Polytronics Technology Corp.

2024 Sustainability Report

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Message from the Chairman

Sustained sustainable development has become the focus of attention for governments and enterprises in the rapidly changing global industrial environment. It is even more the ability of enterprises to adapt and thrive in the face of crises. In 2024, Polytronics adjusted its organizational structure to enhance corporate core values in response to intense competition in the external global market, while internally continuing to focus on technology R&D. With excellent execution, it implements technology into product development, adhering to the philosophy of upgrading quality from design, manufacturing, and supply chain. In order to implement corporate sustainability, in addition to continuously striving for excellence, Polytronics is also committed to fulfilling its responsibilities towards economic development, climate change, and social co-prosperity. This year, we continue to promote various ESG initiatives and actively respond to sustainability issues to safeguard the rights and interests of stakeholders.

On the economic front, we maintain our industry-leading position and market competitiveness through outstanding R&D technology and innovative services. We actively develop products that comply with green environmental protection standards and strive to reduce the PFAS content in products to meet RoHS 2.0 and REACH regulations.

In terms of governance, Polytronics continues to strengthen ethical corporate management and information security management, we will introduce ISO 27001 in 2024. The 2022 version is to respond to global response measures for information security risks, and to control and reduce the threats and impacts brought by information security incidents. In 2024, we will also incorporate sustainability-related items into the supply chain audits to strengthen the management of supplier and environmental as well as human rights-related behaviors and reduce associated risks.

On the environmental front, Polytronics responds to government initiatives on energy saving, energy creation, and energy storage by setting up solar power stations at the headquarters and E. VII Plant. The company also uses energy-efficient equipment and green building materials to create an environmentally friendly green office for employees. It continues to utilize the ISO 14064-1:2018 GHG inventory standard and energy-saving actions to achieve the corporate Carbon Reduction Target. To care for the physical and mental health of employees, Polytronics has formulated diverse health protection plans based on the "Occupational Safety and Health Act." These plans combine health check-ups, group insurance, medical and nursing consultations, and other items through full participation. By integrating continuous improvement and regular review mechanisms, we ensure the effective promotion of occupational safety and health management activities. This approach creates a healthy workplace, safeguarding the well-being of our colleagues and promoting work safety as well as employees' physical and mental health. Extending our care towards society, we also give back locally through public welfare actions, continuously delivering warmth to society by encouraging all employees to solicit and donate to disadvantaged groups.

Looking ahead, while expanding the market, Polytronics will continue to promote inter-organizational collaboration and digitalization. Through the data management system, it will integrate the group's operations and ESG-related information to more accurately track and analyze Polytronics' impact on operations, the environment, and society. Through organizational integration and sustainability information integration, fulfill corporate social responsibility, and continue to move towards the goal of a green enterprise.

Chairperson Edward Chu

2024 Performance Highlights

Governance	Ethical Operations	1. All employees signed a confidentiality agreement and received education and training upon arrival, with a completion rate of 100%. 2. During the year, no report was received, and no employee violated the Ethical Conduct and Ethical Corporate Management Best Practice Principles.
	Economic Performance	1. In 2024, the parent company only turnover increased by approximately 1.47% compared to the previous year. 2. In 2024, the parent company only gross profit increased by approximately 5.24% compared to the previous year. 3. In 2024, the parent company only net profit for the current period increased by approximately 79.54% compared to the previous year, and the earnings per share (EPS) after tax was approximately NTD 2.23.
	Information Security and Privacy Protection	1. Introduce ISO 27001 and obtain certification in 2024, with the certificate obtained in February 2025. 2. Complete asset inventory and protection requirement classification, risk assessment, and risk treatment. 3. Completed company-wide information security education and training. 4. Completed the ERP disaster recovery drill. 5. In 2024, there were no information security incidents and no data breaches.
	Innovative R&D and Green Product	1. R&D investment reached 8% of the consolidated operating revenue 2. Applied for 22 patents, obtained 18 patents, and a total of 98 individuals were inventors. 3. Two development collaboration projects with colleges and universities
Environment	Climate Governance	1. Established a GHG inventory team, formulated GHG inventory procedures, introduced the ISO 14064-1:2018 organizational GHG inventory standards, and continuously promoted GHG inventory operations. Every year, a GHG inventory is conducted, and external verification by a third party is commissioned as needed to enhance the credibility of the inventory results. 2. Implemented the energy-saving and carbon-reduction plan by replacing lamps and obsolete machinery, saving 75,209 kWh of electricity and reducing 37,153.25 kg of CO_2e emissions. 3. Completed the assessment of key risks and opportunities under the climate change scenario, and actively responded to and grasped development trends to continuously enhance the company's climate resilience and sustainable competitiveness. 4. Completed the Water Source Stress assessment, confirming that none of the operating sites are located in high water stress risk areas. 5. The annual suppliers were stable, and there was no supply chain interruption as a result of extreme weather.
	Energy management and GHG management	In 2024, China's factories (Kunshan Polystar and PolyStellar Electronics) have completed the establishment of GHG inventory teams and formulated related operational procedures. At the same time, verification operations were conducted according to the ISO 14064-1:2018 organizational GHG inventory standards and passed third-party external verification.
Society	Educational Training and Occupational Development	1. In 2024, the number of employees receiving training was 118. 2. In 2024, employees received an average of 6.75 hours of training 3. In 2024, the total investment in education and training totaled NTD 222,048.
	Employee benefits and remuneration	In 2024, the average salary of full-time employees in non-management positions at Polytronics was NTD 898 thousand, and the median salary was NTD 774 thousand. Compared with 2023, the average salary increased by NTD 67 thousand, and the median salary increased by NTD 78 thousand.
	Occupational Safety and Health	1. In 2024, there were zero major occupational safety accidents and violations. 2. Provide employee with safety and health training courses in accordance with regulations and job requirements. In 2024, a total of 29 sessions were held, with a total of 195 trainees, and a total of 341 training hours. 3. In the 2024 Year, the number of occupational disease cases was zero. 4. In2024, a total of 196 employees participated in the employee health examination service, and the amount of investment in employee health examination service reached NTD 329,000.

About This Report

Principles of Preparation

The Report is the first Sustainability Report issued by Polytronics Technology Corporation (hereinafter referred to as “the Company”, “Polytronics” or “we”). This report has been prepared in accordance with the GRI Standards 2021 announced in 2021 in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) and Article 4 of the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” and disclose sustainability-related actions.

Reporting Period

The data and contents disclosed in the Report are mainly based on the information of 2024 (January 1 to December 31, 2024). For the completeness and comparability of the information, part of the information will be backdated to 2022 in order to present relevant trends and changes.

Report Boundary and Information Scope

The scope of the information disclosed in the Report is inconsistent with the scope of the consolidated financial statements. The scope of the Report only covers the operations and production sites of Polytronics Technology Corporation and PolyTCB Electronics Corporation. If the scope of disclosure in the chapter is different from that described above, it will be explained in the respective chapters. All information and statistics disclosed in the Report are based on the Company's own statistics, except for the annual financial data that is quoted from the financial statements audited and attested by CPAs (in NTD thousand). Relevant statistical data are calculated based on internationally accepted indicators, local laws and regulations, industry standards, or industry practices. If the quantitative indicators disclosed have special meanings, they will be explained in notes.

Issue Date

The Reportis the first Corporate Sustainability Report issued by Polytronics Technology Corporation. A sustainability report will be issued regularly every year and is available for browsing and downloading on the official website of Polytronics Technology Corporation

Publication date of this Report: August 2025

Scheduled publication date of the next report: August 2026

Report Assurance

The data and figures in this report are compiled by the Sustainability Promotion Team and submitted to the Sustainability Development Committee for review, obtaining approval from the Board of Directors before publication. In addition, our company conducts internal audits on the quality management system (ISO 9001, IATF16949) and GHG inventory (ISO 14064-1) every year. In 2024, the GHG inventory will undergo external third-party verification by the British Standards Institution (BSI) Taiwan Branch to ensure the accuracy of the data.

Feedback

Please feel free to contact us with any suggestions regarding the Report or the sustainable development of Polytronics Technology Corporation.

Responsible unit/person in charge: Sustainability Promotion Team/ Convener: Acting President Kevin Yang

Email: ir@pttc.com.tw

Address: No. 24-1, Gongye East 4th Rd., Science Park, Hsinchu City

Chapter 1 Corporate Sustainability

1.1 About Polytronics

Item	Details
Material Topics	Economic Performance
Policies, Commitments and Materiality	The Company has established a comprehensive "internal control system" for all departments to follow to reduce possible losses caused by various operational risks. The Company's Board of Directors and functional committees have appointed managers with professionalism and leadership and decision-making abilities to effectively manage and ensure the steady growth of the Company's operations. This will help the Company increase the operational efficiency, creating maximum economic value, and further giving back to employees, shareholders and society.
Responsible Unit	Board of Directors, President's Office, Audit Office, and Planning Office.
Short-, Mid- and Long-term Goals	■ Short-term goals: 1. The Company prepares an annual budget and operational goals, which are regularly followed up and reviewed. 2. Continue to maintain financial stability and innovative management. ■ Mid- and long-term goals: 1. Deepen the Company's advantage of materials technology and continue to increase the width and depth of production lines. 2. Focus on the management of core business, strengthen competitiveness of technology R&D, customer services and needs that are close to market needs. 3. Make vigorous efforts to expand product application fields and to develop new customers.
Action Plan	1. At the end of each year, the Company's Board of Directors approves the Company's operating goals for the following year, allocates various budgets according to departments. The current operating performance is reviewed through management meetings to urge employees to achieve the budget targets. 2. The Company has established a bonus system to encourage employees and various departments to achieve operational objectives by setting Key Performance Indicators (KPIs) and distributing bonuses. If the Company falls behind on targets, a review must be conducted with improvement measures proposed to be tracked.
2024 Performance	1. In 2024, the parent company only turnover was NTD 1,321,665 thousand, an increase of approximately 1.47% compared to the previous year. 2. In 2024, the parent company only gross profit was NTD 591,757 thousand, an increase of approximately 5.24% compared to the previous year. 3. In 2024, the parent company only net profit for the current period was NTD 190,945 thousand, an increase of approximately 79.54% compared to the previous year, and the earnings per share (EPS) after tax was approximately NTD 2.23.
Grievance Mechanism	The Company's operational and financial status will be disclosed on its website and on MOPS in a timely manner. Shareholders' meetings and investor conferences are also convened on a regular basis.

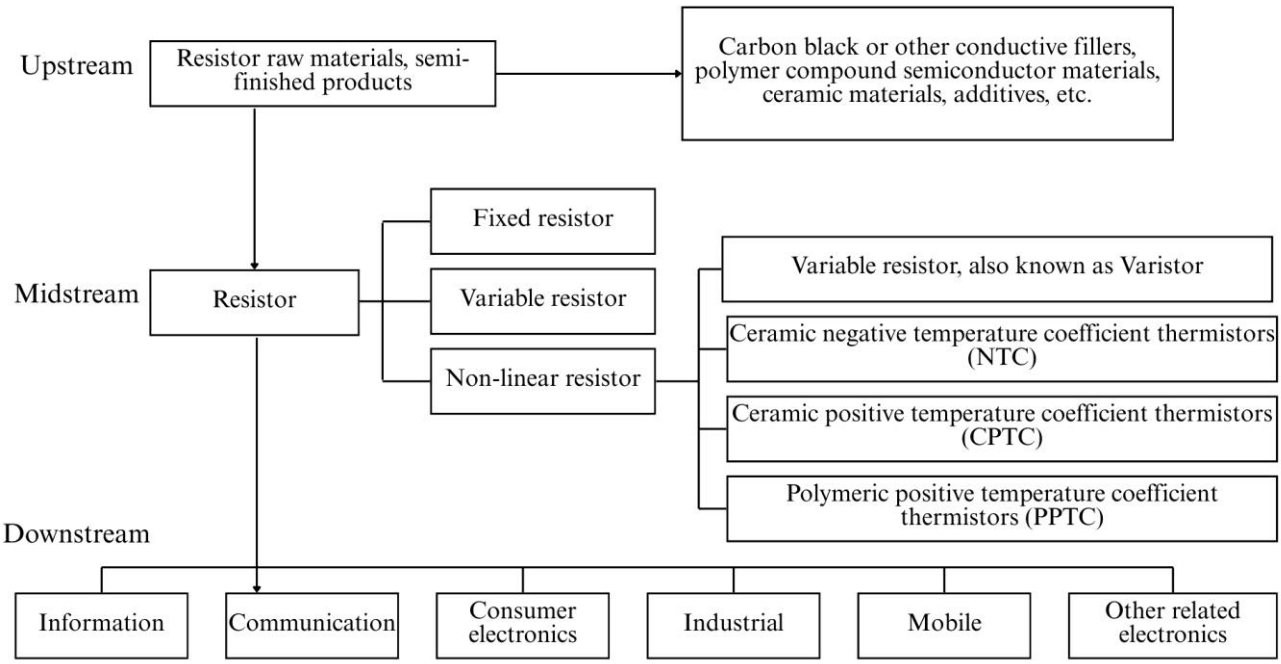
1.1.1 Company Profile

Established in 1997, we provide professional design and manufacturing services for overcurrent protection devices and thermal conductive boards to protect the increasingly dense circuit components and thermal systems. At Polytronics, we uphold the spirit of professional R&D, differentiation, diligence, and cooperation, continuing to expand various applications to provide customers with newer and better product solutions.

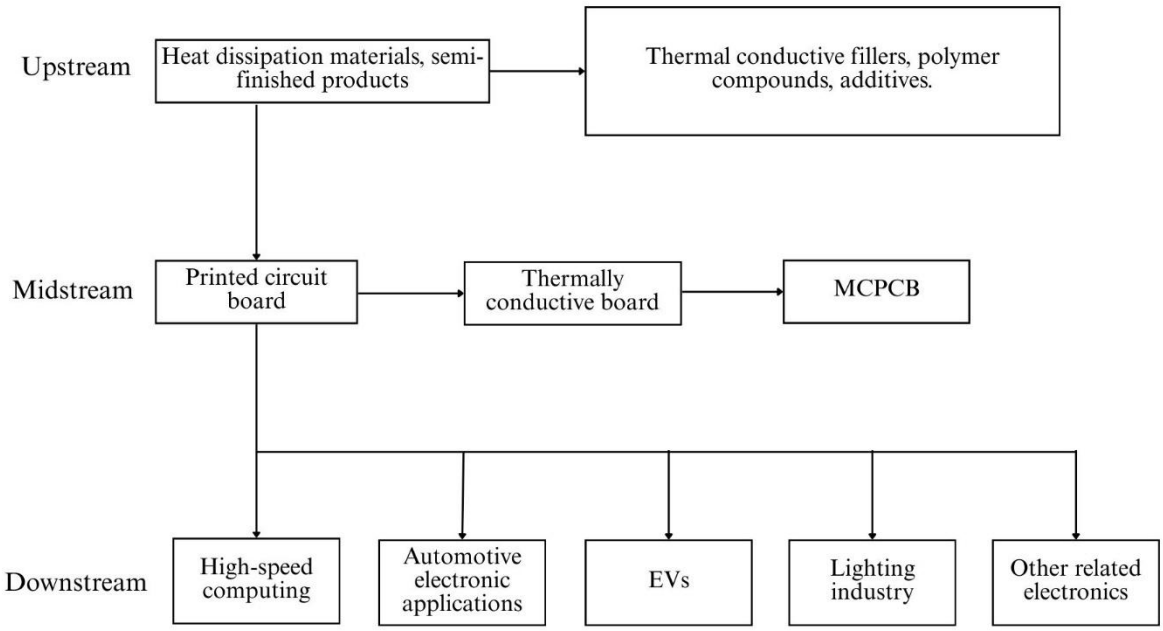
Company Basic Information	
Full Name of the Company	Polytronics Technology Corp.
Company Name in Short	Polytronics
Date of Incorporation	1997/12/18
Corporate Headquarters	No. 24-1, Gongye East 4th Rd., Hsinchu Science Park
Chairperson and President	Edward Chu
Industry	Electronic Components
Stock Code	6224
Listing Date	2009/09/17
Capital Amount	856,453,610
Main Product Items	Protection devices and thermally conductive boards
Operating Sites	Hsinchu Science Park, Taiwan; Wisconsin, USA; Kunshan, China

Note: The above information is as of April 30, 2025.

We specialize in the R&D, manufacturing, and sales of protection devices (polymeric positive temperature coefficient thermistors, overcurrent protection devices, and three-terminal fuse modules) and thermally conductive boards. The Company's business is in the electronic components industry. The industry chain diagram is shown below.



▲Upstream, midstream, and downstream of the protection device industry



▲Upstream, midstream, and downstream of the thermally conductive board industry

1.1.2 Operations and Financial Position

In 2024, the Company's annual revenue reached NTD 1,321,665 thousand, an increase of approximately 1.47% compared to the previous year. At the same time, we allocated the direct economic value generated, part of which was returned to stakeholders and part of which was reserved for future operations. The economic value allocated accounted for approximately 74.13% of the economic value generated, a decrease of approximately 3.31% compared to the previous year.

■ Financial Performance in the Past Two Years

(Unit: NTD thousand)

Item	2023	2024
Direct economic value generated	**$ 1,385,628**	**$ 1,404,384**
Operating income	1,302,477	1,321,665
Interest income	12,195	15,147
Rental income	52,247	55,000
Other income	18,709	12,572
Direct economic value allocated	**$ 1,076,662**	**$ 1,041,020**
Operating costs	740,162	729,908
Operating expenses	320,719	298,757
Financial costs	14,730	15,586
Other gains and losses	1,051	(3,231)
Profit before tax	162,356	261,378
Additional Disclosure Information		
Operating costs - Employee salary	106,262	115,728
Operating expenses - Employee salary	141,278	142,059
Subtotal - Employee salary	247,540	257,787
Operating costs - Employee benefits	21,577	21,294
Operating expenses - Employee benefits	21,531	19,812
Subtotal - Employee benefits	43,108	41,106
Financial costs - Interest expenses	14,730	15,586
Dividends distributed in the current year	128,468	128,468
Dividends distributed in the current year	128,468	128,468
Payments to the government in the current year	57,137	57,675

Note 1: The data in this table is from the 2024 parent company only financial statements.

1.1.3 Participation in Associations

In addition to cooperating with the upstream and downstream of the industry chain, Polytronics actively participates in relevant external associations and organizations, responds to relevant initiatives, maintains information sharing, and keeps abreast of the latest developments and development trends in the industry. The Company is a member of the following associations: Allied Association for Science Park Industries, Taiwan Patent Attorneys Association, Hsinchu Bar Association, and Taipei Bar Association.

1.2 Corporate Sustainability Governance Framework

Polytronics established the Sustainable Development Committee on August 8, 2024, in accordance with the "Organizational Regulations of the Sustainable Development Committee of Polytronics Technology Corporation". The committee is composed of the Chairperson and Independent Directors of the Company and serves as a Functional Committee under the Board of Directors. It holds regular meetings to coordinate and plan related sustainable development items. The powers and responsibilities of the Sustainable Development Committee are as follows: 1. To promote and strengthen the Company's sustainable development policies, including goals, strategies, and implementation plans for corporate governance, ethical corporate management, risk management, and environmental and social issues. 2. Reviewing and managing the Company's sustainability implementation status and effectiveness, and submitting reports and resolutions to the Board of Directors. 3. Strengthen communication with stakeholders and pay attention to the issues they value, including government agencies, shareholders, media, customers, suppliers, affiliated enterprises, employees, peer companies and associations, communities, and society. 4. Supervising Other sustainability-related tasks resolved by the Board of Directors.

The Company, in accordance with the "Sustainable Development Best Practice Principles of Polytronics Technology Corporation", established the "Sustainability Promotion Team" with the acting president serving as the convener. This team is the dedicated unit for the Company's sustainable development, responsible for coordinating and promoting related affairs. Under it, four working groups have been established: Corporate Governance Team, Environmental Sustainability Team, Employee Care and Social Care Team, and Product Quality and Supply Chain Team. The members of these groups are managers and members of various departments, effectively integrating resources to implement sustainability strategies in all departments. Polytronics reports to the Board of Directors at least once a year on the Annual work plan and execution results. The most recent report was made on August 8, 2024, covering the execution status and improvement results of the 2023 ESG task objectives.

■ Structure of the Sustainability Promotion Team

- Corporate Governance
- Ethical Operations
- Legal Compliance
- Risk Management
- Economic Performance

- Climate Governance
- Energy and GHG management
- Water Resource Management
- Waste Management

- Occupational Safety and Health
- Educational Training and Occupational Development
- Employee benefits and remuneration
- Employee diversity and equal opportunity
- Employment and labor-management relations
- Social engagement and giving back

- Supply Chain Management
- Information security and privacy
- Innovative R&D and Green Product

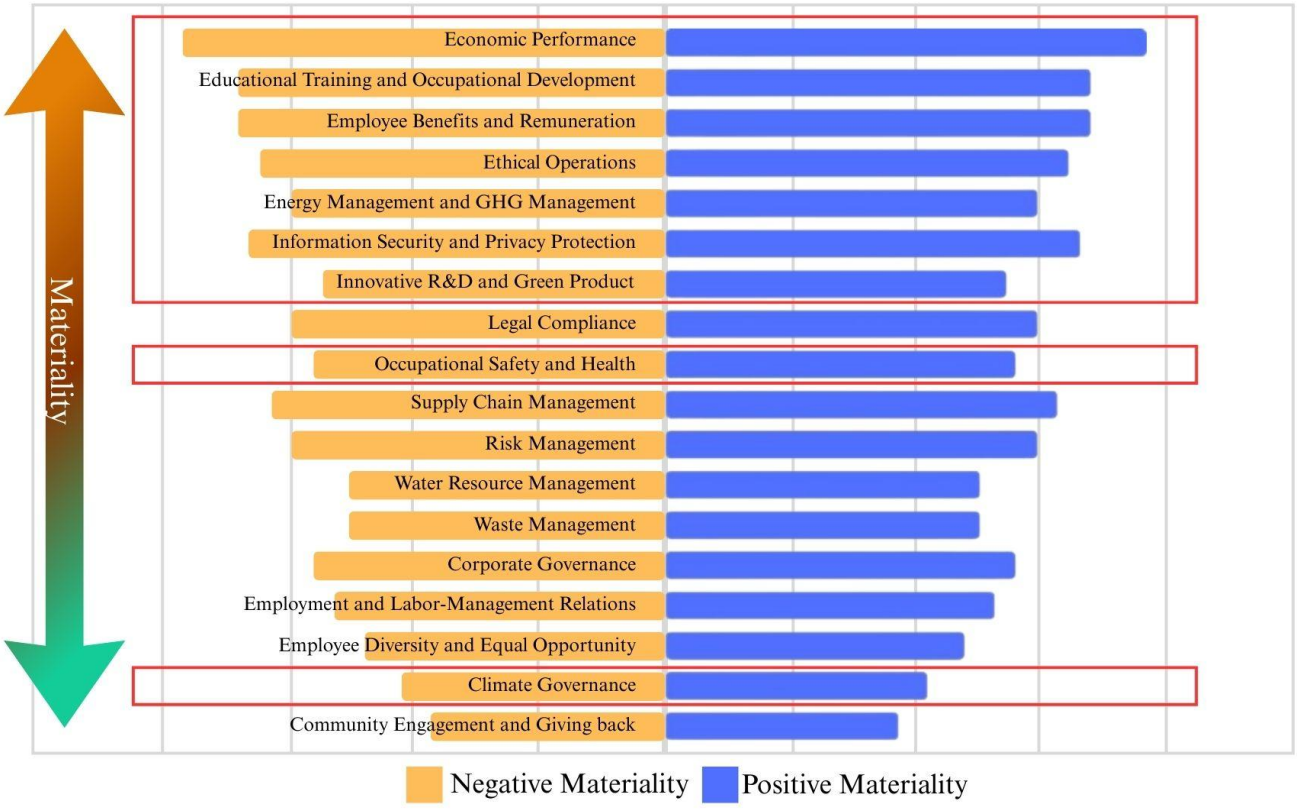
1.3 Identification and Analysis of Material Issues

In 2023, Polytronics identified significant stakeholders based on past experience and industry characteristics, and assessed the impact of each sustainability issue in accordance with Taiwan's "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" and the GRI Universal Standards 2021. In addition to serving as the management guidelines in the sustainability report, this also allows the Company to inventory its current sustainability status and continue to promote the implementation of relevant policies, creating value for society and the Company. In 2024, after internal discussions, the Company considered there to be no significant changes in its operations and the industry environment it operates in. Therefore, it was decided to continue using the 2023 Material Topics identification results in 2024.

■ Material Topic Analysis Process

Phase 1 Understand the organization's context	
Collect sustainability issues 18 sustainability issues	■ Based on the Company's industry characteristics and internal topics of concerns, as well as with reference to the GRI Standards, domestic and foreign sustainability trends, industry benchmarks, and peer information, the common topics in the industry were identified through the intersection method and 18 sustainability issues were determined.
Phase 2 Assess the actual/potential impact of the issues	
Assess the significance of impacts 4 internal questionnaires	■ A questionnaire was adopted for 4 members of management to rate 18 sustainability issues. ■ Assessed the positive/negative impacts of the 18 sustainability issues on the economy, the environment, and people (including human rights), and multiplied and sum up the "positive/negative impact level" and "positive/negative likelihood" of each topic to get the impact level of each topic.
Phase 3 Establish the ranking of material topics	
Material topics resolutions 9 material topics	■ After reviewing the results of the internal impact questionnaire, as well as the current operating conditions of the Company and industry trends, the Sustainability Promotion Team of Polytronics Technology identified nine material topics: economic performance, education and training and career development, employee benefits and remuneration, ethical corporate management, energy management and GHG management, information security and privacy protection, innovative R&D and green products, occupational safety and health, and climate governance. ■ The management policy and performance results will be fully disclosed in the report.
Phase 4 Reporting and disclosure	
Information reporting and disclosure	■ The Sustainability Promotion Team establishes the management system and process, collects information, and prepares the sustainability report. The team members reviews to ensure that sustainability information and performance are accurately presented. The final report is approved by the Board of Directors and published in issued before August 31 of each year.

■ Ranking of Sustainability Topic Impact of Polytronics Technology Corporation



■ List of Material Topics of Polytronics Technology Corporation

Orientation	2024 Material Topics	Significance of Sustainability Issues to Polytronics	Value Chain Impact				Disclosure Chapter	GRI Standards Index
			Within the Organization	Outside the Organization				
			Polytronics	Upstream (suppliers)	Midstream (peers)	Downstream (customers)		
Governance	Ethical Operations	The Company adheres to the business principles of integrity, law-abiding, and information disclosure, and is committed to the pursuit of sustainable development and growth.	V	V	V	V	2.2 Ethics and Integrity	GRI 205-1
Governance	Economic Performance	The Company is committed to creating reasonable profits and value for shareholders, employees and society.	V				1.1 About Polytronics	GRI 201-1
Governance	Information Security and Privacy Protection	A proper information security risk management mechanism can minimize the impact of emergencies and quickly recover from a crisis.	V	V	V	V	4.3 Information Security and Customer Privacy	GRI 418-1
Governance	Innovative R&D and Green Product	In response to the production technology requirements of diversified product applications and the changing market environment, we tirelessly promote product design innovation and production technology innovation to maintain corporate growth momentum and competitiveness.	V		V	V	4.1 R&D and Innovation	Customize Topic
Environment	Climate Governance	Climate change impacts the Company's operations. A robust mitigation and adaptation strategy can reduce the direct or indirect impacts of climate risks.	V	V		V	3.1 Response to Climate Change	GRI 201-2

Orientation	2024 Material Topics	Significance of Sustainability Issues to Polytronics	Value Chain Impact				Disclosure Chapter	GRI Standards Index
			Within the Organization	Outside the Organization				
			Polytronics	Upstream (suppliers)	Midstream (peers)	Downstream (customers)		
Environment	Energy management and GHG management	The Company actively responds to global warming issues. Reducing GHG emissions and enhancing energy efficiency are ones of the core strategies for low-carbon transformation.	V	V		V	3.2 Energy and GHG Management	GRI 302-1、3、4 GRI 305-1~305-5
Society	Educational Training and Occupational Development	The Company provides diverse learning resources for talent cultivation and has established a comprehensive training system to ensure that employees are equipped with the capabilities to complete their jobs and achieve sustainable development.	V				5.3 Talent Cultivation and Development	GRI 404-1~404-3
Society	Employee benefits and remuneration	The Company values every colleague as the most important partner in the Company's sustainability, and provides a comprehensive welfare and remuneration system to retain and attract talent.	V		V		5.2 Talent Attraction and Retention	GRI 201-3 GRI 401-1~401-3 GRI 405-2
Society	Occupational Safety and Health	Employee health and safety is a priority for the Company. All plants have established occupational safety and health management measures and policies to protect the health of employees.	V	V			5.4 Occupational Safety and Health	GRI 403-1~403-9

1.4 Stakeholder Engagement and Communication

Based on past experience and industry characteristics, Polytronics has identified four types of stakeholders: shareholders, employees, customers, and suppliers. By establishing transparent and smooth communication channels, we hope to understand the issues of concern to various stakeholders and make continuous improvements to meet their expectations and needs.

Stakeholders	Issues of Concern	Frequency of Communication and Response	Communication Channel
Shareholders	Corporate Governance Ethical Operations Risk Management Economic Performance Legal Compliance Climate Governance	MOPS: Monthly Investor conferences in Chinese and English/quarterly financial statements: Quarterly Board meetings/functional committee meeting: Quarterly Shareholders' Meeting: Annually Annual/sustainability report: Annually Corporate Sustainability Section: From time to time Material information announcements/press releases/investor conferences/official website: From time to time	Contact: IR Hotline: (03) 564-3931 Email: ir@pttc.com.tw
Employees	Employee benefits and remuneration Educational Training and Occupational Development Employment and labor-management relations Occupational Safety and Health	Employee Welfare Committee meeting: Quarterly Labor-management meeting: Quarterly Employee suggestion box: From time to time Employee surveys: From time to time Employee training and promotion meetings: From time to time Occupational Safety and Health Committee: Quarterly	Contact: Personnel Section, Ms. Su Hotline: (03) 564-3931 Email: Staff@pttc.com.tw
Customers	Innovative R&D and Green Product	Customer service hotline/customer suggestion box: Immediately Personal visit/telephone contact/email: From time to time E-newsletter: From time to time Customer satisfaction survey: From time to time Corporate Sustainability Section: From time to time	Contact: Sales Management Section, Ms. Chao Hotline: (03) 564-3931 Ethical corporate management Economic performance
Supplier	Climate Governance Ethical Operations Economic Performance Supplier Management	Personal visit/telephone contact/email: From time to time Corporate Sustainability Section: From time to time Supplier meetings and supplier evaluations: From time to time	Contact: Materials Department, Ms. Tsao Hotline: (03) 564-3931 Email: supplier@pttc.com.tw

Chapter 2 Steady Corporate Management

2.1 Corporate Governance

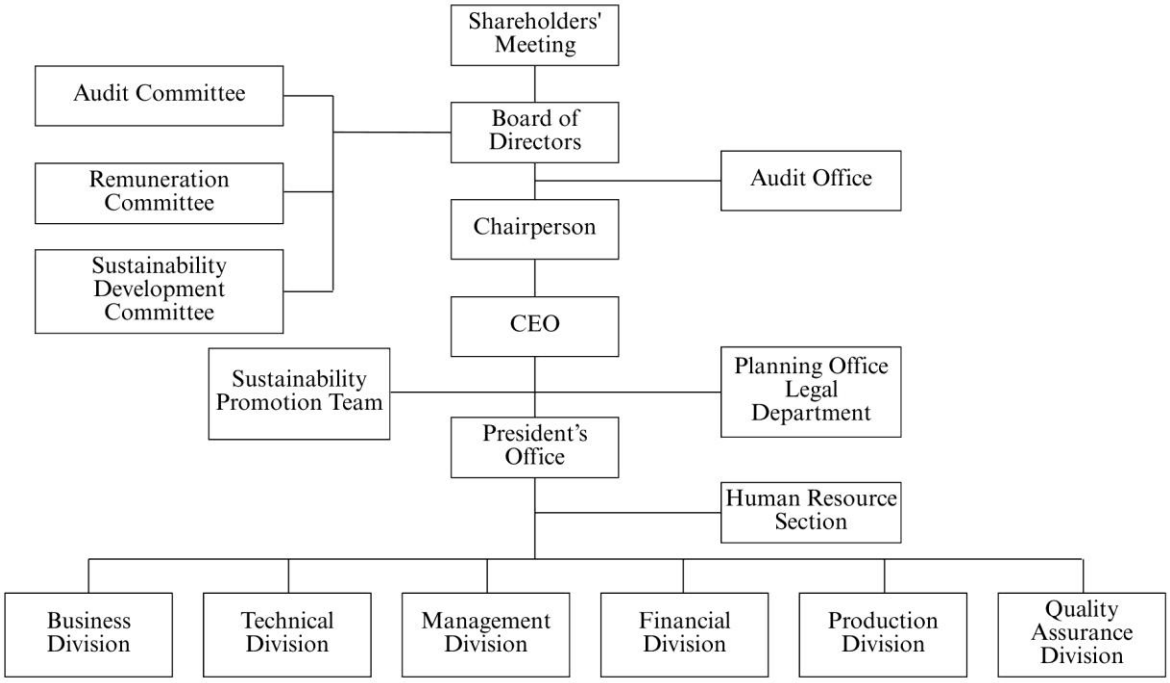
2.1.1 Corporate Structure and Composition of the Board of Directors

In compliance with Article 20 of the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies", Polytronics has formulated a board member diversity policy to ensure the implementation of corporate governance and enhance the functions and structure of the Board of Directors. The Board of Directors has established an appropriate diversification policy based on the Company's business model and needs. Therefore, the selection of Board members has gradually become more diversified. Through our multifaceted recruitment experience, we attract talent with different professional backgrounds, professional skills, and industry experience to continuously strengthen corporate governance and operational synergy.

The 10th Board of Directors of the Company consists of nine directors with different professional backgrounds, including four independent directors, four corporate directors and their designees, and one natural person director. Among them, only two directors serve as the Company's managers. The number of directors who are also employees is 22% of all directors, and the directors who are not employees account for 78% of all directors, which exceeds half of the total number of directors. In addition, independent directors accounted for 44% of all directors, and corporate representatives accounted for 44% of all directors. The age distribution of the current directors is as follows: one director is under 60 years old, six directors are between 61 and 70 years old, and two directors are over 70 years old. With a diverse background in industry and academia, the experience of the Board of Directors includes full-time and part-time professors at national universities, financial experts in the fields of financial and accounting and strategic management, as well as business management professionals in the chemical, food, trade-related and financial industries. In addition to the basic requirements and professional knowledge and skills, the experience of directors can contribute to the supervision and decision-making of corporate governance, environmental sustainability, corporate social responsibility, legal compliance and human rights protection through the operation of various functional committees.

The Company encourages the Board members to continue their education and enhance their professional capabilities and accomplishments, and become more familiar with the current industry trends and regulatory changes. Also, the Board members are also encouraged to master and apply the latest management strategies, expand their vision of corporate governance, and cultivate their judgment and sensitivity to the market environment. By attending training courses, seminars, and forums, Board members have complied with the "Corporate Governance 3.0 -Sustainable Development Blueprint", that each term of office must take at least three hours of continuing education each year. The actual attendance rate of all directors in 2024 was 100%.

■ Corporate Structure Chart



■ Continuing Education of Directors in the Year

Name/Title	Date	Organizer	Course Name	Hours of Course
Joseph C.P. Hsieh Independent Director	2024/3/1	Taiwan Corporate Governance Association	How the Audit Committee Interprets and Utilizes Audit Quality Indicators (AQI)	3
	2024/7/9		Exploration of Corporate Employee Reward Strategy and Tools Utilization	3
Po-Yong Chu Independent Director	2024/1/30	Taiwan Corporate Governance Association	Understanding the Information Security Threats Faced by Enterprises Through Cases of Type of Information Security Incident	3
	2024/5/7		Legal Risks for Enterprises and Responses - From the Perspective of Corporate Investment and Financing	3
	2024/8/6		Responses and Strategies of Enterprises in the Face of Global Financial Changes	3
	2024/11/5		Sustainability, Risk, and Information Security Issues in the AI Era	3
	2024/11/12		The risks and opportunities of climate change and net-zero emission policies on business operations.	3
Biing-Jye Lee Independent Director	2024/9/26	Taiwan Corporate Governance Association	Promote Corporate Sustainable Development through Risk Management.	3
	2024/10/30		Analysis of Mergers and Acquisitions Equity Investment Planning and Joint Venture Agreement Practices	3
Huei-Chu Huang Independent Director	2024/6/19	Taiwan Corporate Governance Association	Discovering the International Competitiveness of Taiwanese Enterprises in the Global Competitive Landscape	3
	2024/10/16		Corporate Carbon Rights and Carbon Asset Management Responses under the Global Carbon Trading Mechanism	3

■ Board members and backgrounds

Title	Name of director	Gender	Age	Date of Election (Appointment)	Term of Office	Educational Background and Experience	Major Positions in the Company and other Companies
Chairperson	Edward Chu	Male	71 - 80 years old	2023.06.21	3	Manager, Electronic Materials and Manufacturing Department, Raychem Corporation PhD in Polymer Science, the University of Akron, USA	CEO & President, the Company Chairperson & President, TCLAD Technology Chairperson & CEO, TCLAD Inc. Director, TCLAD Europe GmbH
Director	Everlight Chemical Industrial Corporation Representative: Ke-Lun Chen	Male	61 - 70 years old	2024.03.15	3	Ph.D., Institute of Chemistry, National Tsing Hua University	Vice President, R&D Center, Everlight Chemical Industrial Corporation Director, Trend Tone Imaging, Inc. Director, Hong Hui Investment Co., Ltd.
Director	Littelfuse Europe GmbH Representative: Alex Kuo	Male	31 - 40 years old	2023.06.21	3	Department of Materials Engineering, Northwestern University and Department of Economics	Group Vice President Business Development of Ametek, Inc.
Director	Tsai-Ying Investment Co., Ltd. Representative: Dennis Ho	Male	61 - 70 years old	2023.08.10	3	Deputy Head, Foreign Exchange Section, China Bank of International Commerce Master of Business Administration, National Chung Hsing University	Vice President, the Company Chairperson, Kunshan Polystar Electronics Co., Ltd. Director, TCLAD Technology Director, TCLAD Inc. Director, TCLAD Europe GmbH
Director	Charng Hui Ltd. Representative: Te-Fung Tsao	Male	71 - 80 years old	2023.10.31	3	R&D Director, Quaker Oats Company Master of Health Engineering, Colorado State University, USA PhD in Food Chemical Engineering, Colorado State University, USA	Chairperson, Standard Foods Corporation Chairperson, FreshDelight Company Chairperson, Domex Technology Corporation Chairperson, Standard Beverage Company Limited Chairperson, Chang Huei Company Limited Chairperson, More Fortune Investment Co., Ltd. Chairperson, Jiayun Investment Co., Ltd. Director, Jiacheng Industrial Co., Ltd., etc.

Title	Name of director	Gender	Age	Date of Election (Appointment)	Term of Office	Educational Background and Experience	Major Positions in the Company and other Companies
Independent Director	Joseph C.P. Hsieh	Male	61 - 70 years old	2023.06.21	3	Doctor of Finance, Kent State University	Full-time Professor, Institute of Finance, National Taiwan University of Science and Technology Independent Director, ASMedia Technology Inc. International Business and Professor, National Taiwan University Member of the Investment Strategy Implementation Subcommittee of the Private School Pension Fund Management Committee
Independent Director	Po-Yong Chu	Male	61 - 70 years old	2023.06.21	3	Doctor of Business Administration, Purdue University USA	Department of Management Science and EMBA Program and Adjunct Professor, National Yang Ming Chiao Tung University Independent Director, Hsin Kuang Steel Co., Ltd. Independent Director, E Ink Holdings Inc. Independent Director, Cheng Shin Rubber Ind., Co., Ltd. Director, Union Winner International Co., Ltd. Chairperson, Zhong Tai Yang Guang Technology Co., Ltd. Chairperson, TCI Co., Ltd.
Independent Director	Biing-Jye Lee	Male	61 - 70 years old	2023.06.21	3	Chairperson, ENNOSTAR Inc. Chairperson, Epistar Corporation Researcher and team leader, Institute of Optoelectronics, ITRI PhD in Chemical Engineering, National Tsing Hua University	None
Independent Director	Huei-Chu Huang	Female	61 - 70 years old	2023.06.21	3	MBA, University of Missouri Managing Director/Head of Taiwan, Ultra High Net Worth Department, UBS Bank Managing Director, Merrill Lynch Senior Vice President/Head of Investment Banking Division, KGI Financial Holding	Independent Director, VisEra Technologies Company Ltd. Independent Director, Sino Horizon Holdings Limited Independent Director, Parade Technologies, Ltd.

2.1.2 Nomination and Selection of Board Members

According to the Company's Articles of Incorporation, the Board of Directors consists of seven to 11 members, and the term of office of each director is three years. The nomination of directors adopts the candidate nomination system and the cumulative voting method in accordance with Article 198 of the Company Act. Shareholders elect from a list of candidates, and the elected directors may be re-elected. There must be no less than three independent directors in the number of directors, and the number of independent directors shall not be less than one third of the number of directors. The professional qualifications, restrictions on shareholding, concurrent positions, nomination, election, exercise of powers, and other related matters of independent directors will be handled in accordance with the relevant regulations of the securities authority.

In addition, according to the Articles of Incorporation, the Board of Directors is composed of directors and requires the approval of more than two-thirds of the directors and the consent of a majority of the directors present at the meeting for the election of the chairperson. The Chairperson represents the Company externally.

Currently, Mr. Edward Chu, serves as the Chairperson and President of the Company. In addition, according to Article 4 of "Operation Directions for Establishment of Board of Directors by TWSE Listed Companies and Exercise of Powers", if the Chairperson and the President or equivalent positions of the listed company are the same person or are spouses or relatives of first degree, the number of independent directors shall not be less than four. The Company has appointed four independent directors, which has complied with the above requirements.

In order to avoid conflicts of interest, the "Rules and Procedures of Board Meetings" explicitly stipulate the terms of directors' interest avoidance: If a motion involves an interest of a director or the legal entity they represent in the meeting, he/she shall explain the importance of such interest during the current board meeting. All parties with an interest shall recuse themselves from the discussions and voting and may not exercise voting rights on behalf of other directors.

2.1.3 Functional Committee

In order to strengthen corporate governance and reinforce the effective discussion or recusal of major proposals of the Board of Directors, the Company has established the Audit Committee, the Remuneration Committee, and the Sustainable Development Committee to enhance the functions of the Board of Directors. The functions and composition of each functional committee are shown in the table below.

■ Functions and composition of the functional committees

Functional Committee	Main Responsibilities and Supervision Items	Composition
Audit Committee	The Company's Audit Committee is made up of all independent directors and at least one meeting is held each quarter. The Committee is responsible for the fair expression of the Company's financial statement, the selection (release) of CPAs and their independence and performance, the effective implementation of internal control, and the management and control of the Company's existing or potential risks. The duties of the Committee are as follows: I. An internal control system adopted or amended pursuant to Article 14-1 of the Securities and Exchange Act. II. Effectiveness evaluation of the internal control system. III. According to Article 36-1 of Securities and Exchange Act, formulate or amend operating procedures for material financial business conduct including acquisition or disposal of assets, derivatives transactions, lending funds to others, providing endorsements/guarantees for others. IV. Audit matters bearing on the personal interest of a director. V. Audits of material assets or derivatives transactions. VI. Audits of a material monetary loan, endorsement, or provision of a guarantee. VII. Audits of the offering, issuance, or private placement of any equity-type securities. VIII. Audits of the hiring or dismissal of an attesting CPA, or the compensation given thereto. IX. Audits of the appointment or discharge of a financial, accounting or internal audit supervisor. X. Audits of annual financial reports or 6-month financial reports. XI. Audits of any other material matter so required by the competent authority.	The Committee shall consist entirely of independent directors with no less than three members. One among whom will serve as the convener, and at least one member shall possess accounting or finance expertise.
Remuneration Committee	Members of the Remuneration Committee shall exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations for deliberation by the Board of Directors. I. Periodically reviewing this Charter and making recommendations for amendments. II. Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the remuneration to the directors, and managerial officers of the Company. III. Regularly assessing the degree to which performance goals for the directors, supervisors, and managers of the Company have been achieved, setting the types and amounts of their individual remuneration.	The Committee shall comprise three members appointed under Board of Directors' resolution; more than half of committee members shall be independent directors.
Sustainability Development Committee	The duties of the Committee are as follows: I. To promote and strengthen the Company's sustainable development policies, including goals, strategies, and implementation plans for corporate governance, ethical corporate management, risk management, and environmental and social issues. II. Reviewing and managing the Company's sustainability implementation status and effectiveness, and submitting reports and resolutions to the Board of Directors. III. Strengthen communication with stakeholders and pay attention to the issues they value, including government agencies, shareholders, media, customers, suppliers, affiliated enterprises, employees, peer companies and associations, communities, and society. IV. Supervising Other sustainability-related tasks resolved by the Board of Directors.	The Committee is composed of at least three members appointed by the Board of Directors, with more than half of the members being independent directors. The Chairperson is an ex-officio member, convener, and the chair of the meetings for the Committee.

2.1.4 Performance Assessment

In order to implement corporate governance and enhance the functions of the Board of Directors, we have established performance targets for the Board of Directors to enhance its operational efficiency. According to the "Procedures for the Performance Assessment of the Board of Directors", we have set a timetable for self-assessment. The self-assessment process must be completed by the Board of Directors before the end of the first quarter of the following year. The self-assessment process should be carried out by an external professional independent institution or a team of external experts and scholars at least once every three years.

The scope of board performance assessment shall include the entire board, the individual directors, the Audit Committee, and the Remuneration Committee. Assessments may proceed by way of: board internal self-assessment, director self-assessment, peer assessment, assessment by external institution or expert, and other methods as deemed appropriate.

According to the results of the self-assessment of the performance of the Board of Directors and the Board members this year, the scores are both higher than 4.7 points, indicating sound performance. The assessment results will be used as the basis for our continuous improvement to improve the operational efficiency of the Board of Directors.

■ 2024 Board Performance Self-Assessment Results

Evaluation scope	Total score	Score	Average score (Note)
1. Board of Directors	225	215	4.77
2. Audit Committee	110	108	4.91
3. Remuneration Committee	90	90	5.00
4. Board members	920	869	4.72
5. Member of the Functional Committee	450	446	4.96

Note 1: According to the regulations of the competent authority, the meaning of the score indicators is as follows: The full score is 5 points, 1 point: very poor; 2 points: poor; 3 points: moderate; 4 points: good; 5 points: excellent.

In addition to the internal self-assessment, an external assessment agency is engaged to conduct a regular performance assessment of the Board of Directors at least once every three years. The Company's most recent external performance assessment of the Board of Directors was conducted by the Taiwan Corporate Governance Association to conduct in August 2022. The assessment period was from September 2021 to August 2022. In addition to conducting a questionnaire review, a team of experts, led by the convener of the Evaluation Executive Committee, Mr. Ying-Cheng Hung, also conducted video interviews. The Company, on March 10, 2025, resolved by the Board of Directors, has commissioned the Taiwan Corporate Governance Association to conduct a performance assessment of the Board of Directors. The subsequent evaluation report will be announced on the company's website upon completion.

2.1.5 Remuneration Policy

The Company has established a Remuneration Committee to assist the Board of Directors in determining the remuneration of the Company's directors and managers as well as the Company's remuneration policy. In accordance with the Company's Articles of Incorporation, the operation of the Remuneration Committee and the Board of Directors, the remuneration of directors and managers is comprehensively assessed based on the achievement of operational goals, profitability, growth rate, operational efficiency, execution of ESG sustainable development goals, and future development potential. Each target and its weighting are determined based on the internal and external operational environment and consideration of future risk factors. In 2024, the Remuneration Committee held four meetings, and the actual attendance rate of the members was 100%. Through this process, we ensure that the performance assessment and remuneration decisions of directors and managers meet reasonable standards, while safeguarding the interests of the Company. The relevance and reasonableness of related performance, compensation, and remuneration are reviewed by the Remuneration Committee and then reported to the Board of Directors for discussion and resolution.

■ Remuneration Policy

Remuneration to directors and independent directors	Remuneration to managers
Remuneration to the Board of Directors is recommended by the Remuneration Committee and submitted to the Board of Directors for resolution. (1) Variable remuneration (i.e. director remuneration distributed from earnings) Distribution shall be decided by the Board of Directors by a percentage determined by the Board of Directors in accordance with the Articles of Incorporation, with the consent of a majority of the attending directors and by resolution of two-thirds of the Board of Directors, and shall be reported to the shareholders' meeting. The independent directors may participate in the distribution. The Company has established regulations for the performance assessment of the Board of Directors and functional committees. The Company conducts self-assessment of the Board of Directors, individual directors, or functional committees on a regular basis every year. The results of their performance assessments are included in the consideration for their respective remuneration. (2) Fixed remuneration Considering that independent directors are required to have work or industry experience in their professional fields, corporate governance and ESG experience, and have a sufficient understanding of the Company, which is conductive to providing in-depth and insightful views on the Company's business strategies. This poses significant benefits to the Company in the course of making judgements and carrying out duties. Considering the corresponding responsibilities and obligations imposed on independent directors by laws and regulations, and based on the level of participation of directors/independent directors in the Company's operations and the value of their contributions, with reference to the industry standard and benchmark companies in other industries, each director/independent director receives a fixed amount of annual remuneration. If a director/independent director also chairs a functional committee at the same time, the weighting will be multiplied by a certain percentage. (3) Attendance allowance Directors and members of functional committees are entitled to a travel allowance each time they attend the meeting.	Managers' remuneration includes salaries, bonuses, and employee remuneration. (1) Fixed Salary: Must maintain its competitiveness with the market value. The range of salary adjustment is based on individual performance, departmental operational performance, business strategy capabilities, and the Company's operating conditions. A fixed salary is considered in the planning and budget based on the Company's personnel procedures and the Remuneration Committee makes a recommendation based on the salary level of the same industry and submits the recommendation to the Board of Directors for resolution. (2) Employee remuneration: Distribution shall be decided by a percentage determined in accordance with the Articles of Incorporation, with the consent of a majority of the attending directors and by resolution of two-thirds of the Board of Directors, and shall be reported to the shareholders' meeting. The remuneration to the president and the vice president will be aligned with the Company's operating performance.

2.1.6 Sustainability Governance

The Board of Directors is the highest governance body of Polytronics. In addition to carrying out its business in accordance with the laws and regulations and the resolutions of the shareholders' meeting, the Company's annual financial report and semi-annual financial report, the evaluation of the effectiveness of the internal control system, the appointment and dismissal of CPAs and managers, as well as strategic plans must be approved by the Board of Directors. The Board of Directors convenes several regular and non-scheduled meetings throughout the year to discuss or report on economic, environmental, and social issues related to corporate governance, as well as GHG inventories and results. The Chairperson is authorized to handle the related matters on a hierarchical basis or directly delegate them to relevant units.

The Company established the "Sustainable Development Committee" on August 8, 2024, in accordance with the "Organizational Regulations of the Sustainable Development Committee". The committee is composed of the Company's Chairperson and four Independent Directors and serves as a Functional Committee under the Board of Directors. It holds regular meetings to coordinate and plan related sustainable development items.

The company, in accordance with the "Sustainable Development Best Practice Principles of Polytronics Technology Corporation", established the "Sustainability Promotion Team" with the acting president serving as the convener. This team is the dedicated unit for the Company's sustainable development, responsible for coordinating and promoting related affairs. Under it, four working groups have been established: Corporate Governance Team, Environmental Sustainability Team, Employee Care and Social Care Team, and Product Quality and Supply Chain Team. The members of these groups are managers and members of various departments, effectively integrating resources to implement sustainability strategies in all departments. Polytronics reports to the Board of Directors at least once a year on the Annual work plan and execution results. The most recent report was made on August 8, 2024, covering the execution status and improvement results of the 2023 ESG task objectives.

Additionally, the Company reported to the Sustainable Development Committee on December 23, 2024, the planning schedule of the 2024 Sustainability Report, the Materiality issue report, and the group's greenhouse gas execution progress report.

2.2 Ethics and Integrity

Item	Details
Material Topics	Ethical Operations
Policies, Commitments and Materiality	Establishing good business practices and ethical standards is the key to ensuring the sustainable operation of the Company, which can avoid the operational risks caused by illegal acts and the loss of illegitimate benefits. Good ethics not only enhances the Company's reputation and brand image, but also enhances the job satisfaction and loyalty of employees, further promoting the Company's long-term development. Therefore, we have established internal regulations such as the "Code of Ethical Conduct", the "Ethical Corporate Management Best Practice Principles", and the "Operating Procedures for Ethical Management and Conduct Guidelines" to regulate the behavior of our employees.
Responsible Unit	Management Division, Planning Office and Auditing Office
Short-, Mid- and Long-term Goals	■ Short-term goals: 1. Every new employee must sign a confidentiality agreement and complete 100% education and training. 2. In the past year, the Company did not violate any ethical conduct or ethical corporate management principles. ■ Mid- and long-term goals: 1. Conduct ethical education and training for all employees once a year. 2. Establish an internal audit plan for "Ethical Corporate Management Operation" and execute it once a year.
Action Plan	1. Our commitment to upholding the highest ethical standards shall be reflected in all business activities, including but not limited to relationships with employees, customers, suppliers, competitors, the government, and the public (including shareholders). 2. Establish an internal organization, personnel and duties; set up a mutual supervision mechanism that checks and balances business activities with a higher risk of unethical conduct within the business scope. 3. The Company conducts ethical corporate management promotion for senior executives of each unit to raise the awareness on insider trading laws and ethical policies among the employees and management.
2024 Performance	1. All employees signed a confidentiality agreement and received education and training upon arrival, with a completion rate of 100%. 2. During the year, no report was received, and no employee violated the Ethical Conduct and Ethical Corporate Management Best Practice Principles.
Grievance Mechanism	1. The Company's grievance hotline and email are provided for employees to file grievances. 2. Employees are encouraged to report to the Audit Committee, managers, internal auditors or other appropriate personnel any suspected or discovered violations of laws and regulations or the Code of Ethical Conduct. 3. Violation of the Code of Ethical Conduct by the Company's directors or managers will be handled in accordance with the disciplinary measures stipulated in the Code. The date of and the reason for the violation of the Code, as well as the violation criteria and handling situation will be immediately disclosed on the MOPS.

2.2.1 Ethical Corporate Management Policy

Taking into account the Company's actual operational needs, relevant assessment mechanisms will be set up before establishing business relationships with suppliers, customers, and other business partners in accordance with the "Ethical Corporate Management Best Practice Principles" and the "Operating Procedures for Ethical Management and Conduct Guidelines" passed by the Board of Directors on March 20, 2020.

1. The Company shall adhere to integrity principles and conduct all commercial activities in a fair and transparent manner.
2. Prior to engaging in commercial transactions, the Company shall evaluate the legitimacy of its distributors, suppliers, customers and counterparties, investigate whether they were previously involved in any dishonest conduct, and avoid dealing with entities with a track record of unethical conduct.
3. Contracts signed by the Company with distributors, suppliers, customers, or other business partners shall, depending on the actual circumstances, include an integrity clause that not only requires partner to comply with integrity policy, but also gives the Company the right to terminate contract at any time if the counterparty is found to have involved in any dishonest conduct. Alternatively, terms of equivalent context or legal effect may be created or supplemented in relevant agreements or written documents.

2.2.2 Anti-corruption Communication and Education and Training

In order to implement the Company's ethical conduct and ethical management and facilitate the sound development of the Company's corporate culture, Polytronics has formulated the "Code of Ethical Conduct" and passed the "Ethical Corporate Management Best Practice Principles" and "Operating Procedures for Ethical Management and Conduct Guidelines." By establishing these rules, the Company's colleagues have a clearer direction and guidelines to follow for ethics and integrity.

In accordance with the "Ethical Corporate Management Best Practice Principles" and the "Operating Procedures for Ethical Management and Conduct Guidelines", the Company's chairman shall designate a dedicated department (referred to as the Accountable Unit) as the unit responsible for the amendment, execution, interpretation, and consultation of the procedures and guidelines, as well as the supervision of related regulatory reporting and filing works. The unit shall be supported with adequate resource, staffed with competent personnel, and operate directly under the Board of Directors with respect to the following duties and is required to make regular reports (at least once a year) to the board.

1. Incorporate integrity and moral values into the Company's operating strategies, and establish integrity assurance and fraud prevention measures in accordance with laws.
2. Regular analyze and assess on business activities that are prone to risk of dishonest conduct, and implement measures against dishonest conduct, including standard operating procedures and behavioral guidelines.

3. Plan an internal organization, personnel and duties; set up a mutual supervision mechanism that checks and balances business activities with a higher risk of unethical conduct within the business scope.
4. Coordination of integrity policy awareness and training programs.
5. Establishment of a whistleblowing system and ensuring the effectiveness of its execution.
6. Assist the Board of Directors and the management in assessing the effectiveness of existing integrity practices and preventions, assess compliance of business procedures, and make regular reports to the Board of Directors.
7. Prepare and properly maintain the ethical corporate management policy, the statement of compliance, the implementation of commitments and the status of implementation, and other related documentary information.

In 2024, the Company completed an anti-corruption assessment, and the results showed that no corruption had occurred at any of its operational sites. In 2024, we did not receive any reports or lawsuits of violations of ethical corporate management practices.

We actively communicate with internal employees and suppliers to convey the importance of anti-corruption. In 2024, we held quarterly group meetings to conduct communication on anti-corruption and ethical management for all types of employees. In the future, we will continue to carry out anti-corruption promotion to our company members and suppliers, continuously enhancing their anti-corruption awareness.

In order to ensure that all employees of the Company are equipped with anti-corruption awareness so that it can be incorporated into the daily operations, the Company organizes education and training on anti-corruption for all employees every year. In 2024, the percentage of all employees receiving education and training on anti-corruption was 41.31%, totaling 107 employees. This demonstrates the effectiveness of the annual communication on anti-corruption.

■ Percentage of employees receiving education and training on anti-corruption

Number of Employees Who Received Anti-corruption Training	Total Number of Employees in This Category	Percentage of Employees Who Received Anti-corruption Training
107	259	41.3%

2.2.3 Whistleblower System

On November 11, 2016, the Company's Board of Directors approved the "Handling of Cases of Illegal, Unethical or Dishonest Conduct", encouraging the reporting of any illegal or violation of the Code of Ethical Conduct or the Ethical Corporate Management Best Practice Principles. In 2024, no reports of violations were received. The handling procedure for the "Handling of Cases of Illegal, Unethical or Dishonest Conduct" is as follows:

1. Anonymous (named) report: The Company has created a grievance mailbox and assigned dedicated personnel to check the box on a weekly basis and to create files of any report raised. The various points of contact are responsible for clarifying whistleblowers' claims and available evidence. Cases that involve violation of law or unethical/dishonest conducts will have to be escalated to the Chairman and President along with evidence.
2. All misconduct reports are to be handled in the utmost confidentiality. The Company shall investigate informants' claims through independent channels and protect them by maintaining secrecy of their identity.
3. Where the whistleblower is an employee, the Company assures that the employee will not be retaliated or subjected to inappropriate treatment because of the report.
4. To ensure fairness of the whistleblower system and prevent it from being abused for personal quarrel, the Company shall give the counterparty fair opportunities to respond to the claim. Personnel Review Committee hearings shall be held whenever deemed necessary.

2.3 Risk Management

2.3.1 Risk Management Framework and Responsibilities

Implementation of risk management policies and risk measurement standards:

The Company actively promotes the risk management mechanism and has established the operating measures for "Risk Management Policies and Procedures", which were approved by the Board of Directors on December 23, 2021. The policy's contents include risk management scopes, organizational structures, etc., and stipulate that the risk assessment results and their operations be reported to the Board of Directors at least once a year. The 2024 annual risk assessment report was presented to the Board of Directors on December 24, 2024, and includes issues such as information security risks.

The Company has integrated all risk management units into a "Risk Management Team" under the General Manager's Office, with the CEO serving as the top supervisor of risk management. The heads of each operational unit act as front-line managing personnel responsible for detecting, identifying, evaluating, and formulating corresponding countermeasures for various risks. Each unit regularly reports the risk management status to the Risk Management Team. The following outlines the division of responsibilities within the Company's Risk Management Unit:

Risk Management Framework	Division of responsibilities
Board of Directors	The Company's highest responsible unit for Risk Management is tasked with ensuring the alignment of operational direction with risk management policies. It approves risk management policies, procedures, and frameworks to ensure the establishment of an appropriate risk management mechanism and culture, and oversees the effective operation of the risk management mechanism. In addition, the Board of Directors is responsible for allocating and assigning sufficient and appropriate resources to ensure the effective implementation of Risk Management.
Audit Committee	Responsible for reviewing risk management policies, procedures, and frameworks, approving risk acceptance, ensuring that the risk management mechanism can effectively respond to the various risks faced by the Company, and integrating risk management into daily operational processes. The Audit Committee is also responsible for determining the priority and level of risk control, executing the Board of Directors' risk management decisions, and regularly reviewing their applicability, effectiveness, and implementation. They consolidate and report the implementation status of the company's risk management to the Board of Directors at least annually.
Risk Management Team	The unit dedicated to promoting and executing risk management is responsible for analyzing and identifying the sources and categories of risks faced by the company. It assists and supervises the risk management execution of each operating unit, coordinates cross-departmental risk management operations and communications, executes the Audit Committee's risk management decisions, and plans related risk management training. The Risk Management Team will regularly report the implementation status of the company's risk management to the Audit Committee and consolidate a report at least once a year.

2.3.2 Key Risks and Response Strategies

Through the annual risk assessment unit, the Company collects industry risk trends and holds regular risk management meetings with various departments of the Company to collect potential risks in the Company's operations according to different aspects. By doing this, we ensure that all current potential risks of the Company are within the scope of reasonable control and will not cause serious financial, reputation and production impacts to the Company. In 2024, we identified 6 major operational risks, namely, financial risk, climate change risk, human resource risk, information security risk, operational risk, and legal compliance risk. The following table shows the Company's management policies and response strategies.

■ 2024 Risk Items and Future Response Strategies

ESG-oriented	Risk Items	Risk Factors	Risk Management Policies and Procedures	Risk Response Strategy
Governance	Financial risk	Market risk, price risk, credit risk and liquidity risk.	The Finance Department works closely with the operating units to identify, assess and manage financial risks to ensure risk mitigation and appropriate control.	1. Market risk (price risk): The Company adopts a portfolio diversification strategy to disperse investments within the set limit to effectively control market risks. 2. Credit risk: The Company conducts management and credit risk analysis for each new customer before determining the payment and delivery terms according to the internal credit policy. Assess the credit quality of customers by considering the customer's financial status, past experience and other factors, as well as internal risk control. 3. Liquidity risk: When the surplus cash held by the Company exceeds the management requirement of working capital, the Company will transfer it back to the Finance Department, and the Finance Department will make scheduling and forecasting based on the capital demand to manage the liquidity risk.
Environment	Climate change risk	Operational interruption or loss caused by carbon tax, carbon fee and extreme weather events under the GHG cap.	The Company's Sustainability Promotion Team is currently conducting regular research and analysis to understand the impact of climate change on the overall economic environment and laws and regulations. In the future, the Company will further improve the relevant risk management policies and procedures to cope with these changes.	Polytronics may be directly or indirectly affected by global GHG emission caps and carbon fee collection measures. These measures may have an impact on the Company's operating strategies, procurement policies and design concepts. To cope with the challenges brought about by climate change, Polytronics will strengthen communication with customers during the product design stage and gradually expand the use of low-carbon and environmentally friendly materials to reinforce the concept of sustainability.

ESG-oriented	Risk Items	Risk Factors	Risk Management Policies and Procedures	Risk Response Strategy
Society	Human resource risk	Talent retention, employee development, workplace environment, etc.	In order to ensure that employees' safety, salary, benefits, and workplace environment comply with relevant laws and regulations, and to consider corporate policies to reduce losses and risks caused by human resources factors, we have the following policies formulated: 1. Talent cultivation policy: Effectively promote the learning and growth of employees through on-the-job coaching, education and training, and the mentoring system. 2. Education and training plan and budget creation: Budget is set aside every year for employee training to improve employees' professional skills and leadership capabilities. Encourage employees to improve themselves and participate in external training courses.	1. Talent cultivation: We are committed to cultivating talent through on-the-job teaching, education and training, and the one-to-one counselor system to promote the effective learning and growth of our colleagues. 2. Education and training: Budget is allocated every year for employee training to improve employees' professional skills and leadership capabilities. At the same time, we encourage employees to enrich themselves and participate in external training courses.
Governance	Information security risk	The risk of extortion or leakage of sensitive data of customers or the Company due to external hacker attacks.	Through the introduction of the ISO 27001: 2022 information security management system, the Company has established an information security management structure, with an emergency information security incident reporting process set up.	1. Information security incident management: We have established a rigorous information security incident classification system and clearly defined the urgency of incidents and related response plans. 2. Annual internal information security education and training: We have established an annual internal information security education and training system and conduct a phishing test on all employees to improve their ability to identify and respond to information security. 3. Confidential document authority management: We have set the authority level for the acquisition of confidential documents of the Company and customers to ensure that only personnel with appropriate authorization can access these documents.

ESG-oriented	Risk Items	Risk Factors	Risk Management Policies and Procedures	Risk Response Strategy
Governance	Operational risk	Including changes in the operating model, excessive sales/purchasing concentration, product obsolescence, product and service design and quality management, and significant risk management of commercial contracts.	Risk identification, risk analysis, risk assessment, risk response, and risk monitoring and review mechanisms are implemented through five major elements.	1. Enhance customized products and technologies to develop different customer groups, strengthen the responsiveness to changes in customer needs, and complete differentiated services. 2. Enter the market gaps with existing products and introduce new products to existing customers to comprehensively increase market share and coverage to diversify market risks. 3. Consolidate raw materials and strategically purchase key raw materials, and continue to optimize production costs and capacity assurance. 4. Ensure that there is no centralization of purchases and sales targets and actively expand into new markets.
Governance	Legal compliance risk	The risk of legal affairs mainly comes from the performance risk management and contract liability risk of commercial transactions. Intellectual property rights mainly focus on the risk control of trademark rights protection.	Regarding legal affairs, by improving the contract process, we ensure that the performing unit is aware of the potential risks of each contract when reviewing business contracts. In terms of trademark rights protection, we work closely with major trademark users and product shipping units to actively collect evidence of trademark use.	1. Legal: Modify the contract process in a timely manner, so that the contract performing unit can identify the potential risks of the contract prior to signing. 2. Trademark protection: We collect evidence of trademark use once every six months, and strengthen publicity on the importance of evidence of use in key countries.

2.4 Legal Compliance

We believe that legal compliance is the foundation of sound business operations. The Company has a Legal Affairs Department in place responsible for legal affairs, litigation, contracts, trademarks, and trade secrets within intellectual property. By continuing to stay in line with the amendments to various laws and regulations by the competent authorities, the Company adjusts internal regulations and management methods, formulates and implements compliance mechanisms, and proposes supporting measures. We organize annual education and training courses on legal affairs. For example, in 2024, our company held group-oriented promotions on "Basic Concepts of Contracts and New Contract Process", "Promotion of Integrity Principles", and "Brand Marketing and Basics of Trademark Law" for colleagues within the group involved in related issues. There were tests after the courses to ensure and enhance colleagues' understanding of contract concepts, integrity principles, and intellectual property-related regulations. Related courses and the number of participants are as follows:

Year	Course Name	No. of Hours	No. of Participants
2024	Basic Concepts of Contracts and New Contract Process Promotion	1 hour	75 participants
	Promotion of Integrity Principles	0.25 hour	132 participants
	Brand Marketing and Basics of Trademark Law	1 hour	75 participants
Total		2.25 hour	282 participants

There have been no major violations (Note) in the past two years. The statistics are as follows:

Item	Details	2024
Total number of major violations	Incidents of fines	0
	Non-monetary sanctions	0
	Legal proceedings related to antitrust laws	0
Total number and amount of fines for violation of laws and regulations	Fines for violations of laws and regulations	NTD 0

Note: Major violations refer to fines exceeding NTD 1 million.

Chapter 3 Environmental Sustainability

3.1 Climate Change Response

Item	Details
Material Topics	Climate Governance
Policies, Commitments and Materiality	With global carbon reduction failures causing extreme weather conditions to worsen year after year, climate change has become an issue that enterprises around the world must face. Failure to properly manage and prevent extreme weather events may increase the risk of supply chain interruptions and unsustainable plant operations. Therefore, Polytronics is committed to participating in international climate initiatives to achieve the long-term goal of net-zero by 2050 and to declare to stakeholders its determination to address climate change.
Responsible Unit	Sustainability Promotion Team
Short-, Mid- and Long-term Goals	■ Short-term goals (2025): 1. Every year, we comply with the competent authorities and the ISO 14064-1 standard, and independently complete the Scope 1, Scope 2, and Scope 3 GHG inventories. The results of the inventories will continue to be used as the reference indicators for carbon reduction strategies, and are verified by a third party. ■ Mid- and long-term goals (2026 - 2030): 1. Achieve the goal of 100% coverage of Polytronics Group's GHG inventory by 2028. 2. Continue to screen low-efficiency electrical equipment and formulate and implement energy-saving plans to eliminate them. 3. Assess the feasibility of integrating green energy measures, energy storage systems, and internal power systems. 4. Polytronics also continues to pay attention to the carbon rights markets and trading platforms in various countries to grasp the market trend and make early deployment to prepare for the future carbon fee/tax discount.
Action Plan	1. Polytronics Group has gradually completed the GHG inventory at each operating site and set specific short-, mid-, and long-term carbon reduction targets based on the inventory results to continuously promote low-carbon transition. 2. The company evaluates operating sites with higher potential flooding risks and plans to increase the number of pumping motors in the plant area to enhance the response capability against flooding disasters caused by extreme wind storms, thereby reducing disaster loss risk. 3. The Company has implemented the Energy Management System (EMS) in key areas, enabling precise control of the plant's energy consumption through data-driven management and analysis. 4. The Company also continues to promote the replacement of old equipment in the plant, upgrading to high-efficiency energy-saving equipment. This reduces the basic electricity consumption in daily operations and enhances overall energy usage efficiency.
2024 Performance	1. Established a GHG inventory team, formulated GHG inventory procedures, introduced the ISO 14064-1:2018 organizational GHG inventory standards, and continuously promoted GHG inventory operations. Every year, a GHG inventory is conducted, and external verification by a third party is commissioned as needed to enhance the credibility of the inventory results. 2. Implemented the energy-saving and carbon-reduction plan by replacing lamps and obsolete machinery, saving 75,209 kWh of electricity and reducing 37,153.25 kg of CO_2e emissions. 3. Completed the assessment of key risks and opportunities under the climate change scenario, and actively responded to and grasped development trends to continuously enhance the company's climate resilience and sustainable competitiveness. 4. Completed the Water Source Stress assessment, confirming that none of the operating sites are located in high water stress risk areas. 5. The annual suppliers were stable, and there was no supply chain interruption as a result of extreme weather.
Grievance Mechanism	Every year, the Environmental Sustainability Team submits the results of the annual carbon inventory. The Sustainability Promotion Team is responsible for supervising the achievement of carbon reduction targets in each plant, clarifying the reasons for not achieving them, and adjusting target settings on a rolling basis to continuously promote low-carbon operations.

3.1.1 Climate Governance

The Global Risks Report 2024 from the World Economic Forum explores that environmental risks account for half of the world's top 10 risks, and the top four are all related to environmental risks, including extreme climate events, drastic changes to the Earth system, biodiversity loss, and shortages of natural resources. This indicates that the impact of climate change risks on us is imminent. Extreme climate is exacerbating with warming temperature, and risks such as extreme rainfall and drought have gradually jumped into the key potential risks of basic operations of enterprises. According to the United Nations Intergovernmental Panel on Climate Change (IPCC), enterprises must actively respond and adopt mitigation and adaptation strategies.

As a global citizen, Polytronics will take a proactive approach in facing the potential risks brought by climate change and formulating management strategies and taking actions to deal with extreme climate to enhance climate resilience. We also plan to gradually transform our own operations and move towards low-carbon operations.

■ **Board of Directors**

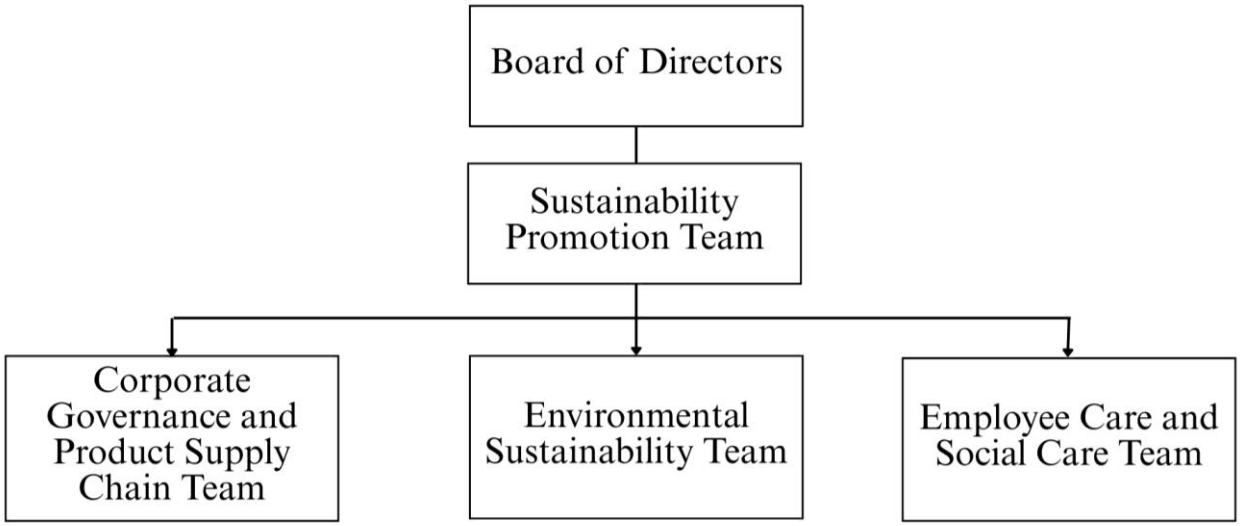
The Board of Directors is the highest unit of climate governance at Polytronics, which is responsible for promoting and deciding on the Company's climate-related strategic directions and overseeing the Company's overall climate action promotion. The Board of Directors also plays a key role in determining the Company's climate commitments and goals. The Board of Directors discusses the current climate risk and opportunity trends from time to time, and proposes the Group's overall specific strategies for key climate risks to stably maintain the Company's sustainability. The "Sustainability Promotion Team" has been established under the Board of Directors, with the acting President serving as the general convener of the committee. Polytronics Technology Corporation reports to the Board of Directors at least once a year on the implementation results of sustainable strategies and projects.

■ **Sustainability Promotion Team**

In order to strengthen the management and identification of climate-related risk and opportunity issues, we established the Sustainability Promotion Team in 2024. The acting president is the convener to hold meetings every year on the Company's key opportunities and risk issues, and results are reported to the Board of Directors.

The Sustainability Promotion Team is responsible for assisting in the implementation of the climate risk management policies and goals resolved by the Board of Directors. The Team regularly assesses the results of climate risk response planning and implementation, and assists in supervising the achievement of climate response goals and actions of each company and plant within the Group.

The Team also assists in integrating the Group's current climate governance status. In order to reduce the Company's impact as well as financial impact from climate change, while exploring the key risks and opportunities of the Company under climate change, and actively responding and grasping current trends to improve the Group's climate resilience, three working groups have been established under the "Sustainability Promotion Team", namely: Corporate Governance and Product Supply Chain Team, Employee Care and Social Care Team, and Environmental Sustainability Team, headed by department managers. The Sustainability Promotion Team is responsible for collecting the current status of the Company's climate issues, and holds ESG meetings at various operating sites from time to time to assess the current climate risk and opportunity key issue trends of peers, and assists in bridging resources in response to the current status of climate risk issues at each site. The Team also provides recommendations to help the Group's operating sites improve climate resilience.



3.1.2 Climate Risk Management

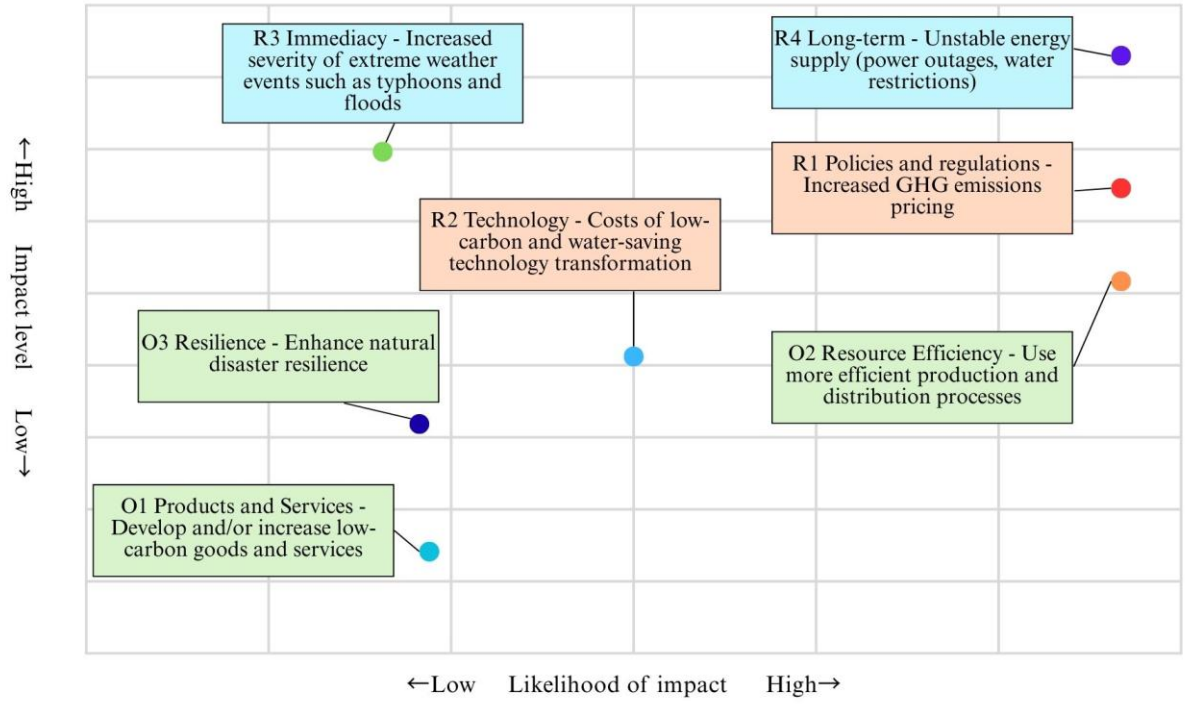
To keep abreast of key current climate opportunities and risks, the Sustainability Promotion Team regularly gathers information on risks and opportunities in the sustainability reports of peers and regularly convenes three major ESG working groups every year. The ESG Working Group collects the annual climate risk response from all relevant plants and departments, and interviews the relevant units of each climate issue on the extent of impact and possibility of occurrence to compile and identify the annual key climate risks and opportunities of Polytronics. The results are reported to the Sustainability Promotion Team for the Board of Directors to make resolutions and formulate strategies for the Group.

Compiling Issues	Identifying Risks and Opportunities	Formulating Countermeasures	Tracking Management
• Issues in peer sustainability reports • International trends	• Interviews with all plant units • Scores risk and opportunity issues by colleagues of each company	• Inventory the response status of each operating site, and formulate management measures based on the risks and opportunities of each site.	• Submit the target achievement status to the headquarters by each operating site every year. • A monthly plant meeting is held at each operating site to review the achievement status of targets.

3.1.3 Climate Change Response Strategies

In order to formulate the Company's key strategies for climate change, it is a priority for us to identify the annual key issues of climate risks and opportunities. In 2024, meetings were convened by the Sustainability Promotion Team with the three major ESG working groups. With reference to the Task Force on Climate-related Financial Disclosures (TCFD) guidelines, peer reports, and international trends, we discussed with the ESG team and various units on the actual situation of facing and responding to the issues, and seven key climate risks and opportunities were finally resolved, namely two transformation risks, two physical risks, and three climate opportunities, as listed in the table below; the period of occurrence of the issue, current situation, and future response strategies are also listed, respectively.

■ Identification Matrix of Climate Risks and Opportunities



■ Key Climate Risk and Opportunity Issues and Response Strategies of Polytronics

Orientation	Issue	Impact Period	Current Status of Climate Risk Opportunities and Financial Impacts	Response Strategies and Management Measures
Transformation risks	Increased GHG emissions pricing	Mid-term (3-5 years)	Taiwan's Climate Change Response Act in 2024 will levy carbon fees on the first wave of major carbon emission companies in Taiwan with annual carbon emissions of more than 25,000 tons. Although we are not included in the first wave, based on the possibility that the criteria may be gradually lowered in the future, we included this risk for assessment, as it may increase operating costs.	1. Assess the current old equipment in the plant, create a budget for the replacement of old equipment, and gradually improve the energy efficiency of the plant's equipment. 2. Since 2023, Polytronics has gradually promoted the carbon inventory system. In accordance with the requirements of ISO 14064-1: 2018 standard, we have completed an organizational GHG inventory, conducted a systematic GHG emission inventory, and established an inventory list. We will obtain third-party verification by 2028 if required.
Transformation risks	Costs of low-carbon and water-saving technology transformation	Mid- and long-term (3-10 years)	The development and application costs required in the investment of the process of transformation to a low-carbon economy, such as customers' request for low-carbon products, the increase in the use of renewable energy, the improvement of power storage technology capabilities, and the improvement of process energy efficiency.	1. We promote the verification of ISO 14064 to confirm the actual carbon emissions as the basis for gradual improvement. 2. Continue to refine the Company's internal carbon reduction actions. By improving transportation efficiency and daily operation planning, we increase operational efficiency and achieve energy conservation. 3. Continue to develop higher-end and lower energy consumption process technologies and innovative applications.
Physical risk	Increased severity of extreme weather events such as typhoons and floods	Short-term (within 3 years)	With plants located all over the world, the aggravation of extreme weather makes our sites prone to different climate risks. Climate disasters have increased the Company's risk of interruption of operations and have a material impact on the Company's finances.	1. Emergency response procedures have been formulated to incorporate climate-related scenarios such as flooding, rainfall and drought into operational considerations, and to identify the hazard level, Maximum Tolerable Period of Disruption (MTPD) and Recovery Time Objective (RTO). 2. Establish a supply chain material backup plan to avoid disruptions, and gradually diversify supply from co-suppliers to reduce the cost of having to respond to the impact of a single supplier due to climatic factors. 3. Pumping motors have been installed in the plant to reduce flooding.

Orientation	Issue	Impact Period	Current Status of Climate Risk Opportunities and Financial Impacts	Response Strategies and Management Measures
Physical risk	Unstable energy supply (power outages, water restrictions)	Mid-term (3-5 years)	Due to the impact of national or regional policies, some regions may face temporary power or water restrictions, resulting in reduced production capacity or production interruptions.	1. Increase the number of the days for water storage. 2. Increase the utilization rate and response of water resources: Establish a water condition monitoring system and a water shortage response mechanism, and activate the water truck to supply water in case of emergency. 3. In the event of an emergency power outage, a diesel generator set is hired to prevent power shortages. 4. Add production sites in different countries or intra-group production scheduling.
Opportunities	Develop and/or increase low-carbon goods and services	Short-term (within 3 years)	Customers are gradually demanding carbon-reduction or low-carbon products. The Company actively develops carbon-reducing or low-carbon products to not only meet customer needs but also the needs of sustainability and environmental protection. However, the development of carbon reduction or low-carbon products will increase the R&D cost.	Collaborate with major supply chain manufacturers to jointly formulate carbon reduction goals and plans. This effectively reduces product carbon footprint, meeting customer needs and low-carbon trends.
Opportunities	Use more efficient production and distribution processes	Mid-term (3 - 5 years)	Evaluate the procurement of energy-saving production equipment and plan the feasibility of energy-saving production equipment and related supporting measures in line with the Company's capital budget expenditure to reduce operating and management costs.	As the severity and frequency of extreme weather events increases, the cost and difficulty of acquisition also rise. Through the application of automated and smart new technologies, we can increase the yield rate and the utilization rate of energy and raw materials, and reduce the use of materials and the output of waste. We can also simplify the production process and shorten the delivery time, reduce the operating cost, and increase the productivity.
Opportunities	Enhance natural disaster resilience	Mid-term (3 - 5 years)	Our operations span across Hsinchu County and Miaoli County. In the past 10 years, there have been no extreme weather events such as typhoons, rainstorms, and floods that caused supply chain transportation disruptions, factory shutdowns, or other financial impacts. However, through such climate disaster response drills, the Company's operational risks can be reduced and the material impact on the Company's finances eased.	Manage various climate-related risks through Business Continuity Planning (BCP), establish disaster protection measures, and formulate contingency strategies to reduce the financial impact of physical and transformation risks on operations. This will improve the Company's capability to withstand natural disasters, and shorten the maximum tolerable disruption and recovery time to three days, thereby reducing the loss of property (repair costs), labor costs, and property depreciation losses.

3.1.4 Indicators and Targets

In order to actively face the impact of climate change, in addition to the specific reduction targets for Category 1 and Category 2 GHG emissions, we have also set corresponding targets for the extreme climate conditions faced by each operating site. The Sustainability Promotion Team supervises the annual achievement of each site, revises the climate targets on a rolling basis, and reports to the Board of Directors every year to confirm the validity and suitability of the targets. The following are the climate-related targets set by Polytronics and the achievement status:

Target Type	Target Description	Achievement Status
Carbon Reduction Target	In 2025, the total carbon emissions of Polytronics will decrease by 1% compared to the base year (2022)	Under implementation
	From 2026 to 2030, the total carbon emissions of Polytronics will decrease by 5% compared to the base year (2022)	Under implementation
Energy Target	Starting from 2025, the total annual electricity consumption of Polytronics will decrease by 1% each year.	Under implementation
Response to Climate Change	There was no suspension of shipment due to supply chain disruptions as a result of extreme weather conditions during the year	Achieved in 2024
	No production shutdowns due to high temperature power outages during the year	Achieved in 2024

3.2 Energy and GHG Management

Item	Details
Material Topics	Energy and GHG management
Policies, Commitments and Materiality	Energy management is closely related to GHG emissions and is also a key factor affecting global warming. In recent years, countries have introduced carbon tax regulations on product imports. Taiwan will also begin to levy carbon fees in 2024. Polytronics is well aware of the importance of energy and carbon management. Therefore, we are committed to requiring each operating site to perform routine carbon inventory in accordance with ISO 14064-1 and gradually increasing the proportion of renewable energy in the group to cope with the additional costs that will incur by the Company from future carbon regulations.
Responsible Unit	Each plant unit, Sustainability Promotion Team
Short-, Mid- and Long-term Goals	■ Short-term goals (2025): 1. Evaluated the introduction of the Energy Management System (EMS) to enhance energy management efficiency. ■ Mid- and long-term goals (2026 - 2050): 1. Complete 100% coverage of Polytronics Group's GHG emission verification in 2026. 2. In 2030, 10% of the factory's electricity consumption will be switched to green electricity. 3. Achieve net zero emissions for organizational GHG emissions (Scope 1 + Scope 2) by 2050.
Action Plan	1. Complete the annual CDP (Climate Disclosure Project) questionnaire. 2. In 2025, introduce the Energy Management System (EMS) in key areas to systematically analyze the current status of energy consumption in the plant and improve energy efficiency. 3. Gradually carry out GHG inventory at all operating sites of the Group, and external verification is carried out by a third party as required.
2024 Performance	1. In 2024, China's factories (Kunshan Polystar and PolyStellar Electronics) have completed the establishment of GHG inventory teams and formulated related operational procedures. At the same time, verification operations were conducted according to the ISO 14064-1:2018 organizational GHG inventory standards and passed third-party external verification.
Grievance Mechanism	1. Establish internal energy and carbon emission management indicators, and set up a GHG inventory operation mechanism through ISO 14001 and ISO 14064-1 to review performance. 2. Regularly submit the progress and results of the Group's carbon inventory and report to the Board of Directors.

3.2.1 Energy Management

Governments and enterprises around the world have been strengthening the implementation of carbon management and carbon reduction regulations. As a member of the global village, Polytronics must strive to minimize the impact of its operations on the environment. Therefore, we regard carbon reduction and energy conservation as the focus of our current management.

To strengthen internal energy and GHG management, Polytronics has established the ISO 14001: 2015 environmental management system and implemented ISO 14001 in all plants to reduce energy consumption. In addition, to establish a foundation for carbon reduction, Polytronics's operating sites in Taiwan will complete their first Scope 1, Scope 2, and Scope 3 GHG inventory in accordance with ISO 14064-1 in 2023, setting the base year as 2024. We have also set up a routine internal audit and carbon inventory management system and perform GHG inventory on a voluntary basis and obtain verification/assurance from a third-party organization if required to improve the quality of the GHG data. We have responded to Taiwan government's 2050 net-zero goal with concrete actions. We actively demonstrate our determination to reduce carbon emissions to customers and stakeholders.

CERTIFICATE

dqs

This is to certify that

Polytronics Technology Corp.

No. 24-1, Industrial E. 4th Rd., Science Park
Hsinchu 300
Taiwan

with the organizational units/sites as listed in the annex

has implemented and maintains an **Environmental Management System.**

Scope:
The environmental activities and supporting processes associated with the design and manufacture of Polymeric Positive Temperature Coefficient (PPTC) Over Current Circuit Protection Devices, Polymeric Electrostatic Discharge Suppressors (ESD) and Current Limiting Modules (CLM).

Through an audit, documented in a report, it was verified that the management system fulfills the requirements of the following standard:

ISO 14001 : 2015

Certificate registration no.	20003689 UM15
Date of revision	2024-10-29
Date of certification	2022-10-12
Valid until	2025-10-11

DQS Inc.

David Tellez
Managing Director

Accredited Body: DQS Inc., 1500 McConnor Parkway, Suite 400, Schaumburg, IL 60173 USA
Administrative Office: DQS Taiwan Inc., 8F, 23, Yuan Huan West Road, Feng Yuan Dist., Taichung City, Taiwan 420
The validity of the certification can only be verified by the QR-code.

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3.2.2 Energy Consumption Overview

In 2024, the total energy consumption of Polytronics was 25,493.10 GJ. The Company's main business items are Polymer Positive Temperature Coefficient (PPTC) components and thermally conductive boards. Therefore, the main energy consumption was purchased for process machines and air conditioning, which accounted for 99.25% of the total energy consumption, followed by transportation vehicles (diesel), accounting for 0.75%.

In 2024, the energy intensity (GJ/million revenue) increased by approximately 8% compared to 2023, primarily due to production capacity expansion and order growth. Despite the organizational adjustments in 2024, where the original Polytronics E. VII Plant was transformed into the subsidiary Juyep Technology and will no longer be included in the original inventory scope from 2025, the Year 2024 will be adjusted as the new base year to more accurately reflect the current organizational structure and operational reality. Looking ahead, Polytronics will continue to track the usage trends of various types of energy each year and actively review and promote energy-saving measures to achieve the goals of improving energy efficiency and sustainable management.

As of 2024, the utilization rate of renewable energy for Polytronics is 0%. In October 2022, the company completed the construction project of green roofs at the E. IV Plant and the Polytronics E. VII Plant. We are actively assessing the feasibility of integrating the energy storage cabinet with the internal power system. It is hoped that in the future, the electricity generated by the green roofs can be directly supplied for internal use, not only improving energy use efficiency but also steadily moving towards realizing the vision of a green economy and environmental sustainability.

Energy Consumption for the Past Three Years				
Total Internal Energy Consumption		2022	2023	2024
Non-renewable fuels	Gasoline (liter)	—	—	—
	Diesel (liter)	9,986	4,967.58	5,225.45
	Automotive urea (liter)	14	39.61	81.58
Purchased energy	Purchased grey energy (kWh)	9,653,225	8,850,340	7,026,441
Total calorific value of energy consumption (GJ)		23,930	23,191	25,493
Intensity (GJ/million revenue)		17.23	17.81	19.29

Note 1: The statistical scope of energy consumption data in 2024 covers: Polytronics (E. IV Plant, E. IX Plant, Toufen Plant), excluding the original Polytronics E. VII Plant (now the subsidiary Juyep Technology).

Note 2: Diesel calorific value = 8,800 kcal/L (2024 diesel calorific value = 8,642 kcal/L), urea calorific value = 9,000 kcal/L, electricity calorific value = 860 kcal/kWh. The coefficients are from the unit calorific value table of energy products of the Bureau of Energy, Ministry of Economic Affairs.

Note 3: Energy intensity = Total calorific value of energy consumption (GJ)/annual revenue in millions.

3.2.3 GHG Management

In 2024, Polytronics completed the GHG inventory in accordance with ISO 14064-1 and received a third-party verification by the British Standards Institution (BRI) Taiwan Branch in July 2025. In 2024, the total amount of GHG emissions for the year was 5,938 tons of CO_2e, of which Category 1 direct emissions accounted for 4.04% of the total, mainly from diesel trucks and fugitive emissions; Category 2 emissions accounted for 79.17% of the total, mainly from plant/office lighting/process equipment. The overall carbon emission intensity of Polytronics increased by 7% compared to the previous year, mainly due to the higher production proportion of high-carbon processes in 2024, which led to a relative increase in GHG emission intensity. In the future, all plants will track the achievement status of Polytronics' short-, medium-, and long-term carbon reduction targets through routine carbon inventory, contributing to global carbon reduction.

■ Statistics of Category 1 and Category 2 GHG Emissions and Intensity for the Past Three Years

	2022		2023		2024	
Unit	tonCO_2e	%	tonCO_2e	%	tonCO_2e	%
Category 1 Direct emissions and removals	228	5%	216.3420	4.71 %	239.6055	4.85 %
Category 2 Energy indirect emissions	4,778	95%	4,380.9185	95.29 %	4,701.1433	95.15 %
Category 1 & 2 total	5,007	100%	4,597.2605	100.00 %	4,940.7488	100.00 %
Category 1+Category 2 intensity (CO_2e/million revenue)	3.61		3.5296		3.7383	
Increase/decrease % compared to the previous year	—		—		7%	

Note 1: The year 2022 is set as the baseline year for the company's GHG emissions.

Note 2: The 2024 GHG coverage scope includes: Polytronics (E. IV Plant, E. IX Plant, Toufen Plant) and its subsidiary TCLAD Technology (formerly Polytronics E. VII Plant).

Note 3: GHG coefficient cited: Greenhouse Gas Emission Coefficients announced by the Ministry of the Environment; GWP coefficient from the Sixth Assessment Report of the IPCC (2021). 2024 electricity carbon emission coefficient announced by the Bureau of Energy and Taiwan Water Corporation coefficient announced.

Note 4: Inventory methodology: ISO14064-1:2018.

Note 5: Scope of GHG inventory: A total of 7 GHGs namely carbon dioxide (CO_2), methane (sub-CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), nitrogen trifluoride (NH_3).

Note 6: The GHG inventory is conducted using the operational control approach.

Note 7: Emission intensity = (Category 1+Category 2 emissions) (tonCO_2e)/annual revenue in millions.

Note 8: The GHG data in 2023 is based on the self-inventory and was not verified by a third party.

Note 9: The GHG data in 2024 is based on the self-inventory and was verified by a qualified third-party organization in July 2025.

With the conversion of GHG inventory standards and the development of global carbon management trends, Polytronics also includes Scope 3 inventory to determine the materiality principle based on the collectability of activity data, the reliability of the data calculation method, and the frequency of activity occurrence. We have identified the indirect emissions from the use of products by the organization in Scope 4 to carry out the inventory. The scope of inventory covers emission sources of upstream emissions from purchased goods and GHG emissions from waste disposal. In 2024, Category 4 emissions were 997 tons of CO_2e. In the future, we will continue to manage GHGs to respond to global trends while also investing in energy conservation and carbon reduction projects to continuously improve carbon management capabilities.

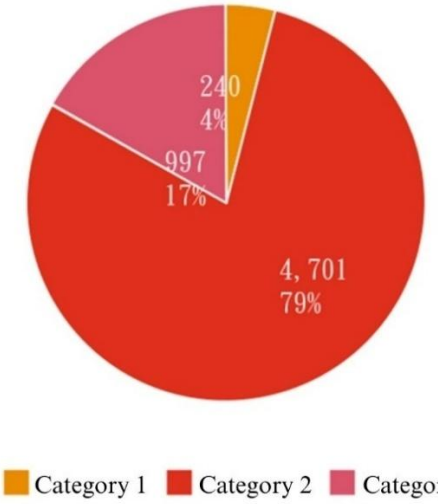
■ Annual Scope 3 GHG Emissions

	2022		2023		2024	
Unit	tonCO2e	%	tonCO2e	%	tonCO2e	%
Category 3 Indirect emissions from transportation	—	—%	—	—%	—	—%
Category 4 Indirect emissions from products used by the organization	916	100%	918.6491	100%	997.3845	100%
Category 5 Indirect emissions from using the organization's products	—	—%	—	—%	—	—%
Category 6 Other indirect emissions	—	—%	—	—%	—	—%
Scope 3 total	916	100%	918.6491	100%	997.3845	100%

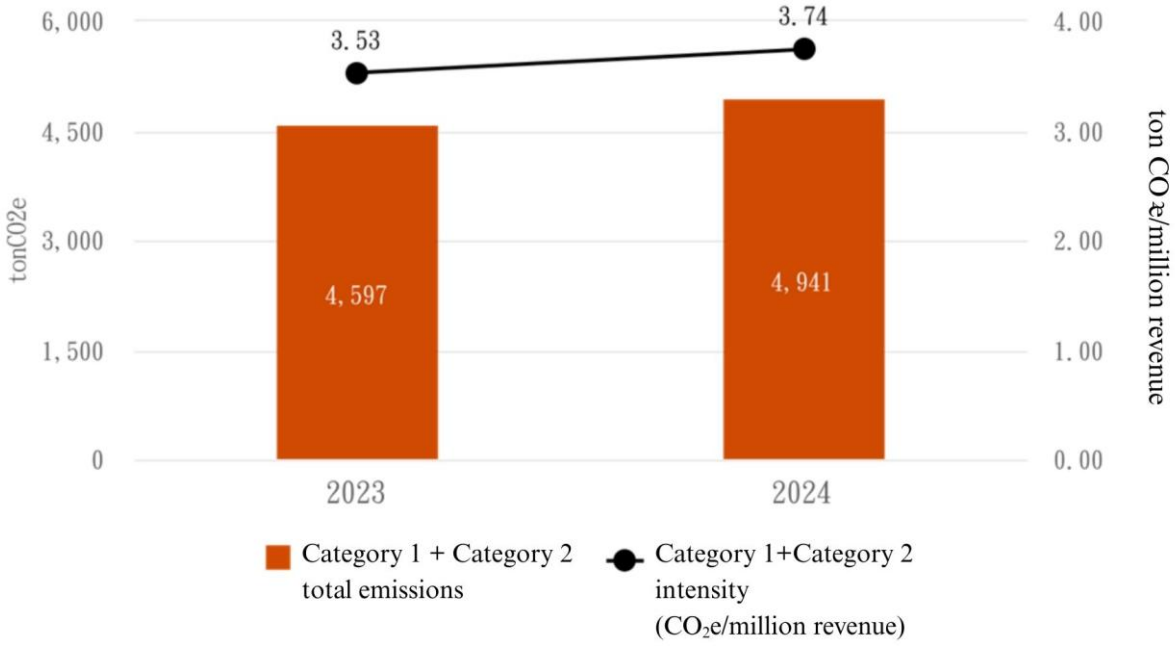
Note 1: Since 2022, Polytronics (Hsinchu Science Park Plant, E. IX Plant, Toufen Plant, E. VII Plant) has conducted Scope 3 GHG inventory, and the emission coefficient has been quoted from the Ministry of the Environment-Information on the Product Carbon Footprint Website. In the 2023 Sustainability Report, the Category 4 emission data was recalculated due to updated coefficients at E. IX Plant and Toufen Plant. After internal verification, the data has been corrected and updated to reflect accurate figures in the 2024 Sustainability Report.

Note 2: The inventory of Scope 3 covers emissions from upstream emissions from purchased goods and GHG emissions from waste disposal.

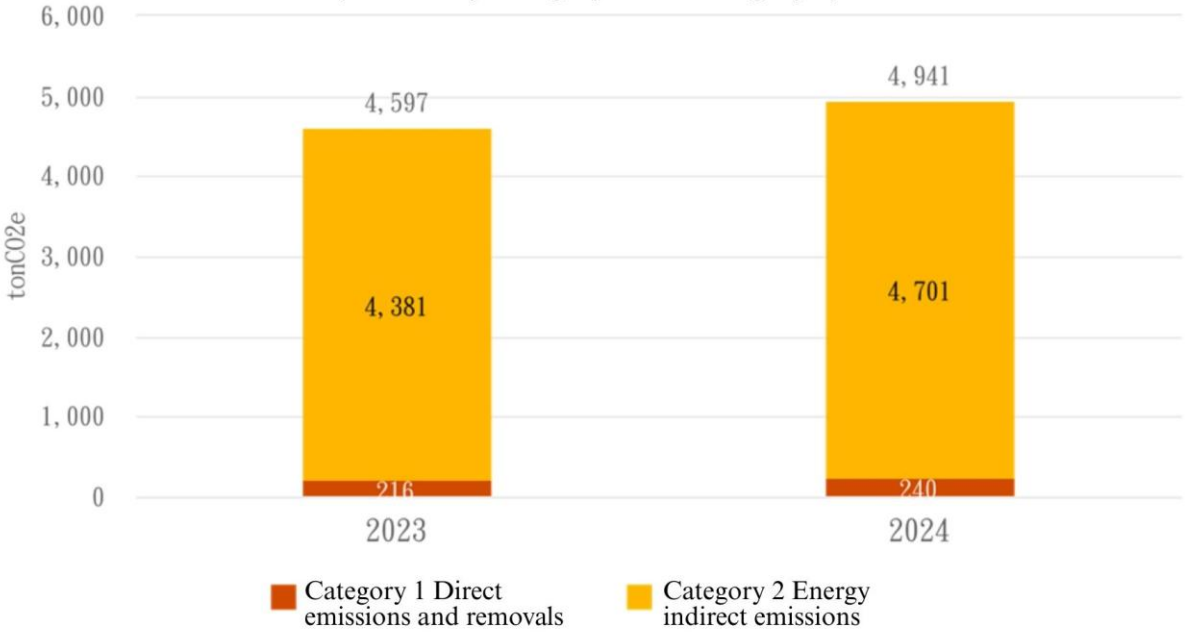
Annual GHG Emissions Proportion



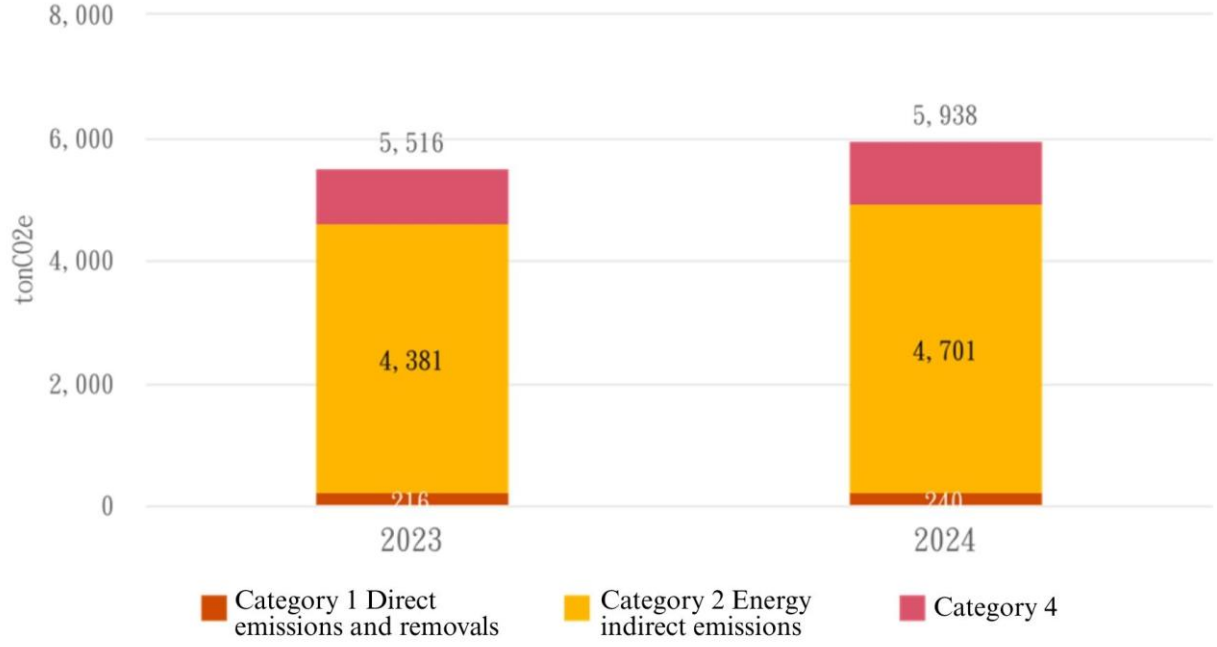
Trends in Total Volume and Intensity of GHG Emissions in Recent Years



Total Volume of GHG Emissions in Recent Years
(Divided by Category 1 and Category 2)



Total Volume of GHG Emissions in Recent Years
(Divided by Category 1, Category 2, and Category 4)



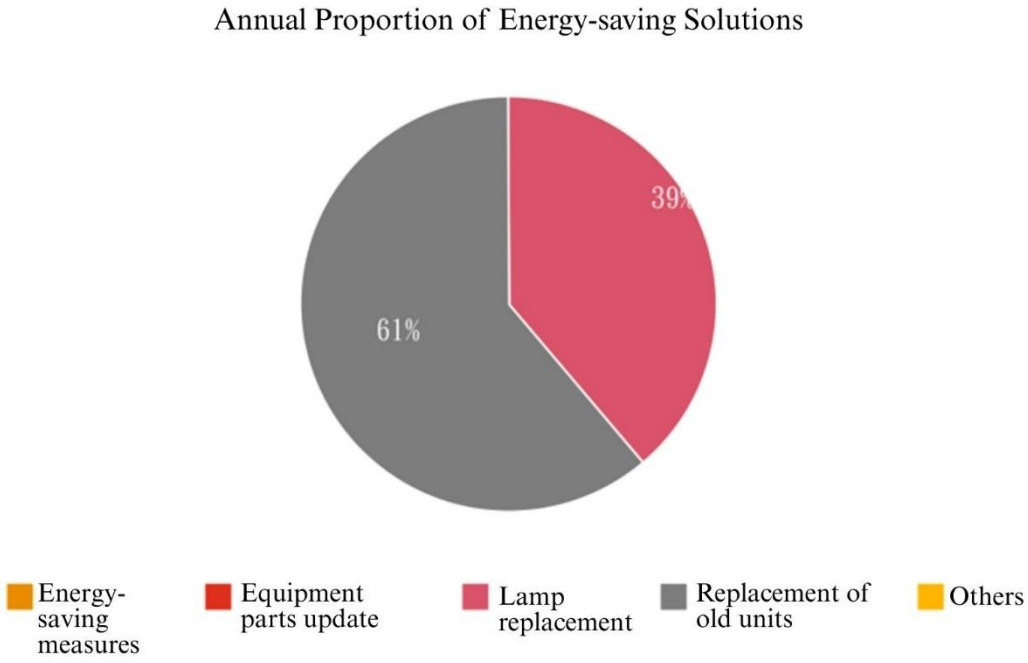
3.2.4 Reduction and Energy-saving Measures

At present, the main energy of Polytronics is used in the production system. In order to achieve the long-term goal of low-carbon operation, in 2024, each plant implemented energy-saving and carbon reduction solutions based on the circular KPI. This includes the inventory and replacement of old high-energy-consuming equipment or parts and the lighting equipment with energy-saving LED lamps in the plants.

In 2024, a total of 2 energy saving and carbon reduction measures were put in place, with a total energy saving of 75,209 kWh and a reduction of 37,153.25 kg of CO_2e emissions. In terms of lamp replacement, in 2024, a total of 100 sets of traditional T8 lamps were replaced with energy-saving LED lamps, saving a total of 29,200 kwh of energy saving and 14,424.80 kg of CO_2e emissions. In addition, we implemented the project of replacing old units with high-efficiency inverter-type air compressors in Toufen Plant, saving 75,209 kWh of energy and reducing 37,153.25 kg of CO_2e emissions.

Energy-saving solutions	kWh saved	Carbon reduction (kg CO_2e)	%
Lamp replacement	29,200	14,424.80	39%
Replacement of old units	46,009	22,728.45	61%
Total	75,209	37,153.25	100%

Note 1: The carbon emission factor of electricity adopts the 2023 electricity carbon emission factor announced by the Energy Administration, Ministry of Economic Affairs of 0.494 kg CO_2e/kWh.



3.3 Waste Management

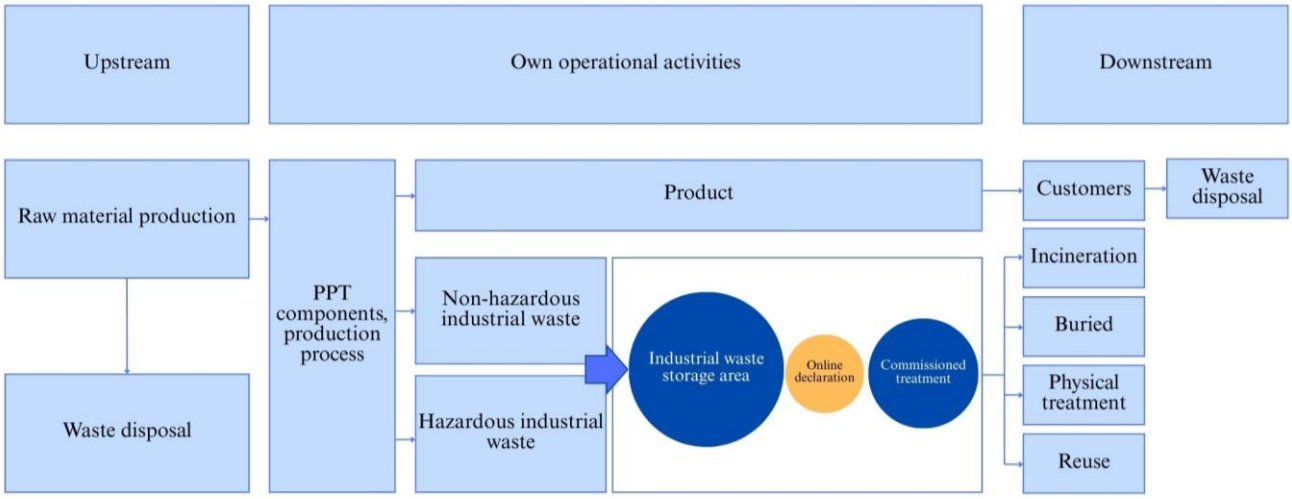
3.3.1 Waste Management System

The waste generated by the Company is mainly divided into three categories: industrial waste, hazardous industrial waste, and resource recycling waste. Each plant has its own waste storage area for centralized storage, and the waste is removed, disposed of and recycled off site by a third party approved by the Ministry of Environment. Dedicated personnel regularly monitor and report the total volume.

To prevent the waste generated from our operations from negatively impacting nearby communities and the ecosystem, we have established the "Waste Disposal Regulations" in accordance with ISO 14001: 2015, where environmental, safety, and health personnel audits hazardous industrial waste disposal providers every year to ensure compliance with relevant regulations and requirements.

In 2024, Polytronics completed the audits of two waste disposal service providers and found no arbitrary dumping or violations of regulations. In the future, we will continue to audit the disposal service providers to ensure that waste disposal complies with regulations and maintain the goal of zero violations.

■ Waste Value Chain Management Measures



3.3.2 Waste Generated

In 2024, the total volume of waste generated by Polytronics decreased by 36.3%, and the waste intensity also decreased by 37.2% compared to the previous year. This is mainly due to the organizational adjustments in 2024, where the original Polytronics E. VII Plant transformed into the subsidiary Juyep Technology, which was thus not included in the original inventory scope. To reflect the latest organizational structure and operational reality, the base year has been adjusted to the Year 2024.

In the future, we will continue to track the trends and changes of various types of waste and gradually increase the resource recycling rate to reduce the impact of our operations on the environment.

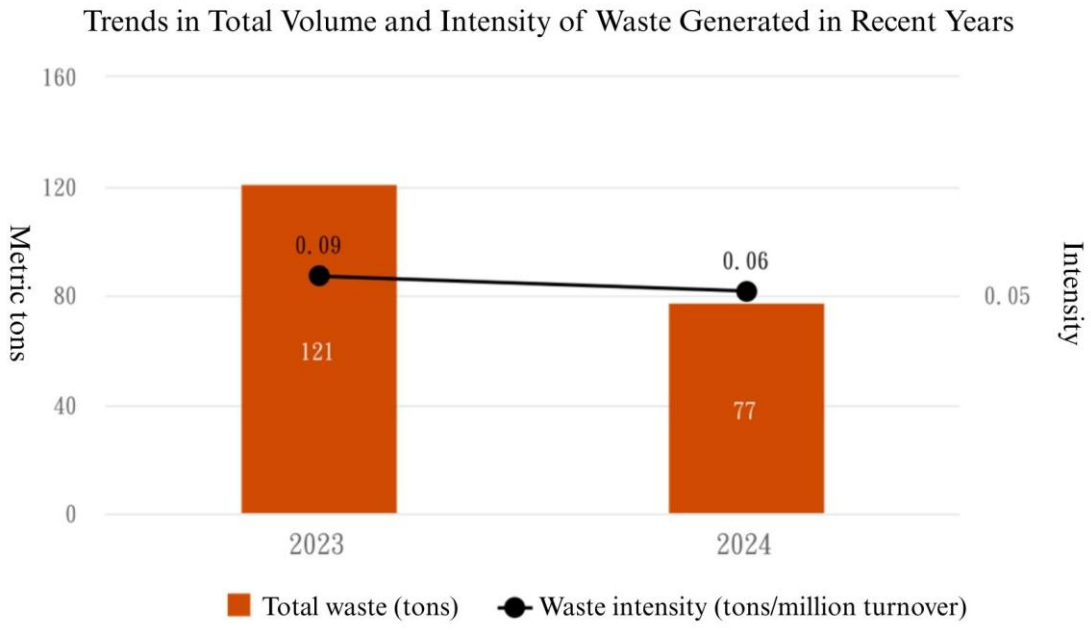
Waste Generated		
Year	2023	2024
Non-hazardous industrial waste (tons)	85.97	53.47
Hazardous industrial waste (tons)	35.28	23.82
Total waste (tons)	121.24	77.29
Annual growth rate (%)	—	-36.3%
Waste intensity (tons/million turnover)	0.09	0.06

Note 1: Waste coverage scope: Polytronics (E. IV Plant, E. IX Plant, Toufen Plant), excluding the original Polytronics E. VII Plant (now the subsidiary TCLAD Technology).

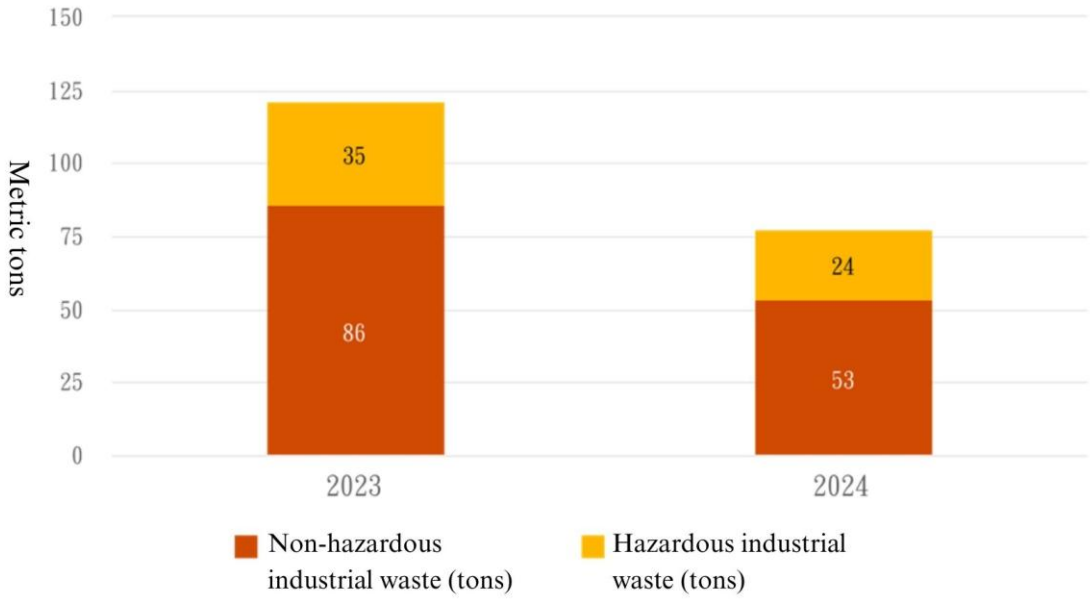
Note 2: 100% of the waste in each plant is disposed of off-site by a qualified third-party disposal service provider.

Note 3: The data comes from the statistics of the waste removal triplicate form actually declared by each plant in 2024.

Note 4: Waste intensity = Total volume of waste (tons)/annual revenue in millions.



Total volume of Hazardous/Non-Hazardous Waste Generated in Recent Years



■ Total Waste by Direct/Transfer Disposal

Waste Type	Hazardous waste		Non-hazardous waste (tons)		Total Disposal	
	Disposal Volume (tons)	%	Disposal Volume (tons)	%	Disposal Volume (tons)	%
Transfer (physical treatment, reuse, recycling)	14.97	62.87%	7.77	14.53%	22.74	29.43%
Direct disposal (incineration, burial)	8.84	37.13%	45.70	85.47%	54.54	70.57%
Total volume	23.82	100.00%	53.47	100.00%	77.29	100.00%

■ Total volume by hazardous/non-hazardous waste

Category	Total volume	Percentage
Hazardous waste (tons)	23.82	31%
Non-hazardous waste (tons)	53.47	69%
Total volume (tons)	77.29	100%

■ Final Waste Disposal Method by Item

Waste Type Waste Item	Waste Generated (tons)	Waste Disposed of by Third Party	Treatment Method
Non-hazardous waste	Domestic waste and plastic materials	38.45	Incineration (energy recovery)
Non-hazardous waste	Other general waste	0.00	Recycled
Non-hazardous waste	Waste foundry sand	0.00	Raw material for reuse
Non-hazardous waste	Slag	0.00	Buried
Non-hazardous waste	Waste plastic	1.00	Incineration (non-energy recovery)
Hazardous waste	PCB scraps	3.85	Physical treatment
Hazardous waste	Waste solvent container	1.83	Incineration (energy recovery)
Hazardous waste	Copper-containing sludge	6.39	Buried
Hazardous waste	Waste electronic components, scraps and defective products	11.12	Physical treatment
Total volume of waste		77.29	

3.3.3 Waste Reduction Actions

In order to reduce the impact of waste generated from our operations on the environment, Polytronics performs inventory of raw materials at the source of products. Moreover, we collect cardboard boxes and buffer materials for reuse in order to reduce the use of energy resources and the amount of waste generated. In 2024, a total of 12,320 kilograms of waste cardboard boxes were recovered and sold. Additionally, since July, 125.84 kilograms of polystyrene boards have been collected and returned to the original supplier to ensure proper resource recycling and reuse.

In the future, Polytronics will continue to plan waste reduction, recycling and reuse solutions to increase the ratio of waste reuse, hoping to reduce the consumption of resources and improve waste recycling.

In order to more actively achieve the goal of waste reduction, starting from 2025, the waste target has been adjusted to "waste intensity reduction". With 2024 as the base year, the waste generation intensity must be reduced by 1% every year. The target for 2025 is a 1% reduction in waste generation intensity, and 2% by 2026.

3.4 Water Resource Management

3.4.1 Water Resource Risk Assessment

As extreme weather events worsen in recent years, the uneven distribution of rainfall around the world has become the norm. The frequency and severity of torrential rains, droughts, and floods have set historical records year after year. These impacts not only affect ordinary people's livelihoods, but also disrupt the supply chain of enterprises and cause the instability and the risk of plant operation interruption to increase. Due to the above, water risk management has become an issue that cannot be ignored in corporate operations.

In 2024, we used the Aqueduct Water Risk Atlas, a water resource assessment tool of World Resources Institute's (WRI) to analyze the water intake pressure of each operating site to determine whether there is any water risk. The results show that the operating sites of Polytronics are not located in areas with high water stress. In the future, we will continue to track and evaluate the water stress of each location year by year to prevent potential impacts of water consumption on local residents and the ecology.

■ Destination of water withdrawal and water discharge at each site

Operating Sites	Main Water Source	Water Withdrawal and Catchment Area	Treatment Level	Final Destination of Water Discharge	Water Source Stress
E. IV Plant	Third-party water	Baoshan Reservoir	Secondary treatment	Keya River	Low (<10%)
E. IX Plant	Third-party water	Baoshan Reservoir	Untreated	Keya River	Low (<10%)
Toufen Plant	Third-party water	Yongheshan Reservoir	Untreated	Zhonggang River	Low (<10%)

(Enquiry time: May 2025)

3.4.2 Water Withdrawal, Consumption, and Discharge

The water withdrawal of all operating sites of Polytronics comes from third-party water supply companies. The E. IV Plant is required to use soft water for PCB cutting to reduce the heat generated by high-speed cutting. Based on the monthly water balance chart, it is estimated that process water accounts for approximately 80% of the total water consumption. The total water withdrawal in 2024 was 22.95 million liters, with a water use intensity of 0.02 (million liters/million revenue). This adjustment was mainly in response to the organizational adjustments in 2024, where the original Polytronics E. VII Plant transformed into the subsidiary Juyep Technology, which was thus not included in the original inventory scope. To reflect the latest organizational structure and operational reality, the base year has been adjusted to the Year 2024.

Water Consumption Category	Withdrawal/Discharge Destination Classification	2023	2024
Water Withdrawal	Water company, municipal water supply, wastewater treatment plants	34.18	22.95
	Total water withdrawal	34.18	22.95
Water Discharge	Discharged into a wastewater treatment plant for treatment	20.10	9.60
	Total water discharge	20.10	9.60
Water Consumption	Total water consumption	14.08	13.35
Water withdrawal intensity (million liters/million revenue)		0.03	0.02

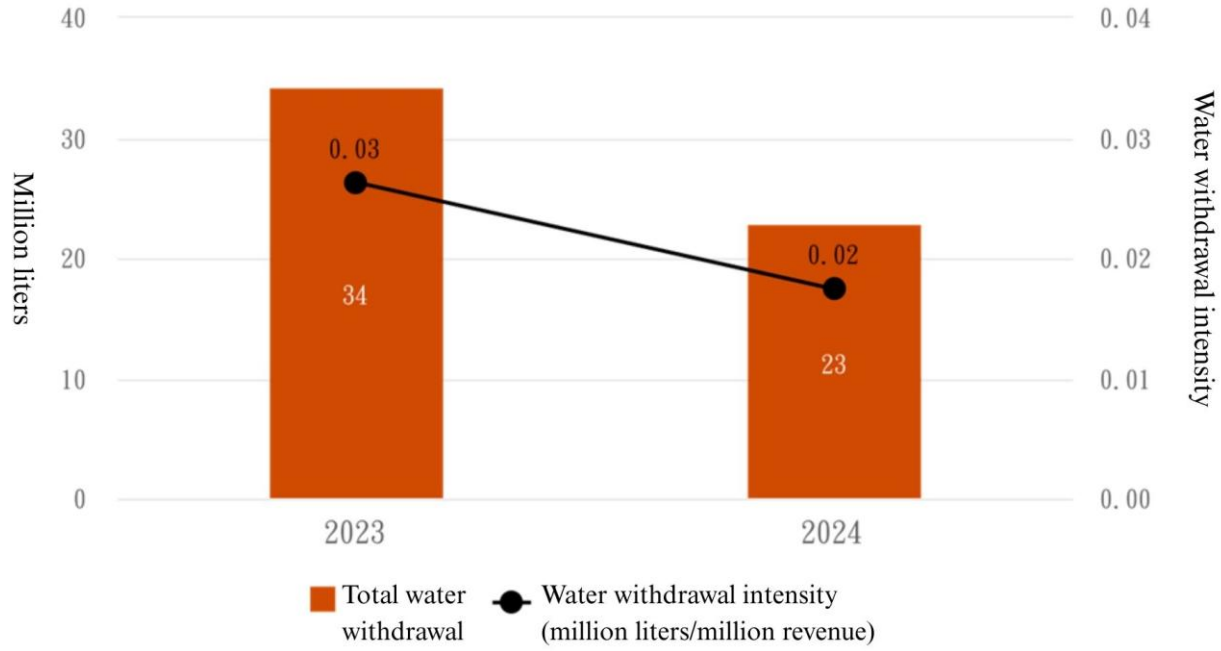
Note 1: None of the water intake sources of Polytronics (E. IV Plant, E. IX Plant, Toufen Plant) are located in areas with high water pressure.

Note 2: The total dissolved solids of the water intake of Polytronics (E. IV Plant, E. IX Plant, Toufen Plant) are all ≤1,000 mg/L.

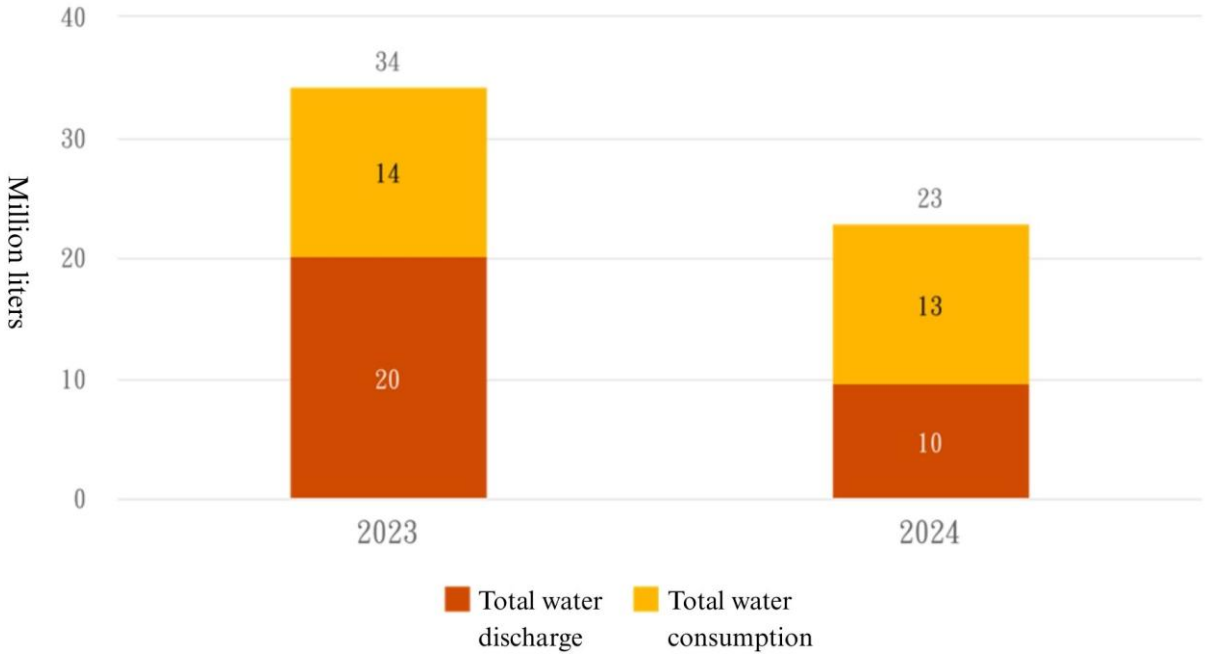
Note 3: The calculation method for water discharge of Polytronics (E. IV Plant, E. IX Plant, Toufen Plant): Domestic sewage volume = Tap water usage * 0.8 (self-estimated domestic sewage coefficient).

Note 4: Water withdrawal intensity = Total water withdrawal (million liters)/annual revenue in millions.

Trends in Total Water Withdrawal and Water Intensity in Recent Years



Trends in Recent Water Resource Usage



3.4.3 Wastewater Discharge Management

Wastewater of Polytronics consists of domestic sewage and process wastewater (only in E. IV Plant). Wastewater is centrally managed by the Hsinchu Science Park Bureau. In accordance with the national Effluent Standards for the industrial park water quality standard, wastewater from the cutting process in the E. IV Plant is exclusively piped into the Wastewater Treatment Plant to treat chemicals to reduce the concentration of copper and nickel ions in the wastewater before it is piped into the wastewater treatment plant of the Hsinchu Science Park Bureau, where it is treated again to meet the "Effluent Standards" of the Ministry of Environment, and then discharged to the Keya River. In order to prevent the wastewater generated by the manufacturing process of E. IV Plant from exceeding the standard and pollute the rivers, the Plant Affairs Department has appointed dedicated personnel to be responsible for the operation, monitoring, and preventive maintenance of the wastewater system. By doing this, we ensure that the quality of wastewater meets the management specifications. Every six months, we entrust a qualified inspection organization to carry out water quality inspection. The wastewater quality is inspected from time to time every month by the Hsinchu Science Park Bureau and the wastewater tested met the wastewater standards of the Hsinchu Science Park Bureau for the past two years. Given this, there has been no significant impact on the ecological environment or the local community.

■ 2024 Annual Wastewater Inspection Results and Local Discharge Standards

Site	E. IV Plant	
Water quality standard	Annual testing value	Local standard value
pH	8.4	5.0~9.0
COD (mg/L)	＜1	500.0
BOD (mg/L)	13.8	300.0
SS (mg/L)	4.6	300.0
Free available chlorine (mg/L)	ND	2.0
Copper (mg/L)	ND	1.0
Nickel (mg/L)	ND	0.7
Water temperature (°C)	23.0	38.0
True color chromaticity	＜25	0

3.4.4 Water Resource Management or Reduction Actions

We understand the importance of water conservation. In recent years, the frequent occurrence of extreme droughts in various countries has highlighted the importance of water resource management to corporate operations. Therefore, in addition to discussing the water consumption of each plant in the monthly Plant Affairs Department meetings, we also encourage production units to annually assess and inventory the water-saving measures that can be implemented within the department. By doing so, we are able to reduce the reliance on water resources and decrease the impact of sudden water shortages on the Company's operations. In 2024, 2 water-saving actions were implemented at all operating sites of Polytronics, saving 4,536 m3 of water.

■ Annual Water-Saving Actions and Performance

Operating Sites	Water-saving Actions	Description	Water Saving (m3)	Basis of Calculation (flow meter/estimation)
E. IV Plant	Maintenance of water cooling tower	The concentration ratio of the air conditioning chemicals is adjusted to 6 times.	4,140	The water supply data by the air conditioning chemical provider is 21.4 - 9.9 = 11.5 m3/day 30 working days = 345 m3/month 12 = 4,140 m3/year
Toufen Plant	Maintenance of water cooling tower	The concentration ratio of the air conditioning chemicals is adjusted to 6 times.	396	The water supply data by the air conditioning chemical provider is 1.7 - 0.6 = 1.1 m3/day 30 working days = 33 m3/month 12 = 396 m3/year
Total Number of Water-saving Actions	2	Total amount of water saved	4,536	-

Chapter 4 Product Innovation and Customer Service

4.1 R&D and Innovation

Item	Details
Material Topics	Innovative R&D and Green Product
Policies, Commitments and Materiality	Improve the reliability and service life of electronic products, and continue to develop overcurrent, overvoltage, and overheating protection products and services.
Responsible Unit	Technical Division
Short-, Mid- and Long-term Goals	■ Short-term goals: Meet the needs of the consumer electronics industry, especially for high-density, high-current, and high-operating temperature applications derived from electronic products. These can be further subdivided into personal computers, notebook computers, servers, printers, batteries, lighting, and other areas of application. Additionally, the growth of automotive electronics in smart driving is considered, along with the impact of rising natural environmental temperatures on electronic products. Continue to actively propose initiatives and invest in innovative R&D, with the proportion of R&D expenditures continuing to exceed 5% annually. ■ Mid-term goals: In response to issues such as low birth rate and rising wages, we will continue to deploy key components for industrial automation, and provide corresponding components and services for applications such as current protection and anti-lightning/anti-surge protection. For various communication protocols and ports domestically and internationally, we offer corresponding components and services. ■ Long-term goals: Expand the application of green and artificial intelligence products, and develop key technologies required for energy storage, battery management, high-speed communication, high-speed computing, and intelligent assistance systems to greatly improve the safety and stability of the system.
Action Plan	1. Deploy the foundation of the technical capabilities required for the development of industry trends in the next three to five years. 2. Industry-government-academia collaboration: Follow national policies, implement technology plans, and conduct basic research with colleges and universities to train outstanding domestic students for the development of sustainable talent. 3. International collaboration: Make an effort to recruit foreign consultants to expand in Japan, Germany and the United States, enhance early international participation, joint development and cooperation opportunities, and increase exposure at the same time.
2024 Performance	1. R&D investment reached 8% of the consolidated operating revenue 2. Applied for 22 patents, obtained 18 patents, and a total of 98 individuals were inventors. 3. Two development collaboration projects with colleges and universities
Grievance Mechanism	1. Annual (product) strategy meeting and product development quarterly review meeting 2. Product design control process execution, progress and outcome audit 3. Customer experience feedback and customer satisfaction survey

4.1.1 Main Products and Services

We are engaged in the manufacturing and sales of positive temperature coefficient thermistors, three-terminal fuse, disposable fuses, overcurrent protection devices, heat dissipation materials, heat dissipation components, as well as related R&D, manufacturing, and application design. Essentially, we provide customers with comprehensive protection solutions and services. The application fields of our products include personal computers, notebook computers, mobile phones, printers, network facilities, base stations, communications, industrial automation, secondary batteries, energy storage equipment, toys, game consoles, power tools, solar power, lighting, vehicles and vehicle peripherals.

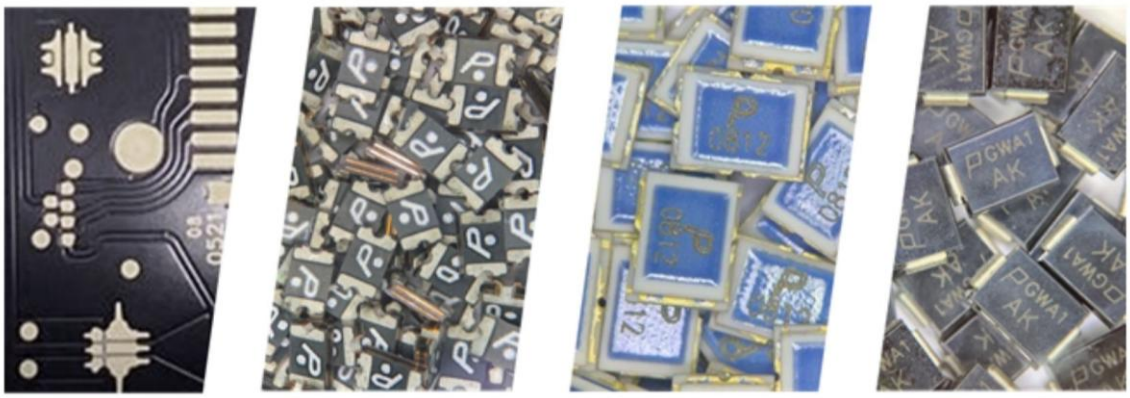
Taking peripheral applications for vehicles as an example, they can be further subdivided into trip computers, driving assistance systems, navigation audio and video, car networking, tire pressure monitoring, charging systems, battery management systems, seat motors, door lock motors, window motors, interior and exterior lighting, power steering boxes, etc.

■ **Output of Main Products**

(Unit: Thousand; NTD thousand)

Main Products	2023			2024		
	Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
Protection Devices	2,718,022	1,581,697	483,485	2,772,000	1,700,564	522,630

■ **Appearance of Main Products**



Heat dissipation materials | Positive temperature coefficient thermistors | Three-terminal fuse | Overcurrent protection devices

■ **Product Development Trend**

1. Positive temperature coefficient thermistors:
   (i) Size reduction: With the increasing number of electronic components used in portable/handheld terminal products, the allowable installation space for electronic components is becoming more and more limited. Through breakthroughs in material technology and changes in component structure design, the size and thickness of components are gradually reduced, which is expected to significantly increase the degree of product design freedom and ease of use.

(ii) Maximize the pressure resistance, expand the applicable fields of products, and meet the future development of automotive electronics and industrial control.

(iii) Diversification of packaging, for example, through coating, packaging, and other technologies, enhances the product's environmental reliability. To meet the demand for customization and diverse assembly applications, various component structure deformations are carried out. By working with customers in early development, the entry barrier for newcomers is raised.

(iv) Broadening of operating temperature range: In response to the rapid development of high-performance and high-speed computing electronic products, the temperature within systems is also rising. Coupled with the effects of global warming, conventional product series are no longer sufficient. Therefore, in recent years, through breakthroughs in material technology, we have gradually launched brand-new products with a broad operating temperature range to meet current and future demand trends.

2. Three-terminal fuse

(i) Increase the current density per unit area for the development of small-size products to meet the battery protection needs of portable/handheld terminal products; simultaneously, through a slight increase in existing product sizes, enhance the fusing current capacity to meet the battery protection needs for high-current output applications such as power tools and energy storage equipment.

(ii) Wide applicable voltage range: Expand the voltage operating range of a single product, improve product applicability, widely meet the voltage specifications of lithium batteries in different material systems, effectively reduce product material part numbers, reduce the burden on customers in design and material preparation, reduce management costs, and simplify the waste reduction of residual materials.

(iii) Reduce the use of hazardous substances, and take the initiative to develop brand-new low-lead and lead-free series products, as well as PFAS-free series products, to stay ahead of the industry and meet international future trends, while also providing customers with more product options.

3. Overcurrent protection devices

(i) Low-capacitance products: In response to the market trend and demand for high-speed transmission, such as USB TYPE-C, HDMI ports, we have developed product series with low capacitance value, which have passed customer certification.

(ii) Low clamping voltage: In order to reduce the energy consumption of electronic products, the operating voltage of the system is gradually reduced. By reducing the clamping voltage of the overcurrent protection devices, its protection capability for low-voltage active IC components is improved, and it is protected against damage by surges.

(iii) High-wattage products with improved surge resistance and are widely used in power supply, energy storage, and outdoor markets.

4. Heat dissipation materials

Products with high thermal conductivity and high reliability: By taking advantage of the continuous production advantages of roll thermal adhesive film, the thermal adhesive film can be combined with metal foils, metal plates, or even FR4 substrates to be pressed into single-layer or multi-layer heat sinks for use. This increases the freedom of design and production to expand product platforms and application fields.

5. Thermal conduction components

Combining thermal insulation core materials with semiconductor packaging technology, we have developed a series of thermal conduction components with low thermal resistance, high insulation withstand voltage, and high environmental reliability. By bridging these thermal conduction components, high heat is transferred to relatively lower temperature areas, effectively reducing the temperature of hot spots on the system board and preventing the potential for system throttling due to excessively high operating temperatures.

4.1.2 R&D Personnel and Investment

The annual investment in R&D accounts for 5-8% of the operating revenue. At the same time, we continue to recruit outstanding talent at home and abroad. 45% of the total R&D personnel have Ph.D. and master's degrees account. We encourage our R&D colleagues to return to campus to obtain higher education. One employee is currently participating in on-the-job training and is pursuing a master's degree at Yuan Ze University.

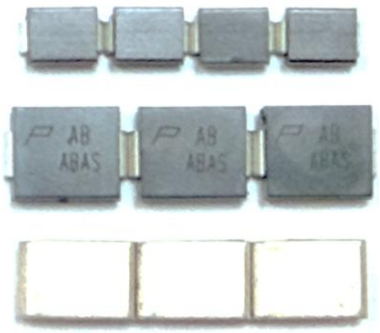
■ **R&D Expenses in the Past Three Years**

(Unit: NTD thousand)

Item	2023	2024
Consolidated operating revenue	2,793,752	2,925,428
Consolidated R&D investment	223,886	244,214
R&D expenses as a percentage of revenue	8.01%	8.35%

■ **Technologies and Products Successfully Developed in 2024**

Product Type	Product Scope	Application Products
Polymeric positive temperature coefficient thermistors	SMD high reliability coating series, low resistance, large current, 6V, 7.5A~10A	Mobile phone batteries, tablet batteries, Bluetooth speakers
	SMD series, low resistance, high voltage, large current SMD series, 24V, 3A~7A	Multiple series-parallel batteries, DC power input protection, Bluetooth speakers
	RLD high temperature series, 16V~60V	DC motor protection, DC power input protection
Three-terminal fuse	CLM1107Pxx05 series	Miniaturization, portable electronic products, smart home
	CLM1612Pxx12H	New voltage range lithium battery applications, portable electronic products, notebook computers, tablets, audio equipment, smart home
	CLM1612Pxx15F	Lead-free series, meeting environmental requirements trends, portable electronic products, notebook computers, tablets, Bluetooth speakers, smart home.
Thermal conduction components	SMTB series	Power and battery management systems, high-speed computing



Surface mount thermal conduction components, Surface Mount Thermal Bridge (SMTB)

■ **Future R&D Outlook**

We strive to deepen the cultivation of existing consumer electronics customers, continue to provide brand-new products and application solutions, and meet the needs of high-power, high-current, high-service temperature, as well as high-reliability product portfolios. In addition, we will take a proactive approach in developing the EV industry, driving assistance systems, and energy storage and renewable energy systems. By doing so, we will greatly enhance the ease of use, safety, and service life of the end-products.

4.1.3 Innovative Exhibitions and Industry & Academia Collaboration

The company actively participates in numerous national projects and international exhibitions, as well as promotes industry-academia collaboration, driving technological innovation and industry development.

1. Participate in significant technology projects to promote the development of automotive high-temperature components and PPTC materials.
2. Through industry-academia collaboration, deepen material science research and cultivate talent.
3. Showcase the latest technology at international exhibitions, with plans to introduce innovative products at future exhibitions.

Additionally, the company plans to showcase new products and the latest cutting-edge technology at the 2025 Munich Electronics Fair.

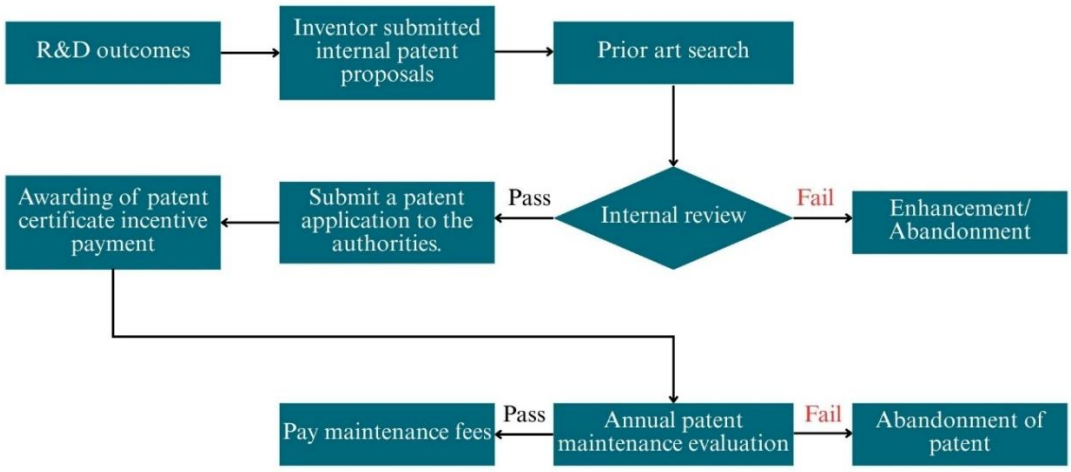
Item	Details
Participation in national projects	industrial upgrading and innovation platform counseling program (2020-2022)
	Aenterprise innovative R&D chain quenching plan, and the automotive PPTC material and component development plan (2021-2023)
industry-academia collaboration	Became a member of the Taiwan Passive Components Industry Association (since 2022)
	exchange ideas with public and private universities such as National Tsing Hua University, Tunghai University, and Yuan Ze University to conduct preliminary research in the fields of polymer physics, polymer chemistry, and ceramic materials.
Participation in international exhibitions	Participation in the 2024 Munich Electronics Fair in Germany, as well as the 2024 and 2025 Shanghai Munich Electronics Fair.

4.1.4 Intellectual Property Protection and Patent Deployment

■ **Intellectual Property Management Policy**

1. Objective: In conjunction with the Company's operations and development, the protection of its intangible assets is implemented at the same time.
2. Acquisition of intellectual property: Protect proprietary technologies through patents and establish brand identity through trademarks.
3. Internal integration: Establish patent management procedures, integrate internal resources, and effectively generate patents; encourage and reward colleagues for their contributions to intangible assets through the reward system.
4. Risk management and improvement: Regularly monitor the patents of peers and take countermeasures, periodically track the current status of intellectual property rights, and develop improvement directions.

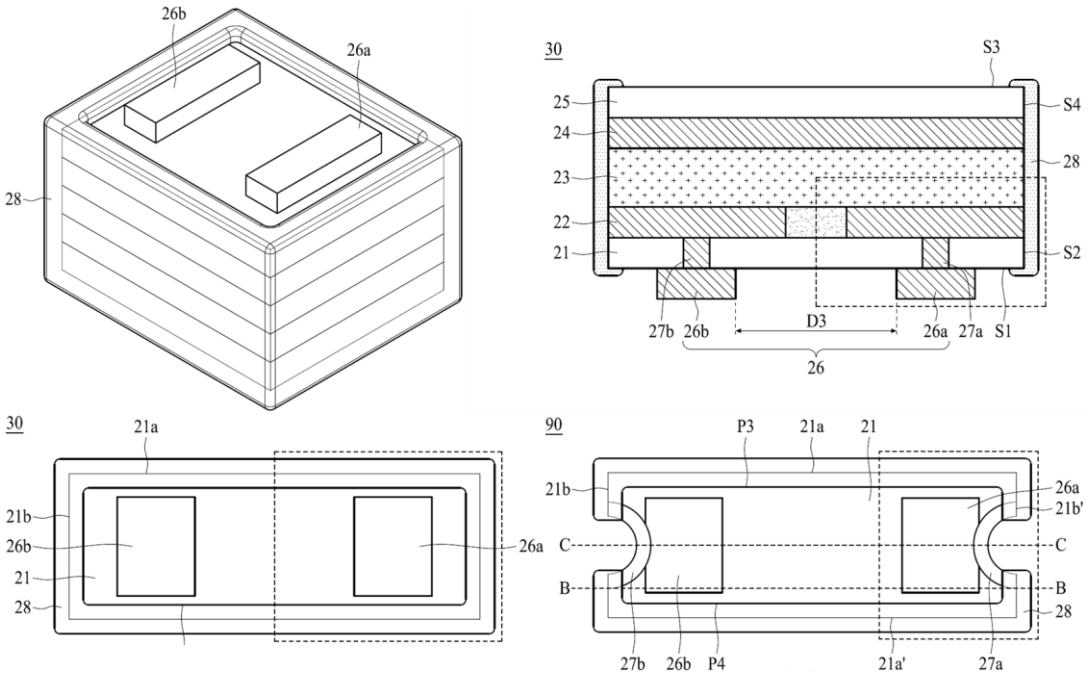
■ **Patent Application and Maintenance Process**



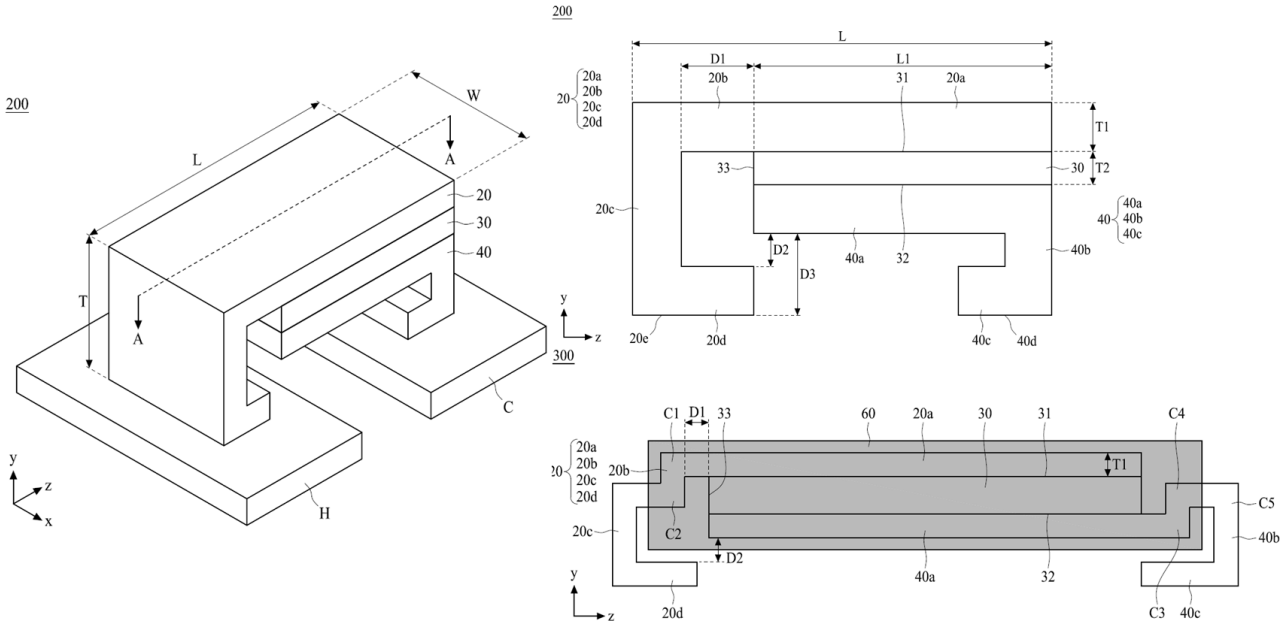
■ **Statistics of Patents in the Past Two Years**

Item	2023	2024
Number of Patent Applications in the Year	35	22
Number of Patents Obtained in the Year	21	18
Cumulative Number of Patents Obtained	366	384
Brief Introduction of Important Patents of the Year	Overcurrent protection device with package structure	Thermal conduction components in lead frame format

The patent for overcurrent protection devices obtained in 2023 includes the design of the packaging layer. The invention adjusts the position of the welding pad of the overcurrent protection component, so that the sealing compound can reach the maximum coverage rate. At the same time, the electrical performance is not affected by the adhesion of the electrode or the overflow of the glue. In this way, the overcurrent protection device can be protected by the packaging layer from the problems of characteristic degradation or unstable resistance values caused by external influences.



The patent for thermal conduction components obtained in 2024 adopts a structure in lead frame format, thereby enhancing the thermal conductivity of the components. In addition, this component is independent of the wires in the circuit and is not used for conducting current, achieving excellent thermoelectric separation.



4.2 Customer Relationship Management

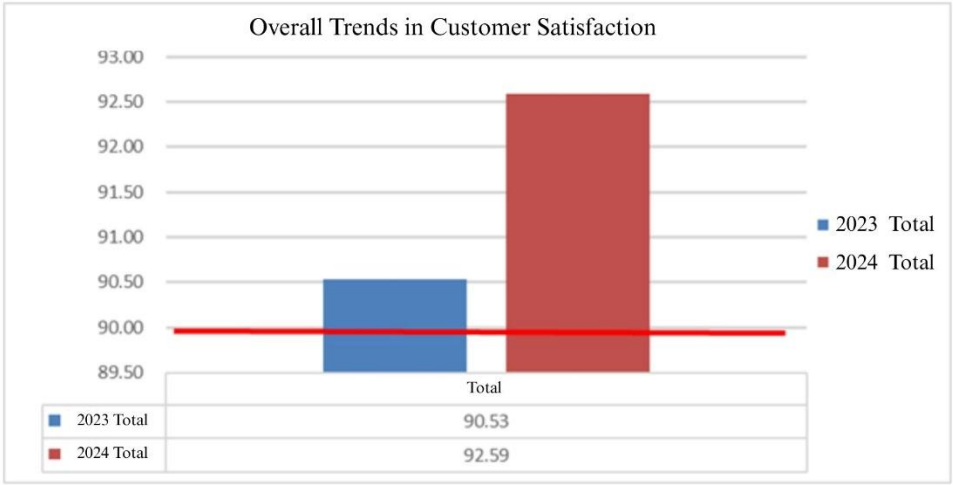
4.2.1 Customer Satisfaction Survey

At Polytronics, we uphold the concepts of teamwork, innovation, quality, service, and sharing as the basis for sustainable corporate operations. We also establish a cooperative relationship with customers for co-existence and prosperity. The information is used as a benchmark for comparison, and improvement of various functions.

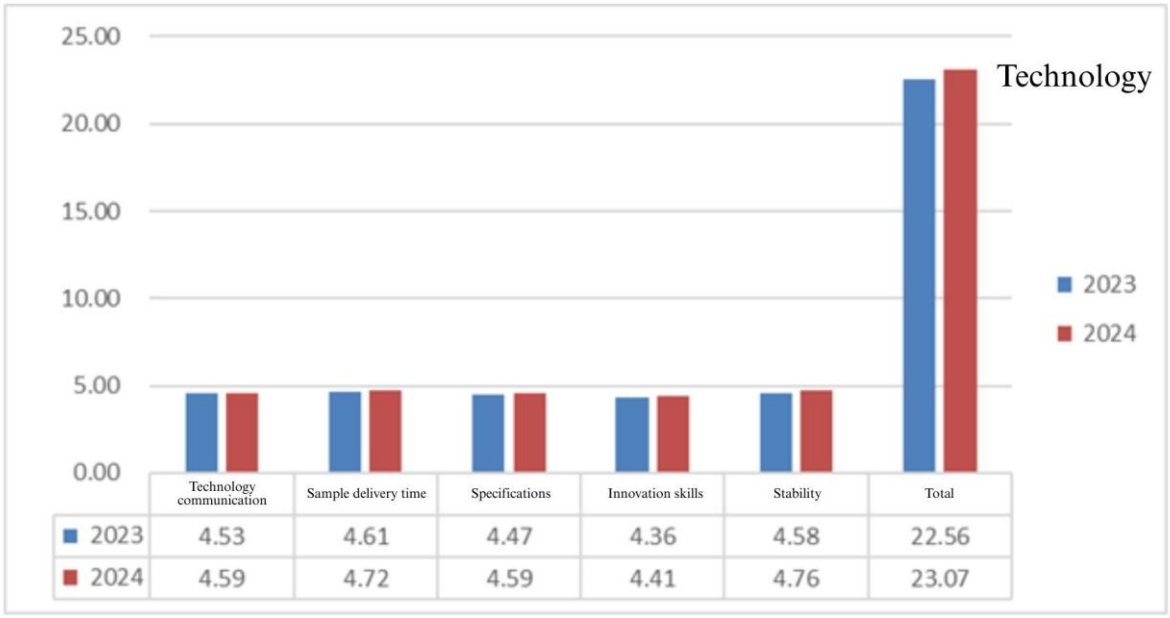
In order to obtain customer information and effectively reflect it on product planning, design and quality, a "Customer Satisfaction Survey" is issued annually or from time to time. Customers are asked to evaluate the performance of the products or services provided by Polytronics in four areas: technology, business, quality, and overall. The goal is to achieve a total score of more than 90 points in each survey, and the survey results will be compiled into a customer satisfaction report as a reference for internal process improvement while also establishing the indicators for each unit to improve service quality and corrective prevention. The overall satisfaction score in 2024 was 92.59 points.

Based on the evaluation of the four areas of the customer satisfaction survey, the satisfaction level is determined to identify the competitive indicators. This also helps us understand and grasp the needs of customers in all aspects to optimize customer service. Improvement measures are issued to track scores that are low and customer feedback, and relevant units propose improvement plans. Continuous improvement increases customer confidence in the Company and stabilizes the relationship between the two parties, forming a virtuous cycle of positive impacts.

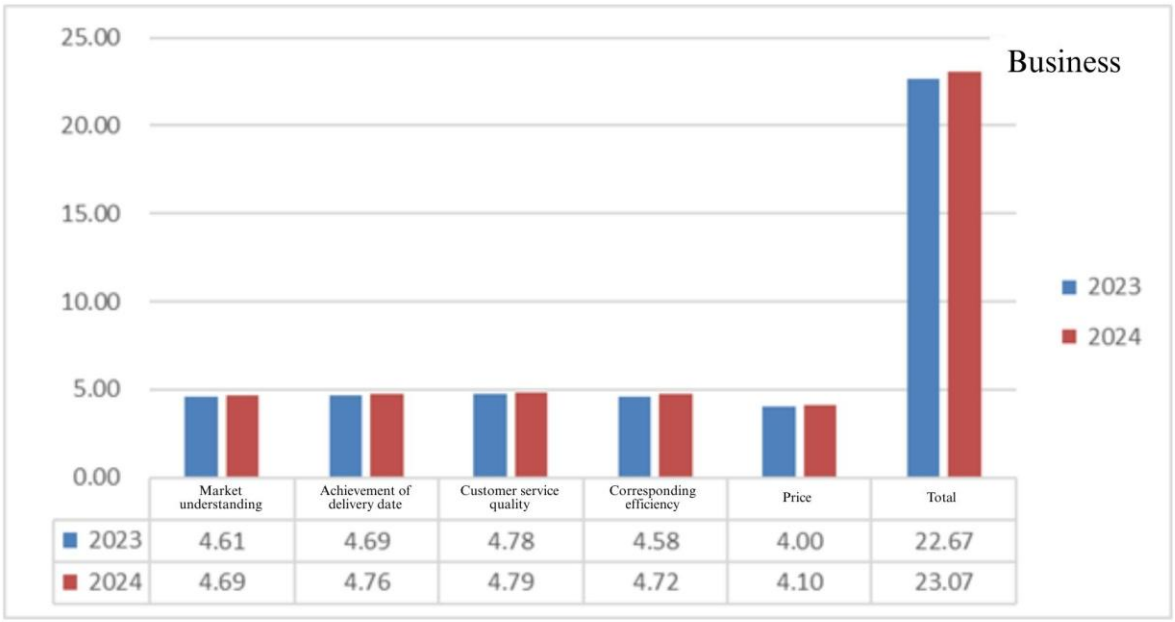
■ **Overall Trends in Customer Satisfaction Over the Years**



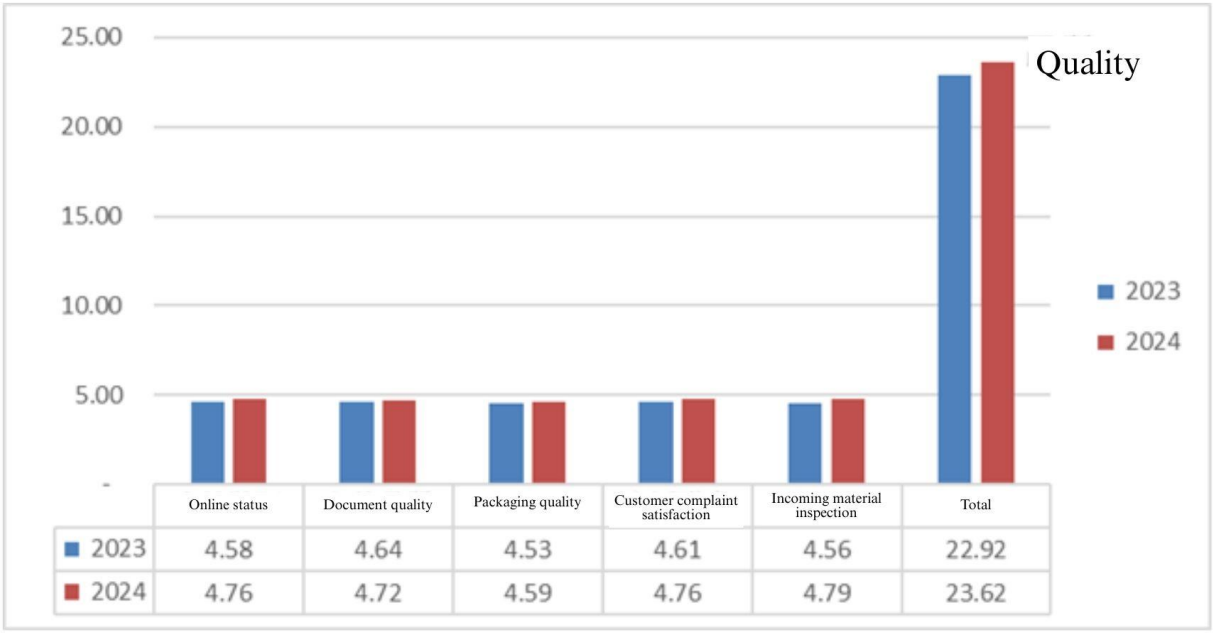
■ Analysis of Item Performance in Each Orientation



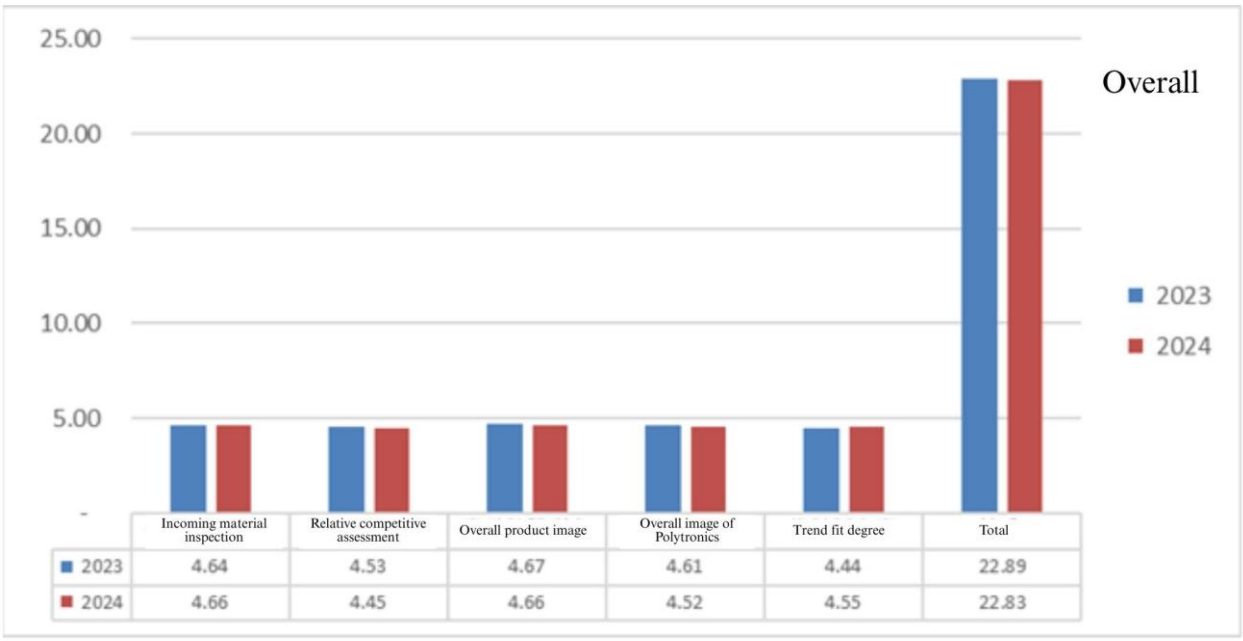
	Technology communication	Sample delivery time	Specifications	Innovation skills	Stability	Total
2023	4.53	4.61	4.47	4.36	4.58	22.56
2024	4.59	4.72	4.59	4.41	4.76	23.07



	Market understanding	Achievement of delivery date	Customer service quality	Corresponding efficiency	Price	Total
2023	4.61	4.69	4.78	4.58	4.00	22.67
2024	4.69	4.76	4.79	4.72	4.10	23.07



	Online status	Document quality	Packaging quality	Customer complaint satisfaction	Incoming material inspection	Total
2023	4.58	4.64	4.53	4.61	4.56	22.92
2024	4.76	4.72	4.59	4.76	4.79	23.62



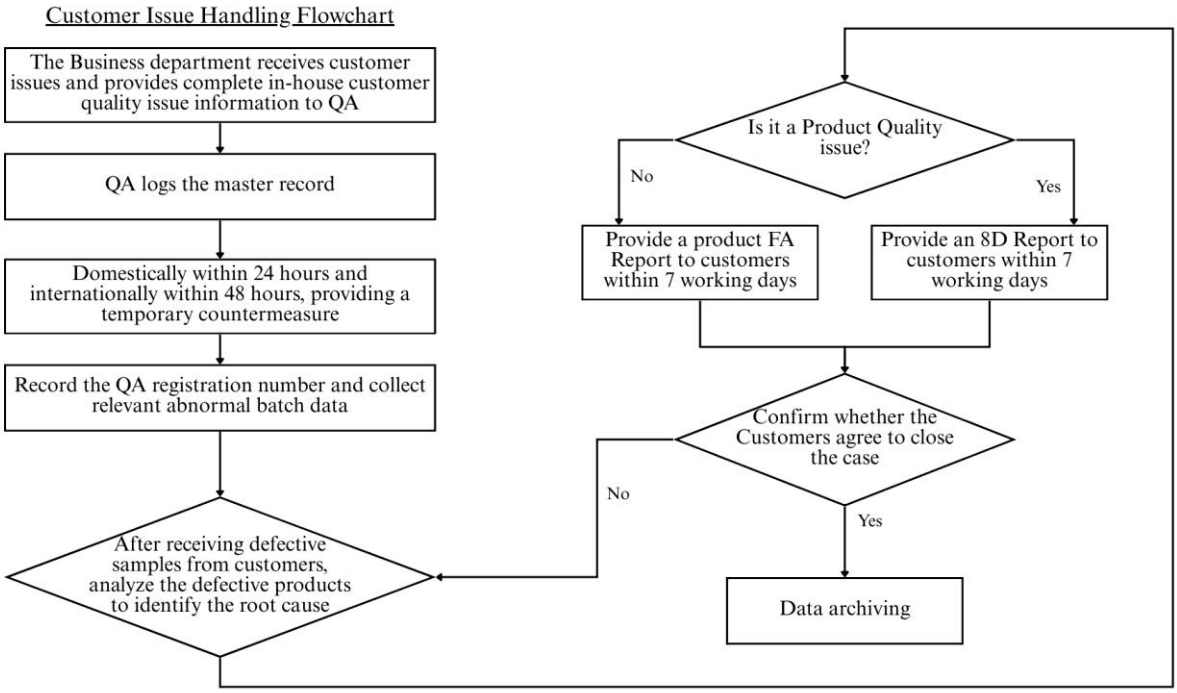
	Incoming material inspection	Relative competitive assessment	Overall product image	Overall image of Polytronics	Trend fit degree	Total
2023	4.64	4.53	4.67	4.61	4.44	22.89
2024	4.66	4.45	4.66	4.52	4.55	22.83

4.2.2 Customer Complaint and Improvement

For customer complaints about product quality, we have established an internal standard handling process to ensure that we respond to customers as soon as possible. After receiving a complaint, we first investigate the production information of abnormal batches and formulate temporary countermeasures. Based on the information feedback from customers and returned products, we conduct a step-by-step analysis with professional equipment in the plant or a third-party certified laboratory. By taking this approach, we are able to quickly provide customers with analysis results or improvement reports to help customers solve problems in the process. Based on the spirit of continuous improvement, we continue to improve product quality.

In addition to eliminating abnormalities in the manufacturing process, the R&D Department also works tirelessly to improve the yield rate for products that are in smooth mass production, steadily improve product quality, reduce unnecessary scrap, and thereby reducing production costs.

■ **Customer Complaint Handling Flowchart**



4.2.3 Product Quality and Hazardous Substance Management

■ Polytronics Sustainability and Quality Policy

In order to establish an excellent quality system, we introduced the automotive product quality system (IATF16949) more than 20 years ago to further strengthen our product manufacturing capabilities. With "continuous improvement" as the core concept, we are committed to consistently enhancing product quality and dedicated to implementing the Company's quality policy.

"Sharing growth with customers with excellent products and perfect service."

■ Environmental management and commitment to green products

Polytronics actively implements the ISO 14001 and Responsible Business Alliance (RBA) environmental management standards. Regarding the management of hazardous substances in products, we comply with:

- European Union Restriction of Hazardous Substances (EU RoHS) and the relevant restrictions of each country
- Provide raw material test reports and declarations to ensure products comply with regulations and customer green product requirements.
- Establish a material composition data file and introduce XRF spectrometers as real-time detection tools for product intake and manufacturing processes to enhance the efficiency and accuracy of raw material conformity reviews.

We adhere to the environmental policy of "comprehensively providing green products," continuously improving our products to make them more environmentally friendly and jointly safeguarding the global environment.

■ Response to REACH regulations and Supply Chain Management

The EU REACH Substance of Very High Concern (SVHC) list was published by the Directorates-General in 2008 and is updated twice a year. Polytronics has been actively responding to the continuous updates of the SVHC list and requires Supplier management to:

- Sign the "Environmental Hazardous Substances Non-use Guarantee"
- Cooperate with restricted substance investigation and prohibition

From the source, we control the raw materials to ensure that suppliers and Polytronics comply with the latest regulatory requirements, allowing our products to keep up with the times and continuously move toward a more eco-friendly direction.

■ None Use No Conflict Minerals Policy

For potentially conflict-inducing minerals such as gold (Au), tantalum (Ta), tungsten (W), tin (Sn), cobalt (Co), and mica, we adopt a conflict-free metal procurement policy, support relevant RBA measures, and utilize reporting templates and management tools provided by the RMI. Suppliers are required to sign the "Commitment to Non-use of Conflict Minerals" to actively promote supply chain transparency and responsible procurement, collectively achieving corporate sustainability and social responsibility.

Corporate Social Responsibility Policy

In order to fulfill the company's responsibility to society, Polytronics will comply with the EICC guidelines and has established the following social responsibility policies:

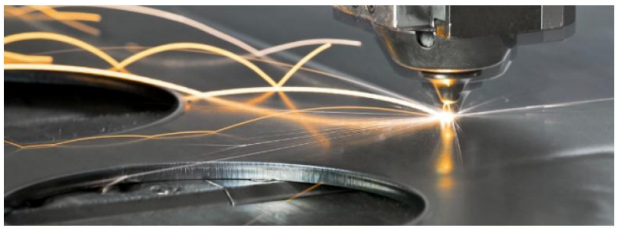
Comply with legal regulations, value employees' rights; maintain health and safety, implement environmental protection; operate the business with integrity, enhance ethical standards; strengthen social responsibility, and promote continuous improvement.

I. Commit and ensure compliance with the following standards:

1. Comply with general corporate ethical standards and meet customer requirements.
2. Do not use child labor, nor accept any supplier management or subcontractors using child labor.
3. Respect employees' freedom and prohibit any form of forced labor. Do not accept any supplier management or subcontractors using forced labor.
4. Provide safe and healthy working and living conditions to ensure the safety and health of employees.
5. Promote labor-management cooperation and respect employees' opinions.
6. Provide an equal and fair working environment and prohibit any form of discriminatory behavior.
7. Respect employees' fundamental human rights and prohibit any form of behavior that insults personal dignity.
8. Reasonably arrange the production plan, and reasonably arrange employees' working hours and rest periods.
9. Provide reasonable salary benefits that at least meet the basic needs of employees.
10. Respect employees' freedom of association.

The Company will also require relevant suppliers to support and strictly comply with the Company's disclosed policies and conduct guidelines in the process of providing products or services to the Company or its affiliated enterprises. The Company will conduct periodic audits of the relevant suppliers to ensure their adherence to the related policies and conduct guidelines.

II. None Use No Conflict Minerals Policy:



In recent years, in the Democratic Republic of Congo and its surrounding areas, non-governmental military groups have armed control over metals such as gold (Au), tantalum (Ta), tungsten (W), and tin (Sn), leading to social, environmental, and human rights deterioration. The Company will continue to adopt a conflict-free mineral procurement policy, supporting the strategies and practices of EICC and GeSI on conflict metals. We have adopted the conflict minerals reporting templates and supporting management tools published by the EICC-GeSI Joint Working Group to investigate whether our suppliers implement the above policies.

Chairperson Edward Chu

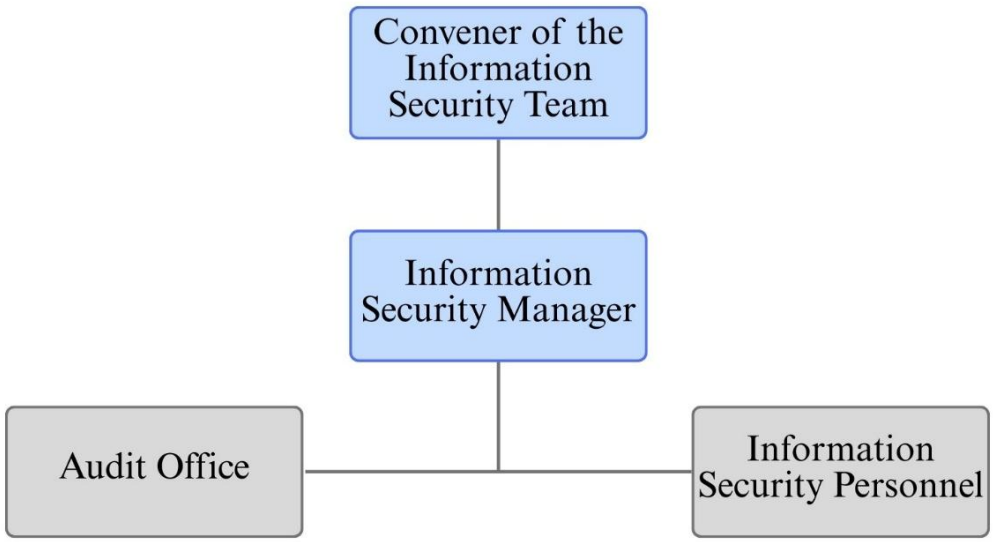
4.3 Information Security and Customer Privacy

Item	Details
Material Topics	Information Security and Privacy Protection
Policies, Commitments and Materiality	In order to strengthen the requirements of information security management, we focus on management control, personnel training and technology application. This way, we are able to enhance the security and protection capabilities of information systems, equipment and network communications, and effectively reduce the risks of theft, misuse, leakage, tampering, or destruction of information assets due to manmade or natural disasters, in order to ensure its commitment to shareholders and customers, and achieve the purpose of ensuring the continuous operation of the Company's business.
Responsible Unit	Information Section
Short-, Mid- and Long-term Goals	■ Short-term goals: Establish information security management measures that comply with regulations and customer needs to protect the confidentiality, integrity, and availability of company and customer information, and enhance the information security awareness of all employees, striving to achieve zero information security incidents. ■ Mid-term goals: Provide a safe production environment to ensure the sustainable operation of the Company's business. ■ Long-term goals: Become a fast, safe, and robust partner in the eyes of customers.
Action Plan	1. Introduce ISO 27001 and obtain certification in 2024 2. 2024 Education and Training Plan
2024 Performance	1. Start introducing ISO 27001 in April 2024, complete certification by the end of the year, and obtain the certificate in February 2025. 2. Complete asset inventory and protection requirement classification, risk assessment, and risk treatment by October 2024. 3. Completed company-wide information security education and training (completed before 10/15). 4. Completed the ERP disaster recovery drill, assisted by Dinki on 11/27. 5. Conduct vulnerability scans quarterly in 2024 to ensure that medium and high-risk vulnerabilities can be promptly patched. 6. In 2024, there were no information security incidents and no data breaches.
Grievance Mechanism	If there are any issues that endanger confidential information, they can be raised through the MIS mailbox, and internal colleagues can report directly via the internal extension at any time. Contact email: mis@pttc.com.tw Contact number: 03-5643931 #120~124

4.3.1 Information Security Management Structure and Responsibilities

To strengthen information security risk management, we will introduce the ISO 27001:2022 information security management system standard in 2024 and achieve certification by the end of 2024 to enhance the response capability to information security incidents and protect the asset security of the company and customers. The Company has established an information security team with 7 people in accordance with the internal Cybersecurity Incident Management Procedures. The team is responsible for the prevention, reporting, and response handling of cybersecurity incidents. Members and their responsibilities are as follows:

Duties	Member	Number of People	Rights and responsibilities
Convener	Legal Officer or Vice President	1	Supervise the effectiveness of the contingency plan and approve information security incident response matters
Information Security Manager	Head of Information Department	1	Formulation, promotion, and execution of information security policies
Information security handling personnel	Information Department members	4	Maintain and implement information security defense, judgment and emergency response to information security incidents
Internal auditors	Audit Department members	1	Implement cyber security audits, evaluate information security risks, propose suggestions for improvement



■ **ISO 27001 Certificate (Certificate Validity: 2025.02.13-2028.02.12)**

CERTIFICATE

dqs

This is to certify that

Polytronics Technology Corp.

No. 24-1, Industry E. 4th Rd., Hsinchu Science Park
Hsinchu 300
Taiwan

has implemented and maintains an **Information Security Management System**.

Scope:
The Information Security Management System associated with management of network infrastructure, server room, and information processing equipment, and ERP system within the Department of IT.

With reference to Statement of Applicability (SOA): at Doc: ISMS-2-08, Version A.

Through an audit, documented in a report, it was verified that the management system fulfills the requirements of the following standard:

ISO / IEC 27001 : 2022

Certificate registration no.	20003689 ISMS22
Date of certification	2025-02-13
Valid until	2028-02-12

ANAB ACCREDITED

IAF

DQS IS A MEMBER OF IQNET

DQS Inc.

David Tellez
Managing Director

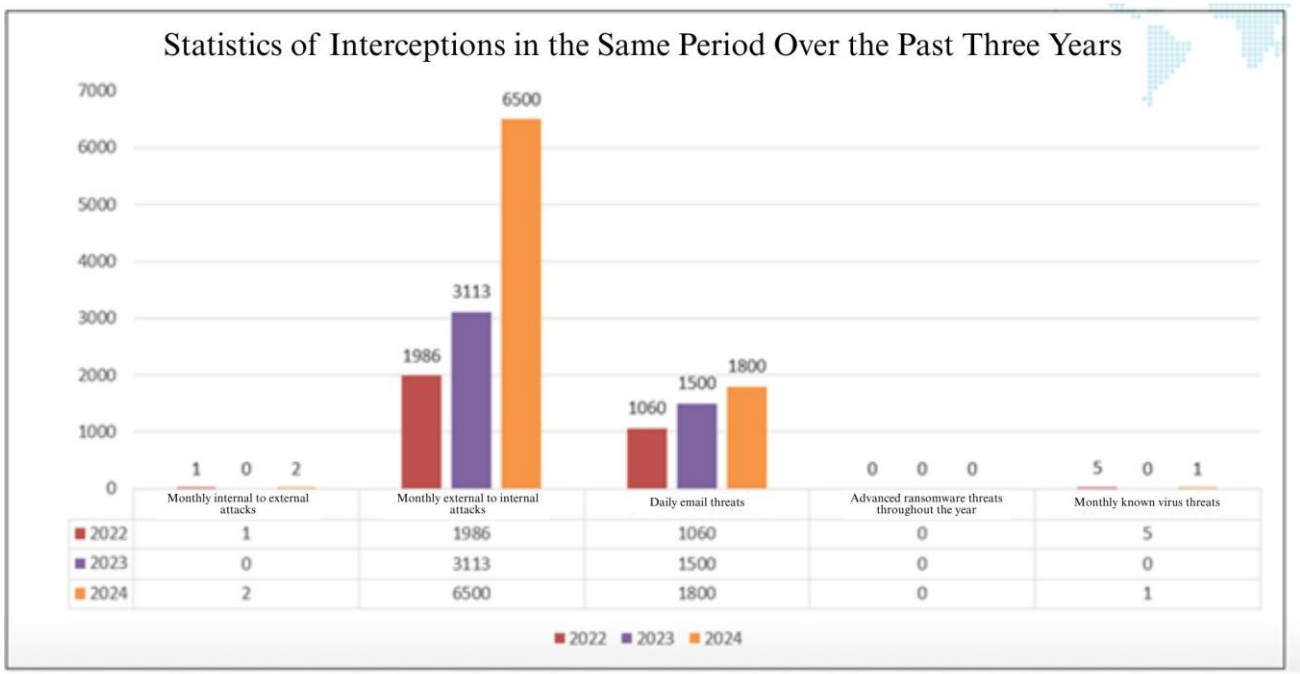
Accredited Body: DQS Inc., 1500 McConnor Parkway, Suite 400, Schaumburg, IL 60173 USA
Administrative Office: DQS Taiwan Inc., 8F, 23, Yuan Huan West Road, Feng Yuan Dist., Taichung City, Taiwan 420
The validity of the certification can only be verified by the QR-code.

4.3.2 Information Security Management Strategy

In order to ensure the smooth operation of the Company's business and prevent unauthorized access, use, control, leakage, destruction, tampering, destruction, or other harm to information or information systems, and to ensure their confidentiality, integrity, and availability, this policy is formulated for all colleagues to follow. The Company's information security objectives are as follows:

1. A mechanism for Information Security Risk Management should be established, and the effectiveness of Information Security Risk Management should be reviewed regularly in response to changes in internal and external information security situations.
2. The confidentiality and integrity of the sensitive information and information systems provided by the Company must be protected to prevent unauthorized access and tampering.
3. It is essential to regularly inform (through written email, onsite training, or other forms), periodically or intermittently, all department heads, all members of the Board of Directors, Independent Directors, and senior executives of each department about the importance of the information security system. Additionally, it is important to educate these personnel on the significance of the resilience of the Company's core information security system from time to time. Personnel from the respective departments or units should cooperate in managing and executing the Company's various information security system procedures and measures to ensure the Company's business continuity and achieve sustainable development goals.

4. In response to changes in information security threat situations, conduct Information Security Education and Training to enhance employees' information security awareness, and employees should also actively participate in the training.
5. In response to emergencies, the Company should establish a core information and communication system recovery plan to ensure that core business operations can continue despite any force majeure events.



4.3.3Procedures for Reporting and Responding to Information Security Incidents

Each unit must handle an information security incident according to the following steps and retain evidence of system anomalies, intrusions, and damage for subsequent restoration of the scene and evidence collection.

- Discovery and reporting: System abnormalities are discovered by Information Department members or reported by the users of the information department members.
- Confirmation and categorization: Information Department members should immediately confirm the scope of impact and the type of information security incident.
  Categorized into: Data breaches (destruction and deletion), virus (Trojan horses, ransomware) infections, hacker intrusions, interruption of network backbone and system services, natural disasters or fires, power outages, hardware failures, etc.

Classify the severity of incidents according to confidentiality, integrity, and availability, as shown in the following table:

Confidentiality Impact	Integrity Impact	Availability Impact	Severity Level
A large-scale leakage or deletion of the Company's "confidential" data.	The Company's "confidential" systems and data are damaged or tampered with.	Causing disruption to the Company's core systems/business, but unable to resume normal operations within the tolerable downtime.	Level 4
A small amount of the Company's "sensitive" data has been leaked or deleted.	The Company's "sensitive" systems and data are damaged or tampered with.	Causing disruption to the Company's core systems/business, but able to resume normal operations within the tolerable downtime.	Level 3
A small amount of the Company's "general" data has been leaked.	Anomalies have appeared in the Company's "general" systems and data, which can be restored in a short period.	Causing a temporary slowdown in the performance of the Company's core systems, which can resume normal operations in a short period.	Level 2
Anomalies have appeared in the Company's "general" systems and data, which can be restored in a short period.	Anomalies have appeared in the Company's "general" systems and data, which can be immediately restored.	Non-core business operations of the Company are affected or there is a temporary pause in core systems/business.	Level 1

■ Control and Handling Procedures

Type of Information Security Incident	Response Process
Data breach (destruction and deletion)	In the event that data is damaged or deleted intentionally or due to careless operations, the extent of data damage must be quickly ascertained, with backup data activated, and data restoration must be executed immediately according to the restoration plan to restore data access.
Virus (Trojan, ransomware) infection	The network connection of the infected equipment should be immediately disconnected to achieve physical isolation and prevent the spread of infection. At the same time, the removal program or the system vulnerability patch must be obtained as soon as possible to complete the virus removal and vulnerability repair.
Hacking	The physical network connection should be disconnected immediately to deny any access behavior by intruders, prevent sensitive data from leaking, or become a springboard platform. At the same time, check whether the intruded equipment and system have not yet been patched due to security loopholes or improper firewall rule setting. Before repairing, try to retain relevant intrusion traces and records for future investigation, and take repairs or adjustment measures immediately after saving records.
Network, server, and system service interruption	Damage points and scope of impact must be immediately identified. The backup mechanism must be switched on to reduce the impact scope and timeline. If a maintenance contract has been signed, the maintenance contractor should be notified immediately to carry out debugging or reconstruction. If a maintenance contract has not been signed, spare parts should be urgently purchased for replacement.
Natural disasters, fires, power outages, and other emergencies	Personnel safety is the utmost priority. After the incident is eliminated, assess the extent of damage and confirm whether to activate the backup or recovery mechanism.

- External assistance: If the in-house information recovery, trace preservation, evidence collection, or other operations are beyond the plant's capabilities, the Company shall entrust an external technical professional manufacturer to perform the above as soon as possible.
- Response testing: A drill is carried out at least once a year for related accidents and disposals, with the process and results are recorded; appropriate improvements and corrections are made for any issue found.
- Relevant information security incidents need to be recorded in the ISMS-3-05-01 information security incident report form.

4.3.4 Information Security Education and Training

Since most of the security protections have been set up, from firewalls to Endpoint Detection and Response (EDR) and Managed Detection and Response (MDR), the most likely remaining vulnerability is the employees themselves. According to regulations in 2024, every employee of the Company must complete an information security education and training every year; the information security team (including supervisors) of the information department must receive one (or more) external education and training session every year.

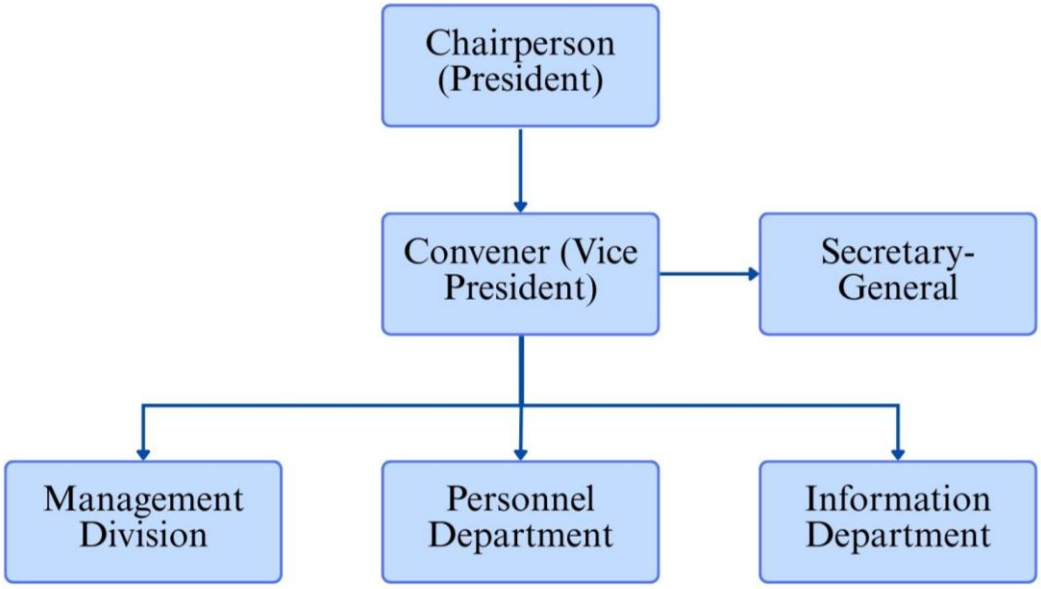
Item	Personnel	Course Name	No. of Hours
1	Information Security Manager	Introductory Information Security Course - Practical Response to Information Security Incidents and Example Sharing	3
2	Information Security Manager	Introductory Information Security Course - Introduction to Information Security	6
3	Information Security Manager	Guidelines for Information Security Control in Listed Companies (Management and Operations)	6.5
4	ISO 27001 Audit	Training for ISO 27001 Internal Auditors	6
5	All employees of Polytronics	General Information Security Education and Training Course	1

4.3.5 Information Security and Personal Data Protection

Under the dual framework of "Social Responsibility" and "Corporate Governance," the Company highly values the protection of personal data and information security management. In compliance with the Personal Data Protection Act and relevant regulatory requirements, we established the internal "HR-009 Personal Data Protection and Management Measures" in 2012. A personal data protection management execution team has been set up, responsible for matters related to personal data incidents, including awareness promotion, prevention, reporting, and response to such incidents. Juding has established relevant strategies for personal data protection, including the legality of data collection and use, security mechanisms for access and storage, employee education and training, and the protection of stakeholders' rights and interests, in order to implement personal data protection for employees and customers within the Company. In 2025, as part of the annual General Information Security Education and Training Course, Polytronics specifically explained the Personal Data Protection Act to all employees, emphasizing that the protection of personal data should be a common consensus among all employees of Polytronics and must be adhered to collectively.

In the future, Juding will continue to optimize its personal data protection policies, internal management systems, and operational processes in accordance with personal data protection strategies to ensure that the data of all stakeholders, including employees, suppliers, and customers, are properly protected. Personal data management is regarded as part of corporate sustainability and social responsibility, thereby enhancing customer trust and transparency in corporate governance.

■ Organizational Chart of the Personal Data Protection Management Implementation Team



■ Juding Personal Data Protection Strategy

Personal Data Protection Strategy	Description
The legality of data collection and use	The collection, processing, and use of personal data are all conducted in accordance with the law by obtaining the consent of the party involved, and the purpose of usage is clearly described.
Security mechanisms for access and storage	Implement multi-layered information security protection, including access control, encryption technology, regular backups, and information security audits to prevent data leakage or misuse.
Employee education and training	Conduct regular personal data protection and information security awareness training for all employees to enhance internal data protection awareness.
Protection of Stakeholders' Rights and Interests	Provide channels for individuals to inquire, correct, and delete personal data, implementing the principle of data autonomy.

4.4 Sustainable Supply Chain

The Company has always had a good business relationship with all suppliers to maintain the stability of the supply of raw materials to increase the quality of purchases, lower purchase cost and convenient management. Currently the Company has established information on third parties that can fully cooperate with production and tries its best to reach a consensus while working closely side by side. The Company's main raw materials are copper foil, semiconductor materials, and ceramic materials.

■ Industry Chain of Polytronics

Industrial Chain Location	Supplier/Customer Category
Upstream	Plastic raw material manufacturers, ceramic raw material manufacturers, copper manufacturers, polymer material manufacturers, carbon black manufacturers.
Downstream	Information, communication, consumer electronics, industrial, mobile, and other related electronics.

■ Number of Key Suppliers

Year	Number of Key Suppliers
2024	6
2023	6

Note: Definition of key suppliers: Suppliers of important raw materials to Polytronics, including copper foil, aluminum oxide, ceramic substrate, and cover.

■ Supplier Risk Management

At Polytronics, we strengthen the management of sustainability risks in the supply chain. We coordinate with our suppliers regarding a stocking mechanism for any high-risk factors that may cause continuous interruption of operations, such as single supplier, regional policy changes, and insufficient production capacity. We ensure that our stock is sufficient according to the stocking schedule of each unit, ensuring a smooth supply chain. In addition, in order to avoid the risk of shortage of materials or the occurrence of abnormal conditions of a single supplier, the raw material evaluation mechanism is taken into consideration, and more than two qualified suppliers will be selected. If a supplier fails to continue to provide services, new suppliers will be developed according to the needs. We conduct evaluations to select new qualified suppliers to ensure a safe supply of materials.

4.4.1 Supply Chain Management

For the supply chain management system, the "Supplier Assessment Management Procedure" and the "Supply Chain Sustainability Management Criteria" have been established. In accordance with ISO 9001, ISO 14001, and IATF 16949: 2016 automotive industry quality management system standards and RBA requirements, supplier evaluation process is performed and new suppliers are graded for management. The evaluation results will affect the quantity of the purchase and the basis for subsequent cooperation. All new suppliers must be assessed in accordance with the risk assessment process, and a supplier risk and cost assessment questionnaire with quantitative indicators shall be established to serve as the basis for supplier screening. Suppliers that meet the qualification standards must make improvements within a time limit. Only after completing the improvement of deficiencies can they be officially included in the list of new qualified suppliers.

■ **Supply Chain Sustainability Management**

We abide by the RBA Code of Conduct and require suppliers to fulfill corporate social responsibilities and sign the "Supplier Code of Conduct Agreement" to ensure that the working conditions provided by the Company and its suppliers are safe and that workers are treated with respect and dignity, and the production process meets the requirements of environmental responsibility. Any activities of the suppliers of Polytronics must comply with the laws, regulations, and rules of the government.

■ **No Conflict Minerals**

Suppliers are required to make a commitment not to use metals from armed conflicts, not to undertake illegal mining, or mining in poor working environments, and to trace gold (Au), tin (Sn), tantalum (Ta), tungsten (W) and other minerals contained in all products. This ensures that these metals do not come from "conflict mining areas" or "blood mining areas". When assessing new materials that contain metals, suppliers are required to disclose the source of the minerals in the metals, sign the Commitment to Non-use of Conflict Minerals, and use the Conflict Minerals Reporting Template (CMRT). We conduct surveys with suppliers of metal-containing materials and regularly review the update status of mineral sources.

■ **Environmental Hazardous Substances Non-use Guarantee**

Suppliers are required to guarantee that they do not use environmentally hazardous substances and sign the "Environmental Hazardous Substances Non-use Guarantee" to guarantee the products, parts, auxiliary materials, semi-finished products, and additives in the production process are all in compliance with the "Green Product Substance Application Specifications" and EU RoHS Directive 2.0 (2011/65/EU), including the Commission Delegated Directive (EU) 2015/863.

4.4.2 Supply Chain Screening and Evaluation

■ **Selection and Recognition of New Suppliers/Materials**

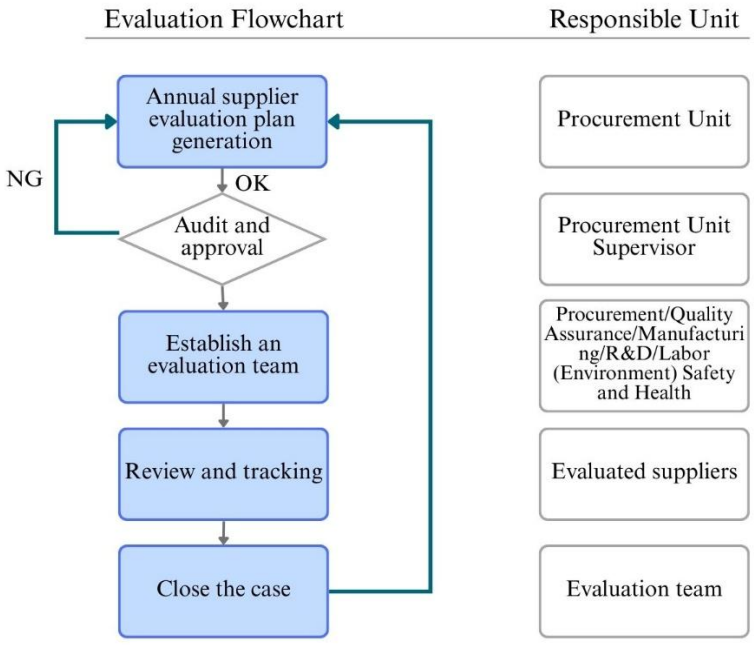
For the development of new raw materials, new suppliers, or old suppliers with products different from those produced in the past, the "Supplier Assessment Management Procedure" is followed during the implementation of the introduction evaluation. Suppliers are required to obtain at least ISO 9001 and are encouraged to obtain ISO 14001 and IATF16949 certifications. Suppliers must undergo on-site audits and procurement, production capacity and hazardous substances assessments. We also ensure that suppliers have established screening criteria for the protection of the environment, human rights, safety, health, and sustainable development. Suppliers must also meet safety and health requirements, not use child labor, adhere to non-hazardous labor rights, code of ethics, and ethical corporate management rules, etc., and sign the relevant letter of commitment in order to become our supplier. In 2024, there were no new raw material suppliers.

■ **Supplier Sustainability Audit**

Based on the material risk and annual risk assessment of the "Material Approval Procedures" and "Supplier Assessment Management Procedure", we use the "Supplier Performance Evaluation Form" to evaluate raw material suppliers every three months. to reduce risks through preventive measures. The annual supplier assessment pass rate is as follows, with all evaluation ratings being A-grade. In 2024, no suppliers ceased cooperation due to evaluation.

Year	Total Number of Qualified Suppliers	Number of Suppliers Audited	Pass Rate
2024	24	24	100%
2023	34	34	100%

■ **Annual Supplier Assessment and Audit Flowchart**



■ **Timing for Conducting Audit Evaluation:**

(A) New suppliers

(B) For suppliers with a yearly evaluation rating of B-grade, a re-assessment shall be conducted within 3 months after guidance and improvement.

(C) Suppliers rated as C-grade according to the "Supplier Performance Evaluation Form" are required to make improvements within 30 days, followed by a re-assessment.

(D) When auditing raw material suppliers and contractors supplying green product models, it is necessary to reconfirm that their processes, raw materials, and product components meet the requirements of the company's "Green Product Substance Application Specifications (WI-FAC-005)." Additionally, it is important to confirm that their raw materials and product components are identical to those in the material approval documents. If there are any changes, relevant design or engineering change documents should be attached, and the Procurement Department or Quality Assurance Department should be notified prior to the changes.

■ **Method and classification of annual supplier assessment:**

At the end of each year, the status of the annual assessment of the current year is confirmed and the "Supplier and Outsourcer Evaluation Schedule" for the next year is formulated. Category 1 suppliers with an A rating in the quarterly assessment can undergo a written review, but must conduct an on-site assessment at least every three years. However, foreign suppliers are exempt from this requirement.

Category 1	Category 2	Category 3
Key raw materials: Copper Foil, ceramic substrate, cover	Other raw materials	1. Environmental suppliers (such as chemical manufacturers, waste contractors) 2. Suppliers of packaging materials, buffer materials, consumables 3. Suppliers are designated by customers or suppliers are customers

(A) Category 1 suppliers with an A rating in the quarterly evaluation undergo an on-site assessment or self-assessment once a year.

(B) Category 2 suppliers with an A rating in the quarterly assessment undergo a self-assessment for written review once every three years.

(C) Category 3 suppliers are environmental suppliers (such as chemical suppliers and contractors) and are not included in the audit but managed according to the daily quality requirements. In case of occurrence of quality abnormality or customer complaint, after guidance and improvement, supplier assessment shall be conducted within 3 months.

The assessment team members include personnel from the Procurement or Production Control/Quality Assurance/Manufacturing or R&D/Labor (Environment) Safety and Health, and the assessment members shall be equipped with adequate product knowledge and shall be handled by personnel qualifying the internal auditor training. The assessment content shall be performed according to the "Supplier and Contractor Evaluation Report". The assessment consist of 12 major items: quality system, design control, document and record control, verification, procurement, supplier quality management, process control, inspection and testing status, control of non-conforming products, environmental safety and social responsibility, non-hazardous substance management, and product audits.

Corresponding processing items for evaluation grade:

Evaluation Grade	Evaluation Score	Evaluation Result
A	80~100%	Qualified suppliers, maintain relations.
B	65~79%	Suppliers requiring guidance need to be re-evaluated.
C	<65%	Disqualified suppliers will have their qualifications revoked.

(A) Evaluation grade A, registered in the qualified supplier list.

(B) After guidance and improvement, a re-assessment is conducted within 3 months for those with an evaluation grade of B.

(C) Evaluation grade C, indicating the supplier and contractor are disqualified. An application should be made to revoke the qualifications of the supplier or contractor, subject to approval by the Procurement Manager or Manufacturing Department Manager and Quality Assurance Manager. Procurement and Production Control must deregister them from the supplier and contractor list and the ERP system. The in-house inventory items should be processed for return, and pending orders should be canceled.

(D) If disqualified suppliers and contractors wish to regain their status as qualified suppliers, they must undergo reassessment according to the "Supplier Assessment Management Procedure."

4.4.3 Procurement Practices

Polytronics encourages most of the sources of raw materials to be purchased locally, and implements the localization of materials to reduce unnecessary air and sea transportation costs, as well as the carbon footprint generated during transportation. In addition to fulfilling its environmental responsibility for energy conservation and carbon reduction, we strive to directly reduce the procurement cost. The proportion of local procurement exceeds 80%. Statistics are as follows:

Item	2024	2023
Proportion of local suppliers	83%	88%
Number of important suppliers	24	34

Note 1: Definition of local suppliers: domestic suppliers

Note 2: Definition of important suppliers: All suppliers included in the Company's qualified supplier list, including raw materials and supplies.

Chapter 5 Harmonious and Healthy Workplace

5.1 Employee Human Rights Protection

5.1.1 Promoting the Protection of Human Rights in the Workplace

Regarding workplace human rights issues, Polytronics Technology Corporation has formulated human rights policies and implementation guidelines in accordance with the Responsible Business Alliance (RBA) Code of Conduct and other relevant international initiative principles, and announced them on the Company's official website. The solid implementation first starts from the Company's employees - employees enjoy equality of work opportunities regardless of gender, religion, political party. The Company also promotes human rights policy from time to time in order to raise awareness We ensure that our employees are free from discrimination and harassment by building a healthy working environment. Secondly, we provide safe and healthy working and living conditions - Occupational Safety and Health Committee has been established, which is responsible for reviews and suggestions of issues relating to plant's occupational safety and health. The Environmental Safety Unit is responsible for the execution and control of safety and health laws.

We organize employee physical health examinations each year, and we also offer lunches to employees; the above acts are to ensure the safety and health of our employees. Lastly, we promote labor and management equality and hold a labor-management meeting each quarter, protecting labor rights in accordance with the laws while at the same time coordinating labor-management relations to further advance labor-management cooperation. The Company has also set up the Employee Welfare Committee for a variety of benefits. In addition, the Company organizes relevant education and training from time to time in accordance with relevant regulations.

The Company has also established the "Procedures for the Prevention of Illegal Infringement in the Performance of Duties of Polytronics Technology Corporation", the "Procedures for the Handling of Employee Grievances, and the Implementation of Labor-Management Meetings", and the "Measures for Preventing Sexual Harassment and Abuse at the Workplace, Procedures for Grievances and Penalties", and the "Procedures for the Prohibition of Child Labor and the Protection of Youth Workers". We make an effort to ensure that no child labor, forced labor, harassment, or discrimination cases occur. Employees can file grievances through multiple channels such as dedicated hotlines, e-mails, representatives of labor-management meetings, and anonymous suggestion boxes. In 2024, relevant grievance cases are handled by dedicated personnel, and the complainant and the relevant information of the process will not be leaked in order to protect the rights and interests of employees.

Polytronics also received no complaints related to human rights, and no incidents of discrimination due to race, gender, religion, political affiliation, sexual orientation, sexual harassment, or workplace bullying occurred. At the same time, the Company continues to promote workplace diversity and human rights education. During the pre-employment training for new employees, the prohibition of forced labor, prohibition of child labor, anti-harassment, anti-discrimination, and prevention of sexual harassment are promoted. All employees are also required to regularly receive relevant information. In 2024, all employees received 1.5 hours of related activities, totaling 183 participants.

5.1.2 Manpower Structure and Diverse Workplace

In 2024, there were a total of 259 employees in Polytronics Technology Corporation, of which 100% were full-time employees. In terms of gender distribution, males account for 62.55% and females account for 37.45%. In terms of age distribution, employees aged 30 - 50 account for the largest proportion of all employees, which is 78.38%, followed by employees over 50 years old, accounting for 12.74% of all employees; in terms of rank distribution, there are 10 senior executives, including 1 female executive. Among non-employee workers, there are two male security guards, one male cleaning worker, four female cleaning workers, and three male consultants, totaling 10 people.

In 2024, there was one employee with disabilities and 70 migrant workers, with an average of three years of service. In the office, the Company has barrier-free ramps and lactation rooms. In 2024, the Company did not receive any reports of discrimination, child labor, forced or compulsory labor, nor did the Company find any discrimination, child labor, forced or compulsory labor after investigation.

■ Employee Composition

Gender	Category		Year	
			2023	2024
Male	Term contract	Full-time	—	—
		Part-time	—	—
	Indefinite contract	Full-time	150	162
		Part-time	—	—
	Sub-total		150	162
Female	Term contract	Full-time	—	—
		Part-time	—	—
	Indefinite contract	Full-time	84	97
		Part-time	—	—
	Sub-total		84	97

Note 1: The number of employees on the end of the reporting period on December 31.

Note 2: Regularly: As defined in Article 9 of the Labor Standards Act.

■ Non-employees Composition

Gender	Type	Year	
		2023	2024
Male	Security, cleaning personnel, consultant	6	6
	Sub-total	6	6
Female	Security, cleaning personnel, consultant	5	4
	Sub-total	5	4

Note 1: The number of employees on the end of the reporting period on December 31.

Note 2: 2 male security guards, 1 male cleaning worker, 4 female cleaning workers, and 3 male consultant

■ Diverse Manpower Composition

Employee Category	Under 30 Years Old		30 - 50 years old		Over 50 years old		Total
	Male	Female	Male	Female	Male	Female	
Senior executives	—	—	1	—	6	1	8
Mid-level executives	—	—	14	4	7	1	26
Entry-level executives	1	1	21	6	1	4	34
General employees	13	8	95	62	3	10	191
Total	14	9	131	72	17	16	259
Percentage of total employees (by gender)	5.41%	3.47%	50.58%	27.80%	6.56%	6.18%	
Percentage of total employees (by age)	8.88%		78.38%		12.74%		

Note 1: Senior executives: CEO, President, Vice President, Assistant General Manager, Finance and Accounting Executive

Note 2: Mid-level executives: Manager, Assistant Manager

Note 3: Entry-level executives: Section chief, team leader, foreman

5.1.3 Smooth Communication Channels

We hope to create a culture of real-time and transparent communication in the workplace. Representatives of labor and management form a labor-management meeting, which is held every three months. In 2024, a total of four labor-management meetings were held to discuss 32 issues, including: planning of parking bays, salary adjustment operations, group meals, and performance evaluation operations. The results of the above meetings are applicable to 100% of all employees. In order to implement two-way communication between labor and management, Polytronics has established multiple communication channels such as the "Suggestion Box", "Grievance Hotline, and E-mail" to respond to various suggestions in a timely manner.

Any adjustment to labor conditions at Polytronics must be approved by the labor-management meeting, and all operating activities comply with local laws and regulations. According to the minimum notice period stipulated in the "Labor Standards Act", the minimum notice period according to the employee's seniority is as follows: For those who have continued to work for more than three months but less than one year, a notice shall be given 10 days in advance; for those who have continued to work for more than one year but less than three years, a notice shall be given 20 days in advance. For those who have continued to work for more than three years, a notice shall be given 30 days in advance. Severance pay without the advance notice within the prescribed time period shall be paid during the preceding notice period.

5.2 Talent Attraction and Retention

Item	Details
Material Topics	Employee benefits and remuneration
Policies, Commitments and Materiality	Polytronics Technology Corporation has established a complete job level and remuneration system to provide employees with remuneration at the industry level to maintain external competitiveness. The remuneration standard for new employees is determined based on the education and experience of the talent required for their duties. Salary adjustments and promotions will be made yearly depending on the performance of the employees at work, and corresponding remuneration will be given. At the same time, through the establishment of grades and ranks, an appropriate salary structure is established to maintain internal fairness. We also provide comprehensive welfare measures for employees to actively engage in work and exert their best work capabilities to strike a physical and mental balance.
Responsible Unit	Personnel Section
Action Plan	■ Every year, we conduct a salary review and salary adjustment in conjunction with the results of salary adjustment surveys conducted by peers and the market, as well as the Company's current operations, and individual performance. ■ The salary management system is also linked to the performance management results, and various bonus items are assessed based on operational performance and personal performance.
Short-, Mid- and Long-term Goals	■ Short-term: 1. Conduct a company-wide training needs survey annually to understand supervisors' and employees' technical abilities, professional knowledge, and leadership management needs. The design of the training courses is planned according to these needs. 2. Establish innovative and diverse channels to recruit suitable talent 3. Provide competitive remuneration and benefits 4. Establish flexible welfare solutions that meet employee needs 5. Lower the turnover rate to around 6% ■ Mid- and long-term: 1. Continue to provide performance-related and competitive overall rewards 2. Provide a challenging and creative environment to unleash the potential of employees 3. Continue to care for the physical and mental health of employees and provide an excellent and healthy workplace environment 4. The future turnover rate to be less than 5%
2024 Performance	The turnover rate in 2024 was approximately 11.58%. Due to organizational adjustments, the turnover rate did not meet the target for 2024. Moving forward, efforts will continue to strengthen new employee training and recruitment selection, and to establish effective employee feedback and communication mechanisms.
Grievance Mechanism	Through regular labor-management communication meetings and employee suggestion boxes, we respond to employee grievances and relevant positive and negative feedback, and each department formulates relevant improvement or preventive measures.

5.2.1 Status of New Employees and Resignations

In 2024, Polytronics Technology Corporation recruited a total of 60 new employees, with a hire rate of about 23.17%. A total of 35 employees resigned, with a turnover rate of about 13.51%. The reasons for resignation were analyzed and investigated, and are summarized: the work nature was different from expected, family reasons, personal career development planning, and division and transfer of business units. Excluding the 5 employees who were transferred between the business units, the employee turnover rate was 11.58%.

Therefore, in the future, we will strengthen the description of the job content during the interview to ensure that the job seeker's understanding is consistent with the actual work situation. We will also provide relevant assistance such as unpaid parental leave and continuing education subsidies so that our employees have comprehensive support, increasing the retention rate of outstanding talents.

■ New Employee Statistics

Gender	Age	2023		2024	
		No. of New Employees	Hire Rate (%)	No. of New Employees	Hire Rate (%)
Female	<30 years old	3	1.28%	4	1.54%
	31 - 50 years old	1	0.43%	19	7.34%
	>51 years old	—	—%	—	—%
Male	<30 years old	8	3.42%	9	3.47%
	31 - 50 years old	8	3.42%	26	10.04%
	>51 years old	—	—%	2	0.77%
Sub-total		20	8.55%	60	23.17%

Note 1: Hire rate: [(No. of new employees by category in the year)/(total number of employees at the end of the year)]100%

■ Resigned Employee Statistics

Gender	Age	2023		2024	
		No. of Employees Resigned	Turnover Rate (%)	No. of Employees Resigned	Turnover Rate (%)
Female	<30 years old	2	0.85%	4	1.54%
	31 - 50 years old	8	3.42%	6	2.32%
	>51 years old	1	0.43%	1	0.39%
Male	<30 years old	5	2.14%	3	1.16%
	31 - 50 years old	40	17.09%	16	6.18%
	>51 years old	5	2.14%	5	1.93%
Sub-total		61	26.07%	35	13.51%

Note 1: Turnover rate: [(No. of employees resigned by category in the year)/(total number of employees at the end of the year)]*100%

5.2.2 Sound Remuneration System

We are committed to providing a transparent and fair remuneration system. The salary level is checked and approved based on the employee's education, experience, professional knowledge and skills, seniority, and personal performance. The remuneration of all employees does not subject to their gender, age, ethnic group, nationality, religion, political stance, or gender orientation.

In 2024, the average salary of full-time employees in non-management positions was NTD 898 thousand, and the median salary was NTD 774 thousand. Compared with 2023, the average salary increased by NTD 67 thousand, and the median salary increased NTD 78 thousand. This was due to the fixed annual salary increase and the promotion of some employees in 2024.

■ Mean and Median Salaries of Full-Time Employees in Non-management Positions

(Unit: NTD thousand)

Item	2023	2024
Full-time Non-management Positions (Number)	241	212
Mean Salaries of Full-Time Employees in Non-management Positions	831	898
Median Salaries of Full-Time Employees in Non-management Positions	696	774

■ Annual total compensation ratio

Ratio of High Managerial Appointment to Median Salary Annual Compensation	Ratio of High Managerial Appointment to Median Salary Adjustment Rate
15.69	0.76

5.2.3 Diverse Employee Benefits

We provide employees with reasonable rights and benefits and strictly comply with the local laws and regulations of the operating sites to give employees the basic rights and interests they deserve, including insurance, pensions, and leave. Our diverse welfare policies include the provision of healthy meals, subsidies for weddings, funerals, and celebrations, regular trips, and club activities. by doing this, we aim to unite employees and build harmonious labor-management relations. In 2024, the average amount of employee benefits was NTD 1,275 thousand.

We firmly believe that employees are the most important asset and the key to sustainable operation. Based on the creation of a safe and comfortable working environment, supplemented by a professional and diversified talent cultivation and development system, we help protect the physical and mental health of employees. Given the above, we have put together the following care mechanism and employee welfare items:

■ Care for Migrant Workers

At Polytronics, we are committed to creating a warm, positive, and inclusive working environment for our employees to work with peace of mind. We have various measures in place, such as providing recreational sports venues, organizing year-end thanksgiving services and unscheduled dinner gatherings, and arranging translators to conduct employee interviews and work care. In addition, we have formulated the "Procedures for the Management and Evaluation of Foreign Worker Agency" for manpower companies, and these procedures are regularly evaluated. The Company is fully responsible for the agency fees, physical examination fees, contract verification fees, dormitory water and electricity bills, and various residence permit application fees for migrant workers to reduce the burden on employees.

■ Care for Employees with Serious Injuries and Illnesses

We implement care programs to provide assistance to employees suffering major injuries or illnesses.

■ Free Psychological Counseling Service

We provide employees with free psychological counseling, spiritual healing and help with settlement, problems or challenges encountered in the workplace, child upbringing, career planning, and life difficulties.

■ Polytronics Employee Welfare Items

Item	Details
Benefits and Allowances	■ Employee welfare and cash/gifts for three major festivals ■ Birthday cash/gifts ■ Club subsidy ■ Childbirth subsidy ■ Childcare subsidy ■ Marriage subsidy ■ Funeral subsidy ■ Talent introduction bonus ■ Long-service bonus ■ Pension withdrawal and payment ■ Employee emergency assistance and pensions
Insurance and Health	■ Employee insurance ■ Group insurance ■ Gym ■ Lactation room ■ Overseas business trip insurance ■ On-site health services ■ Annual routine health checkup.
Special Leave and Benefits	■ On government agency makeup work days, the company grants a day off to employees.
Professional Consultation	■ Psychological counseling ■ Legal consultation
Recreational Subsidy	■ Contracted vendors ■ Affiliated store discounts ■ Quarterly birthday party ■ Year-end party

5.2.4 Parental Leave

In order to encourage and support employees to nurture the next generation with peace of mind, Polytronics Technology Corporation allows employees to enjoy the right to unpaid childcare leave in accordance with the law. In addition to specifying the application means in the "Attendance and Leave Management Procedures", we also provide a consultant to help employees comply with the "Act of Gender Equality in Employment" and the "Regulations for Implementing Unpaid Parental Leave for Raising Children". In 2024, a total of one employee of Polytronics Technology Corporation applied for unpaid parental leave. One employee was expected to be reinstated after unpaid parental leave and one employee was actually reinstated, achieving a reinstatement rate of 100%.

Item	Number of Males	Number of Females	Total
2024 - Right to apply for unpaid parental leave (A)	6	5	11
2024 - Actual applications for unpaid parental leave (B)	1	—	1
2024 - Expected parental leave and reinstatement (C)	—	1	1
2024 - Actual parental leave and reinstatement (D)	—	1	1
2023 - Actual parental leave and reinstatement (E)	2	1	3
2023 - No. of employees still working 12 months after reinstatement from parental leave (F)	0	0	0
Unpaid parental leave application rate (B/A)	16.67%	—%	9.09%
Reinstatement rate (D/C)	—	100%	100%
Retention rate (F/E)	—	—	—

5.3 Talent Cultivation and Development

Item	Details
Material Topics	Educational Training and Occupational Development
Policies, Commitments and Materiality	Talent cultivation: We are committed to cultivating talent through on-the-job teaching, education and training, and the one-to-one counselor system to promote the effective learning and growth of our colleagues. Education and training: Budget is allocated every year for employee training to improve employees' professional skills and leadership capabilities. At the same time, we motivate employees to enrich themselves and participate in external training courses. In order to enhance industrial competitiveness, we encourage employees to continue their education, pursue professional certifications and recognize their professional improvement. We also assist employees in career development and employment stability.
Responsible Unit	Personnel Section
Short-, Mid- and Long-term Goals	■ Short-term target: Average training hours for employees is 6 hours ■ Mid- and long-term target: Average training hours for employees is 8 hours
Action Plan	1. Optimizing the talent development and cultivation plan can improve the work skills and professional knowledge of employees, and increase their flexible development and value. This will further promote corporate innovation and competitiveness while improving employee satisfaction and retention rate. 2. We provide employees with diverse learning channels and development resources, including on-the-job training, classroom training, job orientation, and job rotation.
2024 Performance	1. In 2024, the number of employees receiving training was 118. 2. In 2024, employees received an average of 6.75 hours of training 3. In 2024, the total investment in education and training totaled NTD 222,048, and the average training cost per employee was NTD 1,023.
Grievance Mechanism	Through regular labor-management communication meetings and employee suggestion boxes, we respond to employee grievances and relevant positive and negative feedback, and each department formulates relevant improvement or preventive measures.

5.3.1 Talent Development Management

For different levels and positions, we plan corresponding education and training courses to enhance employees' professional competencies and management capabilities, achieve the Company's operational goals, and strengthen corporate competitiveness. In 2024, we provided diverse training methods means such as departmental on-the-job training, external training, new employee education and training, and job rotation so that the employees were able to keep up with the times and learn new knowledge. In 2024, there were 118 training sessions for education and training, with an average total training duration of 6.75 hours.

■ Talent Training Course Planning

Employee Category/Department	Course List
All Employees	■ Training Execution Plan for Civil Defense Team ■ AI Issue Discussion and Sharing ■ Equipment Safety Awareness Training Course ■ Fire education and training course for the first/second half of 2024. ■ Introduction to the Prevention of Workplace Illegal Infringement and Sexual Harassment Prevention ■ Promotion of Integrity Principles ■ Basic Concepts of Contracts and New Contract Process Promotion in 2024 ■ RBA training advocacy ■ Hsinchu City Corporate Volunteer Firefighter Course
New Employees	■ RBA advocacy ■ Occupational safety course (general safety and health/hazard knowledge) ■ Quality course ■ Sexual harassment awareness ■ Information Security Course ■ Description of the Company Management System
Planning Office	■ TIPA Trademark Regulations Class ■ TIPA Trademark Application Practices Class ■ TIPA International Trademark Regulations and Class ■ Enforcement of Trusts and Securing of Credit Rights ■ Due diligence in mergers and acquisitions transactions ■ Exploration of Ways to Strengthen Corporate Governance through Penalty Cases - Food Safety and Environmental Safety Section ■ Application, Law, and Audit of AI ■ How the Board of Directors Formulated ESG Governance Strategies ■ Analysis of Mergers and Acquisitions Equity Investment Planning and Joint Venture Agreement Practices ■ The 28th National Technology Law Symposium in 2024 ■ Formal risks that enterprises should pay attention to. ■ 2024 Year Sustainability Information Management Internal Control System Promotion Meeting ■ The War and Protection of Intangible Assets - Trade Secrets and Non-Compete Clauses ■ Information Business Audit and Practical Workshop

Employee Category/Department	Course List
President's Office	■ RBA advocacy ■ Evidence investigation in patent civil litigation ■ USPTO Guidance on Inventorship for AI-assisted. ■ Discussion and Recommendations on the Practice of Similarity Assessment in Design Patents in Taiwan, Japan, and the U.S. ■ 2024 Litigation Laws and Practice Workshop: Case-based Evidence Investigation in Patent Civil Litigation ■ The Evolution and Current Status of Regulations on Supplementary Experimental Data in Chinese Patent Applications ■ Practical Litigation and Related Regulations - Patent Application Rights Dispute Case ■ 2024 Labor retirement system and regulations conference ■ Seminar on Labor Standards Act held by the Ministry of Labor in 2024 ■ Briefing on the labor insurance and labor occupational accident insurance-related laws and regulations ■ Ministry of Labor - Briefing on the retention and long-term employment plan for migrant workers in the manufacturing industry ■ 2024 Year Foreign Personnel Management Regulations Promotion and Exchange Plan Implementation ■ Analysis of Reward Tools and Key Tax Issues ■ Psychological Safety and Employee Well-being ■ Diversity, equality, and inclusion ■ Employee listening strategy ■ Financial Well-being and Employee Happiness ■ Overall rewards optimization ■ Practical Protection of Rights and Interests of Labor and Employers in Occupational Accident Management ■ Sharing of Labor Occupational Accident Insurance Regulations and Practical Cases ■ Optimize employer branding to attract top talent. ■ 2024 Year Promotion Meeting for the Implementation of Labor-Management Conference Mechanism ■ Legal Seminar on Labor Laws Exclusive to Customers ■ Gender Equality in the Workplace and Sexual Harassment Prevention Regulations Conference ■ Briefing session on the regulations related to enterprises governed by Articles 8 and 9 of the Soil and Groundwater Pollution Remediation Act. ■ 2024 Practical Workshop on Occupational Chemical Hazard Exposure Assessment ■ Description session for the launch of the Chemical Management Geographic Information System ■ 2024 Briefing and Promotion Session on Water Pollution Prevention Regulations ■ TCFD Training Course on Climate-Related Financial Disclosures ■ Briefing session on the Management Measures for Facilities to Prevent Pollution from Storage Systems to Groundwater Bodies and Testing Equipment ■ TOSHMS Northern Region Promotion Association 2024 Second Education and Training Workshop ■ 2024 Year Chemicals Classification and Labeling GHS Purple Book Version Update Briefing ■ Process safety management practice training ■ 2024 Year Corporate ESG Promotion and Advocacy ■ 2024 Building Regulations and Construction Management Practice Symposium ■ Sustainable Development Plan and RBA 8.0 Requirements

Employee Category/Department	Course List
Financial Division	■ Sustainability Information Management Internal Control, Alignment ■ From Mergers to Integration: Key Issues and Practical Analysis for Successful Cross-Border Mergers and Acquisitions ■ Promotion Meeting for the Sustainability Information Management Internal Control System ■ Regulations and Practical Analysis of Monetary Lending, Endorsement/Guarantee, and Asset Acquisition/Disposal ■ Insider Trading & False Financial Statements and Practical Discussion on Coping Strategies ■ Shareholders' Affairs Symposium ■ 2025 Exchange Rate Outlook and Derivative Financial Products Application
R&D Division	■ OKR Objectives and Key Results ■ Microelectronic packaging technology ■ Product durability engineering ■ Reliability engineering ■ On-Site Failure Analysis for Automotive Field Failure Analysis (FFA) ■ Advanced Statistical Process Control (SPC) and Performance Analysis ■ Fundamentals and Applications of SPC Statistical Process Control ■ Two-dimensional crystal devices and physical applications ■ Key technology for high thermal conductivity of nitride fillers ■ High-Frequency PCB Interlayer Adhesion and BMT Molecular Bonding Technology ■ Microelectronic packaging technology ■ Materials Multi-scale Simulation AI Application and Corporate Carbon Management Symposium ■ IATF 1649 automotive industry quality management system ■ Silicon photonics technology ■ Advanced Integrated Circuit Technology ■ Top ten core competencies for entry-level executives ■ Application of Solid-state Battery and Solid-state Charging Battery Technology ■ IATF 1649 automotive industry quality management system ■ Retraining for first-aiders ■ Observation of lean enterprises with outstanding performance- Elite Sewing Machine Manufacturing ■ Top ten core competencies for entry-level executives ■ IATF 1649 automotive industry quality management system ■ Top ten core competencies for entry-level executives ■ Brand Marketing and Basics of Trademark Law
Business Division	■ Sharing Contract Negotiation Skills - Starting from Confidential Distribution Agency Contracts ■ Market maintenance feedback data ■ Malaysia Investment Analysis Seminar on Opportunities and Challenges in Global Supply Chain Layout ■ From Mergers to Integration: Key Issues and Practical Analysis for Successful Cross-Border Mergers and Acquisitions ■ Brand Marketing and Basics of Trademark Law

Employee Category/Department	Course List
Production Division	■ Initial training for first-aiders ■ Observation of lean enterprises with outstanding performance- Elite Sewing Machine Manufacturing ■ Briefing on the reporting operations of hazardous materials in factories and related questions ■ Retraining for fire prevention managers ■ The first Business Waste Clearance Plan and Briefing on Business Waste-related Regulations ■ 2024 Annual Water-Saving Education ■ Peak Load Transfer Energy-saving Symposium ■ On-the-job education and training for forklift operators ■ Analysis and Handling of Common Issues in Production Scheduling and Production Management ■ Deconstructing Supplier Management Price and Cost Techniques and Applications ■ Equipment Safety Awareness Training Course
Management Division	■ Introductory Information Security Course - Introduction to Information Security ■ Introductory Information Security Course - Practical Response to Information Security Incidents and Example Sharing ■ Guidelines for Information Security Control in Listed Companies (Management and Operations) ■ ISO 27001:2022 New Standards Explanation Course ■ Training for ISO 27001 Internal Auditors ■ Github Copilot ■ Guidance meeting on environmental permit integration and food safety promotion in Hsinchu City in 2024 ■ Retraining for Occupational Safety and Health Affairs Supervisor ■ Sharing Contract Negotiation Skills - Starting from Procurement and Supplier Contracts ■ The 1st Hsinchu Science Park ESG Forum in 2024 ■ Deconstructing Supplier Management Price and Cost Techniques and Applications ■ Principles and Applications of Import and Export Customs Clearance, Cost Calculation, and Classification of Import Tariffs ■ Sharing Contract Negotiation Skills - Starting from Procurement and Supplier Contracts
Quality Assurance Division	■ Observation of lean enterprises with outstanding performance- Elite Sewing Machine Manufacturing ■ Training for ISO 14001:2015 Auditors ■ Symposium on Coping Strategies for Circuit Boards when Substrate Material Certifications are Revoked ■ Japan Consumer Electronics Product Safety Description Meeting ■ Radiation re-education ■ Retraining for first-aiders ■ Sampling and Equipment Efficiency ■ Brand Marketing and Basics of Trademark Law
Lectures (optional)	■ Quarterly meetings

■ Average Hours of Training in the Past Two Years

Gender	Employee Category	2024			2023		
		No. of Employees	Total Training Hours	Average Hours of Training	No. of Employees	Total Training Hours	Average Hours of Training
Male	Senior executives	7	65	9.29	9	15	1.67
	Mid-level executives	21	241	11.48	24	60	2.50
	Entry-level executives	23	222	9.65	21	114	5.43
	General employees	111	470	4.23	96	360	3.75
Female	Senior executives	1	9	9.00	—	—	—
	Mid-level executives	5	131	26.20	6	40	6.67
	Entry-level executives	11	131	11.91	11	50	4.55
	General employees	80	479	5.99	67	250	3.73
Total		259	1,748	6.75	234	889	3.80

Note 1: Senior executives: CEO, President, Vice President, Assistant General Manager, Finance and Accounting Executive

Note 2: Mid-level executives: Manager, Assistant Manager

Note 3: Entry-level executives: Section chief, team leader, foreman

Note 4: Average training hours per employee = total training hours / total number of employees at the end of the reporting year

5.3.2 Performance Evaluation Mechanism

In accordance with the "Performance Management Procedures", we conduct regular evaluations and performance reviews with employees every six months. The evaluation focuses on measuring the implementation of past work tasks and setting work goals for the future. The performance evaluation results will be used as the basis for salary adjustment, promotion, and career development planning. Every year, we refer to the evaluation of the previous year for personnel promotion and other operations. By taking this approach, we ensure that the promotion channel is transparent, fair, and complete.

The evaluation process is to start with the employees' self-evaluation followed by a re-evaluation performed by the supervisor based on the employee's performance and goal achievement. Through a two-way communication management method, both parties can achieve a common understanding of the Company and goals. The evaluation of Polytronics is divided into direct employees and indirect employees. Please refer to the figure below for the performance evaluation process.

In 2024, 100% of all full-time employees of Polytronics Technology Corporation completed the annual performance evaluation. All employees were evaluated except for those still in the evaluation period (those working for the Company for less than three months).

■ Performance Evaluation Flowchart

For Indirect Personnel

The unit supervisor informs the employee being evaluated to fill out the "Work Performance Evaluation Form" (the evaluation topics are mainly in the format announcement). The employee being evaluated conducts a self-evaluation first, and return the form to the immediate supervisor.

↓

The unit supervisor arranges performance interviews with the employee being evaluated, and notes the meeting minutes and work expectations in the above work report. The supervisor also fully communicates with the employee being evaluated, asks them to sign for confirmation, and clearly informs them of the evaluation results and improvements to be made.

↓

Based on performance interviews and communication and the work performance of the employee being evaluated in the current year, Approve the scores and ranks of the "Evaluation Table" and control the ratio of performance evaluation distribution, and then review the results to the top supervisor of the unit through the organizational hierarchy.

↓

After review by the highest authority of the unit, results are forwarded to the HR unit for coordination and submitted to the President for approval.

For Direct Personnel

The unit supervisor informs the employee being evaluated to fill out the "Work Performance Evaluation Form" (the evaluation topics are mainly in the format announcement). The employee being evaluated conducts a self-evaluation first, and return the form to the immediate supervisor.

↓

The employee being evaluated conducts a self-evaluation first, and return the form to the immediate supervisor. The head of each unit conducts evaluations based on the items of the "Work Performance Evaluation Form for Direct Personnel" and clearly informs employees of the evaluation results and improvements to be made.

↓

Approve the scores and ranks of the "Evaluation Table" and control the ratio of performance evaluation distribution, and then review the results to the top supervisor of the unit through the organizational hierarchy.

↓

After review by the highest authority of the unit, results are forwarded to the HR unit for coordination and submitted to the President for approval.

■ Performance Evaluation Items of Polytronics Technology Corporation

Evaluation Items	Evaluation Details
Execution skills/management skills/leadership skills	Employee performance goal management and achievement, incident handling process, cost control, and optimal use of department resources to effectively complete work
Communication skills/colleague relations/innovation skills	Whether they have effective interpersonal communication skills, department goal achievement rate, colleagues' innovation and improvement of the Company's products and quality, and contribute to the organization
Employee training program	Check whether supervisors have provided their subordinates with effective resources and learning and growth opportunities in the past year. Indicators include project participation, project responsibility, duty agency, and education and training.
Work target schedule	For the work goals and action plans for the next six months, the line manager shall provide suggestions or modify the plan content to align them with the Company's operational goals.
Annual work plan	Personal work performance at the beginning of the period, performance measurement standards, and work results for the period.

5.4 Occupational Safety and Health

Item	Details
Material Topics	Occupational Safety and Health
Policies, Commitments and Materiality	Creating a safe, friendly and healthy workplace has always been our commitment. The Company has established the "Safety and Health Work Rules", "Occupational Safety and Health Management Plan", and "Operating Environment Monitoring Management Procedures" to continuously improve work environment safety and health. By doing this, we reduce the risk of occupational accidents, protecting the safety of employees, and promote their physical and mental health.
Responsible Unit	Occupational Safety and Health Committee
Short-, Mid- and Long-term Goals	■Short-term goals (2024): The death rate due to work-related injuries is 0%, and the death rate due to occupational diseases is 0%. ■Mid- and long-term goals (2025 - 2030): The death rate due to work-related injuries is 0%, and the death rate due to occupational diseases is 0%.
Action Plan	1. Safety and health audits, improvement, correction, and prevention are carried out from time to time to ensure the safety of the workplace. 2. Strengthen the hazard notification and education training for contractors before construction, and conduct weekly inspections and review for improvement to reduce operational risks. 3. Conduct new or amended environmental safety and health laws and other relevant requirements on a monthly basis to ensure that operations meet the requirements, achieving the effectiveness of environmental, safety, and health management.
2024 Performance	1. There were zero major occupational safety accidents and violations. 2. Provide employee with safety and health training courses in accordance with regulations and job requirements. In 2024, a total of 29 sessions were held. A total of 195 trainees and 341 training hours. 3. There were 0 recordable occupational accidents, and the recordable work-related injury rate was 0%. 4. The number of occupational disease cases was zero. 5. A total of 196 employees participated in the employee health examination service, and the amount of investment in employee health examination service reached NTD 329,000.
Grievance Mechanism	1. The Occupational Safety and Health Committee holds regular meetings to thoroughly discuss various occupational safety and health-related matters to ensure the safety of the work environment and guarantee the health of employees. 2. In the event of a disaster, it will be properly handled in accordance with the Company's "Safety and Health Incident Handling Measures," to respond swiftly and ensure the safety and health of employees.

5.4.1 Occupational Safety and Health Policy and Management System

The Company adheres to the Occupational Safety and Health Act and considers the RBA Code of Conduct, formulating operational guidelines such as the "Safety and Health Work Rules", "Occupational Safety and Health Management Plan", and "Operating Environment Monitoring Management Procedures". These guidelines apply to all workers in Polytronics facilities (E. IV Plant, E. IX Plant, and Toufen Plant), including non-employees such as contractors under the Company's supervision and management at work sites, achieving 100% overall coverage across all locations.

In addition, the Company regularly verifies regulations through the regulatory inquiry system of the competent authority on a monthly basis and updates the latest information in the internal document "Regulatory Registration Master List". At the same time, the Company strengthens cross-departmental communication and promotion to ensure that relevant occupational safety and health laws and regulations are effectively communicated and implemented within the Company.

The Company has established an Occupational Safety and Health Committee to implement and promote various occupational health and safety plans. Through open procedures, the required number of employees have been elected as occupational safety and health labor representatives. The committee holds regular meetings every three months, primarily to conduct in-depth discussions on workplace safety and health management policies, supervise the performance of occupational safety and health work, and timely update relevant occupational safety regulations.

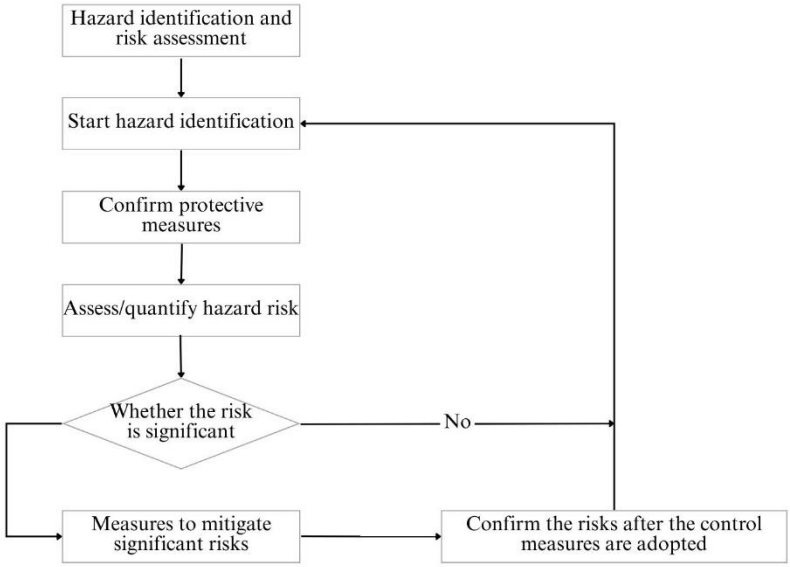
Employees can also make suggestions to unit supervisors and occupational safety and health labor representatives by phone or email for discussion in the committee meeting. All employees are aware of the relevant occupational safety and health laws and regulations as well as safety and health information through electronic promotion and education and training.

5.4.2 Hazard Identification and Risk Assessment Management

In order to effectively identify potential hazards in the work environment and operational activity process, the Company has established an occupational safety unit and conducts hazard identification and operational safety risk assessments annually. Potential hazards are identified based on chemical, physical, ergonomic, biological, and other safety and health factors. The risk level is assessed based on the severity and likelihood to determine and implement appropriate risk control measures.

In addition, according to the risk level, the occupational safety and health unit formulates corresponding response strategies and action plans aimed at continuously improving the operational environment and reducing the risk value of hazards, ensuring the maximum safety and health protection for all workers.

■ The hazard identification and operational safety risk assessment process is as follows:



■ Safety and Health Risk Management

In terms of Safety and Health Risk Management, the Company has adopted various hazard prevention measures, including operating environment monitoring, environmental improvement, personnel education and training, mechanical equipment protection, use of personal protective equipment, chemical management, fire safety equipment labeling, occupational disaster investigation, risk assessment, and emergency response measures. Through a comprehensive management mechanism, we are committed to ensuring that employees can focus on their work in a safe and comfortable environment, while continuously improving the safety and health standards of the workplace.

■ Operating Environment Monitoring

The Company conducts monitoring of the operating environment every six months. Any abnormality in the test results shall be corrected immediately. The scope of monitoring includes the following factors:

Physical factors: Noise, illumination.

Chemical factors: carbon dioxide, dust, organic solvents, lead.

Through regular monitoring and a rapid response mechanism, we ensure the safety of the operational environment and the comprehensive protection of employee health.

■ Operating Environment Improvement

In terms of Operating Environment Improvement, the Company has fully implemented 6S operation management to enhance the cleanliness and efficiency of the workplace.

Specifically, it includes the following six elements:

Sort: Remove unnecessary items to keep the workspace tidy.

Set In Order: Effectively plan and arrange the placement of items for ease of use and management.

Shine: Regularly clean the workplace to maintain a tidy environment.

Standardize: Establish standardized operating procedures to promote consistency and regularity in work.

Sustain: Emphasize cultivating employees' ability to maintain good habits in the long term, ensuring the continued effectiveness of the 6S method.

Security: Ensure a safe working environment, reduce risks to protect employees.

Through the above measures, the Company is committed to providing a comfortable, safe, and efficient work environment.

■ Mechanical Equipment Protection

In terms of Mechanical Equipment Protection, the Company conducts comprehensive annual inspections of high-risk equipment such as forklifts, and posts clear hazard labels on relevant parts to ensure the safety of equipment operation, reduce potential risks, and secure a safe working environment for employees.

■ Noise Reduction

Commission a qualified testing organization to monitor the operating environment every six months, and announce the issuance of earmuffs or disposable earplugs for noisy areas, providing employees options to effectively reduce the impact of noise on workers' health and ensure workplace safety and comfort.

■ Personal Protective Equipment Management

In terms of Personal Protective Equipment Management, the Company requires all employees who may be exposed to hazardous substances to correctly use personal protective equipment, and provides clear labels and descriptions regarding the use and wearing methods of the equipment. This specification aims to ensure the safety and health of employees and reduce the risks that may arise during operations.

■ Identified Significant Risks and Countermeasures in 2024:

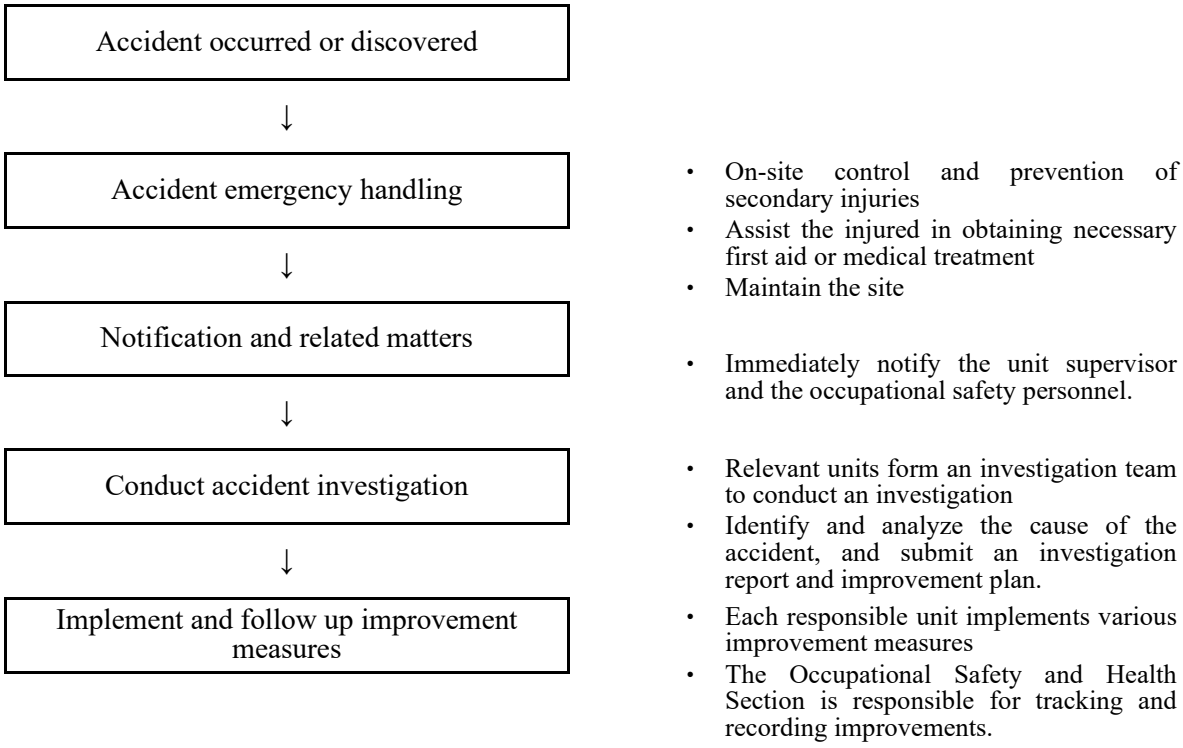
Operational Items with Significant Risks	Description of Risk	Response Measures
Forklift operation	1. Injuries to personnel due to careless driving, reversing, or turning around. 2. Improper braking during parking may lead to injuries to personnel. 3. There is a risk of injury due to operators not standing on the lifting platform in accordance with the regulations. 4. Equipment failure or operational error caused the forklift to overturn, resulting in a crushing accident.	1. Every year, forklift are thoroughly inspected by a commissioned professional qualified manufacturer, and the "Procedures for Using Forklifts" are established to regulate operation procedures. 2. In accordance with the "Occupational Safety and Health Education and Training Rules," forklift operators must complete an 18-hour initial training course and pass a written test and practical skills examination to obtain the technician certificate before being allowed to operate. Additionally, they must receive an on-the-job refresher training every three years. 3. Conduct daily forklift safety inspections to ensure the equipment is in good condition. 4. Every year, a commissioned professional qualified manufacturer conducts basic inspections on the equipment.

5.4.3 Procedures for Investigation of Occupational Accidents

To ensure the safety of all workers, Polytronics Technology Corporation has established the "Safety and Health Accident Handling Procedures," clearly specifying the accident response process. When there is a possibility of immediate danger at the workplace, the on-site person in charge shall immediately order the cessation of operations and guide the personnel to evacuate to a safe area. If personnel discover a potential danger during the execution of work, they may also autonomously stop operations and evacuate to a safe location. They should report the situation to their superior to facilitate timely contingency measures and avoid related disciplinary actions.

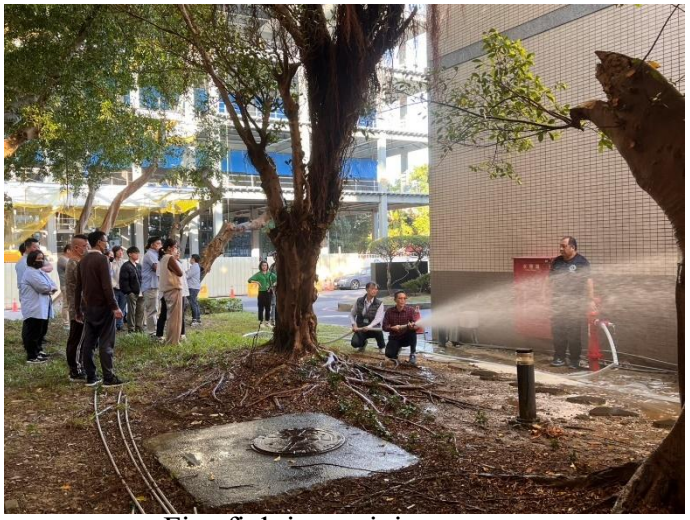
In the event of an occupational accident involving a Polytronics worker, the on-site personnel shall immediately report to the Occupational Safety and Health Section and execute emergency response measures. Subsequently, the head of the accident unit will convene relevant departments to form an investigation team to thoroughly ascertain the cause of the accident through personnel interviews, equipment inspection, document and record verification, and accident site reconstruction, and propose specific corrective and preventive measures. The Occupational Safety and Health Section is responsible for the subsequent tracking and supervision of the effectiveness of implementation, comprehensively preventing the recurrence of similar disasters.

■Procedures for Reporting and Handling Occupational Accidents



5.4.4 Occupational Safety and Health Education and Training

To ensure that all employees understand occupational safety and health regulations and are familiar with the Company's safety and health management mechanism, we provide safety and health education and training for employees in accordance with regulations and job requirements. Our education and training includes occupational safety and health business supervisors, occupational safety and health management personnel, managers of hazardous operations, management personnel, first-aiders, Occupational Safety and Health Committee members, and general employees on-the-job training. In 2024, a total of 195 employees received occupational safety and health education and training, totaling 341 hours.



Fire-fighting training course

Fire lecture course

Hsinchu City Corporate Volunteer Firefighter Fire-fighting Training

Equipment Safety Awareness Group Training Course

Overview of 2024 Occupational Safety Education and Training

Course Category	No. of Training Hours	No. of Trainees	Number of Sessions Held	Total Training Hours
Education and training for occupational safety and health supervisors	6	1	1	6
Education and training for special operators	3	1	1	3
Education and training for first-aiders (initial training)	18	1	1	18
Education and training for first-aiders (refresher training)	3	3	1	9
General safety and health education and training (new employees)	3	58	1	174
General safety and health education and training (current employees)	1	131	1	131

Note: Total Training Hours (No. of Training Hours No. of Trainees Number of Sessions Held)

5.4.5 Occupational Health Services and Promotional Activities

In order to build a friendly, healthy, and safe workplace environment, Polytronics Technology Corporation promotes four major labor health protection plans based on the "Occupational Safety and Health Act" and the introduction of the PDCA cycle management framework, namely the ergonomic hazard prevention plan, disease prevention program for abnormal workloads, illegal infringement prevention programs for the performance of duties, and maternal health protection programs. These initiatives comprehensively care for employees' physical, mental, and spiritual health, enhancing their sense of identity and cohesion, thereby creating sustained competitive advantages for the company.

Polytronics also actively implements the concept of a healthy workplace, continuously promoting a number of health services and promotion programs. We are committed to providing comprehensive care so that employees receive good support in physical, mental, and spiritual aspects, further unifying the team's cohesion and strengthening the Company's sustainable competitiveness.

■ Health Checkup

Every year, employees who have served for more than six months can participate in the annual health checkup if they wish. In the health checkup details, items superior to regulations and various additional optional examination items are specially added to comprehensively care for the overall health status of employees and enhance workplace health protection. In 2024, the number of employees checked reached 196, with a checkup rate of 99.47%.

Implement risk management for physical/health checkups, including tracking the abnormal conditions in the health checkup report, classifying the checkup results into 1 to 5 grades. For employees with grade 3 checkup results, a contracted occupational nurse or occupational disease specialist will be arranged to provide health consultation and personalized health guidance, strengthening the follow-up tracking and medical assistance for employees with moderate to high health risks, ensuring employees' health and reducing workplace health risks.

■ Special Health Checkup

Health checkups for special operations are conducted every year, and health checkup results are continuously tracked, so that employees can work with peace of mind at special operation sites. In 2024, a total of 9 employees of operations (such as ionizing radiation, dust, noise, lead, etc.) with special health hazards received checkups, and the attendance rate was 100%.

■ Health Promotion Activities

Organized a seasonal flu vaccination activity, with a total of 27 people (including dependents) receiving vaccinations at their own expense in 2024, indicating that colleagues have a deeper awareness and importance of vaccination and disease prevention after experiencing the pandemic, and are actively participating in health protection actions.

■ Maternal Health Protection

A lactation room is set up at the E. IV Plant to provide postnatal female employees with 60 minutes of lactation time per working day, and an overall company-wide maternal health protection mechanism is established. Pregnant and postpartum breastfeeding colleagues can proactively report their status, upon which the Occupational Safety Department will arrange for a risk assessment and consultation with healthcare personnel, effectively implementing maternal health care and protection, creating a friendly workplace environment.

■ Health Column/Health Education

Publish electronic posters on a monthly basis to provide diverse health-themed educational information, enhancing employees' health awareness and self-care abilities. A total of 13 pieces of educational information were sent out in 2024.

■ Implement the Employee Assistance Program (EAP) to Provide Employees with a Comprehensive Support System Through Diverse and Open-Ended Professional Consulting Services. Consultation is provided to employees on issues include marriage, family, parent-child relationship, and financial management.

Employee health checkup

On-site health services

5.4.6 Work-related Injuries and Diseases

To ensure the effectiveness of occupational safety and health management measures, Polytronics Technology Corporation uses the statistical data of work-related injuries and diseases as indicators to measure occupational safety and health management performance.

In 2024, an electrical fire accident caused by aging wires occurred at Polytronics' E. IV Plant. Although it did not result in occupational injuries, the company immediately activated its post-disaster response mechanism after the incident. It was confirmed that the accident stemmed from aging electrical circuits, and a comprehensive inventory and risk assessment of the entire plant's power system was subsequently conducted. At the same time, to prevent similar incidents from recurring, the Company is comprehensively promoting equipment upgrade projects, replacing outdated wires and related electrical equipment, and enhancing the safety of the power distribution system.

Among the recordable work-related injuries, the potential risks for Polytronics mainly include cuts and pinching injuries that may occur during operations. In response to these identified problems, the Company has formulated corresponding management measures, such as revising the SOP, displaying warning signs, installing protective devices, etc. In the future, Polytronics will continue to improve the supporting measures related to occupational injuries and diseases, achieve regular review and dynamic optimization, and steadily move towards the goal of zero occupational hazards.

■ Data on Occupational Injuries and Illnesses in the Past Two Years

Year	Total Hours Worked Note 1	Work Days Lost Note 2	Recordable Work-related Injuries		Serious Work-related Injuries		Number of Occupational Diseases	Number of work-Related Fatalities Note 5
			Amount	Ratio Note 3	Amount	Ratio Note 4		
2023	463,200	6	2	4.32	—	0.00	—	—
2024	457,324	—	—	0.00	—	0.00	—	—

Note 1: Sum of actual hours worked of all employees: For all personnel except the employer (including employees and non-employees), the total number of days worked per year multiplied by the number of hours worked per day.

Note 2: Work days lost: The number of days during which the injured person was temporarily unable to return to work. The total number of days lost does not include the day of injury and the day of return to work. However, it shall include the number of days elapsed in the interim (including Sundays, holidays, or days when the business unit is suspended) and the number of whole days during which workers are unable to work due to the disaster after resumption of work.

Note 3: Percentage of recordable work-related injuries = [Number of recordable work-related injuries (number of people suffering from work-related injuries number of fatalities caused by work-related injuries) x 10^6]/total hours worked.

Note 4: Percentage of serious work-related injuries = [Number of serious work-related injuries (excluding the number of deaths) x 10^6]/total working hours.

Note 5: Including the number of deaths due to occupational injuries and diseases.

Chapter 6 Social Welfare

The company makes occasional donations and supports disadvantaged groups every year. In 2024, we donated to institutions such as National Chengchi University and Christ's Disciples Church, totaling NTD 227,345.

Recipients of Donations	Purpose of Donation	Donation Amount (NTD)
National Chengchi University	Higher Education Deep Cultivation - Seed of Hope Cultivation Program	$ 127,345
Christ's Disciples Church	Caring for the Zhudong area of Hsinchu County and the emergency family assistance by the 1919 Relief Association.	$ 100,000

Appendix 1. GRI Standards Index

GRI Standards	Disclosure Items	Page	Corresponding Chapter/Supplementary Description
GRI 2: General disclosures (2021)			
GRI 2: General disclosures (2021)	2-1 Organizational details	8	1.1.1 Company Profile
	2-2 Entities included in the organization's sustainability reporting	6	About This Report
	2-3 Reporting period, frequency and contact point	6	About This Report
	2-4 Restatements of information	45	3.2.3 GHG Management
	2-5 External assurance	6	About This Report
	2-6 Activities, value chain and other business relationships	8	1.1.1 Company Profile
	2-7 Employees	85	5.1.2 Manpower Structure and Diverse Workplace
	2-8 Workers who are not employees	85	5.1.2 Manpower Structure and Diverse Workplace
	2-9 Governance structure and composition	17	2.1.1 Corporate Structure and Composition of the Board of Directors
	2-10 Nomination and selection of the highest governance body	21	2.1.2 Nomination and Selection of Members of the Board of Directors
	2-11 Chair of the highest governance body	21	2.1.1 Corporate Structure and Composition of the Board of Directors
	2-12 Role of the highest governance body in overseeing impact management	25	2.1.6 Sustainability Governance
	2-13 Delegation of responsibility for managing impacts	25	1.2 Corporate Sustainability Governance Framework 2.1.6 Sustainability Governance
	2-14 Role of the highest governance body in sustainability reporting	12、25	1.3 Identification and Analysis of Material Issues 2.1.6 Sustainability Governance
	2-15 Conflicts of Interest	21	2.1.2 Nomination and Selection of Members of the Board of Directors
	2-16 Communication of critical concerns	12、25	1.3 Identification and Analysis of Material Issues 2.1.6 Sustainability Governance
	2-17 Collective knowledge of the highest governance body	17	2.1.1 Corporate Structure and Composition of the Board of Directors
	2-18 Evaluation of the performance of the highest governance body	23	2.1.4 Performance Evaluation

GRI Standards	Disclosure Items	Page	Corresponding Chapter/Supplementary Description
GRI 2: General disclosures (2021)	2-19 Remuneration Policy	24	2.1.5 Remuneration Policy
	2-20 Process to determine remuneration	24	2.1.5 Remuneration Policy
	2-21 Annual total compensation ratio	89	5.2.2 Sound Remuneration System
	2-22 Statement on sustainable development strategy	4	Message from the Chairman
	2-23 Policy commitments	26	2.2.1 Ethical Corporate Management Policy
	2-24 Embedding policy commitments	27	2.2.2 Anti-corruption Communication and Education and Training
	2-25 Processes to remediate negative impacts	-	Management Approach to Material Topics
	2-26 Mechanisms for seeking advice and raising concerns	29	2.2.3 Whistleblower System
	2-27 Legal Compliance	34	2.4 Legal Compliance
	2-28 Membership associations	10	1.1.3 Participation in Associations
	2-29 Approach to stakeholder engagement	16	1.4 Stakeholder Engagement and Communication
	2-30 Collective bargaining agreements	-	The Company has not yet signed any collective bargaining agreements, but labor-management meetings are regularly held in accordance with regulations.
Material Topics			
GRI 3: Material Topics (2021)	3-1 Process to determine material topics	12	1.3 Identification and Analysis of Material Issues
	3-2 List of material topics	12	1.3 Identification and Analysis of Material Issues
Economic Performance			
3-3 Management of material topics		7	1.1 About Polytronics
GRI 201 (2016): Economic Performance	201-1 Direct economic value generated and distributed	9	1.1.2 Operation and Financial Position
Ethical Operations			
3-3 Management of material topics		26	2.2 Ethics and Integrity
GRI 205 (2016): Anti-corruption	205-1 Operations assessed for risks related to corruption	27	2.2.2 Anti-corruption Communication and Education and Training
	205-3 Confirmed incidents of corruption and actions taken	27	2.2.2 Anti-corruption Communication and Education and Training No occurrence of related incidents during the reporting year
Climate Governance			
3-3 Management of material topics		35	3.1 Response to Climate Change
GRI 201 (2016): Economic Performance	201-2 Financial Impacts and Other Risks and Opportunities Arising from Climate Change	37	3.1.3 Climate Change Response Strategies

GRI Standards	Disclosure Items	Page	Corresponding Chapter/Supplementary Description
Energy Management and GHG Management			
3-3 Management of material topics		42	3.2 Energy and GHG Management
GRI 302 (2016): Energy	302-1 Energy consumption within the organization	44	3.2.2 Energy Consumption Overview
	302-2 Energy Intensity	44	3.2.2 Energy Consumption Overview
	302-3 Reduction of energy consumption	49	3.2.4 Reduction and Energy-saving Measures
GRI 305 (2016): Emissions	305-1 Direct (Scope 1) GHG emissions	45	3.2.3 GHG Management
	305-2 Energy indirect (Scope 2) GHG emissions	45	3.2.3 GHG Management
	305-3 Other indirect (Scope 3) GHG emissions	45	3.2.3 GHG Management
	305-4 GHG emissions intensity	45	3.2.3 GHG Management
	305-5 Reduction of GHG emissions	49	3.2.4 Reduction and Energy-saving Measures
Innovative R&D and Green Product			
3-3 Management of material topics		59	4.1 R&D and Innovation
Information Security and Privacy Protection			
3-3 Management of material topics		72	4.3 Information Security and Customer Privacy
GRI 418 (2016): Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	73	4.3.1 Information Security Management Structure No occurrence of related incidents during the reporting year
Employee Benefits and remuneration			
3-3 Management of material topics		87	5.2 Talent Attraction and Retention
GRI 201 (2016): Economic Performance	201-3 Defined benefit plan obligations and other retirement plans	89	5.2.3 Diverse Employee Benefits
GRI 401 (2016): Employment	401-1 401-1 New employee hires and employee turnover	87	5.2.1 Status of New Employees and Resignations
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	89	5.2.3 Diverse Employee Benefits
	401-3 Parental Leave	89	5.2.4 Parental Leave
Educational Training and Occupational Development			
3-3 Management of material topics			5.3 Talent Cultivation and Development
GRI 404 (2016): Training and Education	404-1 Average hours of training per year per employee	92	5.3.1 Talent Development Management
	404-2 Programs for upgrading employee skills and transition assistance programs	92	5.3.1 Talent Development Management
	404-3 Percentage of employees receiving regular performance and career development reviews	97	5.3.2 Performance Evaluation Mechanism

GRI Standards	Disclosure Items	Page	Corresponding Chapter/Supplementary Description
Occupational Safety and Health			
3-3 Management of material topics		99	5.4 Occupational Safety and Health
GRI 403 (2018): Occupational Health and Safety	403-1 Occupational safety and health management system	100	5.4.1 Occupational Safety and Health Policy and Management System
	403-2 Hazard identification, risk assessment, and incident investigation	100、103	5.4.2 Hazard identification and Risk Assessment Management 5.4.3 Procedures for Investigation of Occupational Accidents
	403-3 Occupational health services	106	5.4.5 Occupational Health Services and Promotional Activities
	403-4 Worker participation, consultation, and communication on occupational safety and health	99	5.4.1 Occupational Safety and Health Policy and Management System
	403-5 Worker training on occupational health and safety	104	5.4.4 Occupational Safety and Health Education and Training
	403-6 Promotion of worker health	106	5.4.5 Occupational Health Services and Promotional Activities
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	100、103	5.4.2 Hazard identification and Risk Assessment Management 5.4.3 Procedures for Investigation of Occupational Accidents
	403-8 Workers covered by an occupational health and safety management system	100	5.4.1 Occupational Safety and Health Policy and Management System
	403-9 Work-related injuries	107	5.4.6 Work-related Injuries and Diseases
	403-10 Occupational disease	-	In 2024, there were no cases determined to be occupational diseases.

GRI Standards	Disclosure Items	Page	Corresponding Chapter/Supplementary Description
Other Topics			
GRI 200: Economic			
GRI 204 (2016): Procurement Practices	204-1 Proportion of spending on local suppliers	83	4.4.3 Procurement Practices
GRI 300: Environment			
GRI 303 (2018): Water and Effluents	303-1 Interactions with water as a shared resource	54	3.4.1 Water Resource Risk Assessment
	303-2 Management of water discharge-related impacts	56	3.4.3 Wastewater Discharge Management
	303-3 Water Withdrawal	55	3.4.2 Water Withdrawal, Consumption, and Discharge
	303-4 Water Discharge	55	3.4.2 Water Withdrawal, Consumption, and Discharge
	303-5 Water Consumption	55	3.4.2 Water Withdrawal, Consumption, and Discharge
GRI 306 (2020): Waste	306-1 Waste generation and significant waste-related impacts	50	3.3.1 Waste management System
	306-2 Management of significant waste-related impacts	50	3.3.1 Waste management System
	306-3 Waste Generated	50	3.3.2 Waste Generated
	306-4 Waste diverted from disposal	50	3.3.2 Waste Generated
	306-5 Waste directed to disposal	50	3.3.2 Waste Generated
GRI 400: Society			
GRI 405 (2016): Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	17、85	2.1.1 Corporate Structure and Composition of the Board of Directors 5.1.2 Manpower Structure and Diverse Workplace
GRI 402 (2016): Labor/Management Relations	402-1 Minimum notice periods regarding operational changes	86	5.1.3 Smooth Communication Channels
GRI 406 (2016): Non-discrimination	406-1 Incidents of discrimination and corrective actions taken by the organization	84	5.1.1 Promoting the Protection of Human Rights in the Workplace
GRI 408 (2016): Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	84	5.1.1 Promoting the Protection of Human Rights in the Workplace

Appendix 2. Sustainability Disclosure Indicators for - Electronic Components

Item	Indicator	Annual Disclosure	Corresponding Chapter
1	Total energy consumption, percentage of purchased electricity, and utilization rate of renewable energy	Total energy consumption: 25,493 GJ Percentage of purchased electricity: 99.25% of overall energy consumption Utilization rate of renewable energy: 0%	3.2.2 Energy Consumption Overview
2	Total water intake and consumption	Total water intake: 22.95 thousand cubic meters Total water consumption: 13.35 thousand cubic meters	3.4.2 Water Withdrawal, Consumption, and Discharge
3	Weight of hazardous waste generated and percentage recycled	In 2024, 23.82 metric tons of hazardous waste was collected, and the recycling percentage was 62.87%.	3.3.2 Waste Generated
4	Describe the type, number of people, and proportion of occupational accidents	In 2024, there were no occupational accidents in the Company.	5.4.6 Work-related Injuries and Diseases
5	Disclosure of product life cycle management: Including the weight of end-of-life products and electronic waste, and the percentage of recycling	In 2024, the amount of waste electronic components, scraps and defective products was 11.12 metric tons. After physical treatment, the waste was shredded with the valuable metals removed, and the remaining waste was subject to final treatment.	3.3.2 Waste Generated
6	Description of risk management associated with the use of critical materials	See 4.4 Sustainable Supply Chain for details	4.4.1 Supply Chain Management
7	Total pecuniary losses as a result of legal proceedings related to the anti-competitive laws	The Company did not suffer any pecuniary losses as a result of legal proceedings related to the anti-competitive laws	2.4 Legal Compliance
8	Production volume of major products by product category	Protection devices: 1,700,564 thousand pieces	4.1.1 Main Products and Services

Appendix 3. Climate-related Information of Listed Companies

Item	Item	Corresponding Chapter
1	Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.	3.1.1 Climate Governance
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	3.1.3 Climate Change Response Strategies
3	Describe the financial impact of extreme climate events and transformational actions.	3.1.3 Climate Change Response Strategies
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	3.1.2 Climate Risk Management
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Under planning
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks	Under planning
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Under planning
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 should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	3.1.4 Indicators and Targets
9	GHG inventory and assurance, as well as reduction goals, strategies, and specific action plans.	3.2.3 GHG Management