



2024 ABC Taiwan Electronics Corp. SUSTAINABILITY REPORT



CONTENT

Preface

0.1 About the Report	02
0.2 Message from the Chairman and President	05
0.3 Awards and Recognition	07
0.4 Highlights of Performance	09

1. Co-creating a Sustainable Future

Management Approach	11
1.1 Operational Overview and Performance	18
1.2 Sustainability Governance Structure	23
1.3 Stakeholders and Material Topics	16
1.4 Corporate Governance	38

2. Innovation and Research & Development

Management Approach	53
2.1 Commitment to Quality and Reliability	55
2.2 Customer Relationship Management	56
2.3 Supply Chain Management	57
2.4 Industry-academia Collaboration	61

3. Environmental Friendliness

Management Approach	65
3.1 Climate Strategy and TCFD Commitments	67
3.2 Environmental resource use	79

4. Happy Workplace

Management Approach	90
4.1 Talent Attraction and Retention	92
4.2 Learning and Development	106
4.3 Labor Relations and Human Rights	111
4.4 Safe Working Environment	118

5. Co-prosperity with Society

5.1 Social Investment Strategy	125
5.2 Social Engagement Outcomes	126



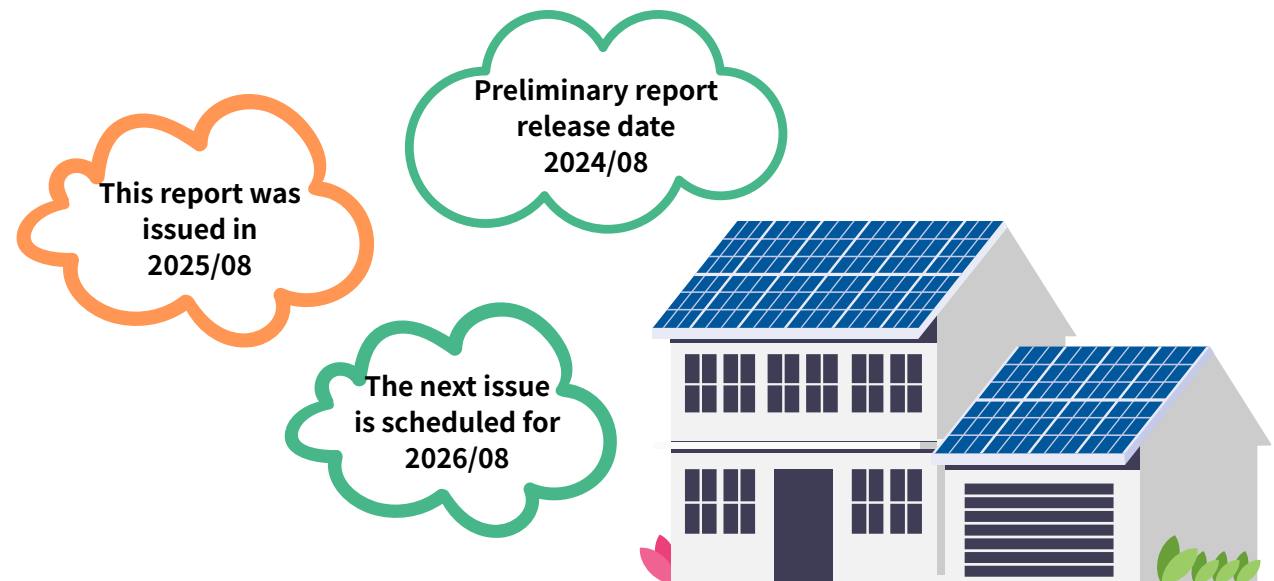
Preface

0.1 About the Report

ABC Taiwan Electronics Corp. (Stock Code: 3236. In this Report, “the Company” refers to the Taiwan headquarters, while “ABC-ATEC” refers to the Group.) was established in 1979 and is engaged in the research and development, manufacturing, and sales of inductors, LTCC, and other passive components, with its headquarters in Yangmei District, Taoyuan City. The Taiwan factories include Yangmei Factory 1 and Yangmei Factory 2, and the Company has also established factories in Shanghai, Guangzhou and Malaysia, collectively known as the ABC-ATEC Electronics Group.

In accordance with the "Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies" published by the Taipei Exchange (TPEX), This Report is prepared with reference to the international reporting standards, including the Global Reporting Initiative (GRI) Standards issued by the Global Reporting Initiative, as well as the United Nations Sustainable Development Goals (SDGs). Through this Report, we disclose our practices across the three pillars of Environment, Social, and Governance (ESG). In addition, relevant information is also published on the Company’ s website to facilitate two-way communication with internal and external stakeholders. By issuing this Report, we demonstrate our commitment to sustainable development and continuous improvement.

This is the sustainability report issued by ABC Taiwan Electronics Corp. (hereinafter referred to as the " Report "). The Report discloses the ABC-ATEC’ s performance, management policies, and goals for the five major aspects of governance, products, supply chain, environment, and society for the year 2024 (January 1, 2024 to December 31, 2024).



The reporting period of this report is consistent with the consolidated financial statements. For the completeness and comparability of the report, some chapters will cover the information before January 1, 2024 and after December 31, 2024, and notes were added to the chapters.

The material topics covered in this Report encompass the entire ABC-ATEC, excluding shell entities within the financial reporting boundary. The scope includes key manufacturing sites: Taiwan Yangmei Factory 1, Yangmei Factory 2, Shanghai Factory, Guangzhou, and Malaysia Factory. All financial information presented is consistent with the consolidated financial statements.

If the disclosure scope of individual chapters in this Report differs from the aforementioned scope, supplementary explanations are provided within the respective chapters. The calculation basis of various statistical data disclosed in this Report is as follows:

Financial Data

Figures in the Economic Value Distribution Table are derived from the consolidated financial statements audited by certified public accountants. Unless otherwise specified, all financial data are presented in New Taiwan Dollars (NTD).

Environmental Data

Greenhouse gas (GHG) emissions are calculated in accordance with ISO 14064-1:2018. The 2024 data are scheduled to undergo external third-party verification in October. Water resources and waste statistics are based on data submitted by each operating site to the respective local authorities.

Other Data

Aggregated from statistics compiled by each operating site.

0.1.1 Compliance with Standards

This report complies with the GRI Standards issued by the Global Sustainability Standards Board (GSSB) and the Electrical & Electronic Equipment SASB Standards published by Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB).

0.1.2 External Guarantee/Assurance

The disclosure of information related to sustainability reports has a significant impact on stakeholders. Therefore, we must make every effort to pay attention to every detail, ensuring the accuracy and completeness of the information disclosed. Data and statistics in this report were provided, consolidated, analyzed, and integrated by ABC-ATEC's internal departments to ensure that they meet the requirements of the sustainability report. All information have been confirmed and approved by the heads of the respective departments, and reviewed by the Chairman, whereas financial data has been audited by Deloitte Taiwan. After reviewing the final version of this report, an external and independent third-party review institution was commissioned to verify that this report meets the requirements of the GRI. This year, we commissioned SGS to implement Type 1 medium assurance in accordance with AA 1000 AS v3 (AccountAbility 1000 Assurance Standard v3). Please refer to the appendix for the relevant assurance methods and results.

0.1.3 Restatement of Information

In the 2024 Report, Section 4.1.3 Employee Benefits, III. Parental Leave, the information has been reorganized. In addition to parental leave in Taiwan, new disclosures have been added regarding maternity leave, paternity leave, and family planning incentive leave in China and Malaysia.

0.1.4 Contact Information

/// **Contact:** ABC-ATEC Chairman office

/// **Contact window:** Ms. Wang

/// **Phone:** +886 3 478-8188#1120

/// **Email:** csr@atec-group.com

/// **Company Website:** <https://www.atec-group.com/tw>

/// **Address:** No. 98, Lane 298, Huandong Road, Yangmei District, Taoyuan City, Taiwan



0.2 Message from the Chairman and President

In 2024, as the global economy continued its post-pandemic recovery, it faced multiple challenges including geopolitical tensions, supply chain pressures, and inflation, impacting various industries, including the electronic components sector. Amid such external uncertainties, the management team led by the Group General Manager and Chief Technology Officer, Dr. Francis Fan, leveraged high levels of collaboration and professional specialization, working together with all employees to deepen engagement in key application markets such as networking, industrial automation, and automotive products, while enhancing operational efficiency and technological innovation to flexibly respond to market changes and customer demands. On the other hand, the acceleration of global digital transformation has driven steady growth in emerging applications such as 5G, electric vehicles, AI, and smart manufacturing, resulting in long-term structural shifts in industry demand. ABC-ATEC actively seizes this trend under the supervision of Executive Vice President Mr. Tommy Hus, leading the IC Design-in Team and closely collaborating with R&D, production, quality control, and business departments to form cross-functional integration teams, continuously strengthening product technology layout and R&D innovation, expanding competitive advantages in high-growth markets, and fully demonstrating organizational resilience through teamwork and rapid execution.

With 46 years of dedication, ABC-ATEC upholds the ideal of “Group Entrepreneurship.” Even in a volatile and complex business environment, ABC-ATEC continues to progress steadily under stable operations and sound financial management. Centered on transparency, integrity, responsibility, and information security, ABC-ATEC maintains a comprehensive governance system and risk management framework, safeguarding data assets and ensuring that all operations comply with regulations, creating value for shareholders, customers, and society. In 2024, ABC-ATEC’s corporate governance evaluation ranked within the top 6–20% among listed companies and 11–20% among listed companies with a market capitalization under NT\$5 billion, showing significant improvement from the previous year, reflecting governance effectiveness and the collaborative efforts of internal teams.

ABC-ATEC is committed to climate action and implements a science-based strategy to achieve net-zero emissions. In 2023, we set our first carbon reduction targets: to limit the near-term warming to 1.5°C, reduce Scope 1 and Scope 2 emissions by 42% by 2030 from the 2021 baseline, and achieve net-zero emissions by 2050, aiming to comprehensively reduce greenhouse gas emissions. We believe that net-zero is not only a commitment to the planet but also an opportunity to drive innovation, improve efficiency, and create long-term value. In 2024, we continued to expand our sustainability impact through energy-saving actions, such as reducing factory energy consumption and improving production efficiency, as well as procuring renewable electricity, achieving significant carbon reduction. In addition, ABC-ATEC progressively increased the installation of solar panels to enhance energy self-sufficiency, achieving a total reduction of 281 tCO₂e across the Group in 2024. Our commitment to net-zero earned ABC-ATEC the “1.5°C Temperature Control Target” certification from CommonWealth Magazine, demonstrating responsibility toward the environment and dedication to sustainable development. In May 2024, we received a CDP questionnaire invitation to report on ABC-ATEC’s sustainability performance. After a year of planning and preparation, we expect to officially submit the CDP response in 2025, showcasing our ESG efforts.

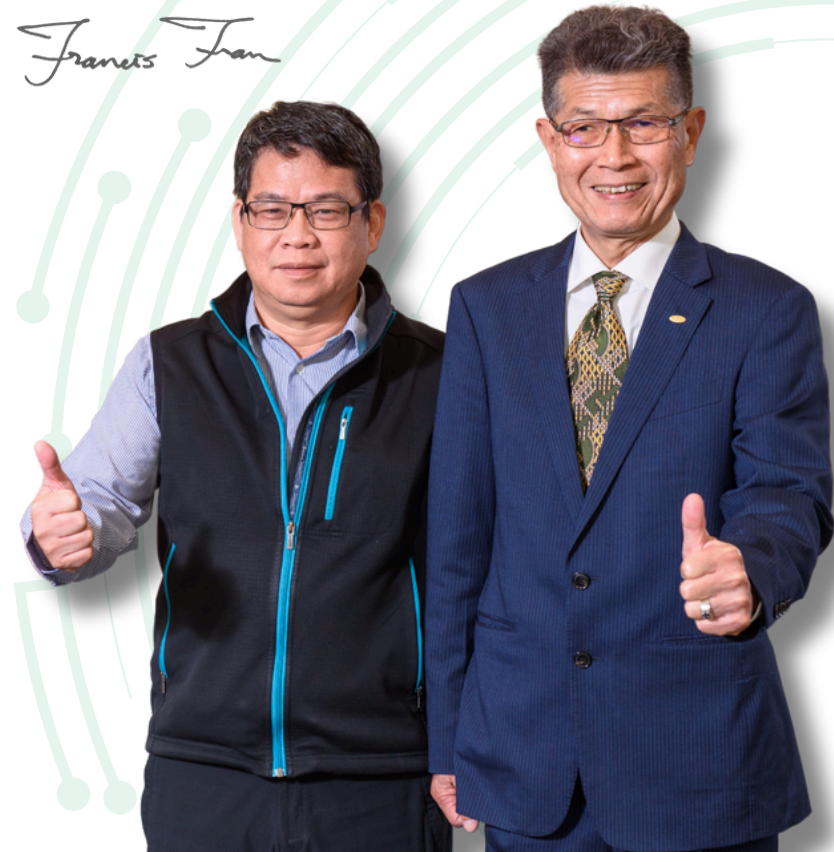
ABC-ATEC is committed to being a socially responsible and sustainable enterprise, integrating social care, employee welfare, and workplace safety into its core values. In 2024, we held Family Day for the third consecutive year, fostering cohesion and recognition among employees and shaping corporate values and shared culture. Regarding workplace safety, we aim for zero incidents and, through rigorous management systems, technical support, and full participation, ensure that every employee works in a safe and healthy environment. ABC-ATEC's proactive efforts in employee health promotion, gender equality, maternity protection, and social inclusion for vulnerable groups earned us the SGS "ESG Awards: Sustainable Society Award." We will continue to uphold the vision of "Prosperity Together," promoting diversity and inclusion, investing in education and resources, and striving to create a more inclusive and resilient society, aiming to become a model for corporate social responsibility.

Looking ahead to 2025, ABC-ATEC has set its mid- to long-term business plan as: "Strengthen Marketing Activities, Revitalize and Achieve a Sales Target of 2.2 billion. Adjust regional production layout to meet customers' multi-site production requirements" This plan will be driven collectively by all employees and serve as a core guideline for overall business development. We will continue to leverage high-performing teamwork and clear division of responsibilities, working hand-in-hand with employees, shareholders, customers, and all stakeholders to jointly create a sustainable and growing future.

Chairman



President

0.3 Awards and Recognition

0.3.1 The "1.5 °C Temperature Control Target" Certification by CommonWealth Magazine

ABC-ATEC has actively implemented climate actions with notable carbon reduction achievements, gaining a rating of "Excellent" on the "TRIPs (Temperature Rising Index for Pathways)". On June 4th, ABC-ATEC was awarded the "1.5°C Certification."

ABC-ATEC's carbon emission hotspot is Category 2 electricity usage, accounting for 70.92% of the group's total carbon emissions. To effectively reduce carbon emissions, ABC-ATEC has implemented energy management measures and actively formulated a carbon reduction strategy centered on renewable energy. Reducing reliance on conventional energy, The Company gradually fulfills its commitment to environmental sustainability, while aligning with international standards and the 1.5°C temperature control target of the Paris Agreement, working together with the world to keep global warming within safe limits.



0.3.2 Honored with the 2024 SGS Sustainability Social Award

ABC-ATEC has actively fulfilled its corporate social responsibility (CSR) and received the “ESG Awards: Sustainability Social Award.” The Company has long been dedicated to addressing social issues by promoting academic and cultural development. To support the advancement of academic research in Taiwan, ABC-ATEC has established multiple industry-academia collaborations with National Taipei University (NTPU) and sponsored annual academic conferences. In addition, the Company continues to promote arts and culture, supporting the Tainan Art Museum in hosting two major exhibitions in 2023.

The Company is committed to fostering a friendly and supportive workplace by providing nursing rooms, parking spaces for pregnant employees, and flexible night shift arrangements. ABC-ATEC also places strong emphasis on talent cultivation, offering structured career development plans and training programs tailored to different career stages to enhance employees’ professional skills and competitiveness.

In the area of occupational safety and health, ABC-ATEC has established an Occupational Safety and Health Committee to safeguard employees’ physical and mental well-being and ensure a safe working environment. The Company provides regular health services, monitoring programs, and wellness seminars to raise awareness of health management. These efforts have been recognized with the “Badge of Accredited Healthy Workplace” from the Health Promotion Administration (MOHW) and the “Healthy Workforce Sustainability Leaders” from the Occupational Safety and Health Administration (MOL).

Looking ahead, ABC-ATEC will continue to uphold its vision of mutual prosperity and shared success, deepen its ESG practices, promote diversity and inclusion, and contribute to building an inclusive and resilient society through ongoing investment in education and community development.

President Francis Fan (right) received the award on behalf of the company.



President Francis Fan (third from the left) received the award on behalf of the company.



0.3.3 Building C of the Taiwan Headquarters received the Green Building Certification

In 2022, the Taiwan Yangmei Factory 2 Headquarters added Building C as a smart factory. This is the Group's first factory designed and constructed according to green building standards, following the principles of energy conservation, resource efficiency, and low pollution. After the commissioning of Building C, the smart factory officially received the Green Building Occupancy Permit issued by the Ministry of the Interior in 2024.

The Yangmei Factory 2, Building C, was designed to reduce energy consumption and save materials, and was evaluated and constructed based on nine green building indicators. Excluding the biodiversity indicator, which is exempt for sites under one hectare, Building C met five key indicators: daily energy-saving, water resource management, CO₂ reduction, indoor environmental quality, and site water retention. Through the application of new technologies and innovative thinking, The Company aims to reduce resource consumption and protect the global environment.



0.4 Highlights of Performance

Governance

- In the corporate governance evaluation, we ranked in the 11% - 20% range among the 798 TPEX listed companies with a market capitalization of less than NTD 5 billion; and the 773 TPEX listed companies in the 6% -20% range.
- Voluntary publication of the 5th Sustainability Report with reference to the GRI 2021 Standards.

Environment

- The ABC-ATEC has adopted renewable energy, which accounted for 25.16% of the Group's total electricity consumption in 2024.
- Solar panels were installed at the Guangzhou and Malaysia factories for self-generation and self-consumption, covering 5.15% of the Group's total electricity usage.
- The greenhouse gas inventory management platform has been adopted for three consecutive years to ensure the authenticity of data.
- ABC-ATEC obtained the ISO 14064-1 certification.
- In 2024, the Group saved a total of 343,168 kWh of electricity, equivalent to a carbon reduction of 182 tCO₂e.
- At the Taiwan Yangmei Factory 2 Headquarters, Building B, wastewater from production processes was recycled and reused, totaling 33.69 tons.
- Received the "1.5°C Temperature Control Target" certification from CommonWealth Magazine.

Social

- Received the "ESG Awards: Sustainable Society Award" from SGS Taiwan (SGS Taiwan Ltd.) in 2024.
- The gender ratio of male to female employees was nearly 1:1.
- The proportion of female supervisors in the Group reached 45.32%, which is close to half of the total number of managers.

千如電子集團 2024年集團方針發表會

01

Co-creating a Sustainable Future

- 1.0 Management Approach
- 1.1 Operational Overview and Performance
- 1.2 Sustainability Governance Structure
- 1.3 Stakeholders and Material Topics
- 1.4 Corporate Governance

Co-creating a Sustainable Future

1.0 Management Approach

1.0.1 Management Approach

Material Topics- Integrity Management

Policy



The Company, guided by principles of integrity, transparency, and responsibility, establishes policies based on honesty, and implements robust corporate governance and risk management mechanisms to create a sustainable business environment.

Commitment



Sound corporate governance is closely related to operating performance. In 2015, the Board of Directors approved "Business Integrity Code of Conduct" to outline commercial practices that conform with integrity principles. Members of ABC-ATEC Group, including directors, supervisors, employees, agents, and controllers are expected and required to take part in the enforcement of integrity policies

Responsibility



- **External responsibilities:** Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
- **Internal policies:** Ethical Behavior Guidelines, Business Integrity Code of Conduct, Insider Trading Prevention Policy, Misconduct Reporting, Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, Policy for Illegal and Unethical Conducts Involving Insiders and Outsiders.



Resources



- Comply with "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and related laws.
- (Independent) Directors' participation in corporate governance courses.
- Organize employee training courses to raise employees' regulatory awareness.

Contact Information



- **Human Resources Department: Mr. Lin**
- **TEL : (03)4788-188 ext. 1662**

Material Topics Management

GRI 205 Anti-Corruption

Impact of Material Topics on ESG

Positive Impact

When all employees uphold integrity and ethical standards, it helps prevent corruption and bribery, while maintaining the Company's good reputation and earning trust and respect from stakeholders.

Negative Impact

Any violation of integrity principles may harm stakeholders' interests, incur penalties, and damage the Company's reputation and operations.

Tracking Methods

- **New employees:** Attendance records and exam scores are used to verify that personnel have completed the training and passed the assessment.
- **Existing employees:** Utilize an online form system, limited to the training period, with follow-up tracking. Detailed data can be downloaded from the system backend to confirm completion and successful assessment.

Action Plans

- **New employees:** Conduct onboarding training on the first day, covering "Integrity Management and Anti-Corruption." Related questions are included in the pre-employment training assessment.
- **Existing employees:** Conduct annual training on "Integrity Management and Anti-Corruption," followed by an exam. A passing score is 80. Employees who fail must retake the training and exam until passing.
- For directors: Regularly provide continuing education courses related to integrity management.

Material Topics- Operational Performance

Policy



The Company has always adopted the business philosophy of "service, innovation and seeking for excellent" since it was first incorporated, and managed to create a distinctive set of corporate values that "ABC means satisfaction." Through the implementation of a joint group entrepreneurship, ABC-ATEC aligns the Personal achievement will be realized while company reached its target.

Commitment



Strengthen Marketing Activities, Revitalize and Achieve a Sales Target of 2.2 billion. Adjust regional production layout to meet customers' multi-site production requirements

Responsibility



External responsibilities: The Company Act, Securities and Exchange Act, Business Entity Accounting Act, Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Internal policies: Board of Directors Conference Rules, Shareholder Meeting Conference Rules, Compensation Committee Charter, Director Election Policy, Articles of Incorporation, Audit Committee Charter etc.

Resources



In Compliance with the Company Act and Relevant Regulations

Contact Information



Spokesperson: Mr. Tommy Hsu
TEL : (03)4788-188 ext. 1111



Material Topics Management

GRI 201 Economic Performance

Impact of Material Topics on ESG

Positive Impact

In 2025, revenue is expected to grow compared to 2024, potentially boosting investor confidence.

Negative Impact

In 2024, revenue declined compared to 2023, and net profit after tax decreased, resulting in reduced investor confidence and lower dividends distributed to employees.

Tracking Methods

- Report and review the previous month's financial results at the Group's monthly performance review meetings.
- Conduct monthly cost reviews.
- Report quarterly to the Board of Directors.

Action Plans

- Actively explore new markets and customers to generate revenue.
- Increase the proportion of purchased materials while reducing in-house production to lower costs and create profit.
- Apply for investment tax credits to reduce tax burden and actively develop available quotas to ensure efficient capital utilization.

Material Topics- Information Security and Customer Privacy*

Policy



The information system of our company and branch must be (1)secure (2)sustainable and firm, and avoid any possible information technology environment, ABC-ATEC Electronics Group with reference to 《Information Management and Control Guidance for Listed and OTC Companies》, related laws, and information security requirements, to formulate information security policy, to ensure organization information assets, data, systems, equipment, and network security can be protected properly.

Commitment



We are based on laws and information security requirements, to establish information security management systems, and provide protective policy, to ensure confidentiality, integrity, availability of the group. We establish group staffs to have the concept of everyone information security, to provide secure information environment and information security management regulations. We ensure the group to have solid operation and sustainable development.

Responsibility



- **External responsibilities:** Cyber Security Management Act, Information and Communication Security Control Guidelines for Listed and OTC Companies
- **Internal policies:** Group Mobile Device Security Management Rules, Personal Data Protection of Group Information Security, Group Machine Equipment Remote Control Management Rule, Group Information and Communication Security Manual

Resources



- In compliance with the “Cyber Security Management Act” and other relevant regulations
- Conduct employee training programs to enhance staff awareness of information security.

Contact Information



- **Information Technology Dept. Mr. Fan**
- **TEL : (03)4788-188#1600**



Material Topics Management

Information Security and Customer Privacy*

Impact of Material Topics on ESG

Positive Impact

Properly protect the Group's information assets to enhance customer trust. Continuously improve information security measures to prevent incidents caused by unintentional mistakes or actions of personnel, thereby enhancing the safety of information services.

Negative Impact

With the widespread adoption of AI functions, the number of fraud and phishing emails targeting the Group's email servers has increased significantly, posing a considerable impact on the Group's information security.

To strengthen cybersecurity protection, the Group has increased investment in antivirus software and email filtering hardware, which has led to higher internal monitoring and management costs; in addition, more manpower has been allocated to backup measures to prevent potential losses from ransomware attacks.

Action Plans

- Outsource vulnerability scanning of information systems and implement remediation measures for identified weaknesses.
- Carry out phishing email social engineering drills for all employees; provide additional awareness training courses for those with lower levels of cybersecurity awareness.

Tracking Methods

- The Information Security Committee convenes regular annual meetings to review various information security management matters and assess the implementation of information security policies.

1.0.2 Performance

2024 Target	2024 Performance	Whether Achieved
Comply with "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"; continually improve corporate governance evaluation results, corporate governance evaluation ranking: medium to high.	Accomplished: The company governance evaluation ranks in the 6%–20% percentile among 773 OTC-listed companies in the Corporate Governance Evaluation, and in the 11%–20% percentile among 798 listed and OTC companies with a market capitalization under NT\$5 billion.	ACHIEVED
Signing of the "Employee Integrity Pledge" by all group employees: 95%	"Employee Integrity Pledge" signing rate reached 100%.	ACHIEVED
Training rate of integrity education training: 95% of employees.	Training rate of integrity management education training reached 100% of employees.	ACHIEVED
Compliance with the anti-corruption management system model, with no corruption incidents occurred.	No occurrence of corruption incidents.	ACHIEVED
R&D expenses increased by 5% compared to the previous year	R&D expenses increased by 5.57% compared to the previous year.	ACHIEVED
Promote information security education and training and confirm that the pass rate must reach 90%.	Information security training pass rate: 97.60%.	ACHIEVED
Number of major information security incidents: 0 cases/critical system recovery RTO: 2 days	No major information security incidents occurred.	ACHIEVED
System disaster drills and social engineering and information security phishing drills: 2 times/year.	Two exercises conducted: system disaster recovery drills and social engineering/phishing simulations.	ACHIEVED

1.1 Operational Overview and Performance

1.1.1 Corporate Overview

I. Basic Information

ABC Taiwan Electronics Corp. (stock code: 3236) was founded on May 25, 1979, and is headquartered in Yangmei District, Taoyuan City, Taiwan, with Taiwan manufacturing facilities including Yangmei Factory 1 and Yangmei Factory 2. In addition, the Company has overseas manufacturing operations in Shanghai, Guangzhou, and Malaysia, and is collectively known as ABC-ATEC Electronics Group. Initially, the Company's products were used in radio, audio, and small motors, before offering applications in televisions and computers. Today, ABC-ATEC focuses on the research, development, and production of inductors for a multitude of applications from IT, communication, consumer electronics, industrial control, medical equipment to auto electronics. In the future, the Company will continue exploring base materials and applications, and develop automated production procedures that further improve the quality of inductors and heat sinks in terms of performance, reliability, features, size, energy efficiency, and environment-friendliness, and thereby making sustainability a competitive advantage for the organization.

II. Operating Locations

ABC-ATEC is headquartered in Taiwan and has factories established in Taiwan, Guangzhou, Shanghai, and Malaysia, along with an R&D center and reliability test center. The Company not only introduces the latest automated equipment, but also develops its own equipment and makes ongoing improvements to raise performance. Today, ABC-ATEC is an IATF 16949-certified producer of automotive electronics.



**Shanghai Factory-ABC Electronics
(Shanghai) Corp.**

Address: No. 8130 Jinda Road, Fengxian,
Shanghai, China

**Yangmei Factory 1**

Address: No. 422, Section 1, Yanghu Road, Yangmei
District, Taoyuan City

**Headquartered-ABC Taiwan Electronics Corp: ABC
Taiwan Electronics Corp.**

Address: No. 98, Lane 298, Huandong Road, Yangmei
District, Taoyuan City

**Guangzhou Factory-
Guangzhou ABC Electronics Corp.**

Address: No. 25 Shihua Road, Shanmen, Hualong,
Panyu, Guangzhou, Guangdong, China

**AOBA TECHNOLOGY(M) SDN.BHD**

Address: No.5, Jalan BS 7/7, Off Jalan Cempaka,
Seksyen 9, Taman Bukit Serdang, 43300, Seri
Kembangan, Selangor, Malaysia

1.1.2 Participation in External Associations

ABC-ATEC continues to participate in relevant public associations and organizations to exchange industry knowledge, information, and practical experience with peers and professionals, with the aim of improving the industry's standards in response to the changing international situation. In 2024, the Company joined 6 public associations and organizations, as follows:

Associations and Organizations in which ABC-ATEC Participates

Public Associations and Organizations	Membership Status
Association of Small and Medium Enterprises	Regular Member
Taiwan Eastbound Alliance	Regular Member
Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	Regular Member
Chinese International Economic Cooperation Association (CIECA)	Regular Member
Taoyuan City Industrial Association membership fee	Regular Member
Taiwan Climate Alliance	Regular Member



1.1.3 Operational Performance

2024 Strategic Objectives of ABC-ATEC is "Promote LTCC Products for Customers' Approval, and Expand Global Inductor Market Share. " and "Create a QM Module for Tracking Production History, and Establish a Success Factor Team to Reserve Talents and Capabilities. ", a total of 10 basic strategies to vigorously launch solid operations:

- Promote and mass-produce LTCC process components, expanding diversified applications in the high-frequency communication market.
- Establish project teams to develop IC design requirements, entering the U.S. automotive industry system through diversified academia-industry collaboration.
- Extend production capacity by expanding ATM product lines and investing in AVN production facilities.
- Implement transformation and production site integration in the China region, providing a more efficient, flexible, and competitive manufacturing environment.
- Upgrade production equipment, integrate hardware and software technologies for modularization, and enhance automation processes for added value.
- Digitalize the sales model, engage in external technology scouting, and broaden product portfolios to optimize resource allocation.
- Build a succession pipeline within the group to implement a sustainable talent development system.
- Ensure products and processes meet quality standards and customer requirements, and cultivate PQE-related knowledge and skills.
- Utilize production information systems to ensure plan execution, optimize resources, manage inventory, and shorten delivery cycles.
- Conduct information security risk assessments to identify and protect critical information assets, enhancing employee awareness of cybersecurity risks.

In 2024, the Group's consolidated net revenue was NT\$1,864,179 thousand, representing a decrease of 6.43% compared to 2023. In 2024, the subsidy income received by ABC-ATEC from the government amounted to NT\$1,408 thousand. ABC-ATEC has a paid-in capital of NT\$1.05 billion and reported a net operating revenue of NT\$1,864,179 thousand in 2024, with earnings per share (EPS) of NT\$0.04. Detailed information on the company's business performance and financial results can be found in the annual report available on the company's official website: <https://www.atec-group.com/tw/extrabold-52-53-page675> .

2022 to 2024 Comparative Financial Performance			Unit: NT\$ Thousand
Item	2022	2023	2024
Operating Revenues (Net Income)	3,033,092	1,992,295	1,864,179
Gross Profit	669,251	449,631	409,912
Operating Profit and Loss	225,470	35,343	-20,572
Non-operating Income and Expenses	68,508	18,111	37,208
Net Profit before Tax	293,978	53,454	16,636
Earnings per Share	2.24	0.36	0.04

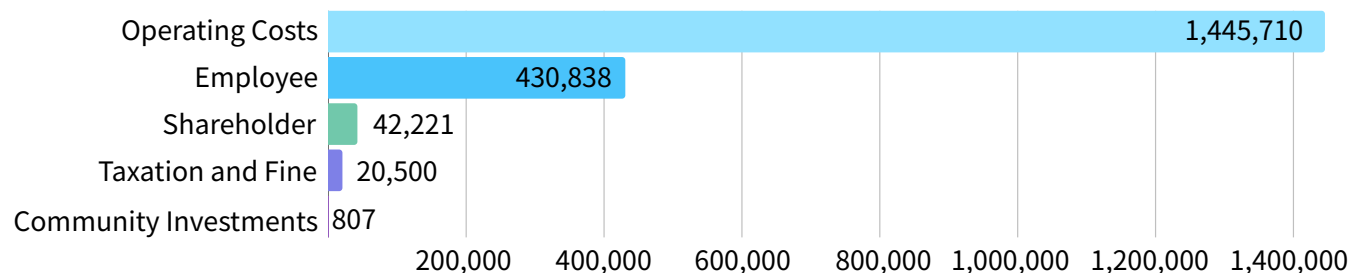


Direct Economic Value Generated and Distributed

Unit: NT\$ Thousand

Economic Performance	Items	Definition	2024 - Actual
Direct Economic Values Produced	Operating Revenues	Sales Revenues (Operating Revenue + Non-operating Revenue)	1,920,508
Economic Values Distributed	Operating Costs	Cost of Sale	1,222,338
		Operating Expenses	223,372
	Employee Salary and Benefits	Employee Salary and Benefits	430,838
	Payments to Investors	Cash Dividend for 2023 to Be Paid in 2024	23,100
		Interest Expense	19,121
	Payments to Government	Taxation	20,393
		Fine	107
	Community Investments	Donations and Sponsorships	807
Residual Economic Value			-19,568

Unit: NT\$ Thousand



1.2 Sustainability Governance Structure

1.2.1 Sustainability Development Strategy

ABC-ATEC has established a Sustainability Development Policy grounded in the spirit of collective entrepreneurship. Through strengthening corporate governance, balancing the interests of stakeholders, promoting environmental protection and energy conservation, and contributing to society, the company encourages full employee participation to uphold integrity in business operations. By fostering innovative growth, deepening green thinking, cultivating a culture of quality and safety, respecting human rights, supporting career development, and giving back to society, ABC-ATEC is committed to achieving sustainable development.

ABC-ATEC Sustainability Roadmap



1.2.2 ESG Committee

To implement corporate social responsibility, promote economic, social, and environmental sustainability, ABC-ATEC established the "CSR Committee" in 2020. Subsequently, in line with the Financial Supervisory Commission's 2021 update of the "Corporate Governance 3.0 -Sustainable Development Roadmap," the "Corporate Social Responsibility (CSR) Report" was renamed as the "Sustainability Report" or "ESG Report" in 2021. Consequently, ABC-ATEC's "CSR Committee" was also renamed as the "ESG Committee" on September 30, 2022, with the Chairman of the Board serving as the "Chairman of the ESG Committee," members of the management team as Vice Chairmen of the Committee, and the Chairman's Office as the executive secretary. Six major working groups were established under the committee, with each group consisting of department heads serving as committee members and representatives assigned to serve as executive committee members. These teams are responsible for planning, data collection, goal setting, and other deliberations on various ESG issues.

The Company reports its ESG information to the Board of Directors at the beginning of each year to strengthen the Board's participation and oversight in ESG implementation. The 2024 Sustainability Results Report was released on January 23.

The process for compiling and issuing the Sustainability Report is carried out in accordance with the Group's internal procedure "Sustainability Information Operational Management Rules" :

The ESG Committee collects relevant sustainable information, conducts analysis, and drafts the report content to ensure it fully reflects the Company's ESG performance.

After the draft is completed, responsible internal units review it to verify the accuracy of data and content.

Upon completion of internal review and external verification, the report is submitted to the Board of Directors for approval to ensure alignment with corporate policies and strategies.

In accordance with the TPEx "Rules Governing the Preparation and Filing of Sustainability Reports by OTC-Listed Companies," the report is published externally by the end of August each year, and disclosed on the Company website and public information platforms.



I. ESG Committee Operation Process



Formulate ESG Policies

Establish sustainability policies and management guidelines.



Hold ESG Meetings



Conduct regular ESG Committee meetings to track implementation progress and evaluate performance. Meetings in 2024 were held on 8/13 and 12/18.



Prepare ESG Report



Compile and publish the annual ESG Report, disclosing implementation results in both the Annual Report and on the company website.

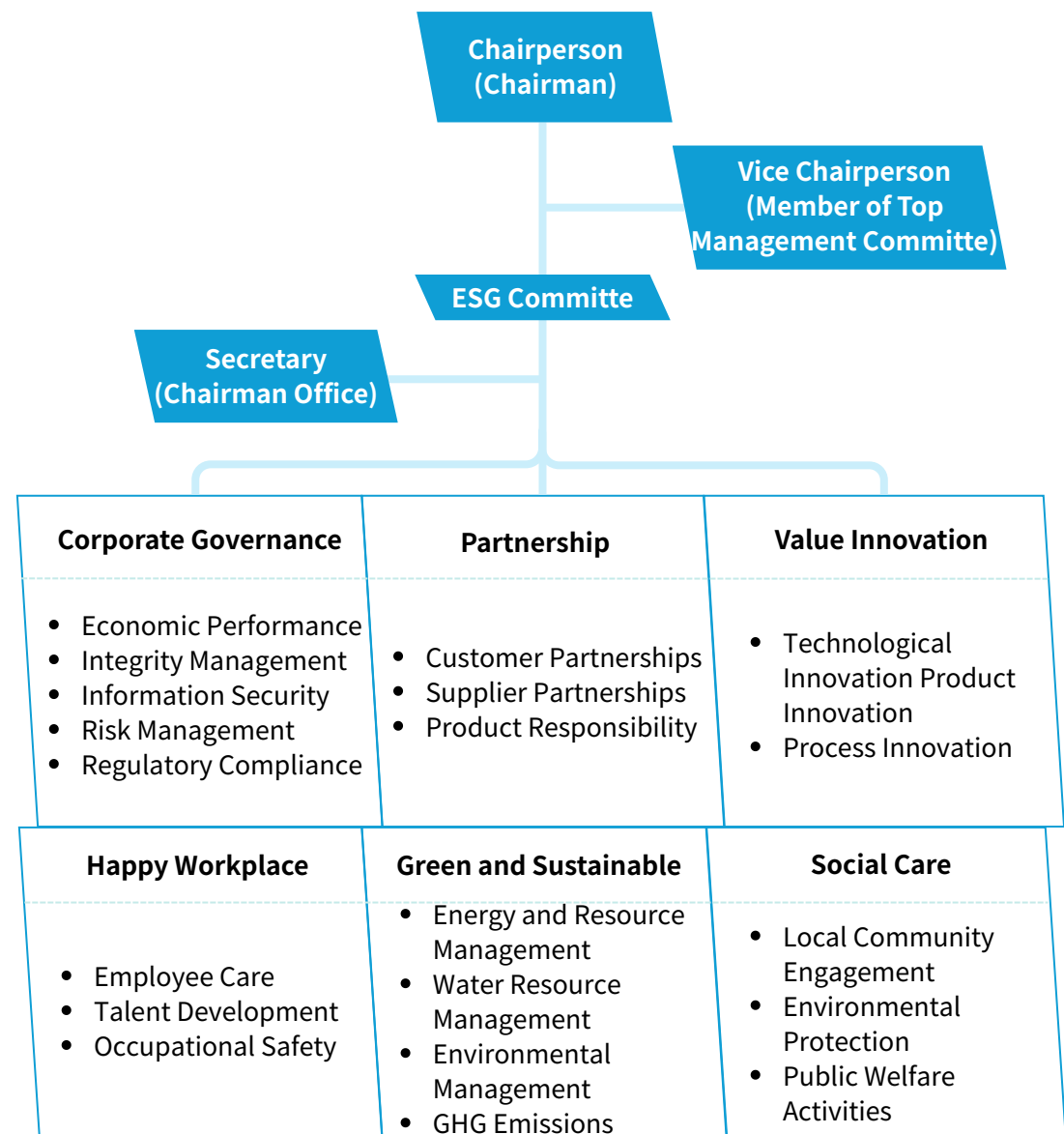


Report to the Board



Present ESG updates, goals, and performance to the Board for review and approval before report release.

II. Organizational Structure of the ESG Committee



III. ABC-ATEC Corporate Social Responsibility Policy



1.3 Stakeholders and Material Topics

1.3.1 Material Topics Assessment Process

ABC-ATEC creates CSR questionnaires based on GRI standards after taking into account global trends, industry characteristics, and the topics of concern gathered through stakeholder communication. The Company conducts a stakeholder survey every three years, with the most recent survey conducted in 2023. Stakeholder feedback is collected through an online questionnaire system. Surveys were distributed to stakeholders through the online questionnaire system, and their feedbacks gave the Company a good indication of how concerned stakeholders are about each issue, as well as the level of impact each issue has on the Company.

I. Identification of Stakeholders

ABC-ATEC considered the company's industry nature and operation model, and the ESG Committee made reference to the five principles of Stakeholder Engagement Standard, AA1000 SES 2015: Dependency, Responsibility, Tension, Influence, and Diverse Perspectives to determine the groups or organizations that ABC-ATEC have influenced on or which have influence on ABC-ATEC, and formulate the "Regulations Governing the Identification of stakeholders and Material Topics Assessment for Sustainable Operations Management" to plan and promote various sustainable development policies and systems, and ensure the implementation of the corporate social responsibility policy. We have identified 6 stakeholders directly related to ABC-ATEC, including employees, suppliers, shareholders/investment institutions, customers, government agencies, and academic institutions.

II. Identification of Material Topics

ABC-ATEC referred to the GRI Standards and benchmarked against the material topics prioritized by peer companies. Considering international trends, industry characteristics, and issues raised through stakeholder engagement channels, the ESG Committee consolidated and identified 15 material topics as the scope for the materiality assessment survey.



III. Assessing Stakeholder Interest and Impact

Based on the identified topics, the Company designed stakeholder questionnaires to assess stakeholder interest and the potential impacts of each topic. The survey was distributed through both online and paper formats to relevant stakeholders. In total, 66 stakeholder questionnaires and 15 impact assessment questionnaires were collected.

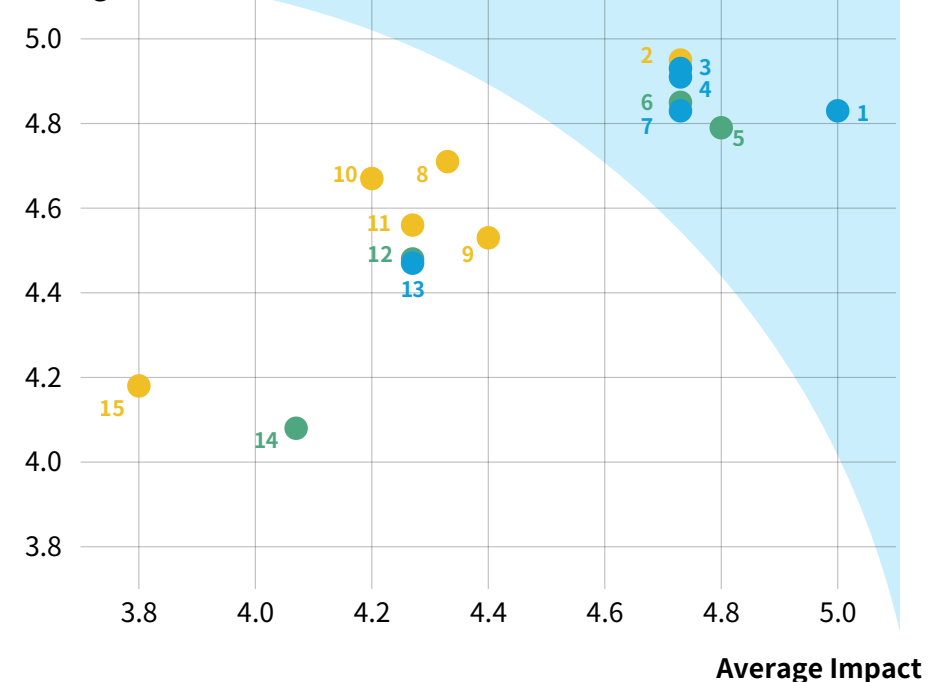
IV. Assessment and Identification of Material Topic

To comprehensively evaluate the materiality of sustainability topics, ABC-ATEC quantified both stakeholder interest and impact through the surveys, and ranked each topic according to its significance. The ESG Committee reviewed and discussed the results, ultimately identifying six priority material topics for disclosure. Corresponding management approaches and targets were established to ensure effective implementation and continuous improvement of sustainability strategies. Upon review, no major changes were observed in the material topics compared to 2023, indicating that the Group's sustainability direction remains stable and aligned with its long-term strategy.

V. Material Topics Matrix

In order to establish knowledge on stakeholders' concerned topics, the ESG Committee conducted a materiality analysis that cross-examined the "level of stakeholders' concern," as gathered through questionnaires, against "the degree of impact on the environment, social and governance" that each topic has on the Company's operations. Topics that fall within the range of (3.8,4.18) - (5,4.83) were shortlisted as material topics, following internal meetings and resolutions, six material topics have been selected, along with the necessary disclosures related to "Ethical Corporate Management". In total, there are seven material topics identified. Each topic was prioritized in terms of materiality with short-, medium-, and long-term goals determined for regular follow-up in team meetings, during which team members would review the accomplishment of short-term goals and solutions, and then report the results of the analysis to the Board of Directors.

Average Stakeholder Interest



Major Topics

- | | |
|--|---|
| 1. Information Security and Customer Privacy | 9. Human Rights, Equality and Diversity |
| 2. Employment | 10. Occupational Safety and Health |
| 3. Operational Performance | 11. Talent Training and Development |
| 4. Supply Chain Management | 12. Waste Management |
| 5. Climate Change | 13. Anticompetitive Practices |
| 6. Energy Conservation and Carbon Reduction | 14. Raw Materials Used |
| 7. Customer Relationship | 15. Social Care |
| 8. Benefits & Compensation | |

1.3.2 Material Topics management

I. ABC's Sustainability Performance and Short/Medium/Long Term Goals- Governance

Material Topics- Integrity Management



(I) Corresponding SDGs and SDG Sub-goals

- 16.5 Substantially reduce corruption and bribery in all its forms



(II) SASB Metrics Code

- RT-EE-510a.1; RT-EE-510a.2; RT-EE-510a.3



(IV) Corresponding GRI Topic

- **GRI 205 Anti-Corruption**
- **205-2** Communication and Training about Anticorruption Policies and Procedures



(V) Short-term Goals (1-2 Years)

- Comply with "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"; continually improve corporate governance evaluation results by targeting areas with poor scores. Improve evaluation results, corporate governance evaluation ranking: medium to high
- Group-wide signing of the "Employee Integrity Pledge": 95% of employees
- Group-wide participation rate in integrity management education and training: 95%
- Group-wide compliance with the anti-corruption management system model, with no corruption incidents.

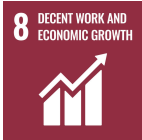


(VI) Mid- and Long-term Goals

- Establish a culture of integrity by enhancing employees' ethical awareness through regular training, incentive programs, and transparent operations. Strive to become a model of corporate integrity, upholding the principles of honest management and continuously strengthening corporate governance.



Material Topics- Operational Performance



(I) Corresponding SDGs and SDG Sub-goals

- 8.2 Achieve high levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labor-intensive sectors



(II) SASB Metrics Code

- RT-EE-250a.1; RT-EE-250a.2; ET-EE-000.A



(IV) Corresponding GRI Topic

- **GRI 201 Economic Performance**
- **201-1** Direct Economic Value Generated and Distributed



(V) Short-term Goals (1-2 Years)

- Strengthen Marketing Activities, Revitalize and Achieve a Sales Target of 2.2 billion.



(VI) Mid- and Long-term Goals

- Enhance product promotion initiatives to achieve target revenue, ensuring sustainable profitability and growth. Integrate and optimize production layouts to provide flexible solutions that meet customers' multi-site production needs.



Material Topics- Supply Chain Management



(I) Corresponding SDGs and SDG Sub-goals

- 17.14 Enhance policy coherence for sustainable development.



(II) SASB Metrics Code

- RT-EE-440a.1



(IV) Corresponding GRI Topic

- **GRI 308 Supplier Environmental Assessment**
- **308-1** Screened Using Environmental Criteria
- **GRI 414 Supplier Social Assessment**
- **414-1** New Suppliers that Were Screened Using Social Criteria



(V) Short-term Goals (1-2 Years)

- Group-wide anti-corruption promotion: 90%
- Group-wide actual compliance rate of environmental/social assessment of new suppliers: 100%
- Group-wide compliance rate for existing supplier audits: over 95%
- Group-wide new supplier's conflict-free mineral declaration: 100%



(VI) Mid- and Long-term Goals

- Ensure that all materials, labor, and services provided by business partners meet the company's quality requirements. Collaborate with suppliers that value corporate social responsibility and consider environmental protection, human rights, labor practices, and ethical conduct, fostering a relationship of mutual prosperity while ensuring the value chain is free from conflict minerals.

Material Topics- Information Security and Customer Privacy



(I) Corresponding SDGs and SDG Sub-goals

- 9.c. Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in the least developed countries by 2020.



(II) SASB Metrics Code

- NA



(IV) Corresponding GRI Topic

- **Specific Topics of the Company**



(V) Short-term Goals (1-2 Years)

- Conduct five training sessions, targeting 95% employee participation and 90% pass rate in online assessments.
- Upgrade 85% of network-connected information equipment to the latest versions supported by the original manufacturer.
- Complete two rounds of account inventory and managerial review to ensure account security.



(VI) Mid- and Long-term Goals

- Implement Information Security Management System (ISMS): Conduct an evaluation on adopting ISO 27001 Information Security certification, targeted for completion by 2027.
- Enhance Data Encryption: Achieve 85% implementation of SSL communication protocols on servers by 2026.
- Establish Backup and Recovery Mechanisms: Complete offsite recovery drills for 90% of servers by the first half of 2026, ensuring a Recovery Time Objective (RTO) within two days.
- Strengthen Supplier Management: Begin conducting annual audits of information service providers starting in 2026.

II. ABC's Sustainability Performance and Short/Medium/Long Term Goals- Environment

Material Topics- Energy Conservation and Carbon Reduction, Climate Change



(I) Corresponding SDGs and SDG Sub-goals

- 7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.



(II) SASB Metrics Code

- RT-EE-130a.1



(IV) Corresponding GRI Topic

- **GRI 302 Energy**
- **302-1** Energy Consumption within the Organization
- **302-3** Energy Intensity



(V) Short-term Goals (1-2 Years)

- Compared to the baseline year of 2021, greenhouse gas emissions in Scope 1 and Scope 2 decreased by 16.8% compared to the baseline year.
- Group-wide renewable energy utilization rate reached more than 20%.



(VI) Mid- and Long-term Goals

- The recent goal is to keep temperature rise within 1.5°C, and we commit to reduce Scope 1 and Scope 2 emissions by 42% by 2030 compared to the baseline year of 2021, and to achieve net-zero emissions by 2050.

Non-Material Topics



(I) Corresponding SDGs and SDG Sub-goals

- 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.



(II) SASB Metrics Code

- NA



(IV) Corresponding GRI Topic

- NA



(V) Short-term Goals (1-2 Years)

- The Group's per capita daily general waste generation is less than 1.5 kg.



(VI) Mid- and Long-term Goals

- Continue to increase the waste recycling and reuse rate, ensure that all waste generated from the Group's operations is properly managed, strengthen resource reuse, and reduce environmental impact.



(I) Corresponding SDGs and SDG Sub-goals

6.4 the water use efficiency of all industries, ensure a sustainable supply and recycling of freshwater to address water shortages, and significantly reduce the number of people facing water shortages



(II) SASB Metrics Code

- NA



(IV) Corresponding GRI Topic

- NA



(V) Short-term Goals (1-2 Years)

- The Group's per capita daily water consumption is less than 150 liters.



(VI) Mid- and Long-term Goals

- Reduce water waste across the Group, increase the water recycling and reuse rate, and ensure that all wastewater generated from the Group's operations is properly treated.



III. ABC's Sustainability Performance and Short/Medium/Long Term Goals-Society

Material Topics- Employment



(I) Corresponding SDGs and SDG Sub-goals

- 10.2social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other statuses. Reduce inequality within and among countries.
- 10.3inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.



(II) SASB Metrics Code

- RT-EE-000.B



(IV) Corresponding GRI Topic

- **GRI 401 Employment**
- **401-1** New Employee Hires and Employee Turnover
- **401-2** Benefits Provided to Full-time Employees (Exclude Temporary or Part-time Employees)
- **401-3** Parental Leave



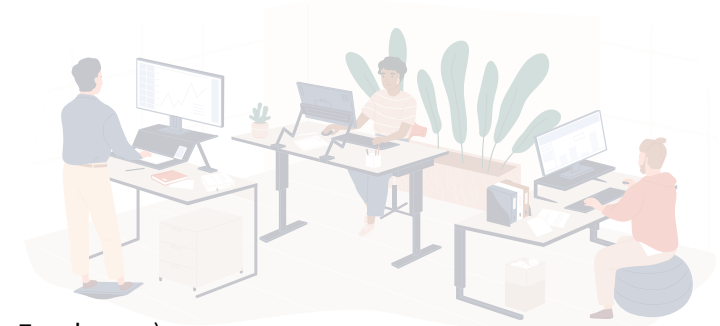
(V) Short-term Goals (1-2 Years)

- Group-wide average monthly turnover rate: 10% for direct staff, 8% for indirect staff (regular severance, retirement, and involuntary severance are excluded)



(VI) Mid- and Long-term Goals

- Maintain stable employee retention, retain suitable talent, and provide comprehensive benefits and a friendly work environment to create a happy workplace.



1.3.3 Stakeholders Communicate

I. Employees

Types of Stakeholders	Employees		Supplier	
Impact Topic	<ul style="list-style-type: none"> Labor-management Relations Employee Benefits and Rights Education and Training and Promotion Occupational Safety and Health Employee Communication 	<ul style="list-style-type: none"> Company' s Sustainable Management and Vision Internal Control System Execution Confidentiality Obligations Salary and Benefits Career Development 	<ul style="list-style-type: none"> Supplier Management Financial Health Ethical Management Risk Management 	<ul style="list-style-type: none"> Environmental Protection and Reduction of Waste Green Products Conflict Minerals Supplier Environment and Management of Hazardous Substances
Communication frequency and channels	<ul style="list-style-type: none"> Employee Welfare Committee Occupational Safety and Health Committee Labor Pension Supervisory Committee Labor-Management Meeting Employee Health Examination 	<ul style="list-style-type: none"> Education and Training Contracted Medical Health Service Self-Management Activities and Proposal System Communication Meetings with all Employees and Talks with Employees Work Rotation 	<ul style="list-style-type: none"> Filling-in of Supplier Information Procurement Contracts Commodity Quality Review Meeting Supplier Visit Meeting 	<ul style="list-style-type: none"> Supplier Audit Supplier Assessment Promotion of Green Procurement
Communication performance	<ul style="list-style-type: none"> Employee Welfare Committee: 4 Occupational Safety and Health Committee: 4 Labor Pension Supervisory Committee: 4 Labor-Management Meeting : 4 	<ul style="list-style-type: none"> Employee Health Examination: 1 Carry out education and training according to plan Contracted Medical Health Service: 6 Self-Management Activities and Proposal System: 1 	<ul style="list-style-type: none"> Filling-in of Supplier Information : 3 suppliers Procurement Contracts: 3 suppliers Commodity Quality Review Meeting: 2 	<ul style="list-style-type: none"> Supplier Visit Meeting: 2 Supplier Audit:11 Supplier Assessment: 12 Promotion of Green Procurement: 36

Types of Stakeholders	Shareholder/ Investment/Agencies	Customers	
Impact Topic	<ul style="list-style-type: none"> Operational Performance Ethical Corporate Management Sustainable Management Transparent Information Disclosure 	<ul style="list-style-type: none"> Providing Products and Services According to Market Trends and Customer Needs Management of Environmentally-friendly and Non-Hazardous Substance Products Professional Technical Support and Services 	<ul style="list-style-type: none"> Customer Services and Supplier Management Business Integrity and Ethics Risk Management Confidentiality Agreement Product Quality Service Quality
Communication frequency and channels	<ul style="list-style-type: none"> Convening of Annual General Shareholders' Meetings (annually) Corporate Governance Evaluation (annually) Update on MOPs and the Company's official website (irregularly) Respond to shareholders' questions by phone or letter (irregularly) 	<ul style="list-style-type: none"> Business Meetings Research and Sales Meetings Regular Business Visits Customer Satisfaction Survey Customer Complaint Management System 	<ul style="list-style-type: none"> Response Management of Customers Carrying Out an Audit at the Factory Talks and Meetings with Senior Managers/Business Personnel Website Product Introduction and Services Product Presentation
Communication performance	<ul style="list-style-type: none"> Held one Shareholders' Meeting Held one Investor Conference Reported the company's operational performance to shareholders and investors through the corporate website and the Market Observation Post System (MOPS) 	<ul style="list-style-type: none"> Business Meetings: 50 Research and Sales Meetings: 12 Conducted weekly business visits Customer satisfaction survey: 1 time Customer complaint management: 120 cases Customer on-site audit response management: 6 times 	<ul style="list-style-type: none"> Held occasional interviews and meetings with senior executives and sales personnel Updated the corporate marketing website to enhance product visibility and brand exposure Product Presentation: 4

Types of Stakeholders	Government Agencies		Academic units
Impact Topic	<ul style="list-style-type: none"> • Information Transparency • Economic Performance • Corporate Governance • Legal Compliance • Labor-management Relations • Environmentally Friendly • Occupational Safety and Health • Climate Change 		<ul style="list-style-type: none"> • Innovative Technology Development
Communication frequency and channels	<ul style="list-style-type: none"> • Official Correspondence (as required by law) • Promotion of Laws and Regulations (handled according to the regulations) • Symposiums or Seminars (handled according to the regulations) 	<ul style="list-style-type: none"> • Official correspondence and important information (handled according to the regulations) • Promotion of Laws and Regulations (handled according to the regulations) • Symposiums or Seminars (handled according to the regulations) 	<ul style="list-style-type: none"> • External project meeting • Internal project meeting
Communication performance	<ul style="list-style-type: none"> • Accomplished: The company governance evaluation ranks in the 6%–20% percentile among 773 OTC-listed companies in the Corporate Governance Evaluation, and in the 11%–20% percentile among 798 listed and OTC companies with a market capitalization under NT\$5 billion. 	<ul style="list-style-type: none"> • Participate in regulatory awareness sessions, seminars, and workshops, or conduct on-site inspections • Promptly respond to inquiries from competent authorities 	<ul style="list-style-type: none"> • External project meeting: once a month • Internal project meeting: once a week

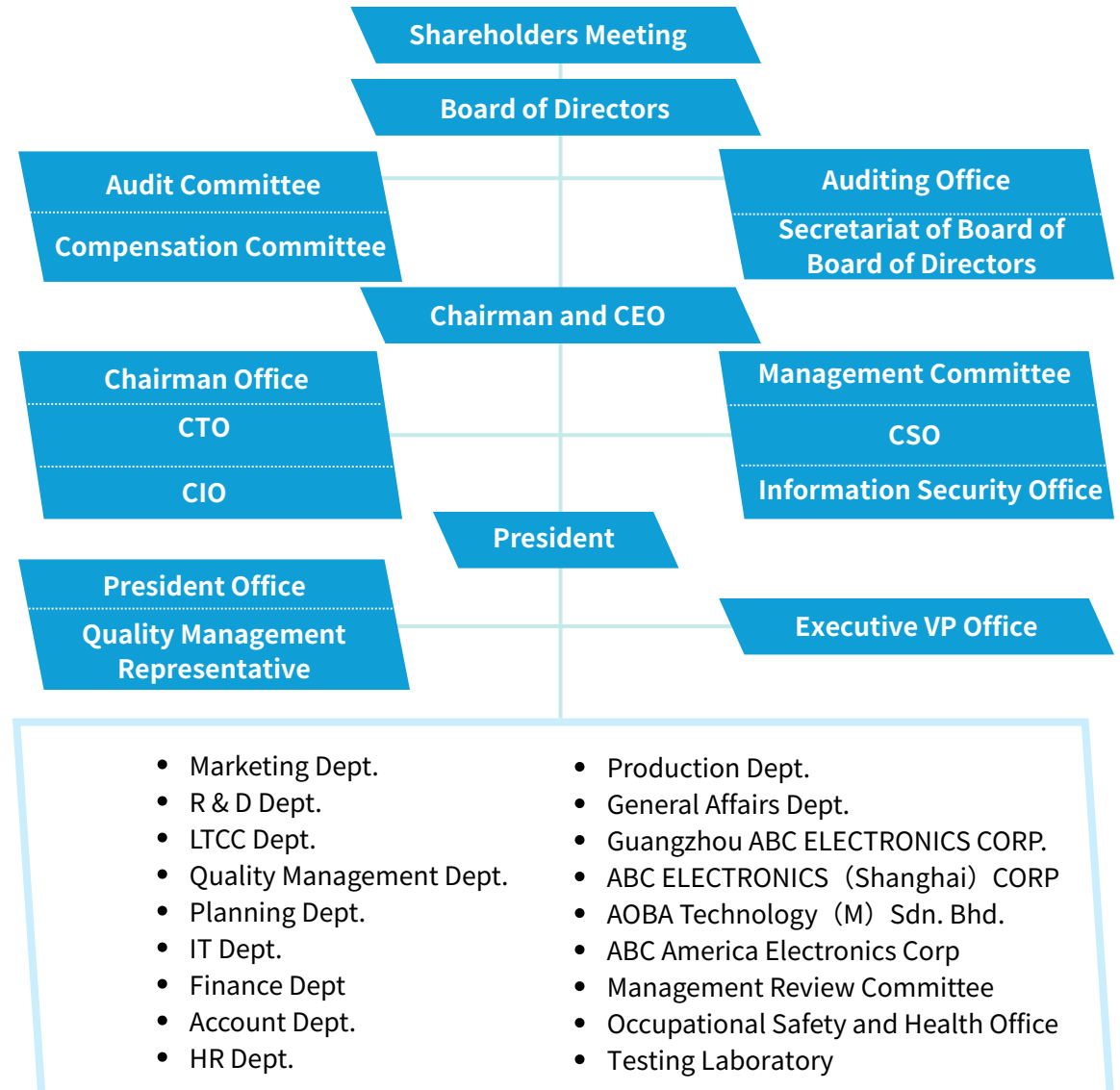
1.4 Corporate Governance

1.4.1 Corporate Governance structure

The Company's highest authority is the shareholders' meeting. The shareholders elect directors to form the Board of Directors. The Board of Directors is the Company's highest governing body and is responsible for the Company's overall business decisions. Functional committees, including the Compensation and Audit Committees, oversee the Company's operations, director remuneration, financial reports, and ESG performance targets.

Please refer to the official website for the company's governance structure:

<https://www.atec-group.com/tw/about-73-page89>



I. Board of Directors

The Board of Directors serves as a balance and supervisory body between the company's shareholders and management. It exercises the rights and obligations entrusted by shareholders, formulates operational policies based on the interests of stakeholders, appoints and oversees the company's management team, and makes resolutions on sustainability strategies while tracking their implementation.

The term of office for directors is three years, and re-election is permitted. Nomination and selection criteria are based on candidates' independence, professional background, and relevance to the company's operational development, while also considering board diversity.

The current Board of Directors consists of 11 members, including four independent directors, with a male-to-female ratio of 9:2. ABC-ATEC convenes at least one board meeting per quarter, holding a total of eight meetings in 2024, with an average attendance rate of 97.5%.

For detailed information on board members, please refer to the company's website and annual report (p.20):

<https://www.atec-group.com/tw/extrabold-52-53-page675>

<https://www.atec-group-main.com/tw/extrabold-56-274-page602>



II. Board Nomination and Selection Policy

The composition of the Company's Board of Directors is determined based on the scale of business development, the shareholding structure of major shareholders, and practical operational needs, with an appropriate number of no fewer than seven directors. Board diversity is emphasized in its composition. In principle, directors who also serve as company executives should not exceed one-third of all board seats. The Company has established an appropriate diversity policy in line with its operational model and development needs, covering (but not limited to) the following two key dimensions:

Basic conditions and value	Gender, age, nationality, and cultural background. The proportion of female directors is recommended to reach at least one-third of the total board seats.
Professional knowledge and skills professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.	Board members shall possess professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), relevant expertise, and industry experience. (I) Operational and business judgment (II) Accounting and financial analysis (III) Business management capability (IV) Crisis management (V) Industry expertise (VI) International market perspective (VII) Leadership (VIII) Decision-making ability

The election of directors of the Company is conducted in accordance with the cumulative voting system and the open ballot method. Each share held by a shareholder represents votes equivalent to the total number of directors to be elected. Shareholders may concentrate all their votes on one candidate or distribute them among several candidates. For identification purposes, the shareholder account number or attendance certificate number printed on the ballot may serve as the voter's signature. The Board of Directors shall prepare ballots equal to the number of directors to be elected, specifying the number of votes each shareholder is entitled to, and distribute them to shareholders attending the shareholders' meeting for voting. The ballots for directors—who are elected together for both independent and non-independent director positions—are counted separately, and the respective candidates are elected separately. For details regarding the Nomination and Selection of Directors, please refer to the Corporate Governance Best Practice Principles (p.5):

<https://www.atec-group.com/tw/extrabold-56-277-page609>

III. Board Performance Evaluation Mechanism

The Company conducts annual performance evaluations of the Board of Directors, functional committees, and individual board members in accordance with the Regulations for Board Performance Self-Evaluation. The evaluation results serve as a reference for enhancing the effectiveness of the Board's operations.

ABCATEC internal evaluation results for the year were rated as satisfactory, indicating that the Board of Directors and all functional committees operate effectively and in compliance with corporate governance requirements. The Company will continue to strengthen the Board's functions based on the evaluation outcomes to further improve corporate governance performance.

In accordance with Article 9 of the Regulations for Board Performance Self-Evaluation, the results of the Board performance evaluation shall serve as a reference for the selection or nomination of directors, and the results of individual director evaluations shall serve as a reference for determining individual remuneration.

IV. Board of Directors' Remuneration Determination Process

The remuneration of the Company's directors is determined based on the following principles:

- (I) The performance evaluation and remuneration of directors, supervisors, and managerial officers are determined with reference to the typical levels within the industry, taking into consideration individual performance, the Company's operational results, and the reasonableness of their correlation with potential future risks.
- (II) The remuneration system shall not encourage directors or managerial officers to engage in activities exceeding the Company's acceptable risk appetite in pursuit of higher compensation.
- (III) The proportion of bonuses linked to short-term performance and the timing of payment of variable remuneration for directors and senior executives shall be determined based on the characteristics of the industry and the nature of the Company's business operations.

For detailed information, please refer to the following documents available on the Company's official website Remuneration Committee Charter (p.1), Articles of Incorporation (p.3):

<https://www.atec-group.com/tw/extrabold-56-277-page609>



V. Board Training and Development

In 2024, all members of the Board of Directors completed at least 6 hours of training in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies” with a total of 72 training hours completed by the Board as a whole.

To strengthen corporate governance and sustainability capabilities, the Company planned and arranged two training programs in 2024 based on prevailing sustainability trends and the soft skills needed by directors:

“How the Board Oversees ESG Risks to Build Corporate Sustainability Competitiveness”, “Exploring Employee Incentive Strategies and Anti-Corruption Practices”. Through these trend-oriented and needs-based training programs, the Company further enhanced directors’ overall competence and decision-making capabilities in the areas of sustainable governance and ethical business conduct.

For details on directors’ continuing education, please refer to the Annual Report (p.51):

<https://www.atec-group.com/tw/extrabold-52-53-page675>



VI. Reporting of Material Topics to the Board of Directors

To establish a sound governance framework, strengthen the supervisory function, and enhance management effectiveness, ABC-ATEC has formulated the “Rules of Procedure for Board of Directors Meetings.” The Board convenes at least once per quarter, and in 2024, a total of 8 board meetings were held. The types of resolutions passed during these meetings are summarized as follows.

Reporting of Material Topics to the Board of Directors

Types of Agenda Items	Number of pieces
Changes in Committee Composition	2
Matters Related to the Shareholders’ Meeting	3
Business and Operational Decisions	1
Financial Reports	7
Organizational and Personnel Changes	1
Board Meeting Matters	2
Changes in Directors and Supervisors	1

VII. Conflict of Interest

According to ABC-ATEC's Rules of Procedure for Board of Directors Meetings and the organizational charters of functional committees such as the Audit Committee, clear provisions are established to ensure the avoidance of conflicts of interest. When a director, their spouse, a relative within the second degree of kinship, or any company in which the director holds a controlling or subordinate relationship has an interest in a proposal, the director shall explain the nature of such interest at the relevant board meeting. If the proposal may be detrimental to the interests of the Company, the director shall not participate in the discussion or voting and shall recuse themselves from the meeting. Furthermore, the director may not act as a proxy for other directors to exercise their voting rights. The names of the relevant directors, key details, and recusal circumstances are recorded in the meeting minutes. For detailed information regarding ABC-ATEC's conflict of interest avoidance practices, please refer to the 2024 Annual Report (p.22):

<https://www.atec-group.com/tw/extrabold-52-53-page675>

VIII. Well-Established Functional Committees

To effectively enhance the performance of the Board of Directors, ABC-ATEC has established two functional committees under the Board — the Audit Committee and the Compensation Committee. The Audit Committee consists of four members, while the Compensation Committee is composed of five members, including one external expert. Through a clear division of professional responsibilities and the independent, objective stance of committee members, these committees assist the Board in decision-making and strengthen ABC-ATEC's corporate governance performance. For more information regarding the overall operation of the Group's functional committees, please refer to the Company's official website:

<https://www.atec-group.com/tw/extrabold-56-141-143-page379>

Or the Annual Report (pp. 24, 30):

<https://www.atec-group.com/tw/extrabold-52-53-page675>

1.4.2 Internal Audit

In accordance with the determining criteria for the effectiveness of the internal control system prescribed in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies", the Company evaluated the effectiveness of the design and execution for its internal control system. The determining criteria of the internal control system prescribed in the "Regulations" are based on the process of management control, dividing the internal control system into five composite factors: 1. Control of the environment, 2. Risk evaluation, 3. Control of operations, 4. Information and communication, and 5. Supervision. Based on the inspection results in the preceding paragraph, the Company's internal control system, including understanding the achievement of the objectives of effectiveness and efficiency of its operations, reliability, timeliness and transparency of its reporting and compliance with the applicable laws and regulations, was effective in design and execution, and can be reasonably assured of the achievement of the aforementioned objectives.

<https://www.atec-group.com/tw/extrabold-52-53-page675>



1.4.3 Code of Conduct

The Company has formulated its integrity management policy in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” promulgated by the Financial Supervisory Commission (FSC). In line with these principles, the Company identifies potential adverse impacts on various stakeholders arising from its business relationships, and establishes corresponding preventive measures and remedial mechanisms for specific risks. The Company also monitors the follow-up of incident handling and continuously enhances its responsible business conduct to ensure full compliance with integrity management standards and to achieve the objectives set forth in its Code of Ethical Conduct.

It has also formulated the Code of Ethical Conduct for personnel of different levels, the Code of Ethical Conduct for Directors and Managers, and the Employee Code of Ethics, and regularly report the implementation results to the Board of Directors. As of the end of 2024, ABC-ATEC has not encountered any significant conflicts of interest.

Training on Integrity Management

Unit: People

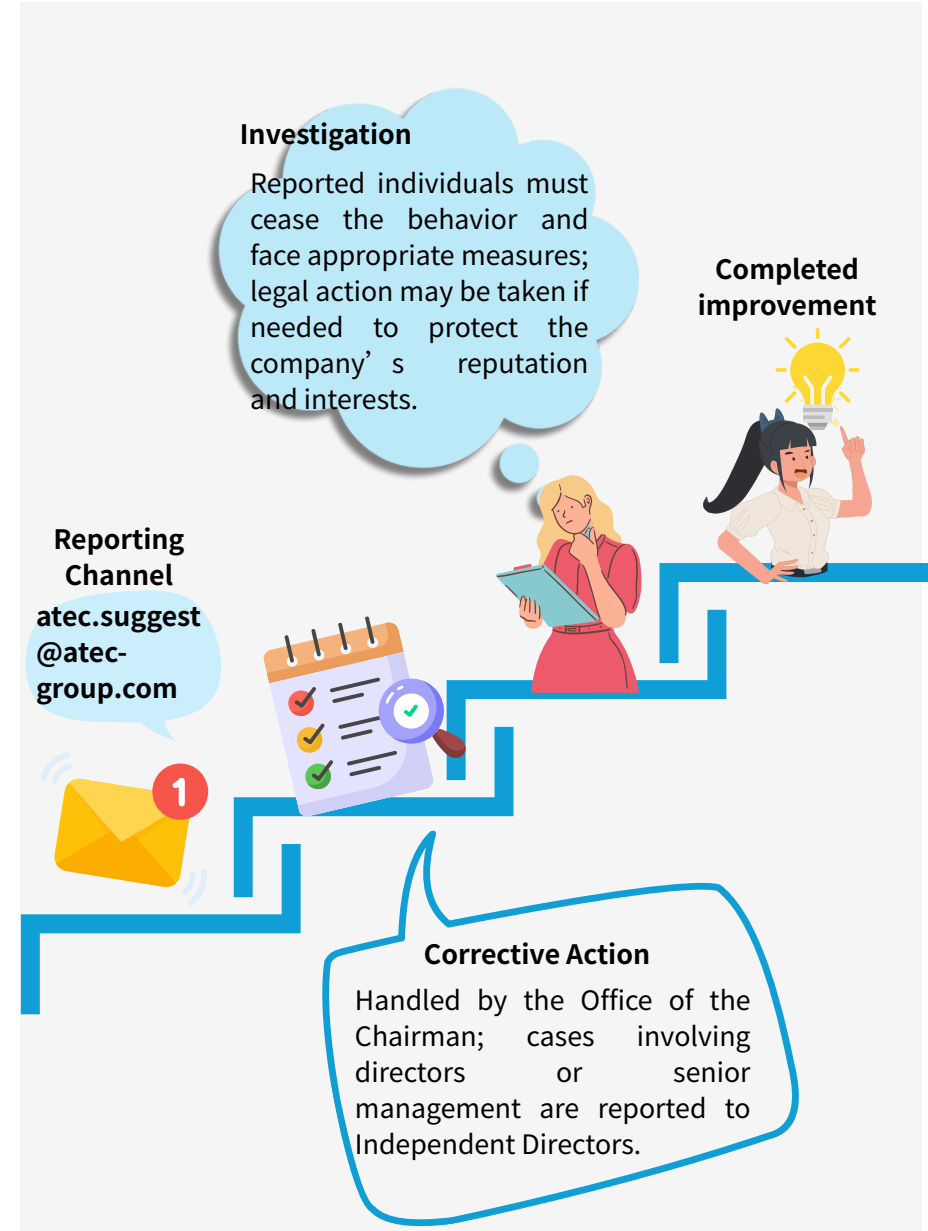
Factory	Employee Type	Governing Unit	Senior Managers	Mid-level Managers	General Staff	Subtotal
Taiwan	Number of people	7	5	40	143	195
	No. of People Trained	7	5	40	143	195
	% of People Trained	100%	100%	100%	100%	100%
Shanghai	Number of people	0	0	11	18	29
	No. of People Trained	0	0	11	18	29
	% of People Trained	-	-	100%	100%	100%
Guangzhou	Number of people	0	2	41	284	327
	No. of People Trained	0	2	41	284	327
	% of People Trained	-	100%	100%	100%	100%
Malaysia	Number of people	0	1	39	194	234
	No. of People Trained	0	1	39	194	234
	% of People Trained	-	100%	100%	100%	100%

Note:

- 1.The governance unit refers to the company’s non-executive directors.
- 2.Middle management refers to managerial employees below the senior management level.

ABC-ATEC implements a comprehensive anti-corruption program for employees and stakeholders. New hires receive onboarding anti-corruption training, while all employees complete annual integrity courses and pass assessments. In 2024, Board members attended “Corporate Employee Incentive Strategies and Anti-Corruption Practices” to strengthen governance and ethical awareness. And also, New supply chain partners must sign a Supplier Anti-Corruption Commitment.

ABC-ATEC provides whistleblowing channels at all sites, allowing employees, suppliers, and stakeholders to report violations via atec.suggest@atec-group.com, managed by the Office of the Chairman. Cases involving directors or senior management are escalated to Independent Directors. Confirmed violations result in cessation of conduct, disciplinary action, and, if needed, legal claims to protect company interests.



II. Legal Compliance

As a Company that started business in Taiwan, we are very passionate about the country and we know how important it is for companies to co-exist with the land to reach sustainable management and development, we therefore take environmentally friendly manufacturing processes seriously. The Company has obtained certifications relating to environmental protection, including ISO 14001 and IECQ QC080000, that prohibit the use of hazardous substances. Products are developed in accordance with EU RoHS, REACH, WEEE, EuP Directives, halogen-free and lead-free requirements, as well as international laws. The Company did not violate any environmental law in 2024 for which it was penalized. As a corporate citizen in the electronics industry, we support and respect internationally recognized human rights policies, including principles disclosed in international human rights treaties such as: "UN Guiding Principles on Business and Human Rights," the "UN Global Compact," "Responsible Business Alliance" and "UN International Labor Organization." The Group has established a human rights policy applicable to the Company, its subsidiaries and each of its operating locations, and complies with the labor and gender equality laws and regulations in its local place of business operations. We have established human rights protection and labor policies and implemented related measures to prevent any violations and infringements of human rights. In 2024, the company had no material violations as defined by law. However, there was one administrative fine of NT\$107,000 due to delayed social insurance contributions at the Guangzhou factory. The related fees have been fully paid and corrective measures completed.



1.4.4 Risk Management

ABC-AETC adheres to the business philosophy of “To create and develop a premium inductive components and mechanical parts industry through practical operation, creative innovation and continuous development.” and manages its businesses based on principles of materiality. The Company regularly identifies and monitors risks that are relevant to its operations, which in turn allows timely response to crises and the possibility of minimizing threats or even turning them into opportunities. A total of 7 risks were identified in 2024; risk factors, threats, and response strategies are explained below:

Risk Management			
Risk Category	Risk Factors	Threats	Response Strategies
Strategic	Technological Change Industry Transformation	Taiwanese businesses currently account for a relatively low percentage of the global market. There are more than 100 manufacturers of inductors and coils in Taiwan, and most of which specialize in the production of coils.	<ol style="list-style-type: none"> 1.The Company actively analyzes the markets and industries it is involved in, and commits significant 2.resources to develop new products and technologies in line with the latest market trends. 3.The Company maintains a strong cooperative relationship with upstream and downstream partners, and works with customers in as early as the design stage. By engaging customers as our R&D partners, we are able to develop up-to-date knowledge of product trends and market demands.
	Future Market Trends	The economic outlook remains constrained by the policy implementation of the new U.S. administration, with potential major changes in fiscal, trade, and immigration policies still uncertain. It is unclear to what extent and when Trump’ s campaign promises will translate into actual policies.	<ol style="list-style-type: none"> 1.Expand product development, R&D technologies, and automotive electronics markets. 2.Realign marketing strategies for proprietary brands. 3.Strengthen digital marketing initiatives.

Risk Management

Risk Category	Risk Factors	Threats	Response Strategies
Business	Business Integrity Risks	The Company's operations are prone to worker and morality risks and incidents that may harm its goals, personnel, assets, the environment, and reputation.	The Company's "Business Integrity Code of Conduct" has outlined preventive measures for business activities that are prone to higher risk of dishonesty. Topics that are of concern to internal and stakeholders are subjected to risk assessment at the end of each year to ensure that the system remains effective.
	Environment, Safety, and Health Risks	Sudden or unexpected occurrence of public health incident, accident, or natural disaster may threaten continuity of the business and cause financial burden or give rise to other risks.	The Company has developed an emergency response plan and a business continuity plan. Regular drills have been organized to ensure the safety of equipment operations, enhance employees' response to a crisis, shorten the time of business disruption, and minimize impact.
	Information Security Risk	Potential cyberattack risks may impact operations, including data loss and information theft, which could result in significant losses.	<ol style="list-style-type: none"> 1. Establish comprehensive information security protection measures. 2. Continuously review information security policies and procedures. 3. Strengthen firewalls and network controls to prevent virus spread across devices or sites. 4. Implement endpoint antivirus mechanisms based on device type. 5. Deploy advanced malware detection and remediation solutions. 6. Develop cybersecurity-enhanced computers and cloud security policies. 7. Introduce data protection technologies and phishing email detection systems. 8. Build an integrated and automated cybersecurity operations platform. 9. Conduct regular employee awareness training and external cybersecurity assessments.

Risk Management

Risk Category	Risk Factors	Threats	Response Strategies
Financial	Exchange Rate Fluctuation	<p>The Company is prone to the impact of changes in USD, EUR, and RMB exchange rates.</p> <p>The purpose of the Company's exchange risk management practices is to avoid risks, and not to profit from risks.</p>	<ol style="list-style-type: none"> 1.Foreign currency sales proceeds received from overseas are first placed in foreign currency deposit accounts, and later converted into NT Dollars at an appropriate time to mitigate exchange rate risks. 2. The Company pays constant attention to financial news and exchange rate changes, and maintains active relationships with banks. The Company also evaluates and purchases currency forwards as a means to hedge exchange rate risks.
Environment	Climate Change	<p>Risk of natural disaster continues to rise due to climate change.</p>	<p>Implement ISO 14064-1 greenhouse gas inventory and TCFD management by integrating the four core disclosure elements — Governance, Strategy, Risk Management, and Metrics & Targets — into business operations, serving as a foundation for developing effective emission reduction and improvement plans in the future.</p>



1.4.5 Information Security and Customer Privacy

I. Information Security Management

To establish a robust information security management system and ensure the confidentiality, integrity, and availability of the Group's information assets, ABC-ATEC formally established an Information Security Office in 2022. This initiative also aligns with the Financial Supervisory Commission (FSC)'s policy to strengthen information and communication security management for listed companies. In compliance with the Taiwan Stock Exchange (TWSE)'s requirements, ABC-ATEC has allocated adequate human resources and equipment to plan, monitor, and implement information security management operations, continuously enhancing the Company's cyber resilience.

(I) Information Security Committee

The Company held its first Information Security Committee meeting on 2024/6/24, to confirm the committee's organizational structure, approve the information security policy, and review the Group's overall cybersecurity plan. Moving forward, the Committee will convene at least once annually to ensure effective management implementation.

(II) Information Security Management Policy

The Company's information security policy was approved by the Board of Directors, ensuring that the Group's information systems remain secure and resilient, and that potential cybersecurity incidents are effectively prevented. The policy upholds the confidentiality, integrity, and availability of information assets, while promoting proper cybersecurity awareness among employees to safeguard the Group's sustainable operations. The Company will continue to strengthen relevant policies and measures in accordance with this policy.

(III) Information Security Awareness Promotion

To enhance employees' awareness and understanding of cybersecurity, the Company launched an information security awareness campaign starting from its Taiwan site. Each employee attended a 1.5 hour training session, with a total of 208 participants completing the course and test, of which 203 passed, achieving a 97.6% pass rate and a total of 312 training hours.



(IV) Offsite Backup and Disaster Recovery

The Company performs daily tape and offsite data backups and is gradually establishing a more comprehensive offsite (e.g., cloud-based) backup system to ensure the secure preservation of critical information. To maintain the security of information systems, equipment, networks, and data, the Company conducts semiannual disaster recovery drills, with the 2024 drill carried out on September 9.

(V) Vulnerability Scanning

Regular vulnerability scans were conducted on servers in 2024, with results analyzed. A total of 55 servers were scanned.

(VI) AD Account Login Failures

Regular reviews and management of AD account login failures were performed in 2024, completing 83 reviews.

(VII) Information Security Drill

In 2024, no unauthorized software was detected on employee computers. Software inventories were automatically collected and reviewed by the IT Department, covering 253 devices.

(VIII) Phishing and Social Engineering Emails

A total of six simulation exercises were conducted in 2024, including the following scenarios

- 5/8: “Abnormality in your April salary, please correct your information.”
- 6/3: “E.SUN Bank online account notification.”
- 6/18: “MOMO Shopping website alert.”
- 12/26: “Clock-in anomaly requires your attention.”
- 12/27: “Parcel pickup notice requires your attention.”
- 12/30: “LOTTO WIN.”

A total of 32 employees clicked on phishing emails. These employees were required to retake the information security awareness training and pass the related test. The exercises effectively enhanced cybersecurity awareness and strengthened vigilance against online security risks.

(IX) Information Security Awareness Campaigns in 2024

- 3/30: “New phishing-as-a-service platform exploiting RCS and iMessage for attacks.”
- 6/26: “Publication of Information Security Policy in both Chinese and English.”
- 9/25: “Necro malware hidden in popular browser and camera apps on Google Play Store.”
- 10/28: “No surprise! These file types are most commonly used by hackers to conceal malware.”
- 12/30: “Information Security Bulletin 20241230: U.S. plans to ban TP-Link routers.”



II. Customer Privacy Management

To ensure the security and proper management of customer data, ABC-ATEC has established a set of data protection principles. First, customers are clearly informed about the collection, use, and protection of their personal data to ensure transparency. Data collection follows the principle of minimization—limited only to what is necessary—and is aligned with specific purposes. De-identification measures are also implemented to reduce privacy risks.

In terms of usage, the company strictly limits the scope of application of customer data, ensuring it is used only for its original intended purposes and preventing misuse. For sensitive data, encryption measures are applied during transmission, such as through email, to ensure information security is not compromised.

Internally, access control is rigorously enforced—only authorized employees may access sensitive information. Department supervisors periodically review folder access permissions to ensure they remain appropriate. Through these measures, the company actively safeguards the security of customer data and ensures that personal information protection meets the highest standards.

III. Personal Data Protection

- (I) In 2024, the company collected information to establish the Personal Data Protection Management Regulations, which are scheduled for release in 2025.
- (II) An encryption mechanism has been implemented for email content and attachments. When special symbols such as “@@” or “##” are added to the email subject line, encryption is automatically applied.
- (III) For emails containing sensitive information such as credit card numbers or ID numbers, the subject line includes “[!Personal information!]” to alert recipients of potential data privacy risks and ensure proper handling of such emails.



千如電機 LTCC 產品發表會

02

Innovation and Research & Development

- 2.0 Management Approach
- 2.1 Commitment to Quality and Reliability
- 2.2 Customer Relationship Management
- 2.3 Supply Chain Management
- 2.4 Industry-academia Collaboration



Innovation and Research & Development

2.0 Management Approach

2.0.1 Management Approach

Material Topics- Integrity Management

Policy



We insist on the spirit of service, innovation and seeking for excellent. Based on the commitment "I am doing the excellent all the time" and participation of everybody. We provide our customers products with best quality, quick delivery and best price.

Commitment



- **Service:** ABC means satisfaction.
- **R&D:** To be our customers R&D partner and the consultant of inductors & mechanical parts technology.
- **Innovation:** Tracing the market demand and technology trend, to create everlasting innovation and development.
- **Excellence:** To create and develop a premium inductive components.

Responsibility



- **External responsibilities:** Comply with EU REACH, RoHS, WEEE, EuP Directives, halogen-free and lead-free requirements, and other international laws.
- **Internal policies:** Suppliers selected according to environmental and social standards and regular annual supplier audits.



Resources

Supplier Audit



Contact Information

Planning Department, Ms. Li
TEL : (03)4788-188 ext. 1700



Material Topics Management

GRI 308 Supplier Environmental Assessment
GRI 414 Supplier Social Assessment



Impact of Material Topics on ESG



Positive Impact

Strengthen the company's sustainability resilience, implement supplier ESG management, align with customers' sustainable design requirements, and accelerate opportunities to secure customer orders.

Negative Impact

As customers increasingly raise environmental and social requirements for suppliers—such as sustainable materials, recyclable materials, and human rights due-diligence—direct costs have consequently increased.



Action Plans



- Require suppliers to sign the Social and Environmental Responsibility Commitment and the Conflict-Free Minerals Declaration.
- Increase the proportion of local supply chain procurement.



Tracking Methods



- In accordance with the company's Supplier and Contractor Evaluation Procedures, new suppliers must pass evaluations and sign relevant commitments.
- Conduct monthly supplier management KPI performance reviews and improvement discussions.

2.0.2 Performance

2024 Target		2024 Performance		Whether Achieved
Anti-corruption awareness for new suppliers: 90%	>	Anti-corruption awareness for new suppliers: 92.63%	>>	ACHIEVED
Compliance rate of environmental/social assessment of new suppliers: 100%	>	Compliance rate of environmental/social assessment of new suppliers: 100%	>>	ACHIEVED
Existing supplier audit program completion rate: 95%	>	Existing supplier audit program completion rate: 100%	>>	ACHIEVED
New Supplier Conflict-Free Minerals Declaration: 100%	>	Signing Rate of Conflict-Free Minerals Declaration by New Suppliers: 100%	>>	ACHIEVED

2.1 Commitment to Quality and Reliability

ABC-AETC 's commitment to improving product quality has been awarded ISO 9002 certification in 1996, the 10th National Award of Outstanding SMEs in 2001, ISO9001 certification in 2002, TS16949 certification in 2006, and IECQ080000 certification in 2007. In 2017, the entirety of ABC-AETC Group passed certification for IATF16949. In addition, the Guangzhou Factory also obtained ISO 9002 certification in 1997 and TS16949 certification in 1997. Throughout the years, ABC-AETC has established a good reputation through outstanding product quality and won strong recognition from customers. Our company promises and upholds the quality policy " I'm doing the excellent all the time.". As an IATF 16949 certified automotive components supplier, we have installed AECQ200 reliability testing equipment at each of our factories to ensure product quality and reliability and to identify potential quality problems. Please refer to Appendix 6.4 Certificates for the certificates obtained by ABC-AETC.



2.2 Customer Relationship Management

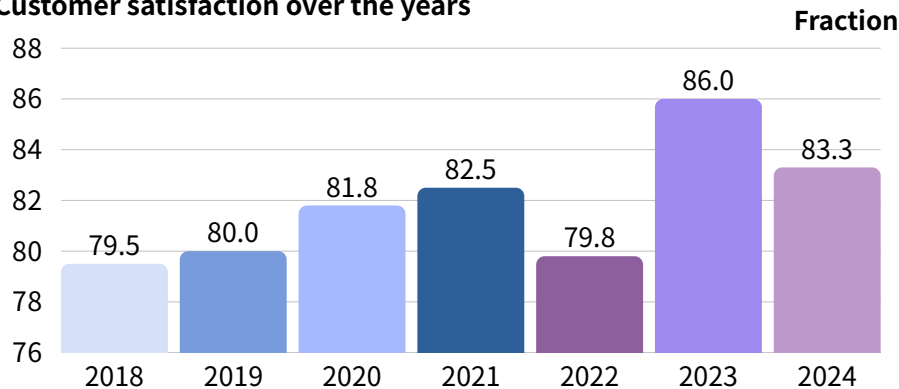
2.2.1 Customer Satisfaction

ABC-ATEC implements a "Customer Satisfaction Survey" every year to understand customers' opinions on the Group's quality, delivery, engineering/R&D capabilities, and services, and to improve the Group's service quality. In 2024, a total of 40 customers responded to the satisfaction survey questionnaire. The survey content includes customer satisfaction with the Company's quality, delivery, engineering/R&D capabilities, and services.

Among the evaluated categories, "service" received the highest satisfaction rating from customers in this year's survey. The company's enthusiasm for service and communication skills were particularly recognized. Based on the survey results, the company plans to develop operational optimization strategies—ensuring stringent quality control and comprehensive testing for existing products to guarantee product quality, while continuing to develop new products that meet customer expectations.

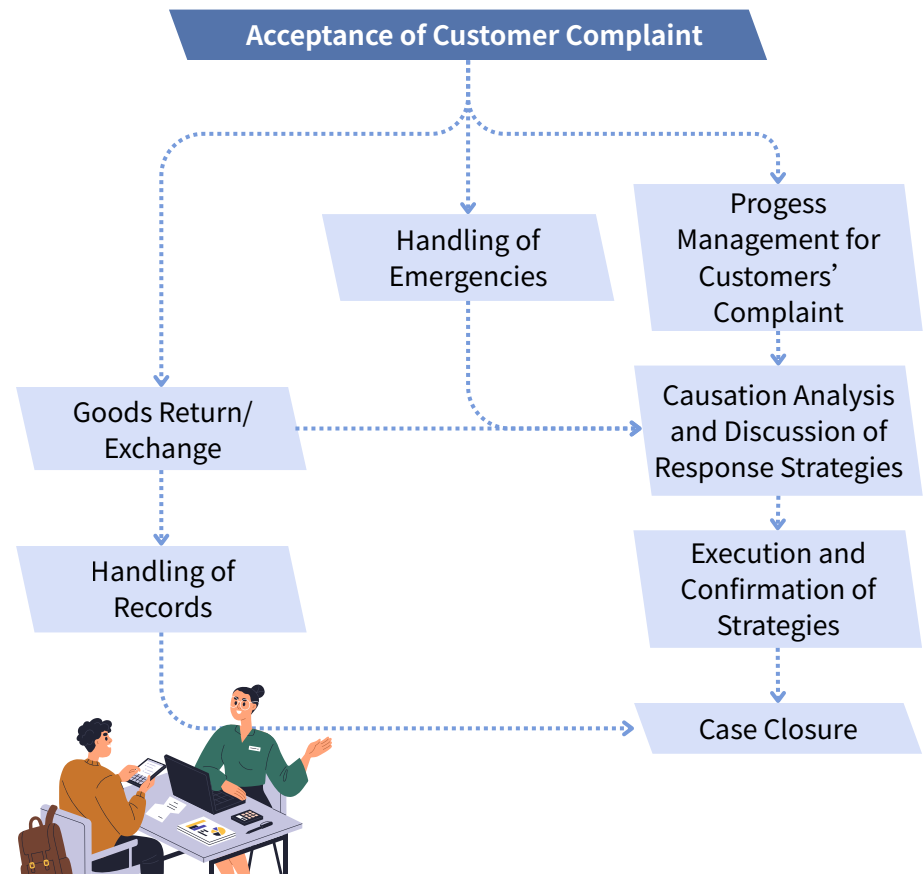
ABC-ATEC use the sales funnel to target the various needs of customers, manage and respond to service in a timely manner, and ensure that the company's product quality, delivery, and service meet customer needs and requirements.

Customer satisfaction over the years



2.2.2 Customer Complaint Handling Mechanism

ABC-ATEC does not manufacture products directly for end consumers; all products sold are labeled in accordance with EU REACH, RoHS, WEEE, EuP Directives, halogen-free requirements, international laws, and requirements of downstream customers. The Company complies with confidentiality agreements and the Personal Data Protection Act with respect to customers' privacy, and has a customer service unit in place along with complaint channels.



2.3 Supply Chain Management

2.3.1 Supply Chain Structure

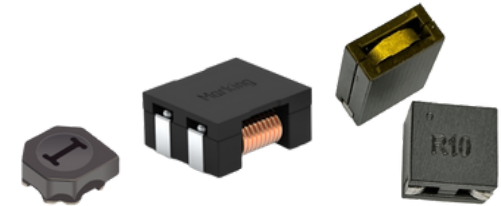
ABC-ATEC's Main Business Scope:

- Manufactures, processes, and sells various noise filters, converters, chip coils, transformers, and their magnet cores, and various ferrite cores.
- Stamping, manufacturing, processing and trading of various metal parts.
- Manufacture, processing, and sales of tooling molds and production equipment for various products.
- Design, manufacturing, and sales of LTCC products.
- Import/export trading business.

I. Inductor Components

The most upstream products in the electronics industry are the raw materials needed to manufacture inductors, such as ferrite cores, enameled wires, silver paste, and plastic stands. The inductors are in the upper to middle stream of the industry, including wire-wound inductors, multilayer inductors, ferrite beads, and thin-film inductors. The middle to downstream are modular electronic products, such as AC/DC switching converters, motherboards for computers, EMI filtering modules, RF communication modules, etc. Finally, downstream products in the electronics industry includes all end-use electronic products (electronic products for general consumers to use directly), such as mobile phones, computers, servers, printers, TVs, audio speakers, any wearable electronic products, etc.

Inductor Components			
Upstream	Upper to Midstream	Midstream to Downstream	Downstream
Raw Materials	Inductors	Modular Electronics	Consumer Electronics
Ferrite cores (including manganese zinc, nickelzinc, ceramic cores, alloy powder cores, etc.)	Wire-wound inductors	Switching AC/DC convertors	Mobile phones, tablets, computers, servers and other consumer electronics
Enameled wire (general coating, TIW, FIW, etc.)	Multilayer inductors	Computer motherboards	Printers, scanners, modems, switches, wireless routers and other peripheral products
Plastic holders (LCP, PP, PE, Bakelite, etc.)	Ferrite bead	EMI filter module	TVs, stereos, refrigerators and other home appliances
Silver paste	Thin film inductors	RF communication Module(e.g. WiFi module)	Any wearable electronic products



II. Ceramic Heat Sink

Upstream	Ceramic (Silicon Carbide) Powde
Upper to Midstream	Ceramic Heat Sink, Radiator, Substrate
Downstream	STB, LED TV, Adapter, Router

III. Precision Metal Parts

Upstream	Copper, Aluminum, Steel, and Nickel
Upper to Midstream	Stamping, Electroplating, and Plastic Injection Plants
Downstream	IC packaging, Battery cell, PC, and CCFL light tube Manufacturers

IV. LTCC

Upstream	Ceramic Powder, Silver Paste
Upper to Midstream	LTCC Filter
Downstream	Router, Modem



STB



NB



Power Adaptor

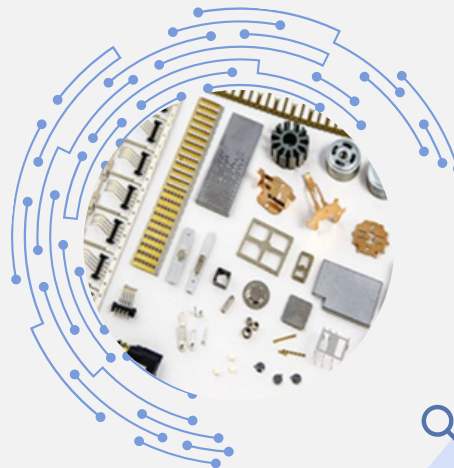
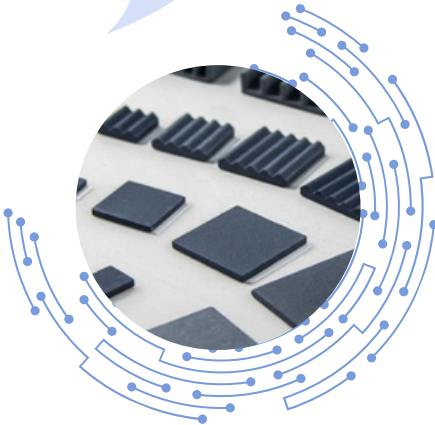


LED TV

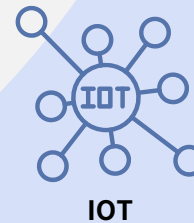


Power IC

- ✓ Good Heat Dissipation Capabilities
- ✓ No Electromagnetic Interference
- ✓ Fin Type/ Flat Type
- ✓ Excellent Insulating Effect



RJ Series Connectors



IOT



Modem



Antenna



Cell phone



2.3.2 Supply Chain Management

I. Supply Chain Management Policy

The practice of sustainable supply chain management is to add a series of actions for environmental protection, social feedback, and maintaining the organization's economy into the traditional supply chain. It includes the Company's internal and external practices, and enables the supply chain to achieve true sustainability from the environment, social and economic aspects. The scope of sustainable supply chain management practices ranges from green procurement to product life cycle management, from suppliers to manufacturers and customers, the Group strengthens the relationship between partners, including the flow of goods, information flow, and sustainable practices.

ABC-ATEC Group has obtained ISO 14001 and IECQ QC080000 certifications for environmental protection, and has adopted the idea of life-cycle and source management to strictly follow the requirements of environmental regulations from technology development, design, manufacturing, transportation to reuse and recycling. No hazardous substances are used, and products are developed in compliance with EU RoHS, REACH, WEEE, EuP directives, including halogen-free, lead-free requirements and other international regulations. The Group's production sites are located in Taiwan, Guangzhou, Shanghai and Malaysia, and its main suppliers are the suppliers of raw materials. The Group also maintains good cooperation with upstream and downstream partners, and strives to become the R&D partner of customers at the design stage in order to keep abreast of the latest product and market demands and dynamics.

II. Supply Chain Audit Effectiveness

(I) Evaluation of New Suppliers: This year, we had 6 new suppliers, and 6 of them (100%) passed the environmental, social and governance assessment. All new suppliers were recognized by unit managers and registered on the list of ABC-ATEC's qualified suppliers.

(II) Annual Supplier Audit: In 2024, ABC-ATEC audited a total of 23 suppliers. The audit results for the suppliers were good, with their ratings falling within the A-B range. Please refer to the table below for the audit status and rating results of each factory:

Supply Chain Audit Effectiveness					
Unit: Number of Suppliers					
Factory	Taiwan	Shanghai	Guangzhou	Malaysian	Total
A	7	0	5	2	15
B	3	0	8	0	9
Total	10	0	13	2	25

Note: The Shanghai factory was transformed into a sales headquarters in 2024, and its audit work has been delegated to the Guangzhou factory for assistance

Supplier Ratings	
Ratings	Supplier Ratings
A	Advantages of prioritizing orders.
B~C	Still maintains its Qualified Supplier status, but needs to strengthen tracking management
D	Find new replacement suppliers, stop procurement and cancel the its qualification as qualified supplier, if necessary.

2.3.3 Local Procurement

In 2024, there were no significant changes to the supplier management procedures. The ABC-ATEC's local procurement ratio reached 88.18%, and localized production helped reduce transportation costs and carbon dioxide emissions.

Local procurement amount

Item			Unit	Taiwan	Shanghai	Guangzhou	Malaysian	Group
Number of Suppliers				53	72	87	34	246
Ratio of Total Procurement Amount Using Local Suppliers	Local Procurement Amount	NT\$-Million		28.95	37.99	189.37	36.23	292.54
	Total Procurement Amount			31.45	41.45	198.54	60.34	331.77

Percentage of Local Procurement Expenditure

Year	Taiwan	Shanghai	Guangzhou	Malaysian	Group
2022	92.30%	98.30%	99.60%	36.50%	92.69%
2023	96.20%	95.60%	99.40%	47.30%	90.39%
2024	92.10%	91.70%	95.40%	60%	88.18%



2.4 Industry-academia Collaboration

2.4.1 E-commerce Center, National Taipei University Business School - Concept Application of Metaverse

I. 5G Campus Private Network Deployment Project

The 5G private network technology, characterized by high-speed transmission and low latency, effectively enhances communication stability and supports business operations. However, due to the susceptibility of 5G millimeter-wave signals to obstruction, small cell base stations are required to strengthen coverage.

This project aims to verify the feasibility of 5G private networks for remote collaboration through industry-academia cooperation, while comparing the coverage, transmission speed, and stability of 5G and Wi-Fi networks within a campus setting. The study also evaluates their performance at various distances and in CloudXR streaming applications. During the verification process, the 5G private network employs indoor-type Radio Units (RUs) with transmission power comparable to household Wi-Fi. A 5GHz wireless network card on a laptop is used to simulate differences between outdoor RUs and Wi-Fi access points, assessing the impact on transmission distance.

In the next phase, the project will focus on facial image reconstruction technology in Extended Reality (XR) applications. By restoring facial visuals, users wearing XR headsets can maintain social connection with the real world, reducing isolation and enhancing the realism of immersive experiences. This research further explores the potential of 5G technology in mixed reality (MR) applications.



II. Metaverse AI Multimodal Cross-Language Task-Oriented Dialogue System

ABC-ATEC has collaborated with National Taipei University in an industry-academia project to develop the “Metaverse AI Multimodal Cross-Language Task-Oriented Dialogue System.” This system integrates artificial intelligence (AI), natural language processing (NLP), and deep learning neural network models to create a multilingual and multimodal dialogue platform. Initially applied in the healthcare sector, the system is being expanded to enterprise and educational applications, with the ultimate goal of deployment in manufacturing sites in Malaysia—aiming to reduce labor demands and enhance operational efficiency.

The project underwent extensive discussions—from conceptual planning to real-world implementation—addressing key issues such as multilingual communication requirements, humanized voice interaction, data source expansion, and large language model selection. Given Malaysia’s multilingual workforce, the system has been specifically optimized for cross-language communication in production environments, helping employees overcome language barriers, reduce miscommunication, and streamline manufacturing processes.

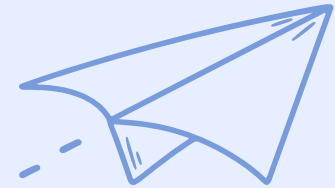


2.4.2 Metaverse Value Community Project

ABC-ATEC collaborated with National Taipei University to promote the “Great Metaverse Value Community Project,” which integrates CSR, USR, and PSR. Centered on net-zero emissions and environmental protection, the project advocates for sustainability through community engagement, fostering shared values and expanding social impact. Incorporating the metaverse concept, it transforms online awareness into real-world actions, addressing future sustainability challenges.

By 2024, the project had entered its third phase. In addition to ongoing digital community engagement, it hosted its first in-person events. As of March 2025, the project’s “Zero Carbon Couple” Facebook and Instagram communities had accumulated over 7,000 followers, published 280 posts, reached 160,000 users, and organized four physical events featuring professional speakers promoting net-zero and sustainability concepts. Activities included: “One Tree, One Mountain: Plant a Tree, Walk Home”, “Zero-Waste Workshop: Upcycling Old Materials into New Creations”, “How Sustainable Fashion is Changing the Global Fashion Landscape” and the “Zero-Waste Workshop” jointly held with ABC-ATEC’s Family Day, integrating environmental values into employees’ daily lives. These four events attracted a total of 241 participants, turning sustainability advocacy into concrete action.

To further expand the influence of the Great Metaverse Value Community, ABC-ATEC and National Taipei University formally applied to establish the “Zero Carbon Sustainability Promotion Association” in the third phase of the collaboration. Although the application is still under review, the association is expected to continue advancing sustainability initiatives, deepen social impact, and enhance the transmission of sustainable values in the future.



2.4.3 Computer Vision Artificial Intelligence for Defect Detection in Sensors

In 2024, the main objective of applying computer vision artificial intelligence (AI) to inductor defect inspection was to conduct on-site testing prior to full implementation and continuously optimize the system to improve inspection accuracy. ABC-ATEC collaborated with an industry-academia team to jointly develop an AI+AOI module, integrating it into the company's inspection platform to enhance automation and reduce visual fatigue among inspectors. The system also adopted the latest AI object detection models to further improve defect detection accuracy.

Based on real-world testing results from the inspection platform, the AI+AOI module underwent multiple rounds of optimization and was successfully implemented in July 2024 on the SWI0402 external inspection machine in Malaysia. Starting from October 2024, ABC-ATEC launched the development of its proprietary AI inspection system, aiming to deploy it across all AOI external inspection machines in the future to achieve more efficient and precise automated inspection.

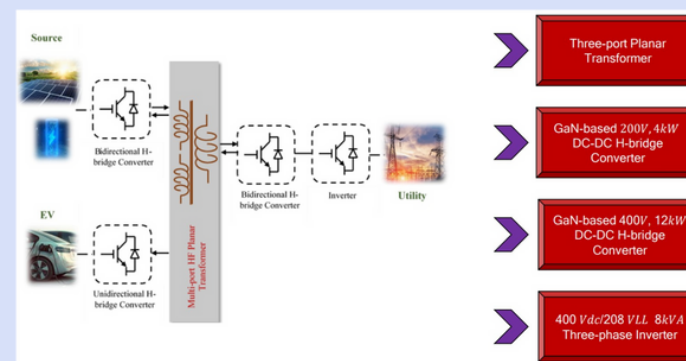


2.4.4 Industry-academia Collaboration Project between ABC-ATEC and Kansas State University, USA

In March 2024, ABC-ATEC signed a 14-month industry-academia collaboration agreement with Kansas State University for the project “A 12kW GaN-Based Isolated Charger.” The project focuses on developing circuit designs for compact home charging stations, particularly emphasizing high efficiency and structural stability.

By 2024, the team had completed independent system testing for a three-port planar transformer, 200 V and 400 V DC-DC converters, and a three-phase inverter. In 2025, efforts will continue toward full system integration and functional testing.

During the project, two new high-current inductors were also developed for use in charging stations. Samples of these new products will be showcased at the IEEE Applied Power Electronics Conference and Exposition (APEC) in Atlanta in 2025, where they will be promoted to power electronics experts from around the world — marking an initial achievement of this collaborative research initiative.





03

Environmental Friendliness

- 3.0 Management Approach
- 3.1 Climate Strategy and Task Force on Climate-Related Financial Disclosures Commitments
- 3.2 Environmental resource use

Environmental Friendliness

3.0 Management Approach

3.0.1 Management Approach

Material Topics- Energy Conservation and Carbon Reduction

Material Topics- Climate Change

Policy



ABC-ATEC has committed and upheld the spirits, "Regulatory Compliance, Pollution Prevention, Resource Sustainability, and Continuous Improvement". Through participation in "Environmental Management System," we strive to fulfill corporate social responsibility, promote corporate image, and ensure sustainable management.

Commitment



- Actively reduce greenhouse gas emission.
- Assessment of energy management measures for machinery and equipment.
- Encourage all employees to contribute to energy conservation and environmental protection in their daily routines.

Responsibility



- **External responsibilities:** Climate Change Response Act, Environmental regulation
- **Internal policies:** Environmental management handbook



Resources

ISO 14001& ISO 14064-1



Contact Information

General Affairs Department: Ms. Chang
TEL : (03)4788-188 ext. 1610



Material Topics Management

302 Energy

Impact of Material Topics on ESG

Positive Impact

- Improve energy efficiency and reduce operating costs.
- Strengthen corporate sustainability image and brand reputation.
- Enhance employee engagement and internal sustainability culture.

Negative Impact

- Increasing pressure from customers and government on carbon reduction requirements.
- Higher cost of renewable energy acquisition in Taiwan.

Action Plans

- Install solar panels at the Taiwan, Guangzhou, and Malaysia factories to reduce the Group's energy-related carbon emissions.
- Develop carbon reduction plans for each factory.
- Prioritize renewable energy procurement at factory with lower green power costs (e.g., Guangzhou), and gradually increase the percentage of renewable energy usage each year; other factories will focus on solar power generation while evaluating the benefits of green power purchasing and energy storage.

Tracking Methods

- Hold quarterly Group carbon reduction meetings to track the progress of each factory's reduction performance.
- Conduct monthly analyses of the Group's electricity consumption.

3.0.2 Performance

2024 Target		2024 Performance		Whether Achieved
Taking 2021 as the base year, Scope 1 and 2 greenhouse gas emissions will decrease by 12.6% compared with the base year.	>	Scope 1 and scope 2 decreased by 35.35% compared to the base year.	>>	ACHIEVED
ABC-ATEC Group's renewable energy utilization rate reached over 15%	>	In 2024, the Group's annual green electricity consumption reached 2,514,890 kWh, accounting for 25.16% of the Group's total electricity use.	>>	ACHIEVED
The Group's average daily general waste generation per person was below 1.5 kg.	>	The Group's actual average daily general waste generation per person was 0.29 kg.	>>	ACHIEVED
The Group's average daily water consumption per person was below 150 liters.	>	The Group's actual average daily water consumption per person was 126.59 liters.	>>	ACHIEVED

3.1 Climate Strategy and Task Force on Climate-Related Financial Disclosures Commitments

3.1.1 TCFD

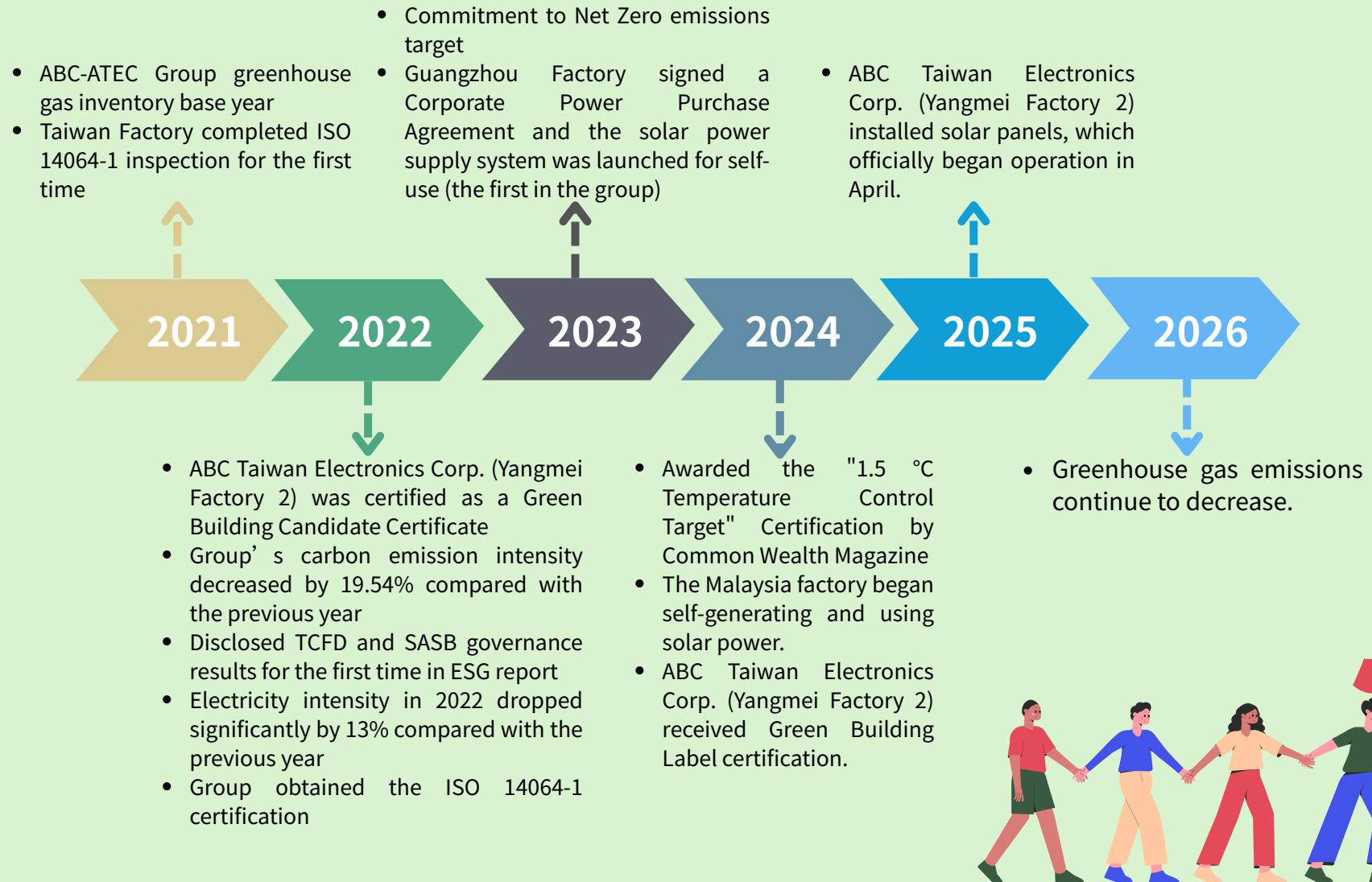
I. Actions in Response to Climate Change (Milestones)

ABC-ATEC's carbon emission hotspot is Category 2 electricity usage, accounting for 70% of the group's total carbon emissions. To effectively reduce carbon emissions, ABC-ATEC has implemented energy management measures and actively formulated a carbon reduction strategy centered on renewable energy. This reduces reliance on traditional energy sources and enhances environmental sustainability, aligning with the company's carbon reduction strategy and demonstrating ABC-ATEC's commitment to global climate change challenges.

ABC-ATEC has been gradually adopting renewable energy, with the Guangzhou factory taking the lead by signing a green power purchase agreement in 2023 and officially beginning to use green electricity in May of the same year. In 2024, the factory also achieved self-generated solar power consumption. The solar panel systems at the Malaysia and Taiwan factories were completed in November 2024 and April 2025, respectively, and have officially commenced power generation.

In 2024, the group is expected to use 2,514,890 kWh of green electricity, about 25.16% of the total consumption. ABC-ATEC continues to expand its green electricity usage, progressively achieving the goal of net-zero carbon emissions.

Besides introducing green electricity, ABC-ATEC has developed an electricity management strategy to reduce carbon emissions from electricity use. The first phase focuses on implementing energy-saving measures and reducing unnecessary energy use. The second phase aims to improve electricity efficiency, maximizing the benefit of each unit of electricity consumed.



II. TCFD Management Process

The increasing frequency of extreme weather in recent years indicates that the crisis brought about by global warming is imminent. As a result, governments around the world are paying more attention to the issue of climate change, and through the enactment of regional laws and regulations in various countries, including the European Union's Carbon Border Adjustment Mechanism (CBAM), and the enactment of Taiwan's own Climate Change Response Act, we have been compelled to incorporate the issue of climate change into the management of ABC's operations.

ABC-ATEC not only identifies the operational risks associated with climate change but also references the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB). We incorporate the four core areas of disclosure – "governance," "strategy," "risk management," and "metrics and targets" – into our operational management. We also disclose our governance performance in our sustainability report. Our aim is to provide stakeholders with insights into how we address the impacts of climate change, related risks, opportunities, and our corresponding mitigation measures.

TCFD implementation steps

- | | |
|---------------|--|
| Step 1 | <ul style="list-style-type: none"> Collect climate-related environmental background information, completed by ESG Committee members Assess climate risks and operational scope |
| Step 2 | <ul style="list-style-type: none"> Establish a list of climate risks and opportunities Create an internal operational impact survey questionnaire |
| Step 3 | <ul style="list-style-type: none"> The ESG Committee conducts an analysis of climate risks, opportunities, and operational impacts Determine material risk items |
| Step 4 | <ul style="list-style-type: none"> Establish execution strategies and goal setting |
| Step 5 | <ul style="list-style-type: none"> Annually review the effectiveness of execution strategies and objectives through ESG Committee meetings |



III. Core Elements of TCFD

(I) Governance

- i. When making major decisions, the Board of Directors incorporates climate change transition risks and physical risks into the key topics of the annual work goals. It also plans short-, medium-, and long-term goals. Department heads serve as members of ABC-ATEC's ESG Committee, urging each department to implement the annual and medium- to long-term sustainability development goals, ensuring businesses are resilient and adaptable to climate challenges.
- ii. The Company's TCFD questionnaire will be jointly filled out by the executives and Management Committee to assess the probability of the occurrence of risks or opportunities and the impact on the Company. The ESG Committee, as the highest internal organization promoting corporate sustainability, discusses response plans after evaluating the TCFD risks and opportunities for the year. Subsequently, improvement measures are implemented, and annual follow-ups are conducted to discuss areas for continuous improvement.

(II) Strategies

- i. With reference to the TCFD issued by the Financial Stability Board in 2017, review and assess the climate change risks and opportunities faced by ABC-ATEC, and prepare a plan for the implementation of ESG initiatives. change risks and opportunities that the Company is currently facing, and to formulate corresponding action plans.
- ii. The Company has not yet conducted analysis on different climate-related scenarios.

(III) Risk Management

Risk Management Step

Step	Illustrate	Output content
Step 1	Risk identification: Assessing risk sources and risk categories	TCFD Questionnaire
Step 2	Risk assessment: Assess the risk level of the risk item.	TCFD Questionnaire Analysis Results
Step 3	Confirm risk items: Formulate improvement measures for identified high-risk items	
Step 4	Follow-up: Summarize the results of risk improvement and management, review the progress that is lagging behind for improvement, continue to maintain the improvement strategy for the risk of improvement, and continue to optimize and adjust as needed.	Financial Impact Corporate Action Plan

(IV) Metrics and Targets

The indicators used by the Company to evaluate climate-related risks and opportunities in accordance with the strategy and risk management process include: policies and regulations, technology, market, reputation, immediacy, long-term development, resource efficiency and energy sources.

- i. The Company has set climate-related goals: The recent goal is to maintain global temperature rise at 1.5°C. The Company is committed to reducing Scope 1 and Scope 2 emissions by 42% by 2030 compared to the 2021 base year. For the achievement of this goal, please refer to 3.1.2 Greenhouse Gas Inventory.
- ii. In 2024, the Group's renewable energy utilization rate reached more than 15%. For the achievement of this goal, please refer to 3.2.2 Energy Use.

Short-, Medium-, and Long-Term Financial Impacts of Climate Risks and Opportunities

Risk Category		Transformation Risk	
Risk/ Opportunity		Policies and Regulations	Market
Items		Enhanced emissions reporting obligations	Rising raw material costs
Impact on business, strategy and finance	Short-term	Increase in initial cost and operating burden	<ul style="list-style-type: none"> The decrease in gross margin affects profitability Increase in the pressure of working capital
	Medium-/ long-term	Expanding the risks and responsibilities in compliance with laws and regulations	Losses caused by the disruption of the supply chain caused by extreme weather events
Financial impact of extreme climate events and transformation actions		Reduce operating costs and improve efficiency Avoid potential legal and market risks	Ensure stable supply and reduce the impact of market price fluctuations
Transformation action		Compared to the schedule set by the FSC, the Company has completed the greenhouse gas inventory earlier and regularly disclosed the results annually	<ul style="list-style-type: none"> Preference given to raw materials procured from the production site Looking for second supplier Execution of purchase contracts Suppliers are required to prepare inventory

Short-, Medium-, and Long-Term Financial Impacts of Climate Risks and Opportunities

Risk Category		Physical Risk
Risk/ Opportunity		Long-term
Items		Increases in average temperature
Impact on business, strategy and finance	Short-term	The increase in electricity and water usage has caused an increase in electricity and water expenses, which in turn has increased operating costs.
	Medium-/ long-term	The frequent extreme weather events affect the Group's operations, leading to disruptions in shipments and a decline in Group profits.
Financial impact of extreme climate events and transformation actions		The investment in low-carbon energy will accelerate the Company's low carbon transformation, and prevent the risk of decline in competitiveness
Transformation action		<ul style="list-style-type: none"> • The Company conducts energy management, tracks the power consumption of the factory every month, introduces green power consumption, and installs solar panels for Self-generation and self-consumption. • Guangzhou Factory purchased green electricity to reduce CO₂ emissions at the facility. • ABC Taiwan Electronics Corp. (Yangmei Factory 2) was constructed based on green building principles.



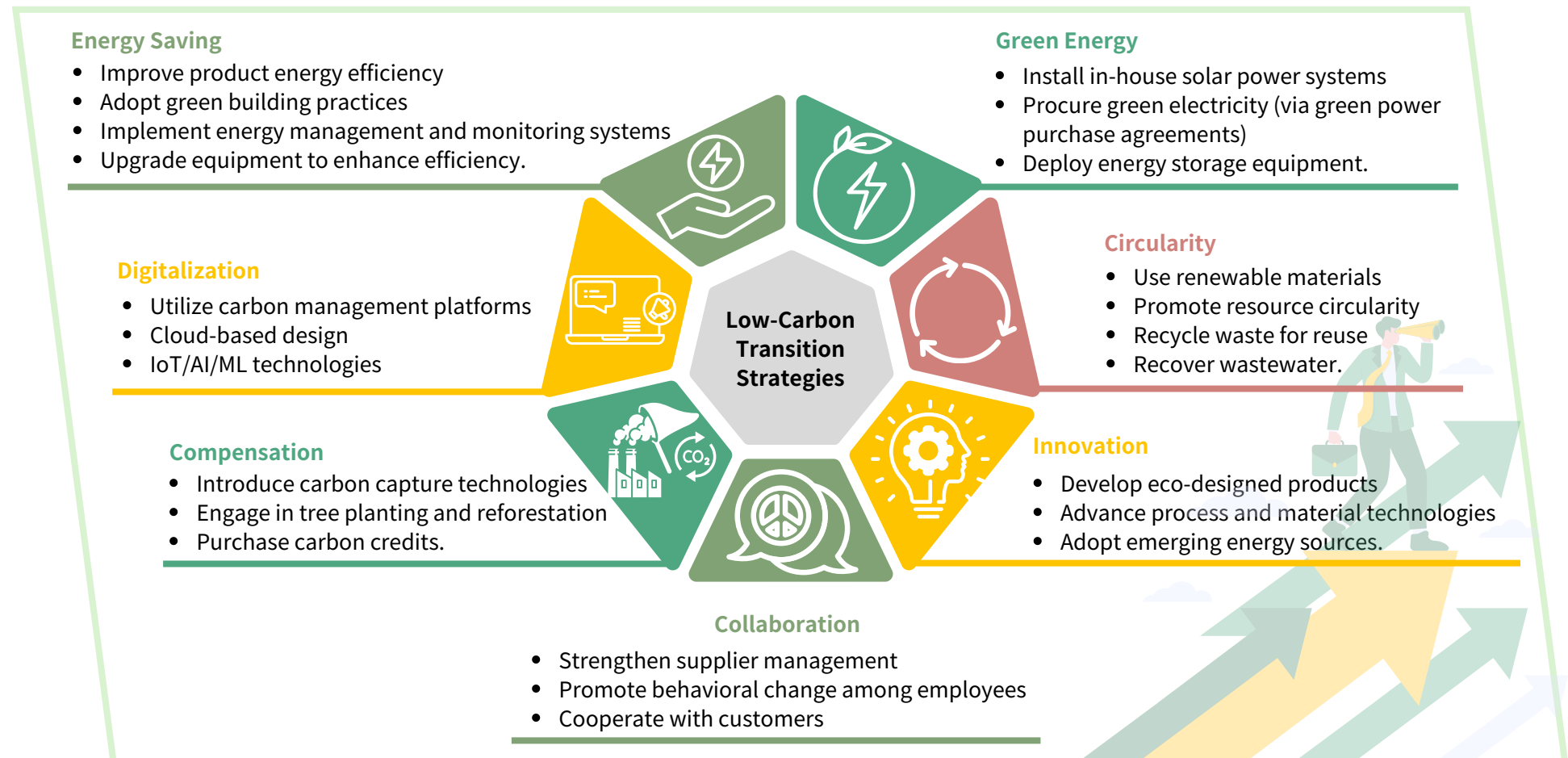
Short-, Medium-, and Long-Term Financial Impacts of Climate Risks and Opportunities

Risk Category		Opportunities	
Risk/ Opportunity		Resource Efficiency	Energy Sources
Items		Utilizing more efficient production and distribution processes	Using low carbon energy
Impact on business, strategy and finance	Short-term	Enhance production and distribution efficiency	Investment in low-carbon energy increases operating costs
	Medium-/ long-term	Technology innovation and new business model development	<ul style="list-style-type: none"> • Reduce operating costs • Enhance energy stability
Financial impact of extreme climate events and transformation actions		Enhance supply chain flexibility and reduce logistics costs Enhance product quality and customer satisfaction, increase sales revenue	<ul style="list-style-type: none"> • Carbon tax risk reduction • To increase the diversity of energy sources and strengthen climate resilience, to reduce the interruption rate of operations.
Transformation action		<ul style="list-style-type: none"> • Use of automated production lines • AI+AOI detection • Paperless operation • Procure local raw material 	<ul style="list-style-type: none"> • Guangzhou factory: signing of green power procurement contract, 2024 solar panel for Self-generation and self-consumption Malaysia factory: The construction of solar panels was completed and officially commissioned in November 2024. • Taiwan factory: The construction of solar panels was completed and officially put into operation in April 2025.

3.1.2 Greenhouse Gas Inventory

I. GHG Reduction Strategy

ABC-ATEC actively promotes greenhouse gas reduction strategies through seven key approaches — Energy Saving, Green Energy, Circularity, Innovation, Collaboration, Compensation and Digitalization— to comprehensively achieve a low-carbon transition. From green building initiatives and equipment efficiency upgrades to the adoption of solar power and green electricity, as well as resource and water recycling, the company is advancing sustainability across all fronts. At the same time, ABC-ATEC is developing new energy solutions and low-carbon materials, strengthening collaboration with suppliers and customers, and leveraging carbon compensation mechanisms and digital management platforms to build a sustainable and resilient business model.

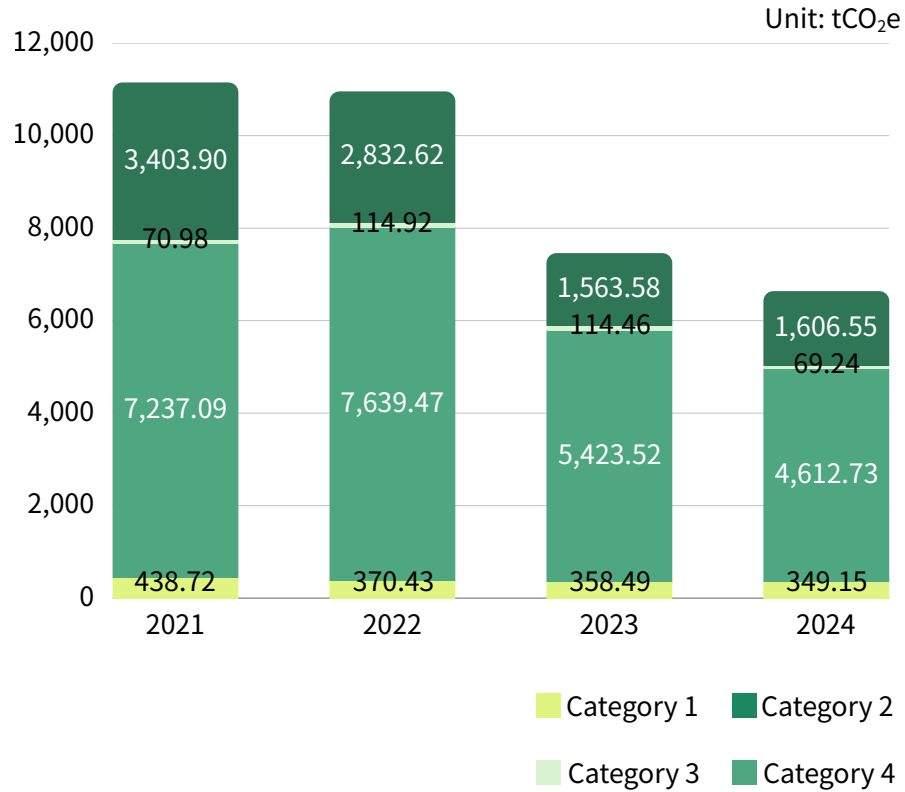


II. Greenhouse Gas Emissions

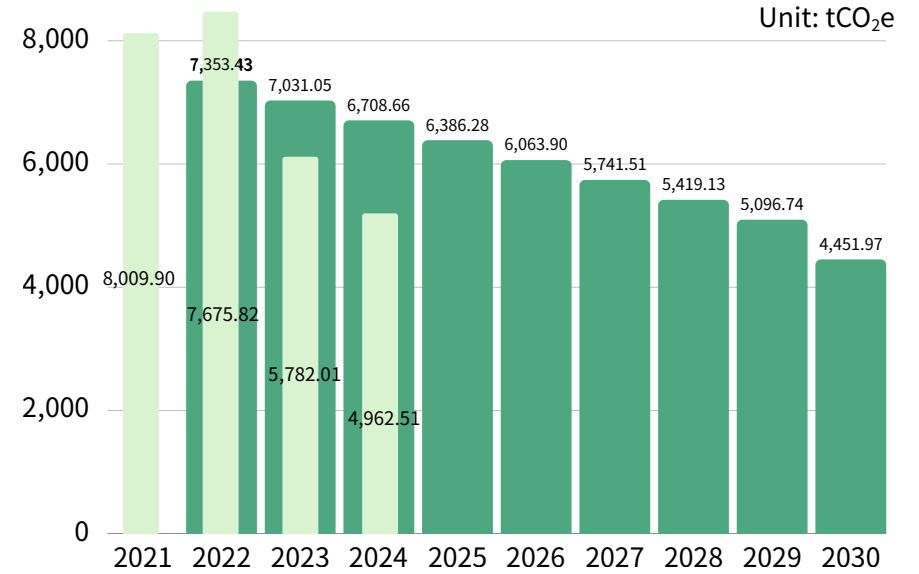
Unit: tCO₂e

Number	Item	2022	2023	2024
Category 1	Direct GHG emissions and removals	370.4333	358.4912	349.151
Category 2	Indirect GHG emissions from energy generation	7,639.4696	5,423.5158	4,564.0102
Category 3	Indirect GHG emissions from transportation	114.9225	114.4624	69.2364
3.1	Upstream transportation and distribution emissions	Immaterial	Immaterial	Immaterial
3.2	Downstream transportation and distribution emissions	Immaterial	Immaterial	Immaterial
3.3	Employee commuting emissions	114.9225	114.4624	69.2364
3.4	Customer and visitor transportation emissions	Immaterial	Immaterial	Immaterial
3.5	Business travel emissions	Immaterial	Immaterial	Immaterial
Category 4	Indirect GHG emissions from products used by the organization	2,832.619	1,563.5799	1,453.486
4.1	Purchased goods and services emissions	875.793	611.8756	825.8342
4.2	Capital goods emissions	Immaterial	Immaterial	Immaterial
4.3	Waste generated in operations	Immaterial	Immaterial	Immaterial
4.4	Emissions from leased or operated assets	1,956.826	951.7043	627.6518
4.5	Emissions from other services not included in the above subcategories	Immaterial	Immaterial	Immaterial
Category 5	Indirect GHG emissions from the use of sold products	Immaterial	Immaterial	Immaterial
5.1	Emissions or removals during the use phase of sold products	Immaterial	Immaterial	Immaterial
5.2	Downstream leased assets emissions	Immaterial	Immaterial	Immaterial
5.3	End-of-life treatment of sold products emissions	Immaterial	Immaterial	Immaterial
5.4	Investments emissions	Immaterial	Immaterial	Immaterial
Category 6	Other indirect GHG emissions from sources not specified above	Immaterial	Immaterial	Immaterial
Total		10,957.44	7,460.05	6,435.88

Greenhouse gas emissions over the years



ABC-ATEC's achievements in emission targets over the years



Note: The Group target is committed to reducing scope 1 and scope 2 emissions by 42% by 2030 compared to the baseline year 2021, and achieving net-zero emissions goal by 2050.



III. Greenhouse gas reduction results in 2024

Since 2023, ABC-ATEC has progressively implemented energy-saving measures across its factories to effectively reduce energy consumption. These initiatives include air-conditioning efficiency improvements, lighting optimization, standby power reduction, production equipment energy efficiency enhancement, and electricity management. The Group also conducts semiannual internal carbon reduction meetings to review progress and assess results. From 2023 to 2024, ABC-ATEC achieved a cumulative carbon reduction of 369.57 tCO₂e, resulting in a total electricity cost saving of NT\$3,760,547.

Results of the Energy Saving and Carbon Reduction Plan from 2023 to 2024

Category	Power Saving Measures	Number of solutions	Actual Electricity Savings (kWh)	Actual Energy Savings (GJ)	GHG Emissions(tCO ₂ e)
Air Conditioning Energy Saving	Air-conditioning temperature control tube	22	117,929.60	424.55	58.26
	Control of air-conditioning usage time				
	Seasonal control of chiller temperature				
	Dehumidifier humidity control				
	Refrigeration system temperature control				
	Optimization of material cold storage management				
Lighting Energy Saving	Lighting equipment usage management	3	353.16	1.27	0.17
Usage Control	Power management for air compressors, instruments, and information equipment	4	5,824.00	20.97	2.88
Unit Replacement	Replacement of waste gas treatment equipment	1	221,400	797.04	126.26
Total		30	345,506.76	1,243.83	187.57

Results of the Energy Saving and Carbon Reduction Plan from 2023 to 2024

Category	Power Saving Measures	Number of solutions	Actual Electricity Savings (kWh)	Actual Energy Savings (GJ)	GFG Emissions (tCO ₂ e)
Daily Energy Conservation	Control operating hours of equipment such as water dispensers, air conditioners, lighting, streetlights, exhaust fans, and ventilation fans	18	125,937.00	453	66
	Regulate air conditioning temperature settings				
	Replace lighting fixtures with motion-sensor or solar-powered lights				
Process Energy Efficiency	Manage power consumption of chillers, air compressors, scrubbers, cooling towers, tunnel furnaces, and wastewater treatment facilities	9	217,033.00	781	116
	Prioritize the purchase of energy-efficient equipment				
	Adjust temperature settings in cleanrooms and dust-free rooms				
Management Strategies	Regular equipment cleaning and maintenance	3	198	1	-
	Adjust contracted electricity capacity				
	Shut down power supply to unused factory areas				
Total		30	343,168	1,235	182

Notes:

1. The disclosure scope of the above data covers the entire Group.
2. Electricity emission factors: Taiwan Factory– 0.474 kgCO₂e/kWh (Source: 2024 Emission Factor for Electricity, Bureau of Energy, Ministry of Economic Affairs, Taiwan); Shanghai and Guangzhou Factory– 0.5366 kgCO₂e/kWh (Source: 2022 National Grid Emission Factor, Ministry of Ecology and Environment of the People's Republic of China); Malaysia Factory – 0.7580 kgCO₂e/kWh (Source: 2021 Peninsular Malaysia Grid Emission Factor).

3.2 Environmental resource use

3.2.1 Environmental Management System

ABC-ATEC profoundly acknowledges that enterprises must co-exist with the land to prosper. In order to protect the global environment and fulfill its corporate social responsibility, ABC-ATEC introduced an environmental management system at its headquarters in Taiwan in 2007. Through these actions, we will develop quantitative goals and discuss implementation directions to ensure the achievement of environmental policies and goals, and make efforts and contributions to the global environment.

All of the Group's operational sites have been gradually introduced into its environmental management system and obtained ISO 14001:2015 environmental management system certification. Through the regular PDCA cycle review performance mechanism of its environmental management system, the Group is set to achieve its commitment to green operations and sustainable development.

ABC-ATEC' s Environmental Policy:

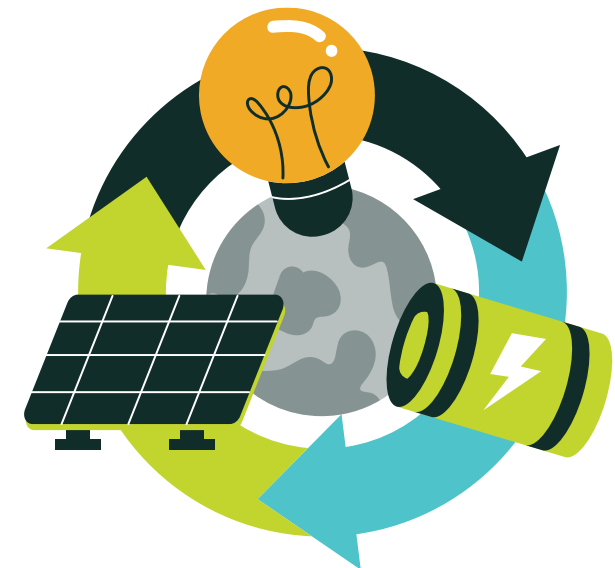
“ We uphold the spirit of compliance with environmental regulations, pollution prevention, sustainable resource use, and continuous improvement in management. Through the participation of all employees in the environmental management system, we are fulfilling our social responsibility, enhancing our corporate image and ensuring sustainable management. ”

3.2.2 Energy Use

I. Energy Usage

ABC-ATEC is a leading inductor manufacturer, with its primary energy source being purchased grid electricity, accounting for 75.07% of total energy consumption, followed by renewable energy at 23.11%, and gasoline, diesel, and liquefied petroleum gas at 1.83%.

In 2024, total energy consumption decreased by 0.53% compared to the previous year, while energy intensity decreased by 9.45%. The introduction of the new LTCC production process led to an increase in overall electricity consumption. However, due to a slowdown in market demand, energy intensity rose slightly. Moving forward, ABC-ATEC will continue to monitor energy performance and implement energy-saving strategies to enhance electricity efficiency and achieve energy conservation and carbon reduction goals.



Energy Usage

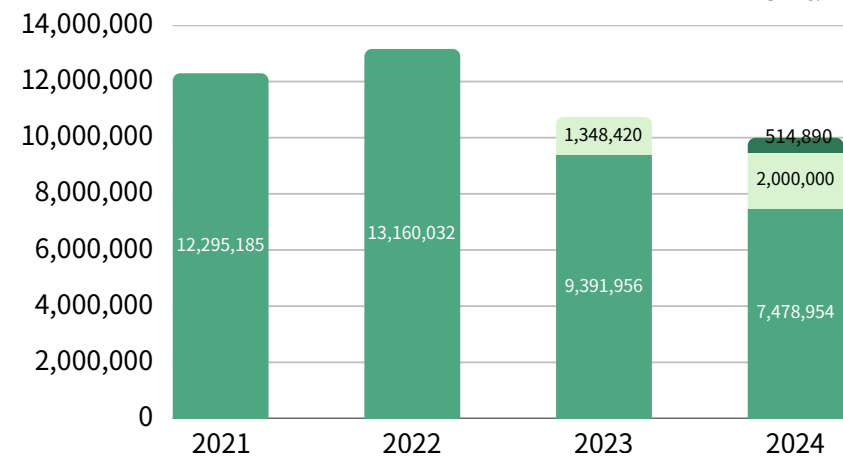
Unit: GJ

Year	Non-renewable Energy				Renewable Energy		Total
	Gasoline	Diesel	Liquefied Petroleum Gas	Grey Electricity	Green electricity procurement	Solar panels	
2022	394.08	307.41	64.31	47,376.12	-	-	48,141.91
2023	454.46	173.23	92.09	33,811.04	4,854.31	-	39,385.13
2024	491.52	187.23	36.53	29,408.74	7,200.00	1,853.60	39,177.62
2024 Change in Energy Consumption	8.15%	8.08%	-60.33%	-13.02%	48.32%	-	-0.53%

Note:

- 1.The main production factories are Taiwan Headquarters (Factory 2), Taiwan Factory 1, Guangzhou Factory, Shanghai Factory, and Malaysia Factory.
- 2.The conversion factors for calculating fuel heat value and converting electricity heat value are sourced from the Ministry of Environment 's Greenhouse Gas Emission Coefficients Management Table 6.0.4 version. The conversion for electricity heat value is 1 kWh = 0.0036 GJ.
- 3.The electricity emission coefficient is calculated based on the latest announcement from the Bureau of Energy, Ministry of Economic Affairs. Electricity is 3,600KJ/kWh; gasoline is 7,800kcal/L; diesel fuel is 8,400 kcal/L.

Unit: kWh



■ Grey Electricity ■ Green Electricity ■ Solar Panels

Energy Intensity

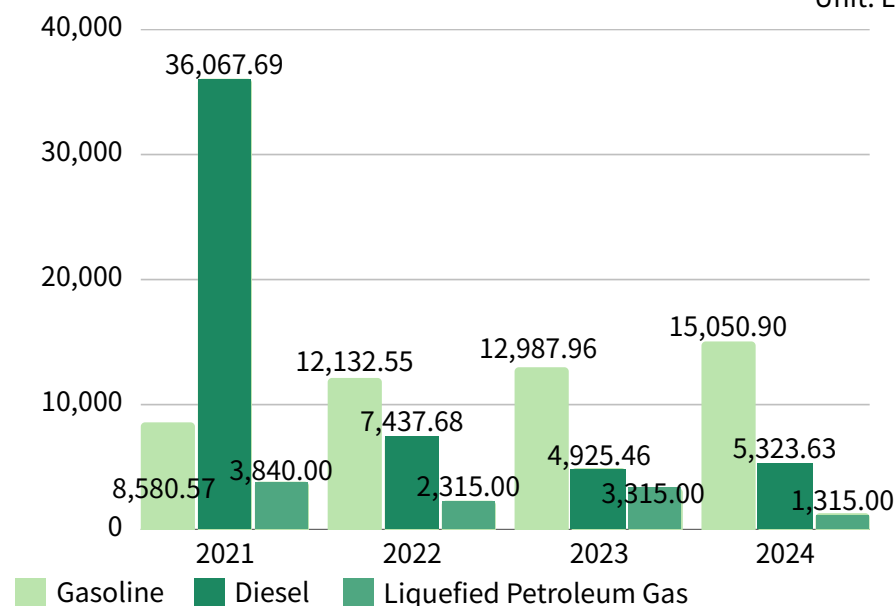
Unit: GJ/million revenue

Year	Gasoline Intensity	Diesel Intensity	Electricity Consumption Intensity	LPG Intensity	Total
2022	0.13	0.1	15.62	0.02	15.87
2023	0.23	0.09	16.97	0.04	17.32
2024	0.26	0.1	15.31	0.02	15.69
2024 Change in Energy Consumption	12.20%	12.12%	-9.77%	-48.81%	-9.45%

Notes:

- 1.The main production sites include Taiwan Headquarters (Yangmei Factory 2), Yangmei Factory I, Guangzhou Factory, Shanghai Factory, and Malaysia Factory.
- 2.Electricity intensity does not include renewable electricity.
- 3.Energy intensity = Total energy consumption / Revenue.
- 4.The decrease in energy intensity in 2024 was mainly attributed to the implementation of energy-saving measures, green power procurement, and self-generated solar power. For details, please refer to Section 3.2.2 Energy Use, II. Four Steps of Energy Conservation. Additionally, the decline in revenue in 2024 also contributed to the reduction in electricity intensity.

Unit: L



II. Four Steps of Power Saving

In response to global climate change and carbon reduction trends, ABC-ATEC has formulated the “Four Steps of Power Saving,” actively promoting strategies of Energy Saving, Energy Generation, Energy Storage, and Green Energy to achieve low-carbon transformation and sustainable development. By improving energy efficiency, reducing unnecessary energy consumption, adopting renewable energy, and implementing peak-load management strategies, we not only reduce our operational carbon footprint but also enhance energy autonomy and stability. From equipment optimization to energy management, from green power adoption to solar generation, ABC-ATEC is committed to building a green, low-carbon business model that leads the way toward a sustainable future.

(I) Energy Saving

In 2024, ABC-ATEC continued to implement multiple energy-saving and carbon-reduction measures to enhance energy efficiency and reduce carbon emissions. By controlling equipment operating hours and temperature, the Company effectively minimized unnecessary energy consumption. At the same time, ABC-ATEC replaced sensor lights with solar-powered lamps and prioritized the adoption of high-efficiency, energy-saving equipment to further improve energy performance. In addition, power management and temperature adjustments were applied to production equipment and cleanrooms, while contract capacities were optimized and power to idle facilities was shut down to maximize energy utilization. The results of energy saving and carbon reduction can be found in Section 3.1.2 Greenhouse Gas Inventory.

(II) Energy Generation

ABC-ATEC continues to implement energy transition and carbon reduction initiatives, investing over NT\$10 million to install a solar photovoltaic system at its Taiwan headquarters, which was officially launched in April 2025. The rooftop solar system has a total installed capacity of 244 kWp and an estimated annual power generation of approximately 240,000 kWh, resulting in an annual carbon reduction of about 120 tCO₂e. All electricity generated will be used for ABC-ATEC’s headquarters operations, achieving not only energy saving and carbon reduction but also multiple benefits such as enhanced roof insulation and cooling, electricity savings, extended roof lifespan, and optimized space utilization.

Based on historical greenhouse gas inventory results, ABC-ATEC’s major carbon emission hotspot lies in Scope 2 electricity consumption, accounting for more than 70% of total emissions. To actively address climate change challenges, ABC-ATEC launched its energy transition and carbon reduction program in 2023, promoting renewable energy and expanding its Green Energy deployment to achieve medium- and long-term net-zero goals, thereby reducing reliance on conventional energy sources and demonstrating a firm commitment to environmental sustainability.

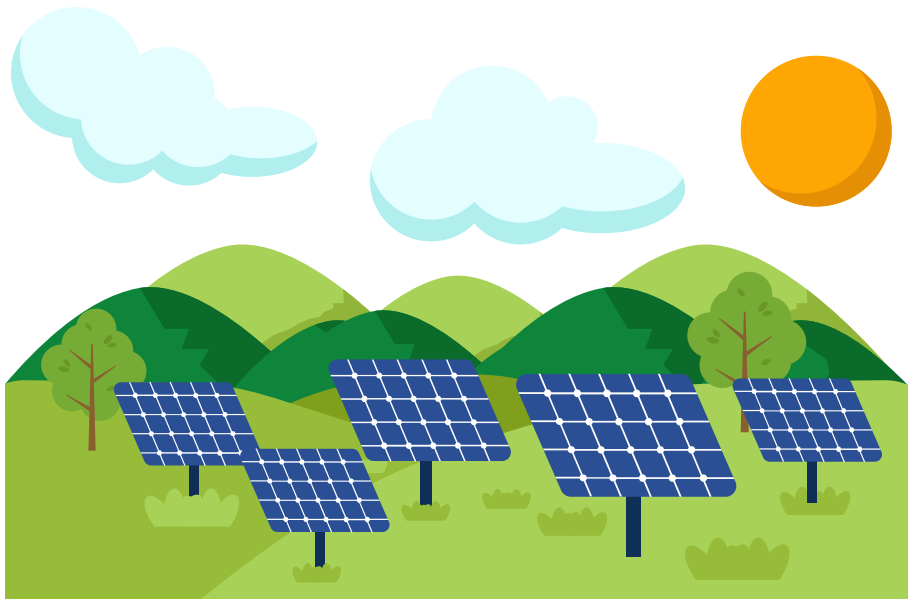
ABC-ATEC’s Green Energy initiative began with the Guangzhou Factory, which signed a Green Energy Purchase Agreement in 2023 and started using green electricity in May of the same year. In 2024, the factory also completed the installation of a self-consumption solar system. The expansion continued with the Malaysia Factory launching its solar power system in November 2024, followed by the Taiwan Factory officially adopting solar power in April 2025—progressively realizing multi-site Green Energy transformation.

As of the end of 2024, ABC-ATEC’s total annual green electricity consumption reached 2.51 million kWh, accounting for 25% of total electricity use. ABC-ATEC will continue to strengthen its sustainability resilience, steadily advance its commitment to sustainable development, and move decisively toward achieving its goals of a 42% emission reduction by 2030 and net-zero carbon emissions by 2050, working hand in hand with the global community to create a sustainable future.

Group's solar panel power generation in 2024

Solar panel power generation (kWh)	514,890
Total group electricity consumption (kWh)	9,993,844
Solar energy as a percentage of total power generation	5.15%
Daily solar power generation (kWh/day)	1,411

Note: This table discloses the Guangzhou and Malaysia factories.



▲Malaysia Factory



▲ Headquarter-ABC Taiwan Electronics Corp. (Yangmei Factory 2)



▲Guangzhou Factory

(III) Energy Storage

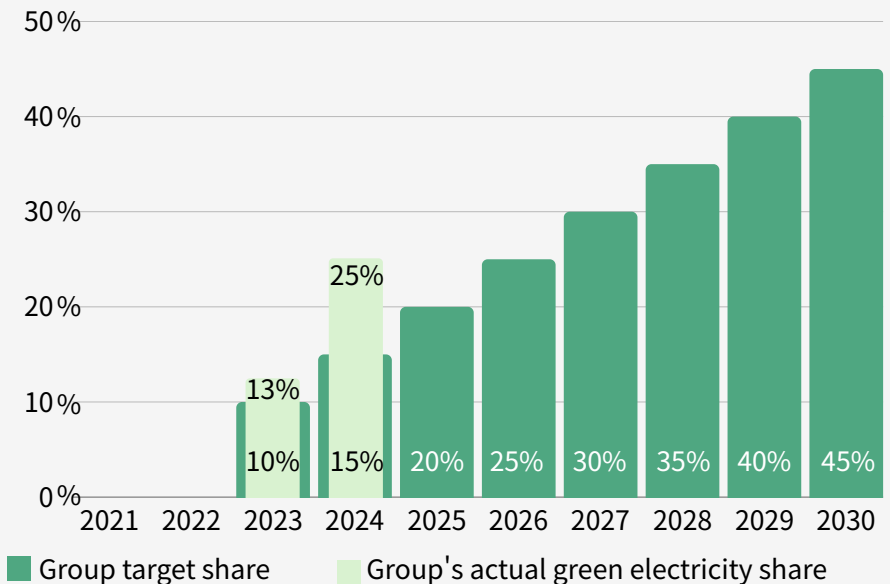
To enhance energy efficiency and reduce the environmental impact of electricity demand, ABC-ATEC actively implements peak shaving and valley filling strategies through intelligent energy management systems to balance electricity usage between peak and off-peak periods. During times of tight power supply, production schedules are adjusted and non-essential equipment operation is reduced to lower instantaneous power loads. This approach helps shift part of the electricity demand to off-peak hours, easing grid pressure, reducing overall electricity costs, and improving power utilization efficiency. In addition, to strengthen energy flexibility and stability, the Guangzhou Factory officially launched two energy storage systems in September 2024, with a total storage capacity of 428 kWh. These systems serve as key tools for both peak shaving and backup power supply. By storing surplus electricity during off-peak periods and releasing it during peak hours, we effectively reduce energy costs and lighten grid loads. The storage systems also help stabilize power quality during production, minimize the impact of unexpected outages, and, when integrated with renewable energy generation, enhance energy autonomy—advancing toward a more efficient and low-carbon sustainable energy management model.



(VI) Green Energy

ABC-ATEC's carbon reduction target is: "The recent goal is to maintain global temperature rise at 1.5°C. The Company is committed to reducing Scope 1 and Scope 2 emissions by 42% by 2030 compared to the 2021 base year, and to achieving net-zero emissions by 2050." To achieve this goal, ABC-ATEC began purchasing green energy in 2023, with the aim for 45% of the Group's total electricity consumption to come from green energy by 2030, and 100% by 2050.

ABC-ATEC 2030 Green Electricity Development Strategy Blueprint



3.2.3 Water Resource Management

I. Water Resource Management

ABC-ATEC does not use water for production and manufacturing, and mainly uses domestic water. Water withdrawal and drainage complies with local government regulations. All wastewater is managed and discharged into the sewer system designated by the city government. There is no threat to the river basin ecology or natural water bodies. The Guangzhou Factory has established a wastewater recycling mechanism, and the recycled water is used for flushing toilets, watering green spaces, and adjusting wastewater.

Unit: ton				
Factory	Item	2022	2023	2024
Taiwan	Water Withdrawal	6,514	5,361	4,967
	Wastewater	2,138	1,897	1,763
	Water Reused	48	28	33.69
	Water Recycling and Reuse Rate	2.24%	1.48%	1.91%
Shanghai	Water Withdrawal	6,526	11,750	6,014
	Wastewater	1,755	1,228	273
	Water Reused	-	-	-
	Water Recycling and Reuse Rate	-	-	-
Guangzhou	Water Withdrawal	18,927	13,609	16,003
	Wastewater	27,679	17,248	17,966
	Water Reused	9,722	5,685	6,478
	Water Recycling and Reuse Rate	35.12%	32.96%	36.06%

		Unit: ton		
Factory	Item	2022	2023	2024
Malaysia	Water Withdrawal	10,353	10,540	15,695
	Wastewater	3,141	2,688	2,597
	Water Reused	-	-	-
	Water Recycling and Reuse Rate	-	-	-
Group	Water Withdrawal	42,320	41,260	42,679
	Wastewater	34,714	23,062	22,599
	Water Reused	9,770	5,713	6,512
	Water Recycling and Reuse Rate	28.14%	24.77%	28.81%

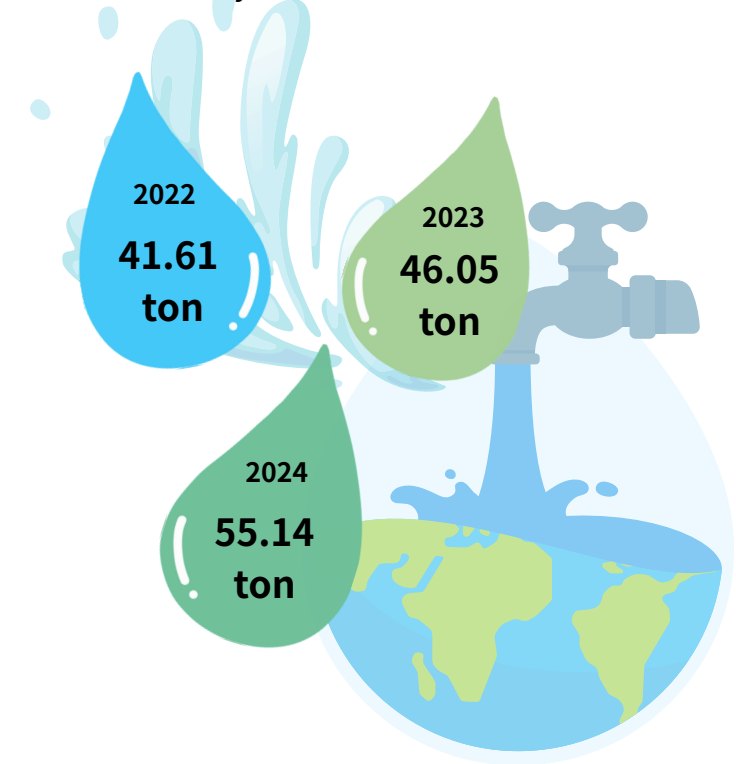
Note:

- 1.The water reused by the Taiwan Factory is the first-class and second-class recycled water from the wastewater treatment in Block B; the Guangzhou Factory's recycled water is the recycled water after the sewage treatment in the Factories.
2. Water use intensity = water withdrawal / number of employees on the last working day at the end of the year.
- 3.The wastewater volume for the Taiwan Factory, Shanghai Factory, and Malaysia Factory is estimated based on the “Technical Specifications for the Design of Building Wastewater Treatment Facilities” (Category C: Industrial and Warehousing) announced by the Construction and Planning Agency, Ministry of the Interior. The calculation method is as follows: (Number of operating personnel ÷ 4) × 150 liters/day × number of working days.

II. Water saving measures

Starting in August 2024, the Taiwan Yangmei Factory 2 installed water-saving switches on the triangular water tanks in the women’ s restrooms. The flush volume was reduced from 9.45 liters to 5.4 liters per use, saving 4.05 liters per flush. Following the improvement, total water consumption was reduced by 2,394 liters.

Water Use Intensity



3.2.4 Waste

I. Waste Management

ABC-ATEC's waste management principle is "source reduction and recycling." Since the products ABC-ATEC produces cannot use recycled materials, the focus is on waste management at the end of the product life cycle. The waste generated by ABC-ATEC is categorized into three major types: hazardous industrial waste, general industrial waste, and resource recycling waste. Hazardous industrial waste includes items like solvent-containing waste liquids, solvent-containing waste materials, used machine oil, and waste fluorescent lights. General industrial waste comprises general waste generated from business activities, mixed plastic waste, process waste, dry batteries, etc. Resource recycling waste includes items such as beverage cans, PET bottles, waste fluorescent tubes, waste information equipment, dry batteries, wastepaper, waste electronic components, etc.

For the overall disposal of waste, ABC-ATEC follows the Waste Disposal Act's regulations, establishes waste management plans within the organization, collaborates with vendors approved by the competent authorities and signs valid contracts to ensure the legal disposal of waste, with waste classification management implemented in accordance with the "Waste Management Act." Regular inspections and evaluations of business waste treatment facilities are scheduled each year to effectively prevent improper waste disposal. In 2024, there were no incidents of penalties related to waste violations.

The main products of ABC-ATEC are inductors, ceramic heat sinks and precision metal parts. In order to grasp the impact on the environment in the value chain, the Company evaluates the process from raw material procurement, product design, and manufacturing process to waste generation to reduce the impact of operations on the environment.

Waste Management

Items	Raw Materials	Manufacturing	Downstream
Core Focus	Use of locally produced nontoxic raw materials	No water use, energy-saving and waste minimization processes value chain	Consider impacts down the value chain
Implementation Strategies	Prohibit hazardous materials at the source.	Source reduction and recycling and reuse.	Taiwan Factory 2 Building B Material Factory has established a waste recycling mechanism to facilitate waste recycling and wastewater recycling and reuse value chain.
	Prohibit the use of products from conflict mines.	Taiwan Factory 2 Building B Material Factory is equipped with a pure water recycling system.	Classification of hazardous waste and recyclable waste in the Guangzhou Factory.
	Prioritize the purchase of Environmentally friendly products.	Guangzhou Factory reuses process wastewater and domestic wastewater treated by recycling equipment.	Strengthening the management of waste manufacturers.

II. Waste Generation

In 2024, ABC-ATEC generated a total of 182.29 metric tons of waste, including 38.31 metric tons of hazardous waste and 143.98 metric tons of non-hazardous waste. The total amount of waste recycled reached 47.69 metric tons, representing a recycling rate of 26.16%. ABC-ATEC will continue to strengthen waste recycling management and promote resource recovery and waste reduction awareness among employees.

Waste Generation		Unit: Ton		
Year	Factory	Total Weight of Waste	Hazardous Waste	Non-Hazardous Waste
2022	Taiwan	79.19	9.28	69.91
	Shanghai	15.91	0.83	15.08
	Guangzhou	132.97	48.46	84.51
	Malaysia	119.17	12.47	106.71
	Total	347.24	71.04	276.21
2023	Taiwan	63.26	7.75	55.51
	Shanghai	5.86	0.86	5
	Guangzhou	77.78	23.77	54.01
	Malaysia	70.7	7.77	62.93
	Total	217.6	40.15	177.45
2024	Taiwan	47.58	7.76	39.81
	Shanghai	2.66	0	2.66
	Guangzhou	78.16	25.66	52.51
	Malaysia	53.89	4.89	49
	Total	182.29	38.31	143.98

Note: The disclosure boundary covers ABC' s Taiwan Factories 1 and 2, Shanghai Factory, Guangzhou Factory, and Malaysia Factory

III. Waste Reduction Achievement

Since 2024, ABC-ATEC' s Malaysia Factory has actively implemented eco-friendly measures during the packaging process by replacing part of the plastic adhesive tape with paper tape for carton sealing. Throughout the year, a total of 68 rolls of paper tape were used, each measuring approximately 45 meters, amounting to 3,060 meters in total. This initiative significantly reduced the use of plastic tape, thereby lessening environmental impact. The effort not only decreases plastic waste generation but also demonstrates ABC-ATEC' s proactive commitment to waste reduction and its ongoing transition toward a more sustainable and environmentally friendly logistics operation model.





04

Happy Workplace

4.0 Management Approach

4.1 Talent Attraction and Retention

4.2 Learning and Development

4.3 Labor Relations and Human Rights

4.4 Safe Working Environment

Happy Workplace

4.0 Management Approach

4.0.1 Management Approach

Material Topics- Energy Conservation and Carbon Reduction

Policy



Policies are formulated based on the Company's vision, management concept, and annual goals. We build development plans and learning channels for employees using 4 aspects: selection, utilization, education, and retention so that employees are allowed to have space for self-development and growth.

Commitment



- Offering highly competitive compensations and benefits.
- Providing various insurance benefits and contributions to retirement funds in accordance with local laws and regulations

Responsibility



- External responsibilities:** Labor Standards Act and Labor Inspection Act.
- Internal policies:** Compensation Committee, Personnel Evaluation Panel, Performance Evaluation Policy, Employee Transfer Policy, Personnel Recruitment Policy, and Employee Welfare Committee Charter.



Resources

- Regulations for Labor-Management Meetings.
- Subsidizing staff to conduct professional training in 2024.
- Subsidies included holiday gift vouchers, birthday bonuses, wedding and bereavement benefits, education subsidies, hospitalization support, injury and illness assistance, maternity benefits, and scholarships, among others.



Contact Information

- Human Resources Department: Mr. Lin**
- TEL : (03)4788-188 ext. 1662**



Material Topics Management

401 Employment

Impact of Material Topics on ESG

Positive Impact

- Strengthen organizational cohesion and solidarity, allowing employees to feel respected and valued, which helps build a sense of team belonging and pride.
- Employee stability and organizational trust contribute to continuous improvement and innovation within the company.

Negative Impact

- If labor-management relations are poorly handled, it may lead to employee dissatisfaction and complaints, which can increase turnover rates and negatively affect workforce stability.

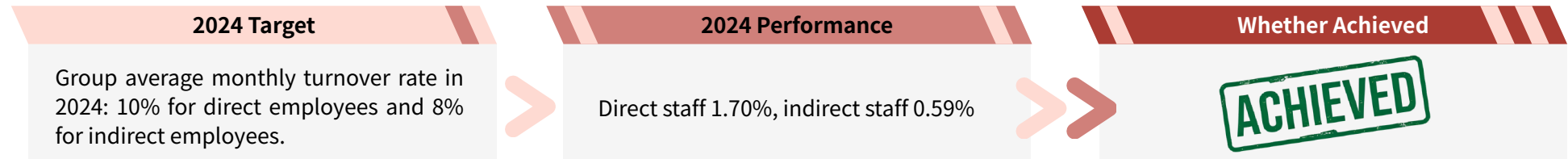
Action Plans

- Hold labor-management meetings, and request employee representatives to collect colleagues' opinions beforehand to bring up for discussion during the meeting.
- Conduct exit interviews and analyze reasons for departing employees, then propose improvement measures to prevent recurrence of similar issues.
- Immediately revise relevant internal company policies whenever labor regulations are updated to ensure compliance with laws.
- Conduct an annual employee satisfaction survey.

Tracking Methods

- Hold quarterly labor-management meetings, document the meeting minutes, and have each committee member review and implement the decisions.
- When employees submit resignation forms, the HR department conducts exit interviews to understand the reasons and record the findings. In case of abnormal situations, relevant supervisors are notified to prevent recurring issues.
- The HR department continuously monitors updates to labor laws to ensure that company policies and practices comply with legal requirements, providing employees with confidence in working at the company.

4.0.2 Performance



4.1 Talent Attraction and Retention

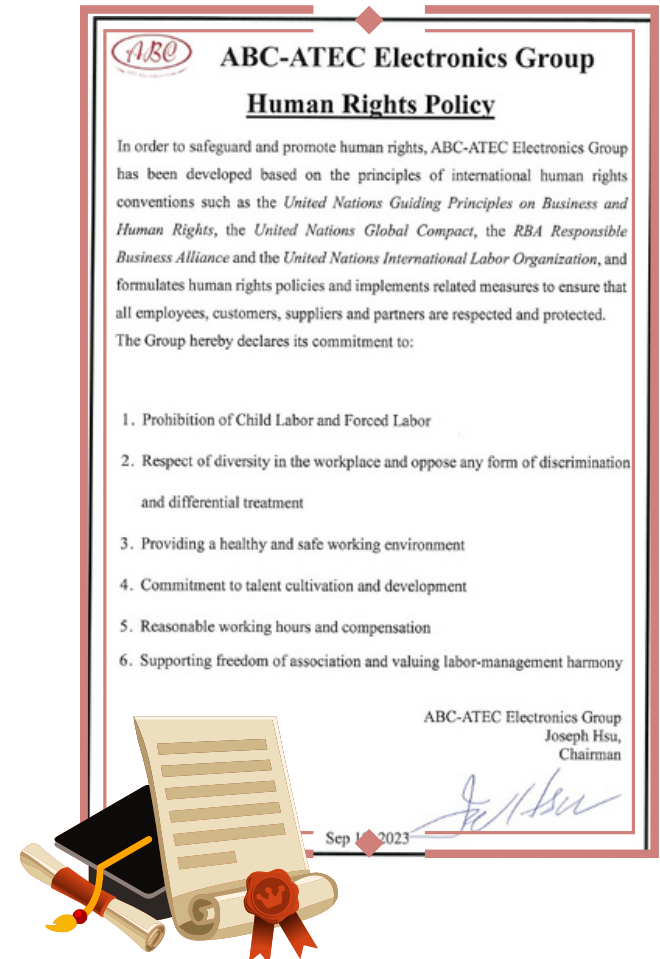
4.1.1 Recruitment and Selection

I. Human Rights Policy

ABC-AETC Group is committed to treating every employee equally. We base our policies on the principles outlined in international human rights conventions such as the UN Guiding Principles on Business and Human Rights, the UN Global Compact, RBA (Responsible Business Alliance) Code of Conduct, and the International Labor Organization (ILO) standards. Our human rights policy prohibits discrimination, child labor, forced labor, and respects the freedom of association of employees. We ensure that employees, customers, suppliers, and partners are respected and protected, and we consider creating a fair, safe, and comfortable workplace environment as our responsibility. We are committed to completely eliminating issues related to bonded labor, underage labor, and overtime work.

The Company's human rights management includes:

- With the provisions of the Labor Standards Act and other relevant laws; implement working hour management, prohibit child labor, and prohibit all forms of forced labor and discrimination.
- Establish a gender-equal workplace; the Company implements the parental leave system without pay and provides employees with family leave, menstruation leave, childbirth leave, paternity leave and nursing rooms.
- The Company attaches great importance to the health of the employees and arranges regular health checkups and special occupational disease health examinations for employees. Health seminars are also held and there are doctors and nurses regularly visiting the factory for health consultations.



In addition, ABC-ATEC Employee Handbook clearly stipulates the prohibition of child labor, and the Company shall not make female employees work between 10:00 p.m. and 6:00 a.m. However, this requirement shall not apply with the approval of the labor-management meeting and if the following requirements are met:

- Provide necessary safety and health facilities.
- Provide transportation or arrange dormitory for female workers when no public transportation is available.

ABC-ATEC provides protection for female employees before and after childbirth. Female employees may apply for transfer to a easier job. They are provided with parental leave after childbirth in accordance with the law.



Communication and remedies regarding human rights policies or cases

ABC-ATEC has set up internal and external grievance channels and procedures to protect its reputation. A complaint/suggestion mailbox and hotline have been made available to prevent illegal, unethical, and dishonest conduct that may compromise the interests of shareholders, employees, and business partners (suppliers).

A stakeholder section has been created on the Company's website to be used as a communication channel for stakeholders' suggestions, queries, and disputes to ensure the right of the stakeholders.

In addition, the Company has established the "Regulations Governing the Reporting of Illegal and Unethical Behaviors by Internal/External Personnel" to protect whistleblowers and to regulate confidentiality and reward and punishment mechanisms. There were no reported items in 2024.



II. Recruitment Plan

(I) Campus recruitment

ABC-ATEC conducts campus recruitment activities to give students a deep understanding of the company's culture and available positions, while enhancing the company's visibility within academia. These activities are highly beneficial for expanding the company's talent pool and supporting future recruitment efforts.

They also provide valuable resources and support for the company's upcoming hiring initiatives. ABC-ATEC looks forward to continuously engaging in campus recruitment to attract more outstanding young talents into the company's workforce.

(II) Research and development of alternative service

Through campus recruitment activities, combined with applications for substitute military service positions for R&D personnel, ABC-ATEC attracts outstanding research and development talents to join the company. A total of three positions have been approved, with two recruits successfully hired and onboarded, gradually cultivating a pool of skilled R&D professionals.

(III) Industry-university collaboration

The company upholds the philosophy of promoting technological advancement and social development, leveraging expertise in cutting-edge fields to enhance industry competitiveness. We actively provide students with opportunities for corporate visits, internships, and job placement, facilitating knowledge exchange and strengthening talent development to contribute to both industry and society.

In recent years, the company has actively promoted campus talent cultivation through multiple industry-academia collaborations with National Taipei University, allowing students to participate in practical projects during their studies and develop hands-on skills. Outstanding students are encouraged to join as full-time employees, bringing innovative thinking to the company.

Through these collaborations, in 2024, one participating student was successfully recruited, and their research outcomes were applied internally within the group, demonstrating the tangible benefits of industry-academia cooperation and further strengthening the connection between academia and industry. For details on industry-academia collaborations, please refer to Section 2.3 Industry-Academia Collaboration.



III. Talent Recruitment

As of the end of 2024, ABC-ATEC had a total of 774 employees, all of whom were recruited in compliance with relevant labor laws and regulations. ABC-ATEC is committed to fostering a stable and sustainable workplace by providing comprehensive training programs, competitive compensation packages, and robust employee benefits that encourage continuous self-improvement and career development.

The Company's workforce includes 721 unscheduled employees and 53 term employees. By employment type, there were 773 full-time and 1 part-time employee, with no employees under zero-hour contracts. Additionally, the workforce included 37 employees of indigenous identity and 2 employees with disabilities.

Employee Structure at the End of 2024

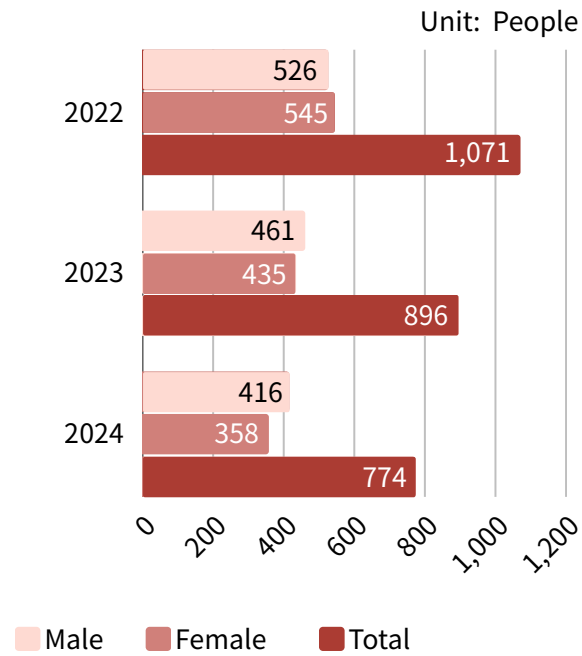
Type	Group	Male		Female		Group Subtotal Ratio	
		Number of People	Percentage of Total Employees (%)	Number of People	Percentage of Total Employees (%)	Number of People	Percentage of Total Employees (%)
Position	Senior Managers	8	1.92%	0	0.00%	8	1.03%
	Mid-level Managers	68	16.35%	63	17.60%	131	16.93%
	Entry-level Personnel	340	81.73%	295	82.40%	635	82.04%
Work Location	Taiwan	91	21.88%	97	27.09%	188	24.29%
	China	161	38.70%	191	53.35%	352	45.48%
	Malaysia	164	39.42%	70	19.55%	234	30.23%
Age	Under 29	141	33.89%	100	27.93%	241	31.14%
	30-50	240	57.69%	216	60.34%	456	58.91%
	51 and Above	35	8.41%	42	11.73%	77	9.95%

Type	Group	Male		Female		Group Subtotal Ratio	
		Number of People	Percentage of Total Employees (%)	Number of People	Percentage of Total Employees (%)	Number of People	Percentage of Total Employees (%)
Education	Secondary education (including below)	270	64.90%	205	57.26%	475	61.37%
	Higher education	128	30.77%	146	40.78%	274	35.40%
	Master's degree	16	3.85%	7	1.96%	23	2.97%
	PhD	2	0.48%	0	0.00%	2	0.26%
Employment Contract	Unscheduled	388	93.27%	333	93.02%	721	93.15%
	Term	28	6.73%	25	6.98%	53	6.85%
Employment Type	Full-time Employee	415	99.76%	358	100.00%	773	99.87%
	Part-time Employee	1	0.24%	0	0.00%	1	0.13%
	Non-Guaranteed Hours Employee	0	0.00%	0	0.00%	0	0.00%
Indigenous Identity		16	3.85%	21	5.87%	37	4.78%
Persons with Disability		2	0.48%	0	0.00%	2	0.26%

Note:

1. The disclosure boundary covers Taiwan Yangmei Factory 1, Yangmei Factory 2, Shanghai Factory, Guangzhou Factory, and Malaysia Factory.
2. Full-time employees: The employment contract is for an indefinite term (indefinite contract).
3. Temporary employees: Those whose employment contract is for a fixed term (term contract).
4. Full-time employees: The number of hours worked per week by the employee meets the definition of full-time employees in local regulations.
5. Part-time employees: The employee's weekly working hours do not meet the definition of a full-time employee in local regulations.
6. Employees without guaranteed hours: Employees with variable working hours per week, such as on-call employees.

Staff structure at the end of 2024



IV. Employees by Gender and Employment Contract

Employees by Gender and Employment Contract

Unit: people

Year	2022		2023		2024	
Number of people	1,071		896		774	
Form of Employment	Unscheduled	Term	Unscheduled	Term	Unscheduled	Term
♂	344	282	428	33	388	28
♀	271	174	419	16	333	25
Taiwan	164	59	198	0	187	2
Overseas	381	467	650	49	534	52
Form of Employment	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
♂	504	22	461	0	415	1
♀	494	51	435	0	358	0
Taiwan	223	0	197	0	188	0
Overseas	775	73	699	0	585	1

4.1.2 Employee Structure

We have a comprehensive recruitment system in place. We look forward to co-prosperity and development between employees and the Company, and respect the career change options of employees. In 2024, a total of 280 new employees were recruited, including 151 males and 129 females. There were 166 new employees under the age of 29; 112 new employees aged 30-50 years old; 2 employees aged 51 years and above; and 317 employees resigned. There are 154 males and 163 females. The reasons for leaving the company include family care, relocation of residence, and change of jobs. To protect the rights of employees and improve the recruitment system, the responsible unit supervisors interviewed all the resigned employees to understand the specific reasons for resignation as a reference for subsequent improvement of human resource management.

ABC-ATEC's Severance Notice Period:

The Company must notify the employee in advance according to the notice period stipulated by the Labor Standards Act and pay severance pay in the event of major operational changes, such as adjustment of the operating organization, adjustment of manpower requirements, force majeure factors, or the belief that an employee is unfit for duty.

- If you have worked for more than 3 months but less than 1 year: 10 days in prior
- If you have worked for more than 1 year but less than 3 years: 20 days in prior
- Work for more than 3 years: 30 days in prior



I. New employees

To help new employees become familiar with the company environment and operations, and to quickly acquire the necessary professional knowledge and skills, ABC-ATEC has established a comprehensive onboarding training program designed to facilitate smooth integration into the organization.

(I) Professional Training

Training programs are planned based on the actual functional requirements of each new hire to ensure alignment with their job responsibilities.

(II) New Employee Orientation

The hiring department introduces the work environment, departmental structure, and objectives, and provides a brief overview of job duties and related policies. The orientation session must be no less than two hours.

(III) Training Implementation

All training courses must be completed within three months after onboarding. General training on Integrity Management, Information Security, Occupational Safety and Health, and Environmental Protection must be completed within one month of employment.

(IV) Training Records

Upon completion of training, the training unit responsible conducts post-training evaluations to confirm the employee's learning progress and participation.

(V) Effectiveness Evaluation

After each training phase, department supervisors conduct a comprehensive performance assessment to verify whether the training outcomes meet expectations. The results serve as an important reference for the new employee's probation period evaluation.

Total number and proportion of new employees each factory

Unit: People

Gender	Age	Factory				Total	% of new employees
		Taiwan	Shanghai	Guangzhou	Malaysia		
Male	Under 29	9	1	7	3	99	36.30%
	%	45.00%	NA	123.73%	25.81%	70.21%	
	30-50	13	1	26	11	51	
	%	21.31%	11.11%	32.91%	12.09%	21.25%	
	51 and Above	1	0	0	0	1	
	%	10.00%	0.00%	0.00%	0.00%	0.00%	
	Subtotal	23	2	99	27	151	
Female	Under 29	4	10	50	3	67	36.03%
	%	66.67%	NA	87.72%	7.14%	63.81%	
	30-50	5	27	29	0	61	
	%	8.47%	168.75%	24.79%	0.00%	28.91%	
	51 and Above	1	0	0	0	1	
	%	3.13%	0.00%	0.00%	0.00%	2.38%	
	Subtotal	10	37	79	3	129	

Note:

1.Number of new hires of the specified gender and age group / Number of employees of the same gender and age group employed at year-end.

2.As the Shanghai Factory underwent transformation in the second half of 2024, the number of male and female employees aged 29 and below at year-end was zero; therefore, the ratio column is shown as N/A.

II. Resigned employees

To continuously enhance the workplace environment and improve employee satisfaction, the Company conducts exit interviews for all departing employees. Through in-depth conversations, we seek to understand the reasons for resignation, on-the-job experiences, and suggestions for improvement, serving as a valuable reference for internal review and policy adjustments.

The process emphasizes respect and confidentiality, encouraging employees to share their genuine thoughts openly. After each interview, the reasons for departure are categorized and statistically analyzed to inform the optimization of human resource policies. This approach helps create a healthier, more inclusive, and growth-oriented work environment, thereby reducing employee turnover and enhancing overall organizational performance.

Note:

1.Number of resigned employees of the specified gender and age group / Number of employees of the same gender and age group employed at year-end.

2.As the Shanghai Factory underwent transformation in the second half of 2024, the number of male and female employees aged 29 and below at year-end was zero; therefore, the ratio column is shown as N/A.

Total number and proportion of resigned employees each factory

Unit: People

Gender	Age	Factory				Total	% of new employees
		Taiwan	Shanghai	Guangzhou	Malaysia		
Male	Under 29	6	4	66	21	97	37.02%
	%	30.00%	NA	111.86%	33.87%	68.79%	
	30-50	11	6	29	8	54	
	%	18.03%	66.67%	36.71%	8.79%	22.50%	
	51 and Above	0	2	0	1	3	
	%	0.00%	50.00%	0.00%	9.09%	8.57%	
	Subtotal	17	12	95	30	154	
Female	Under 29	5	13	34	14	66	45.53%
	%	83.33%	NA	59.65%	33.33%	62.86%	
	30-50	3	34	29	30	96	
	%	5.08%	212.50%	24.79%	157.89%	45.00%	
	51 and Above	0	0	0	1	1	
	%	0.00%	0.00%	0.00%	11.11%	2.38%	
	Subtotal	8	47	63	45	163	

4.1.3 Employee Benefits

I. Remuneration policies

ABC-ATEC attaches great importance to the retention and cultivation of talents, and is committed to providing competitive salaries and comprehensive employee benefits. The Group's salary standard is determined with reference to local laws and regulations, industry standards, and local living standards. Gender, race, language, religion, age, political affiliation, marital status, and so on factors will never affect the remuneration of employees. In this equal and inclusive workplace environment, the starting salary of men and women is equal, but the final salary (basic salary plus salary) varies depending on the number of years of work, experience, or position bonus. The ABC-ATEC employee remuneration covers basic salary (including basic pay, food allowance, transportation allowance, and special duty allowances), performance rewards, bonuses, and year-end bonuses. Meanwhile, the Company's HR Department carries out a regular salary review based on related indicators such as market trends and the company's operations in an effort to provide a competitive and attractive salary so that more talents are happy to join our big family.

The Taiwan headquarters, in order to appropriately reflect business performance or results in employee compensation, allocates 12% to 16% for employee remuneration in accordance with Article 34 of the company's bylaws. The distribution, whether in stock or cash, is determined by the board of directors. In 2024, the average employee salary expense was NT\$507,000

Taiwan Headquarters Salary Ratio Table for Male and Female Employees for 2022~2024

Unit: thousand

Job grade/year	2022				2023				2024			
	Basic Salary		Average Compensation		Basic Salary		Average Compensation		Basic Salary		Average Compensation	
	♂	♀	♂	♀	♂	♀	♂	♀	♂	♀	♂	♀
Non-managerial Staf	1	1.01	1	1	1	0.82	1	0.87	1	0.82	1	0.88
Managerial Stafl	1	0.79	1	0.7	1	0.52	1	0.53	1	0.53	1	0.33

Note:

1. Base salary refers to approved salary; average salary refers to base salary plus other bonuses.
2. Before 2022 (inclusive), the scope of calculation of the salaries of general employees was the salaries of active employees on December 31. In 2023, the calculation was based on the data of full-time employees, and the salaries of employees who had served for six months or more in the whole year were calculated.
3. Starting from 2023, the salary calculation for supervisors, including managerial and financial accounting positions, follows the same rules as those applied to full-time employees.

Salary of Full-time General Employees of the Taiwan Headquarters from 2022 to 2024

Year	Average Salary	Median Salary
2022	767 thousand	587 thousand
2023	623 thousand	522 thousand
2024	631 thousand	514 thousand
Difference from the Previous Year	-18.62%	-10.15%



II. Retirement Benefit System

The Group has established retirement management measures in accordance with the pension provisions of the Labor Standards Act and the Labor Pension Act. Since July 1, 2005, for new employees and existing employees who opt for the new pension system, the Company contributes 6% of employees' monthly salaries into their pension account of the Bureau of Labor Insurance. At the same time, the Company continues to retain the seniority of the existing employees who opt for the old pension measures and existing employees who adopted the old system but have switched to the new pension measures. The allocation of retirement reserve funds is calculated according to the payment standards of the "Regulations for the Retirement Management" which are deposited into a personal account at Bank of Taiwan. Also, the Company shall assess the balance in the labor retirement reserve fund account by the end of every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make up for the difference by the end of next March.

To protect the rights and interests of retired employees, the Company makes pension contributions according to law. In Taiwan, for employees adopting the old pension system, when they meet the retirement requirements and claim pension, the approval is paid out of the "Labor Retirement Reserve Fund Account." For employees adopting the new pension system, the pension is paid out from the "Labor Pension Personal Account" .

Retirement System and Contribution Status

Taiwan Factory	Old System	Existing employees subject to the old pension scheme and employees electing the new pension scheme shall have their seniority under the old pension scheme calculated according to the pension payment standards under the "Retirement Management Scheme" for the allocation amount to the dedicated account with the Bank of Taiwan. In accordance with the "Labor Standards Act," 6% of the employee's total salary is deposited in the "Labor Retirement Reserve Account" of the Bank of Taiwan every month.
	New System	Starting July 1, 2005, 6% of the monthly salary for new recruits and existing employees who have chosen to apply the new pension system has been contributed to the individual pension account with the Labor Insurance Bureau on a monthly basis. According to the "Labor Pension Act", 6% of the total salary is allocated monthly to the "Labor Pension Personal Account" of the Bureau of Labor Insurance.
Overseas Factories	The subsidiaries in Malaysia and Mainland China appropriate a specific percentage of the total monthly salary of local employees to the pension management business. The obligation of the consolidated company for this retirement benefit plan is only to appropriate a specific amount.	

Note: For detailed pension contributions, please refer to ABC-ATEC's 2024 Annual Report: <https://www.atec-group.com/tw/extrabold-52-53-page675>



III. Parental Leave

We are committed to creating a child-friendly environment. In addition to the statutory parental leave without pay, we also provide maternity subsidies and family care leave to show consideration for the hard work of parenting parents. We have also installed refrigerators in the offices. We have a comfortable breastfeeding room and other facilities, so that female employees who are breastfeeding can have a peace of mind. In 2024, the reinstatement rate for unpaid parental leave at ABC-ATEC was 100%.

Note:

- 1.Recognition criteria for the number of employees eligible for parental leave without pay in the current year: Employees applying for maternity leave, paternity leave, and parental leave without pay.
- 2.When the denominator of the percentage is 0, it is presented as NA instead.

Analysis of Employees on Parental Leave

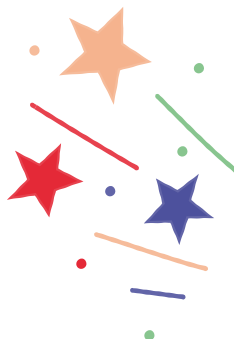
Unit: People

Year	2022			2023			2024		
Factory	Taiwan			Group			Group		
Item	♂	♀	Total	♂	♀	Total	♂	♀	Total
Eligible for Parental Leave in the Current Year (A)	5	2	7	10	16	26	7	15	22
Applied for Parental Leave in the Current Year (B)	1	2	3	4	13	17	7	15	22
Expected to Return from Parental Leave in the Current Year (C)	1	2	3	3	11	14	5	11	16
Returned from Parental Leave in the Current Year (D)	1	1	2	3	11	14	5	11	16
Returned from Parental Leave in the Previous Year (E)	0	1	1	3	11	14	0	4	4
Still Employed 12 Months after Returning from Parental Leave in the Previous Year (F)	0	0	0	3	11	14	0	2	2
Parental Leave Application Rate (%) (=B/A)	20%	100%	42.86%	40%	81.25%	65.38%	100%	100%	100%
Return Rate (%) (=D/C)	100%	50%	67%	100%	100%	100%	100%	100%	100%
Retention Rate (%) (=F/E)	NA	0%	0%	100%	100%	100%	NA	50%	50%

IV. ABC Taiwan Electronics Family Day in 2024

ABC-ATEC held the "2024 ABC-ATEC Family Day" on November 30 at National Taipei University's Sanxia campus. The day featured four main themes: "Industry-Academia Collaboration, Sports Walking, Parent-Child Leisure, and Campus Spring Outing," showcasing ABC-ATEC's achievements in innovation and collaboration while promoting employee health and work-life balance.

National Taipei University has strongly supported ABC-ATEC's industry-academia collaboration by opening its Sanxia campus, College of Business building, and E-Commerce Center for employees and their families to experience the latest technologies. ABC Taiwan Electronics has always been committed to creating a healthy, safe, and user-friendly work environment. We pay attention to the work-life balance of our employees, and have organized a Family Day event to thank our employees for their dedication and their families for their full support. The goal is to inspire the vitality and enthusiasm of the employees, consolidate a solidarity and a sense of identity with the Company, shape the corporate values and common culture, and fulfill the responsibility to love the earth through the walking activity. At the same time, this event promotes the concept of sports health care to the public and reminds the people to maintain good exercise habits in their busy lives and take time out for a walk outside, which is conducive to achieving physical, mental and spiritual health.



Award Ceremony



Industry-Academia Collaboration



Walking Activity



Fun Competitions



4.2 Learning and Development

4.2.1 Diverse Learning and Development

I. Overview of the Number of Courses Offered in the Year, the Number of Trainees, and the Number of Trainee Hours in the Year

Course Category	Number of Classes	Number of Persons	Total Hours
New Employee Training	46	580	1,690.50
Professional Function Courses	239	1,551	4,137.50
General Courses	60	1,663	3,743.50
Intensive Foreign Language	1	4	8
Management Leadership	1	1	16
Other	9	108	955.5
Total	356	3,907	10,551

Note:

1. The disclosure boundary covers Taiwan Yangmei Factory 1, Yangmei Factory 2, Shanghai Factory, Guangzhou Factory, and Malaysia Factory.
2. Excluding employees who have resigned, are on unpaid leave, maternity leave, parental leave, breastfeeding leave, or have retired.

II. Average Hours of Training by Gender

Unit: Hours

Year	2022	2023	2024
♂	16.59	15.29	10.97
♀	16.93	18.73	16.72

Note:

1. The disclosure boundary covers Taiwan Yangmei Factory 1, Yangmei Factory 2, Shanghai Factory, Guangzhou Factory, and Malaysia Factory.
2. Average training hours = total training hours by gender / number of employees by gender at the end of the year
3. Excluding employees who have resigned, are on unpaid leave, maternity leave, parental leave, breastfeeding leave, or have retired.

III. Average Hours of Training by Grade Level

Unit: Hours

Year	2022	2023	2024
Senior Managers	15.17	5.28	4.81
Mid-level Managers	27.34	26.93	28.1
Entry-level Personnel	14.61	15.01	10.76

1. Average training hours = total training hours of each grade / number of employees of each grade at the end of the year.
2. Average training hours = total training hours by gender / number of employees by gender at the end of the year.
3. Directors' training hours are disclosed in the annual report:

<https://www.atec-group.com/tw/extrabold-52-53-page675>

4.2.2 Corporate Internship and Talent Development

ABC-ATEC continues to strengthen its engagement with academic institutions to identify and nurture outstanding talent. The Company provides internship opportunities that enable students to gain a deeper understanding of industry trends and developments, helping them build employability and align their skills with market needs at an early stage.

Through partnerships with universities, ABC-ATEC offers students the opportunity to participate in daily departmental operations, gaining hands-on experience in the Company's production, sales, and R&D processes. These experiences allow students to apply their academic knowledge in real-world settings and explore potential career paths. ABC-ATEC is committed to supporting young people as they transition from school to the workplace, providing them with encouragement, guidance, and a solid foundation for their future careers.

Kansas State University-Electrical and Computer Engineering Student Internship Experience:

I have enjoyed my time here at ABC electronics. I enjoyed learning about the LTCC manufacturing process and just getting to know what happens in a day to day life of an engineering job. At first, the manufacturing process seemed daunting and overwhelming. But through observing the engineers for each station, I learned how each station works with each other to produce the LTCC components.

On the other hand, the translation of the SOP documents proved to be more challenging. Since I have never done anything like it, I end up having to search up different technical terms about manufacturing to successfully translate most documents. Even though it was challenging, it helped me in understanding how to operate each of the machines in the stations.

There is something beautiful about observing the inner workings of a machine and how it perfectly repeats each programmed motion. And to think that all these processes makes only a tiny electrical component makes me think about how so many things in our daily lives are so complex. From the manmade to the natural, we can observe beauty through the little processes, how everything interact with each other, and how the different insignificant process lead to the world functioning.

I am glad to have this opportunity to experience the work culture in Taiwan. It is very interesting to see all the cultural differences between America and Taiwan after living in the US for about 7 years. I enjoyed living on my own although I miss home a lot as well. These 2 months has gone by fast, but it was very fulfilling. I am thankful for all the people for giving me this opportunity to come here and all the people that gave me guidance for the past 2 months.



Note: The fifth from the right is an intern from the LTCC department.

4.2.3 Employee Training Plan

Faced with the rapid changes in the global industrial economy, the Company has set long-term strategic goals centered on technological innovation and market development, and ensured that employees can continue to learn and grow through strategic and systematic talent training plans.

Our human resource development strategy is formulated based on the Company's vision, management concept, and annual goals. We build development plans and learning channels for employees using 4 aspects: selection, utilization, education, and retention so that employees are allowed to have space for self-development and growth.

In recent years, the Human Resources Department has aligned its talent development initiatives with the Company's strategic direction to strengthen employees' professional skills. ABC-ATEC upholds the principle of equal access to training resources, regardless of gender or age, and promotes an "all-employee participation" approach to talent cultivation. Through various forms of learning activities, employees are encouraged to apply what they have learned to practical work scenarios, thereby enhancing learning effectiveness, quality, and operational efficiency.

ABC's training roadmap is divided into four stages:

- **Basic Training:** Employees will learn company culture and foundational skills for further development.
- **OFF-JT (Off-the-Job Training):** Employees will receive professional training for deeper knowledge and skills.
- **OJT (On-the-Job Training):** Experienced colleagues or supervisors provide direct guidance, enabling quick learning and application of skills.
- **SD (Self Development):** Employees are encouraged to self-improve, with company support and resources for career goals.



Employee Training Plan

Type	OFF-JT			OJT	SD
	Management Functions	Core, General Functions	Professional Functions		
Management senior executive	Senior executive development courses	Achievementoriented Proactive Effective communication Talent development Team leadership Teamwork Analytical thinking Corporate integrity and ethics Occupational safety and health	Financial and accounting management Marketing and sales Research and development (R&D) technology Production management Quality management Process technology Equipment management Human resources management Procurement, warehouse management, and materials management	Project assignment Job rotation Work coaching Meeting facilitation Trainer system	Continuing education Language learning Internal instructors Reading journals and reports Study groups Professional conferences and exhibitions
Mid-level executive	Mid-level executive development courses				
Junior supervisor	Junior supervisor development courses				
General colleagues	New staff trainingCommon training, department awareness				

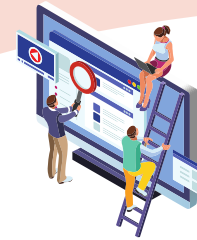
Select Talent

Through the Occupational Personality Analysis, ABC-ATEC conducts Behavioral Description Assessments to identify and shape ideal candidate profiles. By aligning behavioral requirements with the company's talent needs, we utilize both internal and external recruitment channels to attract the right people.



Employ Talent

Based on organizational and individual development needs, the company adopts a competency model as the foundation for talent selection and applies Key Job Planning management to ensure the right person is placed in the right position.



Cultivation Talent

To strengthen employees' professional skills and promote lifelong learning, ABC-ATEC clearly defines each department's core organizational competencies, key job processes, and required professional skills, translating them into general, professional, and managerial competency training programs. Employees are encouraged to participate in both internal and external training courses to continuously enhance their capabilities.



Retaining Talent

Furthermore, the company promotes a Senior Employee Mentorship Program, where experienced mentors assist new employees in quickly understanding company systems and workplace culture. This personalized guidance supports individual development, enhances job adaptation, and improves employee retention.



4.3 Labor Relations and Human Rights

4.3.1 Diversity and inclusion

I. Regulatory Compliance and Awareness Promotion

ABC-ATEC regards its employees as the Company's most valuable assets. Based on local labor laws and regulations, the Company has established human resources management procedures, compensation mechanisms, and work rules to ensure compliance and protect employees' fundamental labor rights. ABC-ATEC regularly reviews the latest regulatory updates to maintain alignment with legal requirements.

The Company's work rules clearly prohibit the employment of child labor, discrimination, workplace sexual harassment, and forced labor. An independent grievance mechanism has also been established to ensure a safe, equal, and respectful working environment. In addition, new employees receive an orientation training on their first day, which includes an introduction to the Company, work rules, integrity and ethics awareness, and information security training.

II. Protection of Employee Rights and Benefits

ABC-ATEC emphasizes academic and professional qualifications, integrity, and enthusiasm when hiring. The Company also complies with legal requirements in employing persons with disabilities to ensure equal employment opportunities. Employees at the same job level enjoy the same welfare benefits, salary structures, and training opportunities, regardless of gender, age, or nationality.

Regular performance evaluations are conducted annually to serve as the basis for employee retention, promotion, salary adjustments, and bonus allocation, ensuring fairness and transparency in personnel management.

III. Implementation of Employee Safety Training

To enhance employees' understanding of occupational safety and health, ABC-ATEC organized related training programs in 2024 in accordance with the Occupational Safety and Health Act. These programs ensure that employees receive proper safety education and effectively implement workplace safety practices.



Occupational Health and Safety Training

Item	Factory	2022			2023			2024		
		People Trained	Training Hours	Total (hours)	People Trained	Training Hours	Total (hours)	People Trained	Training Hours	Total (hours)
Safety and Health Training for New Recruits	Taiwan	91	3	273	29	3	87	33	3	99
	Shanghai	51	1	51	78	1	0	39	1	39
	Guangzhou	519	24	12,456	146	24	3,504	96	24	2,304
	Malaysia	89	2	178	45	2	90	36	2	72
On-job Safety and Health Training (Indirect)	Taiwan	90	3	270	86	1	86	98	1	98
	Shanghai	51	1	51	50	2	0	22	2	44
	Guangzhou	4	16	64	559	2.2	1,236	422	1.86	785
	Malaysia	0	0	0	0	0	0	93	2	186
General Hazard Training	Taiwan	8	3	24	15	3	45	10	3	30
First Aid Personnel Occupational Safety and Health Training	Taiwan	0	0	0	0	0	0	33	1.5	49.5
	Guangzhou	0	0	0	0	0	0	47	2.89	136
	Malaysia	0	0	0	0	0	0	16	2	32
Work Rotation Training	Taiwan	0	0	0	9	3	27	16	4	48
Class A Occupational Safety and Health Manager	Taiwan	0	0	0	0	0	0	1	6	6
Forklift Operation Training (Load Capacity: 1 Ton)	Taiwan	0	0	0	0	0	0	2	3	6
Dust Hazard Prevention Training	Shanghai	3	1	3	0	0	0	0	0	0
Workplace Violence Prevention	Taiwan	217	1	217	74	1.5	111	0	0	0
Respiratory Protection Education and Training	Taiwan	0	0	0	7	2	14	0	0	0
Class C Safety and Health Business Supervisor	Taiwan	1	18	18	0	0	0	0	0	0
Risk Assessment Training	Taiwan	0	0	0	17	2	34	0	0	0
On-job Safety and Health Training (Direct)	Taiwan	36	1	36	72	1	72	54	1	54
	Guangzhou	0	0	0	0	0	0	444	1.72	762
Total		1,160	74	13,641	1,187	48	5,306	1,462	61	4,751



▲Disaster Notification



▲Crisis Drill



▲Fire Extinguishers Usage Drill



▲Evacuation Drill

IV. Sexual Harassment Prevention Channels

To uphold gender equality in the workplace and provide a working and service environment free from sexual harassment, the Company has established the Regulations for the Prevention, Complaint, and Disciplinary Measures of Sexual Harassment. The Company has set up dedicated complaint channels, including a hotline, fax, and email, to facilitate reporting. In 2024, there were no incidents of sexual harassment at ABC-ATEC.

- Appeals Hotline: (03)4788188 #1662~1666
- Appeals Address: No. 98, Lane 298, Huandong Road, Yangmei District, Taoyuan City, Taiwan
- E-mail: hr.dept@atec-group.com



V. Commitment to Dispatched Workers

Before engaging with manpower dispatch or labor contracting vendors, ABC-ATEC first reviews their compliance with labor laws as part of the evaluation for cooperation. During the contract period, ABC-ATEC actively investigates, audits, or takes other necessary actions to ensure that the labor conditions of dispatched (on-site) workers comply with legal requirements.

4.3.2 Labor-management communication

ABC-ATEC strives to create a harmonious and equal communication platform between employees and the Company. We have established diverse and smooth communication channels, including labor-management meetings, welfare committees, employee feedback mailboxes, and employee feedback surveys to protect the rights and obligations of both parties, and improve the labor environment and labor regulations in a timely manner.

ABC-ATEC has factories in Shanghai and Guangzhou with a collective bargaining agreement. For employees not covered by the collective bargaining agreement, ABC-ATEC determines the working conditions and terms of employment of other employees based on the collective bargaining agreement.

Collective Bargaining Agreements

Factory	Taiwan	Shanghai	Guangzhou	Malaysian
Number of Employees Covered by the Collective Bargaining Agreements	No Collective Bargaining Agreements	29	272	No Collective Bargaining Agreements
Number of Employees		29	323	
Percentage Covered		100%	84.21%	



4.3.3 Occupational Health Promotion Activities and Maternal Health Care

I. Health Promotion Activities

- 42 sessions of health guidance and follow-up management were carried out for those with abnormal health examination results and a total of 140 people took part.
- Sessions of health seminars were held and 42 people took part, to a total of 84 hours.
- One employee health activity — a Self-Monitoring Blood Pressure Event — was held. To encourage participation, small gifts were offered, and a total of 32 employees participated.

Item			Number of people
Health Care			
Employee Health Services	Lecture	Healthy Eating for Better Blood Pressure Control	20
		Hidden Musculoskeletal Injuries and Pain Relief Tips	22
	Activity	Employee Self-Monitoring Blood Pressure Program (April–May)	32
Maternal Health Care			2

Note: The disclosure boundary covers Taiwan Yangmei Factory 2 Headquarters.



▲ Healthy Eating for Better Blood Pressure Control



▲ Employee Self-Monitoring Blood Pressure Program



▲ Hidden Musculoskeletal Injuries and Pain Relief Tips



▲ Awards of Employee Self-Monitoring Blood Pressure Program

II. ABC Received the "Badge of Accredited Healthy Workplace"

ABC-ATEC considers health promotion as an integral part of corporate sustainability and adopts guidelines from the "Healthy Workplace Promotion Program" formulated by the Health Promotion Administration. ABC-ATEC plans several health promotion initiatives to promote health promotion step by step, such as: rope jumping and stepping competitions, weight loss activities, smoking cessation activities, muscle health seminars, Pittsburgh Sleep Quality Index (PSQI) survey, blood donation activity willingness survey, environmental monitoring, on-site health services and health promotion programs to care for employee safety and health. In 2021, ABC-ATEC was awarded the "Badge of Accredited Healthy Workplace" by the Health Promotion Administration of the Ministry of Health and Welfare, certifying it as a healthy workplace. This certification is valid for three years, and as a result, there are plans to renew it after 2025.

ABC-ATEC is committed to creating a better workplace environment and will continue to hold many health promotion activities in 2025 in the hope that our employees will achieve physical and mental health and self-management and build a healthy work environment.



III. Health Knowledge Promotion

ABC Taiwan Electronics launched a series of health promotion activities with various themes in 2024. We design health promotion materials with different themes every month to allow employees to easily acquire health knowledge.

The 2024 health promotion themes included cancer prevention, healthy eating, health knowledge, and healthy living. These publications provided practical health information to help employees better understand how to maintain both physical and mental well-being.



IV. Employee health check

The physical and mental health of employees is a key indicator of corporate sustainability. ABC-ATEC conducts health checks for new employees, and after one year of employment, employees are scheduled for regular health check-ups, exceeding current regulations. ABC-ATEC provides special health examinations to workers engaging in particularly hazardous workplaces (such as noisy, dust, and ionizing radiation workplaces). Adequate medical information is provided for individual cases that require follow-up management after being examined and determined by the doctor.

ABC-ATEC's occupational doctors and nurses visit the factories in Taiwan headquarters six times a month and arrange at least 2 hours of health-related activities. The content includes the analysis and guidance of health check-up results, health education, health counseling and assessment, health promotion, assessment and improvement suggestions for workplace environment, assessment of resumption of work/transfer after injury or illness, regular reporting to employers, and suggestions for labor health services to maintain employee health. In 2024, the number of general health check-ups was 227, with an achievement rate of 99.6%. The number of special health check-ups was 83, with an achievement rate of 100%.

Unit: People

Year	2022		2023		2024	
Check Category	Employees to Undergo Health Examination	Employees Actually Examined	Employees to Undergo Health Examination	Employees Actually Examined	Employees to Undergo Health Examination	Employees Actually Examined
General Health Examination	178	178	412	411	228	227
Health Examination for Dusty Workplaces	28	28	18	18	39	39
Health Examination for Ionizing Radiation Workplaces	3	3	3	3	7	7
Health Examination for Noisy Workplaces	8	8	12	12	240	240
Long-Term Night Shift Workers	0	0	0	0	0	0
Other Examinations	12	12	471	470	83	83

Note:

1. Other health examinations include that for noisy workplaces, soldering and welding operations, high temperature operations, laser printing operations, and for electrical engineering operations.
2. The disclosure boundary covers Taiwan Factory 1 and 2, Shanghai Factory, and Malaysia Factory.

4.4 Safe Working Environment

4.4.1 Creating a Safe and Secure Workplace Environment

I. Creating a Safe and Secure Workplace Environment

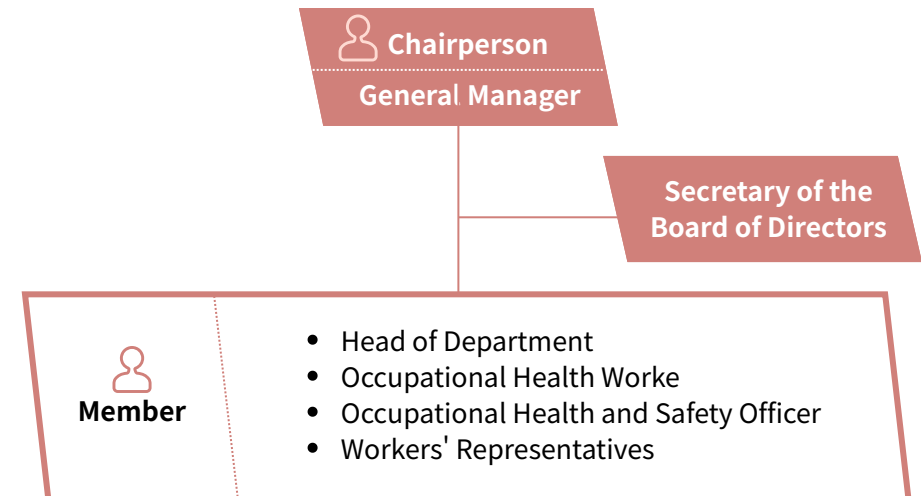
The Group complies with the relevant regulations of the Occupational Safety and Health Act, has formulated an occupational safety and health management plan, and established a safety and health organization and personnel to implement safety and health management, and refer to the ISO-45001:2018 management approach for group-wide occupational safety and health management. The Group employs a total of 774 staff members, in addition to 18 non-employee personnel, including 6 security staff, 8 cleaning personnel, and 4 cafeteria staff.

II. Occupational Safety and Health Committee

In accordance with the provisions of relevant regulations, ABC-ATEC has established an Occupational Safety and Health Committee (OHS Committee), with the Company's President as the chairperson. The OHS Committee meets every three months and has the following responsibilities:

- To make recommendations on occupational health and safety policies to be formulated by the employer.
- Coordinate and propose occupational health and safety management plans.
- Consider the implementation plan of occupational health and safety education and training.
- Consider the operating environment monitoring plan, monitoring results and measures to be taken.
- Examine health management, occupational disease prevention and health promotion matters.
- Examine the various safety and health proposals.
- Examine the self-inspection and occupational health and safety audits of relevant business units.
- Review the preventive measures of machinery, equipment or raw materials and materials hazards.
- Examine the investigation report of occupational accidents.
- Examine on-site occupational health and safety management performance.
- Examine occupational health and safety management measures of contractors.
- Other related occupational health and safety management matters.

Internal employees can report occupational health and safety-related opinions to their supervisors and labor representatives, and then submit them to the OHS Committee for discussion; non-workers (contractors) can report occupational health and safety issues to the company's occupational safety contractor through an agreement organization. ABC-ATEC has not yet obtained certification for occupational safety and health management system.



III. Occupational Health and Safety Committee Composition Ratio

To ensure the safety and rights of employees, ABC-ATEC Group has established Occupational Safety and Health Committees in all its factories. These committees consist of representatives from both labor and management; their responsibilities include providing recommendations on occupational safety and health policies proposed by the employer, reviewing, coordinating, and advising on occupational safety and health-related matters, formulating, planning, supervising, and promoting safety and health management, and guiding the relevant departments in implementation.

Occupational Health and Safety Committee Composition				
Factory	Taiwan	Shanghai	Guangzhou	Malaysia
Total employee count(A)	188	29	323	234
Number of the committee members(B)	23	0	38	11
Number of the labor representatives(C)	8	0	8	5
% (C/B)	35%	0%	21%	45%
% (C/A)	4.26%	0%	2.45%	2.14%

Note:

1. The disclosure boundary covers Taiwan Yangmei Factory 1, Yangmei Factory 2, Shanghai Factory, Guangzhou Factory, and Malaysia Factory.
2. The total number of employees is based on the data provided by the Human Resources Department, and the headcount is effective as of December 31.
3. Due to business transformation, the Shanghai Factory has not established an Occupational Safety and Health Committee.



IV. Contractor Safety and Health Management

ABC-ATEC has a set of "Contractor Safety and Health Management Policy" in place to ensure the safety of contractors' work activities while at the same time prevent occupational hazard and pollution. Contractors are informed of safety and health awareness issues, notified of potential hazards, and instructed to comply with Occupational Safety and Health Act, environmental protection laws, and internal policies on environmental protection, safety, and health before performing work activities on factory premises. Contractors are required to conduct thorough inspections of the work site and work equipment on a daily basis over the course of contracted work. Any high-risk work activities have to be applied three days in advance. Coordination meetings are held from time to time to communicate with contractors on government laws, updates of factory premises, audit outcomes, improvement suggestions, and work-related requirements, and thereby prevent accidents and personnel injury. The total number of hours worked by the contractor in 2024 was 7,360, and there were no incidents of permanent injuries, partial permanent injuries, or temporary injuries during their operations.

Contractor Safety and Health Management				
Year	Number of People	Number of Hours	Day	Total Hours
2022	66	137.5	27	347.5
2023	1,056	2,173	538	13,830
2024	861	2,485	382	7,360

Note: Data for 2022 covers only the Taiwan Factory, while data from 2023 to 2024 includes ABC Taiwan Electronics Corp. (Yangmei Factory 1, 2), Guangzhou Factory, and Malaysia Factory.



4.4.2 Statistics and Analysis of Occupational Injuries

ABC-ATEC follows the risk assessment technical guidelines announced by the Occupational Safety and Health Administration of the Ministry of Labor. We have established procedures for hazard identification and risk assessment, and it proposes improvement or control measures for risks categorized as moderate or higher. Personnel responsible for hazard identification and risk opportunity assessment in each department have received training in risk assessment. In 2024, a total of 4 hazards were identified, and appropriate management and control measures were implemented for different risks. Currently, there are corresponding procedures to handle occupational diseases, cutting/crushing/impact/rolling, exposure to hazardous substances, electrical hazards, falls, and foreign object entry into the eyes, among others. For example, there are safety operation standards for operating vertical injection molding machines, material handling safety operation standards, and educational training for cutting and inspection of GDD90-75, etc. All identified disaster risks have corresponding measures in place, and discussions within the Occupational Safety and Health Committee are conducted to improve high-risk activities in the workplace, thereby safeguarding the health of employees. The types of hazards are indicated below:

Types of risks in hazard identification

Type of Hazard	2022			2023			2024
	Taiwan	Guangzhou	Shanghai	Taiwan	Guangzhou	Shanghai	Guangzhou
Work-related Ill Health	4	NA	8	2	0	8	0
Cut/Crushing/Collision /Smashing/Jamming	14	10	13	2	10	13	14
Contact with Hazardous Substance	5	1	5	2	1	5	5
Electric Shock	7	16	1	5	16	1	16
Fall	1	5	1	2	5	1	5
Foreign Object in the Eye	1	NA	4	0	0	3	0
Total	32	32	32	13	32	31	40

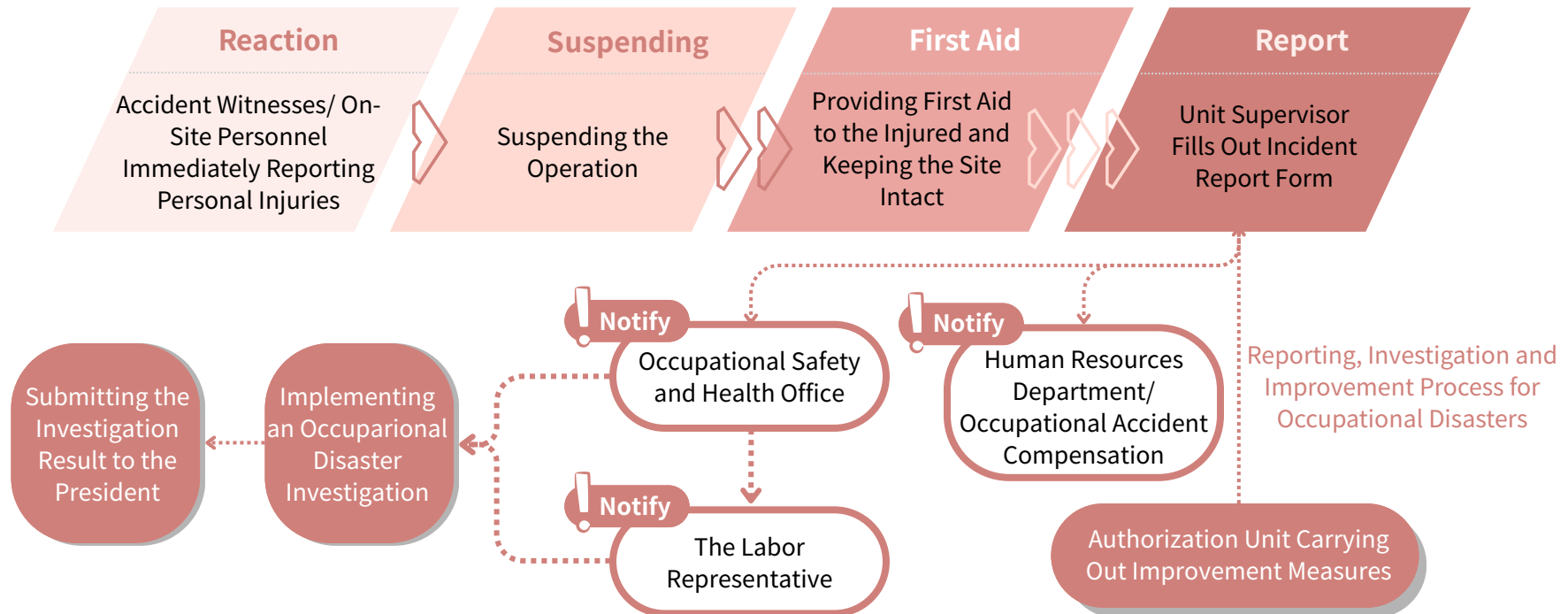
Note: The disclosure boundary covers the Taiwan Factory, Shanghai Factory, Guangzhou Factory, and Malaysia Factory. Based on assessments, no significant risks were identified in the Taiwan and Malaysia Factories. The Shanghai Factory, having been transformed into a marketing headquarters, was therefore not included in the assessment.

Hazard identification and risk assessment shall be conducted again where new equipment or hazardous chemicals have been added or changed, or where an occupational disaster occurs in the factory. If an employee is faced with an emergency hazard while performing his or her duties, the employee may exercise his or her right to withdraw from work in accordance with the Occupational Safety and Health Act, and the Company protects employees that propose improvements from being penalized.

ABC-ATEC classifies each hazard by its work environment and characteristics; this classification provides reference for hazard identification, statistical analysis, and implementation of control measures afterwards. For intolerable hazards, the Company tries to address them through elimination, substitution, engineering control, management control, and personal protection gear in the stated priority, and adopts various control measures depending on the availability of technology, capability, and resources to reduce risks. Risks that are rated medium level and above are monitored as part of the management plan with annual targets set to facilitate regular tracking and improvement. Control measures taken to reduce risks are regularly followed up to ensure effectiveness and enable adjustments.

I. Occupational Hazard Investigation Procedures

ABC-ATEC has formulated reporting, investigation, and improvement procedures regarding occupational disasters. Occupational health and safety personnel, alongside labor representatives, carry out an investigation where an occupation disaster occurs, and would follow up on subsequent improvements.



II. Analysis of Occupational Hazards

ABC-ATEC Group complies with Article 18 of the Occupational Safety and Health Act. When an employee performing their duties finds that there is an urgent and serious risk to their life or health, and ABC-ATEC pledges not to penalize employees who propose improvements. ABC-ATEC emphasizes the importance of occupational health and safety to employees during new employee training and periodically educates employees to prevent occupational accidents. According to statistics, there were no work-related accidents at ABC-ATEC Group in 2024.



Analysis of Occupational Hazards

Factory	Taiwan		Shanghai		Guangzhou		Malaysia	
Gender	♂	♀	♂	♀	♂	♀	♂	♀
Total Employees (People)	91	97	13	16	148	175	164	70
Total Work Days	22,750	24,250	3,263	4,016	37,148	43,925	48,544	20,720
Total work hours	182,000	194,000	26,104	32,128	297,184	351,400	388,352	165,760
Deaths Caused by Occupational Injury (People)	0	0	0	0	0	0	0	0
% of deaths caused by occupational injuries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
People Suffering from Severe Occupational Injuries (People)	0	0	0	0	0	0	0	0
% of People Suffered Severe Occupational Injury	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Documented Occupational Injuries	0	0	0	0	0	0	0	0
% of Documented Occupational injuries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



05

Co-prosperity with Society

- 5.1 Social Investment Strategy
- 5.2 Social Participation Results

A•SDGs 2024 第七屆
GCSF 7
全球企業永續論壇
7th Global Corporate Sustainability Forum

Co-prosperity with Society

5.1 Social Investment Strategy







ABC Taiwan Electronics is committed to being responsive to its stakeholders and investing resources in social engagement. The Sustainable Development Goals (SDGs) of the United Nations are the guiding principles for social engagement of the Company. Based on our operational capabilities, we take action to connect and respond to SDG1 Poverty Eradication; SDG3 Good Health and Well-being; SDG4 Quality Education; and SDG17 Partnerships and other key goals.

Social Investment

Type of Social Engagement	NTD	%
Community Building	160,985	20.46%
Education and Training	489,067	62.16%
Charitable donations	136,746	17.38%
Total	786,798	100%



5.2 Social Participation Results

Factory	Social Engagement Development Aspect	Project Name	Cash Donation (NTD)	Corresponding SDGs
Taiwan	Community Building	Sponsorship for Yangmei Volunteer Fire Brigade – Consultant Fee	30,000	
		Sponsorship for the 54th Graduation Ceremony of Yangmei Junior High School	20,000	
		Sponsored the 76th anniversary sports games of Yang Mei Junior High School	30,000	
	Education and Training	Sponsored 2024 ICBA International Conference on Business Administration, Department of Business Administration, National Taipei University	239,067	
		Sponsored the academic conference of the "Academic Paper Symposium of GCSF Global Corporate Sustainability Forum" hosted by the College of business.	200,000	
		National Taipei University – Sponsorship for the College of Electrical Engineering and Computer Science Development and the Advanced Science Industry-Academia Collaboration Alliance	50,000	
	Charitable donations	Taiwan Haoder – Donation for Emergency Medical Assistance to the Family of R.O.C. Air Force Sponsored Student Hsu, Hao-Ming	100,000	
	Community Building	Donation for Shanmen Village Senior Citizens’ Appreciation Event	80,985	
Malaysia	Charitable donations	Donation to the Fire Department for Active and Retired Personnel	17,666	
		Donation to the Malaysian Police Administrative and Public Servants Union	19,080	

I. Community Building

(I) Sponsorship for Yangmei Volunteer Fire Brigade

ABC-ATEC upholds corporate social responsibility and actively contributes to society, with a particular focus on public safety and emergency response. This year, the Company made a donation to support the Yangmei Volunteer Fire Brigade, assisting them in acquiring essential equipment and strengthening disaster response capabilities. Through this initiative, ABC-ATEC aims to enhance community safety, support frontline rescue personnel, and improve overall disaster preparedness, thereby creating a positive social impact.



(II) Sponsoring Yangmei Junior High School's Anniversary Sports Meet and Graduation Ceremony

ABC-ATEC also supports the preservation and promotion of local culture. In 2024, the Company sponsored the 76th Anniversary Sports Day and the 54th Graduation Ceremony of Yangmei Junior High School, providing students with memorable experiences and fostering mutually beneficial development between the Company and local schools.



II. Academic Development

(I) GCSF Global Corporate Sustainability Forum Academic Seminar

The Global Corporate Sustainability Forum (GCSF) has entered its seventh year. Each year, the forum brings together representatives from Taiwan's industry, government, academia, and research sectors, aiming to connect academic insights and emerging sustainability trends in Taiwan with global perspectives. The event serves as a platform for international exchange, advancing sustainability education and identifying business opportunities for enterprises.

ABC-ATEC has been a long-term sponsor of the GCSF Academic Symposium organized by the College of Business, National Taipei University. The 2024 forum, themed "Advancing a Just Transition: Corporate Responsibility and Opportunities from a Global Perspective," featured in-depth discussions on topics such as the importance of ESG information for corporate transparency and governance, the political challenges facing ESG investment in the United States, consumer behavior and corporate sustainability strategies, and sustainable action strategies.

The forum fostered cross-sector dialogue among academia, industry, and policymakers, emphasizing the importance of collective collaboration in building a fair, inclusive, and sustainable development model for the future.



(II) ICBA International Conference on Business Administration, Department of Business Administration, National Taipei University

As an Outstanding Alumnus of National Taipei University, Chairman Joseph Hsu has upheld the spirit of giving back to his alma mater. Since 2022, he has continuously sponsored the International Conference on Business Administration (ICBA) organized by the College of Business, providing a platform for academic and industry exchange to explore emerging trends in business management.

The conference featured research presentations from scholars, industry experts, and government representatives, highlighting its role not only as an academic forum but also as a professional platform for sharing insights, exchanging ideas, and fostering dialogue between academia and practice. Through the support of the ABC-ATEC Group, the event aspires to attract greater participation from both the academic and business communities, thereby advancing the quality and impact of management research.

In 2024, the ICBA received a total of 58 papers, including 19 international and 39 domestic submissions.



(III) Sponsorship for the Reopening of the E-Commerce Research Center at National Taipei University

ABC-ATEC sponsored the College of Business, National Taipei University, to renovate and relaunch the E-Commerce Research Center, which was officially reopened in 2024.

The E-Commerce Research Center actively promotes research in emerging fields such as the metaverse, artificial intelligence, big data analytics, and digital transformation. With the reopening of the center, ABC-ATEC expects it to effectively integrate research resources within the College of Business, enhance academic research and teaching in e-commerce, and support the publication of academic journals and the organization of related conferences.

The center also assists in promoting the Master's and Bachelor's credit programs in e-commerce, serving as a platform to foster innovation, advance academic research, and cultivate future leaders in the field.



(IV) Sponsorship for the College of Electrical Engineering and Computer Science, National Taipei University – Advanced Technology Industry-Academia Collaboration Alliance

Our company actively participates in the Advanced Technology Industry-Academia Collaboration Alliance organized by the College of Electrical Engineering and Computer Science, National Taipei University. Through industry-academia collaboration, the Company promotes the development and application of cutting-edge technologies. Working hand in hand with academia, our company explores key technological innovations, facilitates knowledge exchange, and nurtures talent to drive new momentum for industrial advancement.

Through this alliance, our company not only collaborates with experts and scholars to stay at the forefront of emerging technology trends but also enhances its market competitiveness through joint research and innovation. At the same time, the Company provides internship and employment opportunities, bridging academic research with industry needs. This partnership fosters a sustainable development model that contributes to technological innovation and social progress.



III. Charitable Donations

(I) Donation through Taiwan Haoder Foundation – Emergency Medical Assistance for the Family of R.O.C. Air Force Sponsored Student Hsü, Hao-Ming

Upholding its commitment to corporate social responsibility, our company actively participates in charitable initiatives and supports vulnerable groups in society. This year, through the Taiwan Haoder Foundation, the Company made a donation to provide emergency medical assistance to the family of R.O.C. Air Force sponsored student Hsu, Hao-Ming. The contribution aimed to offer timely support during a critical moment and help the family overcome their hardship. Through this donation, our company hopes to inspire broader social engagement and compassion, encouraging collective efforts to extend care and assistance to those in need. The Company will continue to devote itself to public welfare initiatives and contribute to building a more caring and inclusive society.

(II) Respect for the Elderly in Shanmen Village

Since the establishment of a factory in Shanmen Village, Hualong Town, Panyu District, Guangdong Province in 1995, Guangzhou ABC Company have received strong support from the local government and village committee. The harmonious and friendly business environment has laid a good foundation for the Company's steady development in the area. Over the past 30 years since its establishment, the Company has continued to grow and develop, but it has never lost its original intention and mission, and has always fulfilled its corporate social responsibilities and commitments. In addition to solving the employment problem of nearby residents, we also actively participate in various public welfare activities organized by the local government. Every year on the 28th day of the ninth month in the lunar calendar, the father of Cantonese opera, Emperor Huaguang, was honored by the villagers and named this day as the "Respect for the Elderlies Day." The company made actual actions to support the promotion of the respect elderly activities and made donations to give out cash supplements, so that the elderly can feel the deep care and warmth from the foreign enterprises. The Respect for the Elderly value at Guangzhou ABC Company not only promotes the traditional virtues of respecting and caring for the elderly but also spreads the local Cantonese opera culture, demonstrating Guangzhou ABC Company's corporate structure and philanthropy corporate culture.

(III) Donation to the Police Administrative and Civilian Staff Union and the Union of Fire Fighting and Rescue, Peninsular Malaysia

Upholding its commitment to corporate social responsibility, ABC-ATEC has shown continuous concern for public safety and emergency response efforts. In 2024, the Company made donations to the Police Administrative and Civilian Staff Union and the Union of Fire Fighting and Rescue, Peninsular Malaysia, to support the enhancement of equipment and welfare for law enforcement officers and rescue personnel.

Police and firefighters play a vital role in maintaining public safety and social stability. Through this contribution, ABC-ATEC expressed its gratitude and support for their dedication, while helping to strengthen their operational and emergency response capabilities. The Company believes that a safe and stable society relies on collective efforts from all sectors and will continue to engage in social welfare initiatives to contribute to a better and more resilient community.



Appendix

6.1 GRI Content Index

Statement of Use	ABC-ATEC has reported its activities in accordance with the GRI (Global Reporting Initiative) guidelines for the period from January 1st to December 31st in the year 2024.
GRI 1	GRI 1: Foundation 2021
Applicable GRI Standards	There are no applicable industry categories under GRI's existing industry guidelines.

GRI 2: General Disclosures 2021					
Topic	Disclosed Item	Description	Chapter	Page	Reason for Omission/Required Explanations
Organization and Reporting Practices	2-1	Organizational details	1.1.1 Corporate Overview	18	
	2-2	Entities included in the organization's sustainability reporting	1.1.1 Corporate Overview	18	
	2-3	Reporting period, frequency and contact person	0.1 About the Report	2	
	2-4	Restatements of information	0.1.3 Restatement of Information	4	
	2-5	External assurance	0.1.2 External Guarantee/Assurance	4	
Activities and Workers	2-6	Activities, value chain and other business relationships	2.3.1 Supply Chain Structure	59	
	2-7	Employees	4.1.1 Recruitment and Selection	92	

GRI 2: General Disclosures 2021

Topic	Disclosed Item	Description	Chapter	Page	Reason for Omission/Required Explanations
Activities and Workers	2-8	Workers who are not employees	4.1.1 Recruitment and Selection	92	
	2-9	Governance structure and composition	1.4.1 Corporate Governance structure	38	
Governance	2-10	Nominating and selecting of the highest governance body	1.4.1 Corporate Governance structure	38	
	2-11	Chair of the highest governance body	1.4.1 Corporate Governance structure	38	
	2-12	Role of the highest governance body in overseeing the management of impacts	1.4.1 Corporate Governance structure	38	
	2-13	Delegation of responsibility for managing impacts	1.2.2 ESG Committee	24	
	2-14	Role of the highest governance body in sustainability reporting	1.4.1 Corporate Governance structure	38	
	2-15	Conflicts of interest	1.4.1 Corporate Governance structure	38	
	2-16	Communication of critical concerns	1.4.1 Corporate Governance structure	38	

GRI 2: General Disclosures 2021

Topic	Disclosed Item	Description	Chapter	Page	Reason for Omission/Required Explanations
Governance	2-17	Collective knowledge of the highest governance body	1.2.2 ESG Committee	24	
	2-18	Evaluation of the performance of the highest governance body	1.4.1 Corporate Governance structure	38	
	2-19	Remuneration policies	4.1.3 Employee Benefits	101	
	2-20	Process to determine remuneration	4.1.3 Employee Benefits	101	
	2-21	Annual total compensation ratio	4.1.3 Employee Benefits	101	
Strategy, Policies and Practices	2-22	Statement on sustainable development Strategy	0.2 Message from the Operator	5	
	2-23	Policy Commitments	1.2.2 ESG Committee	24	
	2-24	Embedding policy commitments	1.2.2 ESG Committee	24	
	2-25	Processes to remediate negative impacts	1.4.4 Risk Management	46	
	2-26	Mechanisms for seeking advice and raising concerns	1.3.3 Stakeholders Communicate	35	

GRI 2: General Disclosures 2021

Topic	Disclosed Item	Description	Chapter	Page	Reason for Omission/Required Explanations
Strategy, Policies and Practices	2-27	Compliance with laws and regulations	1.4.3 Code of Conduct	43	
	2-28	Membership of associations	1.1.2 Participation in External Associations	20	
Stakeholder Engagement	2-29	Procedures for resolving material topics	1.3.1 Material Topics Assessment Process	25	
	2-30	List of material topics	1.3.2 Material Topics management	28	

GRI 3: Material Topics 2021

Topic	Disclosed Item	Description	Chapter	Page	Reason for Omission/Required Explanations
Material Topics	3-1	Procedures for resolving material topics	1.3.1 Material Topics Assessment Process	26	
	3-2	List of material topics	1.3.2 Material Topics management	28	

I. Governance

Material Topics: Operational Performance

Topic	Disclosed Item	Description	Chapter	Page	Reason for Omission/Required Explanations
GRI 3: Material Topics 2021	3-3	Management of material topics	1.0 Management Approach	11	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	1.1.3 Operational Performance	21	
	201-2	Financial implications and other risks and opportunities due to climate change	3.1.1 TCFD	67	
	201-3	Defined benefit plan obligations and other retirement plans	4.1.3 Employee Benefits	101	



Material Topics: Supplier Assessment

Topic	Disclosed Item	Description	Chapter	Page	Reason for Omission/Required Explanations
GRI 3: Material Topics 2021	3-3	Management of material topics	2.0 Management Approach	53	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	2.3.2 Supply Chain Management	59	
	308-2	New suppliers that were screened using environmental criteria	2.3.2 Supply Chain Management	59	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	2.3.2 Supply Chain Management	59	
	414-2	Negative social impacts in the supply chain and actions taken	2.3.2 Supply Chain Management	59	

Material Topics: Material Topics : Ethical Corporate

Topic	Disclosed Item	Description	Chapter	Page	Reason for Omission/Required Explanations
GRI 3: Material Topics 2021	3-3	Management of material topics	1.0 Management Approach	10	
GRI 205: Anti-Corruption	205-2	Communication and training about anticorruption policies and procedures	1.4.3 Code of Conduct	43	

Material Topics: Information Security and Customer Privacy

Topic	Disclosed Item	Description	Chapter	Page	Reason for Omission/Required Explanations
GRI 3: Material Topics 2021	3-3	Management of material topics	1.4.5 Information Security and Customer Privacy	49	

II. Environment

Material Topics : Energy Management, Climate Change

Topic	Disclosed Item	Description	Chapter	Page	Reason for Omission/Required Explanations
GRI 3: Material Topics 2021	3-3	Management of material topics	3.0 Management Approach	65	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	3.2.2 Energy Use	79	
	302-3	Energy intensity	3.2.2 Energy Use	79	



III. Social

Material Topics : Employment					
Topic	Disclosed Item	Description	Chapter	Page	Reason for Omission/Required Explanations
GRI 3: Material Topics 2021	3-3	Management of material topics	4.0 Management Approach	90	
GRI 401: Labor Relations 2016	401-1	New employee hires and employee turnover	4.1.2 Employee Structure	98	
	401-3	Parental leave	4.1.2 Employee Structure	98	



6.2 SASB

Topic	Criteria Code	Disclosed Item	Content	Chapter
Energy Management	RT-EE-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Total energy consumption : 39,177.62 GJ Percentage of purchased electricity : 94.85% Percentage of energy from renewable sources : 25.16%	3.2.2 Energy Use
Hazardous Waste Management	RT-EE-150a.1	Amount of hazardous waste generated(tons), percentage recycled (%)	Total amount of hazardous waste : 38.31 tons; Percentage of recyclable waste : 26.16%	3.2.4 Waste
	RT-EE-150a.2	Number and aggregate quantity of reportable spills(cases), quantity recovered(KG)	0 cases ; 0 KG	
Product Safety	RT-EE-250a.1	Number of recalls issued, total units recalled	1,853,627 pcs	NA
	RT-EE-250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety	There were no financial losses due to lawsuits related to product safety	
Product Lifecycle Management	RT-EE-410a.1	Percentage of products by revenue that contains IEC 62474 declarable substances (%)	Not compliant with IEC 62474, but compliant with ROHS and REACH requirements	
	RT-EE-410a.2	Percentage of eligible products, by revenue, that meet Energy Star® criteria (%)	None	
	RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products	None	

Topic	Criteria Code	Disclosed Item	Content	Chapter
Materials Sourcing	RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	ABC-ATEC has developed an emergency response plan and a business continuity plan. Regular drills have been organized to ensure the safety of equipment operations, enhance employees' response to a crisis, shorten the time of business disruption, and minimize impact.	NA
Business Ethics	RT-EE-510a.1	Description of policies and practice for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	ABC-ATEC's "Business Integrity Code of Conduct" has outlined preventive measures for business activities that are prone to higher risk of unethical behavior. Topics that are of concern to internal and stakeholders are subjected to risk assessment at the end of each year to ensure that the system remains effective.	1.4.3 Code of Conduct
	RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	None	1.4.3 Code of Conduct
	RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	None	1.4.3 Code of Conduct
Activity Metrics	RT-EE-000.A	Number of units produced by product category	Inductors 1,314,566 pcs Ceramic heat sinks 24,589 pcs Precision metal parts 38,022 pcs Others 6,410 pcs	NA
	RT-EE-000.B	Number of employees	774 employees	4.1 Talent Attraction and Retention

6.3 Third Party Verification Report



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ABC TAIWAN ELECTRONICS CORP.'S SUSTAINABILITY REPORT FOR 2024

NATURE AND SCOPE OF THE ASSURANCE
SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by ABC TAIWAN ELECTRONICS CORP. (hereinafter referred to as ABC-ATEC) 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 2025/6/5 to 2025/7/11. The boundary of the Report includes ABC-ATEC Taiwan and overseas sites, which are specified in the "About this Report" chapter of ABC-ATEC's Sustainability Report, and covers part of ABC-ATEC'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 ABC-ATEC's Stakeholders.

RESPONSIBILITIES
The sustainability information in the ABC-ATEC's Sustainability Report of 2024 and its presentation are the responsibility of the directors or governing body and management of ABC-ATEC. SGS has not been involved in the preparation of any of the material included in the 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 organisations of all types, including the evaluation of the nature and extent to which an organisation 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	Reference to GRI Universal Standards (2021)

- 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, ESG 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, Greenhouse Gas Emission, SASB related disclosures, and non-material topics and the related indicators have not been checked back to source as part of this assurance process.

INDEPENDENCE AND COMPETENCE
The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirms our independence from ABC-ATEC, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with professional qualifications such as ISO 26000, ISO 20121, ISO 50001, RBA, QMS, EMS, SMS, GPMS, CFP, VFP, 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 ABC-ATEC has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY
ABC-ATEC has demonstrated commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, client, suppliers, government, and other stakeholders are implemented to underpin the organisation's understanding of stakeholder concerns.

MATERIALITY
ABC-ATEC has identified and fairly represent topics from a wide range of sources that are material to the business. Evaluating the relevance of identified material sustainability topics based on suitable and explicit criteria. Formal review has identified stakeholders and those issues that are material to each group. ABC-ATEC is encouraged to have a materiality determination process that is applied across the organisation to show the integration of implementation in materiality assessment.

RESPONSIVENESS
The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. ABC-ATEC is encouraged to integrate this process into the organisation, including through relevant organisational processes, such as risk management, compliance and strategy development.

IMPACT
ABC-ATEC 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 services, as well as any related performance. Integrating identified impacts into key management processes is to be expected to carry out in the next disclosure.

ADHERENCE TO GRI
The report, ABC-ATEC's 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 Topics 2021 and the relevant 2003/004/00 series Topic Standards related to the material topics claimed in the GRI content index. The Report has properly disclosed information related to ABC-ATEC's contributions to sustainability development.

For future reporting, it is recommended for ABC-ATEC to undertake thorough due diligence, incorporating stakeholder perspectives and expectations to ensure a well-rounded assessment in the process of impact management.

Signed:
For and on behalf of SGS Taiwan Ltd.



Stephen Pao
Business Assurance Director
Taipei, Taiwan
18 August, 2025
www.sgs.com



AA1000
Licensed Report
000-8/V3-5BT2P

6.4 Certificate

6.4.1 ISO Certificate

ISO 14001(Taiwan Factory)



ISO 9001(Taiwan Factory)



ISO 14001(Guangzhou Factory)



ISO 9001(Guangzhou Factory)



ISO 14001 (Shanghai Factory)



ISO 9001 (Shanghai Factory)



ISO 14001(Malaysian Factory)



ISO 9001(Malaysian Factory)



6.4.2 IECQ

IECQ QC 080000(Taiwan Factory)



IECQ 17025(Taiwan Factory)



6.4.3 IATF

IATF 16949(Taiwan Factory)



IATF 16949(Guangzhou Factory)



IECQ QC 080000(Shanghai Factory)



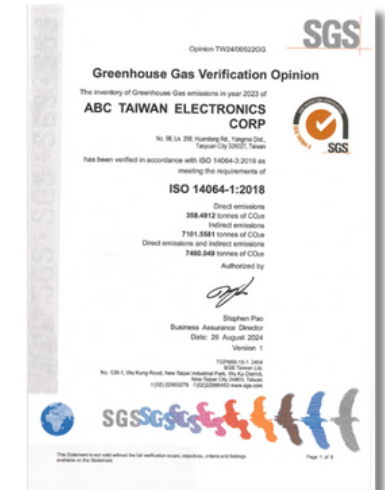
IECQ QC 080000(Guangzhou Factory)



IATF 16949(Malaysian Factory)





6.4.3 Greenhouse Gas Verification Opinion



ABC Taiwan Electronics Corp.



 **No.98, Ln.298, Huandong Rd., Yangmei 32665 Taoyuan, Taiwan**

 **+886-3-478-8188**

 **abcsa@atec-group.com**

 **www.atec-group.com**