Implementation of Sustainable Developments

Promotion Item	Status			Non-compliance and Reasons
	Yes	No	Description	
1. Does the Company establish a governance structure for promoting sustainable developments and set up an exclusively (or concurrently) dedicated sustainability unit with senior management being authorized by the Board to handle relevant issues under the supervision of the Board?	V		1. Our ESG mission is to "practice ESG sustainability and bring positive energy to the world". Our visions are to "enhance green product innovation, forge a low-carbon value chain, comply with the highest corporate governance standards and create maximum value for stakeholders". We created a level-one unit - "Sustainable Development Center" in 2022 to promote sustainability matters. On October 25, 2022, we established the Sustainable Development Committee and its charter to formulate and oversee the Company's sustainable development plans. Functional units reporting to the Committee include sustainable product design, environmental sustainability, social charity, corporate governance and risk management, supply chain management and customer care. Level-one officers of relevant departments would lead the corresponding units. The position of executive secretary is created to assist the convener with monitoring the progress and achievements of each unit. The Chairperson is accountable for supervising the Committee's operation. We continuously focus on and advance sustainability issues in all aspects. The Sustainable Development Committee duly performs its duties and reports twice to the Board every year on its progress, outcome and future work plans. It also keeps track of the implementation effectiveness to ensure the sustainable development strategies are fully incorporated into the daily operation of Taiflex. Please refer to page 37 to 38 for details on the composition, duties and operations of the Sustainable Development Committee.	None

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2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		2. Information disclosed covers the sustainability performance of our major sites between January to December 2024. The scope of risk assessment focuses on the Company, including our operations in Taiwan and mainland China. To fulfill our commitment to stakeholders and to respect and safeguard their legitimate interests, senior executives from various departments at Taiflex conducted an assessment of the likelihood and severity of potential positive and negative impacts across 22 sustainability topics under the three ESG dimensions, using a five-point scale. Each score was supported by a narrative explanation outlining the rationale and considerations behind the evaluation. Topics identified as having both high stakeholder concern and significant impact were defined as material topics and prioritized for communication. Risk management policies or strategies based on risks assessed are as follows:	None

Material Topic	Risk Assessment Item	Risk Management Policy or Strategy
Economic	Corporate Governance, Ethical Business Practices, and Economic	Establish a corporate governance unit, comply with securities laws and regulations and disclose information according to relevant rules to enhance the transparency of business performance. Ensure shareholders have the rights to be fully informed, participate in and make decisions on material matters of the Company. Implement corporate governance spirit and

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	Yes	No	Description	
			<table><tr><td></td><td>Performance</td><td>system to secure the rights and interests of shareholders and treat requests from shareholders fairly. Enhance Board functions and fulfill Directors' responsibilities. A core training roadmap has been established to provide relevant continuing education topics, enabling Directors to stay informed of the latest legal and regulatory developments and to better understand their legal obligations. In 2024, the Company launched its trade secret registration process and successfully renewed its TIPS A-level certification. It also initiated a project in line with the TCFD framework for climate-related financial disclosures, with the inventory scheduled for completion in 2025. To improve operational performance, the Company continues to strengthen its core competitive advantages. It remains dedicated to R&D in FPC and semiconductor materials, with a focus on developing high value-added products. The Company is also working to increase the proportion of localized supply at each production site, implement flexible inventory strategies, optimize product portfolios, improve production efficiency, and enhance cost control measures to increase overall operational resilience.</td></tr><tr><td>Environmental</td><td>Green Energy and Net-Zero Emissions</td><td>Taiflex is committed to implementing a range of energy-saving initiatives to reduce the environmental impact of energy consumption, while actively promoting the reuse and regeneration of waste materials to enhance competitiveness.</td></tr></table>	

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	Yes	No	Description				
						These efforts align with the Company's management goals of minimizing energy use and optimizing costs. Since 2015, the Company has pursued energy conservation, emissions reduction, and circular economy initiatives aimed at achieving zero waste. Its long-term objective is to establish a zero-waste circular economy model by 2030, with a short-term goal of reaching an 80% waste conversion rate and obtaining UL 2799 certification by 2025. In 2024, the Group installed 431 kWp of self-consumption solar power capacity at its facility in Thailand, and 378 kWp at Rudong Fuzhan Scientific. Looking ahead to 2025, the Group will continue investing in green energy, with a target of having renewable sources account for 15% of its total electricity consumption by 2030.	
				Social	Employee Care	The Company has obtained ISO14001 Environmental Management Systems and ISO45001:2018 Occupational Health and Safety Management Systems certifications (including the factories in China), and continues to enhance workplace safety for employees. The Company conducts employee satisfaction surveys and, in response to workload-related feedback, engages in industry-academia collaborations and supplements its workforce as needed. These efforts aim to reduce overtime hours and foster a better work-life balance for employees. Pursuant to "Procedures for Safety, Health and Environment	

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	Yes	No	Description	
			Protection Training" in Taiflex's occupational safety and health management system, employees are taught of dangerous machinery and equipment and "Regulations for Occupation Safety and Health Education and Training". With regards to employees' health and safety, the Company provides continuing care and management. There are above-standard health check-ups, annual special health examinations, semi-annual environment monitoring, etc. Outcome of these examinations are analyzed in order to organize relevant health promotion activities. Guidance and health education services are provided to employees with unfavorable outcomes. There are also health-related seminars available to employees. We carry out safety and health promotion and monitor the effectiveness.	
			Customer Care: 1. In response to market globalization, Taiflex has actively pursued international safety certifications to ensure high product quality, safety, and reliability throughout the usage process. The Company has obtained multiple certifications, including those from Underwriters Laboratories Inc. (UL) and TÜV Rheinland, a German organization specializing in product safety, quality, and management system certification. 2. Customer satisfaction is our management philosophy. We are committed to deliver innovative products and services to customers and uphold the core value of accountability and	

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	Yes	No	Description	
			enthusiasm. Taiflex has dedicated department providing services to customers and working closely with the quality assurance department to solve product issues ranging from appearance to functionality. To cope with production globalization of downstream customers, we have service personnel stationed at Kunshan, Shenzhen, Zhuhai, Xiamen, and Nantong besides Taiwan to enhance the accessibility and timeliness of our customer services.	