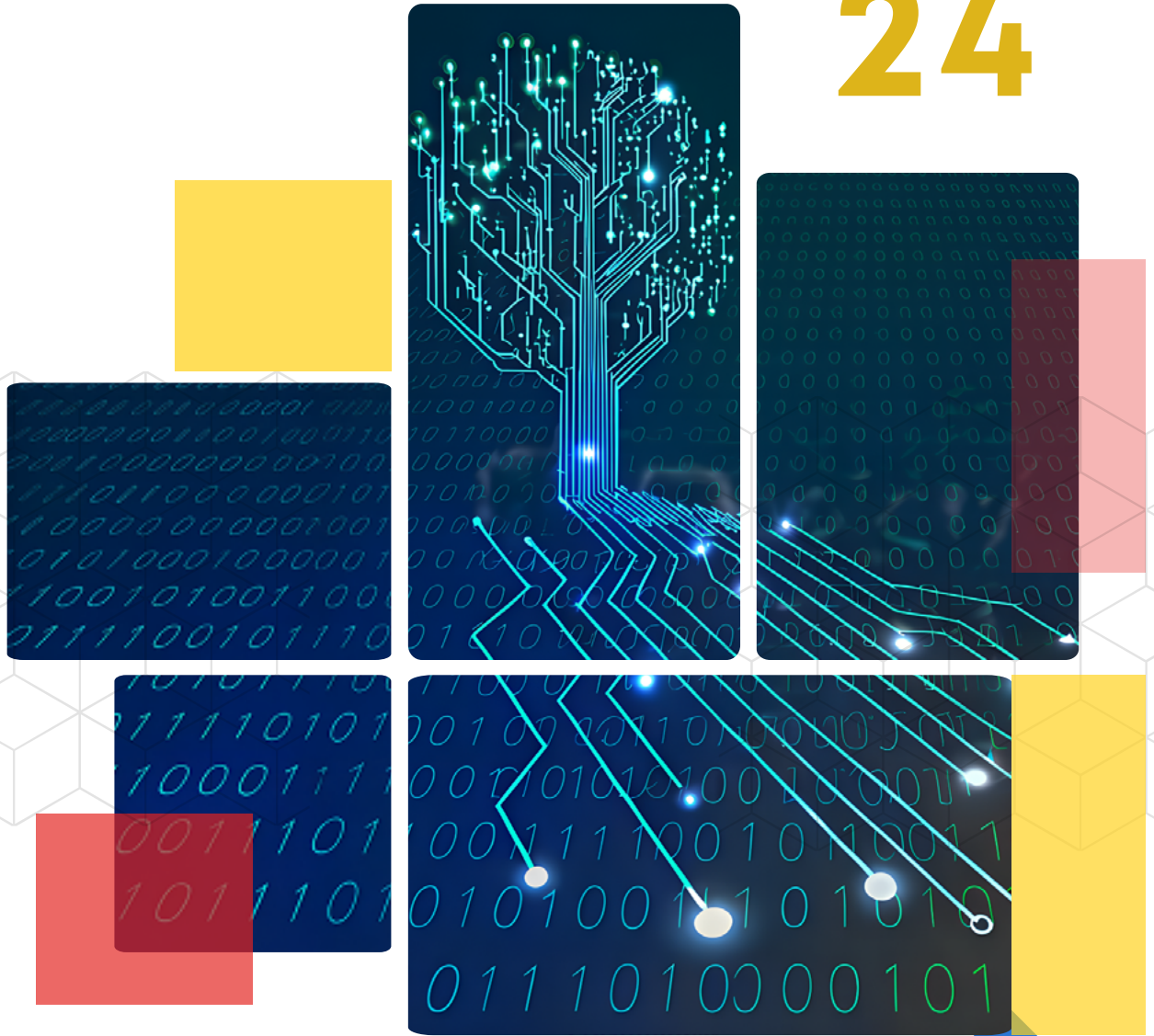




京元電子股份有限公司
The Testing Industry Benchmark

20
24



King Yuan Electronics

SUSTAINABILITY REPORT



CONTENT

About This Report	3
Sustainability Strategy and Performance	6
Company Overview	11

1	Material Topic Analysis and Identification	
1.1	Stakeholder Engagement	15
1.2	Material Topic Identification	20

2	Corporate Governance	
2.1	Governance Structure	25
2.2	Economic Performance	32
2.3	Business Integrity	35
2.4	Climate Change	39
2.5	Information Security	50

3	Sustainable Value Chain	
3.1	Industry Supply Chain	54
3.2	Supply Chain Management	57
3.3	Customer Relationship Management	69

4	Environmental Friendliness	
4.1	Energy Management	73
4.2	Greenhouse Gas Emissions and Management	79
4.3	Air Pollution Control	83
4.4	Water Resources	85
4.5	Waste Management	91

5	Employee Care	
5.1	Human Capital	97
5.2	Compensation and Benefits	109
5.3	Diverse Development	116
5.4	Workplace Safety	120
5.5	Human Rights Policy	134

6	Social Prosperity	
6.1	Social Investment	141

7	Appendix	146
	GRI Standards Index	147
	SASB Standards Index	153
	Enhanced disclosure of sustainability indicators	155
	AA1000 Assurance Statement	156

About This Report

Reporting Period

This sustainability report (this report) issued by King Yuan Electronics Co., Ltd. (King Yuan Group, the Company, or we), contains disclosures of the Company's performance, management policies, and objectives in the five major areas of governance, products, supply chain, environment, and society for the year 2024 (January 1, 2024, to December 31, 2024). The Company publishes its sustainability report annually and makes it available on its website.

- Previous report publication date: August 2024
- Current report publication date: August 2025
- Next report publication date: August 2026

The reporting period of this report is consistent with the consolidated financial statements. To ensure completeness and comparability, certain sections may include information prior to January 1, 2024, and after December 31, 2024, with explanatory notes provided in those respective sections.

Reference Standards

This Report is prepared with reference to the GRI Standards published by the Global Sustainability Standards Board (GSSB), the semiconductor industry standards published by the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-Related Financial Disclosures (TCFD) framework published by the Financial Stability Board (FSB).

Boundary and Scope

The disclosure scope of this report primarily covers the Group's major operational sites, including three factories in Taiwan and two subsidiaries in China, detailed as follows:



Report Scope		Abbreviations Used in This Report
King Yuan Electronics Co., Ltd. Hsinchu Factory	Hsinchu Factory	Hsinchu Factory
	Chu-Nan Factory	Chu-Nan Factory
	Tong-Luo Factory	Tong-Luo Factory
King Long Technology (SuZhou) Limited		King Long (KLT)
Suzhou Zhen Kun Technology Limited		Zhen Kun (ZKT)
Refers to the entire Group		King Yuan Group
Refers to the three factories in Taiwan		King Yuan (KYECC)
Refers to the two factories in China		King Long & Zhen Kun (KLT & ZKT)

Note: The scope of this report focuses primarily on production sites and does not yet include sales offices and holding companies in the consolidated financial statements. For all entities in the consolidated financial statements, please refer to <https://www.kyec.com.tw/zh-tw/Ir/Certification>

If the disclosure scope of a chapter differs from the aforementioned, supplementary explanations are included in that chapter. The calculation basis for various statistical data in this report is as follows:

Financial Data	The economic income distribution table uses consolidated financial report data certified by accountants. Unless otherwise specified, all financial data is denominated in New Taiwan Dollars.
Environmental Data	1. The Company's greenhouse gas emissions data adhere to ISO 14064-1: 2018 inventory standards and have undergone independent third-party verification. The verification of 2024 emissions was completed in April 2025, with the certificate expected to be obtained in June. 2. Energy statistical data is sourced from electricity bills and fuel receipts from various operational sites. 3. Water resources and waste statistical data is reported by each operational site to local regulatory authorities.
Other Data	Consolidated self-reported statistical data from each operational site.

Information Restatement

The following prior-period information in this report has been restated. Detailed content is provided in the respective sections.

Restated Information	Reason for Restatement	Impact of Restatement	Report Section
Annual Supplier Audits (Number of Companies) in 2022 and 2023	The 2022 data was incorrectly entered, and 2023 data includes information from King Long & Zhen Kun (KLT & ZKT).	Change in Annual Supplier Audits (Number of Companies) Over Two Years	Sustainability Performance

Compilation Process

The Sustainability Information Disclosure Team, consists of cross-departmental representatives, compiles and reviews the Company's sustainability report, ensuring effective planning, communication, and integration. Each year, departmental representatives collect relevant data and draft content, which is reviewed by their supervisors, the Sustainable Development Committee, and finally approved by the Board of Directors.

External Assurance/Verification

After finalization and approval, management engages an external independent third-party organization to verify that the report complies with GRI Standards. This year, we commissioned SGS Taiwan Ltd. to conduct Type 1 moderate level assurance in accordance with AA1000AS v3 (AccountAbility 1000 Assurance Standard v3). Please refer to the appendix for relevant assurance methods and results.

Contact Information

Contact Unit: King Yuan Electronics Co., Ltd. Administrative Center
 Telephone: 886-37-595666#126063
 Email: esg@kyec.com.tw
 Company Website: <https://www.kyec.com.tw/>
 Address: No. 118, Zhonghua Rd., Zhunan Township, Miaoli County



Sustainability Strategy and Performance

Message from the Management

ESG issues are rapidly emerging, presenting profound challenges for corporate management. Climate change, global political and economic shifts, and evolving regulations inevitably introduce potential risks, from rising costs to supply chain disruptions, deepening the uncertainty of business operations. King Yuan Group has always regarded promoting ESG as a fundamental duty. Guided by this commitment, we are steadfast in strengthening risk awareness and refining management mechanisms to transform challenges from obstacle into catalysts that drive corporate sustainability.

● Corporate Governance

King Yuan Group has been cultivating deep relationships with customers for many years and has further benefited from the significant growth in AI HPC demand, which has contributed to revenue and profit growth. In 2024, the Company committed itself to the planning and execution of numerous key initiatives. In line with our growth strategy for future operational development and with the aim of optimizing long-term financial resource allocation, the Company sold all its shareholdings in King Long Technology (Suzhou) Limited, consolidating company resources to focus investment in the high-end semiconductor product testing field to create higher revenue and profitability. For example, to meet AI customers' demands for rapid and substantial capacity expansion, the Company is actively re-planning production capacity at the Chung-Hua Factory and Tong-Luo Factory facilities and rapidly planning and constructing the Toufen Factory.

● Sustainable Supply Chain

Sustainable supply chains have become a vital component of long-term corporate operations. King Yuan Electronics follows the latest RBA Code of Conduct, and through annual ESG education and training and audits, communicates its determination and mission to practice sustainable development to supplier partners, while proactively providing assistance to suppliers for mutual growth. At the same time, the Company places great importance on maintaining integrity in operations and thereby require all suppliers to comply with integrity codes. We establish positive cooperative relationships with suppliers, and work hand in hand with supplier partners to create a win-win sustainable supply chain.



President
Gauss Chang

● Environmental Friendliness

Rising demand for high-end chips drove steady growth in the Company's operations in 2024. However, while business performance grew, it also led to increased energy consumption and greenhouse gas emissions, making us aware that while creating value, companies must also face up to their environmental impact.

Therefore, we have formulated strategies to respond to various environmental issues. Our efforts are focused on promoting the use of renewable energy at all production sites, enhancing the efficiency of supply systems, improving the energy performance of process equipment, and increasing the recycling rates of water resources and waste. We work with upstream and downstream value chain partners to promote sustainable supply chains, with the goal of enhancing corporate competitiveness while leaving a clean, low-carbon environment for future generations.

● Social Responsibility

In line with our commitment to sustainable talent development, we uphold robust human rights policies, attract diverse professional talent, and foster a collaborative environment where aspirations are realized, and corporate value is created together. In terms of recruitment, we have long-term partnerships with various universities and colleges, promoting industry-academia collaboration programs to bridge learning and application for mutual benefit. To develop high quality talent, we invest in technical (advanced equipment) and management (management trainees) training, continuously optimize training content and enhance training effectiveness, actively pursuing TTQS Talent Development Quality Management System and ICPA Competency-Oriented Quality Certification Programs (national-level certification). In terms of employee care and social participation, all factories received recognition through the Ministry of Health and Welfare's Healthy Workplace Certification Mark in 2024 and participated in a range of charitable and public welfare activities. The Company provides each employee with an adaptive development plan and safe working environment, emphasizing talent retention, attracting new generation talent and employee care, contributing to corporate sustainability.

Sustainability is an unavoidable and important challenge for corporate long-term survival. Beyond our own active commitment, we also comply with policies and regulations by following Taiwan's 2050 net-zero emissions pathway. The Company introduced the IFRS plan at the end of 2024, simultaneously establishing projects, forming working groups, assigning tasks, with immediate implementation launched in 2025, integrating our core business with ESG objectives. We strive to advance the Company's sustainability transformation by reinforcing sustainability governance, enhancing risk assessment, strengthening financial quantification, and improving information disclosure. These measures lay a solid foundation for building sustainable resilience in the face of profound changes and complex risks.

President



Sustainability Performance

● Economic Performance

Item	2022	2023	2024
Operating Revenue (NT\$ thousand)	36,781,996	33,025,307	36,792,561
Net Income After Tax (NT\$ thousand)	6,982,090	6,016,370	8,095,286
EPS (TWD)	5.59	4.78	6.36
Debt-to-Assets Ratio (%)	50.31	45.85	48.44
Long-term Funds to Fixed Assets Ratio (%)	133.53	141.88	186.96
Return on Assets (%)	10.13	8.86	10.64
Return on Equity (%)	19.44	15.63	19.11
Income Tax (NT\$ thousand)	1,983,936	1,467,549	2,249,401
R&D Expenses (NT\$ thousand)	1,267,045	1,290,696	1,323,741
Employee Salary and Benefit Expenses (NT\$ thousand)	8,506,539	8,106,478	9,162,643
Operating Costs (NT\$ thousand)	23,709,003	21,883,515	22,273,903

● Environmental Performance

Item	2022	2023	2024
Number of Environmental Protection Law Violations	3	3	2
Total Electricity Consumption (GJ)	2,859,557.20	2,914,304.76	3,280,382.62
Electricity Intensity (GJ per NT\$ million revenue)	77.74	88.24	88.66
Fossil Fuels (GJ)	10,238.72	9,116.33	7,689.66
Steam (GJ)	33,713.16	40,375.16	15,228.10
Raw Water Withdrawal (Million Liters)	2,336.878	2,270.908	2,254.766
Recycled Water Usage (Million Liters)	942.963	1,155.022	980.670
Water Consumption (Million Liters)	3,279.840	3,425.930	3,235.436

Item	2022	2023	2024
Water Intensity (Million Liters per NT\$ million revenue)	0.09	0.10	0.09
Water Consumption (Million Liters)	1,845.197	1,761.789	1,730.812
Discharge (Million Liters)	491.681	509.119	523.954
Wastewater Discharge Intensity (Million Liters per NT\$ million revenue)	0.01	0.02	0.01
Hazardous Industrial Waste Generated (Tons)	269.10	328.872	273.95
Hazardous Industrial Waste Recycled (Tons)	51.60	28.997	35.37
Hazardous Industrial Waste Recycling Rate (%)	19.18	8.82	12.91
General Industrial Waste Generated (Tons)	3,124.30	3,229.64	2,978.12
General Industrial Waste Recycled (Tons)	2,511.39	2,835.22	2,180.92
General Industrial Waste Recycling Rate (%)	80.38	87.79	73.23
Total Industrial Waste Generated (Hazardous + General) (Tons)	3,393.400	3,558.511	3,252.07
Total Industrial Waste Recycled (Hazardous + General) (Tons)	2,562.99	2,864.212	2,216.29
Total Industrial Waste Recycling Rate (Hazardous + General) (%)	75.53	80.49	68.15
Greenhouse Gas Emissions - Scope 1 Direct Emissions (Tons CO ₂ e)	6,522.83	6,489.20	8,670.86
Greenhouse Gas Emissions - Scope 2 Indirect Emissions (Tons CO ₂ e)	412,521.90	411,907.56	442,147.13
Greenhouse Gas Emissions - Scope 3 Indirect Emissions (Tons CO ₂ e)	79,728.22	96,330	503,404.25
Scope 1 + 2 Greenhouse Gas Emission Intensity (Tons CO ₂ e/NT\$ million Revenue)	11.393	12.669	12.184
Local Procurement Ratio (%)	69%	65%	60.6%(*)
Annual Supplier Audits (Number of Companies)	84	101	101(*)
Green Procurement (NT\$ ten thousand)	15,827	13,266	29,901(*)

(*) Excluding King Long & Zhen Kun (KLT & ZKT)

Social Performance

Item	2022	2023	2024
Number of Employees	9,445	9,444	10911
Total Employee Training Hours	489,968	616,012	693920
Average Employee Training Hours	51.9	65.23	63.60
Number of Employee Training Certificates	5,340	5,978	6719
Employment Rate of People with Disabilities	1%	1%	1%
Number of Participants in Health Promotion Seminars	293	976	879
Number of Social Welfare Activities	6	14	14
Number of Violations of Occupational Safety and Health Regulations	1	1	0
Number of Physical Work-Related Injuries	15	19	29
Number of Chemical Work-Related Injuries	0	1	0
Number of Ergonomic Work-Related Injuries	1	0	0
Disabling Injury Frequency Rate (Number of Disabling Injuries/Million Work Hours)	0.88	1.08	1.9
Disabling Injury Severity Rate (Number of Disabling Injury Days/Million Work Hours)	27.04	12.55	18
Frequency-Severity Indicator	0.15	0.12	0.18
Number of Contractor Training Participants	605	1,029	3,678
Number of Safety and Health Violations by Contractors	97	53	51
Number of Contractor Work-Related Injuries	0	0	0
Number of Safety and Health Proposals	262	195	108
Number of Emergency Response Drills	17*	75	108

Company Overview

Company Profile

King Yuan Electronics Co., Ltd., (KYECC) was established in 1987, and is primarily engaged in semiconductor packaging and testing services. The Company is headquartered in Hsinchu City, Taiwan, with its main production facilities in Miaoli County, Taiwan. The Company has invested in subsidiaries KLT and ZKT in China, with production facilities located in Suzhou Industrial Park. These subsidiaries are also engaged in semiconductor packaging and testing services, serving as the Group's production and sales base in China to provide closer access to the mainland market. Additionally, the Company has established business locations in North America, Japan, and Singapore to provide real-time services to global customers.

Company Name	King Yuan Electronics Co., Ltd.
Company Type	Listed joint-stock company
Date of Establishment	May 28, 1987
Headquarters Location	No. 81, Section 2, Gongdao 5th Road, Hsinchu City
Industry Category	Electronic components and products manufacturing
Main Products or Services	Design, manufacturing, testing, accessories, processing, packaging, and trading of various integrated circuits, as well as manufacturing, processing, and trading of various computers and their components
Paid-in Capital	NT\$12,227,450,650
Net Revenue	NT\$36,792,561
Number of Employees	10,911

● Main Product Manufacturing Process

For information on the manufacturing processes of main products (wafer probing, wafer grinding/dicing/die sorting, IC final testing, burn-in, pin scanning/shipping, packaging/testing), please refer to pages 88-90 of the Company's 2024 Annual Report (<https://www.kyec.com.tw/zh-tw/Ir/Meeting>).

● Awards and Honors

The Company's main awards in 2024 are as follows:

Organizing Unit	Award
The Taiwan Institute for Sustainable Energy (TAISE)	Taiwan Corporate Sustainability Reporting Awards Bronze Award
Environmental Protection Administration	Annual Outstanding Green Procurement Unit
Miaoli Environmental Protection Bureau	Annual Green Procurement Implementation by Private Enterprises and Organizations
1111 Job Bank	Happy Enterprise Gold Award
Corporate Synergy Development Center	Bronze Tower Award of the Taiwan Continuous Improvement Awards
Association of Pioneer Quality Control Research	The National Q.C. Golden Award
Suzhou Industrial Park High-end Manufacturing and International Trade Zone Working Committee	Outstanding Economic Contribution Unit
Suzhou Industrial Park Administrative Committee	Top 30 Investment Contributors
Suzhou Industrial Park Corporate Social Responsibility Alliance	Outstanding Performance in Corporate Social Responsibility for Honest Business Operations
Suzhou Municipal Bureau of Industry and Information Technology	Suzhou Green Factory (3A)

● Public Association Participation

King Yuan Group actively participates in relevant industry associations to share knowledge, exchange information and practical experience with peers and professionals, aiming to respond to international developments and enhance industry standards. In 2024, the Company joined two public association organizations, listed as follows:

Public Association Organizations	Membership
The Allied Association For Science Park Industries	Chairman
Taiwan Semiconductor Industry Association (TSIA)	General Member

Operational Sites

KYEC holds a unique market position in Taiwan and the global semiconductor supply chain, leveraging the trend of continued outsourcing in the global semiconductor industry to drive capacity expansion and revenue growth. In addition to enhancing development in Taiwan, the Company has established manufacturing facilities in Suzhou, China, and has set up business locations across North America, Singapore, and Japan, offering closer access to local customers.



CHAPTER

1

Material Topic Analysis and Identification



1.1 Stakeholder Engagement

1.1.1 Stakeholder Identification

Considering King Yuan Group's industry attributes and business model, with the Sustainable Development Committee adopts the five principles of the AA1000 Stakeholder Engagement Standard (2015) (AA1000SES 2015): Dependency, Responsibility, Tension, Influence, and Diverse Perspectives, to identify groups or organizations that influence, or are influenced by King Yuan Group. Seven categories of stakeholders directly connected to the Company were identified, including employees, customers, investors, suppliers, contractors, communities, and government agencies.

1.1.2 Stakeholder Communication

To understand and address issues of concern to stakeholders, we provide multiple communication channels for regular engagement, allowing stakeholders to give feedback at any time. This helps us identify ESG issues important to different stakeholders and respond with appropriate strategies. The communication mechanisms and key concerns of each stakeholder group in 2024 are summarized as follows:

▼ King Yuan Group's Major Stakeholders and Communication Channels and Frequency

Stakeholders	Communication Topics	Communication Channels	Frequency
Employees	I Recruitment I Leave System I Salaries and Bonuses I Career Development I Employee Physical and Mental Health I Labor-Management Communication	Labor-Management Meeting	Quarterly
		Employee Forum	Quarterly
		New Employee Orientation Forum	Quarterly
		Foreign Employee Forum	Semi-annually
		Department Meeting	Weekly/Monthly
		Suggestion and Improvement System	Irregularly
		Grievance Handling Committee	As needed
		Personnel Review Committee	As needed
		Employee Message Board	Permanent
	I Employee Engagement	Employee Survey	Every two years
	I Employee Benefits	Year-end Banquet	Annually
	I Employee Welfare Committee Activities	Employee Welfare Committee Meeting	Quarterly
		Employee Representative Assembly	Permanent
	I Club Activities	Labor Union Committee	As needed

Stakeholders	Communication Topics	Communication Channels	Frequency
Employees	Accident and Occupational Injury Management	Occupational Safety and Health Committee	Quarterly
	Workplace Safety		
Customer	Corporate Social Responsibility	Customer Satisfaction Survey	Annually
	Customer Commitment and Service	Customer Questionnaire	Irregularly
	Fire Equipment Installation and Management		
	Disaster Prevention and Emergency Response	Email	Irregularly
	Greenhouse Gas Emissions and Management	Customer Document Distribution	Irregularly
	Environmental Protection and Occupational Safety and Health Regulations		
	Environmental Protection	Customer Audit	Irregularly
	Customer Privacy	Company Website	Irregularly
	Customer Relationship Management		
Investor	Operating Strategy Corporate Governance Financial Performance Dividend Policy	Market Observation Post System	Irregularly
		Domestic and International Investment Forums	Irregularly
		Annual General Shareholders Meeting	Annually
Suppliers	Quality Performance Evaluation Hazardous Substance Management Procurement Policy Responsible Business Alliance Code of Conduct Conflict Minerals Management	Supplier Education and Training	Annually
		Supplier Evaluation	Monthly/ Quarterly
		Email	Real-time
Contractor	Factory Safety and Health Operations	Contractor Council	Monthly
		Email	Irregularly
Community	Industry-Academia Collaboration	Company executives teaching at partner schools	Irregularly
		Partner schools visiting the factory for observation and learning	Irregularly
	Community Activities	Community cleanup	Monthly
Government agencies	Overall Education and Training Quality	TTQS Evaluation	Irregularly
	Corporate Governance	Correspondence and Email	Irregularly
	Regulatory Compliance		
	Financial Information Transparency	Promotional Meetings/Regulatory Briefings	Irregularly
	Contracting and Change Management		
	Wastewater Discharge and Management	Issuing Orders	Irregularly
	Waste Management		
	Water Resource Management	External Official Documents	Irregularly
	Disaster Prevention and Emergency Response		
	Hazardous Substances/Dangerous Goods Management	On-site Inspection	Irregularly
	Mechanical Equipment Safety Management		
	Greenhouse Gas Management	Public Regulatory Hearings	Irregularly
	Green Energy Procurement and Energy Management		

▼ Stakeholder Concerns and Communication Results

Stakeholders	Issues of Concern	Communication Status
Employees	Talent Recruitment and Retention	1. Actively participated in campus job fairs and recruitment activities at local employment service centers, prioritizing the hiring of local residents to support the community. 2. Strengthened industry-academia collaboration by partnering with colleges and universities to create win-win outcomes, opening doors to semiconductor industry careers for students, and providing comprehensive salary benefits and internship retention bonuses. 3. Through collaboration with government projects as part of the substitute military service program, the Company helped integrate R&D talent into the industry, ensuring a smooth entry into the workplace. 4. Promoted pre-hiring programs by partnering with undergraduate and postgraduate students at colleges and universities, securing master's and bachelor's students in advance to ensure seamless transition from graduation to industry. 5. Continued collaboration with government agencies to attract outstanding talent to Miaoli and care for disadvantaged personnel, fulfilling the Company's corporate social responsibility. 6. The Company has established a little angel and mentor system to monitor new employees' learning progress and provide timely assistance. 7. The Company has established a comprehensive remuneration system, conducting annual salary adjustments and distributing profit sharing, three-festival bonuses, and incentive bonuses, determined by operational performance and profitability. 8. Provide diverse communication channels to enhance employee satisfaction.
	Recruitment and Retention Mechanism	1. Streamlined recruitment processes to enhance the onboarding and orientation experience for applicants and new employees. 2. Enhanced transparency in job vacancies and company image management to help new employees adapt more quickly.
	Training and Development	In 2024, two meetings of the Training and Education Committee were held to discuss training and education topics with the committee representatives from each business unit and to review talent development and training program planning. 1. Regularly reviewed organizational development needs and formulate annual training plans. In addition to training basic engineers, also provide senior management courses to offer colleagues more comprehensive and diversified educational training content. 2. In response to recent government advocacy and guidelines on topics such as sexual harassment and workplace illegal infringement, regularly conduct plant-wide and supervisory educational training. 3. Strengthened colleagues' semiconductor-related knowledge and skills by offering electronics and testing-related courses that create strong connections with industry work content and enhance training practicality.
	Communication Mechanisms	1. The company regularly holds various forums to enhance face-to-face communication opportunities between senior management and colleagues. In 2024, a total of 18 forums were held, where participating colleagues were able to ask questions that were immediately answered by senior management. Issues were followed up after the meetings, meeting minutes were documented and submitted, with a 100% resolution rate. 2. Provided an online message board where responsible units handle issues and respond promptly, achieving a 100% resolution rate. 3. Provided suggestion boxes where employees can express their opinions, with proactive improvements made to address issues, achieving a 100% resolution rate.
	Diversified Employee Activities	In 2024, welfare committee meetings were held once per quarter to discuss annual activity planning with welfare committee members: 1. To promote teamwork spirit and departmental cohesion among employees, various diversified activities are organized monthly (such as ball game competitions, robot car competitions, dart competitions, and other fun contests). 2. To help employees achieve work-life balance, enriching activities are organized, inviting employees to bring family and friends to join in (such as family days, movie screenings, etc.)
	Recognition and Awards	1. To express gratitude to employees who have dedicated years of hard work to the Company, awards are presented every six months to senior colleagues for 5, 10, and 25 years of service. 2. The Company conducts an annual selection of outstanding employees and publicly recognizes and commends their efforts to promote mutual encouragement and learning among colleagues.

Stakeholders	Issues of Concern	Communication Status
Employees	Care for Female Employees	- Factories are equipped with nursing rooms, to create a safe and comfortable environment for female employees to breastfeed. - Armbands are provided for pregnant employees to ensure they can be recognized and offered assistance when needed in work areas. Priority parking spaces are also provided. - In 2024, two sessions of female cancer screening activities were organized, with a total of 111 participants.
	Health Promotion	- Arranged first aid personnel initial training and refresher training programs in accordance with regulations. Staffing of first aid personnel meets regulatory requirements. - We conducted a series of lectures on health, covering topics including chronic diseases, cancer prevention, and metabolic syndrome, with a total of 1,246 participants. - In 2024, received the Healthy Workplace Certification from the Health Promotion Administration, Ministry of Health and Welfare.
	Occupational Safety	- Risk assessments for workers are continuously conducted annually, with ongoing improvement initiatives. - Continuously promote health promotion activities to maintain employees' physical and mental health. - Regular employee health examinations are conducted, and tiered health management is implemented. - High-risk groups have been identified; evaluations are arranged by occupational medicine specialists and both health education and medical assistance are provided.
Customer	Disaster Prevention and Emergency Response	- Promote ISO 45001 occupational health and safety management system. - Develop and implement annual occupational health and safety education and training plans. - Regularly conduct on-site occupational health and safety inspections and perform corrective actions for abnormalities. - Establish a business continuity management system to ensure proper implementation of risk control, emergency response, and post-disaster recovery, reducing the impact of hazards.
Investor	Operations and Financial Status	- Participate in institutional briefings by invitation from domestic and international institutional investors on a quarterly basis to explain the Company's latest business overview to investing institutions. - Publicly disclose relevant operational data through the Market Observation Post System.
Suppliers	Responsible Business Alliance Code of Conduct Commitment Letter/RMI_CMRT	All KYECC suppliers are required to sign the Responsible Business Alliance Code of Conduct (RBA Code of Conduct) Commitment Letter, pledging to comply with the Code and KYECC Supplier Code of Conduct and committing that their minerals originate from smelters and refineries approved by RMI. Suppliers are required to complete the CMRT (Conflict Minerals Reporting Template) and EMRT (Extended Minerals Reporting Template) to collect and report information related to conflict minerals through CMRT and EMRT.
	Signed Guarantee Letter	Require suppliers to comply with international hazardous substance regulations/customer requirements.
	On-site Audit	Confirm whether suppliers' process capabilities/quality/ESG-related management meet KYECC requirements.
Contractor	Assessment	Factors such as suppliers' quality, price and cost, delivery schedule, service level, supply capacity, and technical support are included in the evaluation items.
	Factory Safety and Health Operation Requirements	Conduct safety and health education training for contractors before they enter the factory and hold monthly contractor coordination meetings to promote and communicate entry regulations.
	Environmental, Safety and Health Regulatory Compliance	Assign personnel to participate in regulatory briefing sessions and conduct monthly regular reviews to ensure compliance with environmental, safety and health regulations.

Stakeholders	Issues of Concern	Communication Status
Community	Industry-Academia Collaboration	1. Collaborate with colleges and universities nationwide in industry-academia partnerships, providing students with opportunities to balance academic completion and economic independence. 2. Continue to expand new industry-academia collaboration schools, providing students with a wide range of internship opportunities. 3. By collaborating with schools on public welfare activities, strengthen our presence on campuses and provide students with varied career development opportunities. 4. Design a student mentor program to stabilize students' work conditions after reporting for duty, and regularly care for students through symposium format, providing them with opportunities to voice their opinions.
	Community Care	The Company actively participates in community care and fulfills social responsibility by assisting with local environmental cleaning and maintenance (twice monthly) and has sponsored three local resident activities.
Government agencies	Education and Training Quality	Apply for external institution competency-oriented course certification (ICAP), continuously inventory various functional job knowledge and skills, optimize training content, and ensure training quality meets industry needs.
	Disaster Prevention and Emergency Response	1. Participate in the Regional Joint Defense Committee of Toufen-Zhunan Industrial Park and Tongluo Science Park to strengthen emergency response capabilities and reduce disaster losses. 2. Establish information systems for chemicals, hazardous materials, and disaster response within the factory area to effectively control the situation when disasters occur. 3. Regularly conduct emergency response drills and coordinate with local fire departments to conduct large-scale evacuation and rescue drills.
	Waste Management	1. Legally approve waste disposal plans, assign dedicated personnel, and regularly conduct waste import/export reporting and control. 2. Continuously identify waste materials within the factory that can be recycled and reused, improve recycling and reuse rates, and reduce waste incineration rates.
	Wastewater Management	1. Assign dedicated personnel to operate and manage wastewater recycling and treatment equipment, continuously improving the recycling and reuse rate of process wastewater. 2. Comply with domestic and international environmental protection regulations, obtain water pollution control permits, regularly conduct wastewater inspections and reporting, and confirm that discharge data meets effluent standards.
	Greenhouse Gas Management	1. Legally register the annual greenhouse gas inventory results of each factory on the Ministry of Environment platform. 2. Continuously promote various greenhouse gas emission reduction measures and seek opportunities for greenhouse gas reduction by referencing domestic and international reduction methodologies.
	Energy Management	1. Continuously promote energy-saving projects annually and report the results to the Energy Administration. 2. Continuously expand the use of renewable energy and set short, medium, and long-term targets, and plan to install solar power generation systems on the rooftops of each factory

Note: This table only briefly describes the issues of concern to stakeholders. Please refer to the relevant sections of this report for detailed response measures.



1.2 Material Topic Identification

1.2.1 Material Topic Assessment Process

● Material Topic Assessment Process

King Yuan Group's Sustainable Development Committee annually assesses the sustainability issues that have significant impact on stakeholders based on the impacts generated by the Group's business activities, industry characteristics, and value chain. Through stakeholder engagement and expert consultant consultation, and with reference to the materiality, completeness, and stakeholder inclusiveness required in the GRI 3 standard of the GRI 2021 version, the Committee evaluates these issues and reports the material issues identification results to the Board of Directors, which then decides on the key sustainability issues for the current period. The detailed assessment process is as follows:

Step 1. Identify Key Issues

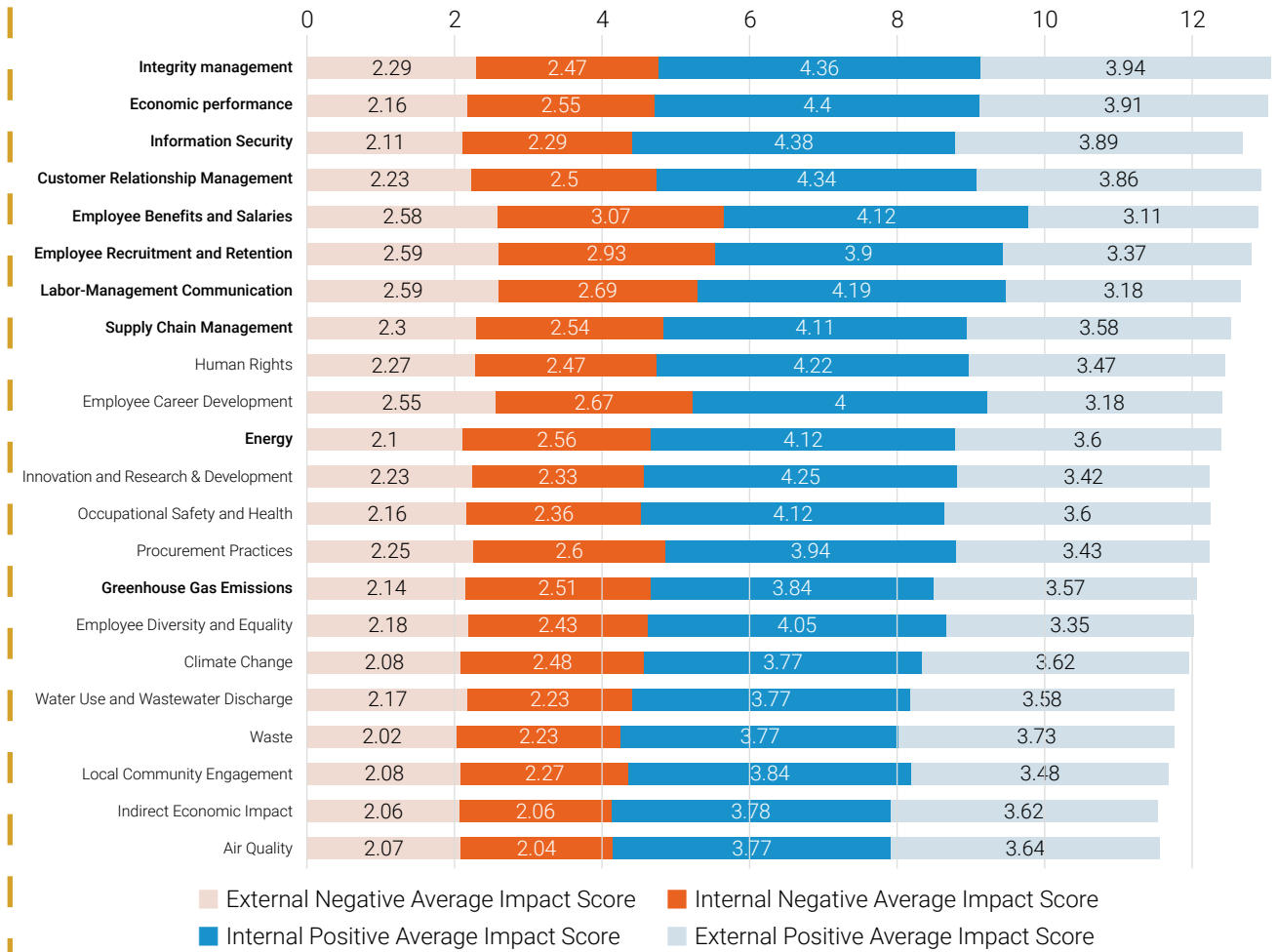
- (1) Summarize industry attributes: Inventory the Group's business items, such as business models, product or service types, industry characteristics, worker types, and analyze all industry attributes related to the Group.
- (2) Identify sustainability issues: In addition to incorporating major positive and negative events that have actually occurred in the past, the Group also considers potential risks or opportunities through stakeholder communication feedback, global standards and frameworks (GRI Topic Standards, TCFD, and SASB Semiconductor Industry Standards, etc.), industry standards and frameworks, and industry benchmark companies, in order to comprehensively inventory sustainability issues related to the Group. A total of 22 sustainability issues were identified during this reporting period.

Step 2. Determine Material Issues

We distributed questionnaires to the Group's senior management, Sustainable Development Committee members, and external stakeholders to comprehensively evaluate the positive and negative impact levels of various sustainability issues. Internal personnel assessed the impact on company operations, while external stakeholders assessed the impact on the environment, society, and human rights. The assessment dimensions include:

- (1) Positive and negative impacts: Respond to the Group's management strategies and actions on various issues, as well as the positive and negative impacts on company operations or stakeholders.
- (2) Impact magnitude: Comprehensive evaluation based on factors such as the impact level on company operations or stakeholders, probability or frequency of occurrence, scope of impact, and whether negative impacts can be remediated.

In 2024, a total of 695 questionnaires were conducted. After excluding invalid responses, 540 valid questionnaires remained, comprising 58 internal and 482 external responses. After calculating the positive and negative impact scores of each issue for internal and external stakeholders, we ranked all issues from highest to lowest total impact score. The Sustainable Development Committee set the materiality threshold as "the top one-third of total scores," screening out 8 material issues for this period. Additionally, considering that energy and greenhouse gas emissions are also issues that the Group and the semiconductor industry should strengthen their focus on, these two issues were included in material issue management, resulting in a total of 10 material issues for 2024.



Step 3. Material Topic Information Reporting

The Sustainable Development Committee determines the international standards corresponding to material issues, reviews management policies and objectives for material topics, collects annual data, and ensures that important sustainability information is fully disclosed in this report to comprehensively respond to issues of concern to stakeholders. After the annual sustainability report is completed, the Sustainable Development Committee reviews the report content again and submits it to the Board of Directors for review and approval, to ensure that the disclosed information has no concerns of improper or false representation.



Step 4. Continuous Review

Regularly review the implementation of material issue policies and goal achievement rates annually to optimize internal management approaches and qualitative and quantitative targets; and after the next period's material issue identification, compare the differences between previous and current period issues, investigate the causes of differences, and report them in the report. °

1.2.2 Material Topic List

Material Issues Management Strategy

The Company's Board of Directors serves as the highest decision-making and supervisory body for King Yuan Group's material issues management. The Sustainable Development Committee is responsible for handling sustainability material issues, including reviewing and examining material issues management approaches, proposing optimization and improvement recommendations, establishing diverse stakeholder communication channels, regularly consolidating stakeholder suggestions, determining their opinion types and impacts, formulating corresponding measures or response policies and reporting to the Board of Directors. The Board of Directors convenes at least one meeting annually with the Sustainable Development Committee to jointly discuss material issues management status and formulate the new year's sustainable development direction and strategic objectives.

2024 Material Issues List

Material Issues	Corresponding GRI Topics	Corresponding Report Sections	
Economic Performance	GRI 201-1 、 201-3	2.2 Economic Performance	
Business Integrity	GRI 3-3 、 205-2 、 206-1	2.3 Business Integrity	
Information Security	GRI 418-1	2.5 Information Security	
Supply Chain Management	GRI 308-2 、 407-1 、 414-2	3.2 Supply Chain Management	
Customer Relationship Management	GRI 3-3	3.3 Customer Relationship Management	
Energy	GRI 302-1 、 302-3 、 302-4	4.1 Energy Management	
Greenhouse Gas Emissions	GRI 305-1~305-5	4.2 Greenhouse Gas Emissions and Management	
Employee Recruitment and Retention	GRI 3-3 、 401-1	5.1 Human Capital	5.1.2 Talent Recruitment
Labor-Management Communication	GRI 3-3	5.1 Human Capital	5.1.4 Labor-Management Communication
Employee Benefits and Salaries	GRI 2-21 、 405-2 、 401-2 、 201-3	5.2 Compensation and Benefits	5.2.1 Equal Compensation

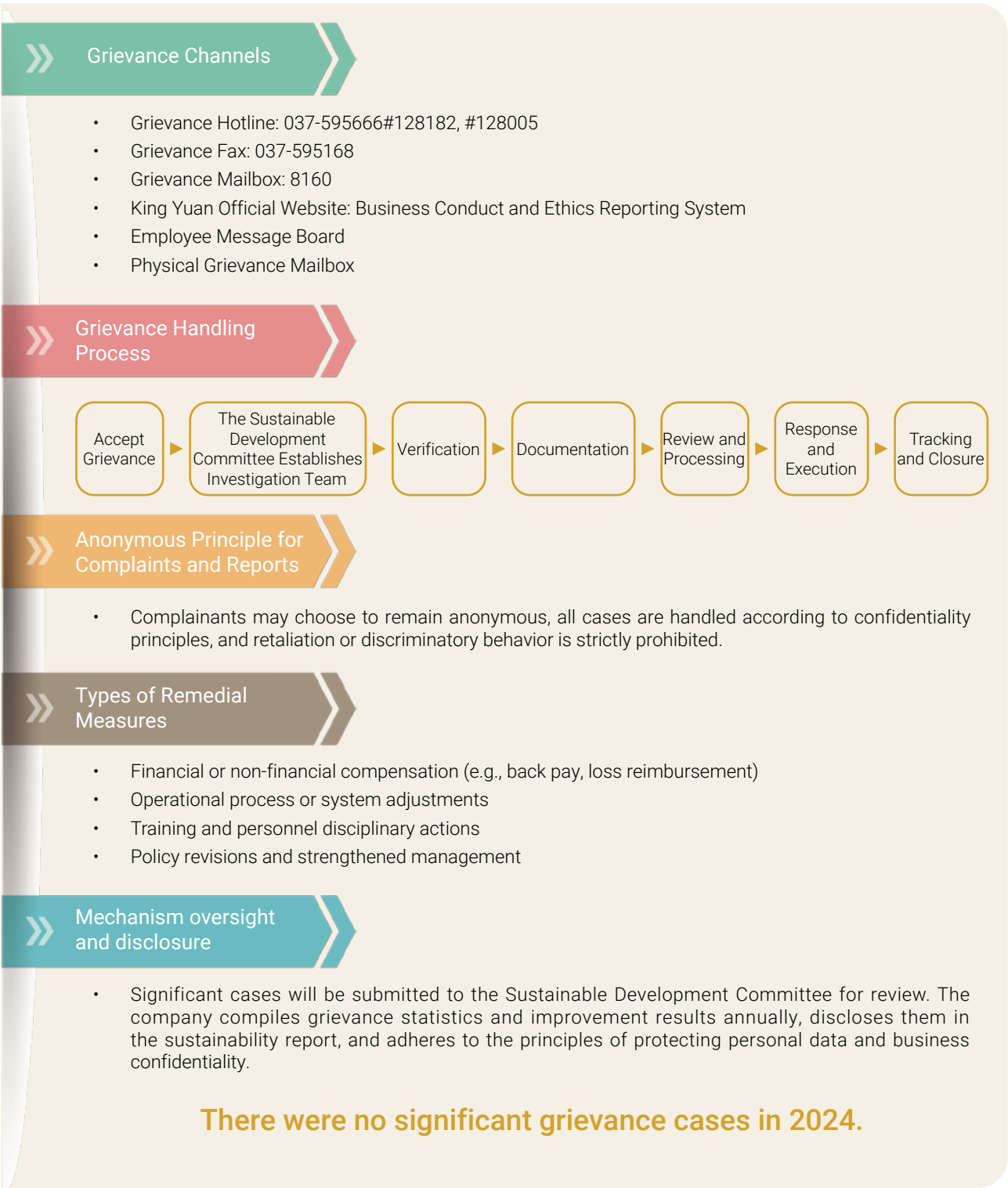
Note: This management approach list only outlines key policies or strategies and management objectives. For detailed management approaches, please refer to the explanations in each chapter.

Comparison of Material Topics in the Past Two Years

Compared to the 2023 materiality assessment results and due to shifts in stakeholder priorities, this year's assessment identified two new material topics: employee benefits and compensation, and labor-management communication. These replace the 2023 topics of employee career development and employee diversity and equality. The remaining eight topics remain unchanged.

1.2.3 Stakeholder Grievance and Remediation Mechanism

King Yuan Group has established a transparent, fair, and confidential grievance and remediation mechanism to ensure that the voices of all stakeholders (such as employees, suppliers, customers, communities, etc.) are fully heard and properly addressed, and to promptly remedy any negative impacts that may arise from the company's operations.



CHAPTER

2

Corporate Governance

2.1 Governance Structure

2.1.1 Board of Directors

Company Organizational Structure

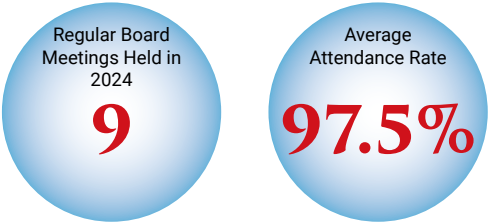
The shareholders' meeting is the unit with the highest authority of the Company, where shareholders elect directors to form the Board of Directors. The Board of Directors serves as the Company's highest governance body, responsible for overall business decision-making. Under the Board, functional committees including the Compensation Committee, Audit Committee, and Sustainable Development Committee were established to oversee director compensation, company financial statements, and ESG key performance targets, respectively. Additionally, the Audit Office was established to monitor the effectiveness of the Company's internal control system. All committees are required to regularly report their execution results and resolutions to the Board of Directors to protect the interests of the Company and all stakeholders.

Board of Directors Operations and Composition

The Board of Directors serves as a balancing and supervisory role between the Company's owners and operators. Upward, it exercises the rights and obligations granted by shareholders and formulates operational policies based on stakeholder interests; downward, it determines the Company's management team, supervises the Company's operations, resolves sustainability-related strategies, and tracks execution effectiveness.

The Company's Board members are selected through a candidate nomination system, where the shareholders' meeting elects nine members (including three independent directors) from the candidate list. Directors serve a term of three years and may be re-elected for consecutive terms. The nomination and selection criteria are based on candidates' independence and the relevance of their professional background to the Company's operational development, while considering the diversity of the Board composition. The current Board of Directors is composed of nine directors (including three independent directors), all of whom are male and aged 51 or above.

In order to establish a sound governance system for the Company's Board of Directors, ensure effective oversight, and strengthen management functions, the Company has formulated it's Board meeting procedures in accordance with Article 26-3, Paragraph 8 of the Securities and Exchange Act and the Rules Governing Board of Directors Meetings of Public Companies for compliance and reference. The Company holds Board of Directors meetings quarterly in principle. In 2024, a total of nine regular board meetings were convened, with an average attendance rate of 97.5%. Please refer to page 19 of the Company's 2024 Annual Report for details on each director's attendance and agenda items.



▼ List of Board Members (Current Board Term: May 30, 2023 to May 29, 2026)

Title	Term	Name	Gender	Age	Concurrent Positions in the Company	Important Positions in Other Companies	Functional Committee		
							Audit Committee	Compensation Committee	ESG Committee
Chairman	29	Chin-Kung Lee	Male	51 years old and above	-	Chairman of KYEC Investment International Co., Ltd. Chairman of KYEC Technology Management Co., Ltd. Chairman of KYEC Microelectronics Co., Ltd.			
Vice Chairman	26	Chi-Chun Hsieh	Male	51 years old and above	-	Physician			V
Director	17	Kuan-Hua Chen	Male	51 years old and above	-	Director of Weikeng Industrial Co., Ltd.			
Director	14	Kao-Yu Liu	Male	51 years old and above	-	Chairman of LC Architecture Realization Company, Inc. Chairman of Jize Construction Development Co., Ltd.			
Director	1	Gauss Chang	Male	51 years old and above	Currently serves as President of the Company	Chairman of KYEC USA Corp. Chairman of KYEC SINGAPORE PTE. LTD., Chairman of KYEC JAPAN K.K.			V
Corporate Director	8	Yann Yuan Investment Co., Ltd (Ping-Kun Hung)	Male	51 years old and above	-	-			
Independent Director	8	Dar-Yeh Hwang	Male	51 years old and above	-	Chairman of McBorter Enterprise Co., Ltd Chairman and President of Academy of Promoting Economic Legislation Co-Director of Zhejiang International Business School (ZIBS) China Banking Research Center	V	V	



Title	Term	Name	Gender	Age	Concurrent Positions in the Company	Important Positions in Other Companies	Functional Committee		
							Audit Committee	Compensation Committee	ESG Committee
Independent Director	5	Semi Wang	Male	51 years old and above	-	Compensation Committee Member of LeadSun Greentech Corporation Chairman of Mingxing Creative Management Consultants, Inc Independent Director of Delta Electronics, Inc. and Director of FIT Holding Co., Ltd.	V	V	
Independent Director	17	Shi-Jer Sheen	Male	51 years old and above	-	Principal of Chuangju English Cram School			V

Note 1: The Chairman does not concurrently serve as the President of the company.

Note 2: This table discloses the board members in office at the end of 2024.

Note 3: Independent Director Shi-Jer Sheen previously served as an independent director of the Company from May 7, 2002 to June 8, 2017, and has been serving as an independent director since May 30, 2023 to present.

▼ Distribution of Directors' Professional Capabilities and Experience

Title	Name	Distribution of Directors' Professional Capabilities and Experience											
		Leadership and Decision-making	Business Management	Finance, Accounting and Legal	Industry Knowledge	Industry Technology	Marketing	Business Development	Information Technology	Risk Management	Environmental Sustainability	Social Engagement	Supply Chain Management
Chairman	Chin-Kung Lee	V	V		V	V				V			
Vice Chairman	Chi-Chun Hsieh	V	V		V	V				V	V		
Director	Kuan-Hua Chen	V	V	V	V	V				V			
Director	Kao-Yu Liu	V	V		V	V				V			
Director	Gauss Chang	V	V		V	V		V		V	V		
Corporate Director	Yann Yuan Investment Co., Ltd (Ping-Kun Hung)	V	V	V	V	V				V			
Independent Director	Dar-Yeh Hwang	V	V	V	V	V				V			
Independent Director	Semi Wang	V	V		V	V				V			
Independent Director	Shi-Jer Sheen	V	V	V	V	V				V	V		

Director Training

The Company arranges for directors to participate in training courses and forum meetings each year focusing on directors' professional skills and knowledge as well as sustainability-related issues, to strengthen the professional capabilities of directors and the Company in responding to operational impacts. In 2024, there was a cumulative participation of 78 hours and 24 sessions across training courses and major issue forum meetings. For details on each director's training programs in 2024, please refer to page 65 of the Company's 2024 Annual Report.

Director and Senior Executive Compensation Structure

The compensation of the Company's directors includes cash compensation (fixed), director remuneration (variable), stock options, profit-sharing equity participation, retirement benefits or severance payments, and various allowances. The Compensation Committee uses industry benchmarks and individual director performance as the basis for adjusting individual compensation. In addition to fixed salary and retirement pensions, performance bonuses are calculated based on the achievement of various performance indicators. For compensation of the Company's directors in 2024, director compensation range table, and distribution standards, please refer to page 17 of the Company's 2024 Annual Report. The director remuneration for this year will be submitted to the shareholders' meeting for resolution on May 27, 2025.

The Company's senior management compensation system is recommended by the Compensation Committee to the Board of Directors and approved by the Board of Directors. In addition to fixed salary and retirement pensions, performance bonuses are calculated based on the achievement of various performance indicators.

Currently, the Company's director and senior executive compensation is not yet linked to ESG-related performance evaluations but will move in this direction in the future.

Board Performance Evaluation

The Company conducts annual self-performance evaluations of the Board of Directors, functional committees (including the Audit Committee, Compensation Committee, and Sustainable Development Committee), and individual board members.

Performance Evaluation Content

Board of Directors	Individual Board Members	Functional Committees (including the Audit Committee, Compensation Committee, and Sustainable Development Committee)
- Level of participation in company operations - Improving the quality of Board of Directors' decision-making - Board of Directors composition and structure - Director selection and continuing education - Internal control	- Understanding of company goals and mission - Understanding of director responsibilities - Level of participation in company operations - Internal relationship management and communication - Director professionalism and continuing education - Internal control	- Level of participation in company operations - Understanding of functional committee responsibilities - Improving functional committee decision-making quality - Functional committee composition and member selection - Internal control

▼ 2024 Assessment Results

Assessment Period	Assessment Date	Assessment Method	Assessment Scope	Assessment Results (5 points maximum)
Once per year	January 1, 2024 to December 31, 2024	Self-performance evaluation of the Board of Directors, Board members, and functional committees (including Audit Committee, Compensation Committee, and Sustainable Development Committee)	Overall Board Performance	Average 4.64 points
			Individual Board Members	Average 4.85 points
			Audit Committee	Average 5.00 points
			Compensation Committee	Average 4.75 points
			Sustainable Development Committee	Average 5.00 points

Note: For detailed information on performance evaluation, please refer to page 20 of the Company's 2024 Annual Report.

● Conflict of Interest Management

The Company's Board meeting procedures, as well as the organizational regulations of the Audit Committee, Compensation Committee, and Sustainable Development Committee, all contain provisions for conflict of interest avoidance. When a director's proposal involves interests related to themselves, their spouse, blood relatives within the second degree, or companies under the director's control or subordination, they must declare such interests at the board meeting. If there is a risk of harm to the Company's interests, they shall not participate in discussions or voting, must recuse themselves during discussions and voting, and may not exercise voting rights on behalf of other directors. The names of relevant directors, explanations of important matters, and instances of recusal are all recorded in the meeting minutes.

- o For related party transactions in 2024 and cross-shareholding situations involving directors, controlling shareholders, or other interested parties, please refer to page 108 of the Company's 2024 Annual Report.
In addition, the Company has established integrity codes of conduct for personnel at different levels, ethical conduct guidelines for directors and managers, and employee codes of conduct. The internal audit unit supervises the implementation of these codes of conduct and regularly reports the implementation results to the Board of Directors. As of the end of 2024, the Company has not experienced any major conflict of interest incidents.
- o For corporate governance-related company articles of incorporation, codes, and other materials, please refer to the company's official website: <https://www.kyec.com.tw/zh-tw/lr/Company>

The Company has established internal reporting and monitoring mechanisms, listing major events that affect operational development or corporate reputation as key focus areas for sustainable governance. Through the Board of Directors and various functional committees, the Company regularly monitors key risk events to ensure effective control and implementation of improvements. The Company's communication methods for key major events and their implementation status in 2024 are listed in the table below. Please also refer to the material information published by King Yuan Electronics on the Market Observation Post System or pages 67-68 of the 2024 Annual Report.

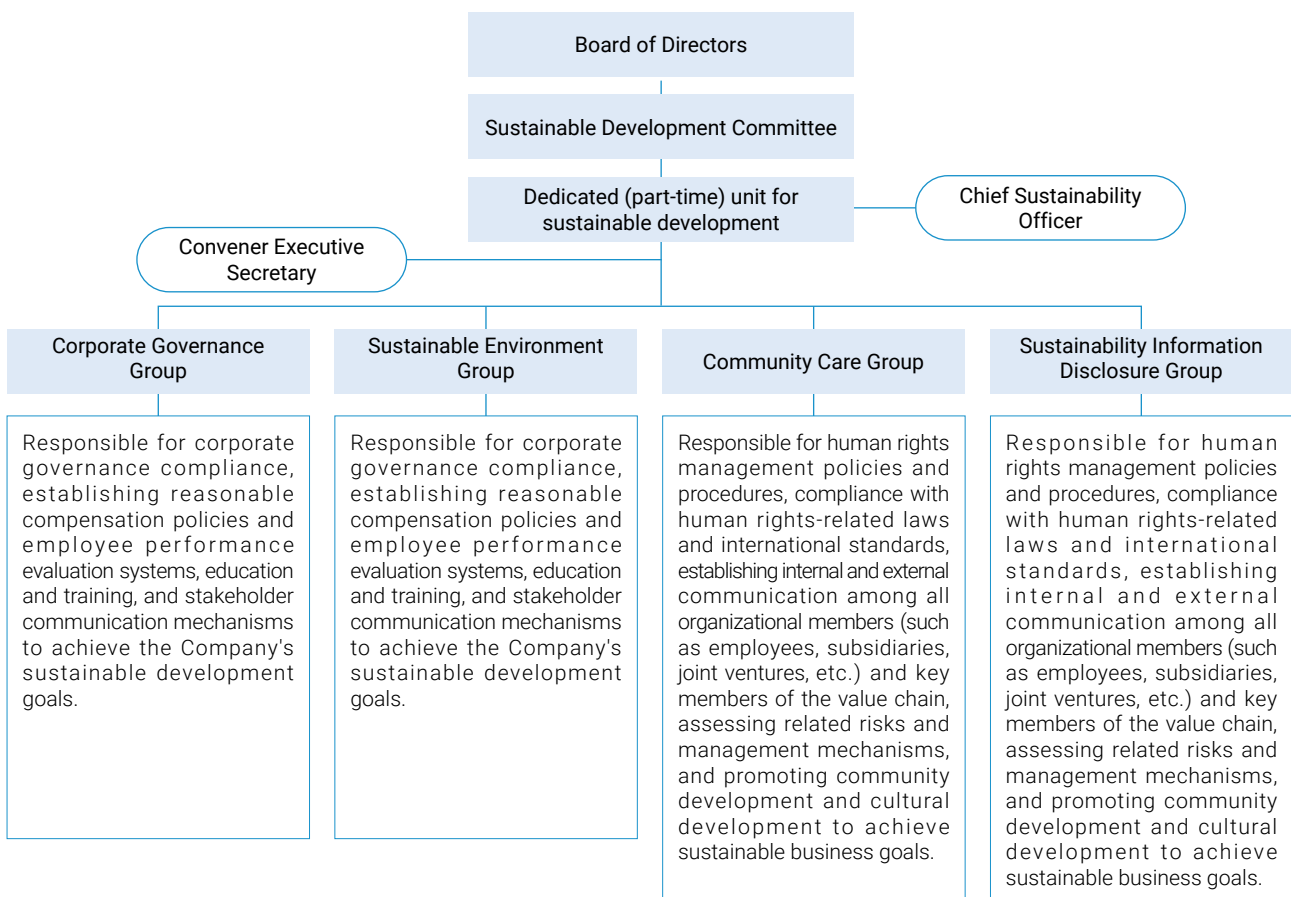
Event Items	Description	Communication Methods and Frequency	2024 Implementation Status
Business Integrity	Including whether events of a named reporting nature have occurred: fraud, insider violations, and whether major penalties have been imposed by regulatory authorities.	See pages 15-19 for details	No reporting incidents or major penalty incidents occurred
Information Security Incidents	Including customer data breaches, malicious intrusions, or other events that pose information security risks	See page 52 for details	No information security incidents occurred

2.1.2 Functional Committees

Sustainable Development Committee

To implement the Company's sustainable development, improve corporate governance systems, strengthen the Board of Directors' supervisory function over environmental protection, social responsibility and corporate governance, and establish a sound functional committee governance system, the Company has established a Sustainable Development Committee under the Board of Directors and formulated organizational regulations for the Sustainable Development Committee. The current committee members are Vice Chairman Chi-Chun Hsieh, Director Gauss Chang, and Independent Director Shi-Jer Sheen, who are responsible for the Company's sustainable development-related affairs, with Vice Chairman Chi-Chun Hsieh serving as the Convener. It comprises the Corporate Governance Group, Sustainable Environment Group, Community Care Group, and Sustainability Information Group, which are responsible for assisting the Board of Directors in formulating sustainable development policies, systems, or related management guidelines, planning sustainability affairs to align with international standards and comply with applicable regulations. The Chief Sustainability Officer, or a delegate designated by the Chief Sustainability Officer, reports to the Board of Directors at least once a year on ESG-related strategies and implementation effectiveness and reports quarterly to the Board of Directors on the planning and progress of the Sustainable Development Roadmap in accordance with FSC regulations. Please refer to the Company's website for the organizational regulations of the Company's Sustainable Development Committee.

KYEC Sustainable Development Promotion Task Force



●
 Compensation Committee

The current Compensation Committee consists of four members, with three independent directors and one advisory committee member, meeting regulatory requirements for independence. Their term of office is from June 12, 2023 to May 29, 2026. The Company has established the Compensation Committee Charter to define the authority and responsibilities of the Compensation Committee, which is responsible for formulating and regularly evaluating the compensation systems and standards for directors and managers. The Compensation Committee shall convene at least twice a year. In 2024, a total of four meetings were held, with a 100% attendance rate among members.

●
 Audit Committee

the Company's Audit Committee consists of three independent directors, with a term of office from May 30, 2023 to May 29, 2026. Their authority includes reviewing the Company's financial statements, supervising the selection and independence of certified public accountants, establishing or revising internal control systems, and overseeing the Company's compliance with relevant laws and regulations through internal policies. In principle, meetings are held once per quarter, with department heads, internal auditors, accountants, legal advisors, and others invited to attend discussions as necessary. In 2024, a total of seven meetings were held, with a 100% attendance rate among members. For details on the performance of the Audit Committee, please refer to page 22 of the Company's 2024 Annual Report.



2.2 Economic Performance

Material Topic Management Approach: Economic Performance

 Corresponding GRI
 Indicator: 201-1

Impact Description	Economic performance is a core priority of the Company's operations. Pursuing maximum profit is also a goal the company continuously strives for, continuously innovating revenue streams, meeting stakeholder expectations, and creating positive actual impact.					
Responsible Unit	Finance and Accounting Center					
Management Actions	• Establish finance-related regulations: Plan and execute funding, reinvestment, stock affairs, tax, and accounting operations • Establish Audit Committee: Formulate Audit Committee organizational regulations, implement corporate governance promotion and exercise statutory powers as stipulated in company law, convening meetings at least once per quarter					
Process for Tracking Action Effectiveness	• Review operational status and profit growth through quarterly reports, while continuously monitoring customer development. • Regularly report financial performance to shareholders and investors and accept their review.					
Management Objectives	<table><tr><td> • Short-term objectives Comprehensively control variable costs including direct and indirect materials and components. </td><td> • Medium-term objectives Promote multiple smart factory improvement initiatives, including factory automation, intelligent manufacturing, process simplification, and production efficiency enhancement to optimize factory performance. Continuously adjust machine capacity utilization rates and implement delivery time reduction projects for key products. </td><td> • Long-term objectives Develop testing machines (Tester) and burn-in ovens (Burn-in Ovens) in-house to strengthen the manufacturing supply chain's core value to customers. </td></tr></table>			• Short-term objectives Comprehensively control variable costs including direct and indirect materials and components.	• Medium-term objectives Promote multiple smart factory improvement initiatives, including factory automation, intelligent manufacturing, process simplification, and production efficiency enhancement to optimize factory performance. Continuously adjust machine capacity utilization rates and implement delivery time reduction projects for key products.	• Long-term objectives Develop testing machines (Tester) and burn-in ovens (Burn-in Ovens) in-house to strengthen the manufacturing supply chain's core value to customers.
• Short-term objectives Comprehensively control variable costs including direct and indirect materials and components.	• Medium-term objectives Promote multiple smart factory improvement initiatives, including factory automation, intelligent manufacturing, process simplification, and production efficiency enhancement to optimize factory performance. Continuously adjust machine capacity utilization rates and implement delivery time reduction projects for key products.	• Long-term objectives Develop testing machines (Tester) and burn-in ovens (Burn-in Ovens) in-house to strengthen the manufacturing supply chain's core value to customers.				
2024 Achievement Status	• Consolidated revenue was NT\$36.793 billion • Earnings per share was NT\$6.36					

 Consolidated revenue was NT\$ **36.793 billion**

 Earnings per share was NT\$ **6.36**

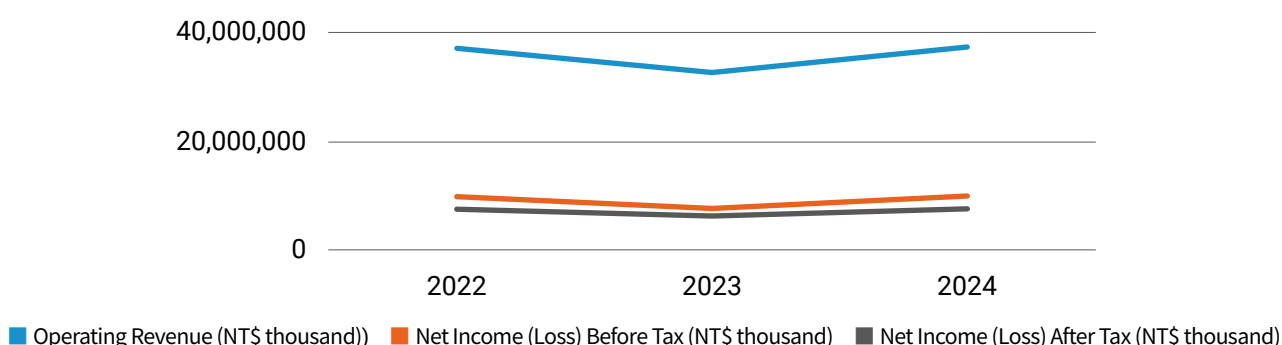

2.2.1 Economic Value

In 2024, the Company's consolidated revenue was NT\$36,793 million, representing a decrease of 10.2% compared to 2023; consolidated net income after tax was NT\$8,095 million, with earnings per share after tax of NT\$6.36. In December 2024, AI and HPC products accounted for approximately 25% of revenue, while advanced process products combined accounted for 33% of total revenue. Additionally, in terms of profitability, although the semiconductor industry recovery was slow, benefiting from the demand for AI high-performance chip testing, the return on assets was 10.64%, an increase of 1.78% compared to the previous year; return on equity was 19.11%, an increase of 3.47% compared to the previous year; net profit margin was 22.00%, an improvement of 3.79% compared to the previous year; earnings per share was NT\$6.36, an increase of NT\$1.58 compared to the previous year. Financial performance and profitability results are in line with industry standards.

▼ King Yuan Group Consolidated Financial Performance

Item	2022	2023	2024
Operating Revenue (NT\$ Thousand)	36,781,996	33,025,307	36,792,561
Net Income (Loss) Before Tax (NT\$ thousand)	8,966,026	7,483,919	10,344,687
Net Income (Loss) After Tax (NT\$ thousand)	6,982,090	6,016,370	8,095,286
Earnings (Loss) Per Share (NT\$)	5.59	4.78	6.36
Cash Dividend (NT\$/share)	3.5	3.2	4.00

Note: Cash dividends represent the amounts resolved for distribution of earnings for each reporting year (the 2024 distribution amount was approved by the shareholders' meeting on May 27, 2025).

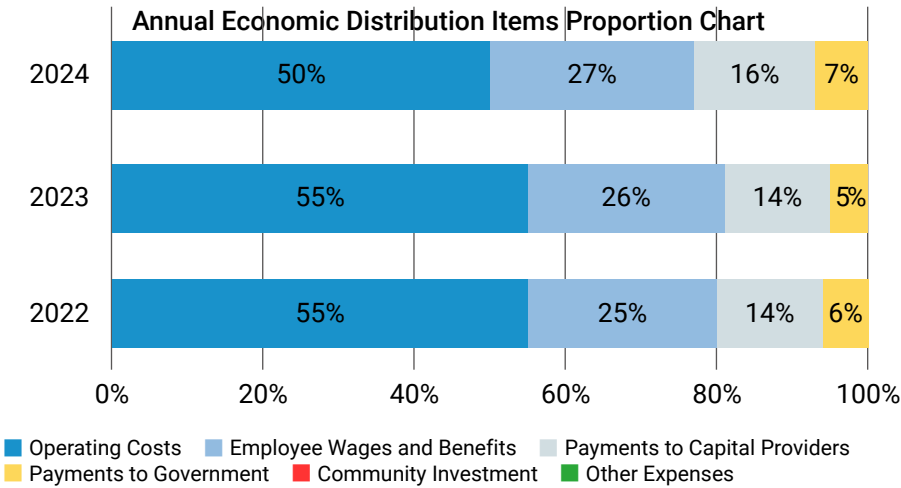


The Company analyzes its consolidated financial position from the perspective of GRI stakeholder economic distribution. The direct economic income generated this year (operating revenue and non-operating income) totaled NT\$37,770 thousand, with total distribution amounting to NT\$34,563 thousand. The top three economic distribution items were operating costs (49.7%), employee salaries and benefits (26.5%), and payments to capital providers (15.8%).

▼ Economic Value Generated and Distributed Over the Past Three Years (Unit: NT\$ thousand)

Economic Value	Item	2022	2023	2024
Direct Economic Income	Net Operating Revenue	36,781,996	33,025,307	36,792,561
	Financial Investment Income	150,228	233,731	240,906
	Asset Disposal Income	58,161	78,514	156,697
	Royalty Income	0	0	0
	Government Subsidies Received	78,548	150,618	267,713
	Other Income	195,182	351,548	310,709
Direct Economic Value Generated		37,264,115	33,839,718	37,770,000
Economic Distribution	Operating Costs	19,020,472	17,434,094	17,175,285
	Employee Wages and Benefits	8,506,539	8,106,478	9,162,263
	Payments to Capital Providers	4,834,634	4,602,535	5,452,034
	Payments to Government	2,073,231	1,587,345	2,384,101
	Community Investment	860	1,410	1,858
	Other Expenses	125,897	4,271	388,361
Distributed Economic Value		34,561,633	31,736,133	34,563,000
Retained Economic Value		2,702,482	2,103,585	3,207,000

Note: Retained Economic Value = Direct Economic Value Generated – Distributed Economic Value.



2.3 Business Integrity

Material Topic Management Approach: Integrity Management

 Corresponding GRI
 Indicator:205

Impact Description	When internal workplace behavior aligns with business ethics, social expectations, and legal regulations, and adheres to policies related to fair trading and anti-corruption, companies can not only avoid the risk of penalties and enhance brand image but also contribute to maintaining market balance.		
Policies or Commitments Formulated or Followed	- Internal Regulations Corporate Governance Code Code of Ethical Conduct Ethical Corporate Management Best Practice Principles Procedures for Ethical Management and Guidelines for Conduct Corporate Social Responsibility Best Practice Principles - Government Regulations Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies	Responsible Unit	Audit Office Human Resources Department Finance Department Legal and Intellectual Property Department
Management Actions	- Implement ethical corporate management education and training. - Establish a dedicated "Whistleblowing System for Business Conduct and Ethics Violations" section on the official website (https://www.kyec.com.tw/zh-tw/Ir/Company) - Internal audit personnel conduct regular audits to ensure the continuous effectiveness of the design and implementation of various systems.		
Process for Tracking Action Effectiveness	- Number of participants in ethical corporate management education and training courses. - Regularly track domestic and international regulatory trends and changes and comply with legal amendments.		
Management Objectives	- No major legal violations. - Ethical corporate management course completion rate of 100%. - Regular board of directors performance evaluation.		
2024 Achievement Status	- No incidents of dishonesty, corruption, or anti-competitive behavior occurred. - Ethical corporate management education and training courses totaled 3,994 hours with 10,911 participants. - Completed board of directors performance evaluation.		

2.3.1 Ethical Corporate Management

● Ethical Corporate Management Standards

The Company follows the Responsible Business Alliance (RBA) standards and the Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEX Listed Companies to establish corporate ethical management policy standards. The Company identifies potential adverse impacts on different stakeholders that its business relationships may cause, establishes relevant preventive measures and remedial systems for specific risks. The Company has also established an independent supervisory unit to follow up on subsequent incident handling and dynamically improve and optimize the Company's responsible business conduct commitments to ensure that the Company can meet the requirements and objectives of ethical corporate management standards.

Procedures for Ethical Management and Guidelines for Conduct are published on the Company's official website. For details, please visit: <https://www.kyec.com.tw/zh-tw/lr/Company>

For anti-corruption and anti-competitive behavior related regulations, please refer to the Company's Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and other documents. As of 2024, King Yuan Group has had no incidents of corruption, no violations of competitive behavior, and no violations of laws related to trusts and monopolies. We will continue to implement the above management measures to reduce potential risks and avoid the occurrence of negative events.

● Stakeholder Communication and Prevention

To ensure that all activities of King Yuan Group comply with the laws and regulations of their respective locations and assume due social and environmental responsibilities, management takes appropriate action only when all reported concerns or violations are verified as true, thereby fostering a corporate culture of honesty, fairness, and trust.

King Yuan Group implements a series of measures and management mechanisms to prevent the occurrence of unethical behavior. The Company achieves 100% implementation of ethical management policy document signing, and all employees must sign non-compete agreements on their first day of employment. Additionally, training courses are held from time to time, during which prohibited behaviors in the Company's business operations are explained to help directors and employees understand the concept of ethical management. In 2024, all directors completed educational advocacy on insider trading and ethical management, and all 10,911 employees also completed various legal education training courses, insider trading advocacy, and other programs, totaling 3,994 hours.

All suppliers are required to sign the RBA Code of Conduct Commitment Letter and the Supplier Code of Conduct. The Company also conducts related advocacy through annual supplier conferences. In 2024, this was conducted online with a total of 66 key suppliers participating, representing 100% of key suppliers.

Identity		Time Point	Required Documents to Sign	Signing Ratio
Workers	New/Current Employees	On the Day of Employment	1. Notice of Collection, Processing and Use of Personal Data 2. Employment Agreement 3. Non-Compete and Confidentiality Agreement	100%

▼ **Number and Percentage of Employees Who Completed Integrity Management Training by Employee Type and Region**

Country	Item	Employee Type				Total Number of People
		Management Personnel	Engineering Personnel	Administrative Personnel	Technical Personnel	
Taiwan	Total Number of Trainees	608	2658	301	4584	8151
	Total Number of Personnel Required for Training	608	2658	301	4584	8151
	Total Training Rate	100%	100%	100%	100%	100%
China	Total Number of Trainees	178	1010	138	1434	2760
	Total Number of Personnel Required for Training	178	1010	138	1434	2760
	Total Training Rate	100%	100%	100%	100%	100%
Total	Total Number of Trainees	786	3668	439	6018	10911
	Total Number of Personnel Required for Training	786	3668	439	6018	10911
	Total Training Rate	100%	100%	100%	100%	100%

● **Whistleblowing and Grievance Mechanisms**

King Yuan Group upholds the principles of integrity and compliance with professional standards. To implement the Group's "Business conduct and professional ethics," we have established a comprehensive grievance and whistleblowing management mechanism, and absolutely do not tolerate any corruption, fraud, or behavior that violates ethics and integrity.

If any personnel discover any violations, suspected violations, or potential violations of integrity management or competitive business conduct within the Group, according to the Group's grievance and whistleblowing management procedures, internal employees can file complaints through dedicated hotlines, dedicated fax, or email. External personnel can file whistleblowing complaints through the Whistleblowing System for Business Conduct and Ethics Grievance System on the Company's official website. If investigation reveals that the reported individual has indeed violated laws or the Company's integrity management policies and regulations, corresponding disciplinary measures will be implemented. Internal employees will be disciplined according to personnel reward and punishment procedures, while business relationships with external personnel will be terminated.

2.3.2 Regulatory Compliance

This year, there were a total of three regulatory violation incidents, including two environmental violations and one social violation. None of these were considered major violations (major violations are defined as single incidents with fines of NT\$1 million or more, or violations for which the Company formally issued material information announcements). All fines have been paid as required and corrective measures have been implemented as instructed.

	Violation Category	Violation Area	Violation Item	Number of Cases	Corrective Actions
2024	Government Regulations	Environmental	Air Pollution	2	Completed vehicle inspection and will handle in accordance with regulations in the future.
	Government Regulations	Social	Labor Relations	1	For employees who remain in the factories without reporting overtime, developed an Attendance Response System to confirm the reasons for employees remain at work and remind employees to report overtime.

▼ Fine Payment Status in Recent Two Years

Year	2023	2024
Fines paid for violations occurring in the current year	750,000	21,000



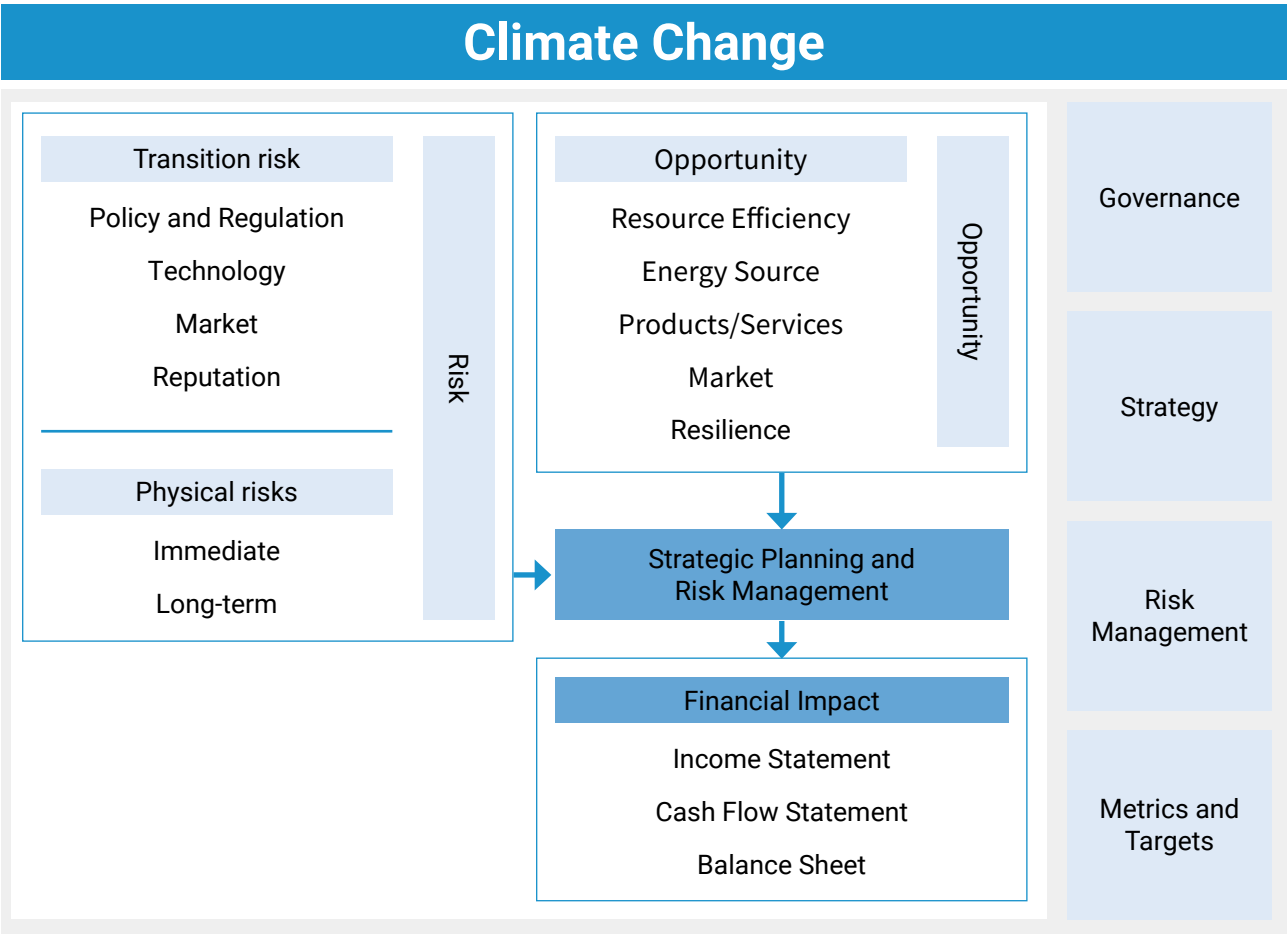
2.4 Climate Change

2.4.1 Climate Change Management

The Company refers to the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations issued by the Financial Stability Board (FSB), and follows the disclosure framework of "Governance," "Response Strategy," "Risk Types," and "Metrics and Targets" to analyze risks and opportunities and formulate corresponding response measures.

KYEC introduced the TCFD risk management framework in 2023. The Company hopes to clarify the financial risks and potential opportunities that climate change poses to the Company through the TCFD framework.

● Climate Change Governance



Board Oversight and Management's Role

To ensure the planning and implementation of corporate sustainable development, KYEC has established a Sustainable Development Committee with the President of the Administrative Center serving as the Chairman. The committee is divided into Corporate Governance Group, Sustainable Environment Group, Community Care Group, and Sustainability Information Disclosure Group, with relevant departments and representatives assigned to execute various action plans. The ESG Committee, in addition to regularly reviewing project implementation performance and goal achievement, reports execution results and future work plans to the President monthly.

KYEC established a Sustainable Development Group in 2024 and immediately began planning and executing important ESG-related issues of concern to stakeholders according to the plan and organizational structure.

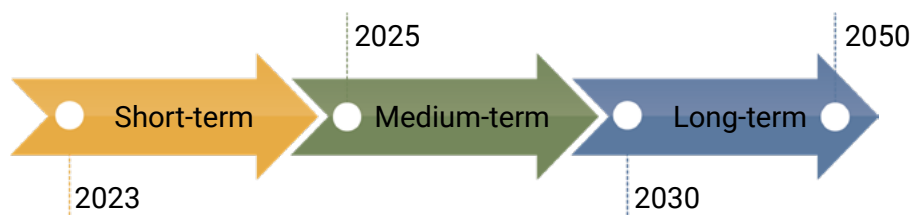
The Sustainable Development Group is convened by the Vice President, who guides the ESG team to actively invest in related projects year by year and achieve considerable results, such as CDP (Carbon Disclosure Project), TCFD (Task Force on Climate-related Financial Disclosures), human rights management, and Supply Chain Management Group.

To implement corporate governance and enhance board functions, KYEC conducted the 2022 board performance evaluation in accordance with the Board of Directors Performance Evaluation procedures, with the evaluation scope including the overall board, individual board members, and functional committees. In that year, the Company also continued to assist in arranging directors' continuing education on climate change-related courses, with all directors accumulating a total of 35 hours of continuing education. Additionally, through establishing governance organizations and implementing internal control mechanisms, the Company ensures that all personnel and operations comply with relevant legal regulations, and that all functional committee members understand their respective scope of authority, thereby more fully exercising their proper functions in practical operations.

Climate Change Strategy

Identified Climate-Related Risks and Opportunities

1. Climate Risk and Opportunity Issue List: Referencing scientific reports from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) to comprehensively understand potential transition risks, physical risks, and opportunities that future climate change may cause. Additionally, referencing climate change risk and opportunity identification results from domestic and international peers in the same industry, and in conjunction with the company's greenhouse gas reduction targets and renewable energy goals, evaluating potential transition risks, physical risks, and opportunities under various timeframes to establish KYEC's climate risk and opportunity issue list.
2. Time Horizons



Risks and Opportunities in Organizational Business and Strategy

Assessment of Transition Risks

In response to domestic and international carbon-related regulations, KYEC's assessment of corporate transition risks including operational equipment improvements, increasing renewable energy ratios, and carbon tax/fee impositions.

Assessment of Physical Risks

KYEC's assessment of disaster risks including water restrictions, power restrictions, power outages, typhoons, and flooding at major operational sites.

Assessment of Climate Opportunities

Actively promoting energy-saving projects and strengthening climate resilience to enhance corporate image and secure more business opportunities.

Strategic Planning under Climate Scenarios

Assessment of Transition Risks

KYEC continuously monitors international greenhouse gas reduction policies. To achieve corporate sustainable development strategies, the company has chosen to use the Net Zero Emissions (NZE) scenario proposed by the International Energy Agency (IEA) to assess the impact on the enterprise under future global aggressive emission reduction policies, while preparing response strategies in advance to gain competitive advantage.

Assessment of Physical Risks

Based on the Representative Concentration Pathways (RCPs) proposed in the Fifth Assessment Report (AR5) by the Intergovernmental Panel on Climate Change (IPCC), the Company has selected the RCP 8.5 scenario. This assumes that no new reduction measures will be taken by any countries globally in the future, representing the most severe scenario. It is used to assess the degree of impact the Company would face under the most extreme climate challenges. For water resource-related physical risks, the WRI Aqueduct tool is used in conjunction to identify the risk impact of water resource stress on operational sites.



● Climate Risk Management

Climate-related risk identification and assessment, and management processes

The Company, based on the Three Lines of Defense risk management model, establishes a complete and rigorous risk management operation. The Board of Directors is responsible for supervising risk management mechanisms and controls, reviewing related regulations, and examining important risk reports. Its scope covers multiple aspects to effectively identify, measure, and manage various types of risks.

The identification, assessment, and management processes for climate-related risks and opportunities are as follows:

1. KYEC refers to international scientific reports and domestic and international industry-related reports to preliminarily screen issues that are similar to the company's operational characteristics.
2. Following the TCFD risk and opportunity identification framework, climate change-related risks and opportunities are categorized. Based on their nature and potential financial impact, international scenario reports are analyzed, and possible risks and opportunities are compiled into a questionnaire. Through questionnaires and interviews, senior executives from relevant departments assess factors such as "likelihood of occurrence," "degree of financial impact," and "time duration" for each issue based on their responsibilities and professional experience.
3. After completing interviews and questionnaire collection from each department, risk and opportunity impact assessments are calculated for each issue regarding time duration, likelihood of occurrence, and degree of impact to converge opinions from each department.
 Time duration: Short-term (2023-2025), Medium-term (2025-2030), Long-term (2030-2050)
 Likelihood of occurrence: Scored from 1 to 5, representing extremely unlikely to occur to extremely likely to occur.
 Degree of impact: Scored from 1 to 4, representing minor to severe financial impact
4. Three levels of high, medium, and low are established to generate KYEC's TCFD climate risk and opportunity matrix. For issues identified as medium and high-risk, the Sustainable Development Committee promotes cross-departmental coordination to conduct financial impact assessments, and relevant departments propose response measures to report to the Chairman and Board of Directors.

● Metrics and Targets

Metrics used to assess climate risks and opportunities

To gradually enhance climate resilience and adaptive capacity, KYEC uses metrics such as energy consumption, greenhouse gas emissions, water resource usage, waste incineration rate and reuse rate, and operational disruption days as indicators for climate-related risk and opportunity management, based on identification results and reference to adaptation plans from the same industry.

Greenhouse gas emissions and related risks

To effectively manage risks related to carbon tax/fees, KYEC annually completes greenhouse gas inventory and verification for Taiwan factories and KLT in accordance with ISO 14064: 2018 and GHG PROTOCOL

Management of climate-related targets and performance

To gradually enhance climate resilience and adaptive capacity, KYEC uses metrics such as energy consumption, greenhouse gas emissions, water resource usage, waste incineration rate and reuse rate, and

operational disruption days as indicators for climate-related risk and opportunity management, based on identification results and reference to adaptation plans from the same industry.

Power saving targets				
2025 (short-term target)	2030 (medium-term target)	2040 (long-term target)	2050 (long-term target)	Response measures
Cumulative power savings of 37.5 million kWh from 2020-2025	Cumulative power savings of 75 million kWh from 2020-2030	Cumulative power savings of 160 million kWh from 2020-2040	Cumulative power savings of 250 million kWh from 2020-2050	- Continue to promote energy conservation projects - Identify energy conservation opportunities through ISO 50001

Renewable energy usage targets				
2025 (short-term target)	2030 (medium-term target)	2040 (long-term target)	2050 (long-term target)	Response measures
Renewable energy usage accounts for 10% of total electricity consumption	Renewable energy usage accounts for 20% of total electricity consumption	Renewable energy usage accounts for 35% of total electricity consumption	Renewable energy usage accounts for 100% of total electricity consumption	Sign CPPA contract

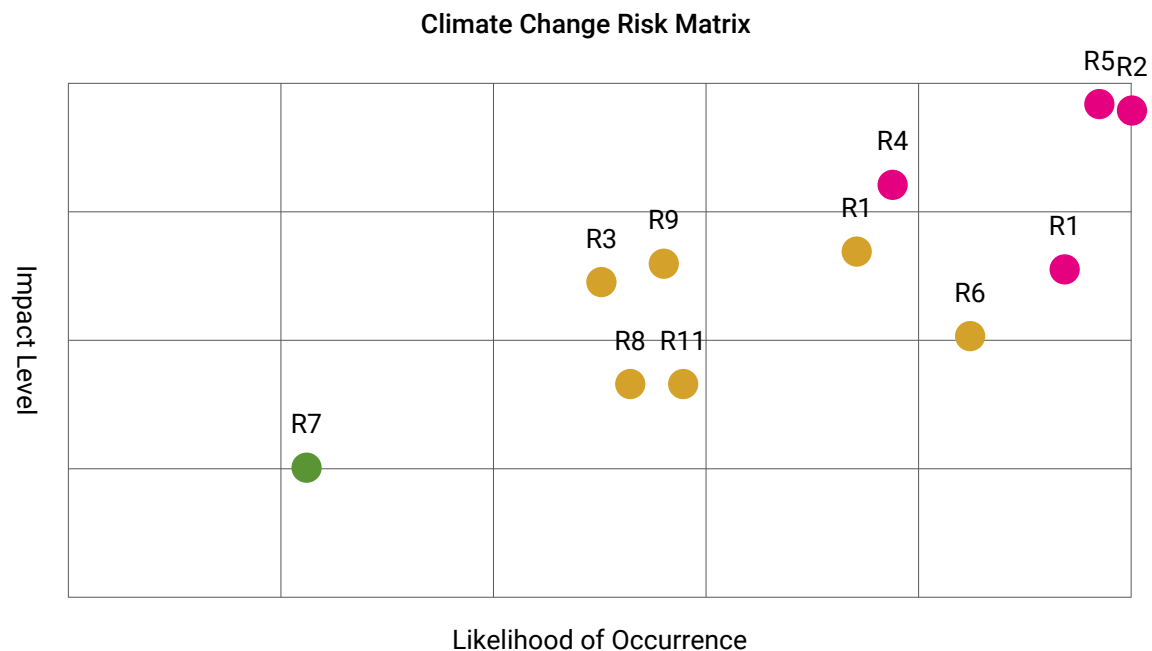
Greenhouse gas reduction targets				
2025 (short-term target)	2030 (medium-term target)	2040 (long-term target)	2050 (long-term target)	Response measures
King Yuan Group (Scope 1+2) 10% reduction in greenhouse gas emissions compared to 2022	King Yuan Group (Scope 1+2) 15% reduction in greenhouse gas emissions compared to 2022	King Yuan Group (Scope 1+2) 30% reduction in greenhouse gas emissions compared to 2022	King Yuan Group 100% reduction in greenhouse gas emissions compared to 2022	Improve energy use efficiency and increase the proportion of renewable energy

Water Conservation Goals				
2025 (short-term target)	2030 (medium-term target)	2040 (long-term target)	2050 (long-term target)	Response measures
- Cumulative days of work stoppage due to water shortage: 0 days - Water withdrawal intensity reduced by 5% compared to 2020	- Cumulative days of work stoppage due to water shortage: 0 days - Water withdrawal intensity reduced by 10% compared to 2020	- Cumulative days of work stoppage due to water shortage: 0 days - Water withdrawal intensity reduced by 20% compared to 2020	- Cumulative days of work stoppage due to water shortage: 0 days - Water withdrawal intensity reduced by 30% compared to 2020	Implementation of ISO 46001 water efficiency action plan

Waste reuse				
2025 (short-term target)	2030 (medium-term target)	2040 (long-term target)	2050 (long-term target)	Response measures
1. Waste incineration rate <15% 2. Recycling and reuse rate >85%	1. Waste incineration rate <12% 2. Recycling and reuse rate >88%	1. Waste incineration rate <10% 2. Recycling and reuse rate >90%	1. Waste incineration rate <7% 2. Recycling and reuse rate >93%	Strengthen waste management, effectively ensure proper classification, recycling, reuse and appropriate disposal

Climate change risk impacts and corresponding risks

Code	Type		Category	Topic	Potential occurrence time	Risk level
R1	Transition risk	Policy and regulation	Renewable energy regulation	To respond to low-carbon development trends, KYEC enhances the energy and resource efficiency standards of various assets, thereby increasing capital expenditure.	Short	High
R2	Transition risk	Policy and regulation	Renewable energy regulation	In response to regulatory requirements, KYEC increases the proportion of renewable energy usage, thereby leading to increased operating costs	Medium	High
R3	Transition risk	Goodwill	Greenhouse gas	Customers are committed to reducing emissions in the value chain. If KYEC cannot meet the needs of value chain operators, it may lead to a decline in product demand	Medium	Medium
R4	Transition risk	Policy and regulation	Carbon fee regulations	To respond to emerging regulations related to carbon pricing that require payment of carbon fees, thereby increasing operating costs	Long	High
R5	Transition risk	Market	Renewable energy	To respond to low-carbon development trends and meet the needs of value chain customers while achieving net zero emissions, KYEC is actively increasing the proportion of renewable energy, leading to increased operating costs	Long	High
R6	Transition risk	Technology	Low-carbon technology	To respond to low-carbon development trends, policy measures need to be adopted to support alternative fuel consumption, leading to increased transportation costs for King Yuan Electronics	Medium	Medium
R7	Physical risks	Long-term	Flooding	Global sea level rise causes flooding in low-lying coastal areas, leading to asset damage	Long	Low
R8	Physical risks	Immediate	Flooding	Increased frequency and severity of heavy rainfall and flooding leading to factory equipment malfunctions and service disruptions	Long	Medium
R9	Physical risks	Long-term	High temperature	Rising temperatures increase air conditioning electricity costs, and may lead to higher probability of outdoor workers leaving their positions due to high temperatures, further resulting in decreased productivity and increased employee medical expenses	Medium	Medium
R10	Physical risks	Long-term	Drought	Changes in precipitation patterns and extreme weather leading to insufficient natural water sources, resulting in regional water restrictions and reduced production	Medium	Medium
R11	Physical risks	Immediate	Typhoon	Extreme rainfall events (or more intense tropical cyclones) causing river siltation or land transportation disruptions, which prevent cargo ships from entering ports due to severe sedimentation and disrupt railways and roads, affecting deliveries	Medium	Medium



● Risk assessment and response strategies for natural disasters

Global climate warming has also caused extreme weather phenomena in Taiwan, such as typhoons, floods, heavy rainfall, droughts, to become increasingly significant. Faced with various natural disasters, our factories in Taiwan have been operating through the ISO 22301 Business Continuity Management System since 2018, in order to reduce significant property losses and irreversible operational impacts caused by natural disasters, man-made disasters, or other incidents, and to ensure that the organization can maintain minimum operational levels under any circumstances. In November 2020, they obtained ISO 22301: 2019 certification. Facing climate change events such as earthquakes, tsunamis, seawater intrusion, typhoons, droughts, floods, our Taiwan factories also utilize the Business Continuity Management System's business impact analysis approach to implement risk assessments. Based on the risk assessment results, formulate relevant response strategies to achieve three components: advance prevention, emergency response, and post-disaster recovery. Potential natural disasters caused by global warming and corresponding response measures are as follows:

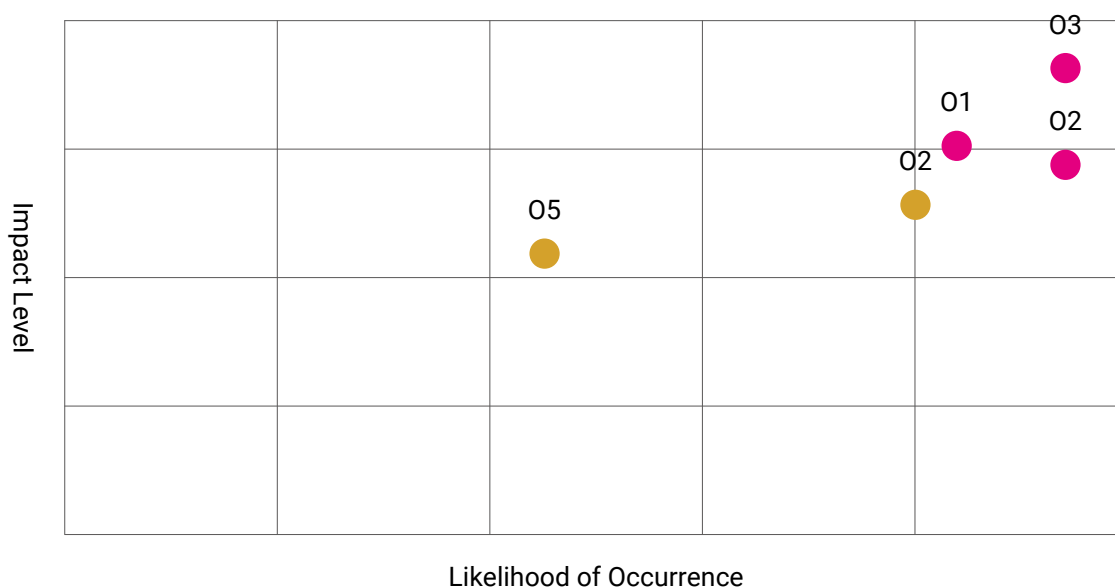
Type	Physical risks	Response measures
Earthquake	1. Infrastructure damage 2. Equipment damage 3. Raw material supply disruption 4. Customer product damage	1. All buildings are designed and constructed to withstand magnitude 6 earthquakes 2. Establish Earthquake Emergency Response Procedure 3. Establish Plant Facility/System Emergency Response Procedures 4. Conduct regular earthquake response drills 5. Establish backup energy and resource supply systems 6. Seismic anchoring of goods shelves and high-risk equipment 7. Establish earthquake alert notification system linked to fire protection system

Type	Physical risks	Response measures
Flooding	- Personnel disruption - Transportation disruption - Infrastructure damage	- Domestic and international flood simulation systems to simulate and analyze flood potential situations. - Establish Typhoon and Flood Emergency Response Procedures - Establish Supply Chain Security Emergency Response Procedures - Install flood gates, water pumps, sandbags, and other response measures - Conduct annual flood disaster prevention drills
Typhoon	- Personnel disruption - Raw material supply disruption	- Establish Typhoon and Flood Emergency Response Procedures - Conduct annual flood disaster prevention drills - Establish safety stock for raw materials
Drought	- Water process interruption - Plant facility water usage restriction	- Establish water situation monitoring mechanism - Promote water resource recycling and reuse - Establish water situation response plan to implement water conservation measures according to water situation signal lights - Implement factory water supply emergency drills

Climate Change Risk Impact and Response Opportunities

Code	Type	Category	Topic	Potential occurrence time	Opportunity Level
01	Opportunity	Resource Efficiency	Implement energy-saving improvements to facilities, continuously enhance energy usage efficiency, thereby reducing energy costs	Medium	High
02	Opportunity	Market	Future market's low technology costs and low-cost financing allow the company to benefit from market investments in low-carbon technology costs, thereby reducing renewable energy installation costs	Medium	Medium
03	Opportunity	Energy Source	According to the commitment target scenario, KYEC actively increases renewable energy usage, reduces Scope 2 emissions, thereby reducing carbon fee expenditures	Medium	High
04	Opportunity	Resilience	During heavy rainfall and flooding, possess faster recovery capabilities than industry peers (uninterrupted power, continuous operations), enhancing KYEC resilience with no production interruptions	Medium	High
05	Opportunity	Products and Services	KYEC actively engages in low-carbon transformation, improving competitive position among industry peers to reflect changing customer preferences and increase revenue	Medium	Medium

Climate Change Opportunity Matrix



From the above, it can be concluded that King Yuan (KYECC) plays a key role in the global low-carbon economic transformation. When facing various risk issues, the Company can also consider the impacts brought by climate issues. Through mechanisms such as identification of climate-related risks and opportunities and carbon reduction target setting, it helps improve the management of climate change risks and opportunities, proposing various corresponding mitigation measures for each item.

Climate Risk and Opportunity Financial Impact Analysis

KYECC analyzes future financial impacts and the degree of customer concern, conducting financial impact analysis on three key issues each for climate risks and opportunities, as follows:

1. Financial Impact Analysis of Climate Risks

Risk Issues	Impact Description	Scenario Description	Potential Financial Impact
Risk Issue: R4 Carbon Pricing Mechanism	According to the International Energy Agency (IEA) in the World Energy Outlook 2021 (WEO2021), under the NZE scenario, carbon pricing has been widely implemented in countries around the world, with China at 200 USD/t-CO ₂ e. Taiwan's Climate Change Response Act was officially announced and implemented in October 2024, incorporating carbon pricing mechanisms into regulations, imposing carbon fees on specific industries with emissions exceeding 25,000 tons. In summary, KYECC facilities, including those in Taiwan and Mainland China, may face the risk of paying carbon fees or purchasing low-carbon energy in the future, thereby leading to increased operational costs.	This issue adopts the estimated carbon pricing values for different countries at various time points under the NZE scenario proposed by the IEA in the 2021 WEO report, evaluating the Company's financial impact up to 2050.	Assuming the Company does not implement additional reduction measures in the future and achieves a 20% renewable energy usage ratio by 2030, when carbon pricing mechanisms are implemented by governments where each facility is located, it is estimated that by 2050 there will be a financial impact of approximately NT\$3.466 billion on operations.

Risk Issues	Impact Description	Scenario Description	Potential Financial Impact
-------------	--------------------	----------------------	----------------------------

Risk Issue: R5
Energy Transition

According to the Renewable Energy Statistics 2021 report published by the International Renewable Energy Agency (IRENA), global renewable energy growth has accelerated, with renewable energy accounting for approximately 36.6% globally in 2020, representing a growth rate of 10%. Major industries worldwide are also actively responding. Facing changes in renewable energy development policies and customer requirements, KYEC may face the risk of increased operational costs due to the need to increase the proportion of renewable energy.

This issue adopts the Company's target of achieving RE100 by 2050 to evaluate the financial impact up to 2050.

Assuming the Company does not build additional renewable energy facilities in the future and governments where facilities are located continue to increase their national renewable energy ratios (with renewable energy procurement costs no longer rising), it is estimated that by 2050 there will be a financial impact of approximately NT\$1.005 billion on operations.

Risk Issue: R10
Changes in
Precipitation
Patterns and
Extreme Climate

Taiwan has a subtropical monsoon climate with distinct dry and wet seasons, with annual precipitation mainly contributed by typhoons and seasonal monsoon rainfall. (1) Impact Description: Taiwan has a subtropical monsoon climate with distinct dry and wet seasons, with annual precipitation mainly contributed by typhoons and seasonal monsoon rainfall. Extreme precipitation patterns, such as increased consecutive non-rainy days and reduced number of typhoons, will heighten water shortage risks. To enhance water resource resilience, the Company may face the risk of increased capital expenditures and operating costs due to implementing water restriction response measures.

This issue only analyzes facilities in Taiwan. Referring to the Atlas of Taiwan Climate Change Key Indices and using the RCP8.5 scenario from IPCC AR5, we evaluate the Company's financial impact up to 2030.

Assuming the Company does not add new water-saving equipment in the future, it is estimated that by 2030 the Company's implementation of water restriction response measures will cause an annual operational impact of approximately NT\$318,600.



2. Financial Impact Analysis of Climate Opportunities

機會議題	Impact Description	Scenario Description	Potential Financial Impact
Opportunity Issue: O1 Low-Carbon Transition Reduces Operating Costs	According to the WEO2020 report, to achieve sustainable development scenarios, in addition to purchasing renewable energy, improving energy efficiency is also one of the important measures. (1) Impact Description: According to the WEO2020 report, to achieve sustainable development scenarios, in addition to purchasing renewable energy, improving energy efficiency is also one of the important measures. KYEC is promoting electricity-saving projects across all factories, actively improving overall factory energy efficiency through measures such as replacing lighting, air conditioning equipment, and air compressor equipment to respond to low-carbon development trends, bringing the Company opportunities to reduce operating costs.	This issue adopts the NZE scenario proposed by the IEA in the 2021 WEO report to evaluate the potential financial impact that the Company's investment in energy-saving projects may generate by 2030 due to reduced energy demand under this scenario.	Assuming the Company's planned energy-saving projects are all implemented as scheduled, it is estimated that by 2030 the Company can reduce cost expenditures by approximately NT\$14,505,500.
Opportunity Issue: O3 Adoption of Low-Carbon Energy	To respond to global sustainable development trends, continuously improve greenhouse gas reduction measures, and effectively achieve the climate goals of the Paris Agreement, KYEC is actively increasing the use of renewable energy, reducing Scope 2 emissions, and thereby reducing carbon fee expenditures.	This issue adopts the NZE scenario proposed by the IEA in the 2021 WEO report to evaluate the potential financial impact that the Company's active increase in renewable energy use may generate by 2030 due to reduced greenhouse gas emissions under this scenario.	Assuming the Company's planned renewable energy targets are implemented as scheduled, it is estimated that by 2030 the Company can reduce carbon fee cost expenditures by approximately NT\$38,912,700.
Opportunity Issue: O4 Enhancing Climate Resilience	The IPCC AR6 WG1 mentions that the frequency and intensity of heavy precipitation events in land areas have increased since the 1950s. With the continuously increasing frequency of extreme climate impacts, governments and enterprises worldwide have begun to pay attention to the need for industrial supply chain resilience in responding to climate change, beyond their own operational sites. KYEC, when facing the impact of extreme climate events that may be caused by climate change, can utilize its business continuity management system to ensure the Company can achieve advance prevention, emergency response, and rapid post-disaster recovery, thereby enhancing corporate resilience and gaining opportunities to increase orders.	This issue adopts the RCP8.5 scenario proposed in IPCC AR5 to evaluate the business opportunities that the Company can bring when it has sufficient climate resilience under this scenario.	Assuming the Company has a comprehensive business continuity management system and sufficient climate resilience. KYEC has calculated that 33% of customers have requirements for "business continuity," which represents the proportion of customers who may potentially increase orders due to the Company having sufficient climate resilience.

2.5 Information Security

Material Topic Management Approach: Information Security

Corresponding GRI
Indicator: 418

Impact Description	King Yuan Group attaches great importance to information security and is committed to protecting customer privacy and confidential data. Through the PDCA cycle management mechanism, we continuously improve our information security systems, strictly comply with customer contracts, protect customer privacy and confidential data, and implement the spirit of corporate sustainability.		
Policies or Commitments Formulated or Followed	- Internal Regulations Information Security Management Manual (EN-E-22-100001) - Government Regulations Guidelines for Information and Communication Security Control for Listed Companies	Responsible Unit	Information Security Technology Department Units
Management Actions	- Establish information security policies and form an information security management organization - Protection of confidential data and documents - Physical security - Information security incident management - Business continuity management - Information security awareness and education training		
Process for Tracking Action Effectiveness	0 major information security incidents affecting operations 0 financial losses to financial statements caused by cyber attacks		
Management performance indicators	0 major information security incidents affecting operations shall not occur 0 financial losses to financial statements caused by cyber attacks shall not occur - Continuously obtain ISO 27001 certification - Conduct annual social engineering drills - Conduct annual information security incident drills twice 100% coverage rate for employee information security education training and awareness promotion		
2024 Achievement Status	0 major information security incidents affecting operations 0 financial losses to financial statements caused by cyber attacks - Continuously obtain ISO 27001 certification - Conduct annual social engineering drills - Conduct annual information security incident drills twice 100% coverage rate for employee information security education training and awareness promotion		

2.5.1 Information Security Management Policy

Information Security Policy and Organization

With technology advancing rapidly, diverse information security incidents are emerging endlessly, such as: customer personal data breaches, ransomware attacks, malicious programs, etc. Information security and customer privacy protection have become important objectives for corporate information security management. King Yuan values customer information security and customer privacy, implements an Information Security Management System (ISMS) and establishes related organizations, and has obtained ISO 27001 certification to strengthen the company's overall information security defense and response capabilities, aiming to provide customers with a secure and reliable digital environment.

To protect customer privacy and information security, an Information Security Committee was established in 2022, with the Executive Vice President serving as the highest directing officer, the Director of Information Technology Department as the Chief Convener, and heads of various departments within the company as committee members. In the same year, a dedicated information security management department was also established, appointing an information security officer and dedicated information personnel responsible for formulating company information security-related systems, risk management and regulatory compliance, and continuously monitoring important internal and external trends and issues.

Information Security Management Mechanism

Network Security, Endpoint Security

- Physical network segmentation to prevent lateral spread of virus malicious attacks
- Strengthen network security using next-generation firewalls, intrusion detection systems, and internet behavior monitoring
- Real-time antivirus software updates, antivirus monitoring for all facility equipment, and timely handling of abnormal machines and equipment
- Third-party information security risk assessment, monitoring and analysis of information security risks and vulnerabilities
- Intelligence sharing to promptly grasp global information security incidents
- Outsourcing to third-party information security vendors for penetration testing and vulnerability scanning

Data security protection

- Data leak prevention system to secure internal confidential documents and eliminate leakage threats
- Implementation of document printing record analysis and tracking to prevent data leakage
- Implementation of hard disk encryption mechanisms to ensure important data does not leak

Regulatory compliance and implementation of international information security standards

- Compliance with regulatory requirements and implementation of ISO 27001

Supplier information security training

- Annual vendor information security education and training

Information security training and awareness

The Group requires internal members, suppliers, and related partners to clearly implement the Group's information security measures, to collect, process, and utilize personal data within the necessary scope and to the minimum extent without exceeding specific purposes, and to adopt appropriate security maintenance measures. King Yuan Group did not use the collected personal data for purposes other than the original specific purposes of utilization in 2024.

To enhance employees' awareness of personal data and privacy protection within the company, the Company regularly conducts education and training and promotes important regulations, operational guidelines, practical cases, and audit inspections related to personal data and privacy on public web pages.

Personal data usage and complaint channels

KYEC has established a reporting mechanism where internal and external parties can submit personal data-related complaints and reports through reporting channels, continuously monitoring the status of personal data usage. King Yuan Group received no complaints or penalties related to personal data in 2024 and has had no major information security incidents involving customer personal data leakage or internal confidential information leakage over the past three years.

Information security incidents occurred in 2024

No information security incidents occurred in 2024

Number of information security incidents in the past three years (Unit: 0 incidents)

Information security incidents	2022	2023	2024
Self-investigation findings	0	0	0
Complaints from regulatory authorities	0	0	0
Complaints from third parties	0	0	0
Total number of information security incidents	0	0	0
Total number of incidents that actually caused losses and impacts	None	None	None

Number of customer personal data complaint incidents in the past three years (Unit: 0 cases)

Personal data complaint incidents	2022	2023	2024
Self-investigation findings	0	0	0
Complaints from regulatory authorities	0	0	0
Complaints from third parties	0	0	0
Total number of complaint incidents	0	0	0
Total number of confirmed incidents causing customer information leakage, theft, or loss	None	None	None

Sustainable Value Chain

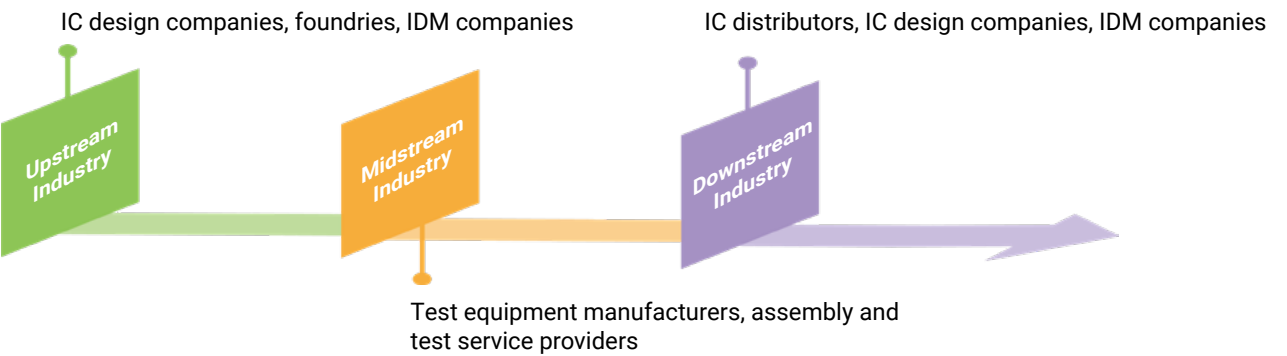


3.1 Industry Supply Chain

3.1.1 Industry Overview

King Yuan Group is the world's largest professional testing company, providing testing and packaging services for semiconductor backend manufacturing, covering various testing items including logic ICs, memory ICs, wireless network ICs. As the global semiconductor industry shifts its production focus to Asia, Taiwan's IC industry vertical division system has been recognized for its technology, quality, and delivery performance. In the future, as more wafer fabs come into production, the demand for backend testing services provided by Taiwanese manufacturers will gradually increase.

▼ Semiconductor Industry Upstream, Midstream, and Downstream Relationships



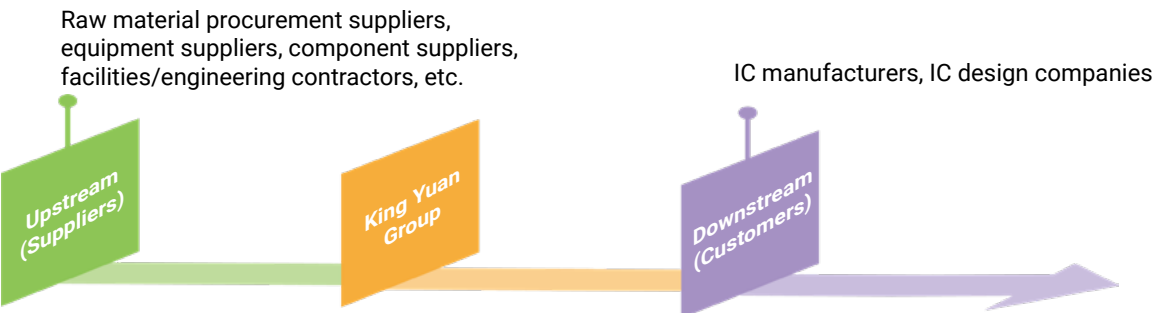
Note: For more information on the current status and development of the IC testing and packaging industries, please refer to page 100 of the Company's 2024 annual report.

3.1.2 King Yuan Value Chain

● Sustainable Supply Chain Overview

King Yuan Group's main production base is located in Taiwan. Globally, we collaborate with nearly a thousand suppliers, primarily procuring raw materials, equipment, components, facilities/engineering services, and outsourcing services. To provide timely service to customers worldwide, we have established business operations in Taiwan, North America, Southeast Asia, and Japan.

▼ King Yuan Group Value Chain

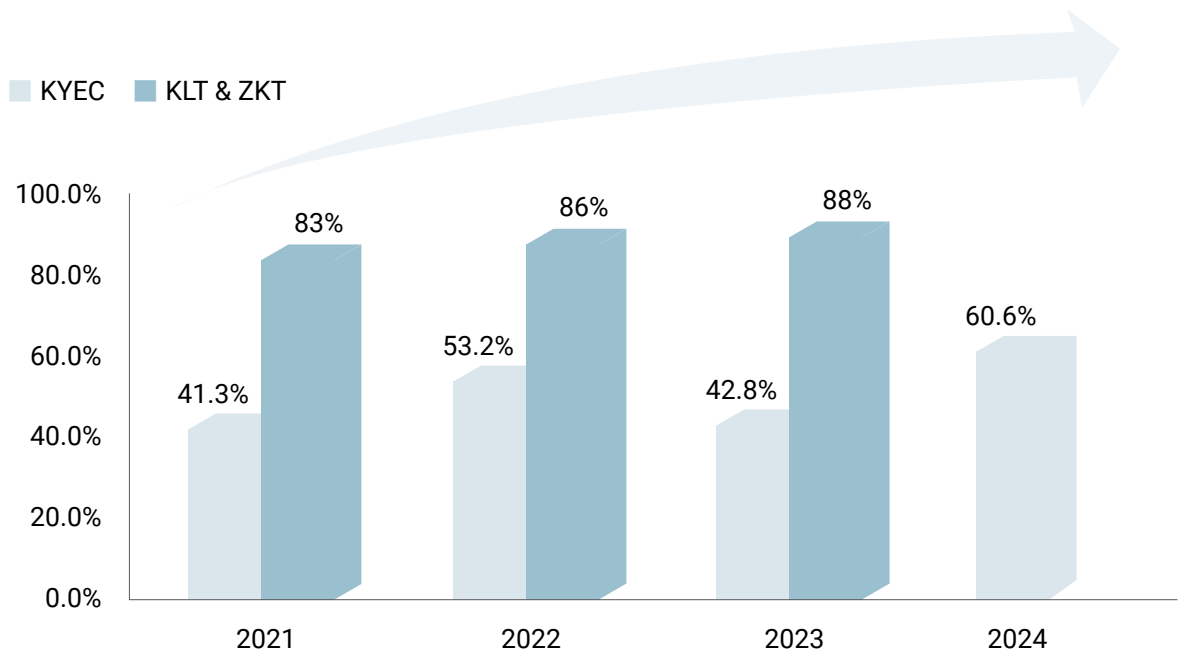


Local Procurement

King Yuan Group is committed to establishing stable long-term cooperative relationships with domestic and international suppliers. The Group encourages suppliers to fulfill social responsibilities in aspects such as environmental protection, occupational health and safety, and human rights. At the same time, we actively promote localized production and procurement to reduce transportation costs, decrease carbon emissions, diversify risks, and promote local industrial development, creating more employment opportunities.

In the future, we will continue to support local Taiwanese enterprises and encourage foreign companies to establish factories in Taiwan, further reducing production costs and risks, and enhancing competitive advantages. King Yuan Group will also continue to strengthen cooperation with suppliers, introduce alternative materials, reduce dependence on single manufacturing locations, and minimize supply risks caused by natural disasters or force majeure factors.

King Yuan Group Raw Material Local Procurement Ratio



Note 1: Local procurement refers to raw materials produced in the same country as King Yuan Group.
 Note 2: Disclosed based on the actual transaction amount ratio for the current year.
 Note 3: Due to the announced sale of all equity in the mainland subsidiary, the 2024 local procurement ratio does not include data from the mainland subsidiary.



Green Procurement

In order to implement corporate social responsibility and respond to environmental protection, KYEC actively promotes green procurement, prioritizing products that are energy-saving, low-pollution, and have environmental certifications. For office supplies and packaging materials, we prioritize products that comply with environmental certifications (such as Type I and Type II Green Marks, Forest Stewardship Council certification, and Programme for the Endorsement of Forest Certification (PEFC) Label). For equipment or projects involving energy consumption, we prioritize selecting products from the design stage that reduce energy consumption and comply with green regulations, such as energy-saving and water-saving equipment and products with energy efficiency labels.

In addition to purchasing products with government-certified environmental labels, we incorporate factors such as power saving, operational efficiency, water conservation, and product lifespan into when selecting equipment and implementing improvement projects. Therefore, the Company's definition of green procurement includes: products, technologies, and services that are energy-saving, low-carbon, low-waste and minimize environmental impact.

Green Procurement Principles

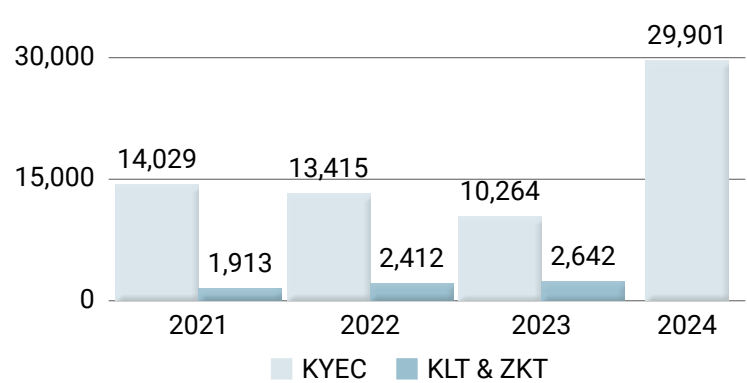
- Government-certified green products, such as products with Green Mark, energy efficiency labels, and water conservation labels.
- Products that comply with relevant foreign government regulations (such as EU RoHS, WEEE, etc.) or are approved for use with environmental labels.
- Require equipment suppliers to consider water saving, power saving, and consumable reduction when designing and manufacturing equipment, and confirm that the energy performance meets or exceeds procurement contract requirements after equipment installation.

Renewable Energy

KYEC continues to invest in renewable energy and deepen power-saving measures. In 2024, the Company actively expanded its initiatives, and the green procurement amount for 2024 and beyond will show significant growth due to new investments in renewable energy.

KYEC promotes green procurement principles throughout the entire supply chain, collaboratively advancing green supply chain services, and is committed to reducing the impact of forest destruction and biodiversity loss on ecosystems. In the future, with investment in and application of renewable energy, green procurement amounts will grow significantly. We will also continue to monitor government-certified green products and strengthen the breadth and depth of green procurement.

King Yuan Group Green Procurement Amount (NT\$ ten thousand)



Note: Due to the announced sale of all equity in the mainland subsidiary, the 2024 green procurement ratio does not include data from the mainland subsidiary.

3.2 Supply Chain Management

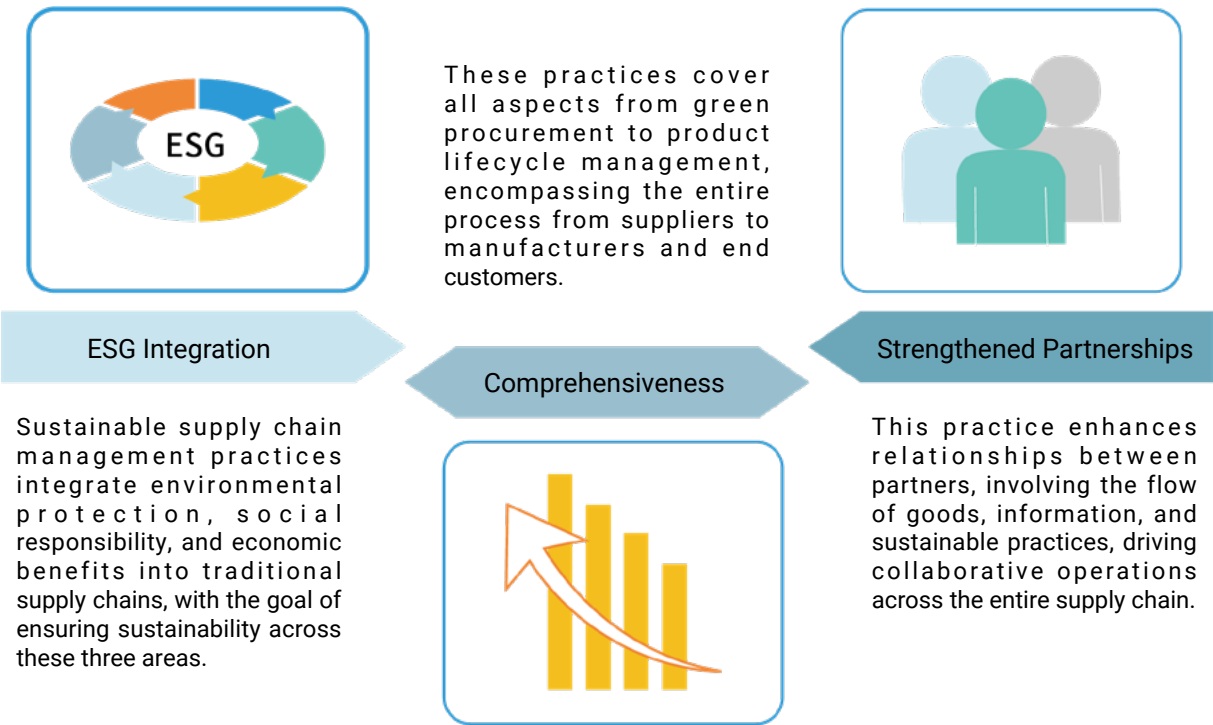
Corresponding
 GRI Indicator:
 GRI308-2, 407-1,
 414-2

Material Topic Management Approach: Supply Chain Management

Impact Description	As suppliers are part of the Company's value chain, the Company has the responsibility to implement supply chain management. Good supply chain management should ensure the quality and safety of raw materials and emphasize suppliers' ESG practices to enhance overall industry value. Conversely, if the responsibility of supply chain management is not properly fulfilled, it indirectly increases suppliers' adverse social or environmental impacts and damages the Company's image.		
Policies or Commitments Formulated or Followed	- Internal Regulations - Procurement Control Procedures - RBA Code of Conduct Commitment Letter - KYEC Supplier Code of Conduct	Responsible Unit	Procurement Department Supplier Quality Management Department
Management Actions	- Suppliers must sign the RBA Code of Conduct Commitment Letter to commit to strictly complying with the Responsible Business Alliance Code of Conduct and KYEC's relevant regulations on corporate social responsibility - Conduct online/physical supplier education and training once a year to continuously promote quality/green products/occupational safety/information security/BCP/KYEC Human Rights Policy/KYEC Supplier Code of Conduct explanation/ESG supply chain management advocacy.		
Process for Tracking Action Effectiveness	Conduct regular supplier sustainability audits annually and perform on-site audits by combining key suppliers with risk level assessment in two dimensions.		
Management Performance Goals	- No conflict minerals products (Conflict-Free) - RBA commitment letter collection rate from all suppliers - SAQ survey completion rate 100% - Complete sustainability audits of key high-risk suppliers annually		
2024 Achievement Status	- Conflict minerals management: 100% conflict-free products - RBA commitment letter collection rate 100% - SAQ survey completion rate 100% - Key high-risk supplier sustainability audit rate 100%		

3.2.1 Supply Chain Management Policy

Core of Sustainable Supply Chain Management



Sustainable supply chains have become an important component of corporate continuous operations and a key mechanism for companies to demonstrate social responsibility and drive supply chains to achieve sustainability goals. The U.S. National Institute of Standards and Technology (NIST 800-161) supply chain risk management practices also include sustainability as a key issue in risk management.

King Yuan Group's Sustainable Supply Chain Strategy

Three main pillars	King Yuan Group Supplier Code of Conduct
(1) Sustainability standards: Establish clear sustainability standards that require supplier compliance. (2) Risk identification: Utilize risk identification tools to identify high-risk factors and supplier industries. (3) Management mechanisms: Strengthen supply chain risk control and regulatory compliance through management mechanisms.	King Yuan Group has developed relevant sustainable supply chain policies with reference to international standards such as the RBA Code of Conduct, the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the Universal Declaration of Human Rights.

Supplier Responsibilities and Requirements

Corporate Social Responsibility clauses: King Yuan Group incorporates corporate social responsibility into supplier contracts and requires suppliers to fulfill ESG clauses, with a long-term goal of 100% supplier compliance with ESG clauses.

Labor rights and ethical standards: KYEC firmly opposes child labor and forced labor and requires all suppliers to comply with requirements related to labor, health, safety, environmental protection, and business ethics.

Environmental protection and energy conservation & carbon reduction: King Yuan Group collaborates with suppliers to develop environmentally friendly materials and promotes process improvements and equipment upgrades to achieve energy conservation and carbon reduction.

Freedom of association and collective bargaining rights: Suppliers must safeguard employees' fundamental rights and respect employees' freedom of association, including the right to join unions and engage in collective bargaining.

Compliance and Risk Control

Legal compliance

King Yuan Group requires suppliers to fully comply with local laws and regulations and strengthens supervision and management of suppliers to ensure the supply chain meets ethical and legal standards.

Violation penalties

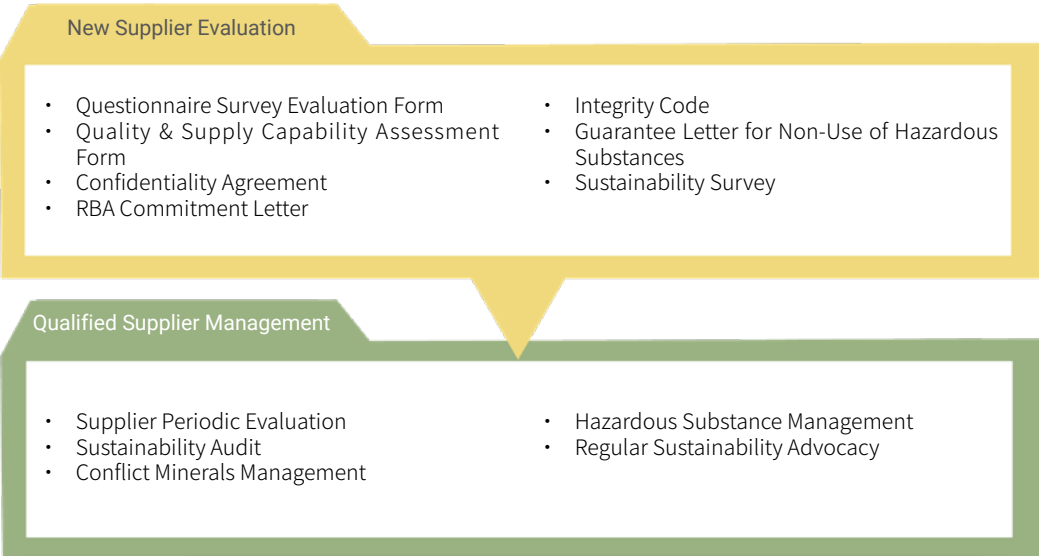
If suppliers are found to violate policies (such as using child labor or forced labor), they will be required to make improvements within a specified period. Those with serious violations will have their cooperation terminated.

King Yuan Group's sustainable supply chain management policy is not only a long-term strategy for the company at the economic level, but also a practice of social and environmental responsibility. These strategies drive the supply chain to achieve higher standards in complying with laws, protecting labor rights, reducing environmental impact, and other areas, thereby maintaining competitiveness and compliance in the globalized market.

Sustainability Risk Assessment

New suppliers

Procurement personnel evaluate new suppliers based on the new supplier evaluation form, including investigations into the supplier's social, environmental, and governance performance. All new suppliers must undergo evaluation and be approved by unit supervisors before procurement personnel can register them in the Qualified Supplier List.



To implement sustainable supply chain management and enhance the ability to identify potential sustainability risks, KYEC conducts regular annual reviews of ESG sustainability risks in the supply chain through a supplier sustainability risk assessment mechanism. The Company's supplier sustainability risk assessment scope includes all suppliers with business relationships with KYEC (tier-1 suppliers). Through processes such as key supplier identification and supplier sustainability questionnaires, the Company evaluates and identifies high sustainability risk suppliers. High sustainability risk suppliers will be listed by the Company as targets for sustainability audits to conduct due diligence and provide guidance on supply chain sustainability and risk management capabilities, thereby effectively mitigating, improving, and preventing risks.

	Management Approach
1. Tier-1 Suppliers Scope: Includes suppliers that are directly or significantly related to services or processes	RBA Code of Conduct Commitment Letter
2. Key Suppliers For tier-1 suppliers, further identification of key suppliers is conducted, including but not limited to the following: - Annual transaction amount & attribute classification differentiation coefficient level - Sole source (no alternative suppliers) <MajorSupplier/SingleSupplier> - Others (e.g., important strategic business partners of the company, key partners designated by customers)	RBA Code of Conduct Commitment Letter Supplier Sustainability Questionnaire
3. Key High-Risk Suppliers Key suppliers are issued SAQ self-assessment questionnaires to conduct supplier risk identification, and on-site audits are performed for key & high-risk suppliers.	RBA Code of Conduct Commitment Letter Supplier Sustainability Questionnaire On-site audit

● Supply Chain Regulatory Mechanism

The supply chain management organization operates under the framework of the Sustainable Development Committee and regularly reports to top management to ensure the implementation of all measures. This management organization includes multiple departments such as the Sourcing Division, Quality Assurance Division, Safety and Risk Management Department, Human Resources Department, which collectively focus on suppliers' social responsibility issues, including environmental protection, labor rights, and health and safety.



● Supply Chain Safety

KYEC is committed to providing high-quality services and strengthening supply chain safety management. The main measures are as follows:

- **Compliance:** Ensure compliance with all relevant supply chain safety regulations and customer requirements, protecting the business confidentiality and information security of the Company and customers.
- **Education and Training:** Regularly conduct supply chain safety education and training and establish safety audit mechanisms to ensure that every link in the supply chain meets safety standards.
- **Risk Management:** Continuously assess and improve supply chain safety, and propose improvement plans to enhance supply chain security.
- **International Certification:** KYEC's Chu-Nan Factory obtained Authorized Economic Operator (AEO) certification in 2012 and acquired AEO certification for the Tong-Luo Factory in Miaoli on December 14, 2015. In the same year, both factories simultaneously obtained ISO 28000 supply chain security certification.

● Results and Benefits

- **Enhanced International Competitiveness:** These supply chain security certifications not only shortened cargo clearance time but also provided customers with faster and more secure delivery services, significantly enhancing international customers' trust and satisfaction, and further driving steady growth in company performance.

Through these measures, KYEC effectively manages supply chain risks and strengthens the Company's competitiveness and sustainable development capabilities in the industry.

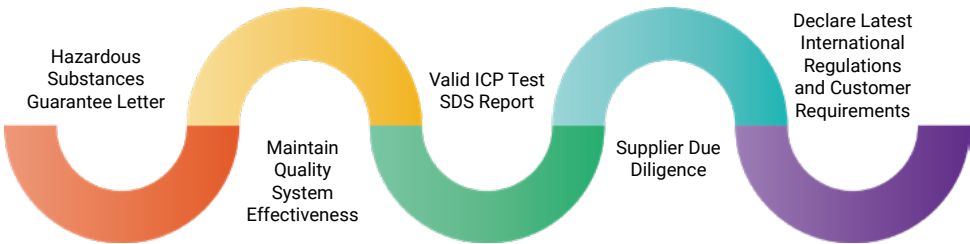
3.2.2 Hazardous Substances and Conflict Minerals Management

Hazardous Substances Reduction Management

King Yuan Group continuously focuses on environmental protection issues, is committed to sustainable development of green products, and has implemented the IECQ-QC080000 Hazardous Substance Process Management System (HSPM) to ensure effective management and implementation of prohibited and restricted substances in green product processes. In 2024, the Company continued its IECQ-QC080000: 2017 audit certification and SONY GP certificate qualifications. The Company aligns with international regulations and considers stakeholder feedback in parallel, establishing annual management indicators to drive PDCA cycles for monitoring and review, and regularly disclosing and demonstrating management performance in the Company's senior management review meetings.

King Yuan Group has established and continuously optimized its internal Green Supply Chain Management System (GSCM) since 2021. In addition to building a hazardous substances database and using the system to control suppliers' regular updates of third-party material testing reports, safety data sheets, and signing of related commitment letters, the company also achieves information management verification through supply chain interaction platforms. Furthermore, to ensure material compliance with hazardous substance requirements, incoming materials are tested using X-ray Fluorescence (XRF) spectrometers for sampling inspection. If any non-compliance anomalies occur, they are handled according to the Hazardous Substance Free (HSF) anomaly handling process procedures, implementing proactive preventive green management. In 2024, under the monitoring of HSF key indicators, there were no customer complaints or compensation cases arising from prohibited or restricted substance anomalies in the contract-manufactured products and packaging materials used.

Green Supplier Chain Management



In response to the French environmental protection law announcement regarding the control items and limits for mineral oil used in product packaging and printing ink, King Yuan Group conducted an inventory of six materials within the factory that belong to product packaging and printing ink, including cardboard boxes, aluminum foil bags, metal bags, desiccants, humidity indicator cards, and labels. The inventory results showed that 298 label part numbers contained trace amounts of mineral oil components in their ink. In February 2024, the Company switched to ink that complies with the 2025 mineral oil regulations, and completed the full transition by December 2024, effectively achieving the following mineral oil control objectives:

- Starting from January 1, 2025, aromatic hydrocarbons (MOAH) composed of 1 to 7 aromatic rings <1,000ppm; Aromatic hydrocarbons (MOAH) composed of 3 to 7 aromatic rings <1ppm; saturated hydrocarbons (MOSH) composed of 16 to 35 carbon atoms <1,000ppm.

Conflict Minerals Management

King Yuan Group strictly adheres to a procurement policy of not using conflict minerals and is committed to ensuring that all raw materials and materials used in the supply chain come from regions that comply with ethical principles and human rights standards. Conflict minerals refer to minerals such as tantalum (Ta), tin (Sn), tungsten (W), gold (Au), cobalt (Co), and mica that originate from conflict-affected and high-risk areas (CAHRAs), where the extraction process of these minerals may involve human rights violations, labor exploitation or funding flows to violent organizations. To address these challenges, KYEC actively implements conflict minerals management and adopts multiple measures to ensure supply chain transparency and responsible sourcing.

Non-Use of Conflict Minerals Procurement Policy

KYEC's conflict minerals management policy clearly stipulates the following requirements:

- All raw materials must come from certified conflict-free areas and avoid conflict minerals from conflict-affected and high-risk areas (CAHRAs) or the Democratic Republic of the Congo and its neighboring countries.
- All suppliers and their upstream and downstream supply chains are required to comply with the requirement of not using conflict minerals and provide corresponding commitments and certifications, guaranteeing that they do not illegally purchase minerals from conflict regions or high-risk areas.

Non-Use of Conflict Minerals Commitment

KYEC commits to not using conflict minerals and ensures that minerals such as tantalum (Ta), tin (Sn), tungsten (W), gold (Au), cobalt (Co), and mica involved in its products all come from legal and ethically compliant sources. The Company's goal is to ensure through due diligence that the sources of these minerals do not come from conflict areas or illegal mines, thereby protecting the human rights, health, and environmental resources of workers in material production regions.

KYEC not only commits to eliminating conflict minerals issues in the supply chain, but also actively communicates this commitment to all suppliers, ensuring that the entire supply chain collectively complies with and implements this policy.

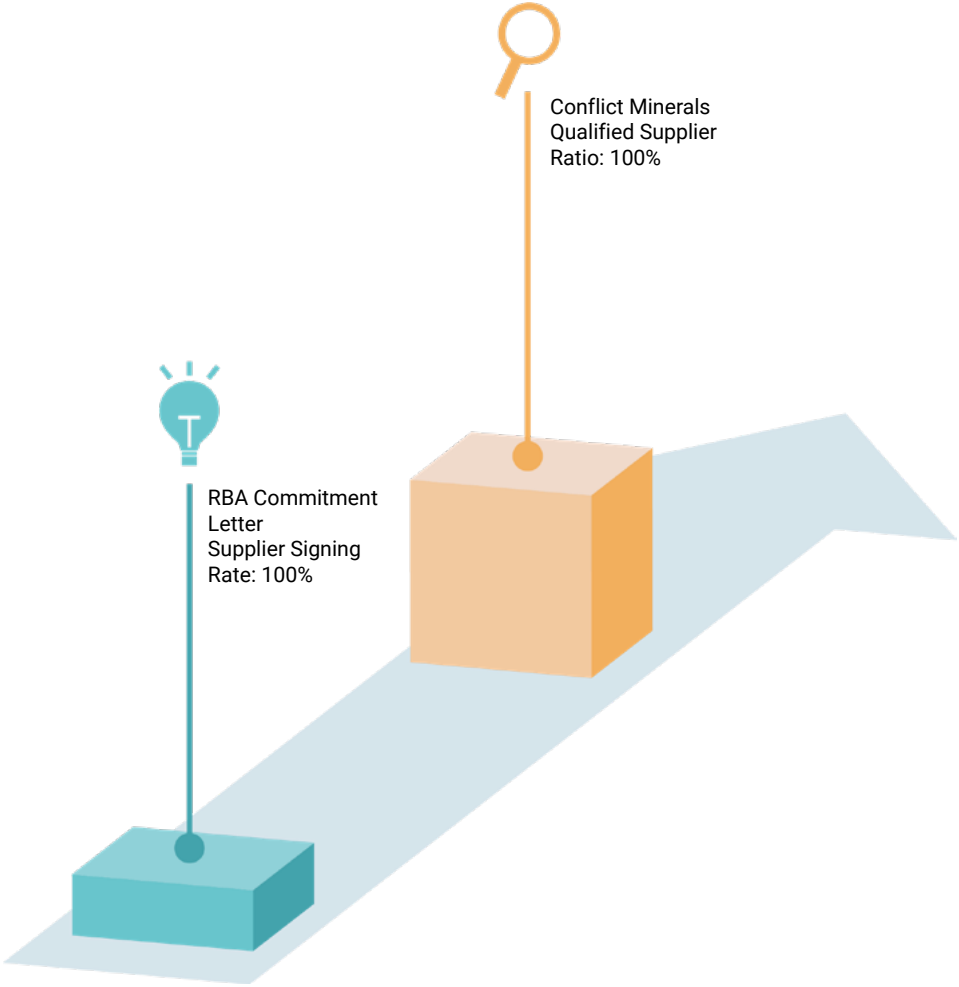
Non-Use of Conflict Minerals Procurement Objectives

To achieve the goal of completely eliminating the use of conflict minerals, KYEC has established specific procurement objectives:

- Conflict Minerals Management: Non-Conflict (DRC Conflict-Free) Products: Ensure that all products delivered to King Yuan Electronics do not contain minerals from conflict areas, and that all suppliers complete standard industry reporting templates annually, such as the Conflict Minerals Reporting Template (CMRT) or Extended Minerals Reporting Template (EMRT), to disclose their mineral sources.

Item no.	Target Project	Final Target
1	Conflict Minerals Management: Non-Conflict (Conflict-Free) Products Conflict-Freeproducts	100%

Furthermore, based on the investigations conducted, KYEC has identified 157 smelters, and the sources of these smelters and refineries fully comply with Responsible Minerals Assurance Process (RMAP) standards, ensuring that all minerals used come from legitimate and ethically compliant suppliers.



Conducting Conflict Minerals Due Diligence

KYEC actively collaborates with suppliers to conduct conflict minerals due diligence and ensures that all related products and production processes comply with company policies and international standards. We not only focus on the sources of minerals but also emphasize supply chain transparency, requiring suppliers to report their sources and have strengthened the verification and audit processes for this information.

Conclusion

KYEC's policies and practices in conflict minerals management fully demonstrate our commitment to corporate social responsibility. We will continue to maintain close cooperation with suppliers and strengthen supply chain transparency and responsible sourcing practices, striving to eliminate conflict minerals issues and ensuring that the mineral sources of all products comply with international standards, safeguarding the welfare of global employees and society.

3.2.3 Supplier Communication

KYEC is committed to establishing good cooperative relationships with suppliers and working together in sustainable development. To strengthen communication and cooperation with suppliers, we have implemented a series of educational training and grievance mechanisms to ensure that our partners can comply with the RBA Code of Conduct and actively support our sustainable development goals.

● Educational Training

KYEC conducts educational training for internal procurement personnel and suppliers annually to ensure that both parties comprehensively understand and are able to implement our sustainable development strategy. Specific content includes environmental and social issues such as labor rights, health and safety, environmental protection, ethical standards, and management systems. Through these training programs, we hope to not only enhance suppliers' sustainable development capabilities but also reduce operational risks, thereby driving overall supply chain improvement. In 2024, we held an online supplier conference, conducting comprehensive training for suppliers with particular emphasis on the following six courses:

In addition, we also invited external professional consultants to provide ESG education and training, with department heads from various professional fields within KYEC serving as instructors to communicate and reinforce the Company's requirements and expectations for suppliers, particularly regarding the RBA Code of Conduct in areas such as labor, environment, and ethical standards.



- 2024 supplier training completion rate: 100% (training conducted for key suppliers, totaling 66 companies)
- 2024 Procurement Department training completion rate: 100% (training conducted for procurement department personnel, totaling 29 people)

In our regular annual education and training, King Yuan Group reiterates our requirements and expectations regarding conflict minerals to suppliers, ensuring that every supplier understands and complies with these requirements.

Grievance Mechanism

KYEC places high importance on the rights and interests of suppliers, contractors, and their workers, and has established public grievance channels so that they can raise concerns or opinions about relevant issues in the workplace. All suppliers are required to sign the Supplier Code of Conduct to ensure that our partnerships are built on a foundation of ethics and integrity.

King Yuan Group's grievance channels are established on the company's official website, providing a business conduct and ethics compliance reporting system that allows suppliers, contractors, and their workers to anonymously report any workplace-related issues or concerns. We guarantee that all complainants' information will be kept confidential and ensure that there will be no unfair treatment or retaliation due to grievances, thereby maintaining the independence and confidentiality of complainants.

In 2024, no suppliers, contractors, or their workers filed grievances through KYEC's public system. This indicates that our supply chain management mechanisms and grievance channels are operating effectively, and that the cooperative relationships between the Company and suppliers are stable and healthy.



Through these measures, KYEC continues to maintain close cooperative relationships with suppliers and jointly promote corporate social responsibility and sustainable development. We believe that such cooperation not only helps improve the overall efficiency of the supply chain but will also further enhance our competitiveness and social impact.

Grievance Handling Process



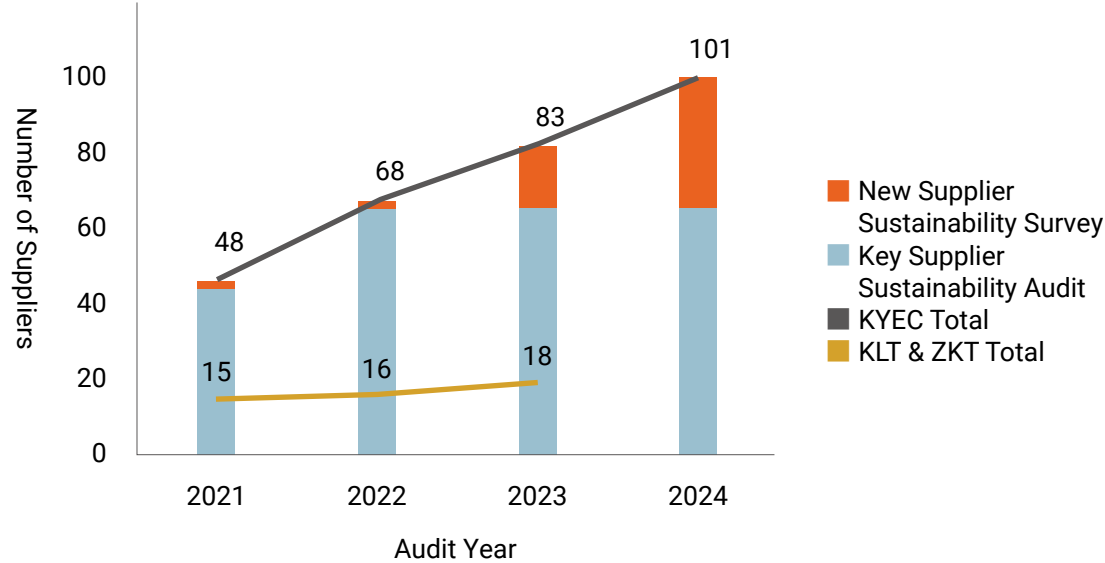
3.2.4 Supplier Audits

Audit Status

KYEC had 815 qualified suppliers in 2024, with 35 being new vendors added during the year. By the end of 2024, annual audits were completed for 66 suppliers, and these suppliers have completed assessments of environmental and social impacts.

We conduct sustainability risk audits in accordance with RBA (Responsible Business Alliance) standards. In 2024, a total of 66 key suppliers were audited, accounting for 8.1% of the total number of first-tier supplier factories. Among these, the number of key high-risk suppliers (defined as suppliers scoring 70% or below in any aspect of the sustainability self-assessment questionnaire or showing non-compliance in sustainability evaluation results) was 16. All 16 of these vendors underwent on-site (online) audits, accounting for 100% of the total number of high-risk supplier factories.

▼ Sustainability Audit



Note: Due to the announced sale of all equity in mainland subsidiaries, the 2024 supply chain sustainability audit statistics do not include data from mainland subsidiaries.

● Supplier Sustainability Audit Coverage Items

Supplier Sustainability Management		
Social	Economic	Environmental
- Occupational Safety Management - Supply Chain Security - Human Rights Management - Emergency Response Procedures - Social Engagement	- Conflict Minerals Management - Business Ethics - Integrity Code - Information Security - Risk Management	- Environmental Management System - Water Resource Management - Carbon Emission Management - Waste Management - Energy Management - Hazardous Substance Management

● Key High-Risk Supplier Sustainability Audit Results

The Company categorizes issues identified in sustainability audits into two types based on severity and urgency: priority non-conformance items and other non-conformance items. According to the 2024 audit results, no major violations or deficiencies requiring immediate reporting were found among any suppliers. All identified deficiencies have been rectified by suppliers within the specified timeframe, and good progress has been made in improvement measures.

● Improvement Measures

In the 2024 audit results, the main types of deficiencies were concentrated in areas such as labor employment, occupational safety, and environmental management, with labor-intensive suppliers being particularly prone to these issues. For deficiencies in ethical code integrity, environmental safety, and other areas, we have adopted time-limited improvement strategies and continue to conduct monitoring and assistance in supplier management. For non-conforming suppliers, we require them to establish monitoring mechanisms, and our supply chain sustainability audit team conducts regular follow-ups through focused guidance and secondary audits to reduce the likelihood of future risks.

Supplier Improvement Measures

Negative Impact Areas	RBA Classification	Major Audit Deficiencies	Key Improvement Actions
Social	Labor	Prohibition of Forced Labor	- No formal procedural documentation is in place to ensure that foreign workers are recruited in accordance with the laws of both the origin and receiving countries - Contracts are signed with intermediaries and foreign employees, with terms that comply with the relevant legal requirements
	Health and Safety	Emergency Preparedness	- No emergency personnel assigned during night shifts - Arrange first aid personnel education and training for night shifts, and regularly confirm that first aid personnel in all shifts comply with regulations
	Industrial Hygiene	- Endangering the work site by failing to properly wear personal protective equipment - Lacking a personal protective equipment inventory and inspection records	- Strengthen promotion of proper use and enhance internal inspection mechanisms - Designate personnel to conduct regular inspection records and establish audit procedures
	Public Health and Food & Accommodation	Drinking water testing not conducted at the required frequency	Establish drinking water equipment management procedures with designated personnel responsible for management
	Health and Safety Communication	External personnel leaving non-work-related items at the production site	Strengthen safety regulation promotion for external personnel, with unit supervisors enhancing patrol inspections
Environmental	Environmental	Hazardous Substances	Safety Data Sheet hazard pictograms not displayed in color
	Solid Waste	Waste storage area not clearly marked	Add recycling labels and announce for promotion, conduct daily inspections
Economic	Code of Ethics	No Improper Gains	Supplier has not established gift-related policies
	Identity Protection and Retaliation Prevention	Physical reporting channels pose a risk of personnel identity disclosure	Change the location of physical channels to avoid positions controlled by surveillance systems
Social	Management System	Communication	RBA and human rights advocacy lack regular updates
	Audit and Assessment	Supplier work rules are not updated promptly in accordance with regulatory requirements	Establish regulatory identification procedures to be conducted synchronously with operations

The implementation of these improvement measures will help enhance supplier management standards and ensure their compliance with our sustainability goals and responsible business conduct standards. KYEC will continue to monitor the progress of these improvements and conduct secondary audits when necessary to ensure effective implementation of all improvement measures.

3.3 Customer Relationship Management

Material Topic Management Approach: Customer Relationship Management

Corresponding GRI
Indicators: None

Impact Description	- Positive impacts vs. negative impacts ratio approximately 63% vs. 37% - Maintain good customer relationship management and provide multiple channels for customers to provide feedback. Through proper handling of customer needs, customer satisfaction can be enhanced. - If lacking customer relationship management and unable to handle customer needs, it will result in poor customer satisfaction, reduced customer loyalty, and impact company operations.		
Policies or Commitments Formulated or Followed	- Internal Regulations - PJ301 Customer Relationship Management - PR302 Customer Satisfaction Management Procedure	Responsible Unit	Business Center Quality Assurance Division
Management Actions	- Focus on quality improvement and enhancement of engineering capabilities - Emphasize customer evaluation performance and customer service as the basis for proactive improvement - Conduct comprehensive evaluation and implementation for special customer requirements - Enhance quality awareness among all employees to produce high-quality products		
Process for Tracking Action Effectiveness	- Monitor the achievement status of various improvement projects through the project management system - Review customer evaluation achievement status through regular senior management meetings - Track the improvement status of under-performing items through the customer satisfaction system - Review the completion status of customer document implementation through regular reports - Organize quality activities and implement reward systems (proposal/CIP activities, etc.)		
Management Objectives	- Number of customer-specific improvement projects - On-time execution rate of customer projects - Completion rate of key customer evaluation performance reviews - On-time closure rate of customer evaluation improvements - Customer document review completion rate - CIP continuous improvement activity participation rate		
2024 Achievement Status	- Total of 56 customer-specific improvement projects - On-time execution rate of customer projects reached 94.6% - Key customer evaluation performance review completion rate reached 100% - On-time closure rate of customer evaluation improvements reached 100% - Customer document review completion rate reached 99.9% - CIP continuous improvement activity participation rate reached 94.7%		

3.3.1 Customer Relationship Management

KYEC serves the semiconductor high-tech industry's testing, processing, manufacturing, and technology development with the business philosophy of "customer satisfaction." To implement the concept of "customer satisfaction," we believe that future success depends on customers being satisfied with our excellent products and services, and providing products and services that exceed customer expectations is our goal to pursue.

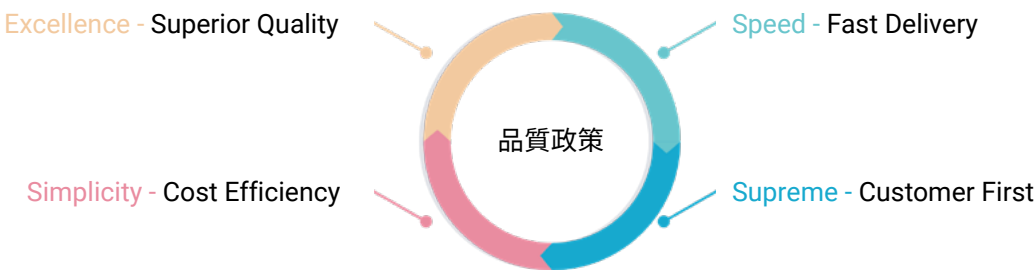
King Yuan is committed to continuously serving customers and becoming the best long-term partner for customers. Our customers are located worldwide, and we have established offices globally to better understand customer needs, improve product quality, and propose improvement solutions.

We have been deeply cultivating the semiconductor testing field for many years, possessing profound foundation and strength in the testing domain. We connect with global technology and introduce extensive AI artificial intelligence technology applications in testing production, constructing high-efficiency, high-quality services that provide feedback most closely aligned with customer needs.

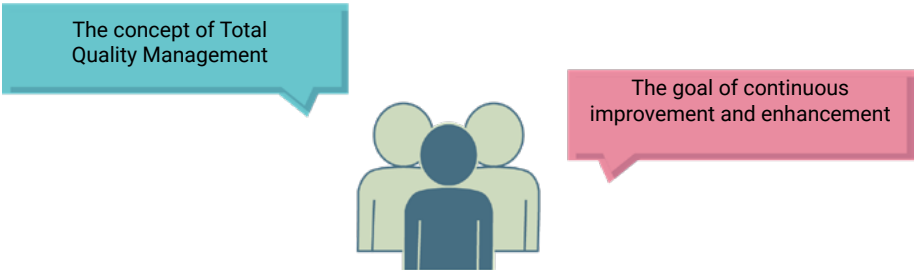
King Yuan's development strategy continues to focus on customer service, strengthening the core value of the manufacturing supply chain. In the lengthy manufacturing process, we enhance system operational efficiency and effectiveness, support customers' products for timely market launch, and actively serve as a trusted partner for customers to grow together with them. We utilize our unique competitive advantages and capabilities in semiconductor testing field research and development to deepen customer loyalty. We continue to fully leverage corporate resilience to adapt to rapidly changing environments, improve customer satisfaction, and accomplish this through the following strategies:

- **Implementation of quality management policies**

- Establish quality policies centered on customer-first principles



- All employees create a quality work environment to meet:



● I Promote a culture of continuous quality improvement

- To cultivate employees' problem-solving capabilities and pursue even better quality, King Yuan Group launched a company-wide Continual Improvement Program (CIP) in 2000. This program has now been implemented for over 20 years, using systematic logical steps for effective problem breakdown and establishing a common language for all employees from entry-level staff to senior management. After over 20 years of CIP activity development, since 2021, the annual activity participation rate has reached over 90%. The activities include Quality Control Circles (QCC) for production line personnel and Quality Improvement Teams (QIT). Internal presentations are held annually with senior management leading participation, fostering collaboration, mutual learning, and benchmarking to enhance excellent competitive and improvement culture.
- Each year, representatives from King Yuan Group also participate in quality activity competitions organized by Pioneer Quality and the Center for Development of Small and Medium Enterprises to further learn from benchmark companies.

● I Customer relationship maintenance and enhancement

- Each customer is assigned a dedicated account manager. Through regular communication meetings, the account manager directly understands customers' various business and engineering needs and immediately coordinate with internal teams for planning, ensuring customers receive more comprehensive and timely service.
- King Yuan Group regularly analyzes customer evaluation data, reviewing each item according to the four major dimensions of the evaluation content: quality, delivery, technology, and service. Through multiple channels including regular customer weekly/monthly meetings, quality monthly meetings, senior management meetings, and other ad-hoc meetings, the responsible units are assigned to propose improvement strategies and report back to customers, maintaining two-way interaction to continuously maintain close cooperative relationships and enhance customer trust. Pursuing continuous improvement and continuous progress, we aspire to provide excellent service to customers and gradually achieve our vision of becoming the most trusted partner in the semiconductor testing industry.
- King Yuan Group averages nearly 900 projects annually, with projects focused on improving customer utilization rates, equipment automation, and yield improvement accounting for at least 7%, and project on-time execution rate reaching 94.6%. Combined with internal system optimization, process improvements, and other initiatives, the total number of projects enhancing overall customer satisfaction is considerable. The Company will continue to improve and enhance, always striving to provide customers with better service.



CHAPTER

4

Environmental Friendliness





4.1 Energy Management

Material Topic Management Approach: Energy Conservation Planning and Expansion of Renewable Energy Use

Corresponding GRI
Indicators: 302-1, 302-
3, 302-4

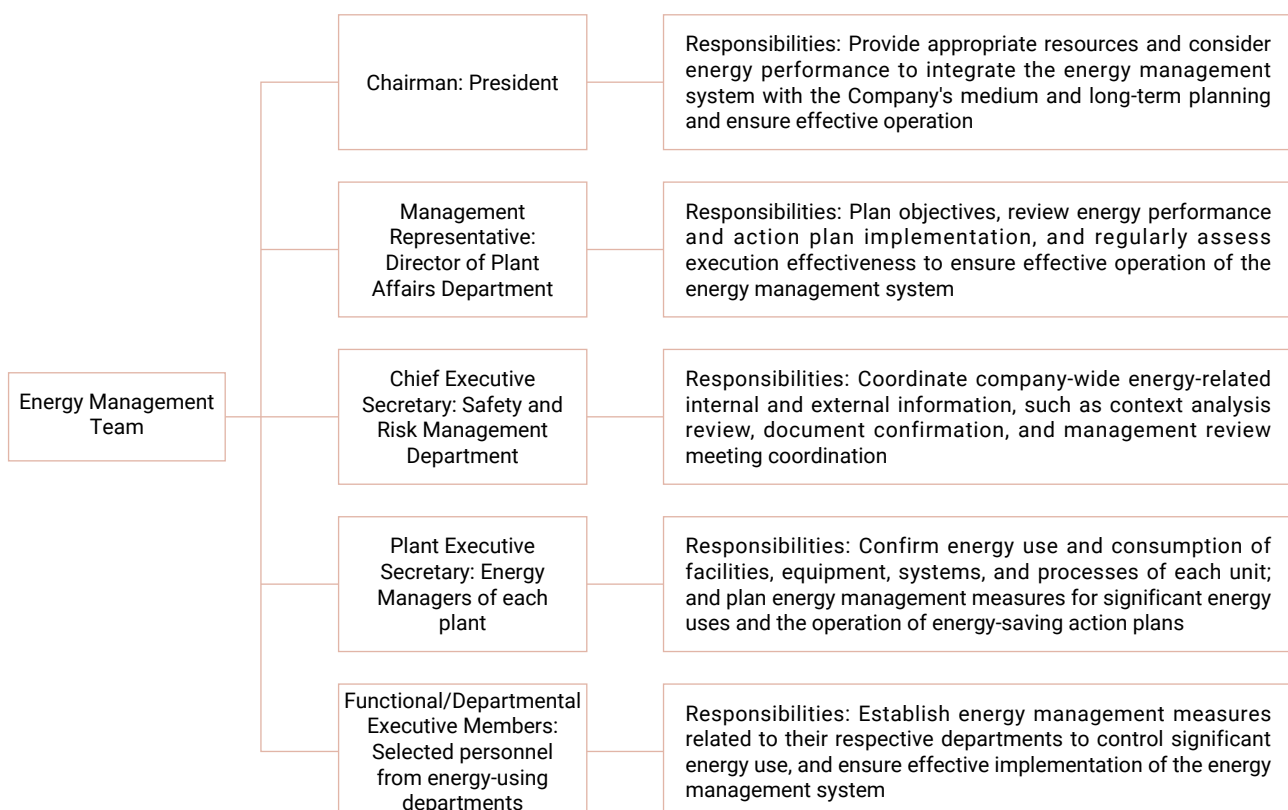
Impact Description	• The expansion of production at each facility year by year leads to increased energy consumption, causing environmental impact. • Total electricity consumption has increased significantly, requiring the purchase of more renewable energy to achieve environmental goals.		
Policies or Commitments Formulated or Followed	• Internal Regulations Energy Policy M8 Energy Management System Manual • Government Regulations Energy Act	Responsible Unit	Plant Affairs Department
Management Actions	• Continue to promote annual energy conservation projects • Replace old energy-consuming equipment, introduce high-efficiency energy-saving equipment, and increase energy use efficiency • Allocate energy conservation responsibilities and establish energy conservation targets for each energy-using unit • Install solar power generation systems on the rooftops of existing factories and new factory areas • Continue to expand the use of renewable energy and increase the proportion of renewable energy usage. In 2024, King Yuan's Taiwan factories have purchased renewable energy accounting for approximately 2.37% of total electricity consumption • Establish intelligent electrical panel management systems to improve energy consumption resolution in various areas of the factories		
Process for Tracking Action Effectiveness	• Continue to maintain ISO 50001 certification • Regularly hold energy management review meetings to track the implementation progress of energy conservation projects at each factory • Conduct energy consumption materiality assessments through intelligent electrical panel management systems and prioritize improvements for high-opportunity energy-consuming entities		
Management performance indicators			
2024 Achievement Status	Short-term Goals (2025)	Medium-term Goals (2030)	Long-term Goals (2050)
• Cumulative electricity savings of 61.19 million kWh from 2020 to 2024	• Cumulative electricity savings of 37.5 million kWh from 2020 to 2025 • Renewable energy accounts for 10% of total electricity consumption	• Cumulative electricity savings of 75 million kWh from 2020 to 2030 • Renewable energy accounts for 20% of total consumption	• Cumulative electricity savings of 250 million kWh from 2020 to 2050 • Renewable energy accounts for 100% of total electricity consumption



4.1.1 Energy Management

In order to effectively improve the Company's energy efficiency, we began implementing the ISO 50001 energy management system standard in 2019. In accordance with ISO 14064-1: 2018 and GHG PROTOCOL greenhouse gas inventory standards, we conduct energy resource inventory, monitor energy use through on-site installed meters, directly measure energy usage, estimate energy consumption within facilities through intermittent transient measurement analog methods. The Safety and Risk Management Department is responsible for consolidating energy usage across all operational sites, understanding the major energy types in each location, and formulating energy conservation improvement plans and short, medium, and long-term targets. In addition, the Department conducts annual internal audit training (three hours) to train internal auditors to regularly supervise the implementation of energy policies and adjust energy plans in a timely manner to ensure energy conservation targets are achieved. As of the end of 2024, all five factories have passed ISO 50001 external verification. The Company also strengthens the promotion of corporate energy conservation policies by organizing related advocacy activities and plant-wide energy literacy training courses to enhance employees' awareness of energy conservation and carbon reduction.

Environmental management system covers factories						
Management System	KYECC			King Long (KLT)	Zhen Kun (ZKT)	Coverage Rate
	Hsinchu Factory	Chu-Nan Factory	Tong-Luo Factory			
ISO 50001 Energy Management System	◎	◎	◎	◎	◎	100%



4.1.2 Energy Consumption

In 2024, King Yuan Group's total energy consumption was 3,280,382.62 gigajoules (GJ), with non-renewable energy accounting for 98.01% and renewable energy accounting for 1.99%, resulting in an energy intensity of 88.66 (GJ per million NT\$ revenue). The Company's energy consumption is primarily from purchased electricity, accounting for 97.31% of total energy consumption. Therefore, in subsequent energy-saving planning, reducing electricity consumption and expanding the use of renewable energy will be the main objectives.

In 2024, the Company's energy intensity increased compared to 2022 and 2023, primarily due to continuous expansion of production lines at various factories and increased machine utilization rates to meet production capacity demands, resulting in a significant increase in electricity consumption compared to 2023, thus leading to higher energy intensity for the Company in 2024.

▼ King Yuan Group Energy Consumption Analysis Table (Unit: GJ)

Energy Consumption Items		2022			2023			2024		
		King Yuan	KLT & ZKT	Total	King Yuan	KLT & ZKT	Total	King Yuan	KLT & ZKT	Total
Purchased Non-renewable Energy	Fossil Fuels	6,701.11	3,537.61	10,238.72	6,872.20	2,244.14	9,116.34	7,094.86	594.80	7,689.66
	Purchased Electricity	2,177,266.94	636,370.76	2,813,637.70	2,152,025.75	704,603.66	2,856,629.41	2,389,930.67	802,344.67	3,192,275.34
	Purchased Steam	-	33,713.16	33,713.16	-	40,375.16	40,375.16	-	15,228.10	15,228.10
Total Non-renewable Energy Consumption		2,183,968.05	673,621.53	2,857,589.58	2,158,897.95	747,222.96	2,906,120.91	2,397,025.53	818,167.57	3,215,193.10
Self-generated Energy	Solar Energy	-	1,967.62	1,967.62	-	8,183.86	8,183.86	-	8,489.52	8,489.52
Purchased Renewable Energy		-	-	-	-	-	-	56,700.00	-	56,700.00
Total Renewable Energy Consumption		-	1,967.62	1,967.62	-	8,183.86	8,183.86	56,700.00	8,489.52	65,189.52
Total Non-renewable and Renewable Energy Consumption		2,183,968.05	675,589.15	2,859,557.20	2,158,897.95	755,406.82	2,914,304.77	2,453,725.53	826,657.09	3,280,382.62
Energy Intensity (GJ per NT\$ million Revenue)		77.74			88.24			88.66		

Note 1: Taiwan's calorific values are based on those announced by the Bureau of Energy, Ministry of Economic Affairs. Energy consumption is calculated by multiplying energy usage by unit calorific value and converting to gigajoules (GJ).

Note 2: China's fuel calorific values are estimated and calculated based on the National Standards of the People's Republic of China; gasoline density uses the median value for calculation.

Note 3: Steam is only used by KLT & ZKT, so China's calorific value conversion is adopted, with 1 ton of steam equivalent to approximately 2.77712GJ

Note 5: As of the reporting year, solar self-generation and self-consumption facilities only include KLT.

Note 6: As of the reporting year, purchased renewable energy is only at KYEC

Note 7: As the Company is a manufacturing industry, NT\$ million revenue is selected as the denominator for intensity calculation.

▼ King Yuan Group Energy Composition Analysis Table

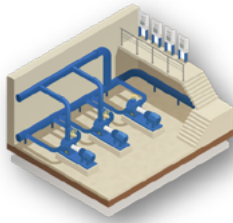
Energy Consumption Items		2022	2023	2024
Purchased Non-renewable Energy	Fossil Fuels	0.36%	0.31%	0.23%
	Purchased Electricity	98.39%	98.02%	97.31%
	Purchased Steam	1.18%	1.39%	0.46%
Total Non-renewable Energy Consumption		99.93%	99.72%	98.01%
Self-generated Energy	Solar Energy	0.07%	0.28%	0.26%
Purchased Renewable Energy		-	-	1.73%
Total Renewable Energy Consumption		0.07%	0.28%	1.99%

4.1.3 Energy Conservation Measures

To improve the Company's energy use efficiency, King Yuan Group has set 2020 as the baseline year. In order to internalize energy conservation concepts into all energy-using units within the organization, the company has internally increased the energy conservation target from the previous annual electricity saving rate of 1% to 1.5%. Through internal energy planning guidelines and energy management standards, the Company incorporates energy equipment efficiency standards into energy conservation planning and design as priority choices for future modifications, replacing obsolete equipment and enhancing unit energy use efficiency. The medium-term target is to achieve cumulative electricity savings of 75 million kWh by 2030, and as of the reporting year, cumulative electricity savings have reached 61.19 million kWh. In 2024, the Company implemented 38 energy conservation projects, achieving a total energy savings of 45,973.0553 GJ. The main energy conservation strategies include replacing high energy-consuming equipment with energy-efficient equipment and improving equipment energy use efficiency, as well as introducing low-carbon processes. In 2024, the Company planned to implement automated control systems to regulate machines entering energy-saving mode, using programmable controls to shut down components such as machine heaters after a certain standby time, thereby reducing energy consumption of non-essential operating components during machine standby periods.

▼ 2024 King Yuan Group Energy Conservation Projects by Factories

Factories	Category	Electricity Savings (GJ/year)	Energy Savings (kWh/year)	Carbon Reduction (tCO ₂ e/year)
Chu-Nan Factory	Replacement with High-Efficiency Equipment	17,879.36	4,966,488	2,354
	Air Conditioning Energy Conservation	4161.17	1,155,879	548
	Efficiency Improvement	4660.96	1,294,710	614
	Production Line Energy Conservation	874.88	243,022	115
	Lighting Energy Conservation	6,836.18	1,898,940	900
Hsinchu Factory	Replacement with High-Efficiency Equipment	897.13	249,204	118
Tong-Luo Factory	Air Conditioning Energy Conservation	9,773.48	2,714,856	1,287
	Efficiency Improvement	1,787.03	496,398	235
	Production Line Energy Conservation	126.14	35,040	17
KLT & ZKT	Air Conditioning Energy Conservation	1,295.64	359,900	215



Air Conditioning Energy Conservation

7 items

Energy Conservation
Measures

4.23 million

Electricity Savings

**Reduced by 2,050
tons**

Carbon Dioxide Equivalent



Lighting Energy Conservation

4 items

Energy Conservation
Measures

1.9 million

Electricity Savings

**Reduced by 900
tons**

Carbon Dioxide Equivalent



Efficiency Improvement

10 items

Energy Conservation
Measures

1.79 million

Electricity Savings

**Reduced by 849
tons**

Carbon Dioxide Equivalent



Replacement with High-Efficiency Equipment

6 items

Energy Conservation
Measures

5.22 million

Electricity Savings

**Reduced by 2,472
tons**

Carbon Dioxide Equivalent



Production Line Energy Conservation

5 items

Energy Conservation
Measures

280000

Electricity Savings

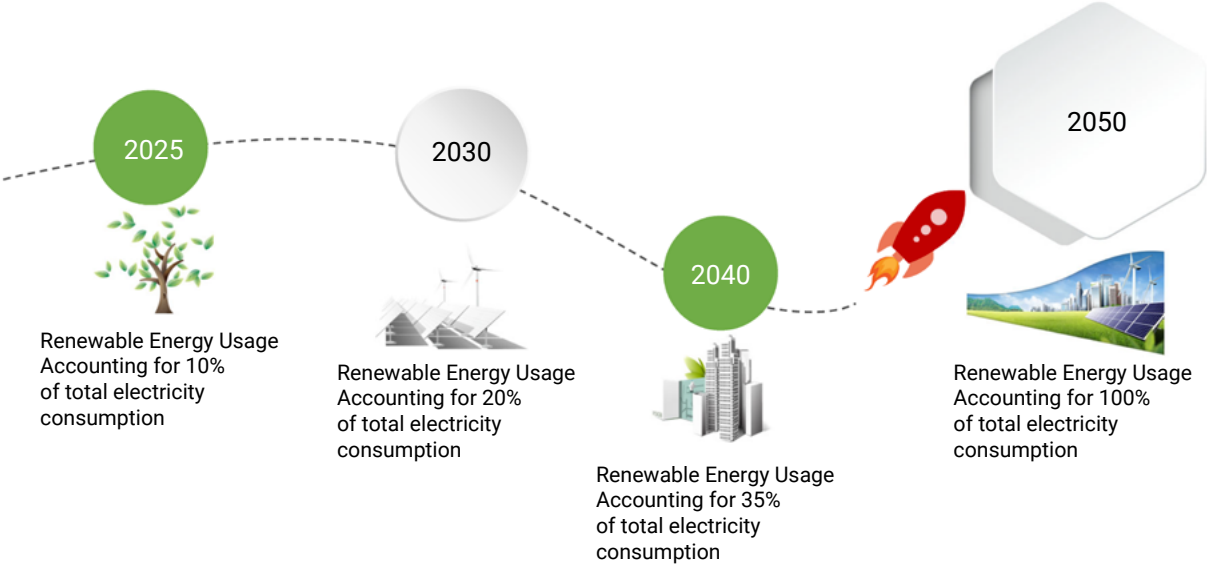
**Reduced by 132
tons**

Carbon Dioxide Equivalent

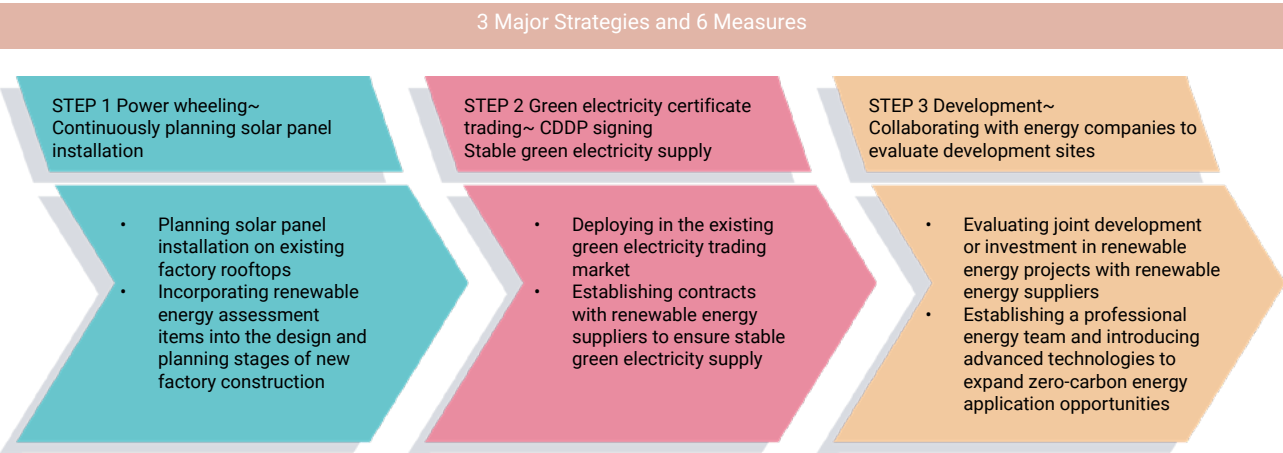
Renewable energy

For renewable energy action planning, KLT completed the construction and power generation of solar power systems in August 2022, and Tong-Luo Factory in January 2024 (only King Long (KLT) is for self-generation and self-consumption). Chu-Nan Factory plans to complete the construction of solar photovoltaic facilities by 2026. In addition, KYEC used 15.75 million kWh of renewable energy through external procurement and renewable energy wheeling in 2024, accounting for 2.37% of KYEC's total electricity consumption. The target is to reach 10% of total electricity consumption by 2025, 20% by 2030, 35% by 2040, and 100% by 2050. The Company considers continuous improvement of green production performance as a key action.

KYEC Renewable Energy Targets



KYEC Renewable Energy Strategy





4.2 Greenhouse Gas Emissions and Management

Material Topic Management Approach: Greenhouse Gas Emission Reduction Actions

Corresponding GRI indicators: GRI305-1-305-5

Impact Description	• The main emission source for King Yuan Group is Scope 2 purchased electricity usage. If greenhouse gas emissions increase, it will cause environmental impact and may affect orders due to inability to meet stakeholder expectations. • Taiwan will begin imposing carbon fees in 2025, and failure to effectively reduce emissions may lead to increased operating costs.		
Policies or Commitments Formulated or Followed	• Internal Regulations Environmental, Safety and Health Policy PE305 Greenhouse Gas Inventory Procedure • Government Regulations Climate Change Response Act	Responsible Unit	Safety and Risk Management Department
Management Actions	• Promote energy-saving projects to improve energy use efficiency. • KYEC adopted GHG Protocol standards for inventory in 2024, expanding inventory items. • Using 2022 baseline year emissions to set 2024 targets, carbon intensity reduced by 2% compared to the previous year. • Set annual renewable energy performance indicators; continue to expand renewable energy use through green electricity transfer, expecting to achieve 10% of total electricity consumption by 2025, which can reduce Scope 1+2 emissions by 9.8%. • Install solar power generation systems on rooftops of existing and newly constructed facilities. • Replace refrigerants in facility and production auxiliary equipment, evaluating the use of low-GWP refrigerants as alternatives. • Continue to monitor carbon credits and participate in carbon trading markets.		
Process for Tracking Action Effectiveness	• Conduct monthly internal performance indicator tracking, comparing with baseline year emissions for the same period and analyzing causes for review and improvement. • Through energy management review meetings, identify opportunities for Scope 2 emission reductions		
Management performance indicators			
2024 Achievement Status	Short-term Goals (2025)	Medium-term Goals (2030)	Long-term Goals (2050)
• (Scope 1+2) intensity reduced by 3.83% compared to 2022	• (Scope 1+2) emissions reduced by 10% in greenhouse gases compared to 2022	• (Scope 1+2) emissions reduced by 15% in greenhouse gases compared to 2022	• (Scope 1+2) emissions reduced by 100% in greenhouse gases compared to 2022

4.2.1 Greenhouse Gas Inventory

KYEC follows GHG Protocol; KLT & ZKT follow ISO 14064-2018 as the greenhouse gas inventory standard, adopting third-party verification organizational boundary setting methods to establish organizational boundaries. To comply with local regulatory requirements, operational control approach is prioritized to inventory direct emissions from stationary and mobile combustion within the inventory boundary, with external third-party verification commissioned. The Company has conducted greenhouse gas inventory annually since 2008. Following the completion of group-level verification in 2022, the base year has been reset to 2022 and continue to assess and manage the organization's greenhouse gas emissions.

This year's organizational boundary includes five factories: Hsinchu Factory, Chung-Hua Factory, Tong-Luo Factory, King Long Factory, and Zhen Kun Factory, as well as three offices in the United States, Japan, and Singapore, which is consistent with the scope of King Yuan Group's financial statements. The reporting boundary includes Scope 1 (stationary emission sources, mobile emission sources, fugitive emission sources, process emission sources, etc.), Scope 2 (purchased electricity and purchased steam), and Scope 3 (employee commuting, upstream and downstream transportation and distribution, customer and visitor transportation, and upstream purchased capital goods, etc.), identifying emission sources that generate greenhouse gas emissions within the reporting boundary. The greenhouse gas types include four greenhouse gases: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), and hydrofluorocarbons.

We use the emission factor method for calculation, multiplying activity data by emission factors and Global Warming Potential (GWP values) to calculate the annual carbon dioxide equivalent (CO2e), expressed in metric tons of carbon dioxide equivalent (tCO2e). KYEC emission factors are sourced from the latest "Greenhouse Gas Emission Coefficient Management Table" (version 6.0.4) announced by the Environmental Ministry of the Executive Yuan; KLT and ZKT emission factors are sourced from the 2006 IPCC National Greenhouse Gas Inventory Guidelines (2019 revision), with GWP values all adopting those from the IPCC Sixth Assessment Report. Activity data sources include engineering calculations, mass balance, and other supporting documents.

In 2024, King Yuan Group's greenhouse gas emissions were: Scope 1 emissions of 8,637.7363 tCO2e, Scope 2 emissions of 445,016.7844 tCO2e, and Scope 3 emissions of 503,695.2364 tCO2e. The total emissions within the reporting boundary were 957,349.757 tCO2e. Using total revenue (millions of dollars) as the intensity conversion unit, the emission intensity was 12.261 per NT\$ million of operating revenue.

This year, King Yuan Group's Scope 1 + 2 emissions increased by 8.26% compared to the baseline year, mainly due to continuous production line expansion at various factories and increased machine utilization rates to meet capacity demands, resulting in a significant increase in electricity consumption in 2024. However, this year's greenhouse gas emission intensity decreased by 3.22% compared to the baseline year, primarily due to higher revenue growth in 2024.

▼ Greenhouse Gas Emissions Analysis Table (Unit: tCO₂e)

Annual Greenhouse Gas Emissions (metric tons CO ₂ e) Scope of Assurance Implementation	2022			2023			2024		
	King Yuan	KLT and ZKT	Total Emissions	King Yuan	KLT and ZKT	Total Emissions	King Yuan	KLT and ZKT	Total Emissions
Scope 1	5,843.0503	679.7800	6,522.8303	5,613.4599	875.7400	6,489.1999	7,894.6663	743.0700	8,637.7363
Proportion (%)	1.49%	0.64%	1.31%	1.45%	0.68%	1.26%	0.99%	0.48%	0.90%
Scope 2	307,841.3111	104,680.5900	412,521.9011	295,841.0379	116,066.5300	411,907.5679	307,208.9544	137,807.8300	445,016.7844
Proportion (%)	78.30%	99.09%	82.71%	76.53%	90.58%	80.02%	38.71%	83.97%	46.48%
Scope 3	79,448.1629	280.0600	79,728.2229	85,129.9457	11,200.0500	96,329.9957	478,412.2164	25,283.0200	503,695.2364
Proportion (%)	20.21%	0.27%	15.98%	22.02%	8.74%	18.71%	60.29%	15.55%	52.61%
Total Greenhouse Gas Emissions	393,132.524	105,640.430	498,772.954	386,584.444	128,142.320	514,726.764	793,515.837	163,833.920	957,349.757
Emission Intensity (tCO ₂ e/NT\$ million revenue)	11.393			12.669			12.261		

Note 1: Starting from 2022, the coverage scope encompasses all parent and subsidiary companies in King Yuan Group's consolidated statements

Note 2: In 2024, KYEC adopted GHG Protocol inventory standards. KLT and ZKT adopted ISO 14064-2018 inventory standards

Note 3: KYEC includes three factories in Taiwan and offices in the United States, Japan, and Singapore.

Note 4: In 2022, King Yuan Group adopted ISO14064-2018 inventory standards; the inventory scope included categories 1-4. Since KYEC switched to GHG Protocol inventory standards starting in 2024, the 2022-2023 King Yuan Group categories 3-4 data have been combined into Scope 3.

Note 5: We use the emission factor method for calculations. KYEC emission factors are sourced from the latest "Greenhouse Gas Emission Coefficient Management Table" (version 6.0.4) published by the Ministry of Environment, Executive Yuan. King Long &Zhen Kun emission factors are sourced from the 2006 IPCC National Greenhouse Gas Inventory Guidelines (2019 revision). GWP values are all adopted from the IPCC Sixth Assessment Report. Activity data sources include engineering calculations, mass balance, and other supporting documents.

Note 6: the Company has no emissions from biomass combustion or Scope 1 perfluorinated gases.



4.2.2 Greenhouse Gas Reduction

Since 2022 was the first year King Yuan Group completed its greenhouse gas inventory, 2022 was set as the baseline year with a target to reduce emissions by 15% by 2030 compared to the baseline year. We have adopted the following action measures and regularly track performance results:

1. Emission Reduction Action A: Purchase renewable energy and carbon credits. In 2024, through the purchase of renewable energy, we reduced Scope 2 emissions by 7,466 tons.
2. Emission Reduction Action B: Implement various energy-saving projects within facilities and replace existing refrigerants with environmentally friendly refrigerants.
3. Emission Reduction Action C: Install solar power generation systems on the rooftops of all factories.
4. Emission Reduction Action D: Continue to shift waste disposal from incineration to reuse forms, for example: waste empty containers.
5. Emission Reduction Action E: Continue green transportation carbon reduction. Since 2024, we have collaborated with waste disposal contractors. Through waste compression and volume reduction processing, we can reduce the number of collection vehicle trips, with an estimated annual reduction of 6,000 tons of Scope 3 emissions in the future.
6. Emission Reduction Action F: Evaluate the use of low-carbon packaging materials; provide guidance to suppliers for carbon footprint inventory.



Optimize pickup/delivery routes	KYEC optimizes transportation efficiency, reduces transportation miscellaneous costs and unnecessary route cost waste through rational planning of vehicle routes, effectively resolving transportation route confusion and alleviating congestion, while achieving social benefits such as environmental protection.
GPS monitoring of delivery vehicles	Through GPS positioning, dispatch personnel can monitor vehicle routes at all times and control temporary additional pickup operations, enabling real-time notification to drivers, avoiding duplicate trips and reducing fuel costs.
GPS monitoring of delivery vehicle idling	Managers shall explain the environmental impact of idling to all drivers monthly, emphasize that proper driving methods reduce fuel costs, and continuously monitor vehicle idling conditions through satellite navigation.
Idling and fuel consumption statistics	Management units review fuel costs and idling conditions monthly, and examine optimal route integration for trip consolidation and vehicle schedule adjustments to reduce the number of trips and fuel costs, decrease CO2 emissions, and thereby reduce environmental impact. In 2024, CO2 emissions were reduced by 39.41 metric tons, a 7.2% decrease compared to the baseline year.

We use the energy management system's energy-saving action plan to calculate the measured power consumption before and after improvements. By multiplying the total electricity savings in 2024 (thousand kWh) by 0.474 (the power carbon emission factor announced by the Energy Administration in 2024), we calculated that King Yuan Group reduced greenhouse gas emissions by approximately 6,403 tCO₂e through energy-saving actions, with the main reduction in Scope 2 emissions.

In 2024, King Yuan Group reduced a total of 7,466 tCO₂e through purchasing renewable energy, with the main reduction in Scope 2 emissions.

In 2024, King Yuan Group achieved a total reduction of 13,869 tCO₂e through emission reduction actions

4.3 Air Pollution Control

4.3.1 Air Pollution Control

King Yuan Group's main air pollutants are Volatile Organic Compounds (VOCs) generated from iron ring wiping, molding, cleaning, and oven operations at King Long and Zhen Kun (KLT&ZKT). To track and control air pollutant emissions within the facilities, photocatalyst treatment equipment has been installed at KLT & ZKT to effectively treat process exhaust gases. Due to the product and production characteristics of KYEC, air pollution control equipment is not required. The Company's KLT & ZKT conduct annual third-party testing of gas emissions from emission outlets within the factories to ensure that all air pollutants generated comply with or exceed government regulations or environmental impact assessment commitments.

Since 2022, the Company has been participating in the Miaoli Environmental Protection Bureau's Eliminate Open Burning for Friendly Farming Liquid Straw-Decomposing Microbes promotion campaign, hoping to reduce farmers' open burning of straw to minimize the harm of air pollutants to human health. By the end of 2024, the Company's participation in this activity has collectively reduced 15,120 tons of CO2 emissions for the environment. The Company actively participates in various environmental protection activities, hoping to contribute to air quality improvement.

Item	2022		2023		2024		總計	
	Total Subsidized Area (hectares)	Reduced CO ₂ Emissions (tons)	Total Subsidized Area (hectares)	Reduced CO ₂ Emissions (metric tons)	Total Subsidized Area (hectares)	Reduced CO ₂ Emissions (metric tons)	Total Subsidized Area (hectares)	Reduced CO ₂ Emissions (tons)

Liquid Straw-Decomposing Microbes Promotion Campaign	480	4,320	600	5,400	600	5,400	1,680	15,120
--	-----	-------	-----	-------	-----	-------	-------	--------

Note 1: Emission reduction calculation: Total Subsidized Area (hectares) * 6 tons (straw generated per hectare) * 1.5 metric tons CO2 (CO2 generated per ton of straw) = Reduced CO2 Emissions (metric tons)
 Note 2: Data source and calculation method based on statistics from the Agriculture Department

▼ Air Pollution Control Equipment and Treatment Efficiency for KLT & ZKT

Air Pollutant Name	Control Equipment	Treatment Efficiency (%)
Volatile Organic Compounds (VOCs)	KLT: Photocatalyst + Secondary Activated Carbon Zhen Kun: Secondary Activated Carbon	75



▼ KLT & ZKT Air Pollutant Emission Concentration Testing (Unit: mg/m³)

Major Gases	Actual Measured Emission Concentration	Emission Standards
Nitrogen Oxides (NOx)	/	200
Sulfur Oxides (SOx)	/	100
Volatile Organic Compounds (VOCs)	1.1	60
Particulate Matter (PM)	/	30

Note 1: This table shows the average values from regular testing in 2024

Note 2: Emission Standards comply with China's atmospheric pollution emission standards

Note 3: The boilers at KLT & ZKT (KLT&ZKT) were dismantled in 2024; therefore, there are no Nitrogen Oxides (NOx), Sulfur Oxides (SOx), or Particulate Matter (PM) emissions

The Company's Volatile Organic Compounds (VOCs) emissions in 2024 were 265.428 kilograms. The VOCs emissions increased by 1,238% compared to 2023, mainly due to the increased usage of alcohol (raw and auxiliary materials) at KLT (according to the latest SDS, VOCs content is 99%). Additionally, King Long (KLT) factories were shut down for 45 days in 2022 due to the COVID-19 pandemic, resulting in higher VOCs emissions compared to 2022. As for NOx emissions in 2024, they decreased by 79% compared to 2023, mainly due to the reduced usage of backup diesel fuel for King Long (KLT) boilers.

▼ Historical Air Pollutant Emissions (Unit: Kilograms)

Item	2022	2023	2024
Nitrogen Oxides (NOx)	212	45	/
Sulfur Oxides (SOx)	93	67	/
Volatile Organic Compounds (VOCs)	929	10,570	265.428
Particulate Matter (PM)	18	0	/

Note 1: KLT data is based on registration and audit through the local ecological environment statistical business system.

Note 2: The pollution coefficient for Nitrogen Oxides is 3.03, and the pollution coefficient for Sulfur Oxides is 19* with the parameter value in the pollutant coefficient being (0.07).

Note 3: KLT & ZKT share air pollution control equipment.

Note 4: The boilers at KLT & ZKT were dismantled in 2024; therefore, there are no Nitrogen Oxides (NOx), Sulfur Oxides (SOx), or Particulate Matter (PM) emissions.

4.4 Water Resources

4.4.1 Water Resources Risk Management

Extreme climates caused by global warming affect global water resources and business operations. For example, floods causing severe water damage that renders equipment inoperable, and droughts posing serious threats to agricultural products. Additionally, improper treatment of discharged water may also impact the ecological environment or the health of local residents. Therefore, KYEC manages water resources through the ISO 46001 water resource efficiency management system, using water-saving process design as the standard, and optimizing the use of every drop of water through wastewater recovery and reuse to reduce tap water consumption. Each unit establishes water conservation promotion groups, draws factory water balance diagrams, regularly reviews and audits water usage changes, regularly confirms the efficiency of facilities within the factory, and replaces water-consuming equipment to avoid waste.

King Yuan Group Water Resources Relationship Diagram

Location	Water Resources Relationship Diagram
Hsinchu Factory	Water treatment plant → Public municipal water → Rivers → Ocean
Chu-Nan Factory	Water treatment plant → Equipment production → Internal water recovery system → Internal wastewater treatment system → External sewage treatment plant → Rivers → Ocean
Tong-Luo Factory	Water treatment plant → Equipment production → Internal water recovery system → Internal wastewater treatment system → External sewage treatment plant → Rivers → Ocean
KLT	Water treatment plant → Equipment production → Internal water recovery system → Internal wastewater treatment system → External sewage treatment plant → Rivers → Ocean

The Company has implemented a proposal improvement incentive system to encourage employees to submit energy and water conservation proposals and actively participates in government water conservation programs and seminars, continuously exchanges water conservation experiences with industry peers, and uses new equipment and technologies to increase the proportion of water resource recovery and reuse within the facilities.

Water Resource Risk Assessment

The Company refers to the World Resources Institute (WRI) Water Risk Atlas to identify water resource stress and various risk levels at facility locations. Currently, KYEC is located in areas with low to medium-low water resource stress. KLT and ZKT are both located in areas with medium-high water resource stress. For KLT and ZKT, which face higher water resource stress, various water conservation projects continue to be implemented to reduce local water resource consumption.

▼ Water Resource Stress and Water Resource Risk Values at King Yuan Group Facilities

Location	Location	Water Resource Stress	Physical Risk (Water Quantity)	Physical Risk (Water Quality)	Reputational and Transition Risk	Overall Risk Value
Hsinchu Factory	Taiwan Hsinchu	Medium-Low	Medium-High	Medium-High	Low	Medium-Low
Chu-Nan Factory Tong-Luo Factory	Taiwan Miaoli	Medium-Low	Medium-High	Medium-High	Low	Medium-Low
KLT & ZKT	China Suzhou	Very High	Very High	Medium-High	Medium-High	High

KYEC is located in a climate zone where the wet season relies primarily on plum rain and typhoons as major sources of precipitation. As global temperatures rise, the number of typhoons making landfall in KYEC's area has gradually decreased, indicating that water shortage issues cannot be underestimated under the influence of climate change. The factories that may face water resource shortage risks are mainly the factories in Taiwan. In addition to continuously monitoring the Water Resources Agency's water situation information and complying with government water conservation policies, efforts are being made to increase water recovery through the establishment of in-plant water resource recycling systems. To respond to varying water situation conditions, KYEC has established corresponding procedures for each stage, such as: complying with government water conservation policies, contracting with water truck transportation operators, and conducting in-plant water supply emergency drills. In addition to applying for water trucks, measures will be implemented including adjustments to in-plant cooling water towers and water conservation in manufacturing processes and daily operations to overcome water shortage situations.

Regarding water resources impact on KYEC, the main affected processes are dicing and grinding processes, while testing processes are relatively less affected. An in-plant water situation response team has been established to regularly review water situation alert levels and implement corresponding responses. The strategies for each stage are as follows:

Alert Level	Response Stage	Government water restriction measures at each stage	Response measures	
● Reminder	Water Resources Agency water situation reminder	Strengthen water source allocation and develop measures	1. Activate water situation monitoring mechanism	2. Daily review of water storage levels at each facility
● Pressure reduction	First stage pressure reduction water supply	Off-peak and specific time period pressure reduction water supply	1. Daily monitoring of water conditions 2. Daily review of water storage levels at each facility 3. Ensure operational efficiency of water recycling systems 4. Reduce water system backwash frequency	5. Implement water conservation measures for domestic and irrigation water use 6. Water truck supply planning and arrangement 7. Initiate water truck trial supply drills 8. Reduce cooling water discharge
● Reduction	Second stage reduction water supply	1. Suspend water supply for certain operations 2. Non-industrial water users with monthly water consumption exceeding 1,000 cubic meters reduce supply by 20%, industrial users reduce supply by 5-20%	1. Daily monitoring of water conditions 2. Daily review of water storage levels at each facility 3. Ensure operational efficiency of water recycling systems	4. Increase frequency of water system inspections 5. Implement water conservation measures for domestic and irrigation water use 6. Implement emergency water supply by water trucks
● Zone	Third stage zoned water supply	Zoned rotating or district-wide scheduled water supply suspension	1. Daily monitoring of water conditions 2. Daily review of water storage levels at each facility 3. Ensure operational efficiency of water recycling systems	4. Increase frequency of water system inspections 5. Implement water conservation measures for domestic and irrigation water use 6. Implement emergency water supply by water trucks
● Normal	Water supply suspension ended	Resume daily water use	1. Continue monitoring water situation status 2. Monitor and analyze water usage within the facility	3. Continue evaluating and implementing water conservation projects

Note: Data source is the Water Resources Agency, Ministry of Economic Affairs

4.4.2 Water Resources Data Overview

In 2024, King Yuan Group's total water consumption was 3,235.436 million liters, of which 50.9% was recycled water from process wastewater recovery and reuse or water treatment system circulation, totaling 980.670 million liters; the total water withdrawal was 2,254.766 million liters, all of which was freshwater, primarily sourced from third parties. The annual total water discharge was 523.954 million liters, and total water consumption was 1,730.812 million liters. Compared to 2022-2023, there has been a year-over-year declining trend due to the continuous implementation of recycling systems at each facility.

▼ Water Resources Data Overview (Unit: Million liters (thousand cubic meters))

Region	Item	2022	2023	2024
All regions	Total Water Withdrawal (A)	2,336.878	2,270.908	2,254.766
	Recycled Water Volume (B)	942.963	1,155.022	980.670
	Recycling Percentage (B/A)	40.4%	50.9%	46.5%
	Total Water Consumption (A+B)	3,279.840	3,425.930	3,235.436
	Total Water Discharge (C)	491.681	509.119	523.954
	Total Water Consumption (D=A-C)	1,845.197	1,761.789	1,730.812
	Water Consumption Intensity (Million Liters/NT\$ million Revenue)	0.05	0.05	0.05
Water-Stressed Regions	Total Water Withdrawal (E)	1,125.080	1,105.090	992.610
	Total Water Discharge (F)	125.209	152.838	157.066
	Total Water Consumption (G=E-F)	999.871	952.252	835.544
	Water Consumption in Water-Stressed Regions as Proportion of Total (G/D)	54.2%	54.1%	48.3%

Note 1: Recycling percentage = Recycled water volume ÷ Total water withdrawal in all regions
Note 2: Recycled water volume = Recycling systems, rainwater harvesting, pure water reuse

● Water Withdrawal and Reuse

KYEC's primary source of water withdrawal is tap water. In 2024, total water withdrawal was 2,254.766 million liters, with withdrawal volume remaining flat compared to 2023. Water withdrawal intensity per unit revenue (including rainwater) was 11% lower than the previous year, achieving the water conservation target of a 4% reduction from the baseline year 2020.

In 2024, King Yuan Group implemented a total of seven water conservation action plans across all factories. Tong-Luo Factory constructed domestic wastewater treatment facilities and cooling tower wastewater recovery systems to ensure recycled water quality meets internal recycling standards, enabling water recycling and circulation while complying with the Tong-Luo Science Park discharge standards. King Yuan Group continues to implement daily water conservation and wastewater recycling and reuse through concrete water-saving improvement plans, striving to achieve optimal efficiency in water resource utilization.

Factories	Water Conservation Plans	2024 Water Savings (M3)
Hsinchu Factory	Increasing cooling tower concentration ratio	1,310
Chu-Nan Factory	Increasing cooling tower concentration ratio	3,178
	Cooling tower replacement project	
	Pure water monitoring equipment water reuse	
Tong-Luo Factory	Rainwater recovery project	-
	Tong-Luo Factory domestic wastewater treatment and cooling tower wastewater recovery	
KLT & ZKT	Pure water system additional wastewater recovery project	108,916



Integration of rainwater recovery systems across all factories



Construction of rainwater recovery system



Cooling tower wastewater recovery



High hardness wastewater removal system



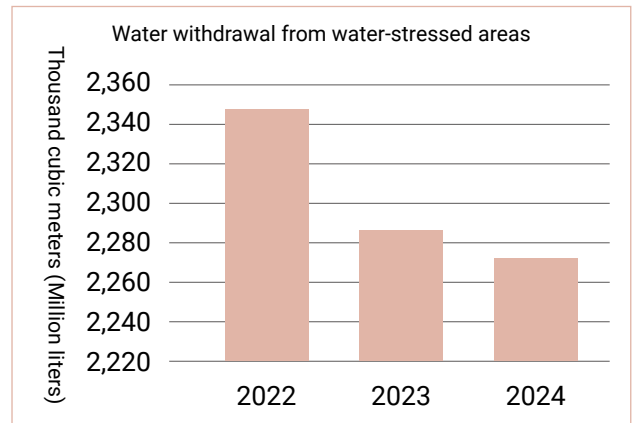
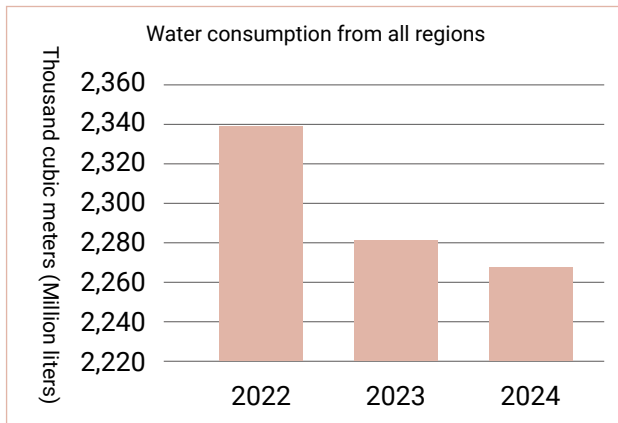
Installation of additional sludge drying equipment

▼ Detailed analysis of water withdrawal (Unit: Million liters (thousand cubic meters))

Water withdrawal	2022		2023		2024	
	All regions	Water-Stressed Regions	All regions	Water-Stressed Regions	All regions	Water-Stressed Regions
Surface water	3.203	0	1.520	0	5.451	0
Third-party water	2,333.675	1,125.080	2,269.388	1,105.090	2,249.315	992.610
Total water withdrawal	2,336.878	1,125.080	2,270.908	1,105.090	2,254.766	992.610
Percentage of water sourced from water-stressed areas (%)	48.1		48.7		44.0	
Water withdrawal intensity (Million liters/NT\$ million revenue)	0.06		0.07		0.06	

Note 1: All water withdrawal is freshwater.

Note 2: Water withdrawal intensity = Total water intake from all regions / Annual total revenue



●
 Water discharge management (GRI303-2)

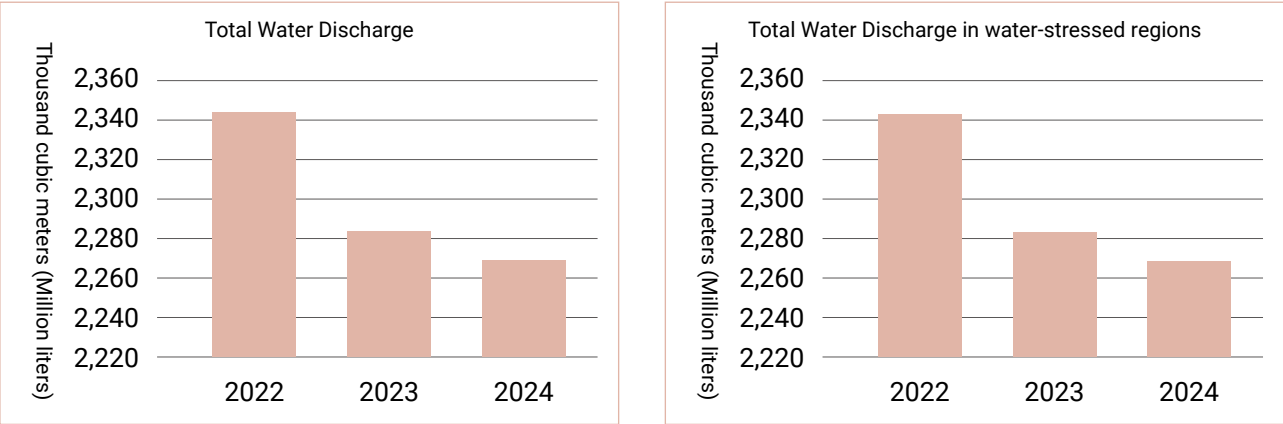
King Yuan Group sets wastewater discharge quality standards in accordance with local regulatory requirements; with standards higher than those set by local regulations for wastewater discharge, all process water is properly treated through internal wastewater treatment facilities, then handled by local industrial park wastewater treatment plants in compliance with internal company or local regulatory standards. In 2024, the water quality test results for discharge water from all King Yuan Group factories met local regulatory requirements.

The facilities are equipped with process wastewater recovery and treatment equipment, with dedicated personnel assigned for operation and management, and established operating maintenance procedures. Annual budgets are allocated for wastewater treatment equipment maintenance and replacement, effectively improving the process wastewater recovery and reuse rate.

▼ Detailed analysis of water discharge (Unit: Million liters (Thousand cubic meters))

Drainage destination category	Water quality indicators	2022		2023		2024	
		All regions	Water-Stressed Regions	All regions	Water-Stressed Regions	All regions	Water-Stressed Regions
Surface water	Freshwater	26.817	0	24.725	0	25.389	0
	Other water	0	0	0	0	0	0
Third-party water	Freshwater	464.864	125.209	484.394	152.838	341.499	157.066
		0	0	0	0	0	0
Total Water Discharge		491.681	125.209	509.119	152.838	498.565	157.066
Discharge water intensity (million liters/NT\$ million revenue)		0.01		0.02		0.01	

Note: The discharge water volume and water consumption were incorrectly recorded in 2022, hence the correction.



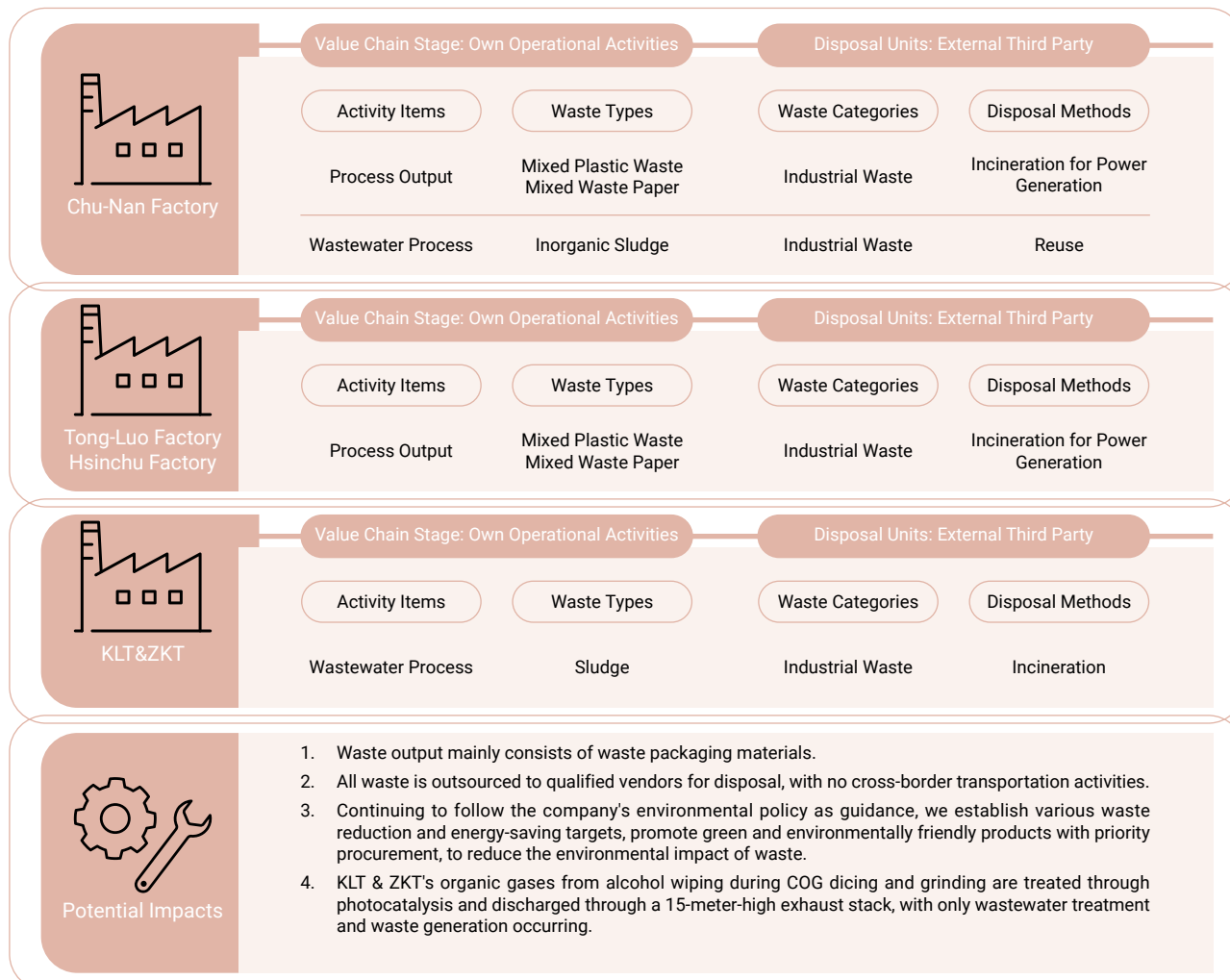
4.5 Waste Management

4.5.1 Waste Impact Assessment

The Company references domestic and international environmental impact reports, considering all stages of the life cycle (raw material extraction, production and manufacturing, sales and distribution, product use, and waste disposal stages) to identify waste generated by operational activities within the organization and throughout the upstream and downstream value chain. The Company evaluates the potential environmental and social impacts of waste and accordingly creates a context map of the Company's value chain and waste impacts.

The Company's generated waste includes both hazardous and non-hazardous industrial waste, mainly consisting of mixed plastic waste, mixed paper waste, inorganic sludge, and other types of waste. We develop corresponding management measures in response to the potential impacts of various types of waste, with waste management units regularly supervising and evaluating implementation effectiveness to mitigate or avoid negative impacts on the internal organization or external environment.

▼ King Yuan Group Value Chain and Potential Impact Context Map



4.5.2 Waste Management Policy

The Company has established a designated unit to control, dispose of, and report industrial waste generated from company operations, and follows local regulations to prepare and submit industrial waste management plans, with all waste disposal methods implemented in accordance with local regulations.

King Yuan Group Waste Management Responsible Units:

- Waste Classification: All Employees
- Waste Storage: Safety and Risk Management Department
- Waste Data Collection: Safety and Risk Management Department
- Waste Reporting: Safety and Risk Management Department
- Waste Treatment - Self-Treatment: No On-Site Self-Treatment
- Waste Treatment - Outsourced Treatment: Safety and Risk Management Department

The Company records waste types, quantities, and tracks waste flow through the Ministry of Environment's Industrial Waste Declaration and Management Information System and compiles annual waste generation data through three-part forms and weighing methods. All waste from the factories is collected and disposed of by qualified external waste treatment contractors. The Company has established a waste management system that regularly audits, tracks, and reviews on-site waste reduction effectiveness, formulates collection and treatment audit plans, and conducts regular unannounced tracking audits to ensure that all outsourced collection and treatment operations comply with legal requirements. The Company also requires contractors to complete two hours of environmental, safety, and health education training before entering the factory to enhance personnel's environmental management capabilities during on-site operations.

The Company, guided by its environmental policy, sets various waste reduction targets, continuously promotes and prioritizes the procurement of green and environmentally friendly products, and regularly reviews the achievement of these targets. Through efforts in recent years, the Company has increased its waste reuse rate from 80.4% in 2020 to 85%, continues to seek reuse institutions, and plans to convert waste liquids and waste aluminum foil bags from incineration treatment to recycling and reuse by 2025, achieving the goal of waste resource reuse.

Waste Items	Reused Products	Waste Items	Reused Products	Waste Items	Reused Products
1 Waste Iron 	 Recycled Steel Billets	6 Waste Wood 	 Fuel	11 Electrostatic Precipitator 	 Packing Straps
2 Waste Paper 	 Recycled Paper Trays	7 Waste Paper Containers 	 Fuel Rods	12 PET Bottles 	 Eco-friendly Bags
3 PVC Gloves 	 Soft Traffic Cones	8 PP/HDPE Containers 	 Plastic Stationery Sets, Bottles	13 Aluminum Foil Bags 	 Aluminum Ingots
4 Electronic Scrap Materials 	 Metal Raw Materials	9 Sludge 	 Industrial Building Materials	14 Wafer Boat Boxes Cosmetic Boxes	
5 Waste Glass 	 Recycled Glass Products	10 PE Film/Foam 	 Garbage Bags, Bumper Strips	Recycled products from PVC gloves and PP/HDPE containers can be used back in the facility, enhancing the reuse image	

King Yuan Group Waste Management Strategy and Objectives

Management Strategy	Strategy Start Year	Target Baseline Year	Management Objectives			2024 Achievement Rate	Improvement Measures
			Short-term	Medium-term	Long-term		
Waste Incineration Rate	2023	2023	<15%	<12%	<7%	15%	Analyze waste items for incineration at factories and seek institutions for reuse, gradually reducing the factory incineration rate year by year.
Waste Recycling and Reuse Rate	2020	2020	>85%	>88%	>93%	85%	Implement waste management, improve waste recycling and reuse rate, and promote source reduction and proper classification to pursue "zero waste" and "zero landfill" goals.

4.5.3 Waste Collection and Disposal

In 2024, the Company generated a total of 3,252.07 tons of waste, of which 273.95 tons were hazardous industrial waste, accounting for 8.4%; and 2,978.12 tons were non-hazardous industrial waste, accounting for 91.6%. This year's waste generation decreased by 8.6% compared to 2023.

Beyond striving to reduce waste at the source, to enhance the resource value of existing waste, King Yuan Group adopts recycling methods such as regenerative utilization and reuse as much as possible in compliance with local regulations and available feasible technologies, enabling waste resources to be effectively used. In 2024, 16% of the Company's hazardous industrial waste and 85.4% of non-hazardous industrial waste were processed through recycling methods, accounting for 79.6% of the total annual waste.

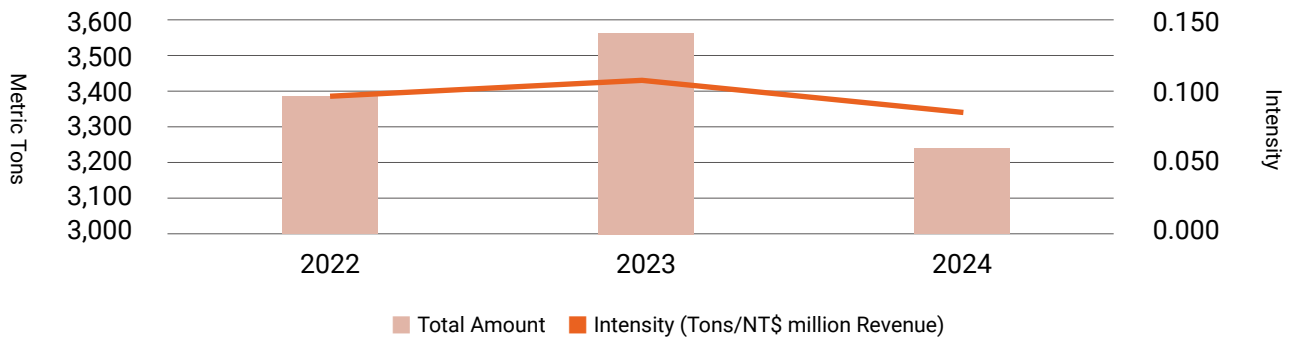
▼ Summary Table of Industrial Waste Generation, Transfer in Disposal Process, and Direct Disposal (Total of All Sites, Unit: Tons)

Year	Item	2022	2023	2024		
		King Yuan Group	King Yuan Group	King Yuan	KLT + ZKT	Total
Generation Amount	Hazardous Industrial Waste	269.10	328.87	43.74	230.20	273.95
	Non-hazardous Industrial Waste	3,124.30	3229.64	2,429.69	548.43	2,978.12
	Total Amount	3,393.40	3558.51	2,473.44	778.63	3,252.07
Disposal Transfer Amount	Hazardous Industrial Waste	51.60	28.99	43.74	0.00	43.74
	Non-hazardous Industrial Waste	2,511.39	2835.22	2,429.69	114.06	2,543.75
	Total Amount	2,562.99	2,864.21	2,473.44	114.06	2,587.50
Direct Disposal Amount	Hazardous Industrial Waste	217.50	299.88	0	230.20	230.20
	Non-hazardous Industrial Waste	612.91	394.42	0	434.37	434.37
	Total Amount	830.41	694.3	0	664.57	664.57

Note: The classification of hazardous and non-hazardous is determined according to the local regulations of each location.



▼ 2022-2024 Waste Generation Intensity Statistics



● Methods of Industrial Waste Disposal and Transfer (Recovery)

The Company primarily processes waste through recovery methods for items such as aluminum foil bags, waste wood, waste empty drums, resource recovery, and other categories, with all recovery methods being in the form of reuse. In 2024, the total amount of waste disposed and transferred was 2,587.50 tons, all of which was handled by third-party disposal.

▼ Waste Transferred from Disposal (Total for All Locations, Unit: Tons)

Item	Year Disposal and Transfer Methods	2022	2023	2024		
		King Yuan Group	King Yuan Group	King Yuan	KLT + ZKT	Total
Hazardous Industrial Waste	Recycling and Reuse	51.60	28.997	35.37	0.00	35.37
Non-hazardous Industrial Waste	Recycling and Reuse	2,511.39	2,835.215	2,066.86	114.06	2,180.92
Total		2562.99	2,864.21	2,102.23	114.06	2,216.29



○
 Methods of Direct Industrial Waste Disposal

In addition to the aforementioned waste, industrial waste with no reuse value is disposed of by sending it to incinerators for treatment. In 2024, the Company directly disposed of a total of 601.41 tons of waste, all of which was handled by third-party disposal. The direct waste disposal volume for this year decreased by 13.4% compared to 2023, primarily due to the continued implementation of UL2799 and the change in treatment method for waste drums from incineration to recycling and reuse disposal, which increased the recycling and reuse rate of waste, resulting in a reduction in the volume of non-hazardous industrial waste processed by incineration.

▼ Waste Directly Disposed by Disposal Operations (Total for All Locations, Unit: Tons)

Item	Year	2022	2023	2024		
	Direct Disposal Method	King Yuan Group	King Yuan Group	King Yuan	KLT + ZKT	King Yuan Group
Hazardous Industrial Waste	Incineration Treatment (with Energy Recovery)	0.77	7.81	8.37	0.00	8.37
	Incineration Treatment (without Energy Recovery)	216.73	291.61	0	230.20	230.20
	Other Direct Treatment	0	0.46	0.000	0.00	0
	Subtotal	217.50	299.88	8.37	230.20	238.57
Non-hazardous Industrial Waste	Incineration Treatment (with Energy Recovery)	612.91	394.42	362.84	-	362.84
Total		830.41	694.30	371.21	230.20	601.41

CHAPTER

5

Employee Care



5.1 Human Capital



Material Topic Management Approach:
Employee Recruitment and Retention

Corresponding GRI Indicators: 2-7, 2-8, 401-1

Impact Description	- Positive Impact: Maintain good labor-management relations, improve performance evaluation systems, enhance employee sense of belonging within the company, and increase talent retention rates. - Negative Impact: Talent loss leading to increased turnover rates, higher recruitment and training costs, thereby affecting corporate competitiveness.		
Policies or Commitments Formulated or Followed	- Internal Regulations: Labor and Business Ethics Policy, Guidelines for Hiring Child Labor and Young Workers, Procedures for Hiring Apprentices/Interns/Student Workers - Government Regulations: Comply with relevant laws and regulations such as the Labor Standards Act, Act of Gender Equality in Employment, and Employment Service Act	Responsible Unit	Human Resources Department
Management Actions	- Diverse Recruitment Channels: - Strengthened industry-academia collaboration by partnering with colleges and universities to create win-win outcomes, opening doors to semiconductor industry careers for students. - Alternative military service collaboration in R&D, cooperating with government programs to inject R&D talent into the industry, creating seamless integration between military service and workplace life. - Pre-hiring program implementation, collaborating with master's programs at colleges and universities to secure graduate students in advance, ensuring immediate industry integration upon graduation. - Provide comprehensive compensation and benefits along with internship retention bonuses. - Implement feedback mechanisms: Conduct employee engagement surveys and various employee activities, strengthen communication with employees, and provide open and transparent grievance channels through forums and discussions.		
Process for Tracking Action Effectiveness	- Set diverse recruitment channel targets annually to meet employee recruitment capacity needs - Regularly track monthly turnover rates by functional area - Conduct employee forums quarterly		
Management performance indicators			
2024 Achievement Status	Short-term Goals (2025)	Medium-term Goals (2030)	Long-term Goals (2050)
- Industry-academia collaboration program has reached its 17th edition 17th year of R&D alternative military service collaboration 5th year of implementing the pre-employment project - Conduct various types of forums and handle grievances 100% case processing and response rate	- University collaboration programs aim to identify and secure outstanding talent in advance, shortening the training and adjustment period for new employees, ensuring graduates have immediate semiconductor industry capabilities, with an expected 10% increase in partner schools - Collaborate with universities to establish semiconductor colleges and set up related courses, introduce industry practical training courses, provide training tailored to industry needs, enabling graduates to become immediate production line assets. This collaboration aims to train 15 students. - Actively promote the employment of overseas Chinese students, collaborate with relevant universities to recruit overseas Chinese students with related academic backgrounds for internships in the semiconductor industry, strengthen their willingness and stability to remain in Taiwan, and enhance the company's team diversity and global competitiveness. - Forums & grievance cases, 100% handling and response rate	- Continue to strengthen and expand industry-academia collaboration, cultivate young talent and promote cooperative relationships between industry and schools. - Collaborate with universities to establish semiconductor colleges and set up related courses for training, with plans to cultivate 5% of the students. - Through systematic overseas Chinese student recruitment and training, and strengthening cooperation with relevant universities, establish a stable and sustainable employment model, aiming to increase overseas Chinese student numbers by 5% and improve retention rates. - Forums & grievance cases, 100% handling and response rate	- Establish positive collaborative relationships with schools, stabilize talent sources, cultivate talent for the industry, fulfill corporate social responsibility, and expect to increase cooperative schools by 12%. - Work with universities to establish semiconductor colleges and set up related courses for training, with plans to increase student development numbers by 10%. - Through systematic overseas Chinese student recruitment and training, and strengthening cooperation with relevant universities, establish a stable and sustainable employment model, aiming to increase overseas Chinese student numbers by 10% and gradually expand the overseas Chinese student talent pool. - Forums & grievance cases, 100% handling and response rate



Material Topic Management Approach: Labor-Management Communication

Corresponding GRI
Indicator: GRI3-3

Impact Description	- Positive Impact: Proactively care for employees, provide good two-way labor-management communication channels, achieve high consensus between the company and employees, and enhance employee cohesion. - Negative Impact: Poor labor-management communication leads to ineffective communication between the company and employees, affecting the company's operational efficiency.		
Policies or Commitments Formulated or Followed	- Internal Regulations Labor and Ethics Management System Manual, KYEC Internal Communication Management Procedure, Implementation of Workplace Unlawful Harassment Prevention Measures - Government Regulations Guidelines for Preventing Illegal Harm While Performing Duties	Responsible Unit	Human Resources Department
Management Actions	- Continue to hold employee forums and labor-management meetings to create harmonious labor-management relations. - Provide open and transparent grievance communication channels so that colleagues' opinions can be effectively handled and responded to. - Implement RBA education and training (including human rights) to ensure employees have smooth communication channels		
Process for Tracking Action Effectiveness	- Hold employee forums to promote communication and exchange between labor and management - Hold labor-management meetings regularly every quarter - Regularly compile and respond to colleagues' opinions - Conduct RBA (including human rights) education and training regularly every year		
Management performance indicators			
2024 Achievement Status	Short-term Goals (2025)	Medium-term Goals (2030)	Long-term Goals (2050)
- Hold forums with a total participation of 1,000 person-times - Government regulatory compliance rate 100% - Employee opinion handling rate 100% - RBA training participation rate 100%	- Hold forums with a total participation of 1,100 person-times - Government regulatory compliance rate 100% - Employee opinion handling rate 100% - RBA training participation rate 100%	- Hold forums with a total participation of 1,200 person-times - Government regulatory compliance rate 100% - Employee opinion handling rate 100% - RBA training participation rate 100%	- Hold forums with a total participation of 1,300 person-times - Government regulatory compliance rate 100% - Employee opinion handling rate 100% - RBA training participation rate 100%

5.1.1 Human Resource Management

Talent is the key to achieving competitiveness. With "local and merit-based recruitment," King Yuan Group provides diverse employment channels, focuses on prospering the local economy, and upholds the spirit of protection and giving back, creating more job opportunities for the local community, with local employees as the priority consideration for selection. The three factories in Taiwan have approximately 67.80% of employees from Hsinchu and Miaoli counties and cities. Sites in Mainland China have approximately 27% local employees (Jiangsu Province). At the same time, we firmly believe that excellent colleagues are King Yuan Group's greatest asset. Therefore, we are committed to providing recruitment processes that comply with legal regulations, comprehensive education and training systems, safe and humanized workplace environments, competitive salary and benefit systems, and open promotion channels. Through these comprehensive human resource management policies related to "selection, training, utilization, and retention," we enable employees to fully demonstrate their skills in the workplace and work hand in hand with King Yuan to create a mutually beneficial future.

5.1.2 Talent Recruitment

● Recruitment and Employment Principles

King Yuan Group has a comprehensive recruitment system, aspiring for employees and the company to prosper together, while also respecting employees' career transition choices. The Company follows national laws to protect labor rights. KYEC complies with the Labor Standards Act, Employment Service Act, and Gender Equality in Employment Act. At KLT & ZKT, we conduct open recruitment in accordance with the Labor Standards Act, conducting comprehensive assessments and selecting the best candidates based on education, character, ability, experience, physical condition, and job requirement compatibility. No discrimination shall be made against job applicants or employees based on race, social class, nationality, religion, physical or mental disabilities, sexual orientation, union membership, political affiliation, or age, etc. Furthermore, King Yuan Group commits to and implements the RBA Code of Conduct's labor, health and safety, environmental protection, business ethics, and management system elements and other related labor policies. These policies are incorporated into our Labor and Business Ethics Policy, including the prohibition of employing workers under 16 years of age. In addition to clearly declaring this in our HR regulations, preventive mechanisms are applied during recruitment and hiring. The Company developed operational guidelines for the employment of child workers and young workers to eliminate misuse and ensure proper follow-up procedures.

The Company recruited a total of 4,169 new employees in 2024, including 3,087 males and 1,082 females. The relevant information is shown in the table below.

▼ Number of New Hires at King Yuan Group Over the Past Three Years

Year	2022		2023		2024	
Gender	Male	Female	Male	Female	Male	Female
Number of People	2435	999	1987	649	3087	1082
Total	3434		2636		4169	
Ratio	70.91%	29.09%	75.38%	24.62%	74.05%	25.95%

Statistical Period: 2024/1/1-2024/12/31

▼ Total New Hire Rate for New Employees

Year	Region	Number of People	Year-end Headcount	Proportion of Employees (%)
2022	King Yuan (KYTEC)	1363	7151	19.06%
	KLT & ZKT	2071	2294	90.28%
2023	King Yuan (KYTEC)	687	6989	9.83%
	KLT & ZKT	1949	2455	79.39%
2024	King Yuan (KYTEC)	2008	8151	24.64%
	KLT & ZKT	2161	2760	78.30%

Note: Number of people in this category/Total number of people in this category for the year

Statistical Period: 2024/1/1-2024/12/31

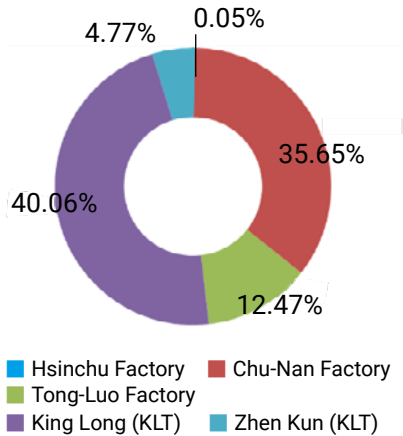
▼ Distribution of New Employees by Gender and Age

Gender	Age	Hsinchu Factory	Chu-Nan Factory	Tong-Luo Factory	KLT	ZKT	Total	Gender Ratio (%)
Male	≤ 29	0	662	199	1616	144	2621	45.14%
	30~50	0	249	95	106	14	464	
	≥ 51	0	2	0	0	0	2	
	小計	0	913	294	1722	158	3087	
Female	≤ 29	1	372	139	208	31	751	26.57%
	30~50	1	201	87	32	10	331	
	≥ 51	0	0	0	0	0	0	
	小計	2	573	226	240	41	1082	
Total							4169	38.21%

Note: The calculation formula for gender ratio is: Number of new employees of that gender / Total number of employees of that gender at year-end.

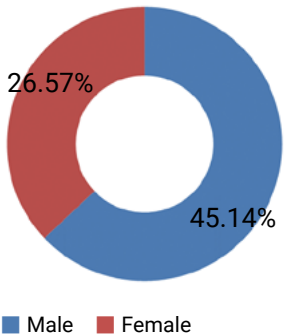
Statistical Period: 2024/1/1-2024/12/31

▼ 2024 New Employee Work Location Distribution



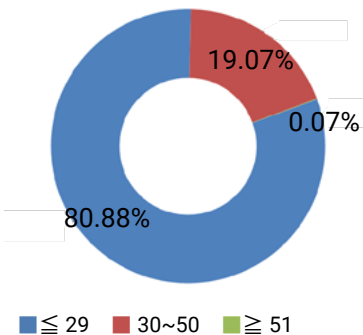
Note: Number of new employees in each factory across the group/Total number of new employees across the group

▼ 2024 New Employees - Gender Ratio



Note: Number of male and female new employees across the group/Total number of new employees across the group

▼ 2024 New Employees - Age Ratio



Note: Number of new employees in each age group across the group/Total number of new employees across the group

King Yuan Group employees have the right to freely choose employment. The Company ensures that all work is voluntary and does not use threats or coercive conditions to employ staff. When employees submit their resignation, labor contract termination is handled in accordance with the Labor Standards Act. In 2024, a total of 2,245 employees left the Company, including 1,821 males and 424 females. Reasons for leaving included family care responsibilities, relocation, and career transitions, and other factors. To protect employee rights and improve the recruitment system, the Company's responsible unit supervisors conduct interviews with all departing employees to understand the specific reasons for leaving, which serves as a reference for subsequent human resources management improvements.

▼ 2024 Total Number and Percentage of Departing Employees

Gender	Age	Hsinchu Factory	Chu-Nan Factory	Tong-Luo Factory	KLT	ZKT	Total	Turnover Rate (%)
Male	≤ 29	1	176	35	1169	200	1581	26.63%
	30~50	0	88	24	102	25	239	
	≥ 51	0	1	0	0	0	1	
	Subtotal	1	265	59	1271	225	1821	
Female	≤ 29	1	68	17	183	45	314	10.41%
	30~50	0	55	10	26	16	107	
	≥ 51	0	3	0	0	0	3	
	Subtotal	1	126	27	209	61	424	
Total							2245	20.58%

Note: Turnover rate: Number of male/female departing employees / Total number of male/female employees across the group

Statistical Period: 2024/1/1~2024/12/31

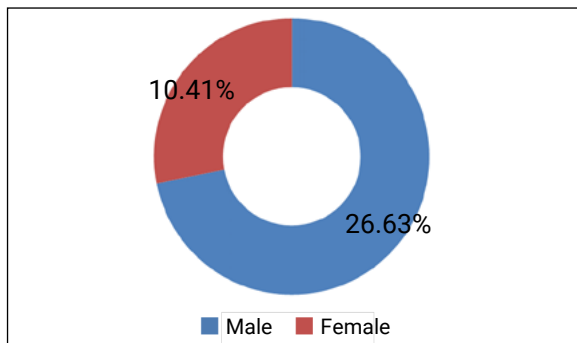
▼ Overall Turnover Rate for Departing Employees

Year	Region	Number of People	Year-end Headcount	Turnover Rate (%)
2022	King Yuan (KYTEC)	777	7151	10.87%
	KLT & ZKT	2186	2294	95.29%
2023	King Yuan (KYTEC)	407	6989	5.82%
	KLT & ZKT	1730	2455	70.47%
2024	King Yuan (KYTEC)	479	8151	5.88%
	KLT & ZKT	1766	2760	63.99%

Note: Number of people in this category/Total number of people in this category for the year

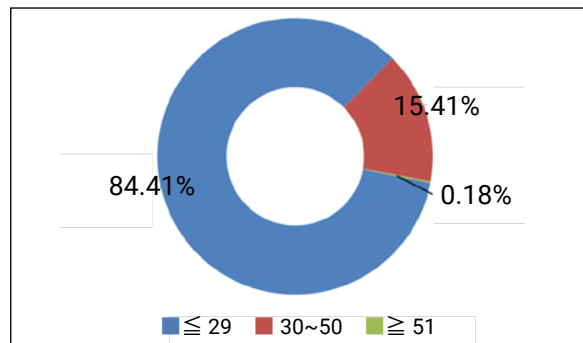
Statistical Period: 2024/1/1~2024/12/31

▼ 2024 Departing Employees - Gender Ratio



Note: Number of male/female departing employees across the group / Total departing employees across the group

▼ 2024 Departing Employees - Age Ratio



Note: Number of departing employees in each age group across the group / Total departing employees across the group

● Industry-Academia Collaboration

King Yuan Group has been actively implementing the Ministry of Education's industry-academia training programs for many years to promote seamless integration between academia and industry, while seeking and cultivating outstanding talent as a starting point. KYEC, KLT & ZKT have all successively established internship programs with multiple schools. KYEC's scope spans across northern, central, and southern regions, and even offshore areas, such as National Kaohsiung University of Science and Technology, National United University, and National Quemoy University. Based on the spirit of "taking from the local community and giving back to the local community," we strengthen talent cultivation in technical and vocational education through internship program collaborations with local institutions including Yu Da University of Science and Technology, Yuanpei University of Medical Technology, and Chung Hua University. KLT & ZKT have internship programs in collaboration with the School of Humanities and Information of the Changchun University of Technology, Yunnan Luquan Senior High School, and Shandong Dezhou Zou Sifang School.

From campus information sessions, interviews, and training all the way to formal employment, there is a well-structured scheduling plan. We not only select students with strong motivation who meet the standards but also provide professional practical training (covering semiconductor process introductions, packaging process overviews, and functional responsibilities of various positions, etc.). This not only allows students to quickly integrate into the workplace environment and apply their learning to practice but also helps them find their positioning and direction for the future in advance.

In addition, for students who perform excellently during their internship period, the Company also provides attractive retention packages, aiming to reduce students' employment costs when they enter society in the future, while also training the Company's future reserve talent. Furthermore, through industry-academia collaboration channels, we can better transfer the academic energy of technological research and development into enterprises, driving the development of corporate core technologies to achieve a win-win cooperation mechanism between enterprises and students.

● Student Factory Visits

▼ King Yuan (KYECC)



▼ KLT & ZKT



5.1.3 Human Resource Structure

As of the end of 2024, King Yuan Group has a total of 10,911 employees, including 10,793 full-time employees and 118 temporary employees; when classified by employment type, all are full-time employees. KYEC has a total of 8,151 employees, and KLT & ZKT having a total of approximately 2,760 employees. Additionally, non-employee workers include: cafeteria staff with 32 people at Chung-Hua Factory and 4 people at Tong-Luo Factory; cleaning staff with 4 people at Hsinchu Factory, 58 people at Chung-Hua Factory, and 28 people at Tong-Luo Factory. Construction contractors with 475 person-times at Hsinchu Factory, 8,127 person-times at Chung-Hua Factory, and 3,907 person-times at Tong-Luo Factory.

Labor-intensive operations are one of the characteristics of assembly and testing facilities. Recruitment mainly comes from various domestic channels, while foreign labor quotas are also sought to compensate for shortages in local workforce.

▼ Employee Structure as of End of 2024 (Unit: Persons)

Type	Gender	Hsinchu Factory	Chu-Nan Factory	Tong-Luo Factory	KLT	ZKT	Total
All Employees	Male	25	3683	978	1817	335	6838
	Female	37	2715	713	481	127	4073
Total Number of Employees by Region		62	6398	1691	2298	462	10911
Full-time Employees	Male	25	3675	977	1734	325	6736
	Female	37	2708	712	475	125	4057
Number of Full-time Employees by Region		62	6383	1689	2209	450	10793
Contract Employees	Male	0	8	1	83	10	102
	Female	0	7	1	6	2	16
Number of Contract Employees by Region		0	15	2	89	12	118

Note 1: Definition • Full-time Employees: Employment contract period > 6 months.
 • Contract Employees: Employment contract period < 6 months.

Note 2: All employees of the Group are full-time employees (full-time is defined as working hours that meet the local statutory hours per week).

Note 3: There were no part-time employees, no zero hour contract employees, or temporary workers (employees with irregular weekly working hours) in this fiscal year.

Note 4: The number of employees in this table includes both King Yuan Group's own employees and contract employees.

Note 5: Employee turnover rate in 2024 was stable with no significant changes.

▼ Number of Employees Over the Past Three Years (Unit: Persons)

Year	2022	2023	2024
Number of Male Employees	5687	5844	6838
Number of Female Employees	3758	3600	4073
Total Number of Employees	9445	9444	10911

Statistical Period: 2024/1/1-2024/12/31

Employee Diversity Structure

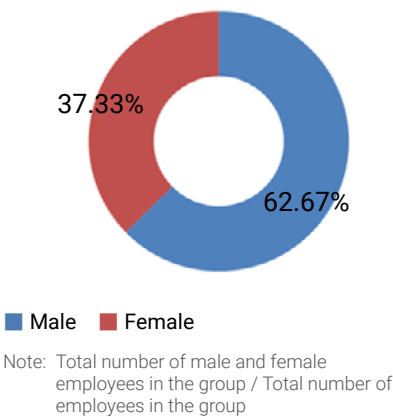
King Yuan Group's employee gender distribution is 57.49% male and 42.51% female, with the majority of employees aged between 30-50 years, accounting for 59.98% of the total workforce. Local employees in Taiwan's three factories (Hsinchu and Miaoli counties/cities) account for approximately 67.80%; local employees in the Mainland China (Jiangsu Province) account for approximately 27%. Female employees in managerial positions account for nearly 26% of the management level. By gender, the male proportion is 62.67% and the female proportion is 37.33%. By age, the proportion of those under 29 is 42.07%, those aged 30-50 is 53.17%, and those over 51 is 4.77%.

▼ Total number of employees by functional category and diversity indicators at the end of 2024 (Unit: persons)

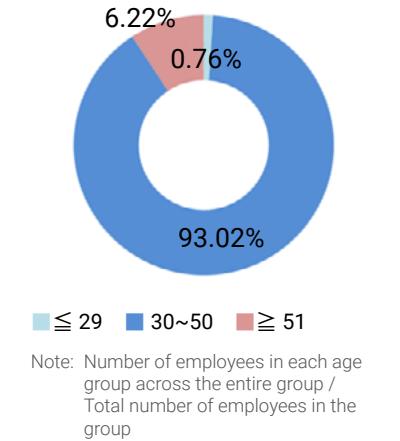
Employee Classification		Management Personnel	Engineering Personnel	Administrative Personnel	Technical Personnel	Total	Ratio
Gender	Male	582	2858	114	3284	6838	62.67%
	Female	204	810	325	2734	4073	37.33%
Age	≤ 29	35	1839	129	2587	4590	42.07%
	30~50	640	1712	270	3179	5801	53.17%
	≥ 51	111	117	40	252	520	4.76%
Education Level	Doctorate	2	1	0	0	3	0.03%
	Master's	228	549	26	0	803	7.36%
	College/University	513	2565	295	3516	6889	63.14%
	High School and Below	43	553	118	2502	3216	29.47%
Nationality	Domestic/Local Nationality	750	3584	437	3012	7783	71.33%
	Foreign Nationality	36	84	2	3006	3128	28.67%

Statistical Period: 2024/1/1-2024/12/331

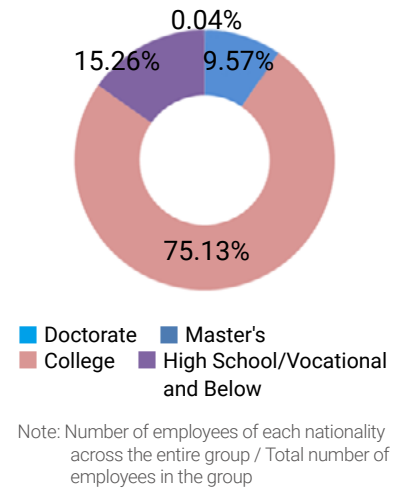
▼ 2024 Group-wide Employees - Gender Ratio



▼ 2024 Group-wide Employees - Age Ratio



▼ 2024 Group-wide Employees - Educational Background Ratio



Employment Planning for People with Disabilities

KYEC strictly complies with the People with Disabilities Rights Protection Act, which stipulates that the number of employed people with disabilities who have work capability shall not be less than one percent of the total number of employees in the business organization. Additionally, we exceed the required quota for employing people with disabilities. The company fulfills its responsibility in promoting employment for people with disabilities and has established partnerships with regional employment service agencies and the Miaoli County Association for the Blind as recruitment channels. The factory facilities are equipped with barrier-free facilities and designated parking spaces for people with disabilities, and we provide working hours that exceed the requirements of the Labor Standards Act to ensure the quality of life for colleagues with disabilities. The number of people with disabilities in the company ranges from approximately 74 to 84 individuals, with the average annual employment exceeding the legal quota by 4.5% ^(Note 1). According to the regulation of employing one person for every 100 employees, the company's legally mandated quota for 2024 was 82 people, with an actual employment of 84 people, of which mild disabilities accounted for 19.1%, moderate disabilities accounted for 7.1%, and severe disabilities accounted for 73.8% ^(Note 2).

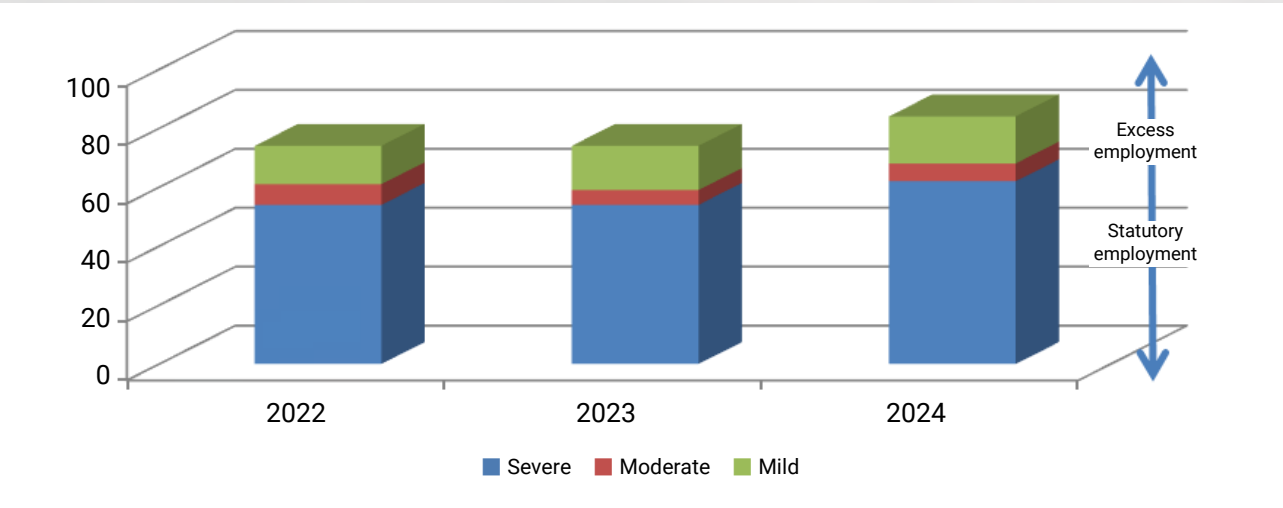
Note 1: Number of employees exceeding the quota / Legally mandated quota

Note 2: Severely disabled personnel count as double towards the quota requirement. Percentage = Number of people at each level / Annual number of employees

KYEC Three-Year Statistics on Hiring of Employees with Disabilities

Item	2022	2023	2024
Number of employees with disabilities hired	74	74	84

Employment Status of Employees with Disabilities



5.1.4 Labor-Management Communication

King Yuan Group establishes relevant regulations in accordance with government laws and local regulations to protect employee rights. Employees have the freedom of association and are not subject to any form of differential treatment based on race, gender, nationality, religion, or political stance. The Company is committed to smooth communication among employees. To achieve effective problem resolution, we provide comprehensive internal communication channels that enable employees to fully and timely express their ideas in a friendly environment free from retaliation, thereby establishing a harmonious labor-management work environment. The company respects freedom of association. Currently, KYEC employees have independently established two labor unions, but from 2022 to 2023, we were successively informed that union activities had been suspended. The unions have never submitted requests to the company for collective bargaining negotiations, and no collective agreements have been signed to date. In accordance with the Labor-Management Conference Implementation Regulations, we regularly hold labor-management conferences and establish diverse communication channels to create a harmonious labor-management work environment.

KYEC uses open voting methods, allowing colleagues to freely choose representatives while complying with regulations on single-gender representative quotas, to select representatives from both labor and management sides. With a voting rate of over 68%, labor-management conferences are held quarterly in accordance with labor-management conference procedures, where labor and management representatives reflect on labor-management related issues.

The Company deeply values employees' opinions and voices, creating a harmonious and equal communication platform between employees and the Company. We have established diverse and smooth communication channels, including labor-management conferences, symposiums, employee message boards, and various grievance channels. All employees can use these channels to express their opinions. Issues raised by colleagues will be responded to with results, maintaining good two-way communication. In 2024, KYEC's HR department received a total of 24 reported cases, achieving 100% processing and response rate. Throughout the year, we held 18 symposiums for local employees with a total of 1,075 participants, and 20 symposiums for foreign employees with a total of 2,807 participants. The KLT & ZKT communication platform received 68 pieces of feedback, achieving 100% processing and response rate, and held four symposiums throughout the year with a total of 222 participants.

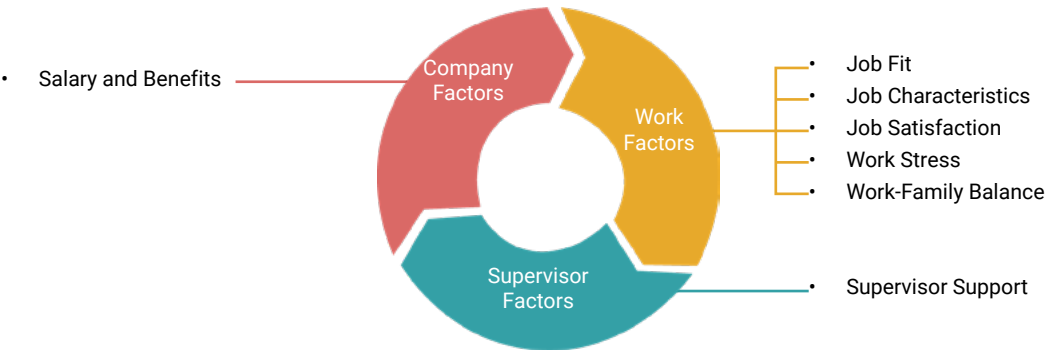


○ Employee Communication Channels

	Description	Processing Unit	Content	2024 Results
Employee Forum	Directly communicate the Company's vision and operational objectives to colleagues to enhance opportunities for direct face-to-face communication between supervisors and colleagues.	HR Department	System Welfare Measures Public Affairs Public Safety	Regularly convene employee forums, achieving 100% handling and response to every inquiry raised
New Employee Orientation	Show concern for new employees' learning and adaptation in all aspects after taking office, invite new employees to raise various questions, and provide immediate handling and assistance.			Regularly convene new employee orientation sessions, achieving 100% handling and response rate for every inquiry raised
Foreign Employee Forum	Provide forums for foreign colleagues, allowing personal suggestions to be raised and reflected on the spot.			In 2024, a total of 20 forums for foreign colleagues were convened, achieving 100% handling and response rate for every inquiry raised
Employee Welfare Committee Meeting	In accordance with relevant laws and regulations, the Company's employee welfare regulations, and the organizational charter of the welfare committee, regularly hold meetings to formulate or revise various employee welfare plans.			Regularly convene welfare committee meetings every quarter.
Labor-Management Meeting	All labor-management meetings have labor representatives formally elected by all employees through voting, who together with management-appointed representatives form the committee, with meetings held regularly every three months.			Convene labor-management meetings every quarter.
Service Hotline	Provide a dedicated service hotline to enable employees to fully express their thoughts and communicate in real-time.			100% handling and response rate
Employee Message Board	Provide an online employee message board that allows employees to timely reflect opinions or provide suggestions, with responsible departments handling and responding promptly.			
Email	Provide an internal dedicated mailbox 8160 to allow employees to timely reflect opinions or provide suggestions.			100% handling and response rate
Human Rights Grievances	Provide grievance hotline/fax/mailbox to allow employees to timely reflect human rights-related issues.	Sustainable Development Committee	Significant violations or matters that may cause major losses to the company	No discrimination grievance cases in 2024
Business Conduct and Ethics Compliance Reporting System	Provide external grievance channel Business Conduct and Ethics Reporting System for grievances or reports			No business ethics grievance cases in 2024

Employee Engagement Survey

King Yuan Group values human assets. KYEC has conducted an annual Employee Engagement Survey since 2015 to understand employees' views on workplace work and establish a good work environment. This survey was conducted anonymously, with 6,994 questionnaires distributed, 5,913 valid responses collected, achieving a response rate of 85%. Focusing on factors that influence employees' willingness to stay (organizational commitment), covering company, work, supervisor, and personal factors, the survey encompasses seven major dimensions (job-person fit, job characteristics, leader support, compensation and benefits, work stress, work-family balance, job satisfaction). Based on the survey results, the Company carries out comprehensive and structured salary adjustments and to further implement talent policies and investments.



KLT & ZKT conduct an employee satisfaction survey annually. The survey is conducted using questionnaires. In 2024, 2,702 questionnaires were distributed, with 2,702 valid questionnaires collected, achieving a 100% response rate. The survey content mainly covers working conditions, work environment and workplace facilities, workplace safety, wages and labor quotas, meals, health and safety prevention measures, leave policies, uniforms, training, supervisors, and overall evaluation of company satisfaction. Among these areas, meal satisfaction was rated as acceptable. Based on the survey results, the company continues to make adjustments and improvements to enhance employee satisfaction.



5.2 Compensation and Benefits

Material Topic Management Policy:

Employee Benefits and Salaries

Corresponding GRI Standards:

2-21, 201-3, 401-2, 401-3, 405-2

Impact Description	- Positive Impact: Providing quality benefits to enhance employee satisfaction and increase corporate value. - Negative Impact: Inadequate company benefit policies may damage employee rights, increase turnover rates, and negatively impact business operations and corporate image.		
Policies or Commitments Formulated or Followed	- Internal Regulations Labor and Ethics Management System Manual, Employee Benefits Management Regulations, Compensation Management Regulations - Government Regulations Compliance with the Labor Standards Act and Employee Welfare Fund provisions	Responsible Unit	Human Resources Department
Management Actions	- Establish a competitively advantageous compensation and benefits system within the industry to attract and retain talent. - Provide diverse welfare measures and programs, actively seek partnerships with vendors across Taiwan (e.g., food, clothing, housing, transportation, etc.), and sign preferential agreements to offer employees consumer discounts. - Create a harmonious work environment and workplace atmosphere, fostering a positive socioeconomic cycle.		
Process for Tracking Action Effectiveness	- In accordance with government minimum wage increases, the Company adjusts minimum wages pursuant to legal requirements. - Convene Employee Welfare Committee meetings quarterly to foster harmony between labor and management. - Organize diverse Employee Welfare Committee activities to enhance communication and interaction among employees.		
Management performance indicators			
2024 Achievement Status	Short-term Goals (2025)	Medium-term Goals (2030)	Long-term Goals (2050)
- Minimum wage complies with government regulations. - Employee engagement score for "Compensation and Benefits" dimension: 4.66	- Minimum wage complies with government regulations. - Employee engagement score for "Compensation and Benefits" dimension: 4.68 (Kyec)	- Minimum wage complies with government regulations. - Employee engagement score for "Compensation and Benefits" dimension: 4.70	- Minimum wage complies with government regulations. - Employee engagement score for "Compensation and Benefits" dimension: 4.72

Note: In Taiwan, annual employee engagement surveys are conducted across 7 dimensions, with the "Compensation and Benefits" dimension scoring above 4.5 points (out of a maximum 6 points), indicating an overall performance above average level for this dimension.

5.2.1 Equal Compensation

Competitive Compensation

King Yuan Group's employee compensation standards are determined by educational background level and professional skills and experience, without any discrimination based on gender, race, religion, political stance, marital status, union membership, or other associations. The standard starting salary exceeds the minimum wage required by local regulations, with the overall structure including base salary, allowances, bonuses, and profit sharing. Additionally, salary adjustments and differentiated bonus/profit-sharing systems are provided based on the company's operational performance, individual performance results, and job responsibility contributions, to reward employees' hard work and dedication, and to motivate continuous employee growth. Furthermore, adhering to the principle of profit sharing, if there are annual profits, 8% to 10% should be allocated as employee compensation, while maintaining an average annual salary increase of 3-5% company-wide (the Company reserves the right to increase, decrease, or adjust based on operational performance and other circumstances), to acknowledge employees' contributions. Looking ahead, King Yuan Group anticipates that its operational performance will continue to rise. Additionally, King Yuan Group publicly discloses the average salary of full-time employees not holding managerial positions, which increased by approximately 8.5% in 2024 compared to 2023.

Average Compensation Comparison:

Year	Region	Average Remuneration Ratio - Male vs. Female			
		Job Category			
		Management Personnel	Engineering Personnel	Administrative Personnel	Technical Personnel
2024	King Yuan (KYEC)	1.16	1.1	1.10	0.98
	KLT & ZKT	0.98	1.07	1.16	1.02

Non-Manual Position Salary Comparison - King Yuan (KYEC):

Item	2022	2023	2024	Increase
Average Salary	863	792	859	8.5%
Median Salary	711	665	696	4.7%

1. Unit: NT\$ thousand
2. Increase calculation formula: (2024 amount - 2023 amount) / 2023 amount x 100%

The ratio of the President's total compensation in 2024 to the median total compensation of the Company's other employees is 39.7 to 1. The ratio of the percentage increase in the President's annual total compensation to the median percentage increase in the average annual total compensation of the Company's other employees is 3.21 to 1.

Sound Retirement Plan

To ensure employees' retirement security, promote labor-management relations, and enhance work efficiency, KYEC has established a Labor Retirement Fund Supervisory Committee in accordance with the law. This committee supervises the storage and disbursement of retirement funds. As required by regulations, 2% of the total monthly payroll is allocated to the retirement fund, which is deposited in a dedicated account at the Bank of Taiwan. Starting from July 1, 2005, employees under the new system have 6% of their monthly contribution wages contributed to their retirement fund, which is stored in individual retirement accounts established by the Bureau of Labor Insurance. Employee participation rate in retirement plans is 100%.

Additionally, KYEC estimates the balance of the aforementioned labor retirement fund account before the end of each year. If the balance is insufficient to cover the total retirement benefits for employees estimated to meet retirement conditions in the following year, the difference will be contributed in a lump sum by the end of March of the following year to protect employees' retirement rights.

Retirement Plan - KYEC:

Item	Retirement Fund Contribution as Percentage of Salary		Employee Participation Rate in Retirement Plans
Old System Retirement Fund ^(Note)	Employer: 2%	Employee: 0%	100%
New System Retirement Fund	Employer: 6%	Employee: 0-6%	100%

Note: Applies to those with old system retirement fund seniority; however, new system retirement fund seniority begins only after the employee voluntarily chooses to switch to the new system retirement fund eligibility.

In addition, KLT & ZKT also contributes to pension insurance for each employee, promoting harmonious labor-management relations and protecting employees' retirement benefits.

Retirement Plan - KLT&ZKT:

Item	Company & Employee Monthly Pension Insurance Contribution Ratio	
Pension Insurance	Employer: 13%	Employee: 8%

5.2.2 Comprehensive Welfare Measures

Meal Care

Recognizing that food is essential to wellbeing, King Yuan Group takes care of its employees by offering a variety of meal options to provide them with different choices. For example, the on-site cafeteria provides daily options including fruit and vegetable-rich meals, gourmet meals, light meals, and healthy meals, while the convenience store supplies staple foods, fresh salads, and fruits, with all meals included in the meal subsidy program. The coffee bar also incorporates light meals into the menu for all three meals.

The current approach to contractor health management focuses on key contractors based on their on-site duration, with long-term on-site contractors including: catering vendors, convenience store vendors, coffee bar vendors, cleaning contractors. Contractors provide health examination reports for their on-site workers, and when abnormal cases are identified, the on-site health team reminds the contractor's employer to pay attention to and care for their employees' health conditions.

LOHAS King Yuan

To enhance employee cohesion and foster a positive organizational culture, King Yuan Group designs a range of activities that allow employees to relax and engage in recreational activities during their leisure time.

Organizing diversified activities:

To promote employee interaction and communication, demonstrate teamwork spirit among employees, and enrich employees' leisure life outside of work, King Yuan Group organizes various diversified activities every month to enhance cohesion among employee teams. In 2024, KYEC organized a total of 12 activities with approximately 15,000 participants. KLT&ZKT organized a total of 23 activities with approximately 5,535 participants.

Month	Activity Name	Number of Participants
2	Fun Bowling Tournament	240
3	3x3 Basketball Competition	245
4	Robot Car Competition	144
5	Basketball Package Deal Activity	1200 (employees + family/friends, 32 groups total)
6	Laser Tag Competition	192 (32 groups total)
7	Basketball Shooting Machine Competition	240 (48 groups total)
8	Family Day	11,000 (employees + family/friends)
9	Badminton Competition	192
10	Karaoke Competition	65 groups (Mandarin x42 + English x13 + Vietnamese x10)
11	Movie Appreciation	2500 (employees + family/friends)
12	Darts Tournament	132 (33 groups total)



Recognition and Awards

To reward outstanding colleagues and establish internal role models, we have established reward criteria to select those with exceptional performance. Each year, we conduct factory-wide model employee selection, create honor roll posters of model employees, and post them on bulletin boards for colleagues to read and learn from, promoting mutual encouragement among colleagues. In addition to internal encouragement methods, the company also actively nominates factory model employees to participate in external model worker selection activities. Many colleagues have received honors as Miaoli County Model Workers and Outstanding Employees of Hsinchu Science Park.

To thank senior colleagues for their long-term contributions to the company, colleagues who have worked for 5 years, 10 years, and 25 years will receive seniority awards.

Quality Workplace

Creating a quality work environment is King Yuan Group's primary goal. We have established a range of recreational areas on high floors with good views, such as table tennis areas, employee restaurants, 24-hour convenience stores, and coffee bars. Allowing employees to enjoy outdoor scenery while exercising and dining.

▼ Table Tennis Area



▼ Convenience Store



▼ Massage Room



- (1) Weight scales and electronic blood pressure monitors are installed in public areas for use by all employees, facilitating self-measurement and self-health management.
- (2) The reading room provides books, newspapers, and magazines with a collection of 13,579 books. The massage room in the first-floor lobby is staffed by visually impaired massage therapists who serve colleagues, referred through the Miaoli County Association for the Visually Impaired, providing stress relief and relaxation services for employees. In 2024, a total of 11,583 people participated.
- (3) Creating a friendly breastfeeding environment with comfortable sofas, refrigerators for storing breast milk, and information on infant feeding knowledge. In 2024, KYEC averaged 27 users per month.

Comprehensive Insurance System

Pursuant to law, labor and health insurance are provided for employees on their first day of employment. Additionally, the Company pays in full for group insurance coverage for all employees (including life insurance, accident insurance, medical insurance, casualty insurance, and occupational injury insurance). At the same time, the Company also provides travel insurance for overseas business trips and arranges for insurance company representatives to be stationed at each factory weekly to provide insurance-related consultation services for colleagues.

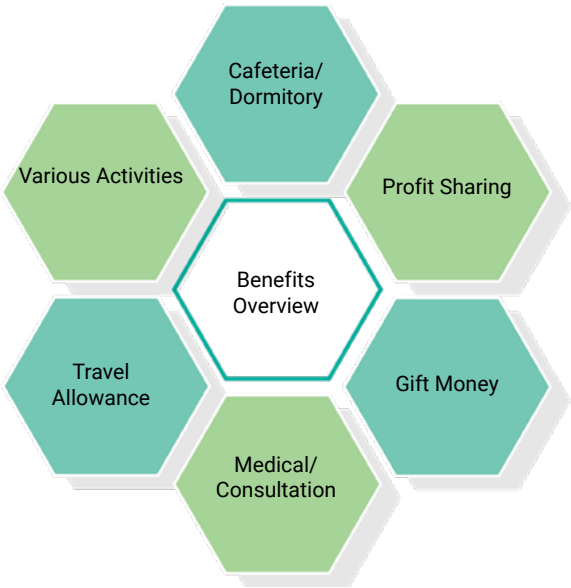
Comprehensive Leave System and Benefits

KYEC has established leave-related regulations in accordance with the Labor Standards Act, Rules for Workers Taking Leave, and the Act of Gender Equality in Employment, including marriage leave, bereavement leave, menstrual leave, maternity leave, paternity leave, prenatal examination leave, and annual leave, all granted in compliance with legal requirements. The company also provides employees with benefits and measures related to food, clothing, housing, and transportation, including employee profit sharing, annual salary adjustments, bonus systems, free regular health examinations, infirmary and specialist physician free medical consultation services, employee dormitories, employee cafeteria and meal subsidies, library reading rooms, free car and motorcycle parking, senior employee and model employee rewards, departmental activity funding subsidies, preferred vendor partnerships, etc. However, the Company reserves the right to increase, decrease, adjust, or discontinue any of the aforementioned benefits based on business conditions and other legitimate reasons.

KLT & ZKT establish leave-related regulations in accordance with the Labor Standards Act, Labor Contract Law, Special Protection Law for Female Employees, and other regulations, including marriage leave, bereavement leave, prenatal examination leave, maternity leave, paternity leave, nursing leave, and annual leave, all granted in compliance with legal requirements. In addition, KLT & ZKT also provide employees with benefits and measures

related to food, clothing, housing, and transportation, including employee profit sharing, employee cafeteria and free work meals, employee dormitories for colleagues from distant areas, library reading rooms, gymnasiums, free car and motorcycle parking, free regular health examinations, infirmary consultation services, free group insurance coverage, senior employee and model employee rewards, departmental activity funding subsidies, etc.

Furthermore, substantial bonuses are provided in various activities to attract and encourage employee participation, promoting a balance between work and life. We also regularly review our internal benefits situation and plan appropriate benefit measures according to colleagues' needs (such as signing agreements with nearby kindergartens), so that colleagues' family members can also enjoy convenience in daily life. Various subsidies provided by the Employee Welfare Committee are subject to the operations and resolutions of the Employee Welfare Committee meetings, which reserve the right to increase, decrease, adjust, or discontinue the implementation of benefits.



5.2.3 Family-Friendly Workplace

King Yuan Group provides comprehensive support and care for pregnant employees, and has established operational protection regulations specifically for female employees:

- (1) Establish standards for heavy lifting.
- (2) Pregnant employees are prohibited from handling work involving hazardous, explosive, flammable, and other dangerous substances.
- (3) Pregnant and breastfeeding employees are prohibited from working night shifts.
- (4) Comply with occupational safety and health regulations that prohibit female employees from engaging in dangerous or hazardous work.
- (5) Organize health promotion activities such as maternal seminars and gynecological cancer screening to take care of employee health.
- (6) Provide colleagues with a comfortable breastfeeding environment, designed to high standards, using environmentally friendly, non-toxic, and flame-retardant materials, ensuring comfort, privacy, and ergonomic design.
- (7) Grant maternity leave to all eligible employees in accordance with local legal regulations.
- (8) Newborn child welfare subsidies (available to all employees).

To enhance care for employees who are pregnant or breastfeeding, the following corresponding measures are implemented:

- (1) During maternity leave, the on-site health team contacts employees to provide support and consultation services based on their needs.
- (2) After returning to work following maternity leave, arrange for on-site health team to conduct maternal health risk questionnaires and provide health education consultation.
- (3) For cases involving parental leave, the on-site health team conduct face-to-face interviews before employees return to work to assess physical condition and readiness to resume work.
- (4) After returning to work following parental leave, the on-site health team conduct face-to-face interviews to assess job suitability.

▼ Breastfeeding room



King Yuan Group cares about employees' childcare and breastfeeding issues. In addition to providing employee care, pregnancy and postpartum health education consultation, breastfeeding rooms, and contracted childcare centers, the Company also provides parental leave in accordance with Labor Standards regulations and offers proxy services for applying for parental allowances from the Labor Insurance Bureau. Under these comprehensive support measures, the Company's return-to-work rate for employees applying for parental leave in 2024 was approximately 86.8%, with a retention rate of 87.1% for those still employed one year after returning to work.

○ Parental leave personnel analysis

	2024		
	Male	Female	Total
Number of employees eligible for parental leave in the year (A)	206	132	338
Number of employees who actually applied for parental leave in the year (B)	11	25	36
Number of employees scheduled to return from parental leave in the year (C)	11	27	38
Number of employees who actually returned from parental leave in the year (D)	9	24	33
Number of employees who actually returned from parental leave in the previous year (E)	7	24	31
Number of employees who returned from parental leave in the previous year and remained employed for 12 months after return (F)	5	22	27
Retention rate (%) (=F/E)	71.4%	91.7%	87.1%

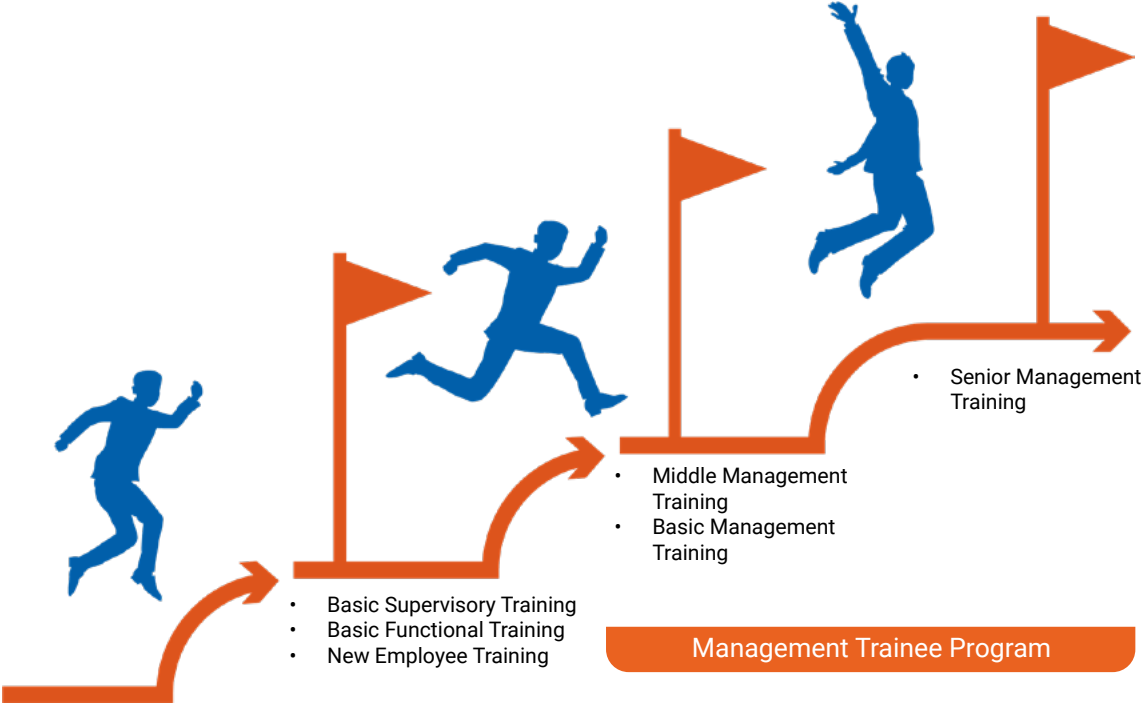
Note: The mainland China region (KLT & ZKT) does not have a parental leave system.

5.3 Diverse Development

5.3.1 Training and Development

● Training and Development

To strengthen the company's management system and sustainable operations, the company places great emphasis on talent development. To effectively achieve talent development goals, the Company has established a comprehensive education and training system for employee learning and development. Regarding employee learning and development planning, the Company establishes phased target plans based on individual employee positions and hierarchical levels, as well as their career development status within the Company. This systematic approach helps employees learn and grow, progressively enriching them with the professional knowledge and skills required for their functional roles, promoting the achievement of training objectives and enhancing overall competitiveness.



King Yuan Group has diversified employee training methods, allowing each colleague to utilize various approaches to obtain rich training resources, promoting self-learning and growth, and establishing an E-learning platform. In addition to on-the-job training, the company promotes educational training through King Yuan e-Academy, with content covering engineering management, environmental management, equipment management, production management, quality management, management skills, legal intellectual property, business systems, and other categories. KYEC currently offers over 600 online course sessions, allowing employees to arrange their learning progress according to their own needs without time and space constraints, effectively strengthening employee education effectiveness. In 2024, the system recorded 254,849 employee usage instances. For KLT & ZKT, there are currently 3,412 online course sessions, with 22,095 employee usage instances recorded in the system.

Furthermore, the Company has established employee learning maps and planned job-specific courses. This enables employees to clearly understand the learning plans arranged by the Company and their departments, and to query training courses and training records through the system. Managers can also manage and track personnel completion rates through the learning map system overview.



The Human Resources Department conducts orientation training for all new employees, covering corporate culture and core values, personnel management regulations (including integrity management and anti-corruption), human rights issues, quality policies (including 6S), legal knowledge & intellectual property education, information security and advocacy, employee health education, occupational safety education, etc. Every employee completes this training.

The Company's learning and development planning for employees is based on individual job positions and hierarchical levels, as well as their career development status within the Company. The Company has established phased target plans to help employees learn and grow, progressively enriching the professional knowledge and skills required for their functional roles. This approach promotes the achievement of training goals and enhances overall competitiveness. The structural framework combines functional competencies of knowledge, skills, behaviors, and attitudes, which helps improve individual work performance and subsequently drives the Company's economic impact and competitiveness.

For management trainee talent development, different management capabilities are required based on the behavioral levels needed at each management tier. The management system courses are divided into senior, middle, and junior management levels. Through a dual mentor system, supervisory guidance and subordinate development capabilities and responsibilities are strengthened. Additionally, senior executives attend supervisory training evaluation meetings every six months to review trainee development outcomes.



Approximately 50% of King Yuan Group's customers are from overseas. The Company encourages employees to strengthen their language abilities, regularly assesses the English proficiency of managers within the facilities and provides learning resources to enhance self-language communication skills, with the expectation that employees can apply their language acquisition to their work.

▼ New Employee Training Courses - KYEC



▼ Environmental Safety Training Courses - KYEC



▼ New Employee Training Courses - KLT and ZKT



▼ Environmental Safety Training Courses - KLT and ZKT



King Yuan Group provides equal training opportunities for everyone regardless of gender. The education and training system includes nine major pillars: (1) supervisory management, (2) new employee training, (3) basic functional skills, (4) professional training, (5) quality training, (6) environmental safety training, (7) legal intellectual property, (8) self-development, and (9) supply chain security. For the 2024 annual training plan, KYEC conducted 439 course sessions with a total of 2,313 course hours and 254,849 total participants, with completion rates >85% across all systems; KLT&ZKT conducted 220 course sessions with a total of 355.5 course hours and 16,653 total participants.

● Average Training Hours per Employee in 2024 (Statistics as of December 31, 2024)

Year	Gender	Job Category							
		Management Personnel		Engineering Personnel		Administrative Personnel		Technical Personnel	
		Total Training Hours	Average Training Hours per Person	Total Training Hours	Average Training Hours per Person	Total Training Hours	Average Training Hours per Person	Total Training Hours	Average Training Hours per Person
2022	Male	10,335	17	133,272	52	1,579	14	167,076	69
	Female	3,671	18	30,295	40	4,480	15	139,261	56
Subtotal		14,005	18	163,567	49	6,059	15	306,337	62
2023	Male	17,352	30	201,307	76	2,909	28	178,210	71
	Female	5,766	28	52,568	70	8,332	27	149,568	64
Subtotal		23,118	29	253,875	75	11,241	27	327,778	68
2024	Male	19,416	33	219,489	77	3,624	32	203,258	62
	Female	6,565	32	61,646	76	10,142	31	169,780	62
Subtotal		25,981	33	281,135	77	13,766	32	373,038	62

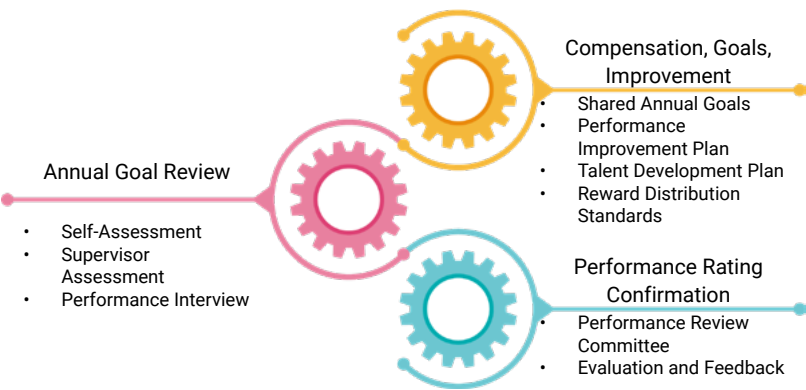
Note 1: Calculated based on training hours statistics for the entire group
Note 2: Total training hours are calculated based on the total person-hours of training for that year

In accordance with government regulations, we train personnel to obtain labor safety-related certifications to comply with operational requirements and ensure proper environmental management. Additionally, we conduct ISO quality-related auditor certification training to enhance internal audit effectiveness, continuously improve quality, and achieve effective operation of the company's quality system. As of 2024, KYEC has assisted employees in obtaining 4,930 certifications across 42 categories. KLT & ZKT has assisted employees in obtaining 1,789 certifications across 32 categories and continues to maintain the validity of these certifications.

5.3.2 Performance Evaluation

Open Performance Evaluation and Promotion Development

King Yuan Group's performance management and development system not only evaluates employee performance during specific periods as a channel for promotion, bonus allocation, and talent development, but also actively serves as an effective pathway to assist employees in their career development. At the end of each year, we review the previous year's goal completion rate through self-evaluation and supervisor evaluation. One-on-one performance interviews are held to reach consensus on past achievements and future objectives. Subsequently, through deliberation by the evaluation committee, the final performance rating is determined, and the evaluation results are given to the individual. Finally, this rating serves as a reference basis for the following year's compensation allocation and talent development, creating a cycle of continuous improvement. In addition, the Company also actively assists and provides improvement opportunities for lower-performing employees, arranging coaching, training, and improvement plans, ensuring that a single evaluation does not diminish their efforts over the entire year.



The process of the Group's employee performance evaluation process is open and transparent, eliminating subjective bias caused by single evaluation sources. Evaluation or promotion results are free from discrimination based on gender, race, religion, marital status, etc. If employees have any objections to performance results, they can submit a review application to the Human Resources Department. Over the past three years, employees participating in performance evaluations averaged approximately 95% in Taiwan and 93% in Mainland China.

Year	Region	Regular Performance Evaluation Personnel Ratio
2022	KYEC	95%
	KLT&ZKT	94%
2023	KYEC	96%
	KLT&ZKT	92%
2024	KYEC	95%
	KLT&ZKT	93%

5.4 Workplace Safety

5.4.1 Occupational Safety and Health Management

Workers are one of the important members of the Company's operational activities. Any safety or health risks in the workplace may have significant impacts on the Company's economy and the health and lives of employees or external workers. King Yuan Group, has established its occupational safety and health regulations at each operational site based on the Taiwan Occupational Safety and Health Management System (TOSHMS). ISO 45001: 2018 Occupational Safety and Health Management System standards, uses the PDCA cycle concept – Plan, Do, Check, Act as the management framework foundation to establish King Yuan Group's Occupational Safety and Health Management System. The Group also establishes an Occupational Safety and Health Committee to identify all possible risks in the work environment, formulate management measures and control procedures, and utilizes the internal website [EHS Platform] to announce safety and health related matters. Additionally, employee message boards, email and other consultation channels are provided for workers, and internal audits are conducted regularly to effectively prevent various accidents and protect workers' health and safety.

Note: External workers refer to all workers other than employees who perform work items designated by the Company within or outside the Company's premises, such as raw material suppliers, equipment maintenance vendors, external consultants, etc.

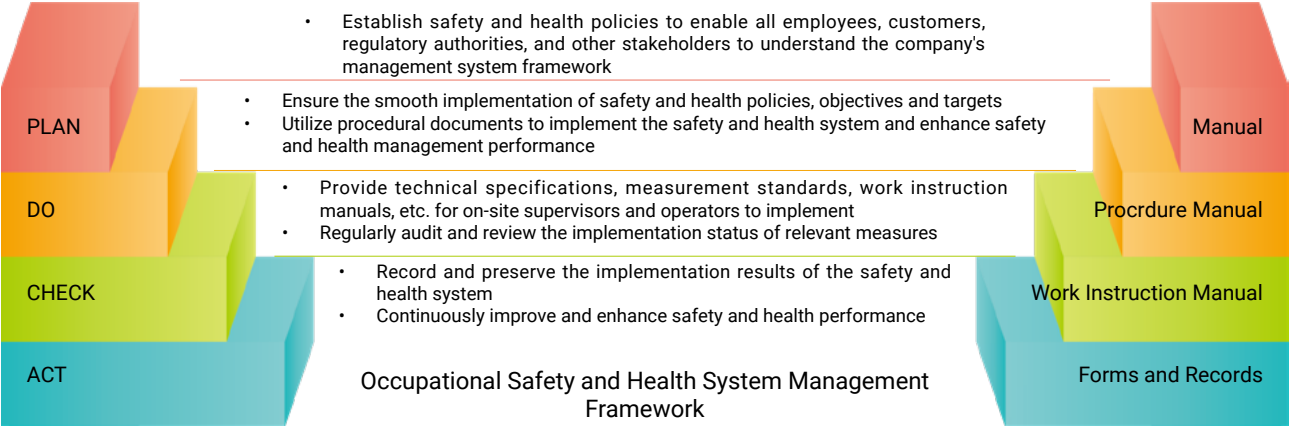
The Company has established occupational safety and health management systems at the following operational sites and has passed external third-party verification. The management system standards adopted by each operational site and the number and proportion of workers covered are shown in the table.

Operational Sites	Occupational Safety and Health Management System Certification Standards	Applicable Sites	Coverage of Workers ^{Note 1}			
			Employees (persons)	Proportion ^{Note 2} (%)	External Workers (persons)	Proportion ^{Note 3} (%)
Hsinchu Factory	TOSHMS 、 ISO 45001	All workplaces at this location	62	100%	0	-
Chu-Nan Factory			6,402	100%	15	100%
Tong-Luo Factory			1,670	100%	2	100%
King Long			2,298	100%	173	100%
Zhen Kun			462	100%	35	100%

Note 1: The Company uses internal data statistics to calculate the number of people covered by the occupational safety and health management system, and this number has been verified through internal audits and external reviews.

Note 2: Proportion of covered employees = Number of employees at operating locations / Total number of employees at operational sites

Note 3: Proportion of covered workers = Number of workers at operating locations / Total number of workers at operational sites



Occupational Safety and Health Committee

The King Yuan Group Occupational Safety and Health Committee is jointly composed of labor and management representatives, with a total of 163 committee members. The President serves as the chairperson, with 73 labor representatives accounting for 44% of all committee members. The Occupational Safety and Health Committee holds regular meetings once per quarter, responsible for reviewing the company's occupational safety and health management measures, the implementation effectiveness of various management procedures, occupational safety and health education and training plans, and occupational accident investigation reports.

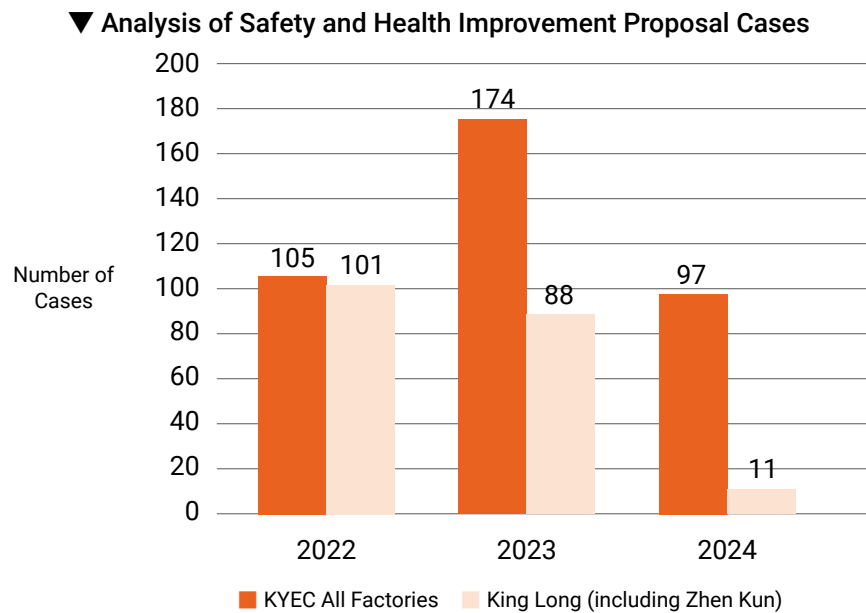
A management group under the Occupational Safety and Health Committee is responsible for regularly executing risk assessment procedures, planning and promoting occupational safety and health policies, arranging annual education and training plans, occupational health services, and health promotion activities. The group also announces occupational safety and health management measures on the Company website, promotes occupational safety and health management policies, and provides multilingual public procedure documents for foreign employees to review, ensuring that all King Yuan Group colleagues clearly understand the Company's occupational safety and health policies.

Worker Communication and Reporting Mechanisms

The management group has established an independent reporting mechanism where workers can anonymously provide feedback, communicate, and consult on occupational safety and health related matters through a dedicated hotline and email at 8510@kyec.com.tw. When foreign employees request communication or consultation, employees with foreign language proficiency or commissioned translators serve as intermediaries to ensure effective two-way communication.

In addition, each facility has established an emergency response center with personnel on duty. Upon receiving abnormal reports, they can immediately conduct notifications and broadcasts according to the emergency situation. Each unit has also established emergency response teams, regularly updates member lists and conducts job task training to strengthen personnel's emergency response capabilities. During quarterly training for both existing and new employees, all staff are informed that if there is an immediate risk that is very likely to occur, they may stop work and retreat to a safe location without endangering the safety of other workers, while simultaneously reporting to their unit supervisor. Through the Company's self-developed digital roll call system, we ensure that all personnel within the facility have completed evacuation to reduce casualty rates when accidents occur, while also ensuring personnel are proficient in using safety protective equipment to guarantee the effectiveness of emergency response procedures.

Upon receiving reports, the management group must immediately conduct investigations, assess the possibility and severity of hazards, formulate response measures and report to the Occupational Safety and Health Committee for review, and announce the investigation and resolution results to all company workers. Personnel who proactively report can receive performance rewards to encourage staff to participate in supervising and report potential occupational safety and health risks, to reduce the occurrence of hazardous incidents. In 2024, King Yuan Group submitted a total of 108 improvement proposals.



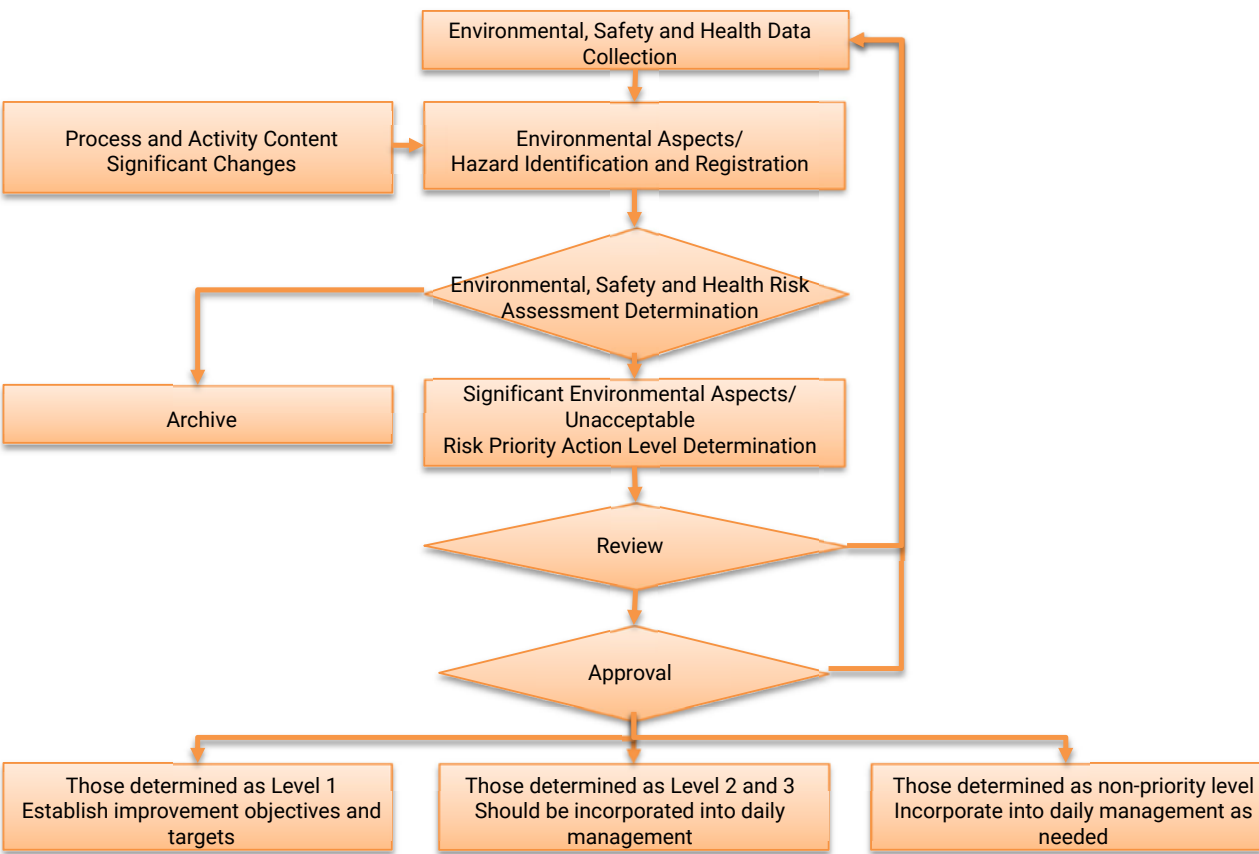
Occupational Safety and Health Risk Assessment

King Yuan Group follows local occupational safety and health regulations at its operational locations and has established hazard identification and risk assessment management procedures, which are implemented by the occupational safety and health management team under the Occupational Safety and Health Committee. In 2024, professional training on hazard identification and assessment was conducted for the occupational safety and health management team, and members were encouraged to obtain relevant external certifications.

The occupational safety and health management team conducts annual reviews of work environments at operational locations and upstream and downstream suppliers across various sites. Based on hazard severity, probability of occurrence, and existing protective facilities, risks are classified into five levels: major risk, high risk, moderate risk, low risk, and minor risk. The team evaluates potential categories of major occupational accidents or occupational diseases, and implements control measures to reduce risks for major, high, and moderate risk items. External personnel are regularly assigned to audit the effectiveness of these control measures. To ensure the effectiveness of control measure implementation, the Company compares external audit results with original targets. External audit personnel who have received professional hazard identification and risk assessment training and obtained professional certifications conduct these audits locally. Regular meetings are held to review deficiencies, track effectiveness, and formulate subsequent improvement directions.

In addition to routine risk assessments, the Company conducts additional risk assessments for non-routine events such as major changes to workplace equipment or operating procedures, serious occupational accident incidents, or significant worker complaint cases. The Company revises the originally determined risk levels and preventive measures to immediately respond to and prevent disaster incidents.

Risk Assessment Hazard Identification Flowchart



Risk level of operational sites

Operational Sites	Site risk level	Number of audits	Number of major violations during audits
Hsinchu Factory	Minor	12	0
Chu-Nan Factory	Low	168	0
Tong-Luo Factory	Low	72	0
King Long	Minor	60	0
Zhen Kun	Minor	12	0

Risk level classification and corresponding management mechanisms

Risk level	Management mechanisms
Major risk	Establish operational control procedures and supervisory measurement requirements, review the effectiveness of control and supervision annually, and list as key items for management inspections and priority improvement projects.
High risk	Establish operational control procedures and supervisory measurement requirements, review the effectiveness of control and supervision annually, and list as key items for management inspections and secondary improvement projects.
Moderate risk	Establish operational control procedures and supervisory measurement requirements, review the effectiveness of control and supervision annually, and list as key items for management inspections and improvement projects.
Low risk	Conditionally acceptable, with appropriate procedures, controls and safety protections in place and control measures established as needed.
Minor risk	Accept as is, no measures required.

High-risk items and control measures for King Yuan Group work areas

Operational Sites	Risk items	Hazard type	Control measures
Chu-Nan Factory	Electric tool charging management	Fire, electric shock	1. Add charging environment specifications 2. Add precautions for charging methods, cables, etc.
Tong-Luo Factory	Maintenance operations	Crushing injury	1. Add safety shoe wearing requirement 2. Conduct regular inspections
King Long	Confined space	Oxygen deficiency, poisoning	1. Test oxygen content with oxygen concentration detector 2. Wear supplied-air respirator mask
Zhen Kun	Hazardous chemical leakage	Burns	1. Wear chemical protective clothing 2. Regularly inspect local exhaust devices

Occupational Safety and Health Education Training

Occupational safety and health education training and promotion form the foundation for enhancing safety awareness among employees and contractors. All employees of King Yuan Group must receive general occupational safety education training each year. Knowledge and skills training for employees and external workers is conducted separately according to different departmental work patterns and work environments to enhance employee safety awareness and prevent accidents.

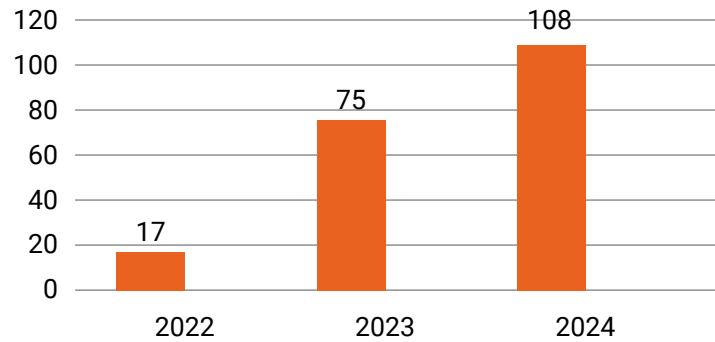
Category	Course Content	Training Participants	Total Training Hours/ Sessions
General Occupational Safety Education Training	General occupational safety education training, including regulatory overview, occupational safety and health concepts and work rules, standard operating procedures, emergency response procedures, fire safety and first aid knowledge.	All Employees	8 hours/9 sessions
Occupational Hazards	Occupational accident and occupational disease prevention, such as traffic safety training, accident investigation education training, and environmental aspects and hazard identification risk assessment education training.	All employees or team members	30 hours/27 sessions
Hazardous Activities	High-risk activity operation procedure education training, such as equipment relocation personnel education training, chemical hazard communication education training, nitrogen cylinder operation education training, high-pressure gas work supervisor, specific chemical substance work supervisor, and organic solvent work supervisor.	All employees or employees involved in such operations	126 hours/36 sessions
Hazardous Situation Training	Hazardous situation emergency response training, such as fire drills, earthquake drills, fire extinguisher education training, rescue team education training, and evacuation guidance team education training.	All employees or team members	86 hours/33 sessions

Each year, drill themes are planned, emergency response drill plans are scheduled for each unit, and each shift conducts drills according to the plans. Pre-drill meetings discuss the appropriateness of emergency response planning, implementation verification and scoring are conducted during drills, and post-drill reviews identify improvement items and propose relevant recommendations. Actively participate in the Regional Joint Defense Committee of Toufen-Zhunan Industrial Park to exchange environmental, safety, and health management experiences with each other, and achieve mutual support functions.

A total of 108 emergency response drills were conducted in 2024. The statistics of drill types and sessions from 2022 to 2024 are as follows:

Type	2022	2023	2024
Fire Rescue/Earthquake Disaster	11	30	35
Hazardous situation response drills	3	12	26
Plant-wide Evacuation	1	4	5
Shuttle Bus Drill	2	29	42
Total	17	75	108

▼ 2022-2024 Emergency Response Drill Sessions



▼ Chemical spill drills

▼ Fire rescue training

▼ Shuttle bus evacuation drills

▼ Evacuation drills



● Supplier occupational safety and health audits

Contractor management is a very important part of environmental, safety and health management, as a considerable proportion of contractor operations are high-risk activities. If operations are not conducted carefully, there is not only the risk of casualty but also the potential for business operation interruptions. Therefore, for contractor construction environmental, safety and health management, the Company has established contractor management and procurement management procedures. This requires the signing of a "Contractor or Subcontractor Safety, Health, and Environmental Commitment" before contracting begins, committing to comply with plant environmental, safety and health regulations and various construction guidelines during the construction period to achieve the goal of "zero accidents, zero disasters".

Contractors receive at least two hours of in-plant hazard notification education and training before entering the facility and undergo annual refresher training. Safety promotion is also conducted through monthly contractor coordination meetings which cover KYEC Group's occupational safety and health regulations, general safety and health training, and high-risk contractor operation emergency response drills. These meetings share the Company's management experience in creating a safe and healthy workplace, working together with the supply chain to build a safe and healthy work environment.

The Company conducts multiple occupational safety and health education and training sessions for new and existing suppliers, such as occupational safety and health regulation briefings, general safety and health training, and high-risk contractor operation emergency response drills. The sessions share the Company's management experience in creating a safe and healthy workplace, working together with the supply chain to build a safe and healthy work environment.

Type	2022	2023	2024
Contractor education and training personnel/sessions	605	1,029	3,678

King Yuan Group implements personnel access control through electronic construction application and contractor personnel card-swiping systems and conducts risk classification management for various operations. For higher-risk operations, in addition to strengthening inspection and control, KYEC has also introduced an AI behavior detection system, installing CCTV in high-risk areas of the factories for detection. If personnel behavior does not comply with site requirements, an alarm will be triggered and system notifications will be sent to relevant personnel, using digital management methods to enhance safety and health performance.

King Yuan Group continues to audit key suppliers annually to confirm whether there are any violations of the Company's occupational safety and health regulations and investigates the number of occupational injuries and occupational diseases that occurred during the year, assessing suppliers' occupational safety and health management deficiencies. If they are non-serious in nature, the Company proposes items that should be improved and suggests improvement measures, giving suppliers a 2-month improvement period, and re-auditing after 2 months to confirm that their workplace no longer has significant occupational safety risks. All suppliers passed the Company's occupational safety and health audit this year.

5.4.2 Health Management and Promotion Program

King Yuan Group's management supports the promotion of health promotion policies, and the formulation of implementation plans and programs, establishing comprehensive safety and health policies signed and announced by the President, and clearly incorporating "Promoting Health" and "Ensure Employee Health" among others. The policy content is as follows:

- Health management

 - Standards for On-site Physicians
 - Graded Management of Abnormal Items
 - Enhanced Care for Severe Cases
 - Abnormal Follow-up for Foreign Colleagues
 - Health Tracking for Contractors

Healthy workplace

 - The Company values employee benefits
 - Consider the needs of all colleagues
 - Plan diverse activities year by year
 - Increase activity reward measures

Health Promotion

 - Based on health examination results
 - Develop health promotion activities
 - Senior management support and approval
 - Conduct follow-up questionnaire evaluations

Welfare Measures
- Effectively utilize energy resources, promote waste reduction and recycling, reduce wastewater and greenhouse gas emissions, and do not use ozone-depleting substances.
 - Continuously improve and enhance environmental safety and health performance and strive for pollution and injury/illness prevention to comply with environmental protection and safety and health regulations as well as customer requirements.
 - The implementation of environmental protection and safety and health is everyone's responsibility, and we continuously promote and educate this concept.
 - Implement risk management and promote health promotion to pursue the goals of "zero disasters" and "zero injuries".
 - Establish a Green Supply Chain management system to ensure work environment and employee health and reduce the environmental impact of products, processes, and related services.
 - Regularly convene Occupational Safety and Health Committee Meetings quarterly to discuss health-related issues.
 - Develop health management promotion plans annually and implement them with approval from management.

○
 Promote health services and health promotion activities

KYEC has established qualified medical personnel and on-site physicians in the factory in accordance with the regulations of the Occupational Health Protection Rules to facilitate the promotion of health promotion activities and provide chronic disease prevention and medical care referral services. Annual health examinations are conducted every year, and based on the analysis results after the examinations, annual health promotion plans are formulated, and health promotion activities are actually implemented; personnel engaged in special operations are arranged to receive specialized physical health examinations annually. The Company adopts graded management based on health examination analysis results. For those with abnormal physical examination and health examination results, the on-site health team provides professional health education consultation, while factory nurses provide care for various types of injuries and illnesses within the factory and maintain records and statistics of injury and illness categories.

The on-site health team handle reports of abnormal physical and health examination re-examinations and follow-up on re-examination results based on employee needs and annual health promotion plans. The on-site health team establishes data standards according to examination items, and abnormal data is categorized by severity into severe, moderate, and mild levels for health management.



In addition, the Company arranges annual health lectures, cancer screening, occupational specialist physicians and on-site medical service consultations each year. The Company also holds weight loss and smoking cessation programs annually. Through these promotional activities, the Company strengthens employees' autonomous health management improvement, adjusts lifestyles to enhance employee health awareness, and creates a healthy and safe work environment.

The Company regularly organizes weight loss and smoking cessation program series activities. Activity content includes: weight and carbon monoxide measurements (before and after), monthly voluntary employee exercise, nutrition lectures, metabolic syndrome lectures, and smoking cessation lectures. Monthly measurement records are kept to track weight loss and smoking cessation effectiveness, and participants submit outdoor exercise photos and dietary records, etc. To encourage participants' efforts, the Company provides participation rewards for employees who join the activities and gives generous monetary rewards to the top three weight loss achievers and employees who successfully quit smoking. The effectiveness of these activities is publicly recognized in meetings. Over the past 2 years, a total of 160 people participated in the weight loss and smoking cessation program series activities. There are 10 people who successfully quitting smoking and a total weight loss of 346.6 kilograms.

The Company actively values employee health. Each year's health examination reports provide employees with a comparison of their examination data over three consecutive years, which has enhanced personal health awareness. For employees with the three highs high blood pressure, high blood sugar, and high cholesterol, in addition to arranging face-to-face consultations with on-site medical service physicians, high-risk cases are referred to medical institutions. The Company provides health lecture series courses and encourages daily blood pressure monitoring and regular follow-up visits. Additionally, the Company has independently developed a health management APP tool to remind employees to log their daily blood pressure values, enabling effective self-management and health protection.

The Company continues to promote health promotion series courses to protect employee health. In 2024, the Company organized chronic disease prevention and treatment series courses including: cardiovascular disease, blood sugar disease, metabolic syndrome, cholesterol, high blood pressure, high blood sugar, and high cholesterol, and kidney disease, etc.

▼ Health Promotion Activity Implementation Status

	Year	2022	2023	2024
King Yuan (KYTEC)	Sessions	2	14	14
	Number of People	293	976	1246
KLT & ZKT	Sessions	1	2	1
	Number of People	20	102	30

▼ Annual Health Examination Activities

▼ Chronic Disease Prevention and Treatment Lectures



▼ Blood Donation Activities



In 2024, received the Healthy Workplace Certification Mark from the Health Promotion Administration, Ministry of Health and Welfare

▼ Company Headquarters Health Activation Mark



▼ Chu-Nan Branch Office Health Promotion Mark



▼ ong-Luo Factory Branch Office Health Promotion Mark



▼ Packaging Factory Health Promotion Mark



KLT has been organizing women's health seminars since 2021 to help female employees gain a better understanding about women's health. Educate women to undergo regular health checkups, timely detect and treat diseases, and reduce the risk of illness. Enhance women's awareness and ability to manage their health, encourage them to share health knowledge with family members, jointly promote the improvement of family health literacy, and comprehensively enhance women's health standards and quality of life.

In the second half of the same year, first aid training was conducted to improve employees' first aid knowledge and skills, so that they can quickly and correctly perform first aid treatment in emergency situations, thereby minimizing the risk of casualties and deterioration of medical conditions. The goal of first aid training is to cultivate employees' basic first aid skills, including cardiopulmonary resuscitation, hemostasis, bandaging, etc., so that they can promptly take correct first aid measures when accidents, sudden illnesses, or other emergency situations occur, protecting patients' life safety.

Employee physical and mental health is an important factor for the company's sustainable operation. In addition to the aforementioned health seminars and first aid training, KLT's living quarters, as employees' second home, has the obligation to provide employees and their families with a good resting environment and health services. In 2023, through community free medical consultation activities, we helped employees and their families understand their physical health conditions, timely detect potential medical issues, and disseminated health knowledge to them, which played a positive role in enhancing disease prevention awareness and promoting physical health.



In 2024, cardiopulmonary resuscitation and automated external defibrillator training was held. Its popularization can improve public first aid capabilities, enhance the level of accident handling, and significantly increase the success rate of rescuing patients with cardiac arrest.

Employee Physical and Mental Health

The physical and mental health for our employees is a key factor in the Company's sustainable operations. In addition to appointing specialist doctors, we also collaborate with psychologists from psychiatry outpatient clinics at major hospitals to provide on-site services. We established the Employee Care Network to demonstrate the Company's commitment to employee wellbeing. To support staff in emergency situations, King Yuan established a 24-hour employee emergency assistance hotline "Kyec 119," handled by dedicated personnel, providing information and resource assistance.

To reduce health hazards for personnel in high-risk operations with special injuries and illnesses, the medical team provides care based on personnel's physical, psychological, and occupational injury issues. Upon receiving reported cases, the on-site health team makes contact and record the reports, working together with unit supervisors to care for individual case needs and provide care.

- (1) For injury cases both inside and outside the factory, the medical team conducts return-to-work assessments based on physical recovery status and original job characteristics to achieve appropriate work suitability arrangements.
- (2) Through the attendance system, we identify cases requiring health-related care, such as sick leave, maternity protection leave, treatment leave, continuous leave, etc. The medical team proactively contacts and cares for these cases to provide personnel assistance.

- (3) In collaboration with psychiatry departments of nearby medical institutions, professional counselors provide psychological counseling services, with necessary referrals for medical treatment and medication when needed.

(4) The counseling room is designed with privacy and safety in mind. When colleagues have needs related to work career, family life, interpersonal relationships, physical and mental health, the company hires professional counselors to provide free counseling services for colleagues at the factory.

(5) Employee Immediate Care Network: Through various communication channels, information is promptly reported to the Employee Relations Department, enabling timely delivery of the company's care and resource provision to employees.

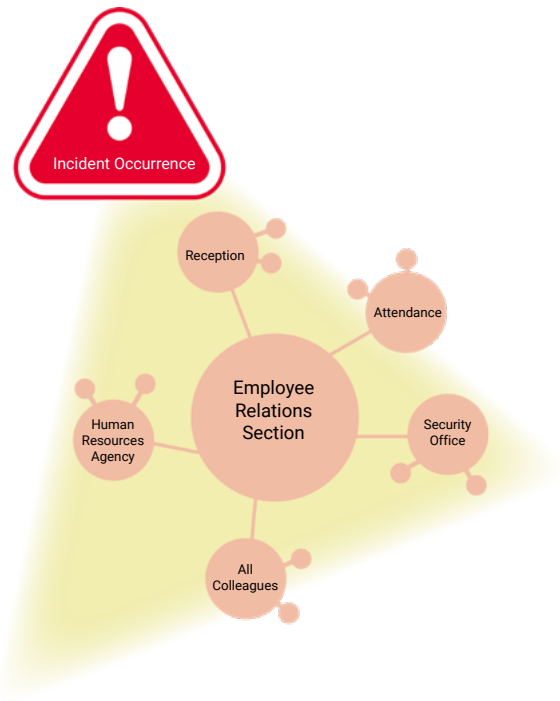
(6) Regularly disseminate health promotion advocacy information and organize workplace health promotion related activities.

A. Set up a dedicated Environment, Health, and Safety corridor area within the factory, regularly replacing health promotion themed posters.

B. Set up promotional leaflets and health books in the medical office for colleagues to read at their convenience.

C. The Company's internal reading room also provides medical and health magazines and books for employees to borrow.

D. Regularly replace health promotion themed posters and disseminate through the announcement system.



5.4.3 Occupational Accident Handling

King Yuan Group has established standard reporting procedure for occupational safety and health accidents. When an occupational safety and health incident occurs, the injured person, workplace supervisor, or other personnel present should immediately handle and respond according to the safety and health management process. On-site personnel should promptly report to the occupational accident reporting system under the industrial safety unit, explaining the nature of the incident, identity of injured personnel, incident location, cause of the incident, and degree of personnel injury. Upon receiving the report, the industrial safety unit will classify the incident by severity level, simultaneously inform the human resources unit and medical institutions, and collaborate in investigating whether there were any deficiencies or abnormalities in the work environment, personnel operations, or standard operating procedures at the time of the incident. After clarifying the cause of the accident, the industrial safety unit must report the accident investigation results and improvement plan to the department supervisor where the accident occurred and the Occupational Safety and Health Committee, jointly decide on improvement measures for the work environment or standard procedures, and announce the post-investigation treatment and subsequent improvement results to all employees and contractors, while strengthening training and promoting new control policies within three months after the accident occurrence.

○
 Employee Occupational Accident

King Yuan Group employees experienced a total of 29 occupational accident incidents in 2024. The Occupational Safety and Health Management Team has conducted comprehensive investigations and improved existing management measures, continuously monitoring the implementation effectiveness of improvement measures.

King Yuan Group's frequency-severity indicator for this year was 0.18, which was higher than the previous year's 0.12. The Company's Occupational Safety and Health Committee reviewed the causes and found that the increase in accident rate this year was due to an increase in the number of physical work injuries. Therefore, the committee will re-examine management deficiencies and strengthen advocacy and educational training to improve workplace safety and employees' safety awareness.

▼ Employee Occupational Accident Statistics Table

Item	2022	2023	2024
Total Working Hours (Hours)	18,216,800	18,450,216	15,241,980
Occupational Injury Fatalities (Cases)	0	0	0
Occupational Injury Fatality Rate ^{Note 1}	0	0	0
Serious Occupational Injuries (Cases) ^{Note 2}	0	0	0
Serious Occupational Injury Rate ^{Note 3}	0	0	0
Recordable Incidents (Cases) ^{Note 4}	16	20	29
Recordable Incident Rate ^{Note 5}	0.88	1.08	1.9
Disabling Injury Severity Rate ^{Note 6}	27.04	12.55	18
Total Injury Index ^{Note 7}	0.15	0.12	0.18

Note 1: Occupational Injury Fatality Rate = Occupational Injury Fatalities ÷ Total Working Hours × 1,000,000.
 Note 2: Serious occupational injuries refer to occupational injuries that result in employees being unable or having difficulty recovering to their pre-injury health status within 6 months, excluding fatalities.
 Note 3: Serious Occupational Injury Rate = Serious Occupational Injury Cases ÷ Total Working Hours × 1,000,000.
 Note 4: Recordable incident cases refer to all occupational injury incidents that occurred during the year, including the number of serious occupational injuries and occupational injury fatalities.
 Note 5: Recordable Incident Rate = Recordable Occupational Injury Cases ÷ Total Working Hours × 1,000,000.
 Note 6: Disabling Injury Severity Rate = Occupational Accident Lost Days ÷ Total Working Hours × 1,000,000.
 Note 7: Total Injury Index = [(Recordable Incident Rate × Disabling Injury Severity Rate) ÷ 1000]^{0.5}.
 Note 8: The Company has had no occupational disease cases filed in the past three years.
 Note 9: Statistical scope of occupational accident data listed in the table: KYEC is based on data reported to competent authorities; KLT & ZKT are based on internal records.

▼ Analysis of Employee Occupational Accident Types Over the Years (Unit: Number of Cases)

Accident Type	2022	2023	2024
	Recordable Accidents	Recordable Accidents	Recordable Accidents
Physical Hazards	15	19	29
Chemical Hazards	0	1	0
Biological Hazards	0	0	0
Ergonomic Hazards	1	0	0
Total	16	20	29

Through education and training, safety controls, and supplier audits in recent years, King Yuan Group had no contractor occupational accident incidents this year, with the recordable accident rate remaining at 0 for the past two years. King Yuan Group will continue to strengthen advocacy and training for suppliers, maintaining the goal of "zero accidents, zero disasters.

▼ Contractor Occupational Accident Statistics

Item	2022	2023	2024
Total Working Hours (Hours)	56,736	34,040	32,376
Occupational Injury Fatalities (Cases)	0	0	0
Occupational Injury Fatality Rate ^{Note 1}	0	0	0
Serious Occupational Injuries (Cases) ^{Note 2}	0	0	0
Recordable Incidents (Cases) ^{Note 4}	1	0	0
Recordable Incident Rate ^{Note 5}	17.6	0	0

Note 1: Occupational Injury Fatality Rate = Occupational Injury Fatalities ÷ Total Working Hours × 1,000,000.
 Note 2: Serious occupational injuries refer to occupational injuries that result in employees being unable or having difficulty recovering to their pre-injury health status within 6 months, excluding fatalities.
 Note 3: Serious Occupational Injury Rate = Serious Occupational Injury Cases ÷ Total Working Hours × 1,000,000.
 Note 4: Recordable incident cases refer to all occupational injury incidents that occurred during the year, including the number of serious occupational injuries and occupational injury fatalities.
 Note 5: Recordable Incident Rate = Recordable Occupational Injury Cases ÷ Total Working Hours × 1,000,000.



5.5 Human Rights Policy

5.5.1 Human Rights Policy

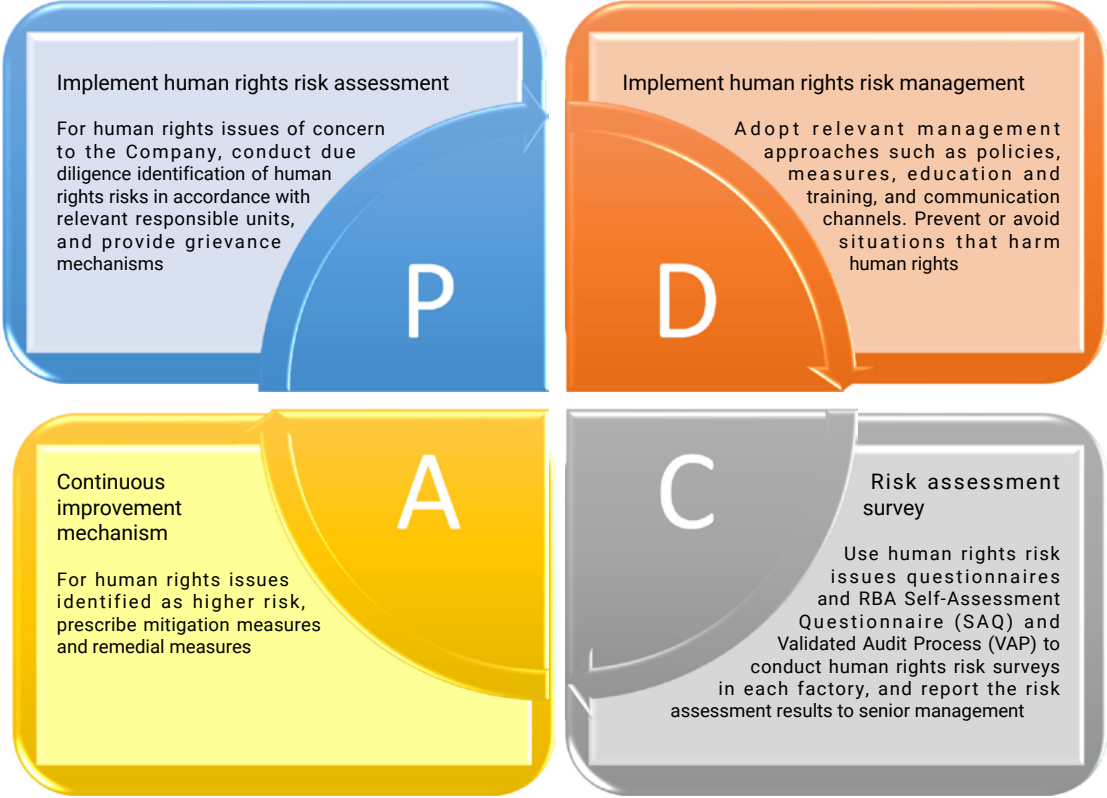
KYEC takes the Human Rights Policy as the highest guiding principle for human rights governance work, and follows internationally recognized human rights standards such as the Universal Declaration of Human Rights, International Labour Organization, ILO - Declaration on Fundamental Principles and Rights at Work and its Follow-up, Ten Principles of the United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights (UNGPs), and International Bill of Human Rights. We support and respect the legal regulations of all global operational locations and adopt standards consistent with the Responsible Business Alliance (RBA) Code of Conduct. KYEC has established a Human Rights Policy to eliminate any violations of human rights, ensuring the protection of all employees (including contract and temporary personnel), suppliers, contractors (including suppliers providing contract workers), business partners, and local community residents, all of whom must comply with this policy. We commit to complying with regulatory requirements, establishing good labor-management relations, supporting transparency of public information, creating a friendly workplace environment, and promoting work-life balance.

To ensure the implementation of the Human Rights Policy, KYEC adheres to the following principles:

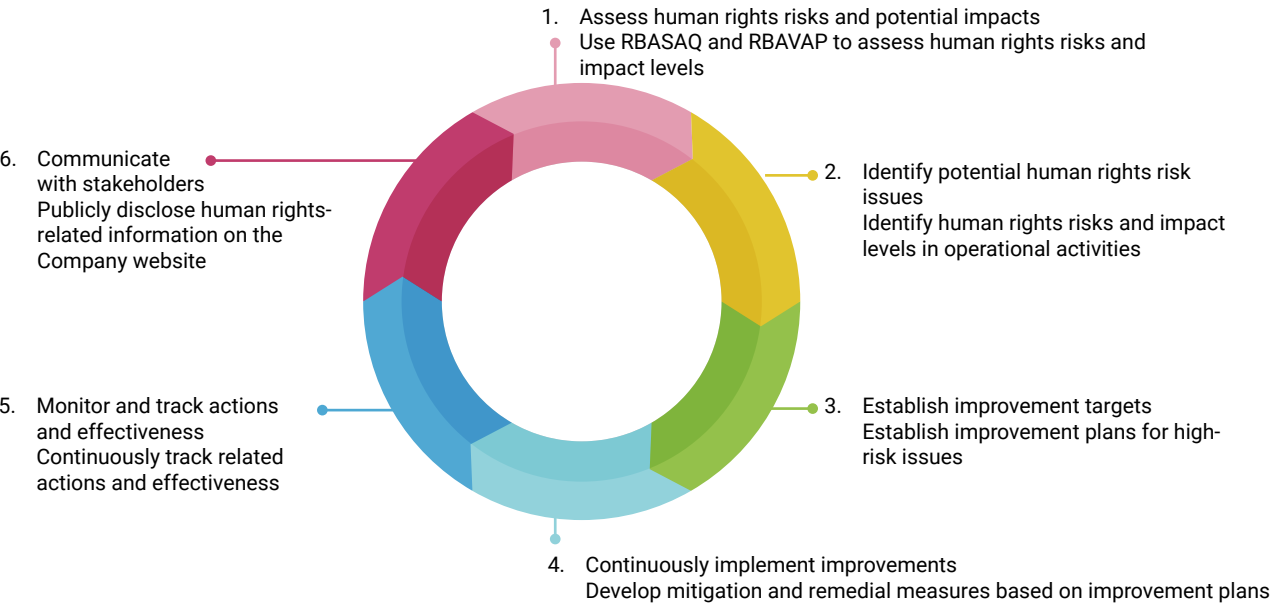
Compliance with Regulatory Requirements	- Comply with local government regulations regarding labor, human rights, gender equality, and other relevant requirements - Provide employees with a safe and healthy work environment
Establishing Good Labor-Management Relations	- Ensure all work is voluntary, that employees are not hired under forced or coercive conditions, and eliminate excessively long working hours. - Prohibit child labor, prohibit harassment, respect privacy rights, and protect freedom of speech, assembly, association, and collective bargaining - Eliminate unlawful discrimination and ensure equal employment opportunities and equal pay for equal work
Supporting supply chain information transparency	- Promote human rights education and training, regularly assess human rights risks, and submit the results to the Sustainable Development Committee for reporting to the Board of Directors - Demonstrate the Company's commitment to upholding human rights through the official website, announcements, and other means.
Creating a Friendly Workplace Environment	- Embrace workplace diversity, establish multiple communication and grievance channels, and ensure smooth and timely opinion expression and communication to achieve effective problem resolution. - In case of violations of human rights or labor laws, promptly take remedial measures
Promoting work-life balance	- Establish health management and promotion programs, prioritizing employee physical and mental health and workplace safety - Commit to providing living wages/minimum statutory wages, ensuring acceptable living conditions, and assisting in maintaining employees' life and work

KYEC implements human rights management through PDCA, adopting relevant management measures, continuous improvement mechanisms, and various risk assessment methods to prevent or avoid the occurrence of human rights violations, while also protecting the rights and interests of relevant stakeholders. Addressing human rights issues faced in the Company's production process.

● Human Rights Risk Management Process



KYEC regularly conducts human rights due diligence surveys, primarily using RBA Self-Assessment Questionnaire (SAQ) and Validated Audit Process (VAP) to assess potential human rights risks and impacts. Formulate corresponding mitigation and remedial measures for human rights risk issues assessed and identified through human rights due diligence surveys. Based on the effectiveness of due diligence implementation, regularly review human rights policies and related procedures to ensure that the execution of human rights protection work can be more thoroughly implemented and improved.



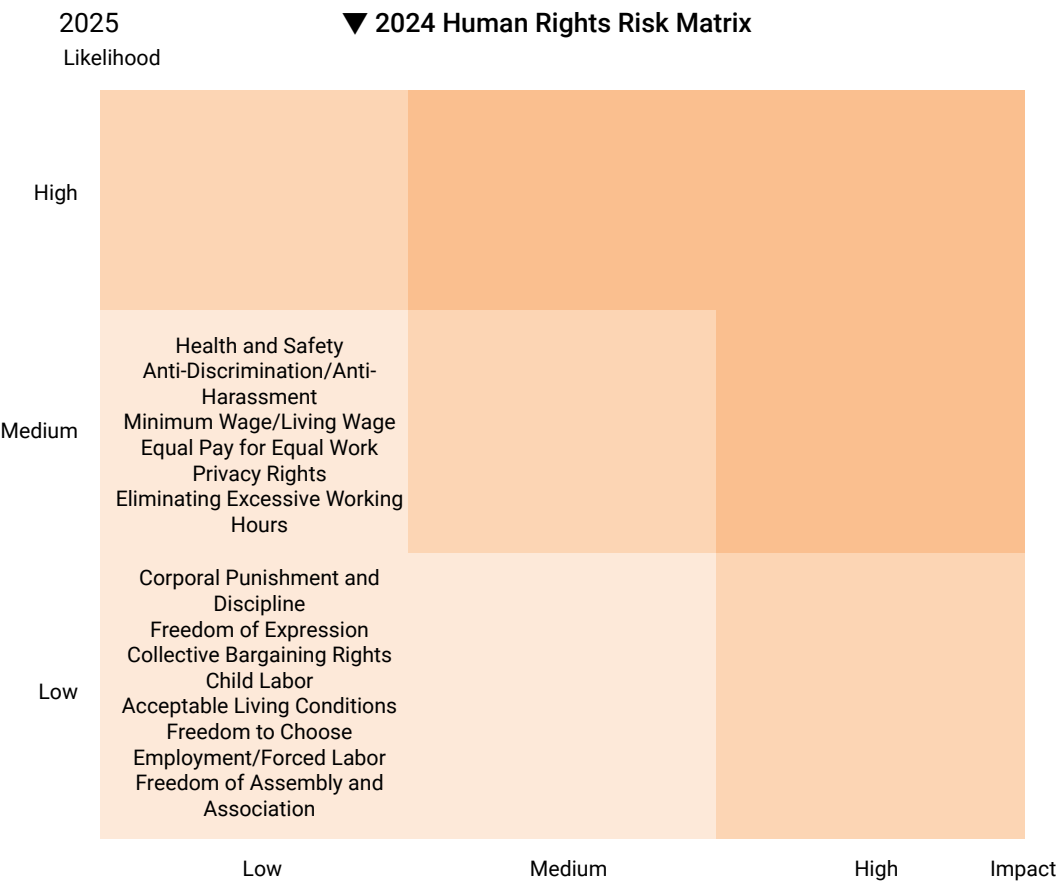
Human rights refers to the rights that all people are born with, regardless of race, gender, nationality, ethnicity, language, religion, or any other status. We view the possibility of violating any human right as a "human rights risk." We have collected internationally recognized human rights standards and compiled the human rights issues mentioned in these standards into a Human Rights Risk Issues questionnaire.

- (1) KYEC incorporates human rights issues into all operational aspects, covering employees, customers, suppliers, business partners, community residents, and the social environment where our operational sites are located. We follow the labor and business ethics policies promoted by the RBA Code of Conduct. In 2024, our SAQ self-assessment score reached above 90 points. We also underwent the RBA Verification Audit Process (VAP) conducted by a third-party institution designated by RBA, achieving a perfect score (both factories received "Gold" ratings). The complete audit report is disclosed on the RBA-Online platform.
- (2) Conduct risk identification quarterly and regularly review local regulatory requirements to comply with local government regulations; regularly review whether the company meets local or ISO-related requirements based on customer demands.
- (3) The Human Resources Department arranges for all employees to receive RBA general education and human rights training, covering human rights (including no forced labor, prohibition of child labor, non-discrimination, prohibition of harassment, respect for freedom of association, respect for privacy, implementation of working time limits and provision of appropriate salary and benefits), labor, health and safety, environmental protection, ethical standards (including integrity management and anti-corruption), and management systems. In 2024, KYEC implemented human rights-related education and training for all employees, with a total training time of 49,369 hours and 10,911 employees completing the training. To implement human rights policies, the company promoted "Workplace Unlawful Infringement and Sexual Harassment Prevention" education and training courses, which all employees completed with a 100% pass rate on post-training assessments.
- (4) To ensure gender equality, KYEC established Workplace Sexual Harassment Prevention Measures and Labor Ethics Policy and provides grievance channels to protect employee rights. For management personnel, we conduct annual enhanced training on workplace bullying and harassment and grievance case handling to ensure clear understanding of judgment criteria and handling procedures. Through education and training, all employees gain awareness of King Yuan's commitment to uphold and respect for employee rights and corporate governance, creating a communicative and friendly and harmonious work environment.



● 《Human Rights Risk Matrix and Related Mitigation and Remedial Measures》

Conduct regular human rights risk assessment surveys using 13 human rights issue dimensions, employing a risk matrix with two main axes of "scope of impact" and "likelihood of occurrence" to identify significant human rights issues. There were no high-risk issues in 2024.



Based on human rights risk assessment results, regularly review relevant policies and promote mitigation and remedial measures, while continuing to maintain open two-way communication with stakeholders in the future.



▼ Human Rights Mitigation and Remedial Measures

Target	Human Rights Issues of Concern	Policy	Audit Frequency	Applicable Subjects	Investigation or Communication Mechanism	Risk level	Mitigation and Remedial Measures	Policy Commitment Links
Employees	Health and Safety	Environmental Safety and Health Policy	Annually	All Employees	- Regularly conduct workplace health questionnaire surveys - Monthly health seminars	More concerned compared to other issues	- Provide employees with job suitability assessments and physical wellness support based on health questionnaire results - Install blood pressure monitors at business unit control stations and medical stations - Individuals with hypertension, hyperlipidemia, and hyperglycemia should regularly self-monitor blood pressure and record data via the app for self-management	Environmental Safety and Health Policy
	Anti-discrimination/ Anti-harassment	Labor and Business Ethics Policy	Annually	All Employees	- Regularly conduct surveys on human rights risk issues - Annually use internal labor and ethics management risk assessment forms to identify labor issue risks	More concerned compared to other issues	- Conduct annual company-wide training on workplace misconduct and sexual harassment, achieving 100% completion rate. - Immediately initiate employee reassignment procedures for any reported cases. - Provide training to both the original department and the reassigned department.	Labor and Business Ethics Policy
	Minimum Legal Wage/Living Wage	Labor and Business Ethics Policy	Annually	All Employees	Annually use internal labor and ethics management risk assessment forms to identify labor issue risks	More concerned compared to other issues	- Adjust minimum wages in accordance with government policies, provide employees with basic wage compensation, and revise relevant regulations and procedures. - If substantiated, restore employees' rightful entitlements. - All new and existing employees must complete RBA training annually with a 100% completion rate.	Labor and Business Ethics Policy

Target	Human Rights Issues of Concern	Policy	Audit Frequency	Applicable Subjects	Investigation or Communication Mechanism	Risk level	Mitigation and Remedial Measures	Policy Commitment Links
Suppliers	Elimination of Excessive Working Hours	Human Rights Policy	Annually	KYECC suppliers and their suppliers	1. Suppliers sign the RBA Code of Conduct Commitment Letter to commit to faithfully comply with the Responsible Business Alliance Code of Conduct and KYECC's relevant regulations on corporate social responsibility. Policy advocacy is conducted at the annual supplier conference.	More concerned compared to other issues	1. Require suppliers to provide counseling and appropriate compensation for employees who have suffered human rights violations. KYECC, upon receiving reports, handles them according to standard grievance processing procedures until improvement and case closure.	Human Rights Policy
	Health and Safety		Annually		2. Conduct annual ESG audits on suppliers to avoid risk occurrence.	More concerned compared to other issues		
	Corporal Punishment and Disciplinary Actions		Annually		4. Maintain open grievance channels, allowing suppliers to anonymously report human rights violations through public systems.	More concerned compared to other issues		
Local community residents	Wastewater discharge	Environmental Safety and Health Policy	Annually	Company-wide	Provide contact information, and assist with handling if any related pollution incidents occur	Low	1. All wastewater is discharged through the sewer system to wastewater treatment plants. Continuous monitoring of discharge water quality. 3. Abnormal backflow treatment process.	KYECC Environmental Safety and Health Policy
	Waste Management		Annually	Company-wide	Provide contact information, and assist with handling if any related pollution incidents occur	Low	1. Commission legally licensed waste transportation and treatment vendors. 2. All generated waste is reported to the competent authorities. 3. Regular auditing and tracking of industrial waste treatment vendors 4. Quarterly self-management inspections.	
	Noise		Annually	Company-wide	Provide contact information, and assist with handling if any related pollution incidents occur	中	1. Conduct annual perimeter noise testing 2. Regularly monitor equipment that generates noise 3. Implement engineering improvements to reduce or eliminate noise sources	

CHAPTER

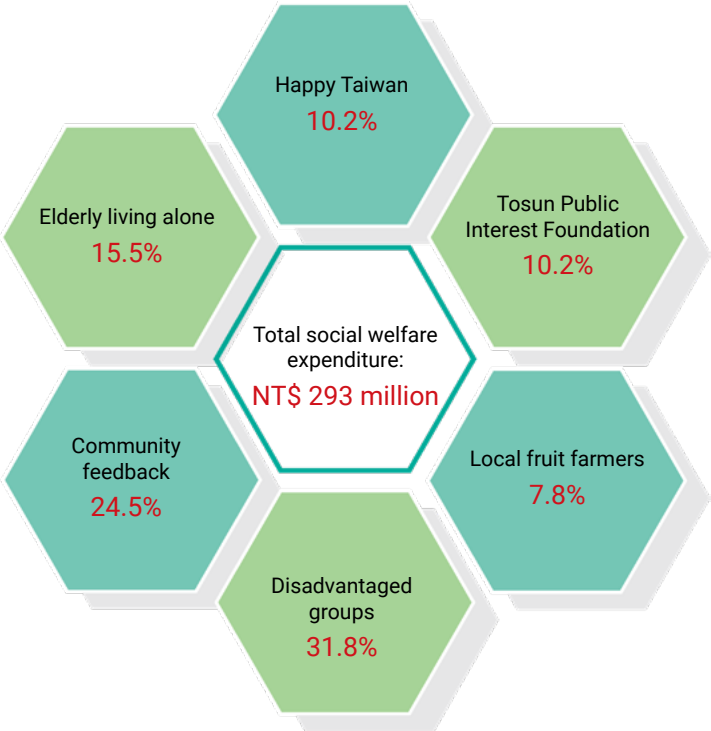
6

Social Prosperity



6.1 Social Investment

KYEC has always adhered to the philosophy of "caring for society and sustainable development," continuously contributing to Taiwan's progress. Through diverse channels and charitable organizations, we strive to create a stable, law-abiding, and prosperous Taiwan. Regarding community care, in addition to corporate sponsorship, we also encourage employees to participate in social welfare activities. Through employee engagement, we implement concrete actions that give back to society and local communities, thereby fulfilling our corporate social responsibility.



KYEC's social participation policy

- Focus primarily on the counties and cities where the company is located, helping local residents to share in mutual benefits and prosperity.
- Through collaboration and sponsorship with different organizations, expand the scope of social welfare to help more people in need.

6.1.1 Social Participation Results

2024 Public Welfare Activities Summary:

Sponsorship of the Tosun Public Interest Foundation

KYEC has sponsored the Tosun Public Interest Foundation in recent years to help promote its operations, achieve its goals and purposes, and contribute to society. The founding purpose of the Tosun Public Interest Foundation includes caring for disadvantaged groups, promoting gender equality, fostering integration among all levels of society and ethnic groups, promoting ethical and moral values, and advancing various social reform and public welfare activities.

The Tosun Public Interest Foundation has numerous ongoing projects. KYEC continued to sponsor the foundation throughout 2024 to assist in the smooth implementation of its various operations. Through this collaboration, we aim to contribute to building a society founded on lawfulness, justice, equality, harmony, and humanistic care.

● Sponsorship of the Economic Daily News-Happy Taiwan Happiness Index Survey of Cities and Counties

KYEC has sponsored the Economic Daily News-Happy Taiwan Happiness Index Survey of Cities and Counties for several years. The purpose of this survey is to identify public needs through the research process and results, while also helping each county and city understand where improvements can be made. Happiness is not only a goal, but also an ongoing journey that requires continuous effort.



In the 2024 Happiness Index Survey of Cities and Counties jointly organized by Economic Daily News and Cathay Life Insurance, Taichung City won the championship, Chiayi City took second place, and third to fifth places were Taipei City, Hualien County, and Taoyuan City, respectively. Taoyuan City and Keelung City won the Most Improved awards. For details, please refer to the Economic Daily News Happy Taiwan webpage.

● 2024 Winner of Happy Enterprise Award: Creating a Happy Workplace for Employees

In 2024, KYEC received the 2024 Happy Enterprise gold award. King Yuan Electronics is committed to creating a warm and friendly work environment, adhering to the "people-oriented" philosophy, and actively promoting employee care and workplace welfare improvement. In 2024, we received the gold award certification for Happy Enterprise organized by 1111 Job Bank, standing out from over 3,700 companies to become one of the 494 award-winning enterprises in Taiwan. This award recognizes KYEC's continuous efforts in compensation systems, welfare measures, employee respect, and career development. Facing increasingly severe talent challenges, KYEC enhances employees' sense of belonging and happiness through various mechanisms of comprehensive welfare design and good communication culture. We firmly believe that employees are the Company's most valuable asset. Only by establishing positive labor-management relations can we promote sustainable corporate development and achieve shared prosperity. This award is not only an affirmation of our people-oriented management philosophy, but also an important milestone in our journey toward sustainability.



● Charity and Public Welfare Activities

In 2024, KYEC organized a total of 14 charity activities. KLT & ZKT organized a total of 7 charity activities



Establishment of Clubs and Associations

- (1)

KYEC established the Charity Club in 2005, and in 2022, after registering with the government, formally established the Miaoli County KYEC Caring Association as an official social organization to extend love and care to different local groups in Miaoli County (such as the elderly/children/fruit farmers) and support various disadvantaged groups. KYEC has offered aid to children from disadvantaged families in Miaoli County since 2009, providing them with financial assistance and caring visits to help children overcome temporary difficulties, attend school smoothly, and grow up happily. Since 2018, we have participated in the World Peace Council's Rescue Hungry Children program, providing nutritious breakfast and food services to children from impoverished families, helping children with a daily nutritious breakfast.
- (2)

Every year before the Lunar New Year, we participate in the Love for Elders, Love for Reunion charity activity initiated by the Huashan Social Welfare Foundation, caring for approximately 1,100 disadvantaged elderly in the Miaoli area and calling for donations of New Year meals to support elderly people living alone. We have participated for 11 consecutive years, uniting the compassion of our colleagues and reaching out together to help elderly people in need and accompanying them in celebrating the New Year.
- (3)

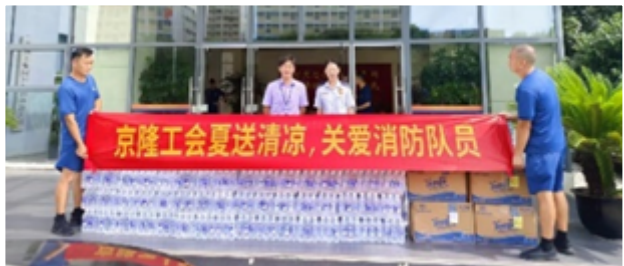
The company has participated for eight consecutive years in the Love Bank initiative initiated by the World Peace Council, providing a consistent source of nutritious breakfasts and meals to schoolchildren in need. We also provide education and learning assistance services for disadvantaged children, encouraging them to face life's challenges with courage. Furthermore, the Company rallied all employees to participate in the Love-Piggy banks adoption activity, with 514 colleagues participating in charitable donations, turning daily spare change into love by putting it into "Love-Piggy banks," coming together to help children in the Miaoli area "one coin at a time," and caring for children in the Miaoli area.
- (4)

Miaoli County Yuan Nursing Institution handmakes mooncakes before the Mid-Autumn Festival every year. Since 2017, KYEC has been purchasing over 100 boxes of mooncakes from Yuan Nursing Institution annually.
- (5)

In 2024, we participated in the charity sale at the Family Support Center's carnival, with all proceeds donated to the Miaoli Family Support Center, providing colleagues with opportunities to purchase carnival tickets and make charitable donations.
- (6)

KLT & ZKT have organized employee annual visits to nearby nursing homes during the Mid-Autumn Festival and Dragon Boat Festival, aiming to promote a feeling of charitable dedication and provide help and care for the elderly. At the same time, KLT shows care for disadvantaged groups, fostering employees' sense of social responsibility and nurturing compassion for children and other vulnerable members of society. From 2021 to 2024, a total of 16 charity visits were organized, with four of these conducted in 2024. During the Mid-Autumn Festival and Dragon Boat Festival, visits were made to nearby nursing homes and welfare institutions to show care and concern, aiming to promote the spirit of charitable dedication.
- (7)

KLT & ZKT extends their gratitude to firefighters, police, and traffic police as the city's guardians, who consistently remain at their frontline duty posts, keeping our homes safe and harmonious. We remain committed to supporting various initiatives and upholding our social responsibility. Between 2021 and 2024, we held 11 Summer Heat Relief events.



● Campus Sponsorship, Nurturing Athletic Talent

Providing funding for track and field, table tennis, and other sports programs at elementary, middle, and high schools in Zhunan Town, Miaoli County, enabling schools to have sufficient resources to promote sports activities and nurture outstanding athletes, allowing future generations to receive a comprehensive education across the five aspects of: moral, intellectual, physical, social, and aesthetic development.

Community Care Activities

- (1) To increase the care and attention given to residents of Dingpu Village in Zhunan Town, Miaoli County, and increase community activities for villagers, we arrange community cleaning activities twice a month and sponsor Mid-Autumn Festival evening events and hiking activities for residents. We thank the Dingpu Village Neighborhood Watch Team in Zhunan Town, including patrol team leaders and members for their wholehearted dedication and selfless contribution to the community as KVEC actively joins in giving back to the community.



- (2) Since 2023, we have sponsored a batch of equipment for the patrol team to enhance their capabilities and make the patrol team organization more complete. Together we maintain the safety of the community, proactively build bridges of friendship, and close the distance residents, working shoulder to shoulder with villagers to maintain community environment and safety, giving back to the townspeople and villagers.



Appendix



GRI Standards Index

Usage Statement: King Yuan Group has referenced GRI Standards in reporting ESG information cited in the GRI Standards Index for the period from January 1, 2024 to December 31, 2024

Applicable GRI 1: Foundation 2021

General Disclosures

GRI Standards	Disclosure Items	Report Sections	Page Number	Omission Explanation	
				Omitted Disclosure Items	Reason and Explanation
GRI 2: General Disclosures 2021	2-1 Details of the organization	Company Profile	11	NA	
	2-2 Entities included in the organization's sustainability reporting	Boundary and Scope	4		
	2-3 Reporting period, frequency and contact point	Reporting Period Contact Information	3 5		
	2-4 Restatements of information	Information Restatement	5		
	2-5 External assurance	External Assurance/Verification	5		
	2-6 Activities, value chain and other business relationships	3.1.1 Industry Overview 3.1.2 King Yuan Value Chain	54 54		
	2-7 Employees	5.1.3 Human Resource Structure	103		
	2-8 Workers who are not employees	5.1.3 Human Resource Structure	103		
	2-9 Governance structure and composition	2.1.1 Board of Directors 2.1.2 Functional Committees	25 30		
	2-10 Nomination and selection of the highest governance body	2.1.1 Board of Directors	25		
	2-11 Chair of the highest governance body	2.1.1 Board of Directors	25		
	2-12 Role of the highest governance body in overseeing the management of impacts	2.1 Governance Structure 1.2 Material Topic Identification	25 20		
	2-13 Person responsible for impact management	2.1.2 Functional Committees	30		
	2-14 Role of the highest governance body in sustainability reporting	1.2.1 Material Topic Assessment Process 2.1.2 Functional Committees	20 30		
	2-15 Conflicts of interest	2.1.1 Board of Directors	25		
	2-16 Communication of critical concerns	2.1.1 Board of Directors	29		
	2-17 Collective knowledge of the highest governance body	2.1.1 Board of Directors	28		

GRI Standards	Disclosure Items	Report Sections	Page Number	Omission Explanation	
				Omitted Disclosure Items	Reason and Explanation
GRI 2: General Disclosures 2021	2-18 Performance evaluation of the highest governance body	2.1.1 Board of Directors	28		
	2-19 Remuneration policies	2.1.1 Board of Directors	28		
	2-20 Process to determine remuneration	2.1.1 Board of Directors	25		
	2-21 Annual total compensation ratio	5.2.1 Equal Compensation	110		
	2-22 Statement on sustainable development strategy	Message from the Management	6		
	2-23 Policy commitments	2.3 Business Integrity	35		
		3.2.3 Supplier Communication	65		
		5.5.1 Human Rights Policy	134		
	2-24 Embedding policy commitments	1.2 Material Topic Identification	20		
		5.5.1 Human Rights Policy	134		
	2-25 Processes to remediate negative impacts	1.2 Material Topic Identification	20		
		3.3.1 Customer Relationship Management	69		
		5.1.4 Labor-Management Communication	106		
		1.2.3 Stakeholder Grievance and Remediation Mechanism	23		
	2-26 Mechanisms for seeking advice and raising concerns	2.3 Business Integrity	35		
		3.2.3 Supplier Communication	65		
		3.3.1 Customer Relationship Management	69		
		1.2.3 Stakeholder Grievance and Remediation Mechanism	23		
GRI 3: Material Topics 2021	2-27 Compliance with laws and regulations	2.3.2 Regulatory Compliance	38		
	2-28 Membership associations	Company Profile	12		
	2-29 Approach to stakeholder engagement	1.1.1 Stakeholder Identification	15		
	2-29 Approach to stakeholder engagement	1.1.2 Stakeholder Communication	15		
	2-30 Collective bargaining agreements	5.1.4 Labor-Management Communication	106		
	3-1 Process to determine material topics	1.2.1 Material Topic Assessment Process	20	NA	
	3-2 List of material topics	1.2.2 Material Topic List	22		

Material Topics Disclosure

GRI Standards	Disclosure Items	Report Sections	Page Number	Omission Explanation	
				Omitted Disclosure Items	Reason and Explanation
Economic Performance					
3-3 Management of material topics		2.2 Economic Performance	32		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2.2.1 Economic Value	33		
	201-3 Defined benefit plan obligations and other retirement plans	5.2.1 Equal Compensation	110		
		5.2.2 Comprehensive Welfare Measures	111		
Business Integrity					
3-3 Management of material topics		2.3 Business Integrity	35		
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	2.3.1 Ethical Corporate Management	36		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.3.1 Ethical Corporate Management	35		
Information Security					
3-3 Management of material topics		2.5 Information Security	50		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.5.1 Information Security Management Policy	51		
Supply Chain Management					
3-3 Management of material topics		3.2 Supply Chain Management	57		
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	3.2.4 Supplier Audits	66		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3.2.1 Supply Chain Management Policy	58		
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	3.2.4 Supplier Audits	66		
Customer Relationship Management					
3-3 Management of material topics		3.3 Customer Relationship Management	69		

GRI Standards	Disclosure Items	Report Sections	Page Number	Omission Explanation	
				Omitted Disclosure Items	Reason and Explanation
Energy					
3-3 Management of material topics		4.1 Energy Management	73		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.1.2 Energy Consumption	75		
	302-3 Energy intensity	4.1.2 Energy Consumption	75		
	302-4 Reduction of energy consumption	4.1.3 Energy Conservation Measures	76		
Greenhouse Gas Emissions					
3-3 Management of material topics		4.2 Greenhouse Gas Emissions and Management	79		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.2.1 Greenhouse Gas Inventory	80		
	305-2 Energy indirect (Scope 2) GHG emissions	4.2.1 Greenhouse Gas Inventory	80		
	305-3 Other indirect (Scope 3) GHG emissions	4.2.1 Greenhouse Gas Inventory	80		
	305-4 GHG emissions intensity	4.2.1 Greenhouse Gas Inventory	80		
	305-5 Reduction of GHG emissions	4.2.2 Greenhouse Gas Reduction	82		
Employee Recruitment and Retention					
3-3 Management of material topics		5.1 Human Capital	97		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	5.1.2 Talent Recruitment	99		
Labor-Management Communication					
3-3 Management of material topics		5.1 Human Capital	98		
Employee Benefits and Salaries					
3-3 Management of material topics		5.2 Compensation and Benefits	109		
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees (that are not provided to temporary or part-time employees)	5.2.2 Comprehensive Welfare Measures	111		
	401-3 Parental leave	5.2.3 Family-Friendly Workplace	114		
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	5.2.1 Equal Compensation	110		

Topic-specific disclosures

GRI Standards	Disclosure Items	Report Sections	Page Number	Omission Explanation	
				Omitted Disclosure Items	Reason and Explanation
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	3.1.2 King Yuan Value Chain	54		
	303-3 Water withdrawal	4.4.2 Water Resources Data Overview	87		
GRI 303: Water and Effluents 2018	303-4 Water discharge	4.4.2 Water Resources Data Overview	87		
	303-5 Water consumption	4.4.2 Water Resources Data Overview	87		
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.3.1 Air Pollution Control	83		
	306-3 Waste generated	4.5.3 Waste Collection and Disposal	93		
GRI 306: Waste 2020	306-4 Waste diverted from disposal	4.5.3 Waste Collection and Disposal	93		
	306-5 Waste directed to disposal	4.5.3 Waste Collection and Disposal	93		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.4.1 Occupational Safety and Health Management	120		
	403-2 Hazard identification, risk assessment, and incident investigation	5.4.1 Occupational Safety and Health Management	120		
	403-2 Hazard identification, risk assessment, and incident investigation	5.4.3 Occupational Accident Handling	131		
	403-3 Occupational health services	5.4.2 Health Management and Promotion Program	127		
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.4.1 Occupational Safety and Health Management	120		
	403-5 Worker training on occupational health and safety	5.4.1 Occupational Safety and Health Management	120		
	403-6 Promotion of worker health	5.4.2 Health Management and Promotion Program	127		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4.1 Occupational Safety and Health Management	120		
	403-8 Workers covered by an occupational health and safety management system	5.4.1 Occupational Safety and Health Management	120		
	403-9 Work-related injuries	5.4.3 Occupational Accident Handling	131		
	403-10 Work-related ill health	5.4.3 Occupational Accident Handling	131		

GRI Standards	Disclosure Items	Report Sections	Page Number	Omission Explanation	
				Omitted Disclosure Items	Reason and Explanation
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	5.3.1 Training and Development	116		
	404-2 Programs for upgrading employee skills and transition assistance programs	5.3.1 Training and Development	116		
	404-3 Percentage of employees receiving regular performance and career development reviews	5.3.2 Performance Evaluation	119		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.1.1 Board of Directors 5.1.3 Human Resource Structure	25 103		

SASB Standards Index

Usage Statement: ESG information for the period from January 1, 2024 to December 31, 2024 has been reported in accordance with SASB Standards

SASB Industry: TC-SC

Metric Type	SASB Metric Code	Disclosure Topic	Disclosure Items	Nature	Quantity	Unit	Report Sections	Page Number	Omission Explanation	
									Omitted Disclosure Items	Reason and Explanation
Accounting Metric	TC-SC-110a.1	Greenhouse Gas Emissions	(1) Total global Scope 1 emissions	Quantitative	8,670.86	Metric tons (t) CO2-equivalent	4.2.1 Greenhouse Gas Inventory	80		
	TC-SC-110a.1	Greenhouse Gas Emissions	(2) Total emissions from perfluorinated compounds	Quantitative	0	Metric tons (t) CO2-equivalent	4.2.1 Greenhouse Gas Inventory	80		
	TC-SC-110a.2	Greenhouse Gas Emissions	Discussion of long-term and short-term strategies or plans for managing Scope 1 emissions, emission reduction targets, and performance analysis against those targets	Discussion and Analysis	-	-	4.2.1 Greenhouse Gas Inventory	80		
	TC-SC-110a.2	Greenhouse Gas Emissions	Discussion of long-term and short-term strategies or plans for managing Scope 1 emissions, emission reduction targets, and performance analysis against those targets	Discussion and Analysis	-	-	4.2.2 Greenhouse Gas Reduction	82		
	TC-SC-130a.1	Energy management in manufacturing	(1) Total energy consumption	Quantitative	3,280,382.62	Gigajoules (GJ)	4.1.2 Energy Consumption	75		
	TC-SC-130a.1	Energy management in manufacturing	(2) Grid electricity percentage	Quantitative	99	Percentage (%)	4.1.2 Energy Consumption	75		
	TC-SC-130a.1	Energy management in manufacturing	(3) Renewable energy percentage	Quantitative	2	Percentage (%)	4.1.2 Energy Consumption	75		
	TC-SC-140a.1	Water management	(1) Total water withdrawal	Quantitative	2,254,766	Thousand cubic meters (1,000m³)	4.4.2 Water Resources Data Overview	87		
	TC-SC-140a.1	Water management	(1) Percentage of water withdrawal in areas with high or extremely high baseline water stress as a proportion of total water withdrawal	Quantitative	44	Percentage (%)	4.4.2 Water Resources Data Overview	87		
	TC-SC-140a.1	Water management	(2) Total water consumption	Quantitative	1,730,812	Thousand cubic meters (1,000m³)	4.4.2 Water Resources Data Overview	87		
	TC-SC-140a.1	Water management	(2) Percentage of water consumption in areas with high or extremely high baseline water stress as a proportion of total water consumption	Quantitative	48	Percentage (%)	4.4.2 Water Resources Data Overview	87		
	TC-SC-150a.1	Waste Management	(1) Weight of hazardous waste generated in the manufacturing process	Quantitative	273.95	Metric tons (t)	4.5.3 Waste Collection and Disposal	93		



Metric Type	SASB Metric Code	Disclosure Topic	Disclosure Items	Nature	Quantity	Unit	Report Sections	Page Number	Omission Explanation	
									Omitted Disclosure Items	Reason and Explanation
Accounting Metric	TC-SC-150a.1	Waste Management	(2) Percentage of hazardous waste generated in the manufacturing process that is recycled	Quantitative	13	Percentage (%)	4.5.3 Waste Collection and Disposal	93		
	TC-SC-320a.1	Occupational health and safety	Description of efforts to assess, monitor, and reduce worker exposure to human health hazards	Discussion and Analysis	-	-	5.4.1 Occupational Safety and Health Management	120		
	TC-SC-320a.2	Occupational health and safety	Total monetary losses from legal proceedings related to violations of employee health and safety matters	Quantitative	-	New Taiwan Dollar (TWD)	5.4.3 Occupational Accident Handling	131		
	TC-SC-330a.1	Recruitment and management of global and technical workforce	Percentage of employees requiring work visas	Quantitative	28.67	Percentage (%)	5.1.3 Human Resource Structure	103		
	TC-SC-410a.1	Product lifecycle management	Percentage of product revenue containing IEC 62474 declarable substances	Quantitative		Percentage (%)	Not applicable, the Company provides testing services and does not produce physical products	-		
	TC-SC-410a.2	Product lifecycle management	(1) Processor energy efficiency of servers at system level	Quantitative		Varies by product category	Not applicable, the Company provides testing services and does not produce physical products	-		
	TC-SC-410a.2	Product lifecycle management	(2) Processor energy efficiency of desktop computers at system level	Quantitative		Varies by product category	Not applicable, the Company provides testing services and does not produce physical products	-		
	TC-SC-410a.2	Product lifecycle management	(3) Processor energy efficiency of laptop computers at system level	Quantitative		Varies by product category	Not applicable, the Company provides testing services and does not produce physical products	-		
	TC-SC-440a.1	Material sourcing	Description of risk management related to the use of key materials	Discussion and Analysis	-	-	3.2.2 Hazardous Substances and Conflict Minerals Management	62		
	TC-SC-520a.1	Intellectual property protection and competitive behavior	Total monetary losses resulting from legal proceedings related to anti-competitive behavior regulations	Quantitative		New Taiwan Dollar (TWD)	In 2024, the Company had no incidents related to anti-competitive behavior regulations	-		
Activity metrics	TC-SC-000.A		Total production volume	Quantitative	Wafer testing 3,614 integrated circuit testing 8,779,373 Others 2,839,715	thousand pieces/ thousand units	-	-		
	TC-SC-000.B		Percentage of production at own facilities	Quantitative	100	Percentage (%)	-	-		



Enhanced disclosure of sustainability indicators

Number	Indicator	Indicator Type	Annual disclosure status	Unit	Remarks
一	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate	Quantitative	3,280,382.62 99 2	Gigajoules (GJ), Percentage (%), Percentage (%)	
二	Total water withdrawal and total water consumption	Quantitative	Water withdrawal 2,254,766 Water consumption 1,730,812	Thousand cubic meters (1,000m³)	
三	Weight of hazardous waste generated and recycling percentage	Quantitative	Hazardous waste 273.95 Recycling percentage 13	Metric tons (t), Percentage (%)	
四	Description of occupational injury categories, number of people, and rates	Quantitative	Please refer to 5.4.3 Occupational Accident Management 29 people, 1.9	Quantity, Rate (%)	
五	Product lifecycle management disclosure: including the weight of scrapped products and electronic waste, and the percentage of recycling (Note 1: Including the sale of scraps or other recycling processes, relevant explanations should be provided)	Quantitative	Not applicable, the Company provides testing services and does not produce physical products	Metric tons (t), Percentage (%)	
六	Description of risk management related to the use of critical materials	Qualitative description	Please refer to 3.2.2 Hazardous Substances and Conflict Minerals Management	Not applicable	
七	Total monetary losses due to legal proceedings related to anti-competitive behavior regulations	Quantitative	In 2024, the Company had no legal proceedings related to violations of anti-competitive behavior regulations	Reporting currency	
八	Production volume of major products by product category	Quantitative	Not applicable, the Company provides testing services and does not produce physical products	Varies by product type	

AA1000 Assurance Statement



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE KING YUAN ELECTRONICS CO., LTD.'S SUSTAINABILITY REPORT FOR 2024

NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by King Yuan Electronica CO., LTD. (hereinafter referred to as KYEC) to conduct an independent assurance of the Sustainability Report for 2024 (hereinafter referred to as the Report). The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 1 Moderate level during 2025/04/25 to 2025/06/05. The boundary of this report includes KYEC Taiwan and overseas operational and production service sites as disclosed in KYEC's Sustainability Report of 2024. The boundary is not the same as KYEC's consolidated financial statements.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all KYEC's Stakeholders.

RESPONSIBILITIES

The information in the KYEC's Sustainability Report of 2024 and its presentation are the responsibility of the directors or governing body (as applicable) and the management of KYEC. SGS has not been involved in the preparation of any of the material included in the KYEC's Sustainability Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the Accountability Principles (AA1000AP 2018).

Assurance has been conducted at a type 1 moderate level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options

1	AA1000 Accountability Principles (2018)
2	GRI (With Reference to)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is excluded.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI content index as material in the report and is conducted with reference to the Standards.

ASSURANCE METHODOLOGY

The assurance comprised a combination of desktop research, interviews with relevant employees, superintendents, sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS

Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) and SASB have not been checked back to source as part of this assurance process.

INDEPENDENCE AND COMPETENCE

SGS affirm our independence from KYEC, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 Accountability Principles (2018).

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

KYEC has demonstrated a commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns.

MATERIALITY

KYEC has established processes for determining issues that are material to the business. It is recommended that KYEC further clarify the assessment criteria and thresholds used in the future reports, such as the level of impact and stakeholder concern, to enhance the overall consistency and transparency of the materiality assessment process.

RESPONSIVENESS

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

IMPACT

KYEC has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

ADHERENCE TO GRI

The report, KYEC's Sustainability Report of 2024, is reporting with reference to the GRI Universal Standards 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to the material topics claimed in the GRI content index. The report has properly disclosed information related to KYEC's contributions to sustainability development.

For future sustainability reporting, it is recommended to adopt a more systematic approach to determine the significance of the organization's positive and negative impacts, by taking into account impact severity or scale, scope, and likelihood to improve the completeness and objectivity of the evaluation.

Signed:

For and on behalf of SGS Taiwan Ltd.



AA1000

Licensed Report

000-8/V3-HA420

Stephen Pao

Business Assurance Director

Taipei, Taiwan

29 June, 2025

www.sgs.com



156