



..... SUSTAINABILITY
..... REPORT

2024

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About this Report

TAIFLEX Scientific Co., Ltd. (hereinafter referred to as “Taiflex,” “the Company,” or “we”) has published sustainability reports for 12 consecutive years since 2014. In this year’ s report, we identified 12 material topics through a thorough understanding of the corporate sustainability context, a materiality assessment, the identification of stakeholder concerns, and input from external experts. The report provides detailed disclosures of Taiflex’ s management approaches, action plans, and performance across these material topics, presented in clear, commonly used language and descriptive terms. In addition to enhancing transparency for stakeholders, the report underscores our commitment to advancing sustainable development.

★ Preparation Principles and Guidelines

This report has been prepared in accordance with the GRI Standards issued by the Global Reporting Initiative (GRI), as well as the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” issued by the Taiwan Stock Exchange (TWSE). Disclosures have been enhanced in accordance with Article 4, “Sustainability Disclosure Indicators - Electronic Parts and Components Industry,” and Article 4-1, “Climate-related Information,” of the aforementioned rules. In addition, the report references the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD), and the United Nations Sustainable Development Goals (SDGs), and has been prepared in alignment with the reporting principles and requirements set forth in these frameworks. To enhance materiality and comparability, financial performance is presented in New Taiwan dollars, while environmental data related to energy conservation and carbon reduction are expressed using internationally recognized units of measurement. Any restatements or revisions made relative to the previous year’ s report are explained in the relevant sections.

★ Reporting Scope, Period and Frequency

Taiflex publishes its sustainability report on an annual basis, in alignment with the frequency of its financial reporting. The report is publicly available on the Company’ s official website: <https://www.taiflex.com.tw/english/Home>.

This report presents Taiflex’ s sustainability performance across economic, governance, social, and environmental aspects for the period from January 1 to December 31, 2024. To enhance completeness and comparability, certain information may also reference activities or data from periods before or after the reporting year. Except for financial performance, which is presented on a consolidated basis, all other disclosures focus primarily on Taiflex’ s operations and business activities in Taiwan, including Taiflex 1, Taiflex 2, Taiflex 3, Taiflex 5, and the Linkou Office, and excluding subsidiaries. However, in consideration of the Group’ s overall sustainability strategy and planning, selected sustainability performance data from subsidiaries are included where relevant.



Previous report: Published in July 2024
Current report: Published in August 2025
Next report: Scheduled for release in August 2026

✦ Audit and External Verification

The data and information presented in this report were compiled in accordance with Taiflex' s internal "Procedures for the Preparation and Assurance of Sustainability Reports." Relevant data were provided by departments at corporate Headquarters and factory sites, reviewed by their respective supervisors, and consolidated by the sustainability report preparation team. The draft was then reviewed and revised by the heads of each working group under the Sustainability Development Committee, and submitted for final review by the President and Chairperson through internal administrative procedures. To comply with current regulatory requirements and ensure the accuracy and quality of disclosures, future sustainability reports will be finalized and published upon approval by the Board of Directors.

To enhance the credibility of this report, financial performance data have been extracted from the Company' s annual financial statements audited by Ernst & Young. Greenhouse gas (GHG) emissions are disclosed based on inventories conducted in accordance with the ISO 14064-1:2018 standard, and the disclosed data have been verified by an independent third party, except for the 2024 figures, which are currently disclosed based on quantified results from the Company' s internal inventory. All other sustainability disclosures have been assured by AFNOR Asia Ltd., a subsidiary of the AFNOR Group. The assurance was conducted in accordance with the GRI Standards 2021 and the AA1000 Assurance Standard (AA1000AS v3), Type 1 assurance, at a moderate level. The independent assurance statement is provided in Appendix II: Independent Assurance Statement for the Sustainability Report.

✦ Feedback

We welcome any suggestions or questions you may have regarding the Company or this report. For more information about Taiflex' s sustainability initiatives, please visit the ESG section on our official website.



Responsible unit: Sustainable Development Center/TAIFLEX Scientific Co., Ltd.

Address: No. 1, Huanqu 3rd Rd., Qianzhen Dist., Kaohsiung City 806011, Taiwan (R.O.C.)

Telephone: 886-7-8139989 #72777

Email: george.lin@taiflex.com.tw

Sustainability section: https://www.taiflex.com.tw/english/esg_overview.html



Message from the Chairperson

The year 2024 was one marked by both challenges and opportunities. In the face of global political and economic uncertainties, tariff barriers, natural disasters, and widespread disruptions in supply chains, Taiflex Group—thanks to the dedication and teamwork of all our employees—not only achieved significant progress in our business operations but also made substantial strides in our sustainability efforts.

Reflecting on 2024, Taiflex actively advanced a range of sustainability initiatives. These efforts included the development of new products, optimization of our product structures, and the enhancement of production capacity. In May, our Thailand factory officially commenced operations, featuring a 431 kWp solar power system. We also signed a 10-year green power procurement agreement with a partner, securing a total of 75 million kWh in renewable energy certificates. The facility earned Gold-level TREES certification, underscoring our commitment to green building practices. At our subsidiary, Rudong Fuzhan Scientific Co., Ltd., we initiated the second phase of its expansion project and began installing a 378 kWp solar energy system. On the innovation front, we improved operational efficiency through the digitalization of forms and workflows. At the same time, our efforts in automation and smart manufacturing have led to higher product quality and greater energy efficiency.

Looking ahead, we remain committed to investing in employee development, technological innovation, and key initiatives centered on energy conservation and carbon reduction. We believe that continuous innovation and management optimization will further strengthen Taiflex' s competitive positioning for future growth. Equally important is our unwavering dedication to corporate social responsibility. We strive to foster a diverse, inclusive, and growth-oriented workplace, while actively participating in community engagement and educational development. In 2024, we were honored to receive the Excellence Award for Leadership in Workforce Sustainability, a recognition of our sustained efforts in employee well-being, workplace safety, and responsible business practices. In the area of corporate governance, we will continue to uphold the highest standards while further enhancing our management of intellectual property and information security.

With innovation, sustainability, and social responsibility at the core of everything we do, Taiflex Group will continue working hand in hand with our employees and partners to create long-term value for all shareholders, and moving confidently toward a brighter and more sustainable future.

陳達波 *See Te-ven*

Message from the President

The year 2024 marked an important milestone in Taiflex' s journey toward sustainable development. As a leader in both the manufacturing and service sectors, we recognize our responsibilities and mission in the areas of Environmental, Social, and Governance (ESG). Guided by a firm commitment to carbon neutrality, we have embedded sustainability into every facet of our operations—integrating responsible practices into our manufacturing processes and aligning them with our corporate growth objectives.

Taiflex has set clear long-term goals of achieving green manufacturing and zero waste by 2030, and reaching net-zero emissions in our production processes by 2050. These are more than just promises—they are actionable roadmaps that reflect our dedication to building a sustainable future. In 2024, our ESG initiatives delivered meaningful results. We successfully passed the Taiwan Intellectual Property Management System (TIPS) assessment and actively participated in the Task Force on Climate-related Financial Disclosures (TCFD) evaluation, reinforcing our transparency and accountability.

In 2024, we also marked a major step forward in our green manufacturing journey with the official launch of our new Thailand facility, designed in alignment with green building standards and RE100 goals. Meanwhile, the integrated building at our Rudong production base was completed and became operational by year-end, further strengthening our global manufacturing capabilities.

Looking ahead to 2025, we will continue to optimize our information security and knowledge management systems to safeguard data integrity and security, while further enhancing our digital capabilities. Our commitment to sustainability extends beyond environmental management—it encompasses social responsibility and industry collaboration as well. We are actively partnering with suppliers to drive a low-carbon transition and deepening collaborations with academic institutions to foster innovation in advanced technologies and nurture future talent.

As we move forward, we are committed to realizing sustainable development with even greater determination and drive. I extend my heartfelt thanks to all our employees, partners, and stakeholders for your continued trust and support.



江宗翰 Tzong-Hann Jiang

About Taiflex

TAIFLEX Scientific Co., Ltd., established in 1997, is guided by a vision to become a world-class flexible materials company. We have built strong market competitiveness based on two core technologies: independently developed base formulations and precision coating processes. Committed to the research and development of green and energy-efficient products, we provide customers with highly reliable, advanced flexible materials along with integrated and innovative solutions. Today, Taiflex ranks among the world's top three suppliers of flexible printed circuit (FPC) materials and is the leading provider in the Greater China region.

Company Overview



Company

TAIFLEX Scientific Co., Ltd.



Paid-in capital

NT\$2,562.77 million



Date of incorporation

August 16, 1997



Ticker symbol

TWSE: 8039 (Listed)



Industry

Electronics components industry



Number of employees

954
(as of December 31, 2024)



Chairperson

Ta-Wen Sun



Main products

Flexible copper-clad laminates (FCCL), coverlays, bonding sheets, stiffeners, and composite materials



President

Zong-Han Jiang



Headquarters

No. 1, Huanqu 3rd Rd., Qianzhen Dist., Kaohsiung City 806011, Taiwan (R.O.C.)



Spokesperson

Chi-Yuan Pan



Global presence

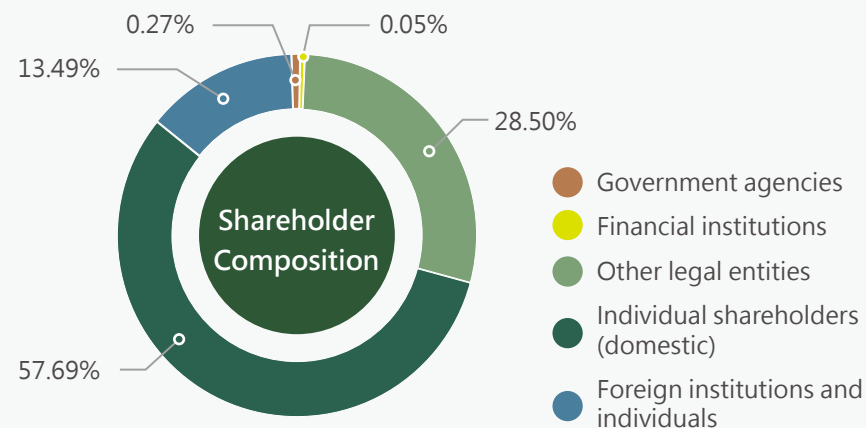
Taiwan, China, Japan, the United States and Thailand



Shareholder Composition

As of March 29, 2025

Shareholders Category	Shares Held	Shareholding %	Shareholders Category	Shares Held	Shareholding %
Government agencies	693,500	0.27%	Individual shareholders (domestic)	148,056,920	57.69%
Financial institutions	124,045	0.05%	Foreign institutions and individuals	34,631,134	13.49%
Other legal entities	73,145,400	28.50%			



Diversified Operations

Taiflex Group enhances corporate value and broadens its business scope through diversification. In addition to its core businesses in electronic materials, optical films, and thermal management materials, the Group has, in recent years, spun off and established Taiflex Advanced Materials Co., Ltd. to enter the semiconductor and display packaging materials markets. Moreover, in response to global carbon reduction efforts and national net-zero targets, Taiflex Green Power Co., Ltd. was established to oversee the Group's renewable energy development initiatives.



Award and Recognition

- Received the 2024 Excellence Award in the Leader in Sustaining a Healthy Workforce - Manufacturing Sector from the Occupational Safety and Health Administration, Ministry of Labor.
- Honored with the 2024 Model Award for Green Space Sponsorship in Air Quality Purification Zones from the Ministry of Environment.
- Received the Eco-Friendly Restaurant Certification from the Ministry of Environment, Executive Yuan.
- Recognized as an outstanding enterprise in the 2024 Voluntary Evaluation of Occupational Health and Safety Indicators in Sustainability Reports, conducted by the Occupational Safety and Health Administration, Ministry of Labor.
- Certified under UL 2809 Environmental Claim Validation (ECV).
- Achieved TIPS Level-A recertification in 2024.
- Received a Certificate of Appreciation from the Southern Kaohsiung Branch of the Taiwan Fund for Children and Families in recognition of the Company's efforts to transform discarded wooden pallets into handcrafted items for charity sales. All proceeds were donated to support underprivileged children, reflecting Taiflex's commitment to corporate social responsibility and community care.
- Received a Certificate of Appreciation from National Sun Yat-sen University for collaborating with academia to promote waste reutilization by upcycling pallets into creative play equipment for children, demonstrating the Company's dedication to environmental education and sustainability.

2024

- Established a wholly-owned subsidiary, Taiflex Green Power, with a focus on renewable energy to continue our investment in power generation from green energy.
- Received Enterprise with Outstanding Employment Relations Award from Export Processing Zone Administration, Ministry of Economic Affairs, R.O.C. (MOEA)
- Received Devotion to Social Welfare Award from Export Processing Zone Administration, MOEA
- Received Excellent Enterprise Award from Kaohsiung Chamber of Industry.
- Received a certificate of the Kaohsiung City Government for Mid-Autumn Festival Gifts from Sheltered Workshop to Help Disabled Friends.
- Received a certificate of Social Affairs Bureau, Kaohsiung City Government for supporting Mid-Autumn Festival gifts from disability organizations.
- Issued the first overseas unsecured convertible bonds of US\$70 million at the Singapore Exchange Limited on November 30.
- Obtained ISO 50001 Energy Management System certification.
- Received recognition from the Kaohsiung United Charity Association for One Day Volunteer and donations to help families with financial hardship.

2021

2023

- Received Badge of Accredited Healthy Workplace from Health Promotion Administration, Ministry of Health and Welfare.
- Received trophy from Kaohsiung Export Processing Zone Administration for participating in blood donation activities.
- Ranked in the top 5% of the "Small and Mid-Caps" category for the 2022 Corporate Governance Evaluation.
- Recognized as an exemplary company in the 2023 joint regional complex accident emergency response drill organized at the Kaohsiung Qianzhen Technology Industrial Park.
- Obtained ISO 27001 Information Security Management System certification for eight consecutive years.
- Obtained the TIPS Level-A certification in 2023.
- Recognized as an outstanding company of the electronics industry in the Voluntary Evaluation of Occupational Health and Safety Indicators in Sustainability Reports, conducted by the Occupational Safety and Health Administration, Ministry of Labor.
- Received the certificate of 2023 Enterprises Committed to Corporate Health Responsibility from the Common Health Magazine.
- Approved to be an Authorized Economic Operator (AEO).
- Obtained both ISO 45001 and CNS 45001 certifications.
- Hosted the Kaohsiung study tours with the Puren Youth Care Foundation for eight consecutive years.
- Received "Distinction Award" from Environmental Protection Administration for green space sponsorship at air quality purification zone.
- Teamed up with E.SUN for ESG initiative actions, working together to promote sustainable transformation.

2022

- Received trophy from Kaohsiung Export Processing Zone Administration for participating in blood donation activities.
- Ranked in the top 5% of the "Small and Mid-Caps" category for the 8th Corporate Governance Evaluation.
- Established Taiflex Scientific (Thailand) Co., Ltd., and held a groundbreaking ceremony.
- The 25th Anniversary of Taiflex and Gung Ho with Kaohsiung.
- Obtained ISO 27001 Information Security Management System certification for seven consecutive years.
- Received the certificate of 2022 Enterprises Committed to Corporate Health Responsibility from the Common Health Magazine.
- Received 2021 Community Contribution Excellence Award from Environmental Protection Bureau, Kaohsiung City Government for green space sponsorship at air quality purification zone in Kaohsiung City.
- Completed ISO 14064:2018 GHG inventory and third-party verification (Year of inventory: 2021.)
- Received Badge of Accredited Healthy Workplace from Health Promotion Administration, Ministry of Health and Welfare.

2024 ESG Performance and Highlights

Environment Aspect



Implementation of ISO 14064:2018

In 2024, Taiflex introduced a digital GHG management system and completed the 2023 GHG inventory in accordance with ISO 14064:2018 using the information system. The results were verified by an independent third-party assurance provider.

Reduction of 985.33 MT of CO₂e

In 2024, Taiflex implemented a total of 13 major energy conservation initiatives, resulting in electricity savings of approximately 2,078,755 kWh. This is equivalent to a reduction of 7,483.52 GJ in energy consumption and a decrease of 985.33 metric tons of CO₂e emissions.

Investment of NT\$ 84,474 thousand in environmental protection

In 2024, environmental initiatives related to pollution control, industrial waste reduction, and resource recycling generated total benefits of NT\$84,474 thousand.

Recycling of 31.4 MT

In 2024, film peeling machines developed in 2023 were used to process a total of 249 metric tons of waste overlay material, separating and recovering approximately 31.4 metric tons of release paper for recycling.

Conversion rate of 60%

In 2024, the production lines recovered 232.04 metric tons of NMP solvent and 97.45 metric tons of MEK solvent, achieving average reuse rates of 68.17% and 61.61%, respectively.

Social Aspect



Zero occupational accidents

In 2024, there were no cases of occupational disease, major workplace accidents, or fatalities.

FSI < 0.1

In 2024, the Frequency-Severity Indicator (FSI) was 0.06, the Severity Rate (SR) was 5.99, and the Frequency Rate (FR) was 0.6. Each of these indicators performed better than the three-year average for the electronics and semiconductor industries.

Donation of NT\$800,000

In 2024, a total of NT\$800,000 was donated to the Kaohsiung City Youth Care Association to support charitable programs for children and youth.

Employee training satisfaction rate of 93%

In 2024, employee training totaled 2,786 enrollments and 13,966 hours. Total training expenses reached NT\$3,181.42 thousand, with a training satisfaction rate of 93%.

Corporate Governance Aspect



Cumulative total of 151 patents

In 2024, Taiflex filed three new patent applications, bringing the cumulative total to 250 global applications as of year-end. Among these, 84.40% are invention patents, with a total of 151 patents granted to date.

Revenue of NT\$ 99.38 million

In 2024, operating revenue totaled NT\$9.938 billion, and earnings per share (EPS) reached NT\$2.53. Both figures outperformed the industry average.

A-rated for information security

In 2024, Taiflex Group received an A (excellent) rating in information security risk assessment conducted by SSC, an external cybersecurity evaluation firm.

Customer satisfaction rate of 93.25

In 2024, customer satisfaction reached 93.25 points, representing an increase of 2.85 points compared to 90.4 points in 2023.

1

Practitioner of Sustainable Management

1.1 Sustainable Development Committee

1.2 Stakeholder Engagement and Response

1.3 Identification of Material Topics for the Year

1.4 Sustainable Goals and Practice



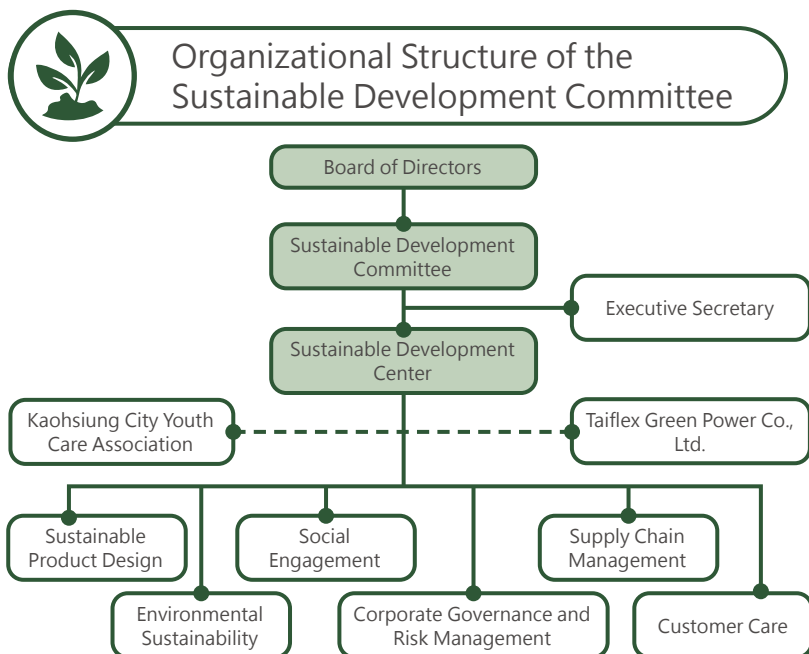
Practitioner of Sustainable Management

1.1 Sustainable Development Committee

To advance the Company's sustainable development goals, Taiflex has established a Sustainable Development Committee consisting of five members: three Independent Directors, the President, and a Senior Assistant Vice President. The Committee oversees six functional teams: Sustainable Product Design, Environmental Sustainability, Social Engagement, Corporate Governance and Risk Management, Supply Chain Management, and Customer Care. The convener of the Committee designates department heads to lead each functional team and coordinate the implementation of relevant initiatives. An Executive Secretary supports the convener by monitoring the progress and outcomes of each team's work. On December 1, 2024, the Chief of Staff resigned from the Committee. On January 16, 2025, the Board of Directors approved the appointment of a new Senior Assistant Vice President to fill the vacancy on the Sustainable Development Committee.

Within this organizational structure, the Sustainable Development Center is responsible for monitoring and analyzing global sustainability issues. It works in collaboration with the functional teams to promote the Company's sustainability efforts across the environmental, social, and governance (ESG) dimensions. For economic, environmental, and social issues arising from operational activities, each functional team is tasked with formulating annual work plans based on the year's business performance, tracking implementation progress, and submitting the results to the Sustainable Development Center. The Center consolidates these outcomes and reports them to the Sustainable Development Committee. The Committee, in turn, reports to the Board of Directors at least twice a year on the progress and performance of the Company's sustainability action plans. In 2024, two Committee meetings were held, with an average attendance rate of 88.89% among all members.

Moreover, the Company has appointed a Chief Sustainability Officer (CSO) to assist in leading the Sustainability Development Center and its operational units. The CSO is responsible for promoting Taiflex's overall sustainability initiatives.



Operation of the Sustainable Development Committee in 2024

Date and Session of Meeting

2024.07.16
4th meeting of the 2nd term

2024.12.17
5th meeting of the 2nd term

Motion

No discussion item

2025 sustainability development plan

Resolution

-

Approved without objection

Other Discussion Items

- Review of previous meeting minutes and follow-up status
- Progress report on the 2023 sustainability development plan
- Status report on the 2023 GHG inventory results

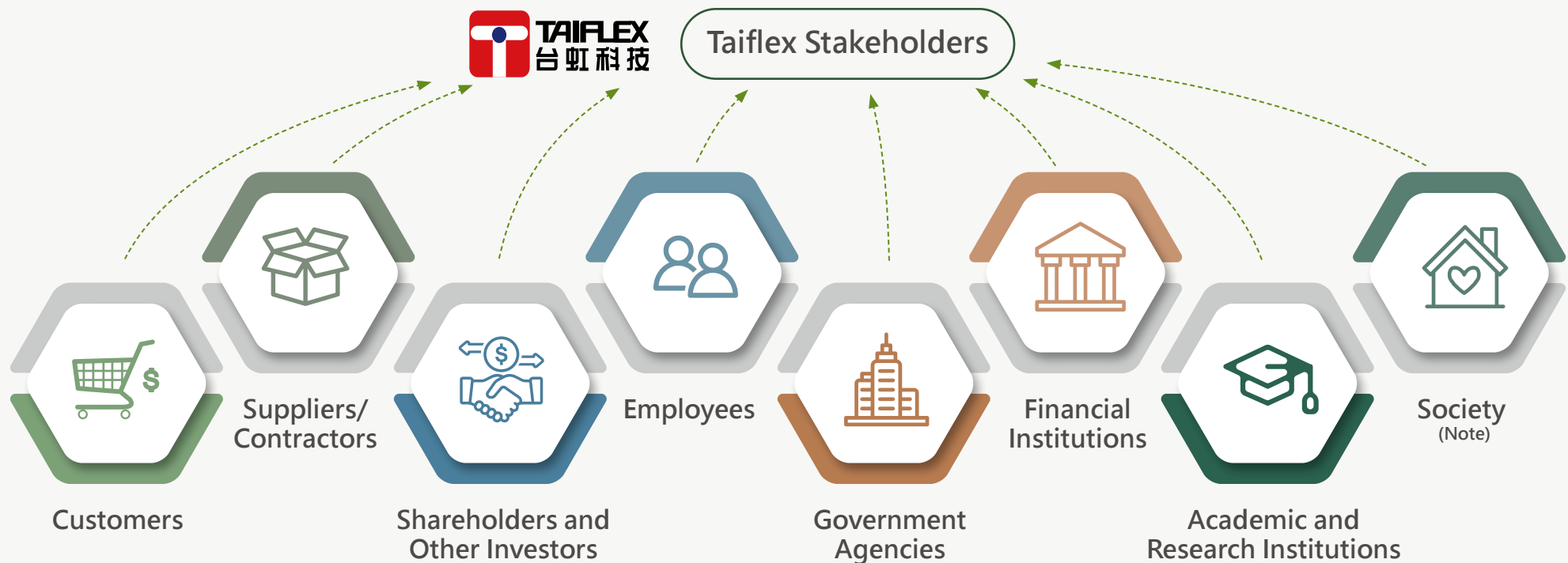
- Progress report on the 2024 sustainability development plan
- Status report on the 2023 GHG inventory results

□ 1.2 Stakeholder Engagement and Response

Stakeholder identification and engagement form the foundation of corporate sustainability. To fulfill our commitments to stakeholders and to respect and safeguard their legitimate interests, Taiflex engages in ongoing communication through multiple channels. Feedback, needs, and expectations from stakeholders are incorporated into our operational decision-making. The outcomes of stakeholder engagement are regularly reported to the Board of Directors. (For 2024, the engagement outcomes were presented at the Board meeting held on January 16, 2025.) Through these efforts, we strive to create and share maximum value with our stakeholders.

★ Stakeholder Identification

Through internal discussions with department heads, input from external experts, and benchmarking against industry peers, the Company's Sustainable Development Committee identified stakeholder groups that may be positively or negatively impacted by Taiflex' s operational activities. The Committee adopted the AA1000 Stakeholder Engagement Standard (SES) to assess and prioritize these groups. A total of eight key stakeholder groups have been identified, including customers, employees, suppliers/contractors, shareholders and other investors, government agencies, financial institutions, academic and research institutions, and society (including local communities, neighboring factories, and social welfare organizations).







Note: Including local communities, neighboring factories and social welfare organizations



★ Stakeholder Communication



Taiflex adopts a proactive approach to stakeholder communication by utilizing multiple channels, including annual reports, the official website, relevant meetings, the EHR platform (Taiflex Forum), employee suggestion boxes, customer service, ESG questionnaires, emails, and official correspondence. These channels help the Company understand the issues and concerns raised by its stakeholders. Through coordination and communication among the management team, issues are assessed and handled based on internal procedures and past engagement experiences. The nature, sensitivity, and potential impact of each issue are key considerations that guide the Company's response strategy and enable timely, appropriate actions.

Stakeholder Communication Channels and Effectiveness in 2024

Stakeholders	Significance of Stakeholders to the Company	Communication Channel	Frequency	Communication Effectiveness
 Customers	Providing high-value products to become a trusted business partner is key to business development.	Sustainability issue questionnaires	Annually	<ul style="list-style-type: none"> Scored 93.25 in 2024 customer satisfaction survey. 17 quality audits conducted in 2024, with 59 improvement items identified and fully resolved, achieving a 100% completion rate. Over 80–100 technical exchange meetings held. Completed 11 key customer information security audit questionnaires in 2024, with no corrective actions required.
		Customer satisfaction survey	Semi-annually	
		Technical exchange meetings	Monthly	
		Business visits	Monthly	
		Customer service hotline	Real-time	
		Email for external parties	As needed	
		Audit visits	As needed	
 Suppliers/ Contractors	Business operations rely on the stable supply of goods from suppliers. We place great importance on the quality of raw materials provided and strive for mutual benefit and sustainable growth with our partners.	Customer-designated questionnaires	As needed	<ul style="list-style-type: none"> Recognized eight outstanding suppliers during the 2024 Supplier Conference. Implemented green procurement principles via the e-procurement system. Conducted 30 supplier audits in 2024 (14 document reviews and 16 on-site inspections), identifying 111 deficiencies, all of which were fully corrected. No suppliers were disqualified as a result of the audits. Held one contractor consultative organization meeting, which included occupational safety and health regulatory training. Carried out 540 operation reviews and audits in 2024, with a 100% improvement rate. Performed 119 inspections of special contractor operations in 2024, with one violation identified and fully corrected.
		Supplier conference	Annually	
		Sustainability issue questionnaires	Annually	
		Phone	Real-time	
		Email for external parties	As needed	
		Regular audits	Annually	
		Operation review and audit	As needed	
		Contractor consultative organization meeting	Annually	
		Green product data management	Annually	

Stakeholders	Significance of Stakeholders to the Company	Communication Channel	Frequency	Communication Effectiveness
 Shareholders and Other Investors	Shareholders and investors are key supporters of Taiflex' s sustainable operations, and fulfilling our responsibilities to them is a core corporate mission.	Annual shareholders' meeting	Annually	<ul style="list-style-type: none"> Voluntarily disclosed consolidated monthly revenue by product category. Held one shareholders' meeting and two investor conferences in 2024 to brief investors on operational status. Published English versions of the shareholders' meeting agenda, annual report, and minutes for investor reference. On October 30, 2024, the Chief Information Security Officer (CISO) and the Information Security Officer reported to the Board on information security governance performance, key issues, and risk management strategies. Dedicated email and hotline in place to respond to shareholder inquiries. Over 100 inquiries from shareholders and other investors were received in 2024, with a 100% response and resolution rate.
		Investor conference	Annually	
		Annual report / Financial statements	Annually	
		Investor relations website	As needed	
		Sustainability issue questionnaires	Annually	
		Dedicated shareholder hotline	As needed	
		Email for external parties	As needed	
		Annual information security briefing	Annually	
 Employees	Employees are a vital corporate asset and key to maintaining core competitiveness. Taiflex aims to create a work environment that is challenging, continuously engaging, and enjoyable, fostering sustainable growth with all partners.	EHR platform (Taiflex forum)	Real-time	<ul style="list-style-type: none"> In 2024, a total of 16 discussions and responses were posted on the EHR platform. In 2024, four labor-management meetings, two CEO roundtables, and eight EWC meetings were held. In 2024, four OSH Committee meetings were convened. In 2024, three newcomer welcome sessions were organized. The Company published monthly announcements on the Confidential Information Protection Policy (CIPP) and conducted an annual assessment of Taiflex' s confidential information protection guidelines, with a full score required to pass. All 791 designated employees passed the assessment in 2024. In 2024, a total of 878 employees completed online information security training (including assessments), with a 100% pass rate. In 2024, four OSH Committee meetings were held, with an attendance rate of 83%. Four follow-up issues were raised and all were resolved. In 2024, 19 information security training sessions were conducted, attended by 382 participants. Awareness was further promoted through 48 printed and 18 digital flyers. In 2024, seven environmental education knowledge-sharing articles were published. Individual development plans (IDPs) were created based on employees' job requirements, performance evaluations, and career development needs. Coverage rate was 100% (excluding non-regular employees and those on unpaid leave). In 2024, a total of 24 briefings were held by department heads or division managers to communicate company policies and address employee inquiries.
		Labor-management meetings	Quarterly	
		Employee briefing sessions	As needed	
		CEO roundtable discussions	Semi-annually	
		EWC meetings	Quarterly	
		Occupational Safety and Health (OSH) Committee meetings	Quarterly	
		Employee suggestion mailbox	Real-time	
		Training and awareness programs	As needed	
		Sustainability issue questionnaires	Annually	
		Internal hotline/email	Real-time / Semi-annually	
		Monthly production recognition meetings	Monthly	

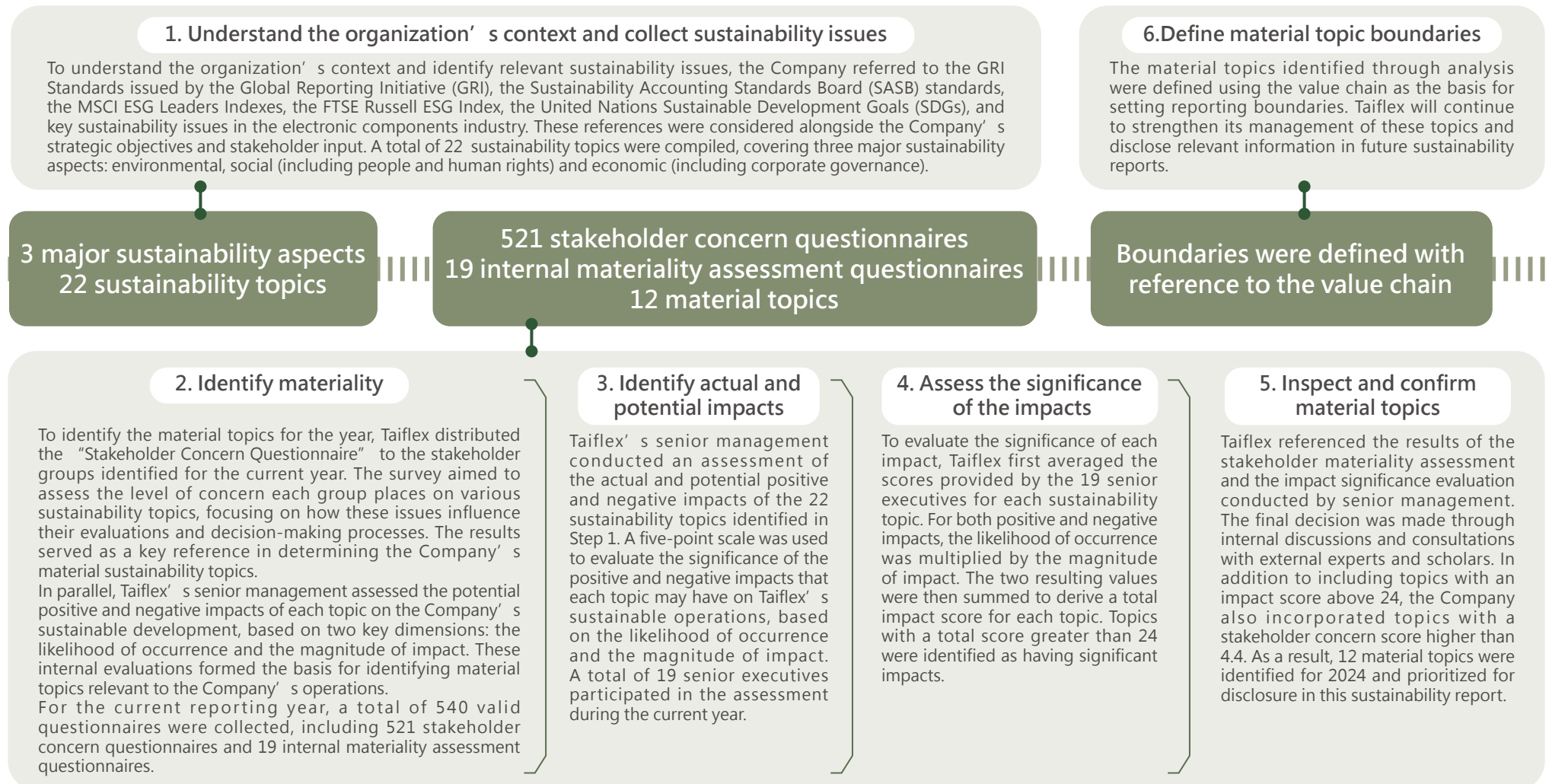
Stakeholders	Significance of Stakeholders to the Company	Communication Channel	Frequency	Communication Effectiveness
 Government Agencies	Business operations must be founded on legal compliance and subject to government oversight. As policy changes can significantly impact operational direction, maintaining two-way communication with government agencies is essential.	Official correspondence	As needed	<ul style="list-style-type: none"> One submission for approval of work rules. One update of employer representatives for labor-management meetings. In 2024, over 1,121 official correspondences with competent authorities, including the TWSE, Investment Commission of MOEA, and tax agencies. In 2024, ten communications with external stakeholders: eight audits by competent authorities and two inspections by third-party agencies. Two findings were issued and fully corrected (100% improvement rate). A submission was made for approval of the OSH work rules and the related organization and personnel to establish an OSH system. Active participation in information and policy briefings hosted by competent authorities to stay current with regulatory trends. In 2024, the finance and accounting departments attended five government-organized sessions. In 2024, 15 inspections by various levels of competent authorities were conducted.
		Questionnaire surveys	As needed	
		Inspections and audits	As needed	
		Labor-management meetings	Every 3 months	
		EWC meetings	Quarterly	
		Public hearings and press conferences	As needed	
		Information sessions and seminars	As needed	
		Sustainability issue questionnaires	Annually	
		Phone communication	Real-time	
 Financial Institutions	Capital is the lifeblood of business operations, and financial institutions are key capital providers. Therefore, we prioritize their concerns and maintain close communication.	Official correspondence	As needed	<ul style="list-style-type: none"> Signed unsecured credit line agreements with more than 15 institutions to ensure funding stability. Provided financial institutions with transparent operational results and strategic directions to facilitate their understanding of the Company's governance, risk management, and long-term strategies and outlook. Since 2021, the Company has partnered with E.SUN Bank on ESG initiatives and has continued to work closely with the bank to advance sustainable transformation.
		Sustainability issue questionnaires	Annually	
		Phone communication	As needed	
		Email for external parties	As needed	
		Credit line renewal reviews	Annually	
		Bank meetings	As needed	

Stakeholders	Significance of Stakeholders to the Company	Communication Channel	Frequency	Communication Effectiveness
 <p>Academic and Research Institutes</p>	<p>We value academic knowledge and collaborate with universities and research institutes to cultivate professional talent, accelerate product development, and enhance the Company's overall sustainability through academic expertise.</p>	Briefings / Forums / Seminars	Real-time / As needed	<ul style="list-style-type: none"> Participated in the National Cheng Kung University Career Coaching Program since 2015, with 7 executives mentoring nearly 100 students to date. Partnered with National Sun Yat-sen University's College of Semiconductor and Advanced Technology Research for a 10-year talent development program, providing professional lecturers and aiming to train 40 young professionals. As of 2024, 9 students have completed internships at Taiflex. Participated in the "Internship for Youth in Kaohsiung" program initiated by the Youth Bureau of the Kaohsiung City Government and successfully recruited seven young interns. Signed an industry-academia collaboration agreement with Wun-Shan Senior High School and hosted a campus promotion event during the school's anniversary celebration. Signed an industry-academia collaboration agreement with National University of Kaohsiung in 2024. Participated in four training sessions hosted by the Taiwan Printed Circuit Association (TPCA).
		Official correspondence	As needed	
		Industry-academia collaboration projects	As needed	
		Project meetings	As needed	
		Visits and interviews	As needed	
		Sustainability issue questionnaires	Annually	
		Simulation research briefings	At least twice a month	
 <p>Society (including local communities and social welfare organizations)</p>	<p>Maintain positive engagement with residents in our operating regions and aim to give back to society by fulfilling our corporate social responsibility and contributing to a better future.</p>	E-mail / Phone hotline / Laboratory access	Real-time	<ul style="list-style-type: none"> The "Kaohsiung City Youth Care Association" actively organized 10 events in 2024, with a total of approximately 2,500 participants. Donated a total of 55 items of supplies in 2024. Collaborated with the Kaohsiung Qianzhen Technology Industrial Park to host a large-scale blood donation drive, mobilizing both employees and community partners. From 2021 to 2024, the Company has made continuous donations for four consecutive years to support the maintenance of green spaces in air quality purification zones at Aicyun Primary School and RuiFeng Elementary School in Qianzhen District, Kaohsiung. In collaboration with CTBC University of Technology, we repurposed discarded wooden pallets from our facilities into handcrafted items. These were distributed as gifts for internal charitable initiatives and sold at fundraising events. All proceeds were donated to the Southern Kaohsiung Branch of the Taiwan Fund for Children and Families. In addition, Taiflex pledged to match every dollar donated with an equivalent contribution.
		Public welfare activities, donations, and volunteer participation	As needed	
		Official correspondence	Real-time	
		Phone communication	Real-time	
		Email for external parties	Real-time	

1.3 Identification of Material Topics for the Year

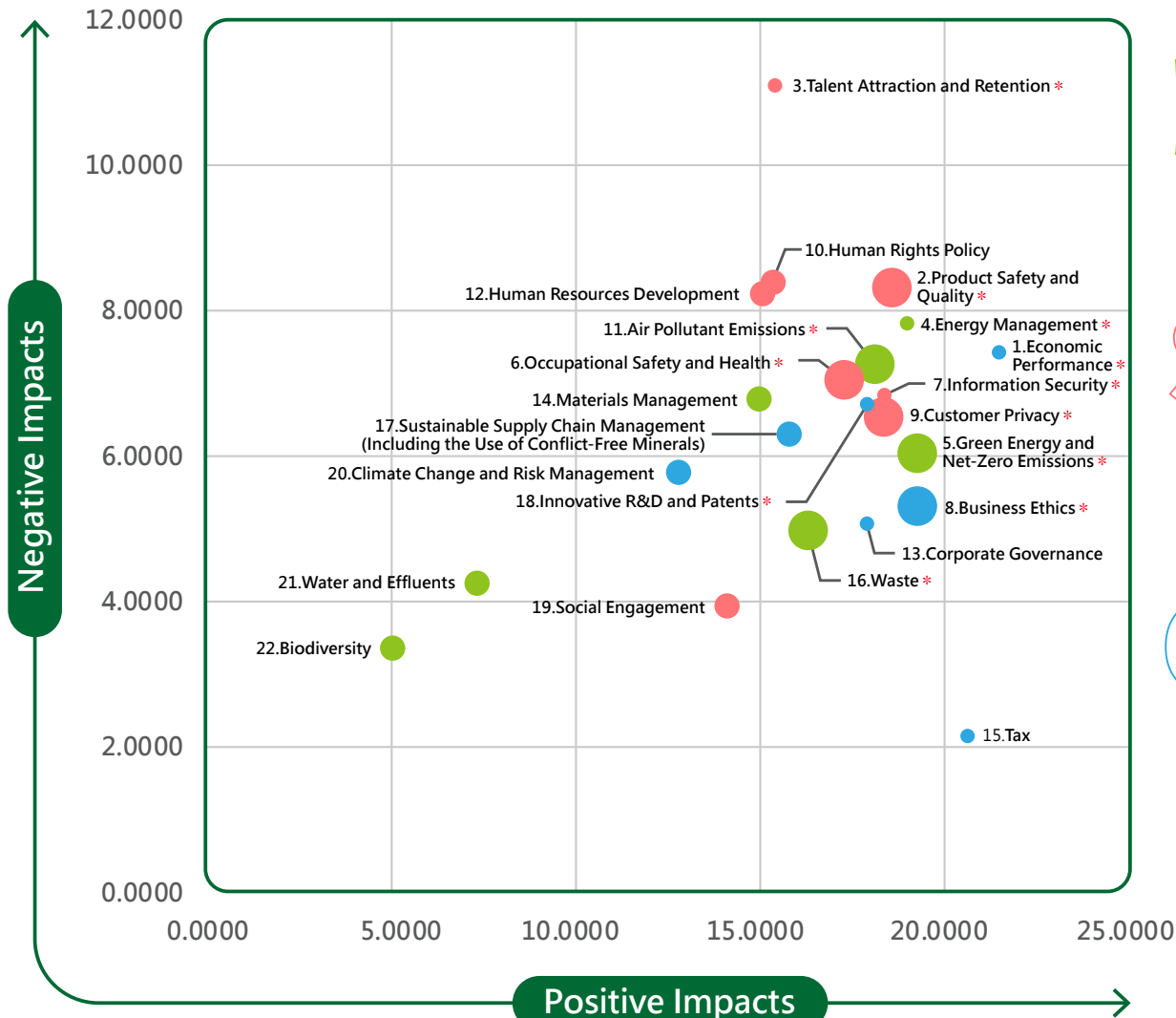
Material Topic Identification Process

To ensure that the information disclosed in the sustainability report more closely aligns with stakeholder expectations and reflects international sustainability trends, Taiflex has adopted the materiality identification process outlined in the GRI Standards (2021). This framework is based on six key steps: "Understand the organization's context," "Identify materiality," "Identify impacts," "Assess significance," "Confirm material topics," and "Define material topic boundaries," which together form the foundation for analyzing the materiality of sustainability issues.



★ Impact Significance Assessment Results

Comprehensive Evaluation of Positive and Negative Impacts



E

- 4. Energy Management *
- 5. Green Energy and Net-Zero Emissions *
- 11. Air Pollutant Emissions *
- 14. Materials Management
- 16. Waste *
- 21. Water and Effluents
- 22. Biodiversity

S

- 2. Product Safety and Quality *
- 3. Talent Attraction and Retention *
- 6. Occupational Safety and Health *
- 7. Information Security *
- 9. Customer Privacy *
- 10. Human Rights Policy
- 12. Human Resources Development
- 19. Social Engagement

G

- 1. Economic Performance *
- 8. Business Ethics *
- 13. Corporate Governance
- 15. Tax
- 17. Sustainable Supply Chain Management (Including the Use of Conflict-Free Minerals)
- 18. Innovative R&D and Patents *
- 20. Climate Change and Risk Management

* Material Topics for the Year

★ List of Material Topics for the Year

The material topics for Taiflex' s 2024 Sustainability Report were identified through a process involving materiality analysis, impact assessment, and internal discussions with senior management. Using the value chain to define reporting boundaries, the topics were organized into five thematic chapters: "Practitioner of Sustainable Management," "Entrepreneur with Steady Progress," "Developer of Innovative Materials," "Producer of Green Products" and "Promoter of Social Inclusion." These chapters outline Taiflex' s proactive management approach to environmental, social (including people and human rights), and economic (including corporate governance) issues. Moving forward, the Company will continue to strengthen its sustainability practices and disclose relevant information in future sustainability reports. Due to the adoption of a different materiality assessment methodology this year, two new material topics were added: Energy Management and Talent Attraction and Retention. Compared to the previous year, five topics were removed: Corporate Governance, Climate Change and Operational Risk Management, Sustainable Supply Chain Management (Including the Use of Conflict-Free Minerals), Human Resources Development, and Chemical Safety Management.

	Corresponding Chapter	Material Topic	GRI / Topic Reference	Value Chain Impact Boundary		Page No.
				Taiflex	Suppliers/ Contractors	
	Chapter 2 Entrepreneur with Steady Progress	Economic Performance	· GRI 201 Economic Performance	Caused	-	23
		Business Ethics	· GRI 205 Anti-corruption · GRI 206 Anti-competitive Behavior	Caused	-	34
	Chapter 3 Developer of Innovative Materials	Innovative R&D and Patents	· Custom topic	Caused	-	56
		Customer Privacy	· GRI 418 Customer Privacy	Caused	Directly related	61
		Information Security	· Custom topic	Caused Supplier (Directly related)	Directly related	61
		Product Safety and Quality	· GRI 416 Customer Health and Safety · GRI 417 Marketing and Labeling	Caused	Directly related	64
	Chapter 4 Producer of Green Products	Energy Management	· GRI 302 Energy	Caused	Contributed	72
		Green Energy and Net-Zero Emissions	· GRI 302 Energy · GRI 305 Emissions (305-1~5)	Caused	Contributed	72
		Air Pollutant Emissions	· GRI 305 Emissions(305-6、7)	Caused	-	77
		Waste	· GRI 306 Waste	Caused	-	78
	Chapter 5 Promoter of Social Inclusion	Talent Attraction and Retention	· GRI 401 Employment · GRI 405 Diversity and Equal Opportunity	Caused	-	88
		Occupational Safety and Health	· GRI 403 Occupational Health and Safety	Caused	Directly related	95

1.4 Sustainable Goals and Practice



Environmental

Sustainability Topic	▶ Short-term (2025-2026)	▶ ▶ Medium-term (2027-2030)	▶ ▶ ▶ Long-term (2031-2040)
<ul style="list-style-type: none"> Energy Management 	<ul style="list-style-type: none"> Achieve a 1% energy savings compared to the baseline year (2024), in line with the Energy Administration, MOEA 	<ul style="list-style-type: none"> Continue achieving annual energy savings of 1% compared to the baseline year (2024), as required by the Energy Administration, MOEA Participate in free energy diagnostics provided by government-commissioned professional agencies to identify additional energy-saving opportunities Join Taipower' s demand response program Introduce solar renewable energy 	<ul style="list-style-type: none"> Continue achieving annual energy savings of 1% compared to the baseline year (2024), as required by the Energy Administration, MOEA Participate in free energy diagnostics provided by government-commissioned professional agencies to identify additional energy-saving opportunities Join Taipower' s demand response program Introduce solar renewable energy
<ul style="list-style-type: none"> Green Energy and Net-Zero Emissions 	<ul style="list-style-type: none"> 4% reduction in GHG Scope 1 emissions, using 2021 as the base year Cumulative installed solar capacity of 2,800 kW by Taiflex Green Power (subsidiary) 	<ul style="list-style-type: none"> 12% reduction in GHG Scope 1 emissions, using 2021 as the base year Cumulative installed solar capacity of 2,949 kW by Taiflex Green Power (subsidiary), and installed biomass energy capacity of 280 kW 	<ul style="list-style-type: none"> >27% reduction in GHG Scope 1 emissions, using 2021 as the base year Cumulative installed solar capacity of 3,379 kW by Taiflex Green Power (subsidiary), and biomass energy capacity of 280 kW maintained
<ul style="list-style-type: none"> Waste 	<ul style="list-style-type: none"> Waste conversion rate of 80% 	<ul style="list-style-type: none"> Waste conversion rate of 85~88% Apply for UL 2799 Silver-level landfill conversion certification by 2030 	<ul style="list-style-type: none"> Waste conversion rate of 90%
<ul style="list-style-type: none"> Air Pollutant Emissions 	<ul style="list-style-type: none"> Natural gas consumption of air pollution control equipment reduced by 10% compared to 2016 Volatile Organic Compound (VOC) emissions per unit reduced by 3% compared to the base year (2021) VOC recovery through condensation and concentration increased by 1% compared to the base year (2021) 	<ul style="list-style-type: none"> Natural gas consumption of air pollution control equipment reduced by 20% compared to 2016 VOC emissions per unit reduced by 10% compared to the base year (2021) VOC recovery through condensation and concentration increased by 5% compared to the base year (2021) 	<ul style="list-style-type: none"> Natural gas consumption of air pollution control equipment reduced by 30% compared to 2016 VOC emissions per unit reduced by 30% compared to the base year (2021) VOC recovery through condensation and concentration increased by 30% compared to the base year (2021)



Social

Sustainability Topic

▶ Short-term (2025-2026)

▶ ▶ Medium-term (2027-2030)

▶ ▶ ▶ Long-term (2031-2040)



- Product Safety and Quality

- Customer satisfaction score of at least 89 points
- 100% compliance with regulations and customer requirements regarding hazardous substance restrictions

- Customer satisfaction score of at least 90 points
- 100% compliance with regulations and customer requirements regarding hazardous substance restrictions

- Customer satisfaction score of at least 91 points
- 100% compliance with regulations and customer requirements regarding hazardous substance restrictions

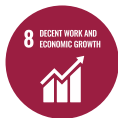


- Customer Privacy
- Information Security

- Establish an information security incident management and tracking platform
- Continuously strengthen personal data and customer data protection practices
- Ensure no litigation arising from breaches of customer privacy, personal data leaks, or information security incidents
- Achieve a 100% pass rate in the annual assessment of Taiflex' s confidential information protection guidelines by all employees

- Develop an automated joint defense cybersecurity system
- Conduct a comprehensive evaluation of cybersecurity maturity and implement continuous improvement plans
- Ensure no litigation arising from breaches of customer privacy, personal data leaks, or information security incidents

- Build an AI-driven joint defense cybersecurity system
- Ensure no litigation arising from breaches of customer privacy, personal data leaks, or information security incidents



- Talent Attraction and Retention

- Implement one salary adjustment and two promotion cycles (first and second half of the year); offer Thai language courses and introduce an AI-powered language learning platform

- Strengthen the link between performance and compensation to motivate employee development

- Establish a comprehensive career development roadmap to help employees plan long-term career paths



- Occupational Safety and Health

- Zero major occupational accidents requiring hospitalization
- Maintain zero cases of occupational illness due to chemical exposure
- Disabling injuries frequency rate (FR) ≤ 1.5
- Disabling injury severity rate (SR) ≤ 3.6
- Voluntary participation rate in employee health promotion programs > 40%

- Zero major occupational accidents requiring hospitalization
- Maintain zero cases of occupational illness due to chemical exposure
- FR ≤ 1.2
- SR ≤ 3.4
- Voluntary participation rate in employee health promotion programs > 45%

- Zero major occupational accidents requiring hospitalization
- Maintain zero cases of occupational illness due to chemical exposure
- FR ≤ 0.9
- SR ≤ 3.2
- Voluntary participation rate in employee health promotion programs > 50%



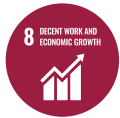
Corporate Governance

Sustainability Topic

▶ Short-term (2025-2026)

▶ ▶ Medium-term (2027-2030)

▶ ▶ ▶ Long-term (2031-2040)



• Economic Performance

- Return on equity (ROE) not lower than the industry average
- Operating profit margin not lower than the industry average

- ROE 1~5% higher than the industry average
- Operating profit margin 1~5% higher than the industry average

- ROE at least 5% higher than the industry average
- Operating profit margin at least 5% higher than the industry average



• Business Ethics

- Continue publishing monthly announcements and awareness campaigns on ethical business conduct
- Achieve 90% training coverage on ethics-related topics for full-time employees; 100% for new hires
- Zero violations of ethical principles by directors, managers, and employees
- Continuously review and revise the Company's ethical business policies and internal management systems in line with relevant regulations and latest regulatory guidance to ensure compliance and consistent implementation

- Ensure all employees participate in ethics training programs to strengthen practical implementation capabilities
- Zero violations of ethical principles by directors, managers, and employees

- Achieve the goal of zero ethics-related complaints and become a model of ethical business conduct
- Zero violations of ethical principles by directors, managers, and employees



• Innovative R&D and Patents

- File 2 new product patent applications per year
- Obtain TIPS Level-A recertification

- File 2 new product patent applications per year
- Establish a strategic intellectual property (IP) portfolio and enhance the Company's IP management system

- File 2 new product patent applications per year
- Align R&D and IP development directions with corporate business strategy
- Activate corporate resources through IP strategies such as technology sales, transfers, or licensing

✦ The waste conversion rate is defined as: (reuse + reduction + recycling + material recovery + waste-to-energy recovery + anaerobic digestion + biofuel conversion + composting) / total waste generated. The proportion of waste-to-energy recovery must be less than 10%.

2

Entrepreneur with Steady Progress

2.1 Market and Business Expansion

**[Feature] Thailand Factory Launch -
Expanding Our Global Footprint**

2.2 Corporate Governance

**2.3 Regulatory Compliance and
Internal Control**

**2.4 Operational Risk Management
and Climate Resilience**

2.5 Sustainable Supply Chain



Entrepreneur with Steady Progress

2.1 Market and Business Expansion

Material Topic: Economic Performance

Main Reason	As a publicly listed company, Taiflex is accountable to its shareholders and employees. Maintaining strong and stable financial performance enables the Company to allocate sufficient resources to research and development, continuously deliver advanced services to customers, and drive the development of technology and innovative applications. The pursuit of business growth is therefore one of the key pillars supporting the Company's path toward sustainable operations.			
Effect and Impact	<ul style="list-style-type: none"> ● Actual positive impact : Economic: Generates capital returns for shareholders.	<ul style="list-style-type: none"> ● Potential positive impact : Social: A strong financial structure supports the Company's long-term sustainability and provides employees with a stable and lasting career environment.	<ul style="list-style-type: none"> ● Potential negative impact : Economic: Economic performance directly influences investor willingness to provide capital. If performance falls short of industry peers, it may lead to a significant decline in capital inflow.	
Policy	Taiflex has established the Strategic Planning Office and the Global Sales and Marketing Center, which coordinate through three key divisions: the Global Business Division, the Marketing Division, and the Technical Solutions Division. These units collaborate to drive the Company's external business activities by addressing customer needs, analyzing market trends, and advancing technology applications and services.	<ul style="list-style-type: none"> ● The Strategic Planning Office is responsible for the following : (1) Analyze technological trends and industry market dynamics to help the Group identify business opportunities (2) Plan and drive the Group's short- and long-term strategies, and track implementation outcomes (3) Evaluate potential strategic investments, merger and acquisition (M&A) targets, and partnership opportunities	<ul style="list-style-type: none"> ● The Global Sales and Marketing Center is responsible for the following : (1) Oversee domestic and international sales of both manufactured and distributed products (2) Gather market intelligence and analyze industry trends and macroeconomic conditions (3) Plan and promote flexible printed circuit (FPC) products, and submit new product development requests to the R&D team (4) Provide product solutions to customers, respond to inquiries regarding new product use, and handle complaints related to product sampling	In addition, Taiflex has spun off Taichem Materials Co., Ltd., which focuses on the development of semiconductor and display packaging materials. The Company has also established Taiflex Green Power Co., Ltd., which is dedicated to renewable energy generation and electricity sales.
Strategy	The Company formulates its strategic considerations and business objectives at the beginning of each year. Strategic directions and operational plans are continuously adjusted through regular monthly performance review meetings and in response to external factors, ensuring alignment with the Company's economic performance targets.			
Goal and Objective	<ul style="list-style-type: none"> ● Short-term goals (2025-2026) : - ROE not lower than the industry average - Operating profit margin not lower than the industry average	<ul style="list-style-type: none"> ● Medium-term goals (2027-2030) : - ROE 1~5% higher than the industry average - Operating profit margin 1~5% higher than the industry average	<ul style="list-style-type: none"> ● Long-term goals (2031-2040) : - ROE at least 5% higher than the industry average - Operating profit margin at least 5% higher than the industry average	
Management Assessment Mechanism	Regular management and performance review meetings are conducted based on the established KPI indicators.			
2024 Goals and Achievements	<ul style="list-style-type: none"> ● ROE not lower than the industry average → Achieved. The Company's ROE was 5.68% in 2024, which was 4.89% higher than the industry average of 0.79%.	<ul style="list-style-type: none"> ● Operating profit margin not lower than the industry average → Achieved. The Company's operating profit margin was 5.36% in 2024, 7.94% higher than the industry average of (-2.58%).	In 2024, the average annual growth rates of ROE and operating profit margin were 27.07% and 21.11%, respectively, both meeting the Company's target for positive growth. This performance was primarily driven by increased revenue and profitability compared to 2023. In addition to a modest recovery in the consumer electronics sector, the results also reflect the success of the Company's strategic investments in new product development and expansion of customer share.	

As one of the world's leading suppliers of FPC materials, Taiflex offers a comprehensive product portfolio that includes Flexible Copper Clad Laminate (FCCL), coverlays, bonding sheets, stiffeners, and composite materials. After processing by FPC manufacturers, these materials are widely used in 3C products (computers, communications, and consumer electronics), mobile devices, wearable technology, automotive multimedia systems, and various other applications.

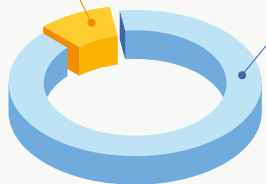
With advantages such as flexibility, light weight, and thinness, FPC materials are widely adopted in consumer products where compact design is critical. Due to its thickness advantage, adhesiveless FPC material (2L-FCCL) has officially replaced adhesive-based FPC material (3L-FCCL) to become the mainstream product specification in the market. In response to increasing demand for high-speed data transmission, the industry is rapidly advancing toward applications requiring high-density, fine-line circuits, low-loss, and high-frequency performance.

In addition to FPC materials, Taiflex is actively developing high-frequency rigid boards to meet the growing demand for AI server applications. The Company continues to enhance its technical capabilities, offering a broad portfolio of high-performance materials ranging from ultra-precise coatings finer than a strand of hair to advanced multilayer lamination solutions. In response to global trends and to strengthen its international presence, Taiflex has established a new production facility in Thailand. For more details, please refer to the section "Thailand Factory Launch - Expanding Our Global Footprint" in this report.

Product Mix

Automotive/Industrial Control/
Medical/Semiconductor/Display:
10~15%

Consumer
Electronics (3C):
85~90%



Flexible Printed Circuit

Taiflex Product



End Use



Flexible, Inflexible TAIFLEX CAPABLE



Taiflex offers comprehensive PCB solutions, covering both flexible and rigid board technologies.

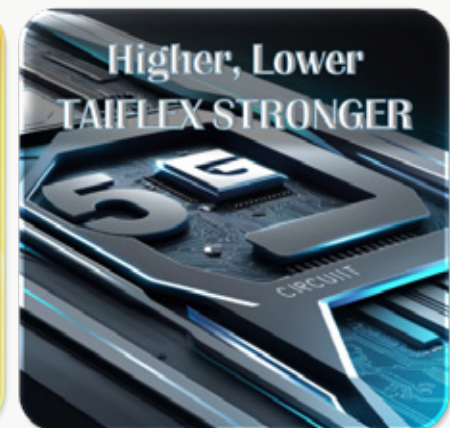
Thicker, Thinner TAIFLEX BETTER



Taiflex leverages precision coating and advanced lamination technologies to deliver PCB materials that meet and exceed industry standards.

- Dielectric Layer
Maximum : 200µm
Minimum : 5µm

Higher, Lower TAIFLEX STRONGER



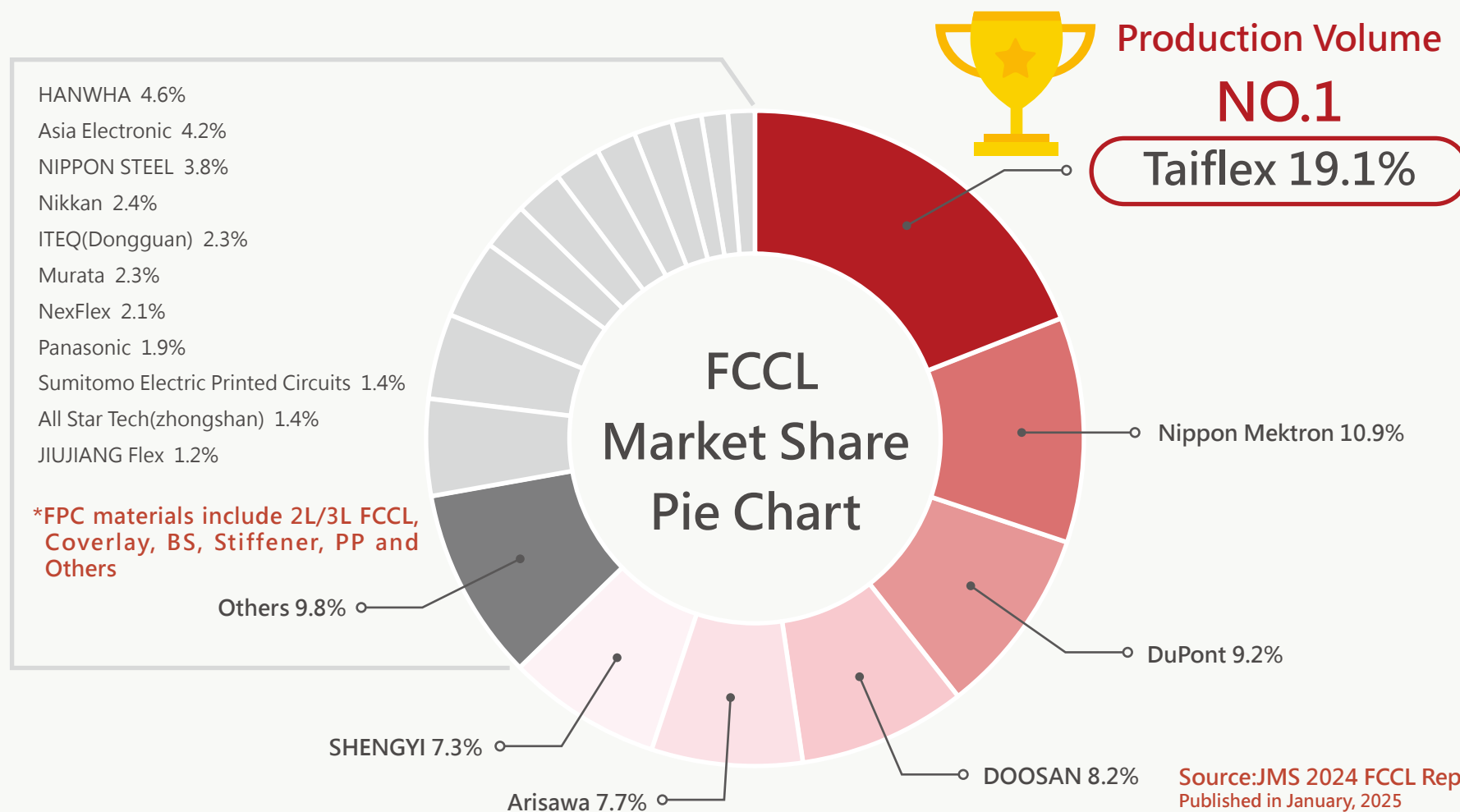
Taiflex provides a diverse portfolio of high-performance materials for a broad range of electronic product applications.

- High dimensional stability materials: R3
- High-frequency materials: Low Dk Df
- Low ionic migration materials:
L/S 25/25µm

★ Market Competition

From a global perspective, the FCCL supply market is currently dominated by three major players: Japan, Taiwan, and South Korea. In recent years, China's PCB industry has experienced rapid growth with strong government support. A well-integrated industrial cluster is now emerging, covering the full value chain from upstream copper foil manufacturers and CCL producers to downstream assembly facilities. Moreover, several rigid Copper Clad Laminate (CCL) manufacturers have entered the FCCL sector, further intensifying market competition.

In response to this dynamic and evolving landscape, Taiflex continues to build a long-term, competitive, and sustainable business model. We invest heavily in research and development focused on advanced materials for flexible electronics and semiconductor applications, while strengthening our core competencies and advancing toward higher value-added products. Leveraging our leadership in flexible materials, we work closely with customers to capture market growth opportunities and establish a solid foundation for sustainable development. As of 2024, Taiflex held a 19.1% share of the global market for FPC applications.



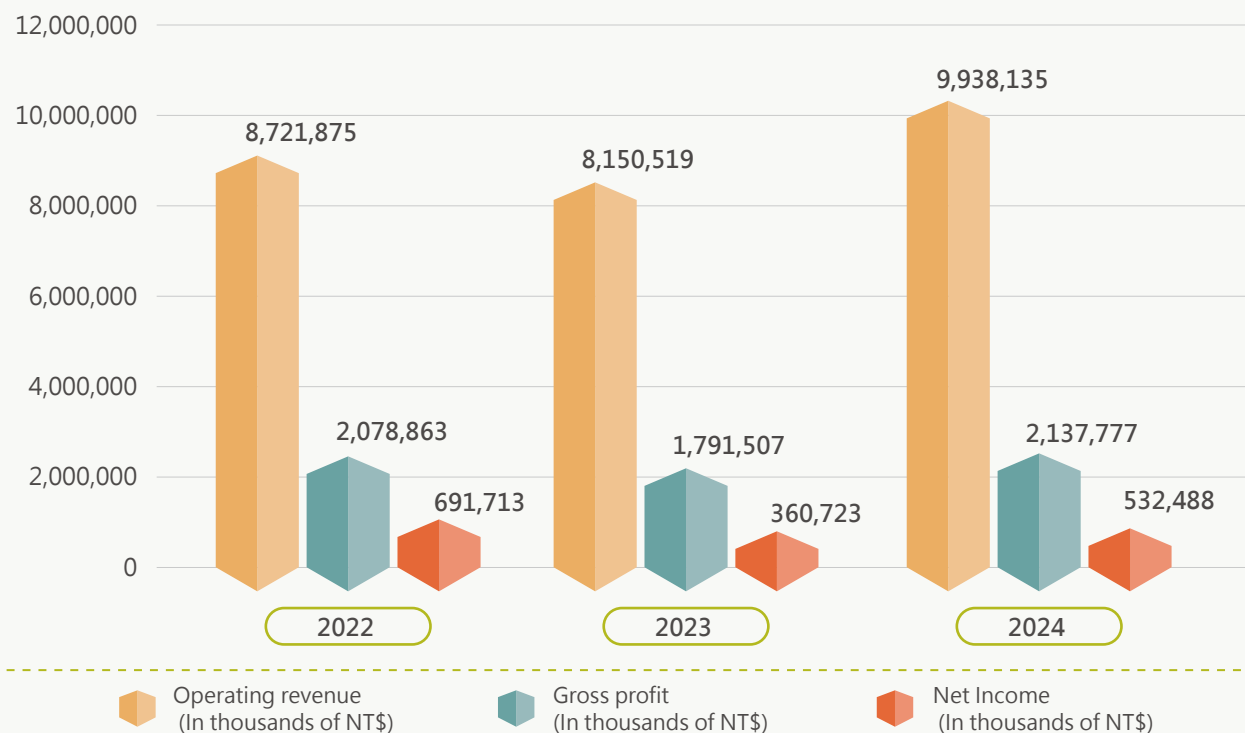
Source: JMS 2024 FCCL Report
Published in January, 2025

★ Annual Operating Performance

Amid the dual pressures of rising global prices and central bank interest rate hikes, end-market demand for consumer electronics plummeted. This decline, combined with ongoing inventory reduction across all segments of the supply chain as companies cleared excess stock accumulated during the pandemic, placed significant pressure on overall revenue performance. In 2024, Taiflex recorded operating revenue of NT\$9.938 billion, representing a 21.92% increase over the previous year, with earnings per share (EPS) of NT\$2.53. For detailed financial data, please refer to Appendix I: ESG Information - Economic Data in this report.

Looking ahead, the Company will continue to actively implement a range of operational and risk management measures. These include increasing the proportion of localized procurement, adopting flexible inventory strategies for key raw materials and products, optimizing the product mix, improving cost structures, enhancing production efficiency, and strengthening expense control. These efforts are intended to mitigate the negative impacts of declining demand and improve overall operational resilience. In addition to reducing the risks posed by external uncertainties, Taiflex will further increase investment in the research, development, and sampling of new materials. These efforts aim to expand market share and position the Company to seize growth opportunities arising from the next wave of material upgrades as the global economy recovers.

Condensed Statements of Comprehensive Income from 2022 to 2024



Note : The financial data presented in this table are disclosed based on the consolidated financial statements.

SCAN ME!



Annual Report



Minutes of the
Shareholders'
Meeting



Financial Report



Financial
Information



Feature

SPECIAL COLUMN

[Feature] Thailand Factory Launch - Expanding Our Global Footprint

Since launching our global expansion strategy in 2017, Taiflex made the strategic decision in 2022 to establish a manufacturing facility in Thailand. This decision came during a period of significant global economic transformation, with increasing attention on strengthening supply chain resilience and accelerating structural reorganization. Following the establishment of our base in Thailand's Amata City Chonburi Industrial Estate in 2022, the Company undertook comprehensive planning to support our development goals—including factory construction, talent recruitment and training, and production planning. On May 15, 2024, Phase I of the Thailand factory was completed and officially began operations, contributing to the Group's overall production capacity and further enhancing both product quality and service standards.

Currently, the world's top three FPC manufacturers have either established or are in the process of establishing facilities in Southeast Asia. Among FPC material suppliers, Taiflex stands out as the only company with a manufacturing presence in Thailand. The launch of our Thailand facility not only fills a gap in the local market but also significantly strengthens the competitiveness of the region's FPC industry. As global supply chains continue to shift toward Southeast Asia, our Thailand factory is poised to become a key strategic partner for international brand customers, supporting the growth of local electronics and automotive industries while reinforcing the FPC supply chain across the region.



In light of fluctuating demand in Taiwan and China, the Thailand factory provides a more flexible and resilient supply chain solution, ensuring consistent supply and enhancing the Company's competitiveness. Designed to meet global customers' needs for supply chain diversification, the facility serves both international and Southeast Asian markets, further advancing Taiflex's global footprint and laying a solid foundation for long-term growth. Beyond increasing production capacity and supply chain agility, Taiflex is also aligning operations with international certifications and environmental standards. In 2024, the Thailand facility successfully obtained UL certification, ISO 9001 Quality Management certification, and IECQ QC 080000 certification for hazardous substance process management, demonstrating our firm commitment to both product quality and environmental responsibility.

In response to the growing global focus on ESG (Environmental, Social, and Governance) and low-carbon manufacturing, Taiflex's Thailand facility is actively pursuing ISO 14001 Environmental Management and ISO 45001 Occupational Health and Safety certifications. Through systematic management, we aim to enhance environmental stewardship and workplace safety, ensuring that operations are aligned with our long-term sustainability goals. As an RE100 green factory, the facility has installed rooftop solar power systems and entered into a 10-year green power certificate purchase agreement with Thailand's ENMAX Group. The agreement covers a total of 75 million kilowatt-hours, reflecting our strong support for renewable energy development.

Green energy and low-carbon technologies have become global imperatives in environmental protection. Taiflex's green manufacturing model in Thailand not only boosts the Group's environmental competitiveness but also establishes a solid foundation for our Southeast Asian operations, positioning the facility as a benchmark for sustainable development. Looking ahead, the Company will continue to expand its global presence, reinforce supply chain resilience, and ensure that its manufacturing practices align with global sustainability trends. Our goal is to deliver high-quality, eco-friendly, and competitive products and services to customers and international markets. At the same time, Taiflex is working closely with local businesses, government agencies, and international clients to foster a green industrial ecosystem.

To further strengthen regional cooperation, Taiflex participates in Thailand's industrial development initiatives, promoting the integration of technology and environmental innovation. In collaboration with local governments and academic institutions, we support talent development and technical exchange, enhancing the competitiveness of Thailand's electronics industry and accelerating the smart manufacturing transition in Southeast Asia. Also, Taiflex works alongside international brand customers to develop green supply chain strategies, incorporating low-carbon manufacturing standards to achieve an optimal balance between environmental responsibility and operational efficiency.

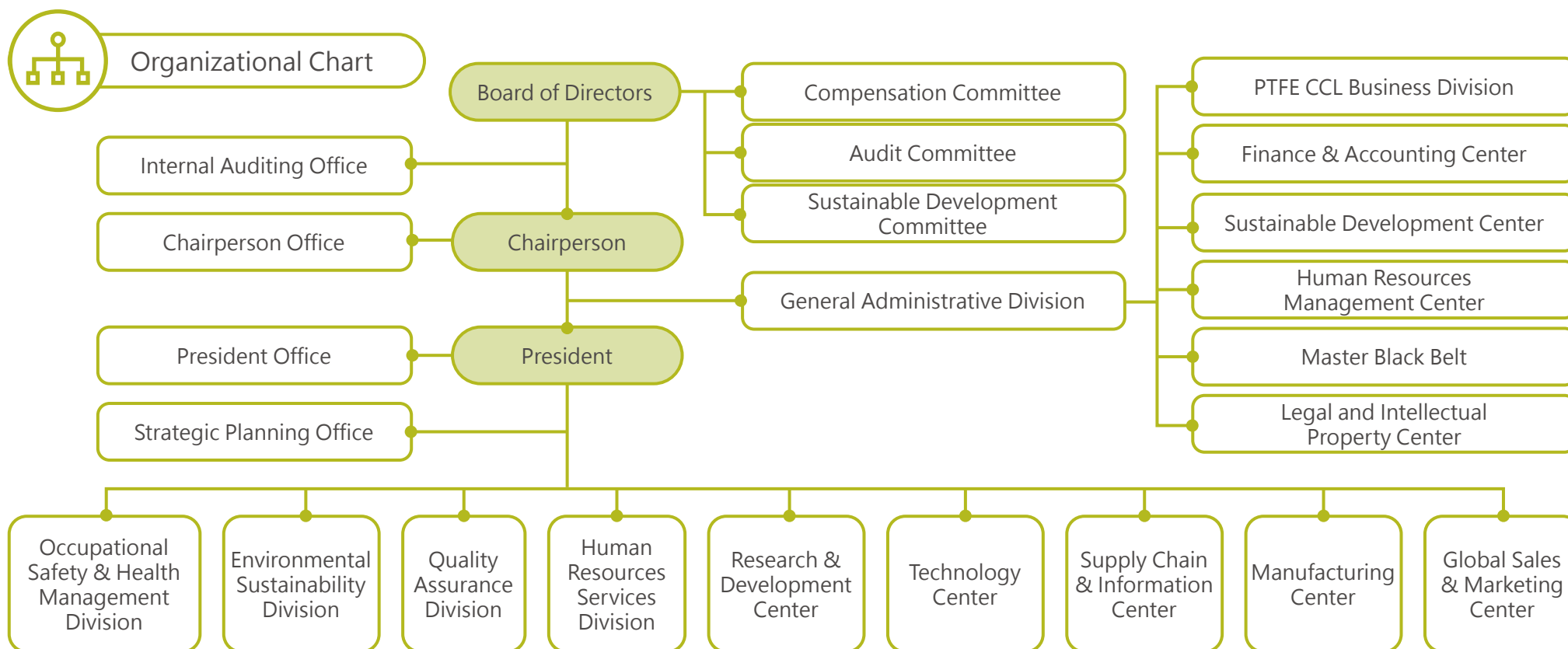
□ 2.2 Corporate Governance

Sound corporate governance is the foundation of sustainable business operations. Enhancing information transparency not only protects the rights of shareholders and stakeholders to be fully informed, involved, and able to make decisions on major corporate matters, but also serves as a critical means of aligning both parties toward the Company's development goals and advancing long-term sustainability.

✦ 2.2.1 Board of Directors Organizational Structure

The Board of Directors is the highest governance body of Taiflex, comprising nine directors with extensive industry experience. The Board is chaired by the Chairperson who is not part of the management team. Under the Chairperson's leadership and governance philosophy, the Board adheres to the core principles of diligence, integrity, diversity, and independence, and is responsible for ensuring legal compliance, maintaining financial transparency, disclosing material information in a timely manner, and preventing internal corruption.

Taiflex convenes an annual shareholders' meeting and conducts regular director elections in accordance with its "Director Election Procedures." The 10th term of the Board runs from May 30, 2023, to May 29, 2026.



Board Diversity

To ensure effective Board governance, the Company has established the “Code of Practice for Corporate Governance,” which includes a diversity policy outlined in the section titled “Strengthen the Board’s Functions.” This policy specifies that Board members should possess eight core competencies: operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, global market perspective, leadership, and decision-making. The current (10th) Board comprises professionals with expertise in global strategy, regional management, financial management, copper processing, polymer chemical engineering, and international business, contributing to a well-balanced and diverse Board structure. For more details on the members of the 10th Board, please refer to Appendix I: ESG Information - Governance Information in this report.

Board Independence and Recusal Due to Conflicts of Interest

To enhance transparency in corporate governance, the Chairperson of Taiflex generally does not concurrently serve as President. If such a situation arises, it is limited to a short-term transitional period not exceeding six months. No such instance occurred in 2024.

The Board comprises three Independent Directors, accounting for one-third of all Board seats, in compliance with regulatory requirements. A review conducted by the Company confirmed that all Directors meet the independence criteria. None of the circumstances outlined in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act apply, including spousal or second-degree familial relationships among Directors.

The Company also continuously evaluates the independence of its Directors, considering whether they consistently raise constructive issues with management and fellow Board members, whether their opinions remain independent of others, and whether their conduct both within and outside the Board is appropriate.

In accordance with the Company’s “Rules of Procedure for the Board of Directors’ Meetings,” Directors who, either personally or through the juridical persons they represent, have a conflict of interest in any meeting agenda item are required to disclose the material aspects of such interest during that Board meeting. If the conflict is likely to impair the Company’s interests, the Director must refrain from participating in the discussion and voting and shall recuse themselves from the proceedings. They are also prohibited from voting on behalf of other Directors. Furthermore, when a Director or a manager engages in activities within the Company’s line of business for themselves or on behalf of others, prior approval must be obtained from both the shareholders’ meeting and the Board of Directors in accordance with applicable laws. In compliance with securities regulations, the Company must also fully disclose any transactions involving related parties under strict reporting requirements. A review confirmed that no incidents of insider trading, corruption, or similar misconduct involving Board members or senior management occurred in 2024. For detailed information on conflict-of-interest recusals by Board members, please refer to the Company’s 2024 Annual Report.

SCAN ME!



Annual Report

Functional Committees

To enhance the effectiveness of the Board and improve the quality of its decision-making, the Company has established three functional committees under the Board of Directors based on their specific roles and responsibilities: the Compensation Committee, the Audit Committee, and the Sustainable Development Committee. These committees are responsible for addressing key issues related to corporate governance, economic performance, environmental stewardship, and social responsibility. In addition, the Company has established an administrative audit unit, namely the Internal Audit Office, which is tasked with auditing and evaluating the reliability and effectiveness of the internal control system. The audit results are reported regularly to the Audit Committee, along with recommendations for improvement, to support the Company’s operational efficiency. For more information on the Sustainable Development Committee, please refer to Section 1.1 “Sustainable Development Committee” of this report.



Since 2017, the Company has established an Audit Committee to replace the role of Supervisors. In accordance with Article 4 of the Audit Committee Charter, the Committee is composed entirely of Independent Directors and must have no fewer than three members. By leveraging the professional expertise and independence of its members, the Company has strengthened corporate governance, enhanced oversight functions, and reinforced management mechanisms. In 2024, the Audit Committee convened five meetings, with a 93.33% attendance rate from all members.



Primary Oversight Responsibilities of the Audit Committee

- 1 Ensure the fair presentation of the Company' s financial statements.
- 2 Appoint or dismiss the Company' s certified public accountants (CPAs), and evaluate their independence and performance.
- 3 Oversee the effective implementation of the Company' s internal control system.
- 4 Monitor the Company' s compliance with applicable laws, regulations and rules.
- 5 Supervise the management of existing and potential risks faced by the Company.

In addition, the Company established the Compensation Committee in 2020. Pursuant to Article 5 of the Compensation Committee Charter, the Committee consists of three Directors appointed by the Board, including at least two Independent Directors. Its primary responsibility is to objectively and professionally evaluate the Company' s overall compensation and benefits policies, as well as the remuneration policies and systems for Directors and managers, and to provide recommendations to the Board as a basis for decision-making. In 2024, the Compensation Committee held five meetings, with an attendance rate of 100%. According to the Company' s Articles of Incorporation, the total remuneration to Directors and Supervisors shall not exceed 4% of the Company' s annual profits. For further information on the remuneration of Directors and managers, please refer to the Company' s 2024 Annual Report.



Key Responsibilities of the Compensation Committee

- 1 Regularly review the Committee Charter and propose amendments.
- 2 Establish and periodically review the annual and long-term performance targets, as well as the compensation policies, systems, standards, and structures for Directors and managers.
- 3 Regularly evaluate the performance of Directors and managers against their set targets, determine the content and amount of individual compensation packages, and submit recommendations to the Board for discussion.

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Internal Policies



MOPS website



To view the Company' s Audit Committee Charter, Compensation Committee Charter, and 2024 Annual Report, please visit the "Internal Policies" section of the Company' s official website or refer to the Market Observation Post System (MOPS) website.

★ 2.2.2 Board Operations

The Board of Directors is responsible for the appointment, nomination, and performance evaluation of senior management. It also delegates authority to senior management to address economic, environmental, and social issues related to operations. To ensure effective strategy execution, the Board not only receives regular reports from the management team but also engages in frequent communication and discussions with management, encouraging timely adjustments when necessary. This strong and continuous dialogue between the Board and management serves as a foundation for Taiflex' s sustainable development.



Tasks of the Board

1

Oversee and define the Company' s business direction to meet short-, medium-, and long-term market demands.

2

Appoint an ethical, honest, and professional management team to execute the business strategies set by the Board and ensure strong operational performance.

3

Guide the management team in formulating strategies that support the Company' s long-term development.

The Board of Directors holds regular quarterly meetings to review matters submitted by functional committees and development strategies proposed by the management team. To ensure that each agenda item is thoroughly understood and discussed, relevant personnel are invited to attend the meetings and provide briefings when necessary. The Board carefully evaluates the feasibility of each proposal before approving its implementation. In 2024, a total of six Board meetings were held, with an average Director attendance rate of 94.44%. The Board reviewed 46 proposals in total, all of which were related to environmental, economic, or social issues.

Key Communication Outcomes



Environmental Aspect

- In terms of energy management, Taiflex successfully completed its triennial ISO 50001 recertification, ensuring the continued implementation of its energy management system while actively identifying energy-saving opportunities. In 2024, the Company also launched a power-saving project to further improve energy efficiency through systematic management and optimization measures.
- Regarding green energy, Taiflex continues to advance its renewable energy deployment plan and closely monitors the development and application of innovative green technologies. These efforts aim to increase the share of renewable energy and support the transition toward sustainable energy.
- Regarding resource circulation and the goal of zero landfill, Taiflex is committed to reducing the proportion of waste incinerated without energy recovery. Actions include promoting the recycling and reuse of waste adhesives using a wiped-film evaporator and continuing recycling initiatives for plastic film materials to improve resource recovery efficiency.



Economic Aspect

The Company reviewed the 2024 operational plan and 2023 earnings distribution, including the issuance of new shares through capital increase from retained earnings. Sustainability information management has been incorporated into the internal control system to enhance the credibility of sustainability-related disclosures.



Social Aspect

The Board accepted shareholder proposals, reviewed employee bonuses, and formulated an employee stock option plan to share the Company' s performance with employees. As part of its corporate social responsibility, Taiflex also plans to establish the Kaohsiung Taiflex Educational Foundation through charitable donations.

Continuing Education of the Board

To enhance the Board's professional knowledge and skills, the Company regularly arranges a variety of training courses related to business operations and sustainable development for its Directors. These external programs help Directors stay informed of global trends, broaden their perspectives, and strengthen their leadership and decision-making capabilities. This ensures they fulfill their duties with diligence and care, in the best interests of shareholders, while enhancing the Company's competitiveness in an ever-evolving business environment.

In 2024, all Directors met the statutory training requirement of six hours, with a combined total of 55 hours and an average of six hours per Director. For further details on Directors' continuing education in 2024, please refer to Appendix I: ESG Information - Governance Information in this report.

Performance Assessment of the Board

• Internal Performance Evaluation of the Board

To strengthen corporate governance, the Company conducts an internal performance evaluation of the Board at least once a year in accordance with the "Methods for Evaluating Board of Directors' Performance." At the end of each year, the Board secretariat gathers relevant information on Board activities and distributes the "Self-Assessment Questionnaire for Board Members" and the "Self-Assessment Questionnaire for Functional Committees" to all Directors and committee members. The results are compiled and reported at the following Board meeting. By clearly defining performance objectives, the evaluation aims to enhance the Board's functionality and improve its operational efficiency. The results and recommendations of the 2024 performance evaluation were reported at the Board meeting in January 2025.



Internal Performance Evaluation Results for 2024

Type	Methods	Grading Criteria	Results
Performance evaluation of the Board	Conducted by the Board secretariat based on the actual operations of the Board	<ul style="list-style-type: none"> Level of participation in corporate operations Enhancement on the quality of Board decisions Composition and structure of the Board Election and continuing education of Directors Internal control 	The Board received an overall score of 91.21, rated as "Excellent." The evaluation results indicated that the Board operates effectively and aligns with sound corporate governance principles.
Performance evaluation of individual Board members	Self-assessment by Board members	<ul style="list-style-type: none"> Understanding of corporate goals and mission Understanding of Directors' duties Level of participation in corporate operations Internal relationship management and communication Professionalism and continuing education of Directors Internal control 	The overall average score was 98.24, receiving a rating of excellence. The results indicate that the Directors gave positive assessments regarding the efficiency and effectiveness of all evaluation criteria.
Performance evaluation of functional committees	Self-assessment by functional committee members	<ul style="list-style-type: none"> Level of participation in corporate operations Understanding of functional committees' duties Enhancement on the quality of functional committees' decisions Composition of the functional committees and election of members Internal control 	The average scores for the Compensation Committee, Audit Committee, and Sustainable Development Committee were 97.31, 96.96, and 94.27, respectively, all rated as excellent. The results indicate that members of each functional committee gave positive assessments of the efficiency and effectiveness across all evaluation criteria.

• External Performance Assessment of the Board

The Company commissions an external evaluation of Board effectiveness (including performance) once every three years. In 2022, the evaluation was conducted by the Taiwan Corporate Governance Association, an independent and professional organization. The assessment was conducted through a questionnaire featuring ten open-ended questions and video interviews with Board members and senior executives. It covered eight key aspects of the Board: composition, guidance, authorization, supervision, communication, internal control and risk management, discipline, and others.

The Board performance evaluation report was issued on November 29, 2022. The Company has incorporated the suggested improvements as a reference for the ongoing enhancement of Board functions. On January 11, 2023, these recommendations, along with the proposed implementation measures, were reported to the Board. In addition, the Company regularly consolidates stakeholder feedback and continues to report it to the Board. In 2023, the Company developed response measures for the material risks it identified, and the implementation of these measures is ongoing in 2024. A new external Board performance evaluation is planned for 2025 as part of our continued efforts toward improvement.



2.3 Regulatory Compliance and Internal Control

Material Topic: Business Ethics

Main Reason	Corporate operations must be grounded in ethical business practices. All activities must therefore comply with applicable laws and regulations. This reflects Taiflex's commitment and responsibility to its shareholders and other stakeholders.		
Effect and Impact	Actual positive impact : Social: Build a culture of integrity within the Company to reduce the risk of legal violations and human rights abuses.	Potential positive impact : Economic: Ensure operational stability by maintaining legal compliance in day-to-day business activities, thereby avoiding significant fines or penalties.	Potential negative impact : Economic: Inadequate management of ethical risks, such as corruption or related misconduct, may harm the Company's reputation and image, potentially leading to adverse impacts on sales.
Policy	Taiflex conducts its business in accordance with the principles of fairness, honesty, integrity, and transparency, and fosters an organizational and workplace culture characterized by mutual support, collegiality, discipline, integrity, and diligence. The Company has established the "Principles of Business Ethics," "Code of Ethical Conduct," and "Procedures and Guidelines of Business Ethics" to serve as a framework for Directors, managers, and employees in the performance of their duties.		
Strategy	Proactive opportunity management : Taiflex regularly conducts training on ethical business practices to strengthen employee awareness and promote an integrity-based corporate culture. Transparent communication channels are in place to ensure the engagement of employees at all levels and relevant stakeholders. Upon onboarding, employees sign the Employment and Service Commitment, which outlines their obligations regarding integrity and ethical conduct. Related policies and management guidelines are communicated through internal announcements and employee training programs.	Risk prevention management : A precautionary approach is adopted through annual compliance reviews and both internal and external audits. Audit scopes and management procedures are adjusted based on audit findings. The Company encourages Directors, managers, and employees to contribute suggestions that support the review and enhancement of ethical policies and related measures, thereby improving the overall effectiveness of ethical management.	Remedial measures for negative impacts : Grievance mechanisms are available to safeguard the legal rights and interests of both internal and external parties. In the event of a violation, the Company activates its crisis management procedures, which include investigation, corrective actions, and appropriate external communication.
Goal and Objective	Short-term goals (2025-2026) : <ul style="list-style-type: none"> - Continue publishing monthly announcements and awareness campaigns on ethical business conduct - Achieve 90% training coverage on ethics-related topics for full-time employees; 100% for new hires - Zero violations of ethical principles by directors, managers, and employees - Continuously review and revise the Company's ethical business policies and internal management systems in line with relevant regulations and latest regulatory guidance to ensure compliance and consistent implementation 	Medium-term goals (2027-2030) : <ul style="list-style-type: none"> - Ensure all employees participate in ethics training programs to strengthen practical implementation capabilities - Zero violations of ethical principles by directors, managers, and employees 	Long-term goals (2031-2040) : <ul style="list-style-type: none"> - Achieve the goal of zero ethics-related complaints and become a model of ethical business conduct - Zero violations of ethical principles by directors, managers, and employees
Management Assessment Mechanism	Taiflex assesses employees' compliance awareness through education, training, and assessments on business integrity and professional ethics. Regular internal audits are conducted across the nine key internal control cycles to ensure the Company upholds high standards of ethical business conduct. Additionally, an e-procurement platform is in place for suppliers to strengthen ethical management and auditing practices, helping to prevent unlawful activities.		
2024 Goals and Achievements	Develop comprehensive management and preventive measures → Achieved. The Company issues monthly internal announcements to promote awareness of the "Principles of Business Ethics," "Procedures and Guidelines of Business Ethics" and "Code of Ethical Conduct." Standardized training on ethical business practices is provided to all new employees. On May 7, 2024, a company-wide training session on ethical conduct and integrity was conducted, reaching 69.08% of all employees.		
	Zero violations of ethical principles by directors, managers, and employees → Achieved. There were zero violations of ethical principles by directors, managers, and employees in 2024.		

★ 2.3.1 Emphasizing a Culture of Integrity

"Integrity, responsibility, enthusiasm, creativity, and execution" are the core values of Taiflex' s corporate culture. In line with the Code of Conduct of the Responsible Business Alliance (RBA), the Company has established the "Code of Ethical Conduct," "Principles of Business Ethics" and "Procedures and Guidelines of Business Ethics." To ensure these core values are upheld, all employees of the Company and its subsidiaries have signed the Confidential Information Protection Policy.




Taiflex conducts all business activities in accordance with the principles of fairness, transparency, honesty, and integrity. Directors, managers, and employees are strictly prohibited from directly or indirectly offering, accepting, promising, or soliciting any improper benefits, or engaging in major illegal activities, serious breaches of integrity, or violations of fiduciary duty in the course of business. Prohibited conduct includes, but is not limited to, infringement of intellectual property rights, unfair competition, and other unlawful acts intended to obtain or retain business advantage. Integrity is also embedded as a core competency and serves as one of the key indicators in employee performance evaluations. In 2024, assessments were conducted in June and December in accordance with the Employee Performance Management Guidelines, achieving a 100% completion rate.

Deepen Integrity and Ethics Awareness

To cultivate a culture of mutual support, collegiality, discipline, honesty, and diligence, Taiflex has designated integrity and ethical conduct as a key component of its annual training program. The Company has developed dedicated training materials on ethical behavior and conducts regular awareness campaigns and training sessions to instill these principles across all employees.

In 2024, Taiflex published integrity and ethical conduct announcements on the Company' s internal system, which was accessible to all employees. These announcements were also automatically sent to all employee email accounts, resulting in 100% communication coverage. Standardized integrity training is provided to all new hires. On May 7, 2024, the Company conducted a company-wide training session on integrity and ethical conduct, with a participation rate of 69.08%. For newly appointed directors and upon Board reelection, Taiflex requires each incoming Board member to sign a Confidentiality Agreement for Insider Information, affirming their commitment to ethical business conduct. The Company also arranges for directors to participate in training programs related to integrity and ethical practices, and proactively shares relevant guidelines and advocacy materials issued by government agencies. For suppliers, integrity management and audit mechanisms are implemented through an e-procurement platform.

2024 Ethical Business Conduct and Code of Ethics Advocacy & Training - Headcount and Coverage Rates

Category	Number of Employees	Advocacy Reach (Employees)	Advocacy Coverage Rate	Training Participants	Training Coverage Rate
 Employees	938	938	100%	649	69.19%
 Managers	16	16	100%	10	62.50%
 Total	954	954	100%	659	69.08%

Note:

1. Advocacy coverage rate = (Number of employees reached through advocacy / Total number of employees in the category) × 100%
2. Training coverage rate = (Number of employees who participated in the May 7, 2024 integrity and ethical conduct training / Total number of employees in the category) × 100%
3. Due to employee turnover, the total headcount for each category is based on the number of employees across all factories as of December 31, 2024.

The Company has established an effective accounting system and internal control mechanisms for business activities identified as having a higher risk of unethical conduct. In addition, by integrating the ethical business conduct policy into employee performance evaluations and human resource policies, the Company has implemented a clear and effective system of rewards and disciplinary actions to support effective risk management.

Anti-Corruption Measures

To prevent misconduct, Taiflex has established an internal whistleblowing mechanism to accept reports of violations related to integrity and professional ethics. If an investigation confirms a serious violation or indicates a potential risk of significant harm to the Company, a report will be promptly prepared and submitted in writing to the Independent Directors. The Company's disciplinary and appeal procedures for breaches of ethical conduct are publicly announced. Information such as the violator's job title, name, date and details of the violation, and the actions taken will be promptly disclosed on the Company's internal website.



Integrity Hotline (07)813-9989#70999



**Email for Reporting
Illegal or Unethical
Conduct** security@taiflex.com.tw

In 2024, the Company did not receive any reports of violations related to professional ethics or ethical business conduct. There were also no incidents of non-compliance with regulations concerning anti-trust, market monopoly, ethical business practices, or professional conduct.

✦ 2.3.2 Internal Control

The purpose of establishing the internal control system is to ensure compliance with applicable industry regulations while taking into account the Company's overall operational activities. It aims to ensure the effectiveness of the nine core process cycles and standard measures applied across key business areas, including sales, production, procurement, financing, payroll, real estate, plant and equipment, information systems, investment, and R&D. The system is regularly reviewed and adjusted in response to internal and external environmental changes and regulatory updates, thereby enhancing operational efficiency and product quality.

Annual Audit

The Company has established an Internal Audit Office under the Board of Directors and employs full-time auditors responsible for conducting internal audits across all operational functions. Leveraging its organizational independence, the Audit Office ensures effective oversight of business conduct across all levels of the Company. Through regular audits of business operations and management activities, any deviations from internal policies, procedures, established goals, or expected standards are identified and reported to the responsible management. Timely corrective actions are taken to prevent misconduct and ensure the stability of operations.

To strengthen audit capabilities, the Company requires internal auditors to participate annually in audit-related courses provided by professional training institutions to enhance their professional competencies. With a professionally independent audit structure in place, the internal control system is effectively implemented at all levels of the organization. In 2024, a total of 50 audit items were completed, with no material deficiencies identified. For details, please refer to the Company's Statement of Internal Control System disclosed in the annual report.



Regulatory Compliance

With operations across Asia and active global expansion, Taiflex recognizes that regulatory compliance is fundamental to sustainable business operations. Accordingly, the Company has established relevant policies and procedures to ensure compliance within its operational scope, covering areas such as anti-corruption, anti-harassment and non-discrimination, environmental protection, and the safeguarding of confidential information. To support these efforts, the Company has established a Legal and Intellectual Property Center, which conducts regular and ad hoc reviews of domestic and international laws and regulations. The Center also participates in external training to stay informed of regulatory changes and emerging legal trends. In addition, it analyzes policies and legislation that may significantly affect the Company's operations and communicates key insights to relevant departments and senior management to support strategic planning and guide future business direction.

To help employees understand key aspects of regulatory compliance and ensure that all business activities are conducted in accordance with applicable laws, Taiflex regularly invites legal professionals and industry experts to deliver seminars and conduct relevant legal training courses. In addition, the Legal and Intellectual Property Center promotes awareness of compliance concepts through announcements and email communications, on a regular and as-needed basis.

In 2024, the Company did not incur any significant penalties exceeding NT\$1 million. However, four cases were recorded involving violations of occupational safety, health, and labor rights regulations, with individual fines ranging from NT\$100 thousand to NT\$250 thousand. For details on the violations and the corresponding corrective measures, please refer to Appendix I: ESG Information - Economic Data of this report.

Note: The definition of a significant operational fine is based on the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, issued on December 16, 2024. According to Chapter II (Material Information), Article 4, Paragraph 1, Subparagraph 26, Item 3, a single event is deemed material if the total fine imposed amounts to NT\$1 million or more.

Fulfilling Tax Obligations

The Company does not make political contributions and fulfills its tax obligations annually in accordance with applicable domestic and international tax laws and regulations. As Taiflex meets the criteria under government incentive programs for investments in smart machinery and research and development, it is eligible for certain tax credits. In addition, to help bridge the gap between academia and industry, the Company provides internship opportunities to students and has received related government subsidies. For details on financial assistance received from the government, please refer to Appendix I: ESG Information - Economic Data of this report.

The tax affairs of Taiflex are managed by the Finance and Accounting Center, which is responsible for monitoring tax compliance across both domestic and overseas operations and staying informed of global tax law developments. High-risk tax matters are reported to the Board of Directors to support management in identifying internal risks and tracking tax-related trends. Through the effective operation of the Company's risk management mechanisms, the frequency and monetary impact of tax disputes are kept at a low-risk level. To mitigate tax risks and safeguard the best interests of the Company and its shareholders, the following tax policies have been established :

1

Transactions between related parties shall follow the arm's length principle and comply with the transfer pricing guidelines issued by the competent authorities.

2

Analyze the business environment and assess tax risks, incorporating tax considerations into business decision-making.

3

Comply with applicable domestic and international tax laws and regulations.

4

Refrain from using tax havens to avoid tax obligations.

5

Comply with the Company Act and all relevant tax-related legislation.

2.4 Operational Risk Management and Climate Resilience

2.4.1 Operational Risk Management

The Board of Directors serves as the highest decision-making body for risk management at Taiflex, overseeing the effective functioning of the risk management framework to ensure that business strategies are executed effectively and operational objectives are achieved. The Board authorizes the Chairperson to serve as the convener of risk management plans, responsible for coordinating and directing the implementation and operation of risk-related plans.

Under the Sustainable Development Committee, the Corporate Governance and Risk Management Team is responsible for consolidating risk factors identified across all levels of the organizational management structure, along with corresponding response strategies and implementation reviews. The Team reports its findings to the Sustainable Development Committee, which in turn reports to the Board of Directors at least once a year on the overall performance and progress of the Company's risk management initiatives.



Note : The Chairperson is authorized by the Board to serve as the convener of risk management plans.

Taiflex has established "Risk Management Policies and Procedures" to strengthen risk awareness and execution capabilities across the organization. By implementing a systematic management approach, the Company integrates relevant response plans into the strategic decision-making process. This ensures that risks remain within acceptable thresholds, reduces potential losses, and safeguards the interests of customers, employees, and other stakeholders, ultimately enhancing shareholder value and supporting the optimal allocation of corporate resources.



Material Risk Identification

Due to internal resource reallocation and a reprioritization of operational projects by senior management in 2024, the climate risk assessment was not conducted as originally planned. Nevertheless, the Company has continued to build on the results of the 2023 assessment and remains attentive to material risk issues. Details of the 2023 risk identification outcomes are available in the Company's 2023 Sustainability Report.

In the same year, Taiflex also launched a project to adopt the Task Force on Climate-related Financial Disclosures (TCFD) framework, covering key areas such as climate risk identification, scenario analysis, and financial impact assessment. The initiative aims to strengthen the consistency and forward-looking nature of the Company's climate risk management and disclosure practices. A new round of risk assessments is scheduled to resume in the second half of 2025, along with a review of internal controls and cross-departmental collaboration mechanisms to enhance execution efficiency and organizational resilience, thereby ensuring continuity and completeness in risk management efforts.

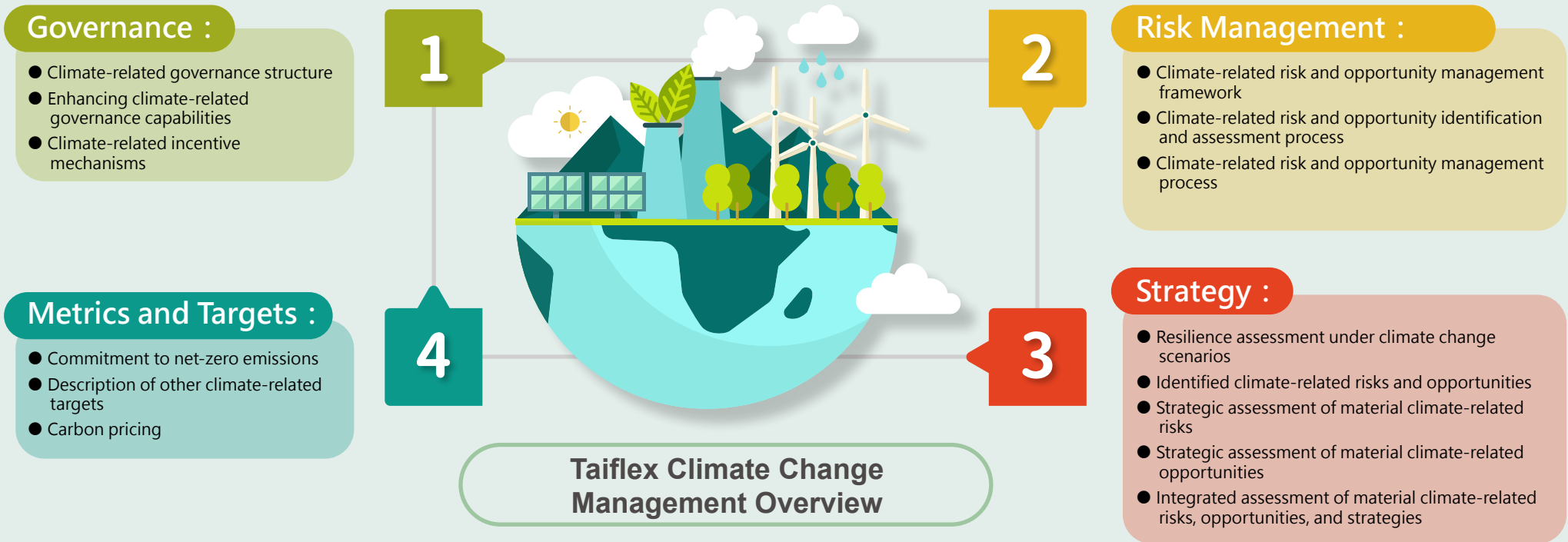
★ 2.4.2 Climate Risk Adaptation Actions

As countries around the world strengthen carbon reduction targets and policies, with many aiming to achieve net-zero emissions by 2050, businesses are facing increasing operational pressures along with heightened expectations from customers regarding supply chain sustainability performance. Although Taiflex is not classified as a major electricity consumer, the Company has begun planning relevant investments to support the global low-carbon transition in response to climate change.

The Board of Directors approved Taiflex' s sustainable development roadmap in January 2023 and authorized the Sustainable Development Committee to oversee climate risk management. Functional teams under the Committee are responsible for advancing climate-related initiatives and managing relevant targets. This structure ensures the integration of sustainability strategies and climate action into product development, operations, and value chain management.

In response to the global trend of sustainability-related financial disclosure, Taiflex references the TCFD framework to disclose information on climate-related governance, strategy, risk management, metrics, and targets. The Company presents the following material information regarding sustainability and climate-related risks and opportunities.

Taiflex has published its first Climate-related Financial Disclosures Report. For more details, please refer to the "Taiflex 2025 TCFD Report," available on the Company' s official website.



• Climate-Related Governance Structure and Capability Enhancement

Taiflex' s Board of Directors serves as the highest decision-making body for risk management. For a comprehensive overview of the Company' s operational risk governance, please refer to Section 2.4.1 Operational Risk Management. In terms of climate-related governance, the Company has established a Sustainable Development Committee, which reports to the Board twice a year. The Committee reviews climate-related risks and opportunities and proposes corresponding short-, medium-, and long-term plans, measures, and targets. The Board regularly evaluates the effectiveness of the Company' s climate response strategies based on the implementation progress of plans carried out by functional teams, as compiled by the Sustainable Development Committee (Sustainable Development Center).

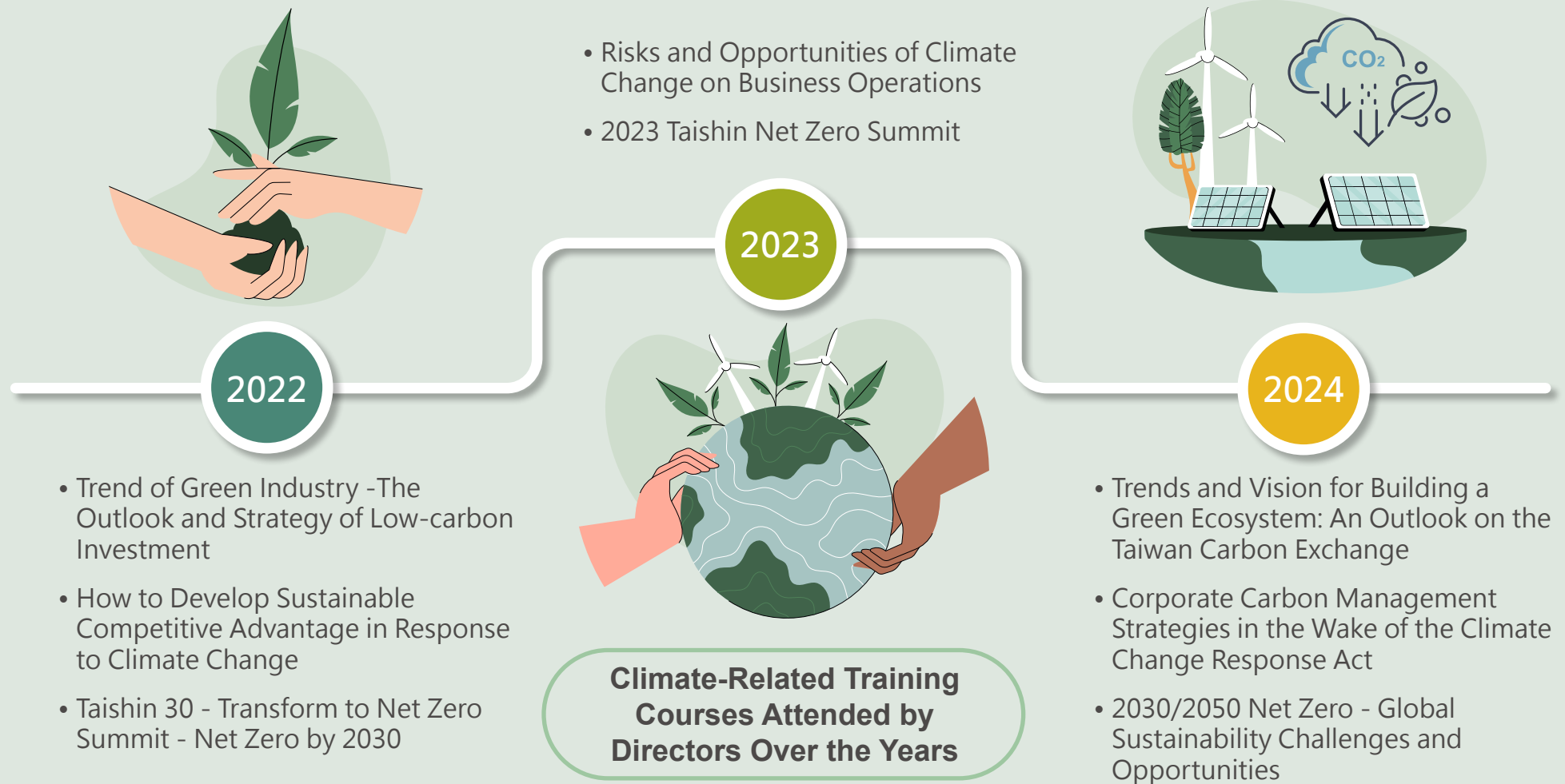
Climate-Related Management Structure

Organization	Responsibilities
Sustainable Development Committee	As the Company' s highest decision-making body for climate change management, the Committee' s members are appointed by the Board, with a majority being Independent Directors. The elected convener oversees all related affairs. The Committee comprises six functional teams.
Corporate Governance and Risk Management Team	Identifies the Company' s risk environment, risk management priorities, and response measures, and evaluates the potential financial impacts of those risks.
Environmental Sustainability Team	Monitors global environmental trends, identifies climate-related risks and opportunities, and sets relevant targets and implementation plans.

2024 Board of Directors - Climate-Related Agenda Items

Date	Reports Presented
2024.02.20	• Presentation of the greenhouse gas (GHG) inventory and verification schedule for the Company and its subsidiaries
2024.04.24	• Presentation of the GHG inventory and verification schedule for the Company and its subsidiaries
2024.07.31	• Presentation of the GHG inventory and verification schedule for the Company and its subsidiaries • Progress report on the Company' s 2024 sustainability development plan • Report on the results of the 2023 GHG inventory
2024.10.30	• Presentation of the GHG inventory and verification schedule for the Company and its subsidiaries

To strengthen climate-related governance capabilities, Taiflex continues to enhance climate risk awareness and management competencies among directors, senior management, and employees at all levels, fostering a culture of climate risk awareness. Since 2022, the Company has conducted annual climate risk education and training programs for Board members and senior executives. These programs incorporate climate- and nature-related topics and are tailored to equip leadership with the knowledge and skills necessary to make informed decisions in response to climate-related risks. In addition, the Company offers climate-related training for employees across all levels. In 2024, training covered topics such as the Carbon Disclosure Project (CDP) and TCFD.



• Resilience Assessment under Climate Change Scenarios

In line with the TCFD recommendations, the Company has developed climate scenarios covering both transition and physical risks, as well as potential climate-related opportunities. Given that these risks and opportunities may significantly impact future strategies and financial planning, Taiflex adopted the worst-case global warming scenario from the IPCC Sixth Assessment Report to assess the resilience of its climate strategies.

Types of Climate-Related Risks and Opportunities

- Transition Risk
- Opportunity

Scenarios Used for the Company's Risk and Strategy Assessment

- 1.5° C Scenario
 - Taiwan's 2050 Net-Zero Emissions Pathway and Strategy
 - Taiwan's 2030 Nationally Determined Contribution (NDC)
 - Taiwan Climate Change Response Act
-
- Physical Risk
 - SSP5-8.5 (Worst-case Global Warming Scenario) from the IPCC Sixth Assessment Report

• Climate-Related Risk and Opportunity Management and Assessment Process

In addition to systematically managing overall operational risks in accordance with the Company's established "Risk Management Policy and Procedures," Taiflex incorporates climate-related risks into its existing risk management framework by referencing the risk identification and assessment model recommended by the TCFD. For each identified item, the Company develops corresponding response strategies and targets. The Sustainable Development Committee is responsible for ongoing tracking and oversight, and regularly reports progress to the Board of Directors to ensure alignment with the Company's overall strategic direction.

The Corporate Governance and Risk Management Team under the Sustainable Development Committee convenes meetings to identify and assess climate-related risks and opportunities. Using a defined risk scale, the team evaluates the level of impact, likelihood of occurrence, and threat severity for each item, and produces a risk-opportunity matrix. Based on this matrix, Taiflex identifies its most significant climate-related risks and opportunities.

Each assessed risk is assigned to a designated responsible unit to develop an appropriate response plan. For risks identified in the matrix as having both a high likelihood and significant impact, the Company forms cross-functional project teams to coordinate targeted responses. These teams continuously review and adjust the implementation of response measures to mitigate potential impacts.

Climate-Related Risk and Opportunity Identification and Assessment Process

Step 1 Definition of Risk Categories

The Corporate Governance and Risk Management Team provides updates on emerging risks and opportunities based on international developments and industry trends. These insights serve as references for risk owners when defining risk categories.

Climate-related risk and opportunity categories are defined with reference to examples provided in the TCFD framework, covering transition risks, physical risks, and climate-related opportunities.

Step 2 Risk Category Identification

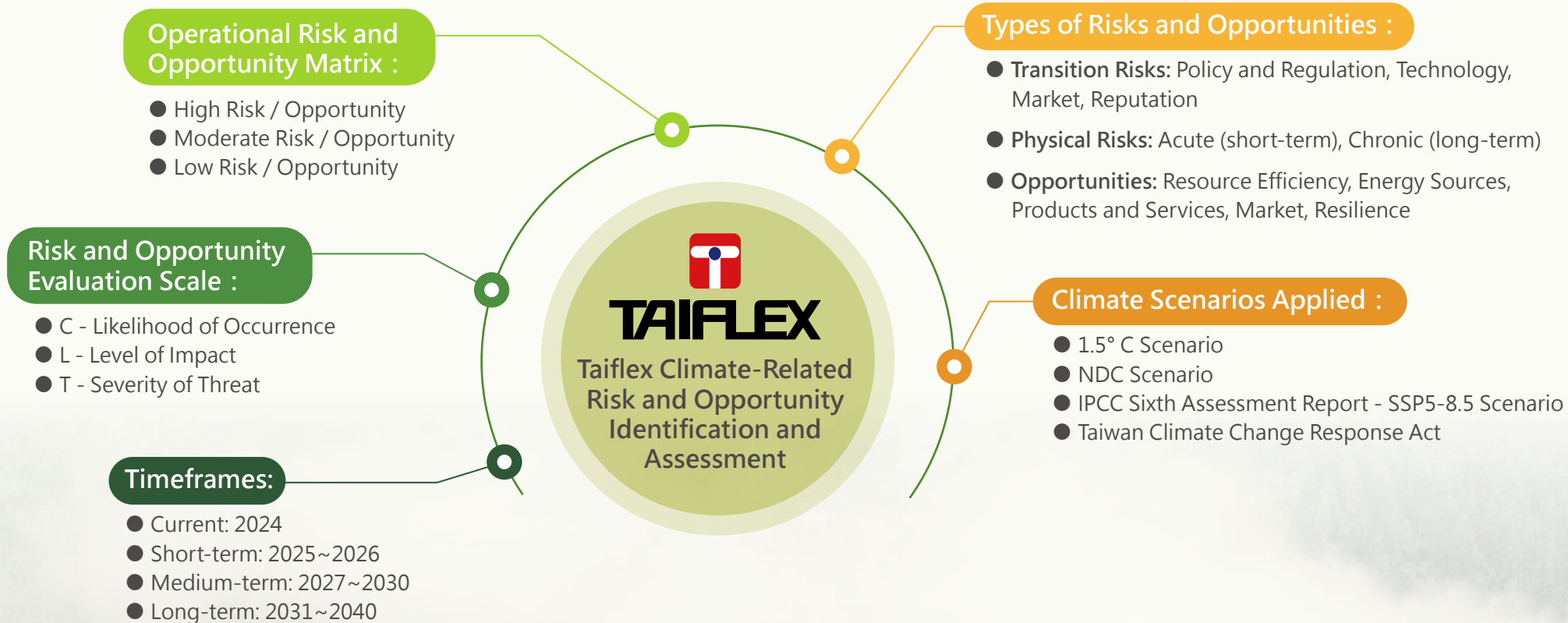
Risk owners identify potential risks and key issues the Company may face under each defined risk category.

Step 3 Risk Analysis

Once relevant risk factors are identified, risk owners assess their potential impact on the Company using the established risk evaluation scale. This assessment serves as a basis for prioritizing risk control measures and selecting appropriate response strategies.

Step 4 Risk Matrix Development

The Corporate Governance and Risk Management Team develops a climate-related risk and opportunity matrix (Risk Map) based on the likelihood of occurrence (C), level of impact (L), and severity of threat (T), in order to categorize and prioritize each risk item.



Identified Climate-Related Risks and Opportunities

In line with TCFD recommendations, Taiflex identified 16 climate-related risk topics, including 5 physical risks and 11 transition risks, as well as 15 opportunity topics. Each topic was evaluated using a five-point scale, based on its threat level, likelihood of occurrence, and potential impact across short-, medium-, and long-term timeframes. This assessment resulted in a risk and opportunity matrix, through which Taiflex identified 2 major climate-related transition risks, 1 major climate-related physical risk, and 3 major climate-related opportunities.

Taiflex Climate-Related Risk Matrix

Risk Level	Timeframe		
	Short-term (2025-2026)	Medium-term (2027-2030)	Long-term (2031-2040)
Material Risk (R ≥ 31)		<ul style="list-style-type: none"> Extreme Weather Events (e.g., Typhoon, Flood) 	<ul style="list-style-type: none"> Extreme Weather Events (e.g., Typhoon, Flood) Substitution of Existing Products with Low-carbon Alternatives Rising Carbon Pricing (Carbon Fees)
Moderate Risk (R ≥ 11)	<ul style="list-style-type: none"> Extreme Weather Events (e.g., Typhoon, Flood) Substitution of Existing Products with Low-carbon Alternatives 	<ul style="list-style-type: none"> Substitution of Existing Products with Low-carbon Alternatives 	<ul style="list-style-type: none"> Heightened Stakeholder Attention

Taiflex Climate-Related Opportunity Matrix

Opportunity Level	Timeframe		
	Short-term (2025-2026)	Medium-term (2027-2030)	Long-term (2031-2040)
Material Opportunity (R ≥ 11)	<ul style="list-style-type: none"> Adoption of More Efficient Production Processes Recycling and Reuse 	<ul style="list-style-type: none"> Adoption of More Efficient Production Processes Recycling and Reuse Use of Low-carbon Energy / Participation in Renewable Energy Projects 	<ul style="list-style-type: none"> Adoption of More Efficient Production Processes Recycling and Reuse Use of Low-carbon Energy / Participation in Renewable Energy Projects
Moderate Opportunity (R ≥ 6)	<ul style="list-style-type: none"> Use of Low-carbon Energy / Participation in Renewable Energy Projects Adoption of Incentive-based Policies / Utilization of Public-sector Incentive Programs 	<ul style="list-style-type: none"> Adoption of Incentive-based Policies / Utilization of Public-sector Incentive Programs 	<ul style="list-style-type: none"> Adoption of Incentive-based Policies / Utilization of Public-sector Incentive Programs

Material Climate-Related Risks Identified

Risk Ranking	Climate-Related Risk	Boundary of Impact on Business Model and Value Chain			Timeframe		
		Upstream	Taiflex	Downstream	Short-term	Medium-term	Long-term
1	【Transition Risk】 Increased pricing on GHG emissions (carbon fees)	●	Taiflex Taiwan	-	-	-	●
2	【Transition Risk】 Substitution of existing products with low-carbon alternatives	●	Taiflex Taiwan Taiflex China Taiflex Thailand	●	●	●	●
3	【Physical Risk】 Extreme weather events (e.g., typhoon, flood)	-	Taiflex Taiwan	-	●	●	●

Material Climate-Related Opportunities Identified

Opportunity Ranking	Climate-Related Opportunity	Boundary of Impact on Business Model and Value Chain			Timeframe		
		Upstream	Taiflex	Downstream	Short-term	Medium-term	Long-term
1	【Climate Opportunity】 Adoption of More Efficient Production Processes	-	Taiflex Taiwan	-	●	●	●
2	【Climate Opportunity】 Use of Low-carbon Energy / Participation in Renewable Energy Projects	-	Taiflex Green Power	●	●	●	●
3	【Climate Opportunity】 Recycling and Reuse	●	Taiflex Taiwan	●	●	●	●

• Climate-Related Risk and Strategy - Financial Impact Assessment

Risk 1: [Transition Risk] Increased Pricing on GHG Emissions (Carbon Fees)

Risk Scenario and Strategic Response

In March 2022, Taiwan's National Development Council (NDC) officially released the "Taiwan 2050 Net-Zero Emissions Pathway and Strategy Overview." The following year, the Climate Change Response Act was passed in its third reading, with Article 4 formally enshrining the 2050 net-zero GHG emissions target into law. In August 2024, the government issued three subordinate regulations on carbon fees, marking the beginning of Taiwan's carbon pricing era. Starting in 2026, enterprises with annual GHG emissions of 25,000 metric tons of CO₂e or more at a single factory will be subject to carbon fee levies.

Also in 2024, the government announced that businesses with annual electricity consumption exceeding 20 million kWh or GHG emissions surpassing 10,000 metric tons CO₂e at a single factory must begin conducting annual GHG inventories and reporting starting in 2026. Carbon fees are scheduled to be levied beginning in 2031. In October 2024, the government published the "Fee-charging Rates of Carbon Fees," setting the standard rate at NT\$300 per metric ton of CO₂e. This fee applies to emissions exceeding the exemption threshold of 25,000 metric tons CO₂e. The carbon fee rate is expected to gradually increase, reaching NT\$1,800 per ton after 2031, at which point the exemption will be removed. To encourage emissions reduction among companies below the carbon fee threshold, the government allows such enterprises to apply for voluntary emissions reduction credits, which may be sold to companies seeking to offset their carbon fee liabilities. Each metric ton of voluntary reduction may be used to offset 1.2 metric tons of fee-liable emissions.

To mitigate the potential financial impact of future carbon fee obligations, Taiflex plans to gradually implement energy efficiency projects to reduce overall energy consumption, install on-site solar photovoltaic systems to lower greenhouse gas emissions, and offset any remaining fee-liable emissions by purchasing voluntary emissions reduction credits from other companies.

Financial Impact of Risk Exposure

Current (2024)

As the government has not yet imposed carbon fees on companies, Taiflex incurred no operating cash outflows related to carbon pricing in 2024. There was no material impact on the Company's access to financing or cost of capital.

Short-term (2025~2026)

Starting in 2026, the government will begin collecting carbon fees based on enterprises' 2025 emissions. As Taiflex currently has no single site with annual GHG emissions exceeding the 25,000 metric ton CO₂e threshold, no operating cash outflows related to carbon fees are expected in the short term. The impact on access to financing and the cost of capital is expected to remain immaterial.

Medium-term (2027~2030)

In the medium term, Taiflex projects that none of its individual sites will exceed the carbon fee threshold of 25,000 metric tons of CO₂e per year. Accordingly, no operating cash outflows related to carbon fees are expected. The impact on access to financing and the cost of capital is expected to remain immaterial.

Long-term (2031~2040)

In the long term, Taiflex expects to exceed the carbon fee threshold due to electricity consumption surpassing 20 million kWh at an individual site. With the carbon fee rate rising to NT\$1,800 per metric ton CO₂e and the removal of the exemption, the Company estimates that the resulting annual operating cash outflows will account for approximately 0.32% of revenue. These costs will be covered by the Company's own funds and are not expected to pose a cash flow risk. The impact on access to financing and the cost of capital is expected to remain immaterial.

Financial Impact of Strategic Response

The Company anticipates no risk of carbon fee imposition by the government in the short to medium term. However, in the long term, emissions are expected to exceed the regulatory threshold, resulting in carbon fee payments and impacting costs and profitability. To mitigate this, Taiflex will implement annual energy-saving projects to reduce energy consumption and install on-site solar power systems for self-use to lower GHG emissions. The Company also plans to purchase voluntary reduction credits from other sources to offset remaining emissions. These measures are expected to reduce operating cash outflows related to carbon fees by approximately 30%. Such outflows will be covered by the Company's own funds, posing no risk to operations or cash flow. The impact on access to financing and the cost of capital is expected to remain immaterial.

Risk 2: [Transition Risk] Substitution of Existing Products with Low-Carbon Alternatives

Risk Scenario and Strategic Response

As international brands increasingly require carbon management and GHG emissions reductions across their supply chains, Taiflex, whose products are primarily components for consumer electronics, is expected to face growing pressure from corporate customers to supply low-carbon products that align with Scope 3 reduction commitments. Failure to meet these expectations may lead to the loss of existing orders and result in reduced revenue and profitability. To mitigate this risk, Taiflex has adopted a strategy of gradually transitioning to the use of recycled materials, helping to retain customer orders and minimize the financial impact of potential profit declines.

Financial Impact of Risk Exposure

Current (2024)	In 2024, approximately 5% of customer orders began requiring the use of recycled materials. If the Company fails to meet these requirements, it may experience order losses and reduced revenue-related cash inflows, with an estimated profit decline equivalent to 0.10% of total revenue. No material impact is expected on access to financing and the cost of capital.
Short-term (2025~2026)	In the short term, customer orders requiring recycled materials are projected to increase from 5% to 20%. If the Company fails to meet these requirements, it may experience order losses and reduced revenue-related cash inflows, with an estimated profit decline equivalent to 0.82% of total revenue. The impact on access to financing and the cost of capital is expected to remain immaterial.
Medium-term (2027~2030)	In the medium term, customer orders requiring recycled materials are projected to remain at 20%. If the Company fails to meet these requirements, it may experience order losses and reduced revenue-related cash inflows, with an estimated profit decline equivalent to 1.89% of total revenue. The impact on access to financing and the cost of capital is expected to remain immaterial.
Long-term (2031~2040)	In the long term, customer orders requiring recycled materials are projected to increase from 20% to 60%. If the Company fails to meet these requirements, it may experience order losses and reduced revenue-related cash inflows, with an estimated profit decline equivalent to 3.10% of total revenue. The impact on access to financing and the cost of capital is expected to remain immaterial.

Financial Impact of Strategic Response

Failure to meet corporate clients' expectations for low-carbon products incorporating recycled materials would lead to reduced cash inflows and lower profitability. The estimated annual profit impact is projected at 0.82% of revenue in the short term, 1.89% in the medium term, and 3.10% in the long term. To mitigate this risk, the Company will fully comply with customer requirements for recycled materials to prevent order losses. However, the use of recycled materials will result in higher procurement and production costs. In response, the Company plans to gradually increase product prices to offset these additional expenses.

Overall, the implementation of these strategies is expected to reduce the annual profit impact to below 0.50% of revenue across the short-, medium-, and long-term periods. The impact on access to financing and the cost of capital is expected to remain immaterial.

Risk 3: [Physical Risk] Extreme Weather Events (e.g., Typhoon, Flood)

Risk Scenario and Strategic Response

According to the 2024 Climate Change in Taiwan: National Scientific Report 2024: Phenomena, Impacts, and Adaptation - Key Scientific Findings from Chapters 1 to 3, jointly published by Taiwan's National Science and Technology Council and the Ministry of Environment, the annual maximum one-day rainfall intensity in Taiwan has shown an increasing trend. Projections for the mid- and late-21st century suggest that the annual maximum one-day rainfall intensity in Taiwan will increase by approximately 20% and 41.3%, respectively. While the total number of typhoons affecting Taiwan is expected to decrease by about 15% and 55%, the proportion of severe typhoons is anticipated to rise by approximately 100% and 50%. In addition, typhoon-induced precipitation is projected to increase by around 20% by mid-century and 35% by the end of the century.

In light of these projections, the Company assumes an average of two extreme typhoon or flood events per year in the short term, three in the medium term, and four in the long term. These events are expected to lead to increased disaster-related losses.

Financial Impact of Risk Exposure

Current (2024)	In 2024, disaster-related operating cash outflows resulting from extreme weather events, such as typhoons and floods, amounted to approximately 0.03% of the Company's annual revenue and were fully covered using the Company's own funds. There was no material impact on the Company's access to financing or cost of capital.
Short-term (2025~2026)	In the short term, the Company estimates that disaster-related operating cash outflows resulting from extreme weather events, such as typhoons and floods, will remain at approximately 0.03% of annual revenue. These outflows will be covered using the Company's own funds. The impact on access to financing and the cost of capital is expected to remain immaterial.
Medium-term (2027~2030)	In the medium term, the Company estimates that disaster-related operating cash outflows resulting from extreme weather events, such as typhoons and floods, will remain at approximately 0.05% of annual revenue. These outflows will be covered using the Company's own funds. The impact on access to financing and the cost of capital is expected to remain immaterial.
Long-term (2031~2040)	In the long term, the Company estimates that disaster-related operating cash outflows resulting from extreme weather events, such as typhoons and floods, will remain at approximately 0.07% of annual revenue. These outflows will be covered using the Company's own funds. The impact on access to financing and the cost of capital is expected to remain immaterial.

Financial Impact of Strategic Response

Risk 3 [Physical Risk] Extreme weather events, such as typhoons and floods, may result in increased disaster-related costs and lead to higher operating cash outflows. The Company anticipates that these cost increases will reduce annual profit by approximately 0.03% of annual revenue in the short term, 0.05% in the medium term, and 0.07% in the long term.

The Company has assessed its exposure to this physical risk and determined that it falls within an acceptable range. As a result, the Company has adopted a risk acceptance strategy. The impact on access to financing and the cost of capital is expected to remain immaterial.

Opportunity 1: [Climate Opportunity] Adoption of More Efficient Production Processes

Opportunity Scenario and Strategic Response

Taiwan has released the Taiwan 2050 Net-Zero Emissions Pathway and Strategy, which underscores the need to accelerate the widespread adoption of mature energy-saving technologies across various sectors, including manufacturing, residential living, commercial services, transportation, and cross-sectoral applications. The strategy calls for boosting the market penetration of high-efficiency equipment through economic incentives, educational support, and regulatory enforcement. In parallel, it encourages the development of innovative energy-efficiency technologies and the phased introduction of advanced solutions. These efforts aim to enhance energy use efficiency from the demand side and support the achievement of Taiwan's net-zero emissions target. Accordingly, this energy conservation strategy has been formulated as the highest-level guiding framework for advancing national energy-saving policies, promoting industrial energy efficiency, and directing research and development in energy-saving technologies.

Electricity and natural gas are the primary energy sources used in the Company's production processes. To improve energy efficiency, the Company has established short-, medium-, and long-term plans for equipment upgrades and energy conservation. While investments in high-efficiency equipment will increase depreciation expenses related to capital expenditures and additional maintenance costs, they are also expected to reduce energy consumption expenses. Overall, these initiatives are anticipated to create financial opportunities and contribute to improved profitability.

Financial Impact of Strategic Response

Regarding Opportunity 1 [Climate Opportunity] Adoption of More Efficient Production Processes, the Company is implementing a series of energy efficiency improvement projects. These include the installation of waste heat recovery systems, replacement of cooling towers, addition of variable frequency drives (VFDs) to cooling water pumps, and upgrades such as high-efficiency motors and pump coating enhancements. These initiatives are expected to reduce energy costs and create financial opportunities.

Overall, this opportunity is expected to increase the Company's annual profit by approximately 0.19% of revenue in the short term, 0.22% in the medium term, and 0.14% in the long term. Cash outflows associated with related investment and operating activities will be covered using the Company's own funds, posing no operational disruptions or cash flow risks. The impact on access to financing and the cost of capital is expected to remain immaterial.

Opportunity 2: [Climate Opportunity] Use of Low-carbon Energy / Participation in Renewable Energy Projects

Opportunity Scenario and Strategic Response

Taiwan has released the Taiwan 2050 Net-Zero Emissions Pathway and Strategy, which outlines twelve key strategic initiatives aimed at expanding the use of renewable energy. These efforts include increasing installed renewable energy capacity and developing supporting infrastructure such as power systems and energy storage facilities. The strategy is designed to drive both industrial and societal transformation and maximize carbon reduction before 2030. In parallel, the government is introducing new regulations and amending existing laws related to renewable energy to encourage greater corporate participation in the energy transition.

The Company plans to invest in renewable energy projects, including solar and biomass power generation. These projects will adopt two models: self-consumption and wholesale electricity sales to Taipower. From a financial standpoint, such investments will result in increased depreciation expenses related to capital expenditures, along with higher maintenance and interest costs. However, they are also expected to generate revenue from electricity sales to Taipower and reduce the Company's electricity procurement costs. Overall, these initiatives are anticipated to create financial opportunities and contribute to improved profitability.

Financial Impact of Strategic Response

Regarding Opportunity 2 [Climate Opportunity] Use of Low-carbon Energy / Participation in Renewable Energy Projects, Taiflex is installing solar and biomass power generation systems to generate revenue through electricity sales to Taipower and to reduce energy expenditures. These initiatives are designed to create financial opportunities.

Overall, this opportunity is expected to increase the Company's annual profit by approximately 0.01% of revenue in the short term, 0.05% in the medium term, and 0.14% in the long term. Cash outflows associated with related investment and operating activities will be covered using the Company's own funds and bank loans, posing no operational disruptions or cash flow risks. The impact on access to financing and the cost of capital is expected to remain immaterial.

Opportunity 3: [Climate Opportunity] Recycling and Reuse

Opportunity Scenario and Strategic Response

Taiwan has released the Taiwan 2050 Net-Zero Emissions Pathway and Strategy, which outlines twelve key strategic initiatives. Among them, the strategy for achieving net-zero emissions in the manufacturing sector includes a focus on advancing the circular economy. By 2030, the strategy aims to reduce industrial waste and promote local participation in circular economy initiatives, ultimately fostering cross-sector collaboration. These efforts are intended to drive meaningful environmental outcomes through concrete actions and goal-oriented partnerships.

The Company plans to invest in processes and equipment for the recycling and reuse of waste gases and wastewater. These investments will result in increased depreciation expenses and maintenance costs. However, they are also expected to reduce raw material procurement costs and the treatment costs for waste adhesives and waste gases, while generating additional revenue from the resale of recovered solvents and purified gases. Overall, these initiatives are anticipated to create financial opportunities and contribute to improved profitability.

Financial Impact of Strategic Response

Regarding Opportunity 3 [Climate Opportunity] Recycling and Reuse, the Company is implementing processes and installing equipment for the recycling and reuse of waste gases and wastewater. This initiative is expected to create financial opportunities by reducing treatment costs for waste adhesives and waste gases, while generating additional revenue through the resale of recovered solvents and purified gases.

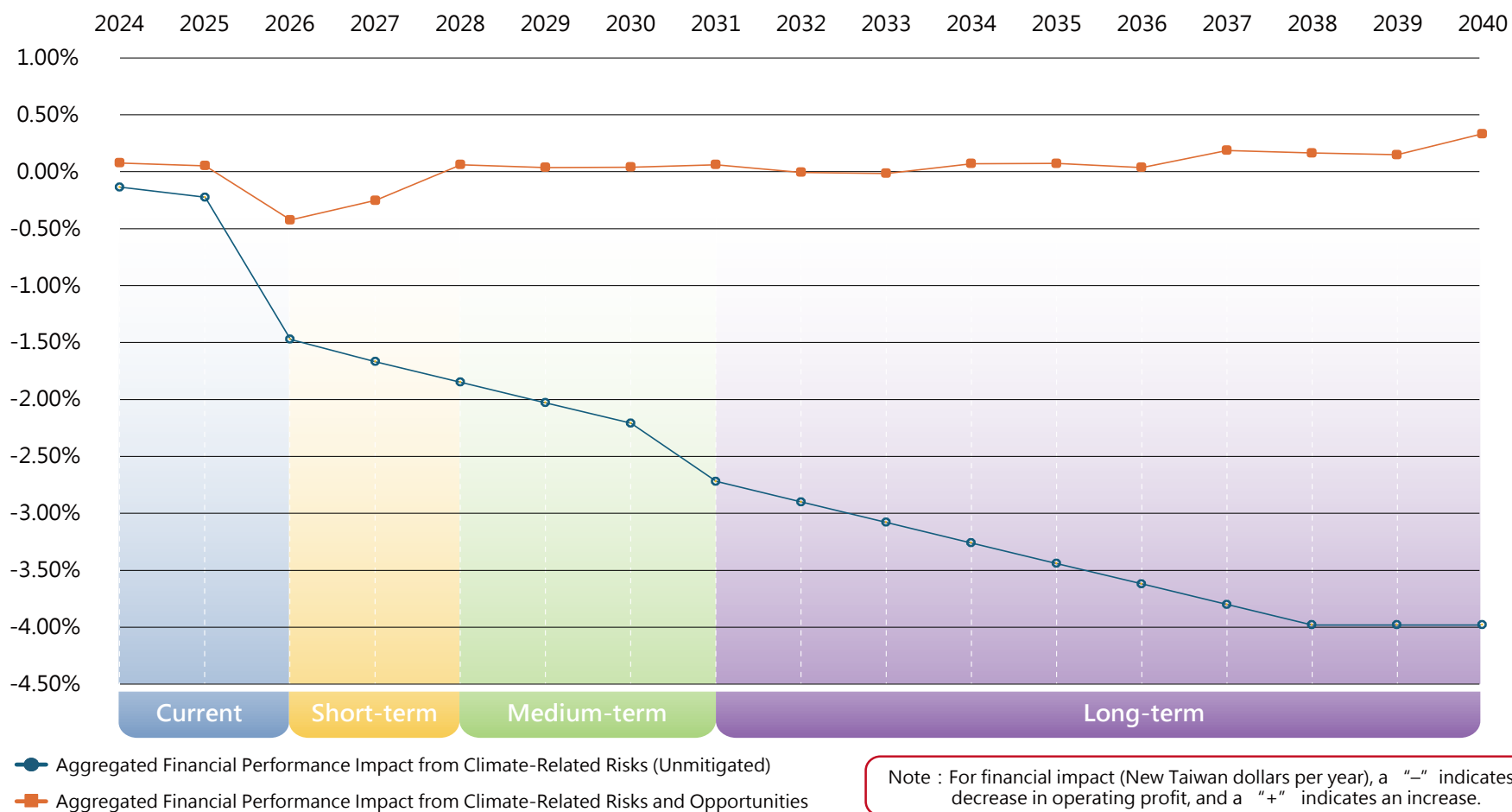
Overall, this opportunity is expected to increase the Company's annual profit by approximately 0.14% of revenue in the short term, 0.22% in the medium term, and 0.45% in the long term. Cash outflows associated with related investment and operating activities will be covered using the Company's own funds, posing no operational disruptions or cash flow risks. The impact on access to financing and the cost of capital is expected to remain immaterial.



Taiflex Climate-Related Risks and Opportunities

Illustration of Aggregated Financial Performance Impact (Profitability) Across Current, Short-, Medium-, and Long-term Periods

Illustration of Taiflex' s Aggregated Financial Performance Impact from Climate-Related Risks and Opportunities



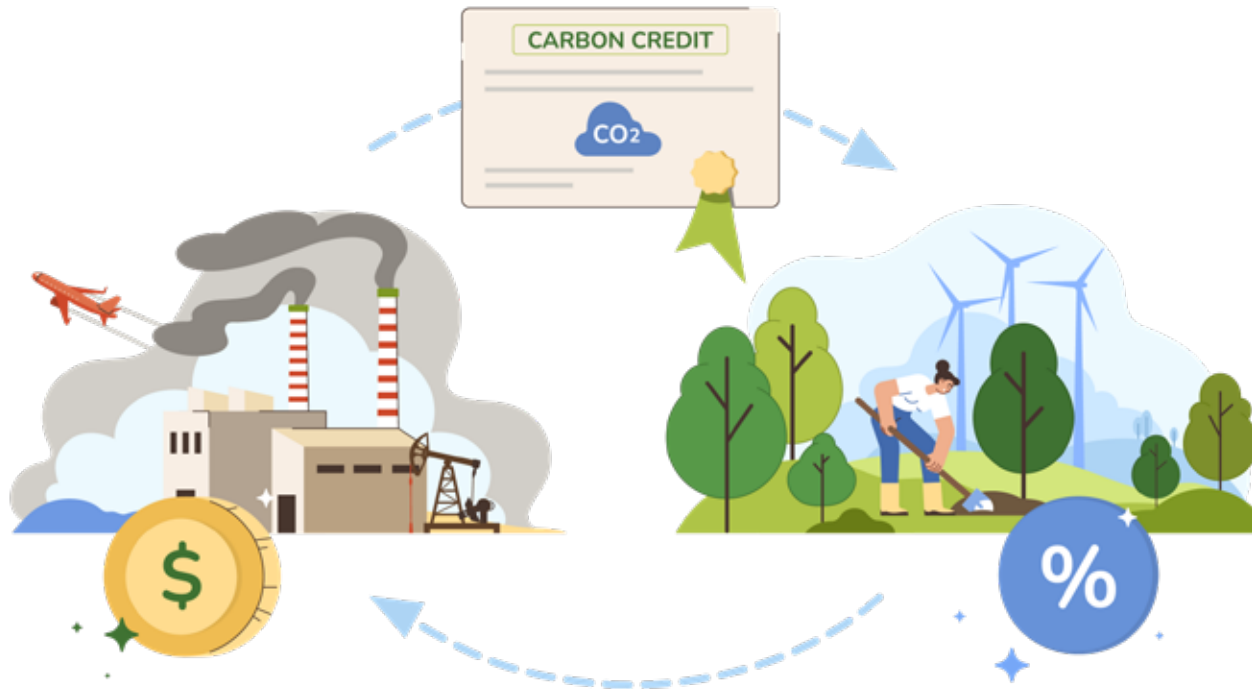
Taiflex has taken active measures to address climate-related risks and opportunities, resulting in significant improvements in its projected financial impacts across all time horizons. In the short term, the potential annual reduction in profit as a percentage of revenue improved from 0.85% to 0.19%. In the medium term, the projected impact decreased from 1.94% to just 0.03%. In the long term, the financial impact shifted from an annual profit reduction of 3.48% to a projected annual profit increase of 0.11%, relative to revenue.

• Carbon Pricing

Currently, the majority of companies adopting internal carbon pricing are concentrated in the financial, energy, and manufacturing sectors, which are typically characterized by high carbon emissions or carbon-intensive supply chains. Internal carbon pricing serves as a tool to incentivize emission reduction within organizations. In the financial sector, internal carbon pricing is primarily used for internal carbon management, but it is expected to gradually play a role in lending and investment decision-making, thereby directing capital toward low-carbon projects.

In Taiwan, internal carbon pricing is primarily adopted by the semiconductor and technology sectors. These industries are characterized by high technical complexity and capital intensity, and they face increasing pressure from global supply chains to meet low-carbon requirements. As a result, the demand for internal carbon pricing is particularly strong. In addition, several domestic financial holding companies have begun piloting internal carbon pricing mechanisms in recent years.

To further enhance internal energy-saving and carbon-reduction performance, Taiflex has introduced an internal carbon pricing mechanism. At the current stage, a benchmark internal carbon price of NT\$300 per metric ton of CO₂e has been adopted, in line with the carbon fee rate announced by Taiwan's Ministry of Environment for 2025. When assessing the investment benefits of energy-saving and carbon-reduction projects, the Company monetizes the associated environmental benefits and includes the implied cost of carbon fees in the decision-making process. This approach not only improves the effectiveness of internal carbon reduction efforts but also supports the Company's long-term commitment to sustainability.



2.5 Sustainable Supply Chain

The extraction of natural resources involves risks such as energy consumption, water pollution, land degradation, and potential human rights violations. In addition to ensuring the quality, delivery, and cost of raw materials, Taiflex is committed to working with suppliers that uphold environmental protection, energy conservation and carbon reduction, workplace safety and hygiene, and respect for human rights. These efforts are essential to meeting both customer expectations and regulatory requirements, while jointly fulfilling corporate social responsibility.

2.5.1 Procurement Policy

Taiflex firmly believes that the sustainable growth of its supply chain plays a critical role in the Company's long-term development. Therefore, we actively encourage suppliers to fulfill their corporate social responsibilities by implementing environmental protection measures, promoting energy conservation and carbon reduction, improving workplace safety and hygiene, and upholding human rights. In addition, suppliers are expected to maintain robust risk management and sustainable operation plans, working together with Taiflex to build a stable and resilient sustainable supply chain.



Our Commitments

- ✓ All products comply with conflict minerals regulations and are procured in accordance with green product standards.
- ✓ We adhere to the principles of fair trade and comply with all applicable laws and regulations. We are committed to respecting human rights, safeguarding the physical and mental well-being of workers, protecting the environment, and fulfilling our social responsibilities.
- ✓ We uphold the ethical principle, commit to fulfilling corporate social responsibilities in our procurement activities and pursue sustainability.

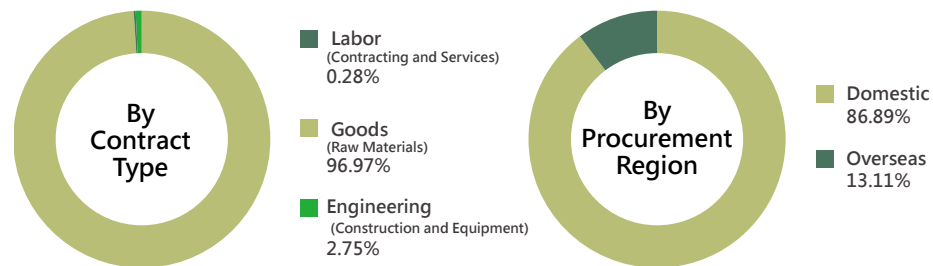
Supplier Overview

Over 95% of the Company's procurement consists of goods used in production (raw materials) and packaging (materials). Key raw materials include copper, PI (polyimide), TPI (thermoplastic polyimide), and PET film, most of which are imported. The Company is actively working to increase the use of recycled copper. For packaging materials, recycled paper is widely used, and wooden pallets are reused to promote circular practices.

In recent years, the Company has continued to expand its supplier base for key raw materials and process equipment. As of 2024, domestic procurement accounted for 86.89% of total purchases. For detailed information on procurement categories and their respective proportions, please refer to Appendix I: ESG Information – Economic Data in this report.



Purchases overview over the years



Raw Material Control

The development of the electronics industry relies heavily on a wide range of minerals. In response to growing global concerns over human rights, avoiding the use of conflict minerals has become an international trend. To fulfill its corporate social responsibility, Taiflex complies with Rule 13p-1 of the U.S. Securities Exchange Act of 1934, issued by the U.S. Securities and Exchange Commission (SEC), as part of its conflict minerals management. The Company implements self-audits on social responsibility practices and takes proactive measures to avoid sourcing minerals from conflict-affected and high-risk areas.

All suppliers of raw materials that use or contain minerals are required to comply with the Company's conflict minerals policy and submit investigation results using the Conflict Minerals Reporting Template (CMRT). The requirement to avoid sourcing conflict minerals from conflict-affected regions is enforced from the outset of new supplier selection. For existing suppliers, Taiflex requires the signing of a conflict-free minerals agreement or submission of a declaration. The Company also conducts due diligence through annual supplier audits and traceability management across the supply chain.

Copper is the primary metal used in Taiflex's production of FPC materials. In addition to the extraction of new mineral resources, recycling from existing applications or electronic products has become an industry trend. Approximately 90% of copper foil manufacturers worldwide use recycled copper as a raw material. In line with this shift, Taiflex collaborates with major copper foil suppliers to incorporate recycled copper foil at a consistent proportion, contributing to resource reuse and global sustainability. In addition, the use of recycled copper offers advantages in production costs. The electrodeposited (ED) copper foil manufacturing process provides high precision and supports flexible specification adjustments in width and thickness, making it suitable for a wide range of electronic applications. In 2024, the total weight of recycled copper used in FCCL finished products, regardless of copper type, reached 346 metric tons.

• Green Procurement

GP (Green Product) documentation must be provided or updated for both the introduction of new materials and the routine procurement of existing materials. Taiflex integrates green supply chain practices to better serve its customers and has initiated efforts to reduce and reuse packaging materials across its supply chain. Since 2020, the Company has communicated its green procurement principles to suppliers alongside purchase orders through the e-procurement system. At the same time, Taiflex actively promotes green procurement awareness throughout the supply chain. By adopting standards that exceed regulatory requirements, the Company seeks to prevent or reduce negative environmental impacts and strengthen its operational resilience in the face of the climate change crisis.

Taiflex has established a supply chain management framework to control related risks and foster mutual growth with suppliers, creating greater shared value and broader impact. Since 2017, the Company has adopted the Responsible Business Alliance (RBA) Code of Conduct as its supplier assessment standard, covering areas such as labor, health and safety, environmental protection, and business ethics. Beginning in 2020, Taiflex also incorporated the Supplier Relationship Management (SRM) platform to streamline supplier interactions. Through the platform, suppliers can more efficiently manage tasks such as order maintenance, delivery confirmation, shipment and acceptance tracking, and return order processing, thereby reducing information gaps and improving communication accuracy.

In addition, Taiflex has established risk control mechanisms to address potential supply chain disruptions. In the event of disruptions caused by external factors (such as natural disasters, disease outbreaks, or major global events), emergency response procedures are activated immediately. Relevant departments, including Procurement, Quality Assurance, and Production Planning, promptly assess key areas such as raw material stocktaking, coordination with backup suppliers, increasing inventory levels, and material consumption in production processes, and jointly develop a contingency plan.

★ 2.5.2 Evaluation and Audit

Taiflex regularly conducts Supplier Green System Evaluations for key suppliers using two primary methods: on-site audits and document reviews. These evaluations aim to strengthen suppliers' sustainability management systems and ensure the effective implementation of sustainability practices. The evaluation covers three key dimensions: the quality system (economic), the HSPM system (environmental), and ESG (social). Suppliers are required to report on the implementation status of their sustainability initiatives and provide relevant management system certifications. This process not only enables Taiflex to assess the supplier's sustainability performance but also helps suppliers enhance their management of sustainability-related risks. In 2024, a total of 30 raw material suppliers were audited (16 through on-site audits and 14 through document reviews). A total of 111 deficiencies were identified, all of which have been resolved, resulting in a 100% improvement rate. No suppliers were disqualified as a result of the audits.

In addition, the Company conducts annual assessments of suppliers across five key aspects: quality, procurement, research and development, technology, and shipment fulfillment rate. For raw material suppliers who fail the assessment, transactions are suspended, and the supplier is required to make improvements within a specified timeframe. A follow-up audit is conducted six months later, and if no improvement is made, the supplier is disqualified. For material suppliers who fail the assessment, transactions are suspended for at least one year, except in cases involving sole-source suppliers. In 2024, a total of 95 suppliers were assessed, including 30 raw material suppliers and 65 material suppliers. No suppliers were found to be non-compliant.

• Supplier Quality Management

Taiflex requires all raw material suppliers, both new and existing, to comply with quality management systems, environmental, safety, and health (ESH) management systems, and to undergo evaluation under the Authorized Economic Operator (AEO) framework. Through the supplier procurement process, Taiflex conducts a comprehensive review of each supplier based on a set of criteria, including: basic corporate information, relevant licenses and certifications, quality assurance records, ESH management practices, operational performance, product information, manufacturing processes, upstream raw material sources, financial condition under business continuity planning, contractual obligations, green product management (GPM), and corporate social responsibility (CSR) performance.

Supplier quality assessment criteria include the total return rate of incoming materials, the number of major nonconformities, the number of unresolved cases, and green supplier performance (evaluated based on the timeliness of responses within the GPM system). Assessments are conducted by the Quality Assurance unit and incorporated into the overall supplier audit, with a weighting of 35% in the audit criteria. In 2024, a total of 44 suppliers were assessed, all of whom received an "Excellent" rating.

• Corporate Social Responsibility Commitment

As part of the selection process for raw material suppliers joining Taiflex' s supply chain, suppliers are required to obtain third-party certification for ISO 9001 and ISO 14001. In addition, to ensure suppliers understand and uphold corporate sustainability principles, Taiflex has established the Supplier/Contractor Corporate Social Responsibility Commitment (hereinafter referred to as the "CSR Commitment"). The CSR Commitment outlines the Code of Conduct for suppliers and contractors and incorporates the RBA Code of Conduct, as well as requirements related to conflict-free minerals. Suppliers must agree to the terms of the CSR Commitment prior to contract execution.

The CSR Commitment addresses labor rights, requiring suppliers to comply with internationally recognized human rights standards, respect each worker' s dignity, privacy, and legal rights, and foster a harmonious, inclusive, and equitable workplace. It mandates the protection of labor rights, including freedom of career choice, freedom of association, and full compliance with laws governing minimum wage and working hours, and strictly prohibits any involvement in or support for human rights violations, such as the use of child labor, discrimination, or harsh and inhumane treatment. Taiflex currently works with 63 raw material suppliers, all of whom have signed the CSR Commitment or submitted relevant declaration documents. The Company aims to achieve 100% CSR Commitment coverage across all suppliers moving forward.

• Supplier Conference

Taiflex places great importance on the sustainable development of its supply chain and works to improve management performance through systemic measures such as supplier evaluations, audits, corrective action guidance for audit deficiencies, performance assessments, and recognition conferences, all grounded in cooperation and mutual support. Through ongoing engagement and communication, the Company promotes awareness of corporate social responsibility and business ethics among its suppliers. Taiflex also takes appropriate measures to ensure that suppliers comply with legal requirements related to environmental protection, health and safety, and labor practices. Suppliers are expected not only to meet local minimum wage laws, but also to provide employees with fair and appropriate levels of compensation, and to uphold the highest standards of ethical and moral conduct in their business operations.

At the 2024 Supplier Conference, Taiflex expressed its sincere appreciation for the support and outstanding contributions of its supplier partners over the past year, and recognized eight outstanding suppliers for their performance. During the event, the Company's Supply Chain Center shared Taiflex's future outlook and conveyed its expectations regarding quality, technology, delivery, service, cost, and sustainable operations. The Company also emphasized its commitment to working hand in hand with suppliers to overcome challenges and achieve continued success.



3

Developer of Innovative Materials

3.1 Product R&D and Innovation

[Feature] Taiflex Earns TIPS Level-A Recertification, Bolstering Global Competitiveness

3.2 Information Security and Customer Privacy

3.3 Customer Demand and Quality Management



Developer of Innovative Materials

3.1 Product R&D and Innovation

Material Topic: Innovative R&D and Patents

Main Reason	"Becoming a world-class FPC materials company" is the vision that drives Taiflex. We have long dedicated ourselves to the field of flexible circuit board materials, with a strong focus on supporting customers' new product applications and exploring emerging markets. To that end, we continuously refine our three core technologies: formula development, precision coating, and testing methodologies. Through ongoing optimization of formulations and processes, we aim to develop materials that meet evolving market demands and position ourselves as a global leader in FPC materials.		
Effect and Impact	● Actual positive impact : Economic: Achieve a leading technological advantage and create more opportunities for customer collaboration. Social: Facilitate the advancement and upgrading of technological products to improve everyday convenience.		● Potential positive impact : Environmental: Develop green products using biomass-based materials or increase the use of recycled content to help reduce environmental impact.
Policy	● Innovative R&D : The R&D Center formulates research and development plans by integrating market trends and customer feedback gathered by other departments.		● Patent management : Coordinated by the Legal and Intellectual Property Center, the IP management and review system is established based on TIPS, aligned with the Company' s business strategies, operational goals, and core technologies, and adopts the Plan-Do-Check-Act (PDCA) approach.
Strategy	● Prior to the commencement of any R&D project, the Legal and Intellectual Property Center conducts patent searches to help R&D personnel identify and mitigate potential patent risks. This enables early planning and the implementation of design-around strategies to ensure freedom to operate. During the course of the project, the Center also supports the transformation of R&D outcomes into intellectual property.		● To protect R&D achievements, Taiflex files patent applications and has established an internal Intangible Asset Security Committee. The Company has also adopted the ISO 27001 Information Security Management System and implemented a "Confidential Information Protection Policy" to manage and safeguard confidential information.
Goal and Objective	● Short-term goals (2025-2026) : - File 2 new product patent applications per year - Obtain TIPS Level-A recertification	● Medium-term goals (2027-2030) : - File 2 new product patent applications per year - Establish a strategic IP portfolio and enhance the Company' s IP management system	● Long-term goals (2031-2040) : - File 2 new product patent applications per year - Align R&D and IP development directions with corporate business strategy - Activate corporate resources through IP strategies such as technology sales, transfers, or licensing
Management Assessment Mechanism	● The R&D Center conducts monthly phase reviews based on project progress under the Product Life-cycle Management (PLM) system and adjusts the execution details as needed.		● The Legal and Intellectual Property Center conducts annual patent statistics and reports the results to the Board of Directors.
2024 Goals and Achievements	● File 2 new product patent applications per year → Achieved. 3 applications were filed in 2024, reaching an achievement rate of 150%.		● Obtain TIPS Level-A recertification → Achieved. The Company obtained TIPS Level-A certification in 2024.

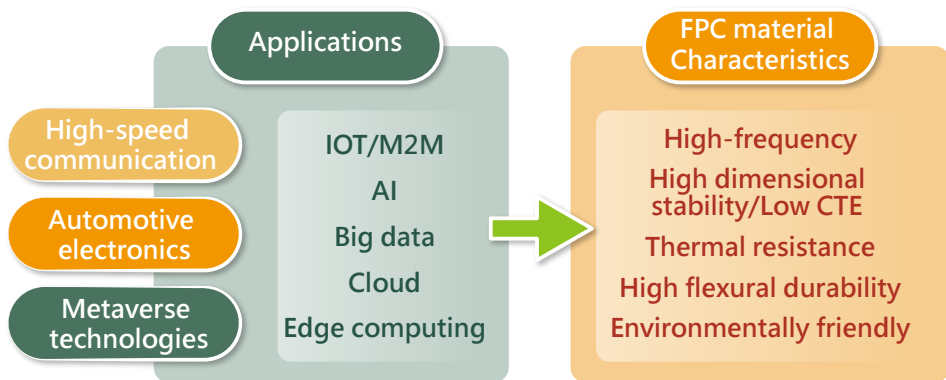
★ 3.1.1 Commitment to Long-Term R&D

Taiflex was co-founded by professionals from the Industrial Technology Research Institute (ITRI) and experts in Taiwan's electronic materials sector. With industry-leading technology, the Company is now the largest supplier of FPC materials in the Greater China region. In addition to investing substantial resources in in-house R&D, Taiflex maintains close partnerships with leading international material manufacturers and advanced equipment design firms. The Company also collaborates with ITRI and National Sun Yat-sen University on R&D projects focused on coating technology transfer and formula analysis. By integrating resources from industry, government, academia, and research institutions, Taiflex works hand in hand with end customers to develop next-generation products. We are committed to providing advanced flexible materials and integrated innovative application solutions. For more information on Taiflex's participation in external industry associations, please refer to Appendix I: ESG Information - Economic Data in this report.

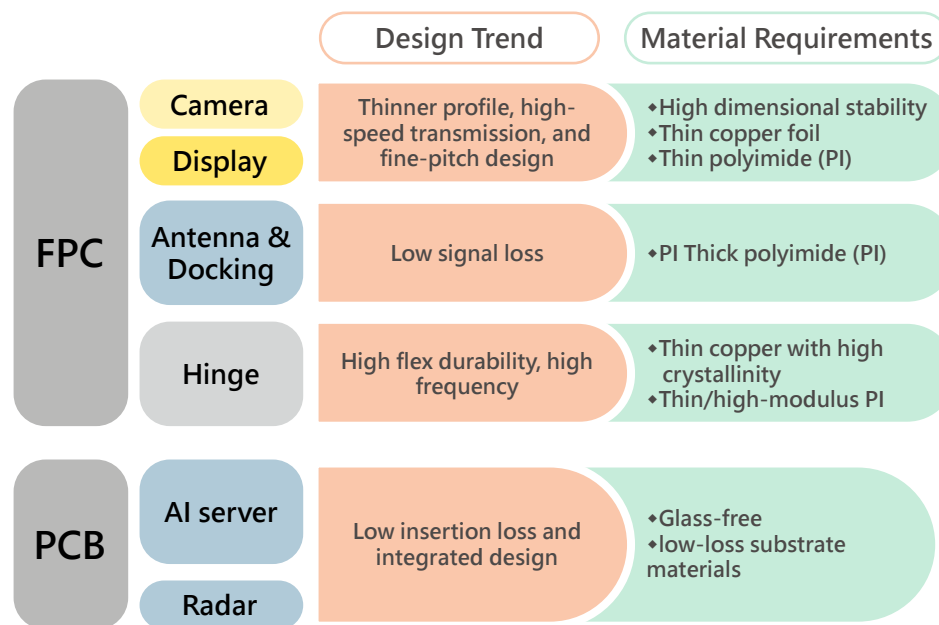
In addition to its continued focus on FPC materials, Taiflex has leveraged years of accumulated expertise in its three core technologies: formula development, precision coating, and testing methods, to expand into advanced packaging materials for semiconductors and displays, as well as high-precision coating manufacturing services. To provide more diversified and customized solutions, the Company established Taichem Materials Co., Ltd., a wholly owned subsidiary, through a spin-off in September 2020.



• Development of Low-Loss Materials



With the increasing adoption of 5G communication, the growing demand for high-volume data transmission and the rapid development of the new energy vehicle market have driven leading material manufacturers and end-product brands to focus on high-bandwidth, low-latency applications. As high-speed signal transmission inherently involves greater insertion loss, material selection has increasingly prioritized low dielectric constant (Dk) and low dissipation factor (Df) properties. In addition to developing widely used LCP and MPI materials, Taiflex's R&D Center is actively advancing the development of fluoro-based materials with lower Dk and Df values.



Nevertheless, successful product development requires more than a thorough understanding of material properties. It must also take into account downstream processability and market economic value. Fluoro-based materials, due to their high electronegativity and minimal susceptibility to external polarization, offer outstanding performance in high-frequency applications. However, these same characteristics also make subsequent processing more challenging.

Taiflex possesses advanced expertise in materials science and coating technologies, supported by world-class lamination capabilities. We employ the most rigorous testing equipment and quality control standards to ensure excellence in product appearance and the performance of FCCLs. With extensive research resources, cutting-edge facilities, and a highly skilled team, Taiflex is well-positioned to deliver high-performance, high-frequency materials that meet the evolving demands of the next-generation information era.

• Five-Year Strategic Plan

As electronic products continue to evolve toward thinner profiles, enhanced functionality, and higher performance, demand for FPCs is steadily increasing, creating substantial business opportunities. Taiflex remains committed to technology-driven innovation and allocates over 3% of annual revenue to research and development each year. Through continuous R&D efforts, we strive to deliver superior and diversified material solutions tailored to a broad spectrum of applications. Looking ahead, we anticipate significant growth for our new products in the automotive, metaverse, and wearable technology sectors.



R&D Expenses Over the Years

(In Thousands of New Taiwan Dollars)

Item \ Year	2020	2021	2022	2023	2024
Revenue	7,491,041	7,671,215	7,287,918	6,837,677	8,215,429
R&D Expenses	260,938	284,484	350,360	314,812	331,626
Percentage (%)	3.48%	3.71%	4.81%	4.60%	4.04%

Note: The percentage is calculated as: (R&D expenses for the year / Taiflex' s parent company only revenue for the same year) × 100%



Projected R&D Headcount Plan

Year	2024	2025	2026	2027	2028
Headcount	41	44	46	48	50
New Hires	4	3	2	2	2
Growth Rate	9.75%	7.3%	4.5%	4.3%	4.1%

Note: Growth rate is calculated as: (New hires for the year / R&D headcount of the previous year) × 100%

✦ 3.1.2 Intellectual Property Management

Taiflex places great emphasis on research and development and recognizes intellectual property (IP) as a core organizational asset. During the technology development process, the Legal and Intellectual Property Center collaborates with the R&D Center to conduct patent searches and literature analyses, enabling a clear understanding of the existing patent landscape. This helps prevent potential infringement and ensures the Company' s freedom to operate. Upon completion of development, R&D outcomes are properly safeguarded through internal management or secured via formal IP protections such as patent applications, thereby strengthening Taiflex' s competitive advantage.

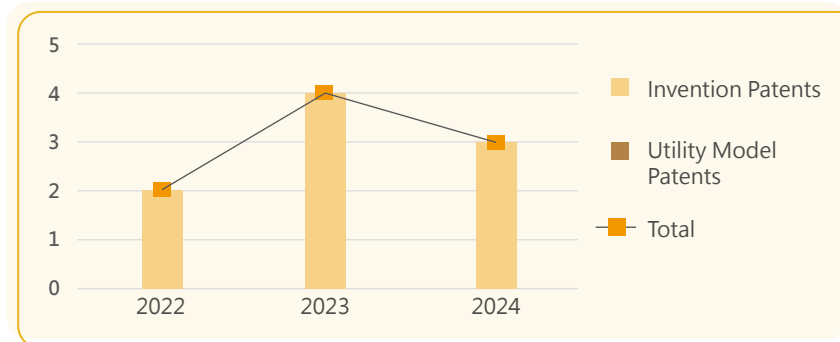
In addition, the Legal and Intellectual Property Center conducts regular maintenance assessments of granted patents and protected R&D outcomes. It evaluates the value of IP based on collected intelligence, and promotes commercialization through licensing or technology transfer. These efforts enhance the economic value of the Company' s intellectual assets while reducing their associated operating costs.

• Patent Portfolio

To strengthen Taiflex' s value among international brands, enhance corporate goodwill, and maintain the competitive edge of our product technologies, we continue to build a robust global patent portfolio. As of 2024, Taiflex had filed a total of 250 patent applications worldwide, with invention patents accounting for 84.40% of the total. These applications span key markets including Taiwan, the United States, Japan, Europe, and mainland China. A cumulative total of 151 patents have been granted. We remain committed to further expanding the IP landscape of our core technologies and R&D innovations.



Patents from Product Development Over the Years



• IP Protection System

Amid intensifying global competition and increasingly complex supply chain dynamics, the protection of trade secrets has become a key strategy for safeguarding core competitiveness. Trade secrets encompass technologies, methods, processes, formulas, software, designs, or other information applicable to production, sales, or operations, provided such information meets the criteria of confidentiality, economic value, and the implementation of reasonable protective measures. In 2023, Taiflex registered four trade secret cases related to key formulas and processes for internal management (with no risk of customer data exposure). As of 2024, a total of 15 cases had been registered. Taiflex implemented an Electronic Lab Notebook (ELN) system in 2021, thereby reinforcing the management of research records and further enhancing our technological edge.

Taiflex has adopted the Taiwan Intellectual Property Management System (TIPS) since 2014 to establish a systematic approach to IP management. In recent years, we have continued to strengthen our practices in IP acquisition, protection, maintenance, and utilization. These ongoing enhancements have led to a more robust IP management framework, helping to mitigate risks associated with intangible assets and ultimately contributing to improved profitability and operational performance.

• Protection of Trade Secrets

Taiflex recognizes the significant commercial value and strategic importance of trade secrets to corporate operations. In addition to safeguarding R&D outcomes through patent applications, we adopted the ISO 27001 Information Security Management System in 2016, established the Intangible Assets Security Committee, and implemented the Confidential Information Protection Policy to ensure the effective management of proprietary information. To strengthen our trade secret protection framework, Taiflex has developed a comprehensive management mechanism that includes the inventory, classification, and tiered labeling of confidential information; clear definition of intellectual property ownership and execution of confidentiality agreements; implementation of robust information security controls; retention of records and early warning systems; internal audits and investigations; annual evaluations of confidential information protection practices; and ongoing employee training and awareness programs on information security. These measures are designed to minimize the risk of trade secret misappropriation.





Feature SPECIAL COLUMN

[Feature] Taiflex Earns TIPS Level-A Recertification, Bolstering Global Competitiveness

To ensure that all employees at Taiflex have a clear understanding of intellectual property (IP) management, the Company has adopted the Taiwan Intellectual Property Management System (TIPS) and established an Intellectual Property Management Manual. This manual follows the PDCA cycle to build a systematic management framework tailored to the nature of our R&D operations, aligning IP management with business objectives. In addition to a robust system, Taiflex has formed a dedicated IP unit to lead the related initiatives. To foster innovation, the Company offers incentive programs while also enhancing employees' IP awareness and hands-on capabilities through ongoing training and internal publications.

Backed by outstanding IP practices and ongoing innovation, Taiflex has once again achieved TIPS Level-A certification for the second consecutive year. This accomplishment reaffirms our leadership in IP strategy and risk management, while elevating our brand value and reinforcing our competitive edge in the global market. A strong foundation for future international expansion is being laid through a comprehensive patent strategy and continued R&D advancement.

To drive continuous improvement in IP management, Taiflex introduced four key IP policies in 2024:

- 1** Enhance technological capabilities and patent quality - Focus on core technology development to secure high-value, competitive patents.
- 2** Raise IP awareness and protection across the organization - Strengthen employees' understanding and application of IP through internal training and education.
- 3** Establish sound public disclosure practices - Implement clear disclosure guidelines to ensure effective protection and strategic licensing of key technologies.
- 4** Refine the IP management system and implement IP risk controls - Mitigate patent disputes and legal risks through a comprehensive IP risk management mechanism.

Through its comprehensive IP strategy, Taiflex continues to push the boundaries of innovation in high-end electronic materials and semiconductor packaging. In addition to securing essential patents, the Company leverages IP management to promote international technology licensing and deepen global collaborations. Recently, Taiflex signed a memorandum of understanding with

Japan's leading equipment manufacturer TAZMO Co., Ltd. to jointly advance next-generation semiconductor packaging technologies by integrating high-performance materials with state-of-the-art equipment development. This strategic alliance will not only elevate Taiflex's technical depth in semiconductor materials but also enhance its market position through well-planned IP deployment, expanding influence across the global semiconductor supply chain.

At the same time, as part of its strategic international expansion and in an effort to safeguard its technological edge and competitiveness, Taiflex established a new production facility in Thailand, which commenced mass production in 2024. Once fully operational, this site will serve as a benchmark for green manufacturing within the Group. Aligned with global sustainability trends, it will strengthen Taiflex's competitiveness in the ASEAN region and serve as a key production and operational hub in Southeast Asia.

Looking ahead to 2025, Taiflex will continue to place IP management at the heart of its development strategy, increasing R&D investment and accelerating technological innovation to boost global competitiveness. The successful recertification of our TIPS Level-A status not only reflects the maturity of our IP management system but also supports our global market ambitions. Through strategic technology partnerships, patent licensing, and international capacity expansion, Taiflex is building a world-class tech brand underpinned by strong IP governance, advancing confidently toward global industry leadership.



3.2 Information Security and Customer Privacy

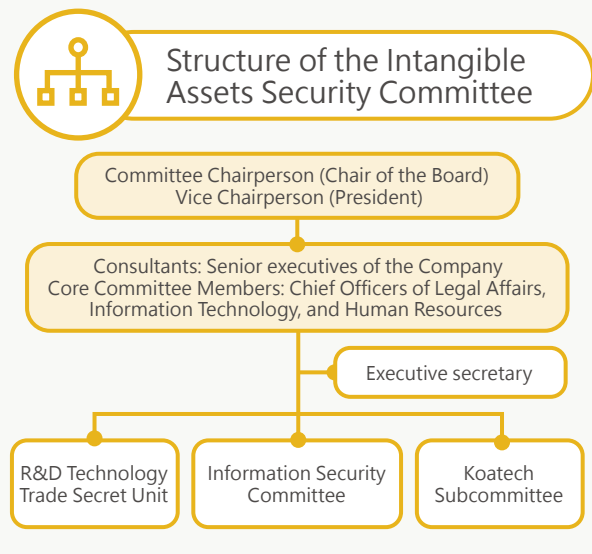
Material Topic: Customer Privacy and Information Security

Significance	Our business involves advanced knowledge and technology and so do our customers; therefore, protecting the privacy of our customers and maintaining a highly secured information environment are the cornerstones for securing our long-term competitiveness and sustainable operation.		
Effect and Impact	<p>● Actual positive impact :</p> <p>Economic: Proper management of intangible assets earns customer trust and supports long-term partnerships.</p> <p>Economic: Establishing robust privacy protection measures can position the Company as an industry leader, boost customer confidence, attract potential clients, and increase market share.</p>	<p>● Potential negative impact :</p> <p>Economic: With the frequent occurrence of cyberattacks and hacking incidents, the leakage of confidential information could erode the Company' s competitive edge and result in customer claims or regulatory penalties.</p> <p>Economic: Protecting customer privacy may require the allocation of additional resources, leading to increased operating costs. Non-compliance with privacy regulations (e.g., GDPR) could also expose the Company to fines or lawsuits.</p>	
Policy	To strengthen information security management and ensure the confidentiality, integrity, and availability of information and information assets, Taiflex has established the Information Security Policy. The policy aims to provide a secure environment that ensures the continuity of information operations, supports the Company' s operational resilience objectives, and complies with relevant regulations. It is designed to protect against intentional or accidental threats, both internal and external, and to help fulfill the Company' s mission and vision.		
Strategy	Through comprehensive management across eight key aspects, Taiflex implements end-to-end controls to ensure the confidentiality, integrity, and availability of its information and assets. These measures are designed to protect against both internal and external, intentional or accidental threats, while ensuring compliance with relevant laws and regulations.		
Goal and Objective	<p>● Short-term goals (2025-2026) :</p> <ul style="list-style-type: none"> - Establish an information security incident management and tracking platform - Continuously strengthen personal data and customer data protection practices - Ensure no litigation arising from breaches of customer privacy, personal data leaks, or information security incidents - Achieve a 100% pass rate in the annual assessment of Taiflex' s confidential information protection guidelines by all employees 	<p>● Medium-term goals (2027-2030) :</p> <ul style="list-style-type: none"> - Develop an automated joint defense cybersecurity system - Conduct a comprehensive evaluation of cybersecurity maturity and implement continuous improvement plans - Ensure no litigation arising from breaches of customer privacy, personal data leaks, or information security incidents 	<p>● Long-term goals (2031-2040) :</p> <ul style="list-style-type: none"> - Build an AI-driven joint defense cybersecurity system - Ensure no litigation arising from breaches of customer privacy, personal data leaks, or information security incidents
Management Assessment Mechanism	<p>● Conduct an annual assessment of Taiflex' s confidential information protection guidelines to ensure that employees are aware of and understand relevant company policies.</p> <p>● Assist responsible departments in auditing document classification, area zoning, and equipment controls to ensure proper implementation of management measures.</p> <p>● Carry out information security audits related to major clients and international information security management certification systems.</p>	<p>● The Intangible Asset Security Committee regularly reviews the effectiveness of the Company' s information security practices to strengthen and improve management mechanisms, thereby preventing information security risks.</p> <p>● Implement risk management measures in accordance with ISO 27001, and perform stability assessments of critical internal systems.</p>	
2024 Goals and Achievements	<p>● Transition to ISO 27001:2022 (previous version: 2013)</p> <p>→ Achieved. In 2024, the Information Security team, under the leadership of the CISO, successfully completed the certification upgrade to ISO 27001:2022.</p> <p>In 2024, Taiflex achieved a system stability rate of 99.98%, successfully passed information security audits conducted by key customers, and obtained ISO 27001 certification for the ninth consecutive year. In addition, the Group' s information security risk was rated Grade A (Excellent) by SSC, an external cybersecurity firm.</p>	<p>● Ensure no litigation arising from breaches of customer privacy or information security incidents</p> <p>→ Achieved. No litigation arising from breaches of customer privacy or information security incidents in 2024.</p>	

Information Security Risk Management Organization

With the advancement of information technology and smart manufacturing, modern enterprises increasingly rely on information systems. To uphold sound corporate governance and mitigate operational risks, Taiflex established the Intangible Asset Security Committee in 2015. The committee brings together senior leaders from legal affairs, information technology, human resources, and other key departments to facilitate cross-functional collaboration. It is responsible for coordinating the Group's information security policies, developing the information security risk management framework, formulating actionable implementation plans, and allocating the necessary resources to ensure effective execution.

As a R&D-oriented company, Taiflex engages in extensive collaboration and joint development projects with its customers. As such, effective information security risk management and the protection of trade secrets are essential for upholding customer privacy. In March 2022, Taiflex established the Information Security and Knowledge Management Division, responsible for the planning, execution, and risk oversight of policies related to information and communication security as well as trade secret protection. Each year, the Chief Information Security Officer (CISO), together with the head of information security, reports to the Board of Directors on key information security issues and the effectiveness of the Company's related governance measures.











Management Measures Across Eight Key Aspects

Information security risks are embedded in all areas of business operations and affect the daily activities of every department. To address this, Taiflex requires 100% of its employees to sign an Employment and Service Commitment upon joining the Company, through which they are fully informed of their confidentiality obligations. Upon termination of employment, all company-related information obtained during their tenure must be returned, and the confidentiality obligations must continue to be strictly observed.

To foster a strong culture of information security within the Company, Taiflex promotes its Confidential Information Protection Policy (CIPP) on a monthly basis and conducts an annual assessment of Taiflex's confidential information protection guidelines. These efforts ensure that all employees, including those of our subsidiaries, are well-informed about relevant policies and requirements. Employees are also encouraged to promptly report any potential information security threats through the designated hotline at (07) 813-9989 ext. 70110 or by email at IT_security@taiflex.com.tw.

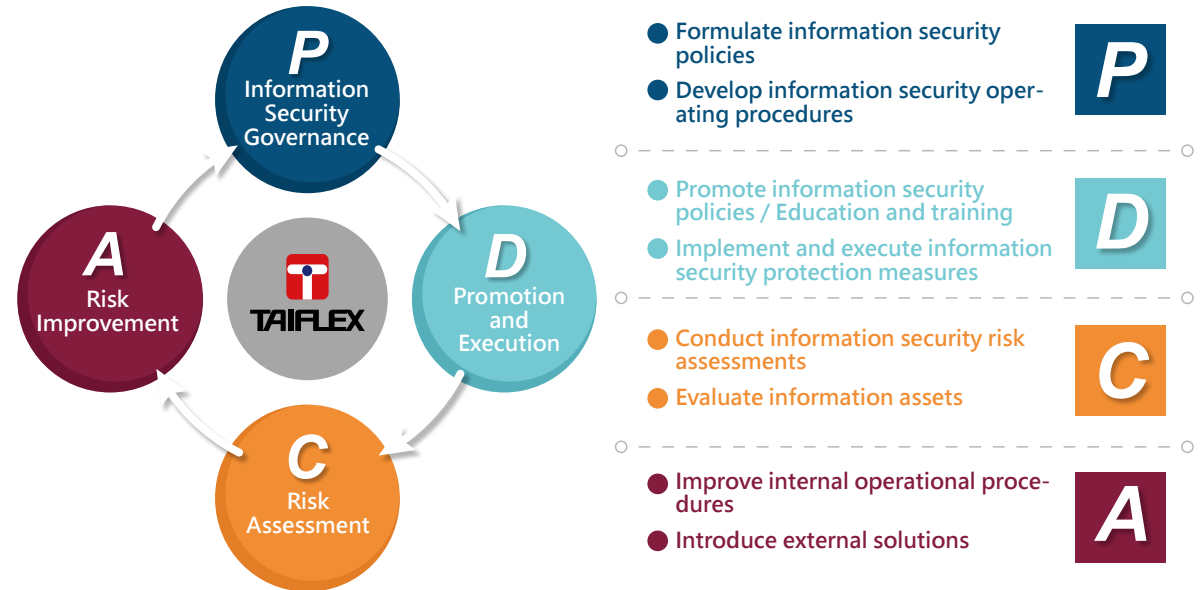
The Company has implemented management measures across eight key aspects to mitigate information security risks and safeguard customer privacy. In 2024, there were no major cyberattacks or security incidents, and no actual or potential issues were identified that could have had a material adverse impact on the Company's operations.

	Document Management	<ul style="list-style-type: none"> Established a document management platform (DMP) and implemented file classification protocols Developed procedures for the retrieval and secure destruction of confidential documents, with tracking and oversight mechanisms in place
	Risk Management	<ul style="list-style-type: none"> Conducted risk assessments and regular vulnerability scans of the server room Performed regular disaster recovery exercises and cybersecurity response drills
	Information Operation Security	<ul style="list-style-type: none"> Enforced password policy requirements and deployed Endpoint Detection and Response (EDR) software Implemented both remote and on-site backup and recovery services
	Device Security	<ul style="list-style-type: none"> Established device-level protection mechanisms (e.g., system encryption) and implemented monitoring of network activity and data access security
	Supply Chain Security	<ul style="list-style-type: none"> Required all departments to ensure that non-disclosure agreements (NDAs) are signed with suppliers Conducted non-routine supplier audits or on-site visits annually, using supplier questionnaires or digital tools such as the Security Score Card to assess the effectiveness of suppliers' information security controls, helping to prevent supply chain disruptions resulting from cybersecurity incidents
	Premises Security	<ul style="list-style-type: none"> Implemented controls over visitor devices, including restrictions on computers, 3C electronics, personal mobile phones, and USB drives within production lines and laboratories Established zone-based management for office and restricted areas, enforced access control for server rooms, and monitored anomalies for review and continuous improvement
	Human Resource Security	<ul style="list-style-type: none"> All employees of the Company and its subsidiaries have signed the Confidential Information Protection Policy (CIPP), achieving a 100% signing rate Company-wide cybersecurity education and awareness training is conducted for all employees The "Confidential Information Protection Policy" is promoted on the first day of each month to enhance overall employee awareness of information security
	Information Security Assessment	<ul style="list-style-type: none"> Successfully maintained ISO 27001 Information Security Management System certification for consecutive years Passed information security audits conducted by key customers, along with the implementation of corresponding improvement measures Conducted internal audits and self-assessments on a regular basis, including ongoing vulnerability and threat analyses, with results submitted to senior management for review and approval

• Continuous Improvement of Operational Security

Taiflex implemented the ISO 27001:2013 Information Security Management System in 2016 and has successfully maintained external certification for eight consecutive years, establishing a strong security foundation for the Company. In 2024, under the leadership of the CISO, the Information Security Team completed the certification upgrade to the ISO 27001:2022 version. By adhering to a robust and effective information security management system, the Company ensures that all information systems and digital assets operate in an environment that upholds confidentiality, integrity, and availability.

The Intangible Assets Security Committee has established a forward-looking and responsive information security management framework. By regularly applying the PDCA cycle, the Committee reviews the effectiveness of the Company's information security operations and continuously enhances related management mechanisms. These efforts ensure that corporate data and intellectual property are properly protected, while also preventing the misappropriation of trade secrets by malicious individuals. Through these measures, Taiflex reinforces its competitive advantage and contributes to maximizing the interests of its customers, shareholders, and employees.





In 2021, a former employee of Taiflex was involved in a criminal case concerning the misappropriation of trade secrets. The case was formally indicted by the prosecutor in 2022 and, as of 2024, has been transferred to the criminal division of the Intellectual Property and Commercial Court for trial. Following an internal review of the incident, Taiflex has strengthened its management measures as outlined below:

1. In response to the former employee's violation of the Company's confidentiality policy by using personal equipment to photograph confidential materials, Taiflex has strengthened awareness efforts and audits related to the management of information equipment. In addition, employees are now explicitly required to report any suspected violations without delay to their immediate supervisors as well as the legal and information security units.
2. In response to the former employee's improper acquisition of confidential information from another department in the capacity of a supervisor, Taiflex has strengthened access controls for file directories and system permissions. Proper handover procedures and anomaly checks are now required during job transfers. In addition, supervisors are instructed to reinforce the "need-to-know" principle, and employees are explicitly required to report any suspected violations without delay to their immediate supervisors as well as the legal and information security units.

3.3 Customer Demand and Quality Management

Material Topic: Product Safety and Quality

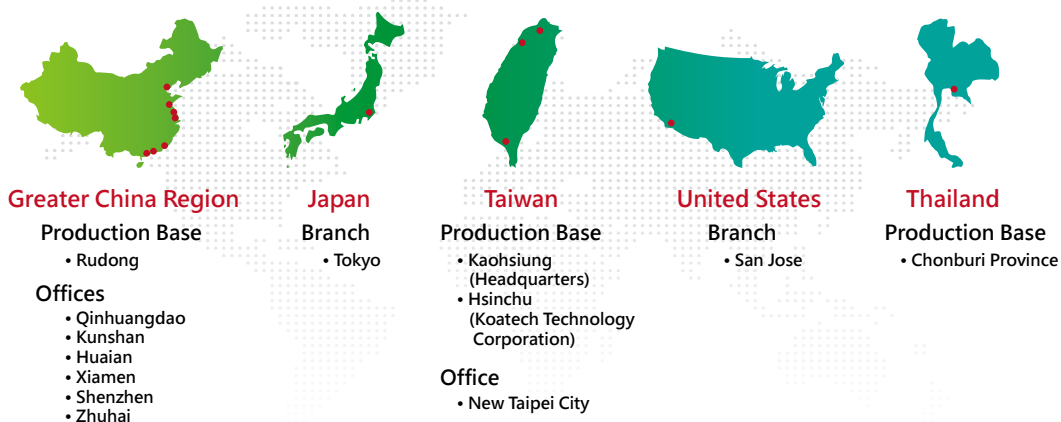
Main Reason	Meeting customer requirements for product quality is essential to Taiflex' s vision of becoming a world-class provider of FPC materials. The Company is committed to allocating appropriate resources to maintain the integrity of its quality assurance system, ensuring that all products comply with regulatory requirements. This approach aims to achieve an optimal win-win balance between Taiflex and its customers.		
Effect and Impact	● Actual positive impact : Economic: Delivering safe, high-quality products builds customer trust and increases the likelihood of securing new orders.		● Potential positive impact : Social: Promotes healthy competition within the industry by encouraging progress and reducing harmful price-cutting practices.
Policy	● Leverage strong R&D capabilities to provide timely technical support, addressing customer needs in product development, design, testing, and after-sales service.		● Establish a quality and Hazardous Substance-Free (HSF) management system with a focus on continuous improvement. Adopt industry standards such as IATF 16949 for automotive quality and IECQ QC 080000 for hazardous substance process management to align with the global trend toward green products.
Strategy	Annually, the status of target achievement is reviewed during the management review meeting. For any unmet targets, explanations and corresponding improvement measures are provided.		
Goal and Objective	● Short-term goals (2025-2026) : - Customer satisfaction score of at least 89 points - 100% compliance with regulations and customer requirements regarding hazardous substance restrictions	● Medium-term goals (2027-2030) : - Customer satisfaction score of at least 90 points - 100% compliance with regulations and customer requirements regarding hazardous substance restrictions	● Long-term goals (2031-2040) : - Customer satisfaction score of at least 91 points - 100% compliance with regulations and customer requirements regarding hazardous substance restrictions
Management Assessment Mechanism	Surveys for both automotive and non-automotive customers are conducted semi-annually using the Customer Satisfaction Monitoring Management Form and the Customer Satisfaction Survey Form. The analysis results are used as the basis for compiling the annual customer satisfaction statistics. A "Customer Satisfaction Survey Report" is then prepared, covering both general customer satisfaction results and evaluations from automotive customers. This report is reviewed by the (Assistant) Manager and submitted to the (Vice) President for approval. Both the report and the related continuous improvement recommendations are reviewed during the annual management review meeting.		
2024 Goals and Achievements	● Customer satisfaction score of at least 88 points →  Achieved. In 2024, the customer satisfaction score reached 93.25 points, representing an increase of 2.85 points compared to 90.4 points in 2023.		● 100% compliance with regulations and customer requirements regarding hazardous substance restrictions →  Achieved. In 2024, 100% of Taiflex products complied with regulations and customer requirements regarding hazardous substance restrictions.

★ 3.3.1 Efficient Services

Taiflex is committed to the research, manufacturing, and sales of FCCL. In the industry value chain, our upstream suppliers include polyimide (PI) and copper foil material providers, while our downstream customers are FPC manufacturers. We maintain ongoing communication with customers throughout the production and sales processes, providing weekly forecasts of global demand to our Headquarters. These insights are then incorporated into production planning. By closely collaborating with both upstream and downstream partners, we help establish a robust and integrated industry value chain, maximizing corporate value while effectively fulfilling customer needs.

Customer satisfaction is central to Taiflex' s business philosophy. We remain committed to delivering innovative products and services while upholding core values of responsibility and enthusiasm. To support this, Taiflex has established dedicated units to provide product-related support, working in close coordination with the Quality Assurance department to address customer concerns, whether related to product appearance or functionality. In response to the global expansion of our downstream customers' production bases, Taiflex has deployed service personnel not only in Taiwan but also in key locations such as Kunshan, Shenzhen, Zhuhai, Xiamen, and Nantong. This enhances our service flexibility and responsiveness. In addition, Taiflex has established offices in the United States and Japan to serve as local hubs for timely product support and sales services.

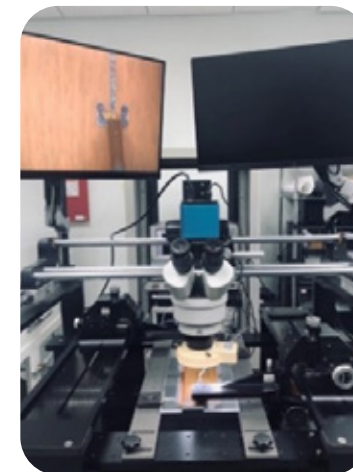
Upstream	Midstream	Downstream
PI/ Copper Foil Materials	FCCL	FPC
<ul style="list-style-type: none"> Raw materials Chemicals Equipment vendors 	<ul style="list-style-type: none"> FCCL manufacturing CVL coverlays Stiffeners Chemical synthesis 	<ul style="list-style-type: none"> FPC & PCB Insulating tape



• Technical Support

Taiflex provides technical support to customers across Taiwan, mainland China, Europe, the United States, Japan, and South Korea. We collaborate with customers through on-demand technical exchanges and offer targeted assistance to help resolve challenges encountered during product design and testing.

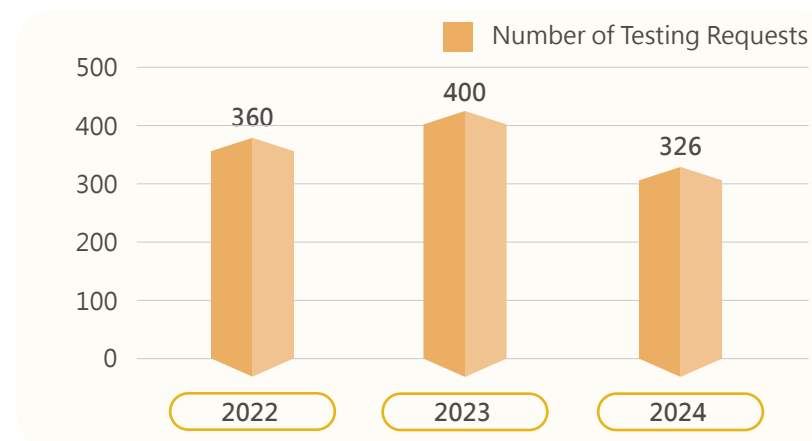
Taiflex is equipped with a comprehensive range of laboratory testing equipment, including SEM/EDS, FTIR, metallographic microscopes, TMA/DSC/DMA thermal analyzers, and tensile testing machines. These facilities are available for internal use and are also accessible to customers for commissioned testing, supporting their needs in material analysis and property evaluation. In addition to accelerating product validation for our customers, this setup allows our technical team to gain deeper insights into product characteristics, thereby fostering closer collaboration and mutual understanding with our customers.



PNA Microwave Network Analyzer



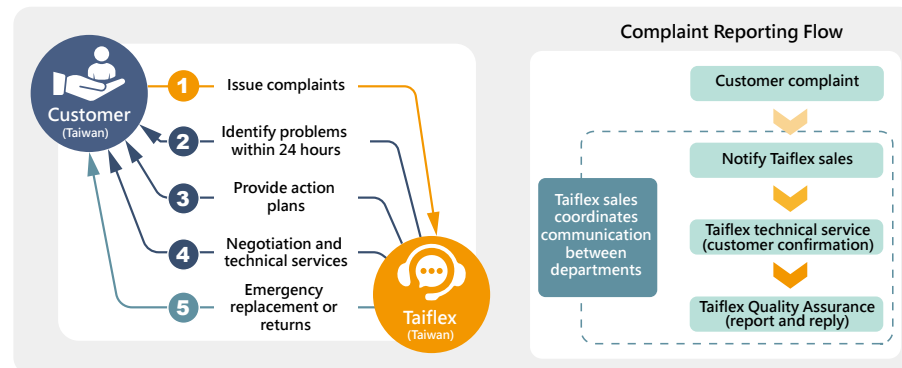
Number of Customer-Commissioned Tests Over the Years



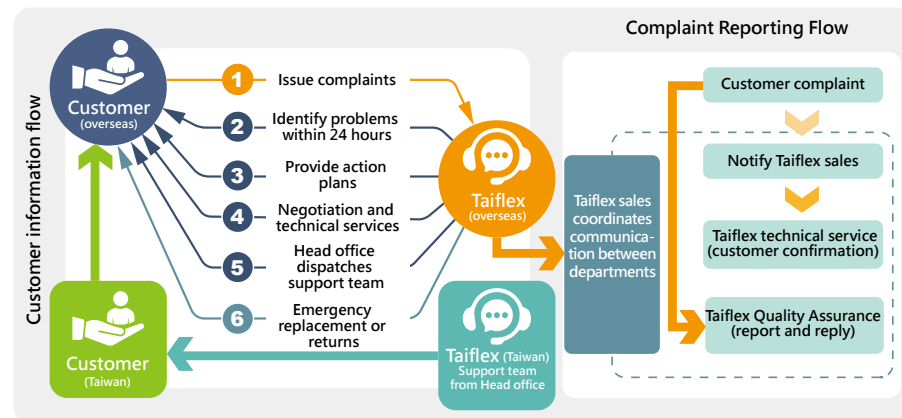
• Customer Complaint Handling

When customer feedback, inquiries, or concerns are identified as major complaints, Taiflex promptly forms a cross-functional task force to address the issue. Relevant departments, including Production, Technology, R&D, and Quality Assurance, take immediate and coordinated action in accordance with their respective responsibilities. Timely corrective measures are implemented to assist customers in resolving the issue and to minimize potential losses related to labor, materials, or equipment utilization. This responsive approach enables Taiflex to continuously enhance product service quality, protect its corporate reputation, and ensure customer satisfaction.

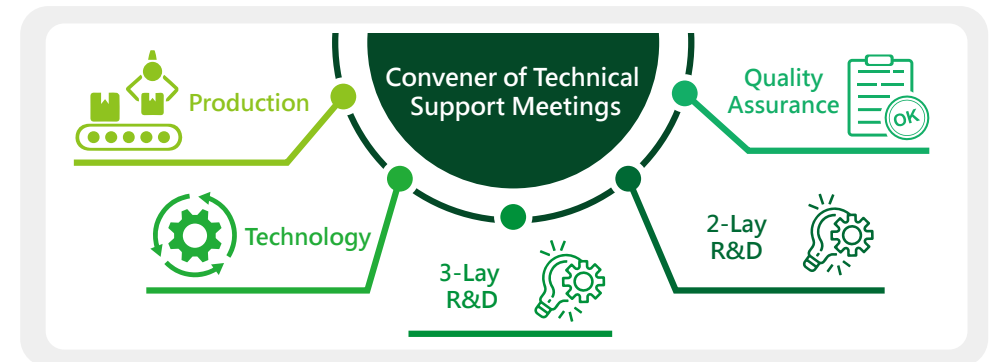
Customer Complaint Handling Procedures - Taiwan



Customer Complaint Handling Procedures - Overseas



In the event of a major customer complaint, the customer service officer convenes a technical support meeting attended by department heads from Production, Quality Assurance, Technology, and both 2-Layer and 3-Layer R&D, along with the responsible engineers. The team jointly investigates and discusses significant product defects. A preliminary response, including the initial cause and immediate corrective actions, is provided within three days. A comprehensive report, including test data, root cause analysis, improvement actions, preventive measures, and a reasonable resolution, is submitted within seven days to reassure the customer and ensure acceptance of the proposed solution.



✦ 3.3.2 Quality Control

Taiflex' s quality and HSF objectives are guided by the principle of achieving customer satisfaction. In line with the requirements of the IATF 16949 and HSPM systems, appropriate focus areas and quantitative targets are set during management review meetings. These are regularly reviewed for both compliance and applicability.

To address customer feedback, we pursue continuous improvement through cross-departmental technical meetings, quality improvement proposals, 5S^{Note} activities, and defect rate review meetings, ensuring that customer needs are met as promptly as possible.

In 2024, a total of 156 quality improvement proposals were submitted. 5S activities are assigned on a rotating basis by engineers or supervisors to assess workplace implementation across areas such as environment, safety, and operational practices, thereby supporting both quality and safety standards.

Note: 5S refers to sort, set in order, shine, standardize and sustain.



• Quality Certification

To ensure product quality, Taiflex conducts rigorous inspections and testing at every stage, including incoming material, manufacturing, in-process, finished goods, and shipment, based on our quality control plans and relevant standards. All inspection and testing processes are thoroughly documented to verify compliance with specified requirements. The Company is certified under the IECQ QC 080000:2017 Hazardous Substance Process Management System and manages hazardous substance control in accordance with this system to ensure continued compliance with RoHS and REACH regulations.

In compliance with international regulatory standards and Taiflex' s internal "WI-QA-199 Hazardous Substance Management Procedure for Raw Materials and Packaging Materials," all products are clearly labeled with expiration dates and affixed with markings indicating compliance with Halogen-Free (H.F.) and RoHS standards.

In 2024, there were no incidents in which the quality of Taiflex' s products impacted the safety or health of downstream manufacturers or end customers. The Company also recorded no violations of regulations related to product and service labeling or marketing practices. For details regarding substances of concern and related international safety standards, please refer to Section 4.1.1, "Building a Green Industry Chain."



Statistics on Safety Certifications for Products or Services

Product or Service	Safety Certification	Percentage of Evaluated Products or Services Provided to Customers
2L FCCL	Flammability: ISO 9773, IEC 60695-11-10 Comparative Tracking Index: IEC 60112 REACH/RoHS/ISO 9001/IATF 16949	100%
3L FCCL	Flammability: ISO 9773, IEC 60695-11-10 Comparative Tracking Index: IEC 60112 REACH/RoHS/ISO 9001/IATF 16949	100%
CVL	Flammability: ISO 9773, IEC 60695-11-10 REACH/RoHS/ISO 9001/IATF 16949	100%
Stiffeners & Composite Sheet	REACH/RoHS/ISO 9001/IATF 16949	100%
Bonding Sheet	REACH/RoHS/ISO 9001/IATF 16949	100%

Note: Percentage = (Total quantity of products or services evaluated and provided to customers / Total quantity of products or services provided to customers) × 100.

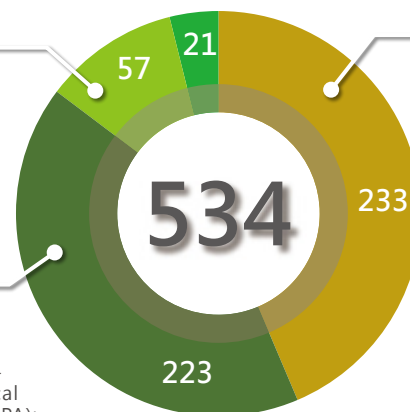
• Hazardous Substance Control Items in 2024

29 Newly Added Items

Polyacrylamide (PAM); Polyethyleneimine; Mineral oil aromatic hydrocarbons (MOAH), composed of 1 to 7 aromatic rings; Mineral oil saturated hydrocarbons (MOSH), composed of 16 to 35 carbon atoms; Tributyltin oxide; Triphenyltin fluoride; Hexabromocyclododecane, Perfluorooctanoic acid; Barium (Ba) and its compounds; Methyl bromide; Chlorofluorocarbon (CFC); Isocyanate, etc.

73 Newly Added Items

Cadmium sulfate; Phosphorus-based flame retardants; Beryllium dust and beryllium-containing fumes; Man-made vitreous (silicate) fibres containing more than 18% by weight of metal oxides of sodium, potassium, calcium, magnesium, or barium; Chlorine-bleached paper; Toluene diisocyanate (mixed isomers); Resorcinol; Toxic chemical substances designated by the Taiwan Environmental Protection Administration (EPA); Phenol, 2-(2H-benzotriazol-2-yl)-4,6-bis(1,1-dimethylethyl); Tin disulfide; N-(Hydroxymethyl) methacrylamide; Rubber antioxidants; Ammonium nitrate; Copper sulfide; N-methylformamide; 2,4-Dinitrotoluene (2,4-DNT); Germanium and its compounds; Cyclopentane; Polysulfide amines; Octamethylpyrophosphoramide (OMPA); Inorganic ammonium salts; Metal carbonyls; Nitrites; Titanium oxide, etc.



56 Newly Added Items

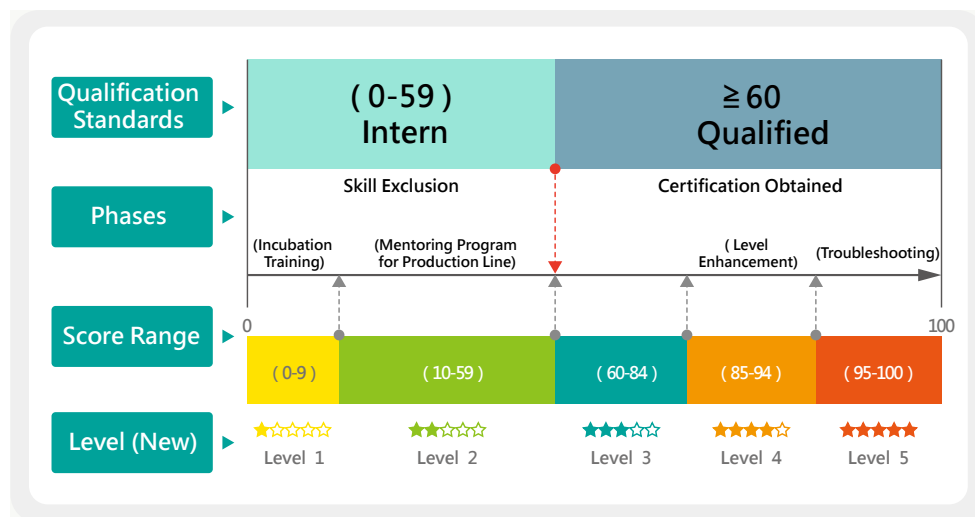
Chloromethyl methyl ether, Cobalt dichloride, Creosote (phenolic) compounds, Wood creosote, Coal tar, Pitch oil and related hydrocarbon chemicals, Benzene, Chlorinated paraffins, N,N-dimethylacetamide (DMAC), Volatile organic compounds (VOCs), Dechlorane Plus, Hexachlorobenzene (HCB), Hexachlorinated benzene, Methyl chloroform (trichloromethane), N-methyl-2-pyrrolidone (NMP), Methanol, Chlorinated organic solvents, Substances regulated under the U.S. Toxic Substances Control Act (TSCA), Global Automotive Declarable Substance List (GADSL), End-of-Life Vehicles (ELVs) Directive, Nickel and its compounds, etc.

- Level 1 Raw Materials - Mandatory testing with report provided.
- Level 2 Raw Materials - Provision of non-use declaration to meet requirements.
- Level 3 Raw Materials - With substances contained exceeding the limit, suppliers shall report to Taiflex.
- Packaging/Consumables - Mandatory compliance with relevant information provided.

Sources: EU' s Restriction of Hazardous Substances Directive, REACH, EU Packaging and Packaging Waste Directive, and customer requirements.

• Operator Training

The skill proficiency of frontline personnel in the Manufacturing Center is a key factor directly impacting the stability of production quality. To address this, the Company has implemented a certification system ranging from Level 1 to Level 5. New employees are required to complete safety and pre-employment training before commencing work. Only those who pass the evaluation at Level 3 or above are permitted to independently operate machinery on the production floor. On-the-job skill development is further supported through a mentorship program involving trainers and on-site personnel.



On-the-job skill assessments cover areas such as instrument and equipment operation, product appearance evaluation, and troubleshooting. These assessments are conducted on a quarterly and annual basis to support level advancement reviews. In 2024, Taiflex had 452 direct production personnel. Among them, 8% were certified at Level 2, 45% at Level 3, 31% at Level 4, and 16% at Level 5. Upon onboarding, new hires are paired with mentors under a structured mentorship program. This is aligned with the training mechanisms established by the Incubation Training Program to ensure that new employees meet job task requirements in a timely manner and develop a solid understanding of quality and safety expectations.

• Customer Satisfaction Survey

To effectively understand and respond to customer feedback, Taiflex conducts customer satisfaction surveys on a semi-annual basis. Sales personnel are responsible for distributing standardized survey forms to selected customers via fax or email. When necessary, additional contact is made by phone or written correspondence to ensure the purpose of the survey is clearly communicated and responses are submitted within the designated timeframe. After data collection is complete, a Customer Satisfaction Survey Report, which includes both general customer satisfaction results and evaluations specific to the automotive sector, is prepared. The report is reviewed by the (Assistant) Manager and submitted to the (Vice) President for approval.

In 2024, Taiflex achieved an average customer satisfaction score of 93.25 points, surpassing the annual target of 88 points and representing a 2.85-point increase from the 2023 score of 90.40. Evaluation criteria included product quality, sales service, customer support, logistics, and compliance with restricted substance regulations. If any customer provides explicit negative feedback or if the satisfaction target is not met, the issue is addressed during management review meetings. Relevant cross-departmental teams are tasked with proposing improvement measures and recommendations, reinforcing our commitment to becoming a trusted long-term partner to our customers.



4

Producer of Green Products

4.1 Environmental Policy and Investment

4.2 Energy and Carbon Emission Management

4.3 Waste Reduction Actions

[Feature] Delivering on Sustainability: A Milestone UL 2809 Certification for FPC Materials

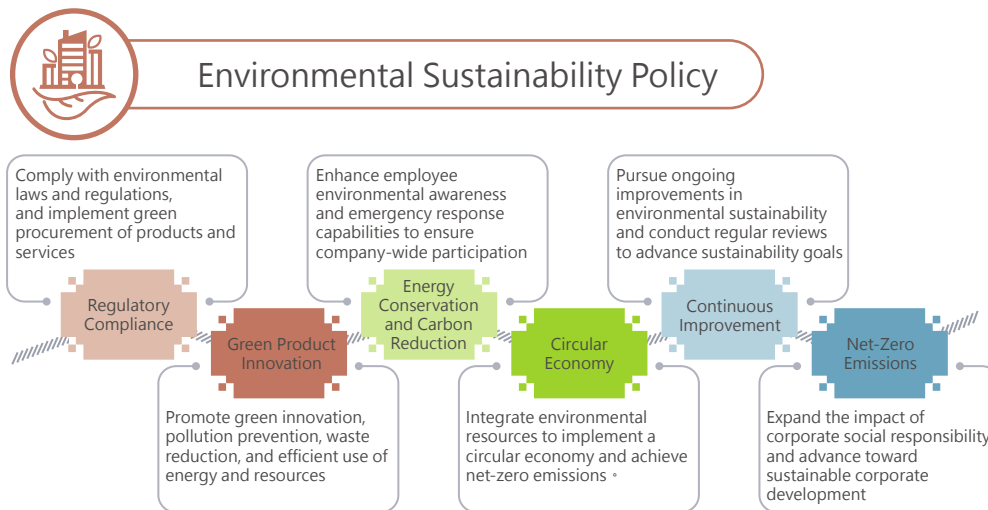
[Feature] Giving New Life to Scrap Wood - Creating a New Model of Public Good Through Circularity



Producer of Green Products

4.1 Environmental Policy and Investment

Environmental sustainability is a core value embedded in Taiflex Group' s business strategy. The Company is committed to operating and managing its business in ways that align with environmental protection. In full compliance with applicable environmental regulations, we are dedicated to pollution prevention and emissions reduction. Taiflex is actively working toward long-term goals, including achieving net-zero emissions by 2050, 100% renewable energy, and zero waste. Our environmental sustainability policy and corresponding commitments are outlined as follows :



With “zero environmental incidents” as a fundamental goal, Taiflex adopted the ISO 14001 Environmental Management System and obtained certification in 2004 (as shown in the figure to the right) to ensure full compliance with environmental regulations. Through a comprehensive EHS (Environment, Health, and Safety) management framework, we proactively manage potential environmental risks. The Environmental Protection Department conducts quarterly assessments of regulatory compliance covering air and water pollution, waste management, and toxic substances. For each applicable regulation, Taiflex implements corresponding response measures to ensure compliance. If any risk of non-compliance is identified, corrective and preventive actions are promptly taken. Over the past five



years, there have been no environmental penalties imposed on Taiflex, nor any incidents involving significant pollution, leakage, or violations of environmental laws and regulations.

None of the Company' s operational sites are located near ecological conservation areas or habitats of endangered species, and our business activities do not pose adverse impacts on the environment or local biodiversity. Furthermore, no species listed on the IUCN Red List have been identified in the surrounding areas. The Company remains committed to continuously upgrading and improving its pollution prevention and control equipment. Emissions are subject to ongoing monitoring, and in the event of any abnormal readings, on-site personnel follow established emergency response and reporting procedures to prevent environmental pollution and ensure compliance with applicable regulations.

4.1.1 Building a Green Industry Chain

All Products Comply with International Regulations

In response to the growing global emphasis on environmental sustainability, the use of substrate materials in electronic components increasingly focuses on pollution reduction. As a result, material suppliers have strengthened their research and development capabilities in eco-friendly materials, driving a transformation in the copper-clad laminate (CCL) industry. Leading electronics manufacturers are progressively adopting environmentally friendly substrates. With rising environmental awareness and tightening regulatory standards, the use of eco-friendly substrates is becoming a baseline requirement across the industry.

Through the implementation of the IECQ QC 080000 system, Taiflex updates international regulatory information as needed and incorporates it into the Company' s internal management procedures. We also engage suppliers for relevant feedback to ensure that our FPC materials consistently comply with applicable international regulations and customer requirements regarding hazardous substance management.

Regulation	Description	Product Conformity
EU Restriction of Hazardous Substances Directive (RoHS)	Limits the concentration of Lead (Pb), Cadmium (Cd), Hexavalent Chromium (Cr ⁶⁺), Polybrominated Biphenyls (PBBs), and Polybrominated Diphenyl Ethers (PBDEs) to below 1,000 ppm. RoHS 2.0 additionally restricts four phthalates: Bis(2-ethylhexyl) phthalate (DEHP), Benzyl butyl phthalate (BBP), Dibutyl phthalate (DBP), and Diisobutyl phthalate (DIBP), each below 1,000 ppm.	Full compliance
Halogen-Free Requirements for Electronic Products	Bromine and chlorine content must each be below 900 ppm, with total halogen content under 1,500 ppm.	Full compliance
Restrictions on Perfluorooctane Sulfonate (PFOS), Perfluorooctanoic acid (PFOA) and Related Substances	No raw materials containing PFOS, PFOA, or related substances are used in the manufacturing process.	Full compliance

Regulation	Description	Product Conformity
EU Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)	Compliance with the REACH, including all substances of very high concern (SVHCs) published under the regulation.	Full compliance
EU Waste Electrical and Electronic Equipment Directive (WEEE)	To address the growing volume of waste electrical and electronic equipment, and to reduce the burden on landfills and incinerators while preventing hazardous substances from entering the environment, this directive is not directly applicable to our products, as they are not end-user goods. FPC materials become part of electronic waste only after the end products are used by consumers, and the responsibility for recycling rests with the manufacturers of those end products.	Not applicable

• Reducing the Environmental Footprint Across the Value Chain

In addition to targeting high-frequency, high-speed, high-density performance and dimensional stability, Taiflex' s R&D efforts focus on developing advanced, energy-efficient, and lightweight substrate materials that align with increasingly stringent environmental standards. By continuously improving process technologies and collaborating closely with upstream raw material suppliers and downstream FPC customers, we aim to reduce resource and energy consumption per unit of production. These efforts help mitigate environmental impacts and contribute to the sustainable development of a greener planet.

We have incorporated environmental performance into our supplier evaluation criteria (see Section 2.5.2 "Evaluation and Audit" of this report for details). Suppliers are required and supported to manage hazardous substances, prevent pollution, conserve energy and water, and reduce waste. After years of continuous effort, a green supply chain has gradually taken shape. To further reduce the environmental footprint of our products, the R&D Center is currently testing and developing copper foil materials made from recycled copper, with the goal of replacing conventional copper foil in the future. In terms of packaging, the recycling volume of tube cores declined significantly in 2023 due to the discontinuation of recovery programs by suppliers. Taiflex actively recovers pallets, wooden crates, and packaging materials for reuse within the Company, as well as among suppliers and customers, in order to minimize waste generation. For data related to packaging material recycling in 2024, please refer to Appendix I: ESG Information - Environmental Data of this report.

✦ 4.1.2 Environmental Investments and Benefits

In 2024, Taiflex' s total environmental expenditure amounted to approximately NT\$29,220 thousand. This included activities such as audits of environmental management systems, pollution prevention, environmental monitoring, environmental education programs, and sponsorship of environmental organizations. Collaborative partners included third-party testing, inspection, and certification agencies, resource recycling service providers, professional waste disposal companies, and environmental monitoring organizations.

The purpose of Taiflex' s environmental accounting system is to identify and quantify the Company' s environmental costs, while also assessing the economic benefits derived from the implementation of environmental protection initiatives. This includes evaluating cost reductions and revenues generated through such projects, with the goal of encouraging and promoting environmentally responsible initiatives that also offer financial returns. Economic benefits are calculated based on estimated cost savings from reductions in energy consumption, water usage, and waste generation, as well as revenues from the recycling and reuse of waste materials. In 2024, the total environmental benefit was approximately NT\$84,474 thousand.

2024 Environmental Investments and Benefits

Item	Description		
Environmental expenditures	<ul style="list-style-type: none"> Pollution control (regulatory fees and charges, such as air pollution control fees) Environmental improvement projects to reduce environmental impact (e.g., exhaust treatment system upgrades, permit application fees) Industrial waste disposal costs Expenditures for enhancing wastewater treatment efficiency Environmental management costs (e.g., ISO 14001 system maintenance and certification, ISO 14064-1 verification) 		
	Total spending: NT\$29,220 thousand		
Environmental benefits	<ul style="list-style-type: none"> Savings from purification and reuse of concentrated exhaust solvents: NT\$23,204 thousand Savings from reduction, recycling, and reuse of industrial waste: NT\$1,427 thousand Savings from resource recycling (including recyclable materials, copper foil, and solvents): NT\$59,843 thousand 		
	Total savings: NT\$84,474 thousand		
Improvements	1. Air pollutant emission intensity (VOCs, total suspended particulates (TSP))		
	Year	Production Volume (1,000 m ²)	VOCs (kg/1,000 m ²)
	2023	26,905	3.703
	2024	29,520	3.538
	YOY Change	10%	-4%
	2. Reduction in resource consumption (e.g., recycling and reuse of organic solvent waste)		
	Year	Factory	Solvent Recovered and Reused (kg)
	2024	Kaohsiung factories	158,253
	3. Circular benefits from organic waste gas solvent recovery (e.g., conversion of VOC emissions into liquid solvents)		
	Year	Factory	Recovered for Reuse (kg)
Impact after improvement	2024	Kaohsiung factories	232,040
	4. Resource recycling and reuse (e.g., wooden crates, mixed paper, plastics, etc.)		
	Year	Factory	Recycled for Reuse (kg)
	2024	Kaohsiung factories	1,487,000
	<ul style="list-style-type: none"> Reduced energy consumption and improved equipment efficiency, thereby lowering environmental impact. Decreased air pollutant emissions, thereby mitigating environmental impact. Ongoing upgrades and improvements that enhance the Company' s competitiveness and align with its sustainability goals. 		

4.2 Energy and Carbon Emission Management

Material Topics: Energy Management, Green Energy and Net-Zero Emissions

Main Reason	With growing global concern over climate change, governments around the world are promoting renewable energy and net-zero emissions through regulatory frameworks to mitigate climate risks. Energy transition and greenhouse gas (GHG) reduction have become critical priorities for businesses. Companies that fail to shift toward green energy and net-zero emissions will inevitably face risks to their market competitiveness and brand value, making it increasingly difficult to achieve long-term sustainability.		
Effect and Impact	<p>● Actual positive impact :</p> <p>Economic: Enhanced equipment efficiency reduces unnecessary electricity expenditures.</p> <p>Environmental: Decreased GHG emissions, including CO₂, from operational activities.</p> <p>Social: Alignment with government policies and support for the development of the green energy industry.</p>	<p>● Actual negative impact :</p> <p>Economic: Additional personnel and resources are required to upgrade production equipment and enable major adjustments to the energy structure.</p>	<p>● Potential positive impact :</p> <p>Economic: The government has announced carbon fee standards for regulated industries. By setting energy-saving targets, the Company is better positioned to reduce the future financial impact of carbon taxes or fees on its operational costs.</p>
Policy	<p>● In line with the principles of corporate development and environmental stewardship, Taiflex adopts a high-efficiency energy management model and is committed to energy conservation, carbon reduction, and the efficient use of energy. The Company continuously advances sustainable development and contributes to environmental protection through tangible actions.</p>	<p>● Taiflex Green Power Co., Ltd. was established to develop renewable energy generation and electricity sales, supporting the Company's steady transition toward net-zero emissions by 2050. Functional teams under the Sustainable Development Committee are responsible for driving various energy-saving and carbon-reduction initiatives.</p>	
Strategy	<p>● Utilize a smart Energy Management System (EMS) to monitor and optimize energy consumption, enhancing both production and operational efficiency. The Company has implemented and continues to maintain compliance with ISO 50001 to ensure a systematic and continuously improving approach to energy management.</p>	<p>● Continuously monitor government policy developments and adjust strategies in a timely manner to effectively respond to potential regulatory risks. Efforts are also focused on improving energy self-sufficiency to keep carbon-related costs under control and reduce the impact of external factors on operations.</p>	
Goal and Objective	<p>● Short-term goals (2025-2026) :</p> <ul style="list-style-type: none"> - Achieve a 1% energy savings compared to the baseline year (2024), in line with the Energy Administration, MOEA - 4% reduction in GHG Scope 1 emissions, using 2021 as the base year - Cumulative installed solar capacity of 2,800 kW by Taiflex Green Power (subsidiary) 	<p>● Medium-term goals (2027-2030) :</p> <ul style="list-style-type: none"> - Continue achieving annual energy savings of 1% compared to the baseline year (2024), as required by the Energy Administration, MOEA - Participate in free energy diagnostics provided by government-commissioned professional agencies to identify additional energy-saving opportunities - Join Taipower's demand response program - Introduce solar renewable energy - 12% reduction in GHG Scope 1 emissions, using 2021 as the base year - Cumulative installed solar capacity of 2,949 kW by Taiflex Green Power (subsidiary), and installed biomass energy capacity of 280 kW 	<p>● Long-term goals (2031-2040) :</p> <ul style="list-style-type: none"> - Continue achieving annual energy savings of 1% compared to the baseline year (2024), as required by the Energy Administration, MOEA - Participate in free energy diagnostics provided by government-commissioned professional agencies to identify additional energy-saving opportunities - Join Taipower's demand response program - Introduce solar renewable energy - >27% reduction in GHG Scope 1 emissions, using 2021 as the base year - Cumulative installed solar capacity of 3,379 kW by Taiflex Green Power (subsidiary), and biomass energy capacity of 280 kW maintained
Management Assessment Mechanism	<p>● The Sustainable Development Center evaluates the feasibility of energy-saving initiatives proposed by each department and sets management objectives within their respective business scopes. The Sustainable Development Committee regularly consolidates the implementation progress of functional teams and reports the outcomes to the Board of Directors at least twice per year.</p>	<p>● In 2023, Taiflex implemented an online carbon management system to enhance data management and information flow, while increasing transparency in data sources.</p>	
2024 Goals and Achievements	<p>● 4% reduction in GHG Scope 1 emissions, using 2021 as the base year</p> <p>→ ❌ Not achieved. Due to a 7.09% increase in parent company only revenue in 2024 compared to 2021, production capacity expanded, resulting in a 3.87% increase in Scope 1 GHG emissions relative to 2021. As a result, the original reduction target was not met.</p>	<p>● Renewable energy to account for 1% of total electricity consumption</p> <p>→ ❌ Not achieved. In 2024, the Company utilized the 10,000 kWh of green power procured through Taipower's small-scale green power purchase program from the previous year. However, the share of renewable energy remained below 1% of total electricity consumption.</p>	<p>● Taiflex Green Power (subsidiary) to cumulatively install 1,657 kW of renewable energy capacity</p> <p>→ ✅ Achieved. By 2024, Taiflex Green Power had reached a cumulative installed renewable energy capacity of 1,938 kW, exceeding the original target.</p>

• Energy and GHG Inventory

In recent years, climate change has become a major global priority. From governments to private enterprises, all sectors are working toward the shared goal of achieving net-zero emissions by 2050. Major consumer electronics brands have successively announced their commitment to achieving 100% carbon neutrality across their supply chains by 2030. Although Taiflex is not a direct supplier to these brands, we are proactively setting carbon reduction targets to contribute to global climate efforts and help cool the planet.



Since 2022, Taiflex has implemented the ISO 14064-1:2018 GHG inventory system and obtained verification statements from independent third-party assurance providers. In 2023, the Company further introduced a digital GHG emissions management platform to strengthen the efficiency of emissions monitoring and management. Aligned with the ISO 14064-1:2018 standard, the platform consolidates GHG data at the organizational level, moving away from offline Excel spreadsheets toward a digital system that enables decentralized, direct data entry by responsible units. Once the data is entered, the system automatically performs calculations, enabling rapid and clear identification of total company emissions, emission hotspots by facto, and emission categories. The implementation of this platform has significantly enhanced the accuracy, transparency, and traceability of Taiflex' s GHG emissions data.

Looking ahead, we plan to expand the current GHG emissions management system across all subsidiaries to implement a group-wide GHG inventory. This will enable more effective management of GHG emissions across Taiflex' s subsidiaries and ensure compliance with the Financial Supervisory Commission' s Sustainable Development Action Plans for TWSE- and TPEx- Listed Companies, which mandate GHG accounting for parent companies and their subsidiaries.



In addition, the use of more real-time data will support management in gaining clearer insights into corporate carbon emissions. Combined with departmental carbon reduction initiatives, this will further strengthen the Group' s carbon management efforts. Taiflex remains committed to achieving its 2050 net-zero target and becoming a globally recognized expert in environmentally responsible materials.

To effectively reduce energy consumption and GHG emissions, Taiflex has introduced new equipment to enhance production processes and actively optimized its internal energy structure. Currently, the Company' s primary energy sources are electricity and natural gas, accounting for 66.67% and 33.08% of total energy consumption, respectively. Although total energy consumption and combined Scope 1 and Scope 2 GHG emissions increased in 2024 due to revenue growth, energy intensity and GHG emissions intensity decreased by 8.00% and 9.72%, respectively, compared to 2023. These results demonstrate the Company' s continued progress and effectiveness in implementing energy-saving and carbon reduction initiatives.

However, as the Company' s parent company only revenue in 2024 increased by 7.09% compared to the designated GHG emissions base year (2021), the corresponding growth in production capacity led to a 3.87% increase in Scope 1 emissions relative to 2021. As a result, the original reduction target was not achieved in 2024. For detailed statistics on energy consumption and GHG emissions over the past three years, please refer to Appendix I: ESG Information - Environmental Data in this report.



2022

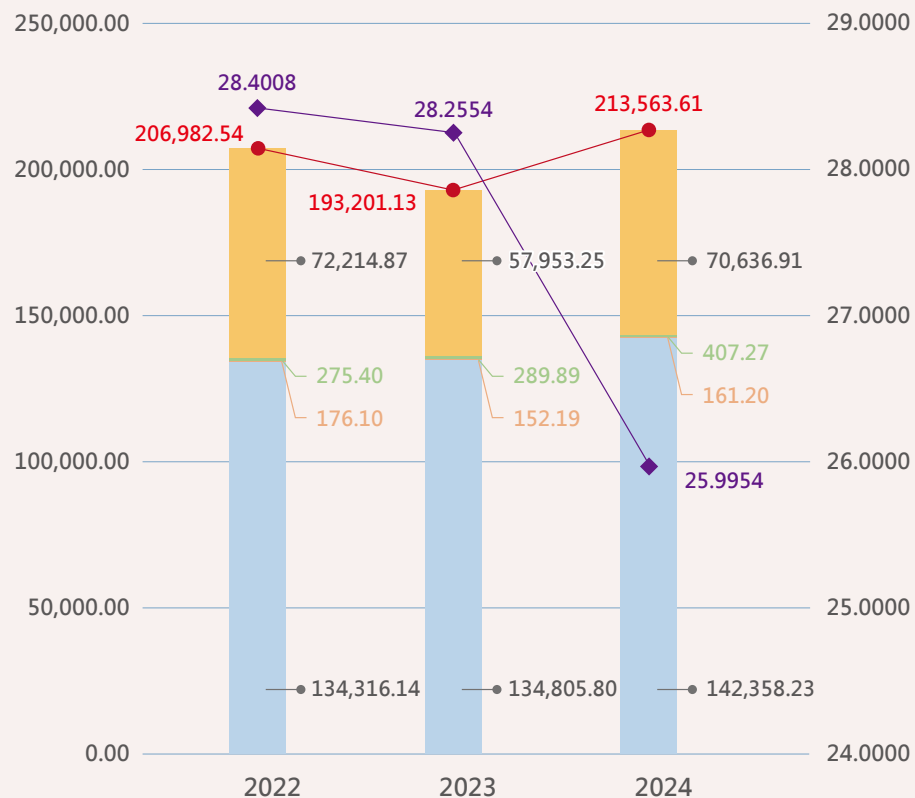


2023

Note : The GHG inventory scope covers Taiflex 1, 2, 3, and 5, and excludes the Linkou office and all subsidiaries.



Energy Consumption of the Organization Over the Years

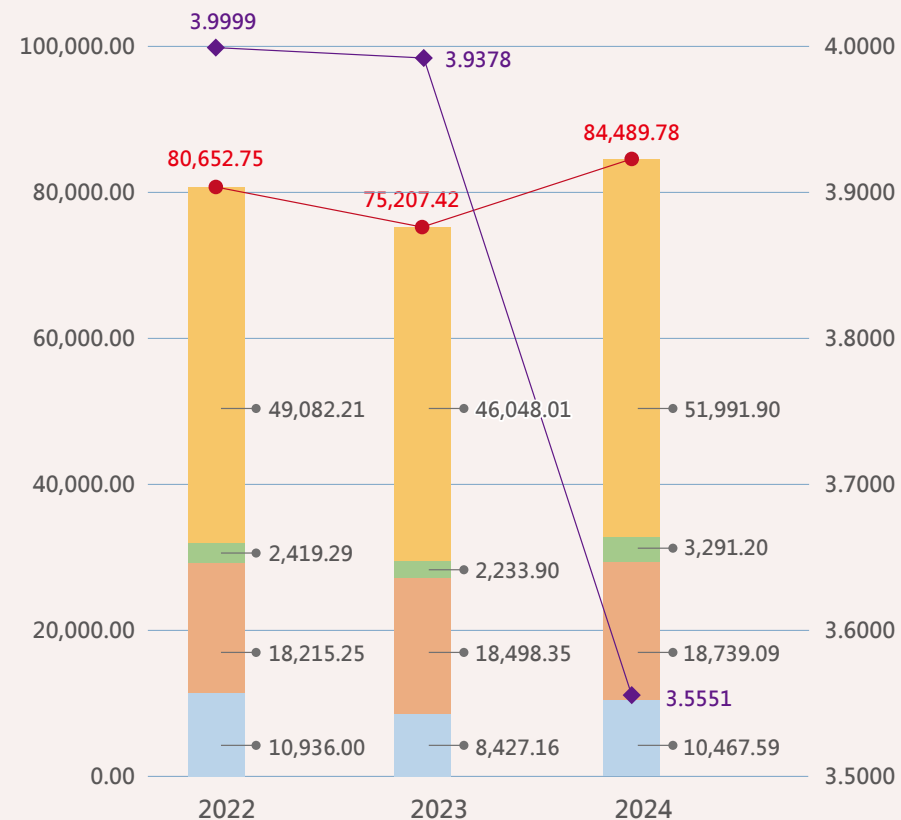


Energy intensity =
Total energy consumption (GJ) / Taiflex' s parent company only revenue for the year (in millions of NT\$)

■ Electricity(GJ) ■ Gasoline(GJ) ● Total Energy Consumption(GJ)
■ Diesel(GJ) ■ Natural Gas(LNG)(GJ) ◆ Revenue Energy Intensity (GJ/in millions of NT\$)



GHG Emissions of the Organization Over the Years



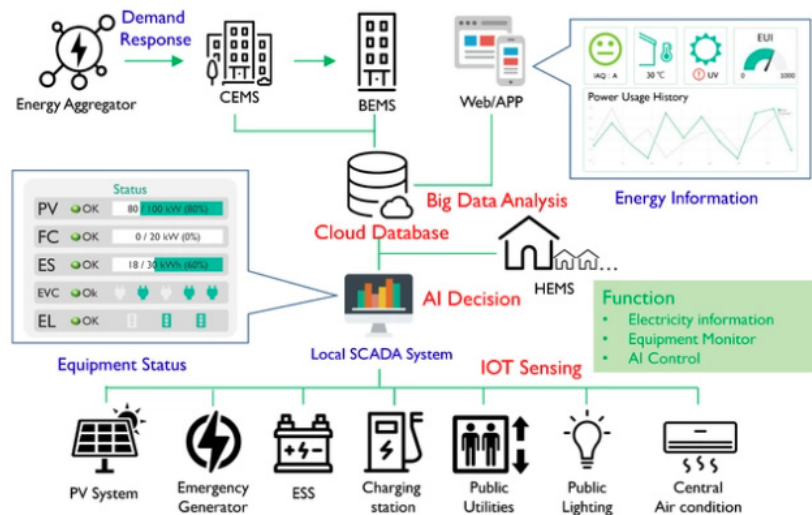
GHG emission intensity =
(Category 1 + Category 2) / Taiflex' s parent company only revenue for the year (in millions of NT\$)

■ Category 1(MT CO₂e) ■ Category 2(MT CO₂e) ● Category 1~4
■ Category 3(MT CO₂e) ■ Category 4(MT CO₂e) ◆ GHG emission intensity (MT CO₂e/in millions of NT\$)

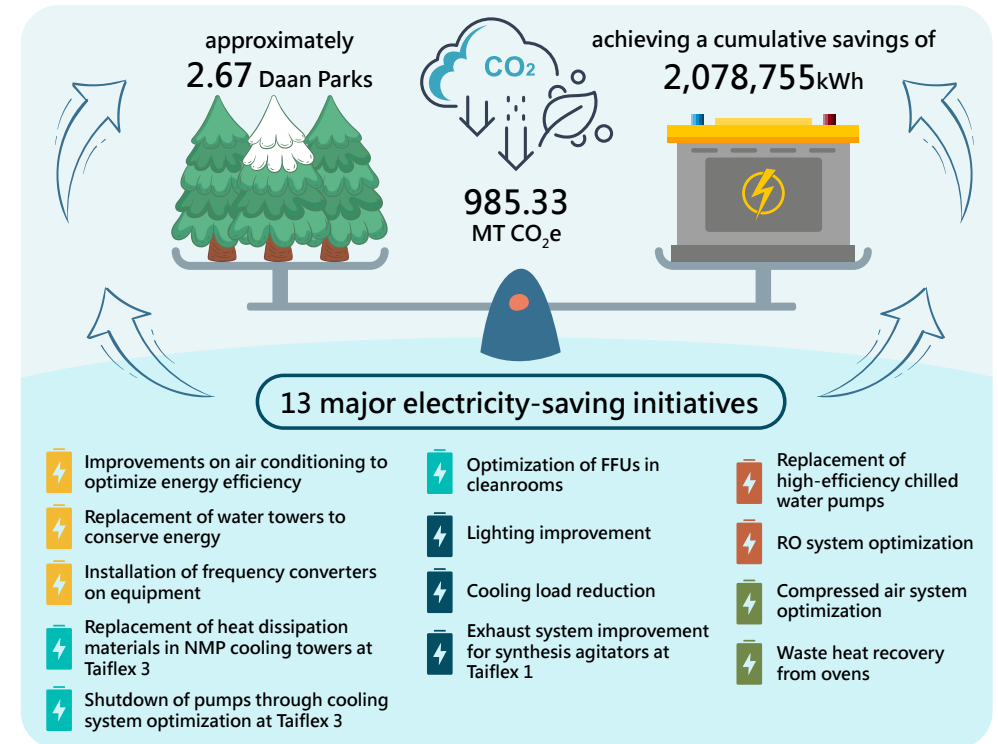
• Energy Conservation and Carbon Reduction Measures

In support of national energy conservation goals, Taiflex continues to implement a range of energy-saving initiatives. In 2021, the Company completed the establishment of the ISO 50001 Energy Management System platform at its Kaohsiung factories in Taiwan. By optimizing the e-energy management platform, Taiflex is able to conduct comprehensive energy inventories, establish performance indicators for equipment, and develop optimal power usage strategies. These efforts help ensure efficient energy utilization and contribute to achieving the Company's carbon emissions management objectives.

Framework of the Energy
Management Platform



In 2024, a total of 13 major electricity-saving initiatives were implemented under the ISO 50001 Energy Management System, achieving a cumulative savings of 2,078,755 kWh. This performance exceeded the annual 1% electricity-saving target mandated by the Energy Administration Act. The implemented measures also reduced approximately 985.33 metric tons of CO₂e emissions^{Note1}, which is equivalent to the annual carbon sequestration capacity of approximately 2.67 Daan Parks^{Note2}. For detailed information on the energy-saving initiatives and their carbon reduction benefits, please refer to Appendix I: ESG Information - Environmental Data in this report.



Note1 : The GHG reduction benefit was calculated using the 2024 electricity emission factor of 0.474 kg CO₂e/kWh, as published by the Energy Administration, MOEA.

Note2 : According to the Council of Agriculture, each hectare of forest can sequester 15 metric tons of CO₂ per year. Based on this, Daan Park (25.8 hectares) can absorb approximately 384.6 metric tons of CO₂ annually.

• Expand the Use of Renewable Energy

On December 31, 2020, the Bureau of Energy, MOEA announced that major electricity users with a contracted capacity of 5,000 kW or more are required to, within five years, install renewable energy generation equipment equivalent to 10% of their average contracted capacity in the previous year, or fulfill this obligation by purchasing renewable energy and certificates or by installing energy storage systems, in accordance with the Renewable Energy Development Act. Although the contracted capacities of Taiflex' s factories do not meet the regulatory threshold for major electricity users, and the Company is not yet subject to the relevant requirements, we have proactively aligned with government policy. In March 2021, we established Taiflex Green Power Co., Ltd. In 2022, new photovoltaic (PV) systems were installed at Taiflex 2 (357.9 kW, generating approximately 450,752 kWh annually), and previously leased solar capacity at Taiflex 5 (217.2 kW, generating approximately 349,544 kWh annually) was repurchased. At the end of 2023, Taiflex participated in Taipower' s small-scale green power purchase program, securing a second-round bid for 10,000 kWh in green certificates to be used at Taiflex 2 in 2024. By 2024, the cumulative solar installation capacity under Taiflex Green Power had reached 1,938 kW, achieving the Company' s annual target.

To realize its net-zero emissions goal, Taiflex has established medium- and long-term targets aligned with its global sustainability vision: achieving 10% renewable energy usage, low-carbon operations, and a circular economy for waste by 2030, and reaching 100% renewable energy usage, net-zero emissions, and full circularity by 2050. While enhancing energy efficiency and production at the Kaohsiung factories, the Company has also prioritized green building design for its new facility in Thailand. In addition, a renewable electricity certificate procurement agreement has been signed, making carbon reduction a source of Taiflex' s competitive advantage. Following evaluation by the Sustainable Development Committee and approval by the Board of Directors, the Company' s subsidiary, Taiflex Green Power, has been tasked with expanding the installation of renewable energy systems and managing the operation of green power facilities. In 2023, an additional NT\$12.827 million was invested in Taiflex 5, adding 271.2 kW of solar capacity. In 2024, further investment of NT\$20.488 million was made in solar PV installations at Echo Way Top Enterprise Co., Ltd. and Pinytex International Ltd., enabling the Company to meet its solar installation target for the year. For more details on the Thailand factory, please refer to the feature article, "Thailand Factory Launch - Expanding Our Global Footprint."




4.3 Waste Reduction Actions

Material Topic: Air Pollutant Emissions

Main Reason	The production process involves the use of volatile organic solvents, which leads to VOC emissions. Even after treatment through pollution control equipment, these emissions can still result in secondary pollutants such as NOx and TSP. Without effective air pollution emission management, the Company may face reputational risks, potentially leading to allocation of additional resources in the future.		
Effect and Impact	<p>● Actual positive impact :</p> <p>Economic: The establishment of recycling systems and new production processes directly reduces the use of raw materials and fuels at the front end, which in turn lowers pollutant generation at the back end and reduces production costs. In addition, reduced carbon emissions and pollutants such as VOCs improve operational efficiency, enhance the Company's green corporate image, and strengthen market competitiveness.</p> <p>Environmental: Pollutant control and recycling systems help reuse raw materials and reduce environmental impact.</p> <p>Human rights: By promoting environmental awareness and fulfilling its responsibility for environmental protection, the Company helps ensure a healthy living environment for communities near its facilities, safeguarding quality of life for current and future generations.</p>	<p>● Actual negative impact :</p> <p>Economic: Beyond the government-imposed air pollution control fees, further reductions in emissions require additional personnel and resources.</p> <p>Environmental: Air pollutant emissions can significantly deteriorate local air quality and negatively impact ecosystems.</p>	<p>● Potential positive impact :</p> <p>Economic: Carbon reduction is a global trend, and the government has already announced carbon fee standards for regulated industries. The Company's ongoing investment in air pollution control measures also prepares it to meet future carbon reduction targets.</p>
Policy	"Integrating environmental resources to achieve circular economy and net-zero goals" - The Company is committed to energy conservation, emissions reduction, circular economy, and environmental sustainability, with a clear focus on achieving carbon neutrality and net-zero GHG emissions.		
Strategy	In accordance with the Company's ISO 14001 "Environmental and Occupational Health and Safety Objectives and Program Management Procedures" and the ISO 14064-1 GHG Inventory Management System, Taiflex implements control procedures for air pollution prevention and GHG inventory management.	<p>● Installation of zeolite rotor concentrator systems: Zeolite rotor systems are used in the production process to efficiently remove VOCs and other pollutants, ensuring emissions meet regulatory standards and reducing environmental pollution.</p>	<p>● Installation of solvent condensation and concentration systems: These systems recover solvents from exhaust gases, helping to reduce resource waste and pollutant emissions. The recovered solvents are prioritized for reuse in production processes, thereby minimizing the need for new raw materials. This approach not only lowers the environmental burden but also delivers economic benefits.</p>
Goal and Objective	<p>● Short-term goals (2025-2026) :</p> <ul style="list-style-type: none"> - Natural gas consumption of air pollution control equipment reduced by 10% compared to 2016 - Volatile Organic Compound (VOC) emissions per unit reduced by 3% compared to the base year (2021) - VOC recovery through condensation and concentration increased by 1% compared to the base year (2021) 	<p>● Medium-term goals (2027-2030) :</p> <ul style="list-style-type: none"> - Natural gas consumption of air pollution control equipment reduced by 20% compared to 2016 - VOC emissions per unit reduced by 10% compared to the base year (2021) - VOC recovery through condensation and concentration increased by 5% compared to the base year (2021) 	<p>● Long-term goals (2031-2040) :</p> <ul style="list-style-type: none"> - Natural gas consumption of air pollution control equipment reduced by 30% compared to 2016 - VOC emissions per unit reduced by 30% compared to the base year (2021) - VOC recovery through condensation and concentration increased by 30% compared to the base year (2021)
Management Assessment Mechanism	<p>● Internal management review procedures have been established in accordance with ISO 14001, with annual assessments of emission management effectiveness carried out using the PDCA cycle.</p>	<p>● Periodic air pollutant monitoring is conducted by testing institutions accredited by the Ministry of Environment to ensure compliance with emission standards for stationary pollution sources..</p>	
2024 Goals and Achievements	<p>● Natural gas consumption of air pollution control equipment reduced by 10% compared to 2016</p> <p>→ Achieved. In 2024, the total natural gas consumption of air pollution control equipment at Taiflex 2 and Taiflex 3 was reduced by 28.6% compared to 2016.</p>	<p>● VOC emissions per unit reduced by 3% compared to the base year (2021)</p> <p>→ Achieved. In 2024, VOC emissions at Taiflex 1, 2, and 3 decreased by 6.87%, 22.62%, and 3.49% respectively compared to the base year. Overall, total VOC emissions across the three factories were reduced by 11.70%.</p>	<p>● VOC recovery through condensation and concentration increased by 1% compared to the base year (2021)</p> <p>→ Achieved. Following the completion of the DMAC condensation tower in 2023, the recovery volume of condensed VOCs (NMP and DMAC) in 2024 increased by 12.7% compared to the base year.</p>

Material Topic: Waste

Main Reason	Due to the use of chemical substances such as organic solvents in our production processes, hazardous industrial waste may be generated. Without proper waste management, the Company not only risks regulatory penalties but also faces obstacles in advancing GHG reduction efforts.		
Effect and Impact	<p>● Actual positive impact :</p> <p>Economic: Establishing recycling systems and adopting new processes directly reduces the use of raw materials at the front end, thereby decreasing waste generation at the back end and lowering production costs.</p> <p>Environmental: Reducing waste generation and implementing proper waste management help mitigate pollution risks and minimize ecological impacts.</p> <p>Human rights: Preventing outsourced vendors from illegally disposing of waste and damaging the public' s living environment.</p>	<p>● Actual negative impact :</p> <p>Economic: Besides waste disposal fees, additional personnel and resources are required to achieve further source reduction and minimize waste volume.</p> <p>Environmental: Improper waste management may lead to soil and water contamination, affecting local ecosystems. Some treatment methods, such as incineration, can also generate additional carbon emissions, potentially hindering the Company' s carbon reduction goals.</p>	<p>● Potential positive impact :</p> <p>Economic: Carbon reduction and the circular economy are long-term global trends. The Company' s investment in waste recycling supports this vision and enhances its corporate image.</p>
Policy	"Through waste reduction and recycling, circular economy, and environmental sustainability, Taiflex is committed to achieving circular economy and net-zero goals. As a part of our end customers' value chain, we recognize our undeniable responsibility in sustainable environmental management."		
Strategy	Taiflex has established a comprehensive waste management system in accordance with ISO 14001. Through strategies such as source reduction, classified waste management, and resource recovery, the Company effectively reduces waste generation and treatment risks. These efforts also contribute to the ongoing promotion of a circular economy and resource sustainability.		
Goal and Objective	<p>● Short-term goals (2025-2026) :</p> <p>- Waste conversion rate of 80%</p>	<p>● Medium-term goals (2027-2030) :</p> <p>- Waste conversion rate of 85~88%</p> <p>- Apply for UL 2799 Silver-level landfill conversion certification by 2030</p>	<p>● Long-term goals (2031-2040) :</p> <p>- Waste conversion rate of 90%</p>
Management Assessment Mechanism	Internal management review procedures have been established in accordance with ISO 14001 to evaluate the effectiveness of waste management annually through the PDCA cycle.		
2024 Goals and Achievements	<p>● Waste conversion rate of 60%</p> <p>→  Achieved. In 2024, the NMP and MEK production lines recorded recovery and reuse volumes of 232.04 metric tons and 97.45 metric tons, respectively, with reuse rates of 68.17% for NMP and 61.61% for MEK.</p>		

Note : The waste conversion rate is defined as: (reclaiming + reduction + recycling + reuse + waste-to-energy recovery + anaerobic digestion + biofuel + composting) / Total weight of waste generated.
The proportion of waste-to-energy recovery must be less than 10%.

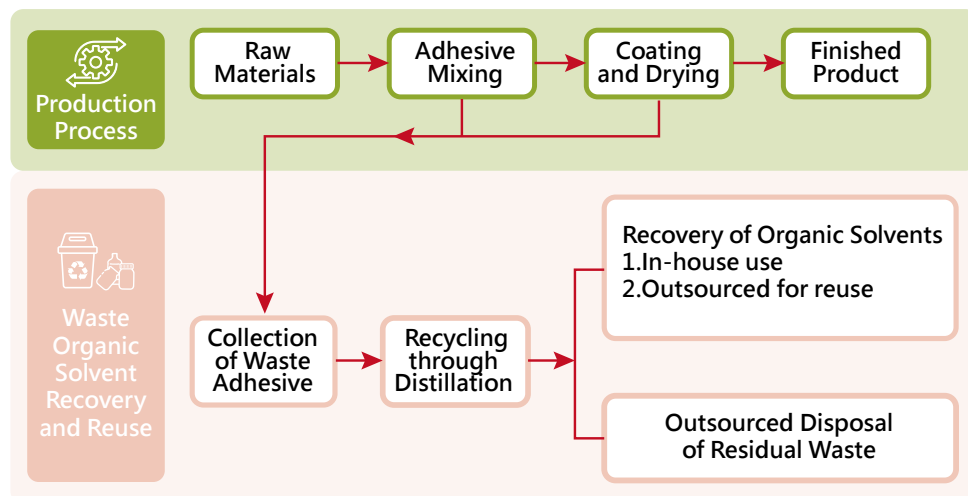
✦ 4.3.1 Source Reduction

Taiflex is committed to achieving zero waste. In addition to promoting resource conservation among employees in daily operations, we focus on process optimization to achieve source reduction. This approach not only reduces the consumption of energy, resources, and materials but also minimizes pollutant generation. For air emissions, wastewater, and solid waste that cannot yet be fully eliminated, we have installed pollution control equipment or outsourced treatment to qualified service providers. We remain dedicated to reducing the environmental impact of our operations and continuously seek optimal solutions as we move toward our ultimate goal of zero pollution.

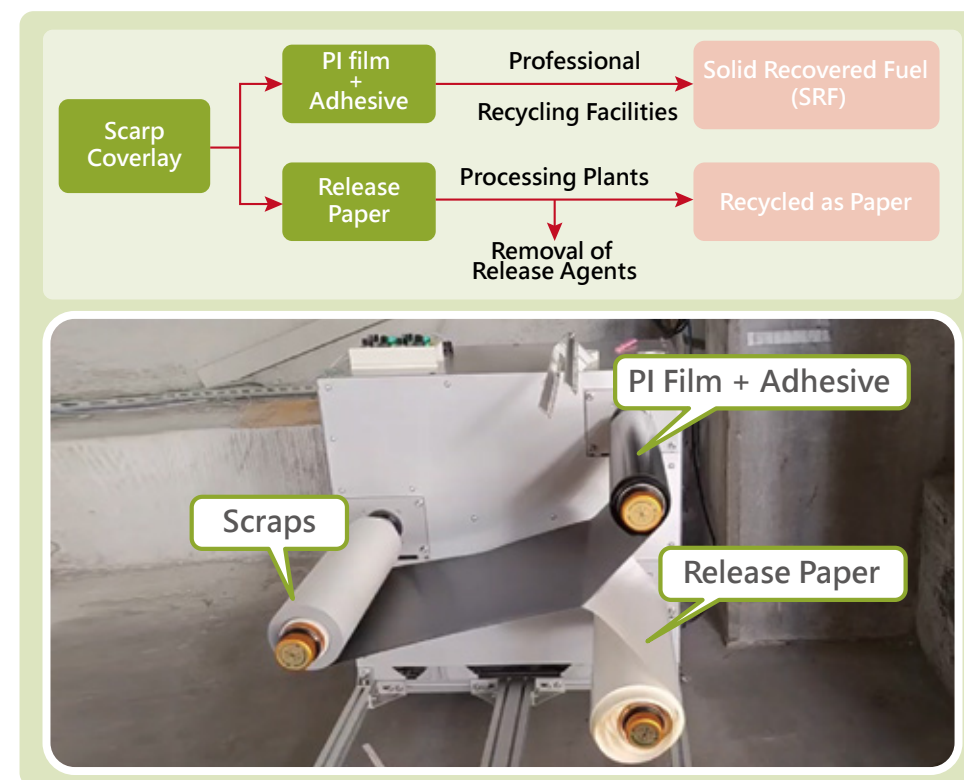
• Process Material Recovery

Taiflex has established a waste adhesive recycling system that purifies chemicals into industrial-grade raw materials through distillation, purification, and other related processes for reuse in production lines. This approach not only reduces stationary pollution sources and exhaust emissions, contributing to environmental sustainability, but also lowers raw material procurement volumes, enhancing the Company's competitiveness. Currently, both NMP and MEK recycling volumes have increased year over year, with over 60% being reused in production processes.

In 2024, the recovery and reuse rate of NMP reached 68.17%, a 3.86% increase compared to 2023. This improvement was primarily attributed to expanded production capacity and the stabilized output efficiency of the purification tower. The recovery and reuse rate of MEK remained steady at 61.61%, consistent with the 2023 level. For data related to material recovery in 2024, please refer to Appendix I: ESG Information - Environmental Data of this report.



Scrap Film Peeling Machine



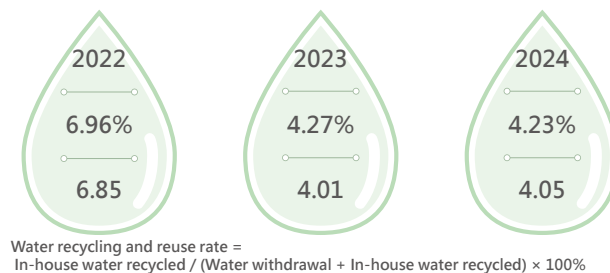
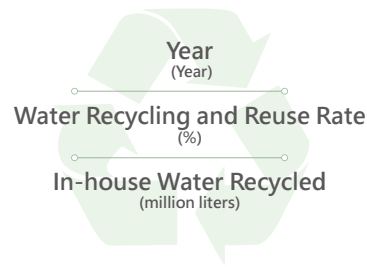
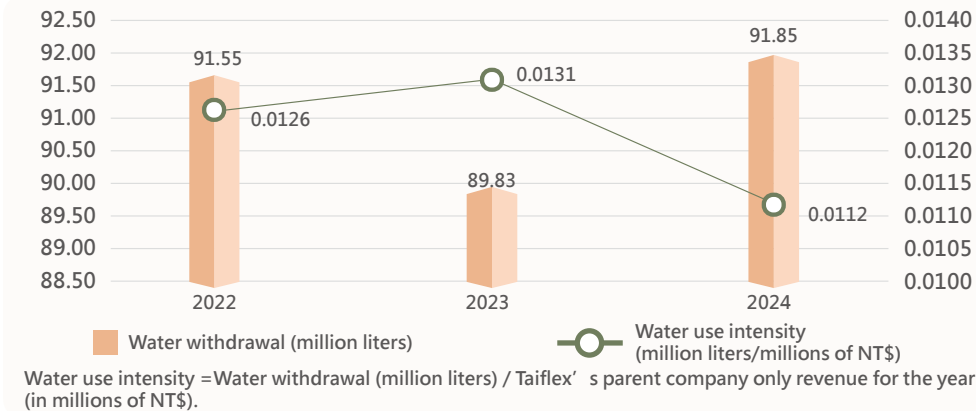
• Efficient Use of Water Resources

Taiflex operates in the Qianzhen Technology Industrial Park in Kaohsiung, with its water supply sourced from the Fongshan Reservoir. According to the World Resources Institute's Aqueduct Water Risk Atlas, Taiwan is classified as having a low to medium level of water stress across all regions.

As Taiflex adopts a dry production process, the manufacturing line is not a major consumer of water. Tap water is primarily used for air conditioning cooling, followed by employee domestic use and fire safety purposes. Accordingly, the Company's water management efforts focus on promoting the conservation of domestic and facility-use water. Measures include recycling reverse osmosis (RO) water and wastewater from drinking fountains for use in air conditioning cooling systems, installing dual-flush toilets, reusing rooftop rainwater and condensate from air conditioning systems for irrigation, and adjusting the conductivity of discharge water from air conditioning systems. For data related to water consumption in 2024, please refer to Appendix I: ESG Information - Environmental Data of this report.



Water Withdrawal and Water Use Intensity Over the Years



✦ 4.3.2 Pollution Control

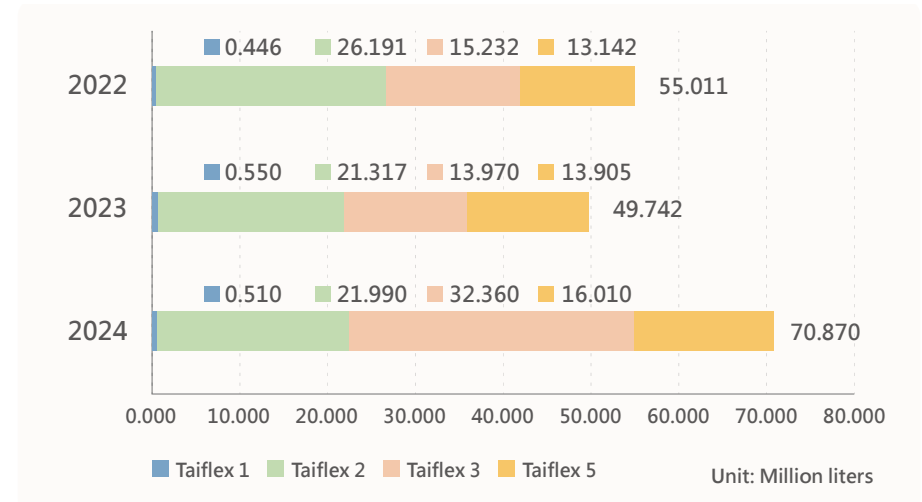
• Effluent Compliance with Discharge Standards

Wastewater generated from Taiflex' s operations primarily consists of discharge from factory cooling towers and general domestic wastewater, such as water from washrooms and cleaning of kitchen waste from staff catering. All effluents are discharged into the industrial park' s sewer system and do not pose any impact on the surrounding ecosystem or biodiversity.

As Taiflex 1 operates an etching laboratory, a dedicated wastewater treatment system has been installed to manage the resulting etching wastewater. To ensure that all effluents meet the discharge standards required by the Export Processing Zone, pH meters and flow meters have been integrated into each facility' s wastewater outlets and connected to the central environmental monitoring system for continuous online monitoring. In addition to biannual testing at each discharge outlet, Taiflex also conducts monthly self-testing. All test results consistently comply with, and remain well below, regulatory discharge limits. Since the commencement of operations, the Company has never been subject to penalties by environmental authorities. For detailed effluent quality monitoring data, please refer to Appendix I: ESG Information - Environmental Data of this report.



Effluents Discharged by Factory over the Years

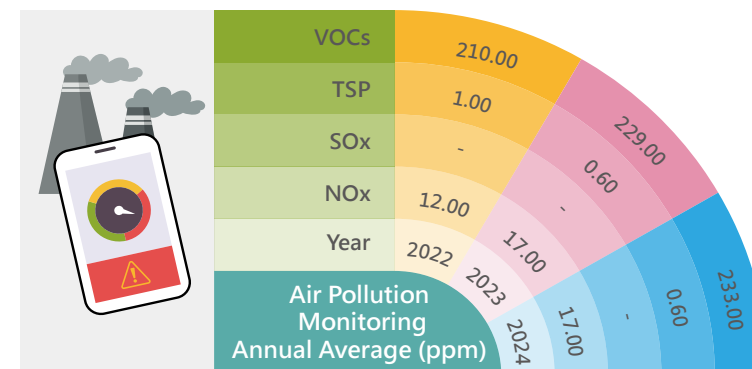


• Air Pollution Monitoring and Control Measures

Taiflex' s air pollution control equipment adopts the best available control technologies in compliance with relevant regulations, including the "Air Pollution Control Act" and the "Standards for Air Pollutant Emission from Stationary Pollution Sources." All air pollution control systems across our factories operate continuously, 24 hours a day and 350 days a year, and are equipped with real-time monitoring systems to ensure stable operations. In addition, an independent third-party certification body is commissioned annually to conduct emission concentration tests for various air pollutants. All test results consistently meet and remain well below regulatory limits. For detailed air pollution monitoring data, please refer to Appendix I: ESG Information - Environmental Data of this report.

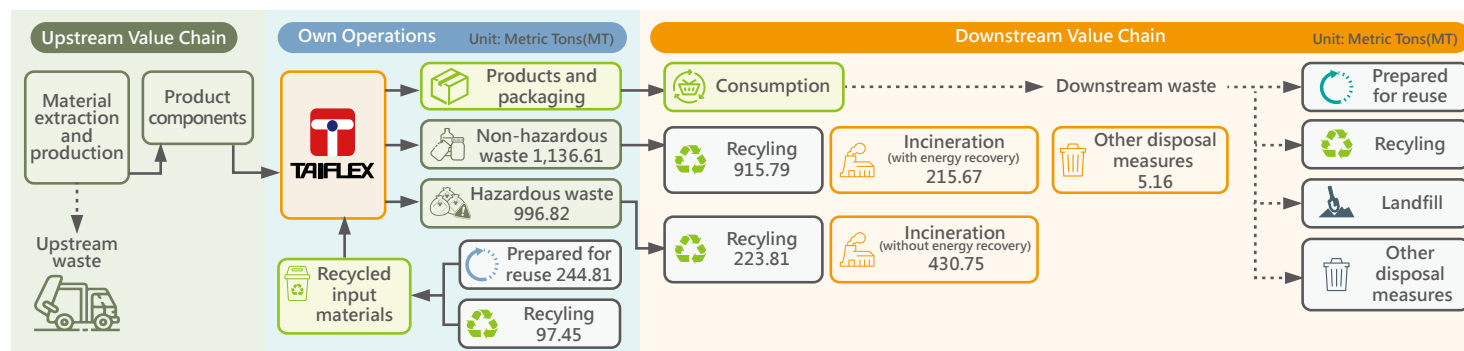
Taiflex primarily uses natural gas as the fuel for its exhaust gas treatment systems. Since the combustion of natural gas generates nitrogen oxides (NOx), the Company has implemented multiple strategies to effectively reduce NOx emissions. These include reducing the overall volume of exhaust gases (organic solvents) through raw material recovery and continuously optimizing pollution control equipment. In 2022, Taiflex 2 replaced the ceramic heat-retaining media in its regenerative thermal oxidizer (RTO) between October and November. Meanwhile, Taiflex 3 installed a zeolite rotor concentrator to concentrate low-concentration VOCs into high concentrations, enabling more efficient combustion as auxiliary fuel. As a result, RTO natural gas consumption in 2024 was reduced by 92.37 km³ compared to 2023, further lowering NOx emissions.

The Company currently operates certain refrigeration equipment that uses R22 refrigerant. To manage organizational GHG emissions, we continue to monitor and quantify R22 leakage. In 2024, total R22 emissions amounted to 0.0046 metric tons. Moving forward, the Company will prioritize the procurement of models that use environmentally friendly refrigerants and will gradually phase out older refrigeration equipment. For data related to Emissions of ozone-depleting substances in last 3 years, please refer to Appendix I: ESG Information - Environmental Data of this report.



• Waste Treatment

Synthesis and coating are the core processes at Taiflex. During the FCCL production, hazardous solvent waste is generated. If not properly managed, this waste can pose environmental risks. To address this, the synthesis, front-end, and back-end departments collect spent organic solvents in 53-gallon steel drums. The collected solvents are then purified and reused through in-house recovery systems. This approach significantly reduces the volume of waste requiring outsourced treatment, lowers related disposal costs, and supports the Company' s circular economy efforts. For further details, please refer to section 4.3.1 "Source Reduction."



In addition to the in-house reuse of NMP and MEK, Taiflex implemented on-site adhesive washing operations in 2023 as part of its zero-waste policy. All other waste streams are treated off-site. In 2024, to further advance material circularity, waste wood was initially reused as solid recovered fuel (SRF) and was later repurposed as raw material for wood product manufacturing. For detailed waste management statistics, please refer to Appendix I: ESG Information - Environmental Data of this report.

Taiflex places great importance on both on-site and off-site waste management. All end-of-pipe activities, including storage, removal, and reduction, are centrally managed by the Environmental Sustainability Division. The Company actively promotes the concept of reuse across its operations and strives to recover all reusable waste to enhance resource efficiency and reduce environmental impact. Waste that cannot be reused is entrusted to third-party waste treatment providers certified by the Environmental Protection Administration. Taiflex also conducts unscheduled audits of these service providers to ensure that all waste is properly handled and to prevent environmental pollution caused by operational negligence or legal violations.

We are committed to promoting both the resource recovery and the safe, non-hazardous treatment of waste. All related processes are carried out in accordance with the Company' s internal ISO14001 Waste Disposal Management Standard (EI-PD-06), the "Waste Disposal Act" and the "Regulations Governing Determination of Reasonable Due Care Obligations of Enterprises Commissioning Waste Clearance." We continue to pursue the goals of localization, decentralization, and resource reclamation. In 2024, the overall conversion rate (resource recovery rate) reached 69.70%. When including an additional 10.11% from incineration with energy recovery, the total waste conversion rate was approximately 79.81%. The Company aims to achieve a conversion rate of 80% by 2026.



Feature SPECIAL COLUMN

[Feature] Delivering on Sustainability: A Milestone UL2809 Certification for FPC Materials



As global ESG momentum continues to rise, leading international brands are setting their sights on carbon neutrality and embracing the circular economy as a key design principle. Against this backdrop, Taiflex has responded to a defining question of our era, “How far can we go for the planet?” , with action, not just words. After two years of cross-departmental collaboration and dedicated effort, the Company has successfully earned UL 2809 Environmental Claim Validation certification, a globally recognized mark of sustainability.

UL 2809, issued by UL (Underwriters Laboratories), a leading U.S.-based safety and compliance organization, is part of its Environmental Claim Validation (ECV) program. This certification validates a product’ s recycled content, sustainable material composition, and alignment with specific environmental performance standards.

“Achieving UL 2809 certification is no easy task. It’ s a rigorous, resource-intensive challenge that

demands long-term commitment.” The concept of circularity must be embedded from the earliest stages of product design, and the use of recycled materials in manufacturing is a natural extension of green product design. As a specialist in FPC materials, Taiflex not only focuses on product innovation and technical refinement, but also continually explores how to deliver on its commitments to the environment and stakeholders. Moving beyond declarations, the Company took concrete steps by increasing recycled content in its products and proactively pursuing UL 2809 certification, a demonstration of its dedication to embedding ESG principles into every facet of its operations.

Establishing a robust raw material traceability system requires substantial investment and a complete transformation of existing workflows. It also calls for close alignment with supply chain partners to upgrade systems and practices together. Despite challenges such as global supply chain disruptions and rising raw material costs, Taiflex remains anchored by its core mission: helping customers go further. A

dedicated cross-functional team, encompassing procurement, R&D, production, and quality assurance, was formed to lead the certification initiative. Throughout the journey, ongoing supplier engagement, extensive cross-departmental coordination, and continuous process improvement all underscored Taiflex’ s pursuit of excellence.

Stepping boldly into the future, Taiflex will continue to increase the use of recycled materials in its products and intensify R&D efforts to develop more sustainable, innovative solutions. This certification is not only a significant milestone in the Company’ s sustainability journey but also reflects Taiflex’ s commitment to walking alongside its customers in the transition toward a greener economy, co-creating a better and more sustainable future.





Feature SPECIAL COLUMN

[Feature] Giving New Life to Scrap Wood - Creating a New Model of Public Good Through Circularity

Taiflex continues to champion the regeneration of scrap wood and the promotion of environmental values by transforming these ideals into meaningful action. In collaboration with Professor Tsung-Lin Wang of CTBC University of Technology, we repurposed discarded wooden pallets from our facilities into finely crafted items through precision carving and prototyping. The result: beautifully designed upcycled products such as coasters, pen holders, and phone stands. These creations not only demonstrate the potential of waste-to-resource innovation but also embody the fusion of creativity and sustainability, aligning with our long-term vision for sustainable development.

These products have been used internally as charitable gifts and featured in fundraising events, with all proceeds donated to the Southern Kaohsiung Branch of the Taiwan Fund for Children and Families to support underprivileged children and families. For every dollar raised, Taiflex pledged to match the amount with an equal donation, doubling the impact. These initiatives contribute not only to environmental protection but also to the Company's broader social responsibility efforts, enhancing understanding of recycling and circular resource use across the organization and community.

In another initiative, Taiflex partnered with Professor Shih-Hsiang Sung from National Sun Yat-sen University to design and produce creative play equipment made from reclaimed wooden pallets. These playsets feature a variety of interactive challenges that encourage children to engage both mentally and physically, while giving new life to discarded materials. The project not only advances sustainability and innovation but also reinforces Taiflex's role in promoting social well-being and underscores the Company's ongoing commitment to corporate social responsibility.

Through these efforts, Taiflex has achieved real impact in both environmental protection and social outreach, delivering a positive message to employees and the community alike about the power of resource recovery, creative repurposing, and collective contribution.



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Promoter of Social Inclusion

5.1 Right Person for the Right Role

5.2 Create a Friendly Workplace

5.3 Workplace Safety and Health

[Feature] The First Certified Eco-Friendly Restaurant in Qianzhen Technology Industrial Park

[Feature] Taiflex Honored with the Excellence Award in the “Leader in Sustaining a Healthy Workforce - Manufacturing Sector” by the Workforce Development Agency

5.4 Deepening Engagement in Public Welfare and Youth Support



Promoter of Social Inclusion

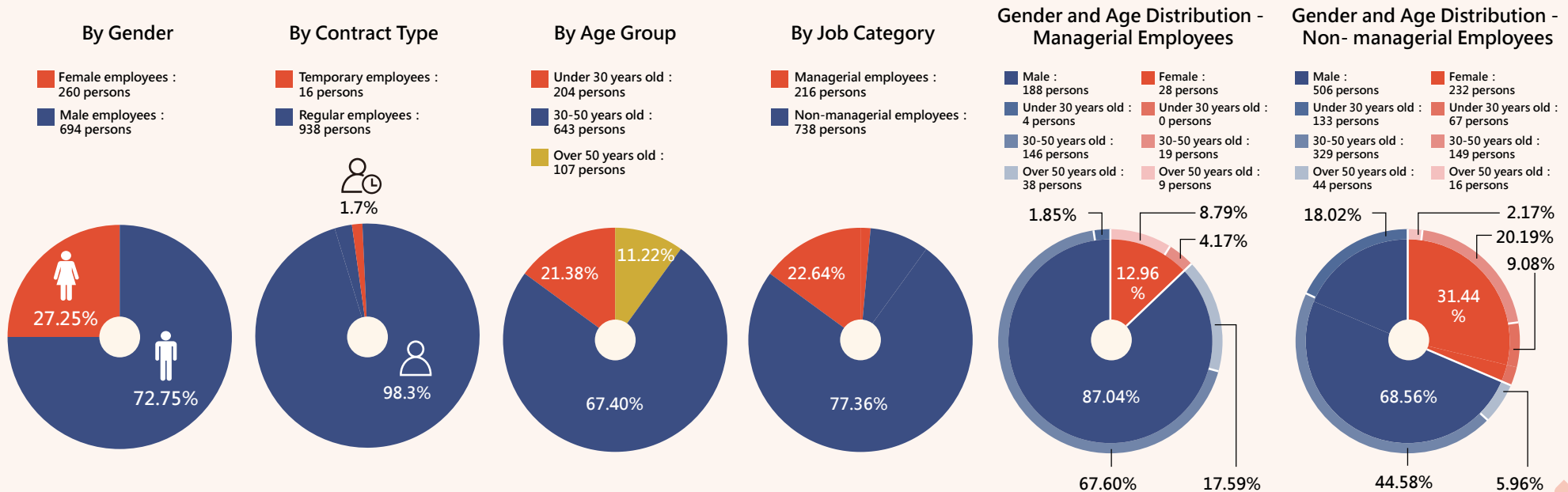
5.1 Right Person for the Right Role

Taiflex is committed to the principles of diversity and inclusion. The Company strictly complies with all applicable local laws and international standards related to human rights and labor rights. We ensure that no candidate or employee is subjected to discriminatory treatment based on race, social class, language, ideology, religion, political affiliation, nationality, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disability, zodiac sign, blood type, or prior union membership.

To attract a wide range of talent, Taiflex offers diverse recruitment channels and ensures equal employment opportunities for all applicants. Upon onboarding, employees are assigned roles that align with their abilities, allowing them to realize their individual potential. Based on the results of annual performance evaluations and their contributions to the Company, employees may receive tailored adjustments to training, promotion, and compensation and benefits. In addition, Taiflex remains committed to long-term industry talent cultivation, supporting students in bridging the gap between academic learning and industry practice in order to identify future talent early on.

• Workforce Overview

As of the end of 2024, Taiflex employed a total of 954 full-time personnel. The Company had no part-time employees or employees with non-guaranteed working hours. The male-to-female ratio was 2.67:1. Recruitment is based on job suitability, including professional qualifications and experience. All senior executives (assistant vice president level and above) are local hires. As of the end of 2024, Taiflex employed nine persons with disabilities and two Indigenous employees. Employees with disabilities accounted for 1% of the total workforce, in compliance with the government-mandated employment quota for persons with disabilities. The Company's total headcount increased by 18.80% compared to the previous year, primarily due to stronger product sales in 2024, which drove higher demand for production line staffing and led to increased recruitment. For complete employee statistics, please refer to Appendix I: ESG Information - Social Data of this report.



• Talent Recruitment

Each department formulates its annual manpower requirements based on the operational plan and submits staffing requests to the Human Resources Division. The HR team then conducts recruitment through a variety of channels, posting job openings according to the specific qualifications required by each department. The Company seeks to attract competent candidates whose skills align with the job roles and who demonstrate enthusiasm and a proactive work attitude.

Taiflex Recruitment Channels



Job banks



Government
employment
service centers



Online
recruitments



Campus
recruitment



Career fairs



Internal
recruitments



Employee
referrals



Print media
advertising



Partnerships
with universities

In addition to conducting regular campus recruitment activities at universities and colleges, Taiflex has launched a range of long-term campus engagement programs. These initiatives aim to offer students early exposure to the FPC industry, allowing them to experience workplace culture in advance and broaden their career development opportunities. Since 2023, the Company has maintained an industry-academia collaboration agreement with Wun-Shan Senior High School. This partnership has continued through 2024, with ongoing initiatives such as campus lectures and seasonal camps during winter and summer breaks. These activities help students gain insights into industry developments and trends while fostering the cultivation and development of local talent.

	Project	Summer Internship	Company Visits	School Seminars	Industry-Academia Collaboration
Execution		Offer annual summer internship placements to university and college students	Host visits for faculty and students from targeted academic departments to Taiflex	Arrange for internal managers and industry professionals to hold on-campus seminars	Since 2022, participate in the industry-academia program at National Sun Yat-sen University (NSYSU) and collaborate with Wun-Shan Senior High School
Objective		Enable students to experience workplace culture early, apply their academic knowledge, and engage with Taiflex teams	Help university and college students gain early insight into industry work environments while fostering interaction between academia and industry	Share the Company's values and introduce career development opportunities in the FPC and energy materials sectors, encouraging interest in related fields	Strengthen the technical and practical competencies of young talent through industry-academia collaboration, incorporating coursework, internships, and project-based learning to align with industry development and workforce demands

• Cultivation of High-Tech Talent

Since its founding, Taiflex has been grounded in technological expertise, consistently delivering highly reliable advanced flexible materials and integrated solutions for innovative applications. After years of dedicated effort, the Company's products have been widely adopted in various end-user electronic devices. This not only fulfills its vision of becoming a world-class provider of flexible materials, but also positions Taiflex as a quiet yet vital force behind the advancement and practical implementation of ICT applications.

We recognize the challenges inherent in advancing material science and technology. In addition to continuous investment in R&D, we place strong emphasis on long-term talent development and deep engagement with academic institutions. Since 2015, Taiflex has participated in the Career Coaching Program at National Cheng Kung University, where our managers serve as career mentors. To date, seven managers have taken part in the program, collectively guiding nearly 100 students. Since 2023, the Company has also joined the pilot project led by the Sports Administration of the Ministry of Education, aimed at supporting outstanding athletes in transitioning to careers in the semiconductor industry. As of 2024, Taiflex has recruited three new trainees under this initiative, nurturing a stable pipeline of high-potential technical personnel.

As technological R&D grows increasingly complex, the high-tech industry is shifting toward greater vertical integration and cross-sector collaboration. In this context, interdisciplinary competence has become a vital capability for future talent. In response to the Innovation Act for Industry-Academia Collaboration and Talent Cultivation in National Key Fields, Taiflex, together with six other companies, co-funded the establishment of the College of Semiconductor and Advanced Technology Research at NSYSU to cultivate advanced talent at the master's level. Since the program's launch in 2022, a total of nine corporate internship placements have been offered as of 2024. Taiflex has also designated senior executives as guest lecturers to deliver on-campus instruction and assigned corporate mentors to provide project-based guidance, nurturing the next generation of young professionals.

Besides, beginning in 2023, Taiflex signed an industry-academia collaboration agreement with Wun-Shan Senior High School. This partnership has continued through 2024, with ongoing initiatives such as campus lectures and seasonal camps during winter and summer breaks. These activities help students gain insights into industry developments and trends while fostering the cultivation and development of local talent.



The College of Semiconductor and Advanced Technology Research at NSYSU, established in collaboration with industry partners, is committed to cultivating high-level talent at the master's level. The College comprises two institutes: the Institute of Advanced Semiconductor Packaging and Testing and the Institute of Precision Electronic Components. A comprehensive curriculum roadmap has been designed, combining one year of academic coursework with two years of enterprise-based internships and research. This model ensures a strong balance between theoretical knowledge and practical experience, effectively bridging the gap between academia and industry. Students may receive scholarships of up to NT\$1 million and are matched with employment opportunities in related industries upon graduation.

5.2 Create a Friendly Workplace

Innovation-driven R&D and stable mass production capabilities form the operational foundation of Taiflex' s sustainable development. As employees are the cornerstone of the Company, human capital plays a critical role in sustaining these core strengths. Accordingly, attracting, developing, and retaining talent to enhance organizational effectiveness is central to the Company' s management transformation.

Taiflex manages all aspects of labor relations and employee affairs in accordance with applicable laws and regulations. Complemented by internal talent development programs and employee welfare initiatives, the Company aims to advance business growth while also building diverse career development pathways, offering attractive benefits to recruit and retain talent, and fostering a supportive work environment, ultimately striving to achieve a win-win relationship between the Company and its employees.

5.2.1 Talent Attraction and Retention

Material Topic: Talent Attraction and Retention Material Topic: Waste

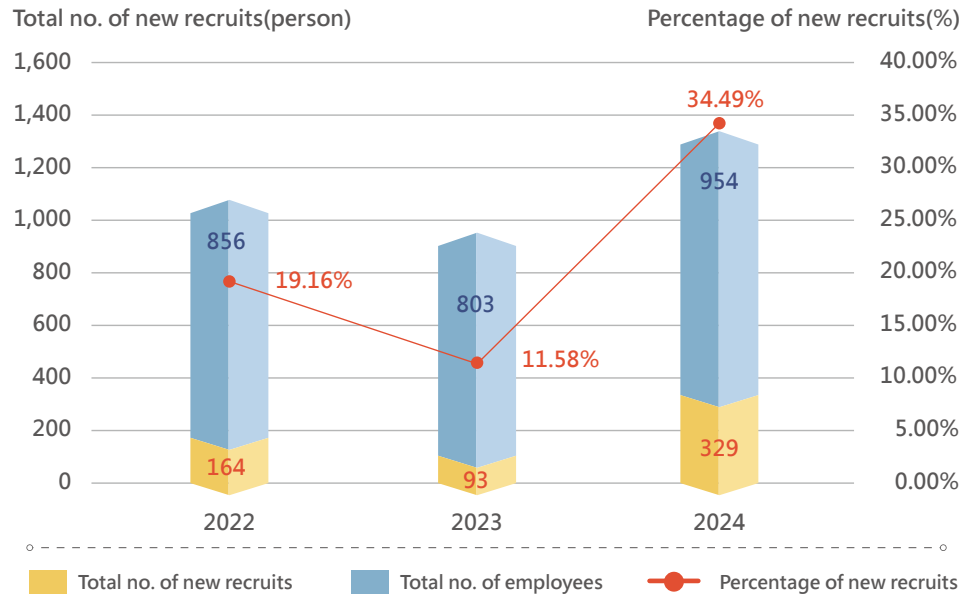
Significance	Talent is a company' s most valuable asset. The ability to attract and retain top talent is closely tied to core competitiveness and long-term sustainable development. A robust talent management system not only strengthens organizational stability and operational efficiency, but also fosters a positive corporate culture and enhances the employer brand. This, in turn, attracts high-quality professionals and ensures the Company' s long-term growth and resilience.		
Effect and Impact	<p>● Actual positive impact :</p> <p>Economic: Enhances employee productivity, reduces turnover costs, and supports stable business operations.</p> <p>Human Rights: Fosters a fair and inclusive work environment, ensuring equal opportunities for career development.</p>	<p>● Potential positive impact :</p> <p>Economic: Improving overall workforce quality lays a solid foundation for enhanced operational performance.</p> <p>Social: Positive labor relations and favorable working conditions contribute to harmonious interpersonal relationships.</p>	<p>● Potential negative impact :</p> <p>Economic: Inadequate talent management mechanisms may lead to high employee turnover and team instability, which could hinder business development and increase recruitment and training costs.</p> <p>Human Rights: Talent shortages may result in excessive workloads, adversely affecting employees' physical and mental well-being, job satisfaction, and ultimately, organizational culture and employee loyalty.</p>
Policy	Taiflex establishes its management policies in line with the spirit of RBA. In full compliance with human rights and labor regulations, the Company offers comprehensive remuneration and benefits to enhance talent attraction and retention. In addition, Taiflex implements structured skills training programs, builds fair and diverse career development pathways, and fosters a culture of continuous improvement, thereby strengthening overall R&D capabilities and reinforcing the Company' s market competitiveness.		
Strategy	Taiflex is committed to establishing effective talent retention mechanisms and comprehensive employee training programs. The Company offers competitive compensation, diverse benefits, and transparent, equitable career development opportunities to reduce employee turnover.		
Goal and Objective	<p>● Short-term goals (2025-2026) :</p> <p>- In 2025, implement one salary adjustment and two promotion cycles (first and second half of the year) depending on business performance; offer Thai language courses and introduce an AI-powered language learning platform</p>	<p>● Medium-term goals (2027-2030) :</p> <p>- Strengthen the link between performance and compensation to motivate employee development</p>	<p>● Long-term goals (2031-2040) :</p> <p>- Establish a comprehensive career development roadmap to help employees plan long-term career paths</p>
Management Assessment Mechanism	Employee turnover analysis, training completion rates, and employee satisfaction survey.		
2024 Goals and Achievements	<p>● One salary adjustment and two promotion cycles were implemented in 2024.</p>	<p>● Additional benefits exceeding regulatory requirements were introduced, including two days of newcomer leave and one day of birthday leave for new hires.</p>	<p>● Three onboarding tea sessions were organized in 2024, engaging a total of 86 participants. These informal gatherings fostered open communication, supported new employees in integrating into the workplace, and helped address early-stage work-related challenges.</p>

Employees are essential partners in the sustainable development of Taiflex and a key force behind maintaining production and driving innovation. To ensure workforce stability and strengthen corporate resilience, we are committed to fostering an organizational culture that values mutual support, friendliness, discipline, honesty, and dedication. We have established a competitive compensation policy and offer a wide range of employee benefits to build employee loyalty and retain top talent. Through stable and lasting partnerships, we aim to grow together with our employees.

By fostering a workplace that effectively attracts and retains talent, the Company has steadily reduced its employee turnover rate over the years. In 2024, the new hire rate increased compared to the previous year, primarily due to improved product sales, which led to increased demand for production line personnel. In response, the Company undertook recruitment and workforce expansion efforts during the year, resulting in a rise in the number of new hires. That year, the return-to-work rate following parental leave reached 100%, with a retention rate of 75%. For detailed statistics, please refer to Appendix I: ESG Information - Social Data of this report.



Percentage of New Recruits Over the Years

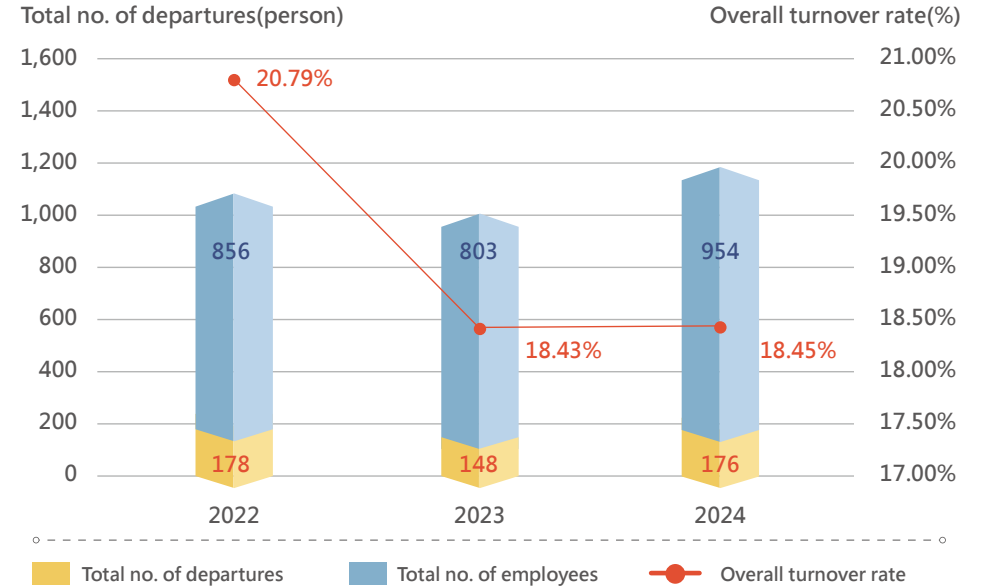


Note:

- 1.The number of new recruits includes those who resigned during the same year.
- 2.Percentage of new male (or female) recruits by age group = Number of new male (or female) recruits in the age group for the year / Total number of employees at the operation sites at the end of the same year.
- 3.Percentage of new recruits = Number of new recruits for the year / Total number of employees at the operation sites at the end of the same year.



Employee Turnover Rate Over the Years



Note:

- 1.The number of departures includes resignations, dismissals, terminations, and retirements.
- 2.Turnover rate by age and gender = Number of male (or female) departures in the age group for the year / Total number of male (or female) employees in that age group at the end of the same year.
- 3.Overall turnover rate = Total number of departures for the year / Total number of employees at the operation sites at the end of the same year.

• Employee Compensation

Taiflex provides employee compensation that includes both fixed and variable components. These consist of base salary, various allowances, festival bonuses, sales bonuses, year-end bonuses, and employee stock ownership trust contributions. Compensation is determined based on an employee's position, ranking, educational background, work experience, and seniority, and is approved in accordance with the Company's internal salary scale, without any gender-based differences.

To enhance talent attraction and retention, Taiflex established an employee stock ownership plan in 2020. Under this plan, the Company matches 50% of each employee's monthly contribution and deposits the amount into their individual trust account. In 2022, we revised our compensation policy to further support income stability. In addition to variable bonuses, local full-time employees receive festival bonuses equivalent to 1.5 months of salary to help maintain a competitive annual compensation package. In the current reporting year, the ratio of average standard salary to the statutory minimum wage for male and female entry-level employees was 1.02:1 and 1.01:1, respectively. When allowances are included, the ratios were 1.09:1 for male and 1.04:1 for female employees.

In 2024, the ratio of the annual total compensation of the Company's highest-paid individual to the median annual total compensation of all other employees was 10.51. The ratio of the percentage increase in annual total compensation of the highest-paid individual to the median percentage increase for all other employees was 124. In addition, the average and median salaries of full-time employees not holding managerial positions, along with their year-over-year changes in 2024, have been disclosed in accordance with regulatory requirements. This information is available on the Market Observation Post System (MOPS): <https://mops.twse.com.tw/mops/#/web/home>. Navigation path: MOPS > Corporate Governance > Information relating to ESG > Information relating to employee benefits and compensation > Information about salary of full-time employees who are not in a managerial position. The Company's compensation plans take into account overall financial performance, operational results, and future development outlook, and are tailored to individual job responsibilities and performance outcomes. For additional information on compensation statistics, please refer to Appendix I: ESG Information - Social Data of this report.

• Welfare and Health Care

To foster a supportive and fulfilling workplace, Taiflex provides a wide range of employee benefits and has established an Employee Welfare Committee responsible for planning and implementing various welfare programs that strengthen employees' sense of belonging. In 2024, to further enhance employee well-being and attract qualified talent, Taiflex introduced additional benefits for new hires who have completed their probation period, including newcomer leave and birthday leave.



Employee Benefits

• Subsidies for weddings and funerals	• Free motorcycle inspection / maintenance subsidy	• Employee health examinations
• Birthday cash gifts	• Contracted stores	• Employee club subsidies
• Company and personal travel subsidies	• Language course subsidies	• Department meal subsidy
• Education subsidies for children	• One day of paid marriage leave for siblings	• Natural disaster relief
• Contracted nursery / childcare centers	• Year-end party	• Lunar New Year kick-off bonus
• Free lunch/dinner	• Exclusive basketball court	• Festival activities
• Various types of leave	• Birthday leave and newcomer leave	• Flexible working hours



Year-end Party



Employee Lounge



Basketball Games



Employee Care and Friendly Facilities

• Parent-child library	• Family day events	• Stress relief massage station
• Nursery room / Dedicated refrigerator for breast milk	• Lounge with shower facilities	• 7-11 smart vending machine and coffee dispenser
• Reserved parking spaces	• Nighttime security escort to parking area	• Exclusive parking spaces for outstanding employees



Taiflex Employee Benefits Overview

• Overtime meal allowance	• Production yield bonus	• Year-end bonus	• Technical allowance
• Shift allowance	• Sales bonus	• Mid-year performance bonus	• Management allowance
• Bonus for major festivals	• Production competition prizes	• Operating performance bonus	• Meal allowance
• Bonus for outstanding employee of the year	• Bonus for innovative proposal	• R&D bonus	• Overtime payment
			• Employee stock ownership trust

In accordance with legal requirements, Taiflex provides labor insurance, national health insurance, and occupational accident insurance for all employees. In addition, the Company offers comprehensive group insurance coverage, including during periods of unpaid leave, which includes life insurance, accident insurance, medical insurance, cancer insurance, critical illness insurance, and overseas travel insurance, ensuring employees receive well-rounded protection. Employees' family members are also eligible to join the group insurance plan, allowing Taiflex' s care and support to extend to their families.



Employee Health Care Mechanisms

- ✓ Workplace environment monitoring / risk assessment / improvement
- ✓ Health examination program exceeding legal requirements
- ✓ Health management and epidemic prevention kits for business travelers
- ✓ Weekly on-site service by group insurance representatives
- ✓ Travel accident insurance and emergency overseas assistance
- ✓ Discounted group insurance for employees and their families
- ✓ Free medical group insurance for employees
- ✓ Ergonomic hazard prevention
- ✓ Stress relief station (massage service)
- ✓ Health monitoring and care visits
- ✓ Various health promotion programs
- ✓ Critical illness compensation
- ✓ On-site medical and nursing staff
- ✓ Maternal health protection
- ✓ Overload hazard prevention
- ✓ Fitness classes
- ✓ Health seminars
- ✓ Vaccination programs

• Comprehensive Retirement System

To provide a stable and secure retirement system, Taiflex has established an employee pension policy in accordance with the Labor Standards Act and the Labor Pension Act. The Company contributes to employee pensions and offers retirement benefits under this policy. Each year, professional accounting consultants are engaged to perform actuarial assessments of the retirement reserve to ensure that sufficient funds are appropriated, thereby protecting employees' rights and benefits.

The Company contributes 6% of employees' total monthly salaries to the employee pension fund, with the same 6% contribution rate applied under the old pension system. The funds are entrusted to the Labor Pension Fund Supervisory Committee and deposited in a designated account at the Bank of Taiwan under the Committee' s name.

- Old pension scheme :

In accordance with the Labor Standards Act, all pension contributions under the old scheme are deposited into and managed by the Labor Pension Fund Supervisory Committee. The Company recognized expenses under the defined benefit plan totaling NT\$8,186 thousand in 2023 and NT\$6,705 thousand in 2024.

- New pension scheme :

Under the Labor Pension Act, the Company makes fixed contributions to a post-employment benefit plan. Expenses recognized under the defined contribution plan were NT\$34,232 thousand in 2023 and NT\$36,559 thousand in 2024. *

All required contributions under the old and new pension schemes for 2023 and 2024 were fully made in 2024 and 2025, respectively.

✦ 5.2.2 Human Rights Protection and Labor-Management Communication

Taiflex is committed to safeguarding employee rights. The Company' s Work Rules clearly state that all employees must be at least 16 years of age upon employment. In addition, we have established the "Measures for Prevention of Rights Violation during Performance of Duties," ensuring that no employee is forced to perform tasks beyond those prescribed by law. Overtime hours are managed through the human resources management system, which includes built-in risk alerts. To promote substantive equality and respect for Indigenous cultures, the Company grants Indigenous employees one day of leave for traditional festivals and rituals, in accordance with Article 4 of the Implementation Regulations on Memorial Days and Holidays issued by the Ministry of the Interior. In 2024, there were no incidents involving child labor, forced labor, discrimination, infringement of Indigenous rights, or sexual harassment.



Human Rights Declaration

1. Promote diversity, inclusion, and labor equality
2. Prohibit all forms of forced labor
3. Eliminate unlawful discrimination and provide a harassment-free, safe, and healthy working environment
4. Prohibit the employment of child labor
5. Comply with all applicable laws and regulations on wages and working hours
6. Foster harmonious labor relations and ensure diverse and open communication channels
7. Comply with privacy and information security laws and regulations
8. Regularly review and assess human rights risks, practices, and impacts in response to evolving conditions and stakeholder expectations

• Human Rights Protection

To fulfill our human rights commitments and strengthen oversight mechanisms that safeguard employee rights, the Company has established the Sexual Harassment Prevention and Complaints Committee, the Workplace Violence Prevention and Disciplinary Committee, and an internal grievance mechanism, in accordance with the Rules for Sexual Harassment Prevention, Complaints, and Disciplinary Actions and the Measures for Preventing Rights Violations during the Performance of Duties. Employees are encouraged to report incidents of sexual harassment, workplace bullying, or other forms of unfair treatment through online platforms or dedicated hotlines. These mechanisms are designed to protect individual rights and ensure a safe and respectful work environment. The confidentiality of whistleblowers is strictly upheld to prevent retaliation.

In 2024, Taiflex received two workplace violence complaints involving inappropriate language. Upon receiving the reports, the Human Resources and Occupational Safety teams launched investigations and took appropriate actions in accordance with the Measures for Prevention of Rights Infringement during Performance of Duties. Disciplinary action and counseling were provided to the offending parties, while psychological support was extended to the affected individuals. Both cases were fully resolved within the year. To prevent future incidents, the Company conducted mandatory digital training on workplace violence and harassment prevention in December 2024, with 800 employees completing the course. Additionally, to strengthen employee support and ensure that every voice is heard, Taiflex established a dedicated grievance email: Taiflexfamily@taiflex.com.tw.



Internal Hotline and Mailbox

Category	Contact Number	Email
Employee health and wellness	(07)813-9989#70580	Joan_Chen@taiflex.com.tw
Workplace violence	(07)813-9989#70555	80995@taiflex.com.tw
Sexual harassment prevention	(07)813-9989#70995	help70995@taiflex.com.tw
Employee care	-	Taiflexfamily@taiflex.com.tw

Taiflex requires all contracted vendors to comply with relevant provisions of the Labor Standards Act and the Occupational Safety and Health Act to safeguard the rights and safety of non-employee personnel working on site, such as stationed contractors and security personnel. The Company has also established the Rules Governing Duties of Security Personnel, which stipulate that, in accordance with the Occupational Safety and Health Act and the Private Security Service Act, security personnel must undergo annual training in disaster prevention, emergency response, and practical security operations. The training also covers legal regulations related to personal rights, as well as freedom of employment, wages, working hours, leave entitlements, non-discrimination, and freedom of assembly. In addition, human rights cases and related measures are periodically communicated during security meetings to ensure that security personnel comply with social conduct standards and to prevent any infringement of employee or visitor rights during the performance of their duties. In 2024, a total of 12 security personnel received training, achieving a 100% completion rate in human rights or procedural training.

• Labor-Management Communication

Taiflex values open, two-way communication with employees. In addition to holding quarterly labor-management meetings, the Company has established multiple communication channels to facilitate the exchange of views and the resolution of issues based on mutual respect and integrity. Through effective dialogue, employee feedback can be promptly understood and reflected in adjustments to personnel management policies, fostering a harmonious and supportive workplace that benefits both employees and the Company. In the event of significant operational changes, advance notice will be provided in accordance with Article 16 of the Labor Standards Act, ranging from 10 to 30 days depending on employees' length of service.



Taiflex Labor-Management Communication Channels and Objectives

Item	Communication Channel	Objective
1	Labor-management meetings	To coordinate labor relations, promote collaboration, and enhance work efficiency
2	Employee satisfaction survey	To understand employee perceptions of company policies and use feedback to guide improvements
3	CEO seminar	To provide employees with a platform to share suggestions and concerns, and to stay informed about the Company's operations and strategic goals
4	EHR platform	To offer a direct and accessible online communication channel between the Company and employees
5	EWC	Comprised primarily of employee representatives, the committee advocates for employee benefits and is responsible for planning and implementing welfare initiatives
6	OSH Committee meetings	To monitor and respond to OSH issues on a quarterly basis, with a 100% response rate

We are committed to growing and thriving alongside our employees. The Company respects employees' rights to freedom of association and collective bargaining. Although a labor union has not yet been established, we promote employee engagement and cohesion through various initiatives. The Employee Welfare Committee (EWC) regularly organizes activities such as factory anniversary celebrations, the annual Family Day, and holiday appreciation events. In addition, various employee clubs, such as the running club and yoga club, offer opportunities for interaction outside of work, helping to foster a stronger sense of belonging while supporting physical and mental well-being. In 2024, approximately 2,000 participants took part in Family Day and club activities.



2024 Activity Highlights



▲ Taiflex Cycling Club



▲ Mother's Day Celebration: Afternoon tea and refreshments



▲ Mid-Autumn Festival: Barbecue feast



▲ Mid-Autumn Festival: Barbecue feast

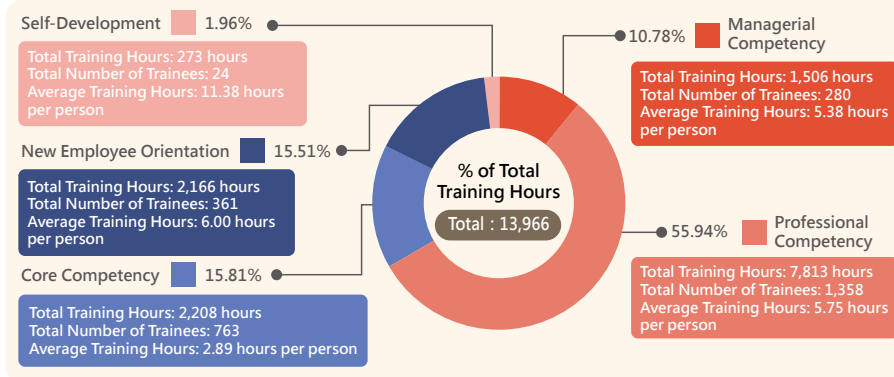
5.2.3 Diversified Competence Development

Taiflex embraces a training philosophy centered on diversified learning to enhance professional skills, internalization to foster organization-wide growth, knowledge transfer to improve performance, and continuous improvement to support long-term development. A talent development roadmap has been designed based on the Company's five core values: enthusiasm, responsibility, integrity, innovation, and execution. In line with this roadmap, Taiflex has established the Education and Training Guidelines to integrate internal and external resources and offer systematic training programs that strengthen employees' comprehensive skill sets and role suitability. This commitment to continuous learning supports the shared growth of both employees and the Company. In 2024, a total of 2,786 employee training enrollments were recorded, with an aggregate of 13,966 training hours completed.





2024 Training Performance of the Talent Cultivation System Overview



In recent years, Taiflex has actively established a mentoring system that incorporates job rotation and on-the-job guidance to enrich employees' learning experiences. This approach helps effectively pass down successful practices and shortens the learning curve. To foster a culture of learning and promote knowledge sharing and the transfer of technical expertise, the Company has also developed a comprehensive internal lecturer training system to cultivate a team of certified in-house instructors. This initiative supports Taiflex' s vision of building a corporate learning academy. To date, a total of 260 employees have been formally certified as internal lecturers. In recognition of their efforts and contributions to knowledge transfer, the Company provides additional compensation in the form of internal lecturer fees, in addition to their regular salary. Their contributions are also publicly acknowledged through communication sessions and morning meetings, reinforcing the value of continuous learning and celebrating the culture of internal knowledge sharing.

• Personal Development Plan and Learning

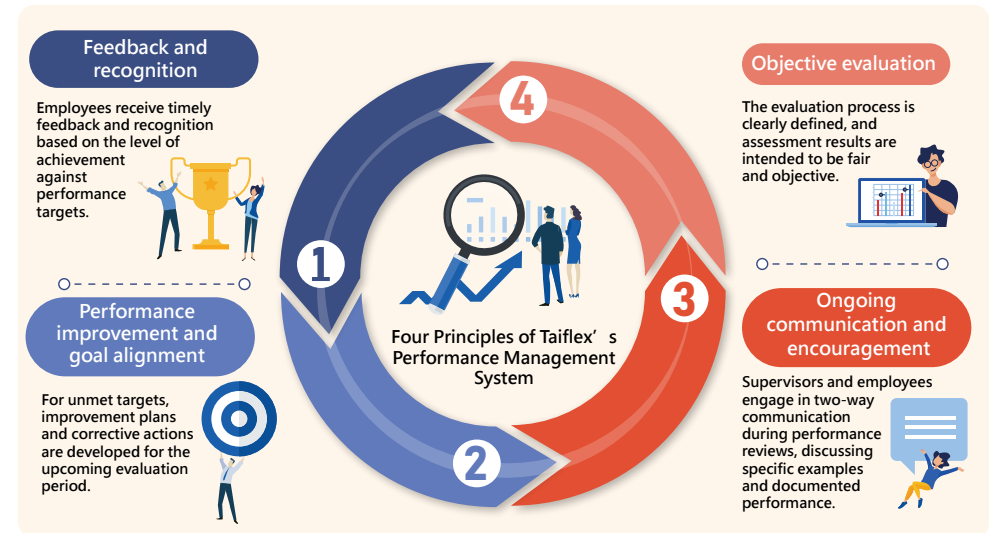
Taiflex recognizes that every employee is unique and therefore provides diverse learning channels and development resources to strengthen individual competencies and help employees realize their full potential. Based on each employee' s job competency requirements, performance evaluation results, and career development goals, the Company supports the formulation of Individual Development Plans (IDPs). Training is structured into three key areas: On-the-Job Training, Off-the-Job Training, and Self-Development, with tailored training roadmaps designed for each. These provide employees with diverse learning channels and development resources to enhance the competencies required for their roles. Among these, On-the-Job Training serves as the Company' s primary training focus, as it directly and significantly supports operational efficiency and business continuity. In 2024, total training expenses reached NT\$3,181,422, and overall training satisfaction rate stood at 93%. For detailed statistics, please refer to Appendix I - ESG Information: Social Data in this report.

• Performance Management and Employee Development

Employee performance evaluations play a key role in strengthening the Company' s human resources system. These evaluations not only assess annual job performance but also serve as a positive mechanism to motivate employees in realizing their potential and supporting their development. All new employees are subject to annual performance reviews starting three months after their onboarding. Evaluation criteria are applied consistently and are not influenced by gender, religion, race, or any other personal attributes. In addition, the Company has implemented an internal recommendation system to support the promotion and retention of qualified talent, ensuring that individuals are placed in roles that best match their abilities and potential.



Four Principles of Taiflex' s Performance Management System



The purpose of Taiflex' s performance evaluation system goes beyond fostering alignment on work objectives between employees and their supervisors. It also serves two core functions: performance assessment and employee development. Emphasizing development over evaluation, the system is designed to help employees strengthen their capabilities, enhance job proficiency, and become effective support for their supervisors and contributors to the Company' s ongoing progress. This approach aims to improve both organizational competitiveness and overall operational efficiency. In 2024, 100% of Taiflex employees completed the annual performance evaluation.

5.3 Workplace Safety and Health

Material Topic: Occupational Safety and Health

Main Reason	Taiflex views its employees as the Company's most valuable assets. Workplace safety and the physical and mental well-being of employees are top priorities. Employees place their trust in this commitment to well-being. To prevent occupational hazards, the Company continuously enhances inherently safe design and enforces comprehensive occupational health and safety management measures.			
Effect and Impact	<p>● Actual positive impact :</p> <p>Economic: Reducing workplace safety risks supports the Company's ability to maintain uninterrupted operations.</p> <p>Social: A safe work environment fosters emotional well-being among employees and strengthens their sense of belonging and commitment to the Company.</p>	<p>● Potential positive impact :</p> <p>Economic: Comprehensive OHS systems and international certifications enhance the Company's credibility as a secure and responsible employer.</p> <p>Social: Promoting employee physical and mental well-being throughout their careers contributes to a positive external image of the Company.</p> <p>Human Rights: The Company upholds a zero-tolerance policy toward occupational injuries, workplace bullying, sexual harassment, and racial discrimination, thereby reinforcing its commitment to human rights protection.</p>	<p>● Actual negative impact :</p> <p>Economic: Non-compliance with OHS regulations may lead to legal violations, government-imposed fines, and potential employee harm.</p>	<p>● Potential negative impact :</p> <p>Economic: Insufficient implementation of OHS standards could result in reputational damage and financial losses resulting from production shutdowns.</p>
Policy	<p>Five major OSH policies are established based on Taiflex's OSH management principles to be jointly upheld by all employees and stakeholders:</p> <ul style="list-style-type: none"> - Regulatory compliance: Comply with occupational safety laws and regulations to enhance corporate image. - Full participation: Foster teamwork and open communication to raise company-wide safety awareness. - Workplace safety: Commit to maintaining a sound work environment that supports the physical/mental well-being of employees. - Risk control: Identify occupational hazard risks to create a safe workplace. - Continuous improvement: Advance occupational safety management performance to achieve the goal of corporate sustainability. 			
Strategy	The Company conducts semi-annual reviews of its OSH performance and progress, and establishes targeted improvement plans accordingly. Efforts are continuously made to foster a safe and healthy workplace, supported by active communication and collaboration with both internal and external stakeholders. If OSH performance does not meet expectations, the Company will adjust relevant measures based on actual conditions.			
Goal and Objective	<p>● Short-term goals (2025-2026) :</p> <ul style="list-style-type: none"> - Zero major occupational accidents requiring hospitalization - Maintain zero cases of occupational illness due to chemical exposure - Disabling injuries frequency rate (FR) ≤ 1.5 - Disabling injury severity rate (SR) ≤ 3.6 - Voluntary participation rate in employee health promotion programs > 40% 	<p>● Medium-term goals (2027-2030) :</p> <ul style="list-style-type: none"> - Zero major occupational accidents requiring hospitalization - Maintain zero cases of occupational illness due to chemical exposure - FR ≤ 1.2 - SR ≤ 3.4 - Voluntary participation rate in employee health promotion programs > 45% 	<p>● Long-term goals (2031-2040) :</p> <ul style="list-style-type: none"> - Zero major occupational accidents requiring hospitalization - Maintain zero cases of occupational illness due to chemical exposure - FR ≤ 0.9 - SR ≤ 3.2 - Voluntary participation rate in employee health promotion programs > 50% 	
Management Assessment Mechanism	<ul style="list-style-type: none"> ● Annual management reviews are conducted to evaluate performance and assess the achievement of established targets. ● Through the Corporate Sustainability Promotion Committee and its task force, the Company continuously monitors implementation progress and the extent to which targets are met. 			
2024 Goals and Achievements	<p>● Zero major occupational accidents requiring hospitalization</p> <p>→ ❌ Not achieved. One incident reported in 2024.</p>	<p>● Disabling injuries frequency rate (FR) ≤ 1.5</p> <p>→ ✅ Achieved. The FR in 2024 was 0.63.</p>	<p>● Disabling injury severity rate (SR) ≤ 3.6</p> <p>→ ❌ Not achieved. The SR in 2024 was 6.33.</p>	<p>● Voluntary participation rate in employee health promotion programs > 40%</p> <p>→ ✅ Achieved. The participation rate in 2024 was 56.3%.</p>

✦ 5.3.1 OSH Risk Management

Taiflex upholds a people-oriented philosophy as the foundation of its OSH practices. The Company is committed to building a fundamentally safe working environment that not only enhances industrial competitiveness but also serves as a strong safeguard for employee health and safety. With “zero occupational accidents” as the ultimate objective, Taiflex has established the following five core OSH policies:



Five Major OSH Policies



Regulatory compliance

Comply with occupational safety laws and regulations to enhance corporate image.



Workplace safety

Commit to maintaining a sound work environment that supports the physical/mental well-being of employees.



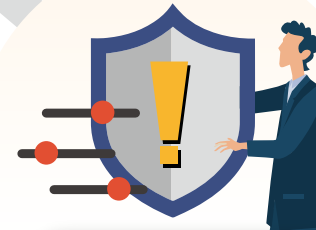
Continuous improvement

Advance occupational safety management performance to achieve the goal of corporate sustainability.



Full participation

Foster teamwork and open communication to raise company-wide safety awareness.

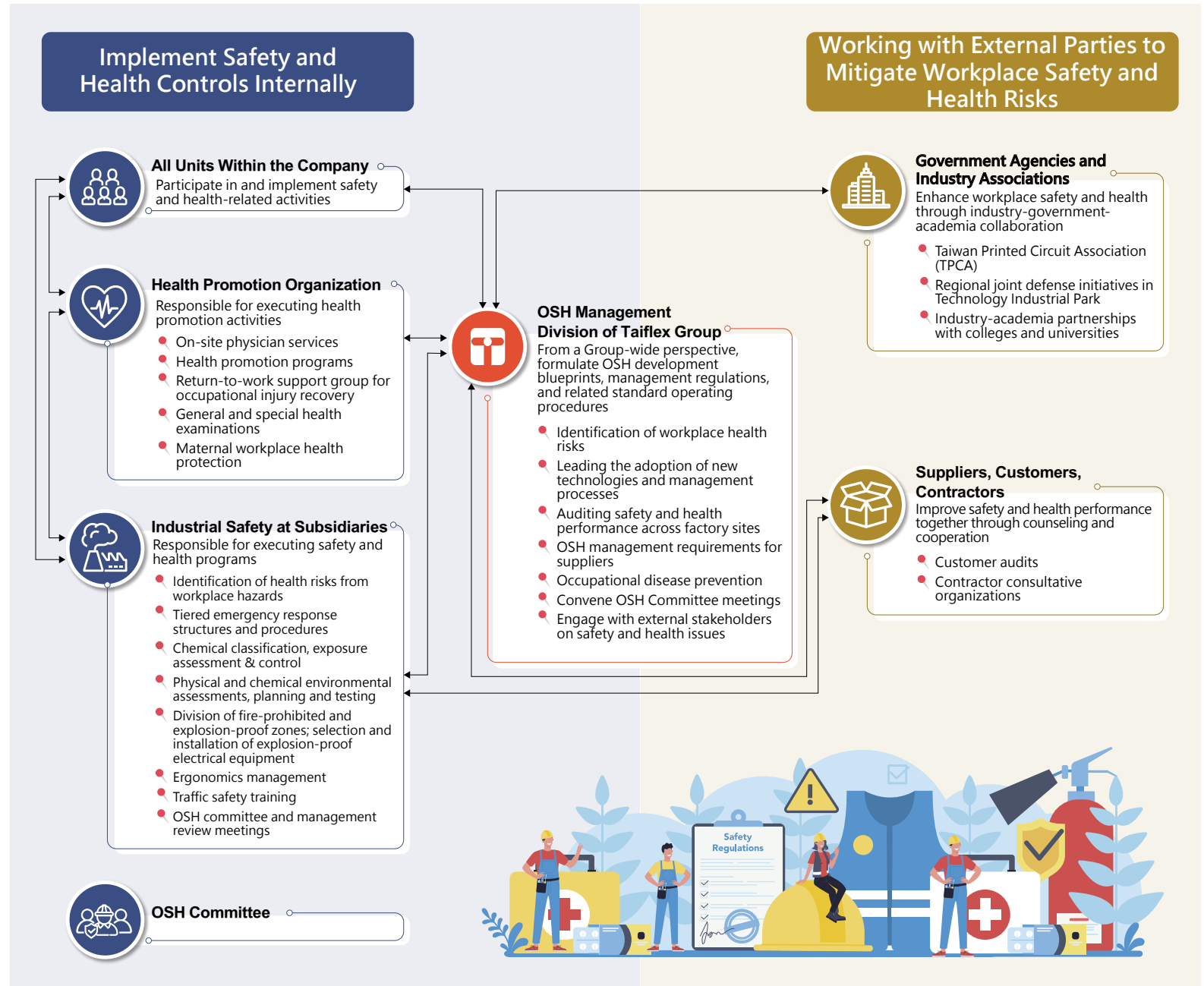


Risk control

Comply with occupational safety laws and regulations to enhance corporate image.

• OSH Management Structure

Taiflex is dedicated to creating an optimal safe and healthy workplace. In accordance with the Company's internal ESM-PD-01 Environmental, Safety, and Health Management Manual, the Occupational Safety and Health Management Division has been established to oversee all OSH planning and operations and to continuously promote a strong safety culture throughout the organization. On-site OSH responsibilities are jointly carried out by dedicated OSH personnel, the Industrial Safety Section of the Manufacturing Center, and designated OSH representatives from each department, working in close collaboration.



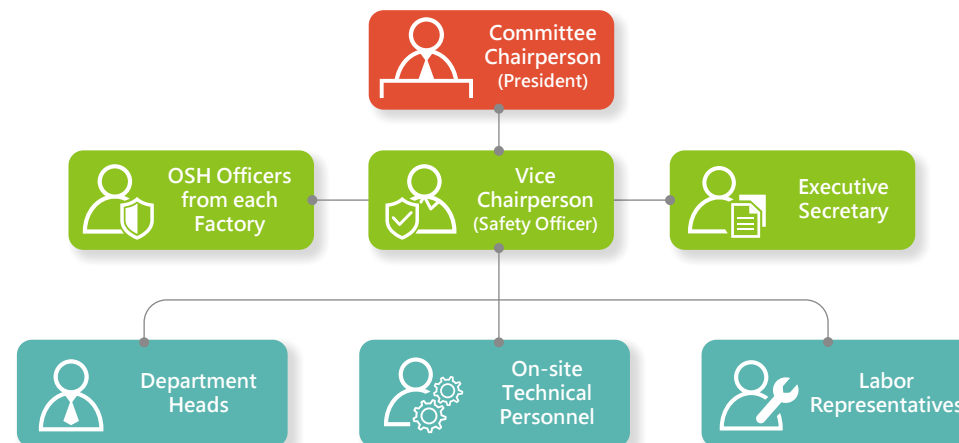
Taiflex' s OSH Committee serves as a formal platform for direct communication between management and employees on OSH-related matters. The Committee convenes regularly on a quarterly basis to discuss key issues. In response to the increasing scale of operations, department heads also hold monthly meetings focused on the current conditions of each factory to reinforce the implementation of OSH management.



Composition of the OSH Committee

Factory / Personnel	Management Representative	Safety and Health / Technical Personnel	Labor Representative
Taiflex 1	1	1	1
Taiflex 2	2	2	3
Taiflex 3	3	3	5
Taiflex 5	1	1	1

Note : The above does not include the Committee Chairperson (for all factories).



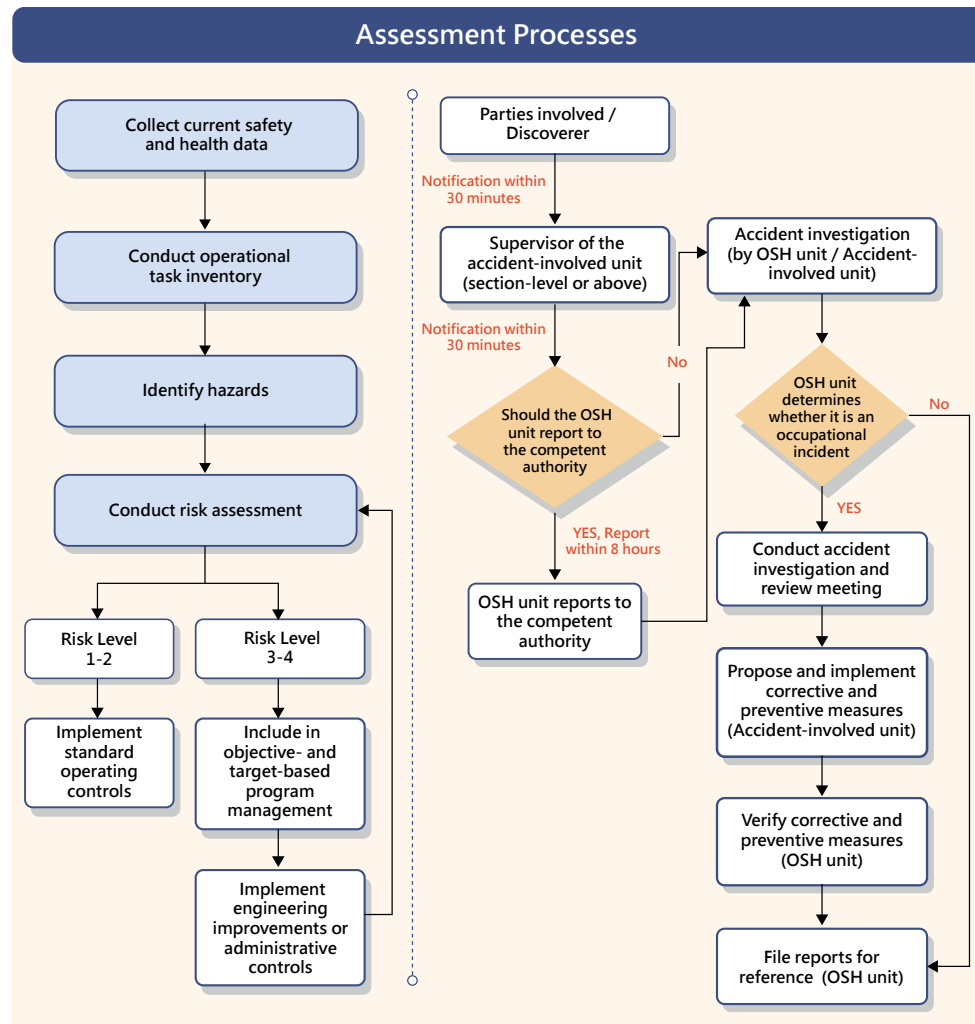
• Hazard Identification and Incident Investigation

In accordance with the SP-PD-02 Hazard Identification and Risk Assessment Management Procedure, Taiflex conducts annual assessments through hazard identification teams formed by trained seed personnel from each unit. These teams proactively evaluate operational activities, work areas, equipment, and both physical and mental health-related factors to identify potential hazards. This includes recognizing risks that may lead to both routine and non-routine hazardous events. Risk assessments are then conducted by seed personnel and serve as the basis for risk control, incident prevention, and continuous improvement within the Company' s OSH system.

For hazards assessed as medium-level risk or higher (Levels 3 and 4), the OSH Committee requires the responsible units to formulate appropriate control measures. The progress of these improvements is reviewed on a regular basis during OSH Committee meetings. In addition, the Company thoroughly investigates minor incidents and near-miss events to continuously explore feasible and effective corrective actions. In 2024, a total of 615 hazard factors were identified. Control measures for all medium-level risks were established, and semi-annual reviews of improvement progress were carried out, further reinforcing Taiflex' s strong safety culture.



Taiflex places great importance on identifying the root causes of every occupational injury. The Company has established a comprehensive incident response procedure that includes prompt reporting, thorough investigation and analysis, and the implementation of corrective and preventive measures. These actions aim to prevent recurrence through specific and effective improvements.



Comprehensive OSH Management System Coverage

Taiflex implemented the ISO 45001 Occupational Health and Safety Management System in 2019 and obtained certification. In 2022, the system's scope was expanded to encompass all manufacturing sites. In 2023, the Company further obtained certification for the Taiwan Occupational Safety and Health Management System (TOSHMS). The management system comprehensively covers all production and non-production areas, equipment, and both routine and non-routine operational activities across all Taiflex-controlled sites. It also includes activities conducted by external parties operating within Taiflex premises, such as facility and equipment service providers, food service vendors, security personnel, and maintenance contractors.

Each site continues to operate in accordance with the OSH management systems. Taiflex actively establishes key performance indicators (KPIs) and conducts regular evaluations to monitor performance. This ensures the ongoing effectiveness and feasibility of safety and health management measures.



OSH System Coverage Rate

Category	Total Number of Individuals	Number of Individuals Covered by OSH System	Coverage Rate
Employees	954	954	100%
Non-employee workers	24	24	100%

Note :

- Non-employee workers refer to security personnel and on-site contractors, including IT personnel, customs personnel, and materials management personnel.
- Coverage rate = (Number of individuals in the category covered by the OSH system / Total number of individuals in the category) × 100%.

• Management Effectiveness

Taiflex places strong emphasis on occupational incident management for all stakeholders. The scope of monitoring includes employees at the Kaohsiung factories and warehouse facilities (97.55%), as well as non-employee workers such as security personnel, on-site contractors, and other external personnel (2.45%). All internal and external occupational incident cases are subject to root cause analysis, which serves as the basis for risk control, incident prevention, and continuous improvement of the OSH management system.

Thanks to the collective efforts of all workers, there were no fatal or severe occupational injuries involving either employees or non-employee workers in 2024. However, one occupational incident did occur: an employee sustained a compression injury to the left ring finger from a coating mold (DIE), resulting in partial disability. Consequently, the Severity Rate (SR) target set for 2024 was not met, although all other OSH performance targets were successfully achieved. In response to the incident, the Company implemented several corrective actions: improving the ergonomic design of the mold-flipping assist handle, strengthening safety checks for mold cleaning operations across production lines, and incorporating the case into annual safety training reviews to enhance employee awareness and prevent recurrence. Moving forward, Taiflex will continue to reduce potential operational hazards and environmental risks through ongoing education and training, workplace inspections, hazard identification and risk assessments, and both internal and external audits. The ultimate goal remains achieving zero occupational incidents, with a comprehensive workplace injury index (FSI) below 0.1. For detailed statistics on occupational incidents, please refer to Appendix I: ESG Information - Social Data in this report.

Occupational Injury Rate/Index	2022	2023	2024	Target (2024)
No. of reported incidents	0	0	0	0
FR	1.82	0.63	0.60	<1.5
SR	3.64	1.26	5.99	<3.6
FSI	0.08	0.03	0.06	<0.07
Fatal occupational injury rate	0	0	0	0

Note :

- Occupational injury statistics exclude traffic-related incidents
- FR = Number of disabling injury / Total hours worked × 1,000,000
- SR = Total lost workdays from disabling injuries, excluding fatalities / Total hours worked × 1,000,000
- $FSI = \sqrt{((FR \times SR)/1,000)}$
- Fatal occupational injury rate = Number of fatalities from occupational injuries / Total hours worked × 1,000,000
- In 2024, Taiflex recorded a disabling injury frequency rate (FR) of 0.6 and a severity rate (SR) of 6, outperforming the three-year industry averages for both the electronic components manufacturing industry (FR 0.87, SR 25) and the semiconductor manufacturing industry (FR 0.6, SR 15). (Source: Occupational Safety and Health Administration of Ministry of Labor.)

✦ 5.3.2 Occupational Hazard Prevention

To eliminate potential workplace hazards, the OSH Management Division conducts internal self-inspections on a monthly basis. These audits focus on five key areas of daily operations: chemical management, machinery and equipment, workplace environment, fire protection systems, and waste disposal to ensure the effectiveness of existing control measures and to continuously monitor corrective actions until completion. In 2024, a total of 209 deficiencies were identified across departments, all of which were fully corrected, resulting in a 100% improvement completion rate.

To foster a strong culture of workplace safety and health, and to enhance employee awareness of occupational health protection and operational safety, the Company regularly organizes on-the-job training for existing employees. New employees are required to attend general OSH training upon onboarding. Assessments are conducted to ensure they acquire fundamental OSH knowledge. For detailed annual training statistics, please refer to Appendix I: ESG Information - Social Data.



Occupational Safety and Health Training Photos



• Safety Audits and Guidance for Partners (Contractors, Suppliers and Lessors)

Recognizing that many occupational accidents involve non-employees rather than directly hired personnel, Taiflex is committed to enhancing workplace safety across all operations. We adopt a collaborative safety model with on-site lessors, holding regular joint safety meetings to improve shared operational environments. Prior to entering our facilities, contractors are required to complete OSH training and are informed of relevant work-related hazards to ensure comprehensive safety throughout the premises.

In addition, in accordance with our supplier management procedures, Taiflex conducts regular audits of all business partners. We place particular emphasis on supervising and managing contractors engaged in high-risk on-site activities. When deficiencies are identified, corrective actions must be completed within a specified timeframe; otherwise, penalties such as fines or work suspension may be imposed. In 2024, Taiflex conducted audits and provided safety guidance to eight suppliers. A total of 26 observations were raised and all were effectively addressed and closed within the same year.



▲ On-the-Job Inspection

Daily on-site safety inspections are conducted to ensure compliance with safety protocols. Inspectors are authorized to halt operations if safety violations are identified and will immediately notify the responsible unit.

◀ Risk Identification Prior to Work

Before work begins, hazard identification and job safety analysis are conducted at the worksite to assess risks in the operating environment. It is also ensured that all personnel have completed relevant safety training before commencing work.

◀ Post-Work Documentation

Upon completion of work, all relevant daily work forms are compiled and submitted to the designated Taiflex project coordinator for recordkeeping and review.



▲ Annual Contractor Conference and Daily Safety Briefing Before Work

An annual contractor conference is held to communicate the factory's safety regulations and operational protocols. In addition, daily toolbox meetings are conducted to review safety precautions, work procedures, health and safety requirements, use of personal protective equipment, and other task-specific risk factors.



• Emergency Response Drills

Taiflex regularly conducts a variety of emergency response drills to evaluate the feasibility and effectiveness of its disaster preparedness and response procedures. Since 2021, stakeholders such as contractors and on-site lessors have been included in these drills to strengthen a shared understanding of compound disaster response and prevention. Their participation has also helped improve the effectiveness of the disaster notification and communication system. In 2024, these drills continued across all factories to ensure that all personnel, both internal and external, receive comprehensive training and that the risks of injuries or damages from potential incidents are minimized.

In light of two major industrial fire incidents that occurred in southern Taiwan in recent years, these events underscore the importance of consistently implementing OSH measures, while also reinforcing employees' knowledge and preparedness in emergency response and prevention to ensure workplace safety.

To strengthen employees' understanding of compound emergency response and prevention, Taiflex has continued to conduct drills designed to improve the effectiveness of disaster notification and communication systems. These exercises are designed to verify the feasibility and applicability of emergency response measures, and to ensure the efficient deployment of available resources, personnel, and equipment during incidents. In 2024, Taiflex continued to conduct emergency response drills during nighttime hours and holidays to ensure that employees across all facilities and shifts are equipped with the proper knowledge and response capabilities in the event of compound disasters, thereby minimizing potential injuries and damages. Given the rising proportion of foreign employees in recent years, the 2025 emergency response training program will be primarily designed for this group. To strengthen overall emergency preparedness, the Company will implement comprehensive support measures, including English-language instruction and the presence of on-site interpreters.



▲ Observation and Training on Compound Emergency Response ▲



▲ Firefighting and Rescue



▲ Toxic Chemical Spill ▲



▲ Toxic Incident Response



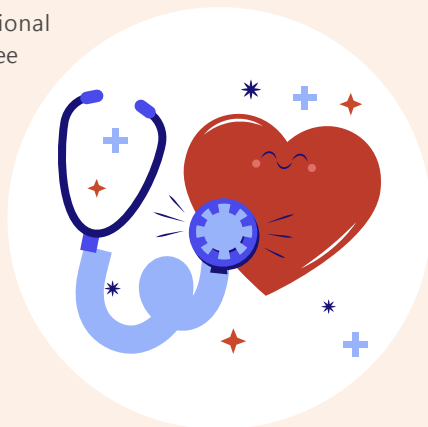
▲ Incident Reporting and Personnel Evacuation ▲



▲ Post-incident Cleanup

✦ 5.3.3 Employee Health Management

Taiflex not only aims for zero occupational injuries but also recognizes that employee health is essential to stable business operations. To this end, the Company offers comprehensive workplace health management services. Through a range of management initiatives, professional consultations, training programs, and wellness activities, Taiflex is committed to safeguarding the physical and mental well-being of its employees.



Fostering Healthy Lifestyles

- ✓ Provide health-related information in written or electronic form
- ✓ Encourage the establishment of sports clubs



Health Monitoring

- ✓ Health examinations
- ✓ Health risk stratification
- ✓ Analysis and statistics



Creating a Healthy Work Environment

- ✓ Ergonomic hazard prevention
- ✓ Overload hazard prevention
- ✓ Maternal worker protection



Health Promotion

- ✓ Weight management program
- ✓ Sports courses
- ✓ Health seminars

• Work Environment Assessment

Unsafe working conditions and at-risk employee behaviors can lead to occupational illnesses and injuries. In addition to posing direct threats to employee health and safety, such risks may also adversely affect the Company's overall productivity. Taiflex leverages internal and external resources to strengthen employee health management, enhance the prevention of occupational diseases, and mitigate health-related risks. To support employee well-being, the Company regularly assesses five major categories of physical and psychological risks and implements targeted improvement and reinforcement measures to prevent occupational incidents.

	Sustainable Management	Enhanced Measures	Results
Chemical / Physical	<ul style="list-style-type: none"> Monitor environmental concentrations in chemical handling areas to ensure safety, and assess noise levels and related exposure risks Implement health risk stratification for employees undergoing special health examinations 	<ul style="list-style-type: none"> Enhance noise-prone work environments by implementing soundproofing measures, upgrading protective equipment standards, and strengthening employee training 	<ul style="list-style-type: none"> ✓ 100% compliance with environmental standards ✓ 100% health counseling rate
Ergonomic	<ul style="list-style-type: none"> Conduct regular surveys on musculoskeletal symptoms and track related sick leave Analyze findings to assess hazards in potentially high-risk work areas 	<ul style="list-style-type: none"> Introduce and optimize labor-saving equipment Provide health support and operational adjustments for employees with suspected musculoskeletal disorders 	<ul style="list-style-type: none"> ✓ Ongoing installation of labor-saving devices ✓ 24 employees identified for follow-up received health support and care guidance
Psychological	<ul style="list-style-type: none"> Establish an internal psychological counseling mechanism Conduct regular mental workload surveys 	<ul style="list-style-type: none"> Conduct proactive interviews and referrals for employees experiencing high fatigue 	<ul style="list-style-type: none"> ✓ 1 referral to professional psychological counseling in 2024 (compared to 6 in 2023)
Maternity Protection	<ul style="list-style-type: none"> Conduct regular assessments of maternity-related workplace hazards Provide maternal health consultations Evaluate occupational risks 	<ul style="list-style-type: none"> Supervisors proactively adjust job duties as needed 	<ul style="list-style-type: none"> ✓ 4 employees under health risk monitoring in 2024 ✓ None were classified as Risk Level 2, and no specific job adjustments were required

• Implement Health Monitoring

The Company collaborates with certified medical institutions to provide free annual health examinations for employees with at least one year of service. These examinations exceed statutory requirements and include special medical screenings for employees exposed to occupational health hazards. To identify and address potential health risks related to the work environment or job duties, the Company proactively arranges specialist consultations for employees with abnormal health results, those in maternity groups, individuals with excessive workloads, and those who have experienced occupational injuries. Employees requiring further risk stratification are assessed by on-site physicians, who evaluate their health conditions and job responsibilities to provide recommendations for appropriate work arrangements.

To ensure effective implementation of health examinations and establish a foundation for workplace health promotion and occupational disease prevention, the Company provides paid health check-up leave. Employees' family members are also eligible for examinations at discounted group rates, encouraging greater attention to personal and family health. In 2024, the employee health examination compliance rate reached 100%, with zero reported cases of occupational disease.



Number of Participants in Health Examinations over the Past Three Years

Item/Year	2022	2023	2024
General health examinations	692	705	624
Special health examinations	107	99	89

Note :

1. The number of general health examination participants for 2023, as previously disclosed in the 2023 Sustainability Report, has been corrected in this year's report. The revised data does not affect year-over-year comparability or interpretation.
2. In 2024, special health examinations covered two monitored items: Noise and N,N-Dimethylformamide (DMF), each subject to a two-tier health risk management system. For first-level management, no abnormalities were identified, where 1 employee was monitored for Noise exposure and 68 employees for DMF. For second-level management, 5 employees were monitored for Noise exposure and 15 for DMF. All individuals in the second-level category received health counseling, achieving a 100% completion rate.



2024 Health Passport Overview

Cardiovascular disease management	56 high-risk employees received work-hour management and individual health counseling
Maternal health protection	Assisted 7 pregnant or postpartum employees with workplace assessments and health support
Respiratory protection with physiological assessment	Conducted physiological assessments for 201 employees requiring respiratory protective equipment
Occupational musculoskeletal symptom prevention	Provided health education and guidance to 24 employees with suspected musculoskeletal symptoms

• Health Promotion Activities

Taiflex promotes employee well-being through a digital health management system integrated into the internal employee portal, enhancing the efficiency of health care services. A dedicated Safety and Care Zone and Employee Assistance Section have been established to support early identification of physical and mental health concerns, facilitate timely intervention, and encourage the adoption of healthy lifestyles to improve overall employee well-being. In addition, real-time alerts and comprehensive health education are delivered via the UOF mobile app, which also provides employees with regular updates on health-related knowledge and available support resources.

	Activities	2024 Execution Highlights
1	Provision of health information	<ul style="list-style-type: none"> Published 22 health-related articles Total page views: 2,862
2	Health seminar	<ul style="list-style-type: none"> Topic: Ease Away from Metabolic Syndrome Total participants: 22
3	Stress relief courses	<ul style="list-style-type: none"> Total participants: 20 (100% participation rate) Course satisfaction rate: 100%
4	Weight management & weight loss program (2024 statistics)	<ul style="list-style-type: none"> Participants achieving weight loss targets: 37 Total weight reduced: 303.3 kg Average weight loss (kg): 2024 (8.2), 2023 (8.5), 2022 (6.7) Post-weight-loss maintenance rate: 2024 (19%), 2023 (41%), 2022 (46%)
5	Blood donation events	<ul style="list-style-type: none"> Total participants : 36 (including external stakeholders)
6	Free influenza vaccination	<ul style="list-style-type: none"> Total participants : 3
7	Charity road race	<ul style="list-style-type: none"> Total participants : 68
8	Basketball game - sports competition	<ul style="list-style-type: none"> Total participants : 15



Feature SPECIAL COLUMN

[Feature] The First Certified Eco-Friendly Restaurant in Qianzhen Technology Industrial Park

According to the United Nations Food and Agriculture Organization (FAO), approximately 1.3 billion tons of food are wasted globally each year, equivalent to one-third of the world's total food production. Institutional catering is among the primary sources of this waste, contributing significantly to environmental degradation and accelerating climate change. In light of these challenges, the concept of green, eco-friendly dining has gained momentum, with a growing number of companies embracing sustainable food practices to reduce food waste and lower carbon emissions.

Driven by a strong commitment to corporate sustainability (ESG), Chairperson Ta-Wen Sun has led Taiflex in adopting environmentally conscious dining policies. "Any effort that benefits the environment is worth pursuing," he affirms. The Company has since become officially certified as an Eco-Friendly Restaurant, demonstrating our dedication to turning sustainability goals into tangible action.

Achieving this certification was no small task. Taiflex encountered several challenges throughout the transition. One of the most critical aspects was food supply chain management. To reduce its carbon footprint, the Company partnered with its catering vendors to prioritize locally grown, seasonal produce that meets sustainability standards, minimizing the environmental impact of long-distance transportation. In addition, a digital dining management system was implemented to collect and analyze consumption data, allowing for more accurate meal planning to reduce food waste. The Company also promotes a no-single-use policy by encouraging employees to bring their own utensils and switching to reusable or biodegradable alternatives. Through these measures, Taiflex ensures its food service operations meet the standards of a truly green dining model.

Following a rigorous evaluation process, Taiflex was officially awarded the Eco-friendly Restaurant Certification by the Ministry of Environment, Executive Yuan. The certification covers a broad range of sustainability benchmarks, including source reduction, the use of locally sourced ingredients, eco-conscious meal planning, promotion of low-carbon dining, and the adoption of eco-

friendly and energy-saving practices. Taiflex is proud to be the first company in Qianzhen Technology Industrial Park to receive this certification. This milestone not only reinforces our commitment to environmental responsibility but also serves as a role model for other technology enterprises, encouraging wider industry participation in advancing green and sustainable dining practices.

Taiflex's recognition as an eco-friendly restaurant is not only a point of pride but also a meaningful step in fostering a culture of environmental awareness within the organization. Moving forward, the Company will continue to strengthen its green dining strategy by launching zero-waste initiatives, expanding collaborations with local suppliers, and adopting more advanced and diverse data analytics to accurately forecast meal demand and minimize food waste. In parallel, Taiflex will roll out educational programs focused on environmental protection, sustainability, and responsible eating to inspire employees to incorporate eco-friendly practices into their everyday lives.

The eco-friendly restaurant initiative reflects more than a company's environmental responsibility. It signals a new direction for sustainable corporate development. Through concrete actions, Taiflex demonstrates its support for sustainability and is helping to lead the technology industry toward a greener future, starting with a new model of sustainable dining.





Feature SPECIAL COLUMN

[Feature] Taiflex Honored with the Excellence Award in the “Leader in Sustaining a Healthy Workforce - Manufacturing Sector” by the Workforce Development Agency



Taiflex specializes in delivering trusted advanced FPC materials and integrated innovation services, with a focus on driving material technology forward. Guided by a people-centered philosophy, the Company has long invested in professional talent development. We create diverse recruitment channels to ensure fair employment opportunities. We also prioritize the cultivation of high-potential technical professionals by offering career development plans with room for growth, supported by a comprehensive talent development framework and a friendly, inclusive workplace environment.

In terms of compensation, we guarantee a minimum of 13.5 months' annual salary, along with regular pay adjustments and a variety of bonuses. Employee benefits are further enhanced through the Employee Stock Ownership Plan and a 50% company-matched contribution program deposited into personal trust accounts. Furthermore, we offer flexible working hours, remote work options, and special leave arrangements, including new hire leave, birthday leave, disaster leave, and health check leave, all designed to foster a happy, healthy work culture.

For health and wellness management, Taiflex provides employees with complimentary annual health examinations that exceed statutory requirements. We proactively arrange onsite physician consultations and psychological counseling referrals for employees with abnormal results, expectant or postpartum employees, and those experiencing high work-related stress. A variety

of wellness programs are also offered to help employees improve their physical and mental health. These efforts not only ensure proper job assignments and prevent occupational diseases but also improve overall employee well-being, as reflected in the steady year-on-year decline in abnormal health findings.

In recent years, Taiflex has adopted a cloud-based chemical management system and on-site inspection system to monitor hazardous substances in the workplace. These tools help identify and mitigate risks in real time, ensuring a safe and healthy work environment where employees can perform their duties with confidence and peace of mind.

Taiflex is committed to creating a thriving workplace and promoting Diversity, Equity, and Inclusion (DEI). Through a robust welfare structure and a range of developmental programs, the Company has earned numerous accolades, including the National TrainQuali Prize, the Ministry of Labor's Work-Life Balance Award, Kaohsiung City's Enterprise Elite Award and Corporate Benefit Plan Excellence Award, the Sports Enterprise Certification from the Ministry of Education's Sports Administration, and the Factory Safety and Protection Excellence Award as well as the Outstanding Labor-Management Relations Award from the Kaohsiung-Pingtung Branch of the Bureau of Industrial Parks, MOEA. In 2024, Taiflex was honored with the “Leader in Sustaining a Healthy Workforce” Excellence Award by the Workforce Development Agency, Ministry of Labor. This recognition not only highlights our continued commitment to employee health, workplace safety, and sustainable operations, but also encourages our supply chain partners to advance the sustainable value of a healthy workforce.



5.4 Deepening Engagement in Public Welfare and Youth Support

Corporate success lies not only in economic growth but also in a commitment to social welfare and environmental sustainability. Guided by the principles of sustainable development, Taiflex embraces the United Nations Sustainable Development Goals (SDGs) as a core framework and actively promotes diverse public welfare initiatives. By fulfilling our corporate social responsibility, we aim to generate a positive social impact.

Since 2012, Taiflex Group has established the Kaohsiung City Youth Care Association, demonstrating a long-term commitment to issues affecting children and youth. We firmly believe that supporting young people is an investment in the future. Underprivileged youth, in particular, require greater care and guidance during their formative years as they navigate and engage with society. Meaningful support can help them overcome poverty, loneliness, and low self-esteem, while fostering self-confidence, a sense of responsibility, and creativity. These efforts not only contribute to their personal well-being and development but also promote social inclusion and equality, helping to build a more harmonious and stable society.



The Kaohsiung City Youth Care Association originated from the Youth Care Club, a volunteer group initiated by Taiflex employees. In 2012, the club was officially registered with the Social Affairs Bureau of the Kaohsiung City Government, and the Taiflex Volunteers was established at the same time. By integrating internal and external resources, the Association actively organizes joint activities

aimed at nurturing core competencies in youth, helping them build self-confidence, develop cultural awareness, and expand the positive social impact of these efforts.

In 2024, through the Kaohsiung City Youth Care Association, Taiflex invested approximately NT\$800,000 in initiatives spanning education support, care for the underprivileged, cultural promotion, community participation, and public-interest collaboration. These efforts not only address pressing social needs and promote equitable resource distribution, but also support local community development while aligning with global sustainability trends. Taiflex is committed to creating a better environment for future generations in Taiwan. Through long-term dedication to ESG goals, the Company continues to strengthen its connection with society, striving to expand its positive influence and foster a more inclusive and sustainable model of social development through concrete action. The related initiatives implemented in 2024 are as follows:

Type	Activity	2024 Implementation Results
Educational support	Educational Support Program	The success of an enterprise is built on the efforts of its employees. As Taiflex values not only employee development but also the well-being of their families, it has long promoted the Educational Support Program to provide scholarships for the children of employees who passed away or were seriously injured due to accidents or illness. The program helps ensure that these children can continue their education in a stable environment, reducing the risk of school dropout caused by financial hardship. In 2024, a total of five students received assistance through the program.
	Youth Camps	In collaboration with universities in southern Taiwan, including National Sun Yat-sen University, National Kaohsiung Normal University, National University of Kaohsiung, National Kaohsiung University of Science and Technology, Kaohsiung Medical University, and Tainan University of Technology, Taiflex organizes educational camps during winter and summer vacations. These include the Leadership & Peace Camps (winter/summer) and the Life Creativity Growth Camp (summer), which offer courses in science experiments, creative thinking, teamwork, and outdoor exploration. The camps promote educational innovation and diverse learning opportunities, cultivating practical skills and future competitiveness among students. In 2024, one winter camp and two summer camps were held.
	Train the Trainer	Taiflex organized the Train the Trainer program, sending professional instructors to Chung-Shan Industrial & Commercial School, one of its industry-academia partners, to provide specialized training for teachers and promote the United Nations SDGs. By deepening educators' understanding of sustainability issues, the program supports the integration of SDG concepts into the curriculum, helping to broaden students' global perspectives and improve their sustainability literacy. This initiative also strengthens the education system's ability to respond to future challenges. One such training session was held in 2024.
	SDGs Board Game Workshop	To further encourage students to incorporate sustainability into their daily lives and cultivate future civic awareness, thereby contributing to the long-term development of both society and business, Taiflex held an SDGs Board Game Workshop for overseas students, primarily from Southeast Asia, at Chung-Shan Industrial & Commercial School, one of its industry-academia partners. The workshop promotes the United Nations SDGs through interactive board games that combine education with entertainment. This approach helps students understand the importance of environmental protection, social responsibility, and corporate governance, while deepening their awareness of global sustainability issues. One such workshop was held in 2024.
Care for the Disadvantaged	Christmas Giving Initiative	The Christmas Giving Initiative invited underprivileged children supported by the Good Shepherd Social Welfare Foundation to write wish cards. These wishes were then adopted by Taiflex employees, who purchased and personally delivered the gifts. This initiative not only brings warmth and hope to the children but also addresses the resource gap caused by economic inequality, ensuring that each child can grow up with care and support. One such initiative was held in 2024.
	Kaohsiung Study Tour	To foster awareness of urban sustainability among the younger generation and promote social inclusion and diverse learning opportunities, the Company organized a two-day Kaohsiung Study Tour. High school students from the Puren Youth Care Foundation were invited to participate in immersive learning experiences, exploring Kaohsiung's cultural landmarks, technology industries, and natural attractions. The program deepens students' understanding of urban development, environmental protection, and cultural preservation, while inspiring future possibilities. One such program was held in 2024.

Type	Activity	2024 Implementation Results
Cultural Promotion & Community Engagement	Taiflex Anniversary Celebration	Through mutual support in education and culture, the Company fosters social inclusion and provides equitable development opportunities for diverse communities. Overseas students from Southeast Asia at Chung-Shan Industrial & Commercial School, an industry-academia partner of Taiflex, were invited to participate in the Company's anniversary celebration. They showcased their cultural heritage through dance and performances, promoting cultural exchange and mutual understanding. Scholarships were also awarded to encourage these students to continue their education and personal development in Taiwan, supporting both educational equity and cultural diversity. One such event was held in 2024.
	Christmas A Cappella Concert	To promote musical arts and cultural diversity while fostering social inclusion and sustainable cultural development, the Company hosted a Christmas A Cappella Concert. The event served as a platform for students from Kaohsiung Municipal Wun-Shan Senior High School to showcase their musical talents. By creating more opportunities for the younger generation to express their voices and take the stage, the concert encouraged students to explore their artistic potential through choral and a cappella performances. It also helped them build self-confidence and improve their communication skills. Beyond advancing music education, the event nurtured creativity and teamwork, laying a strong foundation for the students' future development. One such concert was held in 2024.
Public Interest Collaboration & Community Engagement	Blood Donation Event	In collaboration with the Kaohsiung Qianzhen Technology Industrial Park, the Company organized a large-scale blood donation event, mobilizing employees and community partners to participate. This initiative aimed to raise awareness of the need for medical resources and support blood bank operations through concrete action. In addition to providing direct support to the healthcare system, the event strengthened the connection between the Company and the local community, fostering a spirit of mutual support and civic responsibility. One such event was held in 2024.
Public Interest Action - Integrated with Corporate Events	Charity Performance	During the annual year-end celebration, the Company hosted a special performance by the band The Flighty Seven, integrating corporate festivities with public interest efforts. The event provided a platform for artists with disabilities to showcase their talents, promoting awareness of inclusive arts and cultural diversity. Performance honorariums were also provided to support the ongoing professional development of visually impaired musicians, ensuring their artistic contributions are recognized and respected. One performance was held in 2024.

• Educational Support (SDG 4: Quality Education)

We firmly believe that education is fundamental to shaping the future. Taiflex consistently invests in a range of educational support initiatives aimed at reducing disparities in learning resources and providing equitable access to education for the younger generation. These efforts align with Sustainable Development Goal (SDG) 4: Quality Education, which promotes inclusive, equitable, and quality education for all. By improving learning environments and expanding development opportunities, we aim to nurture a new generation of competitive and capable talent.



▲ Youth Camps

◀ SDGs Board Game Workshop

• Care for the Disadvantaged (SDG 10: Reduced Inequalities)

Taiflex is committed to supporting disadvantaged groups through concrete actions that provide greater access to opportunities for growth and development. These efforts reflect our commitment to corporate social responsibility and promote fair and equitable resource distribution. The initiatives align with SDG 1: No Poverty and SDG 10: Reduced Inequalities, aiming to reduce disparities between marginalized groups and mainstream society through education, financial assistance, and social engagement. By enhancing self-reliance, we strive to foster social inclusion and advance sustainable development.



▲ Christmas Giving Initiative



▲ Kaohsiung Study Tour

• Cultural Promotion & Community Engagement (SDG 10: Reduced Inequalities & SDG 11: Sustainable Cities and Communities)

Cultural diversity and inclusion are essential to social development. Taiflex actively supports cultural promotion initiatives that offer equitable opportunities for expression across different social and ethnic groups, fostering greater inclusion and cross-cultural dialogue. These efforts align with SDG 10: Reduced Inequalities and SDG 11: Sustainable Cities and Communities. By encouraging multicultural performances and community participation, the Company aims to cultivate a more inclusive and sustainable social environment.



▲ Taiflex Anniversary Celebration



▲ Christmas A Cappella Concert

• Public Interest Collaboration & Community Engagement (SDG 3: Good Health and Well-Being & SDG 17: Partnerships for the Goals)

Taiflex actively participates in public welfare initiatives by partnering with the Kaohsiung Qianzhen Technology Industrial Park and various social organizations to advance healthcare support and promote community development. These efforts align with SDG 3: Good Health and Well-Being and SDG 17: Partnerships for the Goals. Through collaboration between industry and social organizations, Taiflex works to improve health equity by expanding access to essential medical resources and social support, fostering a more resilient community environment.



▲ Blood Donation Event

• Public Interest Initiatives Integrated with Corporate Events (SDG 8: Decent Work and Economic Growth & SDG 10: Reduced Inequalities)

Taiflex is committed to advancing workplace equality and fostering social inclusion by actively promoting employment opportunities for persons with disabilities and providing a supportive and inclusive work environment where every employee can realize their full potential. Notably, one visually impaired employee formed a band called "The Flighty Seven" outside of work, demonstrating both a deep passion for music and professional artistic talent. This initiative aligns with SDG 8: Decent Work and Economic Growth and SDG 10: Reduced Inequalities. Through inclusive employment practices and cultural engagement, Taiflex helps foster a more equitable and inclusive society while strengthening a diverse and supportive corporate culture.



▲ Charity Performance

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Appendix

Appendix I : ESG Information

Appendix II : Independent Assurance Statement for the Sustainability Report

Appendix III : GRI Standards Content Index

Appendix IV : SASB Disclosure Index - Industrial Machinery & Goods

Appendix V : Comparison Table of Sustainability Disclosure Indicators - Electronic Parts and Components Industry in Accordance with the Taiwan Stock Exchange Corporation' s "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies"

Appendix VI : Climate-related Information of TWSE/TPEX-listed Companies in Accordance with the Taiwan Stock Exchange Corporation' s "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies"

Appendix VII : Mapping to the United Nations Sustainable Development Goals (SDGs)



Appendix

Appendix I: ESG Information

Governance Information



Overview of Board members

Note: "V" indicates full capability; "★" indicates partial capability

Title	Name	Gender	Education and Selected Past Positions	Selected Present Positions at Taiflex and Other Companies	Industry Experience				Professional Competence			
					Finance	Investment	Information and Electronics	Materials Science	Law	Accounting and Finance	Business Management	Risk Management
Chairperson	Ta-Wen Sun	Male	Bachelor of Business Administration, Fu Jen Catholic University	<ul style="list-style-type: none"> Chairperson of Taiflex Scientific Co., Ltd. Director of Rudong Fuzhan Scientific Co., Ltd. Chairperson of Qiao Mei Development Corporation Chairperson of You Ben Investment Co., Ltd. Chairperson of Innatech Co., Ltd. Chairperson of Taichem Materials Co., Ltd. Chairperson of Taiflex Green Power Co., Ltd. Director of Taiflex Scientific (Thailand) Co., Ltd. 	★	V	V	★		V	V	V
Director	Ching-Yi Chang	Male	Master of Business Administration, National Chengchi University	<ul style="list-style-type: none"> Chairperson of the CID Group Ltd. Chairperson of LandMark Optoelectronics Corporation Director of Entire Technology Co., Ltd. Director of Eurocharm Holdings Co., Ltd. Director of Epoch Foundation Independent Director of Jetway Information Co., Ltd. Director of Nankang Rubber Tire Corp., Ltd. 	V	V	V	V		V	V	V
Director	Chein-Ming Hsu	Male	<ul style="list-style-type: none"> Bachelor of Electrical Engineering, Chung Yuan Christian University CEO of 3M Thailand Limited 	<ul style="list-style-type: none"> Corporate Representative Director of Taiflex Green Power Co., Ltd. 			V	V			V	V
Director	Re-Zhang Lin	Male	Bachelor of Accounting, Soochow University	<ul style="list-style-type: none"> Chairperson of Taiwan Fu Hsing Industrial Co., Ltd. Corporate Representative Director of Fine Blanking & Tool Co., Ltd. Corporate Representative Director of Launch Technologies Co., Ltd. Corporate Representative Director of Advanced International Multitech Co., Ltd. 		V	★	★		V	V	V

Note: "V" indicates full capability; "★" indicates partial capability

Title	Name	Gender	Education and Selected Past Positions	Selected Present Positions at Taiflex and Other Companies	Industry Experience				Professional Competence			
					Finance	Investment	Information and Electronics	Materials Science	Law	Accounting and Finance	Business Management	Risk Management
Director	Chun-Chi Lin	Male	<ul style="list-style-type: none"> EMBA, College of Management, National Taiwan University President of KANTO-PPC Inc. Executive Vice President of Global Unichip Corporation CEO of Xintec Inc. CEO/President of VisEra Technologies Co., Ltd. 	<ul style="list-style-type: none"> Independent Director of Silicon Optronics, Inc. Independent Director of M31 Technology Corporation Chairperson of Taiwan Electron Microscope Instrument Corporation Chairperson of Chi Investment Limited Corporate Representative Director of Stek Co., Ltd. Supervisor of AcroCyte Therapeutics Inc. Independent Director of Sciencetech Corporation 		V	V	V		★	V	V
Director	Fu-Le Lin	Male	Ph.D. in Polymer Science, University of Akron, USA	<ul style="list-style-type: none"> Senior R&D Director of Taiflex Scientific Co., Ltd. Corporate Representative Director of Koatech Technology Corporation 			V	V			V	V
Independent Director	Wen-I Lo	Male	<ul style="list-style-type: none"> Master of Business Administration, National ChengChi University Vice President of CDIB Capital Management Corporation President of China Venture Management, Inc. President of R.O.C. Strategic Company Ltd. President of R.O.C. Venture Co., Ltd. 	<ul style="list-style-type: none"> Chairperson of CSX Material Co., Ltd. Independent Director of ADO Optronics Corporation Corporate Representative Director of Gemtek Technology Co., Ltd. Chairperson of FengYi Capital Management Co., Ltd. Corporate Representative Supervisor of REC Technology Corporation Chairperson of Apex Action Investment Limited Supervisor of Wholesenses Global Corp. 	V	V	V	★	V	V	V	V
Independent Director	Yung-Shun Chuang	Male	Honorary Doctorate, National Taiwan University of Science and Technology	<ul style="list-style-type: none"> Chairperson of AAEON Technology Inc. Chairperson of EverFocus Electronics Corporation Chairperson of ONYX Healthcare Inc. Chairperson of Jetway Information Co., Ltd. Director of MACHVISION Inc. Director of King Core Electronics Inc. Director of CHC Healthcare Group Corporate Representative Director of Winmate Inc. Corporate Representative Director of XAC Automation Corporation Director of AtechOEM Inc. Corporate Representative Director of IBASE Technology Inc. Director of Litemax Electronics Inc. Director of Allied Biotech Corporation Independent Director of Top Union Electronics Corp. 			V	V		★	V	V
Independent Director	Shi-Chern Yen	Male	Ph.D. in Chemical Engineering, University of Wisconsin	<ul style="list-style-type: none"> Emeritus professor and adjunct professor of Chemical Engineering, National Taiwan University 			V	V			V	V



Continuing education of Directors in 2024

Title	Name	Course	Duration	Total Hours
Chairperson	Ta-Wen Sun	Corporate Governance and Sustainable Business Practices Seminar	3	6
		Balancing Digital Transformation and Smart Security Risks: Creating a Win-Win-Win for All	3	
Director	Ching-Yi Chang	Director and Supervisor Responsibilities in Corporate Mergers and Acquisitions	3	6
		Industry 4.0 and Corporate Leadership in Innovation and Transformation	3	
Director	Chein-Ming Hsu	Shareholders' Meeting, Proxy Contest and Ownership Strategy	3	6
		Corporate Carbon Management Strategies in the Wake of the Climate Change Response Act	3	
Director	Re-Zhang Lin	Risks and Considerations of Generative AI in Business	3	6
		2024 Seminar on Prevention of Insider Trading	3	
Director	Fu-Le Lin	Corporate Crisis Management and Communication	3	6
		Corporate M&A Regulations in Practice and Case Studies	3	

Title	Name	Course	Duration	Total Hours
Independent Director	Wen-I Lo	Executive Compensation and ESG Performance-Based Incentive Design	3	6
		From TIPS to Practice: Building Enterprise IP Risk Prevention Mechanisms	3	
Independent Director	Shi-Chern Yen	International Trends and Best Practices in Corporate Integrity and Executive Accountability	3	7
		Trends and Vision for Building a Green Ecosystem: An Outlook on the Taiwan Carbon Exchange	1	
		2024 Seminar on Legal Compliance for Insider Share Trading for Enterprises	3	
Independent Director	Yung-Shun Chuang	Business Strategies in the Digital Era	3	6
		2030/2050 Net Zero - Global Sustainability Challenges and Opportunities	3	
Director	Chun-Chi Lin	Code of Ethical Conduct and How to Avoid Crossing the Line on Director and Supervisor Liabilities	3	6
		Integrity Practices and Insider Trading Prevention	3	

★ Economic Data



Condensed Statements of Comprehensive Income

In thousands of NT\$

Item/Year	2022	2023	2024
Operating revenue	8,721,875	8,150,519	9,938,135
Operating costs	5,059,307	4,395,498	6,119,172
Gross profit	2,078,863	1,791,507	2,137,777
Operating income	648,080	487,598	662,721
Non-operating income and expenses	229,233	-5,279	38,279
Income before income tax	877,313	482,319	701,000
Net income	691,713	360,723	532,488
Total comprehensive income	662,244	528,248	1,142,886
Earnings per share (NT\$)	3.35	2.02	2.53
Employee benefits	28,197	27,764	36,571
Dividends	522,799	313,680	640,692
Employee wages (including employee benefits)	1,316,059	1,196,958	1,892,606

In thousands of NT\$

Item/Year	2022	2023	2024
Retained economic value	1,602,168	2,089,352	1,084,053
Payments to providers of capital	558,005	346,136	672,037
Payments to government	185,636	171,596	169,212
Community investment	700	928	1,055

Note:

1. Payments to providers of capital refer to dividends distributed to all shareholders, interest paid to lenders (including interests on all forms of debt or borrowings), and dividends payable to preferred shareholders.
2. Payments to government include all taxes (such as business tax, income tax, and property tax) and any fines.
3. Employee benefits under "employee wages (including employee benefits)" refer to monetary benefits provided to employees, including labor and health insurance premiums and pension contributions. This excludes expenses related to employee training, protective equipment, or other costs directly associated with job functions. The line item "employee welfare expenses" refers to non-monetary benefits funded by the Company through appropriations to the Employee Welfare Committee, such as employee outings, health examinations, and holiday gifts.
4. Community investment refers to donations and charitable contributions.
5. Retained economic value is calculated as: "Direct economic value generated" - "Economic value distributed."



Summary Table of Regulatory Violations and Corrective Actions in 2024

Category	Description of Violation	Violated Law/Regulation and Article	Penalty	Corrective Measures
Social Aspect (communities and human rights)	The employer failed to provide required OSH equipment and measures to prevent hazards during material handling and related operations	Occupational Safety and Health Act, Article 6, Paragraph 1	NT\$100,000 fine and public disclosure of the penalized entity and its responsible person	Improvement of operational assistive equipment
Social Aspect (communities and human rights)	Employees worked excessive overtime beyond the legal limit	Labor Standards Act, Article 32, Paragraph 2	NT\$100,000 fine	<ol style="list-style-type: none"> Hired additional personnel to redistribute workloads and strengthen internal communication regarding overtime regulations. Introduced an overtime prevention and monitoring report to assist supervisors in managing working hours. Enhanced payroll calculation and verification processes.
Social Aspect (communities and human rights)	Failure to pay wages for rest day work in accordance with legal standards, and employees worked excessive overtime beyond the legal limit	Labor Standards Act, Article 24, Paragraph 2 and Article 32, Paragraph 2	NT\$250,000 fine	
Social Aspect (communities and human rights)	Employees worked excessive overtime beyond the legal limit	Labor Standards Act, Article 32, Paragraph 2	NT\$250,000 fine	



Summary of Government Subsidies in 2024

Unit: NT\$

Project Item	Subsidizing Agency	Amount of Subsidy
Industrial Development Promotion Subsidy	Kaohsiung City Government	109,594
Human Resource Development Subsidy	Workforce Development Agency	94,546
MOEA Energy Development Fund(Waste Heat Recovery from Coating Ovens Project)	Industrial Development Administration, MOEA	1,319,266
Smart machinery Program	Industrial Development Administration, MOEA	5,000,000
R&D Investment Tax Credit	Industrial Development Administration, MOEA	20,000,000
Total		26,523,406
Note: 1. The financial amounts listed in this table include various forms of government assistance, such as direct grants, tax incentives, and tax credits. 2. As of the reporting date, the Industrial Development Administration and the National Taxation Bureau have not yet finalized the tax credit amounts for the Company's 2024 "Smart Machinery" and "R&D Investment Tax Credit" projects. The amounts disclosed are therefore estimates, calculated based on actual expenditures multiplied by the applicable credit rates.		



Overview of Industry Association Engagements in 2024

Name of Organization	Membership Status / Position Held
Taiwan Printed Circuit Association (TPCA)	Director
Taiwan Technology Industrial Park Electrical and Electronic Manufacturers' Association	Group Member
Association of Industrial Relations of Export Processing Zone	Group Member



Procurement Overview Over the Years

Contract Type	Procurement Region	2022		2023		2024	
		No. of Suppliers	% to Total Procurement	No. of Suppliers	% to Total Procurement	No. of Suppliers	% to Total Procurement
Labor (Contracting and Services)	Domestic	11	0.83%	8	0.17%	7	0.28%
	Overseas	0	0.00	0	0	0	0.00%
Goods (Raw Materials)	Domestic	56	82.84%	63	86.54%	63	83.86%
	Overseas	7	11.04%	11	11.52%	12	13.11%
Engineering (Construction and Equipment)	Domestic	25	5.11%	22	1.76%	36	2.75%
	Overseas	1	0.18%	2	0.01%	0	0.00%
Total		100	100%	106	100%	118	100%

Note : This table excludes procurement items with unit prices under NT\$200,000 and those not included in the annual budget.

★ Environmental Data



Material Recovery Statistics Over the Years

Unit: Metric Tons (MT)

Year	Category	Recycled Volume	Method of Disposal		Reuse Rate in Production Line
			Outsourced for Reuse	Reused in Production Line	
2022	NMP	306.07	19.25	286.82	93.71%
	MEK	153.76	70.13	83.63	54.39%
2023	NMP	353.00	126.00	227.00	64.31%
	MEK	148.20	57.10	91.10	61.47%
2024	NMP	340.39	108.35	232.04	68.17%
	MEK	158.17	60.72	97.45	61.61%



Packaging Material Recycling Statistics Over the Years

Unit: PCS

Year		2022			2023			2024		
Item	Category	Recycled	Purchased	Recovery Rate	Recycled	Purchased	Recovery Rate	Recycled	Purchased	Recovery Rate
Plastic pallet	For suppliers	530	6,796	76.55%	610	6,136	77.75%	468	6,984	53.91%
	Recycling	4,672			4,161			3,297		
	For customers	2,856	14,000	20.40%	3,264	13,972	23.36%	2,713	18,466	14.69%
Tube core, end plug and end plate	For suppliers	3,456	3,456	100.00%	609	3,572	17.05%	1,181	5,731	20.61%
Wooden crates	For suppliers	877	-	-	569	1,174	48.47%	1,009	1,603	62.94%
Total		12,391	-	-	9,213	-	-	8,668	-	-

Notes: We have restated the amounts of total recycled items for 2022 as the numbers in the 2022 and 2023 report were incorrect.



Energy Consumption of the Organization Over the Years

Quantitative Indicator	Unit	2022	2023	2024
Electricity Consumption	kWh	37,310,040	37,446,055	39,543,954
	GJ	134,316.14	134,805.80	142,358.23
Gasoline Consumption	L	5,397	4,660	5,060
	GJ	176.10	152.19	161.20
Diesel Consumption	L	7,836	8,243	11,256
	GJ	275.40	289.89	407.27
Natural Gas (LNG) Consumption	m ³	2,157,471	1,730,237	2,108,917
	GJ	72,214.87	57,953.25	70,636.91
Total Energy Consumption	GJ	206,982.54	193,201.13	213,563.61
Revenue	Millions of NT\$	7,287.92	6,837.68	8,215.43
Energy Intensity	GJ/Revenue in Millions of NT\$	28.4008	28.2554	25.9954

Note :

- The thermal conversion factor for electricity is 1 kWh = 0.0036 GJ.
- Energy conversion factors are based on the GHG emission factors published by Taiwan's Environmental Protection Administration. The calorific values for each energy type are as follows: Gasoline: 7,800 kcal/L (2022 and 2023) & 7,609 kcal/L (2024); Diesel: 8,400 kcal/L (2022 and 2023) & 8,642 kcal/L (2024); Natural gas: 8,000 kcal/m³. In addition, the energy conversion factor used was 1 kcal = 4.184 kJ in 2022, and 1 kcal = 4.1868 kJ in 2023 and 2024.
- Energy intensity = Total energy consumption (GJ) / Taiflex's parent company only revenue for the year (in millions of NT\$).
- The Linkou office was not included within the organizational boundary for energy consumption data in 2022 and 2023.



GHG Emissions of the Organization Over the Years

Quantitative Indicator	Unit	2022	2023	2024
Category 1	MT CO ₂ e	10,936.00	8,427.16	10,467.59
Category 2	MT CO ₂ e	18,215.25	18,498.35	18,739.09
Category 3	MT CO ₂ e	2,419.29	2,233.90	3,291.20
Category 4	MT CO ₂ e	49,082.21	46,048.01	51,991.90
Categories 1+2	MT CO ₂ e	29,151.25	26,925.51	29,206.68
Revenue	In millions of NT\$	7,287.92	6,837.68	8,215.43
GHG Emission Intensity	MT CO ₂ e/Millions of NT\$	3.9999	3.9378	3.5551

Note:

- Category 1: Direct GHG emissions; Category 2: GHG emissions from energy use; Category 3: GHG emissions from transportation; Category 4: GHG emissions from the use of products.
- GHG emission intensity = (Category 1 + Category 2) / Taiflex's parent company only revenue for the year (in millions of NT\$).
- The GHG emission factors for electricity are based on the figures published by the Energy Administration, MOEA: 0.495 kg CO₂e/kWh (2022), 0.494 kg CO₂e/kWh (2023), and 0.474 kg CO₂e/kWh (2024).
- The parameters adopted are based on the GHG Emission Factor Table (6.0.4) published by the Environmental Protection Administration. The GWP values used for converting emissions to CO₂e are based on the IPCC's Sixth Assessment Report (2021): CO₂ = 1, CH₄ = 27.9, and N₂O = 273.
- The 2022 and 2023 GHG emissions data were compiled in accordance with the ISO 14064-1:2018 standard and were externally verified by an independent third-party assurance provider. In this reporting year, the 2023 data were updated based on the inventory results; therefore, certain figures have been restated.
- The 2024 GHG emissions data were self-assessed in accordance with the ISO 14064-1:2018 standard. Third-party verification is scheduled for 2025, and the results will be disclosed in the next report.
- The Linkou office was excluded from the organizational boundary of the GHG emissions data presented in this table.



Energy Conservation Programs and Savings in 2024

Measures	Expenditure (NT\$10,000)	Energy Saved (kWh)	Energy-Saving Benefit (GJ)	Carbon Reduction (MT CO ₂ e)
1. Improvements on air conditioning to optimize energy efficiency	105.6	142,695	513.70	67.64
2. Replacement of water towers to conserve energy	373.5	167,736	603.85	79.51
3. Installation of frequency converters on equipment	88.0	243,145	875.32	115.25
4. Replacement of heat dissipation materials in NMP cooling towers at Taiflex 3	9.2	39,086	140.71	18.53
5. Shutdown of pumps through cooling system optimization at Taiflex 3	-	9192	33.09	4.36
6. Optimization of FFUs in cleanrooms	-	20,403	73.45	9.67
7. Lighting improvement	22.0	92,857	334.29	44.01
8. Cooling load reduction	-	110,155	396.56	52.21
9. Exhaust system improvement for synthesis agitators at Taiflex 1	-	5,849	21.06	2.77
10. Replacement of high-efficiency chilled water pumps	36.6	35,103	126.37	16.64
11. RO system optimization	1.3	10,146	36.53	4.81
12. Compressed air system optimization	-	7,884	28.38	3.74
13. Waste heat recovery from ovens	404.5	1,194,504	4,300.21	566.19
Total for 2024	1,040.7	2,078,755	7,483.52	985.33

Note:

- The thermal conversion factor for electricity is 1 kWh = 0.0036 GJ.
- The GHG emission factor for electricity is based on the 2024 electricity emission factor of 0.474 kg CO₂e/kWh, as published by the Energy Administration, MOEA.



Water Consumption Over the Years

Year	2022	2023	2024
Water withdrawal (million liters)	91.55	89.83	91.85
Water discharge (million liters)	55.01	49.74	70.87
Water consumption (million liters)	36.54	33.20	20.98
In-house water recycled (million liters)	6.85	4.01	4.05
Water recycling and reuse rate (%)	6.96	4.27	4.22
Revenue (in millions of NT\$)	7,287.92	6,837.68	8,215.43
Water use intensity (million liters/millions of NT\$)	0.0126	0.0131	0.0112

Note :

- Water consumption = Water withdrawal - Water discharge.
- Water recycling and reuse rate = In-house water recycled / (Water withdrawal + In-house water recycled) × 100%.
- Water use intensity = Water withdrawal (million liters) / Taiflex' s parent company only revenue for the year (in millions of NT\$).



Effluents Discharged Over the Years

Unit: Million liters

Site/Year	Taiflex 1	Taiflex 2	Taiflex 3	Taiflex 5	Total
2022	0.446	26.191	15.232	13.142	55.011
2023	0.550	21.317	13.970	13.905	49.742
2024	0.510	21.990	32.360	16.010	70.87



Wastewater Discharge Standards and Averages Over the Years

Unit : ppm

Parameter	2022		2023		2024	
	Standard	Average	Standard	Average	Standard	Average
Copper	3.000	0.210	3.000	0.210	3.000	0.670
Suspended Solids (SS)	450.000	60.930	450.000	41.180	450.000	26.510
Biochemical Oxygen Demand (BOD)	450.000	91.630	450.000	37.490	450.000	22.550
Chemical Oxygen Demand (COD)	600.000	76.550	600.000	72.060	600.000	75.480
pH Value	9.000	7.960	9.000	7.860	9.000	7.520
Water Temperature (° C)	42.000	26.980	42.000	27.290	42.000	26.940



ODS Statistics

ODS	2022	2023	2024
R22 refrigerant	0.0046 MT	0.0046 MT	0.0046 MT



Summary Table of Historical Air Pollutant Emission Standards and Monitoring Values

Test Items	2022			2023			2024			Note :
	Emission (kg)	Emission Standard (ppm)	Annual Average (ppm)	Emission (kg)	Emission Standard (ppm)	Annual Average (ppm)	Emission (kg)	Emission Standard (ppm)	Annual Average (ppm)	
VOCs	120,590.00	None	210.00	120,652.00	None	229.00	104,452.00	None	233.00	<p>1. As there are currently no emission standards for VOCs, no annual average values are available. Only the most recent third-party testing data, dated May 10, 2024, is disclosed.</p> <p>2. The use of natural gas as fuel does not result in SOx emissions; therefore, testing is not required. As a result, no SOx emissions are reported in the air pollution control fee declaration.</p>
TSP	367.00	100.00	1.00	317.00	100.00	0.600	346.00	100.00	0.600	
SOx	-	-	-	-	-	-	-	-	-	
NOx	6,407.00	150.00	12.00	5,462.55	150.00	17.00	6,319.00	150.00	17.00	



2024 Waste Statistics

Unit: Metric Tons (MT)

Composition Item	Hazardous/ Non-hazardous	On-site		Off-site	
		Waste Generated (MT)	Treatment Method	Waste Generated (MT)	Treatment Method
Waste adhesive /solvent	Hazardous	12.77	Prepared for reuse	430.75	Incineration (without energy recovery)
NMP solvent waste	Hazardous	232.04	Prepared for reuse	108.35	Recycling
MEK solvent waste	Hazardous	97.45	Recycling	60.72	Recycling
Copper sludge waste	Hazardous	-	-	12.05	Recycling
Mixture containers	Hazardous	-	-	42.69	Recycling
Waste plastic mixture	Non-Hazardous	-	-	24.54	Incineration (with energy recovery)
Waste paper mixture	Non-Hazardous	-	-	11.82	Incineration (with energy recovery)
Waste wood	Non-Hazardous	-	-	46.35	Incineration (with energy recovery)
Waste wood	Non-Hazardous	-	-	184.50	Recycling
Wood pallets reuse	Non-Hazardous	-	-	13.16	Recycling

Composition	Hazardous/ Non-hazardous	On-site		Off-site	
Item		Waste Generated (MT)	Treatment Method	Waste Generated (MT)	Treatment Method
Liquid manure	Non-Hazardous	-	-	5.16	Other disposal measures
Scrap CCL	Non-Hazardous			255.99	Recycling
Pure copper foil	Non-Hazardous			17.58	Recycling
Scraps/Scrap coverlay	Non-Hazardous			196.68	Recycling
Scraps/Scrap coverlay	Non-Hazardous	-	-	59.10	Incineration (with energy recovery)
Release paper	Non-Hazardous			62.87	Recycling
General recycling	Non-Hazardous	-	-	129.21	Recycling
Empty drums	Non-Hazardous	-	-	42.24	Recycling
Plastic pallet	Non-Hazardous			13.56	Recycling
General waste from business activities	Non-Hazardous			73.85	Incineration (with energy recovery)



Waste Statistics

Unit: Metric Tons (MT)

Composition	Hazardous Waste		Non-Hazardous Waste		Total
Treatment Method	On-site	Off-site	On-site	Off-site	
Transferred for recovery	342.26	223.81	0.00	920.95	1,487.02
	566.07		920.95		
Direct disposal	0.00	430.75	0.00	215.67	646.42
	430.75		215.67		
Total	996.82		1,136.61		2,133.43
Total waste	2,133.43				
Resource recovery rate	69.70%				

Note :

1. Transferred for recovery: Recycling; Direct disposal: Incineration (with energy recovery), incineration (without energy recovery) and landfill.

2. Resource recovery rate is calculated as: Recycled waste volume / Total waste volume × 100%.

Note :

1. Transferred for recovery: Recycling; Direct disposal: Incineration (with energy recovery), incineration (without energy recovery) and landfill.
2. Resource recovery rate is calculated as: Recycled waste volume / Total waste volume × 100%.

★ Social Data

• Employee Headcount Statistics Over the Years



Employee Headcount Statistics Over the Years

Unit: Persons

Year	2022			2023			2024		
Contract type / Gender	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total employees	200	656	856	199	604	803	260	694	954
Regular employees	198	639	837	191	579	770	256	682	938
Temporary employees	2	17	19	8	25	33	4	12	16
Full-time employees	200	656	856	199	604	803	260	694	954
Part-time employees	0	0	0	0	0	0	0	0	0

Note :

1. The number of employees is based on data as of the last day of each year.
2. Regular employees are those with open-ended (i.e., indefinite) contracts. Temporary employees have fixed-term contracts. Full-time employees work monthly hours as defined by the labor laws and practices of the Republic of China. Part-time employees work fewer hours per week, month, or year compared to full-time employees.
3. We have restated the amounts of total regular employees for 2022 as the numbers in the 2022 and 2023 report were incorrect.



Employee Composition Over the Years

Unit: Persons

Year			2022	2023	2024
Item/Gender		Age Group	No. of Employees	No. of Employees	No. of Employees
Managerial employees (Team leader level or above)	Male	Under 30 years old	9	5	4
		30-50 years old	149	137	146
		Over 50 years old	26	33	38
	Female	Under 30 years old	0	0	0
		30-50 years old	14	18	19
		Over 50 years old	8	8	9
Total managerial employees			206	201	216

Note : Managerial employees are defined as personnel at team leader level or above.

Year			2022	2023	2024
Item/Gender		Age Group	No. of Employees	No. of Employees	No. of Employees
Non-managerial employees	Male	Under 30 years old	112	84	133
		30-50 years old	338	317	329
		Over 50 years old	22	28	44
	Female	Under 30 years old	40	31	67
		30-50 years old	128	131	149
		Over 50 years old	10	11	16
Total non-managerial employees			650	602	738
Total regular employees			856	803	954



Workforce Diversity Statistics Over the Years (Including Indigenous Peoples and Persons with Disabilities)

Unit: Persons

Year		2022	2023	2024
Item/Gender	Age Group	No. of Employees	No. of Employees	No. of Employees
Minority or disadvantaged groups	Male	Under 30 years old	1	0
		30-50 years old	7	7
		Over 50 years old	1	0
	Female	Under 30 years old	0	1
		30-50 years old	0	2
		Over 50 years old	1	1

Note:

As of the end of 2024, Taiflex employed nine persons with disabilities and two Indigenous employees. Employees with disabilities accounted for 1% of the total workforce, in compliance with the government-mandated employment quota for persons with disabilities.



Statistics of Non-employee Workers in 2024

Unit: Persons

Type	Contractual Relationship with the Company	Total Number of Workers
On-site contractors	Contracted service	11
Security personnel	Contracted service	13
Total		24

Note :

1. The figures reflect the number of non-employee workers as of the final day of the year.
2. The total number of non-employee workers in 2024 showed no significant fluctuation compared to the previous year.
3. On-site contractors include IT personnel, customs personnel, and materials management personnel.



Statistics on New Recruits Over the Years

Unit: Persons

Year	2022				2023				2024				Note : 1. The number of new recruits includes those who resigned during the same year. 2. Percentage of new male (or female) recruits by age group = Number of new male (or female) recruits in the age group for the year / Total number of employees at the operation sites at the end of the same year. 3. Percentage of new recruits = Number of new recruits for the year / Total number of employees at the operation sites at the end of the same year.
Gender	Male		Female		Male		Female		Male		Female		
Age/Item	No. of New Recruits	% of New Recruits	No. of New Recruits	% of New Recruits	No. of New Recruits	% of New Recruits	No. of New Recruits	% of New Recruits	No. of New Recruits	% of New Recruits	No. of New Recruits	% of New Recruits	
Under 30 years old	58	6.78%	25	2.92%	27	3.36%	11	1.37%	114	11.95%	56	5.87%	
30-50 years old	51	5.96%	26	3.04%	30	3.74%	21	2.62%	100	10.48%	54	5.66%	
Over 50 years old	3	0.35%	1	0.12%	3	0.37%	1	0.12%	4	0.42%	1	0.10%	
Total no. of new recruits	164				93				329				
Total no. of employees	856				803				954				
Percentage of new recruits	19.16%				11.58%				34.49%				



Statistics on Employee Turnover Over the Years

Unit: Persons

Year	2022				2023				2024				Note : 1. The number of departures includes resignations, dismissals, terminations, and retirements. 2. Turnover rate by age and gender = Number of male (or female) departures in the age group for the year / Total number of male (or female) employees in that age group at the end of the same year. 3. Overall turnover rate = Total number of departures for the year / Total number of employees at the operation sites at the end of the same year.
Gender	Male		Female		Male		Female		Male		Female		
Age/Item	No. of Departures	Turnover Rate	No. of Departures	Turnover Rate	No. of Departures	Turnover Rate	No. of Departures	Turnover Rate	No. of Departures	Turnover Rate	No. of Departures	Turnover Rate	
Under 30 years old	56	6.54%	21	2.45%	35	4.36%	11	1.37%	47	4.93%	10	1.05%	
30-50 years old	64	7.48%	33	3.86%	74	9.22%	21	2.62%	72	7.55%	37	3.88%	
Over 50 years old	2	0.23%	2	0.23%	4	0.50%	3	0.37%	8	0.84%	2	0.21%	
Total no. of departures	178				148				176				
Total no. of employees	856				803				954				
Overall turnover rate	20.79%				18.43%				18.45%				



Parental Leave Statistics Over the Years

Unit: Persons

Year	2022			2023			2024		
Gender/Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees eligible for parental leave (A)	1	10	11	2	11	13	6	5	11
Number of employees who applied for parental leave during the year (B)	0	5	5	2	6	8	6	5	11
Number of employees scheduled to return from parental leave during the year (C)	0	3	3	1	3	4	5	1	6
Number of employees who actually returned from parental leave during the year (D)	0	2	2	1	3	4	5	1	6
Number of employees who returned from parental leave in the previous year (E)	0	2	2	0	2	2	1	3	4
Number of employees who remained employed for one year after returning from parental leave in the previous year (F)	0	2	2	0	2	2	0	3	3
Return-to-work rate for the year (%) = D / C	-	66.67%	66.67%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Retention rate after parental leave (%) = F / E	-	100%	100%	0%	100%	100%	0.00%	100.00%	75%
Note : 1. Number of employees expected to return from parental leave for the year = Number of employees who are expected to return from parental leave during the reporting year. 2. Number of employees retained in 2024 = Actual number of employees returned from parental leave in 2023 and remained employed as of December 31, 2024. 3. Return-to-work rate for the year (%) = Number of employees who actually returned from parental leave during the year / Number of employees expected to return (D/C). 4. Retention rate after parental leave (%) = Number of employees who remained employed for one year after returning in the previous year / Number of employees who returned in the previous year (F/E).									



2024 Employee Compensation Statistics

Salary Ratio by Job Category	Number of Employees		Total Annual Salary (NT\$)		Salary Ratio	
	Female	Male	Female	Male	Female	Male
Managerial Personnel	22	188	40,998,570	233,406,682	1.00	0.67
Non-managerial Personnel	232	498	123,118,415	310,682,328	1.00	1.18
Direct Personnel	114	338	43,222,016	261,158,393	1.00	2.04
Indirect Personnel	140	348	120,894,969	282,930,617	1.00	0.94

Note :

1. The salary ratio (annual salary) of female to male: Average annual salary of male employees in the same category/ Average annual salary of female employees in the category.
2. Among managerial personnel, approximately 86% of female employees held middle or senior-level positions, compared to 40% of male employees, resulting in a higher average annual salary for females in this category.
3. Due to a significant increase in orders in 2024, the number of male employees in front-end processes rose sharply. As these roles require specific physical conditions (e.g., height and strength), all front-end operators are male. Accordingly, the average annual salary of male employees in direct personnel roles was approximately twice that of female employees.



2024 Salary Ratio Disclosure

Ratio of the annual total compensation of the Company' s highest-paid individual to the median of the annual total compensation of all other employees	10.51
Ratio of the annual percentage increase in total compensation of the Company' s highest-paid individual to the median percentage increase in total compensation of all other employees	124.00

Note :

1. The pay ratio is calculated as: Annual total compensation of the highest-paid individual / Median annual total compensation of all other employees for the year.
2. The ratio of salary increase is calculated as: Percentage increase in annual total compensation of the highest-paid individual / Median percentage increase in annual total compensation of all other employees for the year.



Employee Education and Training in 2024 (by Employee Category and Gender)

Item/Category		Managerial Personnel		Non-managerial Personnel		Direct Personnel		Indirect Personnel	
Unit / Gender		Male	Female	Male	Female	Male	Female	Male	Female
Total number of trainees	Persons	95	25	215	111	87	16	223	120
Total training hours	Hours	2,643	917	5,482	2,758	2,352	465	5,773	3,210
Average training hours per person	Hours/ person	27.820	36.680	25.500	24.850	27.030	29.060	25.890	26.750
Training expenses	NT\$	677,657	17,833	1,533,645	791,789	620,591	114,132	1,590,711	855,988

Note :

1. (Total number of managerial personnel + Total number of non-managerial personnel) = Total number of employees at the operation sites.
2. (Total number of direct personnel + Total number of indirect personnel) = Total number of employees at the operation sites.
3. The proportion of female employees in middle and senior management roles related to market intelligence and strategic formulation is slightly higher than that of their male counterparts. Accordingly, more women in these positions are assigned to training programs focused on new product developments and strategic planning, resulting in a higher average number of training hours for female managerial personnel.

• OSH Training



Statistics of OSH Education and Awareness Programs Over the Years

Year	No. of Trainees	No. of Training Hours	Note : "No. of Trainees" refers to the cumulative headcount of attendees in the Company' s internal OSH training sessions.
2022	2,560 Person-times	2,094.5 Hours	
2023	2,228 Person-times	1,217.3 Hours	
2024	2,407 Person-times	1,953.5 Hours	



2024 Overview of OSH Training and Awareness Programs

Training Program	Number of Participants	Training Fee (NT\$)
General OSH on-the-job training (2024)	688	-
Workplace violence and rights violation prevention training (2024)	738	-
General hazard awareness training	494	-
Initial training for supervisors of specific chemical substance operations	1	3,500
On-the-job training for supervisors of specific chemical substance operations	1	800
Initial training for dangerous goods transport personnel	3	9,800
Forklift safety awareness training (including external warehouse personnel)	74	-
Forklift operator training	1	5,620
On-the-job training for forklift operators	12	6,000
Initial training for boiler operators	1	18,000
On-the-job training for boiler operators	2	1,000
On-the-job training for fixed crane operators	1	500
On-the-job training for supervisors of organic solvent operations	1	800
On-the-job training for first aid personnel	10	4,500

Training Program	Number of Participants	Training Fee (NT\$)
Initial training for security inspectors	3	8,100
Training for security supervisors	4	20,400
Training for category A OSH affairs managers	1	4,700
Fire prevention manager training	4	12,648
Sexual harassment prevention awareness training (2024)	724	-
Emergency response training (including fire drill)	151	-
SCBA (self-contained breathing apparatus) training	64	-
Fire extinguisher training for new employees (including Thai employees)	169	-
Hearing protection training (2024)	29	-
Annual 3-hour radiation protection training	1	800
Total	3,177	97,168

Note :

- Participants include both employees and on-site contractors, including IT personnel, customs personnel, and materials management personnel.
- The statistics in this table reflect the total number of participants in both internal and external training programs conducted by the Company.



Occupational Injury Statistics Over the Years


Category	Item	2022	2023	2024
Employee	Working hours	Total hours worked of female employees	386,344	388,664
		Total hours worked of male employees	1,263,096	1,201,112
		Total hours worked	1,649,440	1,589,776
	No. of recordable occupational injuries (including the number of fatalities and serious occupational injuries)	Total number of female occupational injuries cases	1	0
		Total number of male occupational injuries cases	2	1
		Total number of occupational injuries cases	3	1
	Fatal occupational injury rate		0	0
	Severe occupational injury rate		0	0
	Recordable occupational injury rate		1.82	0.63
Non-employee	Working hours	Total hours worked of female employees	11,520	0
		Total hours worked of male employees	42,240	32,206
		Total hours worked	53,760	32,206
	No. of recordable occupational injuries (including the number of fatalities and serious occupational injuries)	Total number of female occupational injuries cases	0	0
		Total number of male occupational injuries cases	0	0
		Total number of occupational injuries cases	0	0
	Fatal occupational injury rate		0	0
	Severe occupational injury rate		0	0
	Recordable occupational injury rate		0	0

Note :

1. Fatal occupational injury rate = (Number of fatalities caused by occupational injuries / Total hours worked) × 1,000,000.
2. Severe occupational injury rate = [Number of severe occupational injuries (excluding fatalities) / Total hours worked] × 1,000,000.
3. Recordable occupational injury rate = [Number of recordable occupational injuries (including fatalities and severe injuries) / Total hours worked] × 1,000,000.

4. A severe occupational injury refers to one that does not fully recover within six months.
5. Recordable occupational injuries do not include injuries sustained during commuting.
6. Type of recordable occupational injury in 2024: One case of compression injury to the left ring finger caused by a coating mold (DIE).

✦ Appendix II: Independent Assurance Statement for the Sustainability Report



Independent Assurance Statement

TAIFLEX SCIENTIFIC CO., LTD. 2024 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 TAIFLEX SCIENTIFIC CO., LTD. (hereinafter referred to as TAIFLEX) are independent entities. Except for the contents described in this independent assurance statement, AFNOR ASIA is not involved in the preparation process of the sustainability report of TAIFLEX.

RESPONSIBILITIES

TAIFLEX is responsible for reporting its economic (financial information including overseas locations), environmental, and social operating activities and performance in Taiwan 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 TAIFLEX and its stakeholders in accordance with the described scope and method. This statement is for TAIFLEX use only and is not responsible for any other purpose.


SCOPE AND CRITERIA

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

1. The scope of assurance operation is consistent with the scope disclosed in the 「TAIFLEX SCIENTIFIC CO., LTD. 2024 SUSTAINABILITY REPORT」.
2. AFNOR ASIA performs assurance operation according to the Type 1 assurance of the AA1000 assurance standard (v3), reviewing and evaluating TAIFLEX's compliance with the AA1000 AccountAbility Principles (2018).
3. The assurance operation includes reviewing and evaluating TAIFLEX'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 accordance 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.
- 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


TAIFLEX has established a diverse and extensive stakeholder engagement mechanism to identify and understand the important issues of concern to stakeholders and to incorporate the opinions of all parties. The Report discloses information covering economic, environmental, social and governance aspects, fully demonstrating the implementation of the company's strategy, goals, standards and performance management.


Materiality

TAIFLEX has identified material topics that are of concern to stakeholders and have an impact on organizational operations through double materiality analysis, and has presented the organization's priorities for handling material topics through the Report. The Report has fully presented its management policies, relevant strategies and indicators.

Responsiveness

TAIFLEX has proposed specific measures and short-, medium- and long-term goals for each material topic in the Report to meet the needs of various stakeholders. Based on the defined reporting boundaries, an effective communication and feedback mechanism has been established to ensure that material topics can be passed down from top management to various departments, and the response mechanism is implemented in normal operations.





Impact

TAIFLEX has been monitoring and measuring the risks and opportunities of its operations in relation to the overall environment, identifying relevant risks and opportunities to formulate action plans, and is committed to demonstrating its responsibility in sustainable performance management, communication and improvement. In the future, the organization can continue to invest resources to support the identification, quantification, assessment and management of environmental impacts.

◆ **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 continue to follow the reporting standard requirements, compile major theme management content and relevant performance of each operating location, and provide sufficient reporting content 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 TAIFLEX 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 TAIFLEX provides a fair and balanced representation. We believe the focuses on economic, social, and environmental indicators in TAIFLEX 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
Jun.13.2025

Verification team: Chun-Wan Chen (Lead Verifier), Chun-Teng Lin (Verifier).

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★ Appendix III: GRI Standards Content Index

「*」 Material Topics

Statement of Use	TAIFLEX Scientific Co., Ltd. has prepared this report in accordance with the GRI Standards for the reporting period from January 1 to December 31, 2024.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	None

Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/Note
GRI 2: General Disclosures 2021				
Organization and reporting practice				
2-1	Organizational details	About Taiflex	6	
2-2	Entities included in the organization's sustainability reporting	About this report	2	
2-3	Reporting period, frequency and contact point	About this report	2	
2-4	Restatements of information	About this report	2	
2-5	External assurance	About this report	2	
Activities and workers				
2-6	Activities, value chain and other business relationships	About Taiflex	6	
		2.1 Market and Business Expansion	23	
2-7	Employees	About Taiflex	6	
		5.1 Right Person for the Right Role	85	
		Appendix I ESG Information	111	
2-8	Workers who are not employees	Appendix I ESG Information	111	
Governance				
2-9	Governance structure and composition	1.1 Sustainable Development Committee	10	
		2.2.1 Board of Directors Organizational Structure	28	
		Appendix I ESG Information	111	

Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
2-10	Nomination and selection of the highest governance body	2.2.1 Board of Directors Organizational Structure	28	
		2.2.2 Board Operations	31	
2-11	Chair of the highest governance body	2.2.2 Board Operations	31	
2-12	Role of the highest governance body in overseeing the management of impacts	1.1 Sustainable Development Committee	10	
2-13	Delegation of responsibility for managing impacts	1.1 Sustainable Development Committee	10	
		2.2.2 Board Operations	31	
2-14	Role of the highest governance body in sustainability reporting	About this report	2	
2-15	Conflicts of interest	2.2.2 Board Operations	31	
2-16	Communication of critical concerns	2.2.2 Board Operations	31	
2-17	Collective knowledge of the highest governance body	2.2.2 Board Operations	31	
		Appendix I ESG Information	111	
2-18	Evaluation of the performance of the highest governance body	2.2.2 Board Operations	31	
2-19	Remuneration policies	2.2.1 Board of Directors Organizational Structure	28	
		5.2.1 Talent Attraction and Retention	88	
2-20	Process to determine remuneration	2.2.1 Board of Directors Organizational Structure	28	
2-21	Annual total compensation ratio	5.2.1 Talent Attraction and Retention	88	
		Appendix I ESG Information	111	
Strategies, policies and practices				
2-22	Statement on sustainable development strategy	Message from the Chairperson	4	
		Message from the President	5	
2-23	Policy commitments	2.3.1 Emphasizing a Culture of Integrity	35	
		2.5.1 Procurement Policy	52	
		4.1 Environmental Policy and Investment	70	
		5.1 Right Person for the Right Role	85	
		5.2.2 Human Rights Protection and Labor-Management Communication	91	
		5.3.1 OSH Risk Management	96	

Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/Note
2-24	Embedding policy commitments	2.3.1 Emphasizing a Culture of Integrity	35	
		2.5.1 Procurement Policy	52	
		5.2.2 Human Rights Protection and Labor-Management Communication	91	
		5.3.1 OSH Risk Management	96	
2-25	Processes to remediate negative impacts	2.3.1 Emphasizing a Culture of Integrity	35	
		2.5.1 Procurement Policy	52	
		4.1 Environmental Policy and Investment	70	
		5.2.2 Human Rights Protection and Labor-Management Communication	91	
2-26	Mechanisms for seeking advice and raising concerns	2.3.1 Emphasizing a Culture of Integrity	35	
		5.2.2 Human Rights Protection and Labor-Management Communication	91	
2-27	Compliance with laws and regulations	2.2.2 Board Operations	31	
		2.3.1 Emphasizing a Culture of Integrity	35	
		2.3.2 Internal Control	36	
2-28	Membership associations	Appendix I ESG Information	111	
Stakeholder engagement				
2-29	Approach to stakeholder engagement	1.2 Stakeholder Engagement and Response	11	
2-30	Collective bargaining agreements	5.2.2 Human Rights Protection and Labor-Management Communication	91	
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	1.3 Identification of Material Topics for the Year	16	
3-2	List of material topics	1.3 Identification of Material Topics for the Year	16	

GRI Standard Category / Topic	Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
Topic-specific GRI Standards: 200 Series - Economic Topics					
* Economic Performance					
GRI 3 Management of Economic Performance (2021)	3-3	Management of material topics	2.1 Market and Business Expansion	23	
	201-1	Direct economic value generated and distributed	2.1 Market and Business Expansion	23	
Appendix I ESG Information			111		
GRI 201 Economic Performance (2016)	201-2	Financial implications and other risks and opportunities due to climate change	2.4.2 Climate Risk Adaptation Actions	39	
	201-3	Defined benefit plan obligations and other retirement plans	5.2.1 Talent Attraction and Retention	88	
	201-4	Financial assistance received from government	Appendix I ESG Information	111	
Market Presence					
GRI 202 Market Presence (2016)	202-1	Ratio of standard entry-level wage by gender compared to local minimum wage	5.2.1 Talent Attraction and Retention	88	
			Appendix I ESG Information	111	
	202-2	Proportion of senior management hired from the local community	5.1 Right Person for the Right Role	85	
Indirect Economic Impacts					
GRI 203 Indirect Economic Impacts (2016)	203-1	Infrastructure investments and services supported	5.4 Deepening Engagement in Public Welfare and Youth Support	107	
	203-2	Significant indirect economic impacts	5.1 Right Person for the Right Role	85	
Procurement Practices					
GRI 204 Procurement Practices (2016)	204-1	Proportion of spending on local suppliers	2.5.1 Procurement Policy	52	
			Appendix I ESG Information	111	
* Anti-corruption					
GRI 3 Management of Anti-corruption (2021)	3-3	Management of material topics	2.3 Regulatory Compliance and Internal Control	34	
GRI 205 Anti-corruption (2016)	205-2	Communication and training about anti-corruption policies and procedures	2.3.1 Emphasizing a Culture of Integrity	35	
	205-3	Confirmed incidents of corruption and actions taken	2.3.1 Emphasizing a Culture of Integrity	35	

GRI Standard Category / Topic	Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
* Anti-competitive Behavior					
GRI 3 Management of Anti-competitive Behavior (2021)	3-3	Management of material topics	2.3 Regulatory Compliance and Internal Control	34	
GRI 206 Anti-competitive Behavior (2016)	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.3.1 Emphasizing a Culture of Integrity	35	
Tax					
	207-1	Approach to tax	2.3.2 Internal Control	36	
GRI 207 Tax (2019)	207-2	Tax governance, control, and risk management	2.3.2 Internal Control	36	
	207-3	Stakeholder engagement and management of concerns related to tax	2.3.2 Internal Control	36	
Topic-specific GRI Standards: 300 Series - Environmental Topics					
Materials					
			4.1.1 Building a Green Industry Chain	70	
	301-2	Recycled input materials used	4.3.1 Source Reduction	79	
GRI 301 Materials (2016)			Appendix I ESG Information	111	
	301-3	Reclaimed products and their packaging materials	4.1.1 Building a Green Industry Chain	70	
			Appendix I ESG Information	111	
* Energy					
GRI 3 Management of Energy (2021)	3-3	Management of material topics	4.2 Energy and Carbon Emission Management	72	
	302-1	Energy consumption within the organization	4.2 Energy and Carbon Emission Management	72	
			Appendix I ESG Information	111	
GRI 302 Energy (2016)	302-3	Energy intensity	4.2 Energy and Carbon Emission Management	72	
			Appendix I ESG Information	111	
	302-4	Reduction of energy consumption	4.2 Energy and Carbon Emission Management	72	
			Appendix I ESG Information	111	

GRI Standard Category / Topic	Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
Water and Effluents					
GRI 303 Water and Effluents (2018)	303-1	Interactions with water as a shared resource	4.3.1 Source Reduction	79	
	303-2	Management of water discharge-related impacts	4.3.2 Pollution Control	80	
			Appendix I ESG Information	111	
	303-3	Water withdrawal	4.3.1 Source Reduction	79	
			Appendix I ESG Information	111	
	303-4	Water discharge	4.3.1 Source Reduction	79	
			Appendix I ESG Information	111	
	303-5	Water consumption	4.3.1 Source Reduction	79	
Appendix I ESG Information			111		
* Emissions					
GRI 3 Management of Emissions (2021)	3-3	Management of material topics	4.2 Energy and Carbon Emission Management	72	
			4.3 Waste Reduction Actions	77	
GRI 305 Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	4.2 Energy and Carbon Emission Management	72	
			Appendix I ESG Information	111	
	305-2	Energy indirect (Scope 2) GHG emissions	4.2 Energy and Carbon Emission Management	72	
			Appendix I ESG Information	111	
	305-3	Other indirect (Scope 3) GHG emissions	4.2 Energy and Carbon Emission Management	72	
			Appendix I ESG Information	111	
	305-4	GHG emissions intensity	4.2 Energy and Carbon Emission Management	72	
			Appendix I ESG Information	111	
	305-5	Reduction of GHG emissions	4.2 Energy and Carbon Emission Management	72	
			Appendix I ESG Information	111	
	305-6	Emissions of ozone-depleting substances (ODS)	4.3.2 Pollution Control	80	
			Appendix I ESG Information	111	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.3.2 Pollution Control	80	
			Appendix I ESG Information	111	

GRI Standard Category / Topic	Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
* Waste					
GRI 306 Waste (2020)	3-3	Management of material topics	4.3 Waste Reduction Actions	77	
	306-1	Waste generation and significant waste-related impacts	4.3.2 Pollution Control	80	
	306-2	Management of significant waste-related impacts	4.3.2 Pollution Control	80	
	306-3	Waste generated	4.3.2 Pollution Control	80	
			Appendix I ESG Information	111	
	306-4	Waste diverted from disposal	4.3.2 Pollution Control	80	
			Appendix I ESG Information	111	
	306-5	Waste directed to disposal	4.3.2 Pollution Control	80	
			Appendix I ESG Information	111	
Supplier Environmental Assessment					
GRI 308 Management of Employment Relationship (2021)	308-1	New suppliers that were screened using environmental criteria	2.5.2 Evaluation and Audit	53	
	308-2	Negative environmental impacts in the supply chain and actions	2.5.2 Evaluation and Audit	53	
Topic-specific GRI Standards: 400 Series - Social Topics					
* Employment					
GRI 401 Employment (2016)	3-3	Management of material topics	5.2 Create a Friendly Workplace	88	
	401-1	New employee hires and employee turnover	5.2.1 Talent Attraction and Retention	88	
			Appendix I ESG Information	111	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2.1 Talent Attraction and Retention	88	
			401-3	Parental leave	Appendix I ESG Information
Labor/Management Relations					
GRI 402 Labor/Management Relations (2016)	402-1	Minimum notice periods regarding operational changes	5.2.2 Human Rights Protection and Labor-Management Communication	91	

GRI Standard Category / Topic	Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
* Occupational Health and Safety					
GRI 3 Management of Occupational Health and Safety (2021)	3-3	Management of material topics	5.3 Workplace Safety and Health	95	
GRI 403 Occupational Health and Safety (2018)	403-1	Occupational health and safety management system	5.3.1 OSH Risk Management	96	
	403-2	Hazard identification, risk assessment, and incident investigation	5.3.1 OSH Risk Management	96	
	403-3	Occupational health services	5.3.3 Employee Health Management	103	
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.3.1 OSH Risk Management	96	
			5.3.2 Occupational Hazard Prevention	100	
	403-5	Worker training on occupational health and safety	5.3.2 Occupational Hazard Prevention	100	
			Appendix I ESG Information	111	
	403-6	Promotion of worker health	5.3.3 Employee Health Management	103	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3.3 Employee Health Management	103	
	403-8	Workers covered by an occupational health and safety management system	5.3.1 OSH Risk Management	96	
			5.3.1 OSH Risk Management	96	
	403-9	Work-related injuries	Appendix I ESG Information	111	
			5.3.3 Employee Health Management	103	
	403-10	Work-related ill health	5.3.3 Employee Health Management	103	
Training and Education					
GRI 404 Training and Education (2016)	404-1	Average hours of training Yearly per employee	5.2.3 Diversified Competence Development	93	
			Appendix I ESG Information	111	
	404-2	Programs for upgrading employee skills and transition assistance programs	5.2.3 Diversified Competence Development	93	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.2.3 Diversified Competence Development	93	
* Diversity and Equal Opportunity					
GRI 3 Management of Diversity and Equal Opportunity (2021)	3-3	Management of material topics	5.2 Create a Friendly Workplace	88	

GRI Standard Category / Topic	Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
GRI 405 Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees	2.2.1 Board of Directors Organizational Structure	28	
			5.1 Right Person for the Right Role	85	
			Appendix I ESG Information	111	
	405-2	Ratio of basic salary and remuneration of women to men	5.2.1 Talent Attraction and Retention	88	
			Appendix I ESG Information	111	
Non-discrimination					
GRI 406 Non-discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken	5.2.2 Human Rights Protection and Labor-Management Communication	91	
Freedom of Association and Collective Bargaining					
GRI 407 Freedom of Association and Collective Bargaining (2016)	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5.2.2 Human Rights Protection and Labor-Management Communication	91	
Child Labor					
GRI 408 Child Labor (2016)	408-1	Operations and suppliers at significant risk for incidents of child labor	5.2.2 Human Rights Protection and Labor-Management Communication	91	
Forced or Compulsory Labor					
GRI 409 Forced or Compulsory Labor (2016)	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.2.2 Human Rights Protection and Labor-Management Communication	91	
Security Practices					
GRI 410 Security Practices (2016)	410-1	Security personnel trained in human rights policies or procedures	5.2.2 Human Rights Protection and Labor-Management Communication	91	
Rights of Indigenous Peoples					
GRI 411 Rights of Indigenous Peoples (2016)	411-1	Incidents of violations involving rights of indigenous peoples	5.2.2 Human Rights Protection and Labor-Management Communication	91	
Supplier Social Assessment					
GRI 414 Supplier Social Assessment (2016)	414-1	New suppliers that were screened using social criteria	2.5.2 Evaluation and Audit	53	
	414-2	Negative social impacts in the supply chain and actions taken	2.5.2 Evaluation and Audit	53	

GRI Standard Category / Topic	Disclosure No.	GRI Disclosure	Corresponding Section	Page Number	Omission/ Note
Public Policy					
GRI 415 Public Policy (2016)	415-1	Political contributions	2.3.2 Internal Control	36	
* Customer Health and Safety					
GRI 3 Management of Customer Health and Safety (2021)	3-3	Management of material topics	3.3 Customer Demand and Quality Management	64	
GRI 416 Customer Health and Safety (2016)	416-1	Assessment of the health and safety impacts of product and service categories	3.3.2 Quality Control	66	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.3.2 Quality Control	66	
* Marketing and Labeling					
GRI 3 Management of Marketing and Labeling (2021)	3-3	Management of material topics	3.3 Customer Demand and Quality Management	64	
GRI 417 Marketing and Labeling (2016)	417-1	Requirements for product and service information and labeling	3.3.2 Quality Control	66	
	417-2	Incidents of non-compliance concerning product and service information and labeling	3.3.2 Quality Control	66	
	417-3	Incidents of non-compliance concerning marketing communications	3.3.2 Quality Control	66	
* Customer Privacy					
GRI 3 Management of Customer Privacy (2021)	3-3	Management of material topics	3.2 Information Security and Customer Privacy	61	
GRI 418 Customer Privacy (2016)	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.2 Information Security and Customer Privacy	61	
Custom topic					
* Innovative R&D and Patents					
GRI 3 Management of innovative R&D and Patents	3-3	Management of material topics	3.1 Product R&D and Innovation	56	
* Information Security					
GRI 3 Management of Information Security	3-3	Management of material topics	3.2 Information Security and Customer Privacy	61	

★ Appendix IV: SASB Disclosure Index - Industrial Machinery & Goods

Accounting Metrics	Topic	Code	Accounting Metric	Category	Unit of Measure	Response
	Energy Management	RT-IG-130a.1	Total energy consumed	Quantitative	Gigajoules (GJ)	213,563.61 GJ
			Percentage of electricity sourced from the grid	Quantitative	Percentage (%)	Percentage of electricity sourced from the grid: 66.64%
			Percentage of total energy from renewable sources	Quantitative	Percentage (%)	Percentage of total energy from renewable sources: 0.02%
	Employee Health & Safety	RT-IG-320a.1	Total recordable incident rate (TRIR)	Quantitative	Rate	Regular employees: 0.6 / Contracted employees: 0
			Fatality rate	Quantitative	Rate	Regular employees: 0 / Contracted employees: 0
			Near miss frequency rate (NMFR)	Quantitative	Rate	Regular employees: 1.2 / Contracted employees: 0
	Fuel Economy & Emissions in Use-phase	RT-IG-410a.1	Sales-weighted average fuel efficiency for medium- and heavy-duty	Quantitative	Fuel consumption per 1,000 ton-miles (Gallons per 1,000 ton-miles)	N/A (The Company does not sell medium and heavy-duty vehicles)
		RT-IG-410a.2	Sales-weighted average fuel efficiency for non-road equipment	Quantitative	Fuel consumption per hour (Gallons per hour)	N/A (The Company does not sell non-road equipment)
		RT-IG-410a.3	Sales-weighted average fuel efficiency for stationary generators	Quantitative	Power generated per gallon (Watts per gallon)	N/A (The Company does not sell stationary generators)
		RT-IG-410a.4	Sales-weighted average NOx and PM emission rates for marine diesel engines, train diesel engines, on-road medium- and heavy-duty vehicles, and off-road diesel engines	Quantitative	Air pollutant emissions per kilowatt-hour (Grams per Kilowatt-hour)	N/A (The Company does not sell such products)
Activity Metrics	Materials Sourcing	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	-	Certain key materials used in flexible copper clad laminates (FCCL) are oligopolistic in nature. As such, supply chain management and secure material sourcing represent critical sources of competitive advantage in this industry. As one of the industry leaders, the Company benefits from procurement scale and a strong customer base, enabling the establishment of long-term strategic alliances with key raw material suppliers, which in turn provides a significant advantage in securing critical materials. In addition, the Company mitigates supply risks through supply chain diversification and the implementation of a dynamic inventory adjustment mechanism, allowing for flexible global production allocation. Dual sourcing and dual qualification strategies are also applied to critical raw materials to reduce the risks associated with supply disruptions in any single region.
	Remanufacturing Design & Services	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	Quantitative	Amount	N/A (The Company does not sell such products)
	Code	Activity Metric		Category	Response	
	RT-IG-000.A	Number of units produced by product category		Quantitative	Electronic materials products: 29,520 thousand m ²	
	RT-IG-000.B	Number of Employees		Quantitative	954 employees	

★ Appendix V: Comparison Table of Sustainability Disclosure Indicators - Electronic Parts and Components Industry in Accordance with the Taiwan Stock Exchange Corporation's "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies"

No.	Indicator	Response
1	Total energy consumed, percentage of electricity sourced from the grid, and percentage of total energy from renewable sources (Quantitative/GJ, %)	Total energy consumed: 213,563.61 GJ Percentage of electricity sourced from the grid: 66.64% Percentage of total energy from renewable sources: 0.02%
2	Total water withdrawal and total water consumption (Quantitative/m ³)	Total water withdrawal: 91.85 m ³ Total water consumption: 20.98 m ³
3	Weight of hazardous waste generated and percentage of recovery (Quantitative/MT, %)	Total weight of hazardous waste: 996.82 MT Recovery rate of hazardous waste: 56.79%
4	Explain the type, number and rate of occupational incidents (Quantitative/%, Quantity)	No. of fatalities: 0; Fatality rate: 0 No. of recordable occupational injuries: 1; TRIR: 0.60%
5	Product lifecycle management disclosure: including the weight of scrapped products and electronic waste and recycling rateNote (Quantitative/MT, %)	Total weight of waste: 2,133.43 MT Recycled rate: 69.70%
6	Description of risk management related to the use of critical materials (Qualitative description)	Certain key materials used in flexible copper clad laminates (FCCL) are oligopolistic in nature. As such, supply chain management and secure material sourcing represent critical sources of competitive advantage in this industry. As one of the industry leaders, the Company benefits from procurement scale and a strong customer base, enabling the establishment of long-term strategic alliances with key raw material suppliers, which in turn provides a significant advantage in securing critical materials. In addition, the Company mitigates supply risks through supply chain diversification and the implementation of a dynamic inventory adjustment mechanism, allowing for flexible global production allocation. Dual sourcing and dual qualification strategies are also applied to critical raw materials to reduce the risks associated with supply disruptions in any single region.
7	Total monetary loss from legal proceedings related to anti-competitive behavior (Quantitative/NT\$)	There was no such incident and the total monetary loss from legal proceedings related to anti-competitive behavior was NT\$0.
8	Production volume of major products by category (Quantitative/Depend on product category)	Electronic materials products: 29,520 thousand m ²

Note : Including the sale of production scraps or other forms of recycling or recovery. Relevant details should be disclosed.

★ Appendix VI: Climate-related Information of TWSE/TPEX-listed Companies in Accordance with the Taiwan Stock Exchange Corporation' s “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”

Item	Corresponding Section	Page No.
1 ∙ Describe the oversight and governance of the Board and management on climate-related risks and opportunities.	2.4.1 Operational Risk Management	38
	2.4.2 Climate Risk Adaptation Actions	39
2 ∙ Describe how the identified climate risks and opportunities would affect the business, strategy, and finance of the entity (short, medium, and long-term).	2.4.2 Climate Risk Adaptation Actions	39
3 ∙ Describe the financial impact of extreme weather events and transition activities.	2.4.2 Climate Risk Adaptation Actions	39
4 ∙ Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	2.4.2 Climate Risk Adaptation Actions	39
5 ∙ If scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions and analysis factors used as well as major financial impacts shall be described.	2.4.2 Climate Risk Adaptation Actions	39
6 ∙ If there is a transition plan for managing climate-related risks, describe the plan details, and the indicators and targets used to identify and manage physical risks and transition risks.	2.4.2 Climate Risk Adaptation Actions	39
7 ∙ If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	2.4.2 Climate Risk Adaptation Actions	39
8 ∙ If climate-related targets have been set, the activities covered, the scope of GHG emissions, the planning horizon, and the progress achieved each year shall be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or the quantity of RECs to be offset shall be specified.	1.4 Sustainable Goals and Practice	19
	4.2 Energy and Carbon Emission Management	72
	4.3 Waste Reduction Actions	77
	Appendix VI Climate-related Information of TWSE/TPEX-listed Companies in Accordance with the Taiwan Stock Exchange Corporation' s “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”	144
9 ∙ GHG inventory and assurance status as well as reduction targets, strategy, and concrete action plans. (Data available in 1-1 and 1-2)	2.4.2 Climate Risk Adaptation Actions	39
	Appendix VI Climate-related Information of TWSE/TPEX-listed Companies in Accordance with the Taiwan Stock Exchange Corporation' s “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”	144

★ 1-1 GHG Inventory and Assurance Status



Basic information of the Company

- ☐ Companies with capital of NT\$10 billion or above, the iron and steel industry, or the cement industry
- ☐ Companies with capital of NT\$5 billion or above but less than NT\$10 billion
- ☒ Companies with capital under NT\$5 billion



Minimum disclosure required by the Sustainable Development Roadmap for TWSE/TPEX-Listed Companies

- ☐ Inventory for parent company only
- ☐ Inventory for all consolidated entities
- ☐ Assurance for parent company only
- ☐ Assurance for all consolidated entities

• 1-1-1 GHG Inventory Information

Item \ Year	2023			2024		
	Parent Company	Subsidiaries	Total	Parent Company	Subsidiaries	Total
Scope 1 : Total Emissions (MT CO ₂ e)	8,427.16	-	8,427.16	10,467.59	-	10,467.59
Scope 1 : Emissions Intensity (MT CO ₂ e/ Millions of NT\$)	1.2325	-	1.2325	1.2741	-	1.2741
Scope 2 : Total Emissions (MT CO ₂ e)	18,498.35	-	18,498.35	18,739.09	-	18,739.09
Scope 2 : Emissions Intensity (MT CO ₂ e/ Millions of NT\$)	2.7054	-	2.7054	2.2810	-	2.2810
Scope 3 : Total Emissions (MT CO ₂ e)	48,281.91	-	48,281.91	55,283.10	-	55,283.10
Scope 3 : Emissions Intensity (MT CO ₂ e/ Millions of NT\$)	7.0612	-	7.0612	6.7292	-	6.7292

Note :

1. Scope 1 emissions are direct emissions (i.e., emissions directly from sources owned or controlled by the Company). Scope 2 emissions are indirect energy emissions (i.e., indirect GHG emissions from electricity, heat, or steam). Scope 3 includes all other indirect GHG emissions that occur as a result of the Company's activities but originate from sources not owned or directly controlled by the Company.
2. The intensity of GHG emissions may be calculated per unit of product/service or revenue. The Company's parent company only revenue amounted to NT\$6,838 million and NT\$8,215 million in 2023 and 2024, respectively.
3. In accordance with the Sustainable Development Roadmap of TWSE and TPEX-listed Companies, the inventory and assurance of the parent company shall be completed by 2026 and 2028, respectively. Taiflex proactively completed both in 2022 in compliance with ISO 14064-1:2018, with verification by a third-party assurance provider.
4. The 2024 GHG emissions of the parent company are based on a self-inventory. External assurance is scheduled for 2025, and the verification results will be disclosed in the next sustainability report.
5. The GHG emission factors for electricity are based on the figures published by the Energy Administration, MOEA: 0.494 kg CO₂e/kWh (2023) and 0.474 kg CO₂e/kWh (2024).
6. The parameters adopted are based on the GHG Emission Factor Table (6.0.4) published by the Environmental Protection Administration. The GWP values used for converting emissions to CO₂e are based on the IPCC's Sixth Assessment Report (2021): CO₂ = 1, CH₄ = 27.9, and N₂O = 273.

· 1-1-2 GHG Assurance Information

Item \ Year	2023		2024	
	Parent Company	Subsidiaries	Parent Company	Subsidiaries
Scope	Scope 1+2+3	-	Scope 1+2+3	-
Agency	TÜV Rheinland	-	SGS Taiwan Limited	-
Standards	ISO 14064-1:2018	-	ISO 14064-1:2018	-
Opinion	Reasonable assurance for Scope 1 + Scope 2, and limited assurance for Scope 3		External assurance is scheduled for June 2025	

✦ 1-2 GHG Reduction Targets, Strategy, and Concrete Action Plans



Basic information of the Company

- Companies with capital of NT\$10 billion or above, the iron and steel industry, or the cement industry
- Companies with capital of NT\$5 billion or above but less than NT\$10 billion
- ✓ Companies with capital under NT\$5 billion



Minimum disclosure required by the Sustainable Development Roadmap for TWSE/TPEX-Listed Companies

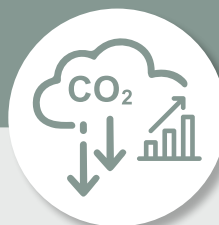
- Disclosure in 2025: GHG reduction targets, strategy, and concrete action plans for the previous Year
- Disclosure in 2026: GHG reduction targets, strategy, and concrete action plans for the previous Year
- ✓ Disclosure in 2027: GHG reduction targets, strategy, and concrete action plans for the previous Year

GHG Reduction Strategy



To reduce GHG emissions, the Company will implement annual energy-saving projects to reduce energy consumption and install self-consumption solar photovoltaic systems to lower GHG emissions. For any remaining emissions subject to carbon fees, the Company plans to purchase voluntary carbon credits from external sources as offsets. Electricity and natural gas are the primary energy sources used in the Company's production processes. The Company has established short-, medium-, and long-term plans for equipment upgrades and energy efficiency improvements.

GHG Emission Reduction Targets



- **Short-term targets (2024 to 2026) :**
 - 4% reduction in GHG Scope 1 emissions, using 2021 as the base year
 - Cumulative installed solar capacity of 2,800 kW by Taiflex Green Power (subsidiary)
- **Medium-term targets (2027 to 2030) :**
 - 12% reduction in GHG Scope 1 emissions, using 2021 as the base year
 - Cumulative installed solar capacity of 2,949 kW by Taiflex Green Power (subsidiary)
- **Long-term targets (2031 to 2040) :**
 - >27% reduction in GHG Scope 1 emissions, using 2021 as the base year
 - Cumulative installed solar capacity of 3,379 kW by Taiflex Green Power (subsidiary)

2024 Progress Toward GHG Reduction Targets



- Production expansion from the 7.1% increase in parent company only revenue led to a 3.6% increase in Scope 1 emissions in 2024 compared to 2021. As a result, the Company did not achieve its originally reduction target in 2024. In 2025, the Company had carried out boiler maintenance and replaced ceramic heat-retaining media to maintain combustion efficiency and better control natural gas consumption.
- The replacement of ceramic heat-retaining media in the RTO at Taiflex 2 between October and November 2022, along with the installation of a zeolite rotor concentrator at Taiflex 3 to condense low-concentration VOCs into high concentrations and enhance their use as auxiliary fuel, led to a significant reduction of 92.3725 km³ in RTO natural gas consumption compared to 2023, which is equivalent to approximately 190 metric tons of CO₂e.
- The installed capacity of Taiflex Green Power Co., Ltd. (a subsidiary) totaled 1,938 kW in 2024. At the end of 2023, it participated in the second round of auction for small-amount green power purchases organized by Taipower and won the bid for 10,000 kWh, which was used by Taiflex 2 in 2024.

★ Appendix VII: Mapping to the United Nations Sustainable Development Goals (SDGs)

No.	Sustainable Development Goals	Corresponding Section	Page No.
SDG 1	End poverty in all its forms everywhere	5.4 Deepening Engagement in Public Welfare and Youth Support	107
SDG 3	Ensure healthy lives and promote well-being for all at all ages	1.4 Sustainable Goals and Practice	19
		5.4 Deepening Engagement in Public Welfare and Youth Support	107
SDG 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	5.4 Deepening Engagement in Public Welfare and Youth Support	107
SDG 7	Ensure access to affordable, reliable, sustainable and modern energy for all	1.4 Sustainable Goals and Practice	19
SDG 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	1.4 Sustainable Goals and Practice	19
		5.4 Deepening Engagement in Public Welfare and Youth Support	107
SDG 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	1.4 Sustainable Goals and Practice	19
SDG 10	Reduce inequality within and among countries	5.4 Deepening Engagement in Public Welfare and Youth Support	107
SDG 11	Make cities and human settlements inclusive, safe, resilient and sustainable	5.4 Deepening Engagement in Public Welfare and Youth Support	107
SDG 12	Ensure sustainable consumption and production patterns	1.4 Sustainable Goals and Practice	19
SDG 13	Take urgent action to combat climate change and its impacts	1.4 Sustainable Goals and Practice	19
SDG 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels	1.4 Sustainable Goals and Practice	19
SDG 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development	1.4 Sustainable Goals and Practice	19
		5.4 Deepening Engagement in Public Welfare and Youth Support	107



We hope this Report would provide our stakeholders with better understanding of our efforts in promoting corporate sustainability and social responsibility. If you have any suggestions or comments regarding our ESG Sustainability Report, please contact us through the following methods:

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