



2023

NEXCOM

Sustainability Report



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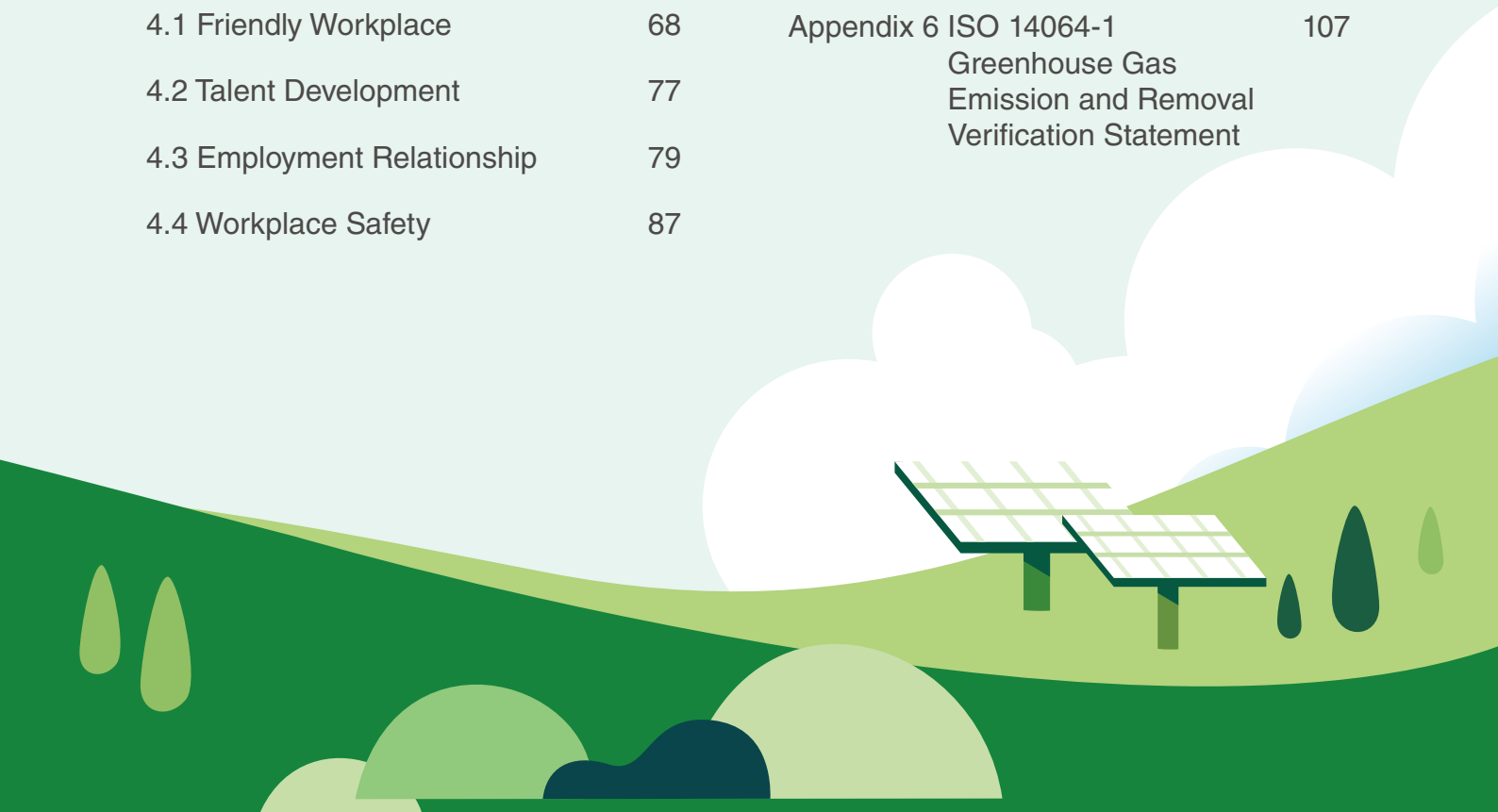
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About the Report

This is the third 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, 2023, to December 31, 2023, 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 2023. 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

- Previous issue: June 2023
- Current issue: August 2024
- Next issue: August 2025

External Assurance

External assurance of the report was performed by GREAT 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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- **Hotline:** (02) 8226-7786#6300



Message from the Chairman

As one of the pioneers in the IPC industry, NEXCOM Group recognizes that the responsibility of a modern enterprise extends beyond self-interest to also contributing to the greater good. Our mission for sustainable vision is to become a leading provider of comprehensive solutions for Industry 4.0 and AIoT digital transformation, committed to achieving sustainable development in environmental, social, and corporate governance aspects.

In the Future, NEXCOM Group will further explore innovations in the fields of Smart Cities, Intelligent Transportation and Smart Agriculture to achieve a broader scope of ESG vision. By continuously optimizing technologies, NEXCOM Group aims to assist businesses and society in achieving greater outcomes in resource utilization, environmental protection, and social responsibility.

NEXCOM Group will stay abreast of global ESG trends and actively participate in the development of relevant policies and standards, both domestically and internationally, to lead the industry in sustainable development. At the same time, we will strengthen collaborations with domestic and international peers, academic institutions and government agencies to collectively explore and exchange latest achievements and experiences in ESG development for continuing growth of the entire industry.

Internally, NEXCOM Group will further enhance corporate governance to fulfill corporate social responsibility, focus on employee welfare and training, and improve the ESG level within the organization. Simultaneously, NEXCOM Group will actively engage in philanthropic activities as contribute back to society. We take pride in our commitment to contributing to the realization of the ESG vision for humanity, striving for sustainable corporate development, and 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, we plan to actively develop our subsidiaries, GREENBASE TECHNOLOGY CORP. and NexAIoT Co., Ltd., for listing on OTC market. This will help NEXCOM Group gain more resources and support in the capital market, 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.



NEXCOM Chairman Clement Lin



Awards and Honors

2023 Asia Pacific Enterprise Awards - Master Entrepreneur Award

With a rigorous and highly influential review process, the 17th Annual Asia Pacific Enterprise Awards (APEA) 2023, organized by Enterprise Asia, recognizes corporate leaders in the Asia-Pacific region who demonstrate significant social contributions and excellence in management across various industries based on multiple measurable criteria. NEXCOM has been dedicated to promoting open standardization in Taiwan's smart manufacturing industry while consistently implementing ESG corporate social responsibility. This year, NEXCOM was nominated and successfully won the prestigious Master Entrepreneur Award.

As a pioneer in Taiwan's early industrial computer industry, NEXCOM was originally founded as a hardware manufacturer. Recognizing the rapid changes in the industry, with new technologies and applications emerging constantly, NEXCOM began its transformation a decade ago. In recent years, in response to the market trend of digital transformation, NEXCOM has shifted from a traditional hardware manufacturer to an innovative entrepreneurial group providing comprehensive AIoT Industry 4.0 solutions, successfully developing its own corporate culture.

With decades of accumulated experience, NEXCOM Group has established a complete Industry 4.0 team. By utilizing high-quality hardware and software edge computing platforms, NEXCOM has successfully transformed into a more flexible, efficient, and robust AIoT smart manufacturing group. NEXCOM's open standard-based technology architecture facilitates easy integration with all software and hardware partners, rapidly enriching and expanding overall solutions. By constructing a collaborative and mutually supportive smart manufacturing ecosystem, NEXCOM aims to elevate Taiwan's smart manufacturing capabilities to an international level.



NEXCOM Included in the TIP Customized TPEX ESG 30 Index

NEXCOM firmly believes that implementing ESG corporate social responsibility and achieving the United Nations' Sustainable Development Goals (SDGs) are mutually reinforcing and closely linked. NEXCOM has fully integrated the SDGs into its operations to ensure that its products and services contribute to global sustainable development. As major international companies increasingly commit to net-zero goals, the implementation of ESG initiatives has become a fundamental criterion for aligning with global standards. In the second quarter of 2023, NEXCOM was included in the TIP Customized TPEX ESG 30 Index.



CommonWealth Sustainable Business 1.5°C Temperature Control Excellent Certification

CommonWealth Magazine, in collaboration with TungHai University, has launched the "Temperature Rising Index for Pathway" survey platform to disclose whether companies' carbon reduction commitments and performances meet the 1.5°C temperature control target of the Paris Agreement. NEXCOM is honored to receive the Temperature Rising Index for Pathway label from CommonWealth Sustainable Business, indicating compliance with the 1.5°C temperature control target. This recognition acknowledges NEXCOM's commitment to net-zero emissions in alignment with the Paris Agreement's goal of limiting global warming to 1.5°C.



NEXCOM Group's TMR Technologies Co., Ltd. Wins Digital Transformation Model Award

TMR Technologies Co., Ltd. is dedicated to developing the eSAF OT Security Platform to meet customers' needs for protecting OT security and has been honored with the Digital Transformation Model Award by the National Development Council and the Taiwan Electrical and Electronic Manufacturers' Association.

The eSAF OT Security Platform includes multiple protective measures, from connecting field devices, collecting information, filtering packets, identifying threats, blocking threats, protecting equipment/systems, monitoring threat indicators, analyzing potential risks and vulnerabilities, to providing threat countermeasures. These measures effectively safeguard factory systems and data. Its modular design allows for flexible configuration to meet the diverse needs of different factories, offering significant scalability for enterprises. By integrating the eSAF OT Security Platform into their products and services, enterprises can provide more comprehensive security protection for their customers, further enhancing their market competitiveness.



NEXCOM Group's NexCOBOT Taiwan Co., Ltd. Wins Intel's Breakthrough Innovation Award

NexCOBOT Taiwan Co., Ltd. received the 2023 Intel Partner Award for Breakthrough Innovation. In collaboration with ecosystem partners, NexCOBOT has developed the first x86 functional safety robot controller solution.

The NexCOBOT SCB100, an x86-based robot control platform, combined with Synapticon's intelligent servo drives and safety motion modules, forms the next-generation modular collaborative application robot control solution, ROBASafe. It builds the world's first x86 SIL 2/SIL 3 robot control solution. Enhanced for IoT embedded and industrial applications, it has become the best processor for developing robotic and machine control systems.



Highlight Themes

AIoT-X/ESG-X Technology Application Ecosystem Platform

NEXCOM Group provides industrial computing platform hardware manufacturing services across various vertical industries. By integrating diverse internal software and hardware technologies, NEXCOM Group delves deeply into industrial IoT, smart manufacturing, intelligent transportation, smart cities, smart retail, smart healthcare, high-performance computing, and advanced network technology research and implementation. NEXCOM Group offers high-quality products and services to assist in building ever-evolving network infrastructures, edge intelligence AI high-performance computing platforms, and intelligent digital factories. Each business unit leverages leading technologies and solutions to help enterprises and institutions achieve dual-axis transformation goals: AIoT-X (AIoT digital transformation) and ESG-X (ESG net-zero transformation) . NEXCOM Group aims to become a globally renowned AIoT digital transformation innovation group.

NEXCOM Group approaches the market with the "Open AIoT Digital Transformation Shared Co-Creation Platform." This service meets the needs of hardware selection for data collection, software development, and application software downloads. Starting with free downloads of software packages related to open industrial communication, IoT communication, IoT containerized operating systems, and real-time operating systems, the platform builds a comprehensive AIoT digital transformation service and ecosystem.

The "Open AIoT Digital Transformation Shared Co-Creation Platform" is a service model that spans OT, IT, IoT, Cloud, and AI technologies and ecosystems. With an architecture from the On-Premises to the Cloud and open software and hardware standards, it allows enterprises and startups accelerating their AIoT digital transformation to access necessary sensors, hardware devices, communication protocols, software-defined computing systems, software development kits, microservice operating platforms, and learning resources at every level to develop AIoT SaaS. Developers can also publish their creations in the software marketplace for users to download, fostering new AIoT ecosystems and business models.

Regarding sustainability issues of ESG, carbon emission tracking, reduction, and Low carbonization are no longer just slogans. In response to ESG advocacy, NEXCOM Group is committed to providing solutions for low-carbon machinery, carbon reduction production, and carbon footprint verification.

In response to the urgency of digital transformation in the post-pandemic era, creating digitally managed enterprises has become a market trend. Along with responding to sustainability issues and ESG advocacy, NEXCOM Group's mission is to "build a shared, co-created, and mutually prosperous network ecosystem and e-commerce platform." NEXCOM Group provides free applications, painless development, and zero-risk startup software packages to accelerate the AIoT-X/ESG-X dual-axis transformation, collectively contributing to the sustainability of the planet.



World's First Connector Using PCB Stacking Process Technology

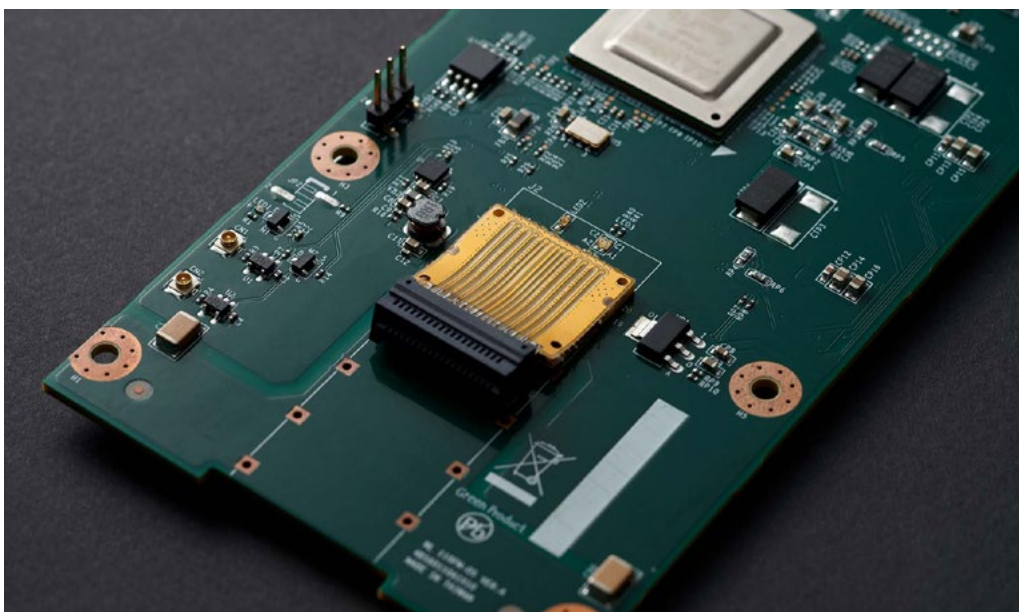
NEXCOM, in collaboration with First Hi-tec Enterprise Co., Ltd., Taiwan Union Technology Corporation, and ITRI's Electronic Optoelectronic System Laboratory, has developed the world's first 3.2T ultra-high-speed network connector utilizing PCB materials and stacking process technology, breaking the monopoly of overseas patents.

Currently, Taiwanese network equipment manufacturers face a monopoly on critical connector technology patents held by major overseas companies. Domestic high-speed connector companies often have to pay hefty licensing fees to acquire these patents for mass production and sales. In response, the Ministry of Economic Affairs established the Ultra-High-Speed Network Technology A+ Taiwan National Team in 2020. This team, including NEXCOM, PCB manufacturer First Hi-tec Enterprise Co., Ltd., Taiwan Union Technology Corporation, and ITRI's Electronic Optoelectronic System and Material and Chemical Research Laboratories, focused on the next-generation 3.2T network technology road map. After two and a half years, the team successfully developed the world's first ultra-high-speed connector using PCB stacked process technology, leading the industry by six years.

The R&D includes technologies like Extreme Low Loss (ELL) PCB materials, innovative Low-Noise Coaxial Via (LCV) , and the Extreme Low Loss innovative connector.

Compared to traditional high-speed connectors composed of terminals, which fail to provide high stability and low loss performance, this new technology offers better impedance control, reduces insertion loss, and mitigates near-end and far-end crosstalk effects.

The team has applied for relevant patents domestically and internationally and has begun assisting domestic connector manufacturers in promoting this technology. This initiative aims to help domestic companies enter the ultra-high-speed network connector market and push Taiwan's independently designed network products onto the international stage.



Eliminate Cyber Risks, Ensure Uninterrupted Production Operations: Industrial Field Assets and OT Systems Guardian

In the trend of Industry 4.0, information security is crucial for the survival of enterprises. Key issues include the confidentiality of operational data, preventing hacker intrusions and ransomware attacks, and ensuring uninterrupted production line operations. In recent years, major cybersecurity incidents reported around the world, such as Colonial Pipeline ransomware attack, have highlighted that industrial cybersecurity is not just an industrial issue but can also become a public, economic, and national security concern. Therefore, industrial cybersecurity has become a highly urgent and rapidly growing field.

With 30 years of experience in the industrial computer sector, NEXCOM Group's subsidiary, TMRTEK, focuses on industrial cybersecurity, enabling us to closely understand and address industrial environments and production line needs.

TMRTEK specializes in providing operational technology cybersecurity protection platform solutions for Industrial Control Systems (ICS) and the Industrial Internet of Things (IIoT). By analyzing network packets, collecting and integrating network information, detecting network threats, and blocking them, TMRTEK's solutions significantly enhance the visibility and robustness of factory cybersecurity. These solutions can be implemented in factories with existing production line networks or in critical infrastructure sectors such as oil, water, and power, serving as the last line of defense in the field of industrial control.

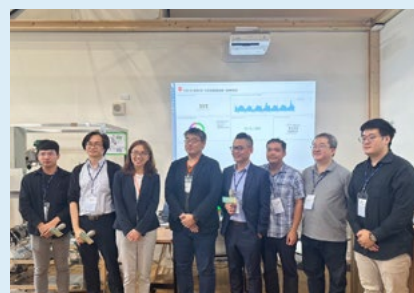


TMRTEK has been actively participating in industry events and was invited to exhibit at the SECPAAS Security Pavilion during the SEMICON International Semiconductor Exhibition on September 6, 2023. SECPAAS, a platform provided by ITRI's Information and Communications Research Laboratories, offers various cybersecurity services and facilitates industry collaboration. As a key member of SECPAAS, TMRTEK has had long-term project collaborations with the platform. The SEMICON International Semiconductor Exhibition is the annual grand gathering of the global semiconductor industry. TMRTEK's invitation to participate in this event signifies recognition of its research and development capabilities.



In September 2023, TMRTEK also achieved excellent results in the evaluation of industrial control system cybersecurity protection products at the Cybersecurity Service Base in Shalun, organized by the Digital Industry Agency of the Ministry of Digital Affairs.

In November of the same year, the TMRTEK team took a photo with Deputy Minister Lee Huai-Ren during an official visit by the Ministry of Digital Affairs.





Water Treatment Architecture

Climate change and global warming are pressing challenges that the global community must confront. The physical risks caused by extreme weather, such as floods and droughts, pose significant threats to the continuity of business operations. The Conference of the Parties (COP28) has heightened global awareness of the importance of reducing greenhouse gas emissions, particularly at this critical moment of the first Global Stocktake, aiming to limit global warming to 1.5°C . Therefore, effective monitoring of water level changes is crucial for early prevention. To address this, NEXCOM has established the Environmental and Energy Solutions Department, leveraging new technologies to develop more efficient equipment. This includes cloud-based digital dashboards for monitoring water resource consumption and pollution, improving water resource utilization efficiency, and integrating management systems for preventive measures, daily monitoring, data analysis, and risk warnings. Our goal is to take greater responsibility for the development of the planet and society.

Smart Water Resource Safety Monitoring and Comprehensive Protection System

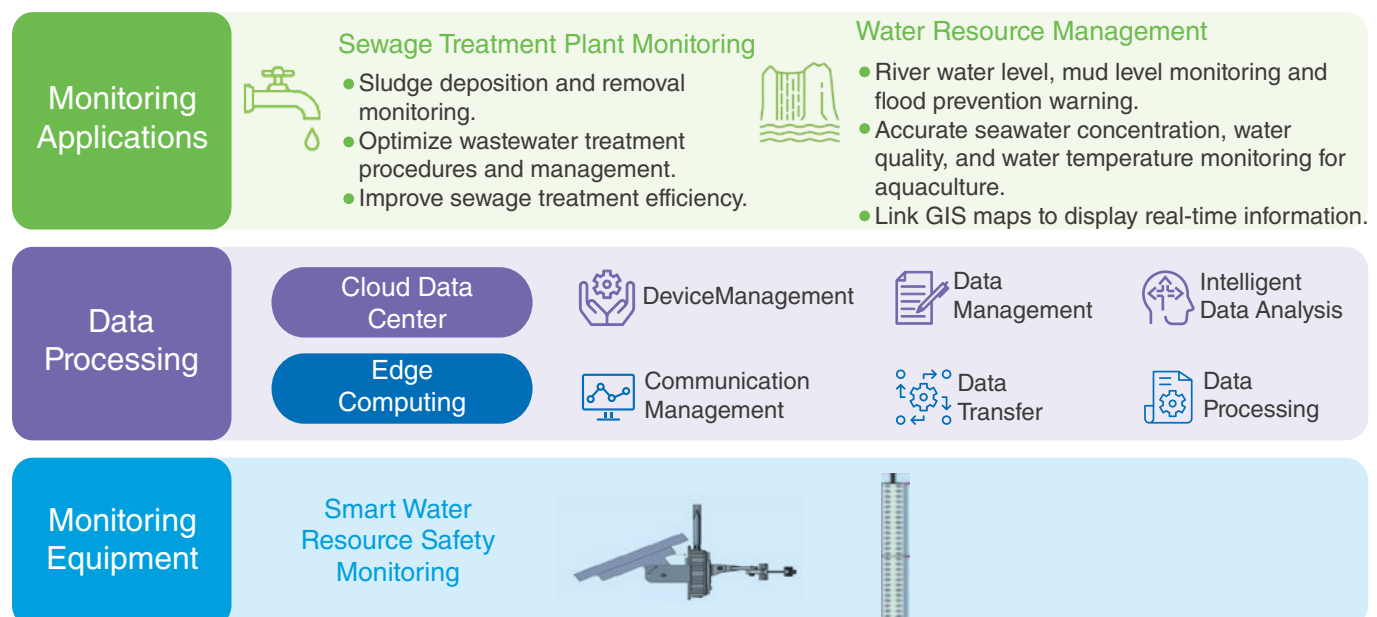
In recent years, NEXCOM has transitioned from an industrial computer manufacturer to a solutions expert, emphasizing the importance of ESG from the source, particularly in water resource management. This focus has led to the development of a product—the Smart Water Resource Safety Monitoring and Comprehensive Protection System.

This product is a vital tool for preventing floods and landslides. It features capabilities for monitoring water level height, mud level height, and conductivity to manage wastewater discharge and water pollution.

In unmanned environments, it can effectively and promptly transmit monitoring data to a cloud-based digital dashboard via 4G NB-IoT or Wi-Fi network signals.

The equipment effectively addresses the challenges of climate change, protects ecological environments, and serves as a tool for tracking, managing, and analyzing water resources. It aims to assist governments and enterprises in understanding, utilizing, and protecting valuable natural resources, thereby promoting ESG and environmental issues, ultimately achieving sustainable development for society, the economy, and the environment.

◆ Smart Water Resource Safety Monitoring and Comprehensive Protection System



Obtain ISO 27001 Certification

To continuously strengthen information security management, NEXCOM passed the audit by TUV NORD, a third-party international certification body, and successfully obtained the ISO/IEC 27001:2013 Information Security Management System certification in March 2023. This certification acknowledges NEXCOM's efforts and commitment to maintaining information and communication security, aligning with international standards to provide customers with reliable information and communication services, ensuring the continuity of business operations.

Information security and privacy management are critical aspects of sustainable governance. NEXCOM has established an Information Management Department (MIS) dedicated to managing information security across all operational levels. In 2022, when the international standard ISO 27001 Information Security Management System was officially introduced, the "Information Security Team" was formed to promote related work, optimizing existing information security system, and creating a comprehensive risk assessment and management mechanism. This protects customer data and company intellectual property, preventing and mitigating potential risks and impacts of information security incidents on the company.

To effectively implement information security, all members of the company's information security team have obtained ISO 27001:2013 internal auditor certification. Through irregular promotions and regular information security education and training, the information security awareness and vigilance of all employees have been enhanced. Additionally, regular information security drills and internal and external audits are conducted to comprehensively strengthen information security defenses, ensuring the safety of customer and company operational information and promoting the sustainable operation of the enterprise.



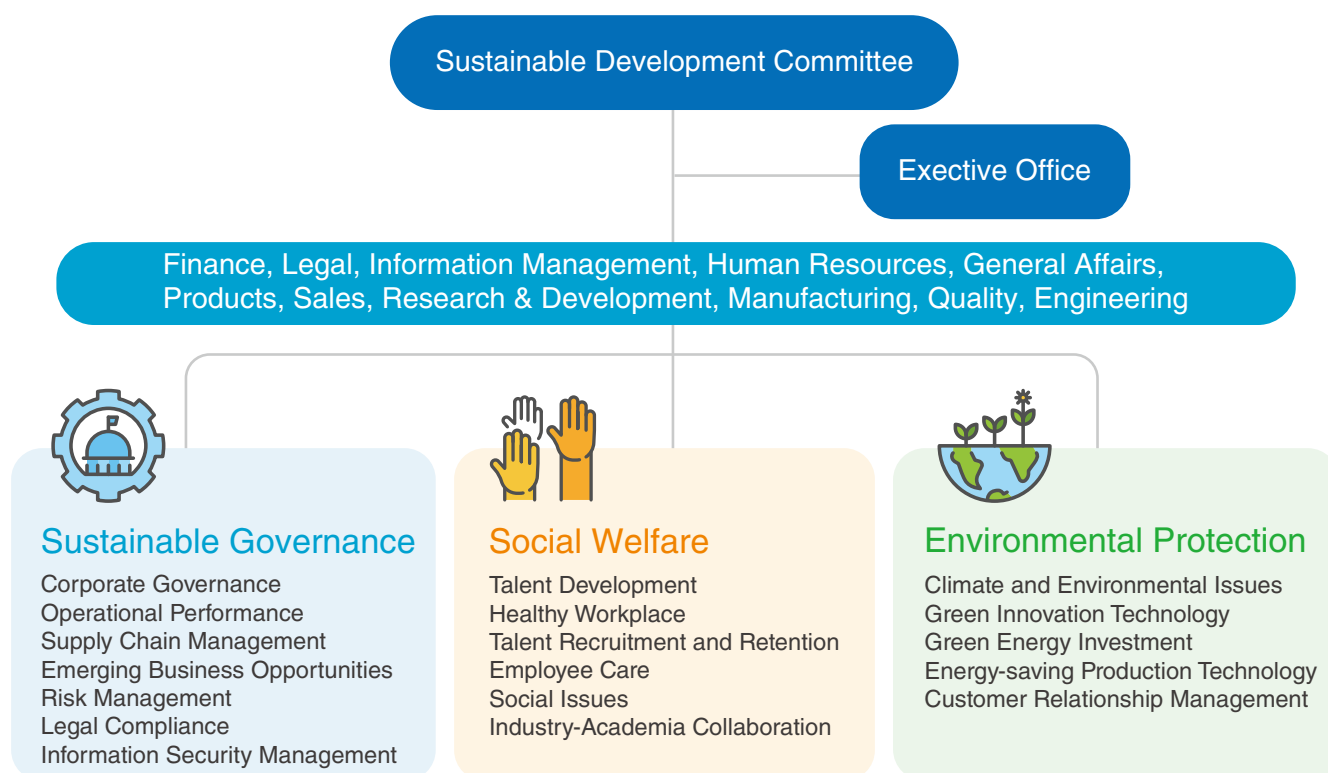
Sustainable Development Road Map

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 Committee



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
	4.5 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.	<ol style="list-style-type: none"> All employees are treated equally when applying for and arranging training, with no discrimination based on gender, race, or age. Actively promote industry-academia collaboration with colleges and universities, and provide scholarships to encourage students.
	<p>5.1 End all forms of discrimination against all women and girls everywhere.</p> <p>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.</p>	<ol style="list-style-type: none"> Gender shall not considered a factor in hiring, salary, performance evaluations, or promotions. Establish a maternal health protection plan. Establish measures for the prevention, appealing, and disciplinary actions of sexual harassment.
	<p>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.</p> <p>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.</p>	<ol style="list-style-type: none"> Salary accounting is according to the company regulations, ensuring equal pay for equal work for employees with the same position and seniority. 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.
	9.5 Encourage innovation and substantially increase the number of research and development workers.	<ol style="list-style-type: none"> NEXCOM encourages employees to innovate and develop projects into business models. Increase R&D funding annually. Apply for patents and develop independent intellectual property rights.
	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.	<ol style="list-style-type: none"> Adhere to the principles of openness and fairness and do not discriminate based on individual race, gender, religion or other factors. Ensure equal pay for equal work.
	16.5 Substantially reduce corruption and bribery in all their forms.	<ol style="list-style-type: none"> 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. Incorporate the "Coporate 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 six major stakeholders: shareholders/investors, company executives, customers, employees, suppliers, and contractors.

◆ Stakeholder Survey

Stakeholder	Significance to NEXCOM	Issues of Concern	Communication Channels	Communication Frequency
Shareholders/ Investors	Shareholders are the owners of the company. In order to protect the rights and interests of shareholders, it should be ensured that shareholders have the right to fully understand, participate in and make decisions on major company matters.	Business Performance Integrity Business Corporate Governance Market Presence	Shareholders' meeting	Annually
			Institutional investors' conference	Annually
			Annual report	Annually
			Investor mailbox	Aperiodically
Company Executives	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.	Operating Performance Corporate Governance Ethics and Integrity Risk Management Market Presence Occupational Health and Safety	Board meeting	Quarterly
			Operations and management meeting	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	Annually
			Customer meeting	Aperiodically
Employees	Employees are indispensable assets for company operations. The company provides market-competitive compensation and benefits to ensure talent retention while striving to create a workplace environment that promotes the physical and mental health and diverse development of employees.	Training and Education Human Rights Protection Occupational Health and Safety Benefits provided to full-time employees Employment	Internal meeting	Monthly
			Labor-management meeting	Quarterly
			Performance evaluation	Annually
			Education and training	Annually
Suppliers	Suppliers play a crucial role in NEXCOM. Their performance directly affects the company's future operational results. Establishing a rigorous supplier management system can reduce operational risks and costs, while fostering mutual growth and creating win-win situations.	Supplier Management Green Purchasing	Supplier meeting	Annually
			Procurement negotiation	Aperiodically
			Supplier evaluation	Annually
Contractors	Contractors are significant to the company as they provide expertise, flexibility, and cost-effectiveness, helping improve operational efficiency and competitiveness. This mode of collaboration enables the company to remain agile and efficient in a rapidly changing market environment.	Contractor Management Green Purchasing	Contractor meeting	Annually
			Procurement negotiation	Aperiodically
			Contractor evaluation	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

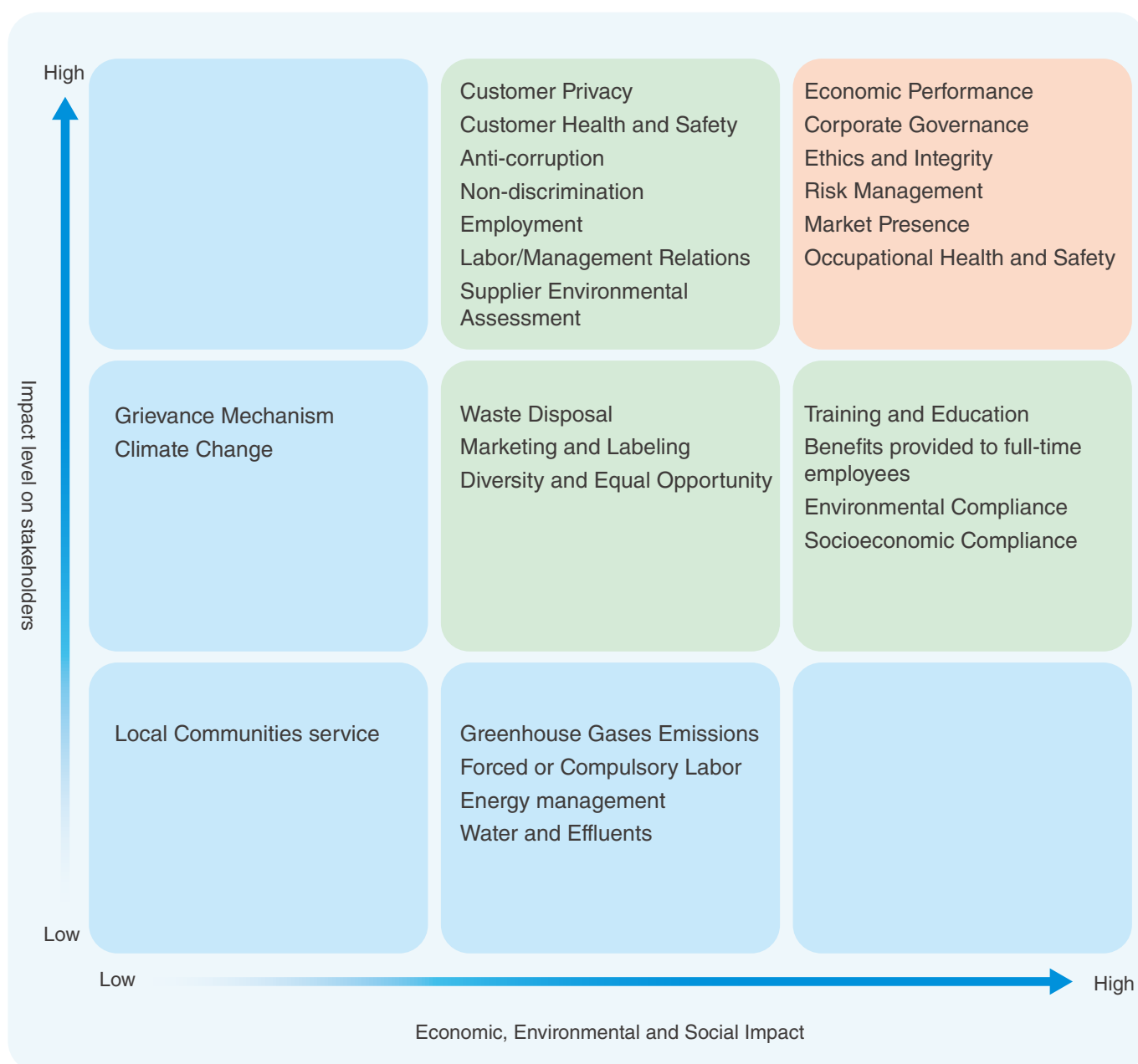
NEXCOM identified 27 sustainability issues and distributed an online questionnaire to key stakeholders, collecting a total of 173 valid responses. The responses included 5 from shareholders/investors, 30 from customers, 55 from employees, 64 from suppliers, and 2 from contractors. Additionally, an online questionnaire was distributed to 17 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, corporate governance, ethical integrity, risk management, market presence, and occupational health and safety.

Identification Step	Description
Step 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, six key stakeholders are identified: shareholders / investors, company executives, customers, employees, suppliers, and contractors.
Step 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, 27 concrete "sustainability issues" have been identified through internal discussions, covering environmental, social, and economic aspects.
Step 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 27 identified sustainability issues into a questionnaire. An online survey was conducted to gather stakeholders' levels of concern on each sustainability issue, resulting in 173 responses. Statistical analysis highlighted the top 18 sustainability issues, which are considered the most concerning to stakeholders.
Step 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 17 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.
Step 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 2023. 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



Material Topics Matrix



◆ Correspondence with 2023 Material Topics

Material Topic	Significance to NEXCOM	Value Chain Impact Boundaries			Corresponding GRI Standards
		● Direct Impact ○ Indirect Impact			
		Upstream	NEXCOM	Downstream	
Economic Performance	The business performance of an enterprise is the foundation of sustainable operation. Long-term stable business performance can create the greatest benefits for shareholders, employees, suppliers, customers, and others.	○	●	○	GRI 2: General Disclosures GRI 201: Economic Performance
Corporate Governance	Transparent and sound corporate governance is the key to long-term stability. It not only benefits the sustainable development of enterprises but also ensures the maximization of the interests of all stakeholders.	○	●	○	GRI 2: General Disclosures
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
Risk Management	Risk is an inevitable factor of interference in business operations. It is necessary to establish an effective risk management system to reduce the impact of risks on operations.	○	●	○	GRI 2: General Disclosures
Market Presence	NEXCOM is committed to innovative research and development to assist customers in introducing new products to the market, sparing no effort. By establishing regional service centers worldwide, we strive to provide the fastest service and improvement for customer products, strengthen brand positioning, and build customer trust and loyalty to the company.	○	●	○	Custom Material Topic
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

◆ Description of Differences of Material Topic between 2022

Material Topic	Adjustment	Description
Economic Performance	Remains a Material Topic	Identified as a material topic through this year's analysis of significant issues.
Corporate Governance	Remains a Material Topic	Identified as a material topic through this year's analysis of significant issues.
Ethics and Integrity	Added as a Material Topic	Identified as a material topic through this year's analysis of significant issues.
Risk Management	Remains a Material Topic	Identified as a material topic through this year's analysis of significant issues.
Supplier Environmental Assessment	Removed from Material Topics	Identified as a non-material topic through this year's analysis of significant issues.
Labor/Management Relations	Removed from Material Topics	Identified as a non-material topic through this year's analysis of significant issues.
Market Presence	Added as a Material Topic	Identified as a material topic through this year's analysis of significant issues.
Occupational Health and Safety	Added as a Material Topic	Identified as a material topic through this year's analysis of significant issues.
Regulatory Compliance	Removed from Material Topics	Identified as a non-material topic through this year's analysis of significant issues.



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	In 2023, faced with an overall industry downturn and the disposal of the Beijing subsidiary in mid-2022, both revenue and profit fell short of the 2022 figures. However, thanks to the dedicated efforts of our colleagues, we still achieved an EPS of 1.27 for the year
Corporate Governance	Balance the interests of all stakeholders to achieve the ultimate goal of sustainable operation	Ranked in the top one third of corporate governance evaluation	The evaluation result for 2023 ranked in the top 5%
Ethics and Integrity	<ul style="list-style-type: none"> 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. The policy of integrity in business operations is explicitly stated in the regulations and external documents. The Board of Directors and the management are committed to actively implementing this policy and ensuring its execution in internal management and external business activities. 	<ul style="list-style-type: none"> Establishing a Corporate Culture of Integrity and Sound Development. The company's directors, managers, employees, or individuals with substantial control shall not directly or indirectly offer, promise, request, or accept any improper benefits, nor engage in any other acts that violate integrity, the law, or fiduciary duties during the course of business activities. 	<ul style="list-style-type: none"> No violations of the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, relevant regulations for TWSE/TPEX Listed Companies, or other and regulations related to business activities Number of reports: 0
Risk Management	Avoid exposing the company to excessive risk to protect the interests of all stakeholders	Prevent early and control effectively to keep risks within an acceptable range	Identify risk issues and plan hedging strategies in advance
Market Presence	Expand potential customer base, strengthen brand positioning, build customer trust and loyalty towards the company, and enhance reputation	<ul style="list-style-type: none"> Increase brand awareness Build trust and reliability Differentiate from competitors Attract target customer groups Shape a trustworthy corporate image Establish long-term brand loyalty 	Enhance corporate visibility, strengthen market share, increase employee recognition of the company, and thereby enhance the corporate social responsibility image
Occupational Health and Safety	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Establish and promote the implementation of occupational safety and health management system. Provide safe and healthy working conditions. Comply with occupational safety and health laws and relevant requirements. Eliminate hazards and reduce occupational safety and health risks. Promote consultation and participation of workers in occupational safety and health matters. 	<ul style="list-style-type: none"> No major deficiencies (violations) in 2023 Number of workplace injury cases in 2023: 0



Action Plans	Evaluation Mechanisms	Feedback Mechanisms	2024 Targets
<ul style="list-style-type: none"> Timely hold Institutional investors' conference 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. 	<ul style="list-style-type: none"> Financial Report Annual Report Market Reaction 	<ul style="list-style-type: none"> Institutional investors' conference Shareholders' meeting Board meeting Operations and management meeting 	<ul style="list-style-type: none"> Steady growth and progress towards the Group's strategic development goals
<ul style="list-style-type: none"> Corporate Governance Transparency by Providing English Versions of Shareholder Meeting Documents, Financial Reports, etc. Strengthening the operation of integrity management. 	<ul style="list-style-type: none"> Board Performance Evaluation Corporate Governance Evaluation 	<ul style="list-style-type: none"> Shareholders' meeting Internal and external grievance channels Official website opinion mailbox Sustainable Development Committee Sustainable Development Executive Office 	<ul style="list-style-type: none"> Continue to optimize corporate governance, maintaining a high ranking in corporate governance evaluations
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Board Meeting Integrity Team Internal and External Grievance Channels 	<ul style="list-style-type: none"> No violations of the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, relevant regulations for TWSE/TPEX Listed Companies, or other and regulations related to business activities 	<ul style="list-style-type: none"> No corruption or bribery cases No breach of integrity cases No confidentiality breaches No violation of fair trade No legal violations
<ul style="list-style-type: none"> Promote risk management awareness to ensure all business units understand its importance. Use risk management concepts to analyze potential risks and identify corresponding management methods for higher-risk levels, effectively reducing their impact. 	<ul style="list-style-type: none"> Internal and external audits of each management system 	<ul style="list-style-type: none"> Internal and External Grievance Channels Operations and management meeting 	<ul style="list-style-type: none"> Establish a Risk Management Team to consider risk issues from both internal and external environments of the company and actively propose countermeasures
<ul style="list-style-type: none"> Establish a strong brand image and good reputation to increase market recognition, winning customer trust and loyalty. Pursue innovation in economic and social products to maintain competitive advantage and continuously enhance competitiveness. Confirm brand positioning and strengthen brand image, including related design and communications such as brand logo, slogan, advertising, promotion, website, etc. 	<ul style="list-style-type: none"> Market Response Social Media Online Market Research 	<ul style="list-style-type: none"> Shareholders' meeting Official website mailbox 	<ul style="list-style-type: none"> Enhance corporate visibility, strengthen market share, increase employee recognition of the company, and thereby enhance the corporate social responsibility image
<ul style="list-style-type: none"> 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. Make efficient use of available resources to avoid waste and reduce the generation of waste. Strengthen communication with colleagues and stakeholders, establish channels for conveying policies and related information, and provide appropriate responses. 	<ul style="list-style-type: none"> Internal and external audits of each management system Monthly occupational accident declaration record 	<ul style="list-style-type: none"> Internal and External Grievance Channels Official Documents Internal and External Audit Reports Occupational Safety and Health Committee Meeting 	<ul style="list-style-type: none"> No major deficiencies (violations) Number of workplace injury cases: 0

1 Professional Governance

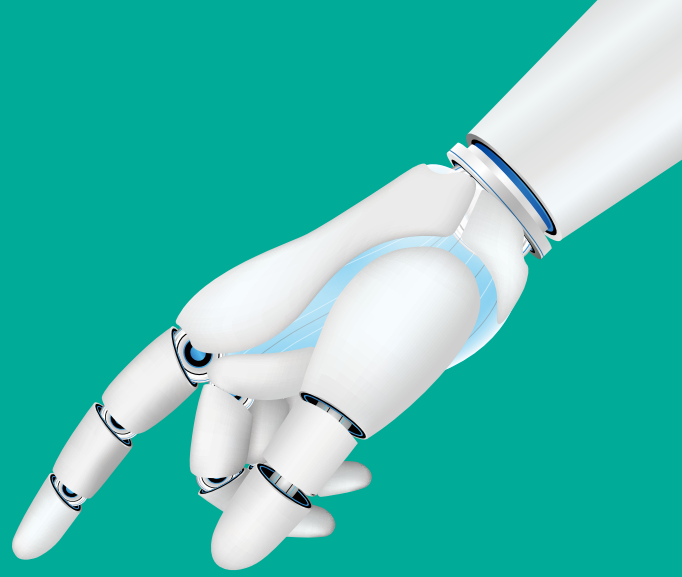
1.1 Organizational Overview

1.2 Board of Directors

1.3 Business Integrity

1.4 Internal Risk Control

1.5 Information Security





1.1 Organizational Overview

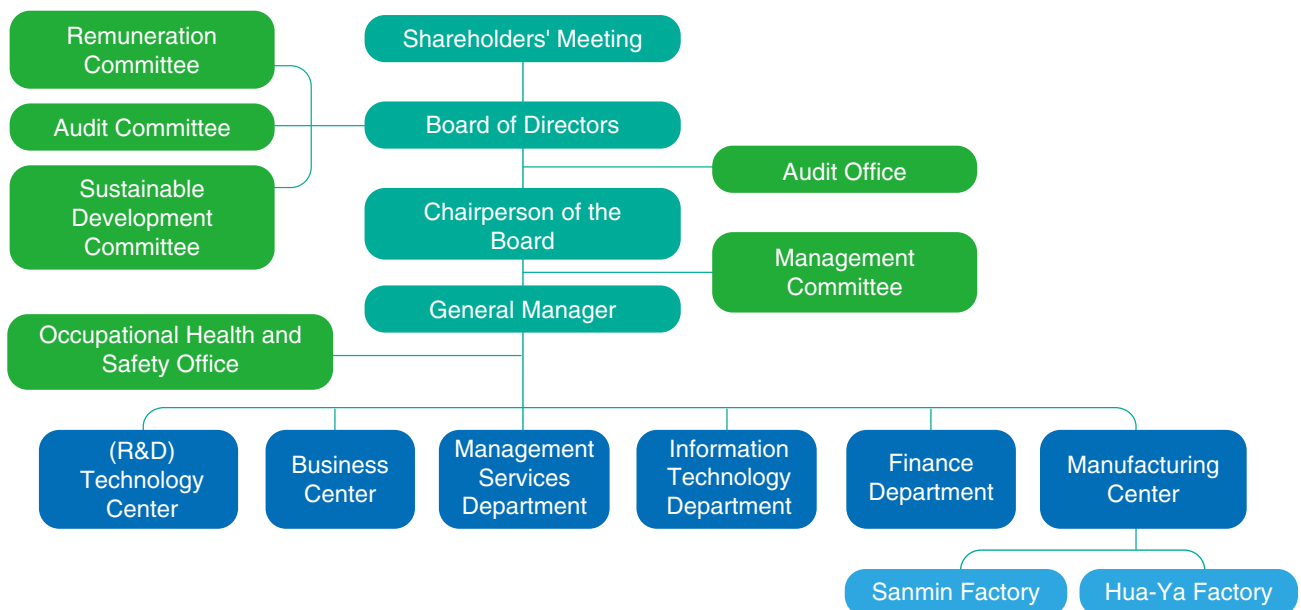
Company Profile

NEXCOM is an industrial computer (IPC) manufacturer that is divided into six major business units based on application fields: Network Communication Solutions, IoT Automation Solutions, Intelligent Video Surveillance, Intelligent Platform @ Smart City, Mobile Computing Solutions, and Medical & Healthcare Informatics. The company is market-oriented, striving to build a global service network while continuously innovating to ensure technological leadership and provide the highest quality services that exceed customer expectations.

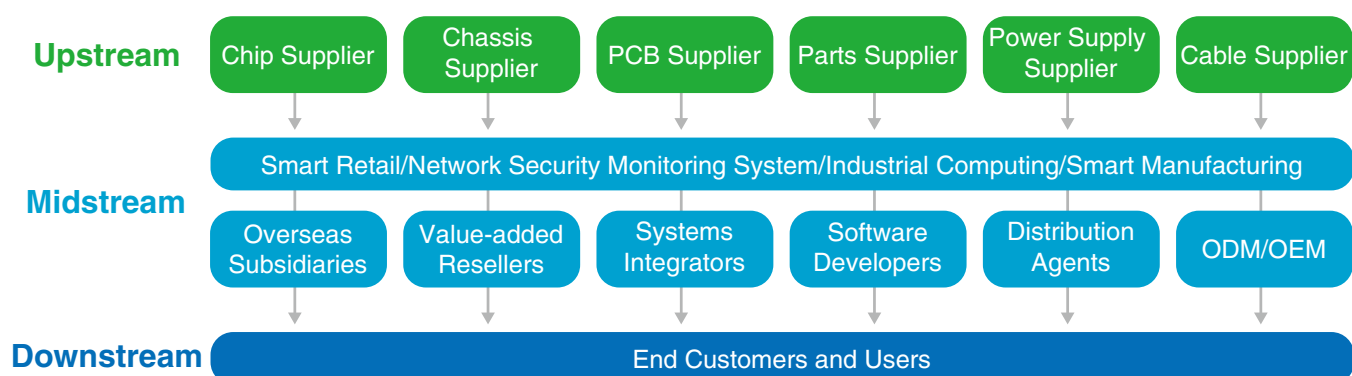
With a core focus on technology, the company offers optimal solutions for customers and positions itself as an "active contributor" to society and the environment. Currently, it is promoting "digital transformation" and "green manufacturing" to assist customers in transforming into net-zero emission smart enterprises. With the goal of achieving "maximum output with minimum consumption," the ultimate aim is to transform the world into a net-zero carbon green planet.

Company Name	NEXCOM International Co., Ltd.	Paid-in Capital	NT\$ 1,412,264,720
Founding Time	November 1992	Number of Employees	Parent company: 859 Group: 1,271
Address	9F., No. 920, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)	Operating Locations	Taiwan China Japan U.S.A.
Chairman	Clement Lin	2023 Revenue	Parent company: NT\$4,120,632,000 Consolidated revenue: NT\$5,765,509,000
General Manager	Peter Yang		

Organizational Chart



Industry Upstream and Downstream



◆ Main Business Items

IoT Automation Solutions	Industrial Automation & I4.0 Execution, Intelligent Edge, Gateway & EWR, Industrial Robot Control, EtherCAT Motion Solutions, Wireless & Embedded Solutions for Industrial IoT
Intelligent Video Surveillance	IP Video Surveillance Cameras, Mobile Cameras, ANPR / LPR Network Cameras, Panoramic Cameras, NVR Server Platform
Intelligent Platform @ Smart City	Smart City, Smart Retail, Digital Signage, Interactive Kiosks, Hospitality, Gateway, Edge AI, ODM Customization Services
Mobile Computing Solutions	Edge AI Telematics Computer, Vehicle Telematics Computer, Railway Computer, Vehicle Mount Computer, Vehicle Mount Display, In-Vehicle Networking, In-Vehicle HDMI Extender over IP
Medical & Healthcare Informatics	Total Solutions with a Variety of Medical IT Systems
Network Communication Solutions	Cyber Security, HPC, Telecommunications, Storage, SDN / NFV, ICS Security

Participation in Industry Associations

By participating in industry associations, NEXCOM can connect with other members, increase visibility and attract potential customers or partners to develop business opportunities. Additionally, industry associations provide opportunities for learning and knowledge sharing, allowing the company to stay updated on the latest industry information, thereby enhancing professional capabilities and competitiveness.

Associations	Participating status
Smart Manufacturing Advancement Association	President
Intelligent Computer & AIoT Association	Class A Member / Board Member
Taipei Computer Association	General member
Health Level Seven Taiwan	General member
ProfiBus & ProfiNet International	General member
PCI-SIG (Peripheral Component Interconnect Special Interest Group)	General member
PCI Industrial Computer Manufacturers Group	General member
VCCI Council (A private organization in Japan that handles electromagnetic interference emitted by electronic computers)	General member

Financial Performance

In 2022, due to the gradual easing of the pandemic and supply shortages, along with customers placing orders in advance to avoid future shortages, consolidated revenue reached a record high of NT\$7.92 billion. Non-operating income benefited from the sale of the Beijing subsidiary and foreign exchange gains, resulting in a net profit attributable to the parent company of NT\$900 million, a 537.4% increase from the previous year, with an EPS of NT\$6.39.

In 2023, as customers prioritized selling their restocking from the previous year and the disposal of the Beijing subsidiary in the prior year, revenue decreased by 27% compared to the previous year. Additionally, the absence of gains from the sale of the Beijing subsidiary and the occurrence of foreign exchange losses led to a net profit attributable to the parent company of NT\$180 million, an 80% decrease from the previous year, with an EPS of NT\$1.27.

NEXCOM operates with core value of integrity, complying with all relevant laws and regulations, never engaging in improper means to evade taxes. The finance department stays updated on new tax information and collaborates with professional accounting services to ensure that all tax operations comply with legal requirements. In line with government incentives for R&D and innovation, we have also applied for investment tax credits under the Statute for Industrial Innovation in recent years. The income tax rates for 2022 and 2023 were 31% and 22%. The higher rate in 2022 was mainly due to the capital gains tax from the sale of the Beijing subsidiary being taxed in China, with additional income tax payable in Taiwan.

Unit: NT\$ thousand	2021	2022	2023
Operating Revenue	6,780,580	7,916,697	5,765,509
Costs/Expenses	6,604,480	7,506,752	5,543,190
Non-operating Income	29,195	943,546	22,565
Income before Tax (Loss)	205,295	1,353,491	244,884
Income Tax Expense	25,874	423,016	54,453
Net Income Attributable to Parent	141,545	902,188	178,791
EPS (NTD)	1.00	6.39	1.27
Dividends (NTD)	1.00	3.0	1.2
Employee Salaries and Benefits	1,263,040	1,427,992	1,471,591
Interest Payments	35,210	44,748	45,919
Payment of Income Tax	42,035	146,950	90,314

1.2 Board of Directors

The Board of Directors is the most important decision-making body in a company, playing a key role in its operations and governance. Our current board members possess professional backgrounds in business management, finance and accounting, law, and industry experience. To enhance the board's independence and effectiveness, we have appointed four independent directors, constituting more than half of the board, who perform their duties in accordance with the "Rules on the Scope of Duties of Independent Directors." Independent directors not only objectively supervise the company's operations but also use their experience and knowledge to offer suggestions and assist in strategic planning. Our company has a corporate governance officer who serves as a bridge between the board and the company, helping the board smoothly execute related business. Currently, all seven directors are male, with an average age between 61 and 70 years. In 2023, they completed at least six hours of annual training on topics such as intellectual property and trade secret protection, and the technological development of AI chatbots like ChatGPT. The board met four times in 2023, with an attendance rate of 96.43%.

Board Director Nomination and Election

Our company adopts a candidate nomination system for board elections, with separate elections for independent and non-independent directors. Each director serves a three-year term and can be re-elected. To enhance independence, more than half of the independent directors have not served more than three terms.

Conflict of Interest of Board Directors

All board members adhere to strict self-discipline principles to avoid potential conflicts of interest. Directors must declare any personal interests related to the discussions during meetings. If the interest is likely to harm the company's interests, the concerned director must refrain from participating in the discussion and voting.

Board Performance Evaluation

To enhance operational efficiency and quality of corporate governance, the board conducts annual self-assessments and commissions an external independent evaluation every three years. The scope of evaluation covers the overall board, individual directors, and functional committees. The results are used as references for nominating directors and determining individual remuneration. In 2023, the performance evaluations of the overall board, individual directors, and functional committees

all achieved an excellent score of 95 or above. Additionally, in 2022, we commissioned the "Taiwan Investor Relations Institute" for an evaluation. The external body concluded that the board makes objective and independent judgments on the company's financial and business matters, and directors communicate and interact effectively.

Board Director Remuneration Policy

The remuneration of our directors and supervisors is evaluated by the Remuneration Committee, primarily based on the results of the board performance evaluation, their involvement in company operations, and their contribution value. Regardless of the company's profits or losses, remuneration is paid according to industry standards.

Communication and Response to Key Events

The disclosure and handling of material internal information must comply with relevant laws and the regulations of the Taipei Exchange. Our Finance Department is responsible for managing material internal information, adhering to the principles of accuracy, completeness, and timeliness as required by law. Disclosures of material internal information should be handled by the company spokesperson or an authorized spokesperson, and if necessary, directly by person in charge of the company.



◆ Board Members

Title	Name	Gender	Age	Term of Office	Current Term	Diversified Background and Core Competencies of the Board of Directors						
						Business Management	Leadership Decision-Making	Industry Knowledge	Financial Accounting	Technology	Sustainable Development	Crisis Management
Director	LIN, MAO-CHANG	Male	61-70	3Y	110.08~113.07	V	V	V	V	V	V	V
Director	LIN, ZHENG-TAI	Male	61-70	3Y	110.08~113.07	V	V	V	V	V	V	V
Director	CHEN, WEN-CHUAN	Male	61-70	3Y	110.08~113.07	V	V	V	V	V	V	V
Independent Director	WANG, YONG-YAO	Male	61-70	3Y	110.08~113.07	V	V	V	V	V	V	V
Independent Director	CHEN, QING-YIN	Male	61-70	3Y	110.08~113.07	V	V	V	V	V	V	V
Independent Director	CHEN, HONG-MING	Male	61-70	3Y	110.08~113.07	V	V	V	V	V	V	V
Independent Director	DAI, ZHENG-JIE	Male	61-70	3Y	110.08~113.07	V	V	V	V	V	V	V

Functional Committees

Audit Committee

The Audit Committee consists of four independent directors, assisting in overseeing the effective operation of the company's internal controls. They evaluate the rationality of transactions such as loans, endorsements, guarantees, and major asset acquisitions or disposals. They also appoint certifying accountants and improve the quality of financial statements. In 2023, the Audit Committee held a total of four meetings with an attendance rate of 93.75%.

Remuneration Committee

The Remuneration Committee is primarily responsible for regularly reviewing the remuneration system for directors and managers to ensure its appropriateness and its reasonable correlation with the company's performance. The goal is to create a win-win situation for both individuals and the company. In 2023, the Remuneration Committee held two meetings with an attendance rate of 100%.

Sustainable Development Committee

To enhance the management of corporate social responsibility, the Sustainable Development Committee was established on August 3, 2022, by resolution of the Board of Directors. This committee assists the board of directors in continuously promoting corporate social responsibility and improving corporate governance to achieve sustainable development. In 2023, the Sustainable Development Committee held a total of four meetings with an attendance rate of 91.67%.

1.3 Business Integrity

NEXCOM is committed to compliance with the law and upholds "Keeping Integrity with sincerity and credibility" as its core concept. The entire business operation is conducted with a spirit of honesty and integrity. To implement this concept, we have established regulations such as the "Code of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and "Corporate Social Responsibility Best Practice Principles," which are included in the training materials for new employees. To strengthen the related mechanisms, we set up a dedicated Integrity Team in 2023 to plan and execute specific integrity initiatives. Additionally, a whistleblowing mechanism was established mid-year to encourage and protect the disclosure of internal corporate malpractices.

Through the company's efforts, the principle of "Keeping Integrity with sincerity and credibility" has become ingrained in our employees. In 2023, 81% of our personnel signed the Integrity Management Declaration.

◆ Integrity Business and Anti-Corruption Education and Training Statistics

	2021	2022	2023
Number of Employees Trained in Anti-Corruption (Integrity Business) Policy	259	396	384
Percentage of Total Employees	24%	35%	30%

Regulatory Compliance

In 2023, there were no significant violations or fines involving corporate governance, securities trading, environmental protection, labor rights, occupational safety, customer privacy leaks, marketing labeling, or product liability.

Regulatory Identification

NEXCOM, being a TPEX-listed company, complies with the relevant regulations. If there are any updates to these regulations, the competent authority will notify us via official letters. Our company has dedicated personnel to receive these letters and distribute them to the relevant departments upon receipt. The finance department handles compliance with the regulations for TPEX-listed companies as required. Additionally, accounting firms, securities firms, stock affairs agencies, and Taipei Exchange periodically inform the company's finance department of any updates to the regulations via email to prevent any oversights.

Regulation	Responsible Department	Methods and Frequency of Review Revisions
Occupational Safety and Health Regulations	Administrator Service Department	Constantly monitor the Ministry of Labor's related laws and regulations through a regulatory inquiry system to check for updates or revisions. The regulatory list is compiled every three months and adjusted according to ISO 45001 standard procedures.
Environmental Regulations	Environmental Management Team	A dedicated personnel collects environmental regulation changes from relevant websites each quarter and revises them immediately according to ISO 14001 standard procedures and related legal requirements.
Gender Equality (including Sexual Harassment Prevention) Regulations	Administrator Service Department	Constantly monitor the Ministry of Labor and the Ministry of Health and Welfare's related laws and regulations through a regulatory inquiry system to check for updates or revisions. The regulatory list is compiled every three months and adjusted according to ISO 45001 standard procedures.



1.4 Internal Risk Control

Risk Management

Risk management is a crucial part of sustainable development for enterprises, vital for their survival and growth. Companies must fully recognize the importance of risk management, establishing comprehensive risk management systems and mechanisms to cope with rapidly changing market environments and various challenges. NEXCOM's risk management framework is centered on each responsible department, conducting related risk assessments to identify potential risks. These risks are evaluated based on their likelihood and impact, with response strategies and specific management measures formulated to promptly address potential crises, ensuring the goal of sustainable operation.

NEXCOM has established a "Risk Management Policy and Procedures" to standardize the processes of risk identification, analysis, and management. In 2023, NEXCOM established a Risk Management Team, which meets quarterly. The Risk Management Team consists of first-line supervisors, including the Chairman, heads of various business units, and representatives from R&D, finance, IT, and legal departments. This team is primarily responsible for identifying risks, analyzing their impacts, determining handling priorities, and developing response plans. The results of risk management are reported annually to the Audit Committee and the Board of Directors.

◆ Risk Assessment

Category	Potential Risk Issues	Risk Control Measures
Financial	Exchange rates, interest rates, cash flow	<ol style="list-style-type: none"> 1. Reduce exchange rate risks through natural hedging and foreign currency borrowing from financial institutions. 2. Maintain close relationships with multiple banks to ensure sufficient operational capital for turnover needs.
Operations	Products have no marketability	Actively understand market dynamics and maintain good relationships with customers to ensure products meet their needs.
R&D	Obsolete technology Technology development is not cost effective	<ol style="list-style-type: none"> 1. Understand industry and technology trends, and invest in R&D ahead of the market. 2. Carefully evaluate technical investments beforehand and consider forming alliances with external parties to gain timeliness and reduce risk.
Occupational Safety	Occupational accident occurs	<ol style="list-style-type: none"> 1. Establish human factor hazard prevention plan and train employees on proper working postures to reduce human and physical hazard factors. 2. Conduct workplace environmental monitoring twice a year to ensure pollutant concentrations meet allowable standards and noise levels are within permissible limits.
Environmental	Environmental changes affecting energy costs Increased waste disposal costs	<ol style="list-style-type: none"> 1. Continuously optimize production processes to improve efficiency and reduce energy consumption. 2. Establish waste classification and management regulations, simplify product packaging design, and use green materials (RoHS, REACH, etc.) to increase material recycling rates.
Human Resources	Insufficient supply of talent / labor shortage	<ol style="list-style-type: none"> 1. In order to retain important talents, salary adjustments are made every year based on performance evaluations. 2. Redefine recruitment standards: expand talent recruitment. 3. Train ideal talent in-house. 4. Set up new offices where talents are located and introduce talents nearby. 5. Make good use of middle-aged and elderly manpower. 6. Accelerate automation and intelligence. 7. Flexible employment arrangements. 8. Outsource some work. 9. Collaborate with academic institutions.
Supply Chain	Supplier stockouts	<ol style="list-style-type: none"> 1. Develop a comprehensive supplier system. 2. Monitor market conditions and pre-stock materials before End-of-Life (EOL) of components.
Information Security	Theft or hacking of confidential information	<ol style="list-style-type: none"> 1. Implement and certify ISO 27001 Information Security Management System. 2. Conduct annual information security risk assessments and implement risk improvement plans for high-risk items. 3. Perform annual information security incident reporting and drills. 4. Establish anti-spam and anti-phishing mechanisms to filter and block malicious and fraudulent emails.

Audit of Internal Control

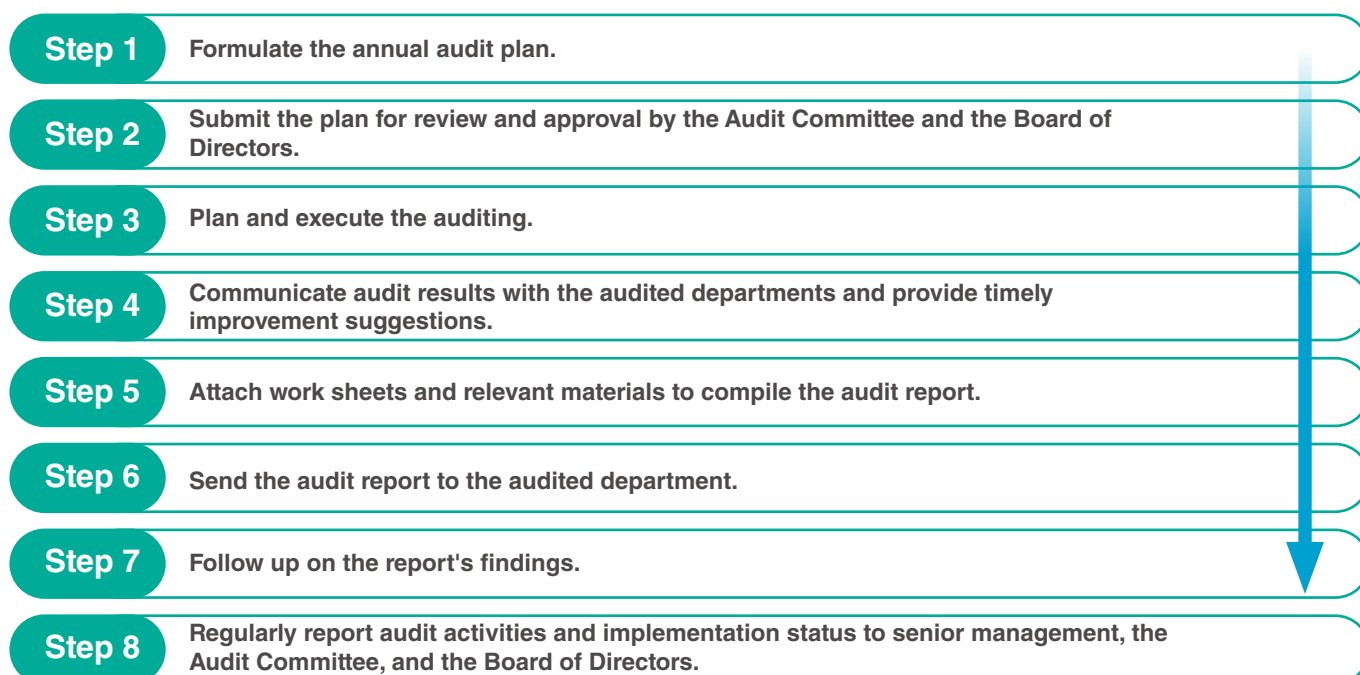
In the context of modern corporate operations, the function of internal audit is critically important. Its core mission is to assist the Board of Directors and management in reviewing and evaluating weaknesses in the internal control system, measuring the effectiveness and efficiency of operations, and ensuring the continuity and effectiveness of internal controls. Internal audit also plays a role in providing optimization recommendations, which serve as references for revising the internal control system, ensuring the company's steady growth and achievement of its goals.

To properly execute internal audit tasks, NEXCOM has established an independently operated audit department that reports directly to the Board of Directors. The appointment of the head of internal audit requires the consent of a majority of the board members. Additionally, the hiring, evaluation, and compensation of audit personnel follow internal company regulations and relevant laws. Performance evaluations for audit personnel are conducted twice a year and require a formal approval process.

Audit personnel are expected to formulate an annual audit plan based on the company's operating environment, legal and regulatory requirements, and risk assessment results. Audits are conducted according to the plan, and audit reports are prepared. These reports should be submitted to independent directors for review by the end of the month following the completion of the audit tasks. The audit department is also responsible for evaluating the results of self-assessments conducted by various departments and establishing a comprehensive self-monitoring mechanism. This mechanism helps the Board of Directors and the General Manager assess the overall effectiveness of the internal control system and issues an internal control statement accordingly. These measures aim to strengthen internal supervision, ensure transparency and accountability in corporate governance, and drive the company towards healthier and more sustainable development.

In 2023, the audit office conducted a total of 59 audit tasks (4 on information system management cycles, 7 on sales cycles, 6 on purchasing cycles, 1 on investment cycles, 5 on property, plant, and equipment cycles, 4 on production cycles, and 32 on internal management systems), achieving a 100% compliance rate in audits.

◆ Audit of Internal Control Process



1.5 Information Security

NEXCOM had established an internal ISMS (Information Security Management System framework) and starts its operation in 2021. ISO 27001 Information Security Management Certification System Starting was introduced in the second half of 2022, and obtained the certification in the first quarter of 2023. NEXCOM places a high emphasis on information security and has established a comprehensive information security protection and data protection mechanism to prevent risks such as confidential information leaks or data corruption. Additionally, there is a data backup mechanism for critical company systems, with aperiodic restoration tests conducted annually to ensure the information systems can recover properly, thus reducing the risk of system interruptions due to unforeseen natural disasters or human error. In 2023, no complaints were received regarding breaches of customer privacy or the loss of customer data.

Information Security Promotion Committee

Convener: Chairman

Management Representative: The Top Supervisor of the Information Department

Functional Teams: Comprised of members from the Information Department based on their expertise and responsibilities, fully in charge of information security-related matters, and reporting annually to the Board of Directors on the execution of duties for the year.

Management Representative: 1 person

Executive Manager: 1 person

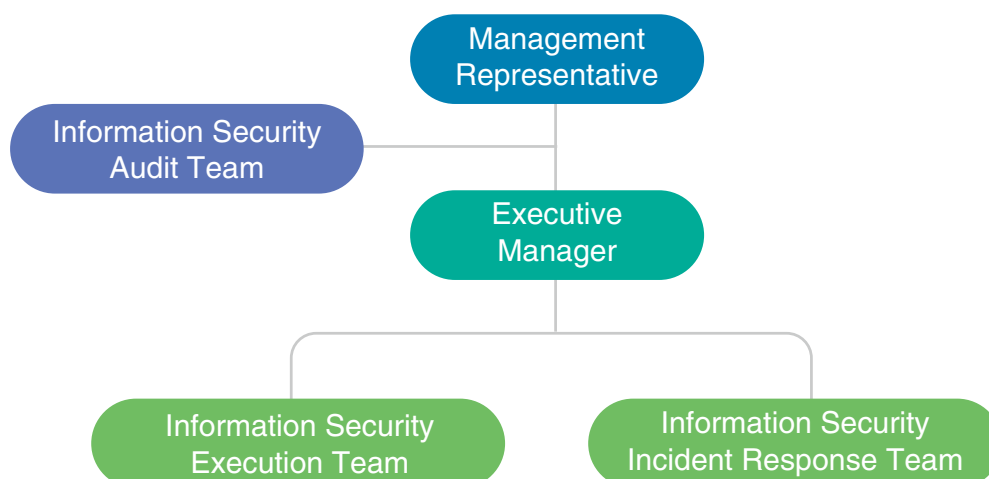
Information Security Organization:

Execution Team: 8 members

Incident Response Team: 6 members

Audit Team: 1 member

Information Technology Department Organizational Chart



Information Security Policy

Enhance personnel awareness, Prevent data leaks, Ensure service availability

Information Security Objectives:

1. Conduct information security education and training to promote employee awareness of information security and reinforce their understanding of related responsibilities.
2. Ensure the confidentiality of business data, prevent unauthorized access or modification, and implement data access control.
3. Ensure that the core systems provided by the organization maintain a certain level of availability.

Information Security Achievements in 2023:

- January 2023: Implemented company-wide information security education and training
- March 2023: Obtained ISO/IEC 27001:2013 certification
- September 2023: Conducted a social engineering drill
- October 2023: ISO 27001:2022 Information Security Management System education and training
- November 2023: Completed core system vulnerability scanning
- November 2023: Completed information security risk assessment
- November 2023: Completed internal audit

Information Security Education and Training

To enhance the awareness and understanding of information security among all employees, NEXCOM regularly conducts educational campaigns on information security risks. This aims to strengthen employees' awareness of information security and the protection of sensitive data.

For all employees: One information security campaign was conducted in 2023.

For IT personnel: One briefing on the new version of ISO 27001:2022 was conducted in 2023.

◆ Information Security Measures

Item	Description
Firewall (UTM)	Through the web and network protection functions of Unified Threat Management (UTM), we have implemented filtering and protection measures for both external and internal services. This includes proactive monitoring of web content and network traffic to detect and block potential threats. Additionally, we filter packets on VPN connections to ensure their security.
Intrusion Prevention System (IPS)	By using an active Intrusion Prevention System (IPS), we effectively help the organization identify malicious traffic while taking proactive measures to block such traffic from entering our network. This technology not only monitors incoming traffic, but also checks for potential vulnerabilities and intrusion attempts.
Internet Access Management	We have implemented a security measure that prohibits mobile devices (e.g., smartphones) from connecting to the internal network via Wi-Fi. We also use Network Access Control (NAC) technology to enhance control over network devices. This measure ensures that only authorized company computers can connect to the internal network, and non-company computers are prohibited from accessing the internal network, effectively preventing potential security risks.
Hosting Server Management	All systems are regularly updated and backed up, and are protected by antivirus software. This includes ensuring that operating systems, applications, and other related software are kept up to date with the latest security patches and versions, as well as regularly backing up important data to address potential failures or data loss situations.

Product Information Security

Information security is crucial for computer products, as it involves protecting computer systems, data, and user privacy from unauthorized access, damage, or theft. The following are some key features of NEXCOM products that ensure information security and compatibility with current software and hardware technologies:

1. Firewalls and Intrusion Detection Systems: Monitor and prevent unauthorized network traffic from entering the system. They can detect and block potential attacks, malicious code, or intrusion attempts.
2. Authentication and Access Control: Various authentication mechanisms are provided to ensure that only authorized users can access the system.
3. Data Encryption: Sensitive data stored in the system is protected using encryption methods. This ensures that even if the data is stolen, it cannot be read by unauthorized individuals.
4. Updates and Patching: NEXCOM regularly releases BIOS updates to address CPU vulnerabilities and fix known security issues. These updates help prevent hackers from exploiting known weaknesses to infiltrate the system.
5. Secure Network Communication: Supports SSL (Secure Socket Layer) and VPN (Virtual Private Network) to ensure the confidentiality and integrity of data during transmission.

In summary, NEXCOM's products possess important features of information security, including firewalls, authentication, data encryption, software updates, secure communication, security awareness training, security monitoring, and privacy protection. These functions and measures help ensure the security of computer products, protecting systems and data from potential security threats. Information security is an ongoing process, and NEXCOM will continuously evaluate and improve to comply with relevant security compliance and regulatory requirements.

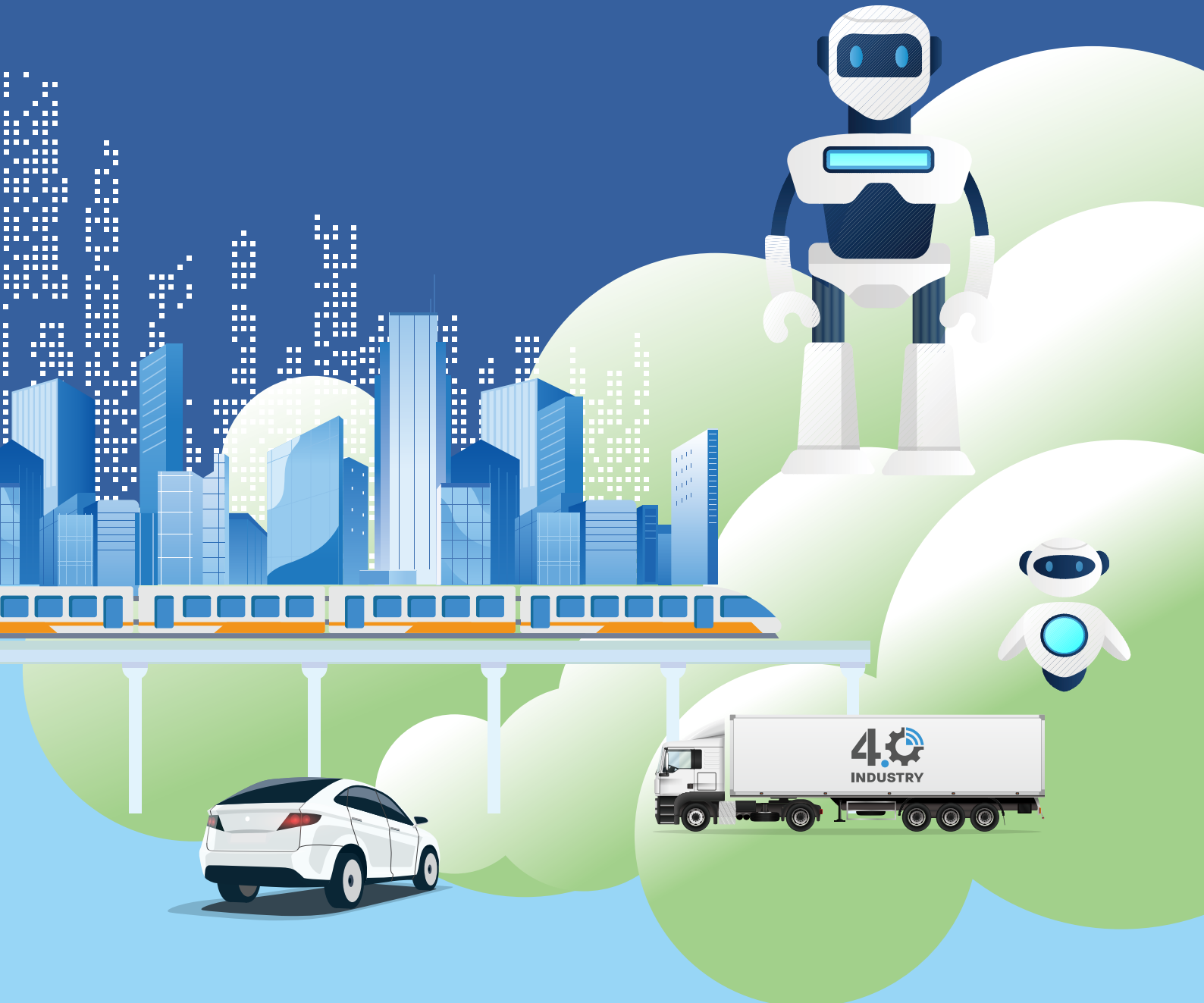
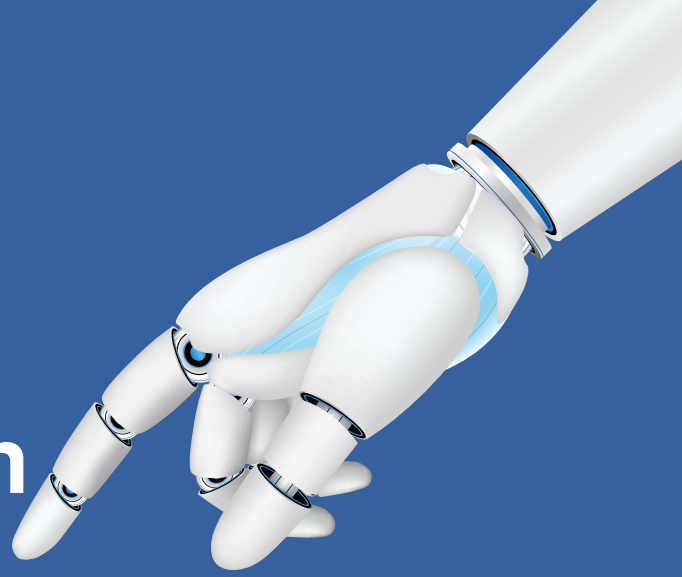
2 Innovative Breakthrough

2.1 Technological Innovation

2.2 Quality Management

2.3 Customer Satisfaction

2.4 Sustainable Supply Chain



2.1 Technological Innovation

NEXCOM is committed to becoming a world-renowned brand, and we place great emphasis on technological innovation. We understand that only by continuously introducing new ideas and developing new technologies and products that meet market demands can we earn market recognition and trust. Therefore, we constantly challenge the latest market technologies through technological development and innovation, ensuring the quality and reliability of our products. This pursuit of technology and quality not only meets customer needs but also enhances NEXCOM competitiveness in the market.

NEXCOM innovative products have not only been widely used and praised by customers but have also been recognized with the Taiwan Excellence Award. In the design and operation processes, we focus on ecological protection and sustainable development, implementing measures to promote water area ecological balance. At the same time, we incorporate green indicators into our monitoring and evaluation system to assess the environmental friendliness of water area management and take appropriate improvement measures.

To exceed customer expectations, NEXCOM will continue to invest human and material resources in technological innovation and product development. We firmly believe that only by consistently prioritizing technological innovation and developing superior products can we earn customer trust and market support. NEXCOM will keep striving to provide better products and services to our customers, aiming to become a world-renowned company.

R&D Innovation - Short, Medium, and Long-Term Strategic Target

(1) Short-term targets (1-2 years) :

Under the current market trend, NEXCOM is committed to improving corporate competitiveness and increasing market share.

Short term targets include:

1. Continuously provide products with high performance, stability, and reliability.
2. Strengthen collaboration with suppliers and customers to enhance customer satisfaction.
3. Launch new product lines to meet demands of the broad market.
4. Invest in smart factories and develop proprietary technologies for comprehensive smart manufacturing solutions to improve production throughput efficiency to the PPM level.

(2) Medium-term targets (3-5 years) :

Under the current technological development trend, the company focuses on future development and strengthens technological research and development and innovation capabilities.

Medium term targets include:

1. Continue to invest more resources in low-carbon technology research and development each year, aiming to reduce product carbon emissions by 25%.
2. Launch at least two innovative and leading products annually to meet market demands for new technologies and products.
3. Continuously develop independent intellectual property, applying for no fewer than five R&D patents each year to enhance the company's core competitiveness.

(3) Long-term targets (Over 5 years) :

Under the future market and technology trends, NEXCOM formulates macro development targets to achieve sustainable development.

Long term targets include:

1. Strengthen internationalization strategy to expand overseas market share.
2. Advocate for net-zero carbon emissions within the industry, with a goal to reduce current emissions by 55% by 2030, thereby expanding the company's business scope.
3. Promote corporate culture by releasing one online instructional video each quarter to enhance employee cohesion and creativity.
4. Strengthen social responsibility efforts to enhance corporate social image and brand value.

In response to the medium-term target, for example, using the water area monitoring system, emphasize ecological protection and sustainable development in the design and operation processes. Implement measures to promote aquatic ecological balance. Additionally, integrate green indicators into the monitoring and evaluation system to assess the environmental friendliness of water area management and take corresponding improvement actions.

1. Zero-Carbon Design: Utilize solar power with smart energy management to ensure stable energy supply. At the same time, optimize energy use efficiency through intelligent control systems to minimize energy waste. The operation process will generate no carbon dioxide emissions (zero emissions) , and the product itself is sealed to prevent environmental contamination.
2. Collaborative Operation and Intelligent Control: Coordinate multiple monitoring devices (RN20) to establish an intelligent water area management system. These devices can communicate with each other, share data, and operate automatically through an intelligent control system, improving the overall system's efficiency and reliability.
3. Real-Time Monitoring: Monitor changes in water and soil positions, and immediately transmit water condition information from wild streams and rivers to the cloud using wireless NB-IoT or Wi-Fi HaLow in a grid manner. The Situation center map can comprehensively display the latest conditions of the basin for integrated analysis. By integrating machine learning and natural language processing technologies, the system can autonomously learn and optimize based on different environmental data, enhancing the accuracy and timeliness of predictions. AI-based forecasts and visualizations, along with optimal decision support, provide decision-makers with the fastest and most accurate judgments.
4. Data Calibration: After on-site assembly, convert absolute values based on pool height and conductivity to obtain accurate data, and store the settings in the equipment to prepare for precise measurements.
5. Remote Updates and Equipment Tracking: Traditional monitoring products require on-site visits to know the equipment status. NEXCOM water area monitoring equipment allows for remote status checks and wireless software updates. Built-in GPS functionality enables tracking of equipment location and basin changes, providing great convenience.



Intel and NEXCOM jointly held 『 Intel Solution Day!! 』

Every year, Intel and NEXCOM jointly held the Solution Day to share Intel's latest technology roadmap and advancements. This event provides insights into the latest, fastest, and most accurate market information.

This event is highly beneficial for R&D and addressing customer needs, especially with AI and health management being key future trends. Intel has strong expertise and experience in these areas. Through Solution Day, we share, exchange, and discuss ideas to extend and apply related products and foster collaboration. This enables us to provide enhanced professional services and meet customer needs, achieving a win-win situation for both companies.



Patent Accumulation

Actively investing in innovative research and development, we filed a total of 162 patent applications in 2023, with 128 of them being inventions, accounting for 79.1% of the total applications. This demonstrates our continued adherence to the principles of innovation and maintaining our R&D competitiveness. Additionally, we introduced the self-developed "NEXCOM Patent Management System Inquiry Platform" to incorporate intellectual property protection and trade secret protection into our network security management mechanism. This prevents hackers from accessing the company's advanced technologies, thereby safeguarding our intellectual property.

◆ Number of Patented Inventions Issued

Year	2021	2022	2023
Quantity	12	16	20

R&D Investment

NEXCOM focuses on diverse hardware innovation and software integration solutions for research and development. The 2023 financial report disclosed that R&D expenses reached NT\$585 million. By selecting strategies based on new generation development trends and positioning for market differentiation, NEXCOM aims to achieve industry leadership.

◆ R&D Investment Expenditure

(Unit: NT\$ thousand)

Year	R&D Expenditure	Revenue	R&D Expenditure Proportion
2021	593,414	6,780,580	8.75%
2022	551,492	7,916,697	6.97%
2023	585,037	5,765,509	10.15%

NEW Column

Packaging Materials - Energy Saving and Carbon Reduction Design

According to the recent "Plastic and Climate Impact" report by McKinsey, plastic is one of the most revolutionary materials in modern human history. The report uniquely discusses the sustainability issues of packaging materials, highlighting the use of different plastics and alternative materials. Currently, there is no material such as glass, metal, or paper that can definitively claim to be a better alternative to plastic in terms of sustainability.

Based on data presented by Brogaard in 2014, the approximate carbon emissions for common materials are as follows:

- Cardboard and paper: approximately 0.94 kg (CO₂e) of carbon emissions.
- Polystyrene foam: approximately 1.16 kg (CO₂e) of carbon emissions.

Additionally, according to data from ScienceDirect in 2020, low-density polyethylene, commonly used in EPE packaging, is estimated to produce 2.9 kg (CO₂e) of carbon emissions.

When NEXCOM uses cardboard packaging for shipping the NISE 3910 series, the carbon emissions are significantly reduced by 63% (from 2.3 kg to 0.84 kg (CO₂e)). This not only lowers greenhouse gas emissions but also improves the recyclability of the packaging material to 100% by using entirely recyclable paper. Long-term packaging material partners have also started using FSC-certified paper sources for designing the eco-friendly packaging of the NISE 3910 series, making the use of eco-friendly packaging more sustainable and environmentally friendly.



2.2 Quality Management

NEXCOM obtained ISO 9001 certification in 1999, initiating the implementation of a Total Quality Management (TQM) system aimed at developing a comprehensive quality system. In 2005, the company achieved ISO 14001 Environmental Management System certification and in 2013, OHSAS 18001 Occupational Health and Safety Management System Certification, which was updated to ISO 45001 in 2019, establishing an Environmental Safety and Health (ESH) Management System. Recognizing the significance of the medical system, NEXCOM obtained ISO 13485 Medical Devices Quality Management System Certification in 2017, ensuring a rigorous production process for medical device products.

NEXCOM sets various targets and management plans annually to enhance quality performance and improve occupational health and safety risks, consistently meeting these targets for several years. Additionally, annual audits by third-party verification companies ensure the effective implementation of all ISO management systems.

Total Quality Management and Continuous Improvement

"Develop mutual understandings on quality control and strive for excellence (Consistent Quality), Regulate all workflows and checkpoints on professional standards (Total Quality Assurance), Strive to be impeccable and improve on performance for total customer satisfaction (Continual Improvement) - this is NEXCOM's quality policy." From the formulation of the quality policy, it is clear that NEXCOM direction in quality management adopts the concept of comprehensive quality. By involving all employees in quality improvement, the company continuously enhances various aspects, including product technology, manufacturing capabilities, employee skills, optimal quality costs, and satisfaction of both internal and external customers. In terms of specific practices, departments within NEXCOM including design, procurement and supplier management, manufacturing, post-sales service, and related support units are responsible for their performance of quality managing and monitoring. Top-level leaders are responsible for promoting the all employee involvement. Regular meetings are called for fundamental monitoring activities. Directors of inter-related departments should jointly establish annual work plan and key performance indicators (KPIs) for next year based on results of previous accomplishment in customer quality requirements, industry quality management indicators and future corporate operational strategies. Real-time monitoring of key indicators is conducted based on the SMART principles (Specific/Measurable/Attainable/Relevant/Time-bound) to enhance the effectiveness of continuous improvement and ultimately ensure product quality and customer satisfaction.

Green Product Supply Chain Management System

To efficiently manage all components to meet green environmental requirements, NEXCOM has implemented the (GPMS) Green Product Management System. This system is equipped with multi-national regulations, exemptions, and customer standards, allowing suppliers to quickly and easily update information on green components online. It effectively manages suppliers and tracks quality performance. The GPMS system can set regulations, substances, materials, documents, and audit processes. When new materials are updated, the system automatically notifies suppliers to upload relevant documents. After the suppliers upload the documents, the system notifies the NEXCOM green components product unit for review. When it is necessary to check if various models comply with green standards, quality management personnel can use the report generator to automatically produce complete customer declaration reports, including RoHS, REACH, and full material investigation reports. This also includes bringing out all related documents of parts for tracking and evaluation. Through the standardized automated platform of GPMS, NEXCOM's green product management becomes more efficient, and the company continues to move towards the targets of green and sustainable quality in the future.

Quality - Short, Medium, and Long-term Strategic Targets

Short-term Quality Targets:

- Execute Conduct incoming quality inspections to reduce product defect rates and enhance customer satisfaction.
- Implement appropriate quality control measures to ensure products meet international standards.
- Aperiodically conduct education and training to enhance employees' understanding and awareness of quality to reduce errors and mistakes.

Medium-term Quality Targets:

- Continuously improving research and development (R&D) and design quality to enhance market competitiveness.
- Strengthen supplier management to ensure that materials and components obtained from suppliers meet standards.
- Enhance product safety and reliability to ensure customers' experience and reliability of products.

Long-term Quality Targets:

- Increase the use of IoT technologies to enhance overall management guidelines and achieve continuous improvement and innovation.
- Establish a comprehensive quality management digital footprint system to achieve long-term stability and ISO certification.
- Utilize AI for research and development innovation and process optimization based on historical records, continuously improving product quality and technological capabilities to meet market and customer demands.



Smart Manufacturing Column

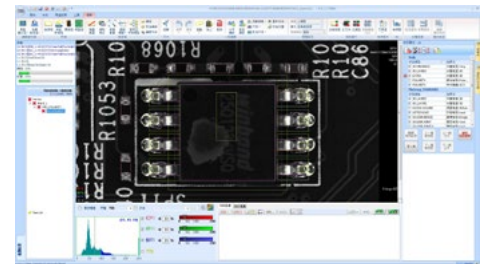
1. SMT Reflow AOI Introduction of AI-Assisted Inspection (Sanmin / Hua-Ya Factory)

Although Automated Optical Inspection (AOI) is a mature technology in the SMT (Surface Mount Technology) production process, it still faces several challenges. For instance, the high false positive rate results in a substantial need for manual rechecking, and some defects require multiple conditions for accurate detection. Despite the implementation of automated AOI inspection on SMT production lines, there are still instances where defective products may advance to subsequent stages due to human error and fatigue.

To address these issues, NEXCOM has integrated popular AI deep learning technology into the AOI system. This advanced technology aims to reduce the proportion of manual reinspection, thereby improving the overall efficiency and accuracy of the inspection process.

Advantages of AI-Assisted AOI in SMT Reflow:

- It can reduce the proportion of manual re-judgment required after AOI inspection.
- Avoid defective products caused by operational fatigue during manual re-inspection.
- Increase product output efficiency.



2. DIP Process Inspection Introduction of AOI Equipment (Sanmin Factory)

To reduce product defect rates and provide better products to customers, NEXCOM has introduced automated AOI (Automated Optical Inspection) equipment in the DIP (Dual In-line Package) process to replace manual visual inspections.

Advantages of Automated AOI Equipment for DIP Process:

- Capable of collecting and tracing historical production information.
- Replace manual visual inspection to confirm problems such as incomplete solder joints, short circuits, empty soldering, etc.
- Streamline manpower and improve production competitiveness.



3. Automated Testing for PCB Production Line (Sanmin Factory) :

NEXCOM has implemented RPA software to record and replay mouse and keyboard actions, replacing manual operation with computer-controlled automation for testing PCBs. This approach achieves test automation.

Advantages of Automated Testing in PCB Production Line:

- Increased Production Efficiency.
- Reduce production manpower and improve production competitiveness.
- Improve flexibility in manpower deployment.

2.3 Customer Satisfaction

NEXCOM is committed to establishing and maintaining strong customer relationships to provide the best products and services. In order to understand customer satisfaction with our products and services, we regularly hold customer satisfaction surveys every year. Targeting important customers of the previous year, we provide a channel for customers to immediately reflect their opinions, which is an important basis for continuous improvement of products and service processes. The survey items include "Sales Service," "Product Quality," "Customer Service," "Delivery," and "Website." Customer satisfaction survey results will be promptly feedback to various departments within the company for improvement and enhancement.

Through the customer satisfaction survey, we not only gain insights into how customers perceive our products and services but also receive positive reinforcement that encourages and supports our dedicated employees. Additionally, the surveys help us identify areas for improvement from an external perspective, allowing us to make timely adjustments. For customers whose satisfaction levels fall short of our set targets, we promptly report the issues to the responsible departments. These departments are tasked with formulating improvement measures and presenting them at management review meetings for follow-up and tracking.

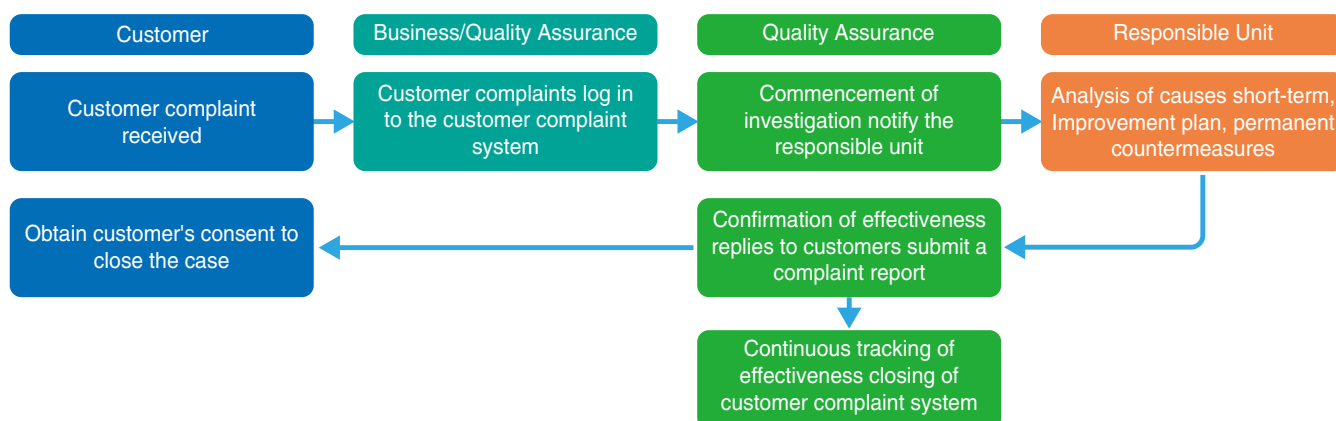
Additionally, we engage in regular communication with our customers to understand their needs and feedback, allowing us to make timely improvements and enhancements. We utilize various communication channels, including email, telephone conferences, video meetings, and business trips, to ensure close contact with our customers. We believe that through continuous improvement and enhancement of our products and services, we can build and maintain strong customer relationships, ultimately earning their long-term trust and support.

In the 2023 customer satisfaction survey, we targeted customers with annual transaction amounts exceeding NT\$10 million (including subsidiaries) across various regions. The average satisfaction score from the survey was 87.0, which represents a 0.6-point improvement from the 86.4 score in 2022. Among the five major survey items, "Delivery" ranked first for the first time. This achievement reflects the efforts of our team and the support from our advanced planning and scheduling system (APS), warehouse management system (WMS), and integrated supply chain management platform (iSCM). The positive feedback from customers confirms the success of our delivery execution.

◆ Customer Satisfaction Score

Year	2021	2022	2023
Customer Satisfaction (%)	86.1	86.4	87.0

Customer Complaint Handling Process



2.4 Sustainable Supply Chain

From a corporate sustainability perspective, suppliers are considered an extension of the company itself. If the source cannot maintain good operations or fails to adhere to the company's sustainability principles, it could potentially damage the collaborative relationship. Companies need to establish strong relationships with suppliers to ensure their products and services meet company requirements and standards, while also ensuring that their operations align with social responsibility and environmental sustainability principles. NEXCOM has always upheld the spirit of corporate sustainability and strives to achieve win-win goals with partners. NEXCOM aims to build a friendly and environmentally harmonious industry chain together with suppliers and contractors. Currently, NEXCOM collaborates with over 670 raw material suppliers, categorized into direct material suppliers and indirect material suppliers. All cooperating suppliers are required to comply with the company's procurement management practices and undergo regular evaluations and assessments.

New Supplier Evaluation

The procurement department selects suppliers based on the company's actual needs, using criteria such as quality, price, delivery time, quantity, and service attitude. Additionally, suppliers who have obtained ISO 14001 certification, are Green Partner certified, or have received recognition from government agencies for their environmental excellence are also eligible to become NEXCOM's suppliers. To ensure that suppliers clearly understand our environmental, safety, and health requirements, all new suppliers are required to complete and return our Environmental Safety and Health Guidelines form.

◆ Number and Percentage of New Suppliers Meeting Environmental Standards Screening

Year	2021	2022	2023
Number of New Suppliers	31	20	13
Percentage of Completion for Screening	97%	95%	92%

Annual Supplier Evaluation

Scores of quality, delivery and services are recorded quarterly in the evaluation database. Scores are divided into four Grades:

- Grade A - The score is 90 or above
- Grade B - The score is 80 or above but below 90
- Grade C - The score is 70 or above but below 80
- Grade D - The score is below 70

For those whose scores are below 70 points, NEXCOM requires suppliers to submit improvement countermeasures reports within a time limit and requires relevant units to continue to pursue them. If the total evaluation score is lower than 79 points, NEXCOM will also reduce the procurement ratio of suppliers, and if necessary, tighten their purchase control according to inspection and control procedures.

In addition, NEXCOM also conducts environmental scoring for each supplier. NEXCOM will send a supplier environmental management planning questionnaire to suppliers in Q2 of each year. Questionnaire scores can be divided into three levels.

- Grade A: The score is between 100-81 points, excellent supplier.
- Grade B: The score is between 80-61 points; the supplier is complying with required environmental requirements.
- Grade C: The score is below 61 points; the supplier need to improve compliance with required environmental requirements.

Suppliers with a score below 60 points are required to submit an improvement plan and followed by evidences of improvement. If a supplier is in need of assistance or has questions regarding requirements set by NEXCOM environmental policies, they should contact NEXCOM Quality Management Center for help. A designated representative of the Quality Management Center will assist the supplier in environmental awareness and any questions.

◆ 2023 Supplier Environmental Management Planning Questionnaire Response Statistics

Year	2023
Number of Suppliers	210
Suppliers Response	210
Percentage of Response	100%

Corporate Social and Environmental Responsibility Code of Conduct

NEXCOM implements the "Corporate Social and Environmental Responsibility Code of Conduct" to ensure that suppliers meet sustainable standards, this code includes requirements related to human rights issues (no child labor, no discrimination, and no forced labor) , environmental responsibility, and ethical business practices. In 2023, a total of 12 new raw material suppliers signed the Corporate Social and Environmental Responsibility Code of Conduct.

◆ 2023 Statistic of Suppliers Signed Corporate Social and Environmental Responsibility Code of Conduct

Year	2023
Number of New Suppliers	12
Suppliers Response	12
Percentage of Response	100%

Supplier - Corporate Social Responsibility Questionnaire

NEXCOM conducted a survey to understand its suppliers' commitment to protecting labor rights, promoting fair employment conditions, ensuring safe working conditions, managing environmental issues responsibly, and upholding high ethical standards. In 2023, a total of 466 suppliers returned the Corporate Social Responsibility Questionnaire.

◆ 2023 Supplier Social Responsibility Questionnaire Return Rate Statistics

Year	2023
Number of New Suppliers	466
Suppliers Response	466
Percentage of Response	100%

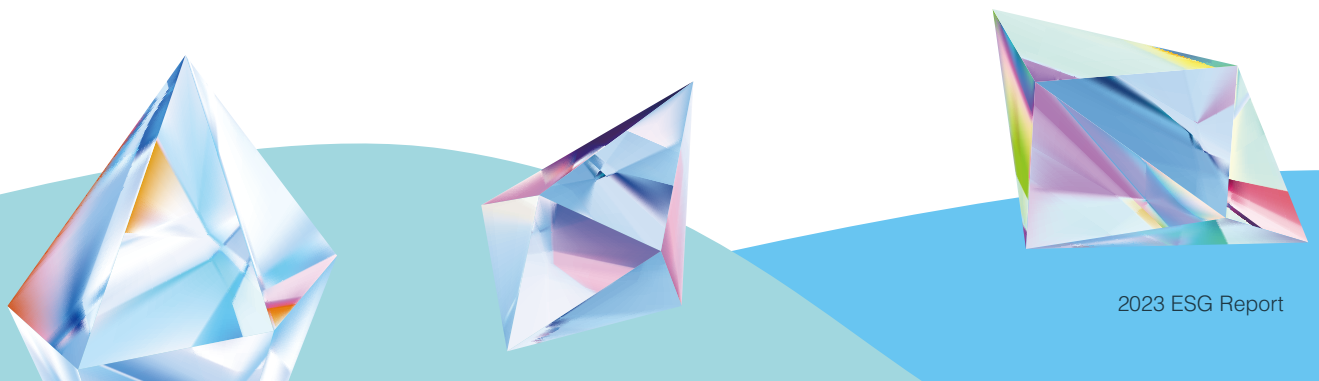
Conflict Minerals

NEXCOM is committed to thoroughly investigating its supply chain to ensure that metals such as Gold (Au), Cobalt (Co), Mica, Tin (Sn), Tantalum (Ta), and Tungsten (W) are not sourced from mines in conflict zones or smuggled illegally by militia groups or illegal organizations in the Democratic Republic of Congo (DRC). Additionally, metals exported from the following countries are considered non-compliant with the "conflict-free" standard: Democratic Republic of Congo (DRC), Rwanda, Uganda, Burundi, Tanzania, Kenya (as recognized by the United Nations Security Council as countries that export minerals from Congo). In November 2022, NEXCOM requested all raw material suppliers to complete the CMRT/EMRT survey. A total of 458 suppliers were contacted, and by the end of December 2023, all suppliers had responded.

As a global citizen, NEXCOM declares and commits to not accepting the use of metals sourced from conflict areas. Additionally, we require our suppliers to:

1. Fulfill social and environmental responsibilities.
2. Not use "conflict minerals" sourced from the Democratic Republic of Congo and its surrounding countries and regions.
3. Trace the origins of all Gold (Au), Cobalt (Co), Mica, Tin (Sn), Tantalum (Ta), and Tungsten (W) contained in their products.
4. Communicate this requirement to their upstream suppliers.

In 2023, all products provided by NEXCOM to customers are made from conflict-free metals.



Restricted Substances

NEXCOM ensures that all raw materials used comply with the EU's RoHS, REACH, and halogen-free standards. This ensures that our products not only meet customer requirements but also protect our employees and the ecological environment.

In 2019, NEXCOM established the "Green Product Management System," which includes the use of non-toxic raw materials, modular design for product interchangeability, and pollution reduction during the manufacturing process. This system aims to increase the recyclability of products and waste, and reduce the impact on the environment.

Local Procurement

NEXCOM continues to practice corporate social responsibility starting from the procurement end. NEXCOM progressively promotes the concept of local procurement (within Taiwan). Through local procurement, we can stimulate local economic development and support business growth, while also reducing environmental impact and lowering carbon emissions caused by long-distance transportation. NEXCOM will continue to advance the concept of local procurement, moving towards sustainable development.

◆ Local Procurement Amount Statistics

(Unit: NT\$ thousand)

Year	2021	2022	2023
Local Supplier Procurement Expenditure	4,853,672,139.29	3,081,005,605.63	2,221,583,918.98
Total Procurement Amount	5,420,103,333.23	3,502,407,746.22	2,356,402,963.48
Percentage of Local Supplier Procurement Expenditure	98.55%	87.97%	94.28%

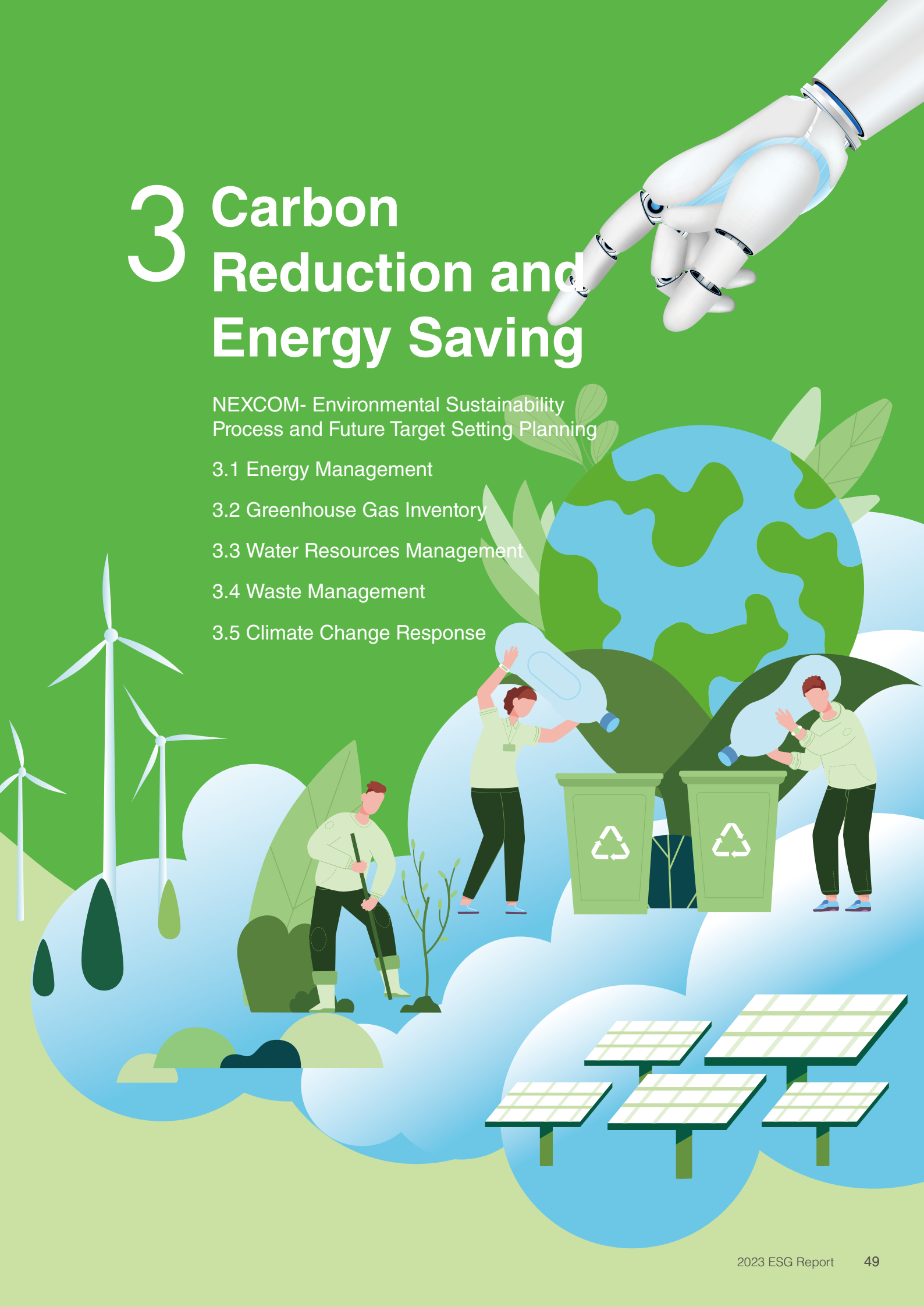
Note: Since the procurement amounts are converted from USD to TWD, this amount is calculated in TWD.



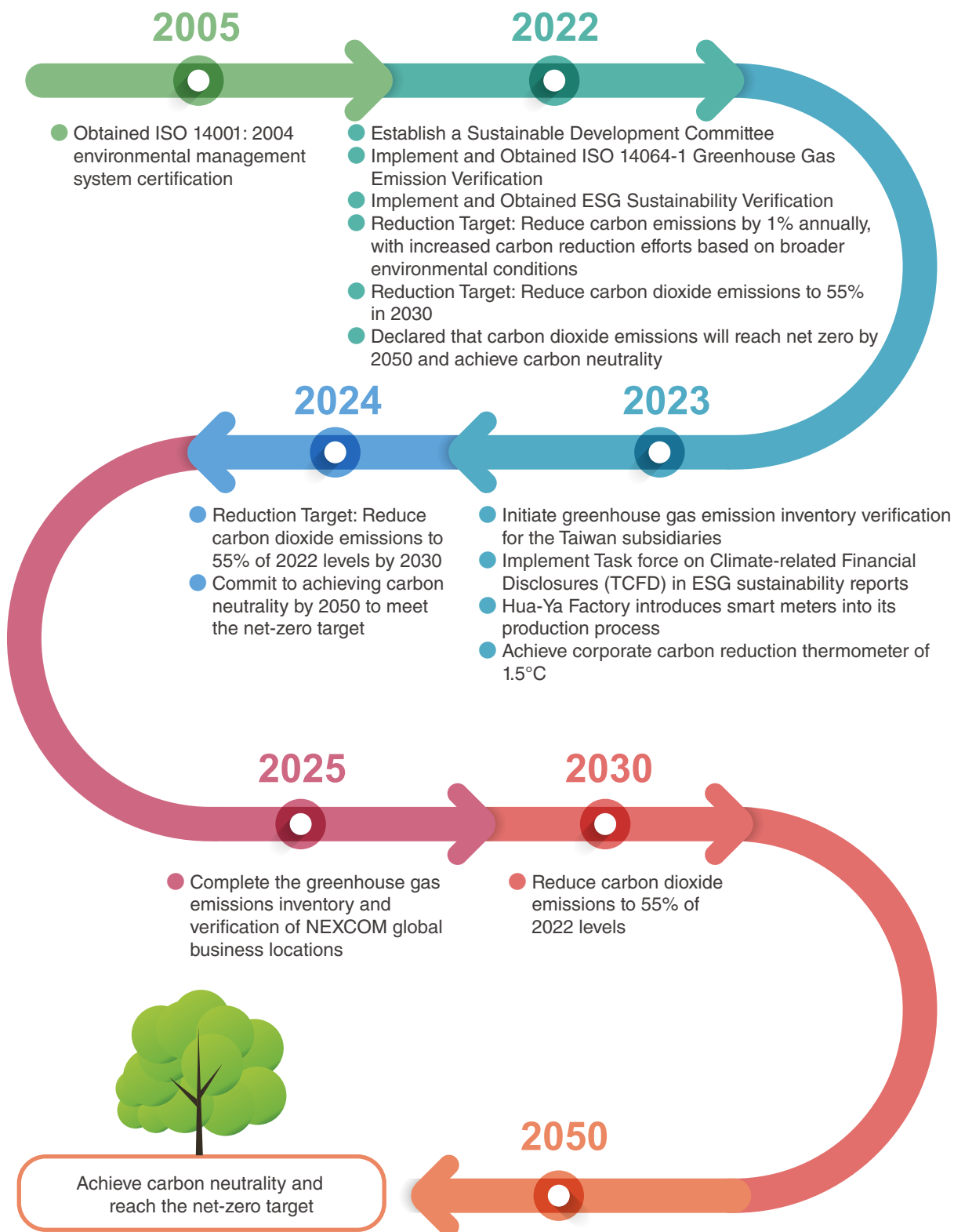
3 Carbon Reduction and Energy Saving

NEXCOM- Environmental Sustainability Process and Future Target Setting Planning

- 3.1 Energy Management
- 3.2 Greenhouse Gas Inventory
- 3.3 Water Resources Management
- 3.4 Waste Management
- 3.5 Climate Change Response



NEXCOM-Environmental Sustainability Process and Future Target Setting Planning



3.1 Energy Management

NEXCOM consistently considers the environmental impact brought by the enterprise in the process of operation. In order to achieve sustainable development, NEXCOM has developed an appropriate climate strategy and set a number of environmental targets and indicators such as carbon emissions and waste to reduce the environmental load at all stages of the product life cycle. In addition, process improvement and management measures have been invested to introduce environmentally friendly design and maximize energy and resource efficiency. NEXCOM will continue to promote environmental protection measures, actively improve the process and product design, and strive to achieve environmentally friendly green operations to ensure that our business operations have minimal negative impact on the environment and make more contributions to society and the environment.

Energy Statistics

Energy Consumption Statistics for Each Operation Site of NEXCOM Group (including subsidiaries) :

Unit: GJ

Energy Type		2021	2022	2023
Electricity	Non-renewable (Purchased)	21,447.47	22,535.98	20,992.33
	Fuel			
	Diesel	115.73	174.09	167.6
	Gasoline	790.79	919.73	1098.2874
Total Energy Consumption		22,353.99	23,629.80	22,258.21

Note:

- (1) 1 kWh is approximately 3.6 million joules; diesel has an energy content of about 35.16 million joules per liter; gasoline has an energy content of about 32.65 million joules per liter; 1 GJ = 1 billion joule.
- (2) Energy content values are based on the 2021 Energy Statistics Handbook by the Ministry of Economic Affairs, Energy Bureau.
- (3) The installation of renewable energy is still under evaluation.

3.2 Greenhouse Gas Inventory

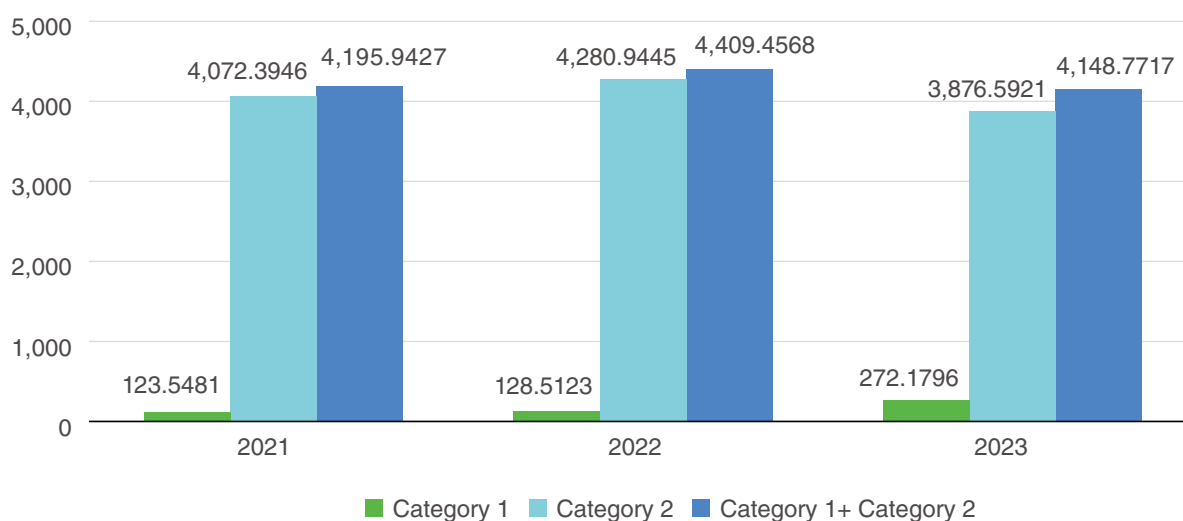
NEXCOM's greenhouse gas emissions are divided into direct and indirect emissions. Direct emissions are caused by the driving of official vehicles, factory process equipment and the fugitive of public equipment. Indirect greenhouse gas emissions come from electricity outsourced to Taiwan Power Company and Hua Ya Power Corporation. Additionally, indirect emissions from transportation are caused by business travel and employee commuting. According to the company's 2023 greenhouse gas statistics, category 1 emissions are 272.1796 metric tons of carbon dioxide equivalent (CO₂e), accounting for 5.80% of the company's total emissions. Category 2 is 3876.5921 metric tons of carbon dioxide equivalent (CO₂e), accounting for 82.51% of total emissions.

◆ Greenhouse gas emissions for the past three years are listed below:

(Unit : Metric Tons of CO₂e)

Scope	2021	2022	2023
Category 1 Direct Emissions	123.5481	128.5123	272.1796
Category 2 Indirect Emissions from Energy Consumption	4,072.3946	4,280.9445	3,876.5921
Category 3 Indirect Emissions from Transportation	9.3826	82.1602	549.4184
Category 4 Indirect from Upstream and Downstream Organizations	335.2165	-	-
Total	4,540.5418	4,491.6170	4,698.1901
Greenhouse Gas Emission Intensity: (Note) metric tons of CO ₂ e per million TWD of revenue	0.67	0.57	0.81

◆ Greenhouse Gas Emissions from 2021 to 2023



Note:

1. Use operating control approach method.
2. Category 1 and Category 2 Statistical Scope: Emissions from process equipment, diesel and gasoline usage, refrigerants, fugitive emissions from fire extinguishers and septic tanks, and electricity consumption (based on Taiwan Power Company invoice and Hua Ya Power Corporation power degree) .
3. Scope 2 Electricity Emission Factors: In 2021 and 2022, the electricity carbon emission factor was 0.509 kg CO₂e/kWh, and the Hua Ya Power Corporation electricity emission factor was 0.9208376436 kg CO₂e/kWh. In 2023, the electricity carbon emission factor was 0.495 kg CO₂e/kWh, and the Hua Ya Power Corporation electricity emission factor was 0.9208376436 kg CO₂e/kWh.
4. Global Warming Potential (GWP) : The values for 2021, 2022, and 2023 are based on the IPCC Sixth Assessment Report (2021) .
5. Greenhouse Gas Emission Factors: Quoting the Greenhouse Gas Emission Factor Management Table 6.0.4 of the Environment Protection Administration.
6. In 2021, the inventory scope included NEXCOM headquarters, Sanmin Factory and Hua-Ya Factory. Starting in 2022, the scope expanded to include the Yilan and Kaohsiung offices and other subsidiaries and Second-tier Subsidiary.
7. Due to the change in the scope of the inventory, the significance of indirect greenhouse gas emissions under Category 4 has decreased, so it has not been included in the inventory since 2022.
8. In 2023, data on employee commuting activities under Category 3 became available, leading to the inclusion of employee commuting emissions in the inventory.

◆ 2023 Category 3 - Indirect Greenhouse Gas Emissions from Transportation Statistics

Category 3 emissions amounted to 549.4184 metric tons of carbon dioxide equivalent (CO₂e). Of this total, employee commuting accounted for 340.9924 metric tons of CO₂e (62.1%), and business travel accounted for 208.4261 metric tons of CO₂e (37.9%).

Emission Source	Calculation Category	Emissions (metric tons CO ₂ e)
Employee Commuting	Employee Commuting (Car)	103.0028
	Employee Commuting (Motorcycle)	200.8906
	Employee Commuting (High-Speed Rail)	2.3362
	Employee Commuting (Train)	21.2317
	Employee Commuting (Long-distance Bus)	5.4127
	Employee Commuting (Urban Bus)	8.1184
Business Travel	Business Travel (High-Speed Rail)	13.6118
	Business Travel (Plane)	152.0800
	Business Travel (Taxi)	2.8097
	Business Travel (Private Car for Official Use)	39.9246

Note: In 2021, only NEXCOM data was recorded; in 2022, statistics included the entire NEXCOM Group but only calculated business travel. Therefore, data from 2021 and 2022 are not included in this table.

Energy Saving and Carbon Reduction Improvement Plan

◆ 2023 Greenhouse Gas Reduction Measures and Performance:

NO	Reduction Measure Target and Items	Electricity Saved (kWh/year)	CO ₂ e Reduction (metric tons CO ₂ e/year)
1	Reduce the electricity consumption of the headquarters water chiller unit by 5% (Install automatic controllers for water chiller energy saving)	97,620	48.3219
2	Reduce electricity consumption of circular light fixtures on each floor of the headquarters by 50% (Replace T5 tubes with LED tubes)	20,560	10.1774
3	Reduce electricity consumption of the test line lighting on the 8th floor of Sanmin Factory by 50% (Replace T8 tubes with LED tubes)	25,272	12.5096
4	Reduce electricity consumption of the office lighting on the 2nd floor of Hua-Ya Factory by 50% (Replace T5 tubes with LED tubes)	3,717	3.4228

In 2023, a total reduction of 74.4317 metric tons of CO₂e was achieved. Compared to the total carbon emissions of 4,491.6170 metric tons of CO₂e in 2022 (the base year), this represents a reduction of 1.66%.

(1) Headquarters - Energy Saving and Power Reduction Project

Target: Reduce the electricity consumption of the headquarters water chiller unit by 5%

The current water chiller switch is manually switched on and off after work every day. If it is not turned off, it will cause a lot of power consumption.

• Improvement Methods:

1. Plan to install automatic controllers on the water chiller switches on the 9th to 15th floors of the headquarters for automatic switching.
2. Supplier evaluation and quotation.
3. Installation and acceptance.
4. Calculate the electricity savings, costs and carbon emissions after the improvement.
5. Regular maintenance and adjustment.

• Improvement Outcome:

The monthly electricity consumption was 138,301 kWh before the improvement and 130,166 kWh after the improvement, a decrease of 5.9%.



(2) Manufacturing Sanmin Factory - Energy Saving and Power Reduction Project

Target: Reduce the electricity consumption of the 8th floor test line lighting by 50%

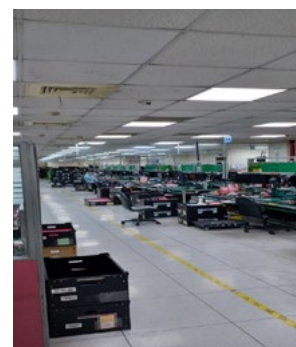
T8 lamps are used in the main-board test area on the 8th floor of Sanmin Factory, which have high energy consumption, high damage rate, fast light decay, and high consumable costs due to government environmental protection policies.

• Improvement Methods:

1. Count the number of T8 lamps that need to be replaced.
2. The supplier quotes the LED flat panel lamps and construction costs.
3. The supplier performs construction and accepts the work.
4. The supervisor conducts weekly publicity on turning off lights.

• Improvement Outcome:

The monthly electricity consumption was 3,420 kWh before the improvement and 1,314 kWh after the improvement, a decrease of 61.57%.



(3) Manufacturing Hua-Ya Factory - Energy Saving and Power Reduction Project

Target: Reduce lighting electricity consumption by 50% in offices and conference rooms on the second floor of Hua-Ya Factory

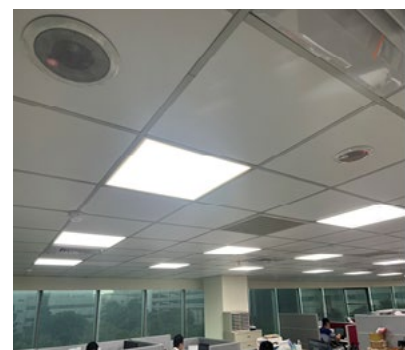
The office lighting is T5 square lamps, which are energy-intensive, low-brightness, and will be discontinued in the future. Current practice: When T5 lamps are insufficient, some T5 square lamps will be replaced with LED flat lamps, and T5 square lamps will be replaced gradually until the office is fully replaced with LED flat lamps. Currently, a total of 32 lamps have been replaced.

• **Improvement Methods:**

1. Count the number of T5 lamps that need to be replaced.
2. Suppliers quote the cost of LED flat panel lamps.
3. Carry out construction and acceptance.

• **Improvement Outcome:**

The annual electricity consumption was 4,325 kWh before the improvement and 2,162 kWh after the improvement, a decrease of 50.0%.



(4) Headquarters - Energy Saving and Power Reduction Project

Target: Reduced the power consumption of round lamp holders in offices on all floors of the headquarters by 50%

The office round lamp holders are T5 lamps, which have high energy consumption and insufficient brightness. T5 lamps will also be discontinued in the future, so they are all replaced with LED lamps.

• **Improvement Methods:**

1. Count the number of T5 lamps that need to be replaced.
2. Suppliers quote the cost of LED flat panel lamps.
3. Carry out construction and acceptance.

• **Improvement Outcome:**

The annual electricity consumption before the improvement was 31,775 kWh, and after the improvement it was 11,215 kWh, a decrease of 64.7%.



Office Energy Saving Measures

To achieve the goal of balancing economic development and environmental protection, NEXCOM is committed to implementing an office energy-saving plan. We are focusing on energy conservation and carbon reduction awareness promoting, avoid energy waste in office and fully realizing energy-saving practices. The ultimate goal is to effectively reduce unnecessary energy consumption and enhance overall usage efficiency.

Air Conditioner

1. Install automatic controllers for air cooled water chillers to enable automatic switching, reducing energy waste.
2. Regularly clean air filters to maintain cooling efficiency.
3. Install circulation fans to enhance air circulation for areas near windows which will reduce power consumption.
4. Use curtains on office windows to shield from direct sunlight for reducing air-conditioning usage.
5. Set thermostat at the range of 26~28°C with circulation fans where needed for comfortable temperature range in office.
6. Implement zone control settings for office air-conditioning to minimize unnecessary power consumption.

lighting Fixture

1. Using LED lights to reduce energy consumption.
2. Set up zone controlling in the office to reduce unnecessary power consumption.
3. Turn off unnecessary lighting during lunch breaks.
4. Use motion-sensing lighting in unmanned areas of the warehouse.

Operations

1. Implement e-documentation where it is applicable, such as document approvals, procurements.
2. Set computer to sleeping mode after being idled for 10 minutes. Powered off the computer and peripheral devices if they are not to be used for an extended period.
3. Use energy-efficient photocopiers with power-saving functions that can automatically entering a power-saving mode when idle.

3.3 Water Resources Management

NEXCOM has been paying attention to the issue of water resources, energy conservation and environmental protection for many years, and considering that water resources are a major concern for international sustainability, water-saving measures are taken to reduce the impact of the reduction of water resources, and at the same time, strengthen the publicity of water conservation related information to prevent the crisis of water shortage in the dry season in advance.

Our water consumption in 2023 is 9,282 degrees, and the water source is tap water. The company's water needs are mainly for air conditioning, drinking water, cleaning and group meals. The users are employees, visitors and contractors. There is no process water demand and the impact on the environment is small.

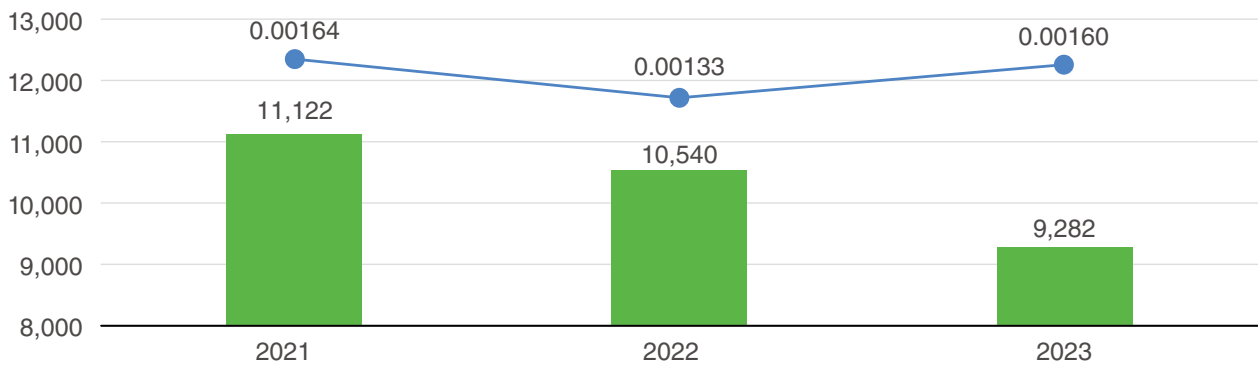
◆ Water Consumption and Intensity of Each Factory Area

(Unit: Degree)

Year	Each Factory Area			Total Water Consumption	Water Use Intensity
	Headquarters	Sanmin Factory	Hua-Ya Factory		
2021	0	8,115	3,007	11,122	0.001640273
2022	0	7,823	2,717	10,540	0.001331364
2023	0	7,444	1,838	9,282	0.001609919

Note: The water used by the headquarters is for domestic use and uses public water in the building, so there is no relevant data.

◆ Water Consumption and Intensity in Each Year



3.4 Waste Management

NEXCOM has established a waste management plan objectives based on fundamental principles and framework of ISO 14001 environmental management system. Effectiveness of waste management are regularly supervised and analyzed to ensure all measures taken are effectively comply with relevant environmental regulations. Moreover, NEXCOM takes a proactive approach to use recyclable and environmentally friendly materials as the first choice for products and packaging to achieve waste minimization from source controlling. Efforts are also devoted to establishing management standards and promoting communication to ensure that all NEXCOM employees are participating waste materials sorting to avoid improper disposal.

The waste generated by NEXCOM is divided into general industrial waste and hazardous industrial waste. General industrial waste is mainly incinerated. Hazardous industrial waste is physically disposed of by incineration and electrostatic separation followed by crushing. Headquarters and its subsidiaries are in the same building. The main domestic waste produced is uniformly processed by the building's qualified removal suppliers. The general and hazardous waste generated by each business unit after product development is classified and stored, and then handed over to Sanmin Factory conducts unified cleaning and transportation.

Waste electronic materials, solder paste cans, and waste liquids are generated from the production processes of Sanmin and Hua-Ya Factory. In addition, domestic waste and waste wood (packaging materials), waste cartons, waste plastics and other waste not generated by the manufacturing process are entrusted to be handled by qualified removal suppliers, and a removal contract is signed with the removal suppliers in accordance with legal requirements. Manage waste removal situations. In terms of waste liquid removal and treatment, due to the small output, it is temporarily stored in the factory. When the removal volume is met, qualified manufacturers are then entrusted with removal and incineration treatment, with an average of 1 to 2 times a year.

◆ Waste Statistics

Unit: Metric Tons

Site Area	Category	2021	2022	2023	
Headquarters Sanmin Factory Hua-Ya Factory	Household Waste	1.15	1.13	1.20	
	General Business Waste	43.698	38.614	32.98	
	Hazardous Industrial Waste	Spent Liquids	8.761	6.425	10.516
		Electronic Waste	1.56	1.1	0.87
	Total		55.169	47.269	45.566

◆ Waste Disposal

Unit: Metric Tons

Category	Disposal Method	2021	2022	2023
Hazardous Industrial Waste	Incineration	1.56	1.1	0.87
	Physical Shredding Treatment	8.761	6.425	10.516
General Business Waste	Incineration	44.848	39.744	15.895
	Reuse	0	0	17.085
Total		55.169	47.269	44.366



3.5 Climate Change Response

The impacts of global climate change and extreme weather are intensifying. To proactively address the risks and opportunities arising from climate change, NEXCOM follows the Task Force on Climate-related Financial Disclosures (TCFD) framework to identify the company's climate change risks and opportunities. This enables effective response and management. Based on the four core elements of the TCFD recommendations, NEXCOM has established a risk framework to identify significant risks and opportunities that could affect operations and develop corresponding response strategies.



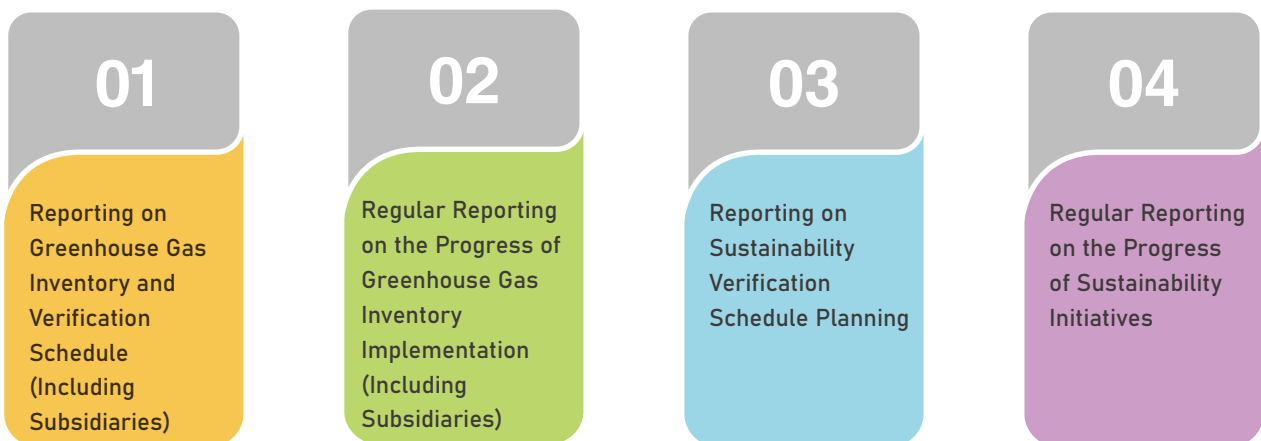
3.5.1 Sustainable Development Management Committee

NEXCOM has established the Board of Directors as the highest governance body for addressing climate change. To enhance the Board's oversight responsibilities on sustainability matters and to promote and implement its sustainability vision, the company formed a Sustainability Committee in 2022. The Chairman of the Board serves as the convener of the Sustainability Committee, which is responsible for reviewing various sustainability policies and decisions, and overseeing the advancement of sustainability-related initiatives.

Board Oversight of Climate-Related Risks

NEXCOM continuously incorporates climate change-related issues into the Board of Directors' decision-making process to ensure that the company demonstrates leadership and sustainability in addressing climate change.

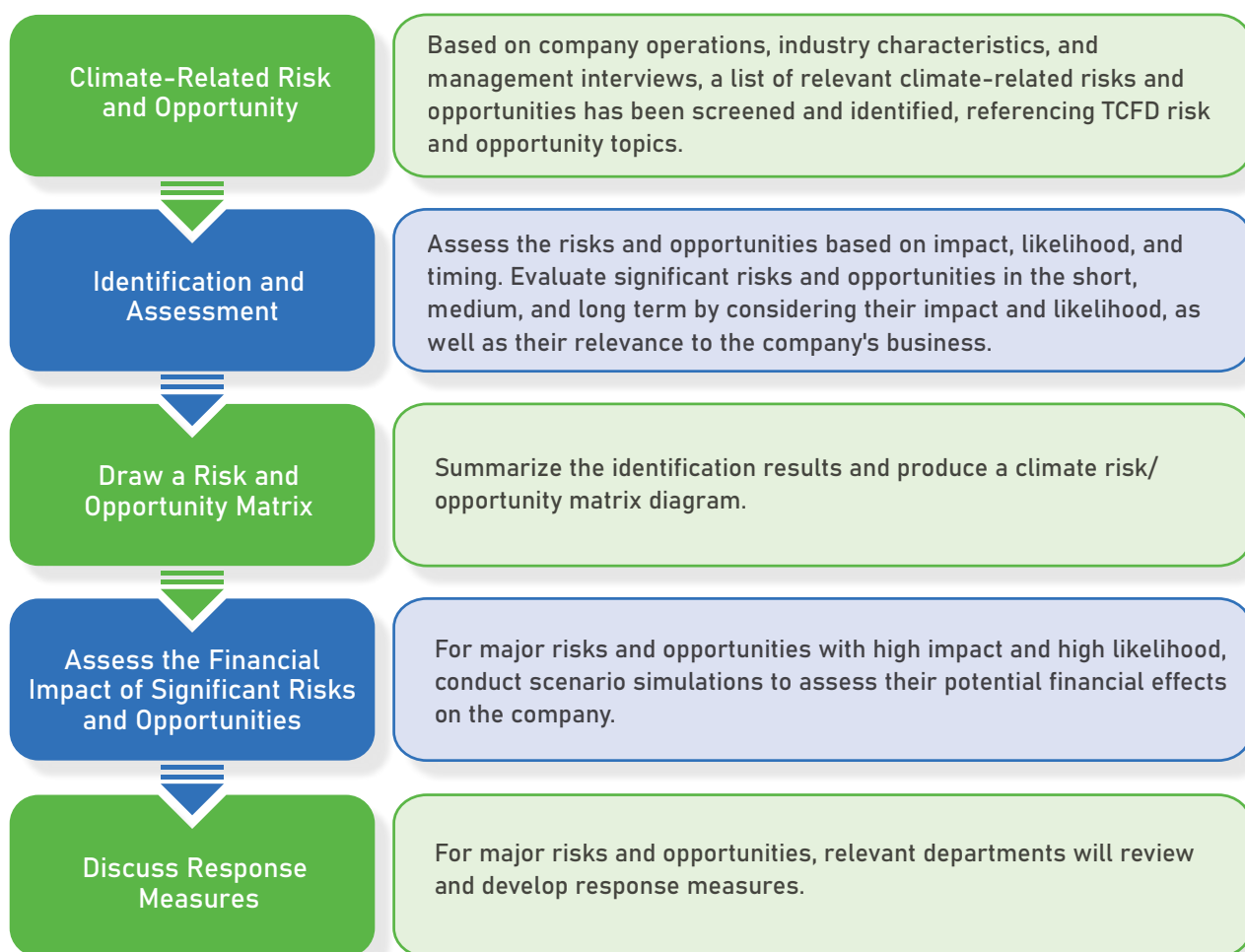
2023 Board of Directors - Key Climate-Related Proposals and Reports



3.5.2 Risk and Opportunity Identification and Assessment Process

To mitigate the impacts of climate change, the members of the Sustainability Committee at our company have identified significant risks and opportunities related to climate change. This identification process takes into account the specific characteristics of the company and its supply chain relationships, referencing the TCFD framework's categories of transition risks, physical risks, and opportunities. Subsequently, different scenario analyses are conducted to evaluate these risks and opportunities. Based on these assessments, response strategies are developed to mitigate potential financial losses from these risks. Additionally, some strategies may transform potential crises into opportunities, thereby creating greater benefits for the company.

Risk and Opportunity Identification and Assessment Process



Risk and Opportunity Assessment Benchmarking

Based on NEXCOM's internal operational conditions, financial impact and risk likelihood are determined to assess the significance of risk values. The company categorizes likelihood and financial impact into 5 levels each. The risk impact level is calculated as Risk Impact = Likelihood x Financial Impact (see diagram below).

◆ Likelihood Scale

Likelihood Level	Expected Probability	Score
High	Greater than 95%	5
Medium-High	75%~95%	4
Medium	50%~75%	3
Medium-Low	20%~50%	2
Low	Less than 20%	1

◆ Financial Impact Scale

Financial Impact Level	Impact Amount (NTD)	Score
High	Greater than 50 million	5
Medium-High	Greater than 10 million, less than 50 million	4
Medium	Greater than 5 million, less than 10 million	3
Medium-Low	Greater than 1 million, less than 5 million	2
Low	Less than 1 million	1

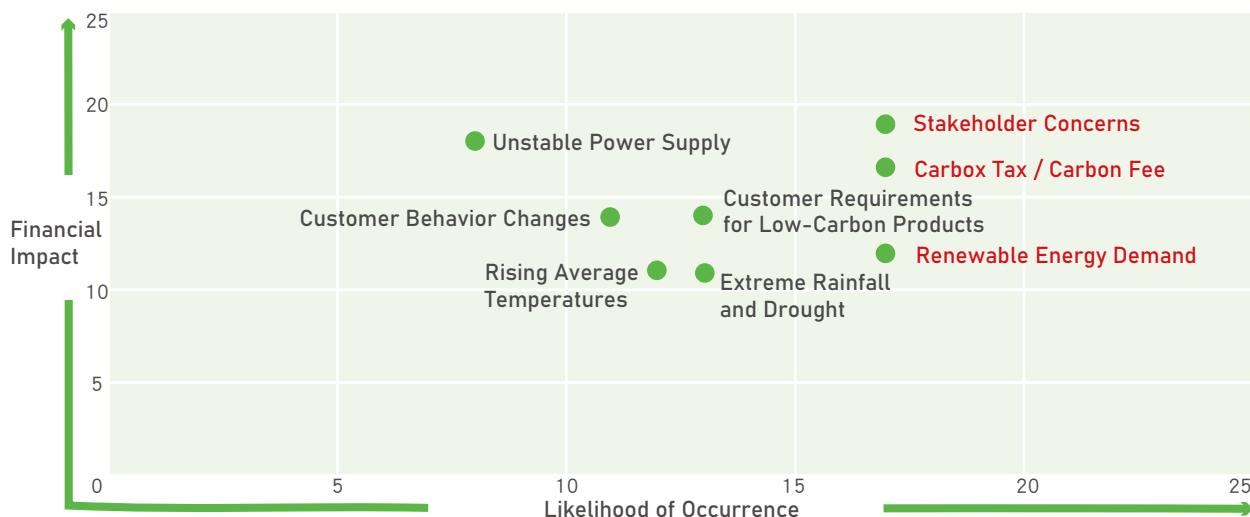
◆ Risk Impact Level

Risk Level	Risk Value	Description
High Risk	15~25	Risk tolerance requires prioritizing corresponding management plans and regularly tracking performance.
Medium Risk	5~14	Risk tolerance does not require immediate action; continuous monitoring of changes.
Low Risk	1~4	Risk tolerance is acceptable.

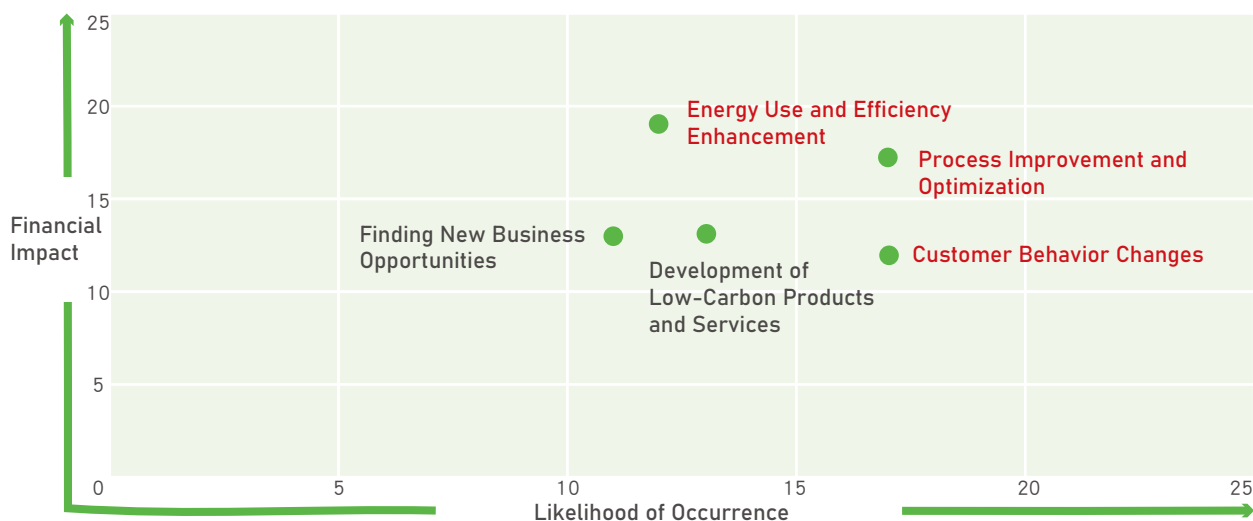
3.5.3 Climate-Related Risk and Opportunity Matrix

Each team member evaluates the likelihood and financial impact of various climate-related risks and opportunities. The risk values are averaged to create the risk and opportunity matrix (see the detailed diagram below) .

◆ Climate-Related Risk Matrix



◆ Climate-Related Opportunity Matrix



3.5.4 Identification Results of Climate Change Risks and Opportunities

Based on the results of the risk and opportunity matrix, there are a total of 3 major risks and 3 major opportunities with risk and opportunity values greater than or equal to 12 points. The relevant management strategies and impact explanations are shown in the table below:

◆ Major Risks

Risk Type	Risk Item	Occurrence Time	Potential Financial or Operational Impact	Actions/Responses
Transition Risk	Stakeholder Concerns	Mid-term	If stakeholder expectations are not met, the group's reputation may be affected, potentially impacting market value or leading to a decrease in investor funding.	<ul style="list-style-type: none"> Engage proactively with stakeholders to understand their expectations and suggestions regarding NEXCOM's climate-related issues. Regularly provide stakeholder feedback to the Group Sustainability Committee to effectively grasp external expectations. Actively participate in ESG forums and other environmental sustainability activities to inform stakeholders about NEXCOM's climate-related operations.
	Renewable Energy Demand	Mid-term	<ul style="list-style-type: none"> Higher green electricity prices increase production costs. Difficulty in obtaining renewable energy limits production. Suppliers may pass on renewable energy costs, increasing procurement costs. 	<ul style="list-style-type: none"> Evaluate purchasing green electricity certificates or renewable energy power. Assess the feasibility of installing additional renewable energy generation devices. Promote energy management and reduction planning to key suppliers.
	Carbon Tax / Carbon Fee	Short-term	<ul style="list-style-type: none"> Increased indirect costs. Suppliers may pass on carbon tax/carbon fee costs, increasing procurement costs. Limits on capacity expansion. 	<ul style="list-style-type: none"> Set a target for the entire company to achieve net zero emissions by 2050. Provide guidance on carbon emission sources and reduction projects for key suppliers. Execute the ISO 14064-1 greenhouse gas inventory management system, completing four energy-saving projects in 2023, saving 141,690 kWh of electricity and reducing greenhouse gas emissions by 74.4317 metric tons CO₂e.

◆ Major Opportunities

Opportunity Type	Opportunity Item	Occurrence Time	Potential Financial Opportunities	Actions/Responses
Products & Services	Customer Behavior Changes	Mid-term	<ul style="list-style-type: none"> Changes in product mix accelerate the positive development of the overall supply chain. Obtain orders, expanding revenue. Enhancing order stability, reducing revenue fluctuations. Improving corporate goodwill. 	<ul style="list-style-type: none"> Promote new product design in to meet customer needs. Increase the portfolio of green or low-energy products. Establish a carbon emission information platform for product carbon footprint and carbon emission statistics, setting product carbon emission optimization plans. Respond to customer requests for energy-saving and carbon reduction. Stay updated on domestic and international sustainability issues, improving transparency and goodwill in sustainability practices.
Resource Efficiency	Process Improvement and Optimization	Mid-term	<ul style="list-style-type: none"> Reduce carbon emissions, decreasing carbon tax/carbon fee expenses. Obtain orders and expand revenue. 	<ul style="list-style-type: none"> Continuously invest in energy-saving and carbon-reduction measures for process equipment. Encourage suppliers to innovate and optimize their processes to reduce product carbon footprints, thereby enhancing product competitiveness.
Toughness	Energy Use and Efficiency Enhancement	Short-term	<ul style="list-style-type: none"> Reduce production and operating costs. Enhance sustainability reputation, increasing customer trust and potential order revenue. 	<ul style="list-style-type: none"> Plan multiple energy-saving projects in 2023, including installing timed switches on chillers, gradually replacing lights with LED fixtures, and phasing out outdated equipment to promote energy savings. Continue implementing energy-saving measures in office spaces, such as adjusting air conditioning on/off times and evaluating regional air conditioning control to improve energy use efficiency. Continuously invest in energy improvement measures for various equipment.

3.5.5 Climate Change Scenario Analysis

NEXCOM follows the TCFD recommended guidelines, utilizing both transition and physical risk types to address the worst-case scenario. The analysis results are incorporated into the strategy resilience assessment.

Transition risks are referenced from the 2016 World Energy Outlook 450 Scenario published by the International Energy Agency (IEA WEO 450 Scenario, 2016) and the Nationally Determined Contribution (NDC) targets set by the locations of each manufacturing site. Taiwan, in its Intended Nationally Determined Contribution (INDC) report, has set a target to reduce greenhouse gas emissions by 50% from the Business as Usual (BAU) scenario by 2030.

Transition Risk

- IEA WEO 450 Scenario
- Intended Nationally Determined Contribution (INDC)

Reduce greenhouse gas emissions by 50% from the Business as Usual (BAU) scenario by 2030.

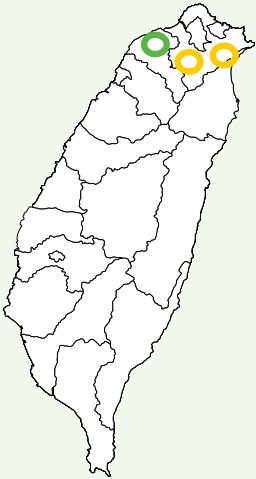
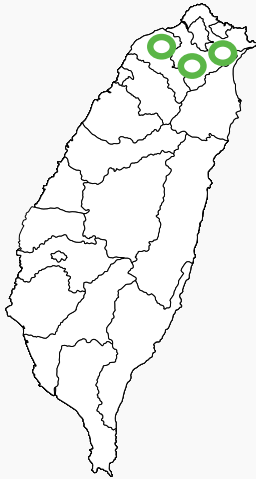
Physical risks reference the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the National Science and Technology Center for Disaster Reduction. Analyses are conducted based on scenarios RCP2.6, RCP4.5, and RCP8.5 to project temperature rise, precipitation, flooding, and drought conditions for the period 2020-2040.

Physical Risk

TCCIP and the National Science and Technology Center for Disaster Reduction (RCP2.6, RCP4.5, RCP8.5)

Project the conditions for 2020-2040, including sea level rise, areas below tidal lines, areas below the 2050 flood level, temperature rise, average drought duration, changes in precipitation rates, maximum consecutive rainy days, and total rainfall.

◆ Scenario Analysis Results

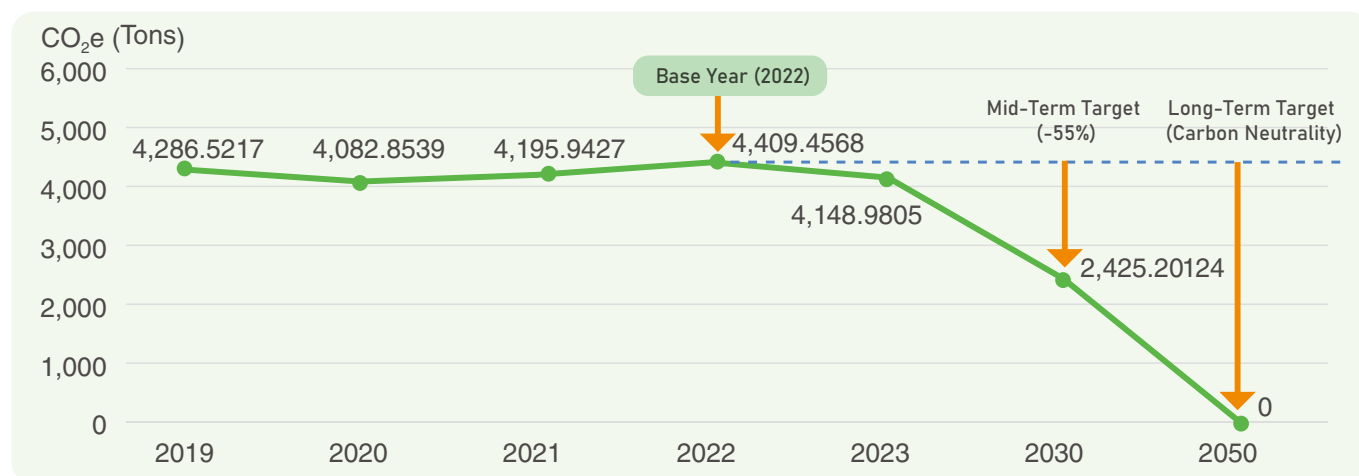
Risk type	Scenario	Hazard Level
Physical risk	RCP8.5	Hazard Vulnerability ● Level 1 ● Level 2 ● Level 3 ● Level 4 ● Level 5
<p>Flood risk assessment classification:</p> <p>The risk of flooding in two of the company sites (Zhonghe Headquarter and Sanmin Factory) is assessed as moderate risk, and the risk tolerance level is to take no action at the moment and continue to monitor changes.</p> 		<p>Drought risk assessment classification:</p> <p>The drought risk in three of the company's sites (Zhonghe Headquarter, Sanmin and Hua-Ya Factory) was assessed as low risk, and the risk tolerance was acceptable.</p> 

3.5.6 Indicators and Target

Carbon Reduction Targets

To achieve the vision of a low-carbon economy transition, NEXCOM has set a long-term target of reaching carbon neutrality by 2050. Internally, it has established mid-term and long-term indicators (for 2030 and 2050) to monitor progress toward this target. The timeline and target emissions are as follows:

◆ NEXCOM Carbon Reduction Path Planning



Note: This statistical data pertains to Category 1 and Category 2.

Performance Achievement and Targets

To achieve NEXCOM vision of a net-zero future, the group has committed to green protection targets across multiple areas, including greenhouse gas net-zero emissions, energy management, resource management, and supply chain management. In addition to the overall corporate targets, specific targets are set for each operational site. The performance is monitored, and results are reviewed regularly.

Topic	2023 Performance Results	Future Direction and Targets
Greenhouse Gas Emission Management	<ul style="list-style-type: none"> Completed NEXCOM Group's ISO 14064-1 greenhouse gas emission third-party verification. Completed greenhouse gas emission verification for Taiwan subsidiaries. Reduced Category 2 (electricity) emissions by 404.3158 CO₂e (tons) . Obtain corporate carbon reduction thermometer reaching 1.5°C . 	<ul style="list-style-type: none"> Achieve net-zero greenhouse gas emissions by 2050. Reduce emissions by 55% from the 2022 base year by 2030. Complete global greenhouse gas emission inventory and verification for NEXCOM Group by 2025. Continue implementing energy-saving and carbon-reduction measures for various equipment.
Energy Management	<ul style="list-style-type: none"> Developed three energy-saving management plans, saving a total of 141,690 kWh. The Hua-Ya Factory has Implemented smart meter monitoring into the production process to improve energy losses caused by equipment abnormalities. 	<ul style="list-style-type: none"> Continue to propose and implement energy-saving management plans annually. Continuous investment in energy improvement measures for various equipment.
Resource Management	<ul style="list-style-type: none"> The recycling rate of industrial waste was 77.67%. 	<ul style="list-style-type: none"> Achieve an industrial waste reuse rate of over 80% by 2024.
Supply Chain Management	<ul style="list-style-type: none"> Completed various environmental sustainability requirements of suppliers. Planned to assist key suppliers in implementing greenhouse gas emission inventory systems and energy management systems. 	<ul style="list-style-type: none"> Continue to meet environmental sustainability requirements for suppliers. Completion of greenhouse gas emission and energy management system verification by key suppliers in 2024.

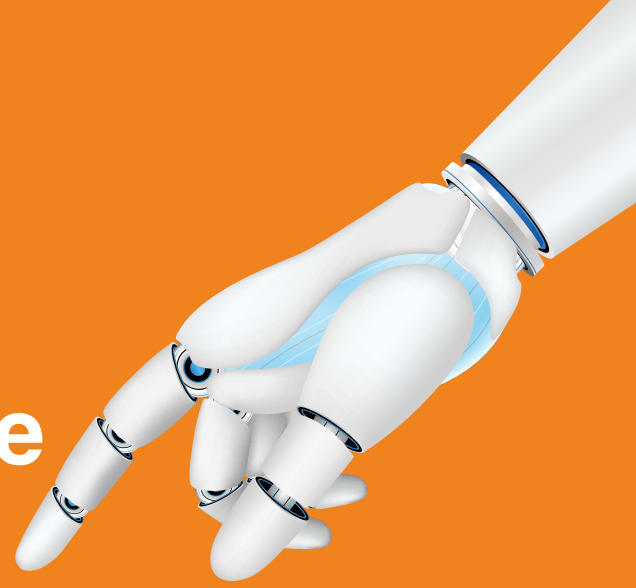
4 Employee Care

4.1 Friendly Workplace

4.2 Talent Development

4.3 Employment Relationship

4.4 Workplace Safety



4.1 Friendly Workplace

NEXCOM always prioritizes the rights and interests of its employees, striving to provide a safe, equal, and friendly working environment where employees can fully unleash their potential and jointly promote the company's prosperity and development. Our company is committed to creating an employee-friendly and equal workplace, implementing gender equality policies and fostering an atmosphere of mutual respect to ensure the steady development of the company. Additionally, we have a comprehensive education and training system regularly organizing various training programs to enhance employees' professional skills and improve their competitiveness in the workplace. Transparent promotion channels allow employees to anticipate potential career development opportunities. Our company also actively promotes constructive labor-management communications. Employees are allowed to freely express their opinions at labor-management meetings whilst management respond to employee needs promptly to achieve bilateral consensus. Furthermore, our company emphasizes the importance of workplace safety and health, particularly enhancing occupational safety and health management to effectively safeguard employees' physical and mental well-being.

Employee Structure

As of December 31, 2023, NEXCOM had a total of 1,168 employees, including 272 management level employees and 896 general employees. Due to the nature of technology industry and the employment market, there are a higher proportion of male employees in managerial positions, technology research and development, and specialized technical roles. In terms of gender distribution, male employees account for 77% of managerial positions and 23% are female, while male employees account for 55% of general employees and 45% are female. Regarding age distribution, up to 67% of the workforce is in the range of 30 and 50. Currently NEXCOM employs 8 employees with disabilities, 126 fulltime foreign employees (engineers and technical workers) and 5 informal-employees.

◆ Presentation of Employee Information by Gender and Region

Taiwan			
Employee Type	Male	Female	Total
Number of Employees	704	464	1,168
Permanent Employees	704	464	1,168
Temporary Employees	0	0	0
Non-guaranteed Hours Employees	0	0	0
Full-time Employees	703	464	1,167
Part-time Employees	1	0	1

Note:

Part-time Employees: Employees who work less than full-time hours.

Temporary Employees: Contracted employees with fixed-term contracts.

◆ Informal Employee

Type	Scope of Service (Job Types)	Number of People	Contract Terms
Manpower Agencies	Dormitory Manager	1	Contracted with human resource agency
Catering Services	Employee Cafeteria	2	Group catering contract
Cleaning Services	Office Area Cleaning	2	Assigned by cleaning company

◆ Employee Structure

As of December 31, 2023	Age	Gender	Number of People	Ratio
Management Level Employees	Under 30 years old	Male	-	-
		Female	-	-
		Total	-	-
	30-50 years old	Male	124	10.62%
		Female	41	3.51%
		Total	165	14.13%
	Over 50 years old	Male	85	7.28%
		Female	22	1.88%
		Total	107	9.16%
General Employees	Under 30 years old	Male	72	6.16%
		Female	102	8.73%
		Total	174	14.90%
	30-50 years old	Male	362	30.99%
		Female	261	22.35%
		Total	623	53.34%
	Over 50 years old	Male	61	5.22%
		Female	38	3.25%
		Total	99	8.48%

* Total Percentage= (Number of Employees in Each Type/Total Number of Employees) *100%

Employees with Disabilities	Male	5
	Female	3
	Total	8
Foreign Employees	Male	4
	Female	122
	Total	126

Talent Recruitment

In the talent recruitment process, including recruitment activities and interviews, NEXCOM adheres to principles of fairness, justice, transparency, and objectivity. The company does not discriminate based on race, class, nationality, language, ideology, religion, political affiliation, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, physical and mental disabilities, astrological sign, blood type, status as a labor representative or previous union membership during job interviews, hiring, training, compensation, promotion, dismissal, or retirement. The company consistently upholds a merit-based standard in talent recruitment, selecting the best candidates to attract outstanding talent from various fields and drive corporate development. In 2023, the onboarding rate was 18.63% and the turnover rate was 16.73%.

◆ Number of New Employee Hires and Employee Turnover

As of December 31, 2023	Age	Gender	Number of Employees	Ratio
Number of New Employee Hires	Under 30 years old	Male	33	15.35%
		Female	35	16.28%
		Total	68	31.63%
	30-50 years old	Male	89	41.40%
		Female	45	20.93%
		Total	134	62.33%
	Over 50 years old	Male	12	5.58%
		Female	1	0.47%
		Total	13	6.05%
Number of Employee Turnover	Under 30 years old	Male	15	7.77%
		Female	39	20.21%
		Total	54	27.98%
	30-50 years old	Male	70	36.27%
		Female	50	25.91%
		Total	120	62.18%
	Over 50 years old	Male	11	5.70%
		Female	8	4.15%
		Total	19	9.84%

Remuneration and Benefits

NEXCOM provides remuneration to employees mainly based on individual professional abilities, years of service, and educational and work experience. Differences in salary are not based on personal physical or mental differences. The company is also willing to share its profits with employees, allowing them to contribute their skills to the company while being assured of their personal economic well-being. This approach enhances employees' sense of unity and belonging to the company.

◆ 2023 Basic Salary Ratio

	Male	Female
NEXCOM Basic Salary for Entry-Level Employees (NTD)	35,000	32,000
(Statutory) Minimum Wage for Entry-Level Employees (NTD)	26,400	26,400
Actual / Minimum Wage Ratio	1.33	1.21

Definitions:

"Basic Salary" refers to the starting salary level which is guaranteed, short-term, fixed cash compensation, excluding any additional remuneration such as overtime pay or bonuses.

"Entry-Level Employee" refers to junior employee, excluding interns or apprentice salaries in this definition.

◆ Ratio of Female and Male Employee Remuneration

Job Levels	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
General Employees	1	0.707	1	0.687	1	0.712
Entry-Level Managers	1	0.975	1	0.952	1	0.935
Mid-Level Managers	1	0.982	1	0.945	1	0.903
Senior Managers	1	0.983	1	0.951	1	0.981

1. The average salary of male employees is used as the denominator for the calculations.
2. General employees include foreign employees, and since the number of female foreign employees is higher, the ratio shows a greater disparity.

◆ Average and Median Annual Salary for Non-Supervisory Positions

Unit: NT\$ thousand

Item	2021	2022	2023
Total Salary of Non-Supervisory Full-Time Employees	553,006	540,476	589,406
Number of Non-Supervisory Full-Time Employees	791	757	805
Average Salary of Non-Supervisory Full-Time Employees	699	714	732
Median Salary of Non-Supervisory Full-Time Employees	603	624	640

Note 1: Non-supervisory positions refer to the number of employees in Taiwan, excluding managers, part-time employees, and employees employed for less than 6 months. The calculation is based on the average number of employees, including both domestic and foreign nationals.

Note 2: The total salary is based on the applicable basis, including base salary, overtime pay, various allowances and bonuses, and employee remuneration, excluding expenses related to stock-based payments.

Annual Total Remuneration Ratios

The ratio of the annual total remuneration of the highest-paid individual in the organization to the median annual total remuneration of other employees (excluding the highest-paid individual) is 9.29:1.

The ratio of the percentage increase in the annual total remuneration of the highest-paid individual in the organization to the median percentage increase in the average annual total remuneration of other employees (excluding the highest-paid individual) is 1.69:1.

Diverse Employee Welfare

NEXCOM is committed to enhancing employee working performance by providing a comprehensive range of benefits and a comfortable working environment. Through internal and external training programs, employees continually enrich their professional knowledge and skills. Comprehensive labor and health insurance, as well as group insurance, are provided to ensure employees' health is well-protected. Regular special physical health examinations are arranged to ensure both physical and mental health of employees.

Additionally, NEXCOM provides various welfare allowances, such as travel allowances, bonuses for birthdays, festivals, childbirth, weddings and condolences as well as hospitalization consolation allowance. A variety of activities, such as year-end banquets, competitions and recognition for outstanding employees, are organized to foster team spirit among employees. NEXCOM also operates a cafeteria offering a variety of delicious and nutritious meals, ensuring that employees enjoy a high-quality dining experience.

A welfare committee has been established to assist employees in setting up clubs, planning leisure activities, and promoting camaraderie among colleagues. Additionally, a health and vitality center, including a fitness gym and aerobics classroom, has been set up to provide employees with ample opportunities for exercise and stress relief.

Employee Benefits

<p>Medical Insurance</p> <p>Labor insurance, national health insurance, group insurance, and business travel accident insurance provide comprehensive protection.</p>	<p>Health Examinations</p> <p>Conduct regular employee health examinations to ensure employees' health.</p>	<p>On-Site Services</p> <p>Contracted medical personnel provide on-site health services, including health care, health consultations, and health promotion.</p>	<p>Massage Station</p> <p>Hire a visually impaired massage therapist to provide shoulder and neck stress relief massages.</p>
<p>Healthy Eating</p> <p>Employee cafeteria provides group meals with meal subsidies.</p>	<p>Education and Training</p> <p>Provide internal and external education training opportunities.</p>	<p>Club Subsidies</p> <p>Encourage employees to form clubs with financial support.</p>	<p>Event Held</p> <p>Employee trips, movie screenings, year-end banquets, and recognition for outstanding employees are provided to promote employee well-being.</p>
<p>Bonus Benefits</p> <p>Holiday bonus, year-end bonus, and performance bonus improve employees' lives.</p>	<p>Maternity Protection</p> <p>Breastfeeding rooms and childcare facilities.</p>	<p>NEX Cafe</p> <p>Coffee is served in the affiliated café.</p>	<p>Health and Vitality Center</p> <p>Provide a fitness gym and aerobics classroom to give employees more space to exercise.</p>
<p>Welfare Allowances</p> <p>Travel subsidies, cash gifts for birthdays, festivals, childbirth, weddings, and funerals, as well as hospitalization consolation payments.</p>		<p>Other Benefits</p> <p>Discounts on food, clothing, housing, and transportation through partnerships with other vendors.</p>	

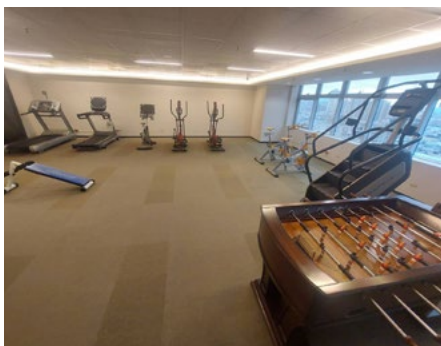




Health Examinations



Health and Vitality Center/Club



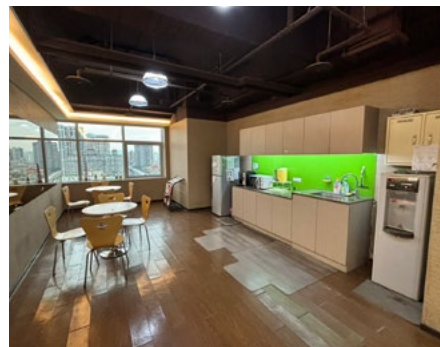
Breastfeeding Room



Massage Station



NEX Cafe



Year-End Banquet



Long-Service Awards



Employee Trip



Parental Leave Planning

NEXCOM understands the needs of modern workplace employees in balancing work and family, providing comprehensive care for employees during the three stages of pregnancy, childbirth, and parenting to ensure that employees and their families receive proper care. In compliance with Taiwan's legal regulations, NEXCOM offers parental leave, allowing employees to fully care for their newborns or young children while ensuring their positions are preserved upon their return to work. Employees will not lose job opportunities due to taking unpaid parental leave. Recently, many male employees also hope to play a more active role in family life, participating in the growth of their children and sharing parenting responsibilities with their partners, thus fostering closer family relationships. As a result, an increasing number of male employees are applying for parental leave. Promoting gender equality in parenting and supporting employees during the critical period of newborn care helps maintain family stability and harmony, retain outstanding employees, and reduce talent loss.

Item	Gender	2021	2022	2023
Eligible Applicants	Male	1	2	4
	Female	4	2	1
	Total	5	4	5
Employees Eligible to Return to Work (A)	Male	1	2	3
	Female	1	5	3
	Total	2	7	6
Employees Who Actually Returned to Work (B)	Male	1	1	3
	Female	1	4	3
	Total	2	5	6
Reinstatement Rate (B/A)	Male	100%	50%	100%
	Female	100%	80%	100%
	Total	100%	71%	100%
Employees still employed one year after reinstatement	Male	0	0	1
	Female	0	1	4
	Total	0	1	5
Retention Rate	Male	0%	50%	100%
	Female	0%	80%	100%
	Total	0%	71%	100%

Reinstatement Rate = (Total Number of Employees Who Actually Returned to Work in the Current Year / Total Number of Employees Eligible to Return to Work in the Current Year) * 100%.

Retention Rate = (Total Number of Employees Still Employed 12 Months After Returning to Work / Total Number of Employees Who Actually Returned to Work in the Previous Year) * 100%.

Retirement Planning

New System

Starting from July 1, 2015, NEXCOM and its domestic subsidiaries have established a defined contribution retirement plan in accordance with the "Labor Retirement Pension Act," which applies to employees of Taiwanese nationality. For employees who are applicable for the labor pension system stipulated in the " Labor Retirement Pension Act," the company and its domestic subsidiaries contribute 6% of the employees' monthly salaries to their individual pension accounts at the Labor Insurance Bureau. The payment of employees' pensions is made either as a monthly pension or a lump sum, based on the amount in the employees' individual pension accounts and accumulated returns. In 2023, the retirement pension cost recognized by the company under the aforementioned retirement plan amounted to NT\$45,969,000.

4.2 Talent Development

Talent Cultivation

NEXCOM recognizes that talent is the cornerstone of sustainable development. Therefore, the company places great importance on employee education and training and actively fosters an environment conducive to talent growth and development, enabling employees to focus on enhancing their professional skills and competitiveness. The company organizes various internal and external training courses based on different job categories and arranges them according to the skills required by employees.

Every year, NEXCOM formulates an education and training plan and allocates budget to ensure continuous learning and growth for employees. Additionally, the company develops corresponding training plans based on annual strategies and departmental needs. On-the-job training at NEXCOM is mainly divided into internal and external training. Internal training includes professional skills training arranged by departments according to actual business needs, as well as technical seminars. External training includes participating in professional courses offered by consulting firms, training institutions, or government and industry associations.

In NEXCOM's education and training system, new employees receive orientation on company rules, regulations, and occupational safety knowledge, followed by professional training from their respective departments. The company encourages employees to pursue further professional courses within their scope of work to facilitate their continuous growth. Each department formulates and implements its own education and training plan annually according to its specific need. Both internal and external training ensure that employees' professional skills are continuously updated and provide a basis for personal career planning.

In recent years, the trend of diversified education and training has become increasingly evident. To expose employees to knowledge from various fields, NEXCOM also encourages participation in language courses, social communication courses, and more offered by external institutions. Through diverse learning channels, NEXCOM aims to help employees achieve higher accomplishments in their respective fields and continuously enhance their self-worth.

◆ Employee Education and Training Hours

Job Levels	Male	Female	Total Hours	Average Total Hours
Senior Executive Position	370	78	448	2.24
Mid-Level Executive Position	526.5	276	802.5	2.38
Entry-Level Position	357.5	111.5	469	1.17
General Employee (Indirect Staff)	2,399	1071.5	3,470.5	2.05
General Employee (Direct Staff)	1,945.5	5,148.5	7,094	1.06
Total Hours	5,598.5	6,685.5	12,284	1.31
Average Hours (Male/Female)	1.60	1.14	-	-

Unit: Hours

Note 1: Management Position (including deputy) : Senior Executive Position includes director level and above, Mid-Level Executive Position includes manager level and assistant manager level, Entry-Level Position includes section chief and team leader.

Note 2: General Employee: Divided into Indirect Staff and Direct Staff based on job nature.

Note 3: Training hours include overseas training, internal and external training.

◆ Training Hours and Participants of Various Trainings

Category/Year		2021	2022	2023
New Employee Training	Number of Participants	259	396	351
	Total Hours	1,372.5	1,742.5	1,511
Professional Training	Number of Participants	4,593	7,897	8,369
	Total Hours	4,707.6	8,379	9,490.5
Management Skills Training	Number of Participants	8	15	33
	Total Hours	6	30	264
General Courses Training	Number of Participants	462	699	596
	Total Hours	625.5	1,199	1,018.5

Performance Appraisal

In NEXCOM's management philosophy, performance appraisal is not only a tool for evaluating employee work performance but also a critical way to motivate them for self-improvement and goal achievement. We believe that performance appraisal helps employees identify their growth directions, understand their strengths and weaknesses at work. Through the feedback from performance appraisal results, employees can identify areas for improvement and gain opportunities to further enhance their professional skills and competitiveness. Additionally, the results of the performance appraisal serve as a significant basis for the company's decision-makers in formulating talent training and promotion policies, further encouraging employees to strive for personal growth.

Our performance appraisal system emphasizes principles of fairness and justice to ensure that each employee's efforts receive appropriate recognition and reward. A comprehensive set of performance evaluation standards and processes has been established to provide objective and fair assessments of employees' work performance. These standards cover various aspects, including work outcomes, professional skills, teamwork, and innovation ability, aiming to comprehensively evaluate employees' performance.

Moreover, to ensure the fairness and impartiality of performance appraisals, we regularly review and adjust the evaluation standards and processes. We also encourage employees to provide feedback and suggestions during the evaluation process, ensuring that the evaluation system is continuously improved to better serve the growth and development of employees.

◆ 2023 Performance Evaluation

Items	Male			Female			Total		
	Total Employees	Number of Employees Reviewed	Percentage	Total Employees	Number of Employees Reviewed	Percentage	Total Employees	Number of Employees Reviewed	Percentage
Supervisory Positions	208	192	92%	58	54	93%	266	246	92%
Non-Supervisory Positions	496	484	98%	406	281	69%	902	765	85%
Subtotal	704	676	96%	464	335	72%	1,168	1,011	87%

Note:

1. The number of employees reviewed does not include the chairman, foreign workers and employees who have been employed for less than 3 months; therefore, the proportion does not reach 100%.
2. Employees who participated in performance evaluations one or more times are included in the number of employees reviewed.

4.3 Employment Relationship

Human Rights Protection

To fulfill corporate social responsibility and protect the basic human rights of employees and all stakeholders, NEXCOM references to the International Bill of Rights, the International Labor Standards of the International Labour Organization (ILO), and the UN Guiding Principles on Business and Human Rights. Based on these internationally recognized human rights standards, we have formulated our company's human rights policy. This policy embodies our commitment to respect and protect human rights, ensuring that all employees are treated with dignity and respect. We also expect our suppliers and partners to work together with us to implement and uphold the principles outlined in this human rights policy.

Our Commitments

- 1 Support and respect international human rights within the scope of our corporate influence.
- 2 Adhere to the labor-related regulations of each operational location worldwide.
- 3 Eliminate any actions that infringe upon or violate human rights.
- 4 Actively demonstrate our responsibility to respect and protect human rights.
- 5 Integrate the principles and spirit of human rights into our corporate values and culture.



Human Rights Declaration

1. **Workplace Health and Safety**

Establish a safe and healthy environment, reduce workplace health and safety risks, and aim for zero occupational accidents.

2. **Diversity, Inclusion and Equal Opportunities**

Promote a new workplace culture of diversity and inclusion, embrace individuals from different backgrounds, respect and preserve each person's differences, and enhance the value brought by individual uniqueness, ultimately achieving workplace equality.

3. **Non-Discrimination**

Uphold the principles of openness and fairness, and do not discriminate based on "race, class, language, ideology, religion, political affiliation, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disability, astrological sign, blood type or past membership in a labor union."

4. **Prohibition of Forced Labor**

Respect the freedom of individuals to choose their occupation, and do not force or coerce anyone to perform labor against their willingness.

5. **Prohibition of Child Labor**

Safeguard the physical and mental development of children and do not employ child labor.

6. **Assisting Employees in Maintaining Physical and Mental Health and Work-Life Balance**

Create a friendly workplace, care for employees' physical and mental health, provide leisure and travel subsidies, promote employees' well-being, and achieve a balance between work and life.



◆ Human Rights Policies and Specific Management Plans

Policies	Specific Management Plans
Workplace Health and Safety	<p>ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Safety and Health Management System) have obtained third-party certification. We actively promote energy saving and carbon reduction, disaster prevention, pollution prevention and other improvement activities, ensuring a safe working environment can be provided.</p>
	<p>In accordance with legal regulations, we provide a safe and healthy working environment by establishing dedicated occupational safety and health unit and committee organization. Regular health examination for employees are conducted, and contracted professional medical personnel provide health services. We regularly conduct related educational training in safety, health, and fire prevention. Necessary preventive measures are taken to prevent occupational accidents and reduce risk factors in the work environment.</p>
	<p>To protect the safety of contractors, we ensure thorough hazard communication and supervision when assigning contracts.</p>
Diversity, Inclusion, and Equal Opportunities	<p>We create a diverse and inclusive workplace by embracing individuals from different backgrounds, respecting and valuing each person's differences. Every member is treated fairly and respectfully, with equal opportunities for learning, resources, fair salary conditions, and career advancement.</p>
Eliminating Unlawful Discrimination	<p>In terms of employment, remuneration and benefits, training opportunities, promotions, dismissal, or retirement, no unfair treatment is given to employees and job seekers based on race, class, language, ideology, religion, political affiliation, birthplace, gender, sexual orientation, age, marital status, pregnancy, appearance, facial features, physical or mental disabilities, astrological sign, blood type, or any other factors.</p>
Prohibition of Forced Labor	<p>We do not engage in any form of forced labor, including violence, coercion, confinement, or any other illegal methods to compel workers to work. Workers who are unable to work beyond regular working hours due to health or other legitimate reasons will not be forced to work. We do not retain or seize employees' identify documents, deposit books, seals, passports, residence permits or personal properties.</p>
Prohibition of Child Labor	<p>Employment standards comply with the local legal minimum age requirements.</p>
Assisting Employees in Maintaining Physical and Mental Health and Work-Life Balance	<p>We provide venues or sponsors funding to encourage employees to participate in health activities. Employees can form their own clubs, fostering camaraderie through club activities.</p>
	<p>We have set up an aerobics classroom and a fitness gym, equipped with facilities for employees to use during their free time.</p>
	<p>We sponsor funds annually to encourage department leaders and employees to strengthen camaraderie through social gatherings and exchange activities.</p>
<p>Organize activities such as year-end banquets, movie screenings and employee trips to help employees relax and enhance team cohesion.</p>	

◆ Human Rights Risk Assessment

Issue	Assessment Target	Impact Scope	Impact Situation	Risk Source	Probability (Frequency)	Severity (Impact Level)	Risk Level
 Diversity and Inclusion	Employees with Disabilities	Employment opportunities	Exclude job seekers with disabilities	<ul style="list-style-type: none"> Recruitment, screening, and employment 	Low	Low	Low
	Indigenous Employees		Exclude indigenous job seekers		Low	Low	Low
	Foreign Employees		Exclude foreign job seekers		Low	Low	Low
 Gender Equality at Work	Job Applicants or Employees	<ul style="list-style-type: none"> Gender equality in employment Gender discrimination 	<ul style="list-style-type: none"> Discrimination based on gender or sexual orientation Gender pay gap Differential or adverse treatment based on age, marital status, pregnancy, or childbirth 	<ul style="list-style-type: none"> Recruitment, screening, employment, distribution, deployment, performance evaluation, or promotion 	Medium	High	High
 Maternity Protection	Female Employees	<ul style="list-style-type: none"> Maternal health protection Promotion of workplace equality 	Lack of breastfeeding facilities	<ul style="list-style-type: none"> Menstrual period, pregnancy, and post-childbirth 	Medium	High	High
 Employing Child Labor	Job Applicants and New Employees	Protection of child labor	<ul style="list-style-type: none"> Failure to ensure workers meet the minimum age requirements Sexual exploitation of children at work Children working in hazardous conditions Children performing tasks or workloads unsuitable for their age 	<ul style="list-style-type: none"> During interviews and onboarding 	Low	Medium	Medium
 Forced Labor	All Employees	Freedom to choose employment	<ul style="list-style-type: none"> Use of false advertisements for recruitment Withholding wages or personal documents of employees or job seekers to coerce work Unreasonable job transfers 	<ul style="list-style-type: none"> Recruitment, screening, employment, transfer 	Low	Medium	Medium

Objective Management	Management and Risk Mitigation Measures	Effectiveness
Employing the sufficient number of employees with disabilities	<ul style="list-style-type: none"> Strictly comply with laws and regulations on the protection of rights and interests of individuals with disabilities, ensuring sufficient employment of employees with disabilities 	Employed 8 disabled employees, which complied with the regulations
Protecting the employment rights of indigenous peoples	<ul style="list-style-type: none"> According to the Government Procurement Act, winning contractors must employ indigenous people during the contract period, with the number not less than 1% of the total number of employees. If the requirement is not met, a fee must be paid to the Employment Fund of the Indigenous Peoples Comprehensive Development Fund Encourage individuals with indigenous status to submit their household registration transcript upon reporting Individuals with indigenous identity are entitled to take a day off during the annual tribal festivals of their own, their parents', or their spouse's ethnic group 	Currently employing 1 indigenous person. If the standard is not met, a payment is made to the Employment Fund of the Indigenous Peoples Comprehensive Development Fund. Indigenous employees are given leave for annual ceremonial activities
Embracing employees from diverse backgrounds to inspire creativity	<ul style="list-style-type: none"> Respecting the culture of diversity, equity and inclusion 	Employees from different ethnic backgrounds, including 102 from Vietnam, 19 from the Philippines, 2 from Malaysia, 2 from Russia, and 1 from the UK
Eliminate gender discrimination and promote substantial gender equality	<ul style="list-style-type: none"> Recruitment advertisements and images maintain gender neutrality without discriminatory wording Educational, training, or similar activities and benefits without differential treatment based on gender or sexual orientation Equal pay for equal work Work rules and labor contracts must not stipulate or pre-agree that employees shall resign or take unpaid leave due to marriage, pregnancy, childbirth, or childcare, nor use these reasons for dismissal 	<ul style="list-style-type: none"> Five female managers No case of gender discrimination violations in 2023
Ensuring female employees can safely go through pregnancy, childbirth, and breastfeeding	<ul style="list-style-type: none"> Strictly adhere to labor laws, gender equality in work, and maternity health protection regulations for female workers In accordance with legal regulations, provide menstrual leave, prenatal check-up leave, tocolysis leave, maternity leave, and parental leave applications Provide appropriate childcare facilities, establish breastfeeding rooms, and allocate breastfeeding time 	No cases of maternity protection violations in 2023
No employment of child labor	<ul style="list-style-type: none"> Prohibit the employment of individuals under 16 Require applicants to provide their date of birth on interview documents and verify the accuracy of this information during onboarding 	No employment of child labor cases in 2023
No use of any involuntary labor	<ul style="list-style-type: none"> Prohibit the use of violence, threats, detention, or other illegal methods to force labor Do not make agreements with employees for minimum service periods Comply with relevant regulations of the Labor Standards Act, disclose recruitment advertisements honestly, do not retain employees' or job seekers' identification documents, nor withhold property or collecting deposits Job transfers must not violate labor contract agreements and should comply with the five principles of legal transfer 	No cases of forced labor violations in 2023

Issue	Assessment Target	Impact Scope	Impact Situation	Risk Source	Probability (Frequency)	Severity (Impact Level)	Risk Level
<p>Sexual Harassment</p>	Employees or Job Seekers	Occurrences of sexual harassment	<ul style="list-style-type: none"> No sexual harassment policy Hostile work environment sexual harassment Quid pro quo workplace sexual harassment 	<ul style="list-style-type: none"> During interviews (between interview supervisor and job seeker) Interactions between supervisors and employees, or between employees 	Low	High	Medium
<p>Workplace Misconduct</p>	All Employees	Suffering from unlawful acts while executing duties	<ul style="list-style-type: none"> Employees subjected to unlawful acts by employers, supervisors, colleagues, service recipients, or other third parties while executing duties 	<ul style="list-style-type: none"> While executing duties 	Low	High	Medium
<p>Occupational Safety Management</p>	All Employees	Occupational accidents (including the impacts of the COVID-19 pandemic)	<ul style="list-style-type: none"> Dangerous working environments Insufficient safety facilities or equipment leading to occupational accidents or occupational diseases 	<ul style="list-style-type: none"> Workplace During executing duties 	Low	High	Medium
<p>Employee Health Management</p>	All Employees	Employee health protection	<ul style="list-style-type: none"> Failure to detect health abnormalities in employees early Adverse health effects due to work, reduced work efficiency 	<ul style="list-style-type: none"> Workplace During executing duties 	Low	Medium	Medium
<p>Overtime Work</p>	All Employees	Overwork	<ul style="list-style-type: none"> Overtime is usually unpaid Requiring employees to work overtime 	<ul style="list-style-type: none"> Insufficient manpower Short-term increase in workload Employee personal factors Accommodating specific event requirements 	High	Medium	High
<p>Labor Disputes</p>	All Employees	Employee communication	<ul style="list-style-type: none"> Failure to comply with labor laws and regulations Employees unclear about work rules and relevant regulations Ineffective internal complaint mechanisms 	Differences in perceptions and poor communication between labor and management	Low	Medium	Medium

Objective Management	Management and Risk Mitigation Measures	Effectiveness
No cases of sexual harassment	<ul style="list-style-type: none"> Establish sexual harassment prevention measures, complaint and disciplinary methods, and publicly display them in the workplace Form a sexual harassment complaints handling committee to impartially handle related cases Provide a grievance hotline and email for sexual harassment complaints Immediately take effective corrective and remedial actions upon awareness of sexual harassment incidents 	No sexual harassment incidents in 2023
No incidents of workplace misconduct	<ul style="list-style-type: none"> Establish a "Prevention Plan for Preventing Workplace Misconduct" Publicly declare the company's "written statement on preventing workplace misconduct" Strengthen promotion of hazard prevention education and training Enhance the planning of the working environment Provide necessary protective measures Establish a procedure for reporting and handling workplace misconduct incidents Provide a grievance hotline and email Assist in resettling victims and refer medical personnel for follow-up care 	No incidents of workplace misconduct during the execution of duties in 2023
Prevent occupational accidents, ensure the safety and health of workers, and create a safe working environment	<ul style="list-style-type: none"> Strictly adhere to laws and regulations related to occupational safety and health Formulate occupational safety management regulations and occupational safety and health management plans Regularly conduct environmental monitoring in the workplace Immediately take necessary emergency and rescue measures in case of occupational accidents In response to COVID-19 prevention requirements, the company formulated a COVID-19 prevention and response plan, established an epidemic response team, managed organizational responses and operations, while cooperating with government authorities to implement relevant epidemic measures Regularly implement safety and health education and training, and promote safety escape knowledge to enhance employees' awareness of hazard identification 	<ul style="list-style-type: none"> The company has obtained third-party verification for ISO 14001 Environmental Management System and ISO 45001 International Occupational Health and Safety Management System from TÜV Regularly inspect workplace drinking water, carbon dioxide, lighting, and firefighting equipment Regularly conduct occupational safety and health education and training to enhance employees' hazard recognition awareness
Ensure employee health protection	<ul style="list-style-type: none"> Strictly adhere to occupational safety and health related laws and regulations Regularly conduct employee health examinations Contract professional medical personnel to provide health services Analyze and evaluate health examination results, assess job selection and fitness for work, assess high-risk workers, manage individual cases, protect maternal health, and prevent work-related diseases 	<ul style="list-style-type: none"> Completed employee health examinations in April this year The frequency of on-site service by medical personnel complies with legal requirements
Ensure compliance with normal working hours and extended working hours regulations	<ul style="list-style-type: none"> Properly plan manpower, use temporary staffing or job substitutes when necessary under legal conditions Strictly adhere to labor laws and regulations, clearly stated in the company's work rules and relevant regulations Continuously promote company regulations for normal working hours and extended working hours Through attendance and overtime management systems, accurately recording employees' attendance and overtime, and reminding employees of their off-duty hour and the regulations for extending work hours To prevent overwork, the company formulated a "Prevention Plan for Abnormal Workload-Induced Diseases" for high-risk groups engaged in shift work, night work, and long working hours according to the Occupational Safety and Health Act., properly planned and took necessary safety measures, complied with the law and ensured the safety and health of workers 	<ul style="list-style-type: none"> Extended working hours did not exceed legal limits Extended working hours will provide overtime pay or compensatory time off according to the regulations
Strive to promote harmony between labor and management, create good labor-management relationship, and effectively mediate differences of opinion	<ul style="list-style-type: none"> Strictly adhere to labor laws and regulations, clearly stated in the company's work rules and relevant regulations Provide diverse and open communication channels Regularly hold labor-management meetings to communicate effectively with employees and ensure smooth dialogue between labor and management 	<ul style="list-style-type: none"> Held regular labor-management meetings every 3 months Held four labor-management meetings in 2023

Labor-Management Communication

NEXCOM places great importance on the communication and cooperation between employees and management, recognizing that a good labor-management relationship is crucial for the company's development. We understand that effective labor-management communication helps employees better understand the company's operational status, market trends, and business goals, while also enabling management to promptly grasp employees' needs and working conditions. This mutual understanding supports the creation of a harmonious workplace and provides robust support for both parties.

NEXCOM strictly abides by labor regulations in all locations, ensuring that personnel management policies comply with local legal requirements. Although we have not signed collective bargaining agreements with other labor unions, to protect the rights and interests of both labor and management, we hold regular quarterly labor-management meetings. During these meetings, we report on the company's operational status and engage in discussions with employees on topics such as labor conditions and benefits, thereby enhancing the relationship between labor and management. Each labor-management meeting includes five representatives from the labor side and five from the management side. The agreements reached in these meetings protect all employees (100%). Furthermore, employees can voice their suggestions or concerns regarding the company through various communication channels, such as labor-management meetings, regular department meetings, the employee grievance hotline, or management review meetings. NEXCOM ensures that feedback from employees is effectively addressed. This transparent mechanism helps build mutual trust between the company and its employees, providing a platform for employees to express their opinions and needs, striving for better working conditions, and ultimately enhancing job satisfaction.

NEXCOM also respects employees' rights to collective bargaining and participation in assemblies. We do not interfere with employees' freedom of association. Additionally, we follow the regulations of relevant authorities regarding employee resignations, layoffs, or retirements, providing advance notice based on the employees' years of service as stipulated by labor law. The notice period is in accordance with labor laws, but if there are special circumstances, actions are taken according to the mutually agreed results of negotiations between the parties. In the event of significant operational changes or alterations in labor condition, we convene labor-management meetings for negotiation and communication, and notify employees according to the advance notice period required by regulatory authorities, ensuring that employees' rights are not affected.

Remedial Measures for Negative Incidents

If the company faces significant negative impact incidents (such as violations of integrity business, corruption, significant environmental pollution, human rights abuses etc.), NEXCOM will immediately initiate an internal investigation, authorize relevant units to clarify the facts of the incident, determine accountability, and take necessary corrective measures to prevent similar incidents from occurring again. The company will formulate clear corrective actions to address the issues caused by the negative incident, including subsequent internal process improvements, strengthening monitoring mechanism, and revising regulations. Additionally, we will inform all affected stakeholders, such as investors, customers, and employees, of the subsequent handling status to restore trust and maintain the company's reputation.

Grievance Channels

Grievance Hotline: (02) 8226-7786#1105
Employee Grievance Email: hr@nexcom.com.tw



4.4 Workplace Safety

Occupational Safety and Health Management System

NEXCOM places great importance on employee occupational safety, recognizing that a safe working environment is crucial to the success of both employees and the company. To achieve this, we are dedicated to establishing and continuously improving our occupational safety and health management system to ensure employees are adequately protected and potential safety risks are minimized. In December 2013, we obtained the OHSAS 18001:2007 Occupational Health and Safety Management System certification, which was updated to ISO 45001:2018 in 2019, establishing an Environmental, Safety and Health (ESH) management system. Our occupational safety and health management system undergoes internal audits conducted by qualified personnel annually and external audits by impartial third-party organizations each year. The scope of these audits includes all workers and contractors performing work on-site.

Occupational Safety and Health Committee Organization

In compliance with occupational safety and health regulations, NEXCOM has established an Occupational Safety and Health Committee that meets once every quarter. Labor representatives constitute 50-57% of the overall committee membership. The committee reviews changes related to both external and internal issues of the occupational safety and health management system, identifies regulations, assesses the achievement of occupational safety and health policies and objectives, and evaluates occupational safety and health performance information, including occupational accidents and workplace environment monitoring. Other workers can directly express their opinions to the supervisors of the responsible departments. Collected issues are discussed and proposed during the committee meetings for consensus. In the event of personnel or equipment accidents, the department heads must provide explanations and propose corrective measures to reflect and improve, preventing recurrence of the issues. Additionally, employees can submit safety and health-related suggestions to occupational safety and health personnel or labor representatives at any time via phone or email, and the relevant personnel will promptly engage in communication and discussion.

Environmental, Safety and Health Policy

- **Compliance with Regulatory Requirements:** Follow all relevant requirements of environmental, safety and health protection regulations. Perform audit and execution of the environmental, safety and health protection regulations.
- **Continuance to Environmental, safety and health Improvements:** Improve the manufacturing process and reduce environment pollution and safety and health risks in the manufacturing process.
- **Promotion of Health and Safety Awareness:** Strengthen operational management and personnel training in order to prevent occupational injuries and diseases.
- **Use of Environmental-Friendly Materials:** Use ecologically-aware and low-pollution materials so as to reduce impacts to the environment.
- **Resources economizing and reusing:** Make effective use of resources available, prevent wasting of energy or loss of materials, and reduce wastes.
- **Strengthen communication consultation:** Strengthen communication with colleagues and stakeholders, establish channels to convey policies and related information, and give appropriate responses.

Hazard Identification and Incident Investigation

NEXCOM conducts hazard identification and risk assessment following the Hazard Identification and Risk Assessment Management Procedure. We plan related improvement measures based on the risk levels identified to reduce operational hazards and enhance workplace safety. In 2023, we completed the identification of risks related to physical, chemical, biological, human factors, and psychosocial factors. This primarily involved adjusting various management procedures and operational regulations. For occupational accidents and unexpected incidents, we have comprehensive response measures. According to the company's "Incident Investigation Management Procedure," incidents are classified and corresponding investigation procedures are initiated. Corrective actions are implemented to prevent the recurrence of similar incidents.

Response Measures for Significant Hazard Risks

Enhancing personnel awareness of hazard risks, implementing thorough risk assessments, ensuring full participation, and conducting emergency response drills are essential for preventing significant hazard risks. Through annual risk assessments, specific countermeasures for significant risk items or operations are formulated. Quarterly safety and health committee meetings are held, where labor and management jointly review occupational safety and health issues. By identifying potential hazard risks early and making immediate corrections, conducting emergency response drills, and reducing the likelihood of incidents and ensure preparedness in the event of emergencies. This proactive approach fosters a win-win working environment for both labor and management.

◆ **Seventeen significant hazard risks have been identified, all of which are controlled according to management procedures.**

Workflow	Identification Quantity	Operation Control (or Environmental, Safety and Health Management Project)
Receiving Operation	1	Protective Equipment Management Procedure
Picking Materials and Warehousing	1	Protective Equipment Management Procedure
Packaging Operation	2	Protective Equipment Management Procedure
Repair of Defective Products	9	Protective Equipment Management Procedure
Line Maintenance	1	Hazardous Work Management Procedure
Equipment Maintenance	3	Hazardous Work Management Procedure

2023 Management Projects

(1) Administrator Service Department - Health Promotion Management Project

Administrator Service Department - Health Promotion Management Project

Target: Achieve 100% execution rate of club activities

After the domestic pandemic peaked in 2022, life gradually returned to normal. The "Epidemic New Life Movement" has become a common practice in the post-pandemic era. Prioritizing epidemic prevention, the company has gradually resumed various physical activities to maintain employees' exercise habits and create a safe environment for sports.

• **Improvement Methods:**

1. Formulate or modify the management regulations for club activities.
2. Inform all employees to apply for or join clubs.
3. Record and manage the clubs and track attendance rates.

• **Improvement Outcome:**

The execution rate of club activities reached 100%.



(2) Assembly Line - Sanmin Factory - Safety Protection Project

Assembly Line - Sanmin Factory - Safety Protection Project

Target: Improve the power cords of the burn-in carts on the 10th floor to reduce the risk of electric shock for operators by 100%

Due to the need to switch to the burn-in carts for the new products production, fixed plug power cords will be converted to quick-release connectors to reduce the risk of electric shock when operators plug and unplug power cords.

• **Improvement Methods:**

1. Evaluate the improvement of burn-in cart power cords to quick-release concealed connectors.
2. The supplier quotes quick-release concealed connectors and installation costs.
3. The supplier performs construction and accepts the work.
4. Supervisors conduct training on the operation of the quick-release concealed connectors.



• **Improvement Outcome:**

The risk of electric shock for operators has been reduced by 100%.

(3) Manufacturing Hua-Ya Factory - Safety Protection Project

Manufacturing Hua-Ya Factory - Safety Protection Project

Target: Install stainless steel leak-proof trays in the chemical warehouse to achieve 100% leakage protection

The usage of organic solvents in slots C and D of the chemical warehouse is relatively high. After each shipment, containers are stacked in two layers. The second layer lacks protection and is not against the wall, posing a risk of toppling.

• **Improvement Methods:**

1. Ordered custom stainless steel racks.
2. Placed the second layer of organic solvents on the racks to increase stability.



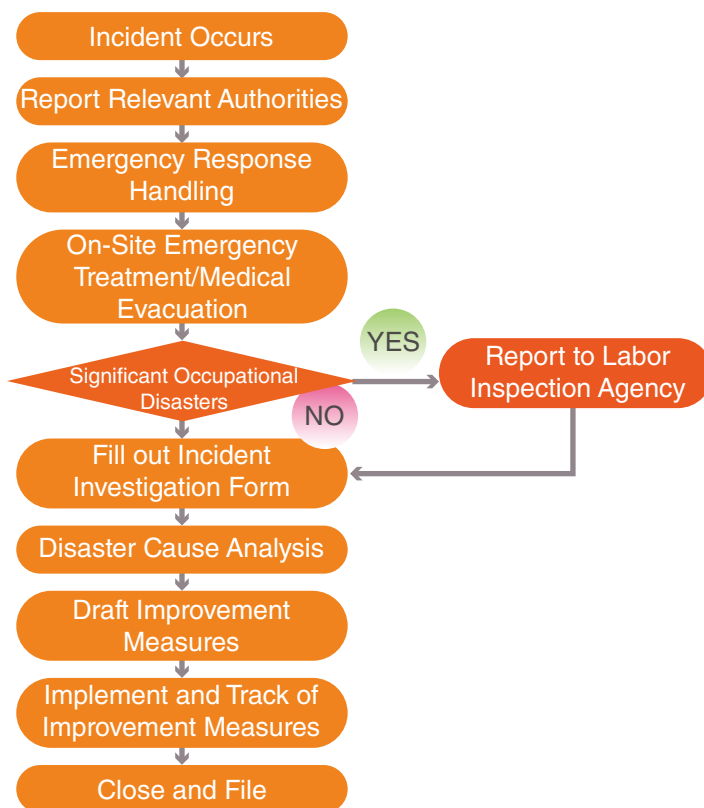
• **Improvement Outcome:**

Stainless steel racks have been installed on the leak-proof stainless steel trays, achieving 100% protection against leakage.

NEXCOM fully recognizes the importance of incident investigation in occupational safety management and regards it as a critical element in enhancing safety levels. Incident investigations not only help identify the root causes of incidents and prevent similar occurrences in the future but also serve as a vital tool for the continuous improvement of our occupational safety management system.

We have established a comprehensive incident investigation process, including incident reporting, investigation, root cause analysis, formulation of corrective actions, as well as monitoring and evaluation. After an accident occurs, we promptly organize a specialized investigation team to conduct an in-depth investigation, identifying the direct, indirect and potential causes of the incident. The findings are then incorporated into future safety campaigns and training materials to prevent similar incidents from happening again.

◆ Incident Reporting Process



Occupational Safety and Health Activities

In accordance with the Labor Health Protection Regulations, NEXCOM has contracted medical personnel to conduct regular on-site services and carry out the following activities: health guidance, cardiovascular disease risk classification, adult blood pressure classification, BMI classification, metabolic syndrome, care and confirmation for the population with high risks of hypertension, hyperlipidemia and diabetes. The company has also equipped sufficient first aid kits and emergency equipments for employees' emergency use, with dedicated personnel managing and regularly updating the contents of the first aid kits. All employees at NEXCOM enjoy regular general and specialized health examinations, and the contracted medical personnel develop subsequent health management plans based on the results of these examinations. Furthermore, in compliance with the fundamental principles of occupational safety and health regulations, the company strives to maintain a workplace free from significant occupational accidents, reduce the occurrence of false alarms, and move towards a zero-accident workplace. This includes strengthening health management, using health examinations as a basis to track high-risk groups, maintaining employees' physical and mental health, and creating a healthy workplace environment. The achievements of these efforts are as follows:

- 1. Internal Environment Assessment and Check:** Conduct assessments and checks of the internal operational areas and surrounding environments, identify hazards, and perform risk assessments. Through appropriate job placements and work design checks, as well as safety and health education and training, employees are made aware of the potential hazards in their working environment and the importance of wearing protective equipments to prevent occupational injuries or diseases.
- 2. On-Site Services by Physicians and Nurses:** NEXCOM values the physical and mental health of each employee. Contracted physicians and nurses provide on-site services, offer health care to employees, and implement health promotion plans, continually caring for the employees' physical and mental health, and working towards a sustainable workplace.

◆ 2023 On-Site Service Sessions (2 Hours per Session) and the Number of People Receiving On-Site Health Care

Site	Physician's On-Site Service Frequency	Nurse's On-Site Service Frequency	Number of People Receiving On-site Health Care (Year)
Headquarter	6 sessions / year	6 sessions / month	152
Sanmin Factory	6 sessions / year	6 sessions / month	144
Hua-Ya Factory	6 sessions / year	6 sessions / month	126
Total	18 sessions / year	216 sessions / year	422

3. **Prevention of Workplace Misconduct:** A statement against workplace misconduct has been announced and is continuously promoted. Any form of misconduct in the workplace is not tolerated, and behavior regulations are enforced, making it a necessary part of employee training to ensure they understand the relevant prevention and protection measures.
4. **Maternal Health Protection:** During on-site service times, contracted physicians and nurses arrange interviews with pregnant employees and those in the first year of breastfeeding after childbirth to ensure their work arrangements meet maternal protection requirements. Employees are informed of relevant maternal health protection measures, and recommendations for suitable job placements are made in conjunction with occupational safety and health personnel and HR, ensuring the protection of the physical and mental health of pregnant and postpartum employees.
5. **Prevention of Human Factors Hazards:** The office and laboratory environments may harbor overlooked human factors hazards. During on-site service times, physicians and nurses analyze health examination reports and interview employees at risk of musculoskeletal injuries. Employees fill out the Nordic Musculoskeletal Questionnaire (NMQ) for assessment, understanding the severity of their body pain, and tracking high-risk work patterns for improvements or work adjustments.
6. **Prevention of Abnormal Workload:** Use relevant questionnaires and scales to assess employees' physical and psychological abnormal states, along with data on the probability of cardiovascular disease over 10 years, risk levels are distinguished to identify high-risk employees. Medical personnel provide health education and counseling to reduce the likelihood of disease onset.
7. **Implement Annual Health Examinations:** Every year, NEXCOM provides health examinations at company expense, exceeding legal requirements. These annual health examinations help understand employees' physical conditions, identify the root causes of abnormalities, especially cardiovascular disease risk factors, and include high-risk groups (hypertension, hyperlipidemia, hyperglycemia) in on-site health service care groups for continuous management and health guidance.
8. **Workplace Safety for Middle-aged and Elderly workers:** In order to encourage generational cooperation and passing on of experience, and to build a friendly working environment, and in response to the potential hazards of middle-aged and elderly workers in the workplace, we focus on the prevention of workplace misconduct, human factors hazards, and abnormal workload-induced diseases. For high-risk groups, we conduct risk assessments of their workplaces and personal health. Health management and abnormal item tracking are conducted, ensuring work safety and suitability through the Work Ability Index. With guidance and improvements provided by on-site medical personnel, we ensure the physical and mental health and work safety of middle-aged and elderly workers.
9. **Ensure Safety in Laboratory and Production Line Work Environments:** Various safety and health hazards lurk in laboratories and production lines, such as soldering, organic solvents, SMT, and cutting machine operations. To reduce occupational injuries and diseases, semi-annual workplace environmental monitoring is conducted, tracking physical and chemical hazards in the working environment to ensure they meet legal permissible exposure limit standards. To minimize the threat of hazard factors, adequate protective equipments are provided to employees working in hazardous environments to ensure their safety and health. The results of the 2023 annual workplace environment monitoring met legal standards.

Safety and Health Education and Training

NEXCOM's safety and health goals are "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, and strengthen communication consultation." To establish a safety culture and enhance employee safety awareness, the Occupational Safety and Health Office periodically creates safety and health promotion documents, including incident investigations. Additionally, regular internal and external safety and health training related to work, as well as emergency response drills, including fire drills and organic solvent safety protection drills, are conducted. Internal training is provided by professional instructors appointed by the company, while external training is funded by the company, with effectiveness verified through tests, practical exercises, or certification upon completion. Emergency response drills are arranged for relevant personnel to conduct.

◆ Occupational Safety Training (External)

Training Category	Sessions	Number of Trainees	Training Hours per Person	Total Training Hours
On-the-job Training for Occupational Safety and Health Affairs Managers	1	1	8	8
On-the-job Training for Organic Solvent Operations Supervisors	2	2	17.5	35
On-the-job Training for Radiation Protection Personnel	4	4	8.75	35
On-the-job Training for First Responders	7	7	8	56
On-the-job Training for Fire Prevent Manager	1	1	8	8

◆ Occupational Safety Training (Internal)

Training Category	Sessions	Number of Trainees	Average Training Hours	Total Training Hours
Occupational Safety and Health Training for New Employees	29	196	6.91	1356
Hazardous Chemical (Organic Solvent) Education and Training	4	29	1	29
Emergency Response Drill (Fire Drill)	6	101	4	404

Emergency Response Drills: Fire Drills and Organic Solvent Safety Protection Drills

Fire Drill



Organic Solvent Safety Protection Drill



◆ Number of Occupational Injuries

Item	2021	2022	2023
Working Hours	1,711,320	1,700,104	1,710,584
Number of Deaths Resulting from Occupational Hazards	0	0	0
Percentage of Deaths Resulting from Occupational Hazards	0	0	0
Number of Severe Occupational Injuries	0	0	0
Rate of Severe Occupational Injuries	0	0	0
Number of Recorded Occupational Injuries	0	1	0
Rate of Recorded Occupational Injuries	0	0.58	0

Note 1: Total working hours calculation: The total working hours for NEXCOM's Headquarter, Sanmin Factory and Hua-Ya Factory from January to December 2023.

Note 2: When calculating the number and rate of severe occupational injuries, deaths are excluded.

Note 3: When calculating the number and rate of recorded occupational injuries, include deaths caused by occupational injuries and the rate is calculated per million working hours.

Note 4: Severe occupational injuries refer to those where recovery to the pre-injury health state takes more than six months.

Note 5: Only injuries resulting from commuting accidents involving transportation arranged by the company can be counted as occupational injuries; employee commuting to and from work is not included.

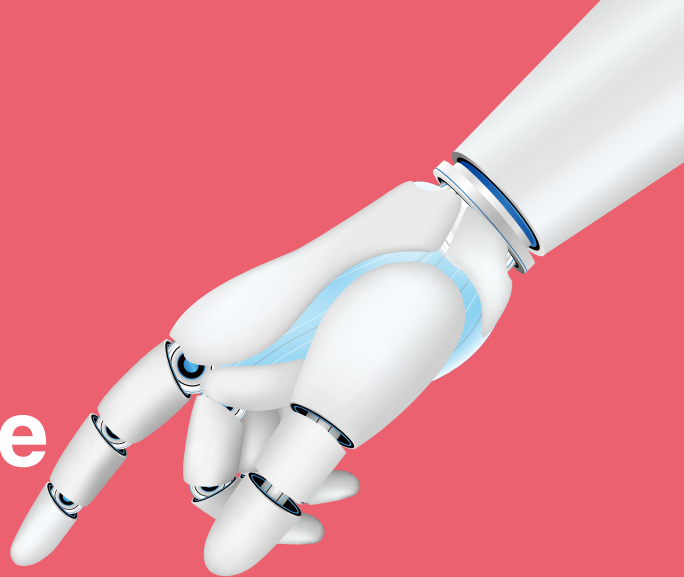
Contractor Occupational Safety Management

Implementing strict contractor occupational safety management not only helps protect the safety of employees and contractors but also demonstrates the company's commitment to social responsibility. Contractors entering the site must comply with NEXCOM's occupational safety and health management regulations. Before contractors commence work, safety personnel must inform them of potential hazards to ensure they fully understand the risks. Pre-operational safety and health inspections and personal protective equipment must be completed to prevent accidents. The company adopts a tiered management system based on the level of operational risk. For high-risk operations, in addition to the contractor's supervision, the company assigns professional personnel and safety officers to accompany the operation throughout to ensure site safety and prevent accidents. In 2023, there were no occupational accidents involving contractors.

◆ Contracted Projects In 2023

Date	Site	Item
2023/02/25	Sanmin Factory	Replace the T5 lamps in the TEST area with LED lamps
2023/04/17	Hua-Ya Factory	New air conditioner added to situation room
2023/06/07	Hua-Ya Factory	IP Cam construction work
2023/06/09	Hua-Ya Factory	Air conditioning box maintenance
2023/06/23	Hua-Ya Factory	Added current transformer panel
2023/08/12	Headquarter	Installation of air-conditioning fans in the Lecture Hall and Demo Room on the 9th floor

5 Social Welfare





5 Social Welfare

1. Upholding the concept of giving back to society and engaging in public welfare, the second "One Bag of Blood is Irreplaceable" blood donation event was held. Employees were encouraged to roll up their sleeves and donate blood, contributing a total of 105 bags. Six employees voluntarily participated as volunteers, and vouchers were given as a reward for their charitable contributions.
2. Donations were made to the Catholic Our Lady of China Social Welfare Foundation, including non-woven fabric bags, childhood toys, and sand painting boards. These gifts were provided to underprivileged children for after-school learning, offering sincere warmth to the foundation's rural and impoverished families.
3. Through leveraging influence to fulfill corporate social responsibility, we actively promote industry-academia innovation collaboration with the following outcomes:
 - (1) OO University's Department of Mechanical Engineering initiated an industry-academia program for intelligent machinery. The university provided students with academic theories and knowledge, while the industry partner (NEXCOM) offered practical experience to bridge the gap between academia and industry, and provided job opportunities. Three projects were completed and presented:
 - i. Development of a feeding system integrating robotic arms with visual recognition technology.
 - ii. Application of a production-like line system where the robotic arms perform tasks such as assembling different types of products, testing, inspecting and sorting based on communication.
 - iii. Integration of three different robotic arms into a production-like line system.
Scholarships provided: NT\$112,500 (12 students participated) .
 - (2) OO University's Department of Industrial Management launched an intelligent machinery industry-academia program. NEXCOM guided students with practical experience, case analysis, and project presentations. Competitions were held to encourage creativity, allowing students to build projects from scratch. Whether designing robots or various automation system, students applied interdisciplinary technical skills in software programming, mechanical circuits, and image processing to enhance practical skills and align with industry needs.
 - i. Development of a control system for robotic arm grasping.
 - ii. Development of a tracking and positioning system for intelligent transport robots.
 - iii. Collaborative work applications of IoT and robots in production-like line systems.
Scholarships provided: NT\$112,500 (12 students participated) .

Blood Donation Event

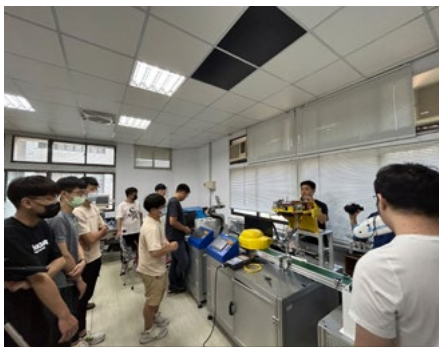


Donation (Catholic Our Lady of China Social Welfare Foundation)

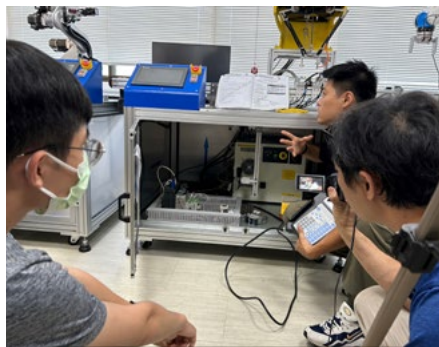


Intelligent Machinery Industry-Academic Promotion Talent Training Program

Introduction to robot mechanism



Introduction to the control box



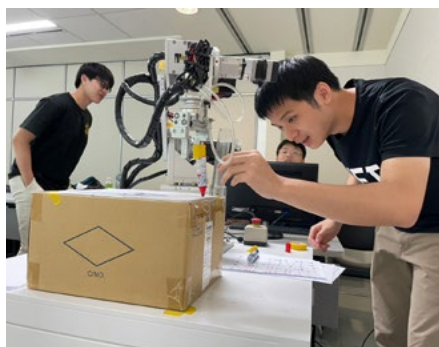
Introduction to NEXCOM robotic arms



NEXCOM robotic arm operation



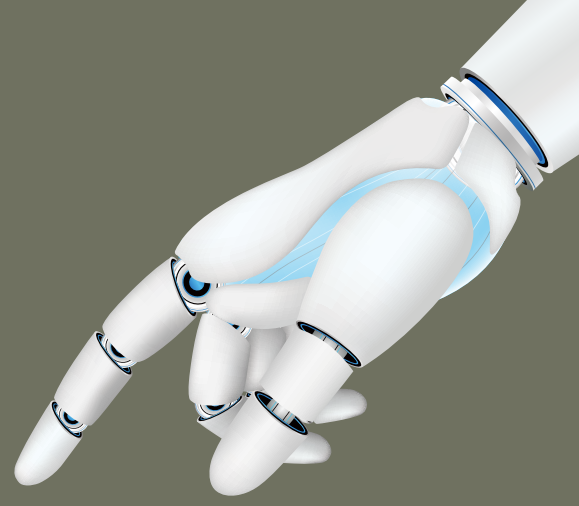
NEXCOM robotic arm operation



Wheeled Mobile Robot Operational Teaching



Appendix



Appendix 1 GRI Standards Content Index

Appendix 2 Sustainability Accounting Standards Board Index (SASB)

Appendix 3 TCFD Report Index

Appendix 4 ISO Management System Certificate

Appendix 5 Sustainability Report- Independent Assurance Statement

Appendix 6 ISO 14064-1 Greenhouse Gas Emission and Removal Verification Statement



Appendix 1 GRI Standards Content Index

Statement of Use	This Report (2023) has been prepared in accordance with GRI standards, the data and information range covers January 1 to December 31, 2023.
GRI 1 Version	GRI 1: Foundation 2021
GRI Sector Standards	None

GRI 2: General Disclosures 2021

Disclosure requirement	Chapter	Page number	Description of omission
Organization and Reporting			
2-1 Organizational details	1.1 Organizational Overview	25	
2-2 Entities included in the organization's sustainability reporting	About This Report - Report Boundaries and Scope	4	
2-3 Reporting period, frequency and contact point	About This Report- Reports issuance date	5	
	About This Report - Contact Information	5	
2-4 Restatements of information	About This Report - Report Boundaries and Scope	4	
2-5 External assurance/ confidence	About This Report - External Assurance	5	
Activities and Workers			
2-6 Activities, value chain and other business relationships	1.1 Organizational Overview	25	
2-7 Employees	4.1 Friendly Workplace	68	
2-8 Workers who are not employees	4.1 Friendly Workplace	69	
Governance			
2-9 Governance structure and composition	1.2 Board of Directors	28	
2-10 Nomination and selection of the highest governance body	1.2 Board of Directors	28	
2-11 Chair of the highest governance body	1.2 Board of Directors	28	
2-12 Role of the highest governance body in overseeing the management of impacts	1.2 Board of Directors	28	
2-13 Delegation of responsibility for managing impacts	1.2 Board of Directors	28	
2-14 Role of the highest governance body in sustainability reporting	1.2 Board of Directors	28	
2-15 Conflicts of interest	1.2 Board of Directors	28	



Disclosure requirement	Chapter	Page number	Description of omission
2-16 Communication of critical concerns	1.2 Board of Directors	28	
2-17 Collective knowledge of the highest governance body	1.2 Board of Directors	28	
2-18 Evaluation of the performance of the highest governance body	1.2 Board of Directors	28	
2-19 Remuneration policies	1.2 Board of Directors	28	
2-20 Process to determine remuneration	1.2 Board of Directors	28	
2-21 Annual total compensation ratio	4.1 Friendly Workplace	72	
Strategy, Policies and Practice			
2-22 Statement on sustainable development strategy	Message from the Chairman	6	
2-23 Policy commitments	2.4 Sustainable Supply Chain	79	
2-24 Embedding policy commitments	1.3 Business Integrity	30	
	2.4 Sustainable Supply Chain	45	
	3.1 Energy Management	51	
	4.3 Employment Relationship	79	
	4.4 Workplace Safety	87	
2-25 Processes to remediate negative impacts	4.3 Employment Relationship	86	
2-26 Mechanisms for seeking advice and raising concerns	4.3 Employment Relationship	86	
2-27 Compliance with laws and regulations	1.3 Business Integrity	30	
2-28 Membership associations	1.1 Organizational Overview	26	
Stakeholder Engagement			
2-29 Approach to stakeholder engagement	Stakeholder Engagement	17	
2-30 Collective bargaining agreements	4.3 Employment Relationship	86	

GRI 3: Material Topics 2021

Disclosure requirement	Chapter	Page number	Description of omission
3-1 Process to determine material topics	Stakeholder Engagement Identification of Material Issues	18	
3-2 List of material topics	Responds to material topics	18	
3-3 Management of material topics	Material Topics Management Policy	22	

GRI Comparison of Material Topic

Key Topic: Business performance

	Disclosure requirement	Chapter	Description of omission	Page number
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Management Policy		22
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1.1 Organizational Overview		25
	201-2 Financial implications and other risks and opportunities due to climate change	3.5 Climate Change Response		59
	201-3 Defined benefit plan obligations and other retirement plans	4.1 Friendly Workplace		76
	201-4 Financial assistance received from government	1.1 Organizational Overview		27

Key Topic: Ethics and Integrity

	Disclosure requirement	Chapter	Description of omission	Page number
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Management Policy		22
	205-1 Operations assessed for risks related to corruption	1.3 Business Integrity		30
	205-2 Communication and training about anticorruption policies and procedures	1.3 Business Integrity		30
	205-3 Confirmed incidents of corruption and actions taken	1.3 Business Integrity		30

Key Topic: Corporate Governance

	Disclosure requirement	Chapter	Description of omission	Page number
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2 Board of Directors		28
		1.3 Business Integrity		30



Key Topic: Risk Management

	Disclosure requirement	Chapter	Description of omission	Page number
GRI 3: Material Topics 2021	3-3 Management of material topics	1.4 Internal Risk Control		31

Key Topic: Market Presence

	Disclosure requirement	Chapter	Description of omission	Page number
GRI 3: Material Topics 2021	3-3 Management of material topics	2.1 Technological Innovation		37
		2.2 Quality Management		41
		2.3 Customer Satisfaction		44

Key Topic: Occupational Health and Safety

	Disclosure requirement	Chapter	Description of omission	Page number
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Management Policy		22
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Safety and Health Management System	4.4 Workplace Safety		87
	403-2 Hazard identification, risk assessment, and incident investigation	4.4 Workplace Safety		87
	403-3 Occupational health services	4.4 Workplace Safety		90
	403-4 Worker participation, consultation, and communication on occupational health and safety	4.4 Workplace Safety		90
	403-5 Worker training on occupational health and safety	4.4 Workplace Safety		92
	403-6 Promotion of worker health	4.1 Friendly Workplace		72
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4 Workplace Safety		88
	403-8 Workers covered by an occupational health and safety management system	4.1 Friendly Workplace		68
	403-9 Work-related injuries	4.4 Workplace Safety		87
	403-10 Work-related ill health	4.4 Workplace Safety		87

Appendix 2 Sustainability Accounting Standards Board Index (SASB)

Code	Measurement Indicator	Corresponding Section
Disclosure Topic: Product Safety		
TC-HW-230a.1	Explanation of Risk Identification and Management Methods for Product Information Security	1.5 Information Security
Disclosure Topic: Employee Diversity and Inclusion		
TC-HW-330a.1	Global Employee Gender Percentage (1) Management Team, (2) Technical Staff, (3) All Employees	Management Team: 77% Male, 23% Female Technical Staff: 87% Male, 13% Female All Employees: 60% Male, 40% Female
Disclosure Topic: Product Lifecycle Management		
TC-HW-410a.1	Product complies with IEC62474 Annual revenue percentage of declarable controlled substances	Not applicable. NEXCOM does not use IEC62474 specifications, but NEXCOM uses raw materials that comply with EU regulatory requirements, such as RoHS, REACH, etc.
TC-HW-410a.2	Percentage of annual revenue for products that meet the EPEAT mark or equivalent requirements	Not applicable, NEXCOM products are not required to obtain the EPEAT environmental label
TC-HW-410a.3	Percentage of annual revenue for products that meet the ENERGY STAR or equivalent requirements	Not applicable, NEXCOM products are not require compliance with ENERGY STAR certification
TC-HW-410a.4	The total recycled weight of global discarded products and the weight of recycled products as a percentage of the weight of total sold products	Data not yet collected, undisclosed
Disclosure Topic: Supply Chain Management		
TC-HW-430a.1	Percentage of first-tier suppliers performing RBA VAP (Validated Audit Process) or equivalent audits: (a) All Suppliers (b) High-Risk Suppliers	RBA audit has not been implemented yet
TC-HW-430a.2	First-Tier Suppliers: (1) Percentage of Suppliers Not Passing RBA VAP or Equivalent Audit (2) Audit Results (a) Critical Findings (b) Improvement rate for other findings	RBA audit has not been implemented yet
Disclosure Topic: Material Procurement		
TC-HW-440a.1	Describe the risk management of using critical materials	2.4 Sustainable Supply Chain
Disclosure Topic: Activity metrics		
TC-HW-000.A	Production Volume by Product Category	Year 2023 Total Industrial Computers: 371,723 units Total Other Product Categories: 53,661 units
TC-HW-000.B	Factory Area	Sanmin Factory: 105,239.6 ft2 Hua-Ya Factory: 89,330.98 ft2 Headquarters: 7147,271.4 ft2
TC-HW-000.C	Percentage of Production from Own Facilities	100%



Appendix 3 TCFD Report Index

Dimension	TCFD Disclosure Recommendation	Chapter	Page number
Governance	The monitoring status of climate-related risks and opportunities by the Board of Directors.	3.5.1 Sustainable Development Management Committee	59
	Management's responsibilities in assessing and managing climate-related risks and opportunities.	3.5.1 Sustainable Development Management Committee	59
Strategy	Identify short-, medium-, and long-term climate-related risks and opportunities.	3.5.3 Climate-Related Risk and Opportunity Matrix	62
	The effect of climate-related risks and opportunities on business, strategic and financial planning	3.5.3 Climate-Related Risk and Opportunity Matrix	63
	Strategic adaptability, and also taking into account different climate-related scenarios (including 2°C or lower temperature scenarios)	3.5.5 Climate Change Scenario Analysis	64
Risk Management	Identification and assessment process for climate-related risks and opportunities	3.5.2 Risk and Opportunity Identification and Assessment Process	60
	Processes for managing climate-related risks and opportunities	3.5.1 Sustainable Development Management Committee	59
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	Procedures for identifying, assessing, and managing climate-related risks and opportunities and how these are integrated into the risk management system	3.5.1 Sustainable Development Management Committee 3.5.2 Risk and Opportunity Identification and Assessment Process	59 60
Indicators and Targets	Disclosure of the indicators used by the organizations to evaluation on climate-related risks and opportunities, in accordance with their strategies and risk management processes	3.5.6 Indicators and Targets	66
	Disclosure of the greenhouse gas emission under Scope 1, Scope 2 and Scope 3 (if applicable) , and related risks	3.2 Greenhouse Gas Inventory	51
	The targets used by the organization in managing climate-related risks and opportunities and how the targets were implemented	3.5.6 Indicators and Targets	66

Appendix 4 ISO Management System Certificate

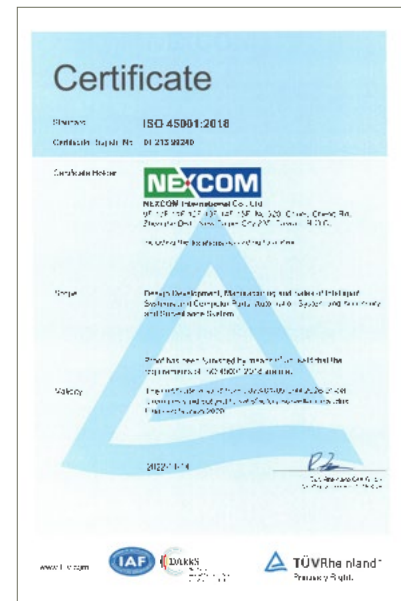
ISO 9001:2015 Quality Management System



ISO 14001:2015 Environmental Management System



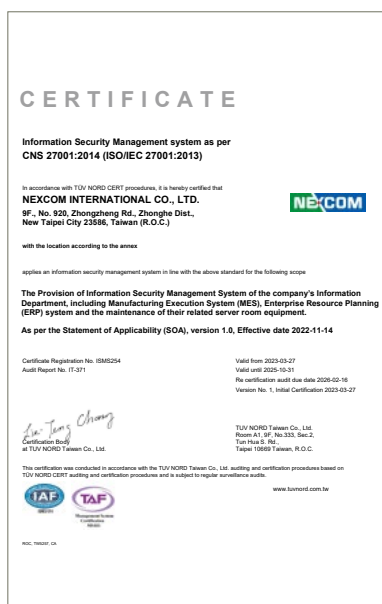
ISO 45001:2018 Occupational Safety and Health Management System



ISO 13485:2016 Medical Devices Quality Management Systems



ISO 27001:2013 Information Security Management System





Appendix 5 Sustainability Report - Independent Assurance Statement



格瑞國際驗證有限公司
GREAT International Certification Co., Ltd.

Independent Assurance Statement Based on 2023 Sustainability Report of NEXCOM International Co., Ltd.

Statement No.: 2405013

NEXCOM International Co., Ltd. (hereinafter referred to as NEXCOM) and GREAT International Certification Co., Ltd. (hereinafter referred to as GREAT) are mutually independent companies. In addition to the assessment and verification of NEXCOM's 2023 annual Sustainability Report (hereinafter referred to as ESG Report), GREAT has no financial relationship with NEXCOM.

The purpose of this Independent Assurance Statement (hereinafter referred to as the Statement) is only to conclude that the relevant issues within the scope of the NEXCOM's ESG Report are guaranteed, but not for other purposes. Except for this Statement on the verified facts, for any use of other purposes, or any person who read this Statement, GREAT is not responsible or liable for any legal or other responsibility.

This Statement made from the conclusions of verification, based on the relevant information provided GREAT by NEXCOM. Therefore, the scope of the verification is based on and confined to the content of these provided information, and GREAT shall consider that the contents of the information are complete and accurate. All concerning and questions about the contents or the relevant issues contained in this Statement shall be answered by the NEXCOM.

The Scope of Assurance

The agreed scope of assurance by NEXCOM and GREAT includes the following:

- The contents of the entire ESG Report and all operating performance of NEXCOM from January 1, 2023 to December 31, 2023;
- According to the type 1 of application of the AA1000 Assurance Standard v3, the assessed nature and degree of the NEXCOM's compliance with the AA1000 Accountability Principles (2018), but excluding the verification of the reliability of the information or data disclosed in the ESG Report.
- This Statement has been prepared in Chinese and has been translated into English for reference.

Verification Opinion

We summarize the contents of NEXCOM's ESG Report and provide a fair opinion of NEXCOM 's relevant operations and performance. We believe that the index such as economic, social, environmental performance, and corporate governance of 2023 are presented correctly. The performance index disclosed in the report demonstrate NEXCOM's efforts to identify and meet stakeholder expectations.

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 sufficient evidence provided by NEXCOM indicates that it complies with the AA1000 Assurance Standard v3 and its 2018 appendix reporting methods and self-declaration of compliance with the GRI sustainability reporting standard is fair.

Verification method

In order to collect evidence related to conclusions, we implemented the following tasks:

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

Conclusion

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



- Inclusivity

NEXCOM has established a process of cooperation with major stakeholders, including shareholders/investors, company executive, customers, employees, suppliers and contractors. Launch a series of stakeholder activities in 2023, involving a series of major themes such as economy, society, and environment. In terms of our professional opinions, this report covers the inclusivity issues of NEXCOM.

- Materiality

The ESG Report has stated that NEXCOM focuses on the issues of economic, social, and environmental, and six major issues be identified, including operating performance, corporate governance, ethical integrity, risk management, market image, and occupational health and safety, etc. In terms of our professional opinion, this report appropriately covers the materiality issues of NEXCOM.

- Responsiveness

NEXCOM responds to requests and opinions from stakeholders. Implementation methods include shareholders meeting, corporate briefing session, spokesperson mechanism, customer satisfaction surveys, customer complaint handling mechanism, supplier evaluation, labor-management meeting and employee grievance hotline, those numerous internal and external stakeholder communication mechanisms as an opportunity to provide further responses to stakeholders and to respond to issues of concern to stakeholders in a timely manner. In terms of our professional opinions, this report covers the responsiveness issues of NEXCOM.

-Impact

NEXCOM has identified and justly displayed its impact in a balanced and effective way of measure and disclosure. NEXCOM has established processes for monitoring, measuring, evaluating, and managing impacts, which will help achieve more effective decision-making and results management within the organization. In terms of our professional opinions, this report covers the impact of NEXCOM.

-GRI Guidelines

NEXCOM provides declaration in accordance with the GRI Standards and relevant information. Based on the results of the review, we confirm that the report refers to the GRI Standards for social responsibility and sustainability disclosure items have been disclosed, partially disclosed, or omitted. In terms of our professional opinions, this declaration covers the social responsibility and sustainability topics of NEXCOM.

Assurance level

According to the AA1000 Assurance Standard v3 and its 2018 appendix, we verify that this Statement is a level of Moderate Assurance, as described in this Statement.

Responsibility

The responsibility of this ESG Report, as stated in this Statement, is owned by the person in charge of NEXCOM. The responsibility of GREAT is solely to provide professional opinions based on the scope and methods described, and to provide an independent assurance Statement for the stakeholders.

Ability and Independence

GREAT is composed of experts in a various field of management system. The verification team is composed of members in the professional backgrounds with the qualifications of lead auditor trained in sustainable development, environmental and social management standards, such as AA1000 AS v3, ISO 9001, ISO 14001 and ISO 45001.

On behalf of the assurance team June 12th, 2024

GREAT International Certification Co., Ltd.

Taiwan, Republic of China

Signed by General Manager W. J. Chen



AA1000
Licensed Report
000-250/V3-9JYVU



Appendix 6 ISO 14064-1 Greenhouse Gas Emission and Removal Verification Statement

格瑞國際驗證有限公司
GREAT International Certification Co., Ltd.

Statement No.: Great-GHGER-24-0507

Greenhouse Gas Emission and Removal Verification Statement

NEXCOM International Co., Ltd.

Greenhouse gas emission and removal verification is conducted at the following location:

- (1) 9F, 10F, 11F, 12F, 13F, 14F&15F, No.920, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C. (NEXCOM International Co., Ltd.)
- (2) 5F, 6F, 7F, 8F, 9F, 10F, 11F&12F, No.63, Sec. 1, Sanmin Rd., Banqiao Dist., New Taipei City 220, Taiwan, R.O.C. (NEXCOM International Co., Ltd.)
- (3) 2F., No. 50, Huaya 3rd Road, Gulshan Dist., Taoyuan City 333, Taiwan, R.O.C. (NEXCOM International Co., Ltd.)
- (4) No. 423, Taishan Rd., Yilan City, Yilan County 260, Taiwan, R.O.C. (NEXCOM International Co., Ltd.)
- (5) 15F-1, No. 21, Yixin 2nd Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan, R.O.C. (NEXCOM International Co., Ltd.)
- (6) 13F, No.322, Zhongsheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C. (NexAIoT Co., Ltd.)
- (7) 8F, No.926, Zhongheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C. (NexAIoT Co., Ltd.)
- (8) 16F., No. 250, Sec. 2, Chongde Rd., Beitun Dist., Taichung City 406, Taiwan, R.O.C. (NexAIoT Co., Ltd.)
- (9) 13F, No.922, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C. (GREENBASE TECHNOLOGY CORP.)
- (10) 7F., No. 252, Sec. 2, Chongde Rd., Beitun Dist., Taichung City 406, Taiwan, R.O.C. (GREENBASE TECHNOLOGY CORP.)
- (11) 13F, No.916, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C. (EMUX TECHNOLOGIES CO., LTD.)
- (12) 13F, No.916, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C. (TMR TECHNOLOGIES CO., LTD.)
- (13) 13F, No.916, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C. (NEXCOBOT TAIWAN CO., LTD.)
- (14) 29F-1, No. 97, Sec. 4, Chongxin Rd., Sanxing Dist., New Taipei City 241, Taiwan, R.O.C. (DIWOTEC INC.)

Verification in accordance with ISO 14064-3:2019 and qualification granted:
ISO 14064-1:2018

Greenhouse gas emission information:
Direct emissions (Category 1): 272.1796 metric tonnes of CO₂e (CO₂e)
Indirect emissions (Category 2): 3,876.5921 metric tonnes of CO₂e (CO₂e)
Other selected indirect emission categories (Categories 3-6) will be listed on the table in the following pages.

- Reporting period: January 1, 2023 to December 31, 2023.
- Categories 1 and 2 are verified at reasonable assurance level.
- Categories 3 to 6 are verified at limited assurance level.
- Uncertainty assessment 95% confidence level: -7.07% to +7.03%.

W. Chen
W. J. Chen, Managing Director

Initial Issued Date: May 29, 2023 , Latest Issued Date: May 21, 2024

This verification statement is invalid without the full scopes, categories, criteria, level of assurance and findings available on the Statement.
Verification Body: Great International Certification Co., Ltd. Address: 4F., No. 28, Dayuan 1st St., Dayuan Dist., Taoyuan City 337, Taiwan (R.O.C.)

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格瑞國際驗證有限公司
GREAT International Certification Co., Ltd.

Statement No.: Great-GHGER-24-0507

- Types of greenhouse gases reported include CO₂, CH₄, N₂O and HFC.
- Emission factors: The Power emission factor of 2023 refer to 2022 is 0.495 kgCO₂e/kWh; other emission factors refer to EPA management table 6.0.4. GWP values of various greenhouse gases are based on the 6th assessment report of IPCC.
- This statement above is based on the conclusion drawn from the verification of the relevant information provided by the client being verified. Therefore GREAT thought the verified information are completeness and validity.
- Any questions or concerns related to the content of this statement or relevant issues shall be addressed by the client being verified (customer category code A-11).
- The organization reported the following data on greenhouse gas emissions and removals between January 1, 2023 and December 31, 2023:

NEXCOM International Co., Ltd.		Unit: metric tonnes of CO ₂ e
Reporting boundary by Category and Sub-category	Notes	GHG emissions
Category 1: Direct GHG emissions and removals		
226.0904		
1.1 Direct emissions from stationary combustion		NS*
1.2 Direct emissions from mobile combustion	Official vehicle	46.1854
1.3 Direct process emissions and removals arise from industrial processes	Soldering flux, soldering tin	3.0536
1.4 Direct fugitive emissions arise from the release of GHG in anthropogenic systems	Refrigerant for air conditioners, refrigerators, water dispensers, official vehicle, septic tanks, fire extinguisher.	176.8474
1.5 Direct emissions and removals from land use, land use change and forestry		NS*
Category 2: Indirect GHG emissions from imported energy		
3,334.5944		
2.1 Indirect emissions from imported electricity	Outsourced electricity	3,334.5944
2.2 Indirect emissions from imported energy		NS*
Category 3: Indirect GHG emissions from transportation		
314.4347		
3.1 Emissions from upstream transport and distribution for goods		NS*
3.2 Emissions from downstream transport and distribution for goods		NS*
3.3 Emissions from employee commuting	Employee commuting (by high-speed rail, train, long-distance bus, urban bus, car and motorcycle)	236.1506
3.4 Emissions from client and visitor transportation vehicle		NS*
3.5 Emissions from business travels	Business travel (high-speed rail, plane, private car for official use and taxi)	78.2841
Category 4: Indirect GHG emissions from products used by organization		
NS*		
4.1 Emissions from purchased goods		NS*
4.2 Emissions from capital goods		NS*
4.3 Emissions from the disposal of solid and liquid waste		NS*
4.4 Emissions from the use of assets		NS*
4.5 Emissions from the use of services that are not described in the above subcategories		NS*

This verification statement is invalid without the full scopes, categories, criteria, level of assurance and findings available on the Statement.
Verification Body: Great International Certification Co., Ltd. Address: 4F., No. 28, Dayuan 1st St., Dayuan Dist., Taoyuan City 337, Taiwan (R.O.C.)

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GREAT International Certification Co., Ltd.

Statement No.: Great-GHGER-24-0507

Category 5: Indirect GHG emissions associated with the use of products from the organization	GHG emissions
5.1 Emissions or removals from the use stage of the product	NS*
5.2 Emissions from downstream leased assets	NS*
5.3 Emission from end-of-life stage of the product	NS*
5.4 Emission from investments	NS*

Category 6: Indirect GHG emissions from other source

Direct removals	GHG emissions
Total storage as of year end	NS*
Carbon financial instruments	NS*

NS* (Non-significant): excluded from the calculation for the above

NexAIoT Co., Ltd.

Unit: metric tonnes of CO₂e

Reporting boundary by Category and Sub-category	Notes	GHG emissions
Category 1: Direct GHG emissions and removals		
20.1498		
1.1 Direct emissions from Stationary combustion		NS*
1.2 Direct emissions from Mobile combustion	Official vehicle	20.1498
1.3 Direct process emissions and removals arise from industrial processes	Soldering tin	0.0000
1.4 Direct fugitive emissions arise from the release of GHG in anthropogenic systems	Refrigerant for air conditioners, refrigerators, water dispensers, official vehicle, fire extinguisher.	0.0000
1.5 Direct emissions and removals from Land use, land use change and forestry		NS*
Category 2: Indirect GHG emissions from imported energy		
311.0911		
2.1 Indirect emissions from imported electricity	Outsourced electricity	311.0911
2.2 Indirect emissions from imported energy		NS*
Category 3: Indirect GHG emissions from transportation		
152.3569		
3.1 Emission from Upstream transport and distribution for goods		NS*
3.2 Emission from Downstream transport and distribution for goods		NS*
3.3 Emission from Employee commuting	Employee commuting (by high-speed rail, train, long-distance bus, urban bus, car and motorcycle)	67.5835
3.4 Emission from Client and visitor transport		NS*
3.5 Emission from Business travels	Business travel (high-speed rail, plane, private car for official use and taxi)	84.7759
Category 4: Indirect GHG emissions from products used by organization		
NS*		
4.1 NS		NS*
4.2 Emissions from Capital goods		NS*
4.3 Emissions from the disposal of solid and liquid waste		NS*
4.4 Emissions from the use of assets		NS*
4.5 Emissions from the use of services that are not described in the above subcategories		NS*
Category 5: Indirect GHG emissions associated with the use of products from the organization		
NS*		

This verification statement is invalid without the full scopes, categories, criteria, level of assurance and findings available on the Statement.
Verification Body: Great International Certification Co., Ltd. Address: 4F., No. 28, Dayuan 1st St., Dayuan Dist., Taoyuan City 337, Taiwan (R.O.C.)

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格瑞國際驗證有限公司
GREAT International Certification Co., Ltd.

Statement No.: Great-GHGER-24-0507

Reporting boundary by Category and Sub-category	Notes	GHG emissions
Category 1: Direct GHG emissions and removals		
12.0867		
1.1 Direct emissions from Stationary combustion		NS*
1.2 Direct emissions from Mobile combustion	Official vehicle	12.0867
1.3 Direct process emissions and removals arise from industrial processes	Soldering tin	0.0000
1.4 Direct fugitive emissions arise from the release of GHG in anthropogenic systems	Refrigerant for air conditioners, refrigerators, water dispensers, official vehicle, fire extinguisher.	0.0000
1.5 Direct emissions and removals from Land use, land use change and forestry		NS*
Category 2: Indirect GHG emissions from imported energy		
136.0060		
2.1 Indirect emissions from imported electricity	Outsourced electricity	136.0060
2.2 Indirect emissions from imported energy		NS*
Category 3: Indirect GHG emissions from transportation		
37.2414		
3.1 Emission from Upstream transport and distribution for goods		NS*
3.2 Emission from Downstream transport and distribution for goods		NS*
3.3 Emission from Employee commuting	Employee commuting (by train, urban bus, car and motorcycle)	22.6725
3.4 Emission from Client and visitor transport		NS*
3.5 Emission from Business travels	Business travel (high-speed rail, plane, private car for official use and taxi)	14.5689
Category 4: Indirect GHG emissions from products used by organization		
NS*		
4.1 Emissions from Purchased goods		NS*
4.2 Emissions from Capital goods		NS*
4.3 Emissions from the disposal of solid and liquid waste		NS*
4.4 Emissions from the use of assets		NS*
4.5 Emissions from the use of services that are not described in the above subcategories		NS*
Category 5: Indirect GHG emissions associated with the use of products from the organization		
NS*		
5.1 Emissions or removals from the use stage of the product		NS*
5.2 Emission from downstream leased assets		NS*
5.3 Emission from end-of-life stage of the product		NS*
5.4 Emission from investments		NS*
Category 6: Indirect GHG emissions from other source		
NS*		

This verification statement is invalid without the full scopes, categories, criteria, level of assurance and findings available on the Statement.
Verification Body: Great International Certification Co., Ltd. Address: 4F., No. 28, Dayuan 1st St., Dayuan Dist., Taoyuan City 337, Taiwan (R.O.C.)

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格瑞國際驗證有限公司
GREAT International Certification Co., Ltd.

Statement No.: Great-GHGER-24-0507

Direct removals		NS*
Total storage as of year end		NS*
Carbon financial instruments		NS*

EMBUX TECHNOLOGY CO., LTD. Unit: metric tonnes of CO₂e

Reporting boundary by Category and Sub-category	Notes	GHG emissions
Category 1: Direct GHG emissions and removals		
1.1 Direct emissions from Stationary combustion		NS*
1.2 Direct emissions from Mobile combustion	Official vehicle	4.7279
1.3 Direct process emissions and removals arise from industrial processes		NS*
1.4 Direct fugitive emissions arise from the release of GHG in anthropogenic systems	Refrigerant for air conditioners, refrigerators, water dispensers, official vehicle, fire extinguisher.	0.0000
1.5 Direct emissions and removals from Land use, land use change and forestry		NS*
Category 2: Indirect GHG emissions from imported energy		
2.1 Indirect emissions from imported electricity	Outsourced electricity	8.0888
2.2 Indirect emissions from imported energy		NS*
Category 3: Indirect GHG emissions from transportation		
3.1 Emission from Upstream transport and distribution for goods		NS*
3.2 Emission from Downstream transport and distribution for goods		NS*
3.3 Emission from Employee commuting	Employee commuting (by motorcycle)	1.2736
3.4 Emission from Client and visitor transport		NS*
3.5 Emission from Business travels	Business travel (high-speed rail, plane, private car for official use and taxi)	0.4229
Category 4: Indirect GHG emissions from products used by organization		
4.1 Emissions from Purchased goods		NS*
4.2 Emissions from Capital goods		NS*
4.3 Emissions from the disposal of solid and liquid waste		NS*
4.4 Emissions from the use of assets		NS*
4.5 Emissions from the use of services that are not described in the above subcategories		NS*
Category 5: Indirect GHG emissions associated with the use of products from the organization		
5.1 Emissions or removals from the use stage of the product		NS*
5.2 Emission from downstream leased assets		NS*
5.3 Emission from end-of-life stage of the product		NS*
5.4 Emission from investments		NS*
Category 6: Indirect GHG emissions from other source		
Direct removals		NS*
Total storage as of year end		NS*
Carbon financial instruments		NS*

This verification statement is invalid without the full scope, categories, criteria, level of assurance and findings available on the Statement.
Verification Body: Great International Certification Co., Ltd. Address: 4F, No. 28, Dayuan 1st St., Dayuan Dist., Taoyuan City 337, Taiwan (R.O.C.)

格瑞國際驗證有限公司
GREAT International Certification Co., Ltd.

Statement No.: Great-GHGER-24-0507

TMR Technologies Co., Ltd. Unit: metric tonnes of CO₂e

Reporting boundary by Category and Sub-category	Notes	GHG emissions
Category 1: Direct GHG emissions and removals		
1.1 Direct emissions from Stationary combustion		NS*
1.2 Direct emissions from Mobile combustion	Official vehicle	0.0000
1.3 Direct process emissions and removals arise from industrial processes		NS*
1.4 Direct fugitive emissions arise from the release of GHG in anthropogenic systems	Refrigerant for air conditioners, refrigerators, water dispensers, fire extinguisher.	0.0000
1.5 Direct emissions and removals from Land use, land use change and forestry		NS*
Category 2: Indirect GHG emissions from imported energy		
2.1 Indirect emissions from imported electricity	Outsourced electricity	14.1555
2.2 Indirect emissions from imported energy		NS*
Category 3: Indirect GHG emissions from transportation		
3.1 Emission from Upstream transport and distribution for goods		NS*
3.2 Emission from Downstream transport and distribution for goods		NS*
3.3 Emission from Employee commuting	Employee commuting (by high-speed rail, and motorcycle)	1.9191
3.4 Emission from Client and visitor transport		NS*
3.5 Emission from Business travels	Business travel (high-speed rail, plane, private car for official use and taxi)	1.2814
Category 4: Indirect GHG emissions from products used by organization		
4.1 Emissions from Purchased goods		NS*
4.2 Emissions from Capital goods		NS*
4.3 Emissions from the disposal of solid and liquid waste		NS*
4.4 Emissions from the use of assets		NS*
4.5 Emissions from the use of services that are not described in the above subcategories		NS*
Category 5: Indirect GHG emissions associated with the use of products from the organization		
5.1 Emissions or removals from the use stage of the product		NS*
5.2 Emission from downstream leased assets		NS*
5.3 Emission from end-of-life stage of the product		NS*
5.4 Emission from investments		NS*
Category 6: Indirect GHG emissions from other source		
Direct removals		NS*
Total storage as of year end		NS*
Carbon financial instruments		NS*

DIVIOTEC INC. Unit: metric tonnes of CO₂e

Reporting boundary by Category and Sub-category	Notes	GHG emissions
Category 1: Direct GHG emissions and removals		
1.1 Direct emissions from Stationary combustion		NS*
1.2 Direct emissions from Mobile combustion	Official vehicle	0.3689
1.3 Direct process emissions and removals arise from industrial processes		NS*
1.4 Direct fugitive emissions arise from the release of GHG in anthropogenic systems	Refrigerant for air conditioners, refrigerators, water dispensers, official vehicle, fire extinguisher.	0.3689
1.5 Direct emissions and removals from Land use, land use change and forestry		NS*
Category 2: Indirect GHG emissions from imported energy		
2.1 Indirect emissions from imported electricity	Outsourced electricity	60.6664
2.2 Indirect emissions from imported energy		NS*
Category 3: Indirect GHG emissions from transportation		
3.1 Emission from Upstream transport and distribution for goods		NS*
3.2 Emission from Downstream transport and distribution for goods		NS*
3.3 Emission from Employee commuting	Employee commuting (by train, urban bus, car and motorcycle)	10.3083
3.4 Emission from Client and visitor transport		NS*
3.5 Emission from Business travels	Business travel (high-speed rail, plane, private car for official use and taxi)	23.5031
Category 4: Indirect GHG emissions from products used by organization		
4.1 Emissions from Purchased goods		NS*
4.2 Emissions from Capital goods		NS*
4.3 Emissions from the disposal of solid and liquid waste		NS*
4.4 Emissions from the use of assets		NS*
4.5 Emissions from the use of services that are not described in the above subcategories		NS*
Category 5: Indirect GHG emissions associated with the use of products from the organization		
5.1 Emissions or removals from the use stage of the product		NS*
5.2 Emission from downstream leased assets		NS*
5.3 Emission from end-of-life stage of the product		NS*
5.4 Emission from investments		NS*
Category 6: Indirect GHG emissions from other source		
Direct removals		NS*
Total storage as of year end		NS*
Carbon financial instruments		NS*

This verification statement is invalid without the full scope, categories, criteria, level of assurance and findings available on the Statement.
Verification Body: Great International Certification Co., Ltd. Address: 4F, No. 28, Dayuan 1st St., Dayuan Dist., Taoyuan City 337, Taiwan (R.O.C.)

格瑞國際驗證有限公司
GREAT International Certification Co., Ltd.

Statement No.: Great-GHGER-24-0507

Category 1: Direct GHG emissions and removals		
1.1 Direct emissions from Stationary combustion		NS*
1.2 Direct emissions from Mobile combustion	Official vehicle	0.3689
1.3 Direct process emissions and removals arise from industrial processes		NS*
1.4 Direct fugitive emissions arise from the release of GHG in anthropogenic systems	Refrigerant for air conditioners, refrigerators, water dispensers, official vehicle, fire extinguisher.	0.3689
1.5 Direct emissions and removals from Land use, land use change and forestry		NS*
Category 2: Indirect GHG emissions from imported energy		
2.1 Indirect emissions from imported electricity	Outsourced electricity	11.9899
2.2 Indirect emissions from imported energy		NS*
Category 3: Indirect GHG emissions from transportation		
3.1 Emission from Upstream transport and distribution for goods		NS*
3.2 Emission from Downstream transport and distribution for goods		NS*
3.3 Emission from Employee commuting	Employee commuting (by motorcycle)	1.0849
3.4 Emission from Client and visitor transport		NS*
3.5 Emission from Business travels	Business travel (high-speed rail, plane, private car for official use and taxi)	5.5898
Category 4: Indirect GHG emissions from products used by organization		
4.1 Emissions from Purchased goods		NS*
4.2 Emissions from Capital goods		NS*
4.3 Emissions from the disposal of solid and liquid waste		NS*
4.4 Emissions from the use of assets		NS*
4.5 Emissions from the use of services that are not described in the above subcategories		NS*
Category 5: Indirect GHG emissions associated with the use of products from the organization		
5.1 Emissions or removals from the use stage of the product		NS*
5.2 Emission from downstream leased assets		NS*
5.3 Emission from end-of-life stage of the product		NS*
5.4 Emission from investments		NS*
Category 6: Indirect GHG emissions from other source		
Direct removals		NS*
Total storage as of year end		NS*
Carbon financial instruments		NS*

NexCOBOT Taiwan Co., Ltd. Unit: metric tonnes of CO₂e

Reporting boundary by Category and Sub-category	Notes	GHG emissions
Category 1: Direct GHG emissions and removals		
1.1 Direct emissions from Stationary combustion		NS*
1.2 Direct emissions from Mobile combustion	Official vehicle	8.7559
1.3 Direct process emissions and removals arise from industrial processes		NS*
1.4 Direct fugitive emissions arise from the release of GHG in anthropogenic systems	Refrigerant for air conditioners, refrigerators,	0.0000

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GREAT International Certification Co., Ltd.

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1.5 Direct emissions and removals from Land use, land use change and forestry		NS*
Category 2: Indirect GHG emissions from imported energy		
2.1 Indirect emissions from imported electricity	Outsourced electricity	60.6664
2.2 Indirect emissions from imported energy		NS*
Category 3: Indirect GHG emissions from transportation		
3.1 Emission from Upstream transport and distribution for goods		NS*
3.2 Emission from Downstream transport and distribution for goods		NS*
3.3 Emission from Employee commuting	Employee commuting (by train, urban bus, car and motorcycle)	10.3083
3.4 Emission from Client and visitor transport		NS*
3.5 Emission from Business travels	Business travel (high-speed rail, plane, private car for official use and taxi)	23.5031
Category 4: Indirect GHG emissions from products used by organization		
4.1 Emissions from Purchased goods		NS*
4.2 Emissions from Capital goods		NS*
4.3 Emissions from the disposal of solid and liquid waste		NS*
4.4 Emissions from the use of assets		NS*
4.5 Emissions from the use of services that are not described in the above subcategories		NS*
Category 5: Indirect GHG emissions associated with the use of products from the organization		
5.1 Emissions or removals from the use stage of the product		NS*
5.2 Emission from downstream leased assets		NS*
5.3 Emission from end-of-life stage of the product		NS*
5.4 Emission from investments		NS*
Category 6: Indirect GHG emissions from other source		
Direct removals		NS*
Total storage as of year end		NS*
Carbon financial instruments		NS*

Coverage of the reporting boundary subcategories in the verification activities for the organization:

公司(組織)名稱 Client or organization name	地址 Address	類別/分類 Category and Sub-Category
NEXCOM International Co., Ltd. (Chinese name: 耐漢股份有限公司)	9F, 10F, 11F, 12F, 13F, 14F, 15F, No.920, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan R.O.C.	1.2, 1.3, 1.4, 2.1, 3.3, 3.5
	SF, 5F, 7F, 8F, 9F, 10F, 11F, 12F, No. 63, Sec. 2, Samxin Rd., Banqiao Dist., New Taipei City 220, Taiwan R.O.C.	
	2F, No.50, Huaya 3rd Rd, Guishan Dist., Taoyuan City 333, Taiwan R.O.C.	
	No. 423, Taishan Rd., Yilan City, Yilan County 260, Taiwan, R.O.C.	
	15F-1, No. 21, Yaw 2nd Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan, R.O.C.	
NexAIoT Co., Ltd.	13F, No.923, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)	1.2, 1.3, 1.4, 2.1,

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(Chinese name: 新漢智晶系統股份有限公司)	8F, No.926, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.) 13F, No. 250, Sec. 2, Chongde Rd., Beitun Dist., Taichung City 406, Taiwan, R.O.C.	3.3,3.5
GREENBASE TECHNOLOGY CORP. (Chinese name: 綠基企業股份有限公司)	13F, No.922, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C. 7F, No. 252, Sec. 2, Chongde Rd., Beitun Dist., Taichung City 406, Taiwan, R.O.C.	1.2,1.3,1.4, 2.1, 3.3,3.5
EMBLUX TECHNOLOGY CO., LTD. (Chinese name: 安博科技股份有限公司)	13F, No.916, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C.	1.2,1.4, 2.1, 3.3,3.5
TMR Technologies Co., Ltd. (Chinese name: 輝泰科技股份有限公司)	13F, No.916, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C.	1.2,1.4, 2.1, 3.3,3.5
NexCOBOT Taiwan Co., Ltd. (Chinese name: 創博股份有限公司)	13F, No.916, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C.	1.2,1.4, 2.1, 3.3,3.5
DVIVOTEC INC. (Chinese name: 安思嘉股份有限公司)	29F-1, No. 97, Sec. 4, Chongxin Rd., Sanzhong Dist., New Taipei City 241, Taiwan, R.O.C.	1.2, 2.1, 3.3,3.5

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 Verification Body: Great International Certification Co., Ltd. Address: 4F, No. 18, Dayuan 1st St., Dayuan Dist., Taoyuan City 337, Taiwan (R.O.C.)



NEXCOM International Co., Ltd.

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