

20 24

ITEQ

Sustainability
Report



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2024 Sustainability Performance

Business Continuity

2.26

- The earnings per share was NTD 2.26.
- Taiwan Plant Obtained ISO 27001 Certification.

Sustainable Environment Management

Received the ISO 50001:2018 Certification

- Wuxi Plant, Taiwan Plant and Jiangxi Plant.

Received the ISO 14064-1:2018 Certification

- Taiwan Plant, Wuxi Plant, Jiangxi Plant, Dongguan Plant and Guangzhou Plant.

Received the ISO 14067-1:2018 Certification

- Wuxi Plant.
- No major environmental incidents occurred.

Trusted Partnership

Received the ISO 45001

- Pass the certification of ISO 45001 Occupational Safety and Health Management System: Taiwan Plant, Dongguan Plant, Guangzhou Plant, and Jiangxi Plant.

0 Discrimination and coercion

- No appeal cases regarding discrimination and forced labor occurred.

Supply Chain Management and Customer Service

RBA / Grade A

- The RBA audit results of suppliers were Grade A

Satisfaction (Grade A)

- The evaluation result of customer satisfaction survey was Grade A.
- No violation of customers' confidentiality contracts and disclosures of customer privacy occurred.
- Certification rate of samples: 90% (target: >= 90%).



About This Report

Contents of the Report

ITEQ Corporation (“ITEQ” or the “Company”) launched its first CSR report in 2017, which is available to the public on the Market Observation Post System on the Company’s website. This is the ninth Sustainability Report (“Report”) issued for ITEQ, and is based on the material sustainability topics and stakeholders’ concerns identified in 2024. Acting as a communication channel and platform between ITEQ and stakeholders, this Report outlines ITEQ’s efforts and performance in the areas of economics, the environment, and social issues.

This Report was compiled with reference to the Global Reporting Initiative (GRI) Standards to ensure appropriate disclosures. All financial statistics within this Report are in New Taiwan dollars (NTD) and approved by independent auditors. Other relevant statistics are shown with the international index as the calculation basis. Disclosed indexes that have a specific meaning are stated in notes.

Restatements of Information

No information has been restated in this Report.

Report Publication Date and Cycle

This Report covers the period from January 1, 2024 to December 31, 2024. Some information refers to data and performance prior to this period, dating back to 2021.

ITEQ publishes its Sustainability Report annually. Reports can be downloaded from the “Sustainable Development” section of the ITEQ website: <https://www.iteqcorp.com/esg/>

Boundary and Scope

The reporting boundary of this Report encompasses ITEQ’s manufacturing sites in Taiwan and China (the Wuxi, Dongguan, Guangzhou, and Jiangxi plants). Any adjustments to the scope of data are clearly noted within the Report. Financial data is based on publicly disclosed consolidated financial statements. In the future, the reporting boundary will gradually be expanded to align more closely with the scope of the financial reports.

Unless otherwise stated, all monetary figures are presented in New Taiwan Dollars (NTD). To highlight medium to long-term trends, certain indicators include continuous data from 2021 to 2024.

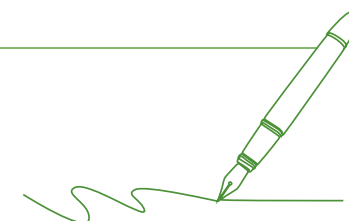
We welcome your valuable feedback on this Report to help us to continuously improve.

First edition published: October 2017

Previous edition published: August 2024

Current edition published: August 2025

Next edition expected: August 2026



Assurance

This Report has been assured by AFNOR Asia Ltd., an independent third-party international verification agency, in accordance with the GRI Standards and with a Type 1 moderate level of assurance based on the AA1000 Assurance Standard.

Contact Information

Contact Unit: ITEQ Corporate Governance and Sustainability Committee

◆ Address: No. 17, Daluge Road, Neili Village, Xinpu Township, Hsinchu County 305, Taiwan

◆ Telephone: +886-3-588-7888 ext. 8802 (Contact: Manager Ms. Wu)

◆ E-mail: esg@iteqcorp.com ◆ Website: <https://www.iteqcorp.com>

Message from the Chairman

In recent years, extreme weather has become more frequent and severe, causing a significant impact on the global economy, society, and the environment. Sustainable development has become an essential core value of corporate operations and a key strategy for enhancing long-term business success. As countries impose stricter requirements on climate change, environmental protection, social responsibility, and corporate governance, companies must assume greater social and environmental responsibilities while continuing to create economic value.

Sustainable Environment Management

Driven by global carbon reduction and sustainable development trends, industries are facing the challenge of transforming supply chains toward greener practices. In response, the Taiwanese government announced the “2050 Net-Zero Emissions Target” on Earth Day 2021. To align with this target, ITEQ is actively improving energy efficiency, promoting eco-friendly processes, and advancing resource recycling to reduce energy consumption and minimize environmental impact. In 2024, the Wuxi plant received ISO 14067 Verification – Greenhouse Gases – Carbon Footprint of Products. Going forward, the Company plans to expand this initiative to all of its plants, optimizing product design and processes to effectively identify carbon reduction opportunities and further reduce its carbon footprint.

Trusted Partnerships

A company’s responsibility goes beyond creating economic benefits; it must also fulfill its duties as a corporate citizen. To this end, we are committed to fostering a supportive workplace environment, offering a fair compensation system, and adhering to the standards set by the Responsible Business Alliance (RBA) to continuously improve both the working conditions and benefits for our employees. We have also fully implemented the ISO 45001 Occupational Health and Safety Management System, and through comprehensive training, health checkups, and other employee benefits, we ensure that employees can work in a safe and healthy environment with peace of mind. We also actively give back to society by participating in local community activities and supporting educational programs to have a positive impact on society through diverse forms of contribution.

Corporate Governance

ITEQ adheres to the principles of honest operations and sustainable development, and is committed to establishing a sound corporate governance structure to ensure that operations comply with relevant regulatory requirements. We continue to strengthen the functions of the board of directors and supervision mechanism of independent directors, and to improve corporate governance standards through sound internal control and risk management to ensure the Company’s long-term competitiveness and development.

We have also actively established a solid cooperative relationship with supply chain partners, formulated the ITEQ Supplier Code of Conduct, and require suppliers to comply with the laws and regulations of the location in which they operate. ITEQ also encourages suppliers to promote downstream suppliers, contractors, and service providers to recognize and adopt the code to jointly create a responsible supply chain system.

In recent years, information security has become an increasingly critical issue for enterprises. ITEQ is committed to strengthening its information security management and system protection measures and enhance employees’ awareness of information security. In 2024, the ITEQ Taiwan plant, continuously improved its policies and specific management plans in line with the updated Information Security Management Practice Guidelines, successfully achieving ISO 27001 certification for information security, cybersecurity, and privacy protection. Moving forward, we will continue to extend these practices across all of our factories to enhance overall information security and risk management capabilities.

Conclusion

We firmly believe that true sustainability can only be achieved by balancing economic performance with social responsibility. ITEQ will continue in the future to uphold the business principles of professionalism and integrity, strengthen risk management and corporate governance, deepen our efforts in ESG practices, and collaborate closely with all stakeholders to jointly create a more valuable and sustainable future.



Chairman CHIN-TSAI, CHEN

CH1. About ITEQ



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1.1. Introduction

ITEQ, established in 1997, was listed on the OTC market in December 2002 and subsequently joined the Taiwan Stock Exchange in January 2008. Headquartered in Hsinchu County, Taiwan, the company specializes in developing large multilayer printed circuit board (PCB) substrates and copper-clad laminate products. After 27 years of growth and innovation, ITEQ now operates six production facilities and employs more than 3,000 people.

In the landscape of printed circuit board materials supply chain, product performance and cost competitiveness have consistently driven our designs. With robust internal research and development, ITEQ has positioned itself among the top global brands, particularly recognized for its halogen-free materials, high Tg, and high-frequency solutions tailored for lead-free manufacturing processes. ITEQ provides comprehensive one-stop shop solutions, offering services in the manufacturing of PCBs, FPCs, and high-strength prepregs for rigid-flex applications.

* Company Profile

| | |
|-------------------------|---|
| Date of Establishment | 1997 |
| Chairman | Chin-Tsai Chen |
| CEO and General Manager | Hsin-Hui Tsai |
| Paid-in Capital | NTD 3,629,572,000 |
| Turnover of 2024 | NTD 29,377,677,000 (Consolidated Financial Statements) |
| Number of Employees | 421 (Taiwan) /3,183 (Group, excluding Huangjiang Plant and Thailand Plant) |
| Headquarters | No. 17, Daluge Rd., Neili Vil., Xinpu Township, Hsinchu County, Taiwan (R.O.C.) |

ITEQ

INNOVATION TEAMWORK
EXCELLENCE QUALITY



1.1.1. Production Plants

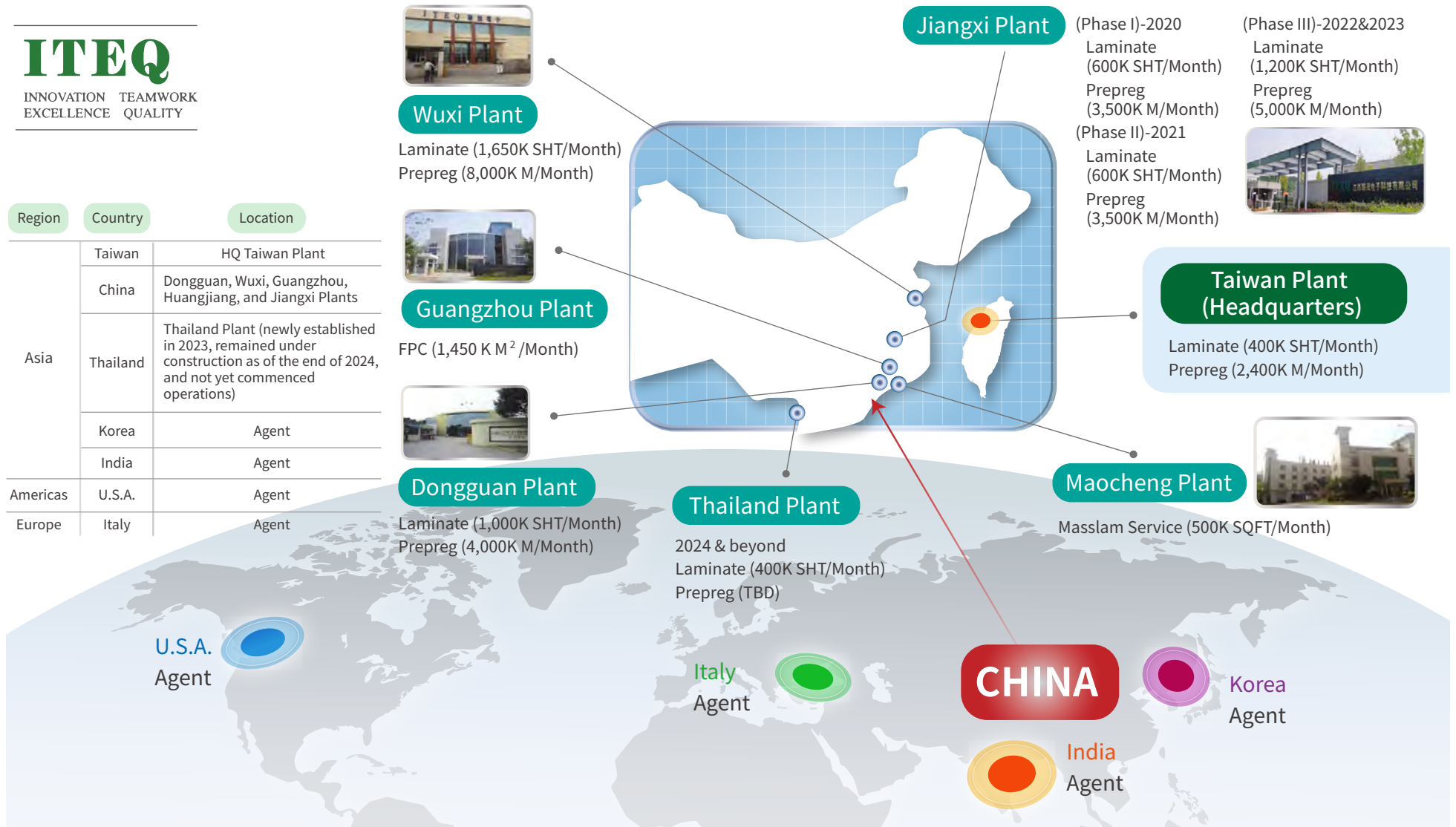
Headquartered in Hsinchu County, Taiwan, ITEQ currently operates six production sites located in Hsinchu, and South and East China. Through the integration of production capacity, we aim to consolidate our production and sales planning across regions, expand cross-Strait capacity, and optimize the division of labor. This strategy allows us to better serve local customers and enhance our comprehensive product offerings, meeting the diverse needs of high-, mid-, and entry-level product lines. In response to the growing demand for AI server applications and advanced automotive electronic materials, ITEQ initiated the construction of a new manufacturing facility in Thailand in 2023. As of the end of 2024, the plant remains under construction and has not yet commenced operations.

* Location and Capacity

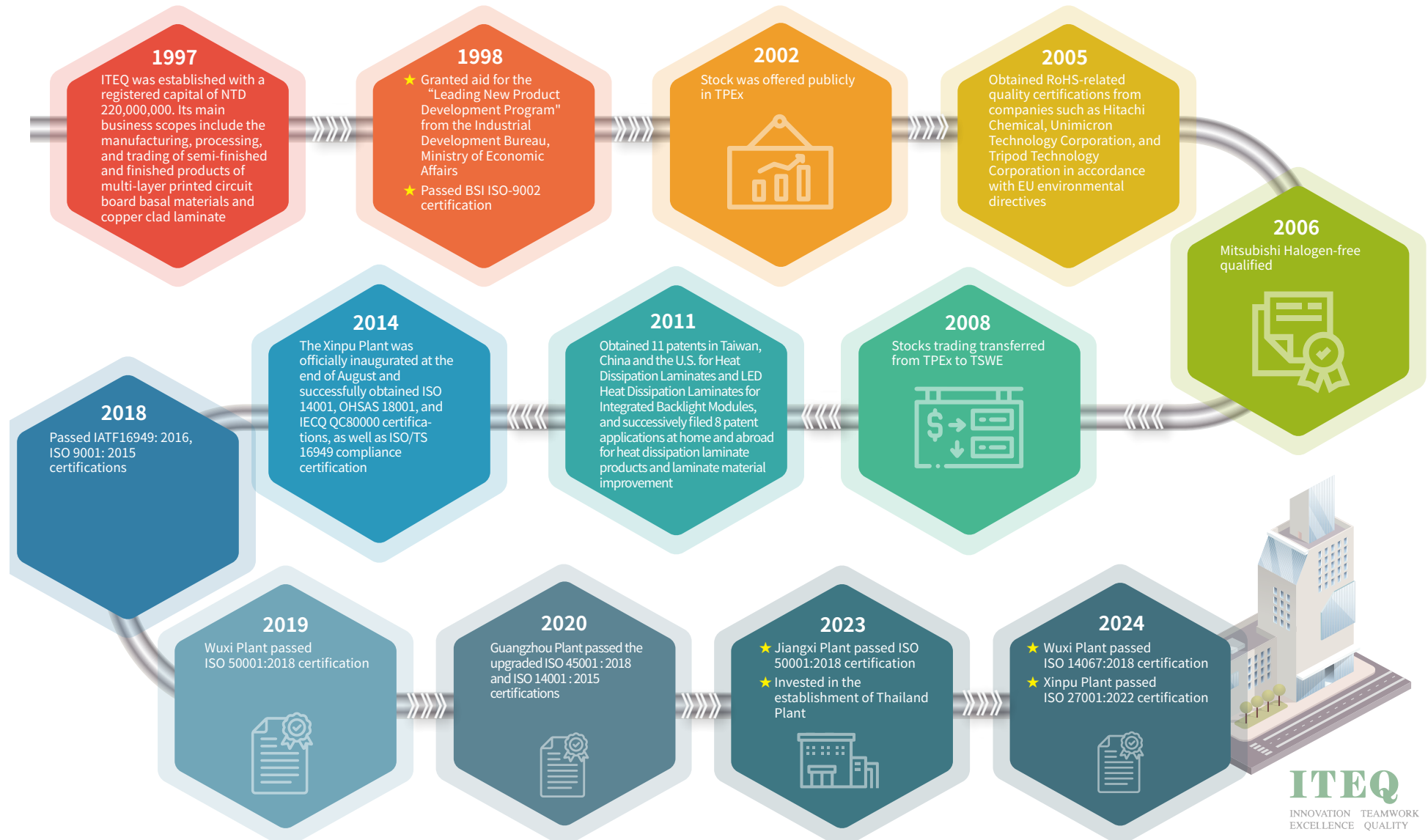
ITEQ

INNOVATION TEAMWORK
EXCELLENCE QUALITY

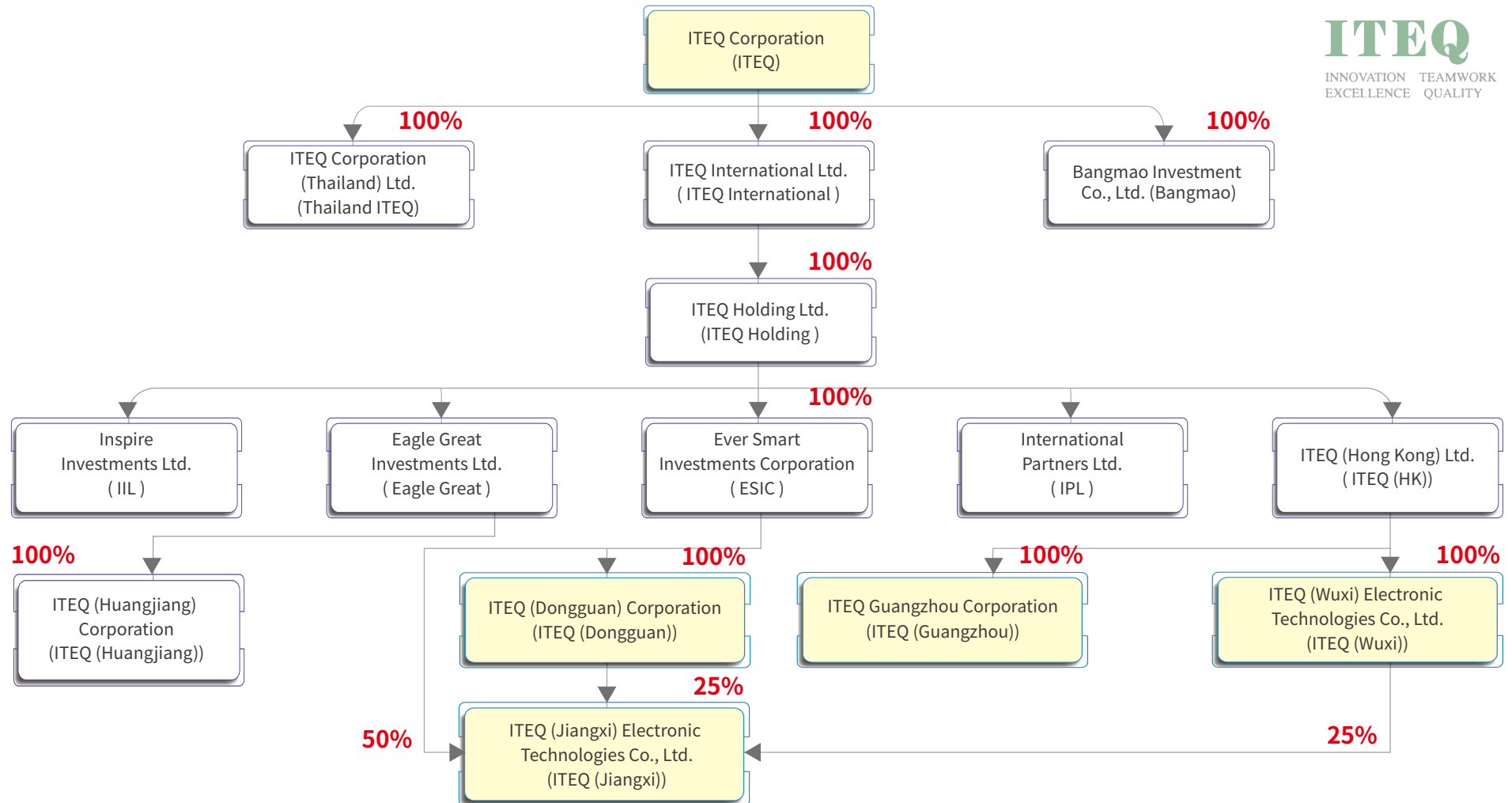
| Region | Country | Location |
|----------|----------|---|
| Asia | Taiwan | HQ Taiwan Plant |
| | China | Dongguan, Wuxi, Guangzhou, Huangjiang, and Jiangxi Plants |
| | Thailand | Thailand Plant (newly established in 2023, remained under construction as of the end of 2024, and not yet commenced operations) |
| | Korea | Agent |
| | India | Agent |
| Americas | U.S.A. | Agent |
| Europe | Italy | Agent |



★ ITEQ Key Milestone



*ITEQ Organizational Chart



The scope of the environmental and social disclosures in the 2024 Sustainability Report covers the plants in Taiwan, Wuxi, Dongguan, Guangzhou and Jiangxi. These facilities together represent 99.8% of the Company's consolidated revenue.

The Huangjiang plant has not been included in the scope of this Report due to differences in product categories and its minimal impact on the Company's overall revenue. Any adjustments to the scope are disclosed in the Report.

1.1.2. Communication with and Devotion to the Industry

In addition to its sustainability efforts, ITEQ is also a member of numerous associations. We aim to foster industry growth from the momentum created by sharing experiences with, and collaborating among, peers. In 2024, ITEQ took part in four major international trade shows: the US Santa Clara DesignCon in January, the Shanghai CPCA Show in May, the Taipei TPCA Show in October, and the Shenzhen HKPCA Show in December. These events provided opportunities for face-to-face interactions with key customers in the global PCB industry, enhancing the Company’s visibility and expanding business opportunities. ITEQ also participated in seminars to stay abreast of advanced market trends and explore the future direction of technological innovation in PCB and IC substrate applications.

* Organizations ITEQ Participated

| Organization | Location | Identity |
|--|-------------|------------|
| Taiwan Printed Circuit Association (TPCA) | Taiwan | Member |
| Chinese East Asia Economic Association | Taiwan | Member |
| The Institute of Internal Auditors-Chinese Taiwan | Taiwan | Member |
| Taiwan Corporate Governance Association | Taiwan | Member |
| The European Institute for the PCB Community (EIPC) | USA | Member |
| International Electronics Manufacturing Initiative (iNEMI) | USA | Member |
| HDP User Group International, Inc. (HDP) | USA | Member |
| China Electronics Materials Industry Association | China | Director |
| Taiwan Compatriots Investment Enterprise Association of Wuxi | Wuxi, China | Supervisor |

| Organization | Location | Identity |
|--|------------------|--------------------------|
| Wuxi Xishan Taiwan Investment Enterprises Association | Wuxi, China | Executive Vice President |
| Wuxi Precursor Chemicals Industry Association | Wuxi, China | Member |
| Huangpu Branch, Taiwan Enterprise Association of Guangzhou | Guangzhou, China | Member |
| Gunagzhou Huangpu Precursor Chemicals Industry Association | Guangzhou, China | Director |
| Guangdong Printed Circuit Association (GPCA) | Guangdong, China | Member |
| Shenzhen Printed Circuit Association (SPCA) | Guangdong, China | Member |
| Hong Kong Printed Circuit Association (HKPCA) | Hong Kong, China | Member |
| Dongguan Precursor Chemicals Management Industry Association | Dongguan, China | Member |
| Guangdong Huangpu Customs Brokers Association | Guangdong, China | Member |

* The top four donations or expenditures for commercial guilds, associations, or tax-free groups with amounts shown as follows

| Target | Type | Description | Amount (NTD) |
|--|----------------------|--|--------------|
| International Electronics Manufacturing Initiative (iNEMI) | Commercial Guild | Obtain membership to promote development opportunities within the global electronics design and manufacturing supply chain, and engage in discussions on sustainable management issues in the electronics industry, such as green production. | 787,125 |
| HDP User Group International, Inc. (HDP) | Commercial Guild | Obtain membership to participate in discussions on advanced electronic packaging and assembly technologies, aiming to reduce costs and risks in the electronics manufacturing industry. Address key common technical challenges faced by the industry as well, such as high-density packaging design, circuit board manufacturing, electronic assembly, environmental compatibility, and other related issues. | 596,530 |
| The European Institute for the PCB Community (EIPC) | Commercial Guild | Obtain membership to consolidate resources within the European circuit board supply chain for optimal integration and performance, discuss sustainable management of the electronics industry, such as green production and related issues, and strengthen development opportunities in the electronics design and manufacturing supply chain to enhance international competitiveness. | 64,714 |
| Taiwan Printed Circuit Association (TPCA) | Business Association | Obtain membership to consolidate resources within the local PCB supply chain for optimal integration and performance, promote development opportunities in the electronics design and manufacturing supply chain, and enhance international competitiveness. | 45,714 |







1.1.3. Core Values

Our sustainable core values revolve around Innovation, Teamwork, Excellence, and Quality as an enterprise that focuses on sustainability management.

1.2. Stakeholder and Material Topic Identification

1.2.1. Stakeholder Identification and Engagement

ITEQ references the AA1000 Stakeholder Engagement Standard (SES) and the GRI Standards to identify six categories of stakeholders based on factors such as dependence, responsibility, tension, influence and diversity perspectives as well as interaction frequency, and significance to operations. These stakeholder groups include investors/shareholders/financial institutions/creditors, government agencies, customers, suppliers, communities, and employees. To understand the concerns and expectations of each group, we maintain tailored and timely communication channels. A robust stakeholder engagement mechanism has been established, including designated contact points on the Company’s official website for each stakeholder group. Through this system, we actively collect feedback and identify key areas of interest. ESG-related indicators are then assessed to identify material topics, which in turn inform our risk management strategies and guide our operational planning.

| Stakeholder | Material Topics | Frequency and Channel of Communication | 2024 Communication Performance |
|---|--|---|---|
|  Investors / Shareholders / Financial Institutions / Creditors | Corporate Governance and Ethical Management Regulatory Compliance Economic Performance Risk Management Sustainable Supplier Management | <ul style="list-style-type: none"> ✓ Irregular: Reply to inquiries or needs by phone or email, earning results conference, important disclosures on ITEQ’s website ✓ Annually: Annual report and shareholders’ meeting ✓ Quarterly: Financial statements | <ul style="list-style-type: none"> ✓ Participation in 13 investor-related activities to explain the operational status of the Company. ✓ Replying to the inquiries of shareholders and creditors on an irregular basis. |
|  Government Agencies | Regulatory Compliance Economic Performance Risk Management | <ul style="list-style-type: none"> ✓ Irregular: Correspondences and participation in policy advocacy meetings held by government agencies. ✓ Monthly: Material disclosures and declarations in accordance with the regulations of the competent authority | <ul style="list-style-type: none"> ✓ Participation in the policy advocacy meetings held by government agencies and coordination of the implementation of relevant policies. |
|  Customers | Regulatory Compliance Customer Relationship Management Product Innovation Sustainable Supplier Management | <ul style="list-style-type: none"> ✓ Irregular: Business meetings, technology seminars ✓ Annually: Customer audit, customer satisfaction survey, ESG audit | <ul style="list-style-type: none"> ✓ Execution of customer satisfaction survey. The overall average satisfaction result reached 26.03 points (out of 30 points). ✓ Visiting customers and accepting their audits. |
|  Suppliers / Contractors | Customer Relationship Management Operational and Financial Performance Risk Management Sustainable Supplier Management | <ul style="list-style-type: none"> ✓ Irregular: Supplier compliant system, technology seminars, project coverage ✓ Annually: Supplier meetings, supplier training, audit, evaluation, and counseling | <ul style="list-style-type: none"> ✓ Execution of RBA audit and self-evaluation of 69 suppliers. The audit results were all grade A. |
|  Communities | Regulatory Compliance Economic Performance Talent Attraction and Retention | <ul style="list-style-type: none"> ✓ Irregular: Community activities, talent cultivation | <ul style="list-style-type: none"> ✓ Participation in community activities and provision of talent cultivation bonuses. |
|  Employees | Regulatory Compliance Labor Rights Talent Attraction and Retention Occupational Safety and Health | <ul style="list-style-type: none"> ✓ Irregular: Bulletin boards/ITEQ’s website, feedback mailbox, training programs and policy promotion meetings ✓ Annually: Activities/Employee Satisfaction Survey ✓ Quarterly: Employee forums, labor/management forums, Employee Welfare Committee ✓ Monthly: Monthly meetings of each plant | <ul style="list-style-type: none"> ✓ Execution of employee dedication satisfaction survey. For general employees, the overall score was 82.4 points, while managers obtained a score of 87.1 points (out of 100 points). |

1.2.2. Identification of Material Topics

In line with the four principles of Sustainability Context, Materiality, Completeness, and Stakeholder Inclusivity, ITEQ has identified and evaluated key sustainability topics. The materiality assessment process follows the GRI Standards and incorporates the concept of double materiality, aiming to assess and confirm ITEQ’s Material Topics for 2024.

Screening and Identification of Sustainability Issues

With reference to international sustainability standards and frameworks—including GRI, SDGs, SASB, RBA, and the Dow Jones Sustainability Indices (DJSI)—the ESG Task Force conducted internal discussions to identify relevant topics. In accordance with the GRI Standards, and taking into account industry characteristics, global trends, and key issues identified by peers in the electronic components sector, the company screened and consolidated a total of 21 sustainability topics pertinent to its operations.

Evaluation of the Significant Level of Impact

* Material Impact Evaluation

Using actual/potential and positive/negative impacts and likelihood of occurrence as standards and dimensions, ITEQ assigned each ESG group and directed senior supervisors to fill out evaluation questionnaires to measure the level of impact of each sustainability issue on the external economy, the environment and the local community. A total of 38 questionnaires were returned.

* Investigation of level of concern of stakeholders

We distributed questionnaires to stakeholders for the purpose of investigating the level of their concern about the Company’s sustainability issues. A total of 120 questionnaires were returned.

* 2024 and 2023 Material Topics



Ranking of the reporting priorities of the most significant impacts

The relative distribution of each topic’s level of concern and impact was analyzed using a materiality matrix. This approach helped identify the material topics for 2024, resulting in a total of seven key issues: Regulatory Compliance, Customer Relationship Management, Corporate Governance and Ethical Management, Occupational Health and Safety, Talent Attraction and Retention, Economic Performance, and Emissions Management. These seven topics correspond to eight GRI Standards and one custom metric.

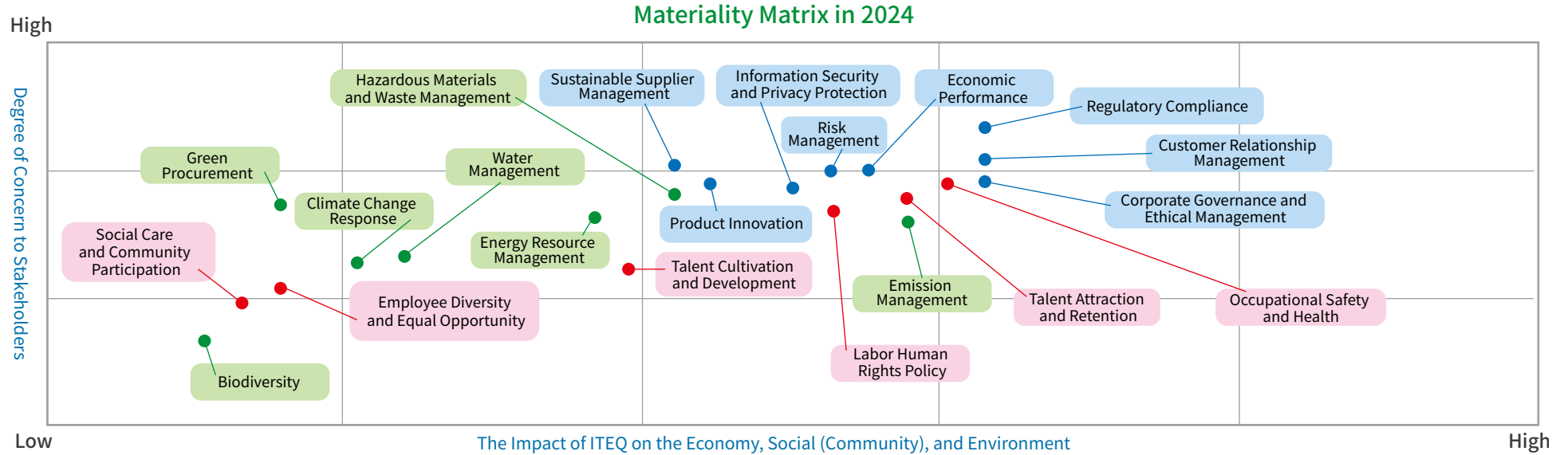
After identifying the material topics, we further identified the areas covered by these topics and the impact of such areas internally and externally to establish the reporting boundary. Furthermore, we compared the responsive chapters of the report regarding each issue to ensure that the information of concern to stakeholders is completely disclosed.

Compared to 2023, the material topics for 2024 include newly added issues such as Customer Relationship Management, Corporate Governance and Ethical Management, Occupational Health and Safety, Talent Attraction and Retention, and Economic Performance, reflecting a balanced emphasis from both internal and external stakeholders on the three aspects of ESG.

* Adjustment of 2024 Material Topics Names

| Material Topics | Difference | Reason for Adjustment |
|---------------------------------|--------------------------------------|---|
| Regulatory Compliance | Material Topics Consolidation | Environmental Regulatory Compliance and Social Regulatory Compliance were combined to become Regulatory Compliance. |
| Emission Management | Name Adjustment | To align with the topic, Air Pollution Management was renamed to Emissions Management. |
| Talent Attraction and Retention | Name Adjustment and Topic Separation | Talent Cultivation and Retention was renamed to Talent Attraction and Retention, and Talent Cultivation and Development was separated to become an independent topic. |

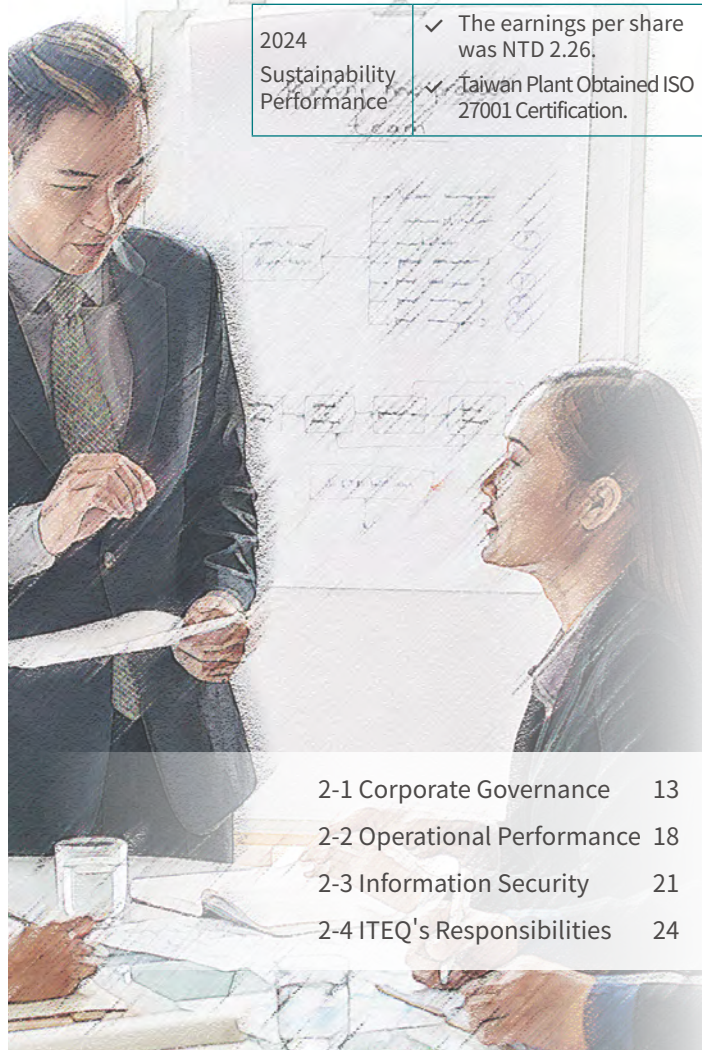
★ 2024 Material Topic Analysis Results



★ Material Topic Boundaries and Corresponding Chapter

| Material Topics | GRI Standards | Inside ITEQ | Outside ITEQ | | | Corresponding Chapter |
|---|------------------|-------------|--------------|----------|-----------|---|
| | | | Customer | Supplier | Community | |
| Regulatory Compliance | GRI2-27 | V | | V | V | ✓ ITEQ's Responsibilities ✓ Pollution and Emission Management |
| Customer Relationship Management | Customized Topic | V | V | | | ✓ ITEQ's Responsibilities |
| Corporate Governance and Ethical Management | GRI205 | V | V | V | | ✓ Corporate Governance |
| Occupational Safety and Health | GRI403 | V | | | V | ✓ Occupational Health and Safety |
| Talent Attraction and Retention | GRI401 | V | | V | | ✓ Talent Acquisition ✓ Employee Care |
| Economic Performance | GRI 201 | V | | | | ✓ Operational Performance |
| Emission Management | GRI302, 303, 305 | V | | V | V | ✓ Climate Change and Energy Management ✓ Pollution and Emission Management |

CH2. Business Continuity



2024 Sustainability Performance

- ✓ The earnings per share was NTD 2.26.
- ✓ Taiwan Plant Obtained ISO 27001 Certification.

- 2-1 Corporate Governance 13
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2.1. Corporate Governance

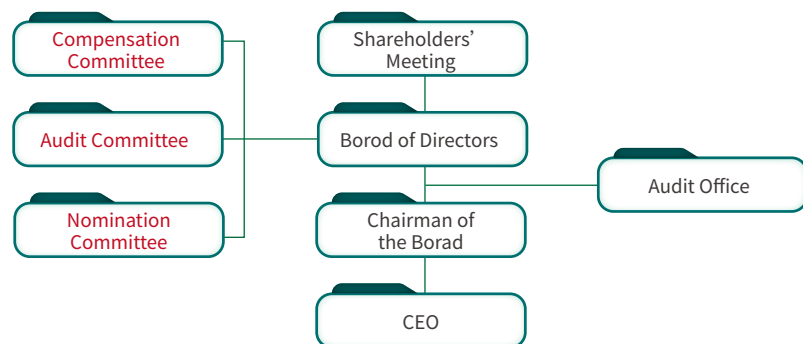
Corporate Governance is the foundation of an enterprise's operations. With a solid stance on information transparency, shareholders' interests, an effective framework for corporate governance, strengthened structure and competence of the Board of Directors, as well stakeholders' interests, we hold ourselves to high standards in fulfilling corporate governance, and ensure our responsibility toward sustainable operations and operational performance.

| Description | | Content |
|-------------|----------------------|---|
| | Purpose | <ul style="list-style-type: none"> ✓ The practice of the core value of Ethical Corporate Management, and the establishment of a culture of Ethical Management. |
| | Policy/Commitment | <ul style="list-style-type: none"> ✓ Stipulation of explicit corporate governance guidelines, establishment of solid governance framework. ✓ Ensure operational performance and shareholders' interests. |
| | Target | <ul style="list-style-type: none"> ✓ Improvement of market share of advanced electronic materials. ✓ All employees to observe a Code of Ethical Conduct, applicable laws and regulations every day when executing business operations. |
| | Action Plan | <ul style="list-style-type: none"> ✓ Development of new materials and expansion of application fields. ✓ Organizing of regulatory compliance education and training and implementation of regulatory compliance and abidance. |
| | Evaluation Mechanism | <ul style="list-style-type: none"> ✓ Review of operational performance and market share. ✓ The Corporate Governance and Sustainability Committee promotes each ESG activity, and reports the implementation status to the Board of Directors. |


2.1.1. ITEQ's Management Structure

Company management is the foundation of an enterprise's sustainability. We adopt a decentralized management structure and encourage transparent communication as our Company's governing principle.

❖ A stable management structure



Board of Directors



- **9** members (including 4 independent directors and 3 female members, all aged 50 or above).
- In 2024, **7** meetings were held
- with a target attendance rate of **95%** and an actual attendance rate of **96.4%**.

Board of Directors

The highest governing body of the Company executes the scope of its duties according to laws and regulations, the Articles of Incorporation, and resolutions from shareholders' meetings, and is accountable to the shareholders' meeting. A candidate nomination system is adopted and each term of office is three years. Elections are held following a fair and just public procedure. The shareholders nominated candidates for members of the 10th Session of the Board of Directors. Directors were elected at the regular Shareholders' Meeting on May 30, 2024. At the first meeting of this Board of Directors, Mr. Chin-Tsai Chen was elected as the Chairperson. The diverse composition of the Board covers operational management, leading and decision-making, professional knowledge, finance and accounting, as well law and related professions. Members are equipped with expertise in dedicated fields and applicable experience.

The convening and agenda of the Board of Directors are subject to the Company's Rules of Procedures for Board of Directors' Meetings. When a director attends or is present at a Board meeting and his/her relationship is likely to prejudice the interests of the Company, that director shall state the important aspects of the interested party relationship in the meeting and, where there is a likelihood of a conflict of interest, may not participate in the discussion or vote on that proposal, but shall instead recuse him or herself from any discussion and voting. Their voting rights may also not be exercised via proxy on behalf of another director. For information on the attendance of directors, please refer to the 2024 Annual Report.

Implementation of Continuing Education for Directors

To further enhance professional skills and knowledge, our directors have attended extensive courses covering e-governance, operational management, taxation, law, risk management, and sustainable governance. In 2024, all directors collectively completed 57 hours of training on sustainability-related topics and 21 hours in other professional areas, totaling 78 hours. On average, each director underwent 8.7 hours of training. Courses covered areas such as digital governance, business management, taxation and legal compliance, risk management, and sustainable governance. Through these trainings, the Board is well-equipped to exercise effective risk oversight and make informed decisions that take into account the Company's economic, environmental, and social impact—guiding ITEQ toward integrated growth in operations, corporate governance, and long-term sustainability.

| Program Themes | | Course Name | Training Hours |
|---------------------------------------|---|--|----------------|
| Sustainability Aspects | Governance | Legal Matters Board Directors Should Know About Ethical Corporate Management Best Practice Principles | 9 |
| | | 2024 Prevent Insider Trading Seminar | 6 |
| | | Corporate Governance and Securities Regulations: 1. Discussions on Insider Trading Preventing from the Perspective of Internal Control. 2. Regulations and Applications Related to Dividend Policy | 6 |
| | Environmental | Anti-Money Laundering and Ethical Corporate Management Seminar (including Sexual Harassment Prevention) | 3 |
| | | 2024 Cathay Sustainable Finance and Climate Change Summit | 18 |
| | | 2024 Taishin Net-Zero Summit Forum | 3 |
| | | Discussing Carbon Fees, Carbon Taxes, Carbon Credit and Carbon Trading | 3 |
| | Social | Impact of the EU Carbon Border Adjustment Mechanism (CBAM) on Enterprises | 3 |
| | | Strengthening Labor Rights in the ESG Era: Building a Friendly Workplace | 3 |
| Operational Management & E-Government | Corporate Integrity and Workplace Diversity & Inclusion | 3 | |
| | Practical Analysis of Equity Investment Planning and Joint Venture Agreements for M&A | 6 | |
| | ChatGPT Flips New Industry Trends | 3 | |
| | Explore the International Competitiveness of Taiwanese Enterprises Under the Situation of Global Competition and Cooperation | 3 | |
| | AI Strategy and Governance Seminar | 3 | |
| | Comprehensive Intellectual Property Protection Strategy - A New Perspective on Intellectual Property Compliance Management with AI Assistance | 3 | |
| | | How to Audit Financial Statements – for the Directors or Supervisors with Non-Finance Background | 3 |
| Total Hours | | | 78 |

Board Diversity

The capabilities of ITEQ’s Board members align with the Company’s future development needs. The Board also adheres to the Company’s board diversity policy, which aims to ensure the inclusion of at least two female directors and at least two independent directors. The consecutive term of any independent director may not exceed nine years, and the number of directors holding employee status shall not exceed one-third of the total number of Board members. The composition of the current Board is as follows:



3 female directors (33%) and 6 male directors (67%)



Proportion of directors with employee status was 11%



The terms of independent directors did not exceed 9 years



Age distribution of our directors: 4 aged 70+, 3 aged 60–69, and 2 aged 50–59

| Title | Name | Nationality | Gender | Age | Industrial experience/Professional skills | | | | | | | Employee Status |
|----------------------|-----------------|-------------|--------|-----------------|---|---------------------|-------------------|---------------------------|------------|----------------------|-----------------------------------|-----------------|
| | | | | | Operational Decision-making | Business Management | Crisis management | Global market perspective | Leadership | Industrial knowledge | Accounting and financial analysis | |
| Chairman | Chin-Tsai Chen | R.O.C. | Male | Over 70 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | |
| Director & CEO | Hsin-Hui Tsai | R.O.C. | Female | 50-59 years old | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Director | Ching-Tsou Tsen | R.O.C. | Male | 60-69 years old | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | |
| Director | Yun-An Yu | R.O.C. | Female | 60-69 years old | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Director | Hui-Fen Chan | R.O.C. | Female | 50-59 years old | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Independent Director | Chen-En Ko | R.O.C. | Male | Over 70 | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | |
| Independent Director | Chao-Zon Yang | R.O.C. | Male | Over 70 | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | |
| Independent Director | Po-Chiao Chou | R.O.C. | Male | Over 70 | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | |
| Independent Director | Wei-Lung Chen | R.O.C. | Male | 60-69 years old | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | |

Performance evaluation of the Board of Directors

To implement corporate governance and improve the functionality of the Board of Directors, and establish performance objectives to strengthen the operating efficiency of the Board of Directors, ITEQ has established “Performance Governing the Board of Directors Performance Evaluation” to conduct annual performance evaluation regularly. In the fourth quarter of 2023, ITEQ entrusted an external agency called “Taiwan Corporate Governance Association” to evaluate the efficiency of the Board of Directors in a period from November 1, 2022 to October 31, 2023 as reference for the continual improvement of the functionality of the Board of Directors. Also, the quality of deliberation was optimized. For the evaluation results, please access the corporate website of ITEQ.

Compensation policy for Directors and managerial officers

The compensation policy for the Board of Directors shall be professionally deliberated by the Compensation Committee, approved by the Board of Directors with relevant resolution, and reported to the Shareholders' Meeting mainly in consideration of measures for performance evaluation of the Board of Directors, operational performance of the Group, and future operational needs and development of the industry, and with reference to the positions served by the directors, their individual contributions to the corporate operation and provision of reasonable compensation for those serving as bank financing guarantors.

Regarding the compensation policy for managerial officers, fixed salaries are determined mainly with reference to individual's job responsibilities, professional knowledge and skills, professional seniority and experience, and other relevant factors. The bonuses and rewards of managerial officers are linked with the Company's operational performance and performance objectives of departments and individuals, and are negotiated and determined in consideration of the future environmental changes and operational performance. The specific evaluation criteria are as follows:

| Evaluation item | Description |
|------------------------------|--|
| Performance indicator 80% | Corporate operating revenue and profit achievement rate, achievement of departmental annual budget, individual KPIs, product yield, development of new technologies, promotion volume, etc. |
| Sustainability indicator 20% | Talent cultivation, comprehensive quality assurance, internal control, customer satisfaction, environment-friendly (energy saving and emission/waste management), losses of working hours due to work-related injuries, information security risks, etc. |

According to the procedures specified in the "Regulations on Managing Remuneration" and "Regulations on Managing Employee Performance Evaluation", relatively reasonable remuneration is provided regarding the aforesaid evaluation items, which shall be reviewed by the Compensation Committee before submitting to the Board of Directors for approval.

Operation of Other Functional Committees

| Functional committee | Date of establishment | Responsibilities | Member | Meetings convened in 2024 |
|------------------------|-----------------------|---|---|--|
| Compensation Committee | November 10, 2011 | <ul style="list-style-type: none"> ✓ Establishing and periodically reviewing performance assessment, policies, systems, standards, and structure for the compensation of directors and managerial officers of the Company. ✓ Periodical review and stipulation of the compensation of directors and managerial officers. | 4 independent directors Convener: Member Zhao-Rong Yang | 5 meetings, actual attendance rate 100% (target attendance rate 95%) |
| Audit Committee | June 15, 2018 | <ul style="list-style-type: none"> ✓ Fair presentation of financial statements of the Company. ✓ Appointment (dismissal) of CPAs and their independence and performance. ✓ Effective implementation of the Company's internal control. ✓ The Company's compliance with relevant laws, regulations, and rules. ✓ Control of the Company's existing or potential risks. ✓ CPAs and the Head of Internal Auditing Office communicate with independent directors on a quarterly basis through the Audit Committee meetings. Refer to relevant information in the Annual Report. | 4 independent directors Convener: Member Chen-En Ko | 5 meetings, actual attendance rate 100% (target attendance rate 95%) |
| Nomination Committee | December 26, 2023 | <ul style="list-style-type: none"> ✓ Establishing standards for diversified backgrounds and independence required of the Board members including professional knowledge, techniques, experience, and genders, and searching, reviewing and nominating director candidates on this basis. | 3 independent directors and 2 directors (including 1 female) Convener: Member Po-Chiao Chou | 3 meeting, actual attendance rate 100% (target attendance rate 95%) |

2.1.2. Innovation of Ideas, Service of Good Faith

The Company adheres to professional and ethical management principles, values corporate image and risk control, implements corporate governance, and has established a Management Committee to generally plan the application of cross-departmental resources of the Company and build consensus. As for corporate finance and business operations, major capex expenditure, and ethical management, the Company proposes improvements and suggestions, has created a highly efficient cross-functional working team through leveraging executing force that benefits from operational integration, improves efficiency and effectiveness, assists the Board of Directors in executing its duties and improving supervisory functions, and reinforces management functions.

Faith: The core of the corporate governance

ITEQ has established the Ethical Corporate Management Best Practice Principles and the Ethical Corporate Management Best Practice Principles as the fundamental structures on which it bases its reputable business operations. These principles clearly define the behavior that contradicts good faith, and different forms of benefits, company policies, and prevention methods that constitute the core of the corporation’s ethical management. The main responsible unit is the Management Committee, which regularly reports the Group’s ethical management actions and acts as the point of contact for internal and external issues. We have a dedicated email address (iteq.audit@iteqcorp.com) for communication and encourage our employees and external stakeholders to contribute to our good faith principles.

2.1.3. CSR Management

To implement sustainable management, the Board of Directors has established the “Sustainable Development Best Practice Principles” to address corporate social responsibility. The Board of Directors serves as the leading body for sustainable development. ITEQ established a dedicated ESG task force to manage sustainability issues in 2017. This task force was specifically further divided into four teams – the Corporate Governance/Economic Team, the Environmental Sustainability Team, the Green Product Team, and the Employee Care/Community Charity Team. These divisions comprise adequate functional managers and employees selected from each department to engage in periodic discussions and meetings and are responsible for the overall management and implementation of ITEQ’s ESG policy and activities. To continually strengthen sustainable development, ITEQ established the Corporate Governance and Sustainability Committee on October 31, 2023. A Director and the CEO serve as the Convener and Chairperson under the leadership of Hsin-Hui Tsai, while the General Managers of plant sites serve as ex-officio members. Two new divisions were added to the four original divisions of this committee – the Risk Management Division and Information Security Management Division – so the committee currently comprises a total of six teams. As the core organization for ESG sustainable development, the committee guarantees the promotion and implementation of work related to corporate sustainable development. The chief corporate governance officer assists this committee in establishing policies and targets at Group level, and supervises the functional divisions in each plant area in their execution, reporting the status of corporate governance, sustainable development, and risk management for the current year to the Board of Directors at least once every year.

❖ Corporate Governance and Sustainability Development Committee



2.2. Operational Performance

2.2.1. Operational Performance Management

To maximize the Company’s profitability and growth, ITEQ focuses on its main business of advanced electronic materials, extending to the integration of high-density interconnect CCLs and substrate CCLs, and aims to become a leading manufacturer of halogen-free, environmentally-friendly materials, high-speed, high-frequency, low-loss materials, high-density interconnect materials, and substrate materials. The product applications of ITEQ include 5G infrastructure, network communications, data centers, automotive electronics, smartphones, consumer electronics, and others. ITEQ continues to increase its market share in the advanced electronic CCL market.

❖ Financial Performance in the Recent Four Years

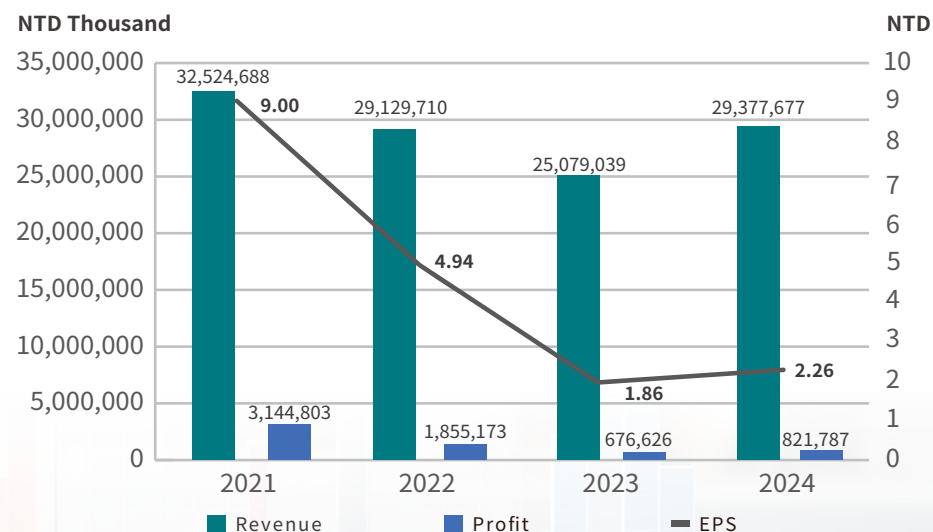
Unit: NTD Thousand (Except EPS)

| Item | 2021 | 2022 | 2023 | 2024 |
|---------------------------------|------------|------------|------------|------------|
| Revenue | 32,524,688 | 29,129,710 | 25,079,039 | 29,377,677 |
| Gross Profit | 5,979,549 | 3,939,903 | 3,105,637 | 3,689,962 |
| Operating Income | 3,819,496 | 1,896,419 | 994,869 | 1,350,667 |
| Non-operating income & expenses | (4,793) | 418,706 | 157,427 | (33,342) |
| Profit before Tax | 3,814,703 | 2,315,125 | 1,152,296 | 1,317,325 |
| Profit | 3,144,803 | 1,855,173 | 676,626 | 821,787 |
| Earnings per Share | 9.00 | 4.94 | 1.86 | 2.26 |

Note 1: The scope of financial performance data covers information obtained from consolidated financial statements audited by CPAs. Please refer to the consolidated financial statements of ITEQ for entities included in the consolidated financial statements.

Note 2: In 2022 and 2023, non-operating income was higher due to the recognition of fire insurance claim income of NT\$450 million and NT\$118.34 million, respectively. This situation did not occur in other years.

❖ Financial Performance in the Recent Four Years



❖ Economic Value Performance in the Recent Four Years

Unit: NTD Thousand

| Item | Basic Component | 2021 | 2022 | 2023 | 2024 | |
|---------------------------------|--|----------------|-------------|------------|------------|----------|
| Direct Economic Value Generated | Revenue (including net sales, financial investment income, asset sales income) | 32,850,567 | 29,447,475 | 26,625,603 | 30,925,317 | |
| Economic Value Distributed | Operating costs | 25,838,675 | 24,959,858 | 22,140,268 | 25,969,037 | |
| | Employee wages and benefits | 2,866,517 | 2,273,433 | 1,943,902 | 2,057,973 | |
| | Payments to capital providers | 1,745,913 | 2,021,662 | 1,232,290 | 823,277 | |
| | Payments to Governments by Country | Taiwan | 943 | 7,053 | (24,177) | (79,184) |
| | | Mainland China | 1,749,455 | 1,301,203 | 767,661 | 718,456 |
| Community Investments | | 1,822 | 3,042 | 1,814 | 1,624 | |
| Economic value retained | | 647,242 | (1,118,776) | 563,845 | 1,434,134 | |

Note: The data of this table has been obtained from the consolidated financial statements audited by CPAs.

2.2.2. Tax Governance

In response to international tax governance trends and tax management policies for sustainable development, ITEQ has established a corporate tax policy, implements regulatory compliance measures, and fulfills its obligations as a corporate citizen.

Tax Policy

- ⦿ Commit to compliance with the spirit and the letter of the tax laws and regulations of each country where our business operates in and to fulfill its tax compliance duties.
- ⦿ Consider tax risks and impact for all important business decisions.
- ⦿ Do not conduct transactions for the purpose of tax avoidance.
- ⦿ Do not use tax havens to conduct transactions whose sole purpose is for tax avoidance.
- ⦿ Do not transfer value created to low-tax jurisdictions without commercial purposes.
- ⦿ Establish a relationship of mutual respect with taxation authorities based on the principles of mutual trust and good faith.
- ⦿ Uphold transparency in financial information and comply with related regulations and standards for the disclosure of taxation information.
- ⦿ Conduct the transactions with affiliate companies in accordance with regular transaction principles and comply with internationally accepted transfer pricing guidance published by the OECD.

Tax Risk Control

Any changes to tax regulations could potentially impact operating activities. The main operating and manufacturing activities of ITEQ are mostly conducted in Taiwan and mainland China. We pay close attention to policies and regulations that may affect corporate finance, conduct research, analyze the potential tax impact, and study and draft countermeasures. In 2024, ITEQ did not violate any tax laws or regulations in Taiwan or mainland China.

Income Tax Expenses

Income tax expenses are paid separately by each company in accordance with the regulations of respective tax jurisdictions. In 2024, income tax expenses incurred in mainland China (including Hong Kong) accounted for 57% of the total. The effective tax rate and cash tax rate for the year were 37.6% and 49.6% respectively, both exceeding the applicable statutory tax rates. The standard corporate income tax rate applicable to ITEQ's subsidiaries in mainland China is 25%, however, the Wuxi and Jiangxi plants have been recognized as High and New Technology Enterprises (HNTE) by the People's Republic of China and are eligible for a preferential income tax rate of 15% during the approved incentive period. The parent company in Taiwan is subject to a corporate income tax rate of 20%.

Unit: NTD Thousand

| Country | Main Business | Number of Employees (Person) | Revenue | Profit (Loss) before Tax | Income Tax Expense | Income Tax Paid (Refunded) | Income Tax Ratio |
|--------------------------------------|---|------------------------------|------------|--------------------------|--------------------|----------------------------|------------------|
| Mainland China (including Hong Kong) | Manufacturing and sales of multi-layer printed circuit boards and copper clad laminates | 2,761 | 28,248,751 | 2,217,214 | 143,082 | 371,667 | 57% |
| Taiwan and others | | 447 | 1,128,926 | (899,889) | 352,456 | 282,110 | 43% |
| Total | | 3,280 | 29,377,677 | 1,317,325 | 495,538 | 653,777 | 100% |

Note: The tax data has been obtained from consolidated financial statements audited by CPAs, and the related party transactions in the Group have already been written off.

❖ Tax Information in the Recent Four Years

Unit: NTD Thousand

| Item/Year | 2021 | 2022 | 2023 | 2024 |
|------------------------|-----------|-----------|-----------|-----------|
| Profit before Tax | 3,814,703 | 2,315,125 | 1,152,296 | 1,317,325 |
| Income Tax Expense | 669,900 | 459,952 | 475,670 | 495,538 |
| Effective Tax Rate (%) | 17.6% | 19.9% | 41.3% | 37.6% |
| Income Tax Payment | 673,047 | 479,031 | 314,886 | 653,777 |
| Cash Tax Rate (%) | 17.6% | 20.7% | 27.3% | 49.6% |

Note: The tax data has been obtained from consolidated financial statements audited by CPAs.

❖ Financial Assistance Obtained from the Government in Last Four Years

Over the past four years, ITEQ has received financial assistance from the government, including investment income tax credits and research and development (R&D) subsidies.

Unit: NTD Thousand

| Item | Country | 2021 | 2022 | 2023 | 2024 |
|-----------------------|----------------|--------|---------|---------|---------|
| Investment Tax Credit | Taiwan | 0 | 0 | 21,895 | 32,481 |
| | Mainland China | 36,851 | 145,662 | 184,711 | 152,508 |

Note: The data of this table has been obtained from consolidated financial statements audited by CPAs.

2.3. Information Security

Data breaches are not uncommon in local and international industries and can be costly. To manage operation risk, companies are placing more importance on information security by reinforcing associated management and system protection measures and raising awareness among employees.

❖ Information Security Guidelines

| Description | | Content |
|-------------|------------------------|---|
| | Purpose | <ul style="list-style-type: none"> ✓ Reduce and/or eliminate information security risks to guide and maintain our own and customers' normal operations. |
| | Management Plan/Policy | <ul style="list-style-type: none"> ✓ Establish information security management standards that comply with regulations and customer needs. ✓ Protect the confidentiality, integrity and availability of valuable company information. ✓ Make employees aware of information security and reach a consensus that everyone is responsible for information security. |
| | Target | <ul style="list-style-type: none"> ✓ Establish a refined Information Security Management System (ISMS) ✓ Acquisition of the ISO/IEC 27001:2022 verification. ✓ Improve colleagues' information security protection awareness, cybersecurity management, and professional technical capabilities. |
| | Action Plan | <ul style="list-style-type: none"> ✓ Adopt Failure Mode and Effects Analysis (FMEA) annually to evaluate information security risks and suggest improving countermeasures to address high-risk matters. ✓ Hold information security related education, training, and advocacy, and implement advocacy and comprehensive test of employees' information security concepts on a quarterly basis. ✓ Annual drill practice on presumed scenarios and system recovery to prepare for operation risks where information systems were compromised by natural disasters or incidents. ✓ The access to confidential data is controlled by system authority. Electronic files are also encrypted and protected with access records. |
| | Evaluation Mechanism | <ul style="list-style-type: none"> ✓ Passing of ISO/IEC 27001:2022 verification. ✓ No external invasion and disclosure of confidential data. |

ITEQ Information Security Key Management

Employee Training

- Supervisors shall supervise information security related practice of their staff.
- Quarterly orientation for new employees with information security education and training.
- Information associated jobs and business shall be assessed and reviewed regularly.
- Conduct 2 - 4 backup and recovery drills of important systems every year.

PC/Internet safety

- The duplication and use of software must adhere to regulations and contracts, as well as establish a software application management system.
- Establish multi-level defense system, such as IPS, firewall, next-generation firewall, and two-factor VPN, etc.
- Establish control mechanisms, such as computer virus detection, spam filtering, outgoing mail control, internet behavior and portable storage device management, are in place to reduce internet threats.

Access Control

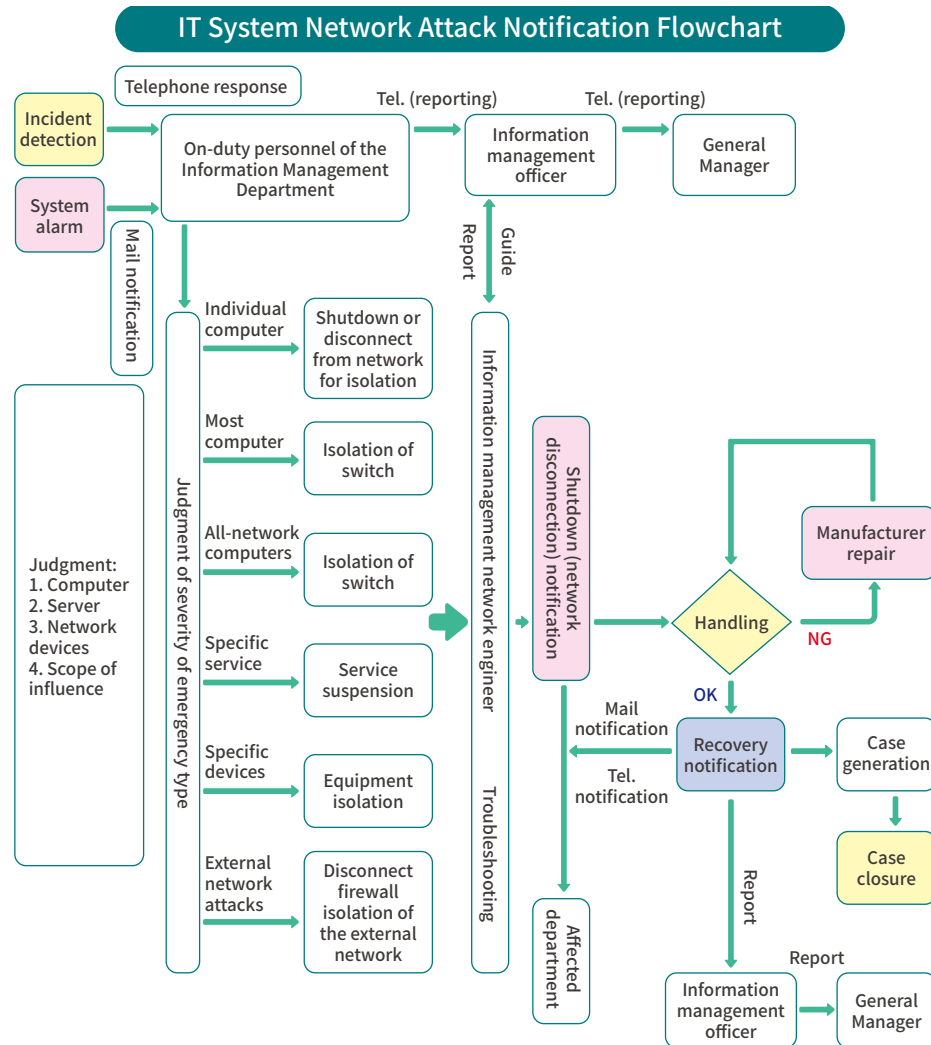
- Formulate system access management guidelines.
- Improve system user registration management through enhancing password management.
- No discs, CD/DVD, portable USB storage, HDD or any other electronic storage media is allowed to carry data outside Company without permission.

Information Asset Security

- Classification of information asset categories, owners and security levels shall be stipulated.
- A standard for information security level classification shall be created.
- Backup and offline storage for critical system and data.
- An exception notification program shall be established as a guideline for examination, analysis, discussion and future prevention of exceptions.

Information Security Incident Notification Flowchart

When a suspected information security incident occurs, personnel who detect the incident shall notify the responsible unit and information security handling team in accordance with the Information Security Emergency Response Plan and Handling Procedures.



Information Security-Related Education and Training

In 2024, the Group conducted 7 sessions of information security-related education training, total 470 participants attended 11 hours program, covering topics such as virus identification, information security enhancement, computer protection, network security threats, understanding hacker intrusions, and sharing of information security incidents.

| Plants | Duration of the course | Number of participants |
|-----------|------------------------|------------------------|
| Taiwan | 4 | 82 |
| Wuxi | 1 | 337 |
| Dongguan | 2 | 3 |
| Guangzhou | 2 | 21 |
| Jiangxi | 2 | 27 |
| Total | 11 | 470 |

❖ Promotion in Information Security

Information Security Awareness: Preventing Ransomware Attacks

What is ransomware?

- Ransomware is a type of malicious software designed to encrypt important files stored on local or network storage devices, demanding a ransom payment for a decryption key to restore access. The primary goal of cybercriminals behind such malware is to gain illicit profits through digital extortion. Since ransomware uses strong encryption technology, it is nearly impossible to retrieve the decryption key through brute-force methods. With no backup, the only options are to pay the ransom or risk permanent data loss.
- Compared to other types of malware that may only steal or damage data, ransomware encryption makes it an especially destructive cyber threat. Even if victims choose to pay the ransom, attackers may still refuse to provide a valid decryption key—leaving both organizations and individuals at an even greater risk of loss.

Ransomware locks key information for encryption

- Once ransomware is activated, it immediately scans all local and network storage devices for files it can encrypt. It specifically targets files that are highly valuable to businesses or individuals, including backup files used for data recovery. The following are common file types targeted by ransomware:

- ✔ Microsoft Office: such as .xlsx, .docx, .pptx and older versions
- ✔ Design Software: .dwg
- ✔ Data: .sql, .al, etc
- ✔ Videos: .avi, .m4a, .mp4

- ✔ Image Formats: .jpeg, .png, .jpeg, .gif

In 2024, the Group advocated information security on 50 occasions, including “Three Don’ts and Three Does” to prevent social engineering, “Should the tracking requests of App be permitted?”, importance of the password strength, “Three keys to information security-Regular password changes are crucial”, email threat situation, prevention of ransomware attacks, network phishing: silent precursor to data breaches, advocacy of the prevention of phishing email attacks, etc. In 2024, no employees violated the information security regulations.

The Company continues to invest in information security resources and management initiatives. In addition to promoting document encryption, dual-factor VPN, controlled email release, and internet behavior management, the information security software and hardware projects enhanced in 2024 included: upgrading the Endpoint Protection system, improving File Server storage and backup, implementing a real-time threat detection system, establishing MPLS private networks, enhancing firewall HA high availability and renewal, renewing antivirus software and endpoint protection contracts, renewing VMware and backup software licenses, as well as renewing the Openfind MailGate and SPAM modules, along with email server maintenance. The total investment for these initiatives amounted to NT\$7.45 million. In 2024, no external intrusions or incidents of confidential data leakage occurred. We will continue to strengthen our information security management system to ensure the security of the Company’s and its customers’ information assets.

ITEQ continuously enhances its information security policies and management solutions based on the latest information security management practices and guidelines. After undergoing audit and verification by an independent certification body, the Taiwan plant successfully passed the ISO/IEC 27001:2022 review in November 2024 and obtained the certification.

❖ ISO 27001 Certification



2.4. ITEQ’s Responsibilities

2.4.1. The Risk and Challenge of Climate Change

The impact of climate change has presented the world with a serious challenge. As a CSR-oriented enterprise, ITEQ is taking action to protect the environment. For information and performance indicators of relevant environment management policies, please refer to the “Sustainable Environment Management” chapter of this Report.

2.4.2. Regulatory Compliance

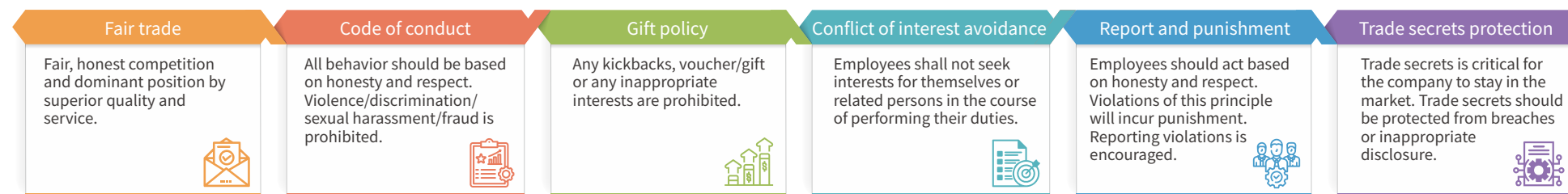
Governance Compliance Basis

We cater to our customers around the globe through operations in Taiwan, China, the EU and the US. Non-compliance of regional laws and regulations can result in legal procedure that affects company operations and/or incurs costs this causing a reduction or loss in profit. ITEQ focuses on relevant policy and abides by changes to the laws to avoid a significant impact on operations and/or financial loss.

Each department must conduct its business in compliance with laws and regulations. Our legal affair office assists with legal inquiries. Relevant courses and information can be found on the Company’s Intranet. ITEQ and its employees shall abide by relevant business laws and regulations. The Company shall arrange relevant training plans on regulatory compliance so that the colleagues can get familiar with the latest laws and regulations, and review, modify and implement these regulations in a timely manner, thus assuring the Company’s commitment to legal abidance.

Ethical Management

In addition to the Company Act, the Securities and Exchange Act, and the relevant regulations of TWSE/TPEX Listed Companies, the stipulations contained in the “Corporate Governance Best Practice Principles”, “Ethical Corporate Management Best Practice Principles”, and “Code of Ethical Conduct” also assist in establishing an effective corporate governance framework for compliance to guarantee the rights and interests of stakeholders.



ITEQ encourages the reporting of unethical or improper behaviors, and provides whistleblowing bonuses as the case may be according to relevant regulations. If relevant personnel of the Company report falsely or accuse others in a malicious way, they will be disciplinarily punished, and even dismissed if the situation is severe. The Company has already set up an independent whistleblowing mailbox (Email: iteq.audit@iteqcorp.com) and a dedicated hotline for internal and external personnel to use. Emails in the whistleblowing mailbox shall be simultaneously received by the Head of Internal Auditing Office and an independent director. The Company guarantees the confidentiality of the identity of whistleblowers and the contents reported, and promises to protect the whistleblowers from being disposed of improperly due to the whistleblowing behavior.

Process for handling of a reported case: Decide to accept>The dedicated unit or auditing office collects relevant information>Case investigation>Propose the review results>Manage improvements as well as reward or punishment>Report to the Board of Directors.

Operation Status of Ethical Management in 2024

- ◆ A “Fraud and Professional Ethics Violation Reporting Mailbox” has been set up in the Stakeholders Engagement Section of the Company website. The point of contact is the Auditing Office (iteq.audit@iteqcorp.com). In 2024, we received two internal whistleblowing reports which were handled according to the aforesaid procedures. One incident involved the unauthorized shipment of substandard products without following the required procedures. It was confirmed through investigation that the incident was caused due to an employee’s negligence in failing to inspect the outgoing vehicle as required. There was no corruption involved. The other incident involved the false reporting of entertainment/travel expenses. It was confirmed through investigation that this incident did not cause any loss to the Company. Relevant employees and direct supervisors were disciplined following procedure in both incidents. The responsible units for the aforesaid incidents that violated ethical management already made improvement plans which were reported by the Head of the Internal Auditing Office to the Board of Directors. We will continually advocate ethical management so all employees following the internal control system to prevent similar incidents from occurring in the future.
- ◆ All new and in-service employees shall receive relevant training on anti-corruption policy and sign statutory documents. Activities including advocacy of all employees’ awareness of Ethical Management Best Practice Principles and advocacy, education and training courses on the prevention of insider trading were conducted and the number of participants from the Group was 3,116. The total training hours reached 2,406 hours, and employees’ training completion rate reached 98%.

| Plants | Taiwan | Wuxi | Dongguan | Guangzhou | Jiangxi | Total |
|------------------------|--------|------|----------|-----------|---------|-------|
| Number of participants | 408 | 919 | 367 | 289 | 1,133 | 3,116 |
| Training hours | 408 | 919 | 367 | 145 | 567 | 2,406 |

- ◆ The Company regularly provides written advocacy regarding prevention of insider trading to insiders and quasi-insiders. Insiders participated in the courses on the advocacy of legal compliance of equity transactions for a total of 18 hours.
- ◆ The Company notifies its directors, insiders, and relevant personnel by e-mail not to trade its stocks during stock closing period 30 days/15 days prior to the announcement of its annual/quarterly financial statements respectively.
- ◆ Clauses regarding bid confidentiality and vendor performance guarantee, etc. shall be specified in the instructions for bidders; clauses regarding prohibition of illegitimate interests and conflict of interest in the contract.

Through online courses and tests, employees of the Group are able to clearly understand the concept of honesty and morality. Announcements of relevant regulations are available on the Company’s Intranet, and colleagues may check them at any time. In case of any problems, colleagues may learn about relevant information and obtain assistance from the management department of each plant. The foregoing will be thoroughly integrated to all colleagues’ daily work and business execution. For the compliance with laws and regulations, the Company conducts regular reviews through complete internal audit, accounting, and internal control systems. Additionally, each unit shall regularly check and establish a legal change management mechanism, to advocate important laws and regulations.

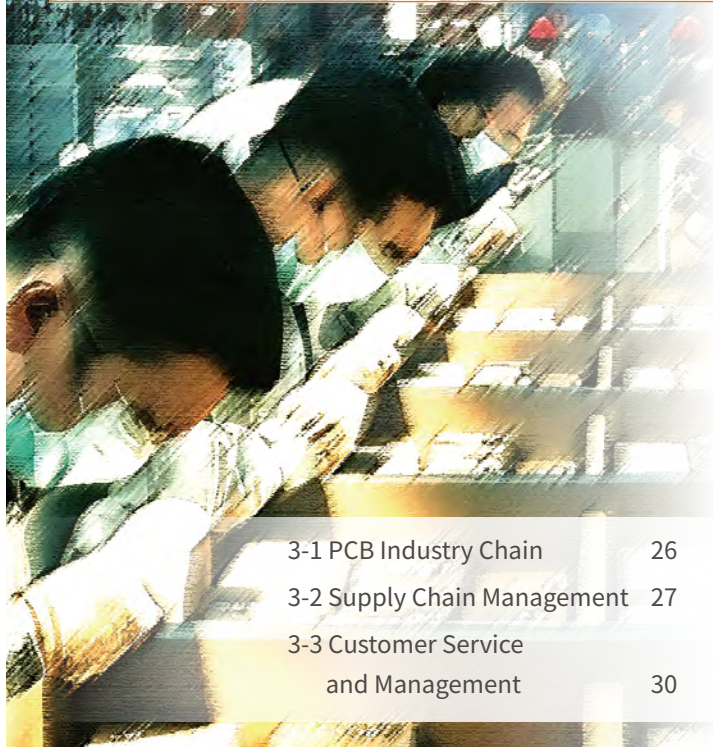
Regulatory Compliance Performance

The Legal Department oversees regulatory compliance across ITEQ. In 2024, there were no violations of regulations related to products, environmental protection, or social responsibility. Additionally, no instances of insider trading by management or customer privacy infringements, based on customer complaints, were reported.



CH3. Supply Chain Management and Customer Service

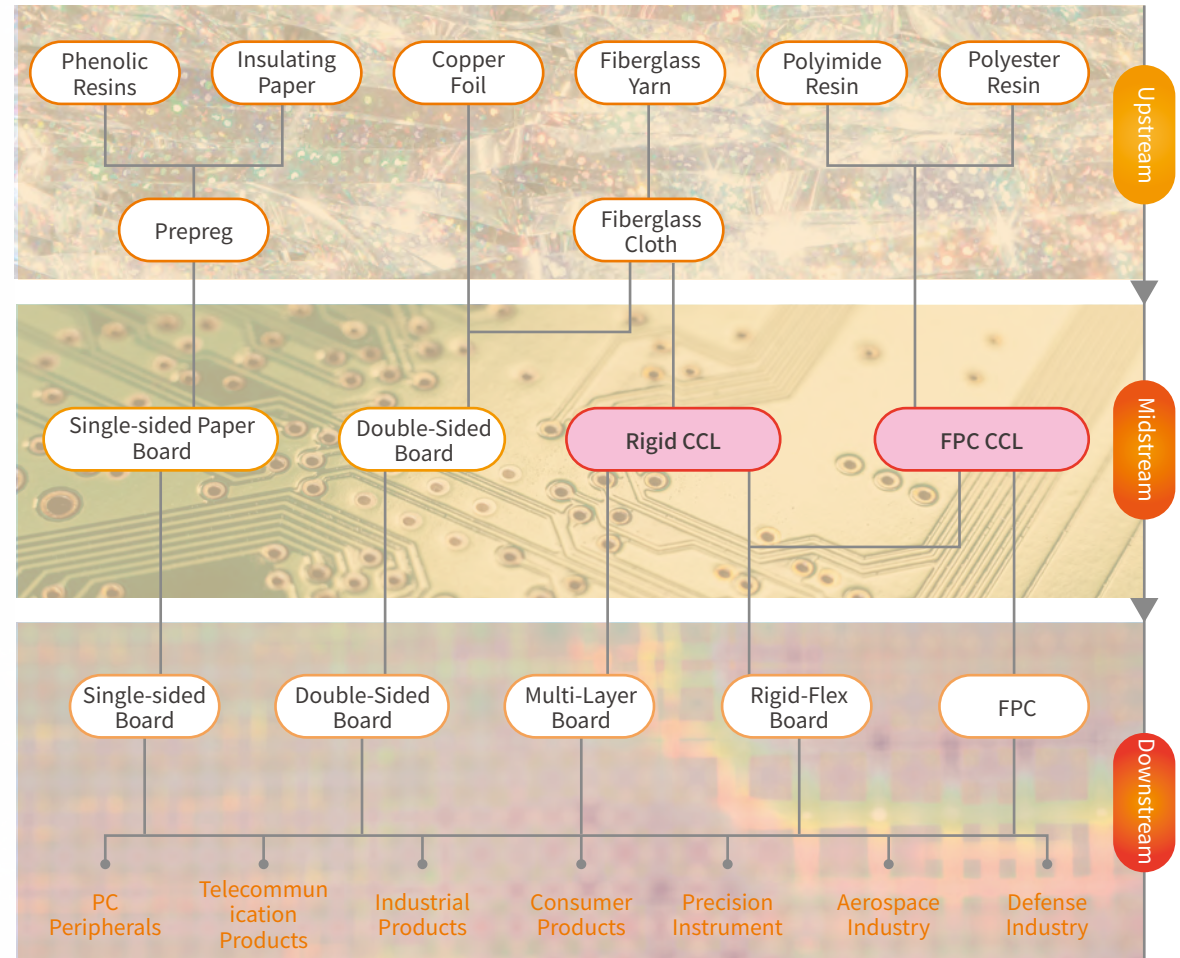
| | |
|---------------------------------|--|
| 2024 Sustainability Performance | ✓ The RBA audit results of suppliers were Grade A. |
| | ✓ The evaluation result of customer satisfaction survey was Grade A. |
| | ✓ No violation of customers' confidentiality contracts and disclosures of customer privacy occurred. |
| | ✓ Certification rate of samples: 90% (target: >=90%). |



| | |
|-------------------------------------|----|
| 3-1 PCB Industry Chain | 26 |
| 3-2 Supply Chain Management | 27 |
| 3-3 Customer Service and Management | 30 |

3.1. PCB Industry Chain

ITEQ is positioned as the midstream supplier in the PCB industry supply chain, with glass fabric yarn and copper foil being the upstream vendors, and PCB makers in the downstream.



3.2. Supply Chain Management

3.2.1. Supply Chain Management Procedures

ITEQ has established a complete supply chain management system, formulated the “Supplier Management Procedure” and “Operating Procedure for the Management of Contractors”, and implemented supplier evaluation procedures in accordance with the requirements of the ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 quality systems and RBA 7.0 specifications, and carried out classified management of suppliers. The evaluation results will serve as the basis for determining purchasing quantities and subsequent cooperation. All new suppliers shall undergo evaluation according to the risk evaluation procedure. ITEQ required new suppliers to issue supplier letter of undertaking and promise to follow business ethics and workers’ human rights, not to use illegally explored raw materials, prohibit the use of hazardous substances, and not to infringe upon patents and intellectual property rights, etc. The responsible unit adopt quantified indicators in the supplier risk and cost evaluation questionnaire as the benchmark for supplier screening. A written review or on-the-spot evaluation of the aforesaid items will be performed for new suppliers. If a new supplier fails to reach the qualified standards, they will be offered the opportunity to make improvements within a specified timeframe. Such supplier may be included as a new eligible supplier only after deficiencies are remedied.

★ Supply Chain Management Guidelines

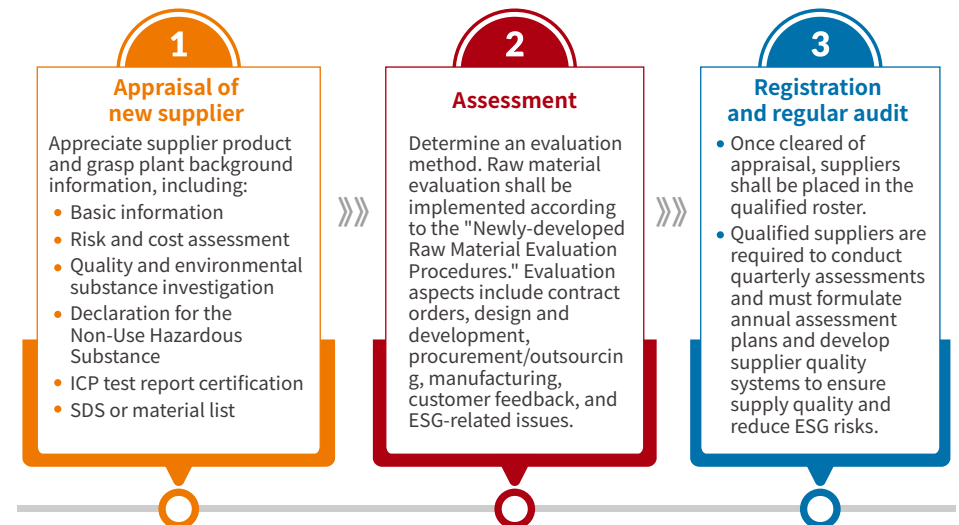
| Description | | Content |
|---|----------------------|---|
|  | Purpose | ✓ To fulfill supplier chain management responsibilities, strengthen the suppliers’ awareness of environmental sustainability responsibilities, and establish sustainable operational performance together |
|  | Policy/Commitment | <ul style="list-style-type: none"> ✓ Reduce carbon footprints ✓ Request suppliers to fulfill ESG responsibilities ✓ Value environmental friendliness |
|  | Action Plan | <ul style="list-style-type: none"> ✓ Deepen local procurement and green product procurement ✓ Implement supplier RBA risk management ✓ Request raw material suppliers to prohibit the use of conflict minerals |
|  | Evaluation Mechanism | ✓ Supplier RBA audit |

Supplier RBA Risk Management

ITEQ is responsible for environmental and social protection and extends this responsibility throughout the supply chain. We have been setting up a complete supplier management system for a long time, and request all of our suppliers to comply with general ethics, integrity and accountability, in addition to quality assurance, while meeting regulatory requirements regarding environmental protection of products and operations to fulfill corporate social responsibility.

To select and manage suppliers appropriately, according to our “Supplier Management Procedures”; we request major raw material suppliers to pass review, evaluation and audit stages to control risks and ensure sustainable management, among other things. We have incorporated our existing supplier evaluation and audit system into supplier risk assessments, which now consist of environmental substance management, plant environment management, occupational health and safety, labor, and ethics and morality, all established in accordance with the RBA (Responsible Business Alliance) Code of Conduct, relevant international standards, and laws and regulations of the region and country in which the business operates. We also ask suppliers to pass on this message to sub-suppliers and monitor their compliance as well.

★ Supplier Management Procedures



★ RBA Audit and Evaluation

| Aspect | Evaluation (Summary) | |
|------------------------------------|--|--|
| Environmental Substance Management | Environmental Training Planning | Environmental Substance Change Management |
| | Package Material Management | Internal Audit |
| | Hazardous Substance Tests | Test Reports |
| Plant Environment Management | Environmental Management Policies and Objectives | Proof Of Discharge Permits |
| | Emergency Response to Chemical Leaks | Requirements For Environmental Management of Suppliers |
| Occupational Health and Safety | Occupational Health and Safety Policies and Objectives | Training Plans for Occupational Health and Safety |
| | Hazard Monitoring and Health and Safety Inspection | Safety Training and Personal Protection |
| | Statutory Safety Permit for Special Equipment | Legal Identification, Updating and Communication |

| Aspect | Evaluation (Summary) | |
|---------------------|--|--|
| Laborer | Labor and Employee Policies | Working Hour Recording System |
| | Labor Contracts | Employee Complaint System |
| Ethics and Morality | Integrity and Anti-Bribery Regulations | Protection of Intellectual Property Rights |
| | Fair Trade Measures | Whistleblower Protection Mechanisms |

The Quality Assurance Center organizes an annual supplier evaluation, conducted by an audit team consisting of members from Quality Assurance, Manufacturing Engineering, Production, Procurement, and other relevant departments. The audit results are classified into four grades, and appropriate management measures are implemented accordingly. Supplier audits are scheduled for each plant as per the plan, starting with the plant located nearest to the audit team. The Jiangxi Plant began conducting supplier audits in 2022. In 2024, ITEQ did not onboard any new raw material suppliers. Audits (including RBA evaluations) for the existing 69 vendor-suppliers were completed as per the annual plan. The evaluation results for all these suppliers met the required standards, with vendors graded A–C qualifying as approved suppliers.

| Class | Grade | Measures for Implementation |
|-------------|-------|--|
| A and above | >91 | ✓ Incremental procurement will be considered in accordance with standard procedures. |
| B and above | >81 | ✓ Procurement will continue following standard procedures. |
| C | 71-80 | ✓ Corrective and preventive actions will be implemented, and procurement will only resume after the supplier has made the required improvements. |
| D | <70 | ✓ Procurement is suspended, and the supplier is removed from the approved vendor list. The supplier may be re-evaluated once improvements are made, following the new supplier evaluation process. If a supplier is rated as Grade D, a special procurement procedure may be applied to avoid supply shortages, with materials sourced through this method. However, Grade D suppliers providing materials under special procurement must still undergo annual audits. |

Unit: Number of suppliers

| Year | Plant | Audit of suppliers | Self-assessment of suppliers | RBA audit | Result A | Result B | |
|------|-----------|--------------------|------------------------------|-----------|--------------|----------|--|
| 2021 | Taiwan | 2 | 26 | 28 | 22 | 6 | |
| | Wuxi | 10 | 3 | 13 | 13 | 0 | |
| | Dongguan | 4 | 13 | 17 | 17 | 0 | |
| | Guangzhou | 3 | 11 | 14 | 14 | 0 | |
| | Jiangxi | Not executed | | | Not executed | | |
| | Total | 19 | 53 | 72 | 66 | 6 | |
| 2022 | Taiwan | 14 | 13 | 27 | 26 | 1 | |
| | Wuxi | 10 | 7 | 17 | 17 | 0 | |
| | Dongguan | 4 | 3 | 7 | 7 | 0 | |
| | Guangzhou | 4 | 11 | 15 | 15 | 0 | |
| | Jiangxi | 4 | 3 | 7 | 5 | 2 | |
| | Total | 36 | 37 | 73 | 70 | 3 | |
| 2023 | Taiwan | 14 | 6 | 20 | 20 | 0 | |
| | Wuxi | 10 | 10 | 20 | 20 | 0 | |
| | Dongguan | 6 | 6 | 12 | 12 | 0 | |
| | Guangzhou | 10 | 17 | 27 | 27 | 0 | |
| | Jiangxi | 7 | 5 | 12 | 12 | 0 | |
| | Total | 47 | 44 | 91 | 91 | 0 | |
| 2024 | Taiwan | 13 | 4 | 17 | 17 | 0 | |
| | Wuxi | 9 | 3 | 12 | 12 | 0 | |
| | Dongguan | 7 | 6 | 13 | 13 | 0 | |
| | Guangzhou | 1 | 18 | 19 | 19 | 0 | |
| | Jiangxi | 6 | 2 | 8 | 8 | 0 | |
| | Total | 36 | 33 | 69 | 69 | 0 | |





★ 2024 Major Deficiencies Discovered in Supplier Audit and Improvement Actions

| Deficiencies | Description of Deficiencies | Improvement Actions |
|--|--|--|
| Failure to implement hazardous substance management | <ul style="list-style-type: none"> ✓ Failure to effectively trace the management of hazardous substances of purchased products. ✓ Failure to review hazardous substance management in new product development. | <ul style="list-style-type: none"> ✓ Requiring suppliers to submit third-party test reports on hazardous substances contained in products. ✓ Guiding suppliers to establish a new product development management system to ensure inspection procedures of hazardous substances are in place. |
| Absence of an emergency response plan | <ul style="list-style-type: none"> ✓ Items in the emergency response plan were not complete. ✓ Evacuation routes were not clearly indicated. ✓ Fire safety equipment or normally prepared medicines were not inspected regularly or practically. ✓ First-aid kits were kept at the administration department, rather than at production workshops. | <ul style="list-style-type: none"> ✓ Revising the contents of the emergency response plan to ensure integrity. ✓ Requiring suppliers to clearly indicate evacuation routes. ✓ Implementing regular inspections of health and safety items and keeping relevant records. ✓ Allocating first-aid kits to production workshops. |
| Discriminatory clauses in recruitment regulations | <ul style="list-style-type: none"> ✓ Discriminatory clauses regarding health conditions, appearance requirements, etc. featured in personnel recruitment regulations. | <ul style="list-style-type: none"> ✓ Revising the personnel management rules and regulations to remove discriminatory clauses to ensure fair recruitment practices. |
| An article did not define equipment recovered from abnormalities | <ul style="list-style-type: none"> ✓ Failure to specify and execute the following wording in the work instructions: "Confirmation from QA and an independent quality inspection and tracking are required for products manufactured with equipment to which abnormalities have occurred and after completion of the handling of such abnormalities." | <ul style="list-style-type: none"> ✓ Revision of the contents of the work instructions and implementation – Production can only be conducted after the first batch of products is tested by QA and confirmed as compliant after the occurrence of abnormalities. |

Conflict Minerals Management

The mining industry of the Democratic Republic of the Congo (DRC) is controlled by several interest groups. Conflicts of interest result in armed conflicts and violations of human rights in the DRC and its neighboring countries. ITEQ prohibits the use of conflict minerals, including, but not limited to, cassiterite, wolframite, coltan, gold and its derivatives, particularly Au, Ta, Sn, W, Co and Mica, and requests suppliers and all players in the supply chain to fully understand this prohibition and report any use of conflict minerals. We have requested our raw material suppliers to prohibit the use of conflict minerals and provide a declaration/guarantee that minerals are conflict-free.

3.3. Customer Service and Management
Customer Service Management Guidelines

| Description | | Content |
|---|----------------------|---|
|  | Purpose | <ul style="list-style-type: none"> ✓ Ensure that we meet our customers' requirements, maximize profits, and increase market share, achieving a win-win situation. |
|  | Policy/Promise | <ul style="list-style-type: none"> ✓ Quality assurance and after-sales service. ✓ Provide high-quality products and services and deeply cooperate with customers to jointly develop products made of advanced special materials and markets. ✓ Fulfill the responsibility for protecting customer privacy. |
|  | Action Plan | <ul style="list-style-type: none"> ✓ Regularly handle internal education and training as well as quality audit. ✓ Ensure that customer complaints can be properly handled and responded to. ✓ Regular customer satisfaction review. |
|  | Evaluation Mechanism | <ul style="list-style-type: none"> ✓ Customer satisfaction survey. ✓ Certification rate of samples. ✓ No disclosure of customer privacy. |

In upholding a customer-oriented business philosophy, ITEQ maintains stable and good working relationships with customers, understands customers' needs, and adjusts operations based on these needs. We continuously carry out audits and implement improvements to meet our customers' requirements for a win-win and to maximize profits. To achieve our goals, we value product quality and provide after-sales services. Our marketing and promotion strategies also abide by relevant regulations, and we do not sell any products that do not comply with environmental protection regulations. In 2024, the certification rate of samples reached 90%, indicating that the Company's products greatly align with customers' design requirements.

Customer Satisfaction

ITEQ’s goal is to provide quality products and services for major customers and develop high-grade special materials with our strategic partners. To achieve this goal, we consider customer satisfaction paramount. We distribute customer satisfaction questionnaires to external sales customers (not including related party transactions in the Group) every year according to the Customer Satisfaction Management Procedure to survey customer satisfaction across six areas: Delivery, technology, quality, speed of addressing customer complaints, provision of advanced materials, and conformity of hazardous substances. Each item is scored from one (very dissatisfied) to five (very satisfied), and the results are classed into grade A (24-30 points), grade B (18-23.9 points), grade C (12.1-17.9 points), and grade D (12 points or below). The business, technical service, and quality control units are responsible for summarizing each satisfaction indicator for trend analysis and proposing reviews in supervisor meetings. We discuss areas that fail to reach standard (score below 3 points) with customers to learn about and improve deficiencies.

In 2024, we conducted a satisfaction survey for the top 10 customers at each plant, as well as for our automotive PCB customers. The average score from the survey was 26.03 points (Grade A), which met the Company’s annual target. The customer satisfaction rate was 89%, showing a slight decrease of 1% compared to the previous year. The Company will continue to enhance overall service quality, including product quality, cost, delivery times, business operations, and technical services, to improve customer satisfaction.

The scores for some individual customer satisfaction items were lower than 3 points, primarily due to the customers’ unique order specifications and fluctuating demand, which made it difficult for ITEQ to pre-stock materials to meet short delivery deadlines. The sales team continues to communicate with customers to confirm their requirements in advance, enabling the Company to prepare materials and achieve the goal of shortening lead times.

We maintain close communication with our customers, regularly gathering their opinions and feedback to drive continuous improvements and refine our processes.

★ Group’s Customer Satisfaction Survey Results in the Recent Four Years

| Item | 2021 | 2022 | 2023 | 2024 |
|--|---------|---------|---------|---------|
| Cooperation of Delivery Service | 4.08 | 4.33 | 4.38 | 4.26 |
| Cooperation of Technical Service | 4.24 | 4.42 | 4.40 | 4.38 |
| Quality Status | 4.06 | 4.39 | 4.42 | 4.30 |
| Improvements following Customer Complaints | 4.14 | 4.44 | 4.29 | 4.30 |
| Cooperation in the Provision of High-grade Materials | 4.24 | 4.4 | 4.40 | 4.31 |
| Compliance with Customers’ Hazardous Substance Management Requirements | 4.42 | 4.56 | 4.58 | 4.48 |
| Average Score | 25.18 | 26.54 | 26.46 | 26.03 |
| Overall Satisfaction Grade | Level A | Level A | Level A | Level A |
| Revenue of Customers Surveyed to the Consolidated Revenue | 72% | 73% | 77% | 78% |
| Questionnaire Reply Rate | 67% | 86% | 61% | 75% |
| Customer Satisfaction Rate (Note) | 70% | 84% | 90% | 89% |

Note: Customer satisfaction rate = Number of questionnaires indicating customer satisfaction/Number of questionnaires replied by the customers; the target of the customer satisfaction rate was determined as 80%.

Customers complaints and Privacy Protection

Improving response times to customer complaints is key to increasing customer satisfaction. We have established an efficient complaint channel through which customers can submit their concerns at any time via ITEQ’s website, telephone, or the dedicated email address: service@iteqcorp.com. Upon receiving a complaint, customer service staff immediately analyze the issue, convene a review meeting, and propose specific corrective actions to quickly address the customer’s concern and prevent similar issues from occurring in the future. Furthermore, the number of customer complaints is a key performance indicator (KPI) for our operations. These complaints are analyzed annually by type and customer at quality management review meetings, and findings are used to set quality improvement goals for the following year.

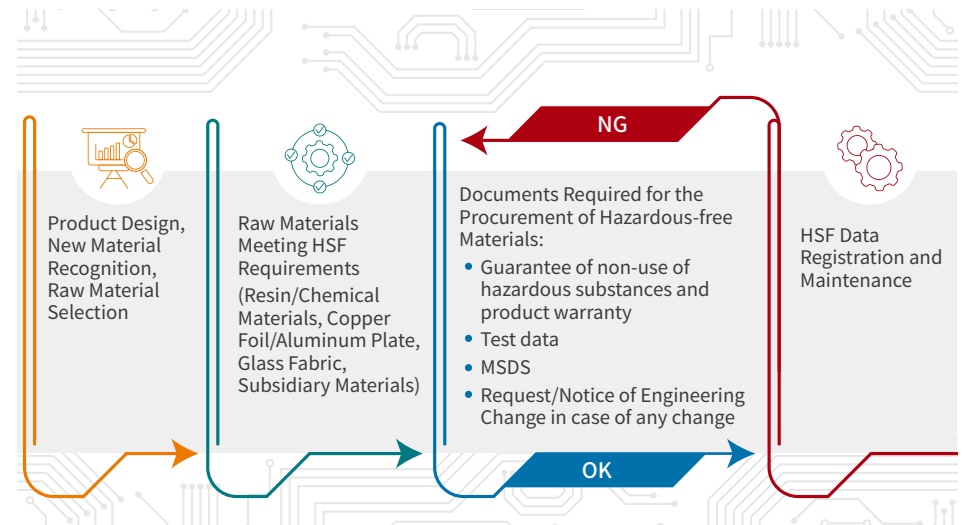
Regarding customer privacy protection, we have signed confidentiality agreements with customers externally and implemented internal information security management measures to strengthen our information security practices. This ensures the security of data, systems, equipment, and networks. In 2024, no complaints regarding the infringement of customer privacy were received.

Hazardous Substance Management

Our products comply with international environmental protection regulations, including EU RoHS, REACH, the EU Directive on Restriction of Hazardous Substances in Electrical and Electronic Equipment (EU RoHS), SONY SS-00259 technical standards, and California Proposition 65. The Quality Assurance Department regularly collects and consolidates relevant international regulations and customer requirements to update the environmental substance control list and acceptance standards. In 2024, ITEQ controlled hazardous substances according to varying restriction levels, with 52 substances classified as hazardous substance-free (HSF), 53 restricted substances, and 247 Substances of Very High Concern (SVHC) under REACH.

ITEQ reviews HSF (Hazardous Substances Free) data based on the procedural requirements outlined in the "Hazardous Substance Control Standards" document. The procurement department requires suppliers to provide a "Certificate of Conformity for Hazardous Substances" and related verification documents, such as third-party certification test reports, composition sheets, or Safety Data Sheets (SDS). These documents are then reviewed by the R&D, Quality Assurance, and Occupational Health and Safety departments before the parts can be approved and added to the list of qualified part numbers. After product manufacturing is complete, we also send samples to third-party laboratories for testing. The results are recorded in the outsourced testing survey form to ensure comprehensive tracking of product compliance with regulations. Through stringent control procedures, ITEQ did not violate any product health and safety regulations, nor our self-imposed voluntary standards in 2024.

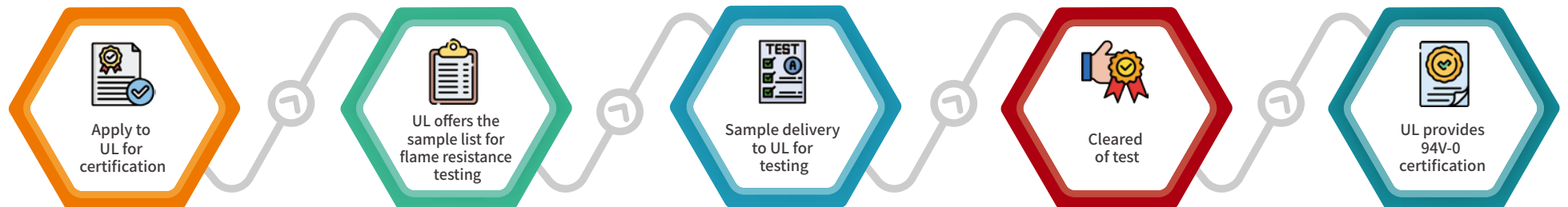
Information Control Processes for Hazardous Substances



Product Labeling Management

All of the substrates produced by ITEQ pass UL flammability certification and are marked with a fire-proof level of 94V-0. Related labels are also affixed to packaging for ease of identification. In addition, resin powder and glass fiber cloth produced can cause irritation to the throat, skin, and eyes, or cause other health issues if inhaled or come into contact with a person's skin. We fully inform our customers that they must take necessary protective measures and precautions to protect themselves. In 2024, all of our products were labeled in accordance with customers' requirements and no violations of labeling regulations were reported.

UL for certification



CH4. Sustainable Environment Management

| | |
|---------------------------------|--|
| 2024 Sustainability Performance | ✓ Received the ISO 50001:2018 Certification: Wuxi Plant, Taiwan Plant and Jiangxi Plant |
| | ✓ Received the ISO 50001:2018 Certification: Taiwan Plant, Wuxi Plant, Jiangxi Plant, Dongguan Plant and Guangzhou Plant |
| | ✓ Received the ISO 14067-1:2018 Certification: Wuxi Plant |
| | ✓ No major environmental incidents occurred. |

4.1. Climate Change and Energy Management

Climate change has emerged as one of the most pressing issues of the 21st century, especially in light of recent years' extreme weather events, floods, and droughts. These challenges have compelled government agencies, businesses, and private organizations to take more proactive steps in mitigating risks and adopting adaptive measures. Since its inception, ITEQ has prioritized low-carbon design and implemented energy management systems across its operations to reduce greenhouse gas (GHG) emissions.



| | |
|---|----|
| 4.1. Climate Change and Energy Management | 33 |
| 4.2. Chemical Management | 42 |
| 4.3. Pollution and Emission Management | 45 |
| 4.4. Environmental Cost and Benefits | 52 |

Implementation of Climate-Related Information

| Item | Implementation status |
|---|---|
| Describe how the Board of Directors and management oversee and govern climate-related risks and opportunities. | <ul style="list-style-type: none"> ✓ The Company has established a Corporate Governance and Sustainability Committee, which comprises the CEO and general manager of each plant. The committee reports the impact of climate on operations and risk management measures to the Board of Directors regularly. ✓ The ESG Team, Risk Management Team, and Information Security Management Team are set up under the Corporate Governance and Sustainability Committee. The Chief Corporate Governance Officer is responsible for generally planning and promoting related work. A Risk Management Team has been established in each plant to conduct risk identification/measurement/control planning at plant level. The Chief Corporate Governance Officer summarizes risk management measures at Group level and submits them to the Corporate Governance and Sustainability Committee. |
| Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term). | <p>The major climate risks faced by the Company mainly derive from the laws and regulations of each country, customer and investor requirements to reduce greenhouse gas emissions and carbon, and conserve energy used in products.</p> <p>Short-term risks and opportunities: Carbon inventory and increased costs of voluntary carbon reduction. However, if information on carbon emissions is completely disclosed and early response is implemented, customers' trust in the Company can increase.</p> <p>Medium-term risks and opportunities: Regulatory requirements regarding carbon emission disclosure and increased costs for calculations of product carbon footprint, etc. However, low-carbon products can improve product competitiveness.</p> <p>Long-term risks and opportunities: Increase of carbon emission costs including carbon tax, and coordinated adjustments of low-carbon supply chain, low-carbon R&D, production, transportation, and delivery. The competitiveness of the Company can increase if such work is executed efficiently.</p> <p>Regulatory compliance regarding carbon emissions and customer requirements will increase the Company's response costs. However, by adjusting performance indicators, realizing the green value chain of the Company, and implementing green R&D, green production, and green sales, product competitiveness can be reinforced to improve profits and corporate value.</p> |
| Describe the financial impact of extreme weather events and transformative actions. | <p>The Company will evaluate whether it is necessary to introduce Science Based Targets initiative (SBTi). The Company is also evaluating the use of renewable energy to improve the utilization ratio of green energy.</p> |
| Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. | <p>Risk identification and measurement:</p> <ul style="list-style-type: none"> ✓ The Risk Management Team of each plant shall collect information regarding markets, local and international regulations, technology, and physical future climate development trends, and list possible climate risks and opportunities. Each risk will also be sorted according to the degree of financial disclosures, and such information will be verified and approved by the General Manager of each plant, and submitted to the Chief Corporate Governance Officer for review. ✓ In accordance with the overall advantages/disadvantages, opportunities, and risks of the Group, the Chief Corporate Governance Officer shall communicate with each plant and summarize and sort the aforesaid climate risks and opportunities at Group-level "Climate Risks and Opportunities". <p>Risk control:</p> <p>The Chief Corporate Governance Officer will submit the summarized and sorted "Climate Risks and Opportunities" of the Group to the Corporate Governance and Sustainability Committee for review, and then report risk control countermeasures for item requiring response and prioritization to the Board of Directors.</p> <p>Integration of a climate risk management process and overall risk management system</p> <p>The Company has already established a "Risk Management Policy and Procedures", and climate risks have already been explicitly determined as items within the scope of risk management. Climate risk management will be carried out according to the current risk governance structure.</p> |
| If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described. | <p>Scenario analysis has not been yet used to evaluate climate change risks.</p> |
| If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks. | <p>A climate transition plan has not yet been established according to the CDP structure.</p> |
| If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. | <p>An internal carbon pricing mechanism has not yet been introduced.</p> |
| If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified. | <p>The Company currently adopts a rolling base date and aims to reduce greenhouse gas emissions by 1% every year. The Company will subsequently evaluate whether it is necessary to introduce SBTi for greenhouse gas reduction targets.</p> |
| Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan. | <p>For information on greenhouse gas inventory and assurance, please refer to "Energy Use and Greenhouse Gas Management". The Company will also disclose its carbon reduction targets, strategy, and concrete action plan in 2027.</p> |

Management Policies and Objectives

The development and plant design of ITEQ’s Taiwan plant follow the ‘Key Points for the Promotion of the Green Factory Label’ issued by the Industrial Development Administration of the Ministry of Economic Affairs, with a dual focus on energy conservation and carbon reduction through both hardware infrastructure and operational practices. On the hardware side, the plant replaces heavy oil with natural gas and utilizes a Regenerative Thermal Oxidizer (RTO) for tail gas recovery to reduce greenhouse gas emissions. This is further supported by the implementation of energy-efficient equipment and technologies aimed at maximizing energy conservation and minimizing carbon emissions. On the software side, we continuously monitor and improve energy resource usage through the ISO 14001 Environmental Management System. In compliance with the Energy Management Act, we report annual energy consumption and energy-saving action plans to the Ministry of Economic Affairs’ Energy Administration. Internally, we have issued the “Operating Procedure for Water and Electricity Saving” to promote full employee participation in energy-saving efforts during daily operations. These energy conservation principles and practices have also been promoted and implemented across our manufacturing plants in China.”

The Jiangxi plant was certified under the ISO 50001 Energy Management System in 2019. Since then, we have further improved energy efficiency and achieved reductions in energy consumption, leveraging the ISO system. Ongoing discussions are exploring the potential for alternative energy sources. By the end of 2024, three out of the five plants covered in this report had successfully achieved ISO 50001:2018 certification. The remaining plants are expected to obtain certification in due course, in alignment with system provisions.

Energy Policy

We establish an energy management system according to ISO 50001:2018. Also, we promise to implement and continually improve the following matters:

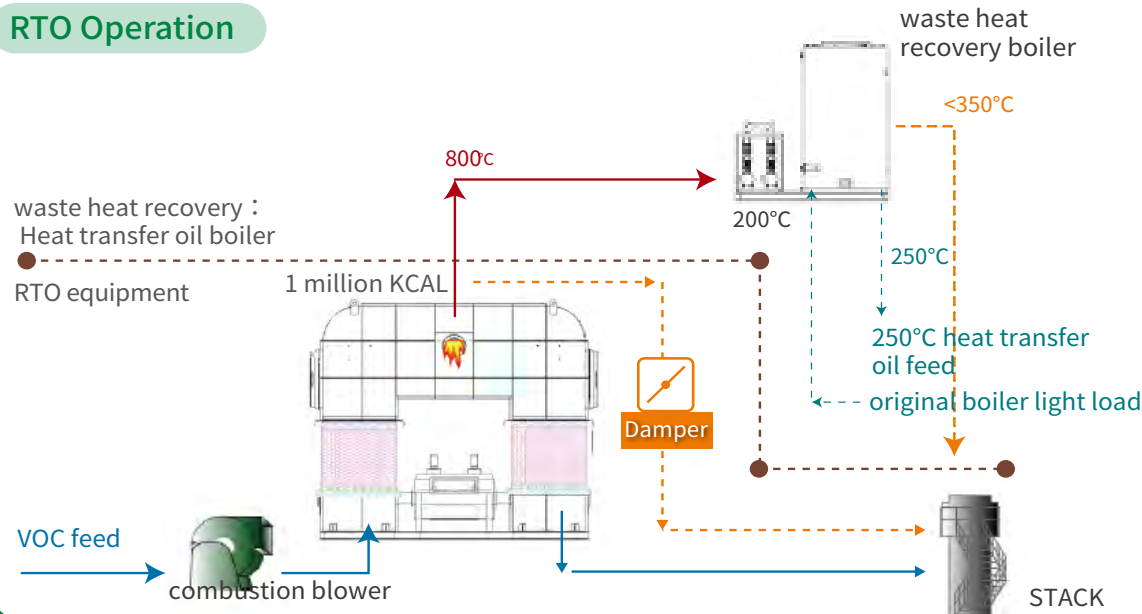


| Plant | Wuxi Plant | Taiwan Plant | Jiangxi Plant |
|---------------------------------|-------------------|-------------------|-------------------|
| First issuance of certification | December 23, 2019 | November 12, 2020 | February 20, 2023 |
| Validity date of certification | December 22, 2025 | November 12, 2026 | February 19, 2026 |
| Assurance agency | WIT | SGS | GZCC |

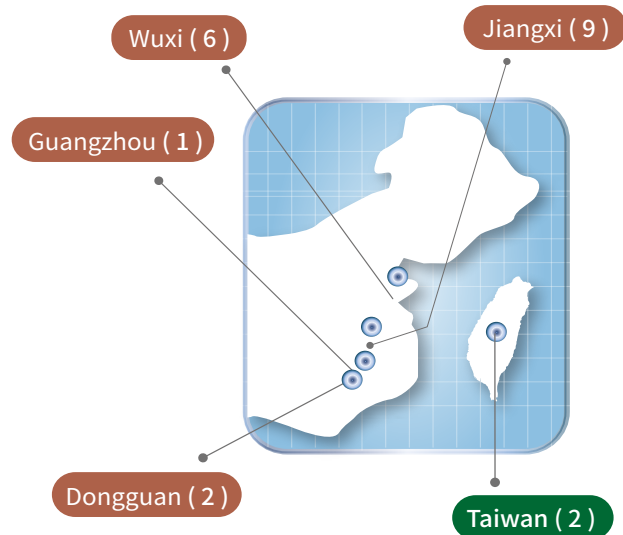
Regenerative Thermal Oxidizer, RTO

The Regenerative Thermal Oxidizer (RTO) technology utilizes the heat storage capability of ceramic materials to repeatedly recover and redirect the waste heat generated from incineration, achieving an air pollution removal efficiency of over 96%. Powered by natural gas, RTO is a highly efficient and low-energy consumption incineration system. All factories within the group have implemented RTO systems to reduce VOC emissions from production lines, in compliance with the emission standards set by local authorities.

RTO Operation



Quantity of RTOs in each plant



Energy Use and Greenhouse Gas Management

The continuous rise in greenhouse gas emissions is a major contributor to global warming. This not only exacerbates climate change but also leads to crises such as rising sea levels and extreme weather events. ITEQ primarily relies on electricity for its operations, with other energy sources including natural gas used in boilers and Regenerative Thermal Oxidizers (RTO), small amounts of gasoline for official and transport vehicles, and diesel for forklifts. Since 2021, ITEQ's Taiwan plant has been conducting both direct and indirect greenhouse gas inventories in accordance with relevant regulations. This practice has since been expanded to our plants in China, allowing us to assess the current greenhouse gas emissions and verify the effectiveness of our carbon reduction efforts. In 2024, the Group's total energy consumption reached 1,471,044.70 GJ, marking an annual increase of 9.68%.

As for greenhouse gas reduction targets, ITEQ adopts the rolling base year method. In 2024, the Company's greenhouse gas emissions were reduced by 1% compared to 2023. In 2024, the Group's direct greenhouse gas emissions (Scope 1) totaled 75,201.03 tCO₂e, while indirect energy-related emissions (Scope 2) reached 104,936.13 tCO₂e. The combined total for Scope 1 and Scope 2 emissions was 179,957.16 tCO₂e, reflecting a 13% increase compared to the previous year, which means the reduction target was not achieved. The main reason for this increase was the recovery in market demand. To meet customer requirements, production volumes of PP and CCL increased by 0.18% and 12.02%, respectively.

Energy Consumption Year-on-Year

| Category | Plant | 2021 | 2022 | 2023 | 2024 |
|--|-----------|--------------|--------------|--------------|--------------|
| Natural Gas (thousand cubic meters) | Taiwan | 1,372.70 | 1,909.17 | 2,285.76 | 2,982.28 |
| | Wuxi | 6,798.10 | 6,094.79 | 5,350.13 | 5,737.78 |
| | Dongguan | 2,132.10 | 1,671.41 | 1,824.02 | 1,004.46 |
| | Guangzhou | 1,506.62 | 1,349.84 | 663.89 | 448.32 |
| | Jiangxi | 7,920.00 | 9,984.80 | 12,382.66 | 17,016.70 |
| | Total | | 19,729.52 | 21,010.00 | 22,506.45 |
| Electricity kWh) | Taiwan | 11,325.60 | 17,486.40 | 16,920.80 | 18,991.20 |
| | Wuxi | 58,582.80 | 52,694.40 | 48,492.10 | 53,159.14 |
| | Dongguan | 25,826.40 | 23,722.13 | 21,640.80 | 13,135.20 |
| | Guangzhou | 15,712.12 | 15,141.27 | 12,730.44 | 11,017.16 |
| | Jiangxi | 59,197.70 | 64,306.50 | 77,383.40 | 100,392.79 |
| | Total | | 170,644.62 | 173,350.69 | 177,167.54 |
| Diesel (Liters) | Taiwan | 46,752.20 | 52,790.61 | 39,567.62 | 39,648.54 |
| | Wuxi | 294,035.70 | 256,452.00 | 292,965.65 | 309,043.65 |
| | Dongguan | 64,289.36 | 66,068.90 | 167,705.71 | 188,410.53 |
| | Guangzhou | 29,834.90 | 20,719.57 | 2,924.62 | 86.00 |
| | Jiangxi | Unused | Unused | Unused | 45,746.57 |
| | Total | | 434,912.16 | 396,031.08 | 503,163.60 |
| Total of categories (GJ) | | 1,182,370.23 | 1,241,260.50 | 1,341,169.09 | 1,471,044.70 |

Note: Heat conversion factor: 1kwh=3.6MJ; 1kcal=4,186.8 J

Greenhouse Gas Inventory and Assurance of the Group in Last Two Years

Unit: tCO₂e

| Year | 2023 | | | | | 2024 | | | | | |
|-----------|-----------|-----------|--------------------|--|----------------------|-----------|------------|------------|--------------------|---|----------------------|
| Plant | Scope 1 | Scope 2 | Subtotal of plants | Assurance agency | Assurance opinion | Scope 1 | Scope 2 | Scope 3 | Subtotal of plants | Assurance agency | Assurance opinion |
| Taiwan | 4,707.60 | 8,375.80 | 13,083.40 | TÜV Rheinland Taiwan | Reasonable Assurance | 6,026.61 | 9,381.65 | 3,805.28 | 19,213.54 | TÜV Rheinland Taiwan | Reasonable Assurance |
| Wuxi | 16,914.91 | 27,655.06 | 44,569.97 | WIT | Reasonable Assurance | 17,990.66 | 28,525.20 | 433,289.62 | 479,805.48 | WIT | Reasonable Assurance |
| Dongguan | 4,669.21 | 12,341.75 | 17,010.96 | CTI | Reasonable Assurance | 3,103.17 | 5,787.78 | 42,634.49 | 51,525.44 | Beijing Daluhangxing Quality Certification Center Co., Ltd. | Reasonable Assurance |
| Guangzhou | 1,584.05 | 7,260.17 | 8,844.22 | Zhongjing Certification | Reasonable Assurance | 1,143.66 | 4,850.86 | 5,134.89 | 11,129.41 | Zhongjing Certification | Reasonable Assurance |
| Jiangxi | 32,019.31 | 43,087.08 | 75,106.39 | Zhongbiaoyan Guolian (Beijing) Certification | Reasonable Assurance | 46,756.93 | 56,390.64 | 424,354.72 | 527,502.29 | Zhongbiaoyan Guolian (Beijing) Certification | Reasonable Assurance |
| Total | 59,895.08 | 98,719.86 | 158,614.94 | | | 75,021.03 | 104,936.13 | 909,219.00 | 1,089,176.16 | | |

Note: Scope 1 refers to direct emissions, i.e., emissions directly from the emission sources owned or controlled by the Company; Scope 2 refers to indirect emissions, i.e., indirect greenhouse gas emissions resulting from purchasing electricity, heat, or steam; Scope 3 refers to indirect emissions occurring throughout the Company's value chain, both upstream and downstream, outside of its direct control.

Emissions of Other Indirect Greenhouse Gases (Scope 3)

To master the emissions of other indirect greenhouse gases and identify the major emission sources to plan carbon reduction strategies, we calculated the emissions of other key indirect greenhouse gases in 2024 according to the ISO 14064:2018 standard, the product carbon footprint information network of the Ministry of Environment, and the IPXX Sixth Assessment Report. In 2024, the emissions of other indirect greenhouse gases reached 909,219.00 tCO₂e. The inventory results are shown in the following table. The greenhouse gas emissions from purchasing products and services were the highest.

| Type | Purchasing of products and services | Disposal of waste from operation | Emissions from upstream transmission and distribution | Emissions from downstream transmission and distribution | Business travels (employees' travels) | Employee commuting |
|-------------------------------------|-------------------------------------|----------------------------------|---|---|---------------------------------------|--------------------|
| Emissions (tCO ₂ e/year) | 900,245.75 | 3,000.72 | 3,810.65 | 1,745.38 | 119.33 | 297.17 |

Density of Energy

ITEQ's main manufacturing processes are divided into prepreg (PP) and copper clad laminate (CCL). As the unit of output used by PP is different from that used by CCL, we calculate the monthly density of energy based on each unit of output, which is one of the performance indicators used to monitor energy efficiency.

Density of Energy Year-on-Year

| Product | Plant | Category | 2021 | 2022 | 2023 | 2024 | YoY Growth Rate in 2024 |
|----------------------------|-----------|-------------------------------------|------------|------------|------------|------------|-------------------------|
| Prepreg (PP) | Taiwan | Output (m) | 3,738,170 | 4,267,278 | 3,655,618 | 4,461,180 | +22.0% |
| | | Electricity (kWh/m) | 0.624 | 0.913 | 1.115 | 0.842 | -24.4% |
| | | Natural gas (m ³ /m) | 0.131 | 0.257 | 0.333 | 0.350 | +4.9% |
| | Wuxi | Output (m) | 76,048,456 | 60,580,807 | 56,674,707 | 59,817,848 | +5.5% |
| | | Electricity (kWh/m) | 0.387 | 0.435 | 0.428 | 0.446 | +4.4% |
| | | Natural gas (m ³ /m) | 0.045 | 0.051 | 0.047 | 0.048 | +2.1% |
| | Dongguan | Output (m) | 23,109,381 | 21,478,138 | 18,745,963 | 12,536,041 | -33.1% |
| | | Electricity (kWh/m) | 0.726 | 0.720 | 0.751 | 0.681 | -9.3% |
| | | Natural gas (m ³ /m) | - | - | - | - | - |
| | Guangzhou | Output (m) | 19,233,957 | 18,795,813 | 16,592,175 | 5,021,242 | -69.7% |
| | | Electricity (kWh/m) | 0.266 | 0.262 | 0.306 | 0.508 | +65.8% |
| | | Natural gas (m ³ /m) | 0.030 | 0.028 | 0.010 | 0.032 | +204.7% |
| | Jiangxi | Output (m) | 48,995,599 | 43,800,278 | 49,371,729 | 63,467,398 | +28.6% |
| | | Electricity (kWh/m) | 0.607 | 0.734 | 0.784 | 0.791 | +0.9% |
| | | Natural gas (m ³ /m) | 0.084 | 0.114 | 0.125 | 0.134 | +1.1% |
| Copper Clad Laminate (CCL) | Taiwan | Production volume (sheet) | 1,551,642 | 1,228,319 | 860,814 | 907,941 | +5.5% |
| | | Electricity (kWh/sheet) | 3.163 | 3.707 | 4.192 | 4.751 | +13.4% |
| | | Natural gas (m ³ /sheet) | 0.590 | 0.721 | 1.123 | 1.456 | +29.7% |

| Product | Plant | Category | 2021 | 2022 | 2023 | 2024 | YoY Growth Rate in 2024 |
|--|-----------|-------------------------------------|------------|------------|------------|--------------|-------------------------|
| Copper Clad Laminate (CCL) | Wuxi | Production volume (sheet) | 18,662,755 | 15,885,912 | 14,093,188 | 15,899,071 | +12.8% |
| | | Electricity (kWh/sheet) | 1.573 | 1.659 | 1.720 | 1.679 | -2.4% |
| | | Natural gas (m ³ /sheet) | 0.183 | 0.194 | 0.190 | 0.181 | -4.7% |
| | Dongguan | Production volume (sheet) | 8,229,950 | 6,842,430 | 5,792,569 | 2,882,430 | -50.2% |
| | | Electricity (kWh/sheet) | 1.098 | 1.217 | 1.308 | 1.595 | +21.9% |
| | | Natural gas (m ³ /sheet) | 0.259 | 0.277 | 0.362 | 0.348 | -3.6% |
| | Guangzhou | Production volume (sheet) | 3,360,545 | 3,206,553 | 387,026 | Not produced | - |
| | | Electricity (kWh/sheet) | 1.525 | 1.535 | 7.362 | Not produced | - |
| | | Natural gas (m ³ /sheet) | 0.171 | 0.167 | 0.465 | Not produced | - |
| | Jiangxi | Production volume (sheet) | 8,634,754 | 8,963,128 | 13,310,418 | 18,893,673 | +41.9% |
| | | Electricity (kWh/sheet) | 3.443 | 3.587 | 2.907 | 2.657 | -8.7% |
| | | Natural gas (m ³ /sheet) | 0.477 | 0.557 | 0.465 | 0.450 | -8.5% |
| (FCCL) Flexible Copper Clad Laminate (FCCL) | Guangzhou | Production volume (sheet) | 7,150,900 | 6,768,257 | 8,762,559 | 11,643,628 | +32.9% |
| | | Electricity (kWh/sheet) | 0.635 | 0.644 | 0.649 | 0.727 | +12.1% |
| | | Natural gas (m ³ /sheet) | 0.045 | 0.041 | 0.034 | 0.026 | -23.1% |

Note 1: Electricity consumption of each plant was calculated according to the energy average density per month; electricity consumption of the Guangzhou plant was allocated to PP, CCL and FCCL processes with ratios of 34.5%, 34.5% and 31.0% respectively (in 2024, electricity was allocated to PP and FCCL processes with ratios of 23% and 77% respectively).

Note 2: Natural gas consumption of the Taiwan plant was allocated to PP and CCL processes with ratios of 55% and 40% respectively; natural gas consumption of the Wuxi and Jiangxi plants was allocated to PP and CCL processes with ratios of 50% and 50% respectively; natural gas consumption of the Dongguan plant was 100% allocated to the CCL process; and natural gas consumption of the Guangzhou plant was allocated to PP, CCL and FCCL processes with ratios of 39.0%, 39.0% and 22.0% respectively (in 2024, natural gas consumption was allocated to PP and FCCL processes with ratios of 35% and 65% respectively).

Energy-saving and Carbon Reduction Measures and Effect

ITEQ continually improves the energy efficiency of its plants through various energy-saving measures. In 2024, the Group implemented 8 energy-saving initiatives, achieving a total carbon reduction of 794.14 tCO₂e. Furthermore, our energy-saving efforts are also reflected in the construction of new plants and production lines. For instance, the expansion of the Jiangxi Plant incorporates energy-saving considerations, such as reducing the number of windows on east-west facing walls, using building materials that absorb solar radiation on the exterior, setting up a rainwater collection system, and installing high-efficiency lighting. In terms of production line equipment, high-efficiency electric motors are selected to minimize power losses, thereby reducing electricity consumption and carbon emissions.

| Type of electricity saving | System | Type | Plant | Saved electricity kWh/year | Carbon reduction tonCO ₂ e/year | Reduction scope | Establishment cost (NTD) | Economic benefit (NTD) |
|--------------------------------|--|---|---------|----------------------------|--|-----------------|--------------------------|------------------------|
| Energy-saving of plant affairs | Air-conditioning chillers | Updating the heat dissipation materials of the cooling tower to improve the efficiency of chillers | Taiwan | 77,355 | 38.29 | Scope 2 | NTD 140,000 | NTD 239,801 |
| | Lighting system | Changing and adjusting the lines of lighting fixtures (reducing the number of lamps used in standby mode and turning on all lamps during production) | Taiwan | 37,583 | 18.60 | Scope 2 | NTD 8,000 | NTD 116,507 |
| | Lighting system | Replacing the street lamps in factory ring roads, parking lots, waste gas incinerator area, cooling tower area, and boiler area with solar-powered street lamps | Taiwan | 50,188 | 24.84 | Scope 2 | NTD 858,000 | NTD 155,583 |
| | Air compressor system | Making improvements to deal with air compression pipe leaks, detecting leaking pipes, updating air compression pipes, and improving the efficiency of air compressors | Taiwan | 52,578 | 26.03 | Scope 2 | NTD 20,000 | NTD 162,992 |
| | Improvement of the vacuum pump for the hot press | Improving the vacuum pump of G.H.I hot press in Plant 2 | Wuxi | 522,720 | 298.11 | Scope 2 | CNY 1,860,000 | CNY 402,494 |
| | RTO waste gas treatment system | Replacing the ceramic heat accumulator of the RTO incinerator | Jiangxi | 104,944 | 59.85 | Scope 2 | CNY 600,000 | CNY 80,807 |
| Total (NTD/CNY=4.5109) | | | | 845,368 | 465.72 | | NTD12,122,814 | NTD 2,855,006 |

Note: CO₂e emissions were estimated according to the latest electricity emission coefficients, i.e., 0.495 tonCO₂e/1,000kWh for Taiwan Plant and 0.5703tonCO₂e/1,000kWh for plants in China. Economic benefit was calculated according to the average electricity cost of each plant, i.e., NTD 3.1/kWh for Taiwan Plant and CNY 0.77/kWh for plants in China.

| Type of electricity saving | System | Type | Plant | Saved natural gas (m ³ /year) | Carbon reduction tonCO ₂ e/year | Reduction scope | Establishment cost (NTD) | Economic benefit (NTD) |
|--------------------------------|-------------------------|---|-----------|--|--|-----------------|--------------------------|------------------------|
| Energy-saving of plant affairs | Heat supply system | Upgrading the boiler system for low-carbon operations | Guangzhou | 151,200 | 284.10 | Scope 2 | CNY 998,000 | CNY 628,992 |
| Energy-saving of plant affairs | RTO waste gas treatment | Replacing the ceramic block of RTO in Plant 1 | Wuxi | 23,582 | 44.31 | Scope 2 | CNY 413,000 | CNY 98,101 |
| Total (NTD/CNY=4.5109) | | | | 174,782 | 328.42 | | NTD 6,364,880 | NTD 3,279,844 |

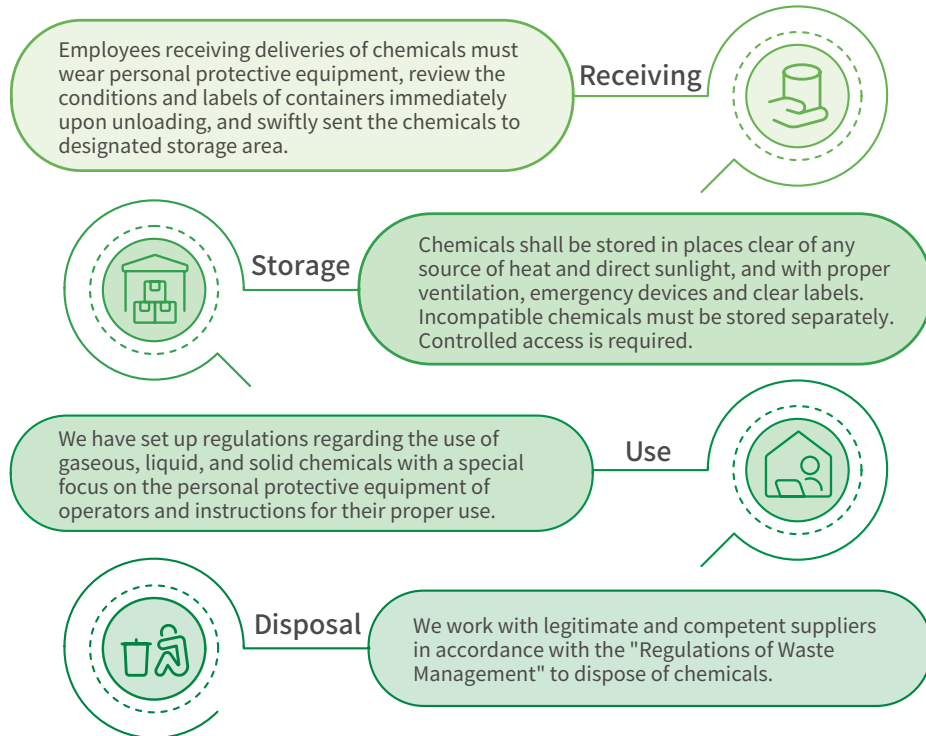
Note: CO₂e emissions were calculated per 1.879 tonCO₂e/m³; economic benefit was calculated per natural gas fee of CNY 4.16/m³.

4.2. Chemical Management

Chemicals, including flammable, highly volatile hazardous chemicals, are used as solvents in the PP and CCL manufacturing processes. Leakage or improper storage of hazardous chemicals can cause serious safety and environmental pollution issues. As a result, ITEQ places a great deal of importance on chemical management.

Chemicals Management Policies

In addition to controlling raw materials at the source (refer to the "Hazardous Substance Management" section), ITEQ has specifically formulated the Chemical Management Procedures, which define clear protocols for the purchase, storage, use, and disposal of chemicals. This is done to ensure the safety of employees and the plant while minimizing environmental risks. In 2024, no serious leaks were reported.



Emergency Response Plan

In addition to daily management, ITEQ has developed Emergency Response Procedures to handle incidents such as fires, explosions, and chemical leaks, ensuring appropriate actions are taken during emergencies. The response process is divided into four phases, with a clear division of responsibilities within the plant and close coordination with government agencies to minimize potential injuries and losses.

Emergency Response Flowchart



To ensure the effectiveness of the emergency response plan and enhance employees' crisis awareness, each plant conducts two emergency response drills annually.

At the Taiwan Plant, escape and fire drills were held in June and December 2024. Additionally, an introduction to the automatic fire extinguishing system was conducted, followed by drills. After each drill, a review was conducted to evaluate the results, identify any deficiencies, and update or revise relevant documents accordingly. To enhance fire prevention awareness among night-shift personnel, starting in the second half of 2022, evacuation drills and firefighting training were added for night-shift employees. This initiative aims to strengthen emergency response capabilities for both day- and night-shift personnel.

Escape and fire drill



Nighttime-Escape and fire drill



Nighttime-Introduction to automatic fire extinguishing equipment system



Emergency drill and training



Fire drill and training



At the Wuxi Plant, fire and comprehensive environmental accident drills were held in June and November 2024. After each drill, the results were reviewed and improvements were made based on the evaluation.

In June and December 2024, fire and emergency rescue drills were conducted at the Dongguan Plant, simulating accidents caused by the leakage of heat transfer oil in the boiler room. After the drills, the results were reviewed, and improvements were made based on the evaluation. In June and November 2024, fire drills addressing static electricity risks in the gluing machine room and emergency rescue drills for leakage from the bottom valve of the chemical barrel in the tanker area were conducted at the Dongguan Plant. After the drills, the effectiveness of the response was reviewed and improvements were made.



A drill began after the smoke sensor of thermal kerosene storage tank pump #1 in the boiler room and the thermal kerosene host unit triggered fire alarms.



The fire control center notified the emergency team to arrive at the boiler room and all personnel of the factory were evacuated. The command team went to the site to conduct command rescue operations.



The emergency response time was three minutes from alarm activation to arrival. After arrival, the time spent on emergency management was 1 minute 19 seconds.



Personnel in the tank were successfully rescued.



The site organization erected the relevant equipment and tested the gas concentration.



Members of the emergency team rushed to the site.

In March and December 2024, drills of personnel escapes from chemical leakage and fire were held at Jiangxi Plant. After the drills, the implementation effect was reviewed and improved.

Emergency drill and training



Fire drill and training



4.3.Pollution and Emission Management

As a member of the PCB industry, ITEQ understands that people are greatly concerned about pollution arising from industrial operations, such as air pollution, waste, and wastewater. In addition to responding to stakeholders, we must be responsible for the environment and society to ensure our corporate sustainability. Thus, we have set up management policies regarding pollution and emissions that must be adhered to when implementing and reviewing pollution and emission management plans.

Management Guidelines for Environmental Compliance

| Category | | Content |
|----------|----------------------|---|
| | Purpose | <ul style="list-style-type: none"> ✓ Pay attention to and implement the environmental protection regulations issued by government agencies in operating locations. |
| | Policy/Commitment | <ul style="list-style-type: none"> ✓ Pass ISO 14001 Environmental Management System verification annually. ✓ Pass ISO 14064 Greenhouse Gas Emission Inventory verification annually. ✓ Implement technological improvement, energy conservation, and waste reduction, and comply with regulatory requirements. |
| | Action Plan | <ul style="list-style-type: none"> ✓ Require each department to implement ISO 14001 management mechanisms. ✓ Carry out ISO 14064 Greenhouse Gas Emission Inventory operation as the basis for establishing energy conservation and carbon reduction standards. ✓ Carry out ISO 14067 Product Carbon Footprint verification to achieve carbon footprint tracking goals. ✓ Carry out greenhouse gas emission inventory as a reference for energy conservation and carbon reduction. |
| | Evaluation Mechanism | <ul style="list-style-type: none"> ✓ No significant pollution incidents. ✓ Accuracy, integrity, and transparency of ISO 14064 Greenhouse Gas Emission Inventory information. ✓ The ISO 14001 Environmental Management System complies with PDCA standards for continuous improvements. |

An environmental management system (ISO14001) has been put in place for continuous and systematic improvements in our environmental performance through the principle of PDCA (Plan-Do-Check-Act) and external vendor verification. We collect and identify laws, regulations, and customers' requirements on a regular basis that are applicable to the sources of impact, review aspects with potential impact on the environment, and evaluate performance to establish annual objectives, targets, and management plans. KPIs of operations and activities are also outlined, supervised by the responsible departments, and measured quarterly based on management performance. KPIs may be referred to in performance evaluations and department ratings.

ISO 14067 Carbon footprint of products

To ensure corporate green development and sustainable management and satisfy customer requirements, the Wuxi plant conducted carbon footprint verification and certification for its main products IT158 and IT180A in 2024. Through carbon footprint certification, the following improvements can be implemented:

Avoidance of carbon-related risks

Carbon costs (e.g., carbon tax and carbon trading) may significantly increase in the future. Certification helps enterprises make arrangements in advance to lower future compliance costs.

Strengthening of ESG performance

Carbon footprint certification is an important demonstration of an enterprise's fulfillment of its environmental responsibility, and it can help improve ESG ratings and attract opportunities that emphasize sustainable investments.

Identification of opportunities for emission reduction

Through carbon footprint analysis, the enterprise can identify processes with high energy consumption, improve production processes, energy structure and supply chains, and reduce operating costs.

Shaping of industry leadership

Enterprises first certified can establish industry benchmarks and improve their brand credibility and influence.

Satisfaction with customer requirements

Since international enterprises require suppliers to provide information on the carbon footprint of their products, certification is a "stepping stone" for entering leading enterprises' supply chains.

Advance response to regulations

With multiple countries implementing carbon emission disclosure regulations (e.g., the CSRD of the EU and SEC Climate-Related Disclosure: Final Rule of the United States), certification ensures corporate compliance and reduces legal risks.



Implementation of the Environmental Management System in 2024

| Plant | Objective | Implementation status |
|-----------|--|--|
| Taiwan | Reducing the possibility of environmental pollution during the process of bottom sludge clearing, transport and temporary storage in the cleaning of the RTO glue removal tank through process improvement | Zero pollution during sludge handling and temporary storage after equipment cleaning. |
| Wuxi | Reporting environmental big data | Completed the statistics gathering and reporting of environmental big data released by the National Bureau of Statistics in 2024 according to the Company's operation and pollution discharge conditions. |
| | ISO 14064 certification | Completed greenhouse gas emissions inventory and obtained a certificate. |
| | ISO 14067 certification | Determined the boundary and completed carbon footprint calculation of IT158 and IT180A products and certification. |
| | Updating and acceptance of wastewater COD automatic monitoring facilities | Completed the updating and acceptance of the wastewater COD automatic monitoring facilities. |
| Dongguan | Successful filling of unexpected environmental incident emergency plan | In July 2024, the unexpected environmental incident emergency plan was successfully filed with effective environmental prevention measures. |
| | Upgrading and rectification of RTO waste gas online monitoring equipment | Strengthened the requirements of technical specifications for continuous monitoring of waste gas and non-methane hydrocarbon from stationary pollution sources according to the new standard of National Environmental Protection Standard of the People's Republic of China (HJ-1286-2023). |
| Guangzhou | Disclosure of environmental protection information | Completed information disclosure on the environmental protection website. |
| | ISO 14064 certification | Completed greenhouse gas emissions inventory and obtained a certificate. |
| Jiangxi | Reduction of the production of the hazardous waste of waste adhesive by 30% | The production of waste adhesive decreased from 20t per month in 2023 on average to 11t per month, down by nearly 50%. |
| | Normal online monitoring of waste gas and wastewater without exceeding the standards | The operation was normal without any abnormalities. |

4.3.1. Air Pollutant Emission

We have established "Operating Procedure for Waste Gas Treatment" to prevent the emission of gases generated from operating processes from causing environmental pollution due to failure of appropriate treatment. At the same time, we entrust inspection units to test the air pollutant emissions every year. Taiwan Plant regularly declares and pays air pollution control fees according to the requirements of the Air Pollution Control Act. The main air pollution sources of ITEQ include process waste gas emissions and fugitive emissions from storage tanks. Types of air pollutants include SOx, NOx, VOCs, and PM. No ozone depleting substance (ODS) has been used in the processes of ITEQ.

As for prevention of air pollution of processes, relatively clean natural gas is adopted as the fuel of gas-fired boilers. The mechanism is to decompose main pollutants to CO₂ and water through high-temperature oxidization. The quality of waste gases emitted is much lower than the gas emission quality standard established by the government. At the same time, the decomposition heat generated in incineration can be further used for waste heat recovery, thus substantially lowering the fuel demand of the system and realizing the dual targets of energy conservation and waste reduction. As for spillage management of storage tanks, we strive to reduce spillage by setting normal-pressure fixed-roof raw material storage tank and normal-pressure floating-roof raw material storage tank.

Air polluting material management guidelines

| Category | | Content |
|----------|----------------------|--|
| | Purpose | ✓ Maintain favorable air quality and properly treat waste gas emissions based on environmental protection. |
| | Policy/Commitment | <ul style="list-style-type: none"> ✓ Guarantee of the compliance of waste gas emission with the regulatory emission standards and emission volume control. ✓ Improvement of RTO elimination rate (>97% as target for the year 2025). |
| | Action Plan | <ul style="list-style-type: none"> ✓ Implementation of normal operation of waste gas treatment equipment and updating or addition of waste gas treatment equipment to improve RTO efficiency. ✓ Regular implementation of waste gas emission measurement and surrounding environment monitoring. |
| | Evaluation Mechanism | ✓ Concentration measurement and monitoring report. |

Air Pollution Emissions Year-on-Year

Unit: ton

| Type of Pollution | Plant | 2021 | 2022 | 2023 | 2024 |
|------------------------------------|-----------|----------------|----------------|----------------|----------------|
| Sulfur Oxides (SOx) | Taiwan | 7.65 | 35.91 | 8.83 | 7.12 |
| | Wuxi | Not identified | Not identified | Not identified | Not identified |
| | Dongguan | Not identified | Not identified | Not identified | 0.61 |
| | Guangzhou | 0.16 | 0.81 | 2.31 | 0.51 |
| | Jiangxi | 1.1 | 1.30 | 1.80 | 0.90 |
| | Total | 17.16 | 38.11 | 12.94 | 9.14 |
| Nitrogen Oxides (NOx) | Taiwan | 4.13 | 15.62 | 6.87 | 9.00 |
| | Wuxi | 15.2 | 13.7 | 14.5 | 13.26 |
| | Dongguan | 1.78 | 1.56 | 1.38 | 1.44 |
| | Guangzhou | 2.23 | 4.51 | 5.84 | 7.39 |
| | Jiangxi | 14.6 | 19.8 | 26.8 | 26.58 |
| | Total | 52.95 | 55.19 | 55.39 | 57.67 |
| Volatile Organic Substances (VOCs) | Taiwan | 49.24 | 184.84 | 177.18 | 77.10 |
| | Wuxi | 201.4 | 192.3 | 196.5 | 177.45 |
| | Dongguan | 9.88 | 8.48 | 5.89 | 5.76 |
| | Guangzhou | 28.13 | 4.39 | 5.24 | 2.43 |
| | Jiangxi | 50.14 | 53.19 | 69.19 | 52.23 |
| | Total | 338.96 | 443.20 | 454.00 | 314.97 |
| Particulate Matter (PM) | Taiwan | 0.76 | 1.13 | 0.38 | 0.52 |
| | Wuxi | 0.79 | 0.88 | 0.84 | 0.61 |
| | Dongguan | 0.39 | 0.53 | 0.50 | 0.48 |
| | Guangzhou | 0.4 | 0.59 | 0.37 | 1.89 |
| | Jiangxi | 1.75 | 1.77 | 1.99 | 1.86 |
| | Total | 4.22 | 4.90 | 4.08 | 5.37 |

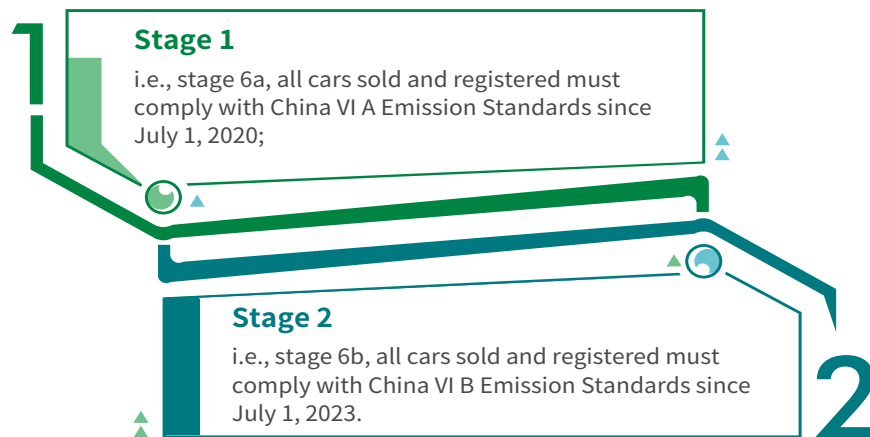
Note: The air pollution fee was adopted to calculate the final emissions at the Taiwan plant. From 2022 to 2023, the announced coefficient method was used for calculations at the Taiwan plant. In 2024, the mass balance method was used for calculations, resulting in a relatively significant difference in the value of emissions; the data obtained after testing was adopted for calculations at plants located in China.

Mobile Pollution Source Management

Besides fixed pollution sources, another major source of air pollution is from mobile sources. Although the transportation vehicles of ITEQ are only used for service cars and product transportation, Taiwan Plant still actively participates in the independent diesel vehicle management fleet in the passenger and cargo transportation industry in the air quality purification areas of Hsinchu and Miaoli and has signed consent form to promise the establishment of vehicle maintenance plan, engagement in autonomous oil management, handling of driver education and training, encouraging of employees to utilize public transportation for commuting or promotion of carpool system, and regular automatic inspection. Also, we obtain automatic management label according to the control standards of pollution levels, opacity rates, and horsepower ratio. By the year 2023, all 3 diesel vehicles of Taiwan Plant obtained top-grade label.

Implementing stricter vehicle emission standards has become a global trend. Most countries in the world intend to adopt or refer to European emission standards. Euro 6 standards were already implemented in Europe in 2013. China began a two-stage implementation of equivalent standards (China VI Emission Standards for Vehicles) since 2020. Since the transportation vehicles used by ITEQ are official cars and are for product transportation, we require that the gasoline and diesel-powered vehicles of suppliers and logistics providers shall comply with national emission standards. At Wuxi Plant, China VI Emission Standards for Vehicles have been fully adopted for its self-owned cargo transportation vehicles since 2021. A truck intelligent monitoring system has been installed at the entrance gate of the plant to strictly control the emission standards of external transportation vehicles. At Dongguan Plant and Guangzhou Plant, China VI Emission Standards for Vehicles have been fully adopted for their rented trucks. At Jiangxi Plant, non-permanent rental vehicles are used for logistics without fixed logistics charter vehicles. In the future, in accordance with legal requirements, China VI Emission Standards for Vehicles will be adopted for vehicles purchased or requested for logistics charter purposes.

China VI Emission Standards for Vehicles was implemented in two stages :



4.3.2. Wastes Management

Waste generated by ITEQ includes general business waste, hazardous business waste, compulsory universal waste and regulated reused waste. All waste is governed by the Waste Management Regulations. To reduce waste and promote recycling, we start with source control. After being sorted by the production department, waste is disposed of by legitimate contractors authorized by the Occupational Health and Safety Center in accordance with applicable laws and regulations.

Wastes Management Guidelines

| Category | | Content |
|----------|----------------------|--|
| | Purpose | <ul style="list-style-type: none"> ✓ Minimization of waste disposal costs, environmental pollution, and improvement of environmental efforts |
| | Policy/Commitment | <ul style="list-style-type: none"> ✓ Environmental law, regulation and requirement compliance and to ensure environmental protection ✓ Implement technical improvement and achieve the target of waste reduction. In 2025, the recovered quantity of waste accounted for more than 40% of the total waste. |
| | Action Plan | <ul style="list-style-type: none"> ✓ Regularly implement waste clearing and disposal according to relevant operating procedure for waste disposal. ✓ Establish annual management targets to actively promote waste reduction measures. |
| | Evaluation Mechanism | <ul style="list-style-type: none"> ✓ No violations of regulations related to waste disposal. ✓ Annual review of effect of waste reduction. |

Subject to the provisions of applicable laws and regulations, we implement a reduction in general business waste through strict waste classification, non-use of disposable tableware, recycling (such as PE tapes), reuse (such as providing wooden pallets to nearby shops), and decompose certain waste naturally. To practically control the overall conditions and appropriate disposal of waste generated by the Company, we gather statistics of the quantity of waste disposal. If the difference between the quantity disposed in the current year and the average quantity of the previous year reaches 30%, relevant reasons shall be found out.

In 2024, the Group's general waste output increased by 1.13%, while hazardous waste output rose by 12.0% compared to 2023. The main reasons were the ongoing expansion and capacity increase at the Jiangxi Plant, along with the increased disposal of empty containers at the Taiwan Plant. These factors, including raw material usage, scrap generation, and pipeline cleaning, contributed to the rise in waste.

Waste management goals



Waste Generation and Disposal Year-on-Year

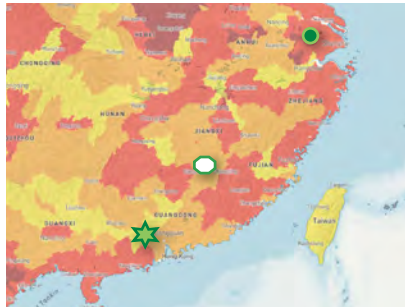
Unit: ton

| Plant | Type of Waste | 2021 | 2022 | 2023 | 2024 | Ratios of disposal methods in 2024 | | | |
|-----------|--------------------------|-----------|-----------|-----------|-----------|------------------------------------|--------------|----------|-----------------|
| | | | | | | Incinerated | Heat treated | Recycled | Physical method |
| Taiwan | General Business Waste | 397.74 | 538.88 | 408.06 | 689.67 | 58% | — | 42% | — |
| | Hazardous Business Waste | 443.33 | 547.49 | 617.41 | 804.68 | — | — | — | 100% |
| | Total | 841.07 | 1,086.37 | 1,025.47 | 1,494.35 | 27% | — | 19% | 54% |
| Wuxi | General Business Waste | 3,744.00 | 3,643.00 | 2,929.00 | 2,538.00 | — | 12% | 23% | 65% |
| | Hazardous Business Waste | 1,889.00 | 1,832.00 | 1,324.00 | 1,390.00 | 4% | — | — | 96% |
| | Total | 5,633.00 | 5,475.0 | 4,253.00 | 3,928.00 | 1% | 8% | 15% | 76% |
| Dongguan | General Business Waste | 1,763.50 | 1,971.00 | 2,291.10 | 1,583.00 | 16% | 7% | 77% | — |
| | Hazardous Business Waste | 305.10 | 277.00 | 190.80 | 104.00 | 20% | — | — | 80% |
| | Total | 2,068.60 | 2,248.00 | 2,481.90 | 1,687.00 | 17% | 7% | 72% | 5% |
| Guangzhou | General Business Waste | 1,608.00 | 1,494.00 | 1,295.00 | 985.25 | 32% | — | 68% | — |
| | Hazardous Business Waste | 315.10 | 348.10 | 307.50 | 41.72 | — | — | — | 100% |
| | Total | 1,923.10 | 1,842.10 | 1,602.50 | 1,026.97 | 31% | — | 65% | 4% |
| Jiangxi | General Business Waste | 2,884.00 | 3,555.00 | 4,001.00 | 4,457.00 | 7% | — | 93% | — |
| | Hazardous Business Waste | 486.50 | 493.00 | 1,166.00 | 1,606.00 | 6% | — | 43% | 51% |
| | Total | 3,370.50 | 4,048.00 | 5,167.00 | 6,063.00 | 7% | — | 80% | 14% |
| Total | General Business Waste | 10,397.24 | 11,201.88 | 10,924.16 | 10,252.92 | 12% | 4% | 67% | 16% |
| | Hazardous Business Waste | 3,439.03 | 3,497.59 | 3,605.71 | 3,946.40 | 4% | — | 17% | 78% |
| | Total | 13,836.27 | 14,699.47 | 14,529.87 | 14,199.32 | 10% | 3% | 54% | 33% |

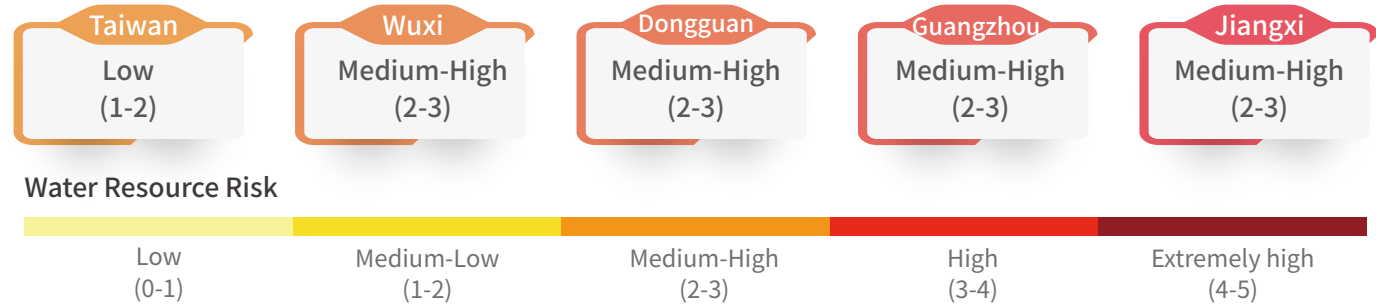
Note: The recycled quantity of waste in 2025 accounted for 54% of the total quantity of waste, surpassing the goal of 40% self-established by the Group.

4.3.3. Water Resource Management

According to the Aqueduct Water Risk Atlas published by the World Resources Institute (WRI), the Taiwan plant is located in an area with medium to low water consumption pressure, while the plants in China are situated in areas with medium to high water consumption pressure.



Data source: World Resources Institute



Water Withdrawal Management

The water source for all ITEQ plants is tap water; no underground water or wells are used. In 2024, the Group’s total water withdrawal amounted to 776.62 million liters. The total water consumption for the Dongguan and Guangzhou plants decreased by 22.18% and 31.37% respectively, primarily due to the re-adjustment of the Group’s production capacity and the transfer of some production capacity to the Jiangxi plant. Meanwhile, the total water consumption at the Taiwan and Wuxi plants increased by 2.7% year-on-year due to an increase in production compared to the previous year.

Water Withdrawal

Unit: 1,000,000L

| Category | Plant | 2021 | 2022 | 2023 | 2024 | YoY |
|------------------------------------|-----------|--------|--------|--------|--------|---------|
| Municipal water supply (tap water) | Taiwan | 38.5 | 50.2 | 49.94 | 56.67 | +13.48% |
| | Wuxi | 220.31 | 204.65 | 174.49 | 186.25 | +6.74% |
| | Dongguan | 162.55 | 148.55 | 121.84 | 94.82 | -22.18% |
| | Guangzhou | 65.87 | 66.62 | 32.26 | 22.14 | -31.37% |
| | Jiangxi | 271.09 | 309.25 | 419.61 | 416.74 | -0.68% |
| Total water withdrawal | | 758.32 | 779.28 | 798.14 | 776.62 | -2.70% |

Water Drainage Management

Since 2020, ITEQ’s Taiwan Plant has added RO (Reverse Osmosis) water recycling system equipment. The cooling water recycled from the air conditioning system is used for the washer before the Regenerative Thermal Oxidizer (RTO). The waste liquid generated during the processes is entrusted to qualified external vendors for collection and offsite treatment. The primary source of wastewater discharge at the Taiwan Plant is employees’ domestic sewage, which undergoes initial treatment via the domestic sewage aeration system, followed by Membrane Bio-Reactor (MBR) treatment, achieving a 100% recycling rate.

At the plants in China, wastewater discharge sources include employees’ domestic sewage, as well as small amounts of wastewater from steel plate cleaning, scrubber wastewater, vacuum pump wastewater, and air conditioning water. These waters are treated by aeration in the sewage pool before being discharged to the sewage treatment plant for further processing. In compliance with environmental protection regulations, parameters such as chemical oxygen demand (COD), ammonia nitrogen (NH₃-N), pH value, and flow are monitored in real-time. A third-party organization is commissioned monthly to test the wastewater and issue reports. The main parameters tested include COD, NH₃-N, suspended solids (SS), total phosphorus (TP), and total nitrogen (TN). All wastewater test results in 2024 were within regulatory limits. We will continue to conduct regular monitoring in accordance with applicable environmental requirements.

Wastewater Effluent Management Guidelines

| Category | | Content |
|----------|----------------------|--|
| | Purpose | <ul style="list-style-type: none"> ✓ Strict regulation governing plant sewage discharge to ensure environment compliance and reduce pollution risks. |
| | Policy/Commitment | <ul style="list-style-type: none"> ✓ Compliance with discharge standards stipulated in the regulations. ✓ Establishment of target for wastewater discharge reduction (Taiwan Plant): ✓ Short-term target: Meet discharge standard, PH 6~9 and COD < 100 ppm. ✓ Mid-term target: Achieve a wastewater recovery rate of over >80%. ✓ Long-term target: Reach sewage recovery rate to > 99% |
| | Action Plan | <ul style="list-style-type: none"> ✓ Wastewater treatment and operation specifications, and effluent quality measures. ✓ Regular measurement of quality of water discharged after treatment ✓ Completion of the addition of a water recycling treatment system. |
| | Evaluation Mechanism | <ul style="list-style-type: none"> ✓ Sewage recycling rate. ✓ Sewage reduction. |

Sewage discharge

Unit: million liters

| Plant | 2021 | 2022 | 2023 | 2024 |
|-----------|--------------|--------------|--------------|--------------|
| Taiwan | No Discharge | No Discharge | No Discharge | No Discharge |
| Wuxi | 69.21 | 64.23 | 42.28 | 58.61 |
| Dongguan | 25.19 | 25.19 | 25.19 | 25.19 |
| Guangzhou | 2.50 | 2.49 | 2.49 | 2.49 |
| Jiangxi | 36.20 | 39.9 | 35.3 | 10.75 |
| Total | 133.10 | 131.81 | 105.26 | 97.04 |

Note: The Taiwan plant is equipped with an RO water recovery system and a Membrane Bioreactor (MBR), resulting in no wastewater discharge.

Quality of Discharged Water

Unit: mg/L

| Plant | Suspended solids (SS) | Biochemical oxygen demand (BOD) | Chemical oxygen demand (COD) | Ammonia nitrogen (NH ₃ -N) | Total phosphorus (TP) | Total nitrogen (TN) |
|-----------|-----------------------|---------------------------------|------------------------------|---------------------------------------|-----------------------|----------------------|
| Taiwan | Testing not required | Testing not required | Testing not required | Testing not required | Testing not required | Testing not required |
| Wuxi | 16.30 | 19.10 | 68.00 | 36.80 | 2.66 | 39.90 |
| Dongguan | 51.00 | 141.00 | 37.50 | 0.668 | 0.39 | Not required |
| Guangzhou | 46.00 | 76.90 | 150.00 | 43.00 | 2.98 | 46.80 |
| Jiangxi | 19.00 | 17.20 | 81.23 | 5.16 | Not required | Not required |

Note: The Taiwan Plant does not discharge any sewage and, in accordance with the requirements of the local environmental protection authority, is not obligated to conduct testing.

4.4.Environmental Cost and Benefits

Our emphasis on environmental protection is also reflected in environmental protection expenditure and investment. In 2024, the environmental protection expenditure of the Group reached NTD 63,640,000, down by 64% compared with the previous year. The primary reason lies in the new acquisition and rectification of RTO equipment at the Jiangxi plant. The Company still pays attention to the efficiency of environmental protection equipment to ensure the reduction of emission sources of air pollution.

Statistics of Accounting Expenditure on Environment

Unit: NTD Thousand

| Cost Category | Description | Plant | 2021 | | 2022 | | 2023 | | 2024 | |
|-----------------|---|-----------|------------------------|---------------------------|------------------------|---------------------------|------------------------|---------------------------|------------------------|---------------------------|
| | | | Procurement | Maintenance | Procurement | Maintenance | Procurement | Maintenance | Procurement | Maintenance |
| Operating cost | Pollution control equipment and environmental protection systems (RTO and glue removal equipment) | Taiwan | 62,273 | 2,289 | - | 210 | - | 39 | - | 402 |
| | | Wuxi | | 9,113 | - | 5,394 | - | 9,011 | - | 7,557 |
| | | Dongguan | 45,190 | 6,251 | - | 497 | - | 319 | - | 908 |
| | | Guangzhou | | 3,263 | - | 8,180 | - | 4,647 | - | - |
| | | Jiangxi | 93,439 | - | - | 378 | 103,564 | 988 | - | 3,034 |
| | Subtotal | | 200,902 | 20,916 | 0 | 14,659 | 103,564 | 15,004 | 0 | 11,901 |
| | | | | | | | | | | |
| | | | Treatment and Cleaning | Testing and Certification | Treatment and Cleaning | Testing and Certification | Treatment and Cleaning | Testing and Certification | Treatment and Cleaning | Testing and Certification |
| Management cost | Pollution treatment and cleaning, testing, and certification costs | Taiwan | 11,868 | 387 | 14,497 | 350 | 11,720 | 1,806 | 10,233 | 1,972 |
| | | Wuxi | 21,399 | 2,744 | 24,825 | 1,010 | 12,588 | 388 | 8,536 | 353 |
| | | Dongguan | 3,564 | 2,259 | 15,522 | 1,621 | 11,385 | 259 | 1,270 | 358 |
| | | Guangzhou | 11,516 | 544 | 11,397 | 656 | 9,201 | 404 | 13,178 | 901 |
| | | Jiangxi | 6,222 | 156 | 1,188 | 12,964 | 9,837 | 571 | 14,332 | 606 |
| | Subtotal | | 54,569 | 6,090 | 67,428 | 16,602 | 54,731 | 3,428 | 47,549 | 4,190 |
| | Total | | 282,477 | | 98,689 | | 176,727 | | 63,640 | |

Environmental Protection Benefits

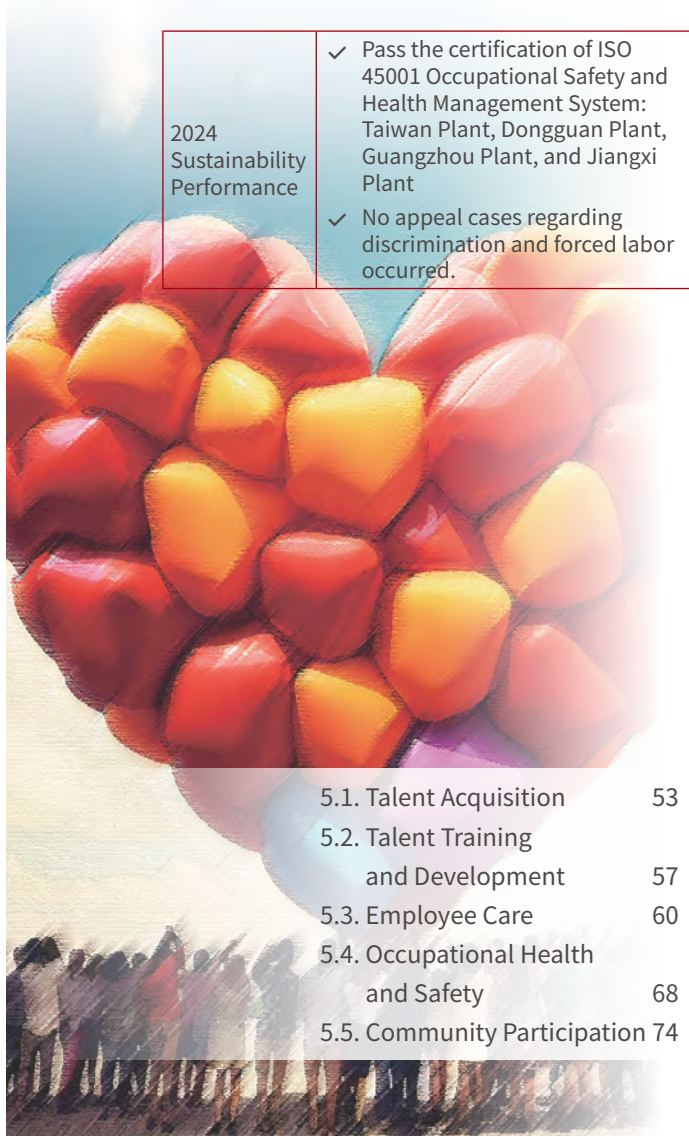
Unit: NTD

| Cost-saving item | Environmental protection benefit | Economic benefit |
|---|-------------------------------------|------------------|
| Electricity fees saved due to energy conservation plans | Electricity saved: 845,368 kWh/year | 2,855,006 |
| Natural gas fees saved due to energy conservation plans | Natural gas saved: 174,782 m3/year | 3,279,844 |
| | Total | 6,134,850 |

Communication Channels

To ensure environmental management at each level of ITEQ and in supplier and contractor processes, we have set up communication channels, such as meetings, to interact with our stakeholders and discuss our commitments to environmental management and performance in the hopes of solving problems more efficiently and reaching a consensus. The Occupational Health and Safety Department is responsible for collecting complaints from stakeholders and reporting them to supervisors. Complaints shall be documented and handled by the responsible unit and reported to the relevant point of contact.

CH5. Trusted Partnership



| | |
|---------------------------------|---|
| 2024 Sustainability Performance | <ul style="list-style-type: none"> ✓ Pass the certification of ISO 45001 Occupational Safety and Health Management System: Taiwan Plant, Dongguan Plant, Guangzhou Plant, and Jiangxi Plant ✓ No appeal cases regarding discrimination and forced labor occurred. |
|---------------------------------|---|

| | |
|--------------------------------------|----|
| 5.1. Talent Acquisition | 53 |
| 5.2. Talent Training and Development | 57 |
| 5.3. Employee Care | 60 |
| 5.4. Occupational Health and Safety | 68 |
| 5.5. Community Participation | 74 |

◆ Trusted Partnership Management Guidelines

| Description | | Content |
|-------------|----------------------|--|
| | Purpose | <ul style="list-style-type: none"> ✓ To adhere to the concept of human orientation and exhibit all-around care for employees. |
| | Policy/Promise | <ul style="list-style-type: none"> ✓ Implement each safety system as well as education and training. ✓ Reasonable compensation and promotion systems. ✓ Appropriation of pension and employee insurance according to laws. |
| | Action Plan | <ul style="list-style-type: none"> ✓ Abidance by labor regulations and safeguarding of workers' human rights. ✓ Provision of diversified labor-management communication channels. ✓ Execution of employee dedication and satisfaction questionnaire survey. |
| | Evaluation Mechanism | <ul style="list-style-type: none"> ✓ Results of employee dedication and satisfaction questionnaire survey. ✓ No appeal cases regarding discrimination and forced labor occurred. |

5.1. Talent Acquisition

5.1.1. Diverse Structure

Talent development is a core element of the Company's competitiveness; ITEQ has always strived to create a stable and friendly workplace in which all employees and the Company can grow together. We emphasize equal and diverse recruitment beyond race, sex, age, religion, nationality and political affiliation, focus on employment and human rights, and strictly stand against compulsory labor and child labor. Creating an equal and safe workplace is our basic commitment to employees. We also set up a competitive compensation and benefit system, and places for learning and development for our employees' wellbeing, harmony in the workplace, and high work efficiency. All ITEQ employees are provided with due rights and interests stipulated in laws and regulations from their first day of employment. In 2023, no cases of discrimination, child labor, or forced labor occurred in any plant.

By the end of 2024, ITEQ Group had a total of 3,183 employees, with males representing 68.3% and females 31.7%. Of these, 421 employees were based in Taiwan, and 2,762 were based in China. The employment types across the regions vary according to local laws, as well as operational and capacity demands. Employee statistics were categorized by gender, age, position, and type of employment. Among them, 55 senior executives (at the division director level or above) accounted for 1.7% of the total workforce.

◆ Manpower Statistics

| Item | Plant | Taiwan Plant | | China Plants | | Total | | Total | Total Ratio |
|--------------------|-------------------------------|--------------|--------|--------------|--------|-------|--------|-------|-------------|
| | Category | Male | Female | Male | Female | Male | Female | | |
| Contract Type | Full-time | 302 | 119 | 1,742 | 847 | 2,044 | 966 | 3,010 | 94.6% |
| | Part-time (temporary) | 0 | 0 | 130 | 43 | 130 | 43 | 173 | 5.4% |
| Age | 20 ~ 29 | 53 | 16 | 506 | 176 | 559 | 192 | 751 | 23.6% |
| | 30 ~ 50 | 206 | 75 | 1,286 | 709 | 1,492 | 784 | 2,276 | 71.5% |
| | > 50 | 43 | 28 | 80 | 5 | 123 | 33 | 156 | 4.9% |
| Type of Employment | Direct personnel | 152 | 52 | 1,516 | 669 | 1,668 | 721 | 2,389 | 75.1% |
| | Indirect personnel | 150 | 67 | 356 | 221 | 506 | 288 | 794 | 24.9% |
| Position | Above division director level | 12 | 2 | 34 | 7 | 46 | 9 | 55 | 1.7% |
| | Manager level | 27 | 9 | 82 | 15 | 109 | 24 | 133 | 4.2% |
| | Section head level | 16 | 3 | 141 | 70 | 157 | 73 | 230 | 7.2% |
| | General employees | 247 | 105 | 1,460 | 803 | 1,862 | 903 | 2,765 | 86.9% |
| Total | Number of employees | 302 | 119 | 1,872 | 890 | 2,174 | 1,009 | 3,183 | 100% |
| | Female and male ratios (%) | 71.7% | 28.3% | 67.8% | 32.2% | 68.3% | 31.7% | | |
| Total | | 421 | | 2,762 | | 3,183 | | | |
| Plant ratio (%) | | 13.2% | | 86.7% | | 100% | | | |
| Other workers | | 4 | 0 | 32 | 14 | 36 | 14 | | |

Note 1: The statistics for the plants in China are based on Wuxi, Guangzhou, Dongguan, and Jiangxi plants.

Note 2: Part-time (temporary) employees refer to dispatched workers and those hired for short-term employment.

Note 3: Other workers refer to individuals not employed directly by the Company but whose work or workplace is managed or controlled by ITEQ, such as contractors (security, cleaning, etc.) or permanently stationed outsourced vendors.

◆ Management to employee ratio per nationality

| Nationality | Number of Employees | Ratio % | Number of Managers | Ratio % |
|-------------|---------------------|---------|--------------------|---------|
| Taiwan | 337 | 10.59% | 69 | 20.47% |
| PRC | 2,720 | 85.45% | 81 | 2.98% |
| Philippines | 83 | 2.61% | 0 | 0.00% |
| Thailand | 43 | 1.35% | 0 | 0.00% |
| Total | 3,183 | 100.00% | 150 | 4.71% |

Before formally reporting for duty, all employees of ITEQ would receive an admission letter, and the Company signs various documents that guarantee the rights and interests of the labor and the management with new employees on the day of registration. Besides, employees will be provided with statutory rights and interests since the date of employment. ITEQ recruits local talents for each overseas operating plant. Local employees will serve as the managers of overseas companies according to a specific proportion, and the local talents will be utilized to fully master the local markets and then adopt management modes that comply with the local customs. ITEQ invested in the construction of a plant in Thailand in 2023. Therefore, foreign employees from Thailand are mainly being recruited at Taiwan Plant. Then, after expiry of contracts, these foreign employees can return to their homeland and hold offices in Thailand without having to go far.

◆ Ratios of Local Managers and Local Senior Managers

| Plant | Number of managers | Number of local managers | Ratio of local managers | Number of local senior managers | Ratio of local senior managers |
|--------|--------------------|--------------------------|-------------------------|---------------------------------|--------------------------------|
| Taiwan | 69 | 69 | 100.00% | 14 | 20.29% |
| China | 349 | 81 | 23.21% | 8 | 9.88% |

Note: Senior managers are division directors or above; local managers from plants in China refer to managers of each plant with their native places located in the province (city) where this plant is located.

◆ Ratio of Female Employees and Female Managers

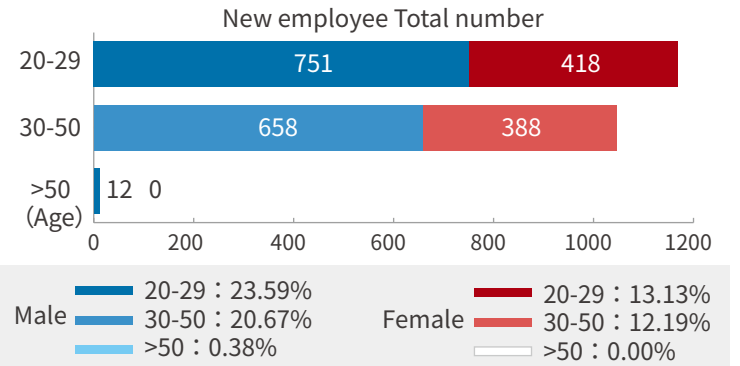
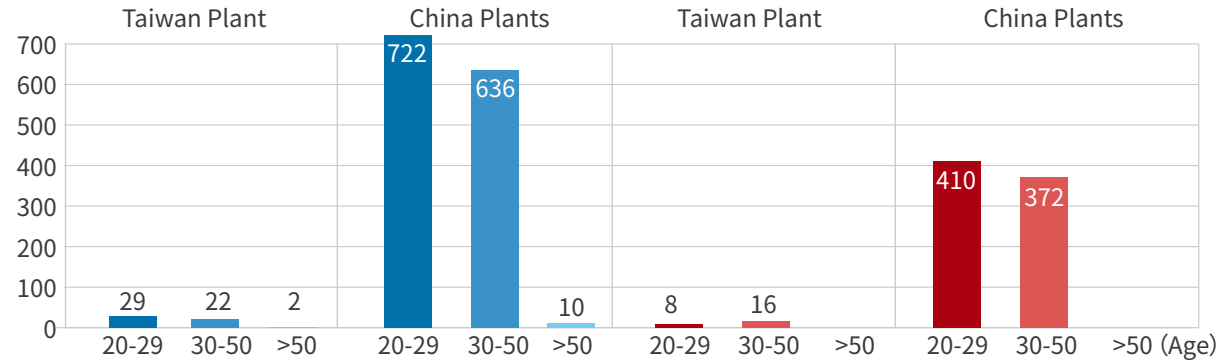
| Category | Ratio |
|--|--------|
| Overall employees | 34.19% |
| Female managers | 25.36% |
| Female entry-level managers (section level) | 29.12% |
| Female senior managers (above division director level) | 14.58% |

Note: For the ratio of female managers at each level, the denominator is the number of managers at each level.

The Group has also hired 141 employees from various ethnic minorities, including indigenous peoples, across different regions, accounting for 4.43% of the total workforce in 2024. These employees belong to ethnic groups such as the Zhuang and Miao peoples. The Group ensures equal treatment for all employees, with the same salary, promotion opportunities, and educational benefits extended to ethnic minority employees as to regular employees. At the Taiwan Plant, indigenous employees are granted ceremonial leave for indigenous rituals as required by law. For ethnic minority employees at the China plants, the Company provides special meals or meal subsidies if they have specific dietary needs.

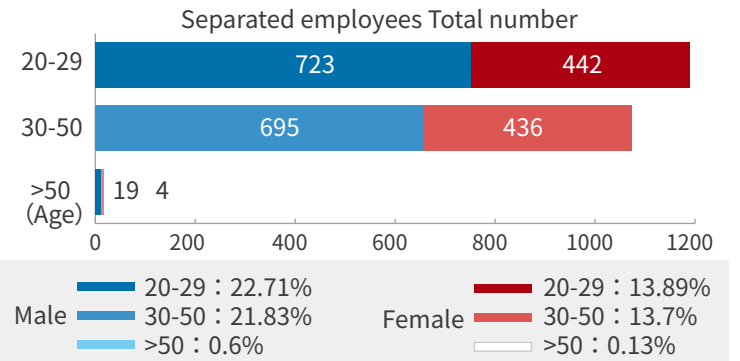
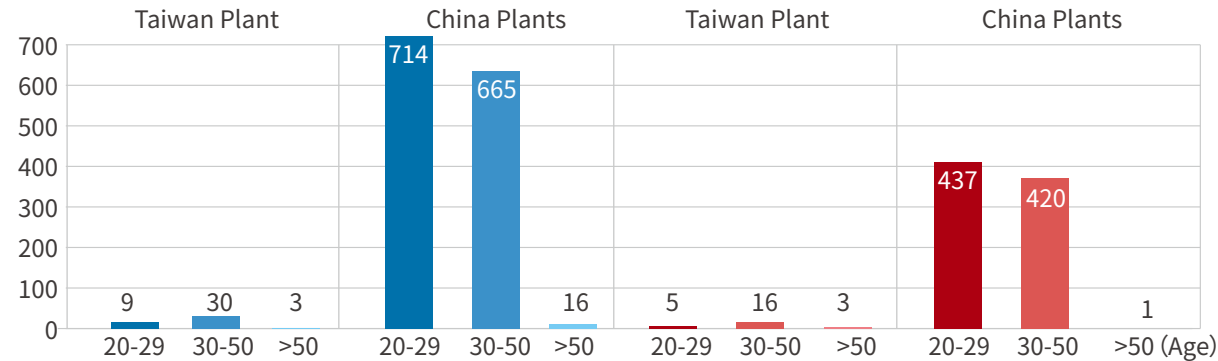


◆ The Number and Ratio of New Employees



Note: The denominator for calculating the percentage of new employees was the total number of employees in 2024.

◆ The Number and Employee Turnover Rate



Note: The denominator for calculating the percentage of employee turnover was the total number of employees in 2024.

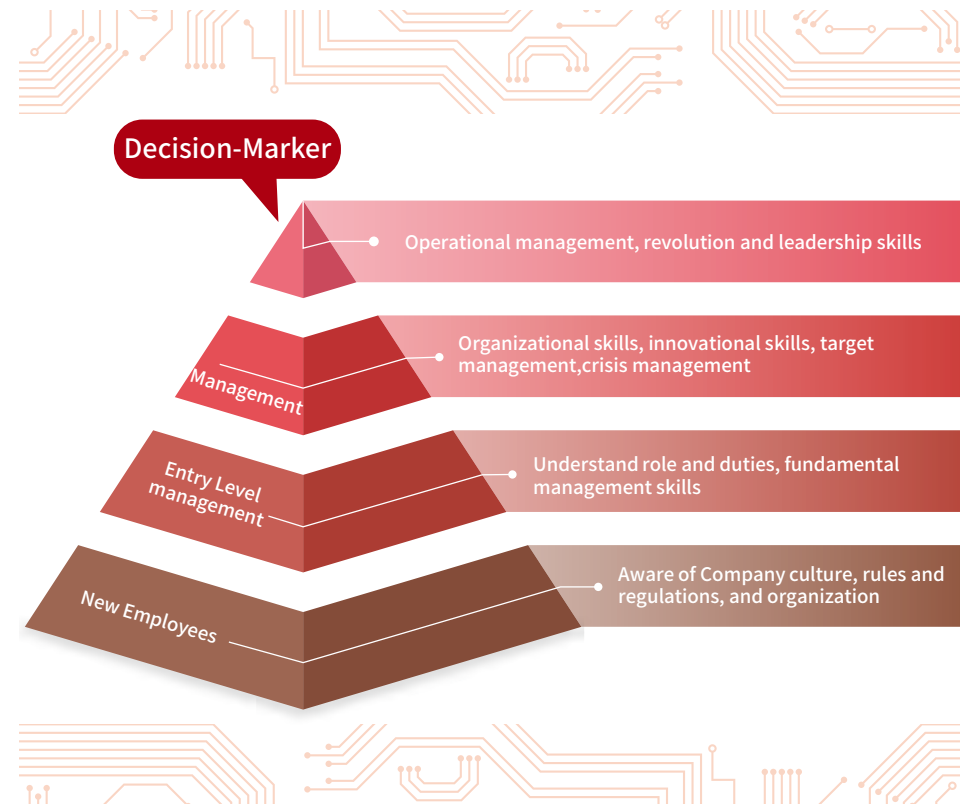
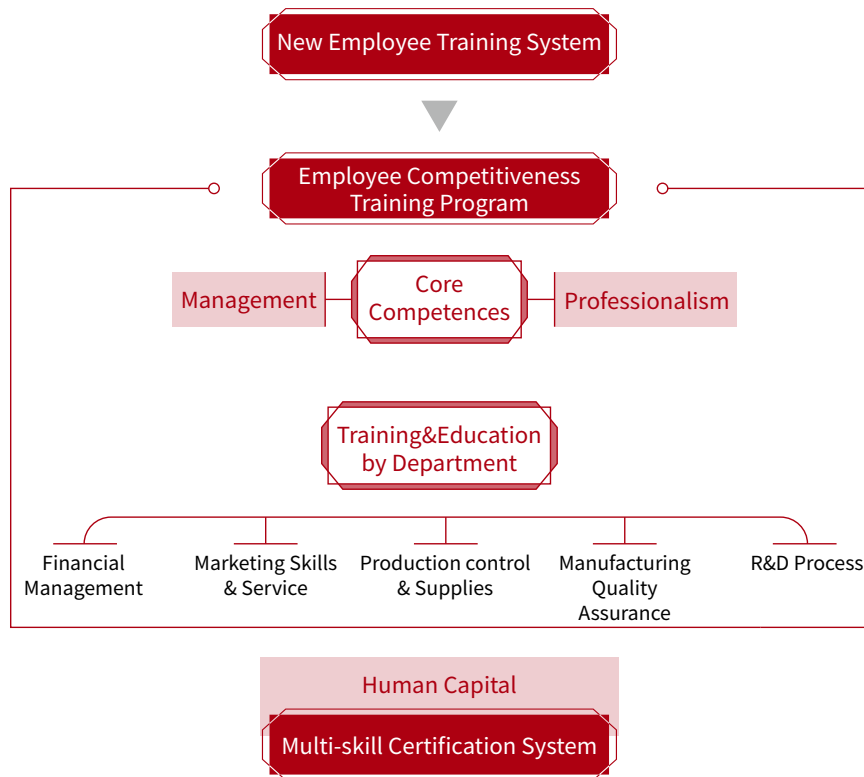
5.2. Talent Training and Development

5.2.1. Training and Education

To improve our employees' skills and competencies and the overall competitiveness of the organization, ITEQ has planned a set of talent development programs and an annual training plan, including pre-service training, management training, specialty training, external training, and self-development.

Orientation helps new employees understand our business philosophy, products and quality control, and policies with regard to occupational health and safety, energy conservation, and environmental protection. Know-how and skills training is also offered to existing employees for personal development and to promote management and specialty training programs and professional certifications.

In 2024, the Group invested over NTD 1.56 million in education and training, with an average total training duration of 44.77 hours per employee.



◆ Training Hours of the Group - Per Gender

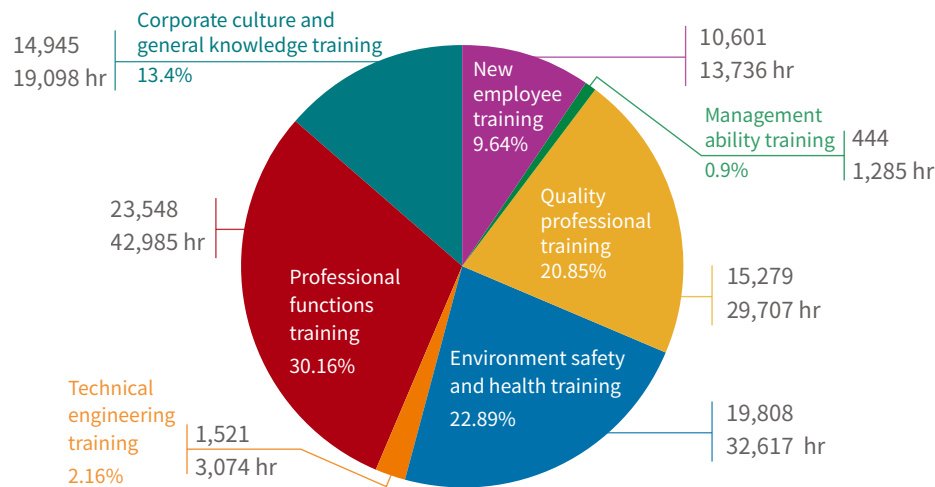
| Gender | Male | Female | Total |
|--|--------|--------|---------|
| Total hours | 92,787 | 49,713 | 142,500 |
| Number of employees | 2,174 | 1,009 | 3,183 |
| Each employees' average training hours | 42.68 | 49.27 | 44.77 |

◆ Training Hours of the Group - Per Category of Employee

| Category | Above division director level | Division director level | Section head level | Employee level | Total |
|--|-------------------------------|-------------------------|--------------------|----------------|---------|
| Total hours | 639.13 | 3,547 | 6,611 | 131,702 | 142,500 |
| Number of employees | 55.00 | 133 | 230 | 2,765 | 3,183 |
| Each employees' average training hours | 11.62 | 26.67 | 28.75 | 47.63 | 44.77 |

In 2024, the main category of training courses conducted by the Group was professional functional training totaling 42,985 hours (accounting for 30.16%). Such training enabled employees to strengthen their professional expertise at work. Secondly, environmental health and safety training and professional quality training were provided, totaling 32,617 hours (accounting for 22.89%) and 29,707 hours (accounting for 20.85%) respectively, revealing the importance ITEQ places on environmental safety and quality and its determination to meet its comprehensive quality assurance and lifetime learning goals.

◆ Type of Course



◆ Regulations Governing Professional Certification

To optimize the working ability and expertise of personnel engaged in special operating posts, and to comply with quality management system requirements and national laws and regulations, ITEQ implements specific operating post qualification training which can be implemented in the form of internal training. The assessment methods may include testing of theoretical knowledge and accreditations of operations. The certification can also be handled using the certification methods adopted by external professional training institutions recognized by local governments.

If qualifications are accredited for a full year, the managers will review these employees' qualifications again according to the requirements of the qualification accreditation standards. The manager will issue "List of Qualification Accreditation" to the Management Department for registration of qualified employees. Each plant shall allocate special operators according to laws and regulations governing environment safety and health, and require them to obtain relevant licenses.

| Accreditation | Basis for Verification | Qualification |
|------------------|------------------------|---------------------------------------|
| Performance Test | Applicable Station SOP | Reports/Records |
| Written Test | Applicable Station SOP | Score: >80 points (out of 100 points) |

◆ Acquisition of Professional Licenses in the Group

| Category | Training form | Certification item | Participants |
|------------------------------------|------------------------------|--------------------|--------------|
| Operation certification | Enterprise internal training | IATF 16949 | 186 |
| | | ISO 14064 | 23 |
| | | ISO 14001 | 56 |
| | | ISO 45001 | 56 |
| | | ISO 9001 | 2 |
| | External training | ISO 9001 | 1 |
| Operation certification - Subtotal | | | 324 |

| Category | Training form | Certification item | Participants |
|--------------------------------|-------------------|--|--------------|
| Occupational safety | External training | Radioactive or radiation operations | 2 |
| | | Security supervision and inspection | 27 |
| | | First aid personnel | 19 |
| | | Hazardous chemical substance specialty | 30 |
| | | Specific equipment operations | 39 |
| | | Forklift | 174 |
| | | Operational supervisor | 9 |
| | | Boiler | 10 |
| Occupational safety - Subtotal | | | 310 |

5.2.2. Performance Management

In addition to the guidance and assistance provided by managers on a regular basis, ITEQ has set up the Regulations Governing Employees' Performance Evaluations to reasonably and effectively evaluate employees' performance and potential for growth. Performance evaluations serve as the basis for promotions, bonus distribution, annual salary increases, and transfers and training. Regular employees who have worked for more than three months undergo performance assessments every year. Direct personnel receive a monthly assessment, while indirect personnel receive an annual assessment. In 2024, the total number of employees who underwent performance assessments in the Company reached 2,675 (accounting for 84.04%). The total number of employees for whom a performance assessment is not required (part-time employees and regular employees who have not yet worked for three months at the Company) was 508 (accounting for 15.96%).



In addition to work management, talent cultivation and development are further emphasized regarding the assessment items of managers. Managers need to communicate with the managers at the next higher level to determine KPI targets in the current month in the beginning of each month as the primary targets for the work in this month. Through the implementation of performance management, the Company provides excellent employees with opportunities for promotion, competitive compensation and career development. Employees who present inferior performance will be assisted in performance improvements. In 2024, 5.3% of employees receiving performance assessment were promoted in the Group.

To recognize colleagues' work efforts and performance contributions, the Company grants performance bonuses to who have achieved the business and production objectives determined by the Company and after-tax net profits. The Company has also established "Regulations Governing Employee Performance Bonuses" as reference. In principle, the bonuses will be appropriated according to the calculated net profit in the current period and per the achievement status of the aforesaid objectives.

◆ Responsibility for Performance Evaluation

| Operational content | Responsible unit | Management highlights |
|---------------------|-----------------------------|---|
| Daily assessment | Managers of employing units | The daily work performance of colleagues is recorded as significant instances on a monthly basis. To be specific the completion rate of work plans and the achievement rate of performance shall be confirmed to maintain the objectiveness and authenticity upon regular overall assessment. |
| Regular assessment | HR Department | The HR Department of each plant shall regularly provide assessment forms and data regarding assessment items to the managers of employing units for individual performance assessment. |

5.3. Employee Care

Labor Policies and Human Rights Protection

ITEQ abides by relevant employment regulations and follows international human rights conventions to protect employees' legitimate rights and interests. The Company also respects the internationally recognized fundamental principles for workers' human rights, including the principles revealed in international human rights conventions such as the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights. We strictly prohibit child labor and eliminate all forms of discrimination against women. We also protect the rights of people with disabilities. The Company implements diverse and inclusive recruitment practices and gives equal opportunities to job-seekers.

ITEQ is committed to building a shared workplace that is harmonious and equitable.

Fair employment: To comply with governmental regulations and treat all employees fairly and reasonably, any distinction in employment based on race, region, gender, religion, or age is strictly prohibited (except for those with specific job requirements).

Anti-harassment and anti-discrimination: ITEQ adopts a zero-tolerance policy towards any form of discrimination. The Company is dedicated to maintaining a work environment free from harassment and abuse. The Company does not threaten workers or treat them harshly or inhumanely, including, but not limited to, verbal abuse, harassment, psychological harassment, mental or physical oppression, and sexual harassment. The Company has also established a comprehensive mechanism for complaint handling and communication platforms to prevent and address incidents related to discrimination and harassment. The Company has put in place the "Measures for the Prevention of Sexual Harassment, Complaints, and Disciplinary Actions", and any violations thereof will be subject to disciplinary action in accordance with Company regulations. All employees undergo regular training to ensure they have the necessary knowledge to recognize and prevent sexual harassment.

Preventing involuntary labor and human trafficking: The Company must ensure that all work is strictly voluntary. Companies may not traffic in persons or employ any form of slave, forced, bonded, indentured, or prison labor. Involuntary labor includes transporting, harboring, recruiting, transferring, receiving, or employing persons for the purpose of exploitation by threatening, coercing, forcing, abducting, defrauding, or paying anyone in control of another person.

The Company shall not withhold original government-issued identification and travel documents from workers: The Company shall ensure that contracts with workers clearly state the terms and conditions of employment in a language that the worker understands. The Company shall not impose unreasonable restrictions on movement in the workplace or in access to facilities provided by the Company.

The Company must ensure that third-party recruiters comply with the Company's relevant regulations and legal requirements: Foreign labor agencies that recruit foreign contract workers directly or through third-party agencies must be responsible for all recruitment-related fees and expenses.

Freedom of association and collective bargaining: The company shall allow employees to associate, form and join (or not join) organizations of their own choice and to engage in collective bargaining without interference, discrimination, retaliation or harassment. If there is no formal labor organization or association, the company shall ensure that a comprehensive employee grievance mechanism is established to facilitate open communication between management and employees.

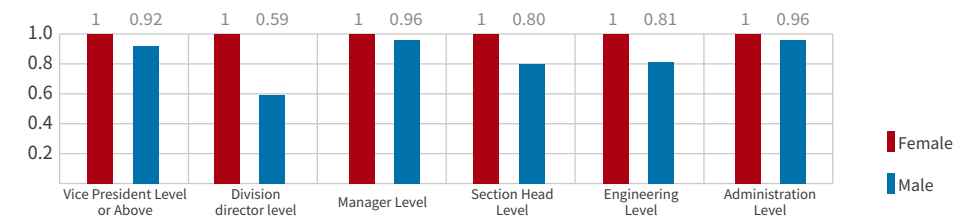
For ITEQ's complete human rights policy, please visit the Company's official website (<https://www.iteqcorp.com/esg/sustainable-value-chain/social-responsibility/>).

Additionally, ITEQ has established a complete appeal handling mechanism and communication platform. Colleagues may file complaints through the dedicated complaint email of the Management Department (iteq.hr1@iteqcorp.com) to flag and handle incidents related to discrimination and harassment. ITEQ has also established the Regulations Governing the Illegitimate Infringement of the Performance of Duties, and any violations thereof will be punished according to the regulations of the Company. All colleagues regularly receive related education and training to ensure that they have the basic knowledge and ability to address and prevent sexual harassment or illegitimate infringement.

Benefits and Compensation

The compensation system of ITEQ is designed to achieve the goal of attracting, motivating, cultivating, and retaining talent. The Company adjusts its compensation and salaries based on market compensation levels to maintain market competitiveness and internal fairness; annual bonuses are evaluated according to the Company's annual profits, employee performance, and level of position. The Company guarantees the competitiveness of overall compensation through differentiated salary verification and confirmation, salary adjustments, and bonus payments.

◆ Compensation Ratios of Female and Male Employees of the Group in 2024



Note: The reason for the large discrepancy in terms of compensation between male and female at vice president-level or above (chief executive office is held by a woman) and division director-level managers is mainly due to the higher occupational rank of female managers and better performance appraisal in 2024.

Compensation Package and Employee Welfare

Being people-focused, ITEQ strives to offer competitive salaries and benefits to employees, and cares for its employees' wellbeing; in addition, we offer a sound safety system, pension and labor and health insurance, complete training programs, and incentives.

Related benefits are as follows:

- ★ Bonuses and year-end bonuses are distributed when annual business objectives are met.
- ★ Monthly performance bonuses are distributed according to production and operation output.
- ★ Employees are encouraged to subscribe to shares to participate in business operations.
- ★ A retirement plan has been implemented in accordance with the local laws.
- ★ Labor insurance, National Health Insurance, and group insurance (including regular, accident, and occupational medical insurance) are offered.
- ★ Regular health examinations are offered.
- ★ Employee training and regular study clubs are provided.
- ★ Free meals, uniforms, and parking are provided.
- ★ Dormitories and a shuttle bus are available.
- ★ Basketball courts, table tennis rooms and green spaces as recreational areas are provided.
- ★ A year-end party is thrown.
- ★ A tenure bonus is granted for employees in core positions (once every half year).
- ★ Assist employees' children in handling admission to public schools (applicable for Dongguan Plant, Guangzhou Plant, and Jiangxi Plant).



Trade Union Participation

ITEQ respects employees' right to form associations. Currently, self-organized trade unions have been established for employees in Wuxi Plant, Dongguan Plant, and Guangzhou Plant. Although there are no self-organized trade union organizations, employees of Taiwan Plant and Jiangxi Plant have established "Employee Welfare Committee" to appropriate employee benefits and provide diversified welfare measures.

| Plant | Trade union employees | Number of in-service employees | Participation rate |
|-----------|-----------------------|--------------------------------|--------------------|
| Taiwan | — | 421 | NA |
| Wuxi | 803 | 976 | 82.27% |
| Dongguan | — | 1,142 | NA |
| Guangzhou | 350 | 353 | 99.15% |
| Jiangxi | 291 | 291 | 100.00% |
| Total | 1,444 | 3,183 | 45.37% |

Shortest Notice Period for Operational Changes

If any significant operational changes occur that may affect employees' rights and interests, the Company shall engage in prior consultation through the trade union or employee-management communication meetings before implementing such changes. The affected employees will be notified in advance in accordance with applicable regulations. The Company will also provide necessary support measures, such as assisting with the internal transfer of affected employees to other suitable positions. If no appropriate positions are available, or if the employees are unable to adapt to their new roles, the employment relationship may be lawfully terminated through mutual agreement in accordance with relevant labor laws. For example, in the Taiwan plant, pursuant to the Labor Standards Act, notice is given 10-30 days in advance based on the employee's length of service. At the mainland China plant, in accordance with the Labor Contract Law of the People's Republic of China, employees must be provided with written notice 30 days in advance or be compensated with one additional month's salary in lieu of notice. The Company will assist affected employees in applying for any relevant government subsidies.

Welfare measures provided by the Employee Welfare Committee:

- ★ Three Chinese festival bonuses, birthday gifts, and Labor Day gifts
- ★ Marriage, childbirth, emergency relief, hospitalization, and employee / dependent death grants
- ★ Cultural and recreational activities, sports activities and other club activities for employees
- ★ Employee travels
- ★ Health promotion activities intended to enrich employees' lives such as each lecture
- ★ Year-end dinner
- ★ Holding of holiday dinners including Christmas for foreign employees (Taiwan Plant)
- ★ Provision of education scholarships for excellent children of employees (Taiwan Plant)

Activities held in 2024

◆ A total of 226 participants joined the Employee Family Day event at Babbuza Dreamfactory and Jojozoo Park in Nantou – Taiwan Plant



◆ Staff Engagement Day – Taiwan Plant

◆ Badminton Tournament at Dongguan Plant



Employee Health Examination

The health of employees is a valuable asset to the Company, and providing a safe and healthy working environment is a fundamental aspect of corporate social responsibility. To support this commitment, the Taiwan plant arranges general health examinations and cancer antigen screening for all employees with more than one year of service. In addition, to reinforce the prevention of occupational diseases, the Company conducts annual assessments of the working environment and provides targeted medical examinations for employees engaged in operations involving specific occupational hazards, based on their job type. For example, in 2024, the Taiwan plant will introduce a Medical Examination for Work Involving Ionizing Radiation for employees involved in finished and semi-finished product inspection, to further enhance health protection measures. Regardless of tenure or seniority, occupational health checkups are arranged for employees engaged in special operations to ensure their ongoing health and safety.

The Company assigns an in-house nurse to provide healthcare and follow-ups regularly for employees of the Taiwan plant, and those with abnormal results in their physical examination reports have occupational physicians arranged to review historical examination reports to compare, offer health consultations and suggestions, and recommend if further consultations are needed based on the risk level of health hazards. Workers engaged in special operations are provided with protective equipment and relevant education and training to enhance their safety awareness. For those with abnormal health examination results, in addition to the aforesaid arrangements, occupational physicians check the conditions of their workplaces, identify whether the operating environment is harmful, and make suggestions for improvements or request the industrial safety department to assist with monitoring operations or send employees to the hospital for reexamination and reevaluation. According to statistics of health checkups provided for employees in the Taiwan plant in 2024, approximately 75% showed abnormal blood pressure and most colleagues did not have routine blood pressure measurements. Hypertension is known as a “silent killer” and is a major risk factor for cardiovascular disease, stroke, diabetes, and kidney failure, so we conducted a health promotion Daily Blood Pressure Monitoring in the hope of creating a healthy work environment and develop good habits of regularly measuring blood pressure to detect hypertension early and prevent cardiovascular disease, stroke, diabetes, and kidney failure. The activity included:

- ★ Creating a healthy work environment: A blood pressure measurement station was set up at the employee restaurant to make it convenient for employees to measure their blood pressure.
- ★ Knowledge Q&A: A Q&A test was designed around the risk factors of hypertension, ways to measure blood pressure correctly, and diet for preventing hypertension, etc. so colleagues can gain greater awareness and knowledge.
- ★ Daily Blood Pressure Monitoring: Colleagues were encouraged to develop the habit of measuring their blood pressure independently and increasing awareness according to the “722 Protocol “.

To prevent the occurrence of occupational diseases, the Company’s China-based plants promptly adjust the job assignments of employees who are physically unfit to continue working in positions involving occupational hazards or who are found to have occupational contraindications during health examinations. This ensures that such employees are no longer exposed to hazardous factors. The Company has also established occupational health management records for these employees and conducts regular follow-ups to monitor their health. In 2024, a total of 2,364 employees participated in health examinations across the Group, representing a participation rate of 74%.

Unit: Person

| Plant | General health examination | Special health examination | | | | Number of employees participating in health examination |
|------------------------|----------------------------|----------------------------|-------------------------------|------------------|------------------|---|
| | | Noise environment | Dimethylformamide environment | Dust environment | Other operations | |
| Taiwan ^{Note} | 241 | 104 | 85 | 106 | 13 | 299 |
| Dongguan | 174 | 71 | 72 | 113 | — | 356 |
| Wuxi | 242 | 41 | 151 | 130 | 14 | 578 |
| Guangzhou | 169 | — | 105 | — | — | 274 |
| Jiangxi | 857 | 82 | 366 | 217 | — | 857 |
| Total | 1,683 | 298 | 779 | 566 | 27 | 2,364 |

Note: The foreign employees of Taiwan Plant receive general health examination once every 3 or 5 years as stipulated, and special health examination every year.

Annual Health Examination of Taiwan Plant



Healthcare Activities for Employees in Each Plant

- ★ ITEQ launched “Control Weight, Control Health” activity to encourage overweight or underweight colleagues to maintain healthy weight and avoid diseases through diet control and intensified exercise.
- ★ ITEQ organized annual health examination for all employees to care about their physical health, prevent chronic diseases, lower the risk of potential diseases, and help employees “manage health for lifetime”.
- ★ ITEQ entrusted hospitals and medical institutions to launch health lecture and inquires to answer employees’ health concerns.
- ★ The employee fitness activity room was opened free of charge (Dongguan Plant).

Workplace Health Promotion Activity of the Taiwan Plant in 2024 – Daily BP Monitor for Better Health

Healthy lifestyle

Daily BP Monitor for Better Health For all Shinpu Plant employees 5/1-6/30 2024 (limited prizes)

| | Event 1 Quiz Q&A | Event 2 Daily BP Monitor |
|-------------|--|---|
| Content | Scan the QR code and complete the online quiz | Measure BP at home or at work and upload relevant photos (once every day) |
| How to win? | Full correct answers | For 5 consecutive days |
| Prize | \$50 Gift Card First 100 participants (once per each) | \$100 Gift Card First 100 participants (once per each) |

Join Now

Results Statistics - Knowledge Q&A

10 Q&A questions were designed regarding relevant knowledge including risk factors of hypertension, ways to measure blood pressure correctly, diet for prevention of hypertension, etc., so colleagues could understand relevant knowledge during self-testing. Participation: 149 persons-times; correct answer rate: 68%, indicating that some colleagues still had wrong ideas or lacked an understanding of hypertension-related knowledge. Number of award recipients: 100.

Daily BP Monitor for Better Health

Event 1: Quiz Q&A Accuracy Rate

Activity Photos

Results Statistics - Daily Blood Pressure Measurement

The hypertension treatment guidelines officially recommend using home blood pressure measurement as the primary basis for diagnosing and monitoring hypertension. Through independent measurement, colleagues could understand the changes of their blood pressure and learn the skills to measure the blood pressure. Participation: 31 participants. Number of participants completing the measurement: 30; completion rate: 96.8%; ratio of participants with abnormal blood pressure: 46%.

掌握722原則

Classification Statistics

64

Workplace Care for Women

To support the government’s initiative to promote childbirth and enable employees to work without concerns about family obligations, ITEQ fully endorses local governments’ parental leave policies. The Company has established a comprehensive leave management system, proactively provides relevant information, and assists employees in the application process. It also guarantees employees’ reinstatement to work rights, allowing them to return to work based on their personal and family needs. In 2024, a total of 34 employees across the Group were eligible for parental leave and 31 employees applied. The reinstatement rate was 86.2%, and the retention rate after reinstatement reached 85.7%.

◆ Statistics of Applications for Unpaid Parental Leave and Reinstatement

| Plant | Taiwan Plant | | | China Plants | | | Total | | |
|--|--------------|--------|--------|--------------|--------|--------|--------|--------|-------|
| | Female | Male | Total | Female | Male | Total | Female | Male | Total |
| Employees eligible for unpaid parental leave (A) | 1 | 4 | 5 | 23 | 6 | 29 | 24 | 10 | 34 |
| Employees requesting unpaid parental leave (B) | 0 | 2 | 2 | 23 | 6 | 29 | 23 | 8 | 31 |
| Request rate (B/A) | 0.0% | 50.0% | 40.0% | 100.0% | 100.0% | 100.0% | 95.8% | 80.0% | 91.2% |
| Employees to be reinstated from unpaid parental leave (C) | 0 | 2 | 2 | 21 | 6 | 27 | 21 | 8 | 29 |
| Employees being reinstated from unpaid parental leave in 20121 (D) | 0 | 2 | 2 | 17 | 6 | 23 | 17 | 8 | 25 |
| Reinstatement rate (D/C) | - | 100.0% | 100.0% | 81.0% | 100.0% | 85.2% | 81.0% | 100.0% | 86.2% |
| Reinstated employees last year (E) | 1 | 0 | 1 | 16 | 4 | 20 | 17 | 4 | 21 |
| Returned to work for more than 12 months from last year (F) | 1 | 0 | 1 | 14 | 3 | 17 | 15 | 3 | 18 |
| Survival Rate (E/F) | 100.0% | - | 100.0% | 87.5% | 75.0% | 85.0% | 88.2% | 75.0% | 85.7% |

Note: The number of employees qualified to apply for unpaid parental leave was assumed based on the number of employees applying for maternity/paternity leave three years before the statistical year.

Pension

Colleagues at the Taiwan plant may enjoy employee pension contributions appropriated by the Company according to the Labor Standards Act and Labor Pension Act.

◆ Pension Appropriation of Taiwan Plant

| Pension system | Old Pension | New Labor Pension |
|----------------------|---|---|
| Applicable law | Defined benefit pension plan according to the Labor Standards Act. | Defined contribution pension plan managed by the government according to the Labor Pension Act. |
| Type of Contribution | The accumulated amount of the pension reserve was already enough to pay the labor pension reserve. | 6% was appropriated to the personal pension accounts opened at the Bureau of Labor Insurance according to employees' insurance cover. |
| Appropriated amount | By the end of 2024, the fair value of planned assets reached NTD 55,286,000, and accrued pension assets reached NTD 33,835,000. | The pension expense appropriated in 2024 reached NTD 13,463,000. |

◆ Pension Appropriation of Plants in China

| Pension system | Appropriated from employees' salaries | Part borne by the Company |
|----------------------|---|--|
| Applicable law | Each plant follows the local Social Insurance Law. | |
| Type of Contribution | 8% of employees' salaries are appropriated to their personal pension accounts opened at the labor bureau every month. | <p>Wuxi Plant, Guangzhou Plant and Jiangxi Plant: 16% of the total salary amount is appropriated as pension and then transferred to a bank account designated by a state-owned bank every month.</p> <p>Dongguan Plant: 14% of the total salary amount is appropriated as pension and then transferred to a bank account designated by a state-owned bank every month.</p> |

Employees of the China plants participate in the social insurance plan managed by the local government agency of China. This plan is a defined contribution pension system. Endowment insurance expenses paid to the social insurance plan are accrued as a certain percentage of employees' salaries in accordance with the provisions of the local government.

Employee-Management Communications

ITEQ is committed to fostering healthy and constructive employee-management relations. The Company fully respects employees' freedom of association and their rights to engage in collective negotiations. In accordance with the Regulations for Implementing Employee-Management Meetings, ITEQ regularly holds scheduled or ad-hoc employee-management meetings to establish open and effective communication channels between employees and management.

To further encourage dialogue and address employee concerns, ITEQ has set up suggestion boxes and a General Manager mailbox in common areas to collect feedback and complaints. In addition, ad-hoc face-to-face forums are held to directly engage with employees, address issues, and protect their rights and interests.

In response to the increase in Taiwan production output, the Pingzhen Plant in Taoyuan was relocated to the Xinpu Plant in Hsinchu in 2014. ITEQ held an employee meeting at the end of 2013 to explain the planning around the Xinpu Plant. At the time of the relocation, details of the planning and measures were given to relocation departments; in addition, free shuttle buses and car allowances were provided to solve commute issues caused by the relocation. Dormitories were also offered.

To promote energy conservation and enhance employees' safety, the Company encourages employees to take shuttle bus to work. The Company also provide favorable living space for nonlocal personnel and interns.

Employee Dedication and Satisfaction Survey

To identify and resolve potential issues to improve employees' morale and productivity and enhance their sense of engagement, ITEQ has been conducting an annual employee dedication and satisfaction survey since 2022. The survey covers work engagement, teamwork, career development, remuneration and welfare, the workplace environment, corporate responsibility, and other relevant topics. The total score of the dedication of all employees in 2024 was equivalent to that in 2023. Based on employees' opinions and the survey results, the Company will continue to promote relevant projects and improvement measures to address employees' needs, strengthen wellbeing, and create a safe workplace. Through regular inter-departmental communication, the Company deepens its understanding of employee care and needs, and continues to strengthen human care measures, including holiday meal benefits, team competitions, employee travel, and other relevant activities to enhance employees' sense of belonging and participation. The Company is also dedicated to improving all staff members' safety awareness and operational capabilities. By advocating the concept of work safety, strengthening compliance with safety operation procedures, and regularly conducting safety training and drills, the Company further improves its response capabilities and drives the goal of zero accidents on operational sites.

In 2024, the questionnaire coverage increased by 1.9%, but the overall response rate decreased by 11.2%. In the future, the survey unit will strengthen communication and publicity to raise awareness among employees that their opinions are highly valued by the Company and encourage them to participate in the survey to improve the response rate.

| Scope | Item | 2022 | 2023 | 2024 |
|---|--|-------|-------|-------|
| Response to dedication status | Total score of all employees' dedication | 85.01 | 83.91 | 83.14 |
| | Coverage rate | 87.1% | 97.0% | 98.9% |
| | Response rate | 77.1% | 62.4% | 51.2% |
| Dedication score per gender | Male | 85.0 | 83.8 | 83.7 |
| | Female | 86.0 | 84.2 | 82.2 |
| Dedication score per age group | 20~29 | 83.7 | 83.9 | 83.0 |
| | 30~39 | 85.8 | 82.4 | 82.8 |
| | 40~49 | 86.5 | 84.1 | 79.4 |
| | >50 | 84.2 | 85.2 | 82.2 |
| Dedication score per category of employee | General employees | 84.7 | 83.5 | 82.4 |
| | Managerial employees | 88.8 | 85.3 | 87.1 |

Note: The full score of the questionnaire is 100 points.

5.4. Occupational Health and Safety

5.4.1 Workplace Safety

Company safety policy considers employees as a key asset. Each year the identification and classification of workplace and activity hazards result in improvement plans. The policy includes employee safety training, immediate reporting and calibration upon the discovery of situations that pose a threat to safety, and timely departure from hazardous environments. All supervisors must monitor operational safety and direct dedicated staff, investigate any incident or injury based on the occupational injury incident investigation guidelines, and eliminate the cause of the incident to mitigate the risk of future safety violations.





A dedicated health and safety management unit was created to introduce occupational health and safety systems, Employee Health and Safety Guidelines, and occupational health and safety management plan to enhance occupational safety awareness and environmental management among employees. By providing annual health examinations for on-site workers, and fire safety management and workplace environmental assessments, we aimed to enhance environmental safety and hygiene levels at plants. In addition to continuous training and promotions, our staff are equipped with emergency response skills and correct workplace safety knowledge to reduce the risk of occupational accidents due to negligence.

Four of the five plants covered in this Report have been certified under the ISO 45001:2018 Occupational Health and Safety Management System and undergo both internal and external audits annually to ensure continued compliance and improvement. The Wuxi plant is in the process of gradually implementing the necessary management system requirements with the goal of achieving certification in the near future.

◆ Occupational Safety and Health Management System (ISO 45001:2018)

| Plant | Taiwan | Dongguan | Guangzhou | Jiangxi |
|-----------------------|------------------|-------------------|--------------|--------------------|
| Certificate Number | TTOSH11240-05 | 04923S00958R1M | OHS 576133 | 61623S0221R1M |
| Date of Validity | January 11, 2027 | November 28, 2026 | June 7, 2026 | September 14, 2026 |
| Number of Employees | 421 | 353 | 291 | 1,142 |
| Number of Contractors | 43 | 25 | 40 | 123 |

◆ Occupational Health and Safety Management Guidelines

| Description | | Content |
|---|----------------------|--|
|  | Purpose | ✓ A safe, secured workplace to ensure employee health and safety. |
|  | Policy/Promise | <ul style="list-style-type: none"> ✓ Comply with relevant regulations on occupational safety and health, and continually improve operating environment to prevent the occurrence of employees' occupational diseases. ✓ Introduce ISO 45001 Occupational Safety and Health Management System. |
|  | Action Plan | <ul style="list-style-type: none"> ✓ Regularly convene safety and health meetings, and assign environment safety and health unit to implement safety and health education and training for employees. ✓ Continually improve management system, better the quality of environment, safety, and health, reduce employees' injury incidents, and guarantee zero occupational disease incidents. |
|  | Evaluation Mechanism | ✓ No major occupational disasters and diseases. |

Occupational Health and Safety Belief

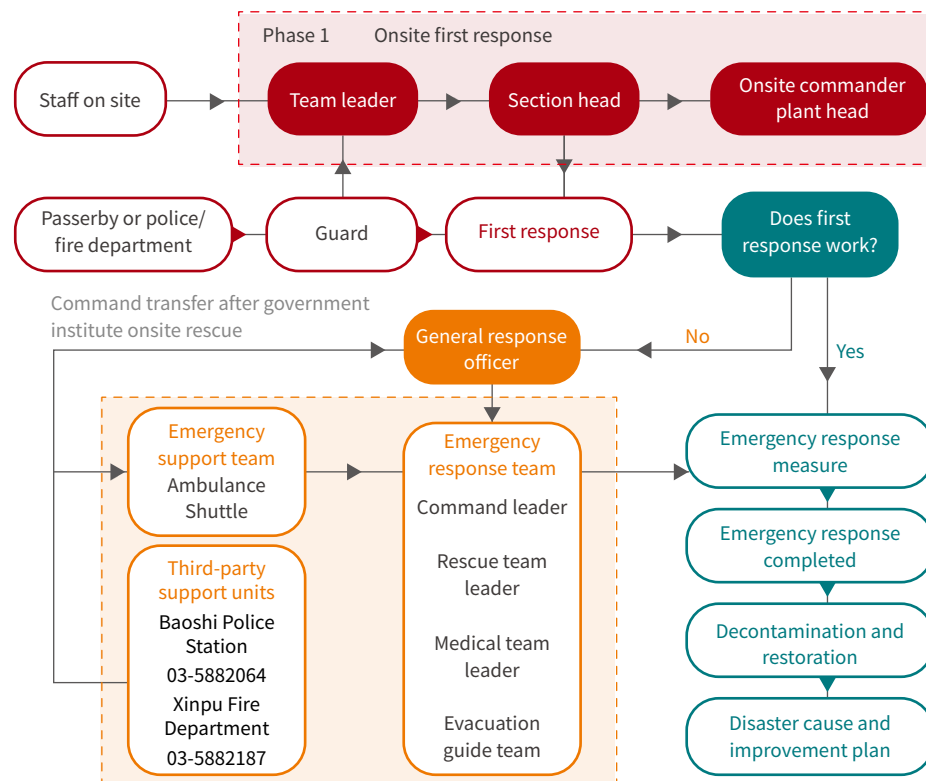


ITEQ has set up an Occupational Health and Safety Committee according to the law and holds quarterly meetings. The ratio of employee representatives in each plant is more than one-third higher than the quorum, and the purpose of the committee is to review the occupational health and safety management plan, announce work environment results, conduct investigative reports into occupational accidents, report the results of factory safety management competitions, explain external audit results, organize health and safety educational training, and review the advantages and disadvantages of environmental health and safety in factories so that necessary improvements can be implemented. Work management by external-contractors is also carried out, and should any unsafe conduct be discovered, such conduct will be a focus during inspections so improvements can be made.

◆ Composition of Occupational Safety and Health Committee

| Plant | Number of members of the committee | Number of labor representatives | Ratio of labor representatives |
|-----------|------------------------------------|---------------------------------|--------------------------------|
| Taiwan | 26 | 9 | 35% |
| Wuxi | 38 | 22 | 58% |
| Dongguan | 23 | 12 | 52% |
| Guangzhou | 24 | 13 | 54% |
| Jiangxi | 27 | 15 | 56% |

◆ Taiwan Plant Emergency Response Framework



Members of the Occupational Health and Safety Committee of the Taiwan plant convene a meeting once every three months, while those of the China plants convene once every month. Committee members have their own responsibilities and missions; the chair of the committee convenes meetings periodically, determines the meeting time and location, arranges the meeting agenda, and hosts the meetings. The secretary is responsible for comprehensively arranging meeting data, follow-up resolutions from previous meetings, and the meeting minutes and tasks assigned by the chair. Committee members are responsible for participating in meetings periodically, reviewing health and safety promotion plans, and providing relevant suggestions and discussions regarding accident investigations and health and safety inspections.

Final health and safety proposals, plans, and other improvements of the Occupational Health and Safety Committee are submitted by the chair to the top manager of the plant for verification and approval to realize the goal of continually improving health and safety.

◆ Workplace and Employee Safety Policy

| Item | Measures |
|---|---|
| Self-examination and environmental management | <ul style="list-style-type: none"> ✓ Daily hazardous equipment inspection and regular safety checks ✓ Semi-annual operating environment monitoring ✓ Annual examination of the public safety of buildings |
| Special staffing and training | <ul style="list-style-type: none"> ✓ Safety training for new employees ✓ External training for supervisors and professionals of special operations (such as organic solvents and stackers) |
| Fire safety and management | <ul style="list-style-type: none"> ✓ Firefighting facilities setup in accordance with local firefighting regulations. Firefighting knowledge and extinguisher operation training on a regular basis ✓ Fire facility checks every month ✓ Fire drills every six months ✓ Annual fire safety check conducted by a qualified institution |

ITEQ has established an Environment Health and Safety Center to promote employee health and safety. Environmental health and safety personnel have been appointed in each plant to conduct daily workplace safety inspections and audits and maintain occupational health and safety. Relevant consulting companies have been entrusted by each plant to monitor the operating environment of workers with partner vendors, and identify various potential hazard factors in the operating environment, e.g., workplaces where organic solvents and specific chemical substances are used, environments exposed to dust, and workplaces with significant noise. Planning, sampling, determination, and analysis of workplaces are executed twice a year at the Taiwan plant and once a year at plants in China to ensure that employee hazard exposure is lower than standard. The monitoring results also are announced or disclosed by other public means in places that can be easily seen by employees. Furthermore, engineering and warning controls are strengthened, and personnel are required to wear appropriate personal protective equipment, e.g., cannisters, earplugs and earmuffs. In 2024, all the test results of each plant reached standards.

Taiwan Plant has in-house occupational nursing staff to engage in labor health services in a dedicated way. In 2024, the Company invited professional lecturers to lecture courses concerning first aid training (CPR and AED drills), human factor engineering, noise operation, hearing protection, etc. so that employees were able to cultivate correct concepts on first aid and personal protection and health and avoid occupational hazards. In addition to the handling of health lectures, the Company irregularly shared epidemiological information to all employees per seasons.

To prevent disasters and increase practitioners' understanding of safety and health operations, the Environment Health and Safety Department of each plant carries out monthly training for environment health and safety employees, hazardous equipment operators, and special operators. In addition, new and transferred employees are given 3~6 hours of pre-service health and safety training.

The Group regularly marshalled self-defense fire drills. In 2024, the Group held 10 drills with 2,846 participants. The contents of these drills included common sense on fire protection, use of firefighting equipment, escape and emergency evacuation, comprehensive drills, etc. At the same time, the Group confirms whether response facilities are intact, to ensure that quickest and appropriate treatment could be implemented in case of emergencies, and the hazard risks caused by the employees in the plants could be minimized.

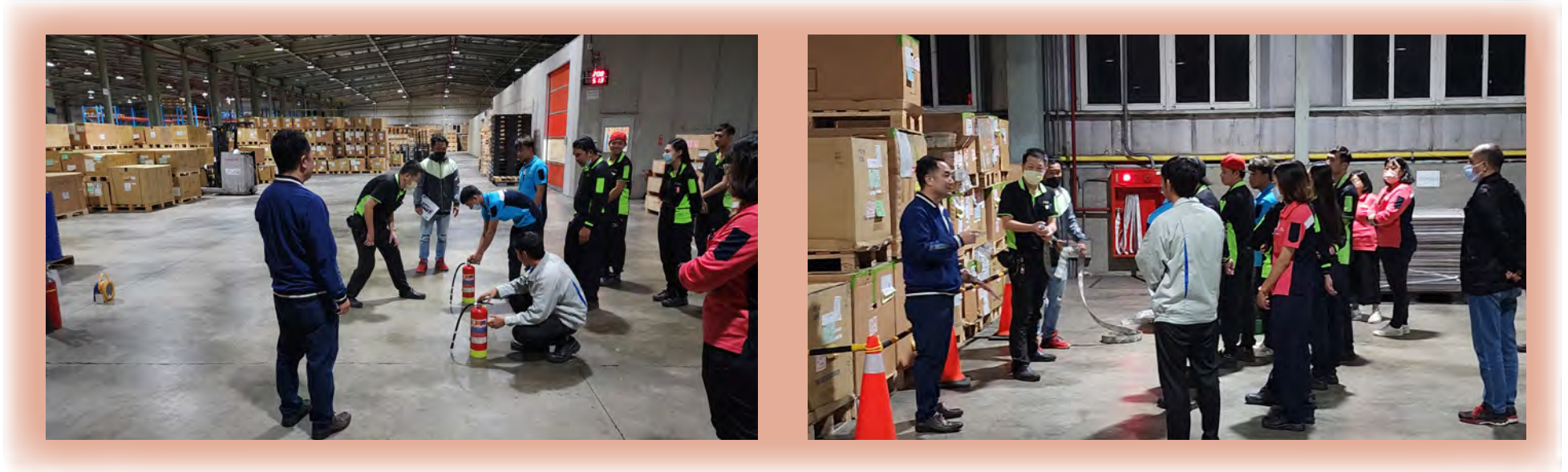
◆ Marshalling Self-defense Fire Drill in 2024

| Plant | Times | Participants |
|--------|-------|--------------|
| Taiwan | 2 | 148 |
| China | 8 | 2,698 |
| Total | 10 | 2,846 |

◆ Effect of Environment Safety and Health Education and Training of the Group in 2024

| Category | Course content | Participants | Hours |
|-------------------|--|--------------|--------|
| Management | Emergency safety training for all staff members, safety emergency training for on-duty supervisors, emergency education for all staff members on hazards and occupational health, requirements for corporate social responsibility, training on standards, and training for registered safety engineers, etc | 232 | 700 |
| Profession | ISO 14001/ISO 45001 system education and knowledge | 72 | 304 |
| | Training on the safety of special operations (Electricians, welders, forklift operators, pressure vessels, boiler operators, etc. as well as hot work, working at heights, work in confined spaces, and lifting operations) | 1,073 | 2,236 |
| Industrial safety | Fire drills and comprehensive drills for all staff members (fire alarms, broadcastings, fire, evacuation, and practical operation of fire extinguishers) | 3,210 | 15,288 |
| | Safety education on chemical solvent leaks and training on basic safety knowledge of hazardous chemicals | 167 | 370 |
| | Introduction to being trapped in confined spaces, chemical solvent leaks, foam firefighting equipment in oil tanks and corresponding operations | 65 | 130 |
| | Education and training courses on electrostatic hazards | 43 | 43 |
| | Training on mechanical hazards, work safety upon the resumption of work and production, respiratory protection, site first-aid, and self-rescue | 1,074 | 1,772 |
| Total | | 5,936 | 20,843 |

Marshalling Self-defense Fire Drill



ITEQ's Environment, Health, and Safety (EHS) policy prioritizes workplace safety and is committed to providing a safe and reassuring working environment. The Company continuously strives to achieve the goal of zero occupational injuries throughout its operations and project execution. To demonstrate its dedication to occupational safety, ITEQ obtained OHSAS 18001 Occupational Health and Safety Management System certification in 2012. In January 2021, the Company successfully transitioned to ISO 45001 and passed the subsequent recertification audit. By systematically identifying, evaluating, and controlling workplace hazards, the Company continuously reduces risks to employees and strengthens its overall safety culture. In 2024, no EHS-related regulatory noncompliance was reported. The Taiwan plant recorded zero occupational injury incidents, while 11 occupational injury cases occurred at plants in China. Compared to the previous year, the number of work-related injury incidents across the Group increased by five. Among the reported cases, eight involved injuries such as index finger crushes and pinch injuries, contusions, bone fractures from falls, and ankle sprains. The remaining three cases were commuting-related traffic accidents involving employees.

To lower injuries and risks after an accident, ITEQ has established provisions on accident investigations and improvement procedures; when an accident occurs, the unit involved shall issue a notification, and labor representatives and environment health and safety members will then constitute a corresponding accident investigation team to complete the investigation within a time limit depending on the accident. Control is tightened and relevant corrective and preventive measures shall be implemented based on the investigation results. To prevent the reoccurrence of similar situations, the accident is subsequently included in the unit's health and safety hazard identification risk evaluation form, and the risk level will be authenticated again in accordance with the improvement measures taken in response to the accident. The accident is also used as a case study and communicated to each department and their employees through the internal communication mechanism and via the health and safety committee to prevent further accidents.

The Company has no cases of statutory occupational diseases to date. To avoid occupational diseases, if posts are not suitable for employees due to health reasons, they will be transferred in a timely manner. Furthermore, if occupational contraindications are found during physical examinations, they will be transferred so they can avoid the hazard in future. Occupational health management files are maintained and regular follow-ups are conducted to monitor the health of employees.

◆ Statistics of occupational injuries and diseases

| Item | Taiwan Plant | | China Plants | | Total | |
|--|--------------|---------------------------------|--------------|---------------------------------|-----------|---------------------------------|
| | Employees | Other workers ^{Note 1} | Employees | Other workers ^{Note 1} | Employees | Other workers ^{Note 1} |
| Head count ^{Note 2} | 405 | 4 | 2,589 | 47 | 2,994 | 51 |
| Work hours | 841,984 | 4,224 | 5,645,904 | 117,920 | 6,487,888 | 122,144 |
| Number of occupational injuries | 0 | 0 | 12 | 0 | 12 | 0 |
| Days loss | 0 | 0 | 661 | 0 | 661 | 0 |
| Severe occupational accidents | 0 | 0 | 0 | 0 | 0 | 0 |
| Occupational deaths | 0 | 0 | 0 | 0 | 0 | 0 |
| Disabling injuries frequency rate (FR) ^{Note 3} | 0 | 0 | 2.13 | 0 | 1.85 | 0 |
| Disabling injuries severity rate (SR) ^{Note 4} | 0 | 0 | 117 | 0 | 102 | 0 |
| Occupational disaster rate (ODR) | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of occupational injuries - Male | 0 | 0 | 8 | 0 | 8 | 0 |
| Number of occupational injuries - Female | 0 | 0 | 4 | 0 | 4 | 0 |

Note 1: Workers who are not employees but with their work and/or workplaces controlled by ITEQ, e.g., outsourcers (preservation, cleaning, etc.), contractors (project contracting, etc.) or resident outsourced firms.

Note 2: For Taiwan Plant, it referred to the number of head count indicated in the monthly statement of occupational injuries reported to Occupational Safety and Health Administration in December 2024; for plants in Chain, it referred to the number of in-service head count by the end of 2024.

Note 3: FR = (Number of disabling injuries/Total work hours) * 1,000,000

Note 4: SR = (Number of work days loss/Total work hours) * 1,000,000

Note 5: 661 days loss, among which 169 days were related to traffic accidents during commuting.

5.5. Community Participation

Upholding the spirit of taking and giving back to society, ITEQ places great importance on good interactions with local communities. Through donations and participation in community activities, we fulfill our duties to our local communities and strive to increase our employees' awareness of corporate citizenship.

ITEQ's Taiwan plant is located in Neili Vil., Xinpu Township. To give back to the community and promote community development, it not only hires local employees, but also sponsors many local community groups and development activities and establishes favorable interactions and relationship. In addition to the continual sponsorship of the Environmental Protection Association of Xinpu Township, Hsinchu County, ITEQ has also donated to the Neili Sanyuan Palace of the Community Belief Center and the Neili Community Development Association to promote community development work and participate in community activities. We also pay continual attention to disadvantaged groups, organize care activities for elderly and disadvantaged groups in Neili Village Community, and provide cakes, soup, and fruit.

◆ Community Participation of the Group in 2024

| | |
|------------------------|---|
| Giving back to society | Wuxi plant: Latex pillows, bath towels, towel sets, and 95 boxes of milk were donated, worth more than CNY 30,000, to the Afu Nursing Home in Xishan District as a gesture of love, hoping that the elderly could enjoy a joyful Dragon Boat Festival and share a good life in the new era. |
| | Dongguan plant: Actively organizes a voluntary blood donation activity every year. In 2024, more than 72 people participated in the activity, donating a total of 18,000mL blood. |
| | Taiwan plant: Supported the Amazing Grace Deaf Bakery and purchased 412 gift boxes from it as employee gifts for the Mid-Autumn Festival. |
| Talent cultivation | Wuxi plant: To support local education, the Company donated scholarships to nearby schools (Yunlin Elementary School, Yulin Kindergarten, Jiangnan University, etc.), and established the ITEQ Liqing scholarship of the Xishan Education Bureau to subsidize poverty-stricken students. |

◆ An annual blood donation drive is held at the Dongguan Plant



◆ The Wuxi Plant participates in community care activities for the elderly.



◆ Investments of the Group in Community Participation

Unit: NTD Thousand

| Plant | 2021 | 2022 | 2023 | 2024 | Total |
|-----------|-------|-------|-------|-------|-------|
| Taiwan | 129 | 134 | - | - | 263 |
| Wuxi | 1,693 | 2,021 | 1,814 | 1,624 | 7,152 |
| Dongguan | - | - | - | - | - |
| Guangzhou | - | - | - | - | - |
| Jiangxi | - | 887 | - | - | 887 |
| Total | 1,822 | 3,042 | 1,814 | 1,624 | 8,302 |

Unit: NTD Thousand

| Category | 2021 | 2022 | 2023 | 2024 | Total |
|--|-------|-------|-------|-------|-------|
| Charity activities | 60 | 1,007 | - | - | 1,067 |
| Long-term community participation | 1,762 | 2,035 | 1,814 | 1,624 | 7,235 |
| Donations linked with operating activities | - | - | - | - | - |
| Total | 1,822 | 3,042 | 1,814 | 1,624 | 8,302 |

Appendix

GRI Content Index

| | |
|------------------|---|
| Statement of use | ITEQ has reported the information cited in this GRI content index for the period from January 1, 2024 to December 31, 2024. |
| GRI 1 used | GRI: Foundation 2021 |

General Disclosures

| GRI Standards | Disclosure Title | Page Number | Remark | Disclosure Title | Page | Remark |
|---------------------------------|--|-------------|-------------------------------|---|----------------------------------|--------|
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | 13-14 | | 2-16 Communication of critical concerns | 10-12 | |
| | 2-2 Entities included in the organization's sustainability reporting | 8 | | 2-17 Collective knowledge of the highest governance body | 14 | |
| | 2-3 Reporting period, frequency and contact point | 3 | | 2-18 Evaluation of the performance of the highest governance body | 15 | |
| | 2-4 Restatements of information | 3 | No incidents reported in 2024 | 2-19 Remuneration policies | 16 | |
| | 2-5 External assurance | 3 | | 2-20 Process to determine remuneration | 16 | |
| | 2-6 Activities, value chain and other business relationships | 5-8, 26, 30 | | 2-21 Annual total compensation ratio | 60 | |
| | 2-7 Employees | 53-55 | | 2-22 Statement on sustainable development strategy | 4,17 | |
| | 2-8 Workers who are not employees | 54 | | 2-23 Policy commitments | 13,21,27,30,45,46,48,51,53,69,70 | |
| | 2-9 Governance structure and composition | 13-15 | | 2-24 Embedding policy commitments | 13,21,27,30,45,46,48,51,53,69,70 | |
| | 2-10 Nomination and selection of the highest governance body | 14 | | 2-25 Processes to remediate negative impacts | 24 | |
| | 2-11 Chair of the highest governance body | 14 | | 2-26 Mechanisms for seeking advice and raising concerns | 24 | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | 17 | | 2-27 Compliance with laws and regulations | 24 | |
| | 2-13 Delegation of responsibility for managing impacts | 17 | | 2-28 Membership associations | 9 | |
| | 2-14 Role of the highest governance body in sustainability reporting | 17 | | 2-29 Approach to stakeholder engagement | 10-12 | |
| | 2-15 Conflicts of interest | 14 | | 2-30 Collective bargaining agreements | 61 | |

Topics Disclosure

| GRI Standards | Disclosure Title | Page | Remark |
|--|--|-------|---|
| GRI 201 Economic Performance 2016 | 201-1 Direct economic value generated and distributed | 19 | |
| | 201-3 Defined benefit plan obligations and other retirement plans | 66 | |
| | 201-4 Financial assistance received from government | 20 | |
| GRI 202 Market Presence 2016 | 202-2 Proportion of senior management hired from the local community | 55 | |
| GRI 205 Anti-corruption 2016 | 205-3 Confirmed incidents of corruption and actions taken | 25 | |
| GRI 206 Anti-competitive Behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | — | No incidents related to Anti-Competitive Practices, Antitrust, or Monopolistic Actions were reported in 2024. |
| GRI 207 Tax 2019 | 207-1 Approach to tax | 19 | |
| | 207-4 Country-by-country reporting | 20 | |
| GRI 302 Energy 2016 | 302-1 Energy consumption within the organization | 37 | |
| | 302-3 Energy intensity | 39-40 | |
| | 302-4 Reduce of energy consumption | 41 | |
| GRI 303 Water and Effluents 2018 | 303-3 Water withdrawal | 50 | |
| | 303-4 Water discharge | 51 | |
| GRI 305 Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 38 | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 38 | |
| | 305-5 Reduction of GHG emissions | 41 | |
| | 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | 47 | |
| GRI 306 GRI306 Waste 2020 | 306-1 Water generation and significant waste related impacts | 48-49 | |
| | 306-2 Management of significant waste-related impacts | 48-49 | |
| | 306-5 Water directed to disposal | 48-49 | |
| GRI 308 Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | 27 | |
| GRI 401 Employment 2016 | 401-1 New employee hires and employee turnover | 56 | |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 60-61 | |
| | 401-3 Parental leave | 65 | |

| GRI Standards | Disclosure Title | Page | Remark |
|---|--|-------|---|
| GRI 402 Labor/Management Relations 2016 | 402-1 Minimum notice periods regarding operational changes | 61 | |
| GRI 403 Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | 68 | |
| | 403-2 Hazard identification, risk assessment, and incident investigation | 69-70 | |
| | 403-3 Occupational health services | 63-64 | |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | 69-71 | |
| | 403-5 Worker training on occupational health and safety | 71 | |
| | 403-6 Promotion of worker health | 63-64 | |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 70 | |
| | 403-8 Workers covered by an occupational health and safety management system | 68 | |
| | 403-9 Work-related injuries | 73 | |
| | 403-10 Work-related ill health | 72-73 | |
| GRI 404 Training and Education 2016 | 404-1 Average hours of training per year per employee | 58 | |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | 59 | |
| GRI 405 Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | 15,54 | |
| | 405-2 Ratio of basic salary and remuneration of women to men | 60 | |
| GRI 406 Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | 60 | No discrimination incidents reported in 2024. |
| GRI 407 Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collection bargaining may be at risk | 61 | |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | 27,53 | |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | 74 | |
| GRI 418 Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 31 | No complaints received concerning breaches of customer privacy in 2024. |

United Nation Global Compact Comparison Table

| Ten Principles | Related Chapter | Page | Remark |
|---|---|------|--------|
| Human Rights | | | |
| Businesses should support and respect the protection of internationally proclaimed human rights | 5.3 Employee Care | 60 | |
| Make sure that they are not complicit in human rights abuses | 3.2 Supply Chain Management | 27 | |
| | 5.1 Talent Acquisition | 53 | |
| Labor | | | |
| Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining | 5.3 Employee Care | 61 | |
| The elimination of all forms of forced and compulsory labor | 5.1 Talent Acquisition | 53 | |
| The effective abolition of child labor | 5.1 Talent Acquisition | 53 | |
| The elimination of discrimination in respect of employment and occupation | 5.1 Talent Acquisition | 53 | |
| Environment | | | |
| Businesses should support a precautionary approach to environmental challenges | 4.1 Climate Change and Energy Management | 34 | |
| Undertake initiatives to promote greater environmental responsibility | 4.1 Climate Change and Energy Management | 34 | |
| Encourage the development and diffusion of environmentally friendly technologies | 3.3 Customer Service and Management | 30 | |
| Anti-Corruption | | | |
| Businesses should work against corruption in all its forms, including extortion and bribery | 2.4 ITEQ's Responsibilities- Ethical Management | 24 | |

Sustainability Disclosure Indicators - Electronic Parts / Components Industry

| No. | Metric for Disclosure | Category | Disclosure | Unit | Page |
|-----|--|-------------------------|---|---|---|
| 1 | Total energy consumption, percentage of grid electricity, and renewable energy usage rate | Quantitative | 4.1 Climate Change and Energy Management | GJ Percentage (%) | 1,471,044.70 GJ 100% electricity was purchased. No renewable energy was used. |
| 2 | Total water withdrawal and total water consumption | Quantitative | 4.3.3 Water Resource Management | Thousand cubic meters (m ³) | 50-51 |
| 3 | The weight of hazardous waste from manufacturing, and the recycling percentage | Quantitative | 4.3.2 Wastes Management | Metric tons (t), percentage (%) | 49 |
| 4 | Explain the occupational accident categories, number of people being affected, and relevant percentages | Quantitative | 5.4 Occupational Health and Safety | Rate (%), Quantity | 73 |
| 5 | Disclosure of product life cycle management: Including weight of scrap products and e-waste, and percentage of recycling | Quantitative | 4.3.2 Wastes Management | Metric tons (t), percentage (%) | This indicator does not apply since ITEQ is not an end product manufacturer. |
| 6 | Description of the risk management associated with the use of critical materials | Qualitative Description | 3.2 Supply Chain Management | NA | 27-30 |
| 7 | Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations | Quantitative | No incidents reported | Reporting Currency | - |
| 8 | Production volume of the main product under the company's product category | Quantitative | CCL: 33,057 thousand SH PP: 148,427 thousand M MLS: 127 thousand SF FPC CCL: 5,026 thousand M ² | Varies by product category | - |

Sustainability Accounting Standards Board (SASB) Index

Industry: Technology & Communications / Hardware

Release Version: December 2024

| Topic | Code | Accounting Metric | Disclosure Summary | Related Chapter |
|--------------------------------|--------------|--|---|-----------------------------|
| Product Security | TC-HW-230a.1 | Description of approach to identifying and addressing data security risks in products | This indicator does not apply since ITEQ's products are not end-products and the information security of end-products is not considered. | - |
| Employee Diversity & Inclusion | TC-HW-330a.1 | Percentage of gender and racial/ethnic group representation in the following employee categories: (a) Management, (b) non-management, (c) Technical staff, and (d) All other employees. | Please refer to page 54-55 | 5.1 Talent Acquisition |
| Product Lifecycle Management | TC-HW-410a.1 | Percentage of products by revenue that contain IEC 62474 declarable substances | This indicator does not apply since the raw materials currently used by ITEQ do not contain IEC 62474 declarable substances. | - |
| Product Lifecycle Management | TC-HW-410a.2 | Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent | This indicator does not apply since ITEQ is not an end-product manufacturer. | - |
| Product Lifecycle Management | TC-HW-410a.3 | Percentage of eligible products, by revenue, meeting ENERGY STAR | This indicator does not apply since ITEQ is not an end product manufacturer. | - |
| Product Lifecycle Management | TC-HW-410a.4 | Weight of end-of-life products and e-waste recovered, percentage recycled | This indicator does not apply since ITEQ is not an end product manufacturer. | - |
| Supply Chain Management | TC-HW-430a.1 | Percentage of Tier 1 supplier (1) facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities | ITEQ requires all suppliers to sign the Supplier Letter of Undertaking and agree to comply with the RBA Code of Conduct and relevant regulations. However, the Company has not conducted inventory checks or gathered statistics on whether suppliers undergo RBA VAP audits. | 3.2 Supply Chain Management |
| | TC-HW-430a.2 | Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority nonconformances and (b) other non-conformances | | |

| Topic | Code | Accounting Metric | Disclosure Summary | Related Chapter |
|--------------------|--------------|--|--|-----------------------------|
| Materials Sourcing | TC-HW-440a.1 | Description of the management of risks associated with the use of critical materials | ITEQ requires its raw material suppliers to prohibit the use of conflict minerals, and requires all suppliers to make a statement/guarantee on no conflict minerals. ITEQ prohibits the use of conflict minerals, including tin, tungsten, tantalum, gold, and their derivatives, among others, from illegal mining areas in the Democratic Republic of the Congo, particularly rare metals such as gold (Au), tantalum (Ta), tin (Sn), tungsten (W), cobalt (Co), and mica. Suppliers and the upstream supply chain are required to fully comply with this agreement. | 3.2 Supply Chain Management |
| Industry Activity | TC-HW-000.A | Number of units produced by product category. | CCL: 33,057 thousand SH PP: 148,427 thousand M MLS: 127 thousand SF FPC CCL: 5,026 thousand M ² | |
| Industry Activity | TC-HW-000.B | Area of manufacturing facilities | 301,939.48 m ² | |
| Industry Activity | TC-HW-000.C | Percentage of production from owned facilities | 100% Self-manufactured | |

Third-party warranty statement

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Independent Assurance Statement

2024 ITEQ CORPORATION SUSTAINABILITY REPORT

The AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This assurance work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR ASIA LTD. (hereinafter referred to as AFNOR ASIA) and ITEQ CORPORATION (hereinafter referred to as ITEQ) are independent entities. Except for the contents described in this independent assurance statement, AFNOR ASIA LTD. is not involved in the preparation process of the sustainability report of ITEQ.

RESPONSIBILITIES

ITEQ is responsible for reporting its economic, environmental, and social operating activities and performance in Taiwan and oversea operating locations in its sustainability report (hereinafter referred to as "the Report") in accordance with the declared sustainability reporting standards.

AFNOR ASIA is responsible for providing an independent assurance statement to ITEQ and its stakeholders in accordance with the described scope and method. This statement is for ITEQ use only and is not responsible for any other purpose.

SCOPE AND CRITERIA

The assurance scope of the agreement between ITEQ and AFNOR ASIA includes:

- The scope of assurance operation is consistent with the scope disclosed in the "2024 ITEQ CORPORATION SUSTAINABILITY REPORT".
- AFNOR ASIA performs assurance operation according to the Type 1 assurance of the AA1000 assurance standard (v3), reviewing and evaluating ITEQ's compliance with the AA1000 AccountAbility Principles (2018).
- The assurance operation includes reviewing and evaluating ITEQ's relevant processes, systems and controls and available performance information, as well as compliance with the following reporting criteria:
 - GRI Standards.

METHODOLOGY

- The Report is reported in reference with the GRI Standards, and the content of the Report is reviewed for compliance with the GRI Guidelines for general disclosure and specific topic disclosure.

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- The verification team interviewed relevant personnel to confirm the communication and response mechanism for stakeholders and the decision-making process for material topics, but did not directly contact external stakeholders.
- All documents, data and information related to the preparation of the Report were verified by the verification team through interviews with relevant personnel.
- The process of reviewing organizational outputs, collecting and managing qualitative and quantitative data disclosed in reports based on a sampling plan.
- By interviewing the responsible personnel of each group, examining and reviewing the relevant documents, materials and information, the verification team evaluated the reasonableness of the sources of supporting materials and evidence for the contents of the Report.

CONCLUSION

◆ **AA1000 Accountability Principles**

Inclusivity

ITEQ has disclosed the organization's actions and achievements in the environmental, social and governance aspects in the Report, covering the issues that stakeholders are concerned about and expect under the principle of inclusiveness. In the future, internal and external resources and risk opportunity management mechanisms can be integrated to enhance the evaluation and control effectiveness of strategic goals and respond more clearly to stakeholders' concerns about sustainable performance.

Materiality

ITEQ has published information related to sustainable management, so that stakeholders can judge the company's management and performance. With the opinions of all parties, the organization develops and implements a decision-making mechanism for material topics, and presents the decision results and treatment priorities in the Report. Overall, the Report appropriately covers material topics closely related to its sustainable management.

Responsiveness

ITEQ has assigned relevant departments to communicate and respond to issues of concern to stakeholders in accordance with the division of business, and disclosed relevant policies and operating conditions in the Report and official website to show the organization's specific actions in the principle of responsiveness. In the future, the data collection and compilation process of each department will be continuously strengthened. Through institutionalized processes, it can not only present annual operating performance more completely, but also show the organization's positive actions in sustainable actions such as exceeding regulatory requirements, actively participating in social welfare, and promoting energy conservation and carbon reduction.

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Impact

ITEQ has demonstrated a process of identifying and fairly assessing impacts, including a range of environmental, social and governance topics from a wide range of sources. The measurement and assessment of the impacts of its operational activities have been achieved through a combination of qualitative and quantitative objectives. In the future, the organization can continue to integrate the sustainable actions that have been implemented, monitor and measure, strengthen the control of risks and opportunities, and be responsible for the overall impact of its actions to demonstrate accountability and sustainable development performance.

◆ **Global Reporting Initiative Sustainability Reporting Standards**

Based on the results of the review, it is confirmed that the general disclosures, specific topic disclosures, and material topics management disclosures in the Report have complied with the requirements of the GRI Standards. In the future, the organization can continuously optimize and consolidate the management performance of each operating location and disclose sufficient sustainable information to stakeholders.

ASSURANCE OPINION

AFNOR ASIA has developed a complete sustainability reporting assurance standard based on the verification guidelines of the AA1000 Assurance Standard (v3) and the GRI Standards. Based on the sufficient evidence provided by ITEQ and the facts seen during on-site verification, we adhere to the principle of fairness and issue a statement on the global sustainability reporting standards followed by the organization. In our opinion, the information and data presented in the Report by ITEQ provides a fair and balanced representation. We believe the focuses on economic, social, and environmental matters in ITEQ in 2024 are well represented.

ASSURANCE LEVEL

In accordance with the AA1000 Assurance Standard (v3), we verified this assurance statement corresponding to a moderate level. The scope and methods are as described in this statement.

For and on behalf of AFNOR :



Dr. August Tasi
The Director for Certification and Assessment
Jul.10.2025

Verification team: Kuan Hsiung Huang (Lead Verifier), YU TAI CHIANG (Verifier).
AFNOR Asia Ltd.—20F, No. 102, Chang Ping Rd., Taoyuan, Taiwan
Tel. : +886 3 2208080, Fax : +886 3 2204866
<http://international.afnor.com.tw/>

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INNOVATION TEAMWORK
EXCELLENCE QUALITY

