

南亞電路板股份有限公司

Nan Ya PCB Co., Ltd.



2023

Environment Social Governance Report

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## Overview

Nan Ya Printed Circuit Board Corporation (hereinafter referred to as the Company or NYPCB) publishes an ESG report every year to communicate with stakeholders regarding the Company's sustainable development. This report is the 12th ESG report that NYPCB has published. The report is published on June 2024, which includes the company's profile, governance, environmental friendly, employee wellness programs, and social welfare information.

NYPCB will regularly publish sustainability reports. The previous edition was issued in June 2023, and the next edition is scheduled for release in June 2025.

## Scope and Boundary of the Report

The scope of content covers primarily the Taiwan facilities of NYPCB, including the Jingshin Plant (No. 338, Sec 1, Nankan Rd, Luchu District, Taoyuan City, covering Plant 1, Plant 2, Plant 5, and Plant 6) and the Shulin Plant (No. 57, Weiwang St, Shulin Dist, New Taipei City, Shulin Plant). Any information disclosed outside of this scope will be separately explained in the respective chapter. The data cited in the 2023 Sustainability Report may differ from the boundaries of the consolidated financial statements and does not include subsidiary companies such as NYPCB USA, NYPCB Hong Kong, and NYPCB Kunshan.

All data and statistics disclosed in this report have come from the statistical analysis and investigation of the NYPCB Corporation. The financial data reporting period is from January 1, 2023 to December 31, 2023. Financial data were specifically countersigned by an accountant and reported in accordance with relevant laws. Some data have been taken from government websites and stated in a more colloquial way for description purposes. Exceptions are otherwise noted throughout the report. For information regarding our company's consolidated financial statements, please refer to the "2023 Financial Statements".

## Report Guideline

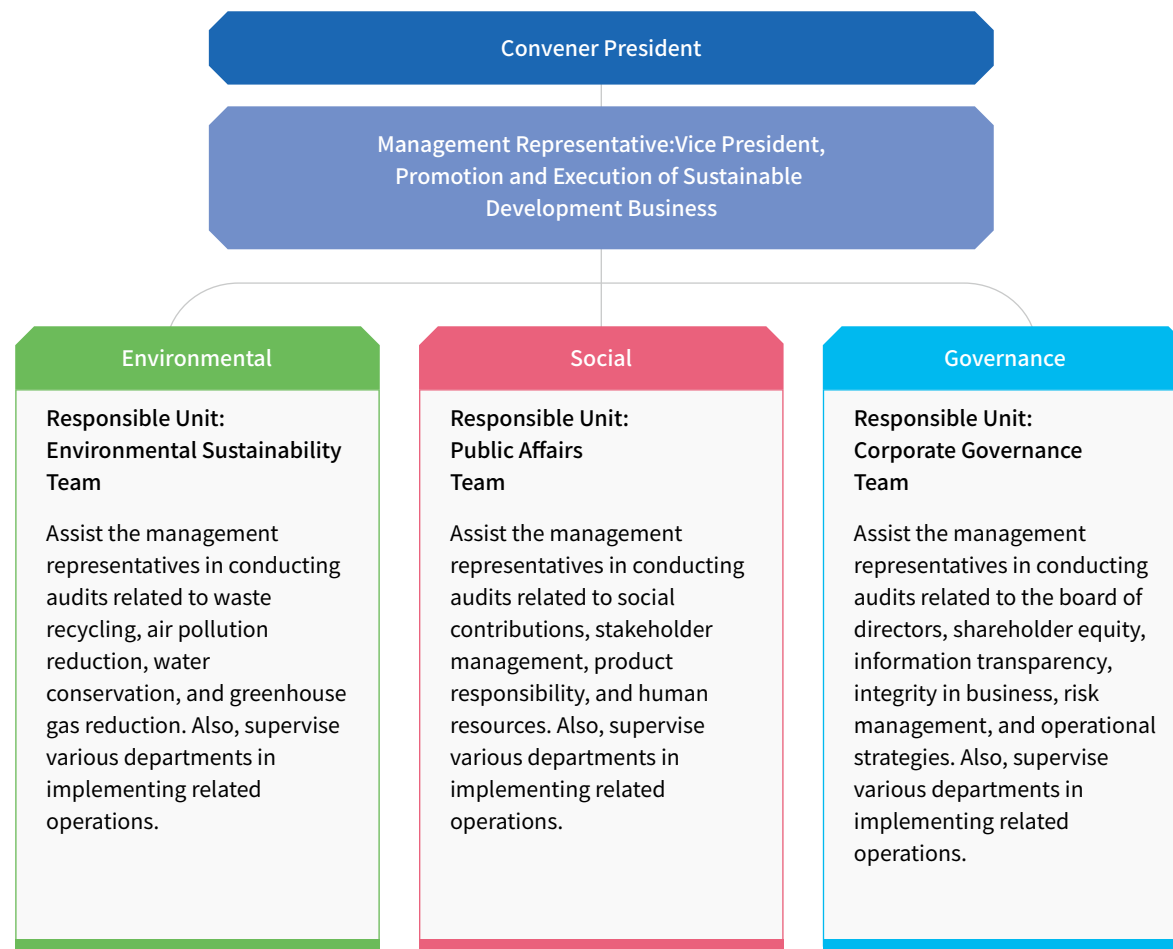
Issuing unit	Standards / Regulations
Global Sustainability Standards Board, GSSB	<ul style="list-style-type: none"> <li>GRI Universal Standards 2021</li> <li>GRI Standards 2016, 2018 &amp; 2020</li> </ul>
International Sustainability Standards Board, ISSB	Task Force on Climate-related Financial Disclosures, TCFD
	Sustainability Accounting Standards Board, SASB
Taiwan Stock Exchange, TWSE	<ul style="list-style-type: none"> <li>Procedures for Compiling and Submitting ESG Reports by Listed Companies</li> <li>Operation for Disclosure and Reporting of Environmental, Social, and Corporate Governance (ESG) Information by Enterprises</li> <li>Operation for Applying Amendments to the Disclosure of Environmental, Social, and Corporate Governance (ESG) Information by Enterprises</li> </ul>
AccountAbility	AA1000
United Nations	UN Sustainable Development Goals, SDGs

## External Verification

This Report has been verified by an independent third party certification, BSI Group. According to the standards AA1000AS refers to the first type of assurance, it underwent an independent verification for the first application type, meeting the disclosure requirements of GRI sustainability guidelines. An independent assurance statement issued by the BSI is presented using internationally recognized indicators. Any estimations are noted in the relevant sections.

Categorys	Standards	External Verification
Sustainability Report	AA1000AS v3 Type 1	BSI
Financial Management	Audit verification of financial statements rules and generally accepted auditing standards.	KPMG in Taiwan (KPMG International Limited)
Business and Customer Management	ISO 9001:2015	DQS Taiwan Inc
Environmental Management	<ul style="list-style-type: none"> <li>ISO 14001:2015</li> <li>ISO 14064-1:2018</li> </ul>	SGS Taiwan Limited
Occupational Health & Injury Prevention and Improvement	ISO 45001:2018	SGS Taiwan Limited

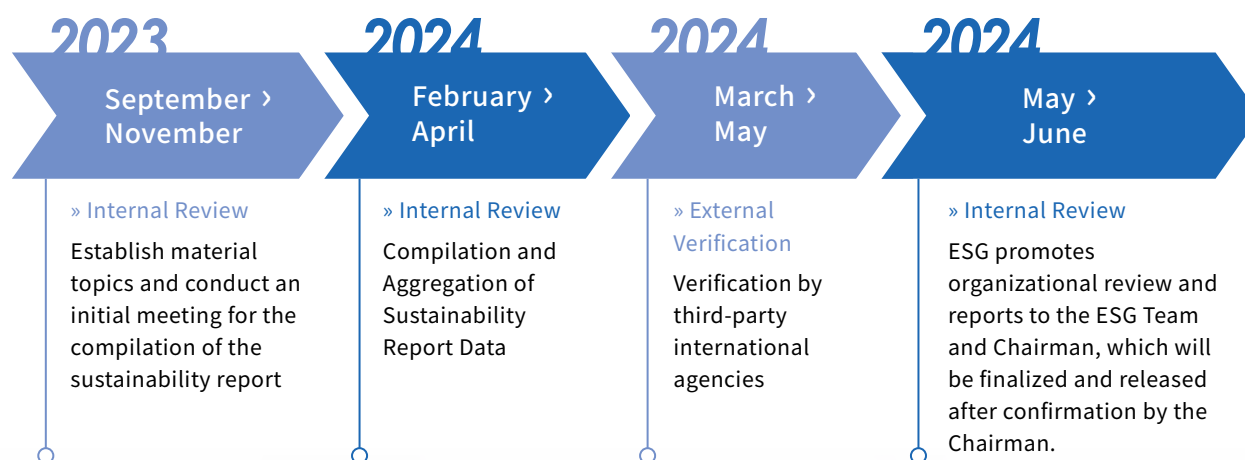
### || ESG Organization ||



## Report management and information preparation process

To integrate and promote ESG, NYPCB has established a “ESG Team,” (hereinafter referred to as “the team”) in 2012, In response to the global ESG development trend, and to actively implement and regularly promote ESG initiatives with President Ann-De, Tang is the chief convener and Vice President Lien-Jui Lu is the Management Representative. The team is responsible for the strategic planning, monitoring, and evaluation of the Company’s performance in terms of ESG. The organizational chart is as above.

Through the "ESG Organization," we review and verify the relevant data in the report to ensure compliance with integrity and transparency principles. We establish annual audit procedures and undergo third-party verification to ensure the quality of the report. It will be finalized and released after approval by the Sustainability Development Committee and the Board of Directors.



### Contact Information

Please contact us through the following channels if you have any suggestions or questions.

Nan Ya Printed Circuit Board Corporation  
 Investor Relations Unit of the President’s Office,  
 NYPCB Mr. Kurt Yang

+886-3-3223751 ext.1016

kurtyang@nanyapcb.com.tw

<http://www.nanyapcb.com.tw>



## 1. Corporate Governance

- (1) Adhering to the business philosophy of “Diligence, Perseverance, Frugality and Trustworthiness”, we deepen corporate governance and implement the goal of sustainable management.
- (2) We establish various ethical codes of conduct, establish sound corporate governance and risk management mechanisms, assess the risks of dishonest behaviors, formulate relevant preventive measures, and implement auditing procedures to promote the policy of integrity in business.
- (3) We innovate and develop high-profit products, maintain stable supply relationships with customers and suppliers, and collaborate with customers to jointly enhance competitiveness through research and development, thereby optimizing shareholder value

## 2. Environmental Protection

- (1) Continuously improve production processes to reduce energy consumption and carbon emissions.
- (2) Introduce lead-free technology and comply with the RoHS Derivative (Restriction of Hazardous Substances Derivative) of EU, pertaining to electrical and electronic products.
- (3) Financial impact and risk opportunity of climate change to organization  
Climate change is likely to cause extreme weather, including an increase in average atmosphere temperature and longer drought, creating the risk of electricity and water supply shortage, therefore, the Company continuously promotes energy saving improvement to reduce resource and energy consumption, to improve the industrial competitiveness while enhancing environmental friendliness to achieve multiple benefits.

## 3. Procurement Policies

- (1) Procure green materials and reduce resources consumption in order to increase rate of recycling and reusing of resources.
- (2) Enforce strict inspection on raw material supplies to prevent conflict minerals from entering production processes.

## 4. Labor and Ethics

- (1) Provide employees with a safe and healthy working environment, and have high quality training programs and systems and clear targets that they can follow so they can reach their full potential.
- (2) Abide by all laws and business ethics, and establish a comprehensive corporate system to maintain positive corporate governance.
- (3) Strive to attain perfection and do good deeds. Make continuously improvements, enhance competitiveness and give back to the society.

## 5. Social Welfare

- (1) Address various social issues, and participate in appropriate community and social welfare activities to foster a kind and compassionate society.
- (2) Use our corporate spirit of striving for perfection to create efficiency and success in our social welfare endeavors.

To honor our commitments in sustainable responsibilities, Nan Ya Printed Circuit Board upholds a principle of giving back what we gain from society. The Company strongly believes that such responsibilities are part of our valuable assets, an everlasting brand, and a cultural beacon. The Company pledges to shoulder more social responsibilities, take part in more social welfare activities, help minority and disadvantaged groups, promote environmental protection and strive to achieve zero pollution, zero carbon emission, and zero accident, as well as establish a diverse and convenient communication with stakeholders to create the greatest benefit to the Company's investors, employees, society, and country.

Nan Ya Printed Circuit Board Corporation  
President

*Tang Ann-De*

As a member of the Formosa Plastics Group (FPG) adhering to the corporate spirit, The determination to face and resolve issues, fulfill social commitments, and receive recognition from the government and private organizations are all driving forces that motivate NYPCB to practice lean management and prioritize environmental conservation. For information on the company's past awards and certifications, please refer to the "Awards and Certifications" section on our official website.

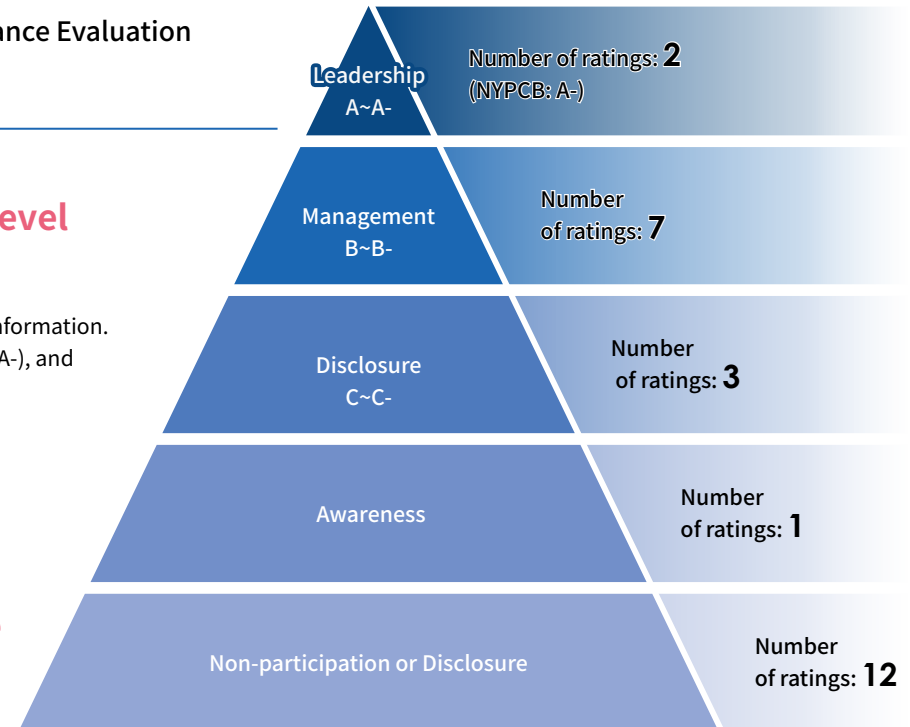
## || 2023 NYPCB ESG Highlight ||

### Corporate Governance

- ▶ 2023 Taiwan Stock Exchange Corporate Governance Evaluation **TOP 6%~20%**

### Environmental Protection

- ▶ In 2023, NYPCB achieved an **A- leadership level** in the CDP Climate Change assessment.  
Among the top 25 PCB industry companies globally, 13 (52%) participated in the assessment and publicly disclosed their information. However, only 2 companies achieved a leadership level (A to A-), and NYPCB is one of them.
- ▶ We achieved an **A leadership level** in the CDP Water Security Rating in 2023.
- ▶ We were awarded the **Outstanding Company in Voluntary Reduction of Industrial Greenhouse Gas Emissions** by the Ministry of Economic Affairs in 2023.



Note 1: The data source for the top 25 global PCB companies (based on revenue) is TPCA

### Social Responsibility

- ▶ We were commended by the New Taipei City Government's Department of Labor for being a **Worker-Friendly Enterprise of the Year 2023**.
- ▶ We were commended by the Veterans Affairs Council for being an **Outstanding Company in Recruiting Retired Veterans in 2023**



# 01

## Sustainable NYPCB

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








## Vision




NYPCB adheres to the core value of "Diligence, Perseverance, Frugality and Trustworthiness". Through communication and engagement with stakeholders, we analyze the industry landscape from a macro perspective, evaluate future operational directions, and devise corresponding action plans. We are committed to aligning with various international standards and actively integrating sustainable development strategies with our core business, thus continuously expanding our market presence in the industry.

## Policy and Commitment

NYPCB is committed to sustainable development as its core value, aiming to balance company growth with safeguarding the interests of all stakeholders. Therefore, we continuously enhance our corporate governance performance, providing timely and transparent information to shareholders/investors. We also pledge to engage in regular dedicated communication and annually review the effectiveness of engagement while integrating feedback. Moreover, we actively pursue green investments and innovative transformation, demonstrating our firm determination towards sustainable business goals.

Material Topics	Operational and Financial Performance									
<div></div> <div>Framework &amp; Indicator</div>	<ul style="list-style-type: none"><li>GRI 201 Economic Performance</li><li>Specific Target 8.1</li></ul>									
<div>Impact Description</div> <ul style="list-style-type: none"><li>[Definition] NYPCB's financial performance, financial impact due to climate change, salary and benefits, and financial subsidies from the government.</li><li>[Impact Description]<ol style="list-style-type: none"><li>We have a dedicated section for stakeholder Q&amp;A, where we regularly collect feedback and suggestions from stakeholders to maintain transparent and smooth communication channels.</li><li>Stable profitability is the cornerstone of our operations. NYPCB is a professional circuit board manufacturing company, focusing on core business development. Our income and profitability mainly come from operating activities, and we continuously expand our customer base and optimize processes to enhance financial performance. For detailed financial information, please visit the "Financial Information" section on our company website.</li><li>In accordance with ISO 14001 and ISO 45001 standards, we provide education and training to relevant colleagues and conduct internal audits.</li><li>In addition to actively setting long-term carbon reduction goals for "net-zero emissions by 2050", we participate in initiatives such as the Carbon Disclosure Project (CDP), the Task Force on Climate-related Financial Disclosures (TCFD), and the Science-Based Targets Initiative (SBTi). We strengthen internal carbon reduction management operations, introduce and revise carbon reduction measures in line with international trends, regularly review implementation, and conduct timely reviews to ensure progress towards carbon reduction transition goals.</li></ol></li></ul>										
<table><tr><td>Actual</td><td></td></tr><tr><td>Potential</td><td></td></tr><tr><td>Positive</td><td></td></tr><tr><td>Negative</td><td></td></tr></table>			Actual		Potential		Positive		Negative	
Actual										
Potential										
Positive										
Negative										

Management Action	2023 Action performance tracking	Achieve Overview	Short-term target	Medium, and long-term target
1. By reducing the debt ratio and maintaining an appropriate liquidity level, we ensure a stable financial structure. 2. We are driving the adoption of Industry 4.0 and implementing AI (Artificial Intelligence) in production to reduce operational and manufacturing costs, and enhance the company's competitiveness. 3. We are committed to innovative research and development of forward-looking and high-value-added products and process technologies. We are also expanding our customer base in different regions to enhance profitability and diversify market concentration.	1. Issuance of quarterly and annual financial reports reviewed or audited by certified accountants. 2. Regular review of performance execution effectiveness, including monthly, quarterly, and annual operational performance reviews, assessment, and improvement of the operational status of each department. The management oversaw the operation situation at all times to enhance performance.	1. Quarterly and annual financial reports reviewed or audited by certified accountants were issued in 2023. 2. Monthly regular reviews of performance execution effectiveness were conducted in 2023, including monthly, quarterly, and annual operational performance reviews.	1. Quarterly and annual financial reports reviewed or audited by certified accountants are issued. 2. Regular reviews of performance execution effectiveness are conducted, including monthly, quarterly, and annual operational performance reviews. 3. Participation in corporate briefings or investment forums exceeds four times, with at least one attendance per quarter. 4. Information is announced in both Chinese and English. 5. Stable shareholder reports are provided without any significant legal violations (fines exceeding NT\$1 million).	Ensure compliance with regulatory requirements in all company operations and continuously strengthen corporate governance. Timely disclosure of important company information to safeguard shareholder rights.

Stakeholder	Response and Results
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Both workers and managers can engage in thorough communication through organizations such as labor unions and welfare committees.</li> <li>Continuously provide employees with comprehensive education and training opportunities as well as smooth career advancement pathways.</li> </ul>
 <b>Investors / Corporations</b>	<ul style="list-style-type: none"> <li>Disclose investor service contact information on the company's official website to maintain smooth and transparent communication channels.</li> <li>Hold corporate briefings and participate in investment forums regularly in 2023 to communicate with investors, totaling 4 times. Additionally, regularly publish company performance and significant updates in both Chinese and English on the Taiwan Stock Exchange website, totaling 31 times, to inform domestic and international investors about the company's operations.</li> </ul>
 <b>Neighboring communities</b>	Provide internal and external complaint channels to allow stakeholders to promptly address issues.

# 1.1 Operation Overview

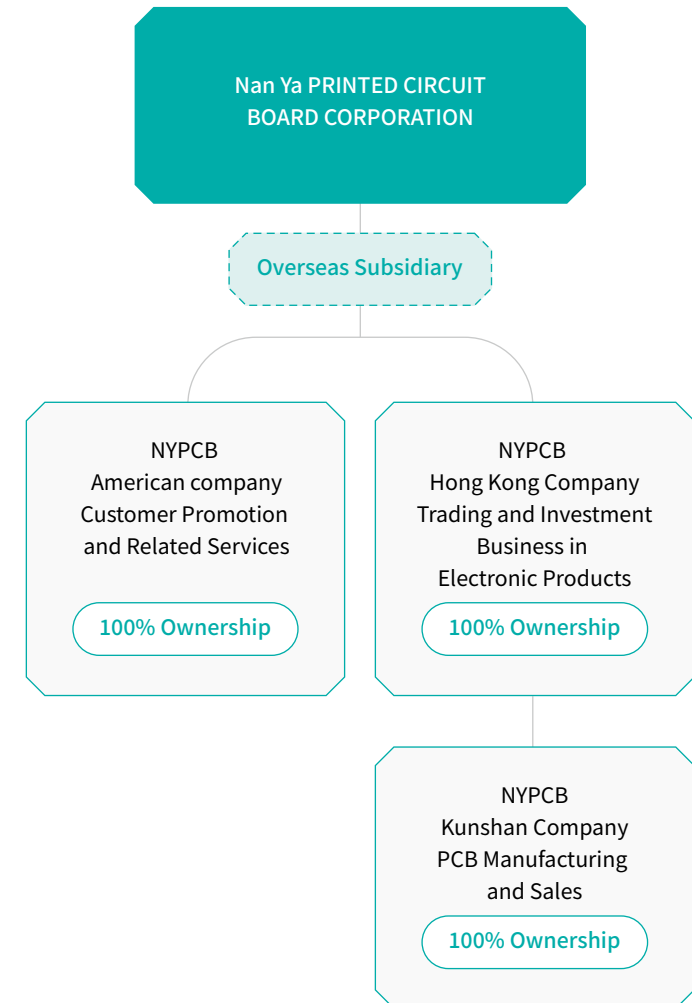
## 1.1.1 Company Profile

NYPCB began operation in 1985, and was originally the printed circuit board division of Nan Ya Plastics Corporation, a subsidiary of Formosa Plastics Group. Nan Ya Printed Circuit Board Corporation became an independent company in 1997. The Company specializes in researching, developing, manufacturing, and selling of printed circuit boards and IC substrates (Wire Bond Substrates and Flip Chip Substrates).

NYPCB has service locations across all five continents, with the group headquarters situated in Taipei City, Taiwan. The main manufacturing plants are located in various areas of Taiwan, including Taoyuan City (Jingshin Plant), and New Taipei City (Shulin Plant), as well as in China (Kunshan Plant).

Date of Incorporation	10/28/1997(MM/DD/Year)
Company address	Headquarters: 3F., No.201-36, Dunhua N. Rd., Songshan Dist., Taipei City
Factory Address	Jingshin Plant: No.338, Sec. 1, Nankan Rd., Luchu District, Taoyuan City Shulin Plant:No. 57, Weiwang St., Shulin Dist., New Taipei City
Paid-in capital	NTD 6.462 billion
Number of common shares in the market	646,165,487 shares
Employees	6,494 Employees
Products	Manufacturing and sales of Conventional PCB, High Density Interconnection (HDI), Rigid-Flex, ABF (Ajinomoto Build-up Film) Substrate, and PP (Prepreg) Substrate
Overseas production factory	China Kunshan Plant: No. 201 Changjiang South Road, Kunshan Development Zone, Kunshan City, Jiangsu Province +86-(512)5735-7080

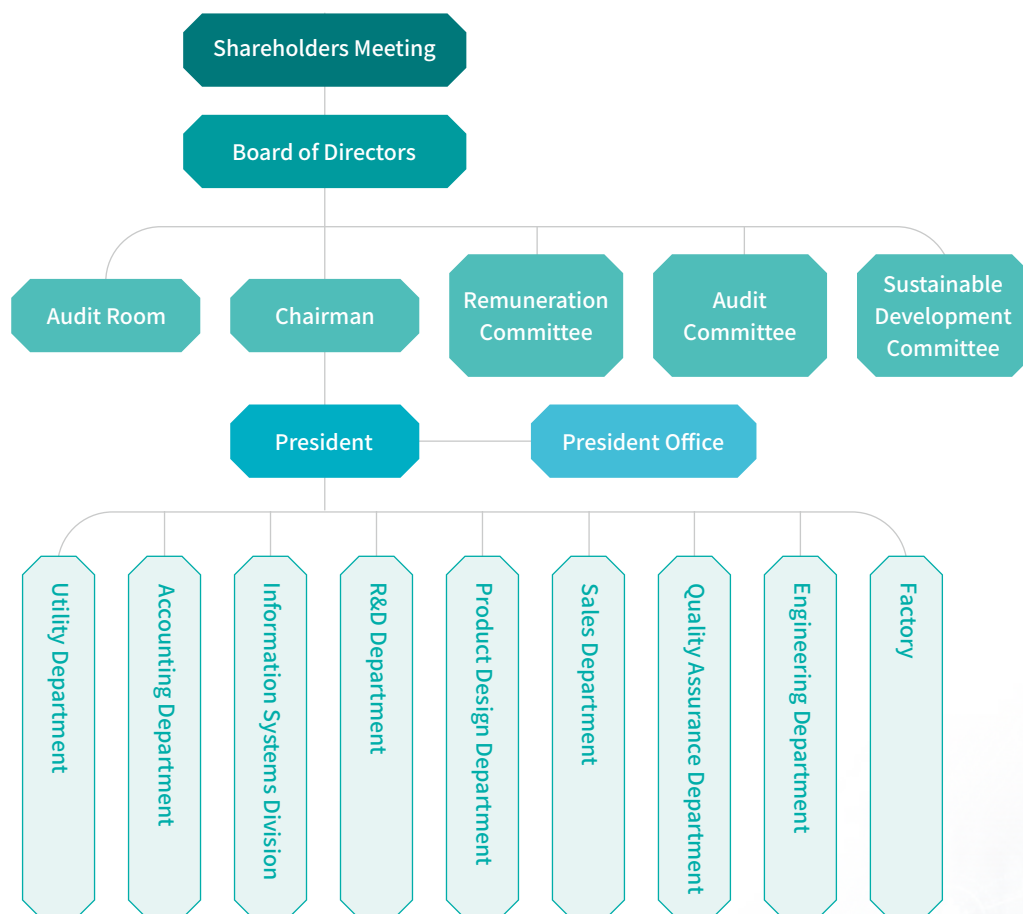
### || Organization Chart ||



As a member of the Formosa Plastics Group, Nan Ya PCB adheres to the founder's philosophy and has always attached great importance to the protection of shareholders' rights and interests. We believe that only through a rigorous and efficient governance mechanism, which can help to ensure the company abides by laws, increases financial transparency, and improves operating efficiency.

Therefore, the operational organization structure of Nan Ya PCB is designed to achieve the ultimate goal, as shown in the figure below:

|| Operating Organization Chart: ||



The company actively participates in important domestic organizations such as Taiwan Printed Circuit Association (TPCA) and Taiwan Electrical & Electronic Manufacturer's Association (TEEMA), engaging in seminars and conferences both domestically and internationally to enhance mutual exchange and explore collaboration opportunities

|| List of Member Associations and Organizations ||

Name of Association or Organization	Position	Executive from the Company
Taiwan Printed Circuit Association	Member representative	President Ann-De Tang
	Member representative	Vice President Kuo-Chun Chiang
Taiwan Electrical and Electronic Manufacturers' Association	Member representative	President Ann-De Tang
		Vice President Lien-Jui Lu
		Vice President Kuo-Chun Chiang
		Associate Manager Young-Kee Lin
		Associate Manager Kuo-Long Chen
		Associate Manager Mao-Sung Huang
		Associate Manager Sung-Long Chien

|| Global service ||



## • Prospects, Opportunities and Challenges to the Industry

There are two major trends in the industry. First, due to the rising 5G telecommunication, artificial intelligence, and wearable devices, there is a high demand in the 5G base station and network application substrate, server application circuit board, high-performance computing chip substrate, and system-in-package substrate, etc.

Secondly, Microsoft Windows 11 has driven a wave of PC replacements, leading to increased demand in the data center market. Additionally, automotive electronics sales have recovered, which will drive demand for high-end IC carrier boards and circuit boards.

Our operational strategy is outlined to enhance profitability in both short and long terms through increasing the sales proportion of high-value products:

1. Short-term business plans focus on meeting the growing demand for AI and efficient computing products by improving the production capacity of large-size IC substrates and cultivating potential clients. We will continually adjust our product portfolio to match market demands, thus enhancing our value and profitability.
2. Long-term business development plans align with future market trends, emphasizing IoT, system-level packaging, and 2.5D packaging applications. Quality and technological superiority will remain our core strengths in long-term business development.

### || Industry future ||

Market's future supply and demand situation and growth	competitive niche
<ul style="list-style-type: none"> <li>Compound annual growth rate (CAGR) for the PCB industry is estimated at 2.0% from 2022 to 2027.</li> <li>Oversupply in the general PCB market.</li> <li>PC demand is picking up.</li> </ul>	<ul style="list-style-type: none"> <li>All electronic products require PCB.</li> <li>Emerging applications provide growth opportunities.</li> <li>Advanced semiconductor packaging consumes more IC board capacity.</li> </ul>

### || NYPCB's Development Vision ||

Advantages and Opportunities	Disadvantages and Response Strategies
<ul style="list-style-type: none"> <li>Long-term stable cooperation with leading international semiconductor firms.</li> <li>Lower level of price competition for high-end IC boards.</li> <li>Leading production technology for high-end IC boards.</li> <li>Continuous integration of artificial intelligence and big data into production management to enhance yield and efficiency.</li> <li>Continued development towards larger sizes and higher layer counts for high-end IC boards, favoring the increase in average product unit price.</li> </ul>	<ul style="list-style-type: none"> <li>Intense price competition for general PCB.</li> <li>Significant increase in production capacity for high-end IC boards leading to oversupply.</li> <li>Increase the sales proportion of high-value-added products such as HDI.</li> <li>Process improvement and cleanroom upgrades to enhance product yield.</li> </ul>

## 1.1.3 Financial Performance

Stable profitability is fundamental to a company's operations. NYPCB is a professional circuit board manufacturing company and focuses on operational developments. The incomes and profits are mainly from operational activities. The Company continues to gain more clients and enhances manufacturing processes to strengthen financial performances. For detailed financial information, please visit our official website under "Financial Information".

### || Financial Performance of NYPCB in 2023 ||

Unit:NTD

Annual revenue	42,252,578,000	Dividend	5.50
Operating cost	34,075,178,000	Business income tax	1,290,069,000
Operating expenses	1,847,418,000	Government financial subsidies	384,592
Retained surplus	24,433,220,000	Donations and community investments	865
liability as percentage of total asset			31.99%

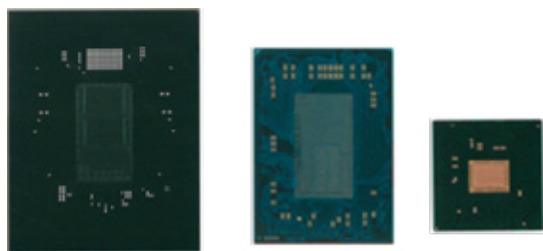
Note: Please refer to the company's annual report for 2023 production volume values.

### 1.2.1 Main product development

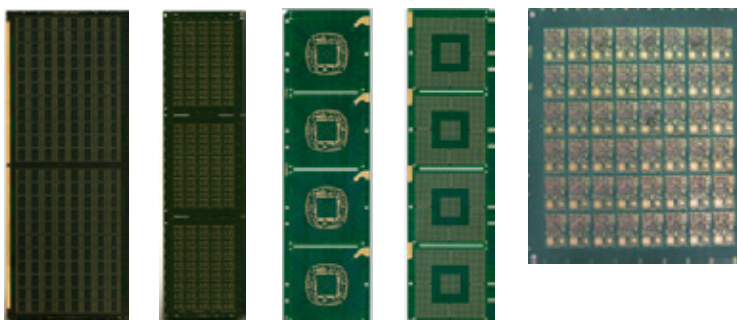
NYP CB continues the research and development in the three main products (ABF Substrate, PP Substrate, and conventional PCB). The Company has successfully mass-produced the high-end HDI, high-layer board and high-end substrate, and successfully entered the supply chain of world-level customers.

Product Name	Item	Application Notes	Application level
Conventional PCB	High Density Interconnect (HDI) PCB	It is a key component used as a carrier in various electronic devices, and serves as the interconnection between different components to communicate message.	Applications include: Notebook computers, workstations, servers, high-end memory modules, game consoles, TV set box, cars, LED displays, mobile phone peripherals, and wireless charging.
	High layer count PCB		
IC Substrate	PP Substrate	It is applied to the carrier of the IC chip product, so that the output/input signal of the chip communicates with the inner/outer leads on the PCB, and it can also assist in the heat dissipation of the chip.	<ul style="list-style-type: none"> <li>• Netcom products: network switches, routers, wireless chipsets, radio frequency, optical fiber communication chips, etc.</li> <li>• Server products: cloud servers, data center, AI chips, etc.</li> <li>• Consumer electronics: digital TV chips, game consoles, set-top boxes, etc.</li> <li>• Computer products: central processing unit, graphics chip, DRAM chips, etc.</li> <li>• Others: car infotainment system, etc.</li> </ul>
	ABF Substrate		

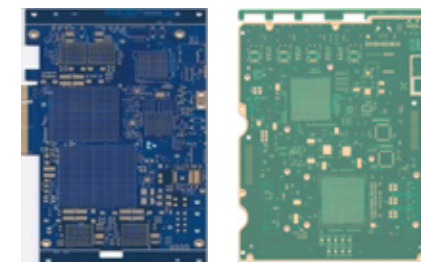
#### || Classification of Products ||



ABF Substrate



PP Substrate



Conventional PCB

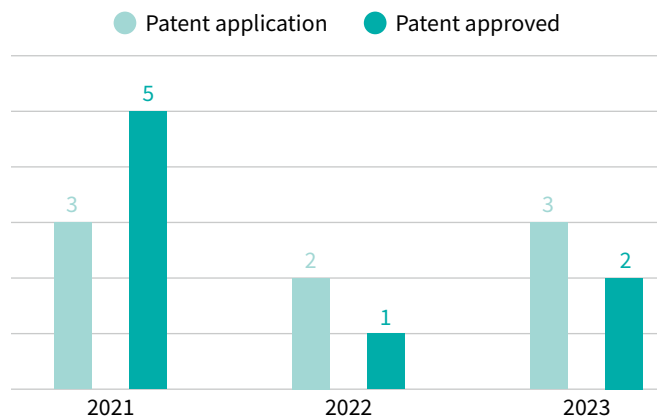
## 1.2.2 Innovative R&D patents and intellectual property protection

NYP CB has formulated the "Research and Development Management Measures" and set up related computer operations, and stipulated rewards for key product research and development and patent approval in the "Research and Development Achievement Award for R&D Personnel". The Company also has a number of protection measures in terms of patents and confidential information, uses a digital management system to reduce the risk of harm, and reports the operation of intellectual property rights to the board of directors at least once a year. Please refer to the "Intellectual Property Management" on the Company's official website for details.

### || The accumulated patents over the past 3 years ||

Unit: number of patent

Item	2021	2022	2023
Patent application	3	2	3
Patent approved	5	1	2



## 1.2.3 Green product design

### • Management of Product Lifecycle

In the production process, NYP CB not only considers process efficiency and quality, but also cares about environmental issues related to the products, integrating environmental principles from source design to waste recycling. In terms of hazardous substance management, product energy saving efficiency, and product raw material recycling, NYP CB follows international management standards and relevant environmental protection label verification specifications to promote the overall revenue share of green products.

Unit: Revenue percentage (%)

Aspects	Indicators	Product Types	2021	2022	2023
Hazardous Substance Management	Product ratio of IEC 62474(Note 1)	ABFS	50%	60%	61%
		PPS	30%	26%	22%
		PCB	20%	14%	17%
Product Energy Efficiency	Proportion of products that meet EPEAT or equivalent requirements (Note 2)	-	Not Applicable	Not Applicable	Not Applicable
	The proportion of products that meet the requirements for Energy Star or equivalent (Note 3)	-	Not Applicable	Not Applicable	Not Applicable
Product recycling	The weight of recycled end-of-life products and electronic waste, and the percentage of reuse (Note 4)	-	Not Applicable	Not Applicable	Not Applicable

Note 1: Revenue of products containing IEC 62474 declarable substances/total product revenue.

Note 2: Revenue/Total Product Revenue for products certified under EPEAT or equivalent. As NYP CB is not a manufacturer of end products, it does not engage in product recycling operations related to NYP CB products.

Note 3: Revenue/Total Product Revenue for products that have achieved Energy Star or equivalent verification requirements. As NYP CB is not a manufacturer of end products, it does not engage in product recycling operations related to NYP CB products.

Note 4: Reuse ratio = weight of recycled products and electronic waste / weight of end-of-life recycled products and electronic waste. As NYP CB is not a manufacturer of end products, it does not engage in product recycling operations related to NYP CB products.

Note 5: Shulin Factory is in the expansion in 2021, it's not included the data.

## • Hazardous Substance Management

From raw material procurement to product sales, NYPCB attaches great importance to customer health and safety. In line with market transcend he needs of downstream customers, NYPCB is moving towards the development trend of producing non-toxic green products, and compliance with the EU RoHS Directive on the Restriction of Hazardous Substances in Electrical and Electronic Products. The Company has simultaneously requested the suppliers to sign the declaration of their products and provide independent test report, so that the new generation of circuit boards can be used in green home appliances and other fields, and continue to reduce the burden on the environment.

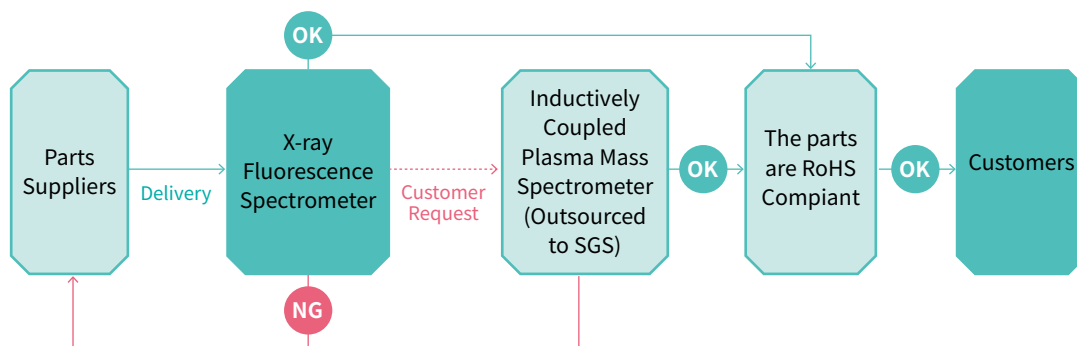
### A. Green Partner Certification

Since 2001, our company has been engaged in the management of hazardous substances in products and the implementation of Green Partner program, completing the Green Partner standard process in 2004. We continuously strive to meet green standards and requirements, ensuring that our product control complies with hazardous substance regulations and customer specifications. We aim to reduce operational risks through source management, process control, and customer-side management.

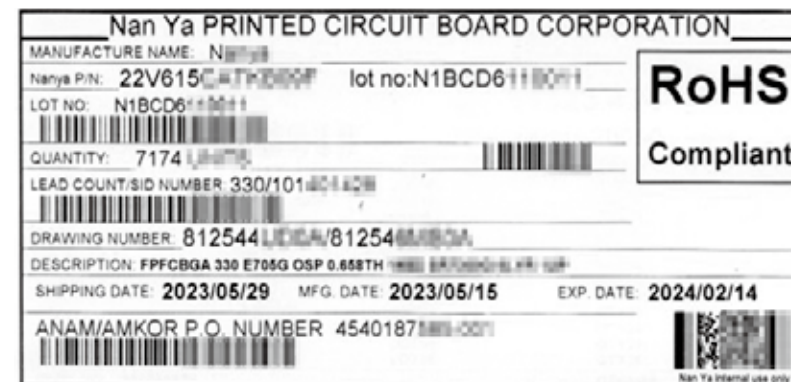
### B. Hazardous Substance Management Policy and Results

NYPCB has produced documents and designed management principles for its green partners and effectively monitor the source of its raw materials and other relevant materials to make sure they are in compliance with RoHS, REACH, international laws, customer requirements and the standards of green products. The company's Occupational safety and health management entities and Quality Assurance Department act as the green product promotion organization, and implement the management goal of Hazardous Substances Free (HSF).

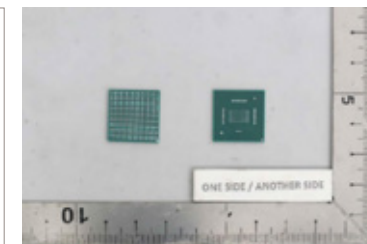
#### || Hazardous Substance Management Process: ||



#### || RoHS Specification and Product Packaging ||



#### || SGS Product Inspection Certificate (including REACH inspection items) ||





### 1.3.1 Stakeholder Identification






NYP CB's ESG organization based on global trend, industrial feature, experiences generated from daily interactions with stakeholders, and degree of impacts stakeholders pose on corporate operation. In 2022, the Company applied the AA1000 Stakeholder Engagement Standard (SES) based on the five principles of inclusivity, materiality, responsiveness, completeness, and impact, and reidentified seven categories of stakeholders, including: employees, investors/corporations, customers, suppliers, media, government agencies, and neighboring communities.



### 1.3.2 Stakeholder Communication Channels and Issues of Concern

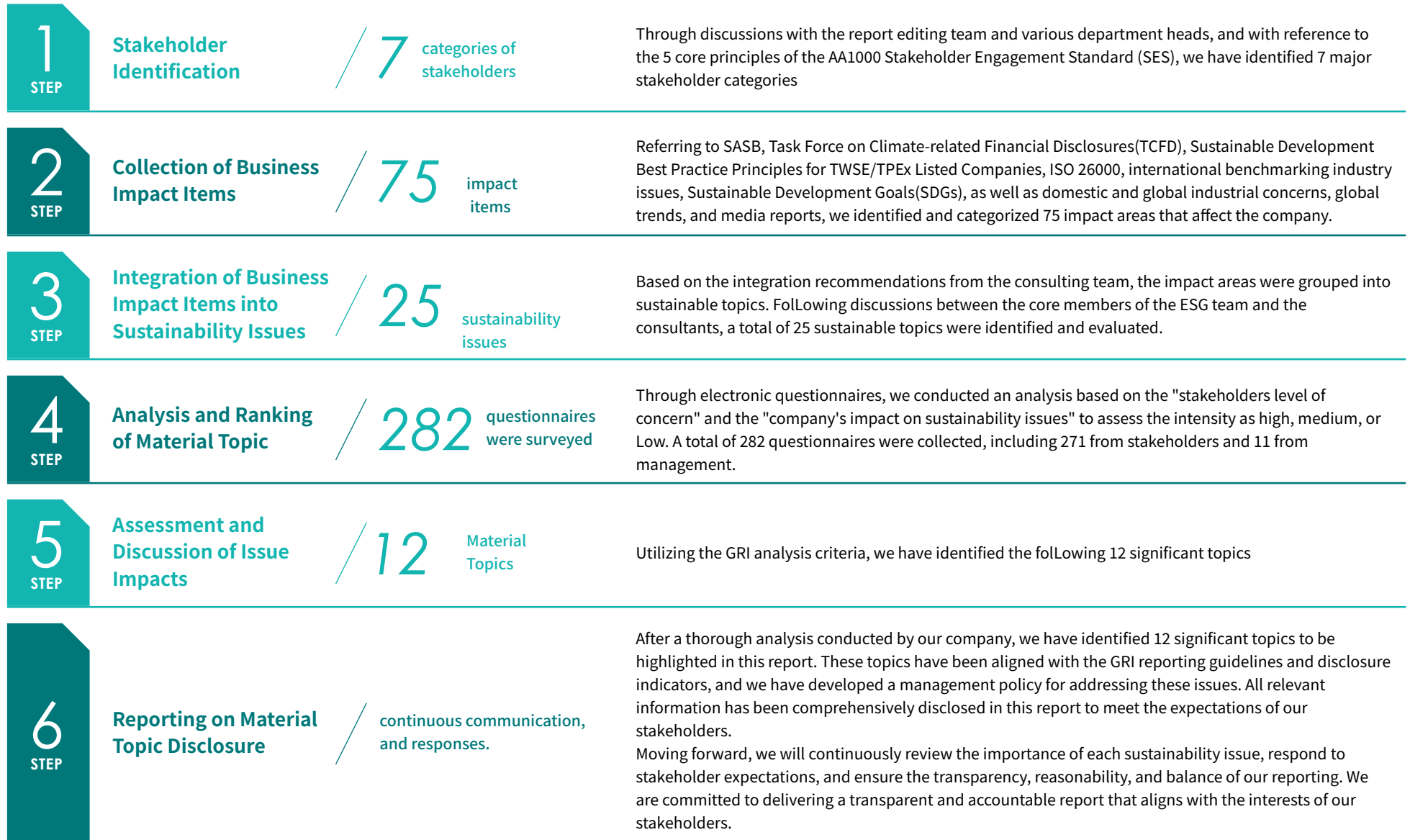
The Company has established a dedicated stakeholder section on the Company's website to enhance communication with our stakeholders. The platform enables us to fully comprehend our stakeholders' thoughts and requirements, and allows us to gather their concerns and feedback. Any received proposals or feedback are reviewed by the functional teams within the President's Office to determine if the issue significantly impacts our stakeholders. Upon evaluation, the case will be categorized based on its level of impact and then forwarded to the board meeting for further actions. For detailed information, please visit the 'Stakeholders Section' on our company's official website.

Stakeholder	Channel	Communication Frequency	Issue of Concern
 Employees	1. Internal announcements	Irregularly, at least once per year	<ul style="list-style-type: none"><li>• Integrity in Business Operations</li><li>• Chemical Safety</li><li>• Occupational Health and Safety</li><li>• Operational and Financial Performance</li></ul>
	2. Representatives from the Human Resource Department	Once per month	
	3. Regular meetings such as union core members seminars, education seminars, Labor Safety Committee, and various training seminars		
	4. Irregular meetings	Irregularly, at least once per year	
	5. The Administration Department has stablished communication channels such as suggestion boxes		
	6. Internal publications, online platforms and questionnaires (e.g.questionnaires on training satisfaction, cafeteria quality satisfaction)		
 Investors (Corporations)	NYP CB has implemented a spokesperson and deputy spokesperson system, and established a specialized unit dedicated to addressing investors' affairs. Additionally, the company maintains communication with both individual and corporate shareholders through the folLowing established channels:	-	<ul style="list-style-type: none"><li>• Integrity in Business Operations</li><li>• Chemical Safety</li><li>• Public Safety at Manufacturing Sites</li><li>• Operational and Financial Performance</li></ul>
	1. Shareholders	Once per year	
	(1) Annual shareholders' meetings		
	(2) Published annual financial reports as requested and provided themto shareholders during the annual shareholders' meetings	Once per year	
	(3) Shareholders can make inquiries through phone calls and emails	Irregularly	
	2. Corporate shareholders	-	
	(1) Analyst meetings in Taiwan and overseas	Irregularly	
	(2) Investor forums held by securities companies (not held regularly)		

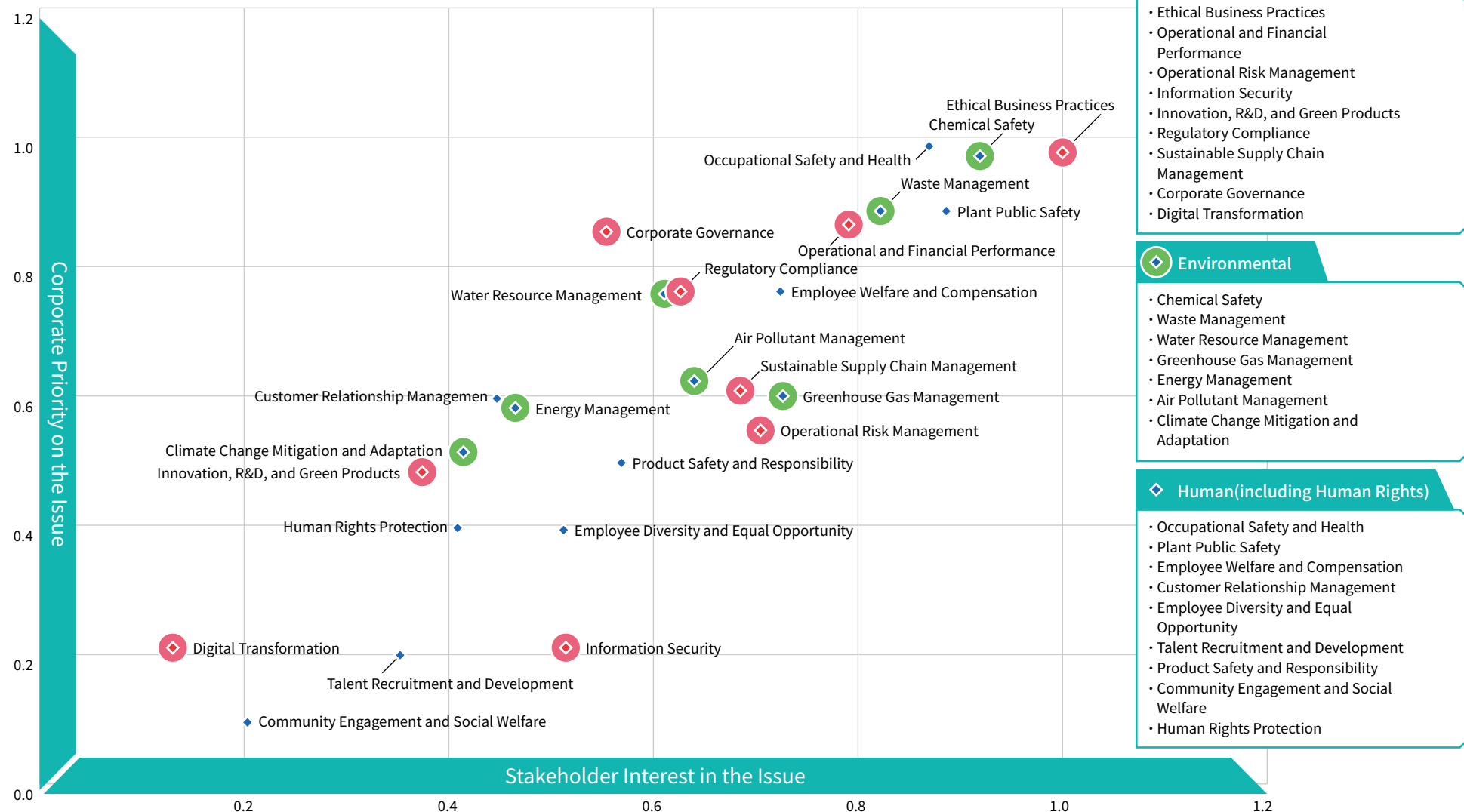
Stakeholder	Channel	Communication Frequency	Issue of Concern
 Customers	1. Customers audits	Irregularly, at least once per year	<ul style="list-style-type: none"> <li>• Integrity in Business Operations</li> <li>• Chemical Safety</li> <li>• Occupational Health and Safety</li> <li>• Operational Risk Management</li> </ul>
	2. Meeting with customers and dealers		
	3. Regular technological support		
	4. Customer satisfaction survey		
	5. Educational training for customers		
 Suppliers	1. Established an information platform for suppliers	Irregularly, at least once per year	<ul style="list-style-type: none"> <li>• Integrity in Business Operations</li> <li>• Chemical Safety</li> <li>• Occupational Health and Safety</li> <li>• Regulatory Compliance</li> </ul>
	2. Held meetings and reviewed reports in person regularly		
	3. Conducted supplier surveys through questionnaires, and provided audits and consulting services		
	4. Reviewed material supply stability and quality		
	5. Launched a fundraising campaign to support domestic disaster relief efforts following major natural disasters		
 Media	1. Shareholders visit after the annual shareholders meeting	Once per year	<ul style="list-style-type: none"> <li>• Integrity in Business Operations</li> <li>• Greenhouse Gas Management</li> <li>• Talent Recruitment and Development</li> <li>• Sustainable Supply Chain Management</li> </ul>
	2. News and interview	Irregularly, at least once per year	
 Government Agencies	1. Official documents	Irregularly, at least once per year	<ul style="list-style-type: none"> <li>• Regulatory Compliance</li> <li>• Greenhouse Gas Management</li> <li>• Public Safety at Manufacturing Sites</li> <li>• Corporate Governance</li> </ul>
	2. Meetings introducing and explaining new laws	Irregularly	
	3. The Company's financial statements	Once per quarter	
	4. Provided reports and information as requested by the government, authorities, and regulations.	Irregularly, at least once per year	
 Neighboring Communities	1. Communicated and informed communities through the company's website	Irregularly, at least once per year	<ul style="list-style-type: none"> <li>• Integrity in Business Operations</li> <li>• Chemical Safety</li> <li>• Occupational Health and Safety</li> <li>• Operational and Financial Performance</li> </ul>

## 1.4 Materiality Analysis

### 1.4.1 Materiality Analysis Process










## 1.4.2 Matrix of Topics Impact Assessment








Note 1: The sustainability issues marked with red circles indicate high likelihood of occurrence, while the ones marked with green circles indicate moderate likelihood of occurrence.

Note 2: The likelihood levels are defined as follows: "High" indicates a probability of occurrence greater than 80% for the organization/business, "Moderate" indicates a probability of occurrence greater than 50%, and "Low" indicates a probability of occurrence less than 50%.












## || Matrix of Topics Changes ||













2022 Questionnaire Topics		Importance Level			Explanation of Changes
		2023	2022		
 Chemical Safety	High	Medium	Increase	NYPCB will enhance management awareness and improve relevant management systems to ensure the safety of processes and products, in response to international market demands.	
 Waste Management	High	Medium		NYPCB will manage, dispose of, and implement waste reduction strategies and methods for waste generated throughout the operation process and the value chain.	
 Occupational Health and Safety	High	Medium		NYPCB will actively manage and enhance the results of management efforts, and monitor the work environment and health of workers.	
 Law Compliance	Medium	Outside matrix		NYPCB will integrate past compliance situations in economic, environmental, and human rights aspects, comprehensively review management Effectiveness, and enhance the integrity of policy implementation to achieve "zero violations of compliance."	
 Water Resource Management	Medium	Outside matrix		Water resource management is becoming increasingly important in the electronics industry, and NYPCB pays more attention to the use, recycling, and reuse of water resources.	
 Employee Diversity and Equal Opportunities	Low	Outside matrix		NYPCB bases job assignments on talent suitability to enhance workforce diversity and gender equality, promoting a friendly workplace. The analysis results for this year indicate Low importance, and NYPCB will continue to observe the impact of this issue.	
 Talent Recruitment and Development	Low	Outside matrix		NYPCB emphasizes the recruitment and cultivation of excellent talents to enhance talent quality and human capital management, and will continue to monitor the impact of this issue.	

2022 Questionnaire Topics	Importance Level			Explanation of Changes
	2023	2022		
 Operational and Financial Performance	Medium	High	Decrease	"Overall stakeholders" have shown a slight decrease in interest in the issue, which NYPCB still actively monitors.
 Greenhouse Gas Management	Medium	High		"Top management" and "overall stakeholders" have shown a slight decrease in interest in the issue, which remains a medium-level concern. NYPCB will continue its management mechanisms and actions, assess the organization's greenhouse gas emissions, formulate emission reduction strategies, and track related goals.
 Operational Risk Management	Low	Medium		"Top management" and "overall stakeholders" have both shown a decrease in interest in the issue. NYPCB will continue to identify and track various operational risks impacting the organization, manage them properly, and reduce the likelihood of risk occurrence.
 Innovation Research and Development and Green Products	Low	Medium		This year's combined issue projects have seen a decrease in interest from "top management" and "overall stakeholders." NYPCB will continue to track this issue, develop innovative and green products to enhance market competitiveness, and respond to consumer demand for sustainable consumption.
 Energy Management	Low	Medium		"Overall stakeholders" have shown a decrease in interest in this issue. NYPCB will continue to track this issue, actively manage and develop clean technology and alternative energy sources to address future energy-related issues.



### 1.4.3 Impact Identification and Value Chain

No.	Material Topics	Importance Explain	financial impact (Note1)	Position of Impact in the Value Chain (Note2)			Comparison with GRI Standards	UN SDGs	Chapter
				Upstream	organization	Downstream			
1	Integrity in operations	Publicly declare codes of conduct and relevant policies to enhance the credibility of business ethics; corruption, bribery, and improper policy lobbying affect the reputation of enterprises, employee morale, and business relationships.	Low	-	Effect	-	205 Anti-Corruption 206 Anti-Competitive Behavior		2.1.3 Integrity in Business Operations
2	Financial performance in operations	Increase in revenue, good financial performance.	Low	-	Effect	-	201 Economic Performance		1.1.3 Financial Performance
3	Regulatory compliance	Ensure that business activities comply with various aspects of sustainability regulations to enhance corporate image and reduce legal risks simultaneously.	Low	-	Effect	-	-		2.1.4 Regulatory Compliance
4	Sustainable supply chain management	Unstable supply of raw materials and significant environmental and human rights events in the supply chain may expose companies to reputation and market risks.	High	Effect	-	-	308 Supplier Environmental Assessment 414 Supplier Social Assessment	 	2.5 Supplier and Contractor Management
5	Chemical safety	The use of hazardous substances in the production process poses risks to employee health, potentially leading to loss of market or increased costs for the company.	Medium	-	Effect	-	-	  	3.6 Chemical Safety
6	Waste management	The consumption of raw materials and waste generated in hardware production has a negative impact on the environment.	High	-	Effect	-	306 Waste	  	3.5 Waste Management

No.	Material Topics	Importance Explain	financial impact (Note1)	Position of Impact in the Value Chain (Note2)			Comparison with GRI Standards	UN SDGs	Chapter
				Upstream	organization	Downstream			
7	Water resource management	Water is an important resource in the electronics industry; the lack of Effective water resource policies will affect the production efficiency of enterprises.	High	-	Effect	-	303 Water and Effluent		3.3 Water Resource Management
8	Greenhouse gas management	Domestic regulations on greenhouse gas management are becoming increasingly stringent; companies will face regulations such as carbon taxation, leading to increased operating costs.	High	-	Effect	-	305 Emissions	  	3.2.5 Greenhouse Gas and Energy Management
9	Air pollution management	Failure to properly manage air pollution may result in fines from regulatory authorities.	High	-	Effect	-	305 Emissions	  	3.4 Air Pollution Control
10	Occupational health and safety	ardware production processes may cause occupational accidents and diseases, affecting employee health.	High	-	Effect	-	403 Occupational Health and Safety	 	4.5 Occupational Health and Safety
11	Factory Public safety	Integrate AI to promote smart environmental protection, disaster prevention, and occupational safety.	High	-	Effect	-	413 Local Communities		4.5.2 Factory Public safety
12	Employee welfare and salary	Increase employee salaries to take care of their well-being.	High	-	Effect	-	401 Labor Practices 405 Employee Diversity and Equal Opportunities	 	4.2 welfare and salary

Note 1: "Financial impact severity levels: 'High' refers to a financial impact exceeding 20 million NTD, 'Medium-High' refers to a financial impact ranging from 20 million to 5 million NTD, 'Medium' refers to a financial impact ranging from 5 million to 1 million NTD, 'Medium-Low' refers to a financial impact ranging from 1 million to 500,000 NTD, 'Low' refers to a financial impact below 500,000 NTD.

Note 2: 'Cause' indicates that an organization directly generates the impact through its own activities; 'Contribute to' means that an organization's activities lead to, promote, or induce another entity to create the impact; 'Directly linked to' refers to situations where an organization did not cause or contribute to a negative impact but its operations, products, or services may still be associated with negative impacts due to business relationships."



# 02 Corporate Governance

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## Vision




NYPCB complies with legal regulations and ethical standards, continuously strengthens corporate governance and risk management mechanisms, fosters a deep sense of professional ethics among all employees, and upholds the corporate spirit of "diligence, integrity, and pursuit of excellence", striving to become the most reliable company.


## Policy and Commitment



NYPCB operates based on principles of integrity, fairness, transparency, self-discipline, and accountability. It has established the "Code of Ethics for Directors and Executives" and the "Integrity Operating Guidelines". Additionally, it conducts annual risk assessments through the "Risk Management Measures" to identify operational risks and mitigate them using internal control mechanisms. This approach aims to prevent unethical behavior and regulatory violations that could jeopardize the interests of the company and its shareholders.










Material Topics		Integrity Management									
<div></div> <div>Framework &amp; Indicator</div>	<ul style="list-style-type: none"><li>• GRI 205 Anti-Corruption</li><li>• GRI 206 Anti-Competitive Practices</li><li>• Detailed Objectives 16.5</li></ul>	<div></div>									
<div>Impact Description</div> <div><ul style="list-style-type: none"><li>• <b>【Definition】</b> NYPCB formulates and adheres to professional ethical standards, internal controls, etc. It strictly prohibits activities such as corruption and competitive behavior, and in response to global tax justice, it establishes fair and transparent tax management mechanisms.</li><li>• <b>【Impact Description】</b> NYPCB has established integrity-related policies and publicly declared its commitment. It provides channels for reporting and complaints, ensuring the independence and confidentiality of relevant investigations. This ensures operational transparency, enhances business ethics credibility, and prevents occurrences of corruption, bribery, and undue policy lobbying, which could affect corporate reputation, employee morale, and business relationships.</li></ul></div>											
		<table><tr><td>Actual</td><td></td></tr><tr><td>Potential</td><td></td></tr><tr><td>Positive</td><td></td></tr><tr><td>Negative</td><td></td></tr></table>		Actual		Potential		Positive		Negative	
Actual											
Potential											
Positive											
Negative											

Management Action	Action performance tracking	Achieve Overview	short-term target	medium, and long-term target
Actively responding to corporate governance evaluation indicators.	1. Held four investor conferences and uploaded a video file of one conference. 2. Released a total of 62 major announcements in both Chinese and English, with 31 each. 3. Recorded important questions from shareholders and the company's responses during the shareholders' meetings, and uploaded uninterrupted audiovisual recordings of the entire proceedings afterward. 4. The board of directors regularly references Audit Quality Indicators (AQIs) to assess the independence and suitability of the signing auditors. 5. In corporate governance evaluations, NYPCB ranks among the top 6% to 20% of listed companies.	Achievement	Continued participation in corporate governance evaluations and consistently achieving rankings within the top 6% to 20%.	Ensuring compliance with regulatory requirements in all company operations, and continuously strengthening corporate governance. Timely disclosure of significant company information is maintained to safeguard shareholder rights.
Conducting educational training sessions on integrity in business operations.	1. All directors participated in education and promotion on "Prevention of Insider Trading" and "Handling of Material Nonpublic Information", achieving a participation rate of 100%. 2. An online training course on "Prevention of Insider Trading and Handling of Material Nonpublic Information" was attended by a total of 1,700 individuals, with a total training duration of 862 hours. The average score for online assessments was 95.7. 3. Courses on "Enhancing Compliance with Integrity in Business Operations, Corporate Ethics, and Corporate Governance" and related topics were attended by a total of 7,818 individuals, accumulating a total duration of 3,519 hours. 4. In 2023, the company was not involved in any legal proceedings related to anticompetitive behavior, antitrust, or monopolistic practices.	Achievement	1. Conducted education and training on anti-corruption, prevention of insider trading, and integrity in business operations topics. 2. No legal proceedings involving anticompetitive behavior, antitrust, or monopolistic practices were encountered.	





Stakeholder	Response and Results
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Through at least one annual educational training program, employees' knowledge of integrity in business operations is reinforced, and adherence to relevant regulations is ensured. In 2023, a total of 14 courses were offered, with 9,518 participants.</li> <li>Various reporting channels, including physical mail, email, and fax lines, are provided to allow employees to report inappropriate behavior at any time, ensuring the confidentiality of the investigation process. In 2023, four complaints were received, all of which were filed and investigated.</li> </ul>
 <b>Investors (Corporations)</b>	<ul style="list-style-type: none"> <li>In accordance with regulations, major information is proactively announced on the "Public Information Observation Platform" for public inquiry. In 2023, a total of 31 major messages in both Chinese and English were released to help investors understand the company's operational performance and decisions.</li> <li>At least four investor conferences are held annually, and the information and outcomes are posted on the company's website for stakeholders to access. Additionally, an "Investor Contact Window" is provided as a channel for feedback. In 2023, four investor conferences were held with 169 participants, and 73 relevant feedback were received, all of which were appropriately addressed and responded to.</li> </ul>
 <b>Government A</b>	<ul style="list-style-type: none"> <li>Continuously adhering to the requirements and regulations of integrity in business operations, integrating them into internal control mechanisms, and consulting with relevant units on policy enforcement practices to ensure there are no breaches. In 2023, the company did not incur any penalties from regulatory authorities for violating integrity in business operations.</li> </ul>

Material Topics		Compliance with regulations									
<div></div> <div>Framework &amp; Indicator</div>	Self-selected Topic										
<div>Impact Description</div> <div><ul style="list-style-type: none"><li>• <b>【Definition】</b> NYPCB incurs significant fines and non-monetary penalties for violating environmental, social, and economic laws and regulations.</li><li>• <b>【Impact Description】</b> To ensure compliance with regulatory requirements in all business activities, NYPCB promptly amends internal regulations in response to regulatory changes, adjusts internal control mechanisms, and proactively adapts to changes to mitigate compliance risks, thereby avoiding related fines and penalties. Some instances of non-compliance have been adequately addressed and improved, and there have been no significant violations.</li></ul></div>											
			<table><tr><td>Actual</td><td></td></tr><tr><td>Potential</td><td>✓</td></tr><tr><td>Positive</td><td></td></tr><tr><td>Negative</td><td>✓</td></tr></table>	Actual		Potential	✓	Positive		Negative	✓
Actual											
Potential	✓										
Positive											
Negative	✓										
Management Action	Action performance tracking	Achieve Overview	short-term target	medium,and long-term target							
Continuously conducting regulatory and policy monitoring operations, NYPCB timely reviews the legality of various operations to ensure compliance.	<div>1. In response to regulatory changes, NYPCB has amended and supplemented internal control systems for handling significant information, preventing insider trading, and managing stock units, along with implementing regulations and policies concerning pre-approval for non-assurance services, totaling six provisions. These revisions predominantly focus on corporate governance aspects.</div> <div>2. No significant violations of laws or regulations occurred.</div>	Achievement	No significant violations of laws or regulations occurred.	<div>1. Ensuring compliance with legal requirements in all company operations.</div> <div>2. No significant violations (fines exceeding NT\$1 million) occurred.</div>							
Conducting regulatory compliance-related education and training.	<div>1. Conducting education and training, as required by ISO 14001 and ISO 45001, for relevant colleagues, and internal auditing operations.</div> <div>2. The ISO 14001 and ISO 45001 compliance education and training course consisted of 3 sessions, with a total of 90 participants.</div>	Achievement	Conducting regulatory compliance-related education and training annually.								
Establishing comprehensive internal control systems in accordance with legal requirements and practical needs.	Based on the "2023 Audit Plan," 42 audits were completed, and all abnormal findings have been addressed and rectified to 100% satisfaction.	Achievement	Continuously improving various internal control systems in accordance with legal requirements and practical needs.								

Stakeholder	Response and Results
 <b>Investors (Corporations)</b>	In accordance with regulations, actively disclose relevant information on significant legal violations on the "Market Observation Post System, MOPS" for public inquiry. No significant legal violation events were announced in 2023.
 <b>Government Agencies</b>	<ul style="list-style-type: none"> <li>Continuously enhance various internal control systems in accordance with legal requirements and practical needs, including the addition of internal controls for significant information processing, prevention of insider trading, and controls for stock units, along with implementation details.</li> <li>In 2023, there were no incidents resulting in penalties imposed by regulatory authorities.</li> </ul>

Material Topic		Sustainable supply chain management									
<div></div> <div>Framework &amp; Indicator</div>	<ul style="list-style-type: none"><li>GRI 308 Supplier Environmental Assessment</li><li>GRI 414 Supplier Social Assessment</li><li>SASB: Supply chain management, raw materials management</li><li>Detailed goals 8.7、8.8、12.2、12.7</li></ul>	<div></div>									
<div>Impact Description</div> <div><ul style="list-style-type: none"><li>[Definition] NYPCB’s management processes and methods for suppliers and contractors, including whether to screen and evaluate suppliers and contractors based on environmental, social, and human rights standards (including human rights)</li><li>[Impact Description] Unstable supply of raw materials and major environmental and human rights incidents in the supply chain can easily expose companies to reputational risks and market risks. Through supplier classification evaluation and key raw material manufacturer evaluation, NYPCB ensures the quality and stability of raw material supply, reduces the risk of key raw material chain interruptions, and avoids operational risks and losses.</li></ul></div>											
<table><tr><td>Actual</td><td></td></tr><tr><td>Potential</td><td></td></tr><tr><td>Positive</td><td></td></tr><tr><td>Negative</td><td></td></tr></table>				Actual		Potential		Positive		Negative	
Actual											
Potential											
Positive											
Negative											

Management Action	Action performance tracking	Achieve Overview	Short-term target	Medium, and Long-term target
Conduct supplier grading evaluation every year	There are 60 suppliers evaluated as Grade B or above, accounting for 100%	Achievement	1. Continuously conduct supplier grading evaluation 2. The proportion of B-grade or above is 100%	Ensure suppliers are of high quality
Risk assessment of key raw material procurement suppliers	1. Key suppliers update their business continuity plans (BCP) every year 2. Suppliers conduct self-risk assessments every year. In 2023, there will be no high-risk suppliers among the 23 suppliers.	Achievement	1. Key suppliers update their business continuity plans (BCP) every year 2. Suppliers conduct self-risk assessments every year, and there are no high-risk suppliers.	No high-risk suppliers
Encourage smelters in the supply chain to participate in responsible mineral assurance processes	1. 12 smelters participated in RMAP and obtained third-party certification 2. 100% of the overall smelting plant in the supply chain	Achievement	1. Smelters in the supply chain participate in RMAP and obtain 100% third-party certification 2. No conflict minerals used	No conflict minerals used

Stakeholder	Response and Results
 <b>Media</b>	Arrange news interviews and issue press releases from time to time based on individual cases to explain the supply chain situation No abnormal cases in 2023
 <b>Government</b>	Communicate with the competent authorities on supply chain issues through official correspondence from time to time No abnormal cases in 2023
 <b>Customer</b>	Communicate via email from time to time to maintain good communication channels at all times Every year, we conduct on-site audits of documents and factories required by customers from time to time. NYPCB has passed the audits and improved related issues. The customer proposed a business continuity plan (BCP) for NYPCB in 2023, and the audit results were normal.
 <b>Supplier</b>	Conduct quarterly business review meetings (QBR) with suppliers to communicate face-to-face on business execution status and problems Conduct supplier document and on-site audits from time to time every year to ensure business execution is in compliance with regulations In 2023, all supplier documents and on-site audit results will be 100% in compliance with business specifications, and there will be no high-risk suppliers.

### 2.1.1 Board of Directors

The Board of Directors, acting on behalf of the shareholders, serves as the supreme governing body of NYPCB. Its primary responsibilities encompass ensuring transparency of corporate information and adherence to legal requirements, appointing senior management, formulating proposals for profit distribution, and overseeing and directing corporate operations. In accordance with the Company Law, the company's articles of association, regulations governing board meetings, and NYPCB's "Code of Conduct for Directors and Executives" and "Integrity Operating Guidelines," relevant personnel are required to execute their duties with adherence to ethical standards to prevent actions detrimental to the interests of the company and shareholders, thereby fulfilling their fiduciary duties as prudent corporate stewards. For the operation of the Company's Board of Directors, please refer to the official website under the "Corporate Governance Structure and Operation, and Important Rules and Regulations of the Company."

To establish a robust corporate governance system and ensure sustainable development, NYPCB has formulated the "Sustainable Development Code" by referencing relevant regulations set forth by Taiwan Stock Exchange Corporation (TWSE) and the Taipei Exchange (TPEX). These guidelines aim to urge the company to actively engage in sustainable development while conducting its business operations, continuously review the effectiveness of its implementation, and strive for continuous improvement, thereby fostering a competitive advantage based on sustainability. Each year, a sustainability report is published addressing environmental protection, social responsibility, and corporate governance issues arising from operational activities. After the ESG Promotion Committee reviews and verifies the relevant data, it submits the report to the Sustainability Development Committee for approval by the Chairman before external disclosure and reporting, with submission to the Board of Directors in May each year.

#### || The role of the NYPCB's Board of Directors ||

Purpose of the Board	The Board of Directors, acting on behalf of the shareholders, serves as the company's supreme governing body. Its core responsibilities include ensuring transparency in corporate information, compliance with legal requirements, establishing management standards, supervising integrity in operations, promoting ESG initiatives, mitigating potential risks, and maximizing corporate value.
Sustainable Development Vision	To implement corporate governance, enhance sustainable information disclosure, align with international best practices, fulfill social responsibilities, and achieve the vision of sustainable development.
ESG Strategy and Policy	<ul style="list-style-type: none"> <li>Understanding the concerns of stakeholders, monitoring international ESG trends, leading the establishment of ESG policies, supervising the implementation of strategies and ensuring the effectiveness of their mechanisms.</li> <li>Managing and overseeing the execution and outcomes of due diligence investigations to ensure effectiveness and review mechanisms.</li> </ul>

### • Composition of the Board of Directors.

NYPCB's board member selection process shall follow the "Company Act", the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and the NYPCB's "Board Member Selection Procedures" and other regulations. Current term board members are appointed by shareholders at the shareholders meeting on May 2023, and consists of nine members (one board chairman, five directors and three independent directors) whose appointment periods are from May 2023 to May 2026. The present Board Chairman is Chia-Chao Wu, and General Manager is Ann-De Tang. Our directors are all highly-specialized personnel with rich experiences in the industry. They provide the most professional guidance on the Company's strategic planning for future developments, with an average age of about 72 years old. To fortify the independence and diversity of its corporate governance, the Company currently has three independent directors; however, there are no female directors at the moment. For the diversity of the Board of Directors of the Company, please refer to the official website under "Board of Directors".

Position	Name	Education	Concurrent positions in NYPCB or other companies
Chairman	Representative of Nan Ya Plastics Corporation Chia-Chao Wu	Bachelor Degree in Business Administration, National Chengchi University	Chairman of Nan Ya Plastics Corp., and Nan Ya Technology Corp.
Director	Representative of Nan Ya Plastics Corporation Wen-Yuan Wang	Master Degree in Industrial Engineering, University of Houston Bachelor Degree in Chemical Engineering, University of Houston	Chairman of Formosa Taffeta Corp., Director of Formosa Plastics Corp., Nan Ya Plastics Corp., Formosa Chemicals & Fibre Corp., Formosa Petrochemical Corp., Nan Ya Technology Corp., Formosa Sumco Technology Corp. and Formosa Advanced Technology Corp..
Director	Representative of Nan Ya Plastics Corporation Ming-Jen Tzou	Chemical Engineering Department of Taipei Tech	Director of Nan Ya Technology Corp., Director and President of Nan Ya Plastics Corp.
Director	Ann-De Tang	Bachelor Degree in Electrical Engineering, National Taiwan Institute of Technology	President of Nan Ya PCB Corp.
Director	Lien-Jui Lu	Bachelor Degree in Chemical Engineering, National Taiwan Institute of Technology	Vice President of Nan Ya PCB Corp.
Director	Kuo-Chun Chiang	Master Degree in Management, National Central University	Vice President of Nan Ya PCB Corp.
Independent Director	Ta-Sheng Lin	Master Degree in Chemistry, Texas Southern University	Chairman of China Electric Investment Corp., Director of China Electric MFG Corp.
Independent Director	Jen-Hsuen Jen	Master Degree in Chemical Engineering, Massachusetts Institute of Technology	<ul style="list-style-type: none"> <li>Chairman of Fuchu Corp. and Fuchu Investment Corp.</li> <li>Independent Director of Wistron Corp. and Ion Electronic Materials Corp.</li> <li>Director of UltraChip Inc.</li> </ul>
Independent Director	Shui-Chi Chuang	Master in Economics, Chinese Culture University	<ul style="list-style-type: none"> <li>Director of Customs, MOF</li> <li>Deputy Director of Customs Administration, MOF</li> <li>Taipei Customs Commissioner, Customs Administration, MOF</li> </ul>

## • Operations of the Board of Directors

### || Overview of the Board of Directors' Operations in 2023 ||

Number of Meetings	Average attendance rate of directors
6	100%

Major Resolutions		
Category	Resolution Content	Progress Overview
Normal Resolution	Approved the 2022 annual financial statements and established the operational plan for 2023.	Following the approval by the board on February 24, 2023, relevant financial information was disclosed through the Taiwan Stock Exchange's Market Observation Post System (MOPS).
	Establishment of the 2022 Employee Compensation Plan.	Reported at the Shareholders' Meeting
	Approved the 2022 Dividend Distribution Statement.	1. Resolved by the Board of Directors on February 24, 2023, to distribute a cash dividend of NTD 18.00 per share. 2. Reported at the Shareholders' Meeting.
	Approved at the Shareholders' Meeting held on May 23, 2023.	Submitted relevant information to the Taiwan Stock Exchange's Market Observation Post System (MOPS) on March 7, 2023.
	Approved the reelection of all directors at the 2023 Shareholders' Meeting.	Acceptance of shareholder nominations will be from March 20th to March 29th, 2023, with the reelection of all directors to be held at the 2023 Shareholders' Meeting.
	Approved the proposed performance incentive standards for managers for 2023, with the intent to align them with those for all employees.	Issued the bonuses of 2023 in May and August respectively, based on the achievement of operational performance targets and employee performance evaluations.
	Approved the pre-approval policy for non-audit services provided by the company's auditing firm.	Executed pursuant to regulations.
	Approved the list of director candidates (including independent directors) proposed by shareholders holding more than 1% of the total issued shares of the company.	Following the board's resolution on April 12, 2023, a notification regarding the list of director candidates (including independent directors) for the 2023 Shareholders' Meeting was submitted to the Taiwan Stock Exchange's Market Observation Post System. Subsequently, after the Shareholders' Meeting, a declaration regarding the election status of the director candidates (including independent directors) was filed.

Major Resolutions		
Category	Resolution Content	Progress Overview
Normal Resolution	The resolution to seek consent from the shareholders' meeting for the removal of restrictions on director non-compete agreements has been approved.	Included in the agenda for the 2023 Annual Shareholders' Meeting.
	Approved the financial statements for the first, second, and third quarters of 2023 for the company.	Submitted a public announcement to the Taiwan Stock Exchange's Public Information Observation System.
	Approved the amendment to the "Internal Control System" and the "Implementation Rules for Internal Audit."	Conduct internal audit operations accordingly.
	Approved the election of the Chairman of the company.	Filed an announcement on the Taiwan Stock Exchange's Public Information Platform appointing Chia-Chau Wu as the Chairman of the company.
	Approved the record date and payment date for cash dividends for the fiscal year 2022 of the company.	Cash dividends will be distributed starting from July 19, 2023.
	Appointed members of the Remuneration Committee.	Filed on the Stock Exchange Market Observation Post System after approval by the board on May 23, 2023.
	Appointed members of the Sustainable Development Committee.	Filed on the Stock Exchange Market Observation Post System after approval by the board on May 23, 2023.
	Approved remuneration for current directors of the company.	Conducting relevant operations according to the resolution.
	Approved the adjustment of managerial salaries for the year 2023, in line with those of all employees.	Conducting relevant operations according to the resolution.
	Approved the continuation of the current managerial salary standards and structure, as well as the performance evaluation system.	Conducting relevant operations according to the resolution.
	Approved the appointment of an internal audit manager within the company.	The former Internal Audit Manager, retired on July 20, 2023. Kuo-Chun Ai was appointed as the new Internal Audit Manager effective August 3, 2023.
	Approved the audit plan for the year 2024.	Filed on the Stock Exchange Market Observation Post System
	Approved the change of the company's registered address.	The registration change has been completed with the Department of Commerce Development, Ministry of Economic Affairs.

## || Training Status of Board of Directors ||

Board of Directors' Training Status in 2023				
Position	Name	Organization	Course	hour
Chairman	Chia-Chau Wu	Securities and Futures Institute	Global Economic Outlook and Industrial Trends in 2024	3
			Carbon Credit Trading Mechanism and Application of Carbon Management	3
Director	Wen-Yuan Wong	Securities and Futures Institute	Global Economic Outlook and Industrial Trends in 2024	3
			Carbon Credit Trading Mechanism and Application of Carbon Management	3
	Ming-Jen Tzou	Securities and Futures Institute	Global Economic Outlook and Industrial Trends in 2024	3
			Carbon Credit Trading Mechanism and Application of Carbon Management	3
	Ann-De Tang	Securities and Futures Institute	Global Economic Outlook and Industrial Trends in 2024	3
			Carbon Credit Trading Mechanism and Application of Carbon Management	3
	Lien-Jui Lu	Securities and Futures Institute	Global Economic Outlook and Industrial Trends in 2024	3
			Carbon Credit Trading Mechanism and Application of Carbon Management	3
	Kuo-Chun Chiang	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit	6
		Securities and Futures Institute	Introduction to the Adjudication Law on Corporate Governance Disputes and Business Events	3
			How should directors and supervisors supervise enterprise risk management and crisis handling?	3

Board of Directors' Training Status in 2023				
Position	Name	Organization	Course	hour
Independent Director	Ta-Sheng Lin	Securities and Futures Institute	Measuring and Managing the Impact of Sustainable Development Goals	3
			Carbon Credit Trading Mechanism and Application of Carbon Management	3
			Transformation Opportunities and Challenges for Taiwanese Industries in Geopolitical Contexts - Exclusive Analysis by PMI/NMI	3
	Shyur-Jen Chien	Taiwan Stock Exchange Corporation and the Taipei Exchange	Promotional Conference on Sustainable Development Initiatives for Listed Companies	3
		Chinese National Association of Industry and Commerce	2023 Taishin Net Zero Energy Summit	3
	Shui-Chi Chuang	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit	6
		Securities and Futures Institute	Global Economic Outlook and Industrial Trends in 2024	3
			Carbon Credit Trading Mechanism and Application of Carbon Management	3

## • Board of Directors and Management Performance Evaluation

In addition to conducting regular self-inspections of the Board of Directors' operations and strengthening the functions of the Board, NYPCB's internal auditors also prepare audit reports on the operations of the Board to comply with regulatory requirements.

The measurement items for the Company's Board Performance Evaluation include the following five aspects: participation in the Company's operations, improvement of the quality of Board decisions, composition and structure of the Board, director selection and continuous education, and internal controls. The participation in the Company's operations includes the management of the Sustainable Development Committee, which provides regular reports on its execution. This allows the Board to monitor the economic, environmental, and social impacts and incorporate management effectiveness into the evaluation to achieve sustainable governance. The evaluation period for the Company's Board Performance Evaluation is from October 1st of each year to September 30th of the following year, and the evaluation results should be reported to the Board before the first quarter of the following year. The evaluation results for the year 2023 were reported to the Board in advance during the fourth quarter of that year. For more information, please refer to the "Performance Evaluation of the Board of Directors" section on the official website."



The performance evaluation of NYPCB's executives is comprehensively assessed by the Chairman based on their overall performance within the scope of their responsibilities and the achievement of individual "annual work objectives". This is to ensure that executives understand and collectively achieve the company's strategic goals, and to link the incentive system with the performance of both the supervisor and the overall company. The key performance indicators related to executive compensation and performance evaluation are as follows.

The indicators for executive compensation and performance evaluation	
Financial indicators	<ul style="list-style-type: none"> <li>Operating profit/EBITDA</li> <li>Achievement rate of operational goals</li> <li>Operating growth rate</li> <li>Profit contribution ratio</li> </ul>
Non-Financial indicators	<ul style="list-style-type: none"> <li>Environment (E): Environmental sustainability participation rate, water and energy conservation performance, circular economy benefits, carbon reduction target achievement rate.</li> <li>Social (S): Public safety/occupational accidents, product research and development and innovation, community harmony and neighborliness.</li> <li>Governance (G): Operational management capability, AI-driven initiatives/benefits, number of misconduct incidents</li> </ul>



## • Board and Management Compensation.

At NYPCB, the remuneration of directors and executives is subject to prior review by the Remuneration Committee before implementation upon approval by the Board of Directors. Director remuneration is determined in accordance with Article 16 of the company's bylaws, which authorize the Board to establish remuneration levels based on directors' level of involvement and contribution to the company's operations, and to reference industry standards. However, independent directors receive fixed remuneration monthly and are reimbursed for actual attendance at board meetings, while other directors receive reimbursement solely for attendance at board meetings and do not receive variable compensation.

The remuneration for managers such as the General Manager, Deputy General Managers, and Assistant General Managers includes fixed monthly salary, as well as diligent performance bonuses, year-end bonuses, supervisor incentives, and performance bonuses based on the overall company performance assessment results. Additionally, retirement benefits (including both old and new scheme pensions) and welfare funds are allocated monthly in accordance with the company's "Retirement Regulations." In special circumstances, additional compensation such as managerial severance pay, severance pay, and condolence money may be provided.

For the payment of remuneration to directors and managers in 2023, please refer to the annual report "Remuneration paid to directors (including independent directors), president and vice president in recent years".

|| The ratio of the highest salary to the median annual salary of employees over the past three years, as well as the growth rate between the two ||

Item	2021	2022	2023
Annual total compensation ratio (Note 1)	6~10 multiple	9.251 multiple	11.91 multiple
Annual percentage increase in total compensation (Note 2)"	156.6 %	-3,123.1% (Note 3)	3.62%

Note 1: The annual total compensation ratio = Total annual compensation of the highest-paid individual / Median total annual compensation of other employees. Compensation calculation includes base salary, bonuses, and other benefits.

Note 2: Increase in the annual total compensation ratio = Increase in the compensation of the highest-paid individual / Increase in the median total annual compensation of all employees (excluding the highest-paid individual).

Note 3: Due to more than 800 employees who have been employed for more than 6 months but less than 1 year in 2022 (annualized), resulting in a decrease in the overall median salary, hence the negative salary growth rate.

Note 4: The highest-paid individual belongs to the senior management level.

|| Remuneration Policy for Directors and Managers of NYPCB ||

Object	Distribution Items
Director (Including independent directors)	<ul style="list-style-type: none"> <li>Fixed monthly remuneration (only Including independent directors).</li> <li>Travel expenses based on their attendance on the Board of Directors.</li> <li>No remuneration is paid</li> </ul>
Manager (President, Vice President and other managers)	<ul style="list-style-type: none"> <li>Fixed monthly salary</li> <li>Diligence award, year-end bonus, supervisor award, incentive bonus</li> <li>Monthly allocation of retirement funds (including new and old system retirement funds), welfare funds, etc. according to the company's "Retirement Regulations"</li> <li>Provision of compensation for special circumstances such as supervisor retirement benefits, severance pay, compassionate payments, etc.</li> </ul>
Non-managerial staff	<ul style="list-style-type: none"> <li>Fixed monthly salary</li> <li>Diligence award, year-end bonus, supervisor award, incentive bonus</li> <li>Monthly allocation of retirement funds (including new and old system retirement funds), welfare funds, etc. according to the company's "Retirement Regulations"</li> <li>Provision of compensation for special circumstances such as severance pay, compassionate payments, etc.</li> </ul>

## 2.1.2 Functional Committee

### || The primary functions of the committee ||

Name of the Committee	Audit Committee	Remuneration Committee	Sustainable Development Committee
Established in	June 2017	December 2011	May 2022
Member Composition	Composed of 3 independent directors	Composed of 3 independent directors	Consists of the Chairman, 3 independent directors, and 1 director.
Main function	<ul style="list-style-type: none"> <li>Oversee the appropriateness of financial statement presentations.</li> <li>Evaluate the selection (dismissal) and independence of external auditors.</li> <li>Monitor the effective implementation of internal controls.</li> <li>Ensure compliance with relevant laws and regulations, and manage existing or potential risks.</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate the company's director and manager compensation policies and systems, and provide recommendations to the Board of Directors for decision-making.</li> </ul>	<ul style="list-style-type: none"> <li>Review the company's sustainable development policies, strategies, and management guidelines.</li> <li>Monitor the company's initiatives and implementation of sustainable development programs.</li> <li>Review significant sustainable development information disclosed in the sustainability report and report to the Board of Directors.</li> <li>Oversee the company's greenhouse gas inventory and verification planning.</li> <li>Monitor significant issues concerning shareholders, employees, customers, communities, and government bodies.</li> <li>Handle other matters instructed by the Board of Directors.</li> </ul>
Meetings in 2023	In 2023, there were a total of 5 meetings convened, with a 100% attendance rate.	<ul style="list-style-type: none"> <li>In 2023, there were a total of 2 meetings convened, with a 100% attendance rate.</li> </ul>	In 2023, there were a total of 2 meetings convened, with a 100% attendance rate.

Name of the Committee	Audit Committee	Remuneration Committee	Sustainable Development Committee
Major Resolutions in 2023	<ul style="list-style-type: none"> <li>• Approved the 2022 financial statements.</li> <li>• Approved the financial statements for the first, second, and third quarters of 2023.</li> <li>• Approved the adoption of the policy for granting pre-approval of non-assurance services provided by the audit firm.</li> <li>• Approved the 2022 "Internal Control System Statement."</li> <li>• Approved the proposal to seek shareholders' approval for the removal of restrictions on directors' competition.</li> <li>• Approved the amendment of "Internal Control System" and "Implementation Rules for Internal Audit".</li> <li>• Approved the appointment of the new Internal Audit Manager of the company.</li> <li>• Approved the 2024 Audit Plan.</li> <li>• Approved the change of Company Registered Address.</li> <li>• Approved the negotiation of Credit Limits with Financial Institutions to Meet Operational Needs.</li> </ul>	<ul style="list-style-type: none"> <li>• Approved the performance incentive standards for management for 2023.</li> <li>• Approved the remuneration for current directors.</li> <li>• Approved the current management remuneration standards and structure.</li> <li>• Approved the current management performance evaluation system.</li> <li>• Approved the principles for reimbursing transportation expenses for directors serving concurrently as members of the Sustainable Development Committee.</li> </ul>	<ul style="list-style-type: none"> <li>• Approved the 2022 ESG report.</li> <li>• Reported the results of the 2022 greenhouse gas verification.</li> <li>• Report on the progress of energy conservation and water saving measures implemented by the company in 2022.</li> </ul>

## 2.1.3 Integrity in Business

### • Integrity in Business

NYPCB has stipulated the "Code of Ethics for Directors and Managers" and requires that its management abide by the code in operations and avoid unethical behaviors that may damage both the Company and the interests of its shareholders. The Company has adopted an online platform for procurement, which increases efficiency as well as ensures a fair and reasonable procurement process that could avoid malpractice. The platform provides a win-win situation for both NYPCB and its suppliers.

NYPCB has a comprehensive audit system to ensure the company's financial transparency and compliance with laws and regulations. Relevant audit reports are required to be submitted to the Board of Directors. One of the functions of the general management office jointly established by the companies in the Formosa Plastics Corporation is to be able to perform independent audits. This setting can not only improve the professionalism and efficiency of the audit operation, but also give full play to its independent status and achieve the effect of supervision. For the Company's Business Ethics and professional ethics behavior, please refer to the official website under "Business Ethics and Professional Ethical Behavior".

### • Anti-Corruption

#### A. Ethics

NYPCB has always maintained stringent measures to ensure that employees refrain from leaking trade secrets, falsifying facts, spreading rumors, inciting idleness, or engaging in acts that violate gender equality in the workplace. Concrete measures include the establishment of labor and ethical management policies and the dissemination of the twelve-word motto "Creating Value, Operating with Integrity, Coexistence and Prosperity" among colleagues. In 2023, a total of 2 facilities underwent corruption risk assessments, covering 100% of all facilities.

In 2023, NYPCB achieved a 100% completion rate for anti-corruption policy training among its management staff, totaling 1,170 employees. The company also conducts regular reaffirmation of policies during festive occasions. Furthermore, internal labor ethics cross-audits are conducted annually, involving interviews and inspections to ensure proper management practices, rest scheduling, and working hours adherence, thereby preventing corruption.

Since 2016, a "Rule of Law Awareness" course has been added for engineers (managers), ensuring employees understand the legal consequences of accepting bribes or illicit benefits during employment, which may breach company regulations and legal obligations. Additionally, personnel responsible for procurement, contracting, and import-export departments are required to not only undergo the course but also sign a "Procurement Contracting Personnel Code of Conduct" to uphold discipline and attitude standards relevant to their roles, ensuring compliance with the law. In 2023, there were no reported incidents related to the anti-corruption policy.

Employee Code of Ethics	Item Explanation	Implementation
Refusal of Corruption	Explicit provisions in internal regulations prohibit the acceptance of entertainment or gifts from suppliers. Any employee engaging in embezzlement, misappropriation of public funds, acceptance of bribes, or commissions shall be dismissed.	<ul style="list-style-type: none"> <li>Internal regulations explicitly prohibit the acceptance of entertainment or gifts from suppliers. Any employee found engaging in embezzlement, misappropriation of public funds, acceptance of bribes, or commissions shall be dismissed.</li> <li>Rotation of duties is implemented for all personnel in sales, procurement, finished goods warehousing, supervision, and budgeting roles to prevent improper conduct with suppliers.</li> <li>Employees found to violate regulations will face immediate disciplinary action. Their immediate supervisory managers will also be subject to appropriate penalties based on the severity of the offense, demonstrating vigilance and maintaining public trust.</li> </ul>
Prevention of Malpractice	All personnel in sales, procurement, finished goods warehousing, supervision, and budgeting roles are subject to regular rotation to prevent improper conduct with suppliers.	
Adherence to Discipline	Employees found to violate regulations will face immediate disciplinary action, with their immediate supervisory managers also subject to appropriate penalties based on the severity of the offense, serving as a warning and maintaining public trust.	

### Communication and Training Outcomes of NYPCB's Anti-Corruption Policy and Procedures in 2023

Training participants		Communication Channels or Training	Results for 2023
Board of Directors		Educational Training for "Preventing Insider Trading and Handling of Material Non-Public Information"	Educational Training: 9 individuals, accounting for 100% of all board members.
Employees	Management (Junior Executive, Associate Senior Management, Associate Management)	Educational Training for "Preventing Insider Trading and Handling of Material Non-Public Information"	"Educational Training: 316 individuals, comprising 100% of all managements.
		Educational Training for "Integrity in Business" (Including Anti-Corruption and Antitrust Laws)	"Educational Training: 316 individuals, comprising 100% of all managements.
	Staff (Supervisor-frontline staff-new employees)	Educational Training for "Preventing Insider Trading and Handling of Material Non-Public Information"	Educational Training: 1,384 individuals, accounting for 26.8% of all staff.
		Educational Training for "Integrity in Business" (Including Anti-Corruption and Antitrust Laws)	Educational Training: 1,616 individuals, accounting for 31.26% of all staff.

Note: The numbers are as follows: the board consists of 9 members, 316 managements, and 5,170 staffs.

### B. Complaint Channels

The company adheres to the principles outlined in the "Employee Complaint Handling Guidelines" to establish diverse complaint channels, and regularly reviews and tracks the improvement of complaint cases. When handling complaint cases, both the company and the responsible investigators should conduct investigations and reports in a fair and impartial manner, ensuring no retaliation against the complainant and maintaining confidentiality throughout the process. Any breach of confidentiality will be reported and dealt with separately.




#### Summary of Employee Complaint Handling Guidelines and Whistleblower Policy

1. Providing diverse reporting channels such as physical mailboxes, email addresses, and fax lines, and prominently posting notices at the main entrances/exits of the company to inform employees of these channels for reporting.
2. Upon receiving whistleblower reports, dedicated personnel from relevant departments within the company's General Manager's Office are responsible for reviewing, registering, and conducting subsequent investigations into the reported cases.
3. Confidentiality Principle: During and after the investigation period, the personnel handling the case are strictly prohibited from disclosing any information to unauthorized individuals. Supervisors at all levels must also maintain confidentiality, and relevant information should be handled and archived in accordance with confidential document protocols to ensure that whistleblowers are not subjected to any improper treatment due to their reports.
4. Upon substantiated findings of violations, disciplinary actions are taken in accordance with the company's personnel management regulations, and when necessary, relevant authorities such as the judiciary or prosecution are notified.

## 2.1.4 Regulatory compliance

NYPCB has always adhered to the principles of honesty, trustworthiness, and legal compliance in its operations, ensuring strict adherence to relevant laws, regulations, and policies in all three dimensions of sustainability - environmental, social, and corporate governance. NYPCB actively promotes robust corporate governance policies, formulates regulations compliance policies, and implements corresponding management actions. It has also established a "Whistleblowing Policy," providing specific channels for reporting any illegal or inappropriate behavior, rigorously requiring employees, supervisors at all levels, and board members to adhere to their duties and comply with various regulations and laws as the basis for conducting business. Internally, the company actively organizes education and training sessions related to regulatory compliance to ensure that employees understand and adhere to regulatory requirements.

NYPCB defines significant events as those resulting in fines exceeding 1 million NT dollars. In the event of a significant incident, a special task force will be established to conduct an investigation. The findings of the task force will be presented to the General Manager for project explanation, including response handling, follow-up monitoring, improvement strategies, etc. In recent years, there have been no significant incidents. Detailed measures for response, improvement, and monitoring related to violations are explained in the table below.

	Number of Penalties	Description	Amount	In response to improvement	Follow-up actions
 Environmental	1 case of violation of Occupational Safety and Health Act	Failure to assign a qualified organic solvent supervisor to oversee floor cleaning with detergents.	NTD 100,000	Temporary hazardous operations included in the work safety permit application system control.	Already incorporated into the corporate system and completed.
	1 case of violation of Building Act	Delayed periodic building inspections.	NTD 60,000	Listed in the annual assignment list, regularly reported, and reported completed as of August 10, 2023.	The factory management department annually contracts with an architectural firm to conduct safety inspections.
 Social	3 cases of violation of Labor Standards Act	Failure to provide detailed breakdown of salary components.	NTD 20,000	Adjustments for retired personnel provided via mail.	Included in the system execution and regularly reviewed for compliance.
		Failure to provide overtime pay as required for extended working hours	NTD 50,000	Implementation of standardized attendance, promotion of cross-factory manpower scheduling, and increase in flexibility through multi-job training.	Included in the system execution and regularly reviewed for compliance.
		Failure to compensate based on the salary amount received in the month prior to the occurrence of the occupational accident.	NTD 20,000	Compensation should include wages, with relevant regulations revised accordingly.	Systems have been adjusted to ensure compliance with regulations.
 Corporate Governance	None				

For soliciting opinions on compliance-related matters and organizing integrity-related affairs, internally, there is a team of professional lawyers in the Legal Department of the General Administration Office, while externally, legal consultation is provided by law firms such as HuanYing Law Firm and LiLaw Law Firm. NYPCB's policy strictly prohibits the sale of prohibited or controversial products, and it maintains an objective and neutral stance on public policies, refraining from engaging in any political activities. When facing regulatory challenges, we actively take response measures and improvement strategies to ensure continued compliance with regulations and the sustainable development and social responsibility of the company.

### 2.2.1 Risk management and response

NYP CB's risk management organizational structure and the scope of risk management, please refer to the official website under "Risk Management".

#### || The Risk Management Assessment Process: ||



#### Identification and Evaluation

It is divided into three aspects according to the principle of materiality: environ - ment, society and corporate governance in order to identify risks



#### Control and Supervision

Formulate internal control procedures and measures regarding risk issues and continue to supervise



#### Reporting and Disclosure

Report at least once a year to the Board of Directors regarding the status on risk management and disclose the relevant risk management policies on the official website






#### Performance Management and Improvement


Follow up and track the results on relevant risk issues and adjust when needed

#### || Scope of Risk Management ||

Dimension	Risk Items	Risk Management Strategies	Responsible Units	Management Achievements in 2023
 Environment	Climate Change	In response to global trends, we conduct thorough analyses and assessments of the risks and opportunities associated with climate change. We demonstrate a commitment to our responsibilities and strategies by allocating capital more effectively, with the aim of realizing the vision of transitioning to a low-carbon economy. Furthermore, we annually publish the "Task Force on Climate-related Financial Disclosures (TCFD) Report" to disclose our climate-related financial information.	EHS Team	In July 2023, NYP CB released the "Task Force on Climate-related Financial Disclosures (TCFD) Report," which disclosed information regarding our governance, strategy, risk management, metrics, and targets related to climate-related risks and opportunities.
	Water Resources Management	1. Implement energy-saving and water-saving improvement projects to reduce energy consumption and external water procurement. 2. Establish neutral and alkaline wastewater recycling systems and further expand the promotion of wastewater recycling operations throughout the plant area to reduce the raw water consumption of the pure water production system. 3. Evaluate the introduction of recycled water systems to increase the water supply source.	Utility Department	1. In 2023, the wastewater recycling rate increased by 0.1% compared to 2022. The expansion of water recycling equipment in the Jinxing Plant Phase II has been operating steadily, and water production began at the Shulin Plant in October. 2. A total of 14 water-saving projects were completed in 2023, resulting in a daily reduction of 0.17 million liters of water usage and an annual benefit of 1,326 thousand.

Dimension	Risk Items	Risk Management Strategies	Responsible Units	Management Achievements in 2023
 Environment	Greenhouse Gas Emission Management	1. Convene regular energy management meetings on a monthly basis to enhance various energy-saving and carbon reduction technologies. 2. Set short-term, medium-term, and long-term carbon emission targets and consistently advance various energy-saving improvement measures to bolster energy usage efficiency.	EHS Team, Utility Department, Factories	In 2023, a total of 72 energy-saving projects were completed, resulting in a daily reduction of 4,577.3 CO <sub>2</sub> e per metric ton and an annual benefit of 12,422 thousand dollars.
	Energy Management	1. Annually establish environmental management objectives and targets, along with proposing an incentive system, to encourage various units to review and improve energy utilization efficiency. 2. Maintain an energy management organization to oversee operations, convene monthly energy management meetings, and conduct internal audits on energy conservation. 3. Continuously promote the replacement of outdated public utilities and the improvement of electricity efficiency in process equipment.	EHS Team, Utility Department, Factories	In 2023, a total of 72 energy-saving projects were completed, resulting in a daily reduction of 13,939.7 kWh of electricity and an annual benefit of 12,422,000 NT dollars.
	Air Pollution Control	Implementing regular inspection, maintenance, and upkeep work ensures that all equipment operates at optimal efficiency.	EHS Team, Factories	Zero environmental penalty fines in 2023.
	Waste Management	1. To actively reduce waste and maximize resource utilization, we have established recycling points throughout the factory premises for the collection of recyclable materials. Additionally, we continuously improve our production processes and operations to minimize waste generation. 2. Our approach focuses on waste reduction at the source, followed by exploring opportunities for reuse, and finally implementing waste sorting and recycling measures to facilitate resource circulation.	EHS Team, Factories	1. Implemented 4 measures to reduce combustible waste, resulting in a reduction of 4.8 tons per month. 2. Initiated the reuse of pure water filter cores in February after assessing feasibility, with an expected reduction of 2.2 tons of combustible waste per month.
 Social	Human Rights	1. Signed by the president, the "Human Rights Policy" adheres to international human rights standards and labor regulations in the regions of operation worldwide. 2. Committed to providing a workplace environment free from discrimination and harassment. 3. Respects individuals' privacy rights.	Human Resource Team	In 2023, there were a total of 3 cases related to human rights filed through the formal complaint channels.

Dimension	Risk Items	Risk Management Strategies	Responsible Units	Management Achievements in 2023
 Social	Talent Recruitment and Development	1. Utilizing diverse open recruitment channels, actively participating in campus events, offering summer internships, engaging in industry-academic cooperation, and implementing scholarship programs to enhance recruitment efficiency and attract talents. 2. Providing stable and attractive compensation and benefits. 3. Implementing comprehensive education and training programs, encouraging employees to obtain certifications or professional qualifications. 4. Providing reasonable and transparent promotion pathways for outstanding performers.	Human Resource Team	1. Participated in 2 recruitment events in 2023. 2. Collaborated with Ming Chi University of Technology, Chang Gung University, and Lunghwa University of Science and Technology for industry-academic cooperation in 2023, resulting in the hiring of 21 individuals.
	Occupational Safety and Health	1. Based on a foundation of zero public injuries, zero accidents, and zero risks, we provide employees with workplaces that exceed legal safety standards. 2. Encourage supervisors and employees at all levels to actively participate, enhance safety awareness, and eliminate various potential risks.	EHS Team	In 2023, 1,751 improvement proposals were added, all of which have been implemented with progress tracked accordingly.
	Social Participation and Contribution	1. Adhering to the spirit of "taking from society, using for society," we are committed to giving back to society and fulfilling our social responsibilities. 2. Encouraging employees to actively participate, we promote various community engagement initiatives to deepen interaction with residents.	Management Department	1. In 2023, Jin Xing Plant assisted with fee applications for elderly residents and underprivileged citizens in Changxing Village, totaling NT\$124,000, benefiting 742 individuals. 2. In 2023, sponsorship for community engagement activities amounted to NT\$865,000. 3. In 2023, 24 environmental volunteer activities were organized, with a total of 312 participants in walking patrols. 4. In 2023, 14 charity service events were held, with a total of 3,142 participants and donations amounting to NT\$624,000. 5. Since 2022, the Taoyuan City Government has initiated free nutritional lunches for junior high and elementary schools. Consequently, the labor union ceased nutritional lunch donations, and instead, the Love Society initiated a small-scale donation campaign for caring for the underprivileged.

Dimension	Risk Items	Risk Management Strategies	Responsible Units	Management Achievements in 2023
 Governance	Enhance Board Functionality	Establishing a board diversity policy and enhancing the planning of director education topics, providing directors with the latest information on regulations, ESG, economic development, and policies. Additionally, insuring directors with directors' liability insurance to protect their interests and mitigate and diversify the risk of significant losses to the company.	Management Analysis Team	NYPGB's directors not only rely on their professional leadership and decision-making abilities but also possess extensive management skills, diverse industry experience, and expertise in finance, accounting, or law. This deepens the independence of corporate governance.
	Strategic Operations	With the goal of sustainable operation, we continuously develop high-value-added products, maintain good supply-demand relationships with customers and suppliers, and continually improve quality and enhance competitiveness to reduce operational risks.	Management Analysis Team	To fulfill the goals of environmental protection, social responsibility, and corporate governance, a Sustainable Development Committee was established in May 2022, which regularly reports to the Board of Directors.
	Integrity Management	Establishing ethical codes of conduct, fostering robust corporate governance, and implementing risk management mechanisms are essential steps towards promoting integrity in business operations. Assessing the risks associated with dishonest behavior and implementing preventive measures based on these evaluations are crucial in ensuring the effective implementation of integrity policies.	Management Analysis Team	1. Conduct annual educational training sessions on "Preventing Insider Trading" and "Handling of Material Nonpublic Information" for employees and directors. 2. Establish operational procedures for "Handling of Material Nonpublic Information" and amend the "Regulations on Preventing Insider Trading." Additionally, prohibit directors from trading company stocks during the 30-day period preceding the announcement of the company's annual financial report and the 15-day period preceding the announcement of quarterly financial reports.
	Legal Compliance	Through the establishment of governance structures and the implementation of internal controls, strict compliance with legal requirements in business operations is ensured. Additionally, timely awareness and response to changes in policies and regulations are emphasized. Furthermore, a dedicated legal department is established, standardized contract templates are formulated, and legal compliance training is conducted to mitigate legal risks.	Management Analysis Team	1. Timely revise the "Internal Control System" and "Internal Audit Implementation Guidelines." 2. Provide legal compliance training and establish an accessible reporting channel. 3. Implement departmental self-inspections and internal audit operations to prevent personnel misconduct and reduce the occurrence of risks

## 2.2.2 Information Security

In 2023, NYPCB no leaks of personal information, violations of privacy rights, or leaks of customer information. The company fully manages the storage, inspection, authorization, distribution, recycling and destruction of various information such as research and development, production, manufacturing, sales, technical cooperation, negotiation, outsourcing, operation and management according to the confidentiality level set by the company, to protect and fulfill the rights and commitments to partners and customers.

### • Information Security Management Strategy

We keep up with the times and continue to improve the security of information technology. Under the three principles of confidentiality, integrity and availability, we strengthen and ensure the security of various information, systems and networks to build Reliable information environment.

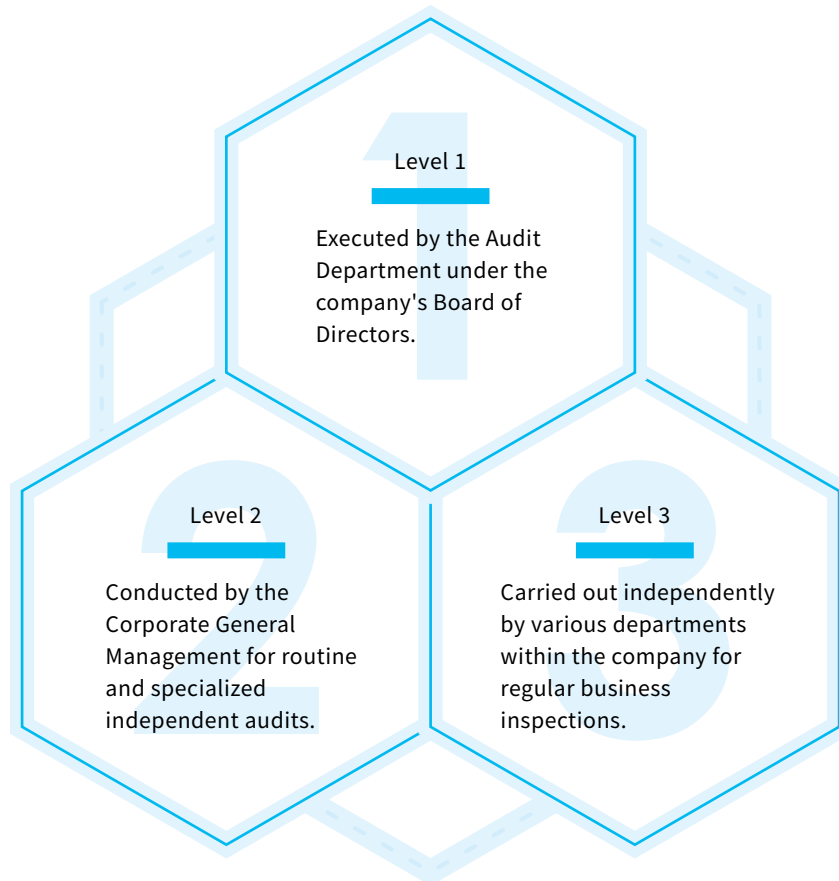
Information Security Management Principles	Management Key	Specific Practices	Implementation Results in 2023
Confidentiality	Information System Software Access Control	The company has management measures to regulate information access management, including computer use rights and information protection procedures, and its scope of authority includes users Internet access, mail account, information system, file server related information acquisition and authority management, etc.	<ul style="list-style-type: none"> <li>Information security operation publicity: 1,793 people.</li> <li>USB illegal reading and writing cases: 1</li> <li>Import multi-factor authentication (MFA) mechanism for external VPN connections</li> </ul>
Integrity	Information system backup drills	<ul style="list-style-type: none"> <li>Regularly every year execute backup drills for host and equipment abnormalities to ensure the integrity and feasibility of backup procedures demand processing</li> <li>If there is a need for temporary backup or restore of each application system, the applicant shall apply according to the procedure, and after approval by the supervisor of the unit, the information unit shall handle it according to the demand</li> </ul>	Server backup switching time average: <ul style="list-style-type: none"> <li>Cluster backup: 10 minutes (within)</li> <li>Manual switching: 30 minutes (within)</li> </ul>

Information Security Management Principles	Management Key	Specific Practices	Implementation Results in 2023
Availability	Entity and environmental safety	<ul style="list-style-type: none"> <li>The computer room is equipped with an uninterruptible power supply system, which is regularly inspected and tested by maintenance personnel or outsourced manufacturers according to the UPS maintenance cycle</li> <li>Computer room equipped with temperature and humidity measuring instruments, water leakage detection alarms, smoke detectors, fire extinguishers, fire alarms and fire alarm reception switchboards to ensure the safety of maintenance and operation of the computer room, to ensure proper system operation.</li> </ul>	The data center is equipped with real-time monitoring of various measurement instruments, such as temperature, humidity, and fire detection. The equipment undergoes regular maintenance and inspection tests every year, and annual holiday breaks include uninterrupted power supply (UPS) switch exercises to ensure the system operates smoothly.
	Anti-virus management and vulnerability detection	<ul style="list-style-type: none"> <li>All computers in the network are equipped with anti-virus software, and the centralized management center monitors the situation of computer poisoning and virus code updates</li> <li>Windows security updates are automatic updates, and the host sends Windows security update files uniformly to fix known loopholes. For machine manufacturers, when updating the program of the machine computer in the factory area, it is necessary to clean the installation program storage medium (USB or hard disk, etc.) before it is allowed to connect to the company network</li> <li>Regularly scan the host system every year, aim at patch management integration and vulnerability analysis, find out potential risks of the system, and reduce network threats and the probability of hosts</li> </ul>	<ul style="list-style-type: none"> <li>SOC network monitoring for real-time cybersecurity alerts.</li> <li>Deployment of antivirus software on 2,866 devices(Jingshin Plant:2,319 devices; Shulin Plant:547 devices) controlled by the antivirus management center in real-time.</li> <li>Weekly antivirus code updates for the antivirus software.</li> <li>Monthly Windows security updates for host systems and customer computers.</li> <li>USB port permission control.</li> <li>Sharing of pre-warning alerts from external cybersecurity organizations such as TWCERT to enhance proactive defense.</li> <li>Vulnerability scanning and patching of host systems every 6 months.</li> <li>Social engineering exercises for email security every year.</li> <li>Conducting red team exercises to simulate cybersecurity attacks, identify system vulnerabilities, and improve security measures every year.</li> </ul>
	Product data security risk	Nanya products are not terminal products, and are designed and produced according to customer product design specifications, so there is no product data risk	

### 2.3.1 Internal Control Operation

#### • Operational structure

NYP CB fully promote computerization across all operational processes. The six major management functions — human resources, finance, business, production, manufacture, and engineering — should be interconnected by computers to enable trench auditing layer by layer as well as abnormality management. NYP CB has also established a professional and independent internal audit operation structure, which is divided into three levels:



#### • Prevention of Insider Trading Management

To prevent improper disclosure of material non-public information that may affect the company's stock price, and to ensure compliance with insider trading regulations by all employees of NYP CB, the NYP CB Insider Trading Prevention Management Guidelines have been established in accordance with Article 8 of the "Guidelines for Establishing Internal Control Systems for Publicly Issued Companies." These guidelines are incorporated into NYP CB's internal control system to ensure the implementation of insider trading prevention management.

Confidentiality of Daily Operations	NYP CB's directors, managers, employees, and consultants shall conduct their business with due care of a prudent person and fidelity to the principles of honesty and integrity. They shall sign confidentiality agreements and refrain from disclosing any material non-public information known to them to any third party before it is officially disclosed by NYP CB.
Internal Reporting Procedure	If directors, managers, employees, or consultants of NYP CB become aware of any unauthorized disclosure of material non-public information, they shall promptly report it to the internal audit department.
	Upon receiving such reports or discovering any unauthorized disclosure of material non-public information, the internal audit department shall consult with relevant departments to devise appropriate measures and record the outcomes for future reference.

## 2.3.2 Internal Audit Operations

The audit department reports to the board of directors and employs dedicated internal audit personnel. These personnel are required to attend relevant audit-related courses offered by professional training institutions every year to continually enhance their professional capabilities. For more information about the organization and operations of the internal audit department at NYPCB, please refer to the "Internal Audit Organization and Operations" section on the official website.

### || Internal Audit Training Overview for the Year 2023 ||

Number of Trainees	Total Training Hours	List of Training Courses
44	54	1. Enterprise New Internal Audit Staff Pre-Service Training Workshop 2. Legal Issues in the Sustainability Report 3. Practical Case Analysis of Company Material Information Disclosure and Asset Stripping

### || The operation of internal audits in the past three years is as follows ||

Item	2021	2022	2023
Audit Plan Reporting Items	41	41	42
Routine Items	39	39	40
Proposed Recommendations	2	2	2
Actual Achievement Rate	100%	100%	100%

## 2.3.3 Employee Behavior and Ethics

NYPCB has established "Work Rules" to clearly define the rights and obligations of both labor and management, as well as to maintain employment order in the workplace. These rules have been publicly disclosed after being approved by the competent authority, providing guidelines for the management of NYPCB employees. The work rules cover various aspects including appointment and transfer of colleagues, working hours, wages, disciplinary measures, dismissal, termination, retirement, training and assessment, compensation and benefits for occupational injuries and illnesses, as well as welfare measures, all of which are clearly defined.

Furthermore, there is a reinforced focus on the conduct and ethical standards of company executives. Engineers and managers, including senior executives, are required to sign the "NYPCB Employee Compliance with Operational Policies Statement." The key points of this statement are as follows:

Item	Description
Prohibition of Unfair Competition (Antitrust Policy)	Employees are required to fully comply with the provisions of the Fair Trade Act, encourage profit-making through legal and legitimate means, and ensure that all actions are in accordance with relevant laws. In 2023, the company had no legal disputes related to anticompetitive behavior, antitrust, or monopoly practices.
Conflict of Interest Policy	Employees are required to safeguard the interests of the company when engaging in business activities and must not compromise the company's interests. Employees are prohibited from directly or indirectly soliciting gifts, entertainment, or other benefits from any suppliers, customers, or competitors of the company. Likewise, employees are not allowed to accept any improper gifts, entertainment, or other benefits from such parties.
Internal Data	Employees are prohibited from disclosing confidential company information or any other undisclosed information without written permission from the company. Such information shall not be used for personal gain or any purposes unrelated to the company's business. Upon termination of employment, employees are required to return all personally held technical data related to the company.
Political Activity Policy	Employees are prohibited from making donations to any candidates, political parties, or engaging in activities prohibited by relevant laws and regulations, using company funds, services, or other valuable assets directly or indirectly. Employees are also prohibited from offering improper benefits to politicians, government officials, or other public figures to avoid influencing their duties.
Code of Business Conduct	NYPCB adopted the "Code of Business Conduct" on November 11, 2014, following a decision by the board of directors. Although the code has been slightly revised in practice, the principles set forth in the code are consistent with those outlined in the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."

### 2.4.1 Fair and reciprocal principles

Based on our business values of integrity and reciprocity, our company is personally led by the senior management. From contract establishment, qualification, manufacturing, marketing, customer service to customer complaint handling, we apply this principle to all our customers. At the same time, we also strictly follow the international quality standards to provide our customers with fast service and good quality. Actual measures taken are provided below:

#### Regular Training

1. Provide educational training to employees regularly to ensure understanding customer needs and related regulations.
2. Before selling the product, we will communicate with our customers on product design and relevant risk to provide the most suitable products.

#### Customer Communication

1. Business and customer service units are required to collect information related to customer satisfaction on TQRDC (technology, quality, response, delivery, and cost).
2. These units are also asked to discuss such issues and improvement measures with the relevant manager. Through a dedicated counseling window, the company's official website and multiple complaint channels, our customer's rights are fully secured.

#### Internal and External Oversight

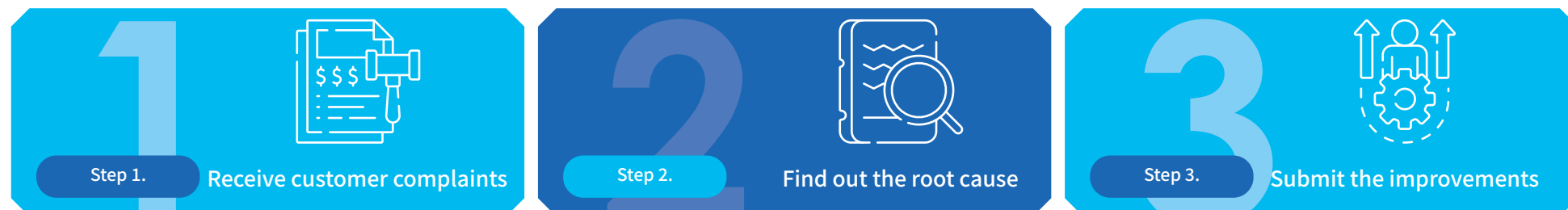
1. Internal and external supervision and operations are regularly carried out to ensure the implementation of company policy as well as fair and reciprocal principles.

### 2.4.2 Customer Service

NYP CB has always been a trustworthy business partner who has grown side by side with its business partners. To enhance customer service, we are not only providing products with quality that exceeds customer expectation, but also establishing an outstanding communication system to provide timely responses to customer requests, and to ensure on time delivery of shipments.

Furthermore, in the aspect of understanding customers' valuable feedback, sales team visit customers regularly to communicate and exchange opinions to obtain information about the latest product in the market. Those feedback will be taken into consideration of the company's operation. Total 14 cases of customer complaints have been received by 2023, the major case is quality issue and have been closed with effective solution in timely manner.

#### || NYP CB Quality complaints process ||

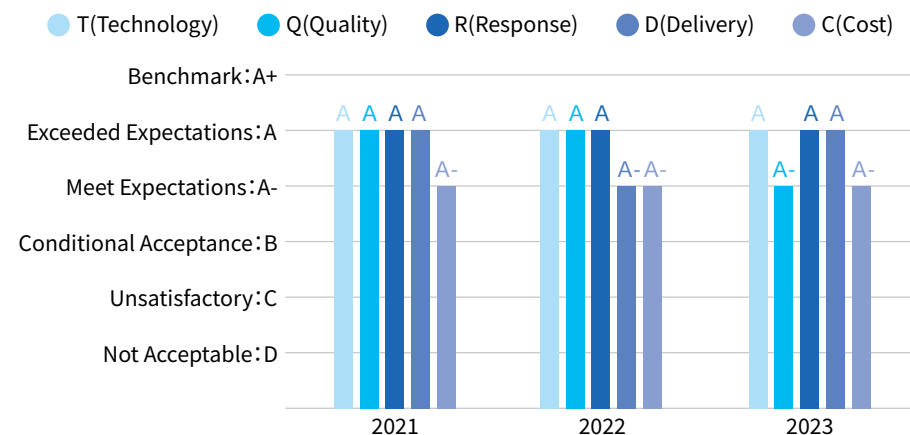


NYPCB regularly conducts customer satisfaction surveys to collect the indicators such as technology, quality, response, delivery, and cost. Each individual department would communicate with customers regarding items that scored poorly and propose improvement plans to customers based on the analysis results in order to raise customer satisfaction.

## || Customer satisfaction surveys ||



Please refer to the questionnaire results over the past three years, in which the average score indicates our performance meet customers' requirement.

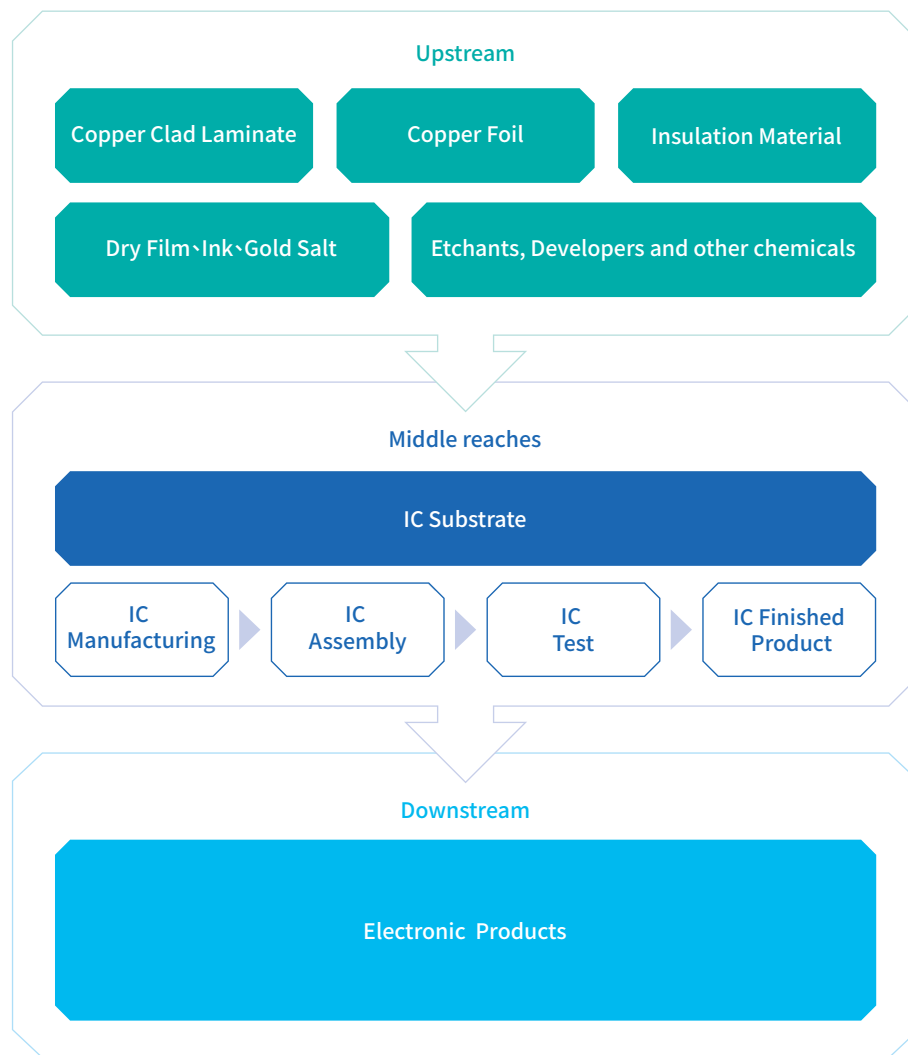


Note 1: Grade standard: Benchmark: A+ (93-100 points), Exceeded Expectations: A (85-<93 points), Meet Expectations: A- (76-<85 points), Conditional Acceptance: B+ (70-<76 points), Unsatisfactory: C (60-<70 points), Not Acceptable: D (<60 points)

Note 2: Statistics : 17 companies in 2021, 16 companies in 2022, 13 companies in 2023 (survey conducted based on sales ranking)

### 2.5.1 Supplier and Contractor Management

|| NYPCB's Supply Chain ||

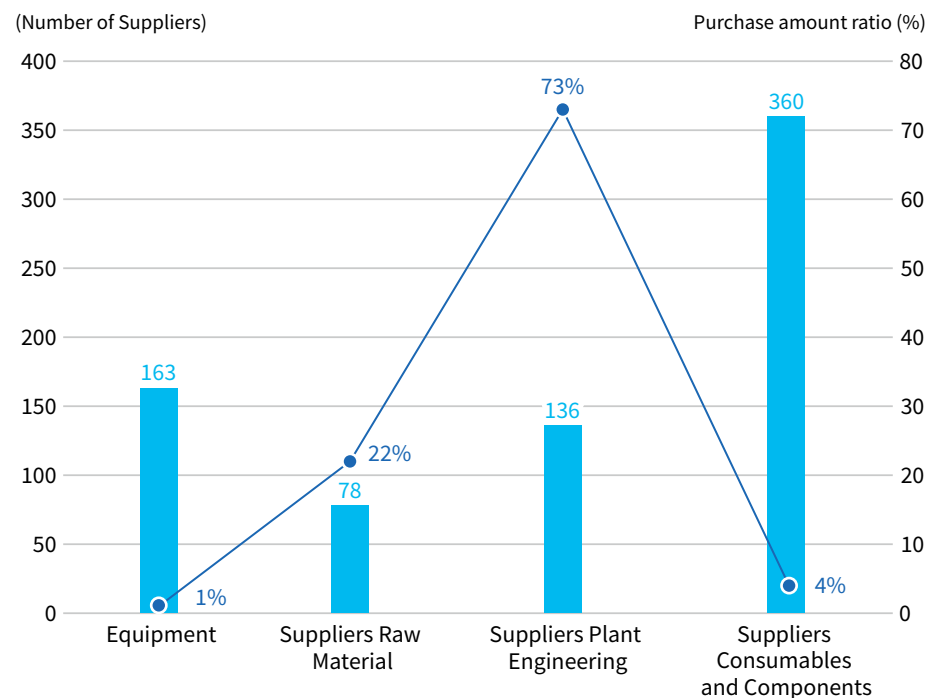


Explanation: The percentage distribution of upstream raw materials in NYPCB's products is approximately 20-40% for Copper Foil, 20-40% for Insulation Material, and the remainder is related chemicals and consumables.

#### • Supplier Composition Overview

In 2023, NYPCB collaborated with approximately 737 suppliers, of which 92% were local procurement suppliers, accounting for 52% of the total procurement amount.

Category	Equipment	Suppliers Raw Material	Suppliers Plant Engineering	Suppliers Consumables and Components	Total
Number of Suppliers	163	78	136	360	737
Purchase amount ratio (%)	1%	22%	73%	4%	100%



## • Management Overview

NYPCB's procurement process follows the "open bidding" approach through the FORMOSA TECHNOLOGY E-MARKET PLACE, providing online inquiry, quotation, negotiation, order placement, and delivery operations with trading partners.

NYPCB has always considered suppliers as partners and is committed to guiding long-term cooperation to establish a stable and sustainable supply chain. Since October 1, 2019, "Supplier/Contractor Social Responsibility Commitment Form" and "Supplier/Contractor Social Responsibility Questionnaire" have been progressively introduced. Suppliers are required to sign and comply with relevant regulations upon logging into the Taipower Electronic Trading Market or placing orders.

### || Supplier/Contractor Management Overview ||

Item	2021	2022	2023
Number of Trading Firms	550	814	737
Signed Social Responsibility Commitment(%)	60%	65%	89%
Filled Social Responsibility Commitment Questionnaire(%)	98%	98%	98%



## 2.5.2 Supplier and Contractor Evaluation and Grading

### • Supplier Evaluation, Audit, and Counseling

NYPCB regularly conducts supplier evaluations with key suppliers' top management. New suppliers are required to pass ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System verification, and are evaluated based on comprehensive criteria such as technical capability (T), quality (Q), service (R), delivery (D), price (C), and environment (E) to assess their suitability for the supply chain. Qualified new suppliers are required to sign the "Letter of Compliance with Corporate Social Responsibility Requirements for Suppliers and Subcontractors of Formosa Plastics Group" during transactions.

### • Quality System Audits

NYPCB conducts annual visits to its major suppliers according to the yearly plan and conducts quality system audits. The goal is to audit over 80% of them within two years. In 2023, it planned to audit a total of 13 major suppliers. All 13 audits were completed, achieving a 100% audit completion rate. There were no high-risk suppliers identified, and there were no significant audit findings. Any other audit deficiencies have been fully addressed and improved.

### || Audit status of Major Suppliers ||

Years	2021	2022	2023
Overall manufacturer audit ratio (Note 1)	100%	100%	100%
Audit ratio of high-risk manufacturers (Note 2)	NA	NA	NA

Note 1: Overall Supplier Audit Rate = Number of Audited Suppliers / Total Number of Major Suppliers

Note 2: High-Risk Supplier Audit Rate = Number of Audited Suppliers / Number of High-Risk Suppliers

## • Supplier Evaluation Item

The audit process begins with suppliers conducting a self-assessment evaluation followed by an on-site audit. Audit items include the execution status of quality systems, human rights and labor conditions, environmental safety, green partnerships, and compliance with RBA and relevant environmental regulations. In case of audit failure, NYP CB requests suppliers to develop improvement plans and provides necessary assistance.

### || Supplier Evaluation Item ||



#### Supplier Environmental and Safety System Evaluation Form

- Health and Safety
- Environment
- Management System



#### Supplier Personnel System Evaluation Form

- Freedom of Employment
- Prohibition of child labor
- Working Hours
- Wages and Benefits
- Humane Treatment
- Non-Discrimination
- Freedom of Association
- Management System
- Code of Conduct



#### Supplier Green Product Audit Checklist

- No Harmful Substance Management System
- Internal Audit and Management Review
- Design and Change Management
- Purchase and Material Inward Management
- Corrective and Preventive Actions
- Warehouse and Production Management
- Shipping Control
- Education and Training
- Document and Record Management

## • Supplier Complaint Channel

The company's electronic trading market has a dedicated customer service center that provides suppliers with 24-hour comprehensive consultation services regarding software operations on the platform and other inquiries related to the company. Furthermore, a response and complaint platform has been established within the electronic trading market system, and responses received are promptly addressed and replied to by the Group's General Management Office.

Based on statistics from the FPG's electronic trading market system, there were 72 cases of supplier feedback in 2023, including 36.1% inquiries about purchase contents, 12.5% system issues, 2.8% revised purchase orders, 1.4% stoppage-related issues, and 47.2% other matters. Stoppage issues refer to cases with more than one abnormal deliveries (inclusive) or an abnormality rate of over 40% (inclusive). In such cases, a stoppage is imposed for one month, which may be lifted in the following month if the issue is improved.

## • For supplier safety management

Please refer to section 4.5 Occupational Safety and Health in this report.



## • Contractor Grading Management

**1** The contractor submits an application.



**2** NYPCB review:

- Written evaluation and review by Formosa Plastics Group's Contracting Center, with on-site evaluation if necessary.
- Contractors are added to the approved vendor list only after passing the evaluation and being documented.



**3** Issues arising during the contractor's construction process:

delivery (project) delays, poor quality, violations of safety and environmental regulations.



**4** NYPCB evaluation:

- Upon contractor confirmation, details are entered into the system, which automatically includes the contractor in the evaluation mechanism.
- Monthly system evaluations with scores  $\leq 74$  result in the contractor being suspended from further transactions.



NYPCB has established a grading management system for contractors to strengthen safety management measures, control the quality of contracted work, and enhance the occupational safety standards of contractors to prevent work-related injuries to their employees. Various types of professional engineering contractors are classified into A, B, and C levels based on their contracting capabilities, technical achievements, and records. The relevant information, investigation, and evaluation of their plant construction sites, construction equipment, site safety management, technical capabilities, and contracting performance are handled by the Procurement Center of the General Management Office.

Selection Criteria	Vendor Construction Evaluation (Regulation No. E00009-2)
Evaluation Items	<ul style="list-style-type: none"> <li>• Construction Quality Management</li> <li>• Occupational Health and Safety Management</li> <li>• Weekly checking of construction materials management according to occupational health and safety checklists</li> <li>• Transport Vehicle Management</li> <li>• Access Control Management</li> <li>• Overdue Improvement</li> <li>• Completion Delay: Construction progress delays resulting in less than 7 days of delay will not result in point deduction, 7-13 days of delay will deduct 3 points, 14-30 days of delay will deduct 7 points, and delays exceeding 30 days will result in a score of 0.</li> </ul>
Evaluation Grades	A-C (Three Grades)

Grading	Corresponding Measures
A Grade	>90 points, eligible for rewards
BGrade	General Management
C Grade	<74 points, subject to counseling

## 2.5.3 Supply Chain Issues

### • Critical Raw Material Procurement

For critical suppliers with exclusive or single-source suppliers, NYPCB requires them to establish and update Business Continuity Plans (BCP) annually. The company appropriately controls emergency response plans and requires suppliers to conduct annual self-risk assessments.

Supplier Classification	<ul style="list-style-type: none"> <li>• Sole Source: Exclusive supplier in the world.</li> <li>• Single Source: Two or more suppliers with industry experience can provide the material, but only one supplier is certified for strategic considerations.</li> </ul>
Business Continuity Plan (BCP) Overview	Business Continuity Plan (BCP) and Risk Assessment Operation: <ul style="list-style-type: none"> <li>• Each year in the first quarter, the Materials team conducts regular updates of the annual Business Continuity Plan (BCP) for the previous year's Sole/Single Source suppliers.</li> <li>• In the second quarter of each year, the supply chain risk assessment is completed.</li> </ul>
Emergency Response Plan Overview	Develop a comprehensive Business Continuity Management system that combines preventive and recovery control measures and procedures. This system aims to reduce operational disruptions caused by natural disasters, accidents, unforeseen events, or management deficiencies to an acceptable level and ensure the company's rapid recovery for sustainable development
Annual Self-Risk Assessment Results	In 2023, the Business Continuity Plan (BCP) was implemented, and the results were as follows: <ul style="list-style-type: none"> <li>• A total of 23 suppliers conducted self-risk assessments. There were no high-risk suppliers identified. One supplier was categorized as a medium-risk supplier.</li> <li>• Emergency response investigations for BCP: 6 occurrences (5 natural disasters such as blizzards, typhoons, earthquakes, and 1 occurrence due to man-made factors such as a factory explosion), with no impact on key material supplies.</li> </ul>

### • Conflict Minerals Management

In terms of conflict mineral management, NYPCB requires all relevant suppliers to cooperate and commit to banning "metal mineral sources from conflict areas." All relevant suppliers must disclose the information of their smelters in order to pass new material certification and be able to trade. For disclosed information For those that are incomplete or come from non-qualified smelters, NYPCB continues to require suppliers to improve and does not rule out finding alternatives. In addition, NYPCB also actively encourages smelters in the supply chain to participate in the Responsible Minerals Assurance Process (RMAP) and be certified as qualified smelters by a third-party impartial organization. In 2023, a total of 13 smelters in the supply chain will participate in RMAP and obtain third-party certification, accounting for 100% of the overall smelters in the supply chain.



## 2.5.4 Local Procurement

NYP CB actively promotes and implements local material procurement to reduce unnecessary air and sea transportation costs and the associated carbon footprint. Over the past four years, the proportion of internal and external purchases, both in terms of the number of suppliers and the amount spent, is shown in the table below:

	2021		2022		2023	
Procurement Category	Internal	External	Internal	External	Internal	External
Supplier ratio (%)	90%	10%	93%	7%	93%	7%
Supplier amount ratio (%)	39%	61%	53%	47%	52%	48%

Note 1: "Internal purchase" refers to suppliers and corresponding purchase amounts within Taiwan, while "external purchase" refers to suppliers and purchase amounts outside Taiwan.

Note 2: Main customers designate high-end products that still require imported raw materials from foreign countries.

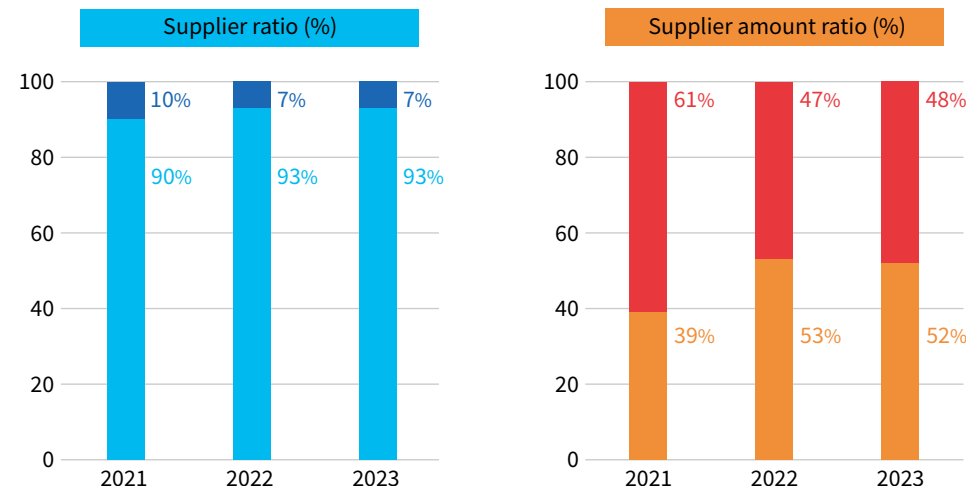
Note 3: Supplier ratio (%) = for each procurement category number of suppliers/total number of suppliers

Note 4: "Supplier amount ratio (%) = for each procurement category amount spent on suppliers/ total procurement amount.

Using products with eco-labels can reduce resource consumption, lower environmental pollution, and minimize the impact on the planet. Since 2007, the Environmental Protection Administration (EPA) has vigorously promoted the policy of corporate group procurement of green products. Due to the substantial procurement amount of the FPG, it not only aligns with the EPA's green procurement policy but also embodies the environmental concept of "recyclable, low pollution, and resource-saving." Moreover, it drives suppliers to actively develop green products and enhances the production level of green products in our country.

To achieve these goals, the company has established a Green Procurement Project team to actively promote the procurement of green products. The main green products purchased include plastic pallets, toner cartridges, fluorescent lamps, and 70 other items. In 2023, the amount spent on government-certified green products reached NT\$7,121,000.

● Internal ● External Unit: %





# 03 Environment Friendly

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## Vision





NYPCB continues to promote energy conservation, emissions reduction, and circular economy initiatives. It integrates energy and resource management across different factory zones to enhance energy efficiency and effectiveness. By aiming for environmental friendliness, the company also strives to boost industrial competitiveness, achieve net-zero emissions, and collectively create a sustainable environmental vision.









## Policies and Commitments


NYPCB has established an "Environmental Health and Safety Policy". Every year, the company sets environmental and safety management objectives, which are reviewed and approved by the General Manager to ensure alignment with operational processes. Environmental and safety management plans are then implemented accordingly. Regular reviews of the policy's relevance to organizational needs and its effectiveness in execution are conducted to facilitate continuous improvement and achieve environmental sustainability.





Material Topic		Greenhouse Gas Management\Air Pollution Management										
<div></div> <div>International Frameworks and Indicators</div>	<div><ul style="list-style-type: none"><li>GRI 305 Emissions</li><li>Specific Objectives 3.9\12.4\13.1</li></ul></div>	<div></div>										
<div>Impact Statement</div> <div><ul style="list-style-type: none"><li>[Definition] The establishment of measures for managing greenhouse gas emissions and air pollutants during the operation of NYPCB, along with setting internal carbon pricing, carbon sequestration, carbon capture, and other related carbon reduction targets.</li><li>[Impact Statement] In response to external regulations and internal environmental management goals, Nan Ya PCB’ s actively formulates and implements effective management actions to reduce greenhouse gas emissions, establish processes and monitoring for the prevention and control of exhaust gas pollution, comply with regulations, and proactively respond to international trends. This effort reduces carbon costs and operating expenses, enhancing industrial competitiveness.</li></ul></div>		<table><tr><td>Actual</td><td></td></tr><tr><td>Potential</td><td></td></tr><tr><td>Positive</td><td></td></tr><tr><td>Negative</td><td></td></tr></table>			Actual		Potential		Positive		Negative	
Actual												
Potential												
Positive												
Negative												
Management Actions	2023 Action Performance Tracking	Achievement Overview	Short-Term Goals (1-3 years)	Medium to Long-Term Goals (3 years or longer)								
Through SBTi verification, we have established short-term goals (Science based target, SBT)aiming for a 25% reduction in greenhouse gas emissions by 2030, using a science-based target approach with 2020 as the baseline.	<div><ol style="list-style-type: none"><li>Conduct an organization-level greenhouse gas inventory in accordance with ISO 14064-1:2018 to assess emissions.</li><li>Achieve a reduction of 16.7% in greenhouse gas emissions compared to the previous year.</li><li>Develop a reduction pathway map based on SBT targets and track performance annually.</li></ol></div>	Meet the standard.	Short-term (within 3 years): Reduce greenhouse gas emissions by 2%.	Medium to Long-term (within 3 to 7 years): Reduce greenhouse gas emissions by 3%.								

Management Actions	2023 Action Performance Tracking	Achievement Overview	Short-Term Goals (1-3 years)	Medium to Long-Term Goals (3 years or longer)
Increase the use of renewable energy to reduce greenhouse gas emissions.	1. Solar photovoltaic system inaugurated in June, capable of generating 330,000 KWH of renewable energy annually. 2. Purchase of green power (wind and solar), scheduled for implementation in October 2024, is already planned.	Meet the standard.	Short-term (within 3 years): Utilize 18.75 million KWH of green power in October 2024.	Medium to Long-term (within 3 to 7 years): Continuously utilize 18.75 million KWH of green power annually from 2024 to 2029.
Air pollution monitoring and control	1. Zero environmental fines 2. Cooperate to implement daily inspection, maintenance, and upkeep work	Meet the standard.	Zero environmental fines.	Zero environmental fines.
During the trial run phase of the process equipment installation or modification, emissions testing for the stack will be conducted.	1. Commission an organization accredited by the Ministry of Environment to perform the testing. 2. Ensure that the testing results comply with the regulations.	Meet the standard.	Cooperate with the installation or modification of process equipment, and execute operations for changes to air pollution permits	Zero environmental fines.





Stakeholder Groups	Alignment of Channels and Effectiveness
 Media	<ul style="list-style-type: none"> <li>Arrange periodic news interviews and publish press releases to explain greenhouse gas and air pollution management performance and address controversies.</li> <li>In 2023, no press releases regarding greenhouse gas and air pollution management performance or controversies were issued to establish friendly relations with the media.</li> </ul>
 Government Authorities	<ul style="list-style-type: none"> <li>Communicate with regulatory agencies periodically through official correspondence regarding management performance.</li> <li>Annually register environmental data on the Ministry of Environment's "Corporate Greenhouse Gas Emissions Information Platform" for public access.</li> <li>In 2023, all relevant official correspondence and registration matters were properly addressed. One meeting was held with government authorities to discuss issues related to greenhouse gas inventory data reporting.</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>Periodically respond to customers' "Supplier Surveys" requested by NYPCB.</li> <li>Provide greenhouse gas emission management data and product carbon footprint information to customers upon request.</li> <li>In 2023, responses were provided to 20 customer supplier surveys. Greenhouse gas inventory and air pollution monitoring were conducted proactively to provide relevant data to customers.</li> </ul>
 Neighboring Communities	<ul style="list-style-type: none"> <li>Notify the community through the company website at least once a year with relevant information.</li> <li>In 2023, no complaint cases were received.</li> </ul>










Material Topic		Water Resource Management											
<div></div> <div>International Frameworks and Indicators</div>	<div><ul style="list-style-type: none"><li>GRI 303 Water and Effluents</li><li>Specific Objectives 6.3~6.4</li></ul></div>			<div></div>									
<div><div>Impact Statement</div><div><ul style="list-style-type: none"><li>[Definition] Nan Ya PCB’s utilization, recycling, and reuse of water resources, as well as information on affected water sources.</li><li>[Impact Statement] Water is a critical resource for the electronics industry. NYPCB has established comprehensive management and monitoring systems to actively promote internal water-saving projects and enhance the efficiency of water recycling and reuse. This reduces the risk of water shortages or droughts due to changes in rainfall patterns, lowers operating costs and risks, ensures stable production capacity, and does not affect the shared use of water resources.</li></ul></div></div>					<table><tr><td>Actual</td><td><div></div></td></tr><tr><td>Potential</td><td></td></tr><tr><td>Positive</td><td><div></div></td></tr><tr><td>Negative</td><td></td></tr></table>	Actual	<div></div>	Potential		Positive	<div></div>	Negative	
Actual	<div></div>												
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Management Actions		2023 Action Performance Tracking	Achievement Overview	Short-Term Goals (1-3 years)	Medium to Long-Term Goals (3 years or longer)								
Water Resource Reduction and Reuse Goals	<div><div>1. The water consumption per unit of output is 0.111 million liters per thousand dollars of output, representing a 0.6% decrease compared to the previous year.</div><div>2. The effluent recycling rate is 1,356 million liters per day, indicating a 0.1% increase compared to the previous year.</div></div>	Meet the standard.	<div><div>1. Reduce the water consumption per unit of output by 2% annually compared to the previous fiscal year.</div><div>2. Increase the effluent recycling rate by 1% annually compared to the previous fiscal year.</div></div>	Continuously promote water-saving initiatives, participate in external assessments, and enhance energy-saving technologies and effectiveness.									
Implement water resource management measures and strive for water conservation and improvement activities.	A total of 14 water-saving projects have been completed, reducing daily water consumption by 0.17 million liters and yielding an annual benefit of 1,326 thousand dollars.	Meet the standard.	Install water recycling equipment to reduce the use of purchased water.	<div><div>1. Continue to promote water-saving initiatives.</div><div>2. Increase the use of externally recycled water.</div></div>									
Establish a wastewater recycling system and monitor effluent water quality.	<div><div>1. Zero environmental fines.</div><div>2. Conduct daily effluent sampling and testing, ensuring water quality compliance with regulations.</div></div>	Meet the standard.	<div><div>1. Zero environmental fines.</div><div>2. Install RO purification treatment systems to increase wastewater recycling volume.</div></div>	<div><div>1. Zero environmental fines.</div><div>2. Continuously improve processes and equipment to reduce wastewater discharge and enhance treatment efficiency.</div></div>									

Stakeholder Groups	Alignment of Channels and Effectiveness
 Media	<ul style="list-style-type: none"> <li>Arrangement of occasional news interviews and issuance of press releases to explain water resource management performance and address controversies.</li> <li>No press releases related to water resource management performance or controversies were issued in 2023 to establish friendly relations with the media.</li> </ul>
 Government Authorities	<ul style="list-style-type: none"> <li>Conducting investor/corporate briefings or conference calls to report on sustainable development plans and management execution.</li> <li>No investor/corporate concerns regarding water resource issues were raised in 2023.</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>Periodic communication with regulatory authorities through official correspondence regarding management performance.</li> <li>Adherence to regulations and real-time online monitoring through connection to the 「Major Point Source Continuous Effluent Monitoring Information」 system of the Ministry of Environment for public access.</li> <li>All relevant official correspondence was properly addressed in 2023, and monitoring information remained uninterrupted.</li> </ul>
 Neighboring Communities	<ul style="list-style-type: none"> <li>Notification of the community through the company website at least once a year with relevant information.</li> <li>In 2023, no complaint cases were received.</li> </ul>





Material Topic	Waste Management								
 International Frameworks and Indicators	<ul style="list-style-type: none"> <li>GRI 306 Waste</li> <li>Specific Objectives 3.9、6.3、12.4</li> </ul>								
<div> <div>    </div> </div>									
<div> <div> <p>Impact Statement</p> <ul style="list-style-type: none"> <li>[Definition] Nan Ya PCB's monitors the total amount of hazardous and non-hazardous waste generated during operations, as well as the degree of environmental impact.</li> <li>[Impact Statement] Waste generated during operations is managed by South Power through careful planning of waste management measures. It actively sets waste reduction targets, promotes process waste reduction, and continually tracks off-site disposal operations to avoid violations of relevant regulations and prevent non-compliance-related operating costs.</li> </ul> </div> <div> <table> <tr> <td>Actual</td><td>✓</td></tr> <tr> <td>Potential</td><td></td></tr> <tr> <td>Positive</td><td>✓</td></tr> <tr> <td>Negative</td><td></td></tr> </table> </div> </div>		Actual	✓	Potential		Positive	✓	Negative	
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Management Actions	2023 Action Performance Tracking	Achievement Overview	Short-Term Goals (1-3 years)	Medium to Long-Term Goals (3 years or longer)
Waste Reduction Management and Reuse Goals	The amount of non-recycled waste per unit of output is $5.3 \times 10^{-5}$ tons per thousand dollars, representing a 153% increase compared to the previous year.	Unmet Target.	The goal is to reduce this by 1% annually compared to the previous fiscal year.	1. Continuously promote the reduction of combustible waste. 2. Assess the feasibility of reusing process and equipment waste.
Promote waste reduction measures	1. Implement 4 initiatives to reduce combustible waste, resulting in a reduction of 4.8 tons per month. 2. After assessing feasibility, formally initiate the reuse of pure water filter cores in February, expected to reduce waste by 2.2 tons.	Meet the standard.	1. Continuously promote the reduction of combustible waste. 2. Assess the feasibility of reusing process and equipment waste.	1. Continuously promote waste reduction operations and participate in external assessments to improve energy-saving technologies and effectiveness. 2. Initiate outsourcing for waste reduction projects.
Track waste disposal and contractor management	1. Zero fines for waste disposal. 2. Conduct on-site visits to waste disposal contractors, with no violations found.	Meet the standard.	1. Zero fines for waste disposal. 2. Regularly conduct on-site visits to waste disposal contractors.	1. Zero fines for waste disposal. 2. Conduct due diligence on contractors to ensure business qualifications and legality.

Stakeholder Groups	Alignment of Channels and Effectiveness
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Enhance employees' knowledge and skills in waste management and reduction through the knowledge base platform and educational training, integrating them into business execution.</li> <li>Regularly issue internal announcements and hold communication meetings to explain waste reduction implementation progress at monthly meetings.</li> <li>In 2023, the knowledge base platform provided educational training for employees in 2 sessions, with 1,556 participants, and discussed the progress of waste reduction projects at meetings.</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>Respond to customers' 「Supplier Questionnaire」 requests periodically.</li> <li>Provide information on waste management as requested by customers.</li> <li>In 2023, responded to 20 Supplier Questionnaires and proactively managed waste reduction and disposal to ensure legality and safeguard customer interests.</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>Conduct an annual supplier questionnaire survey to ensure the effectiveness of policy dissemination and timely feedback from suppliers.</li> <li>Conduct annual supplier audits to ensure compliance with regulations and communicate feedback on company policy promotion.</li> <li>In 2023, achieved a 100% response rate to supplier questionnaires, received 1 opinion related to waste management, proactively responded and explained, with all results meeting company standards.</li> </ul>
 <b>Investors/Corporates</b>	<ul style="list-style-type: none"> <li>Conduct investor/corporate briefings or conference calls to report on sustainable development plans and management execution.</li> <li>In 2023, no concerns regarding water resources were raised by investors/corporates.</li> </ul>

Material Topic		Chemical Safety									
<div></div> <div>International Frameworks and Indicators</div>	<div><ul style="list-style-type: none"><li>• Custom Topic</li><li>• Specific Objectives 3.9\6.3\12.4</li></ul></div>		<div><div></div><div></div><div></div></div>								
	<div><div>Impact Statement</div><div><ul style="list-style-type: none"><li>• [Definition] Nan Ya PCB' s enhances the management and emission control measures for chemicals that significantly impact the environment and human health.</li><li>• [Impact Explanation] Chemicals used in product processes, particularly hazardous substances, pose risks to employee health when management mechanisms are not fully implemented. This can lead to damages suffered by employees and the company, increasing operational risks. NYPCB utilizes Category III and IV toxic substances. Through the implementation of management mechanisms, regular reviews, and improvements in management practices, on-site management is effectively enforced. This includes risk prevention and response plans, accident handling procedures, and regular emergency drills to reduce the incidence of related accidents.</li></ul></div></div>		<table><tr><td>Actual</td><td></td></tr><tr><td>Potential</td><td></td></tr><tr><td>Positive</td><td></td></tr><tr><td>Negative</td><td></td></tr></table>		Actual		Potential		Positive		Negative
Actual											
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Management Actions	2023 Action Performance Tracking	Achievement Overview	Short-Term Goals (1-3 years)	Medium to Long-Term Goals (3 years or longer)							
Improvement in Usage Management Mechanism, Implementation of Check Operations	<div><div>1. One violation of the "Violation of Prevention Regulations for Organic Solvent Poisoning" occurred due to lack of supervision by on-site supervisors.</div><div>2. Daily check of on-site operation management forms to ensure compliance with regulations and accurate record-keeping.</div><div>3. Strengthening of internal periodic audits; violations have been rectified.</div></div>	Meet the standard.	<div><div>1. Implementation of on-site operation management processes to ensure no violations occur.</div><div>2. Internal periodic audits conducted with no violations found.</div></div>	Implementation of on-site operation management processes to ensure no violations occur.							

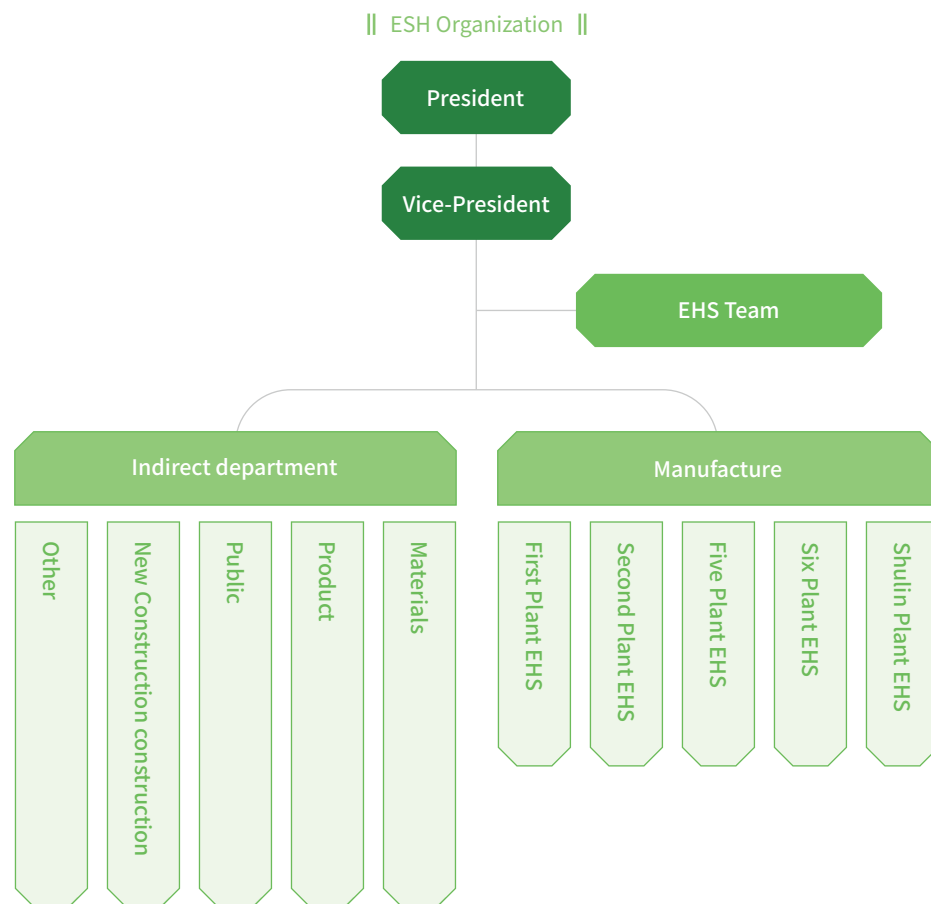
Management Actions	2023 Action Performance Tracking	Achievement Overview	Short-Term Goals (1-3 years)	Medium to Long-Term Goals (3 years or longer)
Training for Toxicity and Hazardous Chemical Response Personnel	Qualified personnel: 9 at Jin Xing Plant and 3 at Shulin Plant, totaling 11.	Meet the standard.	1. Annual training for professional response personnel to comply with regulations. 2. Planned addition of reserve personnel: 3 at Jin Xing Plant and 1 at Shulin Plant, totaling 4.	1. Maintaining annual training for professional response personnel to comply with regulations. 2. Adding reserve personnel: 4 at Jin Xing Plant and 2 at Shulin Plant, totaling 6.
Regular toxic disaster drills conducted without prior warning to ensure all personnel and systems can respond effectively in emergencies	1. One toxic disaster drill conducted with 12 participants. Three test drills conducted with 36 participants, all complying with emergency response procedures. 2. Monthly inspection of emergency equipment, detection, and alarm devices to ensure compliance with regulations.	Meet the standard.	1. No toxic disaster incidents occurred. 2. Annual toxic disaster drills conducted. 3. Review of emergency equipment, detection, and alarm device placement and operation plans every two years to comply with regulations.	1. No toxic disaster incidents occurred.

Stakeholder Groups	Alignment of Channels and Effectiveness
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Through education and training, we ensure the implementation of employee chemical management standards and emergency response measures, integrating them into daily business operations.</li> <li>Internal announcements and communication meetings are held irregularly, with monthly meetings dedicated to explaining the implementation of chemical management and advocating for compliance with occupational safety regulations.</li> <li>In 2023, educational training sessions were conducted via the employee bulletin board, with a total of 4,725 participants.</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>Customer audits and communication meetings are held irregularly, and feedback is obtained through customer satisfaction surveys.</li> <li>Responses to 「Supplier Survey Forms」 requested by customers are provided on an ad-hoc basis.</li> <li>In 2023, responses were given to 4 customer survey forms, addressing inquiries regarding the chemical management system to ensure its legality and safeguard customer interests.</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>Supplier questionnaire surveys are conducted annually to ensure the effectiveness of policy dissemination and timely feedback from suppliers.</li> <li>Annual supplier audits are also conducted to ensure compliance with chemical-related regulations in raw material supply and transportation operations, and feedback on policy promotion is communicated.</li> <li>In 2023, the response rate to supplier surveys reached 100%, with 2 responses related to chemical management, all of which were promptly addressed and explained, meeting company standards.</li> </ul>
 <b>Investors/Corporates</b>	<ul style="list-style-type: none"> <li>Sustainable development plans are reported to investors or corporations via meetings or phone calls, detailing the execution of management plans.</li> <li>In 2023, investors/corporations did not express any concerns regarding chemical management.</li> </ul>

## 3.1.1 Environmental Policy

### • Organizational Structure and Responsibilities of “Environmental, Health, and Safety Group,(EHS)”

NYP CB has a EHS Group that reports directly to the President's Office. In 2009, the EHS was evaluated by the Council of Labor Affairs as the first-tier Labor ESH Management. It is responsible for the integration, formulation, and execution of relevant external business related policies and various standard implementation procedures of the entire company. Each factory also has an environmental safety department, which is responsible for the promotion of internal safety, hygiene and environmental protection.



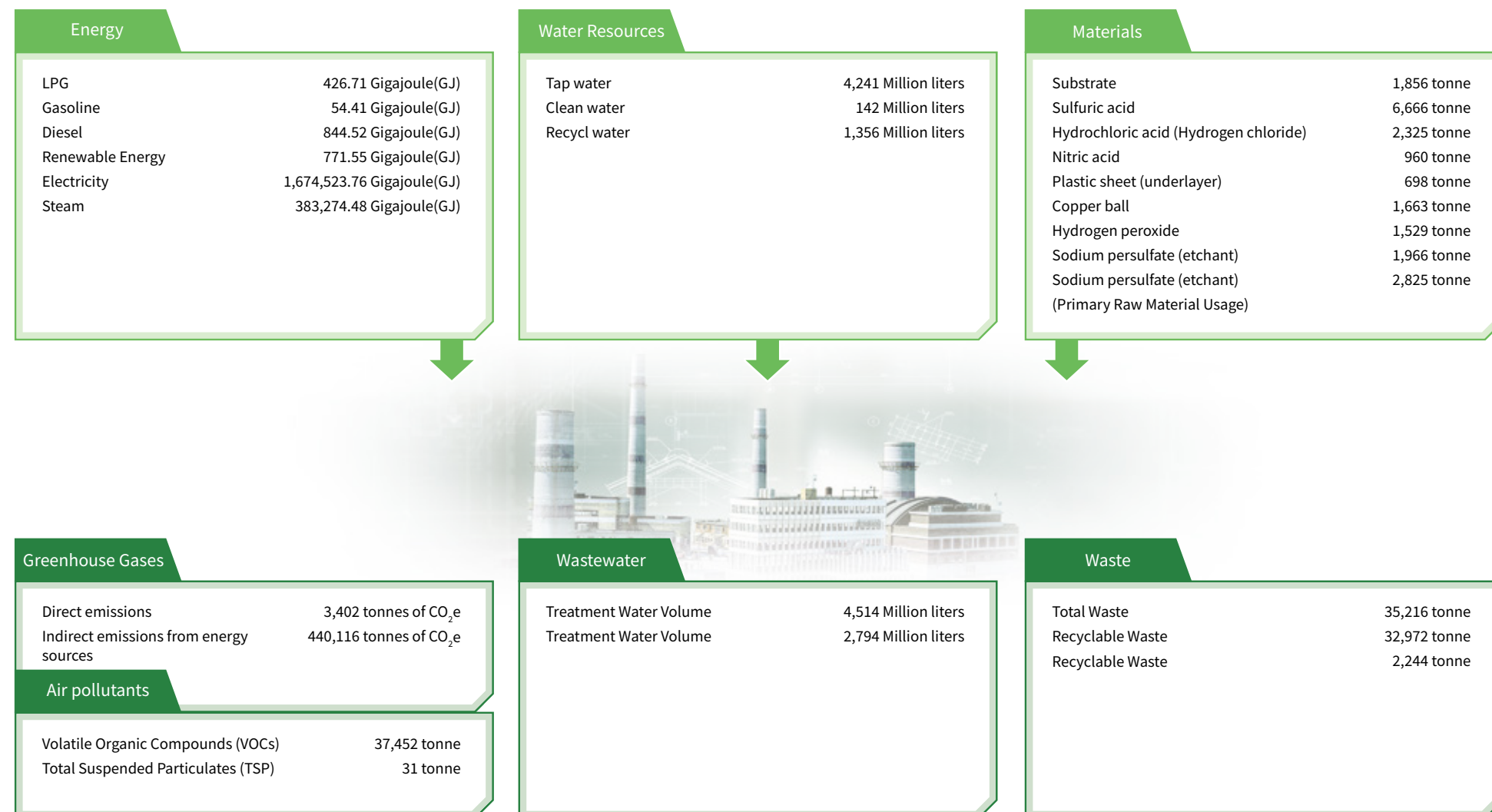
	Safety and hygiene management meeting	Environmental protection and energy saving meeting	Occupational Health and Safety Committee
Organizational Purpose	1. Zero occupational injuries and zero hazards. 2. Zero violation tickets	1. Zero anomalies as checked by the competent authorities 2. Energy saving, water saving and waste reduction	1. Established under the Occupational Health and Safety Act 2. Review safety, hygiene, health and other related business
Top Executive	Vice President	Vice President	President
Meeting Frequency	monthly	monthly	quarterly
Management Results in 2023	No occupational injuries/ disabilities but one fines	Zero Abnormalities in Government Audits. Energy Saving Achievement Rate of 60%. Water Saving Conservation Achievement Rate of 68%. Waste Reduction Achievement Rate of 116%.	This year, 21 new improved cases were proposed, all of which have improved measures implemented, and their execution progress is being monitored.





### 3.1.3 Overall Environmental Results in 2023

In 2023, the total input (materials, energy, water resources) and total output (greenhouse gas, air pollutants, waste, waste water) and other environmental information of NYP CB's operating plants are summarized following diagram:



Note 1: Zero emissions of nitrogen oxides and sulfur oxides in exhaust gases.

### 3.2.1 Climate Change Management Framework

Item	Governance	Strategy	Risk Management	Indicators and Goals
Management Strategies and Action Plan	<ol style="list-style-type: none"> <li>We have established an energy management unit to promote the review and improvement of energy efficiency of each department, as well as hold monthly energy management meetings and tracking the current status.</li> <li>Environmental policies, reduction targets, effectiveness of implementation plans, etc., will be implemented by the General Manager after preliminary review by the Vice President.</li> </ol>	<ol style="list-style-type: none"> <li>We have continues to promote the ISO 14001 environmental management system as well as various energy and resource conservation activities.</li> <li>Cooperate with the government to promote green procurement policies, purchase products that are required to have environmental protection and energy saving labels, and report the procurement results to governmental units every year.</li> <li>Improve the recycling and reuse of waste water generated in the process, promote energy-saving solutions, apply economical and clean production processes, and reduce the demand for energy and water.</li> </ol>	<ol style="list-style-type: none"> <li>Risk topic collection: When formulating risk scenarios, consider the transition risks (policy and legal/market/technology/reputation) in the TCFD structure, then define and explain the risks that may occur.</li> <li>Major risk identification: Identify major risk issues based on the financial impact degree, impact object, and risk possibility of the relevant risk issues.</li> <li>Scenario Analysis and Opportunity Assessment: When developing an opportunity scenario, consider resource efficiency, energy, products and services, markets, and adaptability, and make an opportunity statement explaining the opportunities that may occur.</li> </ol>	We have set absolute greenhouse gas reduction targets, with a baseline year of 2020, starting in 2021, and a target year of 2030. The goal is to achieve a reduction of 25% over a period of 10 years.
Action plan	Collecting and evaluating climate change-related information to formulate climate change adaptation plans, conducting regular reviews for improvement, and implementing energy-saving and emission reduction measures and other climate-related initiatives.	Promoting process optimization, improving the efficiency of public utilities, replacing motors with energy-efficient motors (IE3), and implementing energy-saving measures for drying equipment.	<ol style="list-style-type: none"> <li>In response to future demand for low-pollution emission energy sources, the company is developing automotive electronic products tailored to the needs of electric vehicle (EV) products as requested by customers.</li> <li>In automotive applications, such products include Advanced Driver Assistance Systems (ADAS) and in-car entertainment systems.</li> </ol>	Green energy usage planning
Execution status in 2023	In 2023, 13 meetings were conducted to track the progress of energy management policy implementation, annual goals, and policy decisions."	<ol style="list-style-type: none"> <li>In 2023, a total of 72 energy-saving projects were completed, resulting in a daily reduction of 13,937.7 kilowatt-hours (50.2 GJ) of electricity consumption.</li> <li>The water-saving projects implemented in 2023 resulted in a daily reduction of 0.17 million liters of water consumption.</li> </ol>	<p>The current use of substrate for automotive products in the in-house production process does not yield substantial carbon reduction benefits. However, considering the end product (electric vehicles), it contributes to carbon reduction.</p> <p>The revenue from automotive products in 2023 amounted to 1 billion New Taiwan Dollars, with an average monthly revenue of 83 million New Taiwan Dollars.</p>	<ol style="list-style-type: none"> <li>Solar Power Generation Installation: The Shulin Plant solar photovoltaic system commenced operation in June 2023.</li> <li>Purchase of Green Energy in 2024: Acquisition of green energy (wind power, solar power) in 2024.</li> </ol>

### 3.2.2 Climate Change Management Strategies

In response to international trends, we have analyzed and evaluated the risks and opportunities associated with climate change and demonstrated its responsibilities and strategies by effectively allocating capital to achieve its vision for low-carbon economic transformation.

#### • Short term strategy (Within three years)

Enhance energy efficiency, promote energy and water conservation schemes, introduce AI smart applications, implement cleaner production processes, and reduce the demand for energy and water usage.

Item	Management strategy	Management achievements in 2023
Promote energy and water conservation projects.	Annually set environmental management goals and targets, coordinate with proposal incentive systems, promote energy utilization efficiency review and improvement in various departments, establish an internal energy management organization to manage operations, hold regular energy management meetings monthly, integrate into daily operations, and conduct internal audits on energy conservation.	<ul style="list-style-type: none"> <li>In 2023, a total of 72 energy-saving projects were completed, resulting in a daily reduction of 13,939.7 kilowatt-hours (50.2GJ) of electricity consumption, with an annual cost savings of 12,422 thousand.</li> <li>In 2023, a total of 14 water-saving projects were completed, resulting in a daily reduction of 0.17 million liters of water consumption, with an annual cost savings of 1,326 thousand.</li> </ul>
Outstanding carbon reduction performers in the industry	Evaluation of replacing high-energy-consuming equipment with energy-efficient equipment (heating devices, air compressors, refrigeration units, motors).	In 2023, honored with the 'Outstanding Award for Greenhouse Gas Voluntary Reduction in 2022' by the Industrial Development Bureau of the Ministry of Economic Affairs.

#### • Medium to Long-Term Strategy (3-10 Years)

To address global warming and minimize environmental impacts, we are promoting the application of green products. This involves developing circuit boards/substrates that cater to markets such as electric vehicles, 5G, the Internet of Things, and others.

We integrate the status of environmental systems promotion into supplier assessments. This enables suppliers to recognize our company's determination and goals regarding environmental protection, fostering the creation of a green supply chain. Greenhouse gas emission performance is one of the considerations in this process.

Project	Management Strategy	2023 Management Results
Using green energy	Planning and investigating suitable locations for installing solar power generation.	The progress of green energy adoption includes the installation of a self-owned solar photovoltaic system generating 347.47KW, which was completed in June 2023.
	Planning to purchase green electricity.	Internal consolidation has begun with multiple renewable energy power purchase agreements, which will be dynamically adjusted according to the green energy market. It is expected to purchase 18.42 million kWh/year in 2024.

### 3.2.3 Climate change risk management

Regarding the climate change risk and opportunity assessment process of NYPCB, as well as the outcomes of climate risk scenario analysis, please refer to the "2023Climate-Related Financial Disclosure Report."

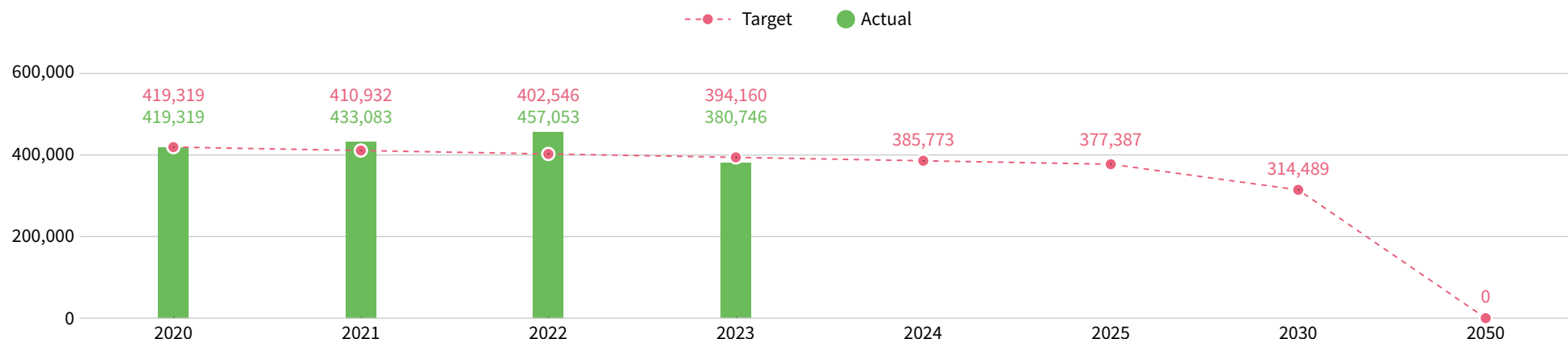
#### || Risk Analysis Results ||

Aspects	The Impacts of Risks and Opportunities	Potential Financial Impacts	Stages at which risks and opportunities impact the value chain	Response measures
Transition Risk/ Market	Customer demands green energy	Electronics customer (one of the top ten customers) demands full adoption of green electricity by 2025. Failure to implement as requested by the customer may result in loss of related revenue.	Operation	1. To meet customer demands, a response plan for renewable energy has been devised. By 2023, construction of a 347.47KW solar photovoltaic system has been completed at the Shulin factory area, and it has been connected to the power grid for supply. 2. Multiple renewable energy suppliers have been assessed for electricity sales, with adjustments made dynamically according to the green energy market. It is projected to purchase 18.42 million kilowatt-hours by 2024.
Chronic physical entity	The extreme variability of rainfall patterns and climate patterns.	In recent years, Taiwan has been affected by global climate change, resulting in changes to the timing of rainfall. The onset of the plum rain season has been delayed until after June, and its duration has shortened. Consequently, Taiwan experiences reduced rainfall during the dry season, leading to water shortages. This could potentially result in water shortages for power generation in the southern region during the dry season. If water needs to be transported from other water-rich areas to cope with the scarcity, it will inevitably increase production costs.	Operation	1. Reduction of process water usage. 2. Recycling and reuse of wastewater. 3. Purchasing wastewater from the Taoyuan North District Water Resource Center to produce purified water through a water regeneration system. It is expected that by 2025, this initiative will reduce daily tap water consumption by 11 million liters.
Transformation risk/reputation	Climate change leads to negative feedback on company reputation.	In recent years, with the surge in ESG (Environmental, Social, and Governance) awareness, investment institutions scrutinize clients' ESG performance when assessing investments and loans. Failure to meet ESG sustainability requirements not only affects the company's reputation negatively but also impacts the financing and lending interest rates of financial institutions, thus increasing borrowing costs.	Operation	Participating in international initiatives such as the Carbon Disclosure Project (CDP), the Task Force on Climate-related Financial Disclosures (TCFD), and the Science Based Targets initiative (SBTi) to demonstrate our firm commitment to ESG and showcase our carbon reduction efforts. Actively promoting energy conservation and carbon reduction efforts, including ongoing installations of solar photovoltaic power generation, purchasing green energy, and advocating for circular economy initiatives. Continuously transitioning towards low-carbon energy sources and reducing fuel consumption.

### 3.2.4 Climate change indicators and goals

#### Scientific Basis for Carbon Reduction Goals

Our company underwent SBTi (Science Based Targets initiative) verification in 2023, adopting international scientific-based carbon reduction goals (SBT) to set greenhouse gas reduction targets for achieving the requirement of limiting the temperature rise to 2° C by 2030. Using 2020 as the base year, 2021 as the starting year, and targeting 2030 as the goal year, we aim to collectively reduce Scope 1 and 2 emissions by 25% over a period of 10 years, while reducing Scope 3 emissions by 12.3%.



Note: The SBT reduction targets do not include the emissions from the Forest One Plant.

#### Short, medium and long-term management goals

##### || 2023 Goals and Achievements ||

Category	Item	Target Value in 2023	Actual Value in 2023	Attainment Status	Note
Water Saving	Water consumption per unit of output value (Million liter perNT\$ thousand)	0.068	0.111	Fail	Consumption reduced by 2% per year based on actual usage in the previous year.
	Recycled Discharged Wastewater Volume (Million liter per day)	3,385	2,704	Fail	The recycling rate increased by 1% per year based on the actual recovery rate for the previous year.
Energy Conservation	Greenhouse gas emissions per unit of output (tonnes of CO <sub>2</sub> e per NT\$ thousand)	7.4*10 <sup>-3</sup>	10.5*10 <sup>-3</sup>	Achieve	Emission decreased by 2% based on the actual emission of the previous year.
Waste Reduction	Amount of waste not recycled per unit of output value(ton perNT\$ thousand)	2.1*10 <sup>-5</sup>	5.3*10 <sup>-5</sup>	Achieve	Reduce by 1% per year based on the actual amount of the preceding year

### • Explanation for the failure to meet the water-saving target:

In 2023, revenue decreased by 35% compared to 2022. Basic operations of public utilities and process machinery must be maintained, and the trial operation of Shulin Plant One has not reached the target. Explanation for the failure to meet the discharge water recycling volume target: Jinxing Plant experienced a decrease in production capacity utilization and insufficient source water, resulting in the inability to sustain operation of the Phase Two water recycling system activated last year, hence no water production.

### • Explanation for the failure to meet the energy-saving target:

In 2023, revenue decreased by 35% compared to 2022. Basic operations of public utilities and process machinery must be maintained, and the trial operation of Shulin Plant One has not reached the target.

### • Explanation for the failure to meet the waste Reduction target:

In 2023, revenue decreased by 35% compared to 2022, and the trial operation of Shulin Plant One, which includes the production of combustible waste, did not meet the target.

#### Short-term goals

##### 1-3 years

1. Continuously promote water conservation, energy saving, and waste reduction efforts.
2. Set comparative targets for 2023 and 2024 unit production output:  
Reduce water usage by 2% compared to 2023 levels. Decrease electricity consumption by 2% using 2023 as the baseline. Reduce the generation of unrecovered waste by 1% compared to 2023 levels. Lower greenhouse gas emissions by 2% compared to 2023 levels.
3. Increase wastewater recycling rate by 1% compared to 2023.
4. Achieve a 2024 Carbon Disclosure Project (CDP) rating of "A" for climate change and "A" for water security questionnaire, maintaining "Leadership Level" in both.
5. Implement external recycled water usage.
6. Increase the use of renewable energy sources.

#### Medium to long-term goals

##### Three years and beyond

1. Continuously promote water conservation, energy saving, and waste reduction operations, and participate in external assessments to enhance energy-saving technologies and effectiveness.
2. Install RO purification systems to increase wastewater recycling. Increase the proportion of external recycled water usage.
3. Continuously submit CDP questionnaires to understand international climate change response trends.
4. The absolute greenhouse gas reduction target is set for 2030, aiming for a 25% reduction compared to the baseline year of 2020, with net-zero emissions by 2050.
5. Digitize the health, safety, and environmental system for real-time monitoring to reduce abnormal occurrences.
6. Transition to low-carbon energy sources.

Note 1 : Effluent Recycle Ratio = ((Recovery volume) / (Effluent volume + Recovery volume)) \* 100

Note 2 : In 2023, the emission data is currently based on internal records. Verification is expected to be completed by August 2024, and the sustainability report will be updated with the revised data for 2024..

Note 3 : The Scope 2 greenhouse gas emission factors are referenced from the Nan Ya Plastics Utility Plant for 2023 as follows:

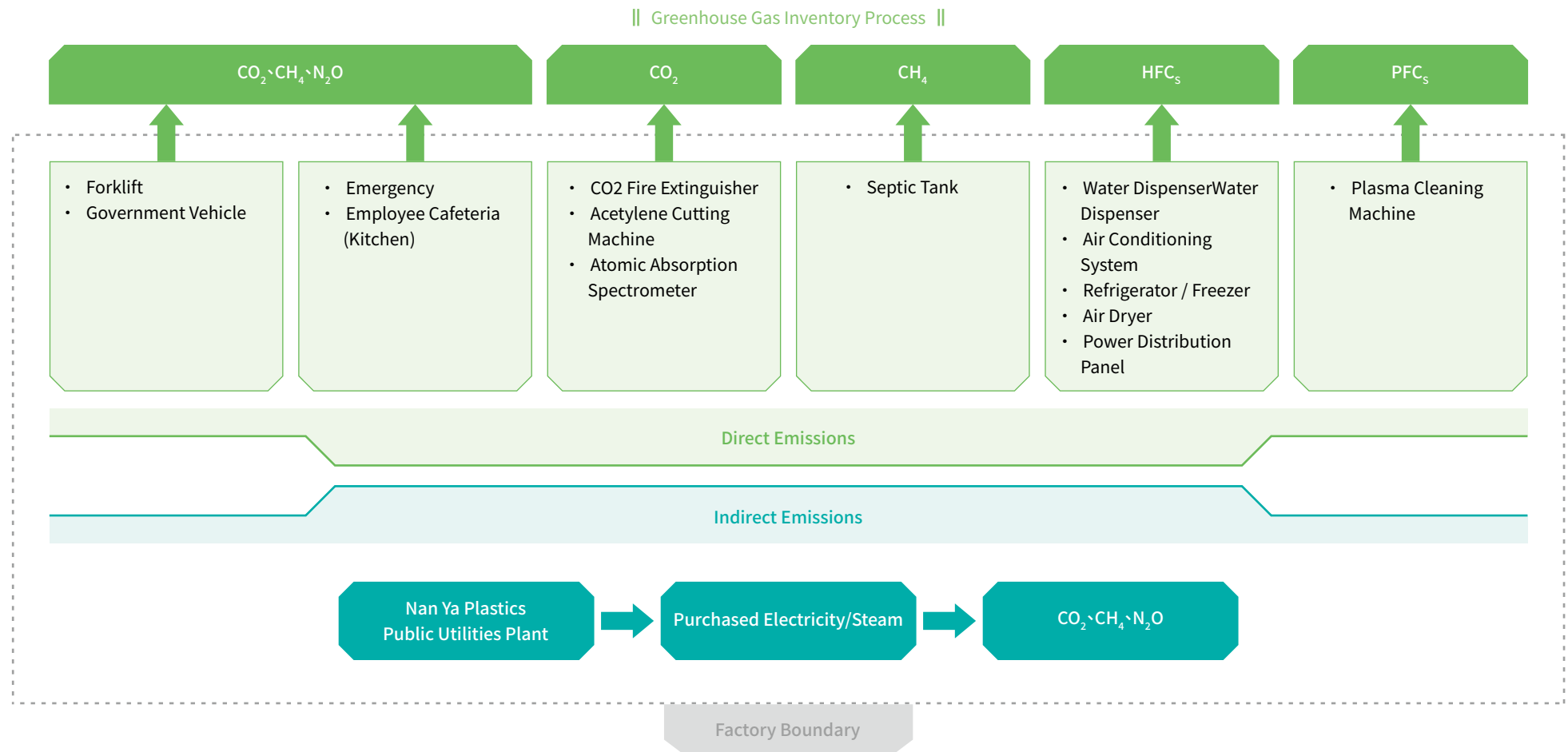
- Electricity emission factor: 0.9809 metric tons CO<sub>2</sub>e per megawatt-hour
- Steam emission factor: 0.3149 metric tons CO<sub>2</sub>e per metric ton (Calculated based on the greenhouse gas inventory tool version 4.1 from the Ministry of Economic Affairs, Energy Bureau).

Note 4 : Revenue is calculated using combined revenue figure

### 3.2.5 Greenhouse Gas and Energy Management (Material Topic)

#### • Greenhouse Gas Management

Greenhouse gas (GHG) emissions at NYPCB primarily stem from energy-related indirect emissions resulting from the use of electricity in manufacturing facilities. In accordance with the ISO 14064-1:2018 standard for organizational greenhouse gas inventory management systems, NYPCB conducts qualitative and quantitative inventories of both direct and indirect GHG emissions (Scope 1, 2). Concerning Scope 3, NYPCB has also established on-site support for production, video conferencing, and shared commuting systems to reduce product transportation and employee commuting-related vehicular exhaust emissions.



## A. Total Greenhouse Gas Emissions Over the Years

### || Total greenhouse gas emissions over the past 3 years. ||

 Unit: tonnes of CO<sub>2</sub>e / NT\$ thousand

	2021	2022	2023
Scope 1 (A)	11,686.98	9,409.16	3,402.08
Scope 2 (B)	421,396.31	477,488.77	440,115.89
Subtotal of emissions(A+B)	433,083.29	486,897.94	443,517.97
Greenhouse gas emissions per unit of output (tonnes of CO <sub>2</sub> e/NT\$ thousand)	0.0083	0.0075	0.0105
Scope 3 (C)	447,136.79	328,466.36	Under inspection
Total Emissions(A+B+C)	880,220.08	815,364.29	443,517.97

Note 1: The Shulin Plant 1 expansion and trial runs in 2021-2022 included the introduction of greenhouse gas inventory and verification in 2022, which have been incorporated into the statistical data.

Note 2: Greenhouse gas emission data for 2021-2022 was verified by BSI and SGS (verification units). Emission data for 2023 is self-reported and verification is expected to be completed by August 2024, with data updates in the 2024 sustainability report.

Note 3: Scope 1 includes direct greenhouse gas emissions and removals, including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride. Scope 2 includes indirect greenhouse gas emissions from energy sources, primarily based on emissions from the Jinxing Utility Plant of Nan Ya Plastics and Taiwan Power Company, calculated using the control approach boundary setting and emission factor method.

Note 4: Scope 3 includes categories 3 to 6, covering indirect greenhouse gas emissions from transportation, organizational product use, organizational production of products, and other items. It includes employee commuting and business travel, outsourced waste disposal, and vehicle transportation by subcontractors. Completion of the inventory is expected by June 2023.

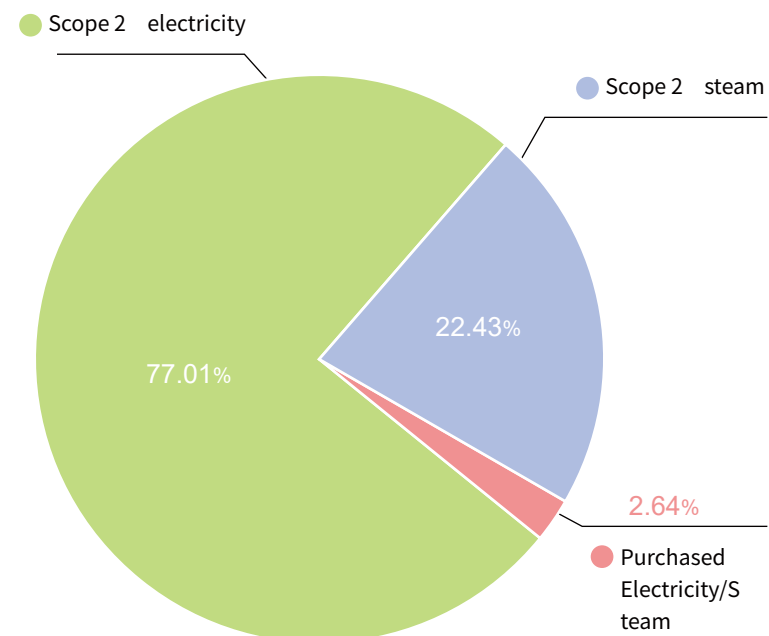
Note 5: Greenhouse gas emission factors reference the Environmental Protection Administration's Greenhouse Gas Emission Coefficient Management Table 6.0.4 and the Intergovernmental Panel on Climate Change's Fourth Assessment Report for Global Warming Potential coefficients.

Note 6: The baseline year is set as 2020, with a subtotal of 419,319.07 metric tons CO<sub>2</sub>e for the sum of Scope 1 and Scope 2 emissions.

## B. Emissions Analysis

The main sources of greenhouse gas emissions at the Nantien Jinxing Plant are the purchase of external electricity and steam, both sourced from the Nanya Plastics Corporation Limited Jinxing Utility Plant within the enterprise. Electricity at the Shulin Plant is purchased from Taiwan Power Company, while steam is purchased from the Nanya Plastics Corporation Limited Shulin Utility Plant. To effectively curb greenhouse gas emissions, emphasis should be placed on electricity conservation. In 2023, Nantien's total greenhouse gas emissions decreased by 8.9% compared to 2022, primarily due to a decrease in production capacity, which indirectly led to a reduction in greenhouse gas emissions. Through process optimization, Nantien has achieved a downward trend in greenhouse gas emissions per unit output value, meeting the annual reduction target of 2%.

### || Analysis of Greenhouse Gas Emissions in 2023 ||



## • Energy Management and Energy Efficiency Improvement

In 2023, the total energy consumption within NYPCB amounted to 2,059,895.436 gigajoules, with an energy intensity of 0.049 gigajoules per thousand yuan. Non-renewable energy consumption primarily consists of liquefied petroleum gas, diesel, and gasoline. By percentage of usage, liquefied petroleum gas accounts for approximately 0.02%, diesel for 0.04%, and gasoline for 0.003%. Energy consumption through purchases mainly fuels NYPCB's processes, with a primary focus on printed circuit board production. External purchases of electricity and steam serve as the company's primary sources of power and also represent the largest contributors to greenhouse gas emissions. Overall energy consumption decreased compared to 2022, but energy intensity showed an increasing trend, mainly due to the reduced production capacity at the Jinxing Plant and the trial runs for the expansion of Shulin Plant One in 2023.

### || Current three year energy used statistics ||

Unit: GJ

Type	Sub-Type	2021	2022	2023
Consumption of Non-Renewable Energy (Note 1)	Liquefied Petroleum Gas	666.738	476.162	426.712
	Diesel	505.932	1,241.53	844.521
	Gasoline	37.864	44.490	54.409
Consumption of Renewable Energy (Note 2)	Photovoltaic (Solar Energy), Wind Energy	-	-	771.548
Purchased and Consumed Electricity, Heating, Cooling, and Steam (Note 3)	Purchased Electricity	1,432,618.64	1,523,598.01	1,674,523.76
	Purchased Steam	237,444.93	262,278.12	383,274.48
Self-Generated but Unconsumed Electricity, Heating, Cooling, and Steam	-	-	-	-
Quantity of Sold Electricity, Heating, Cooling, and Steam	-	-	-	-
Total Organizational Energy Consumption (Note 4)		1,671,274.11	1,787,638.51	2,059,895.44
Energy Intensity (Note 5)		0.032	0.028	0.049

Notes1: Fossil fuels are primarily used for on-site emergency generators, forklifts, company vehicles, fire trucks, and the employee cafeteria (kitchen).

Notes2: NYPCB activated its solar power system in June 2023.

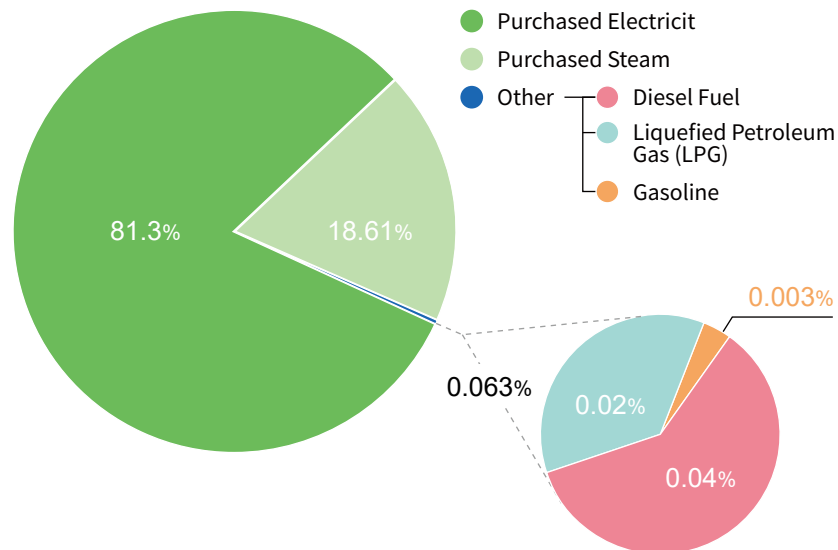
Notes3: The electricity and steam used in NYPCB's manufacturing processes are purchased from Nanya Plastics Corporation's Jinxing and Shulin Utility Plants.

Notes4: Total energy consumption within the organization = consumption of non-renewable energy + consumption of renewable energy + purchased electricity, heating, cooling, and steam + self-produced but not consumed electricity, heating, cooling, and steam - sold electricity, heating, cooling, and steam.

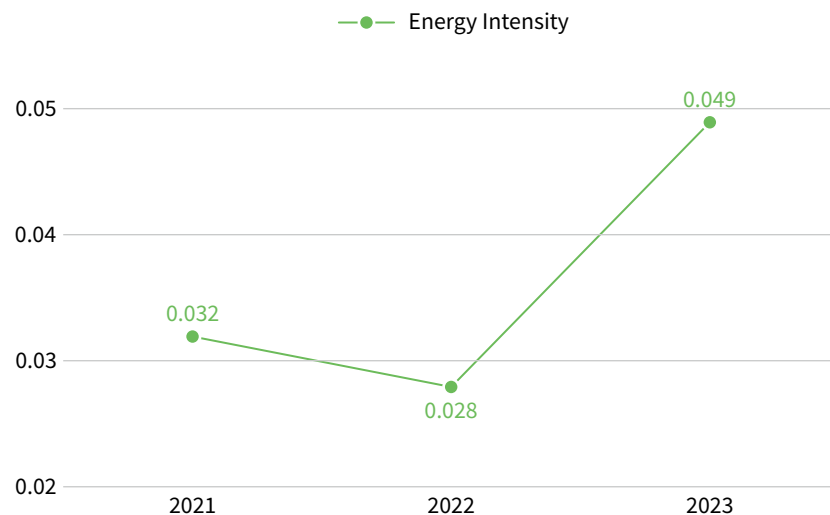
Notes5: Energy intensity (GJ/NTD thousand) = total energy consumption within the organization (GJ) / annual production value of the company (NTD thousand, calculated using consolidated revenue figures).

Notes6: Data from Shulin Plant 1 was not included for 2021-2022 due to expansion and test runs. Data has been included starting from 2023.

### || The proportion of total energy consumption within the organization in 2023 ||



### || Energy intensity statistics for the past 3 years. ||



#### A. Renewable Energy Usage

NYPCB responds to the global trend of renewable energy use by planning to investigate suitable locations for installing solar power generation, as well as planning to purchase green energy sources such as wind power and photovoltaic power. In 2023, the Shulin Plant installed solar power generation, which was completed in June 2023, with an annual electricity generation capacity of 330,000 kWh.

#### B. Promotion of Energy Efficiency Improvement

NYPCB spares no effort in reducing energy costs and enhancing energy efficiency. Each year, they establish environmental management objectives and targets, in line with proposal incentive systems, to encourage various units to review and improve energy utilization efficiency. They have an internal energy management organization responsible for operational management, convening regular energy management meetings monthly to ensure daily operations and conducting internal audits on energy conservation. In 2023, NYPCB completed a total of 72 energy-saving projects, resulting in a daily reduction of 13,939.7 kWh (50.2 GJ) of electricity and an annual benefit of 12,422 thousand. Compared to 2022, the electricity savings from energy-saving projects decreased significantly by 44.1%, and greenhouse gas emissions decreased by 48%. This is primarily due to large-scale energy-saving projects for public utilities requiring deferred completion until 2024 to accommodate annual maintenance operations.

Item	Improvement Methods	CO2 suppression amount	Improvement Benefits
		(tonnes of CO <sub>2</sub> e/year)	(NT\$ thousand / year)
1	Reduction of processing energy usage	3,694.0	10,073
2	Energy Management	139.1	370
3	Public utility efficiency promotion	744.2	1,979
Total		4,577.3	12,422

Note 1: Energy savings benefit calculations refer to the "Guidelines for Voluntary Greenhouse Gas Reduction Audit for Industries" published by the Taiwan Green Productivity Foundation.

Note 2: Emission factors are calculated based on the 2022 survey data from the Chin Hsing Public Utility Plant of Nan Ya Plastics Corporation (calculated according to Version 4.1 of the Greenhouse Gas Inventory Tool of the Energy Bureau, Ministry of Economic Affairs), with an electricity emission factor of 0.8999 metric tons CO<sub>2</sub>e per kilowatt-hour.

Note 3: Various energy-saving projects at NYPCB focus on process efficiency and energy management optimization, primarily reducing greenhouse gas emissions in Scope 2.

#### 3.3.1 Water Management

The water company primarily sources its water from tap water and recycled water, without using groundwater. The source of tap water for the Jinxing Plant is the Shimen Reservoir, while the source for the Shulin Plant is the Feitsui Reservoir. NYPCB utilizes historical process water usage data as the basis for improvement and optimization measures. Tracking and improvement measures are carried out based on process efficiency and total consumption. In 2023, water consumption was 1,589 million liters, a 0.4% decrease compared to 1,596 million liters in 2022. This increase is mainly attributed to the official production of the Shulin Plant in 2023 and the trial operation of its phase two expansion.

##### || Water usage statistics for Nantien over the past 3 years ||

Unit: Million Liters

Item		2021	2022	2023
Water Intake (A)	surface water	213	787	142
	well water(Groundwater)	-	-	-
	third party(Tap water)	4,002	3,725	4,241
	Others	-	-	-
	Total water withdrawal	4,215	4,512	4,383
Discharged Water Volume (B)		2,792	2,916	2,794
Water Consumption (A-B)		1,423	1,596	1,589
The water consumption per unit production (million liters/ thousand)		$2.72 \times 10^{-5}$	$2.47 \times 10^{-5}$	$3.76 \times 10^{-5}$

Note 1: Data for 2021-2022 were not included due to the expansion and trial operation of the Shulin Plant. Data inclusion started in 2023.

Note 2: Other water sources for the Jinxing Plant of NYPCB are provided by the Nan Ya Jinxing Plant, while the Shulin Plant does not utilize any other water sources.

Note 3: The water bodies receiving wastewater from NYPCB are the Nankan Creek for the Jinxing Plant and the Dahan River for the Shulin Plant.

Note 4: Water intake = Surface water + Third-party (tap water).

Note 5: Water consumption = Water intake - Wastewater discharge.

Note 6: Unit water consumption per unit output value (million liters/thousand units) = Water consumption (million liters) / Company's annual output value (thousand units, calculated based on consolidated revenue).

#### 3.3.2 Water Management Measures

To reduce water resource consumption, NYPCB has been consistently promoting water-saving measures and water recycling initiatives at the process level. Additionally, plans are in place to reuse cleaning water within the production lines. Furthermore, the entire plant area, including employee office areas, has been equipped with faucet aerators to save water, thus fostering a culture of water conservation.

##### || NYPCB Reclaimed Wastewater System ||

System	Neutral reclaimed water system	Alkaline reclaimed water system	Repurification and reclaiming system
Mode of Operation	Transfer the wastewater with pH 7 to the washing tower of the production plant and use as flushing water (including dormitory)	The wastewater with pH9 ~ pH10.5 is transported to the scrubber of the production plant for use.	Utilizing a filtration system, residual substances such as COD, SS, microorganisms, and dissolved ions are removed from the water.
Outcome Benefits	1. Neutral reclaimed water use in 2023: 387 million liters /year. 2. Alkaline reclaimed water use in 2023: 206 million liters /year.		Supplementing the water supply of each plant and the pure water plant's clean water tank helps reduce the usage of raw water.

NYPCB has developed contingency plans to address potential short-term, medium-term, and long-term water scarcity scenarios, including situations such as inadequate water supply, water price increases, and conflicts over water resources with stakeholders. In 2023, the wastewater recycling rate increased by 0.1% compared to 2022. The expansion of water recycling facilities in the phase two of the Jinxing Plant has stabilized water production, while water production at the Shulin Plant commenced in October.

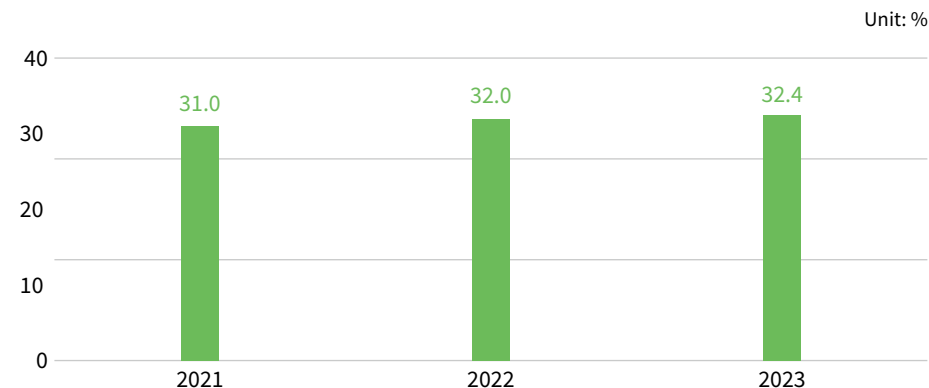
Reduce the Usage	Cleaning water reduction operation from the process source
	Reduction in Domestic Water Usage
Increasing the Sources	Recycling, purifying, and reproducing pure water from effluent
	Alkaline wastewater recovery acid waste gas, reuse for washing tower
	Cleaning operation for the neutral wastewater recycling process

#### Statistics on wastewater recycling over the past 3 years.

Item	2021	2022	2023
Recycled Water (Million Liters)	1,265	1,376	1,356
Recycled Water (%)	31.0%	32.0%	32.4%

Note 1: Wastewater Recycling Rate = (Recycled Volume / (Discharged Volume + Recycled Volume)) \* 100%  
 Note 2: 2021-2022 were not included due to the expansion and trial operation of the Shulin Plant. Data inclusion started in 2023.

#### Trend chart of discharge wastewater recovery rate



#### Water saving activities completed in 2023

Improvement Methods	Amount of water saved (million liters / day)	Improved efficiency (NT\$ thousands)
Wastewater recycling and reuse	0.062	536
Process water reduction	0.108	790
The process water reduction project(14 cases)	0.170	1,326

#### Statistics on water conservation improvement activities at Nantien over the past 3 years.

Year	2021	2022	2023
Water savings volume (million liters/day)	0.325	0.271	0.17
Improved efficiency(NT\$ thousands)	2,488	2,067	1,326

Note 1: 2021-2022 were not included due to the expansion and trial operation of the Shulin Plant. Data inclusion started in 2023.



### 3.3.3 Waste water disposal

In the design concept of wastewater treatment facilities, NYPC primarily considers the characteristics of various types of wastewater and the stability and convenience of treatment operations and maintenance. Through well-planned categorization, NYPC establishes comprehensive wastewater treatment processes and facilities, coupled with rigorous engineering planning of wastewater segregation at the process source. This approach effectively manages wastewater, facilitating efficient purification and recycling at the backend.

#### Wastewater treatment equipment



Biological treatments



Coagulation sedimentation



Chemical reaction treatment

The location of NYPCB's premises and surrounding areas are designated as Category B industrial land by the government, exclusively for industrial purposes. These areas are not situated within ecologically protected zones. The wastewater discharge of the Jingshin Plant is directed to the Nankan River, while the Shulin Plant discharges into the Dahan River (as shown in the table below). Moving forward, NYPCB will continue to enhance processes and equipment to reduce wastewater discharge and improve treatment efficiency, thereby minimizing environmental impact.

Plant	Item	Plant area	Drinking water source water quality protection area	Drainage area for the reservoir	National Park	Wildlife Sanctuary	Nature Reserve	Coastal Reserve
Jingshin Plant	Downstream of the Nankan River		X	X	X	X	X	X
Shulin Plant	Beside the DaHan Creek		X	X	X	X	X	X

Note: "X" means that NYPCB is not in the above protected areas

Furthermore, the wastewater generated from various processes is meticulously categorized and managed at the machine or equipment level. It is then collected through dedicated pipelines to various wastewater treatment systems. The company conducts daily sampling and analysis of discharged water to ensure that the treated water quality far exceeds the existing legal discharge standards.

### || 2023 Wastewater quality evaluation results ||

Venue	Item	Testing Items	Unit	Regulatory Standards	Test Results			Meets the standards (YES/NO)
					Min	Average	Max	
Jingshin First Wastewater Treatment Sit		Hydrogen Ion Concentration Index (pH)	-	6~9	6.9	7.3	7.7	YES
		Chemical Oxygen Demand(COD)	mg/L	<120	43.1	51.6	63.6	YES
		Suspended Solids(SS)	mg/L	<50	6.3	11.3	17.6	YES
		Copper Ion(Cu)	mg/L	<1.5	0.28	0.42	0.53	YES
Jingshin Second Wastewater Treatment Sit		Hydrogen Ion Concentration Index (pH)	-	6~9	7.7	7.7	7.9	YES
		Chemical Oxygen Demand(COD)	mg/L	<120	4.5	11.4	28.4	YES
		Suspended Solids(SS)	mg/L	<50	0	5.4	6.6	YES
		Copper Ion(Cu)	mg/L	<1.5	0.25	0.26	0.36	YES
Shulin Wastewater Treatment Sit		Hydrogen Ion Concentration Index (pH)	-	6~9	7.7	7.7	8.0	YES
		Chemical Oxygen Demand(COD)	mg/L	<120	27.8	26.7	30.8	YES
		Suspended Solids(SS)	mg/L	<50	12.6	9.9	12.8	YES
		Copper Ion(Cu)	mg/L	<1.5	0.00	0.91	1.40	YES

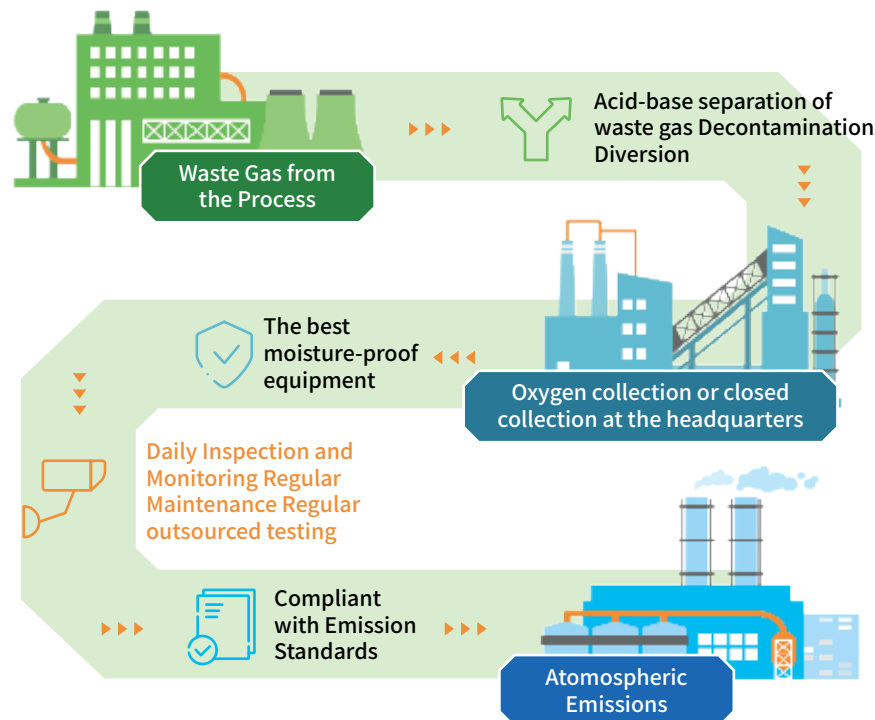
Note1: The regulatory standard is "Appendix 5 of the Standard for Discharge Water - Items and Limits of Discharge Water Quality in Basic Metal Industry, Metal Surface Treatment Industry, Electroplating Industry and Printed Circuit Board Manufacturing Industry".

### 3.4 Air Pollution Control(Material Topic)

The main source of air pollution of the NYPCB is the use of acid and alkali and chemicals containing volatile organic compounds in the manufacturing process. In addition to implementing the acid-base separation design at the source of the process waste gas collection pipeline, we also plan and set up treatment equipment according to the characteristics of various waste gases, including packed scrubbers, baghouses, activated carbon adsorption towers and other air pollution control equipment.

In order to improve the air quality around the factory area, the company purchased a UV-C reaction tower in 2011 to improve the effect of odor and VOC treatment. In 2012, a pH abnormality reporting system for a packed scrubber was installed to instantly improve system deviation and improve waste gas treatment efficiency. Cooperate with the implementation of inspection and maintenance work at the same time so that the equipment can perform its best and be able to perform pollution work effectively. The Company's flue test results have always met the statutory emission standards (the test results have been published on the Environmental Protection Agency's "Fixed Pollution Source Management Information Disclosure Platform").

|| Exhaust Pollution Prevention Control Flowchart ||



#### || Air Pollution Monitoring and Management ||

Management Items	Management Content	Management Effectiveness in 2023
Odor and VOC Treatment	Enhancing the VOC Removal Efficiency of UV-C Prevention Equipment	<ul style="list-style-type: none"> <li>Scheduled testing and evaluation of enhanced measures.</li> <li>VOC removal efficiency reaches 15%."</li> </ul>
Process Gas Collection	The establishment of process waste collection and disposal equipment.	<ul style="list-style-type: none"> <li>All exhaust gases have been properly collected.</li> <li>Emission standards are 100% compliant with regulations.</li> </ul>
Monitoring Operations Management	<ul style="list-style-type: none"> <li>Conducting emission pipeline testing for M01 and M08.</li> <li>Daily online monitoring of emissions.</li> </ul>	<ul style="list-style-type: none"> <li>M01 and M08 have completed a total of 10 emission pipeline tests, meeting equipment standards.</li> <li>"All monitoring values throughout the year comply with emission regulations.</li> </ul>
Response to Resident Feedback	Residents have reported a sour odor.	<ol style="list-style-type: none"> <li>Environmental Protection Department has conducted two inspections and found no evidence of sour odor.</li> <li>Have cooperated with the guidance team to improve 8 measures. 3 have been completed, and efforts are ongoing to improve the remaining 5.</li> </ol>

## Air Pollutant Emission Statistics

|| Current 3 year air pollution emission statistics ||

Unit: kg /year

Item	2021			2022			2023		
	Site		Total	Site		Total	Site		Total
	Jinshing	Shulin		Jinshing	Shulin		Jinshing	Shulin	
Nitrogen oxides (NOx)	-	-	-	-	-	-	-	-	-
Sulfur oxides (SOx)	-	-	-	-	-	-	-	-	-
Volatile Organic Compounds (VOCs)	68,049	-	68,049	61,950	-	61,950	28,379	9,073	37,452
Suspended Particulate (PM)	63	-	63	60	-	60	24	7	31
Persistent organic pollutants (POP)	-	-	-	-	-	-	-	-	-
Hazardous Air Pollutants (HAP)	-	-	-	-	-	-	21,024	668	21,692

Note 1: Data for 2021-2022 were not included due to the expansion and trial operation of the Shulin Plant. Data inclusion started in 2023.

Note 2: The Shulin Plant obtained a fixed pollution source operation permit in February 2023, and data disclosure began in the first quarter of 2023.

Note 3: Processes at each plant do not generate emissions of nitrogen oxides (NOx), sulfur oxides (SOx), ozone-depleting substances (ODS), or persistent organic pollutants (POPs).

Note 4: Only fixed pollution source permits were renewed in 2023; therefore, only hazardous air pollutants (HAP) required by testing regulations were monitored.

|| Air Pollution Control Equipment ||



### 3.5 Waste Management (Material Topic)

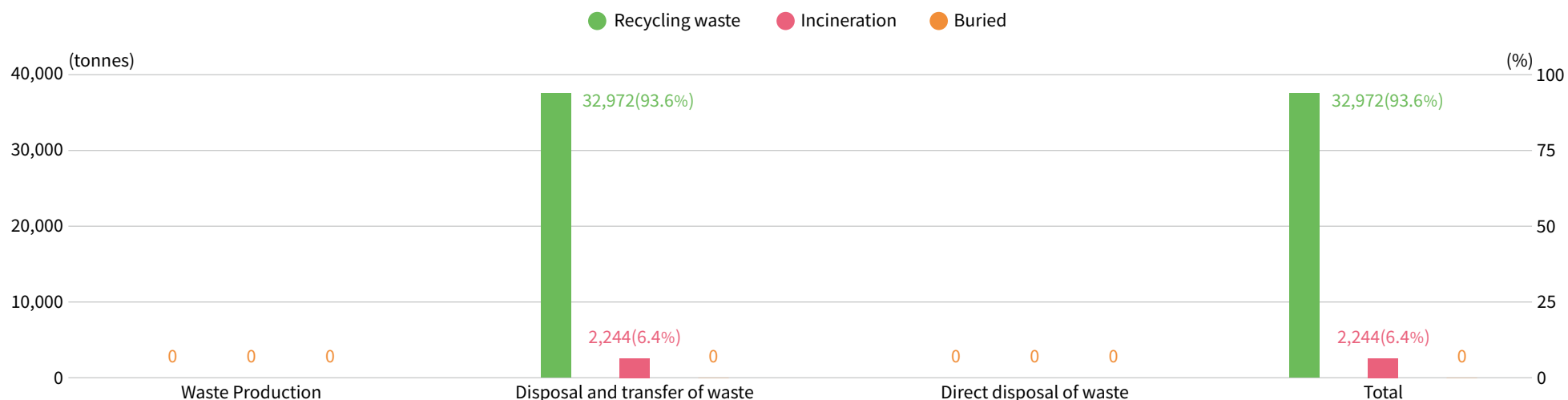
NYPCB is committed to minimizing waste and maximizing the efficient utilization of resources. Apart from establishing recycling points throughout the facility for resource waste collection and recycling, the company continuously improves processes and operations in production. The approach begins with reducing waste at its source, followed by considering options for reuse and ultimately implementing waste classification for effective utilization, enabling the circulation of resource materials.

All business-related waste generated by NYPCB is outsourced to qualified domestic waste removal contractors. These contractors collaborate with certified waste treatment facilities for proper disposal. The contracted waste undergoes regular inspections to ensure proper and responsible disposal practices are upheld.

|| The total amount of waste generated in 2023 ||

Unit:tonnes

Waste Composition Waste	Waste Production		Disposal and transfer of waste		Direct disposal of waste		Total	
Composition	Waste Production	Disposal and transfer of waste	Direct disposal of waste	Total	Composition	Waste Production	Disposal and transfer of waste	Direct disposal of waste
Recycling waste	0	0%	32,972	93.6%	0	0%	32,972	93.6%
Incineration	0	0%	2,244	6.4%	0	0%	2,244	6.4%
Buried	0	0%	0	0%	0	0%	0	0%
Total	0	0%	35,216	100%	0	0%	35,216	100%



## Waste disposal operations in 2023.

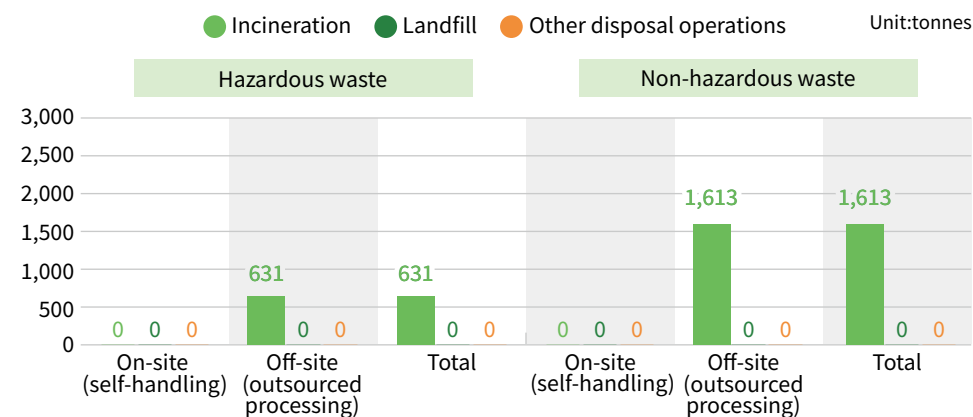
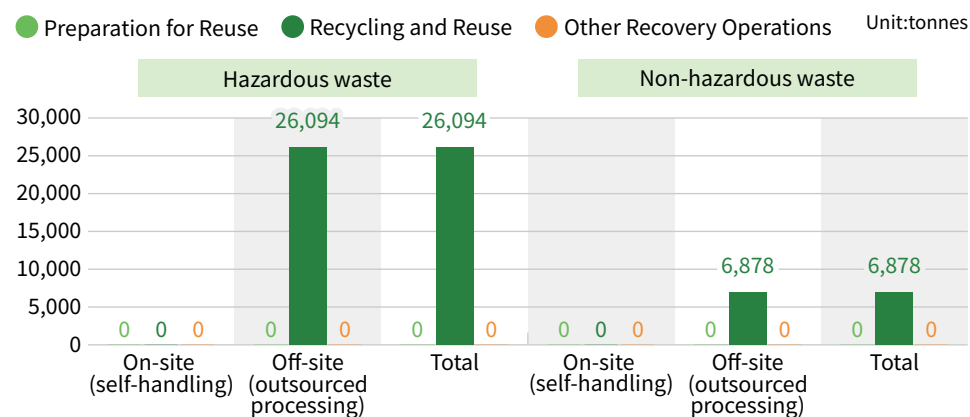
Unit:tonnes

Waste transferred from disposal to recycling operations.			
Item	On-site (self-handling)	Off-site (outsourced processing)	Total
Hazardous waste			
Preparation for Reuse	0	0	0
Recycling and Reuse	0	26,094	26,094
Other Recovery Operations	0	0	0
Total	0	26,094	26,094
Non-hazardous waste			
Preparation for Reuse	0	0	0
Recycling and Reuse	0	6,878	6,878
Other Recovery Operations	0	0	0
Total	0	6,878	6,878

Unit:tonnes

Waste transferred from disposal to disposal operations.			
Item	On-site (self-handling)	Off-site (outsourced processing)	Total
Hazardous waste			
Incineration	0	631	631
Landfill	0	0	0
Other disposal operations	0	0	0
Total	0	631	631
Non-hazardous waste			
Incineration	0	1,613	1,613
Landfill	0	0	0
Other disposal operations	0	0	0
Total	0	1,613	1,613

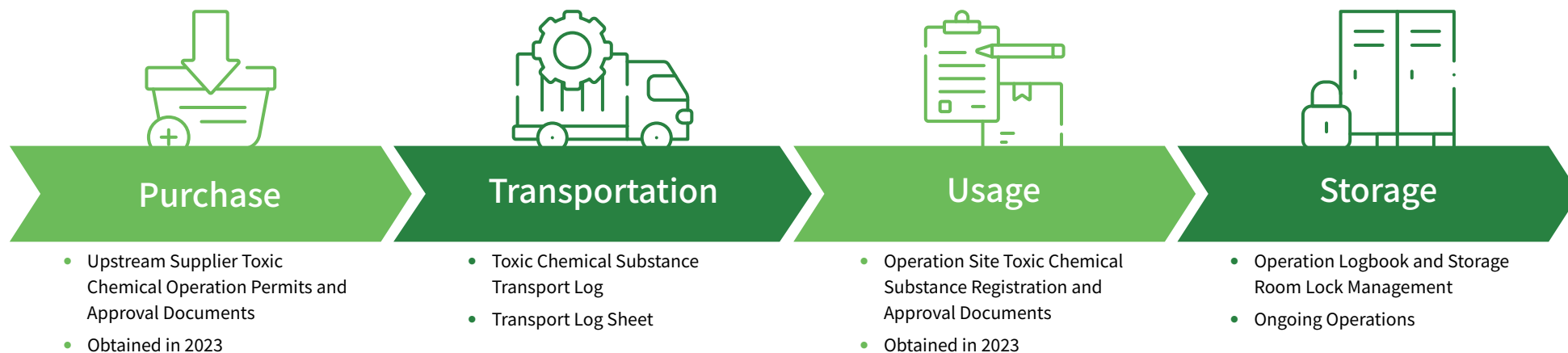
Note 1: Hazardous waste mainly includes copper-containing waste liquid, copper-containing sludge, and other corrosive or hazardous industrial waste.





### 3.6 Chemical Safety (Material Topic)

NYPCB primarily manages the use of Category III cyanides (potassium cyanide and sodium cyanide) and Category IV toxic chemicals. In accordance with environmental regulations, management and reporting are carried out at all stages including procurement, transportation, use, storage, and disposal. According to the statistics for 2023, products using Category III and IV toxic chemicals accounted for 100% of the total revenue. Therefore, the company has formulated the following management policies:



- Environmental impact assessment of the surrounding area.

The process wastewater from the cyanide operation area, when mixed with acidic substances, can produce hydrogen cyanide (HCN), a highly toxic substance that can affect the employees in the process area. An independent exhaust system has been installed in the operation area to ensure negative pressure, thus preventing the impact on other areas. Additionally, a waste gas treatment device is installed at the exhaust end as a secondary protective measure, serving as an emergency treatment device in case hydrogen cyanide, a highly toxic substance, is produced.

- Management measures within the factory area.

When chemical raw materials are transported from outside the factory to the factory, various items and their management measures are established at the 'usage' and 'storage' stages, following the occupational safety and health management mechanism and process management procedures of each factory. All personnel are required to follow the guidelines and conduct checks on chemical use operations to ensure safety. The factory has established the ISO 45001:2018 Occupational Health and Safety Management System and developed a comprehensive hazard identification and risk assessment procedure (Factory Regulation 'Safety and Health Risk Management Operation Procedure/MASBP-160'). Based on the 'Plan-Do-Check-Act' method, continuous improvement is implemented to enable the organization to control safety risks and eliminate exposure to operational risks.

## 1. Use Management

Professional Personnel	Dedicated Management Personnel	<ul style="list-style-type: none"> <li>Toxic Chemical Operations reaching the threshold for large-scale operations have designated "Responsible Officers for Toxic and Concerned Chemical Substances."</li> <li>The company has appointed 2 officers for management.</li> </ul>
	Specialized Response Personnel	<ul style="list-style-type: none"> <li>Areas for the use and storage of toxic and hazardous concerned chemical substances.</li> <li>The company has trained and certified 9 "Professional Response Personnel" according to the risk level.</li> </ul>
Site Labeling	Operational Site Labeling	<p>The operating premises shall display the following information on a bulletin board in summary:</p> <ul style="list-style-type: none"> <li>Hazard symbol</li> <li>Name</li> <li>Hazardous components</li> <li>Warning statement</li> <li>Hazard warning message</li> <li>Measures for hazard prevention and caution or supplementary information.</li> </ul>
	Chemical Entry/Exit Point Labeling	Laboratories operating below the graded operation quantity standard shall display the wording "Toxic Chemical Operating Area," "Hazardous Chemical Operating Area," or "Toxic and Hazardous Chemical Operating Area" at various entry and exit points of the operating premises based on the actual substances being handled.
	Chemical Pipeline Labeling	Piping shall be clearly labeled with the flow direction of toxic chemicals, their Chinese and English names or abbreviations, and if necessary, signage may be used as an alternative.
Reporting Management	Safety Data Sheet	<ul style="list-style-type: none"> <li>Safety data sheets shall adhere to the legally mandated 16 sections. Manufacturers and importers shall update these sheets at least every 3 years.</li> <li>The emergency contact phone number must be accessible and available for consultation at all times, conveniently placed within the operating area.</li> </ul>
	Periodic Operation Record Reporting	<ul style="list-style-type: none"> <li>Operators of toxic chemicals shall complete the operational records for the previous month by the 10th day of each month.</li> </ul>
Emergency Response	Detection Alarm System and Emergency Response Tools/ Equipment	<ul style="list-style-type: none"> <li>Toxic chemical operation sites shall review the installation and operational plan content of emergency equipment and detection alarm devices every two years and submit an installation plan to the local competent authority.</li> <li>Emergency equipment, detection, and alarm devices should be kept in functional condition. Monthly inspection, maintenance, and servicing should be conducted, and disposable materials and equipment should be kept at twice the quantity of personal protective equipment.</li> <li>A leakage alarm device is installed below the machine, utilizing liquid level sensors. When liquid leaks into the overflow tray and accumulates to the level sensor, the warning light and buzzer will be activated within 10 seconds. The alarm will continue until the abnormality is resolved and the alarm function is deactivated.</li> </ul>





# 04 Employee Care

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





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## Vision





NYPCB is committed to sustainability as its vision, aiming to provide employees with a safe and healthy working environment, robust training programs, and systems. We strive to establish comprehensive corporate governance to maintain excellence. Our goal is to foster diverse and open channels of communication with stakeholders, creating maximum value for investors, employees, society, and the nation.











## Policy and Commitment




The company has established "Human Rights Policy" and "Diversity and Inclusion Policy" to comply with regulations, safeguard employees' basic human rights, and formulate reasonable and competitive salary, compensation, and welfare systems in accordance with the labor market. We provide employees with generous benefits, sound management systems, solid training, smooth career advancement, and complaint channels, aiming to attract top talents.

Material Topics		Benefits and Compensation									
<div></div> <div>Framework &amp; Indicator</div>	<ul style="list-style-type: none"><li>GRI 401 Employer and Employee Relations</li><li>GRI 405 Employee Diversity and Equal Opportunities</li><li>Specific Target 5.1・5.4・8.5</li></ul>		<div><div></div><div></div></div>								
	<div>Impact Description</div> <ul style="list-style-type: none"><li>[Definition] NYPCB provides an overview of employee recruitment status, employee welfare system, and the rate of return to work and retention after parental leave.</li><li>[Impact Description] To attract top talent to NYPCB, the company offers stable employment opportunities, competitive salaries, and benefits that exceed industry standards. Priority is given to recruiting local talent. NYPCB also complies with labor laws to safeguard employee rights, aiming to create a happy workplace and mitigate talent turnover to enhance competitiveness in the industry.</li></ul>		<table><tr><td>Actual</td><td></td></tr><tr><td>Potential</td><td></td></tr><tr><td>Positive</td><td></td></tr><tr><td>Negative</td><td></td></tr></table>		Actual		Potential		Positive		Negative
Actual											
Potential											
Positive											
Negative											
Management Action	2023 Action performance tracking	Achieve Overview	short-term target (1~3 Year)	medium, and long-term target(3 years or more")							
Compliance with labor laws, reviewing and tracking improvements of violations.	<div>1. Establish a system to review and track violations, and report results to the general manager.</div> <div>2. There were three violations of the Labor Standards Act in 2023, all of which have been settled with compensation, and management mechanisms have been re-evaluated.</div>	Not Achievement	<ul style="list-style-type: none"><li>Zero violations of labor laws.</li><li>Tracking and improving cases of violations.</li></ul>	Zero violations of labor laws.							







Management Action	2023 Action performance tracking	Achieve Overview	short-term target (1~3 Year)	medium, and long-term target (3 years or more")
Ensuring the company's overall compensation remains competitive in the talent market.	1. Implement a regular salary review mechanism and promote performance-based bonuses. 2. The gender pay ratio in 2023 was 1:1.1, with women earning \$1 for every \$1.1 earned by men.	Achievement	<ul style="list-style-type: none"> <li>Minimum starting salary standard exceeds the legally mandated minimum wage.</li> <li>Equal basic salary ratio between male and female employees in the same position or job grade is 1:1.</li> </ul>	<ul style="list-style-type: none"> <li>Wage equality</li> <li>Providing competitive salary levels</li> </ul>
Providing comprehensive compensation, benefits, and promotion systems.	1. Implement the "Employee Counseling Specialist" system along with training courses at various stages. 2. Conduct regular tracking of employee retention and turnover rates annually, and propose review and improvement strategies. In 2023, the employee retention rate was 99.0%, and the turnover rate was 1.0%. The overall turnover rate is lower than the industry average.	Achievement	<ul style="list-style-type: none"> <li>Retention rate reaches 99.5%.</li> <li>Turnover rate is below 1.5%.</li> </ul>	<ul style="list-style-type: none"> <li>Matching excellent talents with suitable positions.</li> <li>Stable manpower situation.</li> </ul>

Stakeholder	Response and Results
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Conducting quarterly union meetings to communicate labor-management agreements and discuss relevant issues.</li> <li>Providing online feedback platforms, employee suggestion boxes, and a dedicated hotline for employees to provide feedback. All feedback received in 2023 has been duly considered and responded to.</li> </ul>
 <b>Media</b>	Collecting feedback through online platforms periodically and incorporating it into decision-making processes. All feedback collected in 2023 has been considered and addressed appropriately.
 <b>Investors / Corporations</b>	Utilizing online platforms to irregular gather relevant feedback and disseminate related information, primarily focusing on labor management issues.
 <b>Neighboring Community</b>	Utilizing online feedback platforms, we irregularly gather relevant feedback and disseminate related information, primarily focusing on community engagement issues.

Material Topics		Occupational safety and health										
<div></div> <div>Framework &amp; Indicator</div>	<ul style="list-style-type: none"><li>GRI 403 Occupational Safety and Health</li><li>Detailed Topics 3.4 , 3.5 , 8.8</li></ul>	<div><div></div><div></div></div>										
<div>Impact Description</div> <ul style="list-style-type: none"><li>[Definition] NYPCB management of workers' working environment and health</li><li>[Impact Description] NYPCB complies with external regulations and internal safety and health management. When accidents occur in the factory, it follows the emergency response mechanism and follow-up management tracking to eliminate the main cause of the problem. It also strengthens personnel education and promotion to reduce the probability of hazards and achieve zero work-related injuries (including occupational diseases), zero accidents, zero fines goals.</li></ul>		<table><tr><td>Actual</td><td></td></tr><tr><td>Potential</td><td></td></tr><tr><td>Positive</td><td></td></tr><tr><td>Negative</td><td></td></tr></table>			Actual		Potential		Positive		Negative	
Actual												
Potential												
Positive												
Negative												
Management Action	Action performance tracking	Achieve Overview	short-term target	medium, and long-term target								
Accident investigation and problem solving	<div>1. There is a total of 1 violation of occupational safety regulations , and the case has been filed for accident investigation and tracking.</div> <div>2. Temporary hazardous operations have been included in the work safety permit application system. A supervisor for hazardous operations must be assigned and pre-operation inspections must be carried out before implementation.</div>	achieve	<ul style="list-style-type: none"><li>Continue to conduct accident investigation and case tracking until the problem is eliminated</li><li>Increase the frequency of inspections of accident hot spots to eliminate accident situations</li></ul>	Zero work-related injuries (including occupational diseases), zero accidents, and zero fines								
Ensure the effectiveness of ISO 45001:2018 occupational health management system	<div>1. Obtain ISO 45001:2018 system verification certificate</div> <div>2. Convene the Occupational Safety and Health Management Committee every quarter to ensure the progress of various issues</div>	achieve	Continue to obtain ISO 45001 : 2018 Occupational Health Management System Verification Certificate	Establish a safe workplace environment								
Safety observation and interview rates	<div>1. Quarterly staff interview rate 100%</div> <div>2. Include high health risk personnel in the care list.</div>	achieve	Persons with high health risks will be included in the care list, 3 times/ year	Import electronic forms for execution to increase work efficiency.								
Stakeholder		Response and Results										
<div> staff</div>	The Occupational Safety and Health Committee is convened every quarter to review issues related to occupational safety and health in the factory. Establish channels for feedback and appeals.											





Stakeholder	Response and Results
 <b>customer</b>	<ul style="list-style-type: none"> <li>Announce relevant information on the corporate website at least once a year.</li> <li>Periodically exchange relevant management performance through surveys and on-site inspections</li> </ul>
 <b>supplier</b>	<ul style="list-style-type: none"> <li>Occasionally respond to the "Supplier Questionnaire" requested by customers on CNC</li> <li>Provide safety and health management and public safety issues according to customer requirements from time to time</li> </ul> Respond to 20 customer supplier questionnaires in 2023.
 <b>neighborhood</b>	Notify the community by announcing relevant information on the corporate website at least once a year In 2023, 0 messages were announced and notified to the community, and no responses/complaints were received.

Material Topics	Factory public safety	
 Framework & Indicator	Detailed Topic 8.8	

<b>Impact Description</b> <ul style="list-style-type: none"> <li>[Definition] NYPCB improves industrial safety and manages, maintains and acts on office areas, factories and public safety.</li> <li>[Impact Description] Comply with external legal requirements, independently strengthen the management of public dangerous goods, explore potential hazards, establish daily management and response mechanisms in the factory, implement the prevention of unsafe actions and behaviors of personnel, and file and implement cases to eliminate problems when hazards have occurred or risk hot spots have been identified. and system improvements to reduce the operational, financial, legal and reputational costs caused by accidents.</li> </ul>	<table> <tr> <td>Actual</td><td></td></tr> <tr> <td>Potential</td><td></td></tr> <tr> <td>Positive</td><td></td></tr> <tr> <td>Negative</td><td></td></tr> </table>	Actual		Potential		Positive		Negative	
Actual									
Potential									
Positive									
Negative									

Management Action	Action performance tracking	Achieve Overview	short-term target	medium, and long-term target
Hazardous situations have occurred and risk hotspots have been identified, hazard elimination and process improvement are carried out through projects	1. There is 1 accident case and 7 risk hotspots. A total of 7 cases have been filed and tracked , mainly to improve the intrinsic safety of fire protection. 2. Seven risk hotspots have been eliminated , and five issues are expected to be eliminated in 2024.	achieve	<ul style="list-style-type: none"> <li>Continuously troubleshoot accident problems and conduct project tracking and improvements</li> <li>Eliminate risk hot spots and improve manufacturing processes</li> </ul>	<ul style="list-style-type: none"> <li>Zero accidents</li> <li>Reduce the occurrence of risk hot spots</li> </ul>

Management Action	Action performance tracking	Achieve Overview	short-term target	medium, and long-term target
Monitoring process safety management performance goals PSM- K PI(Process Safety Management, PSM)	1. Order Certainly system Procedure install Complete Tube reason Achievements effect Head mark PSM-KPI , the goal is zero accidents 2. In 2023, there will be 1 accident caused by the contractor's work	unaccomplished	<ul style="list-style-type: none"> <li>Zero accidents</li> <li>Review goal-related management mechanisms</li> </ul>	Zero accidents
Education and training for factory personnel and contractors	1. A total of 1,621 employees received industrial safety training courses , and a total of 402 industrial safety supervisors were educated and trained. 2. A total of 2,321 contractors received safety education and training 3. Conducted a total of 10 disaster prevention training sessions to test the implementation of the emergency response mechanism and the effectiveness of personnel training.	achieve	<ul style="list-style-type: none"> <li>Continuing relevant education and training courses to enhance personnel's public safety awareness</li> <li>Continue to conduct disaster prevention training and implement emergency response mechanisms</li> </ul>	Improve personnel's public safety awareness and reduce factory risks
Fire barrier improvement proposal	1. Zero accidents 2. 8 proposals per factory per quarter, totaling 128 proposals	achieve	<ul style="list-style-type: none"> <li>Zero accidents</li> <li>8 proposals per factory per quarter , with a total of 160 proposals ( added to Shulin Factory )</li> <li>Introduction of fire control system in Shulin factory area</li> </ul>	<ul style="list-style-type: none"> <li>Zero accidents</li> <li>Digital management of chemical import</li> </ul>

Stakeholder	Response and Results
 Investor / Legal Person	Collect feedback through an online opinion platform periodically and publish related information, primarily explaining labor management issues.
 government	Irregularly communicate with government agencies through official documents.
 staff	<ul style="list-style-type: none"> <li>Hold Occupational Safety and Health Committee meetings quarterly to review safety and health issues at the plant.</li> <li>Establish channels for feedback and complaints.</li> </ul>
 supplier	<ul style="list-style-type: none"> <li>Respond to customer requests for the 'Supplier Questionnaire' from NYPCB on an irregular basis.</li> <li>Provide safety and health management and public safety information as requested by customers.</li> </ul> In 2023, we responded to 20 customer supplier questionnaires.

### 4.1.1 Diverse Employee Structure

In 2023, NYPCB had a total of 6,494 employees, including 6,484 full-time employees, accounting for 99.8%, and 10 temporary contract employees, representing 0.2% (7 males and 3 females, with 8 at the Jingshin factory and 2 at the Shulin factory). There were no part-time employees. Among the overall workforce, 84.5% were local employees, mainly serving in managerial and general administrative roles, while 15.5% were foreign employees, all from Vietnam, primarily serving in grassroots positions. The male-to-female ratio of the workforce was approximately 2:1, with an average age of 39.7 years and average tenure of 14.3 years. Compared to the 6,867 employees in 2022, there was a decrease of 373 employees due to the completion of phase-specific expansion tasks, resulting in reduced external recruitment.

NYPCB's non-full-time employees primarily consist of contracted workers at the factory premises, responsible for assisting in electromechanical engineering, mechanical engineering, environmental cleaning, and plant operations. The estimated number of non-employees based on working hours is approximately 78 people. The overall ratio of full-time employees to non-full-time employees is 98.8% to 1.2%.

#### || Manpower Structure Distribution in the Past 3 Years ||

Unit: Number of people

Year	2021(註 6)					2022					2023				
Item	Gender			Work Location		Gender			Work Location		Gender			Work Location	
	Female	Male	Total	Jingshin plant	Shulin plant	Female	Male	Total	Jingshin plant	Shulin plant	Female	Male	Total	Jingshin plant	Shulin plant
Number of employees	2,043	4,051	6,094	6,094	-	2,303	4,572	6,875	6,274	601	2,164	4,330	6,494	5,510	984
Permanent employees (Notes 1)	2,040	4,046	6,086	6,086	-	2,300	4,567	6,867	6,266	601	2,161	4,323	6,484	5,502	982
Temporary employees count(Notes 2)	3	5	8	8	-	3	5	8	8	0	3	7	10	8	2
Full-time employees count(Notes 3)	2,043	4,051	6,094	6,094	-	2,303	4,572	6,875	6,274	601	2,164	4,330	6,494	5,510	984
Part-time employees count(Notes 4)	0	0	0	0	-	0	0	0	0	0	0	0	0	0	0

Note 1: Permanent Employees: Full-time or Part-time employees who have signed indefinite contracts.

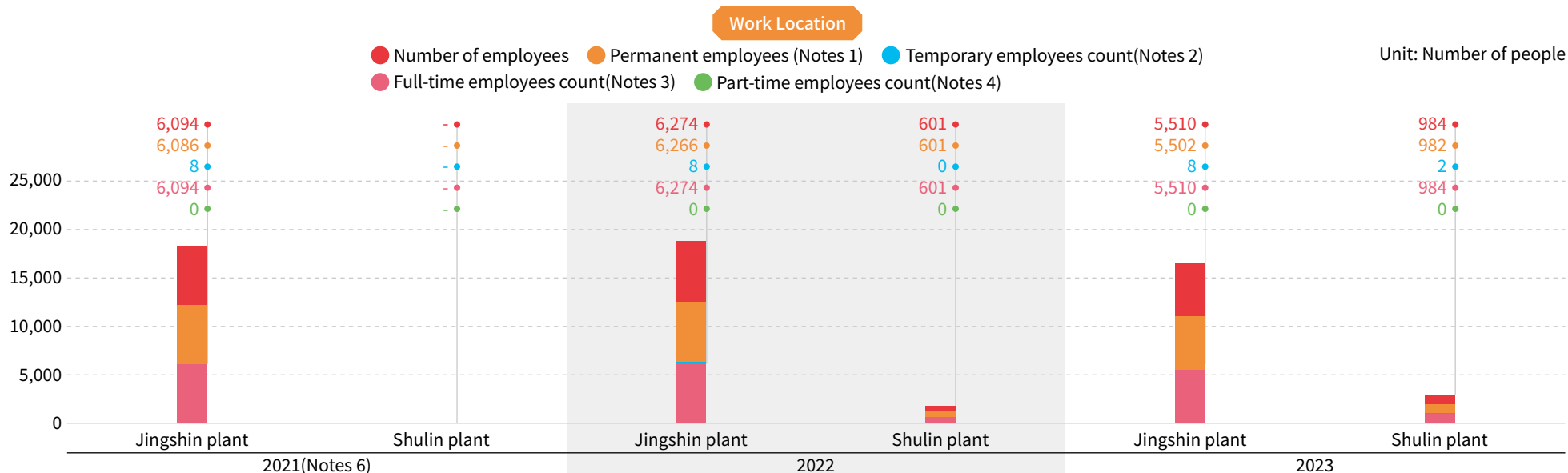
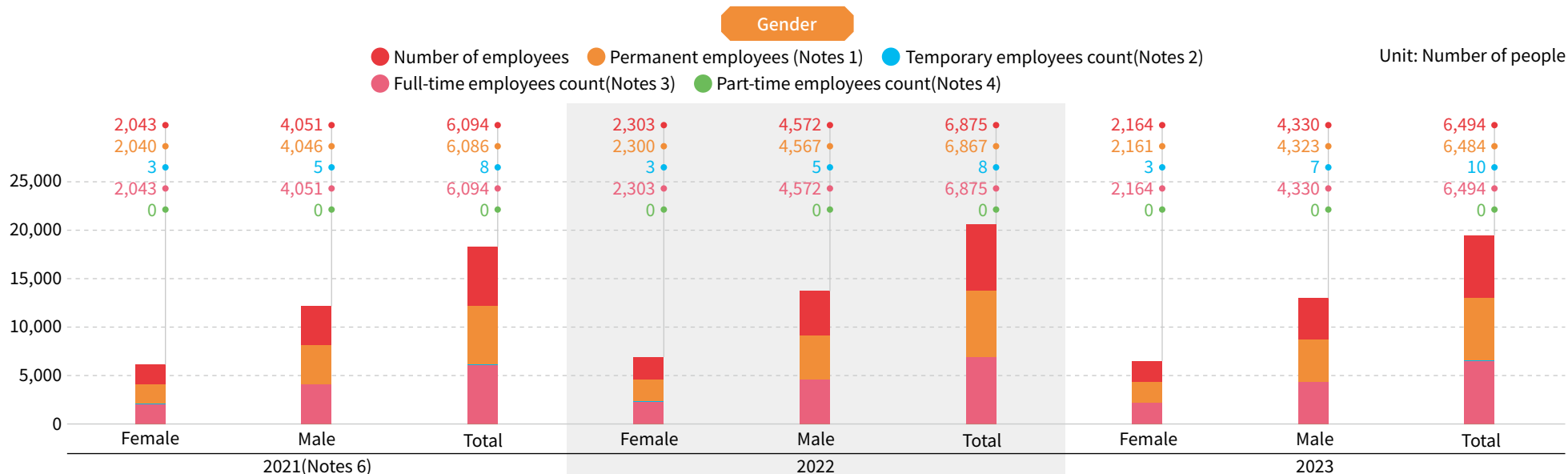
Note 2: Temporary Employees: Employees who have signed fixed-term contracts. These contracts expire at a specified time or upon the completion of a specific task or event with a predetermined schedule (e.g., the end of a project or the return of the employee to the original position after acting as a substitute).

Note 3: Full-time Employees: Employees whose weekly, monthly, or yearly working hours meet the legal and practical definitions of full-time employment in the country.

Note 4: Part-time Employees: Employees whose weekly, monthly, or yearly working hours are less than those of full-time employees.

Note 5: The company does not employ Employees with unlimited hours

Note 6: Shulin Factory is in the expansion in 2021, it's not included the data.



### || Distribution of Non-Employees in the Past 2 Years (Note 1) ||

Unit: Number of people, Hour, People

Year		2022(Note 2)			2023		
Item	Work Item	Number of people	Hour	People	Number of people	Hour	People
Contractor	Electrical Engineering	1,906	11,436	6	1,950	11,821	6
	Mechanical Engineering	6,830	47,810	24	6,700	49,900	25
	environmental cleaning	35	58,016	29	35	58,016	29
	Kitchen Operations	27	42,080	21	25	38,096	21
Total		8,798	159,342	80	8,710	157,833	81

Note 1: The number of non-employees is estimated based on the Full-Time Equivalent (FTE) method, where the number of individuals is calculated as follows: Number of individuals = Total hours worked / Daily working hours / Total working days in a year. If the calculated number is less than 1, it is rounded up to 1 person. The total number of working days in 2022 is estimated at 251 days, and in 2023, it is estimated at 253 days.

Note 2: Non-employee data collection began in 2022, so there is no data available for 2021.

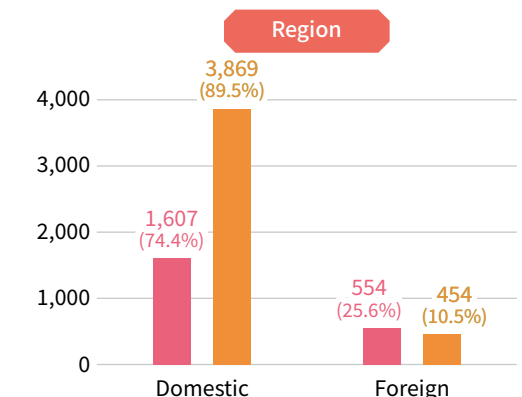
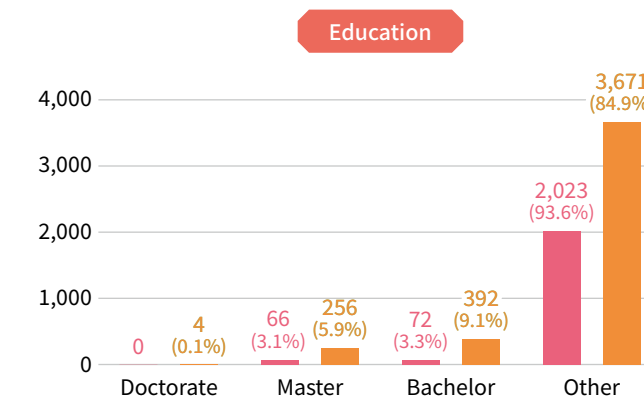
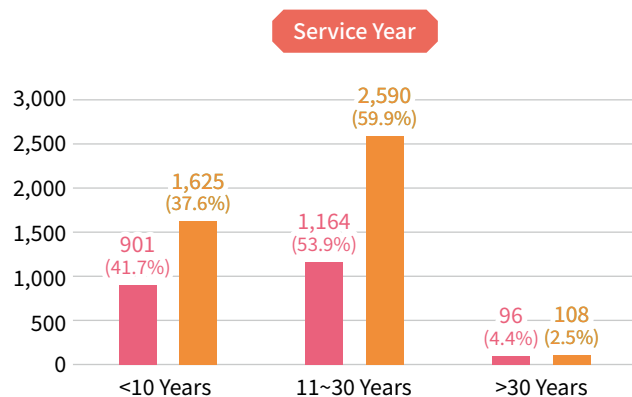
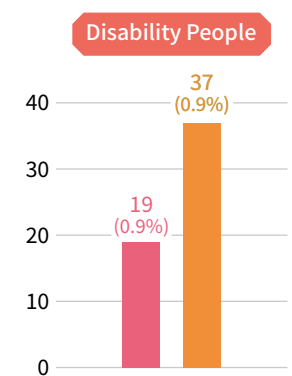
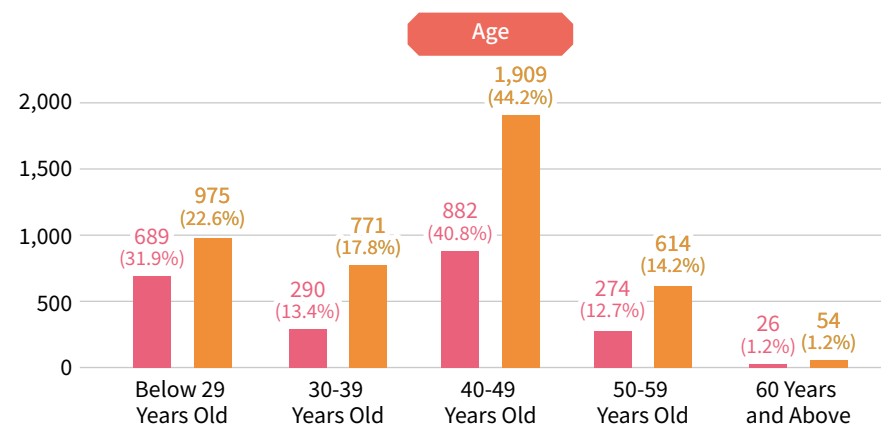
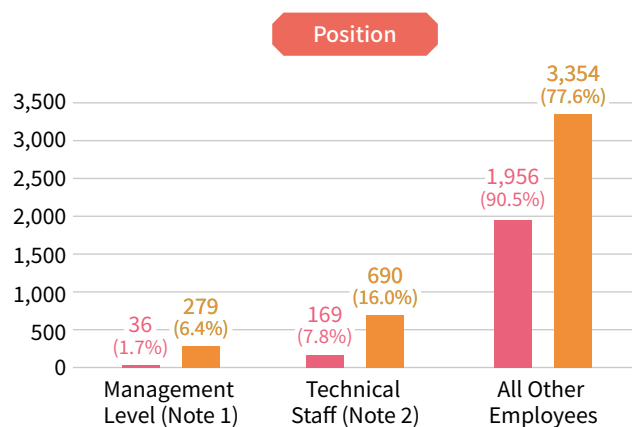
## Diverse workforce

NYP CB actively maintains a diverse workforce by collecting statistics on various aspects such as job positions, gender, and age, which serve as the basis for human capital management. Additionally, the company upholds the rights of individuals with disabilities, ensuring their equal participation in social, political, economic, and cultural opportunities. In accordance with Article 38 of the Disability Rights Protection Act, NYP CB ensures the sufficient employment of individuals with disabilities. As of the end of 2023, the company employed a total of 56 individuals with disabilities (37 males, 19 females), marking a 7.7% increase compared to the previous year.

|| Diverse Workforce Structure in 2023 ||

Male Female

Unit: Number of people / %

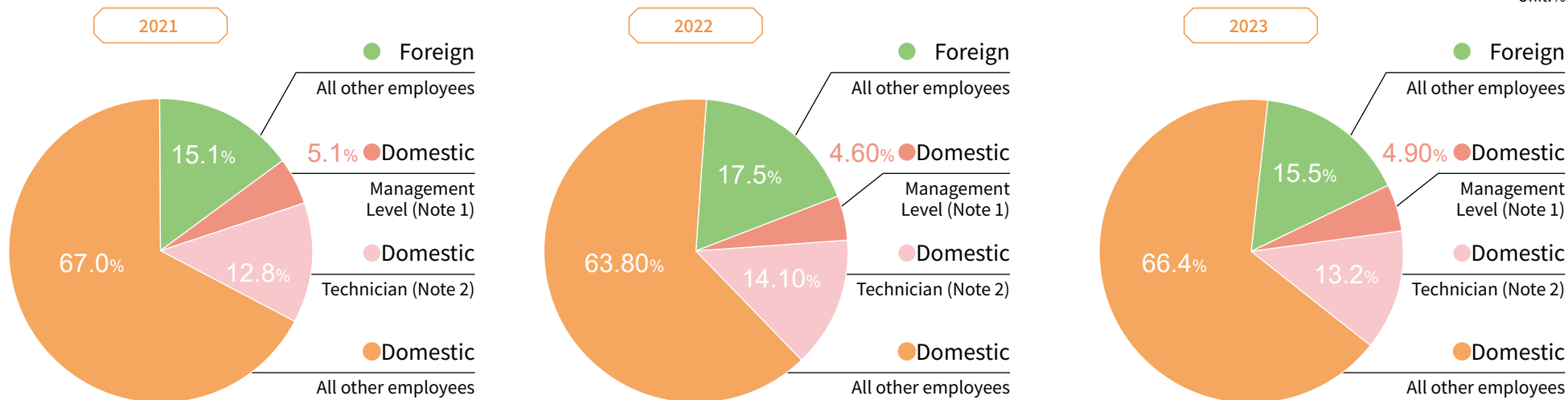


Note 1: "Management level" refers to personnel at the rank of staff management and above.

Note 2: "Technical staff" refers to personnel at the Supervisor.

## || Nationality distribution of NYP CB employees in the past 3 years ||

Unit: %



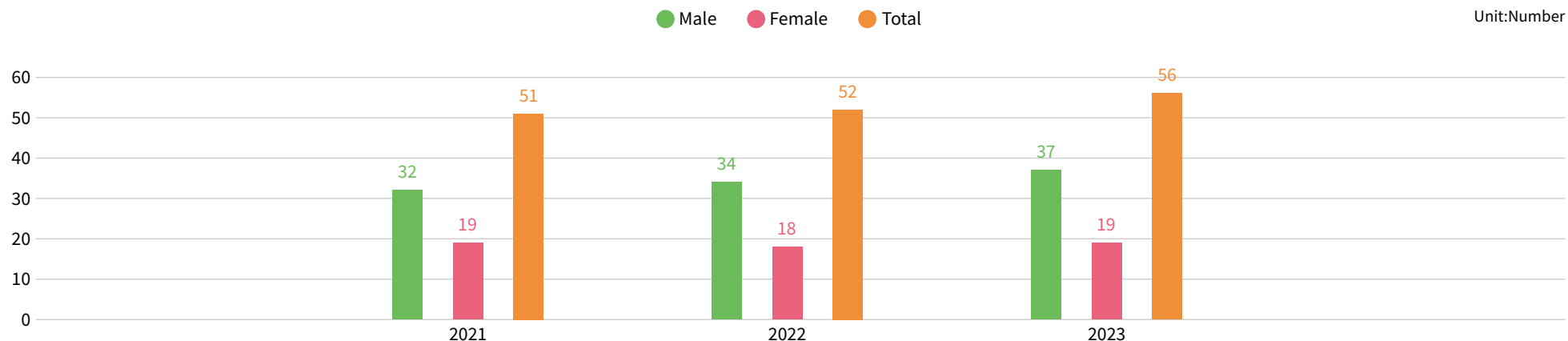
Note 1: Management level refers to personnel at or above the second supervisory level.

Note 2: Technical personnel refers to first-line supervisors.

Note 3: Shulin Factory is in the expansion in 2021, it's not included the data.

## || Disability People in the past 3 years ||

Unit: Number



Note 1: Shulin Factory is in the expansion in 2021, it's not included the data.

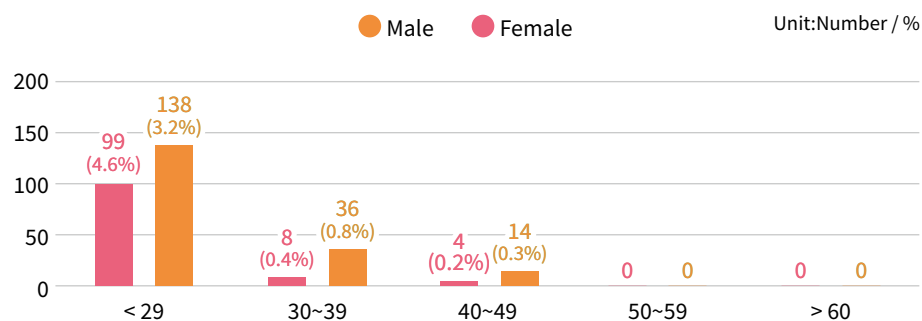
- The age distribution and regional distribution of new recruits.

### Regional distribution of new employees in the past 3 years

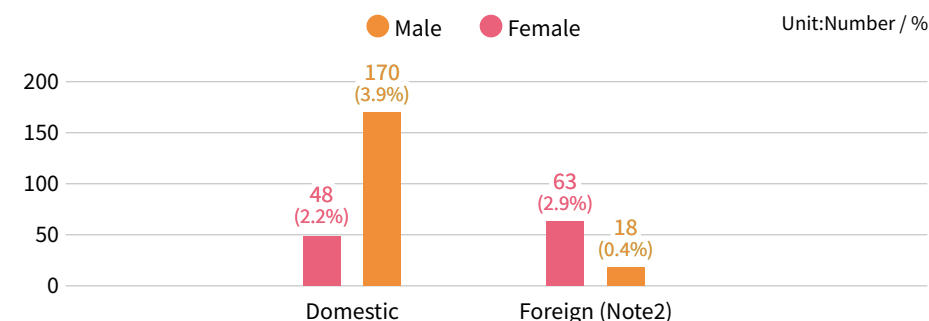
Unit: Number / %

Year		2021(Note 1)				2022				2023			
Item	Group	Female		Male		Female		Male		Female		Male	
		Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion
Age	< 29	141	6.9%	271	6.7%	379	16.5%	567	12.4%	99	4.6%	138	3.2%
	30~39	25	1.2%	68	1.7%	79	3.4%	217	4.8%	8	0.4%	36	0.8%
	40~49	13	0.6%	15	0.4%	38	1.7%	97	2.1%	4	0.2%	14	0.3%
	50~59	0	0.0%	2	0.0%	1	0.0%	2	0.0%	0	0.0%	0	0.0%
	> 60	0	0.0%	1	0.0%	0	0.0%	1	0.0%	0	0.0%	0	0.0%
Region	Domestic	79	3.9%	265	6.5%	216	9.4%	655	14.3%	48	2.2%	170	3.9%
	Foreign(Note2)	100	4.9%	92	2.3%	281	12.2%	229	5.0%	63	2.9%	18	0.4%
Total number of new employees		179	8.8%	357	8.8%	497	21.6%	884	19.3%	111	5.1%	188	4.3%
Total number of current employees		2,043	33.5%	4,051	66.5%	2,303	34.4%	4,572	68.3%	2,164	33.3%	4,330	66.7%

2023·Age

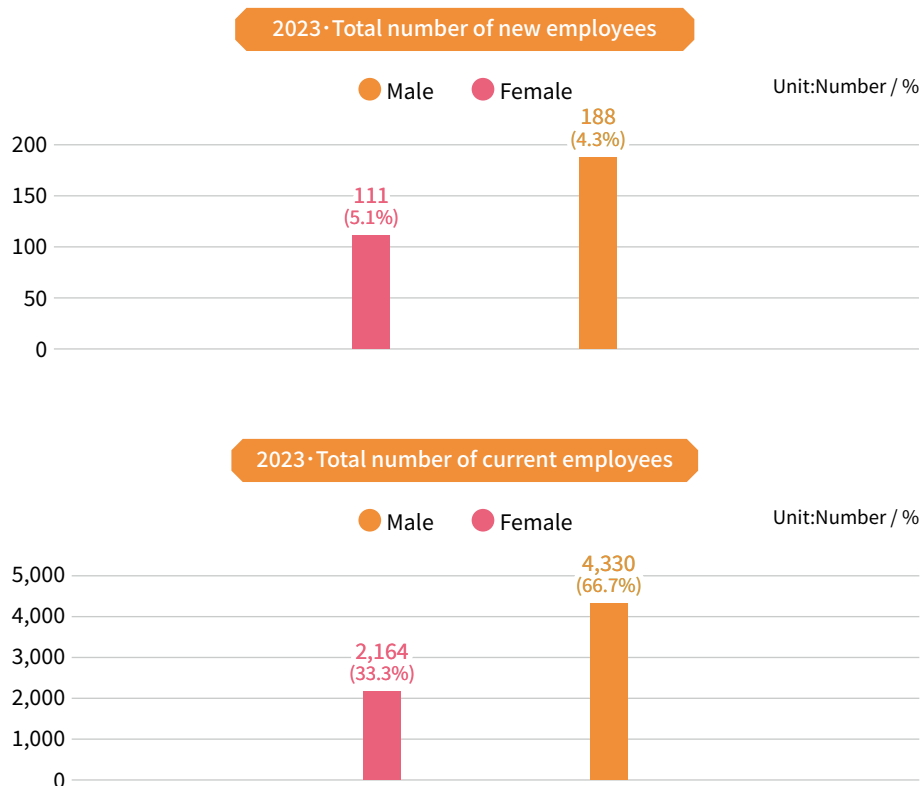


2023·Region



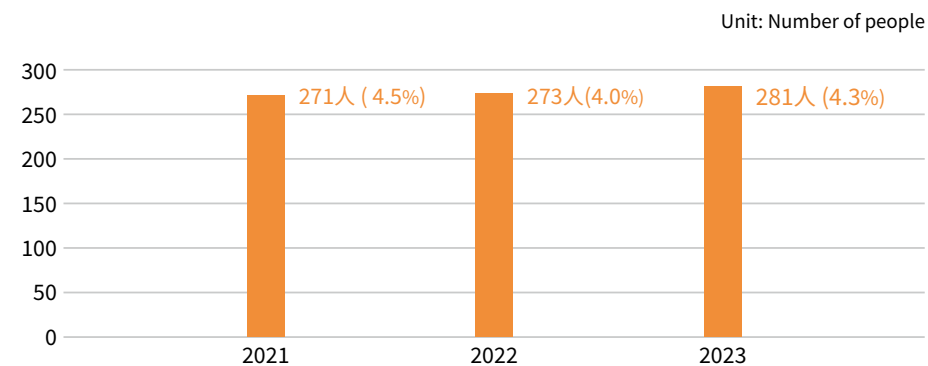
Note 1: Shulin Factory is in the expansion in 2021, it's not included the data.

Note 2: Foreign nationals are primarily from Vietnam, representing the main nationality among foreign employees at NYPCB.



### Ratio of Local Supervisors

NYPCB creates stable employment opportunities, gives priority to local residents when recruiting new entry-level recruits, and actively trains local residents to become outstanding officers. In 2023, a total of 281 local residents were employed as supervisors, accounting for about 4.3%, increased by 0.3% compared to 2022.



Note 1: Shulin Factory is in the expansion in 2021, it's not included the data.



## 4.2 Compensation and Benefits

### 4.2.1 Employee Wages and Benefits (Material Topics)

NYPCCB not only complies local labor laws but also joins local associations that survey salaries and welfare to ensure its salaries are competitive in the labor market.

The basic salary ratio for female to male employees in the same position and grade at our company is approximately 1:1.10. After hiring, salaries are adjusted and employees are promoted based on job performance each year, with corresponding compensation provided. For positions above the second-tier supervisor level, the female to male salary ratio is 1:1.38, indicating no gender pay inequality. In 2023, the number of full-time non-supervisory employees was 6,559 (excluding those who had been employed for less than six months), with a total salary of 5,970,127 thousand. The average annual salary was 910 thousand, and the median salary was 872 thousand. The change compared to 2022 was mainly due to the impact of business conditions.

#### Female-to-male salary ratio

Year	2021(Note1)		2022		2023	
Position	Female	Male	Female	Male	Female	Male
Manager and above	1	1.40	1	1.40	1	1.38
Supervisor and below	1	1.21	1	1.17	1	1.18

Note 1: Shulin Factory is in the expansion in 2021, it's not included the data.

#### The number and average salary of non-supervising staff in the past 3 years

Unit:NTD , %

Year	2021 (Note 1)	2022 (A)	2023 (B)	Ratio compared to the previous year (B/A)
Number of full-time non-manual employees (number of people)	5,825	6,252	6,559	104.9
Total salary amount (thousand dollars)	6,896,435	7,441,747	5,970,127	80.2
verage annual salary (thousand dollars)	1,184	1,190	910	76.5
Median annual salary (thousand dollars)	1,147	1,131	872	77.1

Note 1: Shulin Factory is in the expansion in 2021, it's not included the data.

#### Worker's Salary Compared to Minimum Standard in 2023

Unit:NTD

Year	2023	
Gender	Male	Female
Monthly salary of worker (A)	37,214	30,750
Minimum wage according to labor law (B)	26,400	
Ratio of standard wage for workers to the local minimum wag (A/B)	1.40	1.16

Note : The local minimum wage is based on the announcement by the Ministry of Labor.

Our company had three incidents of violations of the Labor Standards Act in 2023. Besides these, there were no major violations in any of our plants.

- On July 10, 2023, during a labor inspection at the Jingshin Plant, it was discovered that detailed calculations for various wage components were not provided, resulting in a fine of 20,000NTD. Upon investigation, it was found that the abnormality stemmed from former employees not receiving documents due to unforeseen circumstances. The issue was internally addressed by initiating registered mail delivery to rectify the situation.
- On July 10, 2023, during another labor inspection at the Jingshin Plant, it was found that overtime work was not compensated according to regulations, resulting in a fine of 50,000 NTD. Subsequently, internal measures such as cross-facility manpower scheduling, multi-job training, and external manpower supplementation were implemented to address the issue, leading to its resolution.
- On October 3, 2023, during a labor inspection at the Jingshin Plant, it was discovered that an employee was not adequately compensated during their sick leave. This violation resulted in a fine of 20,000 NTD, and the owed wages were duly compensated. Following this incident, adjustments were made to adhere to regulatory principles for wage compensation, leading to the issue's resolution.



## • Pension system

The company follows Taiwanese regulations to design a retirement pension system for employees, which includes mandatory contributions to retirement reserves as per legal requirements. Additionally, through professional actuarial calculations for retirement reserves, the company ensures the future benefits of employees when they retire and guarantees adequate contributions. Upon retirement, employees are entitled to receive labor retirement pensions and elderly benefits from labor insurance as mandated by law. Furthermore, the company or the Employee Welfare Committee may grant additional rewards or medals based on job duties to express appreciation for the long-term dedication of employees.

Item	Labor Pension	
	Previous system	Modern system
Legal Basis	Labor Standards Act	EnLabor Pension Act
Percentage Provided	Deducting 4% of each employee's monthly salary to be allocated to their individual account as labor retirement reserves.	Allocate 6% of employees' monthly salary to their individual accounts as retirement savings, in accordance with the law.
Employee Participation Rate	6.6%	93.4%
Eligibility Criteria	Labor Standards Act § 53	EnLabor Pension Act § 24, § 24-1
2023 Preparedness Status	Compliant with the law	Compliant with the law

Note 1: The Modern system has been implemented since July 1, 2005. NYP CB employees who joined before June 30, 2010, were allowed to choose between the Previous and Modern systems. Those who joined on or after July 1, 2005, are automatically enrolled in the Modern system.

The Company offers a variety of employee welfare benefits and incentives based on Formosa Plastics Group and are more generous than the requirements of government regulations. Details are as follows:



### Leave Benefits

- Provide various types of leaves
- The pay standards for sick leave, certain types of bereavement leave, and typhoon leave are higher than the legally stipulated levels indicated in the Labor Standards Act.



### Insurance Benefits

- Labor insurance, national health insurance
- Members of the Welfare Committee at each plant provides accident insurance, medical insurance or various group insurances at discounted rates



### Retirement Benefits

- Payment of labor pension and labor retirement reserve on a monthly basis
- When an employee meets retirement criteria, the Company will pay his/her pension according to the law, and will provide a retirement gift.



### Marriage and Childbearing Benefits

- incentive for congratulating (funeral offerings)
- Offers breastfeeding rooms, implemented the system of parental leave and unpaid parental leave
- Provide a childbirth subsidy of 20,000 NTD per child and a childcare subsidy of 2,000 NTD per month (until the child is 6 years old).

To continue realizing the vision of a happy workplace, NYPCB has established lactation rooms and implemented childcare leave and parental leave without pay policies. In 2023, a total of 57 employees applied for parental leave without pay, with a re-employment rate of 80% and a retention rate of 100%, showing an increase compared to the previous year.

|| The number of applications for parental leave, the re-employment rate, and the retention rate in the past 3 years. ||

Unit: Number of people, %

	2021(Note 2)			2022			2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of eligible employees for parental leave	78	12	90	65	31	96	59	27	86
Number of employees who applied for parental leave	8	15	23	8	18	26	34	23	57
Number of employees expected to return to work in the current year (A)	6	15	21	4	9	13	22	19	41
Number of employees who applied to return to work in the current year (B)	6	12	18	4	6	10	14	19	33
Return to work rate (B/A)(%)	100	80	86	100	67	77	64	100	80
Number of employees who remained employed for over one year after returning to work	3	8	11	4	5	9	4	6	10
Retention rate(%)(Note 1)	100	53	61	67	42	50	100	100	100

Note 1: Retention rate refers to the ratio of employees who remain employed for over one year after returning to work following parental leave.

Note 2: Shulin Factory is in the expansion in 2021, it's not included the data.

## 4.2.2 Staff Evaluation and Job Security

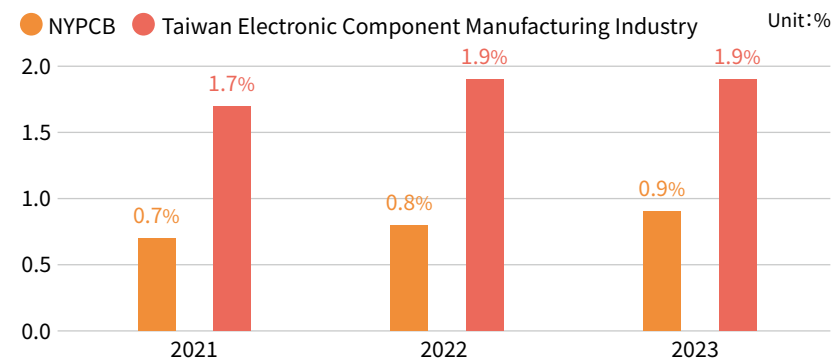
### • Staff Evaluation

All NYPCB employees undergo regular assessments in accordance with the "Assessment Measures", and the year-end performance appraisal grades are assessed based on regular work assessments, attendance records, records of rewards and punishments, and the time limit for handling various cases as the basis for salary adjustment and year-end bonus issuance, and as a reference for future training, promotion and transfer. Employees with evaluation results of grade B or C shall be interviewed periodically by their supervisor to track the improvement plans and results. In 2022, 100% of employees were subjected to regular assessment.

### • Excellent Job Security

In order to adapt to the rapid changes in the business environment and the continuous innovation of technology, NYPCB continued to rationalize management and simplify the organization. However, based on the spirit of giving priority to protecting the rights and interests of employees, even in the most difficult business environment, we still share the difficulties with employees and establish a human resources integration mechanism to replace severance by transfer. NYPCB's employee turnover rate has been about 2.0%, which is significantly lower than that of Taiwan's electronic components.

|| Comparison Table of NYPCB's Monthly Turnover Rate with Industry Peers ||



Data Source:

Department of Budget, Accounting and Statistics. [https://earnings.dgbas.gov.tw/query\\_payroll.aspx](https://earnings.dgbas.gov.tw/query_payroll.aspx)

Note 1: Shulin Factory is in the expansion in 2021, it's not included the data.

### || Age Distribution of Departing Employees in the Past 3 Years ||

Unit: Number of person,%

Year		2021(Note 2)				2022				2023			
Item	Group	Female		Male		Female		Male		Female		Male	
		Number of people	ratio	Number of people	ratio	Number of people	ratio	Number of people	ratio	Number of people	ratio	Number of people	ratio
Age	< 29	131	6.4%	221	5.5%	163	7.1%	208	4.6%	171	7.9%	255	5.9%
	30~39	24	1.2%	51	1.3%	50	2.2%	84	1.8%	41	1.9%	74	1.7%
	40~49	18	0.9%	36	0.9%	23	1.0%	50	1.1%	24	1.1%	52	1.2%
	50~59	7	0.3%	11	0.3%	5	0.2%	22	0.5%	12	0.6%	31	0.7%
	> 60	2	0.1%	7	0.2%	4	0.1%	10	0.2%	11	0.5%	23	0.5%
Region	Domestic	0	0%	0	0%	238	10.3%	337	7.4%	120	5.5%	297	6.9%
	Foreign (Note3)	182	8.9%	326	8.0%	7	0.3%	37	0.8%	139	6.4%	138	3.2%
Total Resigned Employees		182	8.9%	326	8.0%	245	10.6%	374	8.2%	259	12.0%	435	10.0%
Total Employees		2,043	33.5%	4,051	66.5%	2,303	32.6%	4,572	67.4%	2,164	33.3%	4,330	66.7%

Note 1: Turnover Rate = Total number of departing employees / (Total number of employees in service) \* 100

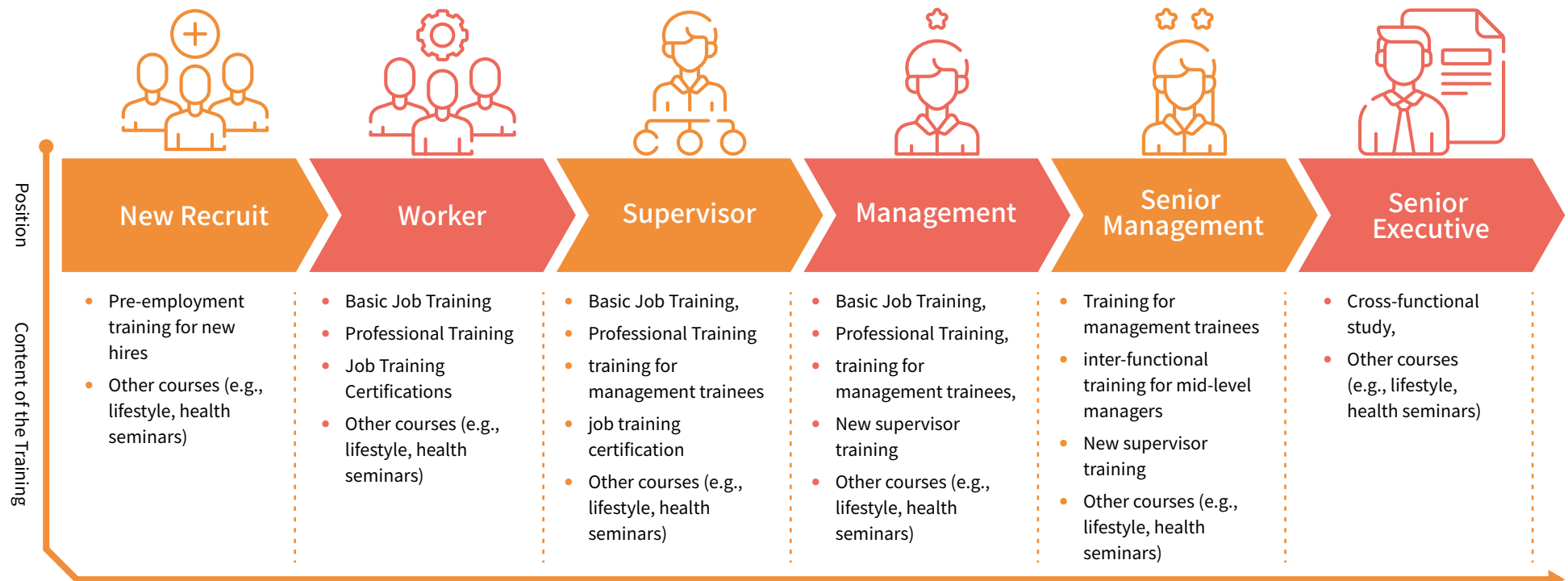
Note 2: Shulin Factory is in the expansion in 2021, it's not included the data.

Note 3: The region being mentioned is primarily Vietnam.

### 4.3.1 Career Learning Map

NYP CB has a complete training and development system for the new recruits, and has created a quality working and learning environment to cultivate professional talents with innovative perspective and continuous improvement. At the same time, a comprehensive training plan for different stages of each employee's career has been created to facilitate gradual improvement, allowing him/her to excel and become an outstanding and practical professional.

|| Career Development Road Map for Employees ||



### 4.3.2 Implementation of employees' continuing education and training

In 2023, the Company's various training courses, in addition to being held by each department independently, will also be coordinated by the training unit under the President's office to handle common professional training and training for management trainees. Total of 1,990 training sessions were held, the number of participants was 6,460 (excluding Senior Executive). The total number of training hours was 153,134 hours, the average training hours per individual was 23.7 hours, and the total cost was about NT\$1.81million. An increase of approximately 9.12 million NTD compared to 2022, primarily due to additional personnel training during the expansion period.

#### || Average number of training hours for different types of employees in the recent 3 years ||

Unit: Hours / Person

Position	Year	2021 (Note 2)	2022	2023
Senior Management	Total Number of People	73	77	79
	Total Number of Hours	487	324	430
	Average	6.7	4.2	5.4
Management	Total Number of People	234	233	228
	Total Number of Hours	2,054	1,282	2,660
	Average	8.8	5.5	11.7
Supervisor	Total Number of People	626	693	751
	Total Number of Hours	11,188	7,308	15,201
	Average	17.9	10.5	20.2
Worker	Total Number of People	5,162	5,684	5,402
	Total Number of Hours	111,821	94,522	134,843
	Average	21.7	16.6	25.0
Total	Total Number of People	6,095	6,687	6,460
	Total Number of Hours	125,550	103,436	153,134
	Average	20.6	15.5	23.7

Note 1: Total number of people excludes Senior Executive. Statistics are based on the headcount as of the end of December of the fi year.

Note 2: Shulin Factory is in the expansion in 2021, it' s not included the data.

#### || Average training hours employee in the most recent 3 years ||

Unit: Number of people, Hour, Hour/People

Year	2021(Note 2)		2022		2023	
Gender	Male	Female	Male	Female	Male	Female
Total Number of People	4,051	2,044	4,440	2,247	4,318	2,142
Total Training Hour	90,980	34,570	70,543	32,893	103,656	49,478
Average(Hour / People)	22.5	16.9	15.9	14.6	24.0	23.1

Note 1: Total number of people excludes Senior Executive, and statistics are based on the Number of People of December 2023.

Note 2: Shulin Factory is in the expansion in 2021, it' s not included the data.

#### || Training Photos ||



### 4.4.1 Collective Bargaining

NYP CB has established an employee complaint system to improve collective bargaining, and formulated work and human resources management regulations to clearly stipulate the rights, obligations and management matters of both parties, so that employees can fully understand and protect their own rights and interests.

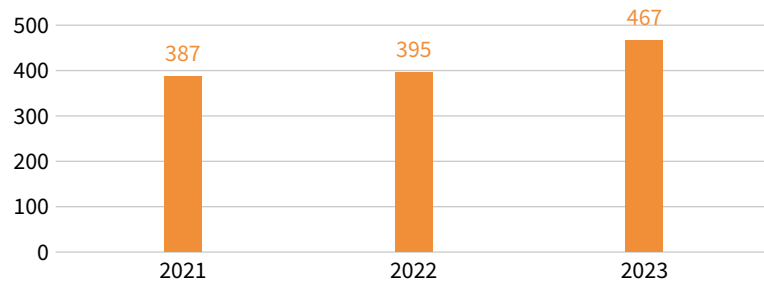
Communication Target	Communication Channel	Communication Resources		2022 Communication effectiveness
All employees	<ol style="list-style-type: none"> <li>Face-to-face communication <ul style="list-style-type: none"> <li>Regular meeting of trade union/welfare committee (board of supervisors/labor-management meeting)</li> </ul> </li> <li>Written communication <ul style="list-style-type: none"> <li>Complaint form</li> </ul> </li> </ol>	Supervisors at all levels	Board of Directors and the Management	<ol style="list-style-type: none"> <li>Every day: Meeting</li> <li>Every quarter: Occupational Safety and Health Committee Meeting, Labor Union Symposium</li> <li>Irregularly: executive manager communicate with union representatives</li> </ol>
	<ol style="list-style-type: none"> <li>Human resources service team <ul style="list-style-type: none"> <li>Announcement letter</li> <li>Internal Magazine Publications (electronic, physical books)</li> </ul> </li> <li>Employee Assistance Program <ul style="list-style-type: none"> <li>Factory Management Office (promoting logistics support and welfare services).</li> <li>Employee Welfare Committee (periodic performance evaluation and satisfaction survey)</li> </ul> </li> </ol>	Human Resources Organization		<ol style="list-style-type: none"> <li>Every month: Employee Welfare Committee</li> <li>Every two months: Internal Magazine Publications</li> <li>Every year: Employee Satisfaction Survey</li> <li>Irregularly: Management policy feedback</li> </ol>
	Employee feedback box <ul style="list-style-type: none"> <li>The 799 Hotline from the plant</li> <li>Physical suggestion mailbox, corporate information system (Online suggestion box)</li> </ul>	System		<ol style="list-style-type: none"> <li>Irregularly: <ul style="list-style-type: none"> <li>(1) Physical suggestion mailbox and online suggestion box (Notes, Outlook)</li> <li>(1) 799 Hotline from the plant</li> </ul> </li> </ol>

### 4.4.2 Employee Care

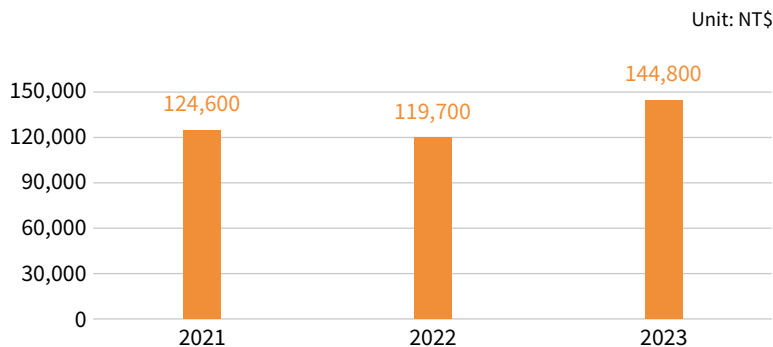
NYP CB continuously promotes many employee care programs to motivate employees, enhance employee benefits, and promote employees to achieve a balanced development in work, health, and life. For related content, please refer to the official website under "Work and Life".

The Company has set up improvement proposal incentives to encourage employees to discover work abnormalities and propose a good improvement plan, and bonuses will be issued based on the improvement period and effect after adoption. In 2023, there were a total of 467 improvement proposals, and a total of NT\$144,800 of bonuses was issued. In addition, an innovation platform website was set up for employees to discuss professional topics, and appropriate rewards were given to those who provide outstanding innovative ideas.

|| Total number of improvement proposals ||



|| Reward Amount ||



Note 1: Shulin Factory is in the expansion in 2021, it's not included the data.

In addition, NYPCB provides Employee Assistance Programs (EAPs), which utilize counseling resources from the local government's Mental Health Center. Unit supervisors and colleagues can seek assistance from professional social workers and counselors regarding issues related to management, mental health, family, relationships, etc. This is aimed at reducing harm caused by human factors, natural elements, or improper handling.

### 4.4.3 Respect for Human Rights

NYPCB believes that every employee should be treated with fairness and respect, provides equal job opportunities, and protects the basic human rights of to job seekers and every employee. No material investment agreements and contracts relating to human rights were made in the company in 2022. For the company's human rights protection, please refer to the official website under "Human Rights Policy and Specific Practices"

The company's labor employees have the option to freely participate in a union and representative candidate and can communicate openly with the company's management about work issues without fear of retaliation, threats or harassment. In 2023, the percentage of employees participating in the union within our company accounted for 60.3% of the total employee. The Company's labor union also holds regular director and supervisor meetings, and, to avoid colleagues' doubts, the Company does not intervene in the union's practical operations and member lists. Within the scope of compliance with law, we fully engage with and communicate extensively with the union, discussing a wide range of labor issues.

While the company has a union, it has effectively engaged in negotiation through diverse and open communication channels with the company. This includes regular meetings of the board of directors and collective bargaining, as well as reviews and explanations through physical and written appeals. On significant labor-management issues, the company prioritizes listening to the union's opinions, and consensus is reached through discussions between senior management and the union. This practice aligns with the principle of good faith and trust as stipulated in the Collective Agreement Act, ensuring the rights of collective bargaining for employees. Therefore, to date, the union has not made any requests for collective bargaining agreements, and no such agreements have been signed

The company holds regular quarterly union forums to facilitate exchange of opinions and address feedback from both labor and management. For colleagues who are not union members, designated representatives are assigned to attend these meetings. These representatives gather feedback in advance and incorporate it into the discussions during the meeting. After the meeting, the conclusions drawn from the discussions are communicated back to the participants for feedback. For example, representatives for foreign workers' opinions are appointed by the dormitory managers who native speaker their language, while feedback from worker is collected by respective performance group and then conveyed to the designated representatives.

The company regularly holds management communication meetings and publish corporate magazine quarterly. Employees can also express their opinions through suggestion boxes, a sexual harassment prevention hotline, or a feedback hotline. In 2023, there were a total of three formal complaints related to human rights issues. The main complaints involved employee interactions, falsification of documents, and defamation. These cases were properly addressed through effective communication, and the related issues have been resolved and improved.

## 4.5 Occupational safety and health

### 4.5.1 Occupational health and safety (Material Topic)

#### • Occupational safety and health management system

All factories are equipped with occupational safety and health facilities in accordance with legal regulations.

committee (labor representatives account for more than 1/3 according to law ), jointly participated in the optimization and improvement of the occupational safety and health system , and obtained ISO 45001 : 2018 occupational safety and health management system certificate . The system covers 100% of workers in all factories of the company , including all employees and contractors (non-employees ) .

August 15 , 2023 , when the company was conducting temporary organic operations, the on-site supervisor did not have an organic solvent operation supervisor certificate, violated the Occupational Safety and Health Law and the Organic Solvent Poisoning Prevention Rules, and was fined 100,000. Temporary hazardous operations have been included in the work safety permit application system. Hazardous operations supervisors must be assigned and operation inspections must be carried out before implementation. There have been no related problems. In addition, no major violations have occurred in each factory area.

#### || Occupational Safety and Health Committee ||



Committee  
size

23 people



Labor  
representation  
ratio

9 people (39%)



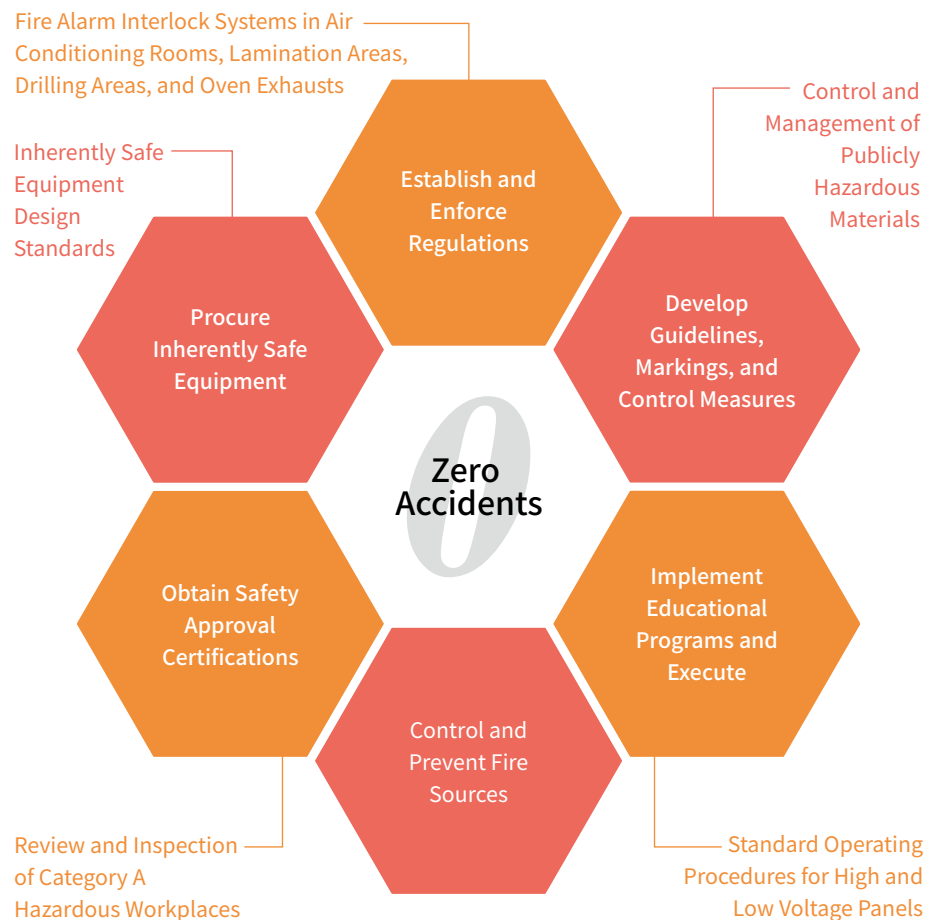
Meeting  
frequency

quarterly



Topics for  
discussion  
in 2023

1. Safety and health management performance
2. Employee health promotion project
3. Work environment improvement case progress tracking



## • Hazard risk identification and assessment

The company has established a systematic hazard identification and risk assessment process to avoid unsafe environments or operating behaviors in the manufacturing process. If employees discover any potential hazards or risks in the workplace, they can report them to their supervisor or through the "False Alarm Report Form". The investigation team will conduct an investigation and file a case, review the extent of the hazards and likelihood of occurrence, and determine After determining the risk level of major potential hazards, we can identify the causes of false alarms through analysis and provide feedback to revise the standard operating procedures (SOP), process conditions, and DCS. Improve the process and operation content such as parameters, strengthen the safety of equipment in the factory, add protective measures, and strengthen management measures (such as key items for independent inspections in the factory, key inspection points for supervisors, and the production of teaching materials for training, etc.).

A total of 40 false alarms were reported in 2023 , which have been put on file for control and improvement. Employees are encouraged to continue to proactively identify potential hazards. In addition, if employees independently discover potential risks or hazards in the work environment, or places that may cause harm, employees can make their own judgment and exercise their right to withdraw to protect their own safety. Through immediate responses, communication meetings, IE proposals, and safety observations of each unit, Wait for notification through channels and you will not be punished accordingly.

### || Hazard Identification and Risk Assessment Process ||



## • Accident investigation

The company has formulated a complete accident investigation process. Within 24 hours after the accident occurred, an accident investigation team was formed according to the size of the accident to conduct the investigation, including interviewing relevant personnel and collecting information, using methods such as error tree analysis to find out the direct, indirect and basic reason. After the investigation is completed, the investigation results and improvement countermeasures will be reported to the chairman , and improvement projects will be tracked to prevent the accident from happening again. Relevant departments will also assign employees to receive professional training on major anomaly investigations to enhance professional investigation capabilities. If it is necessary to conduct cross-company or cross-factory major anomaly investigations, appropriate manpower can be assigned to assist in the investigation based on the actual situation.

## • Health Risk Management and Assessment

Our company refers to the five categories of the Ministry of Labor's "Reference Guidelines for Occupational Diseases" and summarizes the five categories of "social psychological", "physical", "chemical", "biological" and "human factors engineering" based on its own industry and organizational characteristics. Risk factors that may cause occupational diseases among employees , actively provide management practices and track relevant performance.

Hazard factor	psychosocial	physical	Chemistry	biological	Human Factors Engineering
Content	Long working hours, work pressure	Abnormal temperatures, ionizing radiation, etc.	Dust, organic solvents, strong acids and alkalis, etc.	Microorganisms, infectious diseases, etc.	Long-term muscle weight bearing, etc.
Industry characteristics	Overworked, middle-aged and elderly staff	Noise hazards, ionizing radiation hazards	Strong acids, strong bases, oxidizing substances, toxic chemicals	COVID-19 and epidemic infectious diseases	repetitive muscle injury
Practice in 2023	Overload assessment is conducted based on health examination and overtime hours , and high-risk personnel receive work advice and follow-up through the on-site physician.	1. Conduct regular operating environment monitoring and health checks 2. Carry out hierarchical management and control based on monitoring and inspection results.	1. Establish relevant leakage prevention measures and operation supervisors in accordance with the law. 2. Conduct regular operating environment monitoring and health checks 3. Carry out hierarchical management and control based on monitoring and inspection results.	1. Regularly announce information related to infectious disease prevention and control 2. Establish response measures for each control stage	Implement human hazard prevention plans and make improvements for quantified high risks.



## • Occupational Disaster Statistics

### || Occupational accident statistics in the past 3 years ||

Unit: hour; person; piece; ratio

year	2021		2022		2023	
category	staff	contractor	staff	contractor	staff	contractor
Total working hours experienced	12,680,976	198,912	12,090,496	418,600	13,992,704	208,000
death toll	0	0	0	0	0	0
Number of disability cases	0	0	0	0	0	0
Death rate due to occupational injuries (Note 1)	0	0	0	0	0	0
Disabling injury severity rate (Note 2)	0	0	0	0	0	0
Frequency of incapacitating injuries (Note 3)	0	0	0	0	0	0
Comprehensive damage index (Note 4)	0	0	0	0	0	0
Number of deaths caused by occupational diseases	0	0	0	0	0	0
Mortality rate due to occupational diseases	0	0	0	0	0	0
Number of recordable occupational disease cases	0	0	0	0	0	0

Note 1: Death rate caused by occupational injuries = Number of deaths caused by occupational injuries \* 1,000,000/Total working hours experienced

Note 2: Frequency of incapacitating injuries = number of incapacitating injuries \* 1,000,000/total working hours experienced

Note 3: Severity of incapacitating injury = days lost due to incapacitating injury \* 1,000,000/total working hours experienced

Note 4: Comprehensive injury index =  $\sqrt{\text{Frequency of incapacitating injury} * \text{Severity of incapacitating injury} / 1,000}$

Note 5: Because Shulin No. 1 Factory is still in the expansion stage in 2021, it is not included in the data update.

statistics on the "disabling injury severity rate" of contractors starting in 2021.

## • Employee health care and promotion

### environmental test

#### Practice

For manufacturing process areas and offices, inspections are carried out every six months in accordance with the law.

#### 2023 Implementation results

All physical and chemical monitoring results are below legal control standards



### health promotion courses

#### Practice

Includes courses on diagnosis and treatment of injuries and illnesses, preventive healthcare, smoking cessation counseling, and more.

#### 2023 Implementation results

Relevant health information is announced by the health center every month and made known to all colleagues. This year, it passed the Ministry of Health and Welfare's Workplace Health Certification Mark-Promotion Level.



### employee insurance



#### Practice

Reduce the risk impact of major accidental injuries or accidents and apply for group accident insurance for employees

#### 2023 Implementation results

Purchase accident insurance of RMB 600,000 and accidental medical treatment of RMB 50,000 to reduce the medical expenses of colleagues.

### Physical and mental care



#### Practice

The NYPCB Welfare Committee organizes various leisure activities from time to time

#### 2023 Implementation results

Organize recreational activities such as hiking to protect streams, shrimp fishing, bowling, and basketball games, and organize parent-child tourism activities to increase parent-child interaction and care

### health care



#### Practice

Cooperate with Chang Gung Memorial Medical Team to provide employee health examination and medical services

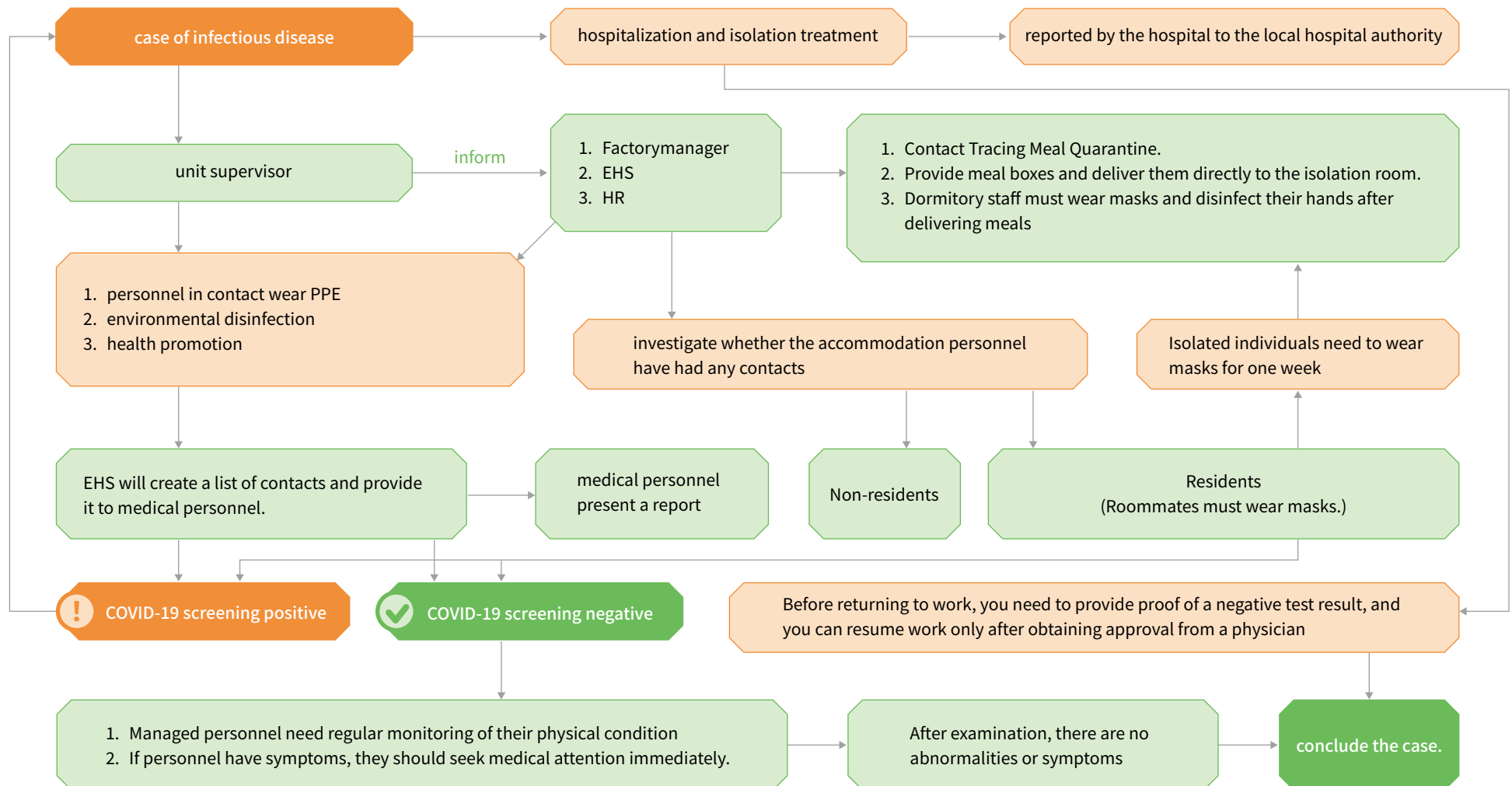
#### 2023 Implementation results

Arrange more than 15 occupational medicine specialists to provide on-site medical consultation services every month. In addition, we conduct annual employee health examinations and launch health promotion programs for overworked, middle-aged and elderly people.

## • Epidemic response and prevention management

In response to the easing of the domestic COVID-19 epidemic in 2023, NYPCB will track the current epidemic status of various infectious diseases, actively cooperate with local health units in vaccination activities, adjust epidemic prevention management measures, and prevent the impact of possible future epidemics on business operations.

### || Infectious disease treatment process ||



## 4.5.2 Factory public safety (Material Topic)

### • Supplier and contractor safety management

NYPCB regards contractors who enter the factory as part of its employees. In addition to regular pre-entry education and training for contractors, if there are new measures or audit deficiencies, contractors will be reviewed every day in the "Toolbox Meeting" Promote/supervise again, the education and training content includes: construction safety, classification and waste reduction standard operating procedures and missing guidance. In 2023, there were no major occupational disasters among contractors in any factory area.

### • Construction management methods

NYPCB In order to prevent construction safety accidents, NYPCB has continued to strengthen safety education and training for contractors in recent years, promote various contracting safety management systems, conduct observation seminars and other businesses. In 2023, NYPCB has trained a total of 2,321 contractors. In order to urge contractors to implement management, it is stipulated that contractors must comply with the Labor Safety and Health Law and related laws and regulations, set up labor safety and health organizations and members, and require contractors to assign 1 to 5 people with qualified certificates and necessary qualifications for each construction case. Full-time labor safety and health management personnel can ensure work safety and environmental sanitation every time they perform safety and health management activities at the construction site.

#### A. Pre-construction

Item	Operational Steps	Responsible unit/person	Operational Items
1	Project entrustment	Requester	1. Open an order 2. Construction work safety notification sheet; establish workplace environment and potential hazards factors and safety measures
2	design budget	design class	1. Consider safety matters during project design and include them in the budget 2. Consider the actual safety facilities needed at the construction site and prepare a budget Basis for manufacturer's quotation
3	Contractor safety notice	overseer	1. After the project is awarded, report to the person in charge of the construction site of the contractor and the safety and health of the manufacturer Managers inform safety matters and sign for approval 2. Confirm that construction personnel entering the factory have completed safety and health education training and have Complete computer system control 3.The person in charge of the contractor should fill in and submit the form to the contractor's employees during the contract work "Injury and Illness Physical and Mental Status Questionnaire" 4. The contractor proposes a Job Safety Analysis (JSA) for the case, educates and promotes the construction personnel, and completes the signature
4	Application for factory entry permit	overseer	1. E-based manufacturers can apply for a factory entry permit online 2. For non-E-enabled manufacturers, the supervisory department shall input the filing application
5	Issuance of factory entry permit	Security class	1. Construction work safety notice (contract number) signed by the construction worker 2. Safety education and training for computer verification contractors before entering the factory (personnel code)
6	Construction application	overseer	1. Issue a work safety permit application form and send it to the entrusting unit for signature 2. Assignment of supervisors
7	construction permit	Requester	Safety supervisor assignment

## B. Under construction

Item	Operational Steps	Responsible unit/person	Operational Items
1	Factory equipment inspection	Supervisor or work safety officer	1. Inspection of hazardous equipment 2. Check with electric tools
2	Daily Toolbox Meeting	overseer	Promotion of construction safety matters
3	Construction safety supervision and control	safety supervisor	1. Confirmation and supervision of safety facilities and safety protection during construction 2. In areas that are not approved for construction application, construction is prohibited and personnel are restricted from entering.
		Factory safety personnel	3. During daily construction, the construction area and construction personnel will be inspected for safety facilities and safety protection from time to time.
		overseer	4. Confirmation and supervision of safety facilities and safety protection before, during and after construction

## C. After construction

Item	Operational Steps	Responsible unit/person	Operational Items
1	Confirm after construction	Requester	1. Confirmation of completion of cleaning of the working environment 2. Confirmation of completion of business waste removal
		overseer	3. Daily factory confirmation by construction personnel

## • Training of safety supervisors

In order to ensure the safety of construction operations, our company has set up full-time safety supervisors in each factory in compliance with legal regulations. We hope that through dedicated supervision, we can remind manufacturers of construction operation safety at any time, inform them of correct construction safety behaviors, and change manufacturers' safety concept, and assist in supervising manufacturers to conduct independent safety management before, during and after construction, and actively maintain the safety of contractors and processes. In order to enable safety supervisors to effectively perform their functions and truly effectively teach manufacturers, training courses to improve safety supervisors' professional knowledge and hazard identification capabilities have been promoted since 2011. Classroom training is combined with practical physical training to strengthen the professional capabilities of safety supervisors. A total of 402 people have received professional training by 2023.

|| Trained safety supervisors and actually put on safety belts for practical training on elevated operations ||



## • Safety and health education

Accidents are mostly related to human negligence. Therefore, how to educate employees and improve their safety awareness and ability to respond to emergencies is the primary focus of NYPCB safety and health education and training. A total of 84 levels of industrial safety training courses will be opened in 2023, with a total of 1,621 trainees, a total of 7,198 hours of training, and an average of 4.4 hours of training per person. For information on the levels of relevant courses in 2023, the number of trainees, etc., please visit the official website "Training and Development".

### || Industrial safety-related training courses and number of trainees to be launched in 2023 ||

Course Title	Ladder	Visitors	Hours per person	total hours
Manufacturing, handling or use of hazardous materials training	24	1,067	3	3,201
AED Administrator Qualification Certificate	7	246	3	738
Fire management personnel training	3	36	18	648
On-the-job training for fire management personnel	7	31	18	558
On-the-job training for workers using lifting equipment to engage in lifting	5	26	18	468
Personnel working with radioactive materials that may produce ionizing radiation	2	2	30	260
On-the-job training for personnel who handle radioactive materials or that may generate ionizing radiation	3	15	16	240
On-the-job training for hypoxic operation supervisors	4	11	18	198
Aerial work vehicle operators	3	52	3	156
High-pressure gas manufacturing safety operations supervisor	2	46	3	138

Course Title	Ladder	Visitors	Hours per person	total hours
On-the-job training for operators of forklifts with a load of more than one metric ton	2	3	42	126
Training for operators of forklifts with a load of more than one metric ton	5	32	3	96
On-the-job training for workers' health services paramedics	1	2	8	76
On-the-job training for lead operations supervisors	4	12	6	72
On-the-job training for process safety assessors	3	8	8	64
On-the-job training for waste (sewage) water treatment personnel	3	21	3	63
On-the-job training for waste removal and treatment professionals	3	5	12	60
Occupational Safety and Health Committee on-the-job training	3	6	6	36
<b>total</b>	<b>84</b>	<b>1,621</b>	<b>348</b>	<b>7,198</b>

## Third phase

- If a major accident or natural disaster has spread outside the factory area and poses a serious threat to people outside the factory area, the factory emergency response commander or the factory supervisor where the accident occurred will not only carry out rescue operations in accordance with the "Factory Emergency Response Organization"
- At the same time, request support from relevant central or local government agencies

If the production, manufacturing, use and storage of chemical hazards will harm nearby factories if they leak, the nearby factories should be divided into hazard levels based on the amount and severity of the leak. When the accident occurs, the nearby factories should be notified immediately.

## Disaster prevention training

NYPCB has detailed emergency procedures and scheduled drill plans for various unexpected situations that may occur in the factory, such as earthquakes, fires, chemical leaks, natural disasters and other emergencies, and has trained personnel to familiarize themselves with them. Emergency response skills such as instant notification, disaster response, on-site control, and casualty treatment. Disaster prevention training results in 2023

### Disaster prevention training results in 2023

Disaster prevention training program

Disaster prevention drill

Training sessions

A total of **10** events throughout the year

Number of participants

**12,868**

### Training scene





# 05 Social Welfare

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5.1 Neighborly Relations

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## Vision

NYPCB regards the spirit of "entrepreneurial founders giving back to society" as the core value of giving back to society. They have long been concerned about vulnerable groups in the country, sparing no effort in sponsoring education, healthcare, and social welfare projects. With the vision of "taking from society, giving back to society," they aspire to make the company a positive influence in the community, working together with society and local communities to create prosperous and beautiful homes, and sharing the achievements towards a sustainable and bright future.

## Policy and commitment



NYPCB integrates relevant resources within the Formosa Plastics Group to fulfill its commitment to society with the principle of taking from society and giving back to society. They pledge regular and long-term investment in social welfare, reviewing its effectiveness annually and gradually expanding its influence according to local needs. This approach aims to achieve a vision of sustainable operation and mutual prosperity.




## 5.1 Neighborly Relations

### 5.5.1 Factory and village family

NYPCB has been deeply cultivating in the local community for a long period of time. The management department in the plant has set up the Neighborhood Relations Team and a volunteer team. Through visits and communication, it has established a channel of mutual trust and assistance with the residents. At the same time, the Company takes a contributory part in community and the Earth by paying care for the elderly, the youth, and other disadvantaged groups, assisting local or devoted social welfare organizations in holding festive activities or non-profit second hand market, and encouraging employees to take part as a environmental protection volunteer. We hope that through the promotion of various activities, NYPCB will spread the seeds of love and hope with our neighbors to all corners of the society, and jointly create a "Factory and village family".

Each of the Company's plant promotes community outreach by cooperating with planning of the local management department. Taking the NYPCB as an example, the community outreach works conducted in 2023 are listed as follows:

Item	Cooperative Units	Promotional Methods	Implementation Results in 2023
 Visits and Communications	1. Neighborhood Offices 2. Local Residents	1. Aperiodic visits to create communication channels. 2. Invitation to participate in factory activities to promote harmonious relationship	1. Jinxing Factory provided assistance to the elderly centers and vulnerable residents in Changxing Village, with a total of 600 instances of aid, amounting to NT\$124,000 in financial support. 2. Shulin Plant offered care and assistance to the elderly and economically disadvantaged families in Dongshan Village, Shanjia Village, and Zhongshan Village, with a total of 142 instances of aid.
 Traditional Culture Promotion	1. Apple Theater Group (Shulin Plant) 2. Ming Hwa Yuan Arts & Cultural Group (Jinxing Plant)	The Theater was sponsored to perform in plants.	1. June 10th, sponsored Apple Theater Group for a performance at Shulin High School, attended by approximately 1,500 audience members, with a total sponsorship of approximately NT\$177,000. 2. December 22nd, sponsored Ming Hwa Yuan Arts & Cultural Group for a performance at Dazhu Night Market, attended by approximately 1,000 audience members, with a total sponsorship of approximately NT\$195,000.

Item	Cooperative Units	Promotional Methods	Implementation Results in 2023
 Neighborhood Relationship	1. District Office 2. Neighborhood Offices 3. Community development associations	Actively participate in activities held by township offices, neighborhood offices, and community development associations in order to maintain good relationship between each other.	The total sponsorship amount is NT\$865,000.
 Environmental protection volunteering	Plant employees and families	Plant employees and their families were encouraged to become volunteers of environmental protection works to maintain a clean place in plants as well as the surroundings.	1. Jinxing and Shulin Plant jointly organized 24 environmental volunteer activities involving street clean-up and hiking, with a total of 312 volunteer participants. 2. On November 11th and November 26th, the Nankan River Cleanup Event saw approximately 3,833 employees and their families actively participating in ecological preservation. 3. On September 24th, in observance of World Rivers Day, a beach cleanup activity was conducted at Dakengxi, with a total of 19 volunteer participants.
 Visits and Communications	1. Charity Service Club of the Welfare Committee 2. The Labor Union 3. Local charity groups	1. Make regular visits to orphanages and nursing homes and collect goods to be donated to social welfare institutions. 2. Organize a second-hand market in collaboration with the Welfare Committee Love Society and local charitable organizations, with all proceeds from the sales being donated to disadvantaged groups. 3. Assist disadvantaged groups to apply for emergency relief from FPG's CHING PAO P.D. Charitable Foundation	1. NYPCB Love Society initiated 14 acts of compassion and service, providing care to local vulnerable populations and the elderly. They collaborated with organizations such as the Praxis Zen Association, charitable associations, disadvantaged families, and funeral expenses. A total of 3,142 individuals participated, and donations amounted to NT\$624,000. 2. NYPCB Love Society raised approximately NT\$100,000 worth of essential supplies for Funchao and Happy mount mental retardation trainig.

## Care Underprivileged



Love Society Cares for the Underprivileged - Material Donations to Praxis Zen Association



Love Society Cares for the Underprivileged - Material Donations to Praxis Zen Association

## Compassionate Service



Love Society Volunteer Activity - Volunteer Service at Funchao mental retardation trainig



Shulin Love Society Volunteers - Inviting New Taipei Association for the Visually Impaired to Participate in Kiln Firing Activity



Love Society Volunteer Activity - Volunteer Service at Funchao mental retardation trainig



Shulin Love Society Volunteers - Inviting New Taipei Association for the Visually Impaired to Participate in Kiln Firing Activity



Shulin Love Society Volunteers - Volunteer Service at Happy mount mental retardation trainig



Shulin Love Society Volunteers - Volunteer Service at Happy mount mental retardation trainig

## Ecological Diversity



Nanya ESG "Planting Trees for Future Generations" Tree Planting Activity - Company Executives and Employees Participate in Tree Planting



Nanya ESG "Planting Trees for Future Generations" Tree Planting Activity - Company Executives and Employees Participate in Tree Planting

## Environmental Volunteer



Welfare Committee Environmental Volunteers - Hiking and River Cleanup Event



Jingshin Plant Environmental Volunteers - Environmental Volunteer Street Cleanup Event



Welfare Committee Environmental Volunteers - Hiking and River Cleanup Event



Jingshin Plant Environmental Volunteers - Environmental Volunteer Street Cleanup Event

## Cultural Promotion



Factory and Township: One Big Family - Apple Theater Group Performance (Shulin Plant)



Factory and Township: One Big Family - Apple Theater Group Performance (Shulin Plant)



Factory and Township: One Big Family - Ming Hwa Yuan Arts & Cultural Group (Jin Xing Plant) and Enjoyment with Funchao mental retardation training



Factory and Township: One Big Family - Ming Hwa Yuan Arts & Cultural Group (Jin Xing Plant) and Enjoyment with Funchao mental retardation training

## Meeting Communication



Elderly Meal Donation Event in Changxing Village - Donation of Meal Ingredients for Elderly and Volunteer Service for Meal Preparation



Elderly Meal Donation Event in Changxing Village - Donation of Meal Ingredients for Elderly and Volunteer Service for Meal Preparation

A photograph of a desk with papers, paper clips, and a pen. The image is positioned on the left side of the page, showing a wooden desk with several white papers. Some papers are held together by copper-colored paper clips. A black pen with a silver tip is visible in the upper right corner of the photo. The papers have some faint, illegible text and a checklist with checkboxes.

# 06 Appendix

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• GRI Standards Comparison Table	133
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## Attachment1: GRI Standards Comparison Table

Statement of use	NYP CB has reported the 2023 Sustainability Report in accordance with the GRI Standards for the period from January 1 to December 31, 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

### • GRI 2: General Disclosures

Disclosure	Corresponding Section	Omission / Note
2-1 Organizational details	About This Report 1.1.1 Company Profile	
2-2 Entities included in the organization's sustainability reporting	About This Report	
2-3 Reporting period, frequency and contact point	About This Report	
2-4 Restatements of information	-	The content of the 2023 annual report has not undergone information restatement.
2-5 External assurance	About This Report Attachment 5: Declaration	
2-6 Activities, value chain and other business relationships	1.1.2 Market overview and development vision 2.5.1 Supplier and contractor management	
2-7 Employees	4.1.1 Diverse Employee Structure	
2-8 Workers who are not employees	4.1.1 Diverse Employee Structure	
2-9 Governance structure and composition	2.1.1 Functions of Board of Directors	
2-10 Nomination and selection of the highest governance body	2.1.1 Functions of Board of Directors	
2-11 Chair of the highest governance body	2.1.1 Functions of Board of Directors	
2-12 Role of the highest governance body in overseeing the management of impacts	2.1.1 Functions of Board of Directors	

Disclosure	Corresponding Section	Omission / Note
2-13 Delegation of responsibility for managing impacts	About This Report	
2-14 Role of the highest governance body in sustainability reporting	About This Report 2.1.1 Functions of Board of Directors	
2-15 Conflicts of interest	2.1.1 Functions of Board of Directors 2.1.3 Ethical Management	
2-16 Communication of critical concerns	2.1.4 Legal Compliance	
2-17 Collective knowledge of the highest governance body	2.1.1 Functions of Board of Directors	
2-18 Evaluation of the performance of the highest governance body	2.1.1 Functions of Board of Directors	
2-19 Remuneration policies	2.1.1 Functions of Board of Directors	
2-20 Process to determine remuneration	2.1.1 Functions of Board of Directors	
2-21 Annual total compensation ratio	2.1.1 Functions of Board of Directors	
2-22 Statement on sustainable development strategy	About This Report	
2-23 Policy commitment	1.Sustainable NYP CB 2.Governance 3.Environment Friendly 4.Employee Care 5.Social Welfare	
2-24 Embedding policy commitments	1.Sustainable NYP CB 2.Governance 3.Environment Friendly 4.Employee Care 5.Social Welfare	

Disclosure	Corresponding Section	Omission / Note
2-25 Processes to remediate negative impacts	2.Governance 2.1.3 Ethical Management 2.1.4 Legal Compliance 2.5.2 Supplier(or Contractor) Evaluation and Classification 3.Environment Friendly 3.6 Chemical safety 4.Employee Care 4.2.1 Salary and Benefit 4.5 Occupational Health and Safety	
2-26 Mechanisms for seeking advice and raising concerns	2.1.3 Ethical Management 2.1.4 Legal Compliance 2.4.1 Customer Service 2.5.2 Supplier(or Contractor) Evaluation and Classification 3.1.1 Environmental protection policy 4.4 Employee Communication and Care 4.5.1 Occupational Health and Safety	
2-27 Compliance with laws and regulations	2.1.4 Legal Compliance 2.Governance 3.Environment Friendly 4.Employee Care	
Membership associations	1.1.1 Company Profile	
2-29 Approach to stakeholder engagement	1.3 Stakeholder Engagement	
2-30 Collective bargaining agreements	4.4.3 Respect human rights	

## • GRI Topic Standards

Topic	Comparison of GRI Indicators	Corresponding Section	Omission / Note
Management Policy	3-1 Process to determine material topics	1.4.1 Process for Identifying Significant Themes	
	3-2 List of material topics	1.4.3 Impact Identification and Value Chain	
Material Topics: Operational Financial Performance			
Management Policy	3-3 Management of material topics	1 Sustainable NYPCB	
201 Economic Performance	201-1 Direct economic value generated and distributed	1.1.3 Financial Performance	
	201-2 Financial implications and other risks and opportunities due to climate change	3.2 Climate Change Action	
	201-3 Defined benefit plan obligations and other retirement plans	4.2.1 Salary and Benefit	
	201-4 Financial assistance received from government	1.1.3 Financial Performance	
Material Topics: Integrity in Business Operations			
Management Policy	3-3 Management of material topics	2. Governance	
205 Anti-corruption	205-1 Operations assessed for risks related to corruption	2.1.3 Ethical Management	
	205-2 Communication and training on anti-corruption policies and procedures	2.1.3 Ethical Management	
	205-3 Incidents of corruption confirmed and actions taken	2.1.3 Ethical Management	In 2023, no incidents of corruption occurred.
206 Anti-competitive behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopolistic practices	2.1.3 Ethical Management	In 2023, no incidents of anti-competitive behavior occurred.

Topic	Comparison of GRI Indicators	Corresponding Section	Omission / Note
Material Topics: Regulatory Compliance			
Management Policy	3-3 Management of material topics	2. Governance	
Material Topics: Sustainable Supply Chain Management			
Management Policy	3-3 Management of material topics	2. Governance	
308 Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	2.5.2 Supplier(or Contractor) Evaluation and Classification	
414 Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	2.5.2 Supplier(or Contractor) Evaluation and Classification	
Material Topics: Greenhouse Gas Management, Air Pollution Control			
Management Policy	List of material topics	3. Environment Friendly	
305 Emissions	305-1 Direct (Scope 1) GHG emissions	3.2.5 Greenhouse Gas and Energy Management	
	305-2 Energy indirect (Scope 2) GHG emissions	3.2.5 Greenhouse Gas and Energy Management	
	305-3 Other indirect (Scope 3) GHG emissions	3.2.5 Greenhouse Gas and Energy Management	
	305-4 GHG emissions intensity	3.2.5 Greenhouse Gas and Energy Management	
	305-5 Reduction of GHG emissions	3.2.5 Greenhouse Gas and Energy Management	
	305-6 Emissions of ozone-depleting substances (ODS)	3.4 Air pollution control	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.4 Air pollution control	
Material Topics: Waste management			
Management Policy	3-3 Management of material topics	3.Environment Friendly	

Topic	Comparison of GRI Indicators	Corresponding Section	Omission / Note
306 Waste	306-1 Waste generation and significant waste-related impacts	3.5 Waste management	
	306-2 Management of significant wasterelated impacts	3.5 Waste management	
	306-3 Waste generated	3.5 Waste management	
	306-4 Waste diverted from disposal	3.5 Waste management	
	306-5 Waste directed to disposal	3.5 Waste management	
Material Topics: Chemical Safety			
Management Policy	3-3 Management of material topics	3.Environment Friendly	
Material Topics: Water Resource Management			
Management Policy	3-3 Management of material topics	3.Environment Friendly	
303 Water and Effluent	303-1 Impact of Shared Water Resources	3.3.1Water Resources Management 3.3.3Release Waste Water	
	303-2 Management of Impacts Related to Drainage	3.3.1Water Resources Management 3.3.3Release Waste Water	
	303-3 Water withdrawal volume	3.3.1Water Resources Management	
	303-4 Water discharge volume	3.3.1Water Resources Management	
	303-5 Water consumption volume	3.3.1 Water Resources Management	
Material Topics: Employee Benefits and salary			
Management Policy	3-3 Management of material topics	4.Employee Care	

Topic	Comparison of GRI Indicators	Corresponding Section	Omission / Note
401 Employment	401-1 New employee hires and employee turnover	4.1.1 Diverse Employee Structure	
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	4.2.1 Salary and Benefit	
	401-3 Parental leave	4.2.1 Salary and Benefit	
405 Diversity and Equal Opportunity for Employees	405-1 Diversity of governance bodies and employees	2.1.1 Functions of Board of Directors 4.1.1 Diverse Employee Structure	
	405-2 Ratio of basic salary and remuneration of women to men	4.2.1 Salary and Benefit	
Material Topics: Occupational Health and Safety			
Management Policy	3-3 Management of material topics	4. Employee Care	

Topic	Comparison of GRI Indicators	Corresponding Section	Omission / Note
403 Occupational Health and Safety	403-1 Occupational health and safety management system	4.5.1 Occupational Health and Safety	
	403-2 Hazard identification, risk assessment, and incident investigation	4.5.1 Occupational Health and Safety	
	403-3 Occupational health services	4.5.1 Occupational Health and Safety	
	403-4 Worker participation, consultation, and communication on occupational health and safety	4.5.1 Occupational Health and Safety	
	403-5 Worker training on occupational health and safety	4.5.2 Factory public safety	
	403-6 Promotion of worker health	4.5.1 Occupational Health and Safety	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.5.2 Factory Public Safety	
	403-8 Workers covered by an occupational health and safety management system	4.5.1 Occupational Health and Safety	
	403-9 Work-related injuries	4.5.1 Occupational Health and Safety	
	403-10 occupational disease	4.5.1 Occupational Health and Safety	
Material Topics: Factory Public Safety			
Management Policy	3-3 Management of material topics	4. Employee Care	

## Attachment2: Sustainability Accounting Standards Board(SASB) Comparison Table

Disclosure Topic: Product Security				
Indicator Codes	Disclosure Status	Disclosure Mapping		
		2021	2022	2023
TC-HW-230a.1	How to Identify and Address Data Security Risks in Products	NYP CB's products are not final goods, and they are designed and manufactured according to customer product design specifications. Therefore, there are no instances of product data security risks.		
				2.2.2 Information security

**Disclosure Topic:Employee Engagement, Diversity & Inclusion**

Indicator Codes	Disclosure Status		Disclosure Mapping												Chapter Mapping
			2021				2022				2023				
			Domestic		Foreign		Domestic		Foreign		Domestic		Foreign		
			Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
TC-HW-330a.1	Percentage of Gender and Ethnic Diversity Representation among (1) Management, (2) Technical Staff, and (3) All Other Employees (Unit: %)	Management	4.6	0.5	0	0	4.1	0.5	0.0	0.0	4.3	0.6	0.0	0.0	4.1 Employee Development
		Technical Staff	6.8	2.4	0	0	11.7	2.4	0.0	0.0	10.6	2.6	0.0	0.0	
		All Other Employees	48.1	22.5	7.1	8.0	42.4	21.4	8.4	9.1	44.8	21.6	7.0	8.5	

**Disclosure Topic:Product Design & Lifecycle Management**

Indicator Codes	Disclosure Status		Disclosure Mapping			Chapter Mapping
			2021	2022	2023	
TC-HW-410a.1	Percentage of Revenue from Products Containing Materials Eligible for Reporting under IEC 62474 (Unit: %)	ABFS	50	60	61	1.2 Product Innovation and Research & Development
		PPS	30	26	22	
		PCB	20	16	19	
TC-HW-410a.2	Percentage of Revenue from Products Compliant with EPEAT or Equivalent Requirements (Unit: %)	N/A	N/A	N/A		
TC-HW-410a.3	Percentage of Revenue from Products with Energy Efficiency Certification (Unit: %)	N/A	N/A	N/A		
TC-HW-410a.4	Total Weight of Scrap Products and Recycled Electronic Waste (Unit: Tonne)	-	NYPCB is not a final product manufacturer and does not engage in product recycling operations. Therefore, product recycling-related information is not disclosed.			
	Percentage of Recycled and Reused Materials (Unit: %)	97.9				

**Disclosure Topic:Supply Chain Management**

Indicator Codes	Disclosure Status		Disclosure Mapping			Chapter Mapping
			2021	2022	2023	
TC-HW430a.1	Percentage of First-Tier Suppliers (1) Accepting Validated Audit Processes (VAP) under RBA Verification or Equivalent Audit Process, as a proportion of (a) All Suppliers and (b) High-Risk Suppliers (Unit: %)	(a) Percentage of All Suppliers (Unit: %)	100	100	100	2.5 Supplier and Contractor Management
		(b) Percentage of High-Risk Suppliers (Unit: %)	NO	NO	NO	
TC-HW430a.2	Percentage of First-Tier Suppliers (1) Not Passing Validated Audit Processes (VAP) under RBA Verification or Equivalent Audit Process, and Improvement Rates for (a) Major Non-Conformances and (b) Other Non-Conformances	Percentage of Suppliers Not Passing Audits (Unit: %)	0%	0%	0%	
		Improvement Rate for Major Non-Conformances (Unit: %)	N/A	N/A	N/A	
		Improvement Rate for Other Non-Conformances (Unit: %)	100	100	100	

Disclosure Topic: Materials Sourcing					
Indicator Codes	Disclosure Status	Disclosure Mapping			Chapter Mapping
		2021	2022	2023	
TC-HW-440a.1	Explanation of Risk Management Methods for Key Raw Materials:	Key suppliers that hold a monopoly or oligopoly position must establish and annually update their Business Continuity Plans (BCPs). The company adequately manages emergency response plans and requires suppliers to conduct annual self-risk assessments.			2.5 Supplier and Contractor Management

Operational Indicators : Number of units produced by product category					
Indicator Codes	Disclosure Status	Disclosure Mapping			Chapter Mapping
		2021	2022	2023	
TC-HW-000.A	Quantity of Produced Goods, by Product Category (Unit: Thousand Square Feet)	19,581	14,478	10,546	-

Operational Indicators : Area of manufacturing facilities					
Indicator Codes	Disclosure Status	Disclosure Mapping			Chapter Mapping
		2021	2022	2023	
TC-HW-000.B	Factory Area (Unit: Square Meters)	Business secrets, currently undisclosed.			-

Operational Indicators : Percentage of production from owned facilities					
Indicator Codes	Disclosure Status	Disclosure Mapping			Chapter Mapping
		2021	2022	2023	
TC-HW-000.C	Percentage of Production from Owned Facilities (Unit: %)	Business secrets, currently undisclosed.			-

## Attachment3: Corporate Governance Evaluation

### • ESG Disclosure Topics

Environmental Issues				
Topic	Indicator Topics	Explanations	2023 Outcome data results	Additional Notes
GHG Emissions	Direct (Scope 1) GHG Emissions	Ton CO <sub>2</sub> e	3,402.08	
	Indirect Energy (Scope 2) GHG Emissions	Ton CO <sub>2</sub> e	440,115.89	
	Other indirect (Scope 3) GHG emissions	Ton CO <sub>2</sub> e	-	Under inspection.
	GHG emissions intensity	Ton CO <sub>2</sub> e/ turnover	10.5	
	Strategies, methods and goals of GHG management	Qualitative Narrative	Using the baseline year of 2020 and the target year of 2030, the goal is to achieve a total reduction of 25% in Scope 1 and Scope 2 emissions over the course of 10 years, while reducing Scope 3 emissions by 12.3%.	
Energy Management	Usage of Renewable energy	Renewable Energy/Total Energy	0.037%	
	Policy to enhance energy efficiency.	Qualitative Narrative	Increasing the use of purchased green electricity enhances efficiency.	
	Policy of the Usage of Recycled Materials	Qualitative Narrative	No relevant policy plans available.	

Environmental Issues				
Water Resources	Water Consumption	Metric tons	4,382,884	
	Water usage density	Water consumption per unit of product, service or turnover	110.7	
	Water Resources Management or Reduction Targets	Qualitative Narrative	Unit water consumption reduced by 2%	
Waste	Volume of Hazardous Waste	Metric tons	26,725	
	Volume of Non-Hazardous Waste	Metric tons	8,491	
	Total weight (hazardous + non-hazardous)	Metric tons	35,216	
	Waste Density	Amount of waste per unit of product, service or turnover	0.053	
	Waste management or reduction targets	Qualitative Narrative	The amount of unrecycled waste decreased by 1% compared to the previous year.	

Social Topics				
Topic	Indicator Topics	Explanations	2023Outcome data results	Additional Notes
Employee Development	Average salary of employees	NT\$/Person	875,000	
	Average number of employee benefits	NT\$/Person	1,000,000	
	Average salary of full-time employees who are not in supervisory positions	NT\$/Person	910,000	
	Median salary of full-time employees in non supervisory positions	NT\$/Person	872,000	
	Proportion of female supervisors in management positions	Ratio	3.2	
	Number of Occupational Accidents	Number of employees	0	
	Occupational Hazard Rate	Ratio	0	

Governance issues				
Topic	Indicator Topics	Explanations	2023Outcome data results	Additional Notes
Board of Directors Meeting	Board Seats	Number	9	
	Number of Independent Directors	Number	3	
	Proportion of female directors	Ratio	0	
	Attendance rate of directors attending the Board of Director meeting	Ratio	100	
	The number of training hours for directors and supervisors is in line with the ratio of training specifications	Ratio	100	
Communication with Investors	Number of annual legal meetings held by the Company	Sessions	4	

## Attachment4: Comparison Table of Procedures for Compiling and Submitting Corporate Sustainability Reports by Listed Companies

### • Sustainability Reporting Indicators- Electronic Parts and Components Manufacturing

No.	Indicator	Category of Indicator	Annual Disclosure Status	Unit	Note
1	Total Energy Consumption	Quantification	2,059,895.436	Gigajoule (GJ)	
	Percentage of Purchased Electricity	Quantification	81.3	Percentage (%)	
	Rate of Renewable Energy Usage	Quantification	0.038	Percentage (%)	
2	Total Water Intake	Quantification	4,382,884	Thousand Cubic Meters (m <sup>3</sup> )	
	Total Water Consumption	Quantification	1,588,927	Thousand Cubic Meters (m <sup>3</sup> )	
3	Weight of Hazardous Waste Generated	Quantification	26,725	Metric Tons (t)	
	Percentage of Hazardous Waste Recycled	Quantification	74.1	Percentage (%)	
4	Number of Occupational Accident Categories	Quantification	0	Quantity	
	Occupational Accident Rate	Quantification	0	Ratio (%)	
5	Weight of Scrap Products in Product Lifecycle Management (Note 1)	Quantification	-	Metric Tons (t)	NYPCB's products are not final goods and are designed and produced according to customer product design specifications. Therefore, there is no situation of product data risk.
	Percentage of Recycled Scrap Products	Quantification	-	Percentage (%)	
	Weight of Electronic Waste in Product Lifecycle Management	Quantification	-	Metric Tons (t)	
	Percentage of Recycled Electronic Waste	Quantification	-	Percentage (%)	
6	Description of Risk Management Related to Key Materials Usage	Qualitative	-	-	Key suppliers with exclusive or single suppliers must establish and annually update Business Continuity Plans (BCP). The company effectively manages emergency response plans and requires suppliers to conduct annual self-risk assessments.
7	Total Monetary Losses Incurred due to Legal Litigation Related to Antitrust Laws	Quantification	0	New Taiwan Dollar (NTD)	There were no incidents of anti-competitive behavior in 2023.
8	Primary Product Output by Product Category	Quantification	11,158	Thousand Square Feet	

Note 1: Including sales of scrap materials or other recycling methods, relevant explanations should be provided.

## Attachment5: Independent Statement

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### INDEPENDENT ASSURANCE OPINION STATEMENT

#### Nan Ya Printed Circuit Board Corporation 2023 Sustainability Report

The British Standards Institution is independent to Nan Ya Printed Circuit Board Corporation (hereafter referred to as Nan Ya PCB in this statement) and has no financial interest in the operation of Nan Ya PCB other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of Nan Ya PCB only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by Nan Ya PCB. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Nan Ya PCB only.

#### Scope

The scope of engagement agreed upon with Nan Ya PCB includes the following:

1. The assurance scope is consistent with the description of Nan Ya Printed Circuit Board Corporation 2023 Sustainability Report.
2. The evaluation of the nature and extent of the Nan Ya PCB's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

#### Opinion Statement

We conclude that the Nan Ya Printed Circuit Board Corporation 2023 Sustainability Report provides a fair view of the Nan Ya PCB sustainability programmes and performances during 2023. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the Nan Ya PCB and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate Nan Ya PCB's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that Nan Ya PCB's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

#### Methodology

Our work was designed to gather evidence upon which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to Nan Ya PCB's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 12 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

#### Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and GRI Standards is set out below:

#### Inclusivity

This report has reflected a fact that Nan Ya PCB has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Nan Ya PCB's inclusivity issues.

#### Materiality

Nan Ya PCB publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of Nan Ya PCB and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Nan Ya PCB's management and performance. In our professional opinion the report covers the Nan Ya PCB's material issues.

#### Responsiveness

Nan Ya PCB has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for Nan Ya PCB is developed and continually provides the opportunity to further enhance Nan Ya PCB's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the Nan Ya PCB's responsiveness issues.

#### Impact

Nan Ya PCB has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Nan Ya PCB has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the Nan Ya PCB's impact issues.

#### GRI Sustainability Reporting Standards (GRI Standards)

Nan Ya PCB provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the Nan Ya PCB's sustainability topics.

#### Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

#### Responsibility

The sustainability report is the responsibility of the Nan Ya PCB's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

#### Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

  
Peter Pu, Managing Director BSI Taiwan



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