



2024

Sustainability Report

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Message from the Chairperson

Looking back at 2024, INPAQ Technology Co., Ltd. (“INPAQ”) has achieved outstanding business performance despite the global economic uncertainty brought by geopolitical challenges. Through technological innovation, a differentiated competitive strategy, and the collective efforts of our employees, we have broken monthly revenue records for the third consecutive year. The annual revenue reached NTD\$7.366 billion, marking a 12% increase over the previous year. Although our gross profit margin remained similar to the previous period amid intensified global competition and rapid product iteration, we continued improving operational efficiency and enhancing organizational performance, leading to an operating profit of NTD\$949 million—a 24% year-on-year increase. With accurate market insight and strong execution, INPAQ's teams have exerted their full efforts in every area, expanding operational performance and maintaining a leading position in the professional electronic components field.

INPAQ's core business is organized into two main segments: components and antennas, with a focus on protection components, high-frequency components, power inductors, and various antenna manufacturing technologies. We continue to deepen technological R&D and market applications. Looking ahead to 2025, we aim to further expand into high-growth sectors such as 5G, AI-based switches, the Internet of Things (IoT), low Earth orbit satellites, and emerging low-altitude economy applications. By leveraging efficient supply chain management and automated production lines, we aim to strengthen our competitive edge in diverse application markets. In 2024, INPAQ invested in building Taiwan's first IEEE 802.11be-compliant Wi-Fi 7 standard testing lab, significantly enhancing our wireless technology R&D capabilities. This initiative attracted internationally renowned clients and secured substantial orders, contributing to stable revenue growth. Additionally, to better meet customer needs, we expanded our global footprint beyond Taiwan, Suzhou, Wuxi, and Yongzhou by establishing offices in Japan and Malaysia.

In an increasingly competitive business environment, INPAQ embraces sustainable development as a core strategic objective, integrating Environmental, Social, and Governance (ESG) principles into our corporate strategy and daily practices. In governance, we continue to optimize board performance by establishing a Corporate Governance Officer and several functional committees to support directors professionally and ensure regulatory compliance. We established a Board Performance Evaluation Mechanism to improve decision-making quality and enhance transparency. Our official website discloses key regulations, governance practices, and stakeholder communications to ensure information transparency. INPAQ also formed a Sustainability Promotion Committee to communicate ESG commitments to both internal and external stakeholders, embedding them across all operational levels and laying a solid foundation for sustainable development.

To address global warming and climate change, INPAQ actively strengthens environmental management and minimizes ecological impacts. In 2024, improvements to electroplating lines, leak inspections, and RO system upgrades led to a monthly reduction of 203 tons of water use. Although overall energy consumption and carbon emissions rose due to expanded production capacity, we implemented multiple energy-saving initiatives and improved production processes and material design to maximize energy efficiency. INPAQ remains committed to low-carbon technologies and green processes as we work toward net-zero emissions.

In supply chain management, INPAQ has established comprehensive supplier audit and evaluation mechanisms. We conduct on-site assessments of Taiwanese suppliers annually to ensure compliance with regulations and company standards on quality, technology, and EHS (environment, health, and safety). We require all raw material suppliers to comply with REACH and RoHS standards, banning hazardous substances. We are actively building a sustainable supply chain and extending these management principles to new suppliers to ensure consistent compliance across the entire value chain.

INPAQ's innovative research and development relies on outstanding human resources, which are a key driver of our continuous progress. We offer competitive and diversified compensation and benefits to attract top talent, and we foster professional growth and skills enhancement through a comprehensive annual training system. At the same time, we implement a variety of welfare measures to strengthen employees' sense of belonging and regularly organize multiple annual employee activities to promote work-life balance. We also maintain communication channels through employee suggestion boxes, the company intranet, and HR service desks. In 2024, we invested approximately NTD\$9 million in occupational safety facilities and created a healthy, safe work environment. Emergency plans cover personnel flow, sanitation, food safety, and self-protection, safeguarding both employees and company stability.

INPAQ actively collaborates with local organizations near its operational sites, dedicating resources to support individuals and communities in need. In addition to our own corporate social responsibility initiatives, we also respond to calls from the broader corporate group by donating to the group's charitable foundation. By pooling collective efforts and maximizing the impact of shared resources, we are committed to enhancing social well-being and achieving the goal of shared prosperity.

Looking to the future, INPAQ will continue to uphold ESG principles, advancing environmental protection, social responsibility, and sound corporate governance. We are committed to working hand in hand with all stakeholders to fulfill our long-term promise of sustainable development and ensure the enduring success of our business.



INPAQ Technology Chairperson



Editorial Policy

INPAQ has released its 2024 Sustainability Report (below referred to as “This Report”) to demonstrate its commitment to the pursuit of corporate sustainability and enhancement of information transparency. This Report has been issued to provide a detailed description of the Company’s actions and performance in the fields of ethical corporate governance implementation, environmental protection and occupational safety measures, and employee compensation and benefits enhancements to all stakeholders on the foundation on of sustainable development goals. INPAQ hopes to make strides on the path toward corporate sustainability by relying on the ongoing concern and valuable suggestions by all stakeholders.

ESG Information Disclosure

Categories	Scope
Period	Jan-Dec 2024 (in consideration of data integrity, business activities spanning different years have been included in the scope of disclosures as explained in detail in this Report).
Operating Sites	Plants in Taiwan (Zhunan HQ, Taichung Plant) Plants in China (Suzhou、Yongzhou、Wuxi Plant) Subsidiary (Taiwan Inpaq Electronic Co., Ltd.)
Financial Data	Consistent with the data disclosed in the Consolidated Financial Statements released by INPAQ
ESH Data	Plants in Taiwan (Zhunan HQ、Taichung Plant) Plants in China (Suzhou、Wuxi Plant)
Employee Data	Plants in Taiwan (Zhunan HQ, Taichung Plant) Plants in China (Suzhou、Yongzhou、Wuxi Plant)
Social welfare achievements	INPAQ, PSA Charitable Foundation

● Eleceram Technology Co., Ltd. is not included in the scope of the above table.

Report Preparation Principles and Data Verification

- The report compilation framework is based on the Core Options set out in the GRI Standards 2021 issued by the Global Reporting Initiative (GRI) and conforms to the requirements set forth in the Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEX Listed Companies. A GRI Content Index has been attached to this report as a reference for the Company’s stakeholders. No information in this report has been restated.
- The financial data disclosed in this Report has been audited and attested by KPMG Taiwan in accordance with the International Financial Reporting Standards (IFRS) with 1000 NTD as the basic calculation unit. Environmental protection, employee, and occupational safety data has been compiled and organized by competent departments and verified by department heads. It is presented based on calculations conducted with reference to international generic indicators (IGI).
- With a view to enhancing the quality of disclosures in this Report, GREAT Certification has been commissioned to conduct an assessment and verification of the disclosed data pursuant to the requirements of the AA1000AS Type I (Moderate) Assurance Standards to confirm conformity to the core options of the GRI Standards 2021. A verification statement has been acquired and included in the Appendix for reference purposes.

Publication Frequency

INPAQ is committed to releasing ESG reports on an annual basis. With a view to enhancing the transparency and accessibility of the information disclosed in the report, an electronic file of the complete report will be provided on the official INPAQ website for download.

- Publication of this issue: August 2025
- Planned publication of the next issue: August 2026

Suggestions and Feedback

Don’t hesitate to contact us if you have any comments or suggestions regarding the contents of this Report.

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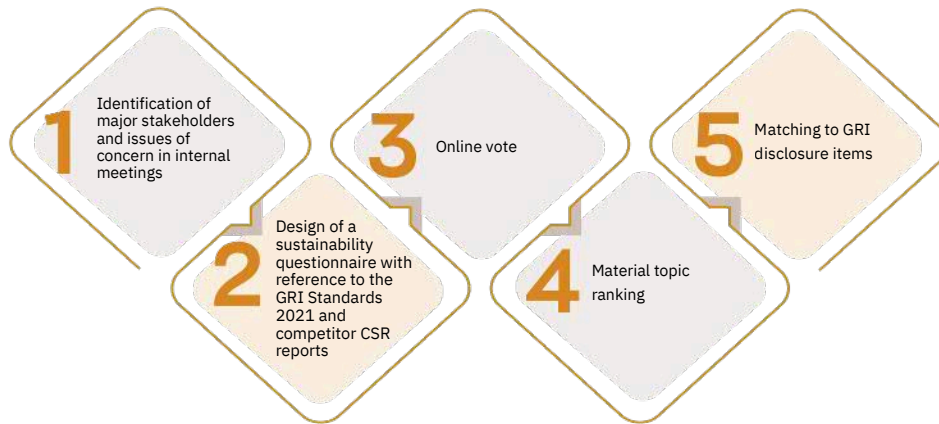
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Identification of Stakeholders and Material Topics

- 1.1** Identification of Material Topics
- 1.2** Sustainable Development Goals
- 1.3** Sustainability Committee
Confirmation of Stakeholders
- 1.4** Stakeholder Communication Channels and
- 1.5** Issues of Concern



Stakeholder and Material Topic Identification Procedures



1.1 Sustainability Committee

In addition to ratifying the Corporate Social Responsibility Best Practice Principles, the Board of Directors has authorized the President to form a Sustainability Committee with him serving as chairman. The Sustainability Committee is responsible for the formulation of sustainable development policies, internal execution and implementation of initiatives, and gradual incorporation of sustainability concepts into the Company's corporate culture.

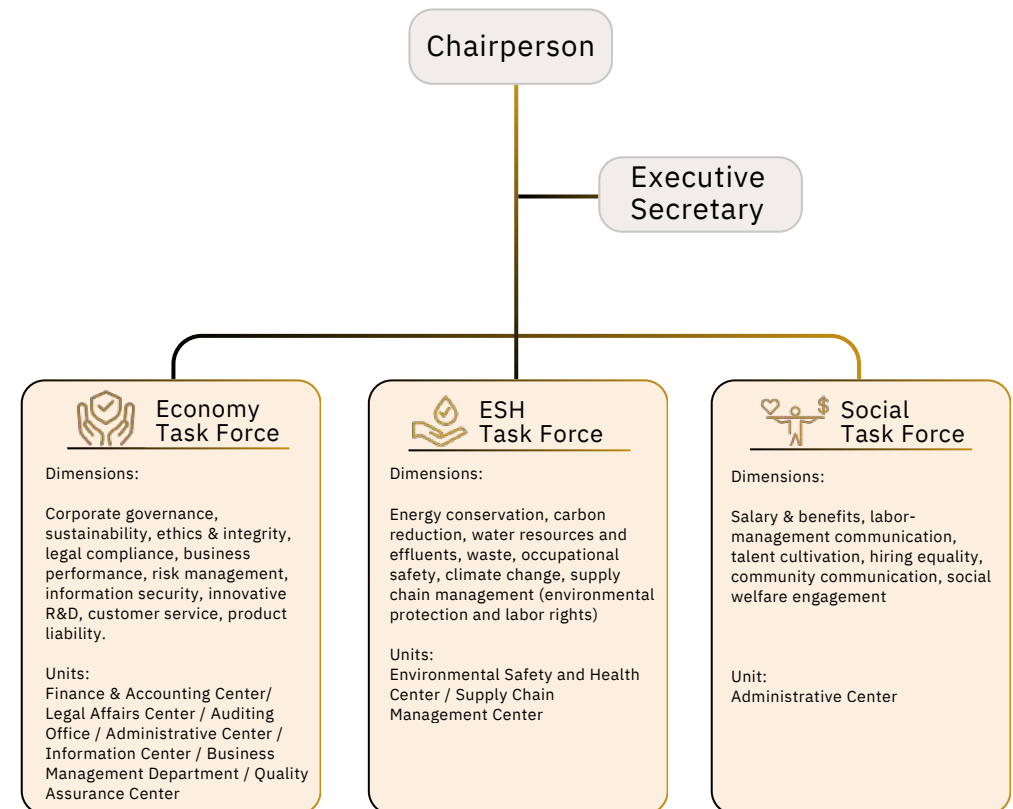
To address the aspects of sustainable development encompassing environmental, social, and governance (ESG) dimensions, the Sustainability Promotion Committee has established dedicated task groups. These groups, led by responsible departments, collect stakeholders' concerns regarding environmental protection, occupational safety, supply chain management, labor and human rights, operational performance, and corporate governance. Upholding the principle of respecting stakeholder rights and interests, INPAQ has set up a dedicated Stakeholder Section on its official website to appropriately respond to material sustainability issues of concern.



INPAQ
Corporate Social
Responsibility Best
Practice Principles

INPAQ also plans to report ESG implementation results to the Board of Directors on an annual basis to enhance the Board's engagement in the Company's sustainability performance. In 2024, ESG implementation progress was reported to the Board on a quarterly basis. This report was approved by the Board of Directors on August 7, 2025.

INPAQ Technology Co., Ltd. Sustainability Committee



1.2 Confirmation of Stakeholders

Confirmation of major stakeholders



Stakeholders are individuals or groups that influence or are influenced by INPAQ. A preliminary selection of stakeholder categories characterized by direct contact with the Company through routine business dealings was carried out by each department. Subsequently, four major stakeholder categories (shareholders/investors, customers, employees, suppliers) of primary importance to INPAQ were determined in internal meeting discussions and through consultation of competitor approaches based on key criteria such as frequency of interactions, degree of mutual influence, and degree of interdependence.

1.3 Stakeholder Communication Channels and Issues of Concern

Issues of concern to each major stakeholder category vary depending on stakeholder identities. All INPAQ departments proactively engage in ongoing positive interactions with stakeholders who show concern for INPAQ by relying on diversified channels to provide them with a timely understanding of the current state of operations. INPAQ utilizes these channels to maintain a firm grasp of stakeholder demands and expectations and provide real-time responses. The state of stakeholder communications is reported to the Board of Directors on an annual basis.

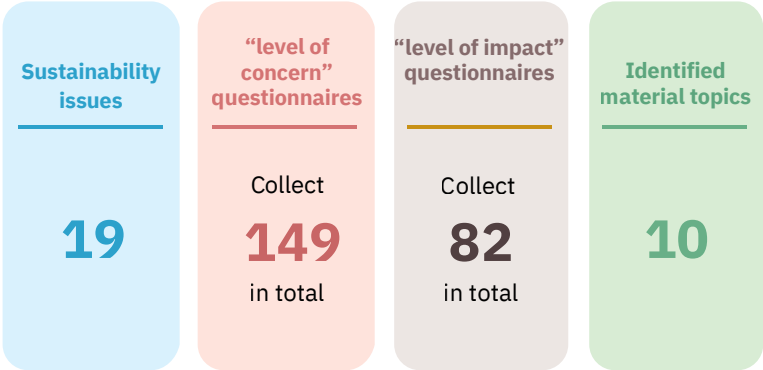
All INPAQ departments gathered issues of concern raised by major stakeholders in the course of routine business dealings. These issues were then condensed and organized by the Sustainability Committee. Finally, 19 sustainability issues encompassing the ESG dimensions were identified with reference to GRI Sustainability Reporting Standards 2021 and CSR reports of the Company's competitors to ensure that the disclosed sustainability information satisfies GRI requirements in the fields of integrity and diversity.

Major stakeholder categories	Significance for the company	Issues of concern	Communication channels/frequency
 Shareholders/ investors	<ul style="list-style-type: none"> Since shareholders contribute capital to the company, INPAQ is firmly committed to protecting shareholders' equity and treating them in a fair and equitable manner, while ensuring that all shareholders have a full understanding of major company matters and guaranteeing their right to participate in decision-making processes 	<ul style="list-style-type: none"> Operational Performance Innovative R&D Information Security Legal Compliance 	<ul style="list-style-type: none"> General Shareholders' Meeting/Annually Investor Relations Conference (biannual) Material information made public on the Market Observation Posy System and the corporate website/As required E-mail addresses/phone numbers listed on the corporate website/As required Point of contact: Spokesperson
 Customers	<ul style="list-style-type: none"> Since customers represent INPAQ's main revenue source, the Company is firmly committed to guaranteeing excellent product quality and maintaining positive interactions with all customers. 	<ul style="list-style-type: none"> Innovative R&D Information Security Operational Performance Customer Relations 	<ul style="list-style-type: none"> Customer satisfaction surveys/Annually INPAQ operating sites/As required Corporate website and phone numbers of respective departments /As required Point of contact: Customer Service Center/As required
 Suppliers	<ul style="list-style-type: none"> The products of the Company rely on a stable supply of raw materials and components by numerous suppliers. 	<ul style="list-style-type: none"> Sustainable Supply Chain Management Ethics & Integrity Compliance with Environmental Regulations Green Procurement Occupational Safety 	<ul style="list-style-type: none"> Supplier evaluations/Regularly Matters for compliance listed on purchase orders/when engaging in business dealings Confidentiality Agreement/ when engaging in business dealings Point of contact: Procurement Department Head
 Employees	<ul style="list-style-type: none"> Employees represent an indispensable backbone for the Company's operations. INPAQ therefore provides highly competitive salaries and benefits that exceed market standards to retain talent and is fully committed to creating a workplace environment that is conducive to the physical and mental well-being and diversified development of all employees. 	<ul style="list-style-type: none"> Operational Performance Ethics & Integrity Salaries & Benefits Labor-Management Communication/Human Rights Issues Occupational Safety Talent Cultivation/Hiring Equality 	<ul style="list-style-type: none"> Labor-Management Meetings/Quarterly Communication with Department Heads/As required Free employee health checks/Annually Employee Education and Training (offered irregularly) Employee Suggestion Box/Hotline/As required Point of contact: HR Head/As required

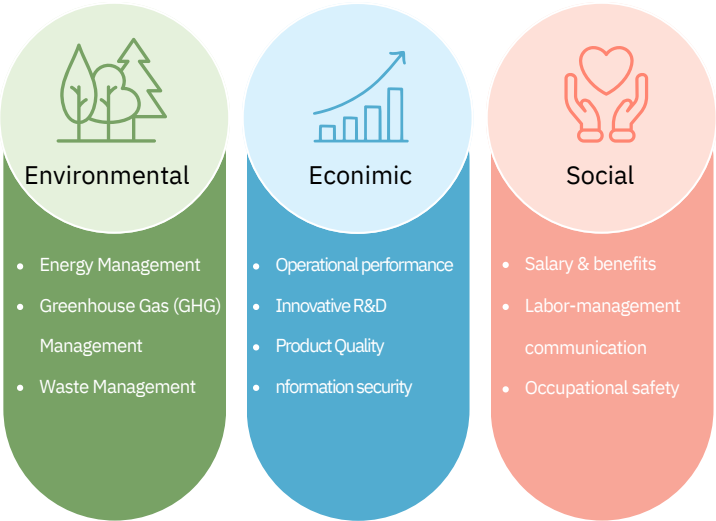


1.4 Identification of Material Topics

Material topic identification procedures



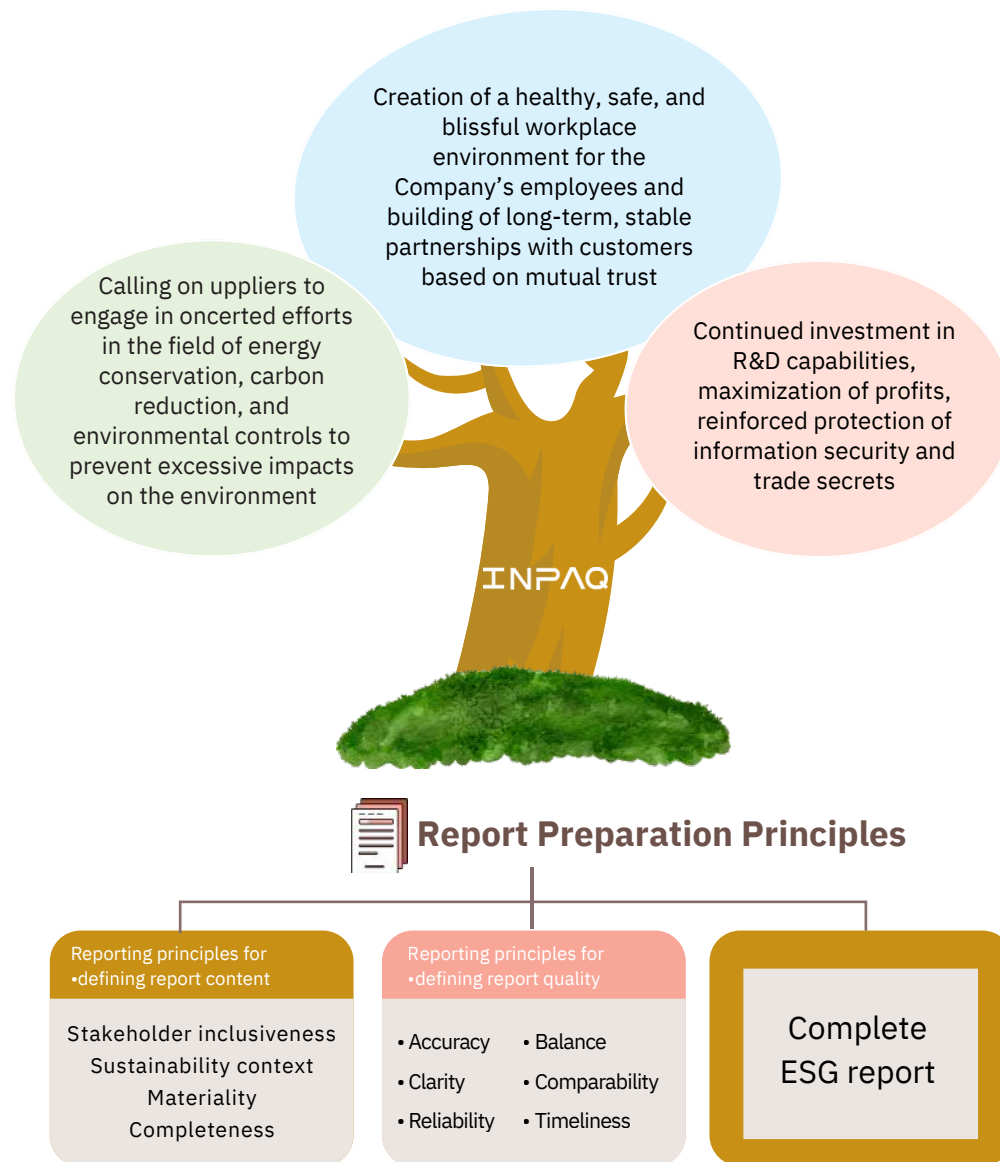
The following three core ESG dimensions were identified based on the 10 material topics: Continued investment in R&D capabilities, maximization of profits, reinforced protection of information security and trade secrets. The ultimate goal is to create a healthy, safe, and blissful workplace environment for the Company’s employees and build long-term, stable partnerships with customers based on mutual trust. INPAQ also calls on its suppliers to engage in concerted efforts in the field of energy conservation, carbon reduction, and environmental controls to prevent excessive impacts on the environment.



INPAQ Sustainability Committee has determined 19 sustainability issues. Online questionnaires were distributed to stakeholders who returned a total of 231 valid completed questionnaires, including 12 from shareholders/investors, 82 from employees, 26 from customers, 29 from suppliers, 3 from government agencies, 2 from local communities, and 77 from financial institutions (banks/brokerage firms). Scores indicating level of concern of major stakeholders with regard to sustainability issues were derived from these questionnaires. Online questionnaires were also distributed to 27 INPAQ supervisors to obtain scores indicating the degree of impact of each sustainability issue on the Company. A material topic matrix was then created based on the aggregated scores. Upon discussions by the Sustainability Committee, the three top scoring issues in the environmental, social, and economic dimensions were listed as material topics for this year. It was confirmed that the Company should prioritize disclosure of the following 10 material topics. The Company will also provide a detailed description of management approaches and disclosure items for each material topic in this report. Finally, disclosure of the Company’s achievements in the field of social welfare was added with a view to ensuring a more balanced representation of the Company’s efforts and contributions towards the goal of sustainability.

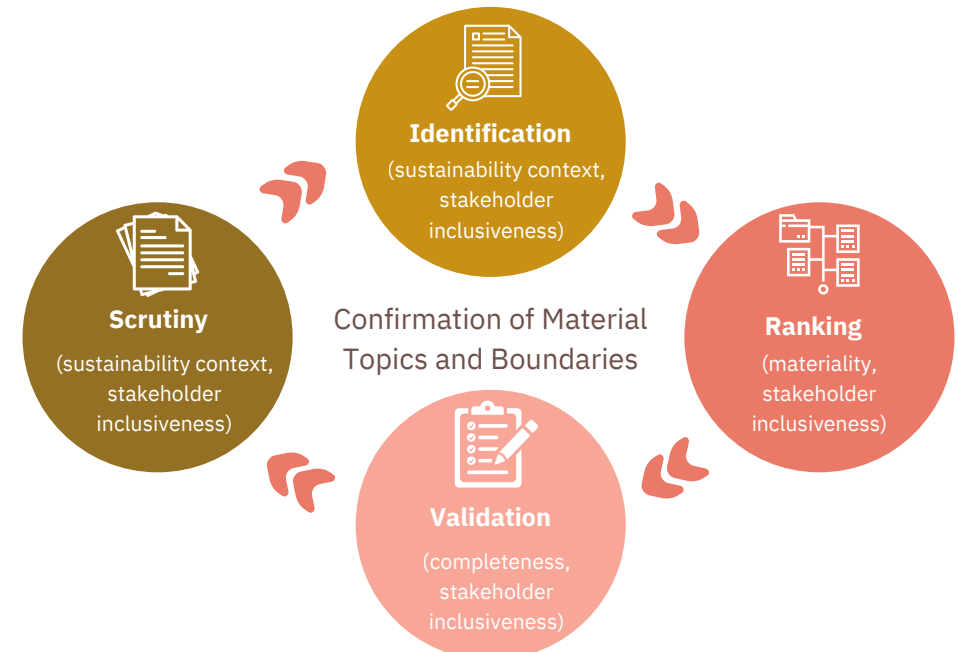


Material Topic	Ranking	Category
Operational Performance	1	Governance
Occupational Safety	2	Social
Information Security	3	Governance
Product Quality	4	Governance
Innovation and R&D	5	Governance
Compensation and Benefits	6	Social
Labor-Management Communication	7	Social
Waste Management	8	Environmental
Energy Management	9	Environmental
Greenhouse Gas (GHG) Management	10	Environmental



INPAQ has prepared this ESG report in line with the requirements set forth in the GRI Standards and the four major reporting principles for defining report content, namely stakeholder inclusiveness (preliminary identification of seven major stakeholder categories), sustainability context (disclosure of measures adopted by INPAQ to mitigate or reduce impacts on economic, environmental, and social development trends in local communities and surrounding areas of operating sites), materiality (description of significant internal and external economic, environmental, and social impacts of the Company's operations and adopted resolutions based on assessments of substantial impacts on major stakeholders), and completeness (material topics and internal/external boundaries fully reflect the scope of significant economic, environmental, and social impacts).

Furthermore, INPAQ has also consulted the six requirements for defining report quality set forth in the GRI standards for its disclosures, namely accuracy (information contained in the report should be fully accurate and detailed to facilitate assessment of the Company's ESG performance by stakeholders), balance (information contained in the report should reflect positive and negative performance to facilitate reasonable assessments of the overall performance of the Company by different audiences), clarity (presented information should be easily intelligible and accessible for interested stakeholders), comparability (information should be collected and disclosed in accordance with internationally accepted standards and information presentation methods should facilitate analysis of the Company's long-term performance by stakeholders), reliability (disclosed information should be collected, organized, and disclosed in a manner to allow scrutiny and determination of information quality and materiality), and timeliness (timely provision of material information pertaining to the Company's operations to provide stakeholders with an immediate grasp of the Company's current status and enhance information transparency).









Dimension	Material topic	Significance for the Company	Impact	Internal boundaries	External boundaries					Corresponding GRI Standards	Corresponding chapter(s) in this report
			Positive Negative	Company	Shareholders /investors	Government agencies	Suppliers	Customers	Local communities		
Economic	Operational Performance	INPAQ has made an ongoing commitment to profit maximization to increase the trust of its investors, employees, suppliers, and customers, build a solid foundation of mutual trust and prosperity, and forge ahead on the path toward sustainability.	Positive	●	●		●	●		201 Economic Performance	● 3.4
	Innovative R&D	INPAQ is firmly committed to product development and technological innovation. Development of new technologies is a core competitive advantage that the Company places top priority on. INPAQ injects momentum into revenue growth through ongoing investments in R&D capabilities, development of diversified product lines, and constant expansion of product application areas.	Positive	●	●			●		Self-defined material topic	● 3.5.1
	Product Quality	We are committed to continuously improving and innovating our processes, products, and services while complying with hazardous substance-free requirements, in order to deliver the highest value and most competitive solutions to our customers	Positive	●				●		Self-defined material topic	● 3.5.2
	Information Security	INPAQ views R&D technologies and customer confidentiality as the lifeline of its business operations. The Company therefore relies on an information security management mechanism to maintain the information security awareness of its employees and implements various information security controls to prevent leakage of confidential information	Positive	●	●	●		●		Self-defined material topic	● 3.6
Environmental	Energy Management	In view of INPAQ's sustained operational growth, strict energy conservation and carbon reduction measures must be adopted internally to prevent a corresponding increase of GHG emission amounts and ensure conformity to customer requirements.	Positive	●		●		●		302 resource	● 4.2
	Greenhouse Gas Management	Climate change induced extreme weather and environmental shifts can impact a company's supply chain and operations. Effective greenhouse gas management helps businesses identify and address these risks, ensuring continuity of operations.	Positive	●		●		●		305 emission	● 4.2
	Waste Management	By reducing waste generation and promoting resource recycling and reuse, companies can lower disposal and material costs, thereby improving operational efficiency	Positive	●		●			●	306 waste	● 4.4
	Compensation and Benefits	Offering a competitive compensation system and comprehensive employee benefits can attract top talent and enhance employee loyalty, enabling the company to grow together with its workforce and achieve win-win outcomes	Positive	●		●		●	●	401 labor relations	● 5.2.1
	Labor-Management Communication	Harmonious labor relations help ensure a steady influx of talent and foster employee willingness to contribute to the company, supporting sustainable business operations	Positive	●		●				402 labor relations	● 5.2.3
Social	Occupational Safety	INPAQ provides its employees with a safe and healthy workplace to enable them to carry out their tasks in a worry-free manner	Positive	●		●	●	●		403 Occupational Health and Safety	● 5.3

1.5 Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as a universal call to action. The 17 SDGs and 169 targets serve as a guiding principle for the practice of sustainable development by all UN member nations and enterprises all over the world.

INPAQ incorporates SDGs into the Company's business strategies. This involves the expansion of traditional, economic performance-centered modes of thought by incorporating various dimensions such as an equal emphasis on environmental protection, various forms of legal compliance, enhanced employee compensation to retain outstanding talent, elimination of workplace inequality, reduction of wastewater discharge and GHG emissions, and calling on suppliers to engage in concerted efforts for the improvement of workplace environments and employee compensation. Looking ahead, INPAQ strives to make more contributions to the realization of SDGs in fulfillment of its corporate social responsibility.

SDGs	Targets	INPAQ Contributions
	1.4 Ensure that all men and women, in particular the poor and the vulnerable, have equal rights and access to economic resources	<ul style="list-style-type: none"> Provision of highly competitive salaries and benefits that exceed legal requirements to enable employees to work with dignity and raise the economic standard of living of individuals and families Adequate adjustments of employee salaries based on profitability to strengthen attachment of employees to the Company
	4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations 4.7 Ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, and promotion of a culture of peace and non-violence	<ul style="list-style-type: none"> Scheduling of competency training for employees with different work attributes to give every staff member the opportunity to receive occupational training Planning of training courses on sustainable development, workplace gender equality, and labor rights and encouragement of staff participation
	5.1 End all forms of discrimination against all women and girls everywhere 5.4 Recognize and value unpaid care and domestic work through the provision of social protection policies	<ul style="list-style-type: none"> No gender-based discrimination in hiring, performance evaluation, and promotion Entitlement to unpaid parental leaves irrespective of gender
	6.3 Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, and reducing the proportion of untreated wastewater 6.4 Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity 6.a Water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies	<ul style="list-style-type: none"> Through water-saving measures, the Zhunan facility actively reduced water usage in the electroplating automatic line by adjusting the existing automatic flow control valves, saving approximately 30 metric tons of water per month In December, the Wuxi plant replaced RO membranes and added precision filters to the ultrapure water system, resulting in a reduction of wastewater discharge and achieving a total water intake reduction of 1,000 metric tons compared to 2023 The Suzhou plant inspected and repaired old leaking valves throughout the site and replaced underground leaking fire protection pipelines, achieving a total water intake reduction of 1,800 metric tons compared to 2023

SDGs	Targets	INPAQ Contributions
	8.4 Improve energy use and production efficiency 8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 8.8 Prohibit child labor and eradicate forced labor 8.7 Protect labor rights and promote safe and secure working environments for all workers, in particular female workers and those in precarious employment	<ul style="list-style-type: none"> Average energy conservation rate of 2.26% in the most recent three years No gender-based discrimination in hiring, performance evaluation, and promotion Adequate adjustments of employee salaries based on profitability to strengthen attachment of employees to the Company Respect for labor rights including prohibition of child labor and any form of workplace discrimination Adequate adjustment of work contents of maternal employees according to the law to ease workloads and ensure proper protection Implementation of an occupational health and safety management system to enhance workplace safety
	9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes 9.5 Encourage innovation, substantially increase the number of research and development workers and increase research and development spending	<ul style="list-style-type: none"> Average energy conservation rate of 2.26% in the most recent three years Gradual increase of R&D team size and annual R&D-to-revenue ratio in excess of 5%
	10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices	<ul style="list-style-type: none"> Recruitment, performance evaluation, and promotion mechanisms are not based on criteria associated with differences in physiological or psychological conditions Establishment of a whistleblowing channel for employees and adoption of sound procedures for the protection of whistleblowers
	12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse	<ul style="list-style-type: none"> Ongoing enhancement of production processes to reduce waste generation
	16.6 Develop effective, accountable and transparent institutions at all levels 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels	<ul style="list-style-type: none"> Reinforcement of corporate governance, implementation of an internal control system to ensure compliance by practitioners with company rules and regulations, and establishment of an independent whistleblowing channels and sound reporting procedures Ongoing communication with stakeholders to gain a clear understanding of their demands and expectations for the Company and regular reporting to the board

2

About INPAQ

2.1 Company Profile

2.2 Business Philosophy

2.3 Earned Awards and Management System

2.4 Participation in External Organizations





2.1 Company Profile

INPAQ, a professional manufacturer of electronics parts & components founded in 1998, specializes in the development, manufacture, and sale of circuit protection components and HF antenna modules. Its business operations are centered around the areas of electronic mobile payment, smart wearable devices, the automotive industry, and wireless communications (incl. 5G/wireless charging). INPAQ offers diversified product choices for the computer, communications, consumer and automotive electronics markets. Its complete Circuit Protection, EMI/EMC Solution, Power Solution, and RF Antenna product lines ensure that electronics products function perfectly and efficiently. Against the backdrop of the rise of IoT applications in recent years coupled with advances in the field of wireless communication technologies, the INPAQ management team has spared no effort to develop new products and unlock new markets. As a result of its persistent efforts in the circuit protection component and antenna product industry, the Company has built up its brand image and its products have gained wide acclaim among numerous renowned international customers, which has catapulted INPAQ to a leadership position in the industry.

Company Name	INPAQ Technology Co., Ltd.
HQ location	No. 11, Keyi St., Zhunan Township, Miaoli County 350402, Taiwan (R.O.C.)
Total capital	1,489,803 (Unit : 1,000 NTD)
2024 Revenues	7,366,410 (Unit : 1,000 NTD)
Workforce	1566
Operating sites	Plants in Taiwan (Zhunan HQ, Taichung Plant) Overseas plants (Suzhou Plant, Yongzhou Plant, Wuxi Plant) Subsidiary (Taiwan Inpaq Electronic Co., Ltd.)
Main products/ services	Development, manufacture, and sale of circuit esprotection components and HF antenna modules
Sales volume (Unit: 1000 pcs)	Product Output for 2024: Components: 20,949,792 K pcs (57.01%) Antenna: 715,315 K pcs (42.99%)



For more details on product
categories and application
areas, please refer to the
corporate website



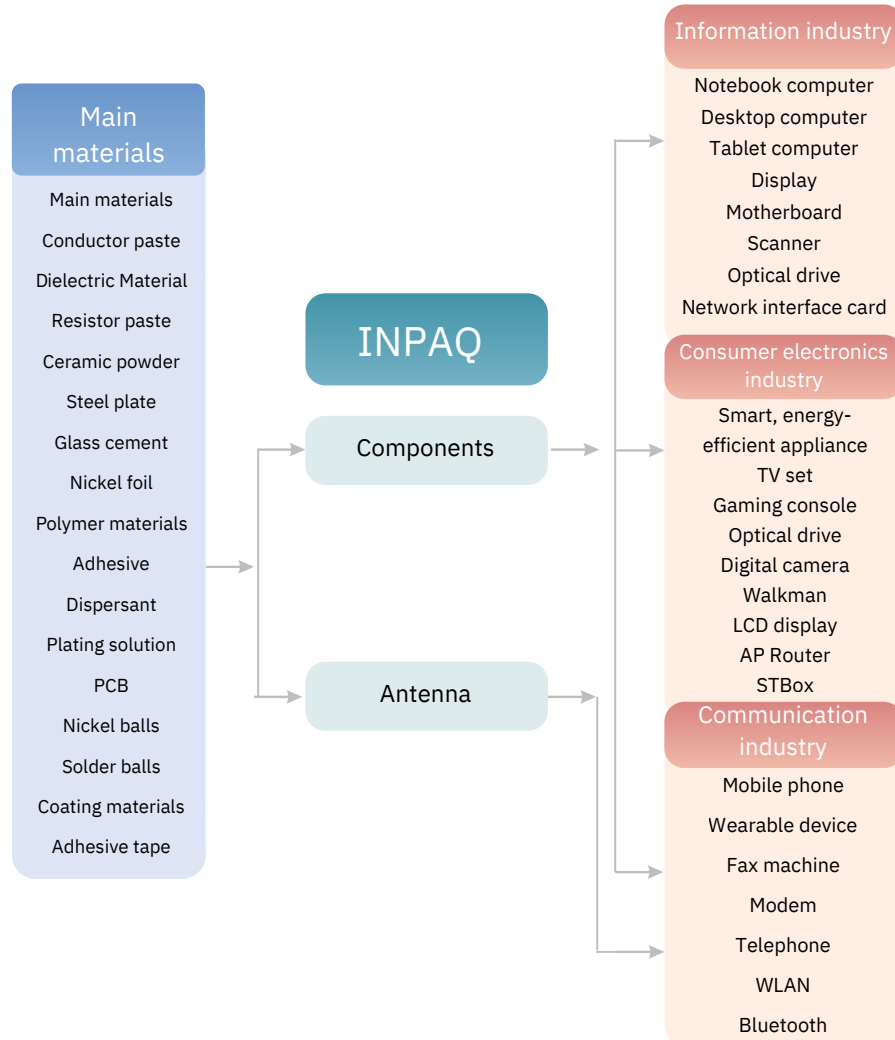
Note: Last updated at the end of 2024



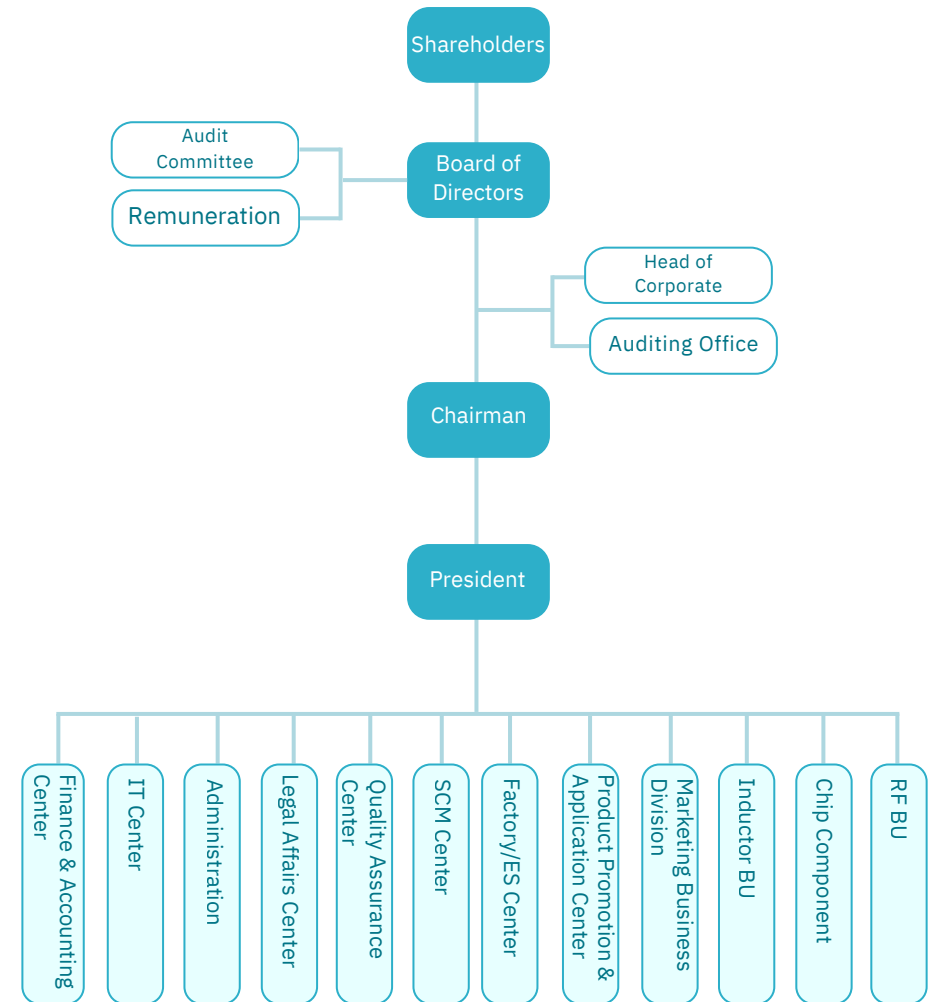
Upstream

Midstream

Downstream



Organizational Structure





Department	Authorities & Responsibilities
 President	<ol style="list-style-type: none"> 1. Responsible for success or failure of business operations 2. Setting of business objectives and strategy formulation 3. Framework of organizational functions and culture building 4. External relations and talent development 5. Appointment of management representatives
 Presidents Office	<ol style="list-style-type: none"> 1. Business group strategy planning and monitoring/management of business group execution performance 2. Execution status of proposed plans and recommendations for President and management level resolutions 3. Assistance in the coordination of management needs and tasks of individual departments 4. Project execution and management
 Finance & Accounting Center	<ol style="list-style-type: none"> 1. Preparation and analysis of financial statements 2. Financial planning and integration and risk management 3. Communication and protection of shareholders' equity 4. Tax planning and integration 5. Fixed asset management
 IT Center	<ol style="list-style-type: none"> 1. Establishment and execution of an information management system 2. Installation, maintenance, and management of information system (IS) hard- and software and networks; development and management of business information and application systems
 Legal Affairs Center	<ol style="list-style-type: none"> 1. Contract drafting, review, and management, legal issue consultation and resolution, handling of litigation and arbitration cases 2. Collection of information on applicable laws, research on special topics, intellectual property management and protection 3. Training for the dissemination of legal knowledge
 Auditing Office	<p>Assessment of internal control system deficiencies and measurement of operational efficiency for the whole company, delivery of auditing reports, and timely provision of improvement suggestions to ensure continued effective implementation of the internal control system and assist the management level in the performance of its duties.</p>

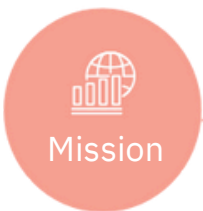
Department	Authorities & Responsibilities
 Administration Center	<ol style="list-style-type: none"> 1. Planning, execution, and management of personnel, administration, and general affairs operations 2. Planning and implementation of occupational safety and health affairs 3. Planning and implementation of environmental safety affairs (including wastewater, air emissions, waste management, noise, hazardous substances, and drinking water) 4. Liaison, reporting, and compliance submissions with competent authorities 5. Environmental and safety risk assessment and management
 Quality Assurance Center	<ol style="list-style-type: none"> 1. Planning and maintenance of the quality system 2. Calibration and management of inspection and measurement instruments and testing equipment 3. Product quality management and control 4. Document management and control 5. Product reliability testing 6. Safety certification application and management 7. Customer quality complaint management 8. Promotion of the Company's image in the field of product quality 9. Lab measurements and management
 RF BU Chip Component BU Inductor BU Marketing Business Division Manufacturing & Logistics Center SCM Center Factory/ES Center	<ol style="list-style-type: none"> 1. Setting and achievement of product quality/cost/delivery targets 2. Planning and utilization of production capacities 3. Formulation and implementation of corrective and preventive measures and plans for ongoing improvement 4. Development and management of production technologies and equipment 5. Planning and management of operating environments 6. Installation, maintenance, and improvement of plant facilities 7. Coordination and management of production, marketing, and inventories 8. Inventory management planning and monitoring 9. New product development and technical support 10. Implementation of the R&D project system 11. New material testing, verification, and recognition 12. Definition and revision of specifications for materials, products, and packaging 13. IPR management 14. Assistance in the promotion of products and the corporate image by the Marketing Department 15. Planning and execution of procurement strategies and supply chain management 16. Planning and execution of subcontractor operations 17. Support and management of import/export and overseas business operations 18. Planning and handling of environmental safety operations (wastewater, waste gas, solid waste, noise, toxic chemicals, drinking water etc.) 19. Liaison, reporting, and approval for reference of operations associated with competent authorities 20. Assessment and management of environmental safety risks

2.2 Business Philosophy



Philosophy

- Ongoing enhancement of product quality to meet the application standards of international, high-end markets
- Valuing of employees paired with primary emphasis on stakeholder rights and interests
- Fulfillment of the responsibility as a global green citizen



Mission

- Integrity and Honesty first
- Treat Customers as Partners
- Focus and Quality as Top Priority
- Global Outlook and Globalized Operations
- Stabilization and Talent development
- Equal Emphasis on Shareholder Values, Employee Well-Being, and Social Responsibility
- Collaboration

2.3 Earned Awards and Management System

Recipient of Key Customer Excellent Supplier Recognition Awards

Honors and Recognitions : (2020~2024)

- 2020** Taiwan Bitland Information Technology Co., Ltd. – Top Delivery Award
- 2020** Dahua Technology – Delivery Excellence Award
- 2020** Transsion Holdings Excellent Support Award
- 2020** High-Quality Development Award presented by the Commission of Economy and Informatization of Suzhou City, Xiangcheng District
- 2021** Model Enterprise Award presented by Suzhou Municipal Development and Reform Commission
- 2021** Annual Employment & Entrepreneurship Excellence Award presented by Lengshuitan District
- 2021** Mobiwire Supplier Excellence Award
- 2022** Jiangsu Province Key Technology Innovation Project-Oriented Program
- 2022~2023** Xiangcheng District Special Incentive for Intelligent Manufacturing Transformation and Digitalization
- 2022~2023** First-Class Award for High-Quality Development and Tax Contribution, Huangdai Town
- 2023** Recognized as a Functional Regional Headquarters of a Multinational Company in Suzhou
- 2023** Lierda – Annual Best Delivery Partner
- 2023** Mobiwire – Outstanding Technical Support Award
- 2023** MitraStar Technology – Most Promising Supplier
- 2024** SUMI – Best Service Award
- 2024** Recognized as a Functional Regional Headquarters of a Multinational Company in Suzhou
- 2024** Lierda – Annual Best Delivery Partner
- 2024** Top 20 Foreign Trade Export Enterprises, Xishan Economic & Technological Development Zone



INPAQ is firmly committed to ongoing improvement and innovation of its processes, products, and services, conformity to the requirement that products must be free of hazardous substances, and provision of the most competitive solutions of supreme value to its customers.

Since 1999, INPAQ has successively earned accreditations including QS Automotive Quality Standards, ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO/TS16949 Automotive Quality Management System, and the IECQ Quality Assessment System for Electronic Components.



Certificates awarded to
INPAQ operating sites

The third-party certified systems obtained by each site are as follows:

- All INPAQ plants have achieved the scope of their management system certifications and continually maintain the validity of their certificates.

Operating plants	Certification				
	ISO 9001 : 2015	IATF 16949 :	QC 080000 : 2017	ISO 14001 : 2015	SO 45001 :
Certification company	DQS	DQS	DQS	DQS	DQS
INPAQ Taiwan Zhunan HQ	V	V	V	V	V
INPAQ Taiwan Taichung Plant	V	V	V	V	V
INPAQ China Suzhou Plant	V	V	V	V	V
INPAQ China Wuxi Plant	V	V	V	V	V
INPAQ China Yongzhou Plant	V	V	V	V	V

2.4 Participation in External Organizations

In addition to the constant improvement of its product competitiveness, INPAQ is firmly committed to proactive communication with its stakeholders in all categories. The Company also strives to get a clear understanding of new industry trends through participation in industry associations and positive interactions with the members of such associations.



3

Ethical Corporate Governance

3.1 Governance Practices

3.1.1 Board of Directors

3.1.2 Functional Committees

3.1.3 Internal Audits

3.1.4 Ethics & Integrity

3.2 Risk Management

3.3 Legal Compliance

3.4 Operational Performance

3.5 Products and Services

3.5.1 Innovative R&D

3.5.2 Product Quality

3.5.3 Customer Relations

3.6 Information Security





3. Ethical Corporate Governance

A sound corporate governance includes a comprehensive Board of Directors Meeting, rigorous internal control system and stable financial control. In addition to assistance in mitigating company management risks, it can also enhance a company's competitiveness and create brand value. Establishment of a corporate culture of integrity and responsibility, compliance with various regulations to fulfill integrity operation and a well-functioned corporate governance structure can ensure a company's comprehensive development and protect investors and other stakeholders' rights.

INPAQ complies with Taiwan Securities and Exchange Act in building up corporate governance system. For the purpose of enhancing protection of shareholder's rights, strengthening Board of Directors Meeting's competence, respecting stakeholder's rights as well as improving information transparency, the Board of Directors Meeting approved "Corporate Governance Practice Guidelines" which enhance Board of Directors Meeting's management and supervision functions through fair, impartial and open director election procedures together with measures of establishing independent directors. Board of Directors Meeting also passed "Management Operations for Internal Material Information and Prevention of Insider Trade" which prohibits insiders of director, manager and employee from gaining profits using information not accessible in the market. Additionally, based on accurate, real-time and fair disclosure principles, INPAQ has established a comprehensive information disclosure system which provides information related to operations, finance, Board of Directors Meeting and shareholder's meeting on the Company's website and Market Observation Internet Report System to ensure that shareholders have access to the latest information related to the Company.



Corporate Governance
Practice Guidelines

3.1 Governance Practices

Shareholder's meeting, which is composed of all shareholders, makes decisions on the Company's material matters and regularly listens to Board of Directors Meeting's report. It is the Company's ultimate decision-making institute. Board of Directors Meeting is the ultimate governance institute. Members of Board of Directors Meeting all comply with their good administrator's due obligation in planning the Company's operation policies and reviewing financial performance to ensure the Company's operations comply with various laws and regulations. To make a well-functioned corporate governance operation and enhance the Company's competitiveness, Board of Directors Meeting has established Audit Committee and Remuneration Committee to solidify Board of Directors Meeting's operation. An independent Audit Office was established under Board of Directors Meeting to regularly conduct audit businesses and report audit results to Audit Committee and Board of Directors Meeting.

INPAQ emphasizes on corporate governance, pursues sustainable growth and integrity operation and continuously enhances its corporate governance structure. With its transparent information together with an effective internal control system, stakeholders' rights are protected accordingly. INPAQ complies with "Regulations Governing Establishment of Internal Control System by Public Companies" and takes the Company's comprehensive operation activities under consideration in designing internal control system and implementing the system without fail. This system is reviewed from time to time in order to respond to changes in both internal and external environments, and to ensure continuous effectiveness over design and implementation of this internal control system. Through a well-functioned management mechanism, operation performance is enhanced and the goal of sustainable operation is achieved accordingly.

To enhance the Company's support to directors in their fulfillment of duties and to improve Board of Directors Meeting's efficiency, Board of Directors Meeting passed a resolution in November of 2020 to designate Chief Financial Officer as Head of Corporate Governance, who will be responsible for assisting directors in their execution of duties, providing materials needed and arranging learning matters, conducting related matters of Board of Directors Meeting and shareholder's meeting in accordance with regulations, assisting the Company in complying with related resolutions of Board of Directors Meeting and shareholder's meeting and maintaining relationship with investors. INPAQ ranks in the 21% - 35% tier from the 11th Corporate Governance Assessment result in 2024. This indicates that INPAQ has effective and good operations in respective fields of corporate governance. Going forward, the Company will be dedicated to improving comprehensive synergy for corporate governance and enhancing stakeholder's trust in INPAQ.



2024 Implementation Results for Corporate Governance Business

- Conduct registration before shareholder's meeting date in accordance with laws, prepare meeting notice, agenda manual and meeting minutes within statutory deadline, and conduct change registration in the event of amendments of Articles of Incorporation, or election of director.
- Prepare Board of Directors Meeting agenda and notify directors accordingly 7 days before the meeting, convene the meeting and provide meeting materials, and complete Board of Director Meeting minute within 20 days after the meeting.
- Responsible for releasing material information on critical resolutions from Board of Directors Meeting and shareholder's meeting, and ensuring legitimacy and accuracy of material information for the purpose of protecting investor's equal access to transaction information.
- Provide information of learning course to independent directors and directors, and assist them to complete director learning programs.
- Maintain regular communication between independent directors and certified accountants for understanding of the Company's finance business.
- Assess and obtain appropriate director and manager's liability insurance.

In the meantime, an accounting firm has been commissioned to conduct routine inspection and certification of the Company's financial statements. Disclosures of various information required by laws have all been conducted accurately and in a timely manner with designated personnel responsible for disclosing the Company's information. Meanwhile, a spokesman system has been established to ensure that respective material information can be disclosed appropriately and in a timely manner for shareholders and stakeholders' references of related information with respect to the Company's business.

Going forward, INPAQ's goals for continued efforts shall rest in enhancement of Board of Directors Meeting's operation, improvement of information transparency as well as gradually integrating corporate governance structure into sustainable governance strategies.





3.1.1 Board of Directors

Board of Directors Meeting drafts plans on the Company's operation strategies and is responsible for shareholders and other stakeholders. Directors faithfully execute their business, exert efforts on good administrator's due obligation and exercise their duties under scrupulous attitude. In terms of execution of the Company's business as well as operation and arrangement for various governance systems, execution shall be conducted under Board of Directors Meeting resolutions with the exception of matters under shareholder's meeting resolutions as required by laws or articles of incorporation. INPAQ's Articles of Incorporation prescribes that director election adopts candidate nomination systems, and is conducted through measures of regular election under talent only principle. As prescribed by corporate governance practice guidelines, number of directors for Board of Directors Meeting also assuming the Company's manager posts shall not exceed one-third of director seats. In the meantime, the direction of diversified members shall also be considered. This includes, but not limited to, two major aspects of standards with respect to fundamental conditions and values as well as professional knowledge and skills. It is also regarded that directors shall all possess knowledge, skills and competency necessary for execution of duties (Note) and profound understanding of industry development trend. Currently, there are 7 directors (including 3 independent directors) in Board of Directors Meeting with a tenure of 3 years. As required by laws, at least one Board of Directors Meeting is held in each quarter. A total of 7 Board of Directors Meetings were held in 2024.

Note: For information regarding the principal professional experience and educational background of INPAQ's Directors, their concurrent positions held at INPAQ or other companies, and the list of major shareholders, please refer to the Company's official website and the Annual Shareholders' Meeting Report / Part Two, Corporate Governance Report, I. Information on Directors, General Manager, Vice General Managers, Assistant Vice Presidents, and Managers of Departments and Branches, 1. Director Information (I).

To build up an excellent operation system for Board of Directors Meeting, solidify its supervision functions and ensure independence during independent director's execution of business, INPAQ Board of Directors Meeting passed "Agenda Requirements for Board of Directors Meeting" which specifically prescribes scope of director's duties for the purpose of requirement compliance. A high degree of self-discipline spirit also exists among directors to fulfill avoidance of conflict of interests. In the event of interests exist between Board of Directors Meeting resolutions and directors themselves or the legal person they represent, critical contents of interests hereto shall be explained in that Board of Directors Meeting, and directors hereto shall not participate in discussion or voting if there's a possibility to interfere with the Company's interests.

Under such circumstances, directors hereto shall recuse themselves during discussion and voting, and shall not be agents for other directors in exercising their voting rights. Meanwhile, to enhance Board of Directors Meeting's decision quality, Board of Directors Meeting also passed "Guidelines for Board of Directors Meeting Performance Assessment" and conducts internal assessment each year on performances of Board of Directors Meeting, individual director members as well as functional committees. With this, Meeting Affairs Division (Finance and Accounting Center) of Board of Directors Meeting distributes self-assessment questionnaires to members of Board of Directors Meeting for self-assessment. Additionally, the performance evaluation of the Board shall be conducted by an external independent professional institution or a team of external experts and scholars at least once every three years. The annual evaluation is conducted through self-assessment questionnaires and is administered by the meeting affairs unit. The evaluation period is from January 1, 2024, to December 31, 2024.



Agenda Requirements for
Board of Directors
Meeting



Guidelines for Board of Directors
Meeting Performance Assessment

Performance Assessment Mechanism for Board of Directors Meeting

- Annual Self-Assessment via Questionnaire
- External Expert Assessment Once Every 3 Years

2024 Performance Self- Assessment Results

- Board of Directors: Overall average score was 4.890, slightly lower than last year (2023: 4.895)
- Board Members: Overall average score was 4.924, higher than last year (2023: 4.906)
- Audit Committee: Overall average score was 4.955, higher than last year (2023: 4.977)
- Remuneration Committee: Overall average score was 4.965, higher than last year (2023: 4.988)

Note: Full score for self-assessment is 5 points.

Enhancement Program

- Coordination with Directors on Attending Board of Directors Meeting in Person
- Arrangement of Professional Learning Courses
- Enhancement of Effective Communication between Independent Directors and Head of Internal Audit and Accountant
- Enhancement of Director's Participation in the Company's Operation



To establish effective risk management and enhance professional talent’s willingness to assume director post, INPAQ obtains liability insurance for directors to allow directors free of concerns when executing business while in the meantime mitigating and dispersing risks of material damage to the Company and directors from director’s mistake or negligent behavior.

INPAQ takes issues of various regulation compliance and governance practices faced by directors when participating in the Company’s operation decisions into consideration, and aggressively encourages and arranges related professional learning courses for directors. Total hours of learning for directors in 2024 accounted for 54 hours (with details listed on the table below). Going forward, Head of Corporate Governance will also make plans to increase related courses for director’s learning and corporate sustainability. INPAQ is convinced that, under the leadership of directors with integrity governance and abundant industry experience, the Company’s business will be prosperous and the Company will continue to march forward on the path of sustainable operation.



2024 Training Summary:

Training Date	Training Institution	Course Title	Numbers of Participants	Training Hours per Person	Total Training Hours
2024/4/15	Taiwan Academy of Banking and Finance	Corporate Governance Forum	1	3	54
2024/5/6	Securities and Futures Institute	Corporate Governance and Securities Regulations	1	3	
2024/11/4	Securities and Futures Institute	Key Tax and Finance Issues in 2024	1	3	
2024/11/4	Securities and Futures Institute	Development and Challenges of Precision Care Industry under the Sustainability Trend	1	3	
2024/11/6	Securities and Futures Institute	NVIDIA’s Three-Trillion Miracle: New Perspectives on the Semiconductor Revolution Behind AI	6	3	
2024/11/6	Securities and Futures Institute	Carbon Credit Trading Mechanisms and Applications in Carbon Management	6	3	
2024/12/14	Accounting Research and Development Foundation	Preparation of Corporate Financial Information and Internal Control Standards	1	3	
2024/12/17	Accounting Research and Development Foundation	Preparation and Supervision of Sustainability Reports	1	3	



3.1.2 Functional Committees

To solidify supervision function and enhance management function, Board of Directors Meeting has established Audit Committee and Compensation Committee. In addition to executing duties in accordance with laws and regulations, functional committees is responsible for Board of Directors Meeting and will submit proposals to Board of Directors Meeting for resolution.

Audit Committee

Audit Committee assists Board of Directors Meeting in supervising quality of the Company's execution related to processes of accounting, audit, financial report and financial control, and submits assessment results to Board of Directors Meeting for discussion. INPAQ Board of Directors Meeting passed "Organization Requirements for Audit Committee" and established Audit Committee in Board of Directors Meeting. 3 independent directors will assume the posts of audit commissioners, one of which is the convener and at least one of which shall come with accounting or finance expertise. At least one meeting shall be convened for each quarter. A total of 7 Audit Committee meetings were held in 2024 with attendance rate for all commissioners reaching 90.48%.

Meanwhile, one meeting was held between independent directors and accountants in 2024. In addition to reporting financial statement inspection result to independent directors, accountants were also engaged in promotion of regulations and exchange of opinions in the meeting.



Compensation Committee

To solidify INPAQ's compensation system for director and manager, assess director and manager's operation performance as well as verify if compensation received is fair and reasonable, Board of Directors Meeting passed "Organization Requirements for Compensation Committee" and established Compensation Committee in Board of Directors Meeting. There shall be at least one independent director participating in committee members. A total of 6 meetings were held in 2024 with attendance rate reaching 88.89% for all committee members.

Compensation Committee's main responsibility is to establish system and standards for director and manager's performance and compensation and review these system and standards regularly. Compensation for director and manager is also reviewed regularly. Compensation Committee shall consider the following principles during its assessment: the Company's compensation shall comply with related regulations and shall be sufficient in attracting talents; Director and manager's performance assessment and compensation shall take reference from normal compensation paid in this industry, and shall consider respective individual's time consumed on duty, responsibility assumed, achievement of personal goal, performance when assuming other duties, compensation paid by the Company to others of equivalent duties in recent years, achievement of the Company's short term and long term business goals and the Company's financial status when assessing related rationality between an individual's performance and the Company's operation performance as well as future risks. Directors and managers should not be guided to embark on behavior exceeding the Company's risk appetite simply for the sake of pursuing compensation. In terms of percentage of compensation distributed to directors and senior managers for their short-term performance as well payment time for some variable compensation, industry characteristics and nature of the Company's businesses shall all be considered before decisions are made.

The Company is currently in the stage of implementing ESG initiatives and has not yet linked ESG development goals and performance with the remuneration of Board members and senior management. Nevertheless, the Company continues to monitor ESG trends and plans to initiate the formulation and evaluation of relevant mechanisms within the next two years. At that time, the Remuneration Committee will prudently deliberate and establish incentive mechanisms with tangible effectiveness, based on the maturity of ESG implementation and the establishment of quantifiable performance indicators.

Under actual practice, Compensation Committee complies with a good administrator's due obligation in its faithful fulfillment, establishment and regular review of policy, system, standards and structure for director and manager's performance assessment and compensation. Director and manager's compensation and responsibilities are reviewed regularly and proposals are submitted to Board of Directors Meeting for discussion.



3.1.3 Internal Audits

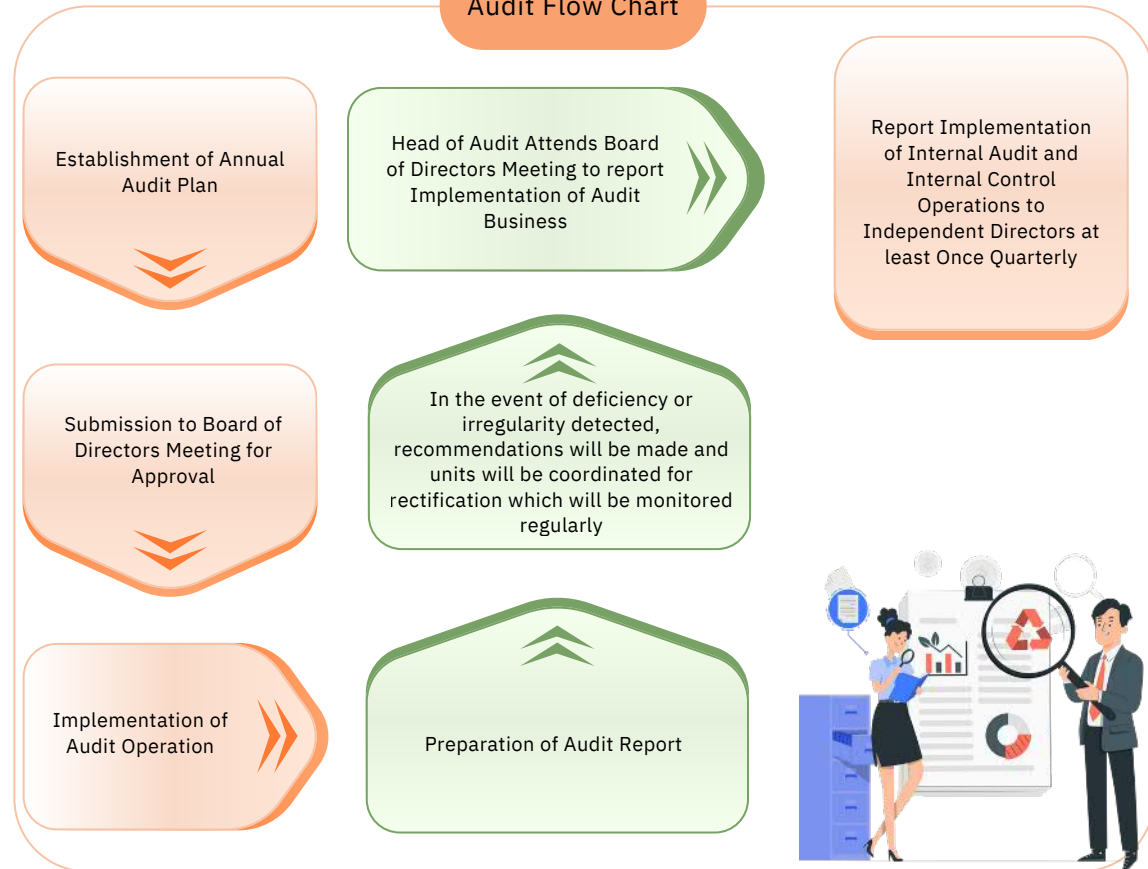
Purpose of the Company's internal audit lies in assisting Board of Directors Meeting and managers in their inspection and review of deficiencies in internal control system, assessment of operation effectiveness and efficiency as well as providing rectification recommendations in due time to ensure effective implementation of internal control system is maintained and that such recommendations will serve as basis for review and amendment of internal control system. INPAQ complies with requirements prescribed in "Regulations Governing Establishment Internal Control System by Public Companies" and considers the Company and its subsidiaries' overall operation activities in establishing an effective internal control system which is reviewed and improved from time to time for the purpose of responding to changes in the Company's internal and external environments while ensuring continued effectiveness for internal control system's design and implementation. To ensure audit personnel's fairness and independence in executing audit duty, INPAQ has established an independent unit of Audit Office under Board of Directors Meeting as required by laws. Audit Office is equipped with audit personnel, and "Management Rules for Audit Office Business" has specifically prescribed that engagement or discharge of Head of Audit shall be approved by Audit Committee and shall be submitted to Board of Directors Meeting for resolution accordingly. In the meantime, Head of Audit shall submit internal audit personnel's engagement/discharge, performance assessment and compensation to Chairman of the Board for approval.

In addition to implementation of self-assessment operation over internal control system, INPAQ's Board of Directors Meeting and management review self-assessment results from respective departments and audit report from Audit Office at least once every year. Head of Audit attends Board of Directors Meeting as required and reports implementation of audit business. Head of Audit also attends Audit Committee meeting at least once very quarter and reports the Company's audit implementation as well as internal control operations to independent directors.

Every year Audit Office reviews self-assessment reports on the Company and its subsidiaries' internal control systems, and provides internal control deficiencies detected as well as rectifications on irregularities to Board of Directors Meeting and General Manager for basis of assessing overall internal control system's effectiveness as well as issuing internal control system statement. Meanwhile, for the purpose of enhancing audit personnel's professional capability, INPAQ arranges continuous learning courses as well as participation in internal audit lectures organized by competent authority's designated institutes for its audit personnel in order to improve and maintain audit quality and implementation effectiveness. In 2024, there were a total of 1 man-times with 12 hours for audit personnel training.

Through audit personnel, INPAQ continues to monitor the Company's implementation of various operation systems, establishment of good governance practices and risk control mechanisms as well as creation of an operation environment with sustainable development. In 2024, Audit Office implemented 57 audit assignments with audit compliance rate reaching 96.5%. There were no material non-compliance items, and rectifications for all non-compliance items were completed within deadlines.

Audit Flow Chart



Management Rules for
Audit Office Business



Communication Between
Independent Directors and
the Chief Internal Auditor





3.1.4 Ethics & Integrity

INPAQ builds up its corporate core values based on regulation compliance and supremacy of integrity, and conducts its business under the spirit of integrity and regulation compliance. To ensure that concept of integrity operation is realized within the Company, the Company always places emphasis on colleague's morality. Human Resource Center promotes the Company's internal requirements on morality to new personnel upon their orientation phase, and requests them to sign "Service Agreement" and "Statement of Commitment" for the purpose of cultivating colleague's sense of integrity. In the meantime, management are required to lead by example and comply with integrity principle to cultivate the Company's integrity culture in a subtle manner.

Internally, INPAQ utilizes Human Resource Center as the responsible unit for promoting integrity operation policy, and establishes internal requirements of "Guidelines and Operation Procedures for the Company's Integrity Operation Behavior," "Moral Behavior Guidelines for Director and Manager" and "Internal Material Information and Management Operation for Insider Trading Prevention," which were passed by Board of Directors Meeting resolutions. Integrity internal requirements are posted on the Company's official website for stakeholders to review accordingly, and corresponding contact windows are established to allow stakeholders to reflect their opinions. In the event that colleagues have doubts over the Company's integrity internal requirements, they can visit official website to check on related information, or check with Human Resource Center through diversified channels of email, telephone, and so on.

In the meantime, INPAQ established diversified report channels. Stakeholders may file report through stakeholder zone on the Company's official website, General Manager's mailbox or audit mailbox. Accordingly, Audit Office will have designated personnel investigate these reports. Informant basically needs to provide his/her name in the report together with related contents of reported incident, including but not limited to informant's name and basic contents and evidences of time, location and contents of reported incident. In the event that an anonymous informant has already submitted specific related facts and evidences, Audit Office responsible person will contact subsequent investigation accordingly. Under circumstances that there are interests, or relationship that may influence handling of case, existed between responsible personnel and informant or reported individual, the responsible personnel shall actively report this and recuse himself/herself from the investigation and allow other personnel to conduct investigation accordingly. Investigation shall be conducted fairly in accordance with requirements. Confidentiality shall be maintained and informant's identity shall not be disclosed. INPAQ also commits itself to protecting informant from being treated inappropriately from filing report.

In terms of business interaction, INPAQ colleagues shall explain the Company's integrity operation policy and related requirements to transaction counter party during execution of business, and shall specifically deny to directly or indirectly provide, commit to, request or receive illegitimate interests of any forms or names. In the meantime, colleagues shall pay attention to avoid business transactions with agents, suppliers, clients or other business transaction counterparties involved in non-integrity behavior. In the event that business transaction or collaboration counterparties are found to be involved in non-integrity behavior, assessment shall be then conducted to verify if these parties shall be listed as parties denied of business transaction for the purpose of realizing the Company's integrity operation policy. Lastly, INPAQ shall have a comprehensive understanding of counterparty's integrity operation situations when entering agreement with transaction counterparty, and terms of complying with INPAQ's integrity operation policy shall be included in agreement articles between the transacting parties. When entering an agreement, colleagues shall do their best to include specific articles in agreement.

These articles shall prescribe that in the event of one party's, included but not limited, violation of counterparty's agreement terms of prohibition on receiving commission, kickback or other illegitimate benefits, information of identity for personnel involved, measures of providing, committing, requesting or receiving as well as amount or other benefits received shall be advised to counterparty, and related evidences shall be provided for collaboration with counterparty's investigation. In the event of damage incurred as a result of this, one party shall therefore be entitled to request compensation of certain percentage of agreement amount from counterparty, and is entitled to deduct compensation amount from payable agreement amount. In the event of non-integrity behavior from either party during business activities, counterparty shall therefore be entitled to terminate or cancel agreement unconditionally.

To embed the concept of morality and integrity deeply in the process of colleague's execution of business, Human Resource Center is planning to implement on-line integrity training courses to colleagues in the future. There will be regular arrangement to invite senior management to promote importance of corporate integrity culture to colleagues during meetings. In the meantime, this center will verify if prevention measures, which are established by management to inspect and assess implementation of integrity operation, are operated effectively, and will also conduct compliance assessment over related business process. Each year, this center reports execution result to Board of Directors Meeting. Audit Office will then supervise and inspect the Company's comprehensive execution of integrity, and report to Board of Directors Meeting when needed.

In accordance with the company's "Guidelines and Operation Procedures for Integrity and Ethical Conduct," internal and external parties are encouraged to report any dishonest or improper behavior.

The company provides a designated email address for such reports. Please include your real name, a description of the incident, supporting evidence, and contact information. Reports can be submitted through the following channels:

Reporting Email: audit@passivecomponent.com

Phone: +886-928-888-615 (Taiwan) / +86-185-6617-1998 (China)

Diversified Report Channels	Contact Points	Number of Cases Accepted for 2024	Being Processed	Case Closed
Company Official Website	Business / Finance / Human Resources	0	0	0
Audit Mail Box	Audit	0	0	0
General Manager Mail Box	Audit	3	3	3

3.2 Risk Management

INPAQ utilizes respective responsible departments as the core for its risk management structure in conducting related risk assessment operations. Based on possibility of risk occurrence and estimated impact to INPAQ, risk response will be executed on specific high risk items to ensure achievement of the Company's purpose of sustainable operations.



INPAQ Risk Management Structure

Risk Items	Responsible Department	Items of Risk Business
Strategy Risk	Chairman's Office	<ul style="list-style-type: none"> Establishment of the Company's future operation policy
Operation & Market Risk	General Manager's Office Department of Marketing Respective BU Departments	<ul style="list-style-type: none"> Based on the Company's strategies, implement product R&D, production and sales, and is dedicated to production technology improvement, quality enhancement and cost reduction for the purpose of increasing the Company's profits
Finance & Liquidity Risk	Finance & Accounting Center	<ul style="list-style-type: none"> Interest rate/exchange rate hedging, bank credit line management and relationship maintaining
Client Credit Risk	Finance & Accounting Center	<ul style="list-style-type: none"> Establishment and review of client's credit line, management and collection of account receivable
Legal Risk	Legal Office	<ul style="list-style-type: none"> Review agreement and company authorization and reduce corporate legal risks to protect the Company's tangible and intangible assets
Environment, Health & Safety Risk	Factory/ES Center	<ul style="list-style-type: none"> Being focused on possible safety and health hazards as well as specific risk factors in work environment, and with safety and health policy as the core, health and safety management is realized and management performance is enhanced

Risk Category

Explanation of Risks



Risk Management Strategy



Sustainable
Environment

Continued Increase in Greenhouse Gas Emission	<ul style="list-style-type: none"> Under compliance with Energy Administration Act, energy saving from 2015 to 2024 will reach an annual average of 1% which ensures lowered energy consumption and reduction in greenhouse gas emission
Continued Increase in Waste Water Discharge	<p>Respective factories implement water saving measures:</p> <ul style="list-style-type: none"> Zhunan Plant: The automatic electroplating line conserves water by using an automatic flow control valve to regulate water usage, saving approximately 30 tons of water per month Wuxi Plant: As production lines and energy consumption continue to expand, a wastewater recycling solution has been implemented to actively reduce wastewater discharge and increase reuse. This initiative can save approximately 10% of annual wastewater discharge
Increase of Waste Disposal Amount / Lowered Recycling Rate	<ul style="list-style-type: none"> Promotion of waste reduction will be continued with the introduction of a solvent recovery machine, around 6 tons of hazardous industrial waste can be reduced annually Annual activated carbon recycling: 8 tons
Shortage of Water, Shortage of Electricity	<ul style="list-style-type: none"> <u>Water Shortage</u> : Zhunan Plant: Water storage tank capacity: 800 tons. This is roughly sufficient for 2 days of production. The Company needs to purchase water from external water trucks to make up for the shortage portion Wuxi Plant: Water storage tank capacity: 1,000 tons This is roughly sufficient for 2 days of production. The Company needs to purchase water from external water trucks to make up for the shortage portion <u>Shortage of Electricity</u> : Zhunan Plant : Two generators in the factory can be utilized to temporarily supply power to some areas Wuxi Plant : In the event of a main power outage, backup circuits can temporarily supply power to certain areas Suzhou Factory : Two generators in the factory can be utilized to temporarily supply power to some areas
Violation of Environmental Protection Laws	<ul style="list-style-type: none"> Risks of violating environmental protection laws are mitigated through monthly self-check and annual external audit




Risk Category	Explanation of Risks	Risk Management Strategy
 Employee Caring	Occurrence of Occupational Disaster	<ul style="list-style-type: none"> Internal investigation will be conducted immediately and improvement will be made in the event of occupational disaster occurrence Emergency response plans and measures are actively implemented
	Long Working Hours	<ul style="list-style-type: none"> Prevention of diseases from irregular workload is implemented continuously. Regular investigation on employees is conducted to verify if situations of overwork exist, and adjustment on workload is conducted in accordance with diagnosis result from occupational doctors. Current manpower allocation is reviewed and more employees will be recruited to share workload
	High Turnover Rate / Insufficient Labor	<ul style="list-style-type: none"> The Company provides market-competitive compensation and benefits, cares for employees in a timely manner, understands colleague's opinions on INPAQ and strikes a balance between corporate operation costs and enhancement of employee's team cohesiveness towards the Company Automatic equipment is increased to lower the needs for labor and enhance efficiency. International division of labor is best utilized to lower production costs as well as to supply local clients in real time
 Operation Performance	Decreased Competitiveness in the Market	<ul style="list-style-type: none"> The Company enhances R&D capability and production capability, develops differential products, expands comprehensive product lines, increases product stability, establishes reliable partner relationship with clients, expands product market share and widens the gap with competitors The Company expands its economies of scales, lowers costs and aggressively introduces automatic production equipment Enhancement of quality standards together with introduction of meticulous tests and inspections allow the Company to penetrate into international major players' market
	Occurrence of Data Security Incident	<ul style="list-style-type: none"> Safety tests, data security health check, social interaction safety and data security drills are conducted each year Data security risk awareness among the Company's colleagues and data security personnel's capability to respond to contingencies are enhanced to ensure advance prevention as well as effective detection and expansion deterrence as soon as possible Each year, the Company makes routine announcements to promote data security policy and cultivates colleagues who have data security certificates Data security education training is implemented on personnel with each at least 2 hours each year At least once per year, a report is submitted to the Board of Directors summarizing and consolidating the status of information security risk management

Risk Category	Explanation of Risks	Risk Management Strategy
 Operation Performance	Customer Complaint	<ul style="list-style-type: none"> Acquisition of client's feedback related to product and service (including HSF feedback) Establishment of specific requirements (including HSF requirements) for emergency actions including mechanisms for production emergency incidents, negligent shipment of unqualified products and product recall
	Increase in Raw Material Price / Disruption of Supply Chain	<ul style="list-style-type: none"> The Company continues to maintain good interaction relationship with supplier, and close contact is also maintained to ensure current product supply is stable. Through joint development with academic units, INPAQ aggressively develops new material formula and alternative raw material to lower dependence on high price raw materials Supplier Management: New source of materials shall be carefully assessed when developing materials, and good suppliers shall be established aggressively to avoid monopoly Inventory Management: Safe inventory mechanism is established for operation adjustments to meet with flexible production needs
	R&D Bottleneck	<ul style="list-style-type: none"> The Company exerts in-depth understanding and mastering of client and end user's needs, and accelerates its pace on developing technologies for product materials, production process and product application for the purpose of responding to external environment's fast changes with its profound technology strength The Company promotes smart manufacturing and utilizes Internet of Things and big data analysis to enhance efficiency and lower costs The Company watches closely and masters changes and dynamics of competitors, market, industry and clients for the purpose of speedy response and references for directions of production, technology and product development High value/quality products are developed and customer service is enhanced for the purpose of transforming from a manufacturing company to a manufacturing and service company



Financial
Impacts,
Risks, and
Opportunities
of Climate
Change on
Organizational
Activities

Risk Category	Explanation of Risks		Risk Management Strategy
	Transition Risks	Imposition of carbon fees and carbon taxes Introduction of new regulations	<ul style="list-style-type: none">Low-carbon materials are used for R&D raw materials, and high-efficiency equipment is installed to comply with carbon fees and carbon taxesA dedicated unit reviews newly introduced regulations monthly to ensure compliance and avoid violations
		Increase in raw material costs	<ul style="list-style-type: none">Raw material price fluctuations are continuously monitored; if an increase is detected, bulk purchasing is conducted to prevent future rises in operational costs and profit reduction
	Physical Risks	Increased severity of extreme weather events such as typhoons and floods	<ul style="list-style-type: none">To mitigate risk, new production equipment is installed on higher floors whenever possible, while sandbags are placed in low-lying or flood-prone areas, and windows are reinforced to prevent damage from strong winds
		Increased frequency of extreme climate events rising average temperatures	<ul style="list-style-type: none">R&D selects low-carbon raw materials and prefers low-carbon equipment for new purchases. Energy consumption is reduced by replacing equipment with energy-efficient models to address increased water and electricity usage caused by rising average temperaturesIn the short term, greenhouse gas emissions inventories are conducted following ISO 14064-1, with self-assessment reports completed
	Opportunities	Water recycling & reuse Reduction of water consumption and usage	<ul style="list-style-type: none">Water-saving efficiency is improved through regular inspections, maintenance, and replacement of outdated equipment, alongside continuous employee education and advocacy on water conservation to reduce impact on water resources and the environment



3.3 Legal Compliance

Legal compliance is the foundation of corporate operation. INPAQ promotes integrity internal requirements to new employees upon their orientation and have them sign service agreement and statement of commitment. Additionally, given the fact of numerous kinds of laws and regulations, respective departments learn of amendment changes of related laws and regulations in a timely manner through interaction with government institutes or from media report, and conduct internal and external trainings accordingly on employees in their departments to ensure that the Company's operation complies with various laws and regulations.

Firstly, in terms of corporate governance, INPAQ establishes functional committees to supervise the Company's financial operations and internal control system, and passed "Corporate Governance Practice Guidelines" and "Performance Assessment Guidelines for Board of Directors Meeting" to ensure Board of Directors Meeting's aggressive participation in the Company's material proposal and decision making. In the meantime, Head of Corporate Governance is also established to assist in Board of Directors Meeting's operation, provide professional opinions and enhance Board of Directors Meeting's competence. Going forward, INPAQ will continue to comply with corporate governance assessment and "Corporate Governance Practice Guidelines" in its commitment to enhance compliance awareness of the Company's colleagues.

Secondly, in terms of personnel management, INPAQ drafts related integrity internal requirements and repeatedly promotes the Company's core value of Integrity and honesty. Through the drafting of a series of requirements, faithful implementation and mechanisms of self-review, smooth report channels and informant protection, comprehensive compliance firewalls have been established accordingly. Management conducts "lead by example" and requests that each colleague shall ensure that his/her related businesses comply with laws and regulations as well as the Company's policies and internal requirements. Compliance conditions are reviewed through annual internal control self-assessment as well as inspection from internal audit. Guidelines for colleagues during execution of businesses are drafted and all colleagues in the Group, regardless of their job titles, ranks or locations, shall comply with "Guidelines and Operation Procedures for the Company's Integrity Operation Behavior" and "Moral Behavior Guidelines for Director and Manager." Contents of these requirements include work environment guidelines, equal opportunity, confidentiality clauses, competition prohibition and avoidance of conflict of interest, giving or receiving gifts and business formality, respect for employees and clients, report, protection, exemption and so on with the goal of obtaining the public's trust, enhancing corporate image while ensuring the Company's sustainable operation and development. To prevent and keep the Company from being punished for behavior violating fair completion or anti-trust laws, related behavior guidelines are drafted specifically to serve as behavior guidelines for the Company's management and responsible personnel's business behavior for the purpose of mitigating risks of violating laws. The Company participates in industry competition based on integrity and fair principles, cultivates a corporate culture which complies with laws and regulations and builds up the Company's trust-worthy and respectful reputation.

Furthermore, in terms of personnel training and for the purpose of enhancing colleague's awareness on occupational morality and regulation compliance, INPAQ complies with laws, regulations and the Company's internal requirements in having Legal Affair Center working together with other responsible departments in conducting trainings on laws and regulations involved for colleagues of different departments or ranks when engaged in business behavior. For instance, colleagues of different responsibilities will be given corresponding training contents which include new employee training, physical lessons, promotion from respective units and external training. In the meantime, colleagues are able to contact and obtain regulation awareness anytime through regulation compliance guides provided on posters in factory areas and the Company's internal webpage.

Significant Non-Compliance Incidents refer to events where the company violates relevant laws or standards in the areas of Environment, Social, and Governance (ESG), causing substantial impact that may lead to reputational damage, financial losses, or harm to society or the environment

INPAQ's Significant Non-Compliance Fines for 2024 are as follows:

Unit: Thousand NTD

Item	Date	Summary	Amount
Environmental Pollution Fines	March 2024	Violation of Water Pollution Prevention Act	10
	March 2024	Violation of Toxic Chemicals Control Act	60
Labor Rights Violation Fines	March 2024	Violation of Labor Standards Act	50
Subtotal:			120



Corporate
Governance

- Establishment of functional committees and Head of Corporate Governance; Enhancement of Board of Directors Meeting competence;
- Establishment of "Guidelines and Operation Procedures for the Company's Integrity Operation Behavior" and "Moral Behavior Guidelines for Director and Manager"; Realization of integrity operations and prevention of any behavior violating morality or integrity; Prevention of behavior causing damage to the Company and shareholder's interests;
- Establishment of "Internal Material Information and Management Operation for Insider Trading Prevention"; Installation of good internal material information and disclosure mechanisms to avoid inappropriate disclosure of information and ensure INPAQ's consistency and accuracy when disclosing information to outside world.



Trainings on
Employee Ethics /
Ethics
Improvement /
Code of Conduct /
Regulations

- New employees are requested to sign service agreement and statement of commitment.
- 2024 Internal Education Training Conducted to Employees :
A total of 142 man/times and 1,207 hours for new employees.
Professional training totaled 2,741 participants / 6,490.5 hours.
Occupational safety training totaled 1,174 participants / 2,579 hours.
- 2024 Regulatory Training for Designated Personnel Participating in External Organizations:
Member of Board of Directors Meeting: a total of 18 man/times and 54 hours.
Finance Personnel: a total of 2 man/times and 24 hours.
Audit Personnel: a total of 1 man/times and 12 hours.

3.4 Operational Performance

In 2024, INPAQ achieved a historic milestone with record-high monthly revenue and strong annual profit growth. The company reported an annual revenue of NTD\$7.366 billion, representing a 12% increase compared to the previous year. Operating profit reached NTD\$949 million, marking a 24% year-over-year growth. Despite ongoing geopolitical challenges in the global economy, INPAQ delivered impressive results through technological innovation, a differentiated competitive strategy, and the dedicated efforts of its entire workforce.

INPAQ currently operates across four major product lines: protection components, high-frequency components, power inductors, and antennas. Looking ahead to 2025, the company will continue to expand product applications—including 5G, AI switches, the Internet of Things (IoT), low-earth orbit satellites, and the emerging low-altitude economy—all of which are high-growth markets. With efficient supply chain management and automated production lines, INPAQ remains at the forefront of diverse applications. In addition, INPAQ invested in the construction of a Wi-Fi 7 standard testing laboratory in 2024, successfully establishing Taiwan's first complete facility that complies with the IEEE 802.11be standard. This significantly enhances the company's competitiveness in the global wireless technology market. Beyond Taiwan, Suzhou, and Wuxi, INPAQ also plans to establish new sites in Japan and Malaysia to better serve customer needs.

INPAQ's Advantages

- Good Management Team and Finance Structure
- Excellent Technology R&D Capability, Strong Product Competitiveness
- Clear Positioning with Differential Products
- Possession of Excellent Manufacturing Technologies with High Demand on Product Quality
- Comprehensive Sales and International Division of Labor System
- Expanded Component Enterprises in the Group

Management Guidelines





Short-Term Business Development Plan

- Establishment of membrane mass production technology, continued development of high speed passive components needed for client's future products, establishment of collaboration partnership relationship with clients, joint development of components needed for future system products;
- The Company will continue to fight for orders from domestic and offshore critical NB, tablet, motherboard, mobile phone, major automobile companies and 3C industries, and work hard to obtain OEM opportunity from major international companies in order to increase overall market share, and aggressively incubate distributor and agent's marketing capability for the purpose of expanding domestic and offshore markets through their channels.
- The Company will develop new generation of high frequency electrostatic discharge protection components and conduct research on miniaturization in order to expand INPAQ's footprint in voltage protection component product lines. With foundations of current GPS array antenna, GSM antenna and Bluetooth antenna, FM chip Antenna, the Company will develop WIFI, UWB, WiMAX, DVB and compound singular/dual/multiple frequency antenna.
- The Company will establish competitive production capability to meet with market and client's demands.

Mid/Long Term Business Development Plan

- Collaboration with international sales strategy, aggressive recruitment and training of professional business talents, enhancement of marketing capability for offshore market.
- Aggressive development of multi-functional anti-electromagnetic interference and static protection component, enhancement of product functions and simplified design to meet future development trend of increase in data transmission speed and capacity.
- Enhancement of R&D capacity, collaboration with client's needs, speedy development of antenna/-components needed for client's products, establishment of long term collaboration partnership with clients.
- Continued investment to respond to continuous growth in various terminal applications, expansion in markets of automotive electronics, internet of things, vehicle to everything and smart family.



Responsible Department/
Report Mechanism

Finance & Accounting Center / Company Official
Website, Spokesperson



Assessment Mechanism
and Achievement

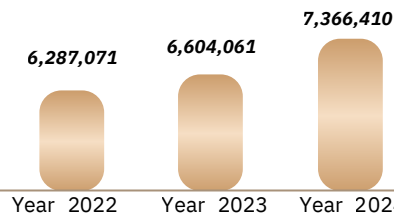
Revenue for 2024 increased by 12% compared
with the one for previous year

Economic Value Generated, Distributed, and Retained by the Company

Unit: NTD\$ Thousand

Direct Economic Value Generated

Total Operating Revenue

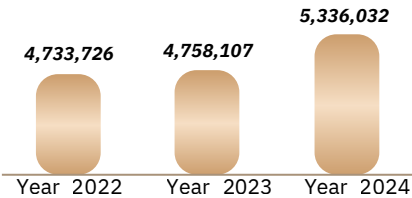


Economic Value Generated, Distributed, and Retained by the Company

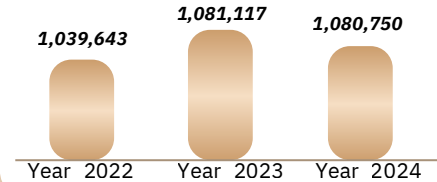
Unit: NTD\$ Thousand

Economic Value Distributed

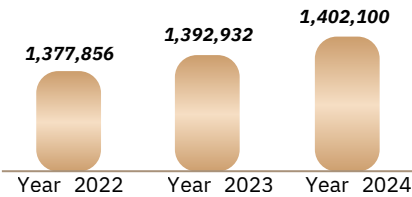
Total Operating Costs



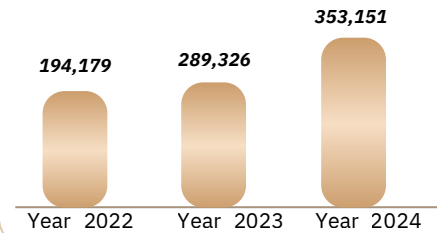
Total Operating Expenses



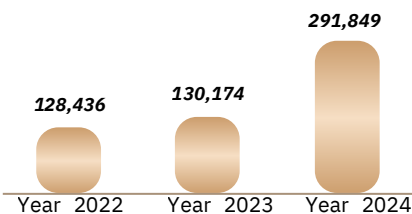
Employee Salaries and Benefits



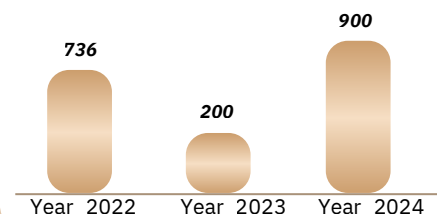
Payments to Providers of Capital



Payments to Government



Community Investments

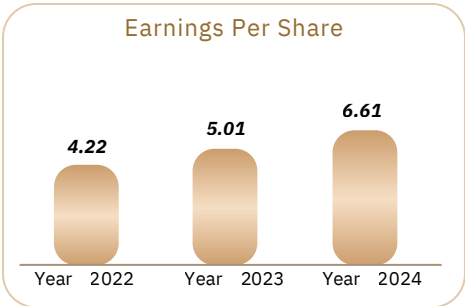
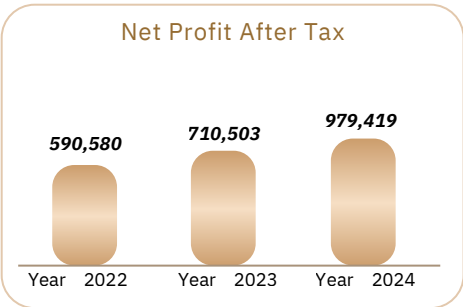
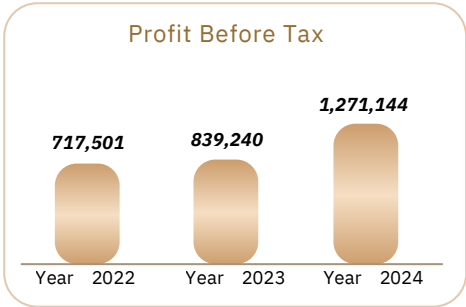


- Note
- Revenue is defined as Net Sales plus income derived from financial investments and asset sales.
 - Operating Costs are defined as cash expenditures paid to entities outside the organization for the procurement of raw materials, product components, facility infrastructure, and services.
 - Employee Wages and Benefits are defined as the sum of Total Wages (including employee salaries and amounts paid to the government on behalf of employees) and Total Benefits (excluding the costs of training, protective equipment, or other cost items directly related to the employee's job duties).
 - Payments to Capital Providers are defined as dividends paid to all shareholders, plus interest paid to lenders.
 - Payments to Government are defined as all taxes and fines paid by the organization according to international, national, and local standards. Taxes may include sales tax, income tax, and property tax.

Economic Value Generated, Distributed, and Retained by the Company

Unit: NTD\$ Thousand

Economic Value Retained



Economic Value Generated, Distributed, and Retained by the Company

Unit: NTD\$ Thousand

Government Financial
Assistance Received

Item / Region	Year 2022		Year 2023		Year 2024	
	Taiwan	China	Taiwan	China	Taiwan	China
Tax Reductions and Credits	70,191	563	54,163	86,248	20,648	86,357
Subsidies	68,536	3,356	11	5,100	0	4,339
Investment Grants	0	1,157	0	217	0	1,812
R&D Subsidies and Other Related Support	0	900	0	55	0	90
Incentives	0	449	0	0	0	225
Others:	0	292	0	259	250	187

3.5 Products & Services

With material development, component design and manufacturing process integration as its core technologies and based on client’s application and direction for future component development, INPAQ develops and manufactures critical components of system protection components, high frequency antenna, power inductor and radio frequency components, and is dedicated to establishing innovative technologies and patents for the purpose of becoming world class leading company in the field of protection component and antenna module. Technology platform established by INPAQ includes thick-film printing technology, material lamination technology, ceramic/iron powder molding technology and thin film refine circuit, LTCC asymmetric forming technology and high-polymer low-loss dielectric material 3D forming technology. Application of electronic components produced encompass overall fields of 3C electronic, communication and automotive application, including but not limited to mobile phone, computer, LCD, TV, digital camera, WLAN, broad-band internet equipment, automotive and satellite communication and digital wearable.

In the meantime, INPAQ maintains smooth communication channels with clients and a stable and good collaboration relationship exists between the parties. In terms of opinions from client’s feedback, INPAQ marketing team forwards these opinions to R&D and Quality Assurance departments in real-time for subsequent improvements. INPAQ obtains client’s trust with its quality services.



3.5.1 Innovative R&D

INPAQ has always been committed to in-depth development of autonomous technology, and has continued to enhance related production technologies for precision electronics. Development of protection components will continue to move towards product features of miniaturization with high reliability, high capacitance, high permissible voltage and stability under high temperature. In terms of high frequency communication components, the Company continues to invest in technologies of antenna development, integration of internet of things, wireless charging and vehicles for everything. To respond to the coming of 5G communication era, the Company has already developed related antenna products used in 5G communication.



Policy

- Establishment of R&D Database
- Building up Systematic Development Process
- Development of High End New Products

Commitment

The Company has a comprehensive research team and technology to establish product development database in a systematic development process and develop diversified and high-end new products. The Company has synchronized its efforts in developing new products together with high end domestic and offshore clients to enhance product Design-in opportunity and competitiveness for the purpose of marching towards No. 1 in the world.

Short-Term Goal

Establishment of Systematic Development Process and R&D Database; Exploration of High End Products Meeting Market Needs; Enhancement of Market Visibility and Competitiveness.

Mid/Long Term Goal

- Actively develop multifunctional components for electromagnetic interference (EMI) and electrostatic discharge (ESD) protection to enhance product performance and simplify designs, in line with future trends of increasing data transmission speed and capacity.
- Strengthen R&D capabilities to rapidly develop antennas/components tailored to customer needs, and establish long-term partnerships with clients.

Management Practices

- To support this, foundational training courses are provided, and R&D projects are executed through on-the-job training. Project progress for new or derivative products is maintained by effectively utilizing R&D equipment and simulation tools such as HFSS, CST, VNA, Spectrum analyzers, and Chambers. Sharing sessions are held regularly to enhance the technical competencies of R&D personnel and improve the quality and efficiency of new product development. Scientific and statistical methods such as Design of Experiments (DOE), Taguchi methods, reliability testing, and other quality tools are applied to systematically analyze the relationship between product characteristics, materials, and structural design. A database of materials, processes, and product design is established to further improve development efficiency and product quality.
- The Company enhances product features and quality through systematic development technology, and offers real-time feedback on needs and technical support to receive client's recognition and project opportunity for the purpose of entering international major companies' market and becoming one of the major companies in the world.





Focus of Technology Development

- Application of Thin Film Packaging Technology
- Miniature/Industry Strong Current Molding Power Inductor
- 5G High-Frequency Precision Multilayer Inductors
- Alloy Material Lamination Miniature Power Inductor Technology
- Low-Temperature Co-Fired Ceramic Frequency Inductor, Passive Component and Antenna Joint Packaging Technology
- Product Design and Manufacturing of RFID/NFC Antenna, Wireless Charging Module and 3C/Automotive/Internet Communication Antenna
- High Frequency Signal Application in Low Capacitance – Surge Protection Component
- Ka band (26~40 GHz) Ultra-Broad Band Low Earth Orbit Satellite Antenna
- Electric Car BMS (Battery management system) Signal Anti-Jamming – Transmission Antenna
- High Precision Positioning, Dual Frequency, Lightweight GPS Ceramic Antenna
- High-Frequency Quick Connectors
- High-Frequency Filters (diplexor, combiner...)
- mmWave band pass filter
- Indoor High-Precision Positioning Modules
- GPS Modules
- Chip Antennas
- Various Networking/Smart Home Antenna Developments
- CPE Antenna
- UWB PDOA/RADAR/TAG
- BT/Wi-Fi Modules
- Smart Meter Antennas

Responsible
Department / Report
Mechanism

- R&D Department/Opinions Forwarded by Customer Service Department

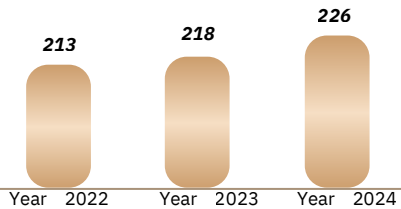
Assessment
Mechanism and
Achievements

- Number of accumulated effective patents reaching 236
- New product contribution to revenue accounts for 3.8%

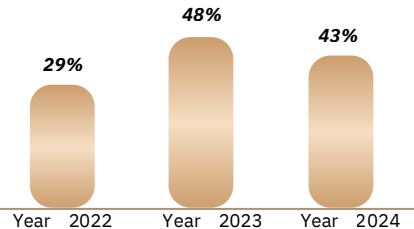
Product/Technology Successfully Developed within Last 3 Years

Item	Description
DAM-Ix-H1-B2/D2-800 Series DAM-Dx-B4/H1-N0-000 Series DAM-J12-H1-B2/DB-800 Series	Teletubby Quick Connector Version
B2520-L-265295-01	mmWave band pass filter
MGAFF-U120-00	GPS Module
RFPCM111100PNSB010 RFPCM403000PNSB010	UWB High-Precision Indoor Positioning Module
MAG:BIY4526HD-002H	MAG : Directional Coupler, perfect match for impedance
MAG:LSP0301C-001	MAG : Winding Air Coil, high Q value and high inductor precision
MCI0603TM	Miniature Component (LxWxT 0.6x0.3x0.3mm) High Frequency Application 1 GHz ~20 GHz

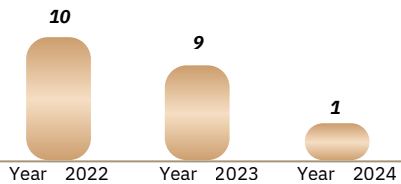
R&D Team
(Unit: Person)



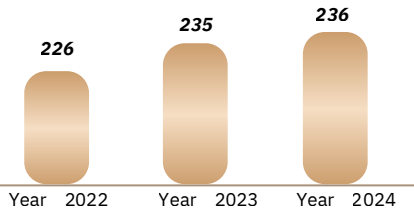
Graduate Education/
R&D Team Percentage



Number of Patents Received



Number of Accumulated
Effective Patents





3.5.2 Product Quality

In today's highly competitive market environment, INPAQ recognizes that quality is the key to business success. To establish a strong industry presence and achieve sustained growth, we regard "quality" as a core competitive advantage. We are committed to continuously improving and innovating to enhance the quality of our products, services, and processes. Beyond pursuing high quality, we also place great emphasis on ensuring that our products are free from hazardous substances, providing our customers with high-value and competitive solutions. We firmly believe that the foundation of all this lies in cultivating a deeply rooted quality culture, where every employee becomes an active promoter and practitioner of quality management.

Policy

- We are dedicated to continuously improving and innovating our processes, products, and services, while meeting requirements for hazardous substance-free compliance. Our goal is to deliver maximum value and competitiveness to our customers.

Commitment

- **Enhancing Product Quality:** We focus not only on functionality and performance but also on ensuring that our products meet environmental and health standards. We address hazardous substance concerns from the product design stage.
- **Strengthening Customer Satisfaction:** We regularly collect customer feedback and adjust our products and services accordingly, ensuring each delivery meets customer expectations.
- **Compliance and Regulatory Adherence:** We ensure that all products comply with international environmental regulations such as EU RoHS and REACH. We have established a hazardous substance monitoring system and conduct regular testing to ensure compliance.
- **Supplier Collaboration:** We maintain long-term and stable partnerships with suppliers, requiring them to meet our quality and environmental standards. We collaborate with them to improve processes and enhance overall quality.

Short-term Goals

- **Enhancing Internal Quality Management Systems:** We conduct comprehensive reviews of our current quality systems to ensure that all facilities comply with international certifications such as ISO 9001 and IATF 16949.
- **Hazardous Substance Monitoring and Management:** We strengthen hazardous substance control throughout the product lifecycle. In addition to comprehensive testing, we have established mechanisms for risk assessment, standards updates, and supply chain management to ensure regulatory compliance and alignment with international standards.
- **Quality Training:** We enhance quality awareness across the company by regularly organizing professional training programs, empowering employees to actively participate in quality improvement efforts.

Mid-to-Long-term Goals

- **Deepening Quality Management Systems:** Building upon our existing systems, we continue to implement international certification standards such as ISO 9001 and IATF 16949, making adjustments based on market demand to improve product compliance in global markets.
- **Promoting Environmental Protection and Sustainability:** We integrate sustainable design concepts into every stage of product development, select environmentally friendly materials, and promote low-carbon processes to improve the sustainability and environmental friendliness of our products.
- **Supply Chain Optimization:** We strengthen supplier partnerships, requiring compliance with our quality standards and ESG (Environmental, Social, and Governance) principles. We promote transparency and traceability across the supply chain to enhance overall quality control.
- **Global Market Safety Compliance:** We actively pursue international safety certifications such as UL to ensure our products can be sold globally without legal or regulatory restrictions.

Management Measures

- **Establishment of a Cross-Functional Quality Management Team:** A cross-departmental quality management team is established to hold regular meetings (once per month, 12 times per year) to review each department's quality indicators, ensure effective implementation of targets, and share success stories and problem-solving strategies.
- **Implementation of a Risk Management Mechanism:** Potential risks are regularly identified using risk assessment tools such as FMEA, and corresponding preventive measures are developed to reduce the likelihood of risks occurring.
- **Internal and External Audit Mechanisms:** Regular internal audits (once a year) and external third-party audits (once a year) are conducted to ensure all products and services meet quality and regulatory requirements. At the same time, we actively cooperate with customer audits by providing the necessary documentation and data support to ensure that every production process complies with customer expectations regarding quality and environmental protection. Based on the audit results, we continuously improve our processes to enhance product compliance and market competitiveness.
- **Through these audit mechanisms,** we are able to comprehensively review and strengthen quality control, ensure compliance and safety across markets, solidify long-term customer relationships, and establish trust-based partnerships.
- **Enhancement of Supply Chain Management:** Supplier audit mechanisms are reinforced to ensure that supplier products meet our quality standards and fulfill environmental and social responsibility requirements.

3.5.2 Customer Relations

INPAQ upholds the principles of sustainable and responsible management. All our facilities are certified with international quality management systems, and we strive to gain customer cooperation and trust through high standards of product quality and service. At every stage of the product life cycle—from design and development, manufacturing, and production to delivery and after-sales service—we have established rigorous control procedures to ensure that our products meet the highest quality standards.

To demonstrate our commitment to customer service, we offer dedicated and comprehensive support in various areas, including business engagement, product innovation and R&D, quality management, on-time delivery, cost-efficiency management, and after-sales service. We regularly conduct customer satisfaction surveys to gain insights into customer needs and feedback and make timely improvements in response to specific suggestions to meet customer expectations.

INPAQ also emphasizes prompt and transparent communication. Through a well-structured customer service process, we respond quickly to customer inquiries or quality issues, closely monitor the handling progress, and proactively maintain close communication with customers. This minimizes communication delays both internally and externally and greatly enhances customer satisfaction and service efficiency, working together with customers toward sustainable development.



Policy

- Customer satisfaction is the core of INPAQ's operation.

Commitment

- Establishment of service-oriented operation mode and optimized service process; Enhancement of client's trust and creation of win-win situation.
- Application of innovative technology control and enhancement of product quality; collaboration with clients and providing products and services that meet client's needs.

Goal

- Emphasis on client's needs; continuous supply of good products and services to clients as well as good customer service to clients.
- Provide value to clients and resolve customer complaint speedily to mitigate client's sense of distrust.
- Establishment of win-win partnership relationship with clients.

2024 Investment of Resources and Achievements

- Establishment of service-oriented operation mode and optimized service process; Enhancement of client's trust and creation of win-win situation.
- By applying innovative technologies for quality control and product enhancement, we collaborate with customers to deliver tailored products and services that closely meet their needs.

Assessment Mechanism and Achievements

- Weighted average score for customer satisfaction survey for the last 3 years is above 99 points.

Responsible Department/Report Mechanism

- Department of Marketing/Official Website for Contacting Us.





3.6 Data Security Protection

INPAQ emphasizes data security and establishes a comprehensive data security safeguarding and data security protection mechanism to avoid risks of confidential information disclosure or data damage. Internally, related data security prevention and control mechanisms have been established and technology and data security standards are adopted accordingly. Data backup mechanism on the Company's critical systems is established and random recovery tests are conducted each year to ensure that information system can recover normally. This is to mitigate risks of system disruption caused by natural disaster without early warning or human negligence, and ensure compliance with system recovery goal established by the Company.

INPAQ's current data protection measures are executed in accordance with the Group's data security policy. The Group holds regular on-line data security control meetings which are attended by data security responsible personnel from respective subsidiaries of the Group. Each meeting comes with specific data security issues, and respective subsidiaries will be requested to submit documents for related issues and report during meeting to explain contents of their documents. INPAQ's joining in the Group's data security management system allows effective enhancement of the Company's data security protection capability which protects the Company information's confidentiality, completeness and usability. This will prevent the Company's assets from being inappropriately utilized, disclosed, tampered, damaged or lost and the Company's operations or rights from being damaged by human negligence, deliberate sabotage or natural disaster.



Policy

- Enhancement of Personnel's Awareness
- Fulfillment of Daily Maintenance & Operation
- Avoidance of Data Leakage
- Ensuring Service Availability

Commitment

- Zero Data Security Incident Each Year

Mid/Long Term Goals

- Conducting data security education and training; promotion of data security sense to employees and enhancement of awareness on related liability.
- Protection of the Company's business activity information; prevention of unauthorized access and modification to ensure completeness and accuracy.
- Utilization of legally authorized software and conduct regular internal and external audit to ensure fulfillment of related operations.
- Ensure that the Company's critical core system maintains certain standard of system availability.

Short-Term Goal

- Establishing a Multi-Factor Authentication (MFA) System: In the era of extensive internet connectivity, threats from hackers are pervasive. Ensuring account security and complying with regulatory requirements have become critical challenges for enterprises. By implementing multi-factor and multi-layered authentication mechanisms, multiple checkpoints are set up to verify the legitimacy and security of users or devices attempting to access the system. This helps detect malicious behavior in advance, block intrusions, and prevent operational or reputational losses caused by cyberattacks.
- Developing a Cyber Threat Detection System: Targeted and advanced persistent threats (APTs) can bypass traditional defenses and remain hidden within an organization to steal data. Deploying advanced threat protection is a necessary approach to enhancing enterprise security. Network data analysis helps prioritize threats and provides a deeper understanding of attack scenarios, allowing for the rapid detection and prevention of data breaches.
- Implementing an Endpoint Protection System: "Detection and response" play a critical role in cybersecurity. From identifying suspicious activities to investigating incidents and taking appropriate action, this is an essential part of any enterprise's security strategy. Automated monitoring and blocking, risk visualization, potential threat detection, and auto-alert mechanisms enable security personnel to quickly detect incidents, gain real-time insights into the organization's information security status, and enhance responsiveness and protective capabilities.

2024 Resources Invested

- Information Center now has 20 staffs in Taiwan, 5 staffs in China and the total number of staffs is 25. Information Center conducts data security risk management, defines organization structure, job responsibilities, policy, vision and goals.

Assessment Mechanism

- Security check, data security health check, social security and data security incident drill are conducted each year.
- Enhancement of colleague's data security awareness and data security handling personnel's responding capability for the purpose of prevention of incident, effective detection as soon as possible and deterrence on expansion.
- The Company makes routine announcement to promote data security policy, and cultivates colleagues who have data security certificates.
- Data security education and training are conducted to personnel with at least 2 hours per person every year.
- Report to Board of Directors Meeting at least once every year to organize and summarize whole year implementation conditions on data security risk.

2024 Specific Achievements

- Enhance the information and communication security system structure by revising the system password policy to require a minimum length of 12 characters; establish comprehensive device management across all facilities to eliminate channels for virus intrusion and sensitive data leakage, reduce the spread of cybersecurity threats, and implement information security governance and compliance requirements.
- 2024 Implementation Results:
 1. Information security policy announcements: 6 items
 2. Information security awareness announcements: 5 items
 3. Information security team training hours: 3 hours
 4. Employee information security training hours: 2 hours
 5. Social engineering drill: 1 session, 738 participants
 6. Number of cybersecurity incidents impacting company operations or violating customer privacy: 0

Responsible Department

- Responsible Department: Information Center

Report Mechanisms:

1. Information Center staff extension
2. Head of Information Center's email
3. General Manager's mailbox

4

Green Sustainability

- 4.1** Environmental Management Policies
- 4.2** Energy and Carbon Emissions
 - 4.2.1** Energy management
 - 4.2.2** Energy Consumption
 - 4.2.3** Energy Saving
 - 4.2.4** Greenhouse Gas Management
 - 4.2.5** Energy Conservation and Carbon Reduction Measures
- 4.3** Water Resource Management
 - 4.3.1** Water Resource Risk Assessment
 - 4.3.2** Water Resource Usage
 - 4.3.3** Wastewater Management
 - 4.3.4** Water Conservation
- 4.4** Waste Treatment
- 4.5** Sustainable Supply Chain



4.1 Environmental Management Policies

Environmental sustainability and a healthy workplace are core management philosophies at INPAQ. The company has established an Environmental, Health, and Safety (EHS) policy, implemented internal procedures, and formed relevant organizational structures to demonstrate its commitment to environmental protection. INPAQ is dedicated to continuously improving and innovating its processes, products, and services to meet hazardous substance-free requirements and provide customers with the highest-value and most competitive solutions. As of 2024, INPAQ has maintained the effective operation of the ISO 14001 Environmental Management System at all its facilities in Taiwan and Mainland China. The company undergoes regular audits conducted by both certification bodies and internal auditors to ensure compliance with regulations and a commitment to continuous improvement in EHS practices. INPAQ also conducts ISO 14064-1 Greenhouse Gas (GHG) Inventories at each plant, completing systematic emission tracking and register development, with third-party verification to ensure robust environmental management implementation.

INPAQ takes a comprehensive approach to energy and resource management, spanning its supply chain and manufacturing processes, in strict compliance with environmental regulations. The company is committed to energy conservation, carbon reduction, and green manufacturing. Specifically, INPAQ has adopted a series of energy management measures to improve resource efficiency and reduce carbon emissions. In supply chain management, INPAQ collaborates with upstream and downstream partners by signing EHS declarations and conducting regular supplier evaluations. These efforts aim to foster a sustainable business ecosystem through stronger partnerships and shared responsibility. By deepening collaboration with suppliers and partners, INPAQ contributes to long-term sustainable development, environmental protection, and efficient resource utilization.

Our Approach

Energy Conservation and Carbon Reduction

- The company is committed to practicing energy management by regularly auditing energy usage and implementing various reduction and energy substitution measures. Each year, we develop and execute energy-saving projects to meet staged energy goals and fulfill our corporate social responsibilities.
- We comply with all relevant environmental regulations and customer environmental requirements.
- We are committed to environmental protection, including pollution prevention and addressing other company-specific environmental concerns.

Waste Management

- Industrial waste is managed in accordance with regulations, classified and stored based on chemical properties, and disposed of by government-authorized contractors.
- We promote industrial waste reduction and aim to increase the waste recycling rate.

Water Resource Management

- Each plant regularly commissions external water quality testing to ensure the quality of wastewater discharge.
- Each plant continuously promotes water-saving measures to enhance water resource recycling and utilization rates.

Green Procurement

- We are committed to ensuring that the products we provide comply with the REACH regulation's list of Substances of Very High Concern (SVHC).
- We adhere to the EU RoHS environmental regulations and promote green procurement management, requiring suppliers to ensure that raw materials and processes are free of hazardous substances.

Green Products

- We are committed to green design, manufacturing, and services to reduce the use of hazardous substances and fulfill our mission of environmental protection and sustainable operations.
- Suppliers are required to sign environmental protection declarations, ensuring full compliance with RoHS, REACH, and customer halogen-free requirements.
- We regularly review material testing reports, manage ICP Reports through the RoHS management system, and require suppliers to update them periodically.
- Supplier audits are conducted to ensure compliance with green product management requirements.
- In 2024, there were no incidents of violations related to green product regulations or customer agreements.

Sustainable Supply Chain

- New suppliers are required to sign the "Non-use of Environmentally Controlled Substances Declaration" and complete the "EHS Communication Record Form."
- Suppliers are evaluated annually on quality, products, technology, environmental practices, and occupational safety. Based on the criticality of supplied products, delivery performance, and previous audit findings, we conduct risk analysis and enhance annual audit procedures to improve supplier management performance.
- By promoting local procurement, we improve supply efficiency and reduce carbon emissions while supporting local economic development and steadily creating more job opportunities.

4.2 Energy and Carbon Emissions

4.2.1 Energy Management

Meaning to Company

With rapid economic development, energy consumption has become one of the major operational expenses for enterprises. Effective energy management not only helps reduce energy costs and enhance corporate competitiveness but also ensures compliance with relevant regulations. It is a key measure for fulfilling environmental responsibilities.

Policy

Establishment of internal process and related organizations to promote green production, green cycle products and green supply chain.

Commitment

The company is committed to implementing energy management by regularly auditing energy usage and adopting various reduction and alternative energy measures to achieve energy goals at each stage.

Resources Invested and Concrete Results

- Taiwan Site :
Zhunan Plant: NTD\$17,230 million invested in 2024.
- Mainland China Sites :
Wuxi Plant: RMB 600,000 invested in 2024.
Suzhou Plant: RMB 700,000 invested in 2024.

Short-Term Goal

- The company's energy intensity does not exceed the previous year's level.
- Energy-saving equipment is purchased, and outdated energy-consuming facilities are replaced.
- An annual energy-saving plan is formulated at the beginning of each year.
- Business units are encouraged to enhance energy-saving technologies.

Mid-to-Long-term Goal

- Reduce total energy consumption by 1% year-over-year.
- Optimize energy management practices.
- Continuously maintain the effectiveness of ISO 14064-1.

Evaluation Mechanism / Outcomes

- Regularly update the energy baseline to track electricity usage.
- Hold periodic meetings to review the completion rate of energy-saving projects.
- In 2024, equipment upgrades led to annual savings of 696,938 kWh.
- In 2024, energy intensity decreased by 4% compared to 2023.

Responsible department for complaints

- Environmental Health and Safety (EHS) Office / Contact Email

4.2.2 Energy Consumption

INPAQ primarily manufactures protection components and antenna modules. Electricity is the sole energy source used throughout the production processes. In 2024, due to increased production capacity and the addition of more equipment, electricity consumption at the Taiwan facility rose from 27,192,000 kWh in 2023 to 29,650,400 kWh. In Mainland China, with major technical upgrades completed at the Suzhou and Wuxi facilities, electricity consumption increased proportionally with production capacity due to the rise in equipment quantity and operational output. Notably, the Suzhou plant achieved a 5.9% reduction in electricity use in 2024 compared to 2023, through the replacement of outdated equipment and the implementation of energy-saving measures.

INPAQ regularly audits energy usage to monitor all types of energy consumption, which supports the planning and execution of targeted energy-saving projects. In terms of energy intensity, INPAQ has defined a specific measurement standard using revenue-based normalization. Energy intensity is calculated based on energy consumption per NTD\$1 million in revenue, using full-year operational energy consumption data. This metric provides a reference for evaluating energy efficiency across operations and serves as a basis for designing future energy-saving initiatives.






4.2.2 Energy Consumption

INPAQ's Total Energy Consumption Over the Past Three Years

Site	Zhunan Plant	Taichung Plant	Wuxi Plant	Suzhou Plant	Total (kWh)	Energy Consumption (GJ)
	Electricity Consumption (kWh)					
2022	19,163,000	4,221,040	10,777,695	11,008,504	45,170,239	162,612.86
2023	27,192,000	3,635,380	11,597,197	10,763,639	53,188,216	191,477.58
2024	29,650,400	3,580,846	13,503,459	10,121,462	56,856,167	204,682.20

Site	Zhunan Plant	Taichung Plant	Wuxi Plant	Suzhou Plant	Total (liters)	Energy Consumption (GJ)
	Gasoline Consumption (liters)					
2022	25,455.51	4,054.77	3,872.39	14,470.00	47,852.67	1,562.73
2023	19,755.72	4,810.04	6,925.43	13,670.00	45,161.19	1,474.83
2024	11,320.53	4,484.77	9,195.93	15,911.00	40,912.22	1,336.07



Site	Zhunan Plant	Wuxi Plant	Suzhou Plant	Total (liters)	Energy Consumption (GJ)
	Diesel Consumption (liters)				
2022	186.729	653.83	1,117.00	1,957.56	688.4563
2023	183.383	620.97	1,117.00	1,921.35	675.7229
2024	368.987	656.73	1,117.00	2,142.72	753.5747

Site	Wuxi Plant	Energy Consumption (GJ)	Wuxi Plant	Energy Consumption (GJ)
	Liquefied Petroleum Gas (LPG)		Consumption (liters)	
2022	75.306	2.092	-	-
2023	77.501	2.1529	6.48	0.1769
2024	-	-	82.6735	2.2568





INPAQ's Total Energy Consumption Over the Past Three Years

	Total Energy Consumption Across All Facilities (GJ)	Revenue (NTD\$ million)	Energy Intensity (GJ / NTD\$ million revenue)
2022	164,866.14	6,287	26.223
2023	193,630.46	6,604	29.3199
2024	206,774.10	7,366	28.0699

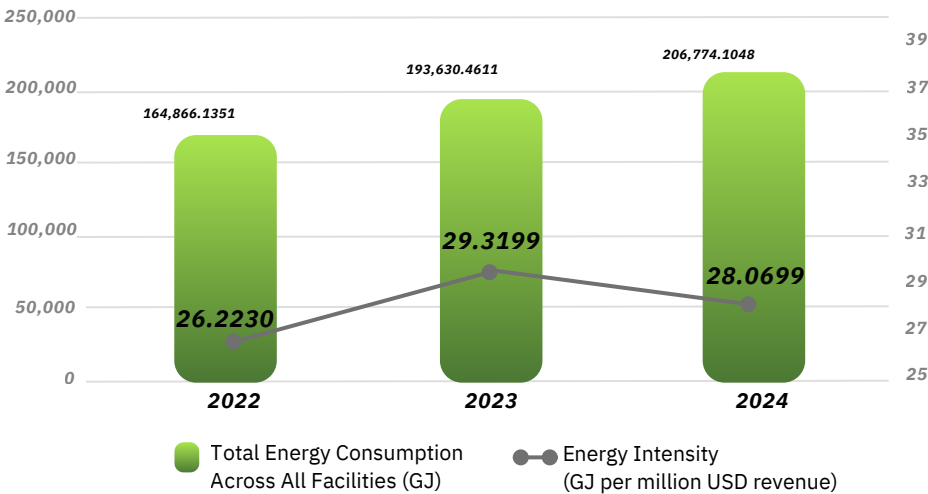
Note 1: The calorific values are based on the "Calorific Values of Energy Products Table" published by the Bureau of Energy, Ministry of Economic Affairs.
Note 2: Diesel usage includes diesel for generators and the diesel used by newly added company vehicles in 2024.
Note 3: 1 kWh = 3.6 megajoules (MJ); 1 GJ = 10⁹ joules (J); Diesel calorific value = 8,400 Kcal/L; Gasoline calorific value = 7,800 Kcal/L; Liquefied Petroleum Gas (LPG) calorific value = 6,635 Kcal/L; Propane mixed gas calorific value = 6,520 Kcal/L; 1 Kcal = 4,186.8 J.
Note 4: The Wuxi Plant used liquefied petroleum gas (LPG) from 2020 to the end of 2023. Starting in 2024, it switched to propane.

4.2.3 Energy Saving

INPAQ conducts regular energy audits to identify energy usage patterns and develop appropriate reduction measures. Each year, the company plans and implements a series of energy-saving projects aimed at gradually achieving its staged energy goals. At the same time, INPAQ continues to educate and promote awareness among employees, enhancing energy-saving consciousness and fulfilling its social responsibility as a corporate citizen.



INPAQ's Energy Usage Overview



Energy-Saving Project

Year	Project Description	Energy Saved (kWh/year)	Estimation Method
2022	1. Replacement of Cooling Tower Filler Material in Chiller System	2022 Total Usage: 19,163,000 kWh Total annual savings = 360,145 kWh Saving Rate: 360,145 ÷ 19,163,000 = 1.8%	<ul style="list-style-type: none">Before improvement : Load 95% (320A), monthly consumption = 151,640 kWhAfter improvement : Load reduced to 80% (280A), monthly consumption = 132,685 kWh Monthly savings = 18,955 kWh Operation 2 units (Apr–Oct): 18,955 × 7 × 2 = 265,370 kWh Operation 1 unit (Nov–Mar): 18,955 × 5 × 1 = 94,755 kWh Total annual savings = 360,145 kWh
2022	2. Installation of Inverter on Chiller Cooling Water Pump CWP-A	2022 Total Usage: 19,163,000 kWh Total annual savings = 77,242 kWh Saving Rate: 77,242 ÷ 19,163,000 = 0.4%	<ul style="list-style-type: none">Before improvement: 22.35 kW × 8640 hr = 193,104 kWh/yearAfter improvement: 193,104 × 0.4 = 77,242 kWh/year



4.2.3 Energy Saving



Energy-Saving Project

Year	Project Description	Energy Saved (kWh/year)	Estimation Method
2023	1. Chiller Load Adjustment to Reduce Pump Usage – Zhunan Plant II	2023 Total Usage: 27,192,000 kWh Total annual savings = 202,237 kWh Saving Rate: $202,237 \div 27,192,000 = 0.7\%$	<ul style="list-style-type: none">Before improvement: 2 chillers + cooling water pump(494A) = 2,848,148 kWh/yearAfter improvement: 1 chiller + pump (non-summer)(435A) = 202,237 kWh/year saved
2023	2. Installation of Inverters on Air Conditioning Systems	2023 Total Usage: 27,192,000 kWh Installation of 2 inverters on 2F air conditioning system at Plant II: approximately 182,720 kWh saved annually Installation of 2 inverters on 3F air conditioning system at Plant II: approximately 145,614 kWh saved annually Saving Rate: $328,334 \div 27,192,000 = 1.2\%$	<ul style="list-style-type: none">Before improvement: 13 kW, approx. 9,360 kWh/month without inverterAfter improvement: Estimated savings: 65–80% annually

Year	Project Description	Energy Saved (kWh/year)	Estimation Method
2024	1. Replacement of Adsorption Dryer with Heated Dryer – Zhunan Plant I	2024 Total Usage: 29,650,400 kWh Replaced with heated dryer: approximately 171,206 kWh saved annually Saving Rate: $171,206 \div 29,650,400 = 0.57\%$	<ul style="list-style-type: none">Before improvement: Original adsorption dryer: 244,404 kWh/yearAfter improvement: After replacement with heated dryer: 73,198 kWh/year
2024	2. Replacement of Adsorption Dryer with Heated Dryer – Zhunan Plant I	2024 Total Usage: 29,650,400 kWh Installation of 2 inverters on 5F air conditioning system at Plant II: approximately 43,752 kWh saved annually Saving Rate: $43,752 \div 29,650,400 = 0.14\%$	<ul style="list-style-type: none">Before improvement: Air conditioning without inverter installed: 13 kW, approx. 9,360 kWh/monthAfter improvement: Estimated annual savings of 35–40%
2024	3. Chiller Replacement (Inverter Type) – Zhunan Plant I	2024 Total Usage: 29,650,400 kWh Replacement of chillers with inverter-type chillers: approximately 481,980 kWh saved annually Saving Rate: $481,980 \div 29,650,400 = 1.62\%$	<ul style="list-style-type: none">Before improvement: Daily usage approx. 5,189 kWh (2 units)After improvement: Daily usage approx. 3,526 kWh, single-unit savings: 831.5 kWh/day

4.2.4 Greenhouse Gas Management

In recent years, the global greenhouse effect has led to ozone layer depletion and extreme weather events. In response to these global challenges and government policies, INPAQ annually initiates the ISO 14064-1 greenhouse gas (GHG) inventory and obtains third-party certification. In 2024, the company expanded the inventory scope to include Scope 3 emissions. INPAQ's direct GHG emissions (Scope 1) come from refrigerant use in facility HVAC systems, CO₂ fire extinguishers, emergency generators, diesel-powered forklifts, fuel for company vehicles, and emissions from septic tanks. Energy indirect GHG emissions (Scope 2) are generated from purchased electricity from external power suppliers. Other indirect GHG emissions (Scope 3) include emissions related to transportation and the use of products and services by the organization.

Policy

- Commitment to environmental responsibility and reducing greenhouse gas emissions.
- Establishment of a GHG management system to quantify and monitor emissions.

Commitment

- Continuously implement GHG reduction actions.
- Carbon reduction target: From 2024 to 2028, achieve an average annual carbon reduction of 1%, aligning with the international trend toward net-zero emissions by 2050.
- Promote GHG inventory, energy-saving, and carbon-reduction projects to achieve environmental management goals.
- Regularly review the effectiveness of energy-saving and carbon-reduction efforts.

Short-term Goal

- Achieve an average annual carbon reduction of 1%.
- At the beginning of each year, formulate the annual energy-saving plan.
- Implement incentive measures to encourage each business unit to improve energy-saving technologies.

Mid-to-Long-term Goal

- Continuously develop low-carbon products.
- Reduce Scope 1 and Scope 2 carbon emissions by 5% by 2028.
- Internally promote and implement energy-saving and carbon-reduction measures.

Responsible department for complaints

- Environmental Health and Safety (EHS) Office / Contact Email

Significance to the Company

Extreme weather events and environmental changes caused by climate change may impact the company's supply chain and operations. Effective GHG management enables the company to identify and respond to these risks, ensuring business continuity.

Resources Invested and Concrete Results

- Taiwan Site:
Zhunan Plant: NTD\$17.23 million invested in 2024
- Mainland China Sites:
Wuxi Plant: RMB 150,000 invested in 2024
Suzhou Plant: RMB 70,000 invested in 2024

Evaluation Mechanism / Results

- 100% achievement of carbon reduction project targets.
- Regular meetings held to review, improve, and track the achievement rate of energy-saving and carbon-reduction projects.





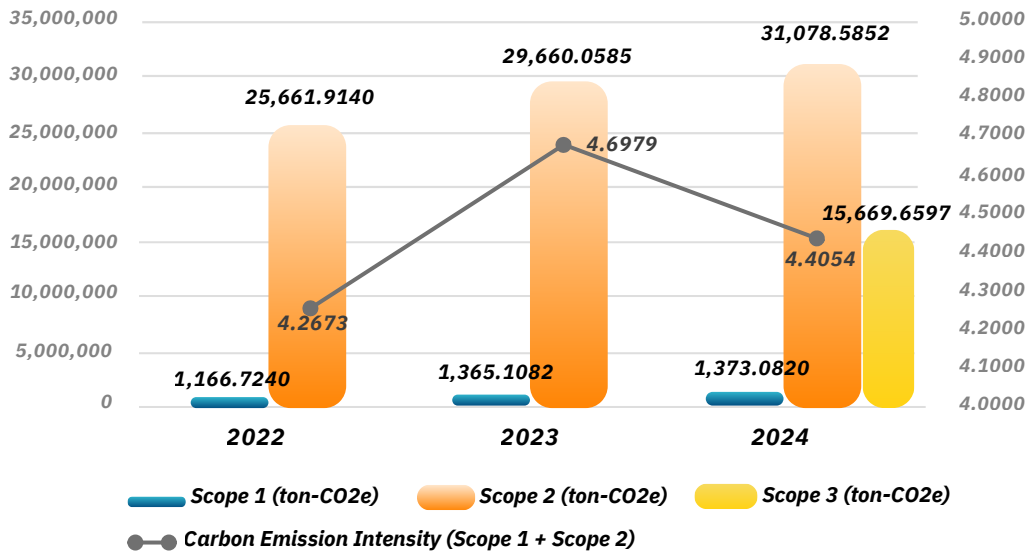
INPAQ's Greenhouse Gas Emissions Over the Past Three Years

Site	Emission Boundary / Year	2022	2023	2024
Zhunan Plant	Scope 1 (ton-CO2e)	405.2200	433.7607	440.4000
Taichung Plant		45.0100	53.0240	52.1620
Wuxi Plant		645.8880	696.7205	697.3800
Suzhou Plant		70.6060	181.6030	183.1400
Total (ton-CO2e)		1,166.7240	1,365.1082	1,373.0820
Zhunan Plant	Scope 2 (ton-CO2e)	9,581.5000	13,432.8480	14,054.2890
Taichung Plant		2,148.5100	1,799.8600	1,698.1862
Wuxi Plant		6,952.6910	7,167.3050	7,992.5100
Suzhou Plant		6,979.2130	6,943.6200	7,333.6000
Total (ton-CO2e)		25,661.9140	29,660.0585	31,078.5852
Zhunan Plant	Scope 3 (ton-CO2e)	-	-	2,965.7420
Taichung Plant		-	-	354.3977
Wuxi Plant		-	-	2,204.0200
Suzhou Plant		-	-	10,145.5000
Total (ton-CO2e)		-	-	15,669.6597

Note 1: The company began including Scope 3 emissions in its calculations starting in 2024.
Note 2: The unit for carbon emission intensity is: ton-CO₂e per NTD\$ million in revenue.

Site	Emission Boundary / Year	2022	2023	2024
Scope 1 + Scope 2 (ton-CO ₂ e)		26,828.6380	31,025.1667	32,451.6672
Revenue (NTD\$ Million)		6,287.0000	6,604.0000	7,366.0000
Carbon Emission Intensity (Scope 1 + Scope 2)		4.2673	4.6979	4.4054

Overview of INPAQ's Greenhouse Gas Emissions





4.2.5 Energy Conservation and Carbon Reduction Measures

INPAQ follows the guidelines established by the Bureau of Energy, Ministry of Economic Affairs, which require energy users to set energy-saving targets and implement corresponding plans each year. INPAQ has set a target of an average annual carbon reduction rate of 1% from 2024 to 2028. This will be achieved primarily by reducing energy consumption and lowering greenhouse gas emissions, with a particular focus on reducing indirect emissions (Scope 2) generated from electricity use.

From 2022 to 2024, the Taiwan plants implemented various energy-saving measures, including installing inverters and replacing outdated equipment. These efforts led to a reduction of 1,664,896 kWh in electricity consumption, which is equivalent to a reduction of 822 metric tons of CO₂e per year. The three-year average energy-saving rate reached 2.19%.

The Suzhou plant also implemented technical and managerial measures between 2022 and 2024. These included replacing the third-phase aging air conditioning and exhaust systems, the first-phase air conditioning and air compressor systems, and upgrading lighting to energy-efficient fixtures. Additionally, strict temperature control policies were enforced in workshops and offices, prohibiting unauthorized temperature adjustments. As a result, electricity consumption was reduced by 887,042 kWh, equivalent to a reduction of 459.376 metric tons of CO₂e per year, with a three-year average energy-saving rate of 4.03%.



Carbon Reduction Measures at Taiwan Sites in the Past Three Years

Year	Project Descriptions	Energy-Saving Results	Emission Reduction (Metric Tons)
2022	1. Replacement of cooling tower filler for chillers 2. Installation of a variable-frequency drive (VFD) on Chilled Water Pump CWP-A	1. Cooling tower filler replacement: 360,145 kWh/year 2. Chilled Water Pump VFD installation: 77,242 kWh/year	216.5066
2023	1. Load adjustment of chillers in Zhunan Plant 2 to reduce pump operation 2. Installation of VFDs on air conditioners (2F & 3F) in Zhunan Plant 2	1. Load adjustment of chillers: 202,237 kWh/year 2. Air conditioners on 2F (2 units): 182,720 kWh/year Air conditioners on 3F (2 units): 145,614 kWh/year	262.1021
2024	1. Replacement of adsorption dryer with heated dryer for air compressors in Zhunan Plant 1 2. Installation of VFDs on 5F air conditioners in Zhunan Plant 2 3. Replacement of old chillers with variable-frequency chillers in Zhunan Plant 1	1. Replacement with heated air dryer: 171,206 kWh/year 2. Installation of two inverters (variable frequency drives) on the 5th floor air conditioning system at Plant 2: Annual savings of approximately 43,752 kWh. 3. Replacement with VFD chillers: 481,980 kWh/year	330.3486

Note 1: The electricity carbon emission factors were 0.495 kg CO₂e/kWh in 2022, 0.494 kg CO₂e/kWh in 2023, and 0.474 kg CO₂e/kWh in 2024.

4.3 Water Resource Management

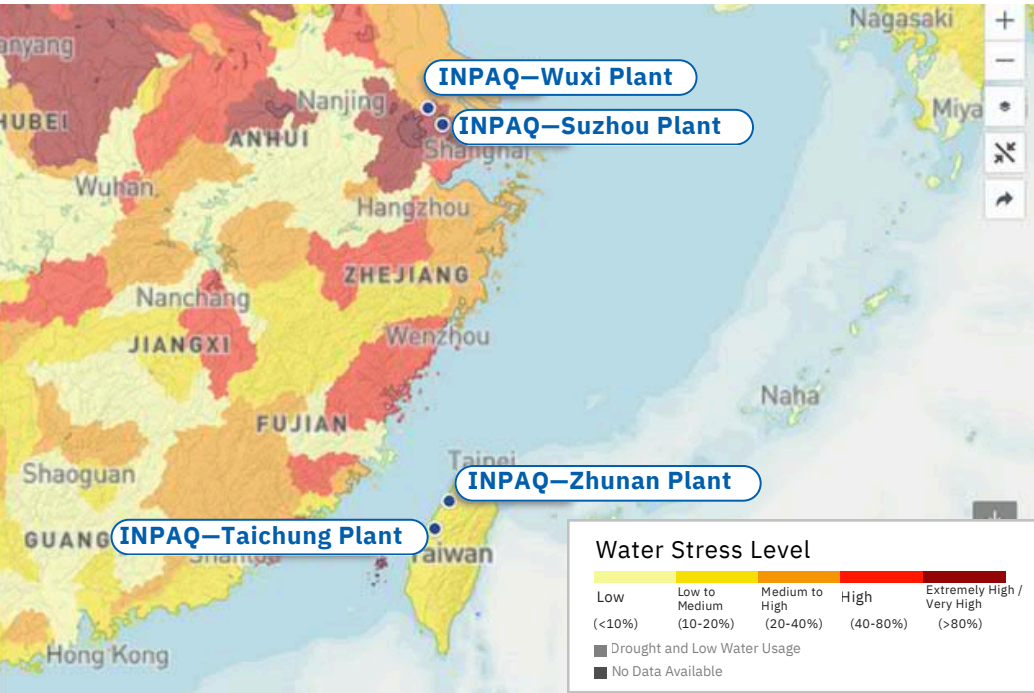
4.3.1 Water Resource Risk Assessment

In recent years, climate change has led to increasingly frequent extreme weather events and shifting rainfall patterns, resulting in heightened risks related to water scarcity and water quality. Consequently, water resource usage and management have become critical environmental issues.

To better understand water usage at each operational site and assess potential water-related risks, INPAQ used the Aqueduct tool developed by the World Resources Institute (WRI) to conduct scenario simulations. The results showed that INPAQ’s Suzhou and Wuxi plants face extremely high water scarcity risk (greater than 80%), while the other plants are classified as having low to medium risk (10%–20%).

4.3.2 Water Resource Usage

INPAQ’s water supply is sourced entirely from municipal tap water providers at each site. The primary uses include domestic needs and industrial processes such as electroplating, product cleaning, air conditioning cooling systems, and wastewater and exhaust gas treatment. Among all INPAQ plants, only the Wuxi site discharges treated effluent directly into a water body; all other sites discharge into local wastewater treatment plants for centralized processing. To mitigate water scarcity risks, INPAQ proactively implements water-saving and storage measures. Some plants are equipped with water storage tanks and reservoirs for emergency use. In addition, the company continuously promotes water conservation projects and upgrades production lines to improve water-use efficiency.



Water Resource Usage at INPAQ Sites Over the Past Three Years

Note : Sites marked with * are located in water-stressed areas.
Third-party supplier water comes from municipal tap water, and all total dissolved solids (TDS) levels are ≤1,000 mg/L, classified as freshwater.
The Suzhou site only discharges domestic sewage; since no flow meter is installed at the discharge outlet, the discharge and consumption volumes are estimated based on coefficients from the local environmental impact assessment (EIA) report.

Site	Zhunan Plant	Taichung Plant	Wuxi Plant*	Suzhou Plant*	Total (Million Liters)
	Total Water Withdrawal				
2022	114.5850	15.0560	54.8930	38.6940	223.2280
2023	140.1140	12.3040	64.0930	34.1120	250.6230
2024	170.8710	10.8330	82.5700	30.6340	294.9080

Site	Zhunan Plant	Taichung Plant	Wuxi Plant*	Suzhou Plant*	Total (Million Liters)
	Total Water Withdrawal				
2022	44.5200	7.3440	38.0930	30.9550	120.9122
2023	63.0370	5.3640	34.1370	27.2900	129.8276
2024	83.7630	4.5810	39.3000	24.5070	152.1512



4.3.2 Water Resource Usage

Water Resource Usage at INPAQ Sites Over the Past Three Years

Note : Sites marked with * are located in water-stressed areas.
Third-party supplier water comes from municipal tap water, and all total dissolved solids (TDS) levels are $\leq 1,000$ mg/L, classified as freshwater.
The Suzhou site only discharges domestic sewage; since no flow meter is installed at the discharge outlet, the discharge and consumption volumes are estimated based on coefficients from the local environmental impact assessment (EIA) report.

Site	Zhunan Plant	Taichung Plant	Wuxi Plant*	Suzhou Plant*	Total (Million Liters)	Percentage of Water Withdrawal from Water-Stressed Areas	Percentage of Water Consumption in Water-Stressed Areas
	Total Water Withdrawal						
2022	70.0650	7.7120	16.8000	7.7388	102.3158	41.9244%	23.9834%
2023	77.0770	6.9400	29.9560	6.8224	120.7954	39.1844%	30.4469%
2024	87.1080	6.2520	43.2700	6.1268	142.7568	38.3441%	34.5237%

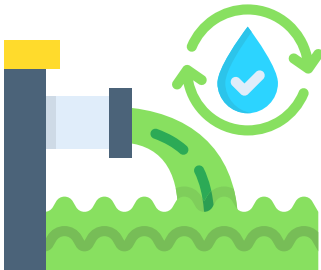
4.3.3 Wastewater Management

To ensure proper wastewater treatment, INPAQ regularly commissions third-party testing for effluent water quality. All water quality testing instruments are calibrated periodically to ensure measurement accuracy. Over the past three years, all test results have complied with local regulatory discharge standards.

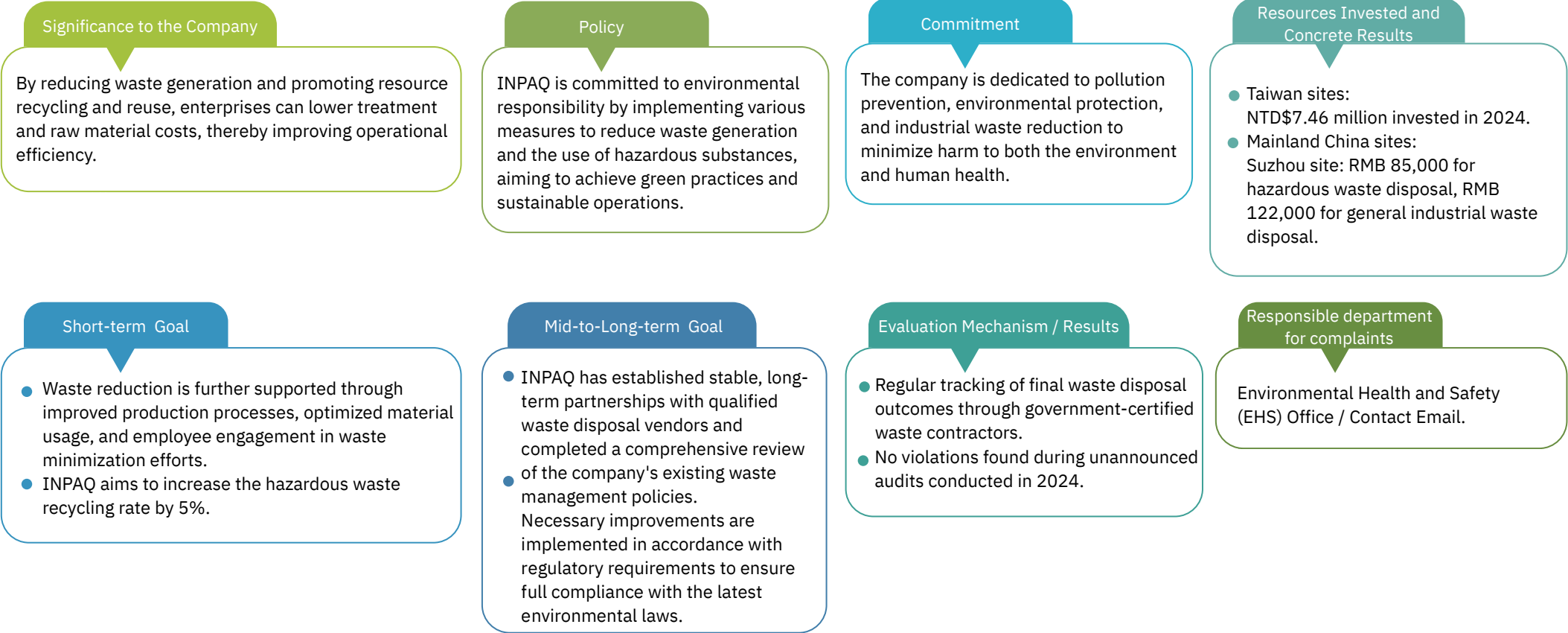
4.3.4 Water Conservation

Water resource management, conservation, and drought emergency response have become important components of corporate risk management. Jiabang regards water conservation as one of its top resource management priorities. The company improves water-saving efficiency through regular facility inspections, maintenance, and replacement of outdated equipment. It also actively promotes water-saving awareness through employee training and environmental education, aiming to reduce impact on water resources and the environment. Currently, the Zhunan plant is actively optimizing water usage on its automated electroplating lines by adjusting existing automatic flow control valves, saving approximately 30 tons of water per month.

Year	Water Conservation Project Description
2024	<ul style="list-style-type: none">Wuxi Plant: In December, replaced RO membranes in the purified water system and added precision filters to reduce wastewater discharge, achieving a reduction of 1,000 metric tons in total water withdrawal compared to 2023.Suzhou Plant: Conducted inspections and repairs of aging leaking valves across the facility and replaced underground leaking fire pipelines, resulting in a reduction of 1,800 metric tons in total water withdrawal compared to 2023.



4.4 Waste Treatment



INPAQ’s Taiwan sites primarily generate waste such as electroplating wastewater, alcohol and acetone used in cleaning processes, and electroplating sludge from wastewater treatment systems. The main types of waste at the China sites include electroplating waste liquids, spent organic solvents, sludge, and used activated carbon from replaced air pollution control equipment. All waste is handled and disposed of by certified waste management contractors.

In terms of waste management, INPAQ adheres to the principle of waste reduction by continuously improving production processes to minimize waste generation.

Waste Reduction Achievements at INPAQ Operating Sites	
Zhunan Plant	Introduction of a solvent recovery system, reducing hazardous industrial waste by approximately 5.889 metric tons annually.
Wuxi Plant	Reuse and recycling of spent organic solvents, reducing waste by around 6 metric tons per year.
Suzhou Plant	Reduction of general industrial waste by approximately 2.4 metric tons of ceramic substrates.

Total Waste Volume Statistics at Zhunan Plant in the Past Three Years

Unit: Metric Tons	Hazardous Industrial Waste										
Waste Categories	Electroplating Sludge		Activated Carbon	Electroplating Waste Liquid			Waste Solvents		Scrap and Defective Electronic Components		Subtotal
2022	7.5550	2.3500	31.8800	77.6300	8.6200	-	27.4300		0.0000	2.0200	157.4850
2023	0.0000	14.0000	39.8000	43.8000	69.5300	-	30.6900	5.9200	0.0000	2.0000	205.7400
2024	0.0000	15.5150	22.8900	86.9200	54.3800	2.6800	31.9900	14.6500	5.5000	0.5000	235.0250
Treatment Methods	Solidification	Thermal Treatment	Reuse		Chemical	Incineration		Thermal Treatment	Reuse	Physical	
Off-site / On-site Treatment	Off-site										

Unit: Metric Tons	General Industrial Waste					
Waste Categories	Plastic Waste		Household Waste	Waste Ink	Used Wipes	Subtotal
2022	0.0000	0.0000	168.0000	0.9000	0.0000	168.9000
2023	0.0000	0.0000	168.0000	0.9600	0.0000	168.9600
2024	4.0000	0.0000	216.0000	1.8200	3.8800	225.7000
Treatment Methods	Recycle	Incineration			Physical	
Off-site / On-site Treatment	Off-site					

Unit: Metric Tons	Total	Hazardous Waste Recycling Rate
Waste Categories		
2022	326.3850	69.5368%
2023	374.7000	40.6338%
2024	460.7250	49.0629%

Note 1: The household waste at the Zhunan Plant is an estimated value.
The calculation for 2022–2023 is:
100 kg per bin × 7 bins × 5 days/week × 4 weeks/month × 12 months = 168 metric tons.
The calculation for 2024 is:
100 kg per bin × 9 bins × 5 days/week × 4 weeks/month × 12 months = 216 metric tons.



Total Waste Volume Statistics at Taichung Plant in the Past Three Years

Unit: Metric Tons	Hazardous Industrial Waste								
Waste Categories	Electroplating Sludge		Inorganic Sludge	Activated Carbon	Waste Nitric Acid	Electroplating Waste Liquid	Waste Solvents	Scrap and Defective Electronic Components	Subtotal
2022	1.2400	0.0000	0.0000	3.6000	0.0000	2.1500	9.2600	3.5625	19.8125
2023	0.0000	0.2700	0.0000	3.7400	0.3000	0.4100	2.0500	1.9256	8.6956
2024	0.0000	0.0800	0.1700	1.9000	0.1300	0.0000	0.6800	2.5350	5.4950
Treatment Methods	Solidification	Thermal Treatment		Reuse	Chemical	Thermal Treatment	Physical		
Off-site / On-site Treatment	Off-site								

Unit: Metric Tons	General Industrial Waste		
Waste Categories	Household Waste	Waste Cloth	Subtotal
2022	20.8000	0.1120	20.9120
2023	20.8000	0.1200	20.9200
2024	20.8000	0.1200	20.9200
Treatment Methods	Incineration		
Off-site / On-site Treatment	Off-site		

Unit: Metric Tons	Total	Hazardous Waste Recycling Rate
Waste Categories		
2022	40.7245	18.1703%
2023	29.6156	43.0103%
2024	26.4150	34.5769%

Note 1: In mid-2023, the electroplating process at the Taichung Plant was transferred to the Zhunan Plant. In May 2024, the electroplating sludge was reclassified as inorganic sludge.
Note 2: Household waste is estimated using the formula: 1 cart × 80 kg × 5 (days/week) × 52 (weeks) = 20.8 metric tons.



Total Waste Volume Statistics at Wuxi Plant in the Past Three Years

Unit: Metric Tons	Hazardous Industrial Waste																		
Waste Categories	Organic Waste Liquid	Waste Resin	Nickel-Containing Sludge	Copper - Containing Sludge	Nickel Electroplating Waste Liquid	Electroless Copper Waste Liquid	Electroless Nickel Waste Liquid	Chromium-Containing Sludge, Distillation Residue	Filler	Waste Filter Cartridge	Waste Activated Carbon	Waste Mineral Oil	Waste Filter Cotton	Waste Packaging	Waste Oil Drum	Waste Liquid from On-Line Detection Instruments	Waste Medium - Efficiency Filter	Waste Packaging Barrel	Subtotal
2022	19.475	0.367	19.600	9.843	7.147	21.929	11.497	11.033	0.802	1.910	6.586	0.370	0.000	0.164	0.000	0.000	0.000	2.981	113.703
2023	24.802	1.458	7.768	1.990	10.627	5.705	7.474	5.135	1.482	1.893	8.086	1.060	0.088	0.330	0.000	0.360	0.000	2.365	80.618
2024	24.712	0.071	8.994	0.000	18.303	0.000	16.615	0.000	0.000	1.675	20.883	0.000	0.032	0.322	0.000	0.000	0.111	3.055	94.772
Treatment Methods	Incineration																	Recycling and Reuse	
Off-site / On-site Treatment	Off-site																		

Unit: Metric Tons	General Industrial Waste											
Waste Categories	Scrapped Products	Packaging Materials	Scrap Trimmings	Defective Finished & Semi-Finished Products	Waste Rags	Waste Plastic	Waste Plastics	Waste Paper	Copper & Lead Frame Trimmings	Waste Cloth Bags	Enamel Wire Trimmings	Subtotal
2022	10.585	11.779	4.505	4.071	5.319	4.994	4.668	3.474	4.885	0.000	0.000	54.280
2023	8.759	9.748	3.728	3.369	4.402	4.133	3.863	2.875	4.043	0.000	0.000	44.920
2024	1.209	2.308	9.468	1.100	4.238	0.394	2.091	1.383	3.939	0.000	0.000	26.128
Treatment Methods	Recycling and Reuse				Incineration	Recycling and Reuse				Incineration	Recycling and Reuse	
Off-site / On-site Treatment	Off-site											

Unit: Metric Tons	Total	Hazardous Waste Recycling Rate
Waste Categories		
2022	167.984	2.6216%
2023	125.538	2.9332%
2024	120.900	3.2235%

Note 1: All general industrial waste at the Wuxi Plant is based on estimates.



Total Waste Volume Statistics at Suzhou Plant in the Past Three Years

Unit: Metric Tons	Hazardous Industrial Waste							
Waste Categories	Waste Spray Liquid	Waste Activated Carbon	Waste Packaging Materials	Printed Circuit Board (PCB) Trimmings	Waste Liquid from On-line Detection	Waste Mineral Oil	Organic Solvent Waste Liquid	Subtotal
2022	0.0000	7.5510	0.1140	0.1000	0.0000	0.2590	0.2960	8.3200
2023	0.0000	22.1000	0.4220	0.6395	0.0000	1.0990	0.2800	24.5405
2024	18.5000	29.5000	0.4215	1.8955	0.1000	0.8445	0.1120	51.3735
Treatment Methods	Incineration	Reuse	Incineration	Reuse	Incineration			
Off-site / On-site Treatment	Off-site							

Unit: Metric Tons	General Industrial Waste													Unit: Metric Tons	Total	Hazardous Waste Recycling Rate
Waste Categories	Waste Paper	Waste Plastic	Waste Copper Wire	Kitchen Waste	Household Waste	Industrial Waste	White Buckets	Fragile Trays	Metal Strips	Ceramic Pieces	Silver Paste Cloth	Waste Wood	Subtotal	Waste Categories		
2022	19.54	0.97	0.752	9.52	9.12	210.47	6.016	3.575	1.262	6.015	0.848	2.8	270.89	2022	279.21	91.9591%
2023	22.48	0.962	0.862	8.19	8.55	152.96	4.735	3.999	2.922	7.202	2.036	3.2	218.10	2023	242.64	92.6611%
2024	21.61	0.675	0.694	7.12	7.25	152.61	4.467	4.058	1.144	4.757	0.856	3.6	208.84	2024	260.21	61.1122%
Treatment Methods	Reuse			-	Incineration		Reuse									
Off-site / On-site Treatment	Off-site															

4.5 Sustainable Supply Chain

Supply chain management is a key indicator for a company's sustainable development. To implement efficient management, INPAQ categorizes its suppliers into direct material suppliers, indirect material suppliers, contractors, non-material product suppliers, measurement instrument suppliers, outsourced calibration/testing service providers, and environmental suppliers. Through regular supplier selection and evaluation, INPAQ establishes risk control items and identifies high-risk suppliers. Based on evaluation results, the company formulates improvement measures and supports suppliers in continuous enhancement, aiming to improve sustainable supply chain management performance and reduce operational risks, while building long-term sustainable partnerships.



Supplier Selection and Evaluation

When suppliers begin cooperating with INPAQ, they are required to sign both the “Declaration of Non-Use of Environmentally Regulated Substances” and the “EHS Communication Record Form,” ensuring that raw material suppliers do not use hazardous substances as defined by REACH and RoHS regulations. These requirements also include restrictions on conflict minerals and compliance with environmental, health, and safety regulations. Over the past three years, none of INPAQ's suppliers have caused negative environmental or social impacts.

INPAQ conducts annual evaluations of suppliers. On-site audits are performed for manufacturing suppliers located in Taiwan. If a supplier's evaluation score falls below the required standard, they are notified to make improvements within three months. Failure to complete improvements within this timeframe results in disqualification. Additionally, risk analyses are conducted based on the importance of the supplied products, delivery performance, and findings from previous audits, which are then used to enhance supplier management performance during annual audits.



Conflict
Minerals
Policy

INPAQ has adopted a policy regarding the sourcing of tantalum (Ta), tin (Sn), tungsten (W), gold (Au), and cobalt (Co) used in its products. Due diligence is performed on sourcing from “Conflict-Affected and High-Risk Areas” to reasonably ensure compliance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals and with the Responsible Minerals Assurance Process (RMAP) of the Responsible Minerals Initiative (RMI), ensuring that minerals and metals come from legitimate sources and meet responsible sourcing standards.

Supplier Risk Management

In response to global challenges such as pandemics, geopolitical conflicts, and climate change, INPAQ has implemented multiple strategies to maintain supply chain stability and reliability while reducing material shortage risks. Strategies include:

(1) Regular risk management: Conducting risk analysis based on product importance, delivery performance, and audit findings. High-risk items are identified, and preventive and corrective actions are taken to effectively manage risks.

(2) Key raw material inventory management: This involves multiple approaches such as:

- Providing suppliers with long-lead-time demand forecasts (FCST).
- Close communication with customers to track project schedules and changes in order volumes.
- Timely stockpiling of key raw materials to prepare for sudden demand spikes or delivery delays.

Through these integrated measures, INPAQ ensures supply chain flexibility and stability while minimizing potential risks.



Supplier Risk Management



Environmental
Substance
System Control

Selection

- ISO9001 Certificate
- IATF16949 Certificate
- Declaration of Non-use of Environmentally Hazardous Substances
- EHS Communication Record Form
- Safety Data Sheet (SDS)
- Third-Party Inspection Report

Verification

- Integrity Commitment Letter
- Responsible Business Alliance (RBA) Code of Conduct Version 8.0

Control

• Quarterly Assessment / Annual Audit

Audit Content: Business Strategy and Process Approach Control Procedure, Continuous Improvement Management Procedure, Customer Requirement Procedure, Product Development Procedure, Production and Manufacturing Procedure, Customer Feedback Procedure, Procurement and Outsourcing Procedure, Warehouse Operations Procedure, Production Equipment Procedure, Measurement Equipment Procedure, Human Resource Procedure, Internal Audit Procedure, Documented Information Procedure, Environmental Health & Safety (EHS) Management, and RBA Code of Conduct. If the audit result is non-compliant, transactions will be immediately suspended, and the supplier must complete corrective actions within three months. Transactions may resume only after a re-evaluation confirms compliance.

Number of New Suppliers Signing Environmental, Health and Safety Communication Forms with INPAQ in the Past Three Years

Item	2022			2023			2024		
Environmental, Health and Safety Communication Form Signed	Taiwan Plant	Suzhou Plant	Wuxi Plant	Taiwan Plant	Suzhou Plant	Wuxi Plant	Taiwan Plant	Suzhou Plant	Wuxi Plant
Number of Suppliers in the Year	17	22	2	5	21	16	8	32	2
ESG Screening Rate	100%	100%	100%	100%	100%	100%	100%	100%	100%

Note 1: The above supplier statistics only include qualified raw material suppliers.

Number of Supplier Evaluations Conducted by INPAQ in the Past Three Years

Item	2022			2023			2024		
Number of Suppliers in the Year	Taiwan Plant	Suzhou Plant	Wuxi Plant	Taiwan Plant	Suzhou Plant	Wuxi Plant	Taiwan Plant	Suzhou Plant	Wuxi Plant
Number of Existing Qualified Suppliers	169	382	40	159	403	56	157	242	56
Number of Suppliers Scheduled for On-site Audit	8	22	8	11	31	9	12	26	7
Number of On-site Audits Conducted	8	22	8	9	31	9	12	26	7
On-site Supplier ESG Audit Completion Rate	100%	100%	100%	82%	100%	100%	100%	100%	100%

Note 1: The above supplier statistics only include qualified raw material suppliers, including both new and existing suppliers.

Procurement Policy

Suppliers are key partners in INPAQ's sustainable operations. In our raw material procurement strategy, the company prioritizes local suppliers, which helps accelerate supply efficiency, reduce carbon emissions, support the local economy, and increase employment opportunities.



Proportion of Local Procurement Amounts by INPAQ Over the Past Three Years

Region / Year	2022	2023	2024
Taiwan	73%	74%	72%
Suzhou	83%	89%	93%
Wuxi	59%	61%	81%

Note 1: "Local" is defined as the area where the operating site is located.

Note 2: The procurement amount ratio only includes raw material suppliers.

Note 3: Local procurement is determined by whether a domestic invoice is issued.

Note 4: Local Procurement Ratio = (Procurement amount from local suppliers ÷ Total procurement amount) × 100%



Social Responsibility

5

- 5.1** Human Resource Policies and Commitments
 - 5.1.1** INPAQ Human Rights Policy
 - 5.1.2** Human Rights Protection
 - 5.1.3** Gender Equality in the Workplace
 - 5.1.4** Prohibition of Child Labor
 - 5.1.5** Employment of Local Management
 - 5.1.6** Employee Demographics
- 5.2** Optimal Utilization of Talent
 - 5.2.1** Salary & Benefits
 - 5.2.2** Talent Development
 - 5.2.3** Labor-Management Communication
- 5.3** Occupational Health and Safety
 - 5.3.1** Occupational Health and Safety Management System
 - 5.3.2** Hazard Identification, Risk Assessment, and Incident Investigation
 - 5.3.3** Occupational Health Services and Health Promotion
 - 5.3.4** Worker Participation and Communication
 - 5.3.5** Occupational Safety and Health Education and Training
 - 5.3.6** Occupational Injury Management Statistics and Analysis
- 5.4** Community Participation

5.1 Human Resource Policies and Commitments

INPAQ Technology follows the Responsible Business Alliance (RBA Code of Conduct) and labor laws and gender equality regulations of the regions in which it operates. INPAQ have established human rights protection and labor policies and have made them publicly available to all employees. Together with our staff, we strive to create a high-quality work environment based on mutual prosperity. Since the company's founding, there have been no human rights-related complaints through formal mechanisms, nor any issues involving discrimination or indigenous rights. The company has not undergone human rights audits or impact assessments, and no major legal violations occurred in 2024.



5.1.1 INPAQ Human Rights Policy

We are committed to aligning with internationally recognized human rights standards, including the “Universal Declaration of Human Rights”, “International Labour Organization (ILO) Conventions”, and the “UN Guiding Principles on Business and Human Rights”. Our commitments in human resource policies include:

- Eliminating all forms of discrimination and ensuring equal opportunities in recruitment, training, and promotion.
- Providing fair wages and benefits and maintaining decent working conditions.
- Ensuring a safe and healthy workplace and preventing occupational hazards.
- Respecting employees' freedom of association and supporting collective bargaining rights.

We implement these commitments through dedicated monitoring mechanisms and regular human rights risk assessments, and provide grievance channels for employees.





5.1.2 Human Rights Protection



Our human resources policy is based on fairness and reasonableness in treating all employees. In compliance with national laws and regulations, HR management strikes a balance between systematization and humanization. Employment, compensation, training, promotion, termination, and retirement decisions are never influenced by race, social class, gender, or political affiliation. Furthermore, in accordance with the Personal Data Protection Act, we maintain strict confidentiality and security of employees' personal information.



5.1.3 Gender Equality in the Workplace

INPAQ actively promotes gender equality in the workplace by adhering to relevant legal requirements, clearly defining and promoting policies aligned with the Gender Equality in Employment Act. We implement and publicize sexual harassment prevention measures to foster an equal and inclusive working environment.



5.1.4 Prohibition of Child Labor

Our employee management policy and CSR code of conduct strictly prohibit the employment of child labor. We do not engage in forced labor, do not employ child labor, and do not hire illegal foreign workers. The company strictly prohibits underage employees from performing hazardous tasks. All wages, working conditions, and health and safety standards are set in accordance with national and local regulations. We also have internal rules and regulations to enforce these standards.



5.1.5 Employment of Local Management

We believe hiring local management not only benefits the local economy but also helps the company better understand local needs and culture, thereby enhancing human capital. Therefore, our management team in Taiwan consists of Taiwanese personnel, and overseas facilities employ local management as appropriate.

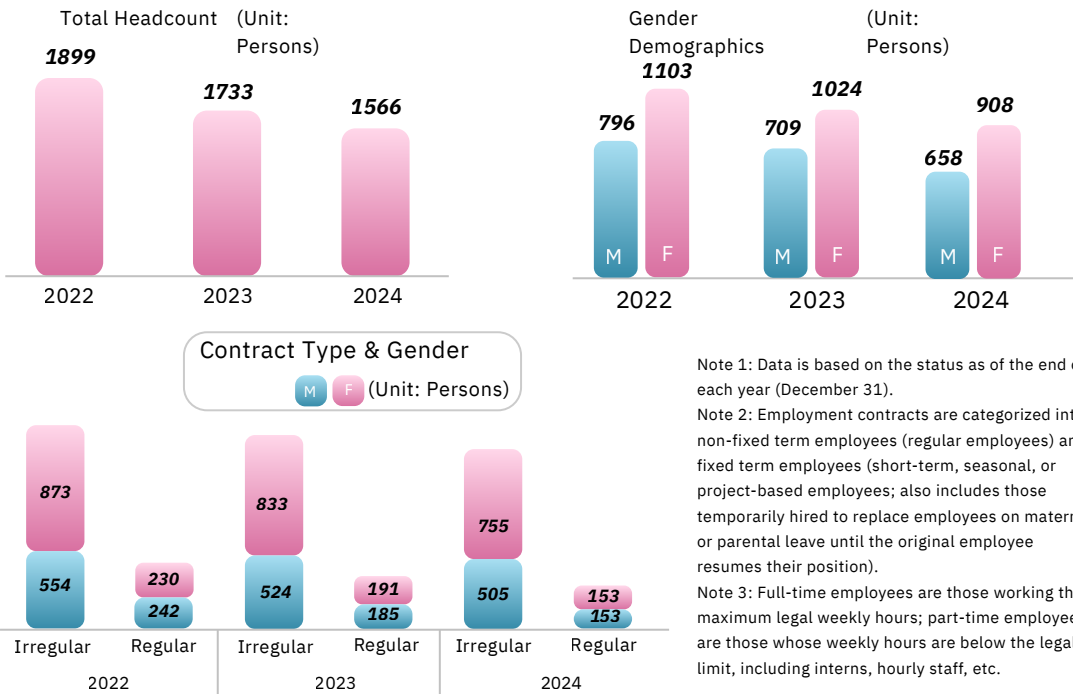
5.1.6 Employee Demographics

As a leading brand in electronic protection components and antenna products, INPAQ has seen strong business growth driven by increased manufacturing efficiency. This has led to high demand for human resources, and in recent years, we have consistently maintained a workforce of over 1,500 staff. Our competitive compensation packages help attract top talent to join the company.

Specifically, INPAQ operates in the electronic components industry, and the vast majority of our employees are on non-fixed term contracts (i.e., full-time positions). We offer long-term and stable employment opportunities, enabling our staff to fully focus on their work without concern, thereby ensuring the protection of their economic well-being.

Additionally, the company's non-employee workers primarily consist of appointed consultants, technicians, or operators. These professionals, leveraging their extensive knowledge and skills, assist the company in various aspects of its operation and development. Through this flexible cooperation model, the company is able to effectively integrate internal and external resources and, when appropriate, introduce external expert advice to supplement internal resource deficiencies.

INPAQ's Employee Statistics Over the Past Three Years



Note 1: Data is based on the status as of the end of each year (December 31).

Note 2: Employment contracts are categorized into non-fixed term employees (regular employees) and fixed term employees (short-term, seasonal, or project-based employees; also includes those temporarily hired to replace employees on maternity or parental leave until the original employee resumes their position).

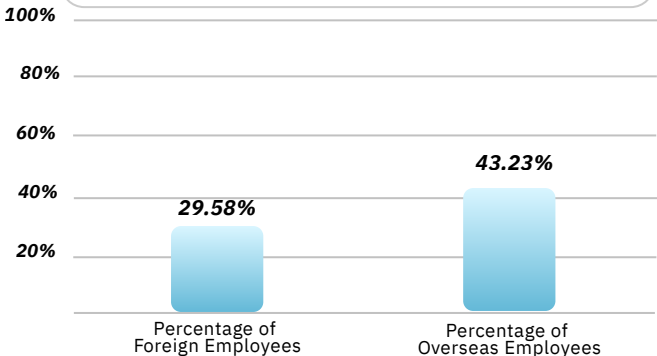
Note 3: Full-time employees are those working the maximum legal weekly hours; part-time employees are those whose weekly hours are below the legal limit, including interns, hourly staff, etc.



5.1.6 Employee Demographics

INPAQ's Employee Statistics Over the Past Three Years

INPAQ's 2024 Percentage of
Foreign and Overseas Employees



Note 1: Foreign employees are defined as those who require a work visa in the country of employment; overseas employees are defined as those working outside of the Taiwan region.

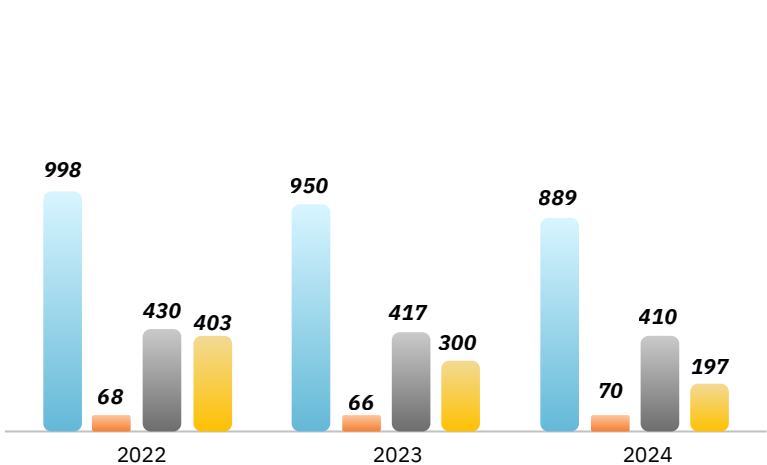
In today's globally competitive environment, a company's workforce composition is one of the key factors influencing its competitiveness. By strategically deploying talent across regions, enterprises can expand local markets more efficiently and promote cross-cultural exchange. The chart below presents INPAQ's 2024 employee distribution statistics, highlighting the company's global talent strategy and reflecting the diversity of employee backgrounds and global development trends.



In addition, the percentage of female employees has increased year by year, with the number of female and male employees becoming more balanced. Employees are generally categorized into direct and indirect personnel. Due to the nature of production line work, direct personnel are mostly female, while indirect personnel, who are primarily engaged in R&D, quality assurance, and sales, are mainly male. Regarding age distribution, in recent years, approximately 90% of both direct and indirect employees are under the age of 50. This indicates that INPAQ's current workforce is mainly composed of mid-career and younger employees, led by experienced senior supervisors. The manpower structure is stable, and there is no concern about labor shortages.

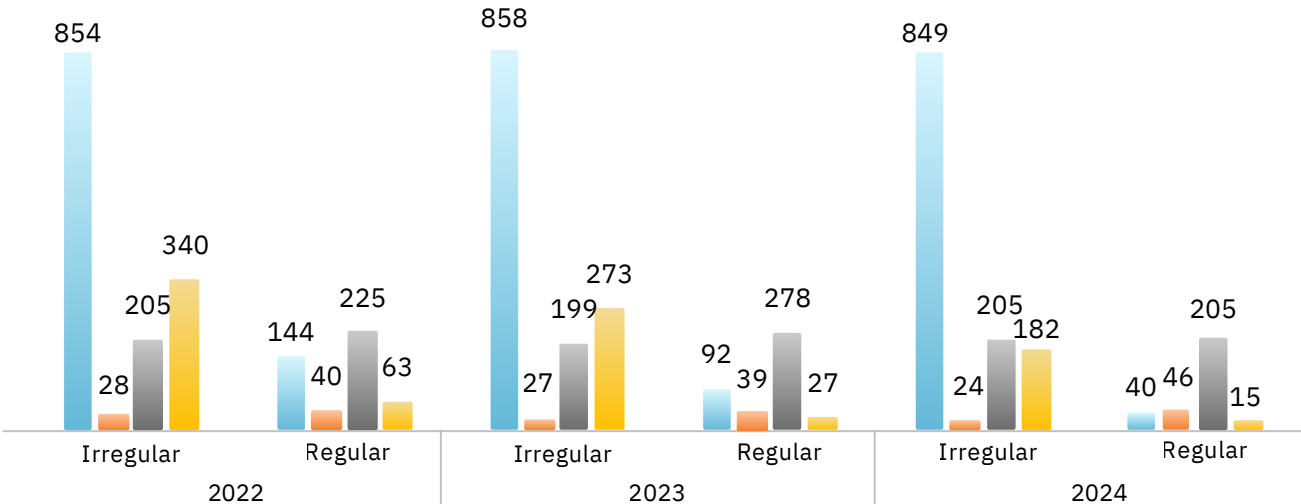
Headcount by Plant (Employment Type)

Zhunan Suzhou Wuxi Yongzhou



Headcount by Plant (Employment Type)

Zhunan Suzhou Wuxi Yongzhou



Note 1: Data statistics are based on the end of the current year (December 31).

Note 2: Employment contracts are categorized into Non-fixed-term Contract Employees (Permanent Staff) and Fixed-term Contract Employees (Short-term, Seasonal, Specific Project Duration; this also includes employees hired to cover a position until the return of an employee on maternity/parental leave).

Note 3: Full-time employees (under employment type) refer to employees whose weekly working hours meet the statutory limit; part-time employees refer to personnel whose weekly working hours do not meet the statutory limit, such as student workers and hourly staff. Our company does not employ part-time staff.



5.1.6 Employee Demographics

INPAQ's Employee Statistics Over the Past Three Years

Non-Employee Statistics / Year		2022		2023		2024	
Total Number of Employees		776		738		701	
Contract Type		Dispatched	Commissioned	Dispatched	Commissioned	Dispatched	Commissioned
Gender	Male	360	4	361	4	318	4
	Female	411	1	372	1	378	1
Region	Taiwan	1	5	0	5	3	5
	Suzhou	616	0	533	0	491	0
	Wuxi	153	0	199	0	201	0
	Yongzhou	1	0	1	0	1	0
Job Nature		Technician /Operator	Senior Technical Consultant	Technician /Operator	Senior Technical Consultant	Technician /Operator	Senior Technical Consultant
Gender	Male	360	4	361	4	318	4
	Female	411	1	372	1	378	1
Region	Taiwan	1	5	0	5	3	5
	Suzhou	616	0	533	0	491	0
	Wuxi	153	0	199	0	201	0
	Yongzhou	1	0	1	0	1	0

Note 1: Non-employee workers refer to individuals who provide services to the company but do not have an employment contract with the company, and whose work content and execution methods are directed or controlled by the company. This includes dispatched personnel, on-site personnel from subcontractors, and retired senior executives appointed as senior consultants.



5.1.6 Employee Demographics

INPAQ's Employee Statistics Over the Past Three Years



At INPAQ's Taiwan operating sites, the ratio of local nationals hired for senior management positions is 100%. This demonstrates the company's commitment to cooperating with local communities to discover talent and attract excellent professionals to work nearby. This approach helps to gain recognition within the local community and further enhances the local economic situation.

	Diversity Statistics / Year		Gender		Age			Education			Region			
			Male	Female	Under 30	30-49	50 and above	MA/MS	BA/BSS	High School or Below	Taiwan	Suzhou	Wuxi	Yongzhou
Direct labor personnel	2022	Number	359	730	379	585	125	3	138	948	589	152	9	339
		%	18.90%	38.44%	19.96%	30.81%	6.58%	0.16%	7.27%	49.92%	31.02%	8.00%	0.47%	17.85%
	2023	Number	300	672	297	568	107	3	118	851	572	149	9	242
		%	17.31%	38.78%	17.14%	32.78%	6.17%	0.17%	6.81%	49.11%	33.01%	8.60%	0.52%	13.96%
	2024	Number	238	540	197	505	76	4	341	433	499	125	9	145
		%	15.20%	34.48%	12.58%	32.25%	4.85%	0.26%	21.78%	27.65%	31.86%	7.98%	0.57%	9.26%
Indirect labor personnel	2022	Number	437	373	255	506	49	108	584	118	409	278	59	64
		%	23.01%	19.64%	13.43%	26.65%	2.58%	5.69%	30.75%	6.21%	21.54%	14.64%	3.11%	3.37%
	2023	Number	410	351	225	482	54	102	553	106	378	268	57	58
		%	23.66%	20.25%	12.98%	27.81%	3.12%	5.89%	31.91%	6.12%	21.81%	15.46%	3.29%	3.35%
	2024	Number	420	368	228	512	48	106	576	106	390	285	61	52
		%	26.82%	23.50%	14.56%	32.69%	3.07%	6.77%	36.78%	6.77%	24.90%	18.20%	3.90%	3.32%

Note:Percentage of direct labor personnel below 30 = (Number of direct labor workers below 30 at the end of the respective year / Total staff at the end of the respective year)*100%.
Percentage of indirect labor personnel with MA/MS degrees = (Number of direct labor workers with MA/MS degrees in the respective year/ Total staff at the end of the respective year)*100%

5.2 Optimal Utilization of Talent

A sound manpower structure is a key prerequisite for sustainable operations of the Company. INPAQ therefore offers highly competitive salaries and benefits to attract outstanding talent and rewards its employees for creativity and long-term contributions. Based on the concept of fair and equitable treatment of all employees, the Company has developed a transparent performance appraisal and incentive & discipline system to build a positive climate of fair competition between co-workers and motivate all staff members to apply themselves to their work. A corporate climate conducive to talent retention has been shaped with the ultimate goal of strengthening the attachment of employees to the Company and inspiring them to actively participate in company affairs. Transparent promotion channels and public announcement of promotion of co-workers with excellent work performance fosters a climate of benchmark learning, which in turn enables the Company to cultivate even more outstanding talent. In the meantime, INPAQ also designs training programs and schedules on-the-job training for its employees to ensure continued professional growth and realization of self-worth. In addition, INPAQ has diversified communication channels in place to facilitate the initiation of dialog with employees and enable them to provide timely feedback and suggestions. The Company responds in a well-intentioned manner to maintain harmonious labor-management interactions based on mutual trust.



5.2.1 Salary & Benefits

Significance to the Company

Providing a competitive salary & benefits and comprehensive employee benefits helps attract outstanding talent, and enhances employees' sense of belonging, fostering mutual growth and a win-win relationship with the company.

Policy

To uphold the employment philosophy of "contributing according to ability and being rewarded accordingly," the company has established a compensation system based on "capability and performance." We participate in salary surveys to review industry standards and make timely adjustments.

Responsible department for complaints

- Human Resources Department, Administration Center
- Online and Offline CEO Contact Email

Short-term Goal

- Company conducts biannual performance evaluations. Based on macroeconomic indicators, overall market salary levels, and employee performance, we offer annual salary adjustment opportunities.
- Reduce the employee turnover rate by 5%.

Mid-to-Long-term Goal

Employee salary is determined based on the achievement rate of annual operational targets and company profitability, and we provide competitive compensation packages above local regulatory standards according to individual performance.

Resources Invested in 2024

- Conduct biannual performance evaluations for all employees.
- Offer salary adjustments, differentiated bonuses, and stock-based rewards based on performance. In 2024, the total distributed reached NTD\$130.65 million.

Commitment

- Recruitment and Employment: Based on the annual manpower planning goals, we efficiently allocate and utilize human resources to meet the needs of each department with high-quality talent.
- Salary & benefits: Company sets competitive and fair salary and benefits according to market salary trends and job evaluation. When the company achieves profitability, employees receive profit-sharing incentives such as employee compensation and year-end bonuses. Salary adjustments are implemented based on business performance, economic growth rate, consumer price index, and industry salary trends.

Evaluation Mechanism / Results

- In 2024, the total amount of salary adjustments, bonuses, and stock-based rewards increased by 45% compared to 2023.
- Continuously track and analyze turnover rates to identify HR trends, optimize employee management, and improve retention. The average turnover rate in 2024 decreased by 21.79% compared to 2023, significantly surpassing the 5% reduction target.
- The company continuously monitors regulatory updates and refers to industry compensation standards to develop competitive compensation strategies.



5.2.1 Salary & Benefits

Our Approach

Compensation Competitiveness Analysis	We benchmark against leading companies and salary survey reports in the market, and consider overall industry salary trends to develop competitive compensation strategies. Regular salary adjustment programs are implemented accordingly.
Performance-Based Incentive Bonus System	Employees undergo performance evaluations twice a year, focusing on objective management, multi-dimensional assessment, and timely feedback. Based on performance results, salary adjustments, differentiated bonuses, and stock-based rewards are provided.
Employee Welfare Committee	We have an employee welfare committee that organizes year-end parties, annual employee travel subsidies, team-building activities, and more.
Employee Health & Wellbeing	We conduct regular health check-ups, promote health activities, and have established a health care system to actively monitor and support employee wellbeing. Additional mechanisms include Employee Assistance Programs (EAP), injury and illness care programs, and comprehensive protection through group insurance, cancer insurance, medical insurance, accident insurance, hospitalization subsidies, and emergency relief funds to assist employees in times of need.
Flexible Working Hours	We promote autonomous working hours, allowing employees to flexibly choose their arrival and departure times.

In addition, INPAQ is committed to enhancing employee productivity by offering a variety of welfare measures and a high-quality working environment. Through regularly organizing various employee activities, we not only help relieve work-related stress but also foster positive interactions among colleagues. At the same time, the company benchmarks leading industry peers to set goals that continuously improve corporate management and employee care, aiming to create an ideal workplace.

INPAQ Human Resource Development Plan and Objectives

Communication Mechanism

- Establish two-way communication channels to ensure employee voices are heard
- Hold regular labor-management meetings and publish outcomes
- Set up anonymous suggestion boxes and internal communication platforms (e.g., General Manager's Contact Email)
- Goal: Employee meeting participation rate > 80%
- Optimize compensation and benefits structure to ensure market competitiveness
- Enhance employee satisfaction and reduce voluntary turnover
- Conduct market salary surveys and offer flexible benefits (such as tuition subsidies, flexible working hours, etc.)
- Goal: Reduce turnover rate by 5%
- Establish a fair and transparent process for resolving labor disputes
- Provide independent grievance channels and third-party mediation mechanisms
- Conduct regular legal compliance training to ensure fair and reasonable dispute resolution
- Goal: Average dispute resolution time < 3 days; resolution success rate > 90%

Salary and Benefits

Labor Dispute Resolution

Employee Health and Safety

- Strengthen workplace safety and mental health support
- Conduct regular workplace safety inspections and offer Employee Assistance Programs (EAPs)
- Provide mental health hotlines and increase the frequency of health check-ups
- Goal: Workplace injury rate = 0; health resource utilization rate > 80%

Corporate Culture

- Promote a corporate culture of equality, respect, and diversity & inclusion
- Organize multicultural events and implement anti-discrimination policies
- Recognize outstanding employees and teams to strengthen corporate identity and engagement
- Goal: Reduce turnover rate by 5%

Regulatory Compliance

- Ensure labor contracts and management systems comply with laws and regulations
- Regularly review labor contracts and update employee handbooks
- Conduct Labor Standards Act training to raise awareness of legal compliance among employees
- Goal: 100% compliance rate; 0 labor inspection violations



5.2.1 Salary & Benefits

INPAQ Hire Statistics for the Past Three Years

Hire statistics/Year		2022		2023		2024	
		Total	%	Total	%	Total	%
Total staff in the respective year		1,899	-	1,733	-	1,566	-
Age	Under 30	393	20.70%	179	10.33%	98	6.26%
	30-49	336	17.69%	225	12.98%	147	9.39%
	50 and above	24	1.26%	8	0.46%	1	0.06%
Gender	Male	404	21.27%	212	12.23%	137	8.75%
	Female	349	18.38%	200	11.54%	109	6.96%
Education	MA/MS	20	1.05%	14	0.81%	19	1.21%
	BA/BSS	176	9.27%	111	6.41%	115	7.34%
	High School or Below	557	29.33%	287	16.56%	112	7.15%
Region	Taiwan	192	10.11%	154	8.89%	121	7.73%
	Wuxi	12	0.63%	9	0.52%	17	1.09%
	Suzhou	93	4.90%	65	3.75%	56	3.58%
	Yongzhou	456	24.01%	184	10.62%	52	3.32%

INPAQ Employee Turnover Statistics Over the Past Three Years

Turnover statistics/Year		2022		2023		2024	
		Total	%	Total	%	Total	%
Total staff in the respective year		1,899	-	1,733	-	1,566	-
Age	Under 30	401	21.12%	344	19.85%	179	11.43%
	30-49	440	23.17%	308	17.77%	277	17.69%
	50 and above	42	2.21%	48	2.77%	38	2.43%
Gender	Male	470	24.75%	345	19.91%	227	14.50%
	Female	413	21.75%	355	20.48%	267	17.05%
Education	MA/MS	18	0.95%	21	1.21%	22	1.40%
	BA/BSS	202	10.64%	163	9.41%	159	10.15%
	High School or Below	662	34.86%	516	29.77%	313	19.99%
Region	Taiwan	208	10.95%	334	19.27%	247	15.77%
	Wuxi	23	1.21%	14	0.81%	17	1.09%
	Suzhou	117	6.16%	67	3.87%	63	4.02%
	Yongzhou	464	24.43%	281	16.21%	167	10.66%

Note 1: The total number of employees is based on the headcount at the end of the year (December 31). Note 2: Hiring rate = (Total number of newly hired employees in a specific category during the year / Total number of employees at year-end) × 100%. Female hiring rate = (Total number of newly hired female employees during the year / Total number of employees at year-end) × 100%. Turnover rate = (Total number of employees who left in a specific category during the year / Total number of employees at year-end) × 100%. Turnover rate of employees under 30 = (Number of employees under 30 who left during the year / Total number of employees at year-end) × 100%. Note 3: Due to unfavorable operating efficiency, the number of personnel at the Yongzhou plant has been streamlined year-by-year. Preparation for plant closure began in 2024, with the closure completed in 2025.

5.2.1 Salary & Benefits

Unit: Persons ; Thousands of NTD

Full-Time Non-Managerial Employees	Headcount	Average Annual Salary	Median Annual Salary
2023	862	696	610
2024	869	789	651
Difference	+7	+ 93	+41

Note 1: The above statistics include only the Taiwan region.

INPAQ categorizes employees by gender and further divides them into direct and indirect labor. Comparing the ratios of base salary and total compensation, among direct employees at the Taiwan sites, male and female base salaries are roughly equal, and the gap in total compensation between genders has been narrowing each year. As for indirect employees, differences in base salary and total compensation between males and females are mainly due to males predominantly working in R&D and sales roles, while females are mostly in administrative or clerical positions, as well as seniority differences. However, to promote workplace diversity and equality, INPAQ is actively working to address and improve these compensation disparities. In terms of entry-level compensation, regardless of gender, INPAQ's direct employees all receive standard wages that are higher than the local minimum wage.



INPAQ's Ratio of Basic Salary to Total Remuneration Over the Last Three Years:

Note 1: Base salary refers to the minimum fixed amount paid to employees for performing their duties, excluding any additional compensation such as overtime pay, bonuses, or various allowances. Total compensation refers to base salary plus additional amounts paid to workers. "Additional amounts paid to workers" include seniority allowances, bonuses (cash and equity), benefits, overtime pay, compensatory leave, and other subsidies (e.g., transportation, living, and childcare allowances).

INPAQ's Base Salary to Total Compensation Ratio Over the Past Three Years

Base Salary to Total Compensation Ratio		Ratio						
		2022		2023		2024		
Key Operating Sites	Employee	Item	Male	Female	Male	Female	Male	Female
Taiwan	Direct Personnel	Basic Salary	0.98	1	1.01	1	1	1
		Total Compensation	1.13	1	1.11	1	1.05	1
	In-Direct Personnel	Basic Salary	1.37	1	1.43	1	1.42	1
		Total Compensation	1.44	1	1.39	1	1.41	1
Wuxi	Direct Personnel	Basic Salary	1.08	1	1.08	1	1.03	1
		Total Compensation	1.18	1	1.13	1	1.12	1
	In-Direct Personnel	Basic Salary	1.02	1	1.11	1	1.06	1
		Total Compensation	1.3	1	1.49	1	1.28	1
Suzhou	Direct Personnel	Basic Salary	1.02	1	1.01	1	1.01	1
		Total Compensation	1.09	1	1.13	1	1.11	1
	In-Direct Personnel	Basic Salary	1.25	1	1.15	1	1.14	1
		Total Compensation	1.38	1	1.41	1	1.33	1
Yongzhou	Direct Personnel	Basic Salary	1	1	1	1	1	1
		Total Compensation	1.05	1	1.053	1	1.19	1
	In-Direct Personnel	Basic Salary	1	1	1	1	1	1
		Total Compensation	1.05	1	1.16	1	1.19	1



5.2.1 Salary & Benefits

Standard Salary of Entry-Level Employees for the Year/Ratio to Local Minimum Wage

Employee Category	Direct Personnel in Taiwan		Direct Personnel in Wuxi		Direct Personnel in Suzhou		Direct Personnel in Yongzhou	
	Male	Female	Male	Female	Male	Female	Male	Female
Gender								
Ratio	1.5	1.2	1.03	1	1	1.37	1	3.9

Note 1: Standard salary refers to the regular monthly salary provided to full-time entry-level employees.

Wuxi Yongzhou
Taiwan Suzhou
Employee Benefits

- ☒ Group accident insurance
- ☒ Regular health checkups
- ☒ Wedding/Funeral subsidies
- ☒ Birthday gatherings
- ☒ Holiday bonuses (Three major holidays)
- ☒ Staff cafeteria
- ☒ Performance bonuses
- ☒ Nursing Room
- ☒ Year-end bonuses
- ☒ Employee dormitory
- ☒ Employee trips / Family Day / Year-end party

The Suzhou, Wuxi, and Yongzhou plants do not have nursing rooms; the Suzhou plant does not have employee dormitories; and the Yongzhou plant does not offer regular health examinations, birthday parties, employee travel, family days, or year-end parties.

INPAQ supports employees through important life and family stages. Eligible employees may apply for parental leave. Since parental leave policies in China differ from those in Taiwan, there are very few instances where employees do not return to work after taking leave. The specific number of leave days in China may vary by province. Therefore, the statistics in the table below pertain only to Taiwan.



INPAQ Parental Leave Status Over the Past Three Years

Parental Leave Statistics / Year	Gender	Taiwan		
		2022	2023	2024
Number of Employees Eligible for Parental Leave in 2024	Male	0	0	9
	Female	0	0	48
Number of Employees Who Applied for Parental Leave	Male	8	10	6
	Female	11	9	9
Number of Employees Expected to Return After Parental Leave (A)	Male	5	10	5
	Female	9	8	12
Number of Employees Who Actually Returned After Parental Leave (B) (including early returnees)	Male	4	9	3
	Female	7	4	8
Return Rate (B/A)	Male	80.00%	90.00%	60.00%
	Female	77.78%	50.00%	66.67%
Number of Employees Who Remained Employed 12 Months After Returning from Parental Leave (C)	Male	2	4	0
	Female	5	2	1
Retention Rate (C from current year / B from previous year)	Male	100.00%	100.00%	0.00%
	Female	71.43%	28.57%	25.00%

Note 1: Return Rate = (Number of employees who actually returned to work in the year / Number of employees expected to return in the year) × 100%
Retention Rate = (Number of employees who remained employed 12 months after returning / Number of employees who returned in the previous year) × 100%
Note 2: The number of employees eligible for parental leave in 2024 includes employees who applied for maternity leave, paternity leave (including prenatal care leave), and parental leave between 2022 and 2024.

5.2.1 Salary & Benefits

Finally, to help employees plan for retirement, INPAQ offers both a Defined Benefit Plan (old pension system) and a Defined Contribution Plan (new pension system). For employees in China, the company makes contributions in accordance with the Social Insurance Law of the People's Republic of China and the Regulations on the Administration of the Housing Provident Fund, covering the five types of insurance and one housing fund. Employees who have made contributions for 15 years (increasing gradually to 20 years) may apply for retirement locally and receive monthly pension payments from the Human Resources and Social Security Bureau upon retirement.

Defined Benefit Plan (Old Pension System)

INPAQ's retirement system fully complies with the Labor Standards Act. Employees may apply for retirement if they have served more than 15 years and are over 55 years old, or if they have served more than 25 years. According to the Labor Standards Act, retirement benefits are calculated based on years of service: two units for each year of service up to 15 years, and one unit for each additional year, up to a maximum of 45 units. INPAQ has established a supervisory committee and set up a dedicated pension fund. As of the end of 2024, the fund balance was NTD\$42.24 million.

Defined Contribution Plan (New Pension System)

Since July 1, 2005, INPAQ has complied with the Labor Pension Act, contributing no less than 6% of each employee's monthly salary into their individual pension accounts. As of 2024, the company had contributed NTD\$26.39 million to these accounts.



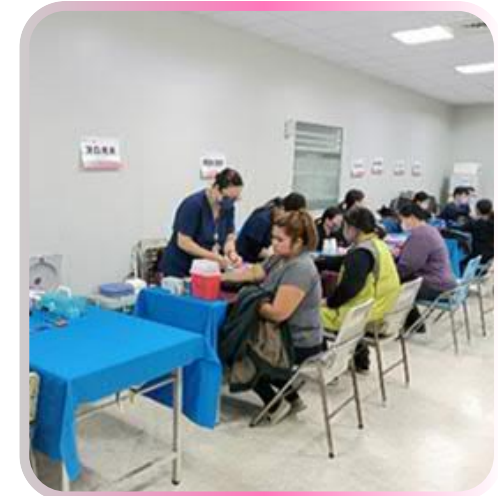
Lounge



Nursing Room



Employee Health Checkups



Employee Cafeteria and Rest Area





5.2.2 Talent Development

At INPAQ, we believe that the key to sustainable business operations lies in continuous employee growth. Education and training are essential to ensure that human capital keeps increasing in value. As such, we place great importance on staff development. Our overall learning and development strategy is centered on on-the-job training, supplemented by onboarding training, professional training by function, and managerial training. These are aligned with annual goals and business needs to build a comprehensive training system.

To enhance employee professional skills, INPAQ develops annual training plans based on business needs and implements them to help employees build long-term careers. In return, the company benefits from their growth. Internal training programs also ensure the transfer of skills and experience to relevant departments. We assist employees in identifying learning paths and developing career plans.

New hires are given orientation sessions to introduce company policies and occupational safety practices. Departments then provide specialized training. INPAQ actively encourages employees to pursue professional courses related to their roles. Centered on continuous growth, we offer diverse learning channels so that employees can showcase their expertise and realize their potential. Each department designs and delivers training programs based on its specific needs. Training is categorized as internal or external. Internal training is arranged by departments according to business requirements. For external training, departments submit applications based on need; once approved, selected employees attend external courses. These participants are then expected to share their learning with their teams to ensure knowledge transfer and practical application. To stay current with the growing trend of diversified learning, INPAQ encourages participation in external language and communication skills programs to broaden employee perspectives.

Overall, the average number of training hours per employee has increased year by year. Among employee types, indirect employees tend to receive more training than direct employees due to the complexity of their roles (e.g., design, development, environmental, safety, and health functions). Additionally, male employees, on average, receive more training hours than female employees.

	Year		2022	2023	2024
Taiwan Plant	Average Training Hours per Employee		1.05	3.49	9.04
	Average Training Hours per Employee by Gender	Female	1.05	2.69	7.00
		Male	1.05	4.18	10.05
	Average Training Hours per Employee by Category	Direct	1.18	1.92	3.79
		In-direct	1.02	5.62	14.29
Wuxi Plant	Average Training Hours per Employee		2.1	3.59	1.72
	Average Training Hours per Employee by Gender	Female	1.90	3.24	2.40
		Male	2.06	3.91	1.70
	Average Training Hours per Employee by Category	Direct	2.62	1.61	2.00
		In-direct	1.71	3.59	1.64

	Year		2022	2023	2024
Suzhou Plant	Average Training Hours per Employee		4.37	7.65	11.93
	Average Training Hours per Employee by Gender	Female	5.23	8.23	11.22
		Male	4.75	7.84	12.48
	Average Training Hours per Employee by Category	Direct	6.98	7.36	12.04
		In-direct	5.42	9.05	14.6
Yongzhou Plant	Average Training Hours per Employee		3.17	3.89	6.17
	Average Training Hours per Employee by Gender	Female	2.50	8.15	6.20
		Male	5.47	2.78	5.86
	Average Training Hours per Employee by Category	Direct	2.56	3.23	6.32
		In-direct	3.64	6.96	5.96

Note 1:
Average training hours per employee = (Total annual training hours for all employees / Total number of employees at year-end).
Average training hours per female employee = (Total annual training hours for female employees / Total number of female employees at year-end).
Average training hours per employee by category = (Total annual training hours for employees in that category / Total number of employees in that category at year-end).



5.2.3 Labor-Management Communication

Smooth communication between labor and management facilitates collaboration, helping employees understand the company's production plans and market conditions, while enabling management to monitor workplace conditions and build a more employee-centered work environment. INPAQ complies with labor laws, and its internal HR and administrative operations follow local labor regulations across all operating sites. In Taiwan, labor-management meetings are held at least once every three months, with senior management participating to coordinate labor relations. These regular dialogues empower employees to express their views and advocate for improved working conditions, effectively enhancing their rights and welfare. In the past three years, there have been no significant operational changes, such as plant closures or relocations, at INPAQ's Taiwan or China facilities. Therefore, there have been no mass layoffs requiring a 60-day prior notification to the local labor authorities.

INPAQ has also established multiple communication channels to ensure two-way dialogue. This allows employees to fully express their views while enabling the company to respond in a timely manner and transform employee suggestions into actionable policies.



Significance to the Company

Harmonious labor relations ensure a continuous inflow of fresh talent and encourage employees to contribute to the company, supporting sustainable business operations.

Policy

- Compliance with local labor laws.
- Protection of employees' lawful rights.

Responsible department for complaints

HR Department / Contact Email

Commitment

- Regular labor-management meetings allow employees to voice their opinions and management to stay informed about employee working conditions.
- Employee feedback is handled promptly and responded to in good faith.
- Through labor-management communication, the company pays attention to workers' rights, translating employee suggestions into actionable policies.

Short-term Goal

Periodic meetings provide employees with a platform to advocate for improved working conditions and raise their status.

Mid-to-Long-term Goal

- Continuous dialogue enhances cooperation between labor and management.
- Ongoing tracking of labor law updates to ensure compliance with local regulations.
- Zero labor dispute cases maintained.

Resources Invested in 2024

Taiwan Plant: Regular labor-management meetings are held, with thorough documentation and follow-up on action items.

Evaluation Mechanism/Results

Four labor-management meetings were held during the year.

Grievance Items / Reporting Channels	Phone	Email
Employee Feedback Mailbox	None	Employee Suggestion Boxes at Each Plant
Sexual Harassment Complaints	03-585555 #11410	joanna.chung@inpaq.com.tw
Unlawful Workplace Harassment	Administration Center	General Manager's Mailbox



5.3 Occupational Health and Safety

Significance to the Company

Employees and contractors are vital human capital. Ensuring a safe working environment and employee well-being is a fundamental corporate social responsibility.

Policy

- Comply with the company's established EHS (Environmental, Health, and Safety) policy.
- Establish internal procedures and relevant committees. Promote safety and health initiatives through EHS management representatives.

Commitment

- Adhere to applicable EHS regulations and customer-related EHS requirements.
- Provide safe and healthy working conditions to prevent work-related injuries and illnesses.
- Continuously eliminate hazards and reduce occupational health and safety risks.
- Support worker consultation and participation on OHS-related topics.
- Continuously improve the EHS management system to enhance performance.

Short-term Goal

- Promote workplace improvements company-wide to foster a friendly work environment and boost productivity.
- Implement on-site medical services and health programs, including investigation and consultation aligned with the Four Major OSH Programs.
- Promote overall wellness, ensuring employees' physical, mental, and emotional health is well cared for.

Mid-to-Long-term Goal

- Continuously improve the workplace to achieve a zero-accident environment.
- Regularly identify and comply with applicable laws and regulations.
- Prevent hazards and reduce risks to minimize workplace incidents, maintaining zero major occupational accidents.

Resources Invested in 2024

- Taiwan Plant Investments:
Workplace Environment Monitoring: NTD\$181,000
Employee Health Promotion: NTD\$702,000
Fire Safety Improvements: NTD\$207,000
- Mainland China Plant Investments:
Health Examinations and Workplace Monitoring: RMB 307,000
Fire Safety Improvements: RMB 198,000

Evaluation Mechanism/Results

- Regular supervision and review through mechanisms such as quarterly EHS committee meetings.
- Regular awareness and training programs: In 2024, a total of 8,996 occupational safety training sessions were conducted, totaling 55,105 hours.
- Annual general and special health checkups.
- Annual outsourced fire safety inspections.
- Periodic OSH equipment maintenance and inspection.
- Internal communication channels (e.g., General Manager's Mailbox) to safeguard employee rights.
- Timely review, improvement, and follow-up.

Responsible department for complaints

Environmental Health and Safety
(EHS) Office / Contact Email



5.3.1 Occupational Health and Safety Management System

To effectively manage occupational health and safety risks within our facilities and create a healthier and safer work environment, INPAQ complies with the Occupational Safety and Health Act and other relevant regulations. We have implemented the ISO 45001:2018 Occupational Health and Safety Management System at all plants. Annual internal audits and third-party verifications are conducted to monitor system performance, implement risk management, and reduce operational hazards to enhance OHS performance.

5.3.2 Hazard Identification, Risk Assessment, and Incident Investigation

Employee awareness of safety is crucial for maintaining a healthy and secure work environment. If employees can enhance their awareness of potential hazards and take appropriate preventive measures, it can not only reduce the occurrence of accidents but also improve overall work efficiency. This includes understanding and complying with safety regulations, actively participating in safety training, and promptly reporting any potential hazards or incidents. INPAQ has established a “Risk Identification and Management Control Procedure” to carry out hazard identification and risk assessments. Based on risk ratings, appropriate corrective actions are implemented to reduce operational hazards and improve workplace safety. In the event of occupational accidents or incidents, comprehensive response measures are in place. According to the “Industrial Safety & Health Management Procedure” incidents are classified, investigations initiated, and corrective actions taken to prevent recurrence.

5.3.3 Occupational Health Services and Health Promotion

In accordance with the Labor Health Protection Rules, INPAQ employs dedicated occupational health nurses and contracts licensed physicians for monthly on-site visits to offer employee health consultations. Employees undergo annual general and special health examinations (for those in designated work environments). In addition, in accordance with the guidelines announced by TOSHMS, the Taiwan site has established and implemented various workplace health protection programs, including: the Maternal Health Protection Program, the Prevention Program for Diseases Triggered by Abnormal Workloads, the Prevention Program for Unlawful Infringement During Duty, and the Ergonomic Hazard Prevention Program. Based on assessment results and actual conditions, appropriate improvement measures are taken. For high-risk individuals, dedicated occupational health nurses and onsite physicians provide follow-up health consultations. The Taiwan site also organizes workplace health promotion activities from time to time—such as CPR training and health awareness campaigns—to support employees’ physical, mental, and emotional well-being. The current measures implemented by INPAQ are as follows:

Work Environment and Employee Safety Measures

Category	Description
Access Control Security	· Signed a contract with a security company to ensure plant safety, with strict access control and surveillance systems operating day and night.
Maintenance and Inspection of Equipment	· Conduct public safety inspections of buildings every two years in accordance with regulations.
	· Conduct annual outsourced fire safety inspections as required by fire safety regulations.
	· Perform regular annual maintenance and inspections on high/low voltage electrical equipment, elevators, air conditioning systems, water dispensers, company vehicles, fire extinguishers, etc.
Physical Health and Hygiene	· Health Check-up: Physical examinations for new employees and annual health check-up for all current employees.
Insurance and Medical Assistance	· In addition to statutory labor insurance (including occupational injury insurance) and national health insurance, employees are also covered by accident and accidental medical insurance.
Workplace Safety	· Complete training is required before operating machinery or equipment to prevent injury.





Onsite Physician Services



Employee Health Checkups



Health Promotion Activities



Health Awareness Campaigns



5.3.4 Worker Participation and Communication

In accordance with occupational safety and health regulations, INPAQ has established an Environmental, Health, and Safety (EHS) Committee and appointed employee representatives to voice workers' opinions. Meetings are held quarterly. At the Taiwan site, labor representatives account for more than one-third of the committee, as required by law. For example, in 2024, the fourth quarterly meeting at the Taiwan facility was attended by 10 labor representatives and 8 management representatives. In cases where representatives were unable to attend, personnel with equivalent authority were designated to attend on their behalf. Overall, labor representatives accounted for over 55% of the committee members. The EHS Committee jointly reviews and makes decisions on topics such as hazard prevention measures, workplace environmental monitoring plans, accident investigations, and workplace health and safety performance. Contractors encountering occupational health and safety issues may directly communicate with their business contact at the company, allowing for two-way communication and feedback. As for facilities in mainland China, local regulations currently do not mandate a minimum number of labor representatives on EHS Committees. Nevertheless, the facilities maintain a quarterly meeting schedule. Additionally, labor unions have been established at each site to oversee the implementation of occupational safety measures and provide related recommendations. INPAQ reinforces worker safety protection through this dual mechanism.

Meeting Name	Frequency	Participating Units	Grievance Channels
Labor-Management Meeting	Quarterly	Representatives from both labor and management	General Manager's Mailbox Sexual Harassment Complaint Mailbox Occupational Safety and Health Mailbox
Employee Welfare Committee	Quarterly		
Occupational Safety and Health Committee	Quarterly		
ISO 9001 & 45001 System Management Review Meeting	Annually		



5.3.5 Occupational Safety and Health Education and Training

To build a culture of safety and enhance employee safety awareness, INPAQ provides comprehensive training resources. All new employees are required to undergo onboarding training, which includes general occupational safety and hazard-specific training related to their job tasks. In addition, regular fire drills and on-the-job training are conducted in accordance with legal requirements. For example, at the Zhunan Plant, on-the-job training includes annual case studies on industry-related incidents and internal accidents specific to different workstations. Other plants use opportunities such as monthly employee meetings to conduct relevant safety case presentations and awareness sessions.



5.3.6 Occupational Injury Management Statistics and Analysis

INPAQ has established an occupational injury management mechanism and continues to implement relevant standards based on the ISO 45001 Occupational Health and Safety Management System. The company regularly conducts occupational health and safety training to proactively identify and correct potential hazards and risky behaviors among employees. Safety is prioritized as a core principle, and strict adherence to standard operating procedures is emphasized to avoid compromising safety for speed. In the event of a workplace incident, INPAQ has an emergency response plan and reporting system in place to promptly notify relevant supervisors. Additionally, the company investigates each incident, analyzes the causes, and develops corrective measures to prevent recurrence and reduce workplace risks for employees.

In 2024, the main types of occupational injuries included crush injuries, falls, and other physical injuries. INPAQ has implemented corresponding improvement measures for each incident. There were no major occupational injuries, fatalities, or cases of occupational disease reported during the year.

Note: The table below summarizes the data for the Taiwan plants, Suzhou plant, Wuxi plant, and Yongzhou plant.

Training Course Title	Total Trainees	Total Training Hours	Training Course Title	Total Trainees	Total Training Hours
New Employee Occupational Safety Training	1,852	40,704	Occupational Health and Safety Management Training	27	72
On-the-Job Occupational Safety Training	1,511	7,858	First Aid Personnel On-the-Job Training	13	39
ISO 45001 Occupational Health and Safety Management System Overview Training	1,647	1,647	First Aid Personnel – External Training	5	40
Fire Evacuation and Prevention Training	2,543	3,190	On-the-Job Training for Organic Solvent Supervisors	1	6
Earthquake Shelter Awareness Training	647	647	Workplace Unlawful Conduct Awareness – Communication Training	21	21
CPR + AED Operation Training	657	692	Radiation Protection Refresher Training	29	87
Chemical Management	20	64	Fire Prevention Manager Training Program	1	16
Chemical Spill Drill	22	22	Total	8,996	55,105

Workers Covered by the Occupational Health and Safety Management System

Year	Management System / Regulations	Type of Inspection	Headcount	Ratio
2022	ISO 45001	Internal Personnel	1,899	100%
		External Personnel	776	100%
2023		Internal Personnel	1,733	100%
		External Personnel	738	100%
2024		Internal Personnel	1,566	100%
		External Personnel	701	100%



5.3.6 Occupational Injury Management Statistics and Analysis

INPAQ Occupational Injury Statistics Over the Past Three Years

Plant	Year	Total Hours Worked	Fatal Occupational Injuries		Serious Occupational Injuries		Recordable Occupational Injuries		Occupational Diseases		Recordable Occupational Diseases	
			Headcount	Ratio	Headcount	Ratio	Headcount	Ratio	Headcount	Ratio	Headcount	Ratio
Zhunan	2022	1,259,160	0	0	0	0	1	0.79	0	0	0	0
	2023	1,379,392	0	0	0	0	1	0.72	0	0	0	0
	2024	1,796,584	0	0	0	0	4	2.23	0	0	0	0
Taichung	2022	195,600	0	0	0	0	0	0	0	0	0	0
	2023	158,780	0	0	0	0	0	0	0	0	0	0
	2024	153,312	0	0	0	0	0	0	0	0	0	0
Wuxi	2022	733,337	0	0	0	0	0	0	0	0	0	0
	2023	853,693.50	0	0	0	0	1	1.17	0	0	0	0
	2024	949,096.50	0	0	0	0	1	1.05	0	0	0	0
Suzhou	2022	3,199,041	0	0	0	0	0	0	0	0	0	0
	2023	2,806,681	0	0	0	0	2	0.71	0	0	0	0
	2024	2,575,490	0	0	0	0	1	0.39	0	0	0	0

Note 1: Rates are calculated per one million hours worked.
Note 2: A serious occupational injury refers to an injury that prevents an employee from returning to their pre-injury state of health within six months; however, fatalities should be excluded from this data.
Note 3: A recordable occupational injury or disease refers to any work-related injury or illness that results in one or more of the following: death, days away from work, restricted work or job transfer, medical treatment beyond first aid, loss of consciousness, or a diagnosis of a significant injury or illness by a physician or licensed healthcare professional (even if it does not lead to any of the outcomes listed above). The data should include fatalities, but commuting-related incidents are not included in the statistics.

Types of Occupational Injuries	2022	2023	2024	Hazards and Improvement Measures
Falls	0	0	3	Wuxi Plant: Email advocacy and safety education training. Zhunan Plant: Use lighting assistance when moving in dark areas; avoid using mobile phones while walking
Pinching, entanglement	1	0	1	Zhunan Plant: Reassessed machine safety guards to prevent pinching and entanglement injuries, improving operational safety.
Falling objects	0	0	1	Zhunan Plant: Require wearing safety steel-toe shoes when handling goods and conduct related training and advocacy.
Improper movements	0	1	0	Zhunan Plant: Conduct incident advocacy; personnel must communicate and confirm before executing tasks.
Liquid splashes	0	0	1	Zhunan Plant: Reassessed the tightness of suction ball connections and enforced wearing safety goggles.
Crushing injuries	0	3	0	Wuxi Plant: Installed cushioning devices on oven doors. Suzhou Plant: Completed safety improvements on equipment and operating procedures.

Note 1: The statistics in the above table include both Taiwan and Mainland China plants.

5.4 Community Participation

As a member of society, a company is interdependent with investors, employees, local communities, and other stakeholders. INPAQ leverages its influence to fulfill corporate social responsibility through proactive initiatives. We collaborate with local groups at our operating locations to ensure resources reach those truly in need. Beyond contributing under our own name, INPAQ also responds to the group's call by donating funds to the charitable foundation established by the group. By pooling collective goodwill, we aim to utilize resources effectively and strive to make society better.

Monday Nice

In collaboration with the "PSA Charitable Foundation", the "Monday Nice" event was launched under the belief that "doing good deeds on Monday helps ease the Monday blues." Employees are encouraged to start by sharing, turning their heartfelt messages into a warm and uplifting force. These messages of blessing are then delivered to the foundation's staff and individuals under their care.



2024/12/24 Christmas Passion · Charity Sale Event



While the company continues to grow its industrial economy, it is also committed to sustainable development and fulfilling corporate social responsibility. On the eve of Christmas, the event was themed "Sustainable Living, Love Reused", promoting environmental sustainability by encouraging reuse through a charity sale. All proceeds from the sale were matched with additional donations from the company and given to local social welfare organizations.





Appendix 1 *GRI Content Index*

Topic	Disclosure	Description	Chapter	Page
GRI 2: General Disclosures 2021				
The organization and its reporting practices	2-1	Detailed Information about the Organization	Preface: Message from Management & Editorial Guidelines	1
	2-2	Entities Included in the Organization's Sustainability Reporting	Preface: Message from Management & Editorial Guidelines	1
	2-3	Reporting Period, Frequency, and Contact Point	Preface: Message from Management & Editorial Guidelines	1
	2-4	Restatements of Information	Preface: Message from Management & Editorial Guidelines	1
	2-5	External Assurance	Appendix III: Third-Party Assurance Statement	86
Activities and Workers	2-6	Activities, Value Chain, and Other Business Relationships	2.1 Company Profile	11
	2-7	Employees	5.2 Employee Profile Statistics	58
	2-8	Non-employee Workers	5.2 Employee Profile Statistics	58
Governance	2-9	Governance Structure and Composition	3.1 Governance Practices	17
	2-10	Nomination and Selection of the Highest Governance Body	3.1.1 Board of Directors	19
	2-11	Chair of the Highest Governance Body	3.1.1 Board of Directors	19
	2-12	Role of the Highest Governance Body in Overseeing Impact	3.1.1 Board of Directors 3.1.3 Internal Audit	19 22



Appendix 1 *GRI Content Index*

Topic	Disclosure	Description	Chapter	Page
GRI 2: General Disclosures 2021				
Governance	2-13	Person Responsible for Impact Management	3.2 Risk Management	24
	2-14	Role of the Highest Governance Body in Sustainability Reporting	1.1 Sustainability Implementation Committee	4
	2-15	Conflicts of Interest	3.1.1 Board of Directors	19
	2-16	Communication of Key Material Events	3.1.1 Board of Directors	19
	2-17	Collective Knowledge of the Highest Governance Body	3.1.1 Board of Directors	19
	2-18	Performance Evaluation of the Highest Governance Body	3.1.1 Board of Directors	19
	2-19	Remuneration Policy	3.1.2 Functional Committees	21
	2-20	Remuneration Determination Process	3.1.2 Functional Committees	21
	2-21	Annual Ratio of Total Compensation	Confidentiality Regulations / Disclosure is restricted due to the company's salary confidentiality policy	/
Strategy, Policies, and Practices	2-22	Statement on Sustainability Strategy	Preface: Message from Management & Editorial Guidelines	1
	2-23	Policy Commitments	1. Stakeholder and Material Topic Identification Procedures	4
	2-24	Integration of Policy Commitments	1. Stakeholder and Material Topic Identification Procedures	4
	2-25	Procedures for Remediating Negative Impacts	1. Stakeholder and Material Topic Identification Procedures	4
	2-26	Mechanisms for Seeking Advice and Raising Concerns	1. Stakeholder and Material Topic Identification Procedures	4



Appendix 1 *GRI Content Index*

Topic	Disclosure	Description	Chapter	Page
GRI 2: General Disclosures 2021				
Strategy, Policies, and Practices	2-27	Regulatory Compliance	3.3 Regulatory Compliance	27
	2-28	Membership in Industry Associations	2.4 Participation in External Organizations	15
Stakeholder Engagement	2-29	Stakeholder Engagement Policy	1. Stakeholder and Material Topic Identification Procedures	4
	2-30	Collective Agreement	Not applicable / The company has not established a labor union nor signed any collective agreements with employees. Instead, it maintains two-way communication through quarterly labor-management meetings. During the reporting period, the company maintained a harmonious labor-management relationship.	/
GRI 3: Material Topic 2021				
Material Topic 2021	3-1	Process for Determining Material Topics	1. Stakeholder and Material Topic Identification Procedures	4
	3-2	List of Material Topics	1. Stakeholder and Material Topic Identification Procedures	4
Economic Aspects				
Economic Performance				Page
GRI 3: Material Topic 2021	3-3	Material Topic Management	3.4 Operational Performance	28
GRI 201: Economic Performance 2016	201-1	Direct Economic Value Generated and Distributed by the Organization	3.4 Operational Performance	28
	201-2	Financial Impacts, Risks, and Opportunities Arising from Climate Change	3.2 Risk Management	24
	201-3	Defined Benefit Obligations and Other Retirement Plans	5.2.1 Compensation and Benefits	62
	201-4	Financial Assistance Received from the Government	3.4 Operational Performance	28



Appendix 1 *GRI Content Index*

(Custom Topic Titles)				Page
GRI 3：Material Topics 2021 Innovation and R&D	3-3	Material Topic Management	3.5.1 Innovation and R&D	31
		Custom Material Topics	3.5.1 Innovation and R&D	31
GRI 3：Material Topics 2021 Product Quality	3-3	Material Topic Management	3.5.2 Product Quality	33
		Custom Material Topics	3.5.2 Product Quality	33
GRI 3：Material Topics 2021 Information Security	3-3	Material Topic Management	3.6 Information Security Protection	35
		Custom Material Topics	3.6 Information Security Protection	35
Environmental Aspects				
Energy				Page
GRI 3：Material Topics 2021	3-3	Material Topic Management	4.2.1 Energy Management	38
GRI 302：Energy 2016	302-1	Energy Consumption Within the Organization	4.2.1 Energy Management	38
	302-2	Energy Consumption Outside the Organization	4.2.1 Energy Management	38
	302-3	Energy Intensity	4.2.1 Energy Management	38
	302-4	Reduction of Energy Consumption	4.2.1 Energy Management	38
	302-5	Reduction in Energy Requirements of Products and Services	4.2.1 Energy Management	38

Appendix 1 *GRI Content Index*

Emissions				Page
GRI 3: Material Topics 2021	3-3	Material Topic Management	4.2.4 Greenhouse Gas Management	42
GRI 305 : Emissions 2016	305-1	Direct (Scope 1) greenhouse gas (GHG) emissions	4.2.4 Greenhouse Gas Management	42
	305-2	Energy indirect (Scope 2) GHG emissions	4.2.4 Greenhouse Gas Management	42
	305-3	Other indirect (Scope 3) GHG emissions	4.2.4 Greenhouse Gas Management	42
	305-4	GHG emissions intensity	4.2.4 Greenhouse Gas Management	42
	305-5	GHG emissions reduction	4.2.4 Greenhouse Gas Management	42
	305-6	Emissions of ozone-depleting substances (ODS)	4.2.4 Greenhouse Gas Management	42
	305-7	Emissions of nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.2.4 Greenhouse Gas Management	42
Waste				Page
GRI 3: Material Topics 2021	3-3	Material Topic Management	4.4 Waste Management	47
GRI 306: Waste 2020 Management Approach	306-1	Waste Generation and Significant Waste-Related Impacts	4.4 Waste Management	47
	306-2	Management of Significant Waste-Related Impacts	4.4 Waste Management	47
GRI 306: Waste 2020	306-3	Waste Generation	4.4 Waste Management	47
	306-4	Waste Disposal and Transfer	4.4 Waste Management	47
	306-5	Direct Waste Disposal	4.4 Waste Management	47



Appendix 1 *GRI Content Index*

Supplier Environmental Assessment				Page
GRI 308: Supplier Environmental Assessment 2016	308-1	New supplier screening using environmental criteria	4.5 Sustainable Supply Chain	52
	308-2	Negative environmental impacts in the supply chain and actions taken	4.5 Sustainable Supply Chain	52
Social (including Human Rights) Aspects				
Labor-Management Relations				Page
GRI 3: Material Topics 2021	3-3	Material Topic Management	5.2.1 Compensation and Benefits	61
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	5.2.1 Compensation and Benefits	61
	401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	5.2.1 Compensation and Benefits	61
	401-3	Parental leave	5.2.1 Compensation and Benefits	61
	Salary	Disclosure of the number of full-time employees not in managerial positions, the average and median salary of such employees, and the differences of the three compared to the previous year	5.2.1 Compensation and Benefits	61
Labor-Management Relations				
GRI 3: Material Topics 2021	3-3	Material Topic Management	5.2.3 Labor-Management Communication	68
GRI 402: Labor/Management Relations 2016	402-1	Minimum Notice Periods Regarding Operational Changes	5.2.3 Labor-Management Communication	68



Appendix 1 *GRI Content Index*

Occupational Health and Safety				Page
GRI 3: Material Topics 2021	3-3	Material Topic Management	5.3 Occupational Health and Safety	69
GRI 403: Occupational Health and Safety 2018 Management Approach	403-1	Occupational Health and Safety Management System	5.3 Occupational Health and Safety	69
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	5.3 Occupational Health and Safety	69
	403-3	Occupational Health Services	5.3 Occupational Health and Safety	69
	403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	5.3 Occupational Health and Safety	69
	403-5	Worker Training on Occupational Health and Safety	5.3 Occupational Health and Safety	69
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	403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Related to Business Activities	5.3 Occupational Health and Safety	69
GRI 403: Occupational Health and Safety 2018	403-8	Workers Covered by the Occupational Health and Safety Management System	5.3 Occupational Health and Safety	69
	403-9	Occupational Injuries	5.3 Occupational Health and Safety	69
	403-10	Occupational Diseases	5.3 Occupational Health and Safety	69
Training and Education				Page
GRI 404: Training and Education 2016	404-1	Average Hours of Training per Employee per Year	5.2.2 Talent Development	67
	404-2	Employee Skill Enhancement and Transition Assistance Programs	5.2.2 Talent Development	67



Appendix 1 *GRI Content Index*

Employee Diversity and Equal Opportunity				Page
GRI 405 : Diversity and Equal Opportunity 2016	405-1	Diversity of Governance Bodies and Employees	3.1.1 Board of Directors	19
			5.1 Employee Demographics Statistics	58
	405-2	Ratio of Basic Salary and Remuneration of Women to Men	5.2.1 Compensation and Benefits	61
Supplier Social Assessment				Page
GRI 414 : Supplier Social Assessment 2016	414-1	Screening New Suppliers Using Social Criteria	4.5 Sustainable Supply Chain	52
	414-2	Negative Social Impacts in the Supply Chain and Actions Taken	4.5 Sustainable Supply Chain	52



Appendix 2 *SASB Disclosure – Semiconductor Industry*

Disclosure Topics	Metric Code	Disclosure Metric	Type	Unit	Annual Disclosure Content
Greenhouse Gas Emissions	TC-SC-110a.1	(1) Total Scope 1 Greenhouse Gas Emissions Globally	Quantitative	Metric Tons (t) CO2-e	(1) Total Scope 1 emissions in 2024 from Zhunan, Taichung, Wuxi, and Suzhou plants: 1,380.1630 metric tons CO ₂ -e
		(2) Total Perfluorinated Compound (PFC) Emissions			(2) Total perfluorocarbon (PFC) emissions in 2024: Not applicable to INPAQ
	TC-SC-110a.2	Discussion of long-term and short-term strategies or plans for managing Scope 1 emissions, reduction targets, and performance analysis	Qualitative Description	-	Please refer to Section 4.2 of the report for detailed information.
Energy Management in Manufacturing	TC-SC-130a.1	(1) Total Energy Consumption	Quantitative	Gigajoules (GJ), Percentage (%)	(1) Total energy consumption in 2024: 206,774.1048 GJ
		(2) Percentage of Total Energy Consumption from the Grid			(2) Percentage of energy consumed from the power grid in 2024: 100%
		(3) Percentage of Total Energy Consumption from Renewable Energy Sources			(3) Percentage of renewable energy used in total energy consumption in 2024: 0%
Water Resource Management	TC-SC-140a.1	(1) Total Water Withdrawal and the Percentage from Areas with High Water Stress	Quantitative	Thousand Cubic Meters (m ³), Percentage (%)	Total water withdrawal in 2024: 294.9080 thousand cubic meters (m ³) Percentage of water withdrawal from areas with high water stress in 2024: 38.3441%
		(2) Total Water Consumption and the Percentage from Areas with High Water Stress			Total water consumption in 2024: 142.7568 thousand cubic meters (m ³) Percentage of water consumption from areas with high water stress in 2024: 34.5237%
Waste Management	TC-SC-150a.1	Hazardous Waste Generated During Manufacturing and the Recycling Rate	Quantitative	Metric Tons (t), Percentage (%)	Hazardous Waste Generated During Manufacturing in 2024: A total of 386.6653 metric tons from Zhunan, Taichung, Wuxi, and Suzhou plants. Hazardous Waste Recycling Rate in 2024: The combined recycling rate from the four plants (Zhunan, Taichung, Wuxi, and Suzhou) was 39.2227%.



Appendix 2 SASB Disclosure – Semiconductor Industry

Disclosure Topics	Metric Code	Disclosure Metric	Type	Unit	Annual Disclosure Content
Employee Health and Safety	TC-SC-320a.1	Description of Methods Used to Assess, Monitor, and Reduce Employee Exposure to Hazardous Environments	Qualitative Description	-	For more details, please refer to Section 5.3 of the report.
	TC-SC-320a.2	Total Monetary Losses Resulting from Legal Proceedings Related to Employee Health and Safety Violations	Quantitative	Amount (\$)	Since no such incidents occurred during the reporting year, the total loss was NTD\$0.
Recruitment and Management of Global Professional Talent	TC-SC-330a.1	(1) Percentage of Foreign Employees (2) Percentage of Overseas Employees	Quantitative	Percentage (%)	(1) Percentage of Foreign Employees: Foreign employees are defined as those who require a work visa in the country of employment. The percentage is 29.58%. (2) Percentage of Overseas Employees: Employees located outside the Taiwan region account for 43.23%.
Product Lifecycle Management	TC-SC-410a.1	Revenue Percentage from Products Containing Declarable Substances under IEC 62474	Quantitative	Amount (\$)	Revenue Percentage from Products Containing Declarable Substances under IEC 62474: 0%
	TC-SC-410a.2	System-Level Energy Efficiency of Processors: (1) Servers (2) Desktop Computers (3) Laptop Computers	Quantitative	-	Not Applicable
Raw Material Procurement	TC-SC-440a.1	Description of Risk Management Approaches for the Use of Critical Materials	Qualitative Description	-	Risk Management for Critical Material Shortages or Long Lead Times: (1)Provide long lead-time forecasts (FCST) to suppliers. (2)Maintain close communication with customers to obtain clear project progress and changes in order volume. (3)Appropriately increase inventory levels of critical raw materials to respond to unexpected demand or supply delays.
Intellectual Property Protection and Competitive Behavior	TC-SC-520a.1	Total Monetary Losses Resulting from Legal Proceedings Related to Anti-Competitive Behavior	Quantitative	Amount (\$)	Since no such incidents occurred during the reporting year, the total loss was NTD\$0.



Appendix 2 *SASB Disclosure – Semiconductor Industry*

Disclosure Topics	Metric Code	Disclosure Metric	Type	Unit	Annual Disclosure Content
Activity Metrics					
-	TC-SC-000.A	Total Production Output	Quantitative	-	The product output of the Company for the year 2024 is as follows: Components: 20,949,792 K pcs Antennas: 715,315 K pcs
	TC-SC-000.B	Percentage of Production from Owned Facilities	Quantitative	Percentage (%)	Both component and antenna products were manufactured and shipped from the Company’s own facilities, accounting for 100% of the total production.

Appendix 3 Sustainability Disclosure Indicators – Electronic Components Industry

Note 1: Includes the sale of scrap materials or other recycling processes; relevant explanations should be provided.

Number	Indicator	Type of Indicator	Annual Disclosure Content	Unit
1	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate	Quantitative	Total Energy Consumption in 2024: 206,774.1048 GJ Percentage of Purchased Electricity: 100% Renewable Energy Usage Rate: 0%	Gigajoules (GJ), Percentage (%)
2	Total water withdrawal and total water consumption	Quantitative	Total Water Withdrawal: 294.9080k m³ Total Water Consumption: 142.7568k m³	Thousand Cubic Meters (m³)
3	Weight of hazardous waste generated and percentage recycled	Quantitative	Hazardous Waste Generated During Manufacturing in 2024: A total of 386.6653 metric tons across Zhunan, Taichung, Wuxi, and Suzhou plants Hazardous Waste Recycling Rate in 2024: 39.2227% across Zhunan, Taichung, Wuxi, and Suzhou plants	Metric Tons (t), Percentage (%)
4	Description of occupational injury types, number of cases, and rates	Quantitative	For details, please refer to Chapter 5.3 of the report.	Rate (%), Quantity
5	Disclosure on product lifecycle management: including the weight of discarded products and electronic waste, and the percentage recycled	Quantitative	As a B2B company, we are not involved in the end-of-life handling of products, raw materials, or components for end customers.	Metric Tons (t), Percentage (%)
6	Description of risk management related to the use of critical materials	Qualitative Description	Risk Management Measures for Key Material Shortage or Extended Lead Times: (1) Provide long lead-time FCST to suppliers (2) Maintain close communication with customers to obtain accurate project timelines and order volume adjustments (3) Appropriately increase inventory levels of key raw materials to cope with sudden demand or supply delays	n/a
7	The total monetary losses resulting from legal proceedings related to anti-competitive behavior regulations.	Quantitative	There were no monetary losses incurred in 2024 due to legal proceedings related to anti-competitive behavior regulations.	Reporting Currency
8	Main product output by product category	Quantitative	Product Output in 2024: Components: 20,949,792 K pcs Antennas: 715,315 K pcs	Varies by Product Type

Appendix 4 Assurance Statement



Independent Assurance Statement Based on 2024 Sustainability Report of INPAQ TECHNOLOGY CO., LTD.

Statement No.: 2506009

INPAQ TECHNOLOGY CO., LTD. (hereinafter referred to as INPAQ) and GREAT International Certification Co., Ltd. (hereinafter referred to as GREAT) are independent companies and organizations. Except for the evaluation and verification of the company's 2024 sustainability report, GREAT has no financial relationship with INPAQ.

The purpose of this independent assurance statement (hereinafter referred to as the Statement) is only to serve as the conclusion of guaranteeing the relevant matters within the scope defined in the following relevant INPAQ's Sustainability Report, and not for other purposes. Except for the Statement for fact verification, GREAT does not bear any relevant legal or other responsibilities for the use of other purposes, or anyone who reads this Statement.

This Statement is based on the conclusions made by the relevant information verification provided by INPAQ to GREAT. Therefore, the scope of the review is based on and limited to the content of the information provided. GREAT believes that the information content is complete, accurate and precise. Any questions about the content of this Statement or related matters will be answered by INPAQ.

The Scope of Assurance

The verification scope of INPAQ and GREAT agreement includes:

- The contents of the entire sustainability report and all operating performance of INPAQ from January 1, 2024 to December 31, 2024;
- According to the type 1 of AA1000 Assurance Standard v3, evaluate the nature and degree of INPAQ's compliance with the AA1000 Accountability Principles (2018), excluding the verification of the reliability of the information/data disclosed in the report.
- This Statement is made in Chinese and translated into English for reference.

Verification Opinion

We summarize the content of INPAQ's sustainability report, and provide a fair standpoint of INPAQ's related operations and performance. We believe that the specific performance indicators of INPAQ in 2024, such as environment, society and corporate governance, are presented correctly. The performance indicators disclosed in the report demonstrate INPAQ's expectations and efforts to identify and satisfy stakeholders.

Our verification work is carried out by a group of teams with verification capabilities according to the AA1000 Assurance Standard v3, as well as the planning and execution of this part of the work to obtain the necessary information data and instructions. We believe that the evidence provided by INPAQ is sufficient to show that its reporting method and self-declaration in accordance with the AA1000 Assurance Standard v3 and its 2018 appendix are in line with the GRI Sustainability Reporting Guidelines.

Verification method

To gather the evidence relevant to the conclusions, we performed the following:

- To conduct a senior management review of issues from external parties related to INPAQ's corporate policies to confirm the appropriateness of the statement in this report;
- To discuss with the managers of INPAQ about the way of stakeholder participations, and have no direct contact with external stakeholders;
- To interview with employees related to the preparation of the sustainability report and information provision;
- To audit the performance data of INPAQ on a sampling basis;
- To evidence supporting the claims made in the review report;
- To Review the management process of the principles of inclusivity, materiality, responsiveness, and impact described in the company report and its related AA1000 Accountability Principles (2018).

Conclusion

The results of a detailed review of the AA1000 Accountability Principles (2018) including inclusivity, materiality, responsiveness, impact and GRI sustainability reporting standards are as follows:

- **Inclusivity**
INPAQ has established a process of cooperation with major stakeholders, including shareholders/investors, customers, employees and suppliers, etc., and will launch a series of stakeholder activities in 2024, involving economy, environment



and society, a series of major themes. In terms of our professional opinion, this report covers the inclusivity issues of INPAQ.

- Materiality

The report has stated that INPAQ focuses on economy, environment and society topics, and identified 10 major topics including operating performance, innovation R&D, product quality, information security, energy management, greenhouse gas management, waste management, salary and benefits, labor-management communication and occupational safety, etc. In terms of our professional opinion, this report appropriately covers the materiality issues of INPAQ.

- Responsiveness

INPAQ responds to requests and opinions from stakeholders. Implementation methods include shareholders' meeting, legal person briefing session, public information observatory, company website announcement/email mailbox, spokesperson, customer service satisfaction survey, supplier evaluation/confidentiality agreement, labor-management meeting, employee education and training/feedback mailbox, phone calls and email, etc., those numerous internal and external stakeholder communication mechanisms, as an opportunity to provide further responses to stakeholders, and to promptly respond to stakeholder concerns. In terms of our professional opinion, this report covers the responsiveness issues of INPAQ.

- Impact

INPAQ has identified and fairly demonstrated its impact with balanced and effective measurement and disclosure. INPAQ has established a process for monitoring, measuring, evaluating and managing impacts, which helps to achieve more effective decision-making and results management within the organization. In terms of our professional opinion, this report covers the impact issues of INPAQ.

- GRI Guidelines

INPAQ provides the self-declaration of compliance with the GRI Sustainability Reporting Standards and relevant information. Based on the results of the review, we confirm that the report refers to the social responsibility and sustainability of the GRI Sustainability Reporting Standards. Relevant disclosure items for developments have been disclosed, partially disclosed, or omitted. In terms of our professional opinion, this self-declaration covers INPAQ's social responsibility and sustainability themes.

Assurance level

According to the AA1000 Assurance Standard v3 and its 2018 Appendix, we have verified that this Statement is a moderate level of assurance, as described in the scope and methods of this Statement.

Responsibility

The responsibility of the sustainability report, as stated in this Statement, is owned by the person in charge of INPAQ. The responsibility of GREAT is solely to provide professional opinions based on the scope and methods described, and to provide a Statement for the stakeholders.

Ability and Independence

GREAT is composed of experts in various management system fields. The verification team is composed of members with professional background, who have received training in a series of sustainable development, environmental and social management standards such as AA1000 AS v3, ISO 9001, ISO 14001 and ISO 45001, and are qualified as lead auditors.

On behalf of the assurance team JUNE 26, 2025

GREAT International Certification Co., Ltd.

Taiwan, Republic of China

Signed by General Manager W. J. Chen





Appendix 5 *Climate-Related Information Performance*

Item	Implementation Status																										
1. Describe the Board's and management's oversight and governance regarding climate-related risks and opportunities.	<p>The Board of Directors has adopted the Corporate Social Responsibility Best Practice Principles and established the Sustainability Promotion Committee. The General Manager serves as the Chairman, and the Committee has specialized sub-groups responsible for collecting stakeholder concerns regarding environmental protection, occupational safety, supply chain management, labor rights, operational performance, and corporate governance. The Sustainability Promotion Committee formulates sustainability development policies, is responsible for promoting and implementing them within the company, gradually integrating the concept of sustainable operation into the Chipbond corporate culture, and is responsible for reviewing and supervising implementation performance, reporting ESG execution results to the Board of Directors at least once a year.</p>																										
2. Describe how the identified climate risks and opportunities affect the enterprise's business, strategy, and financials (short-term, medium-term, long-term).	<table><tr><th colspan="4">Climate Risks</th></tr><tr><th>Dimension</th><th>Timeframe</th><th>Risk</th><th>Opportunity</th></tr><tr><td rowspan="2">Business</td><td>Short-term</td><td>Extreme weather events lead to supply chain disruption, affecting product delivery times and resulting in reduced revenue.</td><td rowspan="2">Identifying alternative material suppliers to mitigate supply chain risk; establishing smart factories and introducing automated equipment.</td></tr><tr><td>Medium-to-Long-term</td><td>Low-carbon transformation of products and establishment of necessary infrastructure.</td></tr><tr><td rowspan="2">Strategy</td><td>Short-term</td><td>New regulations regarding the imposition of carbon fees and carbon taxes.</td><td rowspan="2">Seizing critical strategic opportunities for net-zero, actively co-developing green products with customers, and enhancing corporate reputation.</td></tr><tr><td>Medium-to-Long-term</td><td>Use of renewable energy, low-carbon technological capability, and net-zero emissions.</td></tr><tr><td rowspan="2">Financial</td><td>Short-term</td><td>Extreme weather events cause rising raw material costs and increased transportation expenses.</td><td rowspan="2">Stable development and creation of high-value green solutions.</td></tr><tr><td>Medium-to-Long-term</td><td>Policy and regulations increase greenhouse gas emission costs: impact on operating costs such as carbon fees.</td></tr></table>	Climate Risks				Dimension	Timeframe	Risk	Opportunity	Business	Short-term	Extreme weather events lead to supply chain disruption, affecting product delivery times and resulting in reduced revenue.	Identifying alternative material suppliers to mitigate supply chain risk; establishing smart factories and introducing automated equipment.	Medium-to-Long-term	Low-carbon transformation of products and establishment of necessary infrastructure.	Strategy	Short-term	New regulations regarding the imposition of carbon fees and carbon taxes.	Seizing critical strategic opportunities for net-zero, actively co-developing green products with customers, and enhancing corporate reputation.	Medium-to-Long-term	Use of renewable energy, low-carbon technological capability, and net-zero emissions.	Financial	Short-term	Extreme weather events cause rising raw material costs and increased transportation expenses.	Stable development and creation of high-value green solutions.	Medium-to-Long-term	Policy and regulations increase greenhouse gas emission costs: impact on operating costs such as carbon fees.
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Appendix 5 *Climate-Related Information Performance*

Item	Implementation Status
3. Describe the financial impact of extreme weather events and transition activities.	Acute Physical Risk (High Temperature Hazards): Rising electricity costs leading to increased summer power consumption expenses. Acute Physical Risk (Increased Frequency of Heavy Rainfall and Precipitation): Potential flooding of the Global Headquarters and R&D Center building, resulting in asset loss and subsequent recovery costs. Transition Risk: Introduction of a low-carbon economy and the adoption of renewable energy at the headquarters, plants, and value chain, which may lead to an increase in overall energy prices, thereby reducing corporate profitability.
4. Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management system.	The company adopts the following measures: 1. Execution according to the "Emergency Response Measures." 2. Regular implementation of drills, inspections, and disaster prevention organization training. 3. During typhoons, earthquakes, and heavy rain, personnel are on duty at the plant to conduct real-time inspections of plant conditions, with security personnel also available for mutual safety support. 4. The ESH (Environmental Safety and Health) unit inspects and prepares sandbags before the typhoon season arrives. 5. Attention is paid to whether customers' companies or plants are affected by typhoons, hurricanes, earthquakes, or heavy rain. If such a situation occurs, the business management unit checks their transaction volume and accounts receivable status, and notifies sales to immediately contact the customer to understand their operational or disaster losses, thereby further reducing the risk of bad debt. 6. To reduce the greenhouse effect and mitigate climate change, the cartons and other packaging materials currently used are made of recycled paper, with SGS inspection reports provided by suppliers, aiming to reduce tree felling and achieve carbon reduction goals. 7. The Company's Board of Directors has adopted the Corporate Social Responsibility Best Practice Principles and established the Sustainability Promotion Committee in October 2021 (Year 110). Sustainability and net-zero planning are placed under the ESH sub-group, which regularly holds working meetings to report directly to the General Manager on the effectiveness of greenhouse gas management and climate change response achievements.
5. If scenario analysis is used to assess resilience to climate change risks, describe the scenarios used, parameters, assumptions, analytical factors, and key financial impacts.	The company is not currently using scenario analysis to assess resilience to climate change risks.
6. If there is a transition plan for managing climate-related risks, describe the plan's content, and the indicators and targets used to identify and manage physical and transition risks.	The company does not currently have a transition plan for managing climate-related risks.



Appendix 5 *Climate-Related Information Performance*

Item	Implementation Status
7. If internal carbon pricing is used as a planning tool, describe the basis for price determination.	The company has not yet planned an internal carbon pricing scheme.
8. If climate-related targets have been set, describe the activities covered, the scope of greenhouse gas emissions, the planning period, annual progress towards achievement, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the relevant targets, describe the source and quantity of the offset reductions or the quantity of RECs.	The company has not yet set climate-related targets.
9. Greenhouse gas inventory and assurance status, along with reduction targets, strategies, and specific action plans (to be filled in Forms 1-1 and 1-2 separately).	Please see the explanation below.



Appendix 5 *Climate-Related Information Performance*

1-1 Greenhouse Gas Inventory and Assurance Status for the Last Two Years.
1-1-1 Greenhouse Gas Inventory Information State the greenhouse gas emissions (ton-CO2e), intensity (ton-CO2e/NT\$Millions), and data coverage for the last two years.

Plant	Scope Boundary / Year	R.O.C. 112	R.O.C. 113
Zhunan Plant	Scope 1 (ton-CO2e) Direct Emissions	433.7607	440.4
Taichung Plant		53.024	52.162
Wuxi Plant		696.7205	697.38
Suzhou Plant		181.603	183.14
Total (ton-CO2e)		1,365.11	1,373.08
Zhunan Plant	Scope 2 (ton-CO2e) Indirect Emissions	13,432.85	14,054.29
Taichung Plant		1,799.86	1,698.19
Wuxi Plant		7,167.31	7,992.51
Suzhou Plant		6,943.62	7,333.60
Total (ton-CO2e)		29,660.06	31,078.59
Scope 1+Scope 2(ton-CO2e)		31,025.17	32,451.67
Revenue (in millions of NTD)		6,604	7,366
Carbon Emission Intensity (Scope 1 + Scope 2) (ton-CO2e / NT\$Millions)		4.6979	4.4054



Appendix 5 *Climate-Related Information Performance*

1-1-2 Greenhouse Gas Assurance Information

State the assurance status for the last two years up to the date of the Annual Report printing, including the assurance scope, assurance body, assurance standards, and assurance opinion.

In 2023 (R.O.C. 112), the greenhouse gas verification for the Taiwan plants (Zhunan and Taichung Plants) and the China plants (Suzhou and Wuxi Plants) was performed by UL (Underwriters Laboratories) against the ISO 14064-3:2019 Greenhouse Gases specification. UL verified and confirmed the company's GHG statement and issued an ISO 14064-1:2018 Limited Level of Assurance Verification Statement.

2024 (R.O.C. 113):

Taiwan Region (Zhunan and Taichung Plants): Verification was performed by DQS (German Association for Quality System Certification) against the ISO 14064-3:2019 Greenhouse Gases specification. DQS verified and confirmed the company's GHG statement and issued an ISO 14064-1:2018 Limited Level of Assurance Verification Statement.

China Region (Suzhou and Wuxi Plants): Verification was performed by CIC (China Inspection and Certification Group Jiangsu Co., Ltd.) against the ISO 14064-3:2019 Greenhouse Gases specification. CIC verified and confirmed the company's GHG statement and issued an ISO 14064-1:2018 Limited Level of Assurance Verification Statement.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

State the GHG reduction baseline year and its data, reduction targets, strategies, and specific action plans, and the status of reduction target achievement.

The company has established an Environmental Policy, and subsequent discussions will evaluate the inclusion of greenhouse gases within this policy.

Carbon Reduction Target: For 2024–2028 (R.O.C. 113–117), the target is an average annual carbon reduction of 1%, aligning with the international 2050 Net-Zero Emissions trend.

2024 (R.O.C. 113) Emission Reduction Budget and Plan: The plan includes: installing inverters on the 5th floor air conditioning system at Zhunan Plant 2, replacing the air compressor adsorption dryer with a heated dryer at Plant 1, and upgrading the old chiller unit at Plant 1 (Budget spent: NT\$ 17,230 thousand). The total estimated carbon reduction is \$330.35 \text{ metric tons}\$. The achievement rate for the 2024 carbon reduction plan target is 100%.



**WE CONNECT & WE PROTECT
WE ARE ONE**

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