About the Report

This is the fourth Sustainability Report (ESG Report) present by NEXCOM Co., Ltd.'s (hereinafter referred to as NEXCOM) to stakeholders to demonstrate its commitment and efforts in implementing international Environmental, Social, and Governance (ESG) standard for sustainable business practices. NEXCOM commits to continuous communicate with stakeholders, gathering their expectations and needs and annually publishing the Sustainability Report to address important issues of concern to stakeholders, thereby striving to implement sustainable development in ESG.

Report Boundary

The disclosed data in this report covers the period from January 1, 2024, to December 31, 2024, regarding NEXCOM Group corporate governance, environmental sustainability, and social commitments. It includes the performance of various aspects and concerns raised by stakeholders. The report boundary is set around NEXCOM Group as the main entity, including the Headquarter, Sanmin Factory and Hua-Ya Factory, but excludes subsidiary operational data. If certain content spans different years or regions of operations, it will be separately explained in the text of this report. The financial data has been audited and certified by KPMG, in accordance with International Financial Reporting Standards (IFRS), and is consistent with the company's financial disclosures. There have been no significant changes in terms of scale, structure, ownership, and supply chain for NEXCOM Group during the year 2024. If there are any information restatements for specific topics in this report, they will be noted in the respective paragraphs.

Editorial Principles of the Report

This report has been prepared in accordance with domestic requirements of "sustainability disclosure report preparation procedures for Taiwan listed and Over-the-Counter (OTC) Companies" and international guidelines such as "the 2021 edition of the Global Reporting Initiative (GRI) Guidelines," "UN Sustainable Development Goals (SDGs), " "Task Force on Climate-related Financial Disclosures (TCFD) framework and Sustainability Accounting Standards Board (SASB)."

Report Review Methods

Contents of this report are compiled and edited by the Sustainability Report Compilation Team and reviewed by head of each department prior to the issue of the first draft report. The final report will be issued and presented to the annual Board of Directors meeting for final approval and publication.

Reports Issuance Date

- Current issue: August 2025
- Next issue: August 2026

External Assurance

External assurance of the report was performed by ARES International Certification Co., Ltd. (a third-party verification provider) following assurance procedures of the AA 1000 Accountability Principle: 2018 and Type 1 moderate level of assurance. Detail information of external assurance are provided in the independent assurance statement in Appendix.

Contact Information

To continuously improve the quality of sustainability report and promote communication with stakeholders, your comments and suggestions are sincerely welcomed. Please feel free to contact us at:

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Message from the Chairman

Since its establishment in 1992, NEXCOM has journeyed through 33 years as a pioneer in the IPC industry. We deeply recognize that the responsibility of a modern enterprise lies not only in excelling on its own, but also in contributing to the greater good of society and the world. Our sustainability vision and mission is to become a leader in industrial 4.0 and AIoT digital transformation solutions, while also striving for sustainable development in the areas of environment, society, and corporate governance.

Over the past decade, the rapid evolution of the tech industry has driven NEXCOM to continuously refine our organizational structure. Building upon our solid technical foundation and industry expertise, we have progressively mastered key technologies in 5G wireless communication, IoT under open standards, and smart manufacturing. With the recent acceleration of AI development, we have further integrated AI into various vertical applications, establishing a comprehensive software-defined edge computing service. This includes intelligent transportation, smart healthcare, AI-powered robotic controllers, AI OT security, and EdgeGPT, delivering a complete suite of innovative AIoT solutions.

With the support of AI technologies, ESG is no longer just a vision. It has become an achievable and actionable goal, NEXCOM has successfully built customized enterprise command centers (Situation Room) for numerous clients, offering services such as visualized dashboards and product carbon footprint tracking, This enables enterprises to effectively reduce carbon emissions and achieve their ESG net-zero goals.

NEXCOM Group will continue to closely monitor global ESG trends and actively participate in the development of relevant policies and standards both domestically and internationally, with the aim of leading sustainable development within the industry. We will strengthen collaboration with industry peers, academic institutions, and government agencies both domestically and internationally. By jointly explore and exchange the latest achievements and experiences in ESG, thereby driving progress across the entire industry.

NEXCOM Chairman Clement Lin

Internally, NEXCOM Group will further strengthen corporate governance and the implementation of corporate social responsibility, with a continued focus on employee welfare and training, in order to enhance the company's overall ESG performance. At the same time, NEXCOM Group will actively participate in public welfare initiatives and give back to society. We take pride in contributing to the realization of the global ESG vision, and are committed to achieving corporate sustainability while enhancing social well-being.

- **Environmental Sustainability:** With the goals of energy conservation, emission reduction and green production, we continue to promote product and technological innovation. We are committed to developing environmentally friendly product lines, such as industrial-grade embedded computer platforms, 5G communication and cybersecurity application platforms, etc. Additionally, we will reduce the environmental impact of our production processes by adopting eco-friendly materials and energy-saving technologies.

- **Social Sustainability:** We value employee well-being and career growth, providing quality work environment and career development opportunities. We will strengthen employee training to help them improve their professional skills and qualities, addressing industry changes and challenges. Furthermore, we will actively participate in social welfare activities, give back to the community, and collaborate with local communities and non-governmental organizations to promote social progress.

- **Corporate Governance:** We are continuously strengthening corporate governance to ensure transparency and accountability of business operations. We will enhance internal supervision and risk management mechanisms to ensure compliant operations and stable development. Furthermore, we will strictly adhere to domestic and international laws, regulations, and industry standards to enhance the company's reputation and competitiveness.

In terms of product strategy, we are continuously expanding and deepening product lines in the areas of Industry 4.0 and AIoT, including smart manufacturing demonstration factories, open-standard robot control solutions, comprehensive Industry 4.0 smart manufacturing solutions, industrial IoT information security solutions, smart healthcare solutions, and AIoT cloud ecosystem co-creation platforms. These efforts will enable us to provide comprehensive smart manufacturing solutions to various industries and support their success in the digital transformation process. We will actively participate in international market competition, collaborate with global enterprises, and establish a broader smart manufacturing ecosystem. Meanwhile, we are adopting open standards to Taiwanese businesses to develop a thriving ecosystem through collaboration and division of labor, thereby creating value for global customers.

In terms of business expansion, NEXCOM Group's subsidiary, Green Base Technology, specializes in AI image analysis, optical technologies, and electromechanical integration, offering comprehensive vision solutions. In recent years, the company has secured numerous domestic and international projects thanks to its highly rugged and reliable product quality. The brand has continued to grow steadily and is expected to be listed on the Taipei Exchange (OTC) market by the end of this year. This milestone will provide the Group with greater access to capital resources and market support, further accelerating our business development and market expansion.

Looking ahead, NEXCOM Group will continue to adhere to the principles of innovation, collaboration, and sustainable development, providing high-quality products and solutions to our customers. Through continuous efforts, we strongly believe that we will achieve the vision of becoming an industry leader in Industry 4.0 and AIoT digital transformation solutions, creating greater value for our customers, employees, and society.

Awards and Honors

▲ NEXCOM was honored with the Resilient Supply Chain Award at the 4th Digital Transformation Pinnacle Award, jointly organized by Harvard Business Review and CommonWealth Magazine. The award was personally accepted by Chairman Clement Lin on behalf of NEXCOM.

Supply Chain Award at the 4th Digital Transformation Pinnacle Awards

In response to the increasingly complex and uncertain global supply environment, NEXCOM has actively promoted the digitization and resilience of the supply chain, and in 2024 won the Resilient Supply Chain Group Award of the "4th Digital Transformation Pinnacle Awards " co-organized by「Harvard Business Review」and「Global Views Monthly」, standing out from 230 entries across Taiwan and receiving high recognition from 45 judging experts from industry, government, academia, and medicine.

The NEXCOM 4.0 Division team has joined hands with the Institute for Information Industry and Chang Gung University to promote the IPC industry supply chain resilience project, focusing on improving order fulfillment rates, strengthening customer response efficiency, and optimizing operational management. Through the introduction of the AI supply chain system, the project effectively grasps the suppliers' estimated delivery date and production progress, and through the raw material inventory forecasting mechanism, identifies key raw material needs and potential risks in advance. Specific results of the project include: order fulfillment rate increased by 10%, customer

▲ NEXCOM was recognized with the Model Award for Resilient Supply Chain Transformation in the SME category, for its resilient supply chain system within the IPC industry.

inquiry response time shortened to within 3 days, inventory costs reduced by 5%, and internal production scheduling flexibility significantly improved. In addition, the AI supply chain system will be expanded to more than 500 supply chain partners in the future to enhance the overall link stability and risk response capabilities, and create a supply system that can quickly respond to external changes.

This award not only highlights NEXCOM's innovative practices and leadership in the digital transformation of the supply chain, but also strengthens the company's specific performance in the ESG "social responsibility (S)" and "governance mechanism (G)", especially in the core issues of sustainable governance such as supplier collaboration, data-driven decision-making and resilience management. NEXCOM will continue to deepen its smart supply chain strategy as an important foundation for achieving operational stability, customer value and sustainable development, and move towards a more risk-resistant and adaptable industrial chain.

2024 Second New Taipei Enterprise Classic Award

NEXCOM received three honors at the "New Taipei Enterprise Classic Awards" hosted by the New Taipei City Government, including the Innovation Investment Category, the Sustainability Category – High-Quality Potential Enterprise, and the Classic Extraordinary Enterprise Category – Innovation Investment. NEXCOM was the only company to win three awards this year, fully demonstrating its comprehensive performance across multiple dimensions, including R&D innovation, corporate governance, and sustainable growth.

Innovative Investment Category:

This award recognizes NEXCOM long-term R&D investments in smart manufacturing, AIoT, and robotic control, highlighting its forward-looking technological capabilities and cross-domain innovative strength, which contribute to strengthening the foundation for industrial digital upgrade and smart transformation.

Sustainability Category - High-Quality Potential Enterprise:

This award recognizes NEXCOM's long-term commitment to the industrial computer market and its outstanding achievements in operational performance, corporate governance, and sustainable development strategies. This award recognizes high-quality companies that actively implement corporate social responsibility, promote sustainable governance, and demonstrate long-term growth potential.

NEXCOM continues to strengthen its corporate governance structure, deepening its internal culture of sustainable development through robust risk management mechanisms and stakeholder communication channels. Under the three pillars of ESG, NEXCOM actively implements environmental sustainability policies and high-standard corporate governance, demonstrating its commitment to steady growth and sustainable operations. The company actively promotes green design, energy conservation and carbon reduction, and circular economy strategies, while also investing in employee care, diversity and inclusion, and community engagement, fulfilling its social responsibility through concrete actions.

This honor not only affirms NEXCOM's ongoing commitment to sustainable development, but also encourages us to continue striving for higher governance goals, fulfill our responsibilities as a corporate citizen, and jointly create a sustainable future that is environmentally friendly and socially prosperous.

Classic Extraordinary Enterprise Category - Innovative Investment:

This award recognizes NEXCOM's leadership in introducing innovative technologies, industrial upgrading and transformation, and strategic investment. This award fully demonstrates NEXCOM's diverse achievements in technological innovation, resource integration, and sustainable operations. It further highlights its continuously improving competitiveness in the industrial computing sector and its synergistic advantages in resource integration and cross-domain applications. This award, in particular, fuels NEXCOM's future growth by promoting green transformation and sustainable digital development.

NEXCOM consistently prioritizes innovation as its core driving force, dedicating itself to smart technologies and industrial application solutions. The company is also comprehensively advancing its ESG policies, encompassing areas such as innovative R&D, supply chain responsibility, information security, energy efficiency, and corporate governance.

This award represents not only recognition of the company's long-term dedication to technological innovation and sustainable management but also motivates us to further strengthen our AIoT digital transformation strategy. We will continue to collaborate with industry partners to promote smart industry upgrades and jointly advance towards a new era of net-zero and digital integration.

2025 Taiwan Excellence Award

The world's first full-machine IP67 high protection, AI intelligent vehicle/railway computer ATC 3750-IP7-8M

NEXCOM continues to drive AIoT innovation and, in 2024, was honored with the "2025 Taiwan Excellence Award" for its intelligent computing platform, the ATC 3750-IP7-8M. This recognition highlights the company's strong R&D capabilities and commitment to product responsibility in the fields of smart transportation and sustainable mobility.

The ATC 3750-IP7-8M is the world's first AI-powered computer specifically designed for both in-vehicle and railway applications to be certified with both E-Mark (automotive) and EN50155 (railway) standards—ensuring the highest levels of safety, quality, and environmental resilience with a fully rugged IP67-rated enclosure.
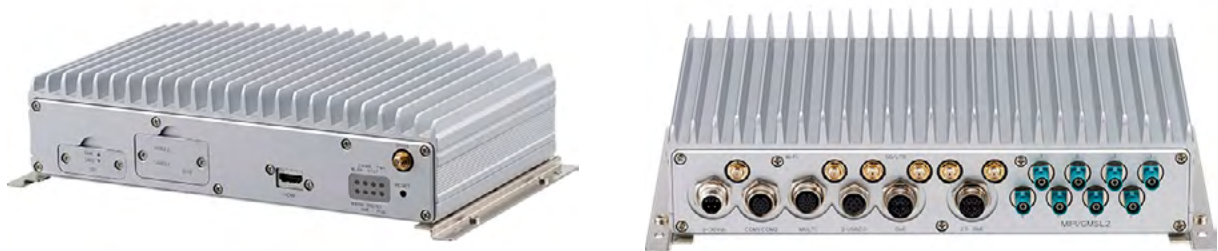
This innovative platform is built to support key sustainable application scenarios, including: AI-powered video analytics for enhanced traffic safety and operational efficiency, Control hubs for Autonomous Mobile Robots (AMRs) to improve logistics performance. Predictive monitoring and preventive maintenance to reduce equipment failure rates and minimize resource consumption. With its robust design, advanced AI capabilities, and industry-leading certifications, the ATC 3750-IP7-8M sets a new benchmark for intelligent computing in transportation systems worldwide.

The ATC 3750-IP7-8M features ignition control and low-voltage protection, effectively extending the lifespan of vehicle batteries and onboard equipment. This helps reduce the frequency of equipment replacement and maintenance, aligning with the principles of a circular economy and resource efficiency in sustainable development.

With its combination of high-performance computing, rugged weather-resistant design, and flexible communication modules, the ATC 3750-IP7-8M meets the diverse requirements of various industries and supports the advancement of smart cities and green transportation initiatives.

NEXCOM will continue to drive innovative product development based on AI vision computing and edge computing technologies, while integrating energy-efficient designs and high-reliability quality standards. The goal is to realize sustainable value in smart transportation, railway systems, and urban management, and to enhance the company's positive impact in the areas of Environmental (E) and Innovation Responsibility under the ESG framework.

Please refer to : https://www.nexcom.com.tw/Products/mobile-computing-solutions/ai-edge-telematics-solution/nvidia-solution/atc-3750-ip7-8m

▲ High- Performance Edge AI Railway Computer Powered by NVIDIA® Jetson AGX Orin™

NEXCOM launches VTK-SCAP, a Supercapacitor-Based Uninterruptible Power System for In-Vehicle and Railway Applications

To improve power stability and equipment reliability in vehicle-mounted applications, NEXCOM independently developed the VTK-SCAP supercapacitor uninterruptible power supply system, which provides an alternative to the mainstream uninterruptible power supply products based on lithium batteries in the current market, and provides an effective solution for the power instability, delayed shutdown and data backup needs commonly found in transportation applications.

The VTK-SCAP system uses supercapacitors as the core energy storage component, which has the characteristics of fast charging and discharging, high durability and low maintenance cost, and is suitable for harsh vehicle and railway environments with high vibration, extreme climate and frequent power fluctuations. Its application value includes: achieving system delayed shutdown and data backup protection, reducing operational risks, improving the operating stability and service life of edge AI computing devices, supporting intelligent image analysis, autonomous driving monitoring and preventive maintenance and other multiple application scenarios.

This solution is also an important extension of NEXCOM's smart transportation and AIoT product series, effectively supplementing the resilience requirements of vehicle-mounted industrial computers at the end of energy supply, and helping customers introduce solutions with high reliability, high efficiency and high sustainability. By promoting the AI + Edge + Power integrated application strategy, NEXCOM continues to deepen its efforts in the fields of digital transformation and sustainable transportation applications, and responds to the development trend of global smart city construction and low-carbon transportation with forward-looking product design.

Please refer to : https://www.nexcom.com.tw/Products/mobile-computing-solutions/embedded-add-on-module-card/ups/vtk-scap


▲ VTK-SCAP-M   ▲ VTK- SCAP-AR-M

Highlight Themes

NexCOBOT has been awarded Functional Safety Certification by TÜV Rheinland

NexCOBOT, a subsidiary of NEXCOM Group specializing in smart machinery and motion control solutions, is dedicated to delivering high-reliability and high-safety robotic control platforms. In response to increasingly stringent safety requirements for human-machine collaboration in smart manufacturing environments, NexCOBOT has collaborated with Intel since 2020 to develop functional safety controllers. During the 2024 Hannover Messe, NexCOBOT achieved a significant milestone by receiving dual functional safety certifications—EN 61508 SIL 2 and EN ISO 13849-1 Category 3 PL d—from TÜV Rheinland. The certified product, SCB100, is the industry's first functional safety controller based on the Intel x86 platform, validating its suitability for deployment in high safety-level programmable electronic systems.

NexCOBOT introduces third-party verification in the entire process of functional safety product development, and follows international safety standards from design, planning to testing, demonstrating its high commitment to product responsibility and technical transparency. In addition to providing modular solutions such as control motherboards and motion controllers, it also extends to robot safety certification and design consulting services to help the industry accelerate the introduction of smart manufacturing and safe collaboration technologies. Through cross-border cooperation and open architecture promotion, NexCOBOT Technology actively supports the industry's move towards digital transformation and a safer and more sustainable manufacturing environment.
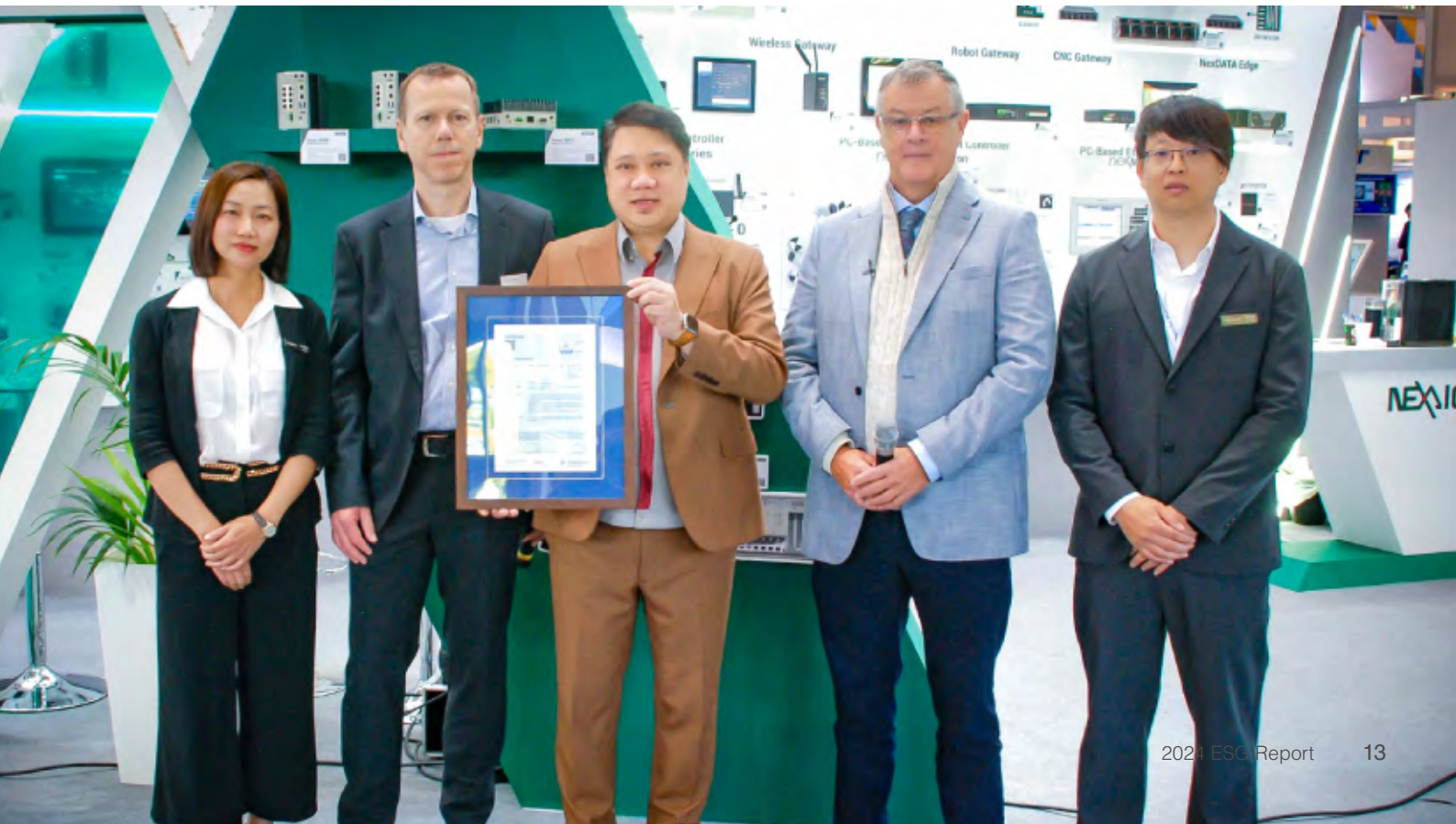
Embedded World North America: Winner of Best Trade Show 2024

At the 2024 Embedded World North America, NEXCOM released its self-developed ground-based generative AI computing platform AI-X, demonstrating its innovative achievements in "Software-Defined Edge Computing". The AI-X platform supports a variety of LLM models (such as Llama3, Qwen2, etc.), RAG search enhancement generation features, and provides secure and controllable knowledge question-and-answer services in an offline manner, effectively responding to the high demand for data sovereignty and information privacy in industries such as medical, financial, manufacturing and legal. The localization of data processing also helps reduce cloud dependence and energy consumption, reflecting NEXCOM's investment in information responsibility and environmental sustainability.

In addition to the AI-X platform, NEXCOM continues to expand the application layout of Edge AI products in smart cars, smart cities, industrial robots and industrial-grade cybersecurity. The company showcased its edge AI controller Coeus 3801T based on the NVIDIA Jetson platform, IoT gateway NISE 54, visual computing device NDiS B339, and OT information security solution eSAF at the exhibition, demonstrating its system integration capabilities in the fields of smart manufacturing and information security. Through vertically integrated solutions and enhanced terminal resilience, NEXCOM is committed to helping companies move towards a more efficient, secure, and sustainable smart industry transformation.

Exhibition Event

Taipei International Industrial Automation Exhibition, August 21–24, 2024

In response to the rapid evolution of AI technologies, NEXCOM Group is actively advancing both green manufacturing and digital transformation in parallel. Its subsidiaries, NEXAIoT and NexCOBOT, which specialize in automation solutions, have long been dedicated to the fields of Industrial IoT and Industry 4.0 automation.

Under the theme "Smart Taiwan: Green Manufacturing and Dual Transformation", NEXCOM will join forces with its ecosystem partners to participate in the exhibition. The booth will feature three major intelligent application zones, focusing on industrial robotics, semiconductor manufacturing, and energy management—key industries where automation integration, energy optimization, and industrial upgrading are critical.

Through this exhibition, NEXCOM will showcase a series of successful case studies highlighting its achievements in AI implementation and sustainable transformation, offering a comprehensive view of its commitment to intelligent automation and ESG-driven innovation.
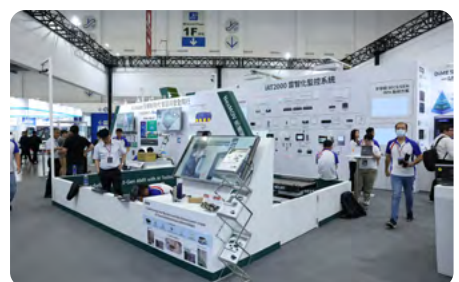
Taiwan Medical Technology Show 12/5~12/8, 2024

NEXAIOT focuses on core technologies in AIoT (Artificial Intelligence of Things) and IoT (Internet of Things), and is committed to developing diverse and innovative application scenarios. The company has successfully launched a Smart Pickup Medication System that helps healthcare professionals achieve a fast, accurate, and effortless medication retrieval process, enhancing clinical efficiency and medication safety.

At the same time, NEXAIOT continues to expand its smart application landscape, covering industrial-grade embedded computer platforms, 5G and website communication systems, smart medical care, in-vehicle and visual edge computing, network visual security, open standard robot control, Industry 4.0 smart manufacturing, industrial information security, smart manufacturing demonstration factories, and AIoT cloud ecosystem platforms. Through these comprehensive solutions, NEXCOM works with global customers to jointly implement the vision of "using technology to improve the quality of life and using innovation to practice sustainable value."

Accurate medication collection, intelligent evolution! NEXAIOT create an AIoT smart E pickup medication collection experience

NEXCOM AIoT Rockn'Roll 2024

Confronting challenges posed by geopolitical impacts, supply chain restructuring, and industry labor shortages, global manufacturing and machinery industries are accelerating their transformation toward intelligent and low-carbon development. Leveraging its profound expertise in industrial automation and intelligent technologies, NEXCOM is actively investing in AIoT solutions and ESG consulting services to help enterprises build agile and flexible smart manufacturing systems. By incorporating data analytics to implement sustainable operational thinking, we enable businesses to discover innovative value opportunities.

To promote industry implementation of both the "AIoT Digital Transformation Platform" and "Green Transition and Low-Carbon Machinery" initiatives, Nexcom hosted the [NEXCOM AIoT Rock'n'Roll 2024 Forum] in Taichung and Kaohsiung. The event brought together over 10 government agencies, industry associations, and leading domestic and international solution providers to explore AIoT application trends and success cases in smart manufacturing and sustainable innovation.

The forum featured three key highlights:

Cross-Industry Success Stories

Industry leaders from IoT / cloud service providers, AI software developers, and smart manufacturing consultants shared forward-looking insights and hands-on experience through keynote speeches and panel discussions.

Dual Transformation Solution Showcase

Live demonstrations of a variety of AIoT and smart machinery solutions tailored to the needs of both intelligent manufacturing and green transformation.

One-Stop Technology Services

Comprehensive and customized integration services across PC-based architectures, AI, IoT, RTOS, robotics, and motion control—designed to accelerate the adoption of intelligent applications for enterprise clients.
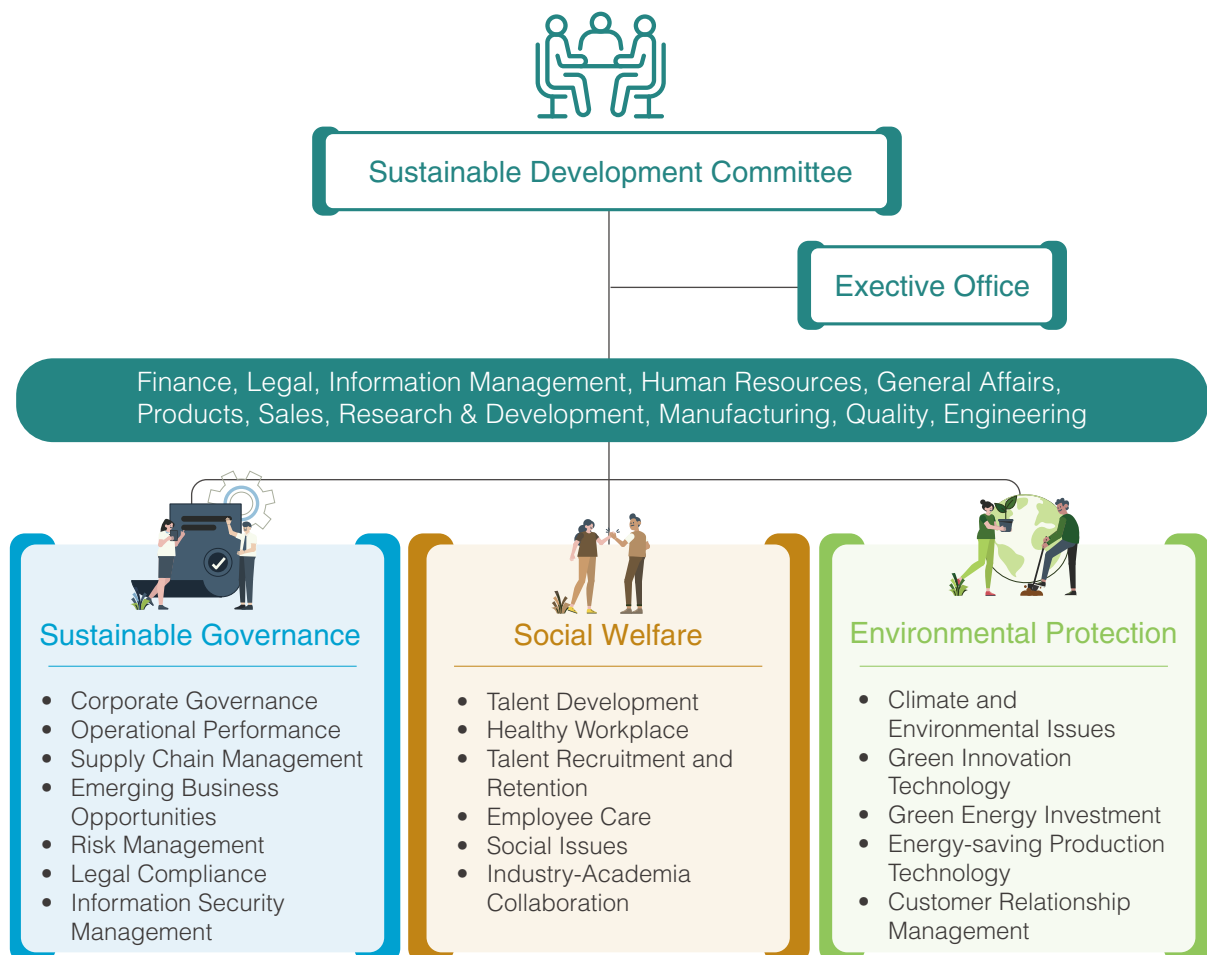
Sustainable Development Road Map

Sustainable Development Committee

  To strengthen the management of corporate social responsibility, NEXCOM passed the " Corporate Social Responsibility Best Practice Principles" and, on August 3, 2022, established the "Sustainable Development Committee" by a resolution of the Board of Directors. The chairman serves as the convener, with two independent directors as members, making it the highest-level decision-making center for sustainable development within the company. The Sustainable Development Committee will formulate the vision, mission, and medium- to long-term plans for ESG policies and assist the board of directors in continuously promoting corporate social responsibility and improving corporate governance to achieve the goal of sustainable development.

  Under the Sustainable Development Committee, a Sustainable Development Executive Office is established, headed by a responsible person to oversee related tasks and integrate the annual plans and implementation status of various working groups. During quarterly meetings, the "Sustainable Development Committee" identifies sustainable issues relevant to the company's operations and stakeholders' concerns, formulates corresponding strategies and work guidelines, allocates related budgets, and plans and executes annual programs. Additionally, the committee regularly tracks the effectiveness of implementations to ensure that sustainable development strategies are fully integrated into the company's daily operations. The Executive Office reports the execution results and future work plans of sustainable development to the board of directors annually and receives guidance from the board.

▶ **Organization Structure of Sustainable Development Committe**

Sustainable Development Committee

Exective Office

Finance, Legal, Information Management, Human Resources, General Affairs, Products, Sales, Research & Development, Manufacturing, Quality, Engineering

Sustainable Governance

- Corporate Governance
- Operational Performance
- Supply Chain Management
- Emerging Business Opportunities
- Risk Management
- Legal Compliance
- Information Security Management

Social Welfare

- Talent Development
- Healthy Workplace
- Talent Recruitment and Retention
- Employee Care
- Social Issues
- Industry-Academia Collaboration

Environmental Protection

- Climate and Environmental Issues
- Green Innovation Technology
- Green Energy Investment
- Energy-saving Production Technology
- Customer Relationship Management

Sustainable Development Goals (SDGs)

NEXCOM firmly believes that the United Nations Sustainable Development Goals (SDGs) and the company's sustainability goals are mutually reinforcing and closely interconnected. As a socially responsible enterprise, we place great emphasis on the SDGs and regard them as important principles guiding our sustainable development in environmental, social, and economic aspects.

NEXCOM is committed to fully integrating the SDGs into our operations to ensure that our products and services contribute to global sustainable development. We actively participate in global actions to address climate change, protect the ecological environment, achieve the rational use of resources, and reduce waste. We also take measures to reduce emissions and improve energy efficiency.

SDGs	Goal Details	NEXCOM's Responses
4 QUALITY EDUCATION	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.	1. All employees are treated equally when applying for and arranging training, with no discrimination based on gender, race, or age. 2. Actively promote industry-academia collaboration with colleges and universities, and provide scholarships to encourage students.
5 GENDER EQUALITY	5.1 End all forms of discrimination against all women and girls everywhere. 5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking, sexual and other types of exploitation.	1. Gender shall not considered a factor in hiring, salary, performance evaluations, or promotions. 2. Establish a maternal health protection plan. 3. Establish measures for the prevention, appealing, and disciplinary actions of sexual harassment.
6 CLEAN WATER AND SANITATION	6 Ensure availability and sustainable management of water and sanitation for all.	1. The company regularly cleans and disinfects water dispensers and replaces filter materials at regular intervals to ensure that employees can drink water safely during work hours. 2. Actively promote garbage sorting and increase resource recycling and reuse. 3. Install water-saving and sensor-activated faucets to reduce unnecessary water consumption. 4. Incorporate water resources and sanitation management into ESG policies, and implement water conservation actions and sanitation risk control through institutionalization.
8 DECENT WORK AND ECONOMIC GROWTH	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. 8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor.	1. Salary accounting is according to the company regulations, ensuring equal pay for equal work for employees with the same position and seniority. 2. The company prohibits the use of child labor and has measures to avoid employing child labor, also requiring suppliers to comply with the child labor prohibition policy.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.5 Encourage innovation and substantially increase the number of research and development workers.	1. NEXCOM encourages employees to innovate and develop projects into business models. 2. Increase R&D funding annually. 3. Apply for patents and develop independent intellectual property rights.
10 REDUCED INEQUALITIES	10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies and actions.	1. Adhere to the principles of openness and fairness and do not discriminate based on individual race, gender, religion or other factors. 2. Ensure equal pay for equal work.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5 Substantially reduce corruption and bribery in all their forms.	1. Establish related regulations such as the "Code of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and "Corporate Social Responsibility Best Practice Principles" to implement integrity business. 2. Incorporate the "Corporate Social Responsibility Best Practice Principles" into the training materials for new employee orientation and quarterly company culture training.

Stakeholder Engagement

Stakeholder Communication Channels and Issues of Concern

To clearly identify NEXCOM's stakeholders, representatives from various departments proposed groups that interact with, influence, depend on, or are responsible to NEXCOM. This process also involved referring to industry benchmark practices to ensure comprehensiveness. Based on the five criteria of the AA1000 Stakeholder Engagement Standard (AA1000 SES) issued by AccountAbility-dependency, responsibility, influence, diverse perspectives, and tension-discussions and selections were conducted to ultimately identify four major stakeholders: shareholders/investors/Government agencies, company executives/employees, customers, suppliers/contractors.
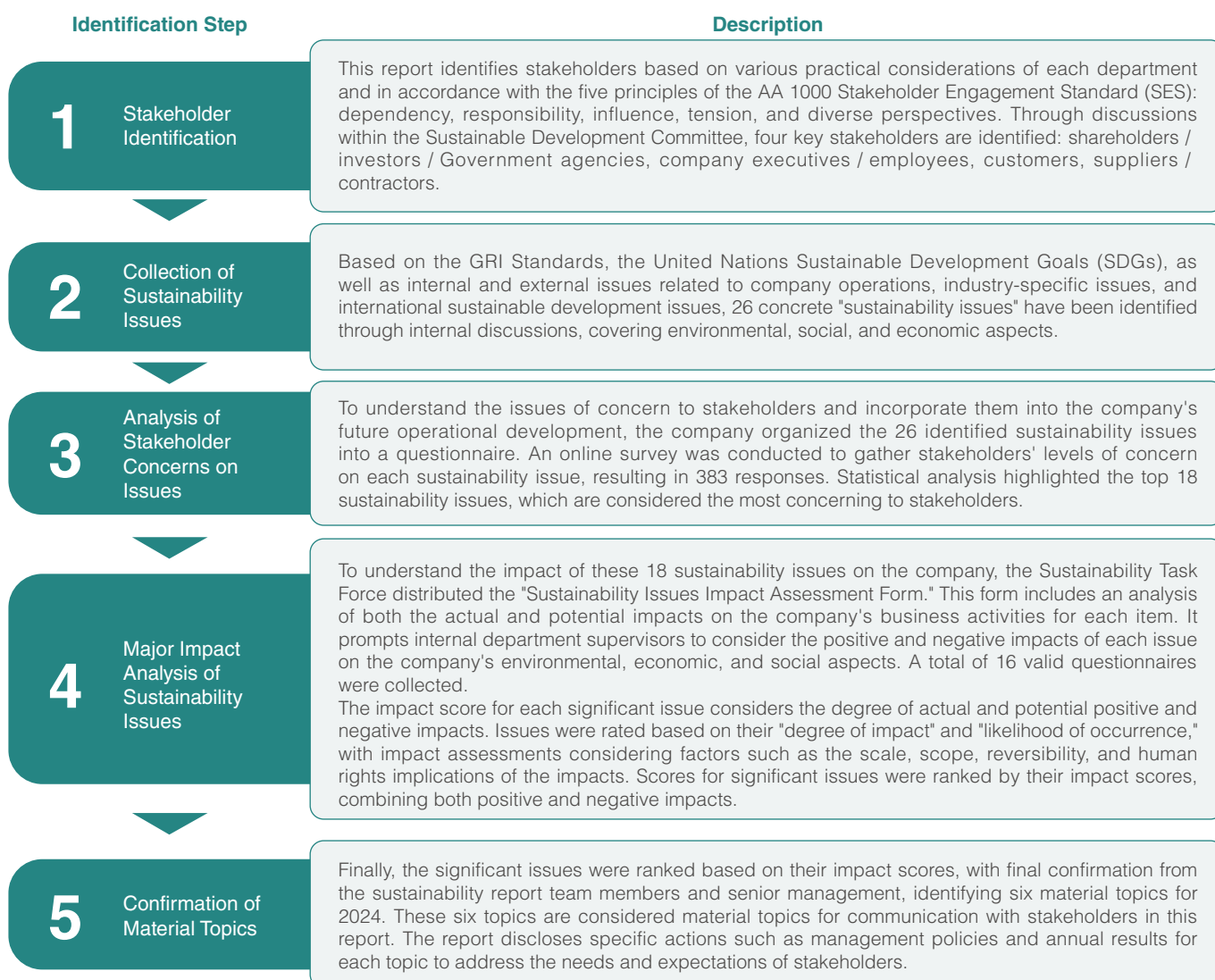
▶ **Stakeholder Survey**

Stakeholder	Significance to NEXCOM	Issues of Concern	Communication Channels	Communication Frequency
Shareholders/ Investors/ Government agencies	Shareholders, as owners of the company, are entitled to full rights to be informed, participate in, and decide on significant corporate matters. To protect shareholder interests, NEXCOM adheres to the principles of ethical operation, strictly complies with financial, operational, and sustainability-related regulations, and actively follows regulatory requirements to ensure sound corporate governance, transparent and timely information disclosure, effectively addressing risk management expectations from both shareholders and the government. Furthermore, NEXCOM proactively participates in various sustainability policies and industrial upgrade initiatives, actively supporting government-led goals such as green transformation, smart manufacturing, and energy conservation / carbon reduction, thereby creating positive impacts on society and the environment.	• Business Performance • Risk Control and Regulatory Compliance • Sustainable development strategy and goal implementation • Respond to government policies (such as energy conservation and carbon reduction, smart manufacturing, and green transformation) • Shareholder Rights Protection and Communication Mechanism	• Shareholders' meeting • Institutional investors' conference • Annual report • Investor mailbox • Public Information Observatory and Company Official Website Announcement • Cooperate with the reporting and inspection mechanism of the competent authorities	• Annually • Annually • Annually • Aperiodically
Company Executives/ Employees	Company executives are critical entities at the economic, organizational, and social levels. Their unified goal is to achieve the company's mission and values through effective management and leadership, thereby creating lasting value and promoting comprehensive company development. Employees are an indispensable asset for the company's operations. The company provides compensation and benefits that are superior to market competitiveness to ensure talent retention. At the same time, the company is committed to creating a workplace environment that allows employees to be physically and mentally healthy and to develop in a diverse manner.	• Operating Performance • Corporate Governance • Ethics and Integrity • Risk Management • Market Presence • Occupational Health and Safety	• Board meeting • Operations and management meeting	• Quarterly • Monthly
Customers	Customers are the main source of the company's profits. Ensuring the quality of the company's products and maintaining good interactions with customers is essential.	• Business Performance • Product Quality • Product and Service Innovation	• Customer satisfaction survey • Customer meeting	• Annually • Aperiodically
Suppliers/ Contractors	Suppliers / Contractors are the company's long-term partners. Their performance directly affects the company's operating results. Therefore, establishing a rigorous supplier management system can not only reduce operating risks and costs, but also grow together with suppliers and move towards a sustainable supply chain.	• Supplier Management • Green Purchasing	• Supplier meeting • Procurement negotiation • Supplier evaluation	• Annually • Aperiodically • Annually

Material Topics Management

NEXCOM places great importance on communication with stakeholders. We follow GRI guidelines and stakeholder issue standards to establish a materiality analysis process. This process involves collecting, reviewing, prioritizing, and identifying material topics of high concern and high impact, aligning them with specific topics in the GRI guidelines. This ensures that our sustainability reports adhere to the principles of stakeholder inclusiveness, materiality, and completeness, serving as a critical foundation for our ongoing improvement in sustainable management and performance.

Identification Process

NEXCOM identified 26 sustainability issues and distributed an online questionnaire to key stakeholders, collecting a total of 383 valid responses. The responses included 7 from shareholders/investors, 17 from customers, 303 from employees, 54 from suppliers, and 2 from contractors. Additionally, an online questionnaire was distributed to 16 company executives to rate the impact of each sustainability issue on NEXCOM. The scores from both stakeholders and executives were compiled to create a materiality matrix. After discussion, the top six sustainability issues from the environmental, social, and economic dimensions were identified as the material topics for the year: economic performance, Ethics and integrity, Supply chain management, Air pollution and greenhouse gases, occupational health and safety, compensation and benefits.

Identification Step	Description
1 Stakeholder Identification	This report identifies stakeholders based on various practical considerations of each department and in accordance with the five principles of the AA 1000 Stakeholder Engagement Standard (SES): dependency, responsibility, influence, tension, and diverse perspectives. Through discussions within the Sustainable Development Committee, four key stakeholders are identified: shareholders / investors / Government agencies, company executives / employees, customers, suppliers / contractors.
2 Collection of Sustainability Issues	Based on the GRI Standards, the United Nations Sustainable Development Goals (SDGs), as well as internal and external issues related to company operations, industry-specific issues, and international sustainable development issues, 26 concrete "sustainability issues" have been identified through internal discussions, covering environmental, social, and economic aspects.
3 Analysis of Stakeholder Concerns on Issues	To understand the issues of concern to stakeholders and incorporate them into the company's future operational development, the company organized the 26 identified sustainability issues into a questionnaire. An online survey was conducted to gather stakeholders' levels of concern on each sustainability issue, resulting in 383 responses. Statistical analysis highlighted the top 18 sustainability issues, which are considered the most concerning to stakeholders.
4 Major Impact Analysis of Sustainability Issues	To understand the impact of these 18 sustainability issues on the company, the Sustainability Task Force distributed the "Sustainability Issues Impact Assessment Form." This form includes an analysis of both the actual and potential impacts on the company's business activities for each item. It prompts internal department supervisors to consider the positive and negative impacts of each issue on the company's environmental, economic, and social aspects. A total of 16 valid questionnaires were collected. The impact score for each significant issue considers the degree of actual and potential positive and negative impacts. Issues were rated based on their "degree of impact" and "likelihood of occurrence," with impact assessments considering factors such as the scale, scope, reversibility, and human rights implications of the impacts. Scores for significant issues were ranked by their impact scores, combining both positive and negative impacts.
5 Confirmation of Material Topics	Finally, the significant issues were ranked based on their impact scores, with final confirmation from the sustainability report team members and senior management, identifying six material topics for 2024. These six topics are considered material topics for communication with stakeholders in this report. The report discloses specific actions such as management policies and annual results for each topic to address the needs and expectations of stakeholders.

Ranking of Impact and Influence of Material Topics

1 Economic Performance

2 Ethics and Integrity

3 Supply chain management

4 Air Pollution and Greenhouse Gas Emissions

5 Occupational Health and Safety

6 Compensation and Benefits

▶ Material Topics Matrix

	Corporate Governance Risk Management Regulatory Compliance Market Presence Anti-corruption Customer Health and Safety Customer Privacy	Economic Performance Ethics and Integrity Supply chain management Air pollution and greenhouse gases Occupational health and safety Compensation and benefits
Grievance Mechanism Climate Change	Forced or Compulsory Labor Diversity and Equal Opportunity Marketing and Labeling	Labor / Management Relations Labor-Management Communication Training and Education Non-discrimination
Community Engagement	Energy management Water and Effluents Waste Disposal	

Impact level on stakeholders (High ↑)

Economic, Environmental and Social Impact (Low → High)

▶ Correspondence with 2024 Material Topics

Material Topic	Significance to NEXCOM	Value Chain Impact Boundaries ● Direct Impact ◎ Indirect Impact			Corresponding GRI Standards
		Upstream	NEXCOM	Downstream	
Economic Performance	Operational performance is the foundation of business operations, and long-term stable performance can create the greatest benefits for all stakeholders.	◎	●	◎	GRI 2 General Disclosures GRI 201 Economic Performance
Ethics and Integrity	Ethics and Integrity establishes a good reputation for the enterprise, enhances trust with customers and employees, maintains supplier relationships, and creates an environment for sustainable development. At the same time, it ensures that the enterprise complies with legal and ethical standards, promoting long-term success and sustainability.	◎	●	◎	GRI 2 General Disclosures GRI 205 Anti-corruption
Supply chain management	Effective supply chain management can reduce inventory backlogs, lower transportation and warehousing costs, and a diversified supplier strategy can diversify risks.	◎	●	◎	GRI 2 General Disclosures GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment 2016
Air pollution and greenhouse gases	Actively respond to the risks brought by climate change, allocate resources effectively, and enhance corporate competitiveness.	◎	●	◎	GRI 305 Emissions in 2016
Occupational Health and Safety	Occupational health and safety are the cornerstone of a company's continued operations. A healthy enterprise, workplace, human capital, and the protection of employees' health rights are key to the sustainable development of the enterprise.	◎	●	◎	GRI 403 Occupational Health and Safety
Compensation and benefits	Reasonable salary and benefits can attract and retain talents. Boost employee morale and productivity to enhance overall corporate competitiveness.	◎	●	◎	GRI 405 Employee Diversity and Equal Opportunity

▶ Material Topics Management Policy

Material Topics	Policies/ Commitments	Core Targets	Performance Results	
Economic Performance	Steady management to create a win-win-win situation for the company, employees, and shareholders	Revenue and Profit Meet Annual Budget Expectations	The industry continued to be sluggish in 2023 and 2024, but there have been signs of recovery since the fourth quarter of 2024.	
Ethics and Integrity	Based on principles of integrity, transparency, and responsibility, the company establishes a sound corporate governance and risk management mechanism on the foundation of honesty to create a sustainable operating environment.	Establishing a Corporate Culture of Integrity and Sound Development.	No violations of laws or regulations Number of reported cases: 0	
Supply chain management	The company adheres to the principles of integrity, transparency and sustainability, and has established a robust supply chain management mechanism. Through supplier evaluation, risk control and long-term partnership management, we ensure product quality and delivery time, while also paying attention to suppliers' performance in environmental protection, labor rights and social responsibility, and jointly practicing sustainable values.	The core goal of the supply chain is to ensure that products and services can be delivered to customers on time at the most appropriate cost, with the best quality and in the shortest time. At the same time, strengthening supply chain resilience, improving collaboration efficiency, and taking into account risk control and sustainable development are important directions for modern supply chain management.	• Information on material inquiry and negotiation is open, and fair competition has achieved 90% of effective data collection results • Improve work efficiency by showing the delivery date in real time on the system	
Air pollution and greenhouse gases	In accordance with the 《 Climate Change Response Act 》, we are progressively working toward net-zero carbon emissions, with annual inventory and disclosure.	• Reduce carbon dioxide emissions by 55% in 2030 compared to 2024 • Achieve carbon neutrality and net zero target by 2050.	Complete 2 energy-saving plans in 2024, saving an estimated 42,210 kWh of electricity and reducing greenhouse gas emissions by 20.856 metric tons CO_2e.	
Occupational Health and Safety	• Compliance with Regulatory Requirements • Continuance to Environmental, safety and health Improvements • Promotion of Health and Safety Awareness • Use of Environmental-Friendly Materials • Resources economizing and reusing • Strengthen communication consultation	• Implement risk management, prevent disasters and unhealthy conditions, promote full employee participation, enhance employee safety and health awareness, and create a safe and comfortable working environment	No major violations in 2024 zero workplace injuries reported in 2024	
Compensation and benefits	Provide fair and market-competitive compensation to attract, retain and motivate outstanding talents	• Salaries comply with local laws and regulations • Equal pay for equal work	• The basic starting salary of employees complies with local laws and regulations • Annual human resource planning goals: effectively provide or utilize human resources to meet the human resource needs of each unit and provide high-quality human resources	

Action Plans	Evaluation Mechanisms	Feedback Mechanisms	2025 Targets
• NEXCOM holds annual institutional investor conferences to help investors better understand the company. • Continuously invest in technological innovation to pursue industry leadership. • Collaborate with partners on development to continually expand the smart manufacturing ecosystem.	• Financial report • Annual report • Market reaction	• Institutional investors' conference • Shareholders' meeting • Board meeting • Operations and management meeting	Steady growth and progress towards the Group's strategic development goals
• Conduct business activities with integrity • Prohibit bribery and accepting bribes • Prohibit offering illegal political donations • Prohibit improper charitable donations or sponsorships • Prohibit unreasonable gifts, hospitality, or other improper benefits • Strengthen accounting systems and internal controls • Regularly conduct education training and promotion • Establish reporting channels and disciplinary systems	• Board Meeting • Integrity Team • Internal and External Grievance Channels	• Integrity Hotline Email box	No violations of laws or regulations Number of reports: 0
iSCM supplier management system 1. New parts inquiry and negotiation 2. Supplier delivery date response 3. Supplier material cloud number collection 4. Pull in & Pull out delivery date management 5. Social responsibility questionnaire 6. Report presentation (program under development)	• Feedback on platform usage • The actual benefits achieved by the platform	• Supplier corporate social survey • External complaint channel	• Continue to promote social responsibility to suppliers and require them to sign corporate social responsibility investigation documents • Platform report management and presentation
• Continuously propose various energy-saving and power-saving management plans every year • Continue to invest in energy-saving and carbon-reduction measures for various equipment	• Greenhouse gas inventory, internal and external verification results	• Management review	• Reduce carbon dioxide emissions by 55% in 2030 compared to 2024 • Achieve carbon neutrality and net zero target by 2050.
• Comply with all relevant environmental, safety, and health regulations, and conduct audits and enforcement of these regulations. • Actively improve processes and the working environment to reduce environmental pollution and safety and health risks. • Enhance operational management and personnel training to prevent occupational injuries and diseases. • Adhere to the use of low-pollution raw materials to reduce environmental impact. • Strengthen communication with colleagues and stakeholders, establish channels for conveying policies and related information, and provide appropriate responses.	• Internal and external audits of various management systems • Monthly occupational accident reporting records	• Internal and External Grievance Channels • Official Documents • Internal and External Audit Reports • Occupational Safety and Health Committee Meeting	• No major violations or non-compliance issues(violations) • Number or workplace injury case:0
• Employee compensation is primarily based on job category, educational background, and professional capabilities, with no discrimination based on age, gender, or ethnicity. • Employee performance and work results are evaluated annually. • Adjust employee salaries and job promotions based on company performance, market salary levels and employee personal performance.	• Financial report • Annual report • Basic salary ratio • Gender pay ratio • Average and median annual salary for non-executive positions	• Board of Directors • Compensation Committee • Employee Benefits Committee	Provide a fair and market-competitive compensation system and effectively allocate human resources to meet the staffing needs of all departments.