NEXCOM

2024

NEXCOM
Sustainability Report

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About the Report

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

Report Boundary

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

Editorial Principles of the Report

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

Report Review Methods

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

Reports Issuance Date

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

External Assurance

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

Contact Information

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

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Message from the Chairman

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

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

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

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

NEXCOM Chairman Clement Lin

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

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

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

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

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

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

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

Awards and Honors

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

Supply Chain Award at the 4th Digital Transformation Pinnacle Awards

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

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

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

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

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

2024 Second New Taipei Enterprise Classic Award

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

Innovative Investment Category:

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

Sustainability Category - High-Quality Potential Enterprise:

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

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

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

Classic Extraordinary Enterprise Category - Innovative Investment:

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

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

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

2025 Taiwan Excellence Award

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

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

The ATC 3750-IP7-8M is the world's first AI-powered computer specifically designed for both in-vehicle and railway applications to be certified with both E-Mark (automotive) and EN50155 (railway) standards—ensuring the highest levels of safety, quality, and environmental resilience with a fully rugged IP67-rated enclosure.

This innovative platform is built to support key sustainable application scenarios, including: AI-powered video analytics for enhanced traffic safety and operational efficiency, Control hubs for Autonomous Mobile Robots (AMRs) to improve logistics performance. Predictive monitoring and preventive maintenance to reduce equipment failure rates and minimize resource consumption. With its robust design, advanced AI capabilities, and industry-leading certifications, the ATC 3750-IP7-8M sets a new benchmark for intelligent computing in transportation systems worldwide.

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

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

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

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

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

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

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

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

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

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

▲ VTK-SCAP-M   ▲ VTK- SCAP-AR-M

Highlight Themes

NexCOBOT has been awarded Functional Safety Certification by TÜV Rheinland

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

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

Embedded World North America: Winner of Best Trade Show 2024

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

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

Exhibition Event

Taipei International Industrial Automation Exhibition, August 21–24, 2024
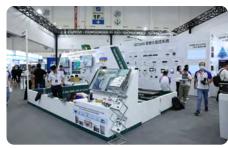
In response to the rapid evolution of AI technologies, NEXCOM Group is actively advancing both green manufacturing and digital transformation in parallel. Its subsidiaries, NEXAIoT and NexCOBOT, which specialize in automation solutions, have long been dedicated to the fields of Industrial IoT and Industry 4.0 automation.

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

Through this exhibition, NEXCOM will showcase a series of successful case studies highlighting its achievements in AI implementation and sustainable transformation, offering a comprehensive view of its commitment to intelligent automation and ESG-driven innovation.

Taiwan Medical Technology Show 12/5~12/8, 2024

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

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

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

NEXCOM AIoT Rockn'Roll 2024

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

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

The forum featured three key highlights:

Cross-Industry Success Stories

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

Dual Transformation Solution Showcase

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

One-Stop Technology Services

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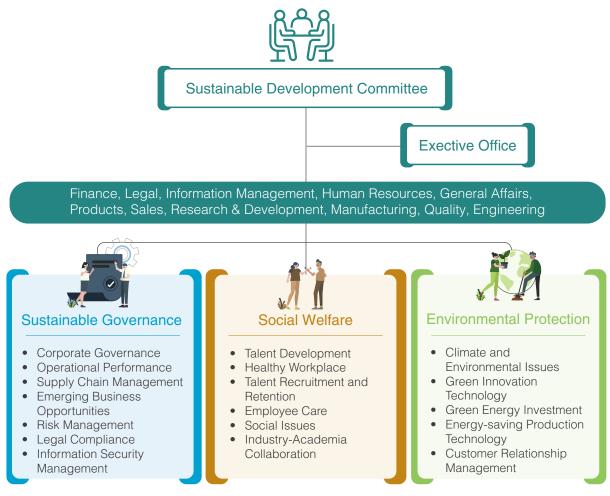
Sustainable Development Road Map

Sustainable Development Committee

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

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

▶ **Organization Structure of Sustainable Development Committe**

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                    Sustainable Development Committee
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                                  │          ┌─────────────────┐
                                  │──────────│ Exective Office │
                                  │          └─────────────────┘
        Finance, Legal, Information Management, Human Resources, General Affairs,
        Products, Sales, Research & Development, Manufacturing, Quality, Engineering
                                  │
        ┌─────────────────┬───────┴────────┬─────────────────┐
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Sustainable Governance	Social Welfare	Environmental Protection
• Corporate Governance • Operational Performance • Supply Chain Management • Emerging Business Opportunities • Risk Management • Legal Compliance • Information Security Management	• Talent Development • Healthy Workplace • Talent Recruitment and Retention • Employee Care • Social Issues • Industry-Academia Collaboration	• Climate and Environmental Issues • Green Innovation Technology • Green Energy Investment • Energy-saving Production Technology • Customer Relationship Management

Sustainable Development Goals (SDGs)

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

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

SDGs	Goal Details	NEXCOM's Responses
4 QUALITY EDUCATION	4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.	1. All employees are treated equally when applying for and arranging training, with no discrimination based on gender, race, or age. 2. Actively promote industry-academia collaboration with colleges and universities, and provide scholarships to encourage students.
5 GENDER EQUALITY	5.1 End all forms of discrimination against all women and girls everywhere. 5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking, sexual and other types of exploitation.	1. Gender shall not considered a factor in hiring, salary, performance evaluations, or promotions. 2. Establish a maternal health protection plan. 3. Establish measures for the prevention, appealing, and disciplinary actions of sexual harassment.
6 CLEAN WATER AND SANITATION	6 Ensure availability and sustainable management of water and sanitation for all.	1. The company regularly cleans and disinfects water dispensers and replaces filter materials at regular intervals to ensure that employees can drink water safely during work hours. 2. Actively promote garbage sorting and increase resource recycling and reuse. 3. Install water-saving and sensor-activated faucets to reduce unnecessary water consumption. 4. Incorporate water resources and sanitation management into ESG policies, and implement water conservation actions and sanitation risk control through institutionalization.
8 DECENT WORK AND ECONOMIC GROWTH	8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. 8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor.	1. Salary accounting is according to the company regulations, ensuring equal pay for equal work for employees with the same position and seniority. 2. The company prohibits the use of child labor and has measures to avoid employing child labor, also requiring suppliers to comply with the child labor prohibition policy.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.5 Encourage innovation and substantially increase the number of research and development workers.	1. NEXCOM encourages employees to innovate and develop projects into business models. 2. Increase R&D funding annually. 3. Apply for patents and develop independent intellectual property rights.
10 REDUCED INEQUALITIES	10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies and actions.	1. Adhere to the principles of openness and fairness and do not discriminate based on individual race, gender, religion or other factors. 2. Ensure equal pay for equal work.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5 Substantially reduce corruption and bribery in all their forms.	1. Establish related regulations such as the "Code of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and "Corporate Social Responsibility Best Practice Principles" to implement integrity business. 2. Incorporate the "Corporate Social Responsibility Best Practice Principles" into the training materials for new employee orientation and quarterly company culture training.

Stakeholder Engagement

Stakeholder Communication Channels and Issues of Concern

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

▶ Stakeholder Survey

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

Material Topics Management

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

Identification Process

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

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

Ranking of Impact and Influence of Material Topics

1 Economic Performance	2 Ethics and Integrity	3 Supply chain management	4 Air Pollution and Greenhouse Gas Emissions	5 Occupational Health and Safety	6 Compensation and Benefits

▶ Material Topics Matrix

High

Impact level on stakeholders

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

Low   Economic, Environmental and Social Impact   High

▶ Correspondence with 2024 Material Topics

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

▶ Material Topics Management Policy

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

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

NEXCOM

1 Professional Governance

1.1 Organizational Overview
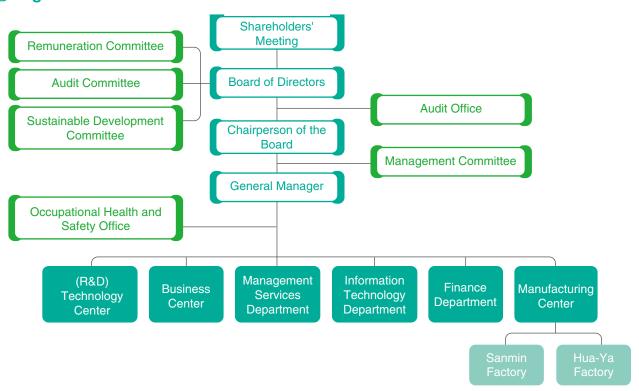
Company Profile

NEXCOM is an industrial computer (IPC) manufacturer that is divided into five major business units based on application fields: Network Communication Solutions, IoT Automation Solutions, Intelligent Video Surveillance, Intelligent Platform @ Smart City, Mobile Computing Solutions. 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: 849 Group: 1,238
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		
General Manager	▶ Peter Yang	2024 Revenue	▶ Parent company: NT$3,967,420,000 Consolidated revenue: NT$5,421,065,000

▶ Organizational Chart

Industry Upstream and Downstream

Upstream

| Chip Suppliere | Chassis Suppliere | PCB Suppliere | Parts Suppliere | Power Supply Suppliere | Cable Suppliere |

Midstreame

Smart Retail/Network Security Monitoring System/Industrial Computing/Smart Manufacturing

| Overseas Subsidiariese | Value-added Resellers | Systems Integratorse | Software Developers | Distributione Agents | ODM/OEM |

Downstream

End Customers and Userse

▶ 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
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
Taipei Computer Association	General member
Health Level Seven Taiwan	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 view of the operating losses caused by the shortage of materials during the epidemic, customers prepared a large amount of materials to meet the potential market demand when the epidemic was lifted. However, the market demand was not as strong as expected, resulting in inventory backlogs. In 2023 and 2024, due to customers' priority to clear their inventory, revenue continued to be sluggish, but it has gradually shown signs of recovery since the fourth quarter of 2024. The higher costs/expenses in 2024 were mainly due to the fact that the Taiwan subsidiary entered a less familiar project field, which was dragged down by the cooperative manufacturers and increased costs, and the Chinese subsidiary recorded bad debts from customers. Due to the strong appreciation of the US dollar, non-operating income increased significantly.

Unit: NT$ thousand	2022	2023	2024
Operating Revenue	7,916,697	5,765,509	5,421,065
Costs/Expenses	（7,506,752）	（5,543,190）	（5,566,197）
Non-operating Income (expenditure)	943,546	22,565	90,684
Net profit (loss) before tax	1,353,491	244,884	（54,448）
Income Tax Expense	（423,016）	（54,453）	102,303
Net Income Attributable to Parent(Loss)	902,188	178,791	84,890
EPS (NTD)	6.39	1.27	0.60
Dividends (NTD)	3.0	1.2	0.60
Employee Salaries and Benefits	1,427,992	1,471,591	1,291,350
Interest Payments	44,748	45,919	46,303
Payment of Income Tax	146,950	90,314	122,101

1.2 Board of Directors

The Board of Directors is the most important decision-making body of an enterprise and plays a key role in the operation and governance of the enterprise. Currently, there are 4 male and 3 female directors among the 7 directors, with expertise in various aspects including business management, finance, sustainable development and technology industries. In order to strengthen the independence and effectiveness of the board of directors, the 4 independent directors account for more than half of the board of directors, and can directly supervise the company's operations from an objective and fair standpoint, and use their rich experience and knowledge to make suggestions and assist the company in formulating strategies. The company has a corporate governance director who serves as a bridge between the directors and the company to assist the board of directors in smoothly executing related business. In 2024, the board members will complete the goal of at least six hours of further study each year. The course topics include company succession plans and recent ESG developments. In 2024, the board of directors held a total of 5 meetings, with a director attendance rate of 97.14%.

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 2024, the performance evaluations of the overall board, individual directors, and functional committees all achieved an excellent score of 90 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	Current Term	Diversified Background and Core Competencies of the Board of Directors			
				Business Management	Industry Knowledge	Financial Accounting	Sustainable Development
Director	LIN, MAO-CHANG	Male	2024/06~2027/06	V	V	V	V
Director	LIN, ZHENG-TAI	Male	2024/06~2027/06	V	V	V	V
Director	DU, SHU-LING	Female	2024/06~2027/06	V	V	V	V
Independent Director	WANG, YONG-YAO	Male	2024/06~2027/06	V	V	V	V
Independent Director	CHEN, QING-YIN	Male	2024/06~2027/06	V	V	V	V
Independent Director	CHEN, LI-CHUN	Female	2024/06~2027/06	V	V	V	V
Independent Director	TU, SHU-LING	Female	2024/06~2027/06	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 2024, the Audit Committee held a total of four meetings with an attendance rate of 100%.

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 2024, the Remuneration Committee held three meetings with an attendance rate of 88.89%.

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 2024, the Sustainable Development Committee held a total of four meetings with an attendance rate of 100%.

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. The company has formulated several key policies, including the Code of Ethical Conduct, Ethical Corporate Management Best Practice Principles, and Corporate Social Responsibility Best Practice Principles, all of which are incorporated into the onboarding training materials for new employees. In 2023, NEXCOM established a dedicated Integrity Task Force to design and implement concrete integrity initiatives and set up a whistleblowing mechanism to encourage and protect individuals who expose internal misconduct.

Through continuous efforts, the value of integrity has permeated every aspect of the organization and become embedded in the DNA of all employees. In 2024, 90.61% of employees signed the Statement of Ethical Corporate Management.

▶ Integrity Business and Anti-Corruption Education and Training Statistics

	2022	2023	2024
Number of Employees Trained in Anti-Corruption (Integrity Business) Policy	396	384	149
Percentage of Total Employees	35%	30%	13%

Regulatory Compliance

In 2024, 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 and is subject to relevant regulations applicable to listed companies, including the Company Act, Securities and Exchange Act, as well as guidelines issued by the Financial Supervisory Commission (FSC), such as the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. In addition, NEXCOM complies with rules established by the Taipei Exchange, such as the Rules Governing Securities Trading on the Business Premises of Securities Firms and the Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities. Updates to these regulations are formally communicated by the competent authorities through official letters.

NEXCOM has designated personnel responsible for receiving such official correspondence. Upon receipt, the relevant content is immediately distributed to the appropriate departments for compliance and implementation. Furthermore, the company's certified public accountants, securities brokers, and stock transfer agents also provide updates on regulatory changes via email to ensure no important updates are overlooked.

Regarding environmental protection and occupational safety and health regulations, NEXCOM has established a regular identification and update mechanism. In accordance with the regulatory requirements of the regions where the company operates—such as the Occupational Safety and Health Act, the Waste Disposal Act, and the Noise Control Act—dedicated EHS (Environmental, Health, and Safety) personnel regularly review the latest laws and regulations announced by competent authorities such as the Environmental Protection Administration and the Ministry of Labor. The company also keeps track of regulatory changes by subscribing to government newsletters, attending external seminars, and seeking assistance from consultants. When new or updated regulations are identified, the relevant departments are promptly notified, and internal management systems and operating procedures are revised accordingly to ensure legal compliance and minimize compliance risks.

Regulation	Responsible Department	Methods and Frequency of Review Revisions
Applicable Laws and Regulations for TPEx-Listed Companies	Finance Department	Pay attention to media reports on amendments to laws and regulations, review the contents of letters from competent authorities at any time, and consult external professional organizations such as accounting firms when appropriate.
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.

The Company's risk management is supervised by the Audit Committee. In 2023, a Risk Management Task Force was established, holding quarterly meetings. The task force is composed of first-line managers, including the Chairman, heads of business units, and department heads from R&D, Finance, IT, and Legal. Following the "Risk Management Policy and Procedures," the team identifies potential risks, analyzes their impacts, determines treatment priorities, and formulates response plans. The results of the risk management process 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	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.

Category	Potential Risk Issues	Risk Control Measures
R&D	Obsolete technology Technology development is not cost effective	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	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	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	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	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	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, internal audit has become an indispensable function within the corporate governance framework. Its core responsibility lies in assisting the Board of Directors and management in effectively reviewing and evaluating the implementation of the internal control system. It identifies potential deficiencies and risks, assesses operational effectiveness and efficiency, and ensures that the internal control system functions continuously and effectively—supporting the company's stable development and the achievement of its strategic objectives.

In addition, internal audit serves as a critical basis for reviewing and strengthening the company's internal control system. To ensure the independence and professionalism of audit activities, the company has established an independently operated Audit Office that reports directly to the Board of Directors. The appointment of the head of internal audit must be approved by a majority of the Board members, thereby maintaining the objectivity and neutrality of the audit function.

The appointment, dismissal, assessment and remuneration system of the company's internal audit personnel are all handled in accordance with the company's relevant internal regulations and legal regulations, and

performance evaluation is carried out twice a year to ensure that the professional quality and work quality of the personnel are maintained at a high standard.

Auditors should formulate an annual audit plan based on the company's internal and external business environment, legal requirements and risk assessment results, and perform audit work and complete audit reports according to the plan. Each audit report should be delivered to independent directors for review before the end of the next month after the audit project is completed to promote the transparency of internal information and the integrity of the decision-making basis. The Audit Office should also regularly review and evaluate the effectiveness of self-inspections by each department, establish an effective internal self-monitoring mechanism, assist the board of directors and managers in inspecting and reviewing the effectiveness of the internal control system, and serve as an important basis for issuing internal control statements.

Through the above-mentioned system design and implementation mechanism, the company's internal audit function can be fully implemented, further strengthening the corporate governance structure, improving operational transparency and management efficiency, and laying a solid foundation for the company's sustainable operation.

In 2024, the Audit Office performed a total of 60 audit operations (4 information system management cycles, 7 sales cycles, 6 procurement cycles, 2 payroll cycles, 5 real estates, plant and equipment cycles, 4 production cycles, and 32 internal management systems), with an audit compliance rate of 100%.

▶ Audit of Internal Control Process

Step 1 — Formulate the annual audit plan.

Step 2 — Submit the plan for review and approval by the Audit Committee and the Board of Directors.

Step 3 — Plan and execute the auditing.

Step 4 — Communicate audit results with the audited departments and provide timely improvement suggestions.

Step 5 — Attach work sheets and relevant materials to compile the audit report.

Step 6 — Send the audit report to the audited department.

Step 7 — Follow up on the report's findings.

Step 8 — Regularly report audit activities and implementation status to senior management, the Audit Committee, and the Board of Directors.
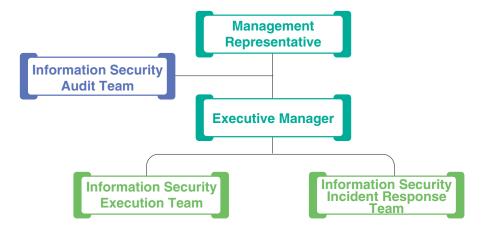
1.5 Information Security

In 2021, NEXCOM established its internal Information Security Management System (ISMS) framework and officially implemented it across the organization. In the second half of 2022, the company began adopting the ISO 27001 Information Security Management certification system and successfully obtained certification in the second quarter of 2023. To align with the updated standards, NEXCOM plans to undergo the ISO 27001:2022 recertification audit in May 2025.

NEXCOM places great importance on information security and has established a comprehensive protection and data safeguarding mechanism to prevent the leakage of confidential information or data corruption. In addition, the company has implemented a data backup system for critical applications and conducts unscheduled recovery tests annually to ensure systems can be restored as needed. This helps mitigate risks associated with unexpected natural disasters or human error that could disrupt operations. In 2024, NEXCOM received no complaints regarding customer privacy breaches or 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	• Information Security Execution Team: 10 members • Information Security Emergency Response Team: 7 members • Information Security Audit Team: 1 person

▶ **Information Technology Department Organizational Chart**

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                    ┌─────────────────────┐
                    │    Management       │
                    │   Representative    │
                    └─────────────────────┘
                              │
┌──────────────────┐         │
│ Information       │─────────┤
│ Security Audit    │         │
│ Team              │ ┌─────────────────────┐
└──────────────────┘ │  Executive Manager  │
                     └─────────────────────┘
                       │                 │
          ┌────────────────────┐  ┌────────────────────┐
          │ Information         │  │ Information         │
          │ Security Execution  │  │ Security Incident   │
          │ Team                │  │ Response Team       │
          └────────────────────┘  └────────────────────┘
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Information Security Policy

Enhance personnel awareness, prevent data leakage, and 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 2024

- January 2024: Implemented company-wide information security education and training
- June 2024: Complete core system vulnerability scan
- July 2024: Guidance on implementing ISO 27001:2022 revision
- October 2024: Conduct company-wide social engineering exercises
- October 2024: Completed ISO 27001:2022 external consultant 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 2024. A total of 1,251 copies were issued, 1,029 were collected, and the collection rate reached 82.3%

For IT personnel: One briefing on the new version of ISO 27001:2022 was conducted in 2024.

For suppliers: Starting from 2024, they must pass information security education and training before they can use VPN and remote connection services.

▶ 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.
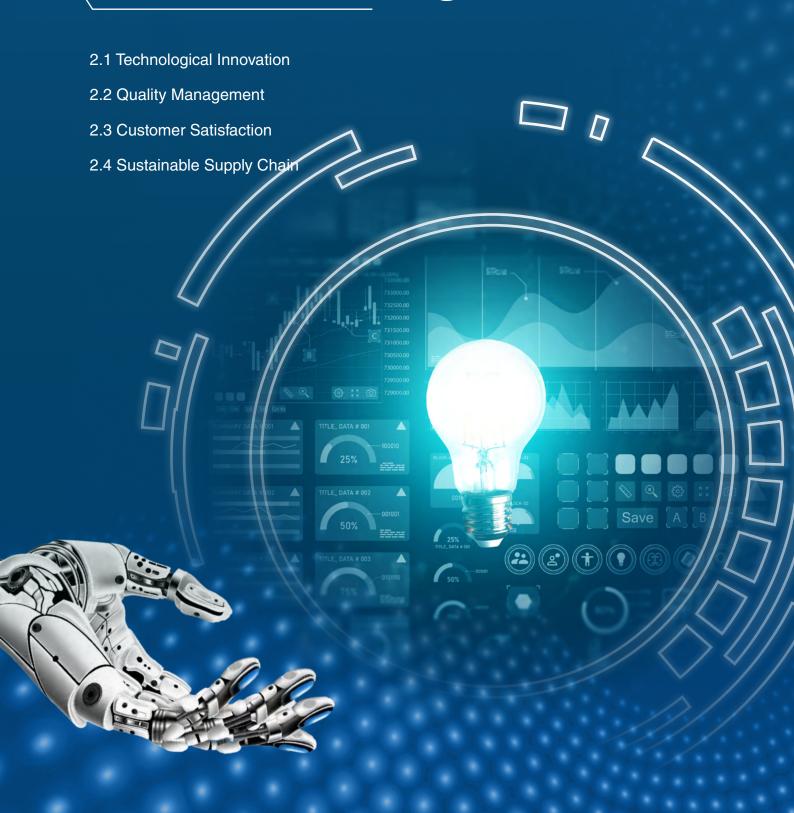
Product Information Security

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 evaluates and improves to comply with relevant security compliance and regulatory requirements.

2 Innovative Breakthrough

2.1 Technological Innovation

NEXCOM's Technology Innovation Strategy: Integrating Edge AI to Lead the Smart Future

NEXCOM is determined to become a world-renowned company, and technological innovation is the core driving force for us to achieve this vision. We firmly believe that only by continuously developing cutting-edge technologies and products that meet market needs can we win the recognition and trust of the market. To this end, we actively introduce forward-looking technologies such as edge computing and artificial intelligence (Edge AI). Through continuous technological development and innovation, we not only ensure the excellent quality and reliability of our products, but also strive to improve the intelligence and instant response capabilities of our products. We continue to optimize our research and development (R&D) systems and tools, pursuing the simultaneous improvement of R&D speed and quality. This unremitting pursuit of technology, quality and intelligence aims to exceed customer expectations and consolidate and enhance NEXCOM's competitiveness in the international market.

NEXCOM's innovative products are not only widely adopted and highly praised by customers, but also won the Taiwan Excellence Award. In the process of product design and operation, we attach great importance to ecological protection and sustainable development, such as promoting ecological balance in water management solutions. We incorporate green indicators into the monitoring and evaluation system to ensure environmental friendliness and continue to improve accordingly.

In order to exceed customer expectations, NEXCOM will continue to invest in technological innovation and product development. We firmly believe that only by deeply integrating advanced technologies such as Edge AI and developing smarter and more efficient products can we win long-term customer trust and market support. NEXCOM will continue to strive for excellence, provide customers with excellent products and services, and move towards the goal of becoming a world-class enterprise.

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

(1) Short-term goal (1-2 years): **Strengthen market competitiveness and market share and lay a solid foundation for smart manufacturing.**

Short-term goals include:

1. Maintain an excellent product foundation: Continue to ensure the high performance, stability and reliability of products, and maintain the product service life of at least 3 years longer than that of peers.
2. Optimize customer supply chain response: Strengthen cooperation between suppliers and customers, and respond to customer concerns 2 days earlier through smarter forecasting and communication.
3. Expand product portfolio: Each business unit will launch at least one new product series every year to meet the needs of multiple markets.
4. Invest in smart factories and Edge AI applications: Independently develop smart manufacturing solutions for the entire factory, use Edge AI for real-time quality monitoring, predictive maintenance and process optimization, and improve production through efficiency to more than 99%.
5. Introducing Edge AI technology: Integrate Edge AI technology into specific product lines to achieve real-time data analysis, local decision-making and intelligent early warning functions, and improve the intelligence and response speed of products.

(2) Medium-term goal (3-5 years): Deepen technology R&D and innovation capabilities and establish a leading position in Edge AI.

Medium-term goals include:

1. Strengthen low-carbon and sustainable technologies: Continue to invest more resources in low-carbon technology research and development every year, with the goal of reducing carbon emissions during the product use phase by 25%.

2. Launch innovative products integrating Edge AI: Launch at least two products that deeply integrate Edge AI technology and have significant innovation and leadership every year to meet the market's demand for new technologies and intelligent solutions.

3. Strengthen independent intellectual property rights: Continue to develop independent IP, apply for no less than 5 R&D patents each year (focus on Edge AI-related patents), and improve the company's core technology barriers.

(3) Long-term goal (more than 5 years): Achieve sustainable development and become a leader in smart solutions.

Long-term goal include:

1. Expand the global market: Strengthen internationalization strategy and significantly expand overseas market share, especially in the fields of intelligence and Edge AI applications.

2. Deepen the net zero emission industry: Promote and practice net zero emissions, aiming to reduce the overall carbon emissions of Scope 1 and 2 to below 55% by 2030, and develop smart solutions to support the net zero transformation of the industry.

3. Promote innovation culture: Share new technology knowledge (including Edge AI application cases) and corporate culture to improve employee cohesion and creativity.

4. Enhance corporate social responsibility: Actively fulfill social responsibilities, contribute to society through technological innovation (such as environmental monitoring), and enhance the company's image and brand value.
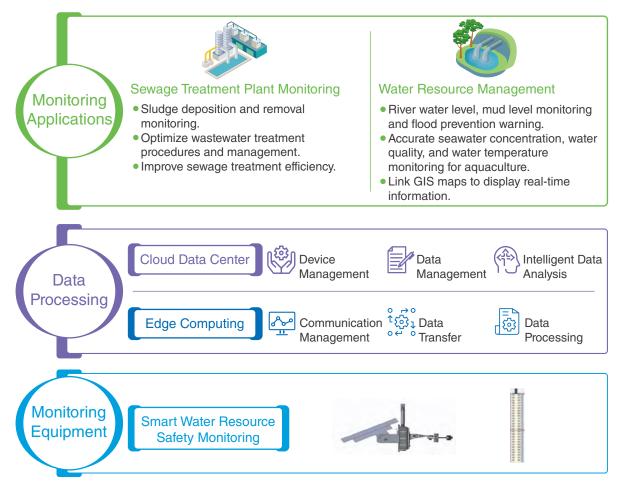
Application example: Smart water monitoring system with Edge AI

In response to the mid-term goal and reflecting the introduction of Edge AI technology, the design and operation of the Smart Water Area Monitoring System fully demonstrates NEXCOM's commitment to ecological protection, sustainable development and technological innovation:

1. Zero-carbon design: Using solar power generation and combining it with smart energy management to ensure stable power supply. Optimizing energy efficiency through intelligent control systems to achieve carbon-free emissions during operation. The product is sealed to avoid environmental pollution.

2. Collaborative operation and edge intelligent control: Collaborative operation of multiple monitoring devices (RN30) to establish a smart water management network. Devices can communicate and share data with each other. Through the built-in Edge AI engine, local real-time data analysis and collaborative judgment are carried out to achieve faster automated operation and response, significantly improving the efficiency and reliability of the overall system.

3. Real-time monitoring and edge intelligent analysis: The system not only monitors changes in water level, mud level, etc., but also uses Edge AI to perform real-time data processing, pattern recognition and anomaly detection on front-end devices. Important water information or abnormal events are efficiently transmitted back to the cloud situation center through wireless NBIoT or LoRA grid, and the latest situation of the basin is fully displayed on the map. Edge AI engines conduct local predictions and warnings, reducing latency and cloud workload while enabling faster field-level response. Meanwhile, the cloud platform aggregates advanced machine learning models for deeper analysis and long-term forecasting. Together, edge and cloud work in tandem to deliver timely, accurate, and actionable insights for decision-makers.

Monitoring Applications

Sewage Treatment Plant Monitoring
- Sludge deposition and removal monitoring.
- Optimize wastewater treatment procedures and management.
- Improve sewage treatment efficiency.

Water Resource Management
- River water level, mud level monitoring and flood prevention warning.
- Accurate seawater concentration, water quality, and water temperature monitoring for aquaculture.
- Link GIS maps to display real-time information.

Data Processing

Cloud Data Center | Device Management | Data Management | Intelligent Data Analysis

Edge Computing | Communication Management | Data Transfer | Data Processing

Monitoring Equipment

Smart Water Resource Safety Monitoring

Patent Accumulation

Actively investing in innovative research and development, we filed a total of 225 patent applications in 2024, with 159 of them being inventions, accounting for 71% 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	2022	2023	2024
Quantity	16	20	36

Sources: https://tiponet.tipo.gov.tw/gpss2/gpsskmc/gpssbkm?@@0.48432566753080486

R&D Investment

NEXCOM focuses on diverse hardware innovation and software integration solutions for research anddevelopment. The 2024 financial report disclosed that R&D expenses reached NT$586 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
2022	551,492	7,916,697	6.97%
2023	585,037	5,765,509	10.15%
2024	586,366	5,421,065	10.82%

Technology Innovation Column

NexMOV-2: Opening a new era of AI autonomous mobile robots

In the wave of AIoT technology driving smart manufacturing and green transformation, NEXCOM's Group officially released the second-generation autonomous mobile robot NexMOV-2 at the 2025 Consumer Electronics Show (CES) in the United States, and worked with strategic partner Kneron to integrate AI vision technology, Visual SLAM autonomous navigation system and multi-axis motor drive control to set a new generation of AMR (Autonomous Mobile Robot) product benchmark.

Comprehensive upgrade, setting a new standard in AMR intelligent navigation

The biggest technological breakthrough of NexMOV-2 is the introduction of AI visual recognition system to replace the traditional 2D LiDAR. Through 360-degree spatial image detection combined with Visual SLAM technology, it achieves high-precision autonomous positioning and obstacle avoidance decisions, greatly improving spatial adaptability and travel efficiency. The robot's core computing uses the KL730 edge AI chip, which supports high-speed neural network inference,while reducing sensor dependence and effectively controlling power consumption, achieving a technical milestone of both high efficiency and energy saving.

Integrated hardware and software with an open architecture to accelerate application diversification

NEXAIOT uses the open Robot Operating System (ROS 2) as the platform core to achieve flexible module expansion and heterogeneous system integration, covering smart factories, warehousing and logistics, hotel management and other fields,and supports deployment in harsh industrial environments, including waterproof functions and functional safety specifications (Functional Safety) expansion options to meet high safety standard application requirements.

From industry to defense, pushing the limits of application scenarios

NexMOV-2 is not only an intelligent partner for manufacturing and warehousing, but will also expand into food production, the chemical industry, and high-risk disaster response missions. NEXAIOT Intelligent and NEXCOBT robotics are actively developing tracked and quadruped mobile robots to support long-range autonomous disaster relief tasks. By leveraging the group's existing military-grade design capabilities and MIL certification experience, they are building a dual-use AI unmanned ground platform that integrates both military and civilian applications.

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 system.

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.

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.
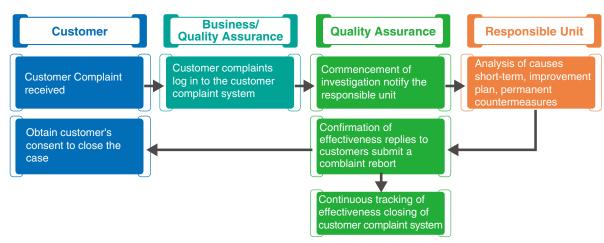
Additionally, we engage in regular communication with our customers to understand their needs and feedback, allowing us to make timely improvements and enhancements. We utilize various communication channels, including email, telephone conferences, video meetings, and business trips, to ensure close 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.

Overall, the average customer satisfaction score in 2024 is 86.8 points, which is a slight decrease of 0.2 points from 2023, but the change is not large, indicating that customers as a whole still highly appreciate the company's products and services. Further analysis shows that satisfaction continues to remain at a high level and has shown a stable development trend in the past three years, indicating that the customer relationship management and service quality improvement measures continuously promoted by the company are effective. In the future, we will conduct in-depth analysis on projects with slightly declining satisfaction, and continue to strengthen the communication and feedback mechanism with customers, in order to further improve customer satisfaction.

▶ Customer Satisfaction Score

Year	2022	2023	2024
Customer Satisfaction (%)	86.4	87.0	86.8

▶ 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. 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	2022	2023	2024
Number of New Suppliers	20	13	11
Percentage of Completion for Screening	95%	92%	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
- Grade C - The score is 70 or above
- Grade D - The score is below 69

For those whose scores are below 69 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.

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 2024, a total of 12 new raw material suppliers signed the Corporate Social and Environmental Responsibility Code of Conduct.

▶ **2024 Statistic of Suppliers Signed Corporate Social and Environmental Responsibility Code of Conduct**

Year	2023	2024
Number of New Suppliers	12	12
Suppliers Response	12	12
Percentage of Response	100%	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 2024, a total of 457 were issued and 457 were collected, achieving a 100% return rate.

▶ **2024 Supplier Social Responsibility Questionnaire Return Rate Statistics**

Year	2023	2024
Number of New Suppliers	466	457
Suppliers Response	466	457
Percentage of Response	100%	100%

Conflict Minerals

NEXCOM upholds the core values of corporate sustainability and social responsibility by actively promoting supply chain transparency to ensure that metals such as gold (Au), cobalt (Co), mica, tin (Sn), tantalum (Ta), and tungsten (W) are sourced in compliance with conflict-free mineral principles. We firmly oppose the use of minerals mined or smuggled by illegal armed groups from the Democratic Republic of the Congo (DRC) and neighboring conflict-affected regions. According to the United Nations Security Council, the following countries are identified as non-compliant with conflict-free mineral standards for related metal exports: Democratic Republic of the Congo (DRC), Rwanda, Uganda, Burundi, Tanzania, and Kenya.

To implement our responsible sourcing policy, NEXCOM has fully promoted the Conflict Minerals Reporting Template (CMRT) / Extended Minerals Reporting Template (EMRT) surveys, issuing requests to 446 suppliers, of which 439 have responded. We will continue to collaborate with our supply chain partners to build a transparent, sustainable, and responsible supply system.

As a global corporate citizen, NEXCOM declares and commits not to accept metals sourced from conflict-affected areas. At the same time, we require our suppliers to:

1. Fulfill social and environmental responsibilities;

2. Refrain from using "conflict minerals" sourced from the DRC and surrounding countries and regions;

3. Trace the origin of all gold (Au), cobalt (Co), mica, tin (Sn), tantalum (Ta), and tungsten (W) contained in their products;

4. Communicate these requirements to their upstream suppliers.

In 2024, all products supplied by NEXCOM to customers will be guaranteed conflict-free metal products.

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	2022	2023	2024
Local Supplier Procurement Expenditure	3,081,005	2,221,583	2,601,589
Total Procurement Amount	3,502,407	2,356,402	2,808,832
Percentage of Local Supplier Procurement Expenditure	87.97%	94.28%	92.62%

Note 1: Since the procurement amounts are converted from USD to TWD, this amount is calculated in TWD.
Note 2: The data source is NEXCOM.
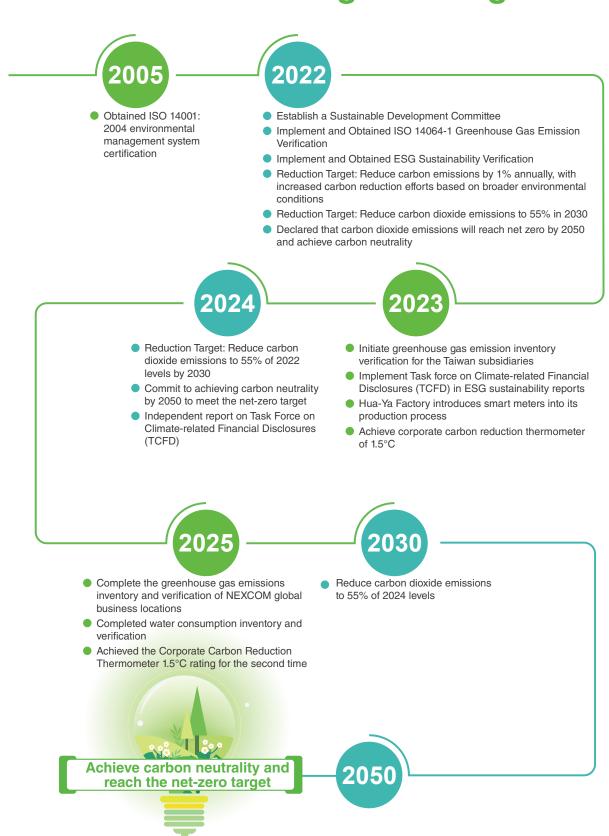
3 Carbon Reduction and Energy Saving

NEXCOM- Environmental Sustainability Process and Future Target Setting Planning

NEXCOM

NEXCOM-Environmental Sustainability Process and Future Target Setting Planning

2005

- Obtained ISO 14001: 2004 environmental management system certification

2022

- Establish a Sustainable Development Committee
- Implement and Obtained ISO 14064-1 Greenhouse Gas Emission Verification
- Implement and Obtained ESG Sustainability Verification
- Reduction Target: Reduce carbon emissions by 1% annually, with increased carbon reduction efforts based on broader environmental conditions
- Reduction Target: Reduce carbon dioxide emissions to 55% in 2030
- Declared that carbon dioxide emissions will reach net zero by 2050 and achieve carbon neutrality

2024

- Reduction Target: Reduce carbon dioxide emissions to 55% of 2022 levels by 2030
- Commit to achieving carbon neutrality by 2050 to meet the net-zero target
- Independent report on Task Force on Climate-related Financial Disclosures (TCFD)

2023

- Initiate greenhouse gas emission inventory verification for the Taiwan subsidiaries
- Implement Task force on Climate-related Financial Disclosures (TCFD) in ESG sustainability reports
- Hua-Ya Factory introduces smart meters into its production process
- Achieve corporate carbon reduction thermometer of 1.5°C

2025

- Complete the greenhouse gas emissions inventory and verification of NEXCOM global business locations
- Completed water consumption inventory and verification
- Achieved the Corporate Carbon Reduction Thermometer 1.5°C rating for the second time

2030

- Reduce carbon dioxide emissions to 55% of 2024 levels

Achieve carbon neutrality and reach the net-zero target

2050

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		2022	2023	2024
Electricity	Non-renewable (Purchased)	22,535.98	20,992.33	23,756.23
Fuel	Diesel	174.09	167.6	172.96
	Gasoline	919.73	1,098.29	1,325.16
Total Energy Consumption		23,629.80	22,258.21	25,254.35

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) In 2024, the scope of energy consumption reporting was expanded to include overseas operational sites in the United States, Japan, and China.

(4) The installation of renewable energy is still under evaluation.

3.2 Greenhouse Gas Inventory

The greenhouse gas emissions of NEXCOM and its domestic and overseas subsidiaries are categorized into direct and indirect emissions based on their sources. Direct emissions are generated from company vehicle operations, emissions from production equipment at factory sites, the use of heating systems, and fugitive emissions from utility equipment. Indirect greenhouse gas emissions come from purchased electricity, which is sourced from Taiwan Power Company and Hua Ya Power Corporation, and various overseas power providers. Other indirect emissions from transportation are generated from business travel and employee commuting.

In 2024, the company's greenhouse gas inventory covered the following gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3). According to the statistics, category 1 emissions amounted to 213.7889 metric tons of CO_2 equivalent (CO_2e), accounting for 4.05% of the company's total emissions, Category 2 emissions totaled 4,348.6065 metric tons of CO_2e, accounting for 82.36%.
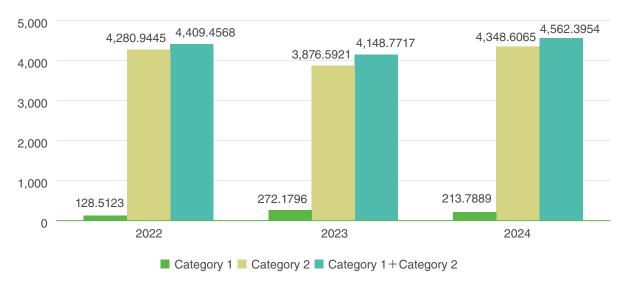
There were no biogenic CO_2 emissions in this inventory.

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

(Unit : Metric Tons of CO_2e)

Scope	2022	2023	2024
Category 1 Direct Emissions	128.5123	272.1796	213.7889
Category 2 Indirect Emissions from Energy Consumption	4,280.9445	3,876.5921	4,348.6065
Category 3 Indirect Emissions from Transportation	82.1602	549.4184	717.3427
Total	4,491.6170	4,698.1901	5,279.7381
(Note) Greenhouse Gas Emission Intensity: metric tons of CO_2e per million TWD of revenue	0.57	0.81	0.97

▶ Greenhouse Gas Emissions from 2022 to 2024

Note:

1. Use operating control approach method.

2. Scope of statistics for Category 1 and Category 2: Emissions from process equipment, consumption of gasoline and diesel, consumption of natural gas, refrigerants, fire extinguishers, and fugitive emissions from septic tanks, electricity consumption (based on Taiwan Power Company bills, Hua Ya Power Corporation power readings, and electricity bills from power companies of overseas subsidiaries).

3. Category 2 Electricity Emission Factors: In 2022, the carbon emission factor of Taiwan Power Company was 0.509 kg CO_2e/kWh, and the emission factor of Hua Ya Power Corporation was 0.9208376436 kg CO_2e/kWh. In both 2023 and 2024, the carbon emission factor of Taiwan Power Company was 0.494 kg CO_2e/kWh, while the emission factor of Hua Ya Power Corporation remained at 0.9208376436 kg CO_2e/kWh.

4. Global Warming Potential (GWP): The values for 2022, 2023, and 2024 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. Starting in 2024, the greenhouse gas inventory has been expanded to include overseas subsidiaries in the United States, Japan, and China.

7. In 2023, data on employee commuting activities under Category 3 became available, leading to the inclusion of employee commuting emissions in the inventory.

2024 Category 3 - Indirect Greenhouse Gas Emissions from Transportation Statistics

Category 3 emissions amounted to 717.3427 metric tons of CO_2 equivalent (CO_2e) in total, with employee commuting accounting for 390.9958 metric tons CO_2e (54.5%) and business travel accounting for 326.3469 metric tons CO_2e (45.5%).

Emission Source	Calculation Category	2023	2024
Employee Commuting	Employee Commuting (Car)	103.0028	128.1021
	Employee Commuting (Motorcycle)	200.8906	169.2706
	Employee Commuting (High-Speed Rail)	2.3362	1.3924
	Employee Commuting (Train)	21.2317	20.6912
	Employee Commuting (Long-distance Bus)	5.4127	10.1779
	Employee Commuting (Urban Bus)	8.1184	8.1884
	Employee Commuting (Taipei Metro)	0	53.1733
Business Travel	Business Travel (High-Speed Rail)	13.6118	15.6021
	Business Travel (Plane)	152.0800	264.6677
	Business Travel (Taxi)	2.8097	2.9423
	Business Travel (Private Car for Official Use)	39.9246	43.1349

Note: Only business travel was accounted for in 2022; therefore, 2022 is not included in this table. Employee‐commuting data became available in 2023. Beginning in 2024, the inventory boundary has been expanded to include overseas subsidiaries in the United States, Japan, and China, and employee commuting in Taiwan now incorporates Taipei Metro statistics.

Energy Conservation and Carbon Reduction Improvements

NEXCOM continues to implement energy-saving and carbon reduction initiatives through equipment replacement, process optimization, and energy management measures to gradually enhance energy efficiency year by year. From 2022 to 2024, a cumulative 236,780 kWh of electricity was saved, resulting in a carbon reduction benefit of 126.4784 metric tons CO_2e. Compared to the baseline year 2024 total emissions of 5,279.7381 metric tons CO_2e, this represents a 2.4% reduction, demonstrating the company's tangible results in improving energy efficiency and taking climate action.

▶ **Greenhouse Gas Emission Reduction Performance**

Year	2022	2023	2024
Electricity Saved (kWh)	47,393	194,562	236,780
Carbon Emissions Reduced (metric tons CO_2e)	31.1908	105.6225	126.4784

Energy Saving and Carbon Reduction Improvement Plan

(1) Headquarters - Energy Saving and Power Reduction Project

Target: Reduce lighting electricity consumption on the 13th floor office by 30%.

The T5 lighting fixtures used in the Zhonghe Headquarters office area have been in service for over 10 years, and their brightness has gradually declined due to lumen depreciation, which can cause eye strain. In response to government environmental policies, the recycling and disposal fees for fluorescent tubes have increased by 300%, resulting in higher material costs.

Improvement Methods:
1. Planned replacement of LED light fixtures and tubes on the 13th floor of the Zhonghe Headquarters.
2. Calculated the electricity savings, cost savings, and carbon emission reductions after the upgrade.
3. Regular inspection and maintenance.

Improvement Outcome:
After verification, the annual electricity consumption was reduced from 18,036 kWh before the improvement to 7,392 kWh after the improvement, achieving a 59.02% reduction. The target has been successfully met.

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

Target: Replace the heat recovery adsorption dryer to reduce air compressor electricity consumption by 20%

The F200A refrigerated air dryer located in the rooftop air compressor room (installed in 2006) can no longer effectively cool compressed air and consumes a high amount of electricity.

Improvement Methods:
1. Plan to replace it with a heat recovery adsorption dryer in the SMT area.
2. Calculate electricity savings, cost reductions, and carbon emission reductions after the upgrade.
3. Perform regular maintenance and adjustments.

Improvement Outcome:
After verification, monthly electricity consumption was reduced from 3,740 kWh before the improvement to 1,108.8 kWh after the improvement, achieving a 70.4% reduction. The target has been successfully met.

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℃ with circulation fans where needed for comfortable temperature range in office.

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 2024 is 8,939 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		
2022	0	7,823	2,717	10,540	0.001331364
2023	0	7,444	1,838	9,282	0.001609919
2024	0	6,988	1,951	8,939	0.001648938

Note:

1. The water used by the headquarters is for domestic use and uses public water in the building, so there is no relevant data.
2. Water intensity = Total water consumption (m^3) / Revenue (NTD thousands).

▶ 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		2022	2023	2024
Headquarters Sanmin Factory Hua-Ya Factory	Household Waste		1.13	1.20	1.20
	General Business Waste		38.614	32.98	33.58
	Hazardous Industrial Waste	Spent Liquids	6.425	10.516	7.88
		Electronic Waste	1.1	0.87	2.01
	Total		47.269	45.566	44.672

Note: The increase in waste liquid in 2024 was due to the replacement of the steel plate cleaning solvent with an environmentally friendly water-based cleaning solution, which resulted in an increase in both the types and volume of waste liquid generated.

▶ Waste Disposal

Unit: Metric Tons

Category	Disposal Method	2022	2023	2024
Hazardous Industrial Waste	Incineration	1.1	0.87	2.01
	Physical Shredding Treatment	6.425	10.516	7.88
General Business Waste	Incineration	39.744	15.895	21.82
	Reuse	0	17.085	11.76
Total		47.269	44.366	43.472

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.

Governance

Disclosing the Organization's Governance of Climate-Related Risks and Opportunities

Strategy

Disclosing Actual and Potential Climate-Related Impacts on Business, Strategy, and Financial Planning

Risk Management

Disclosing How the Organization Identifies, Assesses, and Manages Climate-Related Risks

Indicators and Target

For Significant Information, Disclosing Index and Targets Used to Assess and Manage Climate-Related Issues

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 Issue

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.

2024 Board of Directors - Key Climate-Related Proposals and Reports

01

Reporting on Greenhouse Gas Inventory and Verification Schedule (Including Subsidiaries)

02

Regular Reporting on the Progress of Greenhouse Gas Inventory Implementation (Including Subsidiaries)

03

Reporting on Sustainability Verification Schedule Planning

04

Regular Reporting on the Progress of Sustainability Initiatives

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**

Climate-Related Risk and Opportunity Information Collection and Screening	Based on company operations, industry characteristics, and management interviews, a list of relevant climate-related risks and opportunities has been screened and identified, referencing TCFD risk and opportunity topics.
Identification and Assessment	Assess the risks and opportunities based on impact, likelihood, and timing. Evaluate significant risks and opportunities in the short, medium, and long term by considering their impact and likelihood, as well as their relevance to the company's business.
Draw a Risk and Opportunity Matrix	Summarize the identification results and produce a climate risk/opportunity matrix diagram.
Assess the Financial Impact of Significant Risks and Opportunities	For major risks and opportunities with high impact and high likelihood, conduct scenario simulations to assess their potential financial effects on the company.
Discuss Response Measures	For major risks and opportunities, relevant departments will review and develop response measures.potential financial effects on the company.

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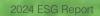
Likelihood Level	Expected Probability	Score
High	Greater than 95%	5
Medium-High	75%~95%	4
Medium	50%~75%	3
Medium-Low	20%~50%	2
Low	Less than 20%	1

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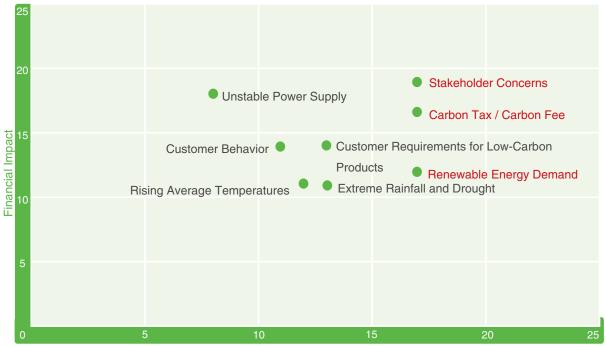
3.5.3 Climate-Related Risk and Opportunity Matrix
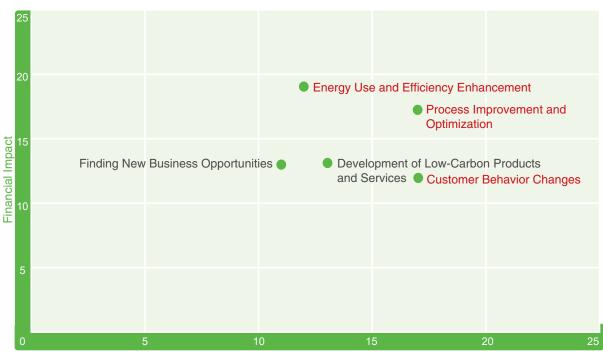
Each team member evaluates the likelihood and financial impact of various climate-related risks and opportunities. The risk values are averaged to create the risk and opportunity matrix (see the detailed diagram below).

▶ **Climate-Related Risk Matrix**

Risk Matrix data points:
- Stakeholder Concerns
- Carbon Tax / Carbon Fee
- Unstable Power Supply
- Customer Behavior
- Customer Requirements for Low-Carbon Products
- Renewable Energy Demand
- Rising Average Temperatures
- Extreme Rainfall and Drought

Axes: Financial Impact (y-axis), Likelihood of Occurrence (x-axis)

▶ **Climate-Related Opportunity Matrix**

Opportunity Matrix data points:
- Energy Use and Efficiency Enhancement
- Process Improvement and Optimization
- Finding New Business Opportunities
- Development of Low-Carbon Products and Services
- Customer Behavior Changes

Axes: Financial Impact (y-axis), Likelihood of Occurrence (x-axis)

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.	• 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	• Higher green electricity prices increase production costs. • Difficulty in obtaining renewable energy limits production. • Suppliers may pass on renewable energy costs, increasing procurement costs.	• 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	• Increased indirect costs. • Suppliers may pass on carbon tax/carbon fee costs, increasing procurement costs. • Limits on capacity expansion.	• 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 two energy-saving projects in 2024, saving 42,210 kWh of electricity and reducing greenhouse gas emissions by 20.856 metric tons CO_2e. • Gradually phase out high-energy-consuming equipment to reduce electricity consumption.

▶ Major Opportunities

Opportunity Type	Opportunity Item	Occurrence Time	Potential Financial Opportunities	Actions/Responses
Products & Services	Customer Behavior Changes	Mid-term	• 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.	• 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	• Reduce carbon emissions, decreasing carbon tax/carbon fee expenses. • Obtain orders and expand revenue.	• 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	• Reduce production and operating costs. • Enhance sustainability reputation, increasing customer trust and potential order revenue.	• In 2024, multiple energy-saving projects were planned, including the replacement of the heat recovery adsorption dryer, the gradual replacement of lighting with LED fixtures, and the phase-out of outdated equipment to promote energy efficiency. • 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.
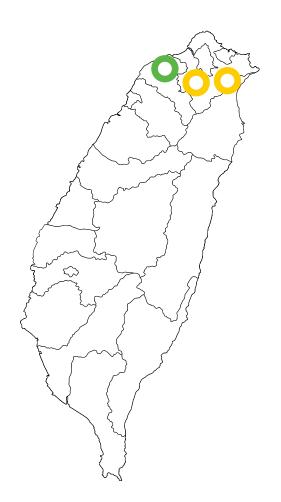
▶ Scenario Analysis Results

Risk type   Physical risk   **Scenario**   RCP8.5

Hazard Level   Hazard Vulnerability
○ Level 1 ○ Level 2 ○ Level 3 ○ Level 4 ○ Level 5
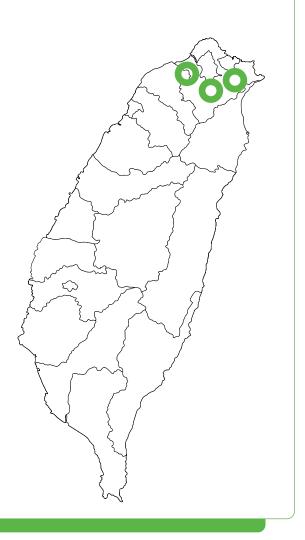
Flood risk assessment classification:

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.

Drought risk assessment classification:

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.
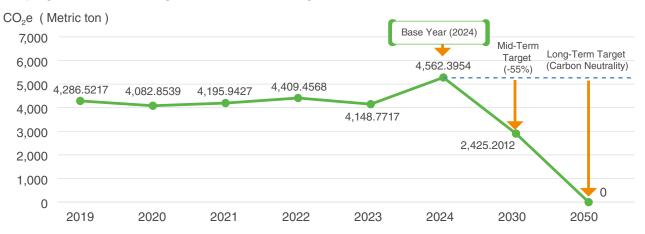
3.5.6 Indicators and Target

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:

Note: These statistics cover Category 1 and Category 2, with data sourced from NEXCOM, Taiwan subsidiaries, and overseas subsidiaries.

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 emission management, energy management, Risk 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	2024 Performance Results	Future Direction and Targets
Greenhouse Gas Emission Management	• Completed NEXCOM Group's ISO 14064-1 greenhouse gas emission third-party verification. • Completed greenhouse gas verification for overseas subsidiaries, exceeding regulatory requirements. • Achieved the Corporate Carbon Reduction Thermometer 1.5°C rating for the second time.	• Achieve net-zero greenhouse gas emissions by 2050. • Reduce emissions by 55% from the 2024 base year by 2030. • Continue implementing energy-saving and carbon-reduction measures for various equipment.
Energy Management	• Replaced office lighting with LED fixtures, resulting in a total electricity saving of 10,600 kWh. • Replaced the heat recovery adsorption dryer in the factory, resulting in a total electricity saving of 31,500 kWh.	• Continue to propose and implement energy-saving management plans annually. • Continuous investment in energy improvement measures for various equipment.
Risk Management	• Independent report on Task Force on Climate-related Financial Disclosures (TCFD)	• Conducts annual assessments of transition and physical risks on an ongoing basis.
Supply Chain Management	• Completed the signing of the "Code of Conduct for Corporate Social and Environmental Responsibility" by new suppliers, achieving a 100% response rate. • Completed the "Supplier Social Responsibility Questionnaire" survey, with a 100% response rate.	• Continuously implement various environmental sustainability requirements for suppliers.

4 Employee Care

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, 2024, NEXCOM (Including Taiwan subsidiaries) had a total of 1,157 employees, including 279 management level employees and 878 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 78% of managerial positions and 22% are female, while male employees account for 54% of general employees and 46% are female. Regarding age distribution, up to 65% of the workforce is in the range of 30 and 50. Currently NEXCOM employs 9 employees with disabilities, 138 fulltime foreign employees (engineers and technical workers) and 22 informal-employees.

▶ **Presentation of Employee Information by Gender and Region**

	Taiwan		
Employee Type	**Male**	**Female**	**Total**
Number of Employees	691	466	1,157
Permanent Employees	691	465	1,156
Temporary Employees	0	1	1
Non-guaranteed Hours Employees	0	0	0
Full-time Employees	688	465	1,153
Part-time Employees	3	1	4

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
Dispatch	Factory Support	18	Contracted with dispatch service
Catering Services	Employee Cafeteria	2	Group catering contract
Cleaning Services	Office Area Cleaning	1	Assigned by cleaning company

▶ Employee Structure

As of December 31, 2024	Age	Gender	Number of People	Ratio
Management Level Employees	Under 30 years old	Male	0	0%
		Female	0	0%
		Total	**0**	**0%**
	30-50 years old	Male	124	10.72%
		Female	39	3.37%
		Total	**163**	**14.09%**
	Over 50 years old	Male	95	8.21%
		Female	21	1.82%
		Total	**116**	**10.03%**
General Employees	Under 30 years old	Male	60	5.19%
		Female	99	8.56%
		Total	**159**	**13.74%**
	30-50 years old	Male	336	29.04%
		Female	257	22.21%
		Total	**593**	**51.25%**
	Over 50 years old	Male	76	6.57%
		Female	50	4.32%
		Total	**126**	**10.89%**

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

Employees with Disabilities			Foreign Employees	
Male	7		Male	4
Female	2		Female	134
Total	9		Total	138

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 2024, the onboarding rate was 12.7% and the turnover rate was 13.6%.

▶ Number of New Employee Hires and Employee Turnover

As of December 31, 2024	Age	Gender	Number of Employees	Ratio
Number of New Employee Hires	Under 30 years old	Male	13	8.84%
		Female	28	19.05%
		Total	**41**	**27.89%**
	30-50 years old	Male	53	36.05%
		Female	42	28.57%
		Total	**95**	**64.63%**
	Over 50 years old	Male	11	7.48%
		Female	0	0%
		Total	**11**	**7.48%**
Number of Employee Turnover	Under 30 years old	Male	16	10.19%
		Female	19	12.10%
		Total	**35**	**22.29%**
	30-50 years old	Male	63	40.13%
		Female	43	27.39%
		Total	**106**	**67.52%**
	Over 50 years old	Male	15	9.55%
		Female	1	0.64%
		Total	**16**	**10.19%**

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.

▶ 2024 Basic Salary Ratio

	Male	Female
Actual / Minimum Wage Ratio	1.31	1.16

▶ Ratio of Female and Male Employee Remuneration

Job Levels	2022 Male	2022 Female	2023 Male	2023 Female	2024 Male	2024 Female
General Employees	1	0.687	1	0.712	1	0.708
Entry-Level Managers	1	0.952	1	0.935	1	0.901
Mid-Level Managers	1	0.945	1	0.903	1	0.890
Senior Managers	1	0.951	1	0.981	1	0.940

1. The average salary of male employees is used as the denominator for the calculations.
2. The gender pay gap among general employees is primarily due to differences in job responsibilities and required skill levels. A higher proportion of male employees are engaged in more technically demanding roles, which typically offer higher compensation. Conversely, more female employees work in production and assembly positions, which tend to have lower pay. This difference is not a result of gender discrimination.
3. While the aforementioned factors contribute to a wider pay gap, the Company is committed to ensuring that male and female employees receive equal compensation for work of equal value and comparable qualifications.

▶ Average and Median Annual Salary for Non-Supervisory Positions

Unit: NT$ thousand

Item	2022	2023	2024
Total Salary of Non-Supervisory Full-Time Employees	540,476	589,406	599,948
Number of Non-Supervisory Full-Time Employees	757	805	786
Average Salary of Non-Supervisory Full-Time Employees	714	732	763
Median Salary of Non-Supervisory Full-Time Employees	624	640	657

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.
Note 3: The factory has a relatively high proportion of direct staff.

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 7.18:1.

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 -2.08:1. (-0.17372/0.08352)

Explanation:

The annual total compensation of the highest-paid individual (the company's most senior executive) decreased by 17.372% compared to 2023, primarily due to lower profitability, which led to a reduction in performance-based bonuses.

The median annual total compensation of other employees in the organization (excluding the highest-paid individual) increased by 8.352%, indicating that despite the company's lower profitability, bonuses and salary adjustments were still provided to recognize the efforts and contributions of employees.

NEXCOM

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

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

▶ Health Examinations

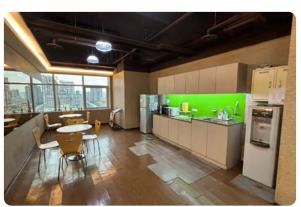## ▶ Health and Vitality Center/Club

▶ 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.

Pregnancy

- With paid prenatal check-up leave for 7 days
- During pregnancy, those who need bed rest for fetal protection will be guided on health education and protective measures by contracted nursing staff

Childbirth

- Maternity leave for 8 weeks
- The employee welfare committee provides a childbirth gift
- For one year after childbirth, contracted nursing staff will continue to provide guidance on health education and protective measures

Breastfeeding

- Establish a breastfeeding room
- Provide breastfeeding time

Parenting

- Parental Leave
- Contract with childcare service agencies to provide childcare services, offering discounted rates to employees to help them balance work and childcare responsibilities

Family Care

- Flexible Working Hours
- Family Care Leave

Gender Equality in Parenting

- Provide male employees with 7 days of paid leave to accompany their spouse for prenatal check-ups and childbirth
- Breastfeeding Time for Men
- Parental Leave for Men
- Family Care Leave
- Flexible Working Hours

Pregnancy — When there is a need for prenatal check-up during pregnancy, take a prenatal check-up leave

Pregnancy — Allow employees to take family care leave when they need to personally care for family members

Childbirth — Employees may apply for prenatal check-up and paternity leave when accompanying their spouse for prenatal checkup or during childbirth

When there is a need for rest during pregnancy to ensure fetal health, take a tocolysis leave

During pregnancy, employees may apply for transfer if lighter duties are available

As preg nancy begins, contracted nursing staff provide guid ance on health education and protective measures

Maternity leave for 8 weeks

Prenatal Check-up Leave

Tocolysis Rest

Employees may apply for transfer to lighterduties during pregnancy

Maternity Protection

Family Care Leave

Prenatal Check-up and Paternity Leave

Establish a Breastfeeding Room and Measures for Childcare Facilities

Reduce or Adjust Working Hours

Childbirth Gift

Rights and interests related to unpaid parental leave

Maternity Leave

Maternity Protection

Breastfeeding Time

Family Care Leave

Mother Father

Provide employees with breastfeeding rooms and childcare facilities to create a family-friendly workplace environment

When employees need to reduce or adjust their working hours for childcare, they may apply for a reduction or adjustment of working hours

The employee welfare committee provides a childbirth gift

Employees who need to personally care for children under the age of three may apply for unpaid parental leave

Childbirth — Within one year after delivery, contracted nursing staff will continue to provide guidance on health education and protective measures

When employees need to breastfeed, use the breastfeeding time

Allow employees to take family care leave when they need to personally care for family members

Parenting

Item	Gender	2022	2023	2024
Eligible Applicants	Male	2	4	2
	Female	2	1	8
	Total	**4**	**5**	**10**
Employees Eligible to Return to Work (A)	Male	2	3	3
	Female	5	3	6
	Total	**7**	**6**	**9**
Employees Who Actually Returned to Work (B)	Male	1	3	3
	Female	4	3	3
	Total	**5**	**6**	**6**
Reinstatement Rate (B/A)	Male	50%	100%	100%
	Female	80%	100%	50%
	Total	**71%**	**100%**	**67%**

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%.

Retirement Planning

Old Labor Pension Scheme

In 2011, in accordance with Article 11, Paragraph 3 of the Labor Pension Act, with the agreement of both labor and management and the approval of the Labor Pension Supervisory Committee of NEXCOM, the workers who had settled their years of service under the old system have had their settlement funds paid from the Labor Pension Reserve Fund Special Account of the Trust Department of the Bank of Taiwan, totaling NT$11,758,000.

Paying retirement benefits in advance and maintaining employees' original job rights is also a very important part of corporate social responsibility, and is a tangible benefit that companies provide to employees beyond the law.

The company has promoted that this settlement amount can be transferred to a special account for the new labor retirement fund. Transferring the funds to a special personal account will not only make financial life more stable after retirement, but also exempt from retirement income tax in the year the settlement is made.

New Labor Pension Scheme

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 2024, the retirement pension cost recognized by the company under the aforementioned retirement plan amounted to NT$47,917,000.

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**   Unit: Hours

Job Levels	Male	Female	Total Hours	Average Total Hours
Senior Executive Position	916	109.5	1,025.5	10.57
Mid-Level Executive Position	1,145	371.5	1,516.5	8.62
Entry-Level Position	429.5	92.5	522	16.84
General Employee (Indirect Staff)	2,570	1508	4,078	5.62
General Employee (Direct Staff)	2,946	5,628.13	8,574.13	27.31
Total Hours	8,006.5	7,709.63	15,716.13	11.69
Average Hours (Male/Female)	9.97	14.25	-	-

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		2022	2023	2024
New Employee Training	Number of Participants	396	351	149
	Total Hours	1,742.5	1,511	1,016.5
Professional Training	Number of Participants	7,897	8,369	8,755
	Total Hours	8,379	9,490.5	10,433.38
Management Skills Training	Number of Participants	15	33	69
	Total Hours	30	264	300
General Courses Training	Number of Participants	699	596	2,025
	Total Hours	1,199	1,018.5	2,092

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.

▶ 2024 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	221	215	97.29%	58	57	98.28%	279	272	97.49%
Non-Supervisory Positions	474	446	94.09%	414	266	64.25%	888	712	80.18%
Subtotal	803	661	82.32%	541	323	59.70%	1,168	984	84.25%

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.

NEXCOM follows to the principles of the Responsible Business Alliance (RBA) Code of Conduct, emphasizing the importance of employees and respecting human rights. We strive to create a good workplace environment for nun-discrimination of gender, but more open mind and equal. The supplier Self-Assessment Questionnaire (SAQ) has been implemented and managed in 2025. The assessment scope covers labor rights, occupational safety, environmental protection, ethics and management systems. The assessment is expected to be completed in the fourth quarter.

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, respecte 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	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.
	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.
	To protect the safety of contractors, we ensure thorough hazard communication and supervision when assigning contracts.
Diversity, Inclusion, and Equal Opportunities	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.
Eliminating Unlawful Discrimination	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.
Prohibition of Forced Labor	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.
Prohibition of Child Labor	Employment standards comply with the local legal minimum age requirements.
Assisting Employees in Maintaining Physical and Mental Health and Work-Life Balance	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.
	We have set up an aerobics classroom and a fitness gym, equipped with facilities for employees to use during their free time.
	We sponsor funds annually to encourage department leaders and employees to strengthen camaraderie through social gatherings and exchange activities.
	Organize activities such as year-end banquets, movie screenings and employee trips to help employees relax and enhance team cohesion.

▶ Human Rights Risk Management and Mitigation Measures

Issue	Targets of Concern	Objective Management	Management and Risk Mitigation Measures	Effectiveness
Diversity and Inclusion	Employees with Disabilities	Employing the sufficient number of employees with disabilities	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 9 disabled employees, which complied with the regulations
	Indigenous Employees	Protecting the employment rights of indigenous peoples	• According to the Government Procurement Act, winning contractors must employ indigenous people during the contract period. If the requirement is not met, a fee must be paid to the Employment Fund of the Indigenous Peoples Comprehensive Development Fund • Indigenous employees are given leave during annual tribal festivals	• Currently employing 3 indigenous peoples. 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
	Foreign Employees	Embracing employees from diverse backgrounds to inspire creativity	Respecting the culture of diversity, equity and inclusion	Employees from different ethnic backgrounds, including 103 from Vietnam, 31 from the Philippines, 2 from Malaysia, 1 from Russia, and 1 from the UK
Gender Equality at Work	Job Applicants or Employees	Eliminate gender discrimination and promote substantial gender equality	• 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	• Five female managers • No case of gender discrimination violations in 2024
Maternity Protection	Female Employees	Ensuring female employees can safely go through pregnancy, childbirth, and breastfeeding	• 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 2024
Employing Child Labor	Job Applicants and New Employees	No employment of child labor	• Prohibit the employment of individuals under 16 • Check resume and actual age before recruitment, and verify identity documents when reporting	No employment of child labor cases in 2024
Forced Labor	All Employees	No use of any involuntary labor	• 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 • Foreign Employees foreign employees will no longer be responsible for paying recruitment related fees	• No cases of forced labor violations in 2024. • Zero Fee Policy for Foreign Employees to be implemented from July 1, 2024.
Sexual Harassment	Employees or Job Seekers	No cases of sexual harassment	• 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	• Number of 907 participants completed Workplace Sexual Harassment prevention training. • No sexual harassment incidents in 2024

NEXCOM

Issue	Targets of Concern	Objective Management	Management and Risk Mitigation Measures	Effectiveness
Workplace Misconduct	All Employees	No incidents of workplace misconduct	• 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	• Number of 862 participants completed Workplace Misconduct prevention training. • No incidents of workplace misconduct during the execution of duties in 2024.
Occupational Safety Management	All Employees	Prevent occupational accidents, ensure the safety and health of workers, and create a safe working environment	• 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 • Regularly implement safety and health education and training, and promote safety escape knowledge to enhance employees' awareness of hazard identification	• The company has obtained third-party verification for ISO 14001 Environmental 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
Employee Health Management	All Employees	Ensure employee health protection	• 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	• Completed employee health examinations in April this year • The frequency of on-site service by medical personnel complies with legal requirements
Overtime Work	All Employees	Ensure compliance with normal working hours and extended working hours regulations	• 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" properly planned and took necessary safety measures	• Extended working hours did not exceed legal limits • Extended working hours will provide overtime pay or compensatory time off according to the regulations
Labor Disputes	All Employees	Strive to promote harmony between labor and management, create good labor-management relationship, and effectively mediate differences of opinion	• 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	• Held regular labor-management meetings every 3 months • Held four labor-management meetings in 2024

Zero Fee Policy for Foreign Employees

NEXCOM is committed to upholding the fundamental human rights of employees, adhering to the International Labour Organization (ILO), International Organization for Migration (IOM), various international conventions, and applicable domestic labor laws such as the Labor Standards Act. To safeguard the labor rights of international migrant workers (hereinafter referred to as "migrant workers"), NEXCOM signed the "Employer Pays Principle (EPP) Commitment Statement" in 2024. Starting from July 1, 2024, NEXCOM implemented the zero-fee policy for migrant workers, under which migrant workers are not required to bear any recruitment-related costs, including medical fees, training fees, and agency fees. This policy is expected to significantly improve retention and workforce stability for migrant workers.

The Zero Fee Policy for foreign employees in 2024 will refund a total of 106 foreign employees and NT$13,076,240.

▶ **Employment-related expenses in 2024**

Foreign recruitment fees	16,429	(USD)；13 employees
Domestic agency service fee	1,105,863	(NTD)；695 employees
Entry medical examination fee	19,500	(NTD)；13 employees
Regular medical examination fees	79,500	(NTD)；53 employees
Residence permit extension fee	86,000	(NTD)；34 employees
Departure airfare	36,200	(NTD)；4 employees

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 regularly conducts hazard identification and risk assessment every year. We plan related improvement measures based on the risk levels identified to reduce operational hazards and enhance workplace safety. In 2024, 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. There are 23 major hazard risks identified in 2024, all of which are controlled according to the management procedures.

2024 Management Projects

(1) Administrator Service Department - Safety Protection Project

> Target: Replace extension cords throughout the factory to effectively reduce the risks of using extension cords

The current situation of extension cord usage within the company is chaotic, including too many electrical devices used at personal seats. Different loads used in the test areas of the laboratory. Extension cords that have been used for a long time.

• **Improvement Methods:**

1. Conduct usage demand survey and customize extension cords that meet standards.
2. Complete replacement.
3. Regular inspection and maintenance.

• **Improvement Outcome:**

After the extension cord is replaced, the risk of using the extension cord is effectively reduced.

(2) Assembly Line - Sanmin Factory - Human Factors Engineering Improvement Program

> Target: Reduce the visual inspection ratio of SMT AOI operators by 60%

Currently, each line has one inspector, and six lines need six inspectors. It is expected that the introduction of AI-assisted AOI image inspection can reduce the number of repetitive actions of personnel.

• Improvement Methods:

1. Plan SMT AOI equipment to introduce AI-assisted system judgment to reduce the proportion of visual inspection by personnel.
2. Education and training of operators.
3. Regular maintenance and adjustment.

AI defect detection

AOI

Manual repetitive verification

• Improvement Outcome:

AI system assists personnel in visual inspection reaching 65%, achieving the goal.

(3) Manufacturing Hua-Ya Factory - Indoor temperature improvement plan

> Target: Reduce the indoor temperature of the machine board factory maintenance area by 10% and improve air convection

The testing and maintenance area has insufficient air volume because it is far away from the air-conditioning outlet, and the panel generates a lot of heat during testing. The ambient temperature reaches 30 degrees in summer. The employees wearing anti-static clothing that is not air-permeable can sense the feeling temperature exceeding 30 degrees. We will evaluate adding 4 split air conditioners to lower the ambient temperature.

• Improvement Methods:

1. Plan to install air conditioning equipment to increase rapid air convection.
2. Regularly track temperature changes after improvement.
3. Regular inspection and maintenance.

• Improvement Outcome:

After confirmation, the room temperature was 30 degrees before the improvement and 25.6 degrees after the improvement. Reduced by 14.7%, target achieved.

Incident investigation

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.

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.

▶ **2024 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	271
Sanmin Factory	6 sessions / year	6 sessions / month	160
Hua-Ya Factory	6 sessions / year	6 sessions / month	135
Total	**18 sessions / year**	**216 sessions / year**	**566**

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 2024 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 Affair Managers	3	3	6	18
On-the-job Training for Occupational Safety and Health Manager	3	3	12	36
On-the-job Training for Radiation Protection Personnel	2	5	3	15
On-the-job training for Forklift Operators	2	3	3	9
On-the-job Training for First Responders	8	9	3	27
On-the-job Training for Fire Prevent Manager (Initial training)	1	1	12	12
On-the-job Training for Fire Prevent Manager (Refresher training)	2	2	6	12

▶ Occupational Safety Training (Internal)

Training Category	Sessions	Number of Trainees	Average Training Hours	Total Training Hours
Occupational Safety and Health Training for New Employees	26	149	6.82	1,016.5
Hazardous Chemical (Organic Solvent) Education and Training	3	25	1	25
Emergency Response Drill (Fire Drill)	6	103	4	412

Emergency Response Drills

▶ Number of Occupational Injuries

| Item	2022	2023	2024
Working Hours	1,700,104	1,710,584	1,639,120
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	1	0	0
Rate of Recorded Occupational Injuries	0.58	0	0
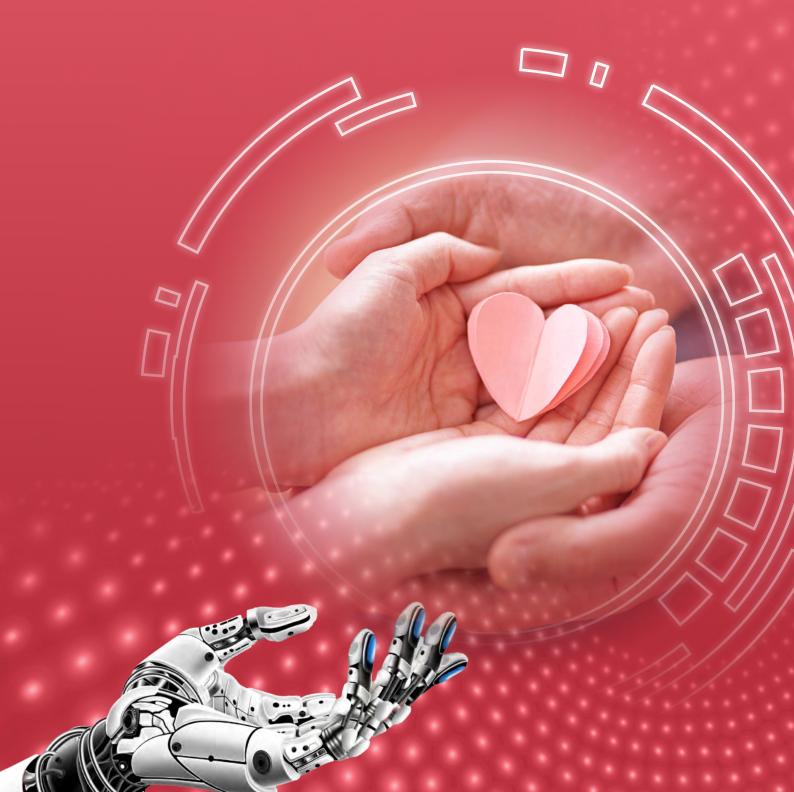
Note 1: Total working hours calculation: The total working hours for NEXCOM's Headquarter, Sanmin Factory and Hua-Ya Factory from January to December 2024.

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 2024, NEXCOM completed six contracted construction projects without any occupational accidents involving subcontractors, demonstrating effective safety management.

5 Social Welfare

1. Upholding the concept of giving back to society and engaging in public welfare, the third "One Bag of Blood is Irreplaceable" blood donation event was held. The event demonstrated the company's concern for society, enhanced its corporate image, and encouraged colleagues to roll up their sleeves and donate blood. A total of 126 bags of blood were donated in this event. 100 colleagues took the initiative to participate in the event, 5 volunteers participated, and charity vouchers were provided to express gratitude.

2. Through leveraging influence to fulfill corporate social responsibility, we actively promote industry-academia innovation collaboration with the following outcomes:

(1) YUAN ZE University's Department of Mechanical Engineering initiated an industry-academia program for intelligent machinery. The period is from 2024/01/15 to 2024/11/30.

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. This program can be used to observe students' performance and evaluate their professional abilities, which will serve as the basis for future talent selection and recruitment.

• 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 (15 students participated).

A total of NT$400,000 was invested (including lecturers, teaching assistants, teaching materials (54 hours of courses), materials, equipment usage fees, venue rental, transportation fares, travel and other administrative expenses).

(2) NTUST University's Department of Industrial Management launched an intelligent machinery industry-academia program. The period is from 2024/01/15 to 2024/11/30.

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. Under the planning and execution of this project, they will gradually be led to learn and become familiar with the operation of robotic arms, the specific applications of image recognition and remote control of unmanned guided vehicles, and the practical application of machine networking. In addition, students' outstanding performance in the special topics will not only be recognized by the company, but will also be evaluated and the top three best performers will be selected and awarded corporate scholarships to further motivate students to pursue excellence and progress.

• **Three projects were completed and presented:**

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).

A total of NT$400,000 was invested (including lecturers, teaching assistants, teaching materials (54 hours of courses), materials, equipment usage fees, venue rental, transportation fares, travel and other administrative expenses).
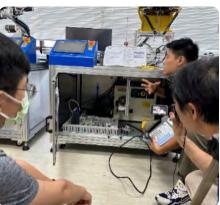
Blood Donation Event

▶ Intelligent Machinery Industry-Academic Promotion Talent Training Program

▲ Teachers give guidance and teaching

▲ Introduction to the control box

▲ Program control processing

▲ Implemented an AGV project

▲ Programming of transport robots

▲ Implementation of Industrial Internet of Things (IIoT) applications

6 Appendix

Appendix 1 GRI Standards Content Index

Statement of Use	This Report (2024) has been prepared in accordance with GRI standards, the data and information range covers January 1 to December 31, 2024.
GRI 1 Version	GRI 1: Foundation 2021
GRI Sector Standards	None

Disclosure requirement	Chapter	Page number	Description of omission
GRI 2: General Disclosures 2021			
Organization and Reporting			
2-1 Organizational details	1.1 Organizational Overview	27	
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 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	27	
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	30	
2-10 Nomination and selection of the highest governance body	1.2 Board of Directors	30	
2-11 Chair of the highest governance body	1.2 Board of Directors	30	
2-12 Role of the highest governance body in overseeing the management of impacts	1.2 Board of Directors	30	
2-13 Delegation of responsibility for managing impacts	1.2 Board of Directors	30	
2-14 Role of the highest governance body in sustainability reporting	1.2 Board of Directors	30	

Disclosure requirement	Chapter	Page number	Description of omission
2-15 Conflicts of interest	1.2 Board of Directors	30	
2-16 Communication of critical concerns	1.2 Board of Directors	30	
2-17 Collective knowledge of the highest governance body	1.2 Board of Directors	30	
2-18 Evaluation of the performance of the highest governance body	1.2 Board of Directors	30	
2-19 Remuneration policies	1.2 Board of Directors	30	
2-20 Process to determine remuneration	1.2 Board of Directors	30	
2-21 Annual total compensation ratio	4.1 Friendly Workplace	71	
Strategy, Policies and Practice			
2-22 Statement on sustainable development strategy	Message from the Chairman	6	
2-23 Policy commitments	4.3 Employment Relationship	79	
2-24 Embedding policy commitments	1.3 Business Integrity 2.4 Sustainable Supply Chain 3.1 Energy Management 4.3 Employment Relationship 4.4 Workplace Safety	32 48 53 79 85	
2-25 Processes to remediate negative impacts	4.3 Employment Relationship	79	
2-26 Mechanisms for seeking advice and raising concerns	4.3 Employment Relationship	79	
2-27 Compliance with laws and regulations	1.3 Business Integrity	32	
2-28 Membership associations	1.1 Organizational Overview	27	
Stakeholder Engagement			
2-29 Approach to stakeholder engagement	Stakeholder Engagement	20	
2-30 Collective bargaining agreements	4.3 Employment Relationship	79	
GRI 3: Material Topics 2021			
3-1 Process to determine material topics	Material Topics Management	21	
3-2 List of material topics	Correspondence with 2024 Material Topics	23	
3-3 Management of material topics	Material Topics Management Policy	24	

GRI Comparison of Material Topics

	Disclosure requirement	Chapter	Page number	Description of omission
Key Topic: Economic Performance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Management Policy	24	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1.1 Organizational Overview	27	
	201-2 Financial implications and other risks and opportunities due to climate change	3.5 Climate Change Response	60	
	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	29	
Key Topic: Ethics and Integrity				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Management Policy	24	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	1.3 Business Integrity	32	
	205-2 Communication and training about anticorruption policies and procedures	1.3 Business Integrity	32	
	205-3 Confirmed incidents of corruption and actions taken	1.3 Business Integrity	32	
Key Topic: Supplier Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Management Policy	24	
GRI 308: Supplier Environmental Assessment 2016	308-1 New Suppliers That Were Screened Supplier Using Environmental Criteria	2.4 Sustainable Supply Chain	48	
	308-2 Negative Environmental Impacts in the Supply Chain and Actions Taken	2.4 Sustainable Supply Chain	48	
GRI 414: Supplier Social Assessment 2016	414-1 New Suppliers That Were Screened Using Social Criteria	2.4 Sustainable Supply Chain	49	
	414-2 Negative Social Impacts in the Supply Chain and Actions Taken	2.4 Sustainable Supply Chain	49	
Key Topic: Air Pollution and Greenhouse Gas Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Management Policy	24	

	Disclosure requirement	Chapter	Page number	Description of omission
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	3.2 Greenhouse Gas Inventory	54	
	305-1 Direct (Scope 1) GHG emissions	3.2 Greenhouse Gas Inventory	55	
	305-3 Other indirect (Scope 3) GHG emissions	3.2 Greenhouse Gas Inventory	54	
	305-4 GHG emissions intensity	3.2 Greenhouse Gas Inventory	55	
	305-5 Reduction of GHG emissions	3.2 Greenhouse Gas Inventory	55	
	305-6 Emissions of ozone-depleting substances (ODS)			Not Applicable to Industry Relations
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			Not Applicable to Industry Relations
Key Topic: Compensation and Benefits				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Management Policy	24	
GRI 205: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	4.1 Friendly Workplace	71	
Key Topic: Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Management Policy	24	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Safety and Health Management System	4.4 Workplace Safety	85	
	403-2 Hazard identification, risk assessment, and incident investigation	4.4 Workplace Safety	86	
	403-3 Occupational health services	4.4 Workplace Safety	72	
	403-4 Worker participation, consultation, and communication on occupational health and safety	4.4 Workplace Safety	83	
	403-5 Worker training on occupational health and safety	4.4 Workplace Safety	77	
	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	86	
	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	91	
	403-10 Work-related ill health	4.4 Workplace Safety	91	

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: 78% Male,22% 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 (Self-Assessment Questionnaire [SAQ] to be conducted in 2025)
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 (Self-Assessment Questionnaire [SAQ] to be conducted in 2025)
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 2024 Total Industrial Computers: 364,792 units Total Other Product Categories: 20,777 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 climaterelated 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 3.5.2 Risk and Opportunity Identification and Assessment Process	59 60
	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	54
	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

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亞瑞仕國際驗證股份有限公司
ARES International Certification Co., Ltd.

Independent Assurance Statement

Statement No. 000-697/V3-5TAO2

This Independent Assurance Statement by ARES Certification Co., Ltd. on NEXCOM International Co., Ltd. ESG Sustainability Report of 2024.

ARES International Certification Co., Ltd. and NEXCOM International Co., Ltd. are mutually independent companies and organizations. In addition to the assessment and verification of 2024 ESG Sustainability report, ARES International has no financial relationship with NEXCOM International Co., Ltd.

The purpose of this Independence Assurance Statement (hereinafter referred to as Statement) is only to conclude that the relevant issues within the scope of the NEXCOM International Co., Ltd.'s ESG Sustainability 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, ARES International is not responsible or liable for any legal or other responsibility.

This Statement is based on the conclusions made from the verification of the relevant information provided ARES International by NEXCOM International Co., Ltd. Therefore, the scope of the verification is based on and confined to the content of these provided information, and ARES International 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 International Co., Ltd.

The Scope of Assurance

The agreed scope of assurance by NEXCOM International Co., Ltd. and ARES International includes the following:

- The contents of the entire ESG Sustainability Report and all operating performance of NEXCOM International Co., Ltd. from January 1st, 2024 to December 31st, 2024.
- According to the type 1 of application of the AA1000 Assurance Standard (v3), the assessed nature and degree of the NEXCOM International Co., Ltd.'s compliance with the AA1000 Accountability Principles (2018) but excluding the verification of the reliability of the information or data disclosed in the ESG Sustainability Report.

This statement is prepared in Chinese and has an English version for reference. In the event of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

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亞瑞仕國際驗證股份有限公司
ARES International Certification Co., Ltd.

ARES INTERNATIONAL's Opinion

We summarize the contents of NEXCOM International Co., Ltd.'s ESG Sustainability Report and provide a fair opinion of NEXCOM International Co., Ltd.'s relevant operations and performance. We believe that the indices such as economic, social and environmental performance of 2024 are presented correctly. The performance indices disclosed in the report demonstrate NEXCOM International Co., Ltd.'s efforts to identify and meet stakeholder expectations.

Our verification activities are implemented by a team with the capacity for verifying in accordance with AA1000 Assurance Standard (v3), as well as planning and implemented this part of the activities to obtain the necessary information and data. We believe there are sufficient evidences provided by NEXCOM International Co., Ltd. to show that its reporting method according to the AA1000 Assurance Standard (v3) and their self-statement are in line with the GRI standards.

Verification Method

In order to collect evidences related to conclusions, we implemented the following tasks:
- Implement the high-level management review for topics from external groups related to ESG Sustainability policy to confirm the appropriateness of the report in this statement.
- Discussions about stakeholder's engagement with the managers of NEXCOM International Co., Ltd., however, we have no direct contact with external stakeholders.
- Interviews with employees related to ESG Sustainability management, report preparation and information provision.
- Review the critical developments related to organizations.
- Review the scope and maturity of systems related to financial and non-financial reports.
- Review the supporting evidences declared in the report, and the process management described in the report and its associated AA1000 Accountability Principles (2018) on the principles of inclusivity, materiality, responsiveness and impact.

Conclusion

The detailed review results of the AA1000 Accountability Principles and the core disclosures of the "Global Reporting Initiative (GRI Standard)" for inclusivity, materiality, responsiveness and impact are as follows:

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ARES International Certification Co., Ltd.

- **The inclusivity**

  This report reflects that NEXCOM International Co., Ltd. engages with its stakeholder through a variety of channels, such as internal and external communication mechanisms and the activities of stakeholders. This report covers topics of concern in stakeholders associated with NEXCOM International Co., Ltd., fairly reports, and discloses economic, social, and environmental information. In our professional opinions, this report covers NEXCOM International Co., Ltd.'s inclusivity issues.

- **The materiality**

  NEXCOM International Co., Ltd. publishes the information related to ESG Sustainability to enable stakeholders to judge the NEXCOM International Co., Ltd.'s management and performance. In our professional opinions, this report appropriately covers the material issues of NEXCOM International Co., Ltd.

- **Responsiveness**

  NEXCOM International Co., Ltd. responds to requests and opinions from stakeholders. The implementation methods include customer satisfaction surveys and communication mechanisms for numerous internal and external stakeholders. In our professional opinions, this report covers NEXCOM International Co., Ltd.'s responsiveness topics.

- **Impact**

  NEXCOM International Co., Ltd. developed and implemented processes to monitor, measure and account for how their actions affect the wider ecosystem, echoing all the aspects of this report demonstrated by their own management systems and capabilities issue content, and provide the comprehensive and balanced disclosure, such as the declaration of energy projects and carbon footprint verification. In our professional opinions, this report covers NEXCOM International Co., Ltd.'s impact topic.

GRI Standards

NEXCOM International Co., Ltd. provides declaration of compliance with the GRI Standards. Based on the results of the review, we confirmed that the relevant ESG Sustainability indicators referred to GRI Standards in the report have been completely disclosed, partially disclosed or omitted. In our professional opinions, this declaration covers the Sustainability topics of NEXCOM International Co., Ltd.

SASB and TCFD standards

NEXCOM International Co., Ltd. provides declaration of compliance with the SASB and TCFD standards. Based on the results of the review, we confirmed that the relevant ESG Sustainability indicators referred to SASB and TCFD standards in the report have been completely disclosed, partially disclosed or omitted. In our professional opinions, this declaration covers the Sustainability topics of NEXCOM International Co., Ltd.

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Assurance Level

According to the AA1000 Assurance Standard (v3), we verify this statement as a medium level of assurance, as in the scope and method described in this statement.

Responsibility

The responsibility of this ESG Sustainability report, as stated in this statement, is owned by the person in charge of NEXCOM International Co., Ltd. The responsibility of ARES International is to provide professional opinions based on the described scope and method, and to provide an independent assurance statement for the stakeholders.

Ability and Independence

ARES International is composed of experts in a various field of management systems. 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 AA1000AS, AA1000AP, ISO 14001, ISO 14064-1, ISO 14067, ISO 45001 and ISO 9001. This independent assurance statement is based on the ARES International's fair trading guidelines.

On behalf of the assurance team
June 12, 2025
ARES International Certification Co., Ltd. (ARES Certification Group)
Taiwan, Republic of China

Signed by

Lead Verifier

C.E.O
Calvin Chen

AA1000
Licensed Report
000-697/V3-5TAO2

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

OPINION STATEMENT

ARES

Greenhouse Gas Verification Opinion
2024 Greenhouse Gas Emissions Information

NEXCOM International Co., Ltd.

9F, No. 920, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C.

Has completed the verification according to ISO 14064-3:2019 and meets the following standard requirements
ISO 14064-1：2018

Direct emissions
213.7889 tonnes of CO₂e
Indirect emissions
5,065.9492 tonnes of CO₂e
Direct emissions and indirect emissions
5,279.738 tonnes of CO₂e

Opinion No.:ARES/TW/I2505004G
Date: 2025-05-13
Version:01

The opinion must contain the complete scope of verification, objectives, criteria and findings, otherwise the opinion is invalid.

Authorized by :

ARES International Certification Co., Ltd.
No.12-2, Ln. 187, Wenping Rd., Anping Dist., Tainan City 708, Taiwan
TEL/ 06-295 9696 (Rep. Line) FAX/ 06-295 9667
www.ares-registration.com

意見書編號 Opinion No.: ARES/TW/I2505004G

【The GHG emission of each category reported organization be verified】

Category	GHG Emissions (Unit: tonnes CO₂e)	Assurance level
Category1	213.7889	Reasonable assurance level
Category2	4,348.6065	Reasonable assurance level
Category3	717.3427	Limited assurance level
Category4	NS	N/A
Category5	NS	N/A
Category6	NS	N/A
Direct emissions and indirect emissions	5,279.738	

*NS: Non significant ; N/A: Not available

ARES International Certification Co., Ltd. (ARES) received the application from NEXCOM International Co., Ltd. (NEXCOM COMPANY) for ISO 14064-1:2018, and implements direct and indirect verification in accordance with ISO 14064-3:2019 requirements verification of greenhouse gas emissions, the period covered by greenhouse gas emissions is from January 1, 2024 to December 31, 2024, and the contents of the verification opinion are explained as follows:

Level of Assurance
ARES followed the inspection procedures in accordance with the verification criteria, and the evidence results showed that the greenhouse gas claims proposed by NEXCOM COMPANY met the regulations, did not violate the material difference threshold of 5%, and met the reasonable assurance level (Category1~2), limited assurance level (Category3~6).

Objective
The purposes of this verification exercise are, by review of objective evidence, to independently review: whether the GHG emissions are as declared by the organization's GHG assertion and the data reported are accurate, complete, consistent, transparent and free of material error or omission.

Scope
ARES confirmed that NEXCOM COMPANY has implemented in accordance with ISO 14064-1:2018 Greenhouse Gases - Part 1: Quantification and Reporting of Greenhouse Gas Emissions and Removals at the Organizational Level with Guidelines with relevant standard requirements to propose the compliance of the GHG emissions from human activities within the organization boundary and operation scope. The above-mentioned assurance opinions based on the ISO 14064-3:2019 guidelines include the following content:

(1) GHG Inventory period：From 2024/01/01 to 2024/12/31

(2) Verification of site：

Name of site	Address of site
• NEXCOM International Co., Ltd.	• (1)9F, 10F, 11F, 12F, 13F, 14F & 15F, No. 920, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C. • (2)7F, No. 926, 928, 930, 932, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C. • (3)5F, 6F, 7F, 8F, 9F, 10F, 11F & 12F, No. 63, Sec. 1, Sanmin Rd., Banqiao Dist., New Taipei City 220, Taiwan, R.O.C. • (4)2F, No. 50, Huaya 3rd Road, Guishan Dist., Taoyuan City 333, Taiwan, R.O.C. • (5)No. 423, Taishan Rd., Yilan City, Yilan County 260, Taiwan, R.O.C.

意見書中須含完整的查證範圍、目標、標準和調查結果，否則意見無效。The opinion must contain the complete scope of verification, objectives, criteria and findings, otherwise the opinion is invalid.
ARES International Certification Co., Ltd. 12-2, Ln. 187, Wenping Rd., Anping Dist., Tainan City708, Taiwan
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意見書編號 Opinion No.: ARES/TW/I2505004G

	• (6)15F. -1, No. 21, Yixin 2nd Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan, R.O.C.
• NexAIoT Co., Ltd.	• (1)13F, No. 922, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C. • (2)5F, No. 930, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C. • (3)16F, No. 250, Sec. 2, Chongde Rd., Beitun Dist., Taichung City 406, Taiwan, R.O.C.
• GREENBASE TECHNOLOGY CORP.	• (1)13F, No. 922, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C. • (2)7F, No. 252, Sec. 2, Chongde Rd., Beitun Dist., Taichung City 406, Taiwan, R.O.C.
• EMBUX TECHNOLOGY CO., LTD.	• 13F, No. 916, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C.
• TMR Technologies Co., Ltd.	• 13F, No. 916, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C.
• NexCOBOT Taiwan Co., Ltd.	• 13F, No. 916, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C.
• DIVIOTEC INC.	• 29F. -1, No. 97, Sec. 4, Chongxin Rd., Sanchong Dist., New Taipei City 241, Taiwan, R.O.C.
• 上海鈜漢信息科技有限公司	• Room 406, Building C, No. 154 , Lane 953, Jianchuan Road, Minhang District, Shanghai, 201108, China
• 深圳新漢安防科技有限公司	• South Block B, Floor 8, Building B3, Xiufeng Industrial Zone, GanKeng community, Buji Street, LongGang District, ShenZhen, 518112, China
• 重慶新固興科技有限公司	• 1st Building, NO. 999, Xingguang Ave., Yongchuan Dist., Chongqing City, China
• 重慶科立銳興電子科技有限公司	• 1st Building, NO. 999, Xingguang Ave., Yongchuan Dist., Chongqing City, China
• Nex Computers, Inc.	• Office: 46665 Fremont Blvd., Fremont, CA 94538, USA • Factory: 41300 Boyce Rd, Fremont, CA 94538, USA
• NEXCOM Japan Co., Ltd.	• 2F & 9F, Tamachi Hara Bldg., 4- 11- 5, Shiba Minato-ku, Tokyo, Japan

(3) Verify the types of greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), nitrogen trifluoride (NF₃), and refer to the newest public GHG list by IPCC.

(4) The global warming potential (GWP) calculated by the quantitative calculation of greenhouse gas emissions refers to the global warming potential value of the AR 6 assessment report of IPCC 2021, and the electricity emission coefficient refers to the followings:
(4.1) Shinhan plant, Yilan office, Kaohsiung office, subsidiaries Shinhan Intelligent (Zhonghe, Taichung), Green Base (Zhonghe, Taichung), Anbo, and Date, and sub-subsidiaries Chuangbo and An Enjia: the

意見書中須含完整的查證範圍、目標、標準和調查結果，否則意見無效。The opinion must contain the complete scope of verification, objectives, criteria and findings, otherwise the opinion is invalid.
ARES International Certification Co., Ltd. 12-2, Ln. 187, Wenping Rd., Anping Dist., Tainan City708, Taiwan
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意見書編號 Opinion No.: ARES/TW/I2505004G

2023 electricity carbon emission coefficient of Taiwan is 0.4940000000 tCO₂e/KkWh announced by the Bureau of Energy of the Ministry of Economic Affairs in 2024;
(4.2) Shinhan Huaya Plant: the 2021 electricity emission coefficient is 0.9208376436 tCO₂e/KkWh provided by Huaya Automotive Power;
(4.3) the US subsidiary Nex Computers, Inc.: the 2023 electricity carbon emission coefficient of: 0.1678291769 tCO₂e/KkWh announced by power company Ava Community Energy in 2024;
(4.4) the Chinese subsidiaries: the 2022 national power grid average emission factor of: 0.5703 tCO₂e/KkWh. announced in the Climate Letter [2023] No. 43 of the General Office of the Ministry of Ecology and Environment;
(4.5) the Japanese subsidiaries: announced by the Ministry of the Environment of Japan on March 18, 2017 - the national average coefficient is 0.4230000000 tCO₂e/KkWh.

Materiality
ARES implements a third-party impartial, independent and objective verification of GHG claims disclosure information and on-site corroboration to ensure reporting information comply with the standards of accuracy, completeness, consistency and transparency, the content of which contains errors or omissions. The threshold for material difference is 5%, and the verification process includes document review, pre-trip assessment, sampling plan, evidence search collect the information needed to verify the declaration and ensure the accuracy of GHG emissions.

Confidentiality
This report and its attachments may contain confidential information belonging to NEXCOM COMPANY, and other individuals, groups or companies are prohibited from copying or distributing it without the written consent of NEXCOM COMPANY.

Avoidance of Conflict of Interest
The contents of this report and its attachments are in full compliance with the standard methods and procedures of the competent authority and conduct inspections in a fair and honest manner. There is no falsehood. If there is any violation, in addition to being jointly and severally liable for the losses suffered by the government agency, it will also accept administrative sanctions and criminal penalties as ordered by the competent authority.
ARES has no financial investment relationship with the inspected unit, and complies with the requirements of the competent authority to avoid conflicts of interest. If there are any violations of the aforementioned facts, which are verified by the competent authority, this report and the contents of the attachments are willing to accept the decision of the competent authority as invalid.

Verification Team
Above opinion coincide with ARES verifier group with fairness and impartiality, and aim at the GHG emission from January 1, 2024 to December 31, 2024 of NEXCOM COMPANY.

ARES Lead Verifier：

Remarks: This verification opinion complies with the requirements of the ARES greenhouse gas verification service terms. The content of this opinion is prepared by ARES International Certification Co., Ltd. based on the verification results of greenhouse gas claims, and is issued after the customer's consent. This opinion is not used to relieve the client from the responsibility of complying with the articles of association, national or local laws, and any published international guidelines; the client and ARES are independent entities, and the client is not bound by ARES represent it against other organizations.

意見書中須含完整的查證範圍、目標、標準和調查結果，否則意見無效。The opinion must contain the complete scope of verification, objectives, criteria and findings, otherwise the opinion is invalid.
ARES International Certification Co., Ltd. 12-2, Ln. 187, Wenping Rd., Anping Dist., Tainan City708, Taiwan
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Appendix 7 Water Consumption Verification Statement

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

Statement No.: Great-WATER-25-0801

Water Consumption Verification Statement

NEXCOM International Co., Ltd.

Water consumption verification is conducted at the following location：

9F-15F, No.920, Chung-Cheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan, R.O.C.

5F-12F, No.63, Sec. 1, Sanmin Rd., Banqiao Dist., New Taipei City 220, Taiwan, R.O.C.

2F., No. 50, Huaya 3rd Road, Guishan Dist., Taoyuan City 333, Taiwan, R.O.C.

Verification on AUG. 07, 2025 in accordance with water usage receipts, water bills and information provided by management units, and data that meets the following claims：

Water consumption information:

Total water consumption in 2023:	**9,204 thousand liters;**
Total water consumption in 2024:	**8,927 thousand liters.**

❖ Verification objectives: GREAT, as an independent third party, will objectively and impartially collect and verify the information disclosed to support the water consumption claims, ensuring that the reported information meets the standards of accuracy, completeness, consistency and transparency, and that the content is free errors or omissions.

❖ Reporting period: Jan. 01, 2023 to Dec. 31, 2023 and Jan. 01, 2024 to Dec. 31, 2024.

❖ This verification is performed in accordance with the Agreement Upon Procedures (AUP) and does not provide any guarantee.

❖ Uncertainty assessment 95% confidence level: qualitative value (Materiality: 5%)

W. J. Chen, Managing Director

Initial Issuance Date: AUG. 08, 2025   Latest Issuance Date: AUG. 08, 2025

❖ 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 complete and valid.

❖ 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).

Page 1 of 1

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, Dahua 1st St., Dayuan Dist., Taoyuan City 337002, Taiwan (R.O.C.)

NEXCOM

NEXCOM International Co., Ltd.

9F, No.920, Zhongzheng Rd., Zhonghe Dist.,
New Taipei City, Taiwan 23586, R.O.C.
E-mail: esg@nexcom.com.tw