

FineMat Applied Materials Co., Ltd.

2024 Sustainability Report

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# Message from the General Manager

FineMat firmly believes that sustainable development is essential to long-term business success. We are committed to actively promoting environmental protection, social responsibility, and economic sustainability across all our business operations. Even during the most challenging operating conditions in 2024, we remained steadfast in our commitments. To achieve these goals, we will take the following actions:

## 1. Environmental Protection

We are dedicated to reducing our carbon footprint, promoting efficient use of resources, minimizing unnecessary energy consumption, and seeking opportunities to adopt renewable energy. We are committed to reducing waste generation and advancing circular economy practices.

## 2. Social Responsibility

We respect the fundamental rights of all employees, provide a safe working environment, and foster a diverse and inclusive workplace culture. We will continue to actively engage in community development and support education and public welfare initiatives.

## 3. Economic Sustainability

We strive to ensure long-term business profitability while considering the social and environmental impacts of our operations. We will continue to innovate within existing industries and position environmental protection and energy conservation as key drivers for future business growth. We will also collaborate with suppliers and partners to promote sustainable business models.

## 4. Transparency and Reporting

We will regularly publish sustainability reports to transparently share our progress and challenges with all stakeholders, facilitating dialogue and continuous improvement. We believe that through these efforts, we can not only create economic value but also make positive

contributions to society and the environment. We invite all employees, partners, and customers to join us in collectively advancing sustainable development.

**FineMat**

**General Manager: Yi-Fan Wang**

Handwritten signature of Yi-Fan Wang in Chinese characters.

# About the Report

## Reporting Principles

This document represents the inaugural Sustainability Report issued by FineMat Applied Materials Co., Ltd. (hereinafter referred to as "the Company," "FineMat," or "we"). The report is primarily drafted in accordance with the latest edition of the GRI Standards (2021 Edition) published by the Global Reporting Initiative (GRI). It also incorporates the industry-specific sustainability indicators required under Article 4 of the "Regulations Governing the Preparation and Filing of Sustainability Reports by Public Companies," as well as climate-related information relevant to listed companies, thereby disclosing our sustainability efforts.

## Reporting Period

The data and content disclosed in this report primarily focus on the information for the year 2024 (January 1, 2024, to December 31, 2024). To ensure the completeness and comparability of information, some performance data is retroactively presented for the year 2022 and earlier periods, or extends disclosure to information for the year 2025, in order to showcase relevant trends and changes.

## Reporting Scope and Data Boundary

The boundary of information disclosure in this report is independent of the consolidated financial statements. The report boundary exclusively covers FineMat and excludes overseas or other Taiwanese subsidiaries. If the scope of disclosure for any specific chapter differs from the aforementioned, it will be explained separately within that chapter.

All data and statistics disclosed in this report, with the exception of annual financial figures, are based on the Company's own surveys and statistics. Financial figures are quoted from the financial reports audited by a Certified Public Accountant (CPA) (denominated in NT\$ thousands). All related statistics are calculated based on internationally accepted indicators, local regulations, industry standards, or industry practices. If a quantitative indicator carries a specific meaning, it will be explained in a footnote.

## Report Management and Assurance

The data and information used in this report are collected and provided by the respective responsible departments. They are then submitted to the Sustainability Information Management Team for overall planning, data aggregation, and subsequent editing and revision. Upon completion of the initial draft, it is sent to the Chief Financial Officer (CFO) and the General Manager for review, ensuring the

authenticity and completeness of the Sustainability Report content. The final report was approved by the Board of Directors on August 7, 2025.

The report has not undergone third-party assurance.

### Publication Date

This is the first Corporate Sustainability Report issued by FineMat. It will be published annually and will be available for browsing and download on the FineMat official website.

Current Report Issuance Date: August 2025

Next Report Scheduled Issuance Date: Before August 2026

### Feedback

We sincerely welcome any suggestions regarding this report or the sustainable development of FineMat. Please feel free to contact us.

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Address: No. 36, Gongye 1st Rd., Annan Dist., Tainan City, Taiwan (R.O.C.)

# Chapter 1 Corporate Sustainability Management

## 1.1 About FineMat Corp.

### 1.1.1 Company Profile

Since its establishment in 2007, FineMat has adhered to the business philosophy of "Integrity and Honesty, Efficiency Improvement, Technical Value, and Right Person in the Right Place." The Company is dedicated to the research, development, and contract manufacturing of Fine Metal Masks (FMMs), aiming to become a comprehensive production solution supplier in the FMM field.

Basic Company Information	
Full Company Name	FineMat Applied Materials Co., Ltd.
Abbreviated Name	FineMat
Date of Establishment	May 25, 2007
Corporate Headquarters	No. 36, Gongye 1st Rd., Annan Dist., Tainan City, Taiwan
Chairman	Chin-Hsiao Chao
President ( General Manager )	Yi-Fan Wang
Industry Sector	Other Electronics Industry
Stock Code	6698
Date of Listing	November 25, 2019
Capital Stock	NT\$ 1,000,000,000
Main Products	High-precision Fine Metal Mask manufacturing and tensioning service for displays, Fine Metal Mask manufacturing and tensioning service for flexible OLED displays, Various precision etching application products, Full-size precision Frame manufacturing
Operating Locations	Tainan (Taiwan), Taoyuan (Taiwan), Shanghai (China), Huangshi City, Hubei Province (China), Luong Son Industrial Park (Vietnam)

### 1.1.2 Operational and Financial Performance

In 2024, FineMat's annual revenue reached NT\$890,710 (in thousands), a decrease of approximately 21% compared to the previous year. This was primarily due to the sustained market price slump for Fine Metal Masks amidst the trend of supply chain localization in mainland China. As a result, the Company decided to change its operational model for FMMs starting in 2024, shifting away from

producing and selling complete FMMs to focusing specifically on the etching services for Fine Metal Masks.

FineMat's Financial Performance over the Past Three Years (Unit: NT\$ Thousands)

(Unit: NT\$ Thousands)

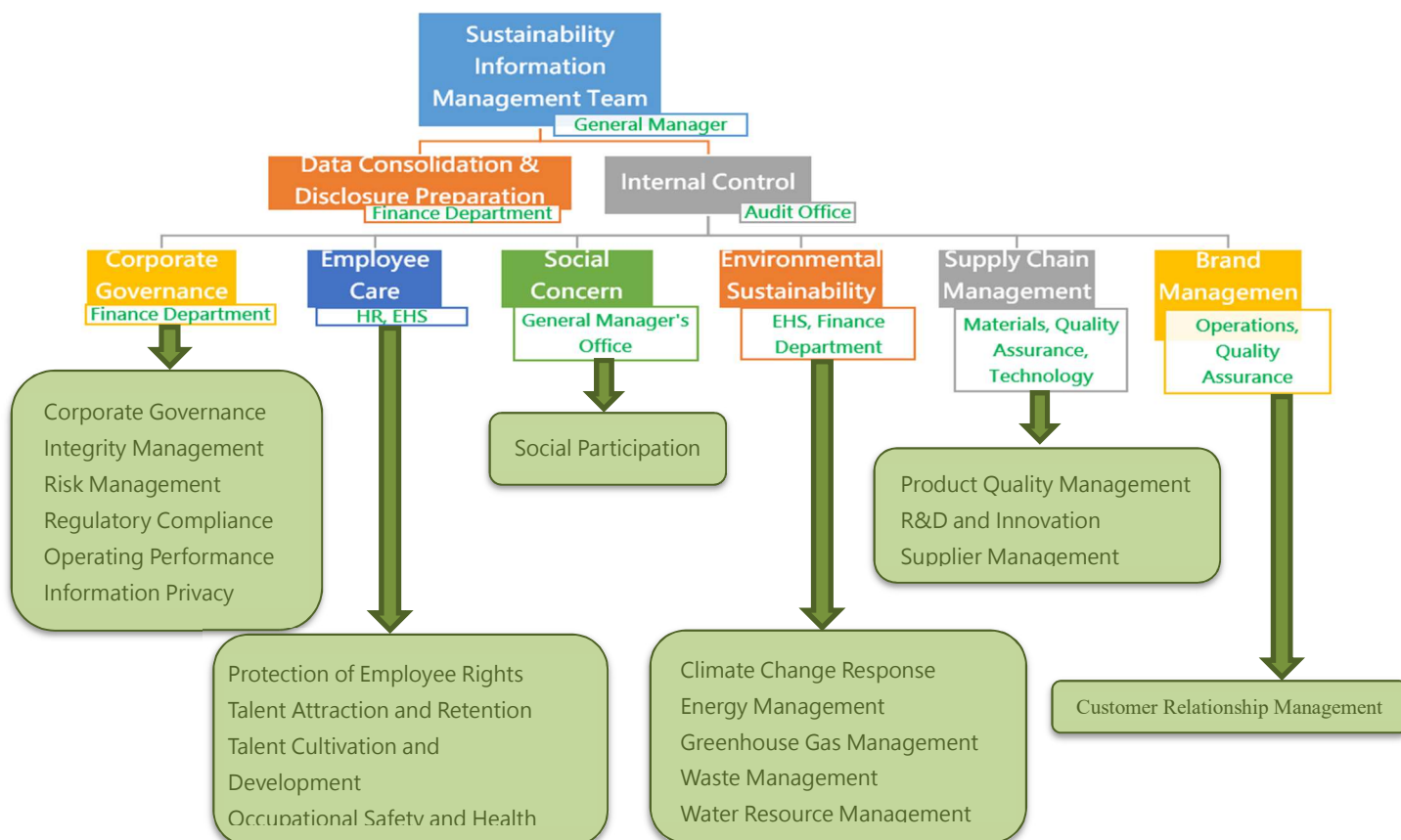
Component		2022	2023	2024
Direct Economic Value Generated		1,292,795	1,225,765	926,909
Operating Revenue	Operating Revenue	1,250,628	1,121,229	890,710
	Interest Income	2,569	6,756	8,282
	Other Income	47,436	40,147	11,700
	Other Gains and Losses	6,900	65,542	9,628
	Share of Profit or Loss of Associates and Joint Ventures Accounted for Using the Equity Method	(14,738)	(7,909)	6,589
Direct Economic Value Distributed		1,277,101	1,266,559	947,931
Operating Costs		909,542	896,013	631,857
Employee Wages and Benefits		310,661	307,645	269,636
Payments to Capital Providers		16,529	25,908	17,595
Payments to Government (Taxes)		40,369	36,993	28,843
Economic Value Retained		15,694	(40,794)	(21,022)

Note 1: The data in this table is derived from the CPA-audited consolidated financial statements for the respective years.

## 1.2 Corporate Sustainability Governance Structure

FineMat established the "Sustainability Information Management Team" in November 2024, in accordance with the "Practices for Sustainable Development." This team serves as the Company's dedicated unit for sustainable development, with the General Manager acting as the convenor to formulate sustainability strategies and objectives, and regularly review the progress toward their achievement.

The Finance Department is the unit responsible for promoting sustainable development. The head of the Finance Department is responsible for planning the project schedule for sustainability information, developing operational guidelines for sustainability information management, and management policies for major sustainability topics, including the procedures for compiling sustainability information and indicators. Furthermore, the Department integrates enterprise risk assessment to conduct relevant risk management operations regarding sustainability issues, and communicates with all sustainability data collection units to ensure they understand the scope of collection and their respective responsibilities. The Department also reports on the status of sustainability management to the Board of Directors at least once a year; evaluates the adoption of sustainability reporting frameworks or standards, including executing impact assessments and monitoring progress; and drives the implementation of the IFRS Sustainability Disclosure Standards, reporting the implementation timeline and progress to the Board of Directors quarterly starting from the fourth quarter of 2026.



## 1.3 Materiality Assessment and Analysis

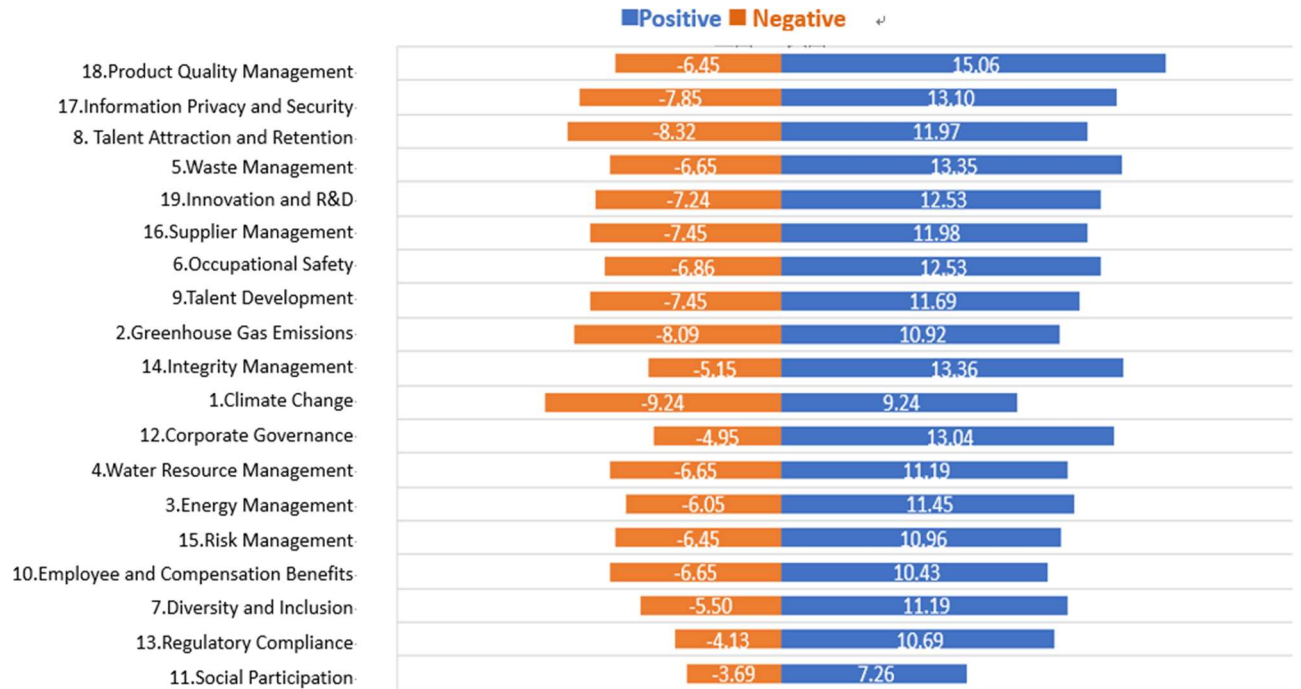
In 2024, FineMat adopted the Global Reporting Initiative (GRI) Universal Standards (GRI Universal Standards 2021), in compliance with Taiwan’s “Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies.” This process identified key stakeholders and assessed the impact level of various sustainability issues, serving as the management approach for the Sustainability Report. Furthermore, it allows the Company to take inventory of its current sustainability status, continue to implement relevant policies, and jointly create value for society and the Company.

### ■ Material Topic Analysis Process

Phase 1 Understanding the Organizational Context	
Sustainability Issue Collection 19 Sustainability Issues	<ul style="list-style-type: none"> <li>Based on the Company's industry characteristics and internal focus areas, and by referring to the GRI Standards, domestic and international sustainability trends, industry benchmarks, and peer information, the Company identified common themes within the industry through intersectional analysis, culminating in 19 sustainability issues.</li> </ul>
Phase 2 Assessing Actual and Potential Impacts	
Impact Significance Assessment 13 Internal Questionnaires	<ul style="list-style-type: none"> <li>A questionnaire format was adopted, where members of the Sustainability Information Management Team evaluated the 19 sustainability issues. A total of 13 valid questionnaires were collected.</li> <li>The positive/negative impacts of the 19 sustainability issues on the economy, environment, and people (including human rights) were assessed. The "Positive/Negative Impact Level" and "Likelihood of Occurrence" for each topic were multiplied and then summed to derive the total impact score for each topic.</li> </ul>
Phase 3 Determining the Material Topic Ranking	
Material Topic Decision 5 Material Topics	<ul style="list-style-type: none"> <li>Following discussions by the FineMat Sustainability Information Management Team, 5 material topics were identified: Corporate Governance, Data Privacy and Cybersecurity, Talent Attraction and Retention, Greenhouse Gas Emissions, and Product Quality Management.</li> <li>This year’s Sustainability Report will use these material topics as the basis for writing, providing a comprehensive disclosure of their management approach and performance results.</li> </ul>
Phase 4 Reporting and Disclosure	
Information Reporting and Disclosure	<ul style="list-style-type: none"> <li>The data and information used in this report are collected and provided by the respective responsible departments, and then compiled by the Sustainability Information Management Team for overall planning, data aggregation, and subsequent editing and revisions. The initial draft was submitted to the General Manager and Chief Financial Officer for review to ensure the truthfulness and completeness of the Sustainability Report's content, and was finally approved by the Board of Directors on August 7, 2025.</li> </ul>

## FineMat Materiality Matrix

### Positive and Negative Impact



■ **FineMat Material Topics List**

Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index	Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index	Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index	Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index	Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index
Governance	Corporate Governance	<p>Positive Impact: Sound corporate governance effectively improves operational efficiency. By safeguarding shareholders' rights, strengthening the Board's functions, respecting stakeholders' interests, and increasing information transparency, a robust corporate governance framework is established and disclosed on the Market Observation Post System.</p> <p>Negative Impact: Failure to effectively implement corporate governance mechanisms, or inappropriate guidelines regarding integrity management procedures and codes of conduct, may lead to major negligence or integrity violations, undermining/negatively impacting stakeholder interests.</p>	Chapter 2: Sustainable Business Operations	GRI 2: General Disclosures GRI 405: Diversity and Equal Opportunity

Governance	Data Privacy and Cybersecurity	<p>Positive Impact: Comprehensive information security management effectively protects sensitive corporate and client data, enhances corporate reputation and client trust, thereby boosting corporate image and market competitiveness. Furthermore, privacy protection policies that comply with legal requirements avoid high fines and legal risks, promote compliant operations, and strengthen internal management and risk control, supporting the Company's long-term sustainable development.</p> <p>Negative Impact: Insufficient investment in Data Privacy and Cybersecurity management may lead to data breaches, system interruptions, or exposure of trade secrets, causing severe damage to the Company's reputation, even triggering legal lawsuits and high fines, affecting financial performance and market confidence. However, high-cost technologies and management systems introduced to ensure information security might increase the operational burden and reduce work efficiency. Overly strict policies could also inconvenience employees, impacting the smooth flow of daily operations and innovative development.</p>	Chapter 2: Sustainable Business Operations	GRI 418: Customer Privacy
Environment	Greenhouse Gas Emissions	Positive Impact: Reducing greenhouse gas (GHG) emissions helps enhance corporate image, gain consumer support and employee recognition. Through improvements in energy efficiency and emission reduction measures, energy costs and waste treatment	Chapter 3: Environmental Sustainability GRI 305: Emissions	Chapter 3: Environmental Sustainability GRI 305: Emissions

Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index	Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index	Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index	Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index	Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index
		<p>expenses can be lowered, while avoiding environmental pollution fines.</p> <p>Negative Impact: Failure to effectively control GHG emissions, resulting in non-compliance with government regulatory standards, may lead to fines, sales bans, or loss of market access. High-carbon-emission companies are prone to public criticism, investor divestment, and consumer boycotts.</p> <p>Furthermore, some large corporations require suppliers to reduce carbon; failure to comply may lead to replacement.</p>		

Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index	Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index	Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index	Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index	Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index
Social	Talent Attraction and Retention	<p>Positive Impact: Companies that promote carbon reduction and sustainability are more likely to attract high-quality talent with a sense of mission and environmental awareness. Employees will take pride in the Company's commitment to climate action, enhancing job involvement and organizational identification. Developing sustainability-related positions provides employees with opportunities for new skill acquisition and growth.</p> <p>Negative Impact: Lack of a sustainability vision or action may lead employees to choose resignation or non-joining due to a negative corporate image (e.g., pollution controversies). If the transition requires professional talent in ESG or carbon management, the market supply is limited, potentially leading to a "talent gap" or high turnover rate. Internal employees who cannot quickly adapt may be forced to leave due to skill mismatch.</p>	Chapter 5: Harmonious and Healthy	GRI 401: Employment

Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index	Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index	Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index	Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index	Aspect 2024 Material Topic Impact on FineMat Operations Disclosure Chapter GRI Standards Index
Product	Product Quality Management	<p>Positive Impact: Meeting customer needs and expectations, maintaining order volume, and increasing market share; reducing environmental pollution risks to meet customer requirements and achieve carbon reduction targets.</p> <p>Negative Impact: Poor product service or quality reduces customer trust and expectations, affecting customer willingness to cooperate, leading to low market demand, production cutbacks, and low company credibility, ultimately impacting operations.</p>	Chapter 4: Product Innovation and Customer Service	GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling

## 1.4 Stakeholder Engagement and Communication

Stakeholders are defined as groups that either influence FineMat or are influenced by it. In 2024, FineMat conducted a stakeholder identification process starting with each department initially screening the types of stakeholders encountered in daily business interactions. Based on the frequency of interaction, the degree of mutual influence, and the importance of each stakeholder to the Company, and after internal discussions and referencing peer practices, five primary types of stakeholders were identified: Employees, Customers, Investors, Suppliers, and Government Agencies.

Stakeholders	Topics of Concern	Communication Channels, Response Methods, and Frequency	2024 Stakeholder Communication Results	Communication Channels
Employees	Occupational Safety and Health Talent Attraction and Retention Talent Cultivation and Development Data Privacy and Cybersecurity	<ol style="list-style-type: none"> <li>1. Provide health check-ups every three years.</li> <li>2. On-site health consultations by contracted nurses (8 hours, twice per month).</li> <li>3. Announcements of various employee benefits (e.g., periodic social events, year-end parties), provision of free employee lunches via internal email (irregular frequency).</li> <li>4. Employee complaint mailbox managed by a dedicated specialist in the HR Department.</li> <li>5. Regular Employee Satisfaction Surveys conducted regarding Labor-Management Meetings and welfare measures.</li> </ol>	<ol style="list-style-type: none"> <li>1. Comprehensive health check-ups conducted for all employees on 2024/07/25.</li> <li>2. Mid-Autumn Festival gathering held on 2024/08/27.</li> <li>3. Labor-Management Meetings (held 4 times this year).</li> <li>4. Employee Welfare Committee Meetings (held 4 times this year).</li> <li>5. Employee trip held on 2024/12/15.</li> </ol>	Contact Person: Ms. Sammy Chen, HR Department (sammychen@FineMat.com)
Customers	Customer Relationship Management Data Privacy and Cybersecurity Product Quality Innovation and R&D	<ol style="list-style-type: none"> <li>1. Established a "Customer Grievance Handling Procedure"; all customer feedback is recorded in the "Customer Feedback Log."</li> <li>2. For defective products requiring return and re-evaluation, a "Customer Return Consent Application Form" is issued, and relevant departments assist in handling the return/exchange process.</li> </ol>	<ol style="list-style-type: none"> <li>1. Maintained positive two-way communication with customers based on the Customer Feedback Log and implemented improvements according to customer needs.</li> <li>2. In 2024, a total of 77 Customer Return Consent Application Forms were processed, in addition to 25 Customer</li> </ol>	Contact Person: Mr. Jerry Lin, Operations Division (jerrylin@FineMat.com)

Stakeholders	Topics of Concern	Communication Channels, Response Methods, and Frequency	2024 Stakeholder Communication Results	Communication Channels
		3. If a customer requests analysis and improved countermeasures, the results are compiled into a report and submitted to the customer. Feedback is provided to the customer within an appropriate timeframe based on customer requirements or the severity of the anomaly.	Feedback Log entries where a Return Application Form was not issued.	
Investors	Corporate Governance Ethical Management Risk Management Regulatory Compliance Operating and Financial Status	1. 1 Annual General Meeting (AGM) held and Annual Report published yearly. 2. Timely disclosure/announcement of important information on the Market Observation Post System (MOPS), and establishment of an Investor Relations section on the official website to facilitate shareholders' and investors' access to relevant information. 3. Investor Conferences held annually.	1. On-site audit conducted on 2024/05/15.	ESG dedicated mailbox: <a href="mailto:ESG@FineMat.com">ESG@FineMat.com</a> Investor Relations matters: <a href="mailto:ir@FineMat.com">ir@FineMat.com</a>
Suppliers	Ethical Management Risk Management Operating and Financial Status Regulatory Compliance	1. Irregular quality review meetings and on-site audits held with vendors. 2. Annual self-assessment by major suppliers via questionnaire and submission of written documentation, or invitation to the plant for explanation of evaluation results. 3. For evaluated and qualified suppliers, based on the importance of the raw materials they provide, they are required to meet the requirements of the ISO 9001 system framework, and annually follow and sign the "Statement of Compliance with the Code of Ethics and Supplier Code of Conduct." 4. The Company uses ISO 9001:2015 as the audit standard and conducts external QMS Surveillance annually.	1. On-site audit conducted on 2024/05/15. 2. Major supplier self-assessments completed on 2024/05/17. 3. External QMS Surveillance audit passed on 2024/06/28 this year.	Contact Person: Ms. Angel Hung, Materials Department ( <a href="mailto:angelhung@FineMat.com">angelhung@FineMat.com</a> )

Stakeholders	Topics of Concern	Communication Channels, Response Methods, and Frequency	2024 Stakeholder Communication Results	Communication Channels
Government Agencies	Greenhouse Gas Management Waste Management Water Resource Management Corporate Governance Regulatory Compliance	<ol style="list-style-type: none"> <li>1. Water quality testing is sampled by an environmental company and reported to the Tainan City Environmental Protection Bureau (EPB) every six months.</li> <li>2. Scraps and waste generation status are reported to the Environmental Resource Circulation Administration (ERCA) under the Ministry of Environment before the end of each month; on-site waste storage status is reported to the ERCA before the fifth day of each month.</li> <li>3. Follow supervising authorities' laws and policies, and disclose information on the Market Observation Post System (MOPS) and the Company website in accordance with the law.</li> <li>4. Participate in various business briefing sessions held by government units to understand law and policy implementation.</li> </ol>	<ol style="list-style-type: none"> <li>1. All environmental compliance reports for the current year were submitted in compliance with government regulations and within the specified deadlines.</li> <li>2. Irregular receipt and dispatch of official documents.</li> <li>3. Direct communication via phone and email with supervising authorities.</li> <li>4. Personnel attended the 2024 Listed Companies Business Briefing Session (2024/10/25).</li> </ol>	<p>Contact Person: Stephon Du, Environmental Safety Office (<a href="mailto:stephodu@FineMat.com">stephodu@FineMat.com</a>) ESG dedicated mailbox: ESG@FineMat.com</p>

# Chapter 2 Sustainable Business Operations

## 2.1 Corporate Governance

Item	Description
Policies, Commitments, and Materiality	To ensure the Company's sustainable development, FineMat places great emphasis on the transparency of its operations and governance. To this end, FineMat continuously strengthens the functions of the Board of Directors and constantly optimizes the Company's governance mechanisms to pursue the maximum interests of the Company and its shareholders. The Company has established the "Code of Ethical Conduct" and, based on this Code, formulated the "Operating Procedures and Guidelines for Ethical Management" to ensure an effective corporate governance system. The Company also complies with information disclosure obligations to ensure that shareholders and stakeholders can timely access accurate and complete information. Furthermore, various communication channels, such as investor relations contacts and employee grievance mechanisms, have been established to promote transparent interaction.
Responsible Unit	Board of Directors
Short, Medium, and Long-Term Objectives	<p>Short-Term Objectives (1-3 Years)</p> <ul style="list-style-type: none"> <li>● The average training hours for Board Directors should reach or exceed 6 hours.</li> <li>● Average attendance rate for the Board of Directors to reach 80%.</li> <li>● Average attendance rate for the Audit Committee to reach 80%.</li> <li>● Average attendance rate for the Remuneration Committee to reach 80%.</li> </ul> <p>Medium-Term Objectives (3-5 Years)</p> <ul style="list-style-type: none"> <li>● Strengthen the Board of Directors' functions and refine the Board's corporate governance capabilities.</li> <li>● Optimize the sustainability governance framework and promote internal ESG goal setting to drive internal transformation through objectives.</li> <li>● Implement corporate governance evaluations, actively communicate with stakeholders, and continually deepen the Company's sustainable governance culture.</li> </ul> <p>Long-Term Objectives (5-10 Years)</p> <ul style="list-style-type: none"> <li>● The Board of Directors and Functional Committees shall undergo a regular performance evaluation once a year, with all evaluation results achieving a score of 95 or higher.</li> </ul>

Item	Description
Action Plan	<ul style="list-style-type: none"> <li>● To ensure effective communication and oversight, the Audit Committee and the Board of Directors shall meet at least once per quarter, including communication between the Head of Internal Audit and the Independent Directors. The Board's report should detail the status of the internal audit, and the audit plan for the following year must be approved by year-end.</li> <li>● The Audit Committee shall be composed of all independent directors to help strengthen the Board of Directors' supervisory function, enhance governance performance, and ensure the effectiveness of its supervision operations.</li> <li>● The Remuneration Committee shall be responsible for establishing performance evaluation standards for directors and managers, and regularly assessing the achievement of their performance targets. This assessment shall serve as the basis for determining individual compensation, and the Remuneration Committee shall ensure that the remuneration for directors and managers is aligned with their contributions and performance.</li> </ul>
2024 Performance	<ul style="list-style-type: none"> <li>● In 2024, the average training hours for FineMat Directors reached 7.875 hours.</li> <li>● In 2024, the average attendance rate for the FineMat Board of Directors reached 93.9%.</li> <li>● In 2024, the average attendance rate for the FineMat Audit Committee members reached 90%.</li> <li>● In 2024, the average attendance rate for the FineMat Remuneration Committee members reached 87.5%.</li> </ul>
Grievance Mechanism	Stakeholders can communicate directly with the Company through the official website. The Company's significant events are also announced irregularly on the official website and the Market Observation Post System (MOPS).

### 2.1.1 Corporate Structure and Board Composition

The Company complies with Article 20 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and has established a policy on the diversity of Board members to ensure the implementation of corporate governance, enhance the Board's functions, and optimize its structure. The Board of Directors formulates appropriate background diversification guidelines based

on the Company's operational model and needs, thus the selection of Board members has gradually trended toward diversity. Through diversified recruitment experience, we have attracted talent with various professional backgrounds, skills, and industry experience, continuously strengthening corporate governance and operational synergy.

The Company's current Board of Directors consists of 8 members, comprising 5 general directors and 3 independent directors. The members' ages range from 51 to 79. Their professional backgrounds include law, accounting, industry, finance, marketing, and technology. Every director possesses extensive experience in the industry, and it is anticipated that the inclusion of diverse members' background knowledge will allow for multi-faceted strategic considerations when formulating the Company's operational direction.

The Company encourages Board members to pursue continuous education to enhance their professional capabilities and literacy, become more familiar with current industry trends and regulatory changes, master and apply the latest management strategies, expand their corporate governance perspective, and cultivate their judgment and sensitivity towards the overall market environment. This year, Board members pursued further education through participating in training courses, seminars, and forums, resulting in a 2024 overall Board attendance rate of 93.9%.

■ 2024 Director Continuing Education Status

Title	Name	Organizer	Date	Course Name	Hours
Chairman	Chao Chin Hsiao	Securities and Futures Institute (SFI)	2024.08.08	Innovative Thinking for Business Growth in the AI Era	3
			2024.10.28	Risks and Precautions of Artificial Intelligence for Enterprises	3
Director	Liu Dai Min	Securities and Futures Institute (SFI)	2024.08.08	Innovative Thinking for Business Growth in the AI Era	3
			2024.09.20	2024 Advocacy Session on Preventing Insider Trading	3
Director	Li Wei Cheng	Securities and Futures Institute (SFI)	2024.08.08	Innovative Thinking for Business Growth in the AI Era	3
			2024.10.28	Risks and Precautions of Artificial Intelligence for Enterprises	3
Director	Ni Hui Min	Securities and Futures Institute (SFI)	2024.08.08	Innovative Thinking for Business Growth in the AI Era	3
			2024.10.28	Risks and Precautions of Artificial Intelligence for Enterprises	3
Director	Lee Jhong Ren	Securities and Futures Institute (SFI)	2024.08.08	Innovative Thinking for Business Growth in the AI Era	3
			2024.10.28	Risks and Precautions of Artificial Intelligence for Enterprises	3
		Corporate Governance Association (CGA)	2024.09.12-13	Climate Risk Identification Workshop and Net-Zero Emissions Seminar - Tainan Session	9
Independent Director	Chen Cheng-Li	Securities and Futures Institute (SFI)	2024.08.08	Innovative Thinking for Business Growth in the AI Era	3
			2024.10.28	Risks and Precautions of Artificial Intelligence for Enterprises	3
Independent Director	Anita Chu	National Cheng Kung University (NCKU)	2024.07.18-2024.07.19	Continuing Education Program for Chief Accountants - Corporate Governance Seminar	9
				Continuing Education Program for Chief Accountants - Professional Ethics and Laws Seminar	3
Independent Director	Chou Hui Yu	Taiwan Academy of Banking and Finance (TABF)	2024.04.10	Corporate Governance and Enterprise Sustainable Management Seminar	3
		Chinese National Association of Industry and Commerce (CNAIC)	2024.07.15	Tax Governance and the Latest International Tax Laws and Environmental Changes and Countermeasures	3

## Board Members and Background

Title	Nationality	Name	Gender Age	Date of Election	Term of Office	Date of initial election	Academic background (working experience)	Concurrent positions in the Company and other companies
Chair man	Taiwan R.O.C	Chao Chin Hsiao	Male 61~70 years old	2021/08/18	3 years	2007/12/25	PhD in Materials, National Sun Yat Sen University President, Solar Applied Materials Technology Corp., Chairman, FineMat	FineMat, Wave Power Technology Inc., Sheng Tai Co., Ltd., FineMat (Shanghai Applied Materials Co., Ltd.), Vn Etch Home Technology Company Ltd.: Chairman Galloptech International Company Limited., Sensepad Tech Co.,Ltd., Htc & Solartech Service (Samoa) Corporation.,FineXact Co.,LTD: Director Qun Bo Investment Co., Ltd.: Supervisor
Director	Taiwan R.O.C	Elan Investment Co., Ltd.	-	2021/08/18	3 years	2007/12/25		
		Representative: Liu Dai Min (Note 1)	Male 61~70 years old	2021/08/18		2020/01/21	Master of Economic Law, China University of Political Science and Law (CUPL) Director and spokesperson, ELAN Microelectronic Corp.	ELAN Microelectronics Corp.: Spokesperson and Director ESO TECHNOLOGY CO., LTD.: Supervisor Director, Avisonic technology Corporation, Chi Mei Automotive & Electronics Corporation, Taiwan Internet Corporation, Macroblock, Inc., and FineMat
Director	Taiwan R.O.C	Sheng Tai Co., Ltd.	-	2024/06/19	3 years	2007/12/25		
		Representative Lee Jhong Ren	Male 61~70 years old	2024/06/19		2024/06/19	Ph.D. in Materials Science, Massachusetts Institute of Technology Director, Solar Applied Materials Technology Corp. R&D Department Executive Vice President, FineMat Co., Ltd	FineMat: Director
Director	Taiwan R.O.C	Ni Hui Min	Female 61~70 years old	2024/06/19	3 years	2018/10/03	National Changhua Senior High School of Commerce Vice President, Solar Applied Materials Technology Corp. Chairman, HTC & Solar Service Limited	Qun Po Investment Co., Ltd.; Solar Applied Materials Technology (Shanghai) Co., Ltd.; FineMat (HuangShi) Applied Materials Co., Ltd ; Deyang Technology Co., Ltd.: Chairman Director, FineMat, Htc & Solartech Service (Samoa) Corporation; Wave Power Technology Inc. Sheng Tai Co., Ltd.: Supervisor
Director	Taiwan R.O.C	Li Wei Cheng	Male 61~70 years old	2021/08/18	3 years	2000/06/24	PhD in Materials, National Cheng Kung University; Planning Manager, ITRI; Director, Chemical Metallurgy Division, Solar Applied Materials Technology Corp.	FineXact Co.,LTD: Chairman FineMat: Director Solar Applied Materials Technology (Shanghai) CO., LTD., FineMat (HuangShi) Applied Materials Co., Ltd.: Supervisor

Title	Nationality	Name	Gender Age	Date of Election	Term of Office	Date of initial election	Academic background (working experience)	Concurrent positions in the Company and other companies
Independent director	Taiwan R.O.C	Chen Cheng-Li	Male 71~79 years old	2021/08/18	3 years	2018/10/03	Aviation Engineering Department, Air Force Institute of Technology, 2 year program President, TYCOONS GROUP Enterprise CO., Ltd.	Hebei Huanghua Jujin Hardware Products Co., Ltd.: Chairman FineMat: Independent Director, Audit Committee Member, and Remuneration Committee Member
Independent director	Taiwan R.O.C	Chou Hui Yu	Female 51~59 years old	2021/08/18	3 years	2018/10/03	LLM, Soochow University, Department of Accounting, National Cheng Kung University Vice President, Radium Life Tech. Co., Ltd.	King'S Metal Fiber Technologies Co., Ltd., KH Gears Co., Ltd., FineMat, Onano Industrial Corp.: Independent Director and Audit Committee Member, Remuneration Committee Member
Independent director	Taiwan R.O.C	Anita Chu	Female 51~59 years old	2021/08/18	3 years	2021/08/18	Department of Accounting, National Cheng Kung University CFO, Cheng Mei Materials Technology Corporation	WUS Printed Circuit Co., Ltd.: Remuneration Committee Member FineMat, Wave Power Technology Inc.: Independent Director, Audit Committee Member, and Remuneration Committee Member

### **2.1.2 Nomination and Election of Board Members**

The Company's current Board of Directors consists of 8 members, including 3 independent directors. The independent directors all comply with the regulations concerning independent directors set forth by the Securities and Futures Bureau of the Financial Supervisory Commission, and there are no circumstances between the directors and independent directors as stipulated in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. The Board must have no fewer than three independent directors, and the number of independent directors shall not be less than one-fifth of the total number of director seats. The professional qualifications, shareholding, limitations on concurrent positions, methods of nomination and election, exercise of powers, and other related matters for independent directors shall be handled in accordance with the relevant regulations of the securities regulatory authority.

Furthermore, according to the Articles of Incorporation, the Chairman of the Board is elected among the directors, requiring the attendance of at least two-thirds of the directors and the consent of a majority of the attending directors. The Chairman represents the Company in external capacities. Currently, Zhao, Qin-Xiao serves as the Chairman, and Wang, Yi-Fan serves as the General Manager. To avoid conflicts of interest, FineMat explicitly stipulates the provisions for director abstention from voting in the "Board of Directors Meeting Rules of Procedure": A director who has a vested interest in any meeting matter, either personally or through the legal entity he or she represents, shall explain the important details of such interest at that Board meeting. Interested parties shall abstain from the discussion and voting on that matter and shall not exercise voting rights on behalf of other directors.

### 2.1.3 Functional Committees

To strengthen corporate governance and ensure that significant proposals to the Board of Directors can be effectively discussed or subject to conflicts of interest abstention, the Company has established the Audit Committee, Remuneration Committee, and Risk Management Committee to enhance the functions of the Board of Directors. The functions and composition of each Functional Committee are listed in the table below.

■ Functions and Composition of Functional Committees

Functional Committees	Primary Responsibilities and Oversight Items	Composition
Audit Committee	<ol style="list-style-type: none"> <li>1. Establishing or amending the internal control system in accordance with Article 14-1 of the Securities and Exchange Act (SEA).</li> <li>2. Assessing the effectiveness of the internal control system.</li> <li>3. Establishing or amending the operating procedures for material financial and business acts, such as the acquisition or disposal of assets, engaging in derivative commodity transactions, lending funds to others, or making endorsements/guarantees for others, in accordance with Article 36-1 of the SEA.</li> <li>4. Matters involving a director's personal interest.</li> <li>5. Material transactions involving assets or derivative commodities.</li> <li>6. Material fund lending, endorsements, or guarantees.</li> <li>7. The offering, issuance, or private placement of equity-type securities.</li> <li>8. The appointment, dismissal, or remuneration of the attesting CPA (Certified Public Accountant).</li> <li>9. The appointment or dismissal of the Chief Financial Officer (CFO), Chief Accounting Officer, or Chief Internal Auditor.</li> <li>10. The annual and semi-annual financial reports.</li> </ol>	<p>The Committee shall be composed of all independent directors, with the number of members being no fewer than three. One of the members shall serve as the convener, and at least one member shall possess expertise in</p>

Functional Committees	Primary Responsibilities and Oversight Items	Composition
	<p>11. Other material matters prescribed by the Company or the competent authority.</p> <p>Resolutions regarding the matters in the preceding paragraph shall be adopted by a majority of the entire membership of the Committee and submitted to the Board of Directors for resolution.</p> <p>Except for Item 10, if the matters in the first paragraph are not approved by a majority of the entire membership of the Committee, they may be executed with the consent of two-thirds or more of all directors.</p> <p>"The entire membership" referred to in these rules is calculated based on the actual number of members currently in office.</p> <p>The convener of the Committee shall represent the Committee externally. The Company's representative for matters under Articles 213, 214, and 223 of the Company Act shall be elected by the Committee in accordance with the preceding procedure, and the Committee may resolve that the members shall represent the Company individually or jointly. If a representative is not elected in accordance with the preceding procedure, all members shall jointly represent the Company.</p>	<p>accounting or finance.</p>
<p>Remuneration Committee</p>	<p>1. The Committee shall, with the due diligence of a good administrator, faithfully execute the following powers and submit its recommendations to the Board of Directors for discussion:</p> <ul style="list-style-type: none"> <li>● Establish and regularly review the policy, system, standards, and structure for the performance evaluation and compensation of directors, supervisors (if applicable), and managers.</li> <li>● Regularly evaluate and determine the compensation of directors, supervisors (if applicable), and managers.</li> </ul>	<p>The Committee shall consist of 3 members, appointed by a resolution of the Board of Directors,</p>

Functional Committees	Primary Responsibilities and Oversight Items	Composition
	<p>2. When exercising the powers in the preceding paragraph, the Committee shall adhere to the following principles:</p> <ul style="list-style-type: none"> <li>● The performance evaluation and compensation of directors, supervisors (if applicable), and managers shall be referenced against the general compensation level in the same industry and shall reasonably correlate with individual performance, the Company's operational performance, and future risks.</li> <li>● Compensation shall not induce directors and managers to engage in behavior that exceeds the Company's risk appetite.</li> <li>● The proportion of bonuses based on short-term performance and the payment timing of part of the variable compensation for directors and senior managers shall be determined based on industry characteristics and the nature of the Company's business.</li> </ul> <p>3. The compensation referred to in the preceding two paragraphs includes cash compensation, stock options, profit sharing, retirement benefits or severance pay, various allowances, and other measures with substantive incentives effects. The scope shall be consistent with the remuneration of directors, supervisors, and managers as required by the regulations governing matters to be recorded in the annual report of public companies.</p> <p>4. The Board of Directors, when discussing the Committee's recommendations, shall comprehensively consider the amount and method of compensation, the Company's future risks, and other related matters.</p> <p>5. If the Board of Directors does not adopt or amends the Committee's recommendations, it shall be implemented with the attendance of two-thirds or more of all directors and the consent of a majority</p>	<p>and a majority of the members shall be independent directors.</p>

Functional Committees	Primary Responsibilities and Oversight Items	Composition
	<p>of the attending directors. The resolution shall specifically explain, based on the comprehensive consideration in the preceding item, whether the approved compensation is superior to the Committee's recommendation.</p> <p>6. If the compensation approved by the Board of Directors is superior to the Committee's recommendation, the difference and the reasons shall not only be recorded in the minutes of the Board meeting but also be reported and announced on the information reporting website designated by the competent authority within two days from the date of the Board's resolution.</p>	
Risk Management Committee	<ol style="list-style-type: none"> <li>1. Reviewing the risk management policies, procedures, and framework, and regularly reviewing their applicability and implementation effectiveness.</li> <li>2. Approving the risk appetite (risk tolerance), and guiding resource allocation.</li> <li>3. Ensuring that the risk management mechanism can fully address the risks faced by the Company and is integrated into daily operational procedures.</li> <li>4. Approving the prioritization of risk control and the level of risk.</li> <li>5. Reviewing the implementation status of risk management, proposing necessary improvement suggestions, and regularly reporting to the Board of Directors (at least once a year).</li> <li>6. Executing the risk management decisions of the Board of Directors.</li> </ol>	<p>The Committee shall consist of 5 members, appointed by a resolution of the Board of Directors, and a majority of the members shall be independent directors.</p>

## 2.1.4 Performance Evaluation

To implement corporate governance and enhance the functions of the Board of Directors, we have established performance goals to strengthen the operational efficiency of the Board. According to the "Board of Directors Performance Evaluation Guidelines," we have set a self-evaluation timetable. The Board of Directors must complete the self-evaluation process before the end of the first quarter of the following fiscal year. An external evaluation by an independent professional institution or a team of external experts and scholars must be conducted at least once every three years.

During the self-evaluation process, the Corporate Governance Officer completes the "Board of Directors Performance Evaluation Self-Assessment Questionnaire," while other directors complete the "Individual Director Performance Evaluation Self-Assessment Questionnaire." These questionnaires are used to collect information related to the Board's activities. Finally, the centralized executive unit collects the data, records the evaluation results report based on the scoring standards of the evaluation indicators, and submits it to the Board of Directors for review and improvement.

Based on the self-assessment results of the Board of Directors Performance Evaluation and the Individual Director Performance Evaluation for the current fiscal year, the scores were consistently between "Excellent" and "Outstanding," demonstrating good performance. The evaluation results from the external third-party unit also provided affirmation. These evaluation results will serve as the basis for our continuous improvement to enhance the operational effectiveness of the Board of Directors.

### ■ 2024 Performance Evaluation Results

#### i. Board of Directors Self-Assessment

Assessment Aspects	A. Level of Participation in Company Operations	B. Enhancement of Board Decision-Making Quality	C. Board Composition and Structure	D. Selection and Continuing Education of Directors	E. Internal Controls
Rating	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding

#### ii. Individual Director Self-Assessment

Assessment Aspects	A. Grasp of the Company's Goals and Missions	B. Understanding of Director Responsibilities	C. Level of Participation in Company Operations	D. Management of Internal Relationships and Communication	E. Director Professionalism and Continuing Education	F. Internal Controls
Rating	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent

iii. Audit Committee Self-Assessment

Assessment Aspects	A. Level of Participation in Company Operations	B. Understanding of Committee Responsibilities	C. Enhancement of Committee Decision-Making Quality	D. Committee Composition and Member Selection	E. Internal Controls
Rating	Excellent	Outstanding	Outstanding	Outstanding	Outstanding

iv. Individual Audit Committee Member Self-Assessment

Assessment Aspects	A. Level of Participation in Company Operations	B. Understanding of Committee Responsibilities	C. Enhancement of Committee Decision-Making Quality	D. Committee Composition and Member Selection	E. Internal Controls
Rating	Excellent	Excellent	Excellent	Excellent	Excellent

v. Remuneration Committee Self-Assessment

Assessment Aspects	A. Level of Participation in Company Operations	B. Understanding of Committee Responsibilities	C. Enhancement of Committee Decision-Making Quality	D. Remuneration Committee Composition and Member Selection
Rating	Excellent	Outstanding	Outstanding	Outstanding

vi. Individual Remuneration Committee Member Self-Assessment

Assessment Aspects	A. Level of Participation in Company Operations	B. Understanding of Committee Responsibilities	C. Enhancement of Committee Decision-Making Quality	D. Remuneration Committee Composition and Member Selection
Rating	Excellent	Excellent	Excellent	Excellent

vii. Results from External Professional Institution

Evaluation Institution: EY Advisory Services Co., Ltd.
Evaluation Results and Recommendations: Based on a comprehensive assessment, the overall performance across the Board structure, members (People), and process and information aspects are all rated at an <b>Advanced</b> level. A summary is provided below:

	Advanced Performance
Board Structure (Structure): Board Framework and Procedures, Board Composition	<ul style="list-style-type: none"> <li>• In addition to the functional committees required by law, a Risk Management Committee was established in November 2023. The members of the respective committees are primarily composed of independent directors.</li> <li>• The Company has 3 independent directors, accounting for 3/8 of the total seats on the Board of Directors, which is superior to the 1/3 minimum ratio for independent directors mandated by the competent authority.</li> <li>• The current composition of the Board of Directors ensures that: directors have a thorough understanding of and consensus on the Company's industry, core values, and strategic development; the independent directors possess independence and also have the requisite knowledge for the industry. All Board members possess the necessary knowledge, skills, and professionalism required to perform their duties and are able to fully utilize their professional expertise and skills.</li> </ul>
Members (People): Corporate Entity and Organizational Structure, Roles and Responsibilities, Behavior and Culture	<ul style="list-style-type: none"> <li>• Upon reviewing the results of the directors' self-assessment, the majority of directors gave positive ratings regarding the aspects of internal relationships and management, indicating a general consensus among Board members that the interaction between the Board and the management team is good, and that there is also good communication among the directors. Furthermore, the General Manager and various managers attend Board meetings to report on the status of execution and to be questioned, thereby providing a communication channel between the Board members and the core management team.</li> </ul>
Process and Information: Director Training and Development, Oversight of Risk Control, and Oversight of Reporting, Disclosure, and Performance	<ul style="list-style-type: none"> <li>• Upon reviewing the results of the directors' self-assessment and interviews, FineMat established the Risk Management Committee in November 2024. It is expected that the Committee will comprehensively evaluate and oversee all existing or potential risks faced by the Company, and discuss the execution and follow-up status of the internal control system.</li> </ul>

## 2.1.5 Remuneration Policy

Director	Manager
<p>Directors and Independent Directors</p> <p>The compensation for the Company's Directors is carried out in accordance with the regulations set forth in the "Directors and Managers Remuneration Management Guidelines". The specific content of the remuneration referred to is as follows:</p> <p>The compensation for the Company's Directors is administered in accordance with the regulations set forth in the "Directors and Managers Remuneration Management Guidelines." The specific content of the compensation referred to is as follows:</p> <ol style="list-style-type: none"> <li>1. Compensation : Explanation of whether compensation—including salary, professional allowances, severance pay, and bonuses—is provided to directors and independent directors.</li> <li>2. Retirement/Severance Benefits : Explanation of whether retirement benefits or pensions received upon retirement are provided.</li> <li>3. Directors' Remuneration : Allocation of remuneration to directors based on the Company's Articles of Incorporation and distributed from annual profits.</li> <li>4. Business Operating Expenses: Including transportation allowances, attendance fees, and travel expenses.</li> </ol> <p>The composition and calculation methods for the Directors' remuneration are clearly stipulated in the "Directors and Managers Remuneration Management Guidelines" to ensure the reasonableness and transparency of the remuneration.</p>	<p>In accordance with the regulations set forth in the "Directors and Managers Remuneration Management Guidelines," the remuneration structure for managers is as follows:</p> <ol style="list-style-type: none"> <li>1.Fixed Salary: Includes base salary and food allowance. The base salary is reviewed and adjusted annually by the Chairman based on individual performance.</li> <li>2.Variable Compensation: <ol style="list-style-type: none"> <li>(1) Year-end Bonus.</li> <li>(2) Special Bonus.</li> <li>(3) Employee Remuneration/Profit Sharing.</li> </ol> </li> </ol> <p>The composition and calculation methods for the aforementioned managers' remuneration are clearly stipulated in the "Directors and Managers Remuneration Management Guidelines" to ensure the reasonableness and transparency of the compensation.</p>

## **2.1.6 Sustainability Governance**

The Board of Directors is the highest governance unit of the Company. In addition to executing business in accordance with laws, articles of incorporation, and resolutions of the shareholders' meeting, the Company's annual financial reports and semi-annual financial reports, assessment of the effectiveness of the internal control system, appointment/dismissal of accountants, appointment/removal of managers, and strategic plans, among others, must be approved by the Board of Directors. The Board holds multiple regular and special meetings throughout the year to delegate the handling of economic, environmental, and social issues related to corporate governance to the Chairman for stratified management or to directly assign them to relevant departments.

To promote the Company's sustainable development and implement relevant policies, the Company has established a Sustainability Information Management Team. The General Manager serves as the convener, responsible for formulating sustainability development strategies and objectives, and regularly reviewing the progress achieved. The Finance Department is the unit responsible for promoting sustainability development, where the head of the Finance Department plans the progress of sustainability information projects, and formulates the operational guidelines for sustainability information management and management policies for various material sustainability issues, including the compilation procedures for sustainability information and indicators. It also integrates enterprise risk assessment to conduct relevant risk management operations on sustainability issues, and communicates with all sustainability information collection units to ensure they understand the scope and responsibilities of data collection. The Team shall report on the status of sustainability management to the Board of Directors at least once a year; evaluate whether to adopt sustainability reporting frameworks or standards, including executing impact assessments and progress; and promote the implementation of the IFRS Sustainability Disclosure Standards (IFRS S1 & S2), reporting the implementation schedule and progress to the Board of Directors quarterly, starting from the fourth quarter of 2026.

■ 2024 years Board of Directors' Report and Proposals Related to Promoting Sustainable Development

Date	Board of Directors Reporting Proposals
2024/11/7	In accordance with the Company's "Code of Practice for Sustainable Development," responsible units have been established to propose and implement policies, systems, or relevant management guidelines and specific promotion plans for sustainable development. The Company's Sustainability Information Management Team is convened by the General Manager and reports on the status of the Company's sustainable development implementation.
2025/8/7	The Company's 2024 Annual Sustainability Report is expected to be finalized, and the Chief Convener of the Sustainability Information Management Team will report the results of its implementation to the Board of Directors.

## **2.2 Ethical Management**

### **2.2.1 Ethical Management Policy and Anti-Corruption Communication and Training**

The Company has established an " Ethical Management Unit " as a dedicated unit responsible for promoting the Company's ethical management, which reports directly to the Board of Directors. The team leader reports directly to the Board of Directors on the status of the Company's integrity management at the first quarterly Board meeting each year. The most recent report to the Board of Directors was on March 12, 2025.

1. The Company has established the "Code of Ethical Conduct" and "Ethical Management Guidelines," which are disclosed on the Company website and the Market Observation Post System (MOPS). Furthermore, based on the Ethical Management Guidelines, the Company has formulated the "Ethical Management Procedures and Behavioral Guidelines" to ensure the implementation of ethical management and regulatory compliance. In addition, for directors and managers, in any decision or transaction involving a conflict of interest, they are prohibited from participating in the deliberation or voting, based on the principle of conflict of interest avoidance.
2. The Company incorporates employee integrity into the corporate culture and employee code of conduct, and has established the "Ethical Management Procedures and Behavioral Guidelines." Employees are required to sign an "Integrity Pledge" (or "Pledge of Integrity") and undergo training during the onboarding process. Management also regularly promotes measures to prevent dishonest conduct during meetings. The Company has also established regulations such as the "Operating Procedures for Acquisition or Disposal of Assets," "Operating Procedures for Endorsements and Guarantees," "Operating Procedures for Loaning Funds to Others," and "Operating Procedures for Transactions with Group Enterprises, Specific Companies, and Related Parties" to ensure that the Company's business transactions adhere to the principle of integrity.
3. In addition to formulating the internal control system and various operating procedures, the Company has also separately established the "Ethical Management Procedures and Behavioral Guidelines" to serve as the governing basis for directors, managers, and employees. Audit personnel conduct various audits in accordance with the audit plan and report the relevant audit results and subsequent improvement plans to the Board of

Directors and management, so as to implement audit effectiveness and prevent the occurrence of dishonest conduct.

4. The Company has established a rating system for suppliers and customers. All contracts are reviewed by professional personnel and, when deemed necessary, include integrity clauses. Although integrity clauses have not yet been signed with all transaction counterparties, all commercial activities are conducted in a fair and transparent manner, with due consideration given to the legality of the commercial counterparties and whether they have any record of dishonest conduct.
5. To fulfill its oversight responsibilities, the Company has established a comprehensive internal system, creating various organizational channels such, as the Remuneration Committee, the internal control and audit system, and the document control system. Relevant internal regulations and the employee code of conduct are published on the Company's intranet, and all colleagues are notified when revisions are made. Externally, the Company's website features a dedicated section for stakeholders.
6. The Company has established effective accounting systems, internal control systems, and various management systems, all of which operate normally and implement the requirements for integrity management. To ensure the continuous effectiveness of the system design and execution, internal auditors periodically check the compliance status of the aforementioned systems annually, generate audit reports, and submit them to the Audit Committee and the Board of Directors.
7. During the monthly regular meetings, management meetings, and forums held by the Company, the Company promotes its philosophy of integrity management and requires all colleagues to practice what is preached (leading by example). The Company regularly conducts training related to integrity management. In 2024, the Company held internal and external training sessions related to integrity management topics (including courses on integrity management regulations, legal practice, advanced financial management, insider trading and disgorgement regulations, accounting systems, and internal controls), totaling 257 participants and 257 hours. The operational procedures and regulations for these standards have been placed on the Company's intranet for employees to access at any time.

## 2.2.2 Whistleblower System

Filing a Complaint	<p>The whistleblower may file a complaint via letter, email, or other methods. The whistleblower should file the complaint under their real name (or identified):</p> <p>1.Address: Attn: HR Manager No. 36, Gongye 1st Rd., Annan Dist., Tainan City 709, Taiwan (R.O.C.)</p> <p>2.Mail : <a href="mailto:hr@FineMat.com">hr@FineMat.com</a></p> <p>3.Whistleblower Hotline: The extension number of the HR Department Manager or the Audit Manager.</p> <p>4. The Company makes its reporting channels public on its website so that individuals can easily file reports.</p>
Complaint Investigation	<p>1.Data submitted to the whistleblowing mailbox will be exclusively opened and handled by a dedicated unit to ensure the confidentiality of the whistleblower's information.</p> <p>2.The identity of the whistleblower and the content of the report shall be kept confidential, with strict confidentiality applied to all related information, including the whistleblower's name, ID number, contact telephone number, mailing address (or email address), service unit, and the evidence provided for the report.</p>
Complaint Resolution/Handling	<p>Upon acceptance of the whistleblowing case by the dedicated unit, relevant facts will be immediately investigated. Legal and other related departments will provide assistance where necessary.</p> <p>If the accused person is confirmed to have violated relevant laws or company regulations, they shall be immediately required to cease the related conduct, and appropriate disciplinary action shall be taken. Furthermore, legal proceedings may be initiated when necessary to seek compensation for damages, thus safeguarding the Company's reputation and interests. If the investigation finds no concrete evidence, the case shall be closed and filed.</p>
Case Closure	<p>After the investigation report is issued, all relevant whistleblowing files must be collected, organized, and classified as confidential documents, to be preserved for five years. These files may be stored</p>

	<p>electronically.</p> <p>Should litigation related to the content of the report arise before the expiration of the preservation period, the relevant documents shall continue to be retained until the termination of the litigation.</p>
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## 2.3 Risk Management

### 2.3.1 Risk Management Structure and Responsibilities

#### 1. Composition of the Risk Management Committee

The Company established the Risk Management Committee in November 2023, and a complete re-election was held on August 8, 2024. The Committee is composed of five Directors, including three independent directors. Independent Director Anita Chu serves as the Chairperson, possessing multi-year experience in financial accounting expertise and business management, which equips her with the professional capability to integrate the Company's Risk Management Committee activities. The list of the Company's Risk Management Committee members is as follows:

Name	Role/Responsibilities	Is an Independent Director (Y/N)	Expertise / Professional Background
Anita Chu	Chairperson and Member	Y	Financial Accounting Expertise, Business Economics, and Business Management
Chao Chin Hsiao	Committee Member	N	Leadership and Decision-Making, Business Management, and Technical Expertise
Li Wei Cheng	Committee Member	N	Operational Judgment, Business Management and Technical Expertise
Chen Cheng-Li	Committee Member	Y	Operational Judgment, Business Management and Industry Knowledge
Chou Hui Yu	Committee Member	Y	Financial Accounting Expertise, Legal Expertise, and Business Economics

#### 2. Operation Status of the Risk Management Committee:

The Company's risk management process encompasses: risk identification, risk analysis, risk assessment, risk response, and monitoring and review mechanisms. Each unit shall utilize these procedures to identify the scope of operational risks and implement appropriate measures, thereby ensuring the effective management of relevant operational risks.

In addition to assessing the overall impact that various risks may have on the Company through cross-departmental communication and data collection, the severity of each risk is also linked to the Company's short-, medium-, and long-term operational goals, in order to grasp the Company's risk tolerance.

Following the resolution approved by the Board of Directors on November 7, 2023, the Company established the "Risk Management Committee" and the "Risk Management Task Force" directly under its jurisdiction. Concurrently, on the date of the aforementioned Board resolution, the Company also approved and simultaneously announced the implementation of the "Risk Management Code of Practice" and the "Risk Management Policy and Procedures." To implement the risk management mechanism, the Company shall conduct risk assessment

periodically on an annual basis starting from 2024. The assessment results shall be reported to both the Risk Management Committee and the Board of Directors. The report content should include all risks faced by the Company during the assessed year, their corresponding mitigation measures, and planned improvement projects, etc. The Risk Management Task Force will then conduct follow-up tracking to ensure the effective operation and execution of the Company's risk management.

In response to the international landscape and the pursuit of sustainable development, the Company focuses on issues such as environmental, social, and governance aspects, promoting and strengthening the Company's strategies for mitigating the impact of climate change and adaptation.

To strengthen the risk management awareness of the Company's employees, the Company has also conducted risk management educational training sessions (e.g., introduction to fundamental risk management concepts, practical experience, and case sharing, etc.) on an ad-hoc basis starting from 2024, thereby reinforcing the implementation of risk control principles within the Company.

The Company's 2024 Risk Management Execution Report was submitted and presented to the Risk Management Committee and the Board of Directors on November 7, 2024.

### **2.3.2 Key Risks and Mitigation Strategies**

The Company's risk assessment unit conducts annual collection of industry risk trends and holds regular risk management meetings with various departments. Based on different aspects, the unit aggregates the potential risks in the Company's current operations, categorizes the risk factors, and reviews the Company's existing mitigation strategies and current status.

This process ensures that all current potential risks to the Company are within a reasonable control range and will not cause severe financial, reputational, or production impact to the Company. In 2024, FineMat identified five major operational risks: Financial Risk, Human Resources Risk, Operational Risk, Materials Risk, and Information Security Risk. The table

below outlines the Company's management policies and corresponding mitigation strategies for the aforementioned risks.

■ 2024 Risk Categories and Future Mitigation Strategies

Risk Category	Risk Management Implementation Details	Responsible Unit	2024 Implementation Status
Energy Price Fluctuation Risk	The rise in energy costs increases operational pressure and elevates production costs, which subsequently reduces profit margins. This reduction ultimately impacts the Company's operational strategies and the feasibility of new investment plans. Therefore, the Company must seriously address energy conservation and formulate relevant management strategies to prepare for the era of future energy price increases.	Finance Department	From January to August 2024, the total electricity consumption was 4,716 thousand kWh, representing a saving of 203 thousand kWh compared to 2023, resulting in a 4.1% reduction in electricity usage. However, electricity expenditure for 2024 amounted to NTD 16,419 (in thousands), an increase of NTD1,247( in thousands), or 8.2%, compared to 2023. This increase was primarily mitigated by the reduction in electricity consumption, which lowered the impact of rising energy prices.
Insufficient Staffing of Essential Operational Functions	Human resources have a direct impact on the promotion of the Company's various business activities. Therefore, human resources must be planned appropriately to prevent manpower issues from affecting business expansion. The Company currently adjusts staffing based on the manpower requirements submitted by each unit. Should the Company pursue new business development in the future, the adequacy and sufficiency of human resources will also be taken into consideration.	Human Resources Department	In 2024, the Company added two online job banks and utilized multiple recruitment channels to attract talent, thereby enhancing recruitment efficiency. The Company participated in a total of three medium-sized job fairs in Tainan City, two campus recruitment events, and six small-scale recruitment events organized by the Employment Service Center. A total of 49 candidates participated, 9 were invited for interviews, and 4 were hired.

Risk Category	Risk Management Implementation Details	Responsible Unit	2024 Implementation Status
Risk of Market Fluctuations and Decreased Demand	Failure to develop products that align with market demand will affect order volume, which in turn will have a long-term impact on the Company's future revenue. Therefore, the Company must proactively understand market needs and develop corresponding products and technologies to satisfy market requirements. Furthermore, the Company should periodically review the achievement status and invest relevant manpower and resources to timely adjust product development strategies.	Operations Department	New product development was a key focus indicator for 2024. Executives, ranging from the Chairman to the division managers, engaged in extensive communication with the industry through exhibitions and seminars. Information was then compiled and reported during sales meetings, strategy meetings, and monthly meetings, enabling timely strategy adjustments and the proposal of corresponding countermeasures. Currently, the focus is on heat dissipation-related components and materials, with ongoing discussions regarding etching specifications and sample submissions.
Fluctuations in Logistics Costs Leading to Increased Company Transportation Expenses	Transportation costs are influenced by multiple factors, including cargo weight, category, fuel costs, distance, mode of transport, delivery speed, surcharges, and seasonal trends. The Company must analyze these factors to make data-driven decisions, optimize its transportation strategy, and effectively reduce transportation costs.	Materials Department	Domestic Transportation: Coordinate shipping schedules with the Production Management and Sales Departments to maximize consolidated shipments, thereby reducing the frequency of freight transport trips. International Transportation: Compare the overall costs and service items of various freight forwarders, selecting those that align with the Company's needs, and arranging shipments according to the advantageous routes offered by each agent.

Risk Category	Risk Management Implementation Details	Responsible Unit	2024 Implementation Status
Risk of Confidential Data Leakage	A data leak can damage the Company's reputation, erode customer trust, and potentially incur business losses, fines, and legal costs. Failure to effectively implement controls could result in a significant impact on operations. Therefore, cybersecurity-related measures must be properly established and implemented.	Information Technology	The Company strictly implements network firewall management settings to prevent unauthorized connections and intrusions. Antivirus software is installed on all endpoints to protect information security. Users are also reminded in a timely manner not to click on spam email links, and not to download or install application software from unknown sources.

### **2.3.3 Internal Audit**

The Company is committed to establishing effective and comprehensive internal control systems to ensure operational efficiency, reliability of financial reporting, and compliance with regulations. The internal control systems are designed, implemented, and reviewed to achieve the following objectives:

1. Effectiveness and efficiency of operations
2. Reliability, timeliness, transparency in reporting
3. Compliance with applicable laws and regulations

The Internal Audit Unit is an independent unit that reports directly to the Board of Directors, ensuring its operational independence and objectivity. Internal auditors carry out various audit tasks through routine and special project audits, including reviewing and evaluating the effectiveness and appropriateness of the current internal control systems; auditing the implementation status of various policies, operations, and work plans; auditing the compliance with various policies, laws, regulations, and procedures; reviewing the safeguarding of assets; auditing and evaluating the economical and efficient use of resources; auditing the reliability and integrity of various operational information; and following up on the implementation status of corrective actions and improvements.

The Internal Audit Unit is staffed with full-time auditors, and the Audit Supervisor and their subordinates all meet the statutory qualification requirements, continually advancing their professional knowledge and skills to ensure the quality of the audit work. The appointment and dismissal of the Internal Audit Supervisor must be agreed upon by the Audit Committee and resolved by the Board of Directors, in order to maintain the independence and impartiality of the audit work. All audit personnel do not hold concurrent routine operational duties, ensuring their focus remains on maintaining the objectivity of internal audit.

The Internal Audit Unit executes audit work in accordance with the annual audit plan approved by the Board of Directors, which is formulated based on identified risks and may be adjusted as needed. The Audit Supervisor periodically reports the progress of audit work execution and the deficiencies and corrective results of the internal control systems to the Audit Committee and the Board of Directors. No material deficiencies were identified in the 2024 audit results. Internal auditors are also required to report all requisite matters to the competent authority within the statutory deadline and ensure the review of the implementation quality of the internal control systems.

## 2.4 Data Privacy and Cybersecurity

Item	Description
Policies, Commitments, and Materiality	In response to technological developments and information security management requirements, and to mitigate cybersecurity risks, FineMat has established information security management methods and an organizational structure. The Company has formulated the "Information Security Management Regulations" and the "Information Security Management Response Task Force," and reviews cybersecurity-related regulations annually in accordance with the national guidelines for information and communication security control. The Company plans to introduce the international cybersecurity certification ISO 27001 in the future to strengthen information security management. It is expected that the operation of mechanisms such as corporate security management, risk control, and audit review will enhance the Company's cybersecurity protection capabilities and strengthen information and communication security.
Responsible Unit	General Manager's Office
Short, Medium, and Long-Term Objectives	<p>Short-Term (1-3 Years):</p> <ul style="list-style-type: none"> <li>● Perform an ERP System Host Disaster Recovery (DR) test once annually.</li> <li>● Conduct Employee Cybersecurity Awareness Training sessions twice (during this period).</li> </ul> <p>Medium-Term (3-5 Years):</p> <ul style="list-style-type: none"> <li>● Execute a Cybersecurity Incident Vulnerability Protection Drill once annually.</li> <li>● Conduct a Social Engineering Drill once annually.</li> </ul> <p>Long-Term (5 Years or More):</p> <ul style="list-style-type: none"> <li>● Implement and obtain ISO 27001 Information Security Management System (ISMS) Certification.</li> </ul>
Action Plan	<ul style="list-style-type: none"> <li>● Implement monitoring for firewalls and antivirus software to mitigate the risk of cyber attacks and strengthen the defense mechanism.</li> <li>● Continuously promote cybersecurity awareness to enhance employee security concepts and enforce security policies, thus preventing human-caused security losses.</li> <li>● Establish a mechanism for inventory checking (asset inspection) and backup/redundancy for information equipment to prevent system outages from affecting operational processes.</li> </ul>
2024 Performance	<ul style="list-style-type: none"> <li>● Achieve the successful execution of one ERP System Host Disaster Recovery (DR) test this fiscal year.</li> <li>● Conduct two employee cybersecurity awareness training sessions this fiscal year.</li> </ul>

Item	Description
Grievance Mechanism	<p>Client / Customer Portal</p> <p>Operations Department :</p> <p>Tel: +886-6-601-6388 Ext:1202 Fax: +886-6-3842599</p> <p>E-mail : jerrylin@FineMat.com</p> <p>Supplier Portal</p> <p>Materials Management Department</p> <p>Tel: +886-6-601-6388 Ext:1508 Fax: +886-6-3842599</p> <p>E-mail : angelhung@FineMat.com</p> <p>Whistleblowing / Reporting Contact Information for Fraud and Ethical Misconduct</p> <p>Internal Audit</p> <p>Tel: +886-6-601-6388 Ext:1308 Fax: +886-6-3842599</p> <p>E-mail : asleepcow@FineMat.com</p>

### 2.4.1 Information Security Management

FineMat has established the Information Security Management Policy, implementing appropriate management measures for critical information systems to reinforce information security and effectively maintain the normal conduct of company business. To meet expectations regarding the confidentiality, integrity, and availability of information assets, the company provides continuous and stable services and ensures system operation and security, while guaranteeing compliance with relevant laws and regulations.

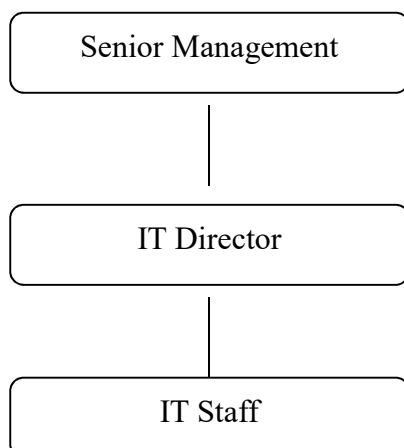
#### ■ Information and Communication Security Incident Response Team

The Company's IT unit is responsible for establishing the Information and Communication Security Policy and handling matters related to the prevention and crisis management of the Company's information and communication security. To execute security operations and effectively respond to security incidents, the "Information and Communication Security Incident Response Team" has been established.

(1) The Information and Communication Security Incident Response Team is comprised of IT personnel who are responsible for reporting and handling the Company's security incidents.

(2) The leader of the Information and Communication Security Incident Response Team is held by the Head of IT, who is responsible for reviewing the response and handling status and reporting to senior management.

(3) The Company's internal control system encompasses security-related management policies, which are regularly audited and continuously improved to ensure a secure, uninterrupted operating environment for information systems.



■ PDCA Cycle Operating Model

Security Management	Implementation	Check/Review	Corrective Action
<ul style="list-style-type: none"> <li>● Establishment of the Information Security Management System</li> </ul>	<ul style="list-style-type: none"> <li>● Cybersecurity Awareness and Education Training</li> <li>● Establishment and Maintenance of Information Security Defense Mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>● Cybersecurity Awareness Training and Education</li> <li>● Execution of Disaster Recovery Drills</li> </ul>	<ul style="list-style-type: none"> <li>● Enhance Cybersecurity Awareness</li> <li>● Strictly Enforce Information Security Protection</li> </ul>

Information and Communication Security Policy

The Company's information operations environment, including computer systems, networks, data, equipment, personnel, anti-virus protection, and anti-hacker measures, is integrated into a comprehensive security management mechanism. The Company has established a set of preventive and emergency response measures and conducts timely information and communication security awareness campaigns to ensure the security of all information operations.

Specific Management Programs

- (1) Personnel Safety Management and Training
- (2) Computer System Security Management
- (3) Network Security Management
- (4) System Access Control
- (5) Security Management of Physical Equipment, Peripherals, and the Operating Environment
- (6) Emergency Response Mechanism for Information Security Incidents

A Comprehensive Information Security Protection Mechanism

Information Security Protection Mechanism	Function
Network Firewall	Blocks unauthorized inbound and outbound traffic, prevents external attacks from infiltrating the internal network, and detects abnormal activities in real time while proactively stopping cyberattacks.
Active Directory (AD) Centralized	Used to centrally manage users, computers, groups, and account permissions, enhancing login security while enabling the tracking of user activities and abnormal behaviors.
Directory Service	Conduct virus and malware scans, detect and remove known threats, monitor system activity, block suspicious programs, and protect against ransomware.

Significant cybersecurity incidents affecting the Company's operations in 2024.

指標	2024
Cybersecurity-related customer complaints	0 cases
Data breach incidents	0 cases
External attacks, data theft, or malware threat incidents	0 cases
Incidents of information system or equipment failures affecting operations	0 cases

■ Actual Information Security Expenditure in 2024

Item	Description	Amount
Server Hardware and System Maintenance	Includes maintenance contracts for ERP, MES, EasyFlow e-forms, and e-invoicing, as well as hardware warranties for main system servers.	NT \$340,000

## 2.4.2 Information Security Incident Management

To effectively record, handle, and manage information security incidents, and to promptly mitigate their impact, the Company's information security incident management process is as follows:

- When a suspected information security incident is identified, IT personnel will immediately issue an [Information Security Incident Notification Form] to inform the relevant system owners and IT management.
- If confirmed as an information security incident, IT personnel will promptly handle and resolve the issue, complete the incident management and response within the prescribed timeframe, and issue an [Information Security Incident Management and Response Form].
- In the event of a significant cybersecurity incident, a report must be completed within one day of notification. In accordance with the Guidelines for Information Security Management of Listed Companies, the spokesperson will disclose important information to the public.

## 2.5 Regulatory Compliance

Compliance with laws and regulations is a fundamental corporate responsibility and demonstrates a company's commitment to accountability. FineMat adheres to this principle by proactively monitoring regulatory changes and making timely adjustments to ensure compliance. Although the Company does not have in-house legal staff, we engage professional lawyers annually to provide legal consultation and review contracts with stakeholders, ensuring adherence to government-issued laws and administrative orders.

The Company manages its operations in accordance with legal requirements and defines a significant regulatory incident as one subject to fines of NT\$500,000 or more by the competent authorities. This approach aims to guide employees to comply with laws in business activities and prevent potential misconduct. The General Manager's Office and all departments share responsibility for ensuring effective establishment and implementation of regulatory compliance.

Our primary focus is on key regulations closely related to business operations, prioritizing their implementation. Each department is responsible for the following:

1. Establish a clear and appropriate system for conveying, consulting, coordinating, and communicating laws and regulations to ensure effective dissemination and flow of relevant information.
2. Regularly review and update operational and management rules to comply with applicable regulations, ensuring that all company operations adhere to legal requirements.
3. Each department is responsible for conducting self-assessments, with the department head assigning personnel to compile regulatory information. By creating a regulatory summary table, the content of relevant laws and regulations is organized and consolidated, enabling departments to better understand the applicable regulatory requirements.

From 2022 to 2024, FineMat did not incur any fines for violations of environmental or social regulations, nor were there any incidents of non-compliance with regulations related to the health and safety of products and services, product and service information, or marketing and communication (including advertising, promotions, and sponsorship)

From 2022 to 2024, FineMat did not experience any monetary losses resulting from legal proceedings related to anti-competitive behavior regulations.

# Chapter 3 Environmental Sustainability

## 3.1 Climate Change Response

### 3.1.1 Climate Governance

Following the conclusion of COP29, the global failure to achieve carbon reduction targets has been highlighted. Extreme weather events are intensifying as temperatures rise, with risks such as extreme rainfall and drought increasingly emerging as key potential risks to core business operations. According to the Intergovernmental Panel on Climate Change (IPCC), companies must actively respond and implement both mitigation and adaptation strategies.

As a responsible global citizen, FineMat is committed to proactively addressing the potential risks posed by climate change. We are developing management strategies and actions to enhance resilience against extreme weather events. In addition, to contribute to slowing climate change, we plan to gradually transform our operations toward a low-carbon model.

#### Board of Directors

The highest governance body for climate-related matters at FineMat is the Board of Directors, responsible for promoting and deciding the company's climate-related strategic direction, while also overseeing the implementation of the company's overall climate actions. The Board plays a key role in approving the company's climate commitments and targets, and regularly discusses current climate risks and opportunities, proposing comprehensive strategies for critical climate risks to ensure sustainable business operations.

Under the Board, a 'Sustainability Information Management Task Force' has been established, chaired by the General Manager. FineMat reports on the progress and effectiveness of sustainability strategies and projects to the Board at least once a year.

#### Sustainability Information Management Task Force

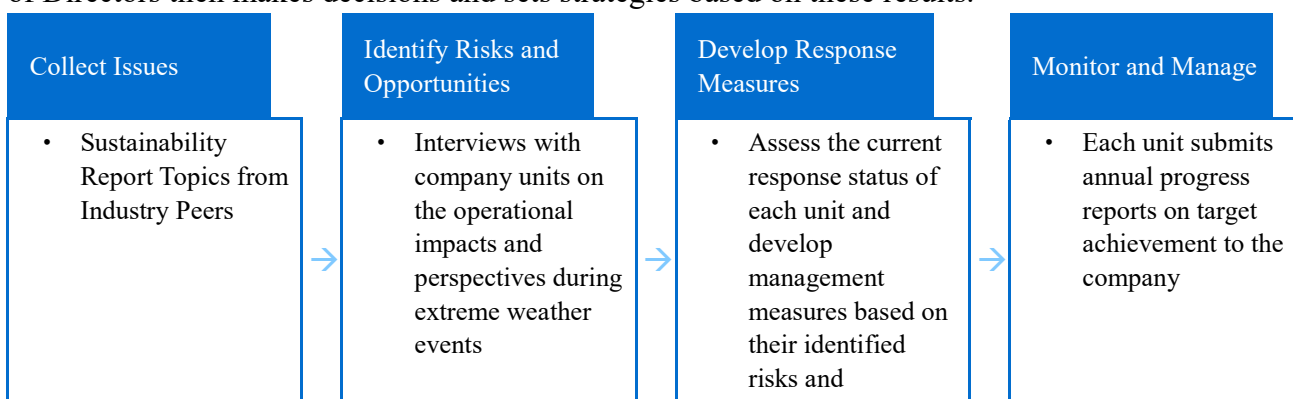
To strengthen FineMat's management and identification of climate-related risks and opportunities, the Sustainability Information Management Task Force was established in 2023, chaired by the General Manager. The Task Force is required to hold annual meetings to review the company's key climate risks and opportunities and report the outcomes to the Board of Directors.

The responsibilities of the Sustainability Information Management Task Force include assisting the Board in implementing climate risk management policies and targets, regularly reviewing climate risk response plans and execution results submitted by the Finance Department, monitoring the

achievement of climate-related targets and actions across all plants, and facilitating communication and integration of the company’s climate governance status.

### 3.1.2 Climate Risk Management

To enable the company to identify current key climate opportunities and risks, the Sustainability Information Management Task Force annually collects sustainability reports from industry peers and conducts interviews with various company units to assess the impact of extreme weather events on their operations. This process allows the Task Force to consolidate and identify FineMat’ key climate risks and opportunities for the year, and submit the findings to the Task Force for review. The Board of Directors then makes decisions and sets strategies based on these results.



### 3.1.3 Climate Change Response Strategies

To formulate the company’s key climate change strategies, it is first necessary to identify the critical climate risks and opportunities for the year. In 2024, FineMat’ Sustainability Information Management Task Force consolidated company-specific climate topics based on industry reports and international trends. Through discussions with various units regarding the actual challenges and responses, the Task Force finalized four key climate topics: one transition risk, one physical risk, and two climate opportunities. The identification results of these climate risks and opportunities are presented below, including the timing of occurrence, current status, and future response strategies for each topic.

■ FineMat’s Key Climate Risks and Opportunities and Response Strategies

Aspect	Topic	Timeframe of Impact	Current Climate Risk/Opportunity Status	Response Strategies and Management Measures	Financial Impact
Transition Risk	Higher Greenhouse Gas Emission Pricing	Short-term (within 1–3 years)	In 2024, Taiwan’s Climate Change Response Act will impose carbon fees on the first batch of domestic emitters exceeding 25,000 tons of CO <sub>2</sub> . FineMat is not in the first batch, but future regulations may expand coverage, so the risk must be assessed.	<ol style="list-style-type: none"> <li>1. Evaluate current aging equipment at plants and allocate budgets for phased equipment upgrades to improve energy efficiency.</li> <li>2. Assess the feasibility of installing solar panels on idle plant areas to reduce purchased electricity and associated indirect emissions.</li> </ol>	Budget allocation for equipment replacement will increase investment costs, and new equipment will raise asset book value, requiring reassessment of depreciation schedules and accounting treatment. High-efficiency equipment reduces electricity and energy consumption, lowering annual energy expenses. Reduced emissions help avoid future carbon fees, lowering indirect carbon costs. New equipment also has lower failure rates, reducing maintenance and downtime losses and improving operational efficiency and capacity utilization.
Physical Risk	Increased Severity and Frequency of Extreme Weather Events	Medium-term (within 3–5 years)	FineMat operates plants in Taiwan, China, and Vietnam. Intensified extreme weather exposes each site to varying climate risks.	<ol style="list-style-type: none"> <li>1. Establish a supply chain raw material backup plan to prevent disruptions, gradually diversifying suppliers to reduce costs caused by climate-related supplier impacts.</li> <li>2. Purchase a water pump for plants to mitigate flood risks.</li> <li>3. Purchase a diesel generator and maintain a 50-liter diesel</li> </ol>	Maintaining raw material reserves may increase procurement and storage costs, and excessive backup investment requires monitoring of working capital turnover. Purchasing a water pump increases capital expenditure but effectively reduces disaster losses and may lead to insurance discounts. Diesel generator acquisition increases capital and installation costs, as well as maintenance and diesel storage costs, but ensures basic operations during power shortages, avoiding production stoppages, order delays, and penalty costs.

Aspect	Topic	Timeframe of Impact	Current Climate Risk/Opportunity Status	Response Strategies and Management Measures	Financial Impact
Opportunity	Adoption of Low-Carbon Energy and Energy-Saving Measures	Short-term (within 1–3 years)	As countries tighten carbon emission caps and import carbon tariff regulations, failure to implement energy-saving and carbon-reduction measures could reduce the competitiveness of the company’s exports and increase additional carbon-related sales costs. Conversely, actively deploying low-carbon energy and energy-saving initiatives can reduce costs associated with carbon emissions, and facilities with lower emissions may generate potential revenue from surplus carbon credits.	<ol style="list-style-type: none"> <li>1. Actively explore local green electricity supply at operational sites, set renewable energy share targets, and increase the proportion of low-carbon energy.</li> <li>2. Assess the feasibility of installing solar panels in idle spaces to gradually increase the share of green electricity.</li> <li>3. Set office air conditioning and lighting to turn off on a schedule to reduce electricity waste during idle periods.</li> </ol>	Initial procurement of green electricity may have higher unit costs than traditional power, increasing operating expenses. However, green electricity prices are less affected by international energy price fluctuations, aiding in energy cost forecasting and stability. Once carbon fees or trading mechanisms are implemented, renewable energy usage can reduce carbon costs. Converting idle spaces to solar panels requires one-time capital investment but enables self-consumption or surplus electricity sales, lowering long-term operating electricity costs and potentially qualifying for renewable energy incentives. Scheduled office lighting and air conditioning shutdowns require low investment and quickly reduce unnecessary electricity expenses.

### 3.1.4 Indicators and Targets

To proactively address the impacts of climate change, FineMat has established specific reduction targets for Scope 1 and Scope 2 greenhouse gas emissions, as well as corresponding targets for extreme climate conditions faced by each operational unit. The Sustainability Information Management Task Force monitors annual progress across units, adjusts climate targets on a rolling basis, and reports to the Board of Directors each year to ensure their effectiveness and appropriateness. The following outlines FineMat’s climate-related targets and achievement status:

Target Type	Target Description	Achievement Status
Carbon Reduction Targets	Reduce total carbon emissions by 1% in 2025 compared to the 2022 baseline	In progress
	Reduce total carbon emissions by 2% in 2030 compared to the 2022 baseline	In progress
	Reduce total carbon emissions by 4% in 2035 compared to the 2022 baseline	In progress
Climate Change Response	No supply chain disruption or shipment suspension due to extreme weather in 2024	Achieved
	No plant shutdowns due to high-temperature power restrictions in 2024	Achieved

## 3.2 Energy and Greenhouse Gas Management

Item	Description
Policy, Commitment, and Materiality	As global carbon reduction efforts fall short, extreme weather events are intensifying each year, making climate change a critical issue that global companies must address. Failure to properly manage and mitigate extreme weather risks may increase the likelihood of supply chain disruptions and interruptions to plant operations. Therefore, FineMat is committed to participating in international climate initiatives, such as aligning with SBTi Science-Based Targets and RE100 commitments, aiming to achieve net-zero emissions by 2050, demonstrating our determination to address climate change to stakeholders.
Responsible Unit	Sustainability Information Management Task Force
Short, Medium, and Long-Term Objectives	Short-term (1–3 years): Reduce total carbon emissions by 1% in 2025 compared to the 2022 baseline. Medium-term (3–5 years): Reduce total carbon emissions by 2% in 2030 compared to the 2022 baseline. Long-term (5–10 years): Reduce total carbon emissions by 4% in 2035 compared to the 2022 baseline.
Action Plan	<ul style="list-style-type: none"> <li>● Replace aging plant equipment with high-efficiency equipment to reduce baseline electricity consumption.- Complete company-wide carbon inventory and establish concrete short-, medium-, and long-term carbon reduction targets.</li> </ul>
2024 Performance	<ul style="list-style-type: none"> <li>● Conducted a comprehensive assessment of climate-related risks and opportunities in accordance with the Climate-related Financial Disclosure Guidelines.- Completed company-wide carbon inventory and established concrete short-, medium-, and long-term carbon reduction targets.</li> </ul>
Grievance Mechanism	Monitor and review energy usage through monthly meetings at plants and headquarters. Require plants to conduct annual greenhouse gas inventory and verification, submit annual carbon reduction progress to headquarters, track and review progress against reduction targets, and update reduction strategies and policies as needed.

### 3.2.1 Energy Management

Following COP29, the global failure to achieve carbon reduction targets has become evident, prompting governments and companies worldwide to strengthen carbon management and reduction regulations. As a responsible member of the global community, FineMat strives to minimize the environmental impact of its operations, making carbon reduction and energy efficiency key management priorities.

To strengthen internal energy and greenhouse gas management, FineMat established a foundation for carbon reduction by completing its first Scope 1 and Scope 2 greenhouse gas inventory at all

operational sites in 2022 in accordance with the GHG Protocol, with 2022 as the baseline year. Starting in 2028, the company plans to obtain annual verification/assurance from external third-party organizations to improve data quality. FineMat takes concrete actions to support Taiwan’s 2050 net-zero carbon target and actively demonstrates its commitment to carbon reduction to customers and stakeholders.

### 3.2.2 Overview of Energy Consumption

In 2024, total energy consumption at FineMat was 26,047.1 GJ. The company’s primary business involves precision etching technologies, providing products such as semiconductor lead frames, photomask plates for optoelectronics, heat spreaders, and medical device components. The main energy consumption comes from electricity purchased for processing equipment and air conditioning, accounting for approximately 98.2% of total energy use. The remainder, about 1.8%, comes from gasoline for company vehicles and diesel for transport vehicles.

Energy intensity in 2024 (GJ per million NT\$ revenue) increased by 165% compared to the previous year, primarily due to decreased revenue and adjustments in the production mix of key products.

FineMat will continue to monitor energy consumption trends across all categories annually and consistently evaluate opportunities for energy-saving measures.

Energy Consumption Over the Past Three Years				
Internal Energy Use – Non-Renewable Fuels		2022	2023	2024
Internal Energy Use – Non-Renewable Fuels	Gasoline (L)	13,185.5	11,848.8	14,210.5
	Diesel (L)	25,899.6	—	112.2
Purchased Energy	Electricity (kWh)	8,061,798	5,960,111	7,103,680
Total Energy Consumption (GJ)		30,370.6	21,848.2	26,047.1
Energy Intensity (GJ/Million NT\$ Revenue)		57.7	54.7	90.7

**Notes:**

1. The energy consumption data cover all operational sites of FineMat
2. Calorific values used: Gasoline = 7,800 kcal/L, Diesel = 8,400 kcal/L, Electricity = 860 kcal/kWh, based on the Ministry of Economic Affairs, Bureau of Energy, Energy Product Calorific Value Table.
3. 1 kcal = 4.187 kJ.
4. In 2024, purchased electricity accounted for 98.2% of total energy consumption; the share of renewable energy used was – %.
5. Revenue for the entity was NT\$526 million in 2022, NT\$399 million in 2023, and NT\$287 million in 2024.

### 3.2.3 Greenhouse Gas Management

Category	2022		2023		2024	
	tonCO <sub>2</sub> e	%	tonCO <sub>2</sub> e	%	tonCO <sub>2</sub> e	%
Scope 1	53.0344	1.87%	100.6863	2.71%	769.8515	18.7%
Scope 2	2,786.8000	98.13%	3,615.7342	97.29%	3,346.9496	81.3%
Total (Scope 1 & 2)	2,839.8344	100%	3,716.4205	100%	4,116.8011	100%
Scope 1 + Scope 2 Intensity(CO <sub>2</sub> e/Million NT\$ Revenue)	5.3989		9.3143		14.3442	
Year-on-Year Increase/Decrease			+42.04%		+35.07%	

#### Notes:

1. Scope 1 and Scope 2 greenhouse gas emissions were calculated in accordance with the GHG Protocol, using the operational control approach to define boundaries. The 2022 baseline covers all operational sites of FineMat, and includes CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and HFCs.
2. Emission factors: Taiwan EPA Greenhouse Gas Emission Factors (2024 edition); GWP values based on the IPCC Sixth Assessment Report (2022); 2024 electricity emission factor from the Bureau of Energy, Ministry of Economic Affairs: 0.474 kg CO<sub>2</sub>e/kWh. Year-on-year intensity increased by 35.07%.
3. Company revenue: NT\$526 million in 2022, NT\$399 million in 2023, and NT\$287 million in 2024.

### 3.2.4 Reduction and Energy-Saving Measures

To gradually improve energy efficiency and reduce unnecessary energy waste, internal energy conservation awareness and training are strengthened in daily operations, such as maintaining moderate air-conditioning temperatures and turning off lights during lunch breaks. Energy-saving initiatives are implemented across three main areas: HVAC systems, electric lighting, and other electricity use. Energy-consuming equipment is regularly reviewed and replaced as needed.

#### Energy-Saving Measures:

1. Lighting Equipment: All office lighting has been replaced with LED, high-efficiency, or energy-saving products.
2. Computer Equipment: All office computers are set to energy-saving mode, automatically entering low-power sleep mode after 5–10 minutes of inactivity.
3. Air Conditioning: All office air-conditioning units are temperature-controlled and set no lower than 26°C.
4. Elevators: Elevators are regularly inspected and maintained. Buildings with more than two elevators implement usage management mechanisms to reduce standby power or temporarily deactivate certain units.

5. **Other Shared Equipment:** At least two shared appliances, such as water dispensers, photocopiers, microwaves, or coffee machines, are fitted with timers or manually scheduled to power off outside office hours; alternatively, appliances with top-tier energy efficiency labels are procured or leased to reduce electricity consumption.
6. **Implementation and Monitoring:** Energy consumption is regularly recorded or monitored via smart meters to review and improve electricity usage.

#### Water-Saving Measures:

1. All office and on-site water fixtures use products or devices certified with water-saving labels.
2. Water consumption is regularly recorded, and pipelines and fixtures are inspected and repaired as needed.

#### Fuel-Saving Measures:

1. Company vehicles undergo regular annual maintenance, ensuring proper tire pressure and operational efficiency.
2. Carpooling via taxis or the use of public transportation is encouraged to reduce vehicle usage.
3. Fuel consumption of company vehicles is recorded regularly, with data compiled in a fuel usage log.
4. Video conferencing systems are installed and prioritized to reduce energy and resource consumption from travel.

#### Paper-Saving Measures:

1. Office paper prioritizes products with environmental certifications or eco-labels.
2. Printers and copiers are set to double-sided printing by default, and blank sides of used paper are collected for reuse or other paper-saving measures.
3. Paper-based processes are gradually replaced with digital workflows to promote a paperless environment.
4. Paper usage and printing frequency are tracked and reviewed annually to adjust and manage consumption.

### 3.3 Waste Management

1. Office and on-site waste is sorted and recycled according to established categories.
2. Office supplies, such as file folders, paper bags, paper clips, and binder clips, are collected and reused whenever possible.
3. The purchase and use of disposable items are minimized to reduce waste generation.
4. Materials and items are reused or repurposed to extend their lifecycle.
5. Green procurement practices are adopted to support environmentally responsible purchasing.

#### 3.3.1 Waste Management System

FineMat’s main waste originates from industrial processes at its manufacturing sites, primarily etching process wastewater. All process waste is stored in designated warehouses in accordance with regulations, monitored regularly by dedicated personnel, and reported for total volume. Waste is collected and transported by certified third-party waste management contractors.

The headquarters office generates only general office waste. Plastics, metals, and paper are sorted according to internal office waste classification standards and handled by property management through certified third-party waste contractors.

In 2024, FineMat conducted on-site vehicle audits of one waste management contractor and found no evidence of improper disposal or violations. The company will continue to audit contractors regularly to maintain its zero-violation waste management objective.

To prevent operational waste from negatively impacting nearby communities and ecosystems, FineMat has established waste management and transport measures following ISO 14001. Environmental, Health, and Safety personnel perform annual audits of waste transport contractors, including GPS tracking of waste transport vehicles to ensure proper disposal.

#### ■ Waste Value Chain Management Measures

Waste Management Across the Value Chain	
Upstream – Raw Materials	Monthly statistics are collected on incoming materials
Operations – Office and Site Waste	Hazardous waste storage areas are clearly labeled in accordance with waste management regulations, and inventory is tracked with quantitative data.
Downstream – Waste Disposal	<ul style="list-style-type: none"> <li>● Monthly records are submitted based on the triplicate waste manifest.</li> <li>● On-site audits are conducted for waste disposal contractors.</li> </ul>

### 3.3.2 Waste Generation

In 2024, the total waste generated by FineMat was approximately the same as the previous year. Moving forward, we will continue to monitor trends in waste generation and gradually increase the rate of resource recycling and reuse to minimize the environmental impact of our operations.

Waste Generation Volume			
Years	2022	2023	2024
General Industrial Waste (tons)	272.35	188.96	170.47
Year-on-Year Growth Rate (%)		-31%	-10%

#### ■ Final Disposal Methods by Waste Category

Waste Type	Waste Subcategory	Waste Generated for Off-Site Disposal (tons)			Disposed by Third-Party Contractors
		2022	2023	2024	Disposal Method
General Industrial Waste	General Household Waste	9.1	8.9	9.06	Incineration (with Resource Recovery)
	Sludge	77.08	77.17	71.41	Incineration
	Waste Liquids	186.17	102.89	90	Recycling and Reuse
Total		272.35	188.96	170.47	

## 3.4 Water Resource Management

### 3.4.1 Water Risk Assessment

All company sites use tap water as their water source. In response to the increasingly severe global water scarcity risk, FineMat actively applies the water risk assessment tools provided by the World Resources Institute (WRI) to evaluate water stress in the regions where its sites are located. The results indicate that none of the sites are classified as high water-risk areas. In addition, the company is not a major water consumer, and no drought, water shortage, or water pollution incidents have occurred in recent years. Therefore, operational activities have no significant negative impact on local water resources.

### 3.4.2 Water Withdrawal, Consumption, and Discharge

All water used by FineMat is supplied by third-party municipal water companies. Water usage is divided between office use and process use, with process water being the primary consumption. In 2024, the total water withdrawal amounted to 46,001 metric tons, an increase of 10,332 metric tons compared to the previous year. Water intensity increased by 70.89%, mainly due to changes in the 2024 operational model, which reduced the production and sale of complete metal masks, resulting in an approximately 28% decrease in total revenue and thus a smaller denominator for the intensity calculation. Additionally, water withdrawal increased by about 29% compared to 2023 due to more frequent cleaning operations for pilot production of new products.

Unit: Metric Tons

Water Type	Source and Discharge Classification	2022	2023	2024
Water Withdrawal	Sourced from Municipal Water Supply	42,080	35,669	46,001
Water Discharge	Discharged to Wastewater Treatment Plant	33,665	28,536	37,402
Water Consumption	Total Water Consumption	8,415	7,133	8,599
Water Intensity (metric tons per million revenue)		80	89.3960	160.2822

**Notes:**

1. The total dissolved solids (TDS) of all water sources used by FineMat are  $\leq 1,000$  mg/L.
2. The company's individual revenue was 526 million in 2022, 399 million in 2023, and 287 million in 2024.

### 3.4.3 Wastewater Discharge Management

For wastewater discharge, the company treats all wastewater through filtration, decomposition, purification, and either discharge or recycling in accordance with relevant regulations to ensure compliance with local legal requirements. No regulatory violations occurred in the reporting year. Wastewater from the manufacturing sites is discharged through outfalls to the outside of the sites and subsequently treated at the Tainan Science Industrial Park wastewater treatment plant before being released into the Yan Shui River.

Water Quality Standards	Annual Measured Values	Local Regulatory Limits
pH	8.0	6.0~9.0
COD (mg/L)	23.9	80
SS (mg/L)	10.4	30
Ammonia Nitrogen (mg/L)	6.66	30
Water Temperature (°C)	28.4	35 以下
True Color	59	300
Nitrate Nitrogen (mg/L)	0.59	50

### 3.4.4 Water Resource Management and Conservation Measures

1. Implement dry cleaning equipment to reduce water consumption.
2. Recycle and reuse RO concentrate water and EDI electrode wastewater from the purified water system.
3. Establish an internal water circulation and reuse pipeline system to maximize the use of each drop of water.

# Chapter 4 Product Innovation and Customer Service

## 4.1 Research and Innovation

### 4.1.1 Key Products and Services

#### 1. Key Products and Services

Product	Key Applications and Functions
Metal Masks	Primarily used in the OLED panel phosphorescent dye deposition process. Different mask patterns are required for depositing different colored emission films.
Precision Cleaning and Refurbishment	Precision cleaning and refurbishment of components for optoelectronic and semiconductor equipment to meet process quality requirements.
Thermal Management Materials	Metal sheets manufactured via precision metal etching, used as heat spreader casings or thermal module materials.

#### 2. Upstream, Midstream, and Downstream Industry Relationships

##### 《Metal Masks》

One of the company’s main products is the precision metal mask used in the critical processes of AMOLED panel manufacturing. Due to the use of small-molecule organic electroluminescent materials in AMOLED displays, multiple organic layers must be deposited via thermal evaporation. During mass production of full-color panels, multi-chamber vacuum equipment and metal masks with different patterns are required to prevent cross-contamination between different materials and to accurately deposit the various colored emissive films.

#### ■ Schematic of the Upstream, Midstream, and Downstream Relationships in the OLED Metal Mask Industry

Industry Position	Business Scope	Description
Upstream	INVAR Alloy Sheets	INVAR alloy sheets are a type of nickel-iron alloy, used to produce high-precision metals due to their low thermal expansion coefficient, thinness, and flatness.
Midstream	OLED Metal Masks	Precision etching of INVAR alloy to produce high-precision metal masks, ensuring accurate pattern etching and preventing mask warping due to overheating.
Downstream	OLED Panels	In AMOLED panel manufacturing, high-precision metal masks are used in the deposition process to ensure organic materials are accurately deposited in designated areas.

### 《Thermal Management Materials》

Thermal management materials are designed to effectively transfer or dissipate heat from a heat source. These materials typically possess high thermal conductivity, allowing heat to quickly move to the material’s surface and be released through radiation, convection, or conduction.

Thermal management materials play a critical role in various fields, particularly in electronics, automotive, construction, and industrial applications. Heat sinks are a common type of thermal management material, widely used in electronic devices and industrial equipment. They are usually made of metals such as copper, aluminum, or stainless steel, offering high thermal conductivity and efficient heat dissipation. Heat sinks are designed to spread heat and increase the surface area for dissipation. Their surfaces often feature multiple protrusions and recesses to maximize heat transfer, and some have larger surfaces that can be directly attached to heat-generating components to enhance efficiency. Heat sinks are typically installed on components that require cooling, such as CPUs, GPUs, and power chips, using their thermal conductivity to transfer heat from these components to the heat sink surface, where it is then dissipated into the air or through other cooling systems.

■ Schematic of the Upstream, Midstream, and Downstream Relationships in the Thermal Management Materials Industry

Industry Position	Business Scope	Description
Upstream	Oxygen-Free Copper, Copper Alloys, Stainless Steel	Oxygen-free copper is a metal with 99.995% purity, free from hydrogen embrittlement, with high electrical and thermal conductivity, excellent machinability, weldability, corrosion resistance, and low-temperature performance. It is suitable for use as the metal casing of heat spreaders.
Midstream	Thermal Management Materials	Precision metal etching is used to produce high-precision metal sheets, which serve as casings for heat spreaders or as thermal module materials.
Downstream	Thermal Management Modules	Modules used for heat dissipation in systems, devices, or equipment.

### 3. Main Product Output

	Output (Unit: Thousand Pieces)		
	2022	2023	2024
Metal Masks	97	86	97
Precision Cleaning & Refurbishment	92	232	268
Microwave & Semiconductor Components	19	13	63
Optical Lamination Materials	548	–	–

Thermal Management Materials	12,907	14,302	3,807
<b>Total</b>	13,663	14,633	4,235

#### **4.1.2 Technology and R&D Overview**

The company centers its operations on precision etching technology and, through years of independent research and development, has progressively established a comprehensive production capability for both general-purpose and support-type metal masks ranging from G2.5 to G6H, covering the full requirements of the OLED display panel industry. We provide customers with complete, full-lifecycle solutions, including design consultation, mask etching, frame preparation, tensioning and spot welding, as well as cleaning and refurbishment.

Our technical capabilities and production capacity encompass metal mask design and fabrication, sheet-to-sheet and roll-to-roll processes including lamination, exposure, development, etching, stripping, and cleaning, as well as precision measurement, tensioning, and laser spot welding. We continuously innovate in process equipment and operational methods to improve yield and efficiency, while expanding our product applications to biomedical devices, semiconductor equipment, energy, and thermal management materials, achieving excellent results.

No.	Developed Technology / Product	Main Application & Function
1	Pad Printing Mold & Minimally Invasive Surgical Instrument Linkage	Precision etching for manufacturing molds for contact lenses and precision linkages for minimally invasive surgical instruments
2	G2.5 FMM	Precision metal mask for OLED G2.5 panels, etching and mesh tension accuracy $\pm 5 \mu\text{m}$
3	G5.5Q CMM/STICK	Production technology for OLED G5.5Q metal masks, including shared and support-type masks
4	G6H0 CMM	Production technology for OLED G6H metal masks, including shared and support-type masks
5	FMM Etching Technology	High-precision metal mask etching ( $\pm 3 \mu\text{m}$ ), applied to shared and support-type masks ( $\pm 30 \mu\text{m}$ )
6	8"/12" Wafer Mask	Precision metal masks used in OLEDoS process
7	Next-Gen Flexible OLED Panel Packaging (TFE Mask)	Invar thin plates (100–200 $\mu\text{m}$ ) as substrate; precision etching produces masks up to 1700×1100 mm with $\pm 30 \mu\text{m}$ accuracy; includes frame preparation, mesh tensioning, and ceramic insulation coating for G2.5–G6H flexible OLED CVD masks
8	Thermal Spreader	Provides high thermal conductivity for heat dissipation modules
9	G5.5 Full-Size Inkjet-Printed OLED Mask	Converts OLED substrate production from evaporation to inkjet printing, reducing manufacturing costs by 20–30%
10	G8.6H OLED Precision Metal Mask Splicing & Tensioning	Combines precision etching with proprietary joining technology, suitable for G8.6H OLED evaporation masks
11	G8.6H OLED Support-Type Mask Production	Production of support-type metal masks for large TV panels
12	Thin Vapor Chamber Components	Microstructure etching for vapor chambers <1 mm thick, ensuring sufficient liquid and vapor channels to enhance heat transfer efficiency
13	Capsule Endoscope Planar Switch	Precision-etched components for capsule endoscopes, reducing length and bending risks compared to traditional endoscopes
14	Piezoelectric Pump Components	Microfluidic pump components via etching, achieving ultra-thin, silent, and high-efficiency performance

## 4.2 Product Quality Management

Item	Description
Policy, Commitment, and Materiality	<p>Commitment: Commitment to not using harmful substances and ensuring products are free of regulated hazardous substances.</p> <p>Policy:</p> <ul style="list-style-type: none"> <li>● Daily production and sales meetings to communicate customer requirements and quality issues.</li> <li>● Designated AR personnel to analyze quality issues, identify root causes, and verify corrective actions.</li> <li>● Daily evening meetings to review quality abnormalities and prevent recurrence.</li> </ul>
Responsible Unit	Operations Department
Short, Medium, and Long-Term Objectives	<p>Short-term (1–3 years):</p> <ul style="list-style-type: none"> <li>● Monthly customer complaints <math>\leq 9</math> cases • Annual RMA amount reduced by 10% compared to previous year</li> </ul> <p>Medium-term (3–5 years):</p> <ul style="list-style-type: none"> <li>● Total annual OLED Mask customer returns &lt; 20 pieces</li> </ul> <p>Long-term (5–10 years):</p> <ul style="list-style-type: none"> <li>● Total annual OLED Mask customer returns &lt; 10 pieces</li> </ul>
Action Plan	<ul style="list-style-type: none"> <li>● Conduct engineering tests first to reduce repeated material costs and time loss • Immediately contact customers to demonstrate commitment to problem resolution</li> <li>● Provide inventory products to meet customer needs and minimize production line impact</li> <li>● Establish improvement projects for major quality issues and verify root causes</li> </ul>
2024 Performance	<ul style="list-style-type: none"> <li>● Total customer complaints in 2024: 103 cases, averaging 8.58 cases per month</li> <li>● Total RMA amount in 2024 decreased by 62% compared to previous year</li> <li>● Total OLED Mask customer returns in 2024: 66 pieces</li> </ul>
Grievance Mechanism	<a href="mailto:sales@FineMat.com">sales@FineMat.com</a>

## 4.2.1 Product Quality Policy

With the continuous growth in display technology and semiconductor demand, FineMat focuses on the development of high-precision metal masks for OLED panels, precision cleaning and refurbishment, and high-efficiency thermal management materials. While meeting customer technical requirements and pursuing excellence in product quality, we strictly adhere to international safety and quality standards, striving to provide customers with high-quality, safe, and reliable product experiences.

All FineMat facilities are ISO 9001:2015 certified. Our quality management policy emphasizes continuous improvement, customer satisfaction, full staff participation, and the pursuit of excellence. Every stage—from product design and development, manufacturing, and quality inspection, to delivery and after-sales service—is fully controlled according to documented procedures to ensure effective implementation of our quality policy. All raw materials used by the company fully comply with RoHS hazardous substance management standards and ISO 9001 quality management requirements. In 2024, FineMat did not record any violations of product or service-related health and safety regulations.

### ■ ISO 9001:2015 Certification :



## Product Quality Management and Manufacturing Process Control Policy

In the manufacturing process, FineMat implements the following measures to ensure product quality and process stability:

- Establish standardized operating procedures for each process to maintain consistent manufacturing quality.
- Apply Failure Mode and Effects Analysis (FMEA) through cross-functional teams to enhance operational effectiveness and efficiency.
- Conduct risk identification and assessment for operations that may impact product quality or involve high potential risks, and implement necessary control measures to prevent or minimize negative effects, supporting continuous improvement.
- Implement an engineering change management procedure to ensure that any changes affecting products, processes, or customers are carefully evaluated, preventing adverse impacts post-change.
- Manage supplier quality by procuring raw materials that meet quality standards at reasonable prices according to production plans, with incoming inspection and supplier management ensuring sufficient supply for production needs.
- Develop process control plans, maintain equipment, and manage the work environment to maintain process capability and ensure product quality.
- Implement personnel qualification and certification management to cultivate professional talent according to organizational needs, ensuring that all personnel are competent in their roles.
- Prepare contingency measures and emergency response plans to minimize environmental and operational losses in case of unexpected incidents.

For product monitoring and release, FineMat applies the following measures:

- Manage incoming material quality and storage, including verification, storage, and maintenance of raw materials and customer-supplied components.
- Control outbound product quality and establish product inspection standards.
- Implement management mechanisms for inspection, measurement, and testing equipment to ensure the capability and proper use of measurement systems.
- Handle production quality abnormalities, preventing potential issues and recurrence of defects, and establish nonconforming product management mechanisms to avoid misuse or improper delivery.
- Conduct regular personnel performance evaluations to ensure operational stability and accuracy.

Through these comprehensive quality management measures, FineMat ensures that products comply with customer and regulatory requirements, demonstrating our commitment to quality, responsibility,

and sustainable development. With full-process monitoring and control, we strive to continuously enhance the value of our products and services, maintaining high standards to meet evolving market demands and environmental responsibilities.

#### **4.2.2 Product Safety Management**

FineMat is committed to delivering high-quality products that comply with international safety standards. We strictly adhere to the RoHS Directive (Restriction of Hazardous Substances in electrical and electronic equipment) and follow customer-specified quality and specification requirements. In addition, we comply with product safety and consumer protection regulations applicable in our sales regions. To safeguard customer interests, we have a dedicated complaints and customer service channel to handle feedback and after-sales support.

#### **4.2.3 Hazardous Substance Management**

FineMat does not use hazardous substances in its raw materials or waste. However, the company has established a “Green Product Management Procedure,” which strictly requires suppliers to provide green compliance documentation, including: RoHS/Halogen-Free test reports, Material Safety Data Sheets (MSDS), REACH compliance declarations, material composition sheets, and hazardous substance exemption statements.

In cases of raw material anomalies or material replacements, suppliers are required to re-submit all relevant green compliance documents, ensuring continuous adherence to environmental and safety standards.

#### **4.2.4 Description of Risk Management Related to the Use of Critical Materials**

Risk Management for Raw Material Shortages or Supply Interruptions:

1. Diversified Sourcing: Each primary raw material, including metal rolls, sheets, and frames, is sourced from at least two suppliers.
2. Geographical Diversification: Suppliers of the same material are located in different countries.
3. Procurement Strategy: Maintain safety stock levels.
4. Collaborative Engagement: Conduct periodic technical exchanges and friendly visits with suppliers to strengthen cooperation.

# Chapter 5 Harmonious and Healthy Workplace

## 5.1 Employee Rights Protection

### 5.1.1 Promotion of Workplace Human Rights Protection

In fulfillment of its corporate social responsibility and to protect the fundamental human rights of employees and all stakeholders, the Company complies with labor-related laws and regulations in each of its operating locations. It also supports and adheres to international human rights conventions, including the Universal Declaration of Human Rights and the objectives outlined in the International Labour Organization (ILO) conventions, treating all employees with respect in accordance with internationally recognized fundamental human rights.

Current Implementation Status:

Item	Target Theme	Risk Assessment	Stakeholders	Mitigation Measures	Implementation Effectiveness
Safe and Healthy Work Environment	Maternal Employee Health Protection Program	Assessed based on workplace environment and hazard evaluation forms	Female Employees	Adjust work assignments according to risk assessment and provide lactation rooms	2024: 2 employees benefited
Prohibition of Child Labor	Employee Handbook	Compliance assessed via handbook enforcement	All Employees	From recruitment, hiring of workers under 16 years old is strictly prohibited by law	Properly controlled, no risk detected

### 5.1.2 Workforce Structure and Diverse Workplace

In 2024, FineMat employed a total of 177 staff, with non-employee workers including dispatched personnel and security staff. The gender distribution was approximately 49.15% male and 50.85% female. Among the 31 managerial positions, 10 were held by women, representing 32.26% of all managers.

Upholding a people-oriented philosophy and corporate social responsibility, the company fosters an equal, inclusive, and safe workplace. In recruitment, FineMat embraces diversity, offering fair employment opportunities, competitive compensation, safe working conditions, and equal career advancement for all employees, cultivating internal awareness of workplace diversity.

The company values multiculturalism and workplace inclusion: in 2024, there were 2 employees with disabilities and 22 foreign staff members, with an average tenure of 3.72 years. Office facilities include a lactation room, and employees of indigenous backgrounds are granted cultural leave for traditional festivals, ensuring an equitable workplace experience for all.

In 2024, FineMat did not receive any reports or findings related to discrimination, child labor, forced labor, or compulsory labor.

#### ■ Employee Composition Structure

Region	Gender	Employment Type		Year		
				2022	2023	2024
Taiwan	Male	Non-fixed term	Full-time	108	80	87
	Female	Non-fixed term	Full-time	106	85	90
Total				214	165	177

#### Notes:

1. The statistics represent the number of employees as of December 31 of each reporting year.
2. Fixed-term / Non-fixed-term contracts follow the definitions in Article 9 of Taiwan's Labor Standards Act.
3. Full-time / Part-time: Part-time refers to employees with significantly reduced working hours compared to full-time staff, as defined by the Ministry of Labor. The reduced hours are mutually agreed upon by both employer and employee.

#### ■ Non-Employee Workforce Composition

Region	Employee Category	Contract Type with Company	Year		
			2022	2023	2024
Taiwan	Dispatched Staff	Fixed-Term Contract	51	—	2
	Security Staff	Fixed-Term Contract	2	2	2

#### ■ Workforce Diversity Composition

##### 2022 Workforce Diversity Composition

Region	Employee Category	Under 30		30~50		Over 50		Total
		Male	FeMale	Male	FeMale	Male	FeMale	
Taiwan	Managerial	2	—	11	7	7	1	28
	Non-managerial	36	35	51	61	1	2	186
	Total	38	35	62	68	8	3	214

##### 2023 Workforce Diversity Composition

Region	Employee Category	Under 30		30~50		Over 50		Total
		Male	FeMale	Male	FeMale	Male	FeMale	
Taiwan	Managerial	1	—	10	6	6	—	23
	Non-managerial	24	26	39	51	—	2	142
	Total	25	26	49	57	6	2	165

## 2024 Workforce Diversity Composition

Region	Employee Category	Under 30		30~50		Over 50		Total
		Male	FeMale	Male	FeMale	Male	FeMale	
Taiwan	Managerial	—	—	13	10	8	—	31
	Non-managerial	25	32	41	45	—	3	146
	Total	25	32	54	55	8	3	177

Note:

Managerial personnel refers to employees at or above the section chief level (excluding directors who do not hold concurrent employee positions) and who possess management responsibilities.

### 5.1.3 Effective Communication Channels

FineMat aims to foster a workplace culture characterized by timely and transparent communication. The Labor-Management Committee, composed of representatives from both labor and management, meets regularly every three months. In 2024, a total of four committee meetings were convened, during which four major topics were discussed and resolved, including: attendance management regulations, workplace sexual harassment policies, adjustments to national holidays, and flexible working hours under applicable labor laws. All resolutions reached during these meetings apply to 100% of employees.

To ensure two-way communication between labor and management, FineMat has established diverse internal communication channels, such as an online employee feedback mailbox, employee opinion surveys, and a grievance hotline, enabling employees to promptly express suggestions or concerns. Any adjustments to labor conditions must be approved by the Labor-Management Committee, and all operational activities strictly comply with local legal requirements. In accordance with the notice periods stipulated in the Labor Standards Act, the minimum advance notice period for termination based on an employee's seniority is as follows:

For employees with more than three months but less than one year of service, a minimum notice period of 10 days is required; for those with more than one year but less than three years of service, at least 20 days of notice is required; and for employees with more than three years of service, the minimum notice period is 30 days. If the employer does not provide the required notice, wages equivalent to the insufficient notice period must be paid.

## 5.2 Talent Attraction and Retention

Item	Description
Policy, Commitment, and Materiality	FineMat Corp. adheres to a people-oriented core strategy, implementing a “Right Person, Right Position” approach in diversified talent management. The company provides a high-quality and healthy work environment, competitive compensation and benefits, and continuously cultivates talent while fostering a workplace culture that encourages giving back to effectively enhance human capital. In addition to actively establishing and implementing high-quality training plans and principles, the company develops competency-based learning maps to assist all departments in cultivating and reserving potential talents, transforming them into key talents, and executing the “Right Person, Right Position” strategic approach.
Responsible Unit	Human Resources Department
Short, Medium, and Long-Term Objectives	<p>Short-Term Objectives</p> <ul style="list-style-type: none"> <li>● Diversify talent recruitment channels</li> <li>● Listen to employee feedback and promote harmonious labor-management relations</li> <li>● Increase retention rate of senior employees by 0.58%</li> <li>● Reduce turnover rate of managerial positions by 2.42%</li> </ul> <p>Medium- to Long-Term Goals:</p> <ul style="list-style-type: none"> <li>● Provide comprehensive benefits and create a sound employment environment</li> <li>● Offer diverse training programs to develop talent</li> </ul>
Action Plan	<ul style="list-style-type: none"> <li>● Employees are entitled to labor insurance, national health insurance, and group insurance, as well as festival bonuses for the Mid-Autumn and Dragon Boat Festivals, and birthday bonuses.</li> <li>● The company has established an “Employee Welfare Committee” responsible for planning and implementing various welfare programs. Through comprehensive benefits and employee activities, the company continuously promotes employee welfare, including company trips and financial assistance for weddings, funerals, and other life events.</li> </ul>
2024 Performance	<ul style="list-style-type: none"> <li>● Participated in a total of 6 local and campus recruitment events</li> <li>● Organized 2 employee engagement meals, including a Mid-Autumn Festival gathering</li> <li>● Conducted 2 team-building activities for senior management</li> </ul>
Grievance Mechanism	<ul style="list-style-type: none"> <li>● Contact Person: Ms. Chen Jinghui, Section Chief, Human Resources Department</li> <li>● Phone: (06) 6016388 ext. 1503</li> <li>● Email: sammy@FineMat.com</li> </ul>

## 5.2.1 Employee Onboarding and Turnover

In 2024, FineMat Corp. recruited a total of 46 new employees, while 34 employees resigned, resulting in an annual turnover rate of approximately 19.21%. An analysis of the reasons for employee departures revealed that the main factors included differences between job nature and expectations, family considerations, health issues, individual career development plans, and temporary contract or non-permanent positions.

To address these issues, the company plans to strengthen explanations of job responsibilities during interviews, expand recruitment channels to attract a wider pool of talent, and provide comprehensive support for employees, including leave without pay options and educational subsidies. These measures aim to enhance retention of high-performing talent.

### ■ New Employee Statistics

Region	Gender	Age	2022		2023		2024	
			New Hires	Hire Rate (%)	New Hires	Hire Rate (%)	New Hires	Hire Rate (%)
Taiwan	Female	<30	20	9.34%	1	0.61%	14	7.91%
		31~50	9	4.21%	3	1.82%	9	5.09%
		>51	—	—	—	—	1	0.57%
	Male	<30	18	8.41%	3	1.82%	6	3.39%
		31~50	24	11.21%	9	5.45%	13	7.34%
		>51	1	0.47%	2	1.21%	3	1.69%
Total			72	33.64%	18	10.91%	46	25.99%

**Note:** The hire rate is calculated as follows:

$$\text{Hire Rate (\%)} = \frac{\text{Number of new hires in each category during the year}}{\text{Total number of employees at the end of the year}} \times 100\%$$

### ■ Employee Turnover Statistics

Region	Gender	Age	2022		2023		2024	
			Number of Resignations	Turnover Rate (%)	Number of Resignations	Turnover Rate (%)	Number of Resignations	Turnover Rate (%)
Taiwan	Female	<30	1	0.47%	10	6.06%	8	4.52%
		31~50	9	4.21%	14	8.49%	11	6.22%
		>51	—	—	1	0.61%	—	—
	Male	<30	6	2.80%	16	9.70%	6	3.39%
		31~50	14	6.54%	22	13.33%	8	4.52%
		>51	—	—	4	2.42%	1	0.56%
Total			30	14.02%	67	40.61%	34	19.21%

**Note:** The turnover rate is calculated as follows:

$$\text{Turnover Rate (\%)} = \frac{\text{Number of resignations in each category during the year}}{\text{Total number of employees at the end of the year}} \times 100\%$$

## 5.2.2 Comprehensive Compensation System

FineMat Corp. is committed to providing a transparent and equitable compensation system. Employee salaries are determined based on education and experience, professional knowledge and skills, years of service, and individual performance. Compensation is applied equally to all employees, without discrimination based on gender, age, ethnicity, nationality, religion, political affiliation, or sexual orientation.

In 2024, the average annual salary of full-time non-managerial employees was NT\$539,000, with a median salary of NT\$466,000. Compared with 2023, the average salary decreased by NT\$36,000 and the median salary decreased by NT\$26,000. This change is primarily due to a higher proportion of foreign workers being hired as direct personnel in the workforce structure. whose base salaries are calculated based on operational labor laws and are structurally different from those of local indirect personnel positions within the non-managerial category.

### ■ Female-to-Male Base Salary Ratio

Position	2022	2023	2024
	Female : Male	Female : Male	Female : Male
Managerial	0.77 : 1	0.98 : 1	0.76 : 1
Non-Managerial	0.88 : 1	0.90 : 1	0.88 : 1

#### Note:

Managerial employees refer to section chief level or above (excluding directors without concurrent roles) with management responsibilities.

### ■ 女性與男性薪酬比率

Position	2022	2023	2024
	Female : Male	Female : Male	Female : Male
Managerial	0.78 : 1	0.80 : 1	0.76 : 1
Non-Managerial	0.88 : 1	0.93 : 1	0.88 : 1

#### Note:

1. Managerial employees refer to section chief level or above (excluding directors without concurrent roles) with management responsibilities.
2. Total compensation includes base salary, shift allowance, overtime pay, meal allowance, no-leave bonus, quarterly bonus, festival bonuses, annual bonus, dividend bonus, and director remuneration.

### ■ Average and Median Salary of Full-Time Non-Managerial Employees

Item	2022	2023	2024
Number of Full-Time Non-Managerial Employees	155	181	151

Item	2022	2023	2024
Average Salary of Full-Time Non-Managerial Employees	616	575	539
Median Salary of Full-Time Non-Managerial Employees	516	492	466

### 5.2.3 Comprehensive Employee Benefits

FineMat Corp. provides employees with fair rights and benefits in compliance with local laws at each operational site, ensuring that employees receive their entitled basic benefits, including insurance, retirement, leave, and other legally mandated entitlements. In addition, the company offers a variety of benefits beyond legal requirements, such as employee dormitories, clean and hygienic meals, financial support for weddings, funerals, and other life events, regular company trips, and special rewards for long-serving employees, fostering team cohesion and harmonious labor-management relations.

The company has established a defined contribution retirement plan under the Labor Pension Act for domestic employees. For employees opting for this pension system, 6% of their monthly salary is contributed to their individual pension accounts at the Bureau of Labor Insurance. Pension payments are made based on the accumulated balance in each employee's account and may be received either as monthly installments or as a lump-sum payment upon retirement.

#### ■ FineMat Corp. Employee Benefits Items

Category	Items
Allowances & Rewards	Festival bonuses (Lunar New Year, Mid-Autumn, Dragon Boat), Employee Share Trust, Maternity, Marriage, and Birthday gifts (vouchers), Funeral assistance, Long-service awards, Pension contributions, Bonus & Annual bonus, Annual salary adjustment & promotion, Company trips, Year-end banquet & occasional gatherings
Insurance & Health	Statutory labor insurance / health insurance / pension, Group insurance (life, medical, accident, cancer), On-site doctor, Employee health check-ups.
Flexible Hours & Leave	Annual leave, 8-week maternity leave, Flexible working hours for managerial positions
Others	Referral bonus, Long-service bonus, Technical allowance, Lactation rooms, Exclusive agreements with nearby childcare centers (Asahi Daycare / Shin-Kuang-Hui Kindergarten)

FineMat Corp. provides employees with fair rights and benefits in compliance with local laws at each operational site, ensuring that employees receive their entitled basic benefits, including insurance, retirement, leave, and other legally mandated entitlements. In addition, the company offers a variety of benefits beyond legal requirements, such as employee dormitories, clean and hygienic meals, financial support for weddings, funerals, and other life events, regular company trips, and special rewards for long-serving employees, fostering team cohesion and harmonious labor-management relations.

■ Photos of Employee Welfare Activities



### 5.2.4 Parental Leave

To encourage and support employees in raising the next generation, FineMat Corp. provides employees with the legal right to take parental leave with job protection. In addition to specifying the application procedures in the company’s “Parental Leave with Job Protection Implementation Guidelines” within the Employee Work Rules, the company also offers a consultation service to assist employees in following the Act of Gender Equality in Employment and the Parental Leave with Job Protection Implementation Guidelines.

In 2024, a total of 2 employees applied for parental leave with job protection. Both were scheduled to return to work and successfully resumed their positions, resulting in a 100% return-to-work rate.

<b>Item</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Eligible to apply for parental leave with job protection (A)	–	2	2
Actual applications for parental leave with job protection (B)	–	2	2
Scheduled to return to work after parental leave (C)	–	2	2
Actual return to work after parental leave (D)	–	2	2
Actual return to work in 2023 (E)	–	–	–
Employees still employed 12 months after returning from parental leave (F)	–	–	–
Application rate (B/A)	–	100%	100%
Return-to-work rate (D/C)	–	100%	100%
Retention rate (F/E)	–	–	–

## 5.3 Talent Development and Training

### 5.3.1 Talent Development Management

FineMat Corp. designs education and training programs tailored to different job levels and roles to enhance employees' professional competencies and management capabilities, achieve the company's operational goals, and strengthen corporate competitiveness. In 2024, FineMat Corp. offered diverse training opportunities, including on-the-job departmental training and project-based training, enabling employees to continuously update their knowledge and skills.

#### ■ Average Training Hours Over the Past Three Years

Training Category	2022		2023		2024	
	Participants	Total Training Hours	Participants	Total Training Hours	Participants	Total Training Hours
New Employee Training	72	288	18	72	46	184
Environmental & Safety Training	257	708	183	624	102	612
Professional Training	20	179.5	15	120.5	13	80
Management Training	52	464	12	97	14	145.5
Subtotal	401	1,639.5	228	913.5	175	1,021.5

#### ■ Average Training Hours per Employee Over the Past Three Years

Gender	Employee Category	2022			2023			2024		
		Employees	Total Training Hours	Average Training Hours	Employees	Total Training Hours	Average Training Hours	Employees	Total Training Hours	Average Training Hours
Male	Managerial	20	416	20.8	17	148.5	8.74	21	177.5	8.45
	Non-Managerial	88	739.5	8.4	63	392	6.22	66	414	6.27
Female	Managerial	8	48	6	6	44.5	7.42	10	88	8.80
	Non-Managerial	98	436	4.45	79	328.5	4.16	80	342	4.28
Total		214	1,639.5	7.66	165	913.5	5.54	177	1,021.5	5.77

#### Note:

- To better reflect FineMat Corp.'s investment in training for each employee, the average training hours are calculated using the following formula for comparability across three years: total training hours received by employees ÷ total number of employees at year-end.
- Managerial employees refer to section chief level or above (excluding directors without concurrent roles) with management responsibilities.

### 5.3.2 Performance Evaluation Mechanism

FineMat Corp. conducts performance evaluations semiannually in accordance with the Performance Management Guidelines, and holds performance discussions with employees. The evaluation focuses on assessing past work performance and setting goals for future tasks. Evaluation results are used as a basis for salary adjustments, promotions, and career development planning. Each year, promotions are considered with reference to the previous year’s evaluation results, ensuring a transparent and fair promotion process.

The evaluation process begins with a self-assessment by the employee, followed by a review conducted by the supervisor based on the employee’s performance and goal achievement. This two-way communication approach ensures mutual understanding of corporate objectives and individual goals. In 2024, a total of 177 regular employees completed the annual performance evaluation. Employees on probation and those on leave with job protection who had not yet completed three months of service were excluded from the evaluation; all other employees underwent the assessment.

#### ■ FineMat Corp. Performance Evaluation Items

Evaluation Item	Evaluation Details
Shared Values	Whether the employee’s work attitude aligns with the company’s shared values, which consist of six dimensions: Loyalty, Enthusiasm, Teamwork,
Company Profit and Growth	Whether the employee’s actual work performance and contribution effectively achieve the company’s operational goals and individual work
Employee Development Plan	Whether managerial employees have provided their subordinates with effective resources and growth opportunities over the past year. Indicators
Work Objective Plan	Work goals and action plans for the next six months, with suggestions or modifications provided by the direct supervisor or the next-level supervisor
Annual Work Plan	Key individual performance at the beginning of the year, performance

#### ■ Number of Employees Participating in the 2024 Regular Performance Evaluation

Gender	Employee Category	Employees Scheduled for Evaluation	Employees Actually Evaluated	Evaluation Completion Rate
Male	Managerial	21	21	100%
	Non-Managerial	66	66	100%
Female	Managerial	10	10	100%
	Non-Managerial	80	80	100%
Total		177	177	100%

## **5.4 Occupational Health and Safety**

### **5.4.1 Occupational Health and Safety Policy and Management System**

FineMat Corp. implements its occupational health and safety management in accordance with the Occupational Safety and Health Act, its enforcement rules, the Regulations for Occupational Safety and Health Facilities, the Regulations for Occupational Safety and Health Training, and other relevant government regulations. The company has established operational procedures such as the Occupational Health and Safety Management Plan and the Occupational Accident Investigation and Handling Procedures.

To ensure the effective implementation and promotion of occupational health and safety programs, the company has established an Occupational Health and Safety Committee in accordance with the Establishment Rules of the Occupational Health and Safety Committee. The committee consists of seven members, chaired by the General Manager, with labor representatives accounting for at least one-third of the members. The committee meets quarterly to discuss workplace safety and health management policies, monitor occupational safety performance, and review updates on relevant regulations. Employees may provide suggestions to supervisors or labor representatives via phone or email, which are then discussed by the committee. Occupational safety and health regulations and policies are communicated to all employees through email announcements, bulletin boards, and training programs.

### **5.4.2 Hazard Identification and Risk Assessment Management**

To identify potential hazards in the work environment and operational processes, the company's dedicated occupational health and safety unit conducts hazard identification and operational safety risk assessments annually. Risk evaluations are performed using the Total Severity Index (FSI), calculated from the Frequency Rate (FR) and Severity Rate (SR) of occupational injuries. Hazard identification is also supported by the use of chemical Safety Data Sheets (SDS) and biannual workplace environment monitoring. Corrective measures are implemented in the following order: elimination, substitution, engineering controls, administrative controls, and personal protective equipment, aiming to reduce or eliminate risks effectively.

■ 2024 Hazard Identification and Management Measures Statistics

Item	Plant / Facility	Total
Number of Hazard Identifications	Entire Plant	4
Number of Unacceptable Risks	Entire Plant	–
Number of Management Measures Developed	Entire Plant	4
Number of Management Measures Completed	Entire Plant	4
Completion Rate	Entire Plant	100%

■ 2024 Hazard Risks and Corresponding Mitigation Measures

High-Risk Operations	Risk Description	Mitigation Measures
Etched Metal Sheets with Sharp Edges	Metal sheets become sharp after etching, which may expose employees' fingers to injury risks.	<ol style="list-style-type: none"> <li>1. Strengthen employee training to raise safety awareness and ensure proper operation.</li> <li>2. Conduct regular/irregular on-site safety inspections and safety discussions to enhance workplace safety.</li> <li>3. Use manufacturing jigs to reduce direct contact.</li> <li>4. Use personal protective equipment (PPE) to block risks.</li> </ol>
Corrosive Chemicals Contact Risk	Etching process uses skin-corrosive chemicals, which may expose employees to chemical hazards.	<ol style="list-style-type: none"> <li>1. Strengthen employee training to raise safety awareness and ensure proper operation.</li> <li>2. Conduct regular/irregular on-site safety inspections and safety discussions.</li> <li>3. Install automated filling pipelines to reduce direct contact.</li> <li>4. Use PPE to block exposure risks.</li> </ol>
Solar Panel Regular Cleaning Fall Risk	Solar panels of the photovoltaic system require periodic cleaning at heights above 1.5 meters, posing fall hazards.	<ol style="list-style-type: none"> <li>1. Strengthen employee training to raise safety awareness and ensure proper operation.</li> <li>2. Conduct on-site safety monitoring during operations.</li> <li>3. Install fixed or mobile safety equipment and anchor points for safety harnesses.</li> <li>4. Use covered safety harnesses to prevent fall risks.</li> </ol>
Measurement Camera Head Collision Risk	Measurement camera on automatic measurement machines may collide with employees' heads, causing injury.	<ol style="list-style-type: none"> <li>1. Strengthen employee training to raise safety awareness and ensure proper operation.</li> <li>2. Conduct regular/irregular on-site safety inspections and safety discussions.</li> <li>3. Install interlocking devices to prevent recurrence of similar risks.</li> </ol>

### **5.4.3 Occupational Accident Investigation Procedures**

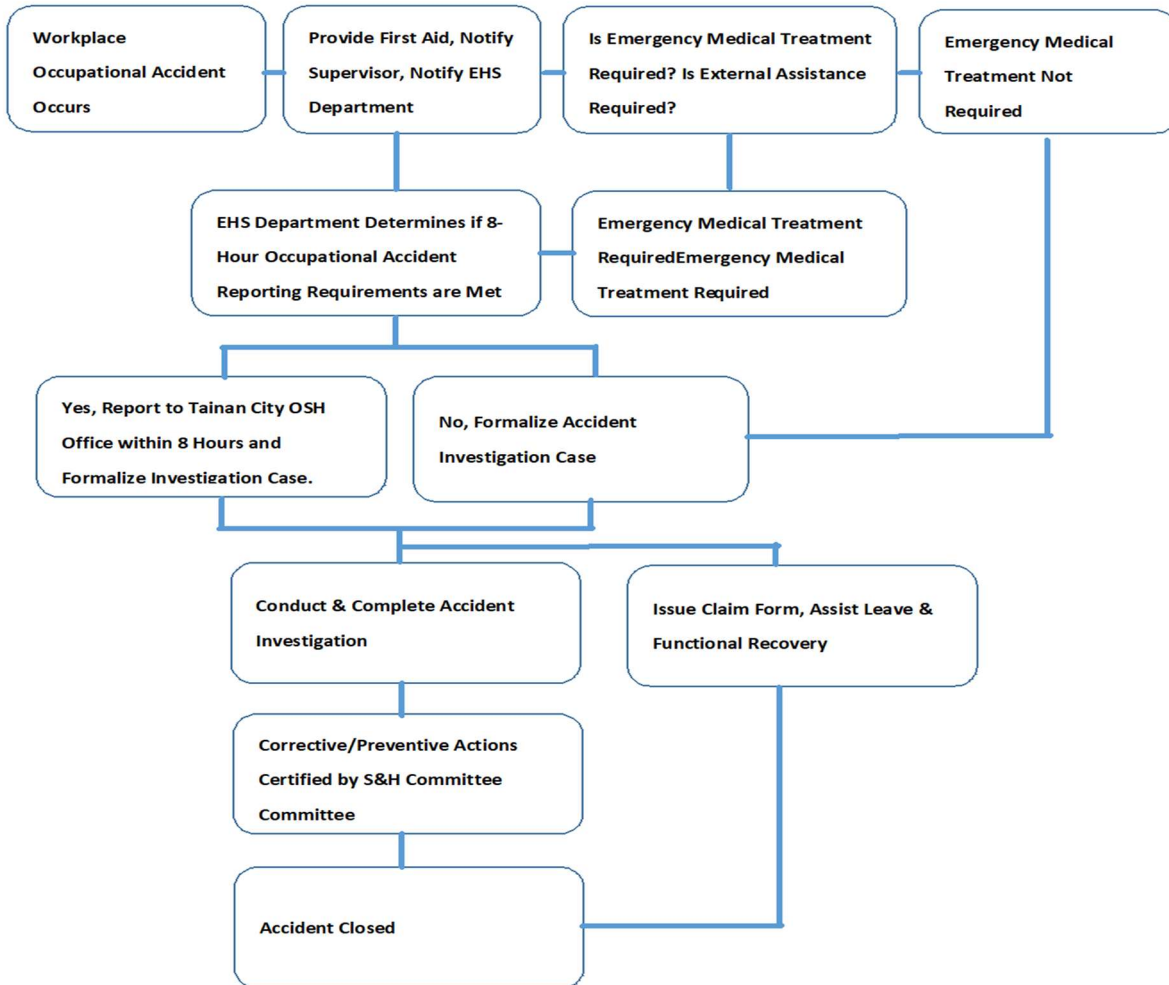
To ensure the safety of all workers, FineMat Corp. has established the Occupational Accident Investigation and Handling Procedures. In accordance with Article 18 of the Occupational Safety and Health Act, employees have the right to withdraw from work when encountering imminent danger. If an employee identifies an immediate hazard while performing duties, they may stop work and move to a safe location without endangering the safety of others, and must immediately report to their direct supervisor. Employers are prohibited from dismissing, transferring, withholding wages during work stoppage, or imposing any other adverse actions on such employees.

Occupational accidents at FineMat Corp. are generally categorized into two situations:

1. Accidents that must be reported:
  - i. Accident occurs → initial emergency response (notify supervisor and EHS unit) → report to competent authority within 8 hours → accident case established → issue occupational injury record to assist employee with leave and subsequent recovery of work capabilities.
2. Accidents that do not require reporting:
  - i. Accident occurs → initial emergency response (notify supervisor and EHS unit) → accident case established → issue occupational injury record to assist employee with leave and subsequent recovery of work capabilities.

## Occupational Accident Investigation Process Flowchart

Occupational Injury/Fatality Notification, Reporting & Investigation Flowchart



### 5.4.4 Occupational Health and Safety Training

FineMat Corp. provides occupational health and safety (OHS) training to ensure that all employees are familiar with relevant regulations and the company’s safety management practices. Training is tailored to job roles and legal requirements.

New employees receive 3 hours of general pre-employment safety training, with an additional 3 hours for those working with on-site chemical processes. Training completion is followed by an assessment. Employees with three or more years of service participate in 3- to 6-hour internal refresher training on health and safety, also followed by assessment.

Twice annually, all relevant personnel engage in 4-hour fire safety and emergency response drills to practice real-life scenarios. Additionally, OHS management staff, supervisors of specialized chemical operations, forklift operators, and first aid personnel attend externally provided training as required by law.

For foreign workers, training is conducted with Vietnamese interpretation, and post-training assessments are translated into Vietnamese to ensure comprehension and accurately evaluate learning outcomes.

■ Overview of Occupational Health and Safety Training in 2024

Training Category	Training Hours per Person	Number of Participants	Number of Sessions	Total Training Hours (Training Hours × Participants × Sessions)
OHS Management Training	6	1	1	6
OHS Personnel Training	12	1	1	12
First Aid Training	3	5	1	15
General Safety and Health Training	6	102	1	612
<b>Total</b>	–	109	–	645



### 5.4.5 Occupational Health Services and Promotion Activities

To protect and promote employees' physical and mental health, and in accordance with the Occupational Safety and Health Act, Labor Health Protection Regulations, and Labor Occupational Accident Insurance and Protection Act, the company provides, based on the current number of employees, 8 hours per month of on-site services by contracted occupational nurses and 8 hours per year of on-site services by contracted occupational physicians.

The company also provides maternity protection programs, health consultation seminars, on-site consultation with physical therapists, and all other health promotion services.

The services cover physiological, psychological, and human-factor aspects to take comprehensive care of employees, assess their health status, and use medical check-up data to establish a health database for classification. According to the classification system, contracted nurses carry out health interviews, provide dietary advice, and implement other promotion activities, prioritizing employees with high blood sugar, high blood pressure, high cholesterol, or other abnormal medical results.

The company also organizes employee health seminars and consultation sessions with physical therapists on an irregular basis.

During the COVID-19 pandemic, the company provided employees with free COVID-19 rapid test kits and established a contracted clinic with Xiang Jianda Clinic in Yongkang District, Tainan City, where employees could receive medical consultations without registration fees.

Each year, the company organizes an employee trip and team-building activity, allowing up to two family members of each employee to participate for free, effectively making it a family trip. This activity helps employees relieve psychological stress from daily work.

Item	Action Plan	Performance
Human-Factor Hazard Prevention Plan	<ul style="list-style-type: none"> <li>● Regularly organize free health check-ups for employees.</li> <li>● Regularly provide on-site nurse consultation services.</li> <li>● Organize employee trips, team-building meals, and Mid-Autumn Festival gatherings.</li> </ul>	On-site nurse consultation services are provided two days each month, employee health check-ups are conducted regularly, and employee trips, team-building meals, and Mid-Autumn Festival gatherings are held once a year.
Prevention Plan for Illegal Acts During Job Performance	<ul style="list-style-type: none"> <li>● Conduct sexual harassment prevention seminars.</li> <li>● Establish relevant handling procedures and provide a complaint hotline.</li> <li>● Provide support and consultation for employees affected by illegal acts.</li> </ul>	A sexual harassment prevention seminar is held once a year.
Maternal Health Protection Plan	<ul style="list-style-type: none"> <li>● Provide breastfeeding-friendly environments and facilities, such as lactation rooms equipped with refrigerators for breast milk, electric fans, and access control systems to enhance safety.</li> </ul>	Provide a safe and healthy breastfeeding environment for female employees.

## ■ Photos of Occupational Health Services and Promotion Activities



### 5.4.6 Occupational Injuries and Occupational Diseases

In addition to strictly complying with occupational safety and health regulations and ensuring adherence to the latest standards and requirements, FineMat is committed to continuously reducing hazard risks, preventing occupational accidents, and promoting employees' safety and physical and mental well-being.

Safety and health inspections and communications are conducted irregularly each day across all units. When potential hazards are identified in on-site operations, employees are notified of the risks and required to take immediate corrective actions, with the responsible personnel for the equipment or location being informed, in order to reduce the likelihood of occupational accidents.

Quarterly safety and health committee meetings are held to evaluate and review the execution performance, integrate interfaces, and facilitate communication.

Annually, each unit conducts departmental risk assessments, reviews the reasonableness of operational risks, and implements preventive and mitigation measures for high-risk operations to reduce the risks associated with such activities.

According to occupational safety and health statistics for 2022 and 2023, the Frequency Rate (FR) of lost-time injuries was 16.62 and 16.08, respectively; the Severity Rate (SR) was 108 and 112, respectively; and the Frequency-Severity Index (FSI) was 0.04 for both years. Through enhanced daily on-site inspections, regular safety, health, and traffic safety briefings, onboarding training courses, and the implementation of on-site risk assessments and corrective actions in 2024, FR, SR, and FSI have been effectively reduced.

FineMat implements continuous environmental, safety, and health improvements to establish a safe, healthy, and environmentally friendly work environment, aiming to reduce occupational injury incidents. In addition to occupational accident statistics calculated based on standard occupational injury indicators, traffic accident incidents are also recorded. In 2022 and 2023, a total of 5 traffic

accidents occurred each year, involving employees commuting to and from work or moving within the factory.

To minimize occupational accidents and traffic incidents, the company employs a tiered management system, conducts daily on-site inspections, provides regular safety, health, and traffic safety briefings, offers onboarding training courses, and enforces on-site risk assessments and corrective actions, all aimed at achieving the goal of zero accidents.

■ Occupational Injury and Illness Data for the Past Three Years

Year	Total Working Hours <sup>Note 1</sup>	Lost Days <sup>Note 2</sup>	Recordable Occupational Injuries		Serious Occupational Injury		Occupational Disease Quantity	Work-Related Fatalities <sup>Note 5</sup>
			Quantity	Recordable Injury Rate <sup>Note 3</sup>	Quantity	Recordable Injury Rate <sup>Note 4</sup>		
2022	360,824	30	2	1.10	—	—	—	—
2023	373,000	11	2	1.07	—	—	—	—
2024	321,992	3	1	0.62	—	—	—	—

**Note:**

1. Total hours actually worked by all employees: Includes all personnel except the employer (both employees and non-employee workers). Calculated as the total working days per year multiplied by the daily working hours.
2. Lost days: The number of days an injured person is temporarily unable to work. The total lost days exclude the day of injury and the day of return to work, but include all intervening days (including Sundays, holidays, or business closure days) and any full days unable to work after returning due to the injury.
3. Recordable Occupational Injury Rate = [(Number of recordable occupational injuries (injured persons + work-related fatalities) × 200,000) / Total hours worked].
4. Severe Occupational Injury Rate = [(Number of severe occupational injuries (excluding fatalities) × 200,000) / Total hours worked].
5. Includes fatalities due to occupational injuries and occupational diseases.
6. The reporting period is based on the employee headcount at the end of each year.

# Appendix 1: GRI Standards Index

Declaration of Use	Fine Mat Co., Ltd. prepares the sustainability report in accordance with the GRI Standards. The data and information scope covers January 1 to December 31, 2024.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	None

GRI Standard	Disclosure Item	Section	Page	Additional Notes
GRI 2: General Disclosures (2021)				
GRI 2 : General Disclosures (2021)	2-1 Organizational details	1.1.1 Company Profile	7	
	2-2 Entities included in the organization's sustainability reporting	About this Report	5	
	2-3 Reporting period, frequency, and contact	About this Report	5	
	2-4 Restatements of information	–	–	Not applicable
	2-5 External assurance/verification	About this Report	5	Not applicable
	2-6 Activities, value chain, and other business relationships	4.1.1 Main Products and Services	53	
	2-7 Employees	5.1.2 Workforce Structure and Diversity	60	
	2-8 Workers who are not employees	5.1.2 Workforce Structure and Diversity	60	
	2-9 Governance structure and composition	2.1.1 Company Structure and Board Composition	17	
	2-10 Nomination and selection of the highest governance body	2.1.2 Nomination and Selection of Board Members	21	

GRI Standard	Disclosure Item	Section	Page	Additional Notes
	2-11 Chair of the highest governance body	2.1.6 Sustainability Governance	29	
	2-12 Role of the highest governance body in overseeing impact management	2.1.6 Sustainability Governance	29	
	2-13 Responsibility for impact management	1.2 Corporate Sustainability Governance Framework	8	
	2-14 Role of the highest governance body in sustainability reporting	1.3 Materiality Assessment & Analysis; 2.1.6 Sustainability Governance	9; 29	
	2-15 Conflicts of interest	2.1.2 Nomination and Selection of Board Members	21	
	2-16 Communication of critical concerns	2.1.6 Sustainability Governance	29	
	2-17 Collective knowledge of the highest governance body	2.1.1 Company Structure and Board Composition	17	
	2-18 Evaluation of the highest governance body's performance	2.1.4 Performance Evaluation	25	
	2-19 Remuneration policy	2.1.5 Board and Senior Management Remuneration	28	
	2-20 Process for determining remuneration	2.1.3 Functional Committees; 2.1.5 Board and Senior Management Remuneration	22; 28	
	2-21 Total remuneration ratio for the year	—	—	Disclosure is temporarily withheld to preserve internal compensation data confidentiality and maintain workforce stability. The company strictly adheres to all local regulations regarding remuneration transparency.

GRI Standard	Disclosure Item	Section	Page	Additional Notes
	2-22 Statement on sustainable development strategy	Message from Management	4	
	2-23 Policy commitments	2.2.1 Integrity and Anti-Corruption Communication and Training	30	
	2-24 Embedding policy commitments	2.2.1 Integrity and Anti-Corruption Communication and Training	30	
	2-25 Processes to remediate negative impacts	2.2.2 Whistleblower System	31	
	2-26 Mechanisms for seeking advice and raising concerns	2.2.2 Whistleblower System	31	
	2-27 Compliance with laws and regulations	2.4 Legal Compliance	40	
	2-28 Memberships in associations	1.1.3 Participation in Associations	–	The company participates in associations
	2-29 Approach to stakeholder engagement	1.4 Stakeholder Engagement and Communication	14	
	2-30 Collective agreements	–	–	The company has no trade unions; no collective agreements signed
<b>GRI 3: Material Topics (2021)</b>				
GRI 3: Material Topics (2021)	3-1 Process for determining material topics	1.3 Materiality Assessment & Analysis	9	
	3-2 List of material topics	1.3 Materiality Assessment & Analysis	9	
	3-3 Governance management approach	2.1 Corporate Governance	16	
	3-3 Data Privacy and Cybersecurity management approach	2.4 Data Privacy and Cybersecurity	36	
	3-3 Talent attraction and retention management approach	5.2 Talent Attraction and Retention	62	

GRI Standard	Disclosure Item	Section	Page	Additional Notes
	3-3 Greenhouse gas emissions management approach	3.2 Energy and GHG Management	46	
	3-3 Product quality management approach	4.2 Product Quality Management	56	
200 Economic Indicators				
GRI 201 (2016): Economic Performance	201-1 Direct economic value generated and distributed	1.1.2 Operations and Financial Status	7	
	201-2 Financial implications and other risks and opportunities due to climate change	3.1 Climate Change Response	41	
	201-3 Defined benefit obligations and other retirement plans	5.2.3 Employee Benefits Diversity	64	
GRI 205 (2016): Anti-Corruption	205-1 Operations assessed for corruption risks	2.2.1 Integrity and Anti-Corruption Communication and Training	30	
	205-2 Communication and training on anti-corruption policies and procedures	2.2.1 Integrity and Anti-Corruption Communication and Training	30	
	205-3 Confirmed incidents of corruption and actions taken	2.2.1 Integrity and Anti-Corruption Communication and Training	30	Not applicable
300 Environmental Indicators				
GRI 302 (2016): Energy	302-1 Energy consumption within the organization	3.2.2 Energy Overview	47	
	302-3 Energy intensity	3.2.2 Energy Overview	47	
	302-4 Reduction of energy consumption	3.1.4 Indicators and Targets	45	
GRI 303 (2018): Water and Effluents	303-1 Interactions with shared water resources	3.4.1 Water Resource Risk Assessment	51	
	303-2 Management of impacts related to water discharge	3.4.3 Wastewater Management	51	

GRI Standard	Disclosure Item	Section	Page	Additional Notes
	303-3 Water withdrawal	3.4.2 Water Withdrawal and Intensity	51	
GRI 305 (2016): Emissions	305-1 Direct (Scope 1) GHG emissions	3.2.3 GHG Management	47	
	305-2 Energy indirect (Scope 2) GHG emissions	3.2.3 GHG Management	47	
	305-4 GHG emissions intensity	3.2.3 GHG Management	47	
	305-5 Reduction of GHG emissions	3.2.4 Reduction and Energy Saving Measures	48	
GRI 306 (2020): Waste	306-1 Waste generation and significant related impacts	3.3.1 Waste Management System	49	
	306-2 Management of significant impacts related to waste	3.3.1 Waste Management System	49	
	306-3 Waste generated	3.3.2 Waste Generation	50	
	306-4 Waste disposal and transfer	3.3.2 Waste Generation	50	
	306-5 Direct disposal of waste	3.3.2 Waste Generation	50	
400 Social Indicators				
GRI 401 (2016): Employment	401-1 New hires and employee turnover	5.2.1 Hiring and Resignation Status	62	GRI 401 (2016): Employment
	401-2 Benefits provided to full-time employees	5.2.3 Employee Benefits Diversity	64	
	401-3 Parental leave	5.2.4 Parental Leave	65	
GRI 402 (2016): Labor/Management Relations	402-1 Minimum notice periods regarding operational changes	5.1.3 Smooth Communication Channels	61	GRI 402 (2016): Labor/Management Relations
	403-1 Occupational health and safety management system	5.4.1 Occupational Safety and Health Policy and Management System	69	GRI 403 (2018): Occupational Health and Safety

GRI Standard	Disclosure Item	Section	Page	Additional Notes
GRI 403 (2018): Occupational Health and Safety	403-2 Hazard identification, risk assessment, and incident investigation	5.4.2 Hazard Identification and Risk Assessment Management	69	
	403-3 Occupational health services	5.4.5 Occupational Health Services and Promotion Activities	73	
	403-4 Worker participation, consultation, and communication on OH&S	5.4.1 Occupational Safety and Health Policy and Management System	69	
	403-5 Worker training on OH&S	5.4.4 Occupational Safety and Health Training	72	
	403-6 Promotion of worker health	5.4.5 Occupational Health Services and Promotion Activities	73	
	403-7 Prevention and mitigation of OH&S impacts directly linked to business relationships	5.4.3 Occupational Incident Investigation Procedures	70	
	403-9 Work-related injuries	5.4.6 Occupational Injuries and Diseases	74	
	403-10 Work-related illnesses	5.4.6 Occupational Injuries and Diseases	74	
GRI 404 (2016): Training and Education	404-1 Average hours of training per employee per year	5.3.1 Talent Development Management	67	GRI 404 (2016): Training and Education
	404-2 Programs for skills management and transition assistance	5.3.1 Talent Development Management	67	
	404-3 Percentage of employees receiving regular performance and career development reviews	5.3.2 Performance Appraisal Mechanism	67	
GRI 405 (2016): Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	2.1.1 Company Structure and Board Composition; 5.1.2 Workforce Structure and Diversity	17; 60	GRI 405 (2016): Diversity and Equal Opportunity

GRI Standard	Disclosure Item	Section	Page	Additional Notes
	405-2 Ratio of basic salary and remuneration of women to men	5.2.2 Comprehensive Compensation System	63	
GRI 406 (2016): Non-Discrimination	406-1 Incidents of discrimination and corrective actions taken	5.1.1 Promotion of Workplace Human Rights	60	GRI 406 (2016): Non-Discrimination
GRI 408 (2016): Child Labor	408-1 Significant risks for operations and suppliers regarding child labor	5.1.1 Promotion of Workplace Human Rights	60	GRI 408 (2016): Child Labor
GRI 409 (2016): Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for forced or compulsory labor	5.1.1 Promotion of Workplace Human Rights	60	GRI 409 (2016): Forced or Compulsory Labor
GRI 418 (2016): Customer Privacy	418-1 Confirmed complaints regarding breaches of customer privacy or loss of customer data	2.4.1 Information Security Management	37	GRI 418 (2016): Customer Privacy

## Appendix II: Climate-Related Information for Listed Companies

Item	Disclosure Content	Section	Page	Additional Notes
1	Describe the board and management's oversight and governance of climate-related risks and opportunities	3.1.1 Climate Governance	41	
2	Describe how identified climate risks and opportunities impact the company's business, strategy, and finances (short-term, medium-term, long-term)	3.1.3 Climate Change Response Strategy	42	
3	Describe the financial impact of extreme weather events and transition actions	3.1.3 Climate Change Response Strategy	42	
4	Describe how the identification, assessment, and management of climate risks are integrated into overall risk management	3.1.2 Climate Risk Management	41	
5	If using scenario analysis to assess resilience to climate-related risks, describe the scenarios, parameters, assumptions, analytical factors, and key financial impacts	In Planning	–	
6	If there is a transition plan to manage climate-related risks, describe the plan and the indicators and targets used to identify and manage physical and transition risks	In Planning	–	
7	If internal carbon pricing is used as a planning tool, describe the basis for setting the price	In Planning	–	
8	If climate-related targets are set, describe the activities covered, greenhouse gas emission scopes, planning period, annual progress, and if carbon offsets or renewable energy certificates (RECs) are used, indicate the source and quantity of offsets or RECs	In Planning	–	

9	Greenhouse gas inventory and assurance, reduction targets, strategies, and specific action plans	3.1.4 Indicators and Targets 3.2.3 Greenhouse Gas Management	45 47	Only inventory was conducted this year; no third-party assurance performed.
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## Appendix III: Sustainability Disclosure Indicators – Other Electronics Industry

Item	Disclosure Content	Section	Page	Additional Notes
1	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate	3.2.2 Overview of Energy Use	47	
2	Total water withdrawal and total water consumption	3.4.2 Water Withdrawal and Water Intensity	51	
3	Weight of hazardous waste generated and recycling percentage	3.3.2 Waste Generation	50	Not applicable
4	Description of occupational hazard categories, number of cases, and rates	5.4.6 Occupational Injuries and Occupational Diseases	74	Not applicable
5	Disclosure of product life cycle management: including weight of discarded products and electronic waste and recycling percentage	–	–	Not applicable
6	Description of risk management related to the use of critical materials	4.2.4 Description of Risk Management Related to Critical Materials	59	
7	Total monetary losses from legal actions related to anti-competitive behavior regulations	2.5 Legal Compliance	40	Not applicable
8	Main products by product category	4.1.1 Mai		