



# 2024

Silicon Optronics, Inc.

## ***Sustainability Report***



***Integrity, Environmental Protection, Innovation, Care***

# 4

## Preface

About this Report	4
Message from the Management Team	5

# 15

## Corporate Governance

Governance Structure and Management Performance	16
Integrity Management	22
Internal Audit	23
Information Security Management	23
Stakeholder Management	25

# 08

## Sustainable Silicon Optronics

Company Profile	9
Stakeholders Major Topics	10



# 26

## Sustainable Environment

Supply Chain Management	27
Environmental Sustainability Policy	28
Greenhouse gas inventory and climate-related financial disclosures	28
Waste Management	31

# 38

## Appendix

GRI Standards Index	39
---------------------	----

# 32

## Friendly Workplace and Social Care

Human Resources Structure	33
Occupational Safety	35
Human Rights Policy	36





# CHAPTER 00

## Preface

About this Report	04
Message from the Management Team	05

## About this Report

### Report Overview

Silicon Optronics, Inc. (hereinafter referred to as Silicon Optronics) was established in May 2004 as a joint venture between Powerchip and OmniVision, mainly engaging in the development and sales of CMOS (Complementary Metal-Oxide-Semiconductor) image sensors (CIS). The Company is headquartered in Hsinchu Science-based Industrial Park, and its management team consists of professionals from the semiconductor and optoelectronic sectors. Its products now cover a variety of application areas, including: security monitoring sensors, automotive sensors, and special image sensors.

In the security monitoring market, the Company is ranked as the world's 3rd largest supplier, and is actively expanding into the automotive CIS market for use in automotive products such as driving recorders and reversing cameras. In April 2022, Egis Technology Inc. (TPEx stock code 6462) announced the acquisition of 5.12% to 23.03% of Silicon Optronics' equity, becoming the 2nd largest shareholder of Silicon Optronics after the acquisition. In addition to focusing on new product development, the Company has successfully entered the digital application product market and will be committed to providing low-cost, high-performance and diversified products to meet future market and customer needs.

Starting from 2025, the Company publishes a "Sustainable Development Report" every year to highlight the management results in the three major aspects of environmental protection, society responsibility, and

corporate governance. This report aims to display the practices and results in corporate governance, R&D innovation, sustainable environment, friendly workplace and social care, and conveys the Company's sustainable development philosophy and actions to stakeholders simultaneously.

### Reporting Time (GRI 2-3 reporting period, frequency and contact information)

The information disclosure period of this report is from January 1, 2024 to December 31, 2024, which is the same as the Company's financial report. The reporting cycle is once a year, and the issuance date is set in August 2025. This report will be issued on the Company's official website and MOPS (Market Observation Post System) of the Taiwan Stock Exchange.

### Report's Boundary and Scope (GRI 2-1 Organizational details, GRI 2-2 Entities included in the organization's sustainability report.)

This report discloses the Hsinchu Head Office. The data source for the "Economic Category" mainly comes from the consolidated financial statements of Silicon Optronics' 2024 Annual Report. The information for the "Environmental and Social Category" is also disclosed based on the Head Office. For detailed information on subsidiaries, please refer to the Company's 2024 Annual Report.

### Writing Principles

All statistical data disclosed in this report are provided by the responsible units of Silicon Optronics. The financial performance data is public information after being

audited and certified by Deloitte & Touche in accordance with the "International Financial Reporting Standards", which is consistent with the Company's annual report. The estimation basis for "environmental performance" is from the government's public information and is calculated by the Company itself. The content of this report is compiled by members of the "Sustainable Work Promotion Team" and submitted to the Board of Directors after review by the chairperson.

### Report Compliances

This report is written in accordance with the 2021 version of the Global Reporting Initiative (GRI) published by the Global Sustainability Standards Board (GSSB).

### (GRI 2-5 External Assurance/Confirmation)

This report has not yet obtained confirmation or assurance from a third-party verification agency.

### Contact Information

If you have any questions or suggestions about this report, please feel free to contact us.

Responsible unit: Ms. Cai, Sustainability Promotion Team of Silicon Optronics

Headquarters address: 4th Floor, No. 10-2, Lixing 1st Road, East District, Hsinchu City

Tel: 03-5678986

Company website: <https://www.soinc.com.tw/>

Feedback mailbox: [IR@soinc.com.tw](mailto:IR@soinc.com.tw)

Headquarters

### Message from the Management Team (GRI 2-22 永續發展策略的聲明)(年報發出後再修正)

In view of the continuous advancement of the global sustainable development trend, Silicon Optronics adheres to the core values of “innovation, quality, and responsibility” and spares no effort in implementing environmental protection, social responsibility and corporate governance (ESG) goals. The Company is committed to developing high-performance, low-power CMOS image sensors to provide solutions for smart imaging applications while also reducing the impact of its products on the environment.

**Environmental Protection:** The Company implements green supply chain management and optimizes production processes to reduce carbon emissions and resource consumption. Meanwhile, it actively responds to the issue of climate change and promises to gradually increase the

proportion of renewable energy use and move towards the goal of “net zero emissions” in the future.

**Social Responsibility:** The Company has always attached great importance to employee welfare and talent development. To this end, it not only provides an excellent working environment and fair development opportunities, and also participates in various community service activities to give back to the society. Meanwhile, the Company strictly requires suppliers to comply with human rights and labor standards to jointly build a socially responsible industry chain.

**Corporate Governance:** The Company has strengthened its internal regulatory mechanism to ensure operational transparency and integrity, and enhance the value of shareholders and stakeholders. In the future, it will continue to improve its ESG strategy and work with all partners to create the sustainable development.

**Operational model:** Through a robust and flexible business strategy, and a high degree of vertical integration and supply chain management, the Company ensures stable supply and maintains its competitive advantage in the industry. It is worth mentioning that the Company’s core technology research and development has cooperated with global leading companies to promote comprehensive technology upgrades, further improve production efficiency, reduce costs, and ensure high standards of quality and reliability. Looking to the future, the Company will achieve long-term and sustained growth momentum with continuous innovation and technological strength, and steadily move towards the goal of sustainable development in this volatile market arena.

Sincerely,  
Chairman, Silicon Optronics, Inc.





## 【Sustainable Development Policy】

### 1. Policy Objectives

Silicon Optonics upholds corporate social responsibility and obligations, pursues equal emphasis on corporate operations and corporate sustainability, promotes sustainable environment, social responsibility and corporate governance, and creates sustainable value with stakeholders. This policy is specially established for the head office and affiliated subsidiaries to follow.

## 2. Sustainable Development Policy

### (A) Sustainable Environment

#### 1. Reduce greenhouse gas emissions and energy management.



1  
Conduct greenhouse gas inventory and tracking to reduce environmental load.

2  
Promote the development of circular economy and sustainable resource reuse.

3  
Pay attention to the management of air pollutants and adopt appropriate prevention and control measures.

4  
Implement classified recycling policies, including waste reduction and harmless treatment.

### (B) Social Responsibility

#### 1. Employee rights and occupational health and safety



1  
Provide employees with a safe, healthy and high-quality working environment to ensure workforce diversity and protect human rights.

2  
Regularly implement occupational safety training and employee health checks.

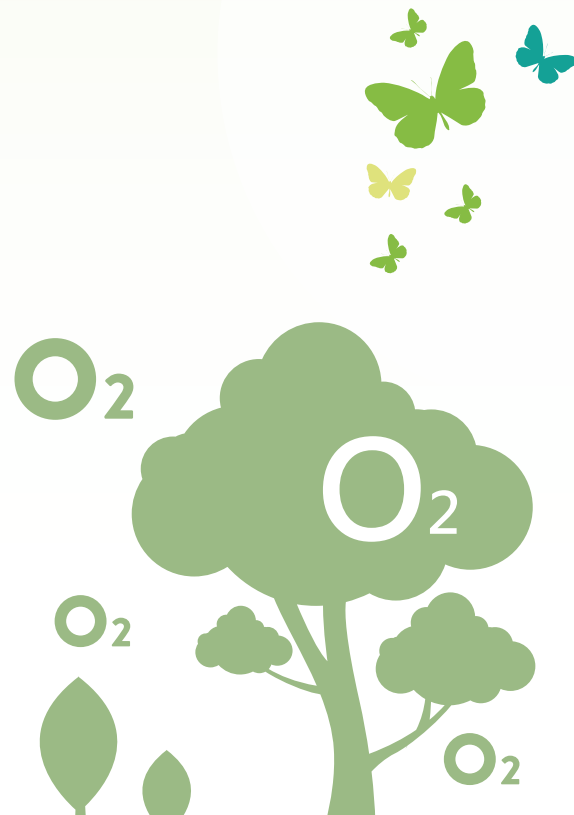
3  
Strengthen employee sustainable development education and training to implement the Company's ESG policies and related actions.

#### 2. Supply chain management



1  
Incorporate sustainability standards into supplier evaluation indicators and jointly promote the implementation of ESG policies in the supply chain.

2  
Strengthen partnerships and leverage the influence and competitiveness of sustainable development in the value chain.



## 3. Community engagement



1

Support local public welfare and charitable initiatives.

2

Establish good communication and interaction with local communities.

3

Cooperate with academia and research institutions to promote the transfer and application of "green technology" .

## (C) Corporate Governance

## 1. Compliance with regulations and integrity in business operations



1

Implement the policy of diversity and professionalism of the board of directors, including transparency and accountability in decision-making.

2

Strictly adhere to the principle of integrity and reject improper interests, corruption and bribery.

3

Comply with regulatory commitments and comply with international initiatives and standards.



## Information disclosure and communication with stakeholders

1

Regularly publish "Sustainable Development Reports" .

2

Engage in dialogue with stakeholders such as employees, customers, suppliers, and investors, and proactively respond to their concerns.

3. This policy was established by the Board of Directors on May 6, 2025.





# CHAPTER 01

## Sustainable Silicon Optronics

Company Profile 09

Stakeholders Major Topics 10



## I. Sustainable Silicon Optronics

### Company Profile (Economic Performance)

Silicon Optronics, Inc. (hereinafter referred to as "Silicon Optronics") has been committed to optoelectronic technology research and development and product manufacturing since its establishment in 2004. The Company is headquartered in Taiwan, with business covering the global market, and owns branches and partners in many countries. Mainly aided by its strong R&D capabilities and advanced production technology, the Company now enjoys a good reputation for providing customers with efficient, innovative and environmentally friendly optoelectronic solutions. (GRI 2-6 activities, value chain and other business relationships.)

### Main product sales regions

Unit: NT\$ thousand

		2022		2023		2024	
		Sales amount	%	Sales amount	%	Sales amount	%
Domestic sales	Taiwan	170,578	8.41	196,707	11.82	70,230	4.06
Exports	Asia	1,730,455	85.28	1,375,614	82.69	1,476,335	85.29
	America	128,057	6.31	91,178	5.49	184,466	10.65
Total		2,029,090	100.00	1,663,499	100.00	1,731,031	100.00

### Main contents and proportions of business operations

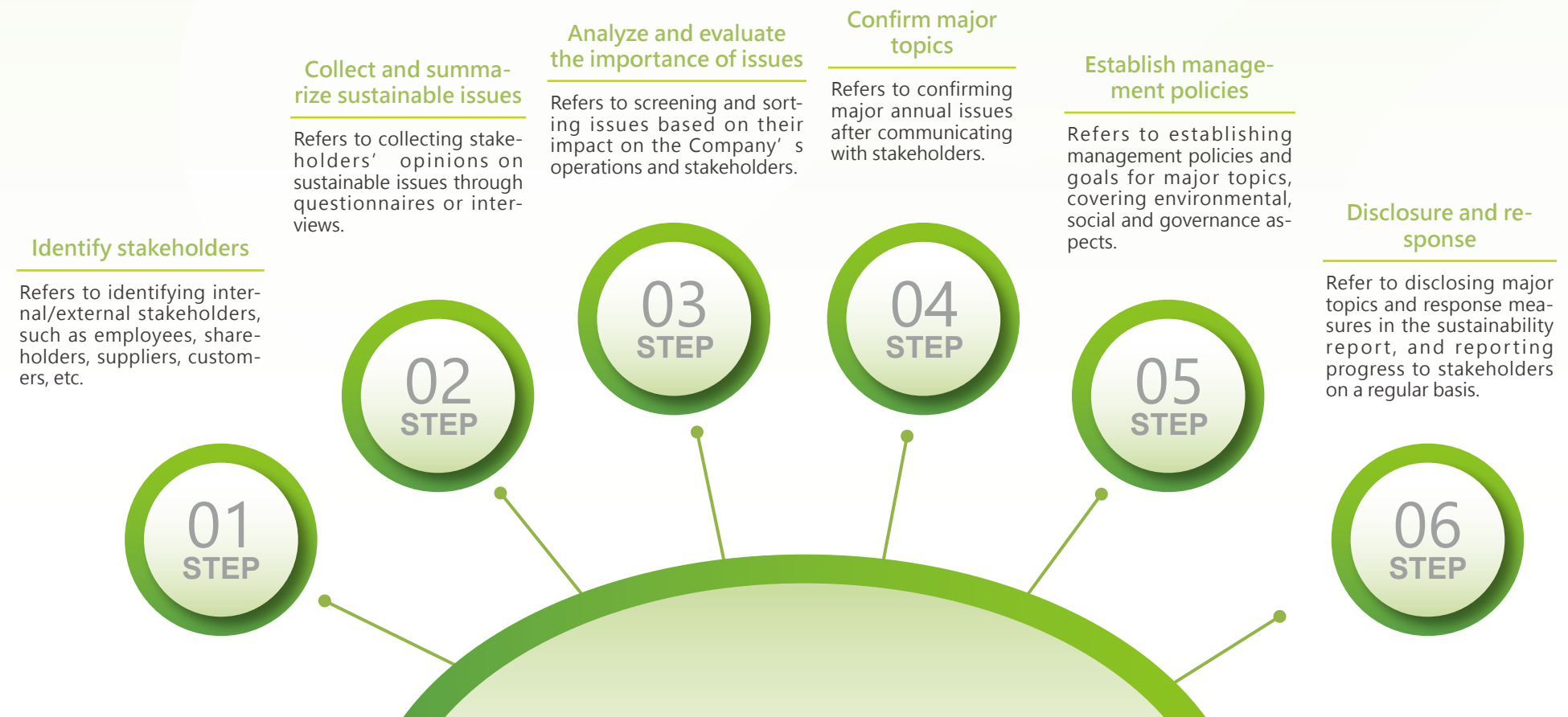
Unit: NT\$ thousand

	2022		2023		2024	
	Sales amount	%	Sales amount	%	Sales amount	%
CMOS image sensor	1,995,249	98.33	1,644,786	98.88	1,696,261	97.99
Others	33,841	1.67	18,713	1.12	34,770	2.01
Total	2,029,090	100.00	1,663,499	100.00	1,731,031	100.00

## 2. Major Topics

**【Major topic identification process】** (GRI 2-25 Procedures for remediating negative impacts) (GRI 2-26 Mechanisms for seeking advice and raising concerns), (GRI 3-1 Process for determining major topics), (GRI 3-2 List of major topics), (GRI 2-29 Methods for stakeholder engagement)

The Company strives to create a transparent and comprehensive major topic identification process to ensure that sustainable management strategies and reports meet the expectations of stakeholders, thereby effectively responding to external challenges and opportunities. The specific steps for identifying material issues are as follows:





### 【Industry Chain and Stakeholders】

In terms of the value chain of the IC design industry, Silicon Optronics' stakeholders can be divided into the following categories:

- ◇ Suppliers: EDA tool manufacturers, IP suppliers, wafer foundries
- ◇ Customers: terminal equipment manufacturers (mobile phones, automobiles, IoT companies, etc.)
- ◇ Regulatory agencies: government agencies (such as the Science Park Administration)
- ◇ Internal stakeholders: employees, shareholders, management

Silicon Optronics' "Sustainable Development Team" designs a questionnaire based on the five principles of "AA1000 Stakeholder Engagement Standards" and has it filled out by team members. Based on this, the main stakeholders are identified from the corresponding stakeholders in the industrial chain into six groups, and their importance is ranked as follows: customers, shareholders and investors, employees, suppliers, government agencies and communities.





### 【Stakeholders Major Topics】

Silicon Optronics has established its sustainable management strategy and long-term goals through major topics analysis with stakeholders, and used it as the direction for compiling the “Sustainability Report”. This aims to promote the Company’s continuous progress in the fields of environment, society and governance (ESG) and gain further shared value for both the Company and society. Taking this year as an example, the Company has selected 16 major topics, which are divided into three areas: economy, environment and society.

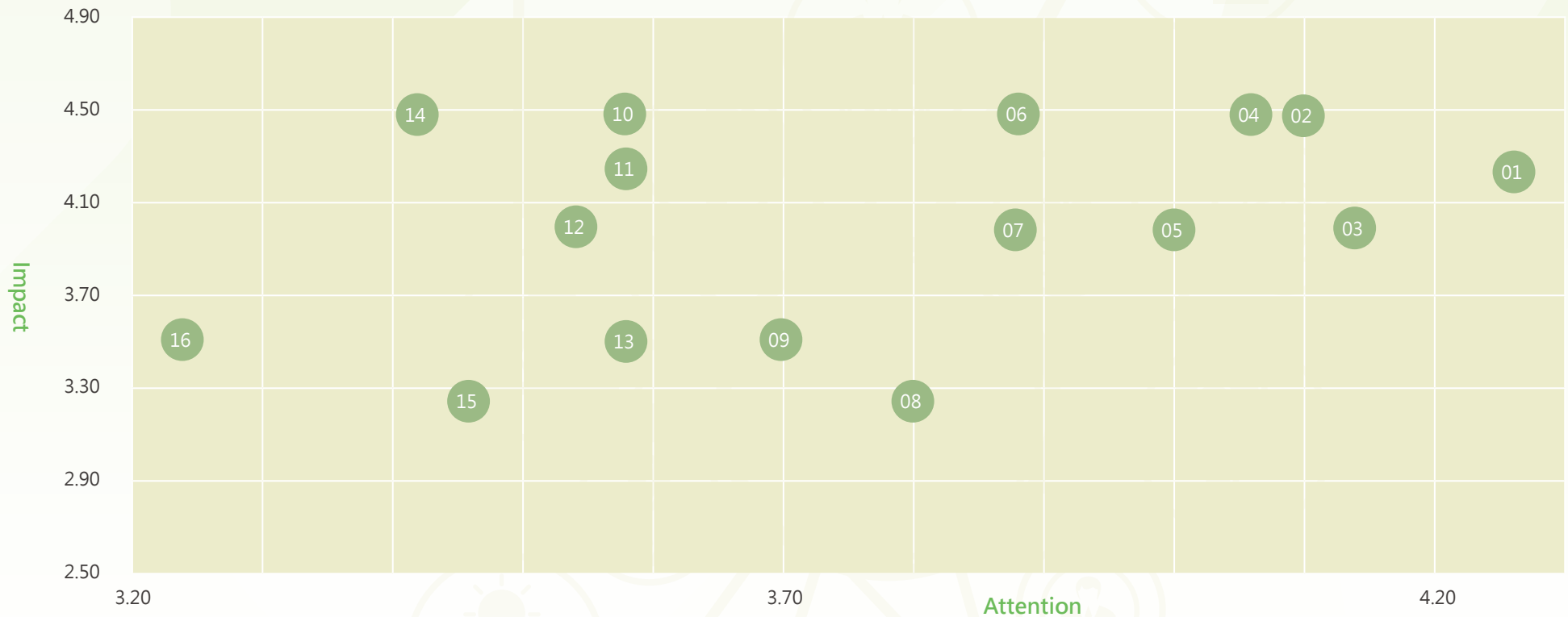
The major topics identification process includes the following steps:



In order to ensure the reliability of the survey results, the Company evaluated internal and external stakeholders, especially in terms of their influence on the Company and the attention of stakeholders. In this survey, based on the responses to the valid questionnaires, 16 topics with significant impact were finally confirmed.

These 16 topics are plotted in a matrix from low to high according to the impact on the Company and the importance of stakeholders’ feedback. The top right block is the topic with the greatest internal impact and the most importance to stakeholders, the middle block is the topic with medium impact and medium importance, and the bottom left block is the topic with less impact. The topics with greater impact include operating performance, customer relations, greenhouse gases, corporate governance, waste management, information security management, and occupational safety and hygiene. This is mainly because the Company is a non-fab IC design company, and the negative consequences of the above topics are relatively minor.

The major topics identification process includes the following steps:






#### ESG sustainable topics context

- |  |                                    |                                   |                                 |
|--|------------------------------------|-----------------------------------|---------------------------------|
| 01 Integrity management and corporate governance | 05 Waste management                | 09 Energy management              | 13 Water resources management   |
| 02 Operating performance                         | 06 Occupational safety and hygiene | 10 Supplier chain                 | 14 Employee salary and benefits |
| 03 Greenhouse gas management                     | 07 Information Security Management | 11 Technology, R&D and Innovation | 15 Labor-management relations   |
| 04 Customer relations                            | 08 Social care                     | 12 Staff training and education   | 16 Risk management              |

### 【The significance of major topics to Silicon Optronics and their corresponding practices】

Silicon Optronics values the opinions and feedback of stakeholders. Regarding the top five topics with the highest impact and importance, the specific response measures are as follows:

### 【Silicon Optronics' SDGs Sustainable Development Goals】

Type	ESG major topics	Sustainable development practices and ESG goals		Projects in response to SDGs
Environmental aspect	Greenhouse gas emissions (GRI305)	Now	Disclosure of climate financial information in conjunction with the annual report appendix	
		Goal	In line with the legal requirements, greenhouse gas inventory will be introduced.	
Social aspect	Occupational safety and hygiene (GRI403)	Now	It is in compliance with occupational safety and hygiene laws and regulations to fulfill the employer's obligation to protect the physical and mental health of employees.	
		Goal	To handle employee grievances more effectively.	
Governance aspect	Economic performance (GRI201)	Now	Corresponding performance targets are set every year.	
	Customer privacy (GRI418)	Now	Information security risk management measures have been established.	
		Goal	Target: Zero security complaints regarding violation of customer privacy or loss of customer data.	

# CHAPTER 02

## Corporate Governance

Governance Structure and Management Performance	16
Integrity Management	22
Internal Audit	23
Information Security Management	23
Stakeholder Management	25



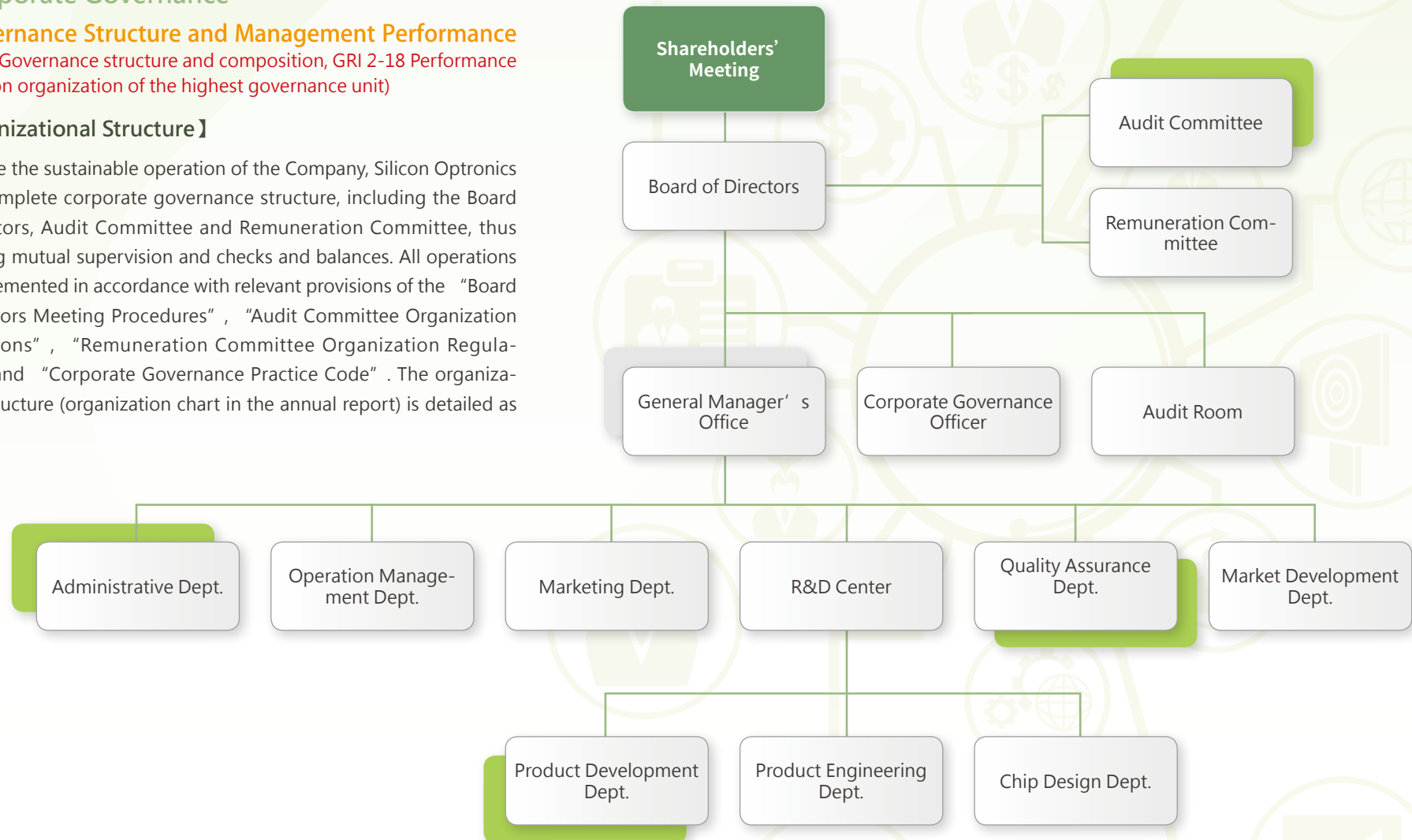
## II. Corporate Governance

### 1. Governance Structure and Management Performance

(GRI 2-9 Governance structure and composition, GRI 2-18 Performance evaluation organization of the highest governance unit)

#### 【Organizational Structure】

To ensure the sustainable operation of the Company, Silicon Optronics has a complete corporate governance structure, including the Board of Directors, Audit Committee and Remuneration Committee, thus achieving mutual supervision and checks and balances. All operations are implemented in accordance with relevant provisions of the "Board of Directors Meeting Procedures", "Audit Committee Organization Regulations", "Remuneration Committee Organization Regulations" and "Corporate Governance Practice Code". The organizational structure (organization chart in the annual report) is detailed as follows:



### 【Senior Manager Remuneration and ESG Performance Policy】 (GRI 2-19 Remuneration policy)

As an attempt to strengthen the practice of sustainable management and responsible governance, the Company plans to incorporate ESG performances into the annual performance appraisal and reward mechanism of senior managers (including general manager and heads of departments) starting from 2025. The evaluation indicators will include but are not limited to:

- Greenhouse gas inventory and verification implementation progress
- Achievement status of key sustainability goals (such as: cybersecurity incident rate)
- Corporate governance indicators (such as: Board of Directors and functional committee attendance and performance rating)

The Company will have the “Remuneration Committee” regularly review the rationality of ESG indicators and incorporate them into the annual performance evaluation and bonus distribution of general manager and managers at all levels to promote the simultaneous improvement of corporate sustainability and governance performance.

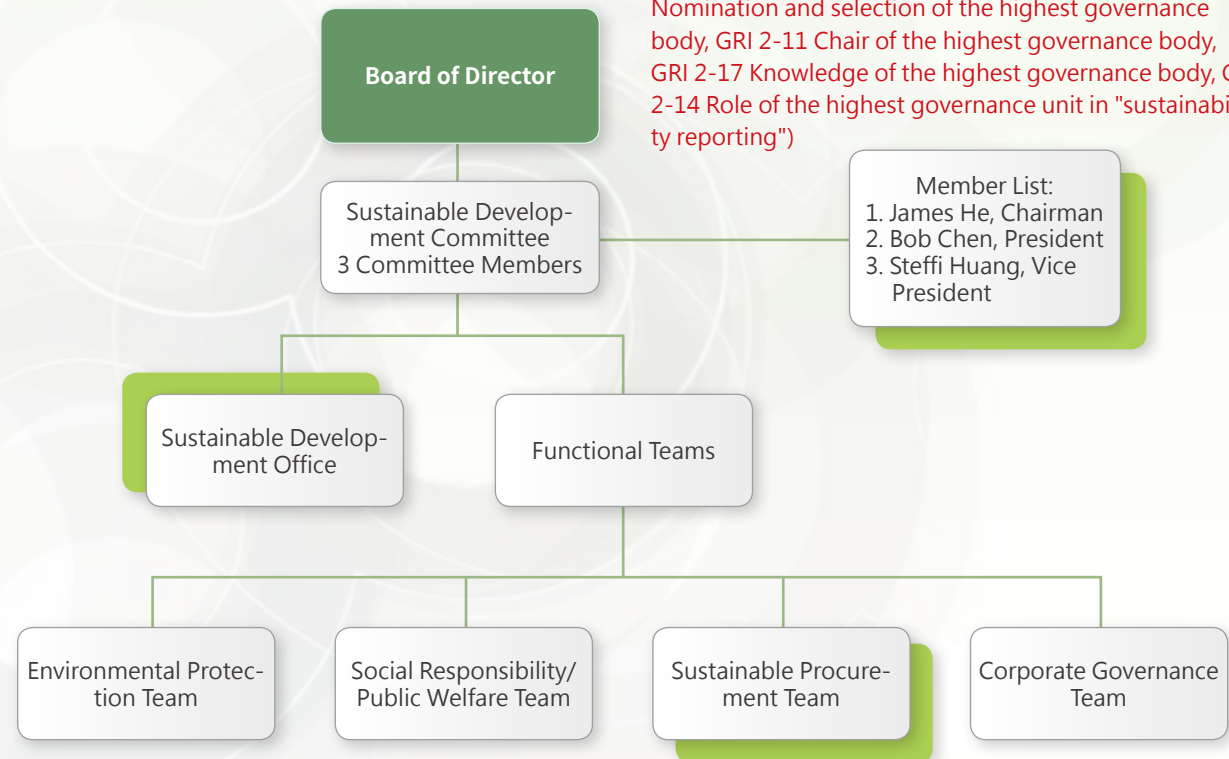
(GRI 2-12 The highest governance body’s role in monitoring impacts),(GRI 2-13 Delegating responsibilities)

In order to implement corporate social responsibility and achieve the goal of sustainable development, the Company has formed a “Sustainable Development Committee” through cross-departmental units including the Chairman’s Office, Product Development Dept., Chip

Design Dept., Administrative Dept., Operation Management Dept., Quality Assurance Dept., Core Technology Dept., Product Engineering Dept. and Marketing Business Dept. Regular meetings are held to set goals and execution directions. The Chairman serves as the chairperson of this committee to promote various tasks and review

results, and report to the Board of Directors regularly. The “Sustainable Development Report” is issued every year to let all stakeholders understand the relevant execution and results. The organizational structure of this sustainable development is as follows:

(GRI 2-9 Governance structure and composition, GRI 2-10 Nomination and selection of the highest governance body, GRI 2-11 Chair of the highest governance body, GRI 2-17 Knowledge of the highest governance body, GRI 2-14 Role of the highest governance unit in “sustainability reporting”)



Silicon Optonics Sustainability Committee Organization Chart

**【Board of Directors】** The Board of Directors serves as the highest authority for sustainable development, and it is responsible for reviewing and making decisions on major topics.

The Company's "Corporate Governance Code of Practice" takes diversity into consideration when it comes to the composition of the Board of Directors. Thus, the Company sets appropriate diversity guidelines (including but not limited to gender, age, and nationality) based on its operations, business model, and development needs, and ensures that the members have the knowledge, skills, and accomplishments necessary to perform their duties.

Silicon Optronics adopts a candidate nomination system for the election of its directors and is handled in accordance with "Director Election Methods". All directors have professional backgrounds in industry, academia and law, especially in business management, leadership decision-making, industry knowledge, academia and finance fields. For details, please refer to the Company's official website. Information on the positions held by directors in the Company and other companies are available on the Company's 2024 Annual Report.

Currently, the Company's Board of Directors consists of 3 directors and 4 independent directors. A total of 4 board meetings were held in 2024. Board members participate in continuing education courses every year to acquire a considerable degree of industry knowledge and new knowledge to improve decision-making quality and

strengthen corporate governance functions. In addition, they have studied corporate governance and professional knowledge in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" and obtained certification documents. The names of the courses attended are disclosed in MOPS.

In addition, the Company regularly conducts performance evaluations of the Board of Directors, Board members, Audit Committee and Remuneration Committee in accordance with the "Board of Directors and Functional Committee Performance Evaluation Methods" every year; the results of this evaluation are submitted to the Board of Directors as a reference for individual director remuneration and nomination and re-election. The eval-

uation methods include internal self-evaluation of the Board of Directors, self-evaluation of board members, internal self-evaluation of functional committees, or other appropriate methods. The evaluation results should be completed before the first quarter of the Board of Directors meeting in the following year. Please refer to the 2024 Annual Report for details.

Meanwhile, the Company also has a system for directors to avoid conflicts of interest. When a director has a conflict of interest with himself or the legal person he represents, he shall explain the important content of his conflict of interest at the board meeting. If there is a risk of damaging the Company, he shall not participate in the discussion and voting, nor shall he exercise voting rights on behalf of other directors. The Board of Directors shall be convened at least once a quarter, but it may be convened at any time in case of emergency. The meeting affairs unit shall prepare the meeting content in advance and provide sufficient meeting materials, which shall be sent together when the meeting is convened. For important resolutions of the Board of Directors, please refer to the Company's official website.



### 【Sustainability Committee】

This is a functional committee with 3 members, including the Chairman, General Manager and Management Office' s supervisor, responsible for reviewing sustainability-related policy objectives and annual work plans, supervising implementation progress, results and related matters. It holds at least one meeting each year and reports the implementation status to the Board of Directors.

### 【Sustainable Development Office】

To assist the committee in promoting various plans and related affairs, be responsible for integrating, summarizing and tracking the operation status of each functional team, and also execute projects authorized by the committee.

### 【Functional Team】

This team consists of four topic groups, each responsible for promoting sustainable annual goals and related businesses according to the division of business. In addition to reviewing the progress and effectiveness of each topic group in environmental protection, sustainable procurement and corporate governance, it also understands the communication and response with relevant stakeholders.

### 【Audit Committee】

The purpose of the Audit Committee is to assist the Board of Directors in supervising the quality and integrity of the Company in the implementation of accounting, auditing, financial reporting processes and financial control. The Committee is composed of independent directors (no

less than three), one of whom serves as the chairperson and at least one of whom should have accounting or financial expertise. It mainly supervises the appropriate presentation of the Company' s financial statements, the selection (dismissal) and independence and performance of certified public accountants, the effective implementation of internal controls, the Company' s compliance with relevant laws and regulations, and the control of existing or potential risks.

The duties and responsibilities of the Audit Committee are as follows:

1. Establish or amend the Company' s internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Conduct assessment on the effectiveness of the internal control system.
3. Establish or amend the procedures for handling the Company' s significant financial activities such as acquisition or disposal of assets, trading of derivative products, lending funds to others, endorsing or providing guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.
4. Any matters involving personal interests of directors.
5. Major asset or derivative transactions.
6. Loans, endorsements or guarantees related to major funds.
7. The raising, issuance or private placement of equity securities.
8. The appointment, dismissal or remuneration of certified public accountants.
9. Appointment and removal of financial, accounting or internal audit supervisors.
10. The annual financial report signed or stamped by the chairman, managers and accounting supervi-

sors and the second quarter financial report audited and certified by the accountant.

11. Other important matters stipulated by the Company or competent authorities.

This committee shall meet at least once a quarter. In 2024, the Audit Committee held a total of 4 meetings, with an attendance rate of 100%.

**【Remuneration Committee】** (GRI 2-19 Compensation policy, GRI 2-20 Process for determining compensation, GRI 201-3 Definition of benefit plan obligations and other retirement plans)

The Remuneration Committee assists the Board of Directors in implementing and evaluating the Company' s overall compensation and benefits policy, as well as the remuneration of directors and managers. The members of this committee are appointed by the Board of Directors and their number shall not be less than three. At least one independent director shall participate, and all members shall nominate an independent director to serve as the chairperson and chairman of the meeting. This committee shall be held at least twice a year. In 2024, the committee held 2 meetings in total, with a full attendance rate of 100%.





List of Remuneration Committee members and attendance in 2024:

Title	Name	Actual attendance (B)	Number of delegated attendances	Actual attendance rate (%) (B/A) (Note)	Note
Chairperson	Lin Junji	2	0	100%	Re-elected
Member	Li Xinxin	1	1	50%	Re-elected
Member	Li Chang Zhou	2	0	100%	Re-elected
Member	Lai Junhao	2	0	100%	Re-elected

Note: The actual attendance rate is calculated based on the number of Remuneration Committee meetings held during the term of office and the number of actual attendances.

According to the Company's Articles of Association, the annual remuneration of directors shall not exceed 3% of the profit of the current year. As for the remuneration of general directors, it is determined by the weight distribution principle based on the Company's operating results and the degree of participation of individual directors in operating activities. Due to the good operating performance of the Company in 2024, independent directors and general directors jointly participate in the distribution of directors' remuneration. According to their specific powers and responsibilities, independent directors receive additional "fixed remuneration" and "functional committee remuneration" every month.

For information on the meetings of the Company' s Board of Directors, Audit Committee and Remuneration Committee, the attendance rate of each member, and the individual remuneration of directors and independent directors, please refer to the Company' s 2024 Annual Report.

**【Management Performance】** (GRI201-1 Direct economic value generated and distributed by the organization.)

In 2024, Silicon Optronics continued to deepen its roots in the optoelectronics industry. With efforts in technological innovation, market expansion, and strengthening core competitiveness, its operating revenue totaled NT\$170 million and its operating gross profit was NT\$100 million. However, its operating net loss was NT\$190 million, resulting in a net loss of NT\$100 million after tax and earnings per share (EPS) of NT\$ (1.33).



## 2.1.5.1 Consolidated financial performance

Unit: NT\$ thousand

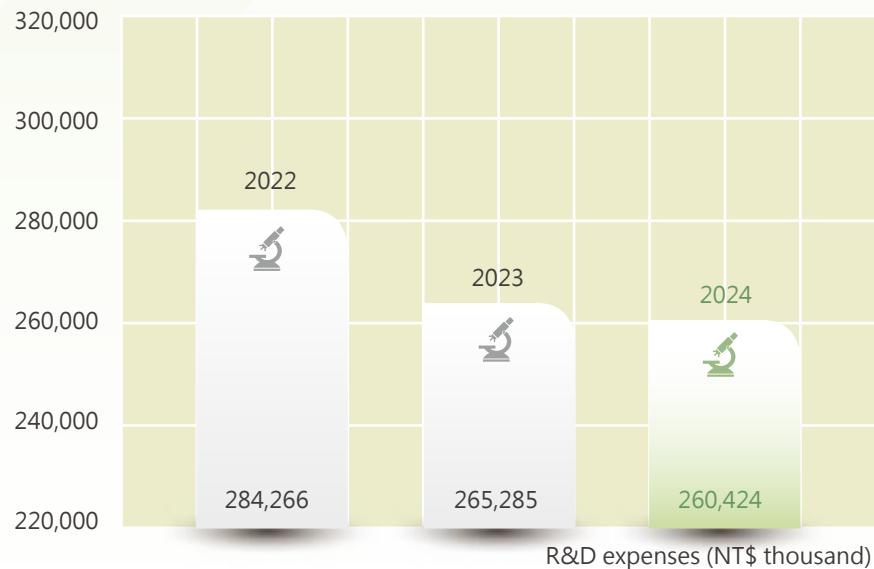
Item	Year	Financial information for the last five years				
		2020	2021	2022	2023	2024
Sales revenue		3,328,695	3,996,496	2,029,090	1,663,499	1,731,031
Gross profit		672,210	1,387,380	494,522	(43,527)	124,539
Operating profit and loss		321,577	883,959	138,490	(371,452)	(193,043)
Non-operating income and expenses		5,662	10,489	14,968	23,140	91,801
Net profit before tax		327,239	894,448	153,458	(348,312)	(101,242)
Continuing operating units Net profit for this period		281,438	741,050	122,558	(286,716)	(102,780)
Loss of suspended units		-	-	-	-	-
Net profit for this period		281,438	741,050	122,558	(286,716)	(102,780)
Other comprehensive income for the period (net after tax)		(1,866)	(1,491)	5,838	(715)	5,721
Total comprehensive profit or loss for the period		279,572	739,559	128,396	(287,431)	(97,059)
Earnings per share (NT\$)		3.65	9.61	1.59	(3.70)	(1.33)

Note: The above financial information has been audited and certified by accountants.

### 【Continue to invest in technology research and development】

In order to strengthen its technological strength and create growth momentum, the Company expects to actively recruit R&D talents and increase R&D investment in the future. The consolidated R&D expenses in 2024 amounted to NT\$260,424,000, a decrease of 1.8% from 2023.

#### R&D expenses



### 【Dividend Policy】

Silicon Optronics is committed to achieving solid financial performance and returns the current year's profits to shareholders in the form of dividends. No cash dividends will be distributed in 2024 as approved by the Shareholders' Meeting.

**2. Integrity Management** (GRI 2-15 Conflict of interest, GRI 2-16 Communication of key major topics, GRI 2-23 Policy commitments, GRI 2-24 Incorporation of policy commitments, GRI 2-27 Compliance with laws and regulations) (GRI 205-1 Number of operating locations and cases for which corruption risk assessments have been conducted), (GRI 205-2 Communication and training on anti-corruption policies and procedures), (GRI 205-3 Confirmed corruption incidents and actions taken.)

The Company is committed to operating with integrity as its core value, sound compliance with laws and regulations and high ethical standards to ensure that all activities comply with the principles of transparency and legitimacy. To this end, the "Sustainable Development Policy" and "Insider Trading Prevention Management Procedure" are formulated to guide employee behavior and strengthen corporate governance. In addition, a sound whistleblower mechanism has been established to provide both internal and external personnel with a channel to report improper behavior and ensure that the privacy and rights of the whistleblower are protected.

Meanwhile, the Company's risk management and assessment system prevents possible risks to ensure that it maintains steady long-term growth while pursuing competitiveness. In particular, the Company organizes educational training and promotion activities to enhance employees' legal compliance awareness and moral literacy, internalize "integrity" into its corporate culture, and shape the image of "professional, reliable, and trustworthy" to win the trust of shareholders, customers, and society.

In 2024, the Company did not suffer any major fines or non-monetary penalties for violating social, economic and environmental laws or regulations, nor was there any complaint or report regarding violations of integrity and ethics in operations or by employees or any illegal activities.

In order to implement the integrity management policy and prevent dishonest behavior, the Company has established the "Integrity Management Code" and announced it internally. This specific regulation includes matters that directors, managers, employees or persons with actual control powers should pay attention to when performing business.

### 3. Internal Audit

#### Purpose of Internal Audit

The purpose of internal audit is to assist the Board of Directors and managers in reviewing and evaluating the deficiencies of the internal control system. The audit criteria used ensure the performance of the company's operations, the reliability, timeliness, transparency of reports and compliance with legal regulations. In addition, timely improvement suggestions are provided to ensure that various systems can be implemented continuously and effectively.

#### Internal Audit Responsibilities

The Company's internal audit unit is established within the Board of Directors, and is equipped with an audit supervisor and a deputy based on the company's size, business conditions, management needs and relevant laws and regulations. The 2024 audit plan was imple-

mented in accordance with regulations, and the audit results were reported to the Audit Committee and the Board of Directors. No major abnormalities occurred.

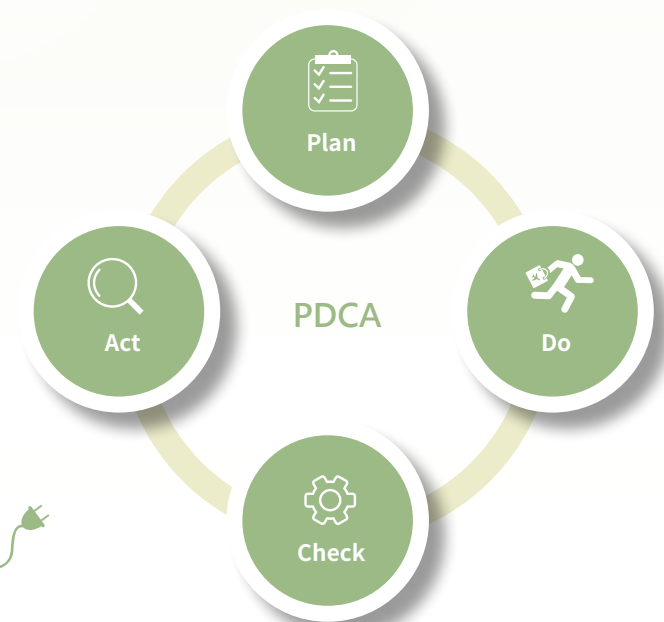
When performing audit work, the internal audit unit should fully communicate with the audited department regarding the annual audit results. The deficiencies and abnormalities found should be fully disclosed in the audit report according to facts, and the report should be tracked on a quarterly basis after review, thus ensuring relevant units have taken appropriate improvement measures in a timely manner.

The internal audit unit shall urge each department and subsidiaries to conduct regular self-evaluations of the effectiveness of the internal control system each year, and it shall then review these self-evaluations. These comprehensive evaluation results will serve as the basis for the Board of Directors to issue the Company's "Internal Control System Statement".

### 4. Information Security Management

#### (1) Management framework of information and communications security

The "Information Security Unit" set up by the Company in 2024 follows the PDCA (Plan-Do-Check-Act) cycle management process to build a structure with "Confidentiality, Integrity, and Availability" as its core principles to ensure that the Company maintains effective operation and stability in its information system and cooperates with the Company's long-term goal of sustainable operation.

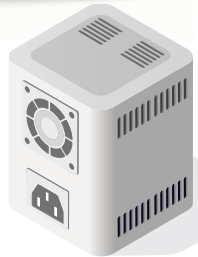




## (2) Information security policy

Through the three major aspects of “network security, device security, and application security”, the Company is able to fully implement information security management. This, coupled with the assistance of regularly held “information security promotion/lectures” and “social engineering drills”, further enhances the resilience and recovery of the Company’s information system.

### Network security



### Device security

### Application security



## (3) Management mechanism and implementation results

Information Security Management System			
Item	Information security risk response plan	Prevention purpose	Implementation results in 2024
01	Information security promotion	To enhance employees’ awareness of various cybersecurity threats	<ul style="list-style-type: none"> <li>Irregular information security information sharing and response.</li> </ul>
02	Information security lectures	To strengthen employees’ professional knowledge of information security	<ul style="list-style-type: none"> <li>This is an annual information security education and training.</li> </ul>
03	Disaster recovery drills	Follow the disaster drill plan to ensure the feasibility of the recovery mechanism.	<ul style="list-style-type: none"> <li>Regular backup mechanism.</li> <li>Disaster recovery drills are performed regularly every year.</li> </ul>
04	Vulnerability detection scanning and response	Refers to the detection, analysis and processing of security vulnerabilities in information systems and networks	<ul style="list-style-type: none"> <li>The Company has paid close attention to security notices, patched high-risk vulnerabilities immediately, and backed up data regularly.</li> <li>Perform vulnerability scans (Vulnerability Assessment) on important hosts once a year.</li> </ul>
05	Data protection	Refers to the recycling of scrapped computers to prevent the risk of data leakage	<ul style="list-style-type: none"> <li>The Company occasionally performs “de-gaussing and physical destruction of discarded hard drives” to ensure that sensitive data is indeed deleted.</li> </ul>

## 5. Stakeholder Management (GRI 2-16 Communication of Key Events)

In accordance with the GRI (Global Reporting Initiative Standards), the Company has established a major topics identification process for “sustainable development” and defined five categories of key stakeholders: employees, shareholders/investors, customers, suppliers, government agencies and communities. To build up a stable and trusting relationship, the Company uses multiple communication channels to ensure that the issues and suggestions of stakeholders are fully understood and responded, thus promoting mutual growth.

The Company’s official website has a “stakeholder zone” and the internal website also has a “suggestion mailbox” for convenient communication purposes. There are also report mailboxes, hotlines and whistleblower reporting procedures to ensure that the opinions and suggestions of all parties can be properly responded to, but they are not the basis for the identity of the whistleblower to be exposed or punished. These measures are aimed at creating a good communication atmosphere and also represent the Company’s growth in sustainable management and corporate responsibility.

List of interactions between the company and stakeholders:

Stakeholders	Interactive objects	Communication method	Topics of concern
Employees	<ul style="list-style-type: none"> <li>All staff</li> </ul>	<ul style="list-style-type: none"> <li>Internal website</li> <li>Company announcement</li> <li>Human Resources Service Representative</li> <li>Employee Welfare Committee</li> <li>Employee suggestion mailbox</li> </ul>	<ul style="list-style-type: none"> <li>Comply with legal regulations</li> <li>Labor-employer relationship</li> <li>Salary and benefits</li> <li>Occupational safety and health</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Customers</li> </ul>	<ul style="list-style-type: none"> <li>The Company has established relevant measures for the “Customer Quality Issue Response Process”.</li> </ul>	<ul style="list-style-type: none"> <li>Product quality and reliability</li> <li>Design support and services</li> <li>Product delivery and price</li> <li>Green products</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Raw material supplier</li> <li>Equipment and instrument suppliers</li> <li>Testing outsourcing manufacturers</li> <li>Packaging outsourcing manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>Visit outsourced manufacturers from time to time to understand progress.</li> <li>Respond anytime via phone and email.</li> </ul>	<ul style="list-style-type: none"> <li>Environmental safety and hygiene management</li> <li>Meet product requirements</li> </ul>
Shareholders/Investors	<ul style="list-style-type: none"> <li>Shareholders who directly or indirectly attend the Shareholders’ Meeting</li> <li>Investors and analysts in person or by phone.</li> <li>Taipei Exchange (TPEX)</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders’ Meeting</li> <li>The Company has a spokesperson.</li> <li>Stock agency</li> <li>Respond to investor questions via phone and email.</li> </ul>	<ul style="list-style-type: none"> <li>Competitive advantages in the industry</li> <li>Company’s future potentials</li> <li>Profitability continues to improve.</li> <li>Dividend policy</li> </ul>

# CHAPTER 03

## Sustainable Environment

Supply Chain Management 27

Environmental Sustainability Policy 28

Greenhouse gas inventory and climate-related financial disclosures 28

Waste Management 31



### III. Sustainable Environment

#### 1. Supply Chain Management

##### 【New Supplier Introduction and Assessment/Certification】

When looking for suppliers who are capable of providing the Company's products and services, the Company first conducts a preliminary assessment of whether their capabilities are helpful to its production operations, and then the certification team (production management, product engineering, and quality assurance departments) completes relevant assessments and certifications. High-quality suppliers that have obtained the "ISO 9001 Quality Management System and ISO 14001 Environmental Management System" or "ISO 45001 Occupational Safety and Health Management System" certification will be given priority.

##### 【Mass Production and Regular Evaluation of Qualified Suppliers】

- Qualified suppliers for mass production:

Once a new supplier has passed the introduction process and verification assessment and has been confirmed as qualified, it can be included in the qualified supplier list and begin the mass production stage.

Grade	Score	Evaluation	Determination
A	90-100	Excellent	Listed as a qualified supplier
B	80-89	Qualified	Listed as a qualified supplier
C	60-79	Conditional	The insufficient information must be completed within the deadline and the certification deficiencies must be improved.
D	Below 60	Unqualified	These suppliers shall not be listed as qualified suppliers within six months and must undergo re-certification.

- Regular supplier evaluation:

- ✓ Conduct performance evaluation on key suppliers every year and report the results in management meetings to ensure continuous quality improvement.
- ✓ Suppliers rated D (unqualified) will be removed from the list of qualified suppliers.

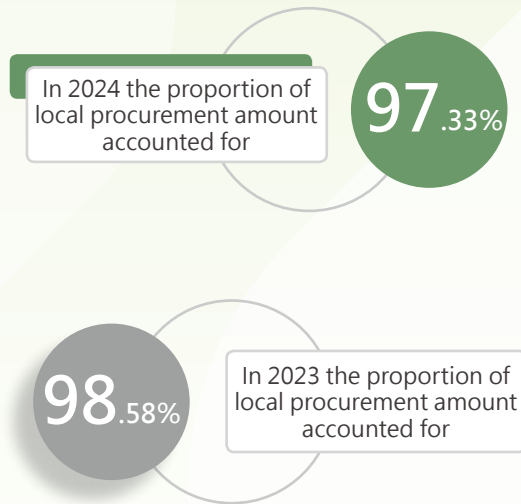
In 2024, the Company's key suppliers (including wafer fabs, packaging and testing plants) have passed the "ISO 9001" and "ISO 14001 Environmental Management System". Certain manufacturers also have the "ISO 45001 Occupational Safety and Health Management System" and human rights management performance.

In 2024, 100% of all key suppliers have passed the supplier assessment, with ratings of C or above (above 60 points).

Annual assessment levels and related reward and punishment principles:

Grade	Score	Reward and Punishment Principles:
A	90-100	Increase purchase volume or provide incentives depending on the situation.
B	80-89	Acceptable, maintain the status quo
C	60-79	Reduce the order quantity as appropriate and make improvements within a specified period of time.
D	59 points or less	Cancellation of qualified supplier qualification





### 【Local Purchasing】

The Company adheres to the principle of local procurement to improve production efficiency, promote local economic development, create more employment opportunities, and minimize the carbon footprint of raw materials during transportation.

In 2024, the proportion of local procurement amount accounted for 97.33%, and it stood at as high as 98.58% in 2023, both exceeding 95% for two consecutive years.



## 2. Environmental Sustainability Policy

In accordance with the "Paris Agreement" and the "United Nations Framework Convention on Climate Change", the Company has listed sustainable development and environmental protection as one of the core strategies for future development. It is committed to complying with all relevant environmental laws and regulations and striving to achieve higher environmental protection standards than those required by the regulations.

In order to implement the environmental policy, the Company's environmental management team is responsible for policy formulation, monitoring, evaluation and improvement measures. This team regularly conducts environmental impact assessments and amends company policies based on the most advanced environmental protection requirements and technologies. In terms of enhancing employees' environmental aware-

ness, continuous training and publicity activities are adopted to encourage colleagues to become active participants in environmental protection.

### 3. Greenhouse gas inventory and climate-related financial disclosures (GRI 305-1 Direct (Scope 1) greenhouse gas emissions), (GRI 305-2 Energy indirect (Scope 2) greenhouse gas emissions), (GRI 305-4 Greenhouse gas emission intensity), (GRI 305-5 Reduction of greenhouse gas emissions)

We are fully aware of the impact of greenhouse gas emissions on global climate change and have taken active measures in this area. The main greenhouse gas management strategies include setting emission reduction targets, implementing carbon emission audits, and promoting low-carbon technologies. In addition, in accordance with the requirements of the Kyoto Protocol and the Paris Agreement, we have set science-based emission reduction targets and plan to achieve carbon neutrality by 2030.

Although the "Greenhouse Gas Inventory Standard ISO 14064-1" has not yet been introduced, the Company still discloses greenhouse gas emission information and starts calculations with 2025 as the base year. In addition, the greenhouse gas emission intensity is a metric that uses "floor area" as the denominator to calculate the intensity ratio.

The Company is a professional IC design company, engaged in product design, research and development, and sales. Since the production and manufacturing of prod-

ucts are outsourced to professional foundries, the energy demand within the Company is mostly for general livelihood purposes such as air conditioning and lighting, which use the largest proportion of energy and electricity, while the rest is consumed less. The electricity source is purchased from Taiwan Power Company. The Company only conducts self-inspection and calculation of greenhouse gas emissions in "Scope 1" and "Scope 2".

• Silicon Optonics Greenhouse Gas Emissions Information

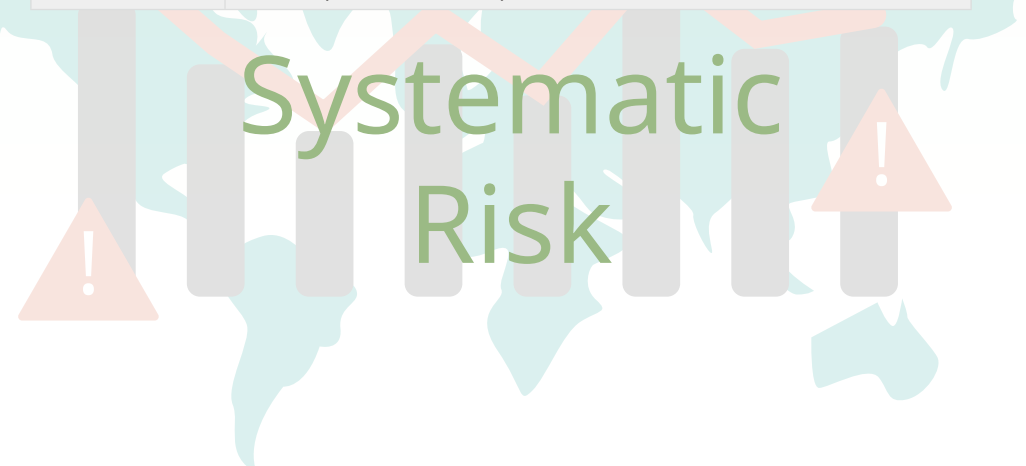
Type	2023 (metric tons CO2e)	2024 (metric tons CO2e)
Scope 1	0	0
Greenhouse gas emission intensity	0	0
Scope 2	108.8267	119.5336
Greenhouse gas emission intensity	0.0654	0.0690

Type	2023	2024
Greenhouse gas emissions (metric tons CO2e)	109.0790	119.7524
Greenhouse gas emission intensity (greenhouse gas emissions per year/ turnover in million NT\$)	0.0655	0.0691

The Company follows the "Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)" framework released by the Financial Stability Board (FSB) in June 2017, and continues to identify climate risks and opportunities in the value chain.

Based on this, it plans response measures and demonstrates the governance and strategies adopted for the issue of climate change.

Category	Response
Governance	The Company has established a "Sustainable Development Code of Practice" and the Sustainable Development Promotion Team is responsible for policies or related management guidelines and specific promotion plans. It also regularly reviews the achievement of goals and performance and reports to the Board of Directors every year, including quarterly reports on the progress of greenhouse gas inventory implementation. In order to implement the sustainable development strategy, the Company holds meetings regularly led by the General Manager to review the issues that stakeholders are concerned about in terms of environment, society and corporate governance. The Company also conducts risk assessments on its operations based on the principle of major and proposes relevant strategies and measures.
Strategy	Pay attention to trends and regulations related to climate change and take immediate response measures.
Risk management	Refer to TCFD to identify major climate-related risks and opportunities, and conduct regular reviews and revisions based on environmental and regulatory changes.
Metrics and Goals	Complete greenhouse gas inventory and verification goals according to the planning schedule of the "Sustainable Development Roadmap for Listed Companies".



## Risks, opportunities and responses to climate change

Risk category	Risk name	Influence	Strategies and measures	Term
Physical risk	Extreme weather events - Typhoons	<ul style="list-style-type: none"> <li>Operations were interrupted due to deluge.</li> </ul>	<ul style="list-style-type: none"> <li>It is planned that the agents will support shipments to ensure continuous operations.</li> </ul>	Short term
Physical risk	Extreme weather events -- drought	<ul style="list-style-type: none"> <li>Droughts lead to water outages and increase water rates, thus affecting the factory's water use and causing increased costs.</li> </ul>	<ul style="list-style-type: none"> <li>Implement water conservation measures. Improve water use efficiency and reduce water intensity.</li> </ul>	Short term
Transition risk	Apply for carbon rights in advance to respond to the country's "net zero emissions" policy.	<ul style="list-style-type: none"> <li>Carbon emissions have not yet reached the threshold for paying carbon fees, but as government regulations become increasingly stringent year by year, additional costs are incurred.</li> </ul>	<ul style="list-style-type: none"> <li>Improve energy efficiency through energy-saving measures and consider adopting "renewable energy" in advance.</li> </ul>	Long term
Transition risk	Conduct third-party verification of greenhouse gas emissions	<ul style="list-style-type: none"> <li>If the Company cooperates with the financial regulatory authority to conduct third-party verification of the "Sustainable Development Roadmap for Listed Companies", the cost will increase slightly.</li> </ul>	<ul style="list-style-type: none"> <li>Improve the credibility of information disclosure. Accelerate low-carbon transformation and effectively manage greenhouse gas emissions.</li> </ul>	Mid-term
Transition risk	Assist in supply chain inventory and reduction.	<ul style="list-style-type: none"> <li>If the Company complies with international requirements for ESG value chain management, operating costs will increase.</li> </ul>	<ul style="list-style-type: none"> <li>Prioritize promotion work for suppliers with the greatest impact and relevance on carbon emissions.</li> </ul>	Long term
Opportunity	Continue to implement energy conservation and carbon reduction programs and obtain relevant rewards from the public sector.	<ul style="list-style-type: none"> <li>Apply for the Department of Commerce' s "Energy Saving Equipment Subsidy Program" . Improve energy efficiency and reduce operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>Implement energy audit system to continuously improve energy saving performance.</li> </ul>	Mid-term



In response to two high-intensity risks: increased greenhouse gas emission costs and extreme weather events that affect continued operations, the Company has specially introduced both “utility energy saving” and “agent support for shipments” response measures to ensure sustainable operations and reduce related risks.

In view of the recent price hike in electricity rates and increase of operating costs, the Company has decided to prioritize the financial impact assessment of “increased greenhouse gas emission costs” after referring to benchmark enterprises’ climate risk cases and the urgency of policies. Meanwhile, according to the SBTI (Science Based Targets Initiative) and the “Paris Agreement” global warming scenario of 1.5°C, the increased cost of energy-saving measures is assessed to account for less than 1% of the Company’s annual total revenue. However, the current government policy has not affected the Company, and the aforementioned financial impact is a preliminary assumption. If there are changes in relevant policies, regulations and low-carbon technology development in response to climate change, this assessment will be updated on a rolling basis every year in the future.

**4. Waste Management** (GRI 306-1 Waste generation and significant impacts), (GRI 306-2 Management of significant waste impacts), (GRI 306-3 Waste generation), (GRI 306-4 Waste disposal transfer), (GRI 306-5 Direct waste disposal)

Silicon Optronics is a professional IC design company that spares no effort in reducing environmental pollution through green design concepts and simplifying product structures. In particular, it reduces waste and promotes resource reuse to achieve the goal of a circular economy. The Company’s waste management strategy is based on the “4R principle” (reduce, reuse, recycle and regenerate), aiming to minimize waste generation and seek ways to convert it into reusable resources.

Silicon Optronics waste disposal information

	2024	2023	Processing method
	Processing capacity (tons)	Processing capacity (tons)	
Domestic waste	8.11	24.31	Incineration
Business waste	0.1	0.1	Incineration/out-sourcing
Total	8.21	24.41	

The Company’s daily life waste is collected in separate bags and then outsourced to a professional waste cleaning company for transportation. In order to promote waste reduction and resource recycling, garbage classification and recycling bins are also set up in public areas to facilitate waste management.

Most of the Company’s scrapped products are semiconductor waste. The destruction management is based on the accumulation of waste products by the warehouse staff, who submit a scrapping application at the end of the year. This must first be counter-signed by relevant units and approved by the general manager. After the accounting unit notifies the accounting firm or tax authorities, it will be handled by the production unit. The first choice of scrap disposal company is to choose a business waste disposal agency with a good reputation, good service and in compliance with national regulations.

Silicon Optronics did not experience any waste leaks in 2024.



# CHAPTER 04

## Friendly Workplace and Social Care

Human Resources Structure 33

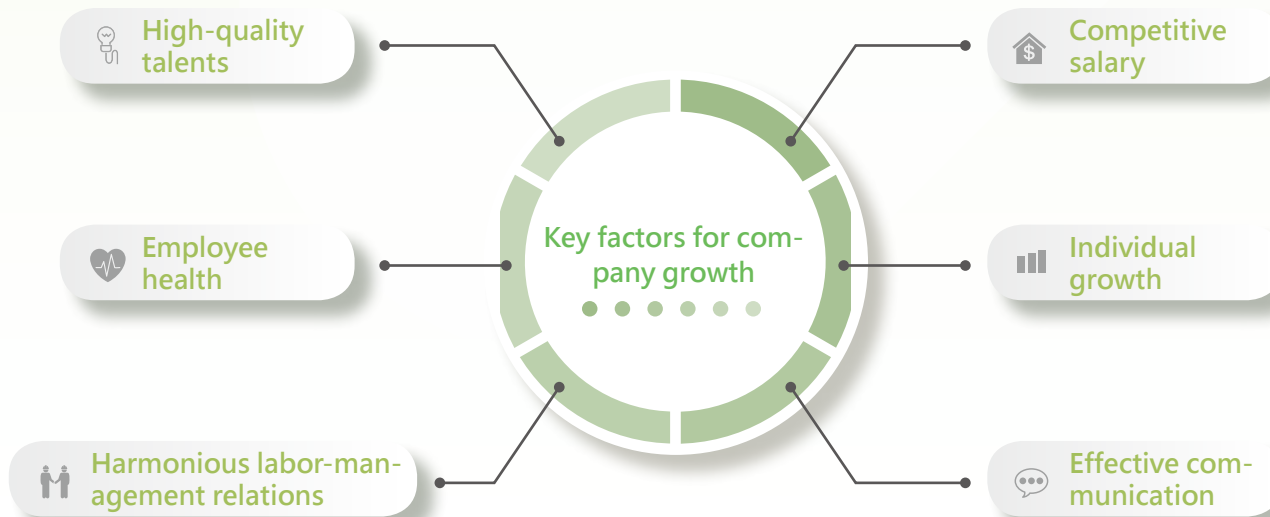
Occupational Safety 35

Human Rights Policy 36

## IV. Friendly Workplace and Social Care

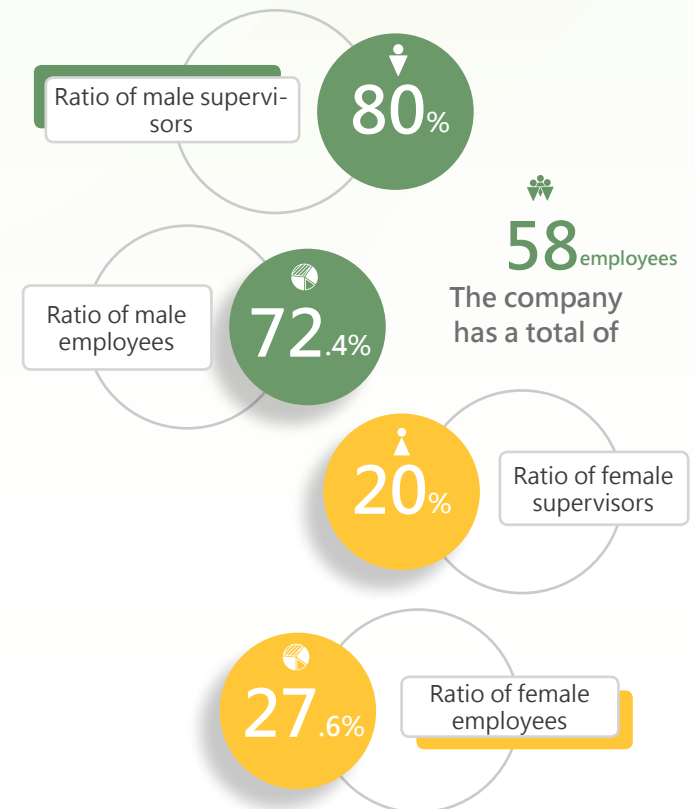
Talent is the Company's asset and the foundation of sustainable development. Our achievements today are particularly dependent on high-quality human resources, and these are fully reflected in the workplace environment and conditions we provide. In addition to attracting and retaining talents with high-level salaries and benefits, we also attach great importance to the physical and mental health and personal growth of our colleagues, hoping to achieve sustainable development within the Company.

Harmonious labor-management relations are extremely important for the long-term stable development of the Company. Various internal communication mechanisms allow colleagues to fully express their opinions, and relevant responsible units respond quickly, thus building a good and smooth communication culture and a lively and open working atmosphere. The Company is committed to creating an enterprise full of innovation, care and continuous growth, ensuring that every colleague can maximize their potential and jointly realize the Company's vision and goals.



### 1. Human Resources Structure (GRI 2-7 employees)

As of the end of 2024, the Company has a total of 58 employees, including 6 managers and 52 general staff, all of whom are local nationals. Among them, males account for 72.4% of all employees and females account for about 27.6%. In 2024, there is 1 female supervisor, and senior female supervisors account for 20% of the total number of supervisors.



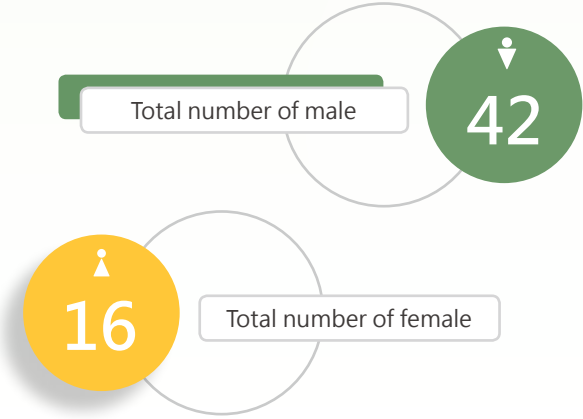
Due to the characteristics of the technology industry and employment market factors, the majority of the Company’ s employees are male. In the future, we will increase gender diversity at all levels in terms of gender equality in the work- place and continue to strengthen work/life balance. We expect to enhance the capabilities of our managers and employ- ee career development opportunities, thus maintaining our competitiveness in the workplace.

• **New/Resigned Employees (2024)**

	Male				Female			
Age	Number of new em- ployees	New employee ratio	Number of resigna- tions	Turnover rate	Number of new em- ployees	New employee ratio	Number of resigna- tions	Turnover rate
18-29 years old	4	80%	2	40%	-	-	2	66.7%
30-39 years old	-	-	3	60%	1	50%	-	-
40-49 years old	1	20%	-	-	-	-	1	33.3%
Over 50 years old	-	-	-	-	1	50%	-	-

• **Employee employment category (2024) (GRI 2-8 Non-employee workers)**

Employment type	Male	Female	Subtotal
Full time	42	16	58
Part time	-	-	-
Contracted per- sonnel	-	-	-
dispatch person- nel	-	-	-
Subtotal	42	16	58



## 2. Occupational Safety

**【Occupational Safety】** (GRI 403-1 Occupational safety and health management system, GRI 403-2 Hazard identification, risk assessment, and accident investigation), (GRI 403-5 Occupational safety and health worker training), (GRI 403-7 Prevention and mitigation of occupational safety and health impacts directly related to business relationships), (GRI 403-8 Workers covered by the occupational safety and health management system), (GRI 403-9 Occupational injuries), (GRI 403-10 Occupational diseases)

The Company provides a healthy working environment, ensures the safety of workers, and implements an occupational safety and hygiene management system. It also

promises to provide high-quality and safe products and services that comply with relevant laws and standards, as well as to prevent occupational accidents and promote health, move towards a friendly workplace, and fulfill its corporate social responsibility.

Our company is committed to promoting labor safety, hygiene and health and reducing occupational hazards. We follow the occupational safety and hygiene management system to continuously improve and prevent occupational injuries and diseases and reduce risk factors in the work environment. The above efforts are in line with various regulations to create a high-quality corporate workplace.

The Company's working environment is mainly general offices, and there are no factories or other places that may cause employee injuries. No occupational injury incidents occurred in 2024.

Over the past decades, the Company has always attached great importance to the health of its employees and issues related to the work environment. Therefore, it implements relevant safety and health management and education every year, and conducts "fire safety drills" and fire equipment safety inspections. The Company fully bears the cost of employee work injury insurance to ensure the work safety of its employees.



### Risk reduction

Minimize hazards in the work environment



### Legal compliance

Comply with laws and regulations



### Occupational safety management

Implementing systems to ensure worker safety



### Health promotion

Initiatives to enhance employee well-being



**【Health Management】** (GRI 403-3 Occupational health services), (GRI 403-4 Worker participation, consultation and communication on occupational safety and health), (GRI 403-6 Worker health promotion)

The Company's employee health checkup and insurance comply with the "Occupational Safety and Health Regulations". We arrange employee health checkups every year and invite professional medical staff to visit the Company so that colleagues can receive health consultations without having to travel. In terms of employee insurance, in addition to basic labor and health insurance, it also includes employee group insurance, family group insurance, occupational accident insurance, and business trip travel insurance to ensure that employees and their families receive the most perfect care.

### 3. Human Rights Policy (GRI 2-23 Policy Commitment) (GRI 418-1 Complaints of verified violation of customer privacy or loss of data.)

The Company respects human rights and creates a dignified working environment. The Company complies with the laws and regulations of the locations where it operates, and upholds international standards such as the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the United Nations International Labor Organization, the United Nations Global Compact, and the Responsible Business Alliance, and supports the implementation of the responsibility to protect human rights.

Our human rights policy applies to all employees, including full-time, contract, temporary and intern employees. The Company also works with supply chain partners to protect and respect human rights. The following important human rights issues are of great concern to the company and are regularly reviewed to assess potential impacts and develop corresponding measures.



Achievements of Human Rights Policy

## GRI 2-23 Policy Commitment

In order to fulfill corporate social responsibility and implement human rights protection, we have formulated our human rights policy based on the internationally recognized human rights standards of the “International Bill of Rights” and the “Declaration on Fundamental Principles and Rights at Work” of the International Labor Organization, aiming to eliminate human rights infringements and violations, and ensure that our colleagues are treated reasonably and with dignity.

Implementation policy:

- 01 Comply with relevant laws and provide a safe and healthy workplace.
- 02 Maintain a workplace free of violence, harassment, and intimidation, and respect the privacy and dignity of employees.
- 03 Do not employ child labor.
- 04 Prohibit forced labor.
- 05 Eliminate illegal discrimination and reasonably ensure equal opportunities in employment and promotion.
- 06 Respect employees’ right to organize and join legally recognized trade unions to protect their own work rights.

(GRI 2-19 Remuneration Policy), (GRI 403-1 Occupational Safety and Health Management System), (GRI418-1 Complaints of proven violation of customer privacy or loss of customer information)

The specific measures taken by the Company to protect the human rights of employees are as follows:

**Free Labor Rights:** The Company respects the free labor will of workers, prohibits the employment of forced labor and child labor, and demonstrates a firm commitment to labor rights.

**Open Communication:** Establish smooth communication channels and protect employees’ rights to express their opinions and concerns.

**Equal Workplace:** Provide fair job opportunities and compensation systems, prohibit discrimination and harassment, emphasize diversity and inclusion, and create a friendly working environment.

**Safety and Health:** Pay attention to the physical and mental health of employees, provide a safe and healthy working environment, and ensure the quality of life of employees.

**Information Security:** Respect the data privacy of employees and customers. The collection and use of relevant data are in compliance with laws and regulations to ensure the security of data.

**Stakeholder Engagement:** The Company’s human rights policy is available on the website and in the sustainability report. Regular training is provided to stakeholders through channels to enhance their understanding of the human rights policy.

**Management Policy and Complaint Mechanism:** Regularly assess human rights risks and develop countermeasures to mitigate and remedy potential human rights issues. Establish a 24-hour complaint channel (including a hotline for sexual harassment prevention) and protect complainants from retaliation.

# CHAPTER 05

## Appendix

Appendix 1: GRI Standards Index   39

## Appendix 1: GRI Standards Index

Theme	GRI Standards No.	GRI Title	Corresponding Section	Page
Organization and reporting practices	2-1	Organizational details	About this report 1.1 Company profile	4 9
	2-2	Entities included in the organization's "sustainability report"	About this report	4
	2-3	Reporting period, frequency and contact details	About this report	4
	2-4	Information re-edited	The Company did not have such situation during the reporting period.	-
	2-5	External Assurance/Confirmation	Verification has not yet been performed.	4
Activities and Workers	2-6	Activities, value chain and other business relationships	1.1 Company Overview 4.1 Supply Chain Management	9
	2-7	Employee	5.1 Manpower Structure	33
	2-8	Non-employee workers	5.1 Manpower Structure	34
Governance	2-9	Governance structure and composition	2.1 Governance Structure and Management Performance	16,17
	2-10	Nomination and selection of the highest governance body	2.1 Governance structure and management performance 2.1.2 Board of Directors	17
	2-11	Chair of the highest governance body	2.1 Governance structure and management performance 2.1.2 Board of Directors	17



Theme	GRI Standards No.	GRI Title	Corresponding Section	Page
Governance	2-12	Role of the highest governance unit in "sustainability reporting"	2.1 Governance Structure and Management Performance	17
	2-13	Delegate responsibilities	2.1 Governance structure and management performance 2.1.1 Organizational structure	17
	2-14	Role of the highest governance unit in "sustainability reporting"	2.1 Governance Structure and Management Performance	17
	2-15	Conflict of interest	2.2 Integrity management	22
	2-16	Communication of Key Events	2.2 Integrity management 2.6 Stakeholder management	22,25
	2-17	Knowledge of the highest governance body	2.1 Governance structure and management performance 2.1.2 Board of Directors	17
	2-18	Performance evaluation organization of the highest governance unit	2.1 Governance Structure and Management Performance	16
	2-19	Remuneration policy	2.1.4 Remuneration Committee	17,19,37
	2-20	Process for determining compensation	2.1.4 Remuneration Committee	19
	2-21	Annual total compensation ratio	Maximum individual annual compensation is not disclosed.	-

Theme	GRI Standards No.	GRI Title	Corresponding Section	Page
Strategy, Policy and Practice	2-22	Sustainable Development Strategy Statement	Preface- Message from the Management Team	5
	2-23	Policy commitments	2.2 Integrity Management 5.3 Human Rights Policy	22,36,37
	2-24	Incorporate policy commitments	2.2 Integrity Management	22
	2-25	Procedures for remediating negative shocks	2.2 Major issues	10
	2-26	Mechanisms for seeking advice and raising concerns	2.2 Major issues	10
	2-27	Comply with laws and regulations	2.2 Integrity Management	22
	2-28	Member association		-
Stakeholders Engagement	2-29	Stakeholder Engagement Methods	1.3 Major issues 1.3.2 Stakeholders engagement	10
	2-30	Collective bargaining agreement	Currently, there is no labor union or collective bargaining agreement. The company regularly communicates with employees through labor-management meetings and various other methods.	-

Major Topics	GRI Standards No.	GRI Title	Corresponding Section	Page
Major Topics	3-1	Process for determining major topics	1.2 Major issues	10
	3-2	List of major topics	1.2 Major issues	10
GRI Specific topic disclosure: Major sustainable topics				
Economic Performance				
Major Topics	3-3	Major topic management	2.1.5 Management Performance	20
GRI 201 : Economic Performance	201-1	Direct economic value generated and distributed by the organization	2.1.5 Management Performance	20
	201-3	Define benefit plan obligations and other retirement plans		19

Major Topics	GRI Standards No.	GRI Title	Corresponding Section	Page
Corporate Governance and Integrity Management				
Major Topics	3-3	Major topic management	2.1 Governance Structure and Management Performance 2.2 Integrity Management	16 22
GRI 205 : Anti-corruption	205-1	Number of business locations and cases that have undergone corruption risk assessment.	2.2 Integrity Management	22
	205-2	Communication and training on anti-corruption policies and procedures	2.2 Integrity Management	22
	205-3	Confirmed incidents of corruption and actions taken	2.2 Integrity Management	22
Occupational Health and Safety				
Major Topics	3-3	Major topic management	5.2 Workplace Safety	35
GRI 403: Occupational Safety and Health	403-1	Occupational Safety and Health Management System	5.2 Workplace Safety	35,37
	403-2	Hazard identification, risk assessment, and incident investigation	5.2 Workplace Safety	35
	403-3	Occupational health services	5.2 Workplace Safety	36
	403-4	Worker participation, consultation and communication in occupational safety and health	5.2 Workplace Safety	36
	403-5	Occupational safety and health worker training	5.2 Workplace Safety	35



Major Topics	GRI Standards No.	GRI Title	Corresponding Section	Page
GRI 403: Occupational Safety and Health	403-6	Worker Health Promotion	5.2 Workplace Safety	36
	403-7	Prevent and mitigate occupational health and safety impacts directly related to business relationships.	5.2 Workplace Safety	35
	403-8	Workers covered by the occupational safety and health management system.	5.2 Workplace Safety	35
	403-9	Occupational Injuries	5.2 Workplace Safety	35
	403-10	Occupational Diseases	5.2 Workplace Safety	35
Customer Relations				
Major Topics	3-3	Major topic Management	5.3 Human Rights Policy	36
GRI 418: Customer privacy	418-1	Complaints of substantiated breach of customer privacy or loss of data.	5.3 Human Rights Policy	36,37

Major Topics	GRI Standards No.	GRI Title	Corresponding Section	Page
Greenhouse Gas Management				
Major Topics	3-3	Major topic Management	3.3 Greenhouse Gas Inventory	28
GRI 305: Emission	305-1	Direct (Scope 1) greenhouse gas emissions	3.3 Greenhouse Gas Inventory	28
	305-2	Energy indirect (Scope 2) greenhouse gas emissions	3.3 Greenhouse Gas Inventory	28
	305-3	Other indirect (Scope 3) greenhouse gas emissions		-
	305-4	Greenhouse gas emission intensity	3.3 Greenhouse Gas Inventory	28
	305-5	Reduce greenhouse gas emissions	3.3 Greenhouse Gas Inventory	28

Major Topics	GRI Standards No.	GRI Title	Corresponding Section	Page
Waste Management				
Major Topics	3-3	Major topic management	3.4 Waste Management	31
	306-1	Waste generation and significant impact	3.4 Waste Management	31
	306-2	Management of significant waste impacts	3.4 Waste Management	31
	306-3	Waste Generation	3.4 Waste Management	31
	306-4	Waste Disposal Transfer	3.4 Waste Management	31
	306-5	Direct disposal of waste	3.4 Waste Management	31
Information Security Management				
Major Topics	3-3	Major topic Management	5.3 Human Rights Policy	36
GRI 418: Customer Privacy	418-1	Complaints of substantiated breach of customer privacy or loss of data	5.3 Human Rights Policy	36,37