
KST®
K.S. TERMINALS
2025
Sustainability
Report

Table of Contents

About This Report

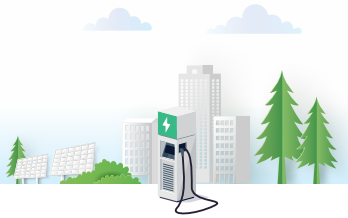
About This Report 3
Message from the Management 5
2025 Goal Achievement Status 7

01 Corporate Governance

1.1 Corporate Governance Management Guidelines 12
1.2 Company Profile 15
1.3 Board of Directors and Committees 18
1.4 Ethical Management 29
1.4.1 Internal Control System/Internal Audits 30
1.4.2 Risk Management 32
1.4.3 Information Security 34
1.4.4 Personal Data Security Protection 35
1.4.5 Customer Privacy 36
1.4.6 Legal Compliance 36
1.5 Overview of Operations 37
1.5.1 Description of the Business 37
1.5.2 Business Locations 41
1.5.3 Financial Information 42
1.6 Supplier Management 44
1.7 Social Contributions 47
1.8 Care for Stakeholders 49
1.8.1 Communication with Stakeholders and Topics of Concern 49
1.8.2 Analysis of Material Topics 54
1.8.3 Material Topics and Impact Boundaries 55

02 Environmental Management

2.1 Environmental Management Guidelines 61
2.2 Response to Climate Change 63
2.3 Green Products 69
2.4 Emissions and Energy Management 71
2.5 Pollution Control 78
2.6 Biodiversity 87



03 Workplace Inclusion

3.1 Workplace Inclusion Management Guidelines 91
3.2 Workforce Structure 93
3.3 Employee Diversity and Benefits 99
3.3.1 Employee Diversity 99
3.3.2 Employee Benefits 102
3.4 Workplace Safety and Responsibility 107
3.4.1 Employee Education and Training 107
3.4.2 Employee Health and Safety 112

04 Product Liability

4.1 Product Liability Management Guidelines 124
4.2 Safe Products 126
4.2.1 Acquisition of Safety Certifications 126
4.2.2 Introduction of Management Systems 128
4.3 Customer Service 130
4.3.1 Product Innovation and R&D 130
4.3.2 Customer Satisfaction Analysis 130
4.3.3 Communication Mechanisms 131

05 Appendix

Appendix 1: GRI Sustainability Reporting Standards (GRI Standards) Index 134
Appendix 2: United Nations Sustainable Development Goals (SDGs) Index 145
Appendix 3: Sustainability Accounting Standards Board Index 147
Appendix 4: FSC-Required Climate-Related Information of Listed Companies 150
Appendix 5: FSC Sustainability Disclosure Indicators – Electronic Components Industry 153





About This Report

Reporting Period:

The reporting period is from January 1, 2025 to December 31, 2025. To ensure comparability, some of the content traces back to 2023.

The Company's organizational scale, structure, ownership, share capital structure, and supply chain have not undergone any material changes. In terms of ownership, there have been no material changes in the shareholding of the directors. Therefore, there are no significant changes in ownership and management rights. For the shareholding of juristic-person shareholders, the shareholders will make adjustments to the number of shares held in response to market changes.

Boundary and Scope of Information in the Report:

The organizational scope covered by this report primarily includes the Taiwan operating sites of K.S. TERMINALS INC. Except where specifically indicated that the consolidated financial performance includes information from affiliates, details regarding the disclosed topics and any differences in reporting boundaries are provided in the data explanations within each section of this report.

This includes sections covering the affiliate information of CHIEN HO HSING TECHNOLOGY (SUZHOU) CO., LTD. (hereinafter referred to as the "Suzhou Factory").	1.5.1 Description of the Business, 1.6 Supplier Management, 1.7 Social Contributions, 1.8.1 Communication with Stakeholders and Topics of Concern, 2.4 Emissions and Energy Management, 2.5 Pollution Control, 2.6 Biodiversity, 3.2 Workforce Structure, 3.3.2 Employee Benefits, 3.4 Workplace Safety and Responsibility, and 4.3.2 Customer Satisfaction Analysis

Principles and Guidelines for Writing:

The content structure of this report follows the GRI Standards (2021 Edition) published by the Global Reporting Initiative (GRI) and aligns with the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies," the Task Force on Climate-Related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB) Standards, and the United Nations Sustainable Development Goals (SDGs). Although this report has not been verified by an external third-party organization, its content and data were collected and provided by the respective responsible units, compiled and

prepared by the General Administration Office, and submitted to the Sustainable Development Committee after multiple rounds of review by all departments. The Sustainable Development Committee subsequently presented the report to the Board of Directors for review. All financial data disclosed in the operating overview are derived from CPA-audited financial statements.

Restatements of information:

To ensure consistency in the reporting scope and maintain uniform data boundaries, historical data were restated and revised during 2025. Details of all restatements are disclosed and noted throughout this report.

Restated Topics	Revised Content
Wastewater/Sewage Treatment and Utilization	The statistical scope of Taiwan plants has been adjusted to consistently encompass the Changbin Xianxi Main Factory, Southern Factory II, Changbin Factory III, and Changbin Factory V. Consequently, data for 2023 and 2024 have been retrospectively restated.
Water Consumption and Recycled Water Use	The reporting scope for 2023–2025 has been unified to include the Changbin Xianxi Main Factory, Southern Factory II, Changbin Factory III, and Changbin Factory V, with historical data for 2023 and 2024 restated accordingly.

Report Publication:

The last report was published in: August 2025
This report was published in: August 2026

Contact Person:

K.S. TERMINALS INC. Sustainability Development Center
Tel.: 886-4-7580001
Email: csr@ksterminals.com.tw
Address: No. 8, Changbin East Third Road, Xianxi Township, Changhua County

Message from the Management

Dear esteemed members of society, business partners, and colleagues:

In an increasingly interconnected and rapidly changing global environment, 2025 marked a critical transition period for the manufacturing industry, moving from sustainability commitments to the realization of sustainable value. Climate action has become a global consensus, artificial intelligence is driving industrial transformation, and geopolitical developments are reshaping the global trade landscape. The world economic order is undergoing profound changes. In response to these developments, K.S. Terminals has adopted a steady yet innovative approach, actively strengthening its global operational footprint and transforming challenges into opportunities to demonstrate corporate resilience.

As Taiwan advances toward its “2050 Net-Zero Emissions” pathway, 2025 represents an important milestone. K.S. Terminals recognizes its critical role within the industrial value chain and continues to implement its ESG objectives by advancing energy conservation and carbon reduction initiatives in manufacturing processes while investing in the development of green products. In August 2025, the KST Suzhou Factory successfully obtained third-party assurance and verification for its ISO 14064 GHG inventory, marking an important milestone in the Company’s carbon management efforts. At the same time, the establishment of the India plant in 2025, combined with local sourcing resources, not only strengthened supply chain resilience but also reduced environmental impacts by shortening supply routes, creating a sustainable model that balances economic growth, environmental responsibility, and a stable supply capability.

Through the steady implementation of quality, environmental, and occupational safety and health management systems, we continue to strengthen our quality culture, fulfill our environmental responsibilities, and enhance workplace safety. These management frameworks support one another and collectively form the core foundation of K.S. Terminals’ sustainable governance, ensuring that the Company balances efficiency, responsibility, and resilience across its global operations.

K.S. Terminals upholds its core values of “Integrity, Unity, Quality, R&D, and Diligence.” Through rigorous quality management and innovative manufacturing processes, the Company continuously pushes the

boundaries of technology. In corporate governance, KST remains committed to transparent operations, safeguarding shareholders' rights and interests, and preventing operational risks through a high degree of self-discipline, thereby establishing a solid foundation for ethical corporate management.

Looking ahead, K.S. Terminals will continue to strengthen its performance across the three ESG dimensions and reinforce its international competitiveness through practical and concrete actions. We will continue to serve as a trusted long-term partner to customers, employees, and society, leveraging innovative connectivity technologies to connect a sustainable future and jointly achieve new heights of development amid an increasingly complex global landscape.



Chairman Cheng Ke-Pin

2025 Goal Achievement Status

Economic Aspect		
Material Topic	**2025 Goal**	**2025 Goal Achievement Status**
Economic Performance	▶ The market share of our products in the domestic terminal market reaches more than 26%.	✖ Unachieved. In 2025, K.S. Terminals' products accounted for approximately 22.98% of the domestic terminal market (according to the statistics of the Ministry of Economic Affairs). Improvement In 2025, the escalation of global tariff disputes and geopolitical tensions caused significant disruptions to global supply chains, resulting in substantial increases in logistics and critical material costs. Consequently, domestic market demand became more conservative, affecting short-term sales performance. In response to external uncertainties, the Company will proactively establish more resilient supply chain contingency plans and optimize dynamic inventory monitoring mechanisms to effectively address price fluctuations and logistics disruptions arising from changes in the global trade environment. We are committed to strengthening operational resilience and enhancing our ability to respond to changing conditions, thereby embedding sustainable business resilience and ensuring the continued creation of long-term value for stakeholders amid an evolving environment.
Customer Privacy and Information Security	▶ No customer complaints about violations of customer privacy are raised.	✔ Achieved. In 2025, no customer complaints about violations of customer privacy were raised.
	▶ Information system vulnerability scanning is conducted once annually.	✔ Achieved. In 2025, the Company engaged a third party to conduct one information system vulnerability scan.
Procurement Practices	▶ Domestic procurement accounted for more than 80% of total procurement expenditures.	✔ Achieved. In 2025, domestic procurement accounted for 87.29% of total procurement expenditures.
	▶ Conduct audits or evaluations for at least ten new suppliers and waste disposal companies every year.	✔ Achieved. In 2025, the Company conducted audits and evaluations for a total of 14 new suppliers.



Environmental Aspect

Material Topic	2025 Goal	2025 Goal Achievement Status
Water and Effluents	▶ The test results of wastewater discharged meet the discharge standards of the competent authority.	✅ Achieved. In 2025, the wastewater discharge quality test results of each factory met the discharge standards of the competent authority.
	▶ Save more than 500 tons of water every year through factories' water conservation management.	✅ Achieved. In 2025, the wastewater generated by the RO water purifiers in each plant was recycled and reused, saving about 1,044 tons of water per year.
Emissions	▶ Waste recycling rate above 70%	✅ Achieved. Waste recycling rate in 2025: 98.63%.
Energy	▶ Save more than 80,000 kWh of electricity every year through various power-saving measures.	✅ Achieved. In 2025, all Taiwan facilities collectively saved 164,228 kWh of electricity, equivalent to 77.8441 tons of CO_2e carbon reduction.

Social Aspect

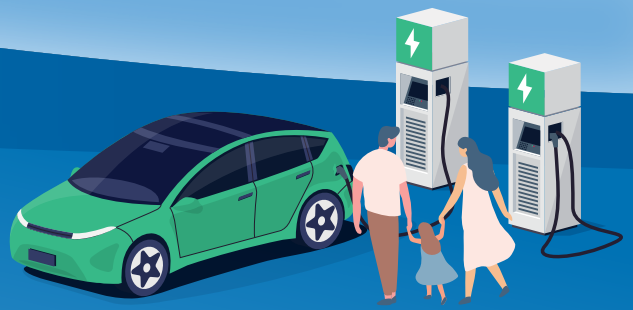
Material Topic	2025 Goal	2025 Goal Achievement Status
Employee Diversity and Equality	The employment ratio of persons with disabilities complies with applicable regulatory requirements.	✅ Achieved. In 2025, persons with disabilities accounted for 1.05% of the workforce, in compliance with the regulatory requirement of 1%.
Product Responsibility and Customer Safety	The expenses regularly invested in product safety certification and RoHS and REACH hazardous substance testing amount to more than NTD 10 million.	✅ Achieved. In 2025, the expenses invested in product safety certification and RoHS and REACH hazardous substance testing amounted to more than NTD 23.67 million.

Social Aspect		
Material Topic	**2025 Goal**	**2025 Goal Achievement Status**
Innovative Products and Services	▶ The annual R&D expenditure accounts for more than 3% of the annual revenue.	✔ Achieved. In 2025, R&D expenses accounted for 4.85% of the annual revenue.
	▶ No cases of noncompliance with health and safety regulations involving the Company's products occurred.	✔ Achieved. No cases of noncompliance with health and safety regulations involving the Company's products occurred in 2025.
Occupational Safety and Health	▶ In accordance with the "Occupational Health Protection Rules," on-site services provided by a contracted occupational medicine specialist were implemented at a frequency of once per month, totaling 12 visits throughout the year.	✔ Achieved. In 2025, on-site services provided by an occupational medicine specialist were conducted once per month, totaling 12 visits throughout the year and serving 150 employee visits.
	▶ No major disabilities or work-related injuries occurred.	✔ Achieved. No major workplace injury incidents occurred in 2025.

01

Corporate Governance

1.1 Corporate Governance Management Guidelines
1.2 Company Profile
1.3 Board of Directors and Committees
1.4 Ethical Management
1.5 Overview of Operations
1.6 Supplier Management
1.7 Social Contributions
1.8 Care for Stakeholders



Domestic Market Share

22.98%

In 2025, the Company's products accounted for approximately 22.98% of the domestic terminal market.

Domestic Procurement Ratio

87.29%

In 2025, the Company's domestic procurement amount was NTD 1.25 billion, accounting for approximately 87.29% of the total procurement amount.

Stakeholders

8 Types

Eight major types of stakeholders are identified with reference to the stakeholder groups in the ESG reports of peers.

Sustainability Issues

3

Based on the sustainability issues in the three major aspects – economy, environment, and society – from the GRI Standards, we incorporate international issues of concern and standards and compile a list of issues of concern, and then the stakeholder representative team puts together a preliminary list of topics of concern.

Material Topic

10

In 2025, 10 material topics were identified through analysis.



1.1 Corporate Governance Management Guidelines

Relevant Material Topics	Economic Performance, Customer Privacy and Information Security, and Procurement Practices
Significance and Purpose	1. K.S. Terminals is committed to enhancing economic performance to ensure stable corporate growth and sustainable operations. Through prudent financial management, we enhance shareholder value and ensure the Company can continuously invest in innovation and sustainable development. 2. Information security represents a critical component of business operations, requiring assurance of customer and corporate data security to maintain corporate reputation and customer privacy while reducing potential risks. 3. Procurement practices are a core pillar of ESG implementation. To build a sustainable value chain, KST must ensure that suppliers meet the Company's high standards in environmental protection, social responsibility, and product quality.
Management Strategy	1. Continuously enhance product market share to ensure competitive advantage through prudent financial management, guaranteeing stable enterprise development. 2. Establish information security management systems to ensure data security and privacy protection, and conduct regular security audits and risk assessments to reduce information security risks. 3. Establish a supplier evaluation mechanism to ensure compliance with ESG sustainability standards related to environmental protection and quality, and build a stable, efficient, and resilient responsible supply chain through the development of long-term collaborative partnerships.
Impact and Influences	1. Robust financial performance ensures long-term corporate competitiveness and enhances shareholder value. Poor financial management may result in liquidity issues, affecting business operations. 2. Strengthening information security reduces enterprise data breach risks and protects customer and corporate confidential information. Poor enterprise information security management may result in reputational damage and potential legal liability. 3. Implementing sustainable procurement helps ensure product quality and delivery efficiency, enhances customer trust, and creates positive environmental and social value. Conversely, if suppliers fail to meet environmental or social responsibility standards, it may result in supply chain disruptions, quality deficiencies, and even expose the Company to reputational damage and legal liability.

Commitments and Goals

Short-Term Goals

- The market share of our products in the domestic terminal market reaches more than 25%.
- No cases involving material fines were incurred.
- No complaints regarding personal privacy violations occurred.
- Information system vulnerability scanning is conducted once annually.
- Domestic procurement accounted for more than 80% of total procurement expenditures.

Medium- and Long-Term Goals

- Quality goal: Adhere to product quality and ensure product safety and reliability.
- Cost goal: Control operating and production costs and make reasonable profits.
- Delivery goal: Provide customers with fast delivery and professional product technology.
- Compliance goal: Comply with the laws and regulations and establish a sound corporate governance structure.

Responsible Unit

Board of Directors, President's Office, Auditing Office, General Management Office, Legal Affairs Office, Finance Department, and Information Technology Office

Management System

External systems: The Company Act, Rules Governing Information Filing by Companies with Listed Securities, and Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.

Internal systems: The Rules of Procedures for Board Meetings, Monthly Marketing Meeting Agenda, Corporate Governance Best-Practice Principles, Business Plan Management Rules, Compliance Management Regulations, Goal Management Regulations, Management Regulations for Strategies and Risks, Information Security Management Regulations, Personal Data Security Maintenance Procedures, Regulations for the Evaluation of New Suppliers, Regulations for Regular Supplier Evaluations, Regulations for Procurement Management, and Sustainable Management Committee Regulations.

Evaluation Mechanism

1. Hold regular Board meetings to discuss major decisions and review the Company's financial statements.
2. Convene monthly marketing and sales meetings to track the achievement status of various sales indicators and the progress of marketing projects.
3. Convene regular production and sales meetings to track various production conditions and the progress of any improvement projects.
4. Identify regulatory updates and revise and implement internal systems.

Commitments and Goals

Evaluation Mechanism	5. Conduct regulatory identification and issue legal change reports on a monthly basis, and report the legal compliance status to the Board of Directors every six months. 6. Require suppliers and contractors to comply with relevant regulations concerning environmental protection, occupational safety and health, and labor and human rights issues. Suppliers are also required to sign the Supplier Social Responsibility Commitment Letter and complete evaluations based on the Supplier Social Responsibility and Compliance Self-Assessment Form. 7. Engage professional third-party institutions to conduct information security health checks to continuously maintain the latest and most effective information protection capabilities.
Preventive and Remedial Measures	1. The Company regularly discusses production, sales, and market conditions, and also reviews performance and sets goals periodically. The latest operating performance is reported to the Board of Directors. 2. The Company implements preventive measures through multi-layered technical defenses, third-party penetration testing, and strict access control management. These measures are complemented by post-incident response mechanisms, including automated isolation and alert systems, semiannual disaster recovery drills, and information security incident response procedures, to comprehensively safeguard customer privacy and enhance the operational resilience of information systems. 3. The Company regularly evaluates suppliers on quality, delivery performance, environmental protection, occupational safety and health, and labor and human rights practices. Suppliers receiving lower scores or demonstrating deficiencies in occupational safety management are subject to corrective action requirements within a specified timeframe and follow-up on-site reassessments. If a supplier fails the reassessment or refuses to cooperate, the Company may reduce procurement volumes or terminate the business relationship, depending on the severity of the circumstances, thereby strengthening responsible supply chain risk management and quality assurance.

1.2 Company Profile

Basic Information of the Company

Company Name
K.S. TERMINALS INC.

Headquarters Address
No. 8, East Third Road, Changhua Binhai Industrial Zone, Xianxi Township, Changhua County, Taiwan

Market Category
Listed company

Stock Code
3003

Industry Category
Electronic parts and components

Chairman
Cheng Ke-Pin

Vice Chairman
Cheng Yu-Liang

General Manager
Cheng Chieh-Yuan

Establishment Date
1978/02/10

Listing Date
2002/02/19

Paid-in Capital
NT$1,556,548,900

Main Business Activities
1. **Manufacturing, processing, trading, and domestic/export sales of various terminals and connectors**
2. **Manufacturing, processing, trading, and domestic/foreign sales of terminal-related plastic products**
3. **Manufacturing, processing, trading, and domestic/foreign sales of wiring devices**

Number of Employees
761 people in Taiwan and 389 people overseas (as of December 31, 2025) (including local and foreign employees)



Company History in Recent Years

1978~
Established "K.S. TERMINALS INC." with capital increased to NTD 1,000 thousand.

2014
January: Established the wholly owned subsidiary IFCHIC INC. in the US.
July: Established the wholly owned subsidiary K.S.T. EUROPE B.V. in the Netherlands.

2015
May: Subscribed to 10% of the equity of Draco K held by TAI RUEY ELECTRICAL INDUSTRIES CO., LTD.
May: Canceled investment in the wholly owned subsidiary K.S.T K.S.TERMINALS (HONG KONG) LTD.
June: Two independent directors began their service on the Board.
October: Established the wholly owned subsidiary K.S.TERMINALS (ASIA) CO., LTD. in Thailand through the subsidiary K.S.T. INTERNATIONAL HOLDINGS LTD.

2016
February: Established the wholly owned subsidiary K.S. TERMINALS (VIETNAM) CO., LTD in Vietnam.
June: Established the wholly owned subsidiary PT. KSTERMINALS TECHNOLOGY INDONESIA in Indonesia.
November: Issued its first CSR report voluntarily.
December: Disposed of all of its 17.5% equity in FUTURETOWN INC.

2017
August: Changbin Factory III attained the ISO 9001 international standard certification.
November: The Changbin Xianxi Factory acquired a TS16949 extension certificate for power modules and wiring harness products.

2018
March: Canceled investment in the wholly owned subsidiary K.S.T. EUROPE B.V.
September: Established the wholly owned subsidiary CHIEN HO HSING ELECTRONICS TECHNOLOGY (QIDONG) CO., LTD.
November: The official operation of the "R&D Center Building" began.

2019

October: Awarded the "5th Potential Taiwan Mittelstand Award."

2020

December: Official operation began for the newly built automated storage equipment and system at "Changbin Factory III."

2021

The CCS2 charging gun product series obtained IEC 62196 (TUV) certification.

CHIEN HO HSING TECHNOLOGY (SUZHOU) CO., LTD. established the wholly owned subsidiary Foshan Branch.

2022

July: Invested in Yangde Technology Co., Ltd. and acquired 35% of its shares.

November: Subscribed to 10% of the equity of HONLEY AUTO. PARTS CO., LTD. held by Changchun Engley Automobile Industry Co., Ltd., with the accumulated percentage of shareholding reaching 25%.

2023

March: Purchased warehouses in Japan and land located at the Lunwei Metal Surface Treatment Area.

May: Appointed a chief corporate governance officer.

July: The Changbin Xianxi Factory was certified with the ISO 45001 occupational safety and health management system.

November: Appointed a dedicated information security supervisor and information security personnel.

2024

January: Invested in Thailand to establish the 100% owned subsidiary K.S. TERMINALS TECHNOLOGY (THAILAND) CO., LTD.

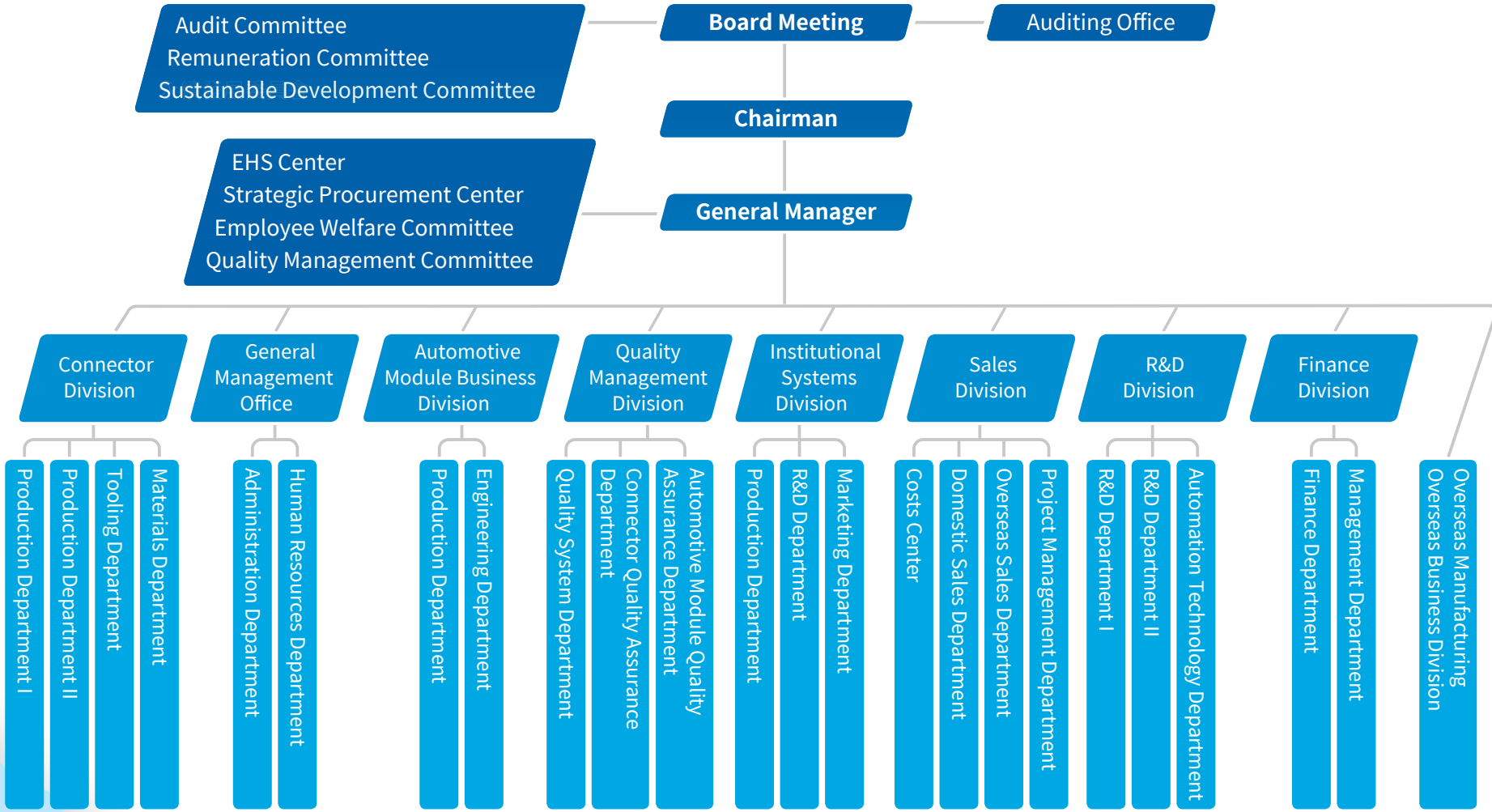
August: Invested in India to establish the 70% owned subsidiary K.S. TERMINALS (INDIA) PRIVATE LIMITED.

2025

May: Invested in KST TERMINALS (INDIA) MANUFACTURING PRIVATE LIMITED, with a 100% shareholding interest.

1.3 Board of Directors and Committees

Governance Organization



Diversity of the Board of Directors

The Company's Board of Directors serves as the highest governance body, comprising 9 members, including 5 directors (executive directors) and 4 independent directors (non-executive directors). The 9 directors are elected by the shareholders' meeting in accordance with the law. In compliance with Article 14-2 of the Securities and Exchange Act, 4 independent directors are appointed among the director positions, using a candidate nomination system whereby the shareholders' meeting selects from a list of independent director candidates. Among the 9 directors, 8 are male and 1 is female, with 3 directors aged 30–50 years and 6 directors over 50 years of age.

In order to implement the Board diversity policy, besides the founder's family members, we have selected candidates of good moral standing, industry experience, and strong professional backgrounds as directors based on the principle of merit in order to strengthen the diversity and structure of the Board.

Title	Name	Gender	Academic Background	Major Experience
Chairman	Cheng Ke-Pin	Male	Junior High School	Chairman, K.S. TERMINALS INC.
Director	Cheng Yu-Liang	Male	Elementary School	Vice Chairman of K.S. TERMINALS INC.
Director	Cheng I-Tien	Male	British Columbia Institute of Technology, Canada	K.S. TERMINALS INC. Project Manager
Director	Cheng Chieh-Yuan	Male	Tokyo University of Information Sciences, Information Science Department	K.S. Terminals Inc. President
Director	Cheng Wen-Shuo	Male	University of British Columbia, Economics Department	K.S. Terminals Inc. Sales Division Manager
Independent Director	Lee Yi-Lung	Male	PhD, Institute of Electrical Engineering, Changhua Normal University	Chairman, TERA AUTOTECH CORPORATION Adjunct Professor of the Department of Electrical Engineering, Changhua Normal University

Title	Name	Gender	Academic Background	Major Experience
Independent Director	Chen Mao-Tang	Male	National Taiwan University, Mechanical Engineering, Bachelor's Degree Technical University of Berlin, Germany, Graduate	Principal of Bailin Business Consulting Co., Ltd., General Manager of Hengtai Company, and Engineer and Capacity Management Supervisor at Berlin Company, Germany
Independent Director	Hsu Ching-Tao	Male	Feng Chia University, Accounting Department, Bachelor's Degree	President Securities Corporation, Senior Manager
Independent Director	Wu Mei-Yuan	Female	National Chung Hsing University, Accounting Department, Bachelor's Degree	KGI Securities Co., Ltd., Capital Markets Associate Vice President

Remarks: The Company's Chairman does not concurrently serve as President or in any other senior management positions.

Professional knowledge and independence of directors and Audit Committee members:

Qualifications / Name	Professional Qualification and Experience	State of Independence	Number of Public Companies in Which the Director or Supervisor Concurrently Serves as an Independent Director
Cheng Ke-Pin	Possesses the commercial, legal, financial, and accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act.	N/A	None
Cheng Yu-Liang	Possesses the commercial, legal, financial, and accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act.	N/A	None

Qualifications / Name	Professional Qualification and Experience	State of Independence	Number of Public Companies in Which the Director or Supervisor Concurrently Serves as an Independent Director
Cheng I-Tien	Possesses the commercial, legal, financial, and accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act.	N/A	None
Cheng Chieh-Yuan	Possesses the commercial, legal, financial, and accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act.	N/A	None
Cheng Wen-Shuo	Possesses the commercial, legal, financial, and accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act.	N/A	None
Lee Yi-Lung	Possesses the commercial, legal, financial, and accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act. Experience: Chairman of TERA AUTOTECH CORPORATION, Adjunct Professor of the Department of Electrical Engineering, Changhua Normal University	▶ Independent Director of the Company, meeting the independence criteria. ▶ The independent director, his/her spouse, or relatives within the second degree of kinship do not concurrently serve as a director, supervisor, or employee of the Company or its affiliates; do not hold any shares of the Company; nor do they serve as a director, supervisor, or employee of a company with which the Company has a specific relationship. ▶ Remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates in the most recent two years.	None

Qualifications / Name	Professional Qualification and Experience	State of Independence	Number of Public Companies in Which the Director or Supervisor Concurrently Serves as an Independent Director
Chen Mao-Tang	Possesses the commercial, legal, financial, and accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act. Experience: Principal of Bailin Business Consulting Co., Ltd., Remuneration Committee Member of K.S. Terminals Inc., General Manager of Hengtai Company, and Engineer and Capacity Management Supervisor at Berlin Company, Germany	▶ Independent Director of the Company, meeting the independence criteria. ▶ The independent director, his/her spouse, or relatives within the second degree of kinship do not concurrently serve as a director, supervisor, or employee of the Company or its affiliates; do not hold any shares of the Company; nor do they serve as a director, supervisor, or employee of a company with which the Company has a specific relationship. ▶ Remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates in the most recent two years.	1
Hsu Ching-Tao	Possesses the commercial, legal, financial, and accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act. Experience: Senior Manager at President Securities Corporation, Supervisor of K.S. Terminals Inc.	▶ Independent Director of the Company, meeting the independence criteria. ▶ The independent director, his/her spouse, or relatives within the second degree of kinship do not concurrently serve as a director, supervisor, or employee of the Company or its affiliates; do not hold any shares of the Company; nor do they serve as a director, supervisor, or employee of a company with which the Company has a specific relationship. ▶ Remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates in the most recent two years.	None
Wu Mei-Yuan	Possesses the commercial, legal, financial, and accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act. Experience: Capital Markets Associate Vice President at KGI Securities Co., Ltd.	▶ Independent Director of the Company, meeting the independence criteria. ▶ The independent director, his/her spouse, or relatives within the second degree of kinship do not concurrently serve as a director, supervisor, or employee of the Company or its affiliates; do not hold any shares of the Company; nor do they serve as a director, supervisor, or employee of a company with which the Company has a specific relationship. ▶ Remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates in the most recent two years.	2

The term of office of directors is three years according to the Articles of Incorporation. The term of office of the directors for the ninth term is from June 6, 2024 to June 5, 2027. All new directors are required to sign the "Letter of consent to act as Director" and comply with Article 23 of the Company Act, which requires them to faithfully carry out their duties and exercise the duty of care of a good administrator.

Their responsibilities include appointing and supervising the Company's management, taking charge of the Company's overall operations, maximizing shareholders' rights and interests, being accountable to the shareholders' meeting, ensuring that their powers are exercised in accordance with the laws and regulations, the Company's Articles of Incorporation, and the resolutions of shareholders' meetings, and securing the effective implementation of the corporate governance system.

The Board of Directors convenes at least once a quarter. A total of five Board meetings were convened in 2025. Under the Chairman, there is a General Manager who is responsible for guiding the Company in maintaining a good corporate structure and stable operations, ensuring good communication between the management and the Board of Directors, and implementing the strategic guidance and business operations of the Board of Directors to create maximum benefits for all shareholders.

For the members of the Board of Directors and relevant background information, please refer to the "Investors" section on the Company's website and the annual report.

Board Core Competencies and Sustainability Training

To implement sustainable governance and enhance the Board of Directors' ability to respond to emerging environmental, social, and governance (ESG) risks, the Company's directors actively participate in core sustainability-related training programs each year. The training covers topics such as climate change (including net-zero emission trends), corporate governance, human rights, and social responsibility, enabling directors to effectively fulfill their decision-making, leadership, and supervisory responsibilities.

For the details of the directors' annual continuing education, please refer to the "Continuing Education of Directors and Supervisors" section on the MOPS.

Election of Directors

The registered cumulative voting method shall be adopted for the election of the Company's directors. Each share shall have a number of voting rights equal to the number of directors to be elected. Votes may be cast for a single candidate or divided among several candidates. The candidates with votes representing higher numbers of voting rights are elected as directors. If two or more candidates receive the same number of voting rights and the specified number of directors to be elected will be exceeded, the persons or the chair (if the persons are absent) shall draw lots to determine the winner.

Candidates who are concurrently elected as directors under the preceding paragraph shall serve as directors at their own discretion. If the information of an elected director is found to be inconsistent or if the director is determined

to be unsuitable according to the related laws and regulations, the vacant position shall be filled by the candidate with the second highest number of votes, and so on.

Election of Independent Directors

When the Company elects independent directors, the candidate nomination system shall be adopted in accordance with Article 192-1 of the Company Act, and the independent directors shall be elected by shareholders from the list of independent director candidates. In the election of directors of the Company, independent directors and non-independent directors shall be elected together, and the number of directors and independent directors to be elected shall be calculated separately.

Committees

Audit Committee

The Company approved the establishment of the Audit Committee on June 12, 2018. The Audit Committee consists of four independent directors (including one chairperson). The Audit Committee holds regular meetings, and CPAs, the chief auditor, and relevant officers are invited to attend as necessary. The Audit Committee regularly evaluates the Company's internal control system, internal auditors, and their audit results; periodically reviews quarterly financial statements; discusses and exchanges opinions on other relevant matters required by the laws and regulations; and conducts independent reviews on the appointment of CPAs and the audit and non-audit services they provide.

The Audit Committee held a total of five meetings in 2025, with an attendance rate of 100% (including proxy attendance).

For detailed information, please refer to the "Investor Relations" section of the Company's website.

Remuneration Committee

In order to continuously strengthen corporate governance and align with international standards, the Company set up the "Remuneration Committee" in December 2011. Authorized by the Board of Directors to supervise, review, and formulate the Company's overall remuneration policy and plan, the committee also regularly evaluates and determines the remuneration of directors and managers. Currently, remuneration policy and performance metrics have not yet been linked to the Company's sustainability performance.

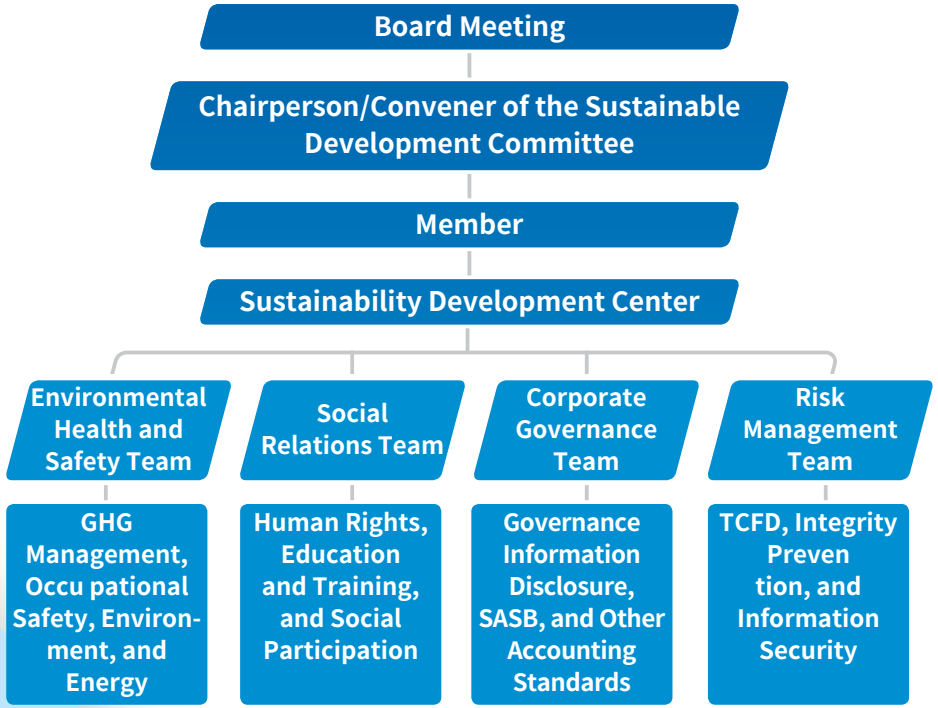
The Remuneration Committee consists of four members – four independent directors – all of whom have more than five years of work experience and relevant qualifications, which is sufficient to maintain the independence, professionalism, and impartiality of the Remuneration Committee.

The Remuneration Committee held a total of three meetings in 2025, with an attendance rate of 100%.

For detailed information, please refer to the "Investor Relations" section of the Company's website.

Sustainable Development Committee

To strengthen its sustainable governance framework and implement the core values of ethical corporate management, the Company formally established the Sustainable Development Committee under the Board of Directors following a Board resolution passed on December 18, 2025. The Committee serves as the Company's highest supervisory body for promoting sustainable development and ethical corporate management, and it is responsible for approving and monitoring policies, objectives, and implementation performance related to environmental, social, and governance matters.



I. Organizational Structure and Delegation of Responsibilities and Authority

The Committee consists of three members appointed by resolution of the Board of Directors. All members possess professional knowledge and expertise in corporate sustainability, and the Committee includes at least one director. To ensure that strategic decisions are effectively translated into concrete actions, the Company has established a clearly defined framework for the delegation of responsibilities and management authority:

- **Strategic Decision-Making and Supervision Level (Committee):** Acting with the duty of care of a prudent manager, the Committee is responsible for formulating the Company's sustainable development policies, reviewing responsibilities related to the Task Force on Climate-Related Financial Disclosures (TCFD), and leading the development of ethical corporate management policies and risk prevention measures.
- **Management and Planning Level (Sustainable Development Center):** The Committee has established a Sustainable Development Center as its execution hub, responsible for implementing plans approved by the Committee, coordinating and advancing sustainability-related initiatives, and serving as the communication and coordination platform across departments.
- **Functional Execution Level (Cross-Departmental Executive Team):** Based on professional expertise and operational requirements, four functional task forces composed of relevant departments have been

established to implement specific action plans and regularly report execution results: ：

- **Environmental Health and Safety Team:** Responsible for GHG management, occupational safety and health, energy management, and environmental protection matters.
- **Social Relations Team:** Responsible for implementing human rights policies, promoting employee development, education, and training, and advancing diversified social engagement initiatives.
- **Corporate Governance Team:** Responsible for transparent information disclosure and ensuring compliance with the Sustainability Accounting Standards Board (SASB) Standards and other international governance standards.
- **Risk Management Team:** Responsible for the identification and management of climate-related risks and opportunities, the implementation and oversight of information security protection measures, and the supervision of ethical corporate management practices.

II. Supervisory Responsibility and Performance Management

The Committee convenes at least one regular meeting annually and may hold additional meetings whenever necessary. The Committee is responsible for overseeing the progress of the Sustainable Development Center and the cross-functional task forces. Through established reporting and follow-up mechanisms, it ensures that the implementation results of sustainability initiatives are aligned with the annual objectives approved by the Board of Directors and regularly reports progress and recommendations to the Board of Directors. In addition, the Committee is provided with the resources necessary to perform its duties and may engage external professionals to provide consultation services as needed, thereby maintaining the independence and professionalism of its oversight functions.

III. Review and Approval of the Sustainability Report

To enhance the accuracy and reliability of sustainability information disclosure, the Committee assumes ultimate responsibility for overseeing the sustainability report preparation process. The specific scope of responsibilities includes:

- **Materiality Management:** Provide guidance on the identification of stakeholder concerns, the design of communication mechanisms, and the materiality assessment process.
- **Quality of Information Disclosure:** Review material information disclosed in the annual report, the Company's website, and the sustainability report to ensure compliance with international standards and maintain timeliness, accuracy, and consistency.
- **Review and Approval:** Relevant disclosures, reports, and results shall be reviewed and approved by the Committee before being submitted to the Board of Directors for final approval and official release.

For detailed information, please refer to the "Investor Relations" section of the Company's website.

Avoidance of Conflicts of Interest

Article 15 of the Company's "Rules of Procedures for Board Meetings" of the "Procedures for Internal Control" expressly stipulates that directors who have a stake in a meeting agenda themselves, or the juristic person they represent, shall explain the important contents of such a stake during the current board meeting. The directors shall recuse themselves and not participate in the discussion and voting when the stake is likely to harm the Company's interests, and shall not exercise voting rights on behalf of other directors. Furthermore, the Company has appointed independent directors with professional detachment. From an objective and fair standpoint, the independent directors use their professionalism and experience to make suggestions in the determination of the Company's strategies. When the Board of Directors is discussing any proposal, the opinions of the independent directors shall be fully taken into account, and their reasons or comments of approval or disapproval shall be recorded in the meeting minutes in order to effectively protect the Company's interests while avoiding conflicts of interest. In addition, no member of the Company's Board of Directors has cross-shareholdings with major suppliers. There was no recusal of directors due to conflicts of interest in 2025.

Performance Evaluation of the Board

In a bid to build a robust Board governance system and improve and strengthen its supervisory and management functions, the Company established and approved the "Rules for Performance Evaluations of the Board of Directors" on August 9, 2019.

The Board of Directors' implementation of the performance evaluation is as follows:

Evaluation Frequency	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Once a Year	2025.01.01 ~ 2025.12.31	Board of Directors, Board Members, and Functional Committees	Internal self-evaluation	**Board performance evaluation includes five major aspects:** A. Participation in the Operation of the Company B. Quality of the Board of Directors' Decision-Making C. Composition and Structure of the Board of Directors D. Election and Continuing Education of the Directors E. Internal Control
Once a Year	2025.01.01 ~ 2025.12.31	Board of Directors, Board Members, and Functional Committees	Internal self-evaluation	**Board member performance evaluation includes six major aspects:** A. Understanding of the Goals and Mission of the Company B. Awareness of the Duties of a Director C. Participation in the Operation of the Company

Evaluation Frequency	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
				D. Management of Internal Relationships and Communication E. Director's Professionalism and Continuing Education F. Internal Control
Once a Year	2025.01.01 ~ 2025.12.31	Board of Directors, Board Members, and Functional Committees	Internal self-evaluation	**Functional committee performance evaluation includes five major aspects:** A. Participation in the Operation of the Company B. Awareness of Functional Committees' Responsibilities C. Functional Committees' Decision-making Quality D. Composition of Functional Committees and Selection of Members E. Internal Control

The 2025 Board of Directors performance evaluation was completed before the end of 2025, with results rated as excellent.

Investor Services

The Company has set up a spokesperson system to disseminate and publish the Company's financial and important information through the Company's website. An investor email address is also set up, and dedicated personnel are appointed to handle shareholders' suggestions and questions.

Spokesperson	Tseng Yu-Chin
Title	Chief Financial Officer
Tel.	04-7580001
Email	yuchin @ksterminals.com.tw
Deputy Spokesperson	Huang Shu-Wen
Title	Deputy Chief Financial Officer
Tel.	04-7580001
Email	shuwen @ksterminals.com.tw

We always insist on transparent operations, pay attention to the rights and interests of all stakeholders, and believe that a sound and efficient Board of Directors is the foundation of good corporate governance. Based on this principle, the Company's Board of Directors established the Remuneration Committee and appointed the General Manager to chair and promote the Occupational Safety and Health Committee, the Quality Management Committee, the Employee Welfare Committee, etc., to assist the Board of Directors in performing its supervisory duties.

In 2025, K.S. TERMINALS INC.'s "Sustainability Report" was issued after being reviewed and approved by the Board of Directors.

1.4 Ethical Management

The Company engages in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. To implement the ethical management policy, the Company's personnel, including directors, managers, employees, and persons having substantial control over the Company, are prohibited from, directly or indirectly, offering, accepting, promising, or requesting any improper benefits when performing their duties. We have established the "Ethical Corporate Management Best-Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct." To demonstrate our commitment to ethical management, we set an example from top to bottom by requiring directors, managers, employees, and substantial controllers to participate in relevant education, training, and promotion activities from time to time, so that they can fully understand the laws and regulations of the government, the Company's policies, control procedures, and the consequences of violating the principle of integrity.

In 2025, education, training, and awareness programs were conducted for 36 newly hired employees and as part of the annual training program for managers and all employees, reaching a total of 642 participant attendances.

Corruption Prevention

The Company actively prevents employees from engaging in unethical and illegal conduct through systematic audits, internal audits, and complaint reporting. The Auditing Office supervises and implements related operations and makes reports to the Board of Directors on a regular basis. Upon discovery or receipt of a report of unethical conduct by personnel of the Company, the Company will request that the perpetrator cease the conduct once the relevant facts are ascertained, and seek compensation for damages through legal procedures if necessary. The Company will also instruct the relevant units to review the internal control system and operating procedures, propose improvement measures, and report to the Board of Directors to prevent the recurrence of similar conduct.

The Company has both electronic and physical "complaint mailboxes." If employees discover any improper behavior or any violation of the code of ethics, they can report it through the above channels, and the related cases are directly handled by the General Manager's Office. No reports or cases of corruption were received or substantiated through the Company's complaint and whistleblowing mailbox in 2025.

1.4.1 Internal Control System/Internal Audits

The Company's audit and internal control organization and its duties:

1. Internal audit organization: The Company's internal audit department is subordinate to the Board of Directors.
2. Internal audit staff: Three persons in total, including the chief auditor and an auditor.
3. Basis of internal audits: Internal audits are conducted mainly according to the audit plan approved by the Board of Directors. The audit plan is formulated based on risk assessment results. Project audits or reviews may be conducted as necessary.

Audit Flowchart

1. Present the audit plan for the following year to the Board of Directors before the end of December each year
2. Execute the audit work according to the audit plan
3. The audited unit proposes measures for improvement according to audit improvement suggestions
4. Complete an audit report and submit it to the General Manager and the Chairman for approval
5. Submit the audit report to each independent director
6. Report to the Board of Directors on the implementation of the audit plan

4. Internal audit organization's duties: The organization is responsible for auditing the Company's business, finance, and operational status; analyzing anomalies; providing improvement suggestions in a timely manner; performing regular inventory of the Company's asset safety; assisting the management in ensuring compliance with the Company's internal rules and regulations; inspecting and assessing the appropriateness of the internal control system; and supervising its effective implementation.
5. The Statement of Internal Control System must be uploaded to the website designated by the FSC by the end of March after the end of each fiscal year, and published in the annual report and prospectus.
6. The Company has established operational procedures for various internal control cycles and incorporated them into its internal control system.



Statement of Internal Control System

Statement of Internal Control System
Showing both the design and execution are effective.
(This Statement is applicable to all legal statements.)

K.S. TERMINALS INC.

Statement of Internal Control System

Date: March 12, 2026

We make the following statement based on the results of the self-inspection of the internal control system in 2025:

I. We acknowledge that the Board of Directors and managers are responsible for the establishment, operation, and maintenance of the internal control system. We have established such a system. The system's purpose is to provide reasonable assurance for the achievement of the objectives concerning the effectiveness and efficiency of operations (including profits, performance, and the protection of asset security); the reliability, timeliness, transparency, and regulatory compliance of reporting; and compliance with the applicable laws, regulations, and bylaws.

II. Any internal control system has its inherent limitations. No matter how well an internal control system is designed, it can only provide reasonable assurance for achieving the above three objectives. Moreover, the effectiveness of an internal control system may vary as a result of changes in the environment and circumstances. However, our internal control system has a self-monitoring mechanism, and we take corrective actions immediately once a nonconformity is identified.

III. We judge the design and operation of the internal control system for their effectiveness with reference to the items to be judged for the effectiveness of the internal control system specified in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The judgment items of the internal control system adopted in the Regulations are divided into the following five constituent elements according to the management control process: 1. control environment; 2. risk assessment; 3. control operations; 4. information and communications; and 5. monitoring operations. Each constituent element contains a number of items. Please refer to the provisions of the abovementioned Regulations.

IV. We have adopted the judgment items of the internal control system to assess the effectiveness of the design and implementation of the internal control system.

V. Based on the results of the abovementioned assessment, we confirm that our internal control system as of December 31, 2025 (including the monitoring and management of subsidiaries) was effective in terms of its design and operation with respect to understanding the effectiveness and efficiency of operations; the reliability, timeliness, transparency, and regulatory compliance of reporting; and the compliance with the applicable laws, regulations, and bylaws in order to reasonably ensure that these objectives are achieved.

VI. This Statement will be a major part of our annual reports and prospectuses and will be open to the public. If there is any misrepresentation, nondisclosure, or other illegality in the contents open to the public referred to above, the legal responsibility specified in Articles 20, 32, 171, and 174 of the Securities and Exchange Act shall apply.

VII. The Statement was approved by the Board of Directors at the meeting held on March 12, 2026. None of the 9 directors present expressed any dissent and all of them agreed with the Statement. This information is declared as an addition.

K.S. TERMINALS INC.

Chairman: Signature

General Manager: Signature

1.4.2 Risk Management

The Board of Directors and the top executives of all departments are the top personnel in charge of the supervision and control of various risks and must maintain control over all risk operations at all times. The Company has established an Auditing Office to formulate an annual audit plan every year to inspect and assess the implementation of risk management in each department and provide improvement suggestions in a timely manner to ensure the effective implementation of the risk management system. In the future, we will gather our years of experience in risk management and introduce appropriate external risk management practices to continuously improve the existing supervisory mechanism, strengthen the overall system, and implement risk management in every aspect of corporate operations. In addition, the Company also attaches great importance to the emergency response to risks. We have improved various preparedness and recovery mechanisms and implemented emergency response drills for the organization and personnel in order to cope with major risks that may cause business interruptions.

We always adhere to the principle of righteousness and fairness in industrial competition, and refrain from any joint price fixing, anti-trust behavior, and boycotts of specific suppliers. The Company strictly complies with the transaction laws and regulations of countries, and did not violate any antitrust laws or engage in a joint monopoly in 2025.



Risk Management

Internal control/internal auditing

Financial Risk Control:
- Periodic review and collection of accounts receivable
- Periodic assessment of bank interest rates
- Hedging against exchange rate fluctuations
- Raw material price trend tracking
- Tax risk assessment

Environmental Safety and Health Risk Control:
- Promotion by the ESH Committee
- Internal ESH auditing and review
- ISO 14001 system audits
- Regular identification and updating of the government laws and regulations
- On-site services by physicians and nurses to assess safety and health risks

Information Risk Control:
- Regular remote database backup
- Firewall setting and updating
- Antivirus software installation and updates
- Installation of a network IP authentication system
- Computer access privilege setup
- Regular anti-virus and anti-hacking drills

Operational Risk Control:
- Implementing factory capacity backup plans
- Regular emergency response drills
- Insuring factory facilities and equipment through property insurance and fire insurance for risk transfer
- Major investments and facility establishment/ expansion require rigorous analysis, evaluation, and approval from the Board of Directors before execution

Legal and Intellectual Property Risk Control:
- Establishing a product technology patent map
- Utilizing multi-national patent search systems for assistance
- Regular issuance of compliance reports
- Transfer risks through product liability insurance, product recall insurance, directors' and officers' liability insurance, and executive liability insurance
- All contracts and official documents shall be rigorously reviewed by internal and external legal institutions
- Regular dissemination of legal knowledge to relevant units to establish a legal compliance system from the bottom up

Directors' and Officers' Liability Insurance

In line with the policies of the competent authority, the Company has purchased "Directors' and Officers' Liability Insurance" to mitigate the financial and legal risks faced by the management in business execution and decision-making, as well as to transfer possible financial compensation and litigation losses.

1.4.3 Information Security

To strengthen information security management and ensure the security of the Company's hardware, software, and network management, as well as the effective implementation, operation, oversight, and continuous maintenance of its information security management systems, the Company has established relevant information security policies and management procedures. These measures are designed to protect the confidentiality, integrity, and availability of critical information systems, prevent the misuse of Company resources, reduce the risk of unlawful activities, and safeguard the rights and interests of the Company and related parties. Execution and management of these policies and procedures are the responsibility of the Information Office under the General Management Office.

Scope of information security management measures:

1. Personnel security management
   Procedures for revoking access privileges of resigned employees, and information security education and training.
2. Computer system security management
   Outsourced system development, construction, and management; computer virus and malware prevention; client IPS system; and password setting rules and standards.
3. Network security management
   Firewall setup, the IPS intrusion detection system, identity and privilege identification operations, intranet IP management and network access system control, and the network security use policy.
4. Email security management
   Email use management regulations, the email record and backup system, and the anti-spam system.
5. System access control management
   Information security management regulations and measures for outsourcing, and remote work VPN connection management methods.
6. System and network intrusion handling
   Backup system plans and measures, production line emergency response drills, and regular cybersecurity health diagnoses.

We have built a network and computer security protection control mechanism. Each year, we allocate a budget to upgrade the hardware and software of the information protection system. We also engage a professional third-party entity to perform a cybersecurity health diagnosis. By doing so, we are able to continue to maintain the most up-to-date and effective information protection. The protection scope includes the information system hosts, internal networks, and connection devices of users. Through mechanisms such as active filtering and blocking, identity security verification, privilege hierarchy management, constant program monitoring, periodic mandatory password changes, and regular copying to the backup database, the Company strives to minimize the possibility of risks from computer virus infections and external malicious attacks on the information system.

1.4.4 Personal Data Security Protection

The Company complies with the "Personal Data Protection Management Procedures" and relevant corporate regulations and national legal protection policies under the "Personal Data Protection Act" to ensure the personal data security of customers, employees, and partners.

Management scope for the following personal data categories:

Customers

Ensure customer personal data protection during transaction and service processes.

Employees

Manage employee personal data, including salary and health records.

Suppliers and Partners

Ensure personal data security in business transactions.

The General Management Office is responsible for formulating and implementing personal data protection policies, the Information Technology Office is responsible for computer data encryption and access control, and the internal audit units are responsible for supervising personal data management processes to ensure regulatory compliance.

Legal and Compliance Department

Responsible for the regulatory compliance of personal data protection policies.

To enhance employees' awareness of personal data protection, the Company invites professional attorneys from external law firms at least once a year to provide training for employees involved in personal data processing. In 2025, a total of 77 employees participated in the personal data protection training.

In 2025, no complaints regarding personal privacy violations occurred.

1.4.5 Customer Privacy

The Company places the utmost importance on customer confidentiality and information protection. To prevent data leakage, the Company's information equipment has strict access control, and all employees are subject to information access control. The Company carefully protects confidential data and proprietary information entrusted by customers, preventing improper disclosure. Employees directly or indirectly handling customer "trade secrets" must sign confidentiality and copyright agreements. This protects customer and vendor interests, maintains the Company's reputation, reduces legal risks for the Company and employees, and enhances employee response capabilities when encountering information security or confidentiality incidents.

In 2025, the Company had no complaints regarding customer or vendor data leakage.

1.4.6 Legal Compliance

In order to reduce operational risks caused by the impact of the laws and regulations, strengthen employees' awareness of legal compliance, and maintain our corporate image, we have set up a dedicated legal affairs office. We have also built long-term collaborative relationships with large-scale patent and trademark firms, and other legal firms of varying expertise, to stay abreast of changes in the major domestic and international laws and regulations, including corporate governance, sustainable operations, environmental protection, labor, occupational safety and health, accounting and taxation, insurance, and trademarks, so that we can identify and analyze their applicability and impacts. In 2025, there were no cases involving material fines imposed for violations of the Company Act or other commercial regulations. The Company has also established the following legal compliance framework:

1. Establish a dedicated legal affairs department and sign contracts with legal, trademark and patent, insurance, and accounting firms for collaboration.
2. Conduct legal education and training annually for employees, managers, directors, and supervisors.
3. Collect changes in the major laws and regulations every month, and compile and publish legal change reports for reference by departments in the determination of applicability.
4. Summarize the identification and analysis of legal changes every six months, and report to the Board of Directors.
5. Identify and analyze the applicable laws and regulations, specify responsible departments, incorporate the laws and regulations into the internal operating charter and information system for standardization, and list them as items for daily auditing and risk management.

In 2025, the Company was involved in one violation of the Waste Disposal Act and one violation of the Labor Standards Act, with total fines amounting to NTD 110,000 (the violation of the Labor Standards Act was previously disclosed in the 2024 report).The Company promptly implemented corrective actions for both incidents, conducted internal legal compliance awareness programs, and strengthened its internal control procedures.

(Note: Significant fines are defined as in Article 4, Paragraph 1, Subparagraph 26, Item 3 of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities: where the administrative fines for one single event have accumulated to NTD 1 million or more.)

1.5 Overview of Operations

1.5.1 Description of the Business

Five Major Business Philosophies of the Company

Integrity



Solidarity



Quality



R&D



Hard Work



K.S. TERMINALS specializes in the manufacturing of various types of terminals, connectors, charging guns, and wiring devices. The Company produces more than 20,000 items. Our products are widely used in a variety of industries KST and sold through different brands all over the world, including the household appliance and air conditioner, electrical machinery, vehicle, vessel, mining, rail transport, green energy, electric vehicle, and other industries.

Product Certifications and Awards

Taiwan Factory



ISO 9001
(2024.07.11~2027.07.10)



ISO 14001
(2025.12.22~2028.12.22)



QC 080000
(2025.01.19~2028.01.18)



IATF 16949
(2024.07.11~2027.07.10)



ISO 17025
(2023.08.31~2026.09.10)



CQC certification



Certificate of Potential Taiwan Mittelstand Award from the Ministry of Economic Affairs



Badge of an Accredited Healthy Workplace



ISO 45001
(2023.07.04~2026.07.04)



UL



CUL



TUV



DNV



ABS



RoHS



VDE

Suzhou Factory



ISO 9001
(2024.08.22~2027.08.21)



ISO 14001
(2023.09.29~2026.09.28)



IATF 16949
(2024.08.22~2027.08.21)



ISO 14064-1
(2025.01.01~2025.12.31)



ISO 17025
(2023.12.15~2029.12.14)



CQC certification
(2025.12.17~2030.12.16)

Membership in Organizations

We work closely with related industries to obtain the latest industry development and technical information through mutual exchange and cooperation. We also actively join community and local organizations to help each other and maintain positive and constructive community relations.

The Company has joined the following organizations, trade unions, and associations:

Category by Region	Name of Organization	Membership Status (Position Held)
Taiwan Factory	Taiwan Wind Industry Association	Perennial member
	Taiwan Transportation Vehicle Manufacturers Association	Perennial member
	SEMI Energy Storage Committee	Perennial member
	Taiwan Electronic Connection Association	Perennial member
	Taiwan Electrical and Electronic Manufacturers' Association	Perennial member
	Taiwan Electric Vehicle Charging Industry Technology Promotion Alliance	Perennial member
	Changhua County Changhua Coastal Industrial Park Xianxi District Manufacturers Association	Perennial member
	Changhua County Industrial Association	Perennial member
	Taiwan Battery Association	Member
	Changhua County Friends of the Police Association	Member
	Importers and Exporters Association of Taipei	Sponsoring member
	Changhua County Industrial Association	Vice Chairman Cheng Yu-Liang serves as an advisor
	Changhua County Volunteer Fire Brigade	Chairman Cheng Ke-Pin serves as the Deputy Leader
Suzhou Factory	Taiwan Compatriot Investment Enterprises Association of Xiangcheng District, Suzhou	Perennial member
	Labor Union Committee of CHIEN HO HSING TECHNOLOGY (SUZHOU) CO., LTD.	Member unit
	China Association of Automobile Manufacturers	Member
	China Automotive Parts Electronics and Electrical Appliances Development Center	Director unit
	China Communications Standards Association	Member
	Member of the Chengyang Subdistrict Charity Association	Member unit

The Company's major products and weight of business in the most recent three years

Product	2023	2024	2025
Terminals, Connectors, and Wiring Devices	86.68%	94.43%	95.84%
Others	13.32%	5.57%	4.16%
Total	100%	100%	100%

Since its establishment more than 40 years ago, the Company has accumulated extensive sales channels and a wide customer base, and our products have been marketed in more than 150 countries and regions across five continents.

Unit: NTD thousand

Year / Sales	2023		2024		2025	
	Sales Amount	Percentage (%)	Sales Amount	Percentage (%)	Sales Amount	Percentage (%)
Mainland China	2,494,761	59.83%	2,437,163	53.62%	2,496,413	56.79%
Taiwan	875,418	20.99%	1,198,753	26.38%	1,070,119	24.34%
United States	399,888	9.59%	447,596	9.85%	425,729	9.68%
Europe	397,890	9.54%	458,337	10.08%	401,135	9.13%
Others	1,717	0.05%	3,110	0.07%	2,709	0.06%
Net Sales	4,169,674	100%	4,544,959	100%	4,396,105	100%

Remarks: This represents the consolidated net operating revenue for the entire group.

Market Share of the Main Product – Terminals

According to statistics compiled by the Ministry of Economic Affairs and the Company's net sales of terminal products to the total domestic and foreign sales, the market share of the Company's terminal products is roughly estimated. The Company's net sales of terminal products, total domestic and foreign sales of terminal products, and the market share for the most recent three years are shown below: The Company's products accounted for about 22.98% of the domestic terminal market in 2025.

Unit: NTD thousand

Year	Net Sales of the Company's Products (A)	Total Domestic and International Sales of Domestic Terminal Products (B)	Approximate Market Share (A)/(B)
2023	1,984,589	8,762,565	22.65%
2024	2,546,777	9,944,484	25.61%
2025	2,275,773	9,905,329	22.98%

Source: A. K.S. TERMINALS INC.; B. statistical information of the Ministry of Economic Affairs.



1.5.2 Business Locations

K.S. Terminals Inc. s' Taiwan Headquarters



Address: No. 8, Changbin East Third Road, Xianxi Township, Changhua County (Xianxi District, Changhua Binhai Industrial Zone)
Tel.: 886-4-7582765
Fax: 886-4-7582786
Email: exp@ksterminals.com.tw

Changbin Factory III



Address: No. 1, Changbin East 10th Road, Xianxi Township, Changhua County, Taiwan
Tel.: 886-4-7582765
Fax: 886-4-7582785

CHIEN HO HSING TECHNOLOGY (SUZHOU) CO., LTD.



CHIEN HO HSING TECHNOLOGY (SUZHOU) CO., LTD.
Address: No. 88, Chengyun Road, Xiangcheng Economic Development Zone, Suzhou, Jiangsu Province 215131, China
Tel.: 0512-65785885
Fax: 0512-65787881

Subsidiaries and business offices



Foshan Branch, China



Thailand Bangkok Subsidiary



California, USA Subsidiary

1.5.3 Financial Information

Tax Paid to the Government in the Most Recent Three Years

Unit: NTD thousand

By Nature	2023	2024	2025
Business Income Tax and a 10% Surtax on Undistributed Earnings	162,460	213,069	17,889
Other Taxes (House Tax, Land Value Tax, Vehicle License Tax, etc.)	3,582	3,812	4,868
Total Tax	166,042	216,881	22,757

In 2025, the Company did not experience any major changes or losses in operations due to climate change.

The Company's 2025 revenue was NTD 4.396 billion, representing a 3.28% decrease compared to the 2024 revenue of NTD 4.545 billion. Operating profit was NTD 290 million, representing a 54.96% decrease compared to the 2024 operating profit of NTD 644 million. Net income after tax was NTD 170 million, representing a 72.34% decrease compared to the 2024 net income of NTD 613 million.

Three-Year Consolidated Income Statement Summary

Unit: NTD thousand

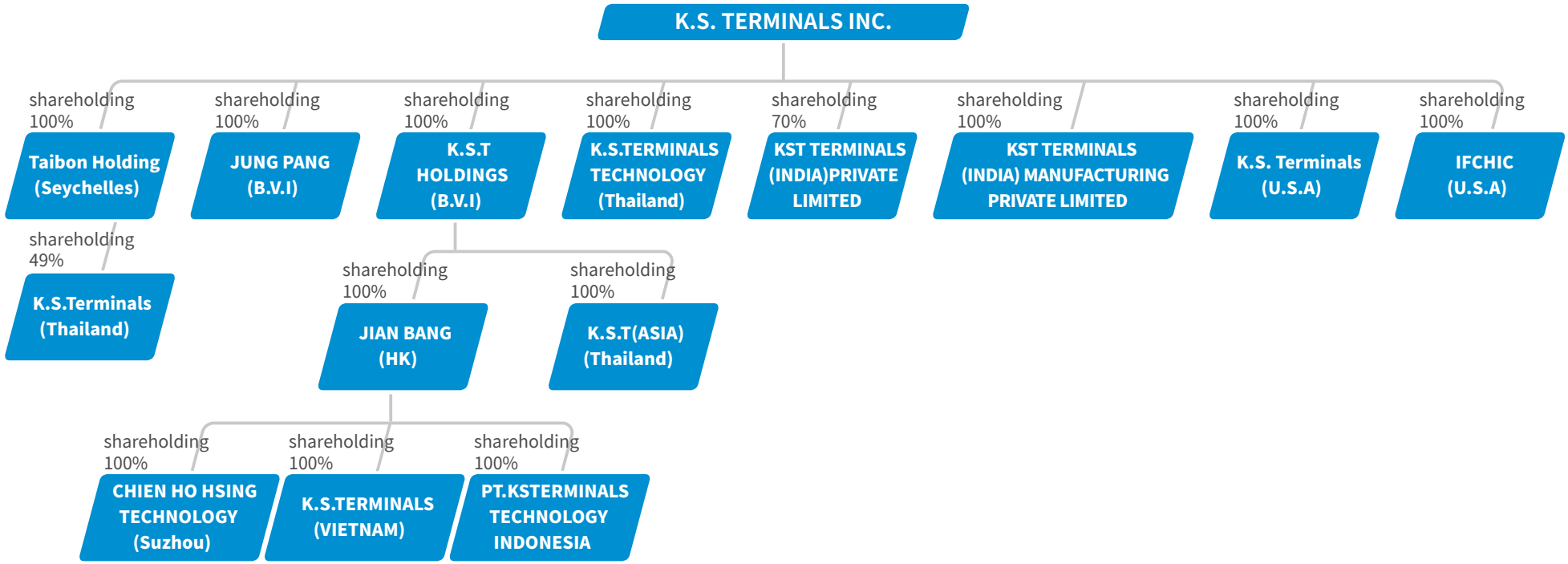
Item	2023	2024	2025
Net Operating Income	4,169,674	4,544,959	4,396,105
Operating Costs	2,888,105	3,238,495	3,421,665
Operating Gross Profit	1,281,569	1,306,464	974,440
Operating Expenses	592,355	662,354	684,336
Operating Profit	689,214	644,110	290,104
Profit Before Tax	769,935	851,220	268,513
Profit After Tax	549,103	612,984	169,540
Retained Earnings	4,809,090	5,180,230	5,016,488
Cash Dividends	233,482	311,310	155,655

Employee Benefits and Community Investments in the Most Recent Three Years

Unit: NTD thousand

Item	2023	2024	2025
Employee Salary and Benefits	528,302	623,655	601,760
Community Investments	2,731	5,077	2,525

Affiliated Enterprises and Shareholding Status



1.6 Supplier Management

Local Procurement

The Company has two main categories of suppliers: "raw materials" and "processing." Raw materials include raw materials and purchased goods. Processing includes packaging materials, hardware, and outsourced processing. According to an analysis of the procurement details for 2025, the total annual procurement amount of the Taiwan Factory was NTD 1.4 billion, of which the local procurement amount was NTD 1.25 billion, accounting for approximately 87.29% of the total procurement amount, and the overseas procurement amount was NTD 182 million, accounting for approximately 12.71% of the total procurement amount.

Supply Chain Type and Procurement Regions

Category by Region	Procurement Type	Procurement Region	2023		2024		2025	
			Number of Suppliers	Such procurement amount as a percentage of total procurement amount (%)	Number of Suppliers	Such procurement amount as a percentage of total procurement amount (%)	Number of Suppliers	Such procurement amount as a percentage of total procurement amount (%)
Taiwan Factory	Processing (packaging materials, hardware, and outsourced processing)	Local	593	29.8%	631	16.46%	592	22%
		Overseas	0	0	12	0.34%	26	0.2%
	Raw Materials (raw materials and purchased goods)	Local	153	55.9%	124	68.2%	149	65%
		Overseas	20	14.3%	13	15%	24	13%
	Total		766	100%	780	100%	791	100%
Suzhou Factory	Processing (packaging materials, hardware, and outsourced processing)	Local	26	9.68%	26	9.45%	26	9.15%
		Overseas	0	0	0	0	0	0
	Raw Materials (raw materials and purchased goods)	Local	28	64.78%	28	72.38%	28	69.18%
		Overseas	3	25.54%	3	18.17%	3	21.67%
	Total		57	100%	57	100%	57	100%

Supplier Management Policy

The Company has established the "Supplier Social Responsibility Commitment" as a basis for mutual compliance and implementation with suppliers. The commitment covers labor and human rights, occupational safety and health, ethical conduct, quality management, environmental protection, and information security and privacy protection, and is implemented through relevant evaluation and management mechanisms.

Suppliers shall regard corporate social responsibility and sustainable development as fundamental principles. With respect to labor and human rights, suppliers are required to safeguard employees' legal rights and interests, prohibit child labor and forced labor, and implement the principles of diversity, equality, and non-discrimination. In terms of occupational safety and health, suppliers shall comply with the applicable regulations to ensure a safe and healthy working environment. From an environmental perspective, suppliers shall promote environmental management and pollution prevention measures, incorporate environmental impacts into evaluation criteria, and actively address issues such as GHG inventories, product carbon footprints, and the circular economy to reduce environmental impacts. With respect to information security and privacy protection, suppliers shall properly safeguard operational information and personal data, and prohibit any unauthorized use or disclosure.

Through the measures described above, the Company continues to implement ESG management practices and reduce potential risks and adverse impacts within the supply chain related to occupational safety and health, labor and human rights, and cybersecurity and privacy protection.

New Supplier Assessment

In accordance with the internal procedure, "New Qualified Supplier Assessment Procedures," the Company conducts annual supplier assessments for new suppliers and waste disposal service providers through document reviews and on-site assessments. Assessment criteria cover areas including quality management systems, environmental management, and hazardous substance management. Based on the assessment results, guidance and improvement recommendations are provided when necessary. Suppliers that are assessed as unqualified are not approved for the procurement of their products.

In 2025, the Taiwan Factory conducted environmental assessment surveys for a total of 14 new suppliers, achieving a screening rate of 100%. All 14 suppliers passed the evaluation.

	Year / Supplier Type	2025				
		Number of Evaluated Suppliers	Screening (Survey) Ratio %	Passed	To be Improved	Eliminated
Taiwan Factory	New Suppliers	13	100%	13	0	0
	Waste Disposal Contractors	1	100%	1	0	0

	Year / Supplier Type	2025 Number of Evaluated Suppliers	Screening (Survey) Ratio %	Passed	To be Improved	Eliminated
Suzhou Factory	New Suppliers	4	100%	3	0	1
	Waste Disposal Contractors	2	100%	1	0	1

Regular Supplier Assessment

The Company stipulates in the "Procurement Management Procedures," "Supplier Regular Assessment Procedures," and "Contractor Safety and Health Management Procedures" that suppliers and contractors must comply with the relevant requirements regarding environmental protection, occupational safety and health, and labor and human rights, and must complete the "Supplier Social Responsibility and Compliance Self-Assessment Form" for evaluation purposes. The assessment covers labor conditions and human rights, occupational safety and health, environmental responsibility, anti-money laundering, information security, and the prohibition of child labor and forced labor.

The Company has progressively distributed the relevant documents to key suppliers and collected their responses. Suppliers that receive low self-assessment scores or demonstrate deficiencies in occupational safety and health management are required to implement corrective actions within a specified timeframe and undergo on-site reassessments. Suppliers that fail the reassessment or refuse to implement improvements are subject to reduced procurement volumes or the termination of business relationships, thereby strengthening supply chain risk management.

Quality Assurance

To ensure consistent supply quality, suppliers are evaluated upon each delivery based on criteria such as "quality," the "batch defect rate," the use of "abnormal hazardous substances," and the "number of customer complaints." We gather statistics and perform a monthly ranking to ensure that suppliers continue to meet the requirements and maintain stable cooperative relations.

Environmental Impact Assessment

In order to comply with EU RoHS certification requirements and fulfill our responsibility to protect the environment, we have implemented restricted/prohibited substance management. We have listed environmental items as the main evaluation items to evaluate suppliers' treatment of pollutants, such as wastewater, waste, air emissions, noise, and chemicals (toxic chemicals). This is meant to improve the quality of the overall supply chain and foster collaboration regarding pollution control and environmental protection.

Cybersecurity and Privacy Protection

To maintain corporate competitiveness and customer trust, the Company requires suppliers to commit that any operational information systems, customer information, or employee personal data to which they have access shall not be used, disclosed, copied, or transferred without authorization. Suppliers are also prohibited from conducting any form of

cyberattack or unauthorized access through their business relationship with the Company. In the event of an information security incident or personal data breach, suppliers shall immediately notify the Company and cooperate with the relevant response and remediation procedures. The Company also reserves the right to terminate the business relationship in accordance with contractual provisions to ensure the highest standards of information security and personal data protection.

1.7 Social Contributions

Social Donation Data in the Most Recent Three Years

Unit: NTD

Year	2023	2024	2025
Donation Amount	2,730,855	5,077,000	2,525,000

Remarks: The Taiwan Factory has made donations to charities such as the Eden Social Welfare Foundation, Huashan, Huei-Kong, and the Taiwan Reading and Culture Foundation (Philanthropic Library), as well as the Taiwan Fund for Children and Families in Changhua.

Community Neighborhood Activities and Social Welfare

To give back to neighboring communities, the Company takes the lead in encouraging and mobilizing employees to participate in public welfare activities, contributing to local communities through concrete actions and fostering a positive social impact.

Region	Charitable Activities	Measures Adopted	Implementation Results
Taiwan Factory (Located in Changhua County)	Community Material Donations to Low-Income Households	Annual Collaboration with the "Changhua County Huatan Township Fengtian Temple" to donate materials to low-income households in Changhua County's Hemei, Shengang, and Xianxi areas.	A total of 41 volunteers contributed 164 volunteer hours, and donations amounted to NTD 800 thousand. Beneficiary households: 132 households
	Blood Donation Activities in the Hemei Area	Joint blood donation activities with local charitable associations	Volunteer hours contributed: 16 person-hours; donations: NTD 30,000 Blood donations: 208 units of blood
	Donations to the Changhua Volunteer Fire Brigade	Monetary Donations	Donation of NTD 157,000
	Xianxi Township Street Light Adoption	Township Office street light adoption	Total of 30 street lights
Suzhou Factory (Located in Xiangcheng District, Suzhou)	Economic Development Zone Voluntary Blood Donation Campaign	Co-organized a blood donation campaign with the Chengyang Subdistrict	14 employees participated in blood donation activities annually.

Additionally, the Taiwan Factory makes regular annual donations to charitable foundations including the Eden Foundation, Huashan Foundation, Wellcome Trust, Changhua Fund for Children and Families, etc.



Long-term partnership with the Fengtian Temple in the Huatan Township of Changhua County to donate supplies to low-income families.



Donation to the Huei-Kong Social Welfare Foundation



Adoption of streetlights



Love Book Box Appreciation Card



Blood donation campaign





Charitable Donation Certificate

1.8 Care for Stakeholders

1.8.1 Communication with Stakeholders and Topics of Concern

All of our business actions are intended to fulfill our commitment to stakeholders, and to respect and protect their legal rights and interests. The Company upholds the principle of integrity in handling and positively responding to the relevant issues of stakeholders in a timely and appropriate manner.

In 2025, K.S. Terminals identified stakeholders based on the International Standard AA1000 Stakeholder Engagement Principles. The identification process adopted a five-dimensional assessment methodology, including dependency, responsibility, influence, diverse perspectives, and tension. Through internal surveys conducted with department managers and employees, the Company analyzed the positive impacts and potential adverse effects that its operational activities may have on various stakeholders. Based on the results, eight major stakeholder groups were identified: employees and other workers, shareholders and other investors, customers, business partners (including distributors and agents), suppliers/contractors, government agencies, media, and financial institutions/corporate shareholders.

Changes in stakeholders over the past two years

NO.	2024 Stakeholders	2025 Stakeholders	Comparison
1	Customers/Buyers	Employees and Other Workers	↑ 1
2	Employees/Other Workers	Customers	↓ 1
3	Shareholders/Investors	Suppliers/Contractors	↑ 1
4	Suppliers/Construction Contractors	Shareholders and Other Investors	↓ 1
5	Government Agencies	Government Agencies	-
6	Investment Institutions/Juristic Persons	Business Partners (including distributors and agents)	Addition
7	Media	Financial Institutions/Juristic Persons	↓ 1
8	Communities	Media	↓ 1

Remarks:
1. Following the approach adopted in 2024, the top eight ranked groups were identified as stakeholders for 2025.
2. 2025 Addition: Business Partners (including distributors and agents)
3. 2025 Exclusion: Local Communities and Neighborhoods.

Stakeholder Communication Channels and Frequency

Stakeholder	Issues of Concern	Communication Channels and Frequency	Communication Practices	Communication Performance
Employees and Other Workers	▶ Remuneration and Benefits ▶ Education and Training ▶ Human Rights ▶ Workplace Environment	▶ Complaint mailbox (real-time) ▶ Employee Welfare Committee meeting (quarterly) ▶ Implementation Regulations for Employee Education and Training (in accordance with internal regulations) ▶ Occupational Safety and Health Committee meeting (quarterly) ▶ Contractor Occupational Safety and Health Coordination Meeting (annually) ▶ Catering Committee meeting (annually)	▶ The General Manager will accept any feedback or questions from employees and assign a dedicated person to handle them ▶ Review the employee welfare budget and activity implementation status, and make suggestions to the Company (management) on the promotion of employee welfare ▶ Implement employee training and development in accordance with the “Implementation Regulations for Employee Education and Training” ▶ Appoint labor representatives to join the “Occupational Safety and Health Committee” to jointly promote industrial safety policies and improve the workplace environment ▶ Achieve mutual understanding during the contracting process, ensure the smooth execution of work, and control risks to reduce occupational accidents ▶ Appoint employees to serve as members of the “Catering Committee” to participate in the regular evaluation and selection of contractors for providing meals in the employee cafeteria	▶ Two Employee Welfare Committee meetings ▶ 10,752.4 hours of employee education and training ▶ Four Occupational Safety and Health Committee meetings ▶ One Contractor Occupational Safety and Health Coordination Meeting ▶ One Catering Committee meeting

Stakeholder	Issues of Concern	Communication Channels and Frequency	Communication Practices	Communication Performance
Shareholders and Other Investors	▶ Legal Compliance ▶ Operating Status ▶ Financial Information ▶ Shareholding Percentage of Major Shareholders	▶ Operational overview information, financial statements (announced monthly) ▶ Annual general meeting (annually) ▶ "Investors" section on the Company's official website (real-time) ▶ Stock registrar, transfer agent, and internal contact person (real-time) ▶ Spokesperson hotline and mailbox (real-time)	▶ Market Observation Post System and the Company's official website ▶ Publish annual financial statements or director re-election information ▶ Access financial, investor conference, and shareholders' meeting-related information at any time, as well as inquire about dividends, stock prices, and material information ▶ Shareholders' name, address, seal registration or change of registration, share transfer, etc ▶ Respond to shareholders' suggestions and questions	▶ 43 material messages ▶ Monthly publication on the Market Observation Post System and the Company's official website ▶ One shareholders' meeting ▶ Response to shareholders' questions
Customers, Business Partners (including distributors and agents)	▶ Customer Contact ▶ Customer Satisfaction ▶ Product Quality and Safety	▶ Marketing customer service hotline and email (real-time) ▶ Customer satisfaction survey (biannually), customer visits (real-time) ▶ Marketing exhibitions (based on market demand) ▶ Product-related certifications (based on market demand)	▶ Understand customer needs through multiple channels ▶ Listen to customers' voices, stay close to their needs, and make continuous improvements ▶ Directly understand customer needs and market development directions ▶ Continue to increase the certifications on our products and the percentage of products that have passed quality and safety certifications based on customer, market, and industry needs	▶ 72 customer satisfaction survey responses ▶ Participation in 24 exhibitions at home and abroad ▶ 20 products with certifications

Stakeholder	Issues of Concern	Communication Channels and Frequency	Communication Practices	Communication Performance
Suppliers/ Contractors	▶ Financial Information ▶ Supplier Management	▶ New supplier evaluations and visits (first transaction) ▶ Major supplier audits and reviews (according to transaction status) ▶ Visits to waste disposal companies (as required by the government) ▶ Integrity and Environmental Hotline and Mailbox	▶ Confirm the legitimacy and eligibility of suppliers ▶ Ensure that suppliers comply with the restricted/ prohibited substance management requirements and product regulations of the Company ▶ Evaluate suppliers' waste disposal	▶ Evaluation for 13 new suppliers ▶ Evaluation for 14 suppliers
Government Agencies	▶ Environmental Protection ▶ Occupational Safety ▶ Labor–Management Relations ▶ Legal Compliance ▶ Corporate Governance	▶ Symposiums and seminars organized by the competent authority (real-time) ▶ Identification of regulatory changes (real-time) ▶ Dissemination of policies of competent government agencies (real-time)	▶ Maintain good interaction with competent government agencies and actively participate in the symposiums and seminars organized by competent authorities ▶ Establish a legal compliance system and identify the applicable regulatory changes ▶ Receive public information and official correspondence from competent government agencies, and assist in the promotion of various policies and orders	▶ Participation in occupational safety and health seminars ▶ Participation in Taiwan Stock Exchange promotional meetings ▶ Monthly internal notification of legal compliance and regulatory changes ▶ Semi-annual compliance reports to the Board of Directors every six months
Communities	▶ Environmental Protection ▶ Community Activities	▶ Community problem-solving coordination meetings and activities (based on community needs) ▶ Environmental and Sustainability Hotline and Mailbox	▶ Convene relevant coordination meetings through the Changhua Binhai Industrial Zone Xianxi District Manufacturers Association or the Changhua Coastal Park Service Center ▶ Coordinate with community neighborhoods to organize/participate in related activities	▶ Donation of supplies to low-income families ▶ Blood donation campaigns ▶ Coordinate with community health centers to organize health screening activities

Stakeholder	Issues of Concern	Communication Channels and Frequency	Communication Practices	Communication Performance
Financial Institutions/ Juristic Persons	▶ Financial Information ▶ Operating Status ▶ Legal Compliance ▶ Shareholding Percentage of Major Shareholders	▶ Operational overview information, financial statements (announced monthly) ▶ Annual general meeting (annually) ▶ "Investors" section on the Company's official website (real-time) ▶ Investor conference (based on the Company's needs) ▶ Spokesperson hotline and mailbox (real-time)	▶ Market Observation Post System and the Company's official website ▶ Publish annual financial statements or director re-election information ▶ Access financial, investor conference, and shareholders' meeting-related information at any time, as well as inquire about dividends, stock prices, and material information ▶ Organize investor conferences from time to time or participate in investor conferences organized by TWSE ▶ Respond to shareholders' suggestions and questions	▶ 43 material messages ▶ Monthly publication on the Market Observation Post System and the Company's official website ▶ One shareholders' meeting ▶ One investor conference ▶ Response to shareholders' questions
Media	▶ Financial Information ▶ Operating Status ▶ Green Products	▶ Operational overview information, financial statements (announced monthly) ▶ Marketing exhibitions (based on market demand) ▶ Investor conference (based on the Company's needs)	▶ Market Observation Post System and the Company's official website ▶ Directly understand customer needs and market development directions ▶ Organize investor conferences from time to time or participate in investor conferences organized by TWSE	▶ 43 material messages ▶ Monthly publication on the Market Observation Post System and the Company's official website ▶ Participation in 24 exhibitions at home and abroad ▶ One investor conference

All stakeholders have access to appropriate channels to communicate with relevant departments of the Company, and they can interact and deal with issues of specific concern to them in real time. The Company also has internal electronic and physical "complaint mailboxes." Anyone may make a complaint or report if they find any circumstances involving improper behavior or behavior that may harm their rights. All complaints and reports are directly handled by the General Manager of the Company.

According to the Company's external document registration records, annual audit reports, and records of complaints or reports from the "complaint mailboxes," we have gathered statistics on filed complaints and reports from external related parties and internal employees for 2025, which are shown in the following table:

Complaint Type	Number of Complaints Filed	Number of Complaints Handled	Number of Complaints Solved
Environmental Aspect	0	0	0
Labor Rights	1	1	1
Human Rights	2	2	2
Social Impact	0	0	0
Others	0	0	0

1.8.2 Analysis of Material Topics

The analysis of material topics in this Report is divided into the following five steps:

1 Identify Stakeholders

Responsible for stakeholder identification based on the International Standard AA1000 Stakeholder Engagement Principles. Through internal surveys conducted with departmental supervisors and colleagues, analyzing the potential positive impacts and negative consequences that the Company's operational activities may have on various stakeholders, ultimately identifying 8 major categories of stakeholders.

2 Collect Sustainability Issues

Issues were collected from external and internal sources. External sources include the Universal Standards 2021 released by GRI in 2021. Based on sustainability issues in three major aspects – economy, environment, and society – international issues of concern and standards were compiled into a list of sustainability issues of concern, and then a preliminary list of topics of concern was made by the stakeholder representative group. Internal sources are the opinions provided through discussions by the sustainable management organization.

3 Analysis of Material Topics

In 2025, K.S. Terminals determined material topics through internal meeting discussions and questionnaire surveys, scoring the actual and potential negative and positive impacts on the Company's operations as they relate to sustainability topics in the dimensions of corporate governance, the economy, the environment, and society (people and human rights).

4 Rank Material Topics

In 2025, we determined 10 material topics and discussed them with senior executives to adjust and formulate disclosure priorities, and then established effective management guidelines for each material topic.

5 Review and Discuss

We ranked the material topics and analyzed corresponding chapters and impact boundaries. The Company will continue to strengthen management in the future and disclose the relevant information in the ESG report.

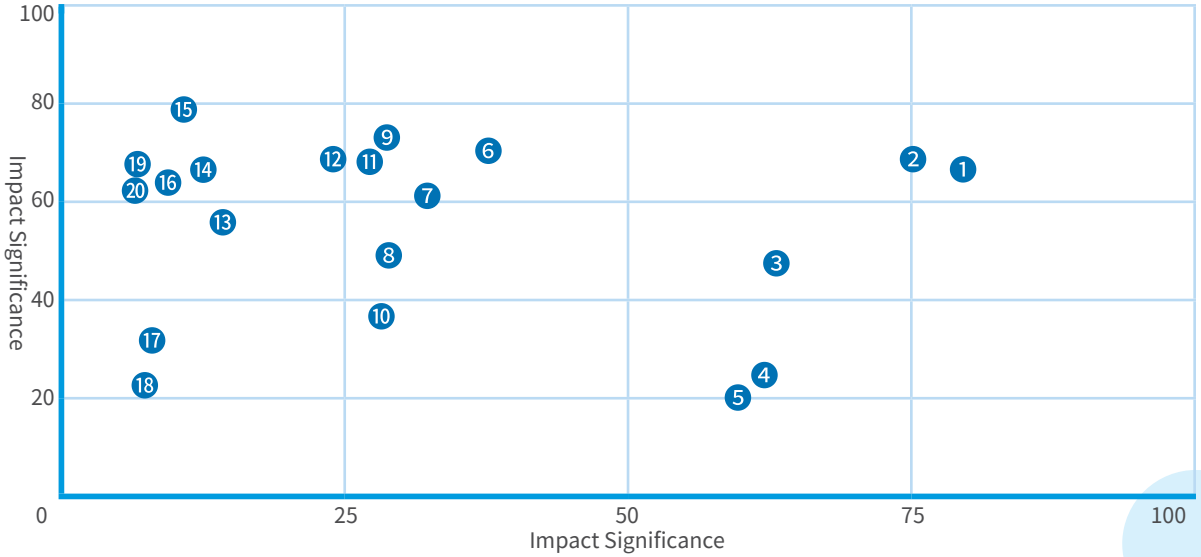


1.8.3 Material Topics and Impact Boundaries

The Company's major topics for 2025 are as follows:

Ranking of Material Topics

1	Customer Health and Safety	8	Customer Privacy (Information Security)	15	Customer Service and Relations
2	Diversity and Equal Opportunity	9	Economic Performance	16	Market Presence
3	Energy	10	Emissions	17	Climate Change Adaptation
4	Water and Effluents	11	Training and Education	18	Anti-corruption
5	Procurement Practices	12	Employment	19	Non-discrimination
6	Occupational Safety and Health	13	Waste	20	Forced and Compulsory Labor
7	Innovative Products and Services	14	Labor–Management Relations		



Impact Significance

Changes in material topics over the past two years:

No.	2024 Material Topics	2025 Material Topics	Comparison
1	Operational Financial Performance	Customer Health and Safety	↑ 8
2	Corporate Governance and Integrity	Diversity and Equal Opportunity	Addition
3	Privacy and Information Security	Energy	↑ 9
4	Supplier Management (*Material Procurement)	Water and Effluents	↑ 3
5	Customer Service Management	Procurement Practices	↓ 1
6	Wastewater, Waste Management Control	Occupational Safety and Health	↑ 1
7	Occupational Health and Safety Management	Innovative Products and Services	↑ 2
8	Talent Development and Training	Customer Privacy (Information Security)	↓ 5
9	Product Responsibility and Customer Safety (*Product Safety)	Economic Performance	↓ 8
10	Innovative Products and Services	Emissions	↑ 2

Remarks:
1. Following the approach adopted in 2024, the top 10 ranked sustainability issues were identified as material topics for 2025.
2. 2025 Addition: Diversity and Equal Opportunity
3. 2025 Exclusion: Corporate Governance and Integrity, Customer Service Management, and Talent Development and Training.

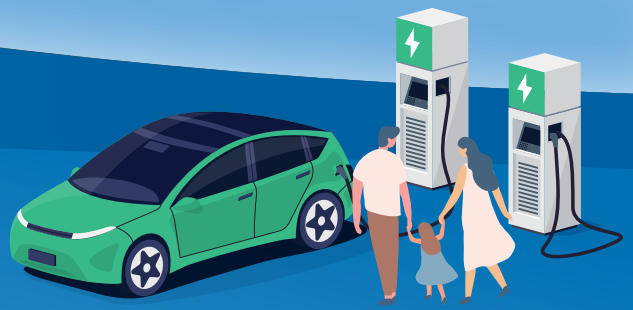
Material Topics and Impact Boundaries

Material Topic		Significance to Operations	Value Chain Impact Boundaries	Chapter Disclosures in This Report
Economic/ Governance Aspect	Customer Privacy (Information Security)	Information security is a core line of defense for enterprises in the era of digital transformation. By safeguarding customers' intellectual property and confidential business information through robust protection mechanisms, it serves as a cornerstone for maintaining brand integrity and shareholder confidence.	K.S. TERMINALS INC. (direct impact) Customers (directly related)	1.4 Ethical Management
	Economic Performance	Stable financial growth is the driving force behind sustainable transformation. By optimizing capital allocation and operational efficiency, the Company ensures the delivery of long-term value to shareholders, employees, and supply chain partners.	K.S. TERMINALS INC. (direct impact) Shareholders (directly related)	1.5 Overview of Operations
	Procurement Practices	Supply chain resilience is essential for responding to global risks. Through ESG evaluations and local procurement practices, the Company implements responsible supply chain management, reduces the risk of operational disruptions, and ensures consistent product quality.	K.S. TERMINALS INC. (direct impact) Suppliers (directly related)	1.6 Supplier Management
	Innovative Products and Services	Innovation is the driving force behind long-term corporate sustainability. Through green design and technological breakthroughs, the Company helps customers develop high-value-added solutions and strengthens its leadership position in the electric vehicle and green energy markets.	K.S. TERMINALS INC. (direct impact) Customers (directly related)	4.3.1 Product Innovation and R&D

Material Topic		Significance to Operations	Value Chain Impact Boundaries	Chapter Disclosures in This Report
Environmental Aspect	Energy	Energy efficiency is directly linked to production costs and carbon tax competitiveness. By actively investing in energy conservation and the transition to renewable energy, the Company can mitigate the impact of energy price fluctuations and fulfill its climate mitigation commitments.	K.S. TERMINALS INC. (direct impact)	2.4 Emissions and Energy Management
	Emissions	Monitoring and reducing GHG emissions and pollutant discharges are essential for complying with international requirements such as carbon border adjustment mechanisms and serving as a prerequisite for maintaining market access, while also reducing the long-term financial burden of environmental management.	K.S. TERMINALS INC. (direct impact) Community (directly related) Customers (directly related)	2.4 Emissions and Energy Management
	Water and Effluents	Water resource management is essential to maintaining manufacturing stability. Through water recycling and stringent discharge monitoring, the Company reduces water shortage risks, prevents regulatory penalties, and minimizes its impact on local ecosystems.	K.S. TERMINALS INC. (direct impact) Customers (directly impact)	2.5 Pollution Control
Social Aspect	Occupational Health and Safety Management	Employee safety is the foundation of operations. Implementing a comprehensive occupational safety and health system helps protect productivity and reduce losses and operational disruptions resulting from workplace accidents.	K.S. TERMINALS INC. (direct impact) Employees (directly related)	3.4 Workplace Safety and Responsibility
	Employee Diversity and Equality	A diverse and inclusive workplace fosters creativity and strengthens organizational resilience. By providing equal opportunities, the Company attracts global talent and builds a high-performing corporate culture.	K.S. TERMINALS INC. (direct impact) Employees (directly related)	1.3 Board of Directors and Committees 3.3 Employee Diversity and Benefits
	Customer Health and Safety	Ensuring that all products comply with international safety standards and regularly investing in product safety certifications and hazardous substance testing to protect customer health and safety, thereby gaining market recognition and customer trust, and establishing a sustainable brand image.	K.S. TERMINALS INC. (direct impact) Customers (directly related) Suppliers (directly related)	4.2 Safe Products

02 Environmental Management

2.1 Environmental Management Guidelines
2.2 Response to Climate Change
2.3 Green Products
2.4 Emissions and Energy Management
2.5 Pollution Control
2.6 Biodiversity



Green Energy Products

11,767 Items

Our Products have been used in the green energy industry for a long time, and up to 11,767 items have been applied in it.

Green energy industry products accounted for

7.90% of the revenue.

In 2025, the products used in the green energy industry accounted for 7.90% of the Company's revenue.

Environmental Protection Expenditure

10.556 million

K.S. Terminals invested a total of NTD 10.556 million in environmental expenses and capital expenditures in 2025.

Water conservation

1,044 tons/year

K.S. Terminals' RO pure water manufacturing system wastewater recovery saved 1,044 tons in 2025.

Waste Recycling Rate

98.63%

The waste recycling rate in 2025 was 98.63%, which represents an increase of 10.14% from the recycling rate in 2024.

Electricity savings of

164,228 kWh

In 2025, improvements were made starting with the energy consumption of newly updated air conditioning systems, saving 164,228 kWh of electricity annually, which is equivalent to a reduction of 77.8441 tons of CO_2e carbon.

External Transport of Hazardous Waste

No

K.S. Terminals did not engage in any cross-border transportation of hazardous waste in 2025. All related management activities were conducted in compliance with the Basel Convention and applicable regulatory requirements.

In ISO 14001 system audits and major customer evaluations

No major deficiencies found

In 2025, a total of three third-party environmental audits (evaluations) were conducted, and no major deficiencies were recorded.

2.1 Environmental Management Guidelines

Relevant Material Topics	Water and Effluents, Energy, Emissions

Significance and Purpose

For K.S. Terminals, energy efficiency is more than just a metric; it is a strategic priority that directly influences production costs and carbon emission competitiveness. We are actively accelerating our transition to renewable energy to mitigate the operational impacts of energy market volatility. In response to international carbon tax challenges, we regard emissions and carbon monitoring as the foundation for maintaining our competitive market position. Through diligent water recycling management and rigorous monitoring practices, we ensure stable manufacturing operations while contributing to the protection of the local ecological environment.

Management Strategy

1. Ensure that environmental management operations comply with the government's environmental protection laws and regulations.
2. Enhance employee education and training to create a beautiful working environment together.
3. Implement waste reduction and pollution control, with pollution prevention as the starting point.
4. Actively promote energy conservation and implement recycling activities.
5. Introduce green design to reduce environmental impact.
6. Promote the continuous improvement of various environmental management operations through corrective and preventive actions.
7. Introduce measures to effectively utilize energy and resources, such as energy conservation, water conservation, and waste reduction.
8. Assess the risks caused by climate change and respond to them.

Impact and Influences

Environmental management is an important indicator in supply chain assessments. Effective wastewater and waste management helps maintain customer trust and enhances corporate image, attracting more investors and customers.

Through the introduction of new technologies, such as wastewater recovery and reuse, the environmental burden can be further reduced and resource utilization efficiency can be improved. Noncompliance with government emissions regulations will result in penalties or operational restrictions.

Commitments and Goals

Short-Term Goals	Medium- and Long-Term Goals
▶ Recycle more than 500 tons of water ▶ No major deficiencies found in annual ISO 14001 system audits and major customer evaluations ▶ No major violations of the environmental laws and regulations ▶ At least 80,000 kWh in annual electricity savings ▶ 38 tons of CO_2e in annual carbon emission reduction ▶ Waste Recycling Rate above 70%	▶ Comply with environmental protection regulations and have no violation records ▶ Accelerate green electricity adoption, gradually increasing the proportion of renewable energy in the total electricity structure ▶ Recycle more than 40% of the wastewater from the electroplating process ▶ Replace all air conditioning systems, lighting, air compressors, and office appliances currently in the factories in Taiwan with high-performance products ▶ Implement sustainable resource actions to reduce waste through the 3R concept of Reduce, Reuse, and Recycle

Responsible Unit

General Management Office, Production Department, and Management Section

Management System

Internal: Management Measures for the Environment, Safety, and Health Supervision and Measurement, Energy and Resource Management Measures, Identification Method for Environmental Considerations, Wastewater Management Measures, Waste Management Measures, Chemical Management Measures, Management Measures for Occupational Safety and Health Goals, Targets, and Plans.

External:
1. Relevant regulations of the Industrial Parks Administration, Ministry of Economic Affairs.
2. Relevant regulations of the Ministry of Environment and the Environmental Protection Bureau of Changhua County.
3. ISO 14001 Environmental Management System.

Evaluation Mechanism

1. Make a budget annually to phase out energy-consuming equipment and appliances.
2. Through environmental system management review meetings, regularly examine compliance with environmental regulations and the progress and effectiveness of energy conservation, water saving, and waste reduction measures.
3. Check and review annual goals for ISO 14001, and conduct annual internal and external audits on the effectiveness of the environmental protection system.
4. Disclose information on penalties imposed by the Ministry of Environment and the Environmental Protection Bureau of Changhua County.

Preventive and Remedial Measures

1. Monitor and manage energy-consuming equipment within the Company and optimize operating parameters for low-efficiency equipment, or initiate replacement and upgrade projects when necessary.
2. Wastewater discharge quality is monitored by designated wastewater management personnel. If fluctuations are detected in monitoring results, wastewater discharge is immediately suspended and redirected to the pretreatment system for the adjustment of chemical treatment formulations.
3. For waste management, the Company has optimized waste volume monitoring and regulatory reporting systems to ensure that waste disposal volumes are linked to approved quantities through an early warning mechanism. In addition, internal training programs are conducted to improve waste handling practices and increase waste recycling rates.

2.2 Response to Climate Change

The Company identifies the risks and opportunities brought about by climate change with reference to the Task Force on Climate-Related Financial Disclosures (TCFD) recommended framework. The Company will assess and analyze the possible occurrence and impact of the identified risks, and formulate strategic policies and countermeasures accordingly.

Dimension	TCFD Recommended Disclosure Items	Response Measures
Governance	Board oversight of climate-related risks and opportunities	The Board of Directors serves as the highest oversight body for climate governance, with the Chairman acting as its chair and overseeing the overall direction of the Company's climate strategy. The Board of Directors convenes regular meetings annually to oversee management's execution of climate change-related risk and impact assessments, as well as the achievement of key performance targets. When reviewing major investment projects, capital expenditures, and operational strategies, the Board of Directors incorporates climate-related risks and opportunities into its decision-making process to strengthen the Company's medium- to long-term operational resilience and sustainable development capabilities.
	Management's role in assessing and managing climate-related risks and opportunities	The Company's Sustainable Development Committee coordinates climate-related matters and convenes a Risk Management Team composed of representatives from business divisions, manufacturing plants, finance, materials management, and other relevant units, with the General Manager serving as the convener. Through the Company's overall ESG assessment mechanism, the Risk Management Team identifies climate change-related risks and opportunities and develops response strategies. The Sustainable Development Committee reports the results to the Board of Directors at least once annually.

Dimension	TCFD Recommended Disclosure Items	Response Measures		
		Short term	Medium term	Long term
Strategy	Short, medium, and long-term climate-related risks and opportunities identified	**Transition risk:** In response to environmental sustainability trends, customers increasingly require the use of environmentally friendly packaging materials to support energy conservation and carbon reduction efforts. **Physical risk:** Extreme weather events and drought conditions may result in transportation disruptions or water restrictions, affecting production operations and increasing operating costs. **Market Opportunities:** Development or expansion of R&D and innovation for low-carbon products, supported by favorable policy incentives.	**Transition risk:** Global carbon fee and carbon tax imposition. **Physical risk:** Rising average temperatures may lead to a significant increase in electricity costs. **Market Opportunities:** By establishing production facilities across multiple regions, the Company diversifies supply chain risks and reduces transportation distances and related costs, while also lowering GHG emissions generated during transportation. These efforts support the development of low-carbon products and enhance the market competitiveness of the Company's products.	**Transition risk:** As environmental regulations become more stringent, compliance costs are expected to increase. **Physical risk:** Continued sea level rise may affect the normal operations of the Company's operating sites. **Market Opportunities:** Business opportunities arising from the "net-zero emissions" trend for green energy products.
	Impact of climate-related risks and opportunities on business, strategy, and financial planning	1. Financial Impact of High Temperatures (Long-Term): Under a scenario in which temperatures rise by approximately 2° C, the increased frequency of summer heatwaves and high-temperature events is expected to increase air-conditioning electricity consumption by approximately 10% to 15%. As air-conditioning accounts for approximately 30% of total electricity consumption, annual electricity expenses are estimated to increase by approximately NTD 1 million to NTD 2 million.		

<table>
<tr><th>Dimension</th><th>TCFD Recommended Disclosure Items</th><th>Response Measures</th></tr>
<tr><td rowspan="2">Strategy</td><td rowspan="2">Impact of climate-related risks and opportunities on business, strategy, and financial planning</td><td>2. Water Resource Impact (Short-Term):
The number of consecutive dry days is projected to increase by approximately 11% to 17%, resulting in a higher risk of water shortages in manufacturing processes and potential production reductions.
3. Market Opportunities:
The Company’s core expertise in electric power connectors enables it to serve the renewable energy and electric vehicle markets, creating opportunities for revenue growth.</td></tr>
<tr><td>
<table>
<tr><th>Major Transition Risks Responses</th><th>Major Physical Risks Responses</th><th>Major Climate Opportunity Responses</th></tr>
<tr><td>To address risks related to regulatory compliance and green standard changes, the Company actively responds to relevant international standards and implements internal improvements:
1. Evaluate and adopt renewable energy sources.
2. Replace equipment with low energy efficiency.
3. Conduct greenhouse gas inventories to find carbon emissions hotspots for reduction.
4. Manage high energy-consuming equipment and provide procurement recommendations to enable timely monitoring and control of energy consumption.</td><td>To reduce environmental impact risks, relevant facilities are progressively investing in related equipment and production line emergency response plans to minimize operational losses caused by disaster risks:
1. Establish emergency response teams and conduct regular drills to minimize disaster-related losses.
2. Establish cross-regional production sites and a flexible alternative supply chain to diversify risks.
3. Energy Resilience: Gradually replace and upgrade the air-conditioning system, which accounts for approximately 30% of total electricity consumption, and achieve the annual electricity-saving target of 80,000 kWh to offset the impacts of rising temperatures.
4. Water Resource Adaptation: Plan to increase on-site water storage capacity to reduce the risks associated with drought conditions.</td><td>The Company has established a solid foundation through the cultivation of long-term sustainability and maintains close, trusting relationships with customers built over many years. By actively utilizing core technologies in electric energy connectors and investing in R&D based on market demand, the Company will have opportunities in the low-carbon market to develop extensive green energy connectors and gain priority customer preference in comprehensive supply to renewable energy, electric vehicles, and other industries and solutions, thereby increasing the revenue of green energy products.</td></tr>
</table>
</td></tr>
</table>

Dimension	TCFD Recommended Disclosure Items	Response Measures
Risk Management	Climate-related risk identification and assessment processes	▶ **Initiation and Data Collection:** 1. Annual Initiation Mechanism: Each year, the Sustainable Development Committee authorizes the Risk Management Team to lead the identification process, ensuring that the assessment reflects the latest climate science research and trends in Taiwan government policies. 2. Integration of internal and external data sources, including but not limited to: · Factory operational data (e.g., electricity consumption, fuel usage, and process-related carbon emissions). · Climate change scenario models. · International and domestic climate policy trends (e.g., carbon fee mechanisms, CBAM, and net-zero emissions initiatives). ▶ **Define the scope of identification:** 1. Physical Risks: Such as extreme weather events (typhoons, floods, and droughts) and long-term climate changes (rising temperatures and changing precipitation patterns), with an analysis of their impacts on manufacturing operations, supply chains, transportation and logistics, and employee safety. 2. Transition Risks: Assess the potential impacts of regulatory changes (such as carbon fees), shifts in market demand, evolving customer requirements, and supply chain decarbonization pressures on the Company's operating model, cost structure, and product portfolio. 3. Climate Opportunities: Focus on opportunities related to low-carbon process transformation, improved energy efficiency, the adoption of renewable energy, and the development of low-carbon products. ▶ **Climate Risk and Opportunity Identification Meeting:** 1. Establish a preliminary list of climate-related risks and opportunities and apply climate risk and opportunity assessment tools to conduct evaluations. 2. Relevant departments, based on their respective responsibilities, combine qualitative and quantitative approaches to develop preliminary assessments of potential climate-related risks and opportunities. 3. Qualitative Assessment: Utilize scenario analysis and departmental expertise to evaluate the potential impacts of severe typhoons on production interruptions, employee attendance, and facility safety.

Dimension	TCFD Recommended Disclosure Items	Response Measures
		4. Quantitative Assessment: Analyze the impact of climate-related risks on increases in product energy consumption and operating expenses, or simulate the effects of carbon fee policies on manufacturing costs. ►**Conduct a validation meeting and submit the results for management approval:** 1. A review and validation meeting is convened, or a written review process is conducted, whereby representatives of the "Risk Management Team" confirm the climate risk and opportunity identification results for the year. 2. Update identification data/information (if any) as a reference for the climate risk and opportunity identification process in the following year.
Risk Management	Climate-related risk management process	The Sustainable Development Committee convenes relevant departments to identify key risks in accordance with the Strategy and Risk Management Procedures and to discuss corresponding response measures. Based on the risk management and assessment results, the Chair of the Sustainable Development Committee regularly reports to the Board of Directors.
	How climate-related risk identification, assessment, and management processes are integrated into the Company's overall risk management system	1. Incorporate climate change into the material issues of corporate sustainable development and key critical risk items, with risk management plans implemented across all facilities, while also planning response measures for operations, products, and supply chain management. 2. Members of the Board of Directors and the Sustainable Development Committee regularly review climate risk reports. 3. Ensuring corporate consideration of climate risks in investment, product R&D, and operational strategy. 4. Establishing carbon emissions data tracking systems to ensure risk response measures keep pace with the times.

<table>
<tr><th>Dimension</th><th>TCFD Recommended Disclosure Items</th><th colspan="4">Response Measures</th></tr>
<tr><td rowspan="4">Indicators and Targets</td><td>Explanation of metrics used by the Company to assess climate-related risks and opportunities following strategy and risk management processes</td><td colspan="4">For climate change mitigation, the Company uses greenhouse gas emissions from each facility as the primary quantitative assessment key indicator while simultaneously setting indicators for the renewable energy usage ratio, electricity consumption per unit of revenue, and water consumption per unit of revenue.</td></tr>
<tr><td>Scope 1, Scope 2, and Scope 3 greenhouse gas emissions and related risks</td><td colspan="2">Since 2022, the Company has continuously implemented Scope 1 and Scope 2 GHG inventories; starting in 2025, the inventory scope was expanded to include all Taiwan plants of the parent company, and third-party verification is planned for 2027.</td><td colspan="2">The parent company’s GHG emissions in 2025 were as follows:
<table><tr><th>Scope</th><th>Emissions (metric tons of CO_2e)</th></tr><tr><td>Scope 1</td><td>486.2957</td></tr><tr><td>Scope 2</td><td>6,107.3703</td></tr><tr><td>Total emissions</td><td>6,593.6660</td></tr></table></td></tr>
<tr><td>Targets used to manage climate-related risks and opportunities, and performance in achieving these targets</td><td colspan="4">The Company is committed to enhancing energy and resource efficiency for both itself and its customers, while simultaneously promoting energy conservation and carbon reduction, waste recycling, and water resource recovery management measures to comprehensively reduce the environmental impact of operations and products.</td></tr>
<tr><td colspan="2"><table><tr><th>Carbon Emissions and Energy Management Objectives</th><th>Waste Management Targets</th><th>Water Resource Management Targets</th></tr><tr><td>Annual electricity savings ≥ 80,000 kWh
Annual carbon reduction ≥ 38 tons CO_2e</td><td>Waste Recycling Rate ≥ 70%</td><td>Annual water recovery and reuse ≥ 500 tons</td></tr></table></td></tr>
</table>

2.3 Green Products

The Company's products are widely used in machinery and equipment, infrastructure, transportation, ships, agricultural machinery, power distribution engineering, vehicles, green energy, and other industries. We have more than 20,000 kinds of products to meet the needs of customers in various markets.

In recent years, in order to mitigate climate change caused by global warming, the world has committed to the development of energy-saving and carbon reduction technologies, including the development of clean energy and the improvement of energy efficiency. The green energy industry emerging along with these energy-saving and carbon reduction technologies has also become an important industry that countries around the world are actively promoting.

The Company's products have already been used in the green energy industry. Currently, there are as many as 11,767 green energy products, which are widely supplied to industries such as solar power, wind power generation, nuclear power, electric motorcycles and cars, electric agricultural machinery, and so on.

Types of the Company's green energy products

Battery connectors		Outdoor green energy power generation equipment, such as mobile solar power generators or offshore wind power generation equipment, has extremely high requirements for the conductivity performance and protection level of battery connectors. The Company's UL 1977-certified battery connectors can be used in high-current transmission, and the wawaterproof battery connectors fully meet the waterproof requirements of IEC 60529 IPX7.
Solar connectors		Solar connectors are widely used in the connection of series or parallel solar modules and inverters. The Company's solar connectors are suitable for connecting various junction boxes and inverters. Our products comply with IEC 62852, have been improved to reach the IP68 protection level under IEC 60529, and are TUV-certified. Our connector bodies and terminals use new patented designs, and patent certificates have been obtained in Taiwan, China, the United States, Europe, Japan, and other countries.
Small solar junction boxes		The integration of solar power generation and buildings can control the energy consumption of buildings and enable power supply through solar energy. The Company's side-edge solar junction boxes are suitable for solar glass walls or corrugated panels used in buildings. This junction box product not only complies with the IEC 62790 standard but is also TUV-certified. It can meet different power generation requirements for customized production.

Economical solar junction boxes		Universal solar junction boxes for solar modules are widely used and in high demand. Therefore, in product design, the Company minimizes the dimensions to the maximum extent possible through a special processing method, making more effective use of space. By doing so, we can offer more economical junction box products for selection by solar module manufacturers, and are able to introduce comprehensive product solutions to assist customers.
Electric vehicle charging guns (stations)		Green energy vehicles have become an environmentally friendly industry actively promoted in various countries. The Company's charging gun (station) products comply with UL 2251, IEC 62196, GB 20234, CNS 15511 & 15700, and other charging interfaces and the testing standards of various countries, and have obtained product certification from TUV, UL, CNS, CQC, and other third-party or designated institutions. The products can be used in car charging guns, charging point connector cable sets, and travel charging gun cable sets, and they are suitable for various interface specifications and charging point systems.
Energy Storage Connectors		"Energy Storage Connectors" are specialized components used for electrical connections in Energy Storage Systems (ESS). Their primary function is to safely and reliably transmit power and signals between battery modules, battery racks, inverters, and power distribution systems. The products comply with the UL 4128 and TUV 2PfG 2740 testing standards and have obtained UL and TUV international certifications.

In 2025, green energy industry products accounted for 7.90% of the Company's revenue, and we will continue to invest in the R&D and marketing of green energy-related products in the future.

As a Percentage of Revenue	2023	2024	2025
Green energy industry products	8.74%	9.83%	7.90%
Products not related to the green energy industry	91.26%	90.17%	92.1%
Total	100%	100%	100%

2.4 Emissions and Energy Management

K.S. Terminals' primary energy sources include electricity, liquefied petroleum gas (LPG), gasoline, and diesel. The corresponding consumption data are presented in the table below. The Company continues to promote energy efficiency improvements and energy management initiatives to reduce its environmental impact. In 2025, the energy intensity of the Taiwan operations increased due to the expansion of the reporting boundary to include all parent company operations. At the Suzhou Factory, total electricity consumption in 2025 was 3,708,211 kWh, representing a decrease of 218,450 kWh compared with 2024, primarily attributable to the replacement of aging equipment and the conversion of on-site street lighting to solar-powered lighting systems. Liquefied petroleum gas (LPG) and gasoline consumption showed an increasing trend, primarily due to the year-by-year growth in production volume.

K.S. Terminals' energy consumption over the past three years

Region	Quantitative Indicator	Unit	2023	2024	2025
Taiwan Factory	Electricity consumption	kWh/year	10,615,526	13,064.120	13,016,145
		GJ	38,215.89	47,030.83	46,858.12
	Liquefied Petroleum Gas (LPG)	kg/year	39,202	72,888	57,134.29
		GJ	1,979.82	3,681.06	2,606.26
	Gasoline consumption	L/year	-	26,775.941	32,649.41
		GJ	-	853.01	1,036.98
	Diesel consumption	L/year	-	16,027.48	15,430.37
		GJ	-	579.91	557.92
	Renewable energy	kWh/year	-	-	-
		GJ	-	-	-
	Total Energy Consumption	GJ	40,195.71	52,144.81	51,059.28
	Organization-specific metrics	Revenue (NTD millions)	2,714.90	2,989.34	2,619.46
	Energy intensity	GJ/Revenue (NTD millions)	14.8056	17.4436	19.4923

Region	Quantitative Indicator	Unit	2023	2024	2025
Suzhou Factory	Electricity consumption	kWh/year	3,044,089	3,926,661	2,020,284
		GJ	10,958.72	14,135.98	7,273.02
	Liquefied Petroleum Gas (LPG)	kg/year	66,467.7	89,987	114,114
		GJ	3,339.44	4,521.09	5,733.27
	Gasoline consumption	L/year	5,020.85	5,407.56	5,557.21
		GJ	161.85	174.31	179.14
	Diesel consumption	L/year	0	0	0
		GJ	0	0	0
	Renewable energy	kWh/year	-	-	1,687,927
		GJ	-	-	6,076.54
	Total Energy Consumption	GJ	14,460.01	18,831.38	19,261.97
	Organization-specific metrics	Revenue (NTD millions)	1,844.07	1,802.27	1,783.06
	Energy intensity	GJ/Revenue (NTD millions)	7.8414	10.4487	10.8027

Remarks:

1. For the Taiwan and Suzhou factories, electricity consumption is converted using a calorific value of 1 kWh = 0.0036 GJ.
2. For the Taiwan Factory in 2023, the calorific value of liquefied petroleum gas (LPG) was 6,635 kcal/L; 1 kcal = 4.184 kJ.
3. For the Taiwan Factory in 2024, fuel calorific values were calculated based on Version 6.0.4 of the Ministry of Environment's GHG Emission Factor Management Table. The calorific values were 7,609 kcal/L for gasoline, 8,642 kcal/L for diesel, and 6,635 kcal/L for liquefied petroleum gas (LPG); 1 kcal = 4.1868 kJ.
4. For the Taiwan Factory in 2025, fuel calorific values were based on the 2025 announcement issued by the Climate Change Administration, Ministry of Environment, regarding the calorific values of automotive gasoline, diesel, liquefied petroleum gas, and natural gas. The calorific values were 7,586 kcal/L for gasoline, 8,636 kcal/L for diesel, and 5,993 kcal/L for liquefied petroleum gas (LPG); 1 kcal = 4.1868 kJ.
5. For the Suzhou Factory, the fuel calorific values for 2023, 2024, and 2025 were based on the General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020). Gasoline density was based on GB 17930-2016 at 748 kg/m^3, and diesel density was based on GB 19147-2016 at 820 kg/m^3. The calorific values used were 12,000 kcal/kg for liquefied petroleum gas (LPG), 7,699.25 kcal/L for gasoline, and 8,364 kcal/L for diesel. 1 Kcal = 4.1868 kJ.
6. The Taiwan Factory did not use renewable energy in 2025; therefore, no related data are available.
7. The Suzhou Factory used 1,687,927 kWh of green electricity in 2025.
8. All revenue figures are presented in NTD.

GHG Emissions

K.S. Terminals classifies its GHG emissions into direct emissions (Category 1) and indirect emissions (Category 2) based on emission sources. Direct emissions primarily arise from energy consumption in manufacturing processes, while indirect emissions are mainly attributable to purchased electricity. The Taiwan Factory's GHG emissions in 2025 totaled approximately 6,593.6660 metric tons of CO_2e, an increase of 63.5524 metric tons of CO_2e compared with 2024. The increase was primarily attributable to the expansion of the reporting boundary from the principal manufacturing sites to the entire parent company, resulting in higher overall emissions. The Suzhou Factory's GHG emissions in 2025 totaled approximately 28,005.9880 metric tons of CO_2e, an increase of 1,600.2310 metric tons of CO_2e compared with 2024, mainly due to an increase in purchased raw materials under Category 4. In 2025, the Suzhou Factory used a total of 1,687,927 kWh of green electricity.

GHG Emissions Status of the Most Recent Three Years

Region	Item	Unit	2023	2024	2025
Taiwan Factory	Category 1: Direct GHG Emissions	Metric tons of CO_2e	125.0358	337.7207	486.2957
	Category 2: Indirect GHG Emissions	Metric tons of CO_2e	5,244.06	6,192.3929	6,107.3703
	Total Emissions = Category 1 + Category 2	Metric tons of CO_2e	5,369.0958	6,530.1136	6,593.6660
	Category 3: Transportation-related Indirect Emissions	Metric tons of CO_2e	-	112.2070	105.6586
	Category 4: Indirect Emissions from Products Used by the Organization	Metric tons of CO_2e	-	17,202.9337	13,358.9373
	GHG Emission Intensity	(Metric tons of CO_2e/revenue (NTD millions))	1.9776	2.1845	2.5172
Suzhou Factory	Category 1: Direct GHG Emissions	Metric tons of CO_2e	301.01	339.0119	429.6781
	Category 2: Indirect GHG Emissions(Location-based)	Metric tons of CO_2e	2,205.61	2,107.0463	1,967.5768
	Category 2: Indirect GHG Emissions(Market-based)	Metric tons of CO_2e	-	-	1,240.6646
	Total Emissions = Category 1 + Category 2	Metric tons of CO_2e	2,506.62	2,446.0582	1,670.3427

Region	Item	Unit	2023	2024	2025
Suzhou Factory	Category 3: Transportation-related Indirect Emissions	Metric tons of CO_2e	-	893.0621	964.6151
	Category 4: Indirect Emissions from Products Used by the Organization	Metric tons of CO_2e	-	23,066.6368	25,371.0303
	Category 5: Indirect GHG Emissions Associated with the Use of the Organization's Products	Metric tons of CO_2e	-	-	-
	Category 6: Indirect GHG Emissions from Other Sources	Metric tons of CO_2e	-	-	-
	GHG Emission Intensity	(Metric tons of CO_2e/revenue (NTD millions))	1.3593	1.3572	0.9336

Remarks:

1. For the Taiwan plant, emissions from purchased electricity were calculated using the electricity emission factors announced by the Energy Administration, Ministry of Economic Affairs. The electricity emission factors were 0.494 kg CO_2e /kWh, 0.474 kg CO_2e /kWh, and 0.466 kg CO_2e /kWh for 2023, 2024, and 2025, respectively.
2. For the Taiwan Factory, the reporting boundaries for Category 1 and Category 2 emissions in 2023-2024 included the Changbin Xianxi Factory, Southern Factory II, Changbin Factory III, and the Metal Surface Treatment Factory. The reporting boundaries for Category 3 and Category 4 emissions in 2024 were limited to the Changbin Xianxi Factory.
3. For the Taiwan Factory, the reporting boundary in 2025 covered the entire Taiwan parent company of K.S. Terminals.
4. For the Suzhou Factory, electricity emission factors were based on the carbon dioxide emission factors for electricity published by the Ministry of Ecology and Environment of China. The electricity emission factors for 2023 and 2024 were calculated using the location-based method, while the electricity emission factor for 2025 was calculated using the market-based method.
5. For the Suzhou Factory, the electricity emission factor was 0.5568 kgCO_2e/kWh in 2023 and 0.5366 kgCO_2e/kWh in 2024. In 2025, the electricity emission factors were 0.5306 kgCO_2e/kWh on a location-based basis and 0.6096 kgCO_2e/kWh on a market-based basis.
6. As the Suzhou Factory had not yet conducted a GHG inventory in 2023, the reporting boundary covered only Category 1 and Category 2 emissions.
7. For 2024-2025, the reporting boundary covered the entire Suzhou Factory and included Category 1, Category 2, Category 3 (upstream transportation and downstream transportation), and Category 4 (purchased products, purchased fuels and energy resources, and waste treatment).
8. GHG Emissions Intensity = Scope 1 and Scope 2 emissions / Revenue (NTD million).

Air Pollutant Emissions

Air Pollution Emissions of Volatile Organic Compounds

Unit: metric tons

Region	Factory/Year	2023	2024	2025
Taiwan Factory	Changbin Xianxi Factory	0.53	0.68	0.61
	Southern Factory II	0	0	0
	Changbin Factory III	2.20	2.72	2.30
	Metal Surface Treatment Factory	1.48	1.60	1.14
Suzhou Factory	-	0.12	0.08	0.09

The products produced or raw materials used did not cause any significant negative environmental impact during the transportation process. We will continue to strike a balance between the environment and the Company's output value. We strive to abide by the relevant environmental laws and regulations, improve pollution control equipment, and raise the environmental awareness of employees to reduce energy and resource consumption and waste generation.

Energy Conservation and Carbon Reduction Measures

To achieve energy conservation and carbon reduction objectives, K.S. Terminals Inc. continues to invest resources in equipment upgrades and energy efficiency improvements. In 2025, the Company carried out replacement and optimization projects for air-conditioning systems and lighting facilities. The Taiwan operations reduced electricity consumption by 164,228 kWh, equivalent to annual energy savings of 591.22 GJ and carbon reductions of 77.8441 metric tons of CO_2e. The Suzhou Factory reduced electricity consumption by 19,939 kWh, equivalent to annual energy savings of 71.78 GJ and carbon reductions of 12.1548 metric tons of CO_2e. The total investment cost for the aforementioned energy conservation projects was NTD 5,199 thousand, demonstrating the Company's ongoing commitment to reducing its operational carbon footprint and strengthening energy management.

Region	Equipment	Energy Conservation/Carbon Reduction Measures	Annual electricity savings (kWh)	Annual energy savings (GJ)	Annual carbon reduction (metric tons CO_2e)
Taiwan Factory	Air Conditioning Equipment	Replacement of a 200 RT Chiller System.	128,887	463.99	61.0924
		Replacement of a 300 RT Cooling Tower System.	14,493	52.18	6.8697
		Replacement of Three 20 HP Chilled Water Pumps.	5,966	21.48	2.8279
		Replacement of a 150 RT Cooling Tower System.	8,862	31.90	4.2006
		Replacement of Three Air Conditioning Units.	6,020	21.67	2.8535
	Total		164,228	591.22	77.8441
Suzhou Factory	Production Equipment	Replacement of the Chiller System in the Injection Molding Workshop.	9,456	34.04	5.7644
	Lighting equipment	Replacement of 35 Site Streetlights with Solar-powered Streetlights and 5 Floodlights with Solar-powered Units.	10,483	37.74	6.3904
	Total		19,939	71.78	12.1548

Energy Conservation Action Plans and Measures

To achieve optimal energy utilization efficiency and actively respond to climate change challenges and net-zero transition objectives, the Company continues to promote multiple energy conservation initiatives. Various measures encompass equipment renewal, system optimization, operational process improvements, and personnel behavioral guidance, with the expectation that through systematic planning and execution, energy consumption and greenhouse gas emissions can be effectively reduced.

Furthermore, the Company values the participation of all employees in energy conservation efforts, specifically designing energy and sustainability awareness training courses for new employees and incorporating these into new employee training processes to enhance their understanding of energy policies, energy conservation measures, and practical operations, ensuring that sustainability concepts are implemented and inherited from the grassroots level within the organization.

Primary Energy Conservation Plans and Measures for Implementation in 2026:

Region	Action Items	Description	Expected Benefits (Energy Conservation/Emission Reduction)
Taiwan Factory	**Air Conditioning System Optimization**	Update of obsolete air conditioning system	Annual electricity savings of approximately 83,603 kWh Reduce approximately 39.628 metric tons of CO_2 emissions
	Pump efficiency improvement	Replace old pumps	Annual electricity savings of approximately 24,654 kWh Reduce approximately 11.6860 metric tons of CO_2 emissions
Suzhou Factory	**Air Conditioning System Optimization**	Replace obsolete air conditioning system	Annual electricity savings of approximately 27,614 kWh Reduce approximately 16.8335 metric tons of CO_2 emissions

2.5 Pollution Control

In 2004, the Company established the ISO 14001 system and passed the SGS certification. In addition to complying with the government laws and regulations, we have also obtained legal permits such as the "Stationary Pollution Source Operating Permit," "Water Pollution Control Permit," and "Industrial Waste Disposal Plan." Furthermore, through the announcement of company policies and compliance with other applicable international regulatory requirements, the Company has implemented a stricter self-management mechanism in terms of pollution control, regular facility inspections and maintenance, and regular environmental testing.

Wastewater/Sewage and Waste Control

As the Company is a professional terminal manufacturer, its processes generate wastewater (sewage) and waste in its Taiwan operations. Generated wastewater (sewage) is treated by the treatment plant in the Changhua Binhai Industrial Zone, while waste is disposed of by a qualified disposal company. All waste declaration, disposal, and treatment operations are handled in accordance with the environmental protection laws and regulations. The Company pays a sewage system treatment fee at the established rate to the management center of the Changhua Binhai Industrial Zone. The amount paid in 2025 was NTD 4,489,519.

In terms of the manufacturing process of electroplating, aside from entrusting entities equipped with wastewater treatment equipment and a wastewater discharge permit issued by the Environmental Protection Agency, we have also set up a "metal surface treatment plant" in the Electroplating Zone of the Changhua Binhai Industrial Zone. The operations of the plant are in compliance with the environmental laws and regulations.

The Suzhou Factory does not generate process wastewater during its manufacturing operations. Waste is collected and disposed of by contracted service providers. All waste declarations and disposal activities are conducted in accordance with the applicable environmental laws and regulations.

Pollution Control Equipment

Unit: NTD thousand

Region	Name of Equipment	Year When it Was Acquired	Investment Cost	Depreciation Amount for 2025	Uses and Expected Possible Benefits
Taiwan Factory	Dust Collector	2009	298	0	Reduce air pollution and maintain worker health.
	Wastewater Equipment	2000	848	0	Effectively reduce the concentration of raw wastewater and improve the quality of effluent, meeting the national effluent criteria.
	Wastewater Equipment	2012	150	0	Effectively reduce the concentration of raw wastewater and improve the quality of effluent, meeting the national effluent criteria.
	Air Pollution Equipment	2014	1,573 Note: Improvement cost: NTD 90 thousand	87	Effectively reduce the concentration of acid gases and alkaline mist generated during the electroplating process and meet the gas emission standards of the industrial zone.
	Wastewater Equipment Improvement Project	2016	1,240	124	Effectively reduce the concentration of raw wastewater, improve effluent quality, increase the copper ion recycling rate, and improve the convenience and safety of personnel operations.
	Wastewater Equipment Improvement Project	2017	1,880	0	Effectively reduce the concentration of raw wastewater, improve effluent quality, increase the copper ion recycling rate, and improve the convenience and safety of personnel operations.
	Wastewater Equipment Improvement Project	2019	886	0	Effectively reduce the concentration of raw wastewater, improve effluent quality, increase the copper ion recycling rate, and improve the convenience and safety of personnel operations.
	Wastewater Equipment Improvement Project	2021	1,286	64	Effectively reduce the concentration of raw wastewater, improve effluent quality, increase the copper ion recycling rate, and improve the convenience and safety of personnel operations.

Region	Name of Equipment	Year When it Was Acquired	Investment Cost	Depreciation Amount for 2025	Uses and Expected Possible Benefits
Taiwan Factory	Exhaust Gas Equipment	2022	870	109	Reduce air pollution generated from operations, keeping workers healthy and meeting the requirements of environmental protection regulations.
	Wastewater Equipment Improvement Project	2022	4,171	209	Effectively reduce the concentration of raw wastewater, improve effluent quality, increase the copper ion recycling rate, and improve the convenience and safety of personnel operations.
	Wastewater Equipment Improvement Project	2024	0	0	
	Total		13,202	593	
Suzhou Factory	Exhaust Gas Equipment	2019	31	0	Reduce air pollution generated from operations, keeping workers healthy and meeting the requirements of environmental protection regulations.

Wastewater/Sewage Treatment and Utilization

In 2025, the Taiwan operations incurred total expenditures of NTD 10,556,643 for wastewater treatment fees, wastewater treatment chemicals, waste disposal and transportation fees, soil pollution prevention and control fees, and environmental education and training expenses. At the Suzhou Factory, an application was submitted to the Environmental Protection Bureau of Xiangcheng District, Suzhou, on December 31, 2018, to cease operation of the electroplating production line. The wastewater treatment facilities subsequently underwent internal cleaning, and in December 2019, an application was submitted to the environmental authorities to discontinue operation of the production wastewater treatment system. Since then, the Suzhou Factory has not generated any production wastewater. Domestic wastewater continues to be discharged to the municipal wastewater treatment plant for treatment.

The Company reported on water pollution prevention and control measures and obtained permits in accordance with the law. A dedicated wastewater officer was appointed to monitor discharge water quality at all times. In terms of water resources, the office environment and water for production are directly supplied by the Taiwan Water Corporation. According to the World Resources Institute's "Aqueduct Water Risk Atlas," the interplay between shared water resources is classified as Low-Medium (1–2). After passing through the pre-treatment system, the wastewater generated during the production process is discharged through the sewage system to the sewage treatment plant in the industrial zone for unified treatment, and then released to the Tianwei Waterway; the waste sludge is disposed of and treated by qualified contractors.

Quality and Volume of Wastewater Discharged in the Most Recent Three Years

Region	Year	2023	2024	2025
Taiwan Factory	Suspended Solid Concentration Monitoring Value (mg/L) (Limit: 400)	19.25	22.69	29.44[Note 1]
	Chemical Oxygen Demand Concentration Monitoring Value (mg/L) (Limit: 640)	71.24	80.35	89.76[Note 1]
	Biochemical Oxygen Demand Concentration Monitoring Value (mg/L) (Limit: 400)	44.35	99.30	98.85[Note 2]
	Wastewater Discharged (tons)	23,533[Note 1]	28,615[Note 1]	27,942.2[Note 1]
Suzhou Factory	Suspended Solid Concentration Monitoring Value (mg/L) (Limit: 200)	20	54	64
	Chemical Oxygen Demand Concentration Monitoring Value (mg/L) (Limit: 400)	116	82	328
	Biochemical Oxygen Demand Concentration Monitoring Value (mg/L) (Limit: 400)	13	45	182
	Wastewater Discharged (tons)	6,666	8,516	4,997

Remarks:

1. Taiwan Operations Reporting Boundary: Changbin Xianxi Main Factory, Southern Factory II, Changbin Factory III, and Changbin Factory V. (To ensure a consistent reporting boundary, the 2023 and 2024 data have been revised accordingly.)
2. Reporting boundary for the Taiwan operations' 2025 biochemical oxygen demand (BOD) concentration monitoring data: Changbin Xianxi Main Factory and Southern Factory II.

Water Consumption and Recycled Water Use

The main source of water consumption is tap water, which has no significant impact on the water sources and ecological environment in the region of the factory. In addition, wastewater discharge quality is tested every six months, and the test results comply with the discharge standards of the competent authority.

Water Resource Consumption Status

Region	Category	Unit	2023	2024	2025
Taiwan Factory	Water consumption	Metric tons	40,465	45,136	46,836.2
	Water Consumption Intensity	Metric tons/revenue (NTD millions)	14.9048	15.0990	17.8801
Suzhou Factory	Water consumption	Metric tons	16,042	23,430	21,487
	Water Consumption Intensity	Metric tons/revenue (NTD millions)	8.6992	13.0003	12.0506

Remarks:

1. Reporting Boundary for 2023–2025: Changbin Xianxi Main Factory, Southern Factory II, Changbin Factory III, and Changbin Factory V. (To ensure a consistent reporting boundary, the 2023 and 2024 data have been revised accordingly.)
2. Water consumption intensity = water consumption (tons) / revenue (NTD millions).

In view of the limited water resources in Taiwan, and in order to conserve water resources, the Company not only continuously implements various water-saving measures in its factories but also actively communicates the importance of saving water domestically to employees. We also strengthen daily inspection operations to reduce water leakage from pipes and faucets or the improper waste of water resources. Drinking water and laboratory RO water equipment at major plant facilities are equipped with wastewater recovery and reuse systems, achieving an annual recovery volume of 1,044 metric tons at the Taiwan Factory. Recovered wastewater is primarily used for lawn and plant irrigation and toilet flushing.

Region	Name of Equipment	Water Conservation Measure	Water conservation (metric tons/year)
Taiwan Factory	RO water purifier	Recycle the wastewater generated by RO water purifiers.	1,044
Suzhou Factory	RO water purifier	Recycle the wastewater generated by RO water purifiers.	90

Remarks: The Taiwan Operations Reporting Boundary includes the Changbin Xianxi Main Factory, Changbin Factory III, and Changbin Factory V.

Waste Control

The Company classifies waste generated from its manufacturing processes and business activities into general industrial waste and hazardous industrial waste based on its characteristics. A waste classification and management system has been established to ensure proper segregation, designated storage areas, and clear labeling at the source, thereby preventing environmental risks associated with mixed storage and enhancing overall waste management efficiency.

With respect to waste collection and disposal, the Company regularly conducts online reporting, verification, and tracking through the web-based reporting system designated by the competent authorities to ensure that waste management practices are lawful, transparent, and traceable. In addition, the Company adheres to the principles of the Basel Convention. In 2025, no hazardous industrial waste was exported overseas, and all such waste was transported and treated in accordance with applicable regulations by qualified domestic service providers.

In 2025, the actual quantity generated for waste code C-0110 exceeded the maximum monthly generation volume approved under the Industrial Waste Management Plan, resulting in a violation of Article 31, Paragraph 1, Subparagraph 1 of the Waste Disposal Act. A fine of NTD 60,000 was imposed. The Company has initiated procedures to amend the Industrial Waste Management Plan and adjust the approved disposal volume. At the same time, monitoring and management mechanisms for waste generation volumes have been strengthened to prevent similar incidents from recurring.

Waste Distribution by Factory

Unit: metric tons

Region	Factory	Waste Classification	Waste Type	Disposal Method	Disposal Quantity		
					2023	2024	2025
Taiwan Factory	Changbin Xianxi Factory	General	Domestic Waste	Incineration	10.4	9.9	11
		General	Waste Lubricating Oil	Physical Treatment	3.15	3.19	2.37
		Hazardous	Copper Sludge	Reuse	10.54	16.99	31.01
		General	Waste Wood	Reuse	4.7	29.75	30.28
		General	Waste copper	Reuse	-	-	499.461
	Southern Factory II	General	Domestic Waste	Incineration	0.025	0	0
		General	Waste Lubricating Oil	Physical Treatment	0	0	0
	Changbin Factory III	General	Domestic Waste	Incineration	0.098	0.098	2.2
		General	Waste Lubricating Oil	Physical Treatment	0	0	2.13
		General	Waste Wood	Reuse	-	-	12
		General	Waste plastic materials	Reuse	-	-	188.772
	Metal Surface Treatment Factory	General	Domestic Waste	Incineration	6.1	5.8	7.1
		Hazardous	Copper Sludge	Reuse	45.93	99.237	134.53
Suzhou Factory	Suzhou Factory	General	Waste Wood	Reuse	6.44	6.7	6.1
		General	Waste cardboard boxes	Reuse	15.34	14.2	15.18
		General	Waste plastic	Reuse	2.66	2.47	2.9
		General	Scrap metal	Reuse	4.45	4.3	7.69
		General	Waste copper	Reuse	-	-	910.384
		General	Domestic Waste	Incineration	6.85	7.2	7.56
		Hazardous	Waste lubricating oil	Incineration	0.656	0.903	0.99
		Hazardous	Waste cutting fluid	Incineration	0.88	2.996	4.996
		Hazardous	Waste chemical drums	Incineration	0.2005	0.264	0.3765
		Hazardous	Waste activated carbon	Incineration	2.88	5.055	4.012

Remarks: Data for waste copper from the Changbin Xianxi Factory, waste wood and waste plastics from Changbin Factory III, and waste copper from the Suzhou Factory were not included in the 2023 and 2024 statistics.

Total Waste Summary

Unit: metric tons

Region	Waste Classification	Waste Type	Disposal Method	Total Waste Summary		
				2023	2024	2025
Taiwan Factory	General	Domestic Waste	Incineration	16.623	15.798	20.3
		Waste Lubricating Oil	Physical Treatment	3.15	3.19	4.5
		Waste Wood	Reuse	4.7	29.75	42.28
		Waste plastic materials	Reuse	-	-	188.772
		Waste copper	Reuse	-	-	499.461
		Total		24.473	48.738	755.313
	Hazardous	Copper Sludge	Reuse	56.47	116.227	165.54
	Total Waste Weight			80.943	164.965	920.853
Suzhou Factory	General	Waste Wood	Reuse	6.44	6.7	6.1
		Waste cardboard boxes	Reuse	15.34	14.2	15.18
		Waste plastic	Reuse	2.66	2.47	2.9
		Scrap metal	Reuse	4.45	4.3	7.69
		Waste copper	Reuse	-	-	910.384
		Domestic Waste	Incineration	6.85	7.2	7.56
		Total		35.74	34.87	949.817
	Hazardous	Waste lubricating oil	Incineration	0.656	0.903	0.99
		Waste cutting fluid	Incineration	0.88	2.996	4.996
		Waste chemical drums	Incineration	0.2005	0.264	0.3765
		Waste activated carbon	Incineration	2.88	5.055	4.012
		Total		4.6165	9.218	10.3745
	Total Waste Weight			40.3565	44.088	960.1915

Remarks:
1. Statistical coverage of Taiwan includes the Changbin Xianxi Factory, Southern Factory II, Changbin Factory III, and the Metal Surface Treatment Factory.
2. Data for waste copper, waste wood, and waste plastics from the Taiwan operations, as well as waste copper from the Suzhou Factory, were not included in the 2023 and 2024 statistics.

Total Waste Reuse Summary

Unit: metric tons

Region	Factory	Waste Type	Reuse quantity		
			2023	2024	2025
Taiwan Factory	Changbin Xianxi Factory	Copper Sludge	10.54	16.99	31.01
		Waste Wood	4.7	29.75	42.28
		Waste copper	-	-	499.61
	Metal Surface Treatment Factory	Copper Sludge	45.93	99.237	134.53
	Changbin Factory III	Waste plastic materials	-	-	188.772
		Waste Wood	-	-	12
	Total reuse quantity		61.17	145.977	908.202
	Reuse Rate (%)		75.57%	88.49%	98.63%
Suzhou Factory	Suzhou Factory	Waste Wood	6.44	6.7	6.1
		Waste cardboard boxes	15.34	14.2	15.18
		Waste plastic	2.66	2.47	2.9
		Scrap metal	4.45	4.3	7.69
		Waste copper	-	-	910.384
	Total reuse quantity		28.89	27.67	942.254
	Reuse Rate (%)		71.59%	62.76%	98.13%

Remarks:

1. The reuse rate is calculated as the total reuse quantity in each year divided by the total amount of waste disposed of in the respective year.
2. Data for waste copper from the Changbin Xianxi Factory, waste wood and waste plastics from Changbin Factor III, and waste copper from the Suzhou Factory were not included in the 2023 and 2024 statistics.

The waste recycling rate of the Taiwan operations' total waste treated in 2025 was 98.63%, representing an increase of 10.14% compared with the 2024 recycling rate of 88.49%. The waste recycling rate of the Suzhou Factory's total waste treated in 2025 was 98.13%, representing an increase of 35.37% compared with the 2024 recycling rate of 62.76%, primarily because the total volume of waste treated during 2025 was lower and a higher proportion consisted of recyclable waste, resulting in an increase in the recycling rate (%).

The products produced and sold by the Company are industrial products, not consumer or terminal products. The industrial packaging of the products sold is recycled by downstream customers, and the Company does not recycle it.

2.6 Biodiversity

Biodiversity Policy and Commitments

The Company is committed to protecting the natural resources in the areas where it operates and has incorporated habitat conservation and source reduction into its core operating principles. We are committed to:

1. Habitat-Friendly Management: Based on the geographical characteristics of each site, large green spaces and diverse vegetation are established to create ecological buffer zones.
2. Responsible Procurement and Source Reduction: Internationally certified forest products are selected, and paper consumption is substantially reduced through digital transformation initiatives.
3. Ongoing Professional Management: Budgets are allocated to engage professional teams for long-term maintenance, ensuring the stability and resilience of on-site ecosystems.

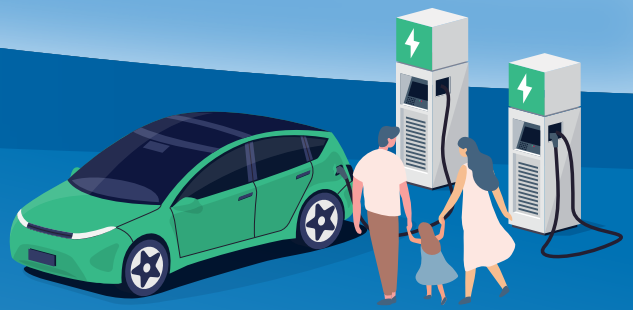


Specific Implementation

Business Locations	Taiwan Factory	Suzhou Factory
Green Area Maintenance Coverage	700 m² 	8,400 m² 
Vegetation Scale and Species Diversity	Maintain more than 100 Chinese Juniper and Buddhist Pine trees over the long term to establish green buffer belts and windbreak forests.	Maintain 472 trees representing more than 20 species, including Japanese White Pine, camphor, ginkgo, and White Champak trees.
Biodiversity Value in Practice	Establish an evergreen multi-layered vegetation structure to provide refuge habitats for birds and pollinating insects, while also delivering dust retention, noise reduction, and microclimate regulation benefits.	Plant a wide variety of fruit trees, including waxberry, loquat, persimmon, pomegranate, peach, and pear trees, to create natural food-source habitats and to attract local wildlife.
Professional Management Mechanism	Engage professional horticultural teams to conduct regular inspections and implement habitat-friendly management practices to protect soil biodiversity.	Engage professional horticultural teams to conduct health monitoring and manage forest succession for nearly 500 trees.
Green Procurement Practices	PEFC Certification: All office tissue paper and copy paper are sourced from certified products.	Give priority to consumables certified under sustainable forestry standards to help ensure that the supply chain does not contribute to the destruction of primary forests.
2025 Paperless Project	15 proposals for improvement.	6 proposals for improvement.

03 Workplace Inclusion

3.1 Workplace Inclusion Management Guidelines
3.2 Workforce Structure
3.3 Employee Diversity and Benefits
3.4 Workplace Safety and Responsibility



Total employees

761 persons

As of the end of 2025, the Company had a total of 761 employees in the factories in Taiwan.

Domestic to foreign employee ratio

702:59

The ratio of local to foreign employees in Taiwan.

Clubs/Associations

7

In 2025, the Company formed a total of 7 employee clubs.

Occupational medicine specialist on-site services

12 visits per year

In 2025, occupational medicine specialist on-site services were provided 12 times during the year, serving a total of 150 participant attendances.

Total employeesEducation and Training Hours

10,752.4 hours

In 2025, the total number of education and training hours was 10,752.4.

Benefit Expenses

NTD 601,760 thousand

In 2025, the Company's employee salary and benefit expenses totaled NTD 601,760 thousand.

Safety and Health Courses Held

105 Occupational

In 2025, a total of 105 sections of occupational safety and health courses were offered.

Total health and occupational safety training participants

1,986 person-times

In 2025, the total number of health and occupational safety training participants reached 1,986.

Employment of Persons with Disabilities

8 employees / 1.05%

In 2025, a total of 8 employees with disabilities were employed, representing 1.05% of the total workforce.

3.1 Workplace Inclusion Management Guidelines

Relevant Material Topics: Occupational Health and Safety, and Employee Diversity and Equal Opportunity

Significance and Purpose

Employees are the Company's most valuable asset. Implementing a comprehensive occupational safety and health system helps protect productivity and reduce losses and operational disruptions resulting from workplace accidents.

Establishing a diverse and inclusive workplace fosters creativity and strengthens organizational resilience. By providing equal opportunities, the Company attracts global talent and builds a high-performing corporate culture.

Management Strategy

1. Establish a fair compensation structure that provides regionally competitive fixed salaries and overall remuneration and benefits that exceed industry standards.
2. Provide subsidies to the Employee Welfare Committee to organize a variety of flexible activities that support the physical and mental well-being of employees from diverse backgrounds.
3. Establish medical rooms, provide regular medical consultation services, and install AED equipment to implement preventive health management.
4. Share business achievements with employees through employee bonus programs and incentive schemes for continuous improvement projects.
5. Enhance occupational safety awareness among new hires and existing employees through regular awareness programs and emergency response drills.
6. Include contractors within the occupational safety and health management system. Prior to entering the site, contractors are required to complete safety training and sign a safety and health acknowledgment form to ensure compliance with operational safety requirements.

Impact and Influences

1. Effective occupational safety management enhances employee satisfaction, reduces the turnover rate, and meets supply chain ESG requirements. However, inadequate occupational safety management may result in workplace accidents, affecting production efficiency and corporate image. Therefore, the Company emphasizes employee occupational safety and health management to provide a safe working environment, establishing AED emergency rescue equipment, medical facilities, and physician consultation systems to ensure employee health.
2. Corporate training programs and talent development strategies directly impact employee productivity and innovation capabilities, further affecting the enterprise's market competitiveness. If enterprises fail to invest sufficient resources in talent development, it may affect employee skill enhancement and long-term corporate development.
3. A diverse workplace environment and fair compensation system help attract and retain talented employees, strengthen the Company's competitiveness in the talent market, and reduce the risk of talent loss resulting from discrimination or unequal treatment.

Commitments and Goals

Short-Term Goals

- ▶ Invest more than NTD 1 million in education and training.
- ▶ The employee turnover rate is less than 20%.
- ▶ Other employee benefit expenses exceed NTD 30 million.
- ▶ Occupational medicine specialist on-site services: 12 visits per year .
- ▶ No major disability or work-related injuries occur.
- ▶ The employment of persons with disabilities continues to comply with the applicable regulatory requirements.
- ▶ Conduct annual human rights policies and anti-discrimination awareness programs.

Medium- and Long-Term Goals

- ▶ “Zero” moderate and severe work-related injuries.
- ▶ “Zero” fine cases involving labor condition violations.

Responsible Unit

Remuneration Committee, Employee Welfare Committee, Occupational Safety and Health Committee, EHS Center, and the Human Resources Department.

Management System

Internal: Welfare Committee Procedures, Welfare Fund Utilization and Subsidy Procedures, Salary Handbook, Regulations on the Establishment of the Remuneration Committee and the Exercise of Powers, Employee Performance Bonus Payment Regulations, Year-End Bonus Payment Regulations, Employee Bonus Payment Regulations, Implementation Procedures for Maternal Health Protection of Female Employees, Sexual Harassment Incident Handling Procedures, Continuous Improvement Project Bonus Distribution Procedures, Adaptive Work Plans for Middle-Aged and Older Workers, and the Prevention Plan for Illegal Infringement Arising from the Performance of Duties.

External: Labor Safety and Health Instructions, Contractor Safety and Health Management Regulations, Environmental Safety and Health Supervision and Measurement Management Regulations, Employee Health Management Regulations, and the regulations of the Occupational Safety and Health Committee.

ISO 45001 Occupational Health and Safety – Management System

Relevant Material Topics	Occupational Health and Safety, and Employee Diversity and Equal Opportunity
Evaluation Mechanism	1. Report the number of work-related injuries in accordance with the applicable laws and regulations, establish a real-time accident reporting mechanism, and cooperate with the government to publicize various laws, regulations, and policies for the promotion of labor safety and health. 2. Regularly convene a Remuneration Committee meeting, Employee Welfare Committee meeting, and Occupational Safety and Health Committee meeting to review implementation effectiveness and adjust relevant policies and measures.
Complaint and Remediation Mechanisms	Establish emergency response teams and implement workplace environment monitoring to identify and manage occupational hazards. At the same time, establish diverse communication and grievance channels to ensure that any incidents of discrimination or occupational safety concerns can be promptly reported and appropriately addressed.

3.2 Workforce Structure

As of the end of 2025, KST had a total of 761 full-time employees in its Taiwan operations, a decrease of 65 employees compared with 2024. This decline was primarily attributable to the impact of U.S. tariff policies, which resulted in lower export production volumes. In response to the resulting operational pressures, the Company implemented a hiring freeze. All employees in the Taiwan operations are directly employed, with no dispatched workers or part-time employees. Employment arrangements are classified in accordance with the applicable laws as either fixed-term or non-fixed-term contracts. The Suzhou Factory had a total of 401 full-time employees, whose employment arrangements are classified in accordance with the applicable laws as either fixed-term or open-ended labor contracts.

In 2025, the average salary of new entry-level employees in the Taiwan Factory was NTD 36,970, which is higher than the required minimum salary in Taiwan. Employees who pass the annual promotion evaluation will receive a salary increase. In addition, the overall salary level of employees will be adjusted from time to time based on factors such as the government-announced minimum wage, salary adjustments for military personnel, civil servants, and educators, the company's annual operational profitability, and the salary levels of surrounding regional industries.

The distribution of employees is as follows

Region	Category	Male		Female		Total	
		Number of Persons	Percentage %	Number of Persons	Percentage %	Number of Persons	Percentage %
Taiwan Factory	Local hires	366	48.09%	336	44.15%	702	92.25%
	Foreign employees	59	7.75%	0	0	59	7.75%
	Total	425	55.84%	336	44.15%	761	100%
Suzhou Factory	Local hires	173	43.14%	216	53.87%	389	97.01%
	Foreign employees	12	2.99%	0	0	12	2.99%
	Total	185	46.13%	216	53.87%	401	100%

Remarks: Non-employees in Taiwan include four security personnel and one cleaning staff member, and there is no significant change in the number from the previous year.

Age Structure of Employees

Region	Age	Male		Female		Total	
		Number of Persons	Percentage %	Number of Persons	Percentage %	Number of Persons	Percentage %
Taiwan Factory	Below 30 Years Old	65	8.54%	41	5.39%	106	13.93%
	31–40 Years Old	131	17.21%	109	14.32%	240	31.53%
	41–50 Years Old	174	22.87%	144	18.92%	318	41.79%
	Over 51 Years Old	55	7.23%	42	5.52%	97	12.75%
	Total	425	55.85%	336	44.15%	761	100%
Suzhou Factory	Below 30 Years Old	51	12.72%	51	12.72%	102	25.44%
	31–40 Years Old	83	20.7%	96	23.94%	179	44.64%
	41–50 Years Old	42	10.47%	61	15.21%	103	25.68%
	Over 51 Years Old	9	2.24%	8	2%	17	4.24%
	Total	185	46.13%	216	53.87%	401	100%

Educational Structure of Employees

Region	Academic Background	Male		Female		Total	
		Number of Persons	Percentage %	Number of Persons	Percentage %	Number of Persons	Percentage %
Taiwan Factory	Master's Degree or Above	15	1.97%	7	0.92%	22	2.89%
	College Degree	228	29.96%	174	22.86%	402	52.82%
	Senior High School and Below	182	23.92%	155	20.37%	337	44.29%
	Total	425	55.85%	336	44.15%	761	100%
Suzhou Factory	Master's Degree or Above	20	4.99%	33	8.23%	53	13.22%
	College Degree	39	9.73%	74	18.45%	113	28.18%
	Senior High School and Below	126	31.41%	109	27.19%	235	58.60%
	Total	185	46.13%	216	53.87%	401	100%

Employment Structure of Employees (Full-time and Contract)

Region	Type of Employment	Male		Female		Total	
		Number of Persons	Percentage %	Number of Persons	Percentage %	Number of Persons	Percentage %
Taiwan Factory	Full-Time Employees	364	47.83%	335	44.02%	699	91.85%
	Contract Employees	61	8.02%	1	0.13%	62	8.15%
	Total	425	55.85%	336	44.15%	761	100%
Suzhou Factory	Full-Time Employees	123	30.67%	168	41.90%	279	69.57%
	Contract Employees	62	15.46%	48	11.97%	110	27.43%
	Total	185	46.13%	216	53.87%	401	100%

rks: Full-time employees include regular employees and contract employees.

Structure of the Company's Managers

Region	Nature of Work	Gender	Number of Persons	Total Number of Persons	Percentage	Total Percentage
Taiwan Factory	General Staff	Male	306	612	40.21%	80.42%
		Female	306		40.21%	
	Entry-level Managers	Male	47	59	6.18%	7.76%
		Female	12		1.58%	
	Mid-level Managers	Male	28	39	3.67%	5.12%
		Female	11		1.45%	
	Senior Managers	Male	44	51	5.78%	6.70%
		Female	7		0.92%	
	Total			761/100%		
Suzhou Factory	General Staff	Male	153	354	38.15%	88.26%
		Female	201		50.12%	
	Entry-level Managers	Male	12	15	2.99%	3.74%
		Female	3		0.75%	
	Mid-level Managers	Male	7	14	1.75%	3.50%
		Female	7		1.75%	
	Senior Managers	Male	13	18	3.24%	4.50%
		Female	5		1.25%	
	Total			401/100%		

New Hire Rate and Turnover Rate Statistics

In 2025, the Taiwan Factory hired 35 new employees, representing a new hire rate of 4.6%. The increase in hiring was primarily attributable to the addition of new production lines.

New Hire Rate

Region	Item	2024			2025		
		Male	Female	New Hire Rate	Male	Female	New Hire Rate
Taiwan Factory	Below 30 Years Old	40	24	7.75%	6	5	1.45%
	31–40 Years Old	47	26	8.84%	6	10	2.1%
	41–50 Years Old	18	11	3.51%	4	2	0.79%
	Over 50 Years Old	5	0	0.61%	1	1	0.26%
	Total	110	61	20.71%	17	18	4.6%
Suzhou Factory	Below 30 Years Old	26	24	12.59%	26	16	10.47%
	31–40 Years Old	24	28	13.10%	30	17	11.72%
	41–50 Years Old	7	6	3.27%	6	9	3.74%
	Over 50 Years Old	3	3	1.51%	0	0	0.00%
	Total	60	61	30.48%	62	42	25.94%

Remarks:

1. New Hire Rate (%)

= (Number of New Hires during the Year /Total Number of Employees at Year-End) × 100%

In 2025, the Taiwan Factory recorded 68 employee departures, with a turnover rate of 9.82%, representing a decrease of 0.79% compared with 2024. The primary reason for turnover was job changes. Most employees who left in 2025 were under the age of 40, and their primary reason for departure was also job changes.

Turnover Rate

Region	Item	2024			2025		
		Male	Female	Turnover Rate	Male	Female	Turnover Rate
Taiwan Factory	Below 30 Years Old	21	6	3.49%	12	7	2.74%
	31–40 Years Old	12	13	3.23%	14	9	3.32%
	41–50 Years Old	10	9	2.46%	14	10	3.47%
	Over 50 Years Old	7	4	1.42%	1	1	0.29%
	Total	50	32	10.60%	41	27	9.82%
Suzhou Factory	Below 30 Years Old	17	9	6.55%	27	18	11.28%
	31–40 Years Old	21	18	9.82%	36	19	13.78%
	41–50 Years Old	14	5	4.79%	6	6	3.01%
	Over 50 Years Old	2	3	1.26%	1	2	0.75%
	Total	54	35	22.42%	70	45	28.82%

Remarks:

1. Employee departure figures exclude employees who resigned within six months of employment.
2. Number of employees who left during the year / (Employees at the end of previous year + Employees at the end of current year) / 2)

3.3 Employee Diversity and Benefits

3.3.1 Employee Diversity

In internal documents and measures such as the "Company Work Rules," "Child Labor Remediation Measures," "Measures for Handling Sexual Harassment Incidents," and "Prevention Plan for Illegal Infringement Arising from the Performance of Duties," the Company explicitly declares the protection of employees' human rights, including basic regulatory requirements, freedom of employment, humane treatment, and the prohibition of improper discrimination and sexual harassment. We have also further established a diverse and effective communication and grievance mechanism, offered better salaries and benefits, and provided training and development opportunities.

In addition, the Taiwan Factory has entered into an "Employee Counseling, Education and Training, and External Expert Services Agreement" with a consulting firm to provide psychological counseling services. The Taiwan Factory also regularly conducts training programs on the prevention of workplace violence and sexual harassment, enhancing employees' awareness of human rights protection and their ability to respond appropriately to related issues.

Implementation of the Prevention Plan for Illegal Infringement Arising from the Performance of Duties in 2025

Course Topics	Total Participants	Total Hours
Workplace Sexual Harassment Prevention Education and Training	**252**	**378 hours**

In addition, the Company has partnered with a nearby preschool and entered into an agreement for the enrollment of employees' children at a designated childcare service institution. This arrangement provides childcare resources for employees' children, helps employees balance work and family responsibilities, and demonstrates respect for and support of the diverse needs of employees.

The Company's CSR policy clearly prohibits the use of child labor to ensure that no person under the legal minimum employment age is employed. The Company also ensures the physical and mental health and safety of underage employees and prohibits them from engaging in hazardous work. The Company also promotes freedom of employment and ensures that employees can work in an environment founded on respect and inclusion, thereby advancing workplace diversity and human rights protection.

The Company is committed to protecting the human rights of its employees and supply chain. In 2025, there were no investigations, penalties, or major sanctions by external organizations resulting from human rights violations.

Safeguard Equal Employment Rights and Opportunities

K.S. Terminals is committed to fostering harmonious labor-management relations. Although no labor union has been established and no collective agreement has been signed, the rights and interests of all employees are fully protected in accordance with the applicable laws. Transparent and effective communication channels are in place to ensure that every employee's voice is heard and that their rights and interests receive due attention.

The Company is committed to providing a safe working environment and ensuring that employees are not subject to discrimination on the basis of disability or any other status protected under the applicable laws and regulations. The Company safeguards the employment rights of employees with disabilities. The Taiwan Factory employed 8 employees with disabilities, representing 1.05% of the total workforce, in compliance with the requirements of the "People with Disabilities Rights Protection Act," which stipulates that employers with 67 or more employees must employ persons with disabilities who are capable of working at a ratio of no less than 1% of the total workforce and not fewer than one individual. The Company is committed to fostering an inclusive and supportive workplace and promoting stable employment opportunities.

In accordance with the internal "Middle-Aged and Senior Employee Work Adaptation Program," the Company includes all employees aged 45 and above within the scope of protection. Healthcare professionals regularly conduct work fitness assessments to identify ergonomic and health-related risk factors, and they collaborate with Human Resources and department supervisors to implement health protection measures, including workplace improvements and adjustments to job duties or working hours, such as restrictions on overtime and shift work. In addition, training programs are provided to encourage intergenerational collaboration and the transfer of critical skills and experience.

Maternal Health Protection

To safeguard the physical and mental well-being of female employees of childbearing age, those who are pregnant, within one year postpartum, or breastfeeding, the Company implements a maternal health protection program to reduce occupational risks during pregnancy and breastfeeding, enhance employees' sense of security and retention, and foster a more supportive workplace culture.

Indicator	2025 Implementation Results
Number of Pregnant Employees	5 New Enrollments
Number of Employees Completing Maternal Hazard Assessments	206
Number of Completed Work Adjustment Cases	1
Health Monitoring and Follow-up Assessments	12

Implementation of Parental Leave

In 2025, there were two employees reinstated in the Taiwan Factory, with a reinstatement rate of 100%. There were five female employees and one male employee applying for unpaid parental leave. The Company does not restrict employees' application for parental leave due to gender.

In 2025, the Suzhou Factory recorded three employees taking maternity leave (female employees, 158 days of maternity leave including weekends) and two employees taking paternity leave (male employees, 1 day of leave including weekends). All leave was granted, and wages during the leave period were paid in accordance with the "Labor Law of the People's Republic of China" and the applicable maternity insurance, population, and family planning regulations currently in effect in Jiangsu Province.

Applications for Unpaid Parental Leave in 2025

Region	Category	Male		Female		Total	
		Number of Persons	Percentage (%)	Number of Persons	Percentage (%)	Number of Persons	Percentage (%)
Taiwan Factory	Number of Employees Eligible for Unpaid Parental Leave	1	16.67%	5	83.33%	6	100%
	Number of Employees Applying for Unpaid Parental Leave	1	16.67%	5	83.33%	6	100%
	Number of Employees Expected to Return from Unpaid Parental Leave (A)	1	100%	1	100%	2	100%
	Number of Employees Originally Expected to Return from Unpaid Parental Leave Who Returned to Work (B)	1	100%	1	100%	2	100%
	Number of Employees Who Returned from Unpaid Parental Leave in the Previous Year (C)	1	33.33%	2	66.67%	3	100%
	Number of Employees Who Returned from Unpaid Parental Leave and Remained Employed for at Least One Year (D)	1	33.33%	2	66.67%	3	100%
	Reinstatement Rate Following Unpaid Parental Leave (B/A)	100%		100%		100%	
	Retention Rate Following Unpaid Parental Leave (D/C)	100%		100%		100%	

3.3.2 Employee Benefits

Salary and Benefit Expenditures for Employees in Taiwan in the Most Recent Three Years

Unit: NTD thousand

By Nature	2023	2024	2025
Salary and Wages	433,059	513,648	486,418
Labor and Health Insurance Costs	45,615	48,800	53,554
Pension Costs	18,509	20,800	21,970
Other Employee Benefit Expenses	31,119	40,407	39,818
Total	528,302	623,655	601,760

The Company has set up the Employee Welfare Committee in accordance with the Employee Welfare Fund Act, which annually contributes 0.05% of annual turnover and 20% of the proceeds from the sale of scraps to the employee welfare fund. The committee is responsible for handling employee welfare-related matters, including giving cash gifts for weddings and funerals, domestic and foreign travel allowances, cash gifts for the Spring Festival, Dragon Boat Festival, Mid-Autumn Festival, and birthdays, as well as childcare allowances.

Family-Friendly Care Environment

In consideration of employees' childcare and family caregiving needs, the Company has entered into cooperation agreements with nearby preschools to provide employees' children with priority enrollment, childcare services, and tuition discounts, thereby helping to reduce employees' family caregiving burdens.

To support family childcare needs, the Company provides a childbirth subsidy of NTD 1,200 for each newborn child. In addition, an annual childcare allowance of NTD 2,000 is provided for each child aged 0 to 3 years, helping employees balance family responsibilities and work with greater peace of mind.

In 2025, a total of 64 employees benefited from the Company's family-friendly workplace environment and related support measures, with total annual expenditures amounting to NTD 112,800.

Subsidy Item	Number of Beneficiaries	Subsidy Amount (NTD)
Maternity Allowance	19	22,800
Childcare Allowance	45	90,000
Total Subsidy Amount		112,800

Family Care Activities

The Company is committed to fostering a workplace environment that supports marriage, childbirth, and family caregiving, and continues to implement welfare programs that promote employees' family well-being. In 2025, the Employee Welfare Committee organized an "Employee Family Day" event, encouraging employees to participate with their spouses and immediate family members. Through family-oriented activities and quality time together, the event promoted work-life balance and family engagement. A total of 391 employees participated.

Indicator Type	Unit	Results of the Year
Number of Participating Employees	Persons	391
Number of Participating Family Members	Persons	546
Total Number of Participants	Persons	937
Total Transportation Subsidies	NTD thousand	224
Total Activity Subsidies	NTD thousand	515
Number of Activities	Times	1

Remarks: Total Number of Participants = Number of Participating Employees + Number of Participating Family Members.



Retirement System

To safeguard employees' retirement benefits, the Company has established retirement-related policies and procedures in accordance with applicable labor laws and the Labor Pension Act. Currently, there are no employees within the organization covered under the old pension system (defined benefit plan). Following the implementation of Taiwan's new labor pension system in July 2005, the Taiwan Factory has contributed 6% of each employee's monthly salary to an individual pension account maintained by the Bureau of Labor Insurance in accordance with applicable regulations. Employees may also make voluntary contributions ranging from 0% to 6% of their monthly salary. As of the end of 2025, 116 employees had elected to make voluntary pension contributions, representing 17.71% of all employees covered under the new pension system at the Taiwan Factory. In 2025, a total of 9 employees retired. Expenses recognized under the defined contribution plan (the new labor pension system) amounted to NTD 20,117,790. For employees reassigned to affiliates as a result of organizational adjustments, years of service are calculated on a combined basis. This approach provides employees with multi[illegible]uards, enables them to work with peace of mind, and fulfills the objective of facilitating talent mobility within the Group.

Information on the Salary and Benefits of Non-managerial Employees

Unit: Number of persons/NTD thousand

By Nature	2024	2025	Difference
*Number of non-managerial employees (persons)	701	768	67
Median salary of non-managerial employees (NTD thousand)	605	594	(11)
Average salary of non-managerial employees (NTD thousand)	660	650	(10)

Remarks:

1. *Non-management employees refer to the total number of employees less the number of employees holding management positions.
2. "Employees holding management positions" refers to the Company's managers. According to the competent authority's Tai-Cai-Zheng-San-Zi Letter No. 920001301 dated March 27, 2003, "managers" are defined as general managers and their equivalents, deputy general managers and their equivalents, assistant vice presidents and their equivalents, chief financial officers, chief accounting officers, and other persons authorized to manage affairs and sign on behalf of a company.

Annual Total Salary Ratio

Region	Ratio of Annual Total Remuneration of the Highest Paid Individual in the Company to the Median of Annual Total Remuneration of Employees (Excluding the Highest Paid Individual)	Ratio of Annual Total Remuneration Increase of the Highest Paid Individual in the Company to the Median of Annual Total Remuneration of Employees (Excluding the Highest Paid Individual)
Taiwan	14.26	Note 5

Note 1: The Chairman is not considered the highest paid individual unless he/she concurrently serves as General Manager/CEO.

Note 2: Formula for calculating the median annual salary ratio: Annual salary of the highest paid individual in the year/Median individual annual salary in the year.

Note 3: Formula for calculating the annual salary increase ratio: Increase in the annual salary of the highest paid individual in the year as a percentage/Increase in the median individual annual salary in the year as a percentage.

Note 4: The annual salary increase rate for the Company's highest-paid individual was 16.12%.

Note 5: The increase ratio comparing the 2025 median annual salary to the 2024 median annual salary was 2.78%.

Employee Clubs

The Company encourages employees to form clubs and participate in club activities. The Employee Welfare Committee reviews the conditions for forming clubs and subsidizes club activities. As of 2025, there were seven employee clubs in Taiwan, including clubs for mountain climbing, photography, running, aerobics, swimming, badminton, and softball.








Employee Care and Welfare Measures

Various welfare measures	1. Annual company trips and employee dinner parties, as well as subsidies for employees' personal trips. 2. Cash gifts for birthdays, weddings, funerals, and the three major festivals; cash and physical gifts for maternity; club activity subsidies; and childcare allowances for children under three years of age.
Company facilities	The Company has facilities such as an employee dormitory, cafeteria, breastfeeding room, medical office, parking lot, vending machines, and sports facilities.
Well-established insurance system	We provide employees with the best care and protection. In addition to labor insurance and health insurance required by law, we also plan group insurance for employees, which covers life insurance, medical insurance, and accident insurance to increase the overall protection of employees.
Employee Physical and Mental Health Management	1. We regularly organize employee health checkups, covering general health examinations and special health examinations. 2. The Company's medical staff provide follow-up care for the employees with abnormal health checkup results. 3. Provide employees with physical and mental health consultations, health guidance, medical referral services, and job accommodation support.
Retirement and pension system	We have the Employee Retirement and Pension Management Measures in place, and have established a comprehensive pension system for employees suffering work-related injuries or deaths while in service, providing our employees with comprehensive and worry-free protection.
Continuing education and training	To allow employees to develop their skills or meet business needs, the Company sends aspiring employees with excellent performance on overseas field trips, internships, and training. Meanwhile, we organize various workshops and on-the-job training to meet different professional needs, and commission professional training institutions to provide training, thereby improving the quality of human resources and enhancing employees' professional skills.

Minimum Notice Period for Labor Contract Termination

Taiwan Factory	According to Article 16 of the Labor Standards Act on the notice period for termination of a labor contract, the Company stipulates that: 1. If an employee has worked for more than three months but less than one year, he/she shall give notice ten days in advance. 2. If an employee has worked for more than one year but less than three years, he/she shall give notice twenty days in advance. 3. If an employee has worked for more than three years, he/she shall give notice thirty days in advance.
Suzhou Factory	The key provisions governing the termination of labor contracts under the "Labor Contract Law" include Articles 36, 37, 38, 39, 40, and 41. Provisions regarding the termination of labor contracts by mutual agreement are as follows: 1. Article 36: An employer and an employee may terminate a labor contract at any time upon mutual agreement. 2. Article 37: An employee may terminate a labor contract by providing the employer with 30 days' prior written notice (or 3 days' prior notice during the probation period). No reason is required, and the employee is not entitled to claim economic compensation.

The Company's HR policy complies with the domestic labor laws and regulations and the internationally recognized principles of basic labor human rights, and appropriate management methods and operating procedures have been established accordingly. The Company also advocates freedom of employment and ensures that all work is voluntary.

According to our statistics, in 2025, there were no human rights violations, and no incidents of discrimination occurred. Our factories in Taiwan underwent 11 human rights reviews, either by customers or by a commissioned third party, in 2025.

Employee Bonuses

According to the Articles of Incorporation, if the Company has a profit in the year, it shall first set aside no less than 3% as remuneration to employees and no more than 3% as remuneration to directors. The remuneration of directors is equally distributed among the members of the Board of Directors. The annual remuneration package of the other senior managers includes salaries, bonuses, and employee dividends from earnings. According to the remuneration payment policy which is in accordance with the Company's regulations, remuneration is paid based on each position's duties, individual and departmental performance target achievement rates, and contributions to the Company's operational goals.

Employee dividends are proposed and distributed upon approval by the Board of Directors. The remuneration of senior managers is subject to the approval of the Remuneration Committee in accordance with the applicable laws and regulations, and relevant information is also appropriately disclosed in the Company's annual report.

3.4 Workplace Safety and Responsibility

3.4.1 Employee Education and Training

The Company's annual training plan is developed based on three categories – "Strategic Objectives," "Performance Gaps," and "Competency Gaps" – integrating required work skills and recommendations from all departments. Department managers consider employees with insufficient job capabilities or technical knowledge requiring enhancement and propose training plans and courses for the following year. Training courses include new employee orientation, professional competency training, regulatory training, and certification training, developing the required capabilities of all employees in relation to their work domains while encouraging continuous advancement in job-related or cross-disciplinary professional skills during off-work hours.



2025 Employee Training and Development Status

General Education Training

Training Category	Description	Taiwan Factory	Suzhou Factory
New Employee General Education and Training	Objective: To assist new hires in understanding the corporate culture. Target Audience: New employees.	In 2025, 2 orientation training sessions were conducted for new employees. Total hours: 5	In 2025, 8 training sessions were conducted for new employees. Total hours: 16
Occupational Health and Safety Training	Objective: To communicate occupational health and safety regulatory requirements and workplace accident prevention concepts to all employees of the Company. Target Audience: All employees.	In 2025, 8 occupational safety and health training sessions were conducted. Total hours: 18	In 2025, 12 training sessions related to the environment, safety, and health were conducted. Total hours: 24
Fire Emergency Response Drills	Objective: To communicate updated fire safety regulations and proper emergency evacuation procedures and concepts to all employees of the Company. Target Audience: All employees.	In 2025, 3 fire safety training sessions were conducted. Total hours: 5	In 2025, 2 fire safety training sessions were conducted. Total hours: 4

Professional Development Training

Training Category	Description	Taiwan Factory	Suzhou Factory
ESG Environment, Social, and Governance	Objective: Enhance employees' professional capabilities in ESG information disclosure, CBAM reporting, GHG inventories and internal verification, carbon data quality management, and regulatory compliance to strengthen sustainability governance. Target Audience: Sustainability Development Center, procurement, sales, and other relevant departments.	In 2025, 5 training sessions were conducted. Total hours: 28	In 2025, 1 training session was conducted. Total hours: 16
R&D Management	Objective: Enhance the professional capabilities of R&D personnel in product life cycle management. Target Audience: R&D personnel.	In 2025, 18 training sessions were conducted. Total hours: 52	In 2025, 35 training sessions were conducted. Total hours: 35
Quality Assurance and Quality Audit	Objective: Enhance professional capabilities in quality management and continuous improvement. Target Audience: R&D and quality assurance personnel.	In 2025, 7 training sessions were conducted. Total hours: 38	In 2025, 1 training session was conducted. Total hours: 54.5
Manufacturing	Objective: To assist employees in becoming more familiar with production operating procedures through OJT, with the aim of improving quality, efficiency, and workplace safety. Target Audience: Production operators.	In 2025, 29 training sessions were conducted. Total hours: 72	In 2025, 29 training sessions were conducted. Total hours: 76
Automation and Manufacturing Systems	Objective: To develop capabilities in the planning, evaluation, implementation, and integration of automation equipment. Target Audience: Automation Technology Unit.	In 2025, 6 training sessions were conducted. Total hours: 11.5	Not conducted.

Mandatory Certification Trainin

Training Category	Description	Taiwan Factory	Suzhou Factory
Occupational Health and Safety	Objective: To enhance personnel's knowledge of occupational health and safety regulations, operational safety standards, and personal protective equipment usage requirements, thereby strengthening their ability to identify workplace hazards and prevent accidents. Target Audience: Licensed occupational health and safety personnel and operators at all facilities of the Company.	In 2025, occupational health and safety training totaled 776 hours.	Occupational Health and Safety Training in 2025. Total hours: 1,080
Fire Safety	Objective: Through systematic training, to ensure an understanding of fire safety regulations, fire prevention knowledge, fire equipment functionality, and emergency response procedures, thereby developing the capabilities and practical experience needed to implement fire management systems, enhance the Company's fire safety standards, and reduce fire risks. Target Audience: Licensed fire safety personnel at all facilities of the Company.	Fire Safety-Related Training Hours in 2025: 24 Hours.	In 2025, 2 fire safety training courses were conducted for on-site personnel. Total hours: 286
Environmental Protection	Objective: To develop employees' understanding of environmental protection regulations and related knowledge to enhance their capabilities in managing and handling wastewater and waste generated at the Company's facilities. Target Audience: Licensed environmental protection personnel at all facilities of the Company.	Environmental Protection-Related Training Hours in 2025: 198 Hours.	In 2025, 2 environmental protection-related training sessions were conducted. Total hours: 422.5

2025 Company-Wide Training Statistics (excluding OJT)

Region	Number of Trainees (up to December 31, 2025)			Total Training Cost (NTD)	Average Training Cost (NTD)
	Total (persons)	Male	Female		
Taiwan Factory	761	425	336	552,138	726
Suzhou Factory	401	185	216	365,190	909

Region	Training Hours (hours)			Average Hours (hours)		
	Total	Male	Female	Total	Male	Female
Taiwan Factory	10,752.4	6,345.65	4,406.75	14.13	14.93	13.12
Suzhou Factory	10,971	6,499	4,472	26.46	35.13	20.70



Types of Employee Training

Region	Taiwan Factory		Suzhou Factory	
Training Type	Hours (hours)	Training Cost (NTD)	Hours (hours)	Training Cost (NTD)
Production Management	94.00	7,600	1,780.5	67,318
Marketing Management	333.00	27,800	8	0
Human Resources	11.6	0	125	0
Financial Accounting	54.00	18,150	400	0
Quality Management	598.55	42,680	2,916	92,514
Industrial Safety and Environmental Health	3,141.00	393,805	1,788.5	205,358
Procurement Management	0	0	10	0
Assessment of New Industries	94.00	0	0	0
Internal Audits	42.00	23,300	0	0
R&D Management	834.50	8,800	607	0
Mechanical Technology	23.50	0	0	0
General Courses	379.50	30,003	0	0
Professional Orientation Training	3,797.50	0	3,336	0
Manufacturing	1,118.50	0	0	0
Patents and Trademarks	40.00	0	0	0
Tooling Design	20.00	0	0	0
Business Management	18.75	0	0	0
Information and Network	152.00	0	0	0
Total	10,752.4	552,138	10,971	365,190

Employee Performance Evaluation

In 2025, a total of 636 employees at the Taiwan Factory of K.S. Terminals underwent annual performance evaluations, including 337 male employees and 299 female employees. An additional 9 newly hired employees with less than three months of service were not included in the evaluation process. At the Suzhou Factory, a total of 291 employees underwent annual performance evaluations, including 124 male employees and 167 female employees.

Region	Evaluation Rating	Excellent	A+	A	B+	B-	C	D
	Evaluation Score	Over 95	90~94.9	85~89.9	75~84.9	65~74.9	60~64.9	Below 59.9
Taiwan Factory	Percentage	5%	10%	10%	55%	17%	3%	
	Distribution	12	62	68	400	78	16	
Suzhou Factory	Percentage	0.69%	8.93%	12.37%	62.89%	14.43%	0.69%	
	Distribution	2	26	36	183	42	2	

3.4.2 Employee Health and Safety

Physical and Mental Health Promotion Mechanisms

Employees are the most important asset of the Company, and their health is their most important wealth.

K.S. Terminals places great importance on employees' physical and mental well-being. To safeguard employee health, the Taiwan Factory has established the "Worker Health Service Program" in accordance with the Occupational Safety and Health Act. The program promotes the Four Major Prevention Programs and the Adaptive Work Plan for Middle-aged and Older Workers. Through questionnaire assessments, health examinations, follow-up management, education and training, health promotion activities, and professional medical and nursing services, employees are provided with health consultations, health guidance, medical referrals, and job accommodation support to prevent occupational injuries and illnesses.

Statistics on the Implementation of the Four Major Prevention Programs and the Adaptive Work Plan for Middle-aged and Older Workers in 2025

Category	Investigation and Analysis		Improvement Method	
Prevention of Ergonomic Hazards	NMQ Questionnaire	496	Awareness Seminars	1 session
			Medical Consultation	1
			Health Education via Email	7
Prevention of Diseases Caused by Abnormal Workloads	Overwork Questionnaire	445	Health Promotion Activities	446
			Medical Consultation	1
Maternal Health Protection	5 New Enrollments	7 people completed under the self-health management program	Medical Consultation	12
Prevention of Illegal Infringement Arising from the Performance of Duties	Hazard Identification and Assessment, Inspection Records	40	Education and Training (physical)	8 sessions
			Education and Training (online)	5 sessions
Adaptive Work for Middle-Aged and Older Workers	39 people completed the work suitability questionnaire	Number of Middle-aged and Older Employees: 263 (34.4%)	Medical Consultation	3
			Health Education via Email	9

The Company has embedded a culture of employee care and has established a health management system that exceeds regulatory requirements. In addition to implementing pre-employment health examinations, annual health examinations for employees engaged in special operations, and annual health examinations for employees aged 65 and above, the Company has further expanded its health benefits. All employees, including new hires who have completed three months of service, are entitled to a comprehensive health examination every two years that exceeds statutory requirements. With its comprehensive examination program, the employee participation rate in health examinations reached 98%. At the same time, we have strengthened health management for foreign employees by providing periodic health examinations that exceed regulatory requirements. Each year, the Taiwan Factory and Suzhou Factory collectively allocate more than NTD 1 million to health examination programs, demonstrating the Company's commitment to safeguarding employee health.

Indicator	2025 Implementation Results
Number of Employees Scheduled for Health Examinations	187
Health Examination Participation Rate (%)	98.9%
Health Examination Abnormality Rate (%)	58.1%

In accordance with the staffing requirements set forth in Article 3 of the Labor Health Protection Rules, the Taiwan Factory employs one full-time occupational health nurse and one contracted occupational medicine specialist. Except during leave periods, the full-time occupational health nurse provides employees with daily health consultations and health education services. The contracted occupational medicine specialist conducts on-site services at the factory 12 times per year, jointly safeguarding employee health. In addition, a health consultation advisor is retained to provide employee health consultations during designated hours (once per week), and family members may also seek advice regarding health-related concerns. In 2025, approximately 1,411 employee attendances received professional health assessments and care services at the Taiwan Factory. At the Suzhou Factory, professional physicians are regularly invited each year to provide health education seminars, consultations, and medical services. In 2025, two specialist hospital consultation sessions were conducted, with approximately 60 employee attendances receiving professional medical diagnoses.

Professional Health Management and Care

Factory	Staff	Service Frequency	2025 Implementation Results
Taiwan Factory	Full-time Occupational Health Nurse	Daily	1,170
	Contracted Occupational Medicine Specialist	Monthly	150
	Contracted Health Consultation Advisor	Weekly	91
	Total		1,411

With respect to health promotion, the Occupational Safety and Health Center of the Taiwan Factory leverages relevant resources and collaborates with local healthcare institutions, including the Changhua County Public Health Bureau and the Xianxi Township Health Center, to provide services such as free health screenings and designated smoking cessation clinics. Employees are also encouraged to actively participate in the Company's internal health promotion activities to strengthen motivation for self-health management. The Suzhou Factory collaborates with its local community health center to provide referral services for free blood glucose testing, blood pressure monitoring, traditional Chinese medicine consultations, bone density examinations, and pulmonary function testing. Employees are encouraged to participate in health promotion activities to enhance their motivation for self-health management. In addition, professional instructors from the Red Cross are invited to provide first-aid training, and participants who pass the assessment are awarded certified first-aider certificates.

K.S. Terminals Inc.'s efforts in creating a healthy workplace have been recognized. Through collaboration with local community healthcare units in organizing various workplace health promotion activities, the Taiwan Factory continues to obtain the "Healthy Workplace Certification" from the Health Promotion Administration, Ministry of Health and Welfare. The Company also emphasizes mother-friendly workplace policies, having established lactation rooms at all facilities in Taiwan by 2025 and continuously maintaining "Changhua County Friendly Lactation Room" certification. The Company actively promotes employee assistance programs, providing comprehensive physical, mental, and spiritual care

for employees. Additionally, a medical office was established at Changbin Factory III within the Changbin Industrial Park, providing quality work and healthcare environments for medical staff and employees. In 2025, the Suzhou Factory upgraded its nursing room (“Mother Station”) to a Carnation Service Station. Services provided include psychological counseling, health consultations, legal assistance, and maternal and infant care services. The facility meets standards approaching those of a three-star Mother Station and provides female employees with a high-quality working environment and a comfortable space for health and well-being.





Changbin Factory III Medical Office and Lactation Room Inauguration Ceremony

In 2025, medical office equipment and health promotion activity expenses totaled NTD 670,558.

Unit: NTD

Region	Year	2023	2024	2025
Taiwan Factory	Expens	542,364	1,966,164	670,558

Furthermore, K.S. Terminals Inc. recognizes the importance of emergency medical care. All facilities have been equipped with Automated External Defibrillators (AEDs) to provide an immediate emergency response. Related educational training is conducted annually to achieve the “Three Safety” healthy workplace goals for employees: “Work Safety,” “Environmental Security,” and “Physical and Mental Stability.”



Mpox Vaccination and Health Screening Campaigns



Sexual Harassment Prevention and Workplace Violence Prevention Education and Training



CPR + AED Internal Education and Training



Internal Training on Basic Wound Care, Bleeding Control, and Bandaging Procedures



Seminar on the Prevention of Musculoskeletal Disorders



Health and Medical Seminar

Suzhou Factory




First Aid Training




Suzhou Factory – Nutrition and Health Lecture





Suzhou Factory – Enterprise Support Activities

In 2025, the Taiwan Factory conducted a total of 12 health seminar courses and in-person health promotion activities, with 652 participants. The Suzhou Factory conducted a total of 3 such activities, with 120 participants.

Region	Year	2023	2024	2025
Taiwan Factory	Number of Classes	10	23	12
	Course Hours	10	38	21
	Number of Participants	603	891	652
Suzhou Factory	Number of Classes	2	2	3
	Course Hours	8	8	12
	Number of Participants	70	80	120

Occupational Safety and Health

The Company has implemented the ISO 45001 Occupational Health and Safety Management System at the Taiwan Factory and established the Occupational Safety and Health Committee, which holds a work report meeting quarterly to discuss matters related to occupational safety and health work and related improvements. The Occupational Safety and Health Committee has a total of 27 fixed members, including 10 labor representatives, which is more than one-third of the total number

of committee members and accounts for 1.39% of all employees. The committee also assigns senior managers as management representatives to resolve and support the Company's occupational safety and health-related issues.

The scope of review by the Occupational Safety and Health Committee covers industrial safety, fire safety, industrial hygiene, training, dissemination, etc.

All employees of the Company engaged in labor safety and health work have obtained the relevant licenses. The Company sends personnel to participate in seminars or briefings organized by government agencies or academic institutions from time to time to keep abreast of the government laws and policies.



Occupational Safety and Health Training

In 2025, a total of 105 safety and health course sessions were organized, with a total of 1,986 participants.

Region	Taiwan Factory		Suzhou Factory	
Year	2025		2025	
Training Category	Total Sessions	Total Participants	Total Sessions	Total Participants
Safety and Health/Hazard Communication Education and Training	19	1,199	19	584
Initial Training for Safety and Health Certification	40	40	1	37
On-the-job Safety and Health Retraining	42	42	1	5
Fire Safety Training	4	705	2	335
Others	0	0	0	0
Total	105	1,986	23	961

Employee Occupational Injuries

In 2025, there were no occupational deaths or serious occupational injuries occurring to employees and contractors.

Employee Occupational Injury Statistics

Category	Item	Taiwan Factory			Suzhou Factory		
		2023	2024	2025	2023	2024	2025
Total working hours	Total working hours of female employees	514,844	565,348	602,748	369,778	502,834	503,021
	Total working hours of male employees	759,380	847,144	875,986	386,918.5	482,617.8	503,279
	Total working hours	1,274,224	1,412,492	1,478,734	756,696.5	985,451.8	1,006,300
Fatalities resulting from occupational injuries	Female fatalities (Instances)	0	0	0	0	0	0
	Male fatalities (Instances)	0	0	0	0	0	0
	Total fatalities (Instances)	0	0	0	0	0	0
Serious occupational injuries (excluding fatalities)	Female total serious occupational injuries (instances)	0	0	0	0	0	0
	Male total serious occupational injuries (instances)	1	1	0	0	0	0
	Total serious occupational injuries (instances)	1	1	0	0	0	0
Recordable occupational injuries (including fatalities and serious occupational injuries)	Female total occupational injuries (instances)	0	0	0	1	0	0
	Male total occupational injuries (instances)	1	1	0	0	0	0
	Total occupational injuries (instances)	1	1	0	1	0	0
Fatality rate from occupational injuries *Note 1		0	0	0	0	0	0
Serious occupational injury rate *Note 2		1.52	0.78	0	0	0	0
Recordable occupational injury rate *Note 3		1.52	0.78	0	0.25	0	0

Note:
Note 1: Fatality rate from occupational injuries = (Fatalities from occupational injuries/Working hours) × 1,000,000.
Note 2: Serious occupational injury rate = [Serious occupational injuries (excluding fatalities)/Working hours] × 1,000,000.
Note 3: Recordable occupational injury rate = [Recordable occupational injuries (including fatalities and serious occupational injuries)/Working hours] × 1,000,000.
Remarks:
1. Serious occupational injuries refer to occupational injuries where health cannot be restored within 6 months.
2. Recordable occupational injuries exclude occupational injuries caused by commuting to and from work.

Fire Safety

The Company has established a comprehensive fire safety management system. The Taiwan Factory has established a Fire Safety Management Committee in accordance with the “Regulations Governing Fire Safety Organizations and Management” and convenes meetings semiannually to review fire safety plans and discuss improvement measures. The Fire Safety Management Committee is chaired by the General Manager and comprises department heads and fire safety management personnel, ensuring that fire safety decisions are supported by cross-functional representation and senior management involvement.

The scope of review conducted by the Fire Safety Management Committee includes the maintenance and inspection reporting of fire protection equipment, the inspection of fire prevention and evacuation facilities, fire source management, fire drills, and fire safety education and training. Each department of the Company conducts monthly inspections of fire extinguishers, fire hydrants, and fire sources, and retains inspection records for three years. In addition, qualified fire safety inspection firms are engaged annually to perform equipment inspections and regulatory filings to ensure compliance with applicable regulations.

Employees responsible for fire safety management have obtained the required professional certifications in accordance with applicable regulations. The Company also periodically assigns personnel to attend training courses and seminars organized by fire safety authorities or professional organizations to stay informed of regulatory and policy developments and continuously strengthen its fire safety management capabilities.

The most recent factory-wide fire drill at the Taiwan Factory was successfully completed on November 19, 2025.

The most recent factory-wide fire drill at the Suzhou Factory was successfully completed on May 16, 2025.

Taiwan Factory Fire Drill







Suzhou Factory Fire Drill








The Taiwan Factory has established the "Environment, Safety and Health Internal Audit Management Procedures." For fire safety management, internal audits are conducted regularly each year, with audit teams formed by various departments performing cross-audits. In addition, external organizations and professional fire safety equipment inspection agencies are engaged to conduct audits and provide guidance, helping to identify and address potential gaps in the Company's fire safety management practices.

The Suzhou Factory conducts periodic training programs and practical drills each year in accordance with applicable fire safety regulations and the Company's "Emergency Preparedness and Response Management Procedures" and "Fire Safety Organization Procedures." In addition, irregular self-inspections of environmental, fire, and safety conditions are conducted on a weekly basis to identify and improve areas with potential risks. The annual internal audit team conducts internal audits and continuously follows up on and improves any identified nonconformities.

In 2025, the Company did not experience any fire incidents resulting in disabling injuries. All fire-related near-miss incidents occurring during the year were investigated and corrective actions were completed. To address fire risks, the Company has established preventive mechanisms to reduce potential hazards. The Company has established an incident reporting and review mechanism, and the Fire Safety Management Committee regularly reports to management on relevant matters.

Fire Injury Statistics:

Incident	Unit	2025 Statistics
Disabling Injury Frequency Rate Caused by Fire Hazards (FR)	Cases/million hours worked	0*Note 1
Disabling Injury Severity Rate Caused by Fire Hazards (SR)	Days/million hours worked	0*Note 2
Fire Incident Injury Rate per Thousand Employees per Year	Persons/ Thousand persons/year	0*Note 3

Note:
Note 1: Disabling Injury Frequency Rate Caused by Fire Hazards (FR) = Number of Disabling Injury Cases by Fires × 1,000,000 / Total Hours Worked.
Note 2: Disabling Injury Severity Rate Caused by Fire Hazards = Total Lost Workdays Due to Disabling Injuries Caused by Fires× 1,000,000 / Total Hours Worked.
Note 3: Fire Incident Injury Rate per Thousand Employees per Year = (Number of Injured Persons / Average Number of Employees) × 1,000.

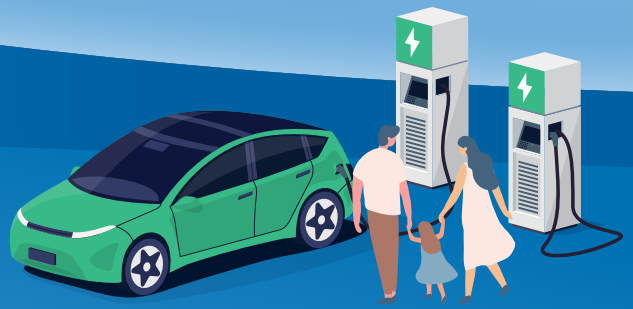
In addition, the Company has established a rigorous supplier audit system under which both new suppliers and existing suppliers are subject to factory audits covering fire safety, occupational safety, and environmental protection.

Suppliers receiving unsatisfactory audit results or identified as having significant fire risks will not be eligible for procurement transactions until the required corrective actions have been completed. After becoming an approved supplier, suppliers are required to sign the Supplier Code of Conduct and operate in accordance with its requirements. For existing suppliers, the procurement audit team conducts evaluations of fire safety, occupational safety, environmental protection, product quality, and production reliability. Follow-up actions are carried out to track improvements, and guidance and recommendations are provided in areas where professional capabilities are insufficient, ensuring supply chain safety and sustainability.



04 Product Liability

4.1 Product Liability Management Guidelines
4.2 Safe Products
4.3 Customer Service



Products Passing Safety Certifications

90%

90% of the Company's products have passed the safety certifications of UL, CUL, CSA, TUV, DNV, ABS, CQC, CNS, VDE, etc.

Customer Satisfaction Score

93

The Company's average score in the 2025 customer satisfaction survey was over 93.

Regulatory compliance for substance management

99%

99% of the Company's products comply with the RoHS and REACH directives.



4.1 Product Liability Management Guidelines

Relevant Material Topics	Innovative Products and Services, Customer Health and Safety

Significance and Purpose

1. Innovation is the driving force behind long-term corporate sustainability. Through green design and technological breakthroughs, the Company helps customers develop high-value-added solutions and strengthens its leadership position in the electric vehicle and green energy markets.
2. Ensuring that all products comply with international safety standards and regularly investing in product safety certifications and hazardous substance testing to protect customer health and safety, thereby gaining market recognition and customer trust, and establishing a sustainable brand image.

Management Strategy

1. Meet customer requirements at a reasonable cost.
2. Manufacture products that comply with international regulations and environmental directives.

Impact and Influences

1. K.S. Terminals Inc. actively invests in green product design, enhancing energy efficiency and reducing environmental impact. Innovative products improve the corporate image and attract more customers and investors. Conversely, failure to maintain continuous innovation may affect market competitiveness and customer demand fulfillment.
2. Through technological R&D, K.S. Terminals Inc. ensures products comply with international environmental standards, enhancing market acceptance. Internally, the Company strictly implements quality management to ensure products meet ISO and international safety assurance standards. If product safety fails to meet standards, it may impact corporate reputation and result in legal risks.
3. K.S. Terminals Inc. invests in product safety certifications, ensuring compliance with environmental regulations such as RoHS and REACH. Establishing sound product responsibility management enhances customer trust and reduces return and maintenance costs.
4. K.S. Terminals Inc. periodically conducts customer satisfaction surveys to ensure service quality, with current scores averaging above 90 points, demonstrating high recognition. The Company is well aware that poor customer service management could affect brand loyalty and market competitiveness; therefore, it will continuously optimize its services to enhance market share and brand value.

Commitments and Goals

Short-Term Goals

- The expenses regularly invested in product safety certification and RoHS and REACH hazardous substance testing amount to more than NTD 10 million.
- The average customer satisfaction score is over 90.
- More than 90% of K.S. Terminals' product series comply with safety standards and conform to the RoHS and REACH Directives.

Medium- and Long-Term Goals

- No product trademarks or content labeling violate the laws, regulations, or international standards.
- No major customer returns or market recalls.

Responsible Unit

Quality Management Division, R&D Division, Primary Marketing Division, and the General Management Office.

Management System

Internal: Test specifications (test standards) of each product series , Hazardous Substance Management Measures, Environmental Safety and Health Management Procedures, Product Design and Development Process Control Procedures, Product Numbering Principles, and Trade Secret Management Measures.

External: ISO 9000, IATF 16949, IECQ QC 080000, ISO 14001, ISO/IEC 17025, and the Republic of China Commodity Labeling Act.

Evaluation Mechanism

1. Conduct annual management reviews as well as internal and external audits in accordance with ISO/IEC 17025, IATF 16949, IECQ QC 080000, and other management systems.
2. Conduct a customer satisfaction survey every six months.
3. Send products to a third-party testing company for inspection annually or whenever regulations or standards are updated.
4. Compliance personnel collect product labeling regulations and international standards every year to review the legitimacy and integrity of product labeling and arrange internal education and training.

Complaint and Remediation Mechanisms

1. In addition to establishing a stakeholder section and dedicated grievance channels on its official website, the Company conducts annual customer satisfaction surveys to ensure that product quality issues and customer safety concerns can be promptly identified and addressed.
2. Upon receiving any report of a product safety or compliance issue, the Company immediately initiates the response procedures required under IATF 16949. Through batch traceability, product isolation and risk control measures are implemented, while the 8D problem-solving process is used to conduct root cause analysis and prevent recurrence, thereby protecting customer interests and maintaining trust in the Company's brand.

4.2 Safe Products

4.2.1 Acquisition of Safety Certifications

Product Development History



Our products have obtained multiple management system certifications, including ISO 9001, ISO 14001, IATF 16949, ISO/IEC 17025, IECQ QC 080000, and other international certifications. The Company's products have passed multiple safety certifications from UL, CUL, CSA, TUV, ABS, CQC, and CNS in the USA, Canada, Europe, China, Taiwan, and other regions. We aim to provide customers with the safest and most reliable products and services.

In addition, the Company's quality assurance laboratory has been certified to the ISO/IEC 17025 Laboratory Quality Management System and is a UL-accredited CTDP testing laboratory. It can provide customized product efficacy and reliability verification services according to customer needs.

In 2025, the Company invested NTD 23.67 million in product safety certifications and hazardous substance testing for compliance with the RoHS and REACH Directives. More than 90% of its product series obtained safety certifications from organizations such as UL, CUL, CSA, TUV, DNV, ABS, CQC, CNS, and VDE, while 99% of its products complied with the RoHS and REACH Directives.

Automotive Connectors

Automotive connectors provide electronic signal connections in vehicles and power distribution functions, and are used for connections between wiring harnesses and electrical parts. Our carefully designed and rigorously manufactured connector products allow for easier assembly of cars and motorcycles as well as more convenient inspection and maintenance of lines, ensuring reliability and safety for long-term outdoor use.

Small waterproof connectors | **ECU connectors** | **Waterproof connectors**

System Certifications

ISO 9001



IATF 16949



ISO 14001



IECQ QC 080000



Electrical Terminals

Electrical terminals are mainly used in the connection of power lines, including the connection of power sources and equipment or the bridging of wires. They are widely used in daily life and industry. High-quality electrical terminals can provide a safe power environment and reduce power transmission losses.

Waterproof connection terminals | **Continuous insulated terminals** | **High-current terminals** | **Quick-connect terminals**

Standard Certifications

UL CUL RU CRU VDE SA

Wiring Devices

Wiring devices are an integral part of wiring and beautification projects. Cable tie products provide a low-cost and convenient tightening function and are ubiquitous in today's world, with extensive uses in daily necessities, industrial machinery and tools, construction and decoration, and factory operations.

Polymer cable ties | **Metal cable ties**

Easy-to-shape aluminum clips | **Application tools**

Safety Certifications

DNV ABS UL CUL

Green Energy Connectors

Green energy power generation equipment must be equipped with terminals and connectors of stable quality and high durability. The Company's terminal and connector products can meet the needs of these power generation equipment modules, power converters, and power storage systems.

- Battery connectors
- Solar connectors
- Small solar junction boxes
- Economical solar junction boxes

Safety Certifications

TUV Rheinland

TÜV Rheinland Product Safety | BAUART GEPRÜFT | TYPE APPROVED

EV Charging Connectors

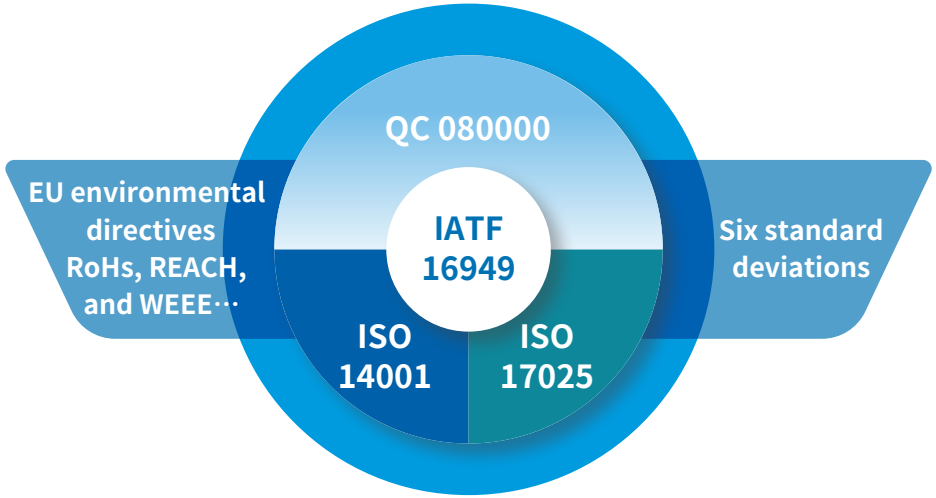
Safety Certifications

RU | CRU | CQC | TUV Rheinland

TÜV Rheinland Product Safety | BAUART GEPRÜFT | TYPE APPROVED

4.2.2 Introduction of Management Systems

Quality Management System



Strict quality control has always been our fundamental philosophy. We put quality and customer needs first and perform various inspections throughout the process from the purchase of raw materials to the shipment of finished products. We hold a comprehensive range of international quality system certifications, and each of our product series has obtained safety certifications from many countries.

Our quality assurance laboratory is equipped with advanced testing instruments to enable complete implementation of various sophisticated tests and verifications required for product development, mass production, and customer-required testing, allowing for the timely provision of impartial, accurate, and professional product verification and failure analysis services to factories and customers.

Process	Test Process	Description
Incoming Raw Materials	 Hazardous Substance Testing	Conduct incoming material inspections to ensure that the materials used do not contain RoHS or WEEE restricted substances or those restricted by customers.
Semi-finished Products	 Mechanical Stress Testing	During the product manufacturing process, semi-finished products are sampled for mechanical stress testing to verify whether the mechanical stress of various products meets safety requirements.
Before Shipment	 Environmental Aging Testing  Temperature Rise and Thermal Cycle Testing  Electrical Testing	The "Finished Product Reliability Inspection" is performed on finished products before shipment. They undergo environmental aging testing, thermal cycle testing, electrical testing, and other tests to simulate extreme environments, long-term use within the safety voltage range, and use for a certain period of time at the maximum safety voltage. The products can be released after passing the tests to ensure the safety and reliability of the products shipped.

In addition, the Company also attaches great importance to the quality awareness of all employees, and is fully committed to promoting quality control circle (QCC) activities as well as training on various quality management systems and six standard deviations. Through continuous improvement and quality enhancement, we aim to increase the value and competitiveness of our products.

Quality System Certificates



IATF 16949、ISO/IEC 17025、IECQ QC080000、ISO 9001、ISO 14001

In 2025, we were not punished by fines for violating the health and safety laws and regulations in the provision or use of products or services, or product labeling, and we did not violate the socioeconomic laws and regulations, nor sell any prohibited or controversial products.

4.3 Customer Service

4.3.1 Product Innovation and R&D

R&D and innovation are the driving forces behind the continuous growth of the Company. The R&D Department is responsible for planning and implementing the Company's medium- and long-term product development strategies, including the research and development of new products, the introduction of new process technology (equipment), the applied research of new materials, and the cultivation of design talent. The annual R&D expenditure accounts for more than 3% of annual revenue.

K.S. TERMINALS has accumulated more than 50 years of experience in product development and mold design. We possess the core technology for producing more than 20,000 types of products and designing more than 4,000 sets of molds. With professional experience and services, the Company can develop products independently or in collaboration with customers, making the Company the best engineering partner for customers.

Unit: NTD thousand

Year	2023	2024	2025
Research and Development Expenses	107,093	120,675	126,922
Company Revenue	2,714,903	2,989,339	2,619,463
Percentage	3.94%	4.03%	4.85%

4.3.2 Customer Satisfaction Analysis

We take customer opinions very seriously, and customer recognition and trust are important goals that the Company strives to excel at every year. In order to stay close to customer needs and achieve continuous improvement, the Company conducts the "Customer Satisfaction Survey" every six months. The survey covers six items, namely "product quality," "punctual delivery," "pre-sales service," "order processing," "complaint handling and feedback," and "hazardous substance-free management."

After each Customer Satisfaction Survey, we analyze and review the indicators and responses from customers, and then formulate countermeasures and improvement measures to make full use of customer feedback.

The 2025 "Customer Satisfaction Survey" was primarily conducted among distributors, direct users of electrical products, and customers in the automotive wiring harness industry in Taiwan. The overall questionnaire response rate at the Taiwan Factory was 100%, with an average satisfaction score of 93.0 points across all evaluation categories (out of a maximum score of 100). The overall questionnaire response rate at the Suzhou Factory was also 100%, with an average satisfaction score of 96.7 points across all evaluation categories (out of a maximum score of 100), demonstrating strong customer recognition of the Company's products and services.

	Taiwan Factory			Suzhou Factory		
Satisfaction	2023	2024	2025	2023	2024	2025
Product Quality	92.1	92.3	92.1	97	96.6	96.5
Punctual Delivery	91.5	91.1	93.5	96.9	96.9	96.9
Pre-Sales Service	93.2	92.7	93.2	97.8	98.5	98.9
Order Processing	92.9	93.3	93.6	96.1	92.1	94.5
Complaint Handling and Feedback	92.1	91.7	92.6	-	-	-
Hazardous Substance-Free Management	92.7	91.8	93.9	-	-	-
Total Average	92.4	92.2	93.0	97.0	96.0	96.7

4.3.3 Communication Mechanisms

K.S. Terminals Inc. is committed to providing high-quality customer service and has established dedicated customer service offices in Taiwan, China, the United States, India, Indonesia, Vietnam, and other regions to ensure a timely response to customer needs. Regional offices are responsible for technical support, customer relationship management, environmental management, and corporate social responsibility services, with dedicated service windows providing efficient communication channels.

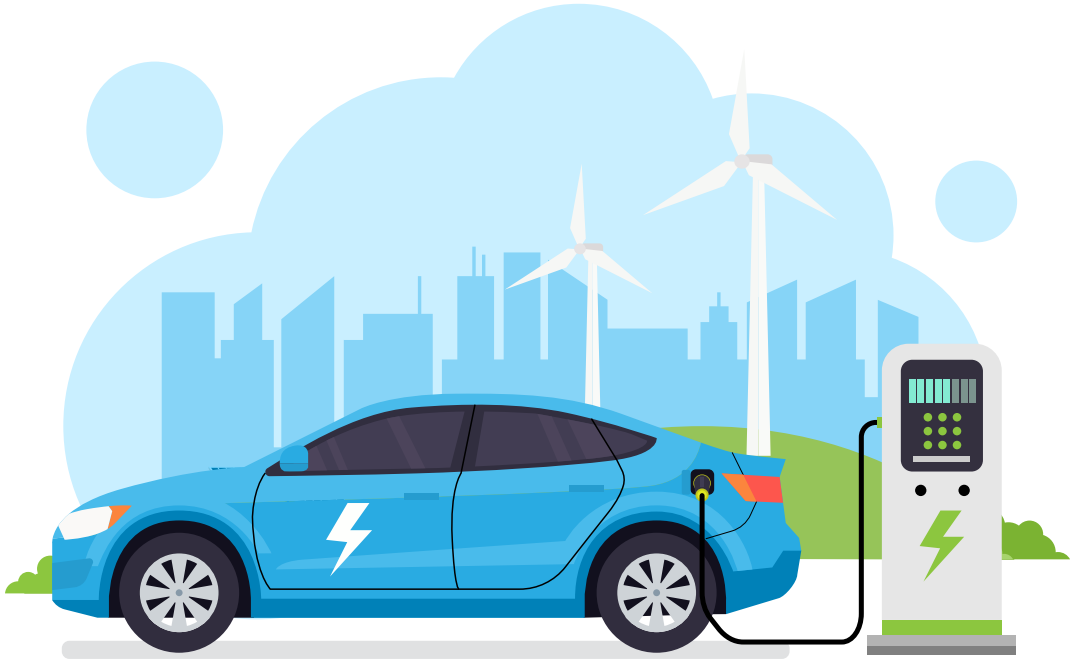
Primary Customer Service Locations

Region	Location	Primary Services
Taiwan	No. 8, East Third Road, Changhua Binhai Industrial Zone, Xianxi Township, Changhua County	Headquarters management, technical support, and supply chain communication
China	Suzhou, Foshan	Product and technical support, customer relationship management, and supply chain communication
Thailand	Bangplee	Market Customer Service and Technical Support
United States	Fremont CA	Market Customer Service and Technical Support
India	Bengaluru	Market Customer Service and Technical Support
Indonesia	Jawa Bekasi	Market Customer Service and Technical Support
Vietnam	Ho Chi Minh	Market Customer Service and Technical Support

K.S. Terminals Inc. adopts a multi-channel customer communication strategy to ensure business partners receive comprehensive support. The customer service team strengthens customer relationships through regular and ad-hoc meetings, customer visits, and quarterly and monthly performance reviews and audits.

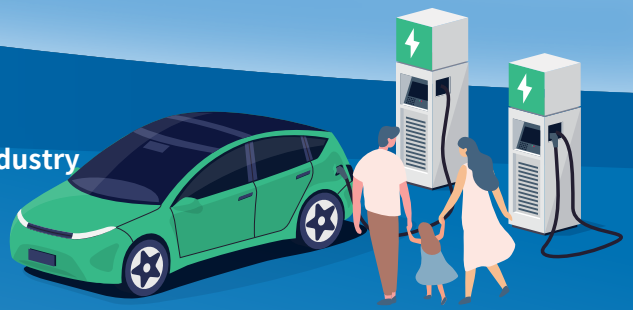
Customer communication and contact information

Tel.: 886-4-7582765
Fax: 886-4-7582786
Customer communication website: www.ksterminals.com.tw
Customer communication/complaint email: Inquiry@ksterminals.com



05 Appendix

Appendix 1: GRI Sustainability Reporting Standards (GRI Standards) Index
Appendix 2: United Nations Sustainable Development Goals (SDGs) Index
Appendix 3: Sustainability Accounting Standards Board Index
Appendix 4: FSC-Required Climate-Related Information of Listed Companies
Appendix 5: FSC Sustainability Disclosure Indicators – Electronic Components Industry



Appendix 1: GRI Sustainability Reporting Standards (GRI Standards) Index

Statement of Use	K.S. TERMINALS INC. has referenced the GRI Standards for reporting information cited in the GRI Content Index for the period from January 1, 2025 to December 31, 2025.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	N/A

GRI Category/Topic	No.	Disclosures under the GRI Standards	Corresponding Chapter	Page No.	Omissions/Remarks
1. The organization and its reporting practices					
GRI 2 General Disclosures: 2021	2-1	Organization details	1.2 Company Profile	15	
	2-2	Entities included in the organization's sustainability reporting	1.2 Company Profile	15	
	2-3	Reporting period, frequency, and contact point	About This Report	3	
	2-4	Restatements of information	About This Report	3	
	2-5	External assurance	About This Report	3	
2. Activities and workers					
GRI 2 General Disclosures: 2021	2-6	Activities, value chain, and other business relationships	1.5 Overview of Operations 1.6 Supplier Management	37 44	
	2-7	Employees	3.2 Workforce Structure	93	
	2-8	Workers who are not employees	3.2 Workforce Structure	93	
3. Governance					
GRI 2 General Disclosures: 2021	2-9	Governance structure and composition	1.3 Board of Directors and Committees	18	
	2-10	Nomination and selection of the highest governance body	1.3 Board of Directors and Committees	18	

GRI Category/Topic	No.	Disclosures under the GRI Standards	Corresponding Chapter	Page No.	Omissions/Remarks
GRI 2 General Disclosures: 2021	2-11	Chair of the highest governance body	1.3 Board of Directors and Committees	18	
	2-12	Role of the highest governance body in overseeing the management of impacts	1.3 Board of Directors and Committees	18	
	2-13	Delegation of responsibility for managing impacts	1.3 Board of Directors and Committees	18	
	2-14	Role of the highest governance body in sustainability reporting	About This Report	3	
	2-15	Conflicts of Interest	1.3 Board of Directors and Committees	18	
	2-16	Communication of critical concerns	About This Report	3	
	2-17	Collective knowledge of the highest governance body	1.3 Board of Directors and Committees	18	
	2-18	Evaluation of the performance of the highest governance body	1.3 Board of Directors and Committees	18	
	2-19	Remuneration policies	1.3 Board of Directors and Committees	18	
	2-20	Process to determine remuneration	1.3 Board of Directors and Committees	18	
	2-21	Annual total compensation ratio	3.3 Employee Diversity and Benefits	99	
4. Strategy, policies, and practices					
GRI 2 General Disclosures: 2021	2-22	Statement on sustainable development strategy	Message from the Management	5	

GRI Category/Topic	No.	Disclosures under the GRI Standards	Corresponding Chapter	Page No.	Omissions/Remarks
GRI 2 General Disclosures: 2021	2-23	Policy commitments	3.3 Employee Diversity and Benefits	99	
	2-24	Embedding policy commitments	3.3 Employee Diversity and Benefits	99	
	2-25	Processes to remediate negative impacts	1.4 Ethical Management	29	
	2-26	Mechanisms for seeking advice and raising concerns	1.4 Ethical Management	29	
	2-27	Compliance with the laws and regulations	1.4 Ethical Management	29	
	2-28	Membership associations	1.5 Overview of Operations	37	
5. Stakeholder engagement					
GRI 2 General Disclosures: 2021	2-29	Approach to stakeholder engagement	1.8 Care for Stakeholders	49	
	2-30	Collective bargaining agreements	3.3 Employee Diversity and Benefits	99	

Material Topic

GRI Number	Topic	Sector Standard Number	No.	Disclosures under the GRI Standards	Corresponding Chapter	Page No.	Omissions/ Remarks
GRI 3：Material Topics s 2021	Management Approach	-	3-1	Process to determine material topics	1.8.2 Analysis of Material Topics	54	
GRI 3：Material Topics 2021	Management Approach	-	3-2	List of material topics	1.8.3 Material Topics and Impact Boundaries	55	
Material Topic：Economic Performance							
GRI 3：Material Topics 2021	Management Approach	-	3-3	Management of material topics	1.1 Corporate Governance Management Guidelines	12	
GRI 201	Economic Performance – Topic Disclosures 2016	-	201-1	Direct economic value generated and distributed	1.5 Overview of Operations	37	
		-	201-2	Financial implications and other risks and opportunities due to climate change	2.2 Response to Climate Change	63	
		-	201-3	Defined benefit plan obligations and other retirement plans	3.3 Employee Diversity and Benefits	99	
Material Topic: Customer Privacy (Information Security)							
GRI 3：Material Topics 2021	Management Approach	-	3-3	Management of material topics	1.1 Corporate Governance Management Guidelines	12	
GRI 418	Customer Privacy – Topic Disclosures 2016	-	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.4.5 Customer Privacy	36	
Material Topic：Procurement Practices							
GRI 3：Material Topics 2021	Management Approach	-	3-3	Management of material topics	1.1 Corporate Governance Management Guidelines	12	
GRI 204	Procurement Practices – Topic Disclosures 2016	-	204-1	Proportion of spending on local suppliers	1.6 Supplier Management	44	

GRI Number	Topic	Sector Standard Number	No.	Disclosures under the GRI Standards	Corresponding Chapter	Page No.	Omissions/ Remarks
Material Topic：Energy							
GRI 3：Material Topics 2021	Management Approach	-	3-3	Management of material topics	2.1 Environmental Management Guidelines	61	
GRI 302	Energy – Topic Disclosures 2016	-	302-1	Energy consumption within the organization	2.4 Emissions and Energy Management	71	
			302-3	Energy Intensity	2.4 Emissions and Energy Management	71	
			302-4	Reduction of energy consumption	2.4 Emissions and Energy Management	71	
			302-5	Reductions in energy requirements of products and services	2.3 Green Products	69	
Material Topic：Water and Effluents							
GRI 3：Material Topics 2021	Management Approach	-	3-3	Management of material topics	2.1 Environmental Management Guidelines	61	
GRI 303	Water and Effluents – Topic Disclosures 2018	-	303-1	Interactions with water as a shared resource	2.5 Pollution Control	78	
GRI 303	Water and Effluents – Topic Disclosures 2018	-	303-3	Water withdrawal	2.5 Pollution Control	78	
		-	303-4	Water discharge	2.5 Pollution Control	78	
Material Topic：Emissions							
GRI 3：Material Topics 2021	Management Approach	-	3-3	Management of material topics	2.1 Environmental Management Guidelines	61	
GRI 305	Emissions – Topic Disclosures 2016	-	305-1	Direct (Scope 1) GHG emissions	2.4 Emissions and Energy Management	71	

GRI Number	Topic	Sector Standard Number	No.	Disclosures under the GRI Standards	Corresponding Chapter	Page No.	Omissions/ Remarks
GRI 305	Emissions – Topic Disclosures 2016	-	305-2	Energy indirect (Scope 2) GHG emissions	2.4 Emissions and Energy Management	71	
			305-3	Other indirect (Scope 3) GHG emissions	2.4 Emissions and Energy Management	71	
			305-4	GHG Emission Intensity	2.4 Emissions and Energy Management	71	
			305-5	Reduction of GHG emissions	2.4 Emissions and Energy Management	71	
Material Topic：Occupational Safety and Health							
GRI 3：Material Topics 2021	Management Approach	-	3-3	Management of material topics	3.1 Workplace Inclusion Management Approach	91	
GRI 403	Occupational Health and Safety – Topic Management Disclosures 2018	-	403-1	Occupational health and safety management system	3.4 Workplace Safety and Responsibility	107	
		-	403-2	Hazard identification, risk assessment, and incident investigation	3.4 Workplace Safety and Responsibility	107	
		-	403-3	Occupational health services	3.4 Workplace Safety and Responsibility	107	
		-	403-4	Worker participation, consultation, and communication on occupational health and safety	3.4 Workplace Safety and Responsibility	107	
		-	403-5	Worker training on occupational health and safety	3.4 Workplace Safety and Responsibility	107	
		-	403-6	Promotion of worker health	3.4 Workplace Safety and Responsibility	107	

GRI Number	Topic	Sector Standard Number	No.	Disclosures under the GRI Standards	Corresponding Chapter	Page No.	Omissions/ Remarks
GRI 403	Occupational Health and Safety – Topic Management Disclosures 2018	-	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.4 Workplace Safety and Responsibility	107	
		-	403-8	Workers covered by an occupational health and safety management system	3.4 Workplace Safety and Responsibility	107	
		-	403-9	Work-related injuries	3.4 Workplace Safety and Responsibility	107	
		-	403-10	Work-related ill health	3.4 Workplace Safety and Responsibility	107	
Material Topic：Diversity and Equal Opportunity							
GRI 3：Material Topics 2021	Management Approach	-	3-3	Management of material topics	3.1 Workplace Inclusion Management Approach	91	
GRI 405	Diversity and Equal Opportunity – Topic Disclosures 2016	-	405-1	Diversity of governance bodies and employees	1.3 Board of Directors and Committees 3.2 Workforce Structure	18 93	
Material Topic：Customer Health and Safety							
Product Responsibility and Customer Safety (*Product Safety)							
GRI 3：Material Topics 2021	Management Approach	-	3-3	Management of material topics	4.1 Product Liability Management Guidelines	124	
GRI 416	Customer Health and Safety – Topic Disclosures 2016	-	416-1	Assessment of the health and safety impacts of product and service categories	4.2 Safe Products	126	
		-	416-2	Incidents of noncompliance concerning the health and safety impacts of products and services	4.2 Safe Products	126	

*Custom Topics	No.	Disclosures under the GRI Standards	Corresponding Chapter	Page No.	Omissions/ Remarks
Material Topic: Innovative Products and Services					
GRI 3 Innovative Products and Services and Management Approach	3-3	Management of material topics	4.1 Product Liability Management Guidelines	124	

Other Topic Disclosures

GRI Category/Topic	No.	Disclosures under the GRI Standards	Corresponding Chapter	Page No.	Omissions/ Remarks
Topic-specific Standards: 200 Series (Economic Topics)					
Market Presence					
GRI 202 Market Presence – Topic Disclosures 2016	202-1	Ratios of standard entry-level wage by gender compared to the local minimum wage	3.2 Workforce Structure	93	
	202-2	Proportion of senior management hired from the local community	3.2 Workforce Structure	93	
Indirect Economic Impacts					
GRI 203 Indirect Economic Impacts – Topic Disclosures 2016	203-1	Development and impact of infrastructure investments and services supported	1.7 Social Contributions	47	
	203-2	Significant indirect economic impacts	1.7 Social Contributions	47	
Anti-corruption					
GRI 205 Anti-corruption – Topic Disclosures 2016	205-1	Operations assessed for risks related to corruption	1.4 Ethical Management	29	
	205-2	Communication and training about anti-corruption policies and procedures	1.4 Ethical Management	29	
	205-3	Confirmed incidents of corruption and actions taken	1.4 Ethical Management	29	

GRI Category/Topic	No.	Disclosures under the GRI Standards	Corresponding Chapter	Page No.	Omissions/ Remarks
Anti-competitive Behavior					
GRI 206 Anti-competitive Behavior – Topic Disclosures 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.4 Ethical Management	29	
Topic-specific Standards: 300 Series (Environmental Topics)					
Materials					
GRI 301 Materials – Topic Disclosures 2016	301-1	Materials used by weight or volume	2.4 Emissions and Energy Management	71	
Waste					
GRI 306 Waste – Topic Management Disclosures 2020	306-1	Waste generation and significant waste-related impacts	2.5 Pollution Control	78	
	306-2	Management of significant waste-related impacts	2.5 Pollution Control	78	
GRI 306 Waste – Topic Disclosure 2020	306-3	Waste generated	2.5 Pollution Control	78	
	306-4	Waste diverted from disposal	2.5 Pollution Control	78	
	306-5	Waste directed to disposal	2.5 Pollution Control	78	
Wastewater/Sewage and Waste					
GRI 306 Effluents and Waste – Topic Disclosures 2016	306-3	Significant spills	2.5 Pollution Control	78	
Supplier Environmental Assessment					
GRI 308 Supplier Environmental Assessment – Topic Disclosures 2016	308-1	New suppliers that were screened using environmental criteria	1.6 Supplier Management	44	
	308-2	Negative environmental impacts in the supply chain and actions taken	1.6 Supplier Management	44	

GRI Category/Topic	No.	Disclosures under the GRI Standards	Corresponding Chapter	Page No.	Omissions/ Remarks
Topic-specific Standards: 400 Series (Social Topics)					
Employment					
GRI 401 Employment – Topic Disclosures 2016	401-1	New employee hires and employee turnover	3.2 Workforce Structure	93	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.3 Employee Diversity and Benefits	99	
	401-3	Parental leave	3.3 Employee Diversity and Benefits	99	
Employment					
GRI 402 Labor/Management Relations – Topic Disclosures 2016	402-1	Minimum notice periods regarding operational changes	3.3 Employee Diversity and Benefits	99	
Training and Education					
GRI 404 Training and Education – Topic Disclosures 2016	404-1	Average hours of training per year per employee	3.4 Workplace Safety and Responsibility	107	
	404-2	Programs for upgrading employee skills and transition assistance programs	3.4 Workplace Safety and Responsibility	107	
	404-3	Percentage of employees receiving regular performance and career development reviews	3.4 Workplace Safety and Responsibility	107	
Non-discrimination					
GRI 406 Non-discrimination – Topic Disclosures 2016	406-1	Incidents of discrimination and corrective actions taken	3.3 Employee Diversity and Benefits	99	
Child Labor					
GRI 408 Child Labor – Topic Disclosures 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	1.6 Supplier Management 3.3 Employee Diversity and Benefits	44 99	

GRI Category/Topic	No.	Disclosures under the GRI Standards	Corresponding Chapter	Page No.	Omissions/ Remarks
Forced and Compulsory Labor					
GRI 409 Forced or Compulsory Labor – Topic Disclosures 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	3.3 Employee Diversity and Benefits	99	
Local Communities					
GRI 413 Local Communities – Topic Disclosures 2016	413-1	Operations with local community engagement, impact assessments, and development programs	1.7 Social Contributions	47	
	413-2	Operations with significant actual or potential negative impacts on local communities	1.7 Social Contributions	47	
Supplier Social Assessment					
GRI 414 Supplier Social Assessment – Topic Disclosures 2016	414-1	New suppliers that were screened using social criteria	1.6 Supplier Management	44	
	414-2	Negative social impacts in the supply chain and actions taken	1.6 Supplier Management	44	
Marketing and Labeling					
GRI 417 Marketing and Labeling – Topic Disclosures 2016	417-1	Requirements for product and service information and labeling	4.2 Safe Products	126	
	417-2	Noncompliance concerning product and service information and labeling	4.2 Safe Products	126	
	417-3	Incidents of noncompliance concerning marketing	4.2 Safe Products	126	

Appendix 2: United Nations Sustainable Development Goals (SDGs) Index

Item	Goal	Corresponding Chapter
Goal 1	End poverty in all its forms everywhere	1.7 Social Contributions 3.2 Workforce Structure
Goal 2	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	1.5.3 Financial Information 1.7 Social Contributions 1.8.1 Communication with Stakeholders and Topics of Concern
Goal 3	Ensure health and wellness and promote well-being for all at all ages	2.4 Emissions and Energy Management 2.5 Pollution Control 3.4.2 Employee Health and Safety
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	3.4.1 Employee Education and Training
Goal 5	Achieve gender equality and empower all women and girls	1.5.3 Financial Information 1.3 Board of Directors and Committees 1.7 Social Contributions 3.2 Workforce Structure 3.3.1 Employee Diversity 3.4.1 Employee Education and Training
Goal 6	Ensure availability and sustainable management of water and sanitation for all	2.5 Pollution Control
Goal 7	Ensure access to affordable, reliable, sustainable, and modern energy for all	1.5.3 Financial Information 1.7 Social Contributions 2.4 Emissions and Energy Management
Goal 8	Promote inclusive and sustainable economic growth, full and productive employment, and decent work for all	1.5 Overview of Operations 1.5.3 Financial Information 1.6 Supplier Management 2.4 Emissions and Energy Management 3.2 Workforce Structure 3.3.1 Employee Diversity 3.3.2 Employee Benefits 3.4.1 Employee Education and Training 3.4.2 Employee Health and Safety

Item	Goal	Corresponding Chapter
Goal 9	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	1.5.3 Financial Information 1.7 Social Contributions 2.4 Emissions and Energy Management
Goal 10	Reduce inequality within and among countries	None
Goal 11	Make the locations in which we operate, and society as a whole, inclusive, safe, resilient, and sustainable	1.7 Social Contributions 2.4 Emissions and Energy Management
Goal 12	Ensure sustainable consumption and production patterns	1.6 Supplier Management 2.4 Emissions and Energy Management 2.5 Pollution Control 4.3 Customer Service
Goal 13	Take urgent action to combat climate change and its impacts	1.5.3 Financial Information 2.4 Emissions and Energy Management
Goal 14	Conserve and sustainably use the oceans, seas, and marine resources	2.4 Emissions and Energy Management 2.5 Pollution Control
Goal 15	Protect, maintain, and promote the sustainable use of territorial ecosystems; sustainably manage forests; combat desertification; halt and reverse land degradation; and stop biodiversity loss	2.4 Emissions and Energy Management 2.5 Pollution Control 2.6 Biodiversity
Goal 16	Promote peaceful and inclusive societies for sustainable development; provide access to justice for all; and build effective, accountable, and inclusive institutions at all levels	1.4.2 Risk Management 1.3 Board of Directors and Committees 1.6 Supplier Management 1.8.1 Communication with Stakeholders and Topics of Concern 2.4 Emissions and Energy Management 3.3.1 Employee Diversity 4.2.1 Acquisition of Safety Certifications 4.2.2 Introduction of Management Systems 4.3 Customer Service
Goal 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development	None

Appendix 3: Sustainability Accounting Standards Board Index

Topics	Accounting Metric	Category	Measurement unit	Code	2025 Performance Description	Page No.
Product Safety	Approach to identifying and addressing data security risks in products	Discussion and analysis	N/A	TC-HW-230a.1	1. For high-voltage applications in the power, industrial, and electric vehicle sectors, all products have obtained international safety certifications such as UL, TUV, and VDE, and are manufactured in strict compliance with the IATF 16949 quality management system to ensure product safety and reliability throughout their life cycle. 2. The internal laboratory operates in accordance with ISO/IEC 17025 requirements and conducts rigorous environmental stress testing on components, such as mating cycle life tests and salt spray tests, to ensure that products maintain stable electrical conductivity under a wide range of harsh environmental conditions and support the overall security and reliability of system data transmission.	-
Employee Diversity and Inclusion	(1) Management (2) Technical Personnel (3) Percentage of all other employees by gender and racial/ethnic groups	Quantitative	Percentage (%)	TC-HW-330a.1	(1) Management Females account for 20.13% Males account for 79.87% (2) Other Personnel Female account for 50% Male account for 50% (3) Nationality Foreign blue-collar workers account for 7.75% Domestic employees account for 92.25%	-

Topics	Accounting Metric	Category	Measurement unit	Code	2025 Performance Description	Page No.
Product Life Cycle Management	Percentage of revenue from products containing IEC 62474 declarable substances	Quantitative	Percentage (%)	TC-HW-410a.1	N/A	-
	Percentage of qualified products meeting EPEAT registration requirements or equivalent conditions (by revenue)	Quantitative	Percentage (%)	TC-HW-410a.2	N/A	-
	Percentage of qualified products meeting ENERGY STAR® standards (by revenue)	Quantitative	Percentage (%)	TC-HW-410a.3	N/A	-
	Weight of recycled end-of-life products and electronic waste, and recycling percentage	Quantitative	metric tons (t) Percentage (%)	TC-HW-410a.4	N/A	-
Supply Chain Management	Percentage of tier-one supplier facilities audited through (a) all suppliers and (b) high-risk suppliers in the RBA Validated Audit Process (VAP) or equivalent standards	Quantitative	Percentage (%)	TC-HW-430a.1	0%	-
	Tier-one supplier (1) nonconformance rates with the RBA Validated Audit Process (VAP) or equivalent standards, and (2) corrective action rates for (a) priority nonconformances and (b) other nonconformances	Quantitative	Percentage (%)	TC-HW-430a.2	0%	-

Topics	Accounting Metric	Category	Measurement unit	Code	2025 Performance Description	Page No.
Material Procurement	Description of the management of risks associated with the use of critical materials	Discussion and analysis	N/A	TC-HW-440a.1	1. Supply Chain Diversification and Localization Management: Through a highly localized procurement strategy, the Company effectively reduces international logistics risks and carbon footprints. For key raw materials, such as copper and plastics, multiple sourcing arrangements have been established to ensure supply resilience during market disruptions or natural disasters. 2. Responsible Procurement and Conflict Minerals Management: Strictly implement the "Conflict Minerals Procurement Policy" to ensure that critical materials contained in products, such as tin and gold, are not sourced from conflict-affected or high-risk areas. 3. Environmental Compliance and Hazardous Substance Control: Ensure that 100% of procured raw materials comply with international environmental directives such as RoHS and REACH. Extend environmental risk management to key suppliers through the IECQ QC 080000 management system. 4. Raw Material Price Risk Hedging: Establish market price monitoring mechanisms and rolling inventory management for bulk metal materials such as copper, and mitigate the impact of significant raw material price fluctuations on operational stability through long-term supply agreements and flexible pricing strategies.	-

Topics	Accounting Metric	Category	Measurement unit	Code	Corresponding Chapter/ Description	Page No.
Production Volume by Product Category	-	Quantitative	Number	TC-HW-000.A	1,147,885 thousand PCS (Taiwan Factory)	-
Production Facility Area	-	Quantitative	Square feet (FT^2)	TC-HW-000.B	Commercially confidential information is not disclosed	-
Percentage of production from owned facilities	-	Quantitative	Percentage (%)	TC-HW-000.C	Commercially confidential information is not disclosed	-

Appendix 4: FSC-Required Climate-Related Information of Listed Companies

1. Climate-related implementation

Item	Corresponding Chapter	Page No.
1. Describe the monitoring and governance mechanisms of climate-related risks and opportunities by the Board of Directors and the management.	2.2 Response to Climate Change	63
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy, and finances (short-, medium-, and long-term).	2.2 Response to Climate Change	63
3. Describe the financial impact of extreme climate events and transition actions.	2.2 Response to Climate Change	63
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	2.2 Response to Climate Change	63

Item	Corresponding Chapter	Page No.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described. 6. If there is a transition plan in place to manage climate-related risks, specify the content of the plan, as well as the indicators and targets used to identify and manage physical risks and transition risks. 7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated. 8. If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planned schedule, and the progress of each year shall be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, the source and quantity of the offsets or the quantity of the RECs shall be specified.	-	-
9.Greenhouse gas inventory and resulting assurance status, as well as reduction targets, strategies, and concrete action plans (indicated in 1-1 and 1-2 separately).	2.2 Response to Climate Change	63

1-1 The Company's GHG Inventory and Assurance in the Most Recent Two Years

1-1-1 GHG Inventory Information

Describe the greenhouse gas emissions (tons CO_2e), intensity (tons CO_2e/NTD million), and data coverage for the most recent two years.

According to Article 4-1, Paragraph 2, Subparagraph 3 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, companies with paid-up capital as of the end of the most recent fiscal year of less than NTD 5 billion shall disclose individual data from 2026 and the consolidated financial data of the parent and all subsidiaries starting from 2027.

The following data represents the Company's self-conducted inventory statistics:

Item	2024	2025
Scope 1 (tons CO_2e)	337.7207	486.2957
Scope 2 (tons CO_2e)	6,192.3929	6,107.3703
Scope 1 + Scope 2 (tons CO_2e)	6,530.1136	6,593.6660
GHG Intensity (tons CO_2e/million in revenue)	2.1845	2.5172

Note 1: Direct emissions (Scope 1, emissions from sources owned or controlled by the Company); energy indirect emissions (Scope 2, indirect GHG emissions from imported electricity, heat, or steam); and other indirect emissions (Scope 3, emissions from the Company's activities that are not from energy indirect sources but originate from sources owned or controlled by other companies).

Note 2: The data coverage of direct emissions and energy indirect emissions shall follow the schedule specified in Article 4-1, Paragraph 2 of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (hereinafter referred to as the "Rules"). Information on other indirect emissions may be disclosed voluntarily.
Note 3: GHG Inventory Standard: ISO 14064-1 issued by the International Organization for Standardization (ISO).
Note 4: The intensity of GHG emissions may be calculated per unit of the product/service or based on turnover. However, at least the data calculated based on turnover (NTD million) shall be stated.
Note 5: Data Coverage: The Changbin Xianxi Factory in 2024 and the Taiwan parent company in 2025.

1-1-2 GHG Assurance Information

Describe the status of assurance in the most recent two years, including the assurance scope, assurance institution, assurance criteria, and assurance opinions.
According to Article 4-1, Paragraph 3, Subparagraph 3 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, companies with paid-up capital as of the end of the most recent fiscal year of less than NTD 5 billion shall complete an individual assurance by 2028 and an assurance of the parent and subsidiaries within consolidated financial statements starting from 2029.

Note 1: The schedule specified in Article 4-1, Paragraph 3 of the Rules shall be followed.
Note 2: The assurance institution shall comply with the regulations of the Taiwan Stock Exchange Corporation and assurance institutions stipulated by the Taiwan Stock Exchange Corporation.

1-2 GHG Reduction Targets, Strategies, and Specific Action Plans

Describe the GHG reduction base year and its data, reduction targets, strategies, and concrete action plans, and the achievement of the stated reduction targets.
According to Article 4-1, Paragraph 4, Subparagraph 3 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, listed companies with paid-up capital as of the end of the most recent fiscal year of less than NTD 5 billion shall make such disclosure starting from 2027.

Note 1: The schedule specified in Article 4-1, Paragraph 4 of the Rules shall be followed.

Appendix 5: FSC Sustainability Disclosure Indicators – Electronic Components Industry

No.	Indicator	Indicator Type	Annual Disclosure Status	Unit	Remarks
I	Total energy consumption, purchased electricity percentage, and renewable energy utilization rate	Quantitative	▶ Total energy consumption: 51,059.2787 (GJ) ▶ Purchased electricity percentage: 100% ▶ Renewable energy utilization rate: 0%	Gigajoules (GJ), Percentage (%)	
II	Total water withdrawal and water consumption	Quantitative	▶ Total water withdrawal: 46.8362 ▶ Total water consumption: 18.8940	Thousand cubic meters	
III	Weight of hazardous waste generated and the recycling percentage	Quantitative	▶ Weight of hazardous waste: 165.54 ▶ Recycling percentage: 100%	Metric tons (t), Percentage (%)	
IV	Description of occupational injury categories, number of persons, and rates	Quantitative	▶ Occupational injury category: None. ▶ Number of occupational injuries: 0 ▶ Occupational injury rate: 0	Quantity, Percentage (%)	
V	Product lifecycle management disclosure: including the weight of end-of-life products and electronic waste, and the recycling percentage (Note 1)	Quantitative	The Company's products are B2B components that are incorporated into customers' downstream end products. As they cannot be independently collected or measured by weight for recycling purposes, this indicator is not applicable.	N/A	
VI	Description of the management of risks associated with the use of critical materials	Qualitative description	The Company has established a material monitoring mechanism and a diversified procurement system to reduce the risk of supply disruptions. Conflict minerals declarations are implemented to ensure source compliance, and an LME-linked pricing mechanism is adopted to mitigate cost fluctuations, maintain earnings stability, and enhance operational resilience.		
VII	Total monetary losses due to legal proceedings related to anti-competitive behavior regulations	Quantitative	NTD 0	Reporting currency	
VIII	Primary product output by product category	Quantitative	Terminals: 1,147,885 thousand PCS (Taiwan facilities)	Quantity	

Note 1: If scrap material sales or other recycling treatments are included, relevant explanations should be provided.

KST®
K.S. TERMINALS

2025 Sustainability Report

