatory Compliance Policy: Adherence to corporate ethics, professional conduct, and applicable laws and regulations.	
Management Guidelines	<ul style="list-style-type: none"> • Goals and targets: 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: <ol style="list-style-type: none"> (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.
Short-, Medium-, and Long-Term Goals	<ul style="list-style-type: none"> • 2024–2030~: 100% communication rate with new recruits • 2024–2030~: No major disciplinary actions
Performance	<ul style="list-style-type: none"> • 2024: Achieved 100% communication rate with new recruits • 2024: No major disciplinary actions — Achieved

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 three years: the number of people promoted through the RBA:

Factory	Each Factory				Total
	Shih-Lei	Tsing-Hua	Xing-Feng	Yu-Shih	
2022	286	563	1,103	176	2,128
2023	54	18	33	21	126
2024	164	219	551	222	1,156

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.


When onboarding new suppliers, Kinsus requires them to sign a Commitment to Ethical Conduct to ensure adherence to anti-bribery and anti-corruption ethical standards.

The Commitment to Ethical Conduct includes a prohibition against offering, either directly or indirectly, any form of monetary or non-monetary benefits—such as rebates, handling fees, commissions, intermediary fees, service charges, gifts, loans, rents, job opportunities, or other improper advantages. To implement this ethical business policy, the Company provides a dedicated email and reporting hotline for submitting complaints, either anonymously or with identification:





Dedicated Email
 whistleblower@kinsus.com.tw
 hr@kinsus.com.tw



Reporting Hotline:
 +886-3-4871919 ext.
 25000 or 27885



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 2024:

Category	Relevant Important Sources of Law in Taiwan	The company's Corresponding Measures or Procedures	Violations in 2024
Corporate Governance	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.
Employee 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 2024, a total of five labor-related violations were recorded. None of these cases constituted a material breach. Upon review and verification, all identified deficiencies have been fully rectified. (For details, please refer to Section 6.5.8: Status of Compliance with Labor Regulations.)

- 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

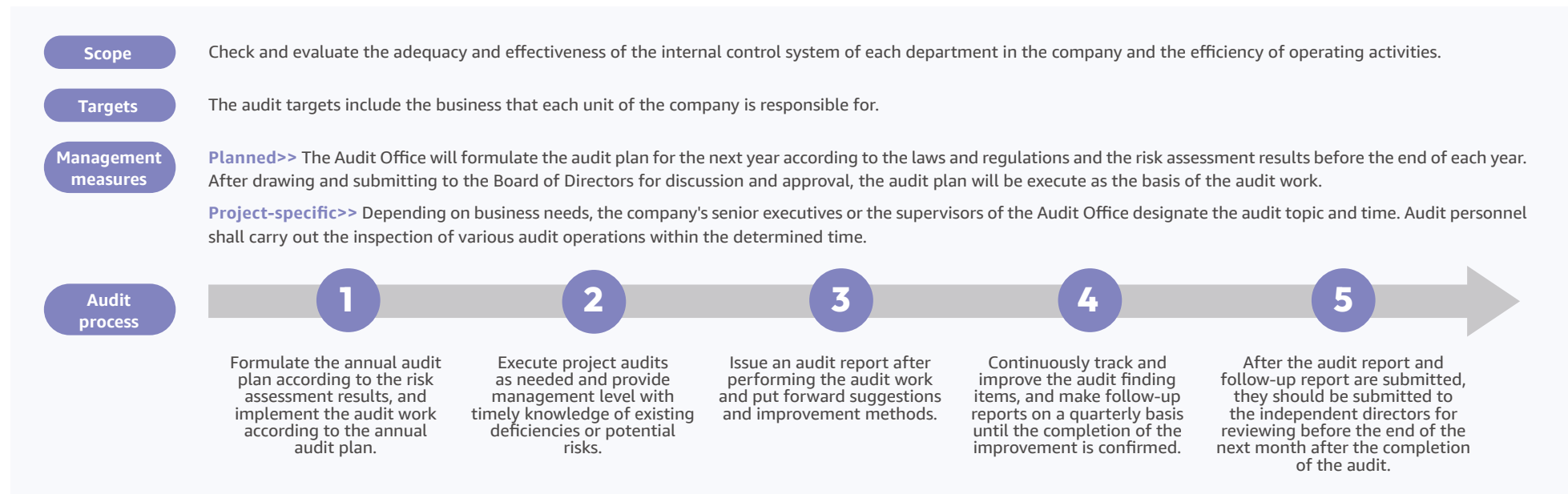
Category	Relevant Important Sources of Law in Taiwan	The company's Corresponding Measures or Procedures	Violations in 2024
Health and Safety	The Occupational Safety and Health Act, the Enforcement Rules of Occupational Safety and Health Act, the Rules for Labor Health Protection, the Rules for Labor 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.	In 2024, there were two recorded violation cases, neither of which constituted a material incident. Following review and verification, all deficiencies have been fully rectified. (For details, please refer to Section 6.6.4: Occupational Incident Statistics.)
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 2024, the Company was subject to two environmental regulatory penalties imposed by competent authorities. These involved violations of Article 28 of the Waste Disposal Act and Article 18 of the Water Pollution Control Act. All identified deficiencies have been fully rectified. (For details, please refer to Section 5.2: Environmental Policy and Commitments.)
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 2024, 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.



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. Project 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.

The audit plan for 2024 was fully executed, achieving a 100% implementation rate. No material internal control deficiencies were identified. The design and implementation of the internal control system were deemed effective. The Statement on Internal Control has been disclosed in the annual report and filed in accordance with applicable 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. The following ISO certifications have been obtained: ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, ISO 27001 Information Security Management System, ISO 14064-1 Greenhouse Gas Inventory, ISO 14067 Carbon Footprint Verification, and IATF 16949 Automotive Quality Management System.

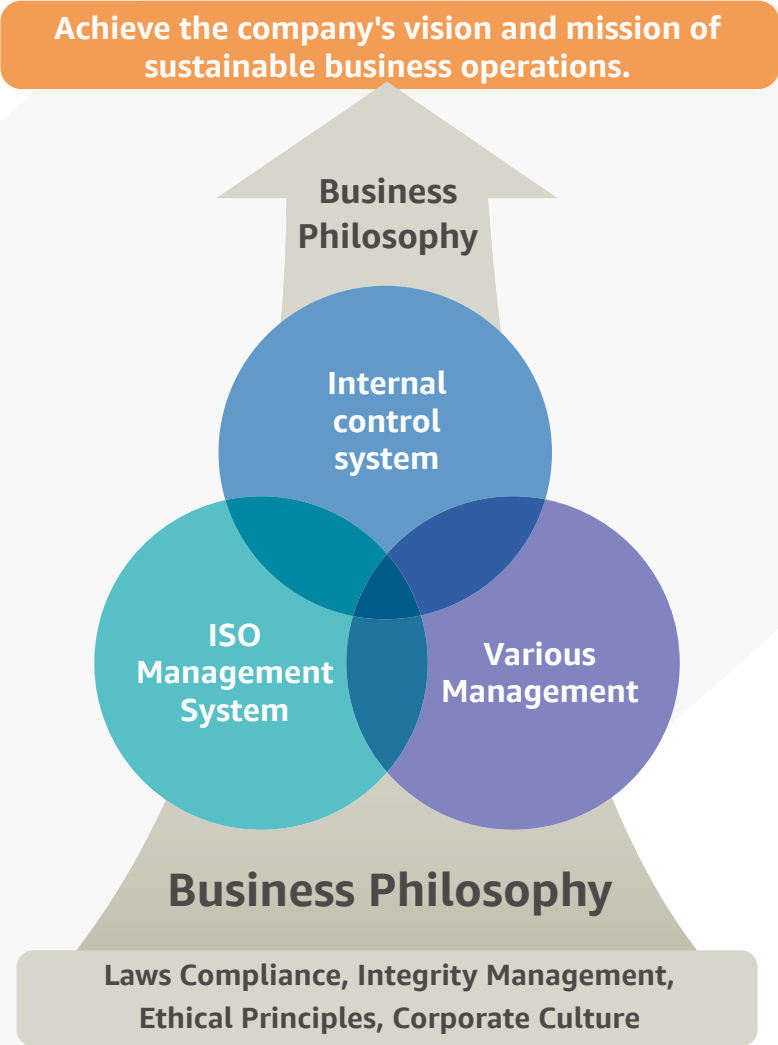
(3) Various Management Specifications

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 specifications, 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:



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 30, 2024.

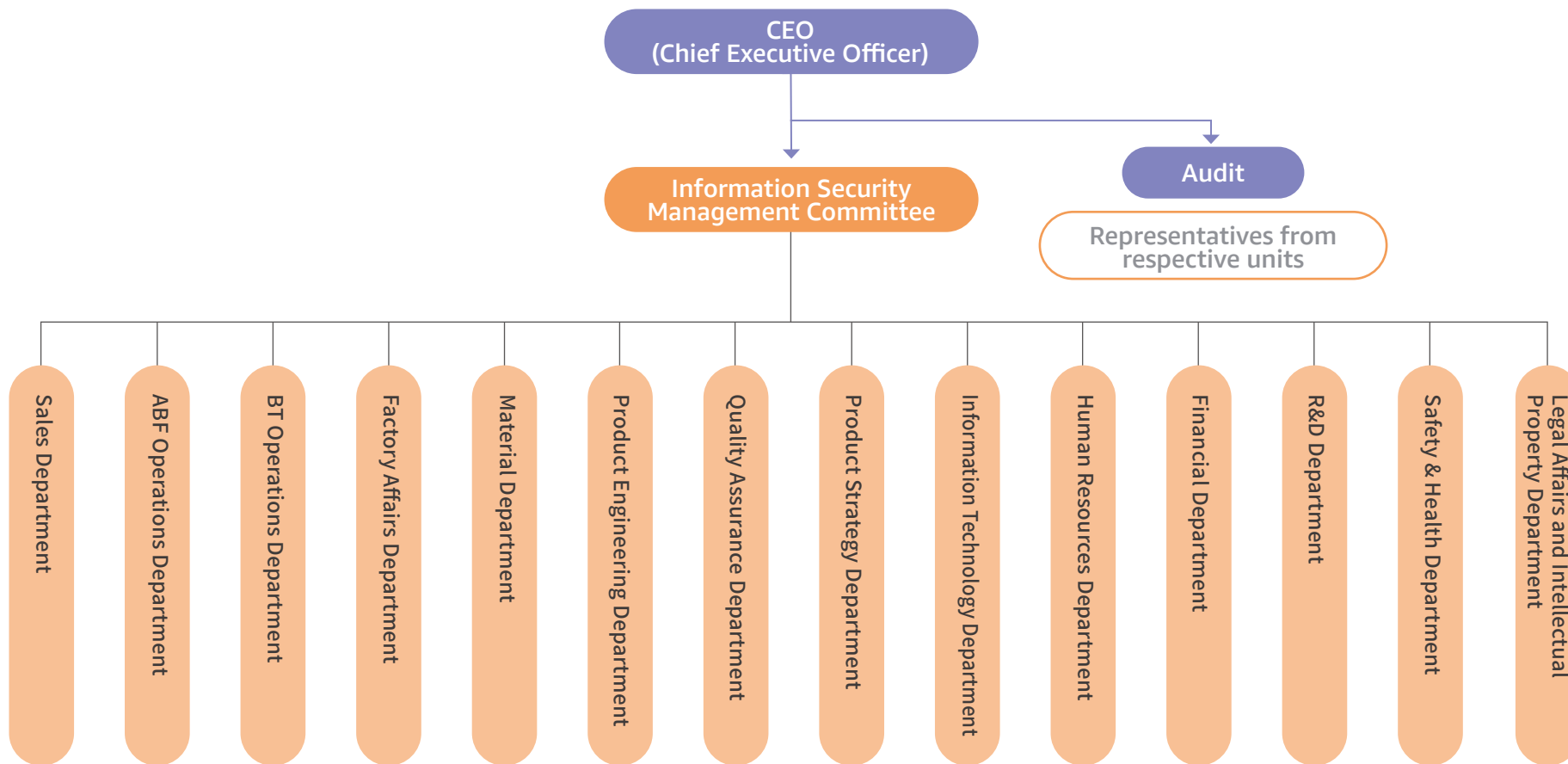
Information security management overall policy

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.

Material Topic > Ethical Business Practices and Regulatory Compliance	
Policy: Adherence to corporate ethics, professional conduct, and applicable laws and regulations.	
Management Guidelines	<ul style="list-style-type: none"> Goals and targets: Ensure the confidentiality, integrity, availability, and legal compliance of the Company's ICT infrastructure and information systems. Commitment: Apply due diligence and proactive communication mechanisms to enforce the information security management system and protect both company information and customer data. Management measures: <ol style="list-style-type: none"> Enforce the Company's information security policy. Implement an information security management system. Enhance information security awareness across the Company. Strengthen the Company's incident response capabilities. Achieve measurable performance aligned with information security policy objectives.
Short-, Medium-, and Long-Term Goals	<p>2024–2030~:</p> <ul style="list-style-type: none"> Intrusion prevention systems (IPS) shall actively block external threats with an effectiveness rate of 99.99%. 100% installation rate of endpoint protection software on all PCs/laptops and on all IT service hosts, ensuring centralized monitoring and proactive defense. Conduct at least one Business Continuity Plan (BCP) and Disaster Recovery (DR) drill annually to meet RTO/RPO targets. Zero data leakage incidents (0 cases) throughout the period.
Performance	<ul style="list-style-type: none"> IPS actively blocked external threats with a 100% effectiveness rate → Achieved. Endpoint protection software installed on 100% of PCs/laptops and IT service hosts → Achieved. Conducted two data center failure scenario drills and one backup data recovery drill. All results met expectations → Achieved. No data leakage incidents reported → Achieved.

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.

• 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.

• Scope of application

Shih-Lei Factory (headquarters), Tsing-Hua Factory, Xing-Feng Factory, Yu-Shih Factory

• 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) was formally implemented and certified with ISO 27001 at the Shih-Lei Factory.
2. Continuous optimization of the ISO 27001 ISMS, including enhanced controls for cloud service security and configuration management.
3. Ongoing information security training for new recruits, with awareness campaigns delivered via the EIP portal and screen savers.
4. Social engineering drills were conducted to strengthen employees' awareness of cybersecurity threats.



Network Security Protection

Targets

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

Actions

1. A multi-layered defense and monitoring system was established. Strategies for managing network protection equipment continue to be refined, along with streamlined control procedures.
2. Information security protection for supplier collaboration was reinforced by implementing development environment monitoring systems and cloud firewalls.
3. Internal operational system protection was strengthened, including the completion of firewall installation for core systems.



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. An advanced email defense system was introduced.
2. AI technologies were deployed for outbound email audit management.
3. Outbound email screening mechanisms continue to be optimized.
4. The AI-based screening model was enhanced to improve accuracy and efficiency.



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. Antivirus software has been installed on endpoint devices (PCs/laptops and machine controllers).
2. A watermark feature was implemented on NB/PC display content to enable traceability in case of data leakage.
3. Host system security was reinforced through the deployment of ransomware prevention storage systems.
4. Vulnerability scans were conducted, and identified weaknesses are being continuously addressed.



Disaster Preparedness

Targets

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

Actions

1. A cloud-based backup system was implemented to improve response capability in the event of anomalies.
2. DR system and data recovery drills were carried out to enhance switchover efficiency and reduce activation time during emergencies.
3. A DR system was set up for the smart manufacturing execution system at the Young Lion Factory.
4. Cross-plant fiber-optic backup infrastructure was built to optimize operational architecture.

2.6.3 Information Security Management Effectiveness

Institutional / Method of Education Publicity

1. The Shih-Lei Factory successfully passed the annual **ISO 27001** certification surveillance audit.
2. Over 1,600 new employees completed information security training during onboarding, achieving a **100%** pass rate. (Based on training records on the date of reporting.)
3. A total of four information security campaigns were conducted, covering cybersecurity policy, threat recognition, and mobile work security.
4. Conducted two social engineering simulation exercises.

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. Number of vendor information security violations: **0**.
4. The information security incident like system intrusion was **0**.

Email Safety Control

1. An average of **190** phishing emails were automatically blocked per month.
2. Number of high-risk emails reported to the Company: **0**.
3. Number of violations detected: **0**.



Device Safety Protection

1. Endpoint protection software installation rate for PCs/NBs: **100%**; installation rate for information service hosts: **100%**.
2. No virus infection or intrusion cases on IT/OA equipment; continued quarterly improvement for machine virus events: **0** per quarter.
3. No unauthorized logins to managed systems or network devices; no ransomware encryption incidents.
4. Two vulnerability assessments were conducted, with remediation implemented as planned.

Disaster Preparedness

1. Three service disruption scenario drills were conducted for server rooms and core system switchover; all met Recovery Time Objective (RTO) targets with expected outcomes.
2. One failure drill was conducted for the smart manufacturing execution system at the Young Lion Factory, with satisfactory results.
3. One cross-plant fiber outage occurred; services were uninterrupted due to automatic backup line switchover, with no impact on operations.

2.6.4 Information Security Performance Indicators

In accordance with the FSC ESG Reporting Guidelines, Kinsus has continued to strengthen information security management. In 2024, the Company achieved all cybersecurity targets, including zero information security or network security incidents, zero data breaches, zero violations involving personal data, and no penalties or fines.

2024 Information Security Indicators	Target	Performance
Number of information or network security violations (cases)	0 cases	0 cases
Number of data breach incidents (cases)	0 cases	0 cases
Number of personal data breach incidents involving customers (cases)	0 cases	0 cases
Number of customers and employees affected by data breaches (cases)	0 cases	0 cases
Penalty amount due to information or network security incidents (NTD)	0	0

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 Guidelines	<ul style="list-style-type: none"> • Goals and targets: 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-Specific→ 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.
Short-, Medium-, and Long-Term Goals	<ul style="list-style-type: none"> • From 2024 to 2030, evacuation and fire drills are conducted at least twice annually.
Performance	<ul style="list-style-type: none"> • In 2024, two evacuation and fire drills were conducted → Achieved.

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	Since the BGA carrier board and packaging technology will change due to the chip design the product life cycle is relatively short. 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.	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.
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.	Through the implementation of management systems, effectively manage energy consumption during operations to reduce carbon emissions and waste, thereby minimizing environmental impact. 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.
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.

Note: In accordance with the principle of materiality, Kinsus conducts risk assessments on environmental, social, or corporate governance issues relevant to its business operations. The Company formulates corresponding risk management policies or strategies through impact analysis. For details, please refer to Section 1.4.2 "Risk Management of Material Topics (Impact Analysis)" of this Report. The goals and performance outcomes can be found in the Appendix "1. ESG Performance."

03

Operational Performance, Stakeholders' Rights Customer Service and Product Quality

3.1 Operational Performance and Challenges

3.2 Tax Policy

3.3 Customer Relationship Management

3.4 Customer Privacy

3.5 Product Quality



03 Operational Performance, Stakeholders' Rights Customer Service and Product Quality

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

Kinsus is a full-process IC substrate factory, 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.

3.1 Operational Performance and Challenges

Material Topics >> Operational Performance and Stakeholders' rights Policy: Improving Quality to Increase Profits	
Management Guidelines	<ul style="list-style-type: none"> • 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: <ol style="list-style-type: none"> (1) Comply with applicable laws and regulations, and protect stakeholders' rights and labor rights. (2) 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. (3) 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.
Short-, Medium-, and Long-Term Goals	<ul style="list-style-type: none"> • 2024–2030: Complete at least one CDP assessment item (e.g., Climate Change / Water Security).
Performance	<ul style="list-style-type: none"> • In 2024, completed 2 CDP assessment items (Climate Change / Water Security) → Achieved.

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.

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 follows:**

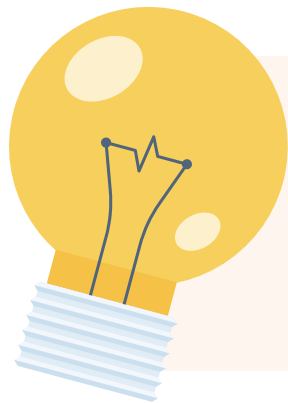
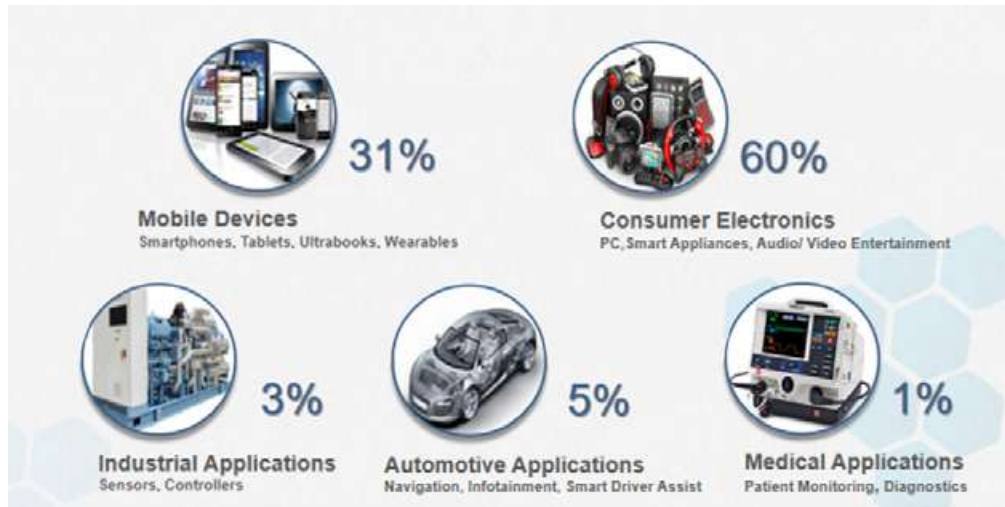
Main products	Purpose/Function
Flip Chip Ball Gate Array Package Substrate (FCBGA)	<p>FCBGA packages are often paired with ABF substrates, forming a critical high-end carrier for High Performance Computing (HPC) applications. These packages offer substantial future growth potential. ABF substrates were originally developed under Intel's leadership and are particularly suited for ICs requiring high pin counts and high-speed transmission. They are mainly used in large, high-end chips such as CPUs, GPUs, and chipsets.</p> <p>Flip-Chip Ball Grid Array (FCBGA) packaging delivers exceptional performance and cost advantages. For chips requiring thousands of I/O connections, traditional wire bonding cannot compete with flip-chip packaging in terms of both performance and cost efficiency.</p> <p>As technology continues to advance, the application of ABF substrates is rapidly expanding. They now encompass nearly all fields demanding high-performance, high-precision, and high-speed ICs. ABF substrates are capable of supporting advanced semiconductor processes and meeting the requirements for fine-pitch lines and high-density interconnections, offering strong market growth potential.</p> <ul style="list-style-type: none"> • Primary Applications of FCBGA (ABF Substrate): <ol style="list-style-type: none"> 1. Computing and Electronics: Used in the fabrication of high-performance chips such as CPUs, GPUs, and chipsets. Demand has been particularly strong in areas such as AI-driven high-speed computing, making it a key driver of future growth. 2. Communication Technologies: Supports high-speed data transmission chips required for 5G, IoT, and mobile communication base station infrastructure. 3. Automotive Electronics: Applied in automotive central processing units, system management chips, in-vehicle navigation, and infotainment systems. 4. Industrial Automation and Control: Used in controllers for robotics, PLCs (Programmable Logic Controllers), and other industrial automation equipment. 5. Medical Devices and Biotechnology: Supports high-precision control and data transmission chips used in medical imaging equipment and biochips.

Main products	Purpose/Function
RF Module Package Carrier Board (RF Modules)	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.
Flip Chip Scale Package Substrate (FCCSP)	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.
Wire Bonded Chip Scale Package Substrate (CSP)	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.
Plastic Ball Gate Array Package Substrate (PBGA)	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:

- 1/ Personal computer field, including desktop, Notebook and Chromebooks.
- 2/ Consumer electronics and optoelectronic products for communication and general household or personal use.
- 3/ Applications of 5G communication, artificial intelligence, cloud network, Internet of Things, and automated robots.

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



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

Item	2022	2023	2024
Consolidated Turnover	42,441,054	26,832,187	30,534,979
Operating Profit	15,711,556	6,757,506	8,667,725
Net Profit before Tax	10,091,874	1,426,085	1,603,188
Net profit after Tax	7,933,470	1,170,402	1,331,050
Other Comprehensive Income	102,874	(98,057)	201,406
Total Comprehensive Benefit	8,036,344	1,072,345	1,532,456
Earnings per Share	15.47	0.11	0.11
Debt Ratio	46.56%	49.84%	49.80%
Return on Equity	22.10%	3.00%	3.37%
Shareholding Ratio of Directors and Supervisors	25.38%	25.33%	25.25%

Note: In 2022, the rapid growth of the consumer electronics sector was driven by pandemic-related market tailwinds, which significantly boosted the EPS for the year

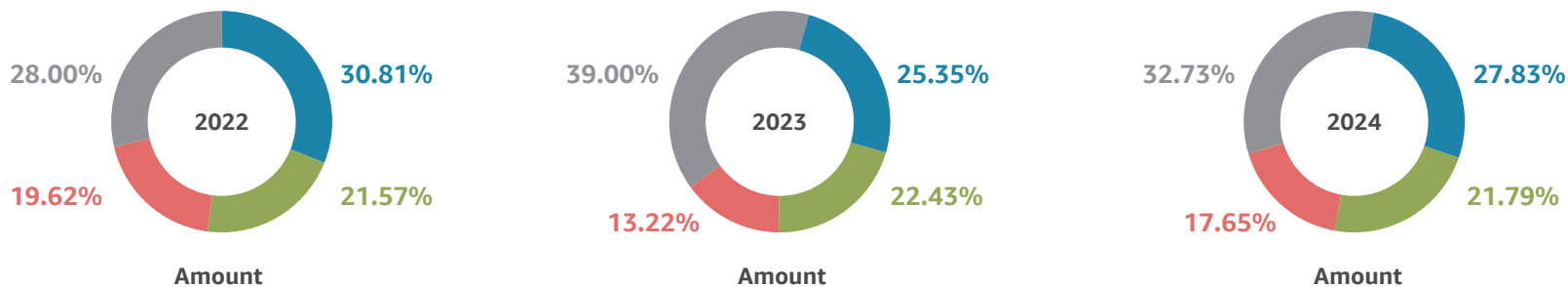
• Proportion of main products to revenue in the last three years

Unit: NT\$ thousand

Year \ Product	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
Commodity Sale	41,588,787	97.99	26,085,747	97.22	30,227,136	98.99
Other	852,267	2.01	746,440	2.78	307,843	1.01
Total	42,441,054	100	26,832,187	100	30,534,979	100

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

Unit: NT\$ thousand



Region	2022 Amount	2023 Amount	2024 Amount
Taiwan	13,074,886	6,800,432	8,498,809
China	9,154,610	6,017,758	6,652,127
U.S.	8,328,241	3,547,047	5,388,402
Other	11,883,317	10,466,950	9,995,641
Total	42,441,054	26,832,187	30,534,979

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

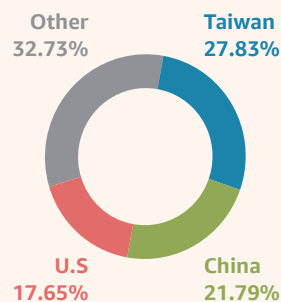
Unit: NT\$ thousand

Item	2022	2023	2024
Revenue	42,441,054	26,832,187	30,534,979
Operating Costs	26,729,498	20,074,681	21,867,254
Employee Wages and Benefits (Note)	9,266,364	6,631,696	7,590,658
Payments to Capital Providers	2,180,175	3,231,090	814,125
Dividend Payments	2,028,798	2,943,012	454,423
Interest Payments on Bank Loans	151,377	288,078	359,702
Payments to Government (Income Tax)	978,976	1,202,628	359,070

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

Diversification of marketing regions

In 2024, the Company's primary sales region was Taiwan, accounting for the largest share of revenue at 27.83%, followed by China at 21.79% and the United States at 17.65%. The top three regions collectively accounted for 65% of total revenue, reflecting a relatively high concentration. Moving forward, the Company aims to expand its customer base in other countries or regions—such as South Korea, Southeast Asia, and Europe—to diversify markets and mitigate risks.



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 2024, the Company complied with applicable tax policies and regulations. No penalties or sanctions were imposed by the competent authorities.

3.3 Customer Relationship Management

Material Topic>> Customer Relationship Management Policy : Manage Customer Relationships with Care and Improve Their Service Satisfaction	
Management Guidelines	<ul style="list-style-type: none"> • Goals and targets: 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: <ol style="list-style-type: none"> (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.
Short-, Medium-, and Long-Term Goals	<ul style="list-style-type: none"> • 2024–2030: Customer satisfaction score to be maintained above 70.
Performance	<ul style="list-style-type: none"> • Customer satisfaction score in 2024: 84 → Achieved.

• Customer maintenance and satisfaction survey

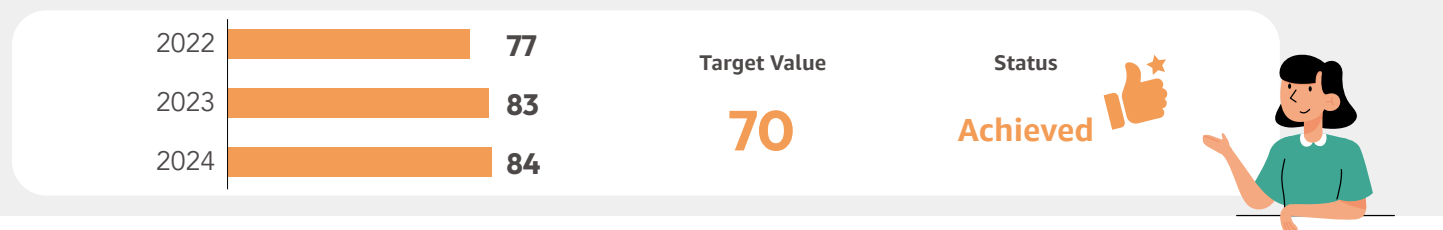
According to the operational procedure SBM03000 for customer satisfaction surveys, customer satisfaction surveys are conducted regularly. These surveys are carried out every six months or quarterly by members of the sales department through personal visits, fax, email, or postal mail.

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 the customer satisfaction survey are presented in the table below:



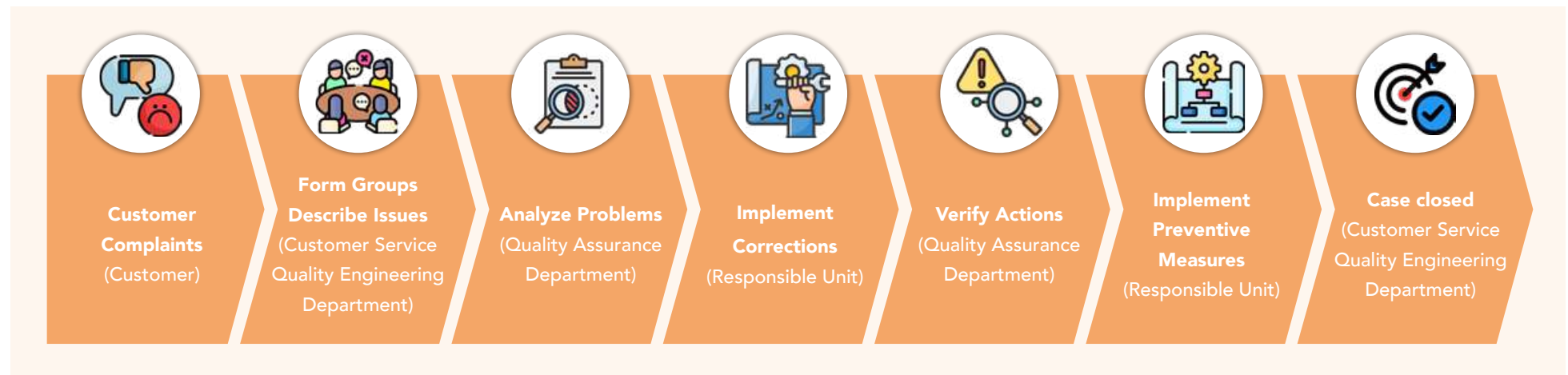
• Customer feedback and handling

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:



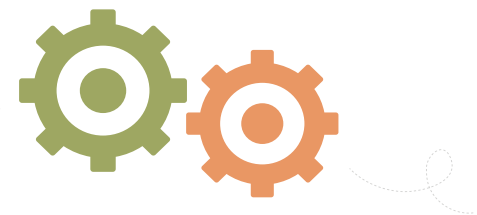
Customer Privacy	
Management Guidelines	<ul style="list-style-type: none"> • Policy: Provide strict protection for customer privacy and confidential information. • Goals and targets: Consolidate the good partnership with customers and expand the scope of business. • Commitment: Using due diligence and early warning communication methods, the customer is an important partner of KINSUS. The customer privacy and confidential information are strictly protected. • Management measures: <ol style="list-style-type: none"> (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.
Short-, Medium-, and Long-Term Goals	<ul style="list-style-type: none"> • 2024-2030~: No incidents of customer privacy violations or data loss that compromised customer rights.
Performance	<ul style="list-style-type: none"> • 2024: No incidents of customer privacy violations or data loss that compromised customer rights → Achieved.

3.5 Product Quality

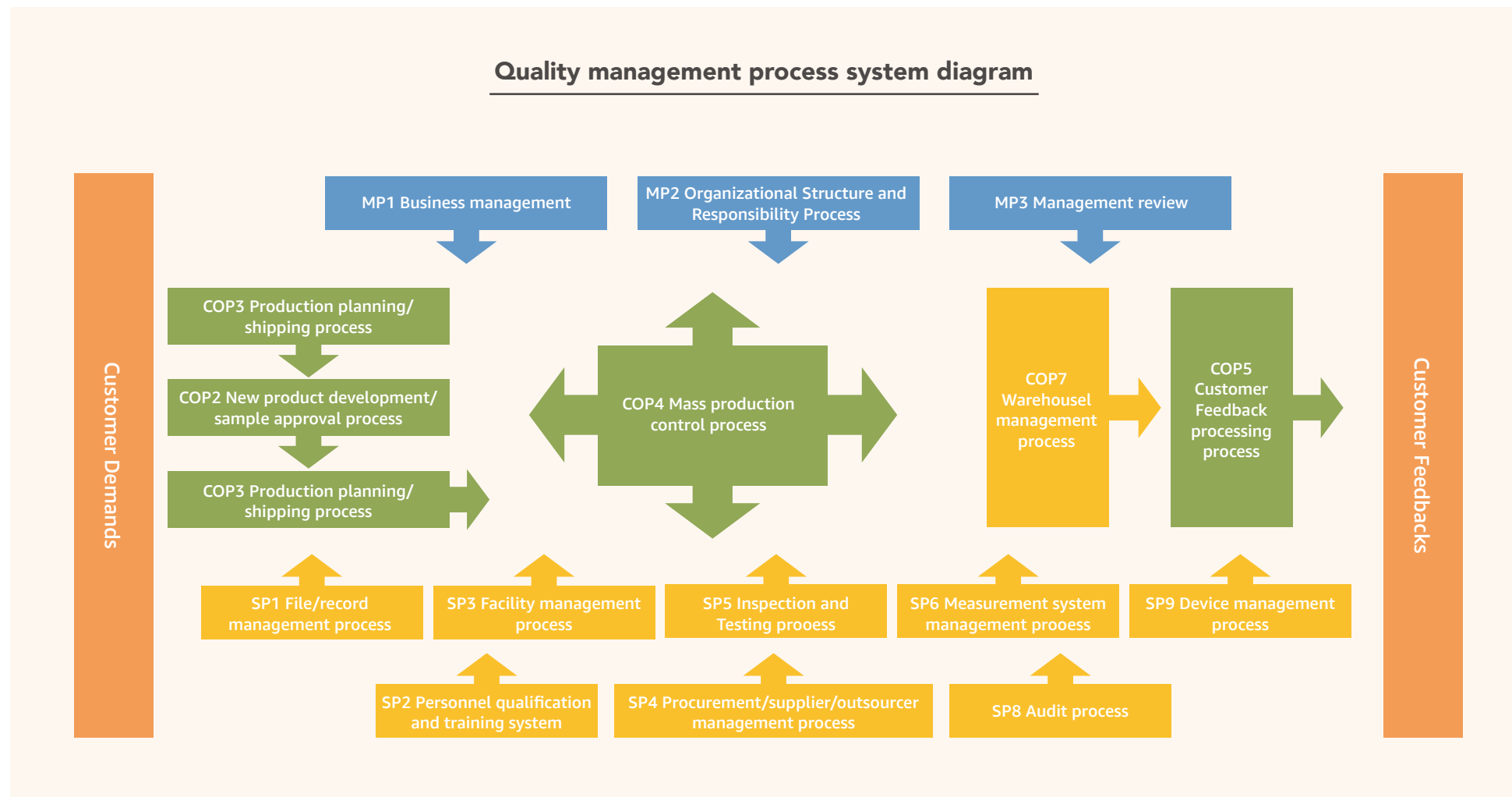
Material Topic → Product Quality	
Management Guidelines	<ul style="list-style-type: none"> • Quality Policy: Satisfying Customers, Pursuing Excellence. • Goals and targets: Improve the yield rate of various products, meet customer requirements for product quality and accurate delivery. • Commitment: Use due diligence and early warning communication methods to meet customer requirements for product quality, safety, and accurate delivery. • Management measures: <ol style="list-style-type: none"> (1) The product output process complies with international regulations and Local laws. (2) Improve the yield rate of various products to ensure the quality, safety and delivery of products that meet customer requirements. (3) Through green manufacturing, the Company ensures its products comply with regulations and customer requirements on the reduction of hazardous substances. This also aligns with stakeholder expectations and upholds both customer health and environmental safety.
Short-, Medium-, and Long-Term Goals	<ul style="list-style-type: none"> • Product Quality: 2024-2030~: Obtain ISO 9001 and IATF 16949 quality management system certifications annually.
Performance	<ul style="list-style-type: none"> • 2024: Achieved ISO 9001 and IATF 16949 quality management system certifications → Achieved.

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:

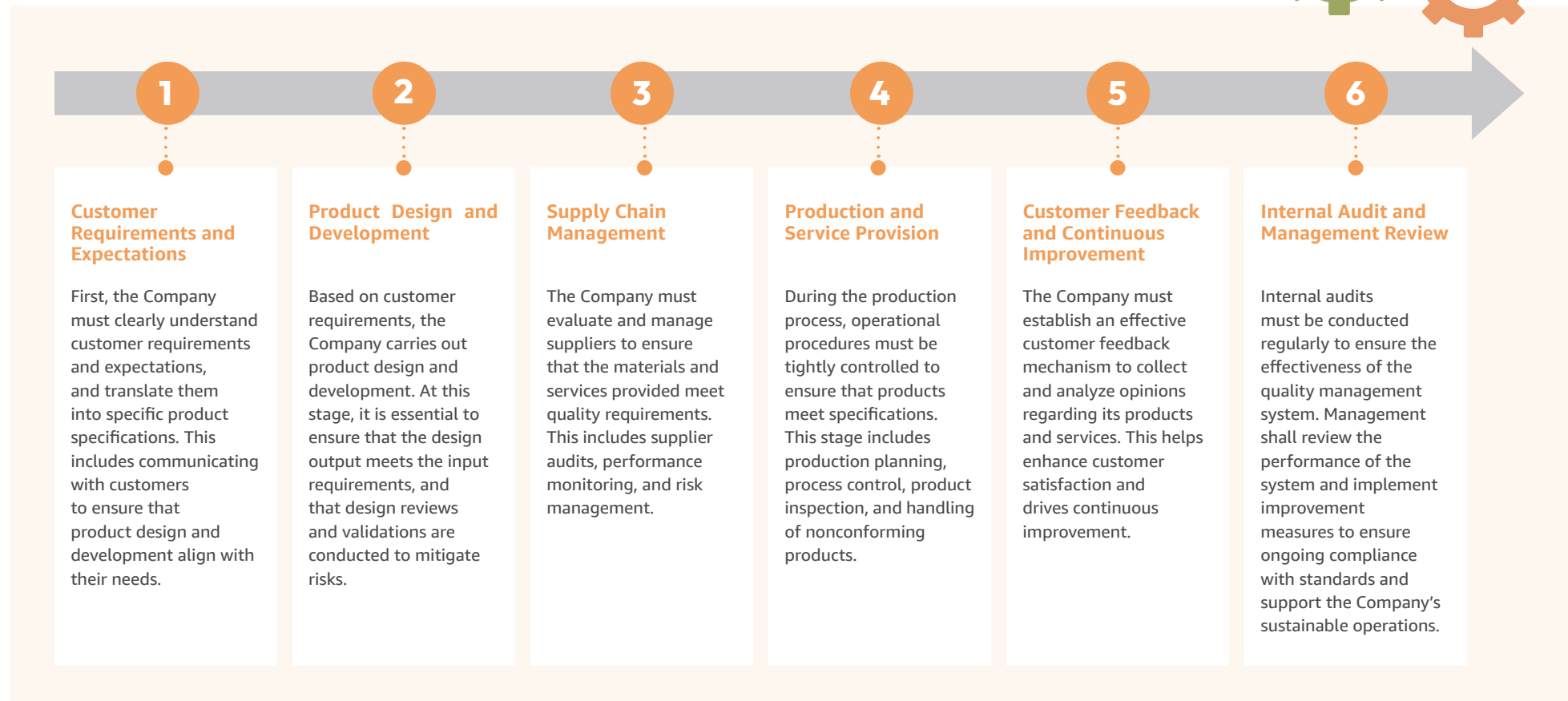
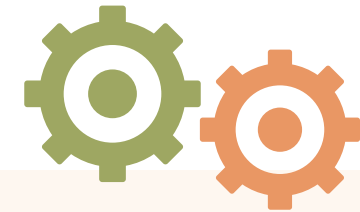
The entire company's workflow, from order taking, planning, procurement, to shipping and after-sales service, is dedicated to continuously improving and enhancing quality and technology. The goal is to prevent defects, reduce variation and waste, and ensure that customers are fully satisfied with product 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.



• **Quality management process**



To ensure product quality and promote the Company's sustainable development, the operational and control framework is structured with reference to the process interaction diagram of the IATF 16949 Quality Management System. The core focus is customer orientation, with a commitment to continuous improvement to ensure product quality. The main processes are as follows:



Through the process framework of IATF 16949, the Company is able to systematically manage quality. This ensures that products and services meet customer requirements. Continuous improvement further enhances operational efficiency and competitiveness, thereby supporting sustainable development.

• Green Product Management

Kinsus is committed to promoting green product management. Under the three core principles—compliance with green standards and requirements, hazardous substance-free procurement, and green supply chain—the Company has established the QQS08000 Hazardous Substance Management Specification. This ensures that all related activities conform to the hazardous substance process management system, customer expectations, and applicable regulations. The aim is to minimize the impact of hazardous substances on human health and the environment.

Item	Description
Hazardous Substance Control	Establish the "QQS08001 Hazardous Substance Control Guidelines" to ensure that Kinsus' hazardous substance control complies with domestic and international regulations/directives as well as customer requirements.
Document and Record Management Requirements	Establish the "QQS03000 Record Retention Guidelines" to manage records related to hazardous substance-free materials.
Communication	Develop procedures to ensure that information related to hazardous substance-free requirements is communicated, understood, and implemented both internally and externally. This includes regularly reviewing domestic and international hazardous substance regulations and directives. Verification may also be conducted through updates from customers or third-party institutions to confirm the latest effective regulations.
Training, Awareness, and Competence	Implement and maintain training programs necessary for the hazardous substance-free system to ensure personnel possess the required competencies. Maintain training and certification records in accordance with documentation and control requirements.
Design and Development	Plan and control the design and development of hazardous substance-free products. If hazardous substances are used during the planning stage, records must be clearly documented. Where necessary, develop plans for substitution or elimination.
Procurement Management	Establish the "APR01000 Supplier Management Procedures" to ensure that packaging and raw material procurement processes are free from hazardous substances.

Item	Description
Production Management	Establish procedures to prevent contamination in each production process. Apply hazardous substance-free management to tools/auxiliary tools used in production, and control raw materials and packaging materials to prevent abnormal situations involving contamination or mixing of conforming and non-conforming products.
Subcontractor Management	Establish the "APR03000 Outsourcing Operation Procedures" to manage subcontractors and ensure they have implemented systems that avoid the use of hazardous substances.
Identification and Traceability Management	Establish the "DPD06000 Product Identification and Traceability Operation Procedures" to track material usage records from delivery batches to raw materials and packaging.
Shipping Management	Ensure proper preparation and retention of supporting documentation at the time of product delivery to demonstrate compliance with customer hazardous substance requirements.
Hazardous Substance-Free Measurement	Establish measurement plans and standards, or other appropriate validation methods, to verify that products and materials are free of hazardous substances.
Nonconforming Hazardous Substance Management	Establish the "QQS02000 Nonconforming Product Control Procedures" to define the identification and segregation of nonconforming products, ensuring they are not mistakenly delivered to customers.
Internal Audit	To verify proper implementation and maintenance of the hazardous substance-free system, the Quality Assurance Department conducts internal audits in accordance with the "QQS05000 Internal Audit Operation Procedures."

Therefore, no incidents of non-compliance with health and safety regulations related to products and services occurred in 2024.

04

Sustainable Supply Chain Management

- 4.1 Supplier Management Policy and Commitment
- 4.2 Industrial Supply Chain
- 4.3 Supplier Composition and Categories
- 4.4 Supplier Management
- 4.5 Ethical Procurement



04 Sustainable Supply Chain Management

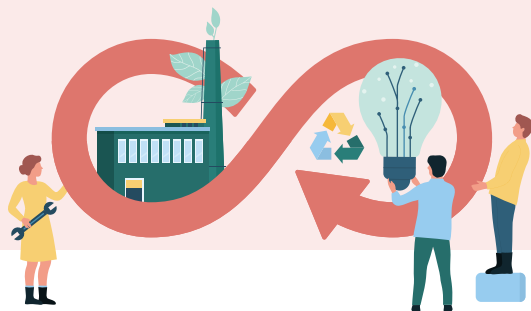
Suppliers are key partners in Kinsus Technology's operations. To strengthen collaboration with suppliers, the Company has established a supplier management system and corresponding standards. These cover aspects such as quality, cost, delivery, service, technology, labor and human rights, occupational health and safety, and environmental protection. Beyond maintaining its own commitments, Kinsus expects suppliers to work together in advancing sustainable practices throughout the supply chain.

2024 Section Highlights

Supplier Corporate Social Responsibility (CSR) assessment score reached **82.67%**.

The local procurement ratio for raw materials increased by 0.45%, **achieving 59.83%**.

The local procurement ratio for components increased by 0.11%, **achieving 99.97%**.



4.1 Supplier Management Policy and Commitment

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

- **Goals and targets:** The Company is committed to maintaining long-term partnerships with domestic and international suppliers. By fostering trusted relationships, we aim to ensure supply chain stability, reduce the risk of operational disruptions, enhance supplier quality and service, and strengthen supplier compliance and sustainability to support long-term corporate development and competitiveness.
- **Commitment:** To promote a sustainable supply chain, Kinsus has implemented a supplier evaluation mechanism to ensure that raw material and component suppliers can meet both quality and sustainability expectations, in line with market and customer demands.
- **Management measures:**

Management Guidelines

- (1) **Supplier Selection and Review:** A supplier management policy has been established. All suppliers must pass a qualification review to ensure alignment with Kinsus standards.
- (2) **Supplier Performance Evaluation:** A regular evaluation mechanism has been implemented. Suppliers are audited for quality and corporate social responsibility to ensure compliance and sustainable management.
- (3) **Enhancing Supply Chain Resilience:** Priority is given to local suppliers and manufacturers to reduce carbon footprint.
- (4) **Ethical Procurement:** Raw materials procured must be free of hazardous substances and must not include minerals sourced from conflict-affected regions.
- (5) **Establishing Long-Term Partnerships:** Supplier conferences are held regularly to maintain effective communication and foster mutually beneficial cooperation.

**Material Topic → Sustainable Supply Chain Management
 Policy: Establishing a Sustainable Supply Chain**

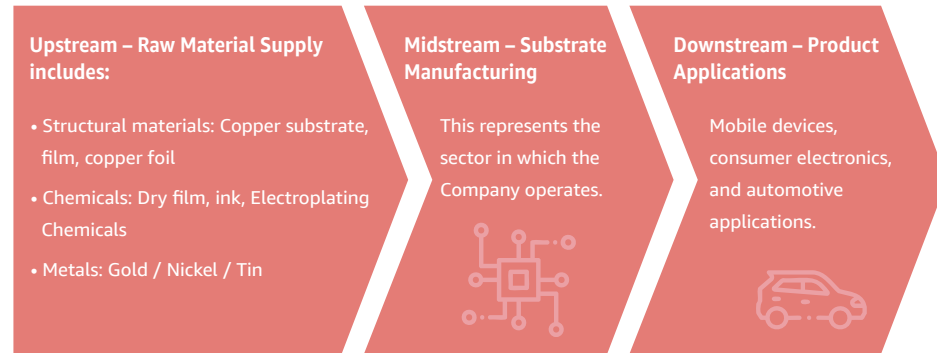
<p>Short-Term Goals</p>	<p>2024–2025 Targets and Progress:</p> <ul style="list-style-type: none"> • Maintain an average score above 80 in qualified supplier evaluations. • Increase the proportion of local procurement: raw materials to 59.00%, components to 99.00%. • Achieve a 75% completion rate in supplier CSR evaluations. • Require medium-risk suppliers to complete self-assessment using the "Supplier CSR Evaluation Form", with a target of 12 suppliers. • Achieve 100% compliance with the Responsible Business Alliance (RBA) Code of Conduct on hazardous substances. • Achieve 100% usage rate of conflict-free minerals through supplier due diligence. 	<p>Long-Term Goals</p>	<p>2030 and Beyond Targets:</p> <ul style="list-style-type: none"> • Maintain an average supplier evaluation score above 95. • Increase local procurement ratio: raw materials to 60.00%, components to 99.80%. • Achieve a 90% completion rate in supplier CSR evaluations. • Maintain 100% compliance with hazardous substance regulations and "responsible mineral sourcing."
<p>Medium-Term Goals</p>	<p>2026–2029 Targets:</p> <ul style="list-style-type: none"> • Maintain an average supplier evaluation score above 92. • Increase local procurement ratio: raw materials to 59.40%, components to 99.60%. • Achieve 85% completion rate in supplier CSR evaluations. • Maintain 100% compliance rate with hazardous substance regulations and 100% responsible mineral sourcing. 	<p>Achievement Status</p>	<p>2024 Achievements:</p> <ul style="list-style-type: none"> • Average score in supplier evaluations: 95 → Target Achieved • Local procurement ratio: raw materials 59.83%, components 99.97% → Achieved • CSR evaluation completion rate: 82.67% → Achieved • Medium-risk suppliers completing CSR self-assessment: 40 suppliers (Target: 12) → Achieved • Compliance with RBA hazardous substance requirements and responsible minerals: 100% → Achieved

<p>Responsibility</p>	<table border="0"> <tr> <td data-bbox="347 1252 672 1292"> <p>External Responsibility</p> </td> <td data-bbox="694 1252 2047 1292"> <p>Conflict Minerals</p> </td> </tr> <tr> <td data-bbox="347 1300 672 1340"> <p>Internal Systems</p> </td> <td data-bbox="694 1300 2047 1340"> <p>Supplier Management Operation Procedure, Engineering Contractor Management Operation Procedure, Supplier Corporate Social Responsibility Code of Conduct, Customer Satisfaction Evaluation Operation Procedure.</p> </td> </tr> </table>	<p>External Responsibility</p>	<p>Conflict Minerals</p>	<p>Internal Systems</p>	<p>Supplier Management Operation Procedure, Engineering Contractor Management Operation Procedure, Supplier Corporate Social Responsibility Code of Conduct, Customer Satisfaction Evaluation Operation Procedure.</p>
<p>External Responsibility</p>	<p>Conflict Minerals</p>				
<p>Internal Systems</p>	<p>Supplier Management Operation Procedure, Engineering Contractor Management Operation Procedure, Supplier Corporate Social Responsibility Code of Conduct, Customer Satisfaction Evaluation Operation Procedure.</p>				

4.2 Industrial Supply Chain

IC substrates play a critical intermediary role in the semiconductor supply chain. Their primary function is to serve as carriers for semiconductor chips during packaging and to act as conduits for external circuit connections.

The Company's supply chain can be categorized into three segments: upstream (raw material supply), midstream (substrate manufacturing), and downstream (product applications).



Due to the unique material characteristics and process requirements of IC substrates, the key raw materials have historically been sourced primarily from Japan. However, following the 2011 earthquake in Japan, which caused major disruptions in the supply chain, Japanese suppliers have proactively expanded their production bases to overseas locations such as Thailand, Malaysia, and Taiwan in recent years. The Company has consistently maintained strong and collaborative relationships with upstream suppliers. It regularly provides procurement forecasts covering at least one quarter to facilitate materials preparation and production capacity planning. This approach helps ensure a stable and uninterrupted supply of upstream raw materials.

In 2024, demand for IC substrates increased significantly, driven by the rapid expansion of artificial intelligence (AI) applications. According to forecasts by the Industrial Technology Research Institute (ITRI), the global IC substrate market is

projected to reach USD 15.32 billion, representing a 14.8% growth compared to 2023. The surge in AI server demand has particularly fueled growth in the high-end substrate segment. The ABF substrate market, in particular, is expected to triple in demand, building from a low base.

However, demand in the mid- and entry-level substrate segments remains uncertain. Industry analysis reports suggest that a supply shortfall in the substrate market is now expected by 2026, a revision from the earlier projection of 2025. This delay is primarily due to postponed replacement cycles in the Edge device and AI PC/notebook markets.

Overall, in 2024, the substrate market exhibited strong growth in the high-end segment and a gradual recovery in mid- to entry-level segments. It is essential to closely monitor market developments and adjust production capacity and strategic direction accordingly in response to evolving demand.

4.3 Supplier Composition and Categories

In 2024, Kinsus collaborated with a total of 1,072 suppliers. Based on procurement categories, suppliers were classified into six major types: Raw Material Suppliers, Equipment Suppliers, Component Suppliers, Engineering Contractors, On-Site Service and Waste Management Suppliers, and General Suppliers.

Suppliers that have partnered with Kinsus over the past three years include:

Year	Raw Material	Equipment	Component	Engineering	Onsite/Waste	General	Total
2022	217	307	254	71	52	281	1,182
2023	227	250	261	48	55	255	1,096
2024	208	263	246	46	48	261	1,072

4.4 Supplier Management

• Supplier Selection and Review

To ensure prudent supplier selection, the Company has established a procedure for onboarding new suppliers. This is implemented in accordance with the Supplier Management Procedures and the Supplier Code of Conduct for Corporate Social Responsibility. In addition to evaluating quality, pricing, delivery performance, and technical capabilities, the Company requires all partnering suppliers to sign the following declarations: the Integrity Declaration, the Confidentiality Commitment, the Conflict-Free Minerals Guarantee, and the Statement of Conformance to the Supplier Code of Conduct. These measures ensure that supplier selection not only meets quality requirements but also demonstrates concrete actions and commitments in areas such as environmental protection and social responsibility. This approach aims to support the Company's sustainability objectives and foster a responsible and resilient supply chain.

- In 2024, a total of 4 new suppliers were selected based on environmental and social responsibility criteria.

Integrity declaration	100%
Confidentiality commitment	100%
Conflict-free minerals guarantee	100%
Statement of Conformance to the Supplier Code of Conduct	100%

• Supplier Performance Evaluation

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.

- Quality Management:

| Qualified Supplier Assessment:

Grade A	Grade B	Grade C	Grade D
Excellent Supplier	Standard Supplier	Supplier required to submit corrective actions and implement improvements within a set deadline	Supplier suspended from transactions after two consecutive low ratings

- Kinsus Technology's 2024 Supplier Evaluation Criteria



• **Number of suppliers and evaluation grades over the past three years**

Grade	2022	2023	2024
A	119	113	106
B	1	2	2
C	0	0	0
D	0	0	0

| **Qualified Supplier Quality Audit:**

The frequency of audits is determined based on supplier evaluation performance, which informs the following year’s audit planning. In 2024, the Company conducted on-site audits for a total of 28 suppliers. The number of audit findings increased compared to the previous two years. This is primarily due to the transition from IATF 16949 quality audits to VDA 6.3 process audits. VDA 6.3 places greater emphasis on in-depth examination of manufacturing processes and risk management. The Company will continue to provide guidance and support to suppliers for improvement, with the goal of meeting both internal and customer expectations.

Year	Number of Audits Conducted	Major Findings	Minor Findings	Recommendations	Closure Rate
2022	11	0	20	33	100%
2023	28	0	35	68	100%
2024	28	0	53	112	100%

| **Qualified Supplier RBA Audit Program:**

The Company has adopted the Supplier Corporate Social Responsibility Code of Conduct based on the principles of the Responsible Business Alliance (RBA), which serves as the foundation for supply chain management. This Code encompasses standards on labor, health and safety, environmental responsibility, business ethics, and management systems. It aims to ensure a safe working environment for suppliers, protect employees' dignity and rights, and promote environmentally responsible and ethically sound operations. The Company requires suppliers to proactively mitigate risks related to environmental impact, human rights and labor, business integrity, labor standards, and potential production disruptions caused by strikes. Kinsus seeks to establish a mutually beneficial and sustainable partnership with its suppliers.

Kinsus mandates that all supplier partners comply with the RBA Code of Conduct and sign the Corporate Social Responsibility Code of Conduct Statement, thereby committing to conduct all business activities in compliance with applicable laws and ethical standards.

• **Key Points of the Corporate Social Responsibility Code of Conduct Statement:**

Suppliers must comply with the provisions of the Supplier Corporate Social Responsibility Code of Conduct to ensure a safe working environment throughout the supply chain and protect employees with dignity and respect. Business operations must align with environmental and ethical requirements. All business conduct—covering labor, health and safety, environmental protection, business ethics, and management systems—must fully comply with this Code. Suppliers must uphold labor rights and provide a safe and healthy workplace environment. The use of child labor is strictly prohibited (defined as individuals under the legal minimum employment age in the respective country or region).

Kinsus clearly communicates its sustainability management policies to suppliers. High-risk suppliers undergo regular on-site audits to verify whether their sustainability performance meets the requirements of various management systems, thereby ensuring continued compliance with our expectations.

Suppliers are assessed through either periodic on-site audits or document-based evaluations, based on their risk classification. For any deficiencies identified during assessment, suppliers are required to submit a corrective action plan within a specified period. Closure is granted only after confirmation by the Kinsus supplier audit team.

• Key Evaluation Items of Supplier Social Responsibility Assessment:

Based on the key elements outlined in the CSR Statement, a Supplier Social Responsibility Evaluation Form is designed to guide self-assessment. The form includes secondary criteria across five categories: labor, health and safety, environmental practices, business ethics, and management systems. Suppliers are required to review each item, self-assess compliance, and outline any corresponding improvement actions.

Kinsus classifies its suppliers into three risk levels: high risk, medium risk, and low risk. On-site audits are conducted for high-risk suppliers, while medium-risk suppliers are required to perform self-assessments.

• High-risk suppliers include:

- (1) Domestic raw material manufacturers ranked among the top 20 in annual transaction value.
- (2) On-site service contractors.
- (3) Hazardous industrial waste treatment providers.

• Medium-risk suppliers include:

- (1) Foreign raw material manufacturers or their agents ranked among the top 20 in annual transaction value.
- (2) Domestic equipment manufacturers ranked among the top 10 in annual transaction value.
- (3) Domestic engineering contractors ranked among the top 10 in annual transaction value.
- (4) Non-hazardous industrial waste treatment providers.

| Number of Supplier Audits and Self-Assessments in the Past Three Years

Way \ Year	2022			2023			2024		
	Planned	Actual	Completion Rate	Planned	Actual	Completion Rate	Planned	Actual	Completion Rate
On-site Assessment	27	24	56.25%	19	19	67.80%	25	22	82.67%
Self-Assessment	37	12		40	21		50	40	
Total	64	36		59	40		75	62	

In 2024, supplier audit findings were primarily related to labor, health and safety, and management systems. The deficiencies identified during the audits and the corresponding corrective actions are summarized in the table below. All corrective actions have been fully implemented.

Category	Audit Findings	Supplier Improvement Plans
Labor	<ul style="list-style-type: none"> - No system in place to monitor employee working hours. - Paternity leave entitlements for employees not adjusted in accordance with legal requirements. - Inadequate implementation of measures to prevent unlawful infringements. 	<ul style="list-style-type: none"> • Conduct verification and documentation of relevant attendance records. • Revise workplace rules and conduct training sessions for all employees. • Update and implement the preventive action plan for protection against unlawful infringements during the performance of duties.
Health and Safety	<ul style="list-style-type: none"> - Incomplete labeling on the emergency evacuation floor plan. - Insufficient brightness of the directional signs for emergency exits. - Fire extinguisher inspection log does not correspond with actual on-site extinguisher placements. 	<ul style="list-style-type: none"> • Include emergency exit signage in the evacuation floor plan. • Inspect and replace light fixtures with insufficient brightness on a regular basis. • Add identification numbers to fire extinguishers to correspond with the inspection checklist.
Management Systems	<ul style="list-style-type: none"> - Failure to identify key labor-related regulations. - Workplace rules not updated in accordance with current labor laws. 	<ul style="list-style-type: none"> • Include the "Labor Standards Act" in the regulatory compliance list and conduct a renewed review. • Revise the "Workplace Rules" accordingly.

• Supplier Environmental Mechanisms and Delivery Management

Suppliers entering any of the Company's sites to perform engineering work, maintenance, or related services must comply not only with the relevant supplier regulations and requirements outlined in procurement contracts and purchase orders, but also undergo environmental compliance audits conducted by EHS personnel. These audits are carried out in accordance with the "Supplier Management Operation Procedure Manual" and the "Contractor Environmental and Occupational Health and Safety Management Guidelines."

New suppliers must guarantee that their production facility management, product manufacturing processes, and the products or services they provide do not violate any applicable legal requirements. Within the procurement contract, suppliers are required to warrant that all aspects of production, manufacturing, labeling, packaging, storage, handling, transportation, import/export, delivery, installation, commissioning, and service provision fully comply with all applicable laws and regulations in the relevant jurisdictions.

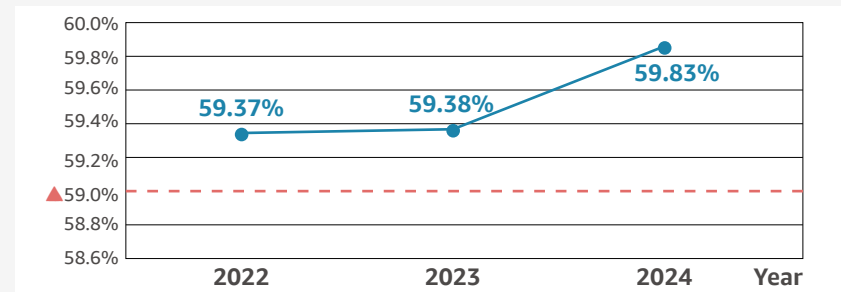
• Local Purchases

In alignment with its corporate sustainability principles, Kinsus actively promotes the localization of raw materials as part of its procurement strategy. This approach not only helps reduce transportation costs but also minimizes carbon emissions generated during the logistics process. Localized procurement refers to sourcing from suppliers whose manufacturing facilities are located within the same country as Kinsus' production sites (Shih-Lei Factory, Tsing-Hua Factory, Xsin-Feng Factory, and Yu-Shih Factory). In support of Taiwan's local economy and employment opportunities, the Company has long prioritized developing and selecting domestic suppliers. By doing so, Kinsus effectively advances material localization, reduces unnecessary air or sea freight expenses, and lowers the carbon footprint associated with transportation. This fulfills the Company's environmental responsibility in energy conservation and carbon reduction, while simultaneously reducing procurement costs.

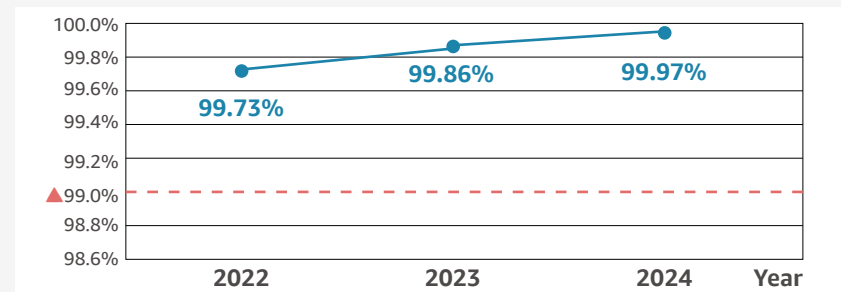
| Proportion of Localized Procurement for Raw Materials and Components in the Past Three Years:

Year	Raw material suppliers	Component suppliers
2022	59.37%	99.73%
2023	59.38%	99.86%
2024	59.83%	99.97%

| Kinsus' Local Procurement Ratio for Raw Materials in the Past Three Years:



| Kinsus' Local Procurement Ratio for Component in the Past Three Years:



• Supplier Platform Announcements, Surveys, and Training

Kinsus Technology has established an efficient communication channel with its suppliers through the Supplier Chain Management (SCM) platform, enhancing supply chain transparency and operational efficiency.

The key functions of the Kinsus SCM platform include order and delivery schedule management, document and information sharing, audit findings and corrective actions, as well as training and education.

The Company uses this platform to conduct systematic supplier management and training, ensuring suppliers comply with the latest regulations and Kinsus' policies and requirements. All suppliers engaged in business with Kinsus are included in this awareness program, achieving a 100% participation rate.

• Key Functions of the Kinsus SCM Platform

Category	Items
Material Management	<ul style="list-style-type: none"> • ICP and SDS expiration notifications and signed return of incoming inspection specifications
Announcements	<ul style="list-style-type: none"> • Submission and update of hazardous substance list and related management documents • Information security awareness and training • Provision of regulatory updates to suppliers, along with signing of the latest compliance documents
Questionnaire / Download Zone	<ul style="list-style-type: none"> • Supplier quality / RBA audits and self-assessments • Supplier emergency incident investigations • Conflict minerals due diligence surveys • Updates to the Corporate Social Responsibility Code of Conduct, requiring suppliers to sign the revised version • Communication of Kinsus' Supplier Corporate Social Responsibility Code of Conduct and training manuals • Communication of Kinsus' Conflict Minerals Restriction Policy



4.5 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

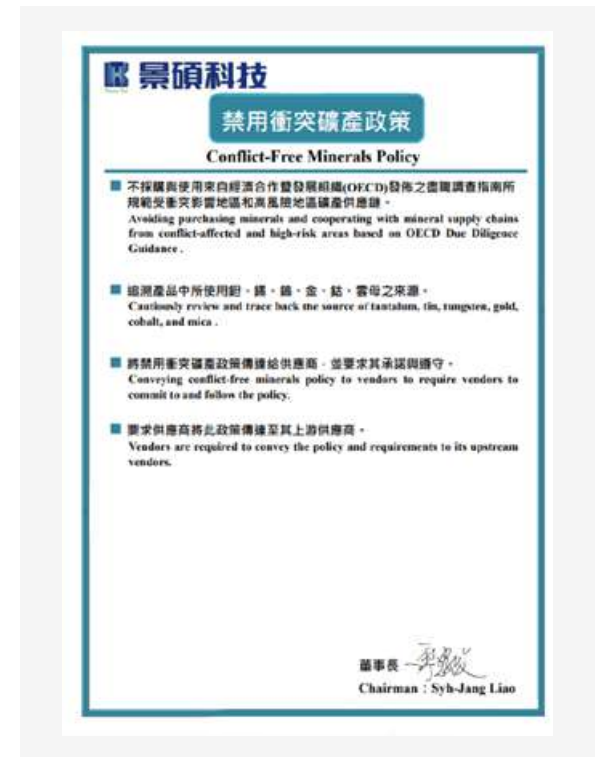
KINSUS adheres to the Responsible Business Alliance (RBA) and commits to refraining from the procurement and use of minerals originating from conflict-affected and high-risk areas. The Company communicates its conflict minerals prohibition policy to suppliers, requiring their commitment and compliance. Conflict minerals refer to minerals extracted under conditions where armed groups in conflict-affected and high-risk areas exploit labor and violate human rights through violence.

In accordance with Regulation (EU) 2017/821 issued by the European Union, effective January 1, 2021, companies within the EU are required to conduct mandatory due diligence on 3T1G conflict minerals—Tungsten, Tin, Tantalum, and Gold. In response to increasing global attention, the scope of conflict minerals has expanded to include Cobalt and Mica.

The objective is to ensure these minerals are sourced from non-conflict areas and that their origins comply with the due diligence guidelines of the Organisation for Economic Co-operation and Development (OECD) or other recognized equivalent frameworks.

KINSUS also requires its suppliers to extend this policy to their upstream supply chains, thereby fulfilling their corporate social responsibility obligations.

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.



05

Green Production

- 5.1 Climate Action
- 5.2 Environmental Policies and Commitments
- 5.3 Greenhouse Gas Emissions and Energy Resource Management
- 5.4 Renewable Energy and Resource Conservation / Efficiency
- 5.5 Water Resource Management
- 5.6 Waste Management
- 5.7 Air Pollution Prevention and Control
- 5.8 Promotion of Environmental Sustainability
- 5.9 Environmental Greening and Beautification



05 Green Production

5.1 Climate Action

• TCFD Disclosure Framework

In its Sixth Assessment Report (AR6) released in 2021, the Intergovernmental Panel on Climate Change (IPCC) projected that global temperatures may rise by 1.5°C as early as 2040. This increase could result in more extreme environmental changes. To address the challenges posed by climate change and enhance the Company's climate resilience, KINSUS has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework. Through its four core pillars—Governance, Strategy, Risk Management, and Metrics and Targets—KINSUS has established a governance structure to identify, assess, and manage climate-related risks and opportunities. Climate-related issues have been integrated into corporate decision-making processes to evaluate future factors that may impact business operations and to develop corresponding strategic responses. To further strengthen the climate risk management mechanism, the Company's highest governing body—the Board of Directors—plays a leading role in decision-making and oversight. This top-down and bottom-up governance approach ensures smooth communication across all management levels and facilitates the effective implementation of climate strategies.

Governance

- The ESG Committee is responsible for collecting and assessing climate-related risks and opportunities. It formulates climate and environmental management policies, establishes risk management mechanisms and processes, and guides departments in executing climate governance strategies. The implementation status is reported to the Board of Directors annually.

Strategy

- All climate governance units continuously monitor global climate trends and benchmark against industry peers to evaluate the Company's short-, medium-, and long-term climate-related risks and opportunities.
- Climate scenario analysis is employed to assess risk factors under global climate change. The Company discloses its climate-related risks and opportunities accordingly.
- The Social Working Group organizes internal and external sustainability-related activities. It also develops training sessions to communicate the Company's sustainability goals and climate-related risks and opportunities to stakeholders.



Risk Management

- The ESG Committee identifies climate-related risks and opportunities, assesses their impacts on the Company, and collaborates with each working group to formulate risk management strategies and response plans.
- Plans are in place to integrate climate-related risks and opportunities into the overall enterprise risk management framework.

Metrics and Targets

- The ESG Committee develops climate-related metrics and targets.
- The Environmental Working Group supports each department in implementing energy-saving and carbon-reduction initiatives, regularly reviews performance, and completes the Company's annual greenhouse gas inventory.

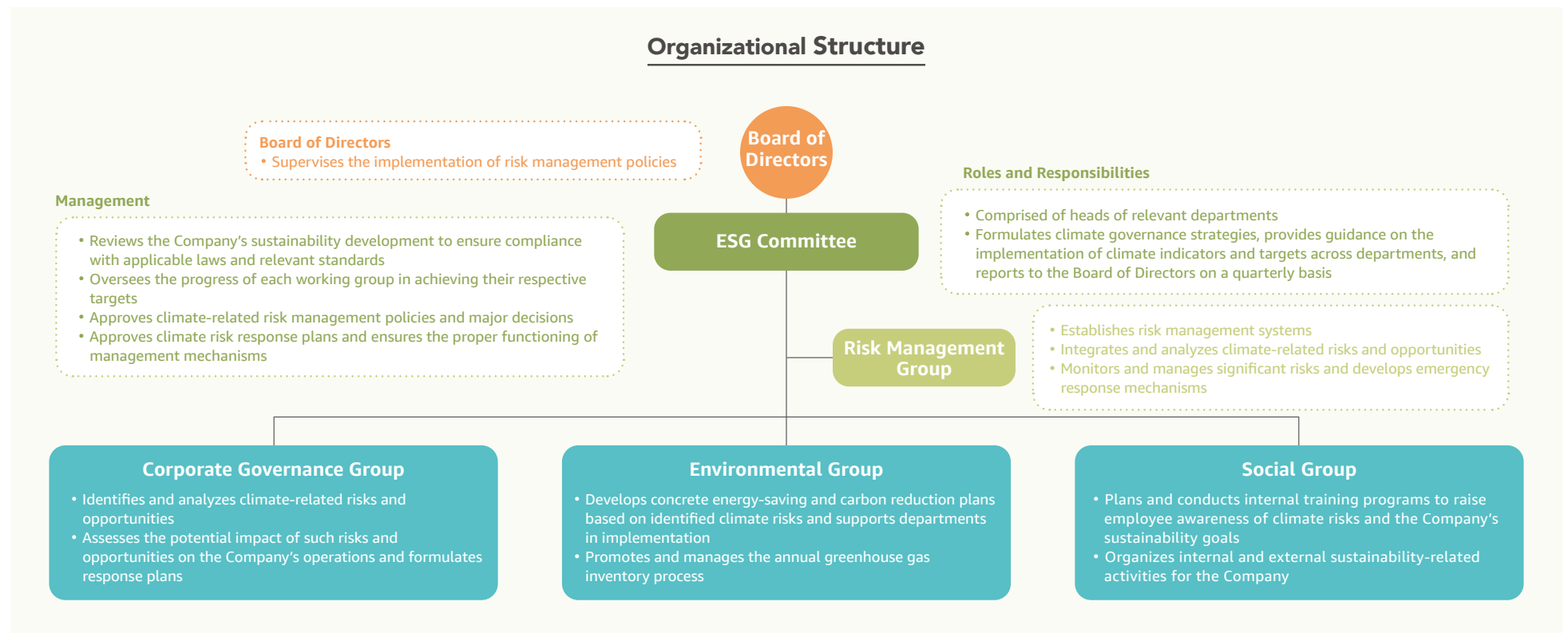


5.1.1 Governance

• Climate Governance Structure

In the face of escalating challenges posed by climate change, establishing a robust climate governance framework has become an urgent priority for enterprises. KINSUS has adopted a clearly defined organizational structure to implement climate strategies in alignment with governance hierarchies. The Company proactively addresses climate-related risks and opportunities through structured execution.

The ESG Committee is responsible for formulating climate and environmental management policies. It coordinates with the Corporate Governance, Environmental, and Social Working Groups to implement climate-related response plans. These efforts are carried out through cross-functional collaboration across environmental management, social engagement, and governance domains, ensuring comprehensive advancement toward the Company's sustainability governance objectives.



5.1.2 Strategy and Risk Management

1. Climate-Related Risks and Opportunities

KINSUS conducts annual reviews to monitor global and industry trends concerning climate-related issues. Through a structured risk identification and evaluation process, the Company systematically identifies climate-related risks and opportunities. It assesses the severity and potential impact of these factors and formulates appropriate response plans to enhance climate resilience and ensure optimal execution of operational processes.

2. Climate-Related Risk Identification and Management Process



3. Identification Results of Climate-Related Risks and Opportunities

Based on the resolutions of the ESG Committee, KINSUS identified four transition risks, two physical risks, and two opportunities. These were determined by evaluating the duration of each risk and its estimated impact. The results serve as an internal reference to enhance understanding of the climate change challenges the Company faces. They also support a comprehensive overview of the implementation status of climate-related risk management and promote collective input on planning and assessing the feasibility of corresponding mitigation strategies.



(1) Climate-Related Risk Response Plans

Impact Dimensions	Impact Aspect	Climate Risks	Duration of Impact	Level of Impact	Impact Description	Risk Management and Mitigation Plans
Transition Risks	Electricity Supply Risk	<p>Electricity Tariff Adjustment With the continuous increase in overall electricity demand in Taiwan and the fluctuation of international fuel prices, peak load during the summer has risen. This has increased pressure on electricity supply and driven up power generation costs. Electricity tariff adjustments have become a significant variable in corporate operating costs.</p>	Short-term	High	<ul style="list-style-type: none"> Rising electricity costs affect the manufacturing cost structure, and carbon emission fees must be paid. There is a risk of power restrictions during peak electricity demand periods. 	<ul style="list-style-type: none"> Implementation of high-efficiency air conditioning, process cooling, and lighting systems (e.g., variable-frequency air compressors, LED lighting). Regular monitoring of electricity prices, temperature trends, and policy developments.
	Regulatory and Policy	<p>Carbon Pricing Taiwan's carbon fee system is set to take effect in 2025. The EU Carbon Border Adjustment Mechanism (CBAM) will be officially implemented in 2026.</p> <p>Enhanced Disclosure Requirements Both domestic and international regulations have raised expectations for greenhouse gas emission reporting and disclosure.</p>	Short-term	High	Additional resources are required to strengthen greenhouse gas inventory capabilities, resulting in increased costs.	Since 2023, five sites (Shih-Lei, Tsing-Hua, Xing-Feng I, Xing-Feng II, and Yu-Shih) have conducted annual greenhouse gas inventories in accordance with the ISO 14064-1 standard.
	Market	<p>Market Risks and Technological Development There is increasing demand and competition in both domestic and international markets for renewable energy and green products.</p>	Medium-term	Medium	In response to market development, transitioning to renewable energy or developing green products increases transformation costs.	Multiple Kinsus products have received ISO 14067 carbon footprint certification.
	Supply Chain and Raw Materials	<p>Volatility in Key Materials</p> <ul style="list-style-type: none"> As companies drive energy transition, the market demand for certain key materials continues to grow. Environmental regulations and carbon pricing mechanisms have led to higher production costs for key materials. Extreme weather events have disrupted supply chains. 	Short-term	Medium	<ul style="list-style-type: none"> Price fluctuations of critical materials necessitate sourcing alternative materials, which increases procurement costs. Climate-related disruptions in the supply chain may lead to production line interruptions, affecting both costs and revenue. 	<ul style="list-style-type: none"> Diversification of sourcing to reduce reliance on raw materials from a single region. Selection of high-quality local suppliers to reduce transportation costs and carbon emissions. Identification of suppliers exposed to high climate risks and enhancement of their climate resilience. Seeking of low-carbon production partners to strengthen the resilience of the sustainable supply chain.

- 5.1 Climate Action
- 5.2 Environmental Policies and Commitments
- 5.3 Greenhouse Gas Emissions and Energy Resource Management
- 5.4 Renewable Energy and Resource Conservation/Efficiency
- 5.5 Water Resource Management
- 5.6 Waste Management
- 5.7 Air Pollution Prevention and Control
- 5.8 Promotion of Environmental Sustainability
- 5.9 Environmental Greening and Beautification

Impact Dimensions	Impact Aspect	Climate Risks	Duration of Impact	Level of Impact	Impact Description	Risk Management and Mitigation Plans
Physical Risks	Immediate	Intensified Natural Disasters There is an increasing probability of typhoons and heavy rainfall.	Short-term	Medium	Production interruptions and equipment damage pose operational risks, leading to increased operating costs and reduced capacity.	<ul style="list-style-type: none"> Assessment of the geographic locations of facilities for potential compound climate hazards, along with scenario planning for appropriate responses. Regular inspections of emergency power systems, uninterrupted power supply (UPS) systems, and installation of water storage systems to ensure stable supply of electricity and water during disasters. Drainage systems in the facilities are periodically checked to prevent clogging. Formation of emergency response teams to develop immediate disaster preparedness and response measures.
	Long-term	Extreme Climate Variability Water shortages and changes in rainfall patterns.	Medium-term	Medium	Potential risks include factory flooding or insufficient water supply, which could increase operating costs.	

Note: Time Horizon of Impact: Short term: 1–3 years, medium term: 4–7 years, and long term: over 7 years
 Level of Impact: NTD 5 million and above – high, NTD 3–4.99 million – medium, and Below NTD 2.99 million – low.

(2) Climate-Related Opportunities and Response Plans

Impact Dimensions	Climate Risks	Duration of Impact	Level of Impact	Impact Description	Risk Management and Mitigation Plans
Opportunities	Energy Conservation Formulate energy-saving initiatives. Promote paperless operations, phase out high-energy-consuming equipment, and implement water-saving improvement programs.	Short-term	Low	Energy conservation initiatives help reduce resource consumption.	<ul style="list-style-type: none"> Continue promoting the importance of water and electricity conservation across departments to foster sustainability awareness. Install power monitoring systems to detect anomalies and promptly address them, minimizing energy loss. Install water-saving equipment and inspect pipelines for damage or leakage; repair as needed. Replace high-energy-consuming equipment.
	Use of Alternative Energy Adopt green electricity and low-carbon energy sources. Install renewable energy systems such as solar photovoltaic panels.	Short-term	Medium	They also lower carbon fee liabilities while increasing energy-related revenues.	<ul style="list-style-type: none"> In 2022, Kinsus signed a green power purchase agreement valid through 2027. The Company will also assess the feasibility of installing solar power systems to actively increase the proportion of green energy use. Explore suitable renewable energy sources to replace conventional energy, thereby reducing environmental pollution.

Note: Time Horizon of Impact: Short term: 1–3 years, medium term: 4–7 years, and long term: over 7 years
 Level of Impact: NTD 5 million and above – high, NTD 3–4.99 million – medium, and Below NTD 2.99 million – low.

5.1.3 Climate Scenario Analysis

To assess the potential financial impact of future carbon pricing volatility and evaluate both transition and physical risks at operational sites, Kinsus has adopted scenario-based climate risk modeling. This analysis references Representative Concentration Pathways (RCPs) defined in the Intergovernmental Panel on Climate Change's Fifth Assessment Report (AR5), focusing on impacts such as sea level rise, water scarcity, and changes in precipitation patterns. Through scenario simulation, the Company identifies potential threats and formulates strategic responses to mitigate overall financial risk.

(1) Transition Risk Scenario: Carbon Pricing

Carbon pricing is recognized globally as a key policy mechanism to combat climate change and is expected to have significant financial and regulatory implications for businesses. Based on Kinsus's 2023 GHG inventory, Scope 1 and Scope 2 emissions totaled 237,839.9934 metric tons of CO₂e. Under Taiwan's current carbon fee policy (NT\$300 per metric ton for entities not participating in voluntary reduction programs), the estimated carbon fee payable in the first year of implementation is approximately NT\$33.85 million. This represents a material financial risk.

Note: This calculation is based solely on 2023 emissions data and does not account for future reduction targets or trajectories.

The results indicate that carbon pricing will substantially affect Kinsus's carbon emission costs. All five Kinsus facilities (Shih-Lei, Tsing-Hua, Xing-Feng I, Xing-Feng II, and Yu-Shih) conduct annual GHG inventories in accordance with ISO 14064-1. Based on these results, the Company is formulating a decarbonization roadmap toward net-zero. Measures include planning solar photovoltaic system installations, replacing lighting with energy-efficient LED fixtures, and setting an annual electricity-saving target of 3 million kWh.

(2) Physical Risk Scenario: Long-Term Water Stress

Using the World Resources Institute's (WRI) Aqueduct Water Risk Atlas, water stress levels for 2030 and 2050 under RCP 2.6 (optimistic) and RCP 8.5 (pessimistic) scenarios were evaluated. The results show that all five Kinsus sites fall under low to medium water stress categories (10–20%), indicating generally stable water supply, although moderate stress may occur during drought seasons.

Despite low projected risk, Kinsus proactively implements water conservation and efficiency measures. These include maintaining a water recycling rate above 5.5%, using recycled water in cooling towers and scrubbers to reduce consumption at the source. Installing water-saving devices, optimizing water use in offices and production, and regularly reviewing water data to adjust consumption as needed. Additional long-term strategies include:

- Developing a robust water management and diversification plan, or arranging agricultural insurance to increase compensation coverage.
- Enhancing reservoir capacity for 3–5 days of drought resilience (three consecutive days of extreme drought)
- Mobilizing water trucks to support water-stressed sites
- Regular inspection of production equipment
- Compliance with effluent management regulations
- Automatic generator activation for emergency power needs
- Establishing emergency response plans to minimize downtime and production loss



(3) Physical Risk Scenario: Long-Term Changes in Rainfall Patterns and Flooding

Rainfall pattern analysis was conducted using 1.5°C and 2°C global warming scenarios. The assessment indicator was the number of R200mm heavy rainfall days (i.e., days with more than 200mm of precipitation within a year). The analysis referenced projections from the Taiwan Climate Change Projection and Information Platform (TCCIP) to estimate the potential number of impact days:

Plant		Shih-Lei	Tsing-Hua	Xing-Feng	Yu-Shih
Assumed Data	Observation Baseline (days)	0.3	0.3	0.2	0.2
	Warming Scenario	Indicator			
1.5°C	Maximum Value	0.5	0.5	0.4	0.4
2°C	Maximum Value	0.6	0.6	0.4	0.6
Forecasted Impact		Limited impact			

Although projections indicate no major impact, Kinsus continues to closely monitor water levels in surrounding watersheds and tracks precipitation trends. An emergency response drill is conducted annually to ensure all employees are familiar with evacuation and equipment protection protocols. By the end of April each year, a complete inventory and preparation of flood prevention materials is completed. In addition, protective measures for key production equipment have been strengthened. Critical instruments and devices have been relocated to elevated areas, and insulation conditions of power systems are checked to prevent risks such as electrical leakage due to water exposure. The Company is also evaluating the need to install flood barrier gate systems and is equipping the sites with water pumps and emergency power supply systems. Through these proactive actions, Kinsus is strengthening its climate resilience and ensuring full preparedness for a wide range of climate-related challenges.




5.1.4 Indicators and Targets


Kinsus has defined the following climate and environmental indicators and targets. Detailed implementation status can be found in the later sections of this chapter.

• GHG Emissions Reduction Targets


Net-Zero Pathway:




Greenhouse Gas Emissions:
 Implement energy-saving and carbon-reduction projects
 By 2025: Reduce GHG emissions by at least **1,500** metric tons CO₂e.
 By 2030: Reduce GHG emissions by at least **≥2,000** tons CO₂e.
 By 2050: Achieve net-zero



Electricity:
 Annual savings target of **3** million kWh by 2025




Renewable Energy:
 Annual green power procurement target of **≥5.35** million kWh by 2025



Water Resources:
 Maintain water recycling rate of **≥5.5%**

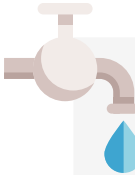
• Environmental Risk



Material Risks / Energy Conservation and Carbon Reduction

Control Measures/


- The Company has set an annual energy-saving target of over 3 million kWh. This is achieved through site greening initiatives and equipment upgrades.
- The use of reusable eco-friendly tableware is encouraged to reduce single-use disposables.
- Outdated equipment is gradually phased out, and procurement plans prioritize high-efficiency energy-saving equipment along with various improvement projects.



Material Risks / Water Resource Management

Control Measures/

- The Company maximizes water efficiency through recycling, water quality separation, and pollution prevention measures. The annual water recycling rate target is set at 5.5% or higher.



Material Risks / Waste Management

Control Measures/

- The total volume of waste generated in 2024 was 11,911.06 metric tons.
- A "Waste Management Operating Procedure" has been established to regulate the classification, collection, storage, and treatment of industrial waste.
- Efforts are made to increase the proportion of recyclable waste and reduce the volume of non-recyclable waste that requires incineration

Environmental management expenditures in 2024: NT\$60,796,346. (Refer to the "2024 Kinsus Environmental Expenditure and Benefits Table" on page 108)

5.2 Environmental Policies and Commitments

• In response to climate change, Kinsus has established the following short-, medium-, and long-term environmental management indicators:

	Strategy	Short-Term Targets: 2024-2025	Middle-Term Targets: 2026~2029	Long-Term Targets: Beyond 2030
Climate Change and Energy Conservation	Implementation of energy-saving and carbon-reduction projects	Electricity Savings 3 million kWh/year	Electricity Savings 3.5 million kWh/year	Electricity Savings 4 million kWh/year
	Enhancement of climate resilience	Production Downtime 0 days	Production Downtime 0 days	Production Downtime 0 days
	Reduction of greenhouse gas emissions (via energy-saving and carbon-reduction projects)	1,500 metric tons CO ₂ e/year	1,750 metric tons CO ₂ e/year	2,000 metric tons CO ₂ e/year
	Procurement of renewable energy (for carbon-reduction benefits)	4.6 million kWh in 2024 5.35 million kWh in 2025	Over 5.35 million kilowatt-hours, to be adjusted based on electricity demand conditions.	Over 5.35 million kilowatt-hours, to be adjusted based on electricity demand conditions.
Waste	No violations of waste management regulations	Zero violations recorded	Zero violations recorded	Zero violations recorded
	100% of waste is properly processed by licensed vendors	100% processed by licensed vendors	100% processed by licensed vendors	100% processed by licensed vendors
	Resource recycling rate improvement	Over 82% in 2024 Over 82.5% in 2025	Over 82.5%	Over 83%
Air Pollution	No violations of air pollution control regulations	Zero violations recorded	Zero violations recorded	Zero violations recorded
Water Resources	Wastewater discharge compliant with applicable regulations	Zero non-compliance cases	Zero non-compliance cases	Zero non-compliance cases
	Enhancement of water recycling rate	Above 5.5%	Above 5.5%	Above 5.5%
	Water usage management in response to potential water restrictions	Production Loss 0 PCS	Production Loss 0 PCS	Production Loss 0 PCS
Regulatory Compliance: No violations of environmental laws and regulations		Zero violations recorded	Zero violations recorded	Zero violations recorded

- 5.1 Climate Action
- 5.2 Environmental Policies and Commitments
- 5.3 Greenhouse Gas Emissions and Energy Resource Management
- 5.4 Renewable Energy and Resource Conservation/Efficiency
- 5.5 Water Resource Management
- 5.6 Waste Management
- 5.7 Air Pollution Prevention and Control
- 5.8 Promotion of Environmental Sustainability
- 5.9 Environmental Greening and Beautification

• Key Topic Goals and Performance

Kinsus is committed to fulfilling its environmental responsibilities and to continuously improving as a sustainable enterprise. Based on the aforementioned short-, medium-, and long-term indicators for energy conservation and carbon reduction, as well as related implementation plans, the Company tracks its recent two-year performance targets and achievement levels (as shown below) to minimize potential impacts on society and the environment.

• Climate Change and Energy Conservation

2024 Targets	2024 Performance Achievements	2025 Targets
Electricity savings: 3 million kWh (as estimated by energy-saving and carbon-reduction projects)	4.73 million kWh	3 million kWh
Production downtime caused by climate-related disasters: 0 days	0 days	0 days
GHG emissions reduction: 1,500 metric tons CO ₂ e (as estimated by energy-saving and carbon-reduction projects)	2,337 metric tons CO ₂ e	1,500 metric tons CO ₂ e
Renewable energy procurement: 4.6 million kWh	Renewable energy procurement: 4.6 million kWh	Renewable energy procurement: 5.35 million kWh

• Waste Management

2024 Targets	2024 Performance Achievements	2025 Targets
Resource Circularity Rate \geq 82%	85.32%	82.5%
Violations of Waste Management Regulations: 0 cases	1 case	1 case

• Air Pollutant Control

2024 Targets	2024 Performance Achievements	2025 Targets
Violations of Air Pollution Regulations: 0 cases	0 cases	0 cases

• Water Resource Management

2024 Targets	2024 Performance Achievements	2025 Targets
Violations of Effluent Discharge Regulations: 0 cases	1 case	0 case
Water Recycling Rate: \geq 5.5%	7.5%	\geq 5.5%
Production Losses Due to Water Restrictions: 0 PCS	0 PCS	0 PCS

Kinsus is committed to fulfilling its environmental responsibilities and continuously improving as a sustainable enterprise. The Company adheres to the following principles:

- **Regulatory Compliance:** Comply with applicable environmental protection laws and regulations, and strive to meet international environmental standards.
- **Waste Reduction in Production:** Promote continuous waste reduction during manufacturing processes to fulfill its commitment to pollution prevention.
- **Green Energy Production:** Design new facilities in accordance with green building standards, and continue enhancing energy conservation and carbon reduction measures.
- **Recycling Strategy:** Evaluate and implement reuse of water, metals, plastics, and chemicals used in operations. Promote awareness and environmental literacy among employees to reinforce the importance of resource recycling.



Kinsus has established an environmental management system in accordance with ISO 14001:2015. (A dedicated unit has been established to manage and oversee environmental responsibilities, as shown in the image on the right.)

The Company evaluates environmental impacts throughout the product life cycle and uses internal management practices to drive continuous improvement in its environmental system, thereby reducing adverse impacts and contributing to environmental protection.



In response to the risks of climate change and energy supply, Kinsus actively identifies threats related to floods, droughts, typhoons, power outages, and water shortages. The Company regularly monitors and manages the operational disruptions and damages caused by extreme weather events. It implements adaptive policies and solutions to address climate-related risks through proactive measures.

In 2024, the Company was subject to two environmental penalties issued by regulatory authorities. The violations involved Article 28 of the Waste Disposal Act and Article 18 of the Water Pollution Control Act. Remedial actions included revising waste codes, contracting certified disposal operators, and replacing manhole covers to prevent overflow, in order to mitigate the risk of future pollution incidents.

5.3 Greenhouse Gas Emissions and Energy Resource Management

• Greenhouse Gas Policy and Emissions

The Earth's climate and environment have been significantly impacted by greenhouse gases, leading to extreme climate fluctuations, frequent droughts and floods across the hemispheres, and an average global temperature increase nearing 1°C. These changes are now visibly affecting economic development worldwide. As a responsible global citizen, Kinsus conducted its 2024 greenhouse gas (GHG) inventory in accordance with ISO 14064-1:2018 standards. The Company has also formulated long-term carbon reduction and sustainability goals to comprehensively monitor emissions and use this data as a foundation for continuous improvement.



Kinsus' 2024 GHG inventory was conducted on a facility-by-facility basis, defining the organizational boundary as 100% operational control. The verification scope included the Shih-Lei Plant, Tsing-Hua Plant, Xing-Feng Plant I, Xing-Feng Plant II, and Yu-Shih Plant, as well as all employee dormitories inside and outside these facilities. Due to organizational boundary adjustments, 2022 was designated as the base year. The inventory covered seven major types of greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). All fuels used under Categories 1 and 2 in this inventory were non-biomass based.

- 5.1 Climate Action
- 5.2 Environmental Policies and Commitments
- 5.3 Greenhouse Gas Emissions and Energy Resource Management
- 5.4 Renewable Energy and Resource Conservation/Efficiency
- 5.5 Water Resource Management
- 5.6 Waste Management
- 5.7 Air Pollution Prevention and Control
- 5.8 Promotion of Environmental Sustainability
- 5.9 Environmental Greening and Beautification

• The GHG emissions and intensity statistics for the past three years are summarized in the following table:

Greenhouse Gas Emissions (ISO14064)			
Total Emissions (metric tons CO ₂ e)	2022	2023	2024
Scope 1	16,213.4354	13,287.0570	23,492.9887
Scope 2	254,282.1480	224,552.9364	240,295.8168
Scope 3	157,100.3601	108,854.4258	134,382.3282

GHG Intensity (metric tons CO ₂ /million NTD)			
Total Emissions (metric tons CO ₂ e)	2022	2023	2024
Scope 1	0.531	0.435	0.769
Scope 2	8.328	7.424	7.870
Scope 3	5.145	3.565	4.401

GHG Intensity (metric tons CO ₂ /thousand PCS)			
Total Emissions (metric tons CO ₂ e)	2022	2023	2024
Scope 1	0.002	0.003	0.004
Scope 2	0.034	0.048	0.038
Scope 3	0.021	0.023	0.021

- 5.1 Climate Action
- 5.2 Environmental Policies and Commitments
- 5.3 Greenhouse Gas Emissions and Energy Resource Management
- 5.4 Renewable Energy and Resource Conservation/Efficiency
- 5.5 Water Resource Management
- 5.6 Waste Management
- 5.7 Air Pollution Prevention and Control
- 5.8 Promotion of Environmental Sustainability
- 5.9 Environmental Greening and Beautification

According to the quantification results of the Company's GHG inventory: Category 1 (Direct emissions): 23,492.9887 metric tons CO₂e (8.906% of total emissions); Category 2 (Energy indirect emissions): 240,295.8168 metric tons CO₂e (91.094% of total emissions); Total Emissions: 263,788.8055 metric tons CO₂e.

Year \ Category	2022			2023			2024		
	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	Direct Emissions Sources (Category 1)	Indirect Energy-related Emissions Sources (Category 2)	Total
1. Natural Gas Consumption (cubic meters)	1,459,807.6451	0	1,459,807.6451	1,150,395.0968	0	1,150,395.0968	1,199,768.9677	0	1,199,768.9677
1-1 Emissions Equivalent (metric tons CO ₂ e/year)	2,765.6591	0	2,765.6591	2,280.4659	0	2,280.4659	3,197.3432	0	3,197.3432
2. Diesel Fuel Consumption (liters)	38,022.89	0	38,022.89	31,245.83	0	31,245.83	31,962.71	0	31,962.71
2-1 Emissions Equivalent (metric tons CO ₂ e/year)	100.4952	0	100.4952	82.5895	0	82.5895	85.9818	0	85.9818
3. Electricity Consumption (million kWh)	0	499.57	499.57	0	454.5606	454.5606	0	506.9532	506.9532
3-1 Emission Equivalent (metric tons CO ₂ e/year)	0	254,282.148	254,282.148	0	224,552.9364	224,552.9364	0	240,295.8168	240,295.8168
4. Other Emissions Equivalent (metric tons CO ₂ e/year)	13,347.2811	0	13,347.2811	10,924.0016	0	10,924.0016	20,209.6637	0	20,209.6637
Total Emissions Equivalent (metric tons CO ₂ e/year)	16,213.4354	254,282.1480	270,495.583	13,287.057	224,552.9364	237,839.9934	23,492.9887	240,295.8168	263,788.8055
Percentage(%)	5.994	94.006	100.000	5.587	94.413	100.000	8.906	91.094	100.000

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

Note: In 2022 and 2024, 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.

- 5.1 Climate Action
- 5.2 Environmental Policies and Commitments
- 5.3 Greenhouse Gas Emissions and Energy Resource Management
- 5.4 Renewable Energy and Resource Conservation/Efficiency
- 5.5 Water Resource Management
- 5.6 Waste Management
- 5.7 Air Pollution Prevention and Control
- 5.8 Promotion of Environmental Sustainability
- 5.9 Environmental Greening and Beautification

To fulfill energy conservation and carbon reduction goals and strengthen energy management, Kinsus Technology continuously tracks and analyzes all forms of energy usage. Through systematic data collection and year-on-year comparisons, the Company gains insights into energy consumption trends. This approach supports the development of targeted reduction strategies and enhances energy efficiency. The following table presents the annual consumption and variation of different energy types, serving as a critical reference for advancing sustainable operations and fulfilling the Company's environmental responsibilities.



Category	Energy Source	Unit	2022	2023	2024
Non-Renewable Energy	Purchased Electricity	GWh (Million kWh)	499.5700	454.5606	506.9532
		GJ (Gigajoules)	1,798,432.0172	1,636,399.9776	1,825,011.2419
	Natural Gas	m ³ (Cubic Meters)	1,459,807.6451	1,150,395.0968	1,199,768.9677
		GJ (Gigajoules)	54,996.7932	43,339.9849	45,200.0961
	Diesel	L (Liters)	38,022.8900	31,245.8300	31,962.71
		GJ (Gigajoules)	1,336.9761	1,098.6784	1,123.8856
	Gasoline	L (Liters)	1,533.6700	2,001.2700	2,217.3700
		GJ (Gigajoules)	50.0756	65.3431	72.3989
Renewable Energy	Purchased Green Electricity	MWh (Thousand kWh)	-	4,302.0000	4,698.0000
		GJ (Gigajoules)	-	15,487.2	16,912.8

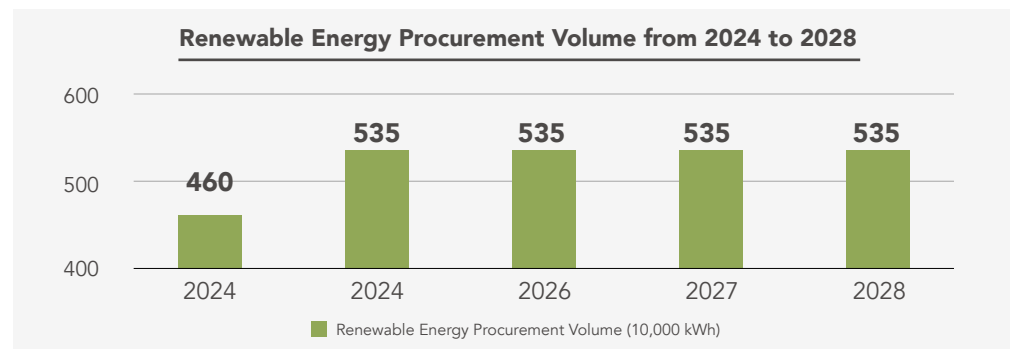
5.4 Renewable Energy and Resource Conservation/ Efficiency

• Renewable energy

The company responds to the management of greenhouse gas emission reduction to achieve CO₂ 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 CO₂ 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.

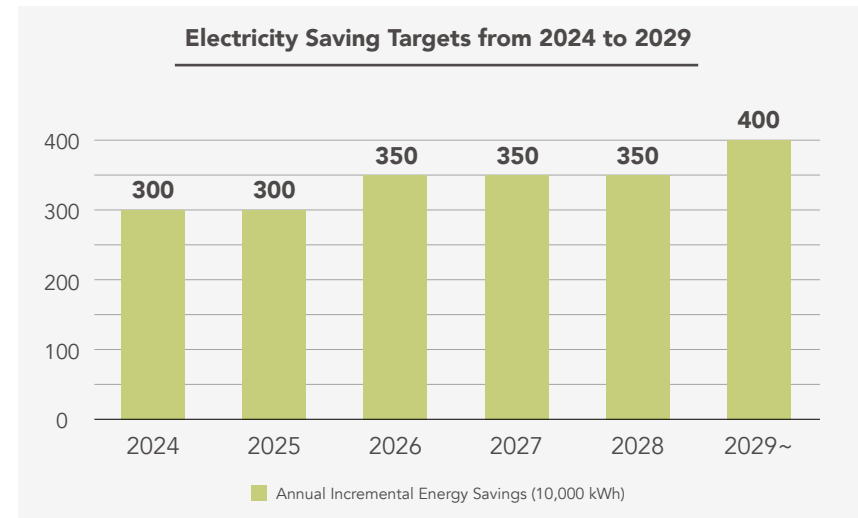
To align with the 2050 renewable energy adoption policy, Kinsus has begun restructuring its energy portfolio. In 2024, the Company increased its annual procurement of renewable energy to 4.6 million kWh and plans to further raise this amount to 5.35 million kWh in 2025.



Year	2024	2025	2026	2027	2028
Renewable Energy Procurement Volume (10,000 kWh)	460	535	535	535	535

Note: The green power procurement agreement was signed for the period from 2023 to 2027. Subsequent adjustments will be made based on the Company's capacity expansion and electricity system requirements. In 2026, the Yu-Shih Plant will initiate a project to install solar power generation systems for self-consumption.

• Electricity Conservation Targets



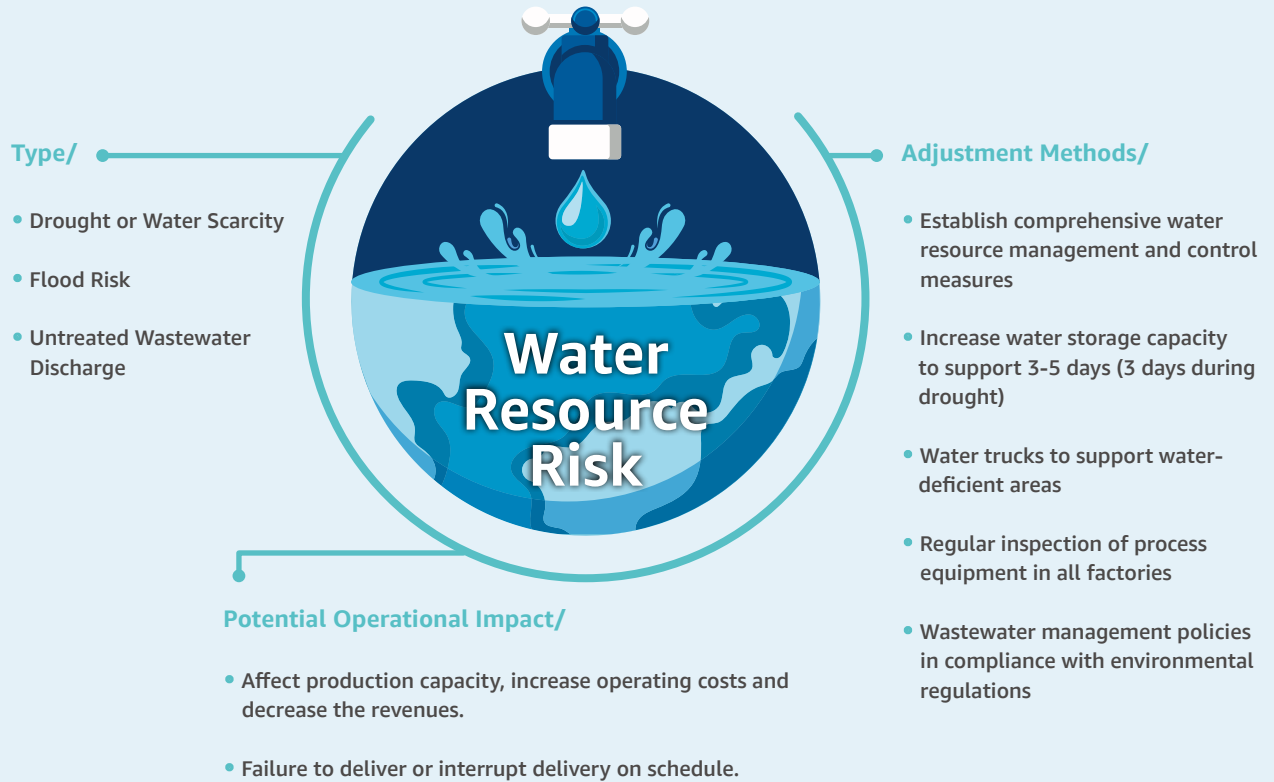
Category	Energy Efficiency Goals	Short-Term	Mid-Term	Long-Term
		2024-2025	2026-2028	2029 onward
Annual Incremental Energy Savings (10,000 kWh)		300	350	400

5.5 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 Usage

Kinsus is located in an industrial park classified as a moderate water resource risk zone. The main water source is derived from the Shihmen Reservoir. The water consumption over the past three years is shown in the following table:

Unit: million liters

Year Item	2022			2023					2024				
	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory1	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory1	Xing-Feng Factory2	Yu-Shih Factory	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory1	Xing-Feng Factory2	Yu-Shih Factory
Tap Water Volume	907	2,149	514	348	1,527	462	817	200	389	1,597	941	1,087	490
Groundwater Volume	595	743	793	553	636	652	0	259	466	770	569	0	234
Total (365 Days)	5,701			5,454					6,543				
Average Daily Water Consumption	15.62			14.94					17.93				
Effluent Discharge	1,264	2,640	1,032	817	2,044	869	785	393	827	2,113	987	899	624
	4,936			4,908					5,450				
Effluent Discharge	238	252	274	84	119	245	32	66	29	254	523	188	100
	765			546					1,093				

Notes:

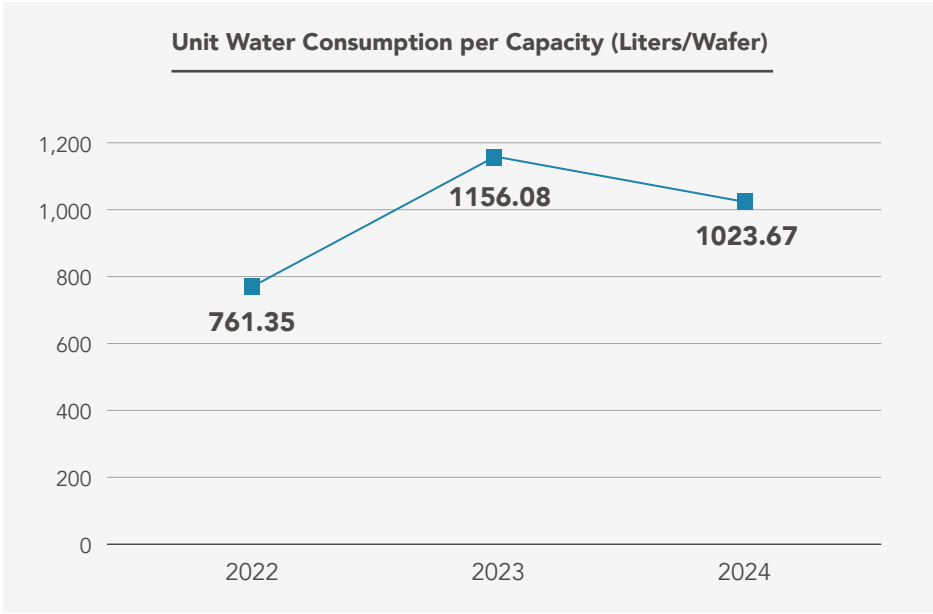
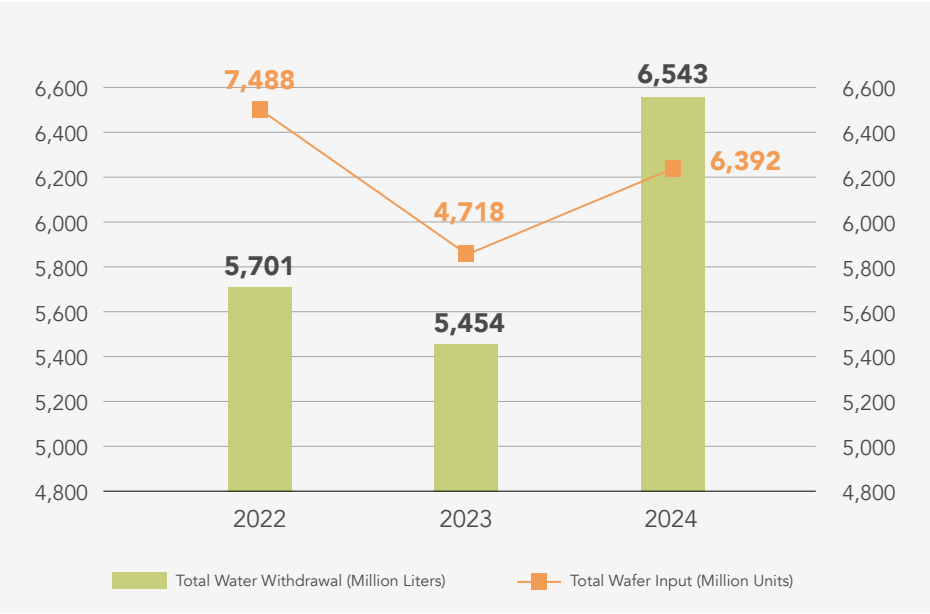
1. Due to land constraints, water recycling facilities could not be installed at the Xing-Feng Factory 2.
2. In 2024, water consumption increased at the Xing-Feng Factory 1 & 2 and the Yu-Shih Plant due to capacity expansion.
3. Water consumption = Total water withdrawal – Total effluent discharge

- 5.1 Climate Action
- 5.2 Environmental Policies and Commitments
- 5.3 Greenhouse Gas Emissions and Energy Resource Management
- 5.4 Renewable Energy and Resource Conservation/Efficiency
- 5.5 Water Resource Management
- 5.6 Waste Management
- 5.7 Air Pollution Prevention and Control
- 5.8 Promotion of Environmental Sustainability
- 5.9 Environmental Greening and Beautification

• A comparison of water consumption and wafer input from 2022 to 2024 is shown below:

Year	2022	2023	2024
Total Water Consumption (million metric tons)	5,701	5,454	6,543
Total Wafer Production (million wafers)	7,488	4,718	6,392
Unit Water Consumption per Unit Output (ton/wafer)	761.35	1,156.08	1,023.67

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. In 2024, with the commencement of operations at the Xing-Feng II and Yu-Shih Plants, the unit water consumption per production capacity decreased to 1,023.67 liters per.





• Water Saving Measures

Kinsus continuously pursues innovation with a primary focus on ongoing improvement. Through water-saving measures, we aim to optimize water usage while actively identifying new opportunities for conservation. The Company also enhances its recycled water systems to reclaim water used in production lines, thereby improving the overall water recovery rate.

(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) Recycled water systems have been installed for ultrapure water, reclaimed water, and process water. Across all factory sites, three categories of water recycling systems are in place to support reuse.

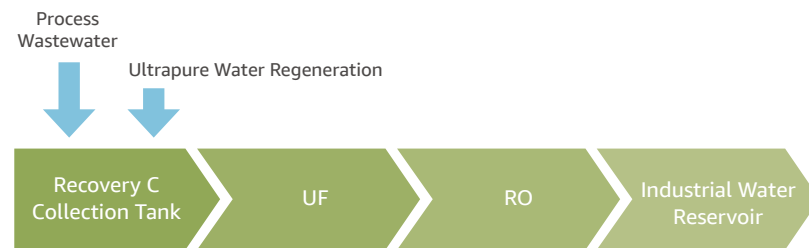
Recovery A – Process Wastewater Recycling



Recovery B – Ultrapure Water Wastewater Recycling



Recovery C – Ultrapure Water Wastewater Recycling



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

According to operational statistics from 2024, the annual water recycling rate has been maintained at 5.5% or above.

Item	2022	2023	2024
Recycling Rate	8.2%	5.4%	7.5%

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 2022 data coverage includes the Shih-Lei Factory, Tsing-Hua Factory, and Xing-Feng Factory 1. In 2023, the scope was expanded to include the Yu-Shih Factory. However, since the factory had not yet commenced production, the recycled water volume was relatively low, resulting in a decline in the recycling rate for 2023. The rate recovered to 7.5% in 2024 following an increase in production capacity.

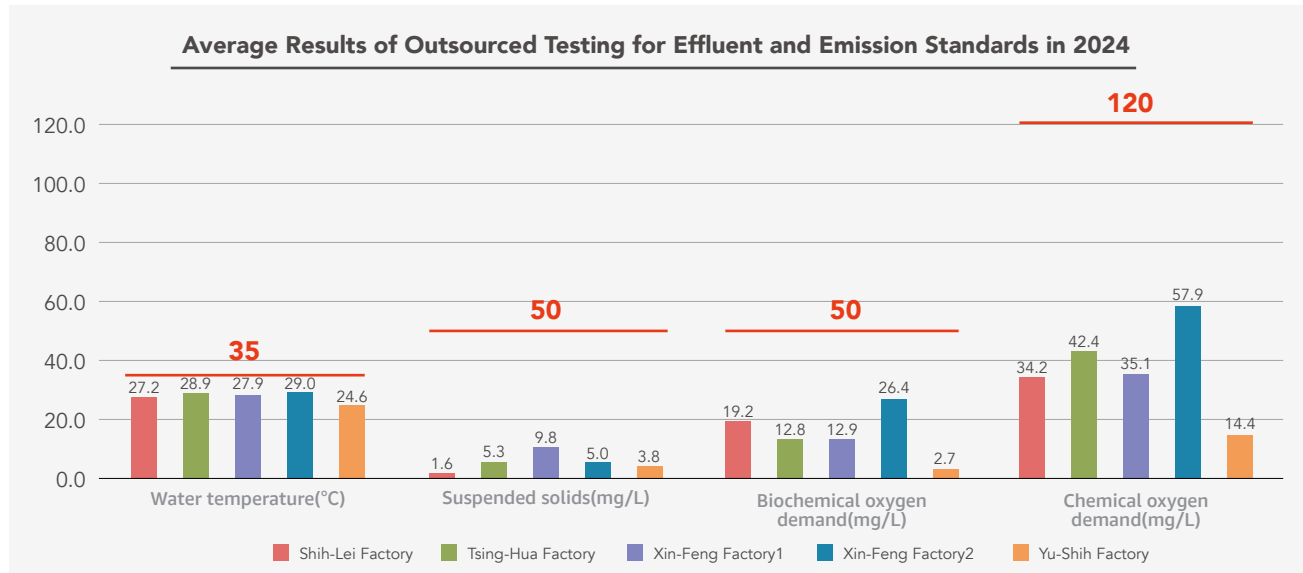
• Wastewater Management Measure

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.

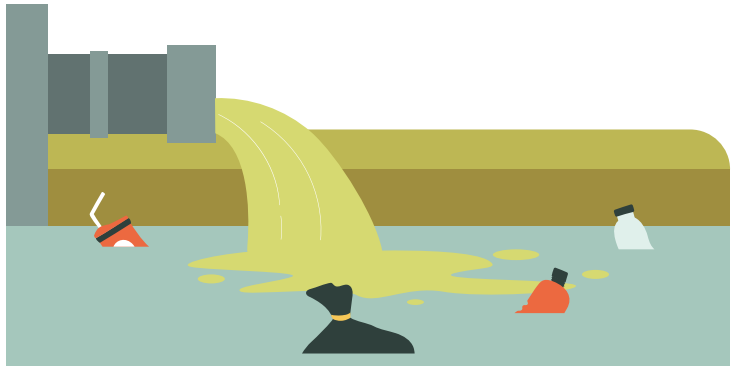
In accordance with the Water Pollution Control Act, industrial wastewater is sampled and analyzed quarterly by a certified testing organization. The wastewater testing and reporting forms are submitted to the local environmental protection authority for review and approval. In 2024, there was one violation of the Water Pollution Control Act. Emergency response measures were immediately implemented, and the quality of discharged water was promptly restored to compliant levels to minimize the risk of contamination spread.

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	Below 35	50	50	120
Shih-Lei Factory	7.9	27.2	1.6	19.2	34.2
Tsing-Hua Factory	7.5	28.9	5.3	12.8	42.4
Xing-Feng Factory1	7.5	27.9	9.8	12.9	35.1
Xing-Feng Factory2	7.4	29.0	5.0	26.4	57.9
Yu-Shih Factory	7.4	24.6	3.8	2.7	14.4



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. Realtime monitoring systems record operational parameters, and if the values exceed predefined thresholds, immediate alerts will be triggered.

5.6 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.



• **Waste Intensity Statistics for the Past Three Years:**

Waste Disposal Weight (metric tons)			
Waste Weight	2022	2023	2024
General Industrial Waste	5,081.5900	3,975.8300	4,865.9200
Hazardous Industrial Waste	8,522.3100	7642.2800	7,045.1400

Waste Intensity (metric tons per NT\$ million)			
Waste Weight	2022	2023	2024
General Industrial Waste	0.166	0.130	0.159
Hazardous Industrial Waste	0.279	0.250	0.231

Waste Intensity (metric tons per thousand PCS)			
Waste Weight	2022	2023	2024
General Industrial Waste	0.001	0.001	0.001
Hazardous Industrial Waste	0.001	0.002	0.001

• **Waste Recycling Requirements**

The Company conducts annual reviews to assess the appropriateness of current waste disposal channels. More environmentally friendly methods are prioritized when selecting waste disposal contractors. In 2023, incinerated waste accounted for 15.85% of total waste. This figure was reduced to 14.68% in 2024. The waste recycling rate also increased from 84.15% to 85.32%.

• **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 three years:

Waste Classification	Hazardous	2022			2023			2024		
	Year	General Industrial Waste	Hazardous Industrial Waste	Proportion	General Industrial Waste	Hazardous Industrial Waste	Proportion	General Industrial Waste	Hazardous Industrial Waste	Proportion
	Final Disposal Method	Quantity (tons)		Percentage	Quantity (tons)		Percentage	Quantity (tons)		Percentage
Nonrecyclable Waste	Incineration, Solidification and landfill	1,877.49	587.26	18.12%	1,094.25	446.75	15.85%	1171.72	259.45	14.68%
					*300.44			*316.97		
Recyclable Waste	Reused (Thermal Treatment)	1.46	-	0.01%	0.80	-	0.01%	-	-	0.00%
	Reused (Chemical Treatment)	0.07	357.51	2.63%	0.12	155.69	1.34%	0.12	189.58	1.59%
	Reused (Physical Treatment)	954.47	22.32	7.18%	755.06	0.86	6.51%	1006.69	47.49	8.85%
	Reused (Solidification Treatment)	-	-	0.00%	-	-	0.00%	-	-	0.00%
	Reuse by Regulation	616.80	7,555.22	60.07%	404.86	7,038.98	64.07%	201.08	6548.62	56.67%
	Declared Reuse	1,631.30	-	11.99%	1,420.31	-	12.22%	2169.34	-	18.21%
	Subtotal	3,204.10	7,935.05	81.88%	2,581.15	7,195.52	84.15%	3,377.23	6,785.69	85.32%
Total	5,081.59	8,522.31	100%	3,975.84	7,642.28	100%	4,865.92	7,045.14	100%	



Kinsus 2024 Policy Objective: Under the goal of "Resource Recycling," we aim to achieve a recycling rate of **82%**

Note1: 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.

Note2: The * symbol indicates the weight of non-recyclable waste processed into auxiliary fuel rods.

5.7 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 2024, 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.

• Volatile Organic Compounds (VOCs) Emissions

Year	2022	2023	2024
Emissions (kg)	263,749	172,075	235,429

5.8 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 Appointmen

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 Factory	Xing-Feng Factory1	Xing-Feng Factory2	Yu-Shih Factory	Result
Waste water	3 personnel (dedicated unit)	3	3	3	3	3	Compliant
Air Pollution	1 dedicated personnel	1	1	1	1	1	Compliant
Waste	1 dedicated personnel	1	1	1	1	1	Compliant
Toxic Substances	1 general-level personnel	1	-	1	1	1	Compliant
	1 personnel each for operational and technical levels	-	2	-	-	-	Compliant

• 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.

2024 Kinsus Environment-related Expenses and Benefits Table is as follows:

Unit: New Taiwan Dollars (NT\$)

Year Item	2024					Benefits Item
	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng factory1	Xing-Feng Factory2	Yu-Shih Factory	
Water Quality Testing Fee	875,130	949,500	790,055	786,400	838,305	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	5,108,695	24,475,077	9,369,969	3,575,387	3,342,488	Compliance with laws and regulations: Proper disposal of industrial waste generated from business productions and employees.
Air Pollution Fee	0	48,625	3,369,542	2,432,140	0	Compliance with laws and regulations: Maintaining the normal operation of equipment to effectively improve air quality.
Water Pollution Fee	292,891	554,744	198,256	266,041	31,132	Compliance with laws and regulations: Reducing soil and groundwater pollution.
Management Cost	498,119	398,950	898,800	1,267,300	428,800	Verified through management systems to achieve environmental sustainability KPIs.
Total Environmental Expense	60,796,346					

• 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

The Company spares no effort in promoting energy conservation, electricity saving, and carbon emission reduction. The Facilities Department, as the responsible unit, leads the promotion of energy-saving initiatives based on six major carbon reduction strategies: (1) process optimization and efficiency improvement, (2) equipment and engineering systems, (3) air conditioning, exhaust, and dust collection systems, (4) compressed air, power supply, and boiler systems, (5) water treatment and ultrapure water systems, and (6) other management-related areas.

These six strategic pillars, along with smart energy efficiency management for HVAC and compressed air systems, are actively promoted (see Figure A). In 2024, the Company implemented 15 key energy-saving initiatives with an investment of over NT\$80 million. Of these, 11 were completed in 2024, resulting in power savings of 4.73 million kWh and a reduction of approximately 2,337 metric tons of CO₂ emissions annually.

In 2025, the Company plans to implement 12 energy-saving initiatives with an estimated electricity saving of 11.25 million kWh and a carbon reduction of approximately 5,557 metric tons. These initiatives include thermal energy recovery, vacuum systems, compressed air systems, and other technical energy-saving projects in line with the Ministry of Economic Affairs' Deep Energy Saving Program (requiring an annual power saving rate of 1.5%) and the Company's own emission reduction roadmap!

• 2024 Completion of 11 Key Energy-Saving Projects

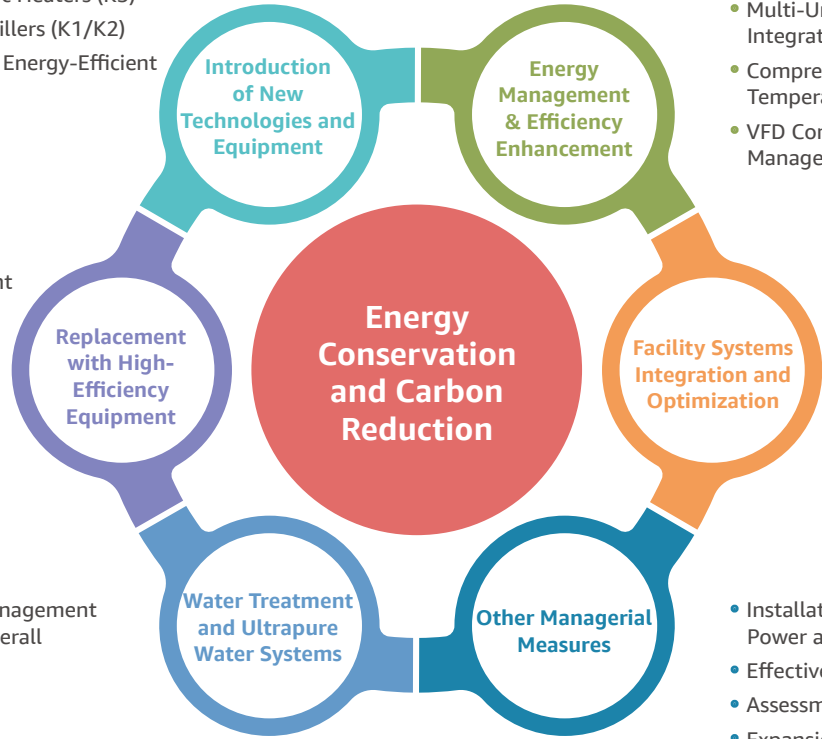
No.	Main Focus Area of Improvement	Electricity Savings (10,000 kWh/year)	Greenhouse Gas Reduction (metric tons of CO ₂ e)	Improvement Benefits (NT\$ thousand/year)
1	New Technologies and Equipment (5 items)	259.9	1,283.9	9,944.9
2	Energy Management and Efficiency Enhancement (2 items)	37.7	186.3	1,546.5
3	Equipment Replacement with High-Efficiency Units (3 items)	121.2	598.5	4,604.2
4	Water Treatment and Ultrapure Water Systems (1 item)	54.2	268.0	2,060.0
Total		473.0	2,337.0	18,156.0

• 2024 Energy Conservation and Carbon Reduction Focus Across Six Pillars

- Replacement of Roots Blowers with Permanent Magnet Screw/Turbo Blowers (All Factories)
- Installation of Heat Pump Systems to Replace Electric Heaters (K5)
- Replacement of Chillers with Magnetic Levitation Chillers (K1/K2)
- Upgrade of Cooling Tower Fan Blades to Thick-Wing Energy-Efficient Models
- Adoption of EC High-Efficiency Fans in AHUs
- Replacement of FFU Units in K1/K2 with DC Models

- Cooling Tower Heat Dissipation Material Replacement
- Replacement of Chillers/Air Compressors/Dryers
- Installation of Permanent Magnet Motors (Priority for Variable Frequency Applications)
- Upgrade of IE1 & IE2 Motors to IE4 or Above
- Installation of Zero Air-Loss Auto Drainers for Air Compressors

- Optimization of Wastewater Plant Processes and Management
- Energy-Saving Improvements to RO Systems and Overall Water Conservation



- HVAC and Compressed Air Energy Efficiency Management Systems
- Multi-Unit Compressed Air Control with Fixed/Variable Frequency Integration
- Compressed Air High/Low Pressure Separation and Large Temperature Differential Management in HVAC
- VFD Control of Cooling Tower Fans and Outlet Temperature Management

- Integration and Optimization of Dust Collection Piping Systems
- Ventilation Improvement at Compressor Stations
- Installation of Heat Recovery Systems on Air Compressors
- HVAC/Exhaust Systems Integration and Frequency Reduction for Energy Saving

- Installation of Solar PV System and Direct Purchase of Green Power at K6
- Effective (Circular) Utilization of Energy Resources
- Assessment of Hydrogen Power and Other Renewable Energies
- Expansion of Energy Storage and Green Energy Projects



- 5.1 Climate Action
- 5.2 Environmental Policies and Commitments
- 5.3 Greenhouse Gas Emissions and Energy Resource Management
- 5.4 Renewable Energy and Resource Conservation/Efficiency
- 5.5 Water Resource Management
- 5.6 Waste Management
- 5.7 Air Pollution Prevention and Control
- 5.8 Promotion of Environmental Sustainability
- 5.9 Environmental Greening and Beautification

5.9 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:



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.



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.



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 Compensation and Benefits
- 6.5 Human Right Protection: Listen To Our Employees
- 6.6 Workplace Health and Safety
- 6.7 Damage Prevention Performance



06 Friendly Workplace

To build a sustainable enterprise, one of Kinsus Technology's core sustainability missions is fostering a friendly workplace. This includes key aspects of personnel management such as talent attraction and retention (salary and benefits), employee training and development, labor relations, human rights protection, and occupational safety and health.

2024 Chapter Highlights

The average training hours per employee reached **23.36** hours.

Post-parental leave retention rate: **85%** for female employees and **77%** for male employees.

Educational subsidies were provided for **250** employees' children.



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.

- **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:**

Management Guidelines

- (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
 Complaint Tel: +886-3-4871919 Ext. 27885

<p>Short-, Medium-, and Long-Term Goals</p>	<ul style="list-style-type: none"> • 2024–2030~: Employee feedback resolution rate: 100%. • 2024–2030~: Overall turnover rate: ≤20%. • 2024–2030~: Employee grievance/mediation case resolution rate: 100%. • 2024–2030~: Number of major labor-management disputes: 0 case.
<p>Achievement Status</p>	<ul style="list-style-type: none"> • 2024: Employee feedback resolution rate → Achieved, 100%. • 2024: Overall turnover rate ≤20% → Achieved, 11.67%. • 2024: Employee grievance/mediation case resolution rate → Achieved, 100%. • 2024: Major labor-management disputes → Achieved, 0 case.

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:

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

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, Mexico, 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 Labor 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.

Material Topic → Talent Recruitment, Retention, and Development Policy: Optimize recruitment processes and enhance training systems to strengthen human capital competitiveness, thereby laying a solid foundation for sustainable business operations.

Short-term Goals	<ul style="list-style-type: none"> 2024 - 2025: Average training hours per employee ≥ 8 hours. 100% pass rate for new hire training assessments. 2024 - 2025: Retention rate for Taiwanese new hires (after 3 months of employment) ≥ 80%.
Medium-term Goals	<ul style="list-style-type: none"> 2026 - 2029: Average training hours per employee ≥ 10 hours. 100% pass rate for new hire training assessments. 2026 - 2029: Retention rate for Taiwanese new hires (after 3 months of employment) ≥ 80%.
Long-term Goals	<ul style="list-style-type: none"> 2030 onward: Average training hours per employee ≥ 12 hours. 100% pass rate for new hire training assessments. 2030 onward: Retention rate for Taiwanese new hires (after 3 months of employment) ≥ 80%.
Achievement Status	<ul style="list-style-type: none"> In 2024: Average training hours per employee reached ≥ 8 hours. 100% pass rate for new hire training assessments. In 2024: Retention rate for Taiwanese new hires (after 3 months of employment) ≥ 80% → Achieved: 81%.

(1) As of December 2024, Kinsus Interconnect Technology Corp. had a total of 6,401 employees. In 2024, recruitment activities resumed to normal levels, resulting in a significant fluctuation in headcount compared to 2023. The workforce structure over the past three years is shown in the table below:

Category	Item	2022				2023				2024			
		Female		Male		Female		Male		Female		Male	
		Number of People	Percentage%	Number of People	Percentage%	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%	804	12.56%	1,208	18.87%
	Indirect Staff	408	6.6%	1,078	17.4%	398	7.2%	1,114	20.03%	423	6.61%	1,099	17.17%
Fixed Term Contracted Employees	Foreign Employees	1,138	18.3%	1,069	17.2%	861	15.48%	763	13.72%	1,336	20.87%	1,293	20.20%
	Trainees/ Contracted Employees	56	0.9%	140	2.3%	30	0.5%	77	1.4%	54	0.84%	125	1.95%
Dispatch Workers		0	0%	3	0.04%	40	0.7%	97	1.7%	20	0.31%	39	0.61%
Total Employees		2,525	40.67%	923	59.33%	2,211	39.76%	923	60.24%	2,637	41.20%	3,764	58.80%
Grand Total:		6,204 People				5,561 People				6,401 People			
Employees (by Age)	Below 30 Years Old	1,019	16.4%	1,129	18.2%	738	13.27%	830	14.93%	1,038	16.22%	1,115	17.42%
	31~50 Years Old	1,385	22.3%	2,385	38.4%	1,341	24.11%	2,326	41.83%	1,459	22.79%	2,414	37.71%
	Above 51 Years Old	121	2%	165	2.7%	132	2.4%	194	3.5%	140	2.19%	235	3.67%
Job Grade Distribution	Senior Executives	18	0.3%	74	1.2%	18	0.3%	85	1.5%	13	0.20%	93	1.45%
	Middle-Level Managers	97	1.6%	376	6.1%	111	2%	406	7.3%	121	2%	410	6.41%
	General Employees	2,410	38.8%	3,229	52.1%	2,082	37.44%	2,859	51.41%	2,503	39.10%	3,261	50.95%
Grand Total:		6,204 People				5,561 People				6,401 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), ProjectManager.
 5. Senior Executives: Grade 7 and above.
 6. Foreign Employees: Includes both blue-collar and white-collar workers
 7. Dispatch Workers: Refers to personnel assigned to production lines or manufacturing processes

(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	2,187	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
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
2024	Below 30 Years Old	0	0	15	33	1,023	1,082	2,153
	Ratio	0%	0%	3%	6.21%	17.75%	18.77%	33.64%
	31~50 Years Old	7	49	102	341	1,350	2,024	3,873
	Ratio	6.60%	46.23%	19.21%	64.22%	23.42%	35.11%	60.51%
	Above 51 Years Old	6	44	4	36	130	155	375
	Ratio	5.66%	41.51%	0.75%	6.78%	2.26%	2.69%	5.86%
Total Number of People:		13	93	121	410	2,503	3,261	6,401

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.

(3) Overview of Non-Employee Workforce Engagement is shown in the following table:

Type \ Workforce Engagement	2022			2023			2024		
	Headcounts	Work Hours (hours)	Number of Persons	Headcounts	Work Hours (hours)	Number of Persons	Headcounts	Work Hours (hours)	Number of Persons
Security Services	15,696	188,352	64	17,287	207,444	70	13,043	156,516	53
Environmental Cleaning	34,447	272,323	137	33,464	265,044	133	33,687	267,578	135
Total	50,143	460,675	201	50,751	472,488	203	46,730	424,094	188

Remarks:

Note 1: The number of non-employees is estimated using the Full-Time Equivalent (FTE) method. Number of persons = Total work hours / Daily working hours / Number of working days per year. Where the result is less than one person, it is counted as one.

Note 2: Security services are estimated at 12 working hours per day; environmental cleaning at 8 working hours per day.

Note 3: Number of working days: 249 days estimated for 2022, 250 days for 2023, and 249 days for 2024.



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.

Kinsus primarily recruits local talents in Taiwan. However, in response to the demands for technological development and the importance of workforce diversity at our major operating sites in Taiwan, we not only recruit professionals and fresh graduates domestically, but also prioritize the recruitment of overseas professionals with specialized expertise. In 2024, the Company employed a total of 208 foreign white-collar employees, representing a 25% increase compared to the previous year. These colleagues have contributed to enhancing workplace diversity and have brought in a broader range of specialized expertise. Looking ahead, we remain committed to strengthening the development and cultivation of professional talent.

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.

Regarding other talent sources in 2024: a total of 8 recruits were hired via LinkedIn, 31 through industry-academia collaboration programs, and 12 through campus recruitment initiatives. In 2025, the Company will continue to focus on attracting top talents with STEM backgrounds or interdisciplinary integration capabilities to support the development of high-specification substrates and advance toward industry leadership. Amid the growing demand for semiconductor applications, we actively collaborate with universities to implement internship programs. These initiatives are designed to foster students' creativity, enhance their understanding of substrate manufacturing processes, and strengthen their skills in process optimization and analytical tools. At the same time, these programs help bridge the gap between academia and industry, enabling our efforts and innovations to gain broader visibility. In 2024, a total of 16 interns joined the Company's "Internship Program."

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 2024, a total of 145 new hires joined the Company through employee referrals, accounting for 6.9% of all new recruits.

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

Category	Item	2022					2023					2024				
		Number of Persons					Number of Persons					Number of Persons				
		Female	Ratio	Male	Ratio	Age 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%	363	34.97%	407	36.50%	35.76%
	31~50 Years Old	202	15%	283	12%	37%	14	1%	33	1%	37%	150	10.28%	231	9.57%	9.84%
	Above 51 Years Old	2	2%	10	6%	1%	1	0%	2	0%	2%	0	0%	5	2.13%	1.33%
Newly Hired Rate for Male/ Female		23.92%		18.45%			1.76%		2.59%			19.45%		17.08%		
Total:		1,318 people/100%					126 people/100%					1,156 people/100%				
Annual Average Newly Hired Rate:		21.2%					2.3%					18.06%				
Turn Over	Below 30 Years Old	277	27%	427	38%	46%	191	26%	253	31%	41%	147	14.16%	160	14.25%	14.26%
	31~50 Years Old	269	19%	499	21%	51%	242	18%	356	15%	55%	155	10.62%	245	10.15%	10.33%
	Above 51 Years Old	10	8%	31	19%	3%	15	11%	22	11%	4%	17	12.14%	23	9.79%	10.67%
Newly Hired Rate for Male/ Female		22.02%		26.01%			20.26%		18.84%			12.10%		11.37%		
Total:		1,513 people/100%					1,079 people/100%					747 people/100%				
Annual Average Newly Hired Rate:		24.4%					19.4%					11.67%				

Remarks:

- Newly hired are defined as employees who joined in 2023 and completed a minimum of 3 months of service.
- 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.
- 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.
- 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.
- The calculation of the female or male newly hired or turnover rate is based on the count of newly hired or turnover of the specific gender divided by the count of employees of the same gender and age in the respective year.
- 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.

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.



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.



- **Staff Training Hours: In 2024, the total training hours for employees amounted to 149,449 hours, and the average training hours per person for the year were 23.36 hours.**



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.

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.

Category		Total Training Hours	Participants	Number of Employee	Average Training Hours
Employee Gender	Female	102,824	8,330	2,636	39.01
	Male	46,625	13,340	3,763	12.39
Employee Category	Direct	8,875	1,627	4,667	1.90
	Indirect	54,550	11,250	1,732	31.50
All Employees	Managerial Level	4,674	1,613	254	18.40
	Non-Managerial Level	144,775	20,057	6,145	23.56
Annual Average Training Hour:		23.36 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

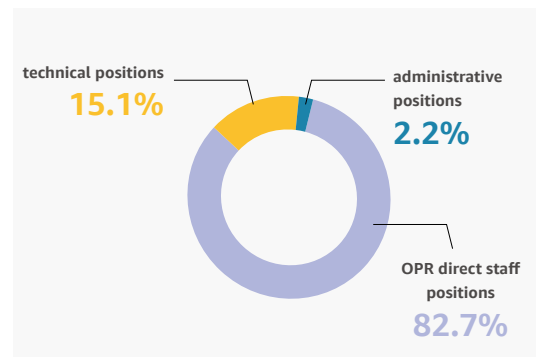
Performance evaluation contributes to a robust human resources system and further enhances the overall operational framework of the company. Kinsus Interconnect Technology Corp. conducts assessments for newly hired employees after their three-month probation period, guiding supervisors and colleagues 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 2024, a total of 418 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:

Annual Performance Evaluation	2024 Total of 418 newly hired Taiwanese Staff			
	Number of People Evaluated		Ratio %	
	Male	Female	Male	Female
Indirect Staff	208	86	49.76%	20.57%
Direct Staff	77	47	18.42%	11.24%
Total:	285	133	68.18%	31.82%



(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 2024, a total of 1,553 employees were promoted, accounting for 15.1% in technical positions, 2.2% in administrative positions, and 82.7% 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.

- **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 2024, 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 table.

Year	Category	Average Starting Salary for Fresh Graduates	Comparison of Starting Salary to Statutory Minimum Wage in 2024	Remarks
2024	Direct Staff	33,467	1.22	Calculated based on G1-3 technician position: basic salary + job allowance + transportation allowance + meal allowance + day and night shift allowance.
	Indirect Staff	28,500	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\$27,470.

Year Salary Grade- Job Level	2024			
	Gender	General Employees	Middle-Level Managers	Senior Executives
Base Salary	Male	1.00	1.00	1.00
	Female	0.90	1.02	0.92
Average Salary	Male	1.00	1.00	1.00
	Female	0.89	1.01	0.92

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.

• Compensation Information for Full-Time Employees Not Holding Managerial Positions

Year	2022	2023	2024
Number of Full-Time Employees Not in Managerial Roles	5,473	5,352	5,356
Average Salary (NTD thousand)	940	680	736
Median Salary (NTD thousand)	680	568	634

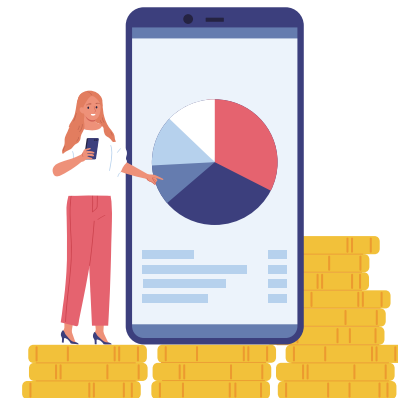
Note 1: Full-time employees not in managerial positions refer to all employees excluding managers, directors concurrently serving as employees, overseas branch employees, and part-time employees.

Note 2: The salary calculation is based on employee compensation attributable to the reporting year, in accordance with the accrual basis of accounting.

Note 3: Disclosures are made in accordance with the "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies" issued by the Taiwan Stock Exchange. All data has been certified by an independent accountant and disclosed on the Market Observation Post System (MOPS).

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.

The age specified in the preceding subparagraph may be deferred through mutual agreement between the employer and the employee. For workers engaged in jobs of a hazardous nature or requiring exceptional physical strength, the enterprise may apply to the central competent authority for an adjustment. However, the adjusted age shall not be lower than fifty-five.

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	2022	2023	2024
Number of Employees Eligible for Parental Leave in the Year	Male	211	203	184
	Female	186	214	195
	Total	397	417	379
Number of Employees Applying for Parental Leave in the Year	Male	20	13	12
	Female	30	39	20
	Total	50	52	32
Number of Employees Expected to Return to Work in the Year (A)	Male	15	17	15
	Female	32	40	27
	Total	47	57	42
Number of Employees Returning to Work in the Year (B)	Male	8	13	9
	Female	20	26	18
	Total	28	39	27
Return Rate (B/A)	Male	53%	76%	60%
	Female	63%	65%	67%
Number of Employees from Previous Year's Parental Leave Expected to Return and Actually Returned (C)	Male	5	8	13
	Female	19	20	26
	Total	24	28	39
Number of Employees from Parental Leave Continuing Employment for over 12 Month (D)	Male	4	7	10
	Female	15	17	22
	Total	19	24	32
Retention Rate (D/C)	Male	80%	88%	77%
	Female	79%	85%	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 are equipped with fitness centers covering a combined area of 729 square meters. Facilities include indoor basketball and badminton courts, various exercise machines, yoga and dance studios, KTV rooms, table tennis and pool rooms, indoor golf areas, and rest zones with lounge chairs. These amenities provide employees with spaces to unwind and relax during their free time. Usage data is collected and monitored accordingly. The Company actively promotes a healthy workplace culture by organizing a variety of sports competitions and fitness programs to encourage employees to develop regular exercise habits. For example, we regularly host basketball, badminton, and table tennis tournaments to strengthen team cohesion and competitiveness. Additionally, the Company offers yoga, aerobics, and strength training classes, enabling employees to choose the type of physical activity that best suits their individual needs. These initiatives support both physical and mental well-being, while enhancing work performance and quality of life.



• Cultural and Recreation Center Usage

	Factory	Shih-Lei Factory	Tsing-Hua Factory
Category			
Number of Users of the Cultural and Recreation Center in 2024		78,358	51,495
Number of Users of Fitness Equipment in 2024		55,151	41,613

• 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\$2,500 per person for employees who have worked for at least 3 months, allowing them to plan their own travel itineraries	3,689 people	NT\$ 18,089,819
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.	1,738 people	NT\$ 8,270,028
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.	158 people	NT\$ 315,460
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.	21,391 people	NT\$ 50,760,000
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).	880 people	NT\$ 2,639,300
Employee Birthday Gift Vouchers	Celebrating employees' birthdays by distributing gift vouchers to those who have worked for at least 3 months.	5,210 people	NT\$ 5,210,000
Employee Children's Education Subsidy	A total of 250 subsidies are provided annually to support employees' children in applying for educational assistance grants.	250 people	NT\$ 750,000
Affiliated Merchant Discounts	Enhancing employee benefits and providing consumer discounts by establishing agreements with 156 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.	5,157 people	NT\$ 44,209,866

• 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 1,077 employee children, with a total subsidy amount of NT\$29,050,600.

• 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.

In terms of curriculum planning, the kindergarten adopts a thematic approach aligned with the six core learning areas established by the Ministry of Education—physical movement, cognition, emotional development, aesthetics, language, and social development. Each semester's learning areas are carefully designed to guide children through experiential learning, enabling them to explore their interests and develop their abilities in a structured and effective manner.

In 2024, early childhood programming education was introduced. Through engaging and age-appropriate activities, children are introduced to fundamental programming concepts and computational thinking. This enables them to cultivate logical reasoning, basic coding skills, and problem-solving abilities through play, laying a solid foundation for future digital literacy and creativity.



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



Allowance Subsidies

- Travel Allowance: NT\$5,000 per person for local workers, NT\$7,500 per person for foreign migrant workers
- Holiday Bonuses: NT\$2,000 gift vouchers for each holiday
- Marriage, Funeral, and Celebration Assistance Fund
- Club Subsidies: Up to NT\$80,000



Other Benefits

- Meal Allowance for working days: NT\$45 per meal per person
- Convenience Store Discount: 15% off on all items
- Affiliated Stores: Total of 156 stores
- Sports programs organized by the Welfare Committee
- Free massage services

6.5 Human Right Protection: Listen To Our Employees

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






- **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.

Category	Risk Assessment	Implementation	Measures Taken
 Prohibition of Forced Labor	Internal control of working hours.	No coercion or intimidation for unwilling individuals to perform work or overtime.	Control of working hours. Tracking of consecutive and holiday attendance. Providing channels for feedback.
 Prohibition of Child Labor	Verification of age (over 16) during interviews using identification cards.	No employment of child labor under the age of 16.	HR department verifies age using identification cards during interviews. Carefully assess when receiving/collecting resumes.
 Elimination of Unlawful Discrimination	Disclosure of non-discrimination principles in interviews, employee training, compensation, and promotion according to Taiwanese labor laws.	No inquiries about irrelevant personal information during interviews with new candidates; prohibition of verbal discrimination among colleagues or between colleagues and supervisors.	Regularly review of regulations and internal management systems for compliance with legal requirements.
 Workplace Health and Safety	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.	Establish a company safety culture and create a friendly working environment.	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	Promote interpersonal interaction among colleagues through participation in leisure activities and strive to maintain a healthy work-life balance and employee well-being.	The welfare committee organizes travel, handicraft, and sports-related activities.	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.

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.

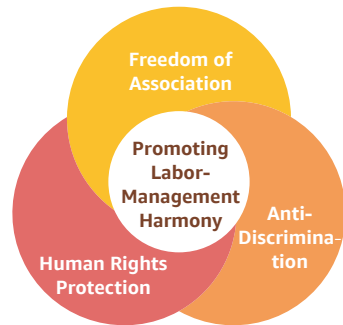


Implementation of Various Human Rights Indicators In The Past Two Years:



6.5.2 Human Rights and Anti-Discrimination

Kinsus Interconnect Technology Corp. strictly prohibits any form of inhumane treatment of employees, including sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, and verbal abuse. If employees have concerns about company policies or managerial conduct, they may submit a complaint either in writing or verbally. The Human Resources Department will handle such cases in accordance with the "Employee Reporting and Complaint Handling Procedures."



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 2024, the training coverage rate reached 100%.

6.5.3 Employee Satisfaction Survey

We respect and value the voices of our employees and conduct employee satisfaction surveys to understand and continuously improve workplace facilities and management practices. In 2024, we conducted an anonymous employee satisfaction survey, which comprised six major sections: grievance mechanisms, compensation and benefits, health and safety, mental well-being, public facilities, and employee retention. The survey was open for approximately one month and received 702 valid responses, achieving a response rate of 11%. Based on the feedback and low-scoring areas identified in the survey, we implemented relevant improvement measures to foster a more joyful and inclusive workplace environment.

6.5.4 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. Although the Company has not established a labor union and does not maintain a collective agreement, regular labor-management meetings are held on a quarterly basis. Transparent communication channels are in place, and the resolutions adopted during labor-management meetings apply to all employees.

6.5.5 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.

6.5.6 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.

We respect the feedback and opinions of all employees. In the current year, one grievance case was filed and reviewed. The case was handled in accordance with applicable regulations and the Company's internal management procedures. This case did not result in any labor disputes or major labor-related penalties. Should any grievance lead to a labor dispute or significant labor penalty, the Company will implement appropriate corrective and remedial measures to prevent recurrence and mitigate any negative impact on the organization.

• 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	2024 Feedback
ESG Sustainable Development Committee Meeting	Deputy Sustainability Officer Kevin Huang	Once per quarter	0 case
Labor-Management Meeting	Deputy Sustainability Officer Kevin Huang	Once per quarter	156 cases
Complaint/Whistleblowing Review Committee Meeting	Senior Manager Bing Ze Li	As Needed	1 case

6.5.7 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.

6.5.8 Compliance with Labor Regulations

We strictly adhere to labor laws and regulations. Under stringent management practices, the Company was not subject to any substantial fines (exceeding NT\$1 million) imposed by competent authorities for violations of labor regulations in 2024. No incidents related to corruption or antitrust violations occurred during the year. A total of five labor-related violations were recorded in 2024, none of which constituted a material breach. Upon review and verification, all identified deficiencies were fully remedied.

Regarding violations of the Labor Standards Act, most incidents involved breaches of Article 24, Paragraph 1; Article 32, Paragraph 2; Article 38, Paragraph 2; and Article 43. These primarily concerned rest days and the management of working hours and overtime wages. The Company has strengthened its alert systems and implemented enhanced training programs to prevent recurrence of such issues. With respect to violations of Article 12, Paragraph 2 of the Labor Pension Act, the Company has reinforced internal training to ensure compliance and avoid future incidents.

6.6 Workplace Health and Safety

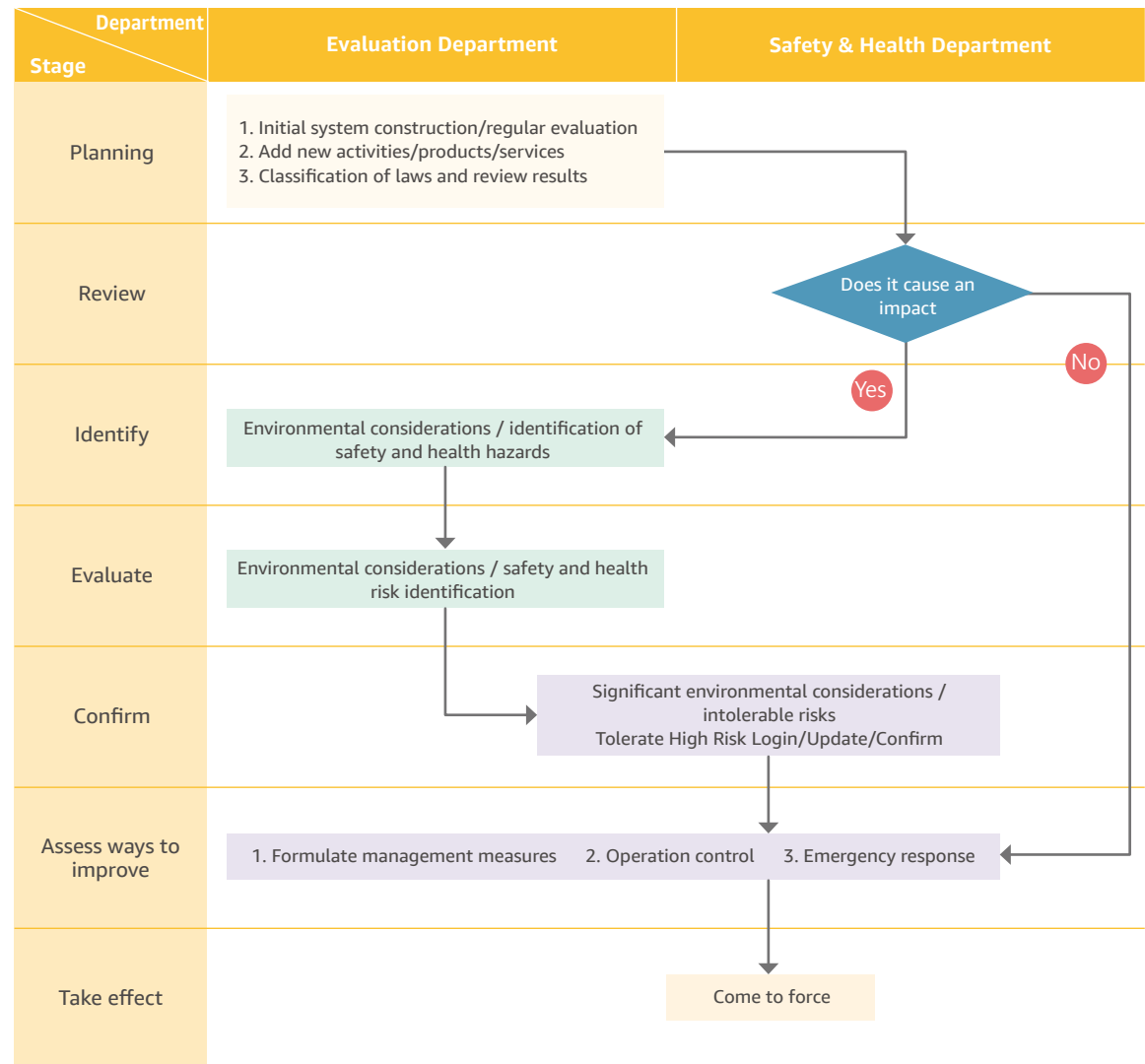
Kinsus has established an "Occupational Safety and Health Management System" in accordance with the law. This system includes safety and health management policies and training, self-inspection of production equipment, workplace environmental monitoring, internal safety and health audits, health check-ups 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:



Chapter Highlights

To establish a sustainable enterprise, Kinsus has focused on creating a safe, healthy, and friendly workplace as part of its 2024 sustainability mission. Key highlights from the occupational health and safety and personnel management section include:

- Recognized among the top 10% of outstanding enterprises in the 2024 Occupational Health and Safety Performance Index Voluntary Evaluation conducted by the Occupational Safety and Health Administration (OSHA) under the "Corporate Sustainability Report Disclosure of OHS Indicators" program.
- Implementation of the Kinsus Fire Risk Prevention Index Management Method, including weekly inspections using infrared thermal imaging for electrical equipment and over-temperature protection tests. These are jointly conducted with the facilities maintenance and equipment maintenance departments to detect equipment abnormalities and mitigate fire risks. Since 2023, the Company has initiated a five-year fire prevention improvement plan. Improvement projects for 2024 include: Installation of fire detectors in current areas, and enhancement of fire compartment integrity, implementation of sprinkler systems within air ducts and near high-risk equipment areas.

	Short-term Indicators (2024-2025)	Medium-term Indicators (2026~2029)	Long-term Indicators (From 2030 onward)
Occupation Health and Safety	Passed ISO 45001 occupational Safety and health system verification	Passed ISO 45001 occupational Safety and health system verification	Passed ISO 45001 occupational Safety and health system verification
	100% Participation Rate in Occupational Health and Safety Training for New Recruits	100% Participation Rate in Occupational Health and Safety Training for New Recruits	100% Participation Rate in Occupational Health and Safety Training for New Recruits
	90% Participation Rate in Employee Health Examinations	90% Participation Rate in Employee Health Examinations	90% Participation Rate in Employee Health Examinations
	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
	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

Category	2022		2023		2024		2025
	Target	Performance	Target	Performance	Target	Performance	Target
Passed ISO 45001 occupational Safety and health system verification	Verification Passed	Verification Passed	Verification Passed	Verification Passed	Verification Passed	Verification Passed	Verification Passed
100% of new employees participate in education and training	100%	100% → Achieved	100%	100% → Achieved	100%	100% → Achieved	100%
Health check participation rate	90%	90% → Achieved	90%	100% → Achieved	90%	100% → Achieved	90%
Completion rate of training for high-risk operators	100%	100% → Achieved	100%	100% → Achieved	100%	100% → Achieved	100%
Major occupational accidents for employees (excluding death)	≤5 cases/year	3 cases/year → Achieved	≤5 cases/year	1 case/year → Achieved	≤5 cases/year	2 case/year → Achieved	≤5 cases/year
Occupational diseases caused by chemical exposure maintained	0 case	0 case	0 case	0 case	0 case	0 case	0 case
Disabling injury frequency (FR)	FR≤3	FR:2.25 → Achieved	≤3	FR:1.91 → Achieved	FR≤3	FR:1.32 → Achieved	FR≤3
Disabling injury severity (SR)	SR≤30	SR:27 → Achieved	≤30	SR:27 → Achieved	SR≤30	SR:31 → Achieved	SR≤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

In 2024, the Company did not meet the target for disabling injury severity. This was primarily due to the direct correlation between severity and the number of lost workdays. At the Xing-Feng Factory 1, a disabling occupational injury related to hazardous substance exposure resulted in a loss of over 100 workdays. Additionally, two occupational injuries occurred at the Tsing-Hua Factory, each resulting in over 50 lost workdays. The injury types were entrapment and a fall, respectively. The accumulation of lost workdays contributed to an overall increase in the Company's disabling injury severity.

The entrapment incident at the Tsing-Hua Factory occurred when an employee was caught by the rotating gear during abnormal gear handling on a conveyor segment. In response, the Company implemented a mitigation measure by adding protective covers to the transmission mechanisms at all factory sites to reduce the risk of entrapment or entanglement caused by unguarded machinery (as referenced in Section 6.6.5.1). The fall incident was addressed by requiring a minimum 0.5-meter clearance around the transfer box and ensuring the area remains unobstructed by tools or equipment that could hinder visibility. The hazardous substance exposure incident at the Xing-Feng Factory 1 was caused by the incorrect addition of chemicals. As a long-term corrective measure, the Company now requires tamper-evident seals to be affixed by the materials management unit during receipt of chemicals to enhance visual risk signaling. Furthermore, the chemical addition process must now be confirmed by two personnel before proceeding.

6.6.1 Safety and Health Policy, Risk Assessment and Accident Investigation

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

- **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, the Company completed the transition verification process for the ISO 45001 Occupational Health and Safety Management System in 2019. The recertification process was also conducted in September 2024.

The verification scope for this year covered five factory sites, including Shih-Lei Factory, Tsing-Hua Factory, Xing-Feng Factory 1, Xing-Feng Factory 2, and Yu-Shih Factory. It encompassed all employees (including dispatched personnel), contractors, and dispatched workers involved in both routine and non-routine operations, achieving 100% coverage. 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 onsite 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.



• Statistics on Occupational Safety and Health Management System Coverage and Certification Status

Year \ Category	2022				2023				2024			
	Number of Employees	Audit Completion Rate	Number of Non-employees	Audit Completion Rate	Number of Employees	Audit Completion Rate	Number of Non-employees	Audit Completion Rate	Number of Employees	Audit Completion Rate	Number of Non-employees	Audit Completion Rate
Audited Internally	6,204	100%	3,036	100%	5,561	100%	2,959	100%	6,401	100%	2,541	100%
Audited or Verified by External Body	6,204	100%	3,036	100%	5,561	100%	2,959	100%	6,401	100%	2,541	100%
Total Number of Individuals	6,204	-	3,036	-	5,561	-	2,959	-	6,401	-	2,541	-

Note 1: Data for Yu-Shih Factory is not included for 2022 and 2023.

Note 2: Non-employees include engineering, maintenance contractors, and other on-site outsourced service providers

• 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.

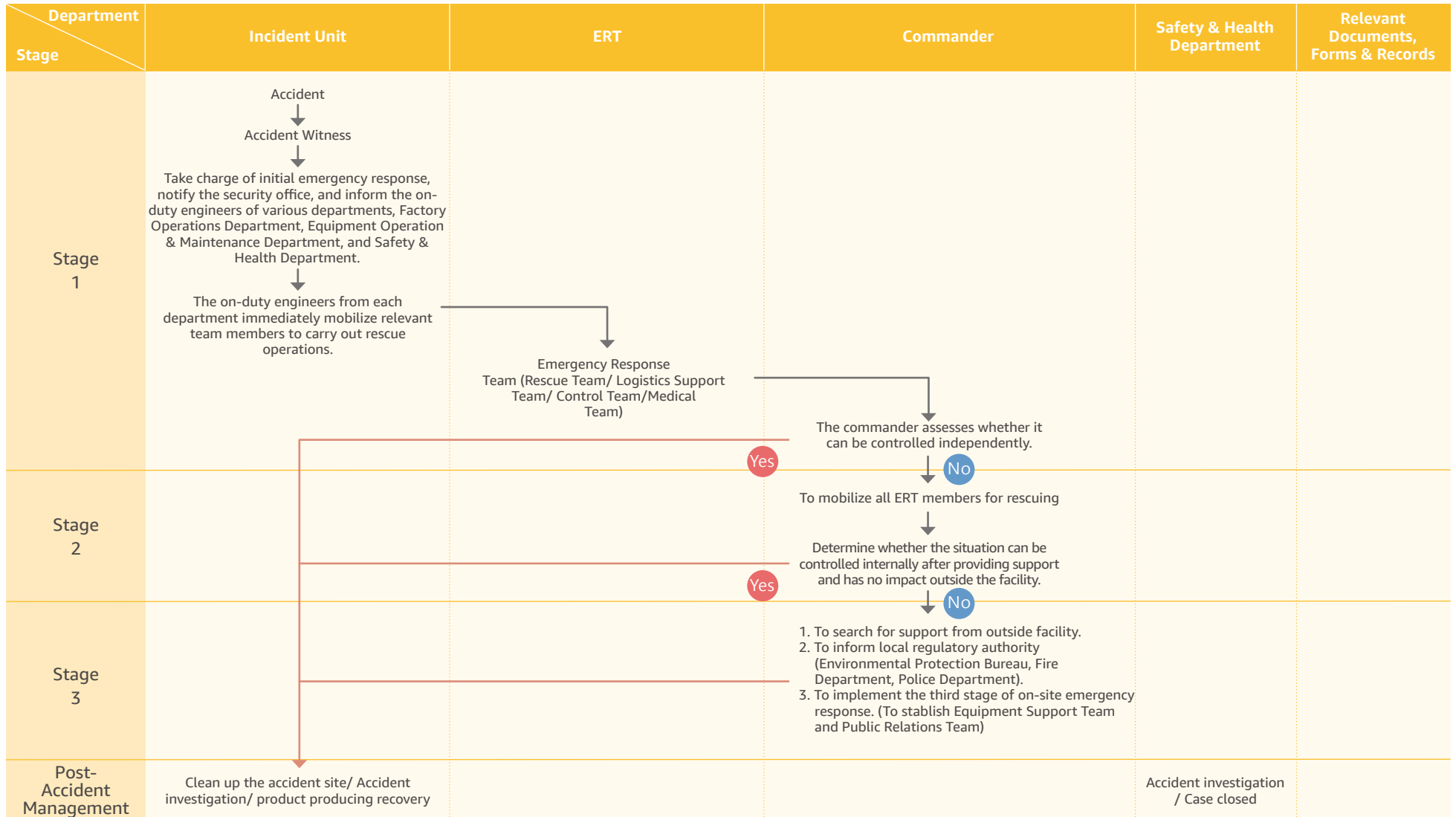
In 2024, there were 61,356 on-site contractors across all Factory areas, and no significant occupational accidents occurred.



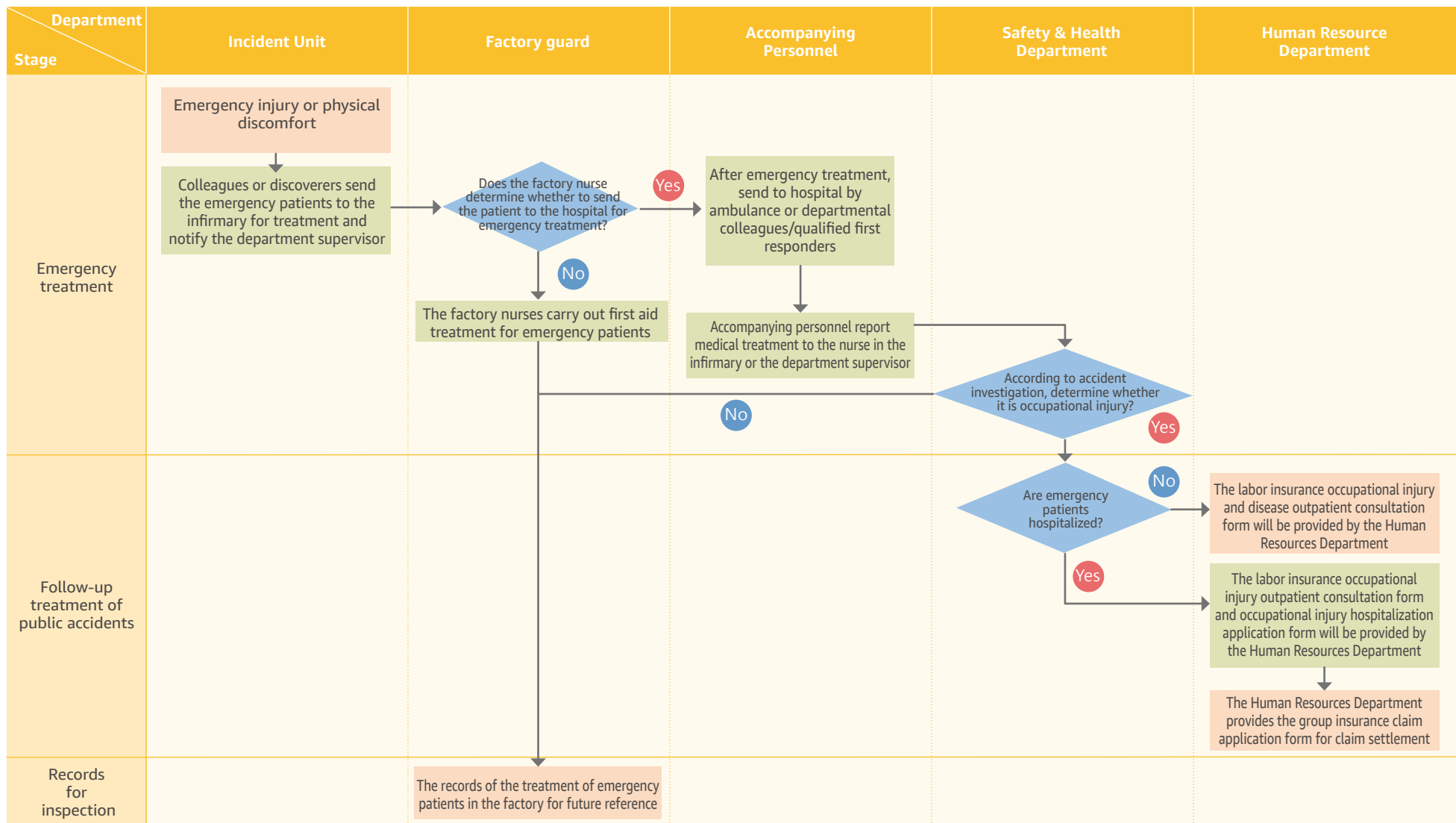
Factory	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory 1	Xing-Feng Factory 2	Yu-Shih Factory
Number of Contractors	8,964	15,808	13,178	4,220	19,186

Note: A major occupational incident is defined as one resulting in more than 180 days of work incapacity.

• 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 2024. The selection of labor representatives for the Occupational Safety and Health Committee at each factory is conducted through nomination (or self-nomination) by employees of the respective factory. Final selection is completed via an open voting process by all employees at the site. Each elected labor representative serves a four-year term.



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

Personnel	2022		2023				2024					
	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory (Note1)	Yu-Shih Factory	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory 1	Xing-Feng Factory 2	Yu-Shih Factory
Total Number of Committee Members	22	20	51	27	24	46	15	27	26	24	22	15
Number of Labor Representatives	10	10	23	10	10	20	7	9	9	11	9	7
Proportion of Labor Representation (%)	45.45	50.00	45.10	37.04	41.67	43.38	46.67	33.33	34.62	45.83	40.91	46.67

(Note 1): In 2023, Xing-Feng Factory 1 and Xing-Feng Factory 2 were consolidated for calculation purposes. Starting from 2024, they are calculated separately.

• 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 2024 is as follows:

Professional Occupational Safety and Health Certification Titles	Number of Certified Personnel
Occupational Safety and Health Specialist (Class A)	8
Occupational Safety and Health Specialist (Class B Technician)	14
Nurse	8
Manager of Occupational safety and health affairs (Type A)	10
Fire Prevention Manager	9
Security Supervisor	11
First responders	160
Certified Supervisor for Organic Operations	75
Certified Supervisor for Specific Chemical Operations	63
Operator of Non-Medical Ionizing Radiation Equipment	188
Forklift Operator	99
Boiler Operator	20
Operator of Specific High-Pressure Gas Equipment	26
Aerial Work Platform Operator	16
Fixed Crane Operator	23
Personnel Engaged in Hoisting Operations Using Cranes	21

The number of legally certified professional occupational safety and health personnel (including those at Shih-Lei, Tsing-Hua, Xing-Feng Factory 1, Xing-Feng Factory 2, and Yu-Shih Factories) complies with all relevant occupational safety and health regulations.

• Occupational Safety and Health Education and Training:

In 2024, 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 3,709 with a total of 12,144 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 298, with a total of 4,222 hours of training completed. The total cost for external training was 1,762,267 TWD.

The Company will continue to advance the implementation of occupational safety and health training programs relevant to corporate operations, with the aim of complying with regulatory requirements.

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

Factory	Annual Hours etc.	Internal Training in 2024		Foreign Training in 2024	
		Person-Times	Total Hours	Person-Times	Total Hours
Shih-Lei Factory		78	312	57	868
Tsing-Hua Factory		189	858	53	610
Xing-Feng Factory 1		101	765	84	1,122
Xing-Feng Factory 2		24	222	60	882
Yu-Shih Factory		26	114	44	740
General Safety and Health Education Training		3,291	9,873	-	-
Total Number of People/Hours		3,709	12,144	298	4,222
Total Hours of Internal and External Training		16,366			
Annual Average Training Hours (Note 1)		2.556 Hours			

Note 1: Annual average training hours = total internal and external training hours / total number of employees at the end of December of the current year (6,401).

• **2024 Occupational Safety and Health Education and Training: (Non-resident vendors)**

Project	Number of Contractors	Number of Trainees	Total Hours of Training
Hazard Notification Training	229	2,290	2,290

• **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 2024, Kinsus conducted environmental monitoring in various factory areas. A total of 30 parameters were monitored, with Shih-Lei Factory having 323 monitoring points, Tsing-Hua Factory having 484 points, Tsing-Hua Factory1 having 462 points, Tsing-Hua Factory2 having 267 points, and Yu-Shih Factory having 200 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:

No.	Measurement Items	2024					Allowable Concentration
		Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory 1	Xing-Feng Factory 2	Yu-Shih Factory	
1	Carbon Dioxide (ppm)	511~1294	413~972	451~1057	454~795	462~593	5000
2	Illumination (Lux)	301~654	301~477	301~1242	103~1204	111~739	50~1000 (Note1)
3	Noise (dBA)	61.7~87.9	58.3~86.7	60.3~94.7	58.1~85.7	63.1~83.1	90
4	Noise (Direct Reading) (dBA)	70.2~89.7	70.1~89.6	71.3~100.7	63.1~91.4	71.2~94.1	90

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

Regarding illuminance levels in certain factory areas exceeding the permissible exposure limit, this is due to the operational need for final visual inspection and other precision tasks, which require localized lighting of over 1,000 Lux. In accordance with regulations, workers performing such tasks are granted at least a 15-minute break for every two continuous working hours to safeguard their visual health.

As for noise level exceedance, corrective engineering measures at Xing-Feng Factory 1 have brought the levels into compliance as of the second environmental monitoring in 2024. At Yu-Shih Factory, the areas with excessive noise levels—such as the air compressor room and dust collector room—are designated for only short-term entry. Task durations in these areas do not exceed 15 minutes. Current control measures include warning signs at entry points and provision of appropriate hearing protection equipment. Personnel entering these zones are also included in the annual special health examination list to ensure their hearing remains in good condition.

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 Rate (LWR) over the past three years, the number of disabling injuries in 2024 slightly increased compared to the previous year. This was primarily due to higher lost workdays associated with individual injury cases, resulting in figures exceeding those of the past two years. The Company has conducted incident analyses to identify areas for improvement and has initiated on-site corrective actions. These include the Safety Guard Improvement Project, EPM Self-Safety Inspection Program, Ceiling Fall Prevention Project, and the Work Instruction (WI) Enhancement Project. In addition, the on-site "Occupational Safety and Health Performance Evaluation System" continues to be implemented with the goal of driving continuous improvement.

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

Year	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Total Working Days	617,696	898,872	557,475	819,062	574,818	833,078
Total Hours Worked	4,941,546	7,190,978	4,459,800	6,552,496	4,598,550	6,664,620
Total Hours of Absence (Note 5)	64,971	78,738	173,147	130,241.5	199,034	154,740
Number of Disabled People	5	24	5	13	3	17
Total Disabling Injury Lost Days	10	154	110	99	6	512
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	2022		2023		2024	
Item	Female	Male	Female	Male	Female	Male
Injury Rate (IR) (FR) (Note 1)	1.01	3.34	1.12	1.98	0.65	2.55
Occupational Disease Rate (ODR) (Note 2)	0	0	0	0	0	0
Lost Days Ratio (LDR) (Note 3)	2.02	21.42	24.66	15.1	1.3	76.82
Absence Rate (Note 4)	1.3	1.1	3.9	2.0	4.3	2.3

Note 1: IR is calculated by disabling injury frequency (FR): (total number of disabling injuries/total working hours) ×1,000,000 (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) ×1,000,000 (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.

Note 6: Total working hours in 2024: 11,263,170 hours.

• 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 2024, 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 2024. Furthermore, there have been no cases of occupational diseases or work-related fatalities during this period.

Year	2022		2023		2024	
Item	Female	Male	Female	Male	Female	Male
Total Working Days	35,059	27,108	31,665.5	29,601.5	31,829	56,367
Total Hours Worked	313,182	242,205	280,158.2	257,432.8	278,073.7	48,354.8
Number of Disabled People	0	0	0	0	0	0
Total Days Lost for Disabling Injuries	0	0	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 2024) is the same as last year. The overall lost workday case rate (in 2024) 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 nonemployees in the past two years. This indicates that work-related accidents have not led to the occurrence of occupational diseases among dispatched workers.

Year	2022		2023		2024	
Item	Female	Male	Female	Male	Female	Male
Injury Rate (IR) (FR) (Note 1)	0	0	0	0	0	0
Occupational Disease Rate (ODR) (Note 2)	0	0	0	0	0	0
Lost Days Ratio (LDR) (Note 3)	0	0	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).

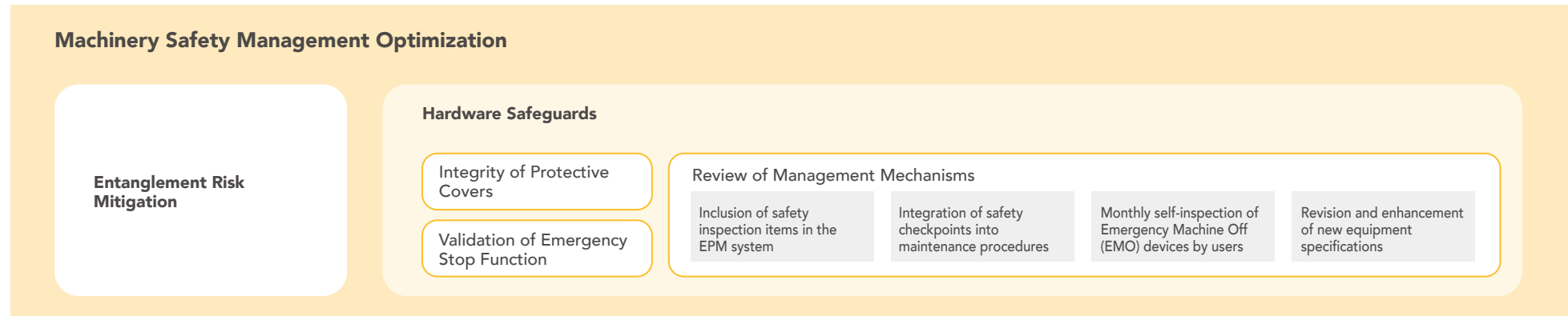
2. Occupational Safety Violations

No.	Factory	Violation Clauses	Penalty Amount (NTD)	Corrective and Preventive Measures
1	Tsing-Hua Factory	Occupational Safety and Health Facilities Regulations, Article 58, Subparagraph 5, and Occupational Safety and Health Act, Article 6, Paragraph 1.	NT\$100,000	<ol style="list-style-type: none"> 1. Installed protective covers over rotating gears with potential entanglement hazards. 2. Enhanced equipment safety awareness and conducted training on entanglement hazard prevention for personnel.
2	Xing-Feng Factory 1	Hazard Prevention Standards for Specific Chemical Substances, Article 50, and Occupational Safety and Health Act, Article 6, Paragraph 1.	NT\$100,000	<ol style="list-style-type: none"> 1. In accordance with the AES18001 Factory Guidelines on the Management of Hazardous Chemicals, added a requirement for personnel engaged in "chemical addition" tasks to wear appropriate personal protective equipment (PPE). 2. Issued safety promotion bulletins and conducted awareness campaigns for all on-site personnel. 3. Conducted job safety analysis and publicly posted safe operating procedures.

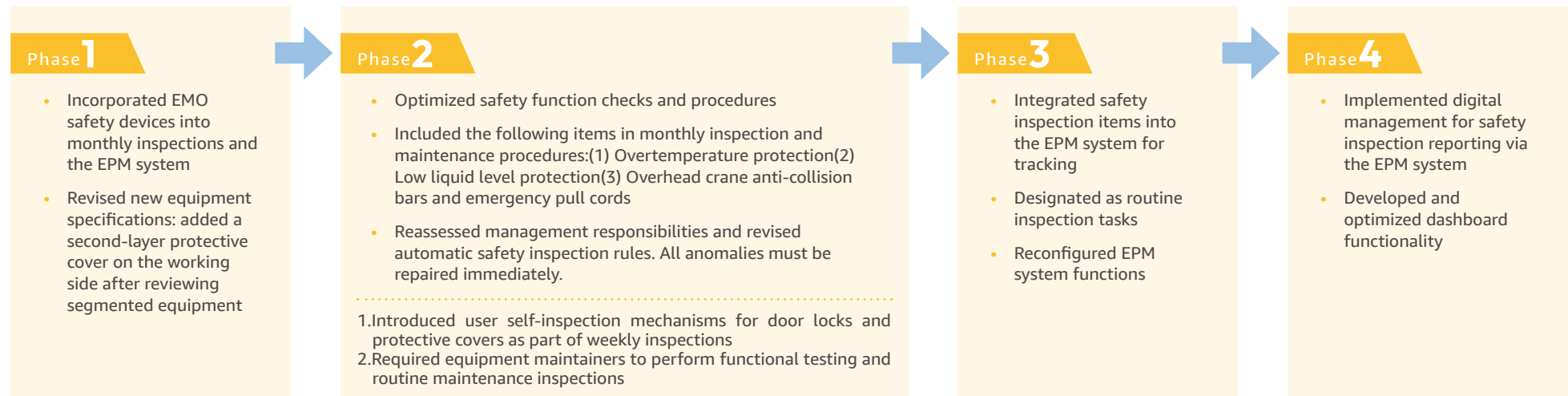
A total of two corrective actions were implemented, completed, and closed.

6.6.5 Occupational Safety and Health and Loss Prevention Related Activities

1. Optimization of Machinery Safety Management (Entanglement Risk Mitigation)



Management mechanism reviews and optimizations are implemented in four phases:

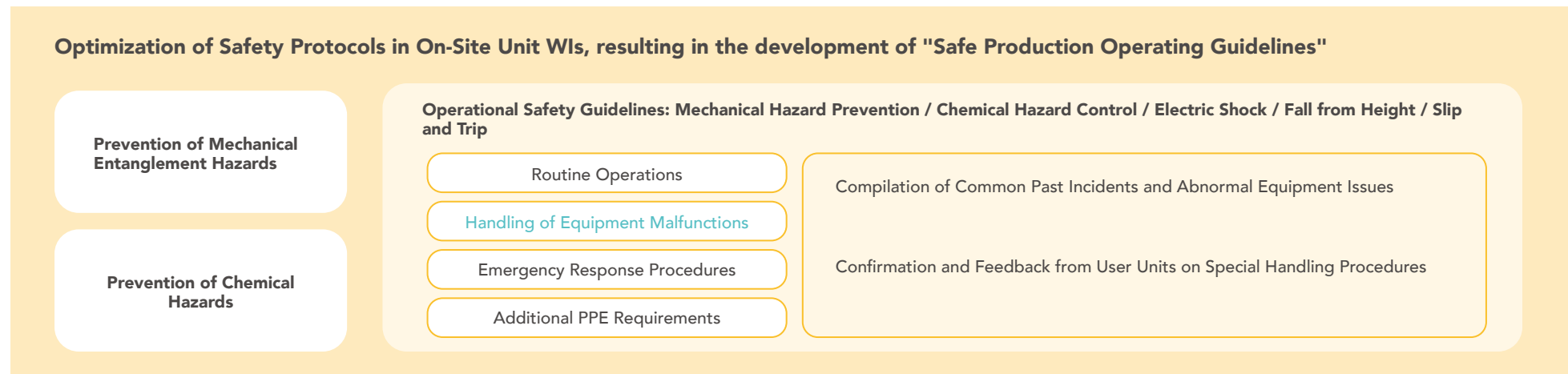


2. On-Site Work Instruction (WI) Safety Specification Optimization

A review was conducted on the Work Instructions (WIs) related to daily operations, abnormal event handling, and emergency response procedures for operational units at the factory level. These units include Manufacturing, Equipment Maintenance, Facility Maintenance, Material Management, Laboratory, and Equipment Development departments. The review focused on three key aspects: (1) Safety: Regulations related to safe production practices. (2) Health: PPE (Personal Protective Equipment) management requirements. (3) Occupational Safety Training: Provisions regarding occupational health and safety education and training.

Main Sections	Content Overview
Operational Guidelines	<p>Prevention of hazards related to production equipment and machinery</p> <ul style="list-style-type: none"> Prevention of chemical and chemical solution-related hazards Routine operations (including general cleaning and maintenance): <ul style="list-style-type: none"> Before Operation / During Operation / After Operation Equipment malfunction handling Emergency situations: emergency response or rescue procedures
Common Incidents	<p>Summary of hazard types and applicable scenarios in the plant involving equipment maintenance or troubleshooting</p>
Other Requirements	<p>Status and inspection items for relevant equipment Shift handover precautions and operator requirements Personal Protective Equipment (PPE) management regulations</p>

Consolidated and standardized versions of the Work Instruction (WI) safety guidelines were developed, accompanied by unit-specific operating instructions. A total of 212 WI-based safety training materials were compiled across the five sites—Shih-Lei, Tsing-Hua, Xing-Feng (Factory 1 & 2), and Yu-Shih Factory—for use in operational risk control at each site.



3. EPM Self-Directed Safety Inspections

Starting in March, implementation audits of the Equipment Performance Management (EPM) system were launched to verify that maintenance teams were performing regular safety function checks on equipment components. All inspection records were logged into the EPM system. Out of approximately 42% of equipment randomly inspected (totaling 1,095 machines), 18 anomalies were identified and later resolved through manual program updates by MIS. Each factory site has set a 100% equipment inspection target, with a current overall inspection coverage of 89%. Shih-Lei and Yu-Shih Factory completed their Q2 inspections.

4. Ceiling Fall-Prevention Project

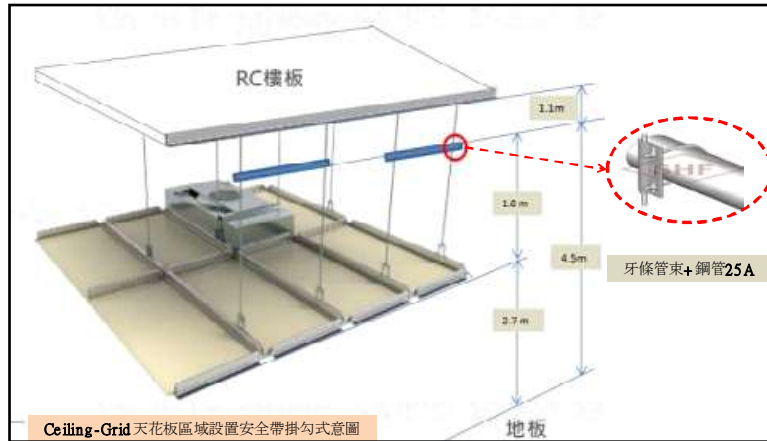
To mitigate fall-related risks, a ceiling fall-prevention initiative was launched following risk assessments. Three key aspects were reviewed and improved: Enhanced lighting installations above ceiling panels; Fall prevention at structural transitions between heterogeneous ceiling areas; Improvements to safety harness hook anchoring systems.



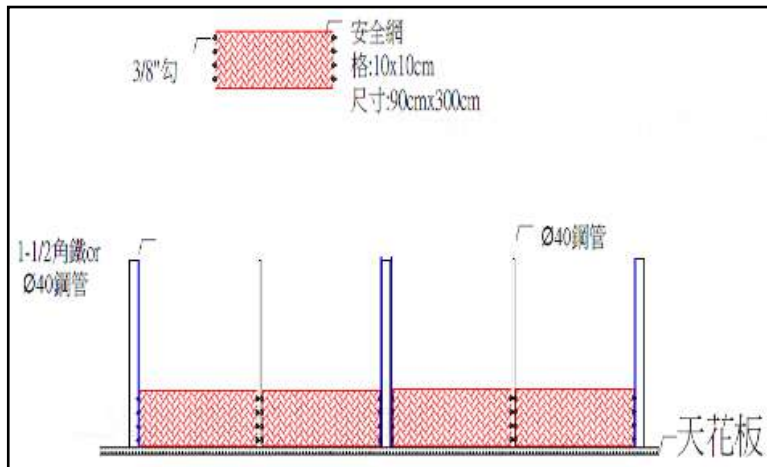
Illustrative photos of high-risk zones

	Improvement Actions	Implementation Measures
	Administrative Management: Reinforcement and reiteration of relevant management protocols	<ul style="list-style-type: none"> Pre-task checklist for ceiling operations Pre-task checklist for elevated work Regulations for the use of safety helmets and harnesses
	On-Site Safety Inspections: Verification of ceiling structure safety and usage guidelines	<ul style="list-style-type: none"> Stepping on lightweight steel frames is strictly prohibited For PU panel ceilings and grid ceilings: limited to one person per square meter
	Engineering Improvements	<ul style="list-style-type: none"> Interface Safety Enhancements: Strengthen signage and prohibit crossing near ceiling openings or lightweight frames; Where fall or crossover risks are present, add lighting and protective barriers. Assess and improve the installation of "safety harness anchor points" on ceilings

In Q2 2024, improvement plans were discussed and formulated, covering administrative controls, on-site safety inspections, and engineering improvements. All ceiling fall-prevention enhancements across all facilities are scheduled for completion by Q1 2025.



Grid-Ceiling Safety Hook Installation Layout



Safety Net Installation above Ceiling Panels

5. Personal Protective Equipment – Goggle Upgrade (Xing-Feng)

	Current Practice	Revised Practice
Goggles	PPE Zone – Shared Use	One set of goggles per person (for chemical line maintenance personnel); Preliminary statistics for K5 indicate 340 personnel (estimated cost: NT\$200,000)
Other Personal Protective Equipment (PPE) (Protective Clothing / Face Shields)	PPE Zone – Shared Use	PPE Zone – Shared Use
PPE Management Approach	PPE is wall-mounted in open-access areas near production lines (Goggles are prone to lens fogging due to exposure to acidic fumes in the environment)	<ol style="list-style-type: none"> Goggles to be stored in individual lockers beside the line (to shield from acidic fumes and prolong lens life) Other PPE remains wall-mounted in the designated PPE zone
Rationale for Practice Modification	<ol style="list-style-type: none"> Goggles are worn close to the skin and tend to absorb sweat, causing odor and contamination. As a result, the current shared-use practice discourages usage → Changing to a personal-use PPE model is intended to increase wearing compliance and enhance operational safety. Other PPE items do not come into direct contact with the skin. → Protective clothing and face shields remain under current shared-use practices with monthly performance inspections. 	
Issuance Precautions	<ol style="list-style-type: none"> When receiving new goggles, employees must label the headband with their employee ID. Goggles in the PPE zone should be labeled as “Shared” on the headband to prevent appropriation of shared items. 	
Q&A	Loss	Monthly performance adjustment (allocated for the purchase of personal goggles); a new pair of goggles will be reissued.
	Damage	<ol style="list-style-type: none"> Improper use: Monthly performance adjustment (allocated for the purchase of personal goggles); a new pair of goggles will be reissued. Wear and tear (e.g., lens fogging, headband elasticity degradation): Replacement with a new pair under the “old-for-new” policy.

6. Digital Transformation in Occupational Safety Management – Contractor Worksite Oversight (Dashboard & RPA)

Automatically logs into the Notes system to access the construction management interface and download reports.

Formats the report content and saves it to the designated path according to set instructions.

Links to the specified file, extracts data, and imports it to update statistical charts.

The dashboard presents daily trends of high-risk construction activities across factory sites.

Labor Time Saved: 10 hours/month

7. 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.

Starting in 2023, a five-year Fire Prevention and Improvement Plan has been implemented with the objective of enhancing early fire detection capabilities and reinforcing fire spread prevention measures. The initiative involves the comprehensive installation of linear-type fire detectors on overhead equipment to enable early detection and prompt emergency response. Additionally, the plan includes phased improvements in fire compartmentalization and the progressive installation of sprinkler systems inside air ducts and on the sides of high-risk equipment to achieve early-stage automatic fire suppression. These measures aim to effectively prevent fire escalation and reduce the likelihood of fire incidents. Key improvement items for 2024 include: Installation of current fire detection systems; Completion of fire compartmentalization engineering; Establishment of sprinkler systems inside air ducts and on the sides of high-risk equipment.

(1) Infrared Thermographic Inspection of Electrical Equipment

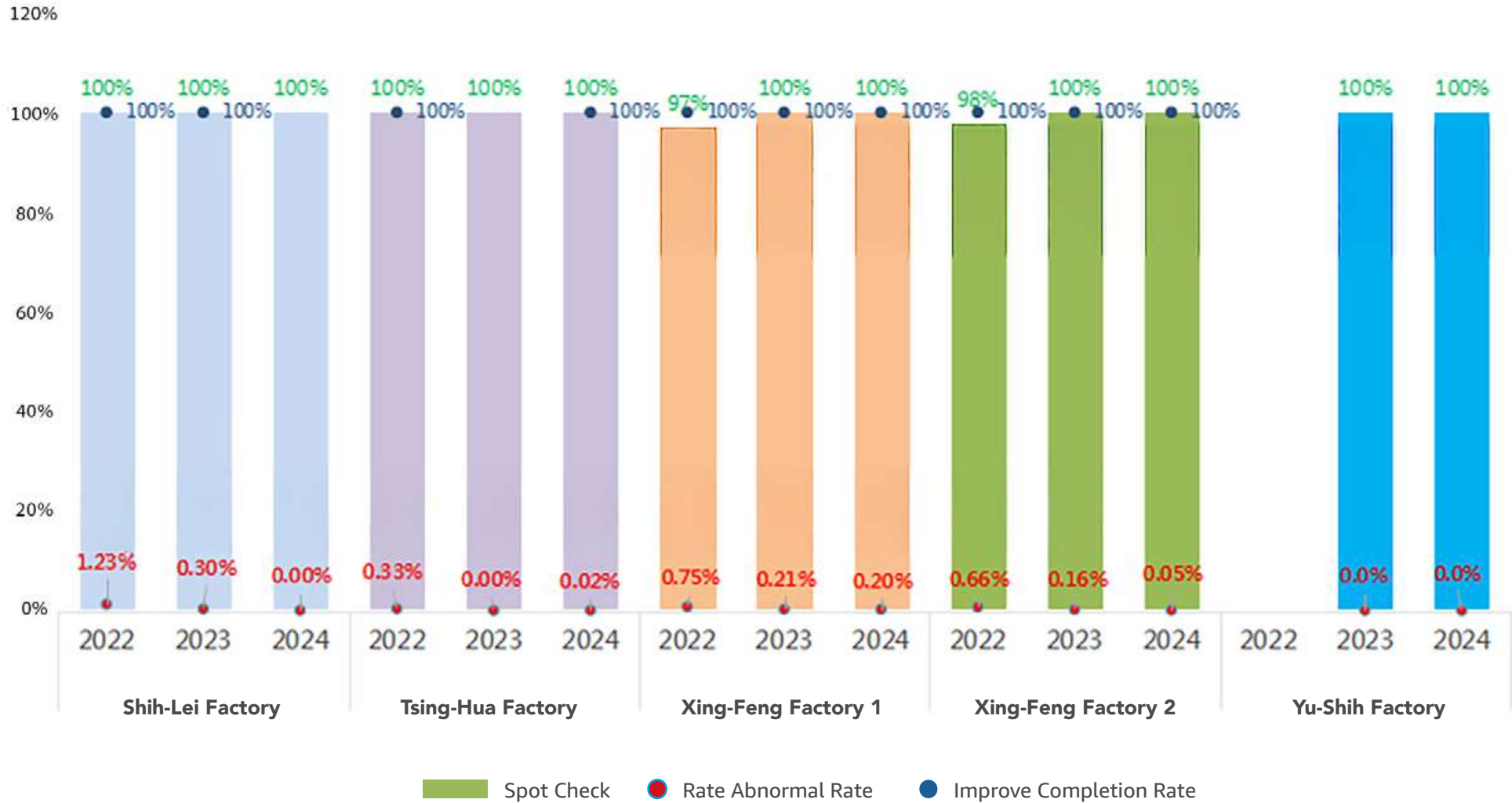
The abnormality of electrical equipment is the main cause of fire accidents. The signs of abnormality can be found through the current heating status and then preventive improvement can be implemented. According to the NFPA standard, the overheating rules of each electrical component are defined. The 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 2024, the spot check rate has reached 100%. A total of 17,894 pieces of electrical equipment were inspected in the three factory areas, and 12 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	Improve Completion Rate (Note 3)
Shih-Lei Factory	2022	2607	2607	100%	32	1.23%	32	100%
	2023	2032	2032	100%	6	0.30%	6	100%
	2024	2042	2042	100%	0	0.00%	-	-
Tsing-Hua Factory	2022	6388	6388	100%	21	0.33%	21	100%
	2023	6183	6183	100%	0	0.00%	-	-
	2024	6621	6621	100%	1	0.02%	1	100%
Xing-Feng Factory1	2022	7091	6879	97%	53	0.75%	40	100%
	2023	4652	4652	100%	10	0.21%	10	100%
	2024	4895	4895	100%	10	0.20%	10	100%
Xing-Feng Factory2	2022	1963	1920	97.8%	13	0.66%	13	100%
	2023	2460	2460	100%	4	0.16%	4	100%
	2024	2131	2131	100%	1	0.05%	1	100%
Yu-Shih Factory	2022	-	-	-	-	-	-	-
	2023	939	939	100%	0	0.00%	-	-
	2024	2205	2205	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%

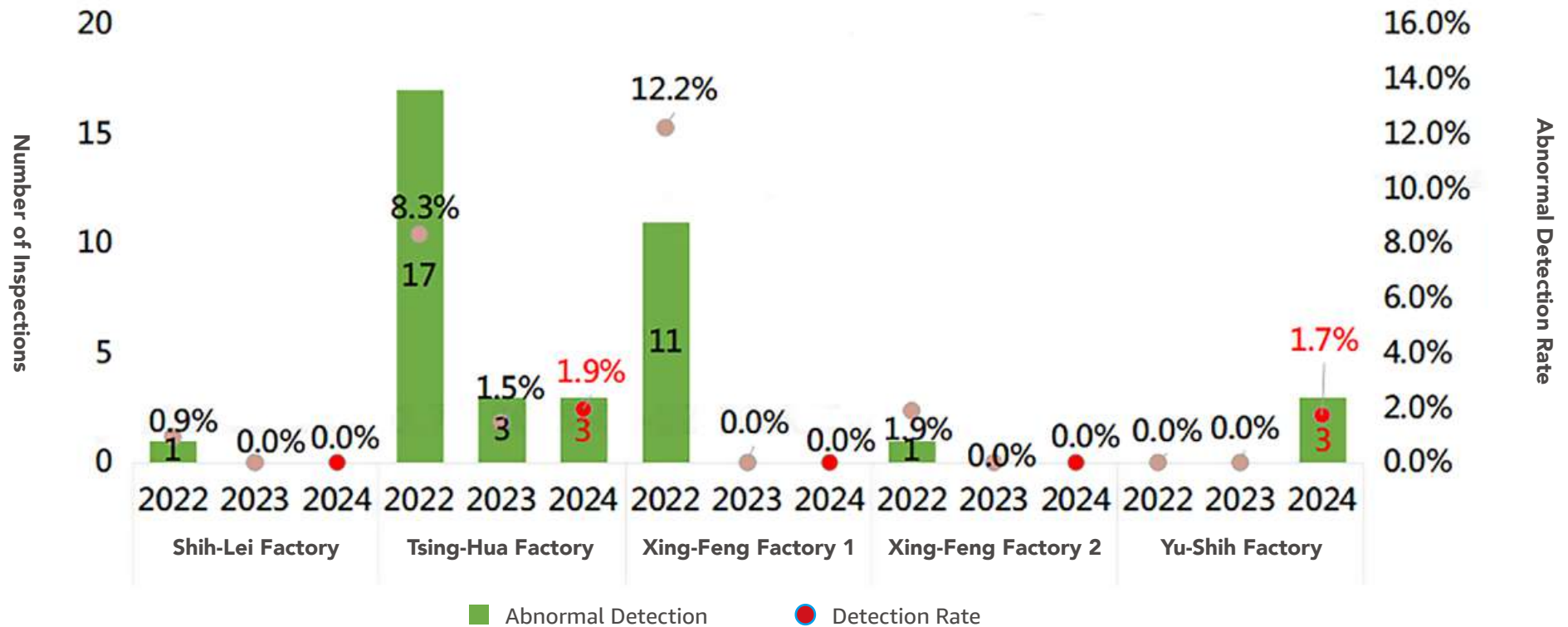
Detection Trend Chart of Infrared Thermographic Inspection of Electrical Equipment



(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 2024, there are 548 units (Note 1) inspected for four factories, and detected 6 abnormal cases, all of which have been improved.

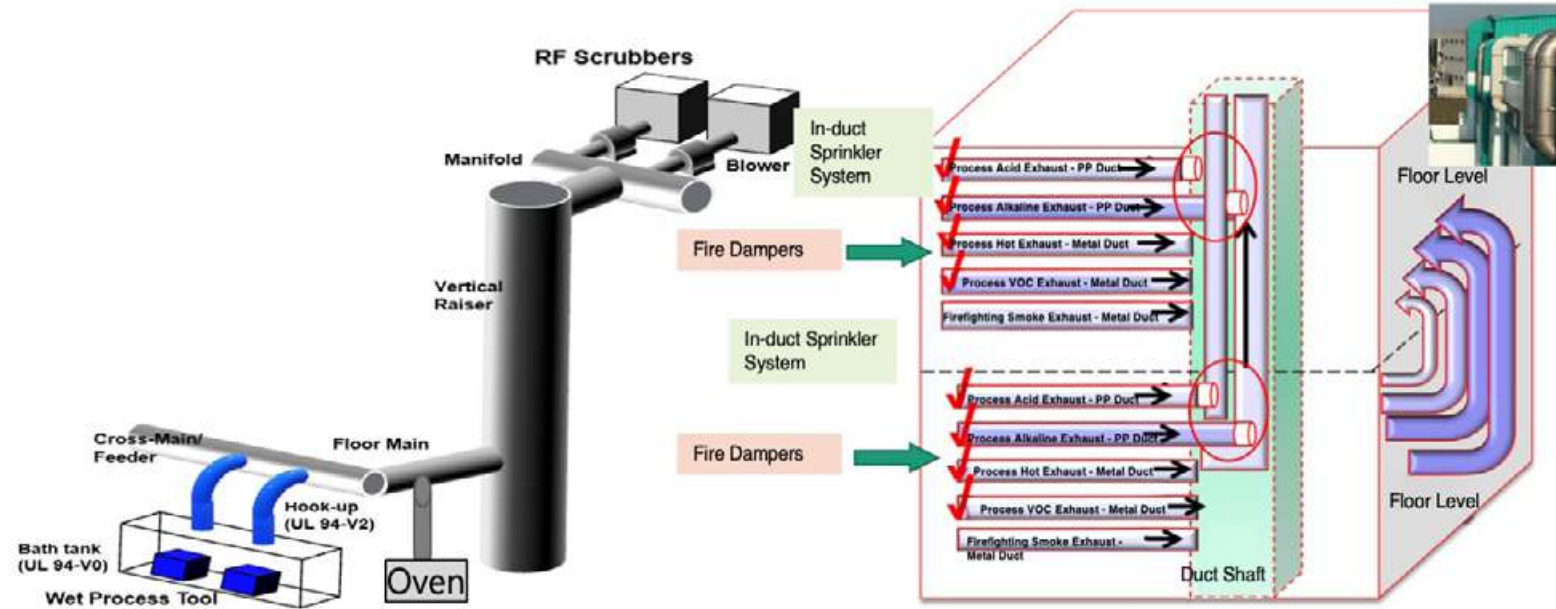
Statistics of Over-temperature/Liquid Level Protection Function Abnormality Detection Rate



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) Fire Incident and Fire Spread Prevention Strategy Timeline



Reducing the Likelihood of Ignition Sources

Mitigating Fire Propagation Severity During Incidents



- Installation of Linear Heat Detectors Along Overhead Wiring
- MC+SSR Overheat Prevention Devices
- Installation of Fire Dampers in Metal Air Ducts

Use of Flame-Retardant Materials for Heating Tanks and Secondary Air Ducts

In-duct Sprinkler System

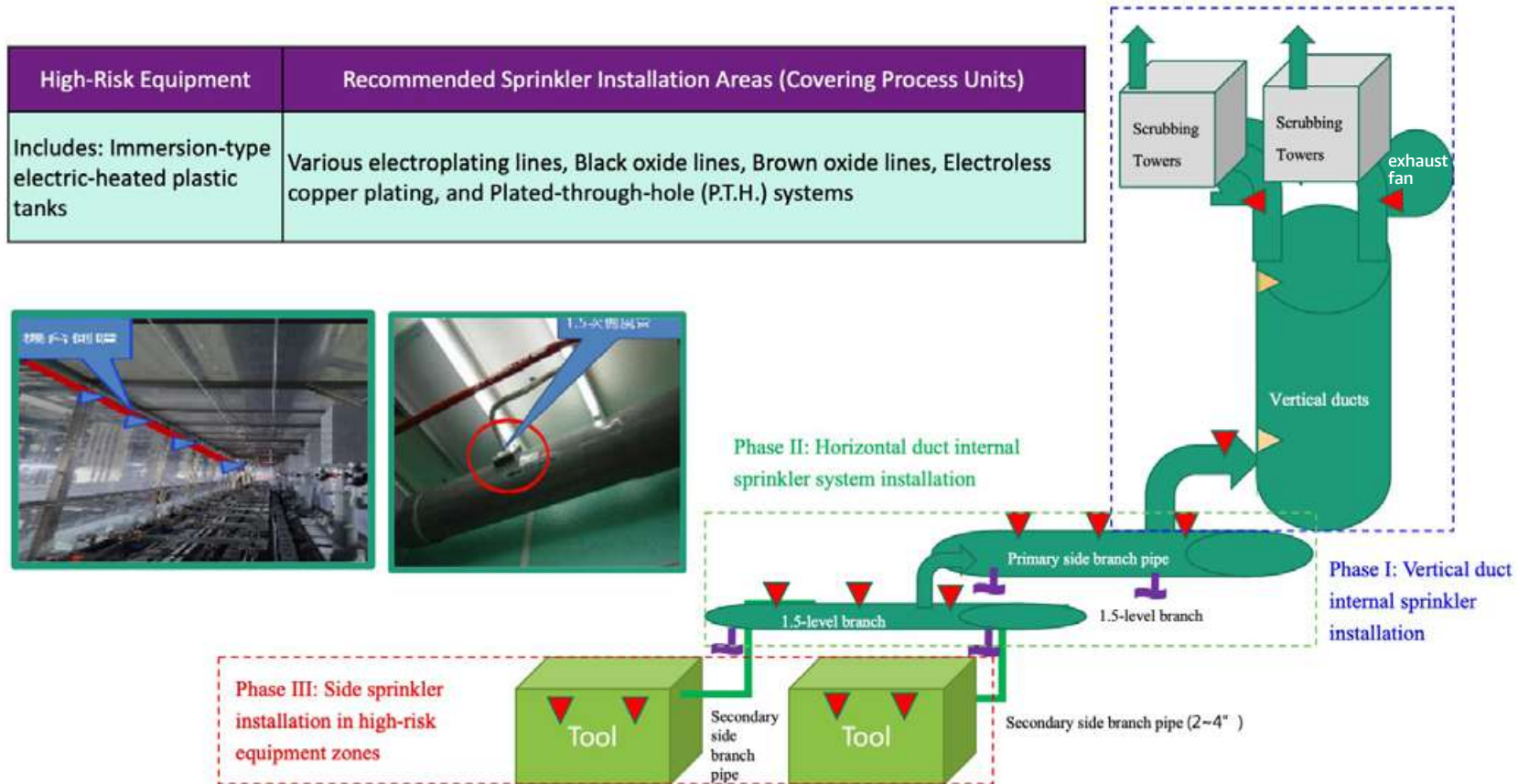
Plastic Duct Retrofit Program

Enhancement of Fire Compartmentation with Localized Sprinkler Systems

Plastic Air Duct Improvement Plan

Beginning in 2023, implementation was prioritized at newly constructed facilities, including Xing-Feng Factory 2 and Yu-Shih Factory. The strategy comprises three phases: Phase 1: Installation of sprinkler systems inside vertical ducts; Phase 2: Installation of sprinkler systems inside horizontal ducts; Phase 3: Installation of side sprinklers for high-risk equipment areas (such as electroplating lines, blackening lines, brown oxide lines, electroless copper plating, and plated-through-hole (P.T.H.) systems). The goal is to mitigate the severity of fire spread in the event of a fire outbreak.

Internal Plastic Air Duct and High-Risk Equipment Area Protection & Sprinkler System Plan



(4) Occupational Safety and Health Performance Evaluation

To enhance employees' awareness of and engagement with the Company's safety and health culture, a performance evaluation system for occupational safety and health was piloted and established across each factory site starting in 2021. Departments were categorized into direct units (Manufacturing, Equipment, Facility Services) and indirect units (Materials Management, Quality Control, General Affairs). Evaluation metrics and a baseline score of 80 points were defined. In 2024, all five factories achieved monthly scores exceeding the 80-point benchmark. Through this safety performance evaluation system, the implementation status and outcomes of each department's safety initiatives were quantitatively assessed and monitored.



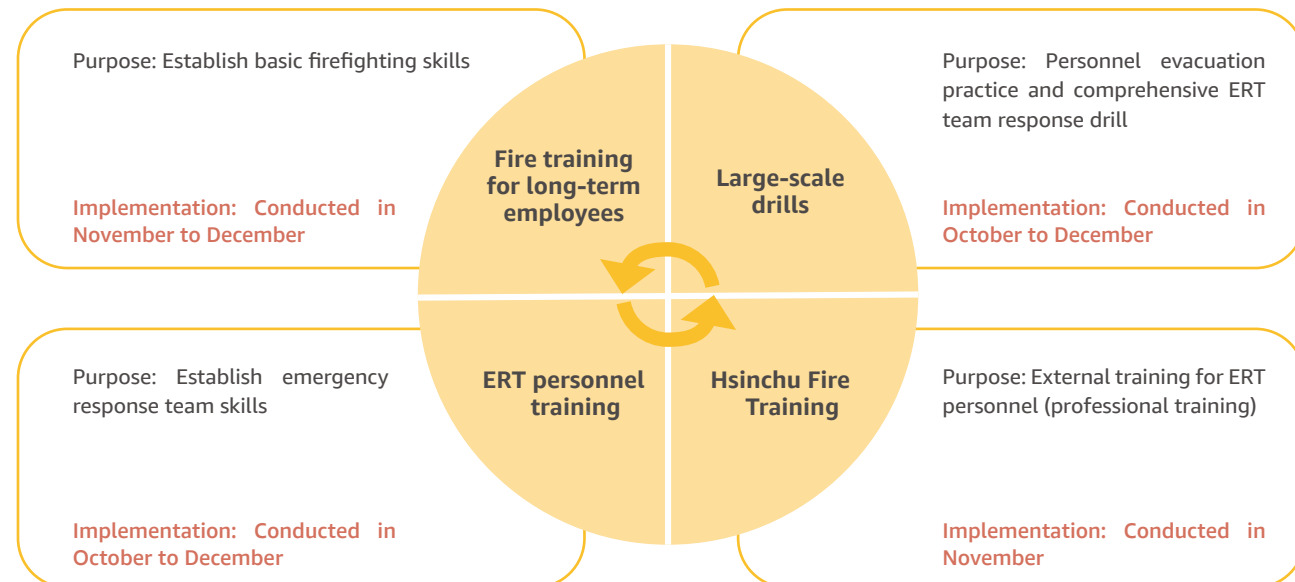
6.6.6 Emergency Response and Drills

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.

2024 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) (Including commander personnel training)

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, 2024 seven sessions were carried out in four factory areas in a year, and a total of 1,263 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 firefighting 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.

Factory		Shih-Lei Factory		Tsing-Hua Factory		Xing-Feng Factory 1		Xing-Feng Factory 2		Yu-Shih Factory		Total
Year/ Number		Number of Participants in 2024 H1 Drills	Number of Participants in 2024 H2 Drills	Number of Participants in 2024 H1 Drills	Number of Participants in 2024 H2 Drills	Number of Participants in 2024 H1 Drills	Number of Participants in 2024 H2 Drills	Number of Participants in 2024 H1 Drills	Number of Participants in 2024 H2 Drills	Number of Participants in 2024 H1 Drills	Number of Participants in 2024 H2 Drills	Total Number of Drill Item Participants
Emergency Training	Professional Rescue and Firefighting Training	12		16		14				17		59
	Emergency Response Team Training (ERT)	54	57	165	150	268	280	112	116	33	28	1,263
	Long-Term Employee Education and Training	114		186		213		240		-		753
	Unannounced Drill	17	11	34	27	28	25	Joint drill conducted in conjunction with Xing-Feng Factory 1		16	16	174
	Dormitory Fire Drill	38	51	22	264	503	571	628	600	-	-	2,677
	Large-Scale Comprehensive Drill in the Factory Area	160	118	82	75	349	486	613	589	220	199	2,891

• 2024 Emergency Response Training and Drill Activities by Factory Site are summarized in the table below:

Emergency Response Training Records

Professional Firefighting Training (Joint Participation in Hsinchu Fire Training Program)



Firefighting and Rescue Drill (ERT) (Shih-Lei Factory)



Firefighting and Rescue Drill (ERT) (Tsing-Hua Factory)



Firefighting and Rescue Drill (ERT) (Xing-Feng Factory 1)



- 6.1 Talent Policy and Commitment
- 6.2 Human Resource Structure
- 6.3 Talent Cultivation and Development
- 6.4 Compensation and Benefits
- 6.5 Human Right Protection: Listen To Our Employees
- 6.6 Workplace Health and Safety
- 6.7 Damage Prevention Performance

Firefighting and Rescue Drill (ERT)
(Xing-Feng Factory 2)



Firefighting and Rescue Drill (ERT)
(Yu-Shih Factory)



Long-Term Employee Education and Training
(Shih-Lei Factory)



Long-Term Employee Education and Training
(Tsing-Hua Factory)



- 6.1 Talent Policy and Commitment
- 6.2 Human Resource Structure
- 6.3 Talent Cultivation and Development
- 6.4 Compensation and Benefits
- 6.5 Human Right Protection: Listen To Our Employees
- 6.6 Workplace Health and Safety
- 6.7 Damage Prevention Performance

Long-Term Employee Education and Training
(Xing-Feng Factory 1)



Long-Term Employee Education and Training
(Xing-Feng Factory 2)



Unannounced Drills
(Shih-Lei Factory)



Unannounced Drills
(Tsing-Hua Factory)



Unannounced Drills (Xing-Feng Factory 1)



Unannounced Drills (Xing-Feng Factory 2)



Dormitory Evacuation & Fire Drill (Shih-Lei Factory)



Dormitory Evacuation & Fire Drill (Tsing-Hua Factory)



Dormitory Evacuation & Fire Drill
(Xing-Feng Factory 1)



Dormitory Evacuation & Fire Drill
(Xing-Feng Factory 2)



Full-site Evacuation & Large-scale Fire Safety Drill
(Shih-Lei Factory)



Full-site Evacuation & Large-scale Fire Safety Drill
(Tsing-Hua Factory)



Full-site Evacuation & Large-scale Fire Safety Drill (Xing-Feng Factory 1)



Full-site Evacuation & Large-scale Fire Safety Drill (Xing-Feng Factory 2)



Full-site Evacuation & Large-scale Fire Safety Drill (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 2024.**

To jointly advocate for corporate ESG performance and lead the industry and its supply chain in enhancing the sustainable value of a healthy workforce, the Occupational Safety and Health Administration (OSHA) has developed the "GRI 403 Practical Guidelines for Workplace Health and Safety Disclosure" for companies as a reference. This year, OSHA continues to promote the "Corporate Sustainability Report Voluntary Evaluation Program on Occupational Health and Safety Performance" to assess how well domestic companies are implementing various occupational health and safety indicators.

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 2024, there were a total of 168 occupational medical service sessions, amounting to 504 service hours, 1,785 cases, serving a total of 4,235 persons.



Year	2022			2023				2024			
Factory	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory (1&2)	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory (1&2)	Yu-Shih Factory	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory (1&2)	Yu-Shih Factory
Service Times	36	72	48	36	72	48	12	36	72	48	12
Service Time(Hours)	108	216	144	108	216	144	36	108	216	144	36
Assessment of Cases	1,797			1,741				1,785			
Number of Service	3,587			4,209				4,235			

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



Material Topic → Health Promotion
Policy: Establish a healthy workplace and strengthen physical and mental health management.

<p>Management Guidelines</p>	<ul style="list-style-type: none"> • Goals and Targets: Establish a holistic culture of workplace wellness, strengthen the management of employees' physical and mental health, and enhance quality of work-life and overall productivity. • Commitment: Kinsus is committed to following the principles of building a healthy workplace. Through institutionalized management, resource investment, and diverse health promotion initiatives, the Company aims to foster a safe, healthy, and friendly work environment. This ensures employee well-being and fulfills the Company's sustainability responsibilities to employees, families, and society. • Management measures: <ol style="list-style-type: none"> (1) Establish a dedicated health management unit to conduct regular health checkups and health risk assessments. (2) Implement health promotion programs such as weight loss competitions, walking challenges, psychological counseling, and stress management courses. (3) Promote mental health in the workplace, prevent occupational diseases, and increase employee participation in physical activity. (4) Provide healthy dietary guidance, implement a sugar-free beverage policy, and offer high-quality meal services.
<p>Short-, Medium-, and Long-Term Goals</p>	<p>2024–2030 Targets:</p> <ul style="list-style-type: none"> • Achieve a 100% examination rate for general and special health checkups. • Achieve a 100% completion rate in follow-up and improvement for high-risk health cases. • Achieve a 100% care coverage rate under the maternal health protection program.
<p>Achievement Status</p>	<p>2024 Achievements:</p> <ul style="list-style-type: none"> • General and special health checkup rate: 100% → Achieved • Follow-up and improvement rate for high-risk health cases: 100% → Achieved • Care rate under the maternal health protection program: 100% → Achieved

6.7.2 Employee Health Risk Prevention

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. Follow-up is conducted based on risk classification, and appropriate health education is provided accordingly.

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 2024, health checkups were conducted for employees, with 1,230 receiving general checkups, 680 undergoing special operational checkups, and 570 receiving both general and special checkups. The total number of employees checked was 2,480, achieving a 100% participation rate.



Occupational Specialist Physician On-site Health Services

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."

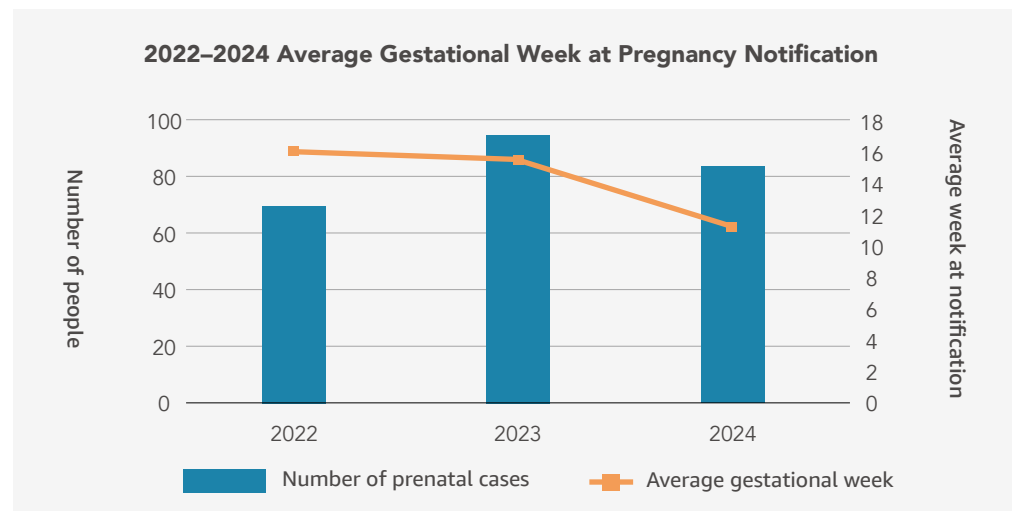
- In 2024, the maternal protection care rate was 100%, with 151 maternal care visits.

Year	2022	2023	2024
Maternal Care Visits	97	152	151

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

To safeguard the needs of pregnant and postpartum employees, Kinsus has implemented several maternity support measures. During pregnancy, employees are provided with a dedicated entrance gate and reserved parking spaces. In addition, two new initiatives were introduced: the "Good Pregnancy Gift" program and the issuance of pink maternity uniforms for easy identification in the workplace. These measures aim to encourage early pregnancy notification, enhance operational safety, and reduce collision and accident risks. As a result, in 2024, the average gestational week at which employees reported their pregnancy decreased by 4.5 weeks. To further support

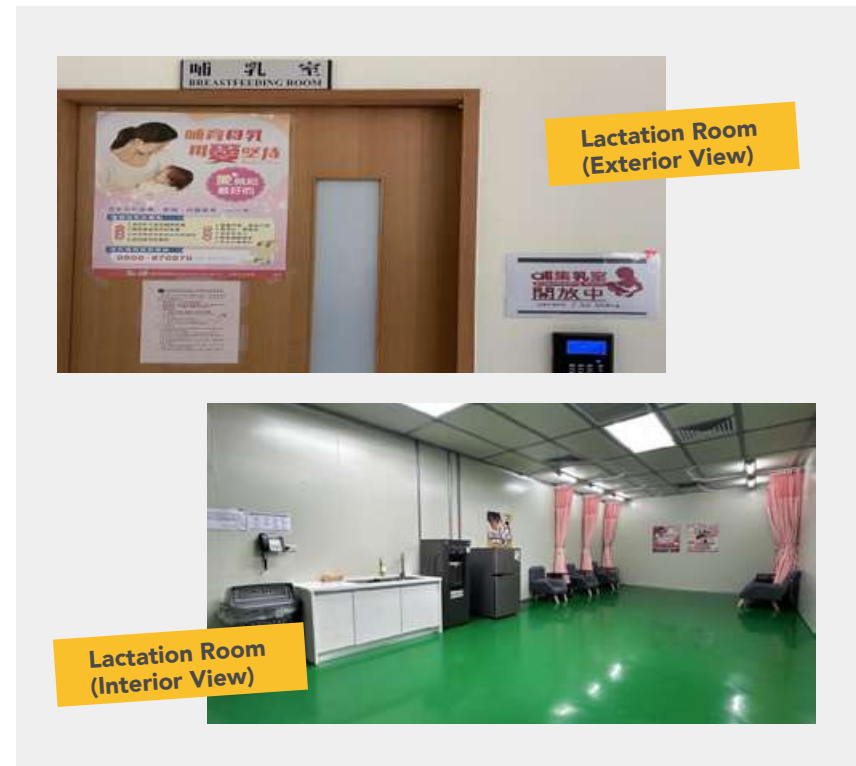
postpartum employees, the Company encourages continued breastfeeding for newborns. A 60-minute lactation break is provided during each workday. Lactation rooms are available across all factory sites, offering a spacious, comfortable, and private breastfeeding environment. Each room is equipped with access control, high-privacy curtains, emergency communication devices, comfortable seating, adequate lighting, and air conditioning. All facilities comply with the "Standards for the Establishment and Management of Public Breastfeeding Rooms." Lactation rooms also display educational materials on breastfeeding and childcare. Additional amenities include dedicated refrigerators for breast milk, bottle brushes, water dispensers, health education leaflets, and promotional brochures. These comprehensive measures are designed to support postpartum employees in balancing work and family responsibilities with confidence.



Lactation Room Usage Statistics

Year	2022	2023	2024
Number of uses	13	12	11

Note: Usage data for Yu-Shih Factory included from 2023 onward.



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.

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 ≥ 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 2024, 31 employees were identified as having potential hazards based on the NMQ analysis. Following consultations, none were found to have work-related issues.

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 2024, a total of 38 individuals received care, with a 100% consultation and care rate.

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. The medical clinic maintains effective communication with labor brokerage agencies, enabling real-time mutual reporting on the progression of employees' statutory infectious disease cases. This ensures timely monitoring of employee health status and the prevention of infection spread.

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 2024, Kinsus held a total of 59 health promotion activities.

Number	Activity Names Blood Donation Activities	Activity Duration	Number of Participants in the Last Three Years		
			2022	2023	2024
1	Blood Donation Activity	3 hours	179 ppl	165 ppl	189 ppl
2	Smoking Cessation Classes and Smoking/Betel Nut Lectures		--	30 ppl	10 ppl
3	Cancer Screening Activities	3 hours	--	130 ppl	163 ppl
4	Weight Loss Activities	3 months	382 ppl	178 ppl	253 ppl
5	Walking Challenge	3-5 months	--	--	328 ppl
6	Exercise Courses	1 hours	51 ppl	120 ppl	189 ppl
7	Nutrition Lectures	1 hours	--	115 ppl	192 ppl
8	Stress Relief Seminars	1 hours	--	117 ppl	178 ppl
9	Ergonomic Prevention and Vision Care Seminars	1 hours	--	61 ppl	179 ppl
10	Vector-Borne Disease (Mosquito) Awareness Campaign	1 hours	--	--	36 ppl
11	Basic Emergency First Aid Training	1 hours	--	--	104 ppl

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

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 2024, eight workplace blood donation drives were held, with 189 employees participating, collecting 267 bags of blood, totaling 66,750 cc. This activity not only contributes to society but also promotes employee health through enhanced metabolism.



2. Smoking and Betel Nut Cessation and Ultrasound Screening Activity

To support employees in quitting smoking and reducing the harm caused by betel nut consumption, and to promote better physical health, each factory has posted smoking cessation awareness posters and banners on-site. In addition, the Company invited the Xinfeng Township Public Health Center of Hsinchu County to conduct a smoking cessation workshop at the Xing-Feng Factory. Professional nurses provided introductions, shared experiences, and case studies. The smoking cessation and betel nut cessation campaigns were also extended to include ultrasound screening activities to enhance employees' awareness of personal health and disease prevention. In 2024, 10 employees participated in smoking cessation classes and lectures, with an overall satisfaction rate of 99.3%; 163 employees participated in cancer screening activities.



3.Weight Management Program

In 2024, Kinsus organized a five-month workplace weight management campaign titled "Light Living, Fit for Summer" to promote awareness of healthy weight control among employees. The program adopted a self-scoring system to encourage employees to adopt healthier lifestyles to achieve weight control goals. Points could be earned by attending nutrition and exercise seminars, participating in health consultations, and engaging in self-directed outdoor physical activities. The program aimed to cultivate health awareness from the ground up by linking knowledge with behavioral change. Additionally, a "Healthy Commitment Award" was introduced, where participants could enter a prize drawing every two weeks by completing body weight/body fat measurements. This encouraged employees to regularly track their progress and adjust their strategies as needed. In parallel, a company-wide online walking challenge called "Ready, Set, Walk" was held, open to all employees during the weight-loss period. Employees who accumulated 150,000 or 120,000 steps per month qualified for prize drawings. The three-month event saw an average of 180 employees per month meeting the 120,000-step target, actively promoting health-conscious behavior. During the campaign, physical activity classes and nutrition seminars were also conducted to reinforce healthy dietary concepts and proper exercise techniques. The program aimed to help employees transition from "knowing" to "doing" for long-term behavioral change. A total of 253 employees participated in the individual weight-loss program, collectively losing 526.1 kg in body weight and 272.1 kg in body fat. After accounting for withdrawals, 174 employees completed the program, with an average weight loss of approximately 1.85 kg per person. Awards were presented in public ceremonies to enhance employees' confidence in their achievements and encourage continued engagement.



Category/Weight (kg)	2021	2022	2023	2024
Individual Participants	98 ppl	244 ppl	178 ppl	253 ppl
Weight Loss (kg)	352.5 kg	535.2 kg	504.3 kg	526.1 kg
Team Participants	63 ppl	138 ppl	81 ppl	--
Weight Loss (kg)	274.5 kg	269.7 kg	361.2 kg	--

3-1 Exercise Courses and Nutrition Lectures

In conjunction with the “Light Living, Fit for Summer” weight management program, a series of health-related courses and seminars were introduced to enhance employees’ knowledge of caloric intake, nutrition, and proper exercise concepts. On the fitness front, the Company invited certified physical fitness instructors to deliver on-site courses under the program titled “Let’s Move Together.” The sessions included aerobic workouts to promote fat burning and the use of resistance bands for at-home stretching exercises. Myofascial release using massage balls was also taught, enabling participants to relax deep muscles after exercise or a long workday. The physical sessions received strong participation and positive responses. In 2024, a total of 9 fitness courses were conducted, drawing 189 participants in total. The overall satisfaction rate reached 94.4%, with many employees providing positive feedback. For dietary education, Kinsus invited nutritionists from the Taoyuan City Department of Health and the Hsinchu County Department of Health to deliver practical and engaging nutrition classes. These included sessions such as “Nutrition Knowledge + Light Meal Workshop” and “Nutrition Seminar + Colorful Salad Jar Making.” Nutritionists guided employees through hands-on steps to create simple and healthy meals at home. These sessions particularly benefited employees who frequently eat out, enabling them to identify healthier meal options and gain confidence in preparing nutritious dishes on their own. Many participants reported implementing these skills at home, with overwhelmingly positive feedback. In daily health promotion efforts, the Company’s medical office also educated employees on the importance of the “My Healthy Plate” model, which not only supports individual well-being but also reduces food waste.

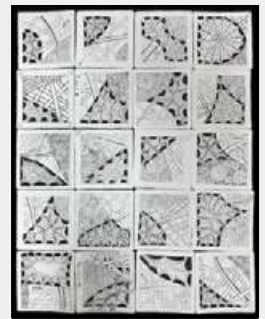
In 2024, a total of 6 nutrition seminars were held, with 192 total participants, and an overall satisfaction rating of 96.7%. In collaboration with the Company’s meal service provider, “My Healthy Plate” posters were displayed in the cafeteria and dining areas to further reinforce the concept.

Course Types	Course Name	Instructor	Sessions	Participants	Satisfaction Rate
Exercise	<i>Let’s Move Together – Burn Calories I</i> (Aerobics + Sculpting)	Certified Fitness Coaches	5	189	94.4%
	<i>Let’s Move Together – Burn Calories II</i> (Core Strength + Myofascial Release)		4		
Nutrition	Fun with Food – Summer Light Meal Hands-On Class	Department of Health, Taoyuan City	5	192	96.7%
	Nutrition Seminar + Colorful Salad Jar Workshop	Department of Health, Hsinchu County	1		



4. Stress Relief Seminars

Employee mental health is one of the key wellness indicators that the Company places great emphasis on. In 2024, two stress relief seminars were organized, each with a different theme—one in the first half of the year and another in the second half. In the first half, a nutrition-focused seminar titled “Eat Right, Sleep Well: Relieve Stress and Clear Brain Fog” was held. A licensed nutritionist discussed how stress, diet, and sleep affect the brain’s three core capacities: focus, cognitive clarity, and comprehension. The session introduced brain-boosting dietary strategies based on mindful eating principles, such as the DASH and Mediterranean diets, which support circulation and mental clarity. In the second half of the year, counseling psychologists led a workshop series titled “Salt & Serenity: Mindful Drawing.” This included two themed sessions. The first featured a herbal salt jar DIY activity, designed to help participants recognize sources of internal and external stress and understand conflicts between personal values and goals. Progressive muscle relaxation techniques were introduced to stabilize emotional well-being. The second session, zentangle drawing, guided participants to reconnect with themselves through simple pen-and-paper art as a method of self-reflection and mindfulness. Pre- and post-session stress assessments indicated a decrease in perceived stress levels. Although these were single-session events, they provided valuable outlets for employees to explore stress management techniques. A total of 10 stress-relief sessions were conducted in 2024, with 178 total participants and an overall satisfaction rate of 94.3%. By integrating nutrition education, psychological counseling, and creative workshops, Kinsus aims to provide healthy and effective stress coping mechanisms. These efforts contribute to fostering a positive work environment and enhancing the physical and mental well-being of employees.



5. Ergonomic Injury Prevention and Hearing Health Seminar

Occupational disease specialists conducted seminars on workplace muscle soreness prevention and vision care. These sessions aimed to enhance employees’ awareness of the causes of muscle soreness, as well as provide preventive and therapeutic techniques, while emphasizing the importance of vision protection. The content included guidance on maintaining proper posture and hands-on demonstrations of effective exercises to alleviate muscle soreness. A total of 10 seminars were conducted in 2024, with 179 participants and an overall satisfaction rate of 93.6%. These initiatives encouraged employees to be more physically active and inspired them to lead more vibrant and fulfilling lives.



- 6.1 Talent Policy and Commitment
- 6.2 Human Resource Structure
- 6.3 Talent Cultivation and Development
- 6.4 Compensation and Benefits
- 6.5 Human Right Protection: Listen To Our Employees
- 6.6 Workplace Health and Safety
- 6.7 Damage Prevention Performance**

6.7.4 Healthy Workforce, Sustainable Competitiveness

In 2024, 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.



Validity Period of This Certificate: January 1, 2024 to December 31, 2026

07

Shared Prosperity with Society



7.1 Social Engagement

7.2 Participation in External Organizations

7.3 Social Welfare Activities

07 Shared Prosperity with Society

At Kinsus 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		Medium-Term Indicators 2026~2029	Long-Term Indicators Beyond 2030
	2024	2025		
Social Welfare	Organize 2 Campus Lectures	Organize 4 Campus Lectures	Organize 4 Campus Lectures	Organize 8 Campus Lectures

7.1 Social Engagement

7.1.1 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. 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.

• 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:

2024 Objectives	2024 Achievement Rate	2025 Objectives
Organize 2 Campus Lectures	5 → Achieved	Organize 4 Campus Lectures

7.1.2 Campus Recruitment Workshops

Job Fairs and Campus Recruitment Workshops:
 2024 we organized 11 job fairs on campus with total 1,661 attendees.
 2024 we organized 15 workshop sessions for campus recruitment with total 1,617 attendees.

Category	2024 Job Fairs		2024 Workshop	
	Number of Sessions	Number of Participants	Number of Sessions	Number of Participants
Subtotal	11	1,661	48	1,617



7.1.3 Providing Local Job Opportunities

We have provided employment opportunities for a total of **2,178** 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	453	273	429	223	294	275	159	72

7.2 Participation in External Organizations

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 Participat	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
Taiwan Contact Lens Industry Development Association	Member
Semiconductor Equipment and Materials International (SEMI)	Member
Taiwan Semiconductor Industry Association (TSIA)	Member

7.3 Social Welfare Activities

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

Year	Category	Item	Donation Amount
2022	Social Welfare	Mid-Autumn Festival Gift Boxes Orders (Taiwan Foundation for the Blind, Baby Development Center, Yu Cheng Social Welfare Foundation)	\$2,528,500
	Local Community	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	
		Qi Ding Community Development Association, Xing-Feng Township, Hsinchu County - Members' Meeting and Year-end Gathering	
	Temples	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	
	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	

Year	Category	Item	Donation Amount
2023	Social Welfare	Mid-Autumn Charity Gift Box Orders (Down Syndrome Foundation, Hsin-Lu Social Welfare Foundation, Keelung Parents' Association for Persons with Intellectual Disabilities)	\$2,669,448
		Charity Fundraising - Finding a Home for the Handicapped Children	
		Shared Market	
	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 Tsing-Hua Environmental Volunteers Mid-Autumn Festival Party	
		Funding for the Chongyang Festival Senior Celebration by the Xin-Wu District Song-Bai 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		

Year	Category	Item	Donation Amount
2024	Social Welfare	Mid-Autumn Charity Gift Box Orders (Taiwan Foundation for the Blind, Hsin-Lu Social Welfare Foundation, Little Bean Sprout Workshop of the San Love Social Welfare Association).	\$2,722,450
		Warm Reunion Service Program (Eden Social Welfare Foundation)	
	Local Community	Shih-Lei Community Development Association 2024 Observation and Study Activity	
		Shih-Lei Environmental Volunteer 2024 Observation and Study Activity	
		Shih-Lei 2024 Ghost Festival Ritual Ceremony	
		Funding for Tsing-Hua Environmental Volunteers Mid-Autumn Festival Party	
		Funding for the 2024 Chongyang Festival Senior Celebration by the Xin-Wu District Song-Bai Association	
		Funding for the 2024 Chongyang Festival Senior Recognition Event by the Xin-Wu Elderly Association	
		Funding for the 2024 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	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 2024 Observation and Study Activity	
		Sponsorship for Xin-Feng Township Volunteer Firefighters Activity	
Sponsorship for Xin-Feng Township Volunteer Fire Brigade Equipment and Supplies			
Xin-Feng Township Volunteer Police and Civil Defense Association Member Meeting			



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.



Certificates of Appreciation for Social Welfare Activities (Including Donations)



Local Community Event (including donations)



08 Appendix

Appendix 1: ESG PERFORMANCE

Category	Sustainability Indicators	2022-2023 Target	2022 Actual Achievement	2023 Actual Achievement	2024 Target	2024 Actual Achievement
Corporate Governance	Corporate Governance Evaluation – Ranking among All TWSE-Listed Companies	2022: Top 6~20% 2023: Within Top 35%	21~35%	21~35%	Within Top 35%	21~35%
Operational Performance Information Security	CDP Disclosure Completion	-	-	-	≥ 1 Item	2 Items
Operational Performance Information Security	Intrusion Prevention System (IPS) effectively blocked all external intrusion threats, achieving a 100% interception rate.	100%	100%	100%	100%	100%
	Endpoint protection software installation rate reached 100% for PC/Notebook devices and 100% for information service hosts.	100%	100%	100%	100%	100%
	Conducted two data center failure scenario drills and one backup data recovery drill. All results met expectations.	Completed	Completed	Completed	Completed	Completed
	No data breach incidents reported.	0 case	0 case	0 case	0 case	0 case
Risk Management	Annual Emergency Fire Escape Drill	≥ 2 Times	2 Times	2 Times	≥ 2 Times	2 Times
Customer Satisfaction	Customer Satisfaction Rate	≥ 70	77	83	≥ 70	84
	Customer complaints regarding unauthorized personal or order	0 case	0 case	0 case	0 case	0 case

■ Appendix 1: ESG PERFORMANCE ■ Appendix 2: GRI Standards (2021) and 2024 ESG Report Corresponding Index ■ Appendix 3: SASB Index
 ■ Appendix 4: ESG Disclosure Topics —Semiconductor Industry ■ Appendix 5: Climate-Related Disclosure ■ Appendix 6: Independent Assurance Statement

Category	Sustainability Indicators	2022-2023 Target	2022 Actual Achievement	2023 Actual Achievement	2024 Target	2024 Actual Achievement
Legal compliance	Violations of corporate laws or tax regulations	0 case	0 case	0 case	0 case	0 case
	Violations of customer privacy or information security regulations	0 case	0 case	0 case	0 case	0 case
	Violations of product or fair-trade regulations	0 case	0 case	0v	0 case	0 case
	Violations of air pollution and environmental protection regulations	0 case	0 case	0 case	0 case	0 case
	Violations of wastewater discharge regulations	0 case	0 case	0 case	0 case	1 case
	Violations of waste management regulations	0 case	0 case	0 case	0 case	1 case
	Violations of labor and occupational safety and health regulations	0 case	2 case	2 case	0 case	7 case
Supply Chain Management	Average Score Maintained in Qualified Supplier Evaluations	≥ 80	95	96	≥ 80	95
	Implemented Supplier Self-Assessment for Code of Conduct on Social Responsibility	2022: ≥ 11 Suppliers 2023: ≥ 12 Suppliers	12 Suppliers	21 Suppliers	≥ 12 Suppliers	40 Suppliers
	Supplier Social Responsibility Evaluation Completion Rate	-	-	-	75%	82.67%
	Compliance rate for the procurement of raw materials free from harmful substances and conflict minerals	100%	100%	100%	100%	100%
Green Production	Electricity conservation	≥ 300 million kWh	292 million kWh	876.5 million kWh	≥ 300 million kWh	473 million kWh
	Electricity Saving Target	≥ 430 million kWh	430 million	430 million kWh	≥ 460 million	460 million kWh
	GHG Emissions Reduction (CO ₂ e/year)	2022: Baseline Year 2023: ≥ 1,500 Metric Tons	1,486 Metric Tons	4,388.8 Metric Tons	≥ 1,500 Metric Tons	2,337 Metric Tons
	Enhancement of climate resilience: Production disruption caused by climate disasters	0 day	0 day	0 day	0 day	0 day
Water Resource Management	Water recycling rate	≥ 5.5%	8.2%	5.4%	≥ 5.5%	7.5%
	Water management: production losses due to water restrictions	0PCS	0PCS	0PCS	0PCS	0PCS

Category	Sustainability Indicators	2022-2023 Target	2022 Actual Achievement	2023 Actual Achievement	2024 Target	2024 Actual Achievement
Waste Management	Resource recycling rate	2022 \geq 80% 2023 \geq 82%	81.88%	84.30%	\geq 82.5%	85.32%
	Waste disposal: handled by legal operators	100%	100%	100%	100%	100%
Labor Relations	Retention rate of newly hired Taiwanese	\geq 80%	73.4%	76.9%	\geq 80%	81%
	Total employee turnover rate	\leq 20%	24.4%	19.4%	\leq 20%	11.67%
	Maternity leave retention rate	\geq 80%	79%	87%	\geq 80%	82%
	Average annual employee training hours (Hour)	\geq 8 Hours	12.04 Hours	15.92 Hours	\geq 8 Hours	23.36 Hours
	No major labor-management disputes occurred.	0 case	0 case	0 case	0 case	0 case
Human Right	Employee Grievance/Mediation Case Resolution Rate	100%	100%	100%	100%	100%
Health and Safety	ISO 45001 occupational health and safety system verification	Achieved	Achieved	Achieved	Achieved	Achieved
	New Hire Participation in Occupational Safety and Health (OSH) Training	100%	100%	100%	100%	100%
	Participation rate in health check-ups	\geq 90%	90%	100%	\geq 90%	100%
	Achievement rate of training for high-risk operation personnel	100%	100%	100%	100%	100%
	Major Occupational Injuries per Year (excluding fatalities)	\leq 5 cases	3 cases	1 cases	\leq 5 cases	2 cases
	Number of Occupational Illnesses Due to Chemical Exposure (per year)	0 case	0 case	0 case	0 case	0 case
	Disabling Injury Frequency Rate	FR \leq 3	2.25%	1.91%	FR \leq 3	1.32%
	Disabling Severity Rate (SR)	SR \leq 30	27	27	SR \leq 30	31

Disclaimer: Kinsus Interconnect Technology Corp. references the GRI Guidelines for reporting (reporting period: January 1 to December 31, 2024).

Using GRI 1 Universal Standards 2021

Applicable GRI Industry Guidelines: N/A

Appendix 2: GRI Standards (2021) and 2024 ESG Report Corresponding Index

• General Disclosure (2-1~2-30)

	GRI STANDARD	2024 ESG Corresponding Chapter	Page	Remark
Organization and Reporting	2.1 Organization Details	2.1 Organization Details	31	
	2-2 Entities included in the organization's sustainability reporting	• Report Summary and Scope • Coverage	5 5	
	2-3 Report period, frequency and contact window	• Report Period • Publication Frequency • Contact Window	5 7 7	
	2-4 Restatements of information	• Changes in reporting	6	
	2-5 External assurance	• Ensuring the accuracy of disclosed information • External assurance	6 6	
Activities and Employees	2-6 Activities, value chain and other business relationships	• Report Summary and Scope • Coverage	5 5	
	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	115	
	2-8 Workers who are not employees	6.2 Human Resources Structure (3) Overview of Non-Employee Workforce Involvement	115	

	GRI STANDARD	2024 ESG Corresponding Chapter	Page	Remark
Governance	2-9 Governance structure and composition	2.2 Corporate Governance	35	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.
		2.2.2 Governance Structure • Board of Directors	36	
	2-10 Nomination and selection of the highest governance body	2.2 Corporate Governance • Annual General Meeting of Shareholders 2.2.2 Governance Structure • Board of Directors	35 36	Director elections follow a candidate nomination system.
	2-11 Chair of the highest governance body	2.2.2 Governance Structure • Board of Directors • Authority of the Board of Directors	36	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.

GRI STANDARD	2024 ESG Corresponding Chapter	Page	Remark		
Governance	2-12 Role of the highest governance body in overseeing the management of impacts	· Authority of the Board of Directors	37	An annual report is submitted to the Board of Directors regarding stakeholder engagement, including communications with shareholders, employees, customers, local communities, regulatory authorities, and suppliers.	
	a.Highest governance body and senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and objectives.	2.3 Integrity management	43		
		2.4 Business Philosophy, Ethics and Compliance	45		
	b.Highest governance body in overseeing the organization's due diligence and other processes.	2.1.2 Organizational Structure	33		
		2.1.3 Responsibilities of Key Departments	34		
	2-13 Delegation of responsibility for managing impacts	2.1.2 Organizational Structure	33		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 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.
	a.The highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people.	2.1.3 Responsibilities of Key Departments	34		
		2.7 Risk Management System	57		
	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.				
2-14 Role of the highest governance body in sustainability reporting	· Authority of the Board of Directors	37	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.		
a. Report whether the highest governance body is responsible for reviewing and approving the reported information	1.1.1 ESG Organization and Responsibilities	9			
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.					

GRI STANDARD	2024 ESG Corresponding Chapter	Page	Remark		
Governance	2-15 Conflicts of interest	2.3 Integrity management	43	The Code of Conduct for Listed Company integrity management.	
	a.Describe the processes for the highest governance body to ensure that conflicts of interest is prevented and mitigated	2.3.2 Effectiveness of Implementation	44		
	b.Report whether conflicts of interest are disclosed to stakeholders	· Whistleblowing/Complaint Mechanism			
	2-16 Communication of critical concerns	· Authority of the Board of Directors	37	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.	
		a.How critical concerns are communicated to the highest governance body	1.1.1 ESG Organization and Responsibilities		9
	2-17 Collective knowledge of the highest governance body	2.2.2 Governance Structure	36	Training Status of Board of Directors Members	
		a. Report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.	· Academic and Professional Background of Board Members		37
			· Continuing Education of Board Members		39
		· Board Diversity	39		
	2-18 Evaluation of the performance of the highest governance body	2.2.2 Governance Structure	36	The Company conducts an annual Board of Directors performance evaluation in accordance with the "Board of Directors and Functional Committees Performance Evaluation Procedures."	
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.		· Authority of the Board of Directors	37		
		· Performance Evaluation	37		
	1.1.1 ESG Organization and Responsibilities	9			

	GRI STANDARD	2024 ESG Corresponding Chapter	Page	Remark
Governance	2-19 Remuneration policies	2.2.2 Governance Structure · Director's remuneration · Remuneration Committee 6.4.1 Compensation and Benefits Policy and Performance	36 39 42 124	Compensation and Benefits Policy: Competitive compensation and benefits to attract and retain talent.
	2-20 Process to determine remuneration a. Process for designing its remuneration policies.	2.2.2 Governance Structure · Director's remuneration · Remuneration Committee 6.4.1 Compensation and Benefits Policy and Performance	36 39 42 124	
	2-21 Annual total compensation ratio	-	-	
Practice of Strategy and Policy	2-22 Statement on sustainable development strategy 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	3	
	2-23 Policy commitments 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	113	Commitment to Implement Eight Human Rights Policies
	2-24 Embedding policy commitments a. Describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships	2.3.1 Integrity Management Business Operations	44	
		6.1 Talent Cultivation Policy and Commitment	113	
	2-25 Processes to remediate negative impacts 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	131	
		6.5.6 Diverse Communication Channels 6.5.7 Employee Whistleblowing/Complaint Mechanism	135 135	
	2-26 Mechanisms for seeking advice and raising concerns	1.1.3Communication Channels for Major Stakeholders	12	Communication Channels for Stakeholder

	GRI STANDARD	2024 ESG Corresponding Chapter	Page	Remark
Practice of Strategy and Policy	2-27 Compliance with laws and regulations a. Report the total number of significant instances of non-compliance with laws and regulations during the reporting period	2.4.3 Legal compliance	47	
	2-28 Membership associations	7.2Participation of external organizations	181	
Stakeholder	2-29 Approach to stakeholder engagement a. Describe its approach to engaging with stakeholders	1.1Stakeholder Organization and Identification 1.2 Communication and Analysis of Concerns from Stakeholders	9 13	Communication Channels for Stakeholder
	2-30 Collective bargaining agreements a. Report the percentage of total employees covered by collective bargaining agreements	6.5.7 Employee Whistleblowing/Complaint Mechanism 6.5.4 Freedom of Association	135 134	No Collective Agreements, but Labor-Management Meetings
Material Topics	• Material Topics 3-1 Process to determine material topics	1.2 Communication and Analysis of Issues of Concern to Stakeholders and Process to Determine Material Topics	13	
		1.2.1Identification and Direct Impact Analysis of Stakeholders' Concerns	36	
		1.3 Sorting and Response after Identification of Material Topics	17	
	3-2 List of material topics a. List of Material Topics b. Report changes to the list of material topics	1. Sustainability Management 1.4.1Material Topics in Kinsus's Value Chain Relationship 1.4.2Risk Management of Material topics (Impact Analysis) · Report Summary and Scope · Changes in reporting	8 21 23 5 6	
	3-3 Management of Material Topics	1.4.1Material Topics in Kinsus's Value Chain Relationship	21	Appendix 2-1
		1.4.2Risk Management of Material topics (Impact Analysis)	23	
1.3.1Responses to Material Issues · List of 10 Material Topics, Corresponding Management Approaches, and ESG Response Sections		19 193		

• List of 10 Material Topics, Corresponding Management Approaches, and ESG Response Sections

NO	Clause	GRI Standards	ESG Corresponding Chapter	Page	Remark
1. Business Performance and Shareholder Rights	210	Topic Disclosure	3.1 Operational Performance and Challenges	60	Operational Performance Policy Management
	201-1	Direct economic value generated and distributed	• Direct Economic Value Generated and Distributed Over the Past Three Years	72	• Percentage of Revenue Derived from Units Produced by Product Category
2. Integrity Management and Business Ethics	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.3 Integrity management	43 44	The Code of Conduct for Listed Company integrity management.
			2.3.2 Effectiveness of Implementation		
3. Risk Management	3-3	Management of material topics	6.5 Human Right Protection: Listen to our employees	131	
			6.5.6 Diverse Communication Channels	135	
			6.5.7 Employee Whistleblowing/Complaint Mechanism	135	
4. Labor Relations and Employer-Employee Relations, Talent Recruitment, Retention, and Development	401	Employment: Topic Disclosure	6.1 Talent Cultivation Policy and Commitment	113	
	401-1	New employee hires and employee turnover	6.2 Human Resources Structure	115	
			6.4 Compensation and Benefits	124	
	401-2	Benefits provided to full-time employees that are not provided to	6.4.3 Retirement Benefits	126	
			6.4.5 Diverse Welfare and Benefit System	128	
			6.4.4 Parental Leave	127	
	402	Labor Relations: Topic Disclosure	6.1 Talent Cultivation Policy and Commitment	113	
	402-1	Minimum notice periods regarding operational changes	6.5.5 Shortest Notice Period for Operational Changes	134	
			6.3 Talent Cultivation and Development	121	
404	Training and Education	6.3.1 Performance Management and Employee Development	123		

NO	Clause	GRI Standards	ESG Corresponding Chapter	Page	Remark	
5. Regulatory Compliance	404-1	Average hours of training per year per employee	6.3 Talent Cultivation and Development	121		
	405	Diversity and Equal Opportunities: Topic Disclosure	6.1 Talent Cultivation Policy and Commitment	113		
			6.5 Human Right Protection: Listen to our employees	131		
405-1	Diversity of governance bodies and employees	Ratio of basic salary and remuneration of female to male	6.4.1 Compensation and Benefits Policy and Performance	124		
			6.4.1 Compensation and Benefits Policy and Performance	124		
5. Regulatory Compliance	3-3	Management of material topics	2.4.3 Legal compliance	47		
			2.4.3 Legal compliance	47		
6. Occupational Health and Safety, and Health Promotion	403	Occupational health and safety: Topic Disclosure:	6.6 Workplace Health and Safety	137	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	Occupational health and safety management system	• Performance and Targets of Material Topics	140		
	403-2	Hazard identification, risk assessment, and incident investigation	6.6.1 Safety and Health Policy, Risk Assessment and Accident Investigation			
	403-3	Occupational health and safety management system	6.7 Comprehensive Healthcare	169		
			6.6.2 Occupational Safety and Health Committee	144		
	403-4	Occupational health services	Worker participation, consultation, and communication on occupational health and safety	• Certified Occupational Health and Safety Professionals		173
			6.7.3 Health Promotion and Sustainable Well-being	173		
	403-5	Worker training on occupational health and safety	6.6.6 Emergency Response and Drills	160		
	403-6	Promotion of worker health				
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				
403-8	Workers covered by an occupational health and safety management system	6.6.2 Occupational Safety and Health Committee	144			
403-9	Work-related injuries	6.6.4 Occupational Accident Statistics	147			
403-10	Work-related ill health	6.7.2 Employee Health Risk Prevention	171			

NO	Clause	GRI Standards	ESG Corresponding Chapter	Page	Remark
7. Information Security	418	Customer Privacy: Topic Disclosure	3.4 Customer Privacy	68	Policy: Protection of Customer Privacy • No Instances of Customer Privacy Breach Resulting in fines or compensation for Kinsus Interconnect Tech Corp. in 2024.
	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."		
8. Sustainable Supply Chain Management	308	Supplier Environmental Assessment: Topic Disclosure			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	4.1 Policy and commitment of supplier management	74	
	308-2	Negative environmental impacts in the supply chain and actions taken	4.4 Supplier Management	77	
	414	New suppliers that were screened using social criteria: Topic Disclosure			1. We have developed a Supplier Management Operating Procedures Manual to conduct RBA social responsibility audits (including social responsibility) for new suppliers
	414-1	New suppliers that were screened using social criteria	4.1 Policy and commitment of supplier management	74	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.
	414-2	Negative social impacts in the supply chain and actions taken	4.4 Supplier Management	77	
9. Climate Change Adaptation	201	Economic Performance: Topic Disclosure	5.1 Climate Action 5.2 Environmental Policies and Commitments	84 92	
	201-2	Financial implications and other risks and opportunities due to climate change	• Greenhouse Gas Policy and Emissions	92	
	305	Emission: Topic Disclosure			
	305-1	Direct (Scope 1) GHG emissions	5.1 Climate Action 5.2 Environmental Policies and Commitments	84 92	
	305-2 305-5	Energy indirect (Scope 2) Reduction of GHG emissions	• Greenhouse Gas Policy and Emissions • Energy Conservation Initiatives and Promotion	92	

NO	Clause	GRI Standards	ESG Corresponding Chapter	Page	Remark
10. Customer Relationship Management & Product Quality	416	Topic Disclosure			Free from harmful substances and conflict minerals
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.3 Customer Relationship Management 4.5 Ethical Procurement 3.5 Product Quality	66 82 69	
	417	Topic Disclosure			
	417-1	Requirements for product and service information and labeling	3.5 Product Quality	69	
417-2	Incidents of non-compliance concerning product and service information and labeling				

Appendix 3: SASB Index

Hardware Manufacturing Industry: Sustainable Development Topics and Accounting Metrics with Corresponding 2024 ESG Report Sections

Topic	Metric Code	Accounting Metric	Nature	Unit of Measurement	Corresponding ESG Section / Chapter-Page
Product Safety	TC-HW-230a.1	Description of product data security risk identification and management methods	Discussion and Analysis	Not Applicable	2.6 Information Security/2-26
Employee Diversity And Inclusion	TC-HW-330a.1	Percentage of global employees in (1) management, (2) technical roles, and (3) all other employees by gender and race	Quantitative	Percentage (%)	6.2 Human Resources Structure/6.1-4 2024 Workforce Composition: (1) Direct Employees – Female/Male Ratio: 12.56% / 18.87% (2) Indirect Employees (including managerial staff) – Female/Male Ratio: 6.61% / 17.17% (3) Foreign Workers – Female/Male Ratio: 20.87% / 20.20%
Product Lifecycle	TC-HW-410a.1	Percentage of products that comply with IEC 62474 restricted substances	Quantitative	Percentage (%)	Not applicable
	TC-HW-410a.2	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage (%)	Not applicable
	TC-HW-410a.3	Percentage of products that comply with Energy Star or equivalent standards	Quantitative	Percentage (%)	Not applicable
	TC-HW-410a.4	Total weight of end-of-life products and percentage recycled	Quantitative	Tonne Percentage (%)	Not applicable
Supply Chain Management	TC-HW-430a.1	First-tier supplier RBA audit (Validated Audit Process, VAP) or equivalent audit completion rate and percentage of suppliers (a) all suppliers and (b) high-risk suppliers	Quantitative	Percentage (%)	VAP audits have not been implemented. Instead, the Company dispatches personnel to conduct supplier audits in accordance with RBA standards.

Topic	Metric Code	Accounting Metric	Nature	Unit of Measurement	Corresponding ESG Section / Chapter-Page
Supply Chain Management	TC-HW-430a.2	Percentage of first-tier suppliers (1) not passing RBA VAP or equivalent audits and (2) audit results improvement rates for (a) critical deficiencies and (b) other deficiencies	Quantitative	Speed	4.4 Supplier Management/4-8 For medium-risk suppliers, a social responsibility self-assessment was conducted. In 2024, Kinsus completed assessments for 22 suppliers, with a completion rate of 82.67%. All identified deficiencies found during on-site audits have been fully rectified.
Material Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	Not Applicable	4.6 Ethical Procurement / 4-12 • No use of hazardous substances • Responsible mineral sourcing

Table 2: Activity Metrics

Topic	Metric Code	Accounting Metric	Nature	Unit of Measurement	Corresponding ESG Section / Chapter-Page
Product Lifecycle Management	TC-HW-000.A	Percentage of Revenue by Product Category (Based on Production Quantity)	Quantitative	Quantity	3.1 Operational Performance and Challenges/3-5 • Production capacity, output volume, and production value by product category (Output volume is for reference only, as it is affected by product mix)
	TC-HW-000.B	Area of manufacturing facilities	Quantitative	Square metres (m ²)	Not disclosed
	TC-HW-000.C	Percentage of production from owned facilities	Quantitative	Percentage (%)	Not disclosed

Appendix 4: ESG Disclosure Topics —Semiconductor Industry

No.	Indicator	Indicator Type	Annual Disclosure Status	Unit	Remark
1	Total Energy Consumption, Percentage of Purchased Electricity, and Renewable Energy Usage Rate	Quantitative	Total Energy Consumption: 1,871,407.6225(GJ) Percentage of Purchased Electricity:100% Renewable Energy Usage Rate:10%	Billion Joules (GJ) Percentage (%)	
2	Total Water Withdrawal and Consumption	Quantitative	Total Water Withdrawal: 6,543thousand cubic meters Total Water Consumption:1,093thousand cubic meters	Thousand Cubic Meters (1000m ³)	
3	Weight and Recycling Percentage of Hazardous Waste Generated	Quantitative	Total weight: 7,045.14 metric tons Recycling rate: 85.32%	Metric Tons (t), Percentage (%)	
4	Description of Occupational Injury Types, Numbers, and Rates	Quantitative	Refer to 6.6.4 Occupational Accident Statistics	Percentage (%), Quantity	
5	Disclosure of Product Lifecycle Management: Including the Weight of Scrapped Products and E-waste, and Recycling Percentage (Note 1)	Quantitative	Not applicable	Metric Tons (t), Percentage (%)	
6	Description of Risk Management Related to the Use of Critical Materials	Qualitative Description	Refer to 4.2 Industrial Supply Chain		
7	Total Financial Loss Due to Legal Proceedings Related to Anti-Competitive Behavior	Quantitative	0	Reporting Currency	
8	Main Product Output by Product Category	Quantitative	Refer to 3.1 Operational Performance and Challenges s • Revenue contribution by major product categories over the past three years	Varies by product type	

Note 1: Includes offcut material sold or otherwise recovered; relevant explanations should be provided.

Appendix 5: Climate-Related Disclosure

Item	Implementation Status
<p>1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>The Company has designated the Board of Directors as the highest supervisory body for climate-related risks and opportunities. The Sustainable Development Office is the unit responsible for risk management execution. Regular meetings are held, with ESG Steering Committee and Risk Management Group representatives from each department participating in the identification of risks and corresponding response measures. At least once a year, the outcomes are reported to the Board of Directors.</p>
<p>2. Describe how identified climate risks and opportunities affect the Company's business, strategy, and financial planning over the short, medium, and long term.</p>	<p>The ESG Steering Committee follows the Task Force on Climate-related Financial Disclosures (TCFD) recommendations issued by the Financial Stability Board. Through reviewing international reports, peer benchmarking, regulatory developments, and engagement with internal and external stakeholders, the Committee identifies key climate-related risk themes. It assesses these risks by weighting their potential financial or strategic impact and likelihood of occurrence, establishing a materiality ranking. Based on this, the Company formulates its governance, strategy, risk management, and metric/target responses across short-, medium-, and long-term horizons—defined respectively as within 2 years, 3–6 years, and over 7 years—to mitigate financial impacts. For details, please refer to the Company's Sustainability Report.</p>
<p>3. Describe the financial impacts of extreme climate events and transition-related actions.</p>	<p>Extreme climate events can disrupt production lines and supply chains. They may also reduce customer demand due to production delays. According to ESG Steering Committee evaluations, nine major types of extreme climate events have been identified: earthquakes, floods, typhoons, wastewater discharge, drought, power outages, water outages, voltage instability, and rising temperatures.</p> <p>For each identified event, the Company formulates corresponding response measures. It also seeks to diversify its production sites and enhance order transfer flexibility. Additionally, the Company communicates with insurance providers regarding extended coverage to reduce losses, while actively investing in energy-saving and carbon-reduction initiatives and green procurement practices. Although transition actions increase administrative efforts, require equipment upgrades, and may impose financial burdens, proactive planning is essential to mitigate losses from extreme weather events. This direction is necessary for the long-term sustainability of the Company.</p>
<p>4. Explain how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.</p>	<p>The ESG Steering Committee, in accordance with the risk management policy, collaborates with relevant internal departments to assess potential internal and external risks—including those from suppliers, subcontractors, operations, finance, and natural disasters. It evaluates the likelihood and severity of these risks to define their risk levels and develops risk management policies for key risk topics. These risks are monitored through regular review meetings to ensure the effectiveness of mitigation measures. Meanwhile, the Company seeks to capitalize on business opportunities associated with the identified risks, forming part of its strategic planning. Risk management status is reported to the Board of Directors at least annually.</p>

Item	Implementation Status
5. If scenario analysis is used to assess climate resilience, describe the scenarios, parameters, assumptions, analytical factors, and key financial impacts.	The Company conducts risk and opportunity analyses for potential developments in policy, regulations, markets, technologies, reputational aspects, and physical risks under various climate scenarios. These assessments include the use of parameters, assumptions, analytical factors, and financial impact projections.
6. If there are transition plans to manage climate-related risks, describe the content of the plans, as well as the indicators and targets used to identify and manage physical and transition risks.	To manage physical and transition risks, the Company has formulated a low-carbon transition plan for its supply chain. It aims to reduce greenhouse gas emissions intensity per NT\$1 million in revenue by 20% by 2030 (compared to 2022), and to achieve net-zero carbon emissions by 2050. The Company promotes various energy-saving and carbon-reduction initiatives, conducts greenhouse gas inventories, and implements energy management systems to improve energy productivity and efficiency. For further details, please refer to the Company's Sustainability Report.
7. If internal carbon pricing is used as a planning tool, specify the basis for price setting.	The Company has not yet adopted an internal carbon pricing mechanism.
8. If climate-related targets are established, describe the covered activities, GHG emission scopes, planning timelines, and annual progress. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet the targets, state the source and quantity of the offsets or RECs.	The Company's carbon reduction target is a 20% reduction in GHG emission intensity per NT\$1 million revenue by 2030 (compared to 2022), with a goal of net-zero carbon emissions by 2050. In 2022, the Company signed green electricity purchase agreements with an annual generation capacity of 4.3 million kWh. It also fulfilled regulatory requirements for mandatory renewable installation capacity ahead of schedule in 2023. To align with its 2050 renewable energy transition strategy, the Company has begun adjusting its energy mix and plans to increase green electricity usage to 4.6 million kWh per year starting in 2025.
9. Greenhouse gas inventory and assurance status, as well as emission reduction targets, strategies, and concrete action plans (to be detailed on pages 1-1 and 1-2).	Please refer to Tables 1-1 and 1-2 for detailed disclosures.

1-1 Greenhouse Gas (GHG) Inventory and Assurance in the Past Two Years

1-1-1 GHG Inventory Information

Description of GHG emissions (metric tons CO₂e), emission intensity (metric tons CO₂e per NT\$ million), and data coverage over the past two years.

Parent Company		Total Emissions (metric tons CO ₂ e)	Emission Intensity (metric tons CO ₂ e/NT\$)	Assurance Provider	Explanation of Assurance Status
Scope 1	2023	10,388.8835	0.3872	BSI	The inventory follows ISO 14064-1, issued by the International Organization for Standardization (ISO). • In accordance with the assurance provider's schedule, the 2024 disclosed GHG emissions data are inventory figures not yet verified. Complete assurance results will be disclosed in the Sustainability Report.
	2024	23,492.9887	0.769	DNV	
Scope 2	2023	273,372.6600	10.1882	BSI	
	2024	240,295.8168	7.870	DNV	
Scope 3	2023	172,810.3961	6.4404	BSI	
	2024	134,382.3282	4.401	DNV	

Note 1: Scope 1 – Direct emissions from sources owned or controlled by the company; Scope 2 – Indirect emissions from the generation of purchased electricity, heat, or steam; Scope 3 – Other indirect emissions resulting from company activities, originating from sources not owned or controlled by the company.

Note 2: GHG inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 3: Emission intensity may be calculated per unit of product, service, or revenue. However, it is required to disclose at least revenue-based intensity (per NT\$ million).

1-1-2 GHG Assurance Information

Description of assurance status over the past two years, including assurance boundaries, provider, criteria, and assurance opinion.

Year	Assurance Scope	Assurance Provider	Assurance Criteria	Assurance Opinion
2023	Parent Company	BSI	ISO 14064-1	Scope 1 and 2: Reasonable assurance level; Scope 3: Review and agreed-upon procedures
2024	Parent Company	DNV	ISO 14064-1	Scope 1 and 2: Reasonable assurance level; Scope 3: Limited assurance

Note 1: Assurance providers must comply with the regulations on sustainability report assurance institutions as stipulated by the Taiwan Stock Exchange and the Taipei Exchange.

1-2 GHG Reduction Targets, Strategies, and Action Plans

Description of GHG baseline year and its data, reduction targets, strategies, concrete action plans, and progress toward achieving the targets.

I. GHG Reduction Targets

Kinsus Interconnect Technology Corp. established a Sustainability Office on July 1, 2022. The ESG Steering Committee, composed of departmental representatives, has defined the following net-zero roadmap and targets:

- (1) By 2030 (Year 119), reduce GHG emission intensity per NT\$1 million in revenue by 20%, compared to the baseline year 2022 (Year 111).
- (2) Achieve net-zero emissions by 2050 (Year 139).

Note: GHG emission intensity = (Scope 1 + Scope 2 GHG emissions in metric tons CO₂e) / NT\$ million revenues

II. Carbon Reduction Strategies and Actions

(I) Enhancing Energy Efficiency

- 1. Introduce energy-saving equipment, replace outdated machinery, and procure high-efficiency equipment.
- 2. Plan automation systems, develop smart manufacturing applications, and implement the EAP platform for smart factories.

(II) Low-Carbon / Green Energy Transition

- 1. Develop renewable energy, including solar power installation.
- 2. Increase the proportion of purchased green energy to exceed 10%.

(III) Green Supply Chain

- 1. Increase the proportion of local procurement and introduce low-carbon materials to reduce energy consumption.



- 2. Conduct supplier quality assessments and Responsible Business Alliance (RBA) social responsibility audits to ensure environmental compliance.
- 3. Promote water reuse, wastewater segregation, and pollution prevention to maximize water resource efficiency.
- 4. Convert product waste from incineration to fuel rods for energy recovery, transforming waste into renewable energy and contributing to environmental stewardship.

III. Monitoring and Evaluation

- (I) Establish ISO-based management systems covering production, quality, and environmental topics. Current certifications include: ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), ISO 45001 (Occupational Health and Safety Management System), ISO 14064 (GHG Inventory), and ISO 14067 (Product Carbon Footprint), all verified by third parties.
- (II) Participate in CDP Carbon Disclosure.
- (III) Establish an internal control audit system to regularly review implementation status.
- (IV) Publish the ESG Sustainability Report on a regular basis to address stakeholder concerns and disclose sustainability performance.

Note 1: The baseline year shall be the year in which the GHG inventory is completed using the consolidated financial reporting boundary. Companies with a paid-in capital of NT\$10 billion or more may select an earlier year as the baseline year if the consolidated inventory has been completed ahead of schedule. Baseline data may be calculated using a single year or the average of multiple years.

Appendix 6: Independent Assurance Statement

INDEPENDENT ASSURANCE OPINION STATEMENT

KINSUS 2024 Sustainability Report

The British Standards Institution is independent to KINSUS Interconnect Technology Corp. (hereafter referred to as KINSUS in this statement) and has no financial interest in the operation of KINSUS other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of KINSUS only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by KINSUS. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to KINSUS only.

Scope

The scope of engagement agreed upon with KINSUS includes the followings:

1. The assurance scope is consistent with the description of KINSUS 2024 Sustainability Report.
2. The evaluation of the nature and extent of the KINSUS's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the KINSUS 2024 Sustainability Report provides a fair view of the KINSUS sustainability programmes and performances during 2024. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the KINSUS and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate KINSUS's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that KINSUS's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to KINSUS's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 21 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that KINSUS has sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been initiated in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the KINSUS's inclusivity issues.

Materiality

KINSUS publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of KINSUS and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the KINSUS's management and performance. In our professional opinion the report covers the KINSUS's material issues.

Responsiveness

KINSUS has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for KINSUS is developed and continually provides the opportunity to further enhance KINSUS's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the KINSUS's responsiveness issues.

Impact

KINSUS has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. KINSUS has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the KINSUS's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

KINSUS provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the KINSUS's sustainability topics. However, the future report will be improved by the following areas:

- It is encouraged to consider referring to international peers' practices to meet the requirements of the standards for disclosing the GRI 2-21 annual total compensation ratio, thus enhancing the credibility and transparency of the sustainability report.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The sustainability report is the responsibility of the KINSUS's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI: 
 Peter Pu, Managing Director BSI Taiwan



AA1000
 Licensed Report
 000-4/V3-5DX4X

Statement No: SRA-TW-822706
 2025-06-23

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
 BSI Taiwan is a subsidiary of British Standards Institution.

...making excellence a habit.™